

# Supplementary Materials for the First Quarter of the Year Ending March 31, 2021

August 6, 2020



# Key Points of the Financial Results for the First Quarter of Year Ending March 2021

(Million yen)

|                  | 1Q of year ended<br>March 2020<br>(Profitability) |      | 1Q of year ending<br>March 2021<br>(Profitability) |   | YoY changes |         |
|------------------|---|------|--|---|-------------|---------|
|                  |   |      |  |   |             |         |
| Net sales        | 31,953  | –    | 15,524   | – | (16,429)    | (51.4%) |
| Operating income | 576   | 1.8% | (3,020)  | – | (3,596)     | –       |
| Recurring income | 537   | 1.7% | (2,589)  | – | (3,127)     | –       |
| Net income       | 289   | 0.9% | (3,190)  | – | (3,479)     | –       |

## <Overview>

- Sales: Production volume dropped due to the suspension of operations at plants both inside and outside Japan associated with the spread of COVID-19. Also due to the impact of a decline in the aluminum market conditions (approx. ¥700 million), sales decreased to about half of the previous year.
- Operating income: The significant decrease in net sales boosted the burden of fixed costs, resulting in operating loss.
- Recurring income: Employment adjustment subsidies (¥360 million) were recorded as non-operating income, reducing the decline in income.
- Net income: Due to the impact of COVID-19 in all segments, net loss was recorded.

# Die Casting Business

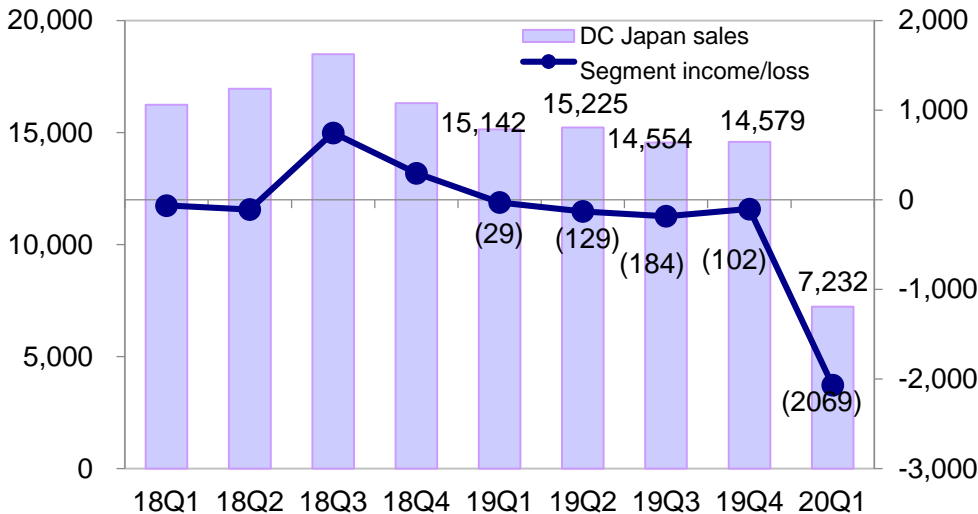
(Million yen)

|                  |                        | 1Q of year ended<br>March 2020<br>(Profitability) |      | 1Q of year ending<br>March 2021<br>(Profitability) |   | YoY changes |         |
|------------------|------------------------|---|------|--|---|-------------|---------|
|                  |                        |   |      |  |   |             |         |
| Japan            | Net sales              | 15,142  | –    | 7,232  | – | (7,909)     | (52.2%) |
|                  | Segment<br>income/loss | (29)  | –    | (2,069)  | – | (2,039)     | –       |
| North<br>America | Net sales              | 9,029   | –    | 4,742  | – | (4,286)     | (47.5%) |
|                  | Segment<br>income/loss | 462   | 5.1% | (156)  | – | (619)       | –       |
| Asia             | Net sales              | 5,810   | –    | 2,257  | – | (3,552)     | (61.1%) |
|                  | Segment<br>income/loss | (63)  | –    | (995)  | – | (932)       | –       |

\* The Mexico Plant in the North America segment and the two plants in China in the Asia segment settle their accounts in December. Therefore, their figures for the first quarter are sales and profit for the period from January to March.

# Die Casting in Japan

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



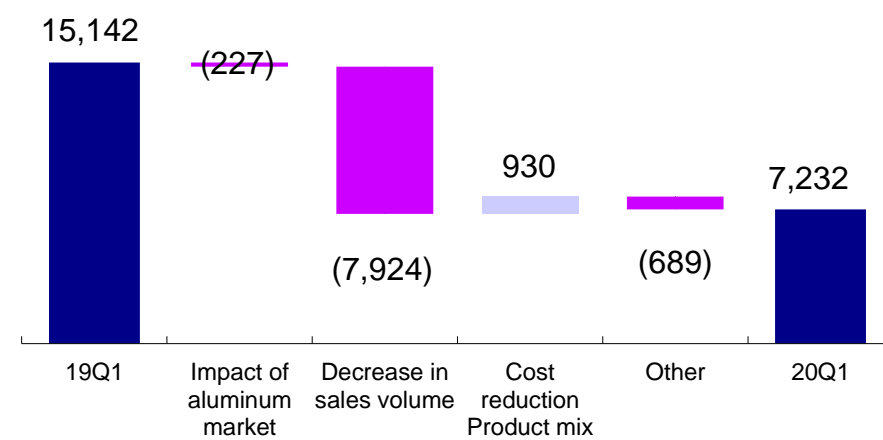
**Sales: Decreased ¥7,900 million (down 52.2% year on year)**

- Some plant operations were suspended from mid-April in line with production adjustment by customers due to the impact of COVID-19, resulting in a significant decrease in sales volume by 58% year on year.

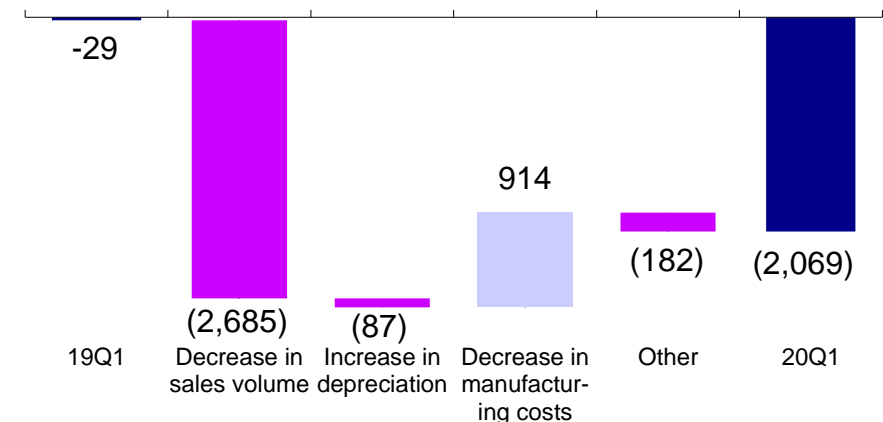
**Segment income: Decreased ¥2,030 million (down year on year)**

- Segment loss of ¥2,070 million (employment adjustment subsidies were recorded as non-operating income) due to a rapid decrease in sales volume
- In response of the sharp decline in sales, promoted reform of production system, adjustment of operating days and other emergency measures.

Factors behind change in sales (Million yen)

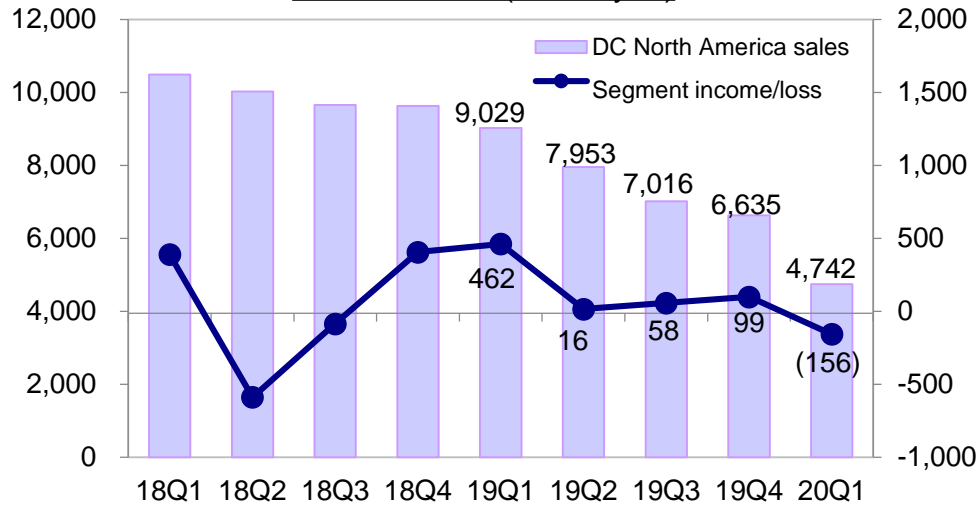


Factors behind change in segment income (Million yen)

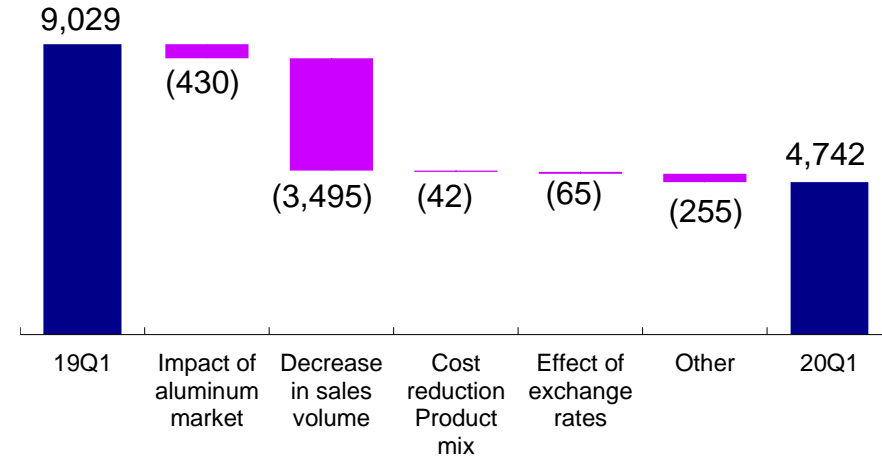


# Die Casting in North America

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



Factors behind change in sales (Million yen)



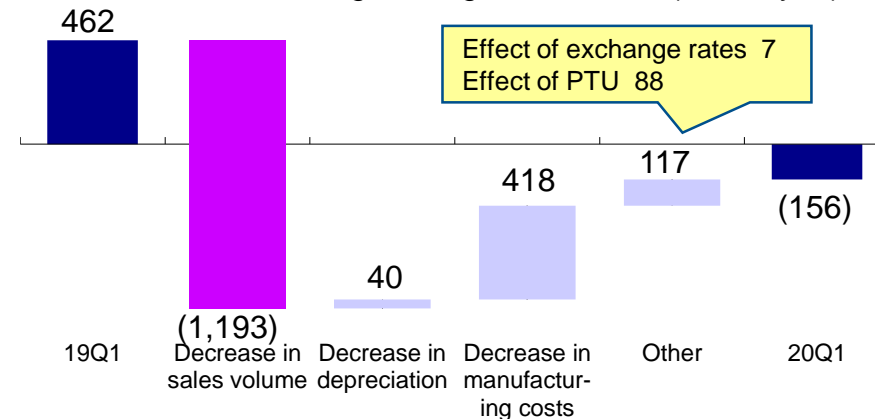
**Sales: Decreased ¥4,280 million (down 47.5% year on year)**

- In U.S., sales volume declined substantially due to the suspension of operation (down 76% year on year).
- In Mexico, where 1Q is from January to March, the impact of COVID-19 was small. But sales decreased due to the slowdown of major customers.

**Segment income: Decreased ¥610 million (down year on year)**

- U.S. operation adjusted production and personnel systems to respond to the rapid decline in sales volume.
- Mexico recorded a profit despite the impact of a decline in sales volume.

Factors behind change in segment income (Million yen)

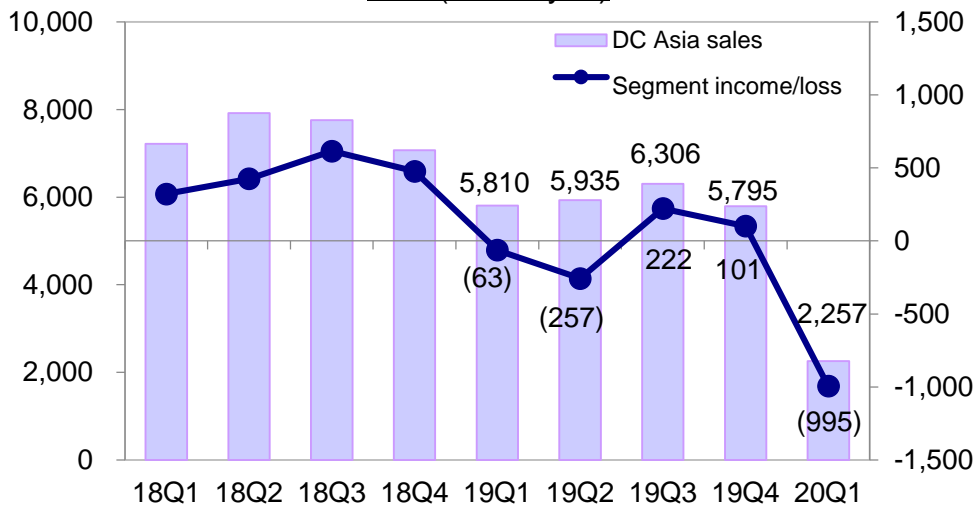


Fiscal year end: March in U.S.; December in Mexico

Exchange rate (19Q1 ⇒ 20Q1): U.S. dollar: ¥110.06 ⇒ 107.75; Mexican peso: ¥110.51 ⇒ 109.23

# Die Casting in Asia

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



**Sales: Decreased ¥3,550 million (down 61.1% year on year)**

- Two plants in China suspended operation in February, which is in their 1Q. Operation resumed partially in March but sales volume decreased (down 54% year on year), resulting in a decrease in revenue.
- In India, operation was suspended in April and May, resulting in a sharp decline in sales volume (down 90% year on year).

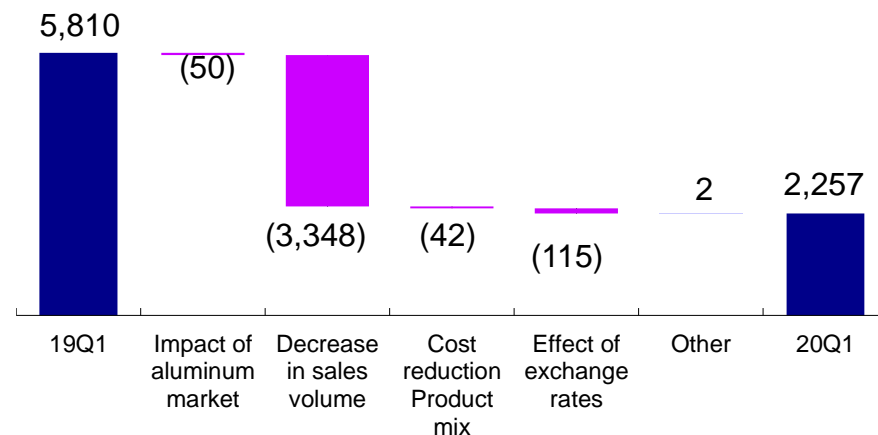
**Segment income: Decreased ¥900 million (down year on year)**

- Segment loss was recorded due to the impact of the decrease in sales in China and India.

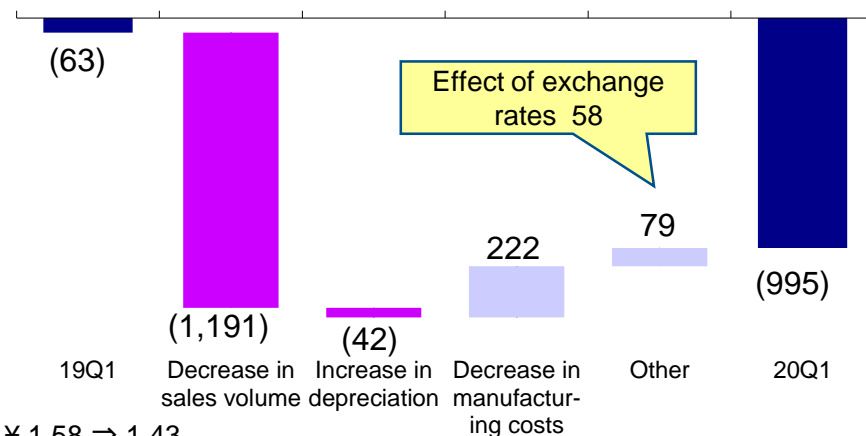
Fiscal year end: December in China; March in India

Exchange rate (19Q1 ⇒ 20Q1): Chinese yuan: ¥ 16.39 ⇒ 15.56; Indian rupee: ₹ 1.58 ⇒ 1.43

Factors behind change in sales (Million yen)



Factors behind change in segment income (Million yen)



# Aluminum Business and Proprietary Products Business

(Million yen)

|                                     |                        | 1Q of year ended<br>March 2020<br>(Profitability) |      | 1Q of year ending<br>March 2021<br>(Profitability) |       | YoY changes |         |
|-------------------------------------|------------------------|---|------|--|-------|-------------|---------|
|                                     |                        |   |      |  |       |             |         |
| Aluminum<br>Business                | Net sales              | 1,025   | –    | 646  | –     | (378)       | (37.0%) |
|                                     | Segment<br>income/loss | 67  | 6.5% | (40)   | –     | (108)       | –       |
| Proprietary<br>Products<br>Business | Net sales              | 945   | –    | 644  | –     | (301)       | (31.8%) |
|                                     | Segment<br>income/loss | 48  | 5.1% | 108  | 16.8% | 60          | 124.7%  |

## Aluminum Business

- Sales: Decreased due to a decrease in demand affected by the spread of COVID-19 and a decline in aluminum market conditions.
- Segment income: Decreased due to the significant decline in sales

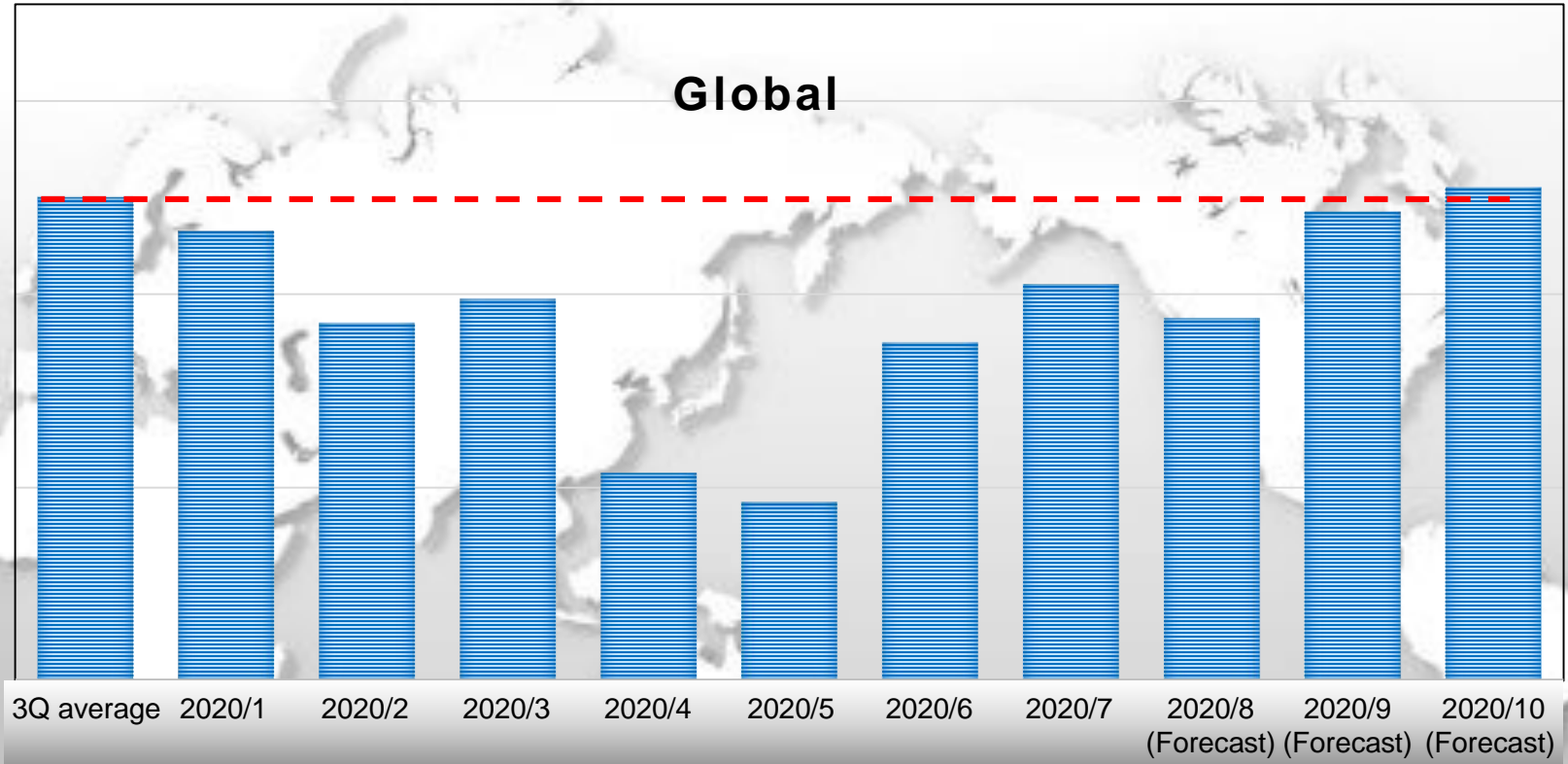
## Proprietary Products Business

- Sales: Decreased due chiefly to a year-on-year fall in orders for large projects for clean rooms, etc.
- Segment income: Increased with a greater profit than the previous year secured as a result of cost reduction efforts, etc.

# Global Sales Weight

■ Global sales are on a recovery track after hitting bottom in April and May.

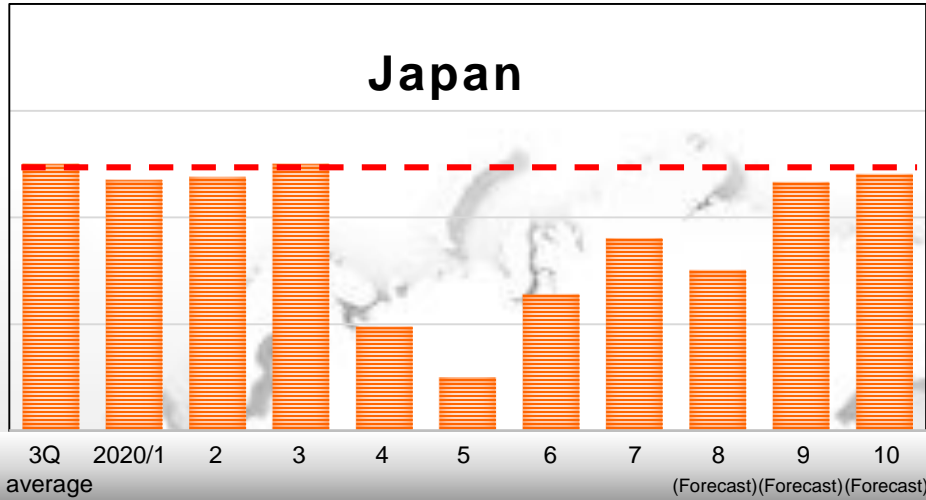
\* Percentage of sales weight compared to the average of 3Q (October to December) of 2019 before the COVID-19 pandemic





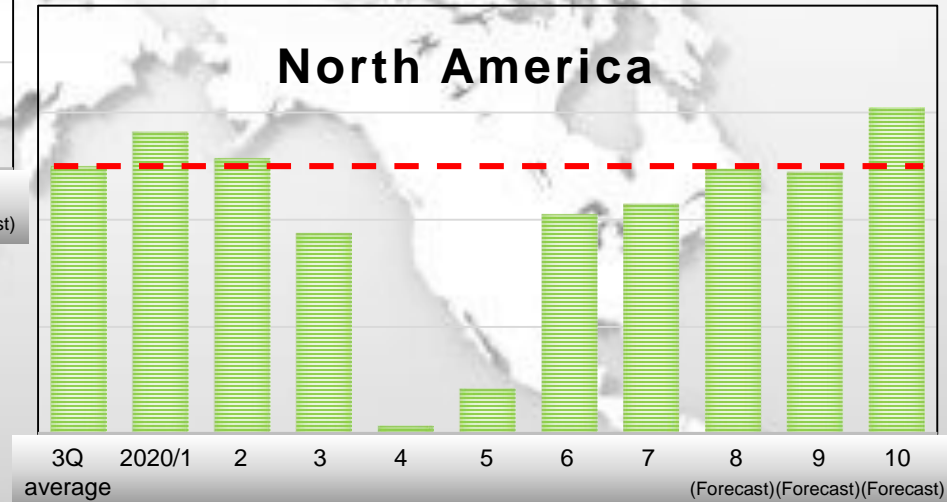
# Sales Weight by Segment

## Japan

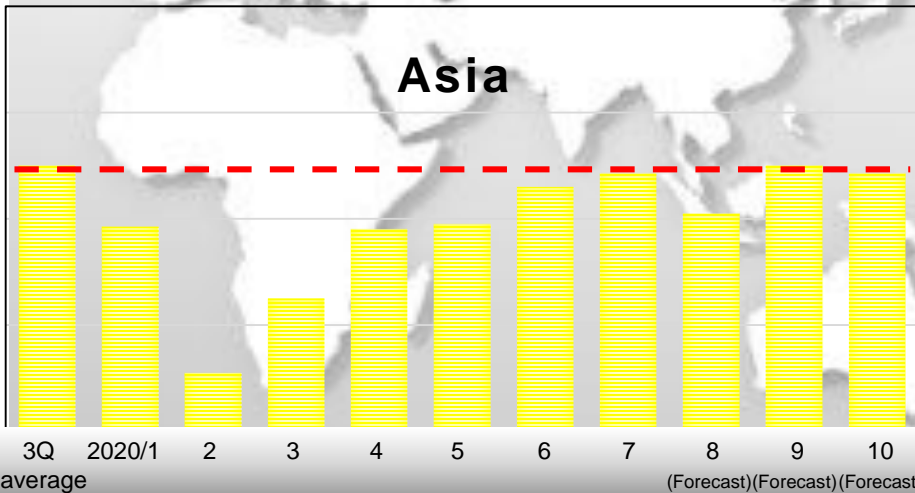


\* Percentage of sales weight compared to the average of 3Q (October to December) of 2019 before the COVID-19 pandemic

## North America



## Asia



# Full-year Plan for Year Ending March 2021

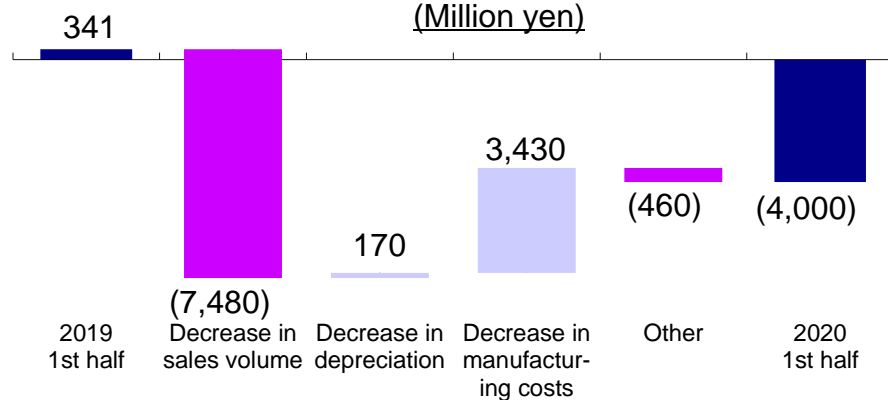
(Million yen)

|                  | Year ended March 2020 Results | Year ending March 2021 Plan |          |          | YoY changes |         |
|------------------|-------------------------------|-----------------------------|----------|----------|-------------|---------|
|                  |                               | Full year                   | 1st half | 2nd half |             |         |
| Net sales        | 120,577                       | 87,900                      | 36,300   | 51,600   | (32,677)    | (27.1%) |
| Operating income | 764                           | (4,000)                     | (4,000)  | 0        | (4,764)     | –       |
| Recurring income | 406                           | (3,450)                     | (3,300)  | (150)    | (3,857)     | –       |
| Net income       | (685)                         | (4,400)                     | (4,200)  | (200)    | (3,715)     | –       |

\* FY2020 full-year sales volume Down 23.2% year on year

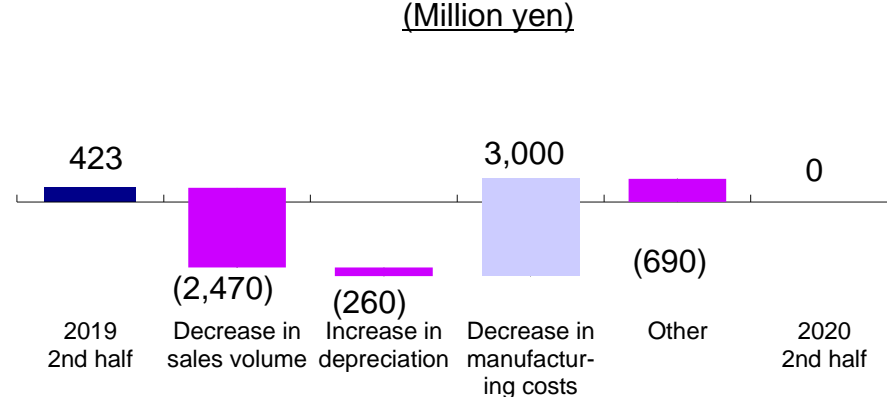
1st Half: Factors behind change in operating income

(Million yen)



2nd Half: Factors behind change in operating income

(Million yen)



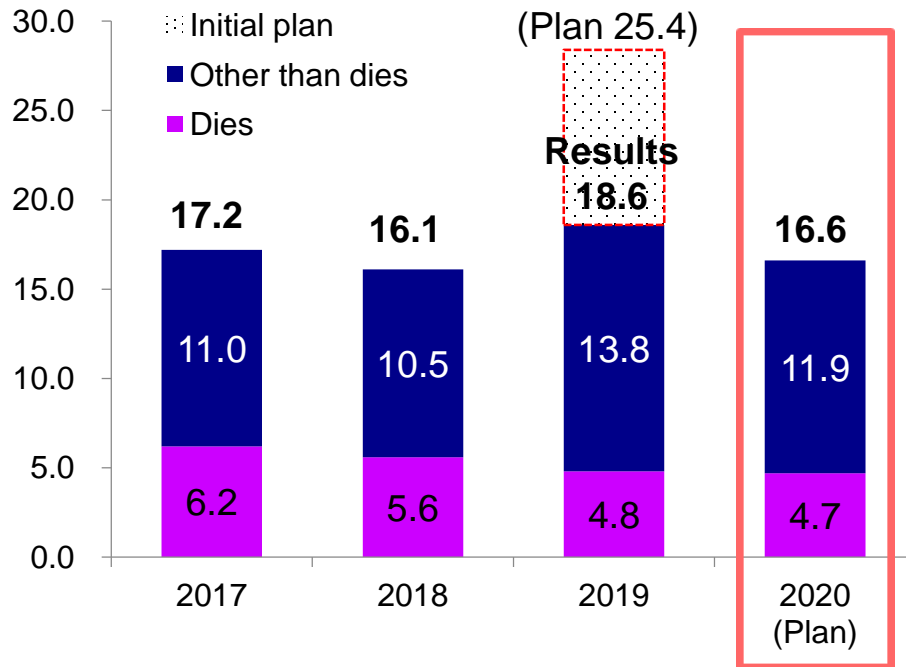
Actual foreign exchange rates (full-year average): USD: 109.13; Mexican peso: ¥ 109.39; Chinese yuan: ¥15.85; Indian rupee: ¥ 1.54  
 Exchange rate assumptions in plan: USD: 105.0; Chinese yuan: ¥15.0; Indian rupee: ¥ 1.45

# Trends in Capital Investment, Depreciation and Amortization

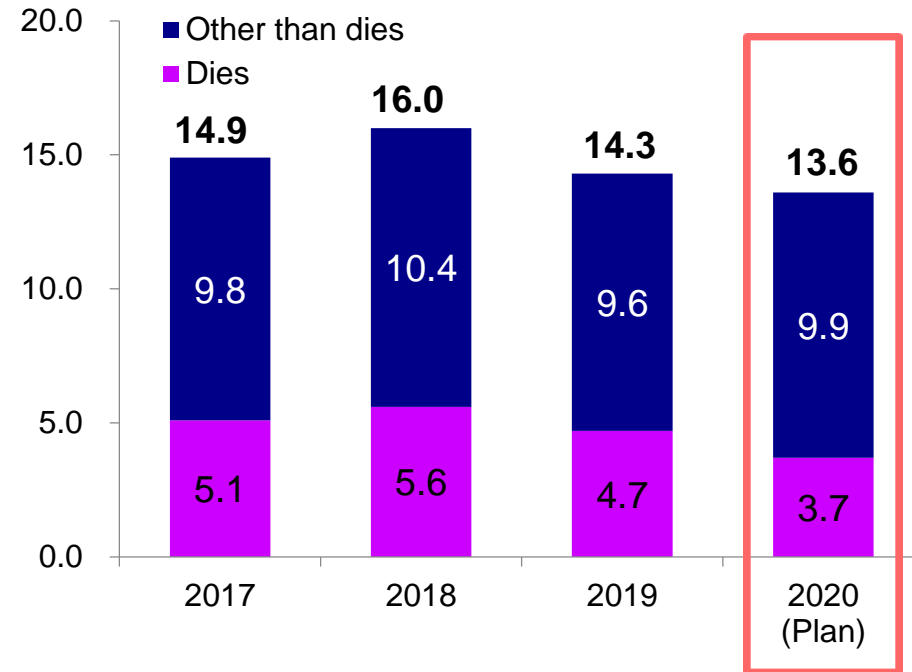
## Year ending March 2021

- Investments: Reduce investments by conducting zero-based review of investment details and utilizing idle facilities
- Amount of capital investment : Total ¥16.6 billion (General capital investment: ¥11.9 billion, investment in dies: ¥4.7 billion)
- Depreciation and amortization: ¥13.6 billion (down ¥0.7 billion year on year) planned

Amount of capital investment (Billion yen)



Amount of depreciation and amortization (Billion yen)



# Dividends

In view of the business forecasts released today, as a result of comprehensive examination of the outlook for market trends and our financial conditions, we sincerely regret to inform you that we have decided to pay no interim and year-end dividends for the fiscal year ending March 2021.

We express our heartfelt apology to our shareholders, and we will make our utmost efforts to resume dividend payment as early as possible. We would like to ask for your continued support.



# Casting Our Eyes on the Future

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URL: <https://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.