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For immediate release

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## Notice on Reversal of Deferred Tax Assets and Revisions to Business Forecasts

Ahresty Corporation (“the Company”) hereby announces that it will reduce its deferred tax assets for the account settlement of the year ended March 2020.

Accordingly, the Company has revised its consolidated full-year business forecasts for fiscal year ended March 2020 (from April 1, 2019 to March 31, 2020) released on February 26, 2020 as follows.

### 1. Reversal of deferred tax assets

In view of the comprehensive circumstances of the COVID-19 pandemic and as a result of careful examination of the collectability of deferred tax assets in the future, the Company has decided to reduce deferred tax assets by approximately 2,100 million yen and record the amount as deferred income taxes in the fourth quarter of the consolidated fiscal year.

### 2. Revisions to consolidated full-year business forecasts

#### (1) Revisions to consolidated results forecasts for the full year ended March 2020 (from April 1, 2019 to March 31, 2020)

	Net sales	Operating income	Recurring income	Net income attributable to owners of parent	Net income per share
	million yen	million yen	million yen	million yen	yen
Previous forecasts (A)	120,200	260	(140)	200	7.81
Revised forecasts (B)	120,500	700	360	(1,500)	-
Difference (B-A)	300	440	500	(1,700)	
Percentage change (%)	0.3	169.2	-	-	
(Ref.) Results of previous year (Year ended March 31, 2019)	145,428	3,228	2,905	421	16.26

#### (2) Reasons for revisions

Consolidated net sales are expected to be at about the same level as previously announced.

Operating income and recurring income are likely to exceed the figures of the previous forecasts. Despite the impact of the spread of COVID-19, which was associated with partial suspension of production mainly in our Die Casting Business in North America, early recovery of capital investment in Japan helped reduce deficits, and expenses decreased as a result of adjustments at year-end settlement in Asia.

Net income attributable to owners of parent will be lower than the level of the previous forecast because of the above-mentioned reversal of deferred tax assets and recording of the reduced amount as deferred income taxes.

For fiscal year ending March 2021, a substantial decrease is expected in automobile demand worldwide due to the impact of the COVID-19 pandemic. We will continue our Group-wide efforts to prevent infection while working to further reform our production systems, control capital investment, reduce costs, and implement other necessary measures to improve profitability.

As for the business forecasts for the year ending March 2021, since the global COVID-19 spread has yet to see signs of calming

down and therefore the requirements of the governments and operations of our customers in various countries are still uncertain, it is difficult to calculate reasonable figures at this moment. We will therefore announce the forecasts as undetermined at the time of the financial results announcement scheduled for June 17, 2020.

(Note) The forecasts presented herein are based on information currently available and certain assumptions deemed reasonable by the Company, and actual results may differ significantly from these forecasts due to various factors.

Supplementary Materials on Business Forecasts

Segment information of consolidated results forecasts for the full year

Segment	Net sales (million yen)			Segment profit (million yen)		
	Previous forecasts	Revised forecasts	Difference	Previous forecasts	Revised forecasts	Difference
Die Casting Business: Japan	58,300	59,500	1,200	(920)	(450)	470
Die Casting Business: North America	31,000	30,600	(400)	780	600	(180)
Die Casting Business: Asia	24,300	23,800	(500)	(130)	3	133
Aluminum Business	4,000	4,000	0	150	160	10
Proprietary Products Business	2,600	2,600	0	270	270	0
Elimination of intersegment transactions	-	-	-	110	117	7

Foreign exchange rate assumption (Revised forecasts: 109.1 yen to USD, 15.9 yen to RMB, 1.5 yen to INR)  
(Previous forecasts: 107.0 yen to USD, 16.0 yen to RMB, 1.5 yen to INR)

(Please also see our website for the financial performance in the year ended March 2020 and the operation status of each site, which are provided as supplementary materials.)

<https://www.ahresty.co.jp/en/>