

**Financial results for the fiscal year
ended March 31, 2022
and medium-term management plan**

May 30, 2022

Nippon Light Metal Holdings Company, Ltd.

1. Financial results for the fiscal year ended March 31, 2022 and forecast of financial results for the fiscal year ending March 31, 2023

- (1) Consolidated financial results for the fiscal year ended March 31, 2022
- (2) Forecast of financial results for the fiscal year ending March 31, 2023

2. Medium-term management plan

- (1) Review of fiscal 2019-2021 medium-term management plan (2019 Medium-term Plan)
- (2) Overview of fiscal 2022-2024 medium-

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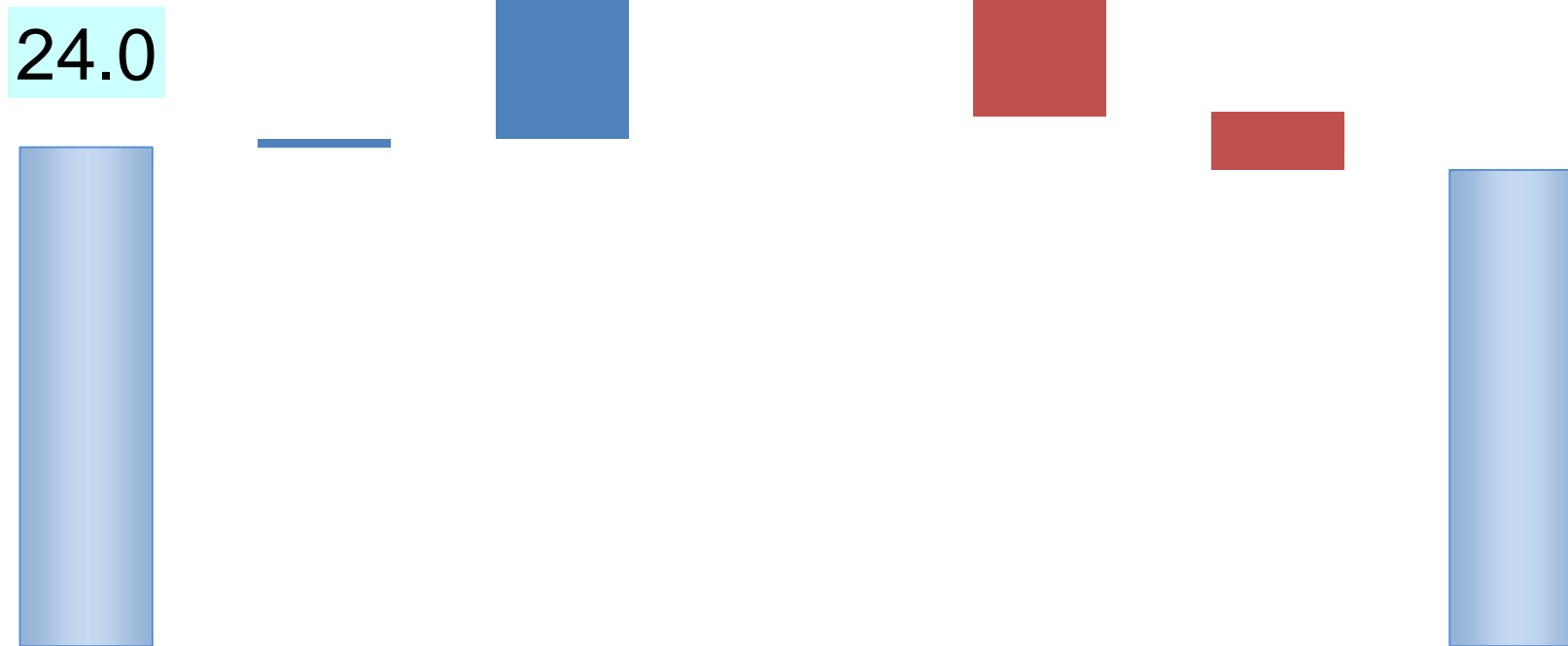
2. Medium-term management plan

- (1) Review of fiscal 2019-2021

Fiscal 2020
Results

-1.1 billion yen

Fiscal 2021
Results



Segment information

È compared with the previous year

(Billions of yen)

	Net sales			Operating profit		
	Fiscal 2021 Results	Fiscal 2020 Results	Change	Fiscal 2021 Results	Fiscal 2020 Results	Change
Aluminum ingot and chemicals	127.6	91.2	+36.4 (+40.0%)	13.0	9.6	+3.4 (+35.4%)
Aluminum sheet and extrusions	113.9	97.9	+16.0 (+16.4%)	7.5	6.0	+1.5 (+26.4%)
Fabricated products and other	153.4	157.3	-3.9 (-2.5%)	3.8	8.9	-5.1 (-57.5%)
Aluminum foil, powder, and paste	91.7	86.2	+5.5 (+6.3%)	1.6	3.3	-1.7 (-52.6%)
Management, shared				-3.7	-3.6	-0.1
Total	486.6	432.6	+54.0 (+12.5%)	22.2	24.2	-2.0 (-8.2%)

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(Billions of yen)

	Fiscal 2022 Forecasts		Change
Net sales	540.0	486.6	+53.4 (+11.0%)
Operating profit	20.0	22.2	-2.2 (-9.9%)
Ordinary profit	20.0	22.9	-2.9 (-12.7%)

*Interim dividend: 40 yen/share; year-end forecast: 45 yen/share; dividend payout ratio: 37.6

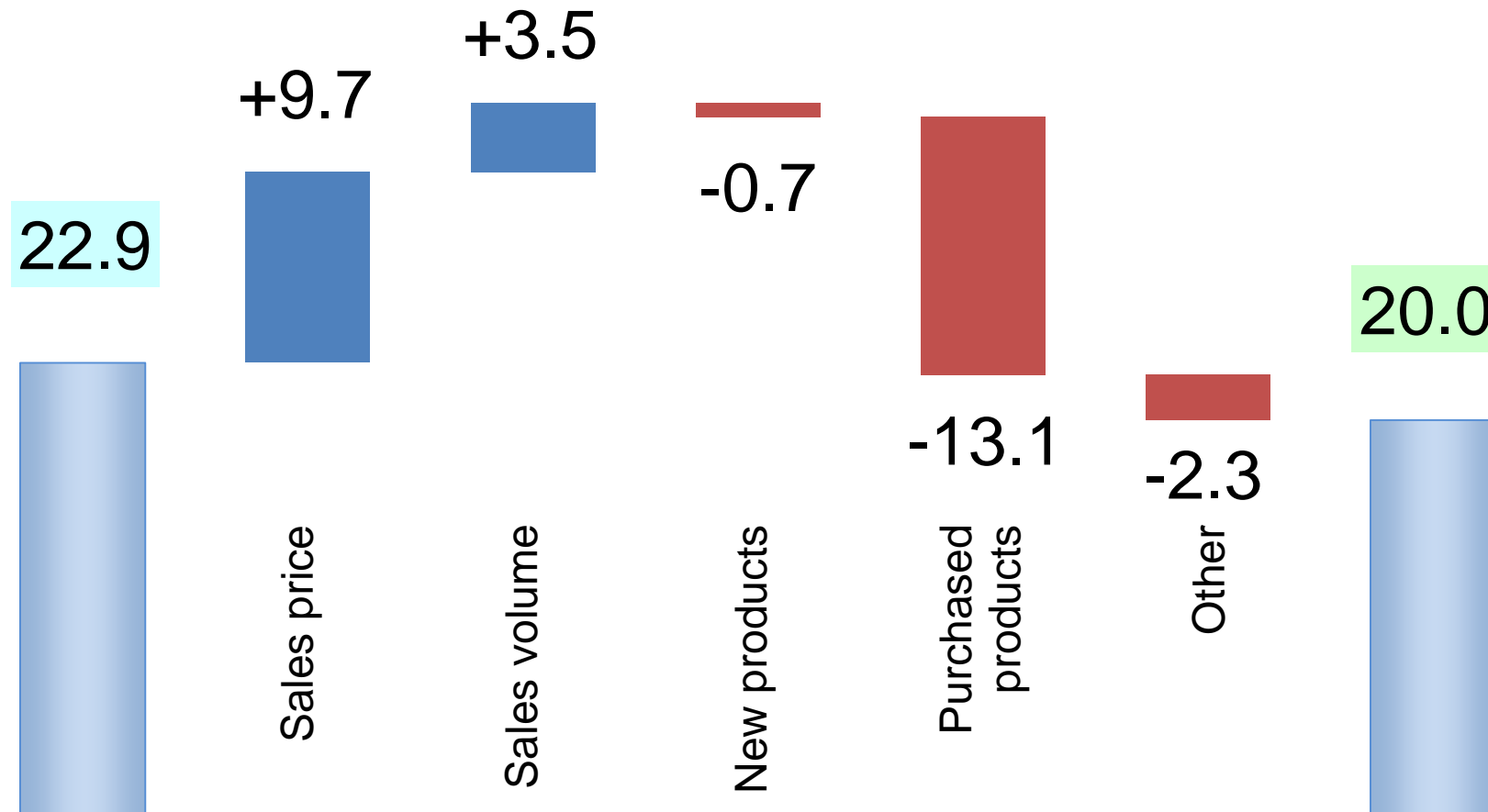
Factors behind changes in ordinary profit

Fiscal 2021
Results

-2.9 billion yen

Fiscal 2022
Forecasts

(Billions of yen)



(Billions of yen)

	Net sales			Operating profit		
	Fiscal 2022 Forecasts	Fiscal 2021 Results	Change	Fiscal 2022 Forecasts	Fiscal 2021 Results	Change
Aluminum ingot and chemicals	161.0	127.6	+33.4 (+26.1%)	12.5	13.0	-0.5 (-4.0%)
Aluminum sheet and extrusions	109.0	113.9	-4.9 (-4.3%)	4.0	7.5	-3.5 (-46.8%)
Fabricated products and other	167.0	153.4	+13.6 (+8.9%)	3.5	3.8	-0.3 (-7.3%)
Aluminum foil, powder, and paste	103.0					

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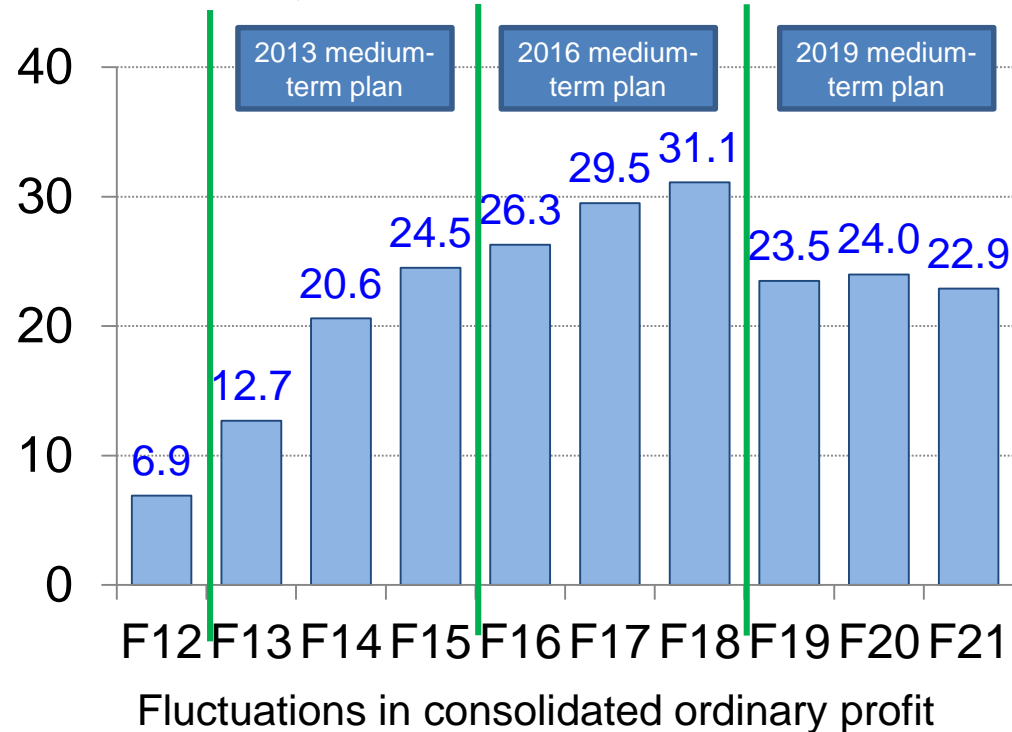
2. Medium-term management plan

- (1) Review of fiscal 2019-

Summary

Secure a certain amount of revenue even in harsh business environment

(Unit: Billions of yen)



2019 Medium-term Plan: Although financial targets were not achieved, we have built up a system that can steadily generate **20 billion yen** in ordinary profit

External environment marked by negative factors such as the US-China trade friction, COVID-19, semiconductor shortages, a spike in raw material and fuel costs and other

(Billions of yen)

	Fiscal 2018 Results	Fiscal 2019 Results	Fiscal 2020 Results	Fiscal 2021 Results	

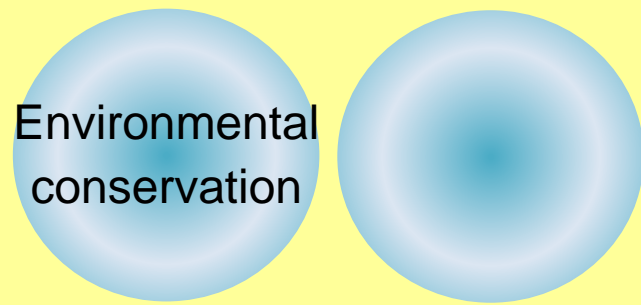
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- (1) Consolidated financial results for the fiscal year ended March 31, 2022
- (2)

Ambitions incorporated in medium-term management plan

**Development of corporate structure
capable of sustainable growth**

Team NLM offers “customer value”
and achieves economic value and social value



Environmental
conservation

Basic policies of medium-term management plan

1. Provide products and businesses that contribute to the creation of social value

Specific actions

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

Basic policies of medium-term management plan

Eco-friendly automotive part business (Results of previous medium-term plan)

Material from Analysts' Meeting on November 14, 2019

Progress toward 2019 Medium-term Plan

Creation of New Products/Growth Investment

Delivering the greatest value by streamlining materials, design & processing

Total solutions

Nippon Light Metal Group eco-friendly automotive heat device business

Aluminum material technology
<Materials taking advantage of characteristics>

Heat analysis technology
<Optimal design>

Countermeasures against heat from materials to processing

Fin forming technology

Bonding technology

Motor control power device cooling

Extrusion
Technical expertise accumulated over many years

Micro-fin processing
Microscopic fins that improve heat transfer

Pipe embedding
Embedding pipes in metal parts

Various bonding
Various types of solid phase bond

Nippon Light Metal Group





Materials

Construction
method and
processing

Customer value,
needs

Expansion of sales in global markets

Regional F24 growth image (F21 comparison)

China: Automobiles

Nikkeikin Aluminium Core Technology
Start of mass production of battery cooling plates (2020)

India: Food and health

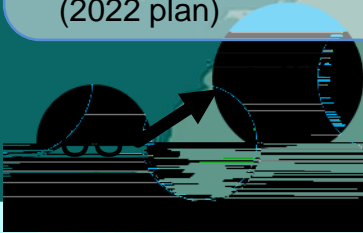
Toyo Aluminium
Foil processing business for pharmaceutical packaging was made a subsidiary (2021)

India: Automobiles

Nikkei MC Aluminium
Reinforced capacity of second plant for secondary alloys (membership company) (2019)
New company (consolidated) established (2019)
Start of mass production (2022 plan)

US: Automobiles

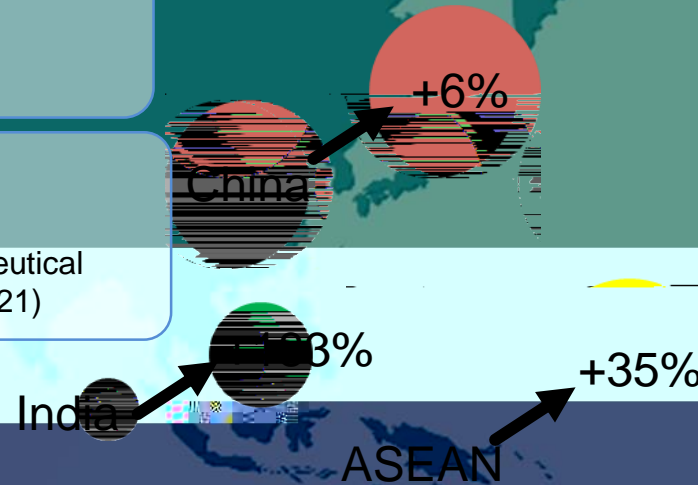
Nikkei MC Aluminium
Reinforce capacity of secondary alloys for auto body structural materials (2022 plan)



US: Automobiles

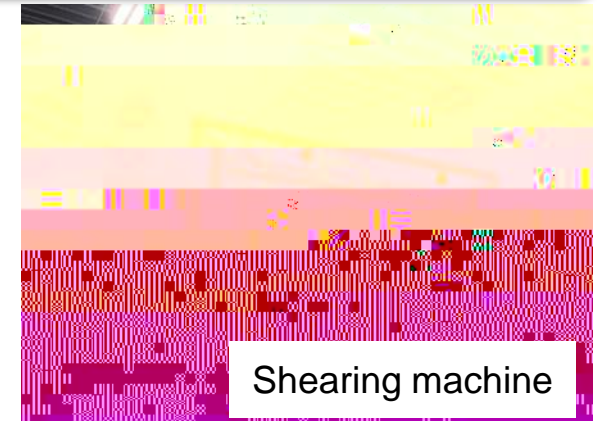
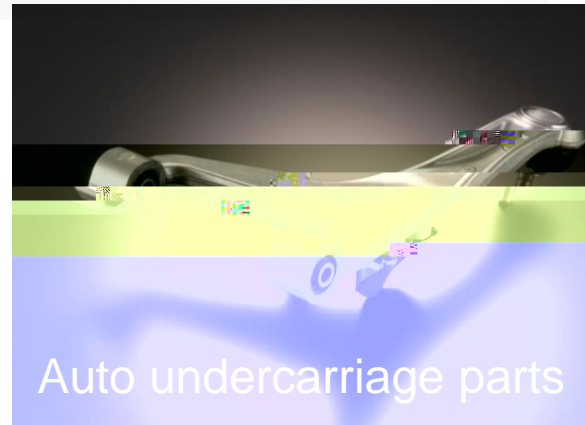
Nippon Light Metal Georgia, Inc.
Company established for forging of undercarriage parts (2019)
Start of mass production (2022 plan)

2019 Medium-Term Plan Investment

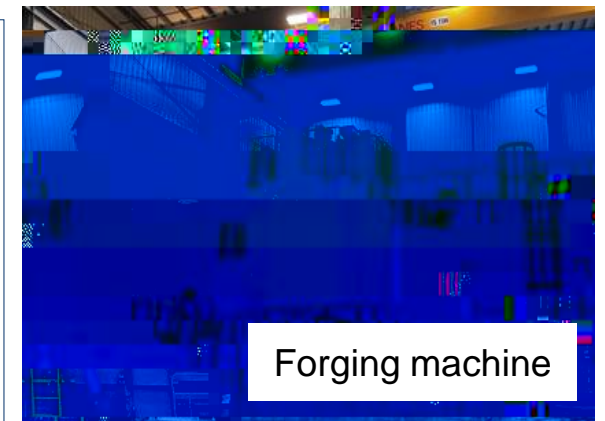


Trilateral system built around Japan, China and US: Global supply operations

Third piece of Japan, China and US system: Full-fledged entry into US



- Name : Nippon Light Metal Georgia, Inc. Abbreviation: NLMGA
- Location : Adairsville, Georgia, US
- Capital : USD 16.0 million
- Shareholders : Nippon Light Metal North America, Inc. (NLMNA) 90%, ITOCHU Metals Corporation 10%
- Start of production : Planned for September 2022



Initiatives to achieve carbon neutrality

Contributions to sustainable society: Carbon neutral challenge

	2030	2050
Target	Down 30% compared to 2013	Zero
Risk (negative factors)	Increased carbon tax burden	
Opportunities (positive factors)	Provide new value by putting into place a circular economy utilizing a recycle scheme to the maximum extent (creation of eco-friendly products)	

In light of recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD), we will disclose information on risks and opportunities.

Basic policies of medium-term management plan

Team NLM—Groundbreaking Innovator of Aluminum and Beyond

1. Provide products and businesses that contribute to the creation of social value

Provide products and businesses that satisfy customers' needs

Provide a range of products and businesses throughout the overall supply chain lifecycle

Strengthen the Group collaboration system to solve social issues

2. Strengthen management foundation

Thorough quality compliance (restoring social trust)

Top priority on safety and thorough compliance

Response to carbon neutrality

HR expansion, appointments and education to improve sustainable corporate value

Strengthen management foundation: Thorough quality compliance

Independently and thoroughly

Rebuild a quality assurance system

Reform organizational culture

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

Strengthen management foundation

Top priority on safety and thorough compliance

- Zero accidents
- Eradicate getting caught/being entangled accidents
- Response to fraud prevention
- Expansion to areas beyond quality
- Reinforce IT controls on accounting

Operational reform and workstyle reform through DX

- Improve operations
- Raise productivity
- Disaster prevention (Energy conservation, automation)
- Greater efficiency for administrative work
- Reduce routine operations

HR expansion, appointments and education

- Utilization of diverse staff
- Train and hire digital human resources

2016 Medium-term Plan Results
(86.5 billion yen)

R&D expenses: 15.6 bn yen

Capital investment

New products, expanded sales:
11.3 bn yen

Energy conservation and safety:
17.3 bn yen

Maintenance and updates:
42.3 bn yen

2019 Medium-term Plan Results
(95.9 billion yen)

R&D expenses: 18.2 bn yen

Capital investment

New products, expanded sales:
23.4 bn yen

Energy conservation and safety:
25.2 bn yen

Maintenance and updates:
29.1 bn yen

Capital investment

**Energy conservation and
safety: 32.0 bn yen**

**Maintenance and updates:
30.0 bn yen**

Policy on shareholder returns

Basic policy on profit distribution

Return profits to all shareholders, comprehensively taking into account the maintenance of consolidated earnings and a sound financial foundation for the medium to long term, while also reinforcing the financial system and management foundation.

Indicators for profit distribution

Total dividend payout ratio of 30% as standard

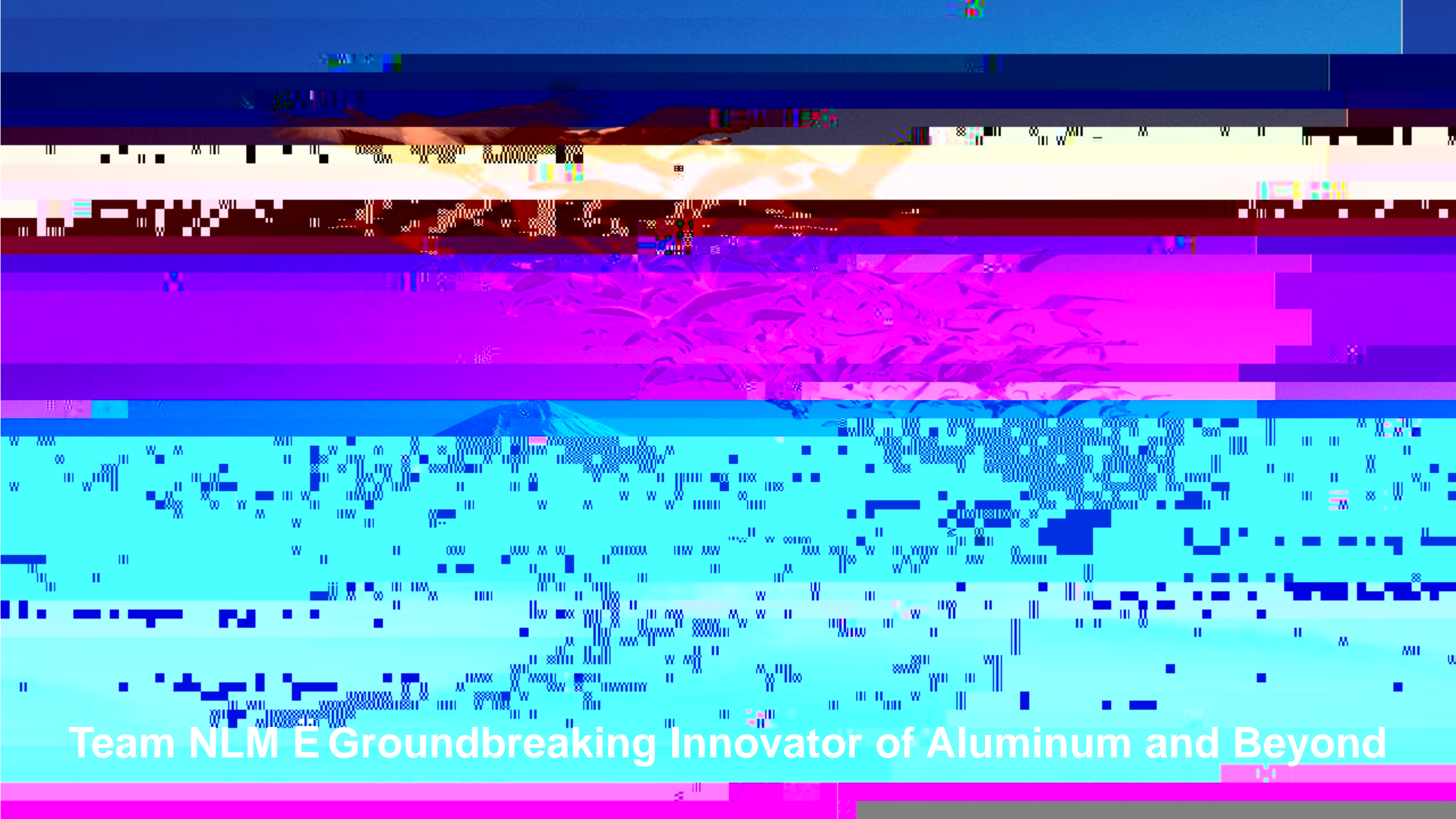
- Steady implementation of shareholder returns
- Plans for aggressive investment to achieve sustainable growth
-

Financial indicators

(Billions of yen)

	Fiscal 2021 Results	Fiscal 2022 Forecasts	Fiscal 2024 References*
Operating profit	22.2	20.0	Over 30.0
Dividends per share	85 yen	85 yen	100 yen

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



Team NLM E Groundbreaking Innovator of Aluminum and Beyond