

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

August 10, 2023



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

(Million yen)

	Year ended March 2023				Year ending March 2024 1Q	Year-on-Year 1Q
	1Q	2Q	3Q	4Q		
Net sales	33,113	33,423	37,843	36,559	37,996	+4,883
Operating income	(553)	(645)	732	489	227	+780
Recurring income	(424)	(396)	702	213	357	+781
Net income	(649)	(181)	355	391	452	+1,101
Sales weight*	75	71	83	77	81	+6

* With the FY2018 average set as 100

<Overview>

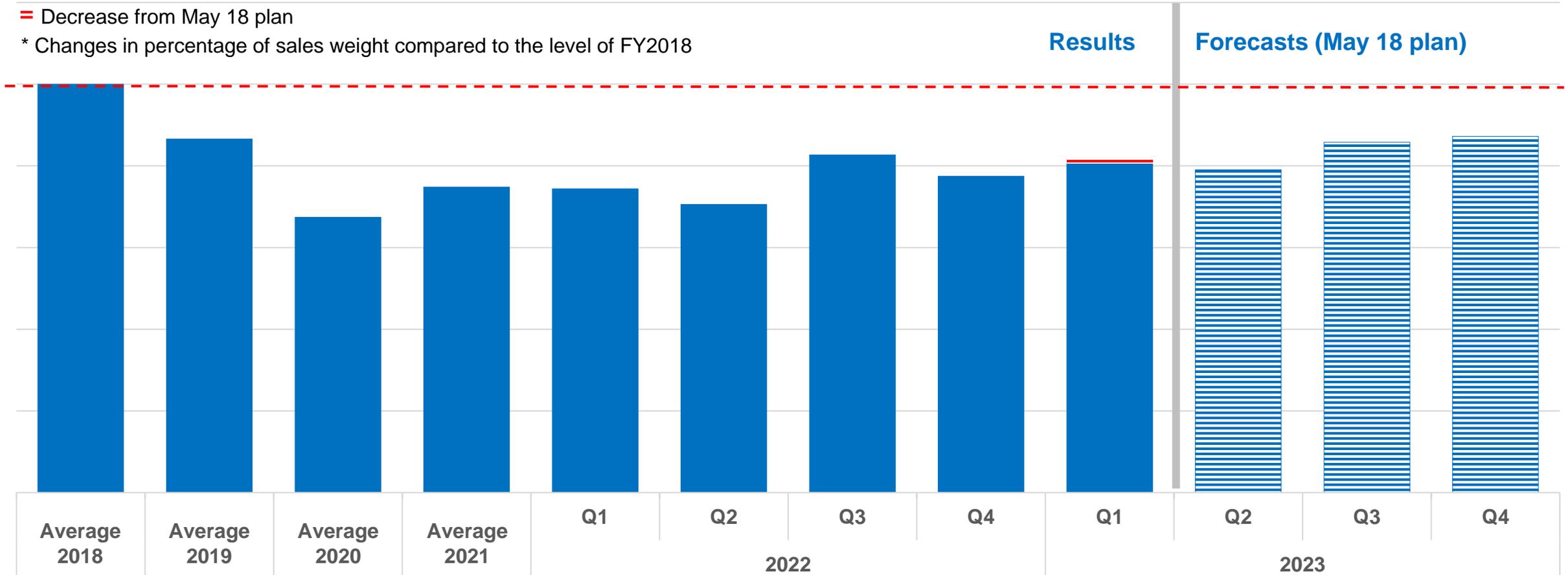
- Net sales: Increased 14.7% year on year due mainly to the recovery in the volume of orders received and the weakening of the yen. Sales weight increased 8.5%, reflecting the production increase by car manufacturers in line with the easing of the semiconductor shortage.
- Operating income: Despite the impact of the rising energy prices, the spread of infection following the lifting of the zero-COVID policy in China, etc., a surplus has been stably recorded since the third quarter of the previous fiscal year due to recovery in orders received by the Group as a whole.
- Net income: Increased mainly due to the recording of foreign currency exchange gains resulting from the weakening of the yen

Changes in Sales Weight

- Sales weight has been gradually on the rise as production by car manufacturers has recovered due to the stabilization of supply of semiconductors. In the first quarter, sales weight increased mostly as planned.

— Decrease from May 18 plan

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



Die Casting Business

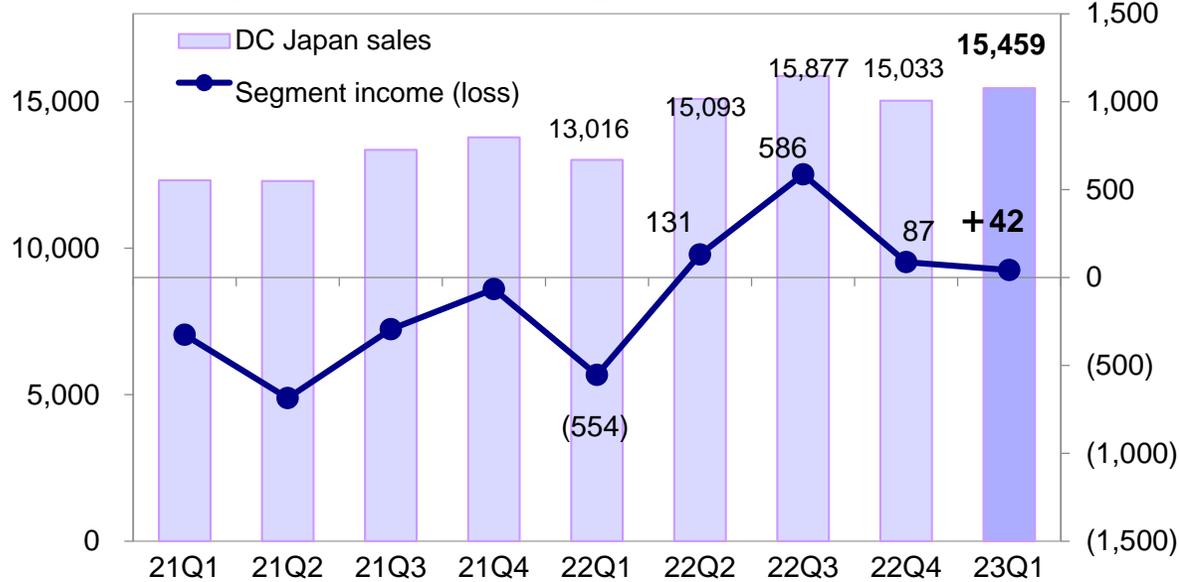
(Million yen)

		Year ended March 2023				Year ending March 2024 1Q	Year-on-Year 1Q
		1Q	2Q	3Q	4Q		
Japan	Net sales	13,016	15,093	15,877	15,033	15,459	+2,443
	Segment income (loss)	(554)	131	586	87	42	+596
North America	Net sales	8,357	8,659	9,793	10,186	11,307	+2,950
	Segment income (loss)	(441)	(272)	(213)	250	405	+846
Asia	Net sales	8,473	7,222	9,286	8,695	7,707	(766)
	Segment income (loss)	340	(590)	273	(15)	(617)	(957)

* 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)



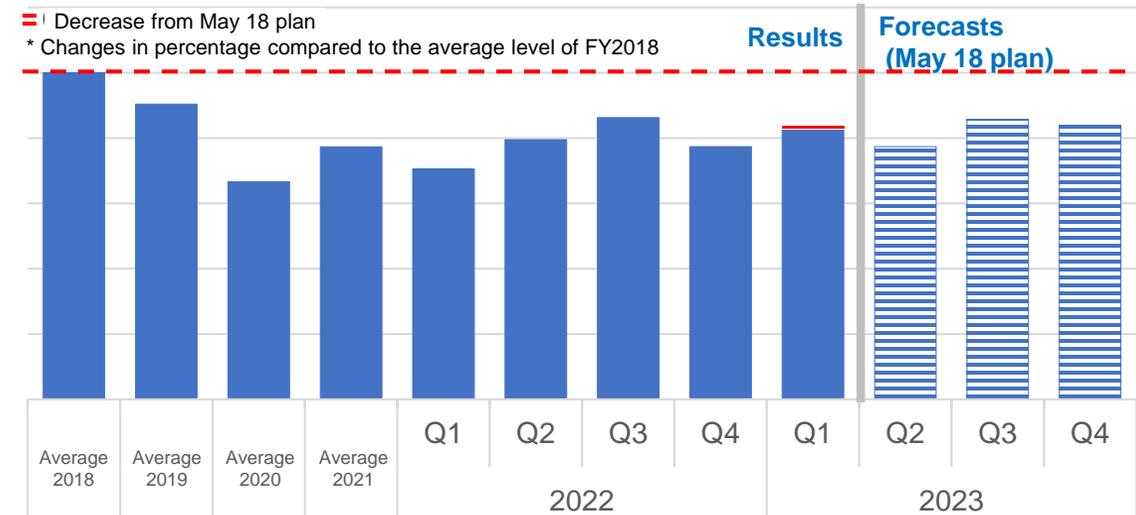
Sales: ¥15,400 million Up ¥2,400 million (18.8%) year on year

- Sales weight recovered due to the stabilization of supply of semiconductors, resulting in an increase in sales.

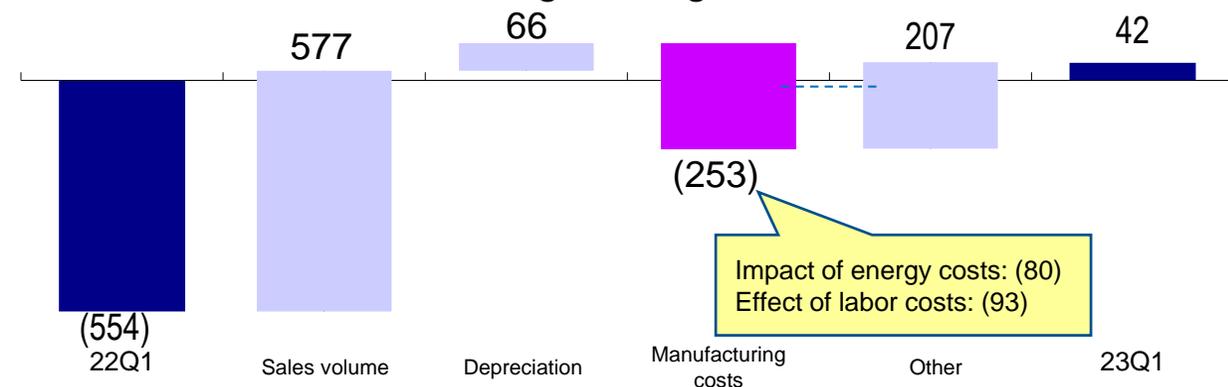
Income: ¥40 million Up ¥590 million year on year (returned to the black)

- Despite an increase in production costs due to rises in energy prices and labor costs, etc., the result returned to the black in line with the recovery in the volume of orders received.

Changes in sales weight

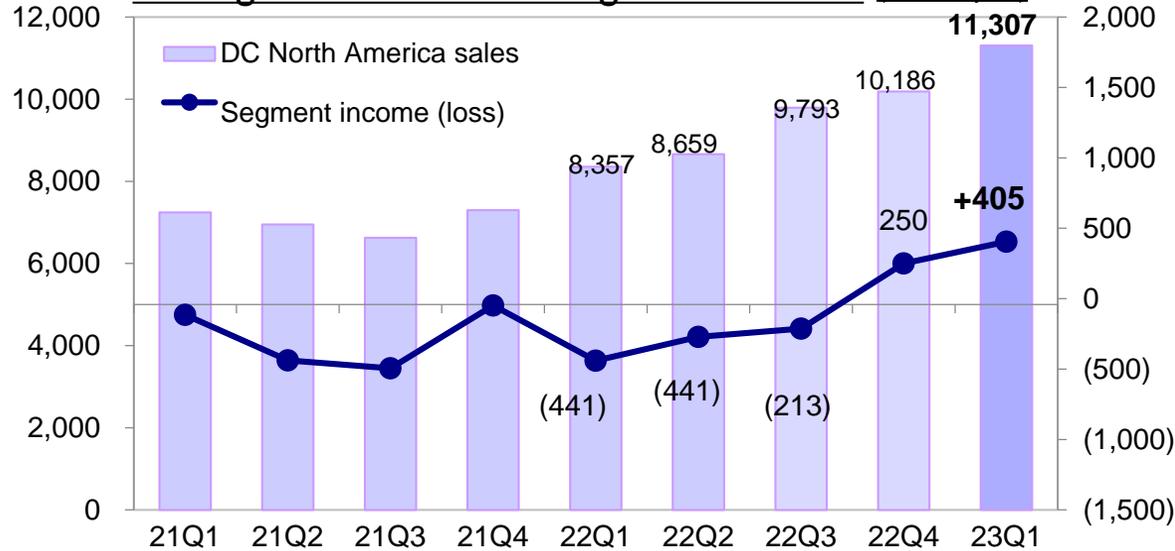


Factors behind change in segment income (Million yen)

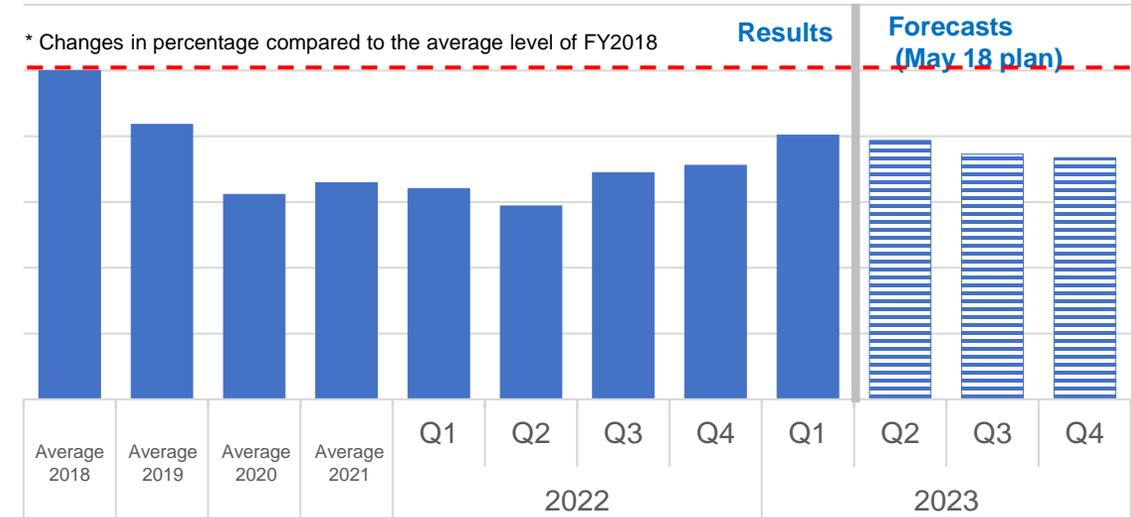


Die Casting in North America

Changes in sales and segment income (Million yen)



Changes in sales weight



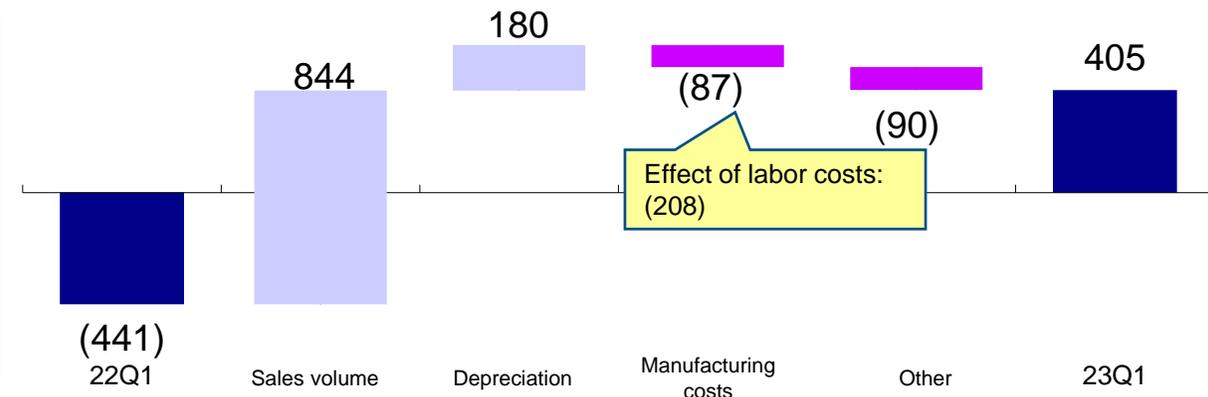
Sales: ¥11,300 million Up ¥2,900 million (35.5%) year on year

➤ Sales weight recovered due to the weakening of the yen and the stabilization of supply of semiconductors, resulting in an increase in sales.

Income: ¥400 million Up ¥840 million year on year (returned to the black)

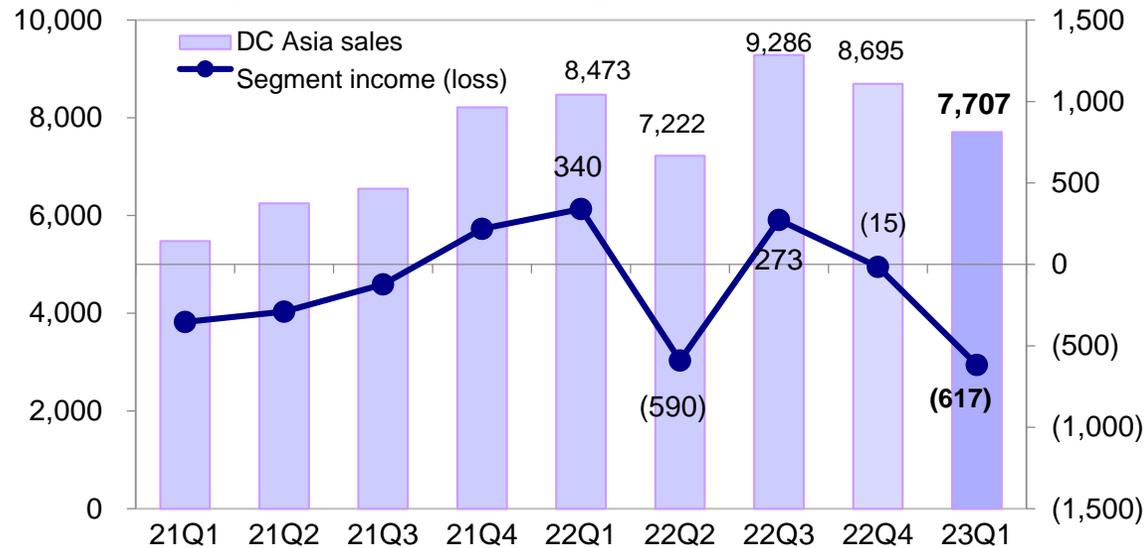
➤ Despite an increase in production costs due to rises in labor costs, etc., income increased significantly thanks to the increase in income from U.S. plants, which was partly attributed to the recovery in orders received and the effects of price adjustments and cost reduction activities.

Factors behind change in segment income (Million yen)

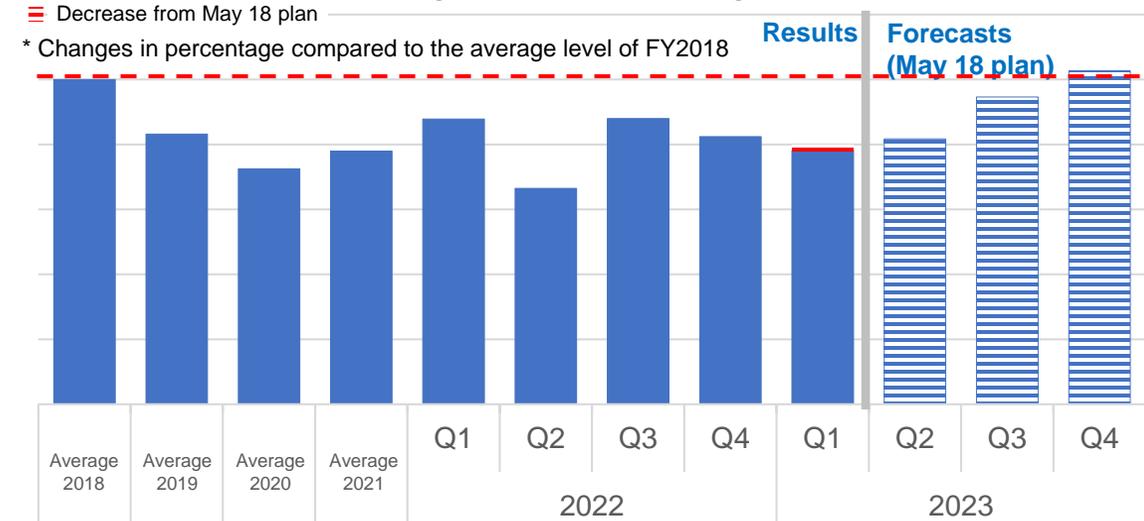


Die Casting in Asia

Changes in sales and segment income (Million yen)



Changes in sales weight



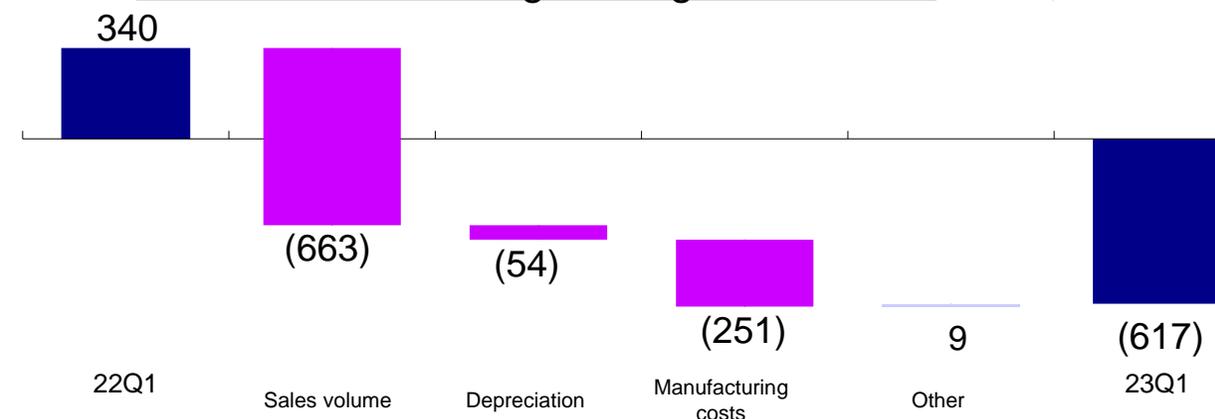
Sales: ¥7,700 million Down ¥700 million (9.0%) year on year

➤ Despite an increase in sales in line with the start of mass production by a major customer in India, orders decreased significantly reflecting stagnant sales of Japanese manufacturers due to the spread of infection following the lifting of the zero-COVID policy in China and the rapid spread of EVs.

Income: Loss of ¥600 million Down ¥950 million from the previous 1Q

➤ Despite efforts to reduce fixed costs, such as labor costs, income declined due to the abovementioned significant decrease in orders and the unstable production of some parts, resulting in higher costs.

Factors behind change in segment income (Million yen)



Aluminum Business and Proprietary Products Business

(Million yen)

		Year ended March 2023				Year ending March 2024 1Q	Year-on-Year 1Q
		1Q	2Q	3Q	4Q		
Aluminum Business	Net sales	2,100	1,820	2,107	1,947	1,842	(258)
	Segment income (loss)	82	70	83	39	55	(27)
Proprietary Products Business	Net sales	1,165	629	780	697	1,679	+514
	Segment income (loss)	90	21	46	127	174	+84

<Aluminum Business>

- Sales: Decreased due to a decrease in sales weight as a result of a decrease in automobile-related delivery, and a decline in the market of nearly 10% from 1Q of the previous year
- 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 was postponed from the previous period
- Income: Achieved a stable profit, though the profitability varies among individual projects

Topics : Major models featuring our products

HEV

Toyota **PRIUS**

Inverter cases for Power Control Unit produced in Japan

BEV

Lexus **RZ450e**

Cases for Electricity Supply Unit (battery charger and DC-DC converter) produced in Japan and China

BEV

Guangzhou Automobile **AION Y**

Structural components of EV batteries produced in China (delivered for CATL, a global leader)

HEV

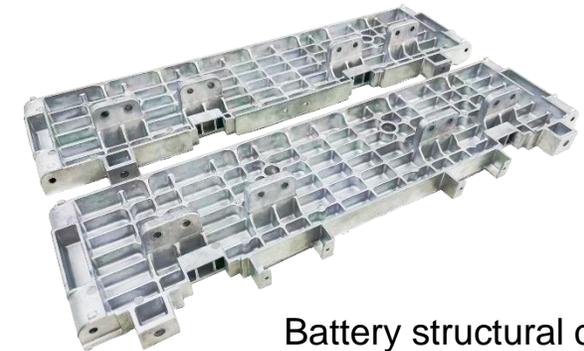
ICE

Subaru **CROSSTREK**

Motor cases for electric vehicles produced in Japan



TOYOTA PRIUS



Battery structural component

Topics : Initiatives in Non-automotive Fields

■ Proprietary Products Business (MOVAFLOR)

Received large orders in Beijing, China

- ✓ Major semiconductor device manufacturer in China
NAURA Technology Group Co., Ltd.
- ✓ Clean room
Approx. 15,000 m²
(about 43,000 sheets)



Expand sales in China and other Asian markets while maintaining the top market share in Japan

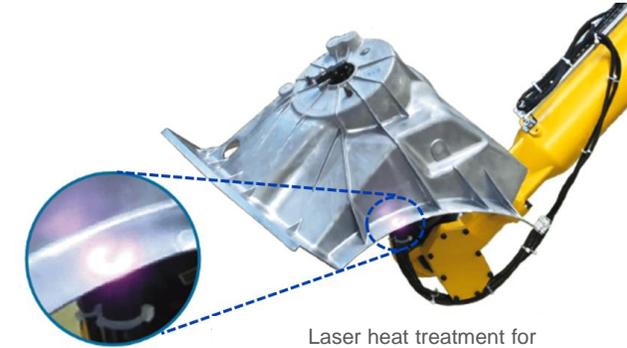
Topics : Awards in the technology field

■ Onoda Prize (Japan Die Casting Association)

“Development of a laser heat treatment technology for SPR joints of aluminum die casting that reduces CO2 emissions to one-tenth”

Patent acquired in April 2023 (No. 7270056)

A technology to reduce CO2 emissions and production costs by heat-treating only the necessary portions of mainly large parts, such as body parts, for a short period of time



Laser heat treatment for a shock tower-shaped product

■ The Technology Prize (Japan Foundry Engineering Society)

“Development of a wireless measurement system for inner-die liquid metal pressure”

A technology useful for reduction of defects and quality assurance

■ Kubota Prize (Japan Foundry Engineering Society)

Awarded for the “development of high-quality aluminum die casting production technology and its application to automobile parts, and contribution to the operation of Society”



(Left) Kubota Prize winner: Mr. Shunzo Aoyama



Casting Our Eyes on the Future

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