

**Financial results for the first half of
the fiscal year ending March 31, 2023,
full-year earnings forecasts,
and progress with medium-term
management plan**

November 15, 2022

Nippon Light Metal Holdings Company, Ltd.

Table of Contents

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
3. Progress with medium-term management plan

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

(Billions of yen)

14.2



-4.2



Sales volume



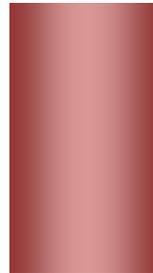
New products

+5.3



Sales price

-7.7



Purchased
products

-0.1

Other

5.2



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
Total	253.1	236.0	+17.1 (+7.2%)	3.7	14.0	-10.3 (-74.0%)

Table of Contents

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**
3. Progress with medium-term management plan

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

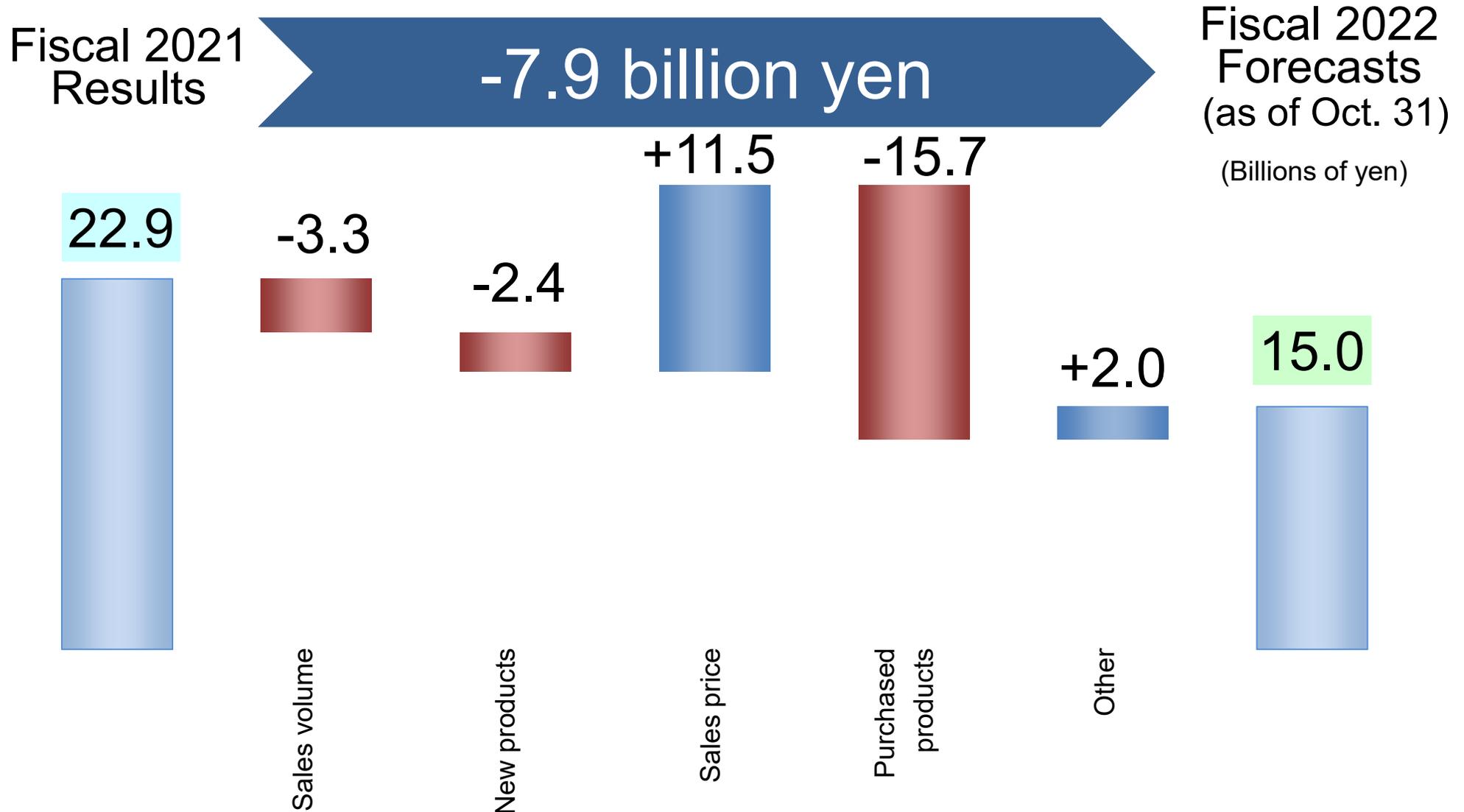
(Billions of yen)

	Fiscal 2022 Forecasts (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

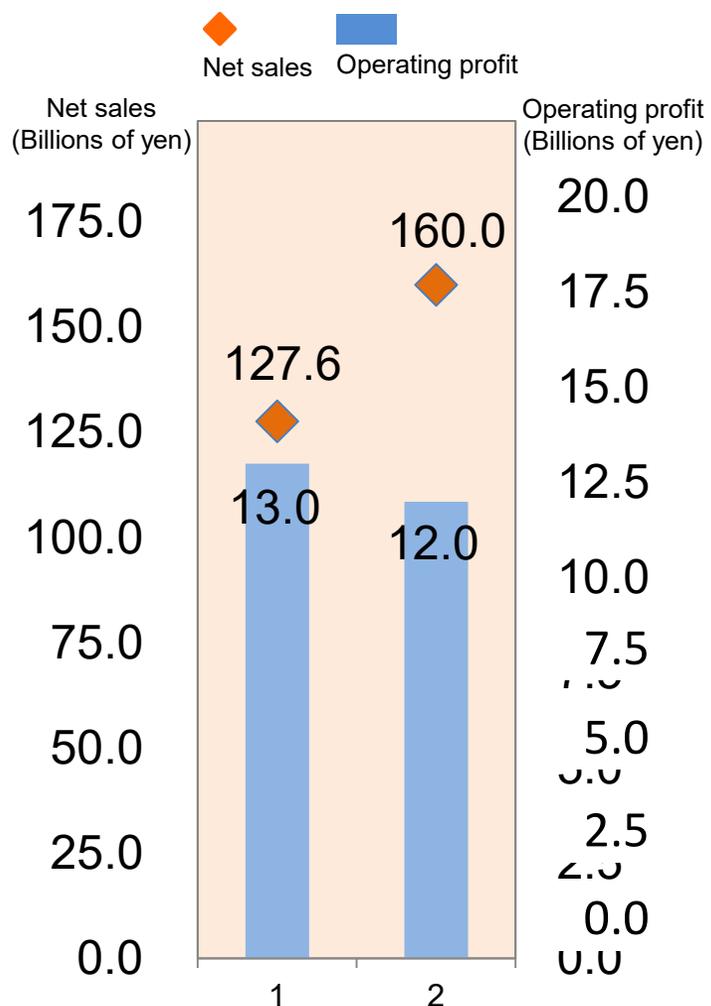


Segment information – compared with the previous fiscal year

(Billions of yen)

	Net sales			Operating profit		
	Fiscal 2022 Forecasts (Oct. 31)	Fiscal 2021 Results	Change	Fiscal 2022 Forecasts (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
Total	515.0	486.6	+28.4 (+5.8%)	12.5	22.2	-9.7 (-43.7%)

Aluminum ingot and chemicals



Alumina and chemicals

- Aluminum hydroxide: Despite the ongoing firmness of sales and revisions to sales prices, the spike in the price of aluminum hydroxide, a raw material, will have a major impact.

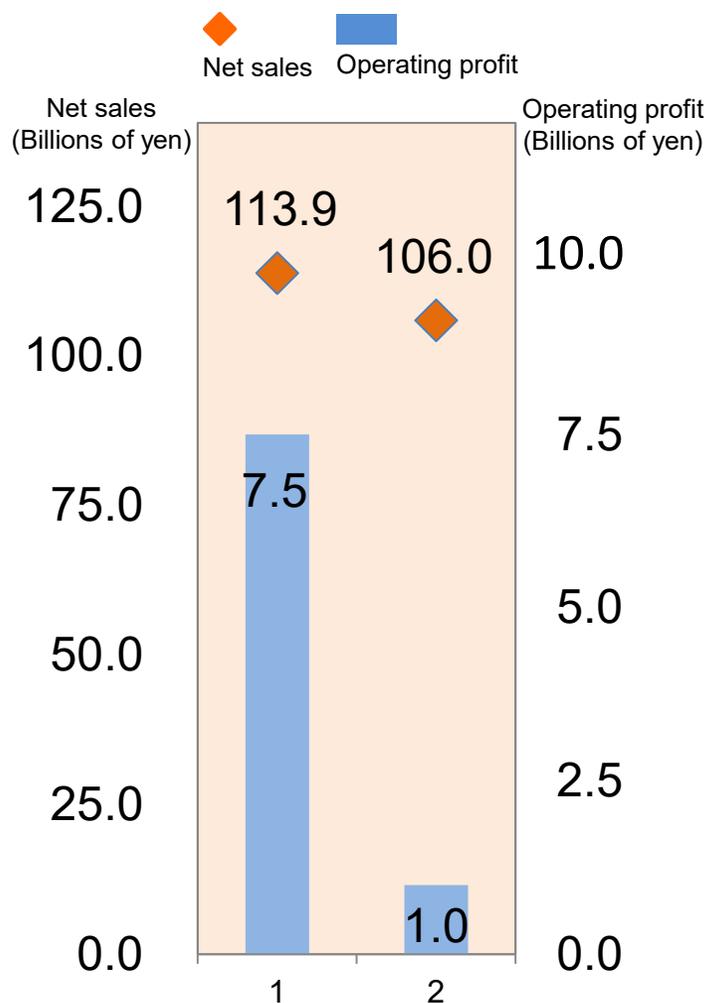
Nikkei MC Aluminium

- Sales: The impact of the decrease in auto production will hit bottom and sales will gradually recover, but the timing of a full-scale recovery is not clear, and trends must be monitored.
- Profitability: We are concerned about higher costs due to fuel prices.

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

	H1 FY22			H2 FY22			Total for FY22		
	Results	Previous year	Change	Forecast	Previous year	Change	Forecast	Previous year	Change
Japan	65.1	67.5	-4%	76.4	65.0	+18%	141.5	132.5	+7%
Overseas	69.7	68.1	+2%	76.2	70.0	+9%	145.9	138.1	+6%
Total	134.8	135.6	-1%	152.6	135.0	+13%	287.4	270.6	+6%

Aluminum sheet and extrusions



Sheet

- Sales: Forecasts factor in the ongoing impact of adjustment to demand for thick sheets for semiconductor manufacturing equipment during this fiscal year.

Sales volume for Rolled Products Division (1,000 tons)

	H1 FY22			H2 FY22			Total for FY22		
	Results	Previous year	Change	Forecast	Previous year	Change	Forecast	Previous year	Change
	32.0	35.3	-9%	33.4	37.5	-11%	65.4	72.8	-10%

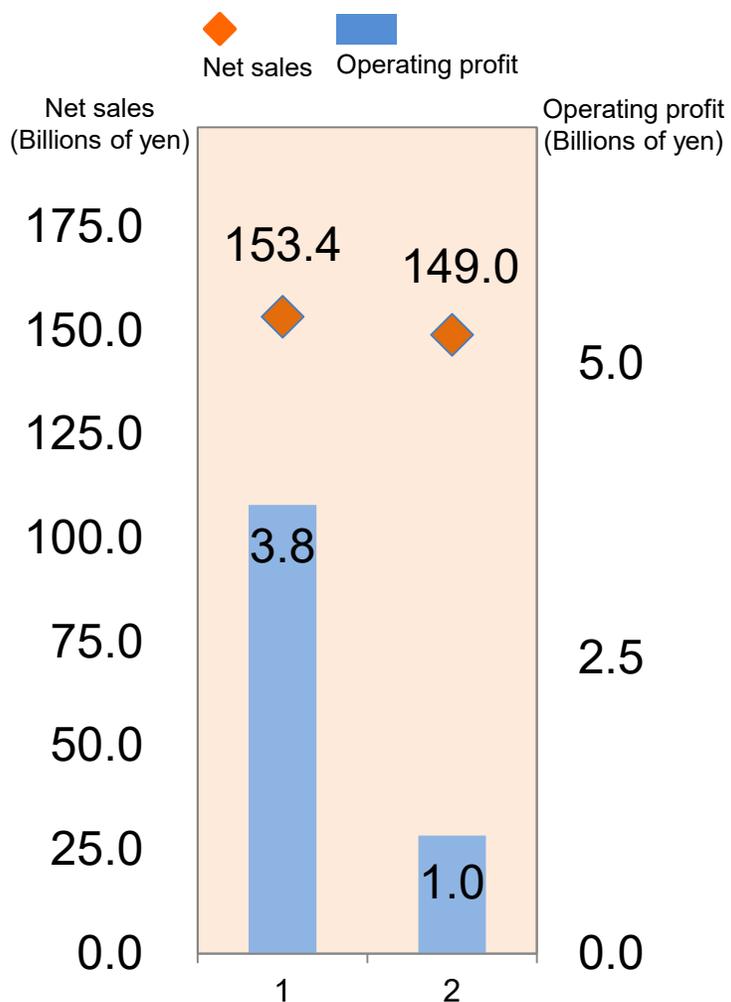
Nikkeikin Aluminium Core Technology Company

- Auto-related: Despite impact of shortage of semiconductor supply, it is gradually recovering.
- Truck body-related: Truck manufacturers' decreased production of chassis will continue to have an impact.

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

	H1 FY22			H2 FY22			Total for FY22		
	Results	Previous year	Change	Forecast	Previous year	Change	Forecast	Previous year	Change
	16.2	18.6	-13%	18.1	17.5	+3%	34.3	36.1	-5%

Fabricated products and others



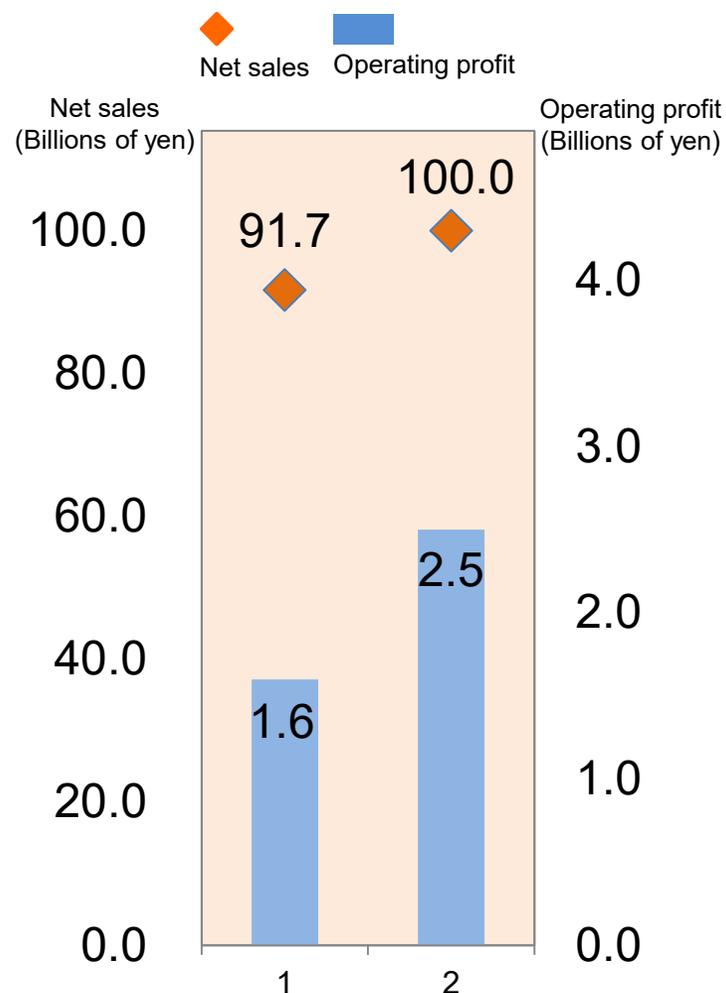
Nippon Fruehauf

- **Sales:** Although the impact of a shortage of semiconductors and other will hit bottom, and sales continue to fall due to a sluggish recovery in the truck chassis supply, we will be watching for the timing of a recovery.
- **Profitability:** Aluminum and steel material prices are rising and the effect of sales price revisions will be slow to take effect.

Nikkei Panel System

- **Refrigerator and freezer sector:** Facility investment and demand for distribution centers for frozen foods and e-commerce, among others, will be solid.
- **Clean rooms:** Demand for industrial clean rooms for semiconductor manufacturing equipment manufacturers and electronic materials manufacturers will be strong, and we expect sales to exceed levels in the previous fiscal year.
- **Profitability:** We are concerned about a spike in steel sheet steel prices.

Aluminum foil, powder, and paste



Toyo Aluminium

<Aluminum foil business>

■ Outer package of lithium-ion batteries:

Decrease in sales for auto manufacturing will reach its lowest point, but we are monitoring the timing of the recovery.

<Powder and paste business>

■ Powder products:

Sales of products for heat dissipation will decline due to corrections to demand in the semiconductor market.

■ Paste products:

We expect sales to overseas customers, which were solid in H1, to decline on the impact of inventory adjustments.

<Daily necessities business>

■ Profitability:

Although revenue will improve due to price revisions, we expect costs to rise on a spike in material costs, which were partly affected by the weak yen.

Table of Contents

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Basic policies of 2022 medium-term management plan

Team NLM—Groundbreaking Innovator of Aluminum and Beyond

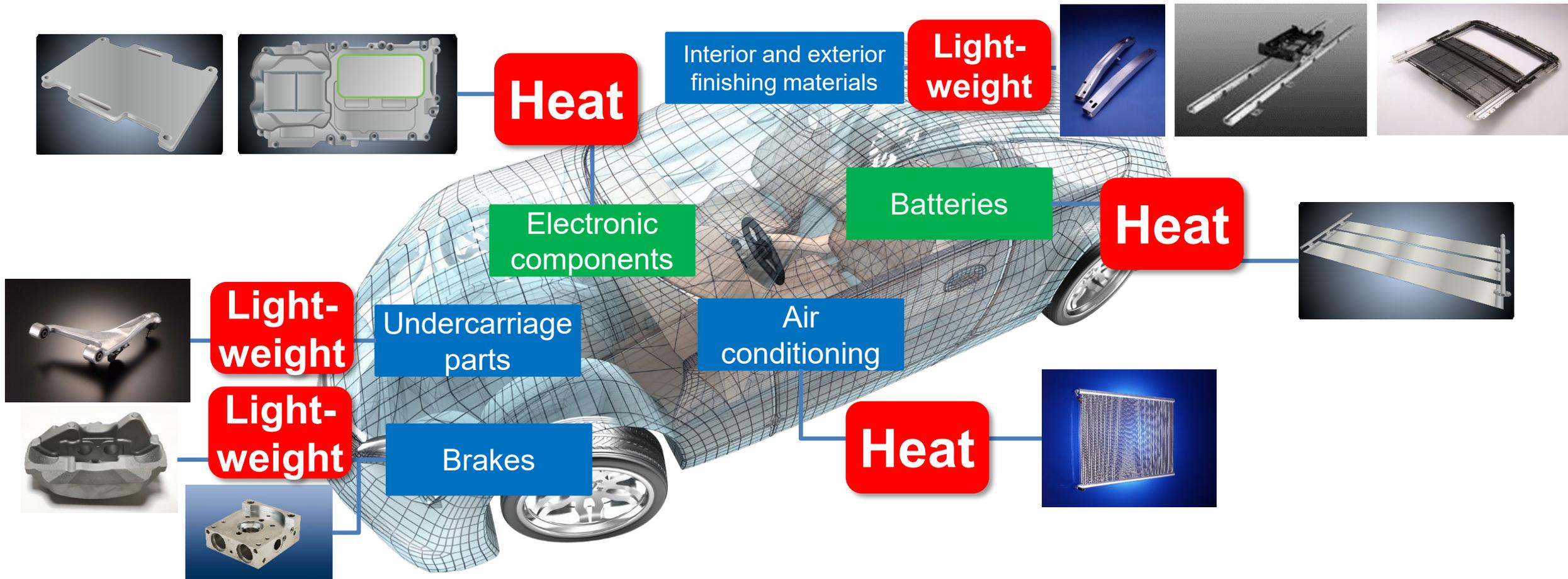
1. Provide products and businesses that contribute to the creation of social value
 - Provide products and businesses that satisfy customers' needs
 - Provide a range of products and businesses throughout the overall supply chain lifecycle
 - Strengthen the Group collaboration system to solve social issues
2. Strengthen management foundation
 - Thorough quality compliance (restoring social trust)
 - Top priority on safety and thorough compliance
 - Response to carbon neutrality
 - HR expansion, appointments and education to improve sustainable corporate value

Specific actions

Basic policies	Measures	2022 medium-term management plan
Provide products and businesses that contribute to the creation of social value	Reinforce parts business for eco-friendly cars	Reinforce parts business for eco-friendly cars
	Expand global markets	North America: Start of mass production of auto parts; India: Start of mass production of secondary alloys
	Carbon neutral (opportunity side)	Horizontal recycling and cascade recycling initiatives, creation of eco-friendly products
Strengthen management foundation	Carbon neutral (risk side)	Use of existing technology and external technology, energy-conservation activities, fuel development
	Quality (restore social trust)	Construction of quality management system, creation of structure that prevents the occurrence of inappropriate actions from simply fading away
	Safety	Zero-accident initiatives that are sustained and well-established within the organization
	Operational reforms and workstyle reforms through DX	Digitization, greater efficiency, common standards, optimization
	Happiness of employees	Safety and hygiene, work motivation, diversity and inclusion, hiring and educating human resources

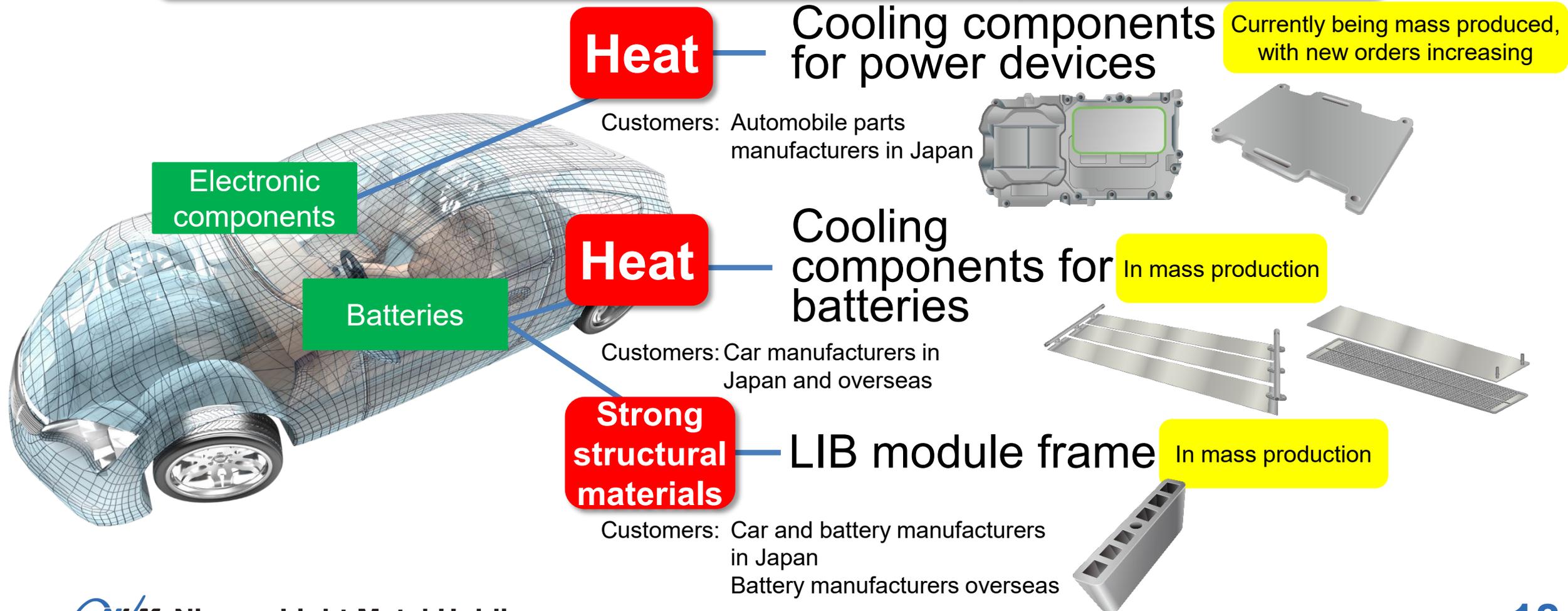
Toward further growth in the NLM Group's auto business

Demonstrating multi-faceted problem-solving ability



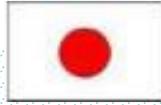
Reinforce eco-friendly car parts business

One-stop service from materials to assembly, tailored to customers' requests



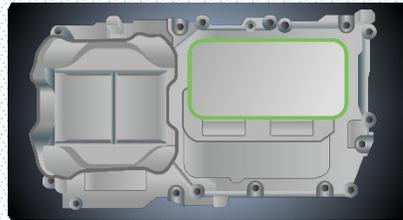
Reinforce global products to respond to more stringent environmental regulations around the world

Thermal solution parts

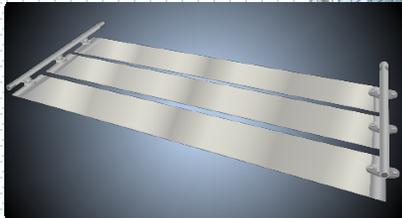


Nikkeikin Aluminium Core Technology Company, Ltd., Nippon Light Metal (Industrial parts, heat exchangers), Nikkei MC Aluminum Co., Ltd.

Expand market creation by establishing a device cooling business



Heat dissipation plates for power control units



Battery cooling plate

Undercarriage parts



Nikkeikin Aluminium Core Technology Company, Ltd.

Expand needs for lightweight parts to improve fuel economy performance



Suspension

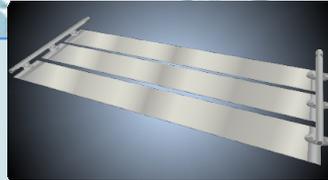
Expand business opportunities by building a trilateral global system

Expansion of sales in global markets

FY24 growth image by region (compared to FY21)

China:

Nikkeikin Aluminum Core Technology: Extruded products
Battery cooling plates (start of mass production in 2020)
Production declined at one point due to COVID-19, but is recovering



US:

Nikkei MC Aluminum: Secondary alloys
For auto body structural materials
Reinforcement of production capacity in 2022

India

+183%

China

+6%

ASEAN

+35%

US

+73%

India:

Nikkei MC Aluminum: Secondary alloys
Third base, new company (consolidated subsidiary)
established (2019)
Start of operations at new plant: Changed to 2024

US:

Nippon Light Metal Georgia, Inc.:
Extruded products
Forged undercarriage parts
Operations planned to start in December 2022



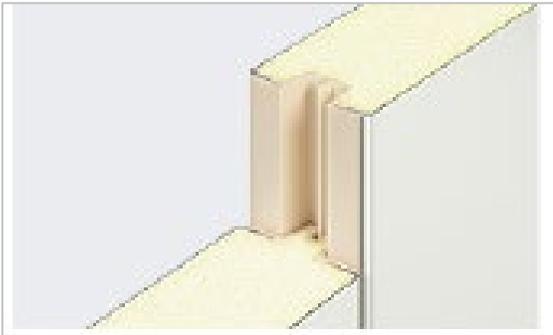
Steadily acquiring markets, primarily by capturing auto demand

Reinforcement of semiconductor production capacity in Japan supported by panels

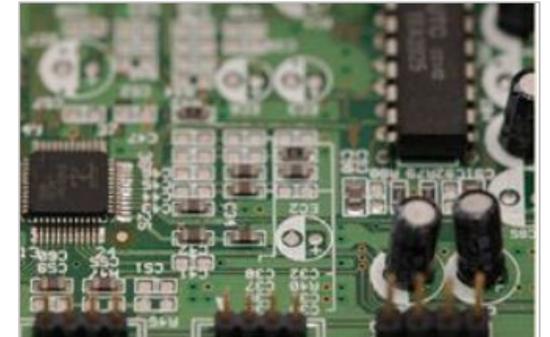
Domestic production capacity for CFC-free thermal insulated, incombustible panels increased

Nikkei Panel System

10% increase in production of incombustible (poluisocyanurate form) panels
Primarily for use with semiconductor factory clean rooms



GENESTA Incombustible:
CFC-free thermal
insulated, incombustible
panels



- Location: Shimonoseki Plant, Nikkei Panel System Co., Ltd.
- Investment amount: 2.5 billion yen
- Start of operations: Fiscal 2024



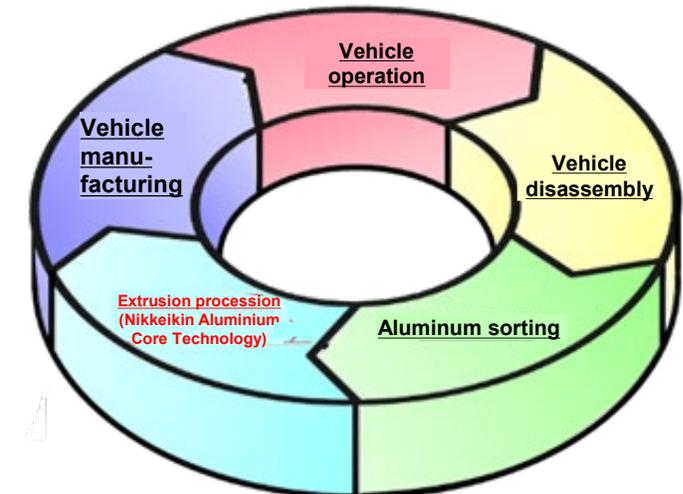
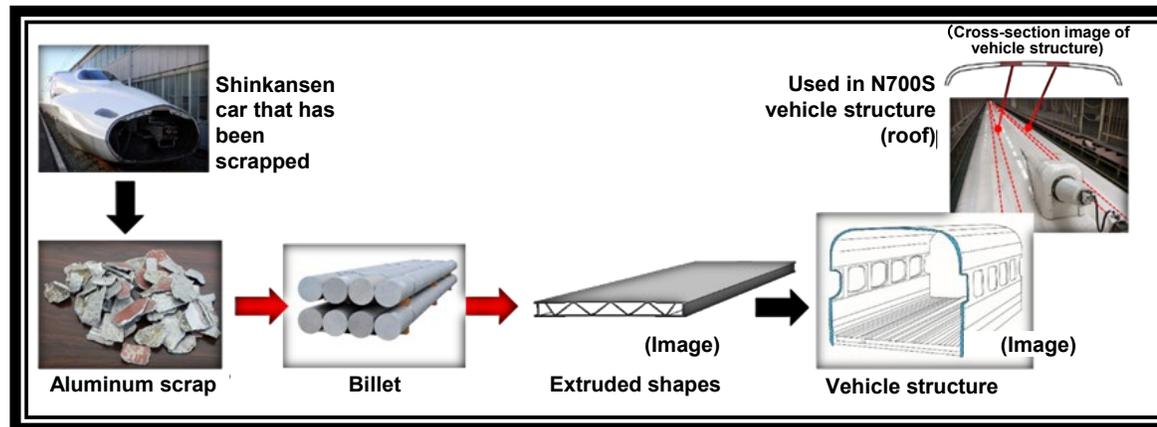
Working to achieve carbon neutral goal

Horizontal recycling in tandem with customers

Nikkeikin Aluminium Core Technology Company, Ltd.

We worked together with JR Central, Nippon Sharyo, Ltd., Hitachi, Ltd. and others on horizontal recycling of aluminum from Shinkansen structures to Shinkansen structures, reducing CO² emissions by about 50 tons per Shinkansen unit.

Image of current horizontal recycling process for aluminum



Specific actions

Basic policies	Measures	2022 medium-term management plan
Provide products and businesses that contribute to the creation of social value	Reinforce parts business for eco-friendly cars	Reinforce parts business for eco-friendly cars
	Expand global markets	North America: Start of mass production of auto parts; India: Start of mass production of secondary alloys
	Carbon neutral (opportunity side)	Horizontal recycling and cascade recycling initiatives, creation of eco-friendly products
Strengthen management foundation	Carbon neutral (risk side)	Use of existing technology and external technology, energy-conservation activities, fuel development
	Quality (restore social trust)	Construction of quality management system, creation of structure that prevents the occurrence of inappropriate actions from simply fading away
	Safety	Zero-accident initiatives that are sustained and well-established within the organization
	Operational reforms and workstyle reforms through DX	Digitization, greater efficiency, common standards, optimization
	Happiness of employees	Safety and hygiene, work motivation, diversity and inclusion, hiring and educating human resources

Thorough quality compliance

Independently and thoroughly

- **Rebuild a quality assurance system**
- **Reform organizational culture**

Without waiting for the findings from the Special Investigation Committee, we will independently and thoroughly review the quality assurance system and reform the organizational climate.

Responding to social issues by using DX

Lack of workers due to decrease in working population
 Promote diversity & inclusion
 Passing on knowledge and skills



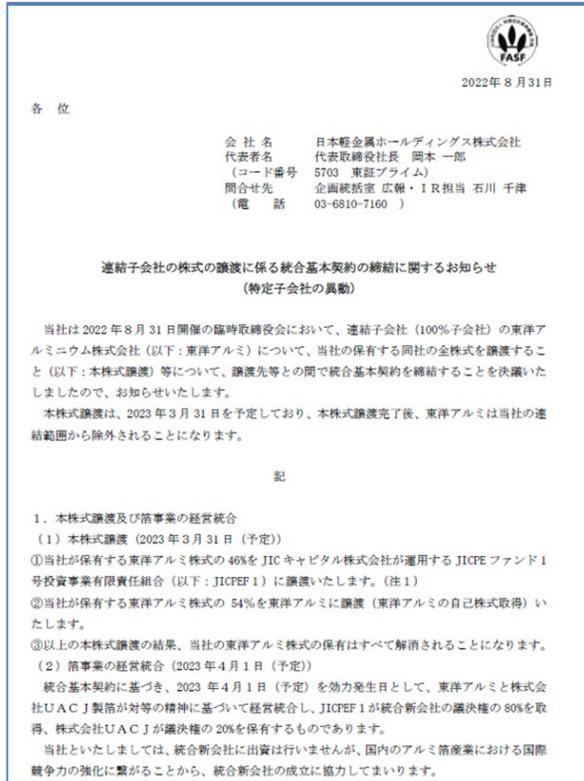
Introducing and establishing DX technology
 Digitization, greater efficiency, common standards, systematization, optimization

Introduction example of our group

Safety	Detection of entry into dangerous areas	
	VR safety education (experience, accident recreation)	
Quality	Inspection process, audio input	 
	Visual examination, image recognition	
Efficiency	Stock taking operations, audio input	
	Automatic ordering system for raw materials	
	Visualization of product storage tank	
	Inspection manual	

Balancing sustainable business growth and the happiness of employees

Basic Integration Agreement for transfer of shares of Toyo Aluminium finalized



Schedule:
Finalization of Basic Integration Agreement:
August 31, 2022
Date for execution of share transfer:
March 31, 2023 (planned)

* The Management Integration is subject to the approval and permission, etc., of relevant domestic and overseas authorities including the Japan Fair Trade Commission.

Significance for Group

- Focus on optimal allocation of Group's management resources
- Reinforce international competitiveness by reorganizing Japan's aluminum foil industry

Aspiring to sound and ongoing growth by building a business structure that is highly resilient to changes in the external environment

Financial indicators

	Fiscal 2021 Results	Fiscal 2022 Forecasts (Oct. 31)	Fiscal 2024 References*
Operating profit	22.2 billion yen	12.5 billion yen	Over 30.0 billion yen
Dividends per share	85 yen	85 yen	100 yen

*These figures indicate the Company's approximations at this point and are not targets that the Company aims to meet.

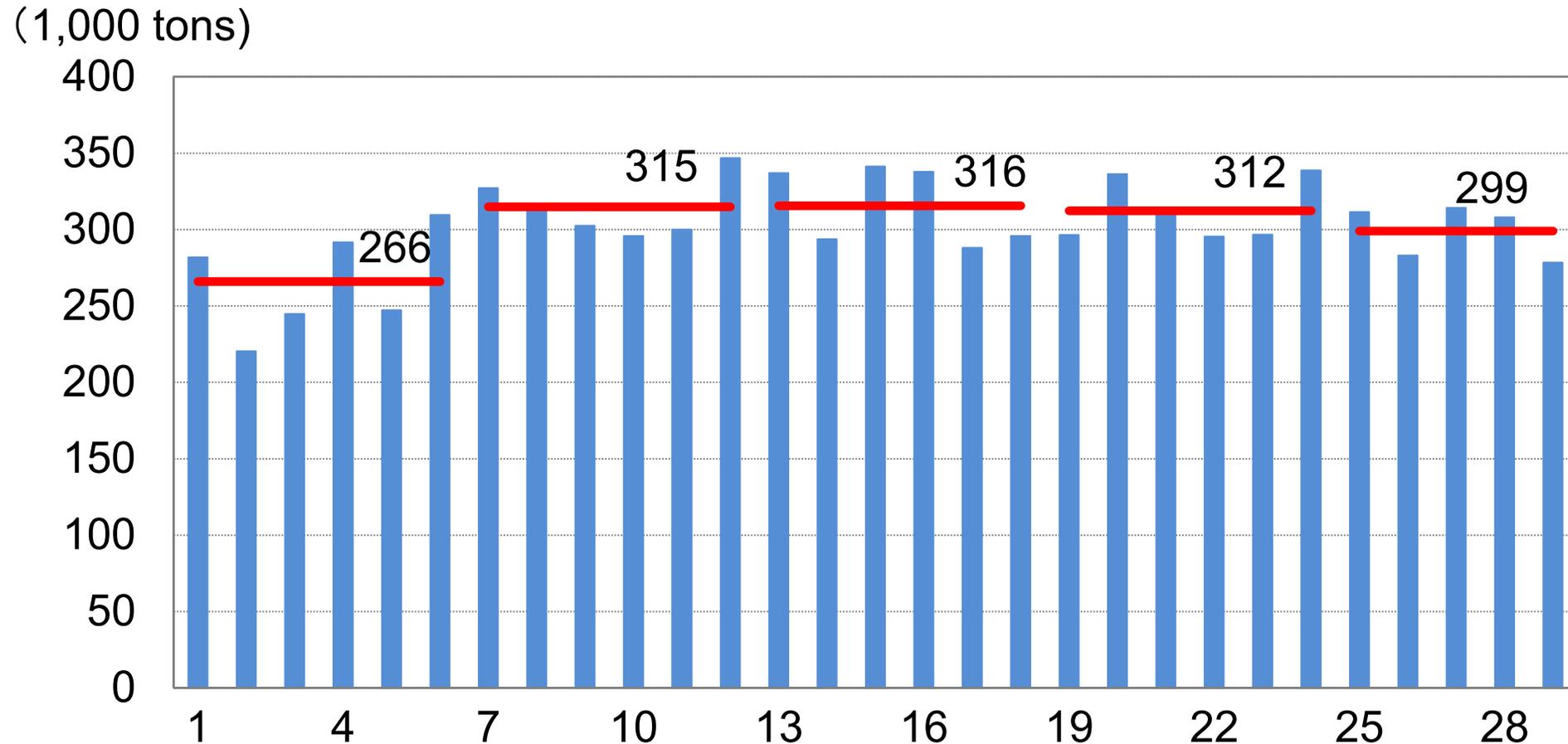
We plan to release our future plans, based on changes to the business structure, in March 2023.



Team NLM – Groundbreaking Innovator of Aluminum and Beyond

Supplemental materials

Trends in overall demand for aluminum products in Japan



Source: Japan Aluminum Association

Elements and sensitivity

	Fiscal 2022 Forecasts (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

Ordinary profit

(Billions of yen)

	April-September 2022 Results	April-September 2021 Results	Y-o-Y change	Initial forecasts for April-Sep 2022	Compared to initial forecast
Ordinary profit	5.2	14.2	-9.0	5.0	+0.2

Breakdown of 9.0 billion yen y-o-y decrease

Operating profit	-10.3
Foreign exchange gain or loss	+1.5
Other	-0.2

Profit attributable to owners of parent

(Billions of yen)

	April-September 2022 Results	April-September 2021 Results	Y-o-Y change	Initial forecasts for April-Sep 2022	Compared to initial forecast
Profit attributable to owners of parent	3.8	10.8	-7.0	3.0	+0.8

Breakdown of 7.0 billion yen y-o-y decrease

Ordinary profit	-9.0
Extraordinary profit	-1.5
Tax costs	+1.9
Profit attributable to non-controlling interests	+1.6

Financial results of key companies – YoY 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

Capital investment and amortization expenses – YoY change

(Billions of yen)

	Capital investment			Depreciation		
	April-September 2022 Results	April-September 2021 Results	Difference	April-September 2022 Results	April-September 2021 Results	Difference
Aluminum ingot and chemicals	1.4	1.5	-0.1	2.2	2.1	+0.1
Aluminum sheet and extrusions	2.6	4.5	-1.9	2.5	3.0	-0.5
Fabricated products and other	2.2	2.3	-0.1	2.6	2.6	±0
Aluminum foil, powder and paste	1.6	2.5	-0.9	2.3	2.1	+0.2
Total	7.8	10.8	-3.0	9.6	9.8	-0.2

Financial results of key companies – YoY change

(Billions of yen)

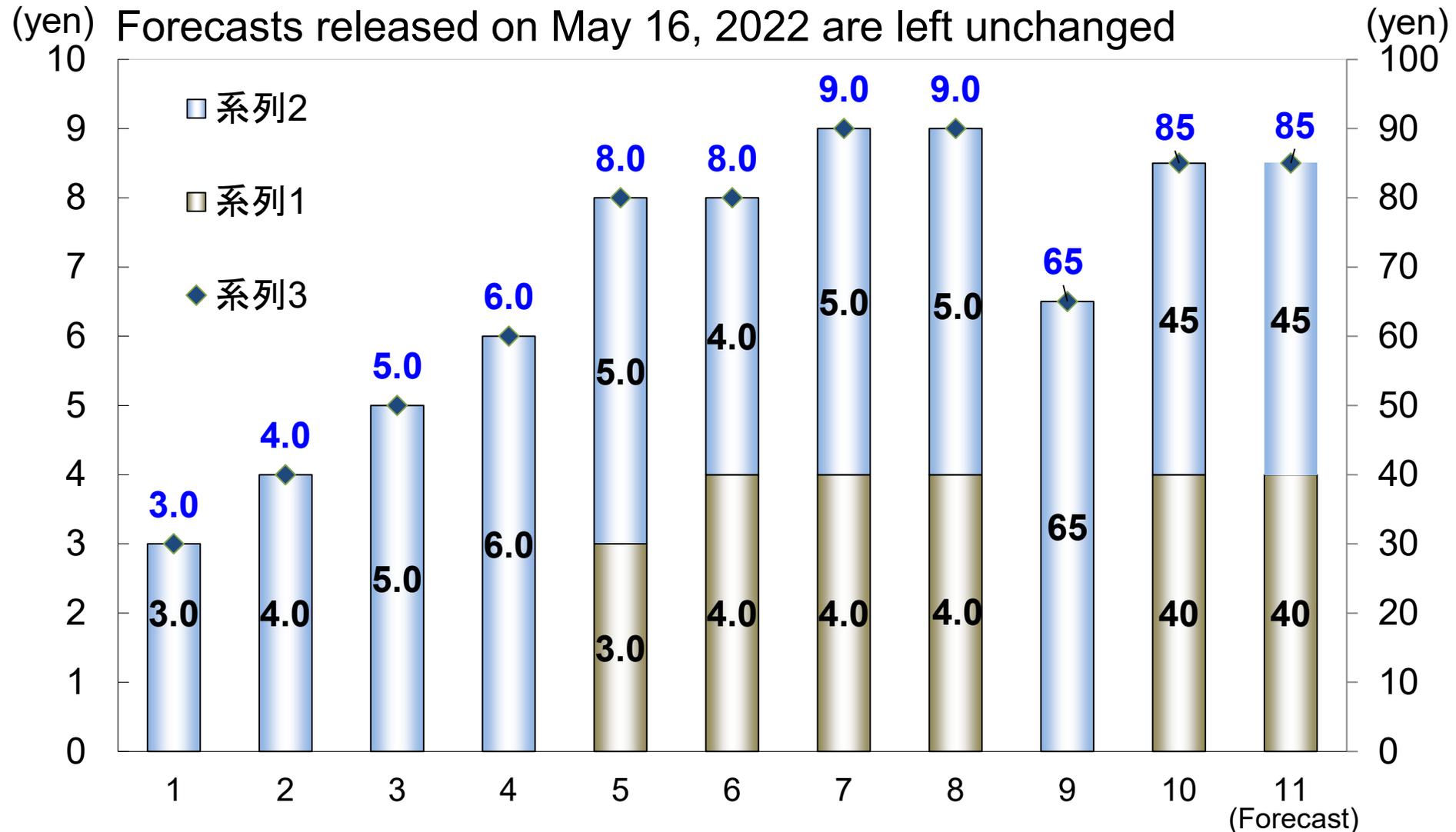
	Forecasts for fiscal 2022 (Oct. 31)			Results for Fiscal 2021		
	Net sales	Operating profit	Ordinary profit	Net sales	Operating profit	Ordinary profit
Nippon Light Metal (Parent)	159.7	4.0	8.2	137.6	6.5	10.0
Toyo Aluminium (Consolidated)	100.9	1.6	2.7	92.0	1.5	2.3
Nikkei MC Aluminium (Consolidated)	106.6	2.5	2.9	84.2	3.9	4.3
Nippon Fruehauf Company (Consolidated)	53.3	-3.9	-3.9	60.4	-1.6	-1.5
Nikkeikin Aluminium Core Technology (Consolidated)	53.6	-0.4	0.1	52.8	2.6	2.7

Capital investment and amortization expenses – YoY change

(Billions of yen)

	Capital investment			Depreciation		
	Forecasts for fiscal 2022 (Oct. 31)	Results for Fiscal 2021	Difference	Forecasts for fiscal 2022 (Oct. 31)	Results for Fiscal 2021	Difference
Aluminum ingot and chemicals	6.1	5.3	+0.8	4.8	4.4	+0.4
Aluminum sheet and extrusions	4.4	8.3	-3.9	5.1	5.8	-0.7
Fabricated products and other	4.9	5.5	-0.6	5.2	5.2	±0
Aluminum foil, powder and paste	4.1	4.1	±0	4.8	4.7	+0.1
Total	19.5	23.2	-3.7	19.9	20.1	-0.2

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 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.
4. The Company shall assume no responsibility for any damage resulting from the use of this document.