

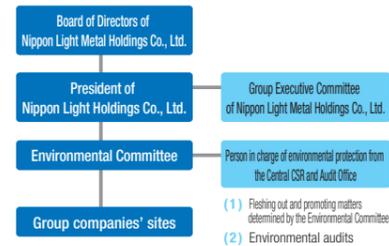
Aiming to realize a sustainable society by co-existing in harmony with the global environment

Environmental management system

The NLM Group Environmental Committee deliberates and decides upon basic measures such as action plans related to the Group's environmental management. The committee consists of officers of Nippon Light Metal Holdings Co., Ltd., presidents of NLM Group companies, and other members. Matters determined by the Environmental Committee are fleshed out by the environmental control segment, which serves as the secretariat of the committee, made known at meetings of environmental practitioners, and implemented at factories and offices (sites*) through internal coordination of the group.

*Sites: Scope of application of the environmental management system

Environmental management system



* 46 sites of 24 companies in total (scope of environmental management in Japan) (As of July 31, 2018)

Greenhouse gas emissions (Japan)

Greenhouse gas emissions from the NLM Group's sites in Japan in FY2017 increased 0.7% year on year to 802 thousand tons. Although we worked on energy-saving activities, the emissions increased slightly because the amount of required energy increased due to an increase in production.

We will continue striving to reduce greenhouse gas emissions through such initiatives as equipment efficiency improvement, reduction of energy loss, and productivity improvement.

Greenhouse gas emissions (Japan)



*Boundary: 24 consolidated subsidiaries in Japan

*The following CO₂ emission factors were used for the calculations.

Electricity: The CO₂ emission factor with T&D losses of each previous fiscal year announced by the Federation of Electric Power Companies of Japan and the Electric Power Council for a Low Carbon Society

Fuel: CO₂ emissions as per heat value and calorific value for each fuel, which are set forth in the Ministerial Ordinance for Calculation of Greenhouse Gas Emissions Associated with Business Activities of Specified Emitters

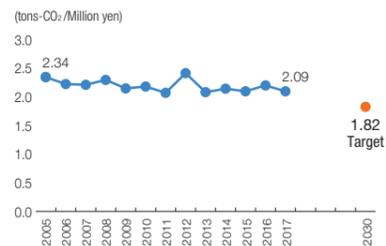
*CO₂ emissions associated with the hydroelectric power generated at the Kambara Complex of Nippon Light Metal Co., Ltd. are calculated with the above CO₂ emission factor for electricity for each year.

*The target and actual values do not include emissions caused by chlorofluorocarbons and their alternative.

New voluntary action plan

The NLM Group developed a new voluntary action plan to reduce the greenhouse gas emission intensity per unit of sales to 1.82 tons-CO₂/million yen by FY2030. We will evaluate the effect of our energy-saving activities appropriately by setting a target greenhouse gas emission intensity. We will continue working to reduce greenhouse gas emissions.

Greenhouse gas emission intensity per unit of sales and new target



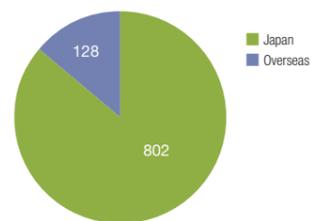
Greenhouse gas emissions including those from our overseas sites

At the NLM Group, we strive to collect data

on the greenhouse gas emissions from our overseas production activities. In FY2016, we started collecting data on the emissions from all our overseas sites. In FY2017, the emissions were found to have decreased 7.2% from the previous fiscal year, to 128 thousand tons.

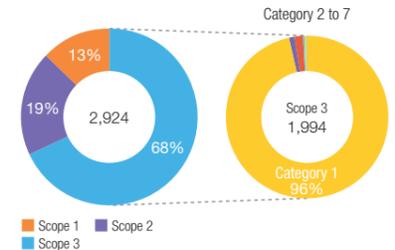
In addition, in FY2017, we began to calculate greenhouse gas emissions by obtaining the latest CO₂ emission factors that are appropriate for the conditions of each country, aiming to improve the precision of measurement of our overseas greenhouse gas emissions.

Greenhouse gas emissions including those from our overseas sites [ktons-CO₂]



*For calculating CO₂ emissions related to electric power purchased overseas, we use the latest CO₂ emission factor of each country that is shown in CO₂ Emissions from Fuel Combustion 2017, which was published by the International Energy Agency (IEA).

Greenhouse gas emissions including Scope 3 emissions (FY2017 emissions including those from our overseas sites) [ktons-CO₂]



Scope 1: Direct greenhouse gas emissions by a company
Scope 2: Indirect greenhouse gas emissions by a company attributed to the use of energy including electricity
Scope 3: Indirect greenhouse gas emissions by a company in its supply chain

Achievement of zero environmental accident

For environmental incidents and emergency



On-site checks



On-site audits

responses to such incidents, the NLM Group has developed and operates a quick reporting system in Japan and overseas.

We have received ten environmental complaints* (four in Japan and six overseas).

We respond to complaints with action that includes measures for preventing recurrence, with cooperation among people from the responsible site and the environmental control segment. We also extend the countermeasures to other sites in Japan and other countries that have equipment similar to that involved in the complaint.

In addition, we regularly hold briefings for local residents at each site to disclose the results of the measurement of water, atmosphere, and the similar elements, explain our environmental

measures, and give them a factory tour. We take these and other measures in our efforts to communicate with the local community.

In FY2017, there was no lawsuit, penal charge, or forfeit related to the environment. Further, the number of accidents* related to the environment was 0 for the first time since we began keeping statistics in 2005.

Environmental audits

At the NLM Group, we conduct regular environmental audits of 46 sites in Japan, separately from the audits under ISO 14001, in accordance with our environmental management rules, with the leading roles played by the environmental segment of the group. The environmental audits consist of two initiatives, a paper-based audit

conducted by using a dedicated survey slip and an on-site audit. In FY2017, we conduct on-site audits of 18 sites. Through these audits, we strive to improve the level of environmental management in our production activities.

We also conduct audits of our overseas business locations as well as those in Japan. In FY2017, we conducted environmental audits at two overseas sites.

Development of environmental human assets

At the NLM Group, we believe that developing and securing human assets for the group's environmental segment is important for preventing environmental accidents and complying with environmental laws and regulations. Consequently, we run various environmental training programs that are appropriate given the nature of the work at each site. With respect to environmental practices, we hold a meeting of environmental practitioners twice each year. Through this meeting, we share improvement information about environmental management among companies and factories and extend excellent initiatives at particular sites to other sites, to improve the efficiency of our environmental protection activities. We also hold training sessions on laws and regulations twice each year, thereby supporting compliance with laws and regulations. We also have environmental practitioners from other sites participate in on-site environmental audits to acquire knowledge, in an effort to improve the level of our environmental management. In FY2017, a total of 44 environmental practitioners participated in on-site audits of other sites.

Number of environmental troubles that occurred



* Complaints: Number of complaints (about odor, noise, or the similar event) lodged by external parties

* Accidents: Environmental issues that have an impact outside the site (such as leakage of oil or chemicals)



Meeting of environmental practitioners