ANNUAL REPORT 2009

Year ended March 31, 2009

NIPPON LIGHT METAL COMPANY, LTD.

PROFILE

Since its foundation in 1939, Nippon Light Metal Company, Ltd. has been constantly involved with aluminum. Today, Nippon Light Metal is Japan's sole fully integrated aluminum manufacturer with activities ranging from alumina refining to fabrication of various products.

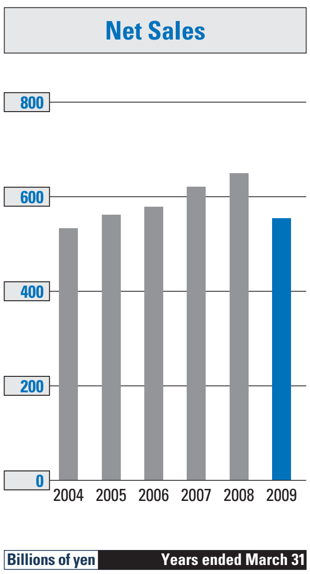
Nippon Light Metal comprises four business segments: Aluminum Ingot and Chemicals, concerning the production of alumina and related chemicals and aluminum ingot; Aluminum Sheet and Extrusions, involving the production of sheets and shapes; Fabricated Products and Others, including the production of transportation-related products, electronic materials, foil and powder; and Building Materials covering the production of residential and office building materials. Through these segments, Nippon Light Metal is actively engaged in a wide range of fields such as automobiles and railroads, electric machinery and electronics, industrial products and construction.

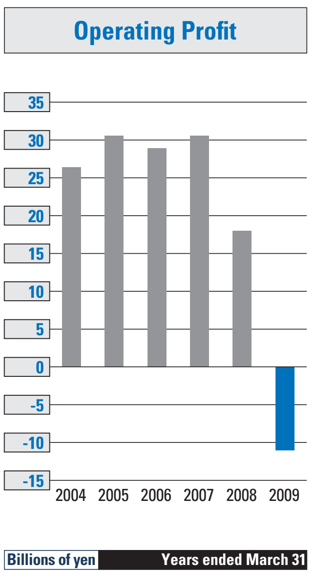
The NLM Group—the preeminent source of products and services combining aluminum's excellent characteristics with new functionality and added value that cater to pressing customer needs—delivers customer satisfaction and contributes to environmental protection.

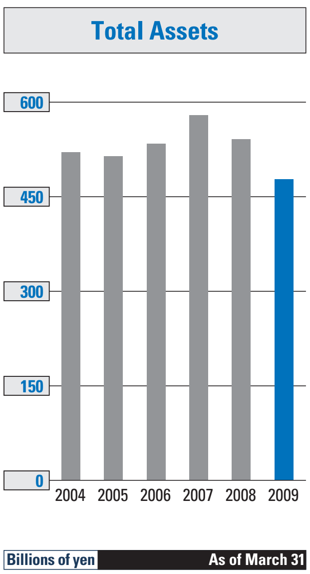
CONSOLIDATED FINANCIAL HIGHLIGHTS

Nippon Light Metal Company, Ltd. and its consolidated subsidiaries Years ended March 31

	2008	2009	2009
	Millions of yen		Thousands of U.S. dollars
For the year:			
Net sales	¥647,846	¥554,094	$5,640,782
Operating profit (loss)	17,998	(11,892)	(121,063)
Net loss	(10,310)	(31,442)	(320,086)
At year-end:			
Total assets	540,473	478,571	4,871,943
Net assets	128,997	88,781	903,807
Short-term borrowings and long-term debt, including bonds and capital lease obligation	224,075	234,011	2,382,276







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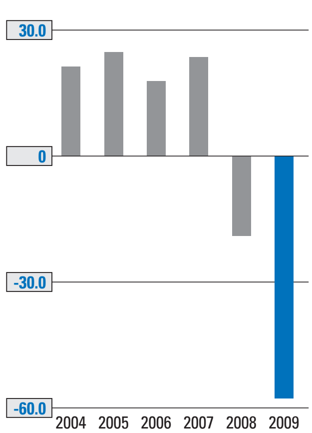
	2008	2009	2009
	Millions of yen		Thousands of U.S. dollars
Per share data (yen and dollars):			
Net loss —basic	¥ (19.00)	¥ (57.77)	$ (0.59)
—diluted	—	—	—
Cash dividends	3.00	—	—
Net assets	223.61	154.22	1.57
Stock information (TSE) (yen and dollars):			
Stock price:			
High	¥ 363	¥ 197	$ 2.01
Low	134	60	0.61

Note: U.S. dollar amounts have been translated, for convenience only, at the exchange rate of ¥98.23 = U.S.$1.00. See Note 2 of the Notes to the Consolidated Financial Statements.

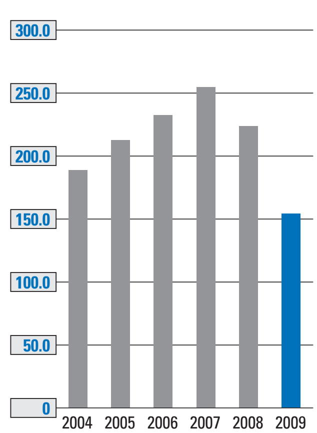
Net Income per Share



Yen | Years ended March 31

Net Income per Share = (Net Income - Amount not attributable to common shareholders) / Average Number of Shares Outstanding

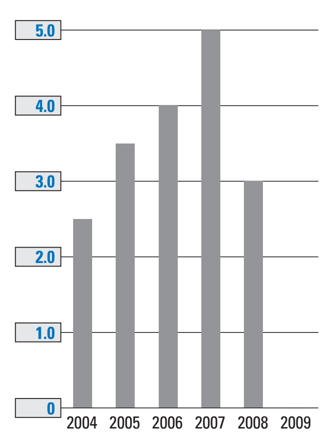
Net Assets per Share



Yen | Years ended March 31

Net Assets per Share = (Net Assets-Minority interests in consolidated subsidiaries) / Number of Shares Outstanding at Year-end

Cash Dividends per Share



Yen | As of March 31

Takashi Ishiyama, *President and CEO*

I am pleased to report on the operating results for Nippon Light Metal Company, Ltd. and its consolidated group companies for fiscal 2008 (the year from April 1, 2008, to March 31, 2009).

Overview of Fiscal 2008

During the year under review, the aluminum industry experienced a significant decline in demand for products from its principle customers in the automotive, electrical and electronics industries as a result of large-scale production cutbacks and inventory adjustments in these and related industries. Sudden fluctuations in raw material prices, such as a steep first-half rise in the price of aluminum in the first half and the subsequent sharp decline in raw material prices during the second half, exerted a large influence on corporate earnings.

Given these circumstances, in accordance with the three-year Mid-Term Management Plan (for the period from fiscal 2007 to fiscal 2009), the NLM Group strove to create new businesses and products while proceeding with business structure renewal in line with the shift in demand. We implemented decisive emergency measures, including the streamlining and rationalization of sales, production, distribution and all our business processes to reduce costs and deferred nonessential capital expenditure to significantly cut expenses. Despite these efforts, consolidated net sales were ¥554.1 billion, a significant decrease compared to the previous year. On the earnings front, we posted a consolidated operating loss of ¥11.9 billion despite structural improvements to reduce costs in line with lower sales and losses on inventory valuation due to falling product prices. Moreover, a loss on the impairment of fixed assets related to the realignment and consolidation of manufacturing sites in the Building Materials Operation, business restructuring and other special losses, and additional retirement allowances for the early retirement program due to workforce downsizing resulted in a ¥31.4 billion consolidated net loss.

Under these circumstances, I regret to announce that there will be no year-end dividend payment. I would like to ask for the understanding of our shareholders regarding this decision.

Overview by Business Segment

Sales in the Aluminum Ingot and Chemicals segment decreased 22.7% year on year, to ¥120.7 billion, while operating profit fell 91.8%, to ¥0.7 billion.

Sales in the Aluminum Sheet and Extrusions segment decreased 15.9%, to ¥66.8 billion. Operating results for this segment deteriorated, resulting in an operating loss of ¥5.7 billion, down ¥7.4 billion from the operating profit of ¥1.6 billion in the previous year.

Sales in the Fabricated Products and Others segment decreased 10.1% to ¥226.5 billion, and operating profit decreased 69.9% to ¥4.0 billion.

Sales in the Building Materials segment fell 12.6%, to ¥140.1 billion, with an operating loss of ¥7.9 billion, a ¥4.9 billion decrease.

Shin Nikkei Structural Improvements and Share Transfer

In March 2009, we announced the realignment and consolidation of manufacturing sites and additional downsizing in our Building Materials operation.

In August 2009, we transferred a large part of the Shin Nikkei Co., Ltd., Funabashi Complex (Chiba Prefecture) production department to the Hokuriku Complex (Toyama Prefecture) and the Fujioka Plant (Tochigi Prefecture), significantly reducing the scale of operations in line with the realignment and consolidation of manufacturing sites in our Building Materials Operation. In addition to the reduction of 400 employees in the previous year, we downsized our workforce by another 200 employees by the end of June 2009. Furthermore, of the ¥15 billion in special losses recorded in the period under review, ¥8.5 billion represents the aforementioned structural reforms.

Furthermore, in July 2009 we announced the decision to transfer all shares of Shin Nikkei to the JS Group Corporation, Japan's largest residential aluminum sash manufacturer. April 1, 2010, is the target date for this transfer. However, the transfer amount and other specific conditions have yet to be determined. Consequently, we have not yet calculated the potential impact of this transfer on future operating performance.

Note: For details, please see the Special Feature section.

Falsification of Fireproof Resin Window Sash Performance Test Results

In January 2009, Shin Nikkei Co., Ltd., which manufactures and sells resin window sashes for office and apartment building windows, was determined to have falsified results of performance tests for fireproof resin window sashes to obtain accreditation by the Ministry of Land, Infrastructure, Transport and Tourism and was selling fire retardant sashes that did not conform with the certified fire retardant materials specifications. These products were sold from October 2005 to January 2009 and used on approximately 90 constructed buildings. The products in question are currently being upgraded.

The NLM Group takes this issue very seriously and is thoroughly investigating the cause of this problem while formulating and promoting renewed countermeasures to prevent recurrence, focusing on enhanced compliance awareness and strengthened quality control in the development process. At present, we are moving forward with a robust action plan based on these measures.

Outlook for Fiscal 2009

Severe business conditions are expected to continue in fiscal 2009 in the construction, automotive, electrical and electronics industries and the business environment surrounding the NLM Group. Although we can expect some declines in raw materials prices and inventory adjustments by our customers, we must also assume our manufacturing volume will remain at a low level.

Given these conditions, for fiscal 2009 we forecast net sales of ¥470 billion, operating profit of ¥9 billion and ordinary profit of ¥2 billion. Within this severe environment, we will aim for sustainable growth by strengthening our customer-oriented sales force and accelerating the development of overseas business. At the same time, we are striving to strengthen our earnings base by developing new products and businesses, and cultivating business in growth fields. In these ways, we are making a concentrated Group effort to take advantage of our technological prowess and abundant knowledge of aluminum.

With the transfer of Shin Nikkei, our business will be significantly transformed in the next fiscal period. However, we will continue to provide various products to a wide range of fields as a comprehensive aluminum manufacturer. As a group, we intend to continue striving to enhance competitiveness in each of our businesses and become a strong corporate group through the efforts of all our employees.

I would like to ask for the continuing support of our shareholders in these efforts.

August 2009

Takashi Ishiyama

Takashi Ishiyama
President and CEO

AN INTERVIEW WITH TAKASHI ISHIYAMA, PRESIDENT AND CEO

Reemergence of the NLM Group

Question

How was fiscal 2008 for Nippon Light Metal Co., Ltd.?

Answer : Fiscal 2008 was a year of major upheavals in the external environment. As I mentioned in my fiscal 2007 message to shareholders, external environment changes far exceeded our expectations. The global recession caused by the subprime loan crisis created a difficult operating environment for the NLM Group. In particular, sales of aluminum for automotive manufacturing decreased considerably as a result lower automobile sales in Japan and overseas. In the first half, demand was firm from the electrical and electronics industries. However, demand dropped sharply in the second half, creating a severe business environment overall. Sluggish demand from the construction field necessitated further balanced contraction measures in the Building Materials operations.

Question

Please discuss the restructuring of Shin Nikkei's Building Materials operations.

Answer : Since April 2008, we have been engaged in structural reforms of Shin Nikkei's business, including management structure renovations, financial structure improvements through capital changes and staff reductions. However, we have decided to realign and consolidate our production sites and downsize our workforce further.

First of all, in August 2009 we transferred the casting, extruding and coating departments at the Funabashi Complex (Funabashi, Chiba Prefecture), our main Kanto plant, to the Hokuriku Complex (Takaoka and Oyabe, Toyama Prefecture). We also moved residential sash and exterior product processing and assembly department to the Hokuriku Complex and Fujioka Plant (Tochigi Prefecture).

Funabashi Complex (Shin Nikkei)

At the same time, facing prolonged severity in the business environment we downsized 200 additional employees in the Shin Nikkei Group. This special measure includes the solicitation of voluntary retirement.

Expenses associated with this series of structural reforms were recorded as a special loss of ¥8.5 billion in March 2009, comprising ¥6.7 billion for production site realignment and consolidation (¥5.6 billion for facilities impairment and ¥1.1 billion for retirement benefit premiums) and ¥1.8 billion for additional workforce downsizing.

Question

Related to these structural reforms, in July 2009 the decision was made to transfer all Shin Nikkei shares to the JS Group. Tostem, which is in the same industry as Shin Nikkei, is also part of the JS Group. Please discuss the bold decision to transfer these shares and the details of the agreement.

Answer : The decision to transfer all shares of Shin Nikkei was as momentous as the NLM Group's decision to withdraw from the smelting business in the 1980s. In terms of consolidated net sales and number of employees, Shin Nikkei represented 30% of our overall business, operating on a scale second only to NLM itself. However, operations went into the red in fiscal 1997 and in recent years the building materials business has dropped off sharply, prompting us to conduct structural reforms to support Shin Nikkei's business. In our medium-term management plans of fiscal 2002–2006 and fiscal 2007–2009, we placed the highest importance on Shin Nikkei's structural reforms. As you know, we did make some progress in terms of improving performance.

However, we felt that on a non-consolidated basis Shin Nikkei's performance improvements and potential for survival were nevertheless limited. For those reasons, last year we began seeking business alliances and integration with other business groups. In April of last year, we announced an aluminum building materials business alliance with Sankyo-Tateyama Holdings, Inc. In March 2009 we received a capital and business alliance proposal from the JS Group and Tostem, and later we received a capital and business alliance proposal from Sankyo-Tateyama. We considered each proposal, and were most concerned about protecting the Shin Nikkei brand and the employees who worked there. The careful consideration of the proposals from the shareholder and customer perspective resulted in this basic agreement.

The transfer of business is scheduled for April 1, 2010, or sooner, upon approval by the governing agency and agreement by both parties. The combination of Tostem and Shin Nikkei is assumed to exceed a 40% share of the residential aluminum sash market, and therefore requires the approval of the governing authorities. For this reason, the exact date and amount of the share transfer has not yet been decided.

After the transfer, Shin Nikkei will be installed under the JS Group umbrella, integrating its product planning with Tostem and sharing its distribution, purchasing and information systems. The Shin Nikkei brand is scheduled to be continued.

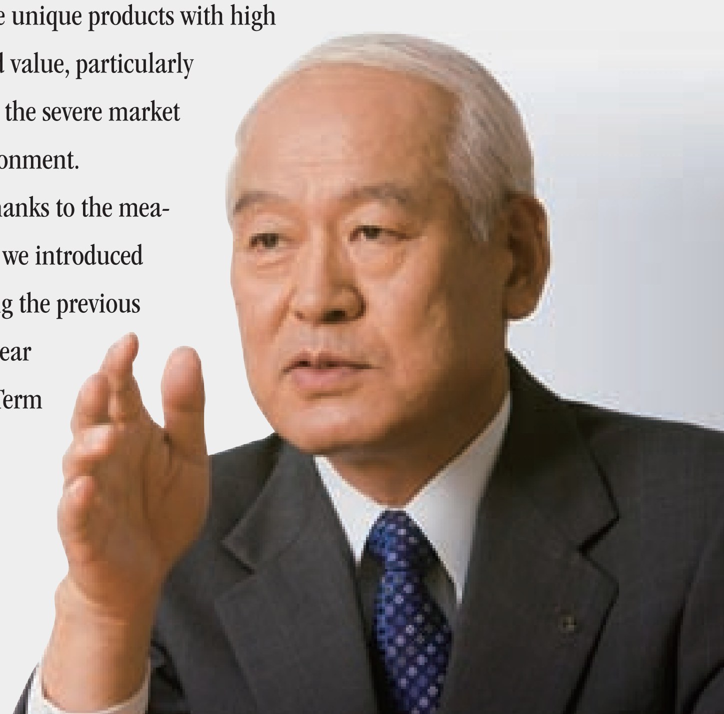
Question

There tends to be a lot of focus on the Building Materials operations, but can you please elaborate on the medium- to long-term management plan for the entire NLM Group?

Answer : In April 2007 we formulated a Mid-Term Management Plan for the three-year period from fiscal 2007 to fiscal 2009. In terms of our basic policy regarding structural improvement of the Building Materials operation, as I just discussed we have decided to conduct a share transfer with the JS Group Corporation. However, our intention of allocating management resources to three growth sectors (automotive, electric and electronics and energy), the further reinforcement of industry-leading businesses and active business development in overseas markets remain unchanged.

The vision for the plan will continue to focus on the creation of new business and strong products by making use of our strength in aluminum technologies. We must create unique products with high added value, particularly given the severe market environment.

Thanks to the measures we introduced during the previous five-year Mid-Term



Management Plan and the two years afterward, we managed to establish the brand image, "If it's aluminum, it's NLM." While reducing costs beginning with personnel expenses, we aim for growth through market share expansion and business alliances with other companies.

Question

Please tell us about NLM Group's plans to reduce personnel expenses.

Answer : Accepting the fact that we unfortunately forwent a year-end dividend payment, we have reduced the remuneration of Board members and managers (employees paid an annual salary) as follows:

In addition, following negotiations with the labor union, we reached agreement on a decision to reduce the base salaries of general employees, as well.

1) ***Reduction in Director Remuneration***
   Effective February 2009, director, auditor and executive officer remuneration was reduced 15%–40%. For example, as CEO, my remuneration was decrease 40%.
2) ***Management Salary Reduction***
   Effective February 2009, annual salaries paid to managers were reduced an average of 7%.
3) ***Regular Employee Salary Base Reduction***
   Effective July 2009, regular employee salaries were reduced an average of 5%.

These salary reductions are also being implemented in each Group company.

Question

Please elaborate on any progress with the measures for new product development and growth markets.

Answer : Despite the current environment, sales of Toyo Aluminium's solar cell back-sheets have expanded favorably, and we intend to enhance the production facilities at three locations worldwide. We have commenced shipments of MAXUS™, an aluminum material developed by the NLM Group for containers used to store nuclear fuel. We expect sales of this product to grow as nuclear power generation expands around the world.

In addition, while engaging in the application of aluminum parts used on standard cars, we are also expanding applications for aluminum parts on hybrid and electric vehicles to meet growing demand for aluminum parts in the automotive industry. Lightweight and recyclable, an average of 100 kilograms of aluminum is used to manufacture one automobile, although from a cost perspective its use is limited to certain types. However, as environmental concerns mount, we view aluminum parts for standard vehicles as a major business opportunity, specifically for use in heat exchangers and radiator plates.

Leveraging our strength as a comprehensive manufacturer, from materials development to production, we are proceeding with the development of battery cables, brake parts, radiator materials for hybrid vehicles and aluminum wires for harness lines.

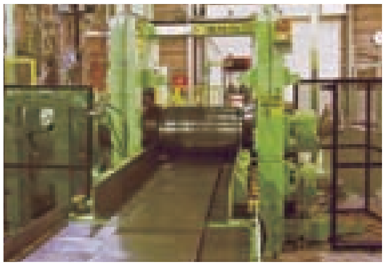
Question

Is there anything else you would like your shareholders and stakeholders to know?

Answer : The outlook for the global economy will remain uncertain in fiscal 2009, and the business environment is likely to continue to be challenging for NLM. However, we also consider this a time of opportunity, and we will endeavor to meet the expectations of our shareholders and stakeholders at the earliest possible opportunity. I would like to ask for your continued encouragement and guidance as we pursue these activities.

New MAXUS™ Plant Begins Operations

In October 2008, construction of the MAXUS™ production plant for neutron shield material for spent nuclear fuel casks was completed and began operations at the Niigata Plant of Nikkeikin Aluminium Core Technology (ACT) Co., Ltd. (Niigata).


New 400-ton hot rolling mill

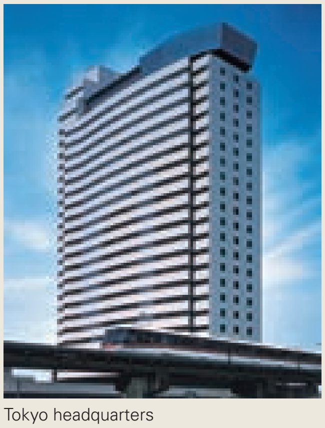
Once again, the importance of nuclear power generation is being recognized in the face of global warming and surging oil prices, as the demand for casks used to deposit, store and reuse spent nuclear fuel is growing in the United States and Europe, as well as Japan. In particular, there is significant growth in demand for the neutron shield material used inside these casks. Nikkeikin ACT has been jointly developing neutron shield material with NLM's Chemicals, Metal and Alloy and Rolled Products Divisions, the Group Technology Center, Toyo Aluminium K.K., Ltd., and all NLM Group companies and departments utilizing their technological prowess and expertise. MAXUS™ has superior durability, and is able to withstand temperatures that caused deformation and peeling in previous products. The newly constructed facility houses a 400-ton hot rolling mill and ancillary facilities, representing a ¥500 million investment with an annual production capacity of 200 tons. We are already receiving various domestic and overseas product inquiries, with a target of ¥4 billion in 2013.

● March 2009 Marks 70 Years Since the Establishment of NLM ●

The Nippon Light Metal Company, Ltd., was established in 1939 by the Furukawa Electric Co., Ltd., and Tokyo Dento (now Tokyo Electric Power Company, Inc.) for the purpose of engaging in the aluminum smelting business.


Smelting plant in 1940

The following year, the Kambara Plant (now Kambara Complex) began smelting operations, and in 1949, NLM listed its shares on the First Section of the Tokyo Stock Exchange. In 1952, a capital participation and technical alliance with the Aluminium Company of Canada, Ltd. (now Rio Tinto Alcan, Inc.), resulted in the continued expansion of demand for aluminum, propelling Japan into a period of high growth.


Tokyo headquarters

NLM was confronted with a severe management environment when this momentum decreased significantly as a result of the oil shocks in the 1970s. Fortunately, the Company survived this difficult period and went on to cultivate many secondary and tertiary products, with March 2009 marking its 70th anniversary of establishment.

NLM is proud to have developed and grown alongside Japanese industry over the past 70 years.

1 • Summary of Corporate Governance

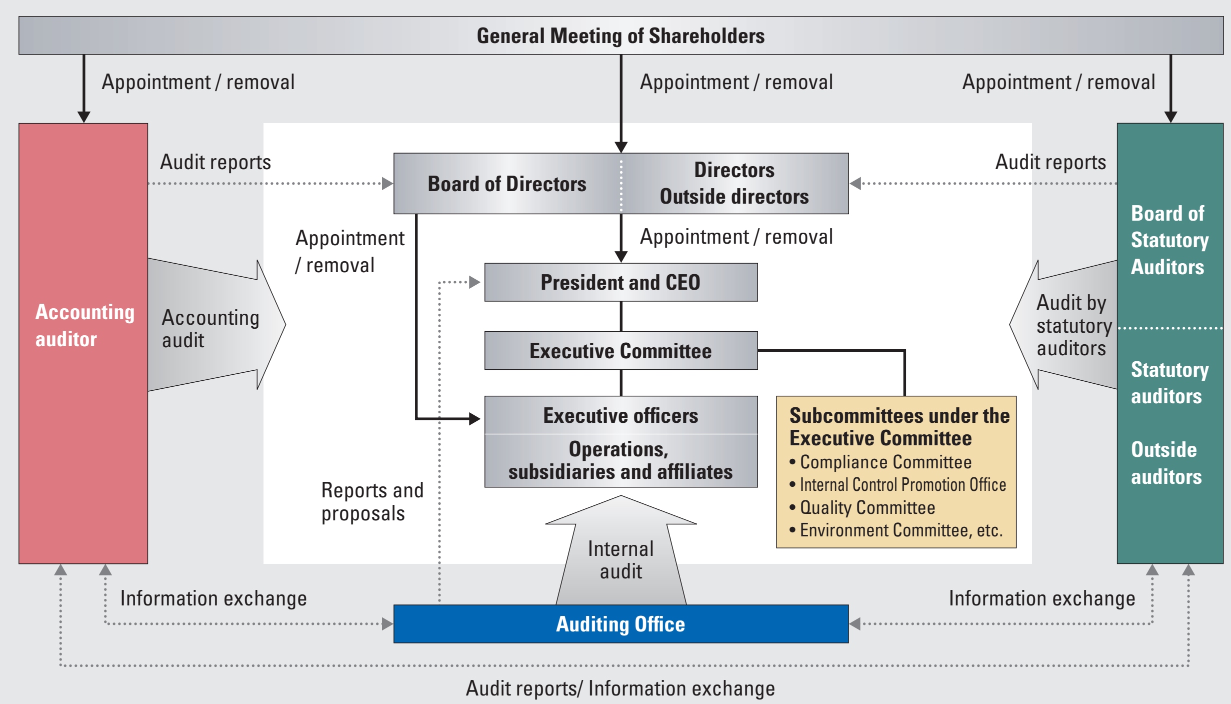
NLM considers the development of a corporate governance system one of its most important management priorities, as this system helps ensure trust in management by stakeholders, including shareholders, business partners, employees and local communities.

NLM has adopted an executive officer system. The Board of Directors consists of 11 directors, of whom two are outside directors. This system enables agile management and sufficient deliberation by the Board of Directors. To clarify the roles and responsibilities of directors and executive officers and ensure that their tasks are conducted appropriately, their term of office is set to be one year. Thirteen Board of Directors meetings were held in fiscal 2008.

To examine important matters that affect the entire Group from multiple perspectives, NLM has set up an Executive Committee under the Board of Directors. This committee consists of the president and CEO, senior executives and executive officers and directors of subsidiaries who concurrently serve as NLM directors. The Executive Committee meets at least twice a month.

NLM has also adopted a statutory auditor system. The Board of Statutory Auditors consists of five statutory auditors, of whom three are outside auditors. Auditors are independent and play a key role in corporate governance by attending Board of Directors and other important internal meetings.

NLM's CORPORATE GOVERNANCE STRUCTURE



Support Systems for Outside Directors and Outside Statutory Auditors

The Planning Department and the Legal Department, which jointly serve as the secretariat for the Board of Directors, circulate preparatory handouts to directors and auditors. The secretariat also elaborates on issues of particular importance prior to meetings.

The Auditors Office provides staff to assist the auditors.

Accounting Audits

In fiscal 2008, Ernst & Young ShinNihon LLC conducted accounting audits based on the Companies Act and the Financial Instruments and Exchange Act of Japan.

2 • Summary of Implementation of Internal Control Systems

To fulfill its corporate governance obligations, NLM takes as another management priority the development of internal control systems for all NLM Group employees. Such systems affect all of NLM's business processes, ensuring risk management, compliance with laws and ordinances and ongoing work efficiency.

At a meeting on May 17, 2006, the Board of Directors resolved a basic policy on the implementation of the Internal Control Systems. At the same time, the Internal Control Office was established under the Executive Committee to develop internal control system infrastructure.

Establishment of the Compliance Code and the Internal Whistle-Blower System

In July 2004, NLM established the Compliance Committee, chaired by the president and CEO, to clarify its corporate social responsibility and to implement effective internal compliance systems. On April 1, 2006, NLM also established the Group Compliance Code, which is posted on the Group Intranet. At the same time, a leaflet containing this code was distributed to all members of Group companies. Concurrently, an internal whistle-blower system was created.

NLM considers important the creation of an atmosphere that fosters the frank exchange of opinions among officers and employees about workplace compliance and encourages its top-of-mind significance. Each year, NLM holds more than 900 compliance meetings that are attended by employees.

Establishment of Group Risk Management Regulations

As part of its risk management system, in May 2006 NLM established the Group Risk Management Regulations. These regulations specify departmental responsibilities and risk management guidelines, segmented by risk significance into 1) product and service defects, 2) environmental problems, 3) disasters (natural and accidental) and 4) information system problems.

Establishment of Regulations Concerning the Preservation and Management of Documents Containing Important Decisions

In accordance with corporate regulations, NLM appropriately stores and manages information on the execution of duties by directors, which is disclosed to statutory auditors upon request. On May 29, 2006, NLM established the Regulations Concerning the Preservation and Management of Documents Containing Important Decisions. These regulations establish criteria for the storage and management of documents at each NLM Group company, including those concerning Executive Committee decisions, committee minutes and departmental decisions, such as approval applications, data and addenda.

BASIC PRINCIPLE

We shall comply with relevant laws and ordinances and shall take action independently and actively on global environmental problems.

NLM Group's management policies reflect the recognition that initiatives to tackle global environmental problems are vital.

Basic Policy for Environmental Issues

Environmental issues are no longer confined to one locality, and have been spreading and worsening to the extent that they can endanger the global environment and the very existence of human beings.

Actions and dedication are required for the national government, local governments, citizens and companies to construct a sustainable, recycling-oriented economy and society capable of coexisting with the environment preserved Earth. With this mission strongly in mind, the NLM Group seeks a harmonious coexistence with the natural environment in every aspect of its corporate activities.

These efforts eventually lead to sound corporate activities together with protecting the interests of shareholders, customers, employees and local communities, which are the basis of NLM's existence. We also endeavor, as decent corporate citizens, to realize a truly affluent society through an environment-oriented social contributions.

Action Guidelines

1. **Compliance with Environment-related Laws and Regulations**
   We comply with laws and regulations for the protection of the environment.
2. **Improvement of Energy Efficiency and Reduction of CO2 Emissions**
   We endeavor to improve the energy efficiency and reduce CO2 emissions by improving efficiencies of production processes and equipments raising productivity and rationalizing logistics.
3. **Facilitating Resource Savings and 3R campaign**
   We make efficient use of all production resources including aluminum, and disseminate the 3R (reduction, reuse and recycling) campaign throughout the Group.
4. **Business Activities in Consideration of Environmental Impacts**
   Prior to determining where to build a production facility or what products to develop, we take measures their impacts on the environment based on scientific evaluations. We also make every effort to reduce the environment even in existing business activities.
5. **Development of Technologies Contributing to Environment Protection**
   Our proactive product, process and other technology developments take advantage of aluminum's characteristics to reduce environmental impact. We contribute to environmental preservation by publicizing these results and providing products that incorporate them.

Voluntary Action Plan for Reduction of Greenhouse Gas Emissions

The NLM Group's Voluntary Action Plan to Reduce Greenhouse Gases

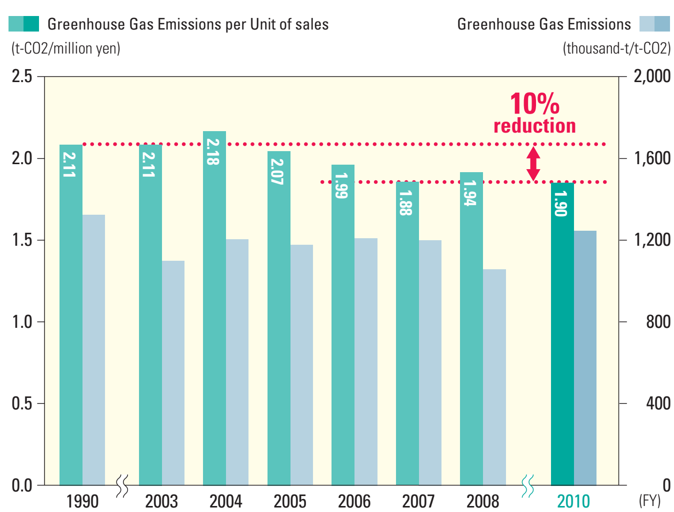
In 2005, the NLM Group formulated an action plan to promote the voluntary and proactive environmental initiatives advocated in the Company's basic policy. Based on the Kyoto Protocol, the voluntary action plan is focused on the reduction of greenhouse gases, which contribute to global warming functioning as a comprehensive indicator for several environmental parameters, including atmospheric and water quality.

In fiscal 2008, we reduced our greenhouse gas emissions. This reduction was significantly influenced by decreased manufacturing activities resulting from the economic recession in the second half of the fiscal year. Furthermore, net sales declined, and emissions per unit of sales decreased slightly.

Despite marked changes in the business environment, the NLM Group will continue striving to reduce greenhouse gas emissions and reduce emissions per unit of sales.

NLM Group Voluntary Action Plan for Reduction of Greenhouse Gas Emissions

Reduce the ratio of greenhouse gas emissions to net sales by 10% by 2010 compared with in1990

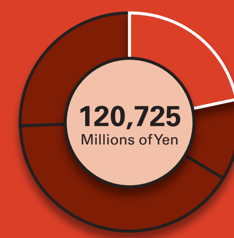


* Data for 2006 has been revised to reflect the criteria changes for evaluation of greenhouse gas emissions at some sites.

Aluminum Ingot and Chemicals

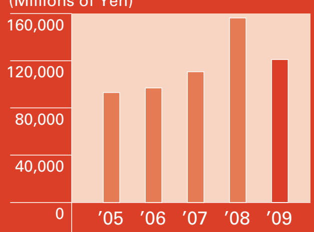
Profile *Alumina and Chemicals Operations produce aluminum hydroxide, alumina and chemicals used in various fields. These products are used as raw materials for flame retardants, ceramics and other products and as industrial materials in paper and pulp manufacturing. Aluminum and Aluminum Alloy Operations manufacture primary and secondary aluminum alloys and enjoy an excellent reputation for the development of high-performance alloys in response to customer requirements. High-purity aluminum manufactured at Japan's only aluminum smelting plant is used as a raw material for electronic materials and other products.*

■ Consolidated Net Sales

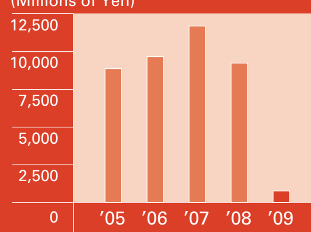


21.8%

■ Net Sales



■ Consolidated Operating Profit



■ Principal Products

- Aluminum
- Aluminum hydroxide
- Chemicals (chemical products)
- Caustic soda
- Chlorinated chemical products
- Aluminum ingot
- Aluminum alloys

■ Overview of results for fiscal 2008

In the Aluminum Ingot and Chemicals operations, in terms of alumina, shipments of aluminum hydroxide for building materials were sluggish, while demand for alumina for fire-retardant materials, electrical machinery and electronics and alumina and aluminum hydroxide dropped off in the second half after a bullish first half. Furthermore, the exchange rate caused a decrease in exports, resulting in an overall decline in sales.

In terms of chemicals, product shipments were strong in the first half, led by the tight supply and demand situation for caustic soda. However, in the second half demand for items such as organic and inorganic chlorine products stagnated as business conditions worsened, resulting in lower sales. These factors resulted in lower overall sales compared to the previous year.

In terms of profits, in response to the rising price of materials such as bauxite and raw salt, we revised the price of alumina, aluminum hydroxide and caustic soda products while promoting the sale of value-added products, but production volumes decreased, owing to deterioration in the quality of bauxite and changes in the service period for equipment and machinery raised depreciation expenses. This contributed to a sharp drop in profits.

In the Aluminum Ingot operations, demand for use in electrical wires was firm, but our primary products for the automobile industry were affected by significant production cuts and inventory adjustments by our customers. Secondary alloy product sales declined substantially, leading to an overall decrease in shipments, and product prices fell sharply in the second half, resulting in a steep decline in sales.

In addition to decreased sales, we recorded an inventory valuation loss due to a sudden drop in the aluminum ingot market, resulting in extremely severe conditions in these operations.

As a result, Aluminum Ingot and Chemicals sales decreased 22.7%, or ¥35,464 million, to ¥120,725 million, and operating profit declined 91.8%, or ¥8,424 million, to ¥748 million.

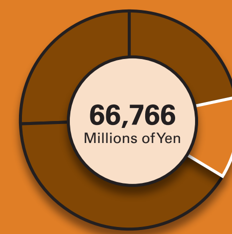
Alumina

Aluminum alloys

Aluminum Sheet and Extrusions

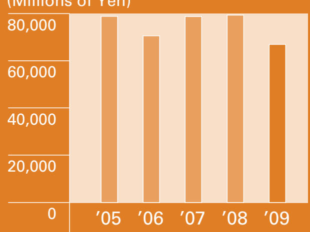
Profile *The NLM Group's aluminum sheet and extrusions are used in a wide range of market sectors, for instance for automotive parts and railway cars in the transport industry and for semiconductor and liquid crystal manufacturing equipment and photosensitive drums in the electrical machinery and electronics industries. The Group applies technologies and expertise accumulated over many years to actively develop products that meet user needs and provides customers with high-performance sheets and extrusions.*

■ Consolidated Net Sales

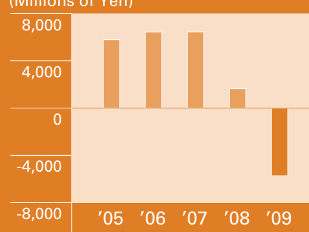


12.0%

■ Net Sales



■ Consolidated Operating Profit



■ Applications	■ Principal Products
Automobile	Automobile suspension parts ● Lead-free cut aluminum alloy ● Quick freezing coagulated powder extruded materials ● High-intensity molded aluminum sheet
Transport	Large structural materials for railway rolling stock ● Truck body parts
Electronics	Thick plate for semiconductor and LCD manufacturing equipment, Foil stock ● Photosensitive drum materials
Industrial	Printing roll ● Industrial materials
Building materials and infrastructure materials	Aluminum honeycomb panel ● Scaffolding

Overview of results for fiscal 2008

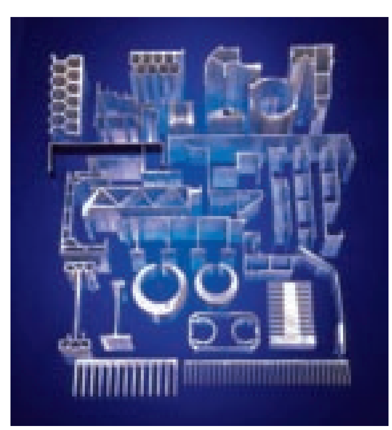
In the Aluminum Sheet operations, shipments for building materials were sluggish. Following strong first-half performance, sales of thick sheets for semiconductor and LCD manufacturing equipment and foil stock for Electrolytic Capacitor operations declined significantly in the second half, as customers reduced production levels and adjusted inventories.

While the continued high price of fuels and side materials and the price of aluminum ingot and products showed signs of decline, we were forced to sell at a lower price products made from aluminum ingot procured at high prices, resulting in a vicious circle that drove down earnings sharply.

In the Aluminum Extrusion operations, we began mass production of automotive parts at our second plant in China, Nikkei (Shanghai) Body Parts Co., Ltd., as we worked to cultivate new demand. However, in the mainstay Japanese market, demand and sales volumes in almost all areas were sharply lower due to reduced production and decreased capital expenditure by domestic customers in the automotive, electrical machinery and electronics industries, creating a severe profit environment.

As a result, Aluminum Sheet and Extrusion sector sales decreased ¥12,609 million, or 15.9%, to ¥66,766 million. Operating results also worsened, declining ¥7,367 million from an operating profit of ¥1,630 million in the previous year to an operating loss of ¥5,737 million.

Aluminum coil

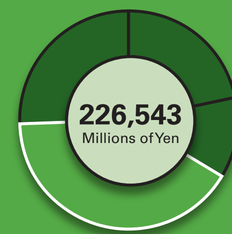


Extrusion shapes

Fabricated Products and Others

Profile *The NLM Group includes a number of companies that handle distinctive fabricated products. In particular, Toyo Aluminium's aluminum foil and aluminum powder and paste, Nippon Freuhauf's van and truck bodies and Nikkei Panel System's commercial refrigerator and freezer panels enjoy an excellent reputation for quality and are market share leaders in their respective fields. In addition, the Group provides familiar consumer products, including anodized aluminum foil for aluminum electrolytic capacitors, automotive parts, landscaping products, containers and packaging materials.*

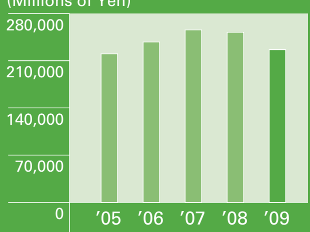
■ Consolidated Net Sales



40.9%

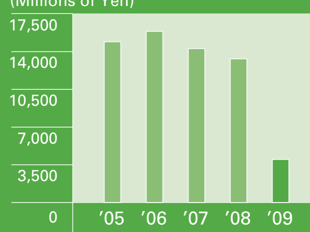
■ Net Sales

(Millions of Yen)



■ Consolidated Operating Profit

(Millions of Yen)



■ Applications	■ Principal Products
● Automobile	● Powder and paste ● Cast and forged parts for automobiles ● Heat exchangers for automobiles
● Transport	● Van truck bodies and trailers
● Electronics	● Aluminum foil for electrolytic capacitors ● Clean rooms ● Anodized foil for electrolytic capacitors
● Building materials and infrastructure materials	● Landscape engineering products ● Solid truss structural materials (Aluminum truss) ● Plant package for communication base stations
● Food and lifestyle	● Aluminum foil ● Panels for commercial refrigerators and freezers

Overview of results for fiscal 2008

Following is a summary of the major sectors in the Fabricated Products and Others operations.

In the aluminum foil and fine powder products sector, sales of aluminum foil, primarily for solar cell back sheets and pharmaceuticals packaging, were favorable in the first half. In the second half, demand for high-purity aluminum foil for electrolytic capacitors dropped sharply, and sales declined in almost all fields. On the whole, robust first-half sales led to higher sales compared to the previous year.

In the aluminum powder products sector, shipments of aluminum paste used for automobile paint were significantly lower due to lackluster growth in related industries, while robust first-half performance of functional ink for solar cells turned lackluster in the second half in reaction to worsening market conditions in Europe. As a result, net sales for this sector were lower compared to the previous year.

In the Transport-Related sector, sales in the van and truck outfitting business fell in reaction to the end of advanced demand caused by the strengthening of exhaust gas regulations, as well as reduced capital expenditure. Shipments of capacitors for car air conditioners used in mini vehicles were firm, but exports dropped in the second half, resulting in lower net sales in this sector compared to the previous year.

While cast product sales in the shaped parts sector increased in line with robust demand, sales of vehicles that use cast products decreased significantly, resulting in overall lower sales compared to the previous year.

In the Electronic Materials sector, while demand for anodized aluminum foil for electrolytic capacitors showed signs of recovery, sluggish demand in the electrical machinery and electronics field for products ranging from digital appliances to manufacturing equipment resulted in significantly reduced shipments and sales that were substantially lower compared to the previous year.

In the Panel System sector, reduced capital expenditure affected a remarkable decrease in large projects involving clean rooms and industrial refrigerators and freezers, which reduced sales and adversely affected profits by exerting upward pressure on the price of raw materials in the first half.

In the Fabricated Products and Others segment, we began shipments of aluminum containers for coffee beans. However, a decrease in demand for beer reflecting a preference for beer-like alcoholic beverages caused a sharp drop in the shipment of mainstay aluminum kegs for beer and commercial washing containers for beer servers, resulting in significantly lower sales compared to the previous year.

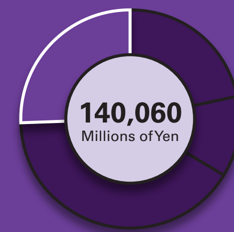
In landscaping products, shipments of brazed honeycomb panels declined slightly, while sales of mainstay aluminum railings were robust, resulting in higher sales compared to the previous year.

Sales in the Fabricated Products and Others operations declined 10.1%, or ¥25,455 million, to ¥226,543 million. Operating profit decreased 69.9%, or ¥9,236 million, to ¥3,976 million.

Building Materials

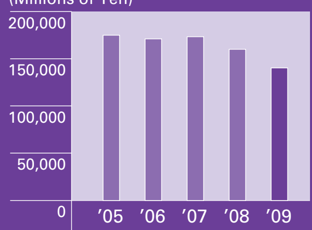
Profile *Shin Nikkei plays a central role in providing high-quality aluminum building materials, operating in accordance with the basic concept of placing importance on the preferences of residents and users. Products include everything from building construction materials such as curtain walls, to window sashes, front doors, and other housing materials as well as gates-fences, and other exterior products. Also, Shin Nikkei is developing products adapted to wideranging user needs for energy conservation, environmental coexistence, universal design, and security enhancement.*

■ Consolidated Net Sales

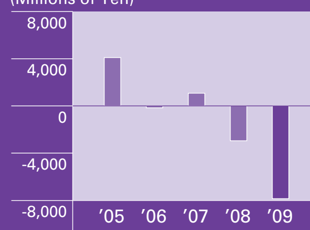


25.3%

■ Net Sales



■ Consolidated Operating Profit



■ Applications

- Building

■ Principal Products

- Building materials
- Housing materials
- Exterior products

■ Overview of results for fiscal 2008

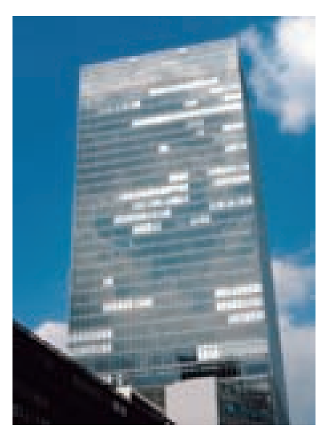
While the effects of the 2007 revisions to the Building Standards Law have waned, private capital investment and public investment have shrunk, consumer spending has cooled as demand continued to decline and competition intensified, adding to the severity of the business environment.

Given these circumstances, NLM's core Group Building Materials company, Shin Nikkei, was compelled to conduct structural reforms in line with changes in the market environment, including the reduction of 400 full and part-time employees in the first half and changes capital to strengthen the company's financial structure while engaging in thorough cost-cutting initiatives focused on manufacturing and purchasing. Furthermore, in response to worsening economic conditions in the second half, we decided to realign and consolidate manufacturing sites, including additional staff reductions, starting with the March 2009 transfer of the Funabashi Complex's materials manufacturing to the Hokuriku Complex to strengthen our management base with a second increase of capital.

Despite these efforts, Building Materials sales decreased 12.6%, or ¥20,224 million, to ¥140,060 million, and operating results dropped ¥4,894 million, to a ¥7,870 million operating loss, due to market contractions that were far more severe than anticipated.

gate & fence

fully opening sashes "Alupla Clus"



curtain wall
(GRANTOKYO NORTH TOWER)

Nippon Light Metal Group consists of 115 subsidiaries and 44 affiliates,
The Group's major operations and the business relations between the Company, major consolidated subsidiaries and affiliates accounted for by the equity method are shown in the diagram below.

Nippon Light Metal Company, Ltd. (Manufacture and Sales)

Aluminum Ingot and Chemicals

(Manufacture and Sales)
- ● Aluminium Wire and Rod Co., Ltd.
- ● Nikkei MC Aluminium Co., Ltd.
- ● Nikkei MC Aluminum America Inc.
- ● Nikkei MC Aluminum (Thailand) Co., Ltd.
- ● Nikkei M.C. Aluminum (Kunshan) Co., Ltd.
- ● Ihara Nikkei Chemical Industry Co., Ltd.

(Sales and Others)
- ● Nikkei Sangyo Co., Ltd.
- ● Tamai Steamship Co., Ltd.

Aluminum Sheet and Extrusions

(Manufacture and Sales)
- ● Nikkei Extrusions Co., Ltd.
- ● Nikkeikin Aluminium Core Technology Co., Ltd.
- ● Nikkei Siam Aluminium Ltd.
- ● Nonfemet International (China-Canada-Japan) Aluminium Co., Ltd.

(Sales and Others)
- ● Nikkei Sangyo Co., Ltd.

Fabricated Products and Others

(Manufacture and Sales)
- ● NLM ECAL Co., Ltd.
- ● Toyo Aluminium K.K.
- ● Tokai Aluminum Foil Co., Ltd.
- ● Toyal America Inc.
- ● Toyal Europe S.A.S.U.
- ● Toyo Aluminium Ekco Products Co., Ltd.
- ● Nikkei Sangyo Co., Ltd.
- ● Nikkei Panel System Co., Ltd.
- ● Nippon Electrode Co., Ltd.
- ● Nippon Fruehauf Co., Ltd.
- ● Nikkei Matsuo Co., Ltd.
- ● Sam-A Aluminium Co., Ltd.
- ● Nikkei Heat Exchanger Co., Ltd.

(Sales and Others)
- ● Nikkei Information System Co., Ltd.
- ● Nikkei Logistics Co., Ltd.
- ● Sumikei Nikkei Engineering Co., Ltd.
- ● Toho Earthtech Inc.

Building Materials

(Manufacture and Sales)
- ● Shin Nikkei Co., Ltd.
- ● Riken Light Metal Industrial Co., Ltd.
- ● Cosmo Industry Co., Ltd.

(Sales and Others)
- ● Nikkei Sangyo Co., Ltd.

Customer

● Consolidated subsidiaries: 108 companies
● Affiliates accounted for by the equity method: 19 companies

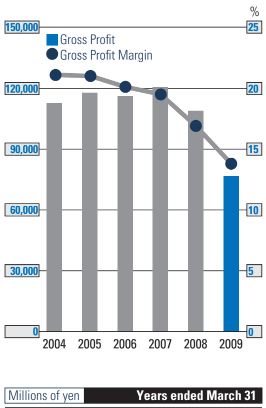
→ Flow of products and raw materials
⋯→ Flow of services

(As of July 31, 2009)

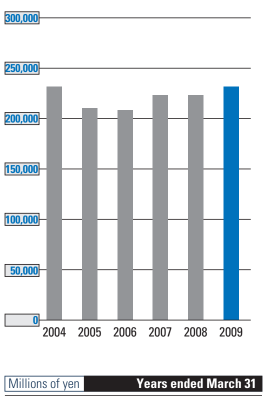
CONSOLIDATED SIX-YEAR SUMMARY

Nippon Light Metal Company, Ltd. and its consolidated subsidiaries Years ended March 31

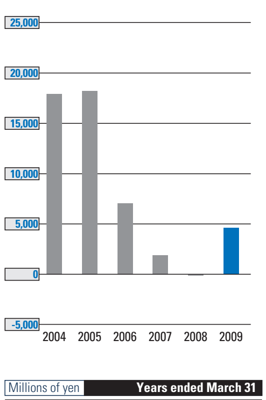
Gross Profit and Gross Profit Margin



Interest-bearing Debt



Free Cash Flows



	2004	2005
	(Millions of yen)	
Financial Results		
Net Sales	¥532,201	¥560,284
Gross Profit	112,293	117,741
Gross Profit Margin (%)	21.1	21.0
Operating Profit (loss)	26,355	30,560
Ordinary Profit (loss)	16,092	21,857
Net Income (loss)	11,525	13,488
Segment Information		
Net Sales:		
Aluminum Ingot and Chemicals	82,851	92,948
Aluminum Sheet and Extrusions	64,860	72,824
Fabricated Products and Others	215,461	219,802
Building Materials	169,029	174,710
Total	532,201	560,284
Operating Profit (Loss):		
Aluminum Ingot and Chemicals	4,727	8,866
Aluminum Sheet and Extrusions	3,667	5,785
Fabricated Products and Others	14,071	14,883
Building Materials	6,687	4,068
Elimination or corporate items	(2,797)	(3,042)
Total	26,355	30,560
Financial Position		
Current Assets	290,625	285,252
Property, plant and equipment	182,562	179,614
Intangible assets	3,935	3,895
Investments and other assets	43,463	46,020
Current liabilities	291,799	266,212
Long-term liabilities	122,593	129,237
Shareholders' equity (Note 3)	99,618	112,068
Valuation and translation adjustments (Note 3)	2,840	3,214
Minority interests in consolidated Subsidiaries (Note 3)	3,735	4,050
Interest-bearing Debt (Note 2)	231,807	210,368
Cash Flows		
Cash Flows from Operating Activities	23,448	32,345
Depreciation and Amortization	16,504	16,591
Cash Flows from Investing Activities	(5,556)	(14,131)
Capital Expenditures	17,516	16,973
Cash Flows from Financing Activities	(27,703)	(22,702)
Per Share Data (yen and dollars)		
Net Income (loss) - basic	¥ 21.24	¥ 24.78
- diluted	—	23.83
Net Assets (Note 3)	188.84	212.63
Cash Dividends	2.5	3.5
Indices		
Return on Capital Employed (ROCE)(%)	7.0	8.6
Return on Equity (ROE)(%)	12.0	12.4
Equity Ratio (%)	19.7	22.4
Others		
Number of Shares Outstanding (thousands)	543,350	543,350
R&D Expenditures	¥ 4,804	¥ 5,538
Number of Employees	12,598	12,927

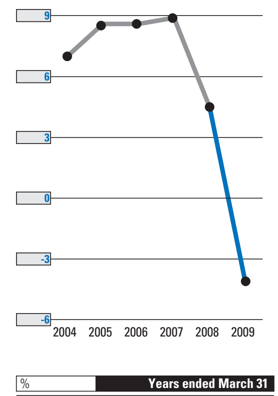
Note 1: U.S. dollar amounts have been translated, for convenience only, at the exchange rate of ¥98.23 = U.S.$1.00. See Note 2 of the Notes to the Consolidated Financial Statements.

Note 2: Interest-bearing Debt = Long-term debt and Short-term borrowings, excluding capital lease obligations + Notes discounted + Notes endorsed

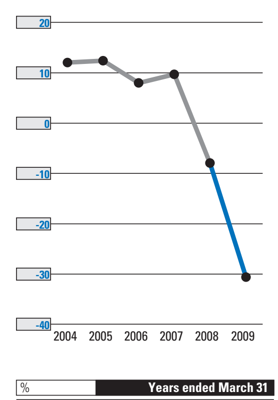
Note 3: Effective the year ended March 31, 2007, the Company adopted the new accounting standard "Accounting Standard for Presentation of Net Assets in the Balance Sheet".

2006	2007	2008	2009	2009
(Millions of yen)				(Thousands of U.S. dollars) (Note1)
¥577,061	¥618,158	¥647,846	¥554,094	$5,640,782
116,078	120,345	108,946	76,720	781,024
20.1	19.5	16.8	13.8	13.8
28,923	30,519	17,998	(11,892)	(121,063)
22,353	25,248	11,222	(16,936)	(172,412)
9,684	12,755	(10,310)	(31,442)	(320,086)
97,077	110,667	156,189	120,725	1,229,003
70,714	78,929	79,375	66,766	679,691
238,422	255,514	251,998	226,543	2,306,251
170,848	173,048	160,284	140,060	1,425,837
577,061	618,158	647,846	554,094	5,640,782
9,640	11,667	9,172	748	7,615
6,435	6,443	1,630	(5,737)	(58,404)
15,848	14,156	13,212	3,976	40,476
(163)	1,073	(2,976)	(7,870)	(80,118)
(2,837)	(2,820)	(3,040)	(3,009)	(30,632)
28,923	30,519	17,998	(11,892)	(121,063)
294,331	340,897	311,083	257,386	2,620,238
185,005	184,070	179,243	176,231	1,794,065
5,261	5,969	6,189	5,005	50,952
48,929	48,527	43,958	39,949	406,688
281,505	287,436	270,545	264,386	2,691,500
122,033	149,916	140,931	125,404	1,276,636
119,719	130,176	118,294	85,170	867,047
6,275	7,770	3,465	(1,255)	(12,776)
3,994	4,165	7,238	4,866	49,536
208,817	223,607	223,660	231,686	2,358,607
26,779	21,397	25,018	26,674	271,546
17,315	17,481	20,160	22,113	225,115
(19,724)	(19,514)	(25,051)	(22,086)	(224,840)
19,819	20,702	25,263	24,997	254,474
(9,862)	12,483	(9,028)	6,422	65,377
¥ 17.79	¥ 23.56	¥ (19.00)	¥ (57.77)	$ (0.59)
16.89	22.36	—	—	—
232.54	254.82	223.61	154.22	1.57
4.0	5.0	3.0	—	—
8.6	9.3	4.5	(4.1)	(4.1)
8.0	9.7	(7.9)	(30.6)	(30.6)
23.6	23.8	22.5	17.5	17.5
543,350	543,350	545,126	545,126	545,126
¥ 5,133	¥ 5,504	¥ 5,858	5,972	$ 60,796
13,492	13,493	14,084	13,678	13,678

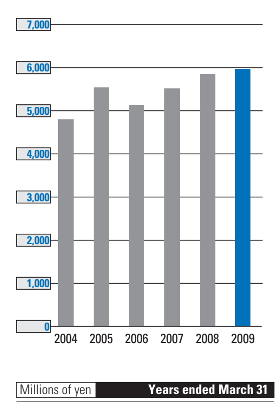
Return on Capital Employed (ROCE)



Return on Equity (ROE)



R&D Expenditures



Overview

In fiscal 2008, ended March 31, 2009, the Japanese economy faced an extremely severe situation, embroiled in a global economic recession spurred by financial instability in the United States that sharply aggravated corporate earnings and the employment environment.

The domestic aluminum industry experienced a significant decline in demand for products from its principle customers in the automotive, electrical and electronics industries as a result of large-scale production cutbacks and inventory adjustments in these and related industries. Sudden fluctuations in raw material prices, including a steep rise in the price of aluminum in the first half, and the subsequent sharp decline in raw material prices during the second half, exerted a large influence on corporate earnings.

Earnings and Expenses

As a result of these drastic changes, the NLM Group consolidated net sales decreased 14.5% year on year, to ¥554.1 billion (US$5,641 million). For sales by segment, please see the Review of Operations, page 11 to 14.

Compared to the previous year, the cost of goods sold decreased 11.4%, to ¥477.4 billion (US$4,860 million), the cost to sales ratio declined 3 percentage points, to 86.2%, and selling, general and administrative expenses dropped 2.6%, to ¥88.6 billion (US$902 million). As a result, operating results transitioned from an operating profit of ¥18.0 billion in the previous year to an operating loss of ¥11.9 billion (US$121 million) in the year under review.

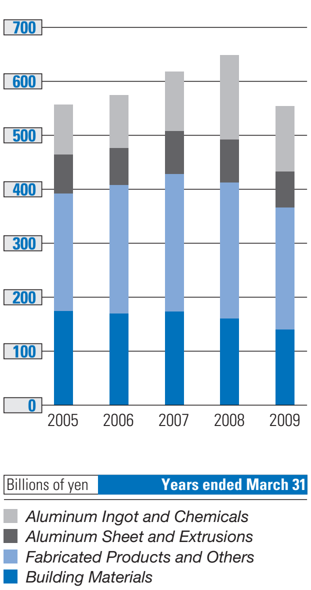
Non-operating income grew 18.5%, to ¥4.5 billion (US$46 million), compared to the previous year, reflecting improved equity in earnings of affiliates. Non-operating expenses shrank 9.7%, to ¥9.6 billion (US$98 million), but this was due to a decrease in losses on the disposal of inventory included in other non-operating expenses. As a result, NLM posted an ordinary loss of ¥16.9 billion (US$172 million) after recording an ordinary profit of ¥11.2 billion in the previous year.

Special losses totaled ¥15.0 billion (US$153 million). These included a ¥5.2 billion (US$53 million) loss on impairment of fixed assets of the building materials operations at Shin Nikkei's Funabashi Complex, ¥5.0 billion (US$51 million) in an additional retirement allowance for early retirement program and a ¥2.5 billion (US$25 million) restructuring loss related to Shin Nikkei's Funabashi Complex. In addition, we booked ¥1.9 billion ($19 million) in expected cost of corrective measures for product defects related to resin sashes.

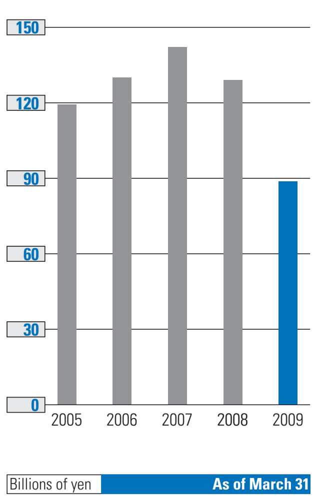
As a result, the loss before income taxes and minority interests during the period under review was ¥32.0 billion (US$326 million). Consequently, corporate, inhabitant and business taxes for fiscal 2008 declined ¥5.1 billion, to ¥1.1 billion (US$11 million), with the amount of deferred income taxes totaling ¥0.5 billion ($5 million).

Consequently, the net loss in fiscal 2008 was ¥31.4 billion (US$320 million), an increase from ¥10.3 billion in fiscal 2007. The average number of shares outstanding during the year increased to 544,306,075, compared with 542,732,677 in

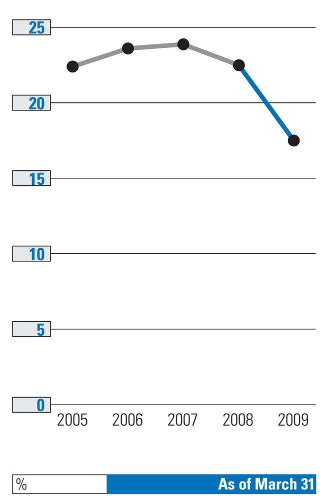
Net Sales By Segment



Total Net Assets



Equity Ratio



fiscal 2007, with the net loss per share increasing to ¥57.77 (US$0.59) compared to ¥19.00 in fiscal 2007. While the cash dividend per share in fiscal 2007 was ¥3.0, in accordance with a resolution at the General Meeting of Shareholders on June 26, 2009, there was no full-year cash dividend distributed in fiscal 2008.

Assets, Liabilities and Shareholders' Equity

Total assets decreased 11.5%, to ¥478.6 billion (US$4,872 million), during the period under review as a result of a decrease in the balance of notes and accounts receivable-trade due to lower sales although there was an increase in cash and deposits stemming from increased borrowings.

Total liabilities decreased 5.3%, to ¥389.8 billion (US$3,968 million), compared to the previous year as a result of a decline in notes and accounts payable-trade due to a decrease in purchases despite an increase in borrowings.

In fiscal 2008, interest-bearing debt was ¥231.7 billion, ¥8.0 billion higher than in fiscal 2007 as a result of an increase in cash on hand.

During the period under review, net assets declined 31.2% to ¥88.8 billion (US$904 million) due to a decrease in retained earnings resulting from the recorded net loss as well as a decrease in valuation and translation adjustments.

Net assets per share decreased 31.0%, to ¥154.22 (US$1.57). The equity ratio dropped 5.0 percentage points, to 17.5%.

Cash Flows

Cash and cash equivalents as of March 31, 2009, were up 33.3%, or ¥11.0 billion, to ¥44.0 billion (US$448 million) from one year earlier.

Net cash provided by operating activities was up 6.6%, or ¥1.7 billion, to ¥26.7 billion (US$272 million), primarily as a result of lower working capital requirements and reduced corporate taxes paid.

Net cash used in investing activities decreased 11.8%, or ¥3.0 billion, to ¥22.1 billion (US$225 million), primarily due to a decrease in payments for the purchase of fixed assets.

Net cash provided by financing activities was ¥6.4 billion (US$65 million), compared with ¥9.0 billion used in the previous year, reflecting a ¥14.7 billion net increase in short- and long-term borrowings.

Outlook for Fiscal 2009

The economic prospects for fiscal 2009 remain uncertain due to the continued global recession. We anticipate continued severity in the business environment surrounding our customers in the automotive, electrical and electronics, construction and related industries. In terms of our own business, while we foresee falling raw materials prices as a factor in improving profit and loss, we also expect manufacturing volumes to remain low.

In recognition of this outlook, we will review our management and personnel structures, undertake initiatives to further reduce costs and eliminate expenses and enhance productivity, while constructing a more efficient Group management structure, promoting improvements to our earnings base and devoting our full effort to maintaining profitability in an attempt to respond more quickly to changes in the business environment. Furthermore, aiming for sustainable growth, we will strengthen our business infrastructure to position ourselves for the eventual economic recovery while enhancing our customer-oriented sales force and developing new products and business. At the same time, we will concentrate the efforts of the entire Group to cultivate business in growth fields and accelerate overseas business developments utilizing materials expertise and technological capabilities developed over many years in an attempt to secure stable earnings.

Our outlook for fiscal 2009 calls for net sales of ¥470.0 billion, primarily reflecting lower production volumes. On the profit front, the outlook calls for operating profits of ¥9.0 billion, ordinary profits of ¥2.0 billion and net income of ¥0.5 billion in anticipation of improved inventory valuation losses, labor cost reductions and increases in the sale of new products.

We forecast net income per share of ¥0.92. However, as in the period under review, we expect to be unable to pay a cash dividend in fiscal 2009.

Nippon Light Metal Company, Ltd. and consolidated subsidiaries

	March 31, 2008	March 31, 2009	2009
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
Assets			
Current assets:			
Cash and deposits (Notes 3 and 5)	¥ 31,287	¥ 44,223	$ 450,198
Notes and accounts receivable – trade	174,848	124,230	1,264,685
Finished products	31,098	26,732	272,137
Work-in-progress, including costs related to construction-type contracts	33,329	28,947	294,686
Raw material and supplies	22,498	19,395	197,445
Deferred tax assets (Note 7)	5,381	6,629	67,484
Other current assets	14,953	9,838	100,153
Allowance for doubtful accounts	(2,311)	(2,608)	(26,550)
Total current assets	311,083	257,386	2,620,238
Property, plant and equipment (Note 5):			
Land	63,603	63,076	642,126
Buildings and structures	147,096	146,260	1,488,954
Machinery and equipment	286,480	295,524	3,008,490
Construction-in-progress	5,056	5,736	58,394
Accumulated depreciation	(322,992)	(334,365)	(3,403,899)
Total property, plant and equipment	179,243	176,231	1,794,065
Intangible assets:			
Goodwill	1,984	1,376	14,008
Other intangible assets	4,205	3,629	36,944
Total intangible assets	6,189	5,005	50,952
Investments and other assets:			
Investment securities (Notes 4 and 5)	29,593	25,317	257,732
Deferred tax assets (Note 7)	6,356	6,548	66,660
Other assets	9,662	10,590	107,808
Allowance for doubtful accounts	(1,653)	(2,506)	(25,512)
Total investments and other assets	43,958	39,949	406,688
Total assets	¥540,473	¥478,571	$4,871,943

Liabilities and net assets	March 31, 2008 (Millions of yen)	2009 (Millions of yen)	2009 (Thousands of U.S. dollars) (Note 2)
Current liabilities:			
Short-term borrowings (Note 5)	¥ 93,070	¥108,851	$1,108,124
Current portion of long-term debt (Note 5)	26,450	34,090	347,043
Notes and accounts payable – trade	108,112	78,063	794,696
Income taxes payable	2,435	854	8,694
Other current liabilities	40,478	42,528	432,943
Total current liabilities	270,545	264,386	2,691,500
Long-term liabilities:			
Long-term debt (Note 5)	104,555	91,070	927,110
Accrued pension and severance costs (Note 6)	28,145	27,163	276,524
Deferred tax liabilities on land revaluation surplus (Notes 7 and 9)	522	522	5,314
Other long-term liabilities (Notes 5 and 7)	7,709	6,649	67,688
Total long-term liabilities	140,931	125,404	1,276,636
Total liabilities	411,476	389,790	3,968,136
Net assets :			
Shareholders' equity:			
Common stock:			
Authorized: 1,600,000,000 shares			
Issued: 545,126,049 shares	39,085	39,085	397,893
Additional paid-in capital	25,420	25,420	258,781
Retained earnings	53,911	20,835	212,104
Treasury stock, at cost (621,759 shares in 2008 and 984,847 shares in 2009)	(122)	(170)	(1,731)
Total shareholders' equity	118,294	85,170	867,047
Valuation and translation adjustments:			
Net unrealized gains on securities (Note 4)	2,219	374	3,807
Net unrealized gains (losses) on hedges (Note 1(m))	308	(991)	(10,088)
Revaluation surplus (Note 9)	145	145	1,476
Foreign currency translation adjustments	793	(783)	(7,971)
Total valuation and translation adjustments	3,465	(1,255)	(12,776)
Minority interests in consolidated subsidiaries	7,238	4,866	49,536
Total net assets	128,997	88,781	903,807
Contingent liabilities (Note 13)			
Total liabilities and net assets	¥540,473	¥478,571	$4,871,943

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

Nippon Light Metal Company, Ltd. and consolidated subsidiaries

	Year ended March 31,		
	2008	**2009**	**2009**
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
Net sales	¥ 647,846	**¥554,094**	**$5,640,782**
Cost of sales (Note 12)	538,900	**477,374**	**4,859,758**
Gross profit	108,946	**76,720**	**781,024**
Selling, general and administrative expenses (Note 12)	90,948	**88,612**	**902,087**
Operating profit (loss)	17,998	**(11,892)**	**(121,063)**
Non-operating income:			
Interest income	138	**147**	**1,497**
Equity in earnings of affiliates	350	**1,001**	**10,190**
Rental income	663	**766**	**7,798**
Royalty income	414	**407**	**4,143**
Other	2,263	**2,215**	**22,549**
Total non-operating income	3,828	**4,536**	**46,177**
Non-operating expenses:			
Interest expense	3,931	**3,750**	**38,176**
Amortization of transition obligation for employees' retirement benefits (Note 6)	2,070	**2,025**	**20,615**
Other	4,603	**3,805**	**38,735**
Total non-operating expenses	10,604	**9,580**	**97,526**
Ordinary profit (loss)	11,222	**(16,936)**	**(172,412)**
Special gains:			
Gain on changes in equity interest in affiliates	1,101	**—**	**—**
Reversal of allowance for doubtful accounts	1,056	**—**	**—**
Gain on insurance settlement	318	**—**	**—**
Total special gains	2,475	**—**	**—**
Special losses:			
Loss on impairment of fixed assets (Note 14)	11,839	**5,245**	**53,395**
Additional retirement allowance for early retirement program	2,300	**5,047**	**51,379**
Restructuring loss	—	**2,461**	**25,054**
Cost of corrective measures for product defects	1,679	**1,859**	**18,925**
Loss on disposal of fixed assets	—	**437**	**4,449**
Total special losses	15,818	**15,049**	**153,202**
Loss before income taxes and minority interests	(2,121)	**(31,985)**	**(325,614)**
Income taxes (Note 7):			
Current	6,233	**1,110**	**11,300**
Deferred	1,383	**457**	**4,652**
	7,616	**1,567**	**15,952**
Minority interests in net income (loss) of consolidated subsidiaries	573	**(2,110)**	**(21,480)**
Net loss	¥ (10,310)	**¥(31,442)**	**$ (320,086)**

	(Yen)		(U.S. dollars) (Note 2)
Per share of common stock (Note 15):			
Net loss:			
Basic	¥ (19.00)	**¥ (57.77)**	**$ (0.59)**
Diluted	—	**—**	**—**
Cash dividends	3.00	**—**	**—**

The accompanying notes are an integral part of these financial statements.

Nippon Light Metal Company, Ltd. and consolidated subsidiaries

	Shareholders' equity				Valuation and translation adjustments					
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Net unrealized gains on securities	Net unrealized gains (losses) on hedges	Revaluation surplus (Note 9)	Foreign currency translation adjustments	Minority interests in consolidated subsidiaries	Total net assets
	(Millions of yen)									
Balance at March 31, 2007	¥39,085	¥24,569	¥66,928	¥(406)	¥5,449	¥ 619	¥145	¥1,557	¥4,165	¥142,111
Share exchange		851		407						1,258
Net loss			(10,310)							(10,310)
Cash dividends (Note 8)			(2,707)							(2,707)
Net increase in treasury stock				(123)						(123)
Net unrealized losses on securities (Note 4)					(3,230)					(3,230)
Net unrealized losses on hedges						(311)				(311)
Foreign currency translation adjustments								(764)		(764)
Net increase in minority interests in consolidated subsidiaries									3,073	3,073
Balance at March 31, 2008	39,085	25,420	53,911	(122)	2,219	308	145	793	7,238	128,997
Net loss			(31,442)							(31,442)
Cash dividends (Note 8)			(1,634)							(1,634)
Net increase in treasury stock				(48)						(48)
Net unrealized losses on securities (Note 4)					(1,845)					(1,845)
Net unrealized losses on hedges						(1,299)				(1,299)
Foreign currency translation adjustments								(1,576)		(1,576)
Net decrease in minority interests in consolidated subsidiaries									(2,372)	(2,372)
Balance at March 31, 2009	¥39,085	¥25,420	¥20,835	¥(170)	¥ 374	¥(991)	¥145	¥ (783)	¥4,866	¥ 88,781

	Shareholders' equity				Valuation and translation adjustments					
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Net unrealized gains on securities	Net unrealized gains (losses) on hedges	Revaluation surplus (Note 9)	Foreign currency translation adjustments	Minority interests in consolidated subsidiaries	Total net assets
	(Thousands of U.S. dollars) (Note 2)									
Balance at March 31, 2008	$397,893	$258,780	$548,824	$(1,242)	$22,590	$ 3,135	$1,476	$ 8,073	$73,684	$1,313,213
Net loss			(320,086)							(320,086)
Cash dividends (Note 8)			(16,634)							(16,634)
Net increase in treasury stock				(489)						(489)
Net unrealized losses on securities (Note 4)					(18,783)					(18,783)
Net unrealized losses on hedges						(13,224)				(13,224)
Foreign currency translation adjustments								(16,044)		(16,044)
Net increase in minority interests in consolidated subsidiaries									(24,147)	(24,147)
Balance at March 31, 2009	$397,893	$258,780	$212,104	$(1,731)	$ 3,807	$(10,089)	$1,476	$(7,971)	$49,537	$ 903,806

The accompanying notes are an integral part of these financial statements.

Nippon Light Metal Company, Ltd. and consolidated subsidiaries

	Year ended March 31, 2008	2009	2009
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
Cash flows from operating activities			
Loss before income taxes and minority interests	¥(2,121)	¥(31,985)	$(325,613)
Depreciation and amortization	20,160	22,113	225,115
Loss on impairment of fixed assets	11,839	5,245	53,395
Additional retirement allowance for early retirement program	2,300	5,047	51,379
Restructuring loss	—	2,461	25,053
Cost of corrective measures for product defects	1,679	1,859	18,925
Loss on disposal of fixed assets	—	437	4,449
Gain on changes in equity interest in affiliates	(1,101)	—	—
Gain on insurance settlement	(318)	—	—
(Decrease) increase in allowance for doubtful accounts	(1,083)	1,131	11,514
Increase (decrease) in accrued pension and severance costs	309	(934)	(9,508)
Interest and dividend income	(857)	(552)	(5,619)
Interest expense	3,931	3,750	38,176
Equity in earnings of affiliates	(350)	(1,001)	(10,190)
Decrease in notes and accounts receivable – trade	22,272	47,229	480,800
Decrease in inventories	3,253	11,239	114,415
Decrease in notes and accounts payable – trade	(17,641)	(28,345)	(288,558)
Other	(2,013)	(1,858)	(18,916)
Subtotal	40,259	35,836	364,817
Interest and dividend income received	1,075	685	6,974
Interest paid	(3,951)	(3,734)	(38,013)
Payments for additional retirement payments	—	(2,469)	(25,135)
Payments for corrective measures for product defects	(489)	(675)	(6,872)
Insurance proceeds received for disasters	905	—	—
Income taxes paid	(12,781)	(2,969)	(30,225)
Net cash provided by operating activities	25,018	26,674	271,546
Cash flows from investing activities			
Net decrease in time deposits	14	47	478
Payments for purchases of fixed assets	(24,370)	(22,567)	(229,736)
Proceeds from sales of fixed assets	401	490	4,988
Payments for purchases of investment securities	(43)	(48)	(489)
Proceeds from sales of investment securities	261	65	662
Proceeds from sales of stocks of subsidiaries and affiliates	—	849	8,643
Net decrease (increase) in long-term loans receivable	11	(401)	(4,082)
Cash received from acquisitions	308	—	–
Other	(1,633)	(521)	(5,304)
Net cash used in investing activities	(25,051)	(22,086)	(224,840)
Cash flows from financing activities			
Net increase in short-term borrowings	4,821	16,122	164,125
Proceeds from long-term debt	18,918	19,104	194,482
Repayment of long-term debt	(29,756)	(26,497)	(269,745)
Cash dividends paid	(2,685)	(1,611)	(16,400)
Cash dividends paid to minority interests	(214)	(283)	(2,881)
Other	(112)	(413)	(4,204)
Net cash (used in) provided by financing activities	(9,028)	6,422	65,377
Effect of exchange rate changes on cash and cash equivalents	(94)	(34)	(345)
Net (decrease) increase in cash and cash equivalents	(9,155)	10,976	111,738
Cash and cash equivalents at beginning of year	42,125	33,006	336,007
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	21	214
Cash and cash equivalents of newly consolidated subsidiaries	36	—	—
Cash and cash equivalents at end of year (Note 3)	¥33,006	¥ 44,003	$ 447,959

The accompanying notes are an integral part of these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The accompanying consolidated financial statements of Nippon Light Metal Company, Ltd. (the "Company") and its consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan. The notes to the consolidated financial statements include certain financial information which is not required under accounting principles generally accepted in Japan, but is presented herein as additional information. The accompanying consolidated financial statements include certain reclassifications for the purpose of presenting them in a form familiar to readers outside Japan.

(b) Principles of consolidation and accounting for investments in affiliates

The accompanying consolidated financial statements include the accounts of the Company and, with minor exceptions, companies substantially controlled by the Company. All significant intercompany transactions and accounts have been eliminated in consolidation.

Investments in equity securities issued by unconsolidated subsidiaries and affiliates are accounted for by the equity method, except that investments in certain unconsolidated subsidiaries and affiliates are stated at cost because the effect of application of the equity method would be immaterial.

The difference between the cost and the underlying net assets of investments in consolidated subsidiaries or affiliates accounted for by the equity method has been allocated to identifiable assets based on fair value at the respective dates of acquisition. Any unassigned residual amount is recognized as goodwill and amortized by the straight-line method over an estimated useful life, with the exception of minor amounts which are charged to income in the year of acquisition.

(c) Translation of foreign currencies

All monetary assets and liabilities denominated in foreign currencies, whether long-term or short-term, are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. The resulting gains and losses are included in net loss for the year.

Assets and liabilities of foreign subsidiaries and affiliates are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Income statement accounts for the year are translated into Japanese yen using the average exchange rates during the year. The resulting translation adjustments are accounted for as foreign currency translation adjustments, except for the minority interest portion which is allocated to minority interests in consolidated subsidiaries.

(d) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of cash flows comprise of cash in hand, bank deposits available for withdrawal on demand and short-term investments with an original maturity of three months or less and which are exposed to a minor risk of fluctuation in value.

(e) Inventories

Inventories are principally stated at cost, determined by the moving average method, except that the specific identification method is applied to costs related to construction-type contracts. In addition, the amount of Balance Sheet is calculated by write-down method based on descent of profitability.

On July 5, 2006, the Accounting Standards Board of Japan ("ASBJ") issued ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories." Effective April 1, 2008, the Company adopted this accounting standard. The net book value of inventories held for sale in the ordinary course of business is written down when their net realizable values decline. The effect of this change for the year ended March 31, 2009, was to increase operating loss, ordinary loss, and loss before income taxes and minority interests by ¥7,596 million ($77,329 thousand), and increase net loss by ¥4,873 million ($49,608 thousand) as compared to the amounts which would have been recorded under the previous method. In addition, in accordance with the change, devaluation on inventories, which was previously recorded as non-operating expenses, has been changed to be recorded as cost of sales. The effect of this change for the year ended March 31, 2009, was to increase operating loss by ¥2,159 million ($21,979 thousand).

(f) Investment securities

Securities other than equity securities issued by subsidiaries and affiliates are classified into held-to-maturity securities or available-for-sale securities.

Held-to-maturity securities are stated at amortized cost. Available-for-sale securities for which market quotations are available are stated at fair value with net unrealized gains or losses being included in net assets, net of the related taxes. Available-for-sale securities for which market quotations are not available are stated at cost. Realized gains and losses on sales are determined using the average cost method and are included in net income for the year.

In cases where the fair value of held-to-maturity securities or available-for-sale securities has declined significantly and such impairment is other than temporary, such securities are written down to fair value and the resulting losses are charged to income for the year.

(g) Allowance for doubtful accounts

Allowance for doubtful accounts is estimated by applying the average percentage of actual bad debts in the past to the balance of receivables. In addition, an amount deemed necessary to cover non-collectible receivables is provided on an individual account basis.

(h) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost. Depreciation is computed principally using the straight-line method at rates based on the estimated useful lives of the respective assets, ranging from 2 years to 60 years for buildings and structures, and from 2 years to 22 years for machinery and equipment.

Effective April 1, 2007, the Company and its domestic consolidated subsidiaries have changed their method of accounting for depreciation of property, plant and equipment purchased on or after April 1, 2007 in accordance with the revision made to the Corporate Tax Law which went into effect on April 1, 2007. The effect of this change for the year ended March 31, 2008 was to decrease operating profit and ordinary profit by ¥332 million, increase loss before income taxes and minority interests by ¥332 million, and increase net loss by ¥213 million as compared to the amounts which would have been recorded under the previous method.

In addition, effective April 1, 2007 the Company and its domestic consolidated subsidiaries have changed their method of accounting for depreciation of property, plant and equipment purchased on or before March 31, 2007. Such assets which have been depreciated to 5% of their respective acquisition cost under the Corporate Tax Law prior to the revision are further depreciated to their respective memorandum value from the following fiscal year using the straight-line method over a period of 5 years, and such depreciate is included in depreciation cost. The effect of this change for the year ended March 31, 2008 was to decrease operating profit by ¥1,566 million, decrease ordinary profit by ¥1,534 million, increase loss before income taxes and minority interests by ¥1,534 million, and increase net loss by ¥1,042 million as compared to the amounts which would have been recorded under the previous method.

Effective April 1, 2008, the Company and its domestic consolidated subsidiaries have changed their useful life of machinery and equipment stimulated by the revision made to the Corporate Tax Law which went into effect on April 1, 2008. The effect of this change for the year ended March 31, 2009 was to increase operating loss, ordinary loss, and loss before income taxes and minority interests by ¥2,127 million ($21,653 thousand), and increase net loss by ¥1,439 million ($14,649 thousand) as compared to the amounts which would have been recorded under the previous method.

(i) Intangible assets

Intangible assets are amortized by the straight-line method over their respective estimated useful lives. Expenditure relating to computer software developed for internal use is charged to income as incurred, except in cases where it contributes to the generation of income or future cost savings. In these cases, it is capitalized and amortized using the straight-line method over its estimated useful life, which is no longer than 5 years.

(j) Accrued pension and severance costs

Accrued pension and severance costs for employees represent the projected benefit obligation in excess of the fair value of the plan assets, except for unrecognized transition obligation and unrecognized actuarial gain or loss. Unrecognized transition obligation is amortized by the straight-line method over a period of 12 years and unrecognized actuarial gain or loss is amortized by the declining-balance method over a period of 12 years from the year following that in which it arises, except for unrecognized costs with respect to employees who retired under the early retirement program which were fully amortized at the time of the employees' retirement.

(k) Lease transactions

Effective April 1, 2008, the Company adopted the accounting standard, ASBJ Statement No.13 "Accounting Standard for Lease Transactions" and ASBJ Guidance No.16 "Guidance on Accounting Standard for Lease Transactions." released on March 30, 2007. Under this accounting standard, finance leases without options to transfer ownership of the leased assets to the lessee are accounted for as ordinary sale and purchase transactions. These leased assets are depreciated to their respective salvage value of zero using the straight-line method over a period of leasing term. Finance leases without options to transfer ownership of the leased assets to the lessee before April 1, 2008 are permitted to be accounted for as operating leases. In addition, finance leases with options to transfer ownership of the leased assets to the lessee are depreciated by the same method applied to the fixed assets owned by the Company. The effect of this change for the year ended March 31, 2009 was insignificant.

(l) Income taxes

The income taxes of the Company and its domestic consolidated subsidiaries consist of corporate income taxes, local inhabitants' taxes and enterprise taxes. The Company and its wholly-owned domestic subsidiaries use the Japanese consolidated taxation system.

The Company and its consolidated subsidiaries apply the deferred tax accounting method. Deferred tax assets and liabilities are determined using the asset and liability approach, and recognized for temporary differences between the tax bases of assets and liabilities and those as reported in the consolidated financial statements.

(m) Derivatives

All derivatives are stated at fair value with changes in fair value being included in net income for the year in which they arise, except for derivatives designated as hedging instruments.

The Company and its consolidated subsidiaries use derivatives to reduce their exposure to fluctuation in foreign exchange rates, interest rates, and the prices of aluminum ingot in the market. Derivatives designated as hedging instruments are principally forward foreign exchange contracts, interest rate swap contracts and aluminum ingot forward contracts. The underlying hedged items are trade accounts receivable and payable, long-term bank loans and sales or purchases of aluminum ingot.

Gains and losses arising from changes in fair value of derivatives designated as hedging instruments are deferred and included in net income in the same period in which the corresponding gains and losses on the underlying hedged items or transactions are recognized. The Company and its consolidated subsidiaries use interest rate swaps to hedge their interest rate risk exposure. The related interest differentials paid or received under the interest rate swap agreements are recognized in interest expense over the term of the agreements.

The Company and its consolidated subsidiaries evaluate the effectiveness of their hedging activities by reference to the accumulated gains or losses on the hedging instruments and the underlying hedged items from the commencement of the hedges.

(n) Research and development costs

Research and development costs are charged to income as incurred.

(o) Appropriation of retained earnings

Appropriation of retained earnings is reflected in the consolidated financial statements for the year in which the appropriation is approved at an ordinary general meeting of shareholders.

The Company's retained earnings consist of unappropriated retained earnings and a legal reserve as required by the Corporation Law of Japan. The Corporation Law provides that an amount equal to 10% of distributions from unappropriated retained earnings paid by the Company and its Japanese subsidiaries be appropriated to the legal reserve. Such appropriations are no longer required when the total amount of additional paid-in capital and the legal reserve equals 25% of their respective stated capital.

Under the Corporation Law, the Company is permitted to transfer to unappropriated retained earnings the portion of its statutory reserve (additional paid-in capital and the legal reserve) in excess of 25% of common stock upon approval at a shareholders' meeting. Any such transferred portion is available for dividend distribution.

(p) Net loss per share

Basic net loss per share of common stock, presented in the accompanying consolidated statements of operations, is computed based on the weighted average number of shares outstanding during each year.

(q) Reclassifications

Certain reclassifications of previously reported amounts have been made to conform them to the current year's classifications.

(r) Unification of Accounting Policies

On May 17, 2006, the ASBJ issued ASBJ Practical Issues Task Force No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements." The Company adopted this accounting standard and made modification on consolidation accounting. The effect of this change for the year ended March 31, 2009 was insignificant.

2. U.S. DOLLAR AMOUNTS

The rate of ¥98.23 = U.S.$1, the approximate exchange rate prevailing on March 31, 2009, has been used for the purpose of presenting the U.S. dollar amounts in the accompanying consolidated financial statements. These amounts are included solely for the convenience of the reader. Accordingly, they should not be construed as representations that yen amounts actually represent, or have been or could be readily converted, realized or settled in U.S. dollars at that rate.

3. CASH AND CASH EQUIVALENTS

A reconciliation of cash and cash equivalents in the accompanying consolidated statements of cash flows to cash and deposits disclosed in the accompanying consolidated balance sheets at March 31, 2008 and 2009 is summarized as follows:

	2008	**2009**	**2009**
	(Millions of yen)		(Thousands of U.S. dollars)
Cash and deposits	¥31,287	**¥44,223**	**$450,199**
Time deposits with maturities in excess of 3 months	(281)	**(220)**	**(2,240)**
Certificates of deposit included in "Other current assets"	2,000	**—**	**—**
Cash and cash equivalents	¥33,006	**¥44,003**	**$447,959**

4. INVESTMENT SECURITIES

(a) Available-for-sale securities with available market quotations

The aggregate cost, carrying amount and gross unrealized gains and losses of available-for-sale securities comprising equity securities with available market quotations at March 31, 2008 and 2009 were as follows:

	2008	**2009**	**2009**
	(Millions of yen)		(Thousands of U.S. dollars)
Cost	¥3,954	**¥3,754**	**$38,216**
Unrealized gains	3,868	**1,277**	**13,000**
Unrealized losses	(218)	**(436)**	**(4,439)**
Carrying amount	¥7,604	**¥4,595**	**$46,777**

(b) Sales of available-for-sale securities

The realized gains on sales of available-for-sale securities for the years ended March 31, 2008 and 2009 were as follows:

	2008	2009	2009
	(Millions of yen)		(Thousands of U.S. dollars)
Sales proceeds	¥261	¥65	$662
Realized gains on sales	160	34	346
Realized losses on sales	—	6	61

(c) Held-to-maturity securities and available-for-sale securities without available market quotations

The carrying amounts of held-to-maturity securities and available-for-sale securities without available market quotations at March 31, 2008 and 2009 were as follows:

	2008	2009	2009
	(Millions of yen)		(Thousands of U.S. dollars)
Held-to-maturity securities:			
Privately offered domestic debt securities	¥ 86	¥ 73	$ 743
Available-for-sale securities:			
Equity investments in non-public companies	11,153	11,058	112,573
Other	2,084	21	214
	¥13,323	¥11,152	$113,530

(d) Maturities of debt securities

Maturities of debt securities at March 31, 2008 and 2009 were as follows:

	2008			
	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
	(Millions of yen)			
Debt securities:				
Government and municipal bonds	¥14	¥47	¥9	¥6
Corporate debt securities	—	10	—	—
Other	15	10	—	—
	¥29	¥67	¥9	¥6

	2009			
	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
	(Millions of yen)			
Debt securities:				
Government and municipal bonds	¥15	¥34	¥9	¥5
Corporate debt securities	—	10	—	—
Other	10	—	—	—
	¥25	¥44	¥9	¥5

	2009			
	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
	(Thousands of U.S. dollars)			
Debt securities:				
Government and municipal bonds	$153	$347	$92	$51
Corporate debt securities	—	101	—	—
Other	102	—	—	—
	$255	$448	$92	$51

5. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings at March 31, 2009 bore interest at annual rates ranging from 0.09% to 5.84% and mainly consisted of bank loans and short-term notes maturing at various dates within one year.

Long-term debt at March 31, 2008 and 2009 comprised the following:

	2008	2009	2009
	(Millions of yen)		(Thousands of U.S. dollars)
Loans, principally from banks and insurance companies due from 2008 to 2017 with interest rates ranging from 0.75% to 7.74%:			
Secured	¥ 24,727	¥ —	$ —
Unsecured	74,695	—	—
Loans, principally from banks and insurance companies due from 2009 to 2018 with interest rates ranging from 0.90% to 7.00%:			
Secured	—	16,327	166,212
Unsecured	—	75,510	768,706
Unsecured 4.00% bonds due June 1, 2017, redeemable before due date	601	589	5,996
Zero coupon convertible bonds due September 30, 2009 (*1)	9,964	9,955	101,344
Zero coupon convertible bonds due September 30, 2016 (*2)	20,083	20,073	204,347
Capital lease obligations due from 2008 to 2029 with interest rates ranging from 6.52% to 7.41%	935	—	—
Capital lease obligations due from 2009 to 2029 with interest rates ranging from 3.40% to 7.20%	—	2,706	27,548
	131,005	125,160	1,274,153
Less: portion due within one year	(26,450)	(24,135)	(245,699)
Total long-term debt	¥104,555	¥101,025	$1,028,454

*(*1) The details of the zero coupon convertible bonds due September 30, 2009 are summarized as follows:*

Stock type to be issued:	Common stock
Issue price per stock acquisition right:	None
Initial exercise price:	¥350 per share
Total issue price:	¥10,050 million
Exercisable period of stock acquisition rights:	From August 9, 2004 to September 16, 2009

*(*2) The details of the zero coupon convertible bonds due September 30, 2016 are summarized as follows:*

Stock type to be issued:	Common stock
Issue price per stock acquisition right:	None
Initial exercise price:	¥406 per share
Total issue price:	¥20,100 million
Exercisable period of stock acquisition rights:	From August 4, 2006 to September 16, 2016

A summary of assets pledged as collateral for short-term borrowings and long-term debt at March 31, 2009 is as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
Cash and deposits	¥ 6	$ 61
Property, plant and equipment	66,330	675,252
Investment securities	327	3,329

The aggregate annual maturities of long-term debt outstanding at March 31, 2009 are summarized as follows:

Years ending March 31,	(Millions of yen)	(Thousands of U.S. dollars)
2010	¥ 34,085	$ 346,992
2011	20,013	203,736
2012	14,624	148,875
2013	15,963	162,506
2014	9,733	99,084
Thereafter	30,664	312,165
	¥125,082	$1,273,358

6. RETIREMENT BENEFIT PLANS

The Company and its domestic consolidated subsidiaries have defined benefit tax-qualified pension plans and a non-contributory plan covering substantially all employees in Japan. Additional benefits may be granted to employees according to the conditions under which termination of employment occurs. Certain foreign subsidiaries have defined contribution pension plans.

Accrued pension and severance costs at March 31, 2008 and 2009 are summarized as follows:

	2008	2009	2009
	(Millions of yen)		(Thousands of U.S. dollars)
Projected benefit obligation	¥(63,884)	¥(57,684)	$(587,234)
Fair value of plan assets	24,074	19,376	197,251
	(39,810)	(38,308)	(389,983)
Unrecognized transition obligation	8,100	5,657	57,590
Unrecognized actuarial loss	3,565	5,488	55,869
Accrued pension and severance cost	¥(28,145)	¥(27,163)	$(276,524)

The net pension and severance costs related to retirement benefits for the years ended March 31, 2008 and 2009 are summarized as follows:

	2008	2009	2009
	(Millions of yen)		(Thousands of U.S. dollars)
Service cost	¥3,903	¥3,453	$35,152
Interest cost	1,339	1,289	13,122
Expected return on plan assets	(585)	(575)	(5,854)
Amortization of transition obligation *1	2,070	2,443	24,870
Amortization of unrecognized actuarial gain *2	(7)	918	9,346
Net pension and severance costs	¥6,720	¥7,528	$76,636

**1 The above figures include ¥418 million ($4,255 thousand) for the year ended March 31, 2009, in respect of employees who retired during the year ended March 31, 2009 under the early retirement program. This amount was fully amortized at the time of employees' retirement.*

**2 The above figures include an amount of ¥317 million ($3,227 thousand) for the years ended March 31, 2009 in respect of employees who retired during the year ended March 31, 2009 under the early retirement program. This amount was fully amortized at the time of employees' retirement.*

**3 In addition to *1 and *2 above, additional benefits of ¥4,312 million ($43,897 thousand) under the early retirement program were granted for the year ended March 31, 2009. The total amount of all these costs is included within special losses as "Additional retirement allowance for early retirement program" for the year ended March 31, 2009.*

Assumptions used in calculating the above information are summarized as follows:

	2008	2009
Discount rate	2.5%	2.5%
Expected rate of return on plan assets	Mainly 2.5%	Mainly 2.5%
Method of attributing projected benefits to periods of employee service	Straight-line basis	Straight-line basis
Period of amortization of unrecognized actuarial gain	Mainly 12 years	Mainly 12 years
Period of amortization of transition obligation	12 years	12 years

7. INCOME TAXES

The Company and its domestic consolidated subsidiaries are subject to a number of different taxes based on income which, in the aggregate, indicate a statutory income tax rate of approximately 40.7% for the years ended March 31, 2008 and 2009.

Tax losses can be carried forward for a seven-year period to be offset against future taxable income.

Significant components of deferred tax assets and liabilities at March 31, 2008 and 2009 were as follows:

	2008	2009	2009
	(Millions of yen)		(Thousands of U.S. dollars)
Deferred tax assets:			
Tax loss carryforwards	¥ 6,901	¥16,129	$164,196
Accrued pension and severance costs	10,968	10,384	105,711
Loss on impairment of fixed assets	5,450	6,676	67,963
Allowance for doubtful accounts	3,542	3,661	37,270
Devaluation on inventories	—	3,209	32,668
Accrued bonuses	2,632	2,313	23,547
Loss on disposal of fixed assets	1,435	1,374	13,987
Other	11,321	13,223	134,613
Total deferred tax assets	42,249	56,969	579,955
Valuation allowance	(27,793)	(40,611)	(413,428)
Total deferred tax assets, net of valuation allowance	14,456	16,358	166,527

	2008	2009	2009
	(Millions of yen)		(Thousands of U.S. dollars)
Deferred tax liabilities:			
Revaluation gain on subsidiaries	(887)	(887)	(9,030)
Unrealized gain on securities	(1,476)	(442)	(4,500)
Other	(665)	(2,146)	(21,846)
Total deferred tax liabilities	(3,028)	(3,475)	(35,376)
Net deferred tax assets	¥11,428	¥12,883	$131,151

Deferred tax assets and liabilities that comprise net deferred tax assets are included in the accompanying consolidated balance sheets as follows:

	2008	2009	2009
	(Millions of yen)		(Thousands of U.S. dollars)
Deferred tax assets (current assets)	¥5,381	¥6,629	$67,484
Deferred tax assets (investments and other assets)	6,356	6,548	66,660
Other long-term liabilities	(309)	(294)	(2,993)

In addition to the above, the Company recorded deferred tax liabilities on land revaluation surplus of ¥522 million ($5,314 thousand) at March 31, 2008 and 2009 separately.

Due to the recording of loss before income taxes and minority interests, the reconciliations of the differences between the statutory income tax rate and the effective income tax rate for the years ended March 31, 2008 and 2009 have been omitted.

8. APPROPRIATIONS OF RETAINED EARNINGS

No cash dividends were proposed and approved at the ordinary general meeting of shareholders of the Company held on June 26, 2009.

The Company is required to obtain the approval of shareholders at an ordinary general meeting of shareholders for appropriations of retained earnings in conformity with the Corporation Law. Appropriations of retained earnings are, therefore, not reflected in the consolidated financial statements for the year to which they relate but are recorded in the consolidated financial statements in the subsequent year after shareholders' approval has been obtained.

9. REVALUATION SURPLUS

A consolidated subsidiary of the Company revalued its land used for business purposes in accordance with the Land Revaluation Law, when it was an affiliate. As a result of this revaluation, the Company recognized its portion of the affiliate's revaluation surplus and the related deferred tax liabilities.

10. LEASE TRANSACTIONS

The Company and its consolidated subsidiaries charge or credit to income periodic lease payments and receipts for finance leases that do not have options to transfer ownership of the leased assets to the lessee. Such periodic lease payments under finance lease contracts totaled ¥1,884 million and ¥1,108 million ($11,280 thousand), and receipts under finance lease contracts totaled ¥138 million and ¥112 million ($1,140 thousand) for the years ended March 31, 2008 and 2009, respectively. Future lease payments and receipts under finance leases and non-cancelable operating leases, including interest, at March 31, 2008 and 2009 are summarized as follows:

	2008	2009	2009
	(Millions of yen)		(Thousands of U.S. dollars)
Lease payments:			
Due within one year	¥1,860	¥1,010	$10,282
Due after one year	3,999	2,076	21,134
	¥5,859	¥3,086	$31,416
Lease receipts:			
Due within one year	¥ 112	¥ 45	$ 458
Due after one year	45	—	—
	¥ 157	¥ 45	$ 458

Leased assets under finance leases, where lessors retain ownership of the leased assets, are accounted for as operating leases. If such leases had been capitalized, then the cost of the assets, and the related accumulated depreciation (amortization), accumulated impairment loss and net amount at March 31, 2008 and 2009 would have been as follows:

	2008			
	Cost	Accumulated depreciation/ amortization	Accumulated impairment loss	Net amount
	(Millions of yen)			
Machinery and equipment	¥ 9,603	¥4,256	¥1,105	¥4,242
Intangible assets	884	391	—	493
	¥10,487	¥4,647	¥1,105	¥4,735

	2009				
	Cost	Accumulated depreciation/ amortization	Accumulated impairment loss	Net amount	Net amount
	(Millions of yen)				(Thousands of U.S. dollars)
Machinery and equipment	¥5,497	¥2,665	¥26	¥2,806	$28,566
Intangible assets	548	308	—	240	2,443
	¥6,045	¥2,973	¥26	¥3,046	$31,009

Depreciation (amortization) for these leased assets computed using the straight-line method over the respective lease periods would have been ¥1,884 million and ¥1,108 million ($11,280 thousand) for the years ended March 31, 2008 and 2009, respectively.

Fixed assets, which are leased to other companies under finance leases without options to transfer ownership of the leased assets to the lessee at March 31, 2008 and 2009, are summarized as follows:

	2008		
	Cost	Accumulated depreciation	Net amount
	(Millions of yen)		
Machinery and equipment	¥227	¥95	¥132

	2009			
	Cost	Accumulated depreciation	Net amount	Net amount
	(Millions of yen)			(Thousands of U.S. dollars)
Machinery and equipment	¥166	¥128	¥38	$387

Depreciation for these leased assets computed using the straight-line method over the respective lease periods would have been ¥109 million and ¥93 million ($947 thousand) for the years ended March 31, 2008 and 2009, respectively.

11. DERIVATIVES

In the normal course of business, the Company and its consolidated subsidiaries utilize various derivative financial instruments in order to manage the exposure resulting from fluctuation in foreign currency exchange rates, interest rates and the prices of aluminum ingot in the market. The Company and its consolidated subsidiaries do not hold or issue derivative financial instruments for trading purposes.

At March 31, 2008 and 2009, there were no derivative financial instruments, except for those instruments to which hedge accounting was applied.

12. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to cost of sales and selling, general and administrative expenses for the years ended March 31, 2008 and 2009 were ¥5,858 million and ¥5,972 million ($60,796 thousand), respectively.

13. CONTINGENT LIABILITIES

Contingent liabilities at March 31, 2009 amounted to ¥5,171 million ($52,642 thousand) for loans guaranteed and other guarantees given in the ordinary course of business, including ¥1,168 million ($11,890 thousand) shared by other joint guarantors, ¥376 million ($3,828 thousand) for notes discounted, and ¥5 million ($51 thousand) for notes endorsed.

14. LOSS ON IMPAIRMENT OF FIXED ASSETS

The Company and its consolidated subsidiaries recognized ¥11,839 million and ¥5,245 million ($53,395 thousand) of loss on impairment of fixed assets, of which the significant items for the years ended March 31, 2008 and 2009, are presented below:

2008			
Location	Major use	Asset category	(Millions of yen)
Takaoka City, Toyama Prefecture and other	Manufacturing facilities for building materials and related assets	Machinery and equipment	¥6,144
		Buildings and structures	2,205
		Land	1,297
		Other assets	1,286

Since the cash flows generated from operating activities resulting from the use of the groups of assets have been continuously negative, after having noted a sign of impairment and recognized it, the Company and its consolidated subsidiaries recognized ¥10,932 million as the related loss. The recoverable amounts of the asset groups were measured at their respective value in use and cash flows were calculated at a discount rate 3.5%. In addition, the operating assets have been grouped by independent operating division, which generates cash flows, the rental assets by administrative business division and idle assets by individual asset.

2009				
Location	Major use	Asset category	(Millions of yen)	(Thousands of U.S. dollars)
Funabashi City, Chiba Prefecture	Manufacturing facilities which are planned to be out of use	Buildings and structures	¥1,951	$19,862
		Machinery and equipment	1,088	11,076

In accordance with withdrawal from material producing department of Funabashi factory as part of summary and reorganization of production bases, which aims to respond to severe business environment and increasingly intense competition of building material segment, the Company and its consolidated subsidiaries recognized ¥3,039 million ($30,938 thousand) of the impairment loss. The facilities have been written down to memorandum value, since they are planned to be out of use.

15. NET LOSS PER SHARE

A reconciliation of the differences between basic and diluted net loss per share for the years ended March 31, 2008 and 2009 is summarized as follows:

	2008		
	Net loss	Weighted average number of shares	Net loss per share
	(Millions of yen)	(Thousands of shares)	(Yen)
Net loss	¥10,310		
Basic net loss	10,310	542,732	¥19.00
Effect of convertible bonds	—	—	
Diluted net loss	¥10,310	542,732	¥ —

	2009			
	Net loss	Weighted average number of shares	Net loss per share	
	(Millions of yen)	(Thousands of shares)	(Yen)	(U.S. dollars)
Net loss	¥31,442			
Basic net loss	31,442	544,306	¥57.77	$0.59
Effect of convertible bonds	—	—		
Diluted net loss	¥31,442	544,306	¥ —	$ —

Due to the recording of net loss, diluted net loss per share was not presented for the years ended March 31, 2008 and 2009.

16. BUSINESS COMBINATION

On April 1, 2007, the Company acquired 55% of the outstanding shares of common stock of M.C. Aluminum Co., Ltd. ("MCA") in exchange for a transfer of certain of the Company's assets and liabilities to MCA. The operating results of MCA have been included in the consolidated financial statements since that date. MCA is engaged in production and sale of aluminum for die-cast products. Through this business integration, the Company intends further growth in its corporate value with the synergy of the Company's manufacturing technology and development capability and MCA's domestic and overseas production bases and business experience. Upon this transaction, MCA has changed its name to Nikkei MC Aluminum Co., Ltd.

The acquisition cost amounted to ¥2,299 million, which consisted of MCA's shares of common stock of ¥2,273 million and acquisition-related direct costs of ¥26 million.

In connection with this transaction, the Company recognized negative goodwill of ¥83 million and fully amortized it during the year ended March 31, 2008.

Assets acquired and liabilities assumed on the date of the business combination are summarized as follows:

	2008
	(Millions of yen)
Assets:	
Current assets	¥13,616
Non-current assets	5,712
Total assets	¥19,328
Liabilities:	
Current liabilities	¥12,856
Long-term liabilities	634
Total liabilities	¥13,490

17. SEGMENT INFORMATION

The Company and its consolidated subsidiaries operate within four distinct business segments mainly in Japan: "Aluminum ingot and chemicals," "Aluminum sheet and extrusions," "Fabricated products and others" and "Building materials."

The "Aluminum ingot and chemicals" segment supplies aluminum primary and remelted ingot used for various industrial materials, and produces a wide spectrum of aluminas and alumina hydrates ranging from raw materials to basic materials for ceramic compounds. The "Aluminum sheet and extrusions" segment produces sheet, coil, and extrusion products consisting primarily of shapes, tubes and rods. The "Fabricated products and others" segment produces a variety of products which include aluminum foil, aluminum powder, wing bodies for transport vehicles, automobile components and electronic materials. The "Building materials" segment produces a wide range of materials including sashes, curtain walls, and doors and fences for commercial and residential construction. "Corporate items" include unallocated operating expenses and corporate assets not specifically related to business segments.

Information by business segment for the years ended March 31, 2008 and 2009 was as follows:

	2008					
	Aluminum ingot and chemicals	Aluminum sheet and extrusions	Fabricated products and others	Building materials	Elimination or corporate items	Consolidated
	(Millions of yen)					
Sales:						
Customers	¥156,189	¥ 79,375	¥251,998	¥160,284	¥ —	¥647,846
Intersegment	88,331	33,311	16,420	4,010	(142,072)	—
Total	244,520	112,686	268,418	164,294	(142,072)	647,846
Operating expenses	235,348	111,056	255,206	167,270	(139,032)*1	629,848
Operating profit (loss)	¥ 9,172	¥ 1,630	¥ 13,212	¥ (2,976)	¥ (3,040)	¥ 17,998
Total assets	¥131,598	¥ 75,859	¥220,952	¥123,995	¥ (11,931)*2	¥540,473
Depreciation and amortization	¥ 3,944	¥ 2,759	¥ 7,528	¥ 5,839	¥ 90	¥ 20,160
Loss on impairment of fixed assets	¥ —	¥ —	¥ 50	¥ 11,789	¥ —	¥ 11,839
Capital expenditures	¥ 5,238	¥ 5,165	¥ 8,993	¥ 5,785	¥ 82	¥ 25,263

**1 Corporate items of ¥3,040 million are included.* **2 Corporate items of ¥23,096 million are included.*

	2009					
	Aluminum ingot and chemicals	Aluminum sheet and extrusions	Fabricated products and others	Building materials	Elimination or corporate items	Consolidated
	(Millions of yen)					
Sales:						
Customers	¥120,725	¥66,766	¥226,543	¥140,060	¥ —	¥554,094
Intersegment	71,242	25,734	15,640	3,262	(115,878)	—
Total	191,967	92,500	242,183	143,322	(115,878)	554,094
Operating expenses	191,219	98,237	238,207	151,192	(112,869)*1	565,986
Operating profit (loss)	¥ 748	¥(5,737)	¥ 3,976	¥ (7,870)	¥ (3,009)	¥(11,892)
Total assets	¥107,119	¥58,920	¥200,747	¥109,283	¥ 2,502 *2	¥478,571
Depreciation and amortization	¥ 4,965	¥ 4,271	¥ 8,879	¥ 3,906	¥ 92	¥ 22,113
Loss on impairment of fixed assets	¥ 534	¥ 4	¥ 514	¥ 4,193	¥ —	¥ 5,245
Capital expenditures	¥ 5,662	¥ 5,322	¥ 11,065	¥ 2,853	¥ 95	¥ 24,997

**1 Corporate items of ¥3,009 million are included.* **2 Corporate items of ¥22,886 million are included.*

	2009					
	Aluminum ingot and chemicals	Aluminum sheet and extrusions	Fabricated products and others	Building materials	Elimination or corporate items	Consolidated
	(Thousands of U.S. dollars)					
Sales:						
Customers	$1,229,003	$ 679,691	$2,306,251	$1,425,837	$ —	$5,640,782
Intersegment	725,257	261,977	159,218	33,208	(1,179,660)	—
Total	1,954,260	941,668	2,465,469	1,459,045	(1,179,660)	5,640,782
Operating expenses	1,946,645	1,000,072	2,424,993	1,539,163	(1,149,028)*1	5,761,845
Operating profit (loss)	$ 7,615	$ (58,404)	$ 40,476	$ (80,118)	$ (30,632)	$ (121,063)
Total assets	$1,090,492	$ 599,816	$2,043,642	$1,112,522	$ 25,471 *2	$4,871,943
Depreciation and amortization	$ 50,544	$ 43,480	$ 90,390	$ 39,764	$ 937	$ 225,115
Loss on impairment of fixed assets	$ 5,436	$ 41	$ 5,232	$ 42,686	$ —	$ 53,395
Capital expenditures	$ 57,640	$ 54,179	$ 112,644	$ 29,044	$ 967	$ 254,474

**1 Corporate items of $30,632 thousand are included.* **2 Corporate items of $232,984 thousand are included.*

As more than 90% of sales for the years ended March 31, 2008 and 2009 were made in Japan, the disclosure of geographical segment information has been omitted.

Export sales and operations outside Japan for the year ended March 31, 2008 and 2009 summarized as follows:

2008		
Export sales and operations outside Japan	Consolidated net sales	Percentage of consolidated net sales
(Millions of yen)		
¥65,298	¥647,846	10.1%

2009		
Export sales and operations outside Japan	Consolidated net sales	Percentage of consolidated net sales
(Millions of yen)		
¥58,497	¥554,094	10.6%

2009		
Export sales and operations outside Japan	Consolidated net sales	Percentage of consolidated net sales
(Thousands of U.S. dollars)		
$595,511	$5,640,782	10.6%

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Report of Independent Auditors

The Board of Directors
Nippon Light Metal Company, Ltd.

We have audited the accompanying consolidated balance sheets of Nippon Light Metal Company, Ltd. and consolidated subsidiaries as of March 31, 2008 and 2009, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nippon Light Metal Company, Ltd. and consolidated subsidiaries at March 31, 2008 and 2009, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As discussed in Note 1 to the consolidated financial statements, in 2009 the Company adopted "Accounting Standard for Measurement of Inventories."

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.

June 26, 2009 Ernst & Young ShinNihon LLC

OVERSEAS SUBSIDIARIES AND AFFILIATES

North America

Nikkei MC Aluminum America Inc.
Indiana, U.S.A.
Phone: 1-812-342-1141
Aluminum alloys
(60%)

Toyal America Inc.
Illinois, U.S.A.
Phone: 1-815-740-3037
Aluminum powder and paste
(100%)

Europe

Toyal Europe Société par Actions Simplifiée Unipersonnelle
Accous, France
Phone: 33-5-59-983-535
Aluminum powder and paste
(100%)

East Asia

Alcan Nikkei China Limited
Hong Kong, SAR, China
Phone: 852-2522-3001
Trading and marketing
(49%)

Nikkei M.C. Aluminum (Kunshan) Co., Ltd.
Kunshan, China
Phone: 86-512-5763-1946
Secondary aluminum alloy
(85%)

Nikkei (Shanghai) Body Parts Co., Ltd.
Shanghai, China
phone: 86-21-5986-9388
Automobile components
(100%)

NI Nikkei Shenzhen Co., Ltd.
Shenzhen, China
Phone: 86-755-2650-5656
Automobile components
(55%)

Nippon Light Metal (Hong Kong) Limited
Hong Kong, SAR, China
Phone: 852-2541-5563
Building materials
(100%)

Nonfemet International (China-Canada-Japan) Aluminium Co., Ltd.
Shenzhen, China
Phone: 86-755-2661-1569
Extrusion
(18%)

Southeast Asia

Nikkei MC Aluminum (Thailand) Co., Ltd.
Thailand
Phone: 66-38-522296
Aluminum Alloys
(79%)

Nikkei Siam Aluminium Limited
Thailand
Phone: 66-2-529-0136
Aluminum sheet, foil
(100%)

Nikkei Singapore Aluminium Pte. Ltd.
Singapore
Phone: 65-6222-8991
Trading and marketing
(100%)

Thai Nikkei Trading Co., Ltd.
Thailand
Phone: 66-2726-9001
Aluminum alloy, scrap
(100%)

(As of July 31, 2009)

Directors

President
Representative Director
Takashi Ishiyama

Directors
Makoto Fujioka
Mitsuru Ishihara
Mitsuaki Asano
Tadakazu Miyauchi
Ichiro Okamoto
Masao Imasu
Tsuyoshi Nakajima
Yoshinobu Hiki
Hidetane Iijima*
Kuniya Sakai*

* Outside Director

Auditors

Standing Statutory Auditors
Yoshihiko Hamabe
Hideki Nakamura

Outside Statutory Auditors
Yuzuru Fujita
Katsuo Wajiki
Yasuo Yuki

Officers

President
Chief Executive Officer
Takashi Ishiyama
Supervision of Strategic Committee for Product Commercialization and Business Development

Senior Executive Officers
Makoto Fujioka
General Manager of Internal Control Office, In Charge of Compliance, Supervision of Auditing Office and Legal Dept., In charge of Environment and Specific Projects for Group Sales

Mitsuru Ishihara
Divisional Manager of Chemicals, Supervision of Rolling Products Div.

Executive Officers
Tadakazu Miyauchi
Supervision of Heat exchanger Div., Metal & Alloy Div.,, Shaped Parts Div., and Kambara Complex

Koji Ueno
Supervision of Personnel Dept., General Affairs Dept. and IR & Public Relations, In Charge of Safety

Mitsuaki Asano
Supervision of Accounting Dept., Purchasing & Logistics Dept. and Group Metal Center

Atsushi Inoue
General Manager of Sheet & Extrusion Fabricated Products Controlling Dept., Supervision of Panel Products and Landscape Products Dept.

Ichiro Okamoto
General Manager of Technology & Development Group, Group Technology Center of Technology & Development Group and Central Product Safety & Quality Assurance Div.

Officers
Tadashi Asahi
In Charge of Group Sales Promotion, General Manager of Osaka/Nagoya Regional Office

Toshihide Murakami
General Manager of Kambara Complex, Divisional Manager of Capacitor Foil

Takashi Hara
Divisional Manager of Shaped Parts and Metal & Alloy

Hiroyasu Hiruma
General Manager of Personnel Dept.

Yasunori Okamoto
General Manager of Planning Dept., In charge of China and Southeast Asia, Supervision of Tomakomai Complex

Hirokazu Takatoku
General Manager of Legal Dept., and Compliance Office

Kotaro Yasuda
Divisional Manager of Chemicals

Minoru Sotoike
General Manager of Accounting Dept.

Yasuhiro Sai
Divisional Manager of Rolled products

(As of June 26, 2009)

Head Office

NYK Tennoz Building
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Shinagawa-ku, Tokyo 140-8628, Japan
http://www.nikkeikin.co.jp
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Fax: 81-3-5461-9344

Established

March 30, 1939

Paid-In Capital

¥39,085 million

Shares of Common Stock

Authorized: 1,600,000,000
Issued: 545,126,049

Number of Shareholders

60,542

Stock Exchange Listings

Tokyo, Osaka, Nagoya, Fukuoka, Sapporo

Transfer Agent of Common Stock

The Chuo Mitsui Trust & Banking Co., Ltd.

Last Shareholders' Meeting

June 26, 2009

Major Shareholders

(Ratio of Stock Holding)

Japan Trustee Services Bank, Ltd.
(trust accounts 4G)
(5.7%)

Japan Trustee Services Bank, Ltd.
(trust accounts)
(4.1%)

The Dai-ichi Mutual Life Insurance Co.
(3.7%)

Merrill Lynch Japan Securities Co., Ltd.
(3.3.%)

The Master Trust Bank of Japan, Ltd.
(trust accounts)
(3.0%)

Asahi Mutual Life Insurance Co.
(2.8%)

The Light Metal Educational
Foundation, Inc.
(2.7%)

Nikkei-Keiyu-Kai
(2.4%)

Namekawa Aluminium Co., Ltd.
(2.3.%)

Mizuho Corporate Bank, Ltd.
(2.1%)

(As of March 31, 2009)

Cautionary Statement

This annual report contains various projections and estimates. Important factors that could alter these projections and estimates include changes in the balance of aluminum supply and demand, fluctuations in the price of aluminum ingot and foreign exchange rates, as well as shifts in Japanese government policies and regulations. The Company cautions, therefore, that the projections and estimates contained herein involve risk and uncertainty, and that actual results could differ materially from those expressed or implied.

Nippon Light Metal Company, Ltd.
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