

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

November 11, 2020



# Key Points of the Financial Results for the First Half of FY 2020

(Million yen)

	1H of year ended March 2020 (Profitability)		Year ending March 2021			YoY changes
			1Q	2Q	1H	
Net sales	62,680	–	15,524	21,312	36,836	(25,843)
Operating income	341	0.5%	(3,020)	(782)	(3,802)	(4,144)
Recurring income	110	0.2%	(2,589)	(561)	(3,150)	(3,261)
Net income	33	0.1%	(3,190)	(788)	(3,978)	(4,011)

## <Overview>

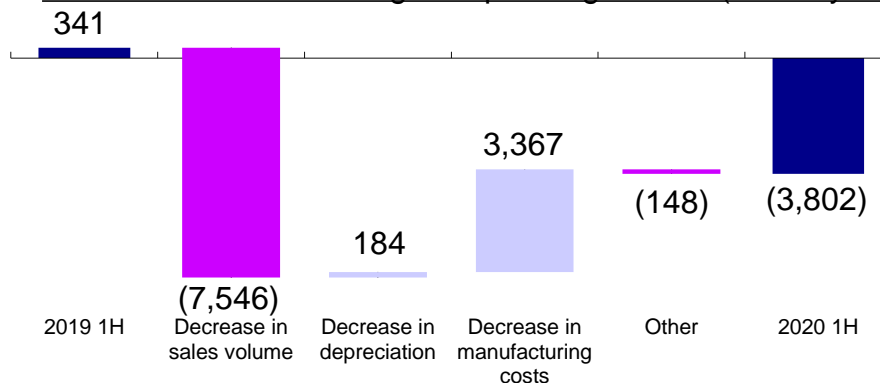
- Sales: Production has been on a recovery trend after bottoming out in 1Q. Sales for 1H decreased 41% year on year mainly due to COVID-19 and the impact of a decline in aluminum market conditions (approx. ¥1,300 million).
- Operating income: In 2Q, operating loss decreased from 1Q mainly due to a recovery in Asia.
- Recurring income: Employment adjustment subsidies (¥740 million) were recorded as non-operating income for 1H, reducing the decline in income.
- Net income: Net loss was recorded due to loss related to COVID-19 and income tax adjustments.

# Results of 1H of FY 2020 in Comparison with Plans

(Million yen)

	Year ending March 2021 Plan				
	1st half plan	1st half results	Difference	2nd half plan	Full year plan
Net sales	36,300	36,836	536	51,600	87,900
Operating income	(4,000)	(3,802)	198	0	(4,000)
Recurring income	(3,300)	(3,150)	150	(150)	(3,450)
Net income	(4,200)	(3,978)	222	(200)	(4,400)

1st Half: Factors of change in operating income (Million yen)



In 1H of FY2020, planned production cost reduction was mostly achieved. Operating loss was reduced by approx. 200 million yen.

The effect of promoting leaner production systems to reduce labor costs was approx. 2.3 billion yen.

Although the business began to recover in 1H, with uncertainties remaining about the economic trends for 2H and beyond, no changes have been made to the financial forecasts.

Actual foreign exchange rates (1H average): USD: ¥106.57; Mexican peso: ¥108.44; Chinese yuan: ¥15.37; Indian rupee: ¥1.44  
Exchange rate assumptions in plan: USD: ¥105.0; Chinese yuan: ¥15.0; Indian rupee: ¥ 1.45

# Die Casting Business

(Million yen)

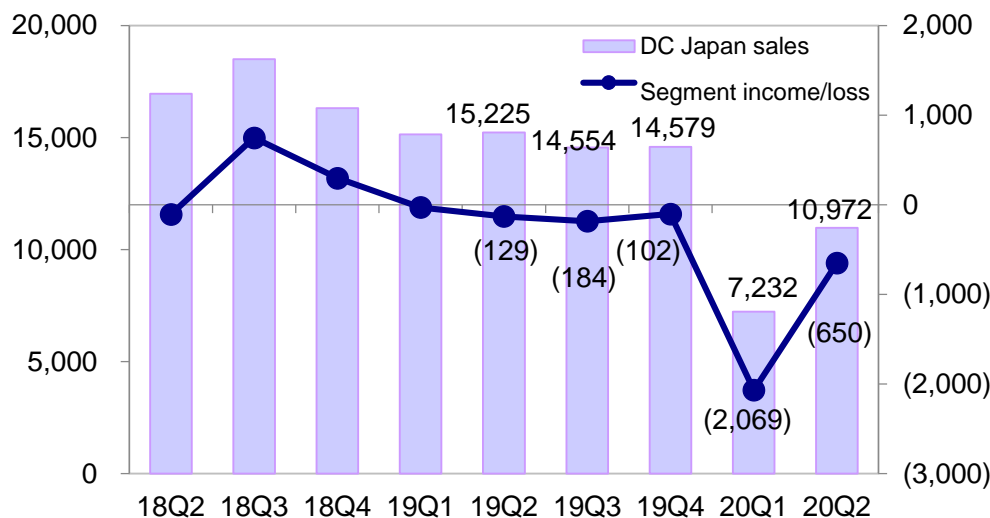
		1H of year ended March 2020	Year ending March 2021			YoY changes
			1Q	2Q	1H	
Japan	Net sales	30,367	7,232	10,972	18,204	(12,162)
	Segment income/loss	(158)	(2,069)	(650)	(2,719)	(2,560)
North America	Net sales	16,982	4,742	3,868	8,610	(8,371)
	Segment income/loss	478	(156)	(167)	(323)	(801)
Asia	Net sales	11,745	2,257	5,346	7,603	(4,141)
	Segment income/loss	(320)	(995)	36	(959)	(639)

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

\* An explanation of the factors behind the 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)



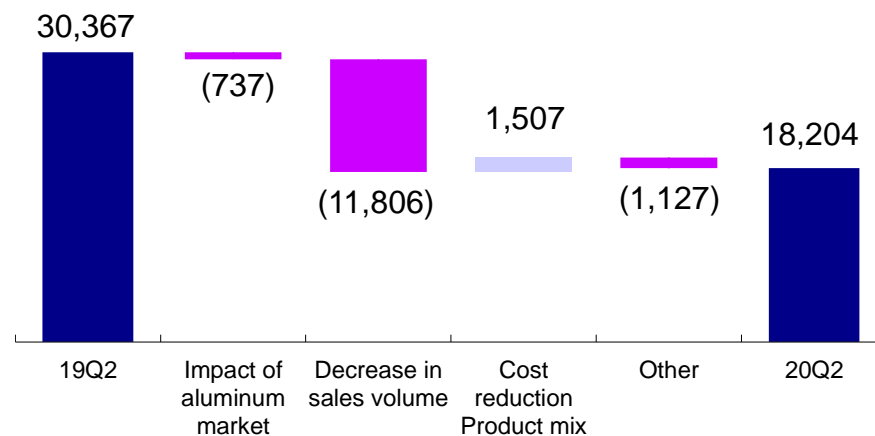
**Sales: Decreased ¥12,160 million (down 40.1% year on year)**

- Sales volume fell significantly in 1Q, down 58% year on year due to the impact of COVID-10, but recovered in 2Q to 28% down year on year.

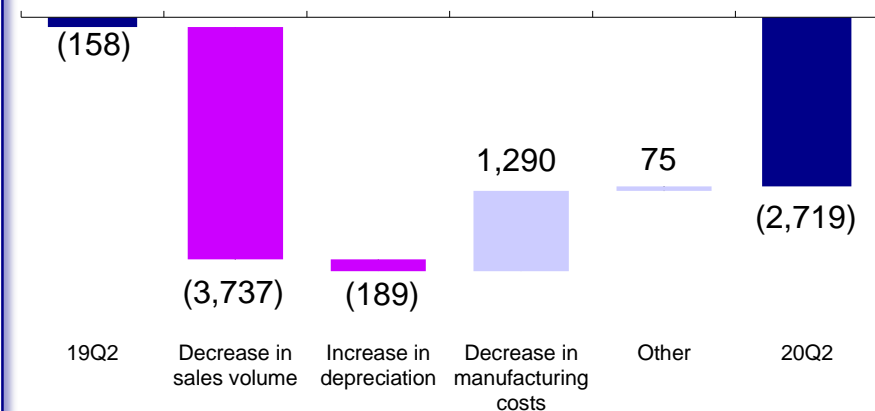
**Segment income: Decreased ¥2,560 million (down year on year)**

- In response to the decline in sales, reform of production system, adjustment of operating days and other measures were continued. Profitability was also improved by revising production system.

Factors behind change in sales (Million yen)

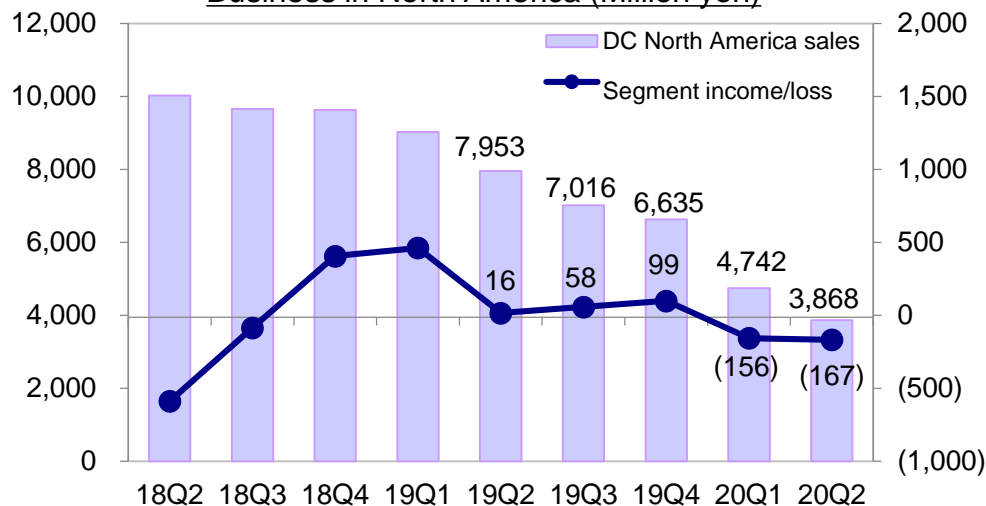


Factors behind change in segment income (Million yen)



# Die Casting in North America

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



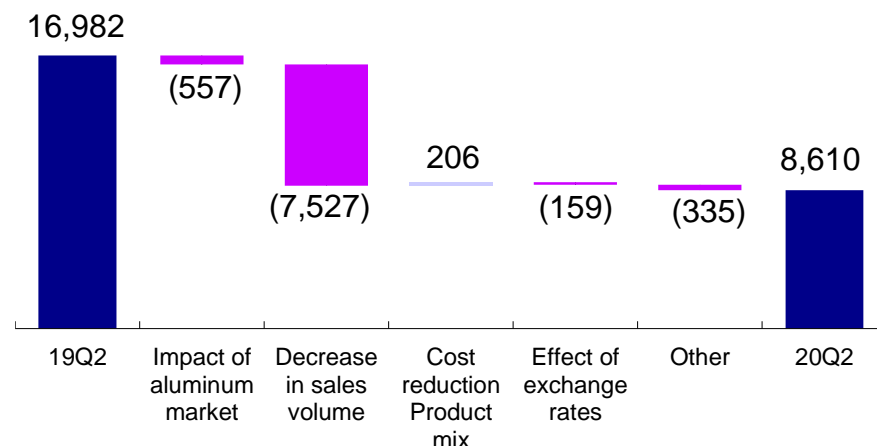
**Sales: Decreased ¥8,370 million (down 49.3% year on year)**

- In the U.S., sales volume substantially declined due to the suspension of operation in 1Q but recovered in 2Q to 23% down year on year.
- In Mexico, where 2Q is from April to June, sales decreased due to the impact of the suspension of operation because of COVID-19.

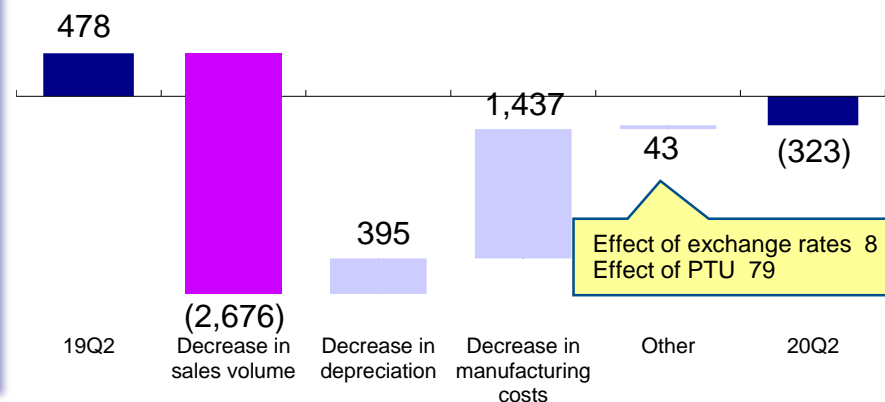
**Segment income: Decreased ¥800 million (down year on year)**

- In the U.S., income gradually recovered in 2Q mainly due to the efforts to reduce labor costs.
- In Mexico, income declined due to the impact of a decline in sales volume.

Factors behind change in sales (Million yen)



Factors behind change in segment income (Million yen)

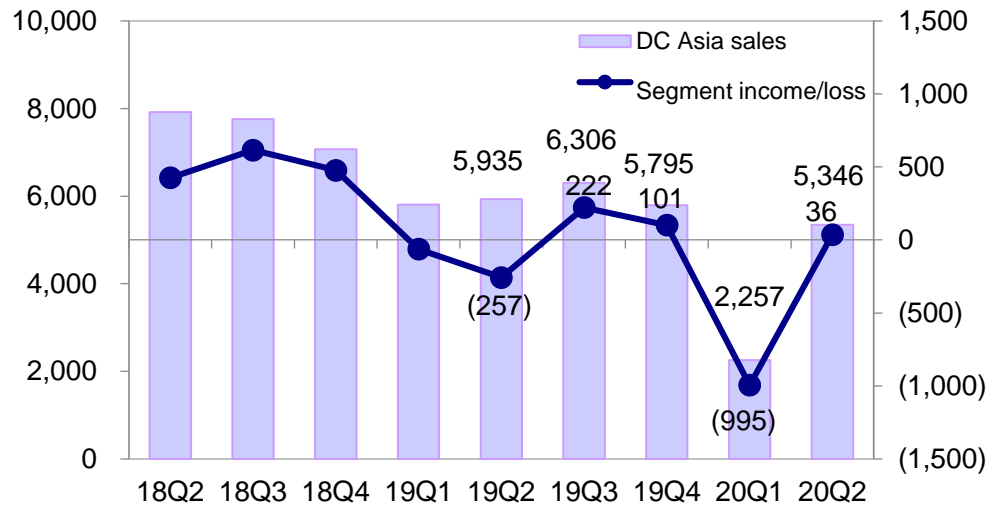


Fiscal year end: March in U.S.; December in Mexico

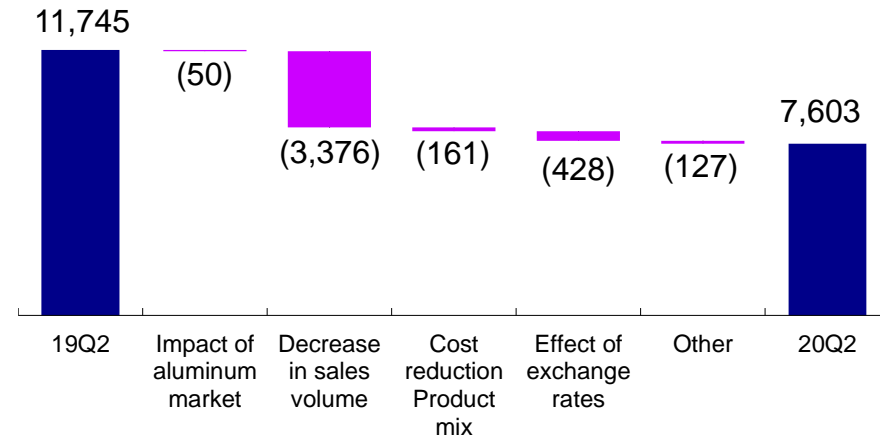
Exchange rate (19Q2 ⇒ 20Q2): U.S. dollar: ¥109.04 ⇒ 106.57; Mexican peso: ¥110.15 ⇒ 108.44

# Die Casting in Asia

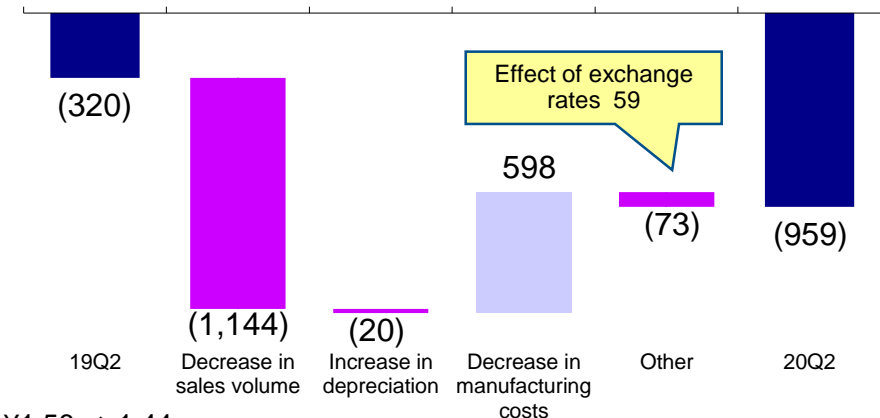
Changes in sales and segment income in Die Casting Business in Asia (Million yen)



Factors behind change in sales (Million yen)



Factors behind change in segment income (Million yen)



**Sales: Decreased ¥4,140 million (down 35.3% year on year)**

- In China, where 2Q is from April to June, sales of the two plants recovered to 9% down year on year.
- In India, sales volume substantially declined due to a lockdown in 1Q but recovered in 2Q to 26% down year on year.

**Segment income: Decreased ¥630 million (down year on year)**

- In China, income was back in the black in 2Q thanks to recovery in sales volume and improvement in productivity.
- In India, income decreased due to the impact of the fall in sales.

Fiscal year end: December in China; March in India

Exchange rate (19Q2 ⇒ 20Q2): Chinese yuan: ¥16.23 ⇒ 15.37; Indian rupee: ₹1.56 ⇒ 1.44

# Aluminum Business and Proprietary Products Business

(Million yen)

		1H of year ended March 2020 (Profitability)		1H of year ending March 2021 (Profitability)		YoY changes	
Aluminum Business	Net sales	2,067	–	1,394	–	(673)	(32.6)
	Segment income/loss	107	5.2%	(41)	–	(148)	–
Proprietary Products Business	Net sales	1,517	–	1,023	–	(494)	(32.6)
	Segment income/loss	113	7.5%	148	14.5%	34	30.6

## Aluminum Business

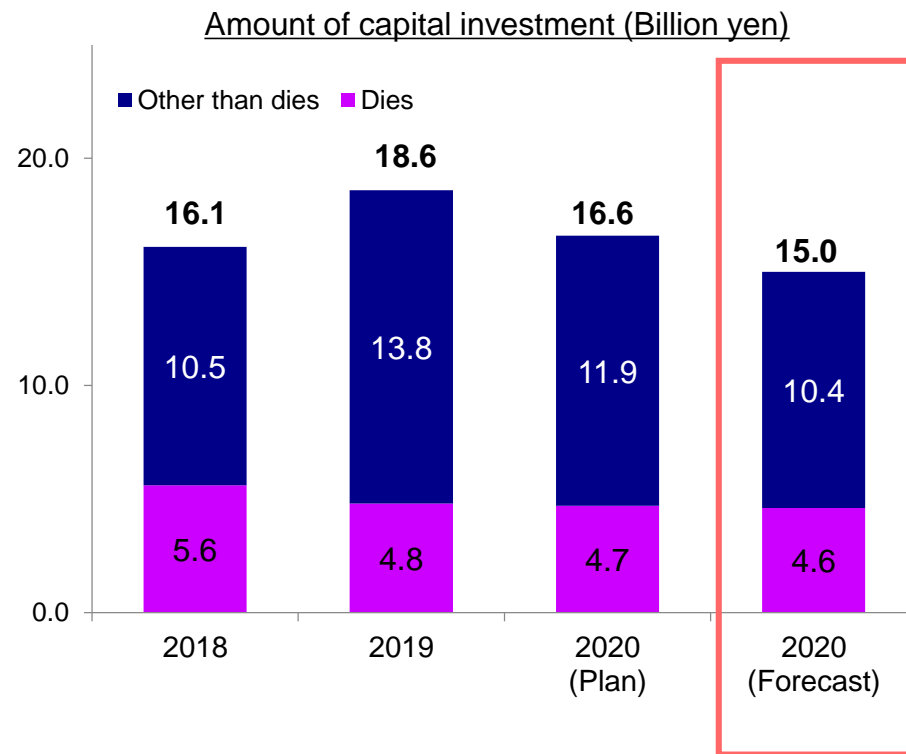
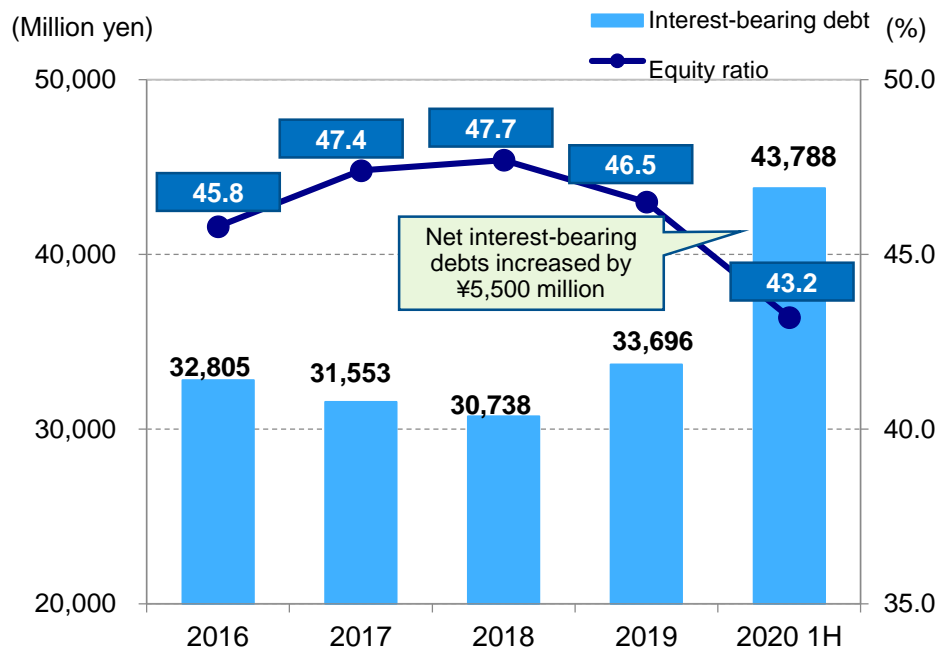
- Sales: Decreased due to a decrease in demand affected by the spread of COVID-19 and a decline in aluminum market conditions.
- Segment income: Income for first half decreased due to the significant decline in sales. But on a quarterly basis, 2Q recorded a recovery to nearly the break-even level.

## Proprietary Products Business

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



# Financial and Investment Status in 1H of FY 2020

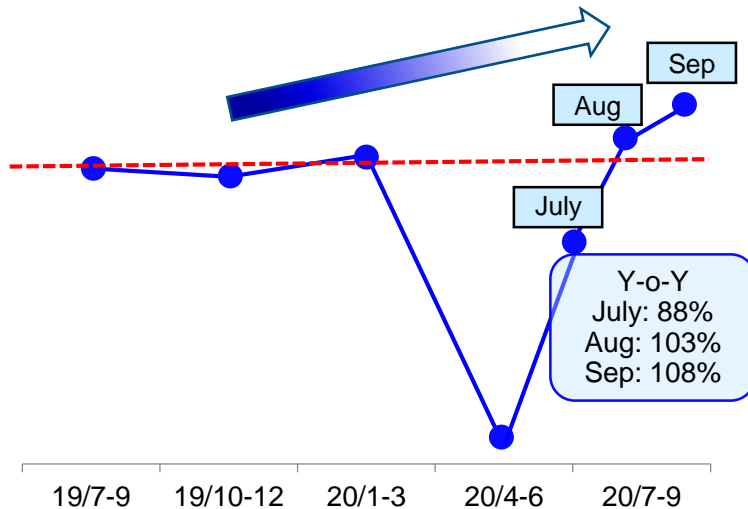


In the first half of FY2020, approx. 1.5 times the amount of our monthly sales was secured as liquid funds available on hand. As a result, cash and deposits increased by 4,500 million yen and interest-bearing debt increased by approx. 10,000 million yen. The equity ratio stood at 43%.

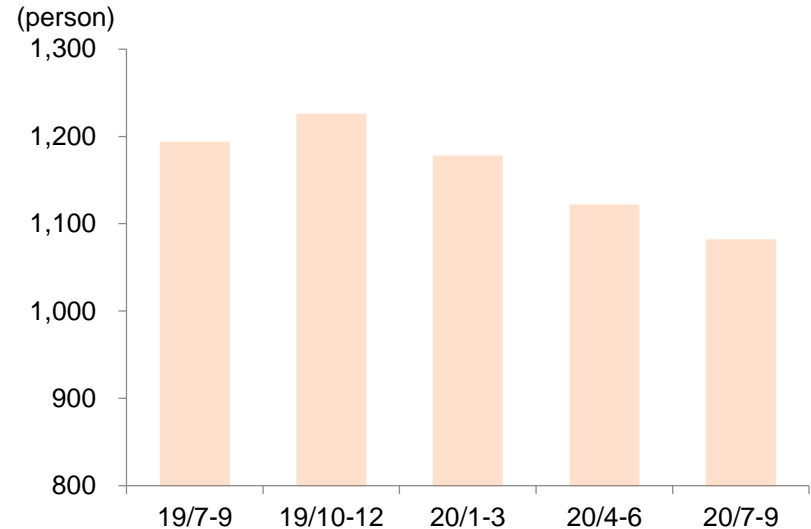
Capital investment was planned to be 16,600 million yen for the full year. However, because of the policy to reduce investment, the result is likely to be 15,000 million yen at the moment.

# Status of Promoting Leaner Production Systems (up to 2Q)

Earnings per hour



Changes in non-production personnel



As a result of promoting leaner production systems, productivity improved after August with earnings per hour around 5% higher than in the previous year.

- Introduced automation and “karakuri” mechanisms to increase the number of machines that a person can handle.
- Achieved manpower savings by reviewing the inspection and deburring processes.

In non-production departments in plants, reduced 110 people through transfer, etc. Reduced also headquarters costs by 300 million yen year on year.

- Promoted “new normal” workstyles by such as elimination of business trips and use of web conferencing.
- Reduced the headquarters space by 30% to reduce costs in 3Q and beyond.

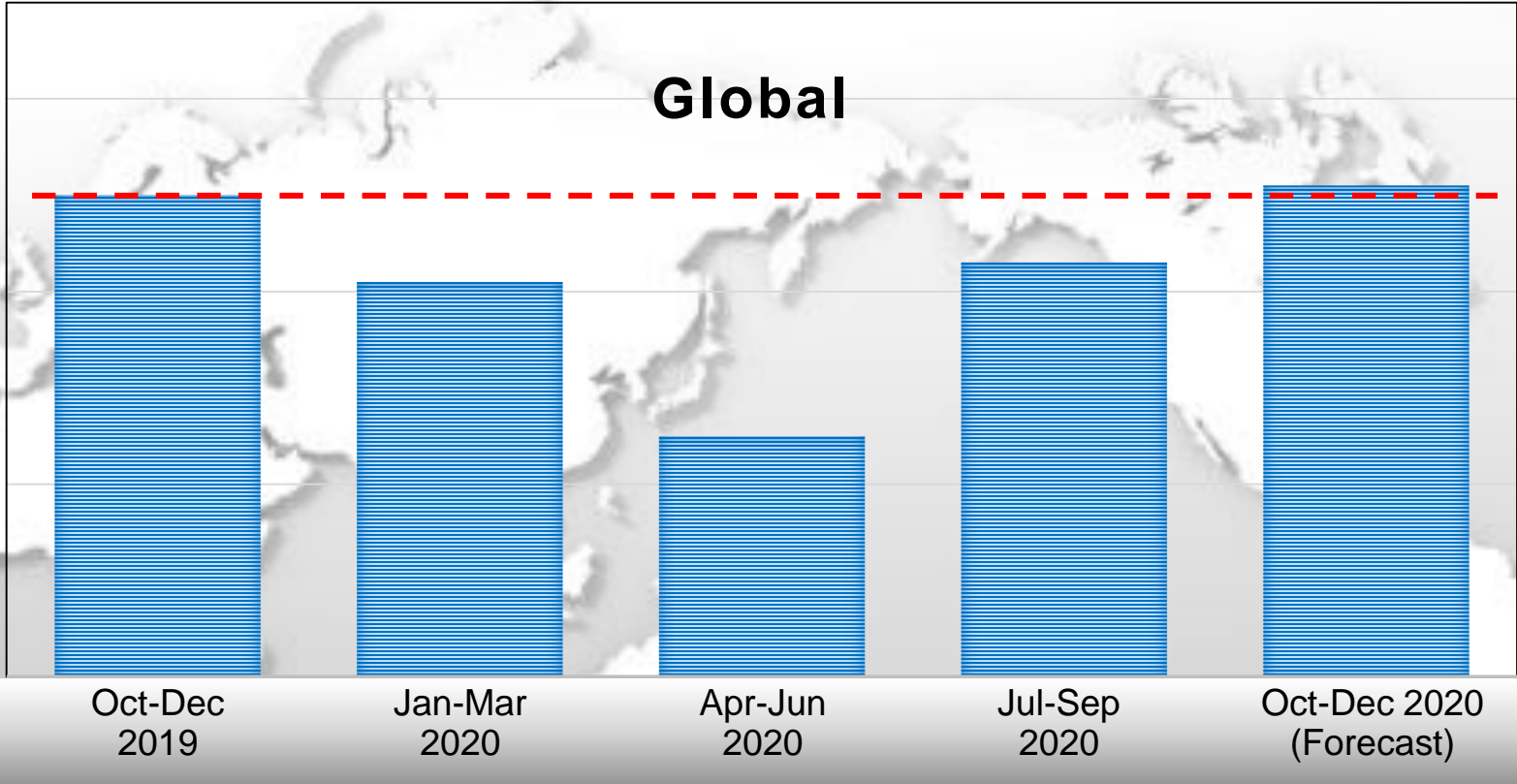
\* Earnings per hour = Net sales less direct costs (raw materials costs, etc.) / Total hours worked by production personnel at plants

- Further increase in sales is expected in 3Q and beyond. We will make continuous efforts to maintain the current production systems.

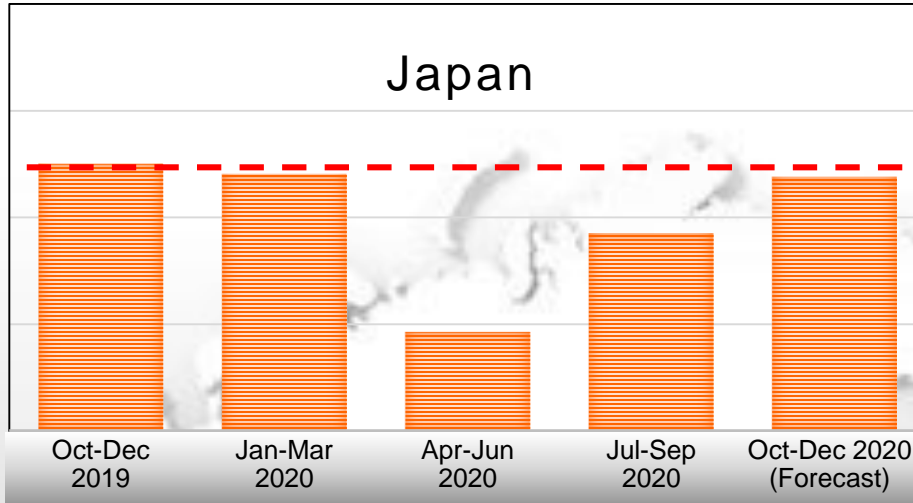
# Global Sales in Weight

■ Global sales are on a recovery track after bottoming out in April 2020.

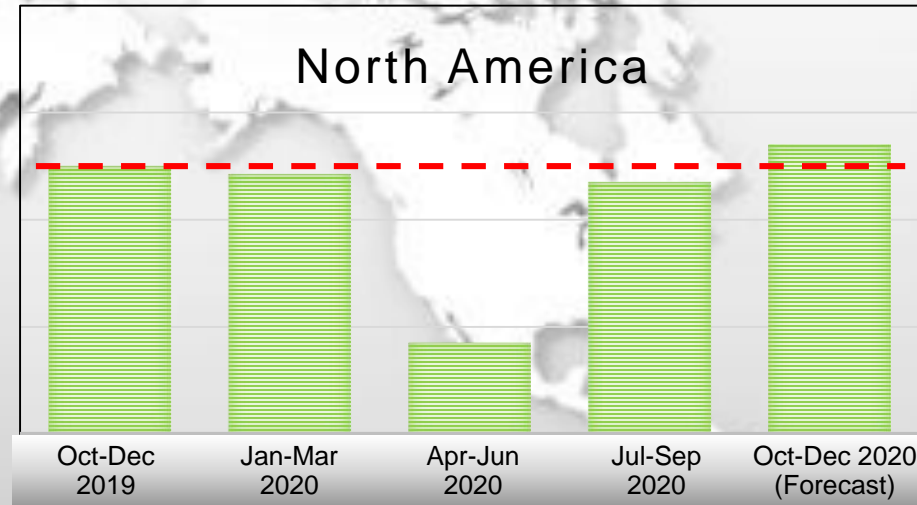
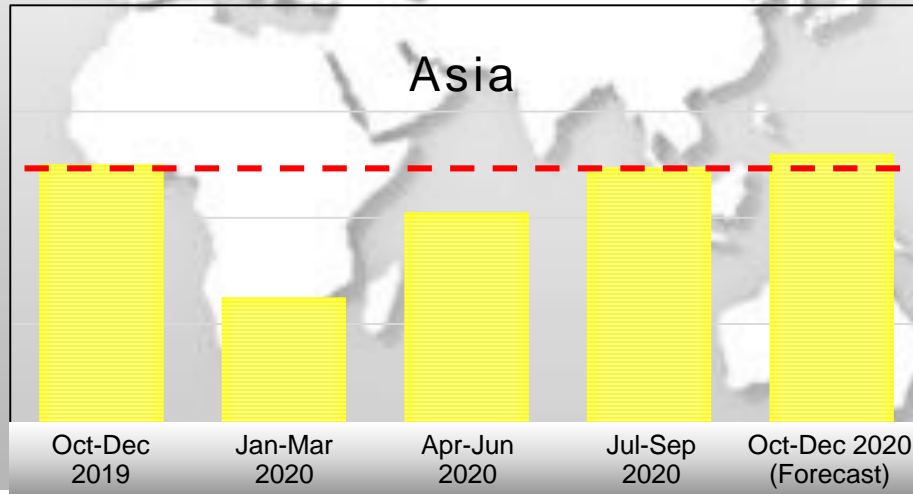
\* Percentage of sales weight compared to the average from October to December 2019 before the COVID-19 pandemic



# Sales Weight by Segment



\* Percentage of sales weight compared to the average from October to December 2019 before the COVID-19 pandemic





Casting Our Eyes  
on the Future

**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](mailto:ahresty_MP0_IR@ahresty.com)  
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.