



May 15, 2024

Name of company: Nippon Light Metal Holdings Company, Ltd.

Name of representative: Ichiro Okamoto

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Notice concerning management reforms

Nippon Light Metal Holdings Company, Ltd. hereby announces that its Board of Directors, at a meeting held on May 15, 2024, passed a resolution regarding the outline of management reforms aimed at enhancing corporate value.

1. Background of the management reforms

The NLM Group aims to consistently achieve ordinary profit in the 30-billion-yen range, by setting the basic policy to pursue the “initiatives for new Team Nippon Light Metal” and “provide products and businesses that contribute to the creation of social value” in its Medium-term Management Plan (2023 Medium-term Plan) that began in fiscal 2023.

In May 2021, the NLM Group announced that it had engaged in inappropriate behavior regarding issues related to quality, followed by the investigation results of a special investigation committee established in June of the same year and measures taken by the NLM Group to prevent reoccurrence in March 2023. We then rectified the Medium-term Management Plan (2022 Medium-term Plan) that was underway and established the current Medium-term Management Plan (2023 Medium-term Plan) based on our acknowledgement of various management issues, including ensuring thorough compliance with applicable laws and regulations relating to quality and rebuilding the quality assurance system. In order to provide our stakeholders with solid value and enable our corporate group to be trusted once again, we have been committed to management reform as an issue of the 2023 Medium-term Plan in an effort to steadily implement the reform, with the aim of maximizing corporate value.

2. Outline of the management reforms

We have established the outline of “structural reforms to raise the NLM Group's corporate value” and “promoting management reforms and reinforce internal control functions” under the basic policy to pursue the “Initiatives for new Team Nippon Light Metal” in the 2023 Medium-term Plan.

(i) Reinforcing supervision by Board of Directors

- The Board of Directors aims to strengthen and accelerate strategic decision-making, with its supervisory role focused on the formulation of the NLM Group strategies to maximize corporate value. Specific measures include reducing the number of directors (total number reduced from 14 to 9, with the number of outside directors kept at 5), thereby reinforcing the Board's supervisory functions.

(ii) Grouping of business divisions and functional organizations

- We aim to transform its conventional decentralized governance structure to an organizational structure that enables us to further work together as “Team Nippon Light Metal,” and operate businesses that are closely related in terms of market areas and processes, among others, as “business groups,” as well as accelerate the creation of new value and the reform of work efficiency.

By grouping them into "business groups," we will promote resource allocation, function reviews, and other measures. In addition, we have redefined the structure of organizations that are responsible for strengthening the functions and governance of, and providing services to, small business departments with insufficient human resources, as “Functional Organizations.”

- We will broadly group the current organizations (i.e. existing companies and other organizational units to remain unchanged) in terms of market areas and processes (the "Business Groups") to create an optimal organizational structure with officers serving as the business managers.
- The officers will fulfill their executive responsibilities in the Business Groups and Functional Organizations they are responsible for, with the aim of maximizing the corporate value of the NLM Group. Specifically, we will strengthen executive authority.

3. Expected effect of the management reforms

the NLM Group will aim to further enhance its corporate value by steadily implementing these management reforms. To increase the profitability of each business group, we will create new products and businesses, expand business areas with a view to M&A as well, strengthen price and cost competitiveness, shift to higher-value businesses and products, and improve internal operating efficiency by reviewing business and functional processes. Among other initiatives, we will actively work on the reform of our corporate culture, utilization of human resources, and sustainable approaches toward a carbon-neutral society. Through our steady management reforms, we will leap forward as “New Team Nippon Light Metal,” consistently achieving consolidated ordinary profit of more than 30 billion yen.

4. Date to be implemented

June 25, 2024

Contact Relating to Release

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Business Groups



Functional Organizations

