

# Supplementary Materials for the Year Ended March 31, 2023

May 18, 2023



# Key Results for the Fiscal Year Ended March 2022

(Million yen)

	Year ended March 2022 Full year	Year ended March 2023				YoY changes
		1H	2H	4Q (quarterly)	Full year	
Net sales	116,313	66,536	74,402	36,559	<b>140,938</b>	<b>+24.625</b>
Operating income	(2,422)	(1,198)	1,221	489	<b>23</b>	<b>+2.445</b>
Recurring income	(2,032)	(820)	915	213	<b>94</b>	<b>+2,126</b>
Net income	(5,189)	(830)	746	391	<b>(84)</b>	<b>+5,105</b>
Sales weight	74	72	80	77	<b>76</b>	<b>+2</b>

\* In comparison with the FY2018 average as 100

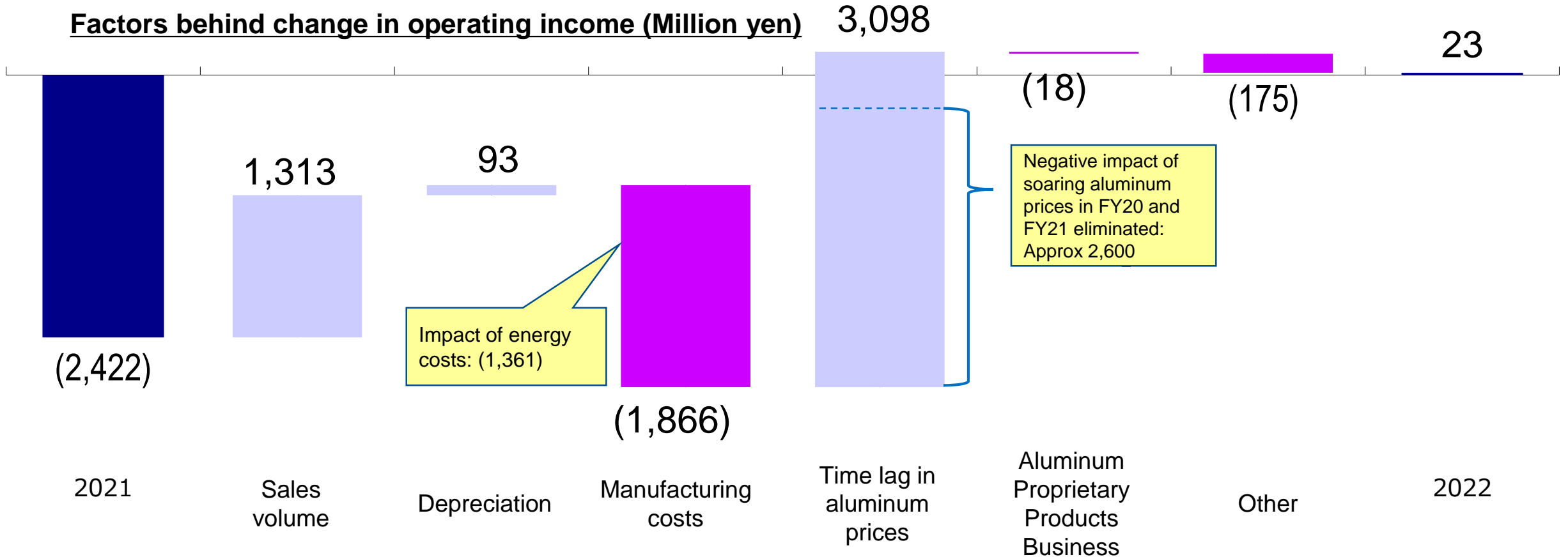
## <Overview>

- Sales: Net sales increased 21.1% from the previous year due mainly to the depreciation of the yen and the rise in aluminum prices. Sales weight increased 2.7%, reflecting the production increase by car manufacturers in the second half.
- Operating/Recurring income: Profits in the first half were affected by the decrease in sales weight due to confusion of supply networks caused by the shortage of semiconductors and the zero-COVID policy in China, and the increase in production costs due to the rise in energy costs, etc. In the second half, the sales weight recovered in all segments. Also, with the effect of the efforts to improve productivity, income returned to black on a full-year basis.
- Net income: The loss in the first half could not be fully covered and a loss was recorded on a full-year basis. However, profit was achieved on a quarterly basis in the second half.

# Factors behind Changes in Consolidated Results

Sales weight recovered in the second half to secure a surplus for the full year. Although the worsening of performance associated with high aluminum prices in the first half eased, production costs rose due to soaring energy and labor costs.

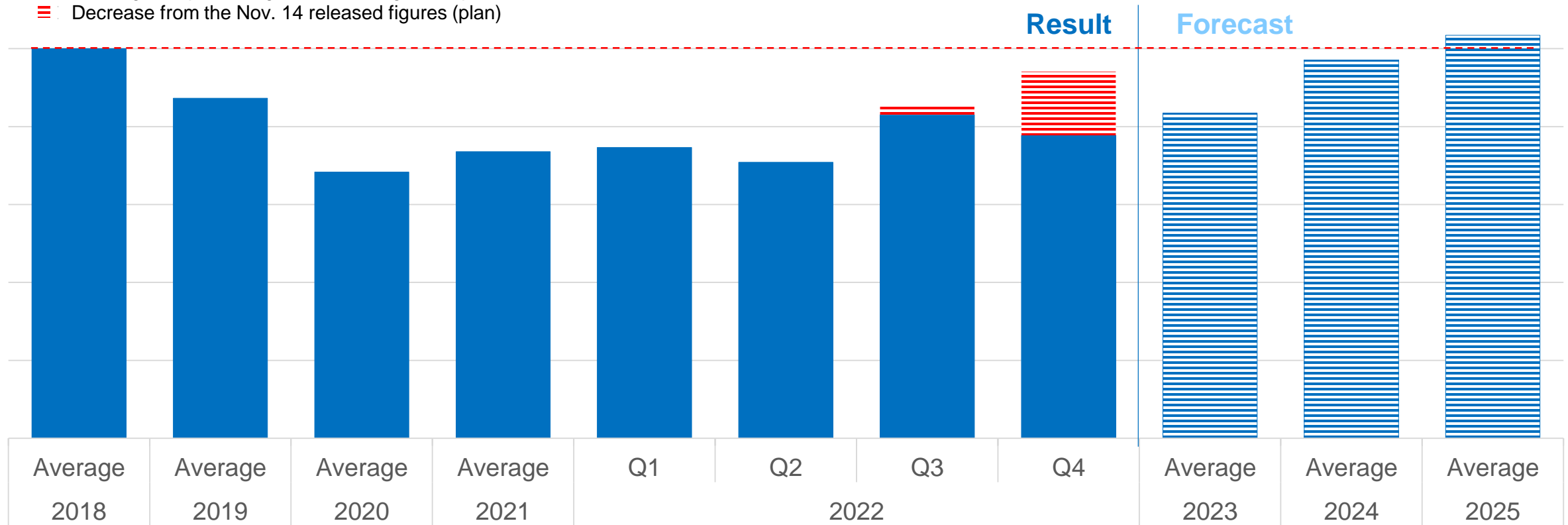
**Factors behind change in operating income (Million yen)**



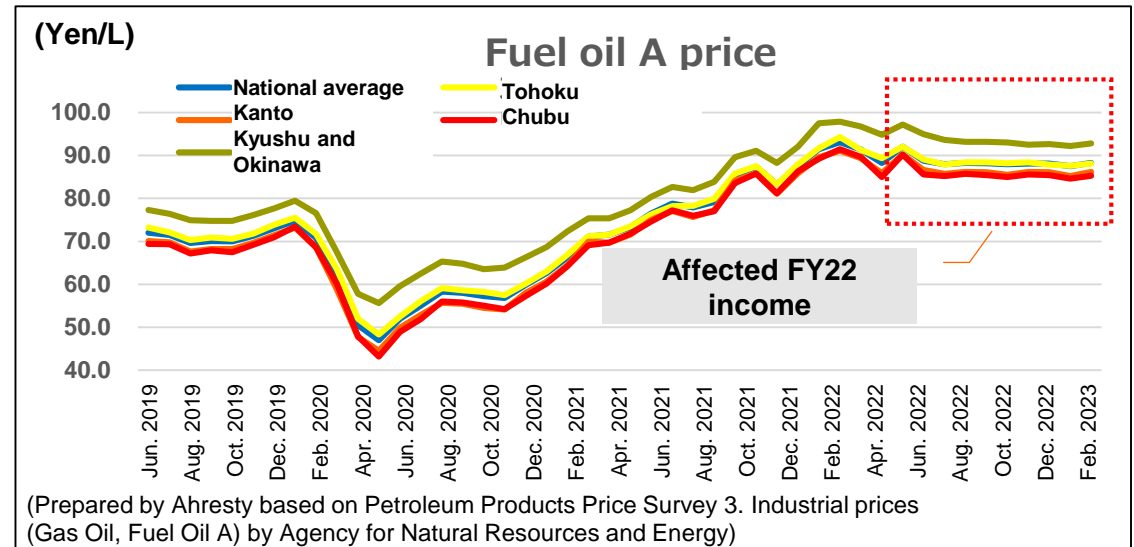
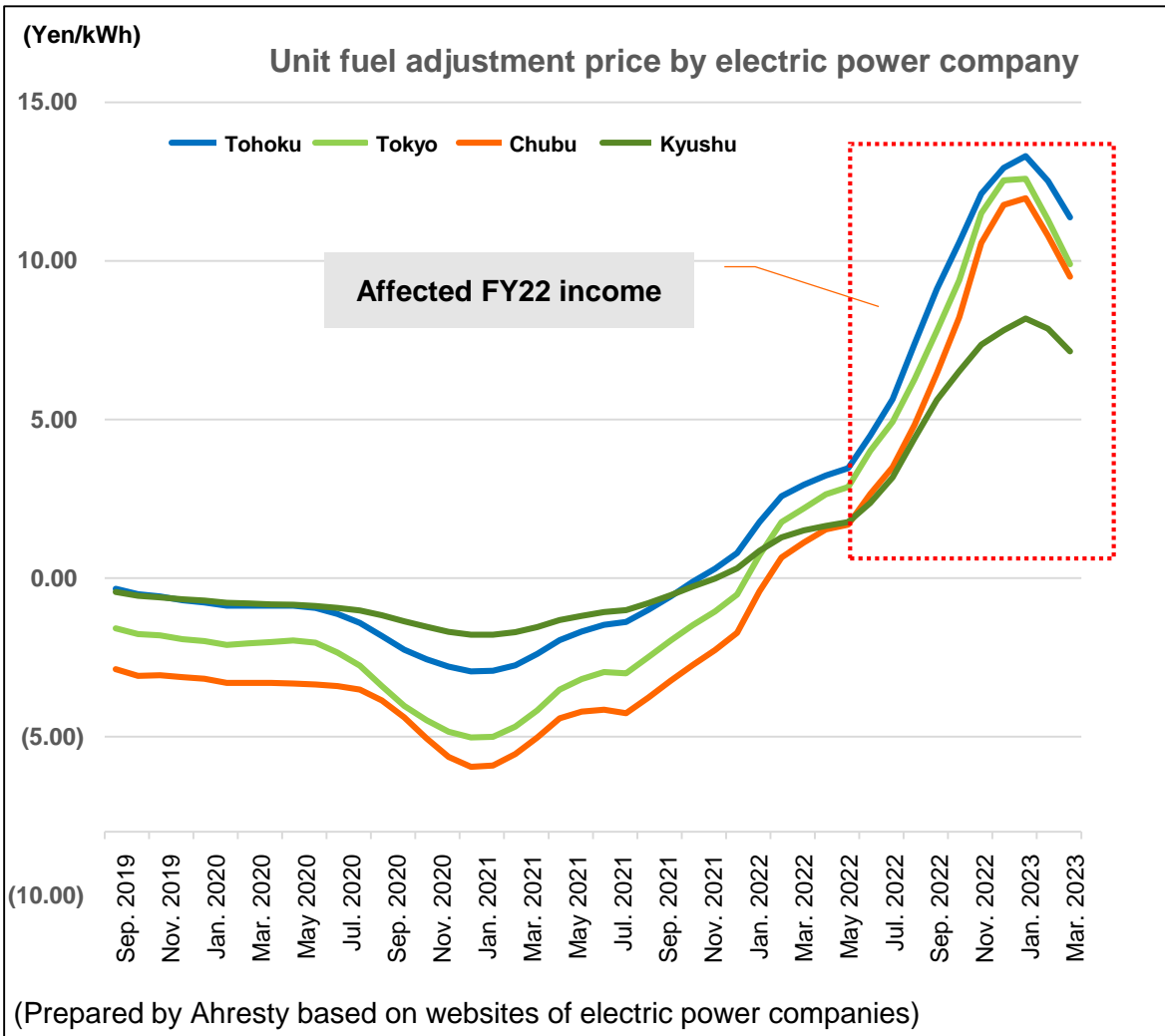
# Global Sales in Weight

- 4Q maintained the level above 1H despite production reduction by some customers.
- From FY23 onward, sales are expected to increase and exceed the level before COVID (FY2018) in FY2025 due to recovery in sales weight and orders received for new products.

--- \* Changes in percentage of sales weight compared to the level of FY2018  
▨ Decrease from the Nov. 14 released figures (plan)



# Impact of the Soaring Energy Prices



**An increase in demand for natural gas and petroleum due to the situation in Ukraine and recovery from the COVID-19 crisis boosted energy prices, significantly affecting the Company's income.**

→ **Price negotiations with customers. Although the impact has been partly shifted to selling prices, it is mostly in the form of lump sums.**

**Assuming that energy costs will remain high, we will continue price negotiations in FY23 onward.**

# Extraordinary Gains/Losses

## ■ Extraordinary gains

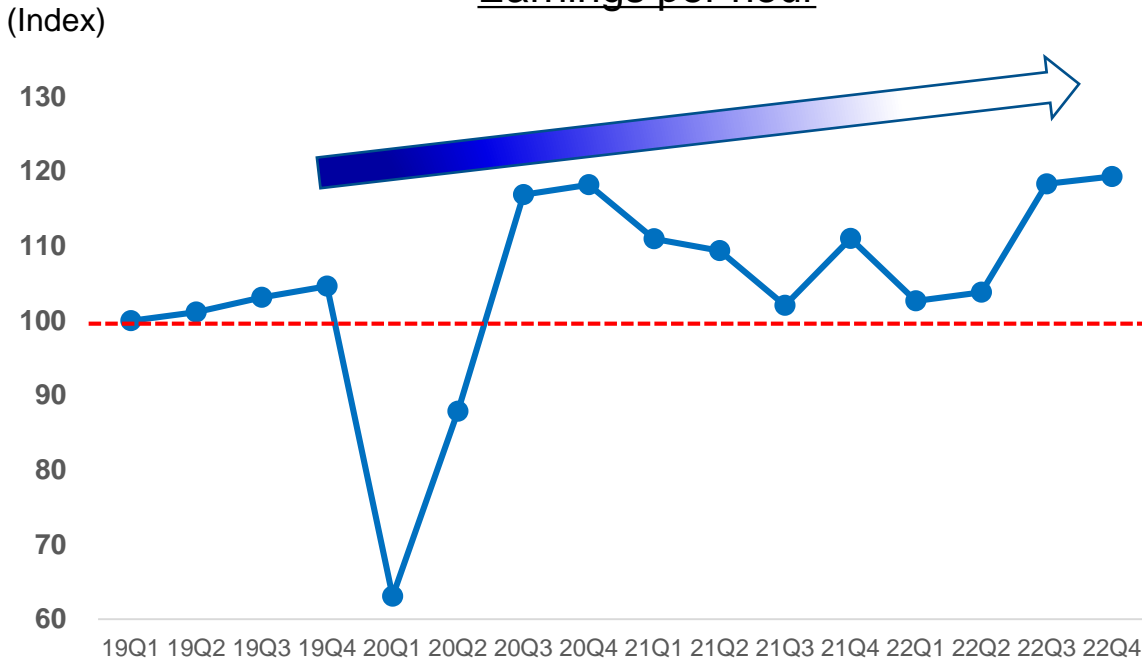
- ✓ Transfer of fixed assets of Higashimatsuyama Plant: Approx. 3,000 million yen
  - ⇒ Part of the production transfer initiative of the Higashimatsuyama Plant to improve production efficiency and profitability in Japan  
(Production transfer to: Tochigi Plant Scheduled completion of production transfer: first half of 2024)

## ■ Extraordinary losses

- ✓ Impairment loss: approx. 2.3 billion yen (plants in Japan: approx. 1.1 billion yen, overseas plants: approx. 1.2 billion yen)
  - ⇒ Ease of depreciation cost from FY2023 (approx. 0.5 billion yen reduction in fixed costs annually)
- ✓ Special retirement expenses: approx. 0.3 billion yen (overseas plants)
  - ⇒ Streamline the production structure in view of changes in future demand trends

# Status of Promoting Leaner Production Systems

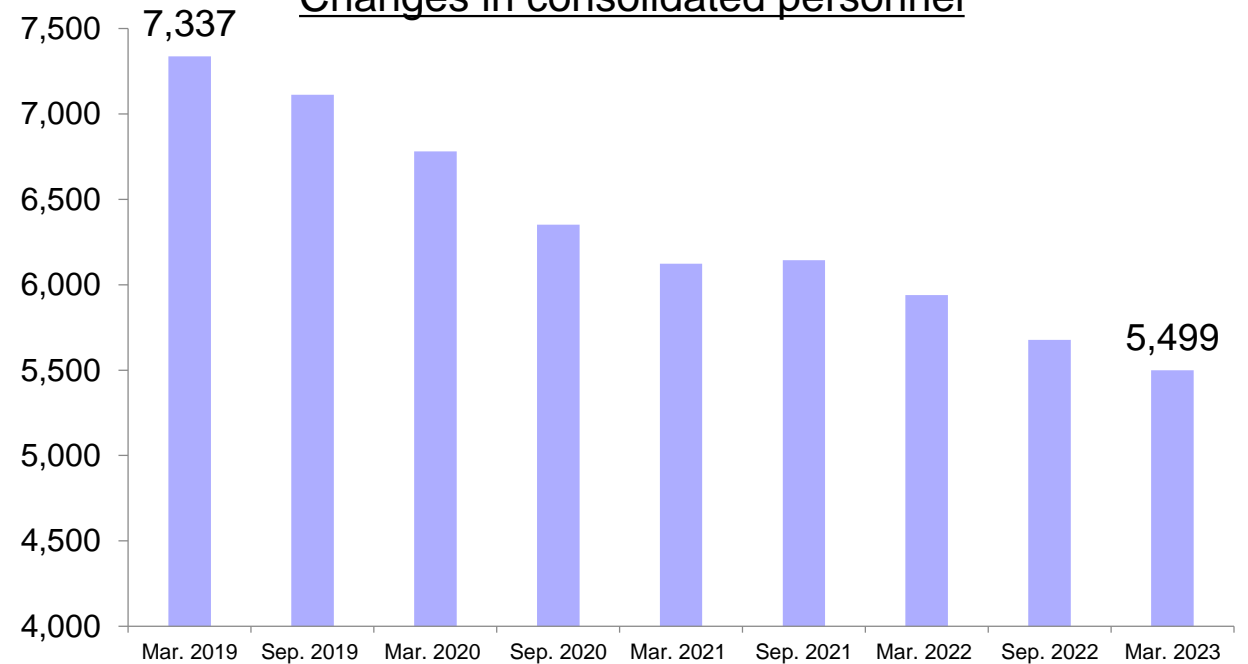
Earnings per hour



- Despite fluctuations in orders received, maintained the level before COVID-19
- In 2H of FY2022, earnings per hour improved along with a recovery in sales weight

(Persons)

Changes in consolidated personnel



- Respond to 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 1,838 (March 31, 2019 ⇒ March 31, 2023)

\* 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)

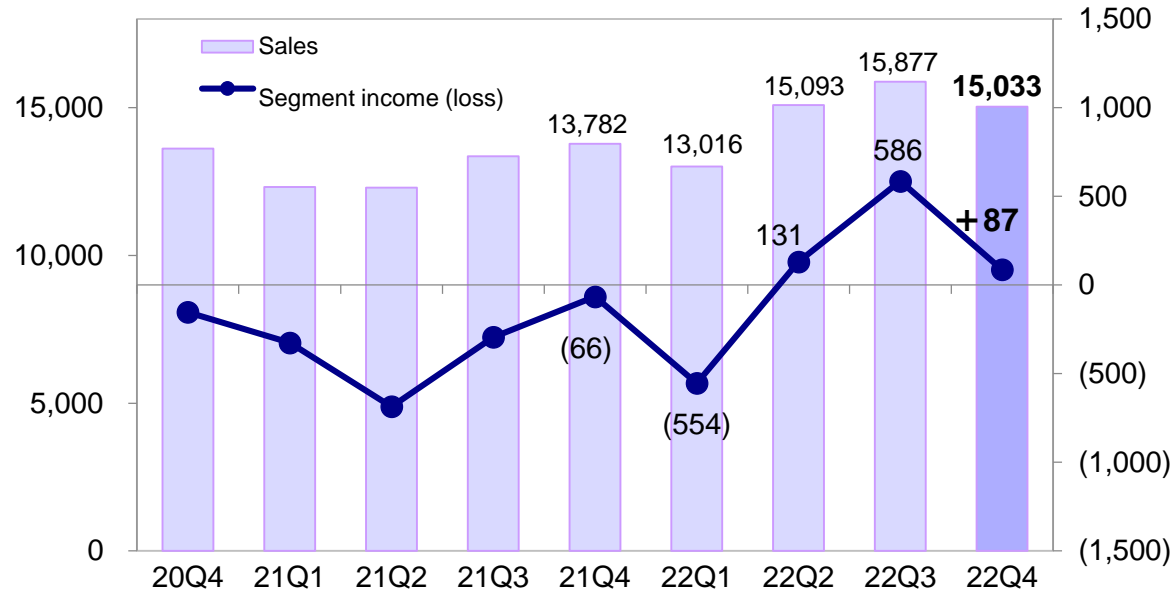
		Year ended March 2022 Full year	Year ended March 2023				
			1H	2H	4Q (quarterly)	Full year	YoY changes
Japan	Net sales	51,746	28,109	30,910	15,033	<b>59,019</b>	+7,273
	Segment income (loss)	(1,372)	(423)	673	87	<b>250</b>	+1,622
North America	Net sales	28,111	17,016	19,979	10,186	<b>36,995</b>	+8,884
	Segment income (loss)	(1,096)	(713)	37	250	<b>(676)</b>	+420
Asia	Net sales	26,488	15,695	17,981	8,695	<b>33,676</b>	+7,188
	Segment income (loss)	(547)	(250)	258	(15)	<b>8</b>	+555

\* 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 (Million yen)



**<Full year>**

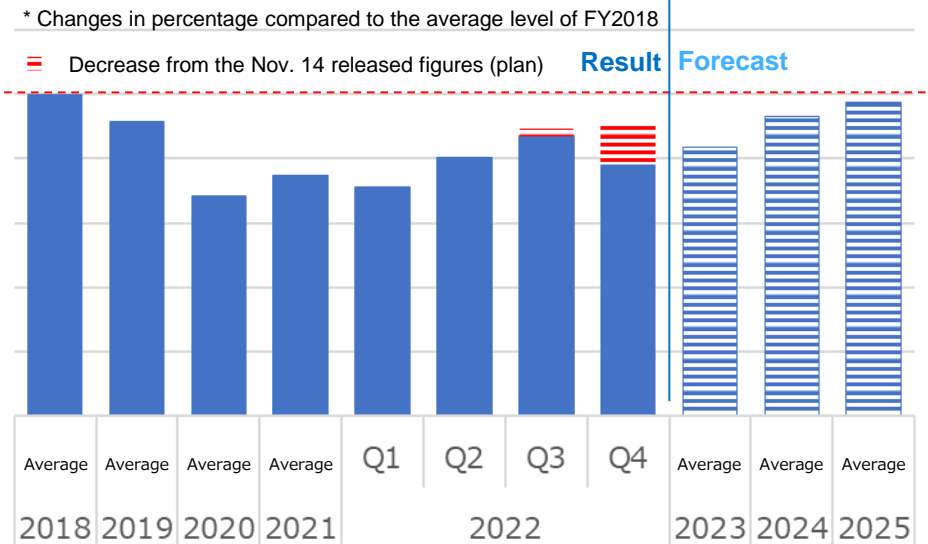
**Sales: ¥59,000 million Up ¥7,200 million (14.1%) year on year**  
**Income: ¥250 million Up ¥1,600 million year on year (returned to the black)**

**<4Q>**

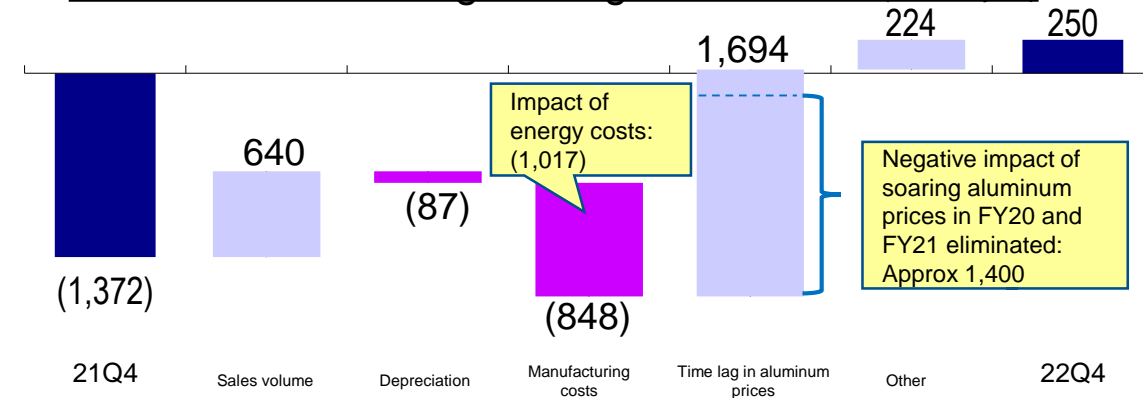
**Sales: ¥15,000 million Up ¥1,200 million (9.1%) year on year**  
**Income: ¥80 million Up ¥100 million year on year (returned to the black)**

- Despite production reduction by some customers in 4Q, sales weight is on a recovery trend and revenue increased.
- Although affected by the rise in energy costs and other production costs, the result returned to the black due to price negotiations and efforts to reduce costs, etc.

Changes in sales weight

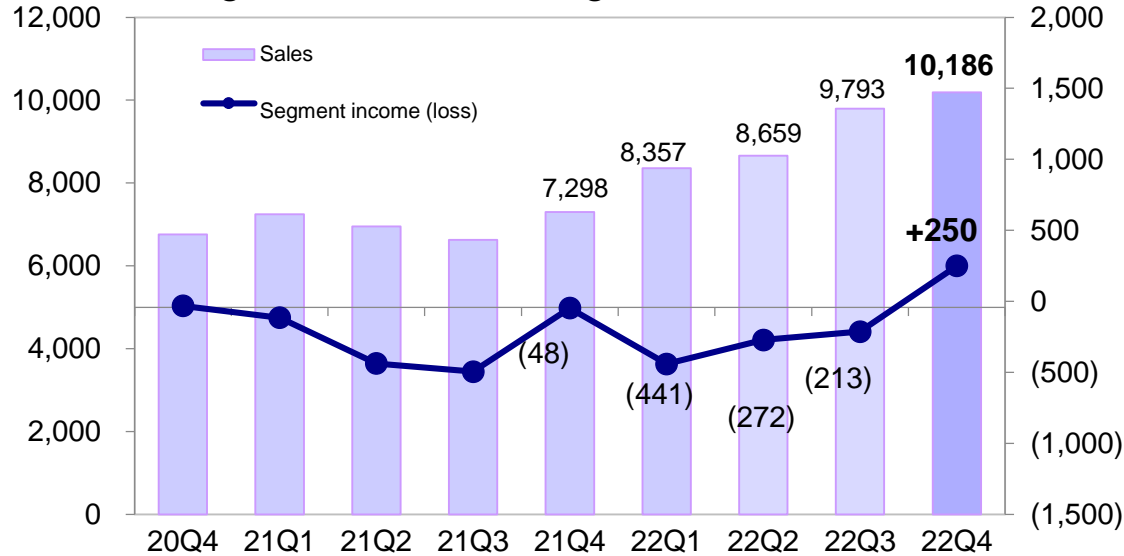


Factors behind change in segment income (Million yen)

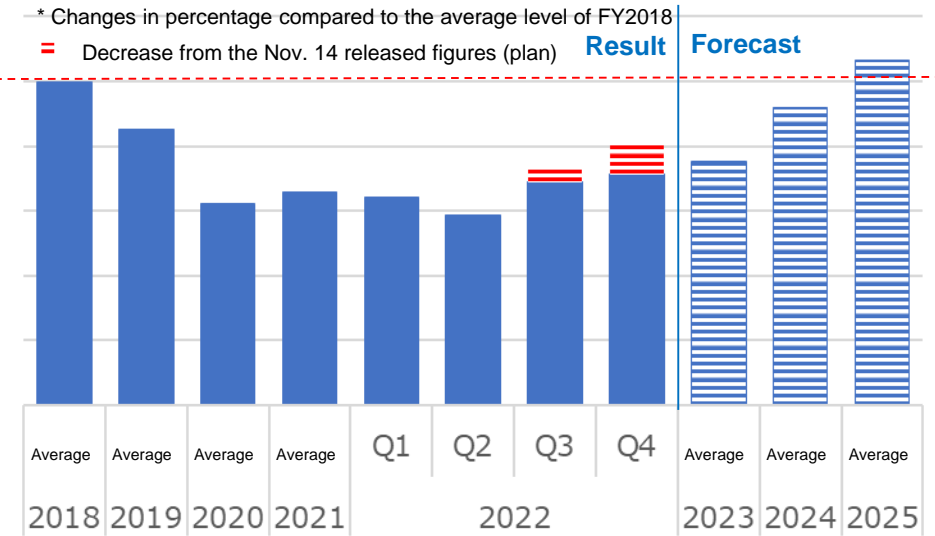


# Die Casting in North America

Changes in sales and segment income (Million yen)



Changes in sales weight



<Full year>

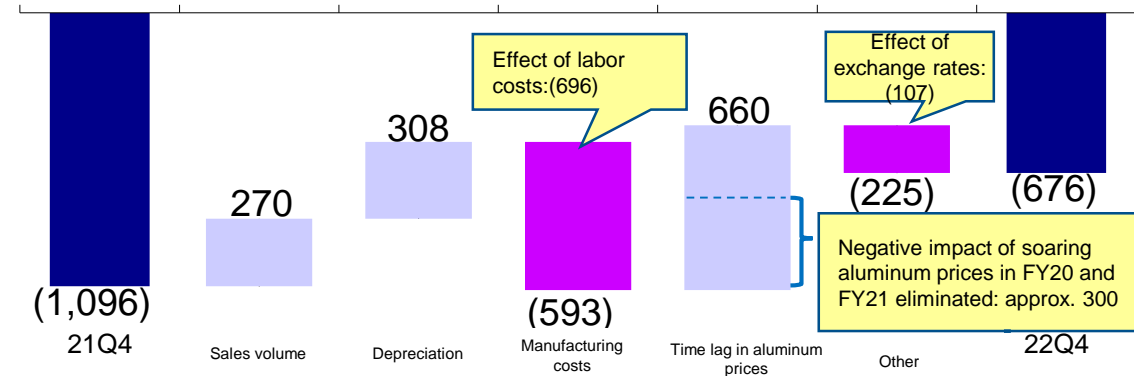
**Sales: ¥36,900 million Up ¥8,800 million (31.6%) year on year**  
**Income: ¥(600 million) Up ¥400 million year on year (loss decreased)**

<4Q>

**Sales: ¥10,100 million Up ¥2,800 million (39.6%) year on year**  
**Income: ¥200 million Up ¥200 million year on year (returned to the black)**

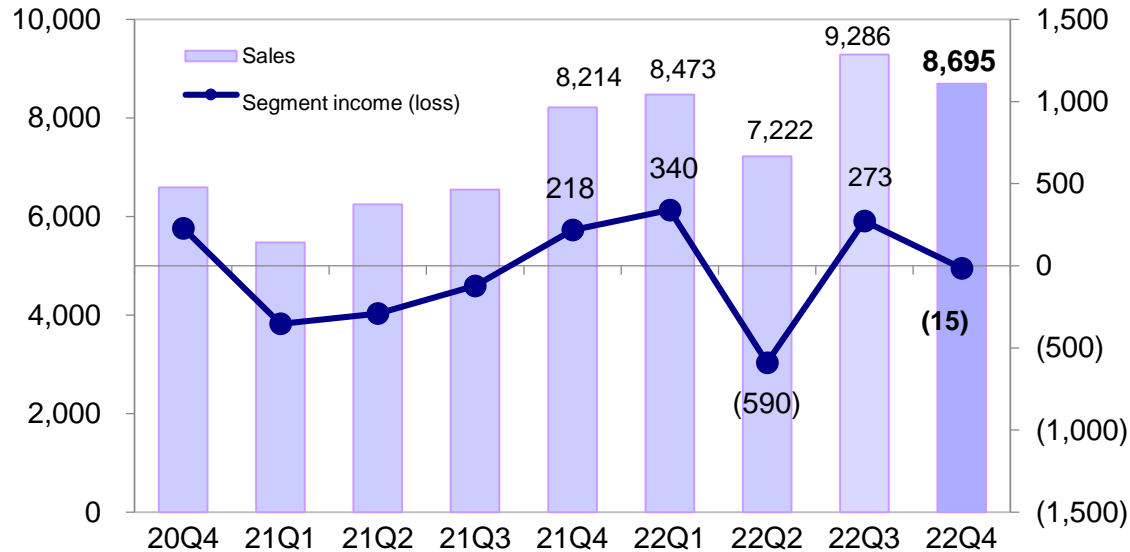
- Sales weight was lower than the plan despite recovery from 1H. However, sales increased partly due to the effect of exchange rates.
- Although revenue was affected by the increase in production costs associated with the rise in labor costs, etc., it returned to the black in 4Q due to the stable effects of cost reduction efforts.

Factors behind change in segment income (Million yen)



# Die Casting in Asia

Changes in sales and segment income (Million yen)



<Full year>

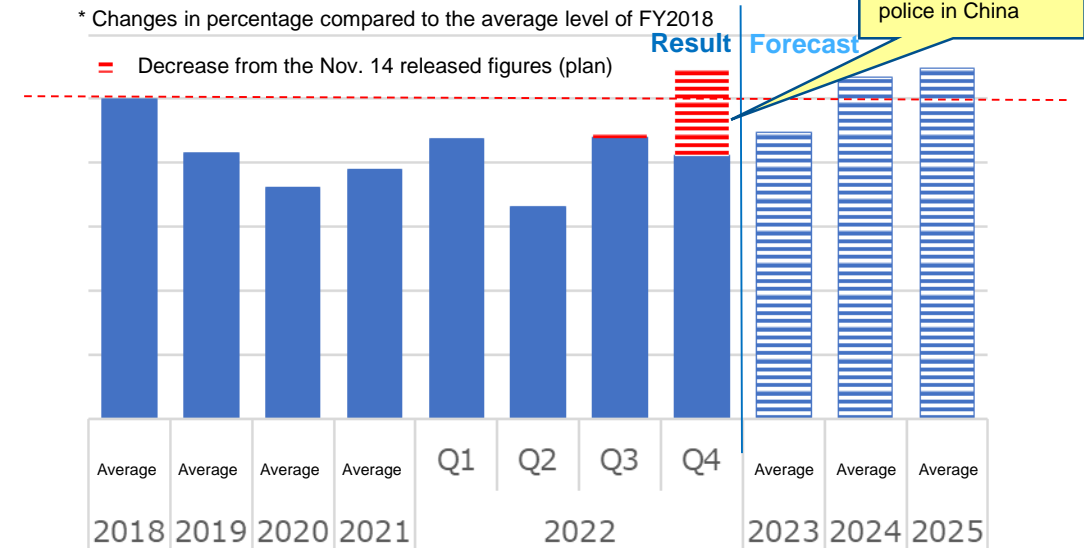
Sales: ¥33,600 million Up ¥7,100 million (27.1%) year on year  
 Income: ¥8 million Up ¥500 million year on year (returned to the black)

<4Q>

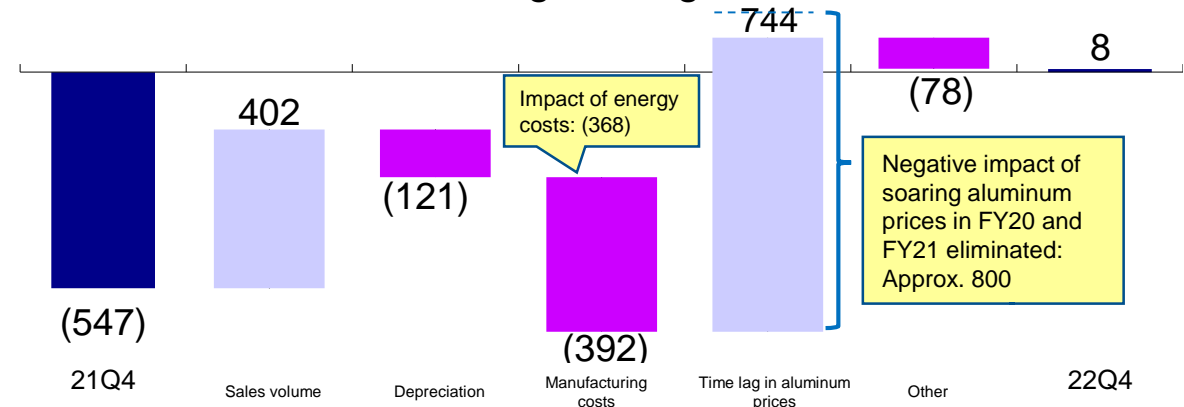
Sales: ¥8,600 million Up ¥400 million (5.9%) year on year  
 Income: ¥(10 million) Down ¥200 million year on year

➤ Despite the impact of lockdown in China in 1H, sales weight improved due to recovery in production of customers in 2H. Profit was secured for the full year.

Changes in sales weight



Factors behind change in segment income (Million yen)



# Aluminum Business and Proprietary Products Business

(Million yen)

		Year ended March 2022 Full year	Year ended March 2023				
			1H	2H	4Q (quarterly)	Full year	YoY changes
Aluminum Business	Net sales	6,463	3,920	4,055	1,947	<b>7,975</b>	+1,512
	Segment income (loss)	265	152	121	39	<b>274</b>	+9
Proprietary Products Business	Net sales	3,503	1,794	1,477	697	<b>3,271</b>	(232)
	Segment income (loss)	312	111	173	127	<b>285</b>	(27)

## <Aluminum Business>

Sales: Despite the impact of the production decrease of car manufacturers due mainly to the shortage of semiconductors, sales increased partly due to the effect of aluminum prices.

Income: Increased mainly due to an increase in net sales.

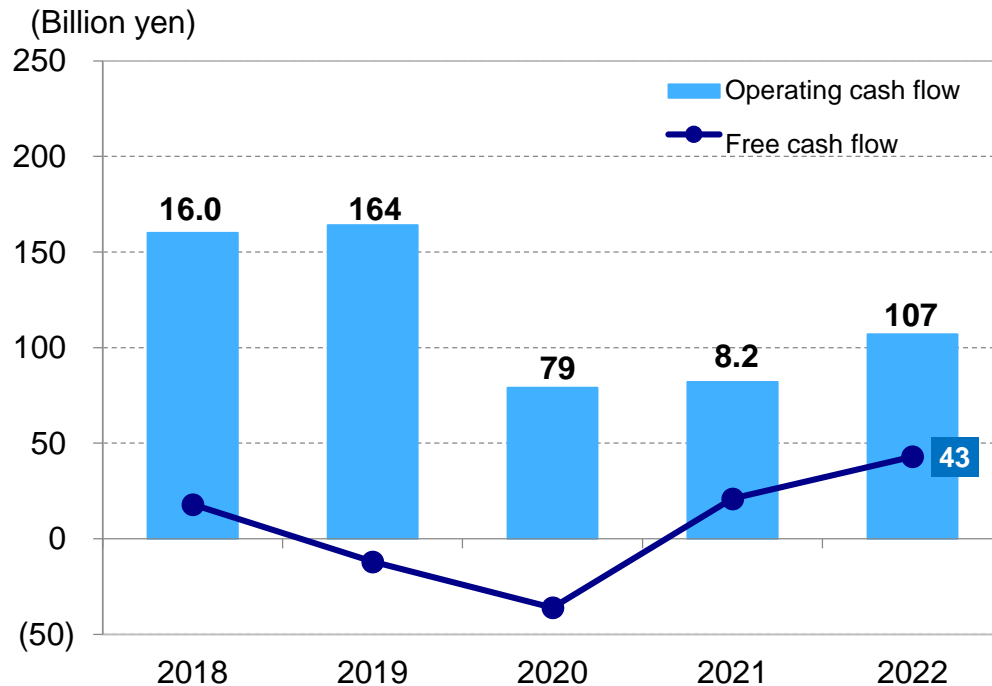
## <Proprietary Products Business>

Sales: Although orders received for the clean room projects from a semiconductor company increased, sales decreased partly due to the postponement of a major project to the next fiscal year.

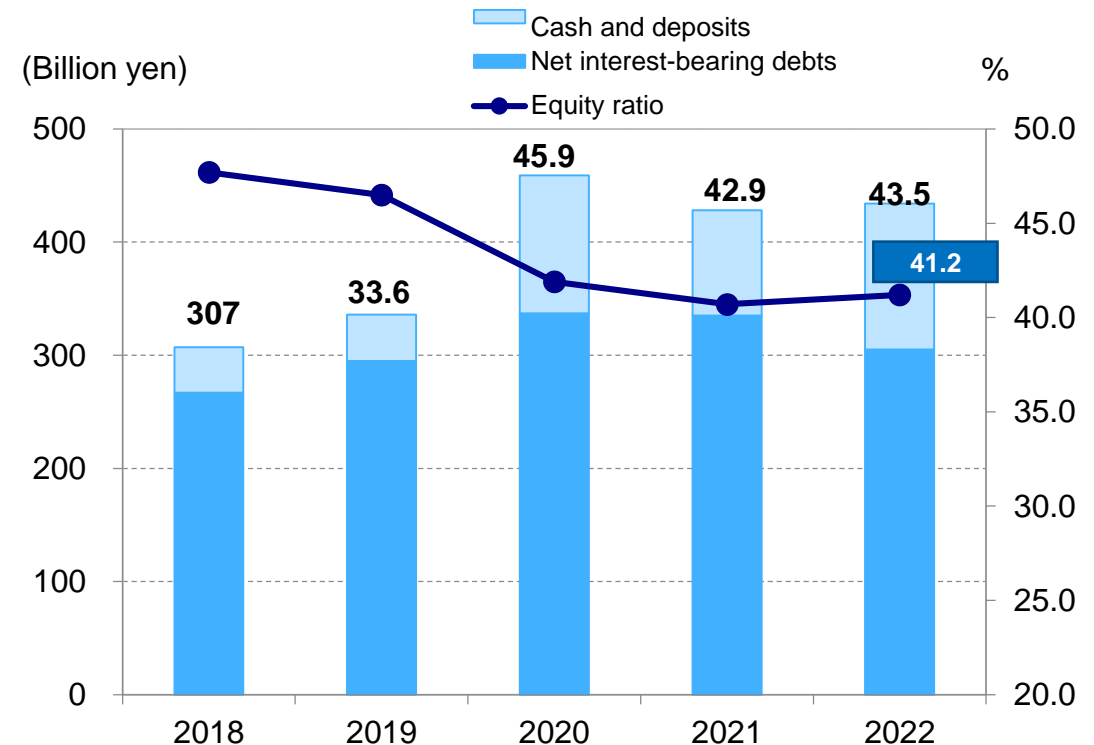
Income: Maintained profitability.

# Financial Performance in the Year Ended March 2023

Free cash flow remained positive along with the reduction in investment and increase in operating cash flows. Cash and deposits on hand remained at a higher level than before and interest-bearing debt reached 43.5 billion yen (net interest-bearing debt decreased 0.3 billion yen from the previous year to 30.5 billion yen).



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



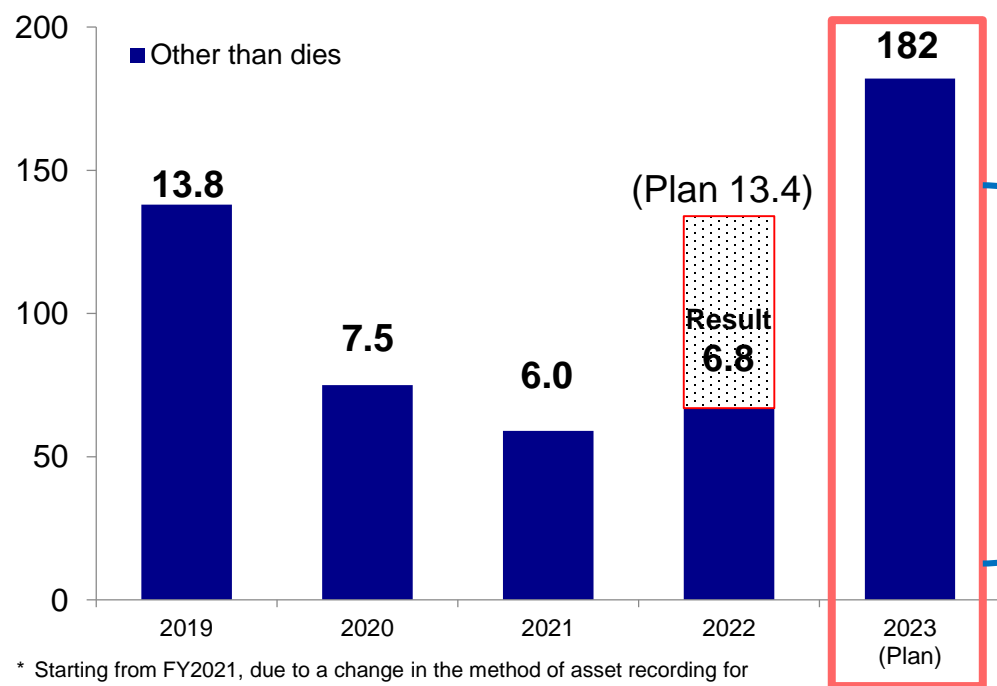
\* Net interest-bearing debts = interest-bearing debts - cash and deposits

# Trends in Capital Investment, Depreciation and Amortization

## FY2022 result and FY2023 plan

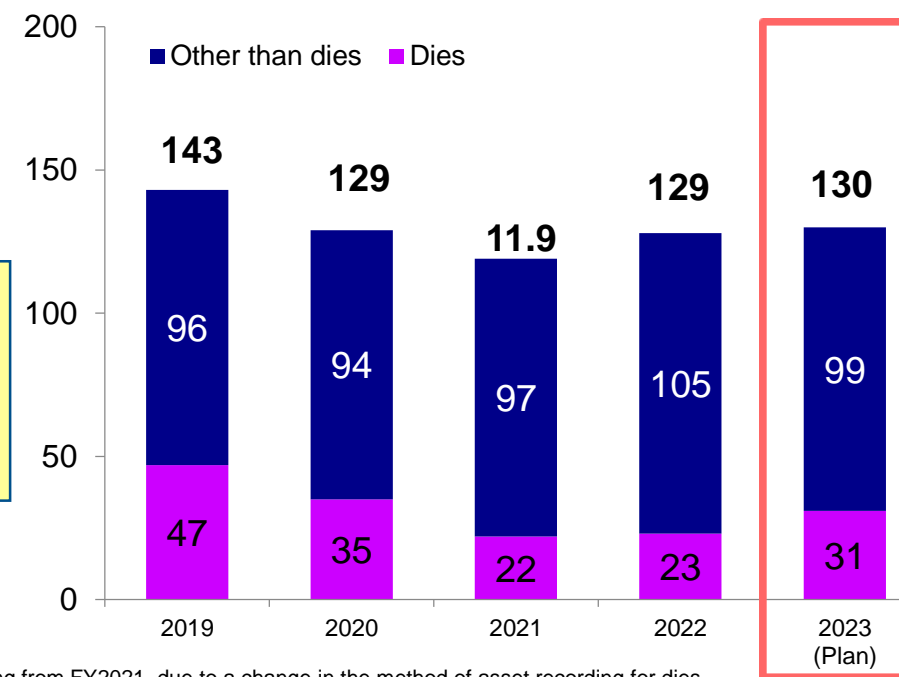
- Amount of capital investment : FY2022 result was 6.8 billion yen in comparison to 13.4 billion yen in the plan. For FY2023, an increase of 18.2 billion yen is planned reflecting an increase in investments for newly ordered products. However, like in the previous year, properly control investments according to the business performance and continue efficient investments by making effective use of internal equipment to reduce the amount of increase.
- Depreciation and amortization: FY2023 plan is 13.0 billion yen.

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)



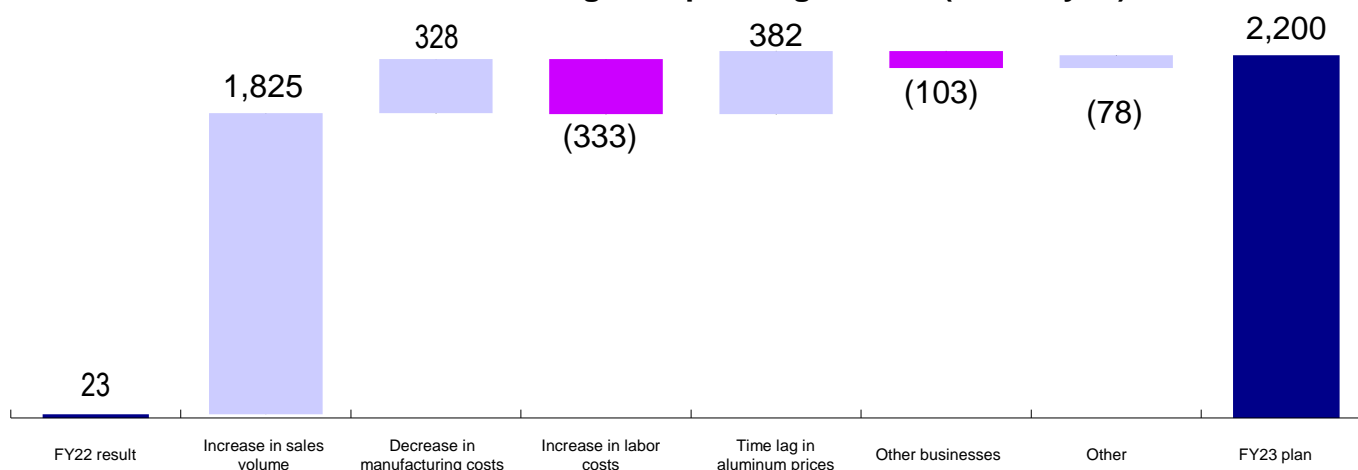
\* Starting from FY2021, due to a change in the method of asset recording for dies, amortization of some dies is not included.

# Full-year Plan for Year Ending March 2024

(Million yen)

	Year ended March 2023	Year ending March 2024 (plan)			
		Full year		1H	2H
Net sales	140,938	150,000	–	74,700	75,300
Operating income	23	2,200	(1.5%)	400	1,800
Recurring income	94	1,600	(1.1%)	100	1,500
Net income	(84)	1,100	(0.7%)	100	1,000
Sales weight (In comparison to FY2018 as 100)	76	83	–	80	86

Factors behind change in operating income (Million yen)



- Although concerns regarding the shortage of supply of parts, such as semiconductors, will remain, sales will increase along with recovery in the volume of car production by our customers.
- Profit is expected to increase due to the improvement in productivity, even though the recovery in sales weight will be limited.
- The soaring energy and labor costs will continue to affect income, aim to increase profits by promoting price negotiations.

Actual foreign exchange rates (full-year average): USD: ¥134.95; Mexican peso: ¥130.78; Chinese yuan: ¥19.39; Indian rupee: ¥1.68 Exchange rate assumptions in plan: USD: ¥130.00; Chinese yuan: ¥19.0; Indian rupee: ¥1.60

# Return to Shareholders

**Dividends: Increase in annual dividend from 10 yen in FY2022 to 15 yen in FY2023 is planned.**

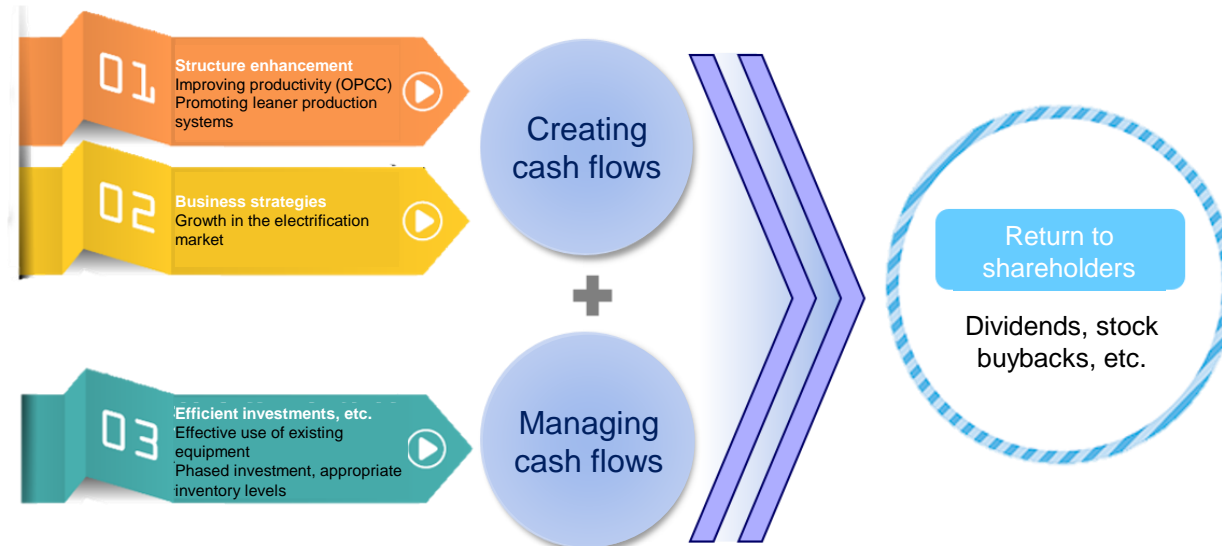
⇒ Provide returns to shareholders based on consolidated performance while maintaining a sound financial structure to continue flexible order-taking and growth investment.

**Purchase of treasury stock: 900,000 shares (maximum) Total acquisition amount: 500 million yen (maximum)**

**Purchase period: May 19, 2023 to December 31, 2023**

⇒ Should be flexibly implemented as part of the strategic capital policy, taking into comprehensive consideration various factors, such as business performance, investment needs, financial status, and the external environment

Dividend per share	Year ended March 2021	Year ended March 2022	Year ended March 2023	Year ending March 2024 (Forecast)
(Annual total)	5	10	10	15
Interim dividend	0	5	5	5
Year-end dividend	5	5	5	10
Net income per share (consolidated)	(111.06)	(201.23)	(3.26)	42.43
Dividend payout ratio (consolidated)	—	—	—	35.4%







# Casting Our Eyes on the Future

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