



Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2021

May 18, 2021

Company Name: Ahresty Corporation Stock Exchange Listing: Tokyo
 Code Number: 5852 URL: <https://www.ahresty.co.jp>
 Representative: President & CEO Arata Takahashi
 Contact for inquiries: Executive Officer, Chief of General Administrative Command Tsuruo Tsuji TEL 03-6369-8660
 Planned date for annual shareholders' meeting: June 16, 2021 Planned date for start of dividend payment: June 2, 2021
 Planned date for filing of securities report: June 16, 2021
 Supplementary documents for financial results: Yes
 Financial results briefing: Yes (for securities analysts and institutional investors)

(Amounts of less than 1 million yen are rounded off)

1. Consolidated results for year ended March 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results (% shows the year-on-year change)

	Net sales		Operating income		Recurring income		Net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2021	92,973	(22.9)	(2,554)	—	(2,094)	—	(2,843)	—
Year ended March 2020	120,577	(17.1)	764	(76.3)	406	(86.0)	(685)	—

(Note) Comprehensive income Year ended March 2021 (1,788) million yen (—%) Year ended March 2020 (3,175) million yen (—%)
 (Reference) EBITDA Year ended March 2021 10,346 million yen (-31.4%) Year ended March 2020 15,093 million yen (-21.5%)
 * EBITDA = operating income + depreciation and amortization

	Net income per share	Fully diluted net income per share	Return on equity	Return on total assets	Operating income on sales
	yen	yen	%	%	%
Year ended March 2021	(111.06)	—	(5.0)	(1.6)	(2.7)
Year ended March 2020	(26.77)	—	(1.2)	0.3	0.6

(Reference) Investment gain or loss under equity method Year ended March 2021 — million yen Year ended March 2020 —million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 2021	132,223	55,631	41.9	2,161.08
Year ended March 2020	123,054	57,364	46.5	2,244.49

(Reference) Shareholders' equity Year ended March 2021 55,467 million yen Year ended March 2020 57,177 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Year-end balance of cash and cash equivalents
	million yen	million yen	million yen	million yen
Year ended March 2021	7,942	(11,570)	11,940	12,249
Year ended March 2020	16,474	(17,691)	2,162	3,732

2. Dividend payments

	Dividend per share					Total dividend (for year)	Dividend payout ratio (consolidated)	Dividend ratio to net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of year	For the year			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 2020	—	8.00	—	0.00	8.00	203	—	0.4
Year ended March 2021	—	0.00	—	5.00	5.00	128	—	0.2
Year ending March 2022 (Forecast)	—	5.00	—	5.00	10.00		42.7	

3. Forecast of consolidated results for year ending March 2022 (from April 1, 2021 to March 31, 2022)

(% shows the year-on-year change from previous year)

	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
First half	52,300	—	(750)	—	(850)	—	(1,000)	—	(39.06)
Full year	110,000	—	1,800	—	1,600	—	600	—	23.44

(Note) Starting from the beginning of the year ending March 2022, the Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc. Since the consolidated results forecast above presents the figures after the said accounting standards are applied, year-on-year figures are not provided.

* Notes:

- (1) Significant changes to subsidiaries during the current term (changes for a specified subsidiary accompanying a change in the scope of consolidation): None
 New: - Exception: -

- (2) Changes in accounting principles and changes in or restatement of accounting estimates
 (i) Changes in accounting principles associated with revision of accounting standards, etc.: None
 (ii) Changes in accounting principles other than (i): None
 (iii) Changes in accounting estimates: None
 (iv) Restatement: None

- (3) Number of shares outstanding (common stock)

(i) Number of shares outstanding at end of period (including treasury shares)	Year ended March 2021	26,076,717 shares	Year ended March 2020	26,076,717 shares
(ii) Number of treasury shares at end of period	Year ended March 2021	410,044 shares	Year ended March 2020	602,289 shares
(iii) Average number of shares	Year ended March 2021	25,599,845 shares	Year ended March 2020	25,615,168 shares

(Reference) Overview of nonconsolidated results

1. Nonconsolidated results for year ended March 2021 (from April 1, 2020 to March 31, 2021)

(1) Nonconsolidated operating results

(% shows the year-on-year change)

	Net sales		Operating income		Recurring income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2021	53,764	(22.7)	(1,550)	—	(465)	—	(589)	—
Year ended March 2020	69,534	(13.1)	(351)	—	(682)	—	(1,505)	—

	Net income per share	Fully diluted net income per share
	yen	yen
Year ended March 2021	(23.03)	—
Year ended March 2020	(58.77)	—

(2) Nonconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 2021	95,398	43,772	45.7	1,699.02
Year ended March 2020	84,482	43,085	50.8	1,683.95

(Reference) Shareholders' equity Year ended March 2021 43,608 million yen Year ended March 2020 42,897 million yen

* This report on consolidated financial results is placed outside the scope of audits by a certified public accountant or an audit corporation.

* Explanation for appropriate use of financial forecasts and other special remarks

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. For notes on the use of the results forecasts and assumptions as the basis for the results forecasts, please see "1. Outline of Operating Results, etc. (3) Future Outlook" on page 4 of the accompanying materials.

Accompanying Materials – Contents

1.	Outline of Operating Results, etc.	2
	(1) Outline of Operating Results for the Fiscal Year under Review	2
	(2) Outline of Financial Position for the Fiscal Year under Review	3
	(3) Future Outlook.....	4
	(4) Basic Policy on Profit Distribution and Dividends for Current and Next Fiscal Years	5
2.	Basic Concept for Choice of Accounting Standards.....	6
3.	Consolidated Financial Statements and Key Notes	7
	(1) Consolidated Balance Sheet.....	7
	(2) Consolidated Income Statement and Statement of Comprehensive Income	9
	Consolidated Income Statement	9
	Consolidated Statement of Comprehensive Income	10
	(3) Consolidated Statement of Changes in Net Assets.....	11
	(4) Consolidated Statement of Cash Flows.....	13
	(5) Notes.....	14
	(Notes on Going Concern Assumption)	14
	(Notes on Significant Change in the Amount of Shareholders' Equity).....	14
	(Additional Information)	14
	(Segment Information).....	15
	(Per Share Information)	18
	(Important Subsequent Events).....	19

1. Outline of Operating Results, etc.

(1) Outline of Operating Results for the Fiscal Year under Review

(Operating results)

During the consolidated fiscal year under review, the world economy slowed down significantly due to the impact of the novel coronavirus ("COVID-19") pandemic. Although China resumed their economic activities early and began to show signs of recovery, the United States and Europe suffered from the re-expansion of infections and lockdowns halfway through their economic recovery. In Japan, the economy was severely affected by the novel coronavirus pandemic and deteriorated significantly, suffering a decrease in domestic demand and a slowdown in exports resulting from sluggish economic activities. Although economic activities have been recovering gradually after bottoming out in the first quarter, the future outlook still remains uncertain with factors such as the re-expansion of COVID-19 infections and the shortage of semiconductors, which may affect car production.

In response to these rapid changes in the market environment, the Ahresty Group, while implementing measures to prevent the spread of COVID-19 in accordance with local regulations of each country or region, took various emergency actions, such as full or partial suspension of operation and revision of work shifts to adjust production systems in line with the substantial decrease in sales volume, utilization of idle internal facilities to reduce capital investment, and the prohibition in principle of business trips and the promotion of web conferencing to reduce costs. In response to the resumption of economic activities in many countries, though the pace of recovery in car sales varies among countries and customers, production of the Group has been on a recovery trend after bottoming out in the first quarter.

As a result, the Group recorded consolidated net sales of ¥92,973 million (down 22.9% year on year), operating loss of ¥2,554 million (as opposed to operating income of ¥764 million for the previous year), recurring loss of ¥2,094 million (as opposed to recurring income of ¥406 million for the previous year) and net loss attributable to owners of parent of ¥2,843 million (as opposed to net income attributable to owners of parent of ¥685 million in the previous year).

Although many uncertainties remain in the business environment, the Ahresty Group will accelerate measures based on its 1921 Medium-term Management Plan, which we have promoted since fiscal 2019, to improve profitability and enhance our corporate structure by cutting costs and raising productivity.

Operating results by segment are as follows:

(i) Die Casting Business: Japan

In the Japanese automobile market, during the first half of the fiscal year under review, car manufacturers, our main customers, and many other customers had to suspend operations or adjust production due to the impact of the spread of COVID-19. This affected the Company, leading to a substantial decrease in orders received. In the second half, although orders gradually recovered and reached the same level as the previous year in the third quarter, a shortage of semiconductors caused a reduction in car production, which affected our business in the fourth quarter. As a result, net sales came to ¥45,584 million, a 23.4% decrease from the previous year. On the profitability side, despite our efforts to reduce manufacturing costs, etc., the segment recorded a loss of ¥2,491 million (a segment loss of ¥444 million was recorded a year earlier) due to the significant impact of the decrease in net sales.

(ii) Die Casting Business: North America

In the automobile market in North America, suspension of operations at our major customers due to the spread of COVID-19 significantly reduced orders received by the Company. In the U.S., major customers shut down operations one after another in response to the spread of COVID-19, forcing our U.S. plant to temporarily adjust production. In the second half, although we gradually got on a recovery track, regaining our sales volume in the third quarter, we were affected by the decrease in car production in the fourth quarter due to a shortage of semiconductors and the cold weather associated with a shortage in supply of raw materials. This resulted in a significant decrease in our orders received. Our plant in Mexico, which settles its accounts in December, was forced to suspend operation in the first half due to the impact of a lockdown imposed by the government to prevent the spread of COVID-19, resulting in a significant decline in orders received. In the second half, however, orders were recovered to the same level year on year, and we consequently posted a surplus on a full-year basis.

As a result, net sales came to ¥21,628 million (down 29.4% year on year). On the profitability side, despite our efforts to reduce manufacturing costs, etc., the segment recorded a profit of ¥94 million (down 85.0% year on year) due to the significant impact of the decrease in net sales.

(iii) Die Casting Business: Asia

The plants in China, which settle their accounts in December, recorded a significant decline in both sales and production of automobiles due to the impact of the spread of COVID-19 in the first quarter (January to March), associated with the lockdowns of some cities, the issuance of stay-at-home orders and suspension of operations by car manufacturers, our main customers. However, signs of a gradual recovery from the significant decline in the first quarter began to appear, and in the second half, the number of orders received exceeded that of the previous year and a profit has been continuously recorded. Meanwhile, our operations in India were severely affected by the spread of COVID-19 in the first half. The Indian government locked down the entire country to prevent infection, which forced our plant in India to suspend operations, resulting in a significant decline in orders received. In the second half, we were still on our way to recovery and marked a 17% decrease year on year in orders received.

As a result, net sales came to ¥19,931 million (down 16.4% year on year). In terms of profitability, the segment recorded a loss of ¥598 million (a segment profit of ¥3 million was recorded a year earlier) due to the significant impact of the decrease in net sales.

(iv) Aluminum Business

In the Aluminum business, although the business was on a recovery track in the second half, sales weight for the full year decreased by 9.9% year on year due to the significant impact of the decrease in car production resulting from the spread of COVID-19 infection. As a result, net sales decreased 12.8% year on year to ¥3,483 million. On the profitability front, segment profit decreased 80.3% year on year to ¥33 million chiefly due to the impact of the decrease in net sales.

(v) Proprietary Products Business

In the Proprietary Products business, net sales decreased 9.9% year on year to ¥2,345 million, mainly reflecting a decrease in orders for projects of the Company's main customers, namely a clean room at a semiconductor-related company and a data center at a telecommunications company. On the profitability side, the segment profit increased 15.4% year on year to ¥320 million, chiefly due to reductions in selling, general and administrative expenses.

(2) Outline of Financial Position for the Fiscal Year under Review

(i) Assets, liabilities and net assets

(Assets)

Total assets at the end of the consolidated fiscal year under review increased ¥9,169 million from the end of the previous consolidated fiscal year to ¥132,223 million. Current assets stood at ¥45,384 million, an increase of ¥10,136 million from the end of the previous consolidated fiscal year. This was mainly due to increases of ¥8,081 million in cash and time deposits and ¥2,725 million in trade notes and accounts receivable. Fixed assets were ¥86,839 million, down ¥967 million from the end of the preceding fiscal year. This was due chiefly to a decrease of ¥3,102 million in tangible fixed assets despite an increase of ¥1,777 million in investment securities.

(Liabilities)

Liabilities at the end of the consolidated fiscal year under review increased ¥10,902 million from the end of the previous consolidated fiscal year to ¥76,591 million. Current liabilities stood at ¥50,739 million, reflecting an increase of ¥7,348 million from the end of the previous consolidated fiscal year. The principal factors contributing to this result included an increase of ¥8,959 million in short-term loans payable, in contrast to decreases of ¥1,317 million in electronically recorded obligations. Long-term liabilities stood at ¥25,852 million, up ¥3,553 million from the end of the previous consolidated fiscal year. The main factors included an increase of ¥2,950 million in long-term loans payable and an increase of ¥617 million in deferred tax liabilities.

(Net assets)

Net assets at the end of the consolidated fiscal year under review decreased ¥1,732 million from the end of the previous consolidated fiscal year, to ¥55,631 million. This was attributable primarily to a decrease of ¥2,897 million in retained earnings despite an increase of ¥1,220 million in difference on revaluation of other marketable securities.

As a result, the equity ratio was down from 46.5% at the end of the previous consolidated fiscal year to 41.9%.

(ii) Cash flows

Cash and cash equivalents ("cash") increased ¥8,516 million from the end of the previous fiscal year during the consolidated fiscal year under review, coming to ¥12,249 million.

The status of each of the cash flow segments and contributing factors for the consolidated fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥7,942 million (net cash provided of ¥16,474 million in the previous fiscal year). This result was mainly due to factors increasing cash such as depreciation and amortization of ¥12,901 million and subsidy income of ¥1,025 million, as well as factors decreasing cash such as loss before income taxes and others of ¥2,831 million, an increase in notes and accounts receivable of ¥2,558 million and a decrease in notes and accounts payable of ¥1,129 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥11,570 million (net cash used of ¥17,691 million in the previous fiscal year). This was chiefly due to factors increasing cash such as proceeds from withdrawal of time deposits of ¥429 million, and factors decreasing cash such as expenditures on purchases of tangible fixed assets of ¥11,835 million.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥11,940 million (net cash provided of ¥2,162 million in the previous fiscal year). This result was primarily due to factors increasing cash such as proceeds from short-term loans of ¥86,297 million and long-term loans of ¥11,536 million, in comparison to factors decreasing cash such as expenditures for repayments of short-term loans of ¥77,292 million and long-term loans of ¥8,330 million.

(Reference) Transition of indexes related to cash flows

	Year ended March 2017	Year ended March 2018	Year ended March 2019	Year ended March 2020	Year ended March 2021
Equity ratio (%)	45.8	47.4	47.7	46.5	41.9
Market value-based equity ratio (%)	21.8	17.7	12.8	7.3	9.4
Ratio of interest-bearing debt to cash flows (%)	150.6	186.6	191.9	204.5	578.2
Interest coverage ratio	25.0	26.0	29.4	38.2	16.7

Equity ratio: Shareholders' equity / Total assets

Market value-based equity ratio: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest paid

(Notes) 1. Each indicator is calculated based on consolidated figures.

2. Market capitalization is calculated based on the number of shares issued excluding treasury stock.

3. Cash flows mean cash provided from operating activities.

4. Interest-bearing debt denotes all liabilities bearing interest recorded on the consolidated balance sheet except lease obligations.

(3) Future Outlook

Although COVID-19 mutated variants have been rapidly spreading, there are expectations for recovery along with the progress in vaccination. However, the uncertainty in the world economy is likely to continue due chiefly to the impact of US-China trade friction and the shortage of semiconductors on car production.

As for the business environment surrounding the Company, we are likely to be affected by the soaring aluminum prices and the reduction in car production due to the shortage of semiconductors in the first half. In the second half, while economic activities are expected to gradually return to normal, there are concerns about the re-expansion or prolongation of COVID-19 inside or outside Japan, making the outlook for recovery in demand remain uncertain.

The Ahresty Group will continue its 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.

Under these circumstances, our forecasts for consolidated business results for the year ending March 2022 are as follows.

Incidentally, our foreign exchange assumptions are: 105.0 yen to the USD, 15.0 yen to the CNY, 1.45 yen to the INR, and 20.0 Mexican pesos to the USD*.

* Our consolidated subsidiary in Mexico adopts the U.S. dollar as its functional currency. However, tax expenses of the Mexican subsidiary are calculated based on the Mexican peso, and therefore influenced by the MXN/USD exchange rate.

(Million yen)

	Net sales	Operating income	Recurring income	Net income attributable to owners of parent
Year ending March 2022 forecasts	110,000	1,800	1,600	600
Year ended March 2021 results	92,973	(2,554)	(2,094)	(2,843)
Difference	17,026	4,354	3,694	3,443
Percentage change (%)	18.3	—	—	—

Segment	Net sales		Segment profit	
	Year ended March 2021	Year ending March 2022	Year ended March 2021	Year ending March 2022
Die Casting in Japan	45,584	50,000	(2,491)	0
Die Casting in North America	21,628	28,700	94	1,100
Die Casting in Asia	19,931	24,100	(598)	300
Aluminum	3,483	4,500	33	200
Proprietary Products	2,345	2,700	320	200
Elimination of intersegment transactions	—	—	87	—
Total	92,973	110,000	(2,554)	1,800

(4) Basic Policy on Profit Distribution and Dividends for Current and Next Fiscal Years

The Company views the continuing increase of corporate value as the most important return to shareholders. The Company's basic policy on dividends is to provide appropriate returns while bolstering the financial structure and the management base for business development in the medium and long terms. We pay dividends, taking into consideration the amount of investment necessary for medium- and long-term growth, the payout ratio, and consolidated results.

In principle, we pay dividends twice a year (interim dividend and year-end dividend). The Board of Directors is in charge of determining dividend of surplus. Based on this policy, the Company decided to pay dividends of ¥5 per share (no interim dividend) for the fiscal year under review.

In the automobile industry, a major customer of our Group, production rapidly declined globally due to the impact of the COVID-19 pandemic. However, the industry has been gradually recovering and our Group's earnings have also been improving. We decided to pay no interim dividends for the fiscal year ended March 2021 as we thought that the situation required us to pay continued and careful attention. However, as a result of a comprehensive examination of the trends of our business performance of the current period, as well as the outlook for our financial condition and internal reserves, we paid 5 yen per share as year-end dividend.

We express our gratitude to our shareholders for their support. We will continue to make Group-wide efforts to improve profitability through raising production efficiency and cost cutting, thereby enhancing our financial structure and ensuring sustainable dividend payments.

Dividends from surplus for the fiscal year under review are as follows.

Date of resolution	Total dividend (million yen)	Dividend per share (yen)
Board of Directors' meeting on November 11, 2020	—	0
Board of Directors' meeting on May 11, 2021	128	5

For the next fiscal year, we plan to pay dividends of 10 yen per share (¥5 yen for interim and ¥5 for year-end dividends).

2. Basic Concept for Choice of Accounting Standards

The Ahresty Group intends to prepare its consolidated financial statements according to Japan's standards at present, considering the comparability of the consolidated financial statements in terms of period and between companies.

Meanwhile, as for the application of IFRS, appropriate action will be taken in consideration of the various conditions in Japan and abroad.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheet

(Million yen)

	Previous consolidated fiscal year (March 31, 2020)	Consolidated fiscal year under review (March 31, 2021)
(Assets)		
Current assets		
Cash and time deposits	4,167	12,249
Trade notes and accounts receivable	17,922	20,647
Electronically recorded monetary claims – operating	2,398	2,431
Merchandise and products	3,115	3,026
Partly finished goods	3,603	3,673
Raw materials and inventories	2,810	2,453
Others	1,385	1,062
Allowance for doubtful accounts	(154)	(160)
Total current assets	35,247	45,384
Fixed assets		
Tangible fixed assets		
Buildings and structures	31,565	31,983
Accumulated depreciation and impairment loss	(16,698)	(17,750)
Buildings and structures, net	14,867	14,233
Machinery and delivery equipment	134,597	137,500
Accumulated depreciation and impairment loss	(95,652)	(100,245)
Machinery and delivery equipment, net	38,944	37,254
Tools, furniture and fixtures	50,214	50,535
Accumulated depreciation and impairment loss	(42,384)	(43,211)
Tools, furniture and fixtures, net	7,830	7,324
Land	5,622	5,615
Lease assets	1,046	1,012
Accumulated depreciation and impairment loss	(303)	(445)
Lease assets, net	742	567
Construction in progress	12,384	12,295
Total tangible fixed assets	80,392	77,290
Intangible fixed assets	2,032	1,872
Investments and other assets		
Investment securities	2,568	4,346
Deferred tax assets	2,280	2,596
Others	553	756
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	5,380	7,677
Total fixed assets	87,806	86,839
Total assets	123,054	132,223

(Million yen)

	Previous consolidated fiscal year (March 31, 2020)	Consolidated fiscal year under review (March 31, 2021)
(Liabilities)		
Current liabilities		
Notes and accounts payable	9,284	9,458
Electronically recorded obligations – operating	5,994	4,677
Short-term loans	10,273	19,232
Current portion of long-term loans	7,750	8,065
Accrued income taxes	304	279
Bonus allowances	1,848	1,573
Provision for product warranties	46	78
Others	7,889	7,374
Total current liabilities	43,390	50,739
Long-term liabilities		
Long-term loans	15,672	18,623
Long-term accounts payable	327	238
Deferred tax liabilities	2,434	3,051
Net defined benefit liability	2,709	2,858
Others	1,154	1,079
Total long-term liabilities	22,298	25,852
Total liabilities	65,689	76,591
(Net assets)		
Shareholders' equity		
Common stock	6,964	6,964
Additional paid-in capital	10,206	10,206
Retained earnings	38,806	35,909
Treasury stock	(412)	(278)
Total shareholders' equity	55,564	52,801
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	926	2,146
Foreign currency translation adjustments	1,047	982
Remeasurements of defined benefit plans	(360)	(462)
Total other accumulated comprehensive income	1,612	2,666
Share warrants	187	164
Total net assets	57,364	55,631
Total liabilities and net assets	123,054	132,223

(2) Consolidated Income Statement and Statement of Comprehensive Income
(Consolidated Income Statement)

(Million yen)

	Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)	Consolidated fiscal year under review (April 1, 2020 to March 31, 2021)
Net sales	120,577	92,973
Cost of goods sold	108,536	86,402
Gross profit	12,040	6,570
Selling, general and administrative expenses		
Transportation expenses	1,720	1,501
Salaries and bonuses	3,401	3,032
Retirement benefit expenses	201	182
Provision for bonuses	324	285
Depreciation and amortization	387	443
Research and development expenses	550	507
Other expenses	4,691	3,172
Total selling, general and administrative expenses	11,276	9,124
Operating income (or loss)	764	(2,554)
Non-operating income		
Interest income	108	59
Dividends received	114	76
Gain on sales of scraps	97	85
Employment adjustment subsidies	—	901
Others	87	97
Total non-operating income	409	1,220
Non-operating expenses		
Interest expenses	462	475
Foreign currency exchange loss	203	205
Others	101	80
Total non-operating expenses	766	761
Recurring income (or loss)	406	(2,094)
Extraordinary gains		
Gain on sales of fixed assets	23	14
Gain on sales of investment securities	54	0
Subsidy income	347	145
Gain on revision of retirement benefit plan	152	—
Total extraordinary gains	577	160
Extraordinary losses		
Loss on sales of fixed assets	266	218
Impairment loss	60	88
Loss on revision of retirement benefit plan	71	—
Loss related to COVID-19	—	590
Total extraordinary losses	398	897
Income (loss) before income taxes and others	586	(2,831)
Income taxes and enterprise taxes	754	228
Deferred income taxes	516	(217)
Total income taxes	1,271	11
Net income (loss)	(685)	(2,843)
Net income (loss) attributable to owners of parent	(685)	(2,843)

(Consolidated Statement of Comprehensive Income)

(Million yen)

	Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)	Consolidated fiscal year under review (April 1, 2020 to March 31, 2021)
Net income (loss)	(685)	(2,843)
Other comprehensive income		
Difference on revaluation of other marketable securities	(1,089)	1,220
Foreign currency translation adjustments	(1,437)	(64)
Remeasurements of defined benefit plans	36	(101)
Total other comprehensive income	(2,490)	1,054
Comprehensive income	(3,175)	(1,788)
Comprehensive income attributable to:		
Owners of parent	(3,175)	(1,788)
Non-controlling interests	—	—

(3) Consolidated Statement of Changes in Net Assets
Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)

(Million yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of fiscal year	6,964	10,206	40,071	(239)	57,002
Changes					
Cash dividend from retained earnings			(514)		(514)
Net income (loss) attributable to owners of parent			(685)		(685)
Purchase of treasury stock				(300)	(300)
Disposal of treasury stock			(64)	127	62
Changes (net) in non-shareholders' equity items					
Total changes	—	—	(1,265)	(172)	(1,438)
Balance at end of fiscal year	6,964	10,206	38,806	(412)	55,564

	Other accumulated comprehensive income				Share warrants	Total net assets
	Difference on revaluation of other marketable securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other accumulated comprehensive income		
Balance at beginning of fiscal year	2,015	2,484	(397)	4,102	187	61,293
Changes						
Cash dividend from retained earnings						(514)
Net income (loss) attributable to owners of parent						(685)
Purchase of treasury stock						(300)
Disposal of treasury stock						62
Changes (net) in non-shareholders' equity items	(1,089)	(1,437)	36	(2,490)	—	(2,490)
Total changes	(1,089)	(1,437)	36	(2,490)	—	(3,928)
Balance at end of fiscal year	926	1,047	(360)	1,612	187	57,364

Consolidated fiscal year under review (April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of fiscal year	6,964	10,206	38,806	(412)	55,564
Changes					
Cash dividend from retained earnings			—		—
Net income (loss) attributable to owners of parent			(2,843)		(2,843)
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock			(54)	133	79
Changes (net) in non-shareholders' equity items					
Total changes	—	—	(2,897)	133	(2,763)
Balance at end of fiscal year	6,964	10,206	35,909	(278)	52,801

	Other accumulated comprehensive income				Share warrants	Total net assets
	Difference on revaluation of other marketable securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other accumulated comprehensive income		
Balance at beginning of fiscal year	926	1,047	(360)	1,612	187	57,364
Changes						
Cash dividend from retained earnings						—
Net income (loss) attributable to owners of parent						(2,843)
Purchase of treasury stock						(0)
Disposal of treasury stock						79
Changes (net) in non-shareholders' equity items	1,220	(64)	(101)	1,054	(23)	1,030
Total changes	1,220	(64)	(101)	1,054	(23)	(1,732)
Balance at end of fiscal year	2,146	982	(462)	2,666	164	55,631

(4) Consolidated Statement of Cash Flows

(Million yen)

	Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)	Consolidated fiscal year under review (April 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Income (loss) before income taxes and others	586	(2,831)
Depreciation and amortization	14,329	12,901
Impairment loss	60	88
Increase (decrease) in bonus allowances	(279)	(273)
Increase (decrease) in provision for product warranties	(22)	30
Increase (decrease) in net defined benefit liability	(116)	48
Interest and dividend income	(223)	(136)
Interest expenses	462	475
Loss (gain) on sales and retirement of tangible fixed assets	234	203
Loss (gain) on sales of investment securities	(54)	0
Subsidy income	(347)	(145)
Loss (gain) on revision of retirement benefit plans	(80)	—
Employment adjustment subsidies	—	(901)
Loss related to COVID-19	—	590
Decrease (increase) in notes and accounts receivable	4,827	(2,558)
Decrease (increase) in inventories	1,619	411
Increase (decrease) in notes and accounts payable	(3,284)	(1,129)
Increase (decrease) in accrued expenses	(383)	(74)
Increase (decrease) in accrued consumption taxes and others	(312)	943
Increase (decrease) in long-term accounts payable - other	173	(88)
Others	157	(181)
Subtotal	17,346	7,372
Interest and dividends received	165	216
Interest paid	(431)	(476)
Income taxes paid	(1,501)	(463)
Income taxes refund	363	268
Proceeds from subsidy income	531	1,025
Cash flows from operating activities	16,474	7,942
Cash flows from investing activities		
Payments into time deposits	(462)	—
Proceeds from withdrawal of time deposits	1,078	429
Purchase of tangible fixed assets	(18,374)	(11,835)
Proceeds from sales of tangible fixed assets	120	14
Proceeds from sales of investment securities	159	1
Others	(212)	(179)
Cash flows from investing activities	(17,691)	(11,570)
Cash flows from financing activities		
Proceeds from short-term loans	67,362	86,297
Repayment of short-term loans	(62,761)	(77,292)
Proceeds from long-term loans	9,094	11,536
Repayment of long-term loans	(10,503)	(8,330)
Purchase of treasury stock	(300)	(0)
Dividends paid	(513)	(0)
Others	(215)	(270)
Cash flows from financing activities	2,162	11,940
Effect of exchange rate changes on cash and cash equivalents	(113)	204
Net increase (decrease) in cash and cash equivalents	831	8,516
Cash and cash equivalents at beginning of year	2,901	3,732
Cash and cash equivalents at end of period	3,732	12,249

- (5) Notes
(Notes on Going Concern Assumption)
Not applicable.

(Notes on Significant Change in the Amount of Shareholders' Equity)
(Disposal of treasury stock)

The Company resolved at its Board of Directors' meeting held on July 22, 2020 to dispose of treasury shares for delivery as stock compensation, and disposed of them during the consolidated fiscal year under review. As a result, treasury stock decreased by ¥107 million (156,541 shares).

(Additional information)

(Application of a consolidated taxation system)

Since the beginning of the first quarter of the consolidated fiscal year under review, a consolidated taxation system has been applied to the Company and its domestic subsidiaries.

(Application of Tax Effect Accounting pertaining to transition from the consolidated taxation system to the group tax sharing system)

Ahresty and its consolidated subsidiaries in Japan have calculated the amounts of deferred tax assets and deferred tax liabilities according to the provisions of the tax acts before amended based on the treatment of Paragraph 3 of "Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ Practical Solutions No. 39, March 31, 2020) instead of applying the provision of Paragraph 44 of "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018), regarding the transition to group tax sharing system established in "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 8 of 2020), and items for which the non-consolidated taxation system has been reviewed in line with transition to the group tax sharing system.

(Segment Information, etc.)

[Segment information]

1. Overview of reported segments

The reported segments of the Company are those units for which separate financial information can be obtained among the constituent units of the Company and for which the Board of Directors of the Company regularly carries out examinations to determine the allocation of management resources and assess the business performance.

The Company manages the Die Casting Business, the Aluminum Business, and the Proprietary Products Business.

In the Die Casting Business, the Company develops comprehensive strategies by region: Japan, North America, and Asia, and is engaged in business activities accordingly.

As a result, the Company has five reported segments: Die Casting Business: Japan, Die Casting Business: North America, Die Casting Business: Asia, Aluminum Business, and Proprietary Products Business.

In the Die Casting Business, the Company is mainly engaged in the manufacturing and sales of auto parts, general engine parts, industrial machinery parts, and dies in Japan, North America and Asia. In the Aluminum Business, the Company is engaged in the smelting and sales of aluminum alloy ingots. In the Proprietary Products Business, it sells free access floors and accessories.

2. Methods for calculating net sales, profits or losses, assets, liabilities and amounts for other items by reported segment
The methods of accounting treatment for the reported segments are the same as provided in the “material matters that serve as the basis for preparation of consolidated financial statements.”

Profits in the reported segments are figures based on operating income.

Intersegment sales and transfers are based on current market values.

3. Information related to net sales, profits or losses, assets, liabilities and amounts for other items by reported segment
Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)

(Million yen)

(million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Net sales						
Customers	59,500	30,633	23,846	3,993	2,603	120,577
Intersegment	3,005	13	1,411	3,100	2	7,533
Total	62,505	30,647	25,258	7,093	2,605	128,111
Segment profit (or loss)	(444)	635	3	169	277	642
Segment assets	53,773	29,478	38,291	2,388	1,282	125,215
Other items						
Depreciation and amortization	5,500	5,013	3,918	46	10	14,490
Impairment loss	39	-	20	-	-	60
Increase in tangible fixed assets and intangible fixed assets	9,249	4,370	5,701	55	-	19,377

Consolidated fiscal year under review (April 1, 2020 to March 31, 2021)

(Million yen)

(million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Net sales						
Customers	45,584	21,628	19,931	3,483	2,345	92,973
Intersegment	2,035	10	775	2,038	6	4,865
Total	47,620	21,638	20,706	5,521	2,352	97,839
Segment profit (or loss)	(2,491)	94	(598)	33	320	(2,641)
Segment assets	55,940	29,787	37,807	2,758	1,018	127,312
Other items						
Depreciation and amortization	5,386	4,083	3,499	50	8	13,030
Impairment loss	88	-	-	-	-	88
Increase in tangible fixed assets and intangible fixed assets	4,329	3,147	3,483	29	-	10,989

4. Total amount in reported segments, difference from the amount posted in consolidated financial statements and important details of the difference (Difference adjustment)

(Million yen)

Net sales	Previous consolidated fiscal year	Consolidated fiscal year under review
Total in reported segments	128,111	97,839
Elimination of intersegment transactions	(7,533)	(4,865)
Net sales in the consolidated financial statement	120,577	92,973

(Million yen)

Profit	Previous consolidated fiscal year	Consolidated fiscal year under review
Total in reported segments	642	(2,641)
Elimination of intersegment transactions	122	87
Operating income (or loss) in the consolidated financial statement	764	(2,554)

(Million yen)

Assets	Previous consolidated fiscal year	Consolidated fiscal year under review
Total in reported segments	125,215	127,312
Elimination of intersegment transactions	(4,709)	(5,428)
Company-wide assets	2,548	10,339
Total assets in the consolidated financial statement	123,054	132,223

(Million yen)

Other items	Total in reported segments		Adjustment		Amount recorded in consolidated financial statements	
	Previous consolidated fiscal year	Consolidated fiscal year under review	Previous consolidated fiscal year	Consolidated fiscal year under review	Previous consolidated fiscal year	Consolidated fiscal year under review
Depreciation and amortization	14,490	13,030	(160)	(128)	14,329	12,901
Impairment loss	60	88	-	-	60	88
Increase in tangible fixed assets and intangible fixed assets	19,377	10,989	(141)	(70)	19,235	10,919

[Related Information]

Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)

1. Information by product and service

It is omitted here because similar information is disclosed in the segment information section.

2. Information by region

(1) Net sales

(Million yen)

Japan	North America	Asia	Others	Total
65,699	30,624	23,890	363	120,577

(Notes) 1. Net sales are classified by country or region based on the location of customers.

2. Net sales of North America and Asia include net sales of ¥16,337 million in the United States, ¥14,286 million in Mexico, and ¥19,901 million in China, which account for over 10% of the net sales recorded in the consolidated income statements.

(2) Tangible fixed assets

(Million yen)

Japan	North America	Asia	Total
32,009	23,454	24,928	80,392

(Note) Tangible fixed assets of North America and Asia include ¥15,841 million in Mexico and ¥21,288 million in China, which account for over 10% of the tangible fixed assets recorded on the consolidated balance sheet.

3. Information by major customer

(Million yen)

Name of customer	Net sales	Related segment
SUBARU Corporation	17,345	Die Casting Business: Japan

Consolidated fiscal year under review (April 1, 2020 to March 31, 2021)

1. Information by product and service

It is omitted here because similar information is disclosed in the segment information section.

2. Information by region

(1) Net sales

(Million yen)

Japan	North America	Asia	Others	Total
51,122	21,710	19,955	185	92,973

(Notes) 1. Net sales are classified by country or region based on the location of customers.

2. Net sales of North America and Asia include net sales of ¥10,680 million in the United States, ¥11,030 million in Mexico, and ¥17,484 million in China, which account for over 10% of the net sales recorded in the consolidated income statements.

(2) Tangible fixed assets

(Million yen)

Japan	North America	Asia	Total
30,644	21,407	25,238	77,290

(Note) Tangible fixed assets of North America and Asia include ¥8,542 million in the United States, ¥12,864 million in Mexico and ¥21,155 million in China, which account for over 10% of the tangible fixed assets recorded on the consolidated balance sheet.

3. Information by major customer

(Million yen)

Name of customer	Net sales	Related segment
SUBARU Corporation	12,454	Die Casting Business: Japan

[Information on impairment losses on fixed assets by reported segment]
Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)

(Million yen)

	Japan	North America	Asia	Aluminum Business	Proprietary Products Business	Corporate/ Elimination	Total
Impairment loss	39	—	20	—	—	—	60

(Note) The amount of “Corporate/Elimination” mainly comes from the amount of elimination of unrealized gains on intersegment transactions.

Consolidated fiscal year under review (April 1, 2020 to March 31, 2021)

(Million yen)

	Japan	North America	Asia	Aluminum Business	Proprietary Products Business	Corporate/ Elimination	Total
Impairment loss	88	—	—	—	—	—	88

(Note) The amount of “Corporate/Elimination” mainly comes from the amount of elimination of unrealized gains on intersegment transactions.

[Information on the amortization amount of goodwill and the unamortized balance by reported segment]
Not applicable.

[Information on gain from negative goodwill by reported segment]
Not applicable.

(Per Share Information)

	Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)	Consolidated fiscal year under review (April 1, 2020 to March 31, 2021)
Net assets per share	2,244.49	2,161.08
Net income per share (loss)	(26.77)	(111.06)
Fully diluted net income per share	— yen	— yen

(Notes) 1. For fully diluted net income per share, no figure is recorded for the fiscal year under review as it is a net loss per share, although latent shares exist.

2. The basis of the calculation of net income (loss) per share and diluted net income per share are as follows:

	Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)	Consolidated fiscal year under review (April 1, 2020 to March 31, 2021)
Net income per share (loss)		
Net income (loss) attributable to owners of parent (million yen)	(685)	(2,843)
Amount that does not belong to ordinary shareholders (million yen)	—	—
Net income (loss) attributable to owners of parent (related to common shares) (million yen)	(685)	(2,843)
Average number of shares during the period	25,615,168	25,599,845
Fully diluted net income per share		
Net income attributable to owners of parent (million yen)	—	—
Increase in number of common shares	—	—
Outline of latent shares without dilution effect not taken into account for calculation of diluted net income per share	—	—

(Important Subsequent Events)
Not applicable.