

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2023
(Japan GAAP)

August 1, 2022

Company name: Nippon Light Metal Holdings Company, Ltd.
 Stock exchange listing: Tokyo
 Code number: 5703
 URL: <https://www.nikkeikinholdings.com/>
 Representative: Ichiro OKAMOTO President & Chief Executive Officer
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 Submission of quarterly financial results: August 1, 2022
 Expected date of dividends payment:
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of a briefing on quarterly financial results : Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for Three Months Ended June 30, 2022

(1) Consolidated Results of Operations (Accumulated Total)

(% figures show year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2022	123,241	6.5	3,437	(53.8)	4,142	(45.3)	2,614	(45.9)

, 2021

¥5,758 million / 211.4%

	Net profit per share (basic)	Net profit per share (diluted)
Three months ended June 30, 2022	Yen 42.23	Yen
June 30, 2021	78.08	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	534,697	222,313	38.3
As of March 31, 2022	532,601	220,907	38.1

(Reference) Shareholders' equity: As of June 30, 2022 ¥204,587 million
 As of March 31, 2022 ¥203,089 million

2. Dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
Fiscal year ended March 31, 2022	Yen 40.00	Yen 40.00	Yen 40.00	Yen 45.00	Yen 85.00
Fiscal year ending March 31, 2023					
Fiscal year ending March 31, 2023 (forecasts)		40.00		45.00	85.00

(Note) Revisions to dividend forecasts published most recently: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023
(April 1, 2022 - March 31, 2023)

(% figures show year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	260,000	10.1	5,500	(60.8)	5,000	(64.8)	3,000	(72.3)	48.47
Fiscal year ending March 31, 2023	540,000	11.0	20,000	(9.9)	20,000	(12.8)	14,000	(16.5)	226.18

(Note) Revisions to Forecast of Financial Results published most recently: None

*Notes

(1) Change in significant subsidiaries during the period

(Changes in specified subsidiaries affecting the scope of consolidation): None

Newly added: (Company name:) Excluded:

[Attached documents]

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1. Qualitative Information on Quarterly Results

(1) Explanation of consolidated operating results position

During the first three months of the current consolidated fiscal year, we have seen recovery in global economic activities as the world makes progress in the fight against the COVID pandemic and restrictions on activities are eased. However, we still face uncertainties about the future, due to the soaring raw material and fuel prices.

consolidated fiscal year increased by 166 million yen (0.6%) year on year, from 27,737 million yen to 27,903 million yen, but the operating profit fell by 1,376 million yen (53.9%) year on year, from 2,555 million yen to 1,179 million yen.

<Fabricated products and other>

In the transport-related division, the net sales of the truck bodies business fell short of the level of the same period of the previous fiscal year due to the ongoing production cuts of truck chassis as a result of shortages of semiconductors and other components, supply chain disruptions resulting from the lockdown in China and other factors. In terms of profitability, due to a drop in units sold, increase in material prices attributable to a steep rise in aluminum metal price, decline in capacity utilization and other factors, the operating profit fell significantly short of the level of the same period of the previous fiscal year.

In the panel system division, the freezing and refrigeration field saw the sales to food factories remain strong due to increased demand for frozen foods, etc. In the clean room field, the sales for industrial clean rooms were strong, driven by semiconductor demand, and the sales for pharmaceutical clean rooms increased. As a result, the net sales of the entire division exceeded the level of the same period of the previous year and the operating profit remained similar to the level of the same period of the previous year despite the impact of soaring raw material prices on profitability.

Overall, the net sales in the segment of fabricated products and other decreased by 4,049 million yen (11.2%) to 32,241 million yen in the first three months of the current consolidated fiscal year, compared to 36,290 million yen in the same period of the previous fiscal year. The operating loss amounted to 1,275 million yen, a negative difference of 1,940 million yen compared to the same period of the previous fiscal year.

by 690 million yen compared to the end of the previous consolidated fiscal year to 312,384 million yen as a result of an increase in short-term borrowings caused by the higher working capital and other factors. The net assets increased by 1,406 million yen compared to the end of the previous consolidated fiscal year, to 222,313 million yen due to an increase in foreign currency translation adjustment in response to the depreciating yen and other factors. The equity ratio rose from 38.1% at the end of the previous consolidated fiscal year to 38.3%.

(3) Explanation of forward-looking information, including consolidated earnings forecasts

With regard to the outlook for the Group's future performance, there are some uncertainties in Japan and overseas, such as trends in raw material and fuel prices, exchange rate fluctuations, and the Ukraine crisis. Despite these uncertainties, we have not changed our consolidated earnings forecasts for the second quarter of the current consolidated fiscal year and the entire consolidated fiscal year announced in the financial results published on May 16, 2022, since we expect that the supply of semiconductors and other components will return to normal and the automobile production and truck chassis supply will recover following the recovery from the supply chain disruptions.

(Note) Earnings forecasts are calculated based on information available at this point and certain assumptions deemed reasonable, and actual earnings results could differ from forecasts for various reasons.

2. Notes on Summary Information (Special Notes)

(1) Change in significant subsidiaries during the period

None

(2) Application of accounting method specific to preparation of quarterly consolidated financial statement

None

(3) Changes in accounting policies, changes in accounting estimates, and restatements

Changes in accounting policies

(Application of the Application Guidelines for the Accounting Standards for Fair Value Measurement)

The Company has decided to apply the Application Guidelines for the Accounting Standards for Fair Value Measurement (Application Guidelines for the Company Accounting Standards, No. 17/2021; hereinafter the "Application Guidelines for the Accounting Standards for Fair Value Measurement") starting at the beginning of the first quarter of the current fiscal year and to apply going forward the new accounting policies as stipulated in the Application Guidelines for the Accounting Standards for Fair Value Measurement, in accordance with the transitional treatment prescribed by Article 27 of said guidelines. There is no impact of this application on the quarterly consolidated financial statements.

3. Quarterly Consolidated Financial Statements and Important Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

(Millions of yen)

As of March 31, 2022 As of June 30, 2022

Liabilities

Current liabilities

Notes and accounts payable – trade	72,324	73,292
Short-term borrowings	78,245	84,727
Income taxes payable	4,264	371
Provision for recall	1,098	624
Other current liabilities	34,611	31,834
Total current liabilities	190,542	190,848

Non-current liabilities

Bonds payable	734	820
Long-term borrowings	76,427	77,325
Retirement benefit liability	18,776	19,051
	18,253	17,140
Other non-current liabilities	6,962	7,200
Total non-current liabilities	121,152	121,536

Total liabilities

311,694 312,384

Net assets

Shareholders' equity

Share capital	46,525	46,525
Capital surplus	19,107	19,107
Retained earnings	129,465	129,293
Treasury shares	(130)	(130)
Total shareholders' equity	194,967	194,795

Accumulated other comprehensive income

Valuation difference on available-for-sale securities	2,821	2,849
Deferred gains or losses on hedge	186	(89)
Revaluation reserve for land	145	145
Foreign currency translation adjustment	5,555	7,678
Remeasurements of defined benefits plans	(585)	(791)
Total accumulated other comprehensive income	8,122	9,792

Non-controlling interests

17,818 17,726

Total net assets

220,907 222,313

Total liabilities and net assets

532,601 534,697

**(2) Quarterly Consolidated Statements of Income and
Quarterly Consolidated Statements of Comprehensive Income**

**Quarterly Consolidated Statements of Income
(April 1, 2022 – June 30, 2022)**

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	115,689	123,241
Cost of sales	91,326	102,698
Gross profit	24,363	20,543
Selling, general and administrative expenses	16,928	17,106
Operating profit	7,435	3,437
Non-operating profit		
Share of profit of entities accounted for		

Quarterly Consolidated Statements of Comprehensive Income
(April 1, 2022 – June 30, 2022)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	5,321	2,607
Other comprehensive income		
Valuation difference on available-for-sale securities	(55)	31
Deferred gains or losses on hedges	24	(276)
Foreign currency translation adjustment	244	2,221
Remeasurements of defined benefit plans	6	(205)
Share of other comprehensive income of entities accounted for using equity method	218	430
Total other comprehensive income	437	2,201
Comprehensive income	5,758	4,808
Comprehensive income attributable to owners of parent	5,171	4,284
Comprehensive income attributable to non-controlling interests	587	524

(3) Notes regarding the quarterly consolidated financial statements

(Notes on premise of going concern)

Not applicable

(Notes on significant fluctuations in value of shareholders' equity, if any)

Not applicable

(Segment information, etc.)

I. First Three Months of the Fiscal Year Ended March 31, 2022 (April 1, 2021, to June 30, 2021)

1. Information on net sales and profit (loss) by reporting segment

(Millions of yen)

	Reporting segments					Adjustments ^{*1}	Quarterly consolidated profit/loss posted ^{*2}
	Aluminum ingot and chemicals	Aluminum sheet and extrusions	Fabricated products and others	Aluminum foil, powder, and paste	Total		
Net sales							
Net sales to external customers	30,013	27,737	36,290	21,649	115,689		1