May 15, 2026

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Long-term Vision “2035 Vision” and the 2026 Medium-term Management Plan

Nippon Light Metal Holdings Co., Ltd. is pleased to announce the formulation of its long-term vision targeting 2035, the “2035 Vision,” and its Medium-term Management Plan covering the three fiscal years from FY2026 through FY2028, the “2026 Medium-term Plan.”

In November 2025, we announced our “2035 Vision”: to become a global leading company in circular value creation — “shaping the future through a closed-loop supply chain and co-creation.” At the same time, we set out two basic policies for the 2026 Medium-term Plan: (1) creating new value and (2) process transformation. Building on these, we developed the plan using a back-casting approach, working toward a future vision of the value we will provide and the role we will play in society a decade on, in 2035.

For further details, please refer to the attached materials.

Management Plan (Overview)

Long-term vision	**2035 Vision**
FY2026- FY2028 Medium-term Management Plan	**2026 Medium-term Plan**

日本軽金属ホールディングス株式会社
Nippon Light Metal Holdings Co., Ltd.

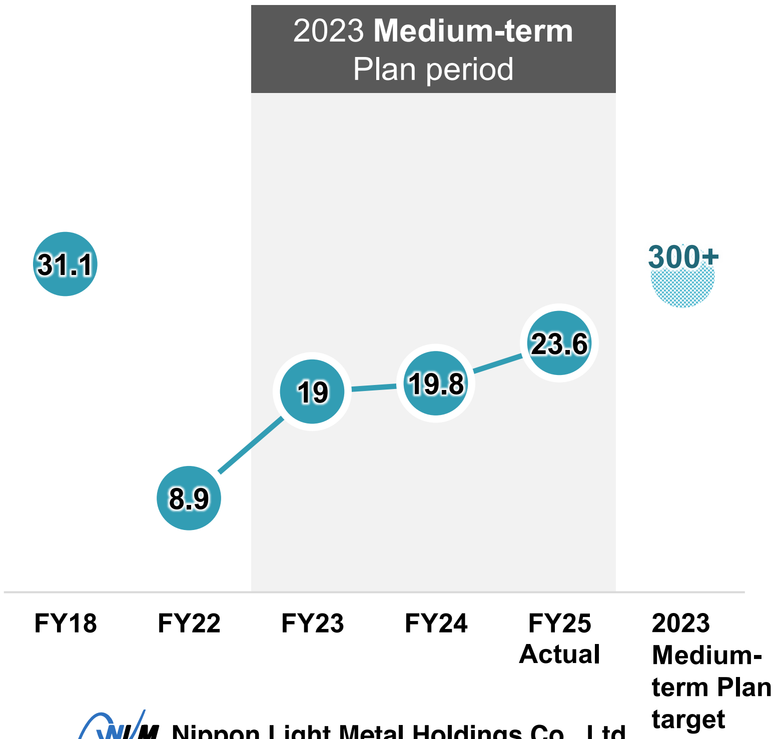
May 15, 2026

Financial targets

Three consecutive years of earnings growth and improved capital efficiency, yet targets were missed due to deferred demand in our priority areas of semiconductor-related products and BEVs, among other factors.

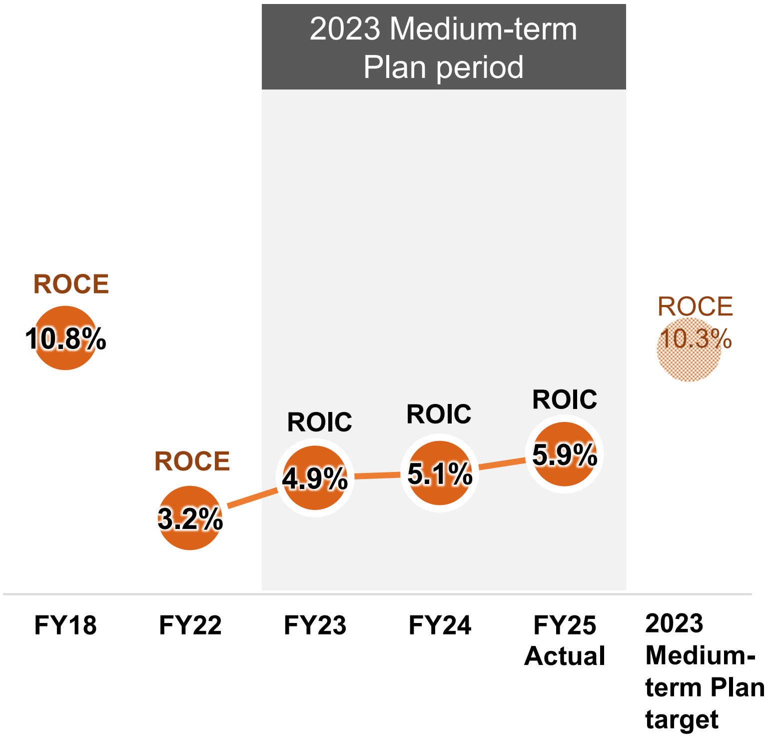
➡ **Balancing growth and efficiency** is essential

Ordinary profit
(billions of yen)

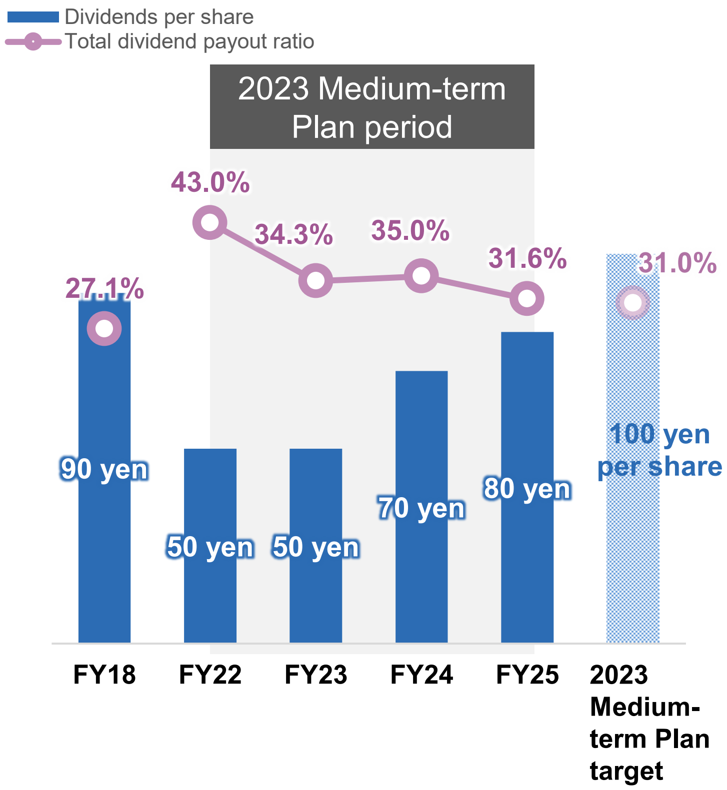


Capital efficiency (ROIC)

※Changing our performance indicator from ROCE, with a greater focus on enhancing corporate value



Shareholder returns



Summary of basic policies and initiatives

Quality-related **recurrence prevention measures completed; management reform advancing**

2023 Medium-term Plan				FY2023–FY2025 Performance Review		
Basic policies		**Initiative objectives and background (assumed external environment)**		**Key initiatives and priority areas**	**Assessment**	
1.	Initiatives for new Team Nippon Light Metal	**Structural reforms to enhance the Group's corporate value** • Optimal resource allocation and structural reforms to generate further synergies		» Transition to a business group and functional organization structure	Achieved	Alliance formation, equity investment, functional integration and consolidation, and business and product portfolio reviews
		Carbon neutrality (risk aspect) • GHG: F50 Net zero, FY30 down 30% (vs. FY13)		» Decarbonization strategy and roadmap development	Achieved	Per units of sales are achievable, but additional measures are needed to reduce total emissions.
		Pursuing management reforms and reinforcing internal control functions • Quality-related recurrence prevention measures (including governance restructuring)		» Reinforcement of supervisory function, enhanced internal audit, and corporate culture reform	Achieved	Recurrence prevention measures; completed as planned
2.	Provide products and businesses that contribute to the creation of social value	**Capturing growth areas**	• Automobiles — BEV rapid growth	» Heat dissipation materials for EVs	Partially achieved	Impact of slowing demand growth for BEVs (Automotive Parts business group)
			• Semiconductors — domestic production reshoring	» Semiconductor manufacturing equipment components and thermal insulation panels for clean rooms	Partially achieved	Semiconductor demand recovery delay (Sheet & Extrusion business group); domestic semiconductor factory construction and capacity expansion demand increase → revision/postponement (engineering business group)
		Overseas strategy	• Expansion of overseas automobile market	» Automotive parts U.S. operation bases	Partially achieved	Operations commenced, but earnings contributions are expected from the next medium-term plan onward (Automotive Parts business group)
				» Launch of secondary alloy ingot India operation bases	Achieved	Start of main operation (Metal business group)
		Carbon neutrality (opportunity aspect) • Growing customer demand for CO_2 reductions (Scope 3)		» Closed loop supply chain initiative launch	Achieved	Bullet train to bullet train (Sheet & Extrusion business group); investment in India's recycled aluminum billet business (Metal business group)

Long-term vision "2035 Vision" and Medium-term Management Plan "2026 Medium-term Plan"

A statement of the value we aim to deliver and the form of social contribution we envision 10 years from now

Megatrends & market needs

Mobility (BEV and autonomous driving), **generative AI, 5G**
- Expanding semiconductor demand
- Energy efficiency improvement (heat dissipation, lightweight and strength)

Climate change response (carbon neutrality)
- Circular economy (green aluminum, recycling, clean energy)

Geopolitical risk (Fluctuations in aluminum ingot and raw material/fuel prices, geopolitical instability)
- Economic security / defense security / aerospace, defense & space business
- Government "Circular Economy Action Plan" metal recycling promotion strategy

The Group's Key Challenges

- Lack of new products and new businesses
- Limits of siloed responses across business companies and divisions
- Aging facilities
- Increasing difficulty securing employees due to Japan's shrinking population

Challenges to address

Providing the "systems" that build tomorrow's society

Deliberate focus and selectivity

Capital reinvestment (balancing sustainability with growth)

Automation and labor savings, improving engagement, diversity

Toward the formulation of our 2035 Vision and 2026 Medium-term Plan

2035 Vision

Toward becoming a Global Leading Company in Circular Value Creation

"Circulation × Co-creation" — Building the Future

2026 Medium-term Plan

2026–2028 Medium-term Management Plan

Implementing transformation

1. **Creating new value**
2. **Process transformation**

The "2035 Vision" and "2026 Medium-term Plan" basic policies

Formulated using a back-casting approach to realize our vision for the future ten years from now

Corporate Philosophy

Management philosophy

Contribute to improving people's quality of life and environmental protection by continuing to create business, focused on aluminum

Long-term vision

2035 Vision

Toward becoming a global leading company in circular value creation

"Circulation × Co-creation" — Building the Future

FY2026–FY2028 Medium-term Management Plan

2026 Medium-term Plan

Basic policies

1 Creating new value

2 Process transformation

Values

Values

Transforming our culture

"Challenge × Create × Connect"

The NLM Group Code of Conduct

- Let's try it. Just try it. — Challenge
- Connect — Shaping the future together
- One step ahead in value — Create

Safety and health | Quality assurance | Compliance | Environmental conservation | Human capital investment (Strengthening organizational competitiveness)

Ongoing foundational activities (building the soil)

"2035 Vision": Toward becoming a global leading company in circular value creation

Closed loop supply chain development: why the Group is right to lead it

Drawing on **the Group's unique and diverse businesses, and the management resources, technologies, and human capital that set us apart**, we create **new value that only the Group can deliver**.

The Group's management resources

Secondary alloy ingot business & locations: Japan, United States, Thailand, China, India, Mexico (Metal business group)

Production facilities & infrastructure
- **High-purity & casting** (Metal business group)
- **Sheet rolling & extrusion** (Sheet & Extrusion business group)

Clean energy
- **Hydroelectric power** (Nippon Light Metal, Kambara Complex)

Materials technology » **Extrusion, rolling, casting, and powder**

Processing technology
» **Bending, drawing, shearing, cutting, service & maintenance, assembly, design & analysis, surface treatment, and joining**

Development, methods, and channels
(Green Growth Strategy Office, Technology & Development Administration Dept., all business groups)

External co-creation
(Marketing & Incubation Administration Office)

The value only we can deliver — contributing to market and customer needs

Products & solutions (customer needs)

Initiative (1)
Closed loop recycling promotion

Practical applications
» **Providing customers with waste material circular-use schemes**
- Truck bodies
- Power cables

Initiative (2)
Upgraded recycling technology development

Practical applications
» **Expanding scrap utilization** — Battery casing materials
» Horizontal recycling through artery-vein collaboration — Truck bodies

Initiative (3)
Building a global recycling flow

Practical applications
» **Recycled materials proposals**
- Truck bodies
- Automotive parts

Initiative (4)
circulating product sales

Practical applications
» **Low-carbon materials proposals**
» **Low-carbon materials supply infrastructure**
» **Promoting recycled products in the market**
» **Making low-carbon a differentiator for end consumers**
» **Consumer image and brand loyalty**

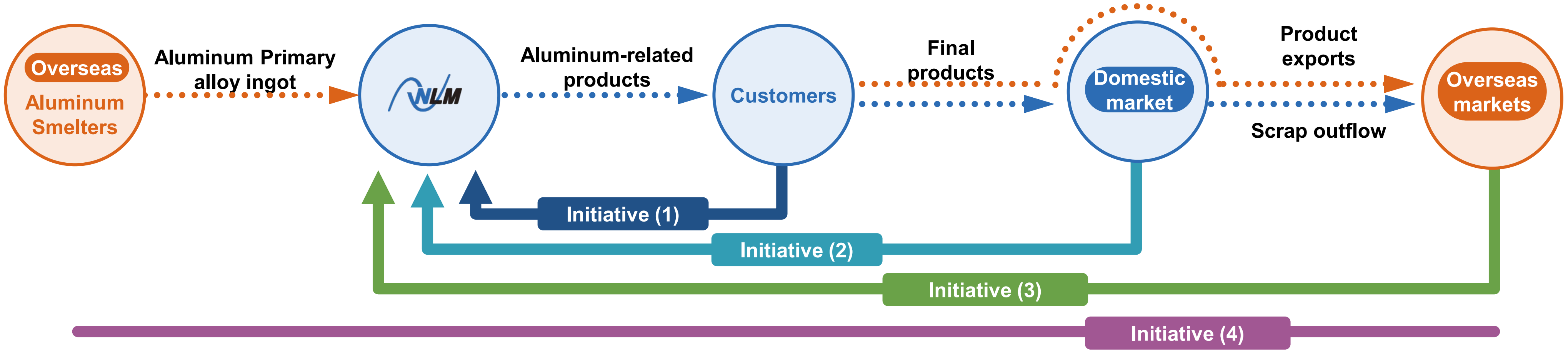
- Automotive parts
- Battery exteriors
- Truck bodies
- Daily necessities
- Food and pharmaceutical packaging materials

"2035 Vision": Toward becoming a global leading company in circular value creation

Developing a closed loop supply chain on a global scale

Becoming a manufacturer that continuously creates new value, with circularity at its core

➡ Recycling = Positioning the closed loop supply chain as the Group's core strategy



Initiative (1)

Closed loop recycling promotion

- Work with customers to build a supply chain that collects and reuses specific product scrap.

Initiative (2)

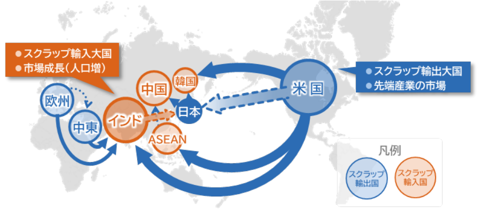
Upgraded recycling technology development

- Selecting and sorting post-consumer scrap — which contains mixed municipal scrap of various materials— by aluminum alloy type to enable horizontal recycling

Initiative (3)

Building a global recycling flow

- Participating in global aluminum recycling flows and returning recycled materials to the domestic market



Initiative (4)

Circulating products sales

- Certifying the low-carbon and sustainability value of products made from recycled aluminum, and passing that value through to pricing

“2035 Vision”: Toward becoming a global leading company in circular value creation

“Circulation × Co-creation” — Building the Future

The Group, with its diverse businesses, will evolve powerfully through co-creation with **a wide range of partners**.

2035 Vision Circulation × Co-creation” — Building the Future

— **2022**

Bullet train to bullet train

Horizontal recycling of bullet train bodies with **JR Central**

Related products

- Recycled aluminum billet
- Extrusion shapes

— Jul. 2025 **India**

CMR-NLM ECO investment

Related products

- Low-carbon recycled aluminum billet and ingot

NLM × CMR

— **Apr. 2025**

Horizontal recycling of truck bodies

Verification testing through artery-vein collaboration with the **TRE Group**

Related products

- Recycled aluminum billet
- Extrusion shapes
- Truck bodies

— **Sept. 2025** **Nippon Electrode Co., Ltd.**

SEC Carbon equity investment

Related products

- Carbon products for blast furnaces and electric arc furnaces
- Carbon & Graphite Specialties

2026 Medium-term Plan

Announced **April 23, 2026**

Stable procurement of critical metals | **Environmental impact reduction**

Entered into a strategic partnership agreement in the metal recycling sector.

NLM × DOWA 資源がめぐる真ん中に。

LIB segment

Solar panel segment

EV motor segment

Creating new value through resource circulation and decarbonization

https://www.nikkeikinholdings.co.jp/news/news/p2026042301hd.html

Creating new value

Growth areas, regions, and expansion that underpin the 2026 Medium-term Plan

➡ **Creating new value in next-generation growth markets**

Growth areas, regions, and expansion

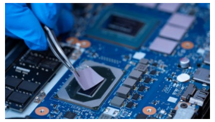
Growth areas

Selling heat dissipation, lightweight, and workability

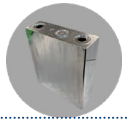
Semiconductors & **Automobiles**

Growth products + adjacent areas

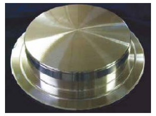
- Aluminum hydroxide and aluminum nitride for heat dissipating and fire-resistant fillers



- Aluminum sheet for prismatic lithium-ion battery cases



- Thick gauge plate and billet for semiconductor manufacturing equipment



- Automotive parts
  » Air conditioning, brakes, body structural materials, heat dissipation materials

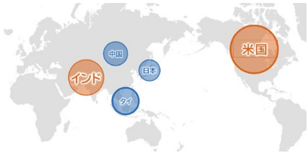
Growth areas

U.S. & **India**

＋ **Surrounding regions**

(Expansion into Southeast Asia, the Middle East, Europe, and Latin America)

- Secondary alloy ingot and recycled aluminum (including scrap procurement in India and the U.S.)



- Pharmaceutical packaging foil (India)

Alliances and investments

New businesses and accelerating business growth

- CMR-NLM investment in ECO (closed loop supply chain)
- Nippon Electrode Co., Ltd. Received equity investment from SEC Carbon (Carbon & Graphite Specialties)
- DOWA partnership agreement (metal recycling)

Next generation growth markets

Looking ahead to profit-led growth from 2030 onward

- **Mobility (BEV)**
- **Service & maintenance**
- **Circulating businesses/products** (Recycling and green aluminum)
- **Energy**
- **Aerospace & space**

Group integration strategy

Efficient resource allocation and management foundation-building through **integrated strategy and judgment ➡ Accelerating transformation** on Group-wide challenges that cannot be resolved at the business group level alone

Challenges (Company-wide and cross-business-group)	Measures
Revenue margin improvement and growth capture	1 Accelerating product and business portfolio renewal 2 Resource allocation across and within business groups (people, assets, and capital) 3 M&A planning and support 4 Cross-business-group synergies (cross-cutting reorganization) 5 Overseas strategy restructuring
Addressing manufacturing human resources	1 Lean staffing (deploying operational and technical/systems human resources) 2 Manufacturing process transformation support
Internal efficiency improvement	1 Business process reform (deploying operational and systems human resources) 2 Data-driven development
Mindset transformation	1 Communication through management team messages (Future Meetings, Compass Meetings, and more) 2 Sustained organizational culture reform

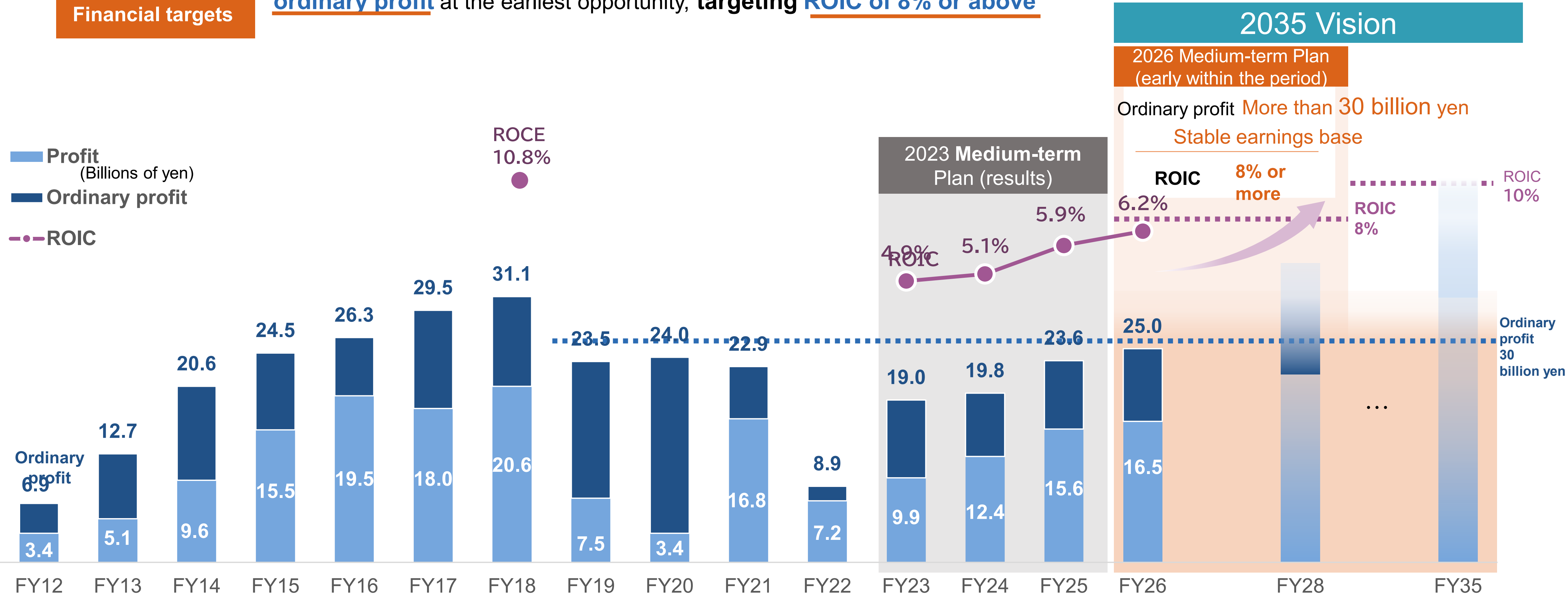
Financial targets

2035 Vision

To continue evolving as a corporate group with a meaningful presence in global markets, while simultaneously addressing social challenges and achieving business growth, **targeting ROIC of 10% or above**

2026 Medium-term Plan Financial targets

Within the 2026 Medium-term Plan period, we aim to establish a stable earnings base exceeding 30.0 billion yen in ordinary profit at the earliest opportunity, **targeting ROIC of 8% or above**



Positioning of business groups

In the 2026 Medium-term Plan, the Sheet & Extrusion business group and Aluminum Foil business group will lead growth.
➡ Looking toward 2035, the Metal business group and the Automotive Parts business group are positioned to lead growth over the long term.

Segment	Business group	Positioning: 2026 Medium-term Plan	Positioning: 2035 Vision	Strategic direction 2026 Medium-term Plan ➡ 2035 Vision
Aluminum Ingot and Chemicals	Chemicals	Stable earnings base	Stable earnings base	Replacing low-margin products with offerings in growth areas — such as heat dissipation, semiconductor, EV-related, and LIB applications — to strengthen the stable earnings base
	Metal	Stable earnings base	Growth driver	Expanding secondary alloy ingot sales in the U.S. and India, building a closed loop supply chain, and growing sales of recycled aluminum products to establish a long-term growth-driving position
Aluminum sheet and extrusions	Sheet & Extrusion	Growth driver	Growth driver	Recovery in semiconductor manufacturing equipment applications and continued growth in LIB applications, alongside expansion beyond semiconductors and BEVs into aerospace and space markets
Fabricated products and others	Transport equipment	Stable earnings base	Stable earnings base	Transitioning the business mix toward service-led growth in anticipation of the maturation of sales in the truck body market
	Automotive parts	Rebuilding the earnings base Strategic development	Growth driver	Improving domestic profitability to achieve stable positive earnings, refining our strategic products and partner strategy, and reviewing our optimal domestic and international production systems to position the Automotive Parts business as a long-term growth driver
	Engineering	Stable earnings base	Stable earnings base	Stable growth in the insulated panel market (refrigerated/cold-storage warehouse and clean room segments), combined with geographic expansion and synergies from integrating the architectural engineering division, will stabilize the earnings base at a high level
Aluminum foil, powder and paste	Aluminum Foil	Growth driver	Growth driver	Growth in heat-dissipation materials and pharmaceutical packaging materials in India, along with recovery in LIB exterior foil driven by BEV demand and next-generation growth products (such as 3D alloy powder and semiconductor-related products), will drive expansion

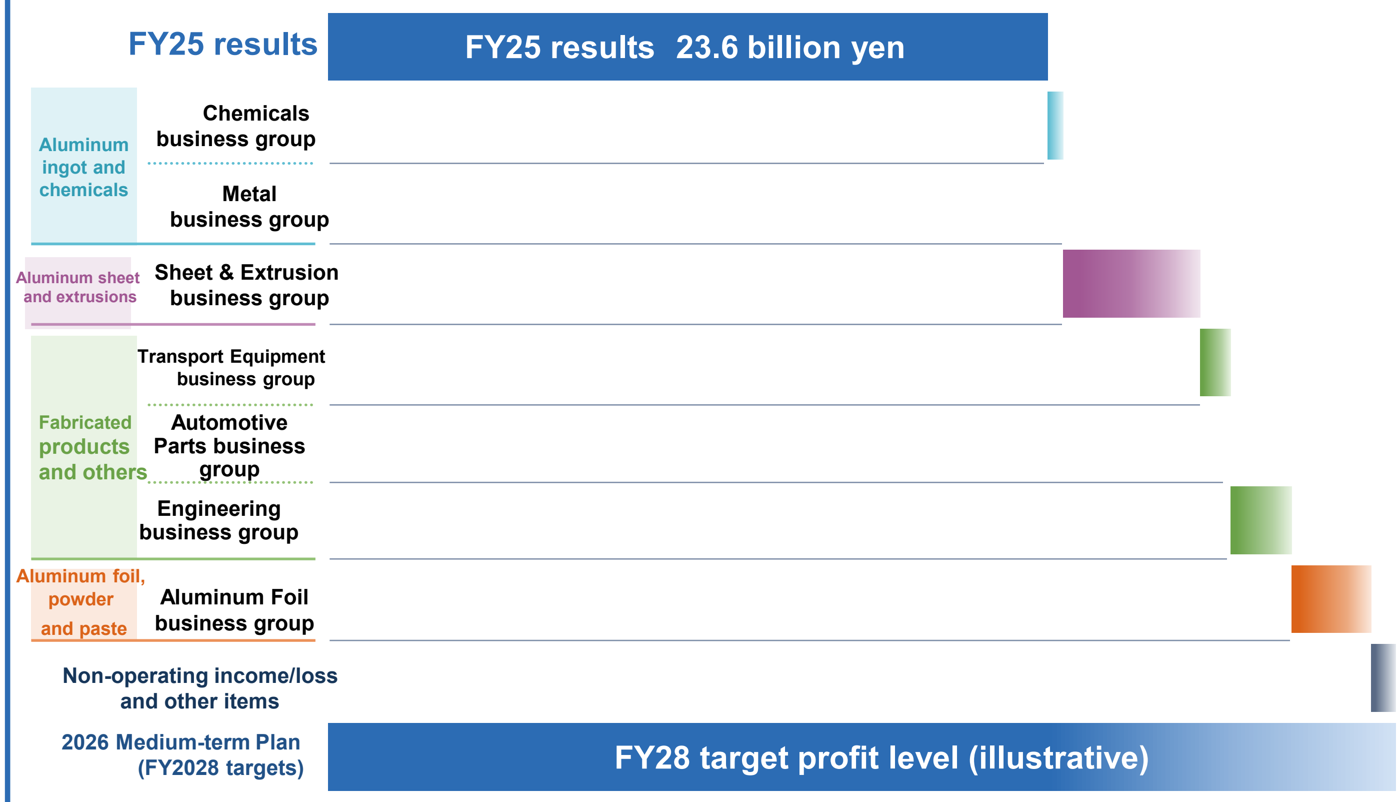
2026 Medium-term Plan

FY25 → FY28 Profit Growth

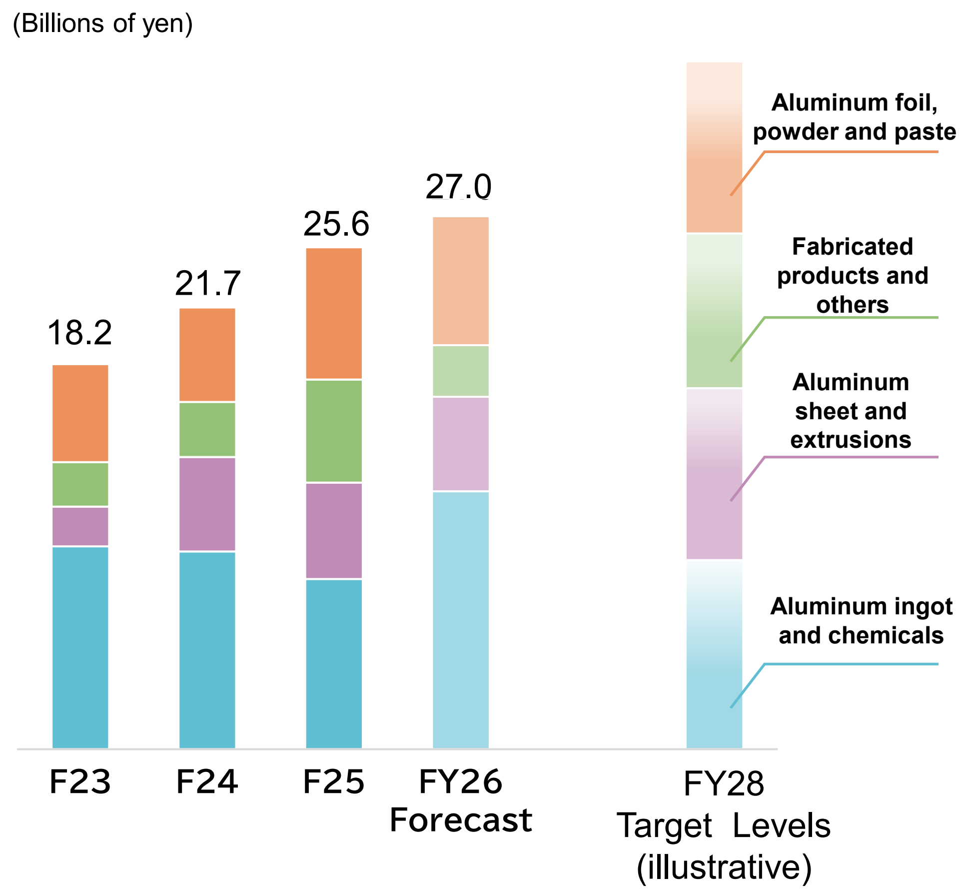
2026 Medium-term Plan: growth led by the Sheet & Extrusion business group (Aluminum Sheet and Extrusions segment) and the Aluminum Foil business group (Aluminum Foil, Powder and Paste segment)

Recovery of performance in the Fabricated Products and Others segment (Transport Equipment business group, Engineering business group)

Ordinary profit variance FY25 results ➡ “2026 Medium-term Plan” financial targets (FY28)



Segment operating profit trends 23 Medium-term Plan period ➡ “26 Medium-term Plan”



Cash allocation

Aggressive growth investment and **sustainable shareholder returns** to drive future growth

FY2026–2028 Medium-term Plan

Operating CF 150 billion yen

Depreciation 72.0 billion yen

R&D - 20 billion yen

Investing CF -110.0 billion yen

Shareholder returns -20.0 billion yen

R&D
New product development, expansion of core technologies, and introduction of new technologies

Capital investment

- **Growth and new products** — 25.0 billion yen — Capacity expansion for heat dissipation materials, semiconductor- and automobile-related applications, LIB materials, and related areas
- **Labor savings and safety** — 45.0 billion yen — Seismic reinforcement, workplace welfare facility upgrades, and working environment improvements
- **Maintenance and renewal** — 30.0 billion yen

(Of which, digital transformation and AI adoption, Operational transformation support) — 2.0 billion yen — Integrated data platform (data-driven management) AI adoption support (automation, task assistance, and advanced quality requirements)

Co-creation investment — 10.0 billion yen — M&As and other growth investment aimed at creating new value

Shareholder returns
Total payout ratio of 30% or more raised to approximately
→ 40% (including share buybacks)

Shareholder return policy

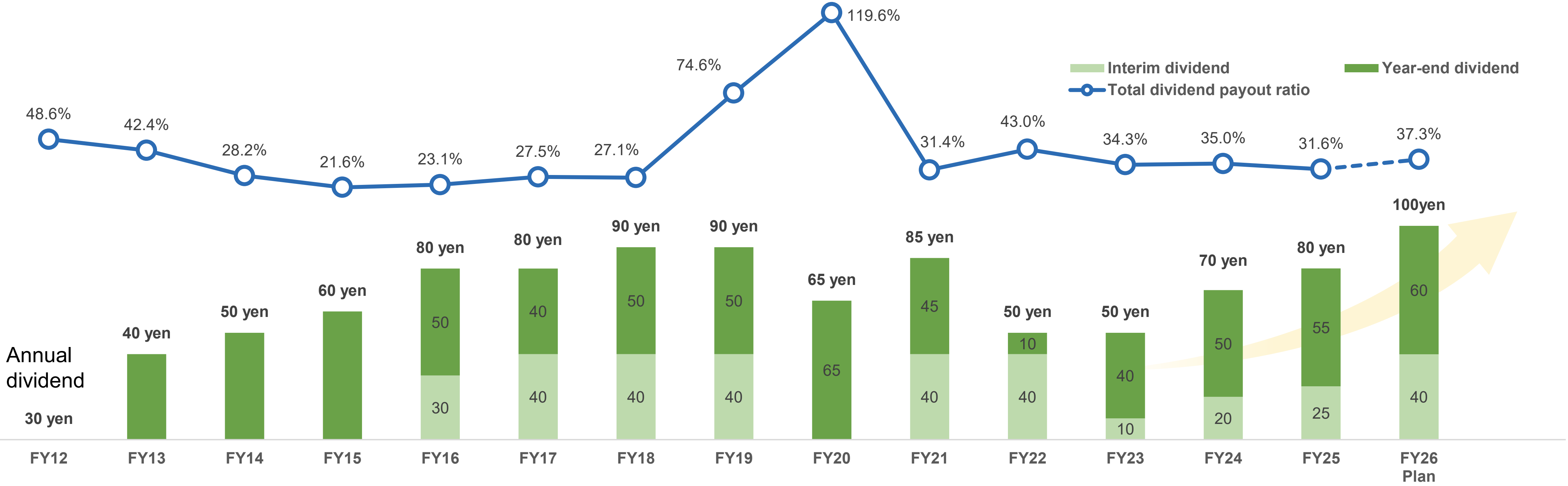
2026 Medium-term Plan
Shareholder return policy

2023 Medium-term Plan total payout ratio: 30% or more (including share buybacks)

2026 Medium-term Plan **total payout ratio: approximately 40%** (including share buybacks)

FY2026 forecast

Annual dividend: 100 yen
(interim: 40 yen; year-end: 60 yen)
planned



Shareholder return policy (profit distribution indicators)

Dividend payout ratio: 30% → Total payout ratio: 30% → Total payout ratio: 30% or more → 2026 Medium-term Plan Total payout ratio: approximately 40%

Notes on this document

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