

Nippon Light Metal Holdings Co., Ltd.

Q&A Summary of IR Briefing on Management Plans, Long-Term Vision “2035 Vision” and FY2026–2028 Medium-Term Management Plan (2026 Medium-Term Plan)

• Date: 2:00–3:00 p.m., May 28, 2026 (Thursday)

• Briefers and respondents:

Shuichi Asakuno, President and Chief Executive Officer;

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Q1. Regarding the “transformation to an offensive structure” described in the 2026 Medium-Term Plan (hereinafter “2026 MTP”), can you provide any specific schemes, numbers of entities, or targets to achieve your financial goals (ROIC of 8% or above for the 2026 MTP and ROIC of 10% or above for the 2035 Vision)?

A1. Planting seeds and consolidating a foothold to securely “build a global recycling flow,” which is one of the initiatives toward developing a closed-loop supply chain outlined in the 2035 Vision, will be extremely important during the 2026 MTP period. We have also embarked on new value creation beyond this. Standards such as to what extent we can invest resources in growth areas amid these developments and whether consolidating entities in the process will enable more efficient investment are potential criteria in “transforming to an offensive structure.” We do not have explicit criteria or benchmarks for reductions in the number of entities or exits. One reason for this is that we believe the decision should include not only current revenue margins and capital efficiency but also future growth potential. Although the capital efficiency of the businesses that will be key to developing a closed-loop supply chain is currently not very high, we intend to concretely demonstrate the new value they will generate in the future, step by step. It is on this basis that we will pursue the prioritization of growth investments.

Q2. Closed-loop supply chain development is a major theme of your vision, but how will this lead to enhanced corporate value in the future?

A2. The monetization of resource circulation and decarbonization presents both significant challenges and opportunities over the medium and long term. In light of the fact that Japan is a resource-poor nation, the kind of revenue model we can create will also play a role in enhancing our corporate value in the future. In addition, we are moving ahead with a branding initiative as a means to clearly promote the value of resource circulation and decarbonization. We will announce this as soon as it is put into place. We are getting a firsthand sense that demand from customers for green aluminum or aluminum with a higher recycling rate is increasing day by day. If we go beyond transitory responses to these needs and develop long-term supply capabilities, we believe that value will necessarily follow. Furthermore, the Japanese government has mapped out a metal recycling promotion strategy in its “Circular Economy Action Plan.” The Group has a certain advantage in terms of management resources such as our secondary alloy ingot business (Metal business group), making us potential leaders in closed-loop supply chain development. We will ensure that the value of resource circulation and decarbonization is reliably tied to earnings.

Q3. How much of a profit can be turned in the final fiscal year of the 2026 MTP (FY2028) after securing an earnings base exceeding 300 billion yen will be key to realizing the 2035 Vision. Which markets, areas, or products are worth noting in terms of their profit contribution in growth, priority, and strategic areas?

A3. Heat-dissipation materials, specifically heat-dissipating and fire-resistant fillers (Chemicals business group) and aluminum nitride (Aluminum Foil business group), will be a growth area during the 2026 MTP period. In addition, semiconductor-related applications have begun making steady progress in 2026. We also intend to realize a certain degree of prospect for improving earnings in the Automotive Parts business group during the 2026 MTP period, so the MTP’s financial targets do not set too high of a bar.

Q4. On page 26 of the briefing materials, “Capital efficiency,” what is represented by “F28 onward (image)” for each business group?

A4. “F28 onward (image)” for each business group on this slide merely represents an extension of the present. During the 2026 MTP period, we will assign priorities such as businesses we intend to strengthen according to the Group integration strategy or, for instance (although no specific examples are available at present), businesses for which there is another best owner. Please be aware that this will change the shapes representing each business group three years from now.

Q5. The positioning of the Automotive Parts business (Nikkeikin Aluminum for Mobility) is rebuilding the earnings base and strategic development in the 2026 MTP, but the business is positioned as a growth driver in the 2035 Vision. What are the factors or elements behind this?

A5. The first factor is how the structure of the automotive industry is changing. Automotive parts manufacturers are beginning to focus on software and reducing their emphasis on manufacturing, which represents a business opportunity for us. Another factor is the electrification of automobiles. Additional need for not only lighter weight but also heat dissipation will result in an expanded scope even within existing parts and materials, and electrification will change the parts used as well. Since we already have a certain degree of recognition from customers (automakers and automotive parts manufacturers), we will be able to prepare ingredients for growth looking ahead to 2035 as long as we can create value that captures the market expansion of electrification (BEVs).

In addition, the Group’s strength lies in its ability to leverage its wide-ranging business lineup to create new products by crossing its diverse technologies and to deliver them to customers. We will be able to meet the market’s needs through a market orientation by definitively addressing changes in the business activities of automotive parts manufacturers.

Q6. Within the capital investment of about 100 billion yen indicated under cash allocation, the total for labor savings, safety, maintenance, and renewal comes to 75 billion yen. What is your approach to capital investment planning and capital efficiency improvement?

A6. Naturally, we will allocate funds to growth investment. However, under the 2026 MTP, we will not put off human-capital-related investment such as labor savings and safety or capital investment in maintenance and renewal including aging facilities and systems. Instead, we will confront these issues head on and invest in needed areas. In doing so, we will build a structure that allows us to reliably supply products even if demand from customers expands significantly. This, in turn, will contribute to improved capital efficiency.

Until the 2023 MTP, we had been allocating resources to “defensive” aspects such as measures against sedimentation at the Amehata Dam (owned by NLM) and to prevent recurrence of inappropriate quality practices, but beginning from the 2026 MTP, we will aggressively invest capital in maintenance and renewal, in which we had been unable to invest previously. Investment in elements such as efficiently addressing shortages of human resources, an issue we will face in the future, through AI and digital transformation will also be extremely crucial.

Q7. “Overseas strategy restructuring” is given as a measure to address the challenge “revenue margin improvement and growth capture” in the 2026 MTP Group integration strategy. In which areas do you envision restructuring?

A7. Thorough reviews will be necessary in regions where Japanese manufacturers have become less competitive. Conversely, we also need to establish bases according to future market growth potential. The Automotive Parts business group will be the main target of restructuring.

Q8. The 2026 MTP targets a stable earnings base exceeding 30 billion yen in ordinary profit. In the Sheet & Extrusion business group, demand for semiconductor manufacturing equipment is brisk at the moment, but the business is vulnerable to demand trends. Is changing your business or product portfolio an option you are considering in order to acquire stable profits?

A8. The biggest challenge in the Sheet & Extrusion business group is whether production can keep pace with market and demand growth, so there is not much of a need for us to drastically change our portfolio.

Q9. The aerospace and space market, which you have not previously mentioned, is included as one of the next-generation growth markets targeted by the 2035 Vision. What kind of business model do you intend to create?

A9. Our impetus is the defense sector, which we see as a market sector with significant future growth potential that does not necessarily have an established supply chain. Under these conditions, we have already been approached by several specific customers interested in strong manufacturing relationships. If we can create value for customers in this context, we believe that earnings will follow.

Q10. Will your involvement in aerospace and space applications be in the form of materials or fabricated products?

A10. It will not be just one or the other but should be seen as involvement from the perspective of using the diverse management resources and technologies that are our strengths to provide the value that customers seek. In specific terms, as materials and processing technologies are one of our strengths, we will apply these to address customers' needs.

Q11. The capital investment indicated in the 2026 MTP includes 25 billion yen in growth investment to be allocated to capacity expansion for heat-dissipation materials and to semiconductor- and automobile-related applications. Specifically, which products will be targeted?

A11. We have made the decision to expand capacity for heat-dissipation materials in the Aluminum Foil business group. For automotive parts, acquiring new products requires a certain amount of capital investment, so our domestic capital investment is relatively

aggressive. In response to changes in the business activities of automotive parts manufacturers such as placing a heavier emphasis on software, we will invest capital project by project based on the recognition that we will carry out manufacturing.

Q12. What are the specifics of capital investment for semiconductor-related applications?

A12. In representative terms, heat-dissipation materials in the Aluminum Foil and Chemicals business groups should be considered one of the main targets.

Q13. The 2035 Vision positions closed-loop supply chain development as the Group's core strategy. Will capital and co-creation investments be targeted at boosting domestic recycling, or will more emphasis be placed on a global closed-loop recycling flow?

A13. We have not narrowed down the scope at this time. It should be understood as investment in elements that proactively plant seeds to contribute to medium- and long-term growth irrespective of format or framework, such as projects based on the expansion of existing businesses and co-creation with external partners.

Q14. Will this also include M&As and investment in other companies?

A14. Yes. With regard to our investment in CMR–NLM Eco in India, conditions for the business itself are favorable. The business has gotten off the ground smoothly and is thriving. The market's reaction has been favorable as well, so we expect to be able to expand the business in various forms. Although some aspects are difficult under current conditions, we are also considering the U.S. as an option. In addition, while we mentioned the example of DOWA, with whom we entered a strategic partnership agreement in the metal recycling sector last April, we have actually been approached by various other companies as well. We will sift through these while leaving all of our options open.

The phrase "Circulation × Co-creation — Building the Future" in the 2035 Vision expresses our determination to thoroughly move away from "not-invented-here" syndrome.

When it comes to technology development such as upgraded recycling, there are aspects that would be difficult for us to realize alone, so we intend to actively utilize external resources and insight.