

Financial results for the first three
quarters of the fiscal year ending
March 31, 2023, and
full-year financial results forecasts
and dividend forecasts

January 31, 2023

Nippon Light Metal Holdings Company, Ltd.

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1. Financial results for the first three quarters of the fiscal year ending March 31, 2023
2. Forecasts of consolidated financial results and dividend forecasts for the fiscal year ending March 31, 2023

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

Financial results for the first three quarters

– compared with the same period in the previous fiscal year

(Billions of yen)

	April–December 2022 Results	April–December 2021 Results	Change
Net sales	385.1	360.5	+24.6 (+6.8%)
Operating profit	5.1	19.2	-14.1 (-73.6%)
Ordinary profit	5.9	19.5	-13.6 (-69.6%)
Profit attributable to owners of parent	4.0	15.2	-11.2 (-73.4%)

Overview of the first three quarters

Increase in net sales and decrease in profit compared to same period in the previous fiscal year

- (1) Sales increased due to the increased sales prices reflecting the situation in the aluminum ingot market and the application of sales price revisions in response to the surging price of raw materials and fuel.
- (2) Sales fell due to ongoing declining sales in the automobile business and the truck body business and a correction in demand for thick sheets for semiconductor manufacturing equipment.
(Sales essentially fell when excluding the impact of higher sales prices reflecting the aluminum ingot market as described above in (1).)
- (3) Ordinary profit fell primarily due to lower sales and higher costs caused by the steep rise in the price of purchased goods, as well as a time lag before the effects of sales price revisions materialize.

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

Factors behind changes in ordinary profit

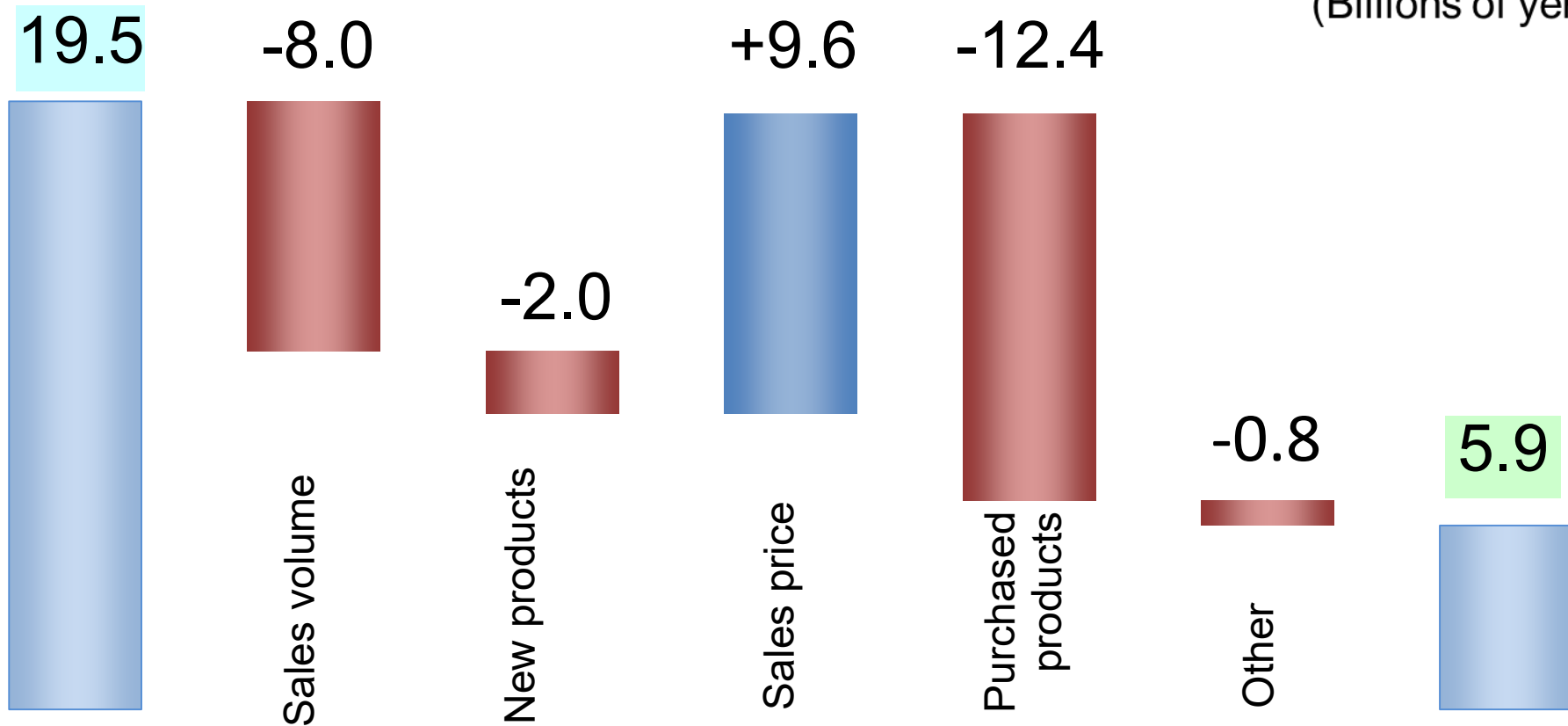
– compared with the same period in previous fiscal year

April–December
2021 Results

-13.6 billion yen

April–December
2022 Results

(Billions of yen)

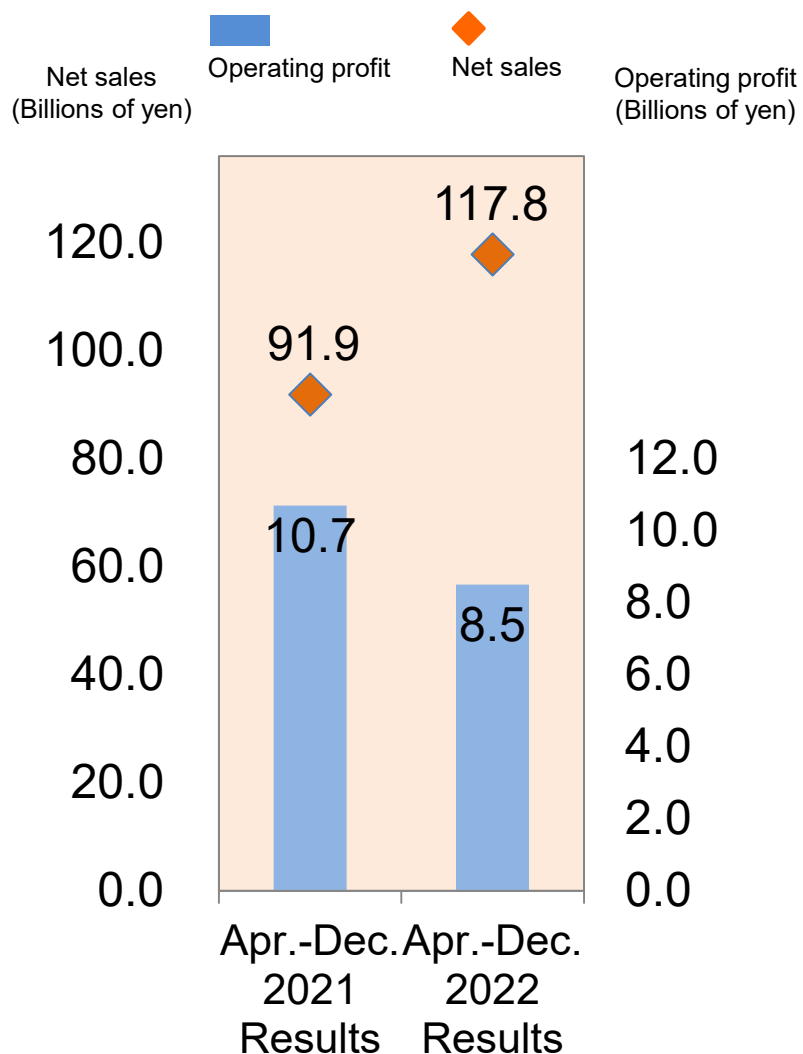


Segment information – compared with the same period in previous fiscal year

(Billions of yen)

	Net sales			Operating profit		
	April–December 2022 Results	April–December 2021 Results	Change	April–December 2022 Results	April–December 2021 Results	Change
Aluminum ingot and chemicals	117.8	91.9	+25.9 (+28.1%)	8.5	10.7	-2.2 (-20.4%)
Aluminum sheet and extrusions	82.2	87.3	-5.1 (-5.8%)	-0.2	6.3	-6.5 (—)
Fabricated products and others	108.4	113.2	-4.8 (-4.2%)	-1.8	2.2	-4.0 (—)
Aluminum foil, powder, and paste	76.7	68.1	+8.6 (+12.6%)	1.4	2.7	-1.3 (-49.2%)
Management, shared	—	—	—	-2.8	-2.7	-0.1
Total	385.1	360.5	+24.6 (+6.8%)	5.1	19.2	-14.1 (-73.6%)

Aluminum ingot and chemicals



Alumina and chemicals

- Sales: Despite the decrease in sales for refractories, sales for flocculants were solid, and sales of organic chlorine compounds increased.
- Profitability: Although sales prices were revised, the steep rise in the price of raw materials and fuel such as aluminum hydroxide had a major impact, leading to lower operating profit.

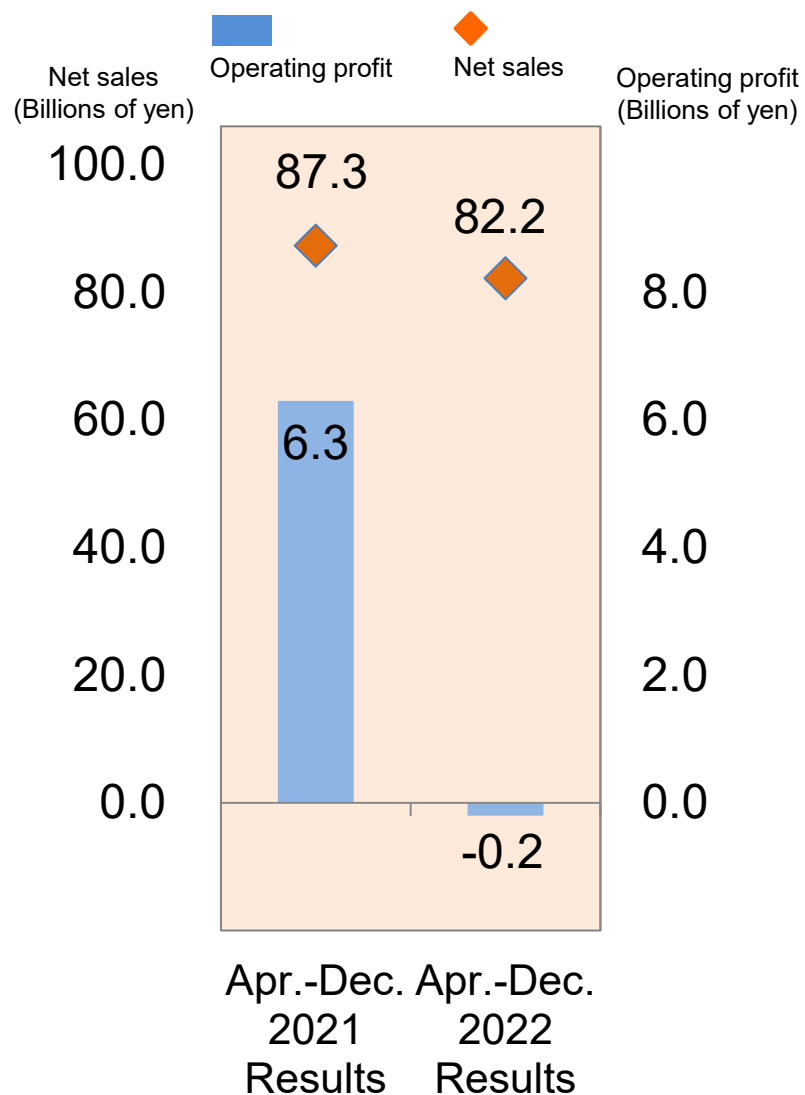
Nikkei MC Aluminium

- Sales: Despite the impact of the decrease in auto production in Japan as well as that of China, sales volume surpassed levels in the previous fiscal year, and higher sales prices reflecting aluminum ingot prices led to higher sales.
- Profitability: Operating profit fell due to the impact of higher costs caused by the spike in the price of fuel and various materials.

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

	Q3 FY22		
	Results	Previous year	Change
Japan	101.4	99.1	+2%
Overseas	103.8	102.2	+2%
Total	205.2	201.3	+2%

Aluminum sheet and extrusions



Sheet

- Sales: Demand for thick sheets for semiconductor manufacturing equipment entered a correction and sales fell.
- Profitability: In addition to lower sales, the spike in raw material and fuel prices and the drop in aluminum ingot prices had an impact that led to lower operating profit.

Sales volume for sheet business (1,000 tons)

Q3 FY22			
	Results	Previous year	Change
	46.8	54.3	-14%

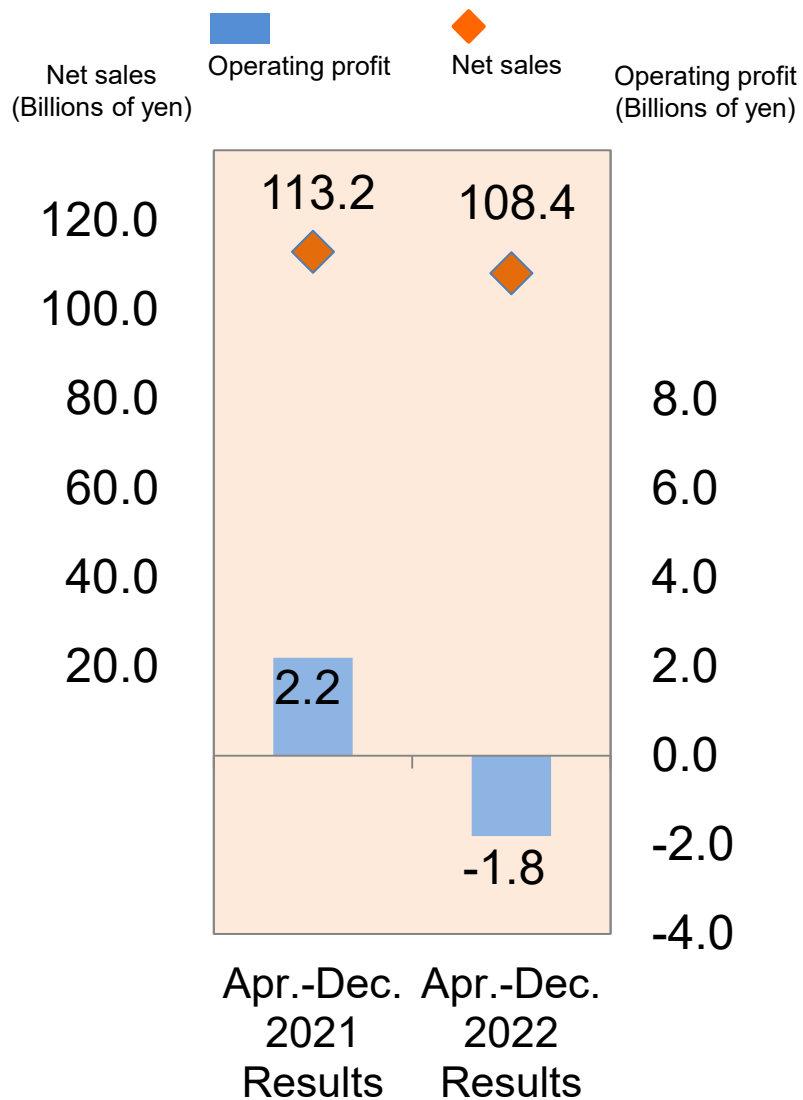
Nikkeikin Aluminium Core Technology Company

- Profitability: The impact of auto production cuts and lower sales for truck bodies were major factors, and in addition, aluminum ingot prices began to fall, leading to lower operating profit.

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

Q3 FY22			
	Results	Previous year	Change
	25.2	27.8	-9%

Fabricated products and others



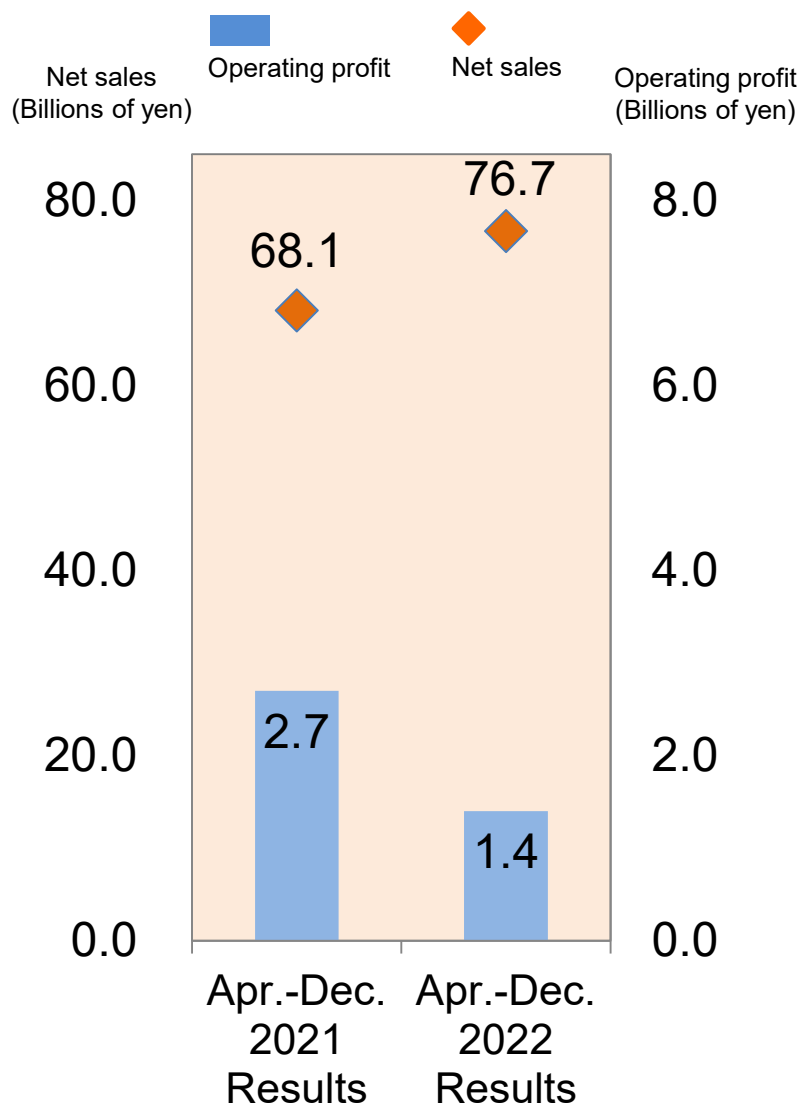
Nippon Fruehauf

- Sales: The number of units sold decreased significantly due to lower production of truck chassis and the ongoing impact of turmoil in the supply chain.
- Profitability: In addition to lower sales and higher material costs, a time lag before the effect of sales price revisions had materialized delayed recovery of profit.

Nikkei Panel System

- Refrigerator and freezer sector: Although capital investment for logistics centers for frozen food and e-commerce sales picked up, sales were in line with the previous fiscal year's levels due to difficulties in procuring of some materials.
- Clean rooms: Sales increased due to high demand for clean rooms for semiconductor-related factories.
- Profitability: Profit increased due to higher sales, offsetting the impact of higher raw material prices.

Aluminum foil, powder, and paste



Toyo Aluminium

■ Sales:

Aluminum foil division

- Sales of foils for automobile lithium-ion battery exteriors continued to fall due to the impact of the reduction in auto production, but sales increased due to higher sales of processed foil for medical product packaging and higher sales prices reflecting conditions in the aluminum ingot market.

Powder and paste division

- In powder products, despite solid demand for heat dissipation applications, an inventory correction began. Meanwhile, although paste products saw lower sales due to ongoing production cuts in auto production in Japan, higher sales were achieved overseas. As a result, sales increased in the division overall.

Daily necessities division

- In consumer products, sales of house-care products and aluminum foil were solid, sales of paper packaging products for frozen foods were also strong, and sales prices were revised. As a result, division-wide net sales increased.

- **Profitability:** The impact of higher costs due to the spike in raw material and fuel prices was significant, leading to lower operating profit.

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Revisions to full-year financial results forecasts and dividend forecasts

(Billions of yen)

	Fiscal 2022 Forecasts (Jan. 31)	Fiscal 2022 Forecasts (Oct. 31)	Change
Net sales	515.0	515.0	±0
Operating profit	8.0	12.5	-4.5 (-36.0%)
Ordinary profit	9.0	15.0	-6.0 (-40.0%)
Profit attributable to owners of parent	5.0	10.0	-5.0 (-50.0%)
Dividends per share	50 yen ^(*1)	85 yen ^(*2)	-35 yen

*1 Interim dividend: 40 yen/share; year-end forecast: 10 yen/share *2 Interim dividend: 40 yen/share; year-end forecast: 45 yen/share

Revisions to full-year financial results forecasts and dividend forecasts

Revisions to full-year consolidated financial results forecasts

- We anticipate that it will take more time for the auto production and truck body businesses to recover and that the correction in semiconductor-related demand, such as thick plates for semiconductor manufacturing equipment, will continue. Given this, we now expect consolidated financial results for the full fiscal year to fall short of the forecasts previously released on September 29, 2022.

Revisions to dividend forecasts

- As a result of comprehensively taking into consideration such factors as the revision of the full-year consolidated financial results forecast and the business environment outlook, the Company regrettably is reducing its year-end dividend forecast and revising its annual dividend forecast.

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

(Billions of yen)

	Fiscal 2022 Forecasts (Jan. 31)	Fiscal 2021 Results	Change
Net sales	515.0	486.6	+28.4 (+5.8%)
Operating profit	8.0	22.2	-14.2 (-64.0%)
Ordinary profit	9.0	22.9	-13.9 (-60.7%)
Profit attributable to owners of parent	5.0	16.8	-11.8 (-70.2%)
Dividends per share	50 yen ^(*1)	85 yen ^(*2)	-35 yen

*1 Interim dividend: 40 yen/share; year-end forecast: 10 yen/share *2 Interim dividend: 40 yen/share; year-end forecast: 45 yen/share

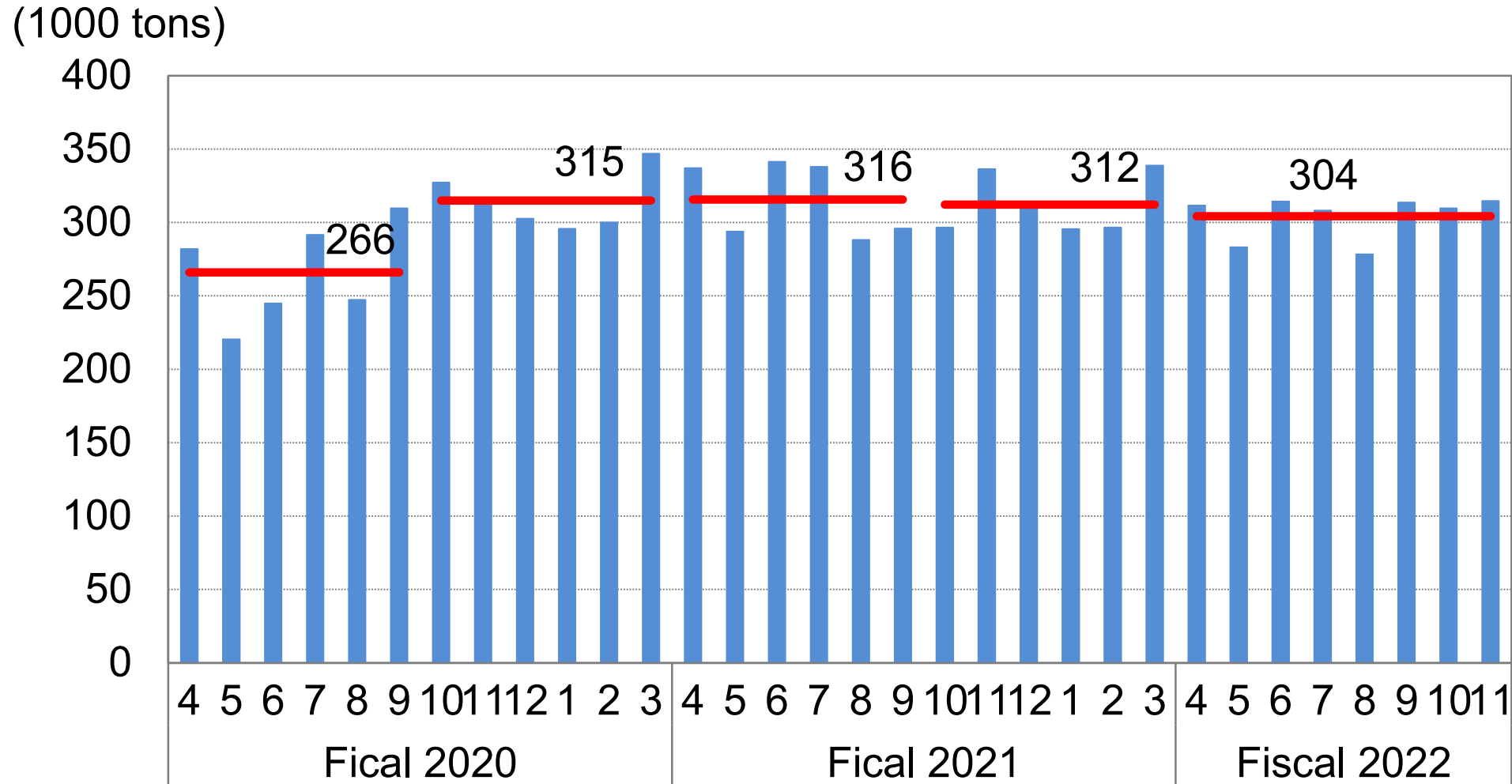
Segment information – compared with the previous fiscal year

(Billions of yen)

	Net sales			Operating profit		
	Fiscal 2022 Forecasts (Jan. 31)	Fiscal 2021 Results	Change	Fiscal 2022 Forecasts (Jan. 31)	Fiscal 2021 Results	Change
Aluminum ingot and chemicals	158.0	127.6	+30.4 (+23.8%)	11.5	13.0	-1.5 (-11.7%)
Aluminum sheet and extrusions	107.0	113.9	-6.9 (-6.0%)	-1.0	7.5	-8.5 (—)
Fabricated products and others	150.0	153.4	-3.4 (-2.2%)	-0.5	3.8	-4.3 (—)
Aluminum foil, powder, and paste	100.0	91.7	+8.3 (+9.1%)	2.0	1.6	+0.4 (+27.4%)
Management, shared	—	—	—	-4.0	-3.7	-0.3
Total	515.0	486.6	+28.4 (+5.8%)	8.0	22.2	-14.2 (-64.0%)

Supplemental materials

Trends in overall demand for aluminum products in Japan

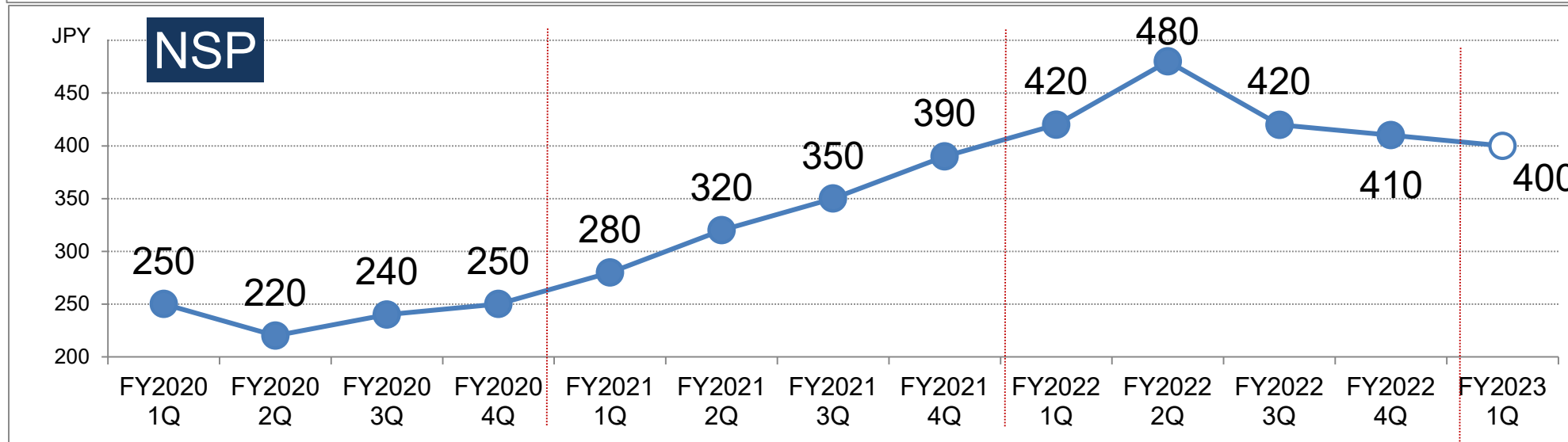
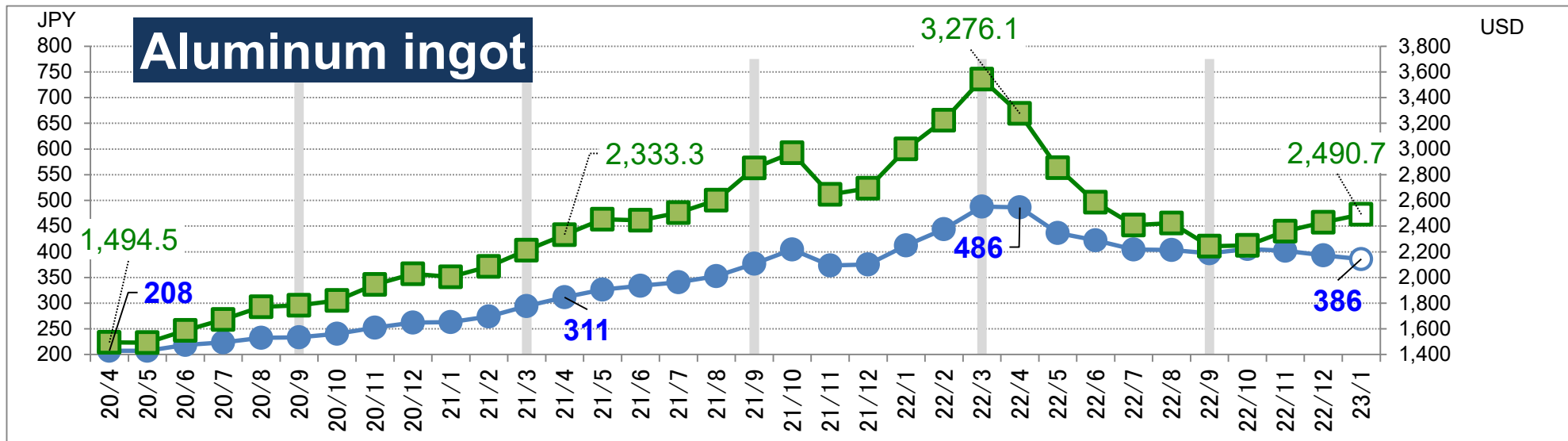


Source: Japan Aluminium Association

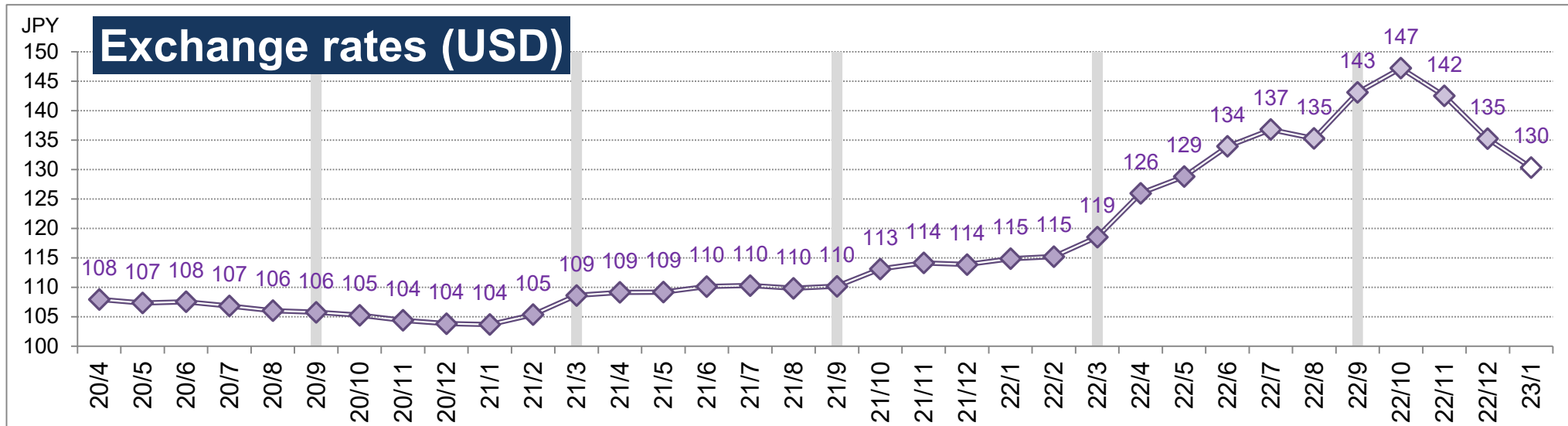
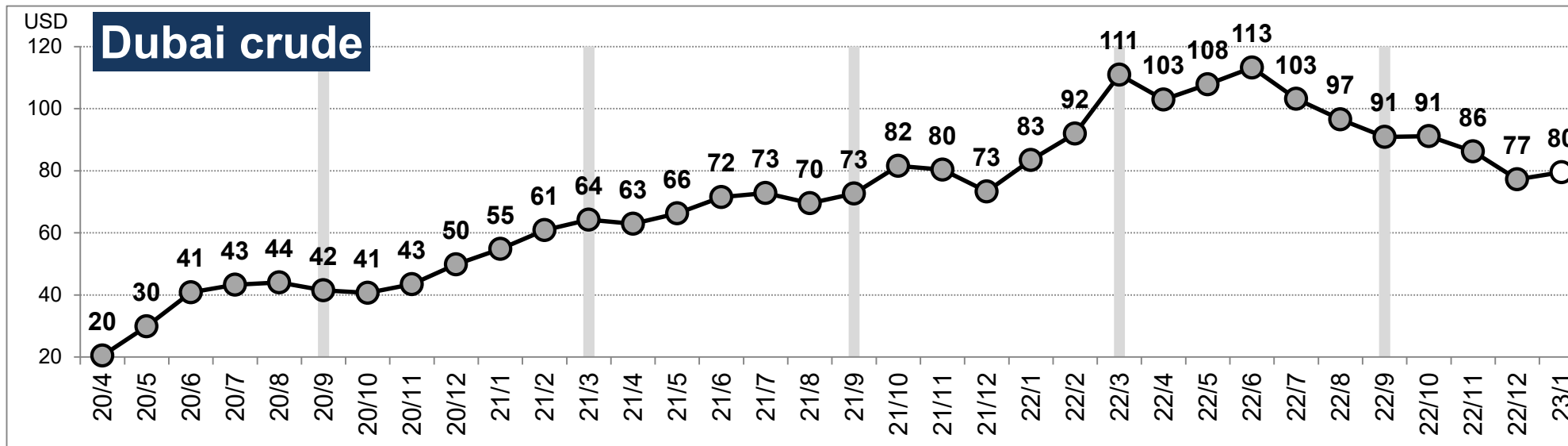
Elements and sensitivity

	Q1-3 FY22 cumulative results	Fiscal 2022 Forecasts (May 16)	Fiscal 2021 Results	Sensitivity to ordinary profit
Aluminum ingot (yen/kg)	417	390	378	Assuming a 10 yen/kg increase -0.5 billion yen/year
Exchange rates (JPY/USD)	137	115	113	Assuming 10 yen appreciation -0.5 billion yen/year
Dubai crude (USD/BBL)	97	85	78	Assuming a USD10/BBL increase -0.6 billion yen/year

Trends in the price of aluminum ingot



Trends in crude oil prices and exchange rates

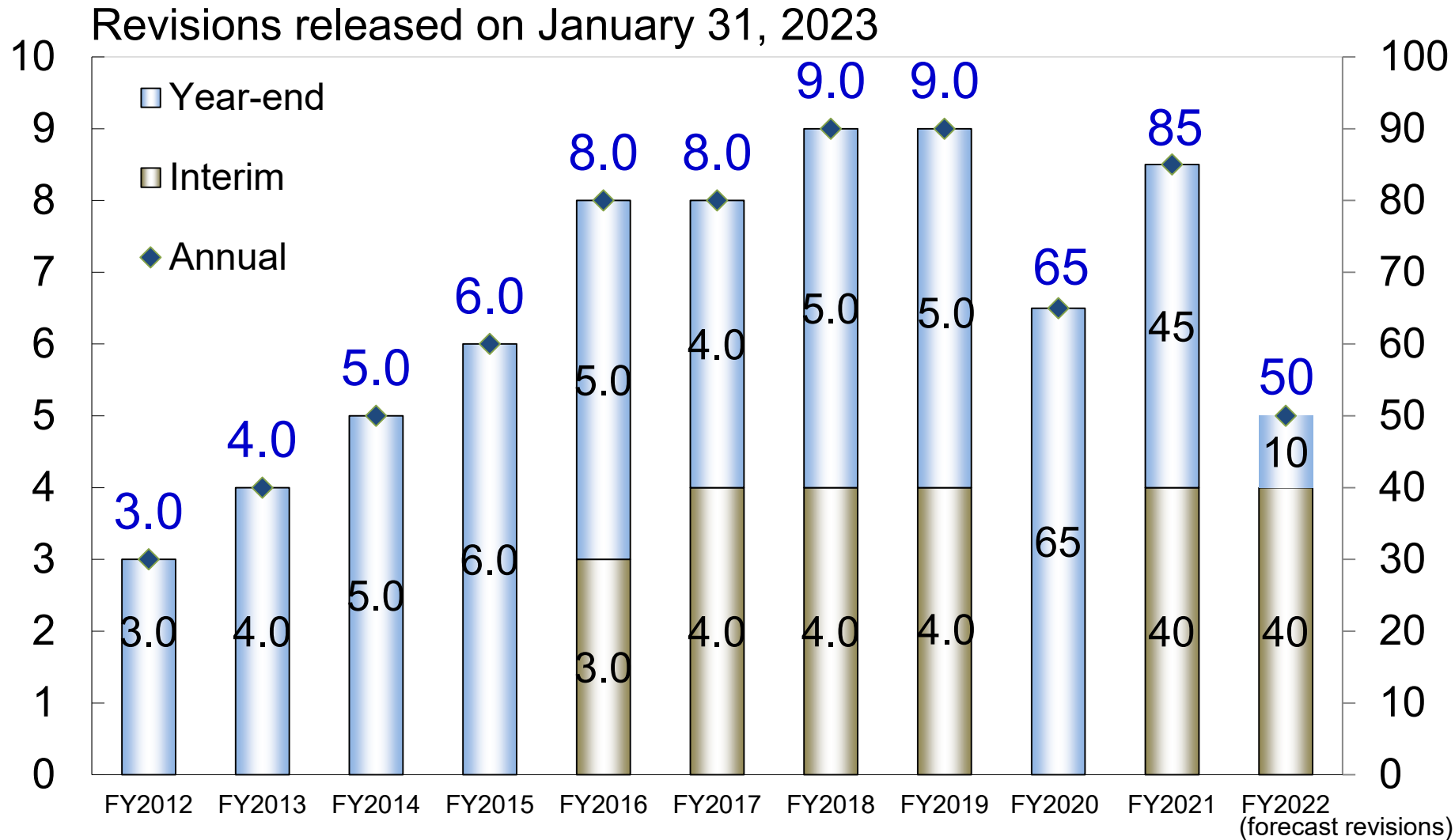


Financial results of key companies – YoY change

(Billions of yen)

	April-December 2022 results			April-December 2021 results		
	Net sales	Operating profit	Ordinary profit	Net sales	Operating profit	Ordinary profit
Nippon Light Metal (Parent)	117.8	3.5	7.8	100.6	6.0	9.3
Toyo Aluminium (Consolidated)	77.0	0.9	1.8	68.4	2.7	3.2
Nikkei MC Aluminium (Consolidated)	78.4	1.6	1.8	58.7	2.4	2.7
Nippon Fruehauf (Consolidated)	39.6	-3.8	-3.8	47.4	-0.5	-0.5
Nikkeikin Aluminium Core Technology (Consolidated)	39.9	-1.0	-0.6	40.7	2.8	2.8

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.