

Supplementary Materials for the First Half of the Year Ending March 31, 2022

November 10, 2021



Key Points of the Financial Results for the First Half of Year Ending March 2022

(Million yen)

	Year ended March 2021 1st half	Year ended March 2021 2nd half	Year ending March 2022 1st half
Net sales	36,836	56,137	54,647
Operating income	(3,802)	1,249	(1,943)
Recurring income	(3,150)	1,057	(1,680)
Net income	(3,978)	1,136	(1,780)
Sales weight (In comparison with FY2018 as 100)	53	84	74

* Net sales before application of revisions to accounting standards: 57,225 million yen

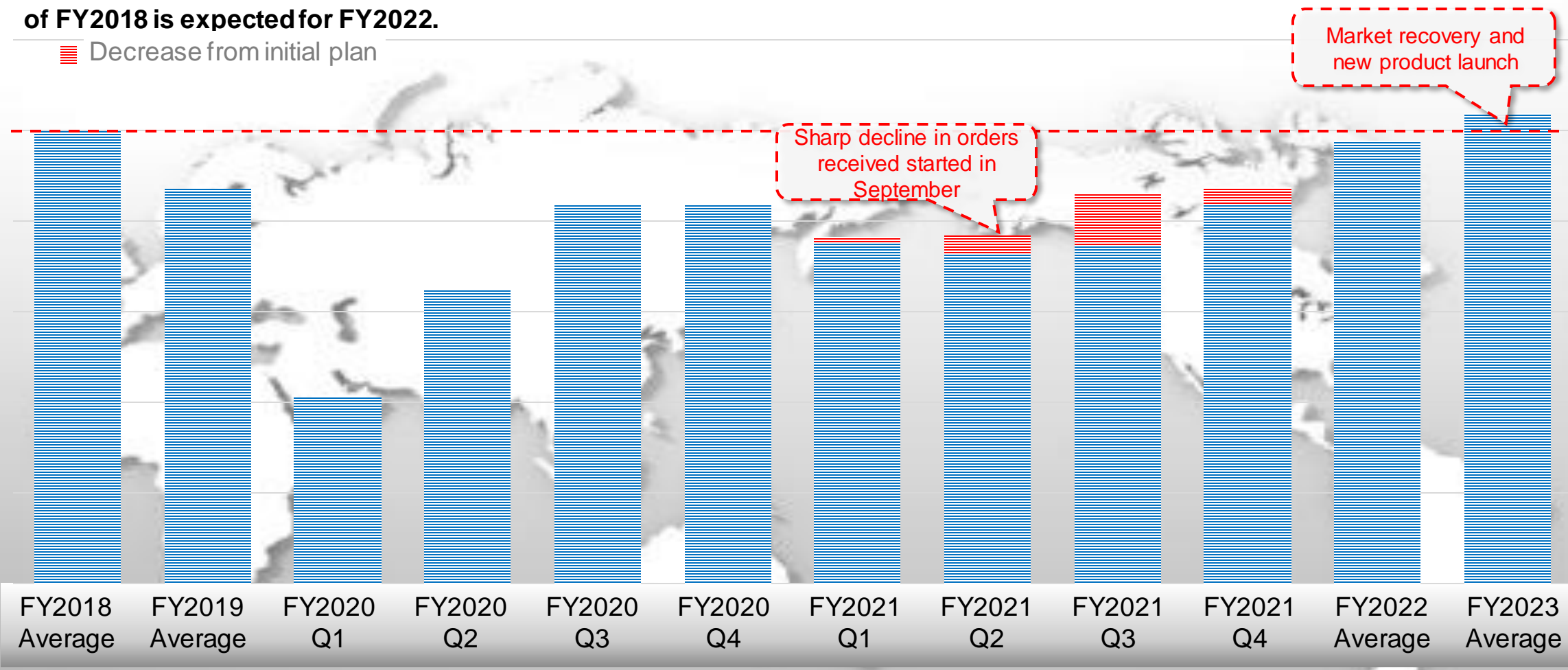
<Overview>

- Sales: Sales weight was on a recovery track from the decline due to COVID-19 in 2nd half of FY2020 but began to decline again from 2nd half of previous year due to the impact of the decrease in automobile production caused by the shortage of semiconductors worldwide and the shortage of auto parts due to the spread of COVID-19 in Southeast Asia.
Although sales weight decreased, net sales declined only slightly due to a rise in aluminum prices and the effect of exchange rates.
- Operating/Recurring income: Despite the ongoing efforts to improve profitability, a loss was recorded due to a decrease in orders received and an increase in procurement costs associated with a rise in aluminum prices, which affected profits.
- Net income: A net loss was recorded due to the decreases in operating income and recurring income.

Global Sales in Weight

- Sales weight was on a recovery track from the decline due to COVID-19 in 1Q of FY2020 but began to decline again from 1Q of FY2021 due to the shortage of semiconductors and the impact of the spread of COVID-19 in Southeast Asia. Recovery to the level of FY2018 is expected for FY2022.

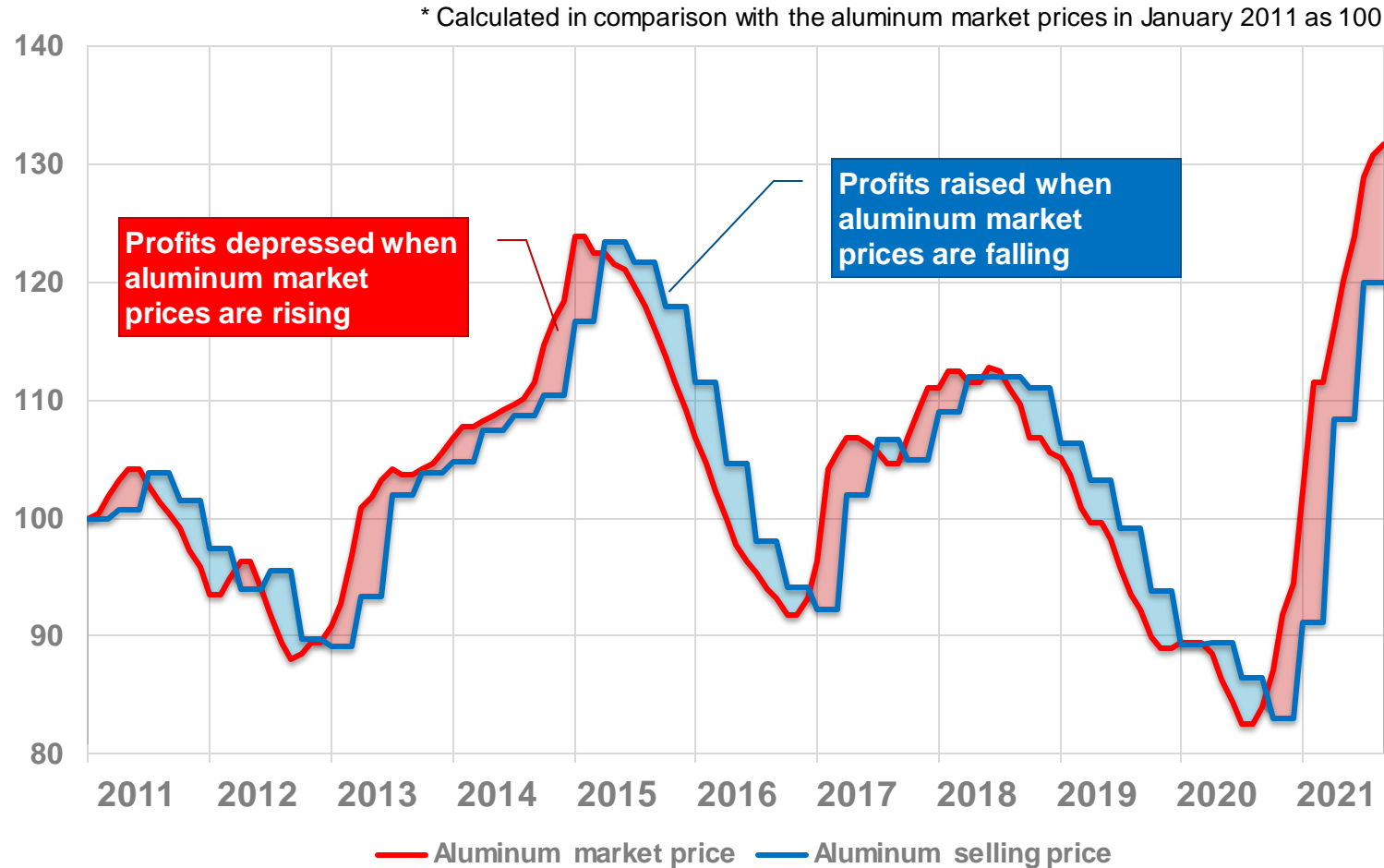
■ Decrease from initial plan



* Changes in percentage of sales weight compared to the average level of FY2018

Aluminum Prices

Changes in aluminum market prices and selling prices over 10 years from 2011



❑ Effect of fluctuations in aluminum market prices

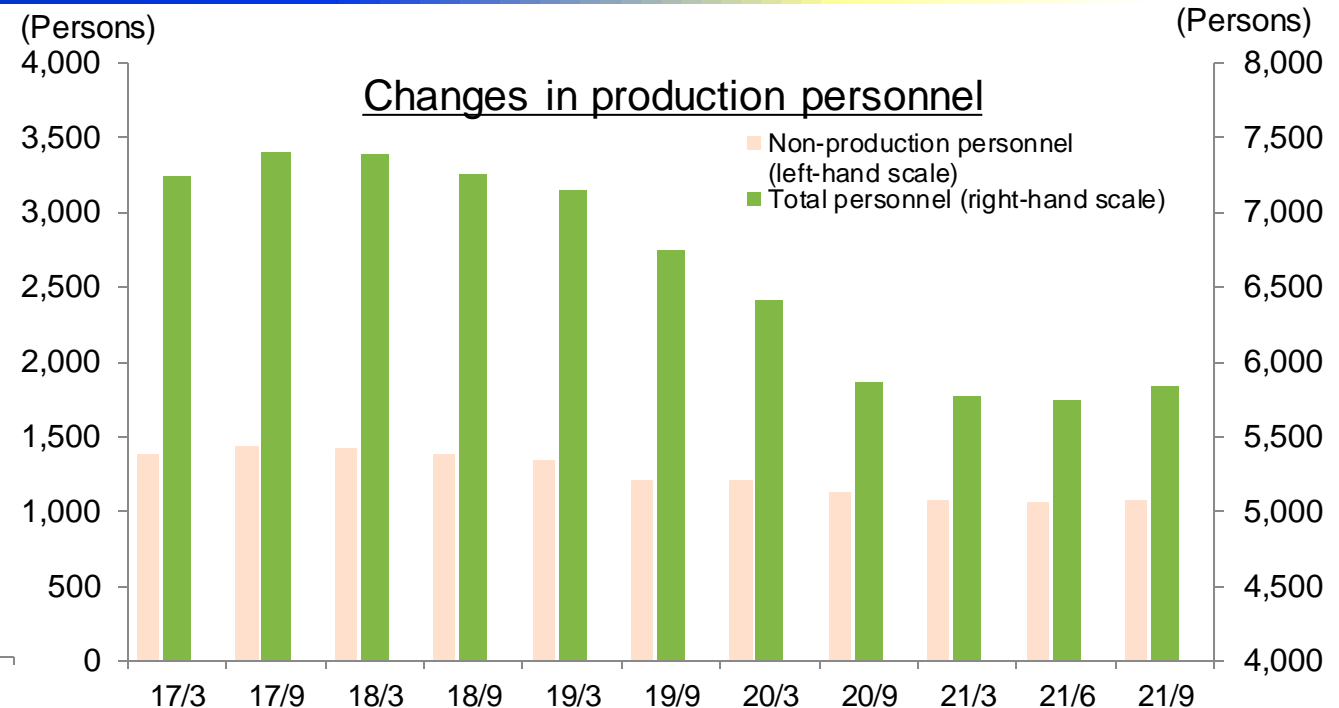
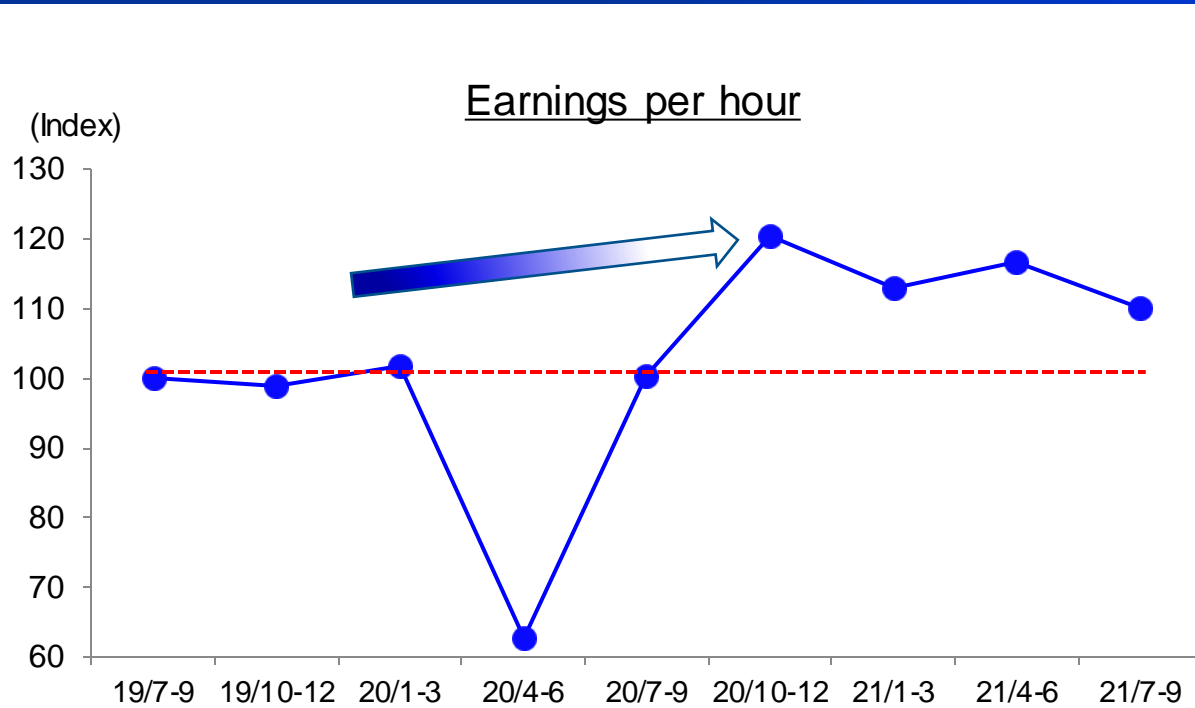
There is a delay in reflecting aluminum market prices in selling prices. But it will be levelled in the long run.

❑ Market prices have soared 60% since June 2020

- ✓ Impact of the rise in the price of silicon, necessary for aluminum ingot production
 - Shortage and restriction of electricity in China
 - Increase in demand for silicon for solar panels
- ✓ Impact of new regulations for scraps enforced in China
 - Restriction on import of scraps

* Aluminum new ingot prices fell after hitting \$3,171 on October 15 to \$2,600 as of November 8.

Status of Promoting Leaner Production Systems



- Maintained the improvement trend by promoting leaner production systems.
- Slightly declined because revision of production systems could not keep up with the sharp decline in the volume of orders received in September 2021.

- Promoted appropriate personnel placement according the production scale
- Overall, continued to improve efficiency by streamlining production lines and revising work processes.

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

Die Casting Business

(Million yen)

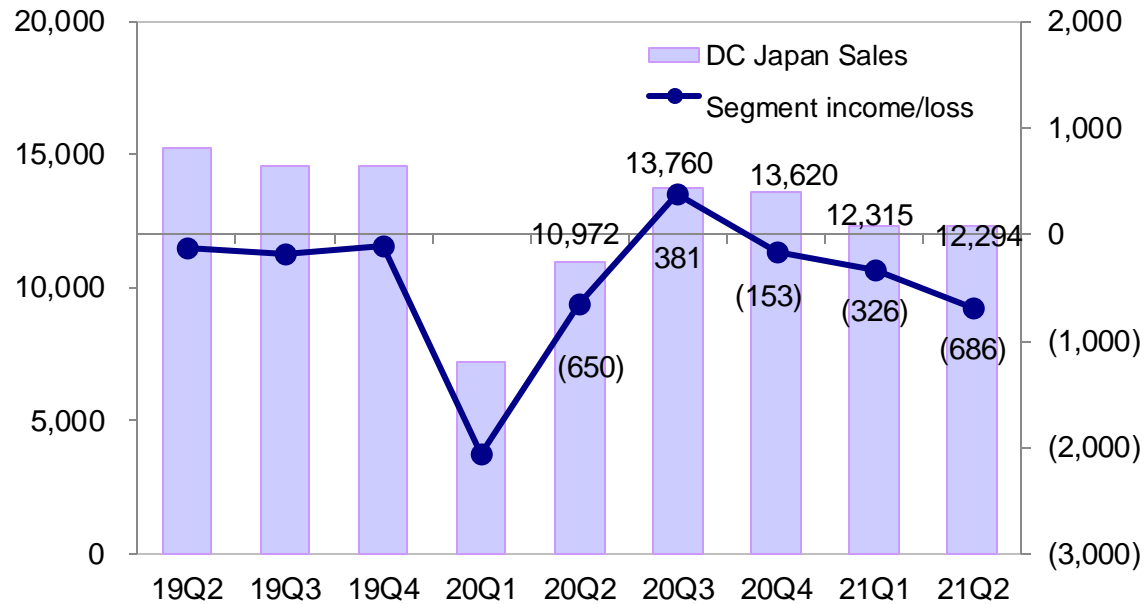
		Year ended March 2021 1st half	Year ended March 2021 2nd half	Year ending March 2022 1st half
Japan	Net sales	18,204	27,380	24,609*
	Segment income/loss	(2,719)	228	(1,012)
North America	Net sales	8,610	13,018	14,190
	Segment income/loss	(323)	417	(553)
Asia	Net sales	7,603	12,328	11,726
	Segment income/loss	(959)	361	(643)

* The Mexico Plant in the North America segment and two plants in China in the Asia segment settle their accounts in December.

*Net sales before application of revisions to accounting standards: 27,186 million yen

Die Casting in Japan

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



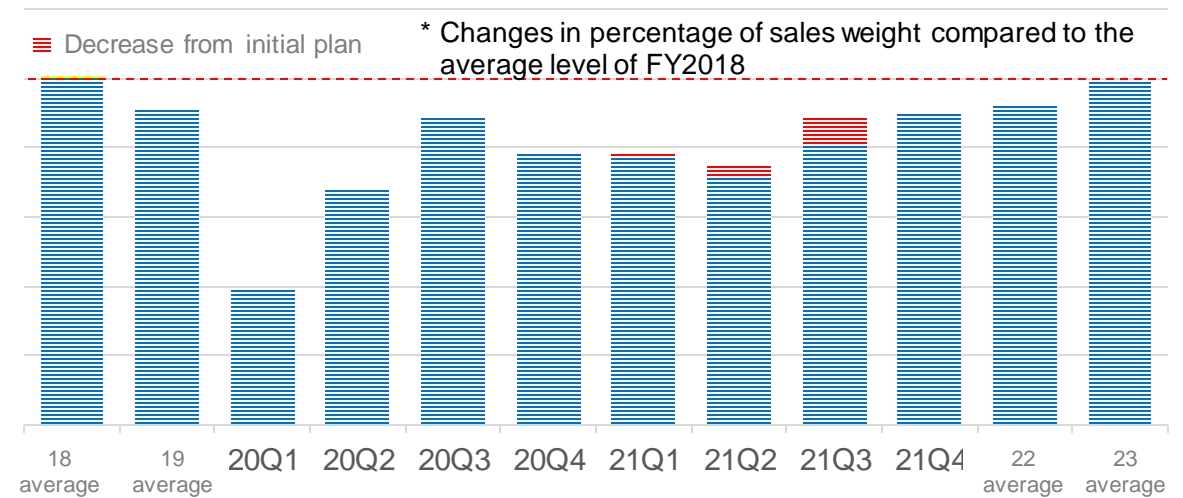
Sales: Increased ¥6,410 million (up 35.2% year on year)

- Sales volume was on a recovery track after bottoming out in 1Q of FY2020 but recovery slowed down due to the shortage of semiconductors and the spread of COVID-19 in Southeast Asia.

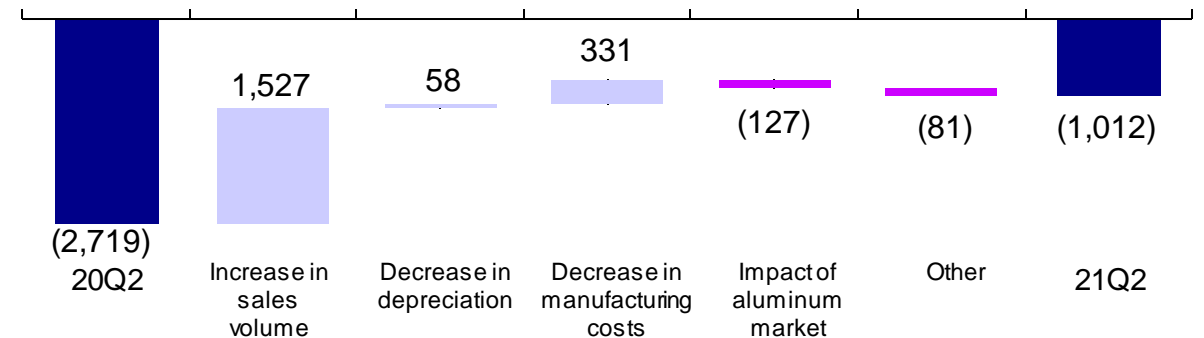
Segment income: Increased ¥1,710 million (up year on year)

- Despite the year-on-year improvement due to measures promoted to increase sales volume and improve productivity, a segment loss was recorded mainly due to the impact of soaring aluminum prices on profits.

Changes in sales weight

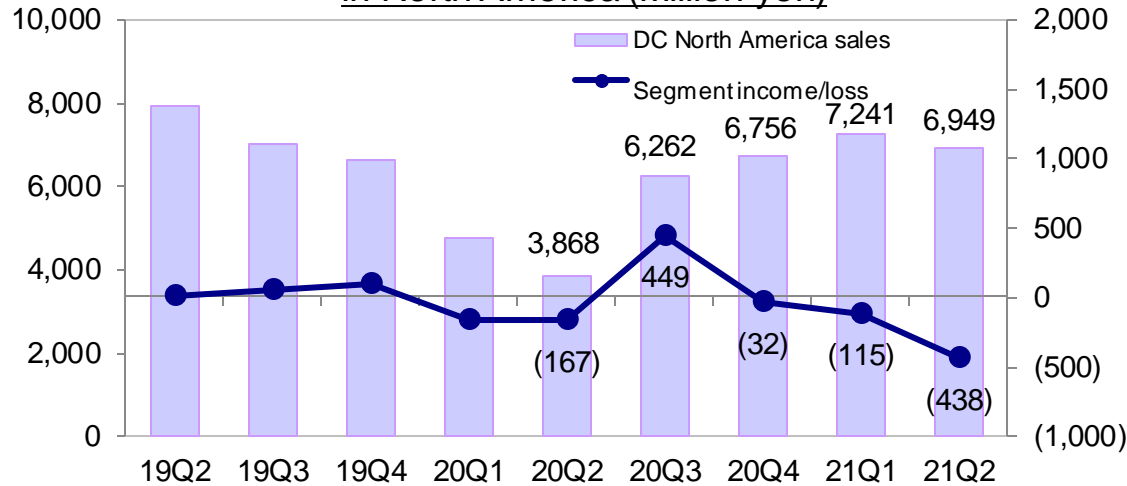


Factors behind change in segment income (Million yen)

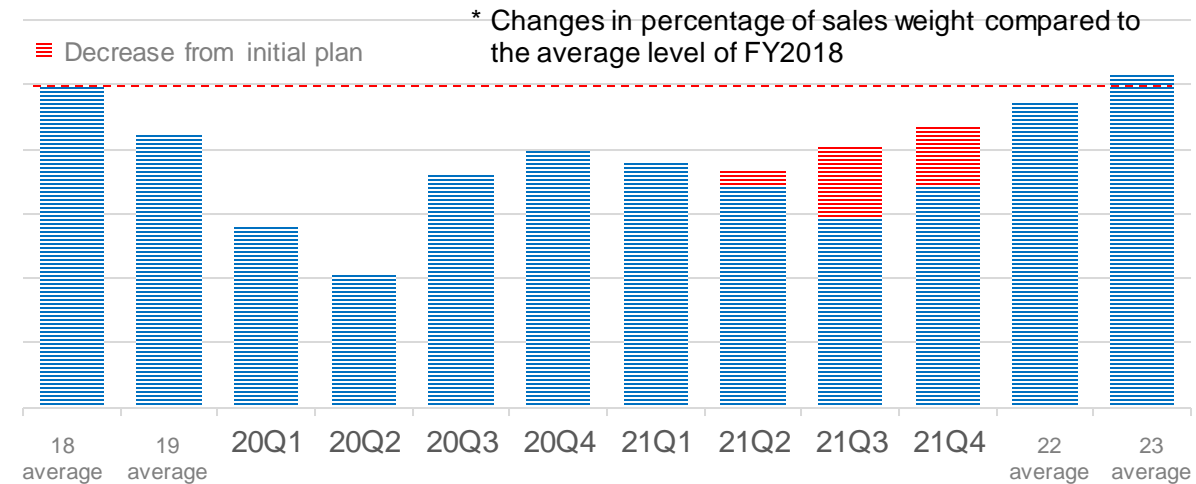


Die Casting in North America

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



Changes in sales weight



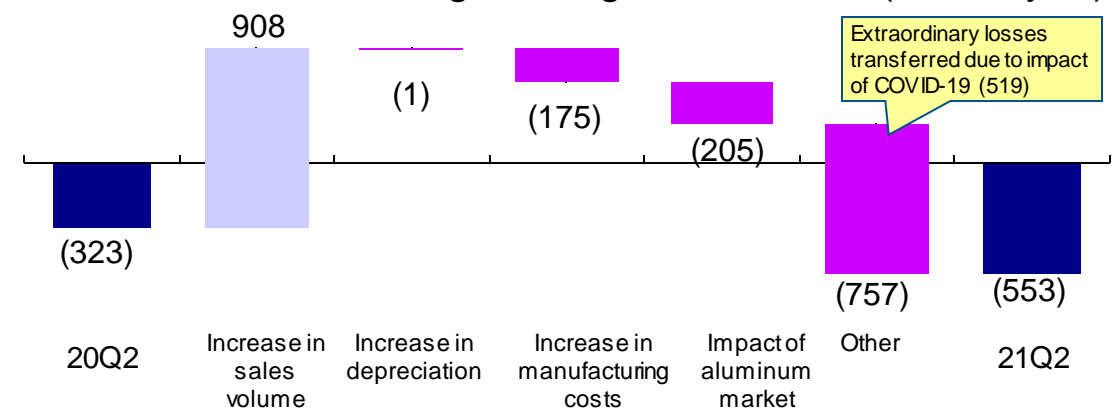
Sales: Increased ¥5,580 million (up 64.8% year on year)

- Although sales were on a recovery track after bottoming out in 2Q of FY2020, sales volume for 2Q in FY2021 declined from the initial plan due mainly to the impact of production adjustments by customers resulting from the shortage of semiconductors and other auto parts.

Segment income: Decreased ¥230 million (down year on year)

- Despite the effect of year-on-year recovery in sales volume, the shortage of semiconductors and an increase in aluminum procurement costs affected profits.

Factors behind change in segment income (Million yen)

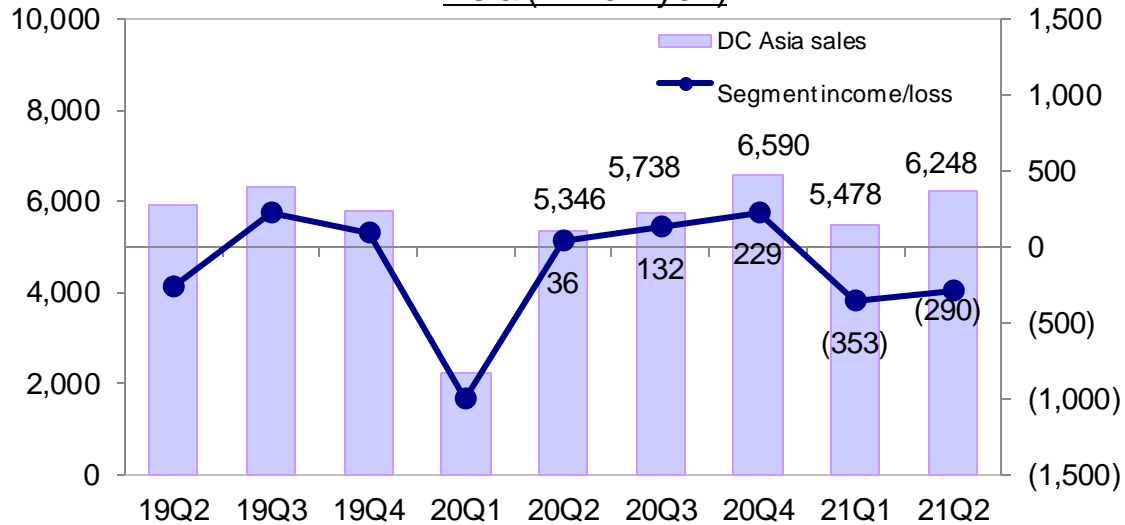


Fiscal year end: March in U.S.; December in Mexico

Exchange rate (20Q2 ⇒ 21Q2): U.S. dollar: ¥106.68 ⇒ 110.21; Mexican peso: ¥108.44 ⇒ 107.76

Die Casting in Asia

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



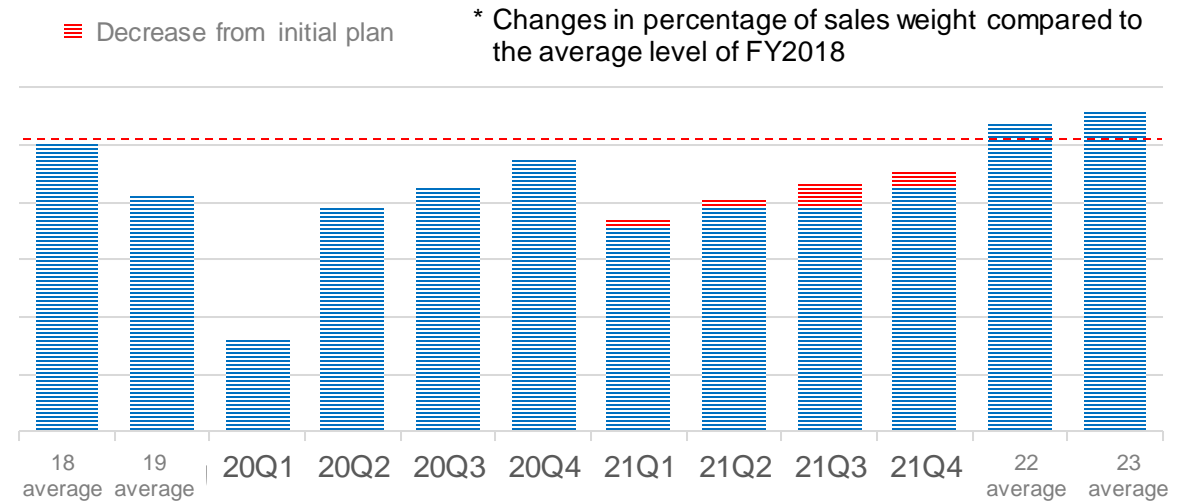
Sales: Increased ¥4,120 million (up 54.2% year on year)

- Sales increased on a year-on-year basis but marked a decrease from the initial plan mainly due to the lockdown in India in 1Q. Sales volume declined to 80% of 2nd half of the previous year.

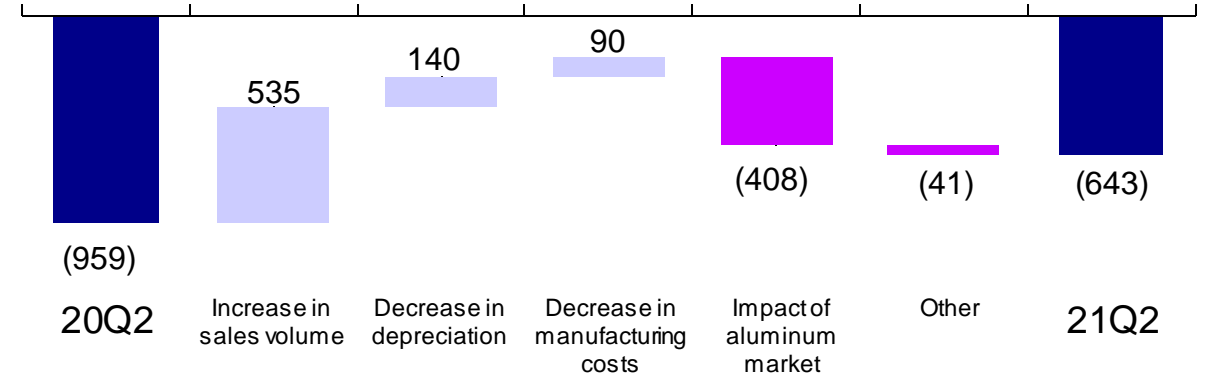
Segment income: Increased ¥320 million (up year on year)

- An increase in aluminum procurement costs due to soaring aluminum prices affected profits.

Changes in sales weight



Factors behind change in segment income (Million yen)



Fiscal year end: December in China; March in India

Exchange rate (20Q2 ⇒ 21Q2): Chinese yuan: ¥ 15.37 ⇒ 16.64; Indian rupee: ₹ 1.43 ⇒ ₹50

Aluminum Business and Proprietary Products Business

(Million yen)

		Year ended March 2021 1st half	Year ended March 2021 2nd half	Year ending March 2022 1st half
Aluminum Business	Net sales	1,394	2,089	2,832
	Segment income/loss	(41)	74	144
Proprietary Products Business	Net sales	1,023	1,322	1,289
	Segment income/loss	148	172	112

Aluminum Business

- Sales: Despite the impact of the production decrease of car manufacturers due to the recent shortage of semiconductors, sales weight increased by 45.3% year on year.
- Segment income: Increased mainly due to an increase in net sales despite soaring aluminum prices.

Proprietary Products Business

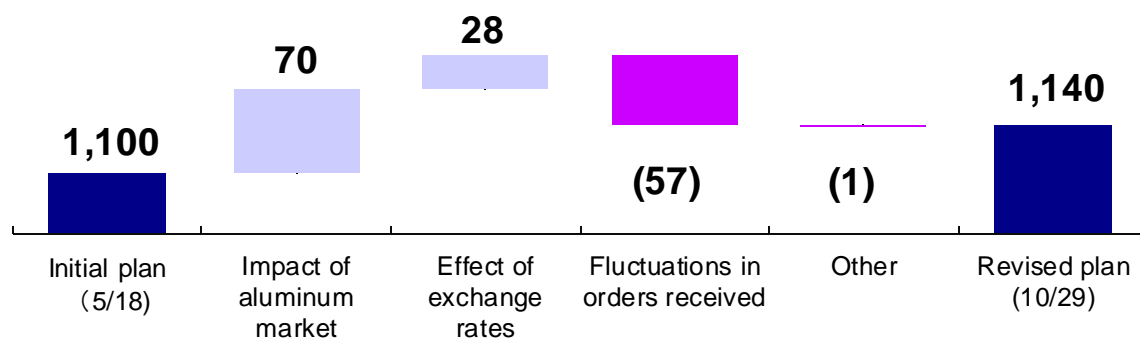
- Sales: On a year-on-year basis, sales increased due to an increase in orders for projects of our main customers, namely a clean room at a semiconductor production company and a data center at a telecommunications company.
- Segment income: Maintained profitability though with fluctuations caused by individual projects.

Results of 1H of FY 2021 in comparison with plans

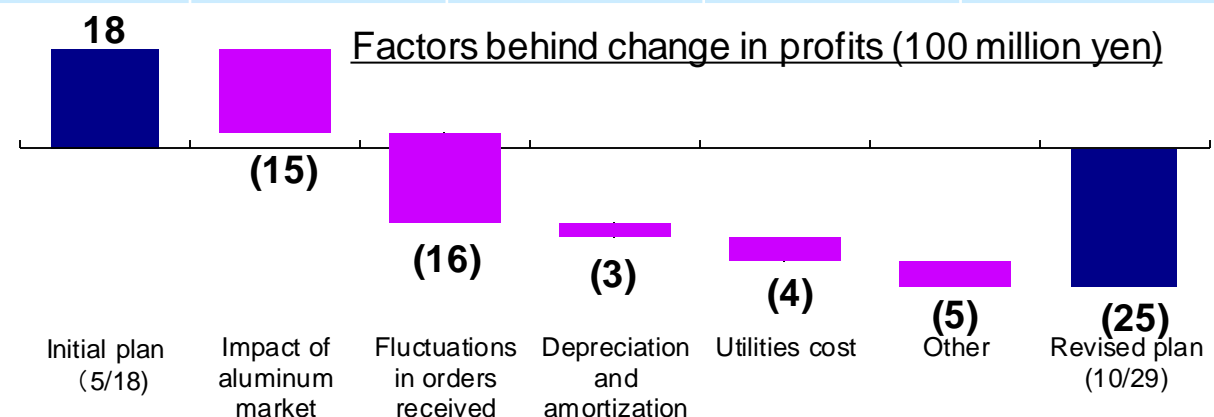
(Million yen)

	Year ending March 2022 1H			Year ending March 2022 2H			Year ending March 2022 full year		
	Initial plan	Results	Comparison with initial plan	Initial plan	Revised plan	Comparison with initial plan	Initial plan	Revised plan	Comparison with initial plan
Net sales	52,300	54,647	+2,347	57,700	59,360	+1,660	110,000	114,000	+4,000
Operating income	(750)	(1,943)	(1,193)	2,550	(560)	(3,110)	1,800	(2,500)	(4,300)
Recurring income	(850)	(1,680)	(830)	2,450	(620)	(3,070)	1,600	(2,300)	(3,900)
Net income	(1,000)	(1,780)	(767)	1,600	(1,040)	(2,640)	600	(2,800)	(3,400)
Dividend (yen)	5	5	—	5	5	—	10	10	—

Factors behind change in sales (100 million yen)



Factors behind change in profits (100 million yen)



Exchange rate assumptions in the initial plan (May 18): USD: 105.0; Chinese yuan: ¥15.0; Indian rupee: ₹1.45
 Exchange rate assumptions in revised plan (Oct. 29): USD: 110.0; Chinese yuan: ¥16.5; Indian rupee: ₹1.50

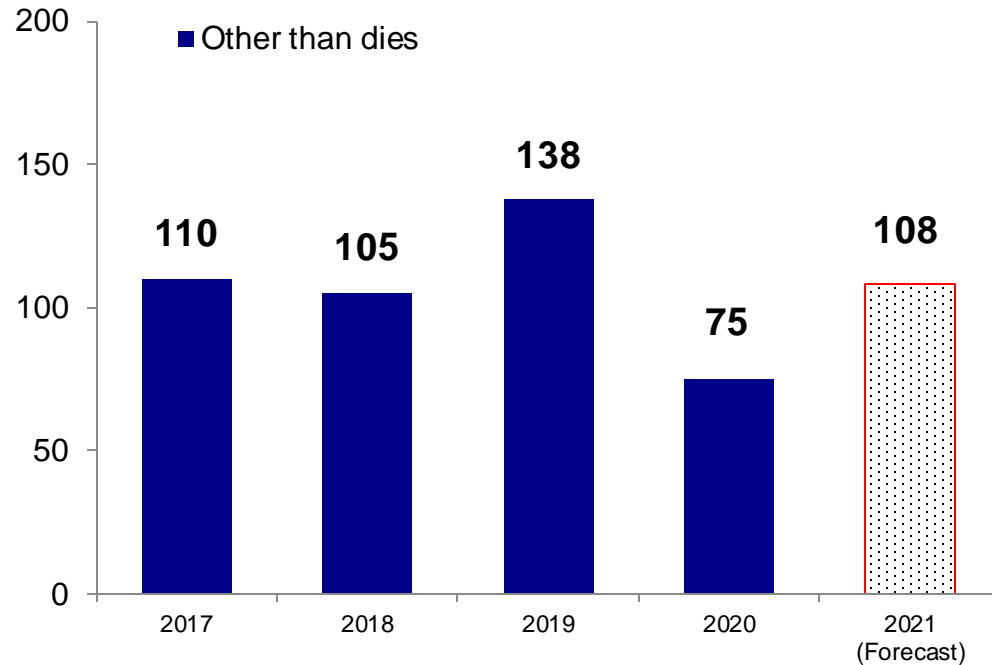


Trends in Capital Investment, Depreciation and Amortization

Year ending March 2022 forecasts

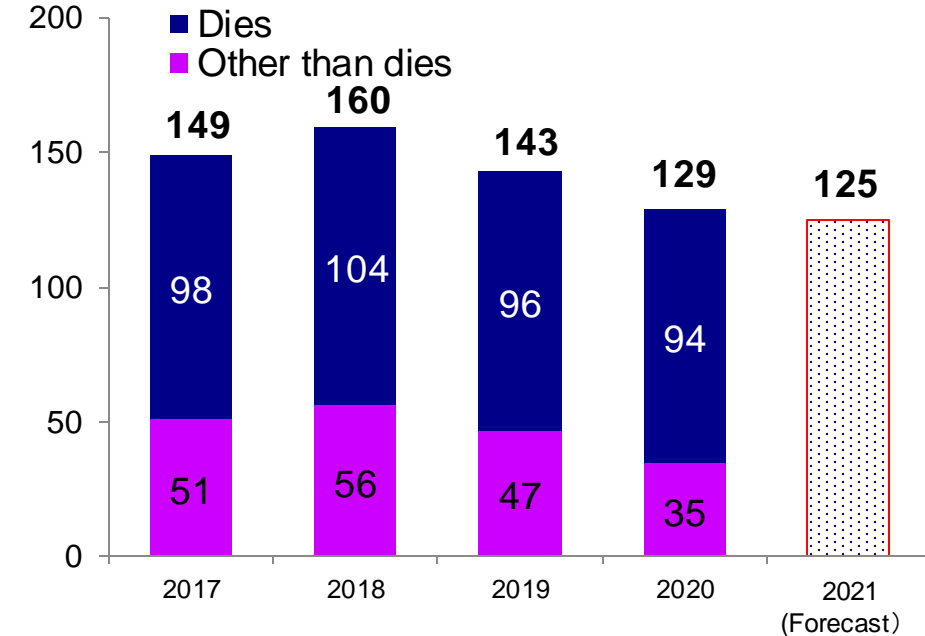
- Amount of capital investment: Expected to be ¥10,800 million (Reduced by ¥2,000 million from the plan)
- Depreciation and amortization: Expected to be ¥12,500 million due to reduction of capital investments

Amount of capital investment (100 million yen)



* Starting from FY2021, due to change in the method of asset recording for dies, the amount of capital investment exclude the amount for dies.

Amount of depreciation and amortization (100 million yen)



* Starting from FY2021, due to change in the method of asset recording for dies, amortization of some dies is not included.



Casting Our Eyes 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.