

# Supplementary Materials for the First Three Quarters of the Year Ending March 31, 2020

February 8, 2021



# Key Points of the Financial Results for the First Three Quarters of FY 2020

(Million yen)

	First 3 quarters of year ended March 2020	Year ending March 2021				
		1Q	2Q	3Q	Y-o-Y 3Q	First three quarters
Net sales	92,019	15,524	21,312	27,670	(1,670)	64,506
Operating income	512	(3,020)	(782)	1,092	921	(2,710)
Recurring income	209	(2,589)	(561)	1,004	906	(2,146)
Net income	106	(3,190)	(788)	919	846	(3,059)

## <Overview for 3Q results>

- Sales: Production has been on a recovery trend after bottoming out in 1Q. Sales for 3Q are about the same level as the previous year, except for the impact of a decline in the aluminum market.
- Operating/Recurring income: Income returned to the black due to sales recovery and efforts to reduce costs and improve productivity. In terms of segment performance (next page), profits were recorded in all segments of Japan, North America and Asia.
- Net income: Net income also returned to the black.

# Die Casting Business

(Million yen)

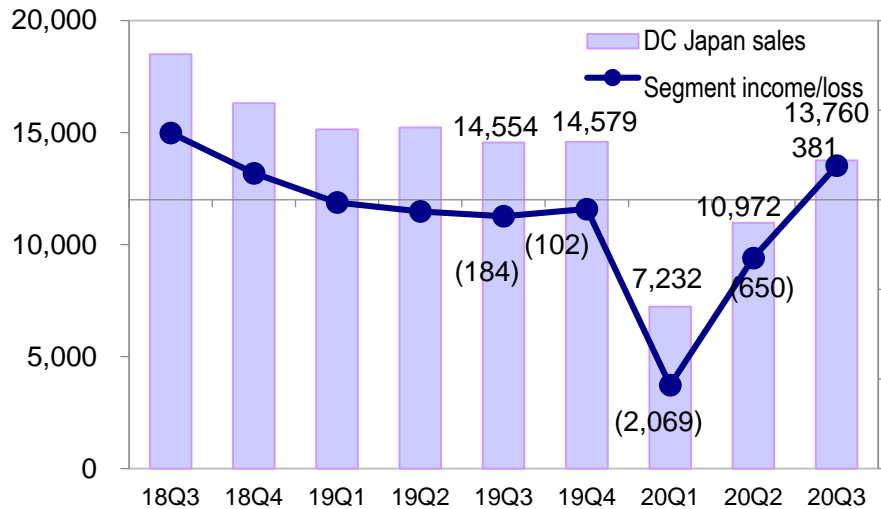
		First 3 quarters of year ended March 2020	Year ending March 2021				First three quarters
			1Q	2Q	3Q	Y-o-Y 3Q	
Japan	Net sales	44,921	7,232	10,972	13,760	(794)	31,964
	Segment income/loss	(342)	(2,069)	(650)	381	564	(2,338)
North America	Net sales	23,998	4,742	3,868	6,262	(754)	14,872
	Segment income/loss	536	(156)	(167)	449	391	126
Asia	Net sales	18,051	2,257	5,346	5,738	(569)	13,341
	Segment income/loss	(98)	(995)	36	132	(90)	(827)

\* 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 third quarter are sales and profit for the period from January to September.

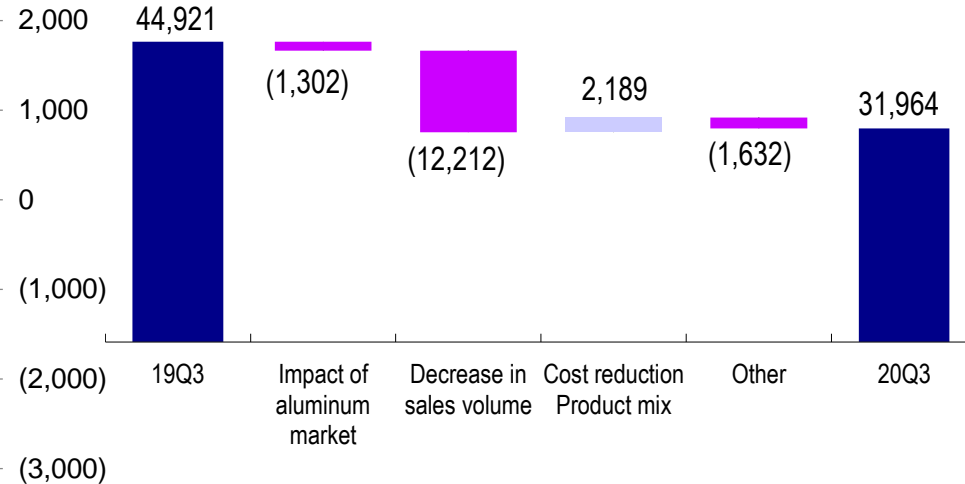
\* An explanation of the factors behind the changes in segment results begins on the next page.

# Die Casting in Japan

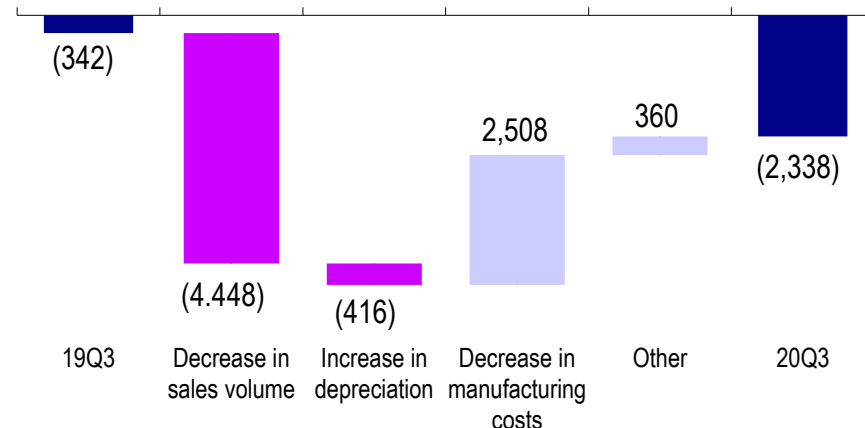
Changes in sales and segment income in Die Casting Business in Japan (Million yen)



Factors behind change in sales (Million yen)



Factors behind change in segment income (Million yen)



**Sales: Decreased ¥12,950 million (down 28.8% year on year)**

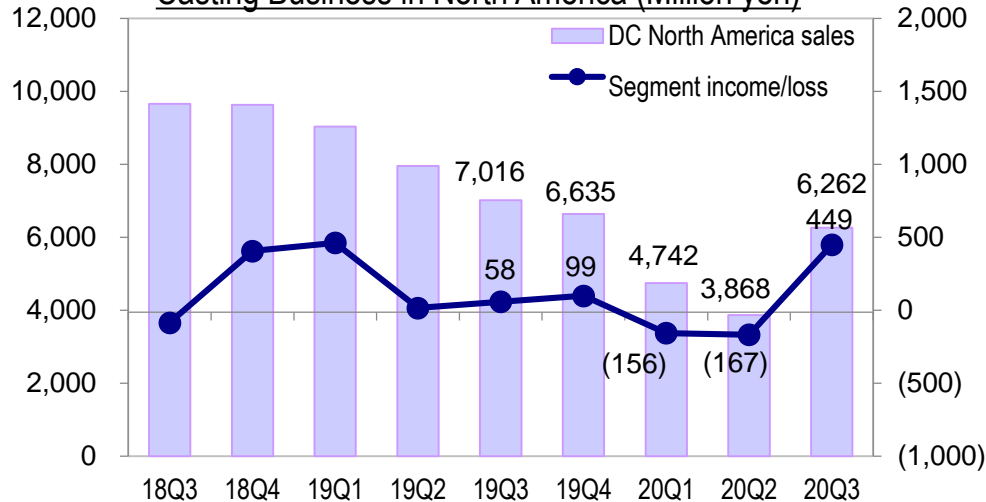
- Sales volume recovered to a 27% decrease year on year in 2Q, and then to a 3% decrease in 3Q year on year.

**Segment income: Decreased ¥1,990 million (down year on year)**

- Although total income for the first three quarters was a loss of 2,300 million due to the significant impact of COVID-19 in 1Q, 3Q marked a profit of 380 million due to efforts to establish a lean production system to improve profitability.

# Die Casting in North America

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



**Sales: Decreased ¥9,120 million (down 38.0% year on year)**

- In the U.S., sales volume declined substantially due to the suspension of operations in 1Q, but recovered in 3Q to 7% down year on year.
- In Mexico, sales declined substantially due to a lockdown in 2Q, but recovered to 10% down year on year in 3Q, which is from July to September.

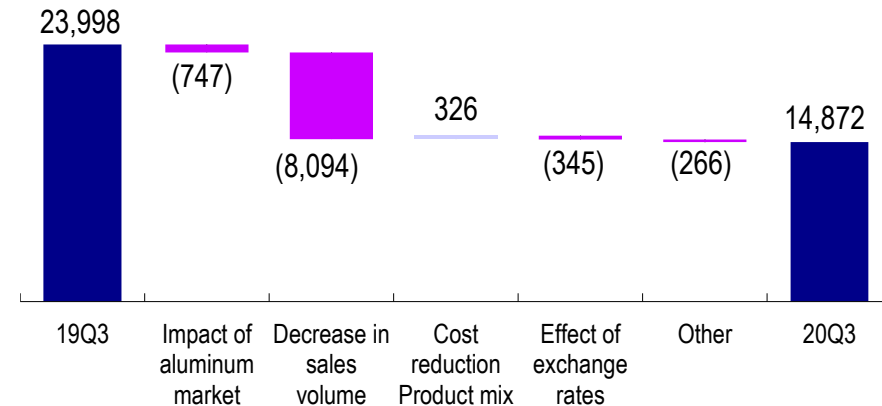
**Segment income: Decreased ¥410 million (down 76.4% year on year)**

- In the U.S., income returned to the black in 3Q mainly due to efforts to reduce labor costs.
- In Mexico, income recovered along with the sales recovery, marking a cumulative surplus in 3Q.
- North America marked a profit for the first three quarters, though the figure was a decline year on year.

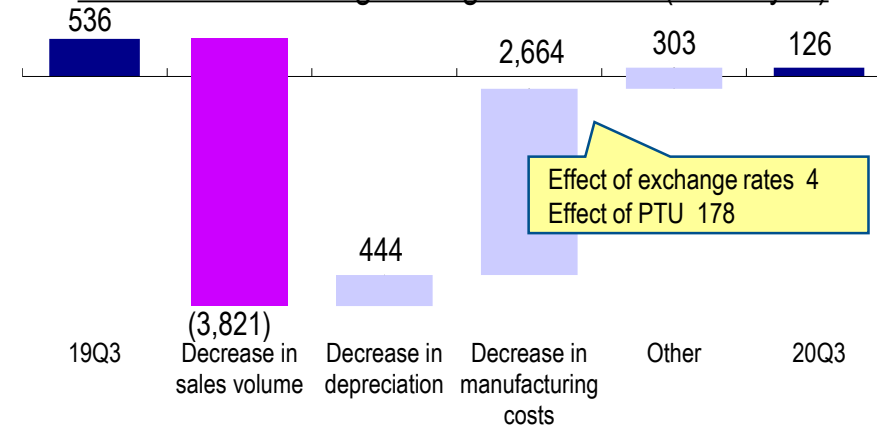
Fiscal year end: March in U.S.; December in Mexico

Exchange rate (19Q3 ⇒ 20Q3): U.S. dollar: ¥109.13 ⇒ 105.88; Mexican peso: ¥109.41 ⇒ 107.49

Factors behind change in sales (Million yen)

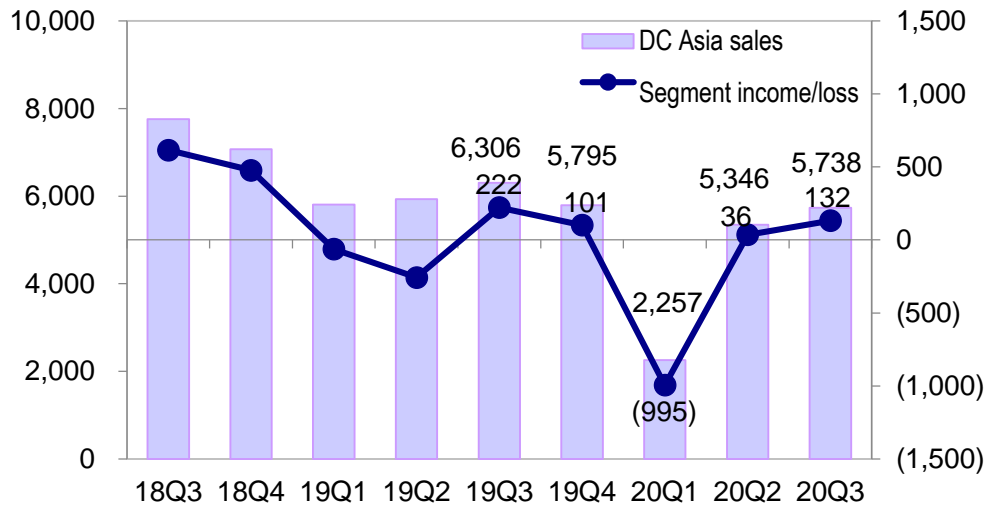


Factors behind change in segment income (Million yen)



# Die Casting in Asia

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



**Sales:** Decreased ¥4,710 million (down 26.1% year on year)

- In China, where 3Q is from July to September, sales volume recovered to 5% down year on year.
- Sales in India are still on their way to recovery in 3Q, with 29% down year on year.

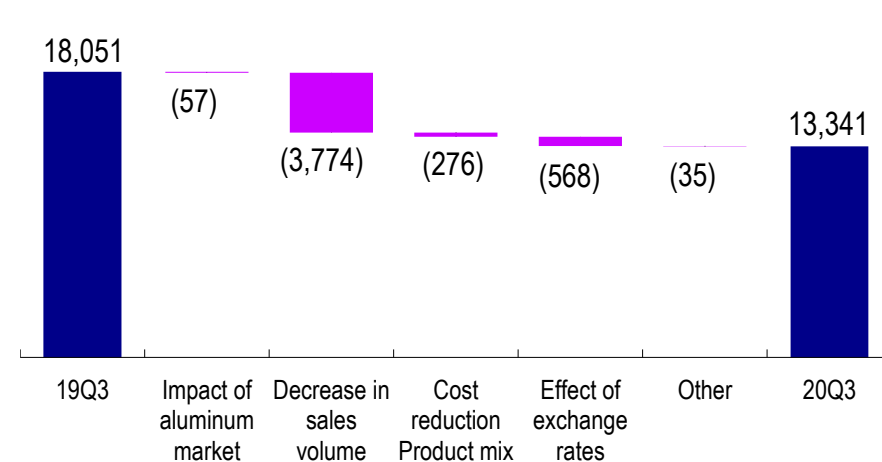
**Segment income:** Decreased ¥730 million (down year on year)

- Following 2Q, China marked a profit in 3Q due to sales increase and improvement in productivity.
- In India, income has also not yet recovered due to a slow recovery in sales.

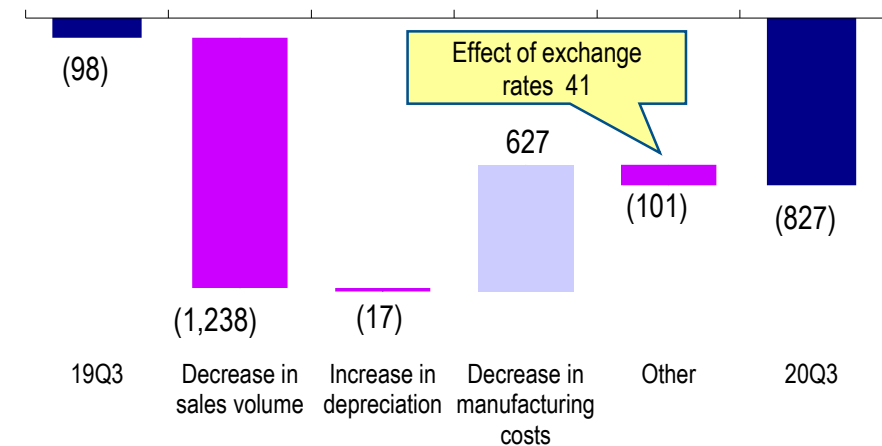
Fiscal year end: December in China; March in India

Exchange rate (19Q3 ⇒ 20Q3): Chinese yuan: ¥ 15.94 ⇒ 15.34; Indian rupee: ₹ 1.55 ⇒ 1.42

Factors behind change in sales (Million yen)



Factors behind change in segment income (Million yen)



# Aluminum Business and Proprietary Products Business

(Million yen)

		First 3 quarters of year ended March 2020	Year ending March 2021				
			1Q	2Q	2020 3Q	Y-o-Y 3Q	First three quarters
Aluminum Business	Net sales	3,081	646	748	1,018	4	2,412
	Segment income/loss	135	(41)	0	36	8	(5)
Proprietary Products Business	Net sales	1,966	644	379	891	442	1,914
	Segment income/loss	172	109	40	126	68	275

## Aluminum Business

- Sales: Sales are on a recovery track from the impact of COVID-19. Net sales for 3Q are about the same level as the previous year.
- Segment income: While income for first three quarters decreased due to the significant decline in sales, income on a quarterly basis recovered to the break-even level in 2Q and 3Q.

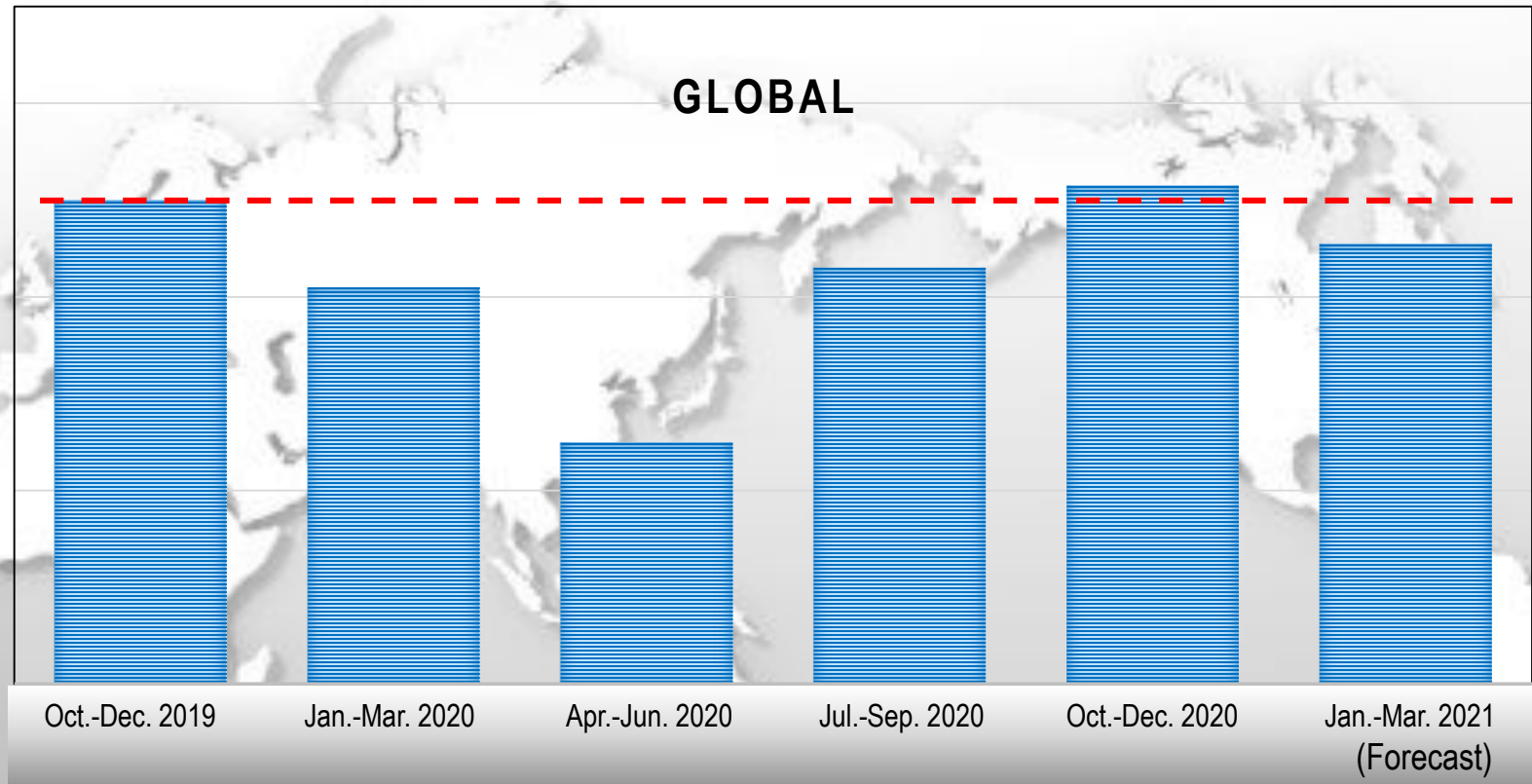
## Proprietary Products Business

- Sales: Decreased chiefly due 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

# Global Sales in Weight

- Recovery trend continued until 3Q. But a decrease is expected for Jan. to Mar. 2021 due to a shortage of semiconductors.

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

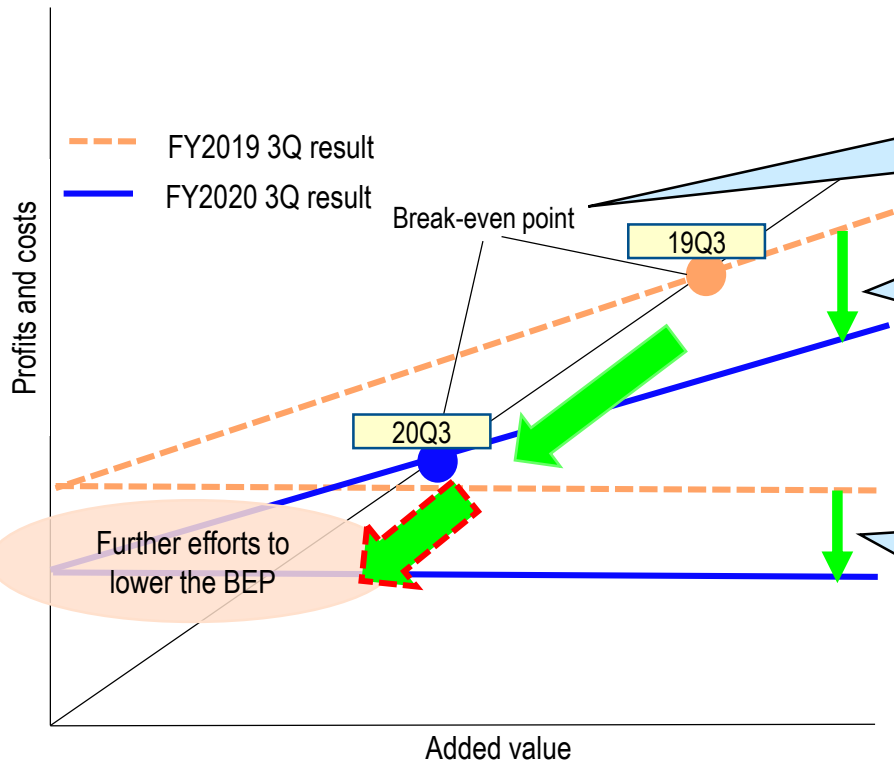




# Improving Corporate Structure in Response to Changes in Auto Market

Due to a switch to leaner production systems under the Medium-Term Management Plan from FY2019, the break-even point has fallen. In comparison to the first three quarters of the previous year, in addition to the reduction of fixed costs, higher productivity improved the variable cost rate.

Changes in break-even point from FY2019 3Q to FY2020 3Q



## Break-even point: Fell

Though partly affected by the decrease in sales, the break-even point has fallen (improved) due to improved productivity and reduced fixed costs.

## Variable cost rate: Improved 4 points

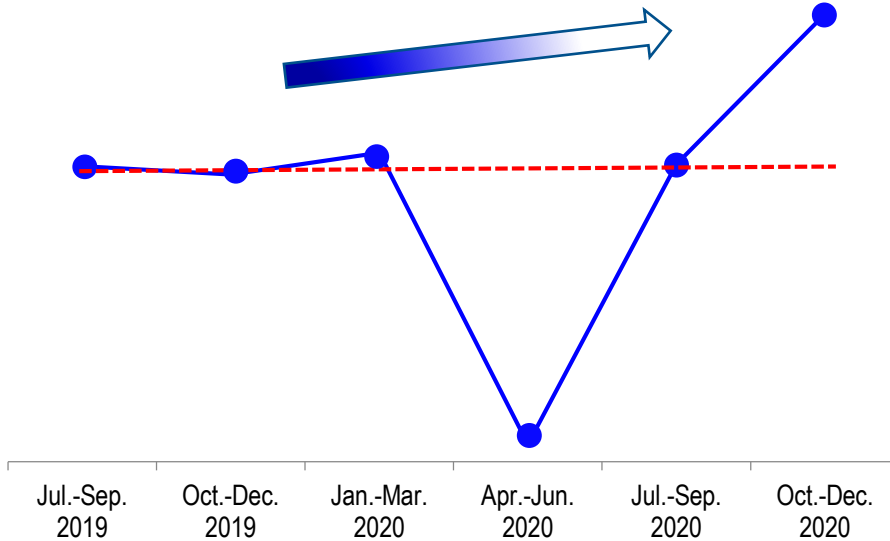
- Productivity improved due to the stabilization of injection and utility operations.
- Incorporated inspection in casting processes, promoted automation and other measures
- Incorporated deburring, which had been outsourced, in in-house processes

## Fixed costs: Reduced by approx. 4,900 million yen (of which 1,100 million is associated with COVID-19)

- Reduced labor costs by revising the production system
- Lowered depreciation and amortization by the reduction of investments
- Reduced travel expenses by introducing teleworking, etc.

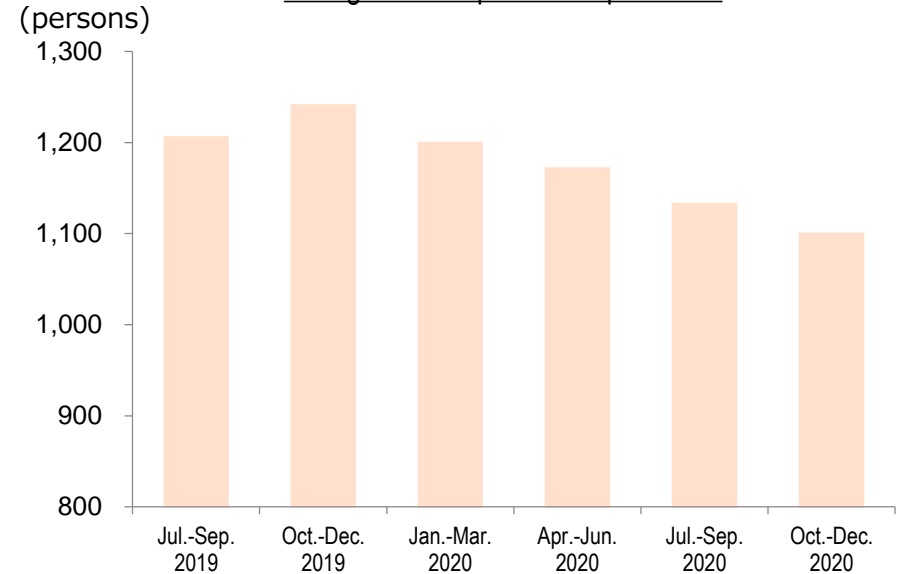
# Status of Promoting Leaner Production Systems (up to 3Q)

Earnings per hour



As a result of promoting leaner production systems, productivity improved with earnings per hour around 5% higher than the previous year in August and September and around 20% higher after October.

Changes in non-production personnel



In non-production departments in plants, personnel declined by 140 people year on year through transfer, etc.

- Promoted “new normal” workstyles, such as elimination of business trips and use of web conferencing.

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

# Revisions to FY2020 Business Forecasts and Dividend Projection

In line with the upward revision of full year business forecasts, we expect the resumption of dividend payment (5 yen).

(Million yen)

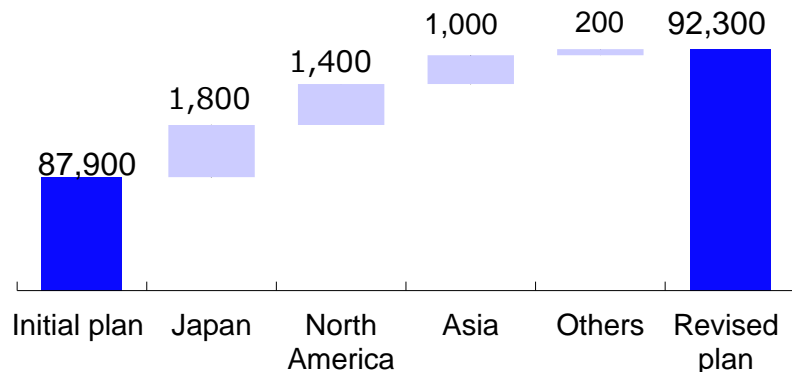
	FY2020 Initial plan (Aug. 6)		FY2020 Revised plan (Feb. 8)		Difference from initial plan
	2nd half plan	Full year plan	2nd half plan	Full year plan	
Net sales	51,600	87,900	55,500	92,300	4,400
Operating income	0	(4,000)	1,170	(2,600)	1,400
Recurring income	(150)	(3,450)	940	(2,200)	1,250
Net income	(200)	(4,400)	1,130	(2,900)	1,500
Dividend (yen)	—	—	—	5	—

# Revisions to FY2020 Business Forecasts for Die Casting Business

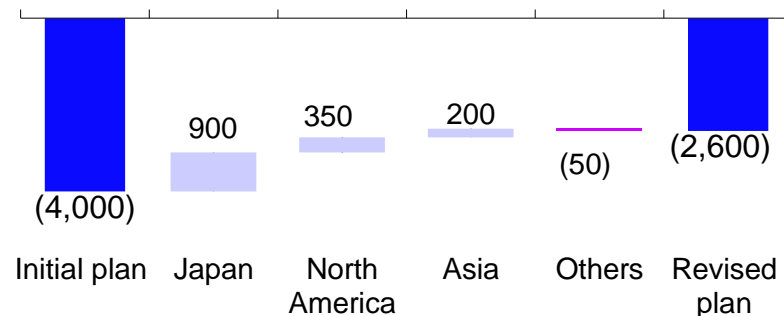
(Million yen)

		FY2020 Initial plan (Aug. 6)		FY2020 Revised plan (Feb. 8)		Difference from initial plan
		2nd half plan	Full year plan	2nd half plan	Full year plan	
<b>Japan</b>	Net sales	25,400	43,300	26,880	45,100	1,800
	Segment income/loss	(500)	(3,500)	100	(2,600)	900
<b>North America</b>	Net sales	11,500	20,100	12,860	21,500	1,400
	Segment income/loss	200	(100)	550	250	350
<b>Asia</b>	Net sales	11,500	19,000	12,390	20,000	1,000
	Segment income/loss	150	(750)	400	(550)	200

Net sales: Difference from initial plan (Million yen)



Segment income/loss: Difference from initial plan (Million yen)





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on the Future

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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.