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I would like to take this opportunity to extend my sincere gratitude to our shareholders for their continued support of our business operations.

I would also like to convey my heartfelt condolences to those affected by the Great East Japan Earthquake. I sincerely hope that the afflicted areas achieve revitalization as soon as possible.

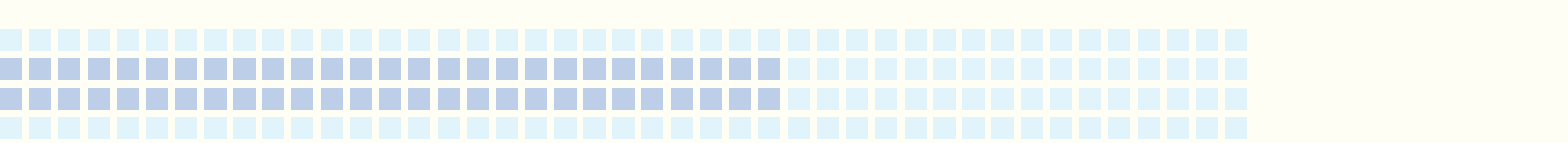
I hereby report on the operating results for Nippon Light Metal Company, Ltd. and its consolidated group companies for fiscal 2010 (the year from April 1, 2010, to March 31, 2011).



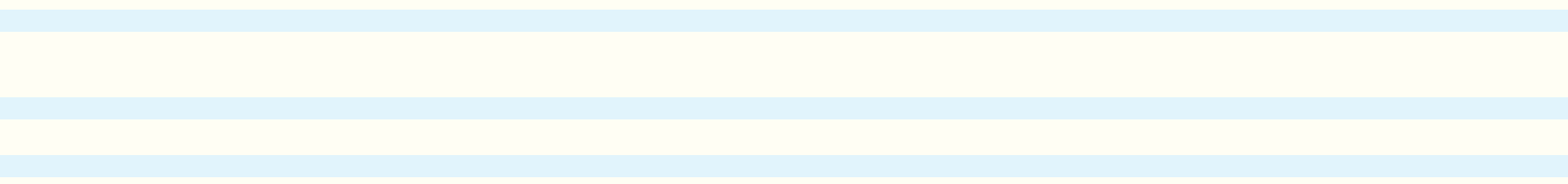
Overview of Fiscal 2010

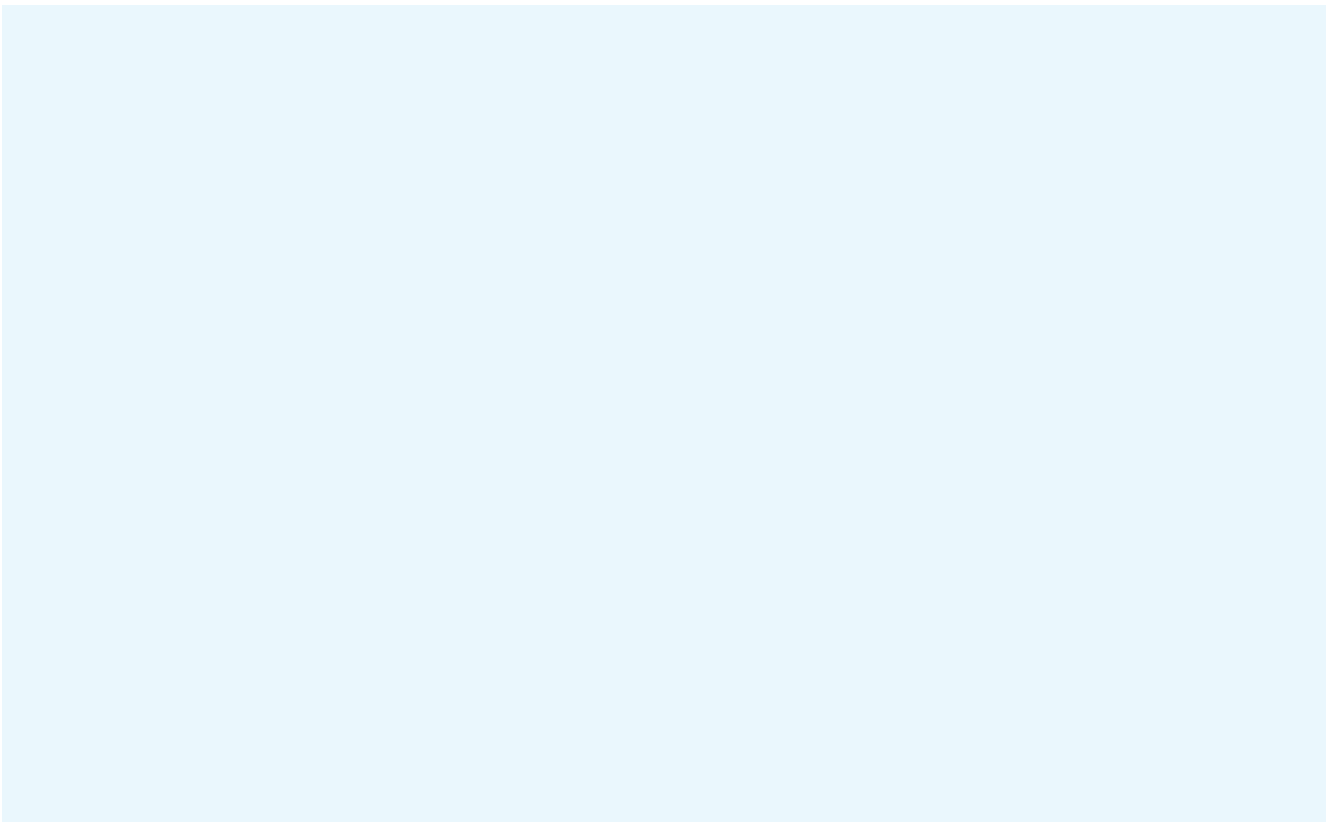
During the year under review, in the domestic aluminum market, demand from our principal domestic customers in the automotive, electrical and electronics industries was



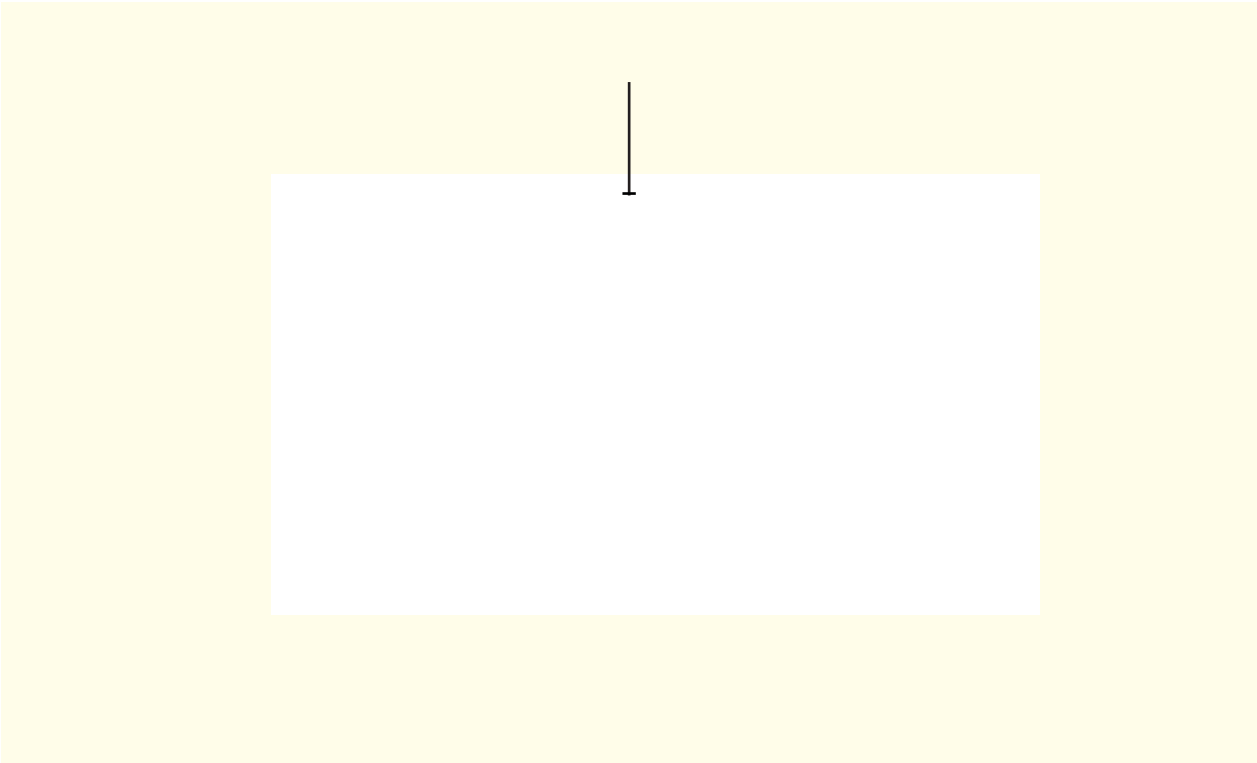


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Accounting Audits

In fiscal 2010, Ernst & Young ShinNihon LLC conducted accounting audits based on the Companies Act and the Financial Instruments and Exchange Act of Japan.

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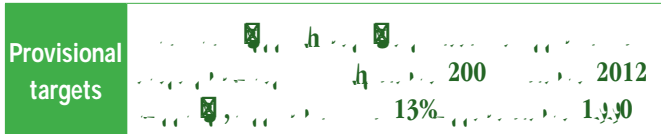
Summary of Implementation of Internal Control Systems

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 March 14, 2008, the Board of Directors resolved to partially amend the basic policy on the implementation of the Internal Control Systems, in order to achieve the Company's goals stipulated in the Group management policy. We will continue to move forward with the implementation of the systems, while revising the policy as necessary.

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



In 2005, the NLM Group formulated an action plan to promote the voluntary and proactive environmental initiatives advocated in the Company's basic policy. Of the several environmental parameters, the voluntary action plan is focused on the reduction of greenhouse gases, a comprehensive indicator of contribution to global warming.

We succeeded in achieving our goal of reducing greenhouse gas emissions per unit of sales by 10% until fiscal 2010 compared to fiscal 1990 levels.

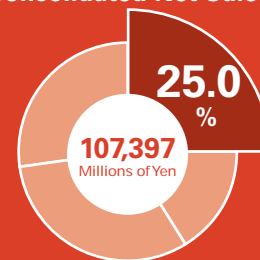
Given that there is still no post-Kyoto Protocol international agreement, and the likelihood that Japan's Basic Energy Plan will be revised due to the effect of the Great East Japan Earthquake, we have postponed drawing up our next mid-term targets as of fiscal 2011, and set provisional targets until fiscal 2012.

The NLM Group will continue striving to reduce greenhouse gas emissions and reduce emissions per unit of sales.

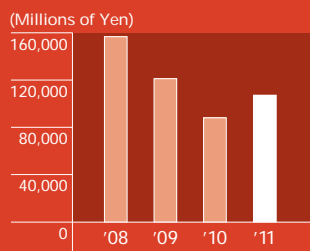
Profile



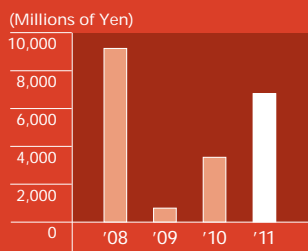
Consolidated Net Sales



Net Sales



Consolidated Operating Profit



Net Sales and Consolidated Operating Profit for the period ended March 31, 2011, based on consolidated accounts.

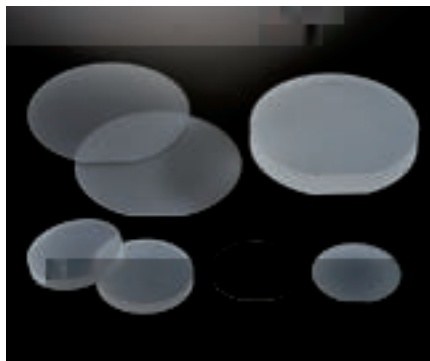
Principal Products

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

Overview of results for fiscal 2010

In the Aluminum Ingot and Chemicals operations, sudden appreciation of the yen meant that exports of alumina continued to stagnate as in the previous year. Within the domestic market, however, shipments of products such as alumina for fire-retardant materials, alumina for electrical machinery and electronics, and aluminum hydroxide increased thanks to recovery of the domestic economy, resulting in substantially improved sales compared to the previous year.

In terms of chemicals, shipments of soda products such as caustic soda and hydrochloric acid, and organic and inorganic chlorine products remained generally steady.



Sapphire substrate

As a result, overall sales were significantly higher compared to the previous year, and in terms of profits, there was an increase compared to the previous year, due primarily to increased shipments accompanied by recovery of plant capacity usage.

In the Aluminum Ingot operations, overall sales volume exceeded that of

the previous year, thanks to recovery of domestic demand for mainstay secondary alloy products for automotive applications. This was due to improvements in the domestic economy and the government's economic measures; strong overseas demand, especially in the markets in China, was also a factor. In addition, the sales unit price rose thanks to the increased market price of aluminum ingots, resulting in higher sales compared to the previous year.

In terms of profits, despite profit-squeezing factors such as the gradual price increase of raw materials for secondary alloy products, and the rapid increase in side materials prices in the latter half of the year, results improved substantially compared to the previous year due mainly to strong overseas demand.

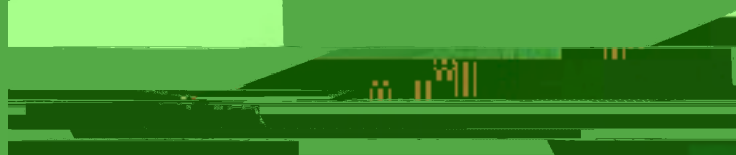
As a result, Aluminum Ingot and Chemicals segment sales increased 21.8%, or ¥19,256 million year on year, to ¥107,397 million (¥88,141 million for the previous year), while operating profit increased 98.0%, or ¥3,358 million year on year, to ¥6,783 million (¥3,425 million for the previous year).

Aluminum Ingot



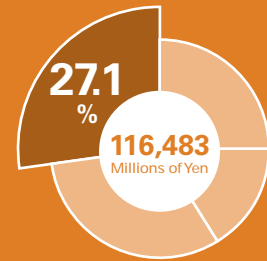
■ Overview of results for fiscal 2010

In the Aluminum Sheet operations, despite the difficulty experienced mainly



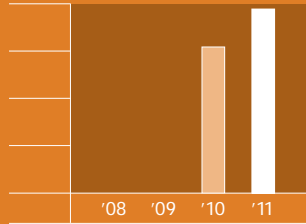
Aluminum Foil, Powder and Paste

Consolidated Net Sales



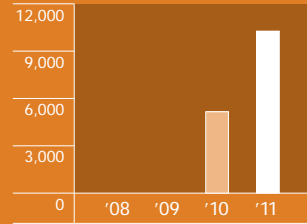
Net Sales

(Millions of Yen)



Consolidated Operating Profit

(Millions of Yen)



Applications

- Food and lifestyle
- Electronics
- Automobile
- Environmental / Energy

Principal Products

- Aluminum foil
- Aluminum foil for electrolytic capacitors
-

Overview of results for fiscal 2010

In the Aluminum Foil sector, the overall market situation was strong, thanks to substantial recovery in demand for high-purity aluminum foil for electrolytic capacitors, despite inventory adjustments in products used for personal computers. Sales in the aluminum foil business were higher than the previous year due to continued buoyant shipments of fabricated foil for pharmaceutical packaging, mainly for generic pharmaceuticals, and increased sales volume of plain foil for lithium ion battery surfaces.

In the Paste sector, shipments increased during the first half in the business of our mainstay aluminum paste used for automobile paint, as well as aluminum paste for electrical appliances, and plastic paint. However, due mainly to slowing domestic demand following the waning effect of the governmental economic package, stagnating growth of exports to China, and reduced demand in Korea

High-purity aluminum foil

because of inventory adjustments during the latter half, sales remained at the previous year's level.

In the Electronic Functional Materials sector, our mainstay back-sheets and functional ink for solar cells registered strong demand through the year, not only in domestic markets but also in markets in China and Taiwan. Demand for other functional materials, mainly powder products, recovered, especially for environmentally friendly cars and LCD televisions, and consequently sales were substantially higher than the previous

fiscal year.

As a result, sales in the Aluminum Foil, Powder and Paste sector increased 26.1%, or ¥24,082 million, to ¥116,483 million (¥92,401 million for the previous year). Operating profit increased 99.3%, or ¥5,105 million, to ¥10,245 million (¥5,140 million for the previous year).

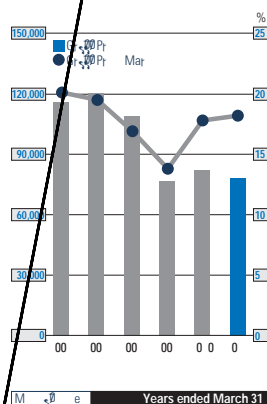
Solar Panel



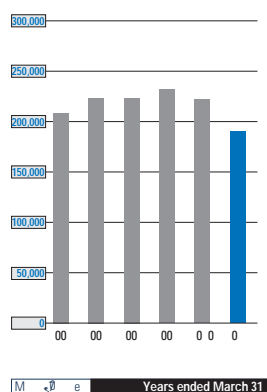
CONSOLIDATED SIX-YEAR SUMMARY

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

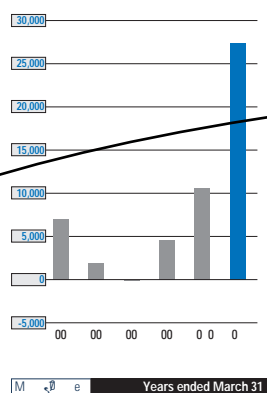
Gross Profit and Gross Profit Margin



Interest-bearing Debt



Free Cash Flows



	2006	2007
	(M ¥ e)	
Net Sales.....	¥577,061	¥618,158
Gross Profit	116,078	120,345
Gross Profit Margin (%)	20.1	19.5
Operating Profit (Loss)	28,923	30,519
Ordinary Profit (Loss)	22,353	25,248
Net Income (Loss).....	9,684	12,755
Net Sales:		
Aluminum Ingot and Chemicals	97,077	110,667
Aluminum Sheet and Extrusions.....	70,714	78,929
Fabricated Products and Others	238,422	255,514
Building Materials.....	170,848	173,048
Aluminum foil, powder and paste	—	—
Total	577,061	618,158
Interest-bearing Debt:		
Aluminum Ingot and Chemicals	9,640	11,667
Aluminum Sheet and Extrusions.....	6,435	6,443
Fabricated Products and Others	15,848	14,156
Building Materials.....	(163)	1,073
Aluminum foil, powder and paste	—	—
Elimination of corporate items	(2,837)	(2,820)
Total	28,923	30,519
Current Assets.....	294,331	340,897
Property, plant and equipment	185,005	184,070
Intangible assets	5,261	5,969
Investments and other assets	48,929	48,527
Current liabilities	281,505	287,436
Long-term liabilities.....	122,033	149,916
Shareholders' equity (Note 3)	119,719	130,176
Total accumulated other comprehensive income (Note 3)	6,275	7,770
Minority interests in consolidated Subsidiaries (Note 3)	3,994	4,165
Interest-bearing Debt (Note 2).....	208,817	223,607
Cash Flows from Operating Activities.....	26,779	21,397
Depreciation and amortization	17,315	17,481
Cash Flows from Investing Activities.....	(19,724)	(19,514)
Capital Expenditures	19,819	20,702
Cash Flows from Financing Activities	(9,862)	12,483
Net Income (Loss) - basic	¥ 17.79	¥ 23.56
- diluted	16.89	22.36
Net Assets (Note 3)	232.54	254.82
Cash Dividends.....	4.0	5.0
Return on Capital Employed (ROCE) (%).....	8.6	9.3
Return on Equity (ROE) (%).....	8.0	9.7
Equity Ratio (%)	23.6	23.8
Number of Shares Outstanding (thousands)	543,350	543,350
R&D Expenditures	¥ 5,133	¥ 5,504
Number of Employees.....	13,492	13,493

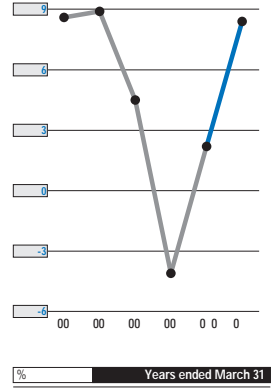
Note 1: U.S. dollar amounts have been translated, for convenience only, at the exchange rate of ¥83.15 = U.S.\$1.00. See Note 2 of the Notes to the Consolidated Financial Statements.

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

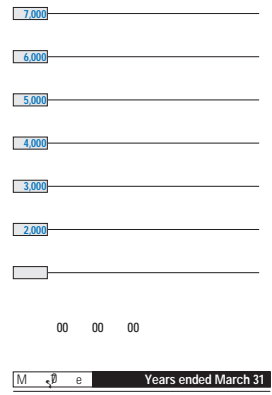
Note 3: Effective the year ended March 31, 2007, the Company adopted the new accounting standard "Accounting Standard for Presentation of Net Assets in the Balance Sheet".

Note 4: Numbers used for the year ended March 2010 have been revised according to the current segment categories.

Return on Capital Employed (ROCE)



R&D Expenditures



■ *Aluminum Ingot and Chemicals*
■ *Aluminum Sheet and Extrusions*
■ *Fabricated Products and Others*



ordinary profit was ¥18.5 billion (\$223 million), 6.9 times greater than the previous year.

There were no special gains, but special losses of ¥2.1 billion (\$25 million) were recorded. This was a result of recording ¥1.0 billion (\$13 million) loss on valuation of investments securities due to a drop in stock prices and ¥0.8 billion (\$10 million) loss on disposal of non-current assets accompanying the change in main raw materials used in alumina products at our Shimizu Plant, as well as other factors.

As a result, the income before income taxes and minority interests of ¥16.5 billion (\$198 million) was recorded for the period under review. Corporate, inhabitant and business taxes increased ¥1.0 billion year on year, to ¥3.3 billion (\$40 million). Meanwhile, deferred income taxes during the period under review were ¥1.0 billion (\$13 million).

As a result of the above, net income in the period under review was ¥11.0 billion (\$133 million), 5.3 times greater than the previous year. The average number of shares outstanding decreased from 544,094,000 in the previous year to 544,013,000 in the year under review. Therefore, net income per share increased from ¥3.8 in the previous year to ¥20.3 (\$0.24) in the period under review. Payment of annual cash dividend of ¥2.0 (\$0.02) per share was approved by the resolution at the General Meeting of Shareholders held on June 29, 2011.

A s e t s , L i a b i l i t i e s a n d S h a r e s ' E q u i t y

Total assets as of March 31, 2011 decreased ¥66.1 billion (down 13.7%) year on year, to ¥414.9 billion (\$4,990 million), resulting primarily from the transfer of all shares of Shin Nikkei Co., Ltd., which was our subsidiary, to the JS Group Corporation on April 1, 2010.

Total liabilities decreased ¥77.8 billion (down 20.0%) year on year, to ¥310.1 billion (\$3,730 million), as a result of the above share transfer of Shin Nikkei Co., Ltd. and other factors.

Interest-bearing debt decreased ¥30.4 billion year on year, to ¥190.8 billion, thanks primarily to repayment of borrowings to cover funding for operating activities at Shin Nikkei Co., Ltd. accompanying the share transfer of the said company.

Net assets increased ¥11.6 billion (up 12.5%) year on year, to ¥104.8 billion (\$1,260 million), thanks primarily to an increase in retained earnings due to the recording of net income in the period under review. Net assets per share as of March 31, 2011 increased 11.3% year on year, to ¥181.51 (\$2.2), while the equity ratio improved 5.3 percentage points, to 23.8%.

C a s h a n d C a s h E q u i v a l e n t s

Cash and cash equivalents on a consolidated basis as of March 31, 2011 decreased ¥3.5 billion (down 7.7%) year on year, to ¥42.1 billion (\$507 million).

Net cash provided by operating activities increased ¥0.1 billion (up 0.3%) year on year, to ¥26.5 billion (\$318 million). This was because non-cash profit/loss items such as depreciation and amortization as well as income before income taxes and minority interests were greater than the increase in working capital.

In the fiscal year under review, ¥1 billion net cash was provided by investing activities, compared with ¥15.8 billion net cash used in the same activities in the previous year, thanks primarily to the collection of loans receivable amounting to ¥20.1 billion from Shin Nikkei Co., Ltd.

Net cash used in financing activities was ¥30.7 billion (\$370 million), 3.5 times greater than the previous year. This was mainly a result of an increase in repayment of borrowings during the year.

O u t l o o k f o r F i s c a l 2 0 1 1

In fiscal 2011, economic growth is expected to continue in China and other Asian countries, and European and American economies are predicted to be relatively robust. In Japan, however, economic stagnation is expected to continue for a while, as it is believed that the supply chain for parts will take some time to normalize after the effects of the Great East Japan Earthquake.

The NLM Group anticipates continued expansion in overseas sales, mainly in China and Southeast Asia, while forecasting a decline in domestic sales figures mainly in the first half of the year due to the Great East Japan Earthquake.

Furthermore, although it is difficult to measure the effect on Japan's economic activities resulting from concerns about nationwide electricity shortages, based on as much information as we can obtain at this time, the NLM Group's business performance for the next fiscal year is predicted as follows. For fiscal 2011, we expect sales of ¥420.0 billion, operating profit of ¥20.0 billion, ordinary profit of ¥14.5 billion, and net income of ¥8.5 billion. Net income per share is predicted to be ¥15.62, while a cash dividend per share of ¥2.0 is anticipated.

	March 31,		
	2010	2011	2011
	(Millions of Japanese Yen)		(Thousands of U.S. dollars) (Note 2)
Current assets:			
Cash and deposits (Notes 3 and 5)	¥ 45,843	42,073	\$ 505,939
Notes and accounts receivable – trade	136,644	115,204	1,354,366
Finished products	22,751	22,455	270,054
Work-in-progress, including costs related to construction-type contracts	23,570	12,246	147,276
Raw material and supplies	17,220	1,303	220,120
Deferred tax assets (Note 8)	4,159	5,367	64,546
Other current assets	10,124	7,611	92,375
Allowance for doubtful accounts	(1,472)	(1,373)	(16,512)
Total current assets	258,839	221,356	2,663,344
Property, plant and equipment (Note 5):			
Land	60,720	53,735	646,242
Buildings and structures	140,116	116,515	1,401,263
Machinery and equipment	289,607	251,224	3,021,335
Construction-in-progress	4,391	4,676	56,236
Accumulated depreciation	(329,222)	(22,333)	(3,336,061)
Total property, plant and equipment	165,612	143,767	1,723,000
Intangible assets:			
.....			

	Year ended March 31,		
	2010	2011	2011
	(Millions of ¥)		(Thousands of U.S. dollars (Note 2))
Net sales	¥460,681	423,433	\$5,164,55
Cost of sales (Note 13)	378,796	351,267	4,224,43
Gross profit	81,885	7,166	40,060
Selling, general and administrative expenses (Note 13)	74,212	53,442	642,71
Operating profit	7,673	24,724	237,342
Non-operating income:			
Interest income	120	37	1,166
Equity in earnings of affiliates	1,218	230	3,4
Rental income	654	713	647
Royalty income	276	255	3,067
Other	2,212	1,575	13,42
Total non-operating income	4,480	2,336	35,310

	Shareholders				Accumulated reserves					Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Net unrealized gains on securities (M ¥)	Net unrealized gains (losses) on hedges (¥)	Revaluation surplus (Note 10) (¥)	Foreign currency translation adjustments (¥)	Minority interests in consolidated subsidiaries (¥)	
Balance at March 31, 2009	¥39,085	¥25,420	¥20,835	¥(170)	¥374	¥(991)	¥145	¥(783)	¥4,866	¥ 88,781
Net income			2,084							2,084
Net increase in treasury stock				(9)						(9)
Net unrealized gains on securities (Note 4)					1,216					1,216
Net unrealized gains on hedges						1,149				1,149
Foreign currency translation adjustments								397		397
Net decrease in minority interests in consolidated subsidiaries									(494)	(494)
Balance at March 31, 2010	39,085	25,420	22,919	(179)	1,590	158	145	(386)	4,372	93,124
Deficit disposition		(14,241)	14,241							—
Net income			11,040							11,040
Net increase in treasury stock				(13)						(13)
Net unrealized losses on securities (Note 4)					(610)					(610)
Net unrealized losses on hedges						(97)				(97)
Foreign currency translation										

(a) Basis of presentation

1. The financial statements shall be prepared on the basis of the historical cost principle, unless the cost of an asset is not a reliable measure of its value, in which case the fair value principle shall be applied. The fair value principle shall be applied to the following assets: (a) financial assets, (b) investment property, (c) biological assets, and (d) intangible assets. The fair value principle shall also be applied to liabilities and equity instruments, unless the cost of a liability or equity instrument is a reliable measure of its value. The fair value principle shall also be applied to the following liabilities and equity instruments: (a) financial liabilities, (b) liabilities arising from the issuance of equity instruments, and (c) equity instruments. The fair value principle shall also be applied to the following liabilities and equity instruments: (a) financial liabilities, (b) liabilities arising from the issuance of equity instruments, and (c) equity instruments.

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

1. The financial statements shall be prepared on the basis of the historical cost principle, unless the cost of an asset is not a reliable measure of its value, in which case the fair value principle shall be applied. The fair value principle shall be applied to the following assets: (a) financial assets, (b) investment property, (c) biological assets, and (d) intangible assets. The fair value principle shall also be applied to liabilities and equity instruments, unless the cost of a liability or equity instrument is a reliable measure of its value. The fair value principle shall also be applied to the following liabilities and equity instruments: (a) financial liabilities, (b) liabilities arising from the issuance of equity instruments, and (c) equity instruments. The fair value principle shall also be applied to the following liabilities and equity instruments: (a) financial liabilities, (b) liabilities arising from the issuance of equity instruments, and (c) equity instruments.

(f) Investment securities

.....

(l) Lease transactions

Lease transactions are accounted for in accordance with the provisions of the IASB Standard on Leases, IAS 17, and the related Interpretations. The Group's lease transactions are primarily related to the lease of property, plant and equipment. The Group's lease transactions are primarily related to the lease of property, plant and equipment.

(m) Income taxes

The Group's income tax expense is calculated based on the tax laws and regulations in the jurisdictions in which the Group operates. The Group's income tax expense is calculated based on the tax laws and regulations in the jurisdictions in which the Group operates.

(n) Derivatives

The Group uses derivatives to manage its foreign exchange risk. The Group uses derivatives to manage its foreign exchange risk. The Group uses derivatives to manage its foreign exchange risk.

(o) Research and development costs

Research and development costs are expensed as incurred.

(p) Appropriation of retained earnings

The Group's retained earnings are appropriated for the payment of dividends to the shareholders. The Group's retained earnings are appropriated for the payment of dividends to the shareholders.

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

	2010	2011	2011

	(M e)	(T U.S. d)
.....	11	\$ 132
.....	41,621	500,553
.....	7,3	,50
.....	35	421

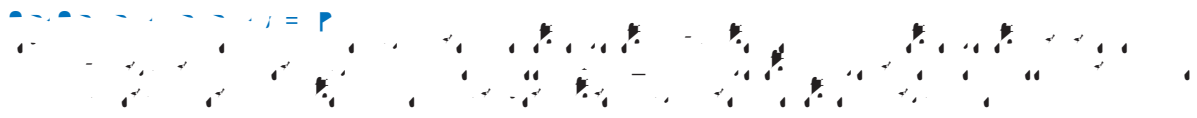
	(M e)	(T U.S. d)
.....	17,634	\$ 212,074
.....	21,641	260,265
.....	21,556	25,242
.....	21,341	256,657
.....	13,532	162,742
.....	30,512	366,351
.....	126,216	\$1,517,331

.....

	2010			
	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
	(M e)			
.....	¥ 45,772	¥ —	¥ —	¥ —
.....	136,644	—	—	—
.....	13	23	9	3
.....	—	10	—	—
.....	¥182,429	¥ 33	¥ 9	¥ 3

	2011			
	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
	(M e)			
.....	41,331			
.....	115,204			
.....	13	12	3	1
.....	10			
.....	157,21	12	3	1

	2011			
	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
	(T e) U.S. d e)			
.....	\$ 505,003	\$	\$	\$
.....	1,354,36			
.....	156	144	10	6.



	2010	2011	2011
	(M i l l i o n s)		(T h o u s a n d s o f U.S. d o l l a r s)
<div style="display: flex; align-items: center;"> <div style="width: 100px; border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> </div>	—	(1, 44)	(22,177)



	2010
Net income	Weighted average number

		2010						
		The reportable segments						
		Aluminum ingot and chemicals	Aluminum sheet and extrusions	Fabricated products and others	Aluminum foil, powder and paste	Building materials	Adjustment (Note)	Consolidated
		(M i l l i o n U. S. d o l l a r s)						
.....		¥ 88,141	¥58,399	¥106,060	¥92,401	¥115,680	¥ —	¥460,681
.....		41,552	19,026	15,003	602	725	(76,908)	—
.....		129,693	77,425	121,063	93,003	116,405	(76,908)	460,681
.....								
.....								
.....								
.....								



2011

The reportable segments


Aluminum ingot and chemicals	Aluminum sheet and extrusions	Fabricated products and others	Aluminum foil, extrusions
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OVERSEAS S

Directors


D, . . . D, . . .
Takashi Ishiyama

D, . . .
Tsuyoshi Nakajima

Makoto Fujioka

Mitsuru Ishihara

Tadakazu Miyauchi

Ichiro Okamoto

Atsushi Inoue

President and Representative Director
of Nikkeikin Kakoh Kaihatsu Holdings
Company, Ltd.

Hiroshi Yamamoto

President and CEO of Toyo Aluminium
K.K.

Koji Ueno

President and CEO of Nippon Fruehauf
Co., Ltd.

Hidetane Iijima*


Kuniya Sakai*

* Outside Director


Auditors


F, . . . A F, . . .
Hideki Nakamura

Tadashi Asahi


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