



May 18, 2023

For immediate release

Company name:	Ahresty Corporation
Representative:	Arata Takahashi, President & CEO
(Code Number:	5852 Tokyo Stock Exchange Prime)
Contact for inquiries:	Atsushi Shimizu, Executive Officer and General Manager, Management Planning Department
(Phone:	03-6369-8664)

Notice on Occurrence of an Extraordinary Loss (Consolidated and Nonconsolidated) and Difference between Consolidated Full-Year Results Forecasts and Actual Results Figures

Ahresty Corporation (“the Company”), upon settlement of its consolidated and nonconsolidated full-year results for the fiscal year ended March 2023 (April 1, 2022 to March 31, 2023), recorded extraordinary losses as described below. Also, there arose a difference in figures between the consolidated full-year business forecasts announced on April 27, 2023 and the actual results released today, as follows.

1. Recording of extraordinary losses (consolidated and nonconsolidated)

(1) Impairment losses on fixed assets (consolidated)

Regarding the business assets owned by the Company’s Tokai Plant and Ahresty Wilmington Corporation, a consolidated subsidiary of the Company, as a result of careful examination of the collectability in the future in view of their recent performance trends in accordance with the Accounting Standard for Impairment of Fixed Assets and other standards, we decided to write down their book value to the recoverable amount and recorded impairment losses of ¥2,378 million as extraordinary losses.

With this recording of impairment losses, our cost of depreciation and amortization will be eased in the next year and beyond.

(2) Retirement benefit expenses (consolidated and nonconsolidated)

The retirement benefit obligations of Ahresty Pretech Corporation, which the Company absorbed on April 1, 2022, were conventionally calculated by the simplified method. However, in line with the integration of the retirement benefit regulations after the merger, the calculation method was changed to the principle method. An increase of 448 million yen in retirement benefit obligations associated with this change was recorded as retirement benefit expenses in extraordinary losses.

(3) Special retirement expenses (consolidated)

Mainly at Guangzhou Ahresty Casting Co., Ltd., one of the Company’s consolidated subsidiaries, in view of future changes in demand trends, the Company invited employees to take early retirement for the purpose of streamlining production systems. As a result, special retirement expenses of 368 million yen, including financial compensation, were recorded as an extraordinary loss.

(4) Loss on valuation of shares of affiliates (nonconsolidated)

Regarding the shares of the Company's consolidated subsidiaries Ahresty Wilmington Corporation and Ahresty India Private Limited owned by the Company, because the actual value of the shares significantly declined due to the decline in the business performance and financial condition of these companies, the Company recorded 7,782 million yen of loss on valuation of shares of affiliates as an extraordinary loss.

Since this loss on valuation of shares of affiliates will be eliminated in consolidated accounting, it has no impact on our consolidated results.

2. Difference between the consolidated full-year results forecasts and the actual results figures for the fiscal year ended March 2023

(1) Difference between the consolidated full-year results forecasts and the actual results figures (from April 1, 2022 to March 31, 2023)

	Net sales	Operating income	Recurring income	Net income attributable to owners of parent	Net income per share
Previous forecasts (A) (Year ended March 2023)	million yen 140,900	million yen 0	million yen 120	million yen (100)	yen (3.86)
Results (B)	140,938	23	94	(84)	(3.26)
Difference (B-A)	38	23	(25)	15	
Percentage change (%)	0.0%	—	(21.3)	—	
(Ref.) Results of previous year (Year ended March 2022)	116,313	(2,422)	(2,032)	(5,189)	(201.23)

(2) Reasons for the difference

The extraordinary losses provided in 1 above have been reflected in the consolidated forecast for the full year of the fiscal year ended March 2023 released on April 27, 2023. Therefore, net sales, operating income, recurring income, and net income attributable to owners of parent were all at about the same level as previously forecast.

For details of our consolidated results, please refer to the Consolidated Financial Results for the Fiscal Year Ended March 2023 released today (May 18, 2020).