Establishment of Medium-term Management Plan (Fiscal 2022-2024)

Nippon Light Metal Holdings Company, Ltd. (President & Chief Executive Officer: Ichiro Okamoto; headquarters: Minato-ku, Tokyo; hereinafter, “the Company”) has established the Nippon Light Metals Group’s 2022 Medium-term Management Plan (hereinafter, “2022 Medium-term Plan”), a three-year plan starting in April 2022.

1. Summary of 2019 Medium-term Management Plan

In its three-year medium-term plan that began in April 2019 (hereinafter, “2019 Medium-term Plan”), the Group steadily implemented measures based on its three basic policies—“create new products and businesses,” “invest resources for growth,” and “strengthen management foundation”—and endeavored to achieve the targets.

The targets in the 2019 Medium-term Plan were not achieved, largely because of the substantial impact of the sharp rise in raw material prices and other changes in the external environment, in addition to economic stagnation due to the US-China trade dispute and the spread of COVID-19 as well as a decrease in auto production attributable to a shortage of parts, particularly semiconductors. However, the Group was able to generate a certain amount of revenue and profit even in this harsh business environment.

(Unit: 100 million yen)

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 2019 (Actual)</th>
<th>Year ended March 2022 (Targets in 2019 Medium-term Plan)</th>
<th>Year ended March 2020 (Actual)</th>
<th>Year ended March 2021 (Actual)</th>
<th>Year ended March 2022 (Actual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>5,005</td>
<td>5,400</td>
<td>4,659</td>
<td>4,326</td>
<td>4,866</td>
</tr>
<tr>
<td>Operating profit</td>
<td>301</td>
<td>375</td>
<td>246</td>
<td>242</td>
<td>222</td>
</tr>
<tr>
<td>Ordinary profit</td>
<td>311</td>
<td>370</td>
<td>235</td>
<td>240</td>
<td>229</td>
</tr>
<tr>
<td>Net income</td>
<td>206</td>
<td>240</td>
<td>75</td>
<td>34</td>
<td>168</td>
</tr>
<tr>
<td>ROCE (%)*</td>
<td>10.8</td>
<td>11.4</td>
<td>8.0</td>
<td>8.4</td>
<td>8.7</td>
</tr>
</tbody>
</table>

*ROCE (return on capital employed):
  Ordinary profit before interest / capital employed (Shareholders’ equity + interest-bearing debt – cash and deposits)
In terms of the sediment measures at Amehata Dam to address the flood damage in the areas around Amehata Dam that occurred during the 2019 Medium-term Plan’s duration, the emergency measures (construction of an embankment) and short-term plan (dirt removal plan for fiscal 2020-2021) are generally being carried out in line with the plans. Reserves for future sediment measure costs were posted during the 2019 Medium-term Plan. During the 2022 Medium-term Plan as well, the Group will steadily implement sediment countermeasures in cooperation with the related organizations, with the safety of local residents as our main priority.

In addition, we take very seriously the series of incidents related to the notice of the revocation of JIS certification at some of the Group’s business sites. We have established measures to prevent any reoccurrence with the awareness that this is a serious issue for the Group.

2. Overview of Nippon Light Metal Group’s 2022 Medium-term Management Plan

Before devising the 2022 Medium-term Management Plan, the Company revised the Nippon Light Metal Group’s management policies as guidelines for long-term initiatives, and while carrying on the spirit that has been the foundation of our management policies thus far, the Company defined its management philosophy and basic policies anew in light of the Group’s material issues and initiatives addressing these issues as society and customers’ needs diversify in a changing social environment.

Given this, the Company established the following basic policies as the guidelines for medium-term initiatives in the 2022 Medium-term Management Plan, with the awareness that raising the Group’s corporate value by balancing the responsibilities of creating the value that customers seek and responding to social issues such as carbon neutrality is the Group’s most important issue.

We call the guidelines for both of these initiatives the Basic Policies for Sustainability Initiatives, and aim for sustainable growth for the Group.

(1) Basic policies

a. Provide products and businesses that contribute to the creation of social value

● Provide products and businesses that satisfy customers’ needs
  • In growth areas such as eco-friendly cars and lithium-ion batteries, we will offer products and businesses that meet customer needs and expand sales globally, including the start of production of auto-related parts in the US.

● Provide a range of products and businesses throughout the overall supply chain lifecycle
  • In addition to creating and implementing our own aluminum resource cycle utilizing Group infrastructure, we will provide products and businesses that contribute to the creation of social value to achieve carbon neutrality by 2050.

● Strengthen the Group collaboration system to solve social issues
  • After providing these products and businesses and creating social value, strengthen the Group’s collaboration system further and reallocate management resources, as well as consider utilizing external resources.
b. Strengthen management foundation
   ● Thorough quality compliance (restoring social trust)
     • The group is working proactively to establish measures to prevent recurrence of the
       inappropriate actions related to JIS certification, including reforming the organizational culture. In
       addition, we will accept the results of the investigation carried out by the Special Investigation
       Committee with all humility and strive to restore the trust that has been lost.
   ● Top priority on safety and thorough compliance
     • We will take initiatives aimed at achieving zero-accident operations and measures to raise
       compliance awareness.
   ● Response to carbon neutrality
     • In order to achieve carbon neutrality by 2050, we will take initiatives aimed at reducing greenhouse
       gas emissions by 30% compared to 2013 levels by 2030, and also disclose information on the risks
       and opportunities that climate change poses for the Group’s business, based on recommendations
       from the Task Force on Climate-related Financial Disclosures (TCFD).
   ● HR expansion, appointments and education to improve sustainable corporate value
     • As an HR strategy supporting improvements to sustainable corporate value, we will take initiatives
       in hiring, employee assignment, education and other areas, as well as promote diversity and
       inclusion.

(2) Management indicators
a. Financial indicators
In the 2022 Medium-term Plan, the Group will build a profit foundation that will be less susceptible to
the external environment and aim for a corporate structure that can secure profit in the 30-40 billion yen
range on a stable basis.

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 2022 (Actual)</th>
<th>Year ending March 2023 (Forecast)</th>
<th>Final year of 2022 Medium-term Plan, Year ending March 2025 (Reference)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>22.2 billion yen</td>
<td>20 billion yen</td>
<td>Over 30 billion yen</td>
</tr>
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</table>

*This figure indicates the Company’s approximation at this point, and is not a target that the
Company aims to meet.
b. Basic policy regarding profit distribution

The Group’s basic policy on profit distribution is that it will return profits to all shareholders, comprehensively taking into account the maintenance of consolidated earnings and a sound financial foundation for the medium to long term, while also reinforcing its financial system and management foundation. The Group decides on dividend amounts using a total dividend payout ratio, including the acquisition of treasury stock, of 30%, as its indicator for profit returns.

<table>
<thead>
<tr>
<th></th>
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<th>Year ending March 2023</th>
<th>Final year of 2022 Medium-term Plan, Year ending March 2025</th>
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<tbody>
<tr>
<td></td>
<td>Interim actual</td>
<td>Year-end plan</td>
<td>Interim forecast</td>
</tr>
<tr>
<td>Dividends</td>
<td>40 yen</td>
<td>45 yen</td>
<td>40 yen</td>
</tr>
</tbody>
</table>

*This figure indicates the Company’s approximation at this point, and is not a target that the Company aims to meet.

In addition to investments aimed at expanding business in growth areas and creating demand and building up revenue potential in foundation business areas, the Group will invest for the future with investments to strengthen its management foundation, develop R&D and HR and achieve carbon neutrality as it works to improve corporate value. The D/E ratio will remain below 1x going forward.

*Note on forecasts
The Group’s earnings forecasts and other statements concerning the future presented in these materials are calculated based on information available at this point and certain assumptions deemed reasonable. They are not intended as a commitment to achieve these forecasts. Actual earnings results could differ significantly from forecasts for various reasons, including economic conditions, demand trends, and foreign exchange fluctuations, among other factors.