

Financial results for the first three quarters of the fiscal year ending March 31, 2024 and full-year financial results forecasts



January 31, 2024
Nippon Light Metal Holdings Company, Ltd.

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2. Forecasts of financial results for the full fiscal year ending March 31, 2024

Financial results for the first three quarters of the fiscal year ending March 31, 2024

Financial results for the first three quarters

– compared with the same period in the previous fiscal year

Higher sales and profit:

Despite ongoing demand corrections related to semiconductors and slowdown in China's automotive demand and other factors, sales of products for truck bodies and domestic automobiles continue to recover, in addition to continued strong performance of the panel system division.

(Billions of yen)

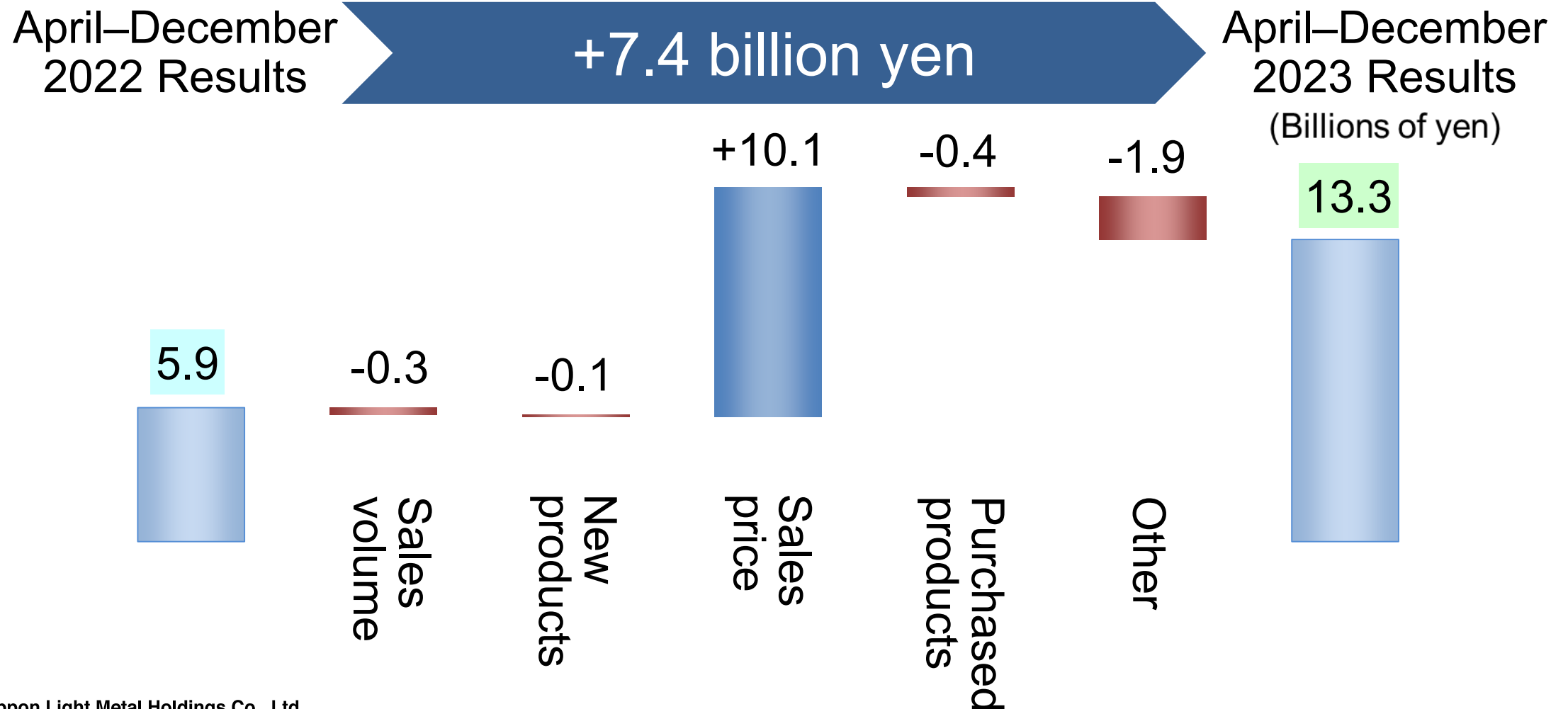
	April–December 2022 Results	April–December 2023 Results	Change YoY
Net sales	385.1	387.7	+2.6 (+0.7%)
Operating profit	5.1	12.7	+7.6 (+149.6%)
Ordinary profit	5.9	13.3	+7.4 (+124.8%)
Profit attributable to owners of parent	4.0	5.5	+1.5 (+35.6%)

Financial results for the first three quarters of the fiscal year ending March 31, 2024

Factors behind changes in ordinary profit

– compared with the previous fiscal year

Higher sales and profit: The effect of sales price revisions was expanded to the alumina and chemicals division, the truck body business, the aluminum foil, powder and paste segment, and others.



Financial results for the first three quarters of the fiscal year ending March 31, 2024

Segment information – compared with the same period in the previous fiscal year

Aluminum sheet and extrusions: Sales of semiconductor manufacturing equipment remained sluggish, and China's automotive sales slowed down.

Fabricated products and others: The panel system division was a strong performer in the clean room field, and profit improved in the truck body business.

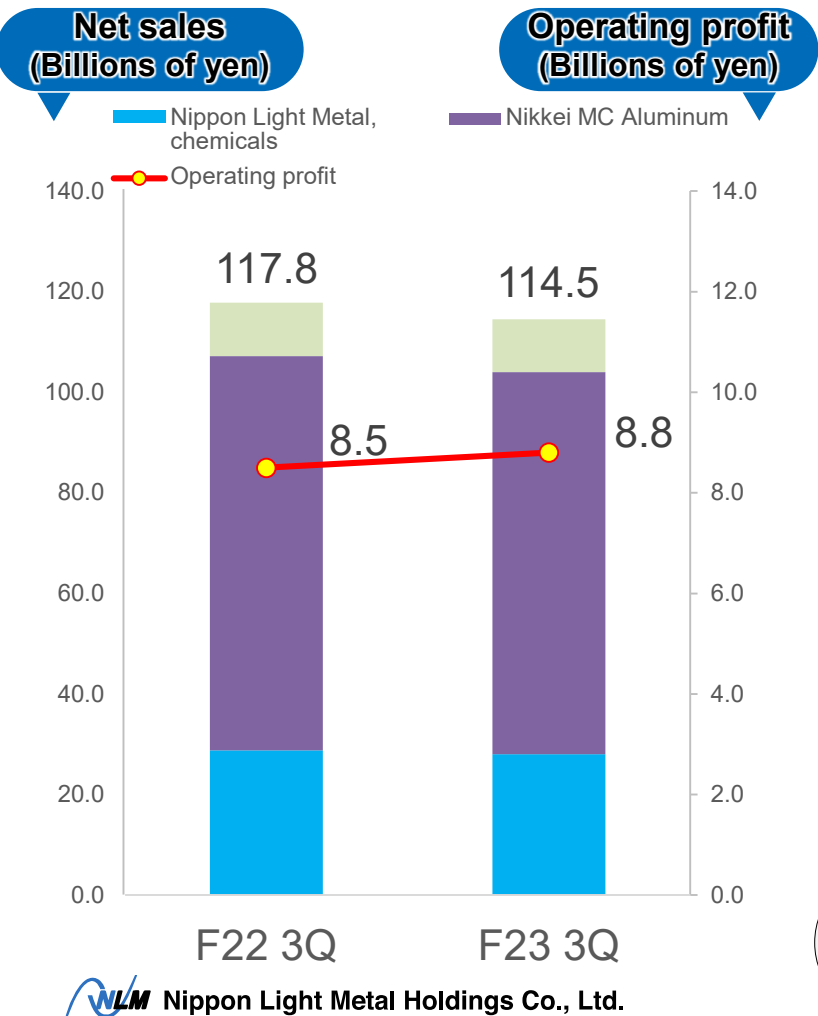
(Billions of yen)

	Net sales			Operating profit		
	April–December 2022 Results	April–December 2023 Results	Change	April–December 2022 Results	April–December 2023 Results	Change
Aluminum ingot and chemicals	117.8	114.5	-3.3 (-2.8%)	8.5	8.8	+0.3 (+3.4%)
Aluminum sheet and extrusions	82.2	72.3	-9.9 (-12.0%)	-0.2	-0.7	-0.5 (-248.1%)
Fabricated products and others	108.4	121.3	+12.9 (+11.9%)	-1.8	2.1	+3.9 (—)
Aluminum foil, powder, and paste	76.7	79.6	+2.9 (+3.7%)	1.4	5.4	+4.0 (+294.1%)
Management, shared	—	—	—	-2.8	-2.9	-0.1
Total	385.1	387.7	+2.6 (+0.7%)	5.1	12.7	+7.6 (+149.6%)

Financial results for the first three quarters of the fiscal year ending March 31, 2024

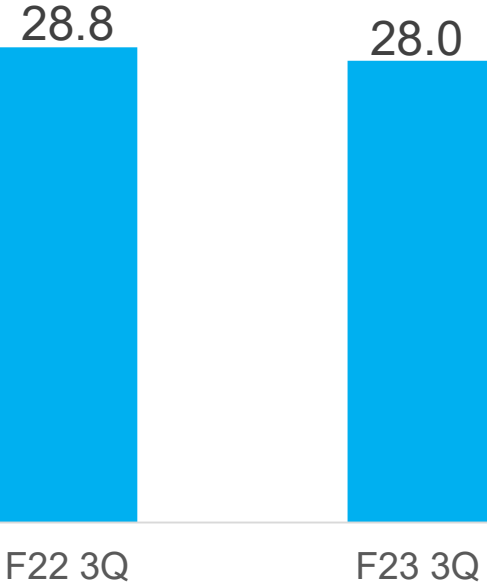
Aluminum ingot and chemicals

Profit exceeded the previous year's level in alumina and chemicals, reflecting the effect of sales price revisions despite lower sales, and in secondary alloys, reflecting higher sales on a recovery in automobile sales in Japan and continued strong performance in the U.S. and Thailand.

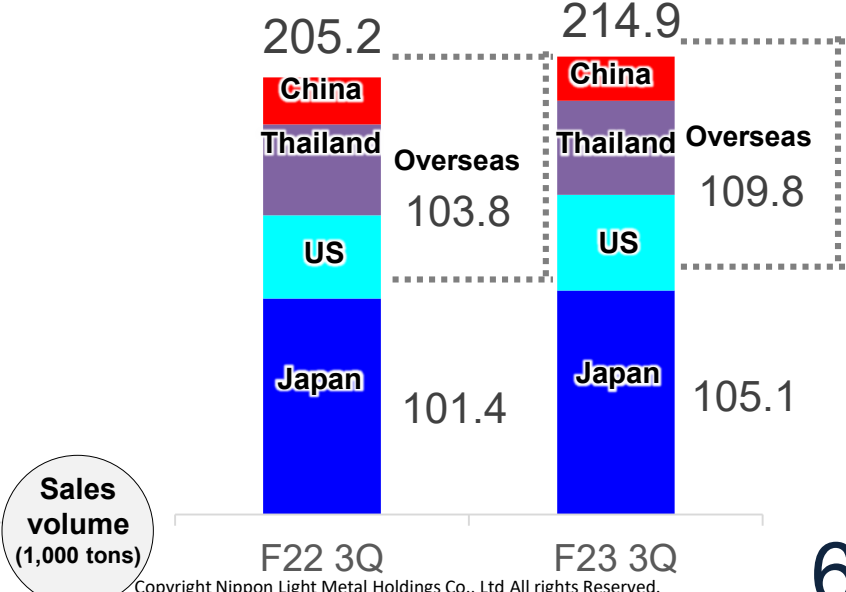


- Alumina and chemicals (Nippon Light Metal, chemicals)**
- Net sales of aluminum products for refractories and ceramics were below the previous fiscal year's level due to a decline in sales volume.
 - The moderation of soaring raw material and fuel prices, in addition to the effect of sales price revisions, resulted in higher profit than the previous year's level.

Net sales (Billions of yen)



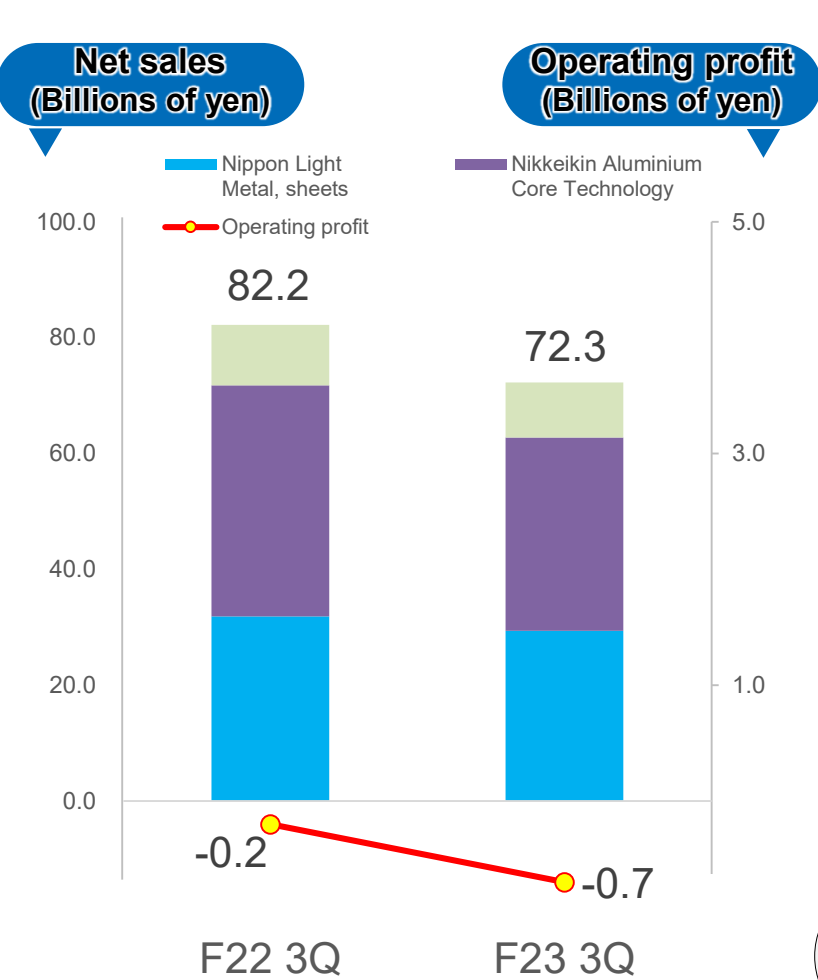
- Secondary alloy ingot (Nikkei MC Aluminum)**
- Japan: Increased sales due to recovery in auto production in Japan
 - Overseas: Continued strong sales in the U.S. and Thailand
 - Despite a decline in sales due to lower sales prices reflecting conditions in the aluminum ingot market and other factors, profit exceeded the previous year's level.



Financial results for the first three quarters of the fiscal year ending March 31, 2024

Aluminum sheet and extrusions

Although sales of products for truck bodies and domestic automobile-related products continued to recover, profit declined partly due to continued sluggish sales of products for semiconductor manufacturing equipment and slowdown in China's automobile-related product sales.



Nippon Light Metal, sheets

- Sales of thick sheets for semiconductor manufacturing equipment remained sluggish.
- Despite the effect of sales price revisions, profit fell due to the impact of a drop in sales prices linked to conditions in the aluminum ingot market, in addition to lower sales.



Extrusion (Nikkeikin Aluminium Core Technology Company and Nikkeikin Aluminum for Mobility Company)

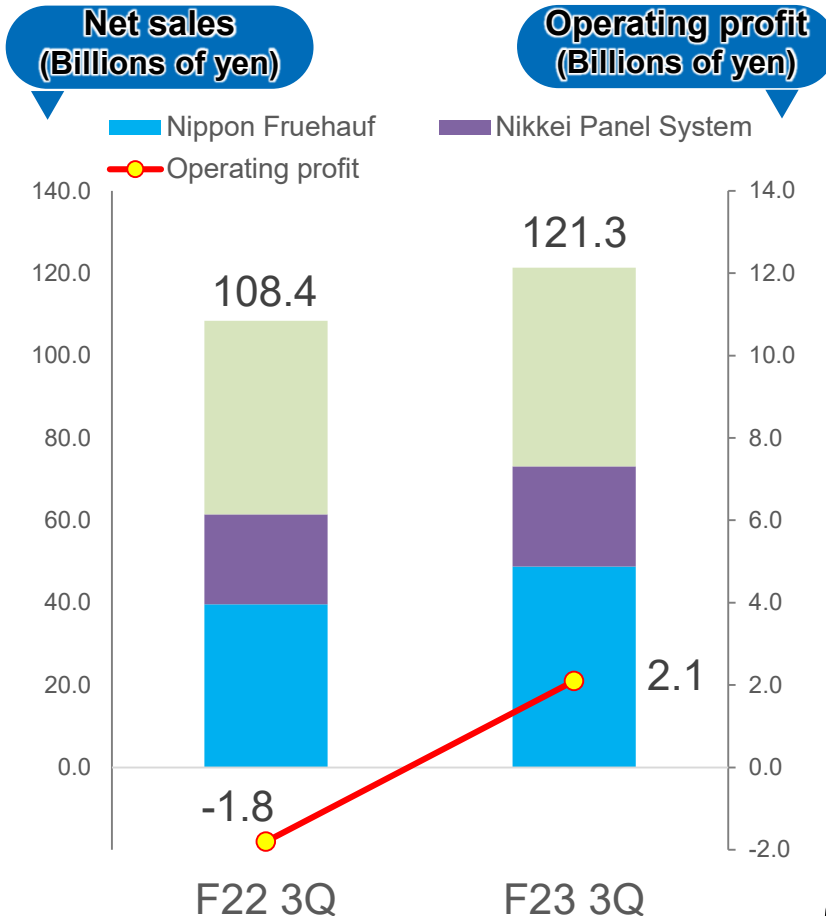
- Despite continued recovery in products for truck bodies and domestic automobile-related products, sales of products for semiconductor manufacturing equipment and automobile-related products in China declined.
- Lower sales as well as the time required to stabilize mass-production operations at the new plant in the U.S. also had an impact on profit decline.



Financial results for the first three quarters of the fiscal year ending March 31, 2024

Fabricated products and others

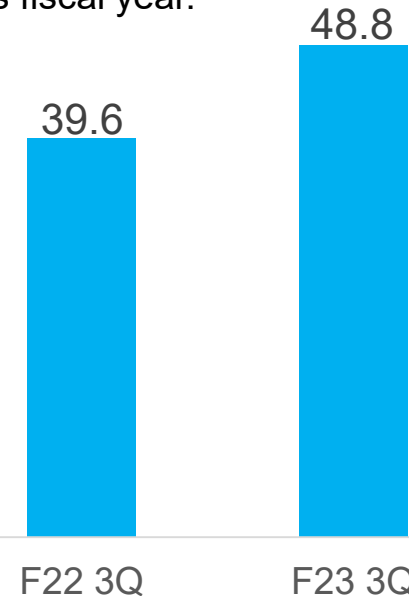
In the truck body business, sales recovery amid the normalization of chassis supply and the effect of sales price revisions led to improved profit.
The panel system business continued to be strong, especially in the clean room field for semiconductor-related manufacturers.



Nippon Fruehauf

- Sales recovered with increased production amid the normalization of chassis supply from truck manufacturers, and net sales exceeded the previous year's level.
- In addition to the recovery in sales, the effect of sales price revisions led to improved profit from the same period of the previous fiscal year.

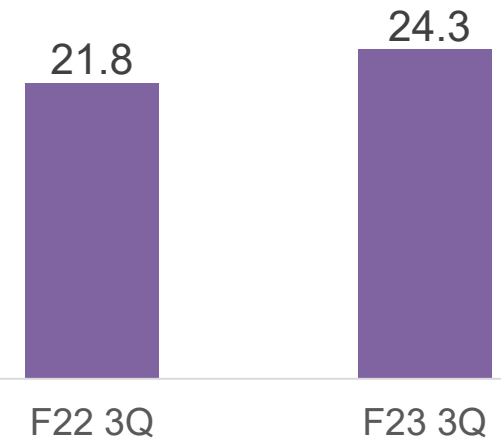
Net sales
(Billions of
yen)



Nikkei Panel System

- The refrigerator and freezer field saw strong sales of large projects, especially for food factories and low-temperature distribution warehouses.
- Sales in the clean room field increased backed by brisk demand for semiconductor-related manufacturers.

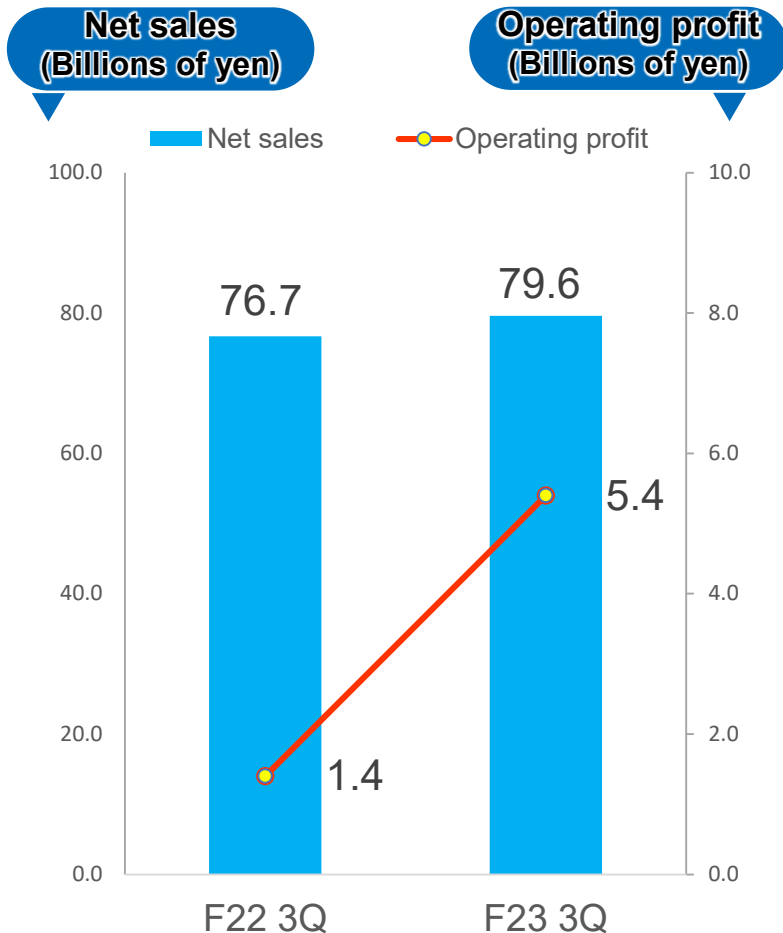
Net sales
(Billions of
yen)



Financial results for the first three quarters of the fiscal year ending March 31, 2024

Aluminum foil, powder, and paste

Increased sales in the daily necessities division, sales of related products secured thanks to recovery in auto production, and the effect of sales price revisions contributed to increases in sales and profit.



Aluminum foil division

- Sales of foils for lithium-ion battery exteriors remained at the same level as in the previous fiscal year.
- Increased sales of processed foil for medical product packaging due to the effect of sales price revisions led to higher net sales than the previous year's level.

Powder and paste division

- Sales of aluminum powder for electronic materials and aluminum nitride remained at the same level as in the previous fiscal year despite demand corrections related to semiconductors.
- Sales of paste products for automobile paints increased, mainly to overseas customers.

Daily necessities division

- Net sales exceeded the previous year's level, reflecting a rise in sales of house-care products with the effect of sales price revisions for aluminum foil in consumer products, and higher sales of packaging products for frozen foods, as well as the effect of the price revisions.

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Forecasts of financial results for the full fiscal year ending March 31, 2024

Full-year earnings forecasts – compared with the previous fiscal year

We expect continued strong performance in the panel system division and recovery trends in the truck body-related business. However, given the ongoing uncertainty about the outlook for semiconductor-related demand recovery and automotive-related trends in China, among other factors, we have not changed our forecasts from those released on May 15, 2023.

(Billions of yen)

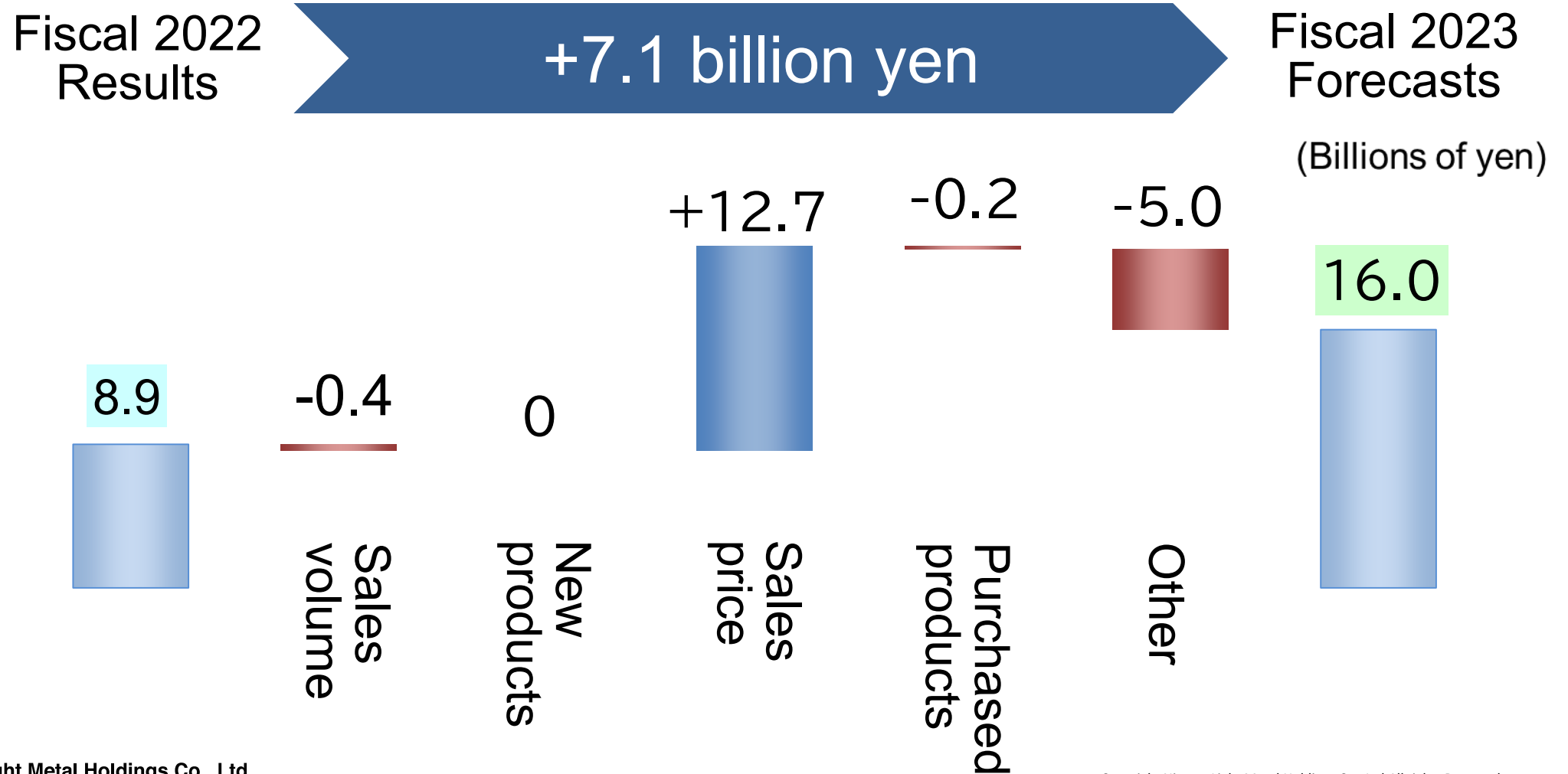
	Fiscal 2022 Results	Fiscal 2023 Forecasts	Change
Net sales	517.0	550.0	+33.0 (+6.4%)
Operating profit	7.5	17.0	+9.5 (+125.5%)
Ordinary profit	8.9	16.0	+7.1 (+80.6%)
Profit attributable to owners of parent	7.2	7.5	+0.3 (+4.1%)
Dividends per share	50 yen	50 yen	±0

Forecasts of financial results for the full fiscal year ending March 31, 2024

Factors behind changes in ordinary profit

– compared with the previous fiscal year

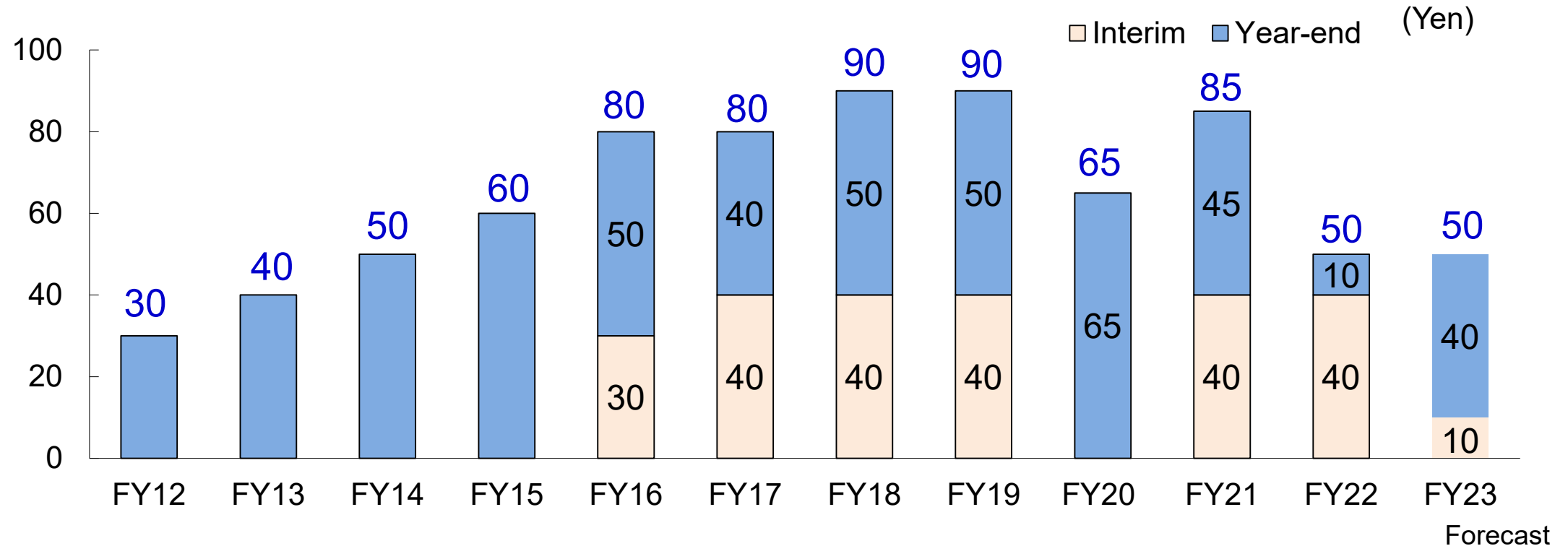
Higher sales and profit: Looking forward to Q4, the effects of sales price revisions continue to expand in the truck body business and others.



Forecasts of financial results for the full fiscal year ending March 31, 2024

Dividends per share

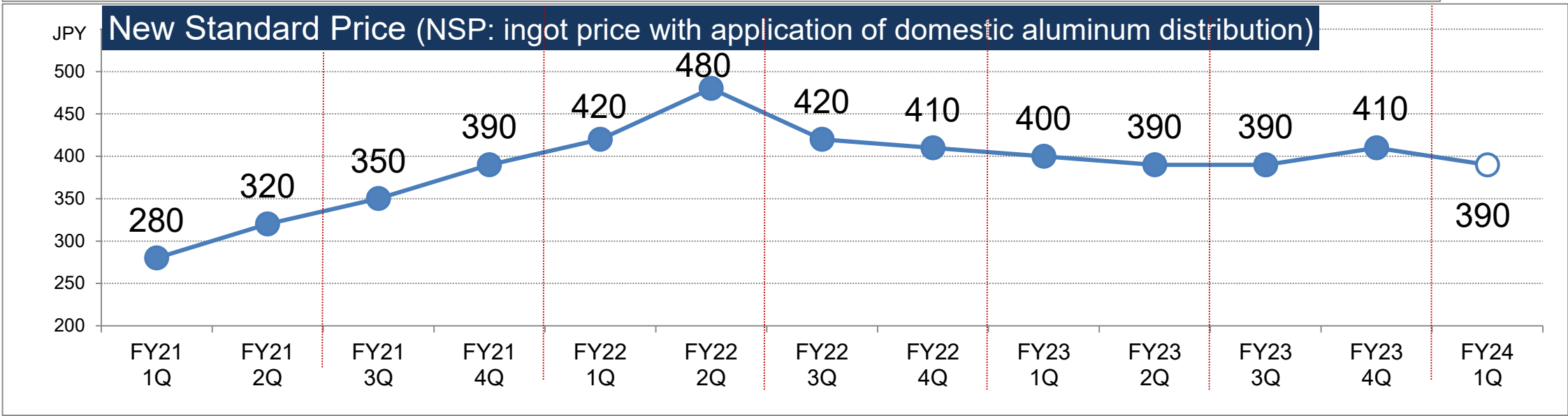
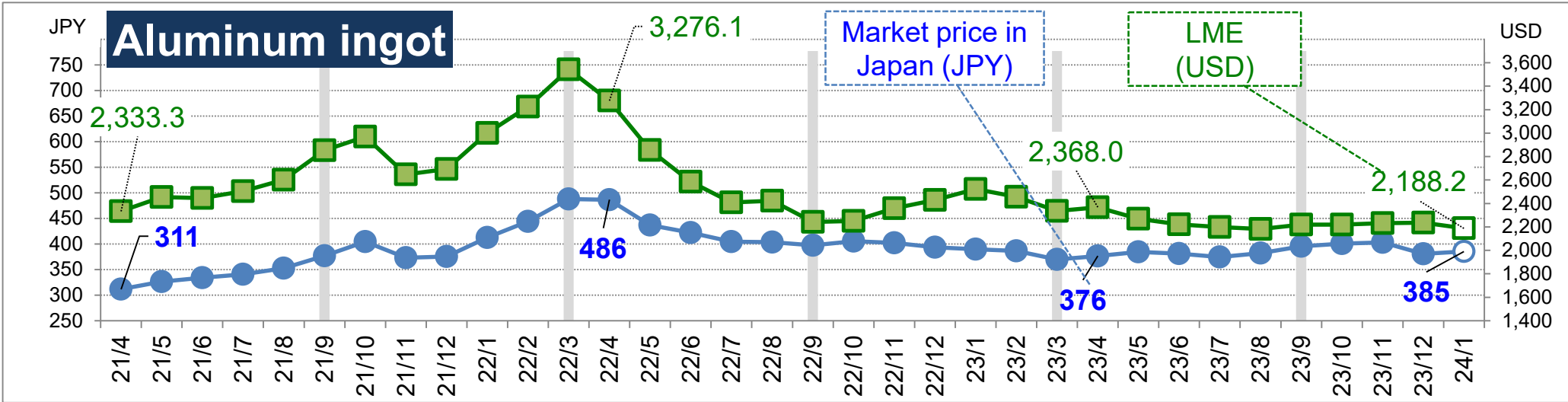
Dividend forecasts unchanged from those released on May 15, 2023



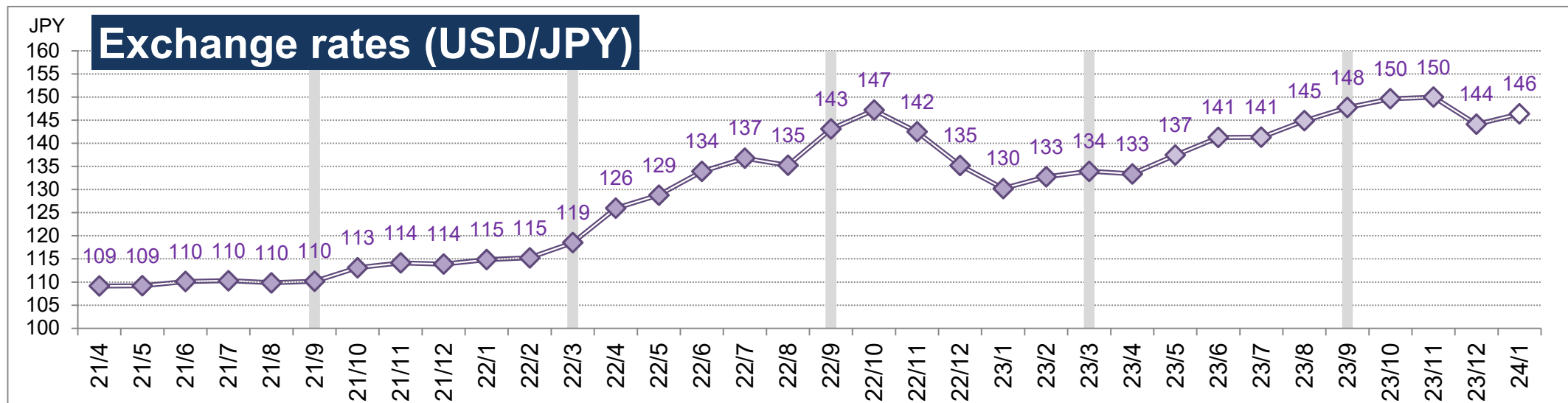
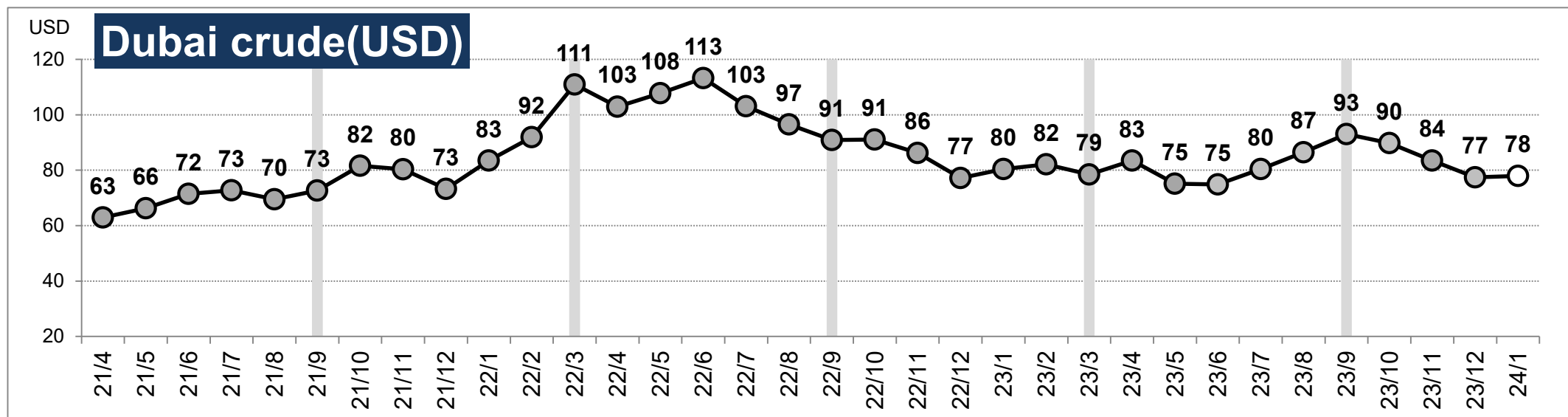
The Company carried out a share consolidation at a ratio of 1 share for every 10 shares of common stock on October 1, 2020, and the dividend amount per share prior to FY2019 (fiscal year ended in March 2020) takes into account the effects of this share consolidation.

Supplemental materials

Trends in the price of aluminum ingot



Trends in crude oil prices and exchange rates



Supplemental materials

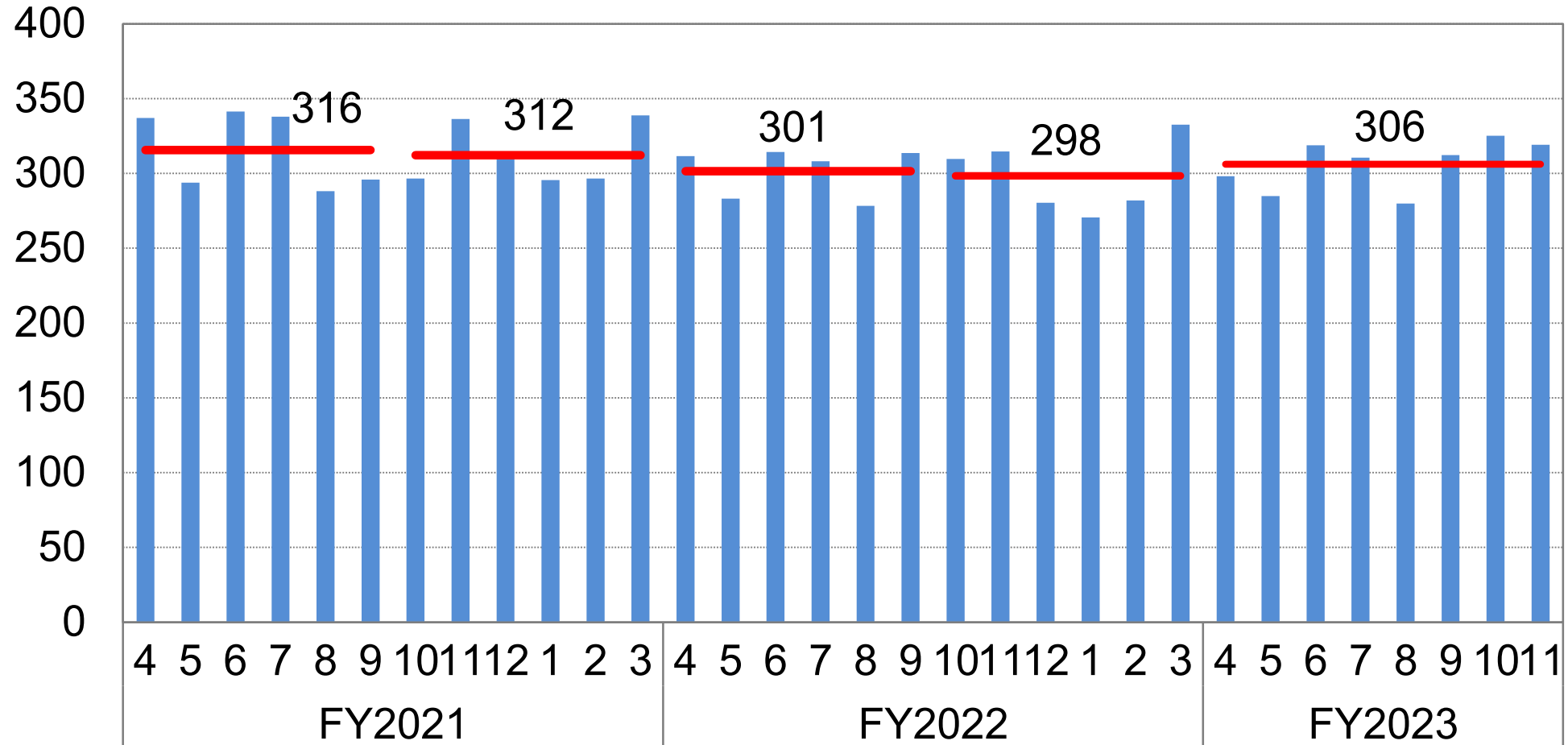
Elements and sensitivity

	Fiscal 2021 Results	Fiscal 2022 Results	Fiscal 2023 Forecasts	April- December 2023 Results	Sensitivity to ordinary profit
Aluminum ingot (yen/kg)	378	408	400	386	Assuming a 10 yen/kg increase -0.5 billion yen/year
Exchange rates (yen/USD)	112	135	140	143	Assuming 10 yen appreciation -0.5 billion yen/year
Dubai crude (USD/BBL)	78	93	95	83	Assuming a USD10/BBL increase -0.6 billion yen/year

Trends in overall demand for aluminum products in Japan

(1,000 tons)

Source: Japan Aluminum Association



Supplemental materials

Product sales volume

(1,000 tons)

	April–December 2022 Results	April–December 2023 Results	Change
Nikkei MC Aluminum (secondary alloy ingot)	205.2	214.9	+9.7 (+5%)
Japan	101.4	105.1	+3.7 (+4%)
Overseas	103.8	109.8	+6.0 (+6%)
Nippon Light Metal, sheets (aluminum sheet)	46.8	44.9	-1.9 (-4%)
Nikkeikin Aluminium Core Technology Company (extrusions)*	25.2	24.8	— (—)

*Figures of Nikkeikin Aluminium Core Technology's automotive-related business are excluded from 3Q results due to its transfer to Nikkeikin Aluminum for Mobility Company.

Financial results of key companies

(Billions of yen)

	April–December 2022 Results			April–December 2023 Results		
	Net sales	Operating profit	Ordinary profit	Net sales	Operating profit	Ordinary profit
Nippon Light Metal (Non-consolidated) *	117.8	3.5	7.8	106.6	2.6	6.2
Toyo Aluminium (Consolidated)	77.0	0.9	1.8	79.8	5.3	5.8
Nikkei MC Aluminum (Consolidated)	78.4	1.6	1.8	76.0	1.9	2.3
Nippon Fruehauf (Consolidated)	39.6	-3.8	-3.8	48.8	-1.1	-1.1
Nikkeikin Aluminium Core Technology (Consolidated) *	39.9	-1.0	-0.6	33.4	-0.5	-0.4
Nikkei Panel System (Consolidated)	21.8	2.3	2.4	24.3	3.3	3.3
Nikkeikin Aluminum for Mobility Company (for 3Q only *)	—	—	—	8.3	-0.2	-0.2

* The industrial parts and heat exchanger businesses of Nippon Light Metal and the automotive-related business of Nikkeikin Aluminum Core Technology were transferred to Nikkeikin Aluminum for Mobility Company from 3Q of this fiscal year.

Segment information – compared with the previous fiscal year

(Billions of yen)

	Net sales			Operating profit		
	Fiscal 2022 Results	Fiscal 2023 Forecasts	Change	Fiscal 2022 Results	Fiscal 2023 Forecasts	Change
Aluminum ingot and chemicals	156.0	158.0	+2.0 (+1.3%)	10.2	10.0	-0.2 (-2.0%)
Aluminum sheet and extrusions	107.4	107.5	+0.1 (+0.1%)	-0.6	-0.5	+0.1 (+7.6%)
Fabricated products and others	153.2	180.5	+27.3 (+17.8%)	0.1	6.0	+5.9 (—)
Aluminum foil, powder, and paste	100.4	104.0	+3.6 (+3.6%)	1.5	5.5	+4.0 (+262.3%)
Management, shared	—	—	—	-3.7	-4.0	-0.3
Total	517.0	550.0	+33.0 (+6.4%)	7.5	17.0	+9.5 (+125.5%)

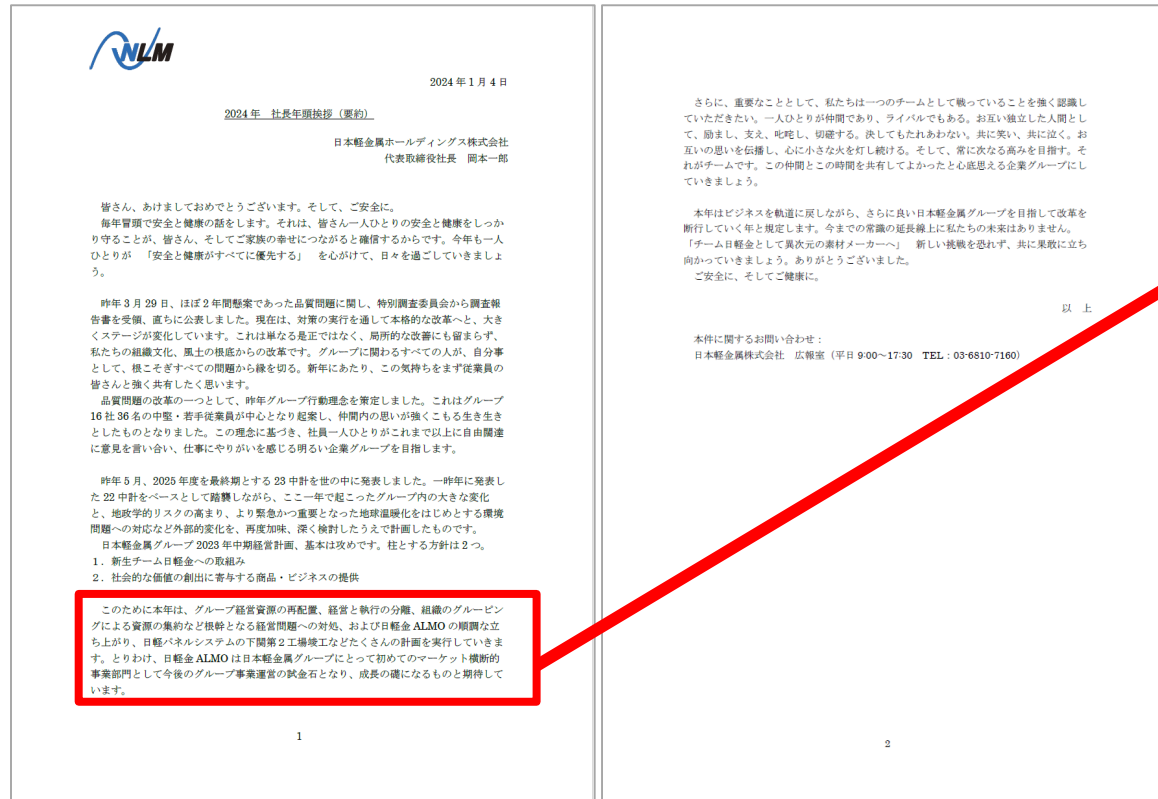
Status of sales price revisions

Nippon Light Metal's sheet processing fees will be revised (effective February 2024).

Segment		Item subject to price revision	Revision details	Start time	
Aluminum foil, powder, and paste	Toyo Aluminium	All types of powder and paste	5% increase for all types of products	January 2023	
Aluminum sheet and extrusions	Nippon Light Metal, sheets	All aluminum sheet products	Raw material and fuel surcharge	January 2023	Also applicable to some extruded products
Fabricated Products and others	Nippon Fruehauf	All products including van bodies and trailers	10-15% increase over current prices	March 2023	
Aluminum foil, powder, and paste	Toyo Aluminium	Resin and paper raw materials for household use	20% or more	July 2023	
Aluminum sheet and extrusions	Nippon Light Metal, sheets	All aluminum sheet products	About 20% increase in processing fees (roll margin price)	February 2024	Also applicable to extrusion products at the same level

Excerpt of New Year's Message from President and CEO on January 4, 2024

Announcement of his intentions for the second year of 2023 Medium-term Plan



This year we will address fundamental management issues such as the reallocation of group management resources, segregation of management and execution, and consolidation of resources by grouping organizations. We will also carry out the smooth launch of Nikkeikin ALMO, and the completion of Nikkei Panel's second factory construction in Shimonoseki, among many other plans. In particular, I expect **Nikkeikin ALMO**, as the NLM Group's first cross-market business entity, to serve as a touchstone for the Group's future management and lay the foundation for future growth.

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<https://www.nikkeikinholdings.com/news/news/p20240104hde.html>

Notes on this document

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2. The forward-looking statements, including future trends and earnings estimates, are not historical facts and involve risks and uncertainties, and therefore do not guarantee future performance. Actual financial results may differ materially from the estimates due to various factors, including unpredictable changes in economic conditions. Significant factors that may affect actual financial results include but are not limited to the economic climate surrounding the Group, social trends, and changes in the Group's relative competitiveness in line with the demand trends for the products and services provided by the Group.
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