



Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2024

May 17, 2024

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 Planned date for annual shareholders' meeting: June 28, 2024 Planned date for start of dividend payment: June 11, 2024
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 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 2024 (from April 1, 2023 to March 31, 2024)

(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 2024	158,254	12.3	2,291	—	2,574	—	(7,699)	—
Year ended March 2023	140,938	21.2	23	—	94	—	(84)	—

(Note) Comprehensive income Year ended March 2024 (4,106) million yen (—%) Year ended March 2023 3,288 million yen (—%)

(Reference) EBITDA Year ended March 2024 15,089 million yen (16.7%) Year ended March 2023 12,929 million yen (36.1%)

* 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 2024	(300.55)	—	(14.3)	1.9	1.4
Year ended March 2023	(3.26)	—	(0.1)	0.1	0.0

(Reference) Investment gain or loss under equity method Year ended March 2024 — million yen Year ended March 2023 — million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 2024	131,763	51,617	39.1	2,042.86
Year ended March 2023	137,069	56,649	41.2	2,180.28

(Reference) Shareholders' equity Year ended March 2024 51,499 million yen Year ended March 2023 56,527 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 2024	18,319	(13,939)	(5,951)	11,594
Year ended March 2023	10,727	(6,331)	(1,534)	12,991

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	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 2023	—	5.00	—	5.00	10.00	259	—	0.5
Year ended March 2024	—	10.00	—	5.00	15.00	382	—	0.7
Year ending March 2025 (Forecast)	—	10.00	—	18.00	28.00		34.5	

3. Forecast of consolidated results for year ending March 2025 (from April 1, 2024 to March 31, 2025)

(% shows 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	77,000	(1.0)	1,300	53.8	1,000	6.1	100	(800.0)	3.90
Full year	159,000	0.5	4,000	42.7	3,500	26.4	2,000	—	78.07

* 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) Changes in accounting policies and changes in or restatement of accounting estimates

(i) Changes in accounting policies associated with revision of accounting standards, etc.: None
(ii) Changes in accounting policies 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 stocks)	Year ended March 2024	25,546,717 shares	Year ended March 2023	26,076,717 shares
(ii) Number of treasury stocks at end of period	Year ended March 2024	337,057 shares	Year ended March 2023	149,822 shares
(iii) Average number of shares during the period	Year ended March 2024	25,617,844 shares	Year ended March 2023	25,911,370 shares

(Reference) Overview of nonconsolidated results

1. Nonconsolidated results for year ended March 2024 (from April 1, 2023 to March 31, 2024)

(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 2024	50,253	8.8	973	47.5	2,153	104.2	782	—
Year ended March 2023	46,176	16.5	660	—	1,054	—	(3,314)	—

	Net income per share	Fully diluted net income per share
	yen	yen
Year ended March 2024	30.55	30.35
Year ended March 2023	(127.93)	—

(2) Nonconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 2024	87,057	32,013	36.6	1,265.22
Year ended March 2023	87,276	31,941	36.5	1,227.26

(Reference) Shareholders' equity Year ended March 2024 31,895 million yen Year ended March 2023 31,819 million yen

* This report on consolidated financial results is 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 6 of the accompanying materials.

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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 continued to see a slowdown due to factors such as the ongoing high raw material and energy prices, the manifestation of the effects of tight monetary policies by the central banks of various countries, and the stagnant recovery of the Chinese economy. In the U.S., while the raising of the interest rate affected the overall economy, labor shortages and supply chain constraints eased, simultaneously accelerating the normalization of economic activities and the slowdown of inflation. Although the slowdown will continue until mid-2024, the Fed's interest rate cut has begun and the U.S. economy is expected to recover. As for the Chinese economy, the growth rate is expected to continue to slow due to ongoing structural downward pressures, such as prolonged adjustments in the real estate sector, population decline, and the U.S.-China conflict. In Japan, although economic activities will maintain a recovery due to high corporate earnings going to wages and capital investment, the Japanese economy is expected to recover only moderately due to sluggish growth in net employment compensation and a lull in the recovery in service consumption and inbound demand.

Under these economic circumstances, the Ahresty Group's business performance continued to be on a recovery track due to the recovery in the volume of orders received in line with the global easing of the shortage of semiconductors in car production. In Asia, although we faced difficulty due to the impact of the intensification of competition between Japanese automobile companies and local manufacturers in the Chinese market, we were able to record surpluses for operating income and recurring income thanks partly to the advancement in the passing on of the rise in energy prices to selling prices. As for net income for the year, on the other hand, a net loss had to be recorded mainly due to the recognition of an impairment loss resulting from the reduction of the book value of the business assets held mainly by our sites in China, which were affected by the production reduction, to their recoverable amounts.

Starting from the previous consolidated fiscal year, the Ahresty Group has promoted its 10-year Business Plan, a long-term management plan toward fiscal 2030, and the 2224 Medium-Term Management Plan, the milestone plan for the first three years of the 10-year Business Plan. Under the 2224 Medium-Term Management Plan, in response to changes in the external environment, such as the acceleration of electrification of automobiles and moves toward carbon neutrality, we set "establishing low-cost, highly productive MONOZUKURI," "reducing CO₂ emissions in production," and "shifting the business portfolio to predominantly parts for electric vehicles" as the pillars of our strategy. Based on these pillars, we are making efforts to boost sales, improve productivity, and enhance our earnings strength. Furthermore, we formulated financial strategies for the 10-year Business Plan in June last year, aiming to achieve, in addition to the income targets that had been released, an equity ratio of 40%, a dividend payout ratio of 35%, capital investment of 140 billion yen, and an ROE of 9%, as the four pillar financial targets for the period of the 10-year Business Plan. Although we recorded a net loss for the fiscal year under review, we continue to see a recovery trend in our basic profitability and will continue to strengthen our business structure in the next fiscal year and beyond by building an efficient production system and expanding new and existing business relationships with customers who are strong in electric vehicle parts.

As a result, for the consolidated fiscal year under review, the Group recorded consolidated net sales of ¥158,254 million (up 12.3% year on year), operating income of ¥2,291 million (operating income of ¥23 million in the previous year), and recurring income of ¥2,574 million (recurring income of ¥94 million in the previous year). Due to the occurrence of an impairment loss on fixed assets and other factors, net loss attributable to owners of parent was ¥7,699 million (net loss attributable to owners of parent of ¥84 million in the previous year).

Operating results by segment are as follows:

(i) Die Casting Business: Japan

In the Japanese automobile market, as car production recovered due to the stabilization of the supply of semiconductors, resulting in an increase in the volume of orders received, our net sales increased to ¥62,007 million (up 5.1% year on year). On the profitability side, the segment recorded a profit of ¥595 million (up 137.6% year on year) due to a recovery in the volume of orders received, as well as steady progress in price adjustments to compensate for higher energy costs, etc.

(ii) Die Casting Business: North America

In the automobile market in North America, as car production recovered due to the stabilization of the supply of semiconductors, resulting in an increase in the volume of orders received, our net sales increased to ¥47,967 million (up 29.7% year on year). On the profitability side, despite an increase in manufacturing costs due to the rise in labor costs, etc., the segment recorded a profit of ¥1,242 million (a segment loss of ¥676 million was recorded a year earlier) due to the recovery in orders received, which was associated with a recovery in production.

(iii) Die Casting Business: Asia

In the automobile market in Asia, despite a decline in the volume of orders received in China, reflecting stagnant sales of Japanese car manufacturers, our major customers, in the Chinese market, net sales increased 4.2% year on year to ¥35,098 million due to an increase in the volume of orders received thanks to the start of mass production of new products at our plant in India. On the profitability side, the segment recorded a loss of ¥650 million (a segment income of ¥8 million was recorded a year earlier) due to the decrease in orders received associated with a decrease in production in China Plant and the impact of higher costs pertaining to the ongoing instability in production of some products in India Plant.

(iv) Aluminum Business

In the Aluminum Business, the sales weight decreased 17.2% year on year. Net sales decreased 11.5% year on year to ¥7,057 million due to production reduction at some business partners. On the profitability side, the segment recorded a profit of ¥141 million (down 48.6% year on year) due to the impact of the decrease in sales weight.

(v) Proprietary Products Business

In the Proprietary Products Business, net sales increased 87.2% year on year to ¥6,123 million, mainly reflecting an increase in orders for projects for the main customers, such as a clean room at a semiconductor-related company. On the profitability front, the segment achieved a stable profit of ¥891 million (up 212.1% year on year) partly due to the increase in net sales.

(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 decreased ¥5,305 million from the end of the previous consolidated fiscal year to ¥131,763 million. Current assets stood at ¥61,777 million, an increase of ¥477 million from the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥1,002 million in notes and accounts receivable despite a decrease of ¥668 million in cash and time deposits. Fixed assets were ¥69,985 million, down ¥5,783 million from the end of the previous fiscal year. This was due chiefly to a decrease of ¥6,065 million in tangible fixed assets despite an increase of ¥280 million in investment securities.

(Liabilities)

Liabilities at the end of the consolidated fiscal year under review decreased ¥273 million from the end of the previous consolidated fiscal year to ¥80,146 million. Current liabilities stood at ¥59,741 million, an increase of ¥464 million from the end of the previous consolidated fiscal year. The principal factors contributing to this result included increases of ¥1,315 million in notes and accounts payable, ¥1,423 million in obligations for equipment included in Others, ¥614 million in advances received also included in Others, ¥366 million in accrued consumption taxes and others, and ¥316 million yen in accrued expenses, in contrast to decreases of ¥2,961 million in short-term loans and ¥704 million in the current portion of long-term loans. Long-term liabilities stood at ¥20,404 million, a decrease of ¥738 million from the end of the previous consolidated fiscal year. This was mainly due to decreases of ¥1,183 million in deferred tax liabilities and ¥271 million in net defined benefit liability despite an increase of ¥670 million in long-term loans.

(Net assets)

Net assets at the end of the consolidated fiscal year under review decreased ¥5,032 million from the end of the previous consolidated fiscal year to ¥51,617 million. This was attributable primarily to a decrease of ¥8,432 million in retained earnings despite an increase of ¥2,874 million in foreign currency translation adjustments.

As a result, the equity ratio was down from 41.2% at the end of the previous fiscal year to 39.1%.

(ii) Cash flows

Cash and cash equivalents (“cash”) decreased ¥1,397 million from the end of the previous fiscal year during the consolidated fiscal year under review, coming to ¥11,594 million.

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

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥18,319 million (compared to net cash provided of ¥10,727 million in the previous fiscal year). This result was mainly due to factors decreasing cash, such as loss before income taxes and others of ¥8,431 million, as well as factors increasing cash, such as depreciation and amortization of ¥12,797 million, impairment loss of ¥10,399 million, a decrease of ¥1,113 million in inventories, and an increase of ¥832 million in notes and accounts payable.

(Cash flows from investing activities)

Net cash used in investing activities was ¥13,939 million (compared to net cash used of ¥6,331 million in the previous fiscal year). This was mainly due to factors decreasing cash, such as expenditures on purchase of tangible fixed assets of ¥13,115 million and payments into time deposits of ¥724 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥5,951 million (compared to net cash used of ¥1,534 million in the previous fiscal year). This was mainly due to factors increasing cash, such as proceeds from long-term loans of ¥10,900 million, in comparison to factors decreasing cash, such as repayment of long-term loans of ¥11,834 million, purchase of treasury stock of ¥599 million, and an increase of ¥403 million in deposits for purchase of treasury stock.

(Reference) Transition of indexes related to cash flows

	Year ended March 2020	Year ended March 2021	Year ended March 2022	Year ended March 2023	Year ended March 2024
Equity ratio (%)	46.5	41.9	40.7	41.2	39.1
Market value-based equity ratio (%)	7.3	9.4	7.4	9.8	16.3
Ratio of interest-bearing debt to cash flows (%)	204.5	578.2	519.6	405.7	221.2
Interest coverage ratio (times)	38.2	16.7	15.7	15.3	24.1

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

The global economy is expected to remain in a state requiring close monitoring due to a mixture of various unstable factors, including persistently high raw material and energy prices resulting from the prolonged conflict between Russia and Ukraine, the manifestation of the effects of monetary tightening by central banks in various countries, rapid fluctuations in exchange rates, rising labor costs due to a declining working-age population, and the prolonged slowdown of economic growth in China.

In this environment, the Ahresty Group's consolidated net sales are expected to be at the same level as the consolidated fiscal year under review due to an increase in orders received, mainly from the launch of new products in North America and India, although competition between Japanese car manufacturers, our major customers, and Chinese EV (electric vehicle) manufacturers will continue to intensify in line with rapid changes in the structure of the automobile market in China.

In terms of profits, we will further strengthen our tolerance to fluctuations in orders received by reducing fixed costs through streamlining our production system and further improving productivity. We will also tackle high energy and labor costs by promoting cost pass-through negotiations to absorb the impact of cost increase, thereby securing stable profits. The Group will also work to increase the rate of sales for electric vehicles and enhance the business in vehicle body components, while continuing to promote initiatives toward carbon neutrality.

As a result, our forecasts for consolidated business results for the next fiscal year (year ending March 2025) are as shown below.

Incidentally, our foreign exchange assumptions are: 140.0 yen to the USD, 20.0 yen to the CNY, 1.70 yen to the INR, and 18.0 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 are 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 2025 forecasts	159,000	4,000	3,500	2,000
Year ended March 2024 results	158,254	2,291	2,574	(7,699)
Difference	745	1,708	925	9,699
Percentage change (%)	0.47	42.72	26.44	—

Segment	Net sales		Segment profit	
	Year ended March 2024	Year ending March 2025	Year ended March 2024	Year ending March 2025
Die Casting in Japan	62,007	61,700	595	700
Die Casting in North America	47,967	50,300	1,242	1,600
Die Casting in Asia	35,098	35,100	(650)	1,100
Aluminum	7,057	7,300	141	100
Proprietary Products	6,123	4,600	891	500
Elimination of intersegment transactions	—	—	71	—
Total	158,254	159,000	2,291	4,000

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

The Company views the continuing increase of corporate value as the most important return to shareholders. Regarding profit distribution, the Company's basic policy 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 the dividend of surplus. Based on this policy, the Company decided to pay dividends of ¥15 per share (including an interim dividend of ¥10) for the fiscal year under review.

For the fiscal year ending March 2025, 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 14, 2023	256	10
Board of Directors' meeting on May 17, 2024	126	5

For the next fiscal year, we plan to pay dividends of 28 yen per share (¥10 for interim and ¥18 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, 2023)	Consolidated fiscal year under review (March 31, 2024)
(Assets)		
Current assets		
Cash and time deposits	12,991	12,323
Trade notes and accounts receivable, and contract assets	27,140	28,243
Electronically recorded monetary claims – operating	4,116	4,015
Merchandise and products	6,304	5,279
Partly finished goods	5,637	6,009
Raw materials and inventories	3,462	3,822
Others	1,823	2,193
Allowance for doubtful accounts	(176)	(110)
Total current assets	61,299	61,777
Fixed assets		
Tangible fixed assets		
Buildings and structures	32,592	34,481
Accumulated depreciation and impairment loss	(19,071)	(21,255)
Buildings and structures, net	13,521	13,226
Machinery and delivery equipment	140,599	151,105
Accumulated depreciation and impairment loss	(104,237)	(120,196)
Machinery and delivery equipment, net	36,362	30,908
Tools, furniture and fixtures	35,880	36,923
Accumulated depreciation and impairment loss	(28,941)	(32,075)
Tools, furniture and fixtures, net	6,939	4,847
Land	5,076	5,128
Lease assets	1,703	1,919
Accumulated depreciation and impairment loss	(921)	(1,249)
Lease assets, net	782	670
Construction in progress	7,221	9,057
Total tangible fixed assets	69,903	63,838
Intangible fixed assets	1,642	1,571
Investments and other assets		
Investment securities	1,261	1,541
Deferred tax assets	2,337	2,476
Others	641	573
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	4,223	4,576
Total fixed assets	75,769	69,985
Total assets	137,069	131,763

(Million yen)

	Previous consolidated fiscal year (March 31, 2023)	Consolidated fiscal year under review (March 31, 2024)
(Liabilities)		
Current liabilities		
Notes and accounts payable	11,670	12,707
Electronically recorded obligations – operating	9,144	9,422
Short-term loans	18,599	15,638
Current portion of long-term loans	10,600	9,895
Accrued income taxes	147	265
Bonus allowances	1,530	1,506
Provision for product warranties	53	206
Others	7,532	10,099
Total current liabilities	59,277	59,741
Long-term liabilities		
Long-term loans	14,319	14,990
Long-term accounts payable	123	107
Deferred tax liabilities	2,234	1,050
Net defined benefit liability	3,305	3,034
Others	1,159	1,221
Total long-term liabilities	21,142	20,404
Total liabilities	80,419	80,146
(Net assets)		
Shareholders' equity		
Common stock	6,964	6,964
Additional paid-in capital	10,206	10,206
Retained earnings	30,454	22,021
Treasury stock	(58)	(246)
Total shareholders' equity	47,566	38,945
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	538	754
Foreign currency translation adjustments	9,026	11,901
Remeasurements of defined benefit plans	(604)	(101)
Total other accumulated comprehensive income	8,961	12,554
Share warrants	121	117
Total net assets	56,649	51,617
Total liabilities and net assets	137,069	131,763

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

(Million yen)

	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (April 1, 2023 to March 31, 2024)
Net sales	140,938	158,254
Cost of goods sold	130,457	144,349
Gross profit	10,480	13,905
Selling, general and administrative expenses		
Transportation expenses	1,652	1,745
Salaries and bonuses	3,089	3,330
Retirement benefit expenses	199	179
Provision for bonuses	302	325
Depreciation and amortization	411	429
Research and development expenses	558	683
Other expenses	4,243	4,920
Total selling, general and administrative expenses	10,457	11,614
Operating income	23	2,291
Non-operating income		
Interest income	51	132
Dividends received	44	47
Foreign currency exchange gain	355	482
Gain on sales of scraps	230	348
Employment adjustment subsidies	147	—
Others	80	77
Total non-operating income	910	1,087
Non-operating expenses		
Interest expenses	759	730
Others	79	73
Total non-operating expenses	839	804
Recurring income	94	2,574
Extraordinary gains		
Gain on sales of fixed assets	3,208	45
Gain on sales of investment securities	—	34
Subsidy income	132	212
Total extraordinary gains	3,340	291
Extraordinary losses		
Loss on sales and retirement of fixed assets	214	321
Impairment loss	2,378	10,399
Retirement benefit expenses	448	—
Loss related to Chinese business	—	429
Special retirement expenses	368	147
Total extraordinary losses	3,410	11,298
Income (loss) before income taxes and others	24	(8,431)
Income taxes and enterprise taxes	661	548
Deferred income taxes	(553)	(1,280)
Total income taxes	108	(732)
Net income (loss)	(84)	(7,699)
Net income (loss) attributable to owners of parent	(84)	(7,699)

(Consolidated Statement of Comprehensive Income)

(Million yen)

	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (April 1, 2023 to March 31, 2024)
Net income (loss)	(84)	(7,699)
Other comprehensive income		
Difference on revaluation of other marketable securities	(10)	216
Foreign currency translation adjustments	3,433	2,874
Remeasurements of defined benefit plans	(48)	502
Total other comprehensive income	3,373	3,593
Comprehensive income	3,288	(4,106)
Comprehensive income attributable to:		
Owners of parent	3,288	(4,106)
Non-controlling interests	—	—

(3) Consolidated Statement of Changes in Net Assets

Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)

(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	30,834	(166)	47,837
Changes					
Dividend of surplus	—	—	(258)	—	(258)
Net income (loss) attributable to owners of parent	—	—	(84)	—	(84)
Purchase of treasury stock	—	—	—	(0)	(0)
Disposal of treasury stock	—	—	(36)	108	71
Changes (net) in non-shareholders' equity items	—	—	—	—	—
Total changes	—	—	(379)	108	(271)
Balance at end of fiscal year	6,964	10,206	30,454	(58)	47,566

	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	549	5,593	(555)	5,588	140	53,566
Changes						
Dividend of surplus	—	—	—	—	—	(258)
Net income (loss) attributable to owners of parent	—	—	—	—	—	(84)
Purchase of treasury stock	—	—	—	—	—	(0)
Disposal of treasury stock	—	—	—	—	—	71
Changes (net) in non-shareholders' equity items	(10)	3,433	(48)	3,373	(18)	3,354
Total changes	(10)	3,433	(48)	3,373	(18)	3,083
Balance at end of fiscal year	538	9,026	(604)	8,961	121	56,649

Consolidated fiscal year under review (April 1, 2023 to March 31, 2024)

(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	30,454	(58)	47,566
Changes					
Dividend of surplus	—	—	(385)	—	(385)
Net income (loss) attributable to owners of parent	—	—	(7,699)	—	(7,699)
Purchase of treasury stock	—	—	—	(599)	(599)
Disposal of treasury stock	—	17	—	45	63
Cancellation of treasury stock	—	(17)	(347)	364	—
Changes (net) in non-shareholders' equity items	—	—	—	—	—
Total changes	—	—	(8,432)	(188)	(8,621)
Balance at end of fiscal year	6,964	10,206	22,021	(246)	38,945

	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	538	9,026	(604)	8,961	121	56,649
Changes						
Dividend of surplus	—	—	—	—	—	(385)
Net income (loss) attributable to owners of parent	—	—	—	—	—	(7,699)
Purchase of treasury stock	—	—	—	—	—	(599)
Disposal of treasury stock	—	—	—	—	—	63
Cancellation of treasury stock	—	—	—	—	—	—
Changes (net) in non-shareholders' equity items	216	2,874	502	3,593	(4)	3,589
Total changes	216	2,874	502	3,593	(4)	(5,032)
Balance at end of fiscal year	754	11,901	(101)	12,554	117	51,617

(4) Consolidated Statement of Cash Flows

(Million yen)

	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Income (loss) before income taxes and others	24	(8,431)
Depreciation and amortization	12,906	12,797
Impairment loss	2,378	10,399
Increase (decrease) in bonus allowances	(57)	(38)
Increase (decrease) in provision for product warranties	4	149
Increase (decrease) in net defined benefit liability	330	219
Interest and dividend income	(95)	(179)
Interest expenses	759	730
Foreign currency exchange loss (gain)	(406)	(91)
Loss (gain) on sales and retirement of tangible fixed assets	(3,003)	269
Loss (gain) on sales of investment securities	—	(34)
Subsidy income	(132)	(212)
Retirement benefit expenses	448	—
Special retirement expenses	368	147
Employment adjustment subsidies	(147)	—
Loss related to Chinese business	—	429
Decrease (increase) in notes and accounts receivable	(234)	(311)
Decrease (increase) in inventories	(1,835)	1,113
Increase (decrease) in notes and accounts payable	718	832
Increase (decrease) in accounts payable	51	32
Increase (decrease) in accrued consumption taxes and others	(462)	368
Increase (decrease) in long-term accounts payable - other	(47)	(15)
Others	438	878
Subtotal	12,006	19,054
Interest and dividends received	95	179
Interest paid	(700)	(761)
Income taxes paid	(862)	(509)
Income taxes refund	25	177
Extra retirement payments	(20)	(198)
Proceeds from subsidy income	183	377
Cash flows from operating activities	10,727	18,319
Cash flows from investing activities		
Payments into time deposits	—	(724)
Purchase of tangible fixed assets	(9,888)	(13,115)
Proceeds from sales of tangible fixed assets	3,648	64
Proceeds from sales of investment securities	—	50
Others	(92)	(214)
Cash flows from investing activities	(6,331)	(13,939)
Cash flows from financing activities		
Proceeds from short-term loans	150,982	130,449
Repayment of short-term loans	(149,745)	(133,712)
Proceeds from long-term loans	6,940	10,900
Repayment of long-term loans	(9,137)	(11,834)
Purchase of treasury stock	(0)	(599)
Increase (decrease) in deposit for purchase of treasury stock	—	(403)
Dividends paid	(257)	(384)
Others	(315)	(367)
Cash flows from financing activities	(1,534)	(5,951)
Effect of exchange rate changes on cash and cash equivalents	774	174
Net increase (decrease) in cash and cash equivalents	3,635	(1,397)
Cash and cash equivalents at beginning of year	9,356	12,991
Cash and cash equivalents at end of year	12,991	11,594

(5) Notes

(Notes on Going Concern Assumption)

Not applicable

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

(Purchase of treasury stock)

The Company resolved at its Board of Directors' meeting held on April 27, 2023 to purchase its own shares (purchase period: from May 19, 2023 to December 31, 2023), and purchased 499 million yen worth of its shares as treasury stock (679,200 shares) during the consolidated fiscal year under review.

The Company also resolved at its Board of Directors' meeting held on February 8, 2024 to purchase its own shares (purchase period: from February 19, 2024 to August 31, 2024), and purchased 97 million yen worth of its shares as treasury stock (121,900 shares) during the consolidated fiscal year under review.

(Disposal of treasury stock)

The Company resolved at its Board of Directors' meeting held on June 22, 2023 to dispose of treasury stock for delivery as stock compensation, and disposed of them during the fiscal year under review. As a result, treasury stock decreased by 43 million yen (85,015 shares).

(Cancellation of treasury stock)

The Company resolved at its Board of Directors' meeting held on February 8, 2024 to cancel its treasury stock pursuant to the provision of Article 178 of the Companies Act, and cancelled 530,000 shares of its treasury stock on February 19, 2024. As a result of this cancellation, other additional paid-in capital, other retained earnings, and treasury stock decreased by 17 million yen, 347 million yen, and 364 million yen, respectively, during the consolidated fiscal year under review.

(Reversal of general reserve)

The Company resolved at its Board of Directors' meeting held on May 18, 2023 to reverse its general reserve for the purpose of enabling shareholder returns in response to changes in the future business environment and flexible capital policies, and implemented a reversal of 2,000 million yen in general reserve on the same day to complement a loss of retained earnings brought forward.

This had no impact on the total amount of shareholders' equity.

(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: the Die Casting Business: Japan; the Die Casting Business: North America; the Die Casting Business: Asia; the Aluminum Business; and the 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 those 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, information on the breakdown of revenue

Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Net sales						
Revenues from contracts with customers	59,019	36,995	33,676	7,975	3,271	140,938
Sales to external customers	59,019	36,995	33,676	7,975	3,271	140,938
Intersegment sales or transfers	3,015	15	2,362	1,568	56	7,017
Total	62,034	37,010	36,039	9,544	3,327	147,956
Segment profit (loss)	250	(676)	8	274	285	143
Segment assets	50,832	31,597	42,163	4,085	3,271	131,950
Other items						
Depreciation and amortization	4,208	4,361	4,359	56	3	12,990
Impairment loss	1,091	1,174	127	—	—	2,393
Increase in tangible fixed assets and intangible fixed assets	3,819	3,020	3,541	36	0	10,418

Consolidated fiscal year under review (April 1, 2023 to March 31, 2024)

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Net sales						
Revenues from contracts with customers	62,007	47,967	35,098	7,057	6,123	158,254
Sales to external customers	62,007	47,967	35,098	7,057	6,123	158,254
Intersegment sales or transfers	3,692	6	1,745	2,449	18	7,911
Total	65,699	47,974	36,844	9,506	6,141	166,166
Segment profit (loss)	595	1,242	(650)	141	891	2,220
Segment assets	54,597	32,385	38,917	4,103	2,639	132,643
Other items						
Depreciation and amortization	4,023	4,293	4,484	63	4	12,868
Impairment loss	1,013	599	9,212	—	—	10,826
Increase in tangible fixed assets and intangible fixed assets	4,720	4,211	5,963	90	9	14,995

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	147,956	166,166
Elimination of intersegment transactions	(7,017)	(7,911)
Net sales in the consolidated financial statements	140,938	158,254

(Million yen)

Profit	Previous consolidated fiscal year	Consolidated fiscal year under review
Total in reported segments	143	2,220
Elimination of intersegment transactions	(120)	71
Operating income in the consolidated financial statements	23	2,291

(Million yen)

Assets	Previous consolidated fiscal year	Consolidated fiscal year under review
Total in reported segments	131,950	132,643
Elimination of intersegment transactions	(3,923)	(8,372)
Company-wide assets	9,042	7,493
Total assets in the consolidated financial statements	137,069	131,763

(Million yen)

Other items	Total in reported segments		Adjustment		Amount recorded in the 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	12,990	12,868	(84)	(70)	12,906	12,797
Impairment loss	2,393	10,826	(14)	(95)	2,378	10,729
Increase in tangible fixed assets and intangible fixed assets	10,418	14,995	(47)	(73)	10,370	14,922

[Related Information]

Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)

1. Information by product and service

This 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
70,001	37,095	33,709	132	140,938

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

2. Net sales of North America and Asia include net sales of ¥18,984 million in the United States, ¥18,110 million in Mexico, and ¥28,105 million in China, which account for over 10% of the net sales recorded in the consolidated income statement.

(2) Tangible fixed assets

(Million yen)

Japan	North America	Asia	Total
24,513	18,113	27,276	69,903

(Note) Tangible fixed assets of North America and Asia include ¥12,525 million in Mexico and ¥22,871 million in China, which account for over 10% of the tangible fixed assets recorded in the consolidated balance sheet.

3. Information by major customer

(Million yen)

Name of customer	Net sales	Related segment
SUBARU Corporation	15,580	Die Casting Business: Japan

Consolidated fiscal year under review (April 1, 2023 to March 31, 2024)

1. Information by product and service

This 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
74,841	48,062	35,214	135	158,254

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

2. Net sales of North America and Asia include net sales of ¥25,777 million in the United States, ¥22,285 million in Mexico, and ¥28,159 million in China, which account for over 10% of the net sales recorded in the consolidated income statement.

(2) Tangible fixed assets (Million yen)

Japan	North America	Asia	Total
24,049	19,081	20,707	63,838

(Note) Tangible fixed assets of North America and Asia include ¥12,199 million in Mexico and ¥12,949 million in China, which account for over 10% of the tangible fixed assets recorded in the consolidated balance sheet.

3. Information by major customer

(Million yen)

Name of customer	Net sales	Related segment
SUBARU Corporation	17,527	Die Casting Business: Japan

[Information on impairment losses on fixed assets by reported segment]

Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)

(Million yen)

	Japan	North America	Asia	Aluminum Business	Proprietary Products Business	Corporate/ Elimination	Total
Impairment loss	1,091	1,174	127	—	—	(14)	2,378

(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, 2023 to March 31, 2024)

(Million yen)

	Japan	North America	Asia	Aluminum Business	Proprietary Products Business	Corporate/ Elimination	Total
Impairment loss	1,013	599	9,212	—	—	(95)	10,729

- (Notes)
1. The amount of “Corporate/Elimination” mainly comes from the amount of elimination of unrealized gains on intersegment transactions.
 2. In “Die Casting Business: Japan,” “Die Casting Business: North America,” and “Die Casting Business: Asia,” for some of the business assets, from which the initially anticipated revenues became no longer able to be expected, the Company reduced their book value to the recoverable amount and posted the reductions as an impairment loss.
 3. The above “Die Casting Business: Asia” includes the impairment loss of ¥330 million on tangible fixed assets, including dies for die casting products whose mass production plans were cancelled, which is included in “Loss related to Chinese business” in the consolidated statement of income.

[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, 2022 to March 31, 2023)	Consolidated fiscal year under review (April 1, 2023 to March 31, 2024)
Net assets per share	2,180.28 yen	2,042.86 yen
Net income (loss) per share	(3.26) yen	(300.55) yen
Fully diluted net income per share	— yen	— yen

(Notes) 1. For fully diluted net income per share, no figure is recorded as there is a net loss per share, although latent shares exist.

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

	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (April 1, 2023 to March 31, 2024)
Net income (loss) per share		
Net income (loss) attributable to owners of parent (million yen)	(84)	(7,699)
Amount that does not belong to ordinary shareholders (million yen)	—	—
Net income (loss) attributable to owners of parent (related to common shares) (million yen)	(84)	(7,699)
Average number of shares during the period	25,911,370	25,617,844

(Important Subsequent Events)

Not applicable