

Supplementary Materials for the First Three Quarters of the Year Ending March 2023

February 13, 2023



Summary of Financial Results for the First Three Quarters of FY2022

■ 3Q results

Die Casting in Japan: Profit increased after returning to the black in 2Q.

Die Casting in North America: Both sales and profit improved from 2Q. The U.S. was affected by delays in productivity improvement and cost reduction efforts, a decrease in production by customers, and a rise in energy and labor costs, and struggled to retain and stabilize its workforce.

Die Casting in Asia: 3Q saw a return to the black. Operations in China (account settlement in December) saw sales volume recover in 3Q (July-September) after the lockdown in April and May of 2Q.

■ 4Q forecast

Although we expect to continue to be in the black in the second half, we forecast to be impacted by a decrease in car production due to a switch in China's COVID policy and the shortage of semiconductors.

Meanwhile, we are currently negotiating appropriate prices with customers due to the surge in energy costs and labor costs abroad.

Key Points of the Financial Results for the First Three Quarters of FY2022

(Million yen)

	FY2022				YoY change	
	1Q	2Q	3Q	First three quarters	3Q	First three quarters
Net sales	33,113	33,423	37,843	104,379	+8,779	+20,668
Operating income	(553)	(645)	732	(466)	+1,510	+2,255
Recurring income	(424)	(396)	702	(118)	+1,389	+2,249
Net income	(649)	(181)	355	(475)	+5,392	+6,342
Sales weight*	75	71	83	76	+11	+3

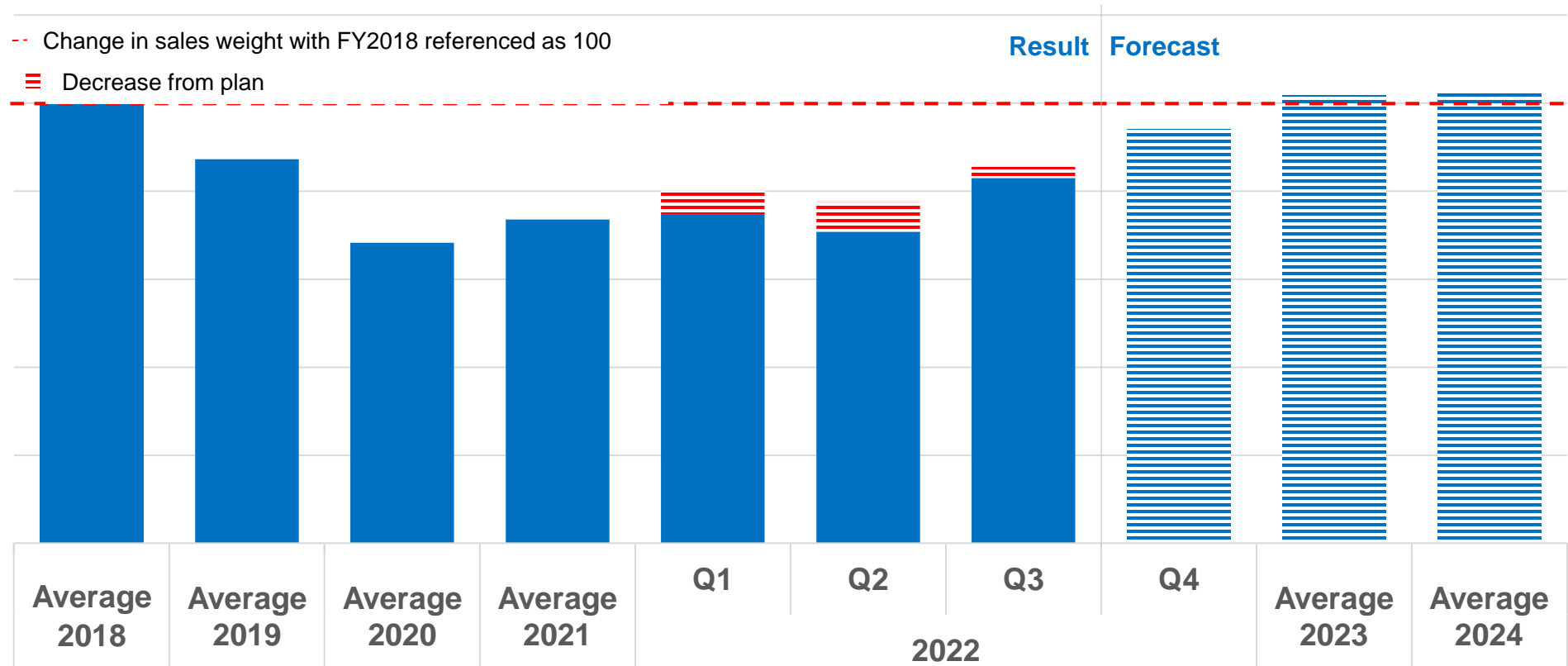
* Indexed with FY2018 average as 100

<Overall>

- **Sales:** Net sales increased 24.7% year on year due to depreciation of the yen and a rise in aluminum prices. Sales volume remained at a growth rate of 3.7% due to a decrease in car production by car manufacturers resulting from logistics constraints caused by the lockdown in China and the shortage of semiconductors.
- **Operating and recurring income:** In the first half, earnings were under pressure due to a sales volume decline resulting from the shortage of semiconductors and a rise in manufacturing costs on the back of rising energy costs.
A recovery in the sales weight of all segments in 3Q due in part to a rebound from the lockdown in China, as well as the effect of productivity improvement efforts that had been carried out from before resulted in profitability for the quarter.
- **Net income:** A net loss was posted due to declines in operating and recurring income. The 3Q results were in the black.

Trend of Sales Weight

- 3Q saw an improvement from the impact of the lockdown in China in the first half. Despite the continued impact of the decrease in car production resulting from a shortage of semiconductors and other components, the sales weight of the Group as a whole was in line with the planned level.
- For 4Q and FY2023, we are currently reassessing the impact of the decrease in car production resulting from the switching of China's zero-COVID policy and the shortage of semiconductors and other components.



Die Casting Business

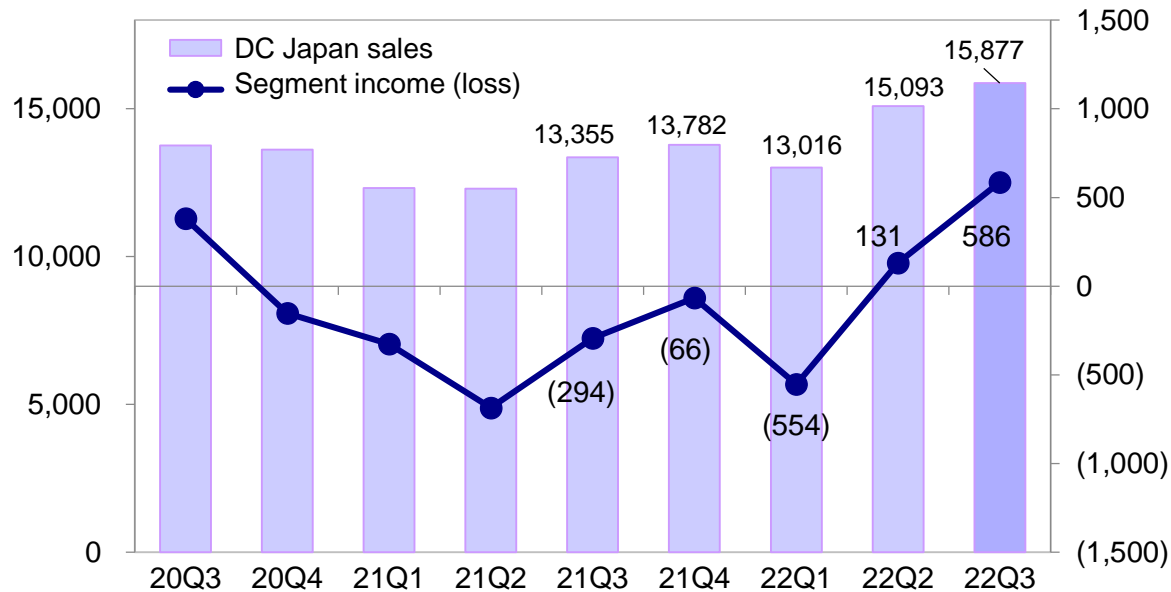
(Million yen)

		FY2022				YoY change	
		1Q	2Q	3Q	First three quarters	3Q	First three quarters
Japan	Net sales	13,016	15,093	15,877	43,986	+2,522	+6,022
	Segment profit (loss)	(554)	131	586	163	+880	+1,469
North America	Net sales	8,357	8,659	9,793	26,809	+3,170	+5,996
	Segment profit (loss)	(441)	(272)	(213)	(926)	+282	+122
Asia	Net sales	8,473	7,222	9,286	24,981	+2,738	+6,707
	Segment profit (loss)	340	(590)	273	23	+395	+788

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

Die Casting Business: Japan

Trend of net sales and segment profit (Million yen)



<3Q>

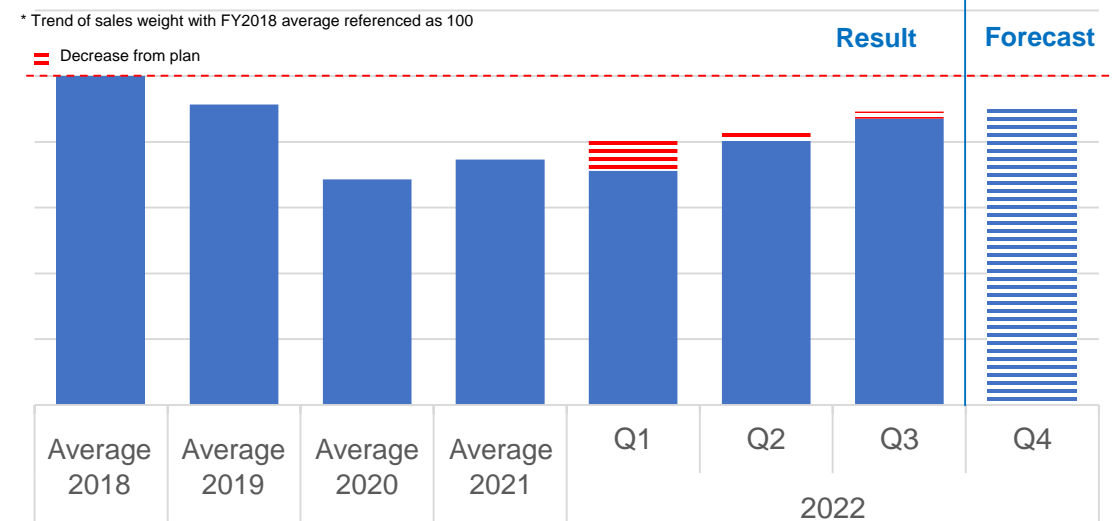
Sales: ¥15,800 million; up ¥2,500 million (18.9%) year on year
Profit: ¥500 million; up ¥800 million year on year (returned to the black)

<First three quarters>

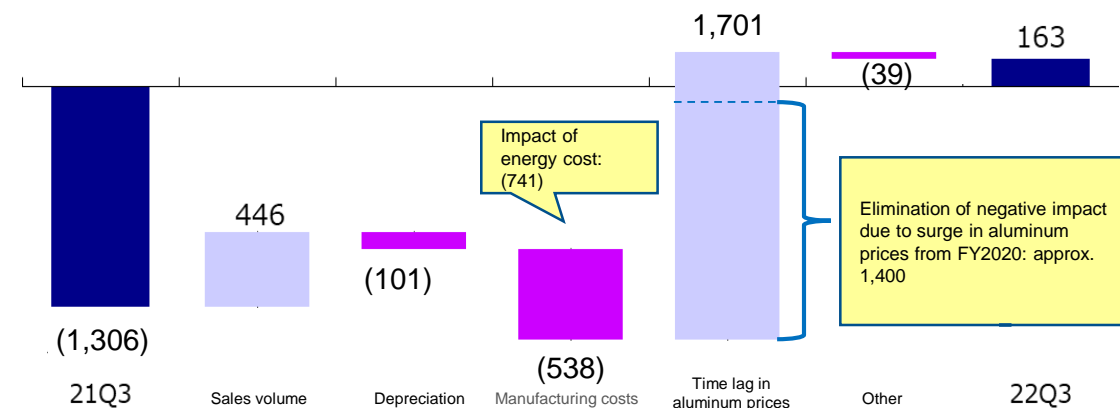
Sales: ¥43,900 million; up ¥6,000 million (15.9%) year on year
Profit: ¥100 million; up ¥1,400 million year on year (returned to the black)

- Sales volume remained on a recovery trend despite a continued decrease in car production. Sales increased due in part to rising aluminum prices. Returned to profitability due to factors such as an increase in sales volume, rising energy and other costs passed onto prices, and cost reductions.

Trend of sales weight

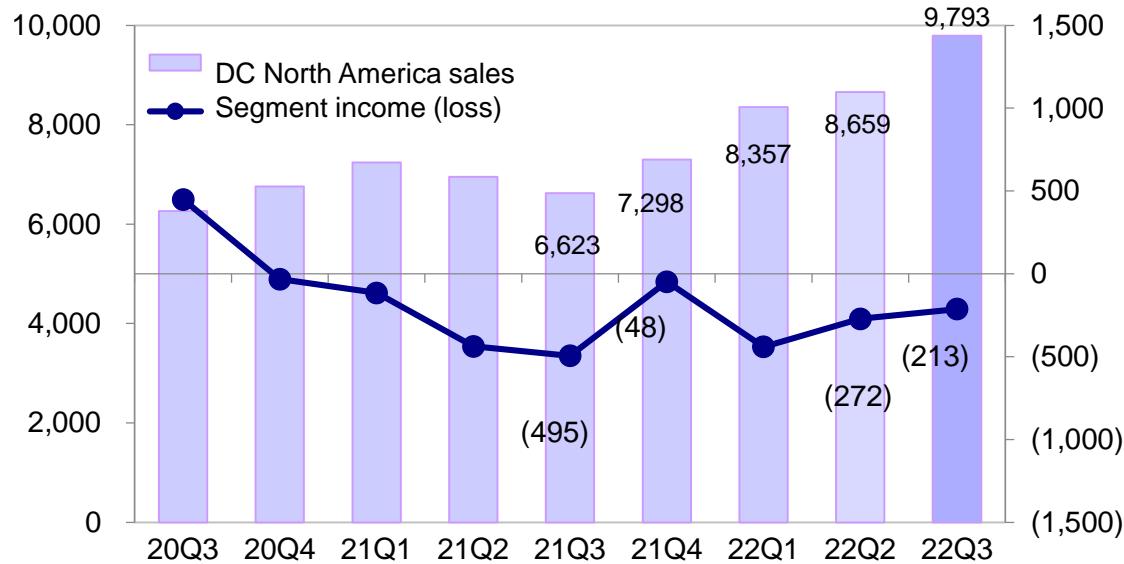


Factors behind change in segment profit (Million yen)

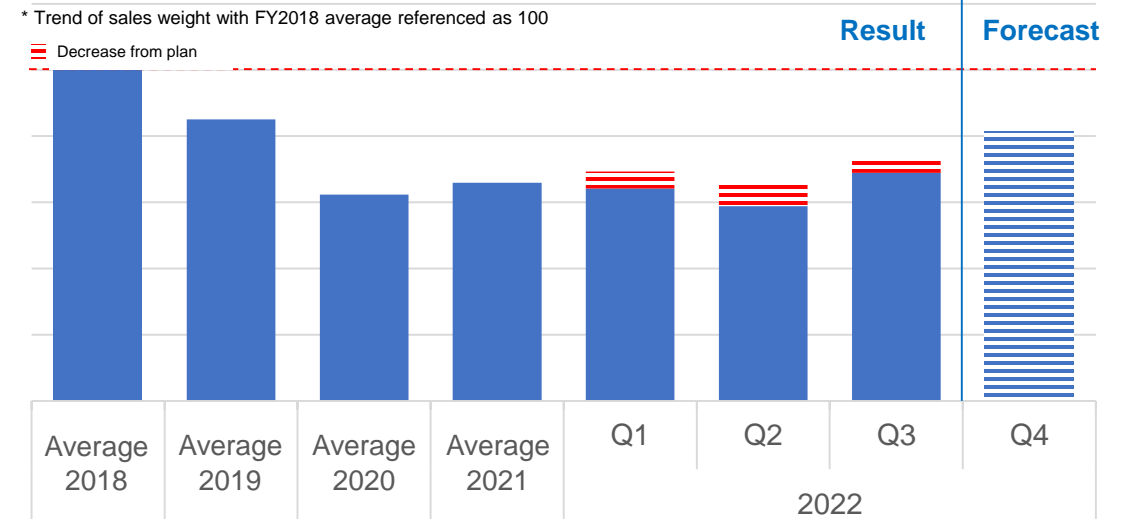


Die Casting Business: North America

Trend of net sales and segment profit (Million yen)



Trend of sales weight



<3Q>

Sales: ¥9,700 million; up ¥3,100 million (47.9%) year on year

Loss: ¥200 million; down ¥ 200 million year on year (loss reduced)

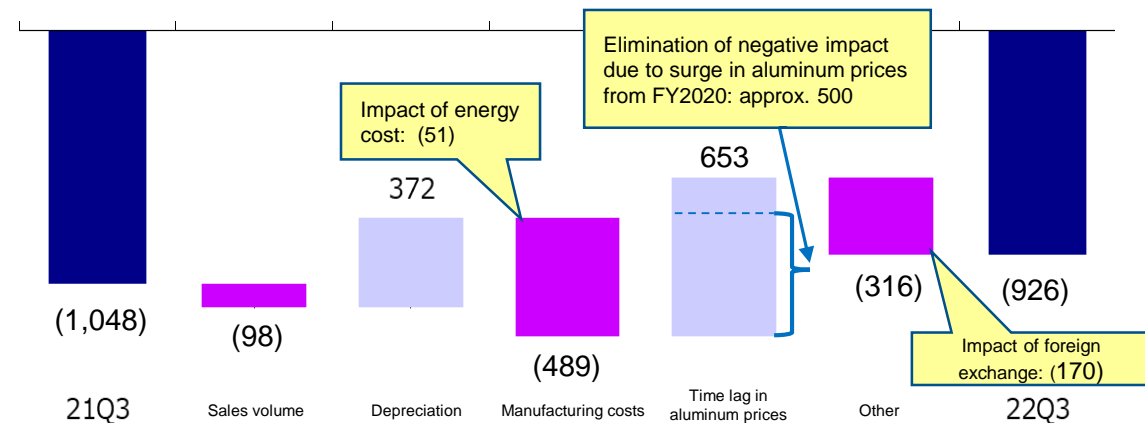
<First three quarters>

Sales: ¥26,800 million; up ¥5,900 million (28.8%) year on year

Loss: ¥900 million; down ¥100 million year on year (loss reduced)

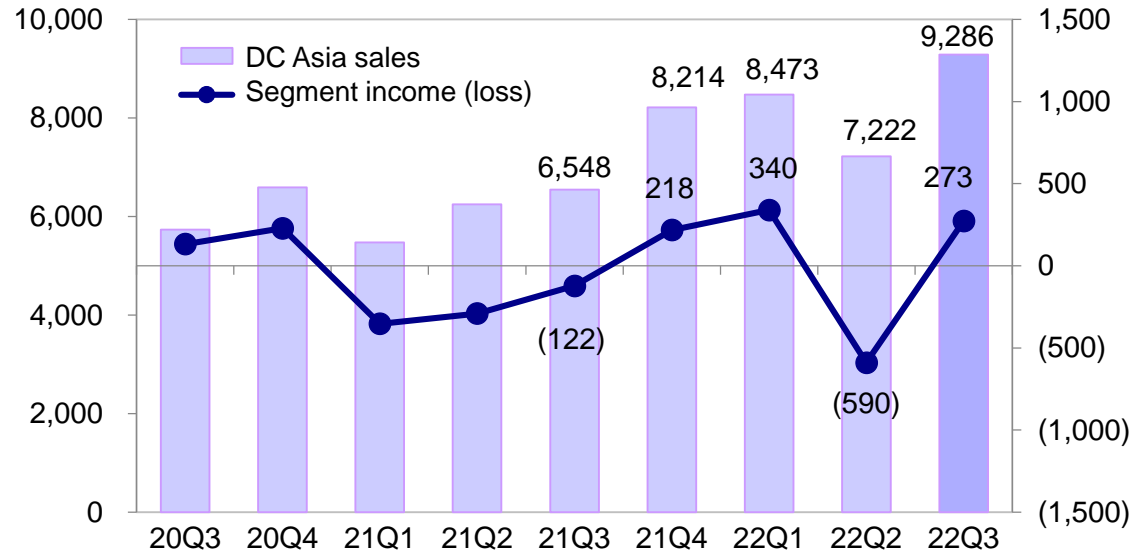
- In Mexico, profit was achieved although sales volume decreased year on year due to the impact of the prolonged shortage of semiconductors.
 - Sales volume in the U.S. recovered compared to 1H but failed to reach the projected level.
- In terms of profit, although there were effects of cost reduction activities, manufacturing costs increased on the back of rising energy costs and labor costs.

Factors behind change in segment profit (Million yen)



Die Casting Business: Asia

Trend of net sales and segment profit (Million yen)



<3Q>

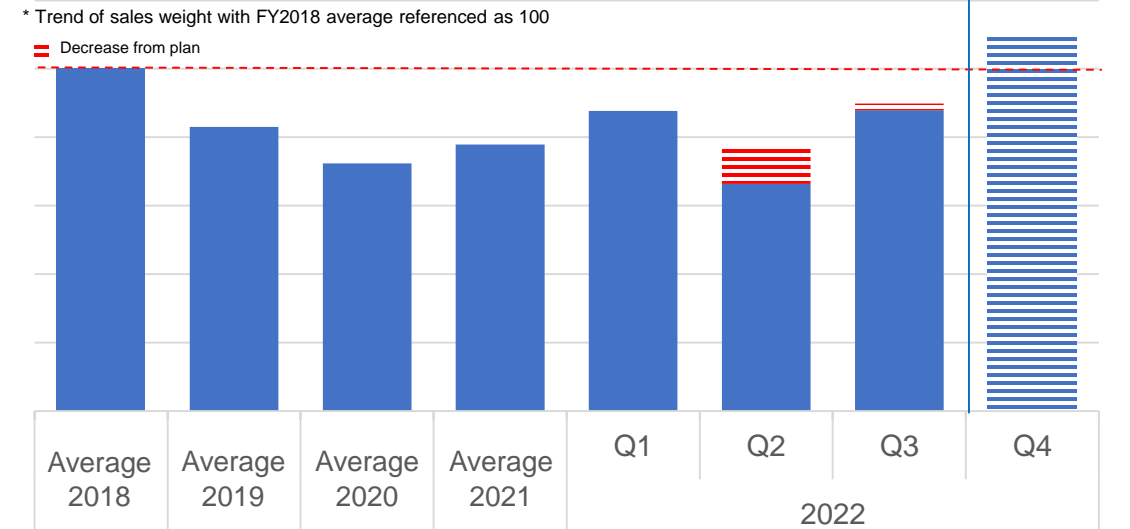
Sales: ¥9,200 million; up ¥2,700 million (41.8%) year on year
 Profit: ¥200 million; up ¥300 million year on year (returned to the black)

<First three quarters>

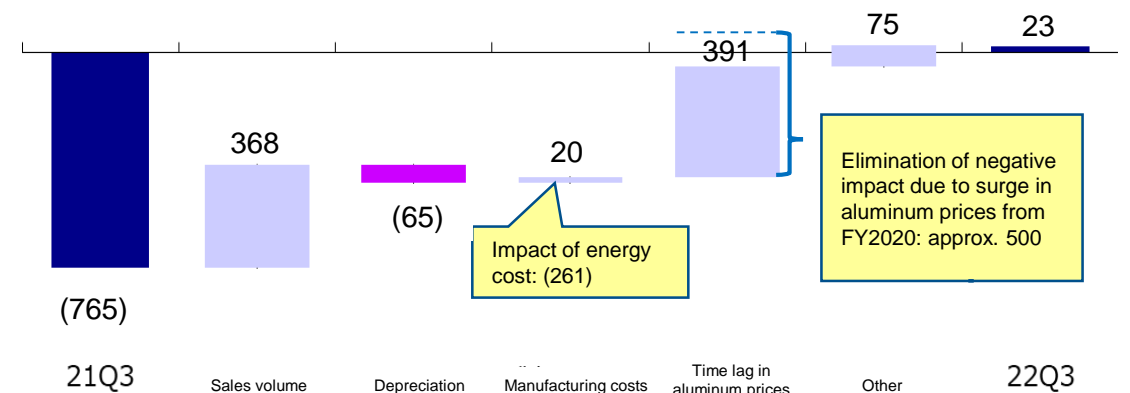
Sales: ¥24,900 million; up ¥6,700 million (36.7%) year on year
 Profit: ¥20 million; up ¥700 million year on year (returned to the black)

- Sales volume recovered in July–September in China, which closes its accounts in December.
- Sales increased due in part to the rise in aluminum prices. Profit also returned to the black.

Trend of sales weight



Factors behind change in segment profit (Million yen)



Aluminum Business and Proprietary Products Business

(Million yen)

		FY2022				YoY change	
		1Q	2Q	3Q	First three quarters	3Q	First three quarters
Aluminum Business	Net sales	2,100	1,820	2,107	6,027	+557	+1,645
	Segment profit (loss)	82	70	83	235	+26	+34
Proprietary Products Business	Net sales	1,165	629	780	2,574	(208)	+297
	Segment profit (loss)	90	21	46	157	(27)	(28)

<Aluminum Business>

- Sales: Sales weight increased 3.0% year on year despite the impact of a decrease in car production resulting from the shortage of semiconductors. Sales also increased due in part to aluminum prices.
- Profit: Increased on the back of net sales growth and other factors

<Proprietary Products Business>

- Sales: Sales increased due to an increase in orders for projects of main customers, such as a clean room for a semiconductor-related company. Sales grew 13.0% year on year.
- Profit: Stable profit was achieved.

Topic: New Management System on March 1

■ To promote speedy and flexible reforms

- ✓ Accelerating electrification
- ✓ Changes in automobile market, e.g., increase in share of mega suppliers
- ✓ Production engineering development, sales activities according to changes in commercial distribution
- ✓ Response to social issues, e.g., carbon neutrality
- ✓ Improvement of management efficiency through use of DX and data science

■ To drive reforms by younger management

Average age: 52←63 (Average age of the President and command chiefs)

Name	Position
Arata Takahashi	Representative Director, Chairman (Chief Executive Officer)
Shinichi Takahashi	Representative Director, President (Chief Operating Officer)
Naoyuki Kaneta	Chief of Quality Assurance Command (Representative Director, Senior Managing Executive Officer)
Yasutaka Oshima	Chief of Manufacturing Command (Executive Officer)
Kenichiro Mine	Chief of Sales Command (Executive Officer)
Hideki Nariya	Chief of Administrative Command (Executive Officer)



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.