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For immediate release

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Notice on Recording of Non-operating Income and an Extraordinary Loss, and Revisions to Consolidated Business Forecasts (first half and full year) and Dividend Projection for Fiscal Year Ending March 2024

In view of recent trends in business performance, Ahresty Corporation (“the Company”) hereby announces that it has recorded non-operating income and an extraordinary loss for the first half of the consolidated fiscal year ending March 2024 and has revised its consolidated business forecasts (first half and full year) and dividend projection for the fiscal year ending March 2024 released on May 18, 2023.

1. Recording of non-operating income (foreign currency exchange gain)

Due to changes in exchange rates that occurred during the first half of the fiscal year under review, we recorded a foreign currency exchange gain of 466 million yen as non-operating income. This came as a result of revaluation of the foreign currency-denominated claims and debts held by the Ahresty Group, based on the exchange rates at the end of the period, and may change depending on future exchange rates.

2. Recording of an extraordinary loss (loss related to Chinese business)

During the first half of the consolidated fiscal year under review, Hefei Ahresty Casing Co., Ltd., a consolidated subsidiary of the Company, suspended planned mass production of die-casting products due to the intensifying competition between Japanese automobile manufacturers, the Company’s major customers in the Chinese market, and Chinese EV (electric vehicle) manufacturers. Regarding the inventory of products, dies and dedicated equipment related to such die-casting products, we estimated the unrecoverable amount in the future and recorded an extraordinary loss of 160 million yen as a loss related to Chinese business.

3. Revisions to business forecasts

(1) Revisions to consolidated results forecasts for the first half of the year ending March 2024 (from April 1, 2023 to September 30, 2023)

	Net sales	Operating income	Recurring income	Net income attributable to owners of parent	Net income per share
	million yen	million yen	million yen	million yen	yen
Previous forecasts (A)	74,700	400	100	100	3.86
Actual results (B)	77,700	600	900	1,000	38.68
Difference (B – A)	3,000	200	800	900	
Percentage change (%)	4.0	50.0	800.0	900.0	
(Ref.) Results of first half of previous year (First half of year ending March 2023)	66,536	(1,198)	(820)	(830)	(32.08)

(2) Revisions to consolidated results forecasts for the full year ending March 2024 (from April 1, 2023 to March 31, 2024)

	Net sales	Operating income	Recurring income	Net income attributable to owners of parent	Net income per share
	million yen	million yen	million yen	million yen	yen
Previous forecasts (A)	150,000	2,200	1,600	1,100	42.43
Revised forecasts (B)	155,000	2,400	2,200	1,400	54.16
Difference (B – A)	5,000	200	600	300	
Percentage change (%)	3.3	9.1	37.5	27.3	

(Ref.) Results of previous year (Year ended March 2023)	140,938	23	94	(84)	(3.26)
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(3) Reasons for revisions

Net sales for the first half of the consolidated fiscal year under review exceeded the previous forecast due to recovery in the volume of orders received in the Die Casting Business Japan and North America, reflecting the easing of the semiconductor shortage and the production increase by car manufacturers, as well as the impact of the yen's weakening.

Operating income exceeded the previous forecast due to recovery in the volume of orders received in the Die Casting Business Japan and North America, as well as progress in reflecting rises in energy prices in selling prices, despite an increase in production costs due to the ongoing high energy prices and rising labor costs.

Recurring income and net income attributable to owners of parent exceeded the previous forecasts despite the occurrence of the above-mentioned extraordinary loss, mainly because of a significant increase in foreign currency exchange gain due to changes in exchange rates.

The Company has also revised the consolidated full-year business forecasts in view of the trends in business performance for the consolidated first half and the latest outlook for each segment.

4. Revisions to dividend projection

(1) Revisions to dividend projection

Record date	Dividend per share		
	End of second quarter	End of year	Total
Previous forecasts	5.00 yen	10.00 yen	15.00 yen
Revised forecasts	10.00 yen	10.00 yen	20.00 yen
Year ending March 2024			
Year ended March 2023	5.00 yen	5.00 yen	10.00 yen

(2) Reasons for revisions

The basic capital and shareholder return policy of the Company is to properly return profits to shareholders within a range that will not affect the soundness of the financial structure while making growth investment for electrification in view of the business environment of the Group and the characteristics of the Group's businesses, and we pay dividends based on consolidated business results.

Based on this policy, in line with the above revisions to business forecasts, we revised the dividend projection from 5 yen to 10 yen per share for the end of the second quarter. Accordingly, we have revised the projection for the amount of annual dividends per share from 15 yen to 20 yen.

(Note) The forecasts presented herein are based on information currently available and certain assumptions deemed reasonable by the Company, and actual results may differ significantly from these forecasts due to various factors.

Supplementary Material on Business Forecasts

Segment information of consolidated results forecasts for the full year

Segment	Net sales (million yen)			Segment profit (million yen)		
	Previous forecasts	Revised forecasts	Difference	Previous forecasts	Revised forecasts	Difference
Die Casting Business: Japan	62,000	63,500	1,500	650	1,000	350
Die Casting Business: North America	41,000	45,000	4,000	900	1,400	500
Die Casting Business: Asia	34,700	33,600	(1,100)	50	(1,200)	(1,250)
Aluminum Business	7,300	7,000	(300)	200	200	0
Proprietary Products Business	5,000	5,900	900	400	800	400
Elimination of intersegment transactions	—	—	—	—	200	200

Foreign exchange rate assumption (from 2Q: 140.0 yen to USD, 20.0 yen to CNY, 1.70 yen to INR)

(Previous forecasts: 130.0 yen to USD, 19.0 yen to CNY, 1.60 yen to INR)