



August 31, 2022

For Immediate Release

Name of Company: Nippon Light Metal Holdings
Company, Ltd.
Name of Representative: Ichiro Okamoto, President & Chief
Executive Officer
(Stock Code: 5703 Tokyo Stock Exchange, Prime Market)
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Notice concerning execution of Basic Integration Agreement for the transfer of shares of consolidated subsidiary (Changes in a specified subsidiary)

Nippon Light Metal Holdings Company, Ltd. (the “Company”) hereby announces that at the extraordinary meeting of its Board of Directors held on August 31, 2022, the Board resolved to execute a basic integration agreement with parties including the transferee, which involves the transfer of all shares of its consolidated subsidiary (fully owned subsidiary), Toyo Aluminium K.K. (“Toyo Aluminium”), held by the Company (the “Share Transfer”) and other matters.

The Share Transfer is scheduled to be executed on March 31, 2023, and subsequent to the transfer of shares, Toyo Aluminium will be excluded from the scope of consolidation.

1. Share Transfer and Management Integration of Foil Business

(1) Share Transfer (March 31, 2023 (plan))

- (a) Forty-six percent (46%) of Toyo Aluminium shares held by the Company will be transferred to the JIC PE Fund No.1 Investment LPS (“JICPEF1”), managed by JIC Capital Co., Ltd. (Note 1)
- (b) Fifty-four percent (54%) of Toyo Aluminium shares held by the Company will be transferred to Toyo Aluminium (shares buyback by Toyo Aluminium).
- (c) As a result of the above stated Share Transfer, shareholding of Toyo Aluminium by the Company will be dissolved entirely.

(2) Management Integration of Foil Business (April, 2023 (plan))

In accordance with the Basic Integration Agreement, Toyo Aluminium and UACJ Foil Corporation will implement a management integration under equal spirit effective as of April 1, 2023 (plan), with JICPEF1 to acquire 80% of the voting rights of the new integrated company (the “Integrated Company”), and UACJ Corporation will acquire the remaining 20%.

The Company will not invest in the Integrated Company, but will cooperate in the establishment of the Integrated Company as it will lead to enhancement of international competitiveness of aluminium foil industry in Japan.

For details of the Share Transfer and Management Integration of Foil Business, please refer to the attached “Notice concerning the conclusion of the Basic Integration Agreement for the merger of Toyo Aluminium K.K. and UACJ Foil Corporation.”

2. Reason and Purpose of the Share Transfer

Under the management policy which states, “we will contribute to improving people’s quality of life and environmental protection by continuing to create business, focused on aluminium,” NLM Group is promoting corporate activities with “provide products and businesses that contribute to the creation of social value” and “strengthen management foundation” as the basic policies of 2022 Medium-Term Management Plan (FY2022-FY2024) announced in May 2022.

The Company aims to expand NLM Group business in the future, promote business transformation with focus on optimal allocation of management resources, build a business structure that is resilient against changes in external environment, and engages in corporate activities for sound and sustainable growth.

Since its founding, Toyo Aluminium sought out the potential of functional and design applications for aluminium. We have contributed to society through the development of a wide range of environmentally friendly products that are beneficial to society, from aluminium foil used as packaging material for food, medical products, and electronic components as well as powder and paste products used as paint pigments and high-performance material, to daily essentials and photovoltaic components.

The environment surrounding aluminium foil business has changed significantly in recent years. During the 2000s, demand for aluminium produced by Japanese manufacturers decreased due to the increased import of foreign aluminium foils mainly manufactured in China. This led to the industry reorganization of Japanese aluminium foil manufacturers, but the volume of imported aluminium foils have continued to increase in 2010s and beyond, and the industry environment remains severe. In addition, with the acceleration of global actions toward realization of decarbonized society and the Japanese government raising the 2030 greenhouse gas emissions reduction target, automotive industry is expediting its shift to electric vehicles. Against these backgrounds, the demand for high-function and high-quality lithium-ion battery (Lib) exterior foils and Lib current collectors for electric vehicles are surging in Japan and around the world, and increased production capacity is needed to meet the demands.

However, the Company believes that prioritizing new investment in Toyo Aluminium is difficult

considering the effective use of management resources in NLM Group, and that the Share Transfer is the best option for further business growth and improvement of corporate values for Toyo Aluminium, and for the improvement of the value of Japanese aluminium foil industry.

3. Outline of the Subsidiary Subject to Change (Toyo Aluminium) (as of March 31, 2022)

(1) Name	Toyo Aluminium K.K.		
(2) Address	6-8, Kyutaromachi 3-chome, Chuo-ku, Osaka City, Osaka		
(3) Title and Name of Representative	President and Representative Director, Kaoru Kusumoto		
(4) Description of business	Manufacture and sale of various aluminium products including aluminium foil, paste, and powder		
(5) Capital	8.0 billion yen		
(6) Establishment	12 May, 1999		
(7) Major shareholders and shareholding ratio	Nippon Light Metal Holdings Company, Ltd. 100%		
(8) Relationship with the Company	Capital Relationship	As stated in (7) above, the Company owns 100% of the subject company	
	Human Relationship	Officers of the Company concurrently serves as a Director and an Audit and Supervisory Board Member of the subject company. Officers of the subject company concurrently serves as a Director, an Audit and Supervisory Board Member, and an Executive Officer of the Company.	
	Business relationship	Consignment of operations concerning business management	
(9) Past three year business performance and financial status of subject company			
Fiscal Year	FY2019	FY2020	FY2021
Net assets (million yen)	51,077	53,899	59,517
Total Assets (million yen)	94,734	101,022	108,325
Net Asset Per Share (thousand yen)	319.2	336.9	372.0
Sales (million yen)	89,396	86,746	92,046
Operating Profit (million yen)	2,970	3,251	1,547
Current Profit (million yen)	3,648	3,736	2,341
Profit Attributable to Owners of the Parent(million yen)	2,644	2,572	4,390
Net Earnings Per Share (thousand yen)	16.5	16.1	27.4

4. Transferee of Shares

(1) Name of Company	JIC PE Fund No.1 Investment LPS	
(2) Address	1-3-1 Toranomom, Minato-ku, Tokyo	
(3) Basis for establishment, etc.	An investment limited partnership based on the Limited Partnership Act for Investment	
(4) Purpose of origination	The fund aims to make investments that makes impact on society such as creating new businesses and industries to realize Society 5.0, enhancing the international competitiveness of Japanese industries, and promoting industry reorganization	
(5) Established	November 16, 2020	
(6) Total capital	201.1 billion yen	
(7) Overview of investors	JIC Capital, Ltd., Japan Investment Corporation, PEF Officer and Employee Investment LPS	
(8) Overview of General Partner	Name	JIC Capital Co., Ltd.

	Address	1-3-1 Toranomom, Minato-ku, Tokyo
	Title and Name of Representative	President and CEO Shogo Ikeuchi
	Description of Business	Equity investment and consulting related to equity investment activities
	Capital	20 million yen
(9) Relationship with the Company	There are no capital, personnel, or transaction relationship to be noted between the Company and this company.	

(1) Name	Toyo Aluminium K.K.
See above for other items	

5. Number of Shares To Be Transferred, and Status of Owned Shares Before and After the Share Transfer

(1) Number of owned shares before the change	160,000 shares
(2) Number of shares to be transferred	160,000 shares (Of which 173,6000 shares to JICPEF, and 86,400 shares to Toyo Aluminium)
(3) Transfer Amount	Not confirmed at present, will be announced when confirmed.
(4) Number of owned shares after the change	0 shares

6. Schedule

(1) Date of Resolution by the Board	August 31, 2022
(2) Date of Agreement	August 31, 2022
(3) Date of Transfer of Shares	March 31, 2023 (plan)

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

7. Outlook

The effect of the Share Transfer on the consolidated financial results for the fiscal year ending March 2023 is not determined. A notice will be issued in case a revision becomes necessary.

With respect to the three-year Medium-Term Management Plan (FY2022-FY2024) commencing in FY2022, we will aim at sound and sustainable growth by strengthening new initiatives to create more value by redistribution of Group resources through this transaction. Fiscal references announced in the Medium-Term Management Plan announced in May will be published as target figures, when ready, together with information on external environment.

End

(Note 1) The transferee of the shares, JIC PE Fund No.1 Investment LPS, is stated as JIC Capital Co., Ltd., who is the manager of JIC PE Fund No.1 Investment LPS, in the attached “Notice concerning the conclusion

of the Basic Integration Agreement for the merger of Toyo Aluminium K.K. and UACJ Foil Corporation.”

(Attachments)

“Notice concerning the conclusion of the Basic Integration Agreement for the merger of Toyo Aluminium K.K. and UACJ Foil Corporation”