

Nippon Light Metal Holdings Co., Ltd.

Summary of the Q&A Session at the Briefing of the Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2026

- Date: 5:00–5:40 pm; January 30, 2026 (Friday)

- Speakers:

Haruhiko Takahashi, Officer and Accounting Manager of Corporate Personnel Administration Office

Koichi Isshiki, Officer and Head of Planning Administration Department

Masahiro Amaya, Accounting Manager of Corporate Personnel Administration Office

Q1. How do you see each segment's performance trending from the third to the fourth quarter? You have cited uncertainties in the fourth quarter as a factor behind keeping the full-year financial results forecasts unchanged from the figures announced at the beginning of the fiscal year (May 2025). Which segments are likely to show signs of such developments?

A1. Aluminum Ingot and Chemicals Segment:

The Chemicals Business Group's Chemicals Division (Nippon Light Metal, chemicals) performed well throughout the third quarter. Favorable business conditions are likely to continue into the fourth quarter; however, in the chemicals business, we anticipate a slight decline in sales due to scheduled maintenance at customers' plants and the planned disposal of obsolete inventories. The Metal Business Group's Secondary Alloy Ingot Division (Nikkei MC Aluminum) anticipates the impact of rising aluminum scrap prices, its primary raw material. In response, we will work to maintain profit levels through sales price revisions.

Aluminum Sheet and Extrusions Segment (Sheet & Extrusion Business Group: Nippon Light Metal, sheets and Nikkeikin Aluminium Core Technology): Throughout the second quarter, weaker performance in thick aluminum sheets and extrusions for semiconductor manufacturing equipment was offset by strong demand for aluminum sheets for lithium-ion batteries, resulting in profits trending below plan. From the third quarter, profits have moved closer to planned levels; however, we anticipate that fourth quarter performance will remain in line with the trend seen to date, partly because demand for products for semiconductor manufacturing equipment is not expected to recover until fiscal year 2026 or later.

Fabricated Products and Others Segment:

The Transport Equipment Business Group (Nippon Fruehauf, truck bodies) has maintained solid sales, and this momentum is set to continue throughout the fourth quarter and beyond. The Automotive Parts Business Group (Nikkeikin Aluminum for Mobility) is seeing a recovery in domestic sales despite a challenging business environment, supported by the launch of new EV-related projects, one of its key product lines. Although performance in China and North America remains weak, profitability is improving through cost reduction initiatives and other efforts, continuing to lift overall profit levels. Meanwhile, Nikkei Panel System in the Engineering Business Group typically sees sales concentrated in the fourth quarter; however, demand for semiconductor-related products for clean rooms has recently been plateauing, which is contributing to weaker fourth quarter profit levels.

Aluminum Foil, Powder, and Paste Segment (Aluminum Foil Business Group: Toyo

Aluminium):

Although aluminum powder for electronic materials used in heat-dissipation applications and aluminum nitride continued to perform well, aluminum foil for lithium-ion battery exteriors—after sales recovered in the first half—entered an adjustment phase beginning in the third quarter. In addition, another factor weakening fourth quarter performance has been slowing demand for paste products for automotive paints, along with the recent rise in aluminum ingot prices.

- Q2. Are the fourth quarter financial results forecasts driven by a decline in demand, or are they conservative in light of future uncertainties?
- A2. Our financial results forecasts are based on projections updated monthly by each business division. The forecasts presented this time reflect not only a degree of conservatism given the uncertain external environment, but also the ongoing slowing demand for certain products.
- Q3. Will the recent slowing in demand for certain products continue beyond fiscal year 2026?
- A3. The Engineering Business Group considers the recent slowing in semiconductor-related demand in the clean room field at Nikkei Panel System to be temporary, given expectations for demand beyond fiscal year 2026. The Aluminum Foil Business Group notes that third quarter performance tends to be stronger due to seasonal factors, making fourth quarter results appear relatively lower; however, this does not indicate a downward trend heading into fiscal year 2026. Additionally, the Metal Business Group's Secondary Alloy Ingot Division views the fourth quarter impact as temporary, as the aluminum ingot market has been on an upward trend, creating a time lag before sales price revisions take effect.
- Q4. Given the recent rise in raw material prices, is there a need for further sales price revisions? If such revisions are implemented, is the market environment able to accommodate them?
- A4. In upstream operations, including aluminum sheets, extrusions, and secondary alloy ingots, sales prices are linked to market prices—primarily aluminum ingots—under a mechanism that passes market movements through to sales prices. For the sales prices of downstream products, such as truck bodies, our established basic approach is to negotiate with customers, through continued discussions, so that the portion of the raw material price increases is borne by customers.
- Q5. What has been the impact of cost increases reflecting aluminum ingot market conditions?
- A5. There was a positive impact of approximately 1.0 billion yen on a cumulative basis throughout the third quarter.
- Q6. What is the current status of the delayed recovery in thick aluminum sheets and extrusions for semiconductor manufacturing equipment? Which factors are driving the adjustment phase in demand for aluminum foils used in automotive lithium-ion battery exteriors?
- A6. Regarding products for semiconductor manufacturing equipment, we have begun to see indications that demand is moving out of its plateau phase. With production preparations underway for future demand growth, we expect a recovery in fiscal year 2026. For aluminum foils used in automotive lithium-ion battery exteriors, while the broader trend toward vehicle electrification remains intact, we believe that current conditions—such as Europe's deceleration and uncertainty surrounding EV policy developments in the United States—are, at present,

contributing to the continued lack of momentum in demand growth.

Q7. What is your current view of the performance outlook for fiscal year 2026?

A7. We are currently developing the next Medium-term Management Plan (26 MTP), which encompasses the fiscal year 2026 budget. In broad terms, to drive sales growth in our existing businesses and product lines, we are closely monitoring demand trends in the semiconductor-related and automotive sectors. At the same time, we recognize that relying solely on existing businesses and products will not be sufficient to raise profitability levels. In the 26 MTP now under development, we expect the allocation of management resources—through initiatives such as new product development and M&A based on the Circulation and Co-Creation principles of our long-term 2035 Vision—to become a core element of the plan, targeting market segments that are expected to grow.

Q8. How do you expect rising aluminum ingot market conditions to affect performance in fiscal year 2026?

A8. For upstream businesses (aluminum sheet and extrusion products in the Sheet & Extrusion Business Group), higher aluminum ingot market conditions are expected to increase profits in the short term, as sales prices reflect the rise in ingot market conditions. Meanwhile, for downstream businesses (in the Transport Equipment Business Group, including truck bodies), the rise in aluminum ingot market conditions leads to higher costs. To address this, we intend to engage sincerely with customers in negotiating sales price revisions.

Q9. What factors are driving the performance recovery of the Transport Equipment Business Group (truck bodies) and the Automotive Parts Business Group (Nikkeikin Aluminum for Mobility) within the fabricated products and others segment?

A9. In the Transport Equipment Business Group (truck bodies), the recovery reflects steady order levels and a set of initiatives, including cost reduction efforts. However, with truck demand expected to decline, a major challenge will be how fully we can incorporate concrete, value-enhancing measures into the 26 MTP to secure sustained profitability. As for the automotive parts businesses, the 2023 integration of operations and the establishment of Nikkeikin Aluminum for Mobility (Automotive Parts Business Group) have enabled faster decisions on selecting profitable products, discontinuing unprofitable ones, and allocating management resources. The recovery also reflects the effects of productivity improvements and optimized sales prices among such initiatives.

Q10. What measures are you taking as aluminum ingot market conditions are in an upward phase?

A10. In terms of managing the business so that our performance will not be affected by fluctuations in aluminum ingot market conditions, the key is simply to not hold excessive inventories. Additionally, for products such as truck bodies (Transport Equipment Business Group), where aluminum ingot prices are directly reflected in product prices, our fundamental approach is to negotiate with customers individually so that the portion of the cost increases is borne by customers.