

Progress in Pursuing Management Reforms and Examination and Formulation of the Next Medium-term Management Plan



November 18, 2025
Nippon Light Metal Holdings Company, Ltd.

Pursuing Management Reforms: Our Issues → Targeted Direction

- Transformed from Defensive stance of 23 MTP (addressing internally-oriented management issues) to a structure capable of an **aggressive** approach to the next MTP (actively responding to market needs and issues)

Issues

Our management issues

Financial terms

- Structure capable of consistently achieving ordinary profit in the range of 30 billion yen
- Building up a highly resilient revenue base and system to withstand external changes
- Enhancing capital efficiency
Current PBR of 0.5x (as of September 30, 2025)

Non-financial terms

- **Sediment control measures for Amehata Dam:**
 - Short-term and mid-term plans completed in March 2025 (transitioned to the long-term plan)
- **Preventing recurrence of quality-related inappropriate behavior**
 - Initiated in March 2023, progressing on track (expected completion in March 2026)

External environment (market needs and societal issues)

- **Speed of change in market conditions**
 - Automobiles (shift to EVs, review), semiconductors, etc.
- **Economic growth and country risks**
 - Japan, China, North America, India

- **Governance and compliance**
- **Carbon neutrality**
- **Demographic changes, employee engagement**

Management reforms



Reinforcement of Board of Directors' supervisory function



Grouping of businesses and functional organizations

Targeted direction

Large-scale business groups

- Bold **growth strategies**
- **Human resource allocation** aligned with business growth potential
- Prioritize promising businesses, implement **large investments and M&A** for long-term growth

Powerful functional organizations

- Act ahead of industry trends (GX, carbon neutrality, etc.) and strongly promote **updates to regulatory changes**
- Maintain '**necessary yet sufficient**' indirect departments with independence
- **Build and promote** cross-business group **collaboration and human resource structure**

Completion of Measures to Prevent Recurrence of Quality-related Inappropriate Behavior and Other Matters

- Since April 2023, we have pursued recurrence-prevention initiatives, with the Business Transformation Office serving as the core pillar.

- Initiatives—namely dialogue between management and employees, reinforcement of the compliance framework, and promotion of the use of the whistleblowing system—remain ongoing issues, with full completion scheduled by the end of March 2026.

再発防止策の全体像



1. 調査結果および再発防止の報告・共有

- (1) 従業員説明
- (2) 顧客説明
- (3) 責任の所在
- (4) 未調査事業所の調査

2. 経営改革の推進

- (1) グループ・ガバナンス体制の再構築 – グループ連携の強化
- (2) 当社とグループ会社の関係再構築
- (3) グループでの経営課題・リスクへの対処
- (4) 営業・開発・製造・品質保証・各部門による組織横断的な対応
- (5) 品質保証体制の再構築
 - ① 当社品質保証体制の強化
 - ② 品質監査の強化
 - ③ グループ全体での品質保証体制の強化と整備
 - ④ グループ子会社間の協力と相互牽制の体制整備 ※④については③と統合
 - ⑤ 品質保証機能への経営資源投下
- (6) 不断の検証
- (7) 当社取締役会による監督強化

3. 内部統制機能の強化

- (1) 取締役会の監督のもとでの、実行的な内部統制システム構築・運用
- (2) 企業風土の改革
- (3) 情報の報告・連携の強化
- (4) コンプライアンス強化活動の推進
- (5) 内部監査部門の強化
- (6) 内部通報制度改革
- (7) 外部リソースの活用

Grouping of Businesses and Functional Organizations

- Pursuing management reforms with large-scale business groups (8 groups) and powerful functional organizations (8 organizations)

Business Group

Segment	Business Group	Main divisions/ products	Main business company/business divisions
Aluminum ingot and chemicals	<u>Chemicals business group</u>	<ul style="list-style-type: none"> Chemicals division Carbon products division 	<ul style="list-style-type: none"> NLM Chemicals Nippon Electrode
	<u>Metal business group</u>	<ul style="list-style-type: none"> Secondary alloy ingot division 	<ul style="list-style-type: none"> Nikkei MC Aluminium
Aluminum sheet and extrusions	<u>Sheet & Extrusion business group</u>	<ul style="list-style-type: none"> Aluminum sheet division 	<ul style="list-style-type: none"> NLM sheets
		<ul style="list-style-type: none"> Extrusions division 	<ul style="list-style-type: none"> Nikkeikin Aluminium Core Technology
		<ul style="list-style-type: none"> Electronic materials division 	<ul style="list-style-type: none"> NLM capacitor foil division
Fabricated products and others	<u>Transport Equipment business group</u>	<ul style="list-style-type: none"> Truck bodies 	<ul style="list-style-type: none"> Nippon Fruehauf
	<u>Automotive Parts business group</u>		<ul style="list-style-type: none"> Nikkeikin Aluminum for Mobility
	<u>Engineering business group</u>	<ul style="list-style-type: none"> Panel system division 	<ul style="list-style-type: none"> Nikkei Panel System
		<ul style="list-style-type: none"> Landscape engineering 	<ul style="list-style-type: none"> Nikkei Engineering
Aluminum foil, powder and paste	<u>Infrastructure business group</u>		<ul style="list-style-type: none"> NLM Kambara Complex, Tomakomai Complex Nikkei Logistics
		<ul style="list-style-type: none"> Foil division 	
		<ul style="list-style-type: none"> Powder and paste division Daily necessities division 	<ul style="list-style-type: none"> Toyo Aluminium

Functional Organization

● Business Transformation Office

● Quality Assurance Division

« Quality assurance, product safety

● Technology and Development Administration Department

« Technology and development, research

● Marketing & Incubation Administration Office

« Product development, business and product creation, M&A

● Sustainability Promotion Administration Office

« CSR, audits, legal affairs, occupational safety and health management, environment

● Corporate Personnel Administration Office

« Personnel, general affairs, accounting & finance, procurement

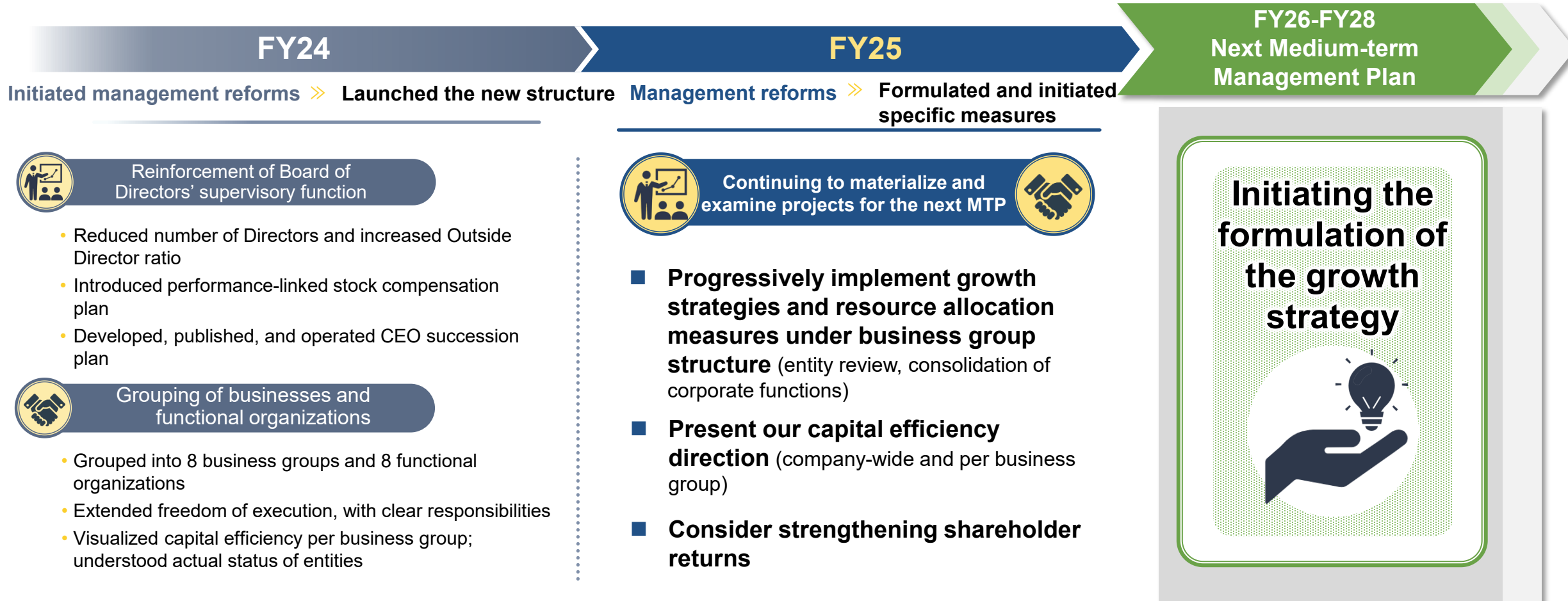
● Planning Administration Department

« Corporate planning, information systems, public relations and IR

● Green Growth Strategy Office

Examination and Formulation Process

- **FY25** (second year of Pursuing Management Reforms): **Progressing on track** toward the examination and formulation of the next MTP



Progress in Pursuing Management Reforms

Resource Allocation and Growth Strategies under Business Group Structure: Projects Decided to be Implemented

- Transforming to an **aggressive** structure: Taking immediate action wherever feasible, without setting boundaries

Raise margins

	Action item	Individual project	Business group/ functional organization
Strengthen existing businesses	■ Review of business and product portfolios	» Sales strategy (shift to growth areas and high value-added products, etc.)	All 8 business groups
	■ Business domains	» Service, maintenance, and parts businesses	Transport Equipment business group
		» Focus on growth products (processed foil for medical product packaging, heat dissipation materials, alloy powders for 3D printers)	Aluminum Foil business group, etc.
Explore new businesses	■ Business domains	» Construction of a circular supply chain	Metal business group
	■ Alliances and investments	» Investments in Indian recycled aluminum company CMR NLM Eco	Metal business group
		» Nippon Electrode's collaboration with SEC Carbon (accepted a 20% equity investment)	Chemicals business group
		» Execution of a strategic partnership agreement with NTT Data Xam Technologies in the metal AM (additive manufacturing) business	Marketing & Incubation Administration Office (Aluminum Foil business group)
	■ Products and brands	» Sales of low-carbon products (CMR-Eco recycled, extruded and rolled materials), branding (for trucks, railways, automobiles, and green power products)	All 8 business groups
	■ Overseas operations	» Strategic reinforcement of the majority-owned secondary alloy ingot base in India	Metal business group
		» India's expansion of processed foil for medical product packaging (India nationwide, Middle East & North Africa, Europe, and Latin America)	Aluminum Foil business group

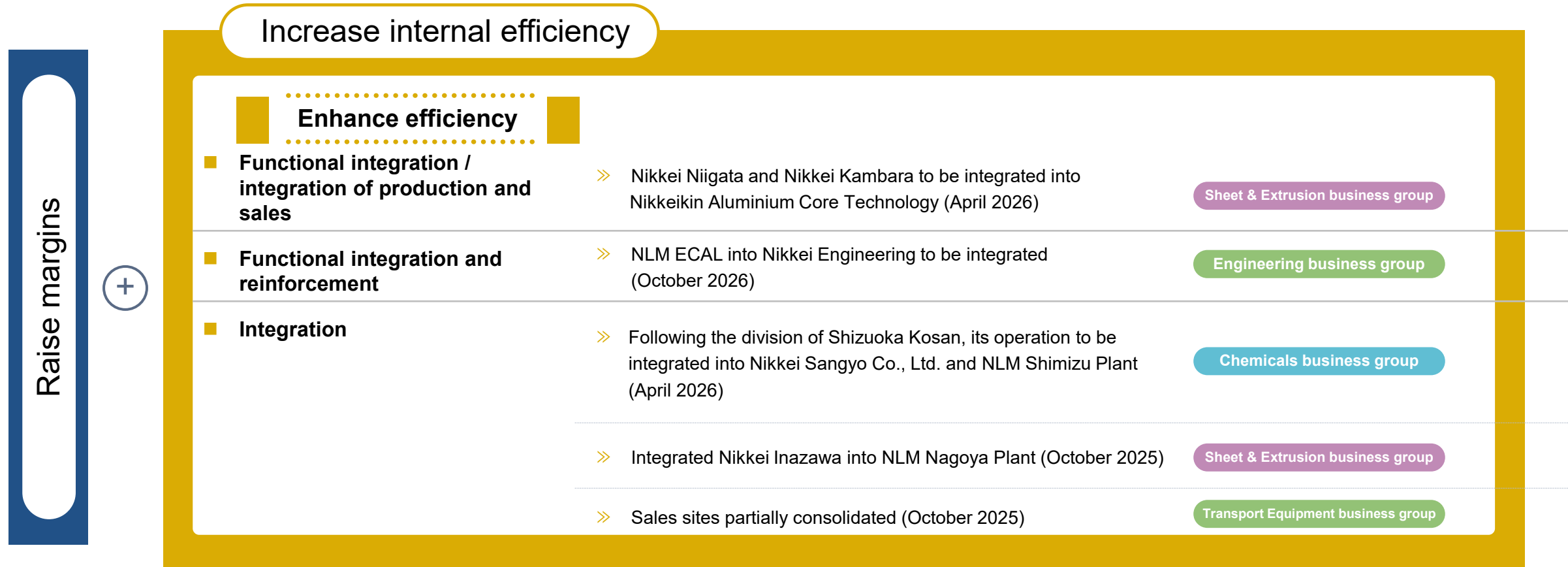


Increase internal efficiency

Progress in Pursuing Management Reforms

Resource Allocation and Growth Strategies under Business Group Structure: Projects Decided to be Implemented

- Transforming to an **aggressive** structure: Taking immediate action wherever feasible, without setting boundaries



Further Issues Under Examination

- Examining **transformative measures unconstrained by precedent**, to tackle issues hindering both financial and non-financial **growth**, as well as the enhancement of capital efficiency

Raise margins

Strengthen **existing** businesses

- Review of business and product portfolio
 - » Customer strategy (selection and withdrawal of products)
 - » Review of product and business compositions
- Alliances and investments
 - » Equity investments and M&A aimed at creating new value and driving business growth
 - » Collaboration with external partners (business selection and response to aging facilities)



Increase internal efficiency

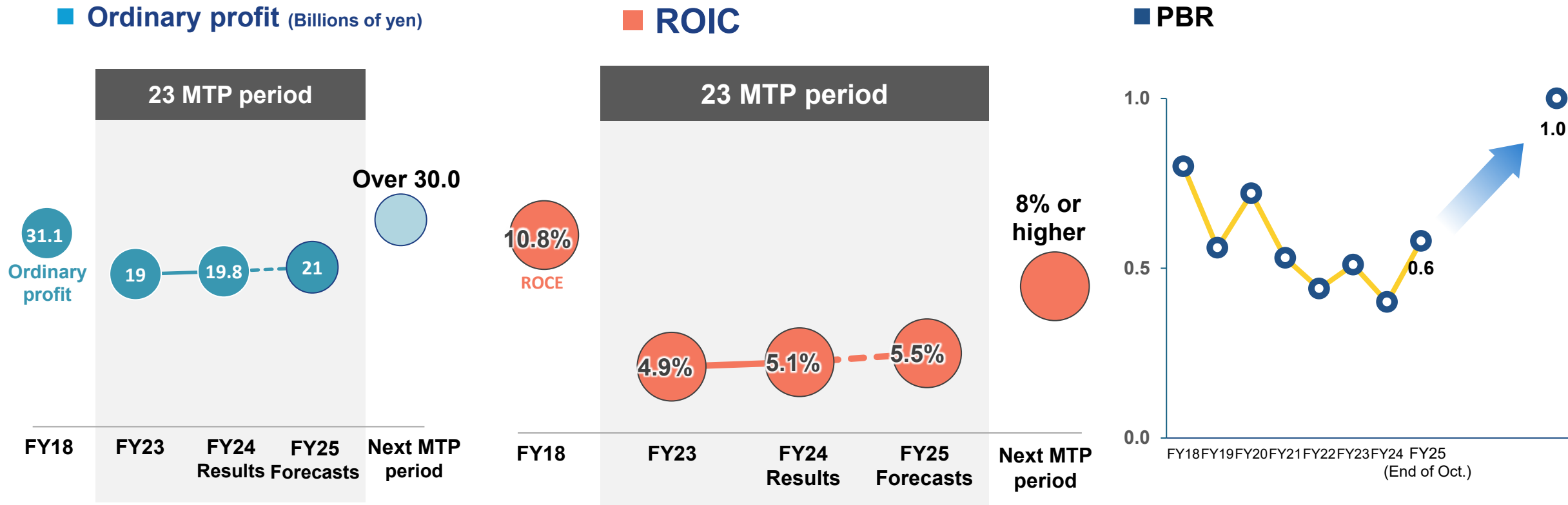
Enhance efficiency

- Functional integration
 - » Review of sales and distribution structures
 - » Functional reinforcement (consolidation of indirect administrative functions and sales operations)
- Optimization of business sites
 - » Response to aging facilities and review of production systems
- Overseas operations
 - » Review of overseas bases

Progress in Pursuing Management Reforms

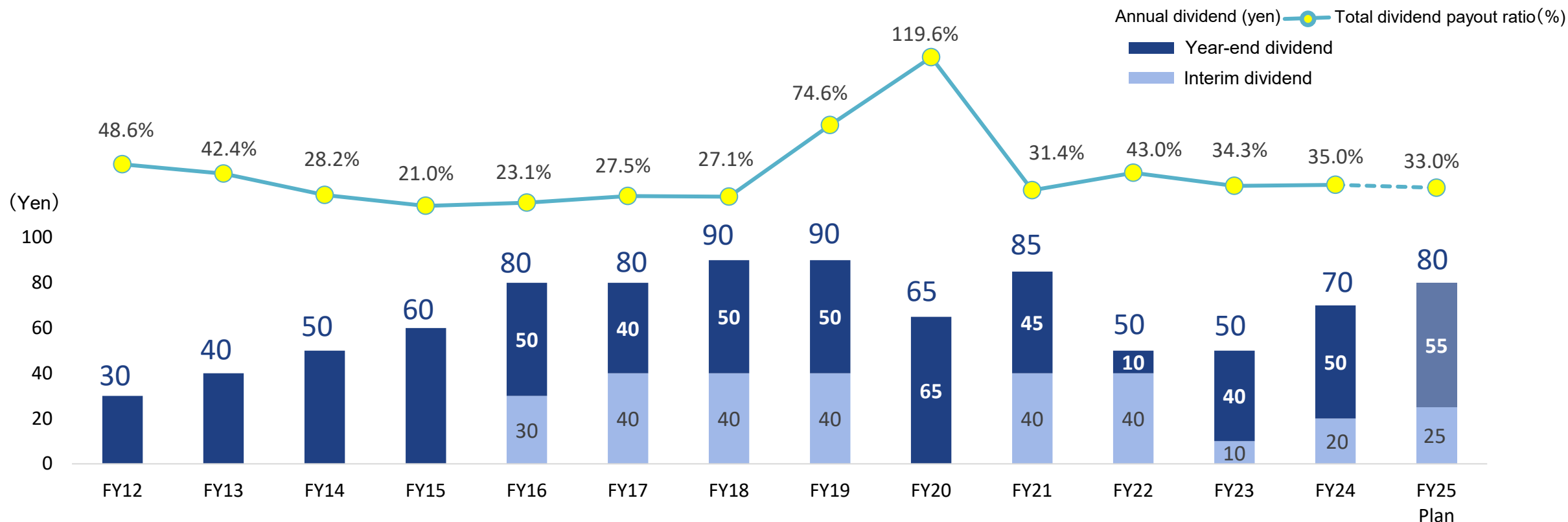
23 MTP Financial Targets and Enhancement of Capital Efficiency → Toward the Next MTP

- Ordinary profit of 30 billion yen → To be achieved as early as possible
- ROIC Formulated measures to enhance capital efficiency in the next MTP
→ Targeting 8% or higher for the Group (aiming for PBR ≥ 1.0)



Shareholder Returns

- **FY2025 dividend per share: 80 yen** (interim: 25 yen, year-end: 55 yen)
- **Continue to consider strengthening shareholder returns under the next Medium-term Plan**



Shareholder return policy
(profit distribution indicators)

Payout ratio
30%

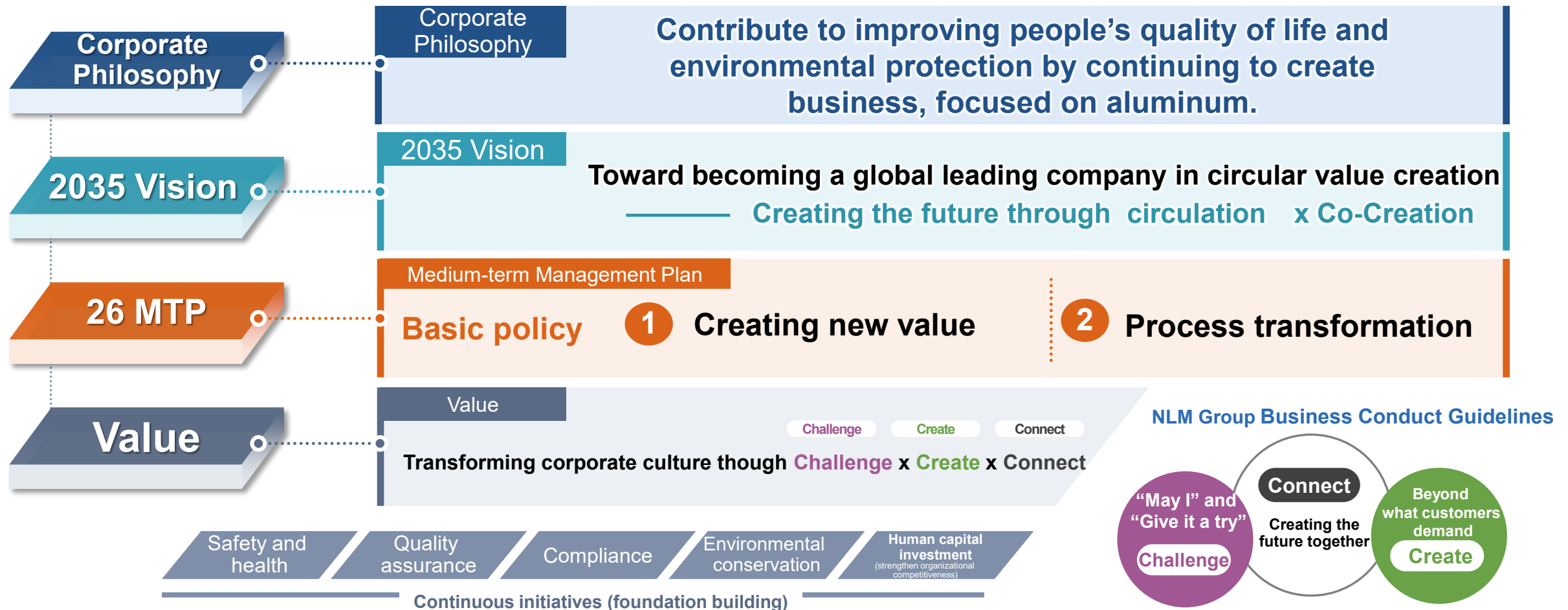
Total dividend payout ratio
30%

Total dividend payout ratio
30% or higher

Long-Term Vision → Basic Policy of the Next MTP

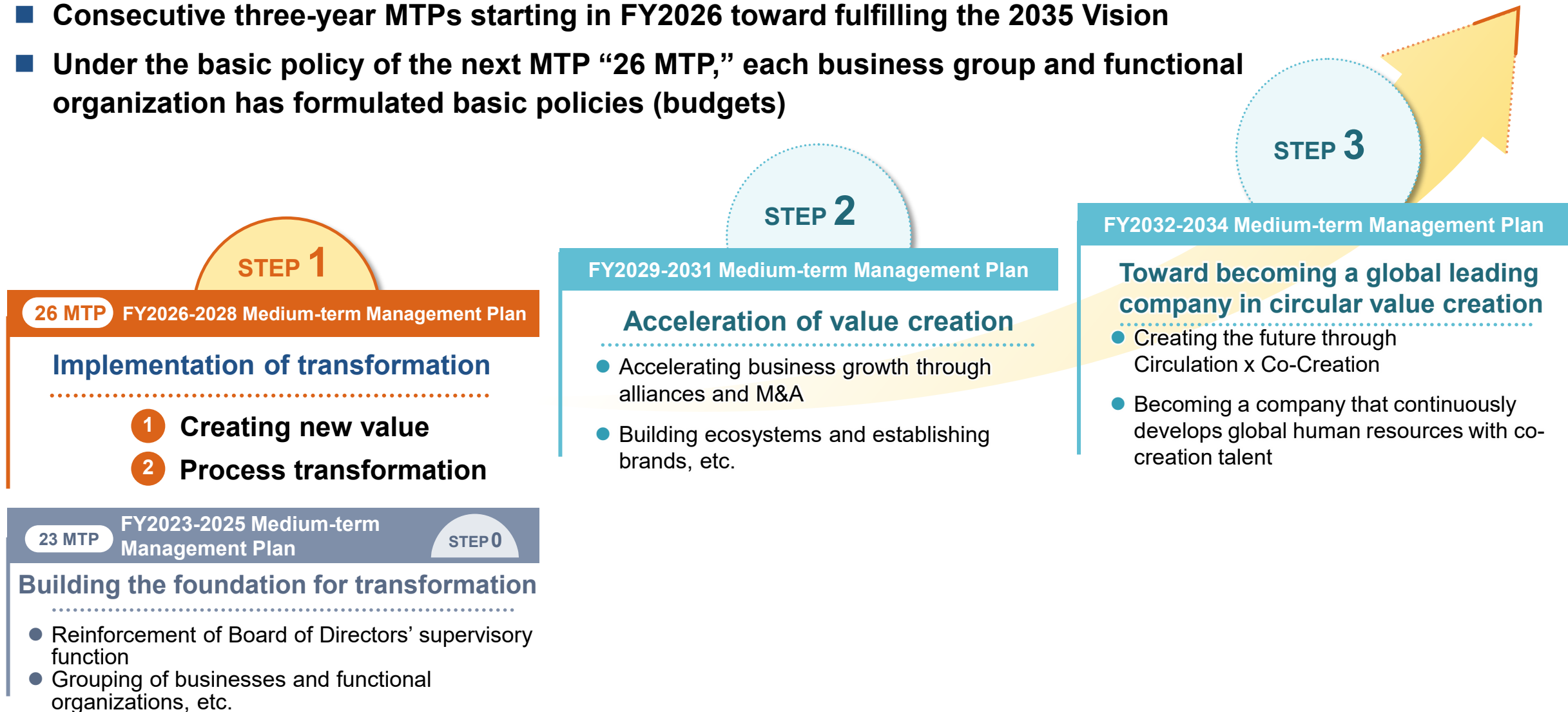
- 2035 Vision, target vision for 10 years ahead → backcasted to the next MTP “26 MTP”

— 2035 Vision / Basic Policy of 26 MTP —



Steps toward Fulfilling the 2035 Vision

- Consecutive three-year MTPs starting in FY2026 toward fulfilling the 2035 Vision
- Under the basic policy of the next MTP “26 MTP,” each business group and functional organization has formulated basic policies (budgets)



Publication Timeline for the Next MTP

- Publication of the overall framework of the next MTP “26 MTP” scheduled for May 2026





Team NLM – Groundbreaking Innovator of Aluminum and Beyond

Notes on this document

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