

Financial results for the first quarter of the fiscal year ending March 31, 2023

August 1, 2022

Nippon Light Metal Holdings Company, Ltd.

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1. Financial results for the first quarter of the fiscal year ending March 31, 2023
2. Forecast of consolidated financial results for the fiscal year ending March 31, 2023

Financial results for the first quarter of the fiscal year ending March 31, 2023

Financial results for the first quarter of the fiscal year

– compared with the same period in the previous year

(Billions of yen)

	April–June 2022 Results	April–June 2021 Results	Change
Net sales	123.2	115.7	+7.5 (+6.5%)
Operating profit	3.4	7.4	-4.0 (-53.8%)
Ordinary profit	4.1	7.6	-3.5 (-45.3%)
Profit attributable to owners of parent	2.6	4.8	-2.2 (-45.9%)

Factors behind changes in ordinary profit

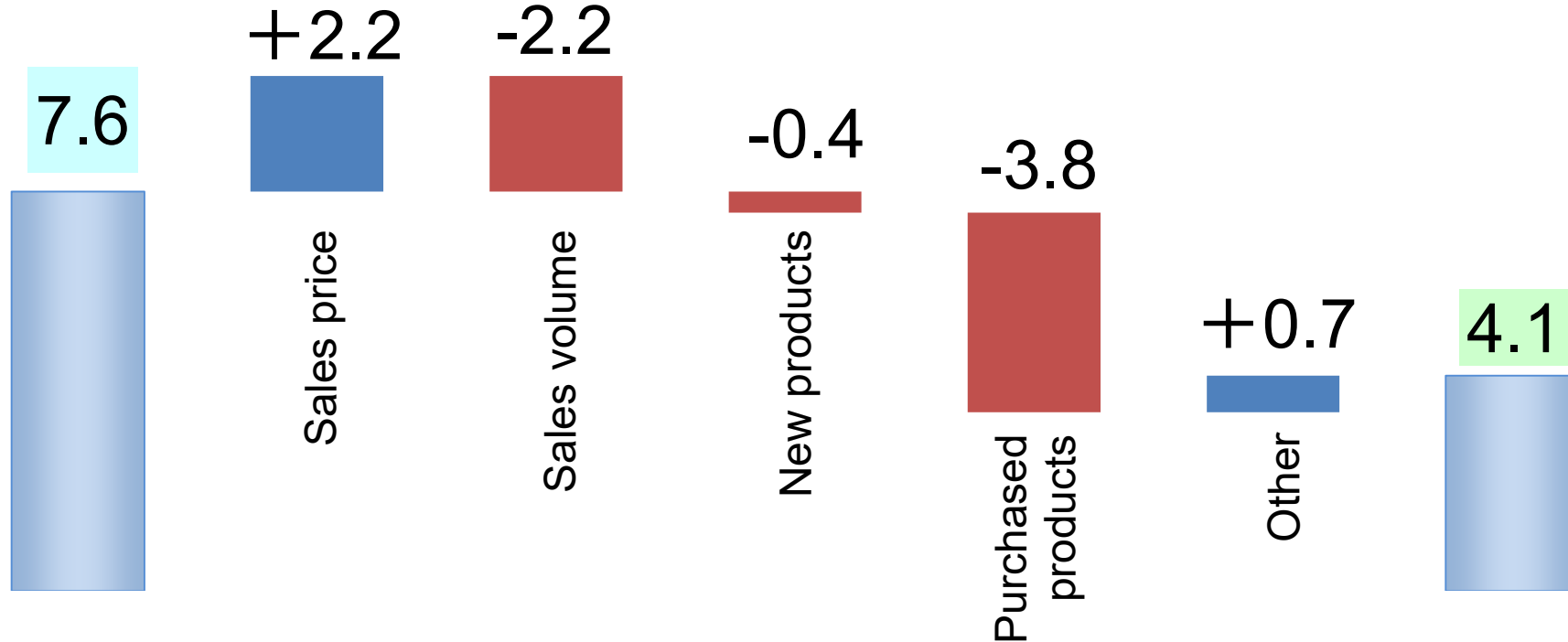
– compared with the same period in previous year

April–June 2021
Results

-3.5 billion yen

April–June 2022
Results

(Billions of yen)

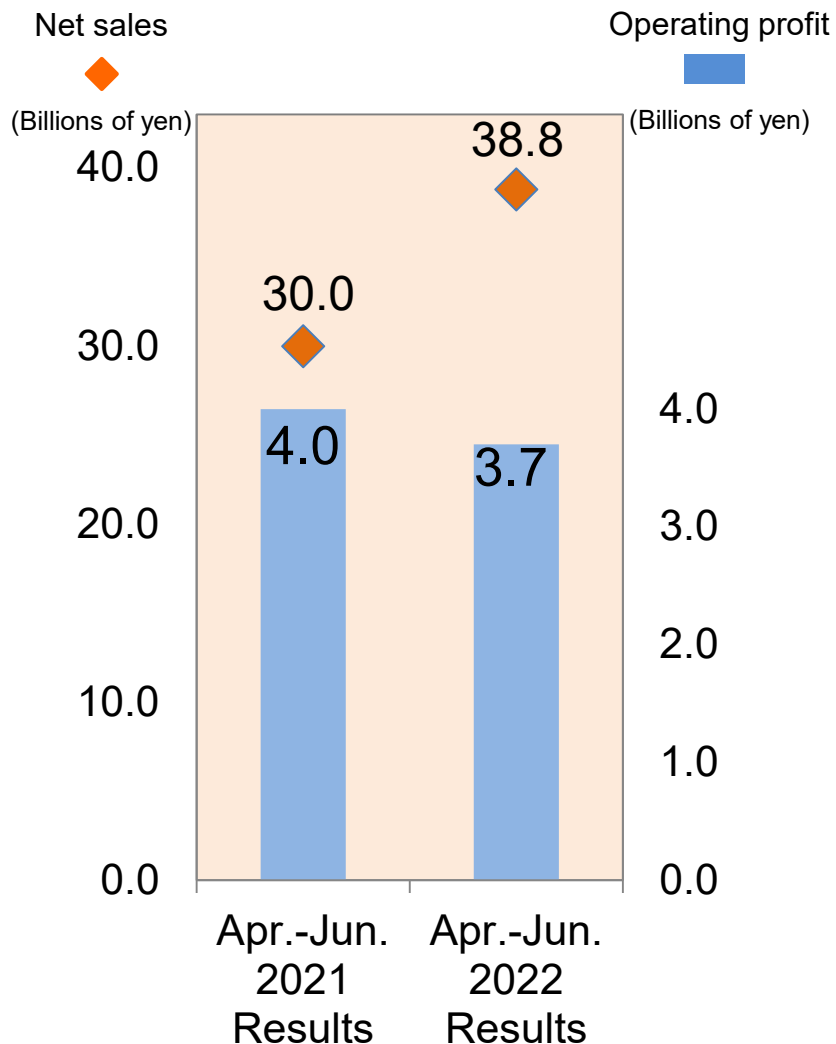


Segment information – compared with the same period in previous year

(Billions of yen)

	Net sales			Operating profit		
	April–June 2022 Results	April–June 2021 Results	Change	April–June 2022 Results	April–June 2021 Results	Change
Aluminum ingot and chemicals	38.8	30.0	+8.8 (+29.2%)	3.7	4.0	-0.3 (-6.3%)
Aluminum sheet and extrusions	27.9	27.7	+0.2 (+0.6%)	1.2	2.6	-1.4 (-53.9%)
Fabricated products and others	32.2	36.3	-4.1 (-11.2%)	-1.3	0.6	-1.9 (-)
Aluminum foil, powder, and paste	24.3	21.7	+2.6 (+12.3%)	0.8	1.2	-0.4 (-36.6%)
Management, shared	–	–	–	-1.0	-1.0	±0
Total	123.2	115.7	+7.5 (+6.5%)	3.4	7.4	-4.0 (-53.8%)

Aluminum ingot and chemicals



Alumina and chemicals

- Sales: Demand for products for ceramics and fire-resistant materials was solid.
- Profitability: Despite revisions to sales prices in response to the spike in the price of raw material and fuel such as the raw material aluminum hydroxide, higher costs had a major impact and led to a decline in operating profit.

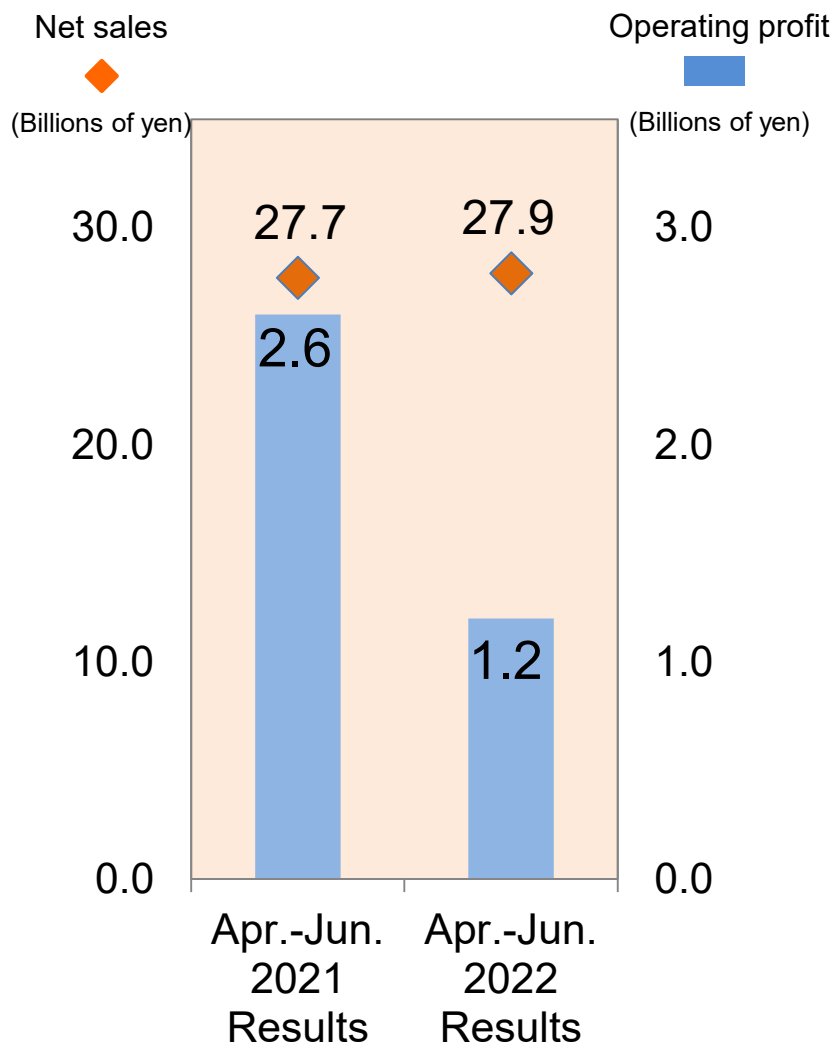
Nikkei MC Aluminium

- Sales: Sales increased due to higher sales prices attributable to the reflection of aluminum ingot prices.
- Profitability: Operating profit fell in Japan and overseas due to a decline in sales volume caused by a reduction in auto production.

Sales volume for Nikkei MC Aluminium (1,000 tons)

	Q1 FY22		
	Results	Previous year	Change
Japan	31.6	34.4	-8%
Overseas	31.4	35.4	-11%
Total	63.0	69.8	-10%

Aluminum sheet and extrusions



Sheet

- Market environment: Demand for thick sheets for semiconductor manufacturing equipment was solid, as in the previous fiscal period.
- Profitability: Although profit increased on higher sales prices reflecting conditions in the aluminum market, operating profit fell on the impact of the transfer of all equity interest in a Chinese sheet processing subsidiary.

Sales volume for sheets business (1,000 tons)

Q1 FY22			
	Results	Previous year	Change
	18.2	17.8	+2%

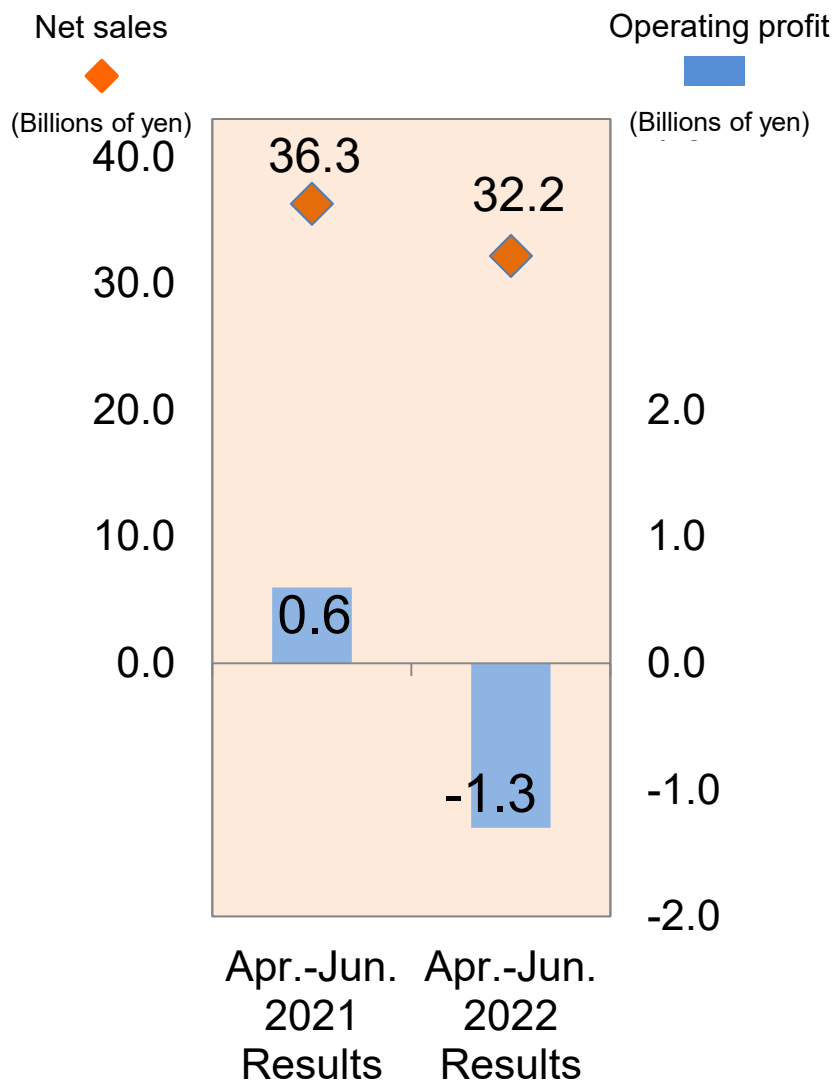
Nikkeikin Aluminium Core Technology Company

- Auto-related: Sales fell due to ongoing reductions in auto manufacturing attributable to city-wide lockdowns in China, in addition to supply shortages for semiconductors and other parts.
- Transportation-related: Sales to truck body manufacturers were low due to continued production cutbacks of truck chassis.

Sales volume for Nikkeikin Aluminium Core Technology (1,000 tons)

Q1 FY22			
	Results	Previous year	Change
	7.7	9.5	-19%

Fabricated products and others



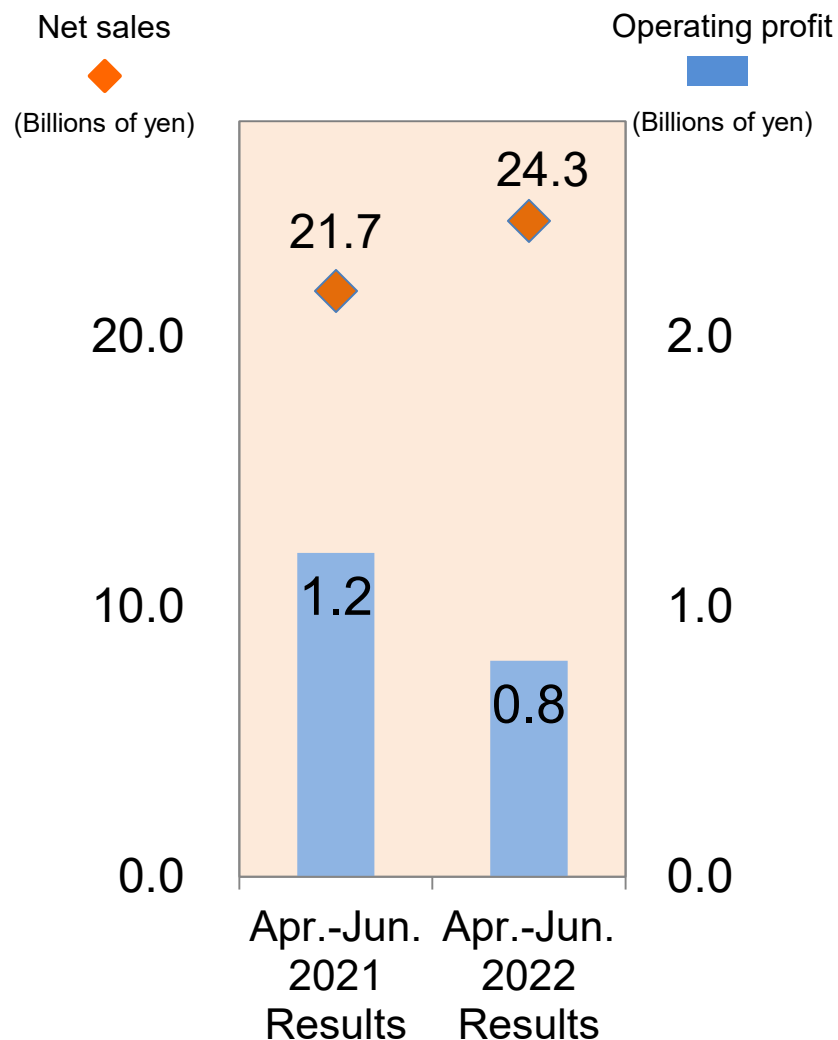
Nippon Fruehauf

- Sales: Lower production of truck chassis, due to turmoil in the supply chain caused by the shortage of semiconductors and other parts and the lockdown of cities in China, had an ongoing impact.
- Profitability: Operating profit fell significantly due to the drop in sales and capacity utilization, as well as higher material prices caused by a rise in market prices for aluminum and other.

Nikkei Panel System

- Refrigerator and freezer sector: Sales to food factories were solid due to growing demand for frozen foods and other.
- Clean rooms: Sales for industrial clean rooms related to semiconductors were strong, and sales for pharmaceutical-related clean rooms increased.

Aluminum foil, powder, and paste



Toyo Aluminium

■ Sales:

Aluminum foil division

- Sales of foil for the outer packing of lithium-ion batteries for autos fell, but net sales surpassed levels in the same period of the previous fiscal year due to higher sales prices reflecting the increase in aluminum ingot prices and the consolidation of a subsidiary in India.

Powder and paste division

- Sales of powder products fell due to semiconductor shortages and supply chain problems, and although sales of paste products in Japan fell due to decreased auto production, overseas sales increased, so that division-wide net sales increased over the previous fiscal year.

Daily necessities division

- Sales of house-care products for consumers and aluminum foil fell, but sales of packing products for restaurants and frozen foods recovered, resulting in an increase in sales for the division.

- ### ■ Profitability:
- Operating profit was down due to higher costs from the spike in raw material prices, in addition to the impact of lower sales caused by auto production cutbacks and other factors.

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1. Financial results for the first quarter of the fiscal year ending March 31, 2023
2. Forecast of consolidated financial results for the fiscal year ending March 31, 2023

Full-year earnings forecasts – compared with the previous year

Forecasts released on May 16, 2022 are left unchanged

(Billions of yen)

	Fiscal 2022 Forecasts	Fiscal 2021 Results	Change
Net sales	540.0	486.6	+53.4 (+11.0%)
Operating profit	20.0	22.2	-2.2 (-9.9%)
Ordinary profit	20.0	22.9	-2.9 (-12.7%)
Profit attributable to owners of parent	14.0	16.8	-2.8 (-16.7%)
Dividends per share	85 yen (*)	85 yen	±0

*Interim dividend: 40 yen/share; year-end forecast: 45 yen/share; dividend payout ratio: 37.6%

Segment information – compared with the previous year

Forecasts released on May 16, 2022 are left unchanged

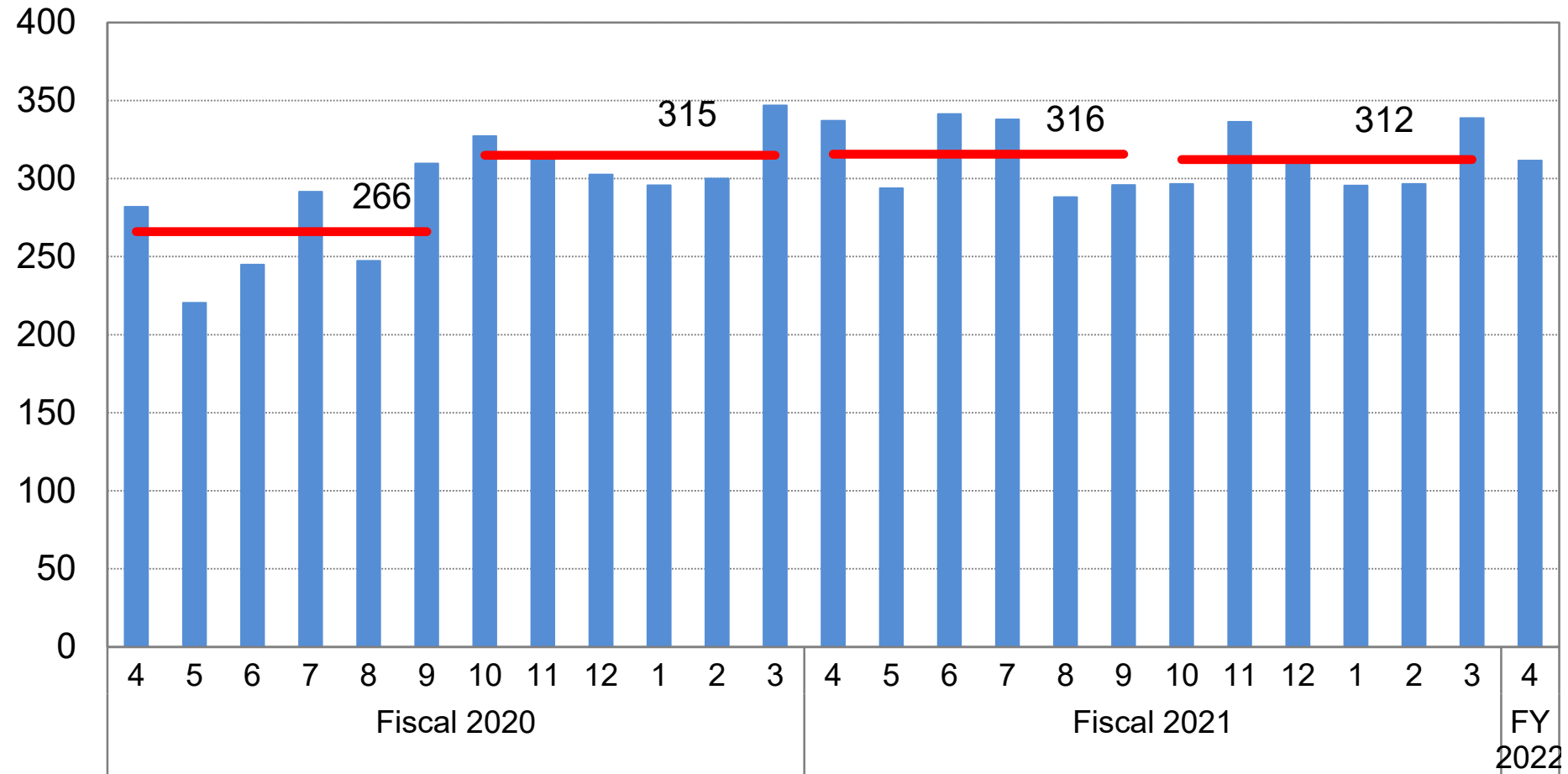
(Billions of yen)

	Net sales			Operating profit		
	Fiscal 2022 Forecasts	Fiscal 2021 Results	Change	Fiscal 2022 Forecasts	Fiscal 2021 Results	Change
Aluminum ingot and chemicals	161.0	127.6	+33.4 (+26.1%)	12.5	13.0	-0.5 (-4.0%)
Aluminum sheet and extrusions	109.0	113.9	-4.9 (-4.3%)	4.0	7.5	-3.5 (-46.8%)
Fabricated products and others	167.0	153.4	+13.6 (+8.9%)	3.5	3.8	-0.3 (-7.3%)
Aluminum foil, powder, and paste	103.0	91.7	+11.3 (+12.4%)	4.0	1.6	+2.4 (+154.8%)
Management, shared	—	—	—	-4.0	-3.7	-0.3
Total	540.0	486.6	+53.4 (+11.0%)	20.0	22.2	-2.2 (-9.9%)

Supplemental materials

Trends in overall demand for aluminum products in Japan

(1,000 tons)

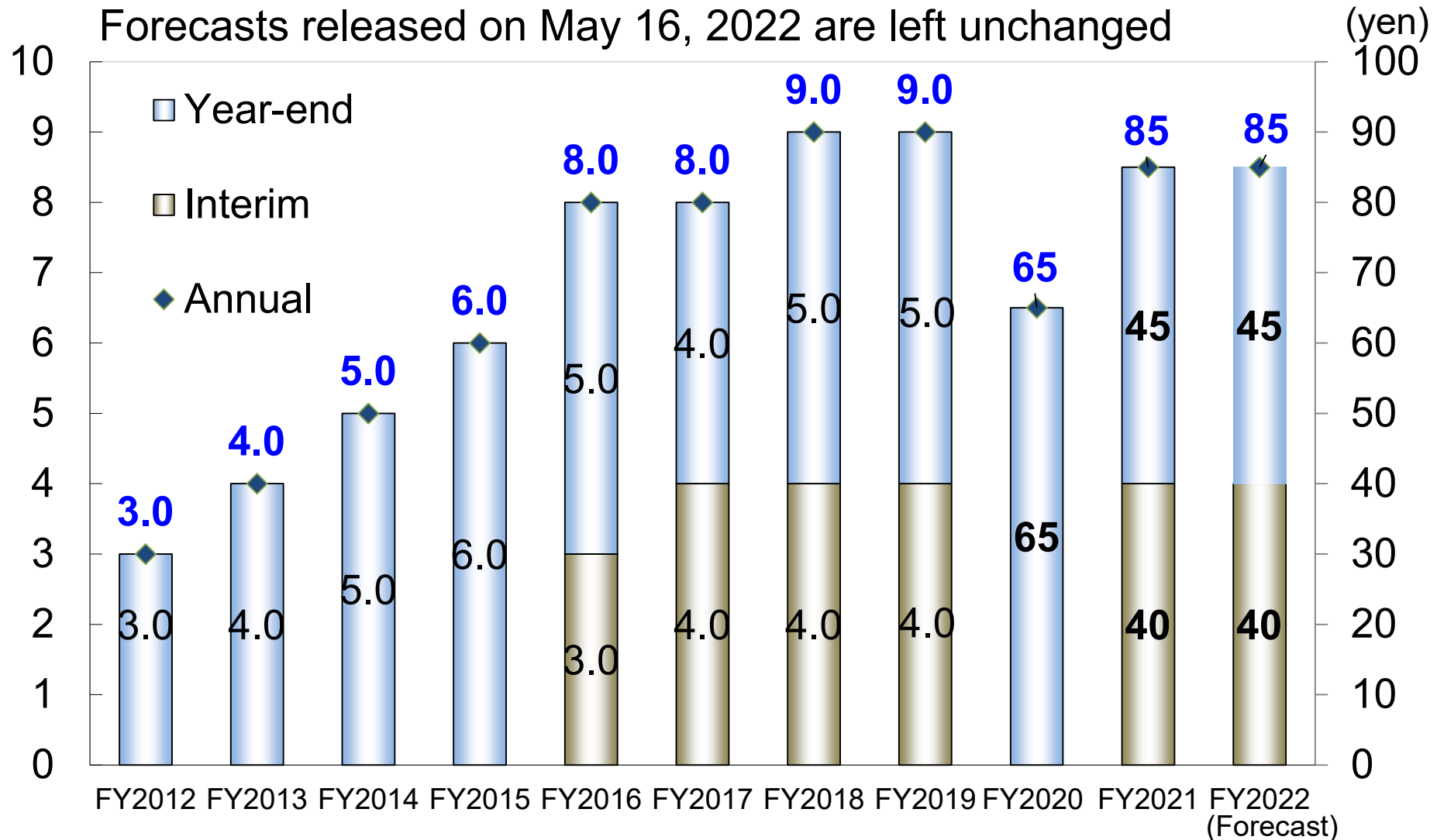


Source: Japan Aluminum Association

Elements and sensitivity

	Fiscal 2022 Forecasts	Fiscal 2021 Results	Sensitivity to ordinary profit
Aluminum ingot (yen/kg)	390	378	Assuming a 10 yen/kg increase -0.5 billion yen/year
Exchange rates (JPY/USD)	115	113	Assuming 10 yen appreciation -0.5 billion yen/year
Dubai crude (USD/BBL)	85	78	Assuming a USD10/BBL increase -0.6 billion yen/year

Dividends per share



The Company carried out a share consolidation at a ratio of 1 share for every 10 shares of common stock on October 1, 2020.

Notes on this document

1. This document is intended to provide information on the financial results for the fiscal year ended March 31, 2022, and future management strategies, and not to solicit the purchase or sale of the marketable securities issued by the Company.
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.
3. The matters described in this document reflect the views of the Company at the time of its preparation and are subject to change without prior notice.
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