

Consolidated Financial Results (Supplementary Materials) for the Fiscal Year Ended March 31, 2025

Securities Code : 1515

May 12, 2025

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Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Summary

- FY24: Sales grew while operating profit (OP) decreased YoY. Increase in profit attributable to owners of parent drove higher dividends.
 - OP: Price increases in Nonmetallic Minerals and Machinery & Environmental Engineering were insufficient to offset FX headwind and decreased volume in Metallic Minerals.  p. 4~
- FY25: Sales and OP are expected to decline, which is in line with 3rd MTMP.  p. 15~
 - OP: Worsening procurement condition and negative FX impact in the smelting side of Metallic Minerals are expected to lead to YoY decline.
- New reduction policy of cross-shareholdings was implemented.  p. 20
 - Acceleration of reductions, aiming to reduce holdings to below 20% of net assets by selling over 10 billion JPY for FY25-27.

- Details are provided on the following slides.

Overview of consolidated results for FY24

- Sales grew mainly driven by higher selling prices for minerals, including limestone in Nonmetallic Minerals and higher domestic selling prices of electrolytic copper and gold in the smelting side of Metallic Minerals.
- OP decreased due largely to FX headwind and Worsened procurement condition in the smelting side of Metallic Minerals and decreased volume in the Atacama Mine, partially offset by higher sales and OP in Nonmetallic Minerals and Machinery & Environmental Engineering.
- Ordinary profit decreased primarily due to OP decrease, partially offset by increased share of profit of entities accounted for using equity method.
- Profit attributable to owners of parent rose due to increased gain on sale of investment securities and receipt of fire damage insurance, despite decline in ordinary profit.
- ROIC declined due to decreased OP and increased debt spent on the Arqueros Mine development.

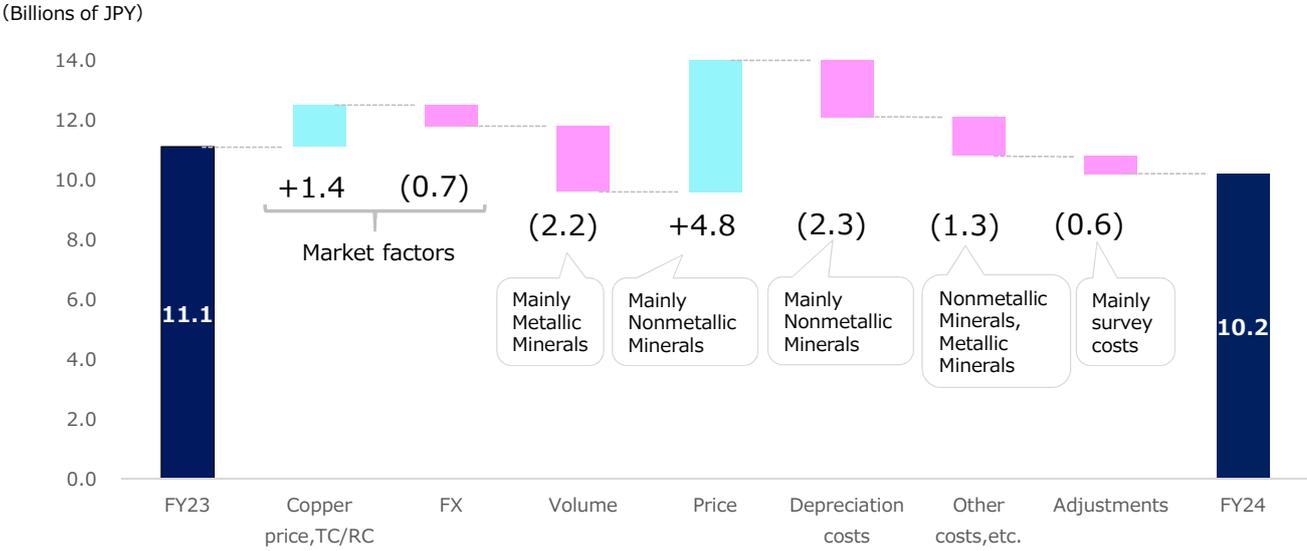
(Billions of JPY)

| | FY23 | FY24 | Change |
|---|--------|--------|--------|
| Net sales | 166.8 | 196.7 | 29.8 |
| Operating profit | 11.1 | 10.2 | (0.9) |
| Ordinary profit | 12.0 | 11.4 | (0.6) |
| Profit attributable to owners of parent | 6.6 | 9.0 | 2.4 |
| Dividend per share (JPY) | 169.00 | 224.00 | 55.00 |
| Equity ratio | 61.3% | 58.9% | (2.4%) |
| ROIC | 4.9% | 4.3% | (0.6%) |
| ROE | 4.8% | 6.4% | 1.6% |
| Copper price (¢ /lb) | 379.28 | 425.00 | 45.72 |
| FX (JPY /USD) | 144.62 | 152.58 | 7.96 |

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- Details of Sales and OP are provided on the following slides.
- Ordinary profit decreased primarily due to OP decrease, partially offset by increased share of profit of entities accounted for using equity method driven by better financial results at Hibi Kyodo Smelting, an equity-method affiliate.
- Profit attributable to owners of parent grew primarily due to increase in gain on sales of investment securities and receipt of fire damage insurance, despite impairment loss at domestic limestone mines.
- Consequently, dividend per share of 224 JPY, up 55 JPY, is expected to be paid, based on our policy of approx. 40% consolidated payout ratio.
- ROIC, our major KPI was 4.3% due to decreased OP and increased debt for Arqueros Mine development.

Overview of consolidated results for FY24: Major gains/losses in OP



- Market factors of copper prices, TC/RC and FX is primarily attributable to the Metallic Minerals.
- Details of each segment are provided on the following slides.

Overview of consolidated results for FY24 : Quarterly results

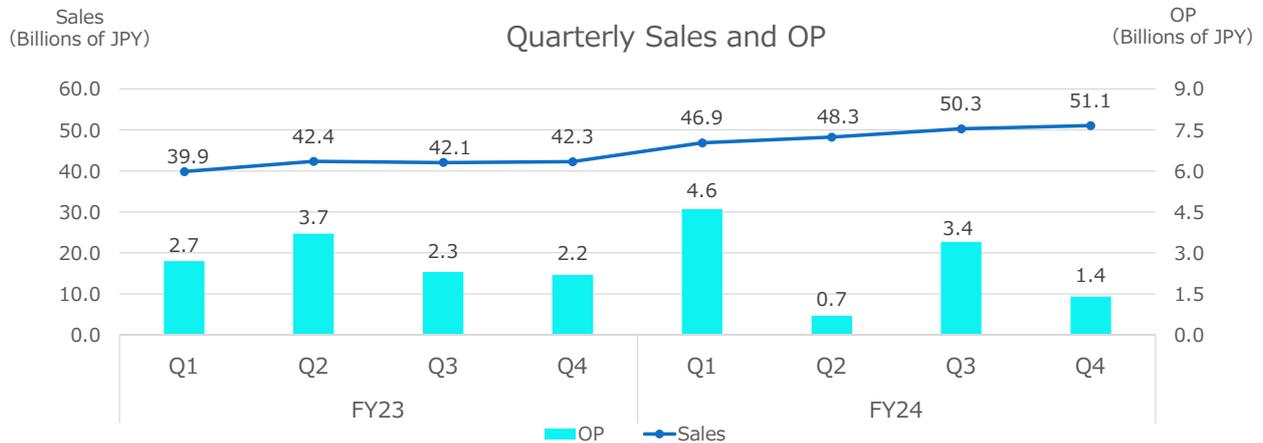
- YoY changes in FY24

Q1 : Increased due primarily to price increases in Nonmetallic Minerals and weaker yen in Metallic Minerals.

Q2 : Decreased mainly caused by start of depreciation in Nonmetallic Minerals and stronger yen in Metallic minerals.

Q3 : Increased due mainly to price increases and mix improvement in Nonmetallic Minerals and weaker yen in Metallic Minerals.

Q4 : Decreased due to smaller volume in the Atacama Mine, partially offset by absence of FY23 one-off expenses in Nonmetallic Minerals.



- Regarding OP shown in the bar graph, FX fluctuations in the smelting side of Metallic Minerals affected quarterly results in FY24. In Q4 of FY24, OP was lower than expected due mainly to smaller volume at the Atacama Mine, caused by equipment failure.
- In Nonmetallic Minerals, higher costs were offset by price increases throughout the FY.

Segment breakdown for FY24 : Sales

(Billions of JPY)

| | FY23 | FY24 | Change | Factors |
|---|-------|-------|--------|---|
| Mineral Resources: Nonmetallic Minerals | 60.6 | 63.3 | 2.6 | Limestone: increased due to higher prices. Fuels, etc.: decreased mainly due to lower price of coal. |
| Mineral Resources: Metallic Minerals | 88.3 | 113.9 | 25.6 | <Smelting> Electrolytic copper: increased due to higher domestic prices, driven by favorable market conditions. Copper concentrate: purchased goods sold. Others: increased due to higher domestic prices, driven by favorable market conditions, and higher volume of electrolytic gold. <Mining>Copper concentrate: remained flat. |
| Machinery & Environmental Engineering | 13.2 | 14.7 | 1.5 | Environmental Division: increased. Machinery Division: remained flat. |
| Real Estate | 2.8 | 2.8 | (0.0) | - |
| Renewable Energy | 1.7 | 1.7 | (0.0) | - |
| Total | 166.8 | 196.7 | 29.8 | |

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- Pages 7 and 8 provide overview of YoY sales and OP changes in each segment. Details are provided from page 9 onwards.

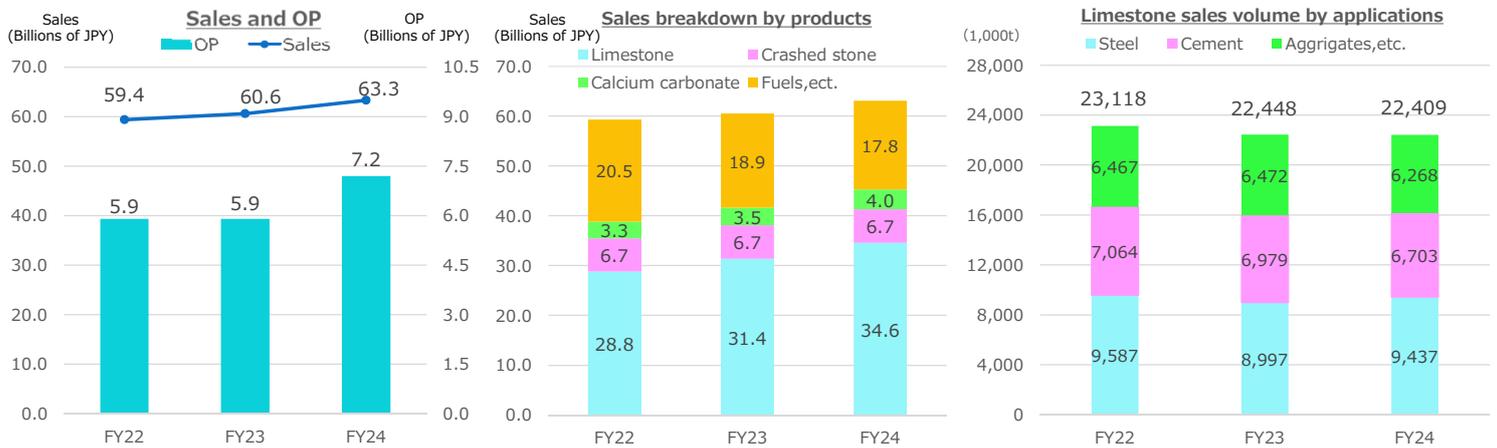
Segment breakdown for FY24 : OP

(Billions of JPY)

| | FY23 | FY24 | Change | Factors |
|---|-------------|-------------|--------------|---|
| Mineral Resources: Nonmetallic Minerals | 5.9 | 7.2 | 1.2 | Higher selling prices for minerals, including limestone and absence of FY23 one-off expenses. |
| Mineral Resources: Metallic Minerals | 2.9 | 0.9 | (2.0) | FX fluctuations and worsened procurement condition in the smelting side, lower volume at the Atacama Mine, etc. |
| Machinery & Environmental Engineering | 1.4 | 2.0 | 0.5 | Higher sales, etc. |
| Real Estate | 1.6 | 1.6 | 0.0 | - |
| Renewable Energy | 0.5 | 0.4 | (0.0) | - |
| Eliminations / adjustments | (1.5) | (2.1) | (0.6) | Mainly higher survey costs, including geothermal power survey in Shiramizugoe area. |
| Total | 11.1 | 10.2 | (0.9) | |

Segment breakdown for FY24: Mineral Resources: Nonmetallic Minerals

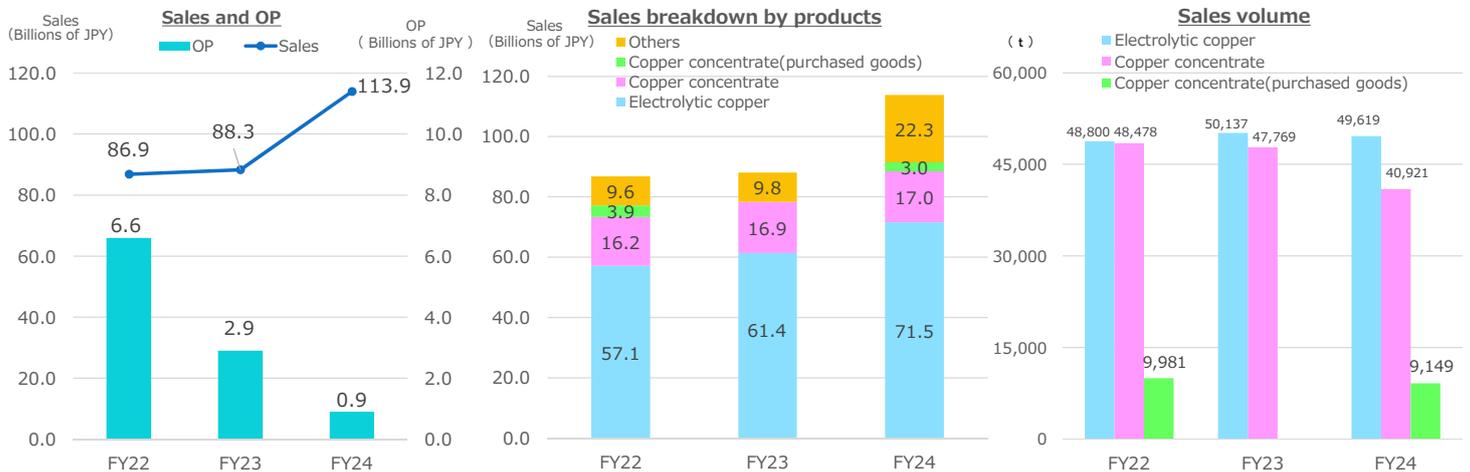
- Sales and OP grew primarily due to price increases of minerals including limestone, our major product, and absence of FY23 one-off expenses.



- Sales and OP grew YoY in Nonmetallic Minerals.
- Increase in limestone sales drove the segment's sales growth, as shown in the graph titled 'Sales breakdown by products' on the middle of the slide. Price increase exceeded decreased volume.
- OP increased due to price increases in limestone and crashed stone, along with absence of FY23 one-off expenses at subsidiaries contributed to OP growth, despite start of large-scale depreciation at Torigatayama Quarry Complex.

Segment breakdown for FY24: Mineral Resources: Metallic Minerals

- Sales grew, while OP decline.
Smelting (electrolytic copper, others): Sales increased due mainly to favorable market conditions, higher volume in electrolytic gold and sale in purchased goods, while OP decreased due primarily to FX fluctuation and worsened procurement condition.
Mining (copper concentrate): Sales remained unchanged, due to increased copper prices, etc., largely offset by lower volume. OP declined due mainly to decreased volume, and higher operation costs at the Arqueros Mine.



- Sales grew, while OP fell YoY in Metallic Minerals.
- In the smelting side, sales increased due to higher market prices in copper and gold, greater volume of electrolytic gold, and sale of copper concentrate (purchased goods), while OP dropped due to sharp appreciation of the yen and worsened procurement condition.
- In the mining side, sales remained flat due to decrease in volume caused by equipment failure despite higher copper prices and weaker yen. OP went down due to lower volume, and increase in operation costs at Arqueros Mine under development.
- FX and copper price trends are available on page 26.

Segment breakdown for FY24: Machinery & Environmental Engineering

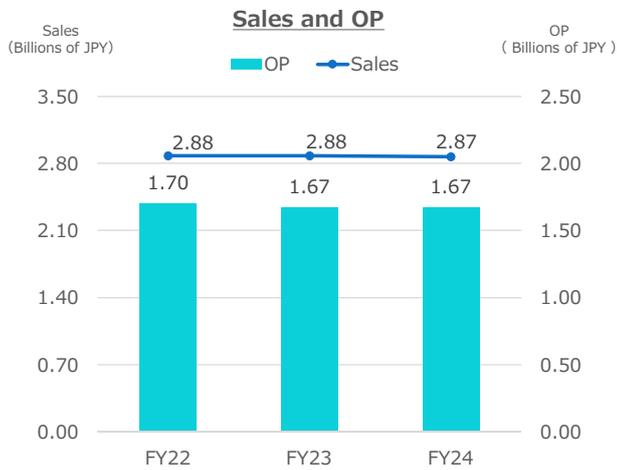
- Sales and OP grew due to the favorable sales trend in the Environmental Division and flat YoY sales in the Machinery Division.



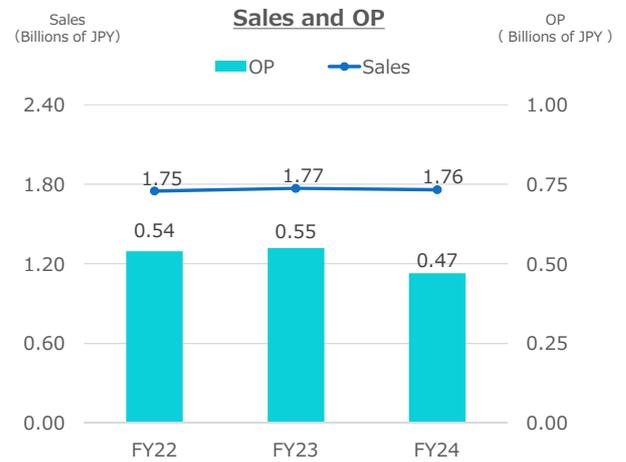
- Sales and OP grew YoY.
- Price increase in 'Polytetsu,' the Environmental Division's main product (a water treatment chemical), along with a delay in reflecting cost hikes, contributed to higher OP.

Segment breakdown for FY24: Real Estate, Renewable Energy

- Sales and OP remained flat in the Real Estate.



- In the Renewable Energy, sales remained flat YoY due mainly to lower volume caused by regular repairs in the geothermal division, which was largely offset by higher prices. OP declined due mainly to the repairs.



- Details are provided on the slide.

Balance sheets

(Billions of JPY)

| | March 31, 2024 | March 31, 2025 | Change |
|--------------------------------|----------------|----------------|--------|
| Current assets | 105.0 | 101.9 | (3.1) |
| Cash and deposits | 37.4 | 38.0 | 0.6 |
| Notes and accounts receivable | 33.8 | 35.3 | 1.5 |
| Inventories* | 28.2 | 20.6 | (7.6) |
| Non-current assets | 124.4 | 138.2 | 13.7 |
| Property, plant and equipment | 70.8 | 84.2 | 13.4 |
| Intangible assets | 4.0 | 3.8 | (0.1) |
| Investments and other assets | 49.6 | 50.0 | 0.4 |
| Current liabilities | 54.2 | 55.6 | 1.3 |
| Notes and accounts payable | 20.5 | 16.2 | (4.2) |
| Short-term loans payable | 17.0 | 12.6 | (4.4) |
| Non-current liabilities | 24.6 | 32.6 | 7.9 |
| Long-term loans payable | 2.5 | 9.7 | 7.2 |
| Deferred tax liabilities | 7.8 | 7.5 | (0.2) |
| Net assets | 150.7 | 151.9 | 1.2 |
| Equity capital | 140.7 | 141.4 | 0.7 |
| Non-controlling interests | 9.9 | 10.4 | 0.5 |
| Total assets | 229.5 | 240.1 | 10.6 |

※Inventories : Goods and products + Work in process + Raw materials and supplies

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- Total assets shown at the bottom of the table increased to 10.6 billion JPY due to increase in property, plant and equipment related to the Arqueros Mine development, despite decline in inventories in the smelting side of Metallic Minerals.
- Current and non-current liabilities increased by 9.3 billion JPY due to increase in long-term loans payable related to the Arqueros Mine development.
- Net assets rose by 1.2 billion JPY due mainly to recording net profit of 9 billion JPY, despite dividend payment of 2.9 billion JPY and share buyback of 4.7 billion JPY.

MTMP24-26: plans vs results for FY24

- Sales and OP results exceeded the plans.

⇒Major factors (OP):

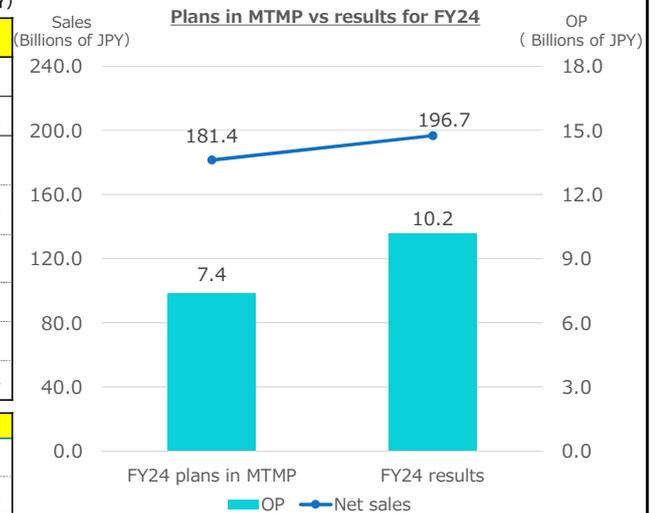
Nonmetallic Minerals: primarily due to price increases of minerals including limestone.

Metallic Minerals: better market conditions.

Machinery & Environmental Engineering: higher sales and OP in the Environmental Division.

(Billions of JPY)

| <Results> | FY24 plans in MTMP | FY24 results | Change |
|--|--------------------|--------------|--------|
| Net sales | 181.4 | 196.7 | 15.3 |
| Operating profit | 7.4 | 10.2 | 2.8 |
| Mineral resources: Nonmetallic Minerals | 6.7 | 7.2 | 0.5 |
| Mineral resources: Metallic Minerals | 0.1 | 0.9 | 0.8 |
| Machinery & Environmental Engineering | 1.3 | 2.0 | 0.7 |
| Real Estate | 1.6 | 1.6 | 0.0 |
| Renewable Energy | 0.3 | 0.4 | 0.1 |
| Eliminations /adjustments | (2.6) | (2.1) | 0.4 |
| <Assumptions> | | | |
| Copper price (¢/lb) | 400.00 | 425.00 | 25.00 |
| FX (JPY/USD) | 140.00 | 152.58 | 12.58 |



- Sales and OP outperformed the plans.
- Sales exceeded due to better-than-expected selling prices in the smelting side of Metallic Minerals.
- OP beat was primarily driven by higher-than-expected price increases in Nonmetallic Minerals, greater-than-expected copper price increases and weaker-than-expected yen in the Metallic Minerals, and higher-than-expected price increases and delay in purchase cost increases regarding environmental products in Machinery and Environmental Engineering.

FY25 forecasts: Consolidated

(Billions of JPY)

| | FY24 results | FY25 forecasts | Change |
|---|--------------|----------------|---------|
| Net sales | 196.7 | 176.0 | (20.7) |
| Operating profit | 10.2 | 9.1 | (1.1) |
| Ordinary profit | 11.4 | 9.2 | (2.2) |
| Profit attributable to owners of parent | 9.0 | 7.2 | (1.8) |
| EPS (JPY) | 546.74 | 457.57 | (89.17) |
| Copper price (¢/lb) | 425.00 | 410.00 | (15.00) |
| FX (JPY/USD) | 152.58 | 140.00 | (12.58) |
| Dividend per share (JPY) | 224.00 | 183.00 | (41.00) |

■ Sensitivity Analysis

(Billions of JPY)

| | | | |
|--------------|-------------------------|------------------|--------|
| Copper price | Appreciated by 10 ¢/lb | Net sales | + 1.93 |
| | | Operating profit | + 0.31 |
| FX | Depreciated by 5JPY/USD | Net sales | + 2.76 |
| | | Operating profit | + 0.10 |

Net sales: (20.7) bil. JPY

- Nonmetallic Minerals: increase due to higher prices of minerals including limestone.
- Metallic Minerals: decrease due mainly to lower domestic price of electrolytic copper and lower volume of electrolytic gold and copper concentrate (purchased goods).

OP: (1.1) bil. JPY

- Metallic Minerals: decrease due to worsening procurement condition and negative FX impact in the smelting side.
- Real Estate: increase due to sale of property held for sale.
- Eliminations /adjustments: worsen due largely to increases in HR related and survey costs.

Ordinary profit: (2.2) bil. JPY

- Lower share of profit of entities accounted for using equity method.

Profit attributable to owners of parent: (1.8) bil. JPY

- Absences of FY24 extraordinary income/losses (decreased gain on sale of investment securities and impairment loss, etc.)
- Higher tax expenses

- YoY sales and OP in FY25 are expected to decline.
- Based on market assumptions: 410 ¢ /lb for copper price and 140 JPY/USD for FX.
- Segment sales and OP are explained on the next page.
- Ordinary profit is expected to decrease due primarily to decrease in share of profit of entities accounted for using equity method, along with fall in OP.
- Profit attributable to owners of parent is expected to decrease mainly due to decline in ordinary profit, fall in gain on sale of investment securities and absence of receipt of fire damage insurance recorded FY24, despite lack of FY24 impairment loss.

FY25 forecasts: Segment breakdown

■ Segment sales and OP

(Billions of JPY)

| | Sales | | | OP | | |
|--|--------------|----------------|--------|--------------|----------------|--------|
| | FY24 results | FY25 forecasts | Change | FY24 results | FY25 forecasts | Change |
| Mineral resources: Nonmetallic Minerals | 65.0 | 67.8 | 2.7 | 7.2 | 7.4 | 0.1 |
| Mineral resources: Metallic Minerals | 113.9 | 88.6 | (25.3) | 0.9 | (0.5) | (1.5) |
| Machinery & Environmental Engineering | 15.6 | 15.1 | (0.5) | 2.0 | 1.6 | (0.4) |
| Real Estate | 2.8 | 4.7 | 1.8 | 1.6 | 3.3 | 1.6 |
| Renewable Energy | 1.7 | 1.9 | 0.1 | 0.4 | 0.4 | (0.0) |
| Eliminations /adjustments* | (2.5) | (2.1) | 0.4 | (2.1) | (3.0) | (0.8) |
| Total | 196.7 | 176.0 | (20.7) | 10.2 | 9.1 | (1.1) |

*Segment sales include internal sales, total of which is deducted under eliminations /adjustments

Sales:

- Price increases of minerals including limestone drive sales in Nonmetallic Minerals.
- Fall in copper prices and lower volume of electrolytic gold and copper concentrate (purchased goods) cause sales decline in Metallic Minerals.
- Sales in Real Estate increase due to sale of property held for sale.

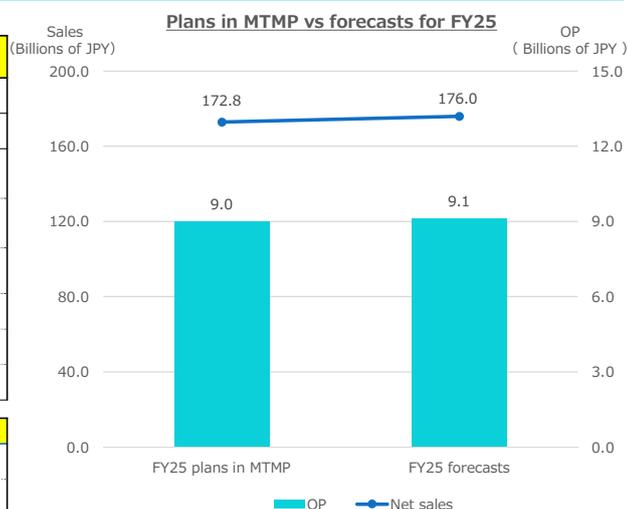
OP:

- OP decreases in Metallic Minerals primarily due to poorer procurement condition and unfavorable FX fluctuation in the smelting side, and higher operation costs in the Arqueros Mine, despite lower production costs in the Atacama Mine.
- Delayed cost increase from FY24 materialize, leading to lower OP in Machinery and Environmental Engineering.
- While, OP increase in Real Estate, reflecting sale of property held for sale.
- In addition, eliminations/adjustments are expected to worsen primarily due to survey cost hike in a geothermal development, etc.

FY25 forecasts MTMP24-26: plans vs forecasts for FY25

- Sales are expected to exceed the plan, despite flat OP in FY25.
 - ⇒Major factors (OP):
 - Nonmetallic Minerals: above the plan primarily due to price increases of minerals including limestone.
 - Metallic Minerals: below the plan due to worsening procurement condition and negative FX impact.
 - Real Estate: above the plan due to sale of property held for sale.
 - Eliminations /adjustments: below the plan due largely to HR related and survey costs.

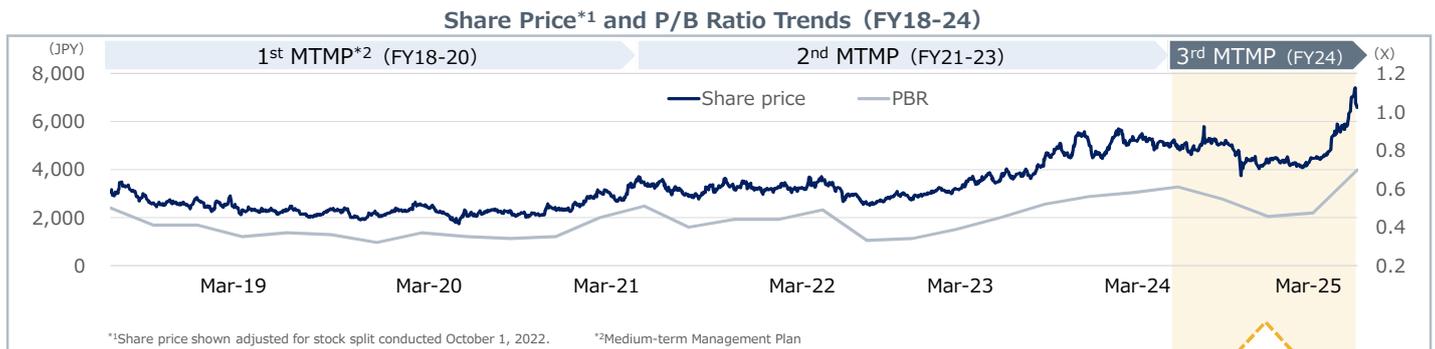
| | (Billions of JPY) | | |
|---------------------------------------|--------------------|----------------|--------|
| | FY25 plans in MTMP | FY25 forecasts | Change |
| Net sales | 172.8 | 176.0 | 3.2 |
| Operating profit | 9.0 | 9.1 | 0.1 |
| Mineral resources: | | | |
| Nonmetallic Minerals | 7.1 | 7.4 | 0.3 |
| Mineral resources: | | | |
| Metallic Minerals | 0.7 | (0.5) | (1.2) |
| Machinery & Environmental Engineering | 1.4 | 1.6 | 0.2 |
| Real Estate | 1.5 | 3.3 | 1.8 |
| Renewable Energy | 0.4 | 0.4 | 0.0 |
| Eliminations /adjustments | (2.0) | (3.0) | (1.0) |
| <Assumptions> | | | |
| Copper price (¢/lb) | 400.00 | 410.00 | 10.00 |
| FX (JPY/USD) | 140.00 | 140.00 | - |



- OP in MTMP does not reflect negative impacts of poorer procurement condition and unfavorable FX in Metallic Minerals, nor positive impact from sale of property held for sale in Real Estate.

Management Conscious of Cost of Capital and Share Price
(update)

Share Price and P/B Ratio Trends, FY24 Major Initiatives



| Established organizational framework | Enhanced IR | Major feedback | Our initiatives |
|--|--|---|---|
| <ul style="list-style-type: none"> ➢ Set up dedicated PR/IR team. | <ul style="list-style-type: none"> ➢ Started providing on-demand earnings calls. ➢ Enhanced IR materials in Japanese and English. ➢ Doubled IR meetings YoY from 31 to 61. ➢ Investor feedback provided to management. | <ul style="list-style-type: none"> ❑ Simplifying shareholder return policy. ❑ Improving capital efficiency. ❑ Reducing cost of capital. ❑ Streamlining long-term profit growth story. | <ul style="list-style-type: none"> ✓ Feb-25: New shareholder return policy (set definite lower limit) ✓ Feb-25: Share buyback (5%+ of issued shares) ✓ May-25: New reduction policy in cross-shareholdings → p.20 ✓ Analysis of risks and countermeasures → p.21 ✓ Long-term ROIC outlook → p.22 |

- Graph at the top of the slide shows share price and P/B ratio trends from 1st MTMP to ongoing 3rd MTMP.
- Since I took office in FY21, at the start of 2nd MTMP, I have initiated a large-scale investment and increased shareholder returns, which has led to the share price rising to a higher level.
- Aiming for a P/B ratio greater than 1.0x, we have continuously focused on initiatives such as establishing an organizational framework, enhancing IR, providing investor feedback to management team, and responding to that feedback.
- Specifically, a newly established, dedicated PR/IR section has started streaming videos of financial results, enhanced IR materials in Japanese and English, proactively increased IR meetings, and provided feedback from investors to management. Management has considered this feedback and responded to some of it.
- Major feedback and our responses/initiatives are displayed on the bottom, right-hand side of the slide, including revision of shareholder return policy which we have already addressed.
- Improving capital efficiency is a major topic of discussion, and we have continuously considered/addressed it, including through the share buyback conducted in February this year, and the newly established reduction policy of cross-shareholdings.
- Additionally, investors expect a reduction in the cost of capital. Accordingly, the identified risks in our core business and the measures to address them are explained on the following slide. Feedback has

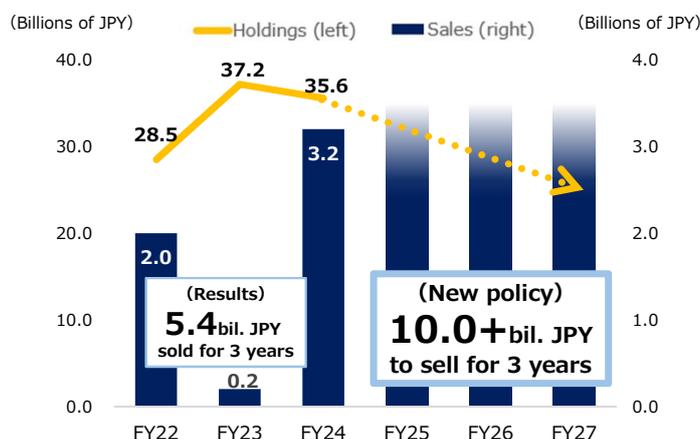
included comments such as, “The mining business appears to involve high risks due to a lack of transparency, which discourages investment.” We aim to reduce our cost of capital through thorough and detailed explanations.

- In addition, investors expect a clearer and more streamlined long-term profit growth story, despite the disclosure of the 3rd MTMP and Vision 2033. This point is also addressed on the following slide.

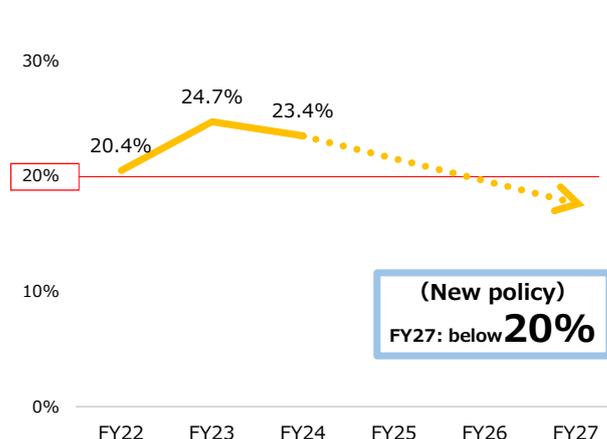
New reduction policy in cross-shareholdings

- Accelerating reductions*1. Enhance ROIC management by improving capital efficiency.
- Aiming to reduce holdings to below 20% of ratio to net assets by selling over 10 billion JPY for FY25-27.

Holdings*2 and actual sales of cross-shareholdings
(Market value, results and plan)



Ratio to net assets*2
(Market value, results and plan)



*1 Policy to reduce by 6 billion JPY over the FY22-26 period, based on market value as of end-Mar. 2022, as announced in Nov. 2022.

*2 Excluding deemed holding shares.

- We will enhance ROIC management by improving capital efficiency, including accelerating reductions of cross-shareholdings.
- In the previous policy announced in FY22, 6 billion JPY was planned to be reduced over 5 years from FY22 to FY26.
- 5.4 billion JPY of the total amount has been reduced over the last 3 years, up to FY24.
- Under the new policy, 10 billion JPY is planned to be reduced over 3 years from FY25 to 27 to accelerate the reduction, aiming for a ratio to net assets of below 20% by FY27.

Analysis of risks and countermeasures in Mineral Resources Segment

○ Largely related to Nonmetallic Minerals ○ Largely related to Metallic Minerals

| | Exploration  | Development (construction work)  | Operation  | Logistics/Sale  |
|---|---|---|--|--|
| Risks | <ul style="list-style-type: none"> ✓ Fewer potential mine projects ✓ Increasing uncertainty in EIA *1 approvals | <ul style="list-style-type: none"> ✓ Increasing costs ✓ Extension of schedule | <ul style="list-style-type: none"> ✓ Labor shortage, knowledge transfer ✓ Natural disasters, weather conditions | <ul style="list-style-type: none"> ○ Market volatility (FX, copper prices, ore procurement condition) ○ Long-term decline in domestic limestone demand |
| Countermeasures | <ul style="list-style-type: none"> ✓ Enhancing in-house exploration capabilities (greenfield projects*2) ○ Strengthening partnership (brownfield projects*3) | <ul style="list-style-type: none"> ✓ Detailing plans and thorough project management ✓ Stricter partner selection ✓ Harmony with environment and local community | <ul style="list-style-type: none"> ✓ Implementing AI/automation ✓ Enhancing engagement ✓ Detailing mining plans with thorough execution | <ul style="list-style-type: none"> ○ Hedging via finance and mine-smelter production balance ✓ Exploring overseas market ✓ Raising value of limestone ✓ Optimizing distribution network centered on Torigatayama Quarry Complex |
| Strength | <ul style="list-style-type: none"> ✓ Organizational capabilities in covering entire process from exploration to operation (accumulated know-how, track record) ✓ Comprehensive techniques and R&D capabilities covering from survey to production (geology, mining, processing) ○ Domestic and international partner network ✓ Focus on smaller-sized projects, typically beyond competitors' scope | | | <ul style="list-style-type: none"> ○ Long-term copper price increase expectation ○ Copper mine project pipeline ○ High-quality limestone, limited competition ○ 4 coastal quarry complexes + distribution center on Tokyo Bay ○ Large coastal shipping facilities, dedicated ships ○ Long-term strong relationships with customers |
| <ul style="list-style-type: none"> ✓ HR development capabilities (cycle of experiences through job rotation) ✓ Stable revenue base centered on Nonmetallic Minerals ✓ Healthy financial base | | | | |

*1 Environmental Impact Assessment *2 Exploration in areas with little or no previous exploration. *3 Exploration in previously explored or developed areas. Lower risk and return compared to greenfield projects

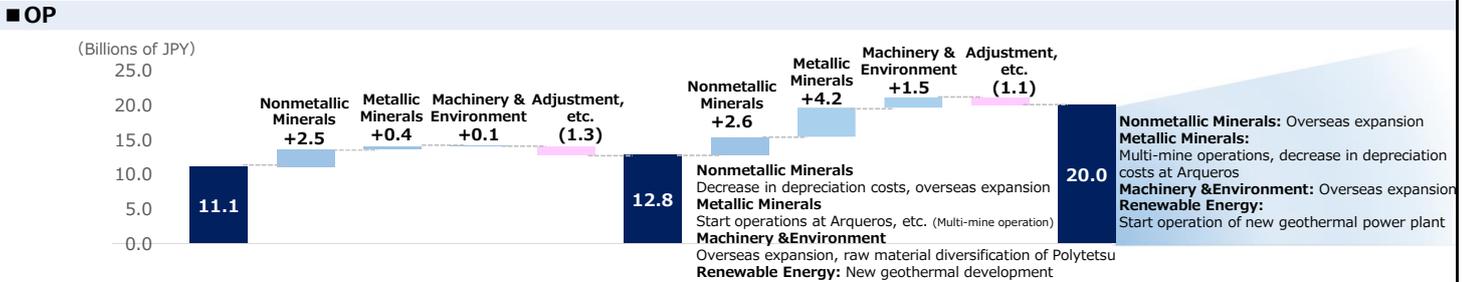
- The value chain of the Mineral Resources segment starts with exploration, where potential deposits are identified, followed by the development of production plants, operations, and ending with logistics and sales.
- At each stage of the value chain, we identify the key risks, the corresponding strategies to address them, and the strengths that support the execution of these strategies.
- Countermeasures are basically related to ongoing 3rd MTMP.
- The strengths include over 80 years of experience in the mining business, organizational and technological capabilities rooted in that experience, as well as strong relationships with customers, partners, and local communities, a competitive market position, and talent development capabilities.

Long-term ROIC outlook

■ WACC: 5.8%, CoE: approx. 8% for 3rd MTMP (FY24-26)

Vision 2033
Contributing to society through the development and stable supply of mineral resources and harnessing the collective strength of the Group as an **integrated mineral resources company** to achieve sustainable growth.

| | FY23 | FY26 | FY33 |
|--------|--|--|------|
| ■ ROIC | 4.9% | 4.2% | 7%+ |
| | Large investment in Arqueros ✓ Steady OP growth; CAGR4.9% ✓ Debt increase and maintenance of appropriate equity level | Profit realization ✓ Acceleration of OP growth: CAGR6.6% ✓ Continuity of development investment, while decreases in debt and equity | |



- We have set the capital cost (WACC) level at 5.8% for the 3rd MTMP period, until FY26.
- In contrast, the ROIC for FY26 is projected to be 4.2%, which is below the cost of capital.
- The background for this includes significant investments in the Arqueros Mine in Chile, South America, where profit growth is expected to be somewhat limited until operations begin, as well as the increase in invested capital due to borrowing.
- After the start of operations at Arqueros, the profit realization period is expected to accelerate profit growth, particularly in the metals segment, and reduce invested capital, with the goal of reaching 7%+ by FY33.
- To achieve this, each business division is currently developing a more specific master plan as part of their business strategies.
- Beyond FY33, we will drive stable growth in profits and operating cash flow through expanded sales overseas, a multi-copper mine operation, and investment recovery from renewable energy projects, and will allocate these resources towards future growth investments and returns.

Long-term ROIC outlook (Arqueros Mine development in Chile)

- Development largely on schedule for the start of operations in FY 26.
- Foundation work of mine and plants nearing completion, with machine installation to follow.

| [CAPEX] (Millions of USD) | Total amount (plan) | FY23 (result) | FY24 (result) | Progress | Completion (plan) |
|-------------------------------------|----------------------------|----------------------|----------------------|-----------------|--------------------------|
| | 395 | 6 | 109 | Approx. 30% | FY26 |

[September-2024]

[March-2025]



23

- The construction is progressing generally according to plan, aiming for the start of operations by FY26.
- As you can see from the photo, in about six months, a plant has been constructed on what was previously an empty lot.
- While there are risks such as construction delays, if these risks materialize, we will leverage our strengths to minimize their impact.

Appendix

Appendix Metallic Minerals: Business flows and revenue structures

Smelting



Revenue:

TC/RC

Costs:

Outsourcing processing costs

Sales premium

FX: Currency fluctuations during smelting period (approx. 3-4 months, favorable with a weaker yen)

Mining



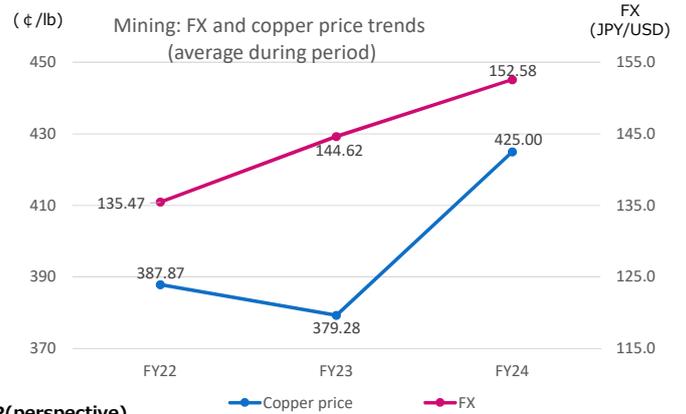
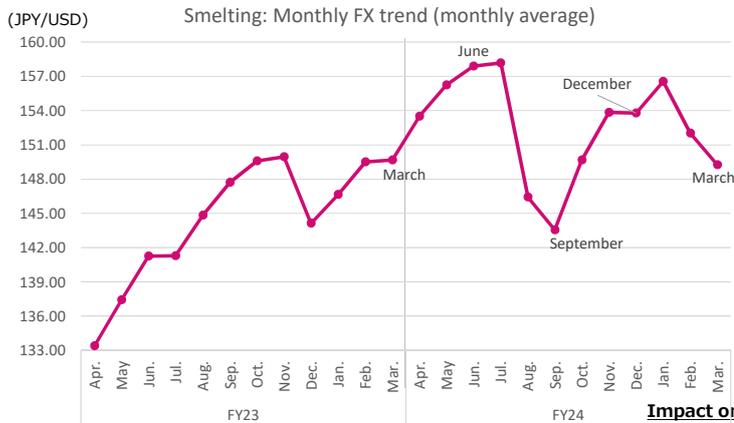
Smelting makers in Chile

Sales: Market price – TC/RC
Costs: Mainly production costs
FX impact: Generated when consolidated (exchanged to JPY, favorable with yen depreciation)

*TC/RC (Treatment Charge, Refining Charge) and sales premium are decided based on benchmark approach.

Mineral Resources: Metallic Minerals :

(Reference) Impact of market conditions on OPs of the smelting and the mining



Impact on OP(perspective)

- ✓ Daily and monthly FX trends **influence the smelting side.**
- ✓ The FX gap between the purchase timing and the shipment timing (with a lead-time of 3-4 months) impacts its profits.
 - For example, on the graph, if the business buys copper concentrate in March 2024, and sells electrolytic copper in June, resulting in a positive impact due to yen depreciation.
 - If it buys in June and sells in September, resulting in a negative impact due to yen appreciation.
- ✓ 60-70% of the impact is offset at the ordinary profit level due to our hedging efforts.
- ✓ This FX impact is not fully included in our sensitivity analysis.
- *The impact from copper price movements is basically limited due to our hedging efforts.

- ✓ FX and copper price trends (average during period) **primarily impact the mining side.**
- ✓ Sales are generated by multiplying volume with copper prices (average during period with costs such as TC/RC deducted).
- ✓ Copper price rise is positive to the profitability as the operation costs are basically stable.
- ✓ FX (average during period) are used when the business is consolidated.
- ✓ The impacts of copper prices and FX are reflected in our sensitivity analysis.

Appendix: Nittetsu Mining terminologies (1/5)

| Mineral Resources: Nonmetallic Minerals | | Description |
|--|--|---|
| 1 | Limestone | Limestone is an essential primary and secondary mineral resource in the production of steel, cement, and other industrial materials. It also has other applications, including as an aggregate in civil engineering and construction. |
| 2 | Crashed stone | Crushed stone is generally regarded as stone that is made by crushing rocks at plants, and it is used as coarse aggregate in cement production. We also categorize fine aggregate as crash stone. They are used as a component mixed with cement and water to make concrete or mortar, aiming for higher quality, such as strength enhancement. |
| 3 | Calcium carbonate | Calcium carbonate is limestone powder, which has many applications, including as a desulfurizer at power plants and waste treatment facilities, and a material in the process of manufacturing fertilizer, animal feed, glass, paper, pharmaceuticals, food products. |
| 4 | Fuels, etc. | Fuels, etc. are purchased goods, including coal and petroleum. |
| 5 | Aggregates (one application of limestone) | Limestone is also used as a component mixed with cement and water to make concrete or mortar, aiming for higher quality, such as strength enhancement. |
| 6 | Torigataya Quarry Complex | Our company's main limestone quarry is located in Kochi Prefecture. The limestone extracted from the mining site at an altitude of over 1,000 meters is transported via a 23-kilometer long belt conveyor (LBC) to the coastal processing and shipping facilities, where it is dispatched to customers both domestically and internationally. For further information https://www.nittetsukou.co.jp/eng/company/pdf/torigata.pdf |
| 7 | Vertical shaft | Vertically dug shafts. At Torigatayama Quarry Complex, limestone extracted from the mining site is fed into vertical shafts, where it is crushed by large crushers installed directly below to a size suitable for transport via the LBC, specifically to 80 mm or smaller. The third vertical shaft was launched in June, 2024 at the Complex. |

Appendix: Nittetsu Mining terminologies (2/5)

| Mineral Resources: Metallic Minerals | | Description |
|---|---|---|
| 1 | Mining (business) | We operate (extract copper ore, produce and sell copper concentrate) the Atacama Mine, and develop the Arqueros Mine, both located Chile. |
| 2 | Copper concentrate | Copper concentrate, which is produced by concentrating the copper ore extracted from copper mines and increasing its copper grade. The Atacama Mine produces copper concentrate with a grade of approximately 30%. |
| 3 | Atacama Mine | The operating copper mine in Chile, in which we hold a 60% interest, began operations in 2003 and currently has an annual production volume of 13,000 tons (copper equivalent). |
| 4 | Arqueros Mine | The developing copper mine in Chile, in which we hold an 80% interest, aims to start operations in FY2026. We plan to produce 15,000 tons annually (copper equivalent). |
| 5 | Los Chapitos Copper Exploration Works Project | The exploring copper mine project in Peru. We have concluded a contract with Camino Minerals Corporation (Camino) to join the project and plan to hold a 35% interest by investing 10 million Canadian dollars over three years. This investment is planned to be used for exploration work. |
| 6 | Puquios Copper Development Project | We are preparing for construction on a copper mine project in Chile, partnering with Camino. We have established a joint venture with Camino and hold 50% of the interest. *This project is planned to be recorded as eliminations/adjustments before being booked under the Metallic Minerals segment following the decision to proceed with development. |
| 7 | Camino Minerals Corporation | Camino is a Canadian discovery and development stage copper exploration company with a portfolio of projects located in Peru. It seeks to acquire a portfolio of advanced copper assets that have the potential to deliver copper globally. Camino website: www.caminocorp.com |

Appendix: Nittetsu Mining terminologies (3/5)

| Mineral Resources: Metallic Minerals | Description |
|---|--|
| 1 Smelting (business) | The Company outsources the production of copper concentrate and copper scrap purchased by the Company to Hibi Kyodo Smelting, an equity-method affiliate in which we hold a 20.28% stake, and it sells the resulting electrolytic copper to users. |
| 2 Electrolytic copper | High-purity copper, primarily used as an electrical conductor, has a wide range of applications, including in electrical wires, electrical equipment, and electronic components, due to its efficient conductivity. |
| 3 Byproduct | Substances generated during the smelting of electrolytic copper, such as sulfuric acid. |
| 4 TC/RC (Treatment Charge, Refining Charge) | One of the conditions when purchasing copper concentrate from mining companies is the processing charge, which is deducted from the copper price. In long-term purchasing contracts, the terms negotiated annually between a major mining company and a large smelting company serve as a benchmark, and it is customary for other companies to agree to similar terms. In addition to long-term contracts, there are also spot contracts. Both types of contracts are influenced by the supply and demand balance of copper concentrate, and when supply is tight, the TC/RC tends to be lower. |
| 5 Sales premium | An additional charge added to the price of copper traded on the LME (London Metal Exchange). This benchmark price is announced annually by major smelting companies in key regions. |

Appendix: Nittetsu Mining terminologies (4/5)

| Machinery & Environmental Engineering | | Description |
|---------------------------------------|----------------------|---|
| 1 | Environment Division | The Environment Division supplies wastewater treatment agents, with a special emphasis on our inorganic iron flocculant, Polytetsu. |
| 2 | Polytetsu | "Polytetsu," our inorganic iron flocculant for water treatment, is primarily used for the treatment of sewage and industrial wastewater. Its applications are expanding to deodorization and even soil improvement. The next-generation "Polytetsu T" achieves further reduction of phosphorus and E. coli, while also increasing concentration to reduce usage and improve transportation cost efficiency. |
| 3 | Machinery Division | The Machinery Division satisfies a broad range of needs with dust collectors and other environmentally friendly products as well as general industrial machinery including ultrafine powder classifiers. Additionally, we manufacture and sell products related to the mining industry, such as crushers, transport equipment, and ball valves. |
| Real Estate | | Description |
| 1 | Real Estate | The Real Estate Division has carried out business activities to effectively use company-owned real estate. The division manages office buildings, condominiums, and other buildings on company-owned real estate in urban areas, and is developing leasing business to meet market needs (e.g. restaurants, merchandise outlets, factories, storehouses, parking areas) at former mine sites and on idle land throughout Japan. |

Appendix: Nittetsu Mining terminologies (5/5)

| Renewable Energy | Descriptions |
|---|--|
| 1 Renewable Energy | Efforts are underway in this segment to develop renewable energy in ways that consider the global environment, for example using our prospecting technology cultivated through mineral resource development to study and develop geothermal energy and supply and sell geothermal steam, generating solar power at former mine sites and on other idle company-owned land, and small-scale hydropower generation using seepage water in tunnels. |
| 2 Ogiri Geothermal Power Station | Geothermal power station with a capacity of 30,000kW operated by Kyuden Mirai Energy, a group company of Kyushu Electric Power Company, Incorporated. We began exploring geothermal energy in the Kirishima area of Kagoshima Prefecture in 1973 and started supplying steam to the station in 1996. Our steam supply covers the entire output. |
| 3 Shiramizugoe Geothermal Power Station | Shiramizugoe area, located 2 km southeast of the Ogiri Power Station in the Ginyu district, has confirmed the presence of high-temperature and dominant steam emissions equivalent to those in the Ginyu district. We are in the middle of surveys aiming for another geothermal development. |

Forward-looking statement

- The forward-looking statements in this document, including forecasts, are based on information currently available to the Company and certain assumptions that the Company considers to be reasonable. The Company undertakes no obligations whether to achieve.
- Actual results may differ from those expressed or implied in the company's forward-looking statements.



NITTETSU MINING