

Consolidated Financial Results (Japanese Accounting Standards) for the First Three Quarters of the Fiscal Year Ending March 31, 2017

February 8, 2017

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Filing date of quarterly securities report	February 9, 2017		
Planned date for start of dividend payments	-		
Supplementary documents for quarterly results	Yes		
Quarterly results briefing	None		

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

1. Business performance (April 1, 2016 through December 31, 2016)

(1) Consolidated operating results (For the nine months ended December 31) (% shows change from previous first three quarters)

	Net sales		Operating income		Recurring income		Net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2016	100,429	(6.2)	4,542	57.4	3,970	116.3	3,110	100.4
Nine months ended December 31, 2015	107,119	6.6	2,885	246.2	1,835	489.3	1,552	897.8

(Note) Comprehensive income
 Nine months ended December 31, 2016: -1,750 million yen (-%)
 Nine months ended December 31, 2015: 1,012 million yen (-70.6%)

	Net income per share		Fully diluted net income per share	
	yen		yen	
Nine months ended December 31, 2016	120.36		119.32	
Nine months ended December 31, 2015	60.08		59.67	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	million yen		million yen		%	
As of December 31, 2016	129,226		59,330		45.8	
As of March 31, 2016	141,694		61,460		43.3	

(For reference) Shareholders' equity
 59,164 million yen at December 31, 2016
 61,329 million yen at March 31, 2016

2. Dividend payments

(Date of record)	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of year	For the year
Year ended March 31, 2016	yen -	yen 6.00	yen -	yen 8.00	yen 14.00
Year ending March 31, 2017	-	8.00	-		
Year ending March 31, 2017 (projection)				8.00	16.00

(Note) Revisions to dividend projection published most recently: No

3. Forecast of consolidated results for year ending March 2017 (April 1, 2016 – March 31, 2017)

(% shows the year-on-year change)

	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	
Full year	134,400	(7.0)	6,000	11.4	5,200	27.5	3,750	22.5	145.09	

(Note) Revisions to consolidated results forecast published most recently: No

* Notes

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

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting principles and changes 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

(4) Number of shares outstanding (Common stock)

(i) Number of shares outstanding at end of period (including treasury stock)

26,027,720 shares at December 31, 2016

26,027,720 shares at March 31, 2016

(ii) Number of treasury stock at end of period

182,103 shares at December 31, 2016

181,586 shares at March 31, 2016

(iii) Average number of shares (Quarterly cumulative period)

25,845,918 shares at December 31, 2016

25,839,907 shares at December 31, 2015

* Status of a quarterly review

These quarterly financial results are not subject to quarterly review procedures under the Financial Instruments and Exchange Act. The quarterly review on the quarterly financial statements is underway at the time of the disclosure of these financial results.

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

This material contains forward-looking statements based on information obtained by the management as of the day of publication, as well as certain assumptions that the management believes to be reasonable. A number of factors could cause actual results to differ materially from expectations. For notes on the use of the results forecasts and assumptions as the basis for the results forecasts, please see "1. Qualitative Information on Consolidated Operating Results, etc. for the First Three Quarters (3) Qualitative Information Concerning Consolidated Earnings Forecasts" on page 3 of the accompanying materials.

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1. Qualitative Information on Consolidated Operating Results, etc. for the First Three Quarters

(1) Qualitative Information Concerning Consolidated Operating Results

During the first three quarters of the consolidated fiscal year under review, the Japanese economy maintained a gradual recovery, partly due to the improvement of the employment and income environment against the background of economic and monetary easing policies of the government and the Bank of Japan. Overseas, there is heightened necessity to consider the economic outlook of Europe and emerging Asian nations due to Brexit, the downside of the Chinese economy and the impact of the new U.S. president's economic policies. In the United States, gradual economic growth is continuing with the steady performance of companies and increasing employment. In China, while it was feared that there could have been an impact from the termination of tax breaks for compact vehicles, the conclusion that the development of the automobile industry is necessary for stable economic growth led to a decision to extend the tax breaks. In India, although consumption is sluggish due to the lack of supplies of the new currency, the economy is expected to recover slowly backed by the economic structural reform being undertaken by the government.

In this environment, the Group steadily pursued initiatives under its medium-term management plan (2016-2018).

For the first three quarters of the consolidated fiscal year under review, the Company recorded net sales of ¥100,429 million (down 6.2% year on year), operating income of ¥4,542 million (rising 57.4% year on year), recurring income of ¥3,970 million (an increase of 116.3% year on year), and net income attributable to owners of parent of ¥3,110 million (up 100.4% year on year).

Operating results by segment are as follows:

(i) Die Casting Business: Japan

In Japan, automakers, the Company's main customers, maintained strong exports mainly to the North American market. In this environment, orders received by the Company increased slightly. Net sales, however, declined 2.2% year on year, to ¥46,222 million, mainly reflecting a significant drop in the market prices of aluminum ingots. Primarily reflecting the effects of productivity improvement, the segment recorded a profit of ¥1,857 million (up 3.9% year on year).

(ii) Die Casting Business: North America

In North America, automakers, the Company's main customers, maintained strong sales centered on light truck type vehicles. The Company also received orders for the related parts. However, chiefly reflecting a decline in orders as a result of the termination of production, a drop in the market prices of aluminum ingots and the impact on foreign currency translation, net sales amounted to ¥30,789 million (down 10.8% year on year). The segment recorded a profit of ¥1,531 million (up 74.9% year on year), mainly reflecting the effects of improved productivity.

(iii) Die Casting Business: Asia

In China, sales of Japanese automakers, the Company's main customers, continued to exceed those for the same period of the previous fiscal year, reflecting the effects of tax reductions for compact vehicles that began last year. As a result, with the additional impact of the commencement of the production of new related auto parts, the Company recorded higher orders. On the other hand, orders declined in India, partly due to a fall in parts for diesel vehicles as a result of the changed needs in addition to the sluggish market. In this environment, due to a drop in the market prices of aluminum ingots in both regions and the impact of foreign currency translation and other factors, net sales in Asia reached ¥18,484 million (down 8.0% year on year). The segment recorded a profit of ¥772 million (¥5 million for the same quarter of the previous fiscal year), mainly reflecting an increase in production in China.

(iv) Aluminum Business

In the Aluminum business, although the volume of sales increased year on year, selling prices fell due to changes in the aluminum market situation. Consequently, net sales stood at ¥3,222 million (falling 15.3% year on year). The segment recorded a profit of ¥198 million (down 13.6%), mainly reflecting the negative effects of a change in the aluminum market situation, which were partly offset by the effects of cost cutting initiatives.

(v) Proprietary Products Business

In the Proprietary Products business, net sales amounted to ¥1,710 million (up 17.2% year on year) due to the receipt of orders primarily for clean rooms and computer rooms from semiconductor manufacturers, the Group's main customers. The segment recorded a profit of ¥100 million (up 67.0% year on year), mainly due to the effect of increased profit on the back of the net sales increase.

(2) Qualitative Information Concerning Consolidated Financial Position

Assets at the end of the consolidated third quarter under review decreased ¥12,467 million from the end of the previous consolidated fiscal year, to ¥129,226 million. Major factors were a fall of ¥8,626 million in tangible fixed assets due to the impact of foreign currency translation and a decrease of ¥4,173 million in trade notes and accounts receivable.

Liabilities at the end of the consolidated third quarter under review fell ¥10,337 million from the end of the previous consolidated fiscal year, to ¥69,896 million. Principal factors included a decrease of ¥10,133 million in loans.

Net assets at the end of the consolidated third quarter under review decreased ¥2,129 million from the end of the previous consolidated fiscal year, to ¥59,330 million. Major factors included a rise of ¥2,697 million in retained earnings, mainly reflecting net income attributable to owners of parent of ¥3,110 million, and a decrease of ¥5,737 million in foreign currency translation adjustment. As a result, the equity ratio was up from 43.3% at the end of the previous consolidated fiscal year to 45.8%.

(3) Qualitative Information Concerning Consolidated Earnings Forecasts

Consolidated earnings forecasts for the full year periods of the fiscal year under review remain unchanged from those announced on August 8, 2016.

2. Matters Relating to Summary Information (Notes)

(1) Significant Changes to Subsidiaries during the Current Term

Not applicable.

(2) Application of Specific Accounting Treatment to the Preparation of Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Principles and Changes or Restatement of Accounting Estimates

Not applicable.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

	As of March 31, 2016	As of December 31, 2016
	Amount (million yen)	Amount (million yen)
(Assets)		
Current assets		
Cash and time deposits	4,505	5,096
Trade notes and accounts receivable	24,055	19,672
Electronically recorded monetary claims - operating	2,021	2,230
Merchandise and products	2,999	2,746
Partly finished goods	4,006	4,447
Raw materials and inventories	3,351	3,041
Others	3,242	2,629
Allowance for doubtful accounts	(1)	(1)
Total current assets	44,181	39,863
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	16,434	14,945
Machinery and delivery equipment, net	48,376	42,086
Land	5,268	5,151
Construction in progress	7,724	7,472
Others, net	8,002	7,524
Total tangible fixed assets	85,806	77,180
Intangible fixed assets	1,628	1,430
Investments and other assets		
Investments in securities	6,201	7,398
Others	3,875	3,354
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	10,077	10,752
Total fixed assets	97,512	89,363
Total assets	141,694	129,226

	As of March 31, 2016	As of December 31, 2016
	Amount (million yen)	Amount (million yen)
(Liabilities)		
Current liabilities		
Notes and accounts payable	12,065	12,186
Electronically recorded obligations-operating	6,053	6,585
Short-term loans	4,536	1,208
Current portion of long-term loans	10,850	9,996
Accrued income taxes	475	546
Bonus allowances	1,568	1,071
Directors' bonus allowances	20	-
Provision for product warranties	121	98
Others	8,612	8,085
Total current liabilities	44,304	39,779
Long-term liabilities		
Long-term loans	27,062	21,110
Long-term accounts payable	1,671	1,661
Net defined benefit liability	2,985	3,019
Others	4,209	4,325
Total long-term liabilities	35,929	30,116
Total liabilities	80,233	69,896
(Net assets)		
Shareholders' equity		
Common stock	6,939	6,939
Additional paid-in capital	10,180	10,180
Retained earnings	35,462	38,159
Treasury stock	(271)	(271)
Total shareholders' equity	52,311	55,008
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	2,875	3,699
Foreign currency translation adjustments	6,772	1,034
Remeasurements of defined benefit plans	(629)	(576)
Total other accumulated comprehensive income	9,017	4,156
Share warrants	131	165
Total net assets	61,460	59,330
Total liabilities and net assets	141,694	129,226

(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Statements of Comprehensive Income
 Quarterly Consolidated Income Statements.
 First Three Quarters

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
	Amount (million yen)	Amount (million yen)
Sales	107,119	100,429
Cost of goods sold	96,154	87,745
Gross profit	10,965	12,684
Selling, general and administrative expenses	8,079	8,141
Operating income	2,885	4,542
Non-operating income		
Interest income	13	19
Dividends received	135	146
Gain on sales of scraps	103	107
Others	126	156
Total non-operating income	378	430
Non-operating expenses		
Interest expenses	970	676
Foreign currency exchange loss	413	248
Others	44	77
Total non-operating expenses	1,429	1,002
Recurring income	1,835	3,970
Extraordinary gains		
Gain on sales of fixed assets	16	274
Subsidy income	59	52
Total extraordinary gains	76	327
Extraordinary losses		
Loss on sales of fixed assets	85	78
Impairment loss	–	23
Total extraordinary losses	85	101
Income before income taxes and others	1,826	4,196
Income taxes and enterprise taxes	611	989
Deferred income taxes	(336)	95
Total income taxes	274	1,085
Net income	1,552	3,110
Net income attributable to owners of parent	1,552	3,110

Quarterly Consolidated Statements of Comprehensive Income
 First Three Quarters

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
	Amount (million yen)	Amount (million yen)
Net income	1,552	3,110
Other comprehensive income		
Difference on revaluation of other marketable securities	273	824
Foreign currency translation adjustments	(879)	(5,737)
Remeasurements of defined benefit plans, net of tax	65	53
Total other comprehensive income	(539)	(4,860)
Comprehensive income	1,012	(1,750)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,012	(1,750)
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes on Going Concern Assumptions

Not applicable.

(4) Notes for Significant Change in the Amount of Shareholders' Equity

Not applicable.

(5) Segment Information

Segment information

I. Nine months ended December 31, 2015 (from April 1, 2015 to December 31, 2015)

1. Information on sales and income or losses by reported segment

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	47,242	34,510	20,102	3,805	1,459	107,119
Intersegment	3,188	6	1,203	3,547	0	7,945
Total	50,430	34,517	21,305	7,352	1,459	115,064
Segment profit	1,787	875	5	229	59	2,958

2. Total amount of income or losses in reported segments, difference from the amount posted in quarterly consolidated statement of income and important details in the difference (Difference adjustment)

(Million yen)

Profit	Amount
Total profit in reported segments	2,958
Elimination of intersegment transactions	(72)
Operating income in the quarterly consolidated statement of income	2,885

3. Impairment losses in fixed assets or goodwill by reported segment

Not applicable.

II. Nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

1. Information on sales and income or losses by reported segment

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	46,222	30,789	18,484	3,222	1,710	100,429
Intersegment	2,717	9	1,670	2,985	0	7,383
Total	48,940	30,799	20,155	6,207	1,710	107,812
Segment profit	1,857	1,531	772	198	100	4,459

2. Total amount of income or losses in reported segments, difference from the amount posted in quarterly consolidated statement of income and important details in the difference (Difference adjustment)

(Million yen)

Profit	Amount
Total profit in reported segments	4,459
Elimination of intersegment transactions	82
Operating income in the quarterly consolidated statement of income	4,542

3. Impairment losses in fixed assets or goodwill by reported segment

In Die Casting Business: Japan, the book value of assets to be disposed of was reduced to the recoverable value, and the reduction was posted as an impairment loss in extraordinary losses. The impairment loss in the first three quarters under review was ¥23 million.