

# Results Briefing for the Year Ended March 31, 2024

May 31, 2024



# Results of Year ended March 2024

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# Key Results for the Fiscal Year Ended March 2024

(Million yen)

|                  | Year ended<br>March 2023 | Year ended March 2024 |         |         |           | YoY changes |
|------------------|--------------------------|-----------------------|---------|---------|-----------|-------------|
|                  | Full year                | 1H                    | 2H      | 4Q      | Full year |             |
|                  |                          |                       |         |         |           |             |
| Net sales        | 140,938                  | 77,750                | 80,504  | 39,443  | 158,254   | +17,316     |
| Operating income | 23                       | 601                   | 1,690   | 649     | 2,291     | +2,268      |
| Recurring income | 94                       | 938                   | 1,636   | 762     | 2,574     | +2,480      |
| Net income       | (84)                     | 900                   | (8,599) | (8,954) | (7,699)   | (7,615)     |
| Sales weight*    | 76                       | 83                    | 84      | 82      | 84        | +8          |

\* With the FY2018 average set as 100

## <Overview>

- Sales: Increased 12.3% year on year partly due to the steady recovery in the volume of orders received and the effect of exchange rates. Sales weight increased 9.6%, reflecting the increase in production by car manufacturers.
- Operating income: In addition to an increase in the volume of orders received by the Group as a whole, steady progress in price adjustments to compensate for higher energy costs, etc. contributed to profit.
- Net income: Although sales of Japanese car manufacturers in China remained sluggish, cost optimization progressed through reduction of fixed costs, etc. Loss increased mainly due to the recording of impairment loss on the plants in China and reversal of deferred tax assets.

# Impairment Loss

**Impairment loss recorded at the plants in China (Guangzhou and Hefei):  
Approx. 9 billion yen**

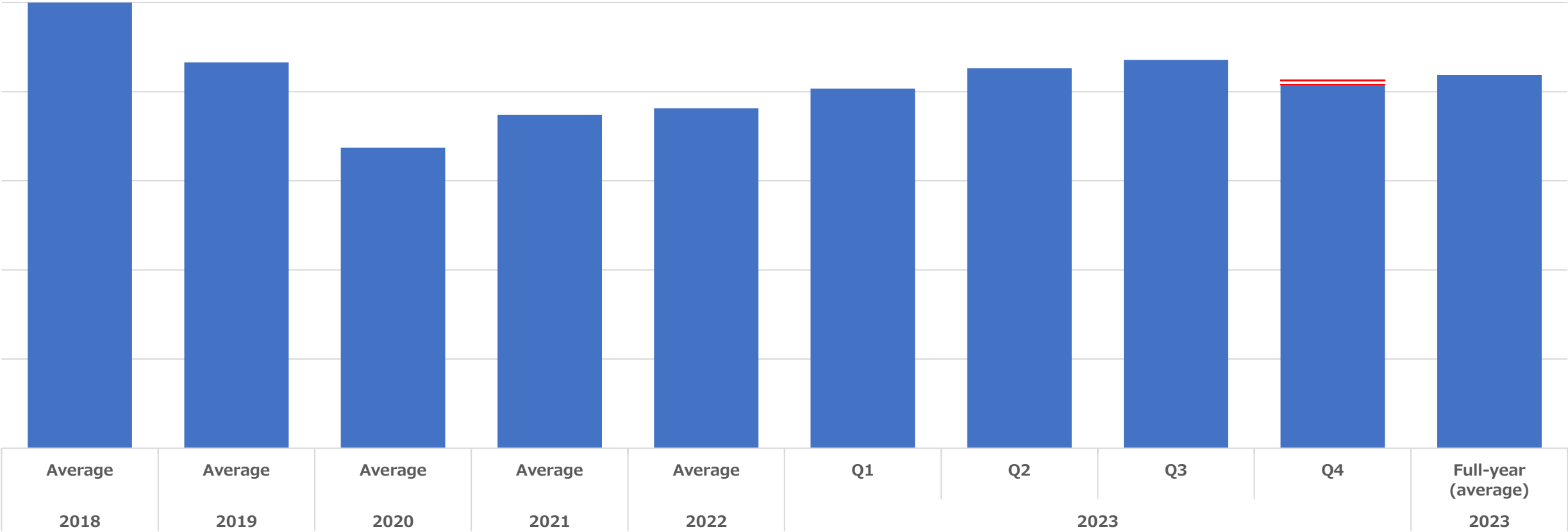
Earnings deteriorated due to the significant impact of production reduction by Japanese automakers, our major customers, as competition intensified due to the rapid shift to electrification in the Chinese market, resulting in the recording of an impairment loss.

- Ease of depreciation cost from FY2024  
(approx. 10 billion yen of reduction in fixed costs annually)
- Considering review of the business portfolio in China in the future

# Changes in Sales Weight

Despite production reduction by some customers in 4Q, the full year result reached about the level of the Oct. 25 revised plan.

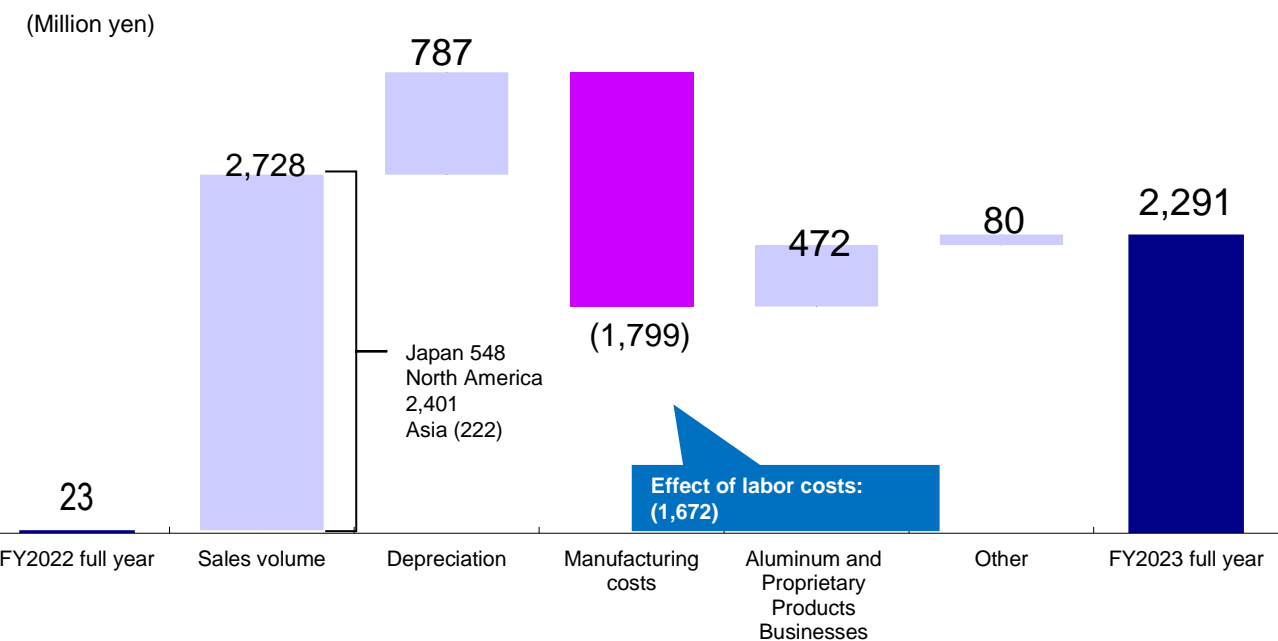
- ▬ Decrease from the Oct. 25 released figures (revised plan)
- ※ Changes in percentage of sales weight compared to the level of FY2018



# Consolidated Results

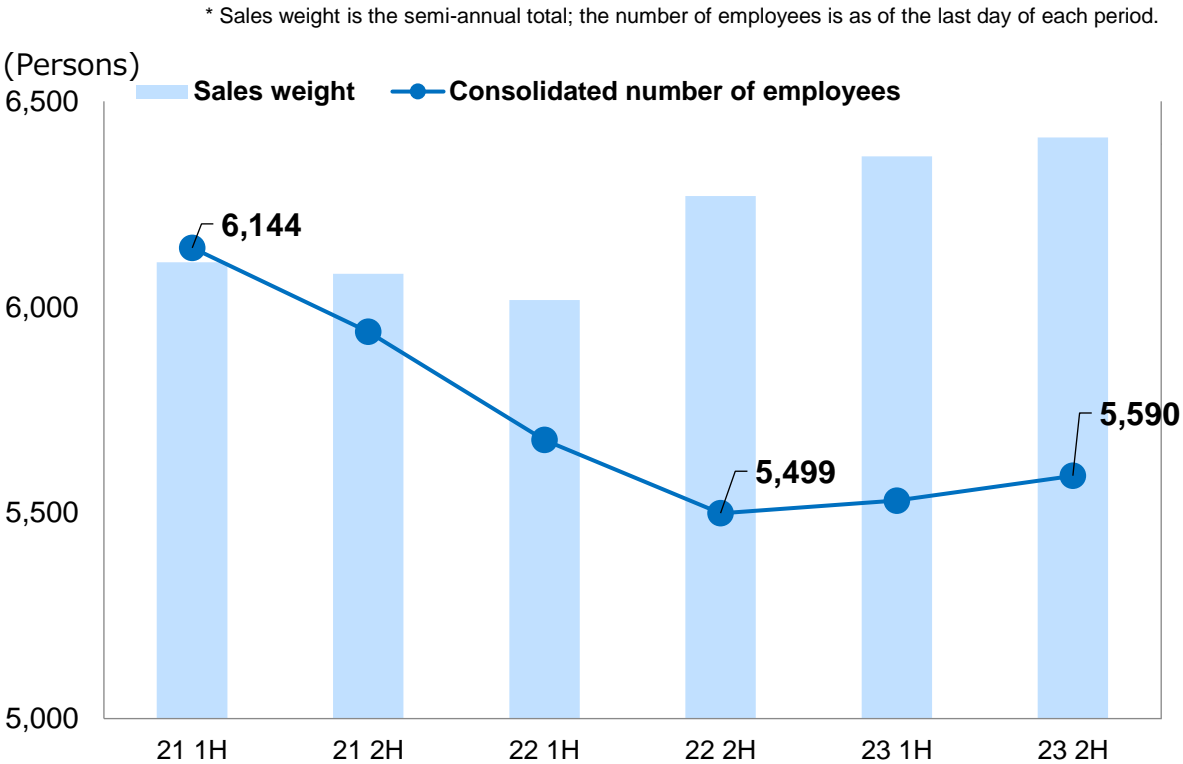
Recovery in sales volume mainly in the North America segment contributed to revenue significantly. Although manufacturing costs were significantly impacted by rising labor costs, productivity improved in some plants. By promoting further improvements, we will shift to a system that can secure stable revenue.

## ■ Factors behind change in operating income



We have established a profit-making structure by reducing personnel growth through the optimization of personnel allocation, implementation of lean production systems and streamlining work even as sales weight recovers/increases.

## ■ Changes in number of employees



# Die Casting Business

(Million yen)

|                  |                          | Year ended<br>March 2023 | Year ended March 2024 |        |        |           | YoY changes |
|------------------|--------------------------|--------------------------|-----------------------|--------|--------|-----------|-------------|
|                  |                          | Full year                | 1H                    | 2H     | 4Q     | Full year |             |
| Japan            | Net sales                | 59,019                   | 31,282                | 30,725 | 14,097 | 62,007    | +2,988      |
|                  | Segment income<br>(loss) | 250                      | 181                   | 414    | (2)    | 595       | +345        |
| North<br>America | Net sales                | 36,995                   | 22,971                | 24,996 | 12,521 | 47,967    | +10,972     |
|                  | Segment income<br>(loss) | (676)                    | 693                   | 549    | 294    | 1,242     | +1,918      |
| Asia             | Net sales                | 33,676                   | 16,302                | 18,796 | 10,187 | 35,098    | +1,422      |
|                  | Segment income<br>(loss) | 8                        | (988)                 | 338    | 200    | (650)     | (658)       |

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

# Aluminum Business and Proprietary Products Business

(Million yen)

|                               |                       | Year ended<br>March 2023 | Year ended March 2024 |       |       |           | YoY changes |
|-------------------------------|-----------------------|--------------------------|-----------------------|-------|-------|-----------|-------------|
|                               |                       | Full year                | 1H                    | 2H    | 4Q    | Full year |             |
| Aluminum Business             | Net sales             | 7,975                    | 3,509                 | 3,548 | 1,641 | 7,057     | (918)       |
|                               | Segment income (loss) | 274                      | 88                    | 53    | 11    | 141       | (133)       |
| Proprietary Products Business | Net sales             | 3,271                    | 3,684                 | 2,439 | 999   | 6,123     | +2,852      |
|                               | Segment income (loss) | 285                      | 487                   | 404   | 150   | 891       | +606        |

## <Aluminum Business>

- Sales: Decreased due to the impact of a decline in aluminum prices.
- Income: Decreased mainly due to the decline in sales.

## <Proprietary Products Business>

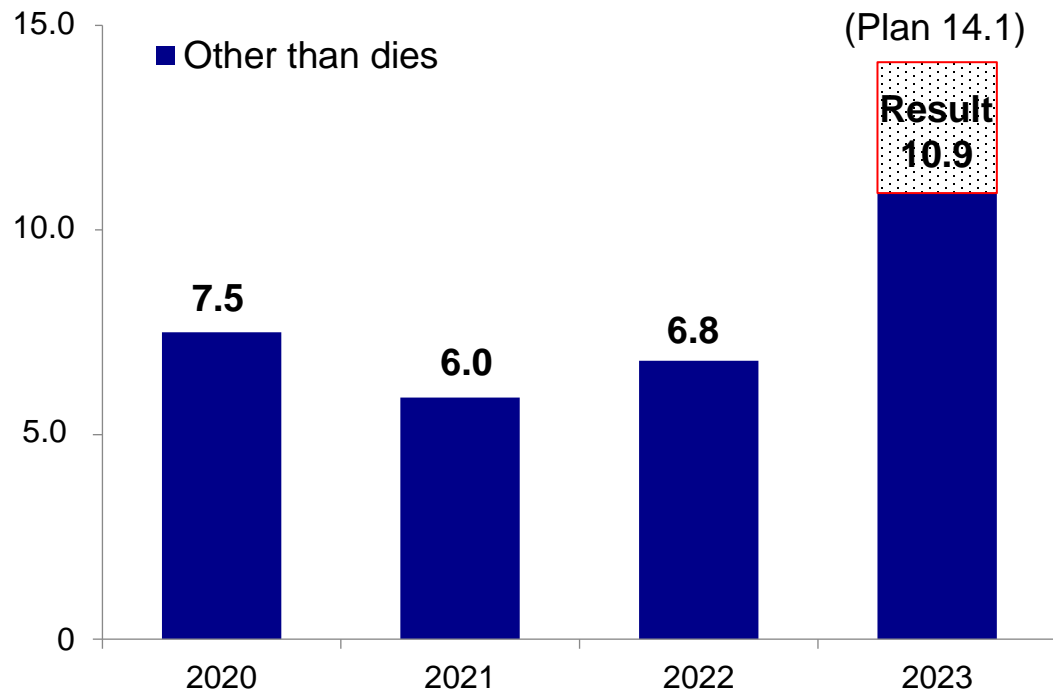
- Sales: Large orders, such as clean room projects from a semiconductor production company, our main customer, increased.
- Income: Marked record high profit due to the record high sales. Contributed significantly to overall income.



# Capital Investment, Depreciation and Amortization

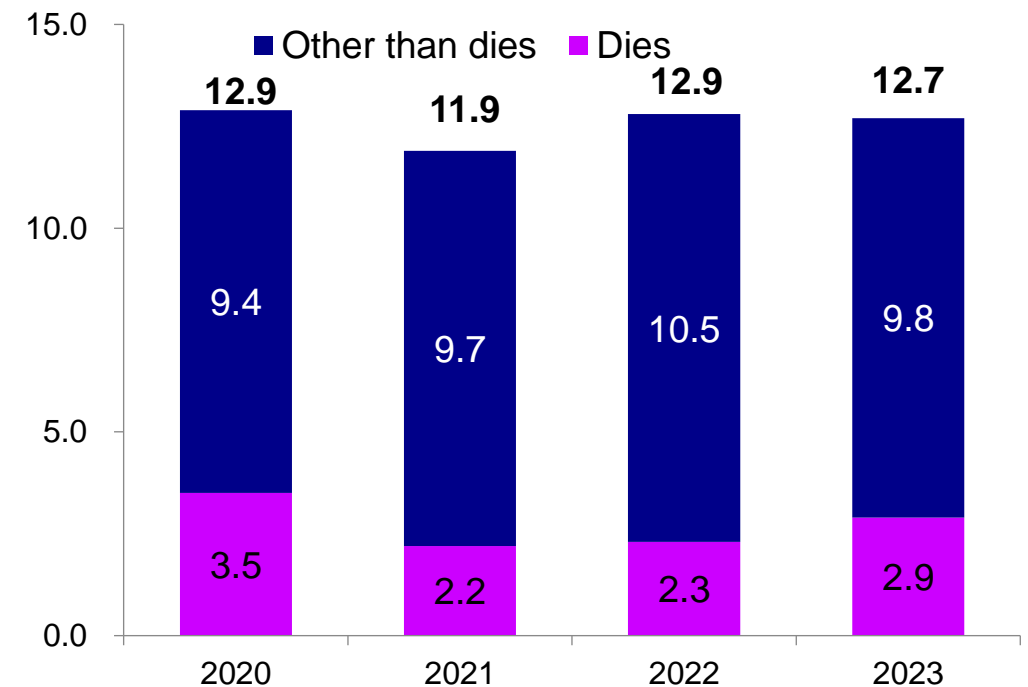
- Amount of capital investment: Decreased in FY2023 compared to the plan, partly due to a reduction in investments at our Chinese site, but increased compared to the previous year due to a recovery in orders.
- Depreciation and amortization: About the same level as in the previous year.

Amount of capital investment (Billion yen)



\* Starting from FY2021, the capital investment amount excludes the amount for dies due to a change in the method of asset recording for dies.

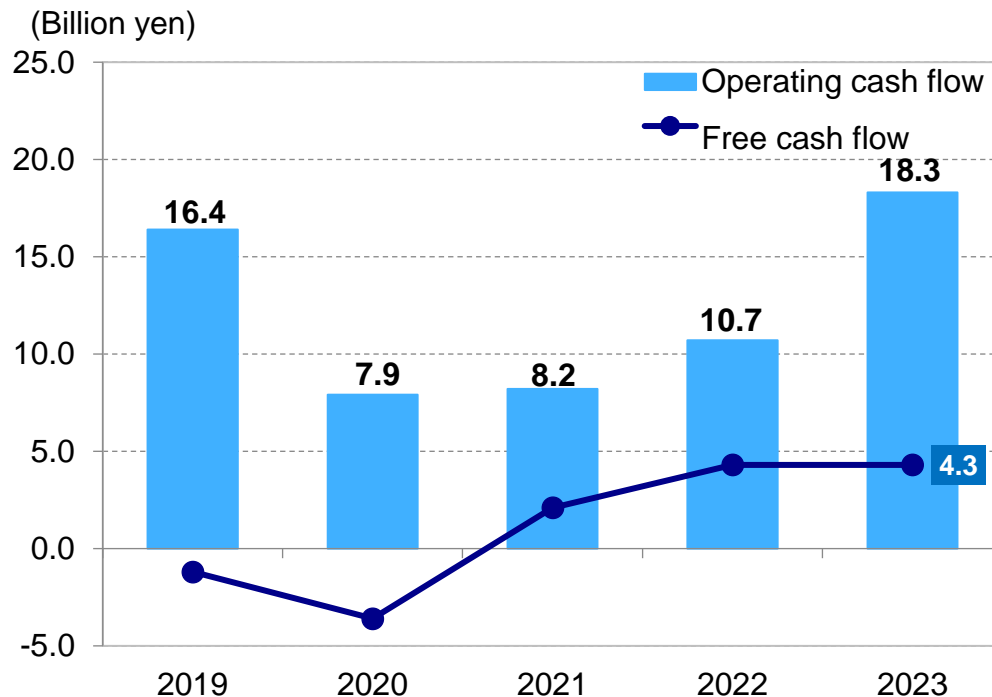
Amount of depreciation and amortization (Billion yen)



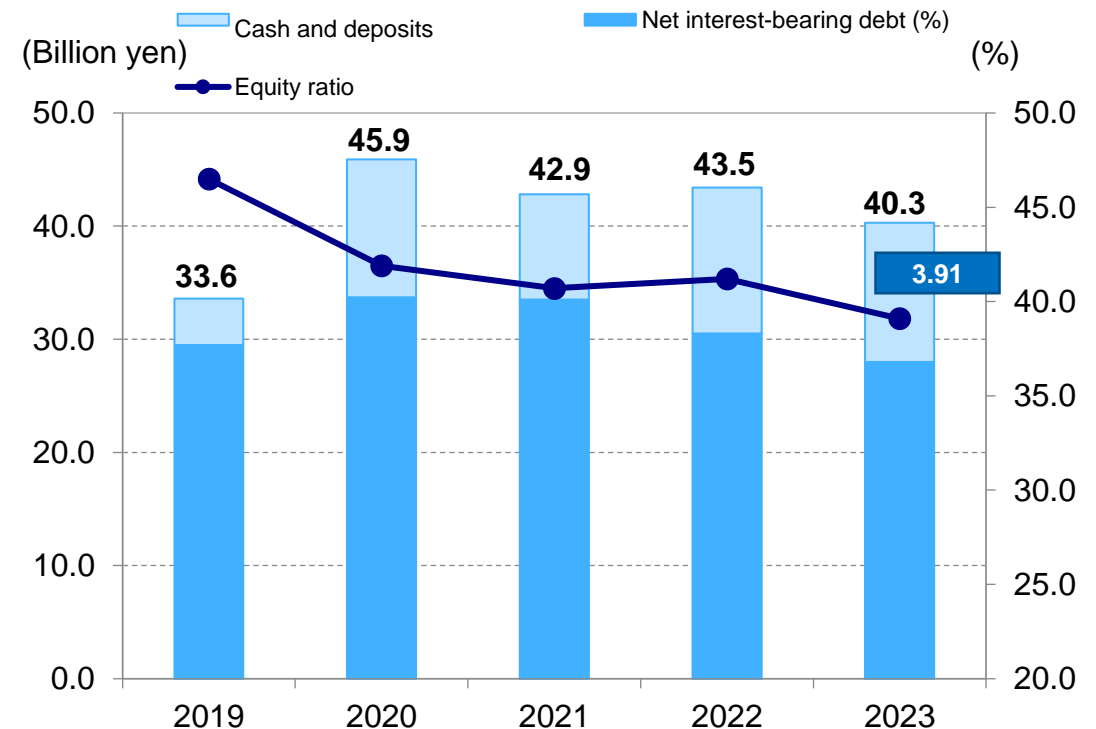
\* Starting from FY2021, depreciation for some dies is not included due to a change in the method of asset recording for dies.

# Financial Performance

- Cash flows: In FY2023, operating cash flows increased as a result of an increase in revenue following a recovery in orders, etc. Free cash flow maintained the previous year's level thanks to an increase in investments for newly ordered products, among others.
- Interest-bearing debt: Interest-bearing debt was reduced (net interest-bearing debt was ¥28 billion), while cash and deposits continued to maintain the same level as in the previous year. The equity ratio decreased due to the recording of impairment losses. We will work to improve our financial structure in FY2024 and beyond.



\* Free cash flow (FCF) = Operating CF – Investment CF



\* Net interest-bearing debt = Interest-bearing debt – Cash and deposits

# Forecasts for FY2024

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# Assumptions for FY2024 Full-year Plan

**Automobile sales volume (consolidated)** \* Excerpts from the released figures of each company; figures for some customers are production volume.

| (Thousand units)         | FY'23 Initial plan | FY'23 Result | Comparison with initial plan | FY'24 Plan | Year-on-Year |
|--------------------------|--------------------|--------------|------------------------------|------------|--------------|
| Toyota Motor Corporation | 9,600              | 9,443        | (1.6%)                       | 9,500      | +0.6%        |
| Nissan Motor             | 4,000              | 3,442        | (14.0%)                      | 3,700      | +7.5%        |
| Portion of China         | 1,130              | 793          | (29.8%)                      | 800        | +0.9%        |
| Honda Motor              | 4,350              | 4,109        | (5.5%)                       | 4,120      | +0.3%        |
| Portion of Asia          | 1,915              | 1,651        | (13.8%)                      | 1,525      | (7.6%)       |
| SUBARU                   | 1,010              | 970          | (4.0%)                       | 960        | (1.0%)       |
| Suzuki                   | 3,263              | 3,265        | +1.0%                        | 3,325      | +1.8%        |
| Mitsubishi Motors        | 1,121              | 1,029        | (8.2%)                       | 1,001      | (2.7%)       |

## ■ Aluminum prices

Similar to the previous fiscal year, the impact of aluminum prices on revenue is predicted to be limited.

## ■ Exchange rates

Exchange rate assumption: ¥140/\$  
Our exchange rate assumption is conservative given the possibility of a narrowing of the interest rate differential between Japan and the U.S. based on recent market rates.

## ■ The majority of our major customers, car manufacturers, plan a year-on-year increase in sales.

→ While car manufacturers have expressed their intentions to increase sales, uncertainty about the future, as evidenced by the difficulties in the Chinese market, has resulted in plans for FY2024 being only slightly higher than last year.



## ■ Reflecting in our plan

→ Our plan is based on the plans of car manufacturers as well as past results.

# Full-year Plan for Year Ending March 2025

(Million yen)

|                  | Year ended March 2024 | Year ending March 2025 (plan) |        |           |        | YoY changes |
|------------------|-----------------------|-------------------------------|--------|-----------|--------|-------------|
|                  | Full year             | 1H                            | 2H     | Full year |        |             |
| Net sales        | 158,254               | 77,000                        | 82,000 | 159,000   | —      | +746        |
| Operating income | 2,291                 | 1,300                         | 2,700  | 4,000     | (2.5%) | +1,709      |
| Recurring income | 2,574                 | 1,000                         | 2,500  | 3,500     | (2.2%) | +926        |
| Net income       | (7,699)               | 100                           | 1,900  | 2,000     | (1.3%) | +9,699      |

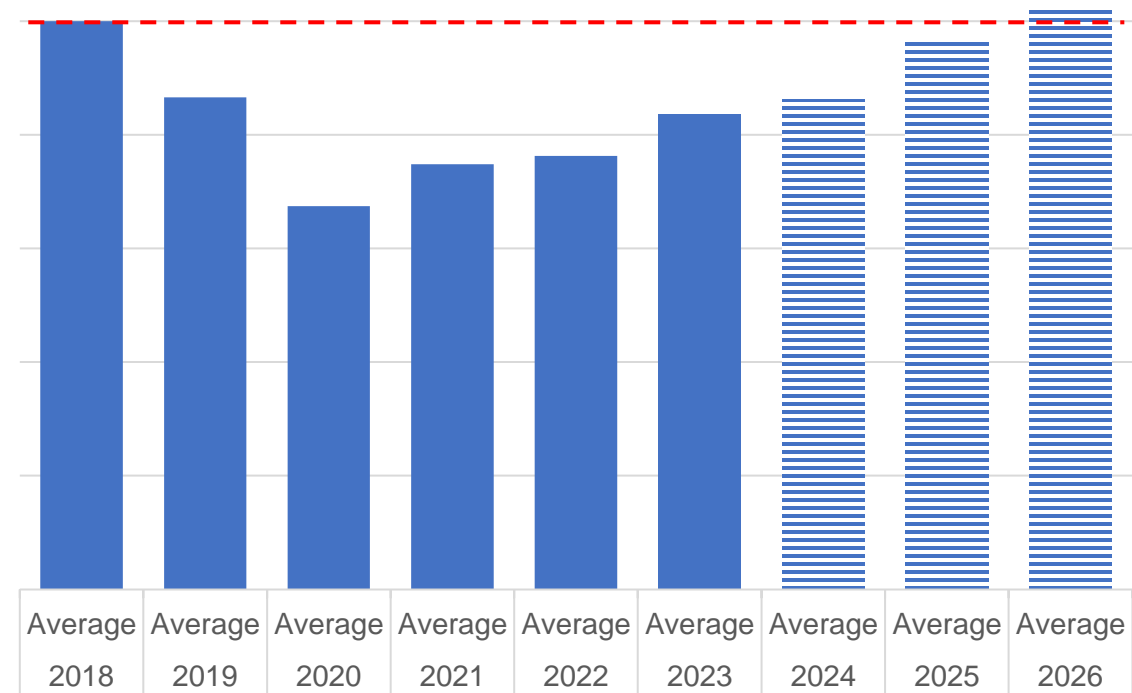
- The volume of orders is expected to increase due to the launch of new products mainly in North America and India, and other factors.
- The severe market environment is likely to continue in China.
- Enhance resistance to order fluctuations by streamlining production systems to reduce fixed costs and further improve productivity.
- Absorb the impact of cost increases by promoting negotiations to pass on energy and labor costs to selling prices.

Exchange rate assumptions in plan: USD: ¥140.00; Chinese yuan: ¥20.0; Indian rupee: ¥1.70

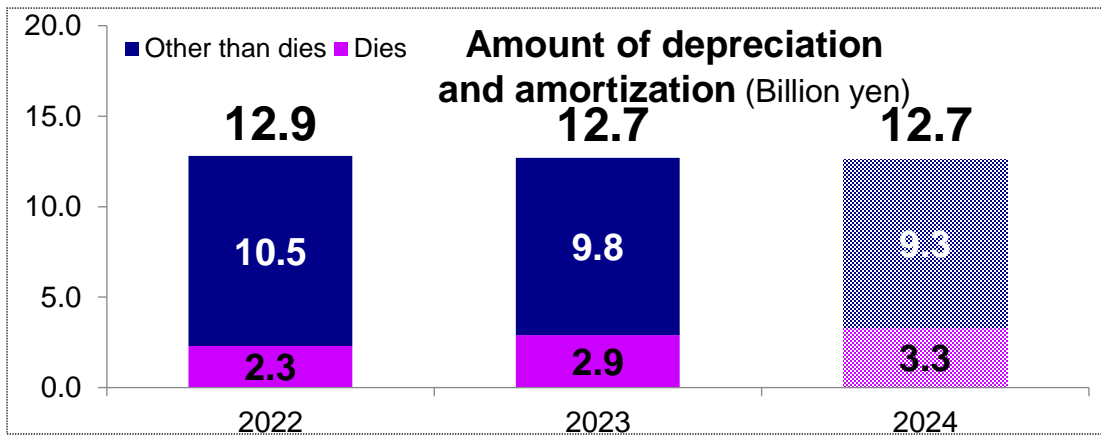
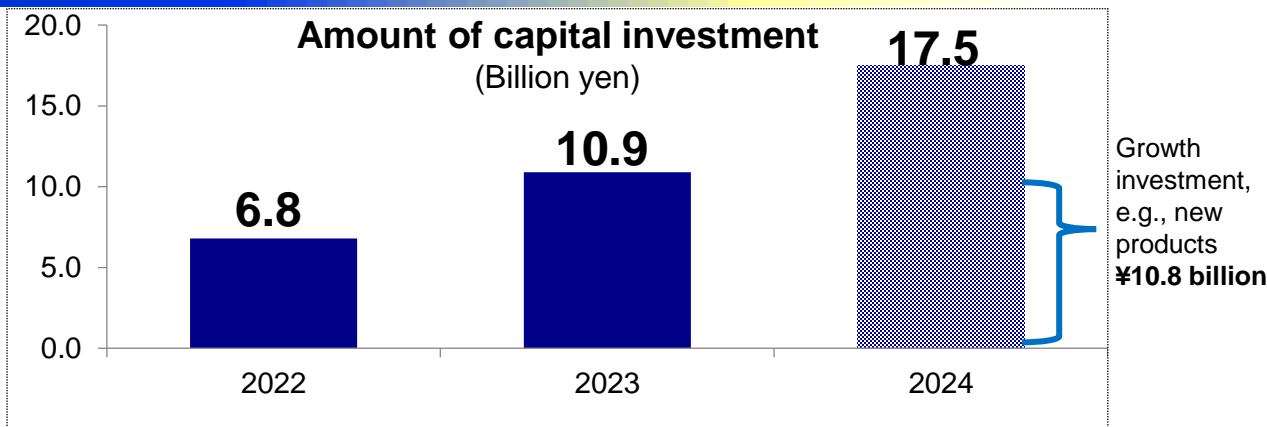
# Sales Weight and Capital Investment Forecasts

## Sales weight

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



From FY2024 onward, sales are expected to increase and exceed the level before COVID (FY2018) in FY2026 mainly due to recovery in the volume of orders received and the start of mass production of new products.



Expected to increase due to growth investments for newly ordered products. We will improve investment efficiency and strive to achieve a sound financial structure and increase profitability. Although capital investment will increase, depreciation will be at the same level as last year partly due to the mitigating effects of impairment losses.

# Return to Shareholders

## Dividends: Increase in annual dividend to 28 yen in FY2024 is planned.

A net loss was recorded for FY2023 due to impairment losses, etc., regrettably resulting in reduction of the year-end dividend to 5 yen from the 10 yen forecast at the beginning of the fiscal year. In FY2024, continue to return profits to shareholders based on consolidated financial results in accordance with the financial strategy.

| Item                  | Year ended March 2022 | Year ended March 2023 | Year ended March 2024 | Year ending March 2025 Forecast |
|-----------------------|-----------------------|-----------------------|-----------------------|---------------------------------|
| Annual dividend       | 10                    | 10                    | 15                    | <b>28</b>                       |
| Interim               | 5                     | 5                     | 10                    | <b>10</b>                       |
| Year-end              | 5                     | 5                     | 5                     | <b>18</b>                       |
| Net income per share  | (201.23)              | (3.26)                | (300.55)              | <b>81.27</b>                    |
| Dividend payout ratio | —                     | —                     | —                     | <b>34.5%</b>                    |

## Purchase of treasury stock: Steadily progressing

Similar to dividend payments, flexibly implementing the acquisition of our own shares as part of the capital policy in line with our financial strategy, taking into consideration our business environment, financial status, etc.

| Item                       | Previous                          | Acquisition limit                    | As of Apr. 30  | Progression rate |
|----------------------------|-----------------------------------|--------------------------------------|----------------|------------------|
| Number of shares acquired  | 679,200                           | <b>600,000</b>                       | <b>233,200</b> | <b>38.9%</b>     |
| Total amount (million yen) | 499.9                             | <b>500</b>                           | <b>183.5</b>   | <b>36.7%</b>     |
| Purchase period            | May 19, 2023 to December 31, 2023 | February 19, 2024 to August 31, 2024 |                |                  |

- \* Implemented cancellation of treasury stock on February 19, 2024: Number of shares cancelled 530,000
- \* Number of treasury stock as of March 31, 2024: 337,057

# Actions to Improve Revenue

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# A Look Back at the Last Five Periods

## [Summary of Financial Information]

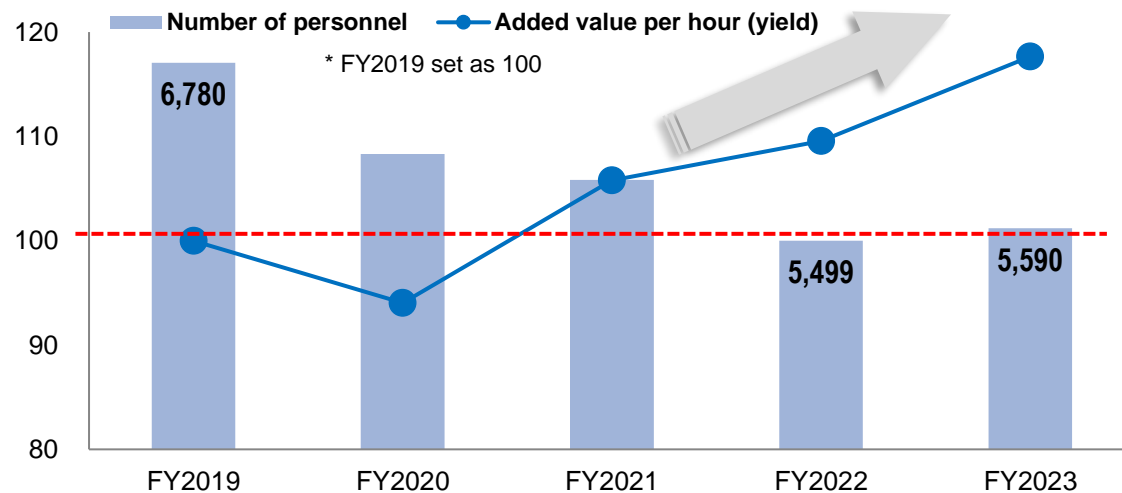
- Net sales** : Gradually recovered after a significant drop in orders due to the pandemic and the semiconductor shortage, and reached record levels in FY2023, partly due to the weaker yen.
- Operating income**: Broke even after two consecutive periods of losses. Increased in FY2023, but operating margin is still recovering.
- Net income** : Posted losses for five consecutive periods due to the posting of impairment losses each time.

## [Achievements]

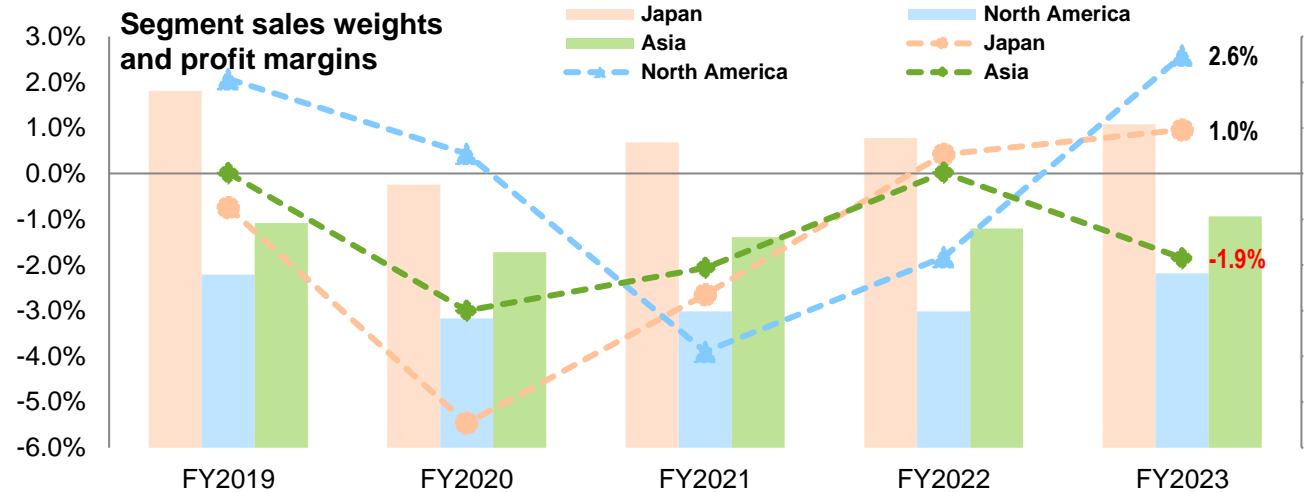
In the midst of the pandemic and the semiconductor shortage, fixed costs were reduced by taking into account the break-even point. We established a lean production system that ensures profitability even when orders fluctuate sharply by implementing labor-saving measures that reduce personnel increases even after orders recover.

## [Challenges]

- Although on a recovery trend, profitability varies from segment to segment.
  - Sudden deterioration in revenue due to unstable production during the production of new products and an increase in production.
- A factor that drags down overall revenue



\* Added value per hour (yield) = Net sales less direct costs, e.g., raw material costs ÷ Total working hours of plant workers



\* Bar chart: Sales weight; Line chart: Profit margin

# Actions to Improve Revenue (1)

## Optimal personnel structure, switching of revenue structure

### Voluntary retirement offers at two major plants in Japan

\* Timely disclosure made on May 28, 2024, for up to around 160 individuals

- Switch to a revenue structure resilient to fluctuations in orders
- Shift to high value-added work by putting the right person in the right place

### Launch of a revenue reform project

- Draft improvement items by a joint team of production, sales, and control
- Promote effective measures focusing on revenue improvement

### Cost control by product and price correction

- Subdivide expense items for each product and identify anomalies
- Raise cost awareness among frontline workers and promote improvement
- Improve product revenue through price correction

## [Expected effects]

**Revenue contribution of  
approx. ¥200 million/month**

# Actions to Improve Profitability (2)

## Effective use of production capacity on a global basis

### Global complementing of production

- Optimal use of products and equipment among the sites
- Improve revenue with an optimal production system, while taking into account tariff and other costs

Example: Complementing production for our U.S. plant  
Effect: Reduction of new investment in casting machines (¥450 million)

### [Expected effects]

**Production leveling, capital investment and personnel reduction**

## Strengthening global production preparation activities

### Launch of Production Preparation Management Office

- Improve/standardize mechanisms of production preparation activities
  - Supervise/improve target achievement status before & after the start of mass production
- Quality, productivity, cost, delivery date, etc.

Example in India plant: Stabilize production upon future new production increases

### [Expected effects]

**Revenue improvement through stable production**

# Addressing Changes in the Market Environment (Sales Strategy)

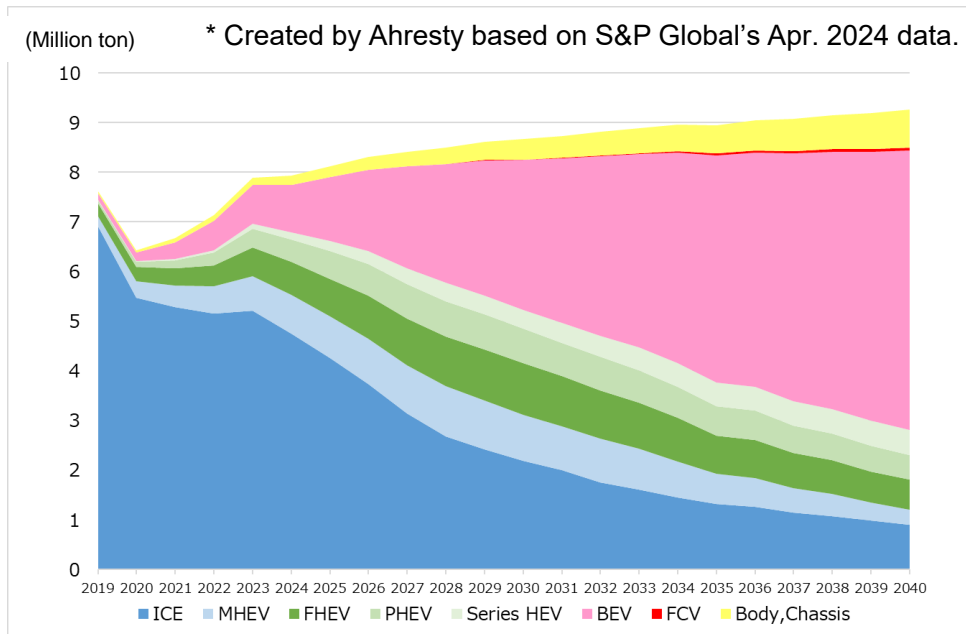
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# Basic Strategy on Changes in the Automotive Market and on Orders

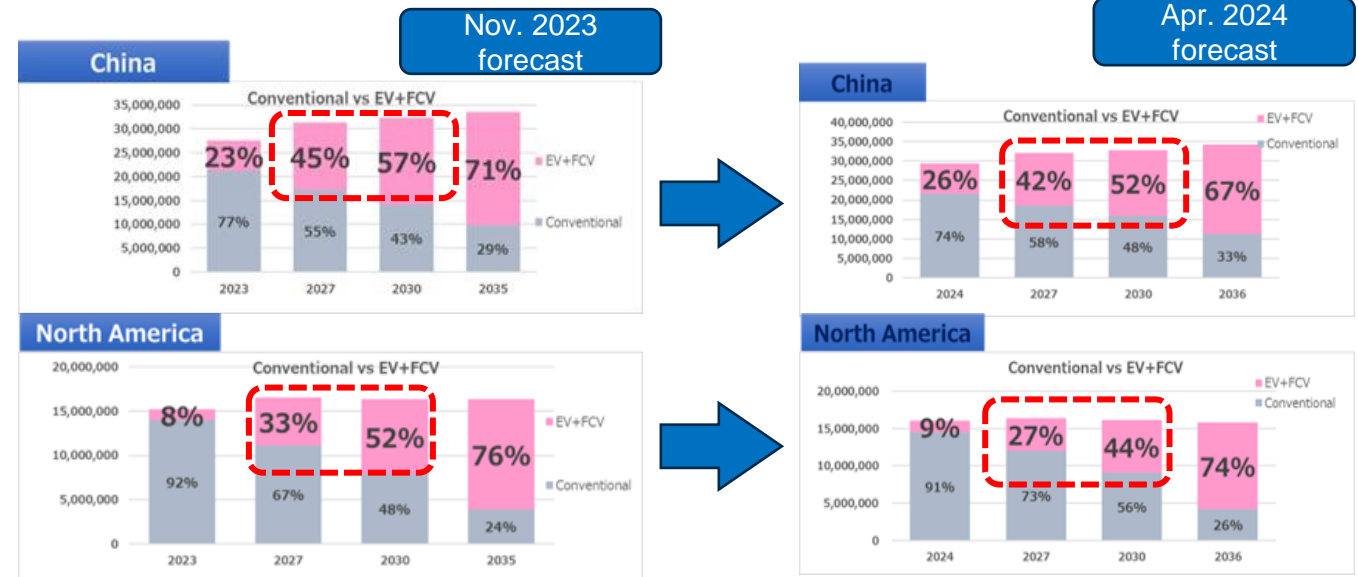
- Car production will grow robustly.
- Electrification of automobile powertrains will continue (centered around BEVs).
- The rate of vehicle conversion to BEVs by 2030 is slowing.
- We will maintain our basic sales strategy of “receiving orders mainly for electric vehicle\* parts.”

\* Electric vehicle (EV) is a generic term for BEVs, FCV, PHEVs, and HEVs.

## [Global demand forecast for automotive die casting as of Apr. 2024]

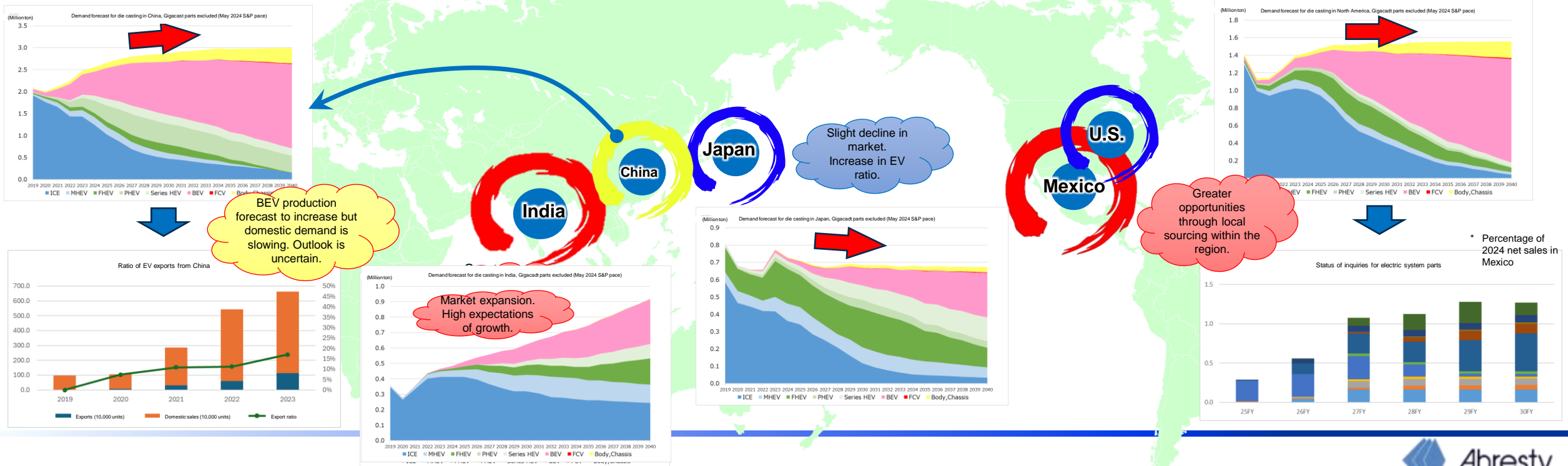


## [Changes in car production forecasts for the two major BEV markets]



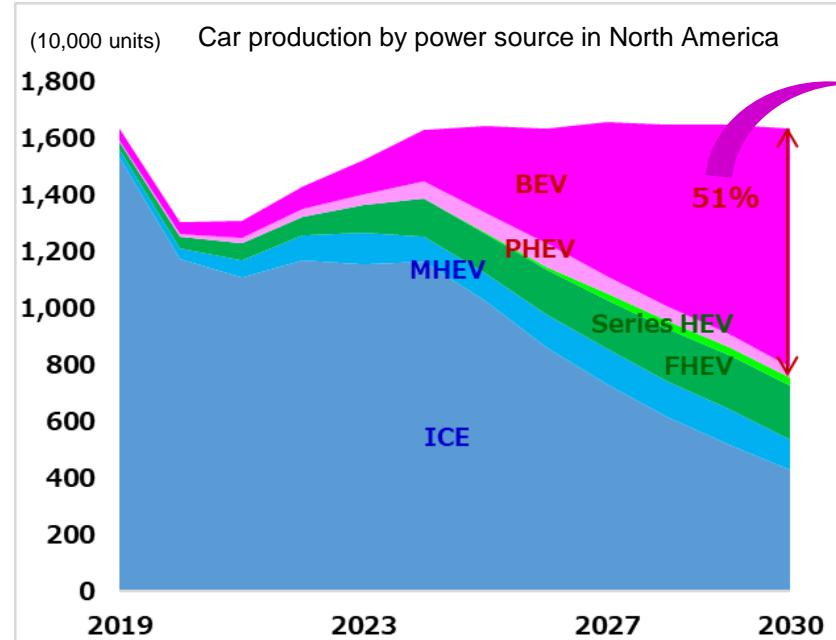
# Market Changes and Sales Strategy by Region

- Growth driver region:** Invest management resources to expand sales and income ⇒ Mexico, India
- Stabilization region:** Maintain/strengthen business foundation to secure stable sales and income ⇒ Japan, U.S.
- Recovery region:** Restructure business with high productivity and quality to restore income ⇒ China



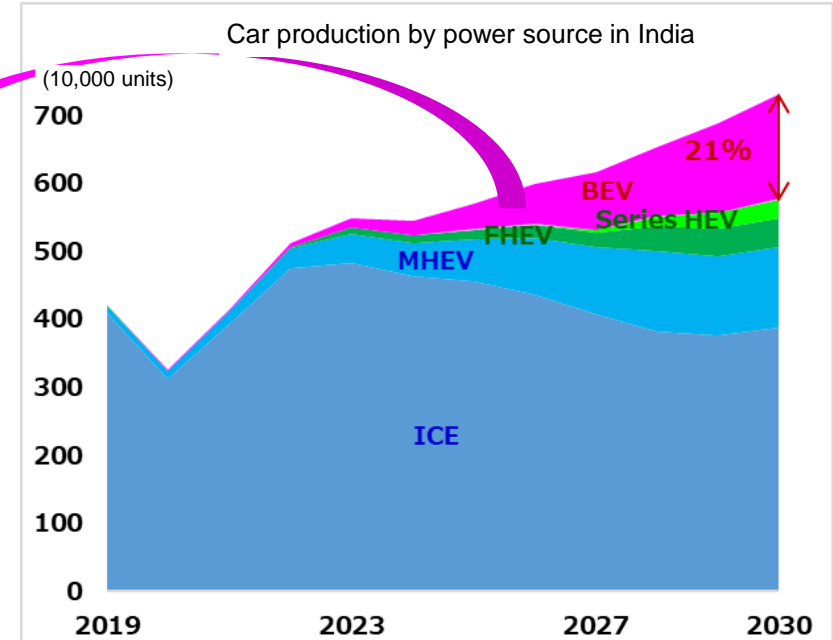
# Sales Strategies in Growth Driver Regions (Progress)

- Mexico has an advantage as an investment location for “nearshoring” for the U.S. market, where EVs will increase.



- Received orders for E-Axle cases from a Tier 1 European supplier. Mass production to begin in 2025.
- Demand for the Mexico plant's parts for EVs is increasing ⇒ Capacity expansion will be considered.

- India is the world's third-largest automotive market and will continue to grow mainly in EVs.

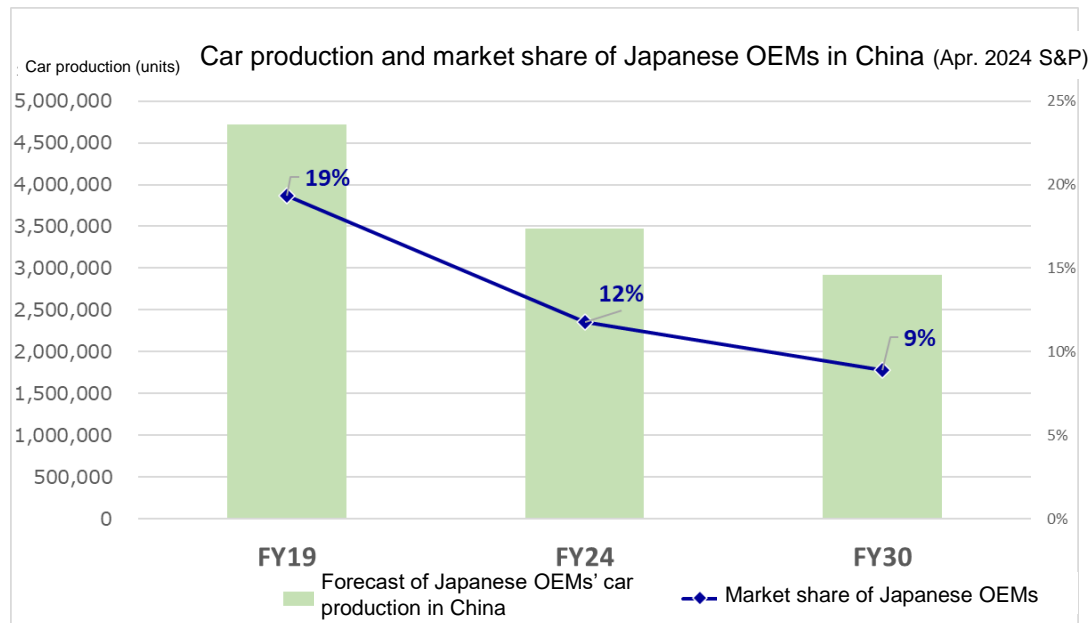


- Received orders for E-Axle cases from a Tier 1 Japanese supplier. Mass production to begin in 2025.
- The plant will be expanded in anticipation of increased orders and the future outlook: To be completed in Dec. 2024.

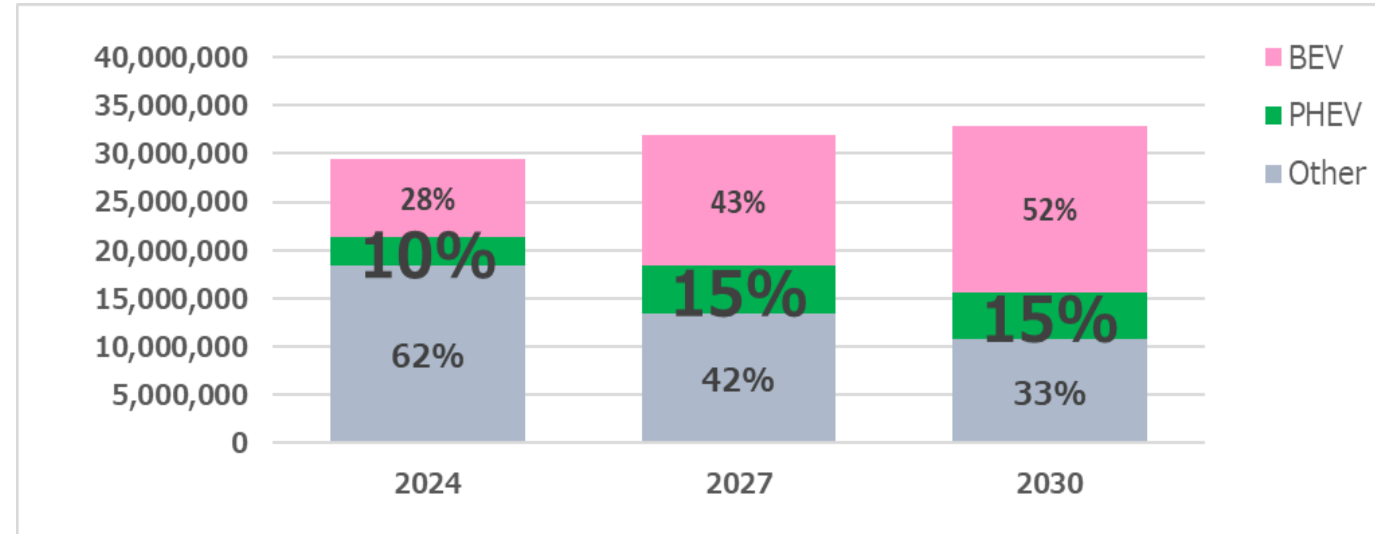


# Sales Strategies in China

- The recovery of production at Japanese OEMs, our core customers, is uncertain.
- The high quality of our products has also won the trust of Chinese-owned OEM/Tier 1 customers.  
⇒ We have received orders for blocks for PHEVs from several customers.
- The market for PHEVs is promising. We will avoid price competition for E-Axle parts for which we have received orders in other regions, and in areas where quality becomes a competitive advantage due to the difficulty in manufacturing of the product.



PHEV share of the Chinese market (from Apr. 2024 S&P data)



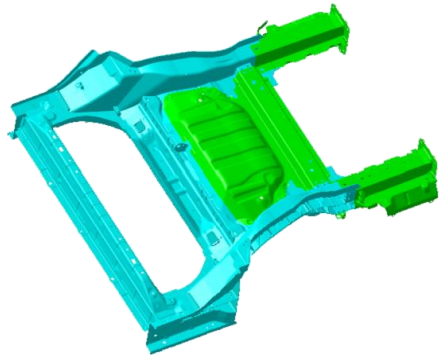


# Initiatives in Vehicle Body Parts (Joint Development with GTEKT)

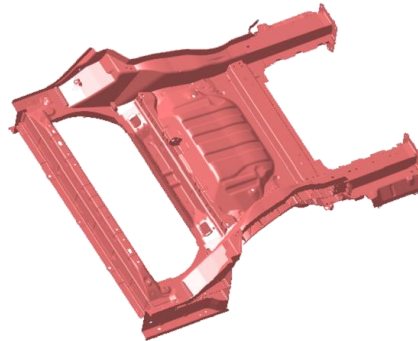
- A concept model has been completed and presented to OEMs.
- Proposing to be as competitive or more competitive than Gigacast
- Shifting to an advance development phase with OEMs with a view to mass production after 2028

Consolidated press components from 36 to 2  
Achieved significant parts reduction.

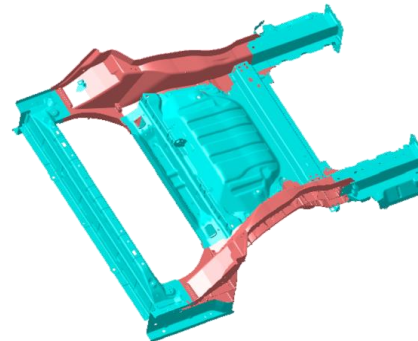
Base  
Fe press



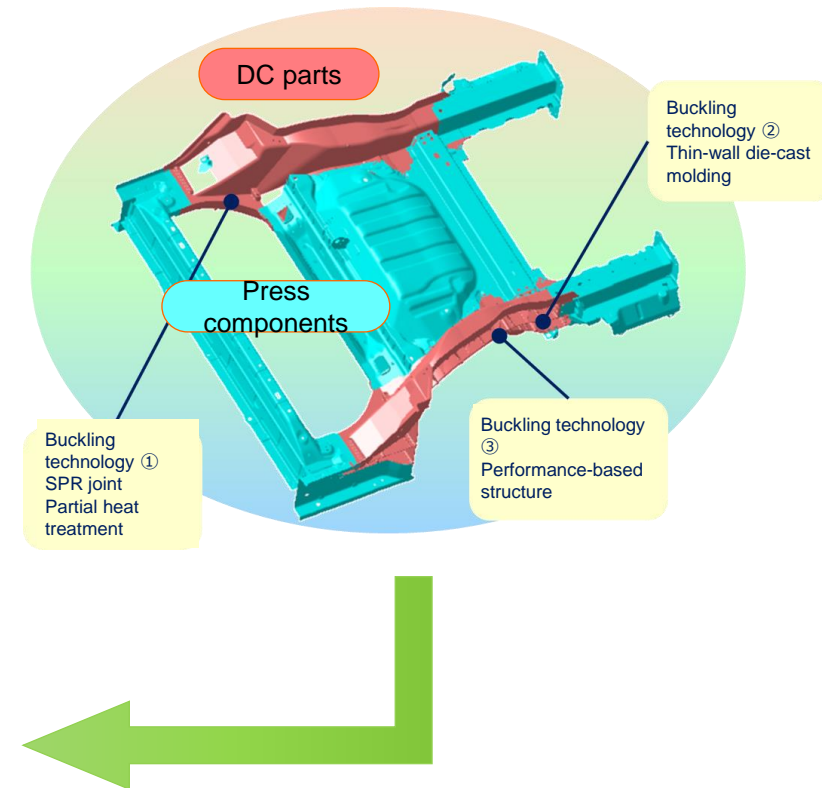
Competing product  
Gigacast



Concept  
Multi-material



|        |      |                |            |
|--------|------|----------------|------------|
| Weight | 100% | Approx. 100%   | <b>94%</b> |
| Cost   | 100% | Up approx. 30% | <b>97%</b> |
| CO2    | 100% | Up approx. 10% | <b>81%</b> |



# Strengthening of Proprietary Products Business

## ■ Japanese market

- Orders for clean room floor panels are increasing due to booming demand for semiconductor plant construction.
- We will strive to increase sales of floor panels for computer rooms\* of infrastructure-related facilities.

\* Computer rooms refer to control/monitoring rooms of water treatment facilities and railroad communication device/signal rooms.

## ■ China and Southeast Asia markets

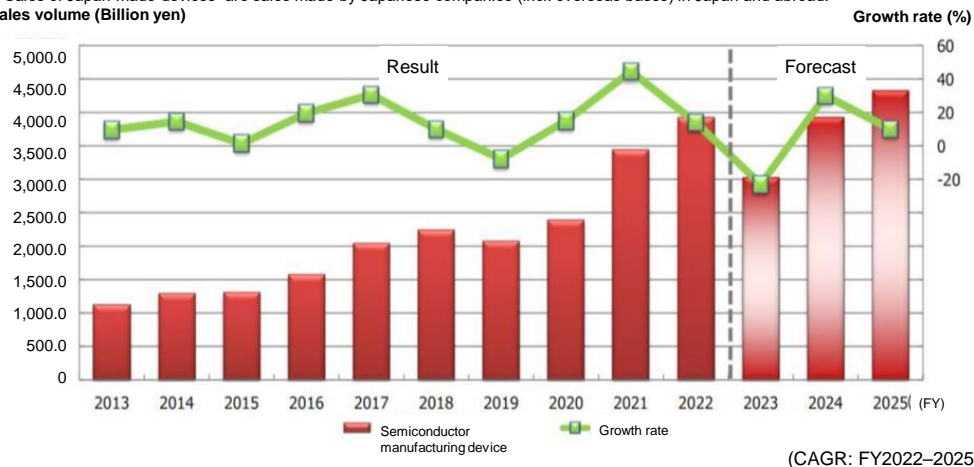
- As in Japan, we will strive to increase sales of floor panels for clean rooms.

- We will expand our product lineup with a focus on high-strength products to meet the demand for a wide range of floor panel specifications.

Forecast of sales of Japan-made devices

\* "Sales of Japan-made devices" are sales made by Japanese companies (incl. overseas bases) in Japan and abroad.

Sales volume (Billion yen)



## Expansion of high-strength product lineup for clean rooms

Prescribed  
load  
20000N



C60N  
model

Prescribed  
load  
30000N



C60X  
model  
Strongest  
in Japan

# Evolution of a Lean Production System (MONOZUKURI Improvement)

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# Evolution of a Lean Production System

## © Expanding our lean production system to further evolve MONOZUKURI

### ■ Automation and labor saving

- Automation and labor saving in in-process logistics: AGV/AGF
- Automatic visual inspection device: Big Data/AI

### ■ One Print Multi Location

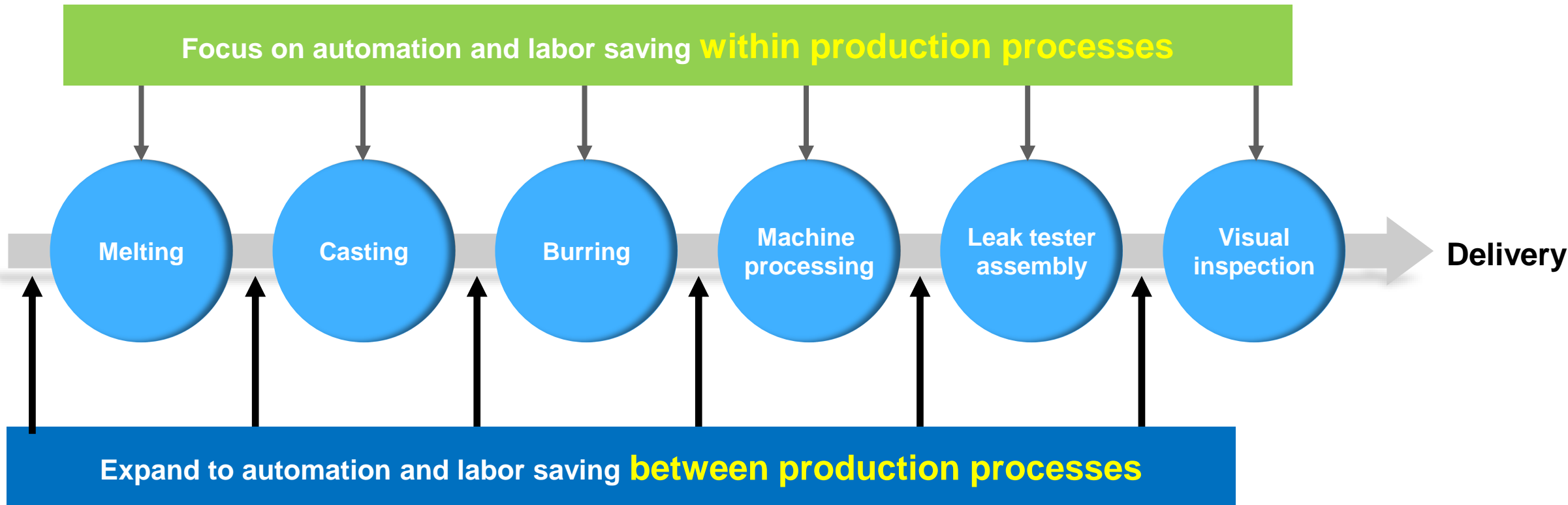
- Same quality, same productivity: Business standard/technology standard

### ■ Global complementing of production and equipment

- Response to order fluctuations: Optimal use of production capacity

# Automation and Labor Saving

## Conventional tactics



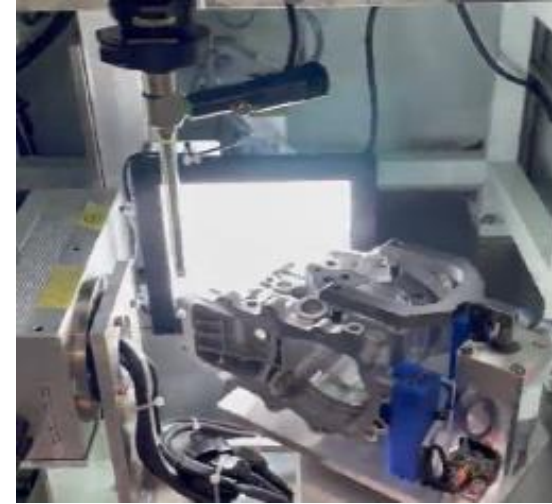
## Future tactics

# Automation and Labor Saving

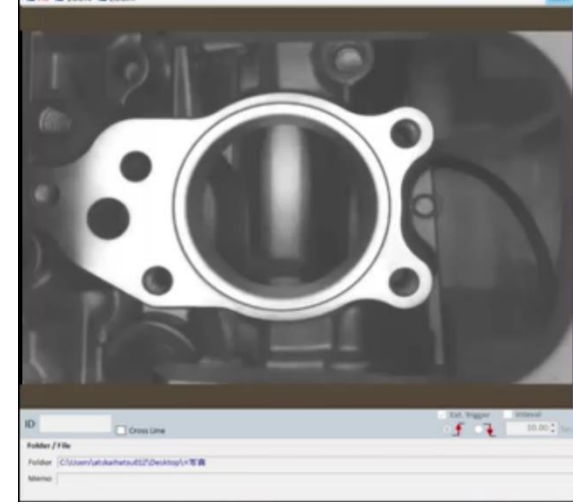
## Evolution of automated inspections

We are developing our own AI judgment software. Coexistence with rule-based systems will cover each other's strengths and weaknesses and improve inspection accuracy.

A special task force will be organized to promote the introduction of automated inspection in the Group.



Automatic visual inspection device



## Utilization of AGVs and AGFs

In addition to the use of Automated Guided Forklifts (AGVs) in inter-process transfers, AGFs will be introduced for product storage and receipt/shipment to further reduce labor and improve safety and work efficiency at distribution sites.



Inter-process transfer AGV

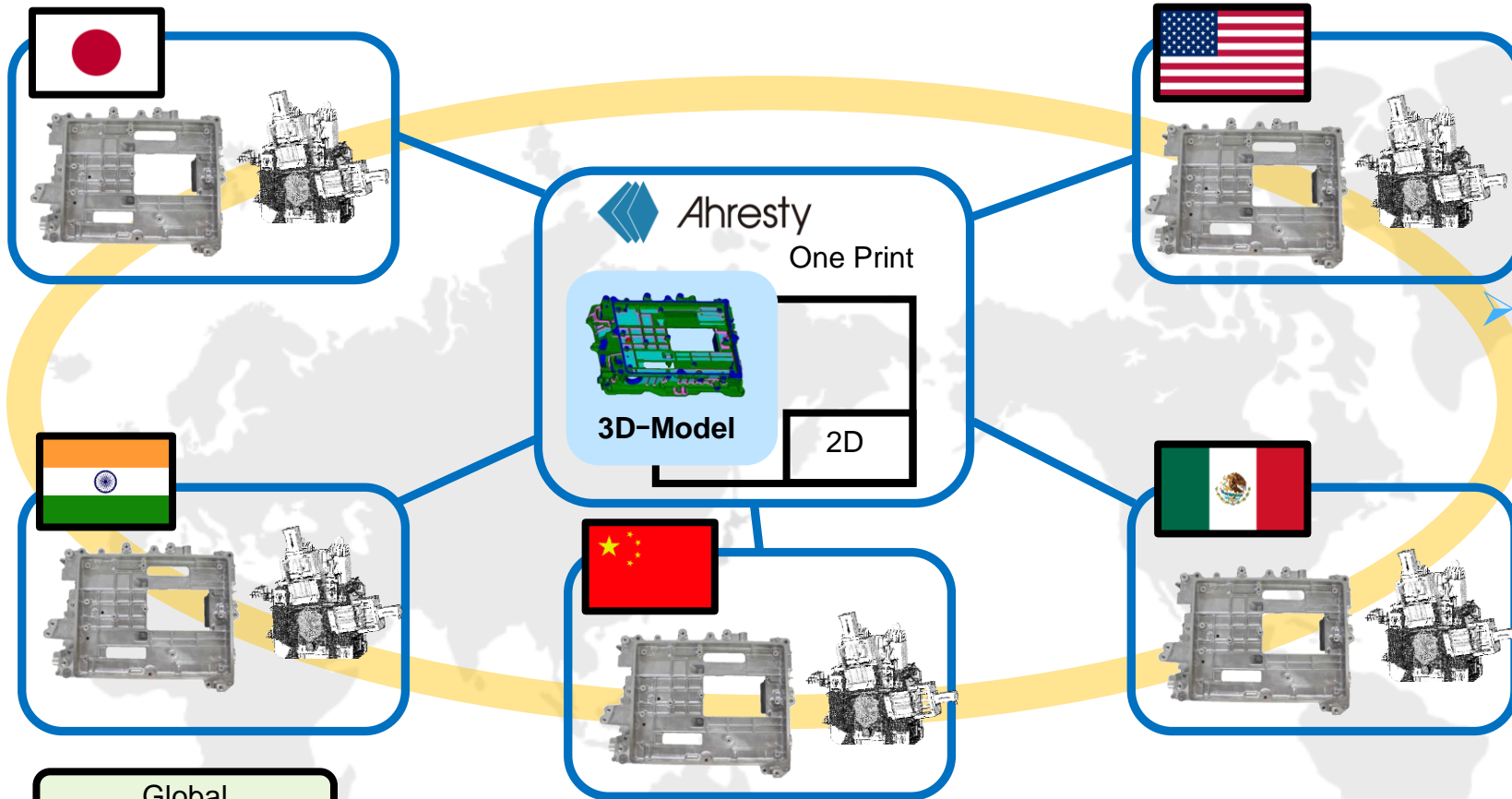


Automated guided forklift



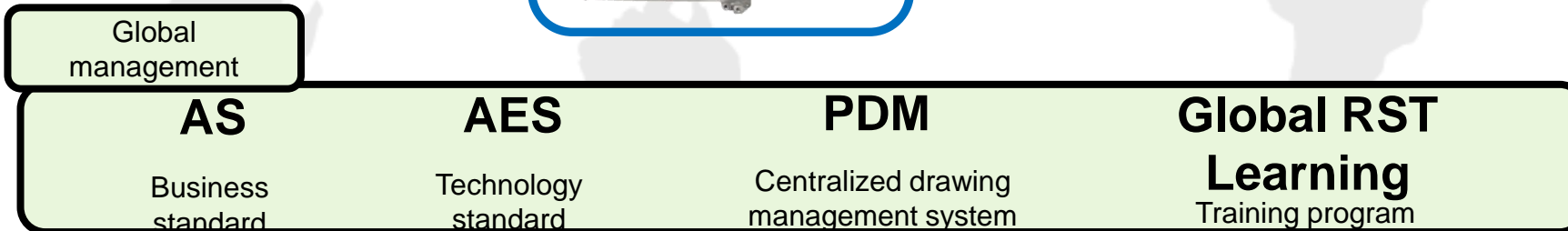
# One Print Multi Location

Same quality and productivity at all sites with one drawing  
(Standardization technology)



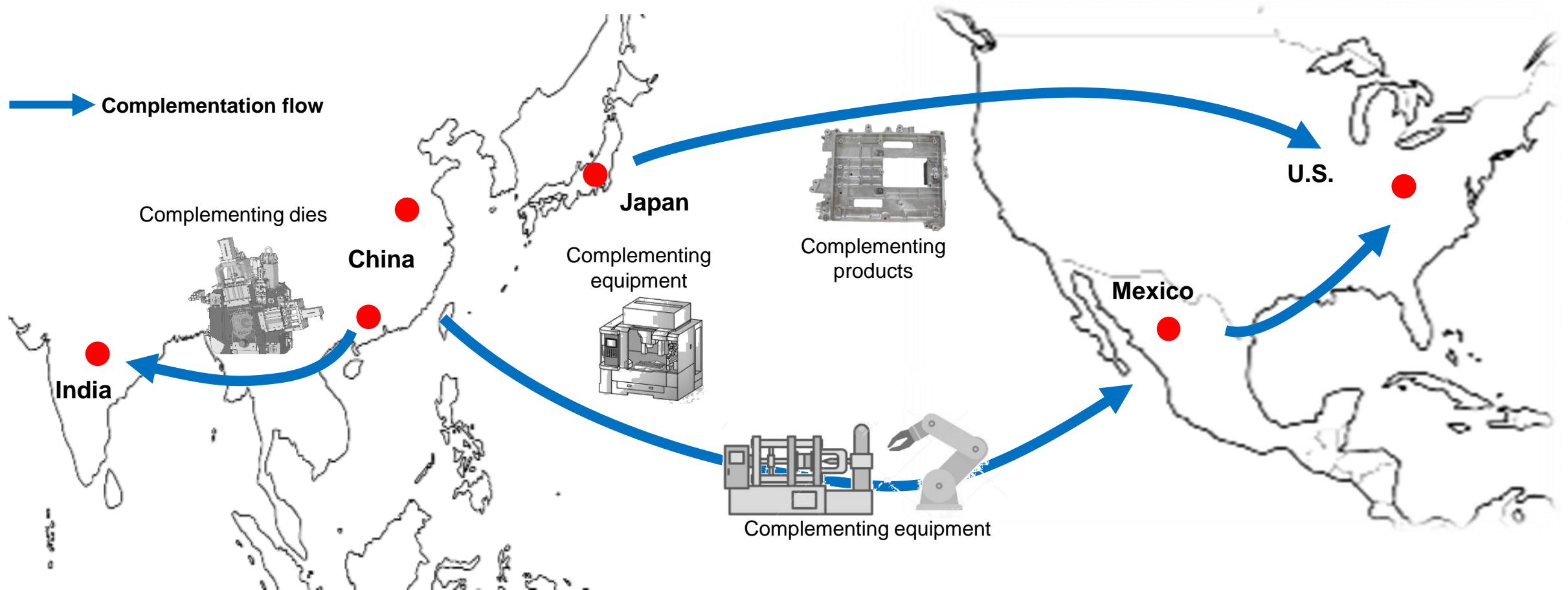
## Key benefits

1. Centralized contact point for development
2. Simultaneous global launch
3. Same quality, same productivity



# Global Complementing of Production and Equipment

One Print Multi Location technology complements production and equipment globally.



**Effective global utilization of production capacity and equipment**



**A lean production system that can respond flexibly to order fluctuations**

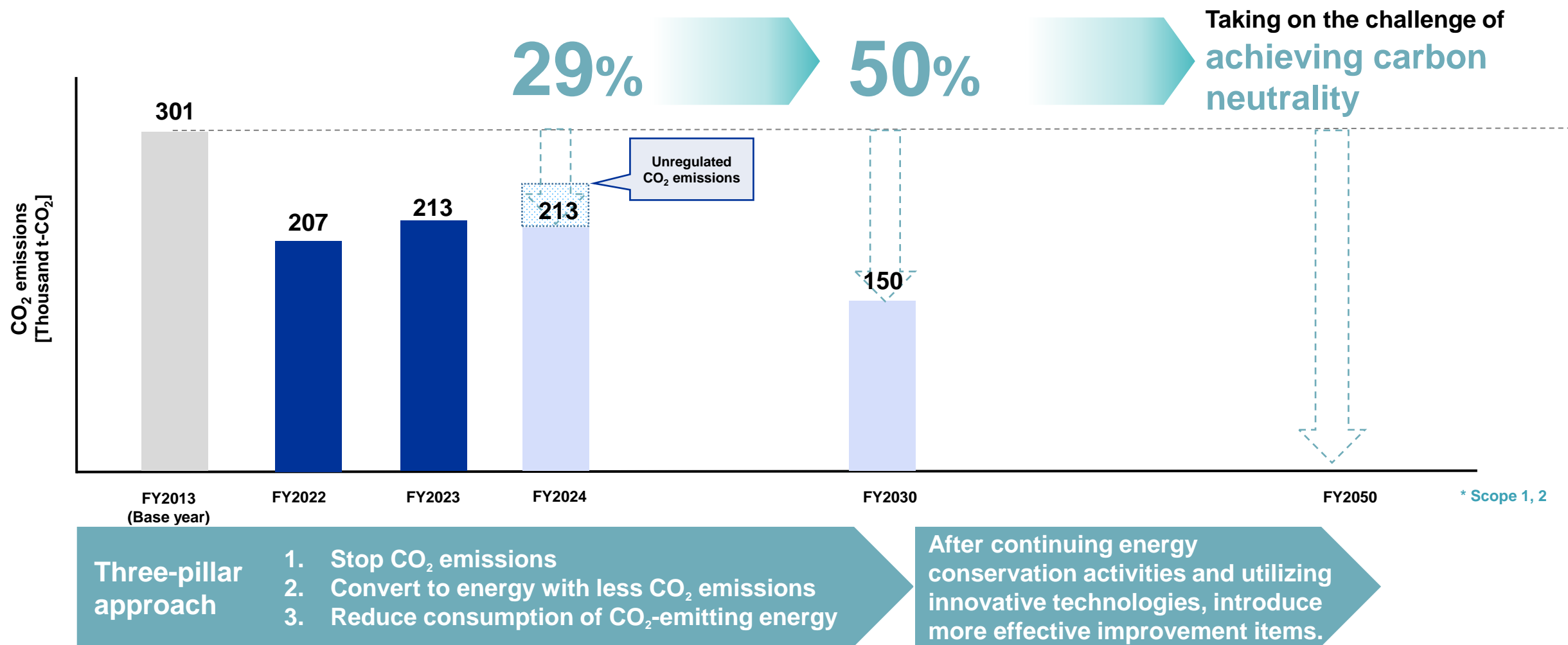


# ESG

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# Actions Toward Carbon Neutrality

Using Scope 1 and 2 CO<sub>2</sub> emissions as metrics, we are working to reduce CO<sub>2</sub> emissions across the Group.



Scope of aggregation: All domestic manufacturing bases (8 locations) + Head Office/Technical Center, Tokyo Head Office, all overseas manufacturing bases (7 locations)  
Reference source:  
Scope 1: We used the factors according to each energy type specified in the List of Calculation Methods and Emission Factors in the Calculation, Reporting and Publication System, published by the Ministry of the Environment.  
Scope 2: Market-based method: We used the factors published by electric power companies. Since the market-based method has become the mainstream in recent years and is more accurate, we have changed to market-based disclosure from FY2024.  
Location-based method: We used the factors according to the results of each country and each fiscal year specified in the IEA Emission Factors released by the IEA.

# Examples of Three Pillar Actions

## Introduction of solar power generation

Introduction in all installable plants in Japan to be completed by the end of FY2024.

- ▶ To be introduced in the Head Office/Technical Center and Ahresty Techno Service from mid-January 2024



## Conversion to energy with less CO<sub>2</sub> emissions

Switch energy for melting from heavy oil to city gas (LNG).

(**Approx. 29%** reduction per generated power)

- ▶ Tokai Plant Furnace No. 2 converted in Aug. 2023

Natural gas is a methane-based gas that produces almost no sulfur oxides or soot dust, and is a clean energy with low nitrogen oxide and CO<sub>2</sub> emissions compared to fossil fuels such as coal and oil.



## Energy conservation activities

Set targets and implement measures at each plant.

- ▶ **Example: Application of a small amount of mold-release agent**  
Cut electricity consumption by reducing the time for application and air blowing

FY2023 1H Ahresty Kumamoto:

Scope 2 CO<sub>2</sub> emissions in the casting process of target products were reduced by **26%** compared to before the improvement.  
(Expected reduction of approx. 7.7 t-Co<sub>2</sub>/year)

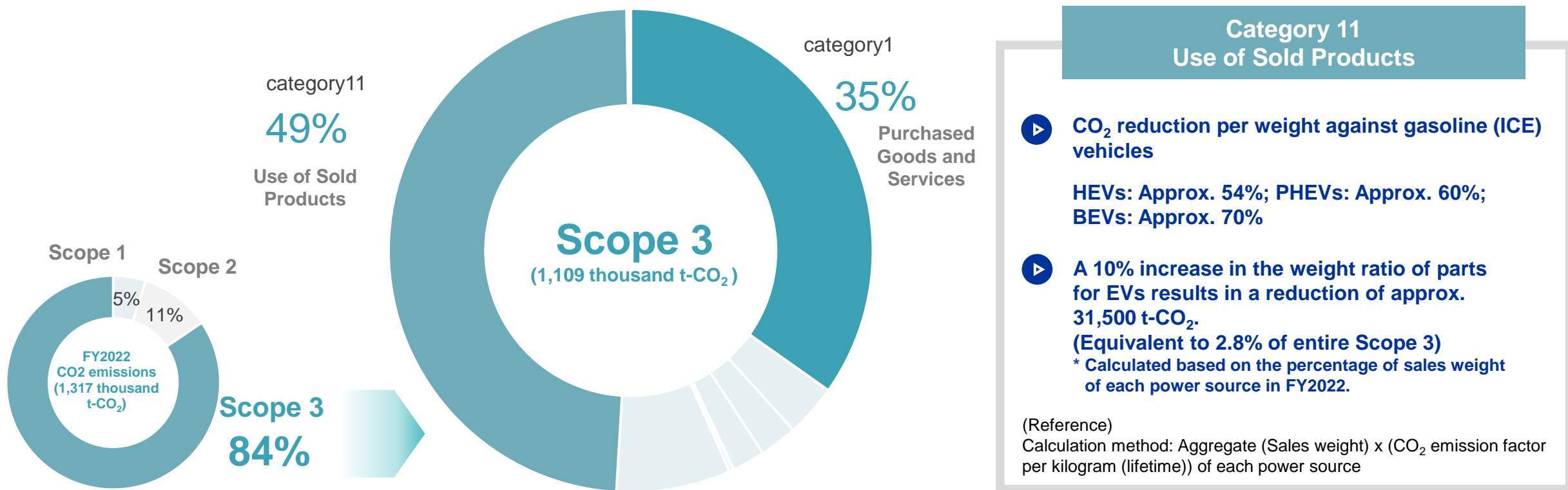
## Achievement of carbon neutrality at the Head Office and an affiliate

In addition to carrying out the above reduction measures, CO<sub>2</sub> emissions from the use of fuel and electricity at the Head Office and an affiliate were virtually reduced by purchasing J-Credits and Non-Fossil Certificates.

# Calculation of Scope 3 Emissions

## Scope 3: Emissions in FY2022 were 1,109 thousand t-CO<sub>2</sub>

- ▶ Among Scope 3, categories 1 (Purchased Goods and Services) and 11 (Use of Sold Products) accounted for 80% of total emissions.
- ▶ In category 11, we will improve the energy efficiency of vehicles by increasing the supply of aluminum die-cast products, which are lighter than steel, to help reduce CO<sub>2</sub> emissions.



# Overview of our Human Resources Strategy

## Three Pillars of Human Resources Strategy

## Management Targets

### Human resources development

- Train human resources systematically and strategically according to a human resources roadmap
- Actively train female management personnel
- Develop an education system (same quality globally; strengthen MONOZUKURI foundation)

### Engagement reforms

- Achieve work-life balance and health management
- Enhance the career support system
- Implement ergonomics, eliminate work-related injuries/deaths

### D&I reforms

- Promote management diversity
- Expand female new graduate recruitment and work fields where women can play active roles
- Provide a place for disabled persons to play active roles (operation of a special-purpose subsidiary)

## Corporate Philosophy

2040 Vision  
**Ensure your satisfaction with Ahresty**

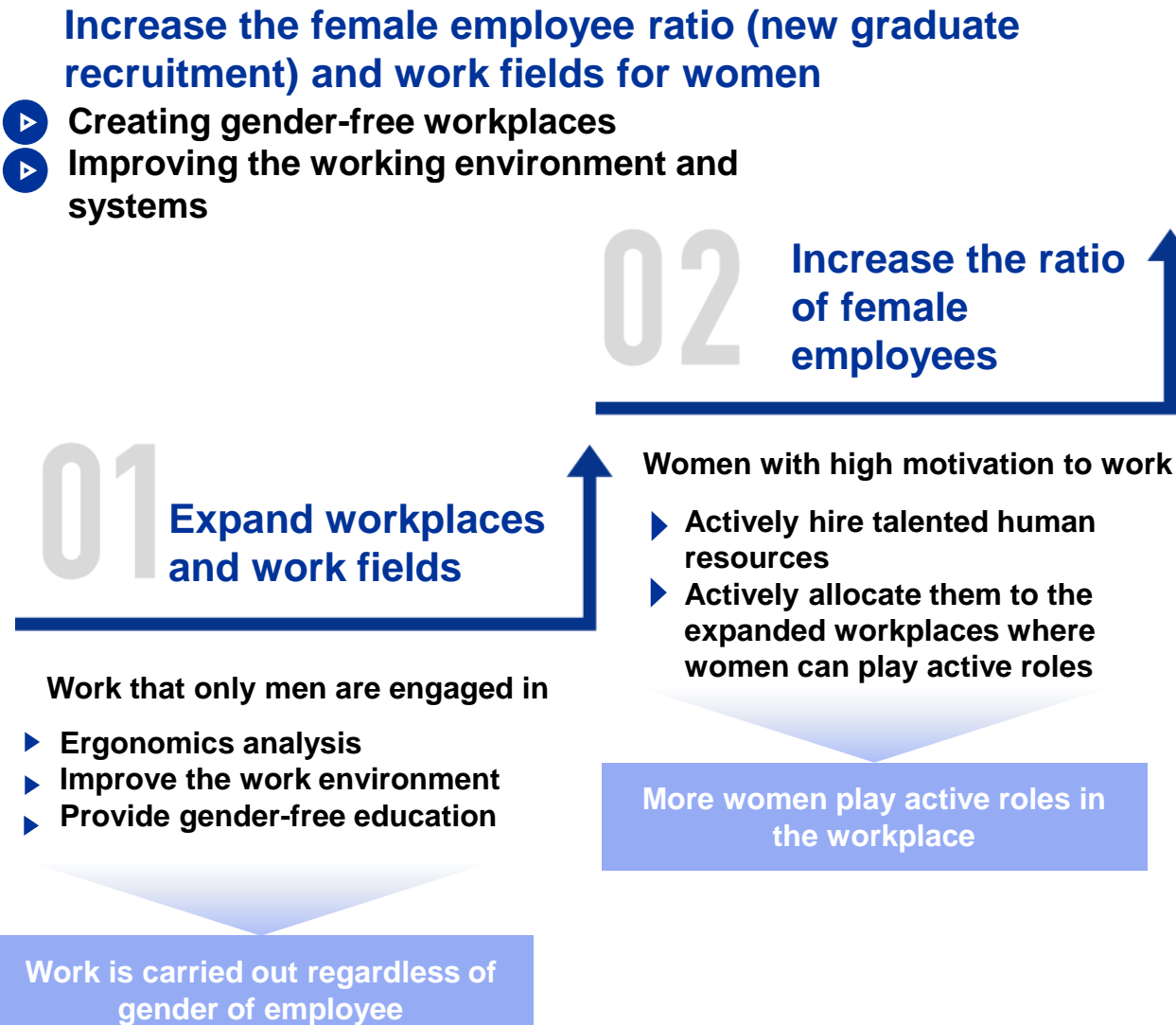
## Evaluation index

**Engagement index rating of more than 80% by 2030**  
(Our own index that extracts key items from employee surveys)

# D&I Reforms – Measures for Women’s Advancement–



March 2023  
Acquired three-star  
Eruboshi certification





# Examples of Initiatives

## Establishment of D&I Community

- ▶ Promoting understanding of diversity
- ▶ A place for interactive communication between female employees and the company

A conference was held with the participation of 12 female employees from each site in Japan. Through discussions, participants explored career development challenges and solutions in the company from a female perspective.



## Improvement in the Work Environment

- ▶ Improving the work environment based on ergonomics
- ▶ Promoting automation and measures to reduce high-load tasks to create a workplace environment that does not require heavy lifting

[Countermeasures against heavy loads]

Introduction of hoisting lifters



Hand cranes (being tested for introduction)



# D&I Reforms –Management Diversity–

## Diversification of executive managers



### 1) Strengthening governance and management system

- ▶ Develop a system for sharing corporate philosophy, Group targets and Group strategies without going through expatriates.
- ▶ Re-inspect governance of affiliates.

### 2) Developing a system for keeping track of candidate personnel at all times

### 3) A system for developing candidate personnel (shifting awareness from a local to a global perspective)

### 4) Strengthening English language training in Head Office divisions

Julio Cesar Doctoriarena Torres assumes presidency of Ahresty Mexicana.



\* To assume office on June 1, 2024.



# IR & SR Activities

We actively create opportunities for dialogue with shareholders and institutional investors with the aim of enhancing our corporate value.

| Opportunity for dialogue             | No. of times | Respondent  |
|--------------------------------------|--------------|---|
| Results press conference (quarterly) | 4            | General Manager, Management Planning Department   |
| Financial results briefing           | 2            | President, Directors<br>Managing Executive Officers and Chiefs of Command                                       |
| Plant tour                           | 1            | President, Managing Executive Officers and Chiefs of Command, General Manager of Management Planning Department |
| Individual meetings/interviews       | 60           | President, General Manager of Management Planning Department<br>Person in charge of IR                          |

| Main topic                                | Details  |
|---|--|
| Overview of financial results             | <ul style="list-style-type: none"> <li>Factors behind changes in net sales, operating income, etc.</li> <li>Income status by segment</li> <li>Financial soundness and balance sheet status</li> </ul>  |
| Business strategies and business overview | <ul style="list-style-type: none"> <li>Relationship between changes in the market environment and growth strategies</li> <li>Characteristics and strengths of the Company</li> <li>Status of MONOZUKURI improvement</li> </ul>   |
| Financial strategies                      | <ul style="list-style-type: none"> <li>Measures to improve PBR and the cost of capital</li> <li>Our approach to shareholder return</li> <li>Criteria for determining orders and investment projects</li> </ul>   |
| Governance                                | <ul style="list-style-type: none"> <li>Selection process for the skill matrix</li> <li>Measures for active discussions at meetings of the Board of Directors and the Nomination and Compensation Committee</li> <li>Evaluation of the effectiveness of the Board of Directors</li> </ul> |
| Sustainability and others                 | <ul style="list-style-type: none"> <li>Actions to address climate change</li> <li>Status of diversity promotion</li> <li>Initiatives concerning respect for human rights</li> </ul>  |

Internal feedback on the content of dialogue is provided in a timely manner through the Board of Directors' meetings and by other means.

Suggestions and requests received through the dialogues are incorporated into our actions and acted upon.

\* The details of our initiatives were disclosed in "Status of Dialogue with Shareholders and Investors" dated May 28, 2024.

# Strengthening Governance

■ **Appointment of a new Outside Director (who is not an Audit and Supervisory Committee member) (scheduled in June 2024)** \* To be appointed upon approval at the 103rd General Meeting of Shareholders to be held on June 28.

- Experience as a corporate manager in the same industry as ours: the automotive industry
  - Years of experience at MONOZUKURI sites and on the global stage
- **Will contribute extensively to increasing our corporate value.**

| Required knowledge, ability and experience          | Expectation  |
|---|--|
| <b>Manufacturing/Quality/Technology development</b> | Respond to the rapid progress of electrification<br>Contribute to world-class MONOZUKURI |
| <b>Global (international experience)</b>            | Business management that accommodates overseas business expansion                        |
| <b>Human resources/ESG</b>                          | Respond to sustainability management   |

\* Extracted from our skill matrix

|                              |   |
|------------------------------|---|
| [Candidate's career summary] |   |
| Name:                        | Takamitsu Sakamaki  |
| April 1980                   | Joined Nissan Diesel Motor Co., Ltd. (now UD Trucks Corporation)  |
| April 2008                   | General Manager in charge of Volvo Powertrain Japan Production PT Technology, Nissan Diesel Motor Co., Ltd. |
| January 2011                 | Managing Executive Officer, Volvo Powertrain Operations Japan, UD Trucks Corporation                        |
| July 2016                    | Senior Managing Executive Officer in charge of Production, UD Trucks Corporation                            |
| October 2018                 | President and Senior Managing Executive Officer in charge of Production, UD Trucks Corporation              |
| April 2022                   | Advisor, UD Trucks Corporation (retired in March 2023)  |



# Casting Our Eyes on the Future

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**Contact for inquiries regarding this document and the Company's IR:**  
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**E-mail: [ahresty\\_MP0\\_IR@ahresty.com](mailto:ahresty_MP0_IR@ahresty.com)**  
**URL: <https://www.ahresty.co.jp/en/>**

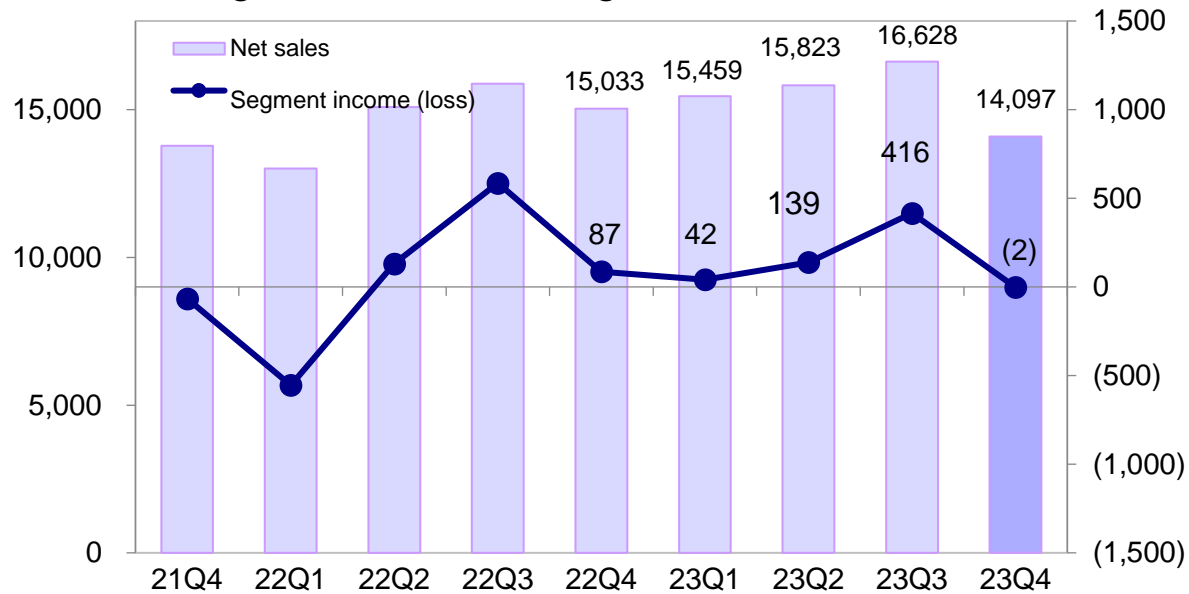
This document and what is said in the results briefing include forecasts that the Company made based on data available when the document was prepared. Actual results could be different from the forecasts for a range of reasons.

# Appendix

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# Die Casting in Japan

Changes in sales and segment income (million yen)



<Full year total>

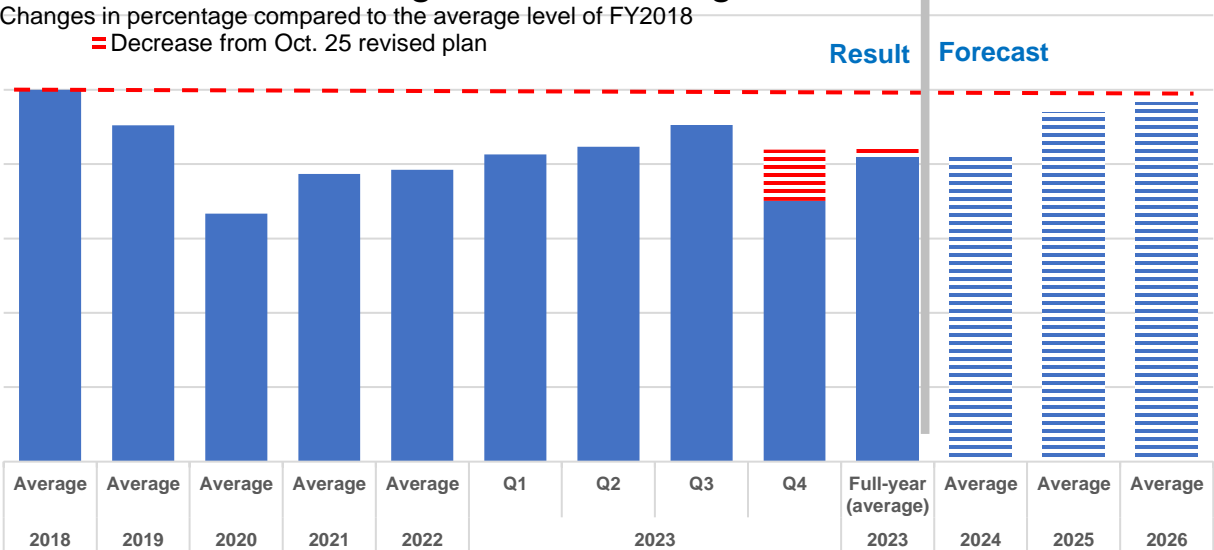
Sales: ¥62,000 million Up ¥2,900 million (5.1%) year on year  
Income: ¥590 million Up ¥340 million year on year (surplus expanded)

<4Q>

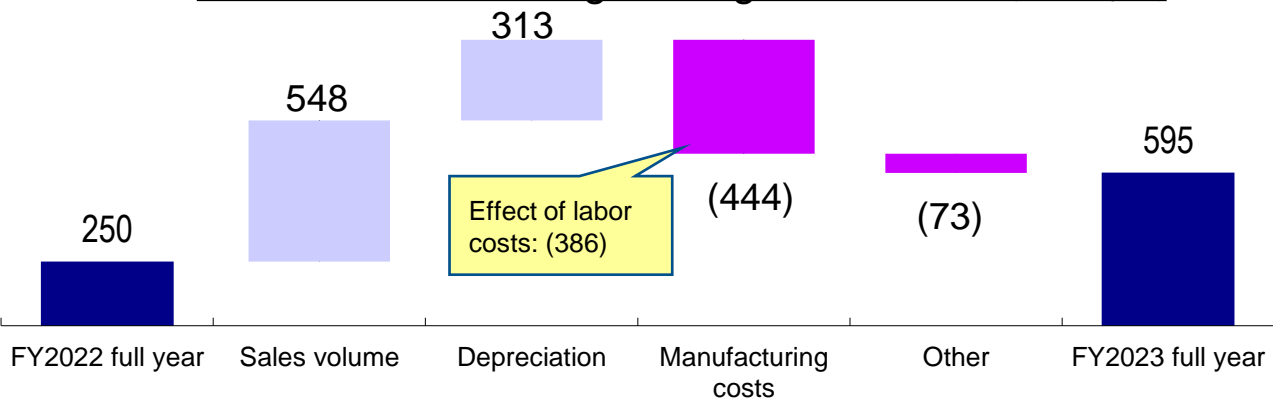
Sales: ¥14,000 million Down ¥930 million (6.2%) year on year  
Income: Loss of ¥2 million Down ¥90 million year on year (loss)

- Despite sudden production adjustments due to customer circumstances at several major customers in 4Q, the overall volume of orders recovered, resulting in increases in both sales and profit on a full-year basis.

Changes in sales weight

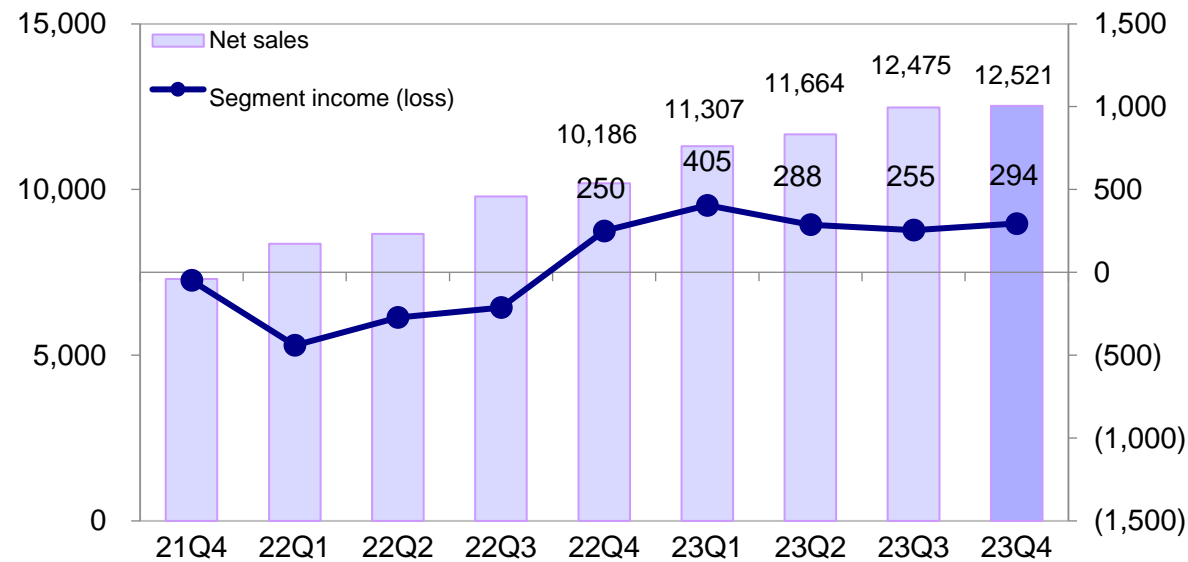


Factors behind change in segment income (million yen)



# Die Casting in North America

Changes in sales and segment income (million yen)



<Full year total>

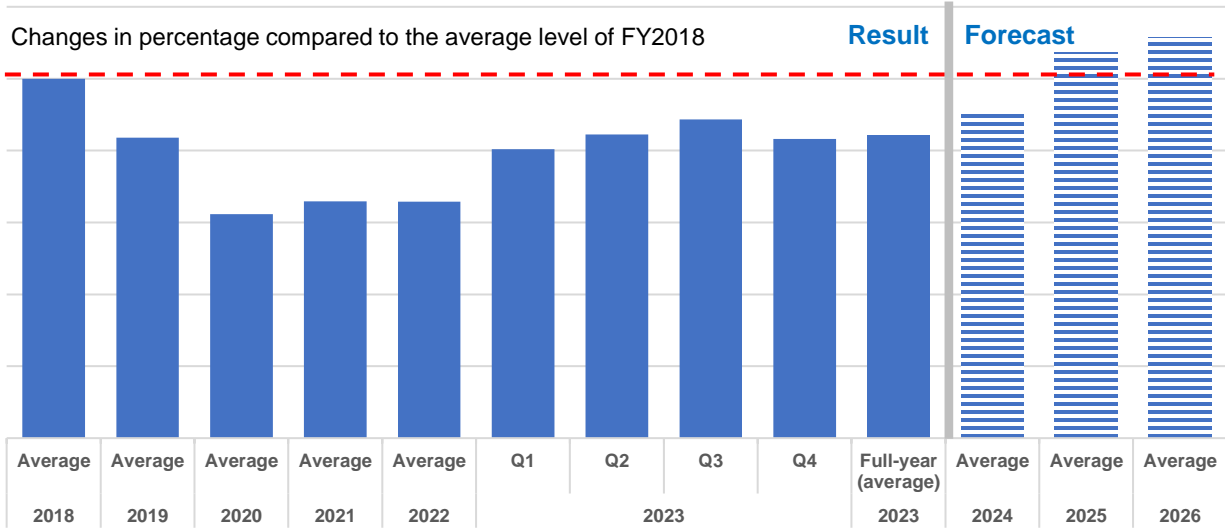
**Sales: ¥47,900 million Up ¥10,900 million (29.7%) year on year**  
**Income: ¥1,200 million Up ¥1,900 million year on year (returned to the black)**

<4Q>

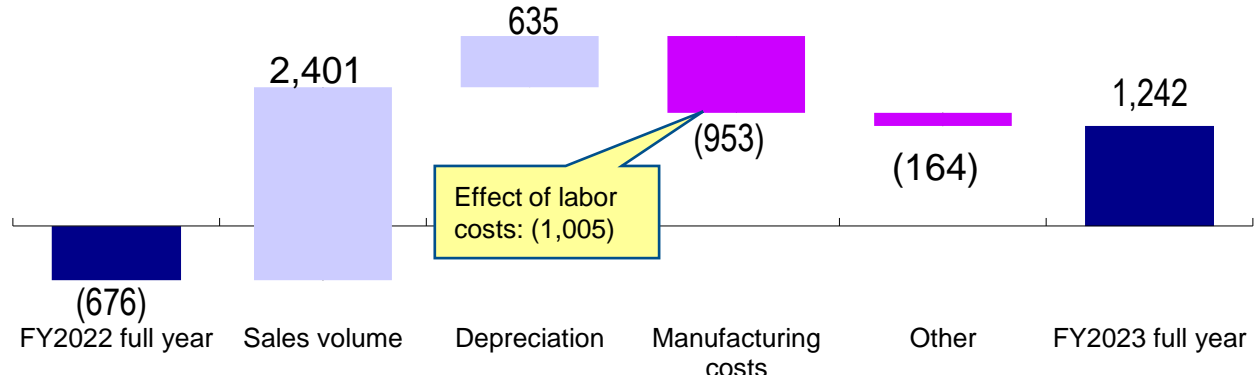
**Sales: ¥12,500 million Up ¥2,300 million (22.9%) year on year**  
**Income: ¥290 million Up ¥40 million (17.6%) year on year**

- The volume of orders received steadily recovered, contributing to increases in sales and income. Although labor costs continued to rise significantly, profit was stably secured.

Changes in sales weight

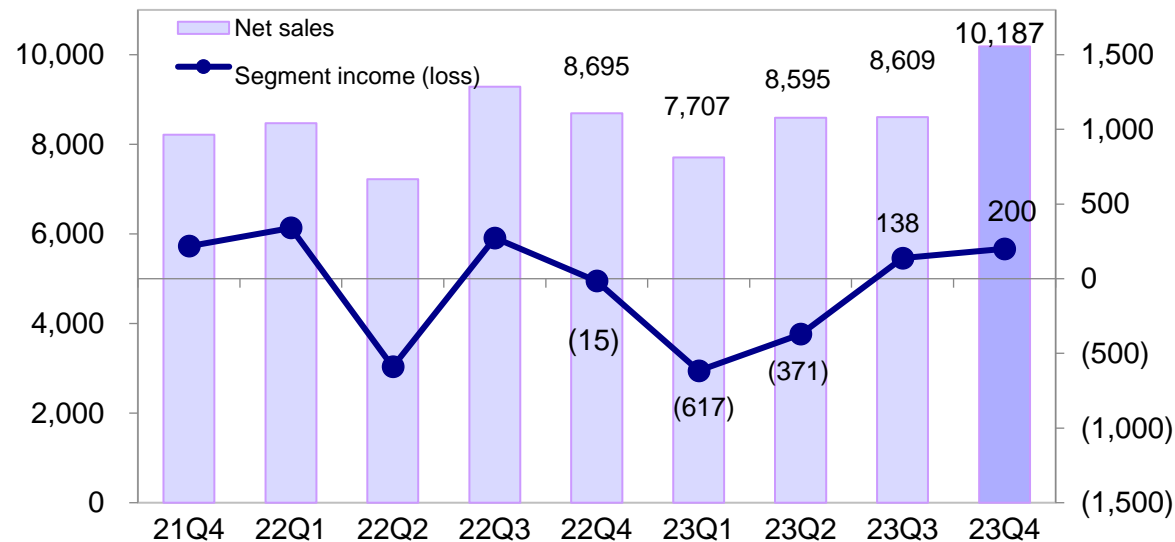


Factors behind change in segment income (million yen)



# Die Casting in Asia

Changes in sales and segment income (million yen)



<Full year total>

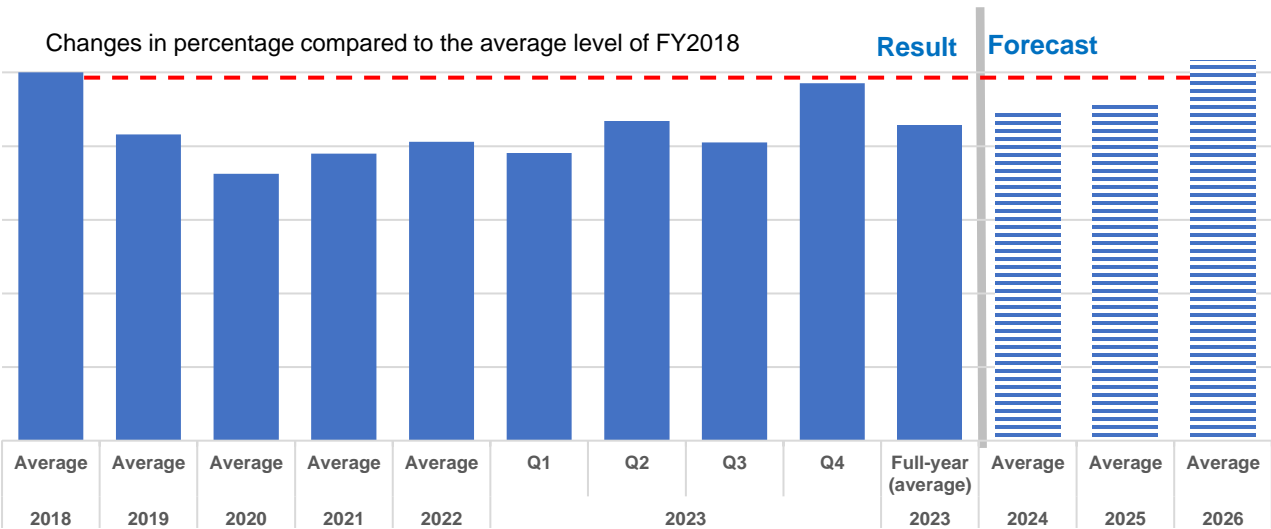
**Sales: ¥35,000 million Up ¥1,400 million (4.2%) year on year**  
**Income: Loss of ¥650 million Down ¥650 million year on year (loss)**

<4Q>

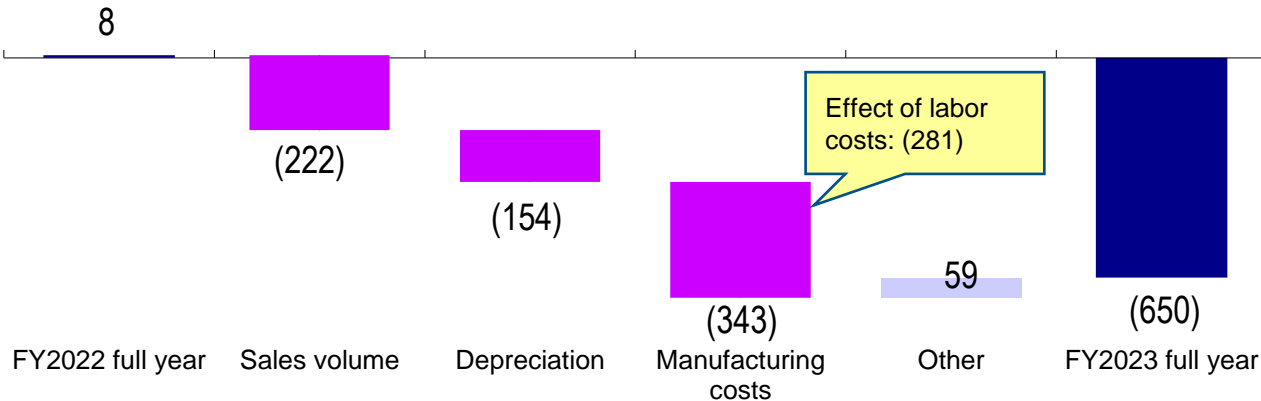
**Sales: ¥10,100 million Up ¥1,400 million (17.2%) year on year**  
**Income: ¥200 million Up ¥210 million year on year (returned to the black)**

- Despite the ongoing sluggish sales of our major customers in China, sales returned to the black on a quarterly basis due to the temporary increase in the volume of orders received in 4Q. The Indian plant is improving productivity and expected to increase earnings in the next fiscal year and beyond.

Changes in sales weight



Factors behind change in segment income (million yen)



# 10-year Business Plan



| 【FY2030 target values】                      |                    |
|---|--------------------|
| Net sales                                   | 180 billion yen*   |
| Operating income                            | 10.8 billion yen*  |
| Operating margin                            | 6%                 |
| Sales ratio of electric vehicles components | 55%                |
| Sales of vehicle body components            | 4.0 billion yen    |
| Reduction of CO2 Emissions (Scope1,2)       | -50% (vs. FY 2013) |

\* Figures adjusted to the exchange rates and aluminum prices of FY 2022 at the time of formulating the full-year FY 2024 business plan