Research
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Supplementary Materials for the First Half of the Year Ending March 31, 2024

November 14, 2023

Ahresty Corporation

Key Points of the Financial Results for the First Half of the Year Ending March 2024

(Million yen)

	Year ended March 2023	Year ending March 2024			Y-o-Y
	1H	1Q	2Q	1H	
Net sales	66,536	37,996	39,754	**77,750**	**+11,214**
Operating income	(1,198)	227	374	**601**	**+1,799**
Recurring income	(820)	357	581	**938**	**+1,758**
Net income	(830)	452	448	**900**	**+1,730**
Sales weight*	71	81	85	**83**	**+12**

* With the FY2018 average set as 100

<Overview>

- Net sales: Increased 16.9% year on year due mainly to the recovery in the volume of orders received and the weakening of the yen. Sales weight increased 14.5%, reflecting the production increase by car manufacturers in line with the easing of the semiconductor shortage.
- Operating income: Despite the impact of the sluggish sales of Japanese car manufacturers in the Chinese market, an increase in the volume of orders received by the Group as a whole and the partial advancement in price negotiations with customers to compensate the rise in energy costs contributed to profit.
- Net income: Increased mainly due to the recording of foreign currency exchange gains resulting from the weakening of the yen.

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Revisions to Business Forecasts

■ Difference from the 1H results

(Million yen)

	FY2023 1H	
	Oct. 25 revised plan	Results
Net sales	77,700	**77,750**
Operating income	600	**601**
Recurring income	900	**938**
Net income	1,000	**900**

[Factors behind the difference in net income]
In the timely disclosure on October 25, an extraordinary loss of 160 million yen was estimated as loss related to Chinese business. However, as a result of discussions on the future use and recoverability of mainly the business assets, an extraordinary loss of 262 million yen was additionally recorded (422 million yen in total). → Negative impact on net income
Since these extraordinary losses are not treated as expenses for tax purposes, deferred tax assets (deferred income taxes) were recorded based on tax effect accounting. → Positive impact on net income
As a result of the above, net income decreased.

■ Full-year business forecasts

(Million yen)

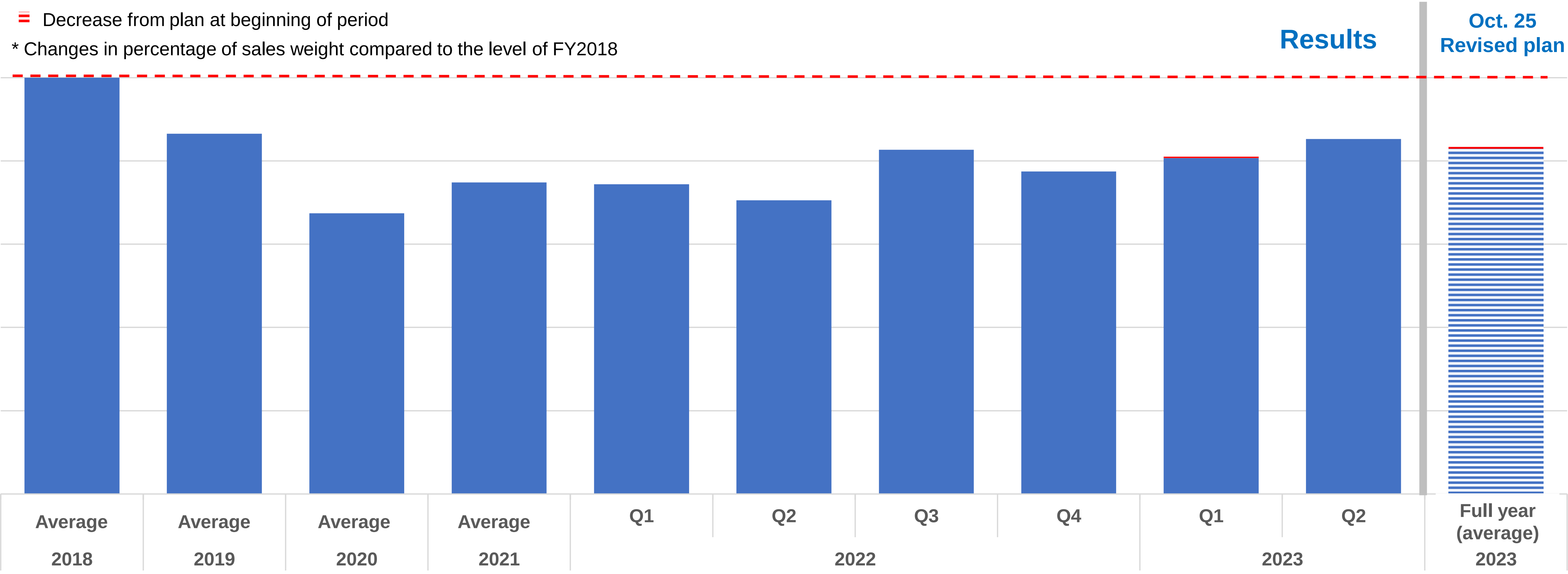
	FY2023 full year	
	May 18 Initial plan	Oct. 25 Revised plan
Net sales	150,000	**155,000**
Operating income	2,200	**2,400**
Recurring income	1,600	**2,200**
Net income	1,100	**1,400**

[Factors behind change]
Net sales:
Revised upward due mainly to stable production by car manufacturers in line with the easing of the impact of semiconductors and the change in assumed exchange rates reflecting the weakening of the yen.
Operating income:
The performance exceeded the initial plan due to recovery in the volume of orders received and improvement in profitability mainly in the Japan and North America segments. On the other hand, in China, recovery in 2nd half and beyond expected in the initial plan seemed difficult and the figures for the Asia segment was revised significantly downward, resulting in a slight increase overall.
Recurring income and net income:
Reflect mainly an increase in foreign currency exchange gains resulting from the weakening of the yen

Foreign exchange rates
(Initial plan ⇒ Revised plan): U.S. dollar: 130.0 ⇒ 140.0; Chinese yuan: 19.0 ⇒ 20.0; Indian rupee: 1.60 ⇒ 1.70

Changes in Sales Weight

Following 1Q, sales weight continued to increase due to stable increase in orders received.
The increase is expected to continue mainly in Japan and North America. But reflecting the decrease in China, the full-year forecast is about the same level as the initial plan in May.



Die Casting Business

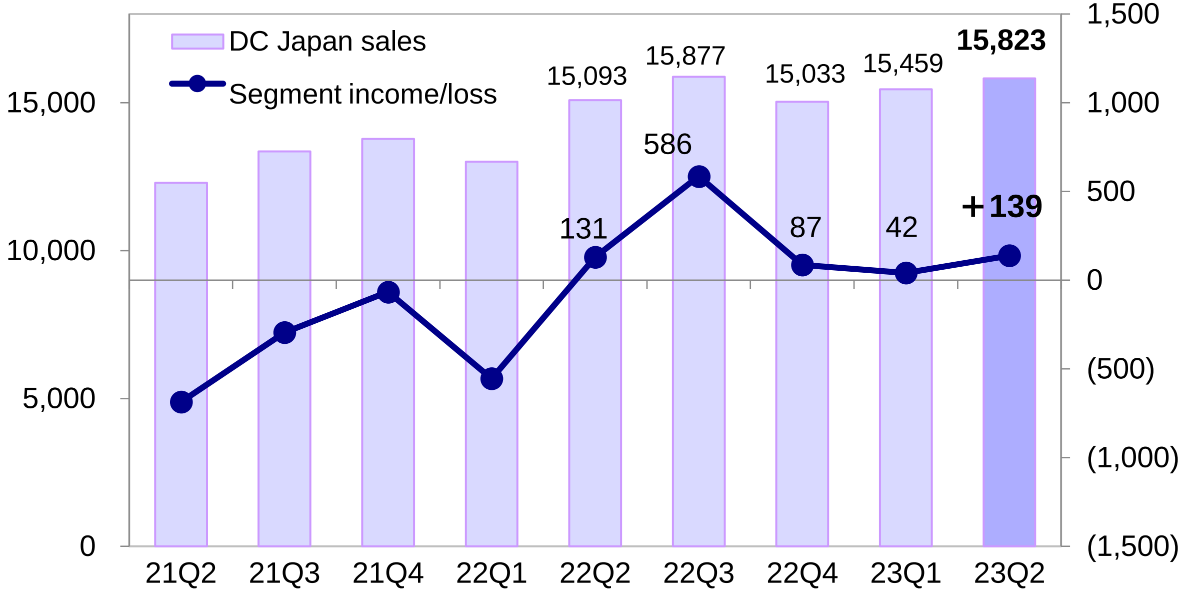
(Million yen)

		Year ended March 2023	Year ending March 2024			Year-on-Year	Year ending March 2024 full year	
		1H	1Q	2Q	1H		May 18 Initial plan	Oct. 25 Revised plan
Japan	Net sales	28,109	15,459	15,823	**31,282**	**+3,173**	62,000	**63,500**
	Segment income (loss)	(423)	42	139	**181**	**+604**	650	**1,000**
North America	Net sales	17,016	11,307	11,664	**22,971**	**+5,955**	41,000	**45,000**
	Segment income (loss)	(713)	405	288	**693**	**+1,406**	900	**1,400**
Asia	Net sales	15,695	7,707	8,595	**16,302**	**+607**	34,700	**33,600**
	Segment income (loss)	(250)	(617)	(371)	**(988)**	**(738)**	50	**(1,200)**

* 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

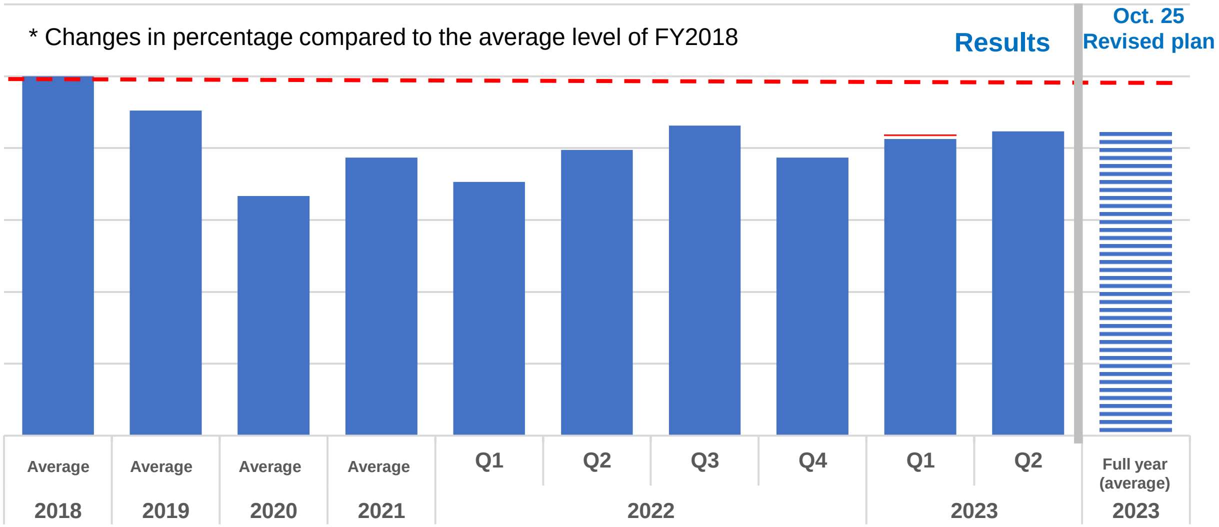
Changes in sales and segment income (million yen)



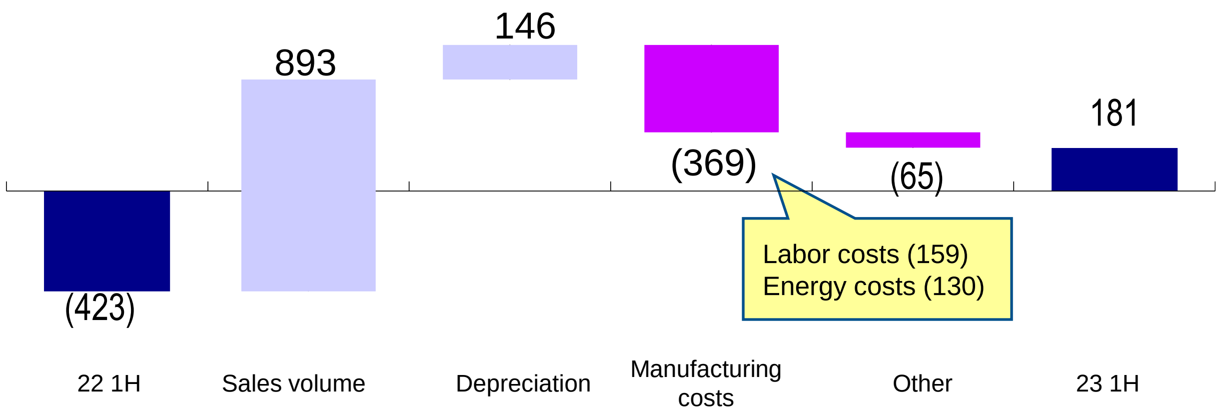
1st half
Sales: ¥31,200 million Up ¥3,100 million (11.3%) year on year
Income: ¥180 million Up ¥600 million year on year (returned to the black)
2Q
Sales: ¥15,800 million Up ¥800 million (4.8%) year on year
Income: ¥130 million Up ¥0 million (0.6%) year on year

➢ Despite an increase in production costs due to rises in energy and labor costs, etc., income increased in line with the recovery in the volume of orders received and the progress in energy price negotiations.

Changes in sales weight

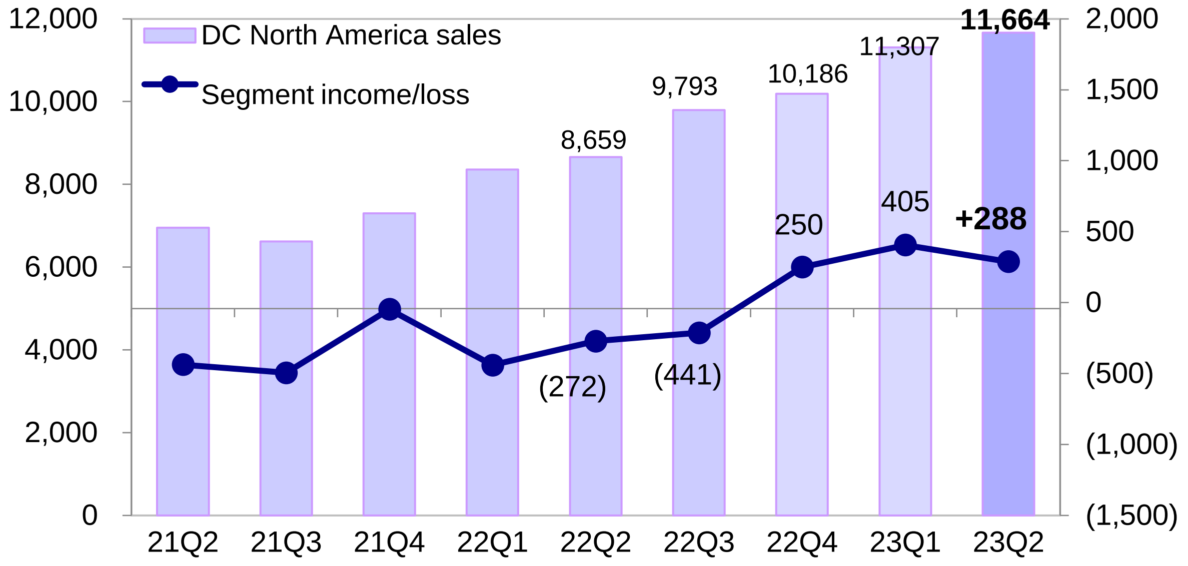


Factors behind change in segment income (million yen)

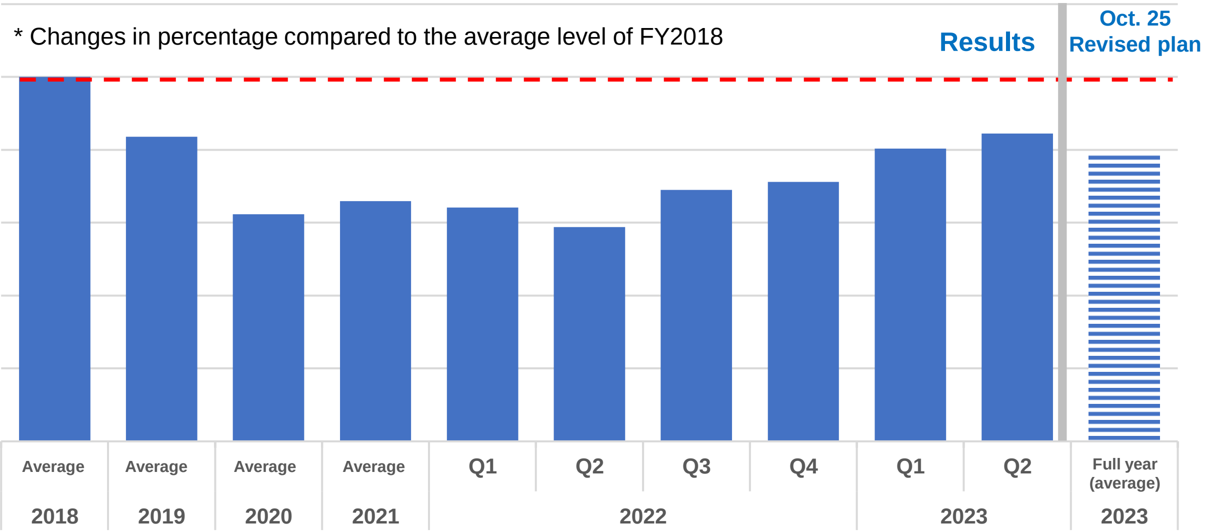


Die Casting in North America

Changes in sales and segment income (million yen)



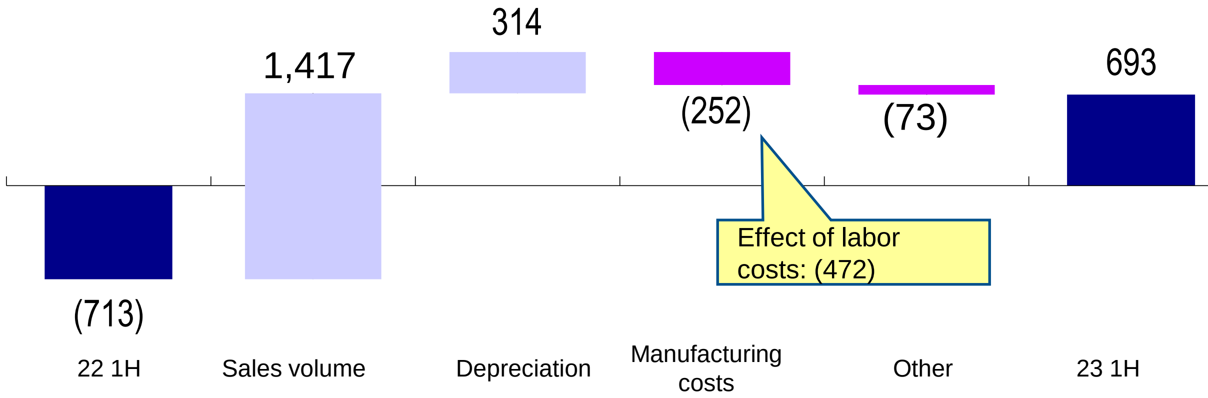
Changes in sales weight



1st half
Sales: ¥22,900 million Up ¥5,900 million (34.9%) year on year
Income: ¥690 million Up ¥1,400 million year on year (returned to the black)
2Q
Sales: ¥11,600 million Up ¥3,000 million (34.7%) year on year
Income: ¥280 million Up ¥500 million year on year (returned to the black)

- Sales increased due to an increase in the volume of orders received and the weakening of the yen. Although the rise in labor costs continued to affect revenue, the U.S. plant continued to record a surplus due to the advancement in price negotiations and the effect of cost reduction, contributing to the increase in income.

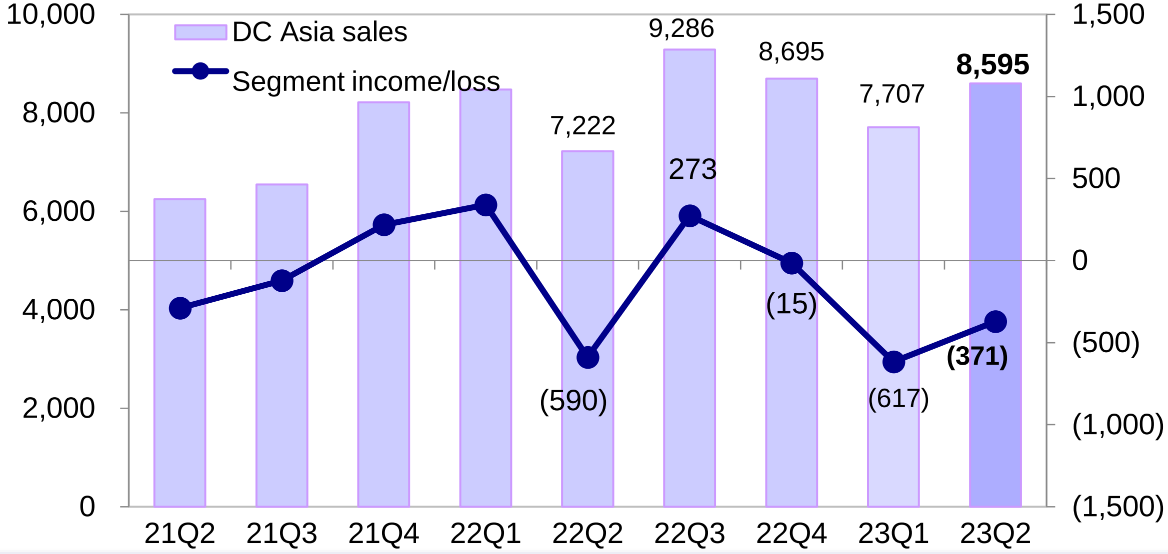
Factors behind change in segment income (million yen)



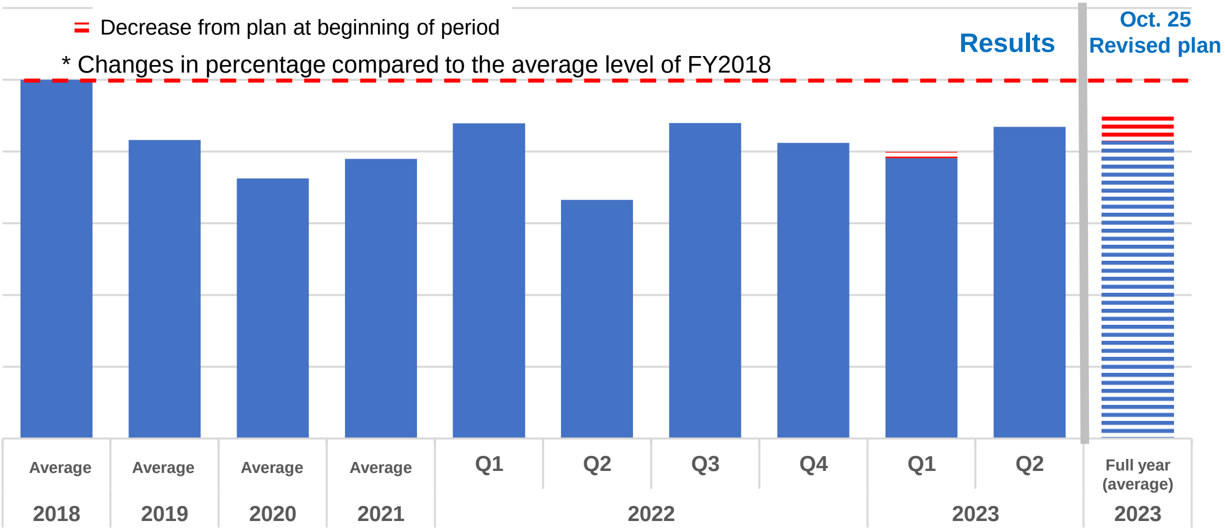
Fiscal year end: March in U.S.; December in Mexico
Exchange rate (22Q2 ⇒ 23Q2): U.S. dollar: ¥133.47 ⇒ 141.31; Mexican peso: ¥123.18 ⇒ 135.99

Die Casting in Asia

Changes in sales and segment income (million yen)



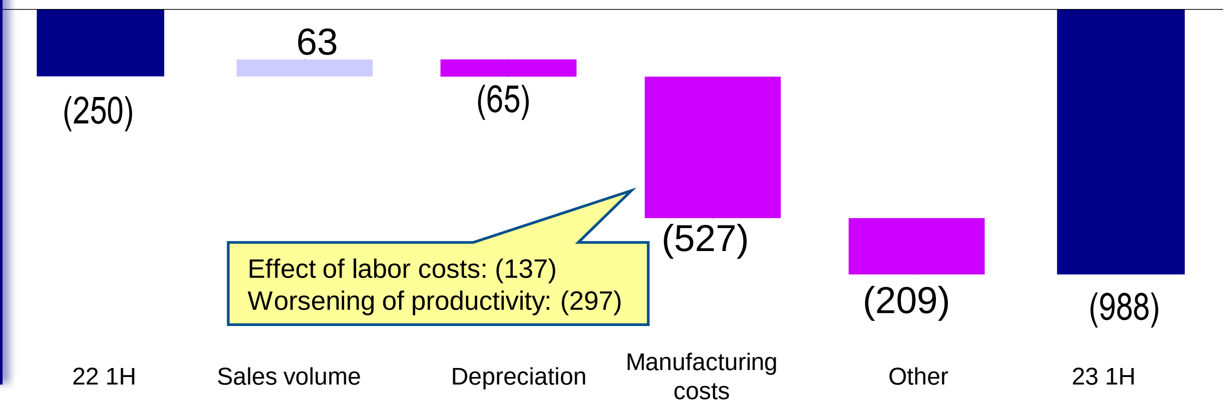
Changes in sales weight



1st half
Sales: ¥16,300 million Up ¥600 million (3.8%) year on year
Income: Loss of ¥980 million Down ¥700 million year on year (loss increased)
2Q
Sales: ¥8,500 million Up ¥1,300 million (19.0%) year on year
Income: Loss of ¥370 million Up ¥200 million (loss decreased)

- Despite the ongoing sluggish sales of our major customers in China, production increase in India and the weak yen contributed to the increase in sales. While efforts were made to reduce fixed costs through optimal allocation of personnel, income worsened due to a decrease in orders received in China and the low productivity of the Indian plant. Income has been improving lately.

Factors behind change in segment income (million yen)



Fiscal year end: December in China; March in India
Exchange rate (22Q2 ⇒ 23Q2): Chinese yuan: ¥18.9 ⇒ 19.47; Indian rupee: ¥1.70 ⇒ 1.72

Aluminum Business and Proprietary Products Business

(Million yen)

		Year ended March 2023	Year ending March 2024			Year-on-Year	Year ending March 2024 full year	
		1H	1Q	2Q	1H		May 18 Initial plan	Oct. 25 Revised plan
Aluminum Business	Net sales	3,920	1,842	1,667	**3,509**	**(411)**	7,300	**7,000**
	Segment income (loss)	152	55	33	**88**	**(64)**	200	**200**
Proprietary Products Business	Net sales	1,794	1,679	2,005	**3,684**	**+1,890**	5,000	**5,900**
	Segment income (loss)	111	174	313	**487**	**+376**	400	**800**

<Aluminum Business>
- Sales: Decreased due to the impact of a decrease in sales weight and a decline in aluminum prices.
- Income: Decreased mainly due to the decline in sales.

<Proprietary Products Business>
- Sales: Increased due to an increase in orders for clean room projects from a semiconductor production company, our main customer, and the recording of sales of a major project that had been postponed from the previous period.
- Income: Increased mainly due to an increase in net sales. Maintained profitability.

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Return to Shareholders

In line with the good performance in 1H, increased interim dividend from ¥5 to ¥10
Returning profits to shareholders based on consolidated business results within a range that will not affect the soundness of the financial structure while making growth investment for electrification

Dividend per share	FY2022 Results	FY2023 Initial projection	FY2023 Revised projection
Annual dividend	10	15	**20**
Interim	5	5	**10**
Year-end	5	10	**10**
Net income per share	(3.26)	42.43	**54,16**
Dividend payout ratio	–	35.4%	**36.0%**

Purchase of treasury stock steadily progressing
Similar to dividend payments, flexibly implementing the acquisition as part of the strategic capital policy in line with our financial strategy, taking into consideration business envirnment, the financial status, etc.

Treasury stock	Maximum acquisition	As of Oct. 31	Progression rate
Number of shares acquired	900,000	**541,800**	**60.2%**
Total amount (million yen)	500	**392.8**	**78.6%**
Purchase period	May 19, 2023 to December 31, 2023		

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Casting Our Eyes on the Future

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This document and what is said in the results briefing include forecasts that the Company made based on data available when the document was prepared. Actual results could be different from the forecasts for a range of reasons.