

# **Financial results for the first half of the fiscal year ending March 31, 2023**

October 31, 2022

Nippon Light Metal Holdings Company, Ltd.

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1. Financial results for the first half 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 half of the fiscal year ending March 31, 2023

## Financial results for the first half of the fiscal year

– compared with the same period in the previous fiscal year

(Billions of yen)

	April–September 2022 Results	April–September 2021 Results	Change
Net sales	253.1	236.0	+17.1 (+7.2%)
Operating profit	3.7	14.0	-10.3 (-74.0%)
Ordinary profit	5.2	14.2	-9.0 (-63.4%)
Profit attributable to owners of parent	3.8	10.8	-7.0 (-64.8%)
Interim dividends per share	40 yen	40 yen	±0

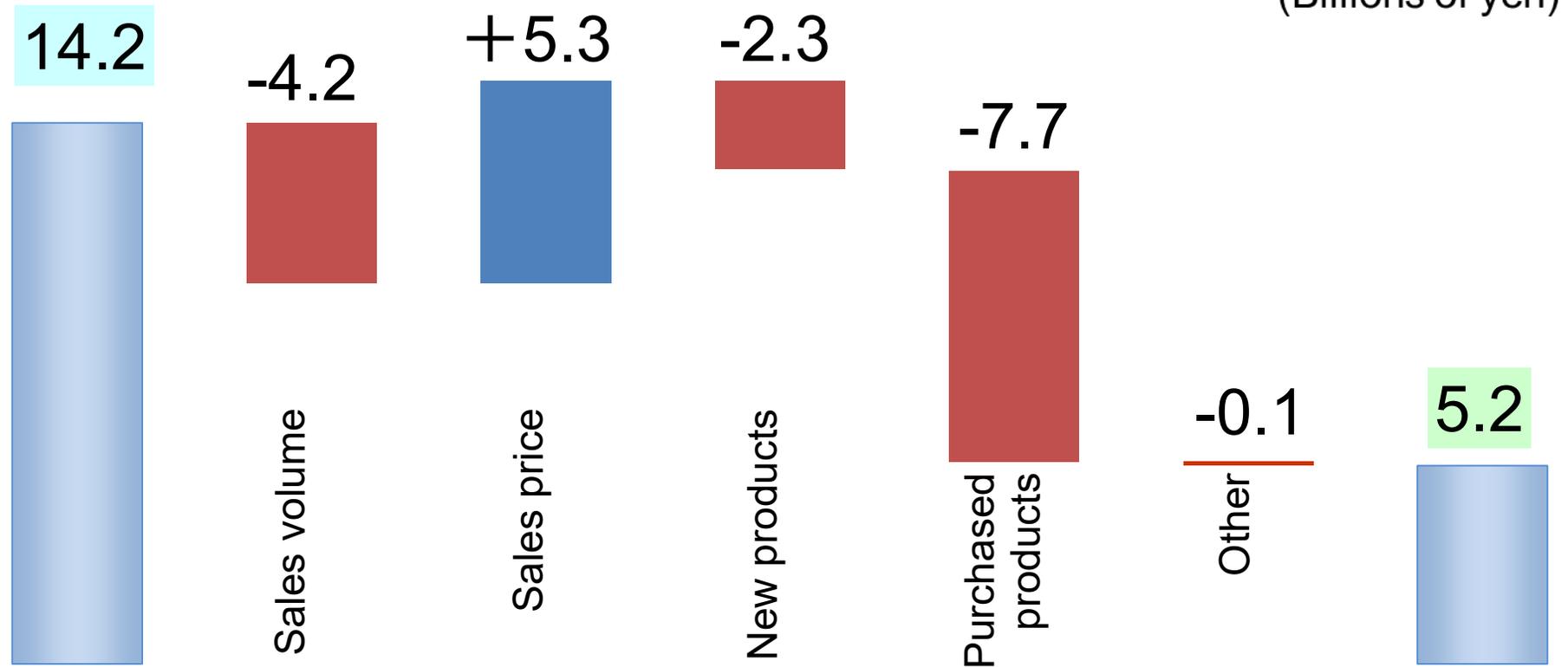
# Factors behind changes in ordinary profit

– compared with the same period in previous fiscal year

April–September  
2021 Results

-9.0 billion yen

April–September  
2022 Results

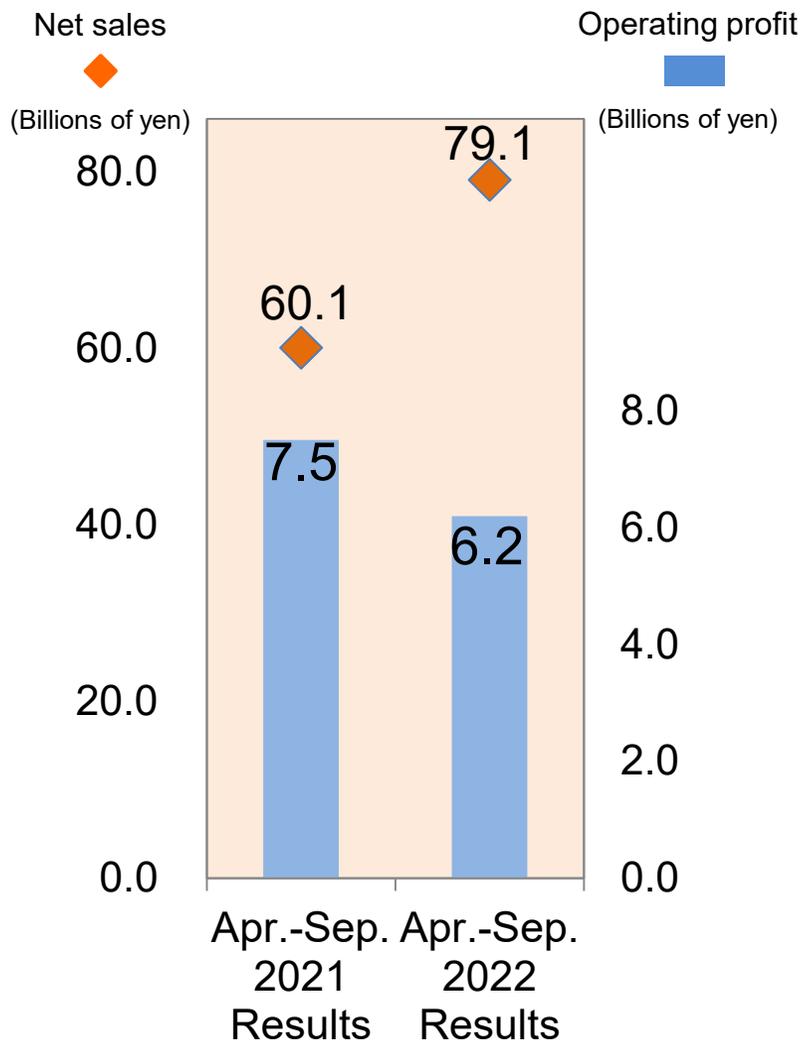


# Segment information – compared with the same period in previous fiscal year

(Billions of yen)

	Net sales			Operating profit		
	April–September 2022 Results	April–September 2021 Results	Change	April–September 2022 Results	April–September 2021 Results	Change
Aluminum ingot and chemicals	79.1	60.1	+19.0 (+31.6%)	6.2	7.5	-1.3 (-16.9%)
Aluminum sheet and extrusions	55.5	58.0	-2.5 (-4.4%)	0.4	4.7	-4.3 (-91.2%)
Fabricated products and others	68.8	74.6	-5.8 (-7.8%)	-1.8	2.1	-3.9 (—)
Aluminum foil, powder, and paste	49.7	43.3	+6.4 (+14.8%)	0.6	1.4	-0.8 (-62.1%)
Management, shared	—	—	—	-1.7	-1.7	±0
<b>Total</b>	<b>253.1</b>	<b>236.0</b>	<b>+17.1</b> <b>(+7.2%)</b>	<b>3.7</b>	<b>14.0</b>	<b>-10.3</b> <b>(-74.0%)</b>

# Aluminum ingot and chemicals



## Alumina and chemicals

- Sales: Demand for refractories and flocculants was solid.
- Profitability: Despite revisions to sales price, the price of raw materials such as aluminum hydroxide rose significantly, resulting in lower profits.

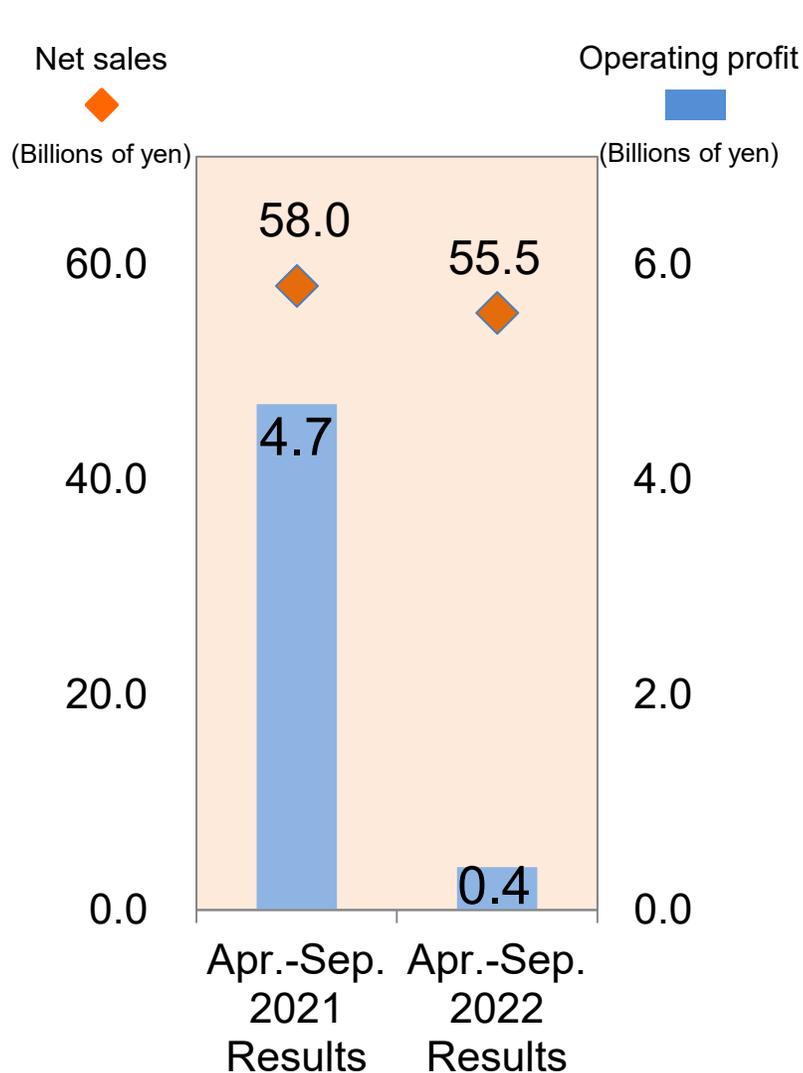
## Nikkei MC Aluminium

- Sales: The rise in sales prices reflecting aluminum ingot prices offset the impact of a reduction in sales, resulting in higher sales.
- Profitability: In addition to a reduction in sales due to a decrease in auto production in Japan and overseas and city lockdowns in China, costs rose due to a spike in fuel prices, which led to lower profits.

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

	H1 FY22		
	Results	Previous year	Change
Japan	65.1	67.5	-4%
Overseas	69.7	68.1	+2%
Total	134.8	135.6	-1%

# Aluminum sheet and extrusions



## Sheet

- Market environment: Demand for thick sheets for semiconductor manufacturing equipment is in a correction.
- Profitability: Profit declined due to lower sales for lithium-ion batteries and the substantial impact of the transfer of all equity interest in a Chinese sheet processing subsidiary.

Sales volume for sheet business (1,000 tons)

H1 FY22		
Results	Previous year	Change
32.0	35.3	-9%

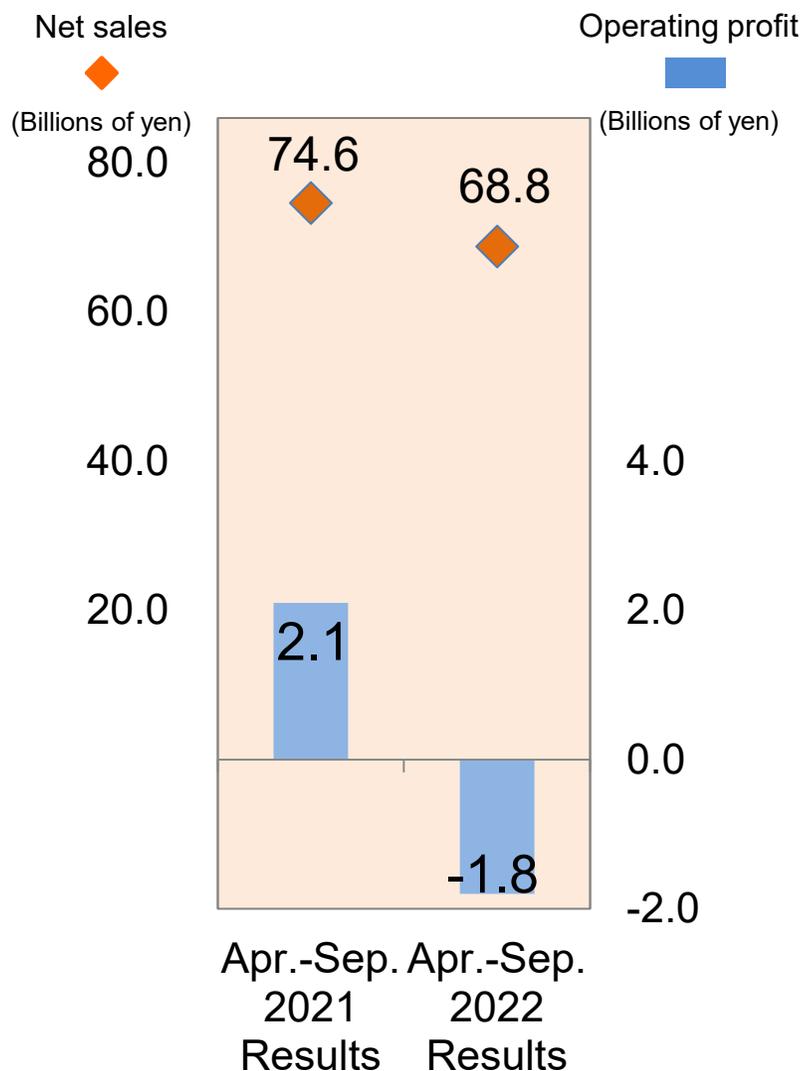
## Nikkeikin Aluminium Core Technology Company

- Auto and truck body-related: Profit fell due to the impact of reduced production of autos and truck chassis resulting from parts shortages in Japan and overseas and ongoing turmoil in the supply chain.

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

H1 FY22		
Results	Previous year	Change
16.2	18.6	-13%

# Fabricated products and others



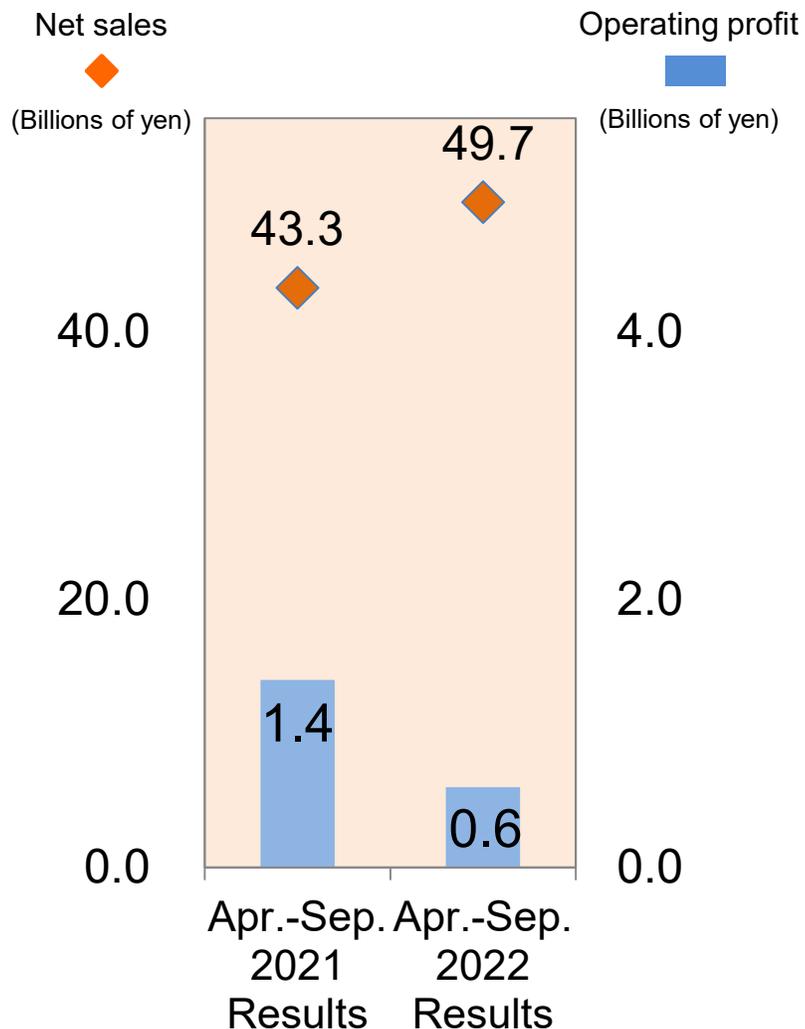
## Nippon Fruehauf

- Sales: The number of units sold fell sharply due to an ongoing decrease in the production of truck chassis resulting from a shortage of semiconductor and other parts and supply turmoil.
- Profitability: In addition to lower sales, the increase in the price of materials such as aluminum, steel and other had a major impact, leading to lower profit.

## Nikkei Panel System

- Refrigerator and freezer sector: Demand for distribution centers such as frozen foods and e-commerce was strong, but delays to the construction of some major projects had an impact.
- Clean rooms: Demand for industrial clean rooms for semiconductor manufacturing equipment manufacturers and electronic materials manufacturers was robust.
- Profitability: Although sales rose in divisions overall, profit declined due to the impact of a spike in raw material prices.

# Aluminum foil, powder, and paste



## Toyo Aluminium

### ■ Sales:

#### Aluminum foil division

- Sales of foil for the outer package of lithium-ion batteries declined significantly due to the ongoing drop in auto manufacturing, but net sales increased due to higher prices reflecting the aluminum ingot market, sales price revisions, and the consolidation of a subsidiary in India.

#### Powder and paste division

- Sales of powder products were affected by semiconductor shortages and turmoil in supply channels, but demand for powder products for heat dissipation was solid. Although the reduced production of autos in Japan had an impact, overseas sales of paste products rose over the previous fiscal year, and sales rose for the division as a whole.

#### Daily necessities division

- Although sales of house-care products for consumers and aluminum foil were down, solid sales of packaging products for frozen foods and price revisions led to higher sales for the division.

- Profitability: Higher costs due to a spike in raw material prices had a major impact, and profit declined.

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

(Billions of yen)

	Fiscal 2022 Forecasts (as of Oct. 31)	Fiscal 2021 Results	Change
Net sales	515.0	486.6	+28.4 (+5.8%)
Operating profit	12.5	22.2	-9.7 (-43.7%)
Ordinary profit	15.0	22.9	-7.9 (-34.6%)
Profit attributable to owners of parent	10.0	16.8	-6.8 (-40.3%)
Dividends per share	85 yen (*)	85 yen	±0

\*Interim dividend: 40 yen/share; year-end forecast: 45 yen/share

# Factors behind changes in ordinary profit

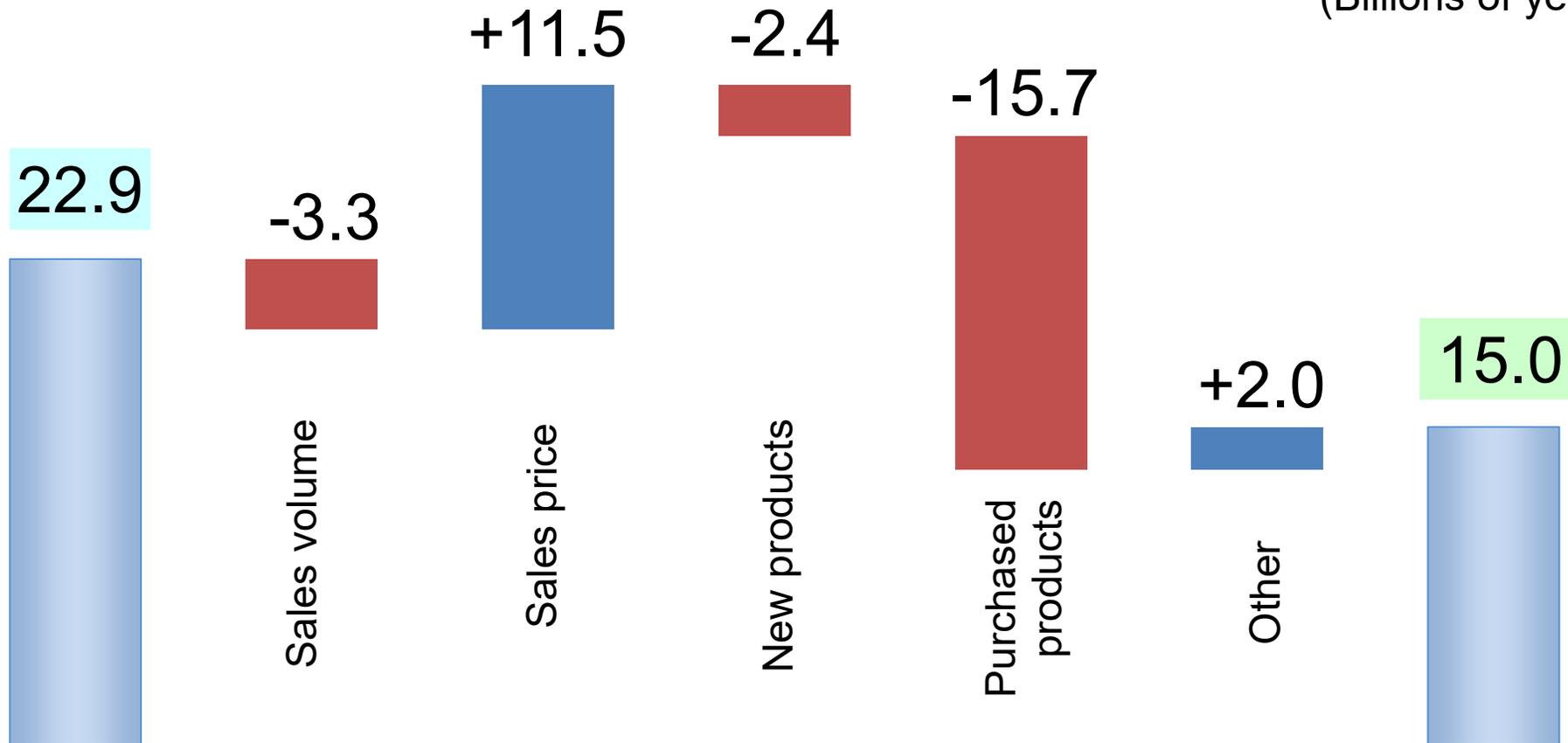
– compared with the previous fiscal year

Fiscal 2021  
Results

-7.9 billion yen

Fiscal 2022  
Forecasts  
(as of Oct. 31)

(Billions of yen)



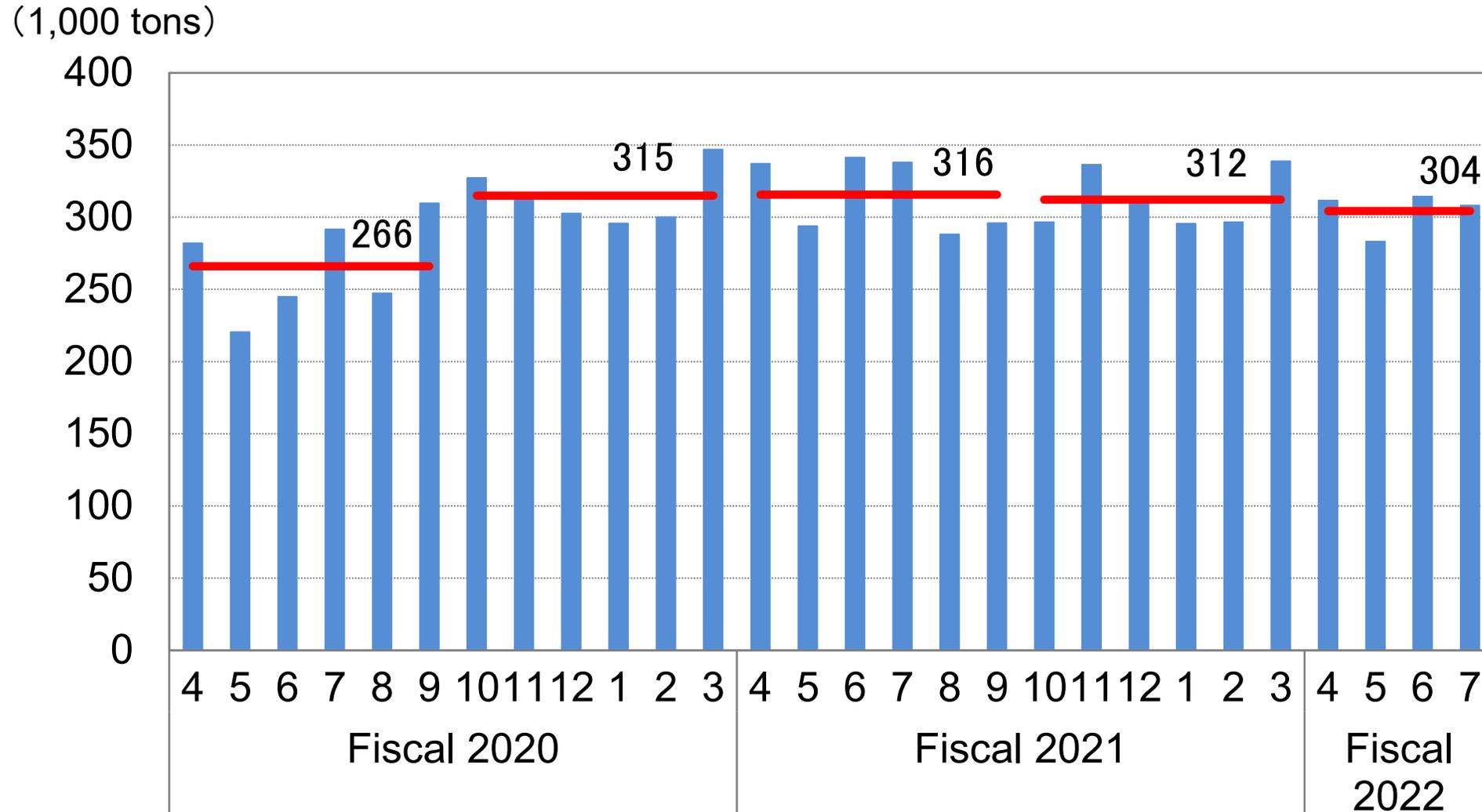
# Segment information – compared with the previous fiscal year

(Billions of yen)

	Net sales			Operating profit		
	Fiscal 2022 Forecasts (as of Oct.31)	Fiscal 2021 Results	Change	Fiscal 2022 Forecasts (as of Oct.31)	Fiscal 2021 Results	Change
Aluminum ingot and chemicals	160.0	127.6	+32.4 (+25.4%)	12.0	13.0	-1.0 (-7.8%)
Aluminum sheet and extrusions	106.0	113.9	-7.9 (-6.9%)	1.0	7.5	-6.5 (-86.7%)
Fabricated products and others	149.0	153.4	-4.4 (-2.9%)	1.0	3.8	-2.8 (-73.5%)
Aluminum foil, powder, and paste	100.0	91.7	+8.3 (+9.1%)	2.5	1.6	+0.9 (+59.2%)
Management, shared	—	—	—	-4.0	-3.7	-0.3
<b>Total</b>	<b>515.0</b>	<b>486.6</b>	<b>+28.4</b> <b>(+5.8%)</b>	<b>12.5</b>	<b>22.2</b>	<b>-9.7</b> <b>(-43.7%)</b>

# Supplemental materials

## Trends in overall demand for aluminum products in Japan



Source: Japan Aluminum Association

# Elements and sensitivity

	Fiscal 2022 Forecasts (as of May.16)	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

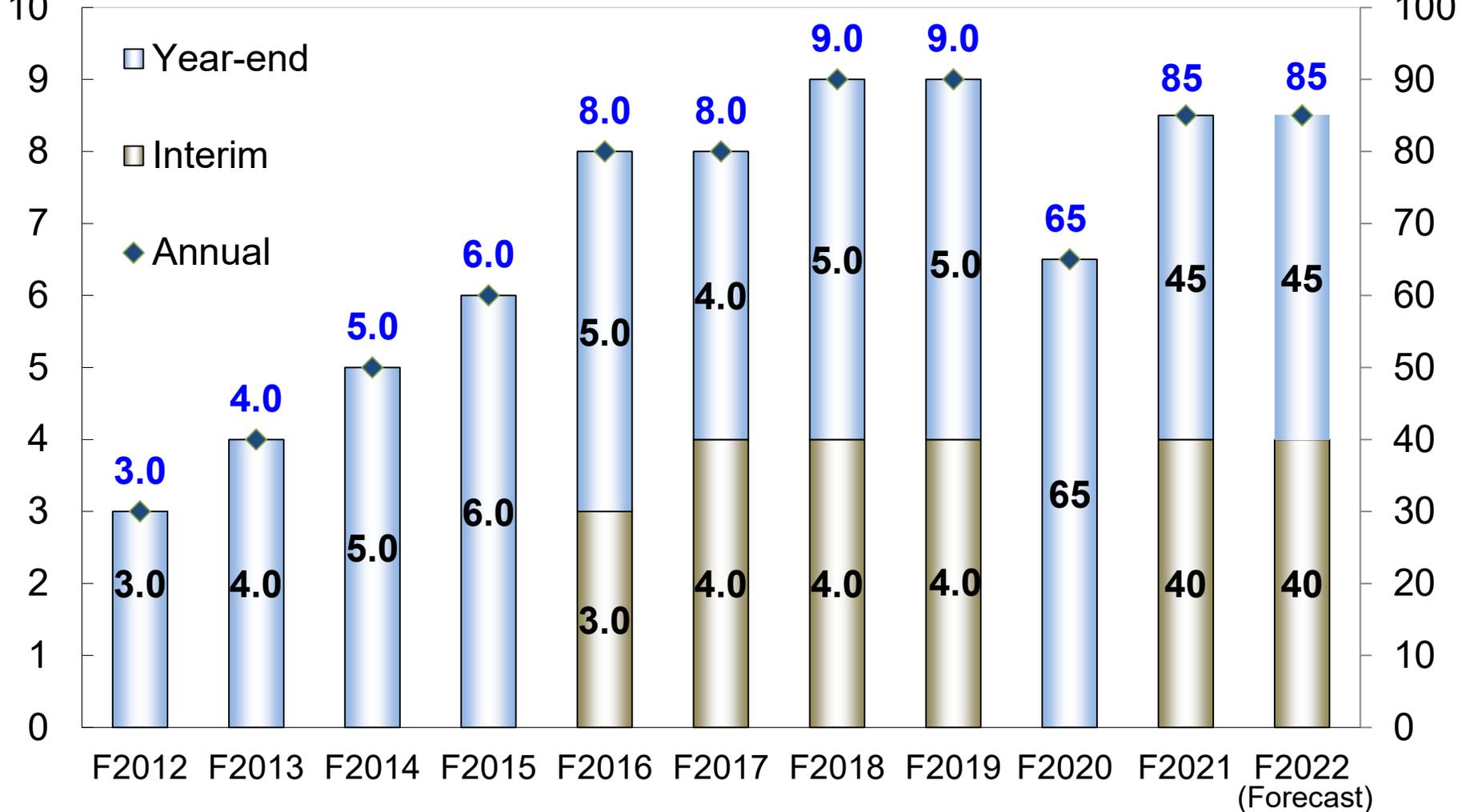
## Financial results of key companies –Y-o-Y change

(Billions of yen)

	April-September 2022 results			April-September 2021 results		
	Net sales	Operating profit	Ordinary profit	Net sales	Operating profit	Ordinary profit
Nippon Light Metal (Parent)	78.4	3.3	7.6	64.9	4.4	7.6
Toyo Aluminium (Consolidated)	49.9	0.1	1.0	43.5	1.4	1.8
Nikkei MC Aluminium (Consolidated)	52.9	1.3	1.5	38.0	1.7	1.8
Nippon Fruehauf (Consolidated)	25.6	-2.2	-2.2	32.4	0.2	0.2
Nikkeikin Aluminium Core Technology (Consolidated)	26.4	-0.7	-0.4	27.0	1.9	2.0

# Dividends per share

(yen) Forecasts released on May 16, 2022 are left unchanged (yen)



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 ending March 31, 2023, 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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