

# Sustainability Management

—Transitioning from a Defensive to an Aggressive Approach—

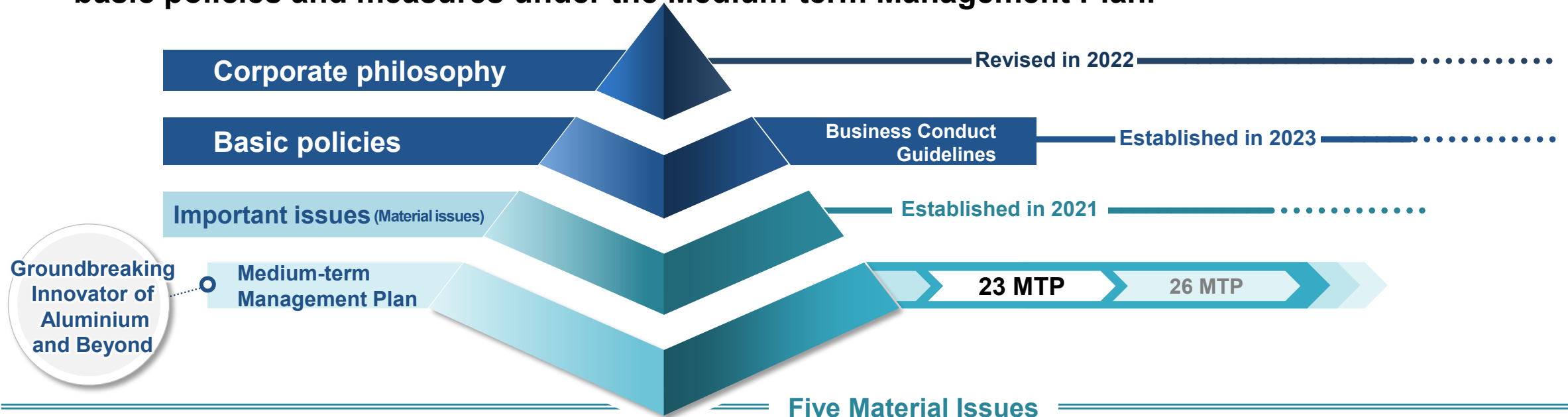


November 18, 2025






Nippon Light Metal Holdings Company, Ltd.

# NLM Group's Sustainability Management

- Aiming to fulfill our corporate philosophy, we have established material issues and formulated basic policies and measures under the Medium-term Management Plan.

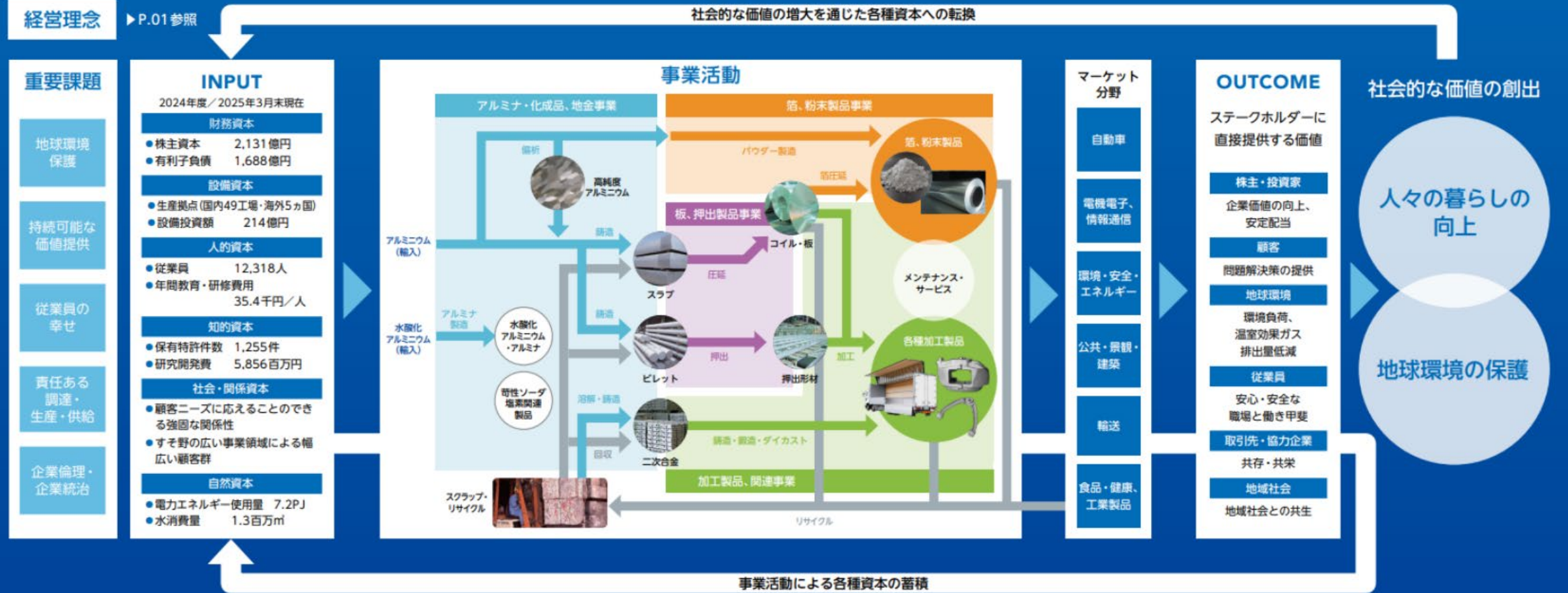


## Five Material Issues

Protecting the global environment	Providing sustainable value	Happiness of employees	Responsible procurement, production and supply	Corporate ethics and governance
  	    	 	 	
<ul style="list-style-type: none"> <li>Reducing greenhouse gas emissions from company activities (scope 1, 2)</li> <li>Reducing greenhouse gas emissions in the supply chain (scope 3)</li> <li>Action on climate change (TCFD)</li> <li>Responding to water stress</li> <li>Preventing environmental pollution</li> </ul>	<ul style="list-style-type: none"> <li>Efforts to expand the use of renewable energy</li> <li>Developing and providing low-carbon products and services</li> <li>Promoting a recycling-oriented economy and society</li> <li>Developing and providing robust infrastructure</li> <li>Contributing to the stable supply of food</li> <li>Shaping the future through innovation</li> </ul>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Developing a fulfilling workplace</li> <li>Diversity &amp; inclusion</li> <li>Securing and cultivating human resources</li> </ul>	<ul style="list-style-type: none"> <li>Providing safe and secure products and services</li> <li>Protecting and respecting human rights</li> <li>Developing a stable supply chain</li> <li>A resilient value chain that is flexible to changes</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening governance</li> <li>Reinforcing the compliance framework</li> </ul>

# NLM Group's Sustainability Management

## Material Issues and Value Creation Process



# NLM Group's Sustainability Management

## Progress in the 23 MTP >> Assessment of the 23 MTP Basic Policies and Measures

- By thoroughly preventing the recurrence of quality issues, we have solidified the foundation for value creation and positioned ourselves to take an aggressive approach.

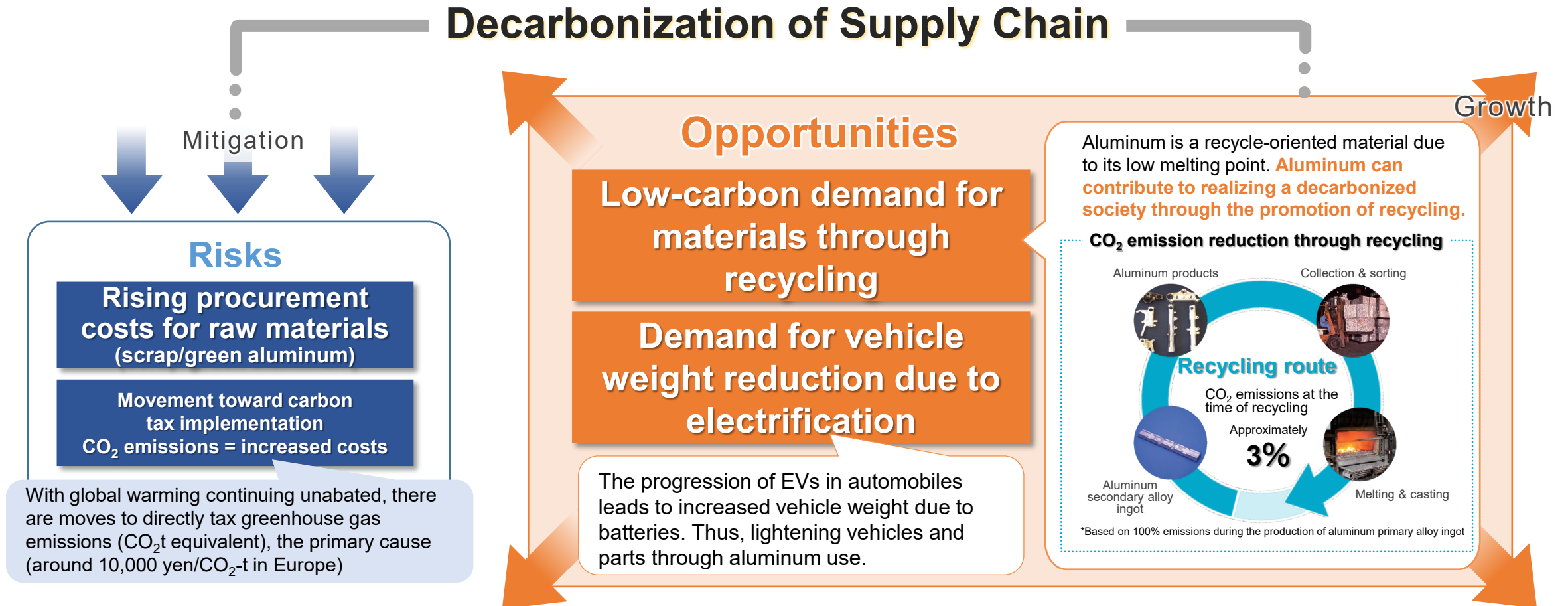




# NLM Group's Sustainability Management

## Protecting the Global Environment » Challenge of Opportunities toward Carbon Neutrality

- While a decarbonized society poses a business continuity risk to our Group, it also represents an opportunity to grow the value of our business.

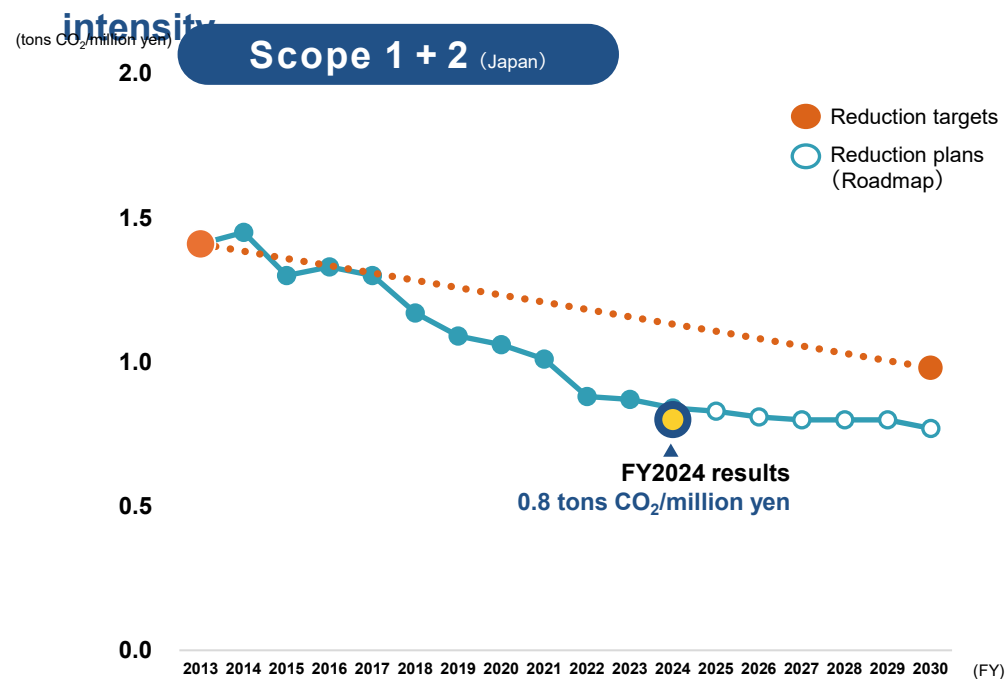


# NLM Group's Sustainability Management

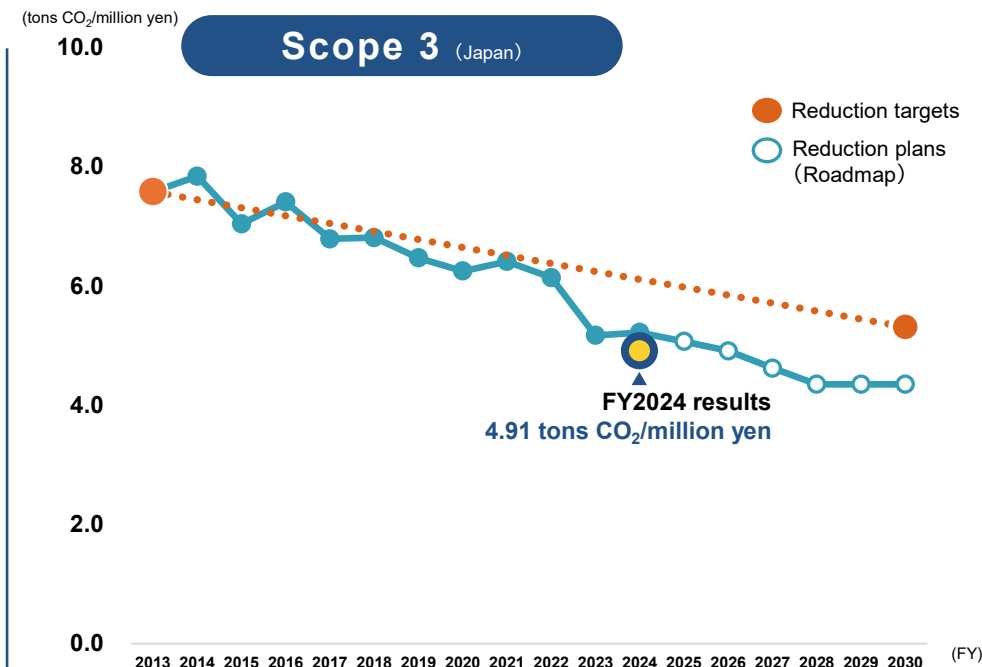
## Protecting the Global Environment ≫ Carbon Neutrality Continues to Advance Steadily

- Approach to Carbon Neutrality is underway, with a roadmap in place under the 23 MTP to ensure steady advancement.
- By analyzing metal flows, we have initiated efforts to build a global circular supply chain.

### Trend in CO<sub>2</sub> emissions sales intensity



- ≫ Following the roadmap, fuel conversion and other measures have been implemented, achieving emissions reductions in Scope 1 and 2.



- ≫ To transform metal flows from a vertical to a circular model, we invested in a recycled aluminum company in India to secure resources of recycled materials.
- ≫ We accelerated the establishment of new technologies, including upgraded technology and electric furnace technologies.

**These low-carbon and recycled-material products are being branded to enhance added value.**

# NLM Group's Sustainability Management

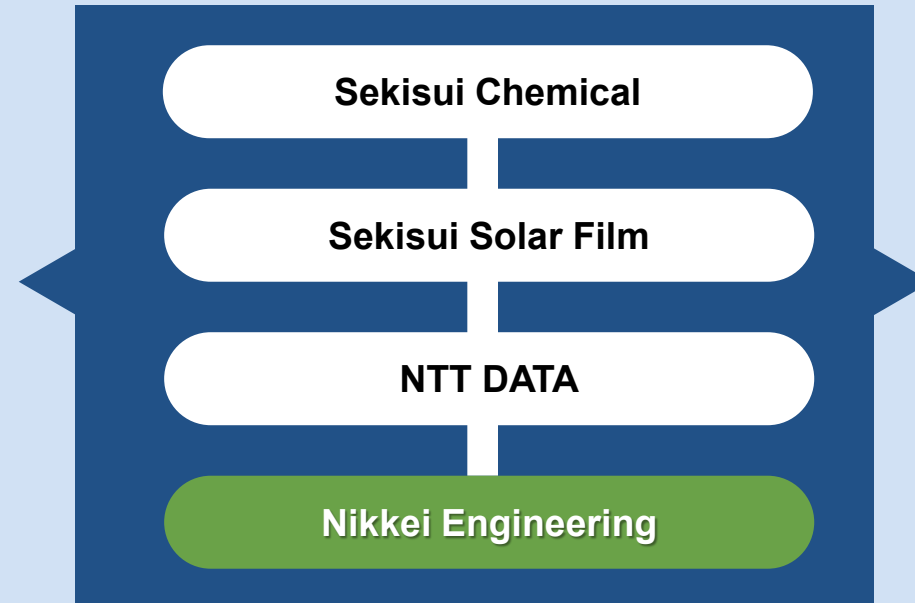
## Providing Sustainable Value » Examples of Contributions through the Design & Construction Value Chain

### Contributing to local production of renewable energy for local consumption in urban areas and to the realization of a decarbonized society

Sekisui Chemical Co., Ltd., Sekisui Solar Film Co., Ltd., NTT DATA Japan Corporation, and Nikkei Engineering Co., Ltd. jointly initiated in October 2025 the development of improved construction methods for installing film-type perovskite solar cells on the outer walls of buildings in urban areas.



Film-type perovskite solar cells applying the construction methods under consideration



NTT Shinagawa TWINS  
Data Tower Building

# NLM Group's Sustainability Management

## Happiness of Employees » Human Capital – Our Greatest Asset –

- Human resources are the foundation of all our business activities, and the greatest asset for creating new value

Basic policy

Diverse values

Long-term global human resources

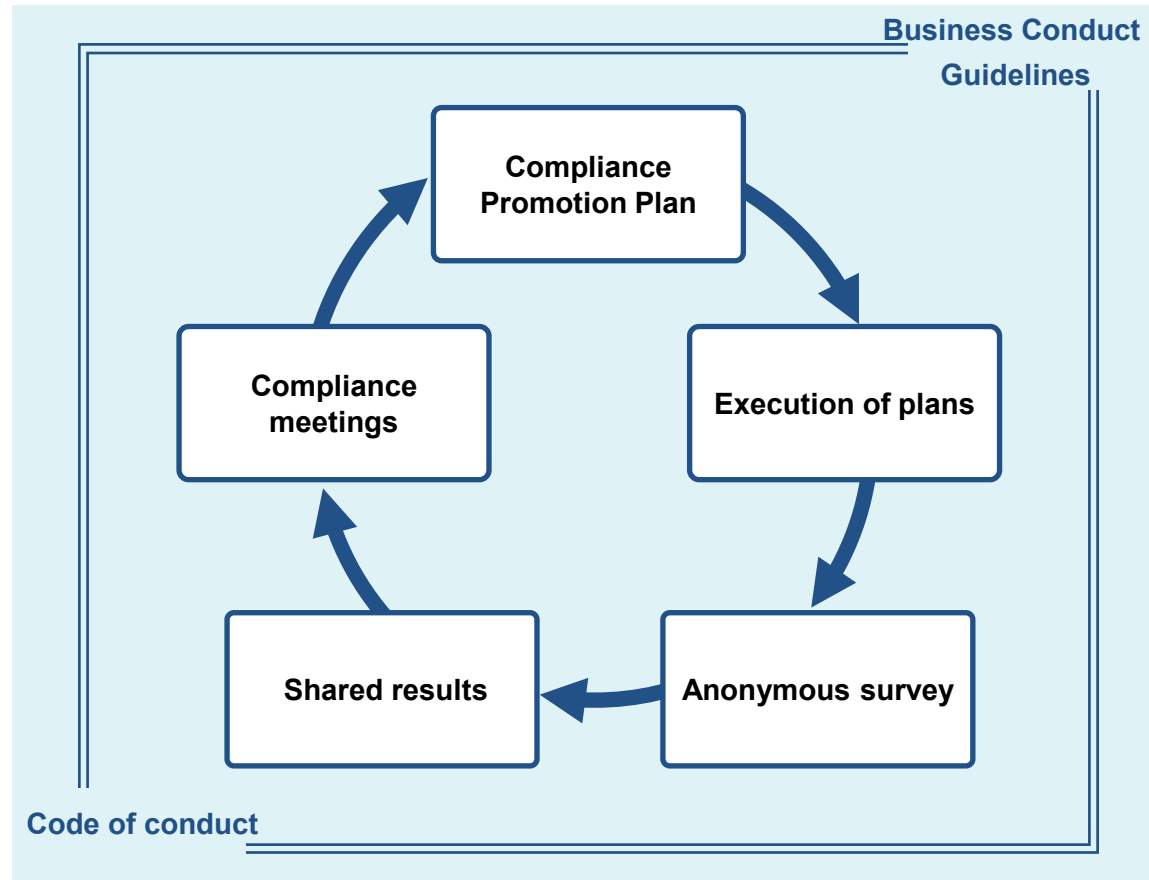




## Corporate Ethics and Governance » Compliance, Governance

- Reinforced governance and compliance in response to quality issues, thereby establishing an unwavering foundation for sustainable value creation

### Compliance



### Governance

#### Improving of Board of Directors' effectiveness

- » Conducted effectiveness evaluations (via surveys), shared results, and implemented improvements
- » Reviewed and refined agenda items

#### Nomination and compensation for directors and officers

- » Reduced the number of directors: 14 ➡ 9
- » Increased the ratio of outside directors
- » Developed and published the CEO succession plan
- » Reviewed and revised the compensation framework for directors and officers






#### Reinforcement of the Group's governance

- » Reorganized into a business group structure
- » Reorganized into functional organizational groups

# NLM Group's Sustainability Management

## Material Issues (Materiality) >> Key KPIs and Assessment

■ Continue to rigorously review KPI setting and progress, with any delays in initiatives to be addressed through catch-up actions

The Five Material Issue Themes	Major Key Performance Indicator (KPI)	Target value	FY2024 results	Our assessment	FY2022 results	vs 22 MTP
<b>Protecting the global environment</b> 	● Scope 1 and 2 emissions per unit of sales (Japan)	-30% compared to the FY2013 level FY2050: Net zero	0.80 tons CO <sub>2</sub> /million yen	○	1.38 tons CO <sub>2</sub> /million yen	↗ Improved
	● Scope 3 emissions per unit of sales (Japan)	-30% compared to the FY2013 level FY2050: Net zero	4.91 tons CO <sub>2</sub> /million yen	○	4.67 tons CO <sub>2</sub> /million yen	↘ Declined
	● Number of environmental incidents and complaints	Continue to achieve 0 incidents and complaints	25 environmental incidents 9 environmental complaints	×	6 environmental incidents 7 environmental complaints	↘ Declined
<b>Providing sustainable value</b> 	● Growth rate of sales of products for eco-friendly vehicles (Japan/compared to the FY2021 level)	Up 300%	Up 80%	△	30%	↗ Improved
	● Rate of purchase of external scrap (overall Group)	Above 30%	36%	○	30%	↗ Improved
<b>Happiness of employees</b> 	● Number of lost-time injuries	Continue to achieve 0 incidents and complaints	15	×	16	↗ Improved
	● Employee engagement score (Japan)	3.6 or higher	3.35	△	-	Set in FY23
	● Percentage of managers who are women (consolidated)	FY2024: 7% or above FY2030: 10% or above	6.1%	×	5.7%	↗ Improved
	● Percentage of childcare leave taken by male employees (Japan)	FY2024: 30% or above FY2030: 100% or above	80%	○	40%	↗ Improved
	● Percentage of regularly hired career track workers who are women	20% or higher	27%	○	-	Set in FY23
	● Annual number of employees who completed next-generation management training	10 or more trainees	15	○	16 trainees	→ Maintained
	● Percentage of managers who completed new manager training	100%	100%	○	100%	→ Maintained
<b>Responsible procurement, production and supply</b> 	● Number of serious quality problems that occurred	Continue to achieve 0 incidents and complaints	36	×	12	↘ Declined
	● Joining the relief organization	Membership continued	Membership continued	○	Continued enrollment	
	● Number of responses from major suppliers*3 to a questionnaire survey to check that they understand and have approved our CSR procurement policy	500	485	○	(78%)	Set in FY23
	● Number of BCP training sessions held	3	3	○	-	Set in FY23
<b>Corporate ethics and governance</b> 	● Number of quarterly interviews with investors held	84	120	○	-	Set in FY23
	● Number of self-assessments conducted by the Board of Directors	Once/year	1	○	1	→ Maintained
	● Number of times Outside Officers inspected business locations	Twice/year	2	○	3	↘ Declined
	● Percentage of officers and employees who received compliance training (consolidated)	Annual percentage of 80% or above	20%	×	15%	↗ Improved

# NLM Group's Sustainability Management Roadmap

- Although we faced several major challenges in terms of risk, we are in the process of overcoming them. The management reforms and enhancements to internal controls undertaken during this process will now be leveraged on the opportunity front, driving further progress toward the next MTP.

## Roadmap for Material Issues

### FY23-FY25

(Figures based on FY2024 results)

### FY26-FY28

### FY35

### Target vision

#### Protecting the global environment



- 0.79 tons CO<sub>2</sub> /million yen  
Revised target
- Transition to energy efficiency powered by renewable electricity

- Transition to energy conservation and renewable energy to offset increases in emissions
- Development of electric melting technology

- 400,000 tons CO<sub>2</sub> or less/ million yen
- Fuel conversion to hydrogen and ammonia

- Scope 1, 2 — Zero emissions
- Scope 3 — Net zero

#### Providing sustainable value



#### Development and provision of low-carbon products and services

#### Branding of low-carbon products and services

#### Market penetration of low-carbon products and service brands

#### Building a low-carbon society

#### Happiness of employees



- ES\* score: 3.38
- Percentage of managers who are women: 6.1%

- Improved ES score to  $\geq 3.6$
- Percentage of managers who are women: 10%

- Improved ES score to  $\geq 3.6$
- Percentage of managers who are women: ●%

- Fulfilling workplace
- Active participation of female officers and managers

#### Responsible procurement, production and supply



- Trouble response
- Implementation of human rights due diligence

#### Toward proactive prevention Establishment of a complaint processing system

#### Achieving top quality Respect for and protection of human rights in SC\*2

#### Zero quality incidents SC free of infringements on human rights

#### Corporate ethics and governance



- Strengthening governance
- Corporate cultural reforms

- Strengthening governance
- Fostering an open culture

- Strengthening governance
- Embedding an open culture

- Governance underpinning aggressive management
- Corporate culture filled with a sense of ethics

\* Engagement Survey

\*2 Supply chain

# NLM Group's Sustainability Management

## External Evaluation

### ESG Evaluation



# Release of the Integrated Report 2025





Notes on this document

1. This document is intended to provide information on future management strategies, and not to solicit the purchase or sale of the marketable securities issued by the Company.
2. The forward-looking statements, including future trends and earnings estimates, are not historical facts and involve risks and uncertainties, and therefore do not guarantee future performance. Actual financial results may differ materially from the estimates due to various factors, including unpredictable changes in economic conditions. Significant factors that may affect actual financial results include but are not limited to the economic climate surrounding the Group, social trends, and changes in the Group's relative competitiveness in line with the demand trends for the products and services provided by the Group.
3. The matters described in this document reflect the views of the Company at the time of its preparation and are subject to change without prior notice.
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