

# Supplementary Materials for the First Quarter of the Year Ending March 31, 2023

August 12, 2022



# Key Points of the Financial Results for the First Quarter of Year Ending March 2023

(Million yen)

	Year ended March 2022				1Q of year ending March 2023
	1Q	2Q	3Q	4Q	
Net sales	27,117	27,530	29,064	32,602	<b>33,113</b>
Operating income	(653)	(1,290)	(778)	299	<b>(553)</b>
Recurring income	(398)	(1,282)	(687)	335	<b>(424)</b>
Net income	(495)	(1,285)	(5,037)	1,628	<b>(649)</b>
Sales weight (In comparison with FY2018 as 100)	75	72	72	74	<b>75</b> (Initial plan 80)

## <Overview>

- Sales: Net sales increased 22.1% year on year due mainly to the depreciation of the yen. Sales volume decreased 1.1% year on year, affected by the production reduction by car manufacturers chiefly due to logistics constraints resulting from the lockdown in China and a shortage of semiconductors. Sales volume was 6.8% lower than the plan.
- Operating/Recurring income: Despite ongoing efforts to improve profitability, a decrease in sales volume due to the shortage of semiconductors and a ¥450 million increase in energy costs, etc. affected profits.
- Net income: A net loss was recorded due to the decreases in operating income and recurring income.

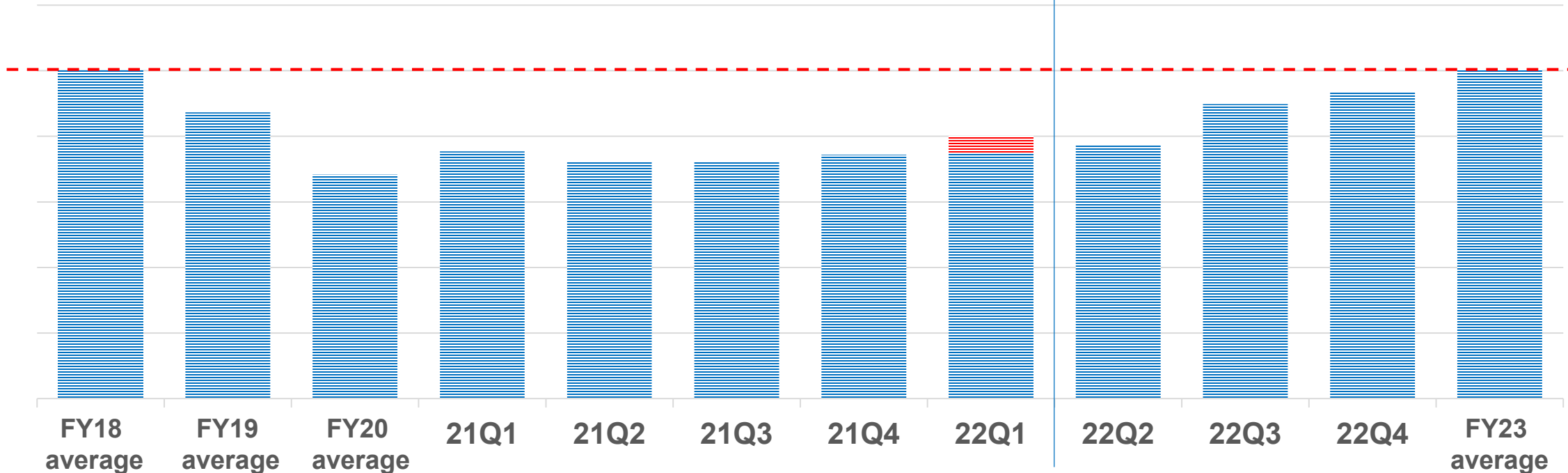
# Changes in Sales Weight

- Although sales weight was estimated conservatively in the plan in comparison to the production plans of car manufacturers, the sales weight for the first quarter did not reach the target in the FY2022 plan due to the impact of the shortage of semiconductors, which was greater than expected, along with logistics constraints resulting from the lockdown in China, affecting profits.

 Decrease from the plan

Result

Forecast (May 18 business forecasts)



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

# Die Casting Business

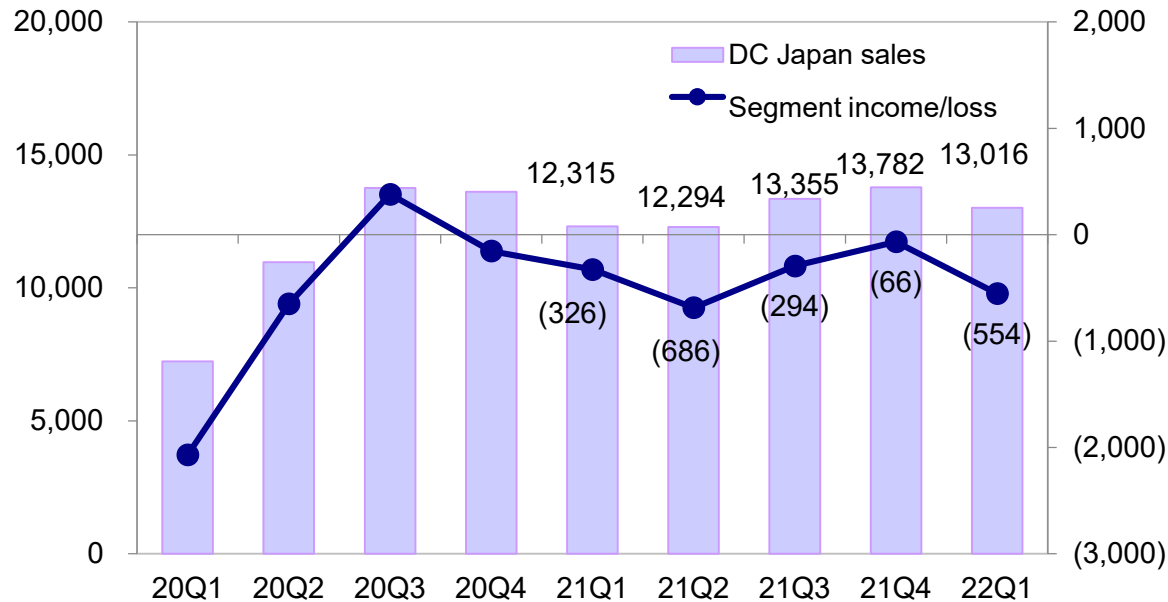
(Million yen)

		Year ended March 2022				1Q of year ending March 2023
		1Q	2Q	3Q	4Q	
<b>Japan</b>	<b>Net sales</b>	12,315	12,294	13,355	13,782	<b>13,016</b>
	<b>Segment income/loss</b>	(326)	(686)	(294)	(66)	<b>(554)</b>
<b>North America</b>	<b>Net sales</b>	7,241	6,949	6,623	7,298	<b>8,357</b>
	<b>Segment income/loss</b>	(115)	(438)	(495)	(48)	<b>(441)</b>
<b>Asia</b>	<b>Net sales</b>	5,478	6,248	6,548	8,214	<b>8,473</b>
	<b>Segment income/loss</b>	(353)	(290)	(122)	218	<b>340</b>

\* 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 (Million yen)



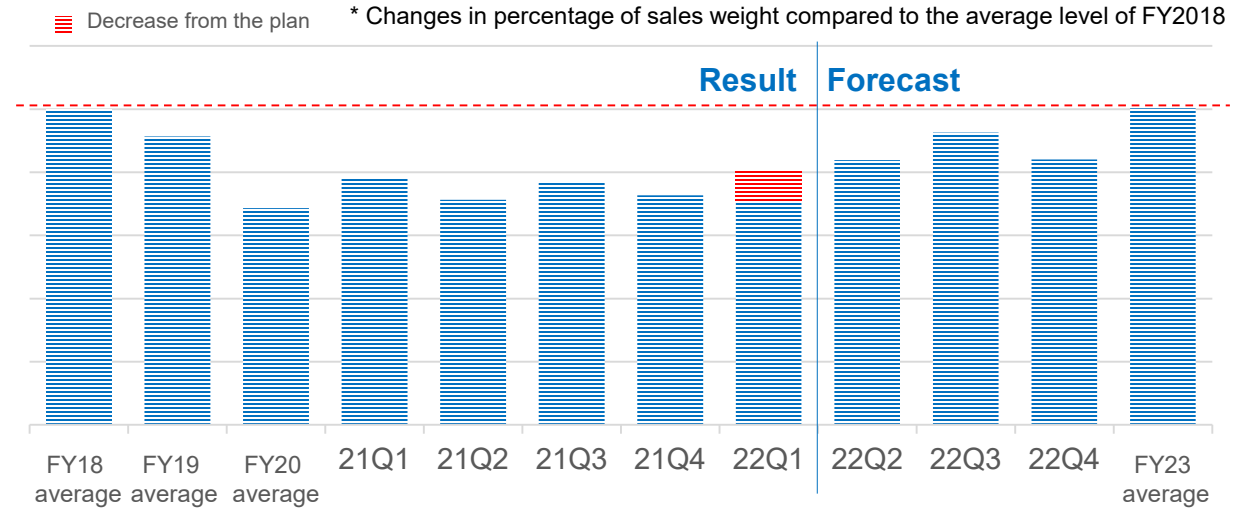
**Sales: Increased by ¥700 million (up 5.7% year on year)**

- Despite the year-on-year increase in net sales due mainly to the impact of aluminum prices, sales weight decreased by 8.7%, affected by the production reduction by car manufacturers due to logistics constraints resulting from the lockdown in China in addition to the shortage of semiconductors.

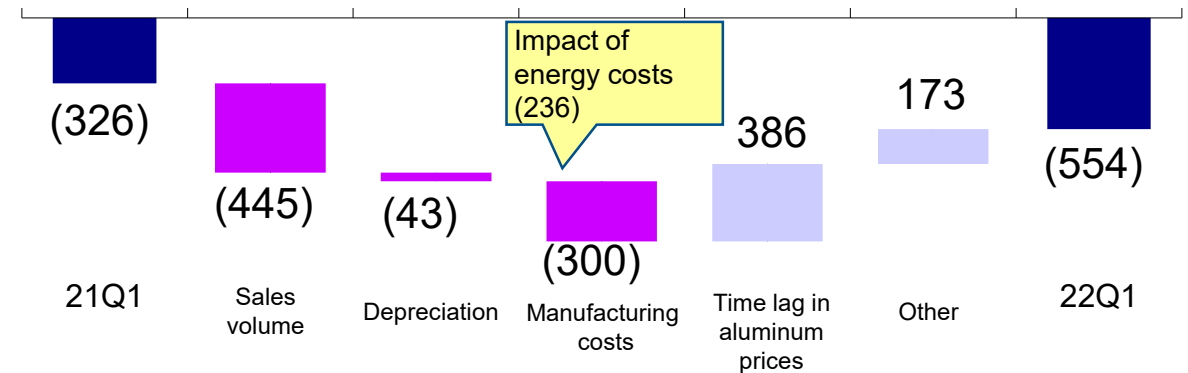
**Segment income: Decreased by ¥230 million (down year on year)**

- Worsened due to a decrease in sales weight and an increase in manufacturing costs, such as energy costs.

Changes in sales weight

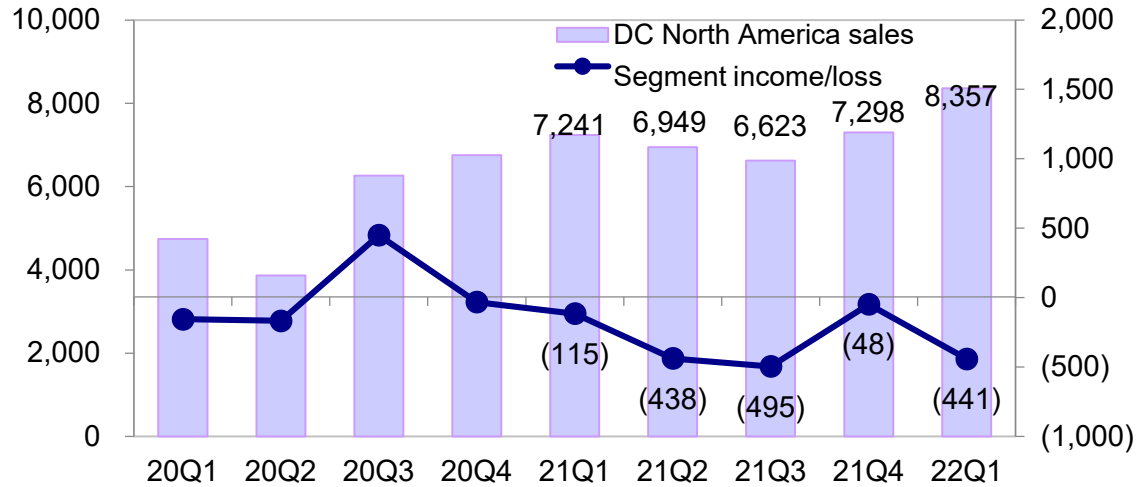


Factors behind change in segment income (Million yen)

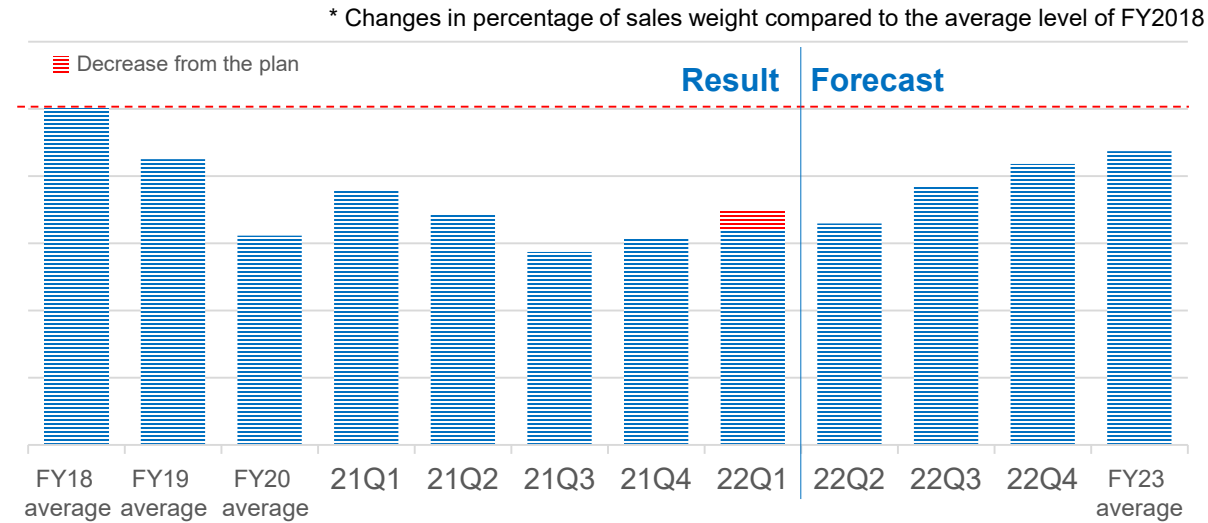


# Die Casting in North America

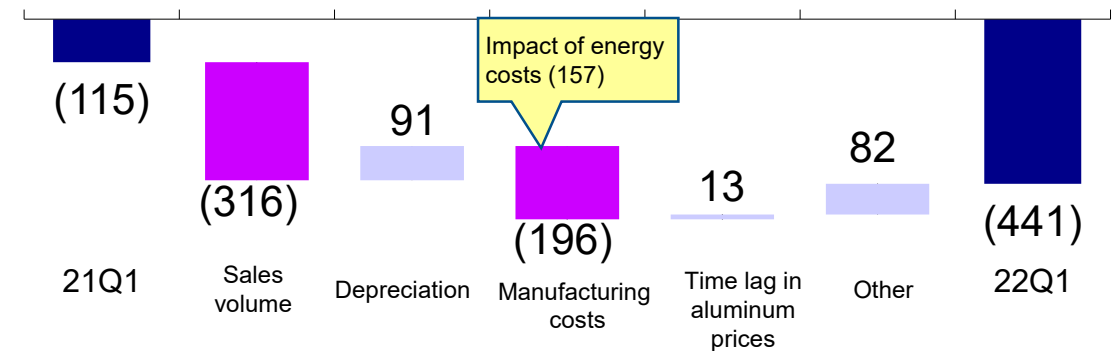
Changes in sales and segment income in Die Casting Business in North America (Million yen)



Changes in sales weight



Factors behind change in segment income (Million yen)



**Sales: Increased by ¥1,120 million (up 15.4% year on year)**

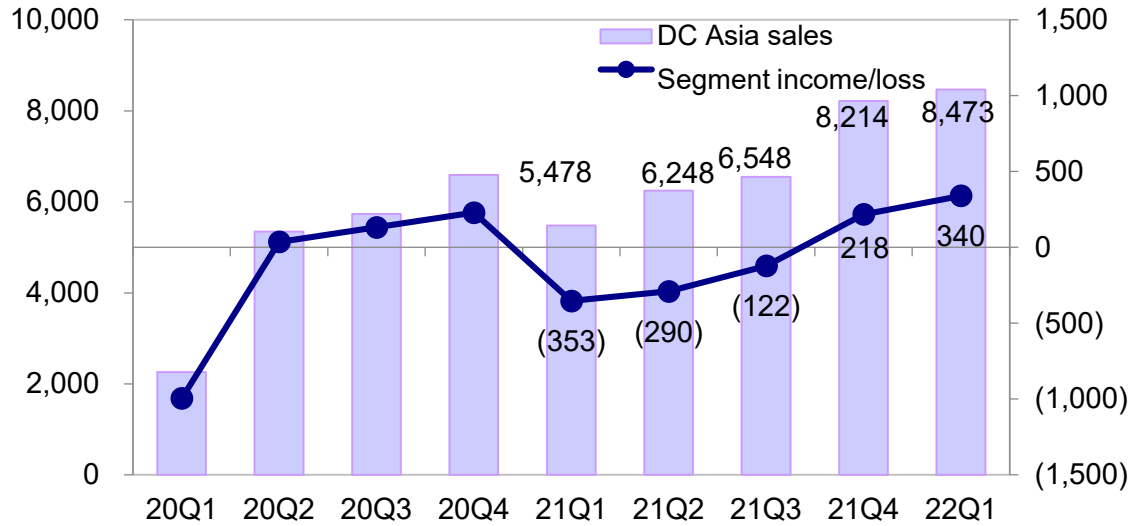
- Net sales increased year on year due mainly to depreciation of the yen. Sales weight decreased 15.4%, affected by the production reduction by car manufacturers chiefly due to a shortage of semiconductors.

**Segment income: Decreased by ¥330 million (down year on year)**

- Despite the effects of structural reform and cost reduction activities, a decrease in sales weight and an increase in manufacturing costs due to the rise in energy expenses affected profits.

# Die Casting in Asia

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



**Sales: Increased by ¥3,000 million (up 54.7% year on year)**

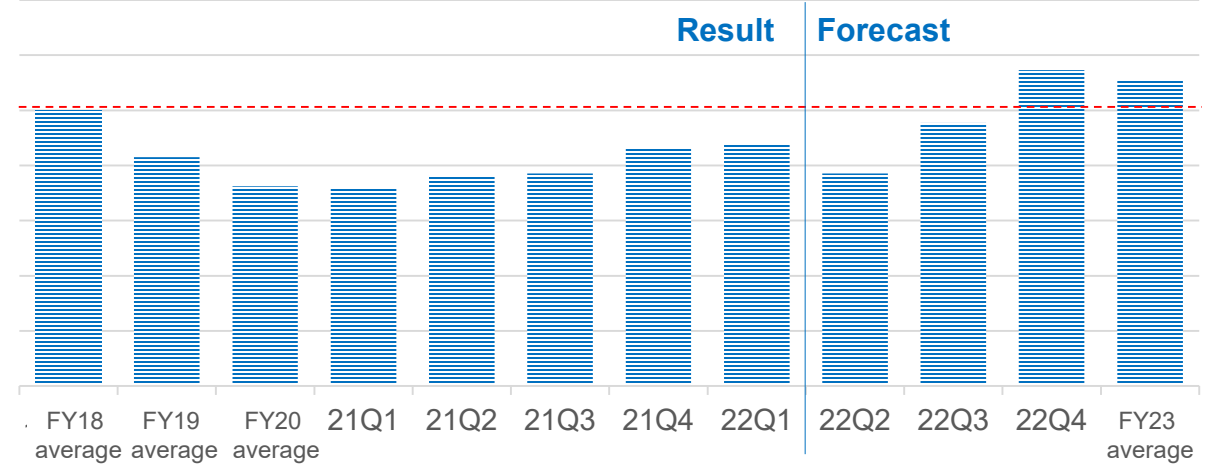
➤ Along with recovery in the sales volume due to automobile tax reduction in China, the sales weight of the plants in China for 1Q (January to March) increased. Sales weight also increased in India, resulting in a 22.5% year-on-year increase for the Asia segment.

**Segment income: Increased by ¥690 million (up year on year)**

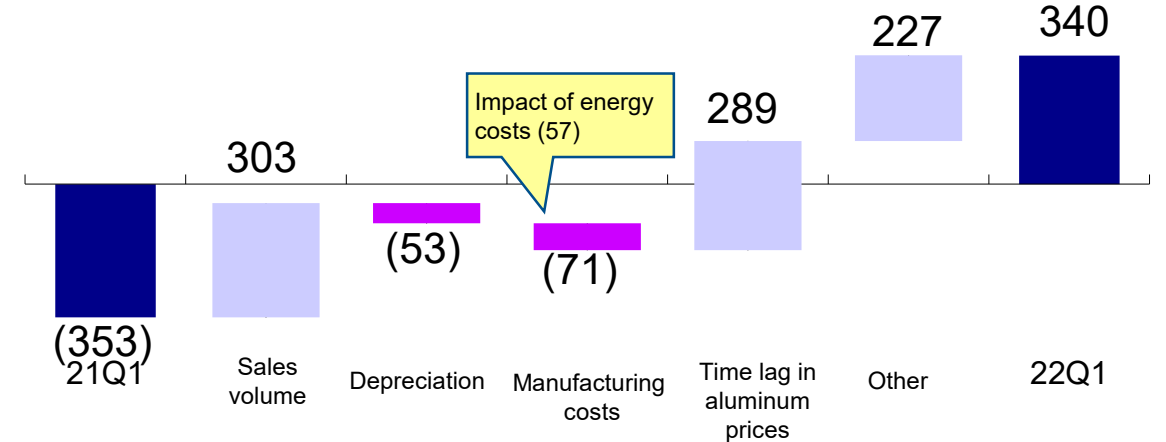
➤ Despite the impact of the rise in energy costs, etc., segment income was recorded along with the recovery in sales weight.

Changes in sales weight

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



Factors behind change in segment income (Million yen)



Fiscal year end: December in China; March in India

Exchange rate (21Q1 ⇒ 22Q1): Chinese yuan: ¥16.32 ⇒ 18.44; Indian rupee: ₹1.50 ⇒ 1.68

# Aluminum Business and Proprietary Products Business

(Million yen)

		Year ended March 2022				1Q of year ending March 2023
		1Q	2Q	3Q	4Q	
<b>Aluminum Business</b>	<b>Net sales</b>	1,328	1,504	1,550	2,081	<b>2,100</b>
	<b>Segment income/loss</b>	67	77	57	64	<b>82</b>
<b>Proprietary Products Business</b>	<b>Net sales</b>	754	535	988	1,226	<b>1,165</b>
	<b>Segment income/loss</b>	65	47	73	127	<b>90</b>

## Aluminum Business

- Sales: Despite the impact of the production decrease of car manufacturers due mainly to the shortage of semiconductors, sales weight increased 2.1% year on year. Sales increased partly due to soaring aluminum prices.
- Segment income: Increased mainly due to an increase in net sales.

## Proprietary Products Business

- Sales: 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 attributable to individual projects.



# Topics: Models with our parts for electric vehicles

## Major 2022 new models with our parts for electric vehicles

BEV

**bZ4X**

2 PCU parts

Toyota

BEV

**SOLTERRA**

2 PCU parts

Subaru

BEV

**F-150 Lightning**

Inverter case

Ford

HEV

**NOAH / VOXY**

Inverter case

Toyota

HEV

**X-TRAIL e-POWER**

DC/DC converter plate

Nissan



TOYOTA bZ4X

### 2224 Medium-Term Management Plan priority tasks

Beyond your expectations 2040

Establishing low-cost, highly productive MONOZUKURI • Promoting CO2 reduction

Brighten our planet's future with our lightweight technology

Develop pioneering technology through continuous research

Achieving a steady shift to a business portfolio focused mainly on parts for electric vehicles

Developing technologies to create demand/improve productivity to contribute to net sales

Ensure your satisfaction with Ahresty

Creating workplaces where people are happy to work • Promoting diversity in Japan

# Topics: Joint development started on auto body components and EV-related parts

- Ahresty concluded a basic agreement with G-TEKT Corporation, an auto body components manufacturer, to start joint development of vehicle body components and EV-related parts.
- The two companies will complement each other's knowledge in their respective technical fields in the joint development.



[Signing ceremony] Right: Naohiro Takao, President & CEO, G-TEKT Corporation



## [Required performance and functions for EV bodies]

- ✓ Lightweight, high rigidity
- ✓ Reducing environmental impact in LCA
- ⇒ Creating new value with aluminum die castings

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# Topics: Reorganization of production systems in Japan

- Outline: Transfer production operations at Higashimatsuyama Plant to Tochigi Plant and Kumagaya Plant
- Purpose: Improve production efficiency and profitability in Japan
- Scheduled completion of production transfer: First half of 2024

## Higashimatsuyama Plant

- ✓ Special casting method (NI method developed by Ahresty)
- ✓ Production of MOVAFLOR (processing)

## Tochigi Plant

## Kumagaya Plant



[Higashimatsuyama Plant bird's eye view]

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## [Effects of integration and reorganization of plants in Japan]

### Approx. 1 billion yen in 3 years

Integration of die production companies and merger of processing affiliates in FY2021, transfer of production of Higashimatsuyama Plant in FY2022

# Topics: Participation in die casting exposition

- As an initiative toward achieving “Beyond your expectations 2040,” Ahresty will display its parts for electric vehicles, vehicle body components, bonding element technology, etc. to demonstrate the potential of aluminum die castings for automobile weight reduction and carbon neutrality.

2022 Japan Die Casting Congress & Exposition <https://www.j-dec.jp/2022/>

- ✓ Time: November 10 (Thu.) – 12 (Sat.), 2022
- ✓ Venue: Pacifico Yokohama
- ✓ Theme: “Beyond your expectations 2040” Ahresty brightens our planet’s future with its lightweight technology
- ✓ Scheduled exhibits:
  - Commitment to carbon neutrality
  - Parts for electric vehicles and vehicle body components
  - Display of bonding element technology to demonstrate the potential of aluminum die castings
  - Die casting peripheral equipment (demonstration of JECSS-M10, jet cooler, cool tube, etc.)



[Exhibition booth image]

The date of release of our business results for the first quarter of the fiscal year ending March 2023 was changed from August 9 to August 12 due to a delay in account settlement work at our affiliates.

We apologize for any inconvenience or concerns caused by the delay in release of our business results.



# 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.