

Nippon Light Metal Holdings Company, Ltd.

Briefing on financial results for the fiscal year ended March 31, 2022, for analysts: Summary of Q&A

Date: 2:00–2:45 p.m., May 30, 2022 (Monday)

Presenter: Ichiro Okamoto, President & Chief Executive Officer

Hiroyuki Matsudaira, Officer and Head of Central Planning Office i

Q4. The 2019 Medium-term Management Plan (hereinafter, “2019 Medium-term Plan”) has been praised for creating a structure that has enabled the Group to steadily generate 20 billion yen in income even in a difficult business environment, but currently the total market capitalization is falling. As the president, what are your thoughts on bringing stock prices back up and the measures in the 2022 Medium-term Plan?

We are certainly concerned that our total market capitalization has fallen below 100 billion yen, and are aware that the Group’s efforts are not being recognized by the market. Our financial foundation has become more solid, as demonstrated by an equity ratio of nearly 40% and a D/E ratio of 0.8x. Our plan is to continue our steady efforts, including the measures in the 2022 Medium-term Plan, so that market participants understand what we are accomplishing.

Q5. Can you explain the process of establishing the medium-term plan and the Group’s reasons for setting operating profit at more than 30 billion yen? Also, can the Group make any commitments in this Medium-term Plan?

A5. In establishing the 2022 Medium-term Plan, we used a backcasting approach that started with our

steadily increasing, and were a factor behind higher income in fiscal 2022, but at present, operations by auto manufacturers are unstable, so this is not at a level that can contribute significantly to higher income. The factors behind changes noted here include the steep rise in aluminum ingot prices reflected in sales prices in the aluminum foil business.

Q8. How does the 2022 Medium-term Plan address development, marketing and sale of new products?

A8. The auto sector, which has major changes in the market environment, is the one that most seeks new value. The Group's strength lies in its diverse businesses and products, and we believe that it is important to create new value and forge links by addressing changes in each sector. A prime example of this is our initiatives regarding heat-release products for eco-friendly cars, which will become a volume zone going forward.