

Nippon Light Metal Holdings Co., Ltd.

Q&A Summary of Briefing on Financial Results for the First Three Quarters of the Fiscal Year Ending
March 31, 2024

Date: 5:30-6:00 pm; Jao[d]-1 (i)y

Q8. What is your outlook for fiscal 2024?

A8. Looking at our results for the first nine months of this fiscal year, demand related to semiconductors was sluggish and the overseas auto parts business faced difficult conditions. In our view, this is an issue that has brought about the downturn in the aluminum sheet and extrusions segment. In terms of semiconductor-related demand, market expansion in fiscal 2025 is our common understanding at this point, but we believe that when the market starts up in fiscal 2024 will be a significant factor in improving results in fiscal 2024. In the auto parts business in China and the U.S., on the other hand, we are looking to meet the global supply system demanded by our customers, the automakers, over the medium to long term, and frankly speaking, it is difficult to say whether we can improve profit in the short term. Looking ahead to fiscal 2024, we intend to first lay the foundation for a profitable structure. In addition, we are continuing our review of the framework and approach to improving profitability in the medium to long term, not only in the auto parts business, but also as a major issue for fiscal 2024 and beyond. We believe these efforts will be the starting point for the Group's next phase of growth.

Q9. The full-year operating profit forecast remains unchanged at 17.0 billion yen. However, by segment, compared with the full-year operating profit forecast presented in the Q2 results dated October 31, you expect an increase of 1.5 billion yen in the aluminum foil, powder and paste segment, a decrease of 0.5 billion yen in the aluminum ingot and chemicals segment, and a decrease of 1.0 billion yen in the aluminum sheet and extrusions segment. What are the determining factors for these expectations?

A9. The decreases in our operating profit forecasts for both the aluminum ingot and chemicals segment and the aluminum sheet and extrusions segment reflect recent signs of slow recovery in semiconductor-related demand and automotive-related sales in the Chinese market. The increase in the operating profit forecast for the aluminum foil, powder and paste segment was as a result of factoring in seasonal demand for the daily necessities division in Q3, as well as an upturn in demand for medical product packaging and higher sales of paste products for automobile paints.

increase in stay-at-home demand due to the COVID-19 pandemic