

May 15, 2012

Company Name Nippon Light Metal Co., Ltd.  
Representative Takashi Ishiyama, President and CEO  
(Code No. 5701 Tokyo Stock Exchange 1<sup>st</sup> Section, Osaka Stock Exchange 1<sup>st</sup> Section)  
Contact Mr. Yoshinori Nonaka, General Manager, IR & Public Relations  
(Tel +81-3-5461-9333)

### **Notice on Establishment of Holding Company through Sole Share Transfer**

Nippon Light Metal Co., Ltd., announced that its Board of Directors resolved at the meeting held today that the Company will, upon following the set procedures including the approval and resolution of the General Shareholders Meeting, establish a holding company (parent company) Nippon Light Metal Holdings Co., Ltd., (hereinafter referred to as "Holding Company") as of October 1, 2012, (plan) through a sole share transfer by the Company (hereinafter referred to as "this share transfer").

#### **Note**

##### **1. Purpose of establishment of Holding Company through sole share transfer**

The Company group is engaged in business activities in a broad range of fields from materials to various fabricated products with aluminum, which is a metal with superior characteristics, at its core. Among these businesses, the Company handles alumina ingots, chemical products, and aluminum sheets. However, looking at the group as a whole, the size of sales of the businesses of subsidiaries/affiliated companies (hereinafter referred to as "subsidiaries") is approximately three times that of the Company itself.

The main factor of this rise in the weight of subsidiaries' business is not only because some of the businesses have been spun-off but also the result of significant growth of the subsidiaries' overseas businesses in China and Southeast Asia, and this trend is expected to continue going forward.

In light of such circumstances, in order for the Company group to continuously develop and improve corporate value, it has been determined that reform from the current situation under which the respective businesses are divided between the Company and subsidiaries to a consolidated management system under which management and operation are more strictly separated is necessary. Therefore, the transition to a pure holding company system has been decided.

Nippon Light Metal Holdings Co., Ltd., which is to be newly established and as the presiding company of the entire group under a new corporate governance system, will take on the function of planning management strategies and accommodate the increasingly sophisticated and diversifying needs involving aluminum and aluminum related materials through effective allocation of management resources between

the respective businesses as well as between domestic and foreign businesses. Furthermore, through such business activities, the Holding Company will enhance corporate value while contributing to people's lives by supporting clients of various industrial fields.

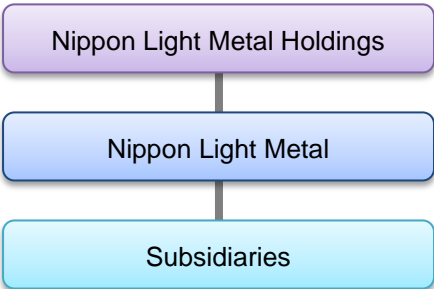
The transition to the holding company system is based on the premise that it will be approved at the 105<sup>th</sup> Ordinary General Shareholders Meeting scheduled to be held on June 28, 2012. Through this share transfer, the Company will become a wholly owned subsidiary of the Holding Company. Therefore, the Company's stocks will be delisted, but shares of the Holding Company will be issued and allocated to the Company's shareholders. As for the shares of the Holding Company, applications for new listings will be made at the Tokyo Stock Exchange Group, Inc., and the Osaka Stock Exchange Co. The date of the listing, although it will depend on the examination by the Tokyo Stock Exchange Group, Inc., and the Osaka Stock Exchange Co., is scheduled for October 1, 2012, which is the date of the registration of incorporation of the Holding Company (effective date of the share transfer).

2. Procedure of transition to Holding Company

The Company plans to carry out the transition to a Holding Company by the following method.

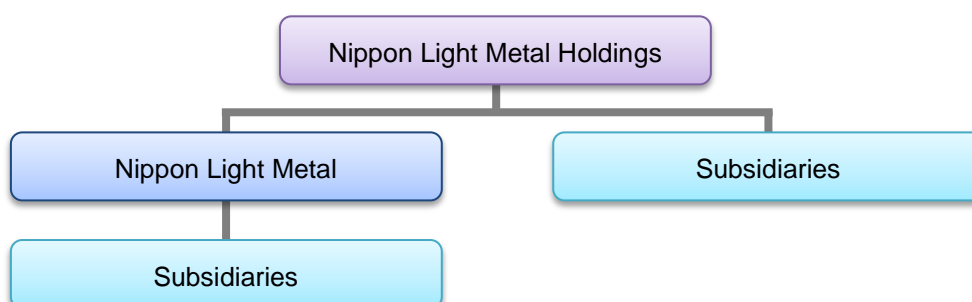
[Step 1]

By setting up a holding company through this share transfer on October 1, 2012, the Company will become a wholly owned subsidiary of the Holding Company.



[Step 2]

After the establishment of the Holding Company, we will develop a system that will enable agile reaction to the market by implementing without delay a strategic reorganization taking into consideration factors such as the market environment and the business characteristics of the respective group companies, and advance our future growth strategy. The specific details will be announced as soon as they are decided.



### 3. Outline of the share transfer

#### (1) Schedule of the share transfer

Record date of the Ordinary General Shareholders Meeting	Saturday, March 31, 2012
Approval of share transfer plan by the Board of Directors	Tuesday, May 15, 2012
Approval of share transfer plan at the Ordinary Shareholders Meeting	Thursday, June 28, 2012 (plan)
Date of delisting	Wednesday, Sept. 26, 2012 (plan)
Date of registration of incorporation of the Holding Company (effective date of share transfer)	Monday October 1, 2012 (plan)
Date of listing of Holding Company	Monday, October 1, 2012 (plan)

\*However, the schedule may be changed if necessary to carry out the procedure of this share transfer or for other reasons.

#### (2) Method of share transfer

A sole share transfer with the Company as the share transferring wholly owned subsidiary and the Holding Company as the parent company incorporated through the share transfer.

#### (3) Details of the allocation pertaining to share transfer (share transfer ratio)

	Nippon Light Metal Holdings Co., Ltd. (parent company)	Nippon Light Metal Co., Ltd. (wholly owned subsidiary)
Detail of allocation pertaining to share transfer	1	1

(Note)

(a) Share transfer ratio

One share of common stock of the Holding Company to be established shall be issued and allocated to the shareholders of the Company's common stock registered in the final shareholders registry as of one day prior to the effective date of the share transfer, for each share of the Company's common stock they hold.

(b) Share unit

The Holding Company will adopt the share unit system and the number of shares per unit shall be 100 shares. Therefore, the unit of trading for the Holding Company will decrease to 100 shares from the current 1,000 shares for the Company's stocks.

(c) Basis for calculation of share transfer ratio

As this share transfer will establish one parent company through a sole share transfer by the Company and since there will be no change in the Holding Company's shareholder composition and the Company's shareholder composition at the time of the share transfer, upon giving primary consideration to not disadvantage our shareholders, the Company has decided to issue and allocate one common stock of the Holding Company for one common stock of the Company held by the shareholders.

(d) Result, method, and basis of calculation by a third party organization

Due to the reason mentioned above in (c), calculation by a third party organization has not been made.

(e) Number of shares to be issued for the share transfer

545,126,049 shares (plan)

However, in case the number of the Company's shares outstanding changes prior to this share transfer becoming effective, the number of new shares mentioned above that the Holding Company will issue shall fluctuate. As for treasury stocks held by the Company at the time this share transfer becomes effective, the same number of the Holding Company's common stocks will be issued and allocated. Therefore, the Company will temporarily hold the Holding Company's common stock and will announce the method of its disposal as soon as it is decided.

(4) Handling of share options and bonds with share option after share transfer

The zero coupon yen-based convertible bond with reserve clause for conversion and a maturity date of September 30, 2016, that was issued by the Company shall be redeemed in advance in full amount by the effective date of the share transfer through optional redemption based on the provisions of the corporate bond outline of the bond as described in the "Notice on Advance Redemption of Zero Coupon Yen-Based Convertible Bond with Reserve Clause for Conversion maturing September 30, 2016" announced separately today (May 15, 2012).

(5) Handling of the Holding Company's new listing

As for the new listing of the shares of the Holding Company to be established, the Company plans to apply with the Tokyo Stock Exchange Group Inc. and Osaka Stock Exchange Co. with a planned listing date of Monday, October 1, 2012. Since the Company will become a wholly owned subsidiary of the Holding Company through this share transfer, its stock is scheduled to be delisted from the Tokyo Stock Exchange Group Inc. and Osaka Stock Exchange Co. on Wednesday, September 26, 2012, prior to the listing of the Holding Company. The delisting date is subject to change as it will be determined based on the rules of the Tokyo Stock Exchange Group Inc. and Osaka Stock Exchange Co.

4. Outline of the companies concerned in the share transfer (as of March 31, 2012)

(1) Trade Name	Nippon Light Metal Co., Ltd.	
(2) Location	2-2-20 Higashi Shinagawa, Shinagawa-ku, Tokyo	
(3) Representative	President and CEO Takashi Ishiyama	
(4) Main Business	Sales and production of alumina, chemical products, and aluminum products	
(5) Paid-in-Capital	39,084,654,715 yen	
(6) Established	March 30, 1939	
(7) Number of Shares Outstanding	545,126,049 shares	
(8) Fiscal year end	March 31	
(9) Composition of Major Shareholders and Ratio of Shareholding	Japan Trustee Service Bank, Ltd. (Trust account)	11.4%
	The Master Trust Bank of Japan, Ltd. (Trust account)	5.1%
	The Dai-ichi Life Insurance Co.	3.7%
	Japan Trustee Service Bank, Ltd. (Trust account 9)	2.9%
	Asahi Mutual Life Insurance Co.	2.8%

(10) Operating results and financial situation for the most recent three years

	Year ended March 2009	Year ended March 2010	Year ended March 2011
Consolidated Net Assets (million yen)	88,781	93,124	104,757
Consolidated Total Assets (million yen)	478,571	481,022	414,885
Consolidated Net Assets per share (yen)	154.22	163.13	181.51
Consolidated Sales (million yen)	554,094	460,681	429,433
Consolidated Operating Profit (million yen)	(11,892)	7,673	24,724
Consolidated Ordinary Profit (million yen)	(16,936)	2,682	18,529
Consolidated Net Income (million yen)	(31,442)	2,084	11,040
Consolidated Net Income per share (yen)	(57.77)	3.83	20.29
Dividend per share (yen)	0.00	0.00	2.00

5. Outline of company to be newly established through share transfer (Holding Company) (plan)

(1) Trade Name	Nippon Light Metal Holdings Company, Ltd.
(2) Location	2-2-20 Higashi Shinagawa, Shinagawa-ku, Tokyo
(3) Representative and Executives to take office	<p>President and CEO Takashi Ishiyama</p> <p>Director Tsuyoshi Nakajima</p> <p>Director Makoto Fujioka</p> <p>Director Mitsuru Ishihara</p> <p>Director Ichiro Okamoto</p> <p>Director Toshihide Murakami</p> <p>Director Atsushi Inoue</p> <p>Director Masao Imasu</p> <p>Director Hiroshi Yamamoto</p> <p>Director Koji Ueno</p> <p>Director Hidetane Iijima (Note 1)</p> <p>Director Masato Ono (Note 1)</p> <p>Auditor Tadashi Asahi</p> <p>Auditor Nobuo Matsumoto</p> <p>Auditor Toshio Yamagishi</p> <p>Auditor Yuzuru Fujita (Note 2)</p> <p>Auditor Katsuo Wajiki (Note 2)</p> <p>Auditor Yasuo Yuki (Note 2)</p> <p>(Note 1) Directors Hidetane Iijima and Masato Ono are outside directors as specified in the Companies Act, Article 2, Paragraph (15)</p> <p>(Note 2) Auditors Yuzuru Fujita, Katsuo Wajiki and Yasuo Yuki are outside auditors as stipulated in the Companies Act, Article 2, Paragraph (16)</p>
(4) Main Business	Business management of subsidiaries as well as incidental and associated business
(5) Paid-in-Capital	39,085,000,000 yen
(6) Fiscal year end	March 31
(7) Net Assets	To be determined
(8) Total Assets	To be determined

6. Outline of accounting process

Since this falls under the “operations of companies under common control” in corporate accounting, there is no impact on profit or loss. No goodwill is expected from this share transfer.

7. Outlook

The Company will become a wholly owned subsidiary of the Holding Company after this share transfer.

Therefore, the Company's earnings will be reflected in the consolidated earnings of the Holding Company that will be the parent company. The impact of this share transfer on earnings will be minor.