

Results Briefing for the First Three Quarters of the Year Ending March 31, 2017

February 28, 2017



Contents

- Overview of results for the first three quarters of the fiscal year ending March 31, 2017
- Full-year forecast for the fiscal year ending March 31, 2017

[Reference]

- Supplementary material for the results forecast (published on August 8, 2016)

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Key Results for First Three Quarters of the Fiscal Year Ending March 31, 2017

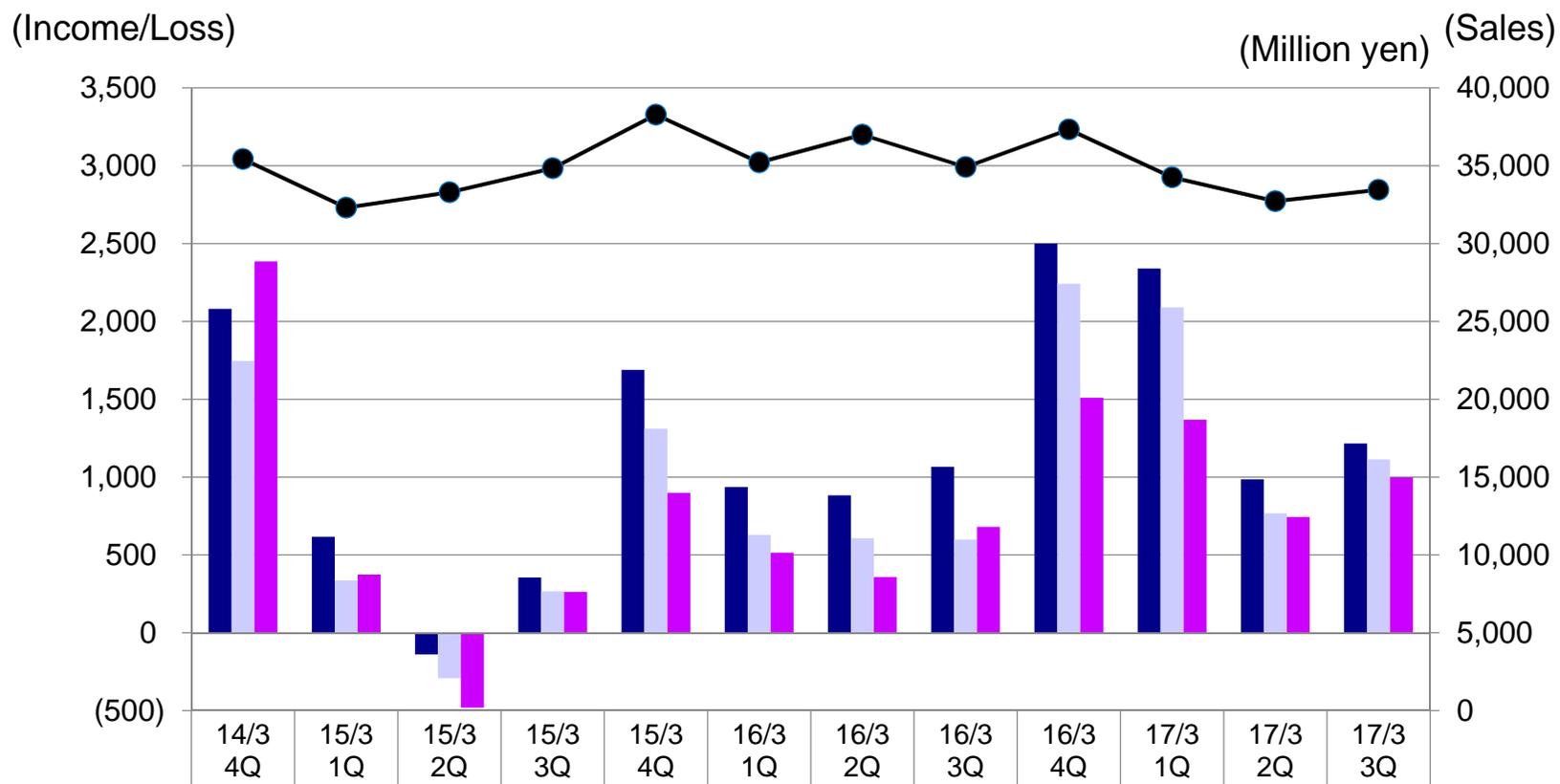
(Million yen)

	First three quarters of year ended March 2016		First three quarters of year ending March 2017		Change	
Sales	107,119	100.0%	100,429	100.0%	(6,690)	(6.2%)
Operating income	2,885	2.7%	4,542	4.5%	1,657	57.4%
Recurring income	1,835	1.7%	3,970	4.0%	2,135	116.3%
Net income	1,552	1.4%	3,110	3.1%	1,558	100.4%
EPS	60.08		120.36		60.28	

Overview

- Sales: Orders increased, but sales declined due to the effects of the stronger yen and a fall in metal prices.
- Operating income: Increased, reflecting an improvement in productivity in North America and cost reductions and increases in the sales volume in China.
- Recurring income: Rose due to the increase in operating income and the decrease in interest expenses and foreign exchange losses.
- Net income: Climbed due to the increase in recurring income and gain on sales of non-current assets.
- EPS: Increased 60.28 yen per share due to the increase in net income.

Overview of the (Quarterly) Consolidated Results



Operating income/loss	2,081	617	(139)	355	1,688	936	883	1,066	2,500	2,340	986	1,216
Recurring income/loss	1,746	336	(291)	266	1,311	629	607	599	2,242	2,090	767	1,113
Net income/loss	2,385	374	(481)	262	899	514	358	680	1,510	1,368	744	998
Sales	35,435	32,312	33,294	34,842	38,279	35,217	36,989	34,913	37,332	34,258	32,718	33,453

Die Casting Business

(Million yen)

		First three quarters of year ended March 2016		First three quarters of year ending March 2017		Change	
Japan	Sales	47,242	100.0%	46,222	100.0%	(1,020)	(2.2%)
	Segment income/loss	1,787	3.8%	1,857	4.0%	70	3.9%
North America	Sales	34,510	100.0%	30,789	100.0%	(3,721)	(10.8%)
	Segment income/loss	875	2.5%	1,531	5.0%	656	74.9%
Asia	Sales	20,102	100.0%	18,484	100.0%	(1,618)	(8.0%)
	Segment income/loss	5	0.0%	772	4.2%	767	–

✓ The overseas sales ratio in the Die Casting Business:

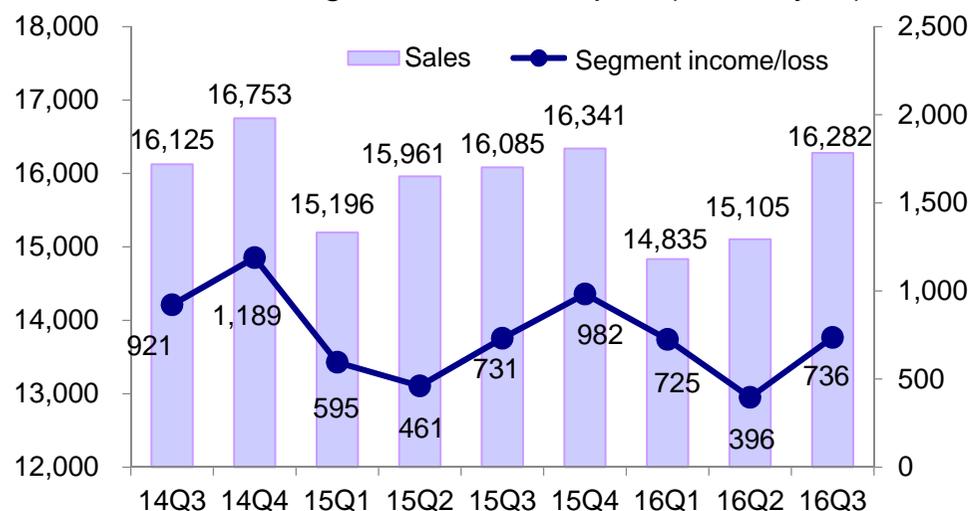
Q3 of fiscal year ended March 2016: 53.6%

⇒ Q3 of fiscal year ending March 2017: 51.6%

* An explanation of the factors behind changes in segment results begins on the next page.

Die Casting in Japan

Changes in sales and segment income in Die Casting Business in Japan (Million yen)



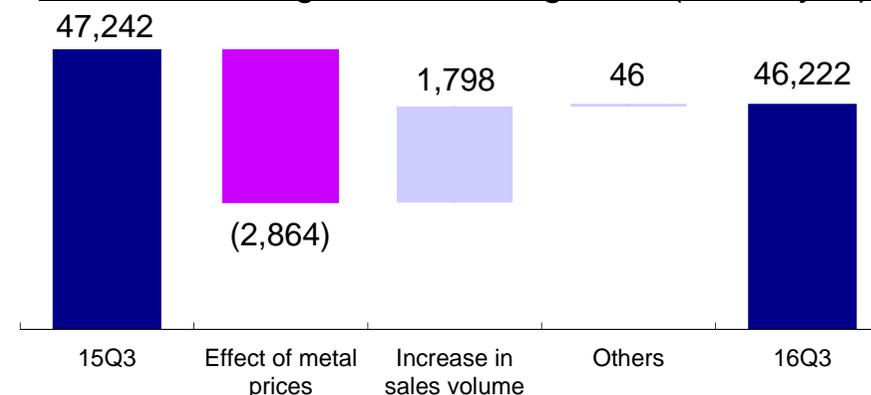
Sales: Decreased ¥1,020 million (down 2.2% year on year)

- Automobile exports bound for North America were strong. The order volume increased (up 3.8% year on year).
- Adverse effects of a decline in the aluminum ingot price

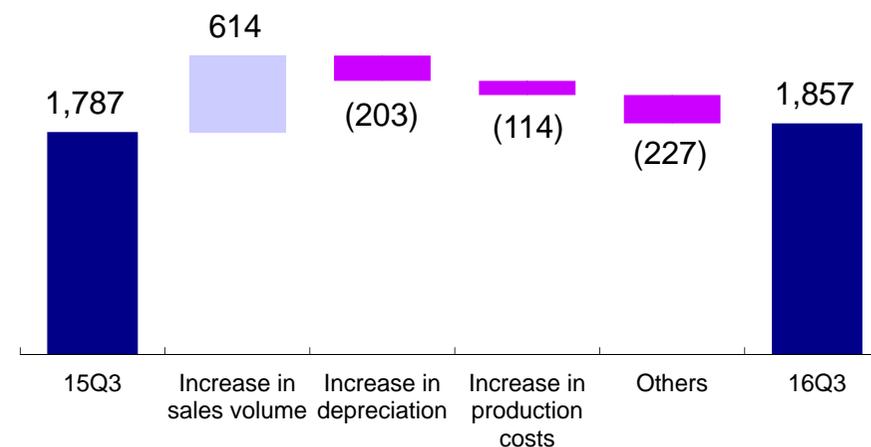
Segment income/loss: Increased ¥70 million (up 3.9% year on year)

- Income rose due to an increase in the sales volume.

Factors of change in die casting sales (Million yen)

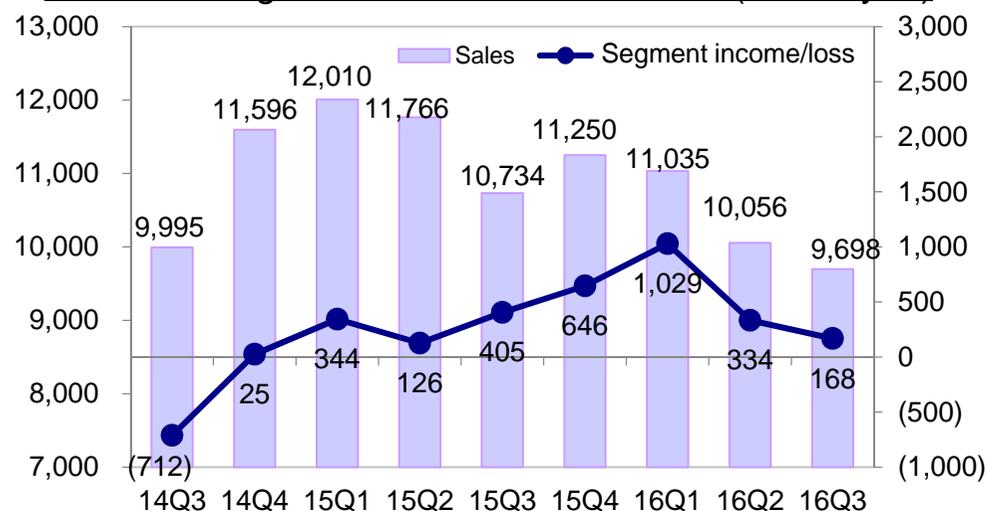


Factors of change in segment income (Million yen)



Die Casting in North America

Changes in sales and segment income in Die Casting Business in North America (Million yen)



Sales: Decreased ¥3,720 million (down 10.8% year on year)

- Orders for components for light trucks were strong.
- The termination of production at certain customers had an adverse effect on orders.
- Adverse effects of declines in metal prices and exchange rate factors

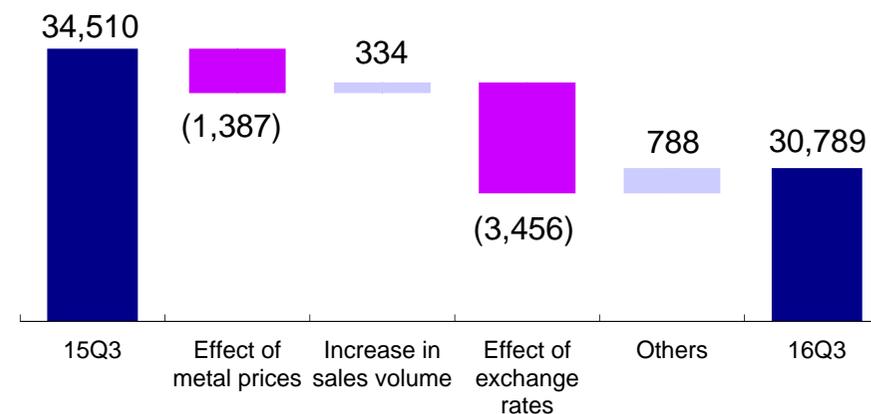
Segment income/loss: Increased ¥660 million (up 74.9% year on year)

- Production costs decreased due to improved productivity, mainly in Mexico, resulting in increased income.

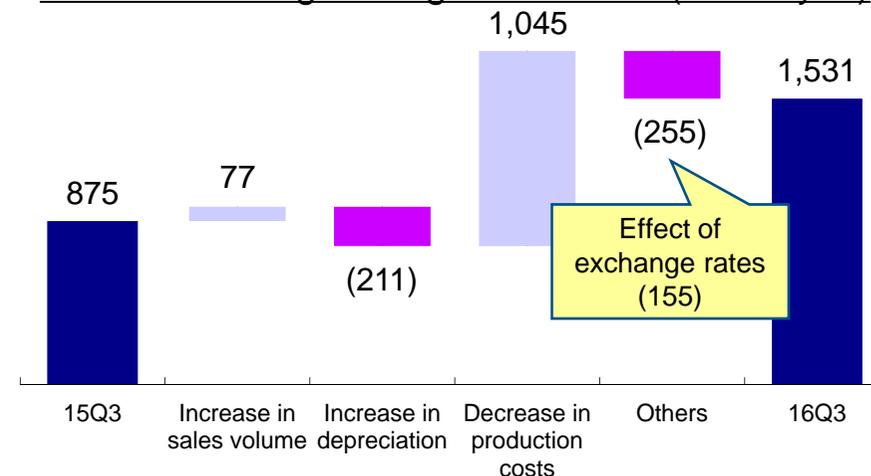
Fiscal year end: U.S.: March; Mexico: December

Exchange rate (15Q3 ⇨ 16Q3): U.S. dollar: ¥121.49 ⇨ ¥108.09; Mexican peso: ¥120.87 ⇨ ¥110.02

Factors of change in die casting sales (Million yen)

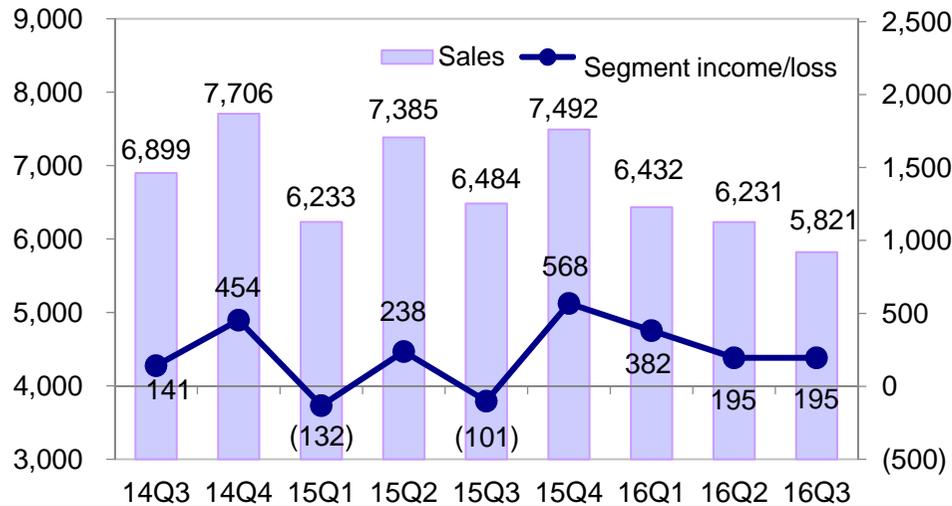


Factors of change in segment income (Million yen)



Die Casting in Asia

Changes in sales and segment income in Die Casting Business in Asia (Million yen)



Sales: Decreased ¥1,620 million (down 8.0% year on year)

- Adverse effects of declines in metal prices and exchange rate factors
- Orders increased, attributable to the launch of new components for compact cars in China.
- Orders declined due to a reduction in demand for diesel fuel vehicles in India.

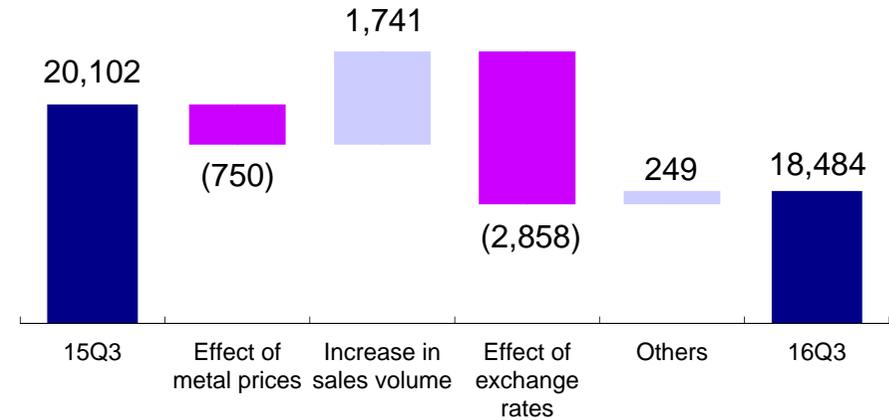
Segment income/loss: Increased ¥770 million from the same period of the previous year.

- An increase in sales volume and a decrease in production costs in China had a positive impact on income.

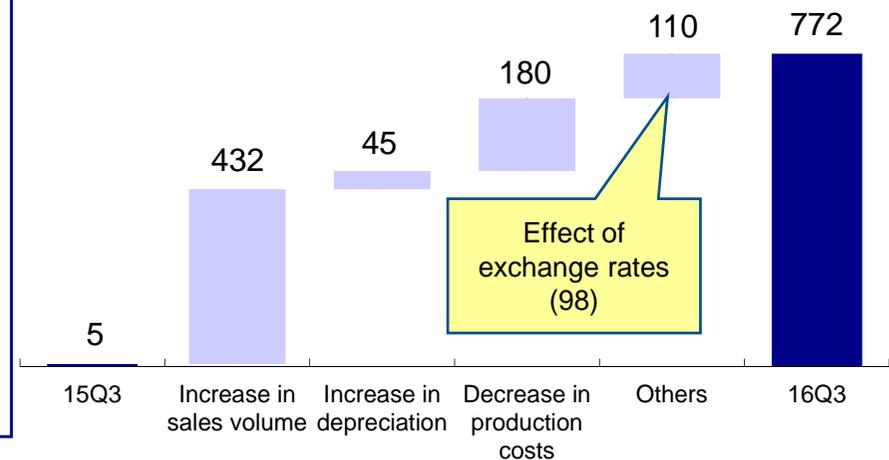
Fiscal year end: China: December; India: March

Exchange rate (15Q3 ⇨ 16Q3): Chinese yuan: ¥19.32 ⇨ ¥16.68; Indian rupee: ¥1.88 ⇨ ¥1.61

Factors of change in die casting sales (Million yen)



Factors of change in segment income (Million yen)



Aluminum Business and Free Access Floors Business

(Million yen)

		First three quarters of year ended March 2016		First three quarters of year ending March 2017		Change	
Aluminum Business	Sales	3,805	100.0%	3,222	100.0%	(583)	(15.3%)
	Segment income/loss	229	6.0%	198	6.1%	(31)	(13.6%)
Proprietary Products Business	Sales	1,459	100.0%	1,710	100.0%	251	17.2%
	Segment income/loss	59	4.0%	100	5.8%	41	67.0%

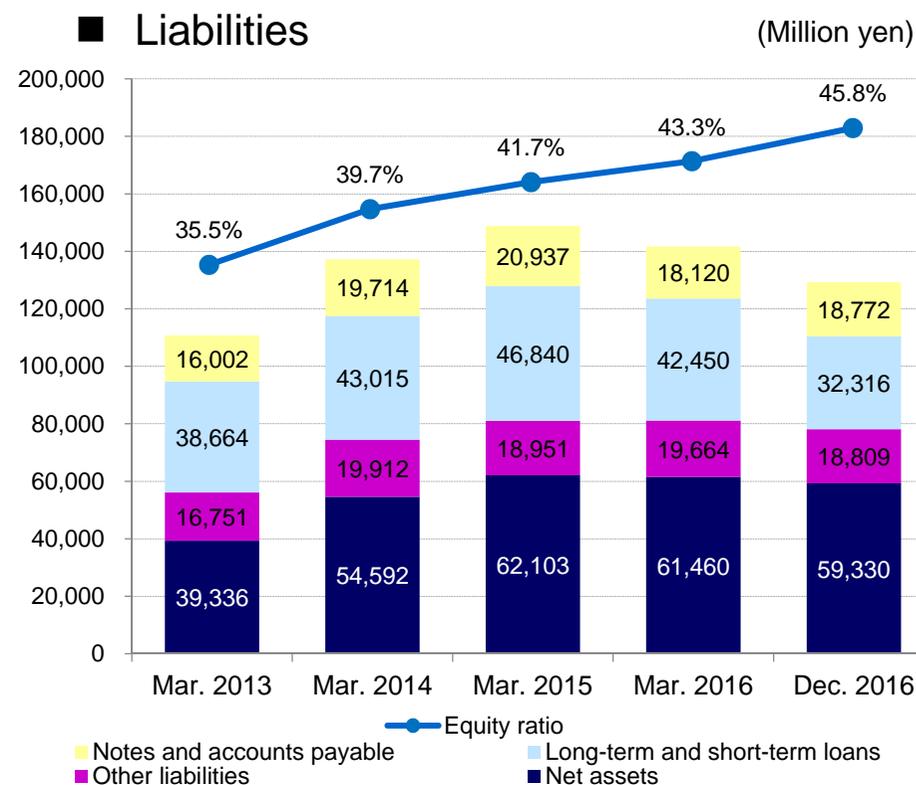
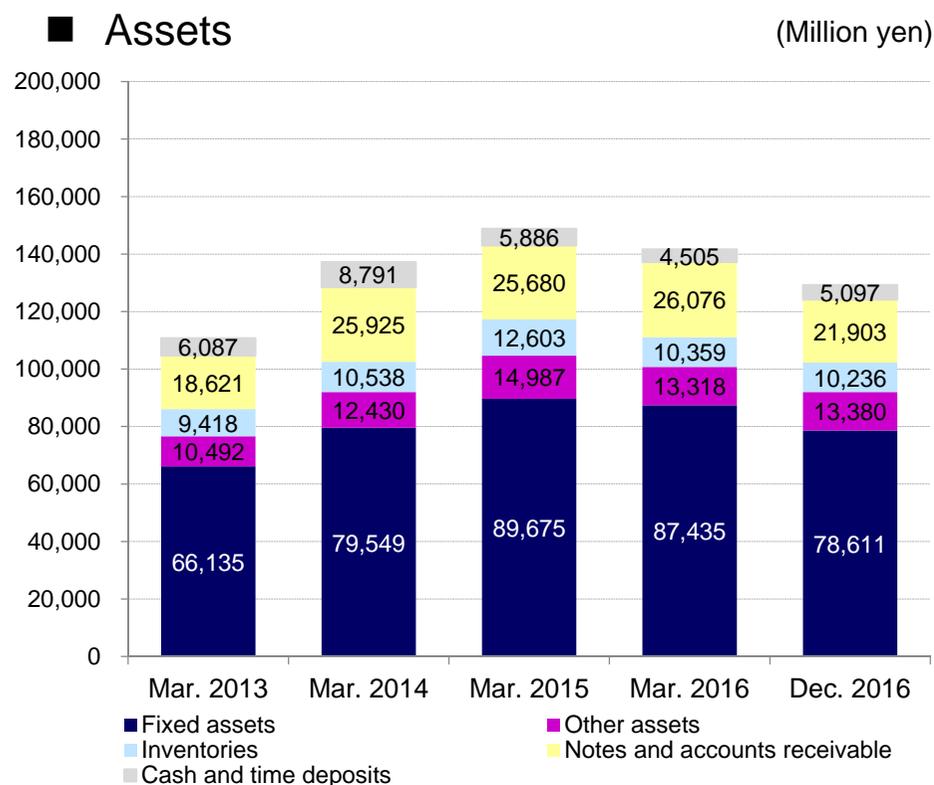
Aluminum Business

- Sales: Sales decreased due to a decline in sales prices, despite an increase in sales volume (down 15.3% from the same period of the previous year).
- Segment income: Income fell due to the impact of the aluminum market conditions, which offset the effect of cost reduction activities (down 13.6% from the same period of the previous year).

Free access floors Business

- Sales: Orders for projects for clean rooms and computer rooms from semiconductor-related companies increased, resulting in increased sales (up 17.2% from the same period of the previous year).
- Segment income: The effect of higher sales, etc. contributed to the increase in income (up 67.0% from the same period of the previous year).

Consolidated Balance Sheet



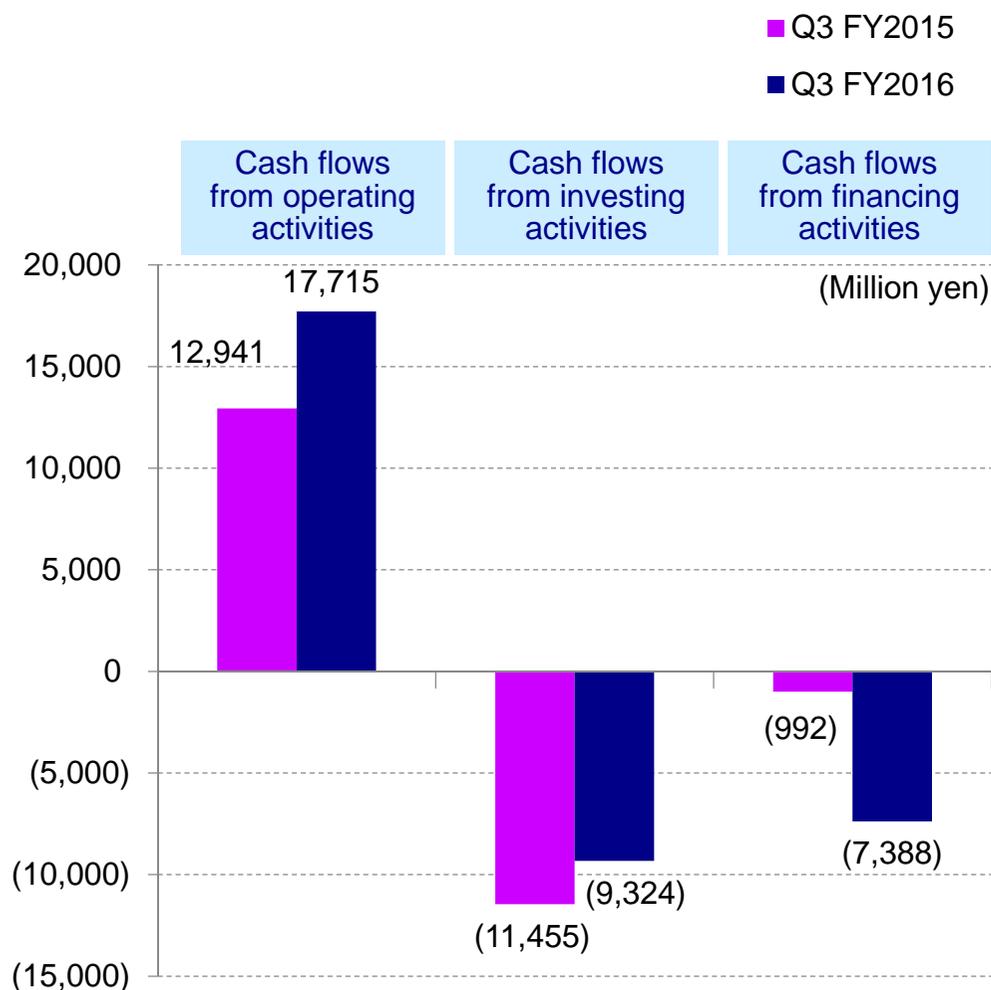
➤ **Changes from March 31, 2016**

Effect of exchange rates: Decrease of ¥10.1bn
 → Net change: Decrease of ¥2.3bn
 Raw material inventory decreased due to favorable metal prices.
 Current assets: Net decrease of ¥1.9bn (Notes and accounts receivable decreased due to the liquidation of receivables and decreased sales.)
 Fixed assets: Net decrease of ¥0.4bn (Tangible fixed assets: Recorded a net increase in Japan and a decrease overseas due to the progress of depreciation.)

➤ **Changes from March 31, 2016**

Liabilities: Effect of exchange rates: decrease of ¥4.3bn
 → Net change: Decrease of ¥6.0bn
 Net decrease of ¥2.0bn in current liabilities, net decrease of ¥4.0bn in long-term liabilities (decrease in long-term and short-term interest-bearing debt)
 Net assets: Net increase of ¥2.1bn with increase of mainly net income, ¥2.7bn offset by foreign currency translation adjustments of ¥-5.7bn, net decrease of ¥2.1bn
 Equity ratio: 45.8%, an improvement of 2.5 percentage points

Consolidated Statement of Cash Flows



Factors of change from the same quarter of the previous fiscal year

- **Cash flows from operating activities: +4.7bn**
Income before income taxes and others: +2.4bn
Decrease (increase) in notes and accounts receivable: +2.4bn
 Increase mainly due to the liquidation of receivables
- **Cash flows from investing activities: -2.1bn**
Increase in capital expenditures in Japan due to expenditures for Fuji Heavy Industries
Capital expenditures declined overseas. Investments may be postponed to the next fiscal year due to delayed plans.
- **Cash flows from financing activities: +6.4bn**
Long- and short-term debt repayment made progress in association with an increase in free cash flow.

Forecast for FY2016

(Million yen)

	FY2015		FY2016 Initial plan (May 9)		FY2016 Revised plan (August 8)		Change compared to initial plan	
Sales	144,451	100%	136,000	100%	134,400	100%	(1,600)	(1.2%)
Operating income	5,385	3.7%	5,500	4.0%	6,000	4.5%	500	9.1%
Recurring income	4,077	2.8%	4,700	3.5%	5,200	3.9%	500	10.6%
Net income	3,062	2.1%	3,100	2.3%	3,750	2.8%	650	21.0%
EPS	118.50		119.94		145.09		–	

Sales

- Regarding die casting in Japan, U.S. and China, orders are likely to be on a par with or higher than the level assumed in the plan made at the beginning of the term.
- Orders are expected to decrease in Mexico due to the end of production and in India due to a decrease in sales of diesel vehicles.
- Consolidated sales are likely to be lower than the level assumed in the initial plan, reflecting the effects of declining metal prices and changes in exchange rate assumptions.

Operating income

- Operating income is likely to increase year on year, attributable to the effects of cost reductions and an increase in the sales volume.

Exchange rates assumed in the initial plan (May 9): ¥110/USD; ¥17.0/RMB; ¥1.7/IDR

Exchange rates assumed in the revised plan (August 8): ¥105/USD; ¥16.0/RMB; ¥1.6/IDR (July 2016 and thereafter)

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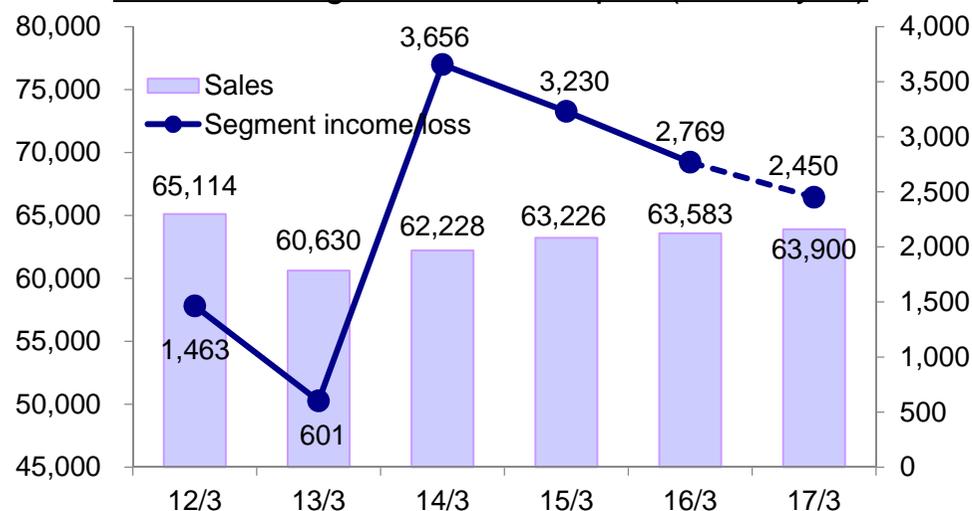
Forecast for FY2016

(Million yen)

	FY2015 Actual	FY2016 Initial plan	FY2016 Revised plan (August 8)	Change compared to initial plan	Percentage change compared to initial plan
Sales	144,451	136,000	134,400	(1,600)	(1.2%)
Die Casting in Japan	63,583	63,900	63,900	–	–
Die Casting in North America	45,760	39,400	38,600	(800)	(2.0%)
Die Casting in Asia	27,594	26,200	25,400	(800)	(3.1%)
Aluminum	4,921	4,300	4,300	–	–
Proprietary Products	2,590	2,200	2,200	–	–
Operating income	5,385	5,500	6,000	500	9.1%
Die Casting in Japan	2,769	2,300	2,450	150	6.5%
Die Casting in North America	1,521	2,200	2,250	50	2.3%
Die Casting in Asia	573	700	1,000	300	42.9%
Aluminum	338	200	200	–	–
Proprietary Products	212	100	100	–	–
Eliminations and Corporate	(30)	–	–	–	–
Recurring income	4,077	4,700	5,200	500	10.6%
Net income	3,062	3,100	3,750	650	21.0%

Die Casting in Japan

Changes in sales and segment income in Die Casting Business in Japan (Million yen)



Sales: ¥63,900 million

- The sales volume is likely to be above the level assumed in the initial plan.
- Metal prices are forecast to decline further than the level assumed in the initial plan.

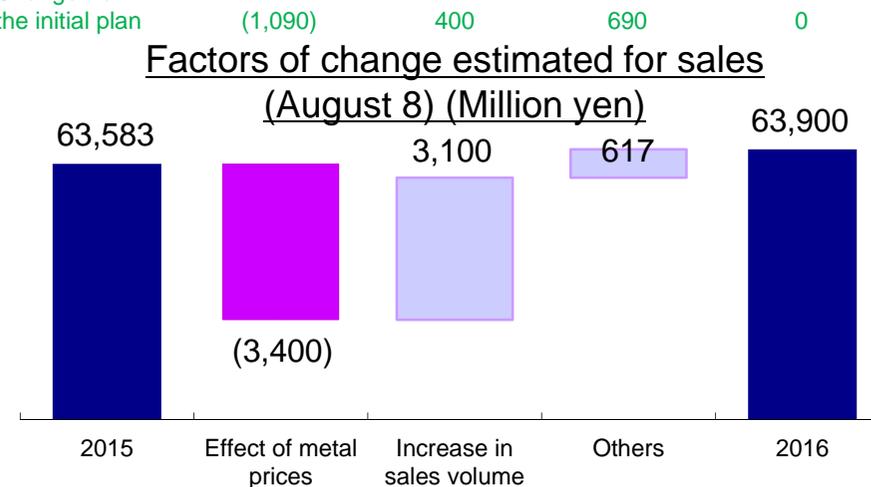
Segment income/loss: ¥2,450 million

(up 6.5% compared to the initial plan)

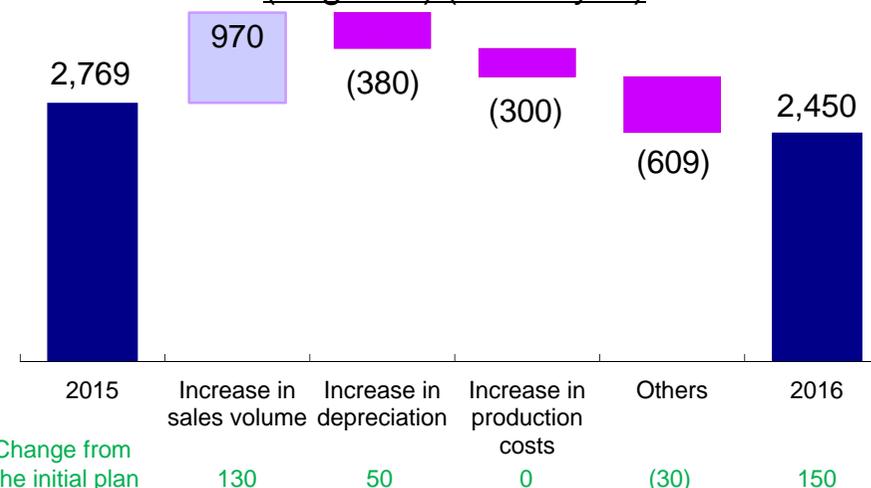
- Income is expected to exceed the initial plan, attributable to the positive impact of an increase in sales volume.

Change from the initial plan

Factors of change estimated for sales (August 8) (Million yen)



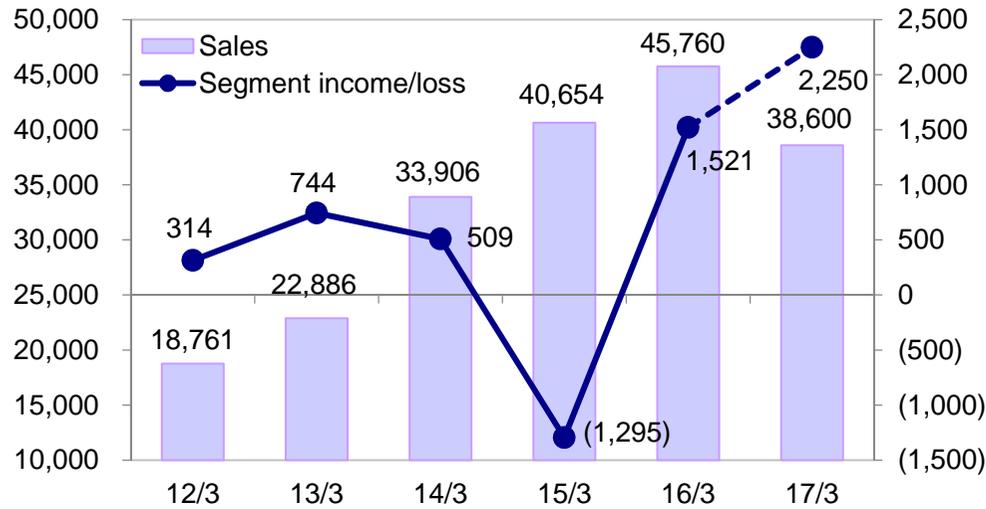
Factors of change estimated for segment income (August 8) (Million yen)



Change from the initial plan

Die Casting in North America

Changes in sales and segment income in Die Casting Business in North America (Million yen)

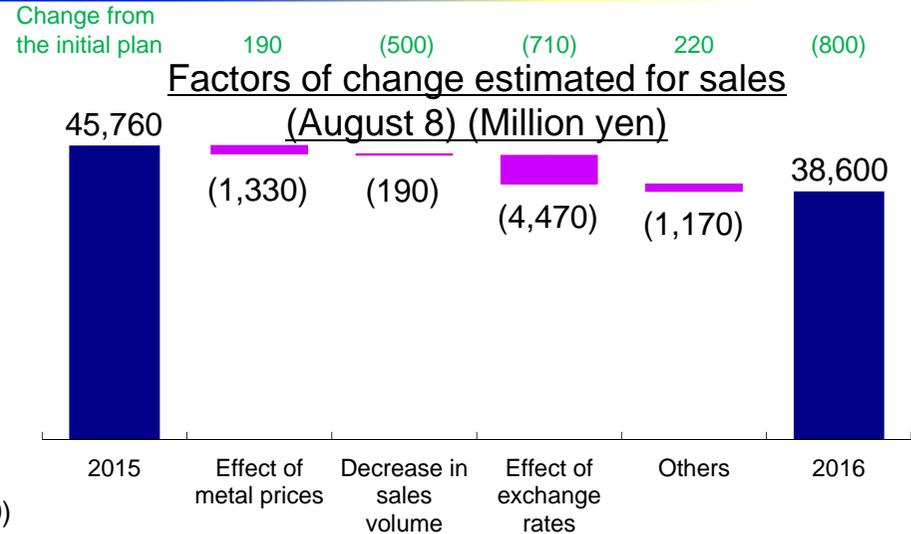


Sales: ¥38,600 million (down 2% compared to the initial plan)

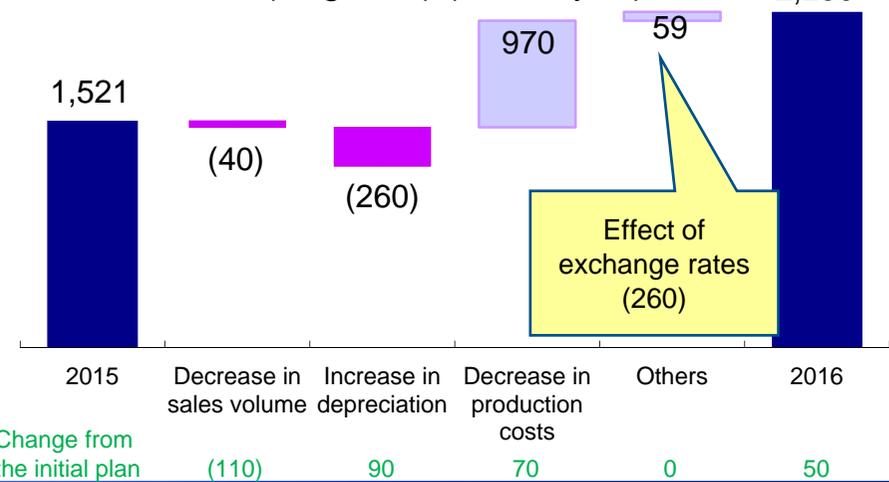
- The sales volume in the U.S. is expected to exceed the initial plan.
- The sales volume in Mexico is likely to decrease year on year.
- Impact of a stronger yen

Segment income/loss: ¥2,250 million (up 2.3% compared to the initial plan)

- Cost reductions in the U.S. and Mexico are likely to have a positive impact on income.

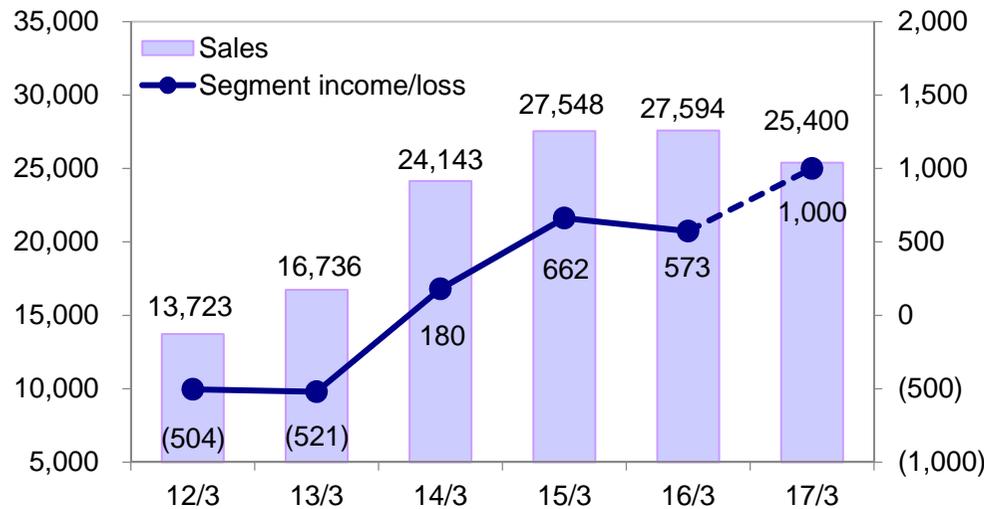


Factors of change estimated for segment income (August 8) (Million yen)



Die Casting in Asia

Changes in sales and segment income in Die Casting Business in Asia (Million yen)

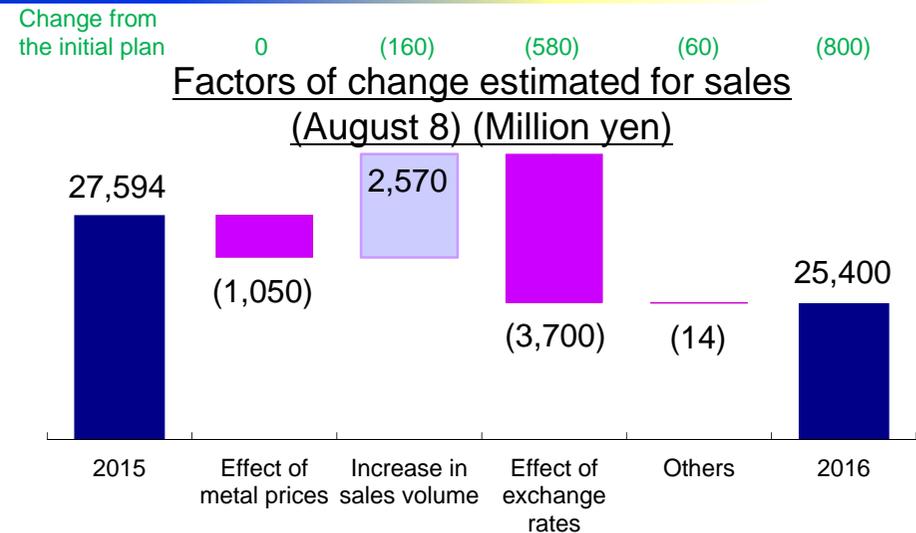


Sales: ¥25,400 million (down 3% compared to the initial plan)

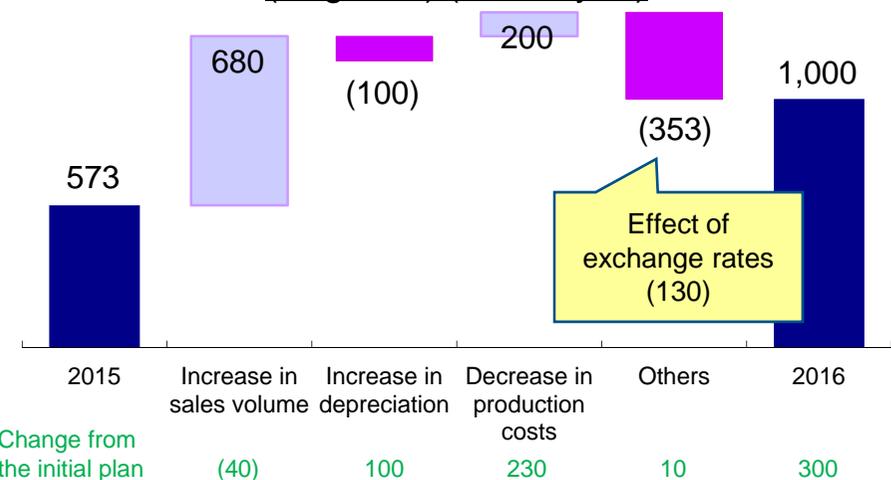
- China: The sales volume is likely to be on a par with the level assumed in the initial plan.
- India: The sales volume is likely to be lower than the initial plan.
- Impact of a stronger yen

Segment income/loss: ¥1,000 million (up 42.9% compared to the initial plan)

- An increase in the sales volume and the effect of the cost reductions are expected to have a positive impact in China.

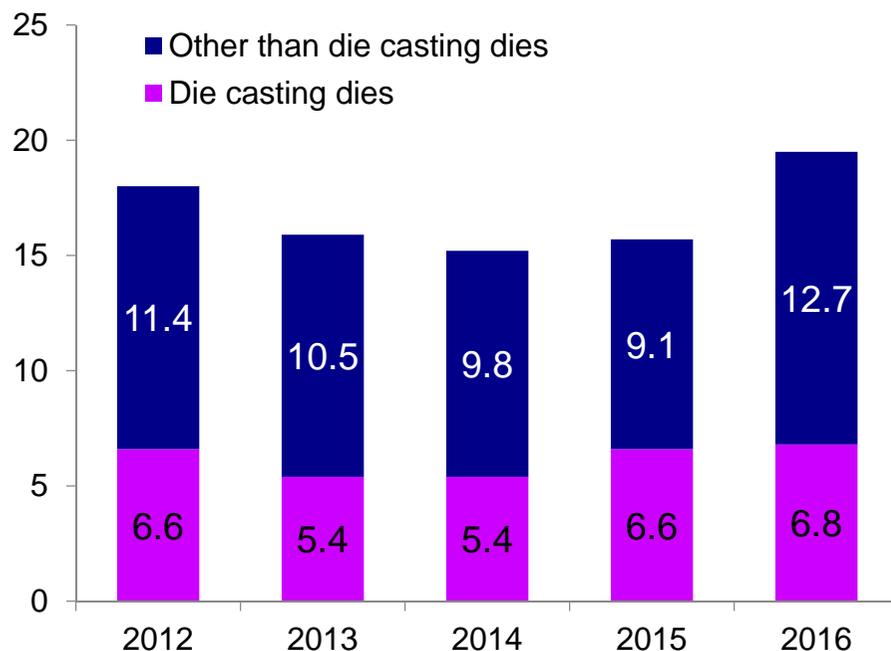


Factors of change estimated for segment income (August 8) (Million yen)

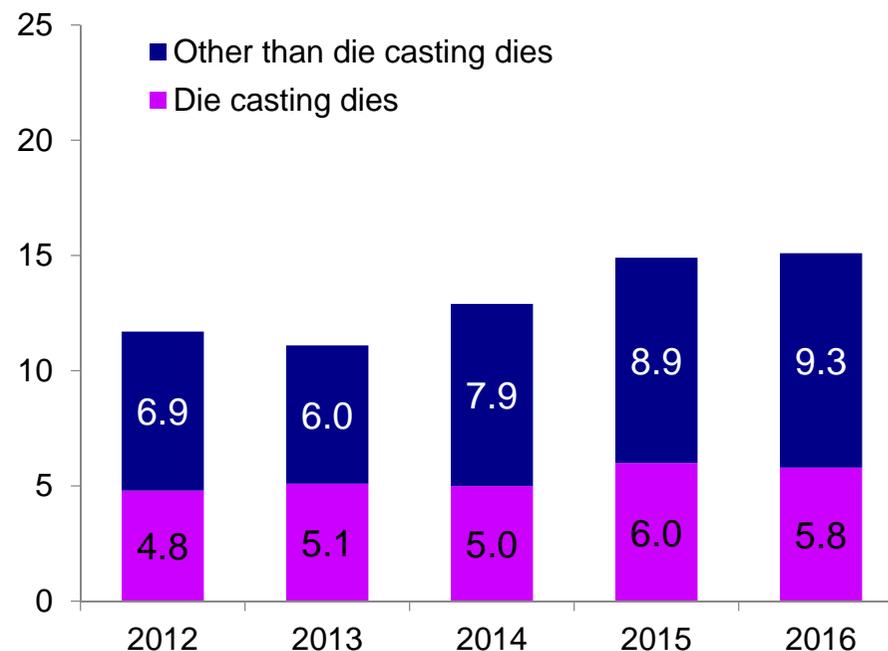


Trends of Capital Expenditures and Depreciation and Amortization

Changes in capital expenditures (Billion yen)



Changes in depreciation and amortization (Billion yen)



FY2016

- Investment areas
 - Die casting: investment mainly for maintaining capacity and improving efficiency
 - Machining: investment mainly for expanding capacity at overseas plants and offices
- Total capital expenditure: ¥19.5 billion
(Other than die casting dies: ¥12.7 billion; Die casting dies: ¥6.8 billion)

Dividends

	FY2012	FY2013	FY2014	FY2015	FY2016 Forecast
Dividend per share					
(Annual dividend)	3	14	12	14	16
Interim dividend	3	8	6	6	8
Year-end dividend	—	6	6	8	8
Net income (loss) per share (consolidated)	(7.76)	287.10	40.85	118.50	145.09
Payout ratio (consolidated)	—	4.9%	29.4%	11.8%	11.0%

- For FY2015, the results planned at the start of the term were achieved. The year-end dividend was therefore increased by ¥2, resulting in an annual dividend of ¥14.
- For FY2016, we intend to pay an annual dividend of ¥16.
- We will promote the fair return of profit while taking into account the management resources and payout ratio necessary for medium- and long-term growth.

Aiming to become a leader in research and
development, service, and technology



Contact for inquiries about this document and the Company's IR:
Management Planning Section, Management Planning Department,
Ahresty Corporation

Phone: +81-3-6369-8664

E-mail: ahresty_MP0_IR@ahresty.com

URL: <http://www.ahresty.co.jp>

This document and what has been said in the results briefing include forecasts that the Company has made based on data available when the document was prepared. Actual results could be different from the forecasts for a range of reasons.