

Memo: Analyst Briefing for Nippon Light Metal Holdings Co., Ltd.  
FY2023-2025 Medium-term Management Plan (2023 Medium-term Plan)

Date: 2-3pm, May 29, 2023 (Monday)

Briefers:

Ichiro Okamoto, President and CEO

Hiroyuki Matsudaira, Director and Head of the Planning Administration Department

Haruhiko Takahashi, Manager of Accounting, Personnel, General Affairs, Accounting & Finance Administration Department

Toshiharu Hatamoto, Officer and Head of Auto Parts Company Formation Preparation Office

Q What were the factors behind the changes in ordinary profit in fiscal 2022 to fiscal 2025?

A About half of the 18.5 billion yen increase attributable to changes in sales volume will be due to a recovery in auto-related products (extruded products and secondary alloy field) and truck bodies, which experienced a sharp drop in demand in fiscal 2021 and 2022. In addition, we added insulation panels

Medium-term Plan. The 4.5 billion yen increase  
from auto parts. The needs met by auto parts  
from our customers (auto manufacturers) are also  
strong, so we think that we can capture the demand  
for this specific feature, not just with our techniques and  
technology. We are expected to increase ordinary profit by 14  
billion yen from making up for the steep rise in material  
costs. It has been slow to see the effect of sales price  
increases due to the increase in added metals and distribution  
costs from our customers.

increase in ordinary profit in purchased products and

from Aluminum due to the shares transfer and  
included into the 2023 Medium-term Plan through  
decrease in fixed costs due to capital investment



ROE by steadily generating revenue during the 2023 Medium-term Plan duration and generate business profitability. In addition, not only from the perspective of the business profit rate, we can also expect significant improvements in asset efficiency if the Group's business structure changes significantly due to our pursuit of the management reforms outlined in "Initiatives for New Team Nippon Light Metal," the first basic policy of the 2023 Medium-term Plan.

Q What are the assumptions for the plans for Nippon Fruehauf, the fabricated product and other segments?

A The two main factors behind the drop in Nippon Fruehauf's earnings in fiscal 2022 are (1) a sharp decrease in the number of units sold due to a shortage in the chassis supply from truck manufacturers, and (2) the inability of sales price revisions (implemented from March 2022) to absorb the rapid spike in material costs. The main factors behind the recovery from this are the current major improvement in the supply of truck chassis for (1) and customers' understanding of significant parts of plans to revise sales prices (from March 2023) for (2), so we expect these effects to materialize in a major way in fiscal 2023. ~~DEQWJ BAWD~~

Q With plans for overseas sales growth and capital investment, what are the competitive advantages and strengths of the overseas business?

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