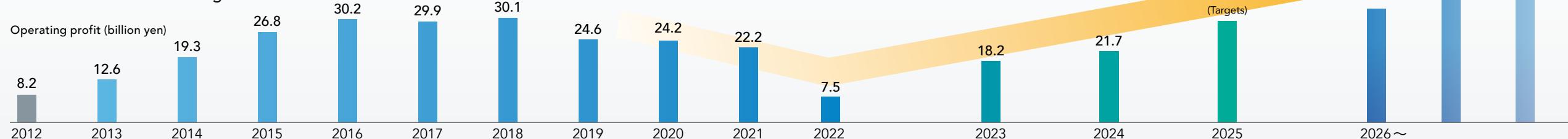


Mid-term Management Plan

At the NLM Group, we formulate a Mid-term Management Plan every three years. We steadily implement measures based on this plan in our efforts to achieve our targets. During the 2023 Mid-term Management Plan, we have been implementing measures to build a stable profit structure and strengthen our management foundation under the theme of achieving growth by contributing to a sustainable society. At the same time, we work to reform our business structure, aiming to enhance the Group's corporate value further as the new Team NLM.

Review of the Mid-term Management Plans



		2013 mid-term management plan	2016 Mid-term management plan	2019 Mid-term management plan	2022 Mid-term management plan	2023 Mid-term management plan	2026 Mid-term management plan-	
Position	Maximizing consolidated earnings by strengthening cooperation within the Group	Attempting to create value as a new type of material manufacturer	Investing resources in new products and new fields to achieve continued growth	Building a corporate structure that enables continued sustainable growth	Implementing initiatives for the new Team NLM aimed at continued sustainable growth		Toward improving people's quality of life and protecting the global environment	
Basic Policies		Aluminum is our foundation. We will use it as a springboard to new heights						
		As Team NLM, we will work to be a groundbreaking innovator of aluminum and beyond.						
Business targets and results	1. Business development through strategies by region and by segment 2. Creating growth drivers leveraging new products and new businesses 3. Reinforcing the business structure	1. Creating new products and business models by strengthening cooperation within the Group 2. Business development through strategies by region and by segment 3. Reinforcing the business structure (Reinforcing the business foundation)	1. Creating new products and new businesses 2. Investing resources in growth 3. Reinforcing the management foundation	1. Providing products and businesses that contribute to the creation of social value 2. Reinforcing the management foundation	1. Implementing initiatives for the new Team NLM 2. Providing products and businesses that contribute to the creation of social value			
Review	Transitioned to a holding company system, improving earning power in each business, especially in overseas operations. ● Targets were achieved through aggressive overseas expansion and the development of new products. ● Many loss-making businesses were converted into profitable ones, enhancing the profit structure.	Achieved a profit level of 30.0 billion yen through the implementation of various Mid-term Management Plan measures. ● Cooperation within the Group made it possible for new product families to contribute to the expansion of profits. ● The financial structure was drastically improved through the expansion of profits and the redemption of convertible bonds.	Secured a certain level of profitability, but left with challenges after many issues surfaced. ● Various issues, including the sedimentation problem at the Amehata Dam and inappropriate JIS conduct, occurred but are being addressed. ● Action is being taken to adapt to the worsening external environment such as soaring fuel and raw material costs and the COVID-19 pandemic.	Revised the 2022 Mid-term Management Plan in light of the changes in the Group's business structure and strategic initiatives and began implementing the new 2023 Mid-term Management Plan. ● Changes in the Group's structure ● Integrated initiatives aimed at achieving carbon neutrality ● Initiatives to prevent the recurrence of quality-related misconduct incidents within the Group ● A certain milestone attained in the resolution of various issues, including the Amehata Dam sedimentation problem and inappropriate JIS conduct ● Slowdown in sales growth that factors in expansion of EV and semiconductor demand	Reference value	Plan	Forecast	While progressing structural reform, exemplified by the transition to a business group structure, we are shifting to an "aggressive stance" to achieve the Mid-term Management Plan targets, such as establishing closed loop supply chains and developing new business overseas.
		Net Sales 440.0 billion yen	500.5 billion yen	540.0 billion yen	30.0 billion yen	530.0 billion yen	590.0 billion yen	
		Operating Profit 25.0 billion yen	26.8 billion yen	32.0 billion yen		30.0 billion yen	23.0 billion yen	
		Ratio of Operating Profit to Net Sales 5.7%	5.8%	6.4%		5.7%	3.9%	
		ROCE 8.9%	9.0%	10.0%		ROCE 10.3%	5.5%	

Corporate Philosophy

Contribute to improving people's quality of life and protecting the global environment by continuing to create business, focused on aluminum.



Toward improving people's quality of life and protecting the global environment

Creating economic value

Creating social value

Progress of the 2023 Mid-term Management Plan

We will work under the policy of improving the Group's corporate value by both creating the value that customers demand and addressing social issues, aiming to grow sustainably into the corporate group that we want to be.

■ The Environment Surrounding Us

The environment surrounding us remains unclear, as geopolitical risks and interest rate and exchange rate fluctuations intensify, even while the shortage of semiconductors is resolving. In the mid- to long-term, initiatives to address Materiality (key issues) are essential to our sustained growth, and the 2023 Mid-term Management Plan is positioned as the starting point of our strategic action based on changes in the business structure.

2050 carbon neutrality
Understanding Decarbonization measures across the entire supply chain, including Scope 3 emissions reduction initiatives, are mandatory.
Strength Broad knowledge spanning aluminum materials to fabrication and extensive customer networks
Challenge Establishing a resource recycling system aimed at reducing total GHG emissions

Formation of a circular economy
Understanding The recyclability of aluminum and the establishment of circular systems are critical.
Strength Knowledge of recycling technology and cross-segmental propelling power
Challenge Branding recycled materials and providing added value

Technological innovation
Understanding Demand for high performance materials and new products increased, associated with the shift to EVs and the advancement of telecommunication technology.
Strength Technological agility to meet diverse customer needs
Challenge Speeding up new product development and quality assurance responses

Changing demographics
Understanding Domestic demand and workforce are declining, and demand is shifting overseas.
Strength Reserved capacity for overseas expansion and strong relationships with existing customers
Challenge Saving manpower in manufacturing processes and securing and developing human capital

Advance of globalization
Understanding Geopolitical risks remain, and opportunities for entering growth markets emerged.
Strength Customer networks and cross-segmental risk response capability
Challenge Establishing BCP, and securing human capital and accumulating know-how overseas

Respect for human rights/diversity & inclusion
Understanding Social demand for respecting human rights and promoting diversity is increasing.
Strength Flexibility in measure deployment and collaborative power
Challenge Promoting D&I and establishing human rights due diligence systems

2023 Mid-term Management Plan Basic Policies and Measures				
Initiatives for the new Team NLM		Providing products and businesses that contribute to the creation of social value		
Promoting management reforms and strengthening internal control functions	Structural reforms to enhance the Group's corporate value	Carbon neutrality	Capturing growth areas	Overseas strategies
Major initiatives				
Promoting management reforms	Business restructuring	Opportunity aspect	Automotive parts sector	North American market
<ul style="list-style-type: none"> Strengthening supervisory functions of the Board of Directors Grouping functional organizations to reinforce collaboration for addressing various issues 	<ul style="list-style-type: none"> Grouping businesses in neighboring market fields and processes to strengthen profitability and maximize value 	<ul style="list-style-type: none"> Responding to growth opportunities, including increasing demand for products for eco-friendly vehicles and low-carbon, energy-saving products 	<ul style="list-style-type: none"> Creating synergy through the establishment of Nikkeikan Aluminum for Mobility Company, Ltd. 	<ul style="list-style-type: none"> Converting to mass production for automobile suspension parts and increasing production in the secondary alloy ingot fields
Strengthening internal control functions	Establishing new organization	Risk aspect	Semiconductor-related sector	Indian market
<ul style="list-style-type: none"> Cultural reform through direct dialogues between top management and employees (site manager meetings and workplace visits) Promotion of compliance-reinforcing training for officers and employees as a unified group 	<ul style="list-style-type: none"> Establishing the "Marketing & Incubation Administration Office" to create new growth areas through cooperation and co-creation with external parties 	<ul style="list-style-type: none"> With the Green Growth Strategy Office playing the core role, cooperating with the business groups to address issues through Group-wide efforts 	<ul style="list-style-type: none"> Proactively investing in construction of new factories toward increased production of insulating panels for clean rooms, backed by the recovery of domestic production 	<ul style="list-style-type: none"> Building new plants in the secondary alloy ingot fields to enhance the production system
● Achievements / ● Future challenges				
<ul style="list-style-type: none"> Completed correction for all of the misconducts reported by the Special Investigation Committee Transitioned to a Board of Directors system with an outside officer ratio of over 50% Implemented ceaseless organizational culture reform through continued site manager meetings and workplace visits Consolidating a misconduct-free corporate climate Investigating yet-to-be-investigated offices of the Aluminum Foil Business Group <p>*Investigation results are scheduled to be reported within FY2025, following the decision to cancel the foil business integration.</p>	<ul style="list-style-type: none"> Replaced and corrected prices of unprofitable products, which was achievable by bundling into business group units Improved productivity of small-scale business companies through restructuring inside the business group Designed systems that enable support for creating new businesses and for employees taking on challenges Establishing organizational systems within business groups and developing human capital Propelling management for raising investment efficiency (ROIC management) 	<ul style="list-style-type: none"> With the Green Growth Strategy Office playing the core role, formulated a Group-wide roadmap for reducing CO₂ emissions Achieved Scopes 1 and 2 CO₂ emissions reduction through, for example, fuel conversion to renewable energy Implementing initiatives for reducing CO₂ on a total emissions basis Branding low-carbon/recycled material products and improving added value 	<ul style="list-style-type: none"> Concentrated and redistributed resources related to the automotive parts business, and developed and provided new products incorporating multiple technologies Commenced operation of the new insulating panel factory for clean rooms in the semiconductor market Strengthening capability to respond to the slowing growth in business fields such as automobile and semiconductor, and to market environment fluctuations Bearing investment for renewal of old equipment and securing personnel for business operation Improving profitability of the automotive parts business at overseas sites 	<ul style="list-style-type: none"> North American market <ul style="list-style-type: none"> Increased profits by enhancing production capacity of the secondary alloy ingot business Indian market <ul style="list-style-type: none"> Started full-scale operation of the third production site in the secondary alloy ingot field Purchased shares of a recycled aluminum business company North American market <ul style="list-style-type: none"> Improving profitability of the automotive parts business Others <ul style="list-style-type: none"> Increasing profitability in China and Southeast Asia Strengthening governance at small-scale business sites
2023 Mid-term Management Plan Targets		FY2025 Outlook		
Net sales 530.0 billion yen, ordinary profit 30.0 billion yen A structure which enables the NLM Group to consistently secure an ordinary profit level of 30.0 billion yen to attain its sustainable growth		Net sales 590.0 billion yen (target + 60.0 billion yen), ordinary profit 21.0 billion yen (target - 9.0 billion yen) Net sales achieving the target, but ordinary profit falling 9.0 billion yen short of the target; recognizing the challenge of securing ordinary profit of 30.0 billion yen		

Mid-term Management Plan

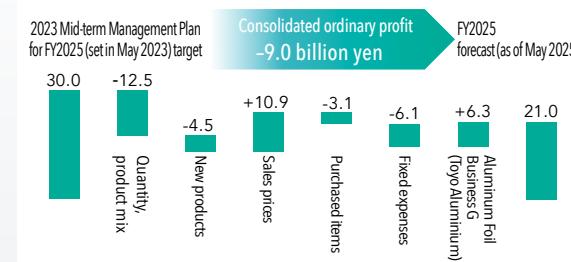
Progress status of the 2023 Mid-term Management Plan

Analysis of factors contributing to the variance between the 2023 Mid-term Management Plan targets and the FY2025 outlook

In the 2023 Mid-term Management Plan, we set a consolidated ordinary profit target of 30.0 billion yen for the closing fiscal year, FY2025. However, the forecast as of May 2025 sits at 21.0 billion yen, marking a significant shortfall, even after including the Aluminum Foil Business Group that was originally planned to be excluded from consolidation.

The most significant factor was the failure to achieve the quantity, product mix, and new product expansion targets in the automobile and semiconductor-related sectors, areas where demand growth was anticipated. We recognize promoting sales and improving profitability in these growth segments is our challenge. Additionally, we took a set of actions to offset the rise in purchased product prices and the increase in fixed expenses, including labor costs, via sales price pass-through. However, price revision has been delayed in the truck body fabrication business and other segments.

We are currently accelerating our efforts in this matter.



Business and products for the growth segments

Shown below are our major products in the growth segments. The sales scale is greater than that recorded in the final fiscal year of the previous Mid-term Management Plan, yet many products are forecast to fall short of the current Mid-term Management Plan targets. In the automobile sector, aluminum sheets for onboard battery enclosures are forecast to exceed the sales target. However, the growth of other products and businesses slowed significantly, impacted by the sluggish shift to EVs and production adjustments both domestically and overseas. Also in the semiconductor-related sector, our performance is projected to run below the Plan targets. This is due to the delayed recovery in demand, and particularly the movement to suppress investment for clean room insulating panels arising from soaring material and labor costs.

Market sector	Segment	Business Group	Growth business and products	Net sales scale			
				F22	FY2025 forecast	Mid-term Management Plan FY2025 target in May 2023	vs. Mid-term Management Plan target
Automobiles	Aluminum Ingot and Chemicals	Chemicals	Flame-retardant and heat-dissipating fillers	1.5 billion yen	1.7 billion yen	2.5 billion yen	-0.8 billion yen
		Metal	Secondary alloy ingots for vehicle structural components (U.S.)	6.0 billion yen	7.0 billion yen	8.0 billion yen	-1.0 billion yen
			Secondary alloy ingots (overseas)	50.0 billion yen	63.0 billion yen	65.0 billion yen	-2.0 billion yen
	Aluminum Sheet and Extrusions	Sheet & Extrusion	For automobile and electrical materials	8.0 billion yen	14.0 billion yen	11.0 billion yen	+3.0 billion yen
Electrical machinery, electronics, and telecommunications (semiconductor-related)	Fabricated Products and Others	Automotive Parts	Automotive parts business consolidated	30.0 billion yen	32.0 billion yen	46.0 billion yen	-14.0 billion yen
	Aluminum Ingot and Chemicals	Chemicals	Low soda alumina for semiconductor manufacturing equipment	1.5 billion yen	2.0 billion yen	3.0 billion yen	-1.0 billion yen
	Aluminum Sheet and Extrusions	Sheet & Extrusion	For thick gauge plates and general materials	14.0 billion yen	18.0 billion yen	19.0 billion yen	-1.0 billion yen
	Fabricated Products and Others	Engineering	Insulating panels for clean rooms (Japan)	12.0 billion yen	13.0 billion yen	16.0 billion yen	-3.0 billion yen
				Total -19.8 billion yen			

FY2025 activities and future direction

In FY2025, coinciding with the full-scale launch of the business group structure, we shifted to an "aggressive stance" for the NLM Group to restore its growth trajectory. We have begun formulating growth strategies and allocating resources based on this new structure. A portion of these growth strategies has already been implemented, including the development of the metal and foil businesses in India, and participation in a business to build closed loop supply chain from a global perspective. For the automotive parts business, which has significantly deviated from its 2023 Mid-term Management Plan targets, we are improving profitability by restructuring our product lineup and customer base both domestically and overseas. In the engineering business, we are strengthening our resilience to changes in the market environment by, for example, focusing on the cold storage facilities sector to offset the decline in sales of insulating panels for clean rooms.

Toward the 2026 Mid-term Management Plan, we will accelerate the growth of strategic products by developing new products, including through external alliances and investments, and advancing into new business domains. Additionally, we will elevate the profitability and efficiency of the entire Group by reviewing existing products, functions, and business sites with no stone unturned. Furthermore, we will actively undertake strategies that enhance the NLM Group's social impact, such as increasing added value by branding low-carbon products from each business group.

Growth strategies and resource allocation based on the business group structure: Key consideration status

Segment	Business Group	Shift from low-profit to high-profit products	Business domain	Alliance, investment	Product branding	Overseas	Functional integration	Site optimization
Aim of the strategy	Growth of strategic product		○	○		○		
	Profitability improvement	○					○	○
	Social impact		○		○	○		
Aluminum Ingot and Chemicals	Chemicals	○	○	○	○			
	Metal	○	○	○	○		Overseas x Carbon neutrality (→P.22)	○
Aluminum Sheet and Extrusions	Sheet & Extrusion	○	○	○	○	○	○	○
	Transport Equipment	○	○			○	○	○
Fabricated Products and Others	Automotive Parts	Automotive parts (→P.21)	○		○	○		○
	Engineering	○	○	○	○	○	○	○
Aluminum Foil, Powder and Paste Business	Infrastructure						○	○
	Aluminum Foil	●	Aluminum foil business (→P.23)	○	○	○		○

○ Under consideration, or may be considered ● See relevant Future Growth Strategy and Measures page

Future Growth Strategy and Measures

Automotive Parts

Our Environment

In the automobile industry, there has been progress in the shift to electrification, mainly reflecting the environmental policies of governments. This has resulted in the growth of demand for the development of automotive parts with new functions, an increase in the importance of parts suppliers that can implement initiatives to reduce environmental impact, and an increase in the importance of a comprehensive system from development and design to manufacturing. At the same time, adapting to the protectionist policies of various countries is becoming an urgent priority.

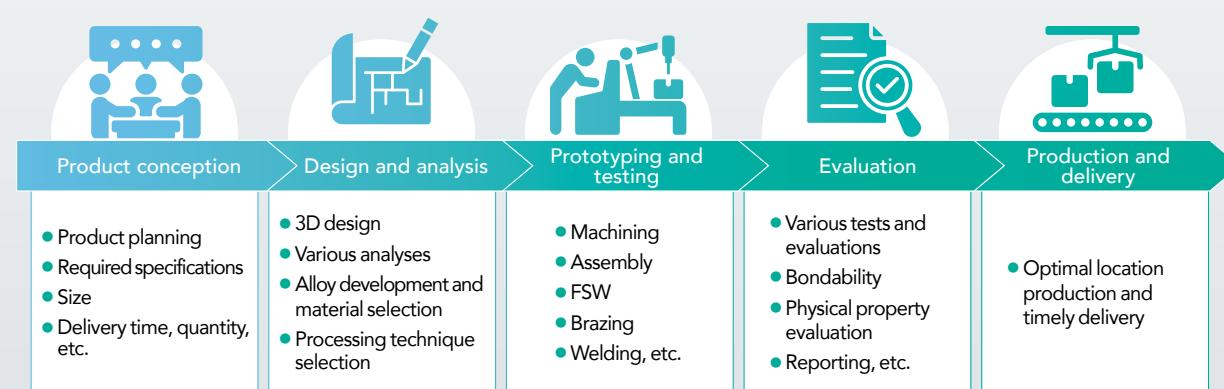
The growth in EV demand is slowing compared to the time the 2023 Mid-term Management Plan was formulated, due to the rising total cost of ownership, challenges in scaling up the charging infrastructure, policy changes in various countries regarding subsidies and tariffs, and the revision of EV expansion targets by domestic and overseas automakers.

We expect that the electrification of cars will advance in the long term, and thus our growth strategy centered on the business for electric cars remains unchanged. However, we believe we must broadly capture demand for all EVs, including PHEVs and HEVs, not just BEVs.

Strength and Strategy

The strength of our automotive parts business is its ability to swiftly deliver customers a one-stop solution, as all key technologies including design, analysis, bonding, and evaluation are completed entirely within Nikkei Aluminum for Mobility Company and the NLM Group.

Strength of Nikkei Aluminum for Mobility Company



Within the automotive parts business, we have a long track record of product adoption in engine vehicles and HEVs for sectors like suspension, brakes, and air conditioning. We will deepen the development of these existing product families to accurately meet demand in non-EV segments, thereby ensuring steady growth. Additionally, the technologies cultivated through this business are readily applicable to the business for EVs, which is highly demanding of weight reduction and heat dissipation. Leveraging the strengths we have, we will promote provision of value that aligns with the trends of the time in the automotive industry.

Alongside, we will drive further growth by advancing the development of integrated technologies based on existing technologies and by developing technologies and products that contribute to environmental load reduction.

Meanwhile, in our overseas business, we will strengthen domestic and international cooperation in sales and development, adapting to the situation of the country and region. We will also deploy the technology cultivated in Japan to our overseas production sites to expand our business with a focus on businesses for electric vehicles, which are growing in individual countries.

Technical Strategy

Capitalizing on the diverse human capital and core technologies we have, we will rapidly accelerate the development of technologies and products that capture the trends of the time.

Promoting advanced development in collaboration with the NLM Group and suppliers that have strengths in technology

1. Deeply developing existing technologies

- Large item brazing, area brazing
- Downsized casting
- Shell forming technology
- Forging technology (internal production, multi-unit)
- Thermal management technology

2. Integrated technology development

- Bonding technology development
- Products integrating core technologies, "plus-one" technology

3. Contributing to environment load reduction

- Increasing ratio of recycled materials
- Weight reduction
- New eco-friendly products

Core technologies

Multi-hole pipes, insert casting, brazing, material development, TOMAQ[®], PFDC, topology design, FSW, thermal analysis, forming analysis, solidification analysis, high-quality castings, near-net-shape forming

Diverse aluminum specialist group well versed in mobility technology development

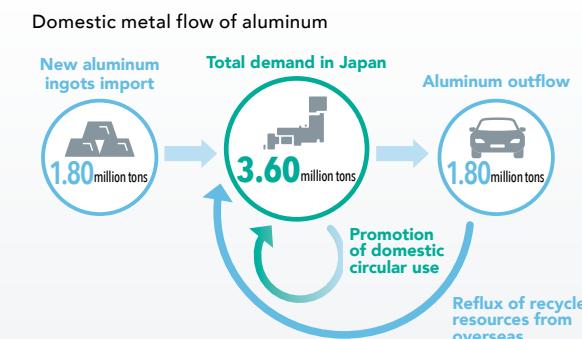
Future Growth Strategy and Measures

Overseas × Carbon Neutrality

Our Environment

Customer demand for the use of recycled aluminum has increased more than ever because aluminum recycling can curb GHG emissions from material procurement by more than 90%.

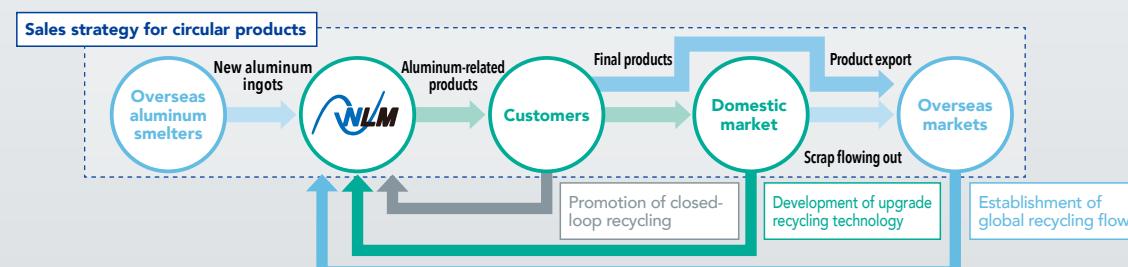
However, in Japan, approximately half of the total aluminum demand is flowing out of the country as products and scrap. Further utilization of recycled aluminum calls for domestic circular use promotion measures, as well as measures to flow recycled aluminum materials back from overseas.



Strength and Strategy

The NLM Group founded on the aluminum smelting business, but as a result of diversification associated with the downsizing of the smelting business, we now have a vertically integrated supply chain covering from materials to processing and services. By restructuring this into a circular type with material recycling as a premise, we believe we can offer new value to customers, "decarbonization" and "resource recycling." Throughout the period of the 2023 Mid-term Management Plan, we have advanced related measures, including the promotion of closed-loop recycling for horizontal recycling of scrap in cooperation with customers; the development of upgrade recycling technology that enables removing foreign matter from market scrap and horizontal use by alloy type; and, the establishment of a global recycling flow to circulate recycled materials from overseas markets. We anticipate that, in the next Mid-term Management Plan, we will have to integrally execute sales initiatives for generating economic value, in addition to these procurement and production measures.

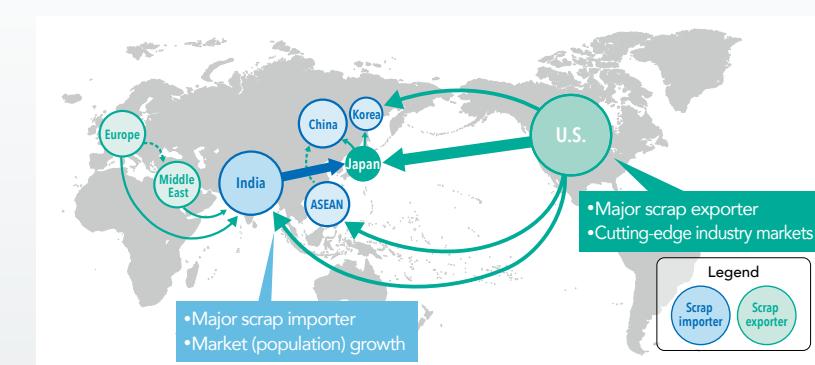
NLM Group's initiatives toward establishing a closed loop supply chain



Establishment of global recycling flow

Aluminum scrap is basically recycled at the place of generation, but the global market structure sees it flow from developed countries to economically growing developing countries. At present, the U.S. is the largest exporter, while India is the largest importer, receiving aluminum scrap from the U.S., Europe, and the Middle East.

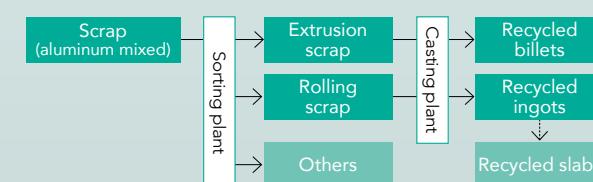
For this reason, building a closed loop supply chain that links the U.S., India, and Japan is key to establishing a global recycling flow. In the next Mid-term Management Plan, it is important to develop recycling business in the North American region, in addition to the initiatives already underway in India.



Initiative Overview | Investment in recycled billet business in India

As the first specific measure toward establishing a global recycling flow, in June 2025, we acquired a 20% stake in CMR-Eco, a company established by India's CMR Green Technologies Ltd. (hereinafter "CMR-GT") to manufacture and sell recycled extruded and rolled materials. (The company name was changed to CMR-NLM-Eco following our investment.)

CMR-GT, India's largest producer of secondary alloy ingots for casting, possesses advanced scrap sorting technology and launched a business for recycled expanded materials (mainly billets for extrusion) utilizing this technology. CMR-GT sought our billet casting technology and customer base in Japan, while we sought their advanced sorting technology, which is necessary for realizing extruded and rolled material recycling, and their global scrap procurement capability. This match in mutual expectations led to the decision to form a joint venture to advance this project. This will enable stable supply of extruded and rolled material.



Future Growth Strategy and Measures

Aluminum Foil Business

Our Environment

As "Toyo Aluminium," our Aluminum Foil Business Group supports people and their living in wide-ranging areas from packaging materials for food, medicines, and electronic parts to daily consumables, especially through its six core technologies (foiling, converting, material design, compounding, powder, and surface processing technologies) based on aluminum foils, powder, and paste.

Amid significant fluctuations in the external environment of late, the market environment surrounding aluminum foils is seeing a rapid expansion in the demand for exterior foils for lithium-ion batteries associated with the global shift toward the electrification of automobiles, and the demand in the semiconductor and medical sectors.

In order to respond to these rapid environmental changes, since 2022, we have been discussing the possibility of consolidating the domestic aluminum foil business, including other enterprise groups. In the end, the conditions necessary for implementing management integration were not met, and the Basic Agreement on Integration was terminated in 2024. Nonetheless, our understanding of the environment and the issues to be addressed remain the same.

Currently, as a major Business Group of the NLM Group, the Aluminum Foil Business Group is contributing to the improvement of our corporate value by enhancing its own business value, all while generating synergies through collaboration with the other seven Business Groups and functional organizations.

Future Strategy

Aluminum, which has significant advantages in reducing weight and improving thermal dissipation, has been seeing increased demand in recent years. This rise is driven by the global shift toward carbon neutrality via improved fuel economy and electrification of automobiles, as well as the rising demand for data centers and semiconductors fueled by the growth of generative AI. In this situation, our Aluminum Foil Business Group is also experiencing growing demand for its aluminum foil, powder, and paste products, including exterior foils for lithium-ion batteries and aluminum powder for 3D printers and thermal dissipation, and is steadily capturing this demand to spur its growth strategies.

Additionally, regarding processed foils for pharmaceutical packaging whose market is expected to grow, we will expand sales and business development not only in Japan but also to the Middle East, Europe, and Africa, among other countries, from our base in India, which is undergoing explosive aluminum demand and technological advancement associated with major economic growth.

As potential novel products and businesses, through collaboration inside the NLM Group, we are working on the development and application expansion of carrier foils for next-generation high-density printed boards and SiGe/Si semiconductor boards, as well as the alloy powder business for 3D printers, with the aim of establishing them as the next pillars of the Aluminum Foil Business Group.

Value Provision through Co-creation



The Source of Value Creation

- Material technology
- Processing technology
- Production technology
- Knowledge accumulated in broad business areas

Establishment of end-to-end Additive Manufacturing (AM) business ecosystem

