

Progress Overview of FY2023–2025 Medium-term Management Plan (2023 Medium-term Plan)



May 28, 2024
Nippon Light Metal Holdings Company, Ltd.

Nippon Light Metal Group's management policy and FY2023–2025 Medium-term Plan



Basic policies

Pursue reforms to further raise corporate value so that we can become a corporate group that provides reliable value to stakeholders and regains the trust of stakeholders

1. Initiatives for new Team Nippon Light Metal

- Structural reforms to raise Group's corporate value
- Response to carbon neutrality
- Promote management reforms and reinforce internal control functions

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

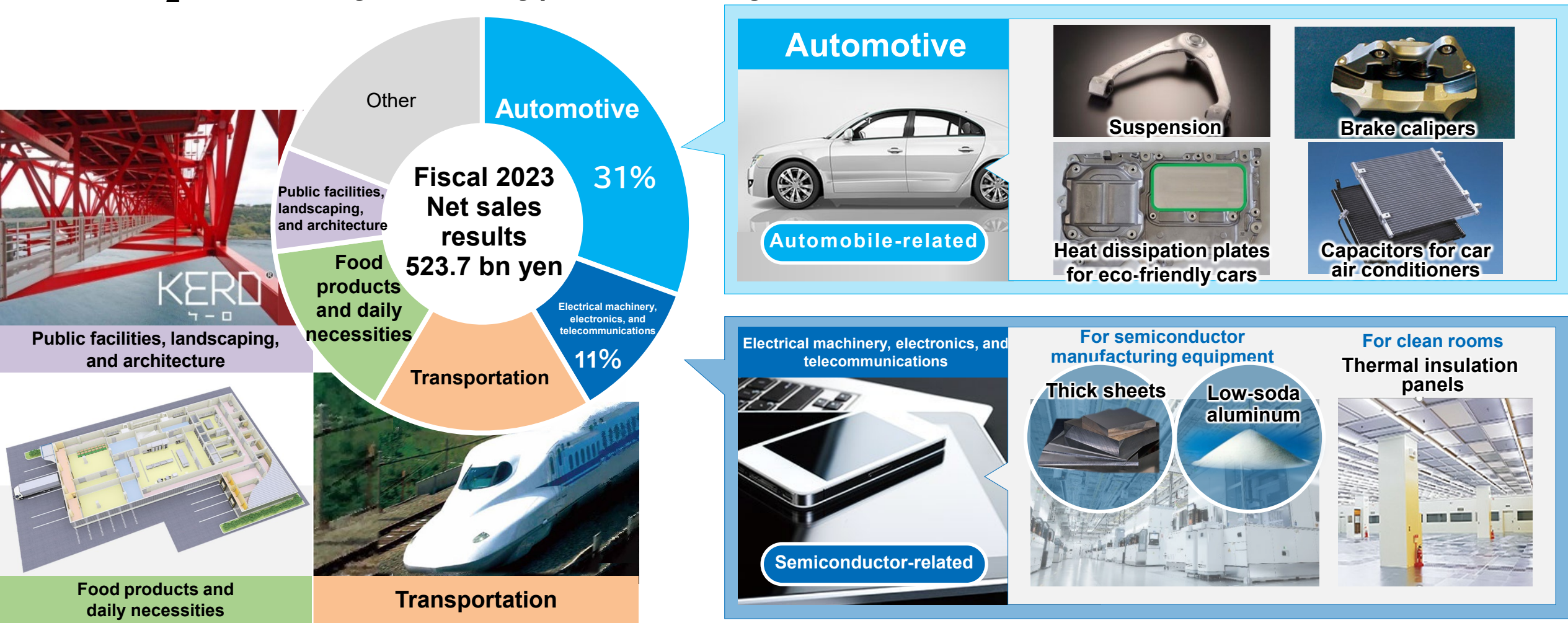
- Provide products and businesses that satisfy customers' needs
- Provide a range of products and businesses throughout the overall supply chain lifecycle
- Strengthen Group affiliation systems to solve social issues

Basic policies — Measures

Basic policies	Measures	Objective (Background)	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
1. Initiatives for new Team Nippon Light Metal	Structural reforms to raise Group's corporate value	Optimal allocation of resources and structural reforms so that more Group synergies can be created		Consolidation of auto parts business, new company		
	Carbon neutral (risk side)	Bring greenhouse gases down to net zero by FY2050, down 30% in FY2030 (compared to FY2013)	Cut CO2, set KPI, support for TCFD	Group decarbonization strategy; formation of organization, drafting and implementation of integrated strategy		
				Integration of functions for procurement, production and sale of aluminum ingot		
	Promote management reforms and reinforce internal control functions	Top management will take the lead with a strong commitment to implementing initiatives	Special investigation committee, internal investigation, improvement activities	Measures to prevent reoccurrence (rebuilding Group governance system, reinforcing internal audit divisions, reforming corporate culture, etc.)		
2. Provide products and businesses that contribute to the creation of social value	Acquisition of growth areas	<ul style="list-style-type: none">Autos: Rapid growth in eco-friendly cars Expansion of overseas auto marketSemiconductors: Return to production in JapanHigh need among customers to reduce CO2 (Scope 3)	Lighter weight of auto parts, thermal countermeasures for auto parts, compatible with method-by-method cross-organizational approach	Auto parts company Nikkeikin ALMO		
			Auto parts Two poles consisting of Japan and China	US: mass production of auto underbody parts (trilateral system)		
	Overseas strategy			US: Increased production for secondary alloys for auto body structural materials		
			India: second base for secondary alloys (minority)	India: third base for secondary alloys (majority)		
	Carbon neutral (Opportunity side)		Japan: thermal insulation panels, reinforce engineering	Japan: increased production of thermal insulation panels for semiconductor clean rooms		

Growth areas that Group will focus on

Full mobilization of Group’s strengths to resolve social issues (reductions in CO₂, economy security) and satisfy customer needs



2023 Medium-term Plan released on May 15, 2023

Financial targets

Build up a system that can consistently achieve ordinary profit in the 30–40 billion yen range to enable the Group's sustainable growth

(Unit: Billions of yen)

	FY22 actual	FY23 forecast	FY23 actual	2023 medium-term plan target FY25
Net sales	517.0	550.0	523.7	530.0
Operating profit	7.5	17.0	18.2	30.0
Ordinary profit	8.9	16.0	19.0	30.0
Profit	7.2	7.5	9.0	20.0
Annual dividends	50 yen	50 yen	50 yen	100 yen
ROCE	3.2%	5.2%	6.0%	10.3%
Total dividend payout ratio	43.0%	41.3%	34.4%	31.0%

Since the timing of the transfer of shares in Toyo Aluminium has not been set at this point, Toyo Aluminium's figures are factored only into FY23 forecasts at the time of the release on May 15, 2023.

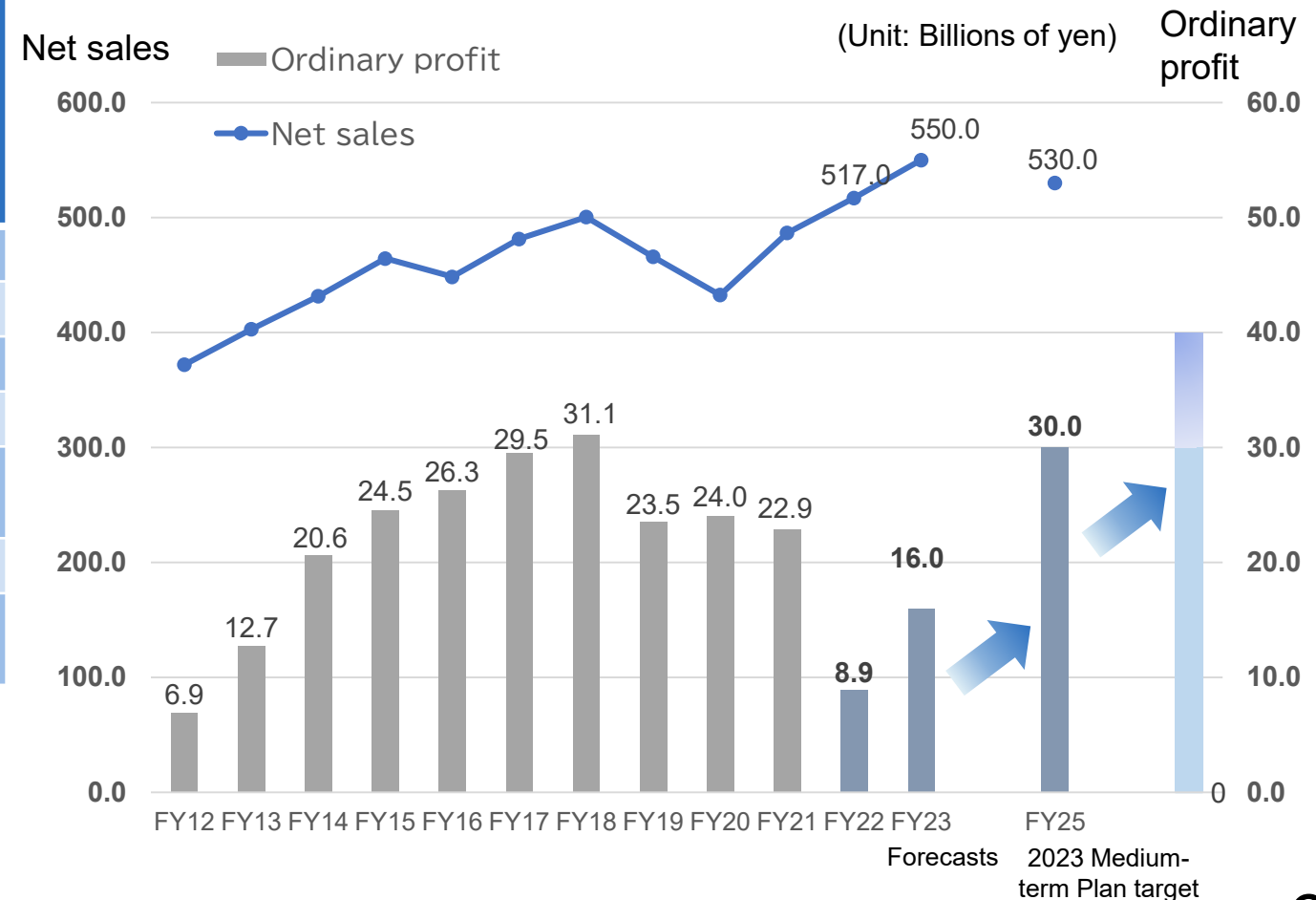


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2. Progress Overview of FY2023–2025 Medium-term Management Plan (2023 Medium-term Plan)
3. Pursue management reforms

1. Outlook of financial results for the fiscal year ending March 31, 2025

Forecasts of financial results for the full fiscal year

Fiscal 2023 results: Exceeded our forecasts at the beginning of the period (announced in May 2023), indicating a smooth sales performance

(Billions of yen)







	Fiscal 2022 Results	Fiscal 2023 Forecasts	Fiscal 2023 Results	Fiscal 2024 Forecasts
Net sales	517.0	550.0	523.7	560.0
Operating profit	7.5	17.0	18.2	21.0
Ordinary profit	8.9	16.0	19.0	20.0
Profit attributable to owners of parent	7.2	7.5	9.0	13.0
Dividends per share	50 yen	50 yen	50 yen	70 yen

1. Outlook of financial results for the fiscal year ending March 31, 2025

Market environment (automobile and semiconductor-related)

Automobile-related: We expect steady sales in Japan and Thailand and strong sales in the U.S, but the impact of production cutbacks by Japanese automakers in China to persist. Although xEV-related demand and growth rate are expected to slightly slow down, steady growth trend remains unchanged.

Semiconductor-related: We anticipate a recovery in sales for manufacturing equipment from the second half of FY24 and a full recovery in sales for semiconductor products in FY25.

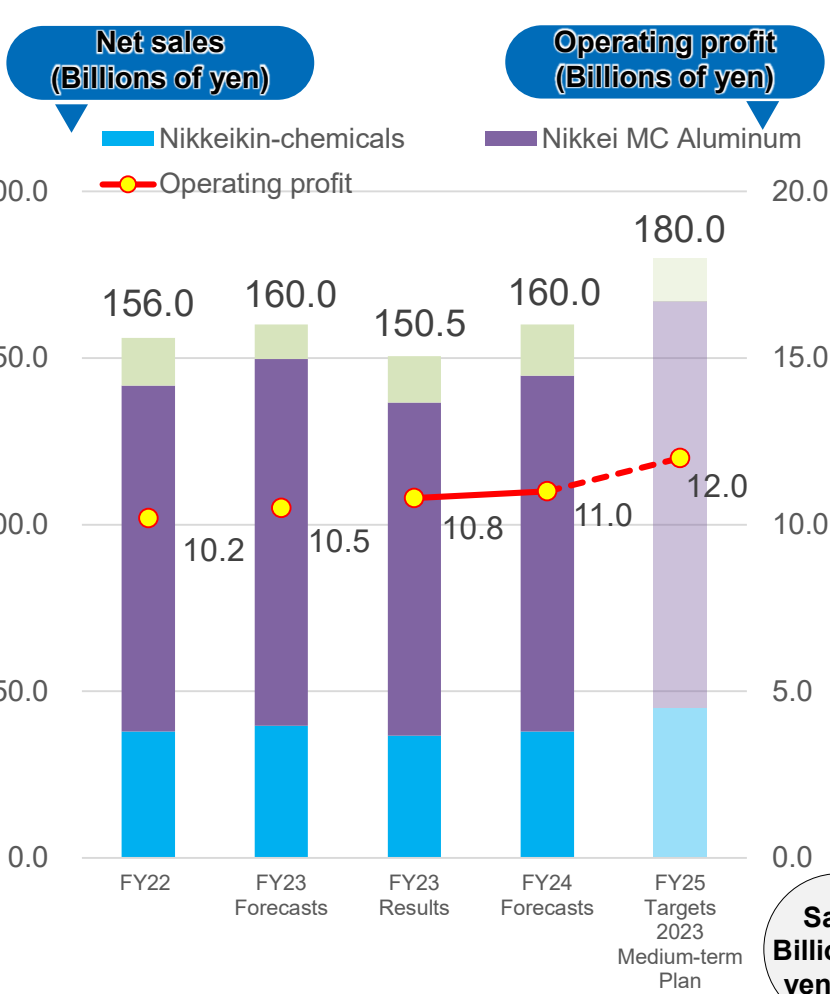
Automobile-related	Compared to FY23	Semiconductor-related	Compared to FY23
Aluminum and chemicals (Nippon Light Metal, chemicals)	 Although the xEV ratio is expanding and growing, the demand growth slowed in FY23 and is expected to grow moderately in FY24.	Alumina and chemicals (Nippon Light Metal, chemicals)	 The semiconductor product market will recover from FY24, but a trend toward full recovery is not expected until FY25, partly due to supply chain and inventory effects.
Secondary alloy ingot (Nikkei MC Aluminum)	 Japan : Production recovery continued in FY23 despite some impact of production cutbacks. Over-seas : Strong in the U.S., steady in Thailand Local EV growth in China, continued downturn for Japanese manufacturers	Thick sheets for semiconductor manufacturing equipment (Nippon Light Metal, sheets)	 Although long-term demand is expected to continue, a recovery in demand is likely from the second half of FY24 due to sluggish demand after FY22.
Automotive parts (Nikkeikin ALMO)	 Japan : Steady demand Over-seas : China: Continued production cutbacks by Japanese manufacturers U.S.: Favorable demand conditions	Panels for clean rooms (Nikkei Panel System)	 Despite strong demand, factors involving semiconductor product trends, material price hikes, and construction labor shortages would cause changes in the construction schedule.

1. Outlook of financial results for the fiscal year ending March 31, 2025: By segment

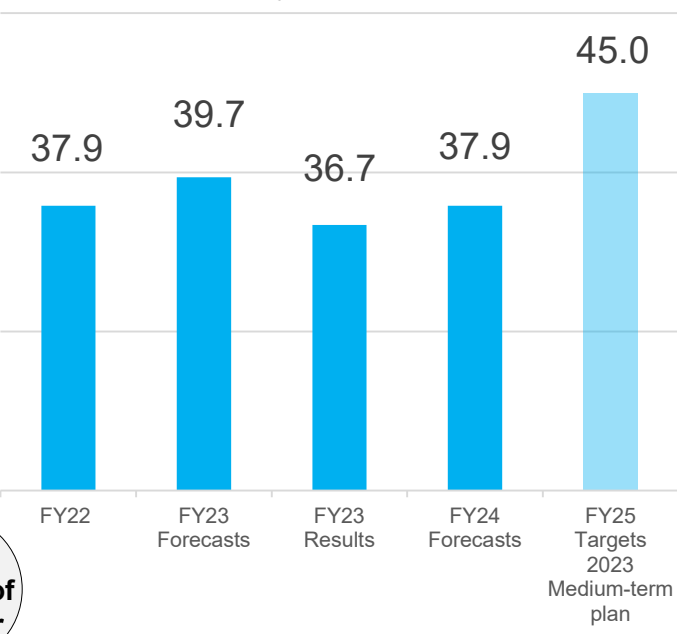
Aluminum ingot and chemicals

Aluminum and chemicals: We forecast a gradual growth in sales of products for xEVs, with signs of recovery in the FY25 sales of products for semiconductor equipment.

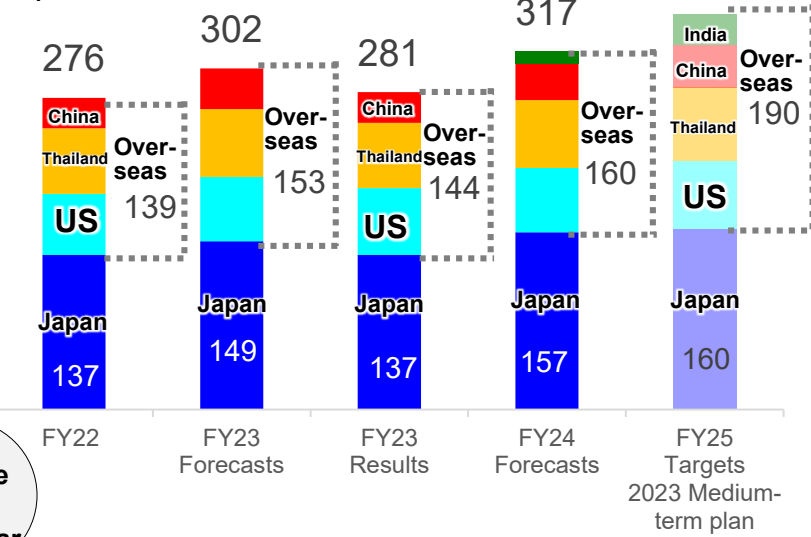
Secondary alloy ingot: Overall, solid sales are expected both in Japan and overseas.



- Aluminum and chemicals (Nippon Light Metal, chemicals)**
- Fire-resistant heat-dissipating filler for xEV (aluminum hydroxide): Gradual growth in demand for FY24 after stagnating in FY23
 - Low-soda aluminum for semiconductor manufacturing equipment: Sales on track for a full recovery in FY25



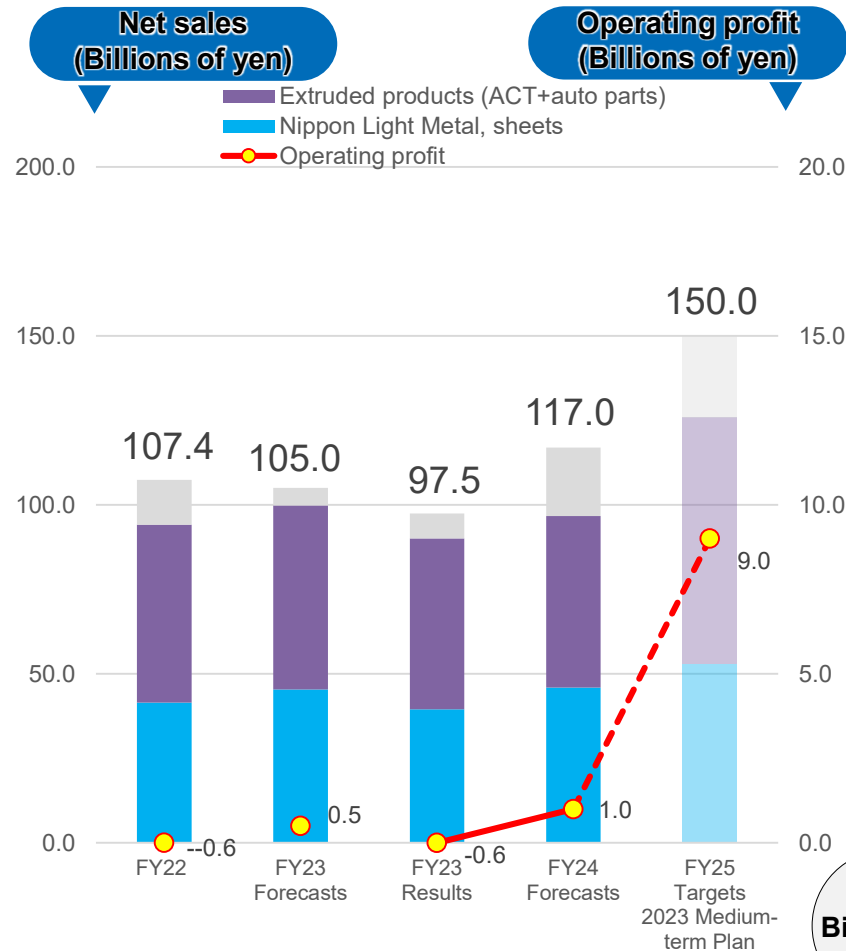
- Secondary alloys (Nikkei MC Aluminium)**
- Japan: Solid sales on a continued trend following a recovery in auto production
 - U.S.: Strong demand for automobiles, leading to steady sales of products for auto body structural parts
 - Thailand: Sales on track with strong demand
 - China: Acquisition of high value-added products through alternatives for Japanese automakers
 - India: Our majority-owned third base started operation.



1. Outlook of financial results for the fiscal year ending March 31, 2025: By segment

Aluminum sheet and extrusions

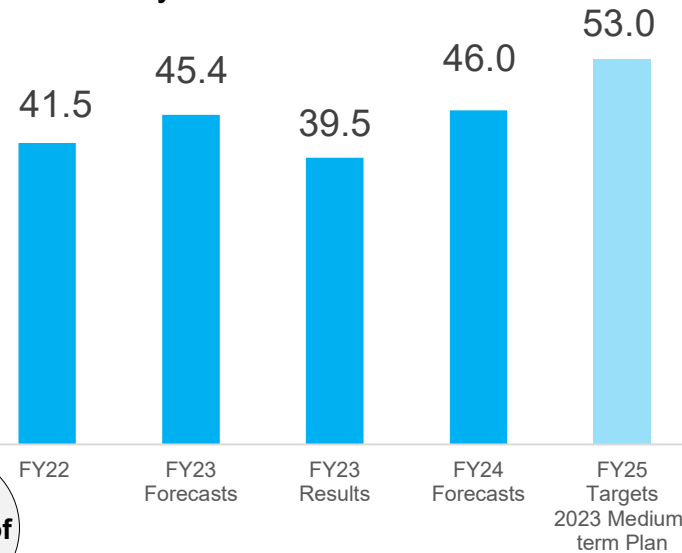
We expect a recovery in sales of products for semiconductor manufacturing equipment from the second half of FY24. Despite a continued recovery of automotive-related sales in Japan, production in China remains on a downtrend.



Nippon Light Metal, sheets

- Sales growth remains unchanged due to continued long-term demand following a full recovery, given a rebound in thick sheets for semiconductor manufacturing equipment from the second half of FY24.
- Solid demand for battery materials for autos, leading sales to maintain smoothly

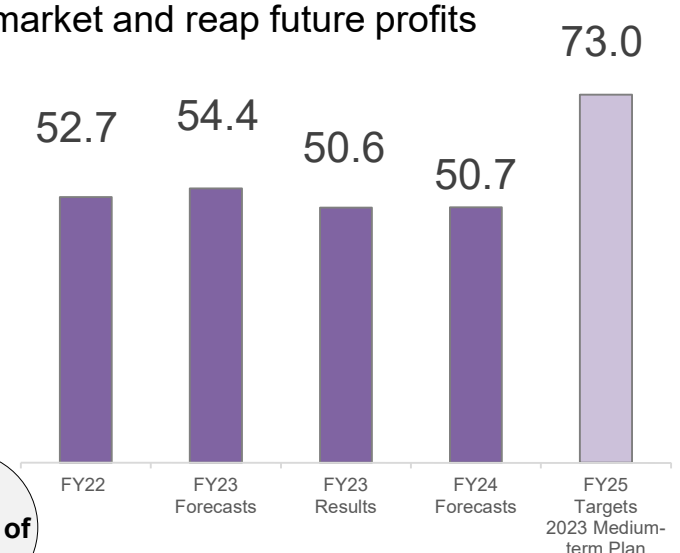
**Sales
Billions of
yen/year**



Extruded products (Nikkeikin Aluminium Core Technology+auto parts)

- Despite sluggish and delayed recovery in products for semiconductor manufacturing equipment, a rebound in sales of truck body applications helps stabilize the revenue base.
- While domestic production is on a recovery path, Japanese automakers in China remain affected by production cutbacks, indicating ongoing efforts to bring new products to the market and reap future profits

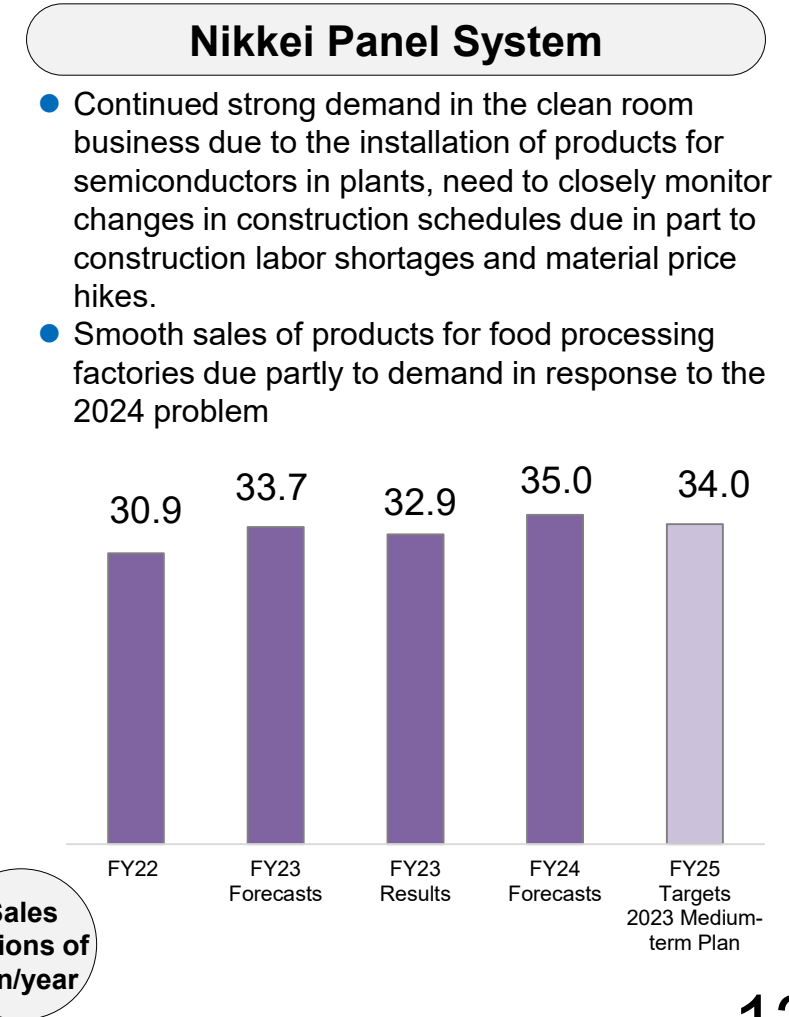
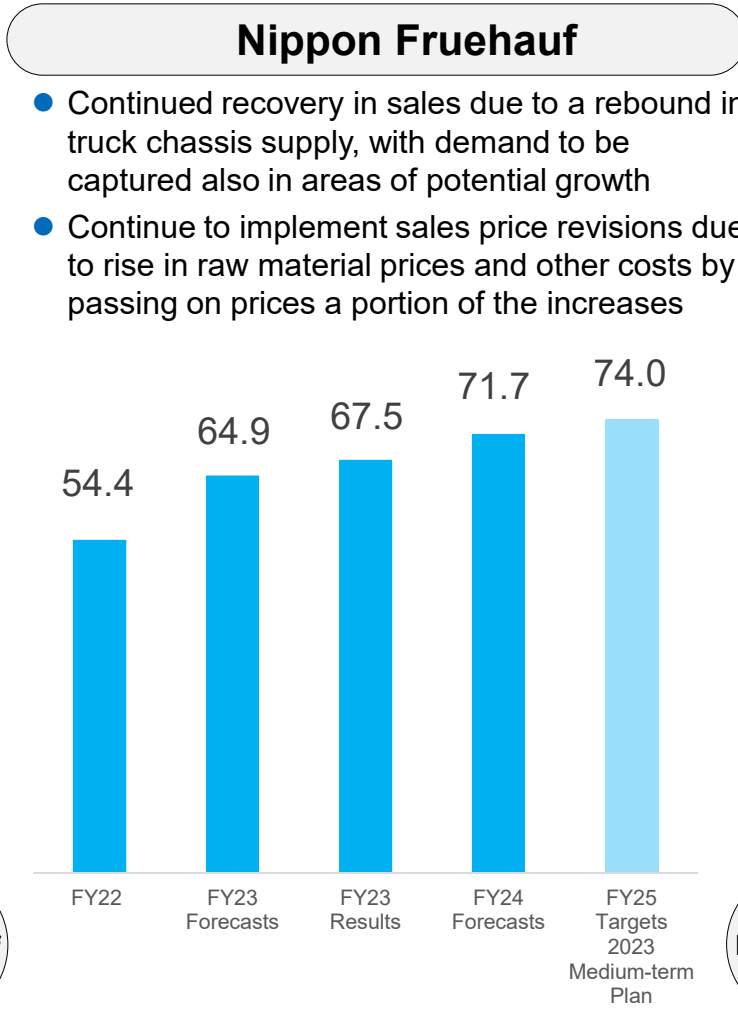
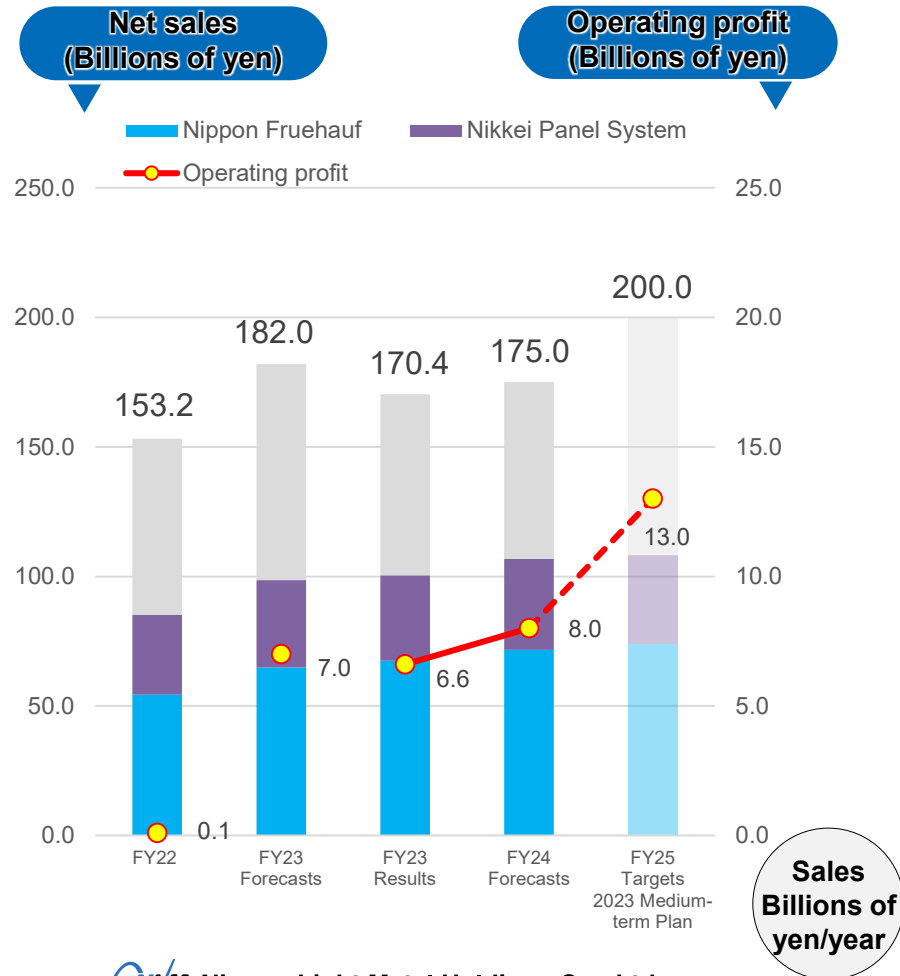
**Sales
Billions of
yen/year**



1. Outlook of financial results for the fiscal year ending March 31, 2025: By segment

Fabricated products and others

The truck body business sees sales return to a recovery track throughout the year.
The panel system business expects smooth performance.



1. Outlook of financial results for the fiscal year ending March 31, 2025

Summary by segment

We expect operating profit to be 20.0 billion yen at the fiscal 2024 level, reflecting a recovery in the aluminum sheet and extrusions and the fabricated products and others, as well as performance maintained in the aluminum foil, powder, and paste businesses.

(Billions of yen)

	Net sales				Operating profit			
	Fiscal 2022 Results	Fiscal 2023 Forecasts at beginning of period	Fiscal 2023 Results	Fiscal 2024 Forecasts	Fiscal 2022 Results	Fiscal 2023 Forecasts at beginning of period	Fiscal 2023 Results	Fiscal 2024 Forecasts
Aluminum ingot and chemicals	156.0	160.0	150.5	160.0	10.2	10.5	10.8	11.0
Aluminum sheet and extrusions	107.4	105.0	97.5	117.0	-0.6	0.5	-0.6	1.0
Fabricated products and others	153.2	182.0	170.4	175.0	0.1	7.0	6.6	8.0
Aluminum foil, powder, and paste	100.4	103.0	105.3	108.0	1.5	3.0	5.6	5.0
Management, shared	—	—	—	—	-3.7	-4.0	-4.2	-4.0
Total	517.0	550.0	523.7	560.0	7.5	17.0	18.2	21.0

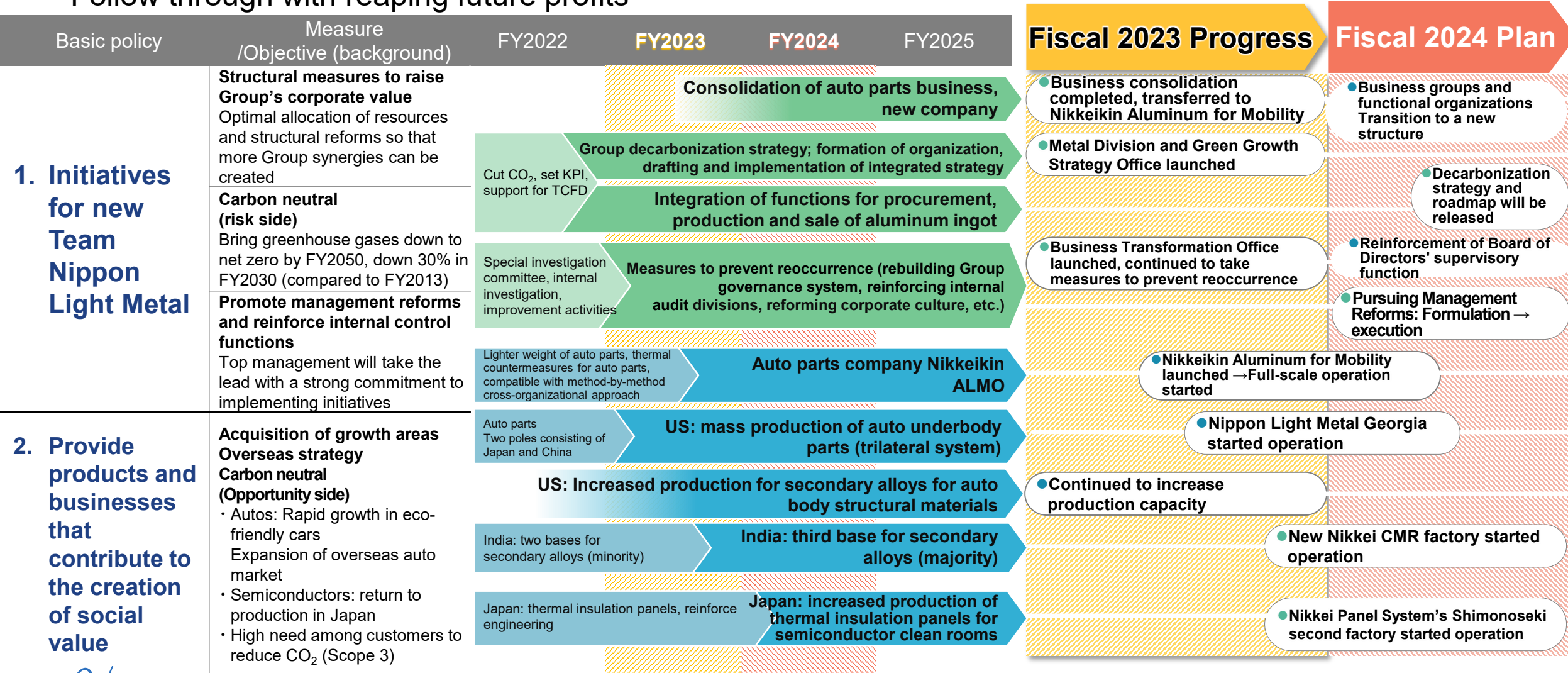
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- 2. Progress Overview of FY2023–2025 Medium-term Management Plan (2023 Medium-term Plan)**
3. Pursuing management reforms

2. Progress Overview of 2023 Medium-term Plan

Basic Policies and Measures: Fiscal 2024 Overview

Launched new structure / new factory / Nikkeikin ALMO and formulated “pursue management reforms” → Follow through with reaping future profits

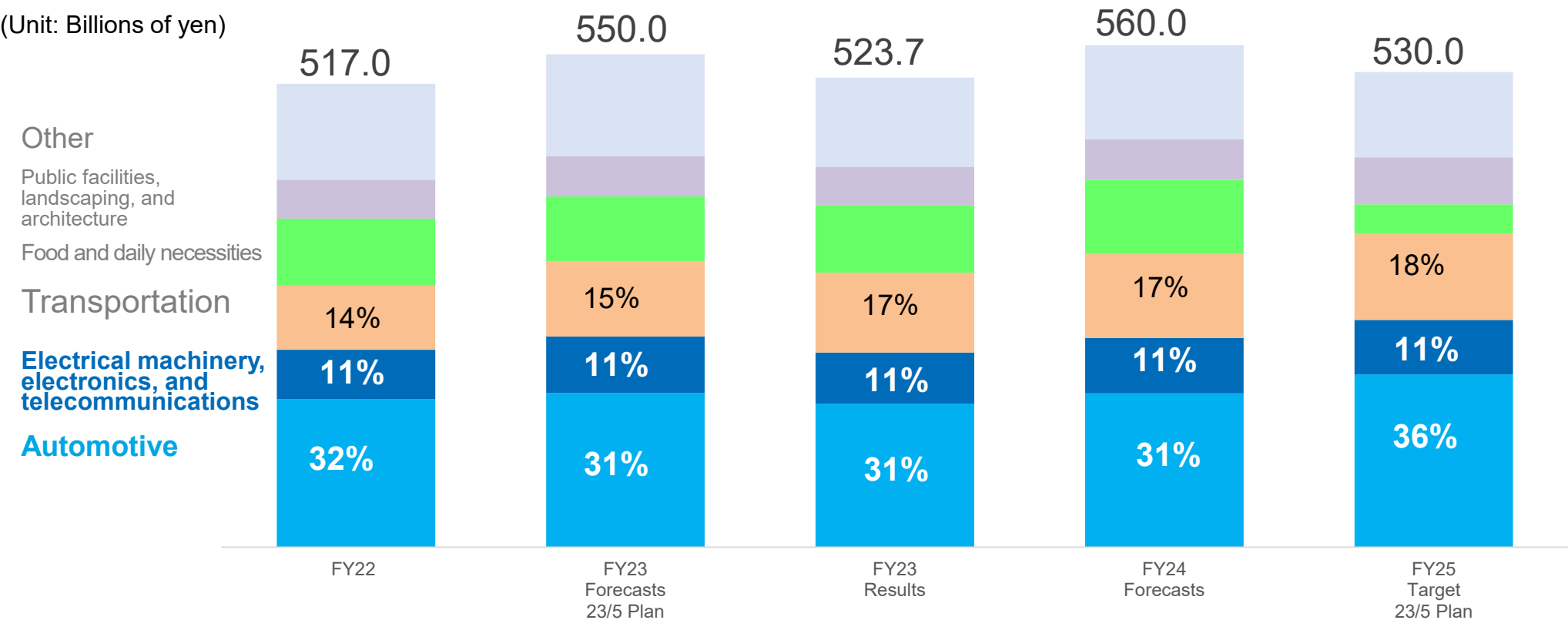


2. Progress Overview of 2023 Medium-term Plan

Sales by market domain

FY23 results and FY24 forecasts reflect the impact of slowing demand and the delayed recovery in demand for sales of automotive and semiconductor-related products (electrical machinery, electronics, and telecommunications).

Since the timing of the transfer of shares in Toyo Aluminium has not been set at this point, Toyo Aluminium's figures (the aluminum foil, powder, and paste segment) are factored into the forecasts up to FY24.



2. Progress Overview of the 2023 Medium-term Plan

Growth areas: Business and products

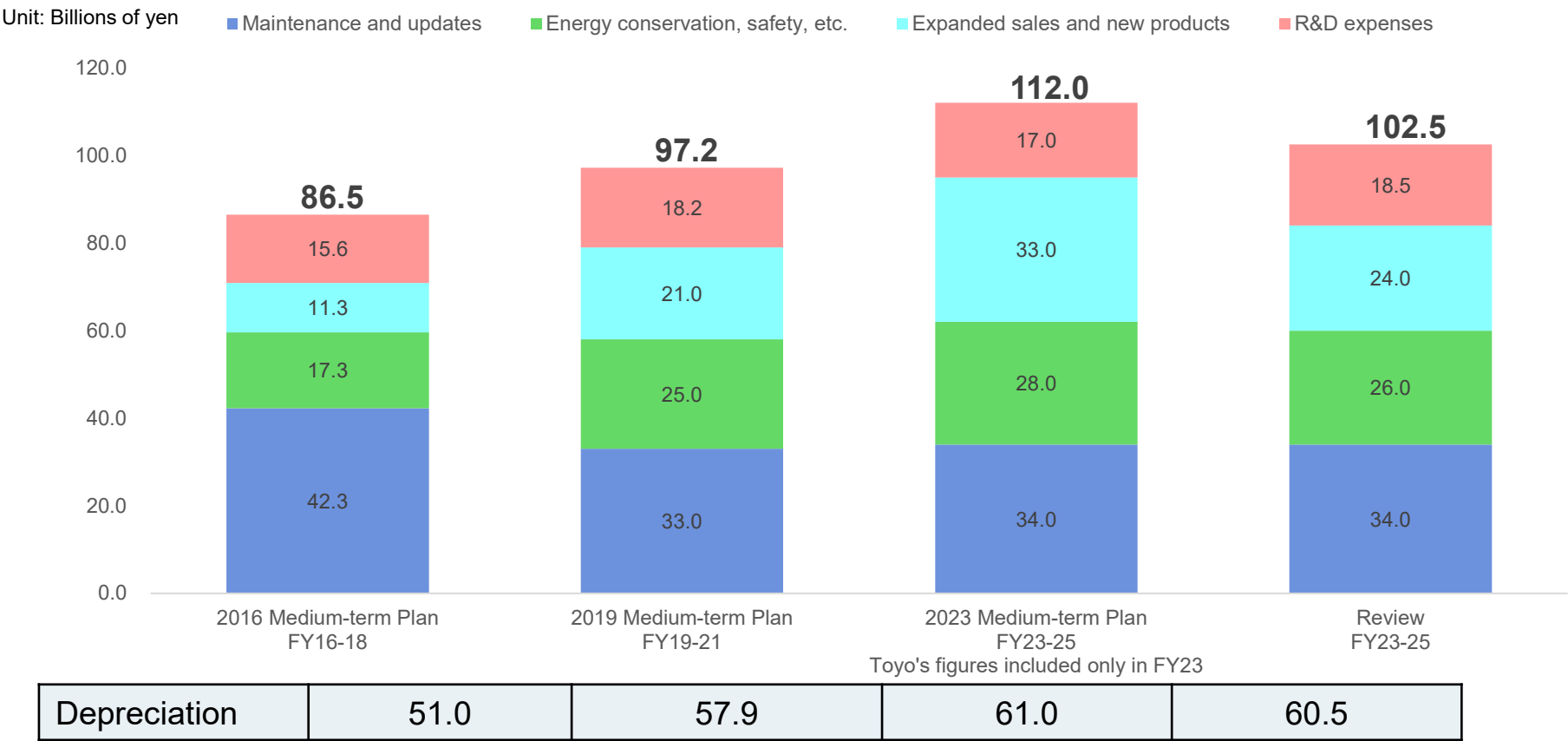
Automobile-related: Despite the overall growth trend, xEV heat dissipation-related products has grown moderately in FY24 after slowing in FY23.
Semiconductor-related: Although the clean room business is strong, the recovery took time due to continued sluggish demand related to manufacturing equipment.

Market domain	Business company and division	Growth business and products	Net Sales growth (%) Compared to FY22		
			FY23 FY23/5 Plan → Results	FY24 forecasts FY24/5	FY25 target FY23/5 plan
Automotive	Nippon Light Metal, chemicals	Fire-resistant heat-dissipating filler (for xEV, etc.)	46% increase → 11% decrease	8% increase	67% increase
	Nikkei MC Aluminum	US, secondary alloys for auto body structural materials	2% increase → 135% increase	120% increase	32% increase
	Nikkei MC Aluminum	India, third base for secondary alloys New company (operations to begin in FY24)	(total overseas sales of secondary alloys) 10% increase → 4% increase	16% increase	41% increase
	Nippon Light Metal, sheets	Sheet materials for auto battery cases, etc.	12% increase → 3% increase	27% increase	25% increase
	Nikkeikin ALMO	Consolidation of automotive parts business	14% increase → 9% increase	7% increase	54% increase
Electrical machinery, electronics, and tele-communications (semiconductor-related)	Nippon Light Metal, chemicals	Low-soda aluminum for semiconductor manufacturing equipment	58% increase → 24% decrease	13% decrease	99% increase
	Nippon Light Metal, sheets	Thick sheets and general materials for semiconductor manufacturing equipment and other	12% increase → 16% decrease	9% increase	33% increase
	Nikkei Panel System	Japan, thermal insulation panels for clean rooms	26% increase → 21% increase	35% increase	35% increase

2. Progress Overview of the 2023 Medium-term Plan

Capital investment and R&D expenses

Our aggressive approach for sales expansion and new product development remains unchanged, but we have revised the investment timelines in response to demand conditions.



Since the timing of the transfer of shares in Toyo Aluminium has not been set at this point, Toyo Aluminium's figures (in Aluminum foil, powder, and paste segment) are factored only into FY23 forecasts in 2023 Medium-term Plan, and into the FY23 and FY24 forecasts in this revision.

2. Progress Overview of the 2023 Medium-term Plan

Main capital investment into sales expansion and new products during period of 2023 Medium-term Plan

Automobile-related: Capital investments in Japan and the new factory in India are almost as planned, but we have revised the investment timelines in North America and China.

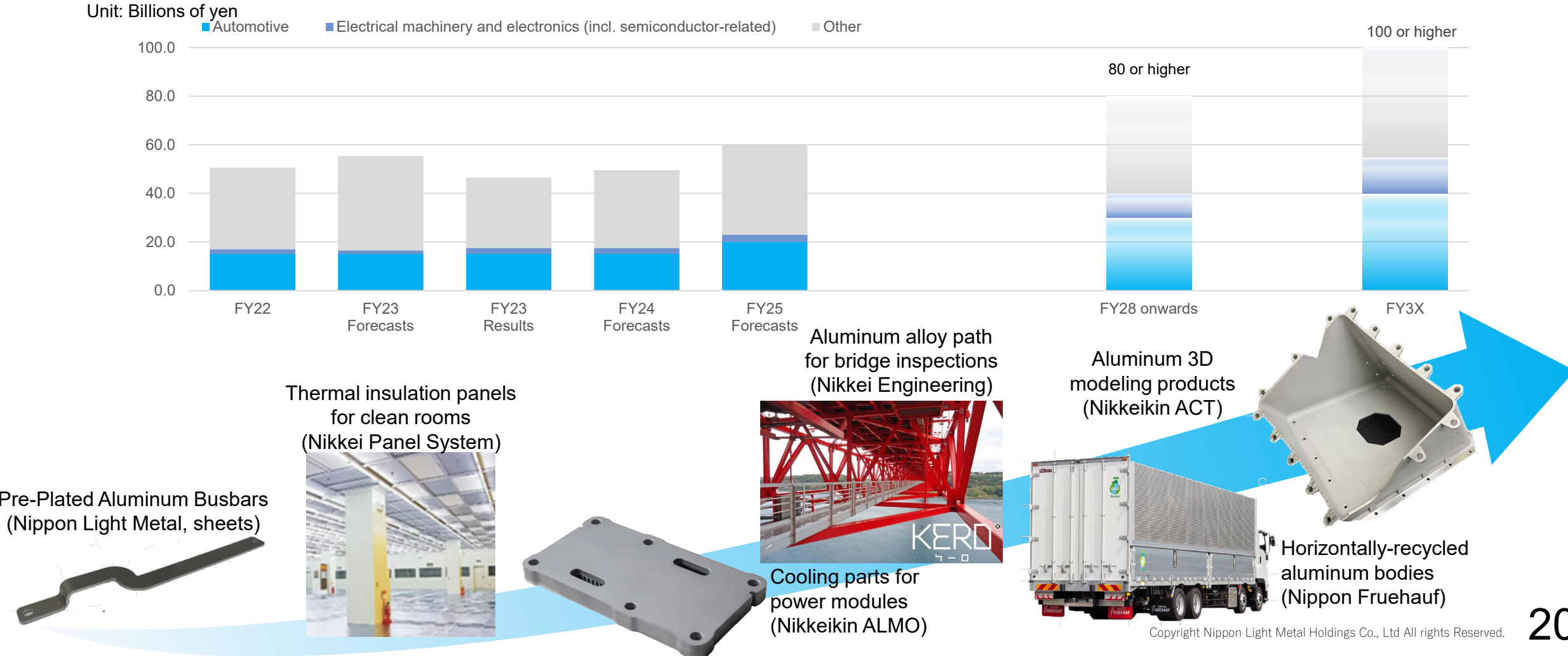
Semiconductor-related: Investments to increase panel production are in line with the plan, and the investment timeline for heat-dissipating alumina for manufacturing equipment has been revised.

Market area	Company	Case	Capital investment during 2023 Medium-term Plan (Billions of yen)	
			2023 Medium-term Plan (FY23/5)	FY24/5 revision
Automotive, electrical machinery, electronics, and telecommunications (semiconductor)	Nippon Light Metal, chemicals	New alumina products	1.0	Investment timeline revised
Automotive	Nikkei MC Aluminum	Third base in India	1.0	1.5
Automotive	Nikkeikin ALMO	New auto parts in Japan	3.5	4.6
Automotive	Nikkeikin ALMO	New auto products for thermal countermeasures in Japan	1.5	1.6
Automotive	Nikkeikin ALMO	North America auto parts factory (expanded)	3.5	Investment timeline revised
Automotive	Nikkeikin ALMO	China new auto parts	2.5	Investment timeline revised
Electrical machinery, electronics and telecommunications (semiconductor)	Nikkei Panel System	Increased production of non-fluoron thermal insulation panels in Japan	2.5	2.5

2. Progress Overview of the 2023 Medium-term Plan

Revenue from new product sales

Capturing growth areas other than those related to automobiles and semiconductors
Aiming to exceed 100 billion yen in net sales from new products in the fiscal 2030s



2. Progress Overview of the 2023 Medium-term Plan: Nikkeikin Aluminum for Mobility Company's Growth Strategy

Aims of establishing Nikkeikin ALMO



Providing ever-greater value to customers and realize a more robust business structure

Automotive industry trends

The automotive industry is shifting to EVs, backed by national environmental policies and other factors.

1. Increasing need to develop new manufacturing methods and parts with new functions and other elements, alongside the shift to EVs
2. Importance of parts suppliers capable of reducing environmental impact
3. Necessity of responding to all global regions
4. Importance of having a complete set of functions ranging from development and design to manufacturing



Nikkeikin ALMO launched to meet market and customer needs

Establish business foundation

- Centralization of information, faster decision-making

Establish competitive advantage

- Consolidation of scattered resources and flexible allocation

Expand business domains

- Ability to respond to global supply

Increase business value

- Establishment and popularization of Company's brand

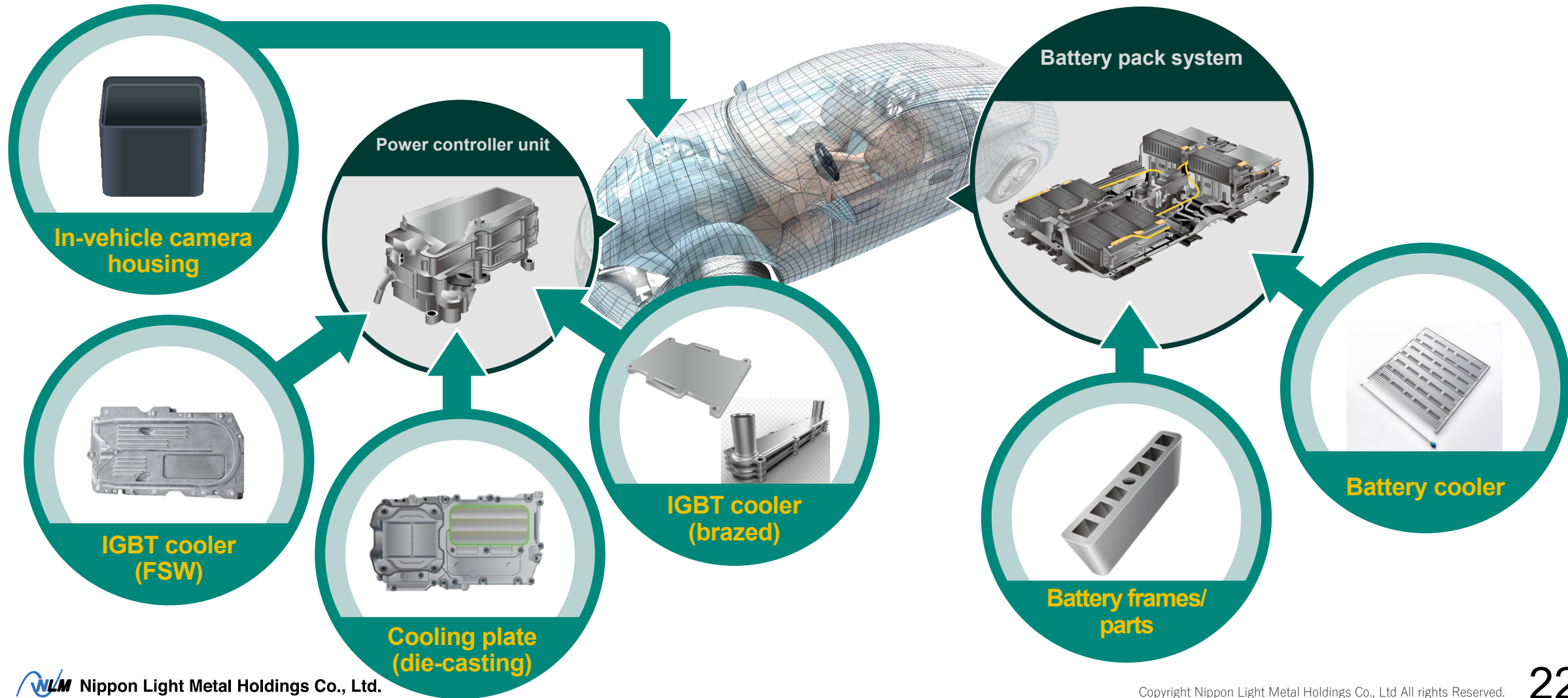
2. Progress Overview of the 2023 Medium-term Plan: Nikkeikin Aluminum for Mobility Company's Growth Strategy



**Nikkeikin
ALMO**
ALUMINUM for MOBILITY

Product strategy

We will increase business value by developing new products incorporating complex technologies.

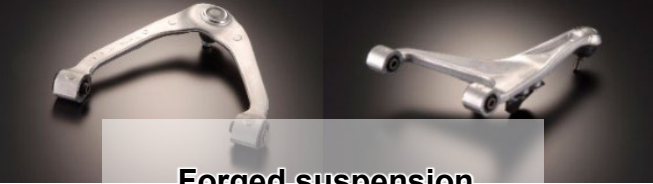
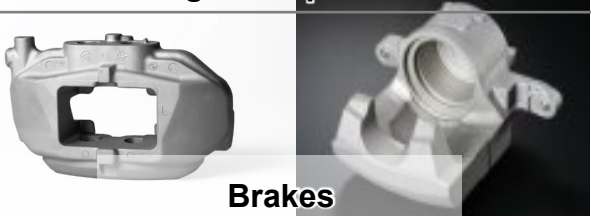




2. Progress Overview of the 2023 Medium-term Plan: Nikkeikin Aluminum for Mobility Company's Growth Strategy



Existing product line

Based on application results in engine and HV vehicles, the need for aluminum products with advantages in weight reduction and heat dissipation is increasing as measures for safety, electricity cost, and comfort accompanying progress in EVs and electrification.

Area	Example of main products	Changing needs due to the shift to EVs	Strengths
Suspension (underbody parts)	 Forged suspension	<ul style="list-style-type: none"> High-strength requirements due to increased vehicle weight Increasing inquiries from Japanese automakers 	<ul style="list-style-type: none"> Design + High-strength alloy + Manufacturing method + Processing technology
Brakes (underbody parts)	 Brakes	<ul style="list-style-type: none"> Enhanced performance due to increase in vehicle weight Designability (painting) Increase in control and electric systems Inquiry on cutting process 	<ul style="list-style-type: none"> Assurance of the internal quality of castings by TOMAQ® method Pipe casting Shell cores
Air conditioner	 Capacitors	<ul style="list-style-type: none"> Elimination of engine heat source and adoption of heat pump system (increased heat exchanger) Increased air-conditioning domain Long-term partners approached 	<ul style="list-style-type: none"> Boding technology Assembly technology
	 Forged scroll	<ul style="list-style-type: none"> All electric pressers for EVs designed to be scroll-type Increasing strength requirements and rising share of forged products 	<ul style="list-style-type: none"> Material + Method (Near-net shape by hydraulic forging)

2. Progress Overview of 2023 Medium-term Plan

Progress on Measures to Prevent Reoccurrence in the Group

Progress is on track (to be completed as planned, by the end of the 2023 Medium-term Plan period ending in March 2026).

Pursue management reforms

- (1) Rebuild Group's governance system**
— Strengthen Group affiliation
- (2) Rebuild relationships between the Company and Group companies**
- (3) Address management issues and risks within the Group**
- (4) Cross-sectoral response by sales, development, manufacturing, quality assurance, and other divisions**
- (5) Rebuild the quality assurance system
- (6) Constant verification
- (7) Reinforce supervision by Board of Directors**

See the following “Pursue management reforms”

Reinforce internal control functions

- (1) Build and administer effective internal control system under supervision of Board of Directors
- (2) Reforms of corporate culture**
- (3) Reinforce information reporting and affiliations
- (4) Promote activities to strengthen compliance**
- (5) Reinforce internal audit division
- (6) Reforms to internal reporting system
- (7) Utilize external resources

For reference, click here for an overview of progress on the measures to prevent reoccurrence in the Group.

<https://www.nikkeikinholdings.co.jp/company/quality-control.html>

2. Progress Overview of the 2023 Medium-term Plan:

Progress on Measures to Prevent Reoccurrence in the Group

Becoming a responsible corporate group by bringing together directors and employees to create an open corporate climate as the new Team Nippon Light Metal

Reforms of corporate culture

- ◆ Conducted dialogue between management and employees (to be continued)
Site Manager Meeting
Held 22 meetings, attended by a total of 3,637 site managers
Workplace Tour
Held 86 times, attended by 1,542 employees
- ◆ Compliance Meetings attended by all employees (to be continued)
Theme: “Behavioral and Workplace Changes”

Promote activities to strengthen compliance

- ◆ Quality Day (every March 29)
Recognizing once again the importance of quality
Key topic: “Workplace discussions through case studies - What would you do?”
Held at 619 sites, attended by 7,024 employees
- ◆ Strengthening the quality of compliance training
Held a seminar on “Violations and Compliance”
Attended by 1,783 directors and employees

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- 3. Pursue management reforms**

3. Pursue management reforms

Formulation of the management reform framework

Top management will take the lead with a strong commitment to implementing initiatives toward a new Team Nippon Light Metal.

March 2023

Company report on inappropriate behavior to quality standards

Pursue management reforms

- (1) Rebuild Group's governance system
 - Strengthen Group affiliation
- (2) Rebuild relationships between the Company and Group companies
- (3) Address management issues and risks within the Group
- (4) Cross-sectoral response by sales, development, manufacturing, quality assurance, and other divisions
- (5) Rebuild the quality assurance system
- (6) Constant verification
- (7) Reinforce supervision by Board of Directors

May 2023

2023 Medium-term Plan

Basic policies

- 1. Initiatives for new Team Nippon Light Metal
 - Structural reforms to raise Group's corporate value
 - Response to carbon neutrality
 - Promote management reforms and reinforce internal control functions
- 2. 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 Group affiliation systems to solve social issues

May 2024 **Management reform framework**

Reinforce the supervisory function of the Board of Directors



Grouping of businesses and functional organizations



3. Pursue management reforms

Issues for NLM Group

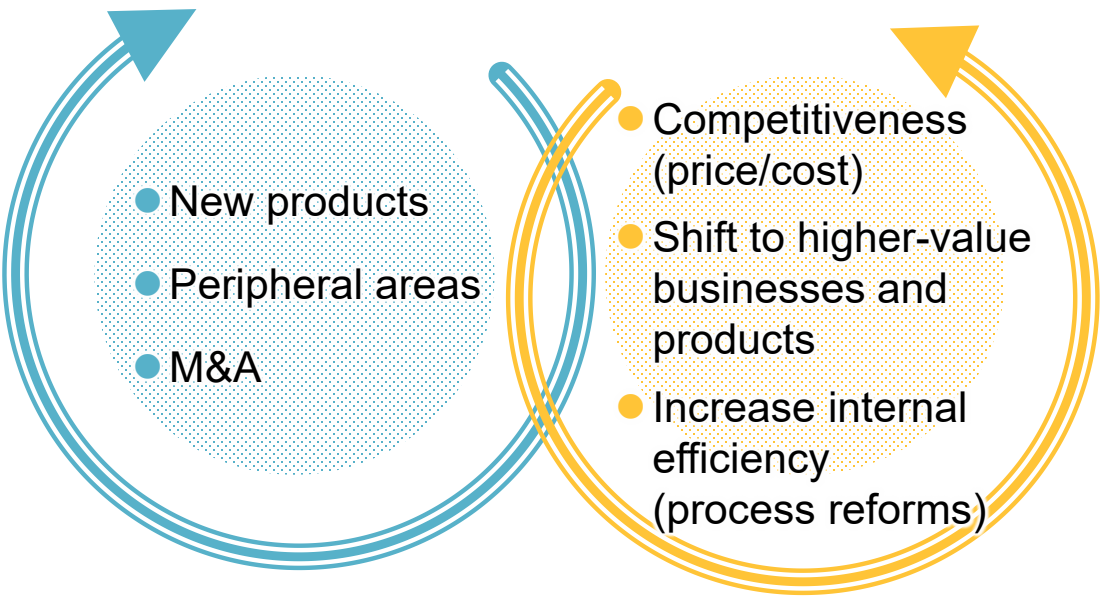
Further enhancing corporate value in both financial and non-financial terms

Financial corporate value

Increase profitability

Increase net sales

Raise earnings rates



Non-financial corporate value

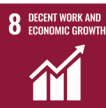
Strengthen sustainability and competitiveness

Key issues for the Group (Materiality)

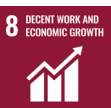
Protecting the global environment



Providing sustainable value



Happiness of employees



Responsible procurement, production, and supply



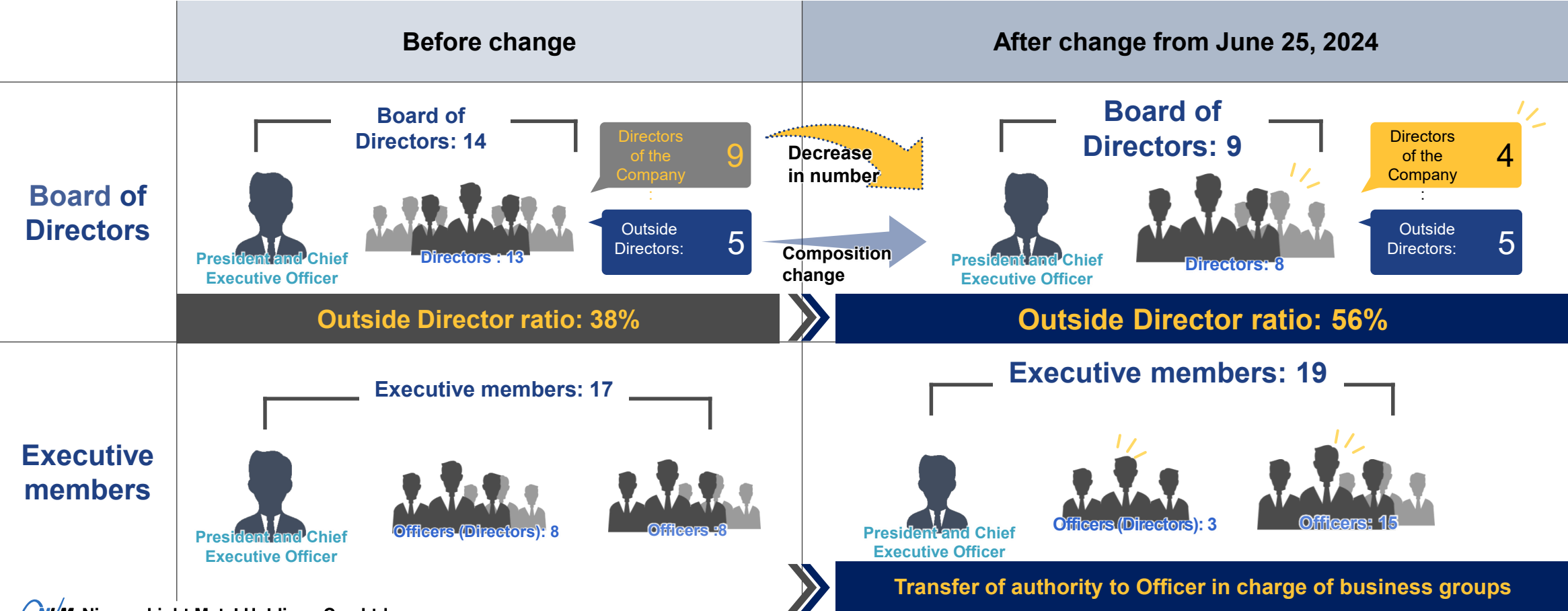
Corporate ethics and governance



3. Pursue management reforms

Reinforcement of the Board of Directors' supervisory function

- The Board of Directors will exclusively perform their supervisory duties, primarily in formulating Group strategies to maximize corporate value.
 - Outside Directors will account for more than 50% of the total number of directors, and directors will no longer hold concurrent positions with Officers in charge of business groups.
- ➔ We will strengthen and accelerate strategic decision-making.



3. Pursue management reforms

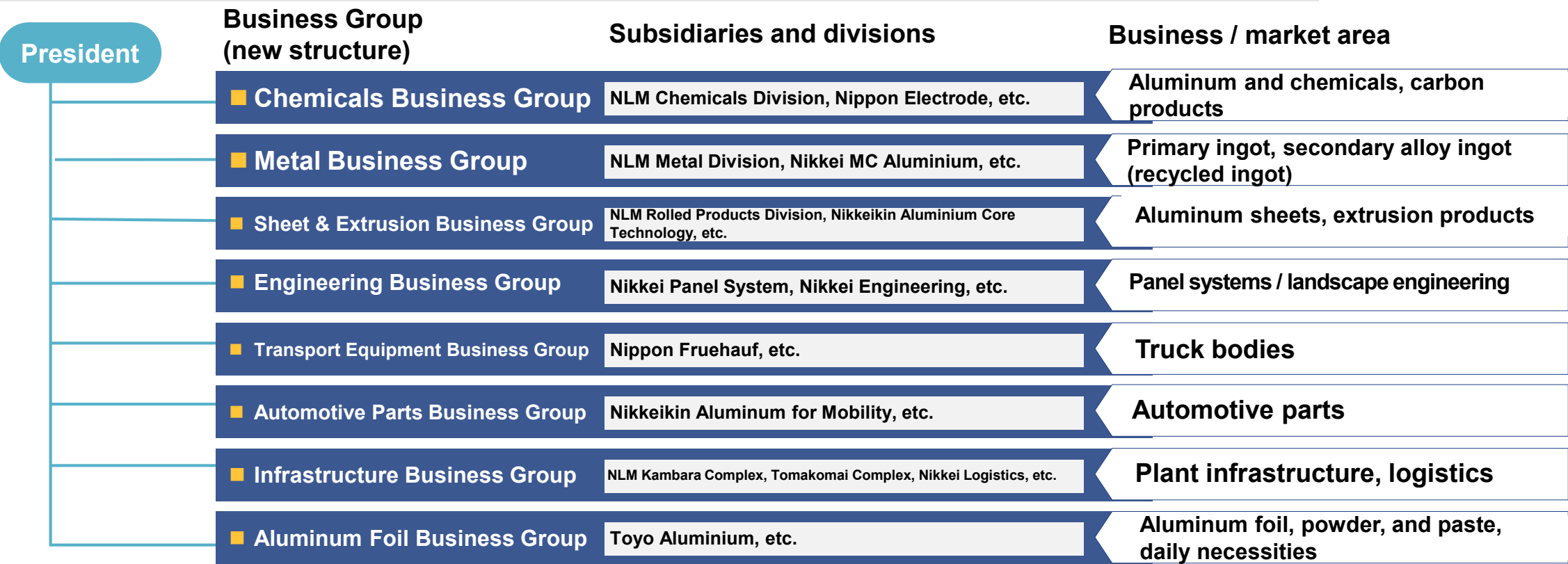
Grouping of businesses and functional organizations

Toward an organizational structure that enables collaboration across the Group companies, by breaking away from “decentralized governance,” an issue in the Group’s organizational structure

Grouping of businesses (Group companies) and functions closely related to market areas and processes

Business Group

Officer of the Company shall fulfill its duties as the Head of Business Group to **maximize profitability and business value of the business group** on the premise of **maximizing corporate value** of the Group



3. Pursue management reforms

Grouping of businesses and functional organizations

Toward an organizational structure that enables collaboration across the Group companies, by breaking away from “decentralized governance,” an issue in the Group’s organizational structure

Grouping of businesses (Group companies) and functions closely related to market areas and processes

Functional organizations

Toward a **structure that enables us to pursue new business and product development comprehensively**, in addition to strengthening **governance, quality, and safety**, as well as **sustainability and carbon neutrality** that helps to create societal value



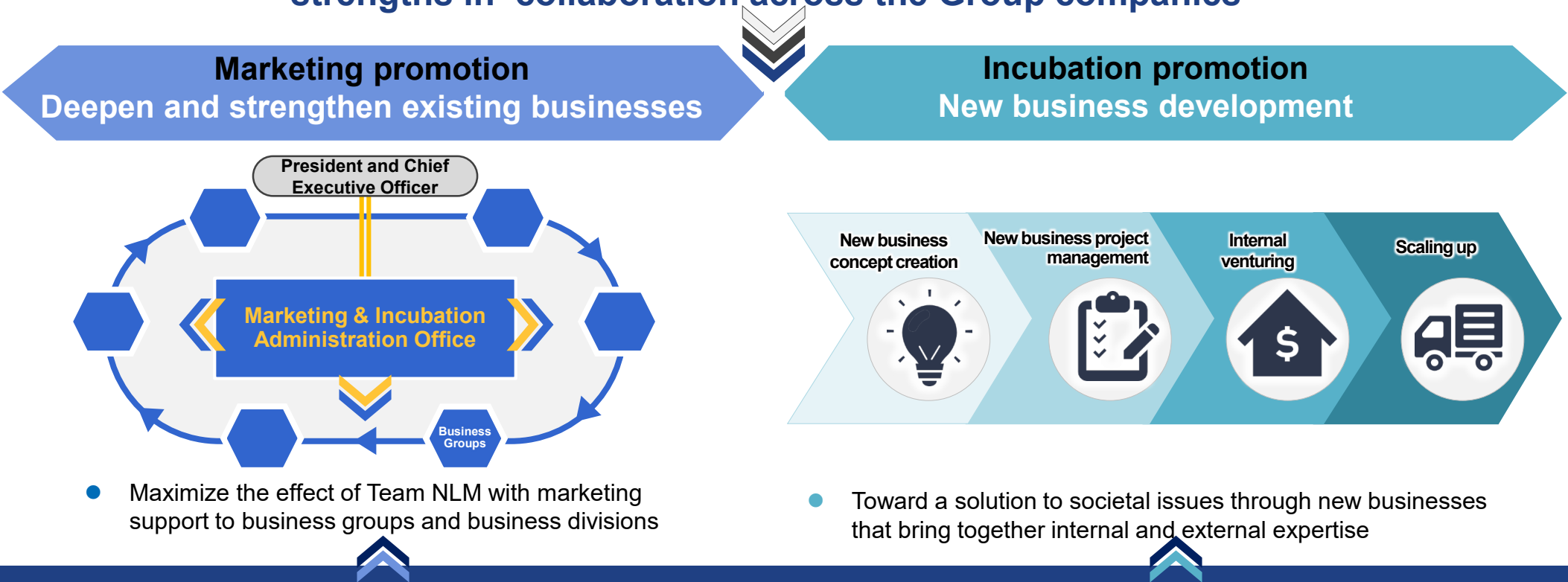
4. Pursue management reforms

Establishment of the Marketing & Incubation Administration Office

Toward ambidextrous management by developing (marketing) new products in existing businesses and creating (incubating) new businesses that lay the foundation for the future.

Strengthen driving force of the Group as a whole

Create new value for customers by thoroughly exploring the strengths in collaboration across the Group companies



Innovation (external co-creation: M&A, CVC)

Progress Overview of the 2023 Medium-term Plan

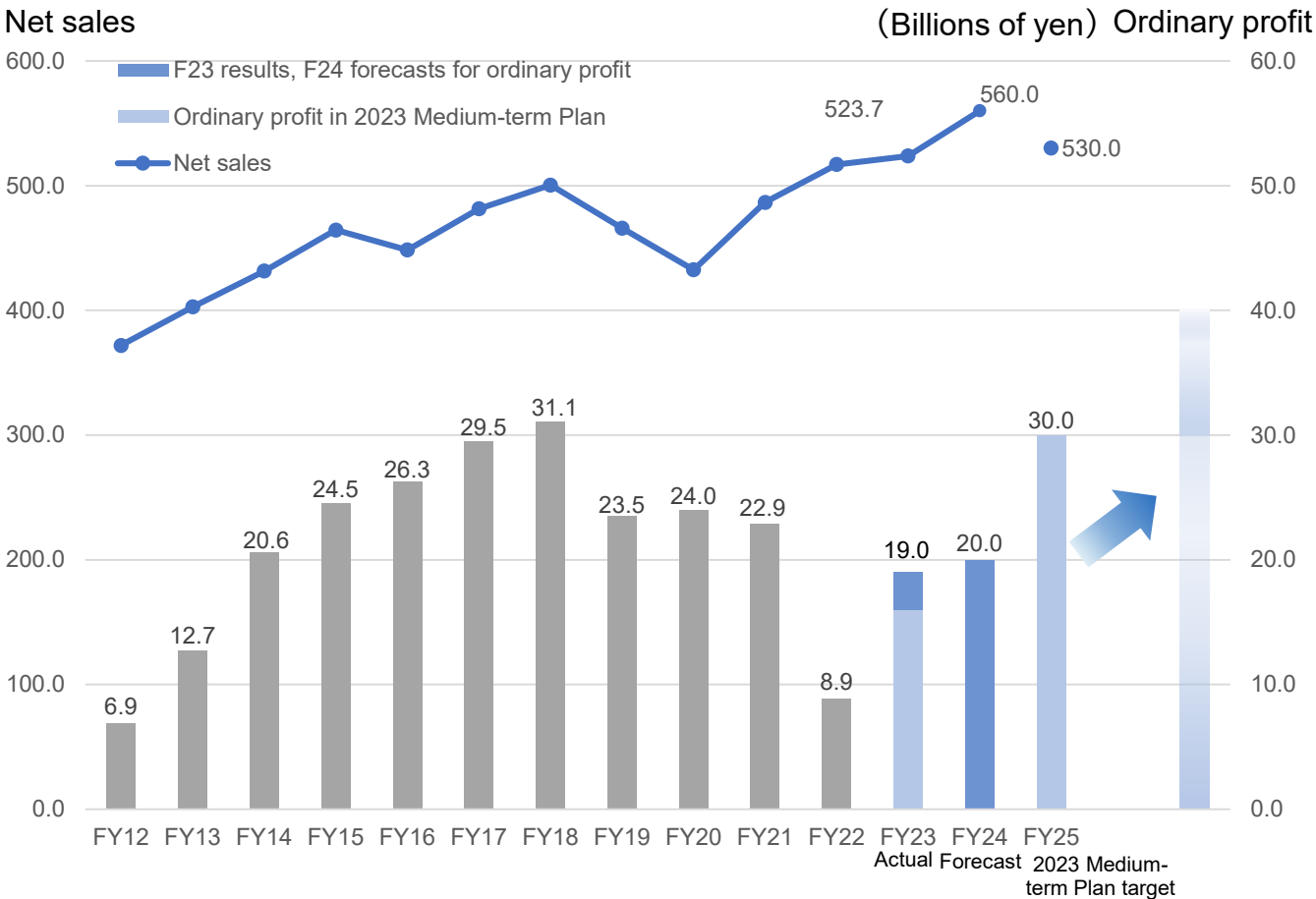
Working to Achieve Financial Targets

Strategy of ‘2023 Medium-term Plan’ + Execution of ‘Pursue Management Reforms’
We have established the new team NLM’s revenue base, and will not let down the flag of 30 billion yen in ordinary profit.

(Billions of yen)

	FY23 Forecast	FY23 Actual	FY24 Forecast	2023 Medium- term Plan target FY25
Net sales	550.0	523.7	560.0	530.0
Operating profit	17.0	18.2	21.0	30.0
Ordinary profit	16.0	19.0	20.0	30.0
Profit	7.5	9.0	13.0	20.0
Annual dividends	50 yen	50 yen	70 yen	100 yen
ROCE	5.2%	6.0%	6.3%	10.3%
Total dividend payout ratio	41.3%	34.4%	33.4%	31.0%

Since the timing of the transfer of shares in Toyo Aluminium has not been set at this point, Toyo Aluminum’s figures (the aluminum foil, powder, and paste segment) are factored into the forecasts up to FY24.

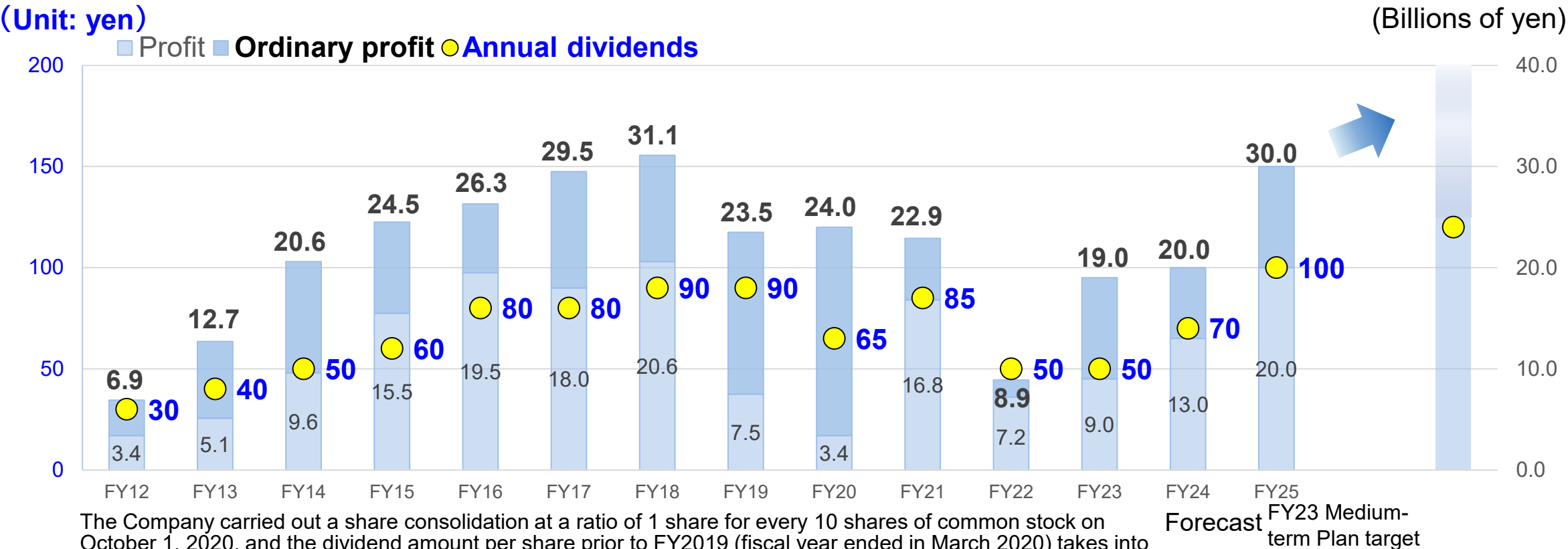


Progress Overview of the 2023 Medium-term Plan

Shareholder returns

Shareholder returns based on stable dividends

Our policy is to 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 (30% or higher of total dividend payout ratio).

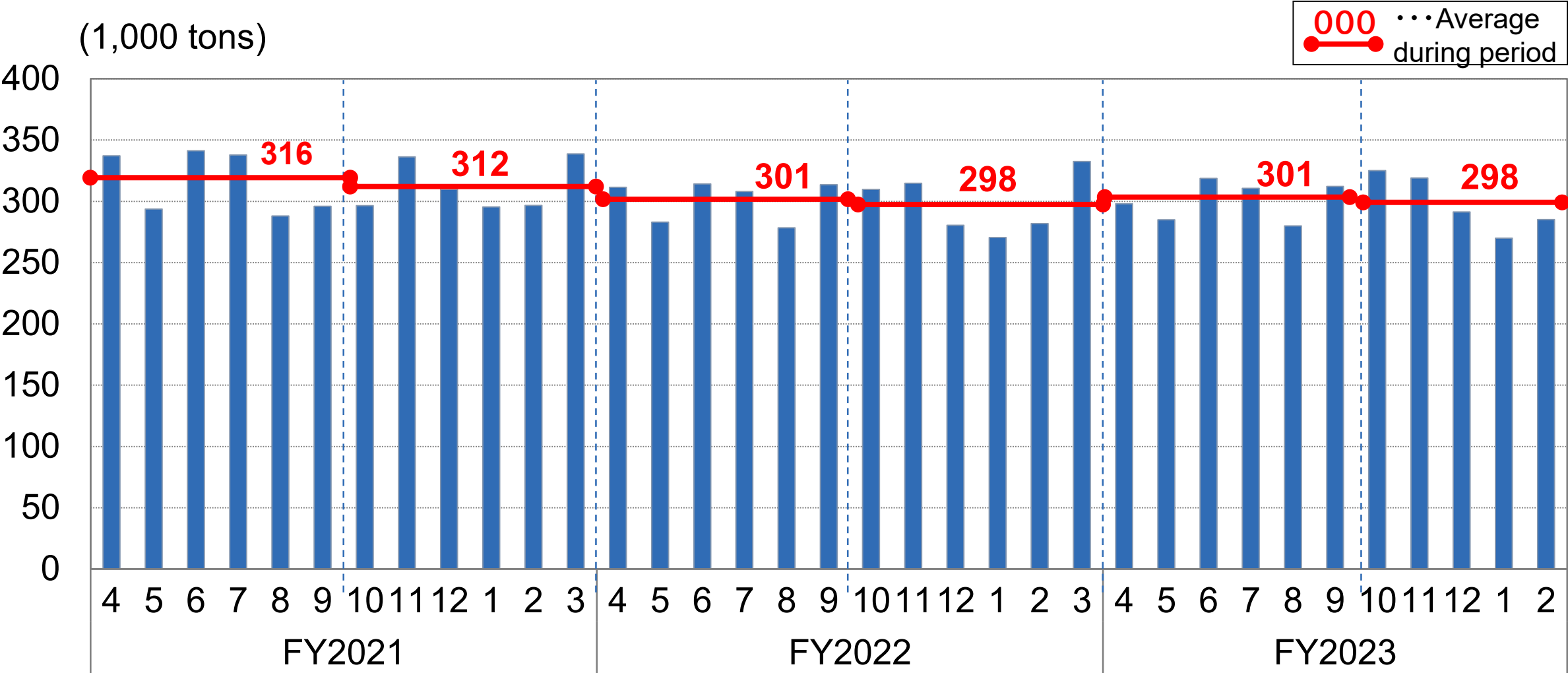




Team NLM – Groundbreaking Innovator of Aluminum and Beyond

Supplemental materials

Trends in overall demand for aluminum products in Japan



Supplemental materials

Elements and sensitivity

	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Forecasts	Sensitivity to ordinary profit
Aluminum ingot (yen/kg)	408	389	380	Assuming a 10 yen/kg increase -0.5 billion yen/year
Exchange rates (yen/USD)	135	145	140	Assuming 10 yen appreciation -0.5 billion yen/year
Dubai crude (USD/BBL)	93	82	95	Assuming a USD10/BBL increase -0.8 billion yen/year

Supplemental materials

Financial results for the fiscal year ended March 31, 2024 – compared with the same period in previous fiscal year

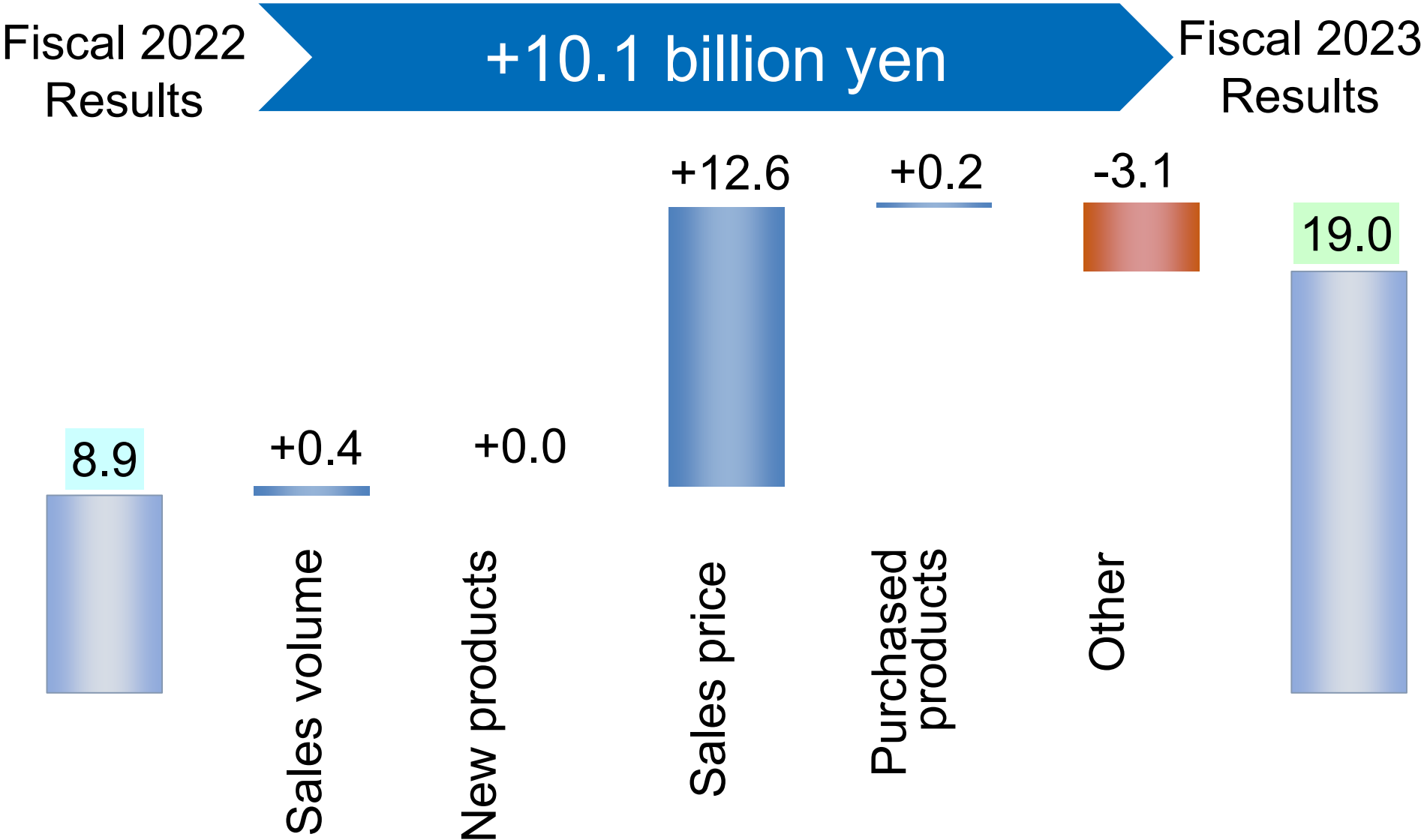
(Billions of yen)

	Fiscal 2022 Results	Fiscal 2023 Results	Change
Net sales	517.0	523.7	+6.7 (+1.3%)
Operating profit	7.5	18.2	+10.7 (+141.3%)
Ordinary profit	8.9	19.0	+10.1 (+114.8%)
Profit attributable to owners of parent	7.2	9.0	+1.8 (+25.5%)
ROCE	3.2%	6.0%	+2.8p
Dividends per share	50 yen	50 yen	±0

Supplemental materials

Financial results for the fiscal year ended March 31, 2024

Factors behind changes in ordinary profit – compared with the same period in previous fiscal year



Supplemental materials

Financial results for the fiscal year ended March 31, 2024

Segment information – compared with the same period in previous fiscal year

(Billions of yen)

	Net sales			Operating profit		
	Fiscal 2022 Results	Fiscal 2023 Results	Change	Fiscal 2022 Results	Fiscal 2023 Results	Change
Aluminum ingot and chemicals	156.0	150.5	-5.5 (-3.5%)	10.2	10.8	+0.6 (+5.5%)
Aluminum sheet and extrusions	107.4	97.5	-9.9 (-9.2%)	-0.6	-0.6	±0 (—)
Fabricated products and others	153.2	170.4	+17.2 (+11.3%)	0.1	6.6	+6.5 (—)
Aluminum foil, powder, and paste	100.4	105.3	+4.9 (+4.9%)	1.5	5.6	+4.1 (+271.1%)
Management, shared	—	—	—	-3.7	-4.2	-0.5
Total	517.0	523.7	+6.7 (+1.3%)	7.5	18.2	+10.7 (+ 141.3%)

Financial results of key companies

(Billions of yen)

	Fiscal 2022 Results			Fiscal 2023 Results		
	Net sales	Operating profit	Ordinary profit	Net sales	Operating profit	Ordinary profit
Nippon Light Metal (Non-consolidated)*	155.3	2.9	7.2	141.5	3.2	6.7
Toyo Aluminium (Consolidated)	100.8	0.9	2.5	105.6	5.5	6.1
Nikkei MC Aluminum (Consolidated)	103.8	2.3	2.8	99.9	2.4	3.0
Nippon Fruehauf (Consolidated)	54.4	-5.4	-5.4	67.5	-1.0	-1.1
Nikkeikin Aluminium Core Technology (Consolidated)*	52.7	-1.3	-0.9	42.3	0	0.1
Nikkei Panel System (Consolidated)	30.9	4.1	4.1	32.9	4.7	4.8
Nikkeikin ALMO(for second half only*)	—	—	—	16.1	-0.7	-0.8

* The industrial parts and heat exchanger businesses of Nippon Light Metal and the automotive-related business of Nikkeikin Aluminium Core Technology were transferred to Nikkeikin ALMO from FY2023 Q3.

Supplemental materials

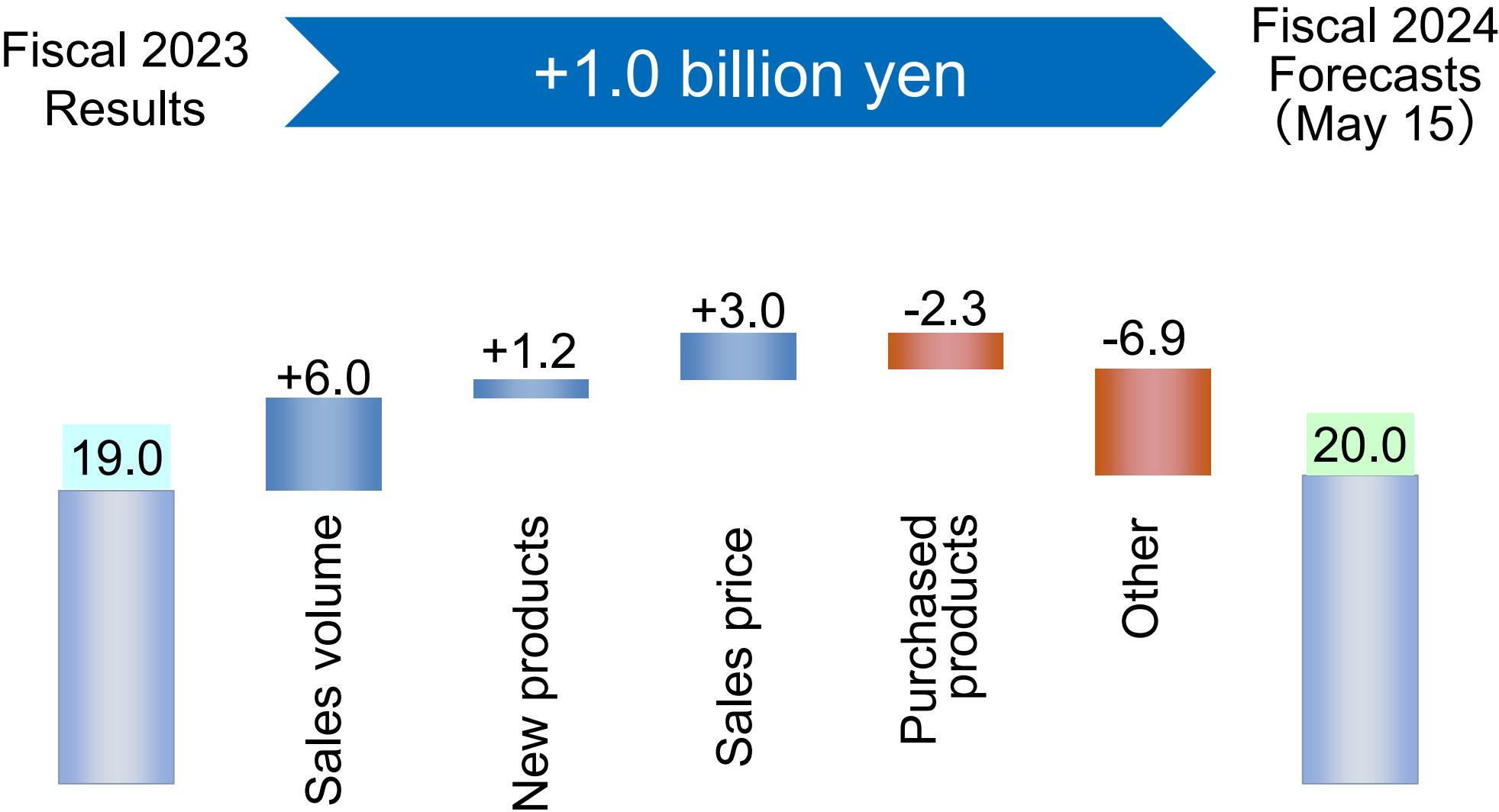
Full-year financial results forecasts and dividend forecasts for the fiscal year ending March 31, 2025

(Billions of yen)

	Fiscal 2023 Results	Fiscal 2024 Forecasts (May 15)	Change
Net sales	523.7	560.0	+36.3 (+6.9%)
Operating profit	18.2	21.0	+2.8 (+15.5%)
Ordinary profit	19.0	20.0	+1.0 (+5.1%)
Profit attributable to owners of parent	9.0	13.0	+4.0 (+43.9%)
ROCE	6.0%	6.3%	+0.2p
Dividends per share	50 yen	70 yen	+20 yen

Supplemental materials

Factors behind changes in ordinary profit for the fiscal year ending March 31, 2025 – compared with the same period in previous fiscal year



Segment information – compared with the previous year

(Billions of yen)

	Net sales			Operating profit		
	Fiscal 2023 Results	Fiscal 2024 Forecasts	Change	Fiscal 2023 Results	Fiscal 2024 Forecasts	Change
Aluminum ingot and chemicals	150.5	160.0	+9.5 (+6.3%)	10.8	11.0	+0.2 (+2.2%)
Aluminum sheet and extrusions	97.5	117.0	+19.5 (+20.0%)	-0.6	1.0	+1.6 (—)
Fabricated products and others	170.4	175.0	+4.6 (+2.7%)	6.6	8.0	+1.4 (+21.9%)
Aluminum foil, powder, and paste	105.3	108.0	+2.7 (+2.6%)	5.6	5.0	-0.6 (-11.3%)
Management, shared	—	—	—	-4.2	-4.0	+0.2
Total	523.7	560.0	+36.3 (+6.9%)	18.2	21.0	+2.8 (+15.5%)

Financial results of key companies

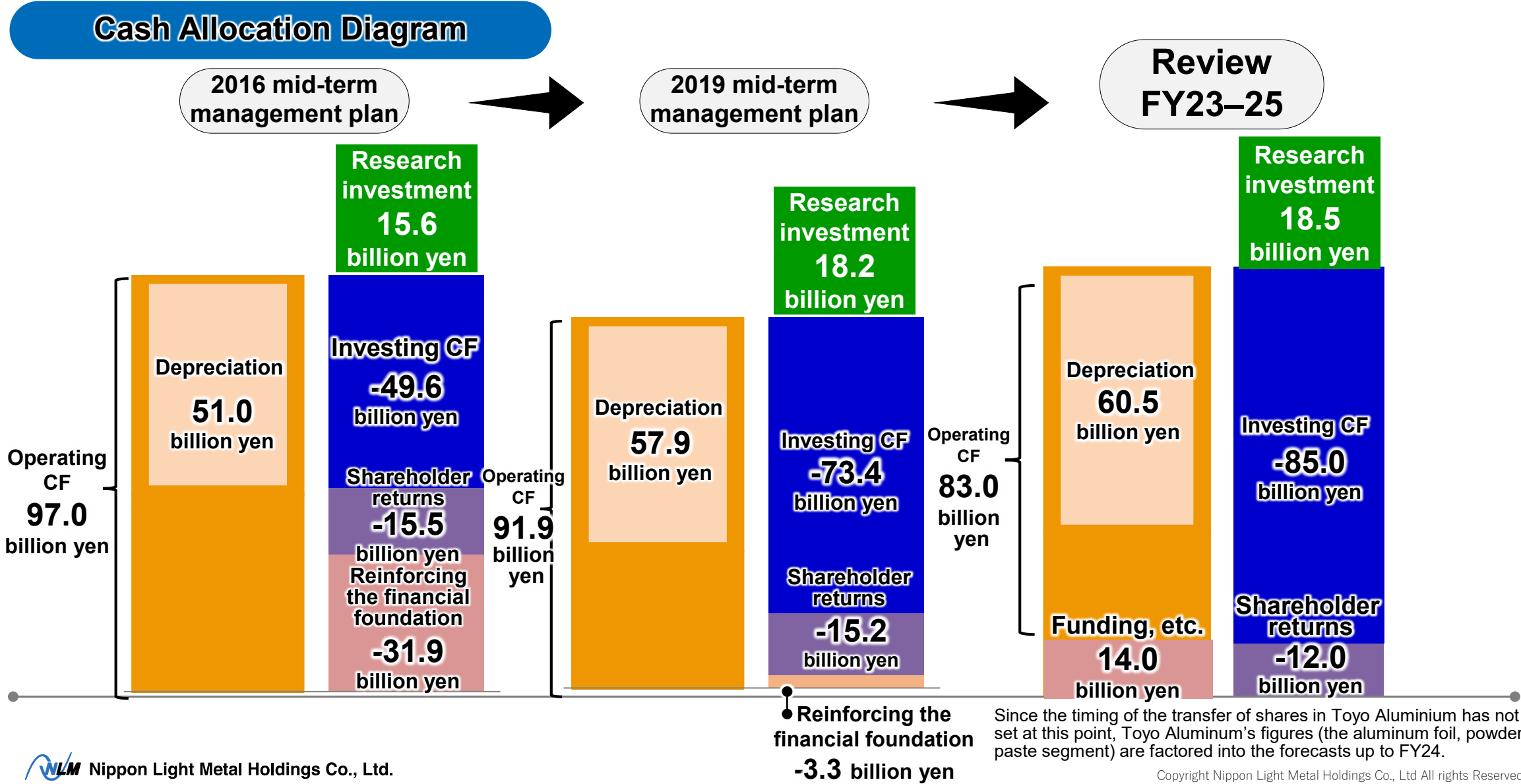
(Billions of yen)

	Fiscal 2023 Results			Fiscal 2024 Forecasts		
	Net sales	Operating profit	Ordinary profit	Net sales	Operating profit	Ordinary profit
Nippon Light Metal (Non-consolidated)*	141.5	3.2	6.7	144.7	3.3	6.3
Toyo Aluminium (Consolidated)	105.6	5.5	6.1	107.0	4.9	4.8
Nikkei MC Aluminum (Consolidated)	99.9	2.4	3.0	106.8	2.7	3.1
Nippon Fruehauf (Consolidated)	67.5	-1.0	-1.1	71.7	1.0	1.0
Nikkeikin Aluminium Core Technology (Consolidated)*	42.3	0	0.1	33.7	1.1	1.1
Nikkei Panel System (Consolidated)	32.9	4.7	4.8	35.0	4.3	4.4
Nikkeikin ALMO*	16.1	-0.7	-0.8	32.1	-1.1	-1.5

* The industrial parts and heat exchanger businesses of Nippon Light Metal and the automotive-related business of Nikkeikin Aluminium Core Technology were transferred to Nikkeikin ALMO from the second half of FY2023.

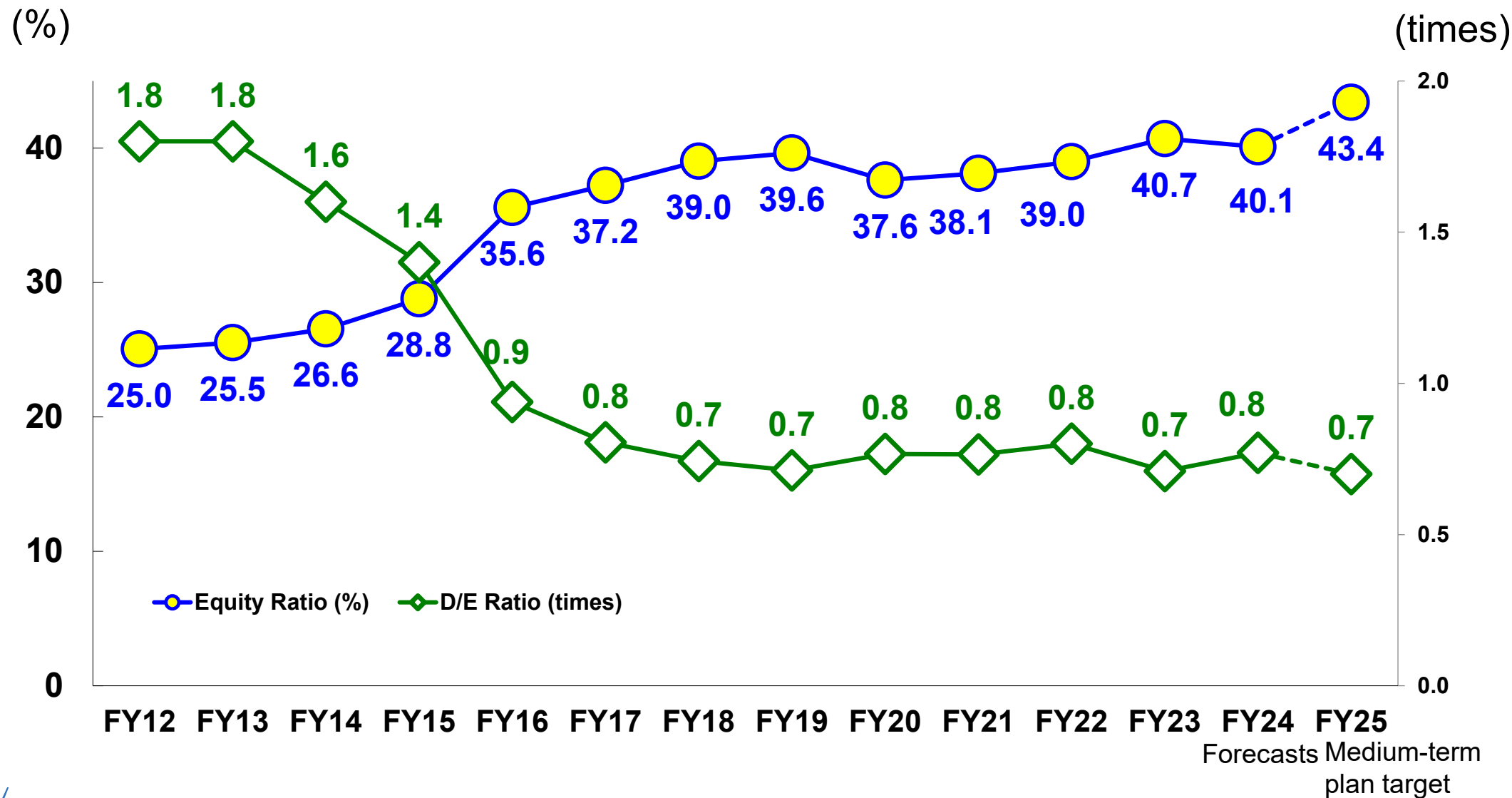
Supplemental materials

Cash Allocation



Supplemental materials

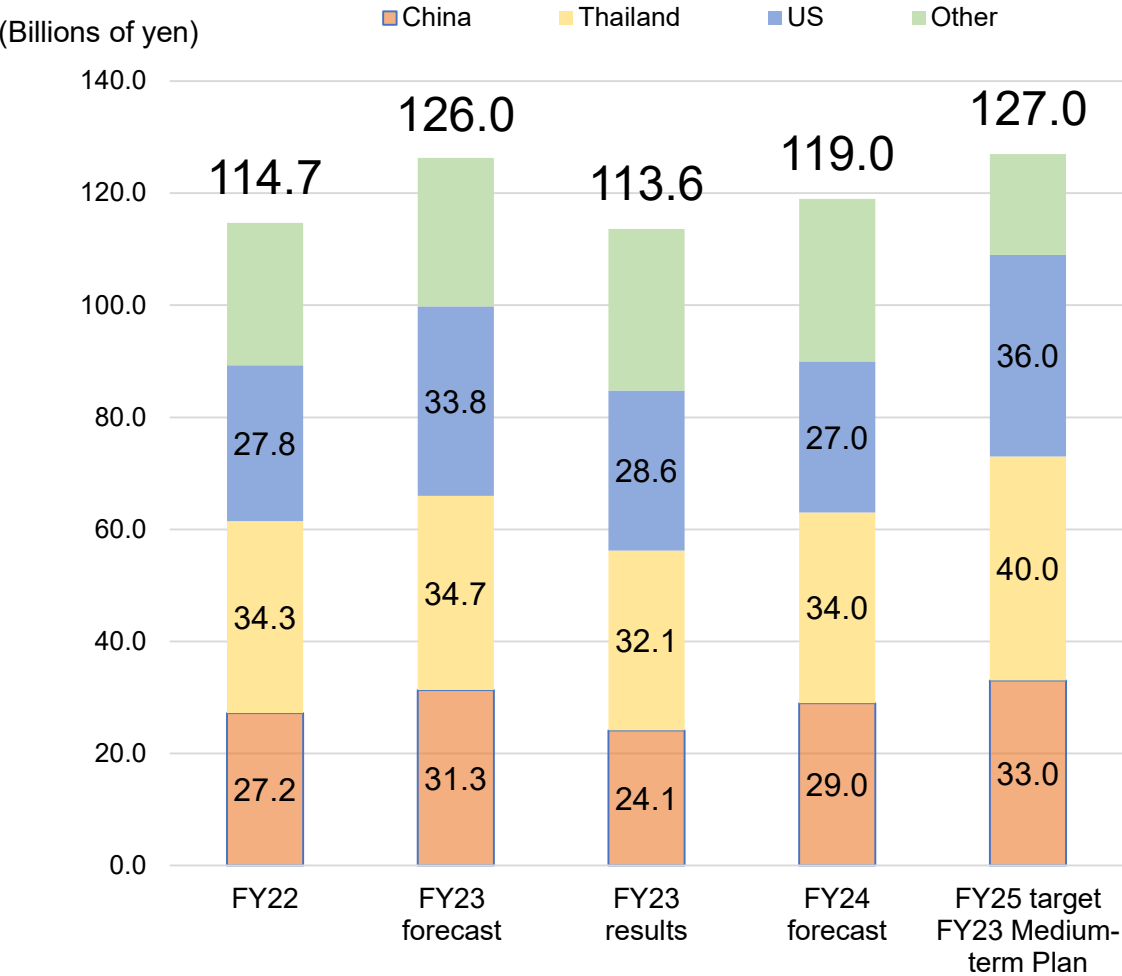
Equity Ratio and D/E Ratio



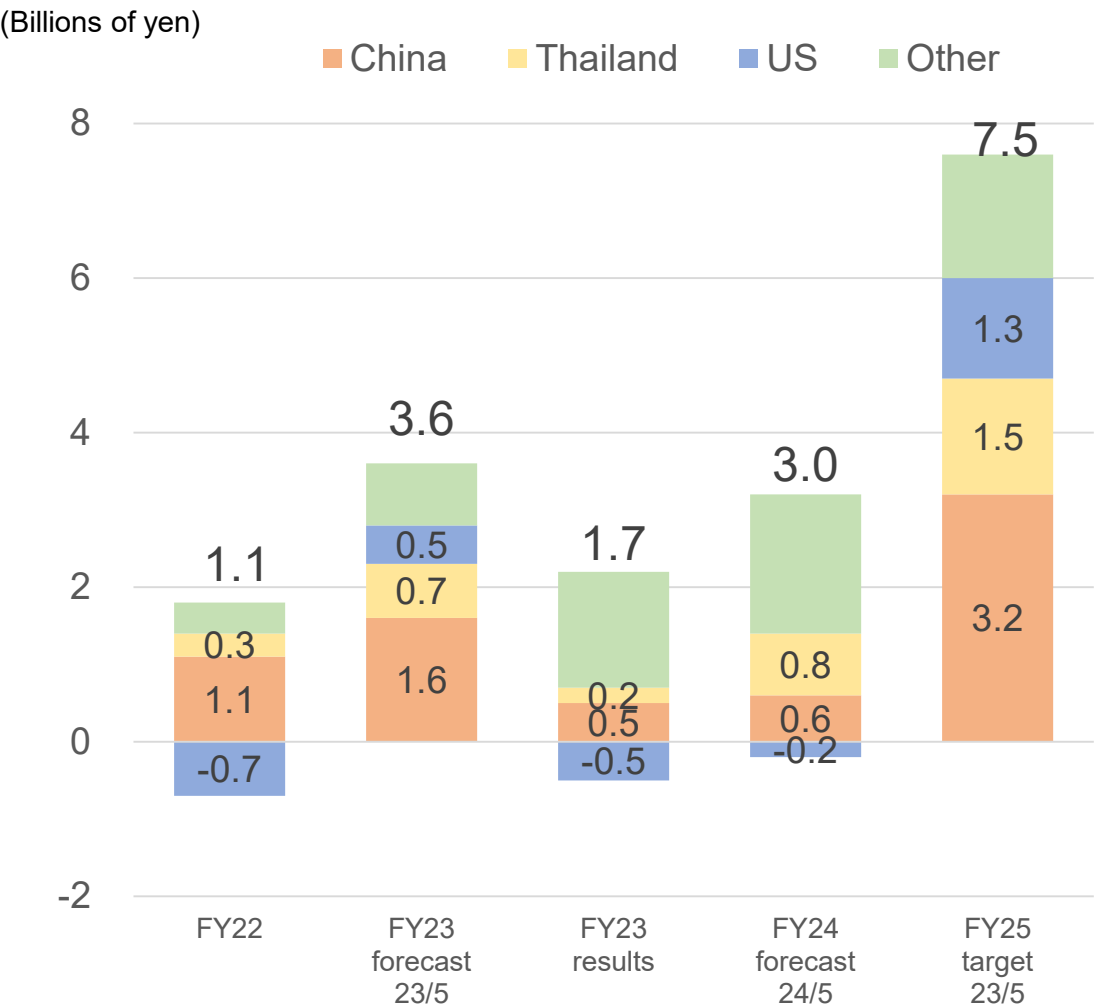
Supplemental materials

Overseas sales and operating profit

Overseas sales



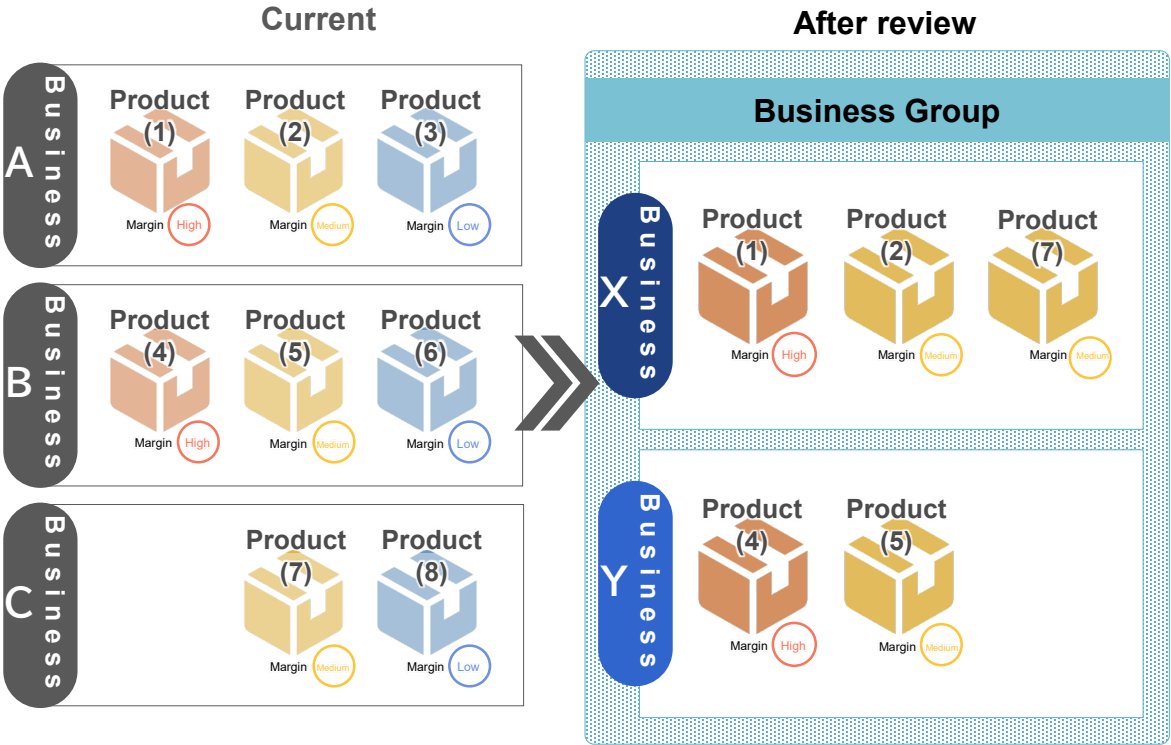
Overseas operating profit



What we can do by grouping businesses and functional organizations

Remove the resource constraints associated with individual efforts by business (Group company)

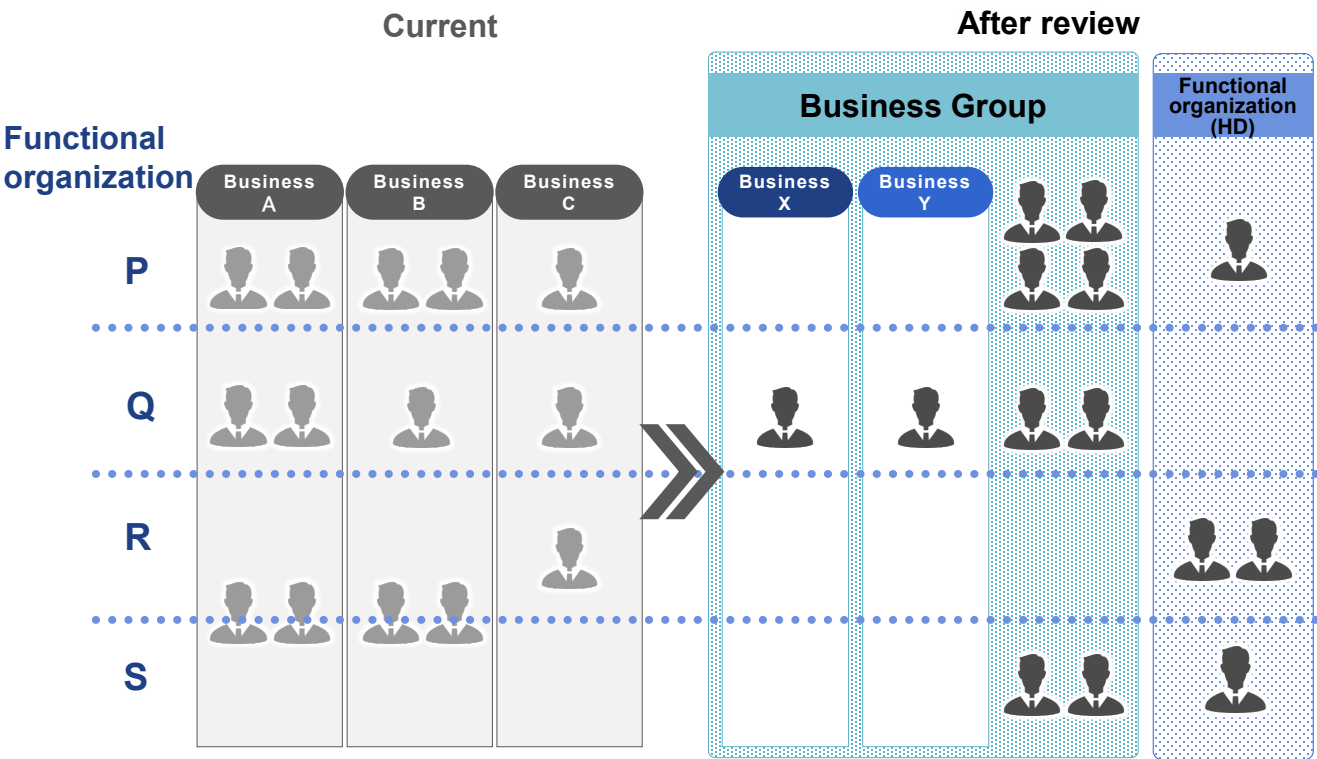
Flexible business and product portfolios



Business Group

Ability to shift to high value-added products in areas with higher growth potential

Resilient allocation of human resources (human capital)



Streamline efforts to improve operational efficiency (DX, automation), accelerate the creation of new products and businesses

Functional organization

Notes on this document

1. This document is intended to provide information on future management strategies, and not to solicit the purchase or sale of the marketable securities issued by the Company.
2. The forward-looking statements, including future trends and earnings estimates, are not historical facts and involve risks and uncertainties, and therefore do not guarantee future performance. Actual financial results may differ materially from the estimates due to various factors, including unpredictable changes in economic conditions. Significant factors that may affect actual financial results include but are not limited to the economic climate surrounding the Group, social trends, and changes in the Group's relative competitiveness in line with the demand trends for the products and services provided by the Group.
3. The matters described in this document reflect the views of the Company at the time of its preparation and are subject to change without prior notice.
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