

Supplementary Materials for the Year Ended March 31, 2022

May 18, 2022



Key Results for the Fiscal Year Ended March 2022

(Million yen)

	Year ended March 2021 Full year	Year ended March 2022				Released figures (Feb. 14)
		1st half	2nd half	4Q (quarterly)	Full year	
Operating income	(2,554)	(1,943)	(479)	299	(2,422)	(2,500)
Recurring income	(2,094)	(1,680)	(352)	335	(2,032)	(2,300)
Net income	(2,843)	(1,780)	(3,409)	1,628	(5,189)	(4,500)
Sales weight (In comparison with FY2018 as 100)	68	74	73	74	74	—

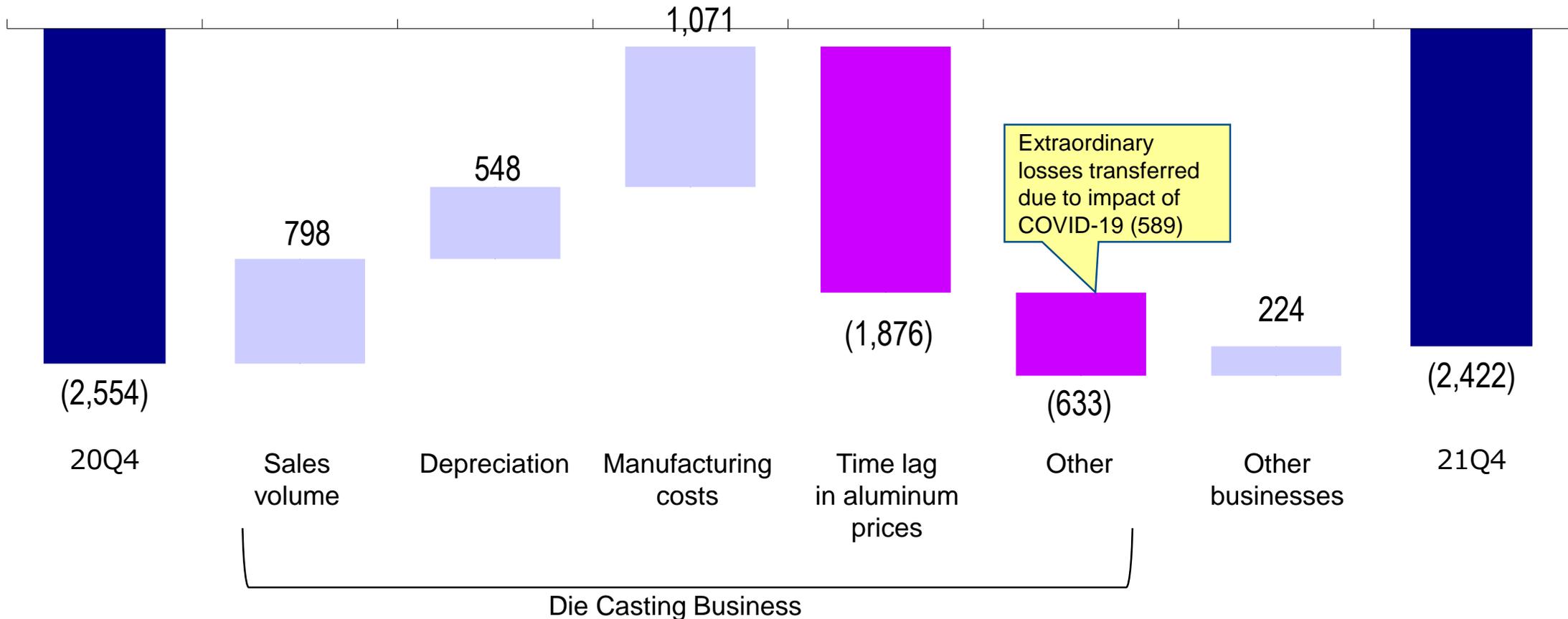
* FY2022: *Net sales before application of revisions to accounting standards: 121,633 million yen

<Overview>

- Net sales: Increased 25% from the previous year to ¥116.3 billion. But in terms of sales weight, the increase was 8% as the impact of the rise in aluminum prices and depreciation of the yen boosted the amount in value terms.
- Operating/Recurring income: Achieved a quarterly profit for 4Q despite the severe environment for profitability due to increases in procurement cost resulting from the soaring aluminum market and in utilities expenses.
- Net income: Recorded ¥4,200 million for an extraordinary loss, including an impairment loss for a US plant, etc., and ¥880 million for deferred income taxes due to reversal of deferred tax assets of the India plant, as well as an extraordinary profit of ¥2,300 million due to sales of cross-held shares. As a result, recorded net loss of ¥5,100 million.

Factors behind Changes in Consolidated Results

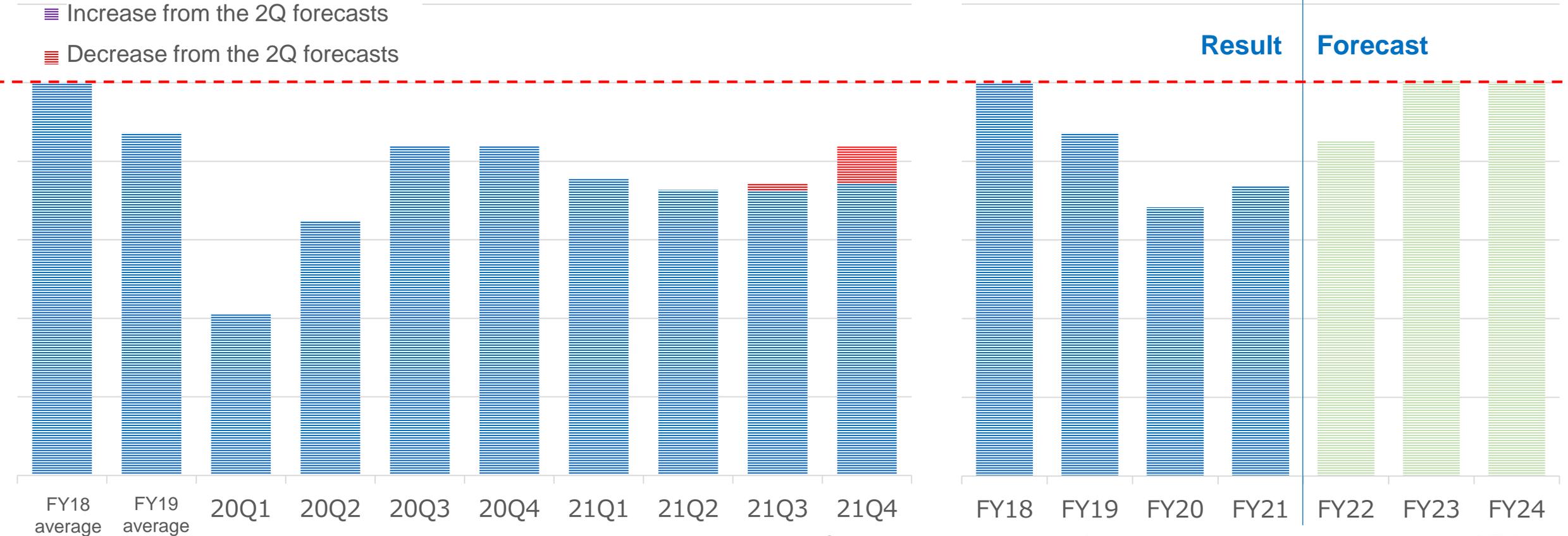
- Although sales volume increased from the previous fiscal year and the leaner production systems showed a cost reduction effect, soaring aluminum prices overwhelmed these factors, resulting in just a little improvement in profitability from the previous year.



* Extraordinary losses transferred from COVID-19-related losses, such as fixed costs during the period of operation suspension of plants implemented in response to request from the government, etc. to prevent the spread of COVID-19 in fiscal 2020

Global Sales in Weight

■ In comparison to the 2Q forecast, sales weight did not reach the FY2021 4Q forecast due to the spread of COVID-19 mutated variants and a delay in recovery of the car production volume due to the shortage in supply of parts. For FY2022, with remaining uncertainties especially in the first half, conservative forecasts are made for the sales outlook of car manufacturers.

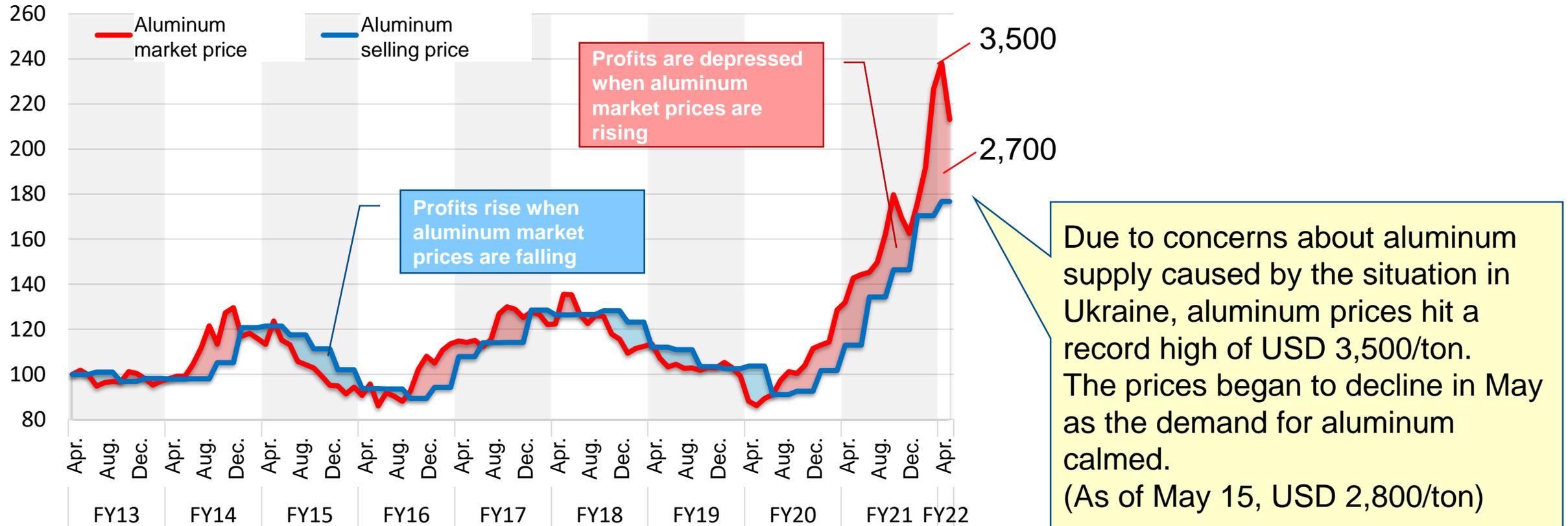


* Changes in percentage of sales weight compared to the level of FY2018

Aluminum Prices

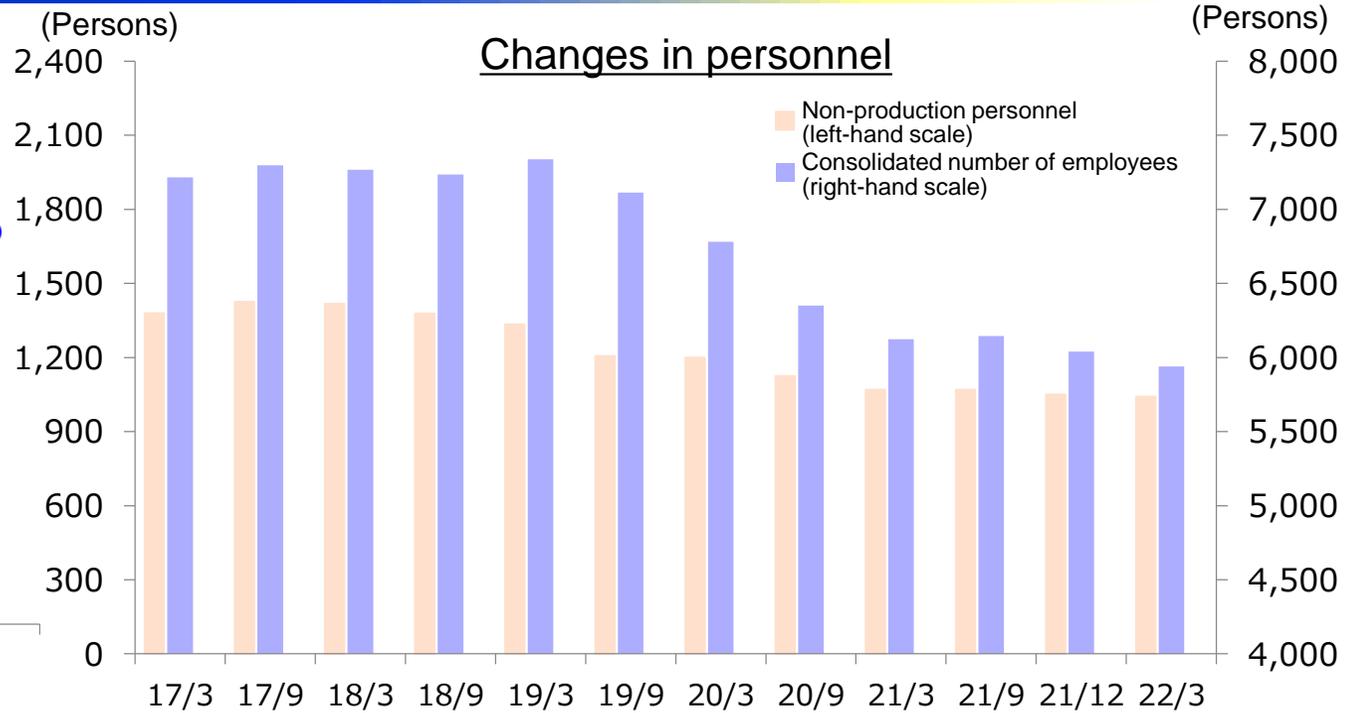
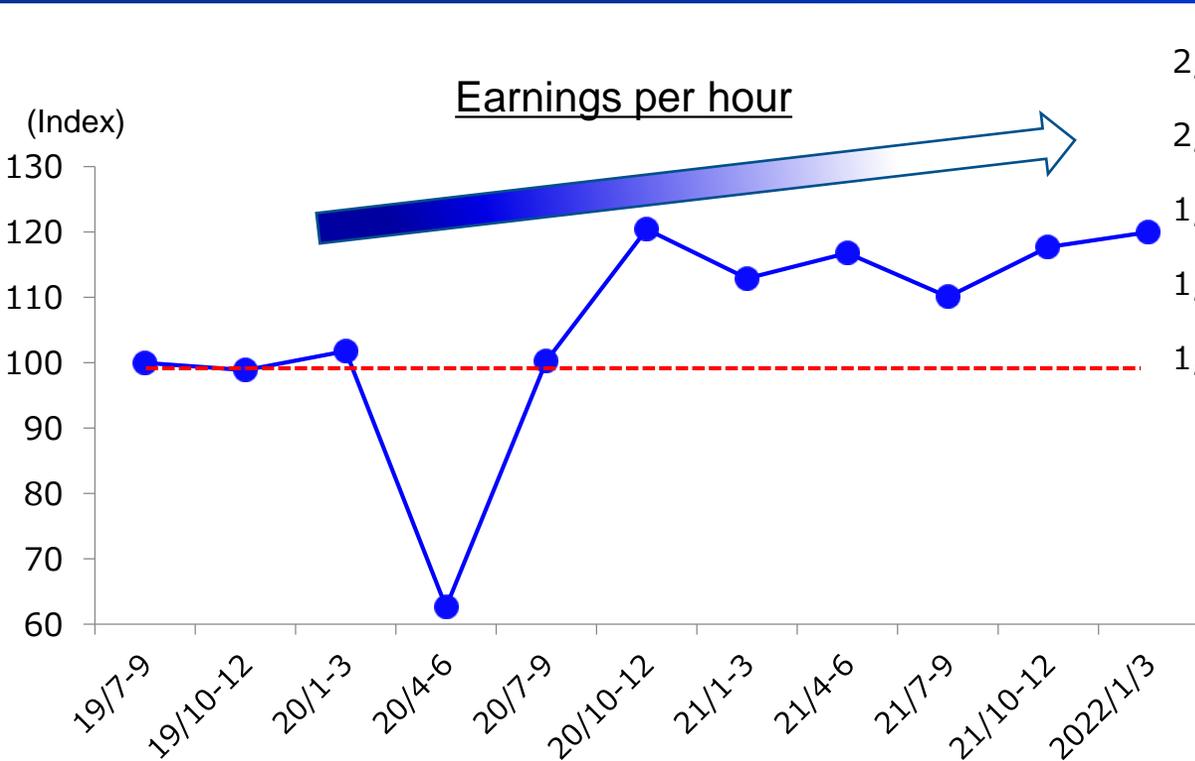
Changes in aluminum market prices and selling prices from FY2013

Aluminum market trends



(Based on the LME Aluminum HG 3M data) * Calculated in comparison with the aluminum market prices in April 2013 set as 100 (in yen terms based on monthly exchange rate)

Status of Promoting Leaner Production Systems



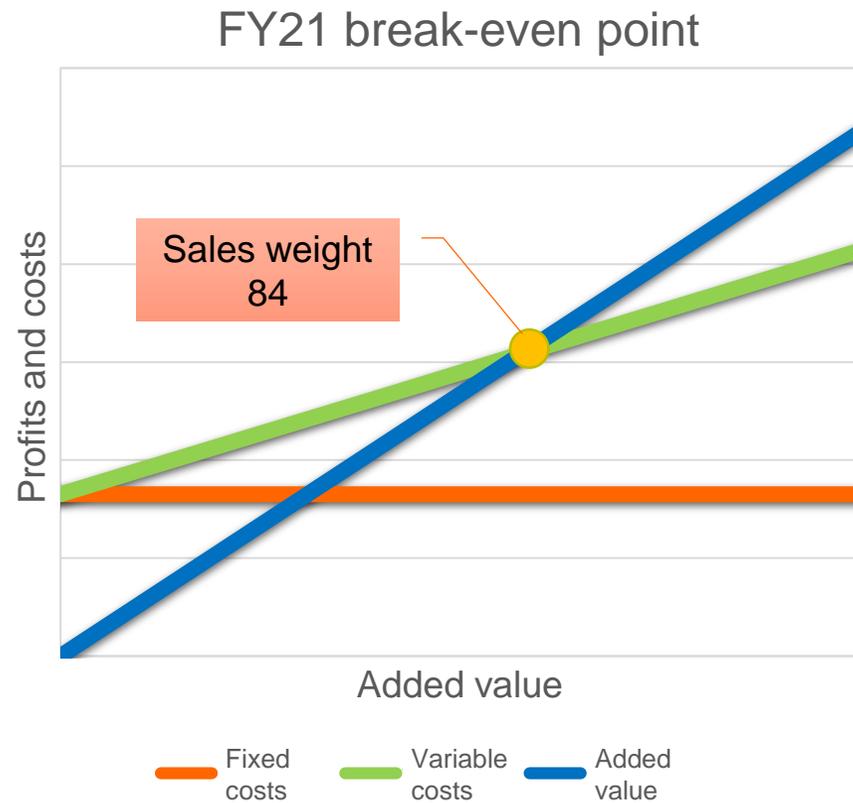
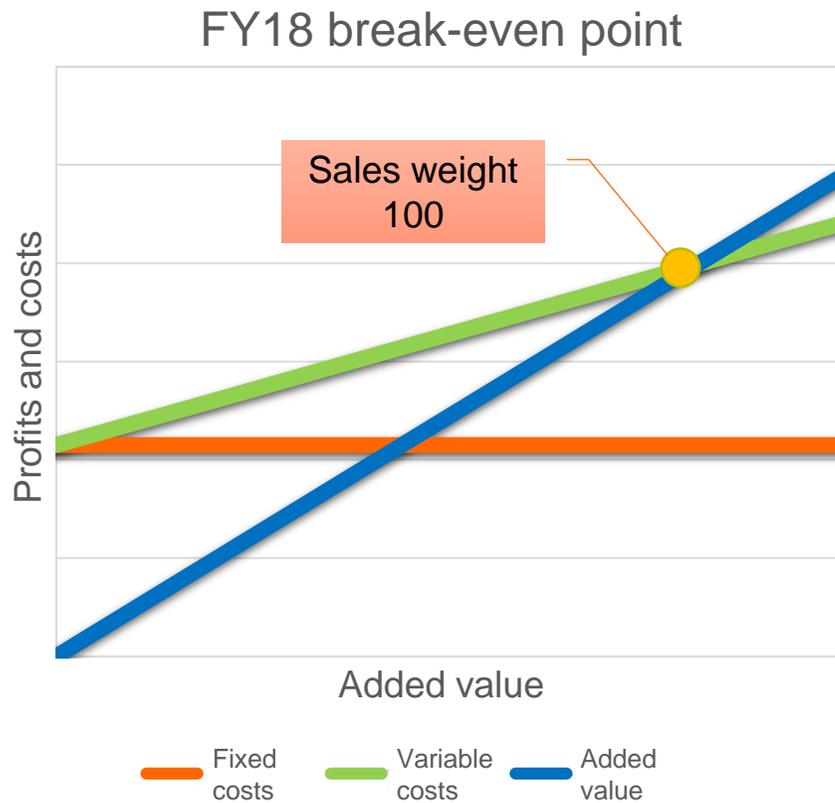
Promoted flexible response to fluctuations in the volume of orders and maintained the improvement trend in the FY2020 second half and FY2021.

- Respond to future increase in production volume by efficient allocation of personnel
- Overall, continued to improve efficiency by streamlining production lines and revising work processes
- Consolidated number of employees: Decreased by 1,397 people (March 31, 2019 ⇒ March 31, 2022)

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

Improvement in Profitability

Due to a switch to leaner production systems under the Medium-Term Management Plan from FY2019, the break-even point has fallen.
Sales weight continued to improve in the recovery trend.



Break-even point:
Up 16 points on a weight basis.
The break-even point has fallen (improved) due to improved productivity and reduced fixed costs.

Fixed costs: Reduced by approx. 4,000 million yen

- Reduced labor costs by revising the production system (¥2,200 million)
- Lowered depreciation and amortization by a reduction in investments (¥800 million)
- Reduced travel expenses by introducing teleworking, etc. (¥500 million)

(* Extraordinary losses due to the impact of COVID-19 not included)

Die Casting Business

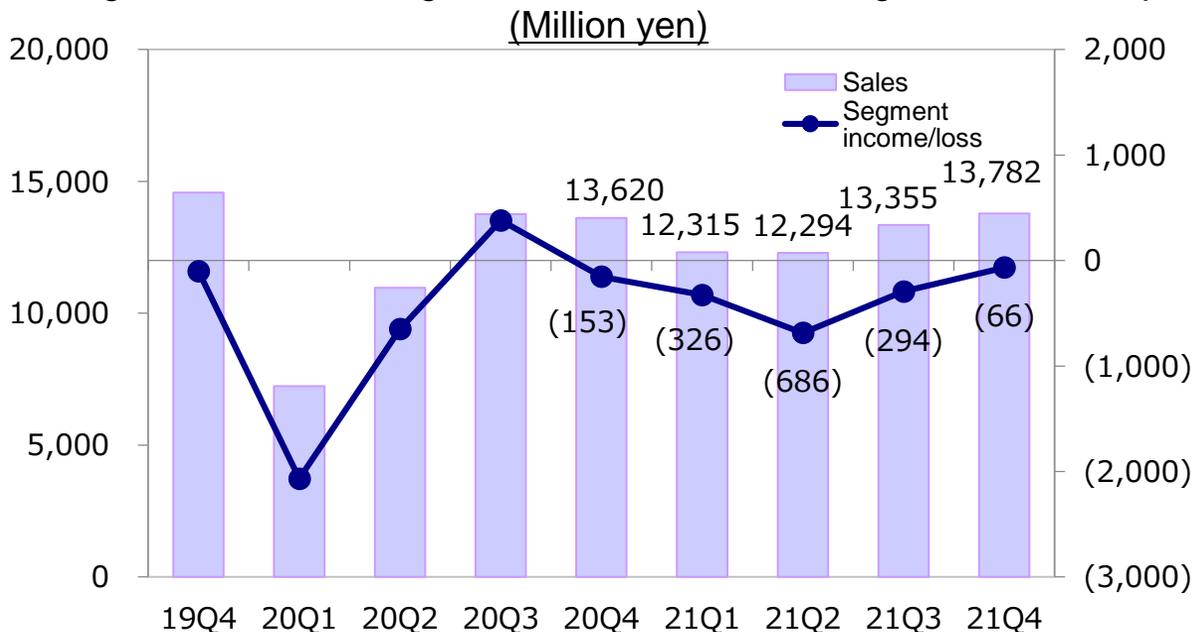
(Million yen)

		Year ended March 2021 Full year	Year ended March 2022			
			1st half	2nd half	4Q (quarterly)	Full year
Japan	Net sales	45,584	24,609	27,137	13,782	51,746
	Segment income/loss	(2,491)	(1,012)	(360)	(66)	(1,372)
North America	Net sales	21,628	14,190	13,921	7,298	28,111
	Segment income/loss	94	(553)	(543)	(48)	(1,096)
Asia	Net sales	19,931	11,726	14,762	8,214	26,488
	Segment income/loss	(598)	(643)	96	218	(547)

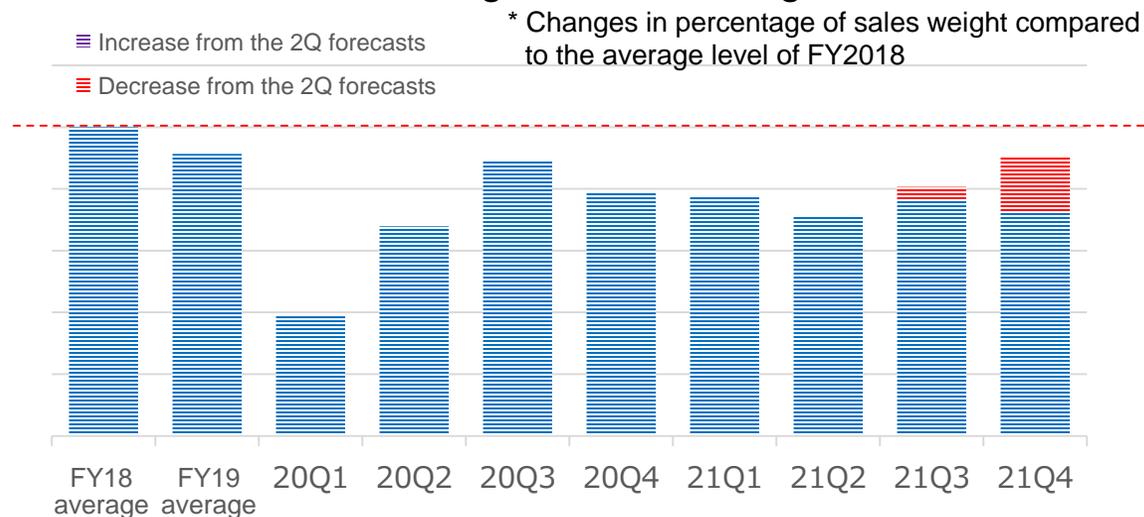
* The Mexico Plant in the North America segment and two plants in China in the Asia segment settle their accounts in December.

Die Casting in Japan

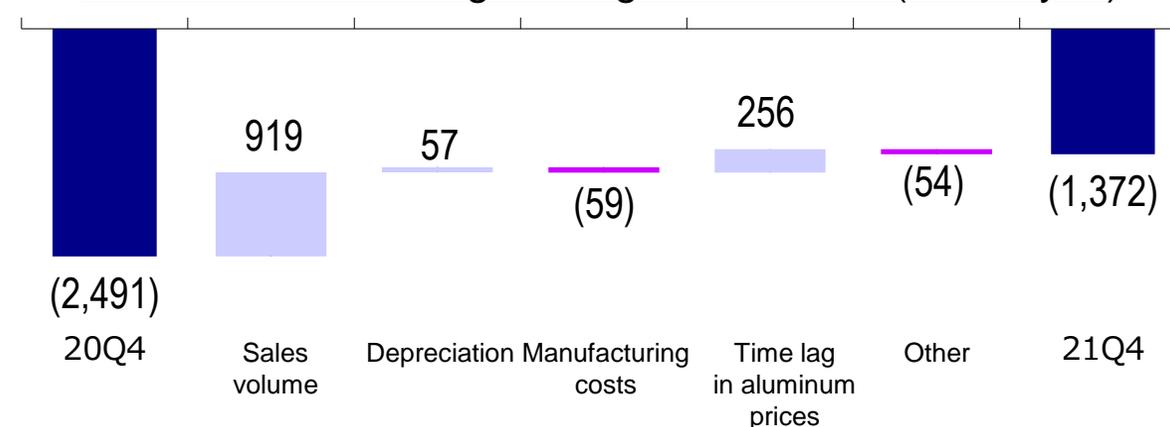
Changes in sales and segment income in Die Casting Business in Japan



Changes in sales weight



Factors behind change in segment income (Million yen)



Full year

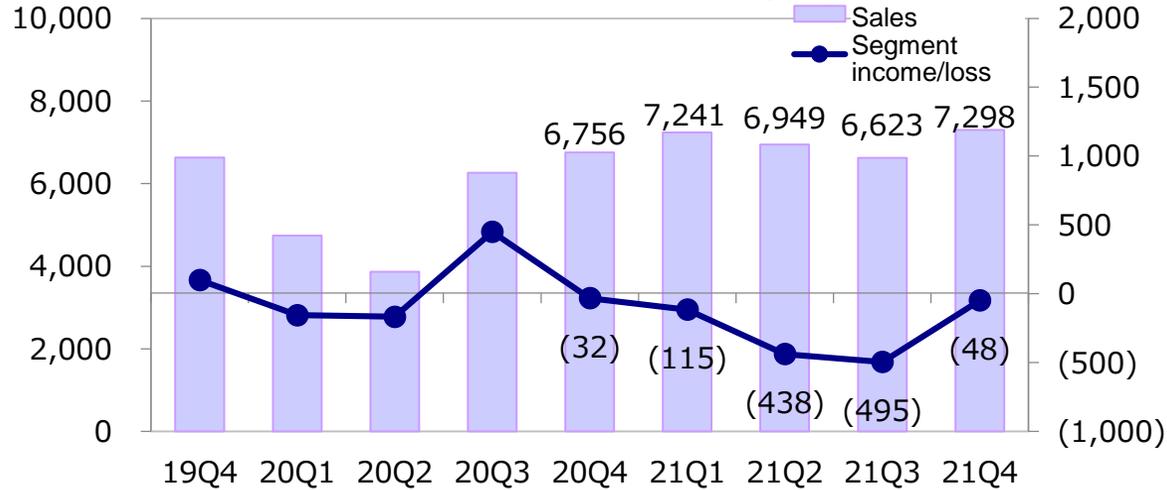
- Sales: Increased ¥6,160 million (up 13.5% year on year), though sales weight increased 8.8%
- Income: Improved by ¥1,110 million year on year. Revenue increased along with the increase in sales weight, and the cost increase due to the impact of the increase in energy expenses was minimized by improvement in productivity.

<4Q>

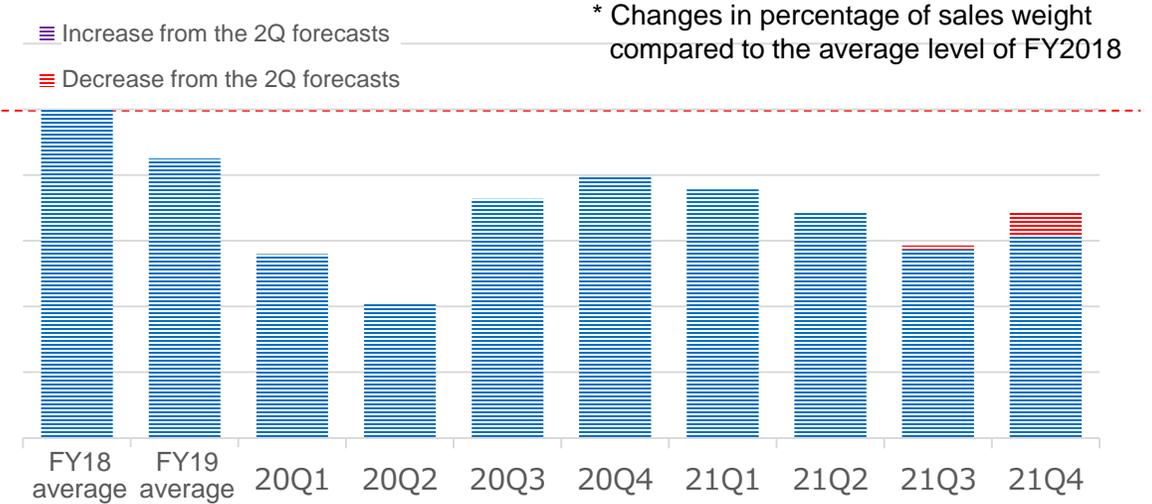
- Despite expectation of recovery, sales weight declined from 3Q due to shortage of semiconductors.
- Income improved from 3Q due mainly to cost reduction efforts despite an increase in production cost due to an increase in energy costs.

Die Casting in North America

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



Changes in sales weight



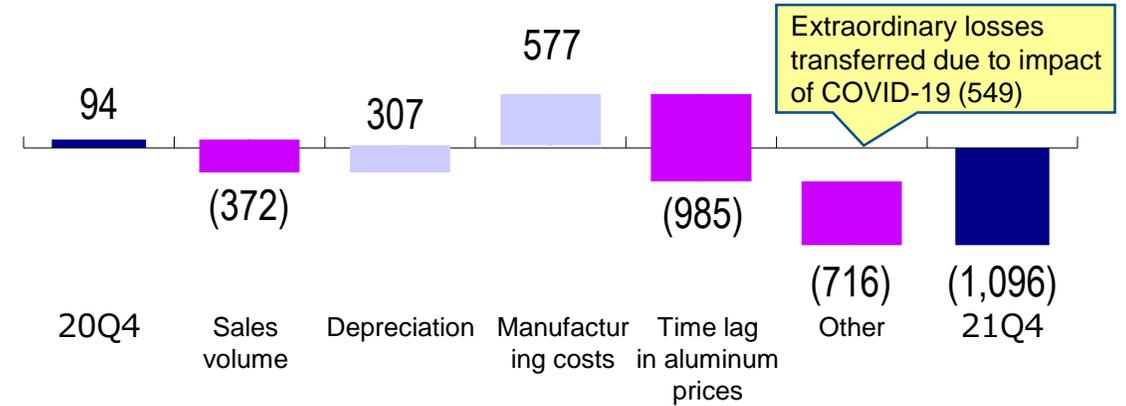
Full year

- Sales: Increased ¥6,480 million (up 30.0% year on year), though sales weight increased 5.7%
- Income: Worsened by ¥1,190 million year on year, of which ¥550 million is attributable to a special factor resulting from extraordinary losses transferred due to the impact of COVID-19. Aluminum prices affected income.

<4Q>

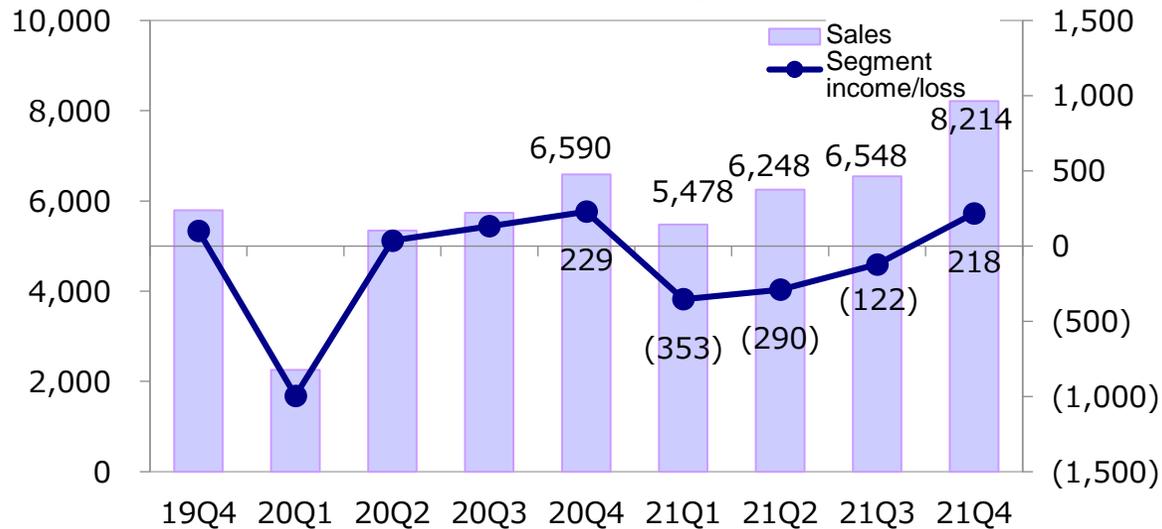
- Sales weight slightly increased from 3Q but did not reach the forecast value due to the impact of production adjustments by customers resulting from the shortage of semiconductors and other auto parts. Income improved from 3Q due to impairment loss recorded for a US plant in 3Q, cost cutting and improved productivity.

Factors behind change in segment income (Million yen)

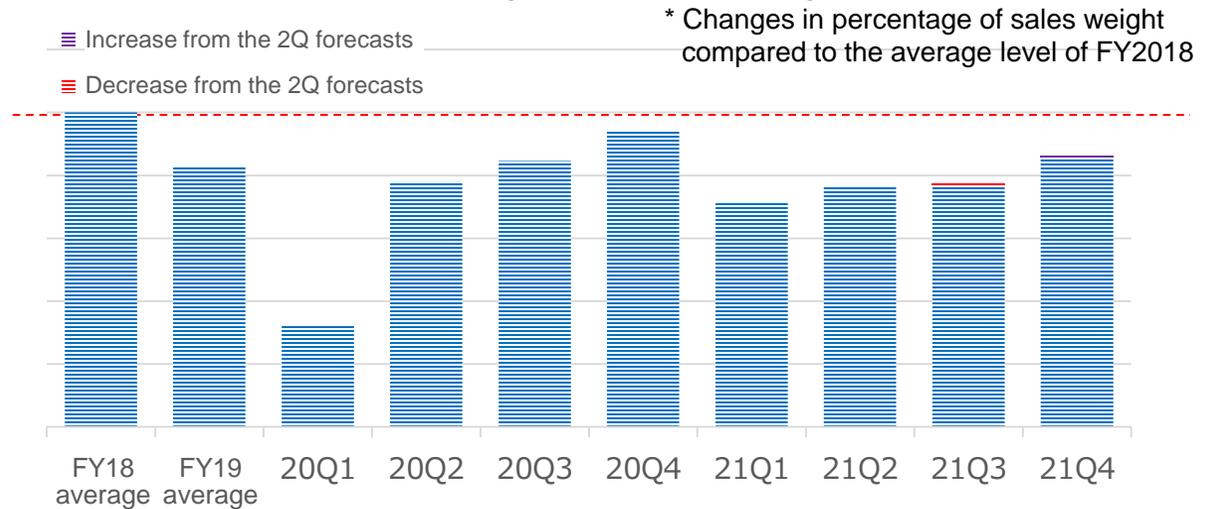


Die Casting in Asia

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



Changes in sales weight



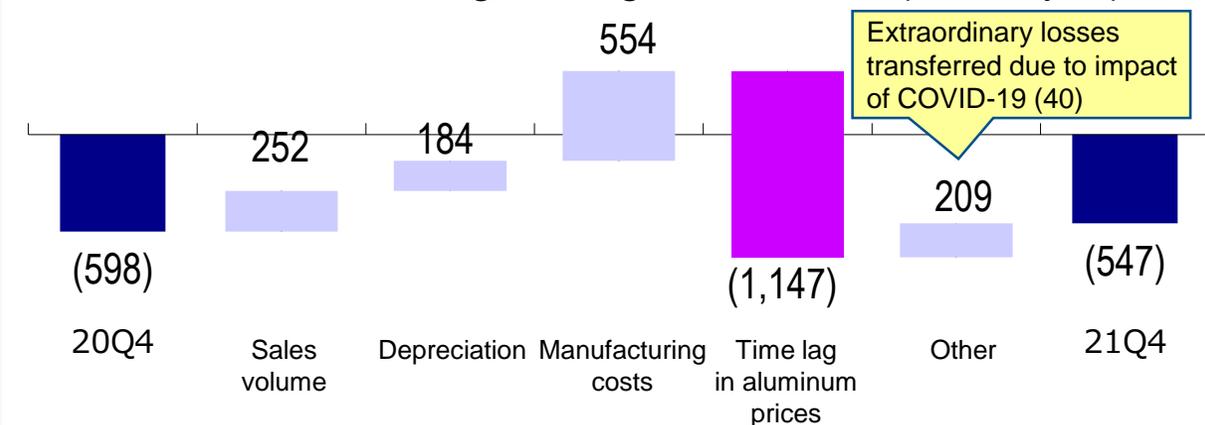
Full year

- Sales: Increased ¥6,560 million (up 32.9% year on year), though sales weight increased 7.5%.
- Income: Despite the impact of lockdowns due to COVID-19 on our plant in India and an increase in procurement costs due to soaring aluminum prices, etc., earnings improved along with the recovery in sales volume, improvement in productivity, and other factors.

<4Q>

- Although sales weight recovered as forecast, orders did not reach the informally noticed figure.
- Income returned to black in 4Q on a quarterly basis due mainly to the recovery in the sales volume and improvement in productivity despite the remaining impact of aluminum prices.

Factors behind change in segment income (Million yen)



Fiscal year end: December in China; March in India
 Exchange rate (FY20 ⇒ FY21): Chinese yuan: ¥ 15.44 ⇒ 17.03;
 Indian rupee: ¥ 1.43 ⇒ 1.52

Aluminum Business and Proprietary Products Business

(Million yen)

		Year ended March 2021 Full year	Year ended March 2022			
			1st half	2nd half	Full year	
					4Q (quarterly)	
Aluminum Business	Net sales	3,483	2,832	3631	2081	6,463
	Segment income/loss	33	144	121	64	265
Proprietary Products Business	Net sales	2,345	1,289	2214	1226	3,503
	Segment income/loss	320	112	200	127	312

Aluminum Business

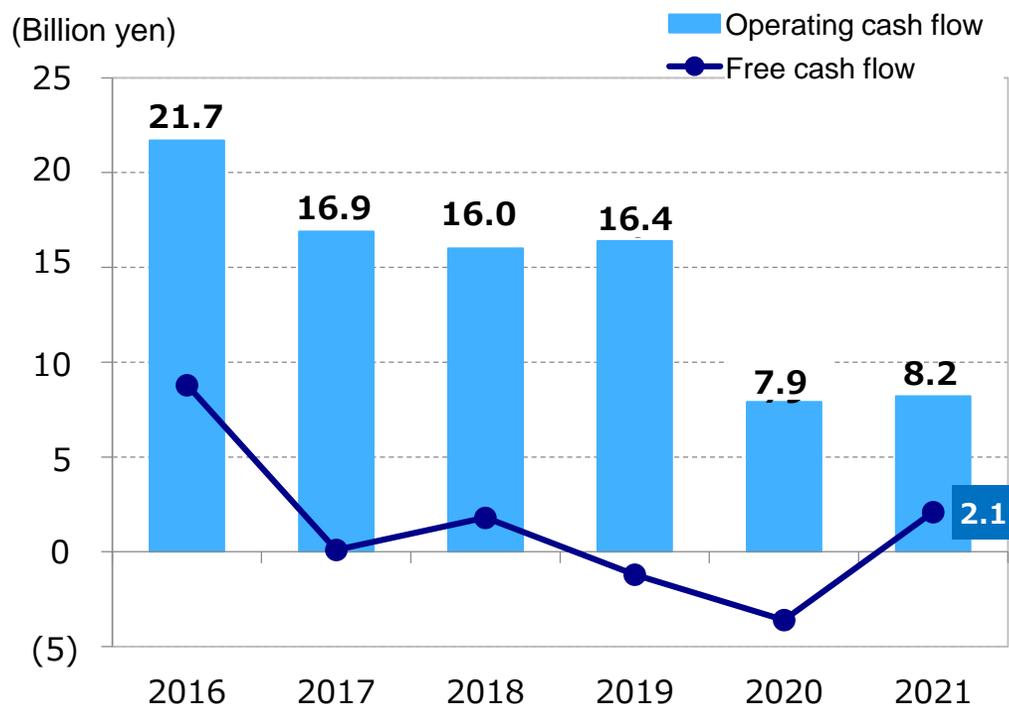
- Sales: Increased ¥2,900 million (up 85.6% year on year). Sales increased due to the increase of 19.7% from the previous year in sales weight.
- Segment income: Increased mainly due to an increase in net sales and cost reduction efforts despite soaring aluminum prices.

Proprietary Products Business

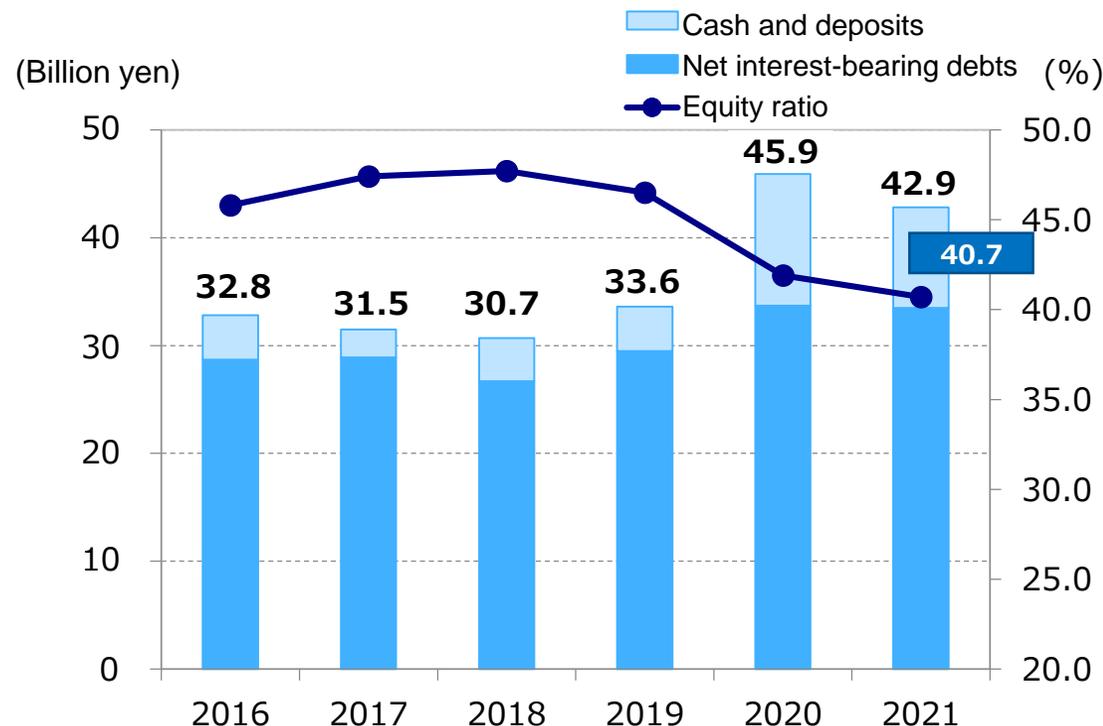
- Sales: In comparison to the previous year, sales increased due to an increase in orders for projects of our main customers, namely a clean room at a semiconductor production company and a data center at a telecommunications company.
- Segment income: Maintained profitability, though income decreased ¥8 million from the previous year due to fluctuations caused by individual projects.

Financial Performance in the Year Ended March 2022

In FY2021, free cash flow turned positive for the first time in two years.
 Cash and deposits on hand increased and interest-bearing debt reached ¥42.9 billion (net interest-bearing debt increased ¥0.1 billion from previous year to ¥33.5 billion)
 Equity ratio was 40.7%



* Free cash flow (FCF) = operating CF - investment CF



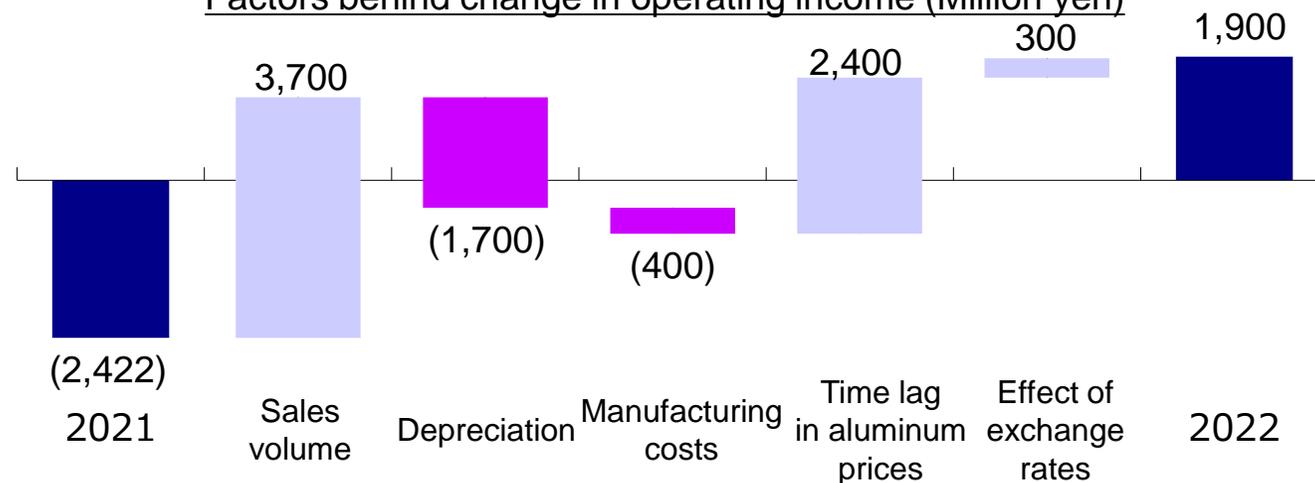
* Net interest-bearing debts = interest-bearing debts - cash and deposits

Full-year Plan for Year Ending March 2023

(Million yen)

	Year ended March 2022	Year ending March 2023 (plan)			
		Full year		1st half	2nd half
Net sales	116,313	141,000	–	65,000	76,000
Operating income	(2,422)	1,900	(1.3%)	(500)	2,400
Recurring income	(2,032)	1,450	(1.0%)	(650)	2,100
Net income	(5,189)	900	0.6%	(700)	1,600
Sales weight (In comparison with FY2018 as 100)	74	85	–	79	92

Factors behind change in operating income (Million yen)



- Restrictions on parts supply, such as the shortage of semiconductors, will remain in 1st half. But in 2nd half, sales will increase along with recovery in the volume of car production.
- Fluctuations in aluminum prices from the current level will be limited, decreasing the gap between the market price and selling price.
- A surplus is forecast on a full-year basis.

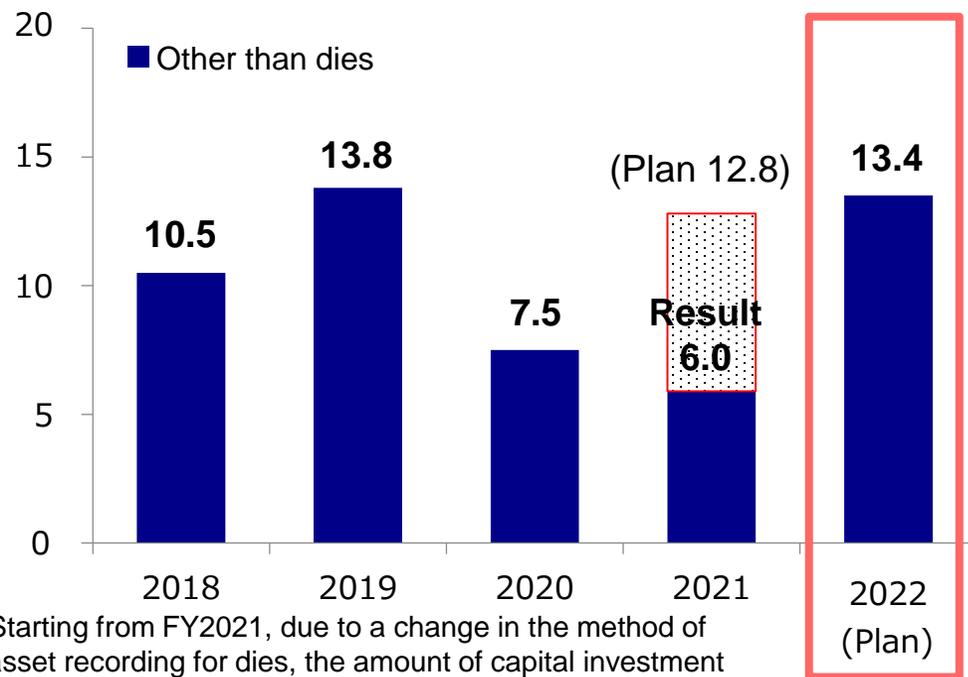
Actual foreign exchange rates (full-year average): USD: ¥112.88; Mexican peso: ¥109.86; Chinese yuan: ¥17.03; Indian rupee: ¥1.52
 Exchange rate assumptions in plan: USD: ¥125.00; Chinese yuan: ¥19.0; Indian rupee: ¥1.65

Trends in Capital Investment, Depreciation and Amortization

FY2021 result and FY2022 plan

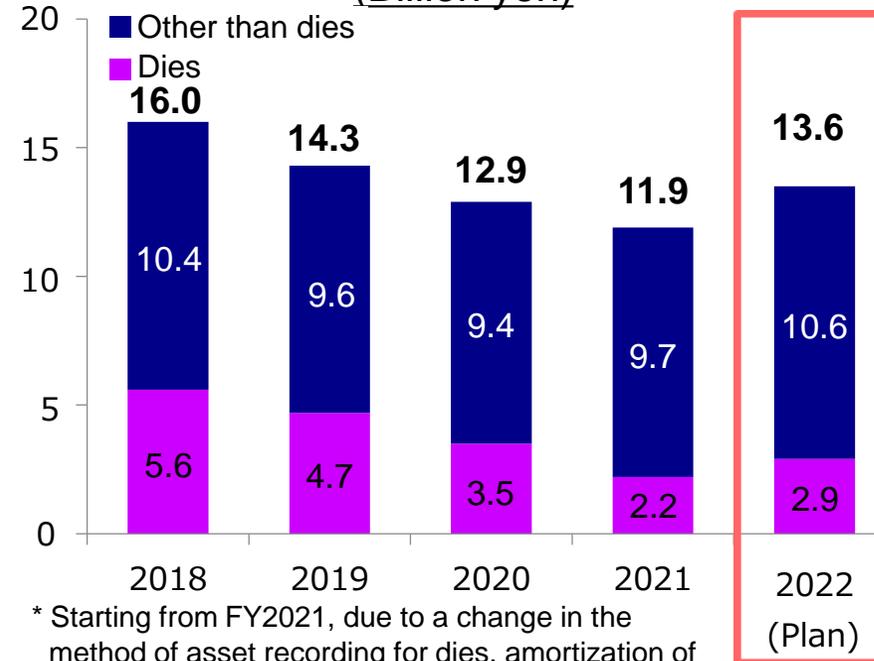
- Amount of capital investment : FY2021 result was ¥6.0 billion in comparison to ¥12.8 billion in plan. FY2022 plan is ¥13.4 billion.
- Investments: Planned an increase reflecting the substantial reduction in the previous year. Continued efficient investments by making effective use of internal equipment to reduce the amount of increase.
- Depreciation and amortization: FY2022 plan is ¥13.6 billion.

Amount of capital investment (Billion yen)



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

Amount of depreciation and amortization (Billion yen)



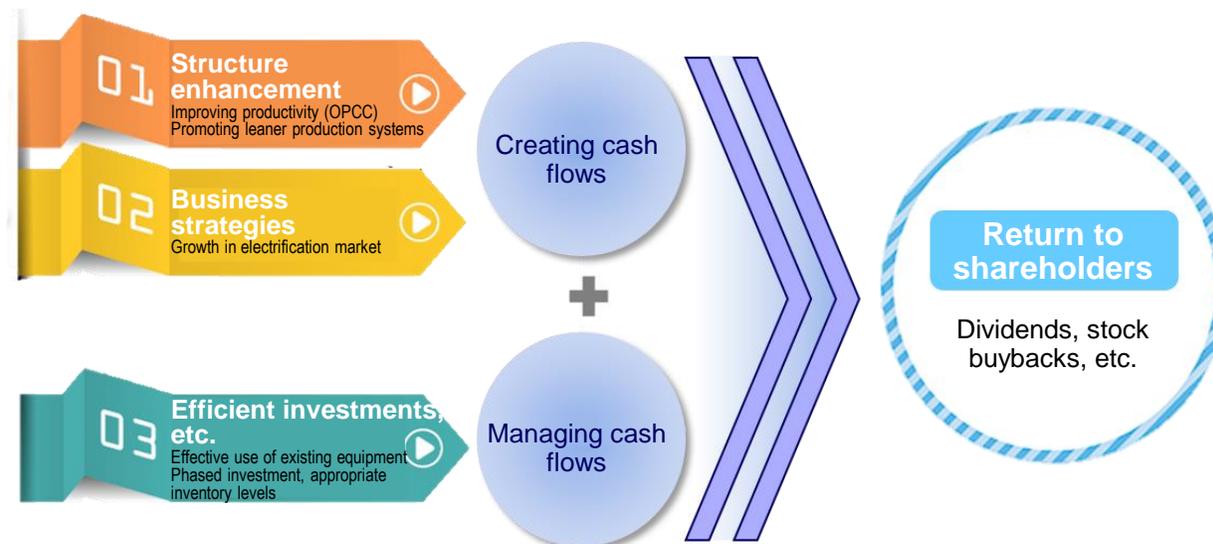
* Starting from FY2021, due to a change in the method of asset recording for dies, amortization of some dies is not included.

Dividends

We will work to provide appropriate returns taking into consideration medium- and long-term corporate growth and the payout ratio.

- In FY2021, interim dividend of 5 yen and annual dividend of 10 yen.
- For FY2022, annual dividend of 10 yen is planned.

Dividend per share	Year ended March 2021	Year ended March 2022	Year ending March 2023 Forecast
(Annual total)	5	10	10
Interim dividend	0	5	5
Year-end dividend	5	5	5
Net income per share (consolidated)	(111.06)	(201.23)	35.06
Dividend payout ratio (consolidated)	-	-	28.5%



10-year Business Plan

2040 Vision

“Our Goal”

10-year Business Plan

22-24 Medium-Term Management Plan

Beyond your expectations
2040

We brighten our planet's future with our lightweight technology,

develop pioneering technology through continuous research.

- Electrification of vehicles 
- Carbon-neutrality 
- Improving fuel/electricity consumption efficiency
- Return to shareholders 
- Contribution to customers
- Diversity 
- Developing new production methods 
- Technology development
- Development speed

ensure your satisfaction with Ahresty, and

【Target value (FY2030)】

Net sales	160 billion yen
Operating margin	6%
Sales ratio of electric vehicles components 	55%
Sales of vehicle body components 	4.0 billion yen
Reduction of CO2 emissions intensity 	-50% (vs. FY 2013)

* Ahresty's priority tasks are as follows: “Improve the energy consumption efficiency of vehicles by providing aluminum die-cast products”  and “Reduce the use of fossil fuels by improving energy efficiency, etc.” 



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.