

NIPPON LIGHT METAL GROUP

INTEGRATED REPORT 2025

NLM Group Management Policy

Corporate Philosophy

Contribute to improving people's quality of life and environmental protection by continuing to create business, focused on aluminum.

Basic Policies

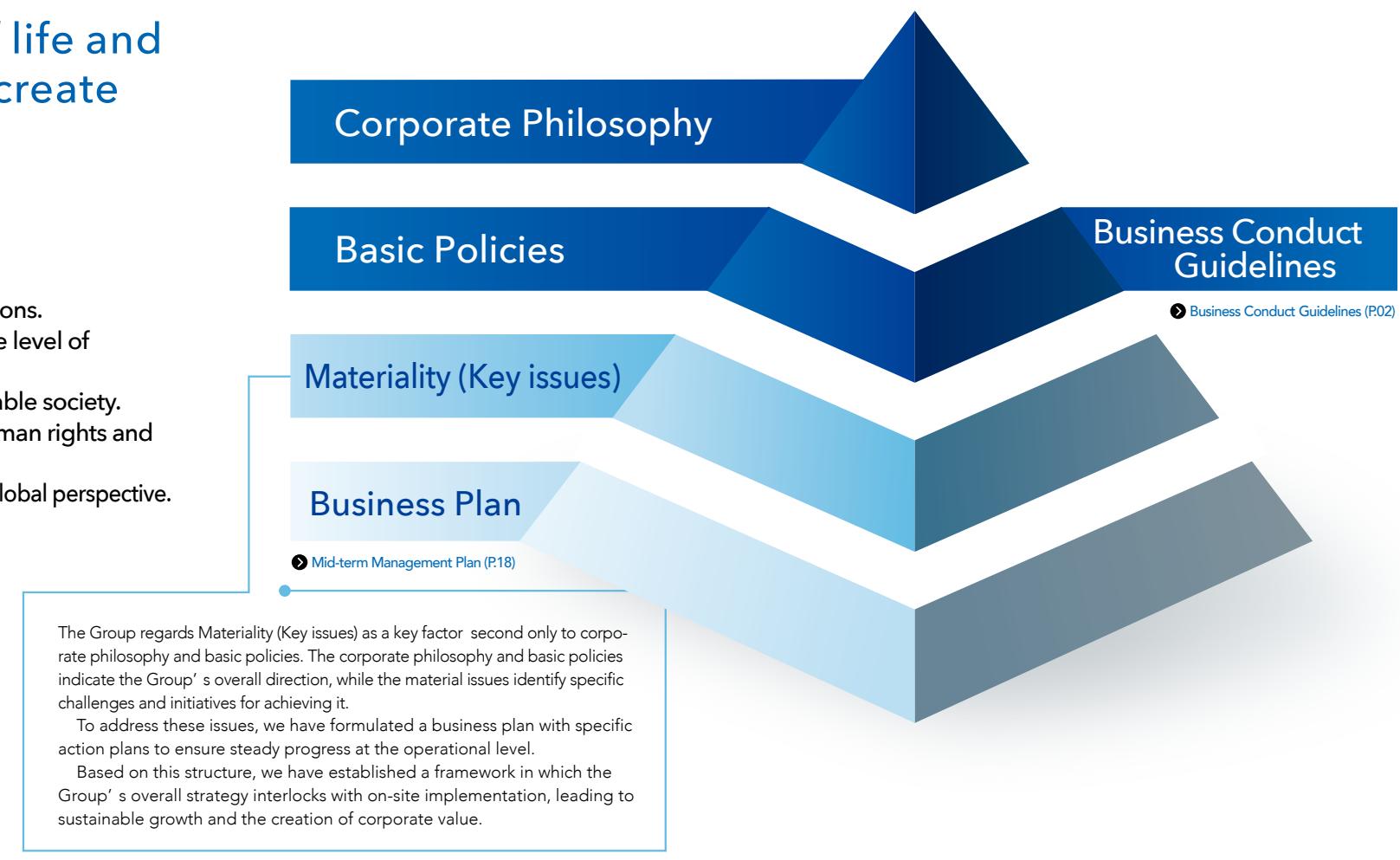
- The Group will create healthy, safe workplaces, and achieve zero-accident operations.
- The Group will continuously provide diverse value to customers by deepening the level of collaboration and coordination within and outside the Group.
- The Group will work actively to achieve carbon neutrality, to help create a sustainable society.
- The Group will engage in fair and honest business operations, with respect for human rights and an emphasis on ethics.
- The Group will respect diverse values, and develop human resources from a long-term global perspective.

The Group upholds its social mission and envisioned future as its Corporate Philosophy, and conducts its business activities in accordance with this philosophy. To achieve this, we have established Basic Policies that define our strategic direction and decision-making criteria, which together serve as the management policy for the entire Group.

Furthermore, taking into account social demands as well as risks and opportunities, we have identified "Materiality (Key issues)" that should be prioritized in order to strike a balance between sustainability and the enhancement of corporate value.

To address these issues, we have formulated a Business Plan using financial and non-financial indicators as well as timeframes, and are achieving specific results while managing and improving our progress.

In this way, the Group will realize sustainable growth and deliver social value by organically linking its ideals, policies, issues, and plans.



NLM Group Business Conduct Guidelines

Taking into account the corporate philosophy and basic policies, the Group has established the NLM Group Business Conduct Guidelines, which set out the values and codes of conduct to be embraced by every employee as they work toward the future.

In line with the revision of the Group's Management Policy in May 2022, these Business Conduct Guidelines were established in April 2023, drawing on "stories reflecting the essence of the NLM Group" posted by the Group's employees, as well as the experiences of members of the Business Conduct Guidelines formulation project.

We will use these Business Conduct Guidelines as a reference in our daily operations when we are unsure of what action to take or need to choose among different values. By doing so, we will continue to deliver value to society.



NLM Group Business Conduct Guidelines



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Editorial Policy

Introduction

As in 2024, the NLM Group will publish an integrated report in 2025. The report is designed to communicate the Group's vision for value creation in both financial and non-financial terms to all stakeholders, including shareholders and investors.

In the Integrated Report 2024 that we published last year, we reported the new mid-term management plan, which started in FY2023 and which we formulated in light of the changes in the Group's situation and its business environment. We also reported initiatives to address the Group's Materiality (Key issues). In this latest report, we detail the progress of the 2023 mid-term management plan, our carbon neutrality initiatives and other matters as carefully and conscientiously as possible. We would be happy if this report is useful to readers, our stakeholders in their understanding of the Group's business activities.

Reference guidelines

This report has been prepared with reference to the International Integrated Reporting Framework advocated by the IFRS Foundation, the Sustainability Accounting Standards Board (SASB), Sustainable Development Goals (SDGs), ISO 26000, and the Guidance for Collaborative Value Creation from the Ministry of Economy, Trade and Industry. In addition,

information disclosures on the foundations supporting value creation have been prepared with reference to the Environmental Reporting Guidelines (2018 edition) of the Ministry of the Environment and Global Reporting Initiative (GRI) standards.

Period covered

Data for the report was collected between April 2024 and March 2025.

(Note) Data collected before or after this period is also used in some sections of this report.

Scope of the report

This report describes the activities of and facts about Nippon Light Metal Holdings Co., Ltd. and its 74 consolidated subsidiaries (a total of 75 companies) unless otherwise specified.

Period of issuance

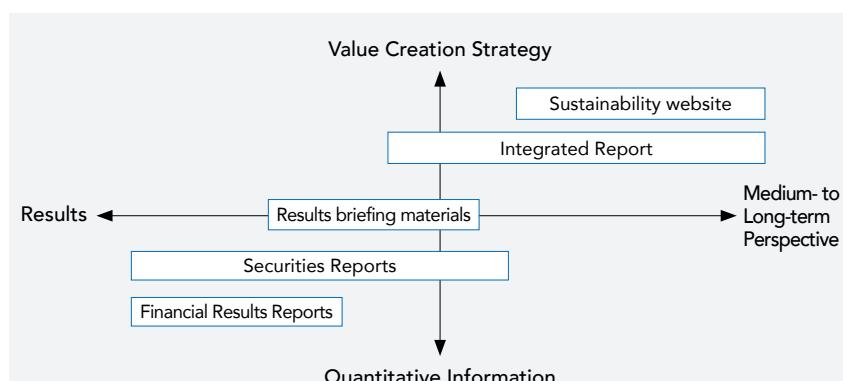
November 2025 (Previous issue: November 2024)

Independent assurance

A ★ symbol indicates that a third party, Sustainability Accounting Co., Ltd., has provided independent assurance regarding the reliability of the data.

Reporting Media

Further details and past initiatives are available on our website.



At a glance

As a general aluminum manufacturer, the Group contributes to people around the world and the global environment by creating value through the know-how and unique technologies it has been refining for more than 80 years since its foundation.

Year of foundation

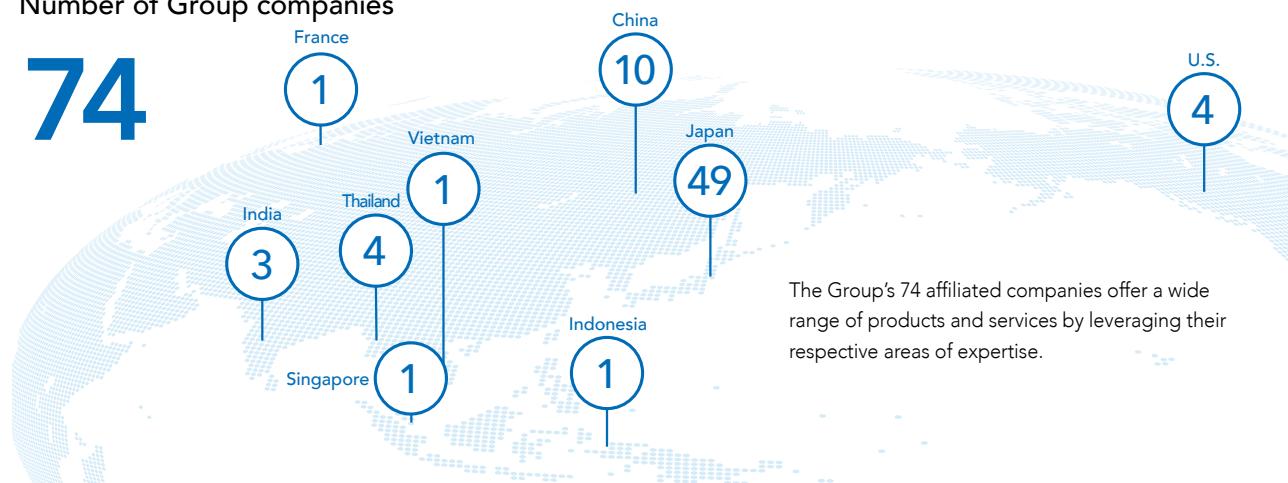


1939

Our history reflects our continuous creation of value through materials, while sincerely addressing social, economic, and environmental challenges in Japan.

Number of Group companies

74



Number of employees

12,318

U.S. and Europe:
321 persons

Asia:
1,488 persons



Japan:
10,509 persons

The strength of each and every one of our 12,318 employees forms the foundation for our long-term value creation for local communities, industries, and the environment.

Number of business groups

8 business groups



- Chemicals Business Group
- Metal Business Group
- Sheet & Extrusion Business Group
- Engineering Business Group
- Transport Equipment Business Group
- Automotive Parts Business Group
- Infrastructure Business Group
- Aluminum Foil Business Group

This management structure organizes a wide variety of businesses from the perspectives of customers and markets, enhances profitability, concentrates resources on growth areas, advances measures addressing social issues, and generates new value through cooperation within the Group.

Net sales



550.2 billion yen

Aluminum Ingot and Chemicals Business
165.5 billion yen

Aluminum Sheet and Extrusions Business
103.6 billion yen

Fabricated Products and Others Business
172.2 billion yen

Aluminum Foil, Powder and Paste Business
108.9 billion yen

These are the results of fulfilling our responsibilities as a player in a core industry, while at the same time addressing social issues and returning value to communities and industries by leveraging the synergy, efficiency, and flexibility of the entire Group.

Research and development expenses



5.9 billion yen

These efforts not only enhance our products to make them lighter, stronger and more eco-friendly, but also drive us to take on new challenges and address social issues.

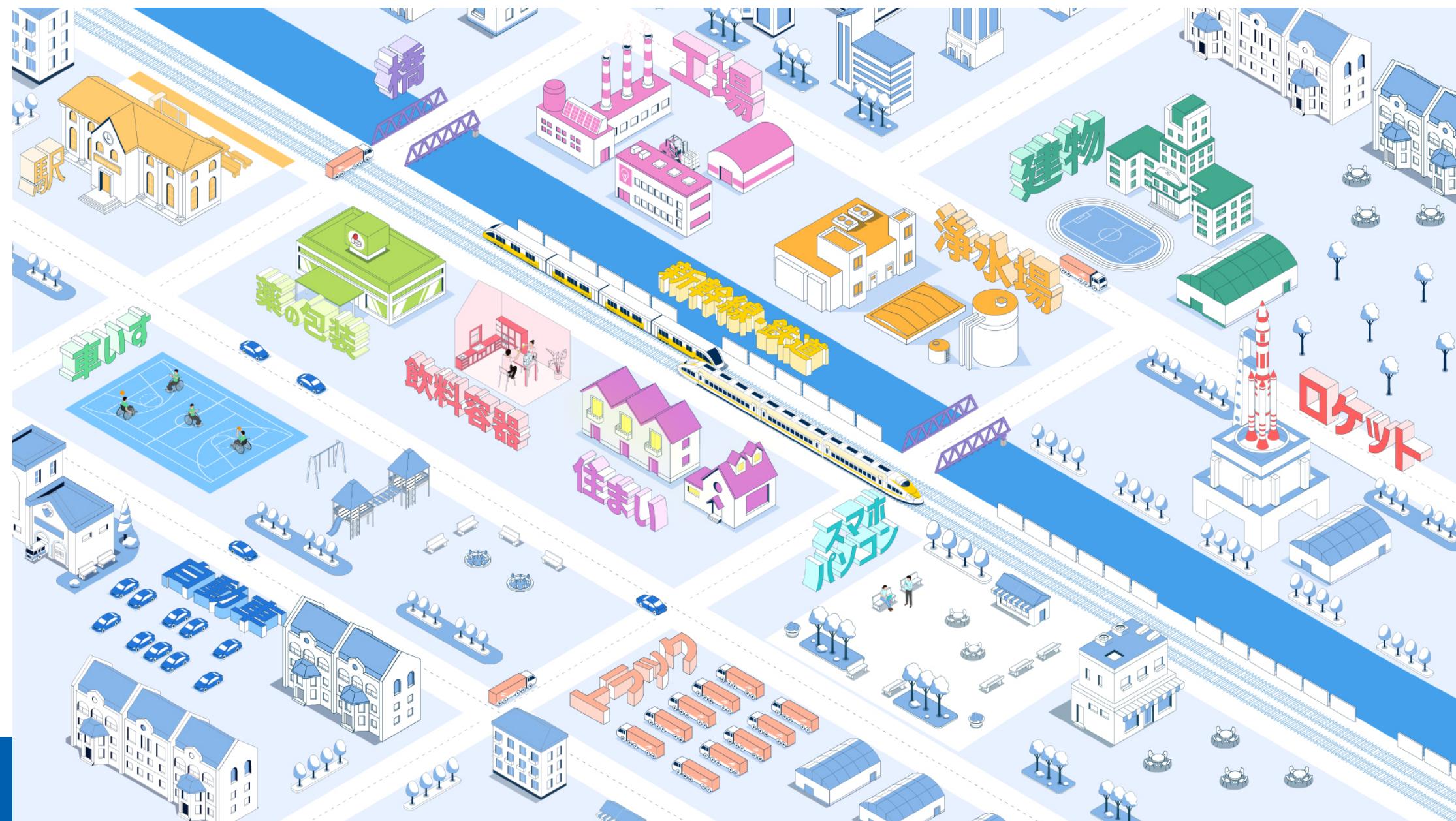
At a glance

Things you see around town may be part of our work.

Our aluminum materials and products are used in a wide range of applications, from common beverage containers, smartphones, and PCs to automobiles, railways, bullet trains, various buildings and structures, and even rockets launched into space.

The value we provide can be seen in the things around town and supports every part of society, even if it is not immediately noticeable.

Aluminum that can play either a leading role or a supporting role, depending on how it is used, can be easily recycled and is essential for a sustainable society.



Value Creation

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Message from CEO

As Team NLM, we will work to be a groundbreaking future-pioneering innovator of aluminum and beyond.

President and Chief Executive Officer

Ichiro Okamoto



Message from CEO

From defense to "aggressive stage"

Aiming to become "a groundbreaking innovator of aluminum and beyond as Team NLM," we are shifting to the "aggressive stage" in full scale. Capturing the growth segments including the automobile- and semiconductor-related sectors, global markets, and carbon neutrality, we will mobilize all our accumulated technological and comprehensive capabilities to strengthen our revenue base and sustainably enhance our corporate value.

From "materials industry" to "a groundbreaking innovator of aluminum and beyond"

Changes in external environment and our business

The production of primary aluminum requires a substantial amount of energy in the electrolytic smelting process for creating new ingots, and this energy cost significantly impacts its price competitiveness. In response to the soaring energy costs in the 1970s due to the oil crisis and structural changes in developed markets, including stagnant demand, Japanese aluminum manufacturers began to withdraw from the electrolytic smelting business. This exodus culminated in the cessation of Nippon Light Metal Company, Ltd.'s electrolytic smelting business in 2014.

Taking these environmental changes as turning points, we expanded our business from electrolytic smelting to downstream aluminum processing and fabrication, and further into service fields such as design, construction, and after-sales maintenance. As a result, our company successfully evolved into the one-of-a-kind comprehensive aluminum manufacturer in Japan, opening up new possibilities for aluminum and aluminum-related materials.

As Team NLM, we will work to be a groundbreaking innovator of aluminum and beyond.

Our strengths lie in our deep understanding of aluminum's material properties and our ability to blend primary processing technologies such as casting, extrusion, and rolling with a variety of secondary fabrication techniques including surface processing, bonding, bending, drawing, shearing, and cutting. Further, by leveraging a comprehensive capability that spans from alloy development to design, construction, assembly, maintenance, and services, we go beyond the scope of a conventional material manufacturer to create customer value and offer products and businesses that contribute to the creation of social value. This is the very vision our Team NLM aims for as a "groundbreaking innovator of aluminum and beyond" and where our strengths shine.

One symbol of the vision is the Nikkei Panel System. The company deals with insulating panels for refrigerated storage facilities; however, aluminum is hardly used in such panels. As exemplified by its management of the large-scale cold storage facilities at the Toyosu Market, the company deploys the technologies and know-how gained from its aluminum business to other materials to generate new value.

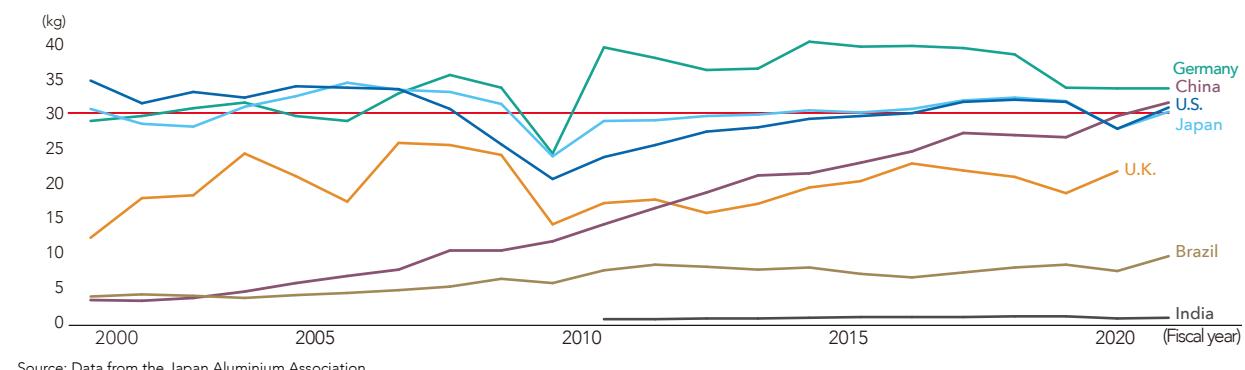
Meanwhile, in the automobile-related field, Nikkeikin Aluminum for Mobility Company is utilizing its comprehensive capability to the fullest. The company established a supply system that is unconstrained by the production method, and built a framework to offer end-to-end solutions covering materials, manufacturing processes, processing technologies, and design and development. This enables the company to combine complex technologies and provide the best solutions to advanced challenges in the automobile industry, such as electrification, weight reduction, and thermal management. Wielding its comprehensive proposal and supply capability, the company is creating customer value through enhanced collaboration with domestic and overseas facilities, especially in

areas like new product development.

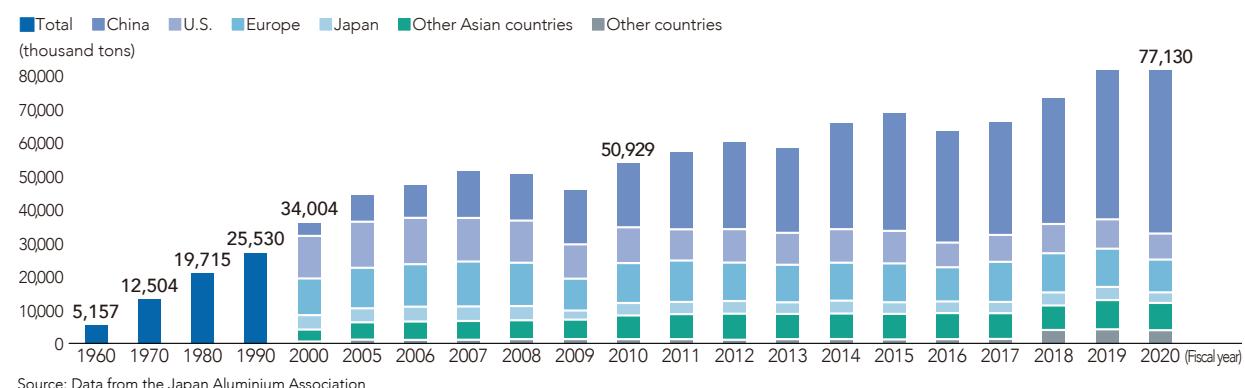
The two driving forces, the Nikkei Panel System, which is realizing its strengths beyond aluminum, and Nikkeikin Aluminum for Mobility Company, which is exercising its comprehensive capability, symbolize the vision of a groundbreaking material innovator. As these examples demonstrate, our company continues its evolution beyond the boundary of the "materials industry," transforming into a "groundbreaking innovator of aluminum and beyond" that solves customers' problems and creates new value.

● The Source of Value Creation (P.14)

Changes in per-capita Aluminum Consumption Around the World



Changes in Demand for Aluminum in the World



Message from CEO

Progress of the 2023 Mid-term Plan and future directionality

While maintaining growth in revenue and profit, aiming to achieve profit targets under the next Mid-term Plan

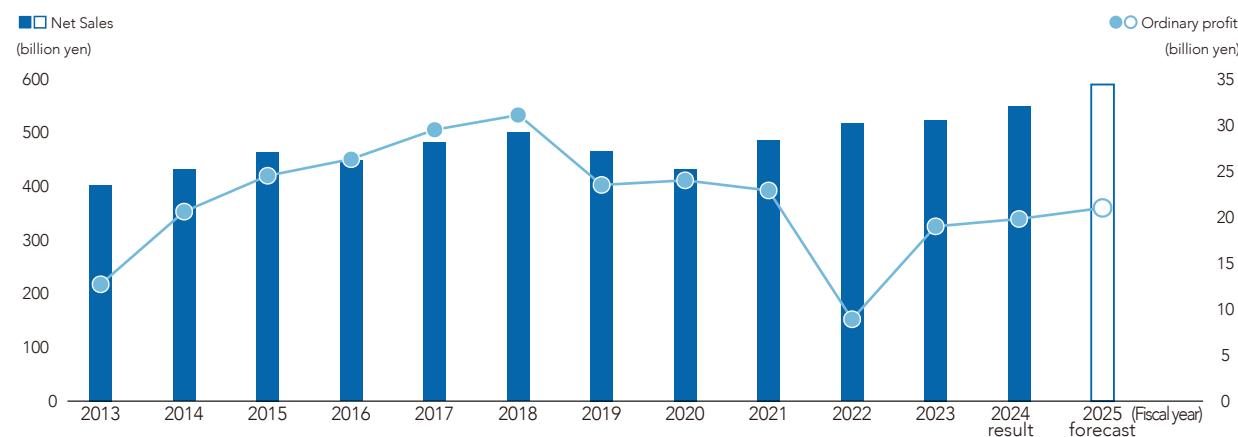
The Mid-term Management Plan launched in FY2023 (2023 Mid-term Plan) steadily generated positive results despite significant fluctuations in the external environment. We secured two consecutive years of revenue and profit growth through FY2024, and this is expected to extend to three consecutive years in FY2025. Consolidated net sales have already met the 2023 Mid-term Plan target, and are on track to attain a record high level.

We also advanced our key initiatives. The measures to address sedimentation in Amehata Dam were completed as planned over five years with the cooperation of national and local authorities, contributing to the safety of the local community. Regarding quality issues, we provided all affected customers with explanations of our recurrence prevention measures to garner their understanding, and have steadily advanced corporate culture reform through site manager meetings and workplace visits. I believe these initiatives enabled us to successfully establish a solid foundation for "defense" in pursuit of our revenue and profit targets.

On the other hand, challenges to profitability remain. The most impactful external factors include aluminum market conditions and exchange rate fluctuations, as well as sluggish growth in the EV sector and the delayed recovery of the semiconductor market. As a result, consolidated ordinary profit for FY2025 is projected at 21.0 billion yen, falling short of the 2023 Mid-term Plan target of 30.0 billion yen. Achievement of the target will be carried forward as a challenge into the next Mid-term Plan.

➤ [Mid-term Management Plan \(P.18\)](#)

Consolidated Financial Results



Boldly taking on growth areas

To move toward the 2023 Mid-term Plan target "the new Team NLM that secures stable ordinary profit exceeding 30 billion yen," initiatives to capture growth segments are essential. Designating the automobile- and semiconductor-related sectors, global markets, and the carbon-neutral society as growth segments, we will develop products and businesses adapted to these areas and implement proactive initiatives to sustainably enhance our corporate value.

Automobile- and semiconductor-related sectors

In the automobile-related sector, short-term demand has reached a plateau, but mid- and long-term demand is projected to grow with high certainty, driven by the expansion of EVs and the advancement of next-generation mobility. Our automotive parts departments have completed their functional integration, and are prepared to deploy their competitiveness when domestic and overseas demand begins to ramp up.

Regarding the semiconductor-related sector, the market is forecast to grow over the medium to long term, albeit subject to demand fluctuations. Our chemicals business offers low soda alumina for semiconductor manufacturing equipment that offers excellent electrical insulation and heat-resisting properties, contributing to improved precision and reliability in semiconductor manufacturing. Additionally, in our engineering business, we are enhancing the supply capacity for clean room design and construction via the Nikkei Panel System, and are establishing a framework to meet the increased demand associated with expanded capital investment in semiconductor and electronic component factories.

Through these initiatives, we are building a foundation to accommodate future demand increase in two growth segments, automobiles- and semiconductor-related sectors. In the next Mid-term Plan, we will establish these growth segments as the pillars of profit growth.

Global markets

North America, the world's largest market, and India, expected to see demand increase backed by the demographic dividend, are important markets that can drive our growth.

In North America, we executed a large-scale investment in the automotive parts sector, and commenced operations in FY2024. Currently, we are working on establishing a robust revenue structure, while strengthening our business foundation in anticipation of full-scale EV demand.

In India, we established a new company through a joint venture with Century Metal Recycling Private Ltd., a leading metal alloy manufacturer in the country, and in June 2025, we decided to jointly invest in the aluminum recycling business with the CMR Group. Seizing vigorous demand driven by the country's population of approximately 1.5 billion, we will proceed with building a global supply chain with high environmental value that utilizes state-of-the-art technology. While its contribution to business performance will take some time, we are positioning it as the first step in our future low-carbon product and service strategy, and are determined to nurture it as a new pillar in the global market.

Meanwhile, in the Chinese market, Japanese automakers continue to struggle, and our automotive parts business is facing strong headwinds. We recognize there are significant structural issues, and will offset this risk by reinforcing our growth strategy in other regions, focusing on North America and India.

Message from CEO



Carbon neutrality strategy

To contribute to the realization of a global decarbonized society, it is necessary to reduce reliance on primary aluminum, whose production process generates significant greenhouse gas (GHG) emissions. To that end, it is essential to establish a closed loop supply chain utilizing green aluminum*1 and recycled aluminum.

In this context, our company is advancing a strategy that harnesses regional characteristics, both domestically and overseas. Specifically, the new company established in India is a system that handles everything from the local collection, sorting, and recycling of aluminum scrap to the supply of low-carbon aluminum billets to Japan, representing a major first step toward converting from the conventional reliance on primary aluminum to a closed loop supply chain. Through this initiative, we will strive to achieve both a reduction in GHG emissions and business growth, and contribute to solving social issues and enhancing our corporate value.

*1 Green aluminum

Aluminum produced by smelting that uses electricity generated from non-fossil-fuel energy sources (Japan Aluminium Association)

Management with awareness of capital efficiency and share price

Our company is in a transition period from a "defensive" to an "aggressive" stance, and I am firmly confident in its future growth potential. However, our company's PBR is around 0.5x, well below 1.0x, indicating that we have not received adequate valuation from the capital market. To improve this situation, we will uphold management mindful of capital efficiency and share price.

From the perspective of capital efficiency, we will use ROIC as a performance indicator for consolidated results, and also apply this as a performance indicator for each business group to advance ROIC management mindful of invested capital efficiency in each business unit.

From the perspective of share price, to improve the PBR, we will broaden the opportunities to explain our strengths as "a groundbreaking innovator of aluminum and beyond," which is our company's unique characteristic, and our "aggressive" growth strategies in an easy-to-understand manner. Since 2022, we have reinforced our IR activities and have energetically and continually engaged in dialogues with investors and analysts through briefing sessions, individual meetings, and other channels. We will sincerely heed the opinions and requests received through these opportunities, appropriately reflect them in our IR activities, and continue to have honest dialogue with our stakeholders.

Moving forward, we will advance ROIC management and proactive IR initiatives as two driving forces to gain the confidence of the capital market and aim to achieve a PBR of 1.0x or higher.

② Financial Strategy (P.30)

Promoting sustainable management

Realizing both business growth and a sustainable society

To contribute to the realization of a decarbonized society, our company believes it is crucial to balance the opportunities and risks in pursuit of carbon neutrality. Achieving this balance leads to our sustainable growth and is directly linked to the provision of value to a sustainable society.

To squarely tackle these challenges, in 2023, we established the "Green Growth Strategy Office" and built a cross-functional, group-wide structure.

Currently, the Office is propelling multifaceted initiatives, including GHG reduction (Scopes 1 and 2) via "decarbonization of manufacturing" through measures such as fuel conversion and the introduction of high-efficiency equipment at factories; GHG reduction (Scope 3) via "decarbonization of procurement" through the promotion of green aluminum and recycled aluminum; improvement of energy efficiency through initiatives like weight reduction; and the establishment of a closed loop supply chain.

Message from CEO

A symbolic example of these initiatives is the horizontal recycling of Shinkansen vehicle bodies. In this initiative, retired vehicles are dismantled, and the aluminum material obtained is recycled for use in the construction of new Shinkansen vehicles. This system is adopted by JR Tokai for its latest vehicle model, the N700S. This project, which achieves both a reduction in GHG emissions and the effective utilization of resources, is highly praised by the Japan Aluminium Association, and demonstrates the innovative spirit of our horizontal recycling technology. Moving forward, we will expand this successful outcome to the automotive parts, truck materials, and motorcycle sectors, among others, to enlarge the circle of circulation.

Furthermore, by combining the development of the recycled aluminum business in India and other overseas locations, we will achieve our business growth and contribute to the realization of a sustainable society.

Fostering "happiness of employees"

I have held many direct dialogues with a cumulative total of more than 3,500 employees through workplace visits*2. During these dialogues, I feel it is most important to spark the motivation in each and every employee. As I visited factories, sales offices, and other locations and communicated with our employees face-to-face, I strongly felt their pride in working for our Group and their dedication to exert themselves to the fullest. I am certain that the motivation and autonomous initiatives of each individual will definitely promote personal growth, become the driving force for "Team NLM," and ultimately lead straight to the growth of our company.

Amid the current social issue of workforce shortages in Japan, I believe that creating an environment where our employees can feel a sense of happiness in working for our Group is precisely what results in creating customer value and securing new coworkers.

The Shimbashi Office of the Group's Headquarters adopted ABW*3 and has established a worker-friendly work environment that transcends organizational boundaries. Additionally, the company has been continuing investment in welfare facilities, such as factory cafeterias and employee dormitories. These are not special commemorative initiatives—they are just "simple acts" to show our gratitude to our comrades who worked alongside us through challenging times.

I believe that nonchalantly yet diligently executing such "simple acts" is vital for our company to achieve sustainable growth. Moving forward, anchoring our philosophy in "happiness of employees," we will artlessly and unwaveringly advance initiatives toward its realization.

*2 Workplace visit

A dialogue session with approximately 20 employees per meeting. An initiative to promote bidirectional communication, for me to convey management's vision, and for employees to report on the challenges and concerns they face in their work and other issues as voices from the field.

*3 Activity Based Working

A work style where employees flexibly utilize workspaces according to the task by not having fixed seats, and personally selecting the optimal work environment to fit the purpose, with the aim of improving creativity and productivity (e.g., in the morning, preparing documents in the collaboration area (designed to promote team-based collaboration), and in the afternoon, meeting a client in the café space (ideal for internal and external communication)).

In Closing

Reflecting on my 10 years as President, I remember I felt a great sense of pride swelling deep within me when, during the period of the FY2016 Mid-term Plan, our consolidated ordinary profit exceeded 30.0 billion yen and our Group united to attain many business goals. On the other hand, we faced numerous difficulties, including the sedimentation issue at the Amehata Dam and quality-related problems, but, working together with our colleagues, we overcame them. And I believe now is the time we confidently take a step forward, shifting from a "defensive" to an "aggressive" stance.

Igniting the spirit and passion in each and every employee as a catalyst for our move toward becoming "a groundbreaking innovator of aluminum and beyond as Team NLM"—this, I recognize, is my mission as President.

Building a workplace culture and environment for every employee who works with us to feel pride in the Group and fully exert their potential. I am confident that persistently working on it will lead to the creation of value for our customers, and ultimately bear fruit in the form of enhanced business performance and returns to our shareholders and investors.

We will powerfully ascend in this aggressive stage to become "a groundbreaking innovator of aluminum and beyond as Team NLM." We kindly ask for your continued support.



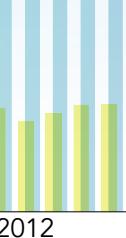
Value Creation History

The history of responding flexibly to changes in the social environment and continually evolving is the very source of the "groundbreaking innovator of aluminum and beyond" we aspire to become.

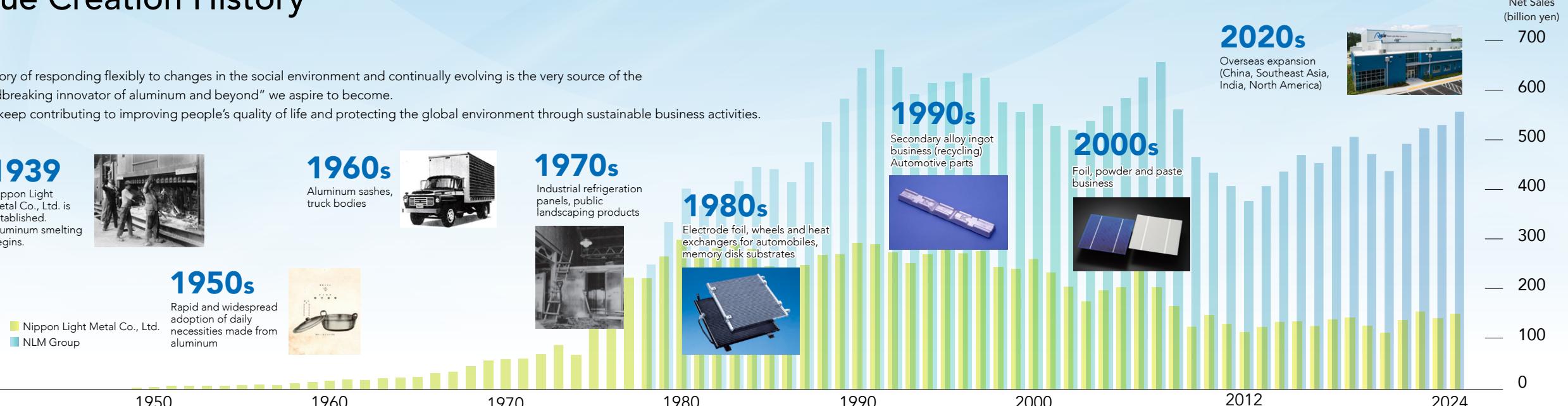
We will keep contributing to improving people's quality of life and protecting the global environment through sustainable business activities.



1939 1950



Nippon Light Metal Co., Ltd.
NLM Group



Founding and expansion phase (1939–1970s)

Main business

Supported by domestic infrastructure demand, business was developed focusing on aluminum smelting.

- Aluminum electrolysis
- Casting
- Rolling and extrusion
- Established an integrated system up to secondary fabrication

Organizational structure

Vertically integrated organizational management (concentrating processes from smelting to fabrication at the Kambara Complex)

Business characteristics

Expanded the application of aluminum to include private infrastructure, automobile, and building materials. Internalized the entire process from raw materials to final products.

Diversification and structural transformation phase (1980–early 2000s)

Fabricated products, including chemicals, beverage containers, and functional materials (such as electronic materials and automotive parts), were expanded. Secondary alloy business was developed through recycling.

- Diversification of chemicals (water treatment agents, organic synthesis products)
- Expansion of electronic materials (high-purity aluminum, electrode foils, memory disks)
- Products for automobiles (wheels, forged products, heat exchangers)

Established specialized companies in each business field. Reinforced the Group management structure.

Transitioned from primary aluminum production to fabricated product manufacturing in response to the decline in domestic smelting. Shifted from domestic production to imports for raw materials. Strengthened R&D, and advanced into high-function, high-value-added fields.

Holding company system (2012–present)

The business portfolio diversified into Aluminum Ingots and Chemicals, Aluminum Sheet and Extrusions, Fabricated Products, Aluminum Foil, Powder and Paste Business, Engineering, Technical Services, Logistics, and Others.

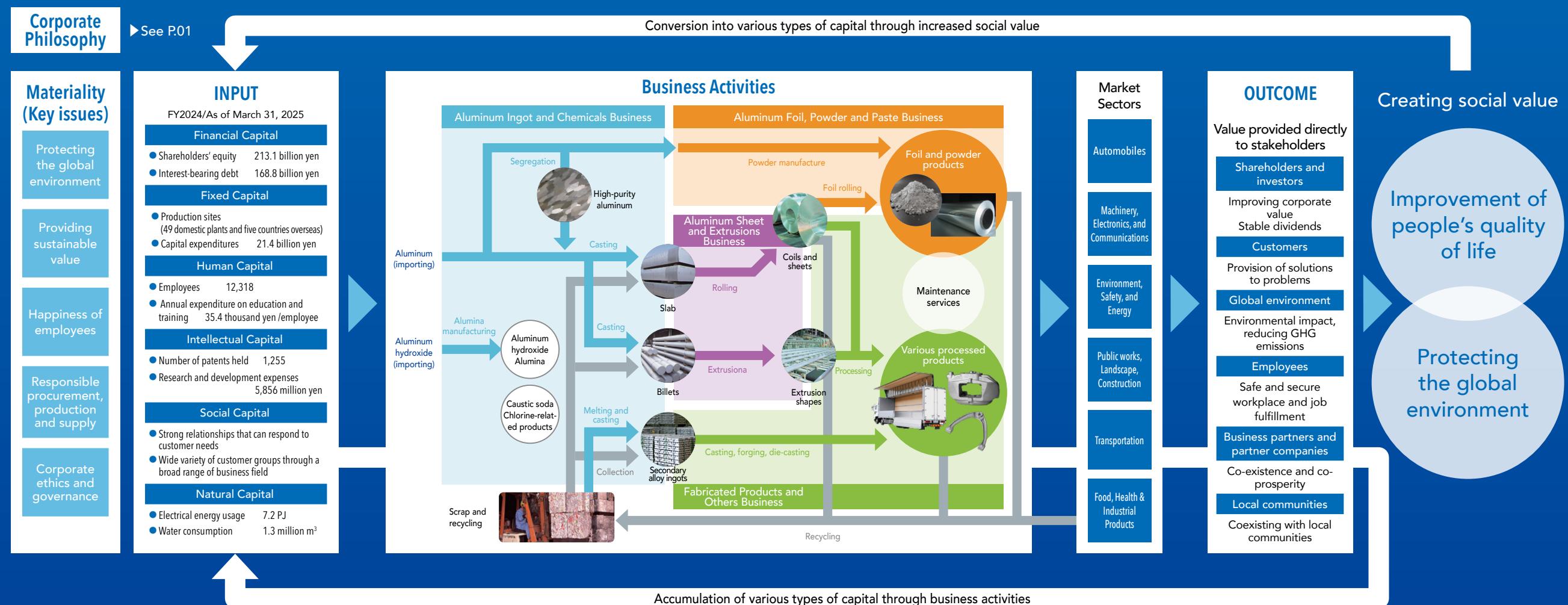
- High-value-added fabricated products
- Recycled aluminum products
- High-function chemicals
- Technology development for CO₂ reduction (renewable energy, energy saving)

Established Nippon Light Metal Holdings Co., Ltd. in 2012, and transitioned to a pure holding company system.

- Business development for fabricated products in China, Southeast Asia, India, and North America
- Introduction of a business group system to meet the needs of customers (market-in)
- Promotion of sustainable management

The Value Creation Process

Aiming to provide value to our stakeholders and create social value, our Group will contribute to improving people's quality of life and protecting the global environment through capital investment in its complex and integrated value chain spanning a wide range of business.



The Source of Value Creation -Toward a Groundbreaking Innovator of Aluminum and Beyond-

Our Group is working on creating new value that transcends industry boundaries by fusing the properties of aluminum materials with diverse processing technologies. Based on open innovation, we will accelerate the development of next-generation business and expand into broader fields through co-creation with partner companies.



Sustainability Strategy

Materiality (Key issues) of the NLM Group

The NLM Group will contribute to the realization of the sustainable society envisaged by the SDGs through the comprehensive and wide-ranging fields of business related to aluminum. As part of this process, in order to recognize the issues the NLM Group should address in particular and raise them as important management issues for the Group's sustainable growth and the improvement of

corporate value, our Board of Directors identified the Materiality (Key issues) of the NLM Group in 2021. We have set KPIs (target values) for each of the issues and are working towards achieving them based on concrete plans of action.

● **Steps to Identifying Materiality (Key issues)** <https://www.nikkeiinholdings.com/sustainability/materiality.html>

Five Themes	Materiality (Key issues)	Reason for Selection of Materiality (Key issues) and Visions	Major Key Performance Indicator (KPI)	Target value* ¹	FY2024 results	Our assessment
Protecting the global environment 	<ul style="list-style-type: none"> Reducing greenhouse gas emissions from company activities (Scope 1, 2) Reducing greenhouse gas emissions in the supply chain (Scope 3) Response to climate change (TCFD) Responding to water stress Preventing environmental pollution 	All of the aluminum we use at the NLM Group is imported, and a huge amount of electricity is necessary in the process of smelting it. Accordingly, we urgently need to reduce all GHG emissions—Scopes 1, 2 and 3. In addition, consideration for the natural environment and biodiversity is essential for ensuring the sustainability of our operations that utilize natural capital. Through these initiatives, we will balance both social responsibility and environmental consideration, and aim to become "a company that co-creates a sustainable future" trusted by our stakeholders.	<ul style="list-style-type: none"> Scope 1 and 2 emissions per unit of sales (Japan) (➡ See pages 17, 48, 52) Scope 3 emissions per unit of sales (Japan) (➡ See pages 17, 48, 52) Number of environmental incidents and complaints (➡ See page 50) 	-30% compared to the FY2013 level FY2050: Net zero	0.80 tons CO ₂ /million yen	○
Providing sustainable value 	<ul style="list-style-type: none"> Efforts to expand the use of renewable energy Developing and providing low-carbon products and services Promoting a recycling-oriented economy and society Developing and providing robust infrastructure Contributing to the stable supply of food Shaping the future through innovation 	The NLM Group has product families that can fulfill the growing demand related to the switch to materials created using renewable sources of energy and highly recyclable materials. Leveraging their features, we provide sustainable value in various fields, including the automobiles, transportation, electricity and electronics, and social infrastructure. These initiatives will contribute to the realization of a decarbonized and recycling-oriented society and the strengthening of social infrastructure, and create a sustainable future through innovation.	<ul style="list-style-type: none"> Growth rate of sales of products for eco-friendly vehicles (Japan/compared to the FY2021 level) Rate of purchase of external scrap (overall Group) 	Up 300%	Up 80%	△
Happiness of employees 	<ul style="list-style-type: none"> Occupational Safety and Health Developing a fulfilling workplace Diversity & inclusion Securing and cultivating human capital 	With the internal slogan "Safety and health come before anything else," in recent years, the NLM Group is focusing significant efforts on mental health care as well. To enhance corporate value, the happiness of employees who drive our businesses is indispensable, and to achieve that, we believe that a healthy work-life balance, diversity and inclusion, and human capital development are key. Through these initiatives, we foster the pride and growth of our employees, and aim for an enterprise filled with diversity and trust, and one that is continually chosen by the market.	<ul style="list-style-type: none"> Number of lost-time injuries (➡ See page 57) Employee engagement score (Japan) (➡ See page 59) Percentage of managers that are women (consolidated) (➡ See page 61) Percentage of childcare leave taken by male employees (Japan) (➡ See page 61) Percentage of regularly hired career track workers that are women (➡ See page 61) Annual number of employees who completed next-generation management training (➡ See page 62) Percentage of managers who completed new manager training (➡ See page 62) 	Continue to achieve 0 incidents 3.6 or higher FY2024: 7% or above FY2030: 10% or above FY2024: 30% FY2030: 100% 20% or higher 10 or more trainees 100%	15 3.38(NLM* ¹) 6.1% 80.3% 12.8% 15 100%	× △ × ○ × ○ ○
Responsible procurement, production and supply 	<ul style="list-style-type: none"> Providing safe and secure products and services Protecting and respecting human rights Developing a stable supply chain A resilient value chain that is flexible to changes 	Through initiatives that encompass a BCP perspective that includes respecting human rights and stable procurement in light of geopolitical risks, as well as by maintaining and improving quality, we will realize sustainable and highly transparent procurement and build a trusted supply chain, aiming to become an enterprise that grows together with local communities, all while pursuing customer satisfaction and consistent quality.	<ul style="list-style-type: none"> Number of serious quality problems that occurred (➡ See pages 54 and 74) Joining the relief organization (➡ See page 63) Response rate from major suppliers*³ to a questionnaire survey to check that they understand and have approved our CSR procurement policy Number of BCP training sessions held 	Continue to achieve 0 incidents and complaints Membership continued 80% 3	36 Membership continued 74% 3	× ○ △ ○
Corporate ethics and governance 	<ul style="list-style-type: none"> Strengthening governance Reinforcing the compliance framework 	We promote the enhancement of corporate governance and dialogue with diverse stakeholders. Additionally, we believe that the prevention of misconduct and scandals is effective in precluding such matters from negatively impacting not only the company but also society. We will ensure compliance with laws and regulations and highly reliable information disclosure to gain the understanding and trust of shareholders and investors, thereby aiming to be an enterprise chosen by the market for the long term.	<ul style="list-style-type: none"> Number of quarterly interviews with investors held Number of self-assessments conducted by the Board of Directors Number of times Outside Officers inspected business locations Percentage of officers and employees who received compliance training (consolidated) (➡ See page 47) 	84 Once/year Twice/year Annual percentage of 80% or above	120 1 2 20%	○ ○ ○ ×

*1 The targets are FY2030 targets unless otherwise noted. *2 Nippon Light Metal Co., Ltd. (non-consolidated) *3 Suppliers constituting 80% of the Group's total purchases by amount

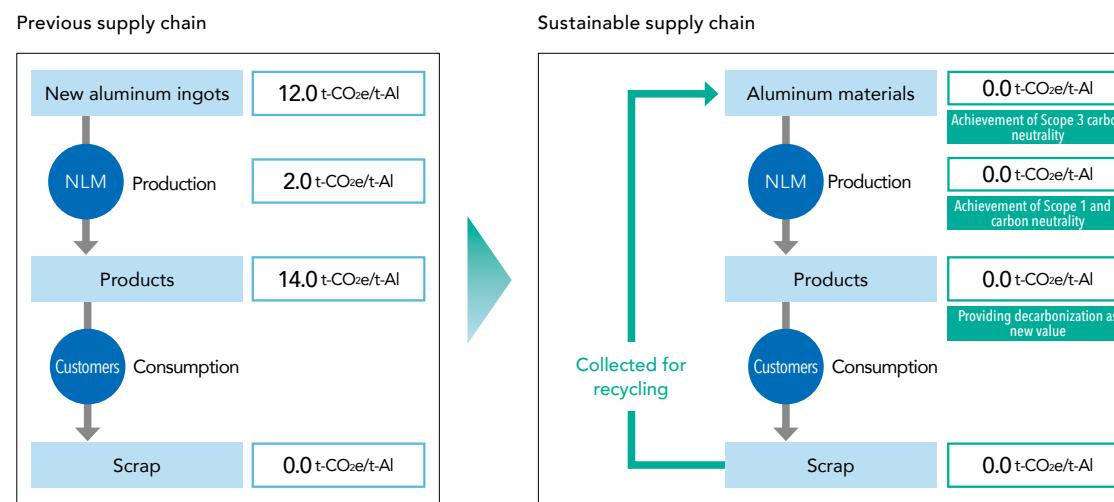
Sustainability Strategy

Action on the Material Issues: Initiatives for the Integrated Decarbonization Strategy of the Group

The NLM Group's role in realizing a decarbonized and recycling-oriented society

As global warming has been an issue for the entire world, the achievement of carbon neutrality throughout the supply chain is becoming a requirement for every company to continue their business activities. We are seeing actual financial burdens emerge, such as carbon taxes already introduced, primarily in Europe, and an increase in investors and financial institutions that require decarbonization initiatives as a condition for investment and financing. Domestically, frameworks are also being established that obligate the purchase of emission allowances or the payment of penalties for exceeding emission quotas. These moves are significant risks to business continuity.

On the other hand, aluminum is expected to be used more widely in the automotive sector, where it is necessary to further reduce the weight of vehicles due to the shift to EVs. Further, regarding the realization of a decarbonized society, there are high hopes for aluminum because it is highly recyclable and its recycling makes it possible to significantly reduce the GHG emissions of entire supply chains. Notably, the GHG emissions generated during aluminum recycling are only 3% of that generated during primary aluminum production. This characteristic is an extremely crucial element for contributing to the reduction of GHG emissions through material recycling throughout the supply chain.



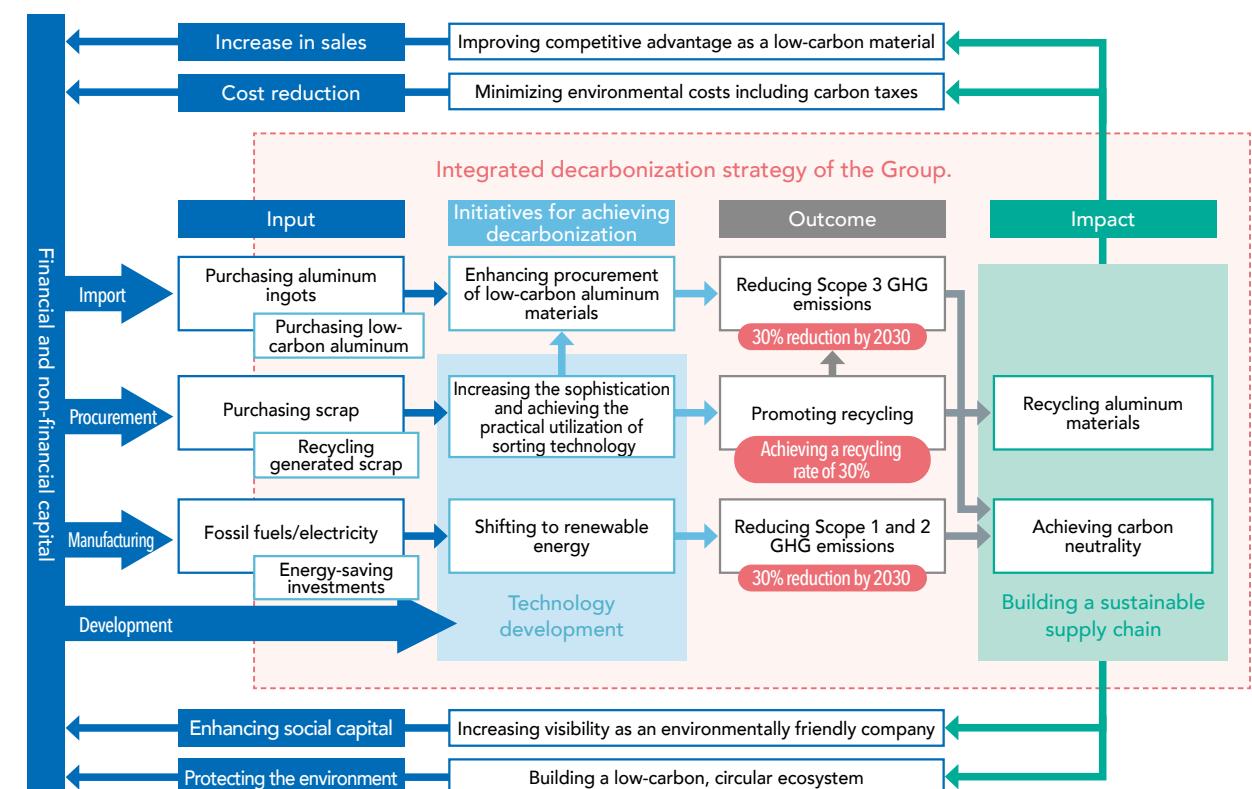
Concept of decarbonization strategy and basic policies

The NLM Group will reduce GHG emissions from company activities (Scopes 1 and 2) through investments in energy-saving measures and conversion of fuel and electricity to renewable sources.

Additionally, we will switch primary aluminum ingots procured overseas to "green aluminum" derived from renewable energy sources, such as hydroelectric power, and simultaneously promote the circular use of aluminum materials, to reduce GHG emissions in the procurement stage (Scope 3).

Through these initiatives, we will offer customers new value in the form of low carbon and decarbonization.

Flow of impact



Sustainability Strategy

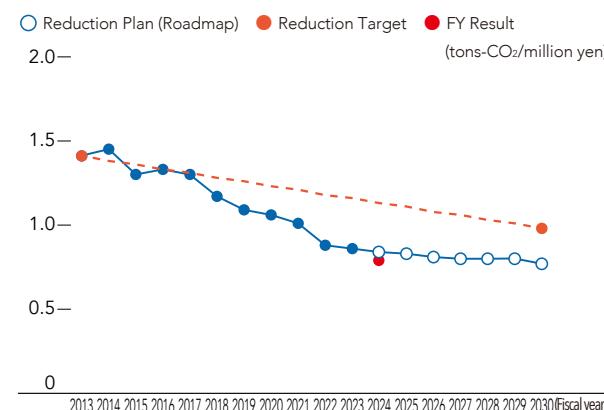
Roadmap to achieve the targets

As the control tower for the Group's GHG emissions reduction, we established the Green Growth Strategy Office in FY2023 and have since been planning and promoting decarbonization strategies.

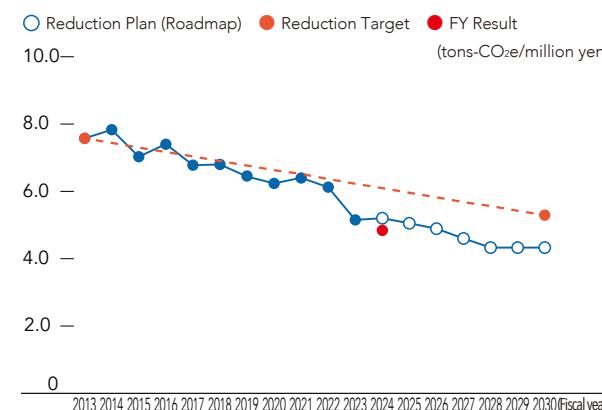
In FY2024, we formulated and published the roadmap to achieve the FY2030 targets, and the Green Growth Strategy Office is managing the progress to ensure its steady implementation.

➤ **NLM Group's roadmap to achieve the FY2030 targets toward carbon neutrality**
<https://www.nikkeikinholdings.com/news/common/file/kesson/p2024121601hde.pdf>

Scope 1 + 2



Scope 3



Prospect of achieving the reduction targets

Scope 1 + 2

In FY2024, the recovery in production volume slowed the GHG emissions reduction, but promoting energy saving and energy conversion allowed us to achieve a GHG emissions reduction of approximately 130 thousand tons compared to FY2013. As a result, the emissions per unit of sales improved from the baseline year (FY2013) value of 1.41 to 0.80.

The future forecast takes into account an increase in GHG emissions due to the recovery in production volume, but we will endeavor to reduce emissions by further reinforcing energy-saving measures and expanding the introduction of renewable energy. Our current outlook indicates that, while an increase in emissions is anticipated due to factors such as increased production, we can still achieve the emissions per unit of sales target through these initiatives.

Scope 3

Up until FY2024, similar to Scopes 1 and 2, a reduction in production volume contributed to a reduction in GHG emissions. On top of that, our initiatives to increase recycled aluminum procurement and to promote the use of scraps led to an emissions reduction of approximately 420 thousand tons. By this, the emissions per unit of sales improved from the baseline year (FY2013) value of 7.58 to 4.91.

Moving forward, we plan to advance the GHG emissions reduction by expanding the procurement of imported recycled billets and green aluminum and further accelerating aluminum recycling. Even factoring in the emissions increase associated with the production recovery, the 2030 emissions per unit of sales target of 5.31 is expected to be achievable.

Outlook for reduction in total emissions

Our company has set its GHG emissions reduction targets based on emissions per unit of sales, and the FY2030 targets for Scopes 1 and 2 and Scope 3 are expected to be achieved. However, achieving carbon neutrality by FY2050 presupposes a practical reduction in total emissions, and we believe that achieving reduction on a total emissions basis requires implementing even more measures.

COLUMN

Initiatives for achieving decarbonization

The NLM Group has been progressing the switch to green electricity derived from renewable energy sources to promote the Scope 2 emissions reduction.

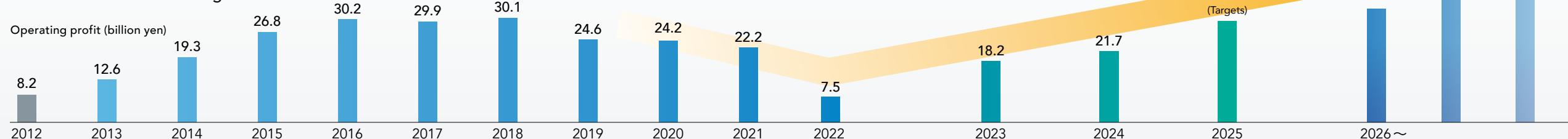
In FY2024, we switched the electricity used at Toyo Rikagaku Kenkyusho Co., Ltd. and Toyo Aluminium K.K. , Hino Works to 100% green electricity.

We will continue to actively expand the introduction of green electricity to achieve carbon neutrality.

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



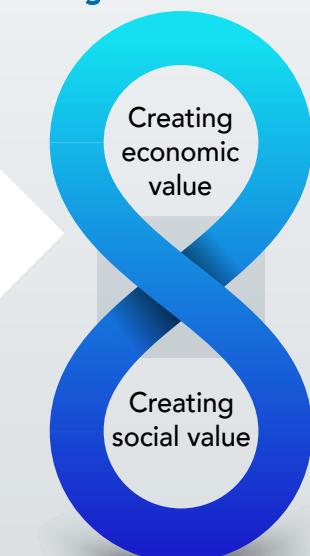
		2013 mid-term management plan	2016 Mid-term management plan	2019 Mid-term management plan	2022 Mid-term management plan	2023 Mid-term management plan	2026 Mid-term management plan-
Position	Maximizing consolidated earnings by strengthening cooperation within the Group	Attempting to create value as a 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	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.		

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



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

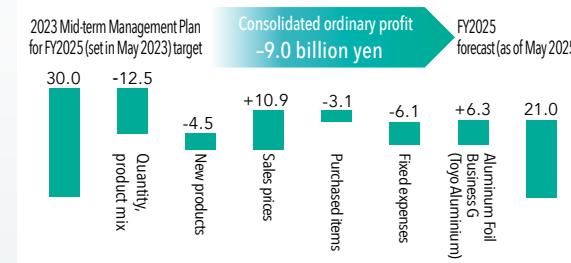
Progress status of the 2023 Mid-term Management Plan

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 Ingots 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 Ingots 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 Ingots 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	○	○	○	○	○	○	○
Infrastructure							○	○
Aluminum Foil, Powder and Paste Business	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.

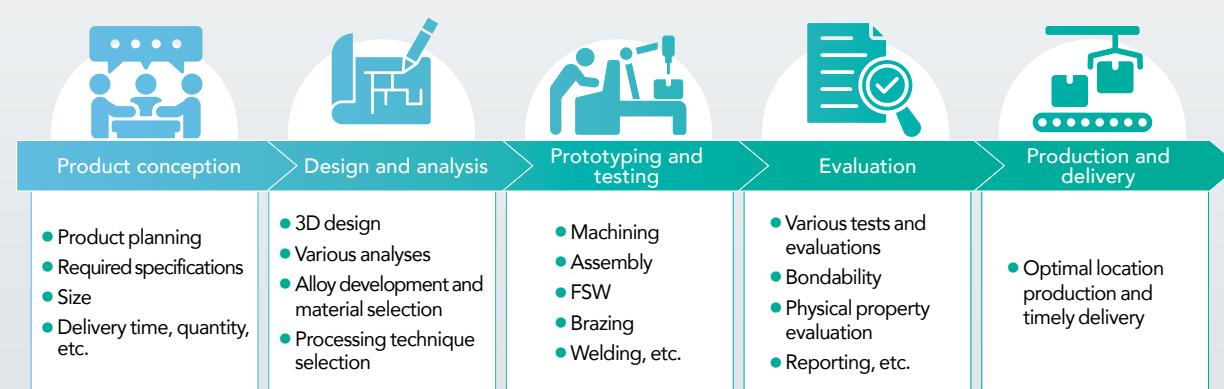
The growth in EV demand is slowing compared to the time the 2023 Mid-term Management Plan was formulated, due to the rising total cost of ownership, challenges in scaling up the charging infrastructure, policy changes in various countries regarding subsidies and tariffs, and the revision of EV expansion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

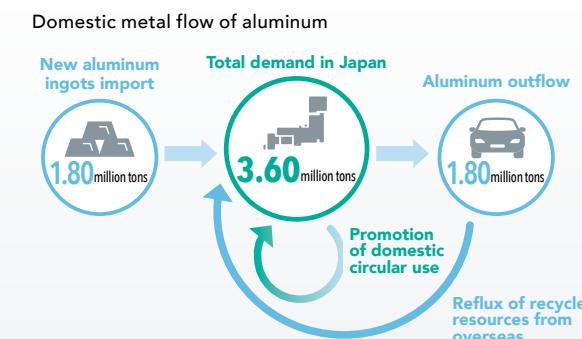
Future Growth Strategy and Measures

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%.

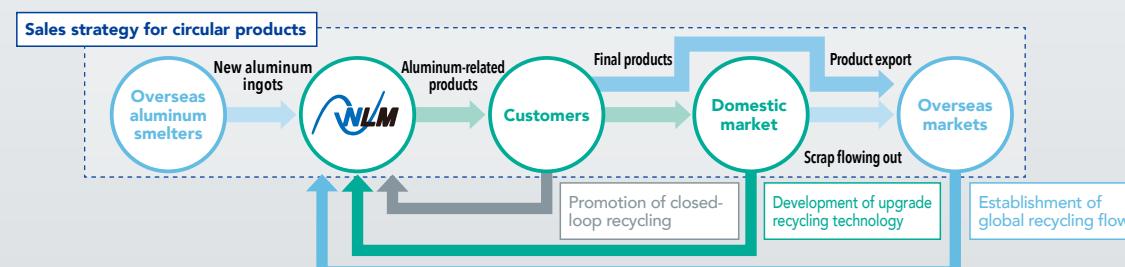
However, in Japan, approximately half of the total aluminum demand is flowing out of the country as products and scrap. Further utilization of recycled aluminum calls for domestic circular use promotion measures, as well as measures to flow recycled aluminum materials back from overseas.



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.

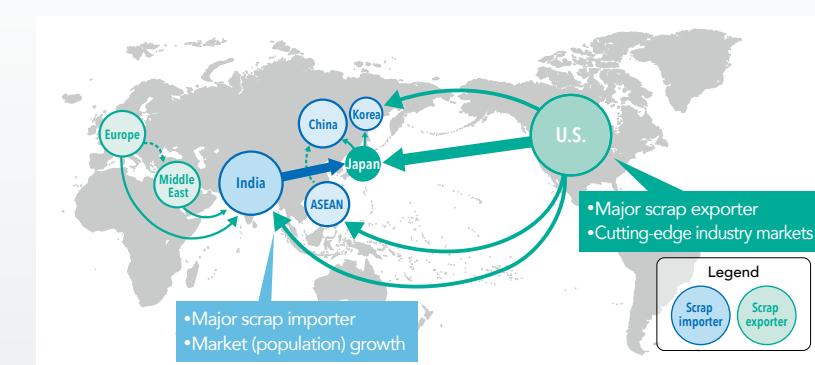
NLM Group's initiatives toward establishing a closed loop supply chain



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.

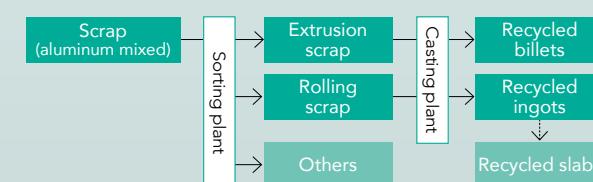
For this reason, building a closed loop supply chain that links the U.S., India, and Japan is key to establishing a global recycling flow. In the next Mid-term Management Plan, it is important to develop recycling business in the North American region, in addition to the initiatives already underway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

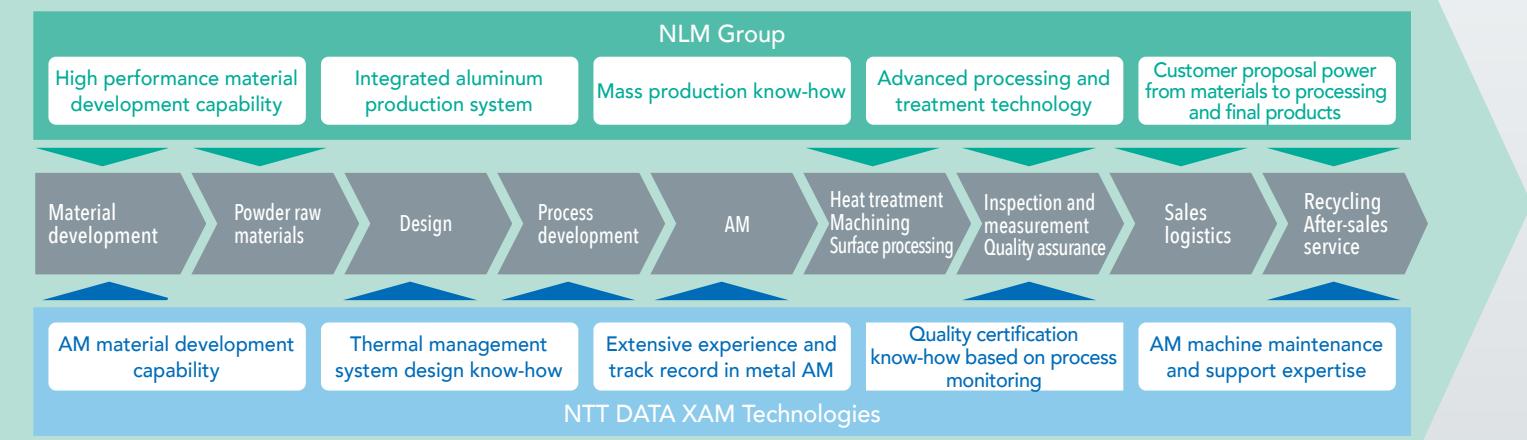
Value Provision through Co-creation



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



Segment Overview

The NLM Group offers high quality and high value added products and services ranging from aluminum materials to intermediate and processed products, a unique strength we have as a comprehensive aluminum manufacturer. This allows us to operate across a variety of business areas and provide comprehensive solutions that address customer needs. Businesses of the NLM Group are categorized into four segments based on manufacturing methods.

Consolidated
Financial Results
(FY2024)

Net Sales

550,180 million yen

Operating Profit

21,744 million yen

Ratio of Operating
Profit to Net Sales
4.0%

Aluminum Ingot and Chemicals Business ► P.25

This Segment develops and manufactures materials and raw materials, including many different chemicals especially alumina and aluminum hydroxides, aluminum alloys, and high-purity aluminum, which are used in various products. The Carbon Products Segment develops and manufactures products including carbon for blast furnaces and electric furnaces.

Main Companies and Segments

Nippon Light Metal Co., Ltd. (Chemicals Division, Metal Division)/
Nikkei MC Aluminium Co., Ltd./Nippon Electrode Co., Ltd.

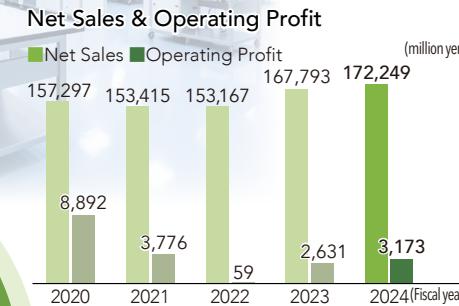


Fabricated Products and Others Business ► P.27-28

For our transport equipment and engineering businesses, this Segment develops, manufactures, and supplies products for many fields, including automotive, truck bodies, railway, building and construction materials, food, and cleanrooms. In the infrastructure business, it is striving to increase the competitiveness of the Group's business, mainly through logistics and services.

Main Companies and Segments

Nikkei Panel System Co., Ltd./Nippon Fruehauf Co., Ltd./Nikkei Logistics Co., Ltd./Nikkei Engineering Co., Ltd./Nikkei Aluminum for Mobility Company, Ltd./Nikkei Sangyo Co., Ltd./Nikkei Information System Co., Ltd.



Aluminum Sheet and Extrusions Business ► P.26

This Segment develops and manufactures rolled aluminum sheets and extruded shapes, supplying them to diverse fields such as transportation-related, electrical and electronics, building and construction materials, and environment and safety. In addition, the Electronic Materials Segment manufactures foil electrodes for aluminum electrolytic capacitors.

Main Companies and Segments

Nippon Light Metal Co., Ltd. (Rolled Products Division, Capacitor Foil Division)/Nikkei Aluminium Core Technology Co., Ltd./Riken Light Metal Industry Co., Ltd./Nikkei Extrusions Co., Ltd.

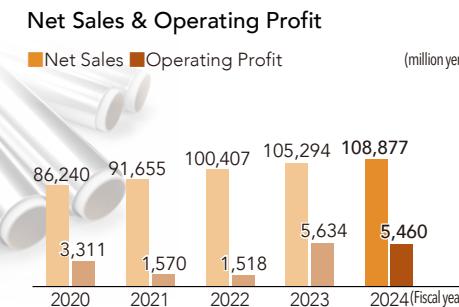


Aluminum Foil, Powder and Paste Business ► P.29

In the Foil Business, we have established our position as a leading manufacturer by manufacturing products, including packaging materials for food and medical products, foil for battery exteriors and products for etched circuits in the field of electronics, and aluminum powder and aluminum paste products for automotive exterior coatings and printing inks.

Main Companies and Segments

Toyo Aluminium K.K.

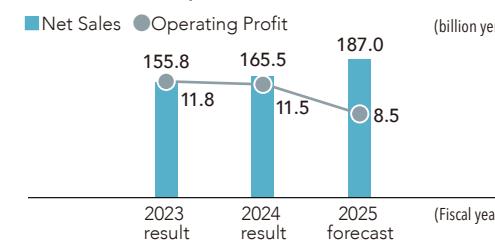


Segment Overview

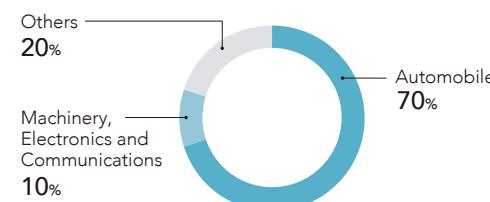
Aluminum Ingot and Chemicals Business

Executive Officer, Head of Chemicals Business Group
Ken KinoshitaSenior Executive Officer, Head of Metal Business Group
Yoshiaki Ito

Net Sales & Operating Profit



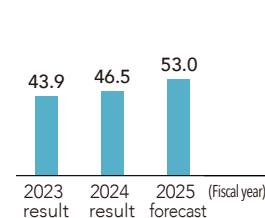
Sales ratio



Chemicals Business Group

■ Business Performance

Net Sales (billion yen)



■ Analysis of Present State (SWOT Analysis)

The Group is expected to contribute to social value, such as DX and decarbonization, in response to the changes in the global environment, but the soaring raw material and fuel costs and the aging of manufacturing equipment must be addressed.

S (Strength)	<ul style="list-style-type: none"> A wide array of products and close relationships with many diverse business partners Use of renewable energy, with the source of much of our power being hydroelectric
W (Weakness)	<ul style="list-style-type: none"> Aging of manufacturing equipment Securing and cultivating human capital, and technology succession
O (Opportunities)	<ul style="list-style-type: none"> Growing demand for measures to address heat affecting materials related to eco-friendly vehicles Enhancing domestic demand network for high-performance semiconductors and lithium-ion batteries associated with growing concerns about economic security
T (Threats)	<ul style="list-style-type: none"> Unstable procurement of imported aluminum hydroxide and other raw materials Falling demand due to main customers in Japan reducing production

■ Business Policies, Strategies, and Future Outlook in the 2023 Mid-term Plan

Policy

- Investing resources aggressively in growth areas, including areas related to digital technologies
- Expanding business domains in the area of the global environment and other areas.
- Stabilizing profit from core businesses

Strategy

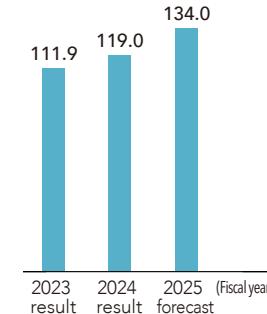
- Enhancing the product development, marketing, and production capabilities for xEVs, secondary batteries, and semiconductor manufacturing equipment
- Developing eco-friendly products
- Reinforcing the structure for stably supplying products through ongoing capital investments

The Chemicals and Alumina Segments will invest resources in anticipation of expanding demand for xEVs, secondary batteries, semiconductor manufacturing equipment, etc., and continue to strive to secure a revenue base through stable supply of products in the commodity area, especially water treatment and refractory materials. The Chemicals Segment will proceed with capital investments with our eyes open to market trends, so that we can certainly tap into demand while ensuring the stable supply of products is our top priority, with a focus on the field of basic chemicals. The Carbon Products Segment is expected to see a recovery in the order volume for its main product, carbon blocks for blast furnaces, and its business performance trending favorably. Additionally, from the second half of the fiscal year, the heat treatment business for lithium-ion battery anode materials commences full operation. This is projected to generate stable revenues from FY2026 onward.

Metal Business Group

■ Business Performance

Net Sales (billion yen)



■ Analysis of Present State (SWOT Analysis)

Due to the decarbonization trend, we face the tasks of enhancing our initiatives to build a circular business model, responding to changes in the business environment, and capturing new demand.

S (Strength)	<ul style="list-style-type: none"> Aluminum material-related technologies A wide product lineup including products that have the largest market share 	W (Weakness)	<ul style="list-style-type: none"> Aging of manufacturing-related equipment, etc. Insufficient ability to process scrap (reducing reliance on new aluminum ingots)
O (Opportunities)	<ul style="list-style-type: none"> Expansion of demand for products related to eco-friendly vehicles Attention focused on recycled aluminum as a low-carbon material 	T (Threats)	<ul style="list-style-type: none"> Decrease of demand for products related to internal combustion engines reflecting the switch to eco-friendly vehicles Shortage of scrap resulting from the growth of recycling-related demand

■ Business Policies, Strategies, and Future Outlook in the 2023 Mid-term Plan

Policy

- Enhancing initiatives to achieve carbon neutrality
- Promoting the effective utilization of aluminum materials
- Capturing demand for aluminum and developing overseas and new businesses

Strategy

- Procuring low-carbon materials and establishing recycling technologies
- Building a circular business model
- Developing new technologies, new products, and new businesses and expanding overseas operations

In 2025, our metal business made a capital investment in CMR Eco Aluminium Pvt. Ltd., which operates a recycled aluminum business in India. We will establish a supply system for recycled aluminum billets, and accelerate initiatives for contribution toward a decarbonized society and sustainable value provision. The secondary alloy business will develop alloys with properties such as high strength, aiming to expand in the area of materials for car body structures. We will also develop recycling technologies to secure a stable supply of scrap, our raw material. For the overseas business, in addition to business development at existing sites, we will expand revenues utilizing our third site in India (Nikkei CMR Aluminium India), established under our leadership in central western India.

Segment Overview

Aluminum Sheet and Extrusions Business

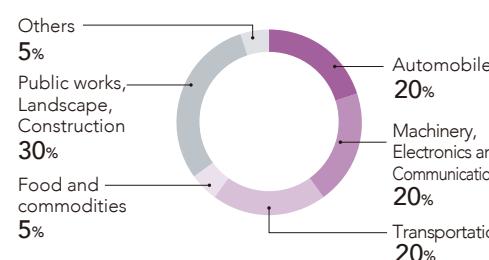


Senior Executive Officer,
General Manager of the Sheet &
Extrusion Business Group
Masahito Saotome

Net Sales & Operating Profit

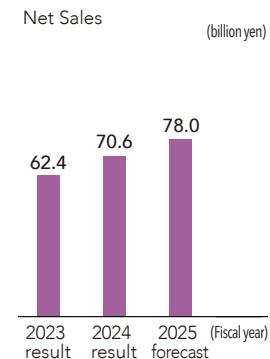


Sales ratio



Sheet & Extrusion Business Group (Sheet Segment)

■ Business Performance



■ Analysis of Present State (SWOT Analysis)

Our alloy development capability for eco-friendly vehicle battery materials and other products has enhanced customer convenience and decarbonization value. Recovery of demand for Thick gauge plates for semiconductor manufacturing equipment is lagging.

S (Strength)	<ul style="list-style-type: none"> Ability to develop alloys intended for high-value-added sectors Customer convenience ensured through the small-lot production of many products and quick delivery
W (Weakness)	<ul style="list-style-type: none"> Delay in the establishment of a production system for expanding the processing business Insufficient profitability of overseas business
O (Opportunities)	<ul style="list-style-type: none"> Recovery of demand for Thick gauge plates for semiconductor manufacturing equipment Expansion of demand related to batteries for eco-friendly vehicles
T (Threats)	<ul style="list-style-type: none"> Rapid fluctuation of raw material prices Paradigm shift in batteries for eco-friendly vehicles to the use of all-solid-state batteries, etc.

■ Business Policies, Strategies, and Future Outlook in the 2023 Mid-term Plan

Policy

- Developing and providing high-value-added products for use in growth areas
- Expanding business domains to include the processing business
- Promoting carbon neutrality initiatives

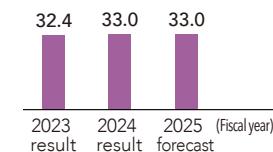
Strategy

- Expanding sales of Thick gauge plates for semiconductor manufacturing equipment and automotive battery materials
- Developing new fabricated products through cooperation within the NLM Group
- Promoting recycling from sheet to sheet and developing low-carbon products

In FY2024, the sales volume of sheets for semiconductor manufacturing equipment increased as the gradual recovery trend continued, and aluminum sheets for lithium-ion battery cases also strong sales. Both net sales and operating profit greatly exceeded the previous term as a result of higher sales prices that reflected the aluminum ingot market price and the revision of processing fees. Presently, a delay is observed in the anticipated recovery in the expansion of Thick gauge plates for semiconductor manufacturing equipment, but aluminum sheets for lithium-ion batteries are keeping stable sales volume, driven by an increase in quantity especially for China. Moving forward, in addition to the existing business, we will promote the ongoing development of novel processed products based on our proprietary specialized technologies to expand the net sales and profit of the Sheet Segment.

Sheet & Extrusion Business Group (Extruded Products Segment)

■ Business Performance



■ Analysis of Present State (SWOT Analysis)

Creation of new products for solving social issues in industrial fields and acceleration of carbon neutrality initiatives are key to addressing the shrinking domestic extruded product market.

S (Strength)	<ul style="list-style-type: none"> Development, manufacturing and sales through cooperation within the Group Extrusion technologies for large, long extrusion materials and integrated production line from materials to processing
W (Weakness)	<ul style="list-style-type: none"> Creation of new growth fields and new businesses Low profitability of businesses, including generic product businesses
O (Opportunities)	<ul style="list-style-type: none"> Creation of new needs related to solutions to social issues and initiatives regarding eco-friendly vehicles Relationships with customers strengthened through the promotion of horizontal recycling
T (Threats)	<ul style="list-style-type: none"> Significant fluctuation of the conditions in the raw materials market and the increase of the cost of labor and other fixed expenses Downsizing of the domestic market

■ Business Policies, Strategies, and Future Outlook in the 2023 Mid-term Plan

Policy

- Developing new products and finding new customers in areas around existing businesses and new areas and in new domains
- Propelling business transformation through DX
- Promoting carbon neutrality initiatives

Strategy

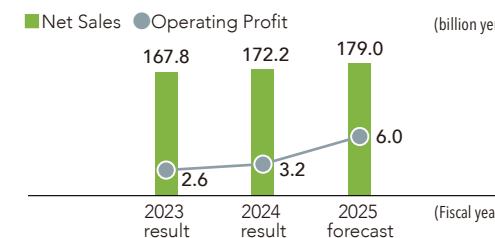
- Engaging in development efforts by cooperating within the business group
- Building a new organizational structure for entering new areas of business and propelling DX
- Expanding the scope of applications for green billets and horizontal recycling

In FY2024, the Extruded Products Segment saw the products for truck bodies selling more than the previous term and the demand for products for semiconductor manufacturing equipment recovering, albeit gradually. In addition, higher sales prices reflecting the aluminum ingot market and the revision of processing fees produced positive outcome. As a result, both net sales and operating profit exceeded the previous term. Recently, the market for semiconductor manufacturing equipment has declined and its recovery is lagging, but truck bodies, railways, and other fields are trending steadily in general. Overall, the profit is projected to be lower than the previous year, influenced by falling ingot prices. In the medium term, we will focus on the development of new products, while pursuing higher revenue through measures including remodeling of unprofitable products and streamlining of the organization.

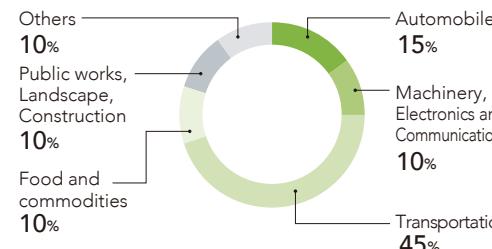
Segment Overview

Fabricated Products
and Others BusinessGeneral Manager of the
Engineering Business Group
Toshio YanagimotoSenior Executive Officer,
General Manager of the Transport
Equipment Business Group
Toshikazu Tanaka

Net Sales & Operating Profit



Sales ratio



Engineering Business Group

■ Business Performance

Net Sales (billion yen)

Year	Net Sales (billion yen)
2023 result	44.9
2024 result	45.1
2025 forecast	47.0

■ Analysis of Present State (SWOT Analysis)

Insulation panels are an energy-saving measure to support a decarbonized society. However, there are risk factors including raw material prices hovering at a high level and the labor shortage in the construction and logistics business.

S (Strength)	<ul style="list-style-type: none"> Largest market share in the domestic industry Comprehensive capabilities with expertise in sales, design, production and installation
W (Weakness)	<ul style="list-style-type: none"> Human capital development and operational efficiency improvement Limited points of contact with end users
O (Opportunities)	<ul style="list-style-type: none"> Demand for expanding existing and replacing aged low-temp logistics warehouses and food factories Growing demand for fireproof insulation panels
T (Threats)	<ul style="list-style-type: none"> Prices of raw materials staying high and an increase in revisions to construction plans Labor shortages in the construction and logistics industries

■ Business Policies, Strategies, and Future Outlook in the 2023 Mid-term Plan

Policy

- Materializing desired spaces
- Rebuilding the production system to solidify business continuity
- Stabilizing overseas business and increasing our competitive advantage

Strategy

- Enhancing property handling capability through establishing an internal system to improve order competitiveness
- Decisive shift to aggressive manufacturing
- Providing added value by leveraging experience and technologies developed in Japan

In the Panel System Segment, it is expected that demand continues for expanding existing or replacing aged low-temperature logistics warehouses and logistics bases for food factories, and business for medium and small properties for stores and kitchens trends steadily, supported by strong inbound demand. In the clean room sector, while large-scale investment related to AI semiconductors continues, capital investment appears to be cautious in response to the slowdown in the EV market, the tariff policy in the U.S., and other factors. In this term, we will enhance follow-ups for projects under inquiry, and focus on uncovering potential properties and reducing costs by differentiating ourselves through revision of sales strategy and strengthening of engineering functions. In the Landscape Engineering Segment, scaffolding products for road and bridge inspection are expected to tread strong amid the stagnating market, backed by steady demand for infrastructure maintenance.

Transport Equipment Business Group

■ Business Performance

Net Sales (billion yen)

Year	Net Sales (billion yen)
2023 result	67.5
2024 result	72.1
2025 forecast	76.0

■ Analysis of Present State (SWOT Analysis)

There is growing demand for sustainable logistics measures, including low-carbon truck bodies, increased safety and reduced load in cargo handling, and the electrification of trucks.

S (Strength)	<ul style="list-style-type: none"> Ability to develop products in collaboration with the NLM Group and the Isuzu Group Largest share of the market in Japan (in terms of quantity)
W (Weakness)	<ul style="list-style-type: none"> Continuation of the reflecting of the soaring prices of materials and parts in sales prices Delay in the expansion of business in overseas markets
O (Opportunities)	<ul style="list-style-type: none"> Expansion of service businesses reflecting the diversification of logistics Cooperation within the Group regarding decarbonization and cold chain logistics
T (Threats)	<ul style="list-style-type: none"> Entry of overseas competitors and competitors from other industries into the commercial EV market Long-term downsizing of the domestic market

■ Business Policies, Strategies, and Future Outlook in the 2023 Mid-term Plan

Policy

- Developing differentiated products for sustainable logistics
- Providing added value by promoting the reduction of CO₂ emissions
- Expanding technologies which have been recognized in the domestic market to overseas markets

Strategy

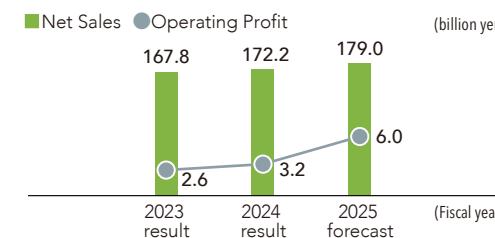
- Providing products as solutions to social issues, such as carbon neutrality
- Adopting low-CO₂ materials and promoting recycling
- Providing value-added products that cater to local needs

The truck bodies business in the Transport Equipment Business Group outperformed the previous term in net sales, affected by an increase in sales volume associated with the recovery in total truck demand, revision of sales prices, and other factors. In terms of profitability, although material costs remain at a high level, the effect of the sales price revision significantly improved the operating profit compared to the previous term. Going forward, we will continue to work on revising sales prices to appropriate levels, as well as cost reduction measures (e.g., lead time reduction, productivity improvement) and DX of business operations. Additionally, we will advance initiatives to develop products and services that contribute to our customers' carbon neutrality goals.

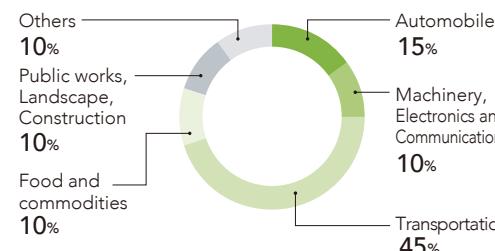
Segment Overview

Fabricated Products
and Others BusinessExecutive Officer,
General Manager of the Automotive
Parts Business Group
Toshiharu HatamotoExecutive Officer,
Head of the Infrastructure
Business Group
Iساو Shikine

Net Sales & Operating Profit

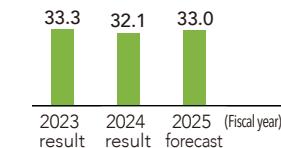


Sales ratio



Automotive Parts Business Group

■ Business Performance

Net Sales
(billion yen)

■ Analysis of Present State (SWOT Analysis)

Our strengths include the products and technologies necessary for the electrification of automobiles. We are facing the tasks of securing management resources, building a global supply system, and implementing prompt initiatives to reduce environmental impact.

S (Strength)	<ul style="list-style-type: none"> A system for the one-stop supply covering materials, methods, processing technologies, development, and mass production. A wide array of products and technical capabilities required for the electrification of automobiles
W (Weakness)	<ul style="list-style-type: none"> Insufficient infrastructure and supply capacity on a global scale Shortage of human capital who implement growth strategies
O (Opportunities)	<ul style="list-style-type: none"> Growing expectations for suppliers related to development, quality assurance, etc. Growing demand related to the reduction of the weight of vehicles and thermal management due to the electrification of automobiles
T (Threats)	<ul style="list-style-type: none"> Protectionist policies of countries and movement of Chinese companies Larger capability and shorter delivery times requested in business inquiry

■ Business Policies, Strategies, and Future Outlook in the 2023 Mid-term Plan

Policy

- Enhancing the value of business by developing new products
- Developing technologies in response to trends in the automotive industry
- Capturing demand of products for electric vehicles, which is growing in individual countries

Strategy

- Developing new products incorporating multiple technologies
- Securing diverse human capital and horizontally deploying technologies that are our strengths
- Rebuilding a global structure with bases in Japan, U.S., China, and Thailand which can respond to changes in economic and tariffs policies

Future Outlook

Nikkeikin ALMO, to which the automotive parts business is consolidated, improves the comprehensive proposal capability and business value by building a supply system that does not adhere to specific manufacturing methods. Additionally, against the increasingly complicated needs for automotive parts, we will consolidate our functions and allocate human resources efficiently to improve the advancement and promptness of our responses. Also in FY2025, we will strive to develop a resilient management foundation to synergize our business as quickly as possible, and develop new products incorporating multiple technologies. Overseas, we will aim to expand our business with a focus on business for EVs, by expanding domestic technologies to other production sites and strengthening the cooperation between our sales and development teams, in addition to working on the development and sales expansion at our new plant in the U.S. Further, we will promote CO₂ emissions reduction initiatives through implementing energy-efficient furnaces and recycling aluminum in cooperation with customers.

Infrastructure Business Group and the other Business

The role of the Infrastructure Business Group and Other Segments support role. This includes tackling regional issues, supporting the businesses of each NLM Group site, including their administrative and indirect functions, and fulfilling logistics and information system functions. Organizations that are familiar with particular regions and specialized in each function contribute to not only the smooth business activities of the Group as a whole but also the increase of the competitiveness of the Group's businesses and its medium- to long-term growth.

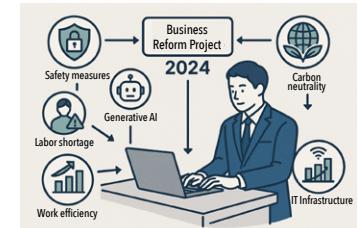
■ Logistics Segment

The Logistics Segment bears the function to stably supply wide-ranging products that the Group handles, from aluminum raw materials to fabricated products, utilizing 22 sites and 15 warehouses across Japan. In accordance with the revision of two logistics-related laws and the Subcontract Act, we have been working with consignors in the Group to reduce waiting and loading/unloading time and improve loading efficiency, which also resulted in a reduction in the number of vehicles with wait time exceeding two hours. For long-distance transportation, we are utilizing our Atsugi, Tochigi, and Kyushu Sales Offices as relay points. Going forward, in addition to continuing to comply with relevant laws and regulations, we will aim to improve operational efficiency through digital technology, reduce environmental loads, and further improve logistics quality. We will also strengthen our cooperation with consignors to build a sustainable logistics system.



■ Information System Segment

The Information System Segment responds to social requests including safety measures, quality improvement, and achievement of carbon neutrality, and participates in the Business Reform Project launched in 2024 to address issues such as labor shortage and the delay in business operation digitalization. Actively utilizing generative AI and other leading technologies, we promote efficiency improvement and advancement of business operations to reduce burdens at the worksite and speed up the decision making process, and engage in activities to lead the transformation for the whole Group. Additionally, we focus our efforts on the stable operation and governance of our information system infrastructure and information security measures, playing a core role in our IT strategy to support sustainable growth.



Segment Overview

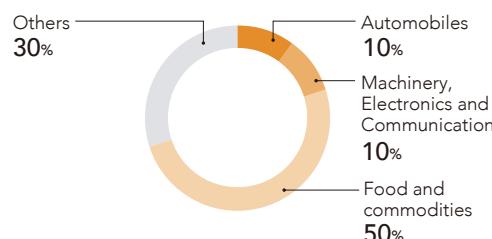
Aluminum Foil, Powder
and Paste Business

Senior Executive Officer,
Head of the Aluminum Foil
Business Group
Kaoru Kusumoto

Net Sales & Operating Profit



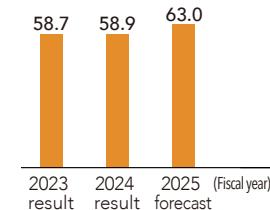
Sales ratio



Aluminum Foil Business Group (Foil Segment)

■ Business Performance

Net Sales (billion yen)



■ Analysis of Present State (SWOT Analysis)

The EV market is expected to expand, but is stagnating at present. Our current goal is to achieve growth in the Indian pharmaceutical packaging materials market while firmly maintaining our domestic market share.

S (Strength)	<ul style="list-style-type: none"> Largest share of the domestic aluminum foil market High-level production engineering capabilities
W (Weakness)	<ul style="list-style-type: none"> Aging of production facilities Low cost competitiveness against aluminum foil manufactured overseas
O (Opportunities)	<ul style="list-style-type: none"> Growth of demand for LiB in association with the expansion of the EV market Expansion of the pharmaceutical packaging materials market in India and other countries
T (Threats)	<ul style="list-style-type: none"> Inflow of aluminum foil manufactured overseas Population decline and the shrinking of the domestic market

■ Business Policies, Strategies, and Future Outlook in the 2023 Mid-term Plan

Policy

- Responding to increasing demand for lithium ion batteries
- Continuing to supply general plain foils and general fabricated products
- Tapping into the growth of the Indian pharmaceutical packaging materials market

Strategy

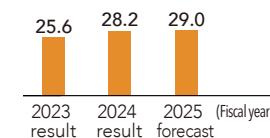
- Identifying demand and continuing with cost reduction measures
- Maintaining by providing customer services and ensuring stable supply
- Continuing to invest in the growth of SVAM TOYAL

Aluminum foils for lithium-ion battery exterior remained in an adjustment phase for the onboard vehicle application, while sale of processed foils for pharmaceutical packaging was slightly below the previous term. In FY2024, although net sales stayed on par with the previous term due to higher sales prices that reflected the aluminum ingot market, operating profit fell below the previous term. Aluminum foils for lithium-ion battery exteriors are showing signs of demand recovery, but the path forward remains unclear. We will continue to strive to establish a production system in line with the volume demanded by customers and reduce costs. We will also continue to tap into the growth of the Indian pharmaceutical packaging materials market. Further, using SVAM TOYAL Packaging Industries Pvt. Ltd. as our strategic hub, we will aim to advance into growth markets in India and beyond, such as the Middle East, Africa, and South America.

Aluminum Foil Business Group (Powder and Paste Segment)

■ Business Performance

Net Sales (billion yen)



■ Analysis of Present State (SWOT Analysis)

For automotive paint applications, the growing demand for eco-friendly products will be our business opportunity. Hopes are placed on the growth of demand for heat dissipation materials and products for laminate molding.

S (Strength)	<ul style="list-style-type: none"> No. 2 in terms of share of the global aluminum pastes for automotive paints Significant product development capabilities
W (Weakness)	<ul style="list-style-type: none"> An earnings structure that depends a great deal on the automotive market The weak profit structure of overseas subsidiaries
O (Opportunities)	<ul style="list-style-type: none"> Increasing environmental awareness and tightening of regulations Growing demand for heat dissipation materials, mainly reflecting the increase in 5G telecommunications equipment
T (Threats)	<ul style="list-style-type: none"> Changes in color trends of automobiles Price competition pressure from competitors

■ Business Policies, Strategies, and Future Outlook in the 2023 Mid-term Plan

Policy

- Continued expansion of sales of aluminum pastes for automotive paints
- Expansion of sales of aluminum nitrides as heat dissipation materials
- Development and expansion of sales of aluminum alloy powders for laminate molding

Strategy

- Focusing efforts on silica-treated products as eco-friendly products
- Identifying the demand and investing capital as necessary
- Securing production capacity by building alliances

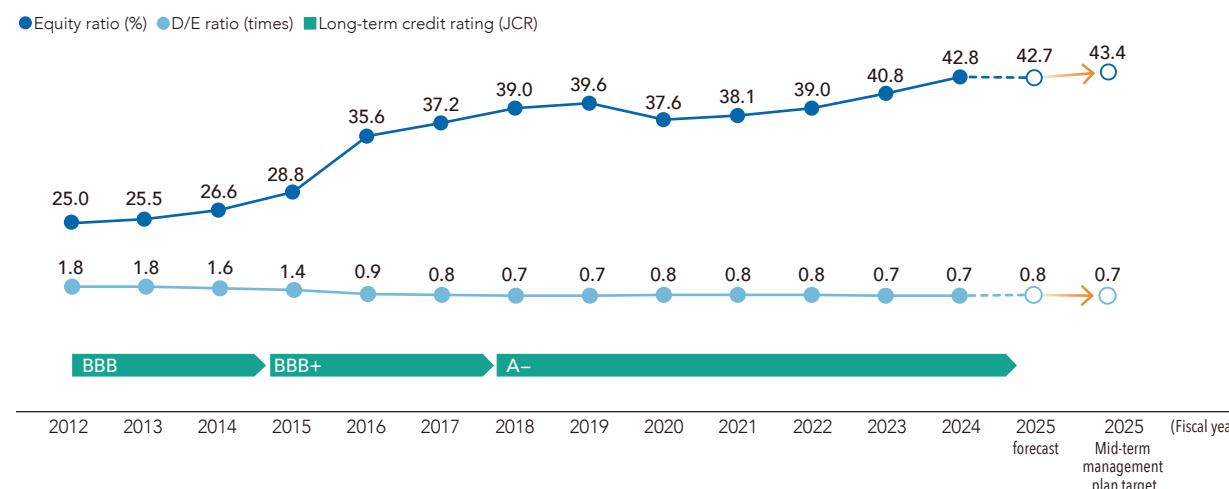
For powder products, demand recovery continued for electronic aluminum powder and aluminum nitride for heat dissipation applications. Meanwhile, regarding paste products, our mainstay products for automotive paints sold well overseas. As a result, in FY2024, both net sales and operating profit of the Segment exceeded the previous term. Moving forward, for powder products, as demand for heat dissipation applications is expected to remain strong and growth is anticipated for aluminum nitride for filler applications in particular, we will take proactive measures including the enhancement of production capacity. For paste products, we will focus on silica-treated products, as demand for them is rising in Europe and China as eco-friendly products. Additionally, we will work on the sales promotion and development of colored aluminum and other effect pigments.

Financial Strategy

We are working to formulate a financial strategy that balances investments to achieve sustainable growth as a corporate group, the maintenance and improvement of the financial structure and other elements, while aiming to ensure stable shareholder returns.

Our Environment

During the ten years since we introduced the pure holding company system, we have proactively reinforced our financial foundation while also stably providing shareholder returns based on the cash flows created by increasing our earnings capacity through cooperation within the Group. The consolidated equity ratio was improved from 25.0% in FY2012 to 42.8% in FY2024, which is the most recent figure. In parallel with this, the D/E ratio has also improved, settling at below 1.0. While we have not presently issued bonds, etc., in Japan, our long-term credit rating has also improved, and is currently maintained at the A- level. During the 2023 mid-term management plan, we are aggressively investing in future growth with a focus on products for automobiles, transportation, semiconductors, and other fields, aiming to increase the equity ratio by enhancing business performance. Meanwhile, we understand that an immediate task that we face is promoting management with an awareness of investment efficiency that is even greater than before to increase shareholder returns while continuing to reinforce our financial foundation.



Basic Financial Policy

Our basic policy is to maintain and improve our financial standing while paying stable dividends in consideration of the balance between cash acquired from business activities and the use of the cash, and we consider a D/E ratio of 1.0 or below to be a rough guide as the financial discipline benchmark used for this purpose. As the investment efficiency indicator, we previously disclosed ROCE, but changed to ROIC as we transitioned to the business group structure. Going forward, we will promote invested capital management by business group to improve investment efficiency, aiming at ROIC of 8% or greater, a level exceeding WACC, in the next Mid-term management plan. In addition, generally, the payment of dividends is the method for providing shareholder returns. However, we use total payout ratio as the indicator so that we are able to flexibly choose various methods.

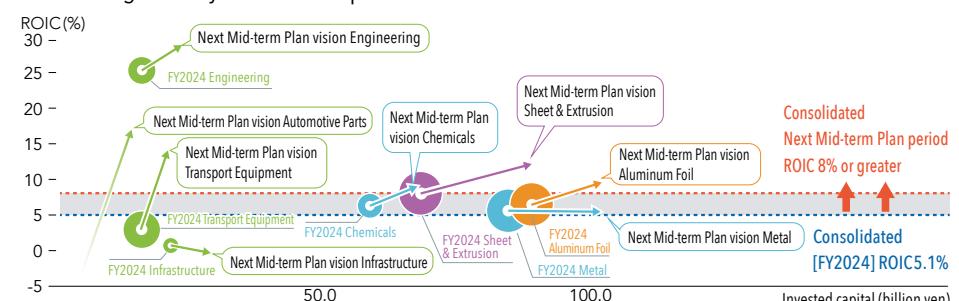
Regarding the 2023 mid-term management plan, our business was significantly affected by aluminum ingot and other raw material and fuel costs, exchange rates, and changes in the market environment, including automotive- and semiconductor-related fields. As a result, this fiscal year's performance and dividend are expected to fall short of the original FY2025 targets, but we will continue to expand revenues and shareholder returns.

	FY2023 results	FY2024 results	FY2025 forecasts	FY2025 targets in 2023 mid-term management plan
Net sales	523.7	550.2	590.0	530.0
Operating profit	18.2	21.7	23.0	30.0
Ordinary profit	19.0	19.8	21.0	30.0
Profit attributable to owners of parent	9.9 ²	12.4	15.0	20.0
ROIC ¹	4.9%	5.1%	5.5%	ROCE 10.3%
Dividend	50yen	70yen	80yen	—

¹1 Changed from previously used ROCE (Return on Capital Employed) to ROIC (Return on Invested Capital).

²The FY2023 profit result was revised from 9.0 billion yen reflecting changes in accounting policies, retroactively applying an adjustment of 0.9 billion yen to the FY2023 profit and retained earnings.

ROIC Management by Business Group



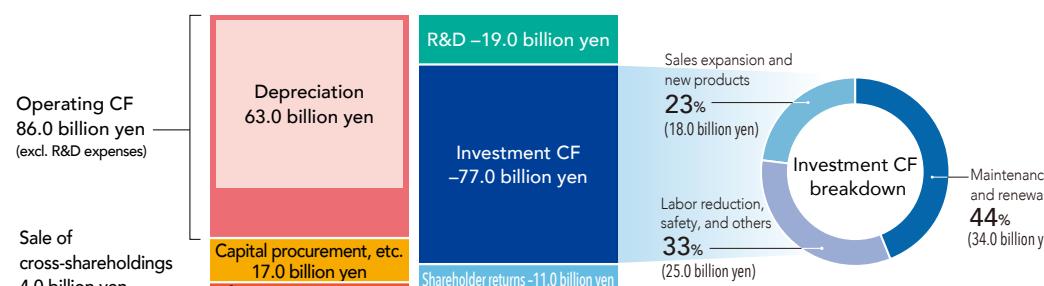
* Bubble size indicates net sales scale.

Financial Strategy

Cash Allocation

Our policy is to use net cash provided by operating activities to provide stable dividends based on our policy. Under past mid-term management plans, we allocated cash in ways that attached importance to the improvement of our financial standing. However, since the 2019 mid-term management plan, under which a certain level of improvement was seen in our financial standing, we have proactively allocated cash to investments for continued growth. Recently, we have changed the timing of investments from what was initially planned, especially in sales expansion and new products, reflecting the slowdown of the automotive and semiconductor-related markets. However, we plan to continue aggressively investing at a level that far exceeds depreciation. We will also increase research and development expenses which are the source of our new future products, in addition to capital investments. If surplus funds are generated under these policies, we will use them to improve our financial standing, in activities such as the repayment of interest-bearing debt and the increase of our cash position. Further, if a promising large-scale investment project occurs, we will consider it flexibly on the condition that we maintain our financial discipline (D/E ratio at 1.0 or below) and long-term credit rating.

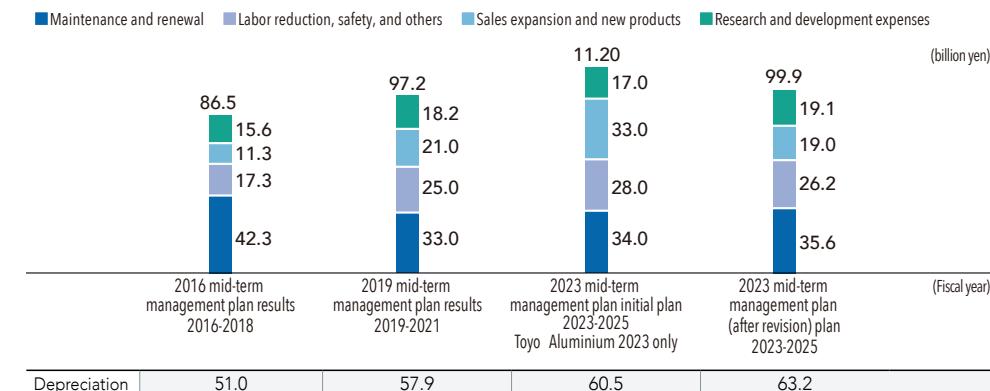
2023 Mid-term Management Plan: Cash Allocation (Total of FY2023–FY2024 Results and FY2025 Outlook)



* Includes FY2023–FY2025 results of Aluminum Foil Business Group (Toyo Aluminum)

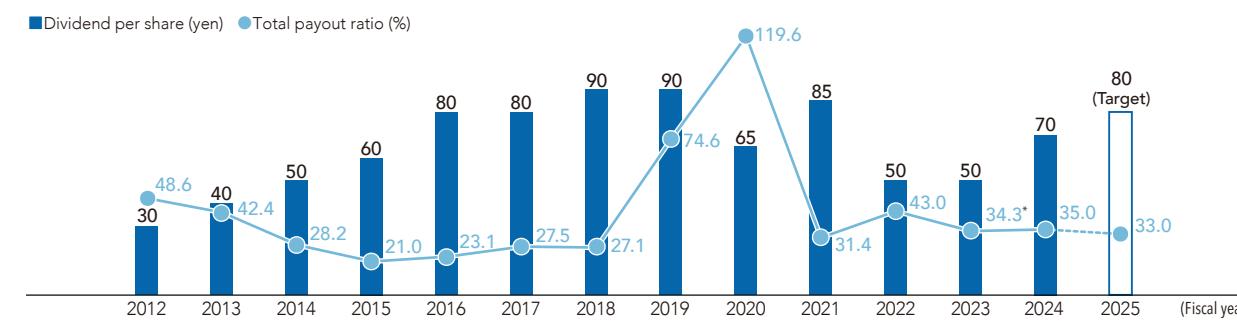
Item	2016 mid-term management plan	2019 mid-term management plan	2023 mid-term management plan	2023 mid-term management plan (after revision)
Operating CF	97.0	91.9	83.0	67.0
Shareholder returns	-15.5	-15.2	-12.0	-11.0
Reinforcing the financial foundation	-31.9	-3.3	14.0	17.0
Sale of cross-shareholdings				4.0
Capital investment CF	-49.6	-73.4	-85.0	-77.0
Depreciation	51.0	57.9	60.5	63.2
Research and development expenses	15.6	18.2	18.5	19.0

Amounts invested in construction and R&D



Shareholder Return Policy

Our basic shareholder return policy is to provide dividends to our shareholders by comprehensively considering the consolidated financial results and other factors from a medium- to long-term perspective while striving to strengthen our financial standing and management foundation. A total payout ratio of 30% or higher is the indicator for profit allocation, while we also consider balancing this with the investments needed to achieve sustainable growth. We select methods of returning profits to shareholders by comprehensively considering our cash position, equity ratio and other factors, aiming to sustainably and stably provide shareholder returns.



(Note) On October 1, 2020, we conducted a one-for-ten reverse stock split. Accordingly, the impact of the reverse stock split was considered for the amounts of dividend per share for FY2019 (fiscal year ended March 2020) and before.

* The financial results for the first half of FY2024 were retroactively corrected reflecting changes in accounting policies, and profit attributable to owners of parent for FY2023 was corrected from 9.0 billion yen to 9.9 billion yen. However, the total payout ratio for FY2023 indicated above was calculated based on profit before the correction.

Toward Management to Elevate Corporate Value

Opinions of investors and Outside Directors and our initiatives reflecting their opinions

We implement initiatives to strengthen investor relations as in FY2022, so that our enthusiastic dialogue with our shareholders and investors will increase their interest in us and their understanding of us and help improve both the financial and non-financial aspects of our corporate value.

In FY2024, we highlighted the progress in our 2023 mid-term management plan strategies, the certainty level regarding our achievement of financial targets, as well as the progress of the "Promotion of Management Reforms" announced in May 2024, and the direction of capital efficiency improvement, among others. At the same time, we engaged in direct dialogue and communication with shareholders and investors during IR briefings and other opportunities to increase their interest in us and listen to their opinions and requests. They will be reflected in the improvement of our corporate value, including the improvement of capital efficiency, during our management reform initiatives and consideration and formulation of the next mid-term management plan.

Key focuses of investors (opinions, requests, and needs)

- Revenue infrastructure highly resistant to changes in external environment
- Determination to achieve target profit 30.0 billion yen and dividend 100 yen
- Speedy management reform
- How to improve problematic and low-profitability businesses
- Clear presentation of capital efficiency and growth potential for each business group
- Carbon neutrality (fields and products the Company can grow)
- Validity of shareholder return policy
- Stagnating share price (lack of catalyst)

Opinions and needs of Outside Directors, and their requests

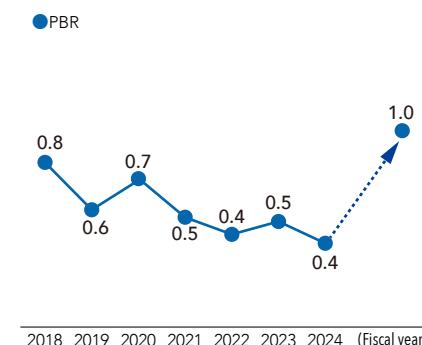
- Discussions on major strategy and directions for improving corporate value at the Board of Directors
- Clear presentation of what kind of reform the Company will conduct and how it will contribute to the growth of the Company
- Consideration of implementing shareholder returns other than dividends

Our initiatives reflecting these opinions, needs, and requests

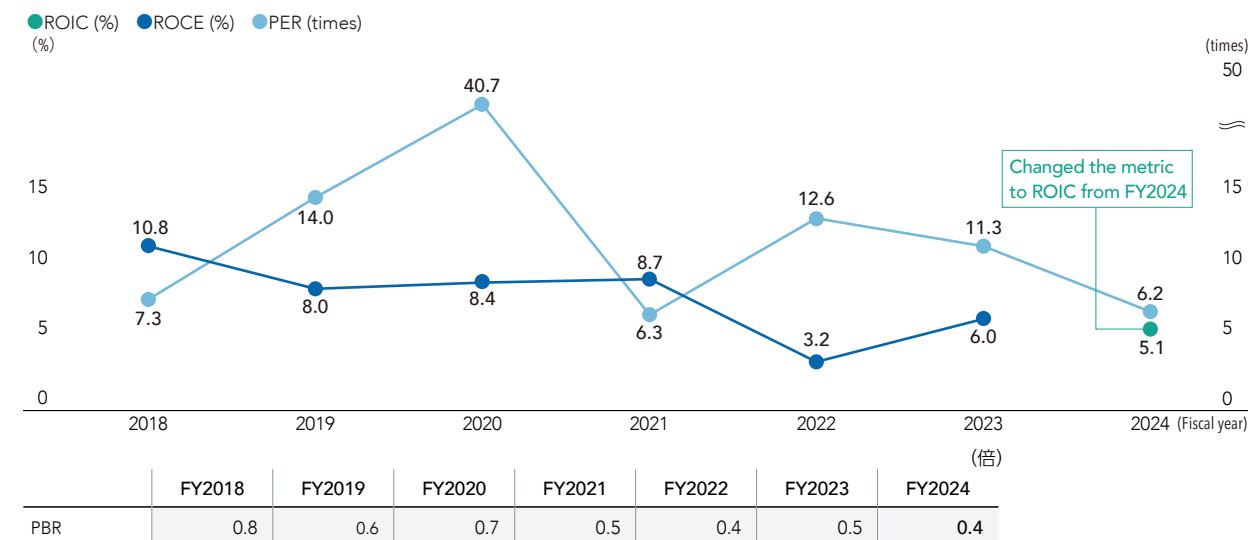
- Response to and sharing of external environment risks (sales price revisions, introduction of surcharges)
- Sequentially commencing the formulation of growth strategies and resource allocation based on the business group structure
- Changing the indicator of capital efficiency (for the Company and by business group) to ROIC, and presenting it along with ordinary profit and D/E ratio to show the direction in the next mid-term management plan period
- Building a closed loop supply chain (provision of new value: decarbonization)
- Consideration toward enhancing shareholder returns

- Sharing and promoting understanding of management reform and growth strategies
- Initiatives for expanding communication with shareholders, institutional investors, and securities analysts, and for increasing the number of companies covering us in their analysis

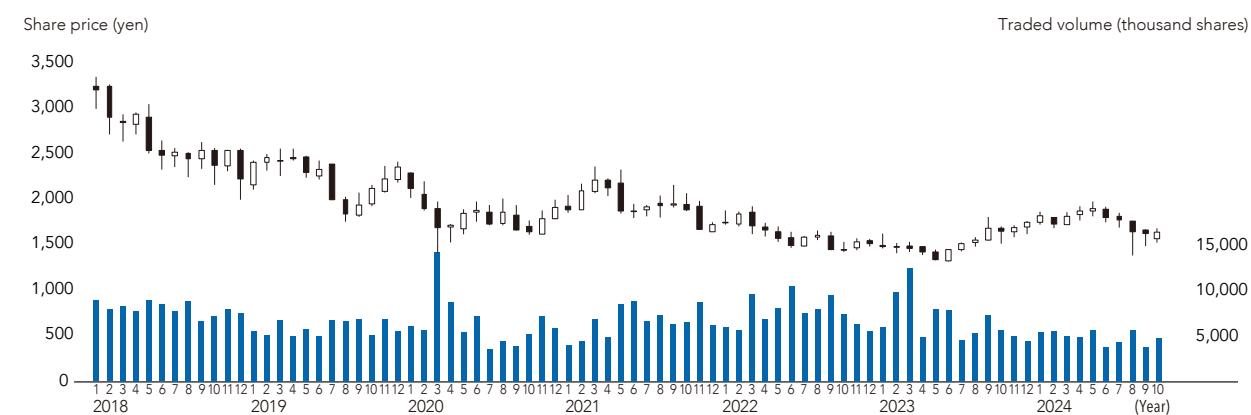
For improving capital efficiency



ROIC, PER, and PBR



Share price



(Note) On October 1, 2020, we conducted a one-for-ten reverse stock split. Accordingly, the share price and traded volume for FY2019 (fiscal year ended March 2020) and earlier years are calculated in consideration of the impact of the reverse stock split.

Foundations of Value Creation

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Message of Commitment to Sustainable Management

The NLM Group aims to be a trusted corporate group that can provide value to all stakeholders under the Corporate Philosophy: Contribute to improving people's quality of life and environmental protection by continuing to create business, focused on aluminum.

Accordingly, we conduct fair and honest business and work sincerely to improve the quality of our products and services, and we have positioned actions on rapidly changing social issues such as climate change as strategic "Materiality (Key issues)" that support the NLM Group's business competitiveness and growth and are working to address this issue by setting targets and KPIs.

These efforts and the group's growth are supported by human capital. Our employees are "human capital," and improving employee engagement will maximize the value of the group. In particular, we believe that empowering women is extremely important for maximizing the value in the group's human capital composition and ensuring diversity in decision-making. We will achieve D&I and build a workplace where everyone can work with pride in their work.

The NLM Group will continue to contribute to the realization of a sustainable society by turning social issues into business opportunities and maximizing corporate value.

Nippon Light Metal Holdings Company, Ltd.
President and Chief Executive Officer
Ichiro Okamoto

Governance

Progress of Enhanced Corporate Governance

NLM HD has positioned corporate governance as one of its most important management priorities and has been strengthening its governance framework in stages.

In June 2024, as part of its management reforms, NLM HD restructured its Group governance framework and strengthened the supervisory function of its Board of Directors, including by increasing the ratio of Outside Directors to a majority.

NLM HD will continue to review and enhance its governance framework in line with the intent of the Corporate Governance Code and other relevant guidance.

Initiatives for Enhancing Corporate Governance

2012: Transition to a holding company system

- Launched a new group structure with NLM HD as the holding company
- Appointed 2 Outside Directors (with the number to be subsequently increased)
- Introduction of an executive officer system

From 2020: Further improvement in the effectiveness of the Board of Directors

- Establishment of the Nomination and Compensation Committee (advisory body) (2020)
- Appointed female Directors and increased the number of Outside Directors (same as above | to 5)
- Introduction of stock compensation (2021)
- Developed a skills matrix (same as above)
- Introduction of an annual evaluation of the effectiveness of the Board of Directors through questionnaires (same as above)
- Introduction of a delegation-based executive officer system (same as above)

2024: Further evolution of group management

- Organizational structure reform (reorganized the Group's business portfolio into business groups and service functions into 7 functional organizations)
- Reduction of the total number of Directors from 14 to 9 (56% independent Outside Directors)
- Abolishment of concurrent appointment of Directors and Executive Officers in charge of a business
- Introduction of the Senior Executive Officer system
- Introduction of a performance-linked stock compensation plan

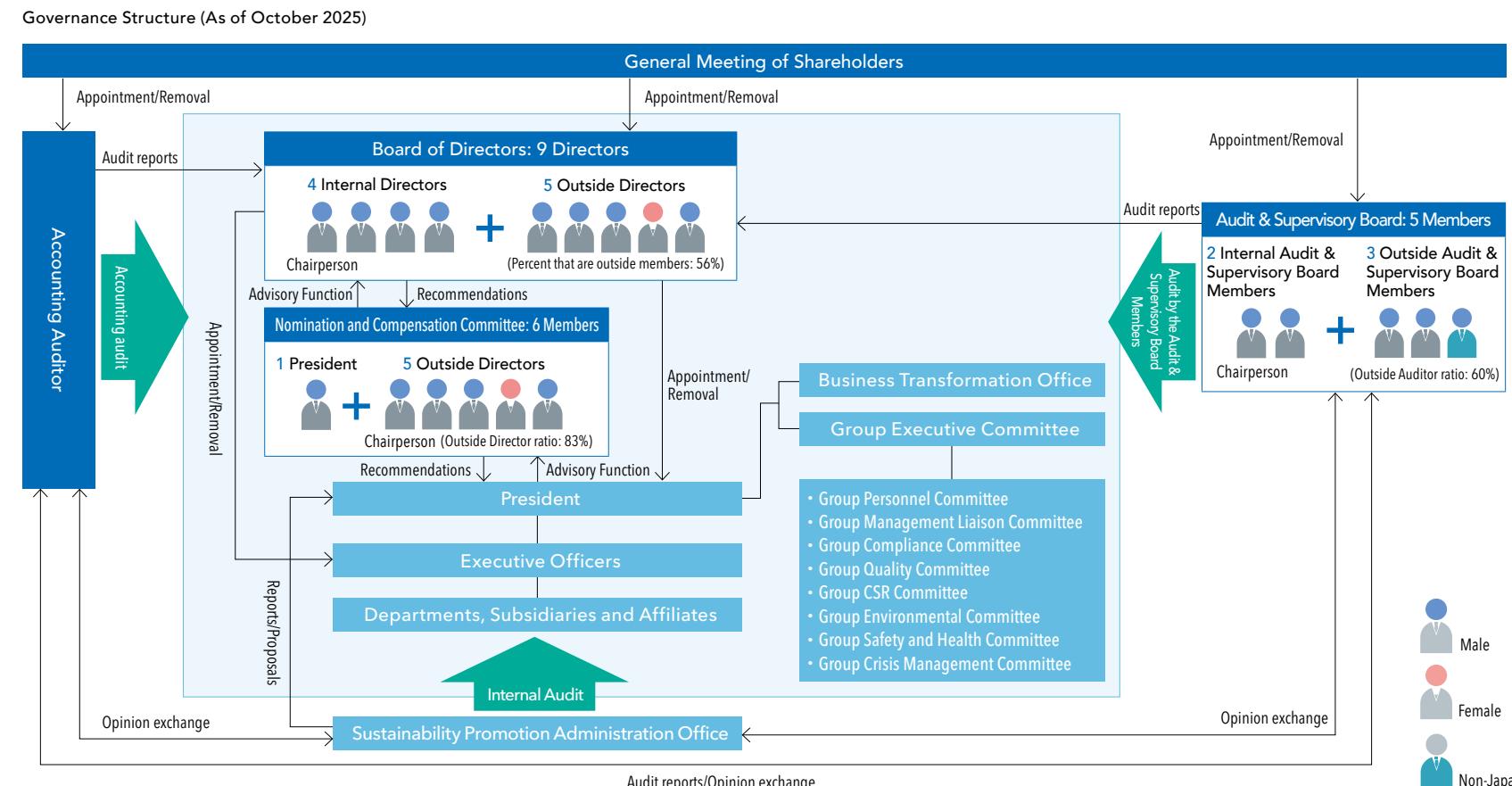
- Strengthening group governance ■ Appointment of Officers ■ Compensation for Officers
- Improving the effectiveness of the Board of Directors

Policy and Structure

The NLM Group has adopted a pure holding company structure, under which the operating companies conduct their business activities under Nippon Light Metal Holdings Co., Ltd. ("NLM HD"), the holding company. Within this structure, NLM HD aims to maximize corporate value by working to achieve sustainable growth and enhance its competitiveness through the Group-wide strategic planning and decision-

making, the strategic allocation of management resources, and the oversight of operating company management

➤ Corporate Governance Report (Japanese only)
<https://www.nikkeikinholdings.co.jp/news/common/pdf/cqn.pdf>

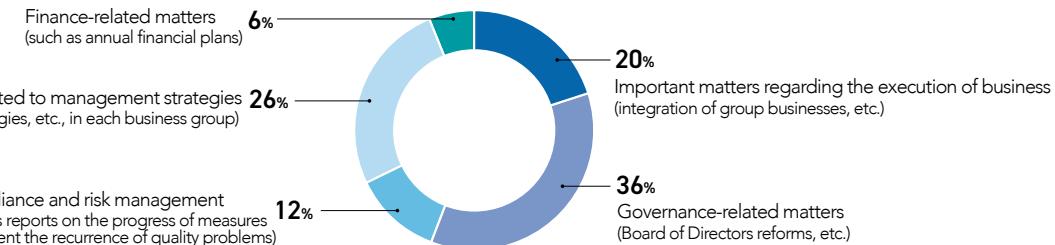


Governance

Organizations and Meeting Structure

Organization	Board of Directors	Nomination and Compensation Committee	Audit&Supervisory Board
	Internal members	Chairperson 	Chairperson
Composition	Chairperson 	Chairperson 	Chairperson
	Outside members 	Chairperson 	Chairperson
Basic Policies	The Board of Directors shall fulfill its supervisory function centered on the formulation of Group strategies aimed at maximizing corporate value. It is composed of Internal Directors and Outside Directors who possess the experience and expertise necessary for Group-wide strategic decision-making and the oversight of the business execution.	The Committee shall consist of three or more members including the President and Chief Executive Officer, with Independent Outside Directors comprising the majority of its members to ensure the transparency and fairness of the decision-making process related to the nomination of Directors and the compensation system. In addition, the Board of Directors appoints one of the Independent Outside Directors who is a member of the Committee as its chairperson.	The Audit & Supervisory Board conducts audits while maintaining independence from management by securing the participation of Outside Audit & Supervisory Board Members with experience and insight in various fields. In addition, the Auditor's Office that supports auditing operations of Audit by the Audit & Supervisory Board Members is assigned dedicated employees not subject to the direction or orders of Directors.
Authorities and Responsibilities	The Board of Directors makes decisions on the fundamental and important management matters of the NLM Group, and supervises the execution of duties by Directors and Executive Officers.	The Committee discusses and submits recommendations on nomination and compensation in response to a request for consultation from the Board of Directors and President and Chief Executive Officer.	Auditors conduct audit the status of internal control including compliance, risk management and the timely disclosure of information from the perspective of enhancing the effectiveness of corporate governance.
Frequency of Meetings	Monthly *FY2024 results: 14 meetings	3 times a year *FY2024 results: 5 meetings	Held on a regular basis *FY2024 results: 15 meetings
Major Matters Deliberated in FY2024	<ul style="list-style-type: none"> Management reforms (structural reforms) and future strategies of each business group Reforms of the Board of Directors Integration of group businesses Reports on the progress of measures to prevent the recurrence of quality problems within the NLM Group 	<ul style="list-style-type: none"> Officer Appointment Succession plan for the President Total amount of compensation for Directors for FY2024 and the policy for determining it 	<ul style="list-style-type: none"> Communication and exchange of information with Directors and Executive Officers Exchange of information with auditors of operating subsidiaries, the internal auditing department, and the accounting auditor

Matters deliberated by the Board of Directors (FY2024) *Based on the number of matters submitted for discussion



Organization	General Manager/Chairperson	Details
Business Transformation Office	Director of the Company	In response to the results of the investigations into the quality-related misconduct incidents within the Group and the prevention of their recurrence, etc., which were announced in March 2023, this office plays the leading role in promoting reforms within the NLM Group, so that the Group's initiatives to prevent recurrence will be implemented effectively without delay, with the core initiatives of promoting management reforms and strengthening internal control functions.
Group Executive Committee	President and Chief Executive Officer of the Company	As a body that assists the President and Chief Executive Officer in decision making, the Group Executive Committee is comprised mainly of Directors (excluding Outside Directors), Executive Officers and Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) of the Company. The Committee discusses and makes decisions on policies related to NLM Group management and important items concerning management execution. While matters that specifically require a resolution of the Board of Directors and other important management items are decided by the Board, the Group Executive Committee serves as a body that reviews matters before they are resolved by or reported to the Board. It organizes the agenda and key discussion points to facilitate constructive debate and exchanges of opinions among the Board of Directors.
Main meeting structure	Chairperson	Details
Group Compliance Committee	President and Chief Executive Officer of the Company	The Committee examines issues and problems regarding overall compliance and deliberates and determines measures to ensure compliance becomes entrenched and established.
Group Quality Committee	President and Chief Executive Officer of the Company	The Committee promotes quality management, analyzes the causes of serious quality problems, discusses how to prevent their recurrence, shares information regarding quality audits and other activities, and implements other initiatives.
Group CSR Committee	President and Chief Executive Officer of the Company	The Committee deliberates a wide range of matters and makes decisions regarding the NLM Group's Materiality (Key issues).
Group Environmental Committee	President and Chief Executive Officer of the Company	The Committee discusses basic environmental policy and activity promotion plans, reports on serious environmental problems and the results of environmental audits, and deliberate and propose initiatives related to environmental matters.
Group Crisis Management Committee	General Manager of Planning Administration Dept. of the Company	The Committee investigates crises (classified into four levels, from Level 0 to Level 3) that have occurred or may occur within the NLM Group, determines necessary countermeasures, and gives directions to related departments.

Governance

Coordination Between Audit & Supervisory Board Members, Internal Auditing Department, and Accounting Auditor

Internal audit

Internal audits are performed by the internal auditing department based on an annual auditing plan, and involve audits related to the execution of business by subsidiaries and evaluations of internal control related to financial reporting. The appropriateness and effectiveness of internal control are verified, and recommendations for improvements and corrective actions are issued as needed.

• Internal auditing department	Sustainability Promotion Administration Office
• Auditing cycle	Every three years, in principle, on a subsidiary-by-subsidiary basis
• Reporting of audit results	The status of the improvement and evaluation of internal audits and internal control is reported to the Board of Directors twice a year.
• Cooperation with Audit & Supervisory Board Members	The internal auditing department and Audit & Supervisory Board Members maintain independence from one another while coordinating to ensure that audits are conducted efficiently, such as by exchanging views and sharing information as needed with regard to auditing targets, auditing methods and the status of risks. Additionally, they hold three-way meetings involving the accounting auditor (Ernst & Young ShinNihon LLC) twice a year to exchange views on internal control issues associated with audits and financial reporting, among other topics.

Evaluation of the Effectiveness of the Board of Directors and Summary of Evaluation Results

Evaluation of the Effectiveness of the Board of Directors

To verify that the Board of Directors is functioning appropriately overall and to take appropriate measures including improving upon issues based on the results, the effectiveness of the Board of Directors is evaluated each year (one or more times a year) to ensure its functions continue to be improved on an ongoing basis.

Evaluation Process

The effectiveness of the Board of Directors in FY2024 was evaluated in the form of a self-evaluation, including a questionnaire survey of all Directors and Audit & Supervisory Board Members conducted in April 2025. The results of the questionnaire were discussed at the Board of Directors meeting held in May 2025 before the effectiveness evaluation for FY2024 was performed and the tasks for FY2025 were shared.

• Subjects:	All Directors and Audit & Supervisory Board Members
• Evaluation method:	5-point scale + Free description
• Evaluation process:	<p>① Questionnaire survey of each Director and Audit & Supervisory Board Members</p> <p>② Reporting questionnaire results to the Board of Directors for discussion</p> <p>③ Evaluation of the effectiveness and identification of issues by the Board of Directors</p> <p>④ Efforts for improvement</p>

• Major evaluation items:	<ul style="list-style-type: none"> ● Operation of the Board of Directors ● Supervisory function ● Dialogue with Shareholders and Investors, etc. ● Risk management ● Decision-making function ● Matters that were deliberated (The Nomination and Compensation Committee was also evaluated.)
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Summary of evaluation results

Tasks to be done in FY2024	<ul style="list-style-type: none"> ● Select agenda items based on the criteria for determining matters to be submitted to the Board of Directors, which were revised based on the changes in the roles of the Board of Directors (the separation of the business execution function and the formulation of medium- to long-term Group strategies), enhance discussions, and improve the operations of the Board of Directors. ● Organizing business site inspection tours as opportunities to provide information to Outside Officers (KPI: two or more times a year)
FY2024 initiatives	<ul style="list-style-type: none"> ● The NLM Group's management reform efforts based on agenda standards revised in light of changes in the role of the Board of Directors (separation of execution, formulation of medium- to long-term group strategies), the selection of agenda items related to the strategies of the NLM Group and each business group from a broad perspective, and the ideal form of the Board of Directors, including the management of proceedings to ensure the effectiveness of the Board of Directors, were deliberated. The evaluation of NLM HD by shareholders and investors was also deliberated providing sufficient information and opportunities for a shared understanding. ● Two business site inspection tours were organized for Outside Officers, thus deepening their understanding of a wide range of the Group's businesses. The tours were also used as opportunities to confirm the Group's management issues, etc., through direct communication with people working on site.
Business sites that were inspected	<ul style="list-style-type: none"> ● Nikkei Panel System Co., Ltd. Shimonoseki Plant (Details of business: manufacturing and installation of insulation panels) It was selected as a business site to inspect due to its status as a major business site for the Engineering Business Group and the completion of a new plant. ● Nippon Light Metal Co., Ltd. Shimizu Plant (Details of business: manufacturing and sales of alumina, aluminum hydroxide, and various chemicals) It was selected as a business site to inspect due to its status as a major business site for the Chemicals Business Group.
FY2024 evaluation	<p>In order for the Board of Directors to function effectively, open and constructive statements and discussions occur with the sharing of information and understanding as the premises for discussion. On the whole, the effectiveness of the Company's Board of Directors is ensured.</p>
Issue	<ul style="list-style-type: none"> ● Enhance discussions in response to mid- to long-term changes in the external environment, and enhance discussions on IR activities, including dialogue with shareholders and investors and how to disseminate information ● Implement and refine measures to improve the Board of Directors (selection of matters submitted for discussion, how to share materials and information, improvement in managing proceedings, etc.)
Policy for initiatives in FY2025	Select agenda items in line with the function of the Board of Directors (enhancing corporate value through advice and supervision on medium- to long-term corporate strategies), enhance discussions, and improve the operation of the Board of Directors

Governance

Policy for Nominating Officers and Status of the Succession Plan

Nomination of Directors

NLM HD comprehensively evaluates Director candidates from the following perspectives and makes a decision at the Board of Directors meeting.

- Experience and insight related to the NLM Group's businesses
- Contribution to the NLM Group's businesses
- Work performance from the perspective of group management and overall optimization, etc.

Nominations are made through consultation with the "Nomination and Compensation Committee," which is chaired by an independent Outside Director and is composed of a majority of independent Outside Directors, ensuring transparency and fairness. In addition, when selecting management members, including the President, we select human resources who will contribute to maximizing corporate value in light of the "ideal image of the President" and evaluation criteria.

Training for Officers

We aim to improve the qualifications of our Officers and strengthen governance through the following training:

Chairper	Details
Internal Officers	Provide opportunities for seminars and networking events tailored to each individual, and provide support for expenses. Share and discuss management issues at the annual "Nippon Light Metal Group Top Management Seminar," etc.
Outside Officers	Promote understanding of NLM HD's businesses through business briefings and inspection tours of major business sites.

Succession Plan

NLM HD conducts systematic succession planning with the aim of ensuring the succession of leaders who will contribute to increasing corporate value.

Positioning and basic policies

We place importance on achieving optimal timing for the replacement of the President, and design the selection, development, and evaluation processes based on the "ideal image of the President."

Major initiatives

Item	Details
Selection	Form a group of candidates through "Next-generation Managers Training," etc., and prepare a list of successor candidates from both the medium-to-long-term and short-term perspectives. At the same time, develop the most suitable successors, conduct evaluations (identify the best candidates), and review the selection.
Development	Strengthen their group management perspective and leadership through strategic rotation, tough assignments, interviews with Outside Directors, etc.
Evaluation	Conduct regular monitoring and objective evaluations through individual interviews with the current President, etc., based on evaluations and recommendations (including 360-degree evaluations) from other NLM HD Officers, etc., and through interactions with Outside Directors.

Transparency and supervisory framework

- The Nomination and Compensation Committee will essentially perform the supervisory function for the succession plan and will report its opinions to the Board of Directors and the President.
- The Board of Directors receives reports from the Nomination and Compensation Committee in a timely manner and fully respects its opinions when selecting the President.

Ideal image of the President

A human resource who has credentials to meet management mandates (realizing management policies, materiality, Mid-term Management Plans, etc.), work appropriately with various stakeholders, leading the NLM Group's business areas, and its Officers, and employees as one team, and maximize corporate value in both financial and non-financial aspects through hands-on efforts

Must possess the following credentials necessary to achieve the above:

- Ability to conceive and execute growth strategies from a medium-to-long-term perspective
- Ability to promote reforms without being bound by common sense
- Ability to make decisions based on stakeholders' opinions

Compensation

Revision of the Compensation System for Directors and Officers

NLM HD's basic policy is to make compensation for Directors (excluding Outside Directors) serve as a sound incentive for sustainable growth.

In June 2024, the Company revised the compensation system for its Directors (excluding Outside Directors) and Executive Officers as part of its management reforms. This is to create a compensation system that contributes to sustainable improvement of corporate value. Through reviews based on the following three pillars, NLM HD's compensation system for Directors and Officers has become more transparent and accountable, linking compensation to performance and contributing to medium-to-long-term value creation.

In order to make the level appropriate for the responsibilities of a prime-listed company under the HD structure, we have revised the level using as a benchmark the level of prime-listed companies with a similar operating profit scale in all industries.

We increased the variable compensation ratio according to the level of responsibility, to 50% for the President and 40% for other positions. This increases the degree of reflection of business and individual performances.

In order to strengthen motivation to achieve business performances from short-, medium-, and long-term perspectives, we set a 1:1 ratio for short-term incentive (STI) and long-term incentive (LTI), which are linked to multiple KPIs, including financial and non-financial.

In particular, for LTI, we have introduced performance-based stock compensation based on the following three indicators, replacing the previous non-performance-based one, to clarify incentives for medium-to-long-term value creation.

- Stock price indicator (compared to TOPIX)
- Progress in greenhouse gas emission reduction (KPI for material issues)
- Individual evaluations (non-financial)

In addition, for STI, we have newly incorporated individual evaluations (non-financial) in addition to the traditional operating profit and ROCE, creating a system for evaluating results in both quantitative and qualitative terms.

Governance

Current Compensation System for Directors and Officers

■ Summary of compensation structure

Compensation for Directors (excluding Outside Directors) consists of basic compensation, performance-based compensation, and stock compensation.

$$\text{Total amount of compensation} = \text{Basic compensation} + \text{Performance-based compensation} + \text{Stock compensation}$$

- Basic compensation is set as fixed compensation according to the position, responsibilities, etc. of each Director.
- Performance-based compensation varies depending on the NLM Group's business performance, the achievement of management plans (operating profit, ROCE, etc.), the degree of contribution to group management, etc.
- Stock compensation is intended to encourage improvement in medium- to long-term business performance and increase incentives to raise corporate value, and consists of non-performance-based stock compensation and performance-based stock compensation.
 - Non-performance-based stock compensation is paid according to the number of basic points, which are determined according to the Director's position, etc.
 - Performance-based stock compensation will be paid according to the number of performance-based points, calculated by multiplying a number determined according to the Director's position, etc., by a performance-based coefficient (0% to 200%) that varies depending on the actual values of performance-based indicators (such as "stock price-related indicators," "non-financial indicators (materiality-related indicators such as greenhouse gas reductions), and "individual target achievement"), etc.



Structure of compensation	Calculation method	Type
Basic compensation	Amount set for each position	Monetary payment Fixed amount
Performance-based compensation	Standard amount of compensation for each position x [0% to 200%*1]	Monetary payment Variable amount
Stock compensation ① ②	① Granting restricted stock for each position which is not linked to performance ② Granting performance-based restricted stock for each position Standard amount of stock compensation for each position x [0% to 200%*2]	Stock-based payment ① Fixed amount + ② Variable amount

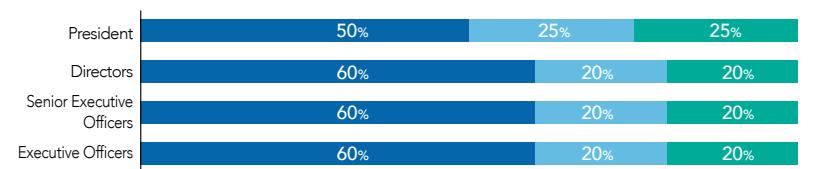
*1 Operating profit, ROCE, and individual evaluations

*2 Stock price (compared to TOPIX), ratio to greenhouse gas emission reduction target, and individual evaluations

■ Compensation ratio

As a standard, the composition ratio of compensation for Directors (excluding Outside Directors) will be approximately 60% basic compensation, 20% performance-based compensation, and 20% stock compensation when each evaluation indicator is achieved at 100%. As a standard, the composition ratio of compensation for the President will be approximately 50% basic compensation, 25% performance-based compensation, and 25% stock compensation when each evaluation indicator is achieved at 100%.

■ Fixed compensation ■ STI ■ LTI



Performance indicators for long-term incentives: stock compensation

The following three performance indicators shall be used.

- Stock price indicator (compared to TOPIX)
- Ratio to greenhouse gas emission reduction target (KPI for material issues)
- Individual evaluations (non-financial)

Performance indicators for short-term incentives: performance-based compensation

The following three performance indicators shall be used.

- Operating profit
- ROCE
- Individual evaluations (non-financial)

Governance

Group Governance

Since June 2024, the NLM Group has been organizing businesses (group companies) that are adjacent to each other in terms of market sector and process into eight business groups and service functions into seven functional organizations (administration offices), thereby adopting a broader and higher-level management perspective and promoting the following:

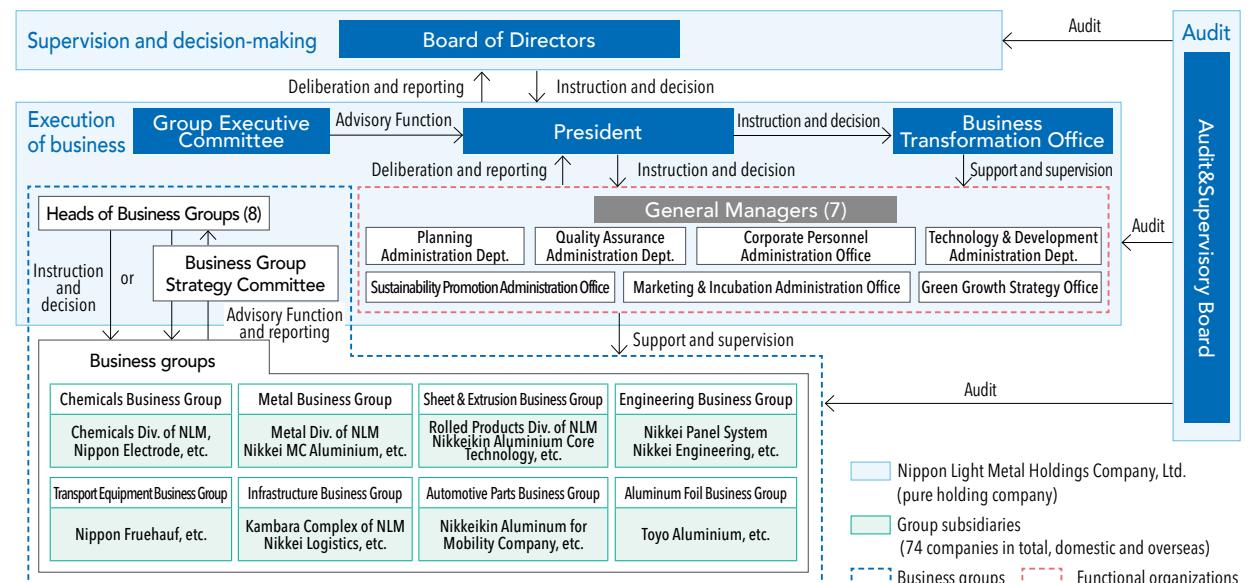
- The review and optimization of resource allocation, human capital distribution, the product and business portfolios, and other aspects of business by overcoming the existing organizational barriers (constraints)
- The integrated operation of governance, quality and safety enhancement, sustainability and carbon neutrality, and new business and new product development

In April 2023, we established the Business Transformation Office with the aim of promoting the NLM Group's management reforms and strengthening its internal control functions.

In business groups, our Executive Officers serve as their head, which enables business operations to be aligned with the NLM Group's policies, and we have established a governance framework in which any plans or investments above a certain threshold must be approved by the Group Executive Committee.

In addition, within each business group, important matters relating to that business group are consulted and reported on at the Business Group Strategy Committee. We have adopted ROIC as a common indicator to measure capital efficiency across business groups, and by monitoring this figure, we use it to make optimal business group configurations and investment decisions.

Group Governance Structure



Cross-Shareholdings

The basic policy on cross-held shares is to reduce them. Shares of a business partner may be acquired and held only where it is recognized that the acquisition and holding of these shares will contribute to strengthening the relationship with the business partner and facilitating smooth business operations.

Cross-held shares are reviewed every year by examining whether assets are being used efficiently, comprehensively considering the status of transactions and other matters. For stocks which are found to not have a particularly compelling reason for holding them, the number of shares held is reduced by selling them.

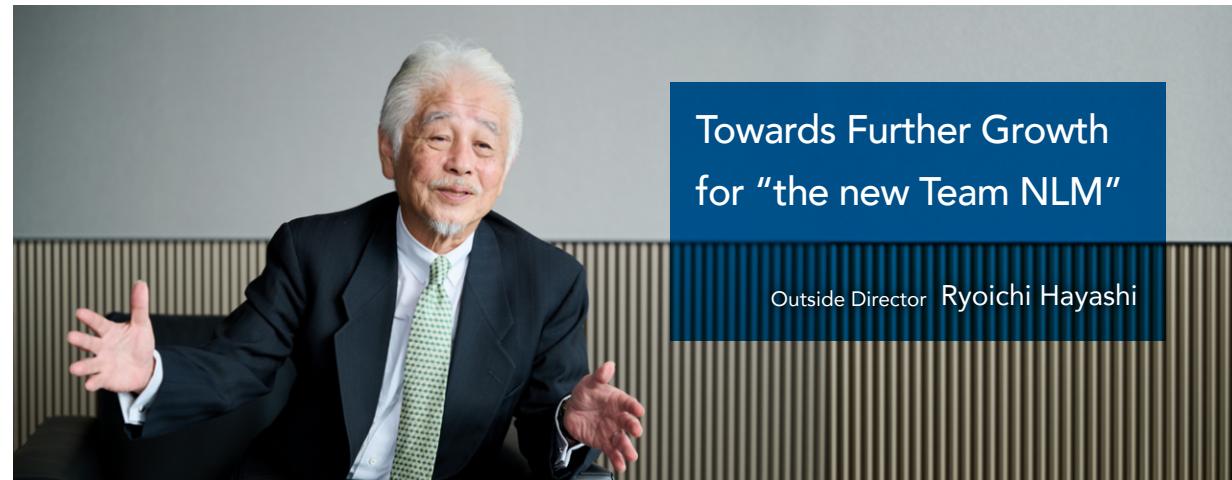
In FY2024, as a result of reviewing all cross-held shares conducted in accordance with the above reduction policy, the Company reduced the number of shares held as shown in the table below. The results of review and the sale of shares were reported to the Board of Directors, and their appropriateness was confirmed.

Details of cross-shareholdings are provided in securities reports issued by the Company.

● **Securities Reports** <https://www.nikkeikinholdings.com/ir/ir-data/p6.html>

	FY2022	FY2023	FY2024
Number of cross-held stocks with a reduced number of shares	4	8	11
(Of which, the number of stocks where all held shares were sold)	1	4	11
Ratio of cross-held listed stocks to total assets (%)			2.2
Ratio of cross-held listed stocks to net assets (%)			4.8

Message from an Outside Director



I was appointed as an Outside Director in June 2013, and this year marks my 13th year in the position.

At the time of my appointment, the NLM Group's consolidated operating profit was stagnating at 8.2 billion yen, and improving business performance had become a key management priority. Against this backdrop, we transitioned to a holding company structure in 2012, and took this opportunity to drive thorough improvements in the profitability across all group companies. In particular, during the Mid-term Management Plan (FY2016-2018) that began with President Okamoto also serving as the president of the holding company, we were able to achieve annual operating profit of around 30 billion yen.

On the other hand, our excessive focus on profitability led to insufficient governance, and in 2021, issues such as quality problems surfaced. Initially, I also participated in the Special Investigation Committee, where I became keenly aware that attention to quality had deteriorated as the frontline staff placed too much emphasis on short-term profit targets. In light of this reflection, the NLM Group has undertaken fundamental structural reforms, including having top management personally visit workplaces and engage in continuous dialogue to foster a sense of unity with frontline operations.

As an Outside Director, I am responsible for supervising and advising on corporate management, and I place particular emphasis on "creating an environment where employees can work healthily and with vitality." I believe that if we can create an environment where employees can feel secure and demonstrate their abilities, autonomous improvements and innovation will naturally emerge, which will ultimately lead to meeting the expectations of our shareholders. I feel that paying attention not only to short-term figures but also to "less-visible factors" such as employees' motivation and organizational cohesion is the foundation of a company that is sustainable over the long term.

In corporate management, I believe that placing importance on the working environment of employees becomes especially crucial when an organization is faced with difficulties. I consider President Okamoto's response to the quality issues, engaging in repeated dialogue with employees through workplace visits and site manager meetings where frontline leaders gathered at the Head

Office, to have been a major turning point for our company. Furthermore, by reorganizing the numerous group companies that have pursued growth individually into eight business groups, we have been able to accelerate decision-making, optimize the allocation of management resources, and enhance the effectiveness of governance.

Although we are making steady progress in developing our management foundation, I think that the full effects will not be reflected in our figures until the next Mid-term Management Plan (FY2026-2028) or later. It can be said that the current Mid-term Management Plan (FY2023-2025) can be considered the phase in which we began the full-scale operation of a system that optimally utilizes management resources such as people, goods, and capital. Under this system, we are managing each business group using ROIC as an indicator, and are steadily working to improve capital efficiency and profit margins.

Our Board of Directors is composed of four Internal Directors and five Outside Directors, which is a desirable structure from the perspective of the supervisory function. In addition, our Outside Directors include individuals with extensive overseas experience, providing a well-balanced composition that is able to respond appropriately to discussions on global expansion, which is a growth issue for the company. Not only do frank and lively discussions take place at Board of Directors meetings, but there is also an ongoing informal breakfast meeting that is held in principle every other month, where Outside Directors, together with President Okamoto, exchange opinions. This opinion exchange makes the Board of Directors' discussions on management issues and medium- to long-term management policies more substantive. Regarding the Succession Plan, we are also making steady progress in developing candidates and forming a candidate pool.

For the NLM Group's future growth strategy, as demand in the domestic market slows due to factors such as the declining population, it is essential to accelerate our expansion into overseas markets and promote globalization. As someone who came from a trading company, from my own experience, I recognize that developing management talent is extremely important for achieving business success in regions with different cultures and values. It is important to accept small failures and use them as valuable learning opportunities to strengthen management capabilities. In addition, I believe that the key to developing new growth areas is to actively collaborate not only with other companies in the same industry, but also with companies in other industries, with the Marketing & Incubation Administration Office at the core.

While we accelerate these growth initiatives, there are also challenges that we should calmly prepare for. In terms of risk management, I believe that strengthening our foundations for realizing our growth strategy, requires accelerating decisions regarding business entry and exit, as well as further enhancing our management of intellectual property rights and cybersecurity. The NLM Group holds numerous patents and intellectual property, and I believe that it is necessary to further strengthen cybersecurity in order to protect them.

If we position the current medium-term management plan period (FY2023-2025) as a transition phase from "defense to offense," the next medium-term management plan (FY2026-2028) will be an important period in which the NLM Group's true value will be tested. We will utilize the management foundation we have developed to sincerely address each of our issues, including establishing ROIC management, strengthening our substantial competitiveness in overseas markets, and, above all, developing management talent

To our stakeholders, including shareholders and investors, we would like to express our appreciation for your ongoing understanding and support, and we ask that you continue to follow the future initiatives and challenges taken on by the new Team NLM.

List of Officers

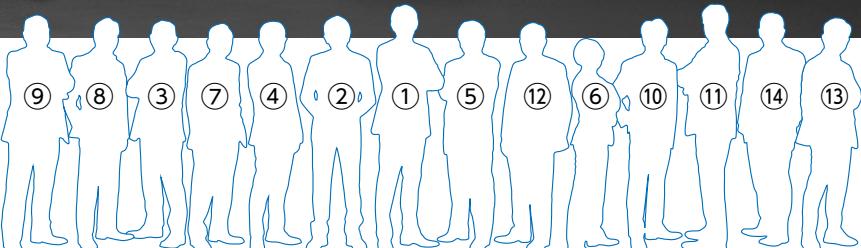


- ① Ichiro Okamoto
President and Chief Executive Officer
- ② Yasunori Okamoto
Director and Executive Vice President
- ③ Shuichi Asakuno
Director and Senior Executive Officer
- ④ Hiroyuki Matsudaira
Director and Senior Executive Officer

- ⑤ Ryoichi Hayashi
Outside Director
- ⑥ Keiko Tsuchiya
Outside Director
- ⑦ Tatsuya Tanaka
Outside Director
- ⑧ Tetsuhiro Hosono
Outside Director

- ⑨ Kiyoshi Miyake
Outside Director
- ⑩ Hideo Hirosawa
Full-time Audit & Supervisory Board Member
- ⑪ Yuji Suzuki
Full-time Audit & Supervisory Board Member
- ⑫ Yoshiki Sato
Outside Audit & Supervisory Board Member

- ⑬ Shintaro Kawai
Outside Audit & Supervisory Board Member
- ⑭ Jinseki Kim
Outside Audit & Supervisory Board Member



Skills matrix

Category	Name	Gender	Title	Profile	Number of shares held*	Skills							
						Corporate management	Manufacturing & Technology R&D IT	Sales Marketing Product development	Finance Accounting Banking	Governance Risk management Legal & Compliance	Personnel HR Development	Global experience	
Directors	Ichiro Okamoto	Male	President and Chief Executive Officer	April 1981: Joined Nippon Light Metal Co., Ltd. June 2006: Executive Officer of Nippon Light Metal Co., Ltd. June 2009: Director and Executive Officer of Nippon Light Metal Co., Ltd.	June 2012: Director and Senior Executive Officer of Nippon Light Metal Co., Ltd. October 2012: Director of Nippon Light Metal Holdings Co., Ltd. June 2013: President and Chief Executive Officer of Nippon Light Metal Co., Ltd.	June 2015: President and Chief Executive Officer of Nippon Light Metal Holdings Co., Ltd.	53,126	○	○	○	○	○	
	Yasunori Okamoto	Male	Director	April 1980: Joined Nippon Light Metal Co., Ltd. June 2008: Executive Officer of Nippon Light Metal Co., Ltd. June 2012: Executive Officer of Nippon Light Metal Co., Ltd.	October 2012: Executive Officer of Nippon Light Metal Holdings Co., Ltd. June 2013: Director of Nippon Light Metal Holdings Co., Ltd. June 2013: Director of Nippon Light Metal Co., Ltd.	June 2014: Director and Senior Executive Officer of Nippon Light Metal Co., Ltd. June 2020: Director and Executive Vice President of Nippon Light Metal Co., Ltd. June 2024: Director and Executive Vice President of Nippon Light Metal Holdings Co., Ltd.	28,614	○		○	○	○	
	Shuichi Asakuno	Male	Director	April 1988: Joined Nippon Light Metal Co., Ltd. June 2017: President and CEO of Nikkei MC Aluminium Co., Ltd. June 2021: Director of Nippon Light Metal Holdings Co., Ltd.	June 2021: Director and Executive Officer of Nippon Light Metal Co., Ltd. June 2024: Director and Senior Executive Officer of Nippon Light Metal Holdings Co., Ltd.		12,314		○	○	○	○	
	Hiroyuki Matsudaira	Male	Director	April 1989: Joined Shin Nikkei Co., Ltd. June 2010: Joined Nippon Light Metal Co., Ltd. June 2018: Executive Officer of Nippon Light Metal Co., Ltd.	June 2021: Executive Officer of Nippon Light Metal Holdings Co., Ltd. June 2021: Executive Officer of Nippon Light Metal Co., Ltd. June 2022: Director of Nippon Light Metal Holdings Co., Ltd.	June 2022: Director of Nippon Light Metal Co., Ltd. June 2024: Director and Senior Executive Officer of Nippon Light Metal Holdings Co., Ltd.	12,254			○	○	○	
	Ryoichi Hayashi	Male	Outside Director	April 1974: Joined Mitsubishi Corporation April 2007: General Manager of Mitsubishi Corporation March 2012: President of MMP K.K.	July 2012: Senior Corporate Counsellor of Energy Business Group of Mitsubishi Corporation June 2013: Outside Director of Nippon Light Metal Holdings Co., Ltd. March 2014: Director of Tokai Carbon Co., Ltd.		7,235	○		○		○	
	Keiko Tsuchiya	Female	Outside Director	April 1981: Joined DENTSU INC. October 2005: Executive Officer, Head of HR Division, Asia-Pacific Region of GE Toshiba Silicones Co., Ltd. (now Momentive Performance Materials Japan LLC)	February 2011: Vice President, Human Resources Division of Johnson & Johnson K.K. August 2015: Director of Adecco Ltd.	June 2020: Outside Director of Nippon Light Metal Holdings Co., Ltd. January 2022: Director of Modis Ltd. (now AKKODiS Consulting Ltd.) May 2024: Director of Educa & Quest Inc.	5,454	○				○	○
	Tatsuya Tanaka	Male	Outside Director	April 1980: Joined Fujitsu Limited April 2012: Officer of Fujitsu Limited April 2014: Corporate Executive Officer of Fujitsu Limited January 2015: Vice President of Fujitsu Limited	June 2015: President and Representative Director of Fujitsu Limited June 2019: Director, Chairman of Fujitsu Limited April 2020: Director, Chairman of Fujitsu Marketing Limited October 2020: Director, Chairman of Fujitsu Japan Limited	June 2021: Outside Director of Nippon Light Metal Holdings Co., Ltd. April 2022: Senior Advisor to Fujitsu Japan Limited	2,788	○	○	○	○	○	○
	Tetsuhiro Hosono	Male	Outside Director	April 1976: Joined the Ministry of International Trade and Industry July 2006: Director-General of Manufacturing Industries Bureau, the Ministry of Economy, Trade and Industry July 2009: Commissioner of Japan Patent Office August 2010: Director-General of Agency for Natural Resources and Energy	May 2012: Advisor to Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.) June 2015: Executive Director of Middle East Institute of Japan June 2016: President and Representative Director of JECC Corporation	April 2018: Chairman & CEO of Japan Organization for Metals and Energy Security June 2023: President of Japan Patent Information Organization June 2024: Outside Director of Nippon Light Metal Holdings Co., Ltd.	0	○	○	○	○	○	○
	Kiyoshi Miyake	Male	Outside Director	April 1983: Joined Dai-Ichi Kangyo Bank, Ltd. April 2010: Executive Officer of Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.) April 2012: Managing Executive Officer of Mizuho Corporate Bank, Ltd.	April 2016: Deputy President of Mizuho Bank, Ltd. April 2020: Chairman of Mizuho Securities Co., Ltd June 2022: President & Representative Director of Chuo-Nittōchi Group Co., Ltd.	June 2022: President & Representative Director of Chuo-Nittōchi Co., Ltd. June 2024: Outside Director of Nippon Light Metal Holdings Co., Ltd.	37	○		○	○		○
Audit & Supervisory Board Member	Hideo Hirosawa	Male	Full-time Auditor	April 1984: Joined Nippon Light Metal Co., Ltd. June 2016: President and Chief Executive Officer of Nikkei Technology Center Co., Ltd. June 2019: President and Chief Executive Officer of Nikkei Extrusions Co., Ltd.	June 2021: Full-time Audit & Supervisory Board Member of Nippon Light Metal Holdings Co., Ltd. June 2021: Audit & Supervisory Board Member of Nippon Light Metal Co., Ltd.		5,777			○		○	
	Yuji Suzuki	Male	Full-time Auditor	April 1985: Joined Nippon Light Metal Co., Ltd. June 2016: Executive Officer of Nippon Light Metal Co., Ltd. June 2023: Executive Officer of Nippon Light Metal Holdings Co., Ltd.	June 2023: Executive Officer of Nippon Light Metal Co., Ltd June 2024: Full-time Auditor of Nippon Light Metal Holdings Co., Ltd. June 2024: Audit & Supervisory Board Member of Nippon Light Metal Co., Ltd.		3,755		○			○	
	Yoshiki Sato	Male	Outside Auditor	April 1972: Joined Asahi Mutual Life Insurance Company April 2003: Executive Officer of Asahi Mutual Life Insurance Company April 2004: Managing Executive Officer of Asahi Mutual Life Insurance Company	July 2004: Director and Managing Executive Officer of Asahi Mutual Life Insurance Company July 2008: President and Representative Director of Asahi Mutual Life Insurance Company April 2017: Chairman and Representative Director of Asahi Mutual Life Insurance Company	April 2019: Chairman and Director of Asahi Mutual Life Insurance Company June 2020: Outside Audit & Supervisory Board Member of Nippon Light Metal Holdings Co., Ltd. July 2021: Special Advisor to Asahi Mutual Life Insurance Company	0	○		○	○		
	Shintaro Kawai	Male	Outside Auditor	April 1993: Registered as an attorney in Tokyo Bar Association April 1993: Joined Central Law Office July 2008: Partner of Clair Law Firm	December 2010: Established Kawai Law Office June 2017: Substitute Audit & Supervisory Board Member of Nippon Light Metal Holdings Co., Ltd. June 2018: Outside Audit & Supervisory Board Member of Nippon Light Metal Holdings Co., Ltd.		1,908				○		
	Jinseki Kim	Male	Outside Auditor	December 1992: Joined Tomono Tax Accounting Office October 1994: Joined Century Audit Corporation (now Ernst & Young ShinNihon LLC) June 2003: Joined KPMG AZSA & Co. (now KPMG AZSA LLC)	July 2015: Opened Jinseki Kim CPA Office as its representative December 2015: Chief Executive Officer of Accounting Workshop Co., Ltd. June 2018: Substitute Audit & Supervisory Board Member of Nippon Light Metal Holdings Co., Ltd.	December 2018: Representative of Nozomy Audit Corporation June 2020: Outside Audit & Supervisory Board Member of Nippon Light Metal Holdings Co., Ltd.	1,743			○	○	○	

* The number of shares held is as of March 31, 2025 and includes the individual's shares in the NLM Holdings' Executive Shareholding Association and the number of shares to be issued under the stock compensation system.

List of Officers

Senior Executive Officers



Senior Executive Officer
Kaoru Kusumoto
Head of Aluminum Foil
Business Group



Senior Executive Officer
Toshikazu Tanaka
Head of Transport
Equipment Business Group



Senior Executive Officer
Masahito Saotome
Head of Sheet & Extrusion
Business Group
Deputy General Manager of
Aluminum Foil Business Group



Senior Executive Officer
Toshihiro Matsuba
General Manager of
Technology & Development
Administration Dept.



Senior Executive Officer
Yoshiaki Ito
Head of Metal Business
Group



Senior Executive Officer
Masakazu Ichikawa
General Manager of
Sustainability Promotion
Administration Office

Executive Officers



Executive Officer
Isao Shikine
Head of Infrastructure
Business Group
Sustainability Promotion
Administration Office, in
charge of Health and Safety



Executive Officer
Haruhiko Takahashi
Corporate Personnel
Administration Office, in
charge of Accounting



Executive Officer
Toshiharu Hatamoto
Head of Automotive Parts
Business Group



Executive Officer
Hidetomo Shirai
Technology & Development
Administration Dept.,
in charge of Technology, in
charge of NPS



Executive Officer
Toshio Yanagimoto
Head of Engineering
Business Group



Executive Officer
Ken Kinoshita
Head of Chemicals
Business Group



Executive Officer
Koichi Isshiki
General Manager of
Planning Administration Dept.



Executive Officer
Takashi Hayashiguchi
General Manager of
Marketing & Incubation
Administration Office

Risk Management

Policy

The NLM Group manages risks to its business strategy such as direct and indirect losses, the suspension or shutdown of business, damage to credibility or brand image, and so on.

We classify the risks surrounding our business into nine risk categories, and establish and operate policies and systems that are appropriate for the probability and impact of each risk.

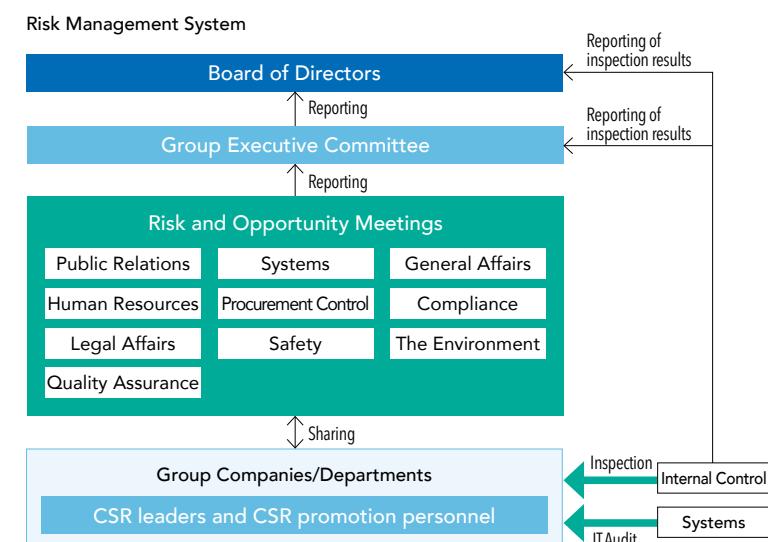
Framework

The basic framework for managing particularly important risks for overall Group management and each area of business has been set forth in the Group Risk Management Regulations. Risks are identified according to a process of identifying potential risks, assessing their likelihood, and assessing their impact.

Based on the results of the assessment of identified risks, we develop risk management policies and systems that include crisis response plans, formulate an annual plan for each, and manage risks based on the plans.

The department responsible for each risk recognizes each priority risk as something affecting the entire NLM Group and engages in management so that overall and individual risks are mitigated and avoided, and so that a response can be put into practice in the event a risk materializes.

The risk management status at each Group company is monitored through audits conducted by the risk management department, including quality audits, environmental audits, labor audits, and IT audits. The statuses determined from these audits are reported by the risk management department at the Risk and Opportunity Meetings as reports on the status of individual issues or general status reports so that the information is shared. They are reported to the NLM Holdings Group Executive Committee, and subsequently to the Board of Directors twice a year.



Plan and Initiatives

Regarding the risks stated in the Group Risk Management Regulations, the major operational and hazard risks and the evaluation of the responses to these risks are as follows.

Risk category	Major risks	FY2024 Plan and Initiatives		
		Risk management measures and response policies	Current year evaluation	Previous year evaluation
Operational risks	Violations of applicable laws and regulations	<ul style="list-style-type: none"> Violation of laws or rules, and harassment Operational fraud Defect in the framework for remediating infringements on human rights 	<ul style="list-style-type: none"> Compliance meetings and training Raising awareness of recurrence prevention (site manager meetings and workplace visits) Establishment of a complaint mechanism and formulation of relief procedures 	<input type="radio"/> <input type="radio"/>
	Quality issues	<ul style="list-style-type: none"> Decline in quality awareness Overlooking of high-risk development projects Shortage/uneven allocation of human capital in charge of quality practices 	<ul style="list-style-type: none"> Compliance training, Quality Day initiatives, audits, and provision of information about rules Management and evaluation of products to which laws and regulations apply and of quality risks Establishment of efficient personnel distribution, checking of the sufficiency of human resources, and rotation of human resources 	<input type="radio"/> <input type="radio"/>
	Environmental issues	<ul style="list-style-type: none"> Violation of environmental laws or regulations and environmental mishaps Shortage of human capital in charge of practical environmental tasks Deterioration of environmental equipment 	<ul style="list-style-type: none"> Training sessions on laws and regulations, audits, prompt communication of information, and information sharing Provision of information about past environmental mishaps to the next generation of human resources in onsite environmental audits, etc. Regular inspections and replacement, installation of equipment to prevent problems 	<input type="radio"/> <input type="radio"/>
	Health and safety issues	<ul style="list-style-type: none"> Injuries caused by being pinched or caught in machinery or equipment Occurrence of lost-time injuries Violation of laws and regulations and violation of rules 	<ul style="list-style-type: none"> Inspection of dangerous locations, strategy meetings, and information sharing Inspection of sites where injuries have occurred and horizontal deployment within the Group Support for actions taken in response to instructions from supervising offices, holding of training sessions, and assistance in the identification and addressing of issues 	<input type="radio"/> <input type="radio"/>
	Information security issues	<ul style="list-style-type: none"> Cyberattack Software license compliance Abuse/defect of information system Shortage of IT human capital 	<ul style="list-style-type: none"> CSIRT training, collection of information, and addition of security products Internal software audits and development of an IT asset management system Beginning full-scale operation of the IT control and management system for systems subject to information technology general control (ITGC) activation Introduction of outsourcing services, use of generative AI, and provision of IT training 	<input type="radio"/> <input type="radio"/>
	Leakage of trade secret	Leakage of electronic information assets	Diagnosing IT issues at all sites, training, strengthening CSIRT, and formulating guidelines for using generative AI	<input type="radio"/> <input type="radio"/>
	Security and export control	Unauthorized exports and violation of trade restrictions	Communication of information about the revision of laws, checking of the status of export control, and checking of the status of judgments regarding whether restrictions apply or not	<input type="radio"/> <input type="radio"/>
	Failure in the timely disclosure of information	Inadequate communication	Increase in the frequency of opportunities to engage in dialogue and improvement of the materials and methods for disclosing information	<input type="radio"/> <input type="radio"/>
	Hazard risks	Natural disasters/accidents	<ul style="list-style-type: none"> Continuing to ensure disaster early warning alerts are provided, establishment of stockpiles, development of BCPs, and implementation of disaster drills Courtesy calls to police, fire departments, and related organizations and attendance of their general meetings, etc. 	<input type="radio"/> <input type="radio"/>
		Accidents		<input type="radio"/> <input type="radio"/>

O : Complete/annual progress target was achieved. △ : Initiatives were taken but the target has yet to be achieved.

Measures for items evaluated as △ in the previous year evaluation

*1 The establishment of a framework for remediating infringements on human rights was completed in FY2024. *2 Coordination continues to be underway to rotate human capital in charge of quality practices. *3 Outsourcing of some IT-related operations will begin in 2025. *4 Tabletop BCP exercises and training on establishment of a disaster control headquarters were implemented in FY2024.

Information Security

Policy

The NLM Group continuously provides employees with information security education and awareness-raising, and is actively promoting the use of cutting-edge technologies such as generative AI in its business operations. As part of this, in June 2025, we established "Guidelines for the Business Use of Generative AI Tools," developing a system to respond to risks associated with the use of AI. These guidelines clarify the risks, such as copyright and ethical concerns in using generative AI in business operations, and specify the appropriate scope and procedures for use. With these guidelines, we aim to maximize the benefits of technological innovation, ensure our credibility as an organization, and sustainably increase our corporate value.

Framework

The Information System Segment takes a leading part in promoting comprehensive management of information security risks within the NLM Group. We are continuously implementing the following initiatives with the aim of strengthening IT governance and responding appropriately to security incidents.

1. Audit activities for establishing IT governance

We conduct an information systems audit once a year for each group company and department. The audit focuses on the following items to confirm operational status, identify areas for improvement, and follow up on corrective actions.

- Appropriateness of access rights management
- Backup and troubleshooting systems
- System vulnerability countermeasure status

We provide feedback on the results of these audits to reflect them in IT policies across the group, leading to improvement activities that will help reduce risks.

2. Establishment and operation of a security incident response system

In October 2020, we established a security incident response team, "NLM-CSIRT," and are working to strengthen our incident response capabilities through the following activities:

- Establishment of incident prevention and response procedures (protection/monitoring/ detection)
- Security education for all employees (e-learning via LMS)
- Implementation of targeted email training and incident response training on a regular basis

Through these activities, we aim to raise our employees' security awareness and establish a system for rapid response in the event of an incident.

FY2024 Initiatives

As in the previous fiscal year, measures to strengthen security were taken in parallel with measures to strengthen system management and control regarding the business systems of the Group as a whole.

Identification of the current status of systems and implementation of measures to prevent information leaks and other security measures

Measures	Plan/result	Evaluation
Diagnosing IT issues at all sites	Plan: 38 sites Result: 38 sites	○
Performing penetration tests at all sites	Plan: 162 servers Result: 58 servers in the first half + 104 servers in the second half	○
Training to address targeted email attacks	Plan: 2 times a year Result: Implemented in August and March	○
Holding liaison meetings with staff from Japan and other countries	Plan: 2 times a year in Japan, 2 times a year overseas Result: Held in Japan in May and November Held overseas in September (Southeast Asia) and October (China)	○
Strengthening CSIRT	Plan: Implementation of incident training, 2 times a year Result: Implemented in December	△*1
Introduction of external security monitoring services	Service selection completed and operation to begin in FY2025	○
Implementation of security e-learning program	Plan: Implementation for all employees Result: Implementation completed	○

Ongoing implementation of data backup and restoration and disaster recovery measures

Measures	Plan/result	Evaluation
Implementing disaster recovery tests of critical systems	Plan: 10 servers Result: 10 servers	○
Review of information tools to be used in the event of a disaster	Information tools are being studied.	△*2

Continuing review of management regulations and compliance with IT general controls (ITGC)

Measures	Plan/result	Evaluation
Revision of the Group Information System Management Regulations	Revision of the password policy (October) Formulation of guidelines for the business use of generative AI	○
Making all systems ITGC compliant	Full system operation from FY2024 evaluation	○

○: Planned figure/number of events achieved. △: Planned figure/progress not achieved.

*1 Training for all relevant departments was completed by December 2024, and a review of training details for FY2025 was started

*2 System selection planned to be completed within FY2025

Compliance

Policy

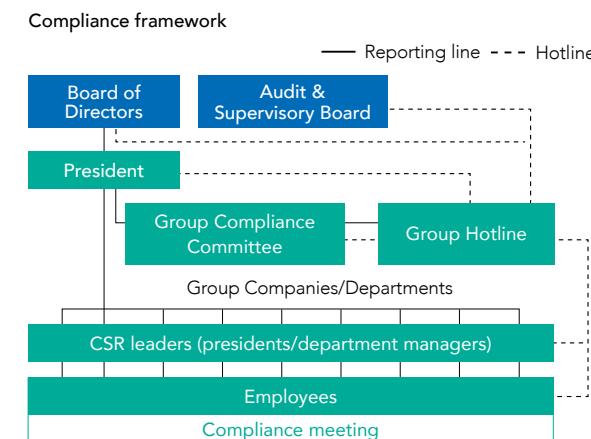
Our basic policy on compliance is described in the NLM Group Management Policy as "The Group will engage in fair and honest business operations, with respect for human rights and an emphasis on ethics." Reinforcing the compliance framework has been identified as one of the material issues in the management of the Group. As a specific code of conduct for addressing this material issue and achieving the basic policy on compliance, we have established the NLM Group Compliance Codes*, which are shared by all officers and employees of the Group.

* So that the Group Compliance Codes can be referenced by all employees whenever they have difficulty making a decision in their work, they are included in a handbook that compiles the NLM Group Management Policy, the NLM Group Business Conduct Guidelines, and the NLM Group Hotline Regulations (whistleblowing system). The handbook is translated into eight languages (English, Chinese, Thai, Vietnamese, Portuguese, Hindi, Spanish and French) and distributed to all Group officers and employees.

Framework

Group Compliance Committee

The Group Compliance Committee (chaired by the president of NLM Holdings) handles the promotion of compliance in the NLM Group. The committee deliberates and decides on measures to verify issues and problems related to compliance in general, as well as measures ensuring that compliance is established and firmly takes root in the organization. Regarding the ongoing issues of the Group as a whole and the measures to address the issues, actions are being taken under a Compliance Promotion Plan formulated for the Group as a whole, for each Group company, and for each department. The progress of the measures is reported to the Group Compliance Committee on a quarterly basis. For serious compliance issues that occur suddenly, causes, corrective action, disciplinary action and measures to prevent recurrence, etc., are reported to the Group Compliance Committee. The committee conducts additional investigations as necessary and deliberates and decides on necessary measures. Matters decided by the Group Compliance Committee are communicated to and implemented by CSR leaders, who are responsible people from Group companies and departments.



FY2024 Plan and Initiatives

In light of past detection of business misconduct and quality issues, the NLM Group has formulated a three-year Compliance Promotion Plan, with FY2024 being the final year.

Because organizational culture reform requires a long-term approach, we will continue to plan and implement measures beyond FY2025, focusing on the PDCA cycle of the Compliance Promotion Plan for organizational culture reform and the expansion of compliance education and awareness-raising.

FY2022-2024 Compliance Promotion Plan

1. Compliance Promotion Framework

- ① Operation of the Group Compliance Committee
Complete Revision of the Rules of the Group Compliance Committee
- ② Assignment of CSR leaders and CSR promotion personnel
- ③ NLM Group Compliance Codes
Complete Revision
Complete Initiatives for raising awareness of and ensuring the Codes become entrenched within the Group
- ④ Improvement and operation of the Whistleblowing System (Group Hotline*)
Complete Revision of the system, making the new system known, and increasing awareness of it
- ⑤ Coordination with related departments^{*2}

*1 Group Hotline

The NLM Group's whistleblowing system can be used by the employees of all of the consolidated subsidiaries, offered through the Group Hotline. The Group Hotline includes hotlines for receiving whistleblowing complaints and requests in multiple languages (English, Chinese, Thai and Vietnamese). To enhance the independence of its operations, an external reporting hotline has also been established. In addition, reporting hotlines have also been set up to enable users to contact Audit & Supervisory Board Members, people in charge of legal affairs and people in charge of personnel affairs. All of these hotlines accept anonymous whistleblowing reports. The Group Hotline imposes a confidentiality obligation on the people who respond to whistleblowing reports, and the information about whistleblowing reports will not be shared or disclosed without the whistleblower's consent. The whistleblowers themselves and people who are the subjects of whistleblowing complaints are also prohibited from leaking any information about whistleblowing reports to other people. The disadvantageous treatment of whistleblowers, such as harassment or retaliation, is also strictly prohibited.

*2 Legal Affairs, Audit, Human Resources, etc.

*3 Compliance meeting

The NLM Group conducts compliance meetings that involve the participation of all personnel as grassroots compliance activities. Compliance meetings are held twice a year at all workplaces to give employees an opportunity to talk about compliance. The meetings are also used for compliance training. The information discussed at the meetings is recorded and registered. The meetings are an opportunity to monitor opinions within the workplace and the actions being taken there.

2. Initiatives for Compliance Promotion

- ① Implementing PDCA for organizational culture reforms
Ongoing P: Formulation of the Compliance Promotion Plan → D: Implementation of the plan → C: Compliance questionnaire → A: Analysis of the result and correction of the plan
- ② Enhancement of communications
Ongoing Compliance meeting^{*3}
- ③ Promotion of compliance at overseas sites
Ongoing Making the Group Hotline known
Ongoing Formulation and implementation of the Compliance Promotion Plan
Ongoing Holding compliance meetings
- ④ Compliance awareness raising
Ongoing Power harassment prevention training
Ongoing Single-session training (tiered training, expatriate training, etc.)
Ongoing Development and delivery of awareness-raising tools (digital content, compliance lecture meeting, etc.)

3. Protecting and Respecting Human Rights

- Ongoing Establishment of a complaint mechanism
- Ongoing Formulation of relief procedures

Compliance

Reforms of Organizational Climate

We are reforming our organizational climate, aiming to build a sound, open organization.

Implementation items	Plan/target	Results	Evaluation
Compliance Promotion Plan	The Group will implement PDCA for the Compliance Promotion Plan.	Each Group company formulates (P) and implements (D) the Promotion Plan for the next fiscal year based on the review (C and A) of the Promotion Plan for the past fiscal year. Example initiatives: <ul style="list-style-type: none">• Fraud prevention measures• Psychological safety improvement measures• Applicable laws and regulations education• Independent questionnaire	Ongoing We are working on unique, specific initiatives based on the results of anonymous employee surveys and various case examples.
Anonymous employee survey	Anonymous employee surveys are conducted to reveal potential risks related to quality, accounting and compliance.	We implemented the third anonymous employee survey. Subjects: Approx. 14,000 officers and employees Response rate: 80%	Ongoing The overall score improved by 2 points from the previous time. Although it is not a significant change, we believe it reflects the results of our ongoing initiatives.
Compliance meeting	We hold a compulsory biannual Compliance Meeting with the goal of engaging in dialogue between employees on the theme of compliance.	The participation rate in FY2024 was 94% (excluding local employees at overseas business sites). Recent themes: <ul style="list-style-type: none">• Compliance issues faced by the company/department• Compliance Promotion Plan of the company/department• Deeper understanding of power harassment	Ongoing There has also been an increase in managerial meetings where managerial staff discuss opinions that have come up in workplace meetings, and we are working to improve the workplace.

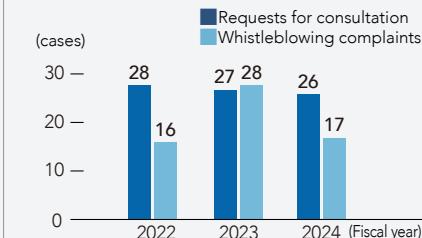
Compliance awareness raising

At the NLM Group, we provide compliance training to increase employees' compliance awareness.

Implementation items	Plan/target	Results	Evaluation
Power harassment prevention training	We provide power harassment prevention training for managers and supervisors responsible for production sites four times a year.	A total of approximately 521 managers and supervisors from 117 companies have participated in the training program as of FY2024.	Ongoing In the questionnaire survey, which was conducted on a five-point scale, approx. 90% of participants rated it as one of the top two answers, very satisfied or satisfied.
Tiered training (single-session training)	We provide compliance training as part of tiered training.	Training that was given: New employee training, mid-level employee training, managerial training, next-generation manager training	Ongoing The training programs are used as opportunities to share compliance-related knowledge and awareness which are necessary in each tier.
Development and delivery of awareness-raising tools	We will introduce the Learning Management System (LMS).	Nippon Light Metal Co., Ltd. conducted compliance training using an LMS (an e-learning tool that uses comic teaching materials).	Actions being taken Introduction of LMS is complete. We have begun training using e-Learning tools, but the transition to group companies has been delayed, and we have not achieved our target participation rate. In FY2025, we will expand this to group companies and aim to improve the participation rate.

Group Hotline (Whistleblowing System)

At the NLM Group, we are implementing initiatives to make our whistleblowing system more user-friendly.

Implementation items	Plan/target	Results	Evaluation												
Group Hotline	We will work to make the Group Hotline known, increase awareness of it, and make it more reliable.	Number of requests for consultation and whistleblowing complaints lodged with the Group Hotline (cases)  <table border="1"> <caption>Group Hotline Requests (FY2022-2024)</caption> <thead> <tr> <th>Fiscal year</th> <th>Requests for consultation</th> <th>Whistleblowing complaints</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>28</td> <td>16</td> </tr> <tr> <td>2023</td> <td>27</td> <td>28</td> </tr> <tr> <td>2024</td> <td>26</td> <td>17</td> </tr> </tbody> </table>	Fiscal year	Requests for consultation	Whistleblowing complaints	2022	28	16	2023	27	28	2024	26	17	Actions being taken There are an increasing number of cases where whistleblowing has led to the confirmation of fraudulent or inappropriate acts and subsequent correction. In addition, we disclose whistleblowing cases to promote understanding and utilization of the whistleblowing system.
Fiscal year	Requests for consultation	Whistleblowing complaints													
2022	28	16													
2023	27	28													
2024	26	17													

The Environment

Policy

Basic Environmental Policy

Environmental issues are not just regional problems; they have spread and become serious to the point that they could affect the global environment and the very basis for humanity's existence. Accordingly, efforts to build a society that coexists with the global environment and a sustainable, recycling-oriented economic society are the responsibility of nations, local governments, citizens and companies alike. Based on this recognition, the NLM Group proactively aims to achieve harmony with the environment across every area of its corporate conduct.

This will lead to the protection of our shareholders, business partners, employees and local communities - the foundation for our existence - and translate into sound business activities. In addition, through socially responsible activities related to the environment, we will endeavor to create a truly prosperous society as a good corporate citizen.

Action Guidelines

- Compliance with environmental laws and regulations, etc.
- Improving the efficiency of energy usage and curbing CO₂ emissions
- Promoting resource conservation and the 3Rs
- Corporate activities that consider the impact on the environment
- Developing technologies that contribute to the environment

☞ **Environmental Policy and Framework (Japanese only)**
<https://www.nikkeiinholdings.co.jp/csr/environment/0601.html>

Framework

Environmental Management System

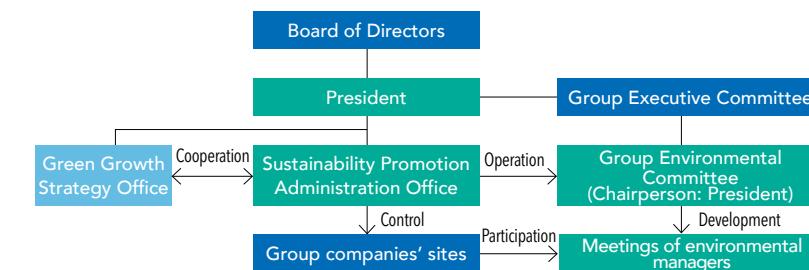
The Group Environmental Committee deliberates and decides on the core measures related to the Group's environment management. The committee is chaired by the president of Nippon Light Metal Holdings Co., Ltd., and consists of its officers, presidents of major NLM Group companies, and other members.

The person in charge of environmental protection from the Sustainability Promotion Administration Office, which serves as the committee's secretariat (hereinafter, the "person in charge of environmental protection"), develops an action plan for matters determined by the Group Environmental Committee. They are made known at meetings of environmental managers before actions are taken.*

They are also working in collaboration with the Green Growth Strategy Office to achieve carbon neutrality by 2050.

* Environmental management systems are in operation at 49 sites run by 25 companies in Japan and 14 sites run by 12 companies in other countries.

Environmental Management System



Targets and Results

Material Issues	Key Performance Indicator (KPI)	Target value	FY2024 results	Our assessment	Tasks to be done
Reducing greenhouse gas emissions from company activities Scope 1, 2	● Scope 1, 2 Emissions per unit of sales (Japan)	FY2030: 30% reduction compared to FY2013 FY2050: Net zero	0.80 tons-CO ₂ /million yen	○	● Continuing to implement energy-saving initiatives and promoting fuel conversion and electrification
Reducing greenhouse gas emissions in the supply chain Scope 3	● Scope 3 Emissions per unit of sales (Japan)	FY2030: 30% reduction compared to FY2013 FY2050: Net zero	4.91 tons-CO ₂ /million yen	○	● Promotion of horizontal recycling of extruded and rolled aluminum materials and use of green aluminum
Preventing environmental pollution	● Number of environmental incidents and complaints	Continue to achieve 0 incidents and complaints	25 environmental incidents and 9 complaints	×	<ul style="list-style-type: none"> ● Group-wide expansion of countermeasures and prevention of occurrence and recurrence of similar incidents ● Implementing 100% of the environmental audit plan ● Taking measures to address 100% of the mishaps that occurred in the previous fiscal year ● Implementing 100% of the plan for training sessions on laws and regulations ● Implementing onsite confirmations of environmental incidents and complaints ● Checking the degree to which participants understood training sessions on laws and regulations

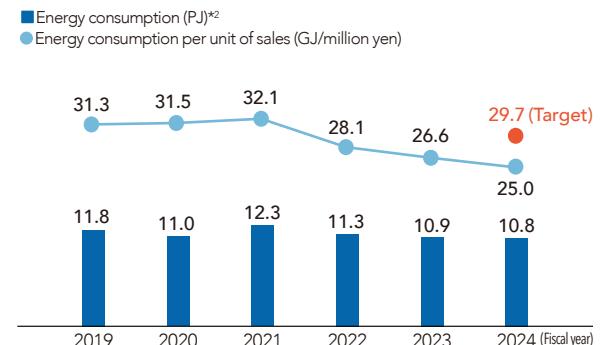
The Environment

Action Plan

Action Plan	FY2024 Plan	FY2024 Results
1 Reducing environmental mishaps	Zero environmental mishaps ● Taking measures to address 100% of the mishaps that occurred in the previous fiscal year	25 incidents, 9 complaints, 35 abnormalities Measures taken to address 98% of mishaps
2 Conducting environmental audits	Conducting environmental audits at 15 sites ● Implementing 100% of the environmental audit plan	Conducted at 15 sites 100% implemented
3 Development of environmental human capital	Ensuring that employees hold qualifications under environmental laws	Fulfilled at all the 49 sites
	Conducting training sessions on laws ● Implementing 100% of the plan for training sessions on laws and regulations	Implemented training sessions on laws (Information on revised laws and regulations, the Act on Waste Management and Public Cleaning, the Soil Contamination Countermeasures Act, and the Fire Service Act) * More than 100% implemented
4 Greenhouse gas emission reduction and carbon neutrality initiatives	Having environmental managers take part in environmental audits of other sites	A total of 28 environmental managers participated
	Activities for reducing greenhouse gas emissions	CO ₂ emissions per unit of sales 9% reduction compared with the previous fiscal year (Japan)
5 PCB processing	Continuing the processing of high-density PCB and content analysis and processing of low-density PCB	High-density: 99% achieved Low-density: 49% achieved
6 Environmental management at major overseas production sites	Environmental audits at 6 sites (3 sites in Thailand, 1 site in China, and 2 sites in North America)	Implemented at 3 sites in Thailand and 2 sites in North America (Implementation at 1 site in China was postponed)
	Holding of the 8th meeting of environmental managers in Thailand	Held the 8th meeting of environmental managers in Thailand
7 Compliance with laws and regulations	Compliance with laws and regulations, disseminating information on revised laws and regulations	Conducted
8 Conservation of biodiversity	Promotion of biodiversity conservation activities	Ongoing activities underway at all 49 sites
9 External disclosure of information about environmental activities	Responding to the CDP	Response submitted (scores: C for climate change and C for water security)
	Responding to EcoVadis	Response submitted (scores: COMMITTED)
10 Cooperation with industry organizations	Cooperating with the Japan Aluminium Association Exchanging information at Furukawa Sansui Kai events	Participated in the committee and reached out to the national and other governments about environmental policies through the association Participated in the liaison conference for promoting environmental measures

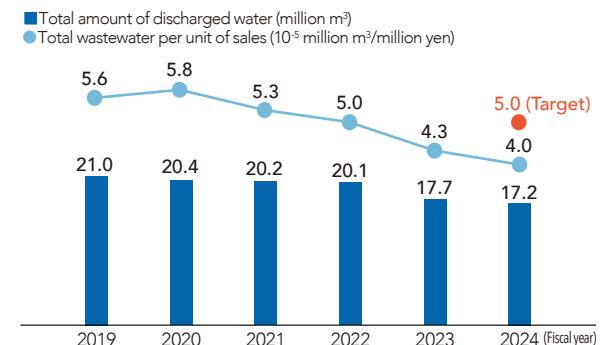
Environmental Targets and Results (Japan only)*1

Energy consumption (Japan)



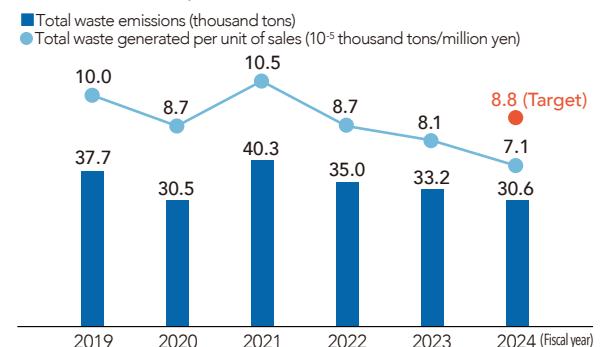
Although net sales increased, energy consumption remained at the same level, resulting in an improvement in energy consumption per unit of sales compared to the previous fiscal year. In addition, we achieved our target by reducing energy consumption through our energy-saving efforts to date.

Wastewater amount (Japan)



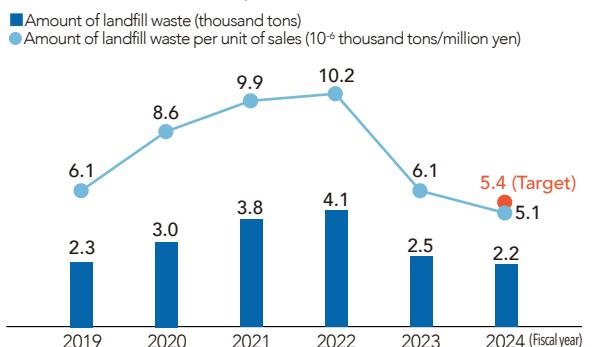
Although net sales increased, the wastewater amount remained at the same level, resulting in an improvement in total wastewater per unit of sales compared to the previous fiscal year. In addition, by starting to recycle water at some of our sites in FY2023, we were able to significantly reduce the total amount of water intake and wastewater, achieving our target.

Waste emissions (Japan)



Although net sales increased, total waste emissions remained at the same level, resulting in an improvement in total waste emissions per unit of sales compared to the previous fiscal year. In addition, we achieved our target.

Amount of landfill waste (Japan)



Although net sales increased, the amount of landfill waste remained at the same level, resulting in an improvement in the amount of landfill waste per unit of sales compared to the previous fiscal year. In addition, we achieved our target.

*1 Regarding air quality control (SO_x, NO_x emissions) and water quality control (COD), we stopped setting targets in FY2021 but we continue to perform monitoring.
*2 1 PJ = 1 × 10¹⁵ J, 1 GJ = 1 × 10⁹ J

The Environment

FY2024 Initiatives

Environmental Mishaps

At the NLM Group, we operate a quick reporting system in Japan and overseas to respond promptly to environmental problems.

In FY2024, there were 25 environmental incidents (22 in Japan and three overseas) and 9 complaints related to the environment (seven in Japan and two overseas). This is an increase in the number of environmental incidents and a decrease in the number of complaints related to the environment, compared to the previous fiscal year. A major reason for the increase in the number of environmental incidents was the large number of reports regarding matters exceeding regulatory values that were submitted voluntarily by sites. Regarding complaints related to the environment, the number decreased due to improvements being made at sites where complaints were received.

25 environmental incidents

- Number of chemical leaks, etc.: 10
- Number of voluntary reports from each site: 15 (exceeding regulatory limits, etc.)

In addition, in response to the series of problems involving the revocation of JIS certification which occurred at NLM Group companies in May 2021, we have applied stricter criteria regarding the quick reporting of environmental mishaps in FY2023 to prevent serious incidents related to the environment as well. As a result, many voluntary reports were made in FY2024 as well.

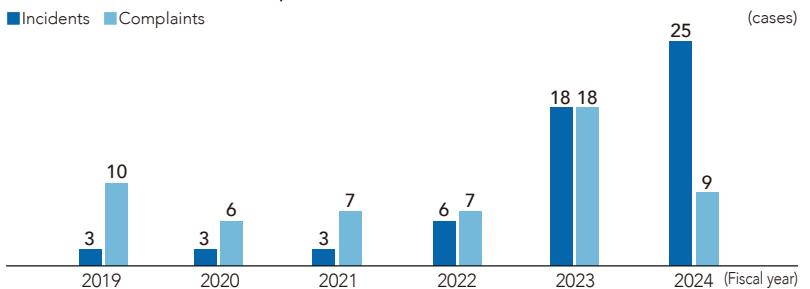
For each incident that takes place, including those reported voluntarily, the site where the incident occurred and the person in charge of environmental protection work together to communicate with external parties, such as the government and local residents, while taking measures to prevent recurrence. When an environmental mishap occurs, the person in charge of environmental protection visits the site to check the progress of the mishap until completion of improvement and follow up after the countermeasure is complete. As an example of countermeasures, we are strengthening wastewater monitoring, reviewing work procedures, and providing training to prevent chemical leaks, etc. In addition, to prevent similar incidents, we share measures to prevent the recurrence of incidents with all of the sites of the Group via a quick reporting system. We also investigate preventive measures that were implemented and share information about them at meetings of environmental managers and other opportunities as a part of our efforts to reduce risk.

In FY2024, regarding lawsuits, fines or forfeits related to the environment, there was a case overseas where we paid fines.

Nikkei MC Aluminum America, Inc.

- Fines for exceeding the figures at the time of application for operating permit

Number of environmental mishaps that occurred



* Incidents: Environmental mishaps that affect external parties, environmental mishaps that were subject to administrative disposition, penalty or similar actions, and other incidents.
Complaints: Environmental complaints lodged by external parties

Environmental Audits

At the NLM Group, the person in charge of environmental protection conducts regular environmental audits of 49 sites in Japan and 14 sites in other countries.

The environmental audits involve checking compliance with laws and regulations, emergency response readiness, and countermeasures taken to address past environmental mishaps and assessing the risk that mishaps similar to past environmental mishaps will occur. The audits are conducted for the following purposes.

- Checking the status of compliance with environmental laws and regulations and the status of the environmental management of the NLM Group
- Improving environmental management capabilities

In FY2024, environmental audits were conducted at 15 sites in Japan and four overseas (two sites in Thailand and two sites in North America) and 87 problems in Japan and four problems overseas were identified.

Major problems identified in FY2024 (Five most frequent types of problem)

- Problem related to industrial waste: 26 instances
- Response to laws and regulations regarding Notification: 16 instances
- Inspection/measurement: 9 instances
- Management of hazardous materials: 9 instances
- Response to emergency: 9 instances

The most frequent types of problem identified in FY2024 were problems related to industrial waste. There were 26 instances of these. Identified problems related to industrial waste include additions and corrections to industrial waste treatment contracts and how to store waste. In response to this, we are holding training sessions on the Act on Waste Management and Public Cleaning to improve understanding.

Regarding the problems identified in the environmental audits, the person in charge of environmental protection continues to monitor the situation until all corrections are completed. In addition, information about the identified problems is shared at meetings of environmental managers to reduce the environmental risk the NLM Group is exposed to.

Development of Environmental Human Capital

Encouragement to acquire public qualifications related to the environment

At the NLM Group, we believe that learning about laws through acquisition of public qualifications related to the environment is an effective means of developing human capital who can respond promptly to changes in environmental laws and others. Based on this belief, we encourage employees to acquire various qualifications. To facilitate smooth generational change, we are committed to the education on environmental audits and development of younger generations and strive to secure human capital.

Environment-related public qualifications held by employees

	Qualification	Required number	Number of holders
Pollution Control Manager	Air	26	104
	Water	30	145
	Noise	16	65
	Vibrations	16	65
	Dioxins	14	49
	General dust	4	6
Engineering Manager of Industrial Waste Treatment Facilities		2	6
Qualified Person for Energy Management	Heat and electricity	19	114
Certified Environmental Measurer	Density	0	4
	Noise and vibrations	0	1

The Environment

■ Training sessions on laws and regulations

We regularly hold training sessions on the environmental laws and regulations that apply to the NLM Group. In FY2024, we held training sessions on the Soil Contamination Countermeasures Act and the Fire Service Act (hazardous material management). We also held sessions on the Act on Waste Management and Public Cleaning because several related problems were identified during environmental audits. A total of 160 employees participated in these training sessions. We also shared information about revisions to environmental laws and regulations.

In FY2025, we are planning to hold training sessions on the Act on Waste Management and Public Cleaning, following on from last fiscal year, as well as the Noise Regulation Act and the Vibration Regulation Act.

■ Development of environmental managers at each site

At each site, the environmental manager needs to improve their skills regarding the environmental management of their plant every day. For this purpose, they participate in the environmental audits of other sites as auditors. We implement this initiative to enable the sharing of environmental management information between sites and improve practical management skills.

Training sessions on environmental laws that were held/planned

Environmental laws and regulations	● Implemented ○ Plan to be implemented								
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Air Pollution Control Act	●						●		
Noise Regulation Act				●					●
Vibration Regulation Act				●					●
Offensive Odor Control Act						●			
Act on Special Measures against Dioxins							●		
Water Pollution Prevention Act	●				●		●		
Soil Contamination Countermeasures Act		●	●					●	
Act on Waste Management and Public Cleaning	●	●	●	●				●	○
Fire Service Act					●			●	
Chemical Substances Control Law, PRTR Law						●			
(Information about revisions of laws)	●	●	●	●	●	●	●	●	●

Conservation of biodiversity

At the NLM Group, we have formulated Biodiversity Guidelines and are advancing activities to preserve biodiversity at our sites in Japan and other countries.

In FY2024, we advanced the following activities. We will continue activities to preserve biodiversity in Japan and other countries.

The NLM Group Biodiversity Guidelines

The NLM Group will take the following initiatives for the preservation and sustainable use of components of biological diversity.

- Striving to understand the impact of business activities on biodiversity
- Engaging in biodiversity-friendly business activities to reduce the impact of business activities on biodiversity, to ensure the sustainable use of components of biological diversity
- Striving to develop a system for promoting these initiatives

Examples of activities implemented in FY2024

Japan	<ul style="list-style-type: none"> • Provision of aluminum nests to the Wild Bird Society of Japan to protect the Japanese murrelet • Participation in cleaning activities in Fukushima Lagoon, which has been selected as a Key Biodiversity Area (KBA) • Environmental monitoring of the area around each site • Participation in tree planting and cultivation activities
Overseas (Thailand)	<ul style="list-style-type: none"> • Release of fish and planting of mangrove trees

Response to Climate Change — Disclosure Based on the TCFD Recommendations

Basic Approach

At the NLM Group, we fully recognize the impact that our business activities may have on the environment. We have established a basic environmental policy, under which we are taking initiatives to realize sustainable businesses and a sustainable society voluntarily and proactively, beyond complying with related laws and regulations. We have identified action on climate change as one of the NLM Group's Materiality (Key issues). We will strive to enhance the content of the information we disclose in accordance with the TCFD recommendations.

Governance

Positioning action on climate change as one of its most important management issues, the NLM Group formulates and implements sustainability promotion plans under the leadership of the "Group Environmental Committee" (which meets twice a year) and the "Group CSR Committee" (which meets twice a year), chaired by the President. The President is responsible for overseeing climate-related risks and opportunities, and the top management is personally leading the response to sustainability issues.

The Board of Directors regularly monitors and oversees progress against goals and targets set to address climate-related matters through reports from the committees, and considers climate-related risks and opportunities as an important factor in decision-making, risk management processes, and oversight of related policies. The Board also appropriately discloses the status of its response.

In order to support the management in overseeing climate-related risks and opportunities, the Group CSR Committee, the Group Environmental Committee, and the Green Growth Strategy Office work in collaboration with relevant internal functions to continuously evaluate and improve the status of their response through prescribed control procedures such as KPI monitoring, internal reviews, and risk assessment processes. These controls are integrated as part of the company-wide risk management framework and are reflected in management decisions and reporting to the Board of Directors.

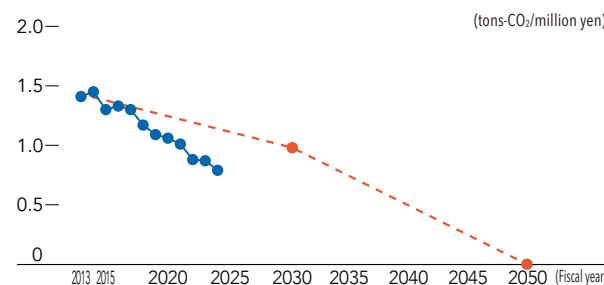
Changes in Greenhouse Gas Emissions (Scopes 1, 2 and 3), Indicators, and Targets

The NLM Group sets and calculates every year greenhouse gas emissions (Scope 1, 2, and 3) as an indicator for managing its climate change-related initiatives, and will improve the accuracy of calculations. We will continue to work to reduce greenhouse gas emissions so that greenhouse gas emissions (emissions per unit of sales) in 2030 will be 30% lower than the level in FY2013 (Scopes 1 + 2: 1.41 tons-CO₂/million yen, Scope 3: 7.58 tons-CO₂e/million yen), with the goal of achieving carbon neutrality by 2050.

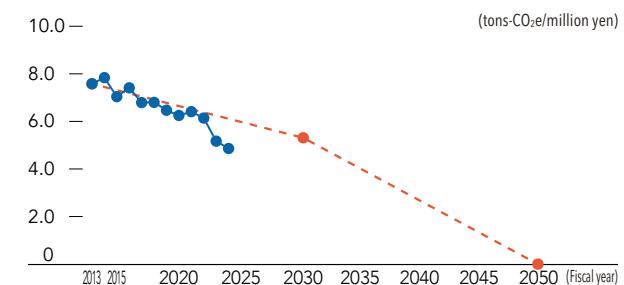
In FY2024, greenhouse gas emissions per unit of sales decreased from the previous fiscal year for both Scopes 1 + 2 and Scope 3.

Greenhouse gas emissions (Scope 1, 2 and 3)

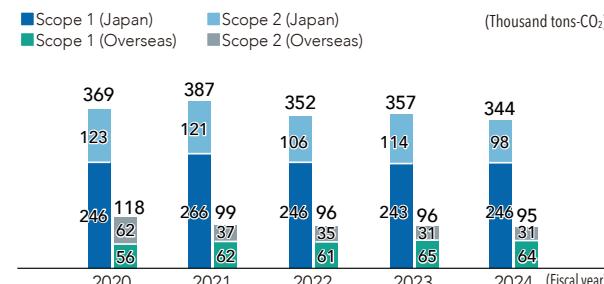
Changes in greenhouse gas emissions per unit of sales (Scopes 1 and 2) (Japan)



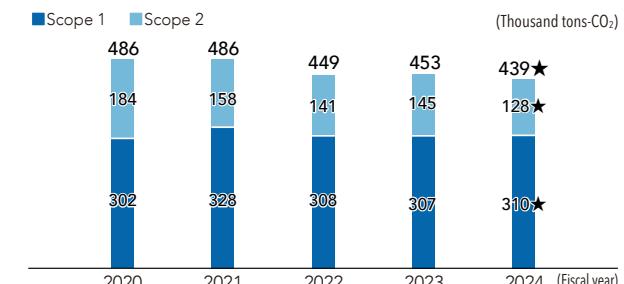
Changes in greenhouse gas emissions per unit of sales (Scope 3) (Japan)



Changes in greenhouse gas emissions (Scopes 1 and 2) (Japan and overseas)



Changes in greenhouse gas emissions (Scopes 1 and 2) (Japan and overseas)

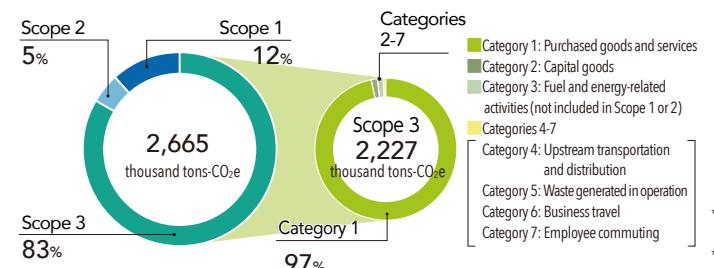


* Changed to overseas figures (April to March) and retroactively revised to previous years.

* The total figures may not add up because values less than one unit are rounded off.

Greenhouse gas emissions including Scope 3 emissions (FY2024)

■ Scope 1: Direct greenhouse gas emissions (such as from the combustion of kerosene or heavy oil)
■ Scope 2: Indirect greenhouse gas emissions attributed to the use of energy including electricity
■ Scope 3: Indirect greenhouse gas emissions from the supply chain



* Boundary: 32 consolidated subsidiaries in Japan/13 overseas consolidated subsidiaries

* Greenhouse gas emissions (Scopes 1 and 2) are calculated in accordance with the Act on Rationalization of Energy Use and Shift to Non-fossil Energy and the Act on Promotion of Global Warming Countermeasures for Japan, and the GHG Protocol for overseas, and the following emission factors are used. / Electricity in Japan: Adjusted emission factor for each electric power supplier announced by the Ministry of the Environment and the Ministry of Economy, Trade and Industry/Electricity overseas: The emission factor announced by each government (since FY2023)/Fuel-city gas: Basic emission factor for each gas business operator announced by the Ministry of the Environment and the Ministry of Economy, Trade and Industry; Fuel-others: The emission factor per unit for each fuel set by a ministerial ordinance from the Ministry of the Environment

* Greenhouse gas emissions (Scope 3) is calculated in accordance with the GHG Protocol.

* Actual values of Scope 1 only relate to energy-derived CO₂ emissions.

Response to Climate Change — Disclosure Based on the TCFD Recommendations

Strategy

To disclose information in accordance with the TCFD recommendations, the NLM Group conducts analyses based on two scenarios to clarify the difference in the impact between the scenarios. One is the 4.0°C scenario which assumes that climate change will not be addressed. The other is the 1.5°C scenario, which assumes that the strongest regulations will be imposed. The target years we have set are FY2030, a medium-term future for which we can be confident that the analysis results are accurate to a certain degree, and FY2050, a long-term future when the impact of climate change is expected to be more remarkable.

As the NLM Group has a wide range of business fields, we have not yet reached the point of analyzing all segments. In FY2025, however, by adding Toyo Aluminium K.K. to the scope, the NLM Group has all of its major domestic group companies in the scope. We then re-examined climate-related risks and opportunities across the entire value chain and extracted items that we assumed would have a major impact on the company.

We projected what the world will be like in the 4°C and 1.5°C scenarios in FY2030 and FY2050 based on reference materials from external sources and listed risks and opportunities that may occur there.

➤ Action on the Material Issues: Initiatives for the Group-wide Decarbonization Strategy (P.16)

	1.5°C scenario	4°C scenario
Assumed details	A scenario that assumes that policies and regulations aimed at decarbonization will be introduced and technology development will progress in order to limit the rise in global average temperature to 1.5°C above pre-industrial levels by the end of the 21st century.	A scenario in which the global average temperature at the end of the 21st century rises by 4°C above pre-industrial levels, resulting in an increase in physical damage caused by typhoons, etc. It is assumed that policies, regulations, and technology development will remain unchanged.
Referenced scenarios*	•IEA Net Zero Emissions (NZE) •IPCC SSP 1-1.9	•IEA Stated Policies Scenario (STEPS) •IPCC SSP 5-8.5 Scenario

*Overview of the referenced scenarios:

IEANZE...A scenario equivalent to 1.5°C published by the International Energy Agency (IEA). A scenario in which net zero is achieved by 2050.

IEA STEPS...A scenario equivalent to 4°C published by the International Energy Agency (IEA). A scenario in which existing policies remain unchanged with no additional measures.

IPCC...Abbreviation of "Intergovernmental Panel on Climate Change"

IPCC SSP 1-1.9...A scenario equivalent to 1.5°C by IPCC. Greenhouse gas emissions will be net zero around 2050, and the temperature rise will be limited to 1.5°C as of the end of the 21st century.

IPCC SSP 5-8.5...A scenario equivalent to 4°C by IPCC. It is assumed that greenhouse gas emissions and average temperatures will continue to rise, with temperatures rising by more than 4°C toward the 21st century.

Risks	Category	Description of the risk/opportunity in the scenario	Financial impact*	Degree of importance (probability of occurrence x impact)			
				FY2030		FY2050	
				4.0°C	1.5°C	4.0°C	1.5°C
Transition	Policy and regulatory risks	Increase in the cost of raw materials and production resulting from the introduction of carbon pricing (procurement)	High	Medium	Large	Large	Large
		Increase in the cost of raw materials and production resulting from the introduction of carbon pricing (production)	Medium-High	Small	Medium	Medium	Large
	Technological risks	Decline in competitiveness resulting from delays in responses to recycling regulations and technological developments	Low-Medium	Small	Medium	Medium	Large
		Increase in the cost of investment, such as investments for the development of new recycling technologies	Low	Medium	Medium	Medium	Large
	Market risks	Increase in the cost of raw materials resulting from an increase in scrap prices	Low-Medium	Small	Large	Large	Large
		Increase in financing costs reflecting the decarbonization policies of shareholders and financial institutions	Low	Small	Small	Small	Medium
		Shrinkage of the aluminum market resulting from an increase in materials that are alternatives to aluminum	Low-Medium	Small	Small	Medium	Large
		Decline in sales of materials for gasoline vehicles resulting from the popularization of EVs	Medium	Medium	Large	Large	Large
Physical	Acute	Suspension of operations due to floods and storm surges	Medium	Small	Small	Medium	Small
		Decline in labor efficiency and increase in the cost of labor resulting from rising temperatures	Low-Medium	Small	Small	Medium	Small
	Chronic	Increase in sales of our products for electrified products (the popularization of EVs in particular)	Medium-High	Medium	Large	Large	Large
		Increase in demand for other products related to decarbonization and energy conservation	Low-Medium	Small	Small	Small	Medium
Opportunities	Products and services	Growth in demand for aluminum as a material with high recyclability	Low-Medium	Small	Small	Medium	Large
		Increase in demand for other products related to decarbonization and energy conservation	Low-Medium	Small	Small	Small	Medium
	Resource efficiency	Increase in sales of our products for electrified products (the popularization of EVs in particular)	Medium-High	Medium	Large	Large	Large

*Impact on profits and losses: High: 10 billion yen or more, medium: 1 billion yen or more, low: less than 1 billion yen

In future climate change scenarios, it is expected that the proportion of environmentally compatible vehicles in automobile sales and manufacturing will increase. This will not only increase the need for weight reduction to extend running distance, but also increase demand for product groups such as components for batteries themselves of environmentally compatible vehicles and heat dissipation components for cooling.

Further, the value of products with high recyclability is expected to increase more as society moves toward the promotion of carbon neutrality. We believe that contributing to a recycling-oriented society will increase corporate value.

In this fiscal year, we included Toyo Aluminium K.K. in our analysis. Since the company also uses aluminum as its primary raw material, it was determined that the evaluation trends for risks and opportunities are similar to those of the existing segments analyzed. Therefore, the evaluation results were the same as that of last fiscal year.

Quality

Policy

To continue responsible procurement, production and supply, which is one of the NLM Group's key material issue themes, it is essential to continue to provide safe and secure products and services. The NLM Group has established a quality philosophy of "We will engage in fair and honest business operations, continuing to provide products and services that satisfy our customer's requirements and expectations" Quality Assurance Administration Dept. puts emphasis on this quality philosophy and this issue, and sets a quality policy for each fiscal year, working to achieve it.

In FY2024, we have reaffirmed the importance of this initiative and the role that Quality Assurance Administration Dept. should fulfill based on past quality problems, and have made a major revision to our quality policy, which previously consisted of four items.

FY2024 Quality Policy

1. Informing the Group about and Increasing Adaptation to Legal Requirements, Quality Assurance Requirements and Procedure, and Quality Standards:

We will share correct information concerning legal requirements, quality assurance requirements and procedure, and quality standards with our fellow employees. By doing this, we will lead the way for each employee to cultivate quality.

2. Collaboration:

We will mobilize cross-group co-operation in order to effectively tackle quality-related missions and challenges.

3. Ensuring quality and safety:

From research & development, to mass production and after-sales service, we thoroughly adhere to the 5G Methodology (Genba: the actual place, Genbutsu: the actual goods, Genjitsu: the actual situation, Genri: scientific principles, and Gensoku: standards and rules).

Based on our quality motto "Be honest, work honest", we are committed to ensuring quality and safety.

Framework

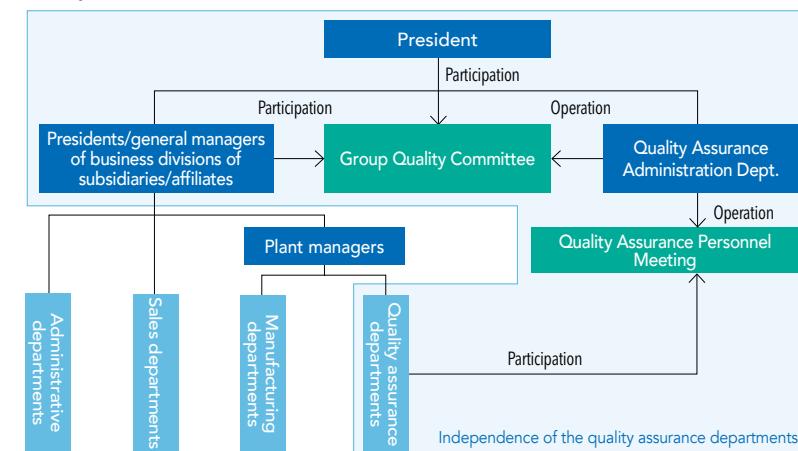
The NLM Group has established Quality Assurance and Management Regulations, positioned customer satisfaction as the basic principles of conduct for its business activities, and strives to thoroughly ensure quality assurance and management activities. Further, the Group Quality Committee meets two times a year to propel the Group's quality assurance and management activities. The Group Quality Committee is chaired by the president of NLM HD, and presidents of subsidiaries and general managers of business divisions participate in the meeting as members of the Committee. The Committee's activities include determining the quality policy for each fiscal year and sharing information about activities and their achievements.

In addition, the Quality Assurance Personnel Meeting, which is attended by general managers of quality assurance departments from Group companies, is held four times a year. What attendants do at this meeting include information sharing focused on issues and improvement activities.

Ensuring the Independence of the Quality Assurance Framework

To ensure the independence of quality assurance departments, the NLM Group has established Quality Assurance Administration Dept. under the direct control of the president. The division has overall control of the quality assurance departments of all Group companies and segments in the NLM Group. In addition, the quality assurance departments of each Group company and segment are also independent of production departments. Thus, independent operations are ensured in a Group-wide manner.

Quality Assurance Structure



Key Target and Result

KPI	FY2023 results	FY2024 results	FY2030 target
Number of serious quality problems that occurred	38	36	0

Quality

Plan, Initiatives, Evaluation, and Future Actions

FY2024 Action Plan

Category	Details of the actions
1. Informing the Group about and Increasing Adaptation to Legal Requirements, Quality Assurance Requirements and Procedure, and Quality Standards	<ul style="list-style-type: none"> Optimizing systems for prevention Quality human capital training
2. Collaboration	<ul style="list-style-type: none"> Business division supports and collaboration Contest to Showcase Success Stories
3. Ensuring quality and safety	<ul style="list-style-type: none"> Quality audits Full quality checks Dealing with serious quality problems

Quality Human Capital Training

The NLM Group continuously provides quality training to ensure that each and every employee understands the importance of quality and acts with a high level of awareness. In FY2024, we provided a variety of training programs, including the basics of quality assurance and practical activities aimed at resolving issues at our business sites. We will continue to ensure the safety of our products and services through training, and develop human capital responsible for the next generation.

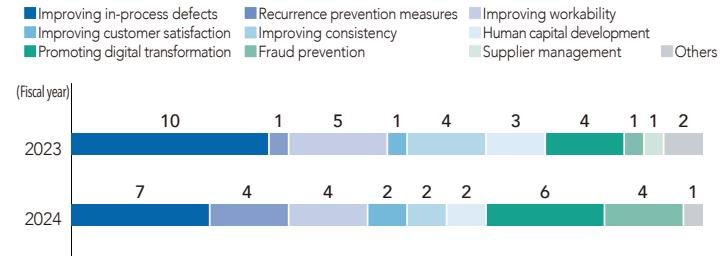
Business Division Supports and Collaboration

NLM HD dispatches experienced and knowledgeable human capital from Quality Assurance Administration Dept. to business divisions within the NLM Group, providing support and collaboration to resolve quality issues that are difficult for a business site to resolve on its own. We are working to resolve quality issues in each business division, including reducing complaints, reviewing our QMS, correcting serious quality problems, and providing quality training. In FY2024, we provided support and collaboration with Nippon Light Metal Co., Ltd. Capacitor Foil Business Div., Nippon Fruehauf Co., Ltd., Nikkeikin ALMO Co., Ltd., and Nikkei Engineering Co., Ltd. We will continue to expand the scope of target business divisions and contribute to improving the quality control system across the NLM Group through support and collaboration.

Contest to Showcase Success Stories

At the NLM Group, we hold the "Contest to Showcase Success Stories" once a year, where we share examples of quality improvement efforts undertaken at each business site and award examples of outstanding methods and results. In FY2024, there were 32 applications. In terms of classification of the applications, there was a tendency for many to be about improving in-process defects and promoting digital transformation, and there were many business sites that were particularly working on strengthening their systems. We will continue the activity and share success stories within the group.

Classification of Applications for the Contest to Showcase Success Stories



Quality Audits

NLM HD conducts quality audits of major business sites with the aim of confirming, maintaining and improving the NLM Group's quality control system. Until now, quality audits have been conducted by an audit team made up of members from Quality Assurance Administration Dept. However, from FY2024 onwards, we have reviewed our auditing method so that business sites with similar business forms will be grouped together and divided into an auditing department and an audited department to conduct mutual audits.

In FY2024, we conducted quality audits at 42 locations in Japan and overseas. By selecting highly specialized members from the auditing department, we are now able to identify areas for improvement that are more advanced than the quality audits that have been conducted mainly by Quality Assurance Administration Dept. (e.g., proposing the significance and methods of keeping records of products for which records of inspections are not kept). In the future, we will conduct quality audits with a focus on discovering latent quality risks.

Dealing with Serious Quality Problems

At the NLM Group, we have established and implemented a rule stipulating that when a serious quality problem, such as a recall or a defect that may cause physical injury or non-conformity to JIS or other public standards (hereafter, "serious quality problem"), has been discovered or is likely to occur within a business segment, information about the problem shall immediately be shared within the Group, regardless of where any responsibility lies. Quality Assurance Administration Dept. monitors the status of the occurrence of serious quality problems and analyzes the causes of any that occurred. The results of these analyses are shared by the Group Quality Committee and other organizations so that improvements can be implemented.

In FY2024, 36 serious quality problems occurred, a decrease compared to FY2023. Although serious quality problems still occur, many of these cases include problems that have been discovered and recognized as serious quality problems within the NLM Group, so we believe that each of our initiatives is having an effect. In the future, we will take initiatives with a view to reduce the number of problems themselves and strive to further strengthen our quality control system.

Human Capital Strategy

Basic Approach

The Group considers its employees to be its greatest treasure, as they create new value, and sees each of them as human capital, not human resources. We believe that human capital forms the foundation for all of our business activities. We aim to realize the happiness of employees — identified as one of our material issues — through human capital management, while promoting the sustainable growth of both organizations and individuals.

At the Group, human capital management means seeing employees' happiness and growth as the foundation of value creation and actively investing in them. To enhance the organization's creativity and secure sustainable competitiveness, it is essential to develop an environment where people can work with energy and vitality, which serves as a driving force for exploring the company's future.

As part of this, we conduct engagement surveys to continuously gather employees' opinions, identify organizational challenges and areas for improvement, and use the results to support our "Developing a Fulfilling Workplace" initiatives (see pages 59 and 60).

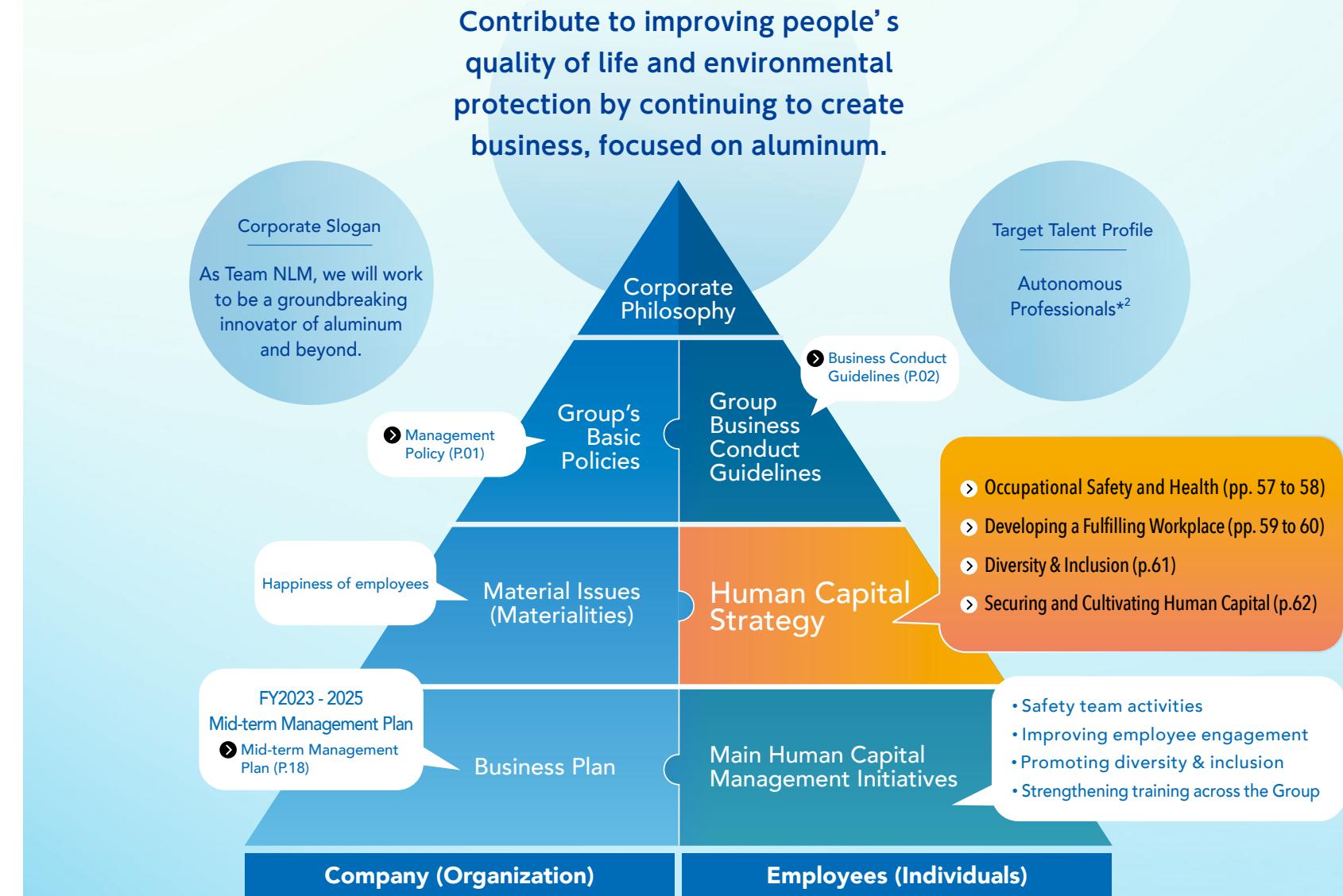
We also emphasize "Diversity & Inclusion" (see P.61) and aim to develop an environment that fosters mutual respect for diverse values and backgrounds, thereby creating an organization where all employees can demonstrate their abilities in their own way.

Under our "Securing and Cultivating Human Capital" initiatives (see P.62), we focus on acquiring and developing talent for the future. By sharing values and codes of conduct based on the NLM Group Business Conduct Guidelines, we aim to foster "autonomous and professional*1" human capital.

Further, we are committed to "Occupational Safety and Health" (see pages 57 and 58) to foster a workplace environment where employees can work with peace of mind and maintain both physical and mental well-being.

By aligning these initiatives with the Group Management Policy, we aim to foster organizational unity and, as Team Nikkeikin, create social value while enhancing our corporate value.

*1 Professionals that embody the NLM Group Business Conduct Guidelines and leverage their abilities to enhance corporate value



*2 Excerpted from the Nippon Light Metal Company, Ltd. Human Resources Wage Revision Project

Occupational Safety and Health

Policy

The Group Safety and Health Policy has been formulated as follows in accordance with the basic principle of the NLM Group Management Policy, namely to create a safe and healthy workplace and achieve zero accidents.

Safety and health come before anything else.

- Make it a basic principle to work every day in good physical and mental health, without injury, and with a sense of security and job satisfaction.
- Continue to improve the work environment and ensure that each other observe the basics (behaviors) by being attentive to each other.
- All employees shall play a leading role in creating a safe and healthy workplace and achieving zero accidents.

Framework

The Group Safety and Health Committee is the highest decision-making body responsible for safety and health management at the NLM Group. This committee is chaired by the president of NLM Holdings, and the top individuals representing labor and management, including presidents of major Group companies and labor union representatives, meet in February each year as part of the committee to verify the results of activities in the current fiscal year, determine the Group Safety and Health Policy for the following fiscal year on the basis of those results and revise or abolish the Group Safety and Health Regulations.

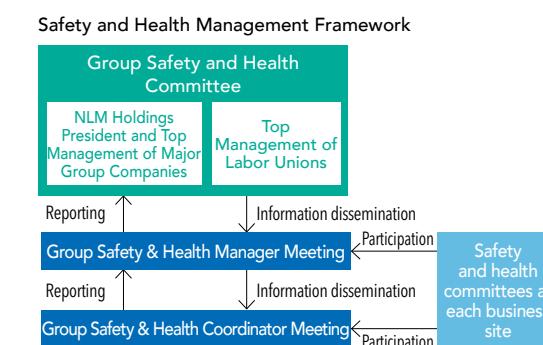
In addition, Safety and Health Committees are put in place at each Group company and business site as prescribed by the Industrial Safety and Health Act. The following two meeting bodies have been established to facilitate coordination with these committees.

● Group Safety & Health Manager Meeting

This meeting mainly comprises the business site managers and plant managers who serve as the safety and health committee chairpersons at each business site. Their job is to disseminate and roll out the policies decided on by the Group Safety and Health Committee.

● Group Safety & Health Coordinator Meeting

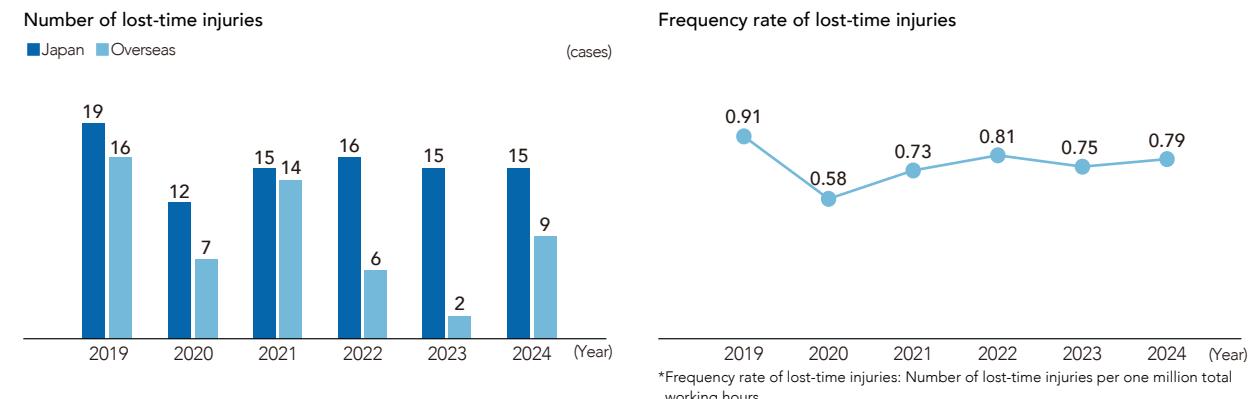
This meeting mainly comprises the safety & health coordinators of each business site, who work as the managers of safety and health committee administrative sections at each business site. This meeting convenes four times a year to verify operations at each business site and share information.



Key Target and Result

KPI	FY2023 results	FY2024 results	FY2030 target
Number of lost-time injuries in Japan	15	15	0

Workplace Injury Trends



Factors that prevent the reduction of lost-time injuries include: "Risk assessment has not been conducted for regular operations" and "Injuries occurred during irregular operations." As such, under the FY2024 Safety and Health Action Policy and the Safety and Health Action Plan, we are implementing measures based on targets derived from these factors; however, injuries have not decreased.

Occupational Safety and Health

Plan/Result/Evaluation

To realize the Group Safety and Health Policy, we established the Safety and Health Action Policy and formulated the Safety and Health Action Plan based on it. Both are now being implemented systematically.

Safety and Health Action Policy

1. Risk reduction activities (team-based improvements)
2. Eliminating unsafe practices and developing human capital (independent thinkers)
3. Improving the safety level (through collaborative thinking)

FY2024 Safety and Health Action Plan

Measures	Implementation items	Results	Evaluation
1. Measures to prevent pinching or entanglement in machinery	• Reducing the risk of pinching or entanglement in machinery	Progress of improvements: 83%	△
	• Safety inspection activities by safety coordinator teams	6 teams conducted on-site inspections, each inspecting 2 business sites	○
	• Enhancing the content of safety coordinator meetings	Held 4 times a year	○
	• Disaster information sharing (monthly report)	Warnings were issued as necessary	○
2. Measures to ensure compliance with rules	• Discussions and implementation by safety coordinators	Summarized and reported at safety coordinator meetings	○
	• Training sessions on laws and regulations	Held 4 times a year	○
3. On-site accident review and targeted support	• Field inspection of a business site where a lost-time injury occurred	15 cases were inspected	○
	• On-site review of serious accidents	4 cases were reviewed	○
	• Targeted support for business sites	Support was provided to 2 business sites	○

Our activities yielded results across all items. However, we have not been able to reduce lost-time injuries. In FY2025, we will continue and strengthen our efforts to prevent accidents.

FY2024 Initiatives

Safety inspection activities by safety coordinator teams

We organized approximately 70 safety coordinators of the Group companies and business sites into six teams and have members of each team conduct safety inspections of the business sites of the team members. Work procedures and risk assessment results have been reviewed for accident sites at target business locations. Guidance is provided to address any deficiencies and implement improvements. The participants also enhanced their skills through these activities, shared best practices with their own business sites, and contributed to accident reduction across the Group..

Enhancing the content of safety coordinator meetings, with discussions and implementation by safety coordinators

Group safety coordinator meetings are held four times a year. All of these meetings are held in business sites with field operations. Through them, we advance activities, such as safety coordinators conducting field inspections to assess the actual situation of the hosting business site, as well as facilitating information sharing and understanding among coordinators.

In addition, at each meeting, each of the six teams holds a discussion. Each team compiled its initiatives regarding work procedures and risk assessment. Further, safety coordinators, managers, and supervisors took the lead in drafting Safety Action Targets and led by example, thereby promoting awareness of rule compliance.

Training sessions on laws and regulations

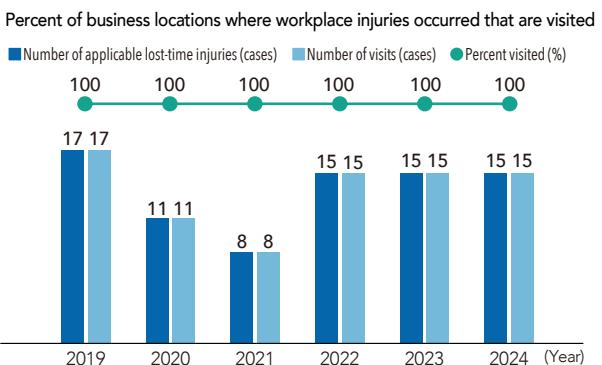
In the field of safety and health, we began offering Safety Laws and Regulations Training in FY2022 to prevent legal violations and enhance understanding. The training began with an explanation of the Industrial Safety and Health Act and the Ordinance on Industrial Safety and Health, which form the core content. In FY2024, we conducted training twice on topics related to chemical substances affected by recent legal revisions. We also provided forklift-related training twice, as there are many near-miss reports and accidents involving forklifts tend to result in severe injuries. The training program has enjoyed strong engagement, with a total of 13 sessions conducted and approximately 1,800 participants attending.

Field inspection of a business site where a lost-time injury occurred, and recurrence prevention

When a workplace injury has occurred, the first thing we do is to have the people in charge and other people from the business location, including the safety and health manager, investigate the cause. This is followed by the consideration and implementation of measures to prevent the recurrence of the injury. Employees who are most familiar with the work site are expected to consider and implement reliable measures. On the other hand, familiarity may also cause them to overlook something, make an incorrect assumption, or make some other error. There is also the concern that, because those people work in the same site daily, they may protect each other or hesitate to take more severe measures.

Accordingly, as the second line of defense, the Safety and Health Control Department of NLM Holdings inspects the site from a third-party perspective, separately from the people from the business location in question.

They inspect the site three times, one week, one month and six months after the workplace injury, to verify the effectiveness of the countermeasures that were implemented and whether they have taken root firmly, among other points. Further, this initiative enables countermeasures informed by a wide range of knowledge, including best practices from other business locations. In addition, activities to prevent workplace injuries at business locations where workplace injuries occurred were supported by giving instructions on how to streamline processes of analyzing the causes of workplace injuries and formulating countermeasures, explaining legal regulations, advising them to receive training from external institutions and taking other measures. As a result of these activities, recurrence has been effectively prevented at the business locations.



Developing a Fulfilling Workplace

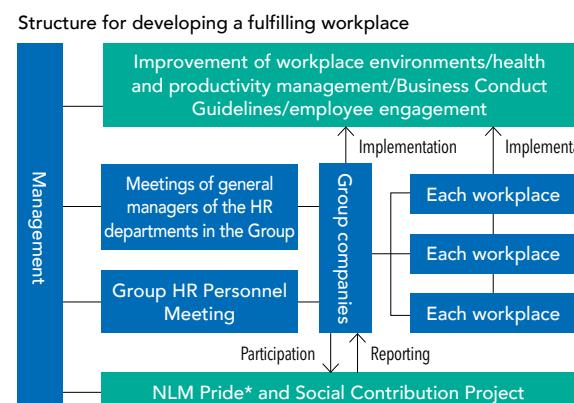
Policy

At the Group, we have established the Internal Environment Improvement Policy, aiming to make the workplace more fulfilling and comfortable. Under this policy, we actively implement initiatives to improve the workplace environment and enhance each employee's work style and job satisfaction. Moreover, we consider enhanced employee engagement essential to creating a rewarding work experience and are fostering an environment where employees can feel pride and purpose in their roles. Through these initiatives, we aim to foster a culture where employees feel connected to the organization and take a proactive approach to their work.

Internal Environment Improvement Policy (Japanese only)
<https://www.nikkeiinholdings.co.jp/news/common/pdf/hd13.pdf#page=33>

Framework

The improvement of the workplace environment and health and productivity management are considered at regular meetings of the general managers of the HR departments of major Group companies. Further, plans and achievements are shared at the Group HR Personnel Meeting held once a year. We are encouraging voluntary participation in NLM Pride and Social Contribution Project activities by continuing to call on Group companies proactively and reporting activities via the internal newsletter and intranet.



* For more information about NLM Pride, see the Plan section on this page.

Key Target and Result

KPI	FY2023 results	FY2024 results	Y2030 target
Employee engagement score*	(NLM's reference value) 3.42	3.38	3.6 or higher

* Source: Results of the FY2024 Employee Awareness Survey of Nippon Light Metal Group (on a five-point scale)
Question: Are you proud of working for the company?

Plan, Initiatives, Evaluation, and Future Actions

NLM Group Business Conduct Guidelines

To ensure the full dissemination of the NLM Group Business Conduct Guidelines across the organization, the Group is working to create an environment where employees can engage with the Guidelines in their daily work and enhance their awareness.

We have newly installed partitions featuring designs inspired by the Business Conduct Guidelines in the cafeteria at our Shinbashi office, creating opportunities for Group employees and customers to encounter these guidelines in their daily activities. Additionally, by actively hosting events in front of these partitions and communicating these initiatives widely both inside and outside the company, we are raising awareness of the Guidelines and fostering greater engagement with them.

While we made progress in raising awareness and understanding of the Business Conduct Guidelines in FY2024, survey results indicate that putting these guidelines into practice represents a challenge moving forward. In FY2025, we plan to create icons based on the visual design of the Business Conduct Guidelines to encourage employees to put these guidelines into practice. By using these in internal documents and presentations, we believe they will encourage employees to be more aware of the guidelines in their daily work and translate them into their own actions.

Moving forward, we will continue to promote understanding and practice of the Business Conduct Guidelines, and work to foster a workplace culture where each employee can feel the significance of their work and thrive with a sense of fulfillment.

	FY2023 results	FY2024 results
Business Conduct Guidelines survey score*	(NLM's reference value) 3.85	3.72

* Source: Results of the FY2024 Employee Awareness Survey of Nippon Light Metal Group (on a five-point scale)
Question: "Are you acting with an awareness of the NLM Group Business Conduct Guidelines?"



Interview video featuring athlete Ikezaki (distributed on YouTube)



POP display for the Business Conduct Guidelines event

Improvement of workplace environments

We consolidate and share information about each Group company's plans for investing in employee welfare to promote a comfortable workplace environment through enhancement of employee welfare. In FY2024, the 18 major Group companies invested 425 million yen in employee welfare, compared with a planned 467 million yen, falling short of the target due to project reviews and other factors. Going forward, we will advance further improvements to our workplace environment, beginning with the reconstruction of the Kambara Training Center, which is scheduled to commence operations in the second half of FY2026. Regarding the investment plan for FY2025, a total of 452 million yen is planned for the 18 Group companies.

Investment in employee welfare*

	FY2022	FY2023	FY2024	FY2025
Plan	487	644	467	452
Results	544	354	425	—

* Total of the major projects of 18 major Group companies in Japan

Shinbashi office summer social event

In December 2019, the Group consolidated its offices and relocated from Tennouz to Shinbashi. Following the end of the COVID-19 pandemic and the increase in office attendance rates across Group companies, we held a summer social event at the Shinbashi office cafeteria in September 2024 to promote floor-level communication. The event was attended by a total of 400 participants over four days. Going forward, we will continue initiatives in which employees can freely participate and that help strengthen collaboration across the Group.



Developing a Fulfilling Workplace

NLM Pride and Social Contribution Project

In FY2024, we organized a new "Family Tour for Adults," held a send-off event for Japanese wheelchair rugby national team member Daisuke Ikezaki ahead of the Paris International Games, and celebrated his gold medal victory. Additionally, we supported regional adaptive sports initiatives, including cooperating in the organization of the "Inclusive Sports Festa in Shimonoseki 2024" hosted by Shimonoseki City, Yamaguchi Prefecture. Going forward, we will continue to expand these activities by increasing the frequency of events and the number of locations, allowing employees to experience the joy of contributing to society and to feel pride and fulfillment in working for the Group (NLM Pride).

* The NLM Group is an official partner of the Japan Wheelchair Rugby Federation.



Victory celebration for athlete Ikezaki



Family Tour for Adults

Employee Engagement

The Group conducts Employee Engagement Surveys to identify trends and issues across the Group, company, and workplace levels, allowing us to implement initiatives that further strengthen employee engagement. The Employee Engagement Score for FY2024 was 3.38, lower than Nippon Light Metal's non-consolidated score of 3.42 in FY2023, a difference partly attributable to the survey's Group-wide implementation. Further, an analysis based on employee attributes showed that engagement scores tend to be lower in companies and workplaces with a higher proportion of field workers.

Moving forward, we will strengthen measures tailored to different job categories and workplace environments, including field positions, based on the results of this analysis. Specifically, we plan to conduct workshop-style training designed to address workplace challenges and to share best practices from field sites across the organization. Further, by conducting training sessions to provide feedback on survey results to workplace leaders and deploying these insights throughout workplaces, we will enhance employees' sense of conviction and participation, thereby accelerating the development of fulfilling workplaces.

Additionally, in response to the results of the first survey, Nippon Light Metal introduced an internal job posting system in FY2025, with the aim of enhancing younger employees' willingness to take on new challenges. This provides employees with opportunities to proactively take on new challenges, fostering career development and enhancing engagement.



Training session providing feedback



Health and productivity management

Recognizing that employees' mental and physical health is fundamental to creating a comfortable workplace and fostering job fulfillment, Group companies are promoting health-oriented management practices.

In FY2024, Toyo Rikagaku Kenkyusho Co., Ltd. obtained recognition as a "Health and Productivity Management Outstanding Organization 2025 (Bright 500, Small and Medium-sized Enterprise category)." Additionally, Nippon Fruehauf Co., Ltd. was also certified as a "Health and Productivity Management Outstanding Organization 2025 (Large Enterprise category)." Going forward, we will continue to promote health improvement initiatives and the achievement of certifications at each business site, positioning health and productivity management as a key management strategy while advancing the creation of ideal workplaces.



VOICE

A First for the NLM Group! Recognized as a "Health and Productivity Management Outstanding Organization – Bright 500"

Since 2022, the Company has positioned employees' health maintenance and promotion as a key management issue and has been working to create a workplace where all employees can work in good health and with peace of mind. Specific initiatives include providing full financial support for employee medical check-ups to promote early detection and prevent diseases, conducting regular health awareness surveys to assess individual needs, and continuously working to reduce physical strain at worksites, such as providing refreshing drinks to prevent heatstroke during the summer. These initiatives also help strengthen our recruitment efforts through external communications via our official social media channels and other platforms. Moving forward, we remain committed to promoting the health and happiness of each individual employee, striving for enhanced productivity and further growth in corporate value.



Teruaki Narisawa
General Affairs and Human
Resources Department
Toyo Rikagaku Kenkyusho Co., Ltd.

Diversity & Inclusion

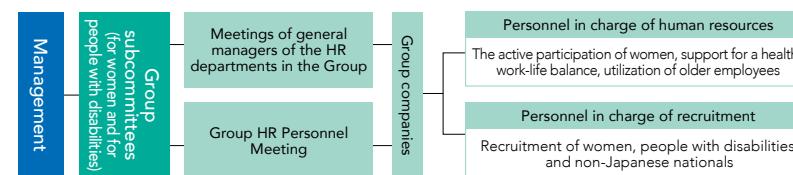
Policy

We recognize that leveraging diversity as a strength of the Group is important for enabling the Group to continue to create new value. In line with our Group's basic policies, we respect the individuality and values of each employee and are working to build an organization where diverse talent can thrive.

Framework

The tasks aimed at increasing the diversity of the Group's human capital and promoting their active participation are shared, and relevant policies are discussed at regular meetings of HR department general managers across the Group and at annual meetings of HR practitioners. Additionally, we have set up dedicated subcommittees for women's advancement and the employment of people with disabilities, where we discuss initiatives based on frontline feedback and share best practices across the Group.

Diversity & Inclusion Framework



Key Target and Result

KPI	FY2023 results	FY2024 results	FY2025 results	FY2030 target
Percentage of regularly hired career track workers that are women (NLM)	19.2%	12.8%	26.5%	20% or higher
Percentage of managers that are women (consolidated)	5.8%	6.1%	—	10% or higher
Childcare leave taken by male employees (Japan)	68.2%	80.3%	—	100%
Diversity & Inclusion score*	(NLM's reference value) 3.34	3.31	—	3.6 or higher

* Source: Results of the FY2024 Employee Awareness Survey of Nippon Light Metal Group (on a five point scale)
Question: Does your workplace have an atmosphere where diverse ways of thinking and values are accepted?

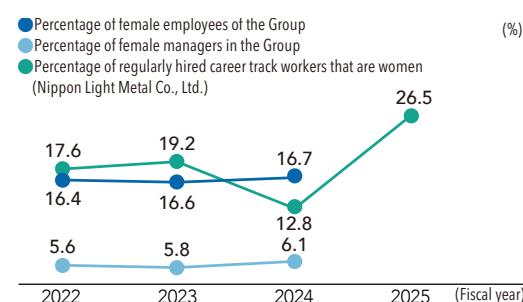
Plan, Initiatives, Evaluation, and Future Actions

Women's advancement

Toyo Aluminium Ekco Products Co., Ltd. obtained Eruboshi (2-star) certification in FY2024. The percentage of regularly hired career track workers that are women at Nippon Light Metal Co., Ltd. was 26.5% in 2025, a significant increase from the previous year. We believe that the key factors include obtaining the Eruboshi and Kurumin certifications, as well as the increased uptake of paternity leave. The ratio of female managers across the Group in FY2024 was 6.1%, and we recognize the need to accelerate our efforts to reach the 2030 target.

To achieve this goal, Nippon Light Metal Co., Ltd. established a "D&I Community" in FY2024, composed of 13 young and mid-career employees, and plans to hold awareness-raising events from FY2025 onward. At the Group level, we conduct lectures and external site visits through the Group subcommittee to strengthen each company's initiatives.

Changes in the proportion of women among employees, managers, and regularly hired staff (consolidated)



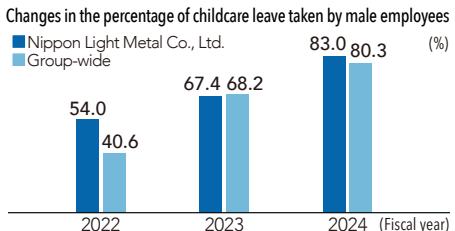
D&I Community lunch meeting

Work-life balance support

In FY2024, Nippon Light Metal Co., Ltd. received the "Platinum Kurumin" certification and is working to encourage more male employees to participate in childcare. As a result, the percentage of male employees taking childcare leave across the Group reached 80.3% in FY2024. Going forward, we will promote workplaces where all employees who wish to participate in childcare can do so, aiming to increase the above percentage.



Further, the Group companies have set targets and initiatives tailored to their individual circumstances, aiming to achieve a 100% male childcare leave utilization rate by 2030.



Employment of people with disabilities

The Nippon Light Metal Group is considering extending Nikkeiin OhLiS Co., Ltd.'s special-purpose subsidiary system across the entire Group to promote the employment of people with disabilities in a long-term and planned manner. In FY2024, we formulated an operational policy for the application of the system starting in FY2027. As of June 2025, Nippon Light Metal Co., Ltd.'s employment rate of people with disabilities stood at 2.70%, exceeding the legally mandated employment rate.

Additionally, Nikkeiin OhLiS Co., Ltd. obtained the Monisu certification in FY2024 and continues to promote employment across the entire Group through measures such as establishing Group subcommittees.

VOICE

Bringing safety and trust to our customers!

I deliver sodium hypochlorite produced at Kambara Chemical Plant to customers by tank truck. Handling chemicals requires great care, and daily training is essential to learn the basic procedures. As one of the team leaders appointed for each chemical solution, I make it my priority to ensure that my colleagues can work safely. Although operating large vehicles requires careful attention to detail, we have an environment where anyone can thrive regardless of gender, and colleagues are always willing to offer support when needed. I am often encouraged by the warm words of our customers, which gives me a strong sense of fulfillment in my daily work. I will continue to dedicate myself to ensuring that the company can entrust us with the transport of chemical solutions with complete confidence.



Chie Kudo
Chemical Sales Office, Kambara Branch
Nikkei Logistics Co., Ltd.

Securing and Cultivating Human Capital

Policy

The Group has established a "Human Capital Development Policy" to achieve sustainable organizational growth and enhance our competitive edge. Under this policy, we actively pursue human capital development with the goal of bringing out the full capabilities of every individual employee. Additionally, in our career-track recruitment, we conduct the hiring process based on clearly defined required qualities.

② "Human Capital Development Policy" and "Required Qualities" (Japanese only)
<https://www.nikkeiinholdings.co.jp/news/common/pdf/hd13.pdf#page=32>

Framework

Securing human capital

At the NLM Group, periodic career-track worker recruitment efforts are made jointly by three companies, Nippon Light Metal Co., Ltd., Nikkeiin Aluminium Core Technology Co., Ltd., and Nikkei MC Aluminium Co., Ltd. By enhancing a recruiter system for administrative and engineering positions and providing a wealth of internship programs, we are committed to securing diverse talent. Further, Nippon Light Metal Co., Ltd. has launched an employee referral program to strengthen its mid-career recruitment efforts.

Human capital development

We have been committed to Group-wide training and education in addition to the training programs provided by each Group company. Previously, Group companies took part voluntarily in Nippon Light Metal Co., Ltd.'s training system. To further strengthen Group collaboration, however, we transitioned in FY2025 to mandatory standardized training for all career-track employees across our Group companies in Japan.

Key Target and Result

KPI	FY2023 results	FY2024 results	FY2030 target
Annual number of employees who completed next-generation management training	13 trainees	15 trainees	10 or more trainees
Percentage of managers who completed new manager training	100%	100%	100%
Percentage of career-track hires (NLM)	48.7%	58.5%	50% or more

Plan, Initiatives, Evaluation, and Future Actions

Securing human capital

Regarding Nippon Light Metal Co., Ltd.'s regular career-track recruitment, we have strengthened our hiring activities at local universities in South Korea and Taiwan, resulting in the regular recruitment of seven global talents in FY2025. In FY2025, we also launched a scholarship initiative for engineering students, alongside efforts to enhance our internship offerings and redesign our recruitment website for new graduates.

Regarding mid-career recruitment, the mid-career hiring ratio in FY2024 reached 58.5%, exceeding our target. Additionally, in FY2024, we hired six talented individuals through our employee referral program. This not only enhances the alignment between job candidates and roles but also contributes to enhanced employee engagement as employees themselves communicate the company's appeal. Moving forward, we will continue to strengthen our referral recruitment efforts to achieve better job matches.

Human capital development

In FY2024, 15 employees completed next-generation management training and 100% of managers completed new manager training. This was an achievement of the targets for both of these indicators.

The annual training and education expenditure per Group employee was 35.4 thousand yen, a decrease from the previous year; however, LMS utilization has been trending upward, indicating progress in establishing more efficient learning practices. Going forward, we will regularly review content based on participation data and further strengthen both individual and organizational growth through a hybrid development framework that combines LMS with in-person training.

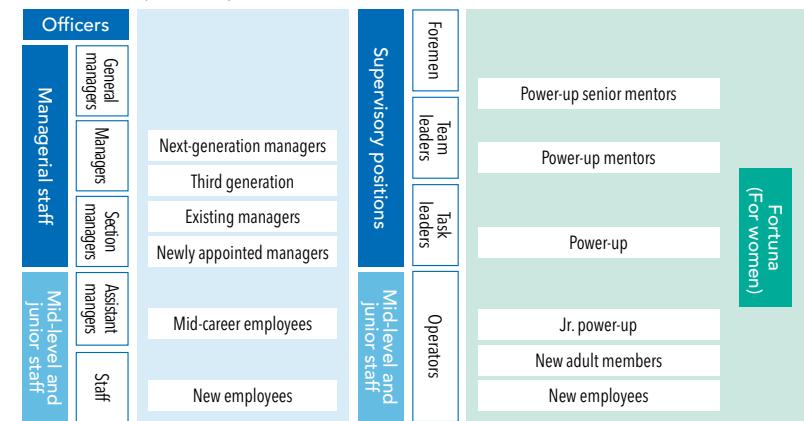
Additionally, Nippon Light Metal Co., Ltd. launched an internal job posting system in FY2025 and is promoting initiatives to support employees in taking on challenges and achieving growth. Going forward, we will further expand the system's use by raising awareness and ensuring transparency.

Changes in the amount of expenditure for education and training

	FY2022	FY2023	FY2024
Average annual amount of expenditure for education/ training per employee	31.1	50.9	35.4

Education and Training System (excluding theme- and job function-based programs)

Level-specific Training (Career Track/National) | Level-specific Training (Regular Employees/Regional)



VOICE

I took a new step forward through the employee referral program!

At my former company, I primarily handled the assembly and installation of automated production lines, but I resigned due to a demanding workload and family circumstances. Later, at a high school reunion, a friend who works at Nippon Light Metal Co., Ltd. told me about the company's attractive working conditions and benefits, which prompted me to join through their referral program. It has been a year since I joined the company, and just as I was told, the workplace provides a supportive environment that allows me to take different types of leave, such as family care support leave, and maintain a good work-life balance. Additionally, I have the opportunity to take on new tasks and pursue certifications, and I've met colleagues with whom I can discuss personal matters, so I am very grateful to the friend who referred me. Going forward, I will tackle my work with a fresh perspective and work toward achieving longer and more stable equipment operation.



Hiromasa Kawaguchi
Machinery Maintenance
Subsection, Equipment Section
Shimizu Plant
Nippon Light Metal Co., Ltd.

Protecting and Respecting Human Rights

Policy

In our Management Policy, we have stated that, "The Group will engage in fair and honest business operations, with respect for human rights and an emphasis on ethics," and set "Protecting and respecting human rights" as one of our material issues.

Based on our understanding that our business activities may negatively impact human rights directly or indirectly and there may be a negative impact on human rights directly related to the NLM Group's businesses, products, and services, we formulated the NLM Group Human Rights Policy in 2016 to protect and respect the human rights of the people involved in our business activities. In 2023, we significantly revised this policy, and we are promoting initiatives to protect and respect human rights.

☞ [The NLM Group's Human Rights Policy \(Japanese only\)](https://www.nikkeiinholdings.co.jp/csr/human-rights/0402.html) <https://www.nikkeiinholdings.co.jp/csr/human-rights/0402.html>

Framework

We established the Human Rights Subcommittee in November 2022 to further promote initiatives for protecting and respecting human rights. This organization consists of people in charge of HR and procurement from the Corporate Personnel Administration Office, which is deeply involved in human rights, and people in charge of CSR and compliance from the Sustainability Promotion Administration Office. The Human Rights Subcommittee meets at the right time as necessary. Progress in the action plan is reported, and information about trends related to protection and respect for human rights is shared in the meetings. Results of activities are reported to the Group CSR Committee, the Group Executive Committee and the Board of Directors.

Additionally, the Company was registered as a participant in the United Nations Global Compact (UNGC) on September 17, 2025, and at the same time became a member of the Global Compact Network Japan, which serves as the UNGC's country network in Japan. We endorse the Ten Principles advocated by the UNGC across the four areas of human rights, labor, environment, and anti-corruption, and are committed to advancing their realization.



Plan and Results

We have formulated a plan for its initiatives for protecting and respecting human rights for FY2022 to FY2024. Regarding items of initiatives, we formulated our plan based on the three initiatives and eight categories of measures described in Business and Response to Human Rights (Digest Version), which was published by the Human Rights Bureau of the Ministry of Justice.

In FY2024, there were some initiatives which were initially planned but were postponed, as well as initiatives which were replaced with alternative measures. We will step up our efforts to implement these initiatives in the next fiscal year.

As part of our FY2025 plan, we intend to conduct a survey on compliance with our human rights policy to identify areas requiring strengthened efforts, and consider and implement relevant measures. In addition, we will survey the management status of foreign technical intern trainees within our supply chain.

Category	FY2024 Plan	Assessment of FY2024 results
Commitment under the policy	Formulation of a human rights policy	They have been detailed in the integrated report since FY2023. <input type="radio"/>
	Assessment of impacts on human rights	Requirements related to foreign national employees were added to labor audit items and the audit was conducted. <input type="radio"/>
Implementing human rights due diligence	Implementation of education and training	Educational content on human rights was reviewed. It was not implemented. <input checked="" type="radio"/>
	Implementation of preventive and corrective measures (to address the apparent and latent negative impacts on human rights)	Changing the systems was considered. The creation of barrier-free spaces was also promoted in a timely manner. <input type="radio"/>
	Initiatives regarding internal environment/systems	Awareness of the requirements was increased by conducting a CSR questionnaire survey for suppliers. <input type="radio"/>
	Supply chain management	Continuing sustainable, responsible procurement <input type="radio"/>
	Implementation of monitoring (follow-up investigation)	Checking employees' duty status, exchanging views with the labor union <input type="radio"/>
	External disclosure	A shift was made to a survey on human rights policy compliance. <input checked="" type="radio"/>
Maintaining and developing remedial measures system	Establishment of a complaint handling mechanism (for responding to the negative impact on human rights that has occurred)	Considering the establishment of a contact for human rights consultations <input type="radio"/> Considering the establishment of a supplier hotline <input type="radio"/> Customer support contact <input type="radio"/>

○: Progress made as planned, △: Initiated but did not meet the plan, ×: Postponed or replaced with an alternative measure

* Japan Center for Engagement and Remedy on Business and Human Rights

☞ [Complaint reporting form](https://jacer-bhr.org/en/application/form.html) <https://jacer-bhr.org/en/application/form.html>

Supply Chain Management

Policy and Approach

At the NLM Group, we have set a basic policy that is a part of our Management Policy, which states, "The Group will continuously provide diverse value to customers by deepening the level of collaboration and coordination within and outside the Group." To continue to provide value to customers it is necessary to respond immediately and flexibly to daily changes in the environment. We have therefore set a resilient value chain that is flexible to changes and developing a stable supply chain as two of our material issues to make Group-wide efforts to achieve responsible procurement, production and supply. To achieve the above, the purchasing departments of the Group uphold the CSR procurement policy and work with suppliers to promote procurement activities in consideration of CSR, including legal compliance, respect for human rights, environmental protection and the safety of products and services.

Furthermore, the Group has participated in the Partnership Building Declaration since March 2022 and is committed to building sustainable and favorable partnerships that enable mutual growth with its suppliers.

CSR Procurement Policy (Japanese only) <https://www.nikkeikinholdings.co.jp/csr/fair-practice/0702.html>



Framework

The NLM Group runs a wide range of businesses and also purchases a broad array of items. For this reason, our purchasing system has adopted the basic policy of giving autonomy to each field of business while engaging in moderate Group coordination. We are also strengthening business collaboration through personnel exchanges and enhancing the Group's procurement capabilities. We develop and execute procurement strategies from diverse perspectives, promote cost reduction and risk management, and strive to achieve responsible sourcing.

FY2024 Initiatives

The procurement environment surrounding the purchasing departments has increased the need to establish a supply chain management (SCM) system that considers sustainability to address environmental and social issues, such as the global warming and human rights problems, in addition to an SCM system focused on quality, cost, and delivery (QCD). In addition, the environment surrounding procurement is changing every day, including the rising market prices of energy and various other resources, price increases driven by the transition to carbon neutrality (green inflation), and procurement risks stemming from potential geopolitical risks. This has also made it more necessary than ever to build a resilient SCM system for handling these problems flexibly. In response, we again engaged in the following procurement activities in FY2024.

A resilient value chain that is flexible to changes

Supplier diversification to prepare for emergencies

To prepare for constantly changing geopolitical risks and market fluctuations, the Group is building a framework to avoid dependence on specific regions.

- Exploring new supply sources outside traditional production regions
- Reviewing and diversifying existing suppliers
- Shifting from purchasing from a single source to purchasing from multiple sources

With these measures, we are developing a stable supply chain to minimize the damage when a risk is actualized.

Strengthening BCP through operational improvements

We are enhancing the flexibility of our procurement system and initial response capabilities to prepare for sudden supply disruptions.

- Ensuring stable supply under annual contracts with "suppliers whose faces we can see"
- Reducing market risks through formula-based pricing
- Introducing a risk alert system

We are focusing on building a resilient and robust supply chain by responding based on prior planning and preparation.

For the procurement of aluminum ingots, our primary raw material, we have established a diversified procurement system from both domestic and international sources based on our manufacturing expertise. This allows us to meet customer requirements for quality, timely delivery, social responsibility, low carbon emissions, and more, while conducting proactive operations focused on reducing various risks.

- Deepening long-term contracts and partnerships with major aluminum producers for customized materials
- Developing and expanding applications for recycled products
- Determining procurement strategies and managing inventory strategically based on collaboration with business units

Furthermore, in its pursuit of a carbon-neutral society, the Group is strengthening the procurement of low-carbon raw materials and recycling activities, aiming to contribute to a sustainable society.

- Promoting horizontal recycling in collaboration with sales and engineering departments in addition to procurement, with the aim of increasing the usage rate of aluminum scrap
- Shifting to and expanding procurement from overseas sources in response to the decreasing supply of aluminum scrap in the domestic market
- Strengthening collection routes within the Group and promoting supplier diversification

We will continue procurement in consideration of carbon neutrality and promote the procurement of raw materials made using renewable energy sources and recycled raw materials, aiming to help establish a sustainable society.

Supply Chain Management

Developing a stable supply chain

■ Results of the supplier questionnaire survey in FY2024

From the perspectives of quality, environment, and social responsibility, the Group strives to maintain customer satisfaction and trust while working to raise supplier awareness and strengthen collaboration, led by its procurement departments.

As part of these efforts, we conduct supplier surveys to understand the current situation and identify issues. In FY2024, we analyzed situations primarily through a questionnaire survey. At the same time, we continued to build a resilient SCM system by implementing countermeasures to address geopolitical risks, the pandemic, and other challenges.

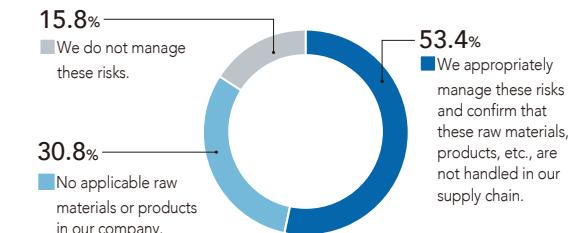
In FY2024, we conducted a questionnaire survey of approximately 480 companies that are suppliers of centrally procured products (coverage: 96%).

Following the previous fiscal year, we also included survey questions in FY2024 regarding risk responses to the Uyghur Forced Labor Prevention Act and issues related to China. Approximately 50% of suppliers responded that they "appropriately manage" in answer to the question asking whether they "identify countries and regions where serious human rights violations are a concern socially and internationally, and appropriately manage" these risks. This year, we revised the response options, separating them into "We do not manage these risks" and "no applicable raw materials or products in our company." This change revealed that approximately 15% of suppliers simply lack management systems.

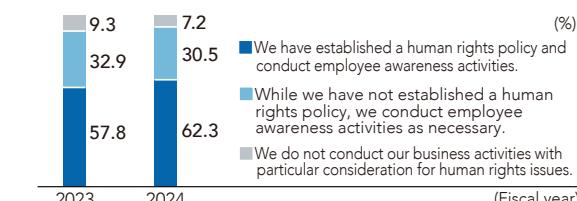
Additionally, in response to the question on human rights—"Does your company demonstrate consideration for human rights protection in its stance?"—the proportion of suppliers responding "We have established a human rights policy and conduct employee awareness activities" increased from 58% last year to 62%, a rise of approximately four percentage points. For the question regarding Business Continuity Planning (BCP) in anticipation of large-scale disasters, the percentage of companies responding "We have already established a BCP" increased from 48% last year to 54%, indicating a heightened awareness of building a resilient supply chain.

Going forward, we will continue to share the Group's procurement policy with suppliers and promote CSR procurement in cooperation with suppliers.

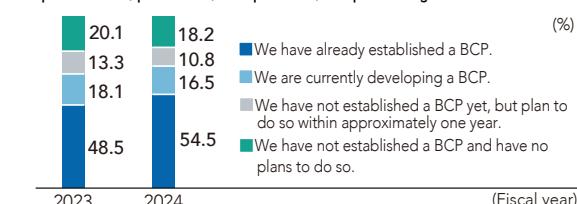
Do you appropriately manage human rights risks by identifying countries and regions where there are concerns regarding serious human rights infringements?



Does your company demonstrate consideration for human rights protection as part of its stance?



Do you have a Business Continuity Plan (hereinafter, "BCP") that takes into account large-scale disasters and covers functions such as raw material procurement, production, transportation, and purchasing?



■ Regarding human rights due diligence initiatives

The Group ensures thorough compliance with our human rights policy, communicates customer requirements to suppliers, and assesses and shares the status of human rights initiatives through supplier surveys.

In FY2024 again, we identified and assessed risks by targeting suppliers of centrally procured products, using the CSR/Sustainable Procurement Self-assessment Tool Set from the Global Compact Network Japan.

Moving forward, we will take the following steps to advance human rights due diligence. Steps implemented in FY2024 and planned to continue in FY2025 are indicated by blue shading. In FY2023, we established a contact for human rights consultations as a measure for redressing situations.

1. Human rights policy	Declaration of commitment to responsibility to respect human rights
2. Human rights due diligence	<p>① Identification and evaluation of negative impacts</p> <p>② Prevention and mitigation of negative impacts</p> <p>③ Evaluation of effectiveness of initiatives</p> <p>④ Explanation and information disclosure</p>
3. Redress	Responding to the damage caused by the negative impact on human rights

① Human Rights Policy (Japanese only) <https://www.nikkeiinholdings.co.jp/csr/human-rights/0402.html>

To identify and evaluate negative impacts, we asked suppliers to also complete the CSR/Sustainable Procurement Self-assessment Tool Set in FY2024. This allowed us to identify associated risks. Together with suppliers surveyed last year, these companies account for 80% of the products supplied that are purchased centrally by the head office.

High evaluation scores were given for information security, quality and safety, and labor-related items, confirming that many suppliers have appropriate management systems in place. On the other hand, although the average score for human rights items was high, some suppliers responded that they feel the need for improvement in their "consideration for local communities or indigenous peoples." The likely reason for this result is that many suppliers' businesses and products do not directly impact local communities or indigenous peoples, and therefore awareness of this issue has not been sufficiently raised. For the item concerning coexistence with local communities, the average score was relatively low, suggesting that many surveyed suppliers are located in industrial zones and currently make limited contributions to their local communities. Regarding these issues, we need to advance awareness activities for suppliers while further strengthening management systems.

In August 2025, we officially launched awareness activities by announcing the survey implementation to all Group members at a meeting attended by purchasing personnel from 27 Group companies. As a KPI target, we will increase the number of companies that we ask to respond to this questionnaire to the companies responsible for 80% of the Group's total purchases (including purchases by each business site) in monetary terms by FY2030, thus promoting procurement in consideration of human rights.

Contribution to Local Communities and Society

Policy

The NLM Group works to contribute to local communities in accordance with its Social Contribution Policy (established July 22, 2016) described at right, so that it can effectively utilize the resources of the Group to contribute to the development of local communities through social contribution activities that are unique to the Group.

Social Contribution Policy

- The NLM Group respects local culture and customs and contributes to the development of local communities in harmony with them. In addition, through activities to protect biodiversity we contribute to the conservation of local environments.
- The NLM Group contributes to the development of next-generation human resources through education on manufacturing and support for academic research.
- The NLM Group strives to enhance its support system so that employees can voluntarily take part in activities that contribute to local communities.

Plan

Each business site and operating company develops and implements its own plan for community contribution activities.

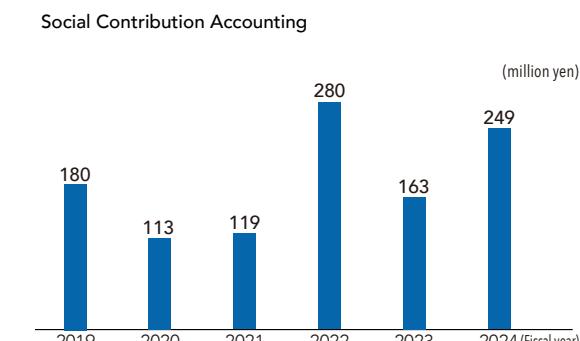
The main activities in FY2024 are outlined below, and the actual expenditures are listed on the right.

FY2024 Plan

- Understanding and considering the promotion of employees' social contribution activities
- Supporting cultural and sports projects and educational and research institutions in each local area
- Active engagement with local communities
- Cooperating with the police and other external organizations and collecting information
- Preparations for publishing social contribution activity website posts

Social Contribution Accounting

In FY2024, we participated in 557 local programs, and our expenses were 249 million yen.



FY2024 Initiatives

Major Community Contribution Activities

Period	Business site	Contents
April 2024	Nikkei Extrusions Co., Ltd.	Conducted ditch cleaning and grass cutting around the plant.
May 2024	Nippon Fruehauf Co., Ltd.	Held the 37th Rose Viewing Event.
May 2024	Nippon Light Metal Co., Ltd. Nagoya Plant	Conducted community cleanup activities around the plant.
July 2024	Nippon Light Metal Co., Ltd. Kambara Complex Nikkei Sangyo Co., Ltd.	Participated in river beautification activities in nearby communities.
July 2024	Nippon Light Metal Co., Ltd. Tomakomai Complex	Held a wheelchair rugby trial session at an elementary school in Tomakomai.
August 2024	Nippon Light Metal Co., Ltd. Kambara Complex	Accepted a plant visit from social studies teachers of junior high schools in Fuji City.
September 2024	Nippon Light Metal Holdings Co., Ltd.	Held "Family Company Tour 2024" at the Nippon Light Metal Group Head Office.
October 2024	Nippon Light Metal Co., Ltd. Kambara Complex	Continued cooperation with the local event "Chokkura-Ichi."
October 2024	Nippon Light Metal Co., Ltd. Kambara Complex	Hosted the 36th "Nikkei Festival."
November 2024	Nippon Light Metal Co., Ltd. Kambara Complex	Participated in the local event "The 22nd Kambara-Syukuba Festival & Industrial Fair."
November 2024	Nippon Light Metal Co., Ltd. Kambara Complex	Donated air purifiers from the Kambara Complex to local elementary schools.
November 2024	Nippon Light Metal Holdings Co., Ltd. Nikkei Panel System Co., Ltd.	Supported the "Inclusive Sports Festa in Shimonoseki 2024" hosted by Shimonoseki City.
January 2025	Nippon Light Metal Co., Ltd. Kambara Complex	Sponsored the "Kambara Coast First Sunrise Project."
February 2025	Nippon Light Metal Co., Ltd. Kambara Complex	Participated in the "Mt. Fuji Day Fukiage Beach Cleanup Operation."
March 2025	Nippon Light Metal Co., Ltd. Kambara Complex	Donated various supplies to local junior high schools.
March 2025	Nikkei Panel System Co., Ltd. Shiga Nikkei Co., Ltd.	Participated in the Lake Biwa Cleanup Event organized by IVUSA.



Contribution to Local Communities and Society

Measures to Address Sedimentation in Amehata Dam

At the Amehata Dam (Hayakawa-cho, Minamikoma-gun, Yamanashi Prefecture) which is maintained by Nippon Light Metal Co., Ltd., a major subsidiary of the NLM Group, Typhoon Krosa in August 2019 and Typhoon Hagibis in October 2019 caused flooding damage across the region. In response, Nippon Light Metal established the Amehata Area Sediment Countermeasures Investigative Commission in September 2019 together with the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), the Yamanashi prefectural government, and the Hayakawa municipal government. The Basic Plan for Measures Addressing Amehata Dam Sediment ("the Basic Plan," hereafter) was compiled in April 2020 and submitted to the MLIT.

The periods and targets of the short-term plan [Step 1], the medium-term plan [Step 2], and the long-term plan [Step 3] in the Basic Plan and the status of their implementation shown on the roadmap are shown on the right.

Basic Plan for Measures to Address Sedimentation in Amehata Dam (Japanese only)

<https://www.nikkeiin.co.jp/news/news/common/pdf/p202005070202.pdf>

Item	Issue	Short Term		Medium Term		Long Term
		FY2020	FY2021	FY2022	FY2023	FY2024
Construction of a temporary embankment	—			Construction complete in November 2020		
Securing a river channel	Securing a sufficient river channel to prepare for the largest ever inflow of earth and sand			Continuing to excavate the river channel		
Construction work in the inside of the dam lake and temporary storage in the dam lake	—			Protecting existing structures and riverside roads, constructing temporary storage yards, etc.		
Increased sediment transportation capacity	—			Completed in March 2021		
Soil utilization	Aggregate resources	Making adjustments to prepare for the expansion of demand for aggregate		Continuing to use soil as aggregate resources		
	Amehata River transportation route	—		Construction complete in May 2022		
	Hayakawa River transportation route	—		Construction complete in June 2024		
	Securing a disposal site	Considering use of soil in response to wide area needs		Construction of embankments in candidate soil disposal sites and studying new candidate sites		
Ongoing countermeasures addressing sedimentation	Consideration for a shift to a long-term plan, etc., and coordination with relevant organizations		Under continual consideration			
Amount of sediment removed and transported	—	3.0 million m ³ (complete)	3.0 million to 4.0 million m ³ (target)			

■ Surveying, design, discussion and coordination ■ Construction □ Work operation

Progress report

Since FY2020, Nippon Light Metal Co., Ltd. has been actively carrying out its Basic Plan and successfully achieved its goals through the short-term plan, which concluded at the close of FY2021, and the mid-term plan running through the end of FY2024. We reported the progress made up to FY2024 to the MLIT, the Yamanashi prefectural government, and the Hayakawa municipal government at the Seventh Follow-up Review Meeting that was held in March 2025. We will steadily implement the long-term plan going forward.

In implementing the countermeasures, we recorded an extraordinary loss of 29,700 million yen as sediment control costs for the period up to the fiscal year ended March 2025.

Recurrence Prevention Measures Related to the Use of Water at Hydroelectric Power Generation Facilities

In response to a notification from the MLIT under Article 78 of the River Act, Nippon Light Metal Co., Ltd., a principal subsidiary of the Group, has been submitting reports since November 2022 on recurrence prevention measures related to water use and implementation plans to ensure compliance with river laws. The results for FY2024 were submitted at the end of May 2025, and the plan for FY2025 was submitted at the end of February 2025. We will continue to strengthen our recurrence prevention measures and implement appropriate management under the guidance of the MLIT.

Implementation status

Major initiatives that were taken in FY2024 are as follows.

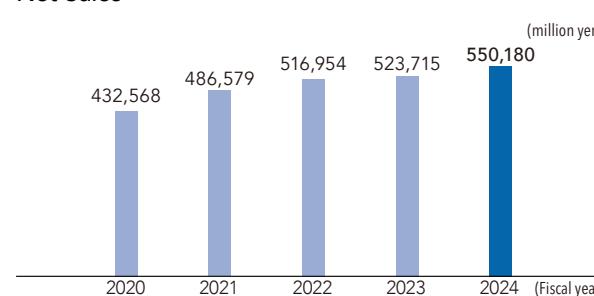
- (1) Provision of employee training (number of employees who received training: 2,016 in total)
- (2) Improvement of internal regulations (revision of operational manuals and provision of information about the revisions)
- (3) Onsite investigations made by the Central Safety, Health, Environmental Conservation Div. of the head office (audit conducted in April 2024)
- (4) Recheck of equipment (major flow management facilities)
- (5) Mutual understanding of the content of the operations of the electric power departments (Electric Power Department, Civil Engineering Section, Power Generation Section, and Power Supply Section)

The company will continue to step up its efforts to prevent recurrence and ensure appropriate management by receiving guidance from MLIT.

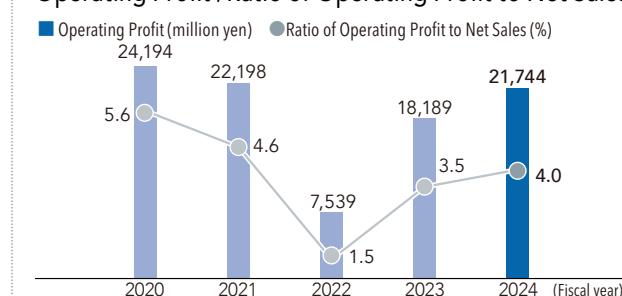
Financial and Non-Financial Highlights

Financial Highlights

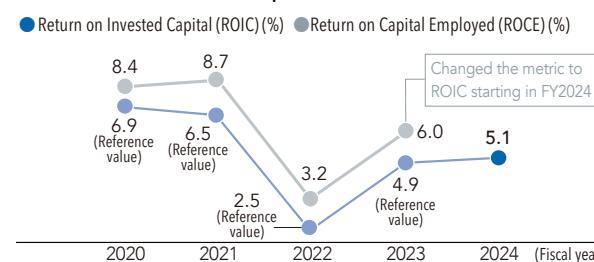
Net Sales



Operating Profit /Ratio of Operating Profit to Net Sales

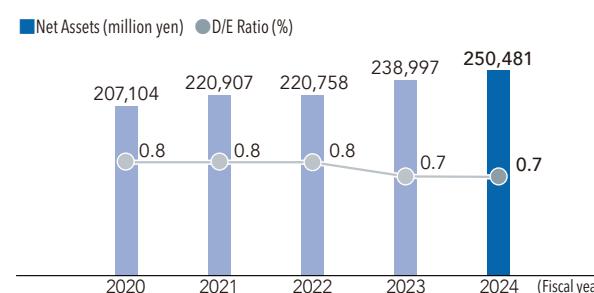


Return on Invested Capital (ROIC)

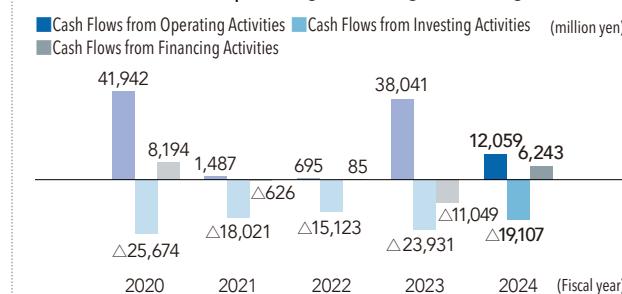


*ROIC = Ordinary profit before interest expenses / Invested capital at the beginning of the period
(Working capital (Accounts receivable + Inventories - Accounts payable) + Fixed assets)

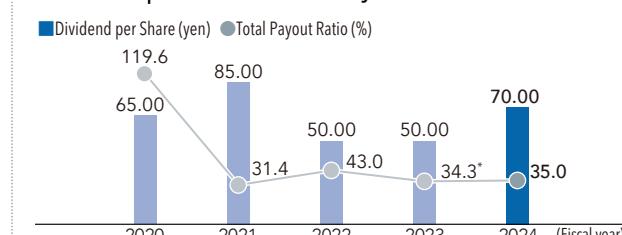
Net Assets/D/E Ratio



Cash Flows (From Operating/Investing/Financing Activities)



Dividend per Share/Total Payout Ratio

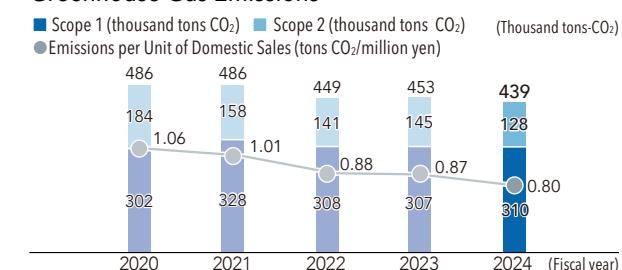


*The financial results for the first half of FY2024 were retroactively corrected to reflect changes in accounting policies, and profit attributable to owners of parent for FY2023 was corrected from 9.0 billion yen to 9.9 billion yen. However, the total payout ratio for FY2023 indicated above was calculated based on profit before the correction.

Operating Results and Financial Analysis (P69)

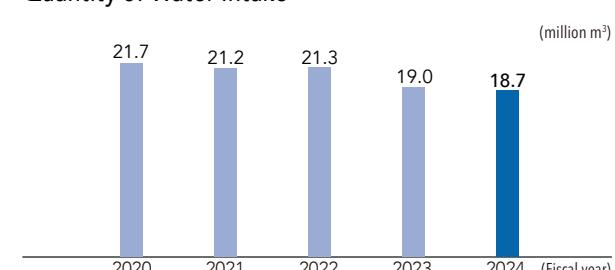
Non-Financial Highlights

Greenhouse Gas Emissions



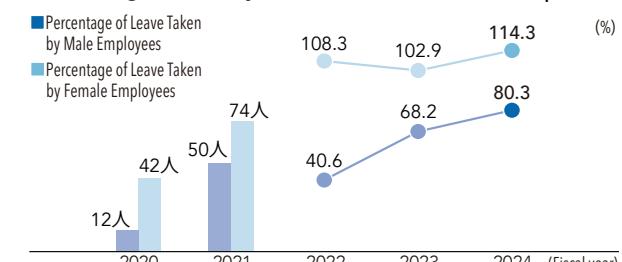
*The total figures may not add up because values less than one unit are rounded off.

Quantity of Water Intake



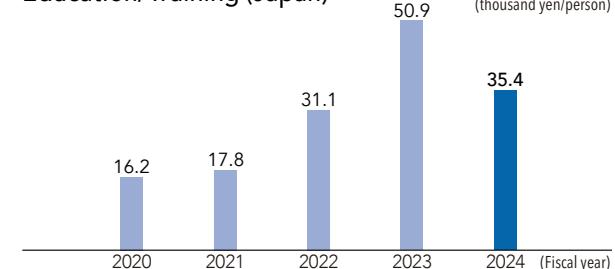
*Only the intake of water used in the manufacturing process is subject to calculation.

Percentage of Newly Taken Childcare Leave (Japan)

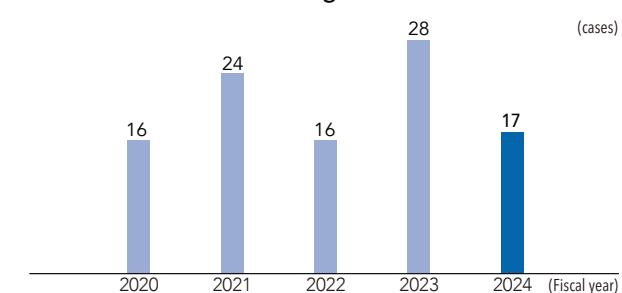


*The number of employees was reported in FY2021 and before. The percentage began to be reported in FY2022.

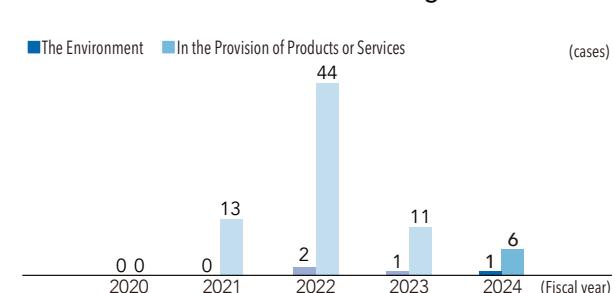
Average Annual Amount of Expenditure for Education/Training (Japan)



Number of Whistleblowing Cases



Number of Violations of Laws or Regulations



Operating Results and Financial Analysis

Overview of Operating Results

In FY2024, the business environment surrounding the Group showed overall signs of recovery, driven largely by economic growth in the United States centered on consumer spending. At the same time, we faced challenges such as the slowdown of the Chinese economy and volatility in financial and capital markets. In the latter half of the period, it became necessary to monitor developments in U.S. trade policy and other factors. In Japan, while employment and income conditions as well as corporate earnings showed gradual improvement, circumstances remained unpredictable due to factors such as U.S. policy trends and the impact of rising prices on business operations and private consumption.

Additionally, prices continued to rise for aluminum ingots and other materials.

In the current period, operating profit, ordinary profit, and profit attributable to owners of the parent all surpassed results from the previous period. This was due to strong performance in Aluminum Sheet and Extrusions, which improved significantly as a result of higher aluminum ingot market prices and sales price revisions, despite the ongoing impact of elevated raw material costs.

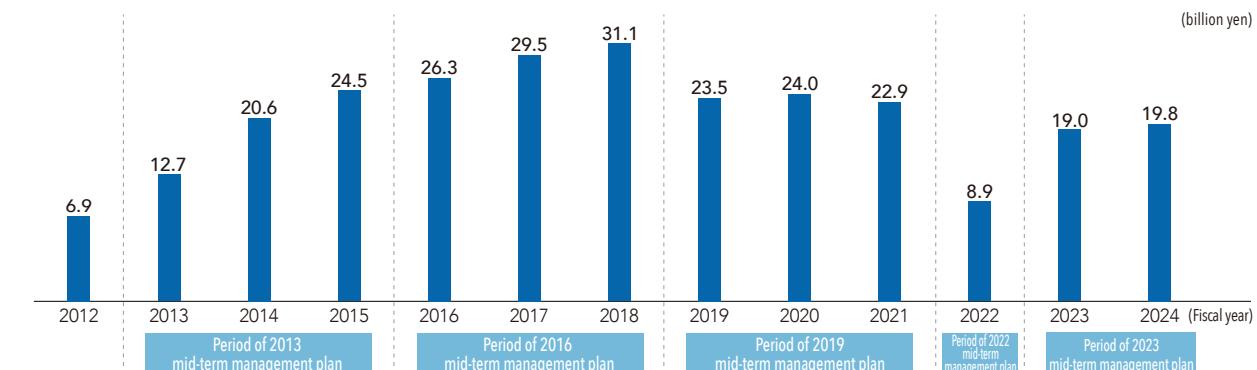
	FY2020 (results)	FY2021 (results)	FY2022 (results)	FY2023 (results)	FY2024 (results)
Net sales	432.6	486.6	517.0	523.7	550.2
Operating profit	24.2	22.2	7.5	18.2	21.7
Ordinary profit	24.0	22.9	8.9	19.0	19.8
Profit attributable to owners of parent	3.4	16.8	7.2	9.9	12.4
ROCE (return on capital employed)*	8.4%	8.7%	3.2%	6.0%	—
ROIC (return on invested capital)*	—	—	—	4.9%	5.1%

*Replaced the previously used ROCE with ROIC.

ROCE = Ordinary profit before interest / Capital employed at the beginning of the period (Beginning equity + Beginning interest-bearing debt - Beginning cash and deposits)

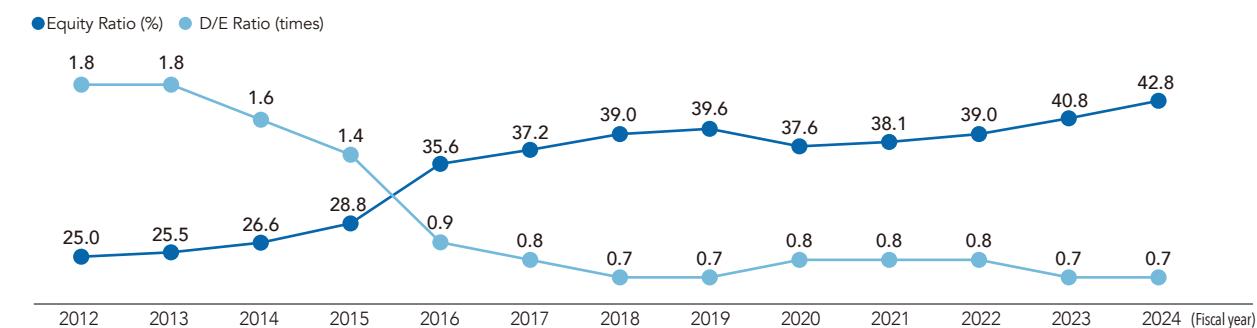
ROIC = Ordinary profit before interest expenses / Invested capital at the beginning of the period (Working capital (Accounts receivable + Inventories - Accounts payable) + Fixed assets)

Changes in Consolidated Ordinary Profit



Financial Position

In FY2024, our financial position remained stable, supported by an increase in retained earnings driven by higher profit attributable to owners of parent compared with the previous period. This improvement was mainly attributable to sales price revisions and higher aluminum ingot prices.



Operating Results and Financial Analysis

Management Indicators (2023 Mid-term Management Plan)

Financial Indicator

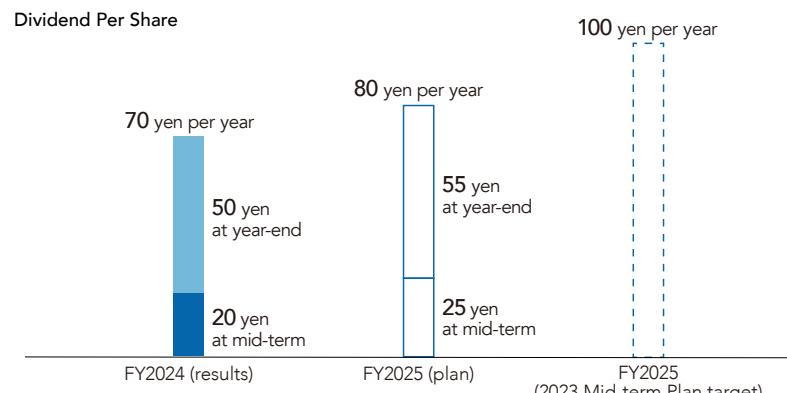
We aim to develop a structure which enables us to secure stable ordinary profit exceeding 30.0 billion yen, to enable the sustainable growth of the NLM Group. During the 2023 Mid-term Plan, we will create value through the growth strategies of the individual business segments. At the same time, we aim to build a revenue base that is less susceptible to the external environment by addressing the Group's issues.

	FY2023 (Results)	FY2024 (Results)	FY2025 (Forecast as of May 15)	FY2025 (Target under the 2023 Mid-term Plan)
Net sales	523.7	550.2	590.0	530.0
Operating profit	18.2	21.7	23.0	30.0
Ordinary profit	19.0	19.8	21.0	30.0
Profit attributable to owners of parent	9.9	12.4	15.0	20.0
ROCE (return on capital employed)*	6.0%	—	—	10.3%
ROIC (return on invested capital)*	4.9%	5.1%	5.5%	—

*Replaced the previously used ROCE with ROIC.

Basic Policy on Profit Distribution

Our basic policy is to provide dividends to our shareholders by comprehensively considering the consolidated financial results and other factors from a medium-to long-term perspective while striving to strengthen our financial standing and management foundation. Regarding the profit return indicator, we determine the amount of dividends and other returns based on a total payout ratio of 30% or higher, including the acquisition of treasury shares.



We strive to improve our corporate value by investing for the future, including in measures to strengthen our management foundation, R&D, human capital development, and initiatives to achieve carbon neutrality, in addition to investing to expand business in growth areas, such as areas related to automobiles and semiconductors, and creating demand and increasing earning power in the area of infrastructure business. We will increase earning power by implementing measures under the 2023 Mid-term Plan, followed by a review of our business structure and improvements in capital efficiency. In doing so, we aim to ensure management with an awareness of the improvement of the price-to-book ratio.

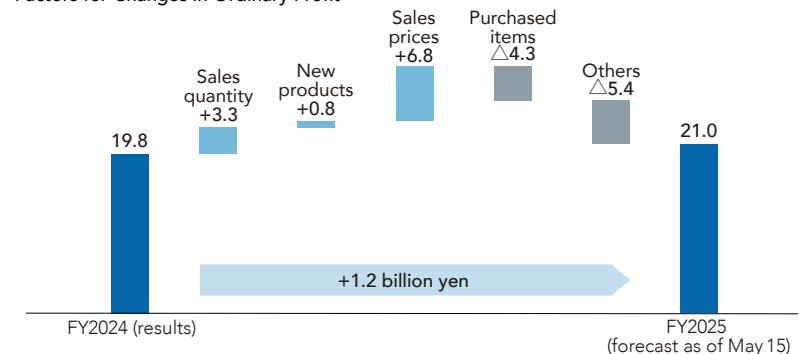
FY2025 Earnings Forecasts

For FY2025, we expect higher profit compared with the previous period. Although rising costs linked to aluminum ingot market conditions and a delayed recovery in semiconductor-related demand will have an impact, performance in Fabricated Products and Others is anticipated to improve, driven by continued strong demand in truck body-related sectors and the effects of sales price revisions. In addition, foil and powder products are also expected to exceed the levels of the prior year.

However, concerns persist regarding heightened anxiety over the global economy due to policy uncertainties in various countries—such as additional import tariff measures in the United States—and trade fragmentation. In Japan as well, it will be necessary to continue closely monitoring changes in the business environment stemming from rising prices and volatility in financial and capital markets.

	FY2024 (results)	FY2025 (forecast as of May 15)	(billion yen) Change
Net sales	550.2	590.0	+39.8 (+7.2%)
Operating profit	21.7	23.0	+1.3 (+5.8%)
Ordinary profit	19.8	21.0	+1.2 (+6.1%)
Profit attributable to owners of parent	12.4	15.0	+2.6 (+21.2%)
Dividend per share	70 yen	80 yen	+10 yen

Factors for Changes in Ordinary Profit



Key Financial Data for the Past 11 Years

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
(Unit: million yen)											
Performance Indicators											
Net Sales	431,477	464,405	448,381	481,439	500,451	465,946	432,568	486,579	516,954	523,715	550,180
Operating Profit	19,305	26,821	30,225	29,893	30,052	24,607	24,194	22,198	7,539	18,189	21,744
Ordinary profit	20,600	24,526	26,252	29,533	31,084	23,475	24,030	22,928	8,859	19,033	19,785
Profit attributable to owners of parent	9,645	15,533	19,520	18,012	20,560	7,476	3,366	16,759	7,203	9,939	12,375
Net Sales by Segment											
Aluminum Ingot and Chemicals Business	114,339	109,844	101,840	111,100	117,008	102,833	91,181	127,633	155,981	155,842	165,499
Aluminum Sheet and Extrusions Business	82,823	103,340	98,165	106,955	107,835	101,193	97,850	113,876	107,399	94,786	103,555
Fabricated Products and Others Business	138,088	149,220	154,684	169,019	180,259	172,975	157,297	153,415	153,167	167,793	172,249
Aluminum Foil, Powder and Paste Business	96,227	102,001	93,692	94,365	95,349	88,945	86,240	91,655	100,407	105,294	108,877
Operating Profit by Segment											
Aluminum Ingot and Chemicals Business	6,069	9,138	10,126	8,954	9,616	10,902	9,614	13,021	10,201	11,826	11,542
Aluminum Sheet and Extrusions Business	4,230	3,058	7,775	9,767	7,152	3,556	5,950	7,518	541	2,301	5,555
Fabricated Products and Others Business	7,704	10,958	10,245	9,783	11,681	10,440	8,892	3,776	59	2,631	3,173
Aluminum Foil, Powder and Paste Business	4,183	6,829	5,478	4,856	5,114	3,074	3,311	1,570	1,518	5,634	5,460
Elimination or corporate	△2,881	△3,162	△3,399	△3,467	△3,511	△3,365	△3,573	△3,687	△3,698	△4,203	△3,986
Financial Position											
Total assets	457,277	452,194	448,623	467,199	481,303	470,004	506,955	532,601	526,201	544,095	544,307
Balance of interest-bearing debt	188,990	182,207	149,835	139,997	139,570	132,622	146,229	155,406	163,570	156,091	168,828
Net assets	137,385	144,419	173,624	189,322	202,735	201,198	207,104	220,907	220,758	238,997	250,481
Non-controlling interests	15,963	14,235	13,971	15,365	14,881	14,923	16,392	17,818	15,283	16,837	17,350
Cash Flows, Capital Investment, etc.											
Cash flows from operating activities	11,780	37,770	36,488	25,868	34,644	48,676	41,942	1,487	695	38,041	12,059
Cash flows from investing activities	△7,119	△19,419	△11,887	△14,948	△22,777	△29,684	△25,674	△18,021	△15,123	△23,931	△19,107
Cash flows from financing activities	△17,581	△10,708	△24,432	△17,040	△8,904	△15,745	8,194	△626	85	△11,049	6,243
Depreciation	16,406	16,356	16,602	17,126	17,294	18,694	19,157	20,063	19,732	20,525	20,899
Capital expenditures	15,869	18,861	19,908	21,077	29,926	29,979	25,933	23,222	18,253	23,900	21,373
Research and development expenses	4,495	4,794	4,939	5,177	5,447	5,867	5,935	6,443	6,391	6,260	5,856
Other Indicators											
Ratio of operating profit to net sales	4.5	5.8	6.7	6.2	6.0	5.3	5.6	4.6	1.5	3.5	4.0
Equity ratio	26.6	28.8	35.6	37.2	39.0	39.6	37.6	38.1	39.0	40.8	42.8
D/E ratio	1.6	1.4	0.9	0.8	0.7	0.7	0.8	0.8	0.8	0.7	0.7
ROE (Return on Equity)	8.3	12.3	13.5	10.8	11.4	4.0	1.8	8.5	3.5	4.6	5.4
ROIC*1	—	—	—	—	—	(Reference value) 6.9	(Reference value) 6.5	(Reference value) 2.5	(Reference value) 4.9	5.1	—
ROCE*1	8.2	9.0	9.6	10.7	10.8	8.0	8.4	8.7	3.2	6.0	—
Profit per share	177.35	285.62	345.79	290.88	332.03	120.73	54.37	270.77	116.33	160.47	200.01
Dividend per share	50.0	60.0	80.0	80.0	90.0	90.0	65.0	85.0	50.0	50.0	70.0
Total payout ratio	28.2	21.00	23.1	27.5	27.1	74.6	119.6	31.4	43.0	34.3	35.0
Number of shares issued (thousand shares)*2	545,126	545,126	619,938	619,938	619,938	619,938	61,994	61,994	61,994	61,994	61,994
Number of employees	13,335	12,961	13,126	12,855	13,316	13,611	13,162	12,750	12,633	12,489	12,318

*1 We have replaced the previously used ROCE (Return on Capital Employed) with ROIC (Return on Invested Capital) starting in FY2024.

*2 On October 1, 2020, we conducted a one-for-ten reverse stock split. Accordingly, the impact of the reverse stock split was considered when calculating the dividend per share for FY2019 (fiscal year ended March 2020) and before.

Data

■ Employees, etc.

		Boundary	FY2020	FY2021	FY2022	FY2023	FY2024	Unit
Number of directors	Full-time directors	Consolidated Male	209	223	217	225	213	person(s)
		Consolidated Female	1	1	1	3	3	person(s)
		Consolidated Total	210	224	218	228	216	person(s)
Number of employees* ¹	Managerial staff	Consolidated Male	1,712	1,674	1,680	1,698	1,698	person(s)
		Consolidated Female	100	95	99	105	111	person(s)
		Consolidated Total	1,812	1,769	1,779	1,803	1,809	person(s)
Number of employees by country/region	General	Consolidated Male	9,040	8,486	8,398	8,244	8,117	person(s)
		Consolidated Female	2,310	1,775	1,773	1,785	1,775	person(s)
		Consolidated Total	11,350	10,261	10,171	10,029	9,892	person(s)
	Temporary	Consolidated (Japan) Male	—	—	483	472	446	person(s)
		Consolidated (Japan) Female	—	—	200	185	171	person(s)
		Consolidated Total	—	—	683	657	617	person(s)
	Total employees	Consolidated Total	13,162	12,030	12,633	12,489	12,318	person(s)
Number of employees in each age group* ²	Japan	Consolidated Male	8,668	8,621	9,028	8,925	8,812	person(s)
		Consolidated Female	1,384	1,431	1,660	1,671	1,697	person(s)
		Consolidated Total	10,052	10,052	10,688	10,596	10,509	person(s)
	Asia	Consolidated Male	1,858	1,317	1,289	1,238	1,180	person(s)
		Consolidated Female	985	400	371	354	308	person(s)
		Consolidated Total	2,843	1,717	1,660	1,592	1,488	person(s)
	U.S. and Europe	Consolidated Male	226	222	243	250	269	person(s)
		Consolidated Female	41	39	42	51	52	person(s)
		Consolidated Total	267	261	285	301	321	person(s)

		Boundary	FY2020	FY2021	FY2022	FY2023	FY2024	Unit	
Number of employees in each age group* ²	Number of employees in each age group* ²	30 to 39	Consolidated Male	3,038	2,745	2,716	2,614	2,510	person(s)
		Consolidated Female	826	530	552	499	472	person(s)	
		Consolidated Total	3,864	3,275	3,268	3,113	2,982	person(s)	
	40 to 49	Consolidated Male	2,798	2,641	2,743	2,543	2,588	person(s)	
	Consolidated Female	738	564	600	538	531	person(s)		
	Consolidated Total	3,536	3,205	3,343	3,081	3,119	person(s)		
	50 to 59	Consolidated Male	2,252	2,290	2,467	2,452	2,495	person(s)	
	Consolidated Female	319	351	418	402	426	person(s)		
	Consolidated Total	2,571	2,641	2,885	2,854	2,921	person(s)		
	60 or older	Consolidated Male	650	681	888	719	754	person(s)	
	Consolidated Female	63	61	122	86	97	person(s)		
	Consolidated Total	713	742	1,010	805	851	person(s)		
	Percentage of female employees* ³	Consolidated	—	—	16.4	16.6	16.7	%	
	Percentage of managers that are women	Consolidated	—	—	5.6	5.8	6.1	%	
Number of new hires	Total	Consolidated (Japan)	486	459	470	545	557	person(s)	
	Percentage to employees	Consolidated (Japan)	5.3	5.0	5.1	5.9	6.2	%	
	Number of new graduates who were recruited	Consolidated (Japan)	196	205	185	191	157	person(s)	
Number of employees who left	Total	Consolidated (Japan)	427	515	541	612	578	person(s)	
	Percentage to employees	Consolidated (Japan)	4.4* ³	5.3	5.5	6.2	6.0	%	
Three-year retention rate* ⁴		Consolidated (Japan)	87.8	82.3	79.8	80.4	86.5	%	
Number of those who were re-employed after retirement		Non-consolidated (Nippon Light Metal Co., Ltd.)	1	8	4	0	1	person(s)	
Labor Union participation rate		Non-consolidated (Nippon Light Metal Co., Ltd.)	100	100	100	100	100	%	
Average age		Consolidated Male	40.7	41.3	42.1	42.5	43.8	years old	
		Consolidated Female	38.4	39.8	40.5	40.7	41.8	years old	
		Consolidated Total	40.3	41.0	41.9	42.2	43.4	years old	
Average duration of service		Consolidated Male	12.7	13.4	13.4	13.8	14.1	years	
		Consolidated Female	8.6	10.4	10.3	10.9	10.9	years	
		Consolidated Total	12.0	12.9	12.9	13.3	13.5	years	

*1 Fixed-term (full-time) employees are included. Temporary employees began to be included in FY2022.

*2 Temporary employees began to be excluded in FY2023.

*3 Began to include the number of temporary employees in FY2022.

*4 Percentage of employees who are still at the company as of April 1 in the year that is three years after they joined the company.

Data

	Boundary	FY2020	FY2021	FY2022	FY2023	FY2024	Unit
Average annual hours worked	Consolidated (Japan) Male	2,085	2,119	2,137	2,164	2,205	Hours/person
	Consolidated (Japan) Female	1,919	2,003	2,036	1,990	2,171	Hours/person
	Consolidated (Japan) Total	2,062	2,103	2,122	2,139	2,200	Hours/person
Average annual overtime work hours	Consolidated (Japan) Male	255	257	237	248	242	Hours/person
	Consolidated (Japan) Female	130	153	145	133	147	Hours/person
	Consolidated (Japan) Total	238	243	224	231	228	Hours/person
Average number of days of annual paid leave taken	Consolidated Male	10.8	12.7	13.6	14.8	14.3	days
	Consolidated Female	9.9	12.9	14.2	15.4	15.6	days
	Consolidated Total	10.6	12.7	13.7	14.9	14.5	days
Average rate of acquisition of annual paid leave	Consolidated Male	56.4	59.5	67.6	69.2	69.1	%
	Consolidated Female	64.3	67.2	73.4	76.2	70.5	%
	Consolidated Total	57.6	60.6	68.5	70.2	69.4	%
Percentage of newly taken childcare leave ^{*5}	Consolidated (Japan) Male	12	50	40.6	68.2	80.3	%
	Consolidated (Japan) Female	42	74	108.3	102.9	114.3	%
	Consolidated (Japan) Total	54	124	50.8	73.3	86.5	%
Number of employees who newly took nursing care leave	Consolidated (Japan) Male	2	1	1	6	6	person(s)
	Consolidated (Japan) Female	2	1	2	3	2	person(s)
	Consolidated (Japan) Total	4	2	3	9	8	person(s)
Number of users of the shorter working hour program	Consolidated (Japan) Male	5	5	6	11	16	person(s)
	Consolidated (Japan) Female	96	100	110	114	113	person(s)
	Consolidated (Japan) Total	101	105	116	125	129	person(s)
Number of employees who were absent from work due to mental health problems	Consolidated (Japan) Male	45	43	40	58	73	person(s)
	Consolidated (Japan) Female	5	8	11	23	16	person(s)
	Consolidated (Japan) Total	50	51	51	81	89	person(s)
Average Annual Amount of Expenditure for Education/Training	Consolidated	16.2	17.8	31.1	50.9	35.4	thousand yen/person
Employment rate of people with disabilities ^{*6}	Non-consolidated (Nippon Light Metal Co., Ltd.)	2.60	2.57	2.68	2.86	2.70	%
	Non-consolidated (Toyo Aluminium K.K.)	2.63	2.30	2.52	2.34	2.74	%
Ratio of women's wages to men's wages ^{*7}	Non-consolidated (Nippon Light Metal Co., Ltd.)	—	—	68.7	72.2	74.5	%

*5 The number of employees was reported in FY2021 and before. The percentage began to be reported in FY2022.

*6 As of June 1 immediately after the end of each fiscal year. The statutory employment rate is 2.3%.

*7 Began to be calculated in FY2022.

■ The Environment

	Boundary	FY2020	FY2021	FY2022	FY2023	FY2024	Unit
Greenhouse gas emissions (Scope 1 and 2) ^{*1}	Consolidated	486	486	449	453	★439	thousand tons CO ₂
	Consolidated (Japan only) ^{*2}	369	386	353	357	344	thousand tons CO ₂
	Consolidated (overseas only) ^{*3}	117	100	96	96	95	thousand tons CO ₂
Greenhouse gas emissions per unit of sales ^{*1}	Consolidated (Japan only)	1.06	1.01	0.88	0.87	0.80	tons CO ₂ /million yen
Breakdown of Scope 3 emissions ^{*4}							
Category 1: Purchased goods and services ^{*5}	Consolidated	2,107	2,389	2,404	2,026	★2,159	thousand tons CO ₂ e
Category 2: Capital goods	Consolidated	39	23	25	31	30	thousand tons CO ₂ e
Category 3: Fuel and energy not included in Scope 1 or 2	Consolidated	31	33	32	31	31	thousand tons CO ₂ e
Category 4: Upstream transportation and distribution	Consolidated	0	0	0	0	0	thousand tons CO ₂ e
Category 5: Waste generated in operation	Consolidated	3	4	4	4	3	thousand tons CO ₂ e
Category 6: Business travel	Consolidated	0	0	0	0	0	thousand tons CO ₂ e
Category 7: Employee commuting	Consolidated	4	4	4	4	4	thousand tons CO ₂ e
Energy consumption	Electricity	7.8	8.3	7.7	7.4	7.2	PJ
	Fuels	5.5	5.8	5.5	5.4	5.4	PJ
Energy consumption intensity per unit of sales	Consolidated	30.4	29.0	25.4	24.5	23.0	GJ/million yen
Weight of raw materials used in production	Consolidated	426	456	555	461	466	thousand tons
SOx emissions	Consolidated	330	350	293	333	328	tons
NOx emissions	Consolidated	380	507	414	439	460	tons

★: We have received independent assurance by Sustainability Accounting Co., Ltd. regarding the reliability of the data.

*1 The sum of Japan only and overseas only figures may not match the consolidated figures due to rounding.

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

Electricity in Japan: The adjusted emission factor for each electric power supplier that was announced by the Ministry of the Environment and the Ministry of Economy, Trade and Industry
Fuel in Japan: (City gas) The basic emission factor or emission factor for each gas business operator that was announced by the Ministry of the Environment and the Ministry of Economy, Trade and Industry; (Other) The emission factor per unit for each fuel set by a ministerial ordinance from the Ministry of the Environment

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

Electricity overseas: Emission factor announced by each government (since FY2023)

Fuel overseas: Same as fuel in Japan above *2

*4 Calculated based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry. To calculate figures for FY2021, we used emission factors specified in the Inventory Database for Environmental Analysis (IDEA) database (ver. 2.3; for calculating greenhouse gas emissions from the supply chain) and in the Summary of LCI Data of Imported Primary Aluminum Ingots in Japan published by the Japan Aluminum Association.

*5 Category 1 emissions are calculated based on aluminum ingots, aluminum hydroxide, raw salt, and metallic silicon as raw materials. Of these, the volume of Toyo Aluminium K.K. is excluded from the purchase volume of "aluminum ingots."

Data

	Boundary	FY2020	FY2021	FY2022	FY2023	FY2024	Unit
Quantity of water intake ^{*6}	Consolidated	21.7	21.2	21.3	19.0	★18.7	million m ³
Total amount of discharged water	Consolidated	20.7	20.4	20.4	17.9	17.3	million m ³
Total wastewater per unit of sales	Consolidated	4.8	4.2	3.9	3.4	3.2	10 ⁵ million m ³ /million yen
Water consumption	Consolidated	1.0	0.9	0.9	1.2	1.3	million m ³
COD emissions	Consolidated	90	77	99	77	72	tons
Emissions and disposal of waste and waste byproducts	Total emissions	37.1	44.2	38.1	36.2	34.3	thousand tons
	Total emissions per unit of sales	8.6	9.1	7.4	6.9	6.2	10 ⁵ thousand tons/million yen
	Disposed (landfill)	3.5	4.8	5.1	3.7	3.4	thousand tons
	Disposed (landfill) per unit of sales	8.2	9.9	9.9	7.1	6.2	10 ⁶ thousand tons/million yen
Environmental accounting	Environmental conservation investment (Japan only)	995	1,359	1,972	1,473	1,765	million yen
	Environmental conservation expenditure (Japan only)	5,746	5,688	6,498	5,897	6,199	million yen
	Economic gains from environmental conservation activities (Japan only)	334	603	634	681	803	million yen
	Cost increases/decreases from economic effects of environmental conservation activities ^{*7*8} (Japan only)	2,098	-1,849	-3,625	2,374	-749	million yen
Number of cases of lawsuits, penalties, or forfeitures related to the environment	Consolidated	0	0	2	1	1	case(s)
Number of accidents related to the environment ^{*9}	Consolidated	3	3	6	18	25	case(s)
Number of complaints related to the environment ^{*10}	Consolidated	6	7	7	18	9	case(s)
Safety							
	Boundary	FY2020	FY2021	FY2022	FY2023	FY2024	Unit
Number of workplace injuries ^{*11}	Lost-time injuries Consolidated (Japan only)	12	15	16	15	15	case(s)
	Consolidated (overseas only)	7	14	6	2	9	case(s)
	Non-lost-time injuries Consolidated (Japan only)	58	46	51	37	53	case(s)
	Consolidated (overseas only)	3	4	6	5	9	case(s)
Frequency rate of lost-time injuries ^{*11*12}	Consolidated	0.58	0.73	0.81	0.75	0.79	
	Non-consolidated (Nippon Light Metal Co., Ltd.)	0.52	0.26	0.52	0.00	0.28	

Compliance		Boundary	FY2020	FY2021	FY2022	FY2023	FY2024	Unit
Number of cases that were reported to Group Hotline	Consolidated		16	24	16	28	17	case(s)
Compliance meeting	Number of times the training was held	Consolidated	2,517	2,416	2,319	2,387	2,520	times
	Number of participants	Consolidated	23,059	22,307	21,529	21,911	21,712	total number
Number of patent publications ^{*11*13}		Consolidated	140	213	132	115	96	case(s)
Number of patent registrations ^{*11*13}		Consolidated	131	88	97	93	81	case(s)
Quality assurance		Boundary	FY2020	FY2021	FY2022	FY2023	FY2024	Unit
Number of violations of laws or regulations in the provision of products/services		Consolidated	0	13	44	11	6	case(s)
Number of prompt reports		Consolidated	9	15	21	38	36	case(s)
Number of recalls		Consolidated	5	3	2	1	3	case(s)
Community		Boundary	FY2020	FY2021	FY2022	FY2023	FY2024	Unit
Expenditure related to social contribution		Consolidated	113	119	280	163	249	million yen
Governance		Boundary	FY2020	FY2021	FY2022	FY2023	FY2024	Unit
Interim and year-end dividend per share		Consolidated	65 ^{*14}	85	50	50	70	yen
Amount of income taxes paid by country^{*15}								
Fiscal year	Japan		China		Thailand		U.S.	
	Amount paid	Number of employees	Amount paid	Number of employees	Amount paid	Number of employees	Amount paid	Number of employees
2020	3,915	10,062	526	1,976	59	785	81	158
2021	5,725	10,784	450	742	58	758	147	152
2022	6,522	10,700	422	360	207	752	218	190
2023	532	10,608	256	579	121	718	823	203
		Indonesia		India		Vietnam		France
		Amount paid	Number of employees	Amount paid	Number of employees	Amount paid	Number of employees	Amount paid
								Number of employees

★: We have received independent assurance by Sustainability Accounting Co., Ltd. regarding the reliability of the data.

*11 The subject period is the calendar year (January to December).

*12 Injuries that resulted in one or more days' absence from work (excluding commuting injuries)

*13 Companies subject to calculation were added from FY2020.

*14 On October 1, 2020, we conducted a one-for-ten reverse stock split. Accordingly, the impact of the reverse stock split was considered for the amounts of dividend per share for FY2019 (fiscal year ended March 2020) and before.

*15 Tax payments in Singapore, Taiwan, and Hong Kong were one yen or more but less than one million yen.

Independent Assurance Report



Independent Assurance Statement

October 16, 2025

Mr. Ichiro Okamoto
President and Chief Executive Officer
Nippon Light Metal Holdings Company, Ltd.

1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by Nippon Light Metal Holdings Company, Ltd. ("the Company") to provide limited assurance on the following data of the Company domestic and overseas group for the fiscal year 2024: 18.7 million m³ of quantity of water intake, 310 thousand tons CO₂ for Scope1, 128 thousand tons CO₂ for market-based Scope2, and 2.16 million tons CO₂e for Scope3 (category 1*) (collectively, "the Environmental Performance Indicators"). The purpose of this process is to express our conclusion on whether the Environmental Performance Indicators were calculated in accordance with the Company's standards. The Company's management is responsible for calculating the Environmental Performance Indicators. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

*Excluding Toyo Aluminium K.K.

2. Procedures Performed

We conducted our assurance engagement in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000) and International Standard on Assurance Engagement 3410 (ISAE 3410). The key procedures we carried out included:

- Interviewing the Company's responsible personnel to understand the Company's standards
- Reviewing the Company's standards
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the Environmental Performance Indicators were calculated in accordance with the Company's standards
- On-site inspection.

3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Environmental Performance Indicators have not been calculated in all material respects in accordance with the Company's standards.

We have no conflict of interest relationships with the Company.



Takashi Fukushima
Representative Director
Sustainability Accounting Co., Ltd.

Company Information, Share Information, and Global Network

Corporate Overview (as of March 31, 2025)

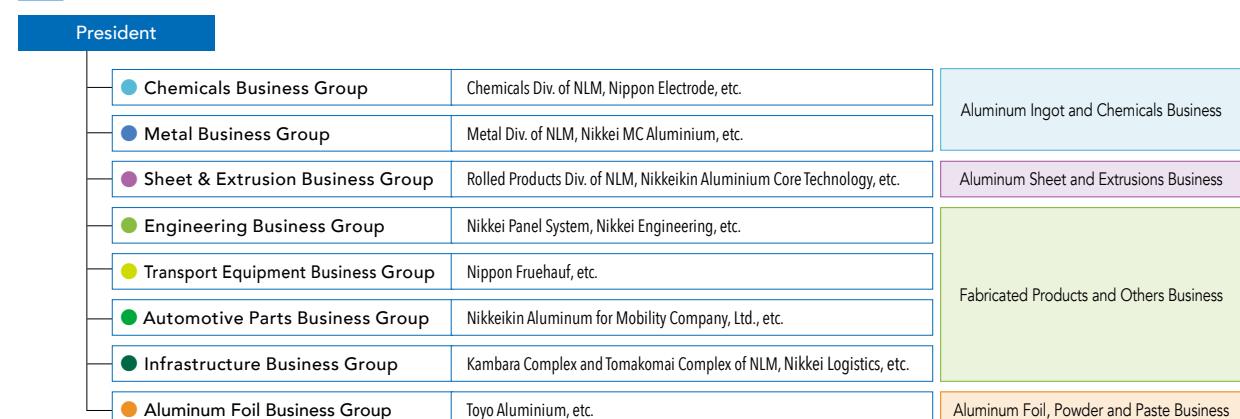
Company Name	Nippon Light Metal Holdings Company, Ltd.
Head Office Location	Urbannet Uchisaiwai-cho Building, 1-1-13 Shinbashi, Minato-ku, Tokyo
Share Capital	46,525,000,014 yen
President and Chief Executive Officer	Ichiro Okamoto
Number of Employees	12,318 (consolidated)
Established	October 1, 2012
Stock Exchange Listings	Tokyo Stock Exchange Prime Market (Securities code: 5703)

Share Information (as of March 31, 2025)

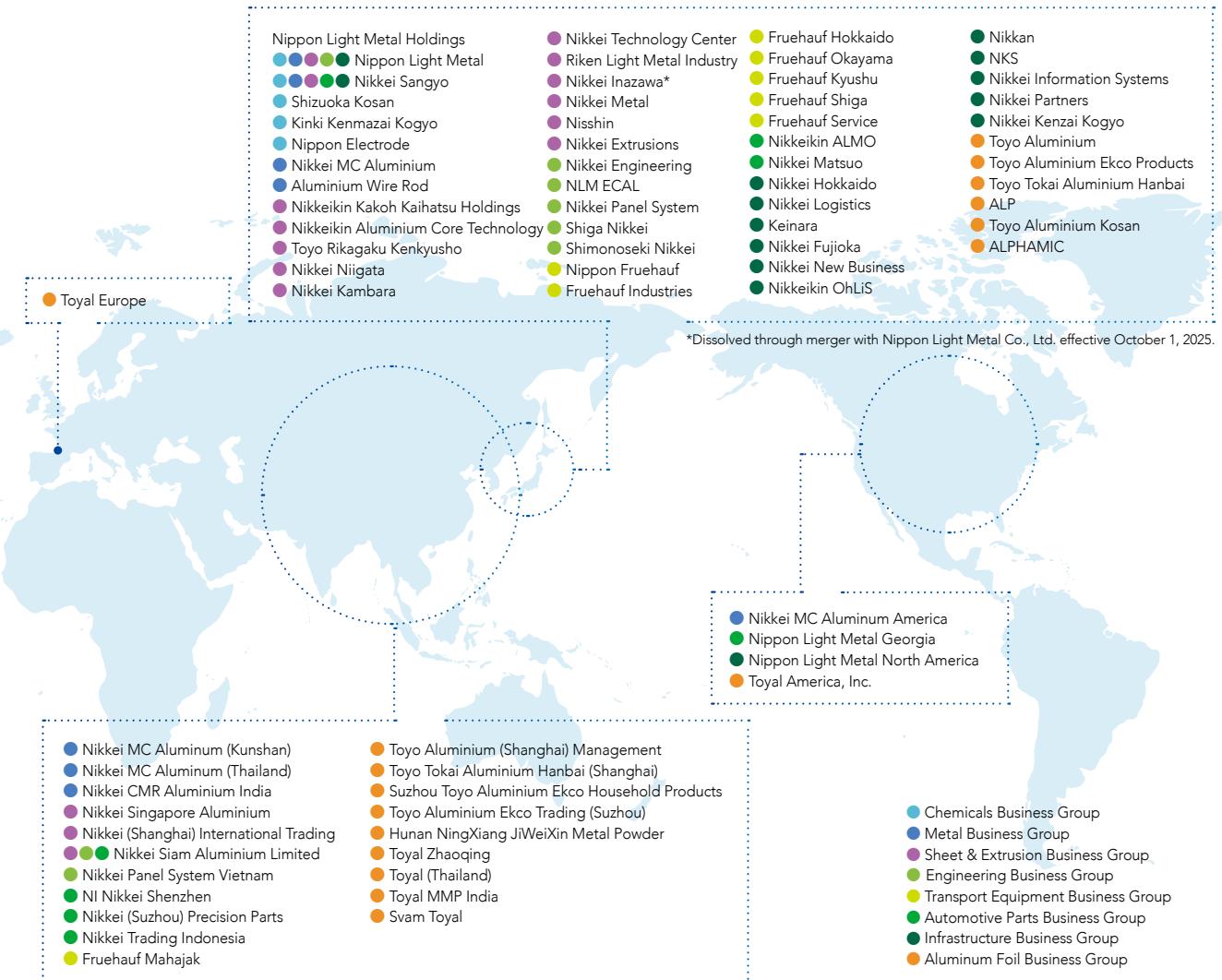
Total Number of Authorized Shares	200,000,000 shares	
Total Number of Issued Shares	61,993,750 shares	
Number of Shareholders	51,023	
Major Shareholders (top ten)		
Name of Shareholder	Number of Shares Held (in thousands)	Ratio of Shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,145	14.8
Custody Bank of Japan, Ltd. (Trust Account)	4,164	6.7
Nikkei-Keiyu-Kai	2,124	3.4
The Dai-ichi Life Insurance Company, Limited	2,000	3.2
Asahi Mutual Life Insurance Company	1,598	2.6
The Light Metal Educational Foundation, Inc.	1,491	2.4
STATE STREET BANK AND TRUST COMPANY 505001	1,478	2.4
STATE STREET BANK AND TRUST COMPANY 505223	1,159	1.9
Mizuho Bank, Ltd.	1,126	1.8
STATE STREET BANK WEST CLIENT - 505224	954	1.5

Note: Ratio of shareholding is calculated after excluding treasury shares (55,055 shares).

Nippon Light Metal Group Management Structure (as of March 31, 2025)



Global Network (as of March 31, 2025)





CONTACT INFORMATION

Nippon Light Metal Holdings Company, Ltd.
Planning Administration Dept. Public Relations

Urbannet Uchisaiwai-cho Building, 1-1-13 Shimbashi, Minato-ku, Tokyo 105-8681 Japan
TEL: +81 3-6810-7100
<https://www.nikkeikinholdings.com/>