

# Building a circulating supply chain



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

# Nippon Light Metal Group's Carbon Neutrality Initiatives

## ■ Decarbonization: Addressing risks and creating new value through circulation and co-creation

### Risks

### Opportunities

2023

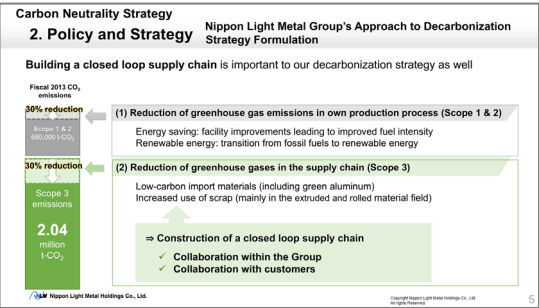
2024

Next Mid-term  
Management Plan

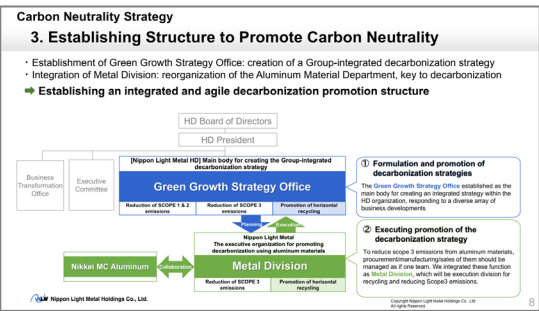
New value creation

### Formulation and implementation of carbon neutrality strategy

» Understanding Scope 1, 2, and 3 emissions



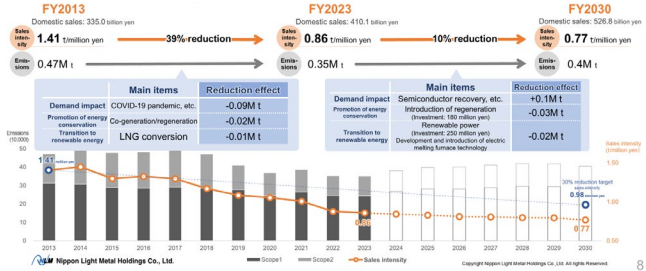
» Establishing structure to promote carbon neutrality



### Creation of CN roadmap toward 2030

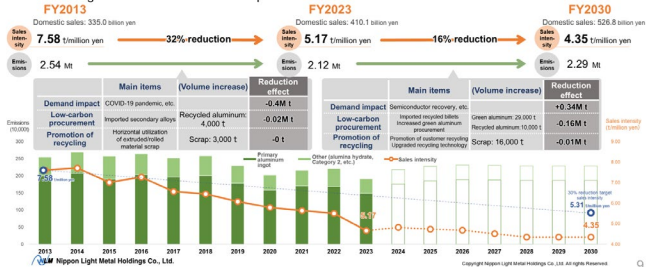
Scope 1 and 2

- » Both total volume and sales intensity figures have shown a steady decline
- » Maintain achievement of targets through continued energy conservation activities and ongoing transition to renewable energy sources



Scope 3

- » Both total volume and sales intensity figures have shown a steady decline
- » The key will be expanding procurement of recycled billets and developing production technologies that lead to increased scrap utilization



2025

Providing new  
decarbonization  
value

» As a growth strategy  
Building a circulating  
supply chain

# Building a circulating supply chain

## Building a circulating supply chain as a growth strategy

- The NLM Group has diversified from raw materials to processing and services (vertically integrated supply chain)

→ Creation of new value in resource circulation and decarbonization by rebuilding the supply chain into a **closed loop**

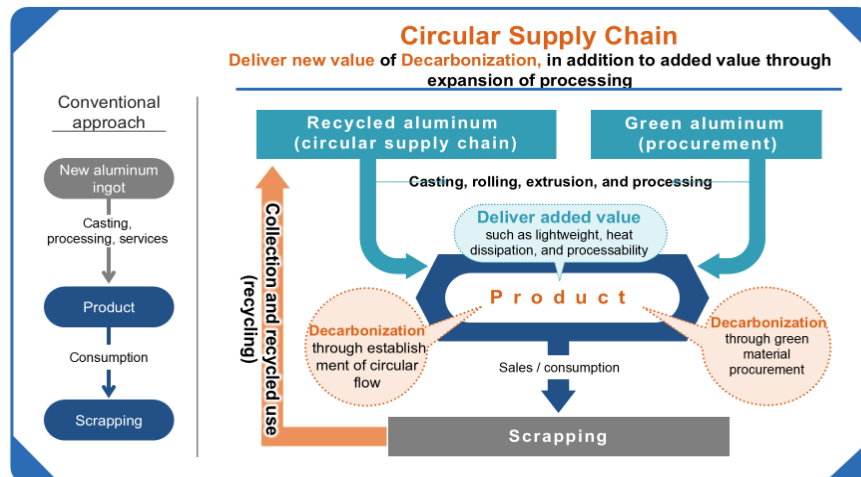
### 2. Toward Management Reforms, Higher Capital Efficiency, and the Next MTP Offensive Structure for the next Medium-term Plan

Business domain

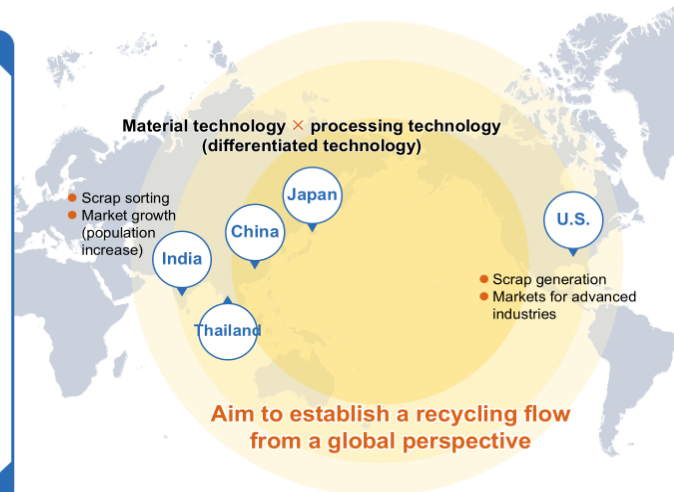
#### Construction of a circular supply chain

- Aim to reconstruct our existing supply chain into a circular model that is premised on recycling, delivering new value of decarbonization
  - Requiring a **global-oriented strategy** that leverages overseas business channels and regional characteristics

(details to be explained at the next IR briefing in November 2025)



NLM Nippon Light Metal Holdings Co., Ltd.



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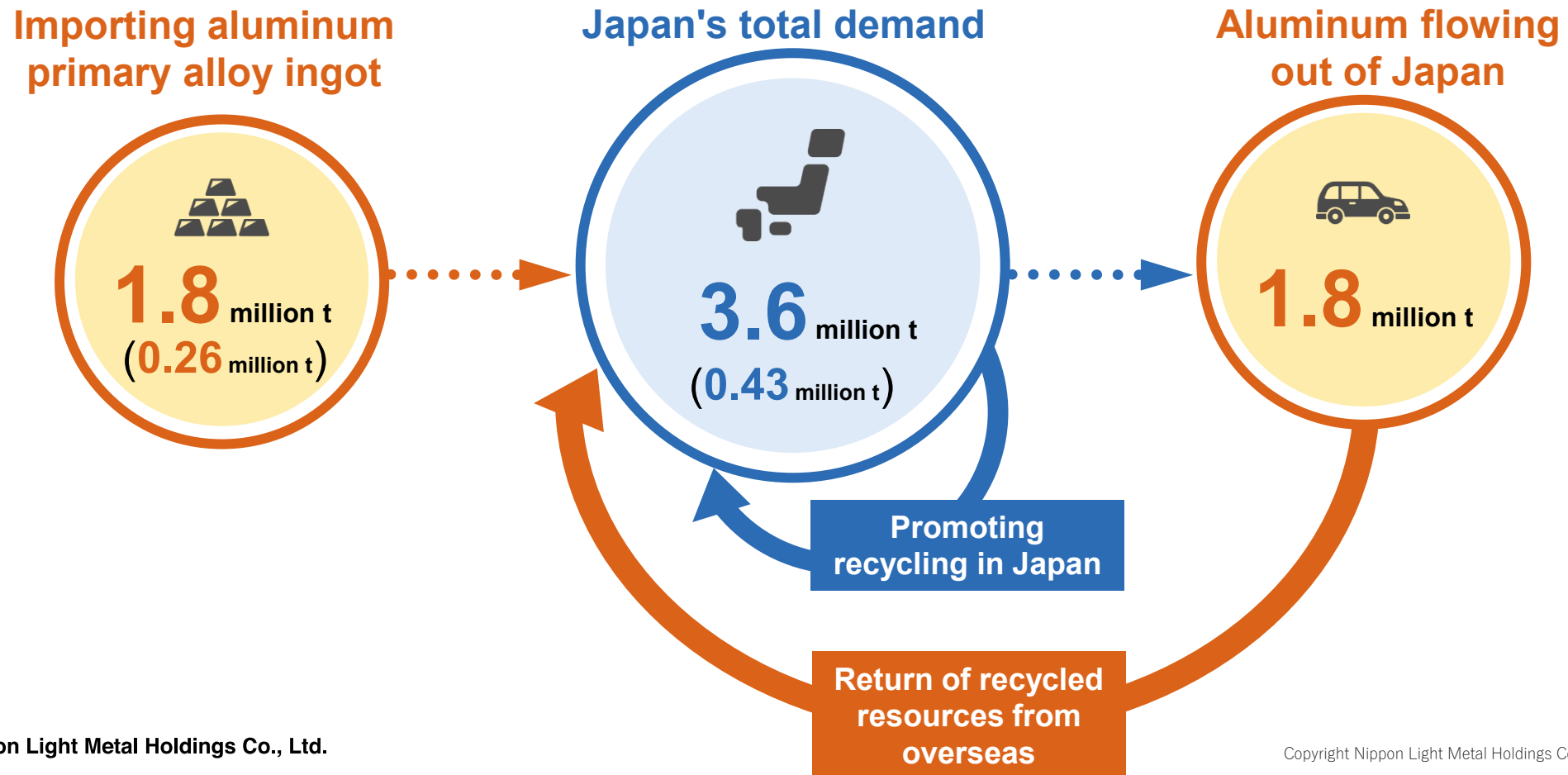
Excerpt from “Progress Overview of FY2023–2025 Medium-term Management Plan (2023 Medium-term Plan)”  
(published May 2025)

<https://www.nikkeikinholdings.com/news/common/file/kessan/p2025061101hde.pdf>

# Building a circulating supply chain

## Aluminum metal flow in Japan

- Half of Japan's aluminum demand flows out of the country as products and scrap (almost the same amount of primary alloy ingot is procured from overseas)
- ➔ To realize a circulating supply chain, in addition to **promoting recycling in Japan**, the **return of recycled resources from overseas** is necessary

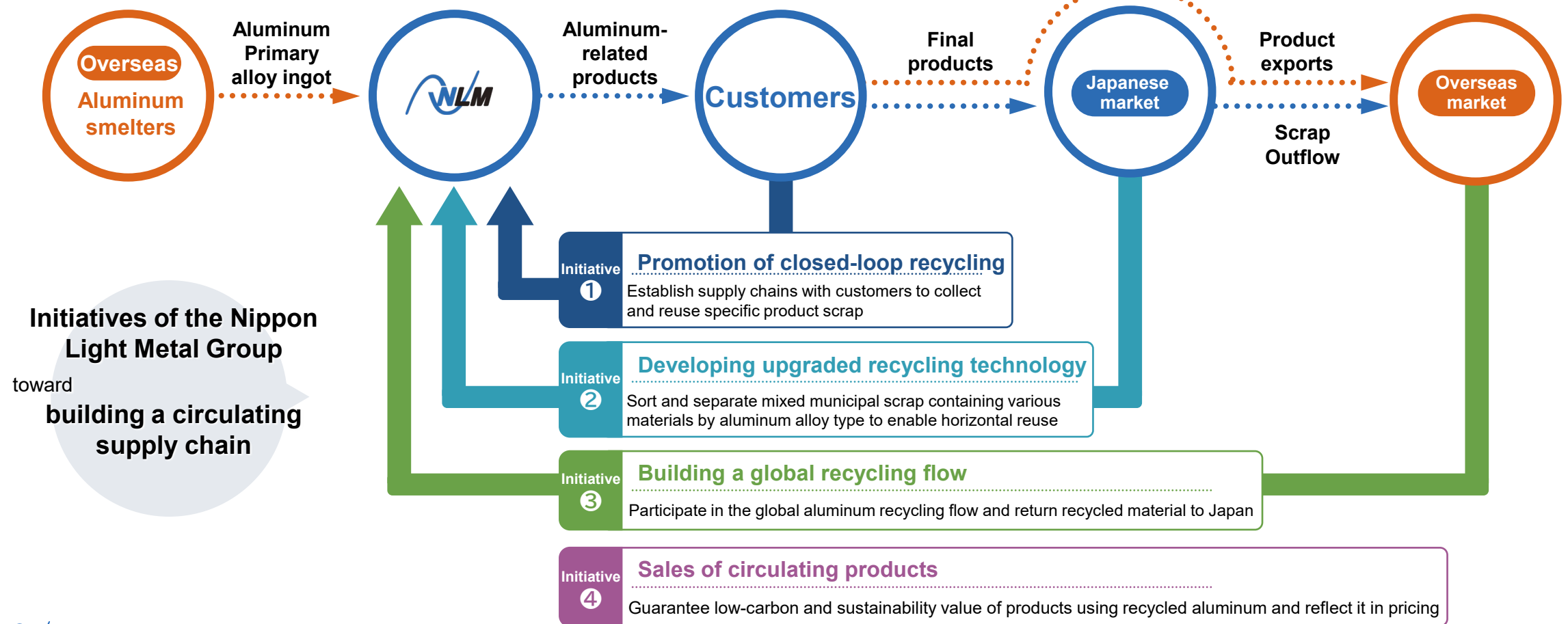


# Building a circulating supply chain

## Initiatives of the NLM Group

- We will implement measures to return scrap from customers, the Japanese market, and overseas market segments

→ Combined with sales initiatives to realize value, this achieves a circulating supply chain

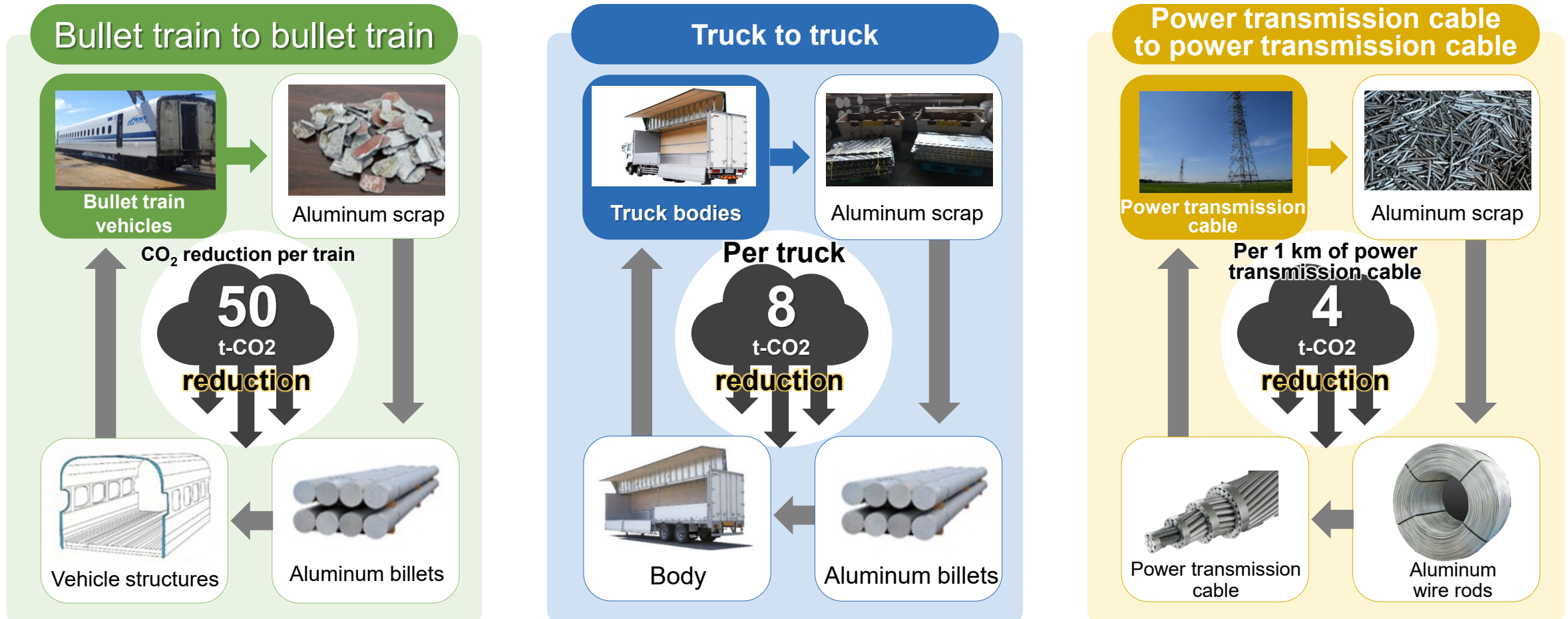


# Building a circulating supply chain

## Initiative (1) Promotion of closed-loop recycling

- The shortcut to the recycling of materials is to build a flow from production to recovery of specific products in cooperation with customers

→ Improve supply chain resilience and achieve overall environmental load reduction

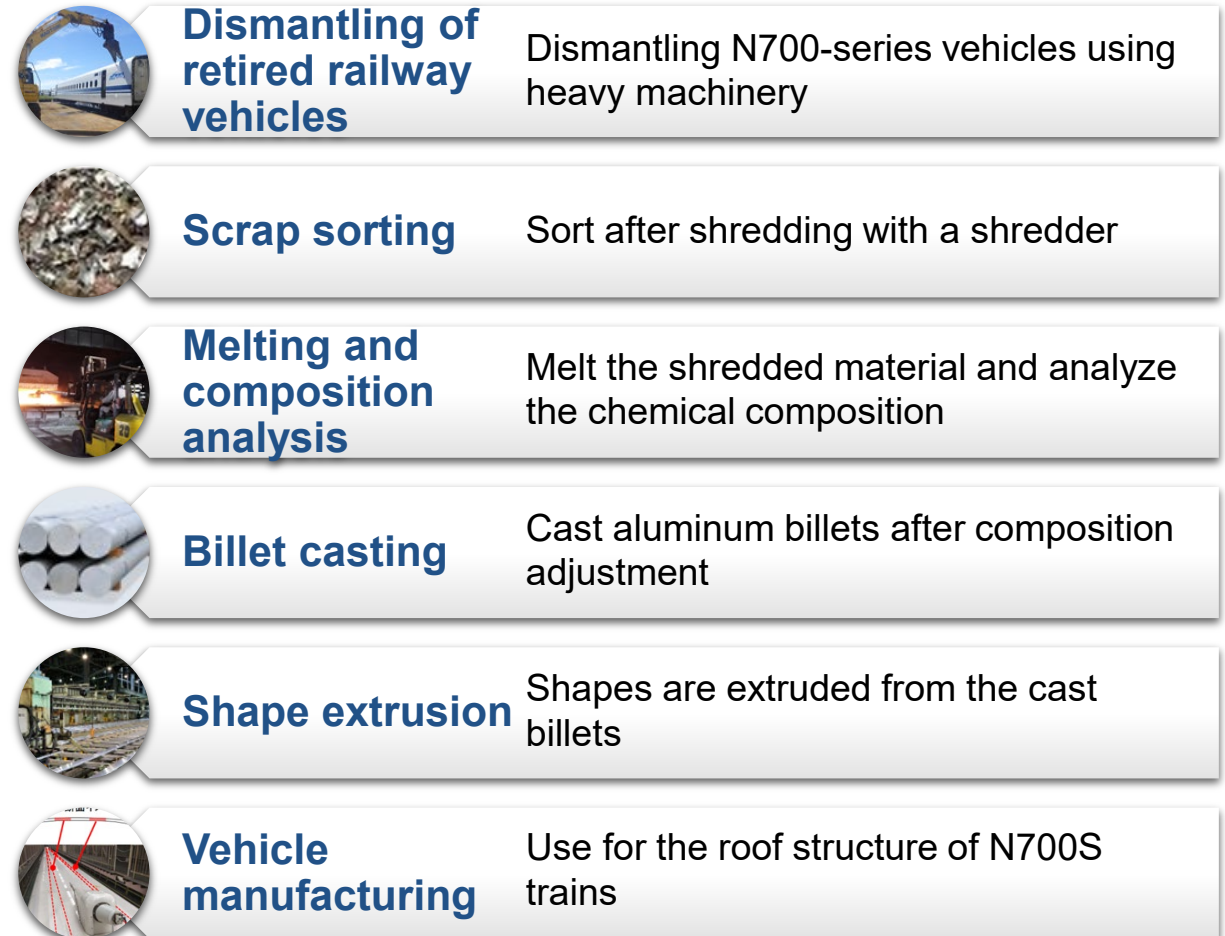
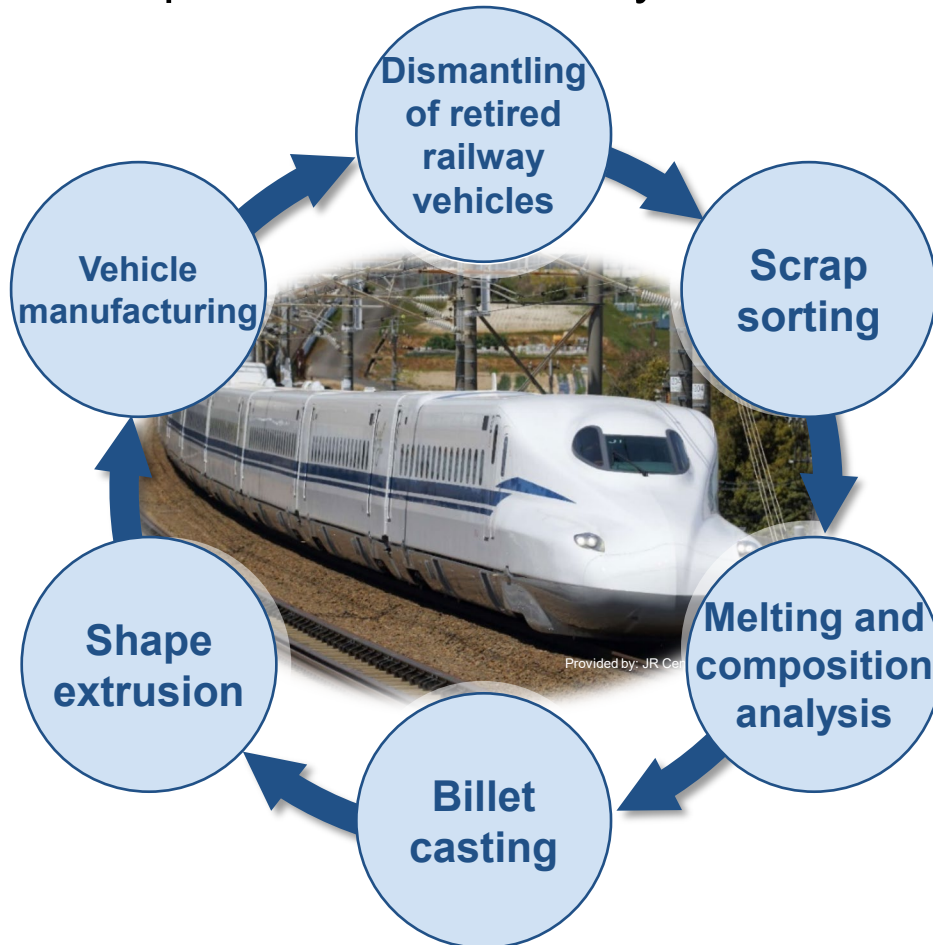




# Building a circulating supply chain

## Initiative (1): Introduction of measures - Railway recycling with JR Central

- Bullet train to bullet train without compromising product strength or quality
- We are working to reduce environmental impact through horizontal recycling using aluminum scrap from retired railway vehicles



# Building a circulating supply chain

## Initiative (2) What is upgraded recycling technology?

- Under the current procurement structure, high-purity extruded and rolled materials are made from primary alloy ingot, while low-purity cast alloys are made from scrap
  - ➔ **Development and implementation of upgraded recycling technology to increase the utilization of scrap in extruded and rolled materials is necessary**



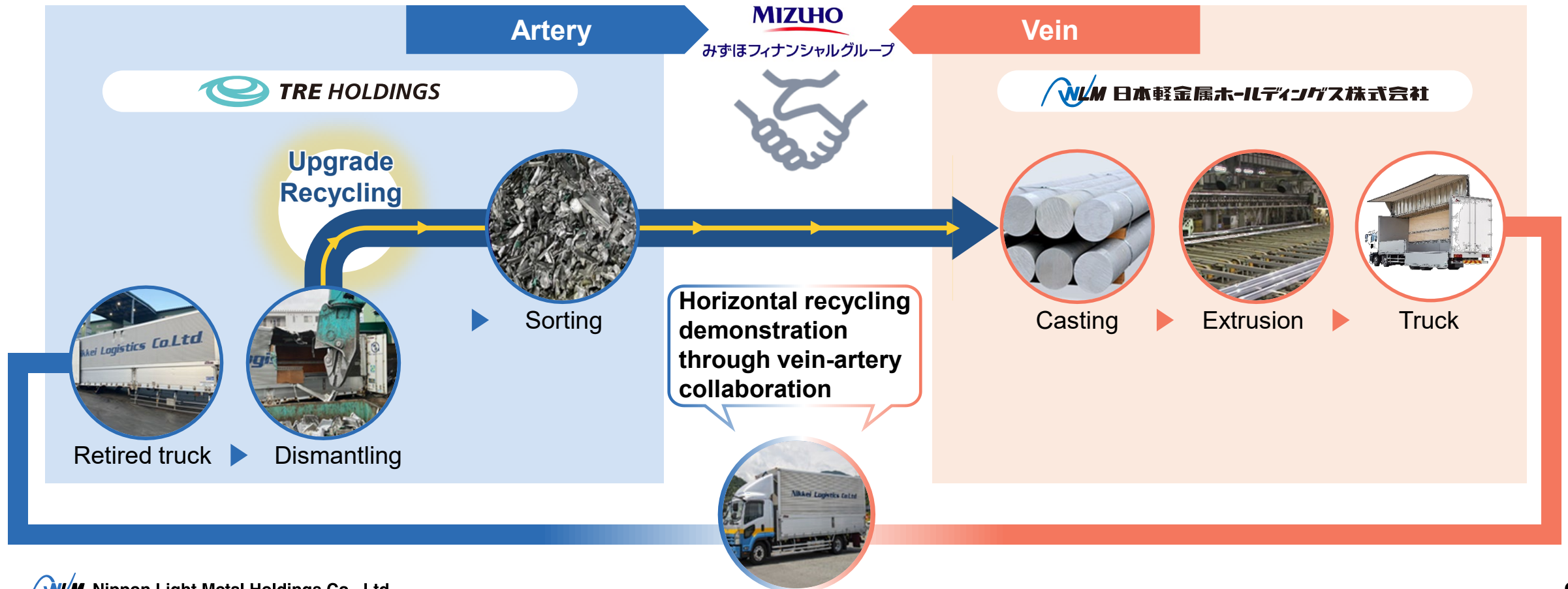


# Building a circulating supply chain

## Initiative (2): Introduction of measures - Demonstration experiment for horizontal recycling through vein-artery collaboration

- Conducted horizontal recycling demonstration experiment for truck body installation with TRE Group, a recycling company

➔ **Prototype for realizing upgraded recycling through vein-artery collaboration**



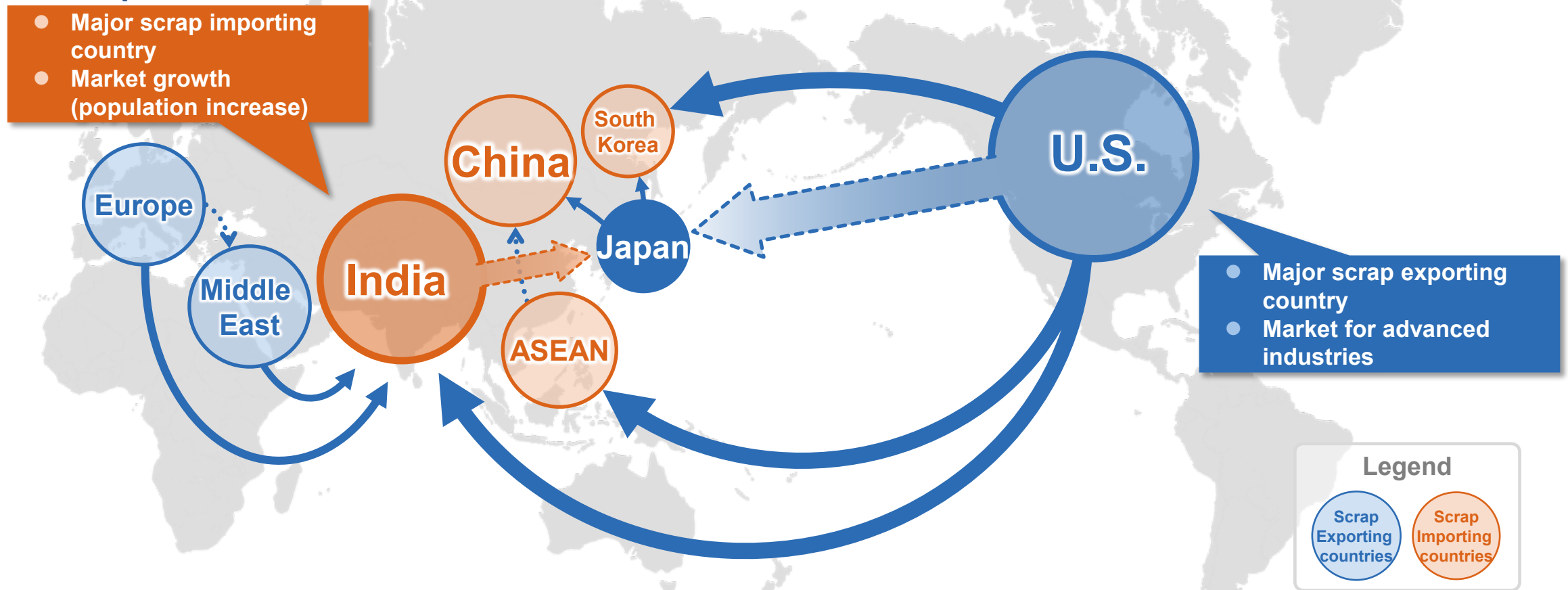
## Building a circulating supply chain

### Initiative (3) Building a global recycling flow

- Aiming to build a circulating flow from a global perspective, not limited to the return of resources to Japan

➔ **Resource circulation among the U.S. (major scrap exporter), India (major scrap importer), and Japan**

- Major scrap importing country
- Market growth (population increase)




# Building a circulating supply chain

## Initiative (3): Introduction of measures - Investment in Indian recycled billet business (CMR-NLM-Eco)

- Capturing the growing Indian market
  - Establishing a supply system of low-carbon recycled aluminum billets for Japan
- Enables a stable supply of recycled extruded and rolled materials (extruded billets)

**CMR NLM Eco Aluminium Private Limited** (invested in by our company in 2025)

Business activities	Scrap sorting, and casting of recycled aluminum billets and ingots	 <p><b>Facilities and technology</b></p> <ul style="list-style-type: none"> <li>• Large-scale procurement of aluminum scrap</li> <li>• Recycling processing technology, casting facilities</li> </ul>
Location	Tirupati, Andhra Pradesh State	
Capital	2.81 billion rupees	

**CMR** CMR Green Technologies Private Limited

India's largest secondary alloy manufacturer  
\*Partner in our secondary alloy ingot business

**Strengths**

- Scrap procurement capability
- Advanced scrap sorting and billet casting technology
- Sales channels in rapidly growing Indian economy

Investment ratio  
80%

**NLM** Nippon Light Metal Holdings Co., Ltd.

Integrated manufacturer focused on aluminum

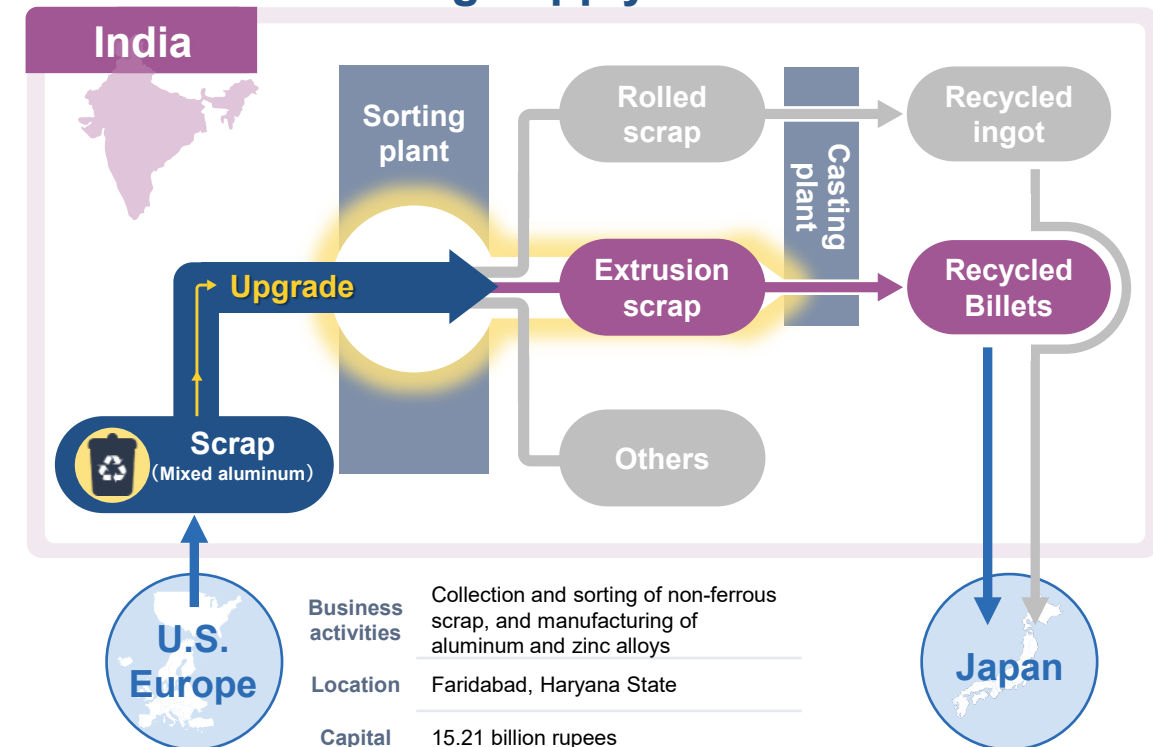
**Strengths**

- Primary alloy ingot/secondary alloy ingot
  - ~ Extruded and rolled materials (sheets and extrusions)
  - ~ Includes fabricated products and foil
- Possesses sales customers in Japan

Investment ratio  
20%

By establishing a flow that brings back aluminum materials that have gone overseas, we can shift from a vertically integrated supply chain centered on importing primary alloy ingots

→ to a circulating supply chain

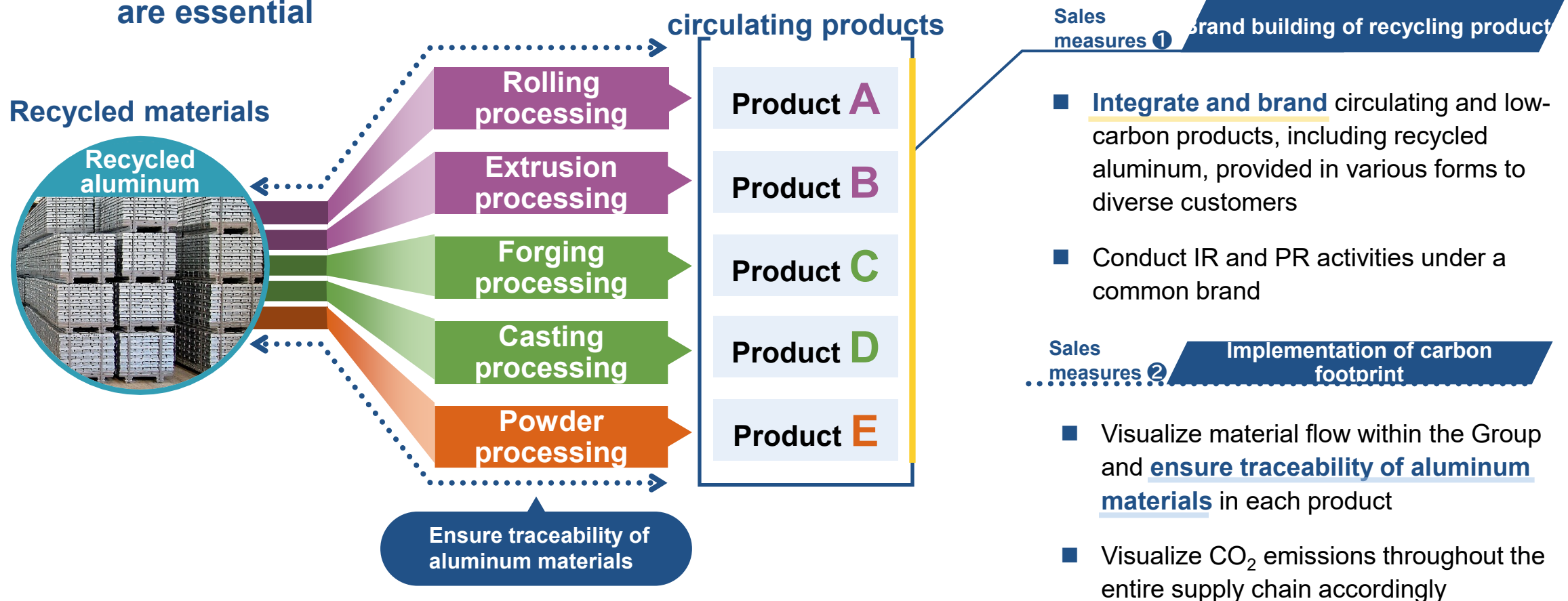


# Building a circulating supply chain

## Initiative (4) Sales of circulating products

- **Recycled aluminum** undergoes processing within and outside the NLM Group, **circulating as various circulating products**

→ An integrated brand strategy to present value and a quality assurance system guaranteeing value are essential



# Building a circulating supply chain

## Key low-carbon/recycling needs and our initiatives

- Customer needs for recycled aluminum vary, so we are implementing and considering measures tailored to each
- We will accumulate best practices and cultivate new demand

Business Group	Products	Field	Customer needs	Carbon Neutrality Strategy	Related measures
<u>Metal</u>	— Power transmission cable	Power	There are needs for the establishment of a closed-loop supply chain	» Establish a scheme to recycle customer waste materials	— Promotion of circulating recycling
<u>Sheet &amp; extrusion</u>	— Railway car bodies	Railway	There are needs for building a closed-loop supply chain	» Establish a scheme to recycle customer waste materials	— Promotion of circulating recycling
	— Battery exteriors	Battery	Needs are gradually emerging	» Build a supply system for customers with strong low-carbon needs	— Promotion of circulating recycling
<u>Transport equipment</u>	— Truck bodies	Transport	Strong low carbon needs in LCA (life cycle assessment)	» Propose recycled materials for customers' carbon neutral strategies » Propose recycled products to the market	— Building a global recycling flow — Developing upgraded recycling technology — Sales of circulating products
<u>Automotive</u>	— Automotive parts	Automotive	Strong low carbon needs	» Low carbon and recycled materials become key purchase decision factors for customers	— Building a global recycling flow — Developing upgraded recycling technology
<u>Aluminum foil</u>	— Aluminum foil	Daily necessities	Low carbon as a differentiation factor → Use of products with a lower environmental impact	» Prepare low carbon products as a differentiation factor for end consumers	— Sales of circulating products
	— Aluminum packaging material recycling technology	Foods and pharmaceuticals	Decarbonization of the product life cycle, improvement of consumer image and brand loyalty through environmentally friendly packaging	» Reduction of GHG emissions throughout the product life cycle	— Sales of circulating products



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