Review of the previous medium term business plans and the New 2025-2027 Medium Term Business Plan

Under past medium term business plans, we improved our financial condition, shifted to integrated thinking-based management, and developed a system for sustainable corporate value improvement. We have started the first year of our newly launched 2025-2027 Medium Term Business Plan based on a review of our performance to date and the challenges that we face.

Review

2019－2021 Medium Term Business Plan

[Basic concept]

Transform growth foundation to achieve vision for 2024

Vision for 2024
By 2024, we want to be a company that continually creates and develops growth products and businesses in our three core business segments (Engineered Materials, Metals, and Automotive Parts)

[Key initiatives]

Strengthen ESG management and aggressively develop CSR

Ambidexterity “Exploration”
Launched the Business Creation Sector, which is in charge of exploring new businesses

Ambidexterity “Exploitation”
Instilled the concept of “autonomous self-management, ” in which each business sector carries out optimal operations independently

Others
Sold our interest in the Caserones copper mine (Chile) to eliminate future risks

[Financial targets and actual results in the final year]

	(Targets)	(Results)
Ordinary income	37.0 billion yen	66.0 billion yen
FCF (three-year total)	50.0 billion yen	47.8 billion yen
ROE	10.0 %	23.8 %
Equity ratio	40.0 %	37.6 %
D/E Ratio (net)	0.70	0.82

[Post-completion issues]

- Executing strategies aimed at improving corporate value for the entire Group
- Establishing a flexible system to adapt to rapid changes in the external environment

2022－2024 Medium Term Business Plan

[Basic concept]

1. Establish a system capable of responding to changes
Aim to realize the Vision for 2030 based on our Purpose

2. Shift to integrated thinking-based management
Shift to integrated thinking-based management in order to establish a business management strategy based on two pillars: enhancing social value and improving economic value

[Key initiatives]

Integrated thinking-based management

（Social value improvement）

Addressing environmental issues
Promoted initiatives such as CO_2 reduction toward carbon neutrality

Corporate governance
Transitioned to a company with an Audit & Supervisory Committee

Transform to human capital management
Introduced a job-based human resources system, improved treatment, and promoted D, E & I

（Financial value improvement）

Ambidexterity
Implemented large-scale business restructuring, including dynamic portfolio management, creation of the Rare Material Division, business sales of affiliates, and elimination of the Mobility Sector

(1) Ambidexterity “Exploration”
Made progress in strategic investments, external co-creation including CVC investments, and strengthening of core technologies

(2) Ambidexterity “Exploitation”
Engineered Materials Sector:
Expanded the value of existing businesses; and improved new business creation activities and social value
Metals Sector:
Strengthened collaboration of zinc, lead, and copper in metal recycling networks; expanded efforts to use low-carbon energy

[Financial targets and actual results in the final year]

	(Targets)	(Results)
Ordinary income	60.0 billion yen	76.4 billion yen
FCF (three-year total)	37.0 billion yen	55.8 billion yen
ROE	14.0 %	21.2 %
Equity ratio	50.0 %	50.4 %
D/E Ratio (net)	0.42	0.37

[Post-completion issues]

- Shifting to management that considers capital costs and share price
- Strengthening group-wide strategies aimed at accelerating corporate value enhancement and becoming a company that creates new synergy and value

Overview of the New 2025-2027 Medium Term Business Plan (the 25-27 MTP)

Recognition of issues for the next three fiscal years

In terms of the issues observed in the course of implementing the 19-21 MTP, we recognized the need for group-wide strategies aimed at enhancing corporate value and the establishment of a system to support growth by responding flexibly to the rapidly changing external environment, and under the 22-24 MTP, we pursued efforts aimed at achieving the Vision based on our Purpose, which revolved around integrated thinking-based management and ambidexterity. Our initiatives to enhance social value broadly achieved the expected results, while in terms of enhancing economic value, we achieved the initial targets for both profit and loss as well as financial indicators in FY2024, which was the final year of the 22-24 MTP, and achieved our largest recorded profit ever see (the table on the left).

Under the 25-27 MTP, to ensure that we implement our Purpose and realize our Vision, we will refine the existing measures from the 22-24 MTP and implement additional measures. Based on the results of our efforts under the 22-24 MTP, initiatives that should be strengthened during the term of the current plan include strengthening the business foundation to support group-wide strategies to accelerate corporate value enhancement, expanding human resources to this end, and promoting DX to support such efforts. We have therefore identified these as key issues in the 25-27 MTP.

25–27 MTP key issues

＊ Big Moves: Change to non-linear growth rather than gradual growth

Strengthening management foundations

■ Strengthening portfolio management
- Introduce business-specific WACC and ROIC targets and incorporate social value into business evaluation process
- Implement Big Moves＊
- Expand the mechanism for creating new businesses and group-wide synergies

■ Establishment of an information management infrastructure
- Share information internally and externally, and strengthen branding

■ Strengthening governance and promoting group-wide strategies by transitioning to a Company with an Audit & Supervisory Committee

×

Expanding human capital

■ Establishment of principles of conduct based on our Purpose and Vision

■ Development of human capital/Accelerating the strengthening of on-site capabilities and promotion of job satisfaction reforms

■ Human capital development that contributes to enhancing overall corporate value

Promotion of DX

■ Improving operational efficiency and transforming our operations into new value-creating businesses

■ Optimal allocation of ICT talent and development of DX talent

Financial targets set and their aims

Accelerating growth and optimizing capital costs

by strengthening portfolio management

Changing the business evaluation method

By introducing business-specific WACC and hurdle rates, we will reflect the characteristics of each business in the business evaluation process. We will increase evaluation effectiveness and clarify evaluation standards, enabling balanced allocation of management resources based on evaluation positions.

Target (FY2030)

Achieve both ROE and ROIC of 14% or more

Ref. Results for FY2024 ROE＝21.2% ROIC＝11.4%

Implement Big Moves

Utilizing external expertise to carry out planned Big Moves based on the following opportunities and realizing further growth

- Clarifying improvement potential through objective analysis from an investor’s perspective
- Fundamental cash generation for all businesses
- Bold management resource investment in value expansion and cultivation businesses

Growth Investment

Actively investing in growth businesses positioned for value cultivation and expansion, including M&A and CVC

Make growth investments approximately 2.5 times higher than in the 22–24 MTP period

81.5 billion yen (cumulative total for FY2025-FY2027)

[Typical growth investments]

- Initial mass production plant for A-SOLiD® electrolytes for all-solid state batteries
- Equipment upgrade for specialty carrier for next generation semiconductor packaging HRDP®

Shareholder returns

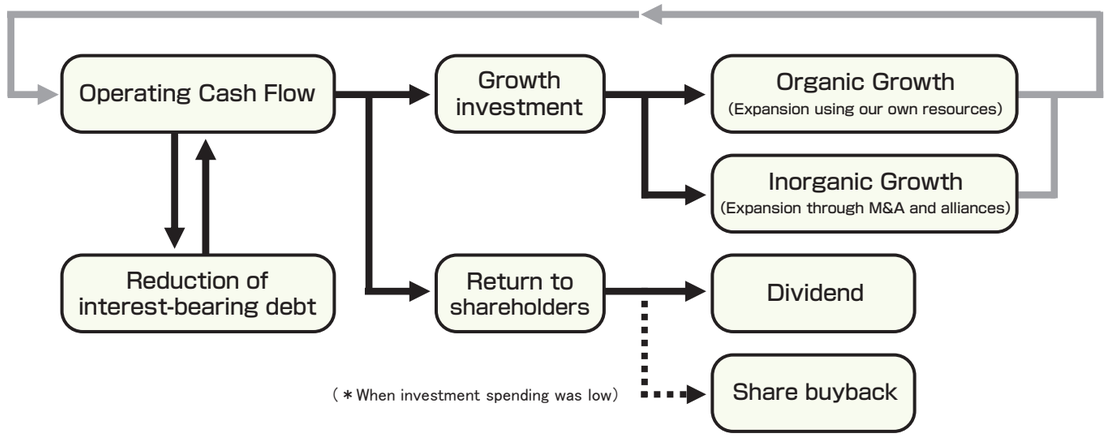
Prioritizing growth investments aimed at sustainable growth while distributing profits appropriately based on our business performance

Making use of our progressive dividend policy to raise dividends from the current 3.0% level

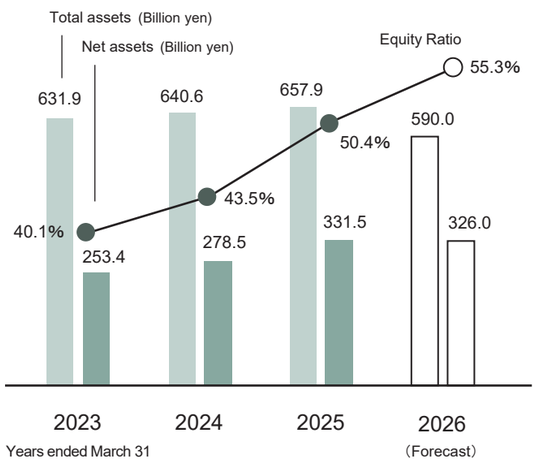
Pay dividends targeting a DOE of 3.5%

Achieve sustainable corporate value enhancement by implementing a financial strategy that is coordinated with our business strategy and focused on investment efficiency

Cash Flow Allocation



Trends in consolidated equity ratio



We were able to achieve the numerical financial targets specified in the 2022-2024 MTP, thereby greatly improving our financial health. In the newly launched 2025-2027 MTP, with the aim of further enhancing our corporate value, we are shifting away from the financial condition improvement phase in order to accelerate efforts to pursue management that is more strongly focused on capital costs and stock price.

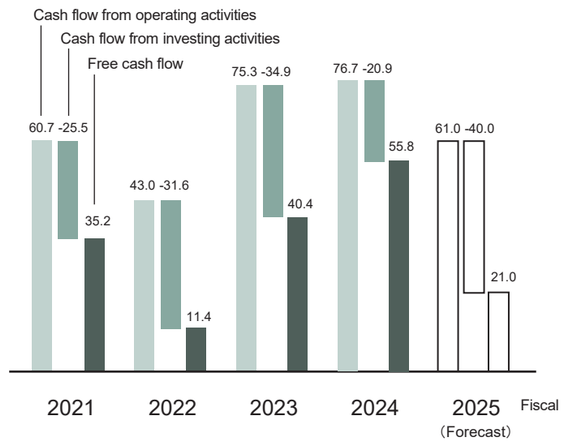
During the second most recent medium-term management plan (the 2019-2021 MTP) period, we embarked on business monitoring based on ROIC. Thereafter, during the 2022-2024 MTP period, we incorporated ROIC as a business evaluation indicator for dynamic management of our business portfolio, developing a system for evaluating the capital efficiency of each business. In FY2024, which was the final year of the 2022-2024 MTP, we calculated WACC per business as well as ROIC and added the ROIC Spread, which is derived from these two figures, as an indicator for measuring business value. Based on the attributes of each business, we are using WACC to accurately evaluate each business segment and carefully managing capital utilization efficiency with the aim of improving group-wide ROIC. By enhancing business evaluation and executing more efficient management resource allocation, we continue to actively invest in businesses positioned as “Value Expansion” and “Value Cultivation” businesses. We intend to create a virtuous cycle in which we increase the cash generated by our core businesses and existing businesses that are pursuing “Value Reinforcement/Optimization” and then allocate the proceeds to invest in further growth.
We are establishing a financial framework that will enable our shareholders and other stakeholders to understand the links between our business strategy and our financial strategy.



Representative Director, Executive Vice President,
Senior General Manager
of Corporate Planning & Control Sector

IKENOBU Seiji

Cash flow (Billion yen)



Financing policy

To ensure stable business operations, we keep a certain level of liquidity assets to prepare for drastic changes in the market, exchange rates, and nonferrous metal prices. Meanwhile, in addition to active investments in the Business Creation and Engineered Materials Sectors, following our previous mid-term plan, we will continue to pursue investments to improve our social & environmental value and financial value under the current mid-term plan. To implement these activities, we strive to procure financing in accordance with our funding needs, considering the overall financial market situation, interest rates, and other factors.

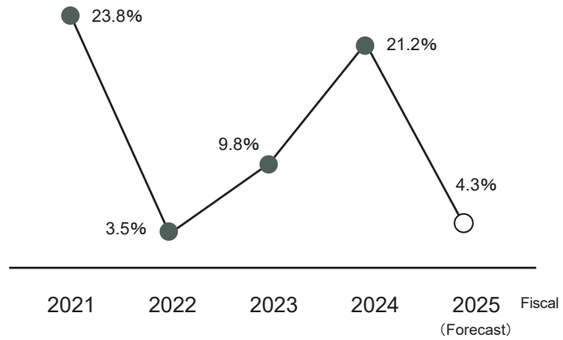
Return to shareholders

The 2022-2024 MTP prioritized sustainable, stable distribution of dividends, setting a target DOE (dividend on equity ratio) of 3.0%.
Under the 2025-2027 MTP, we have adopted a progressive dividend policy to achieve more stable shareholder returns, and we will implement dividends with a target DOE of 3.5%. To make effective use of cash, we have added buying back shares as a new option, depending on the status of investment spending.

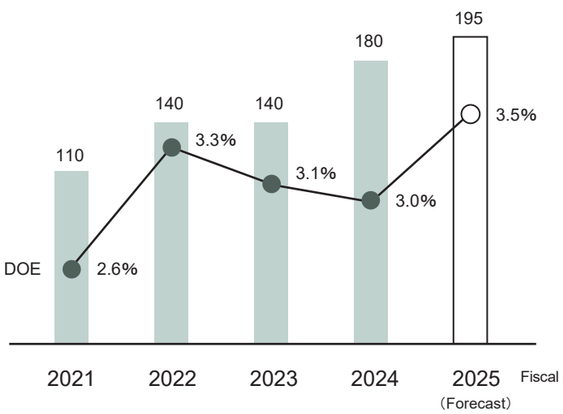
Tax policy

Mitsui Kinzoku Group complies with the laws and regulations of the countries and regions in which we do business, and conduct our business activities in accordance with the tax guidelines published by international organizations such as the OECD (the Organization for Economic Cooperation and Development). When making business decisions, we consider tax matters and position tax strategy as part of our business strategy. If countries and regions have preferential taxation systems, we carefully check the actual situation of our business and the purpose of the systems, use them appropriately, and do not take tax avoidance acts that abuse the systems.

Trends in ROE



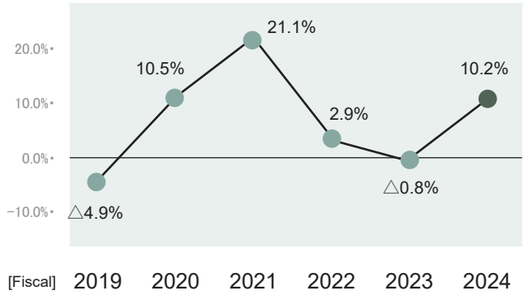
Trends in consolidated dividend on equity (Yen)



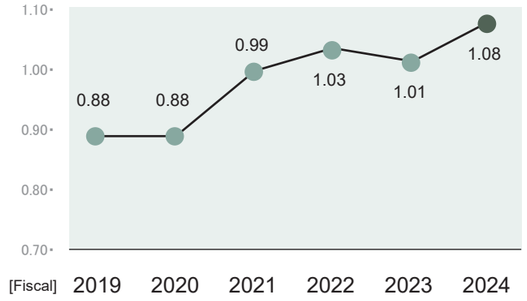
Financial Highlights

Trends in major financial indexes

Sales growth rate

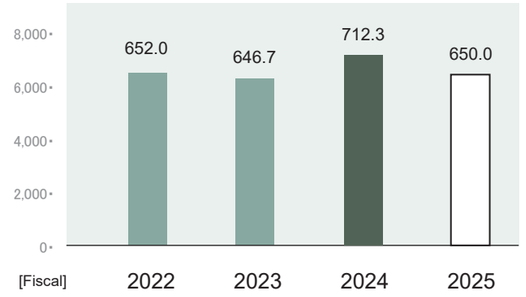


Total asset turnover ratio



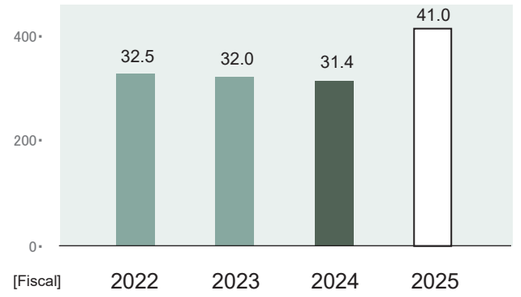
Net Sales

(Billion yen)

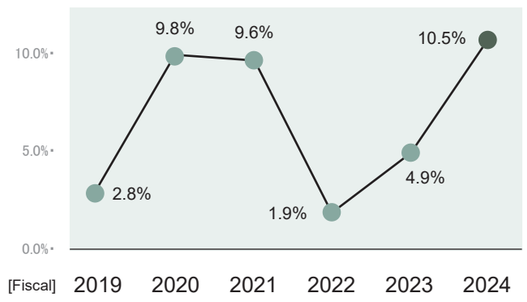


Capex

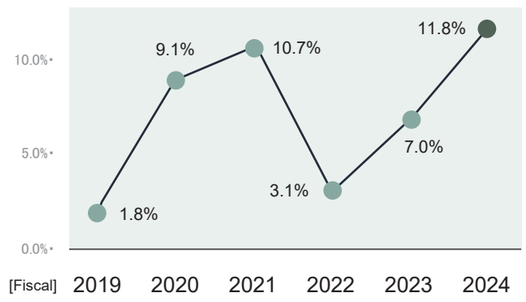
(Billion yen)



Rate of operating profit on sales

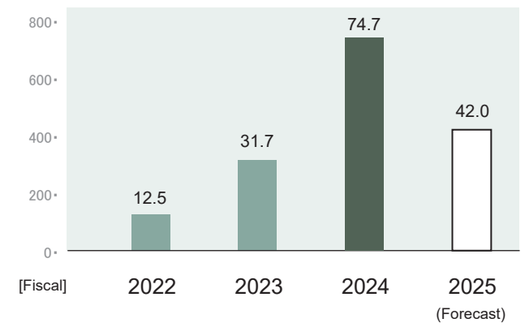


ROA (Return on assets)



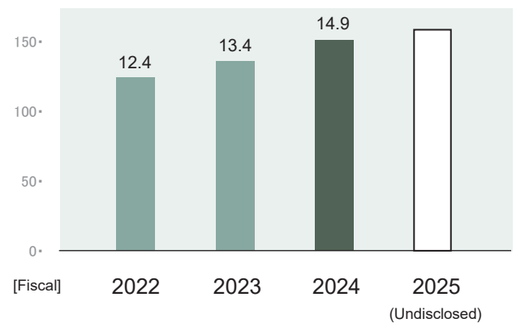
Operating profit

(Billion yen)

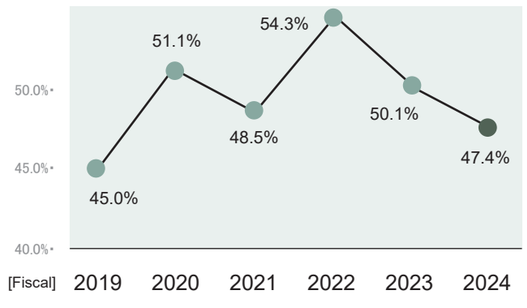


R&D expenditures

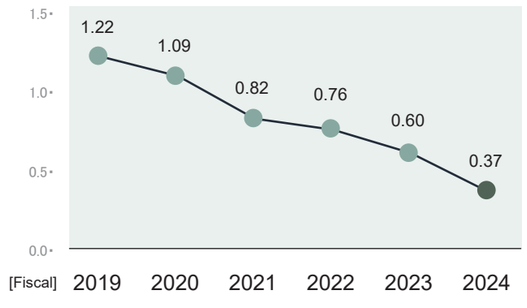
(Billion yen)



Overseas sales ratio

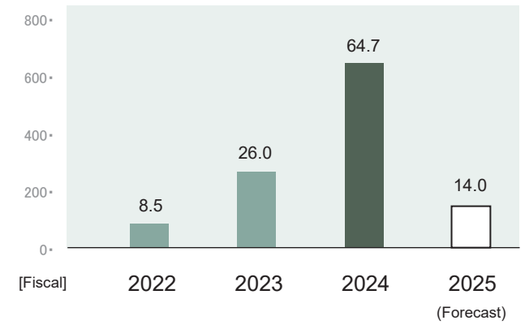


Net D/E ratio



Profit attributable to owners of parent

(Billion yen)



Highlights of major financial indexes for the past 11 fiscal years are listed on pages 88-89. Please refer to those pages as well.

Managing portfolio dynamically
Strategic investments in M&As

We will balance and accelerate the management of “exploitation” and “exploration” and pursue internal and external synergies to continually create financial value and social and environmental values.

We have backcast an “attractive market” in 2030 based on our forecast of the world in 2050, and have forecast a “winnable market” in 2030 based on the Mitsui Kinzoku Group's strengths, and set our activity areas for 2030 as the intersection of these markets. We will strategically manage the Group’s various businesses and constantly optimize the allocation of management resources to continue creating and supplying products that can contribute to these markets in the areas of communications/electronics, environment/energy, social/industrial infrastructure, mobility, and life science. These are vital, indispensable initiatives for the Group to achieve continuous growth.

According to these scopes, we restructured the organization at the start of the recent medium-term management plan. The concept for the reorganization had two visions: attractive product/market scopes and allowing continued pursuit of synergies. Moving away from our previous framework, in which each sector reached its own market and customers, we have transformed our organizations, enhancing their capacities to deliver value by re-grouping them according to product/market scope. This will lead to each business sector developing its existing businesses, and in addition, the Business Creation Sector will create new businesses, thus establishing a structure that enhances and accelerates the pursuit of ambidexterity.

“Exploitation” involves developing existing businesses and maximizing their potential. “Exploration” involves forging new businesses and expanding knowledge in uncharted areas to create new businesses. These two factors will be balanced by the pursuit of ambidexterity.
“Growth prospects” are evaluated based on market attractiveness and our competitiveness. “Business value” was previously evaluated based on EBITDA and ROIC, but the new medium-term management plan (the 2025-2027 MTP) adds ROIC Spread to the evaluation indicators.
We define ROIC Spread as the value obtained by deducting a business segment’s WACC (weighted average cost of capital for the business) from ROIC. We believe this will allow us to more accurately judge whether we are using capital efficiently and reliably generating earnings as well as to better measure improvement in corporate value.

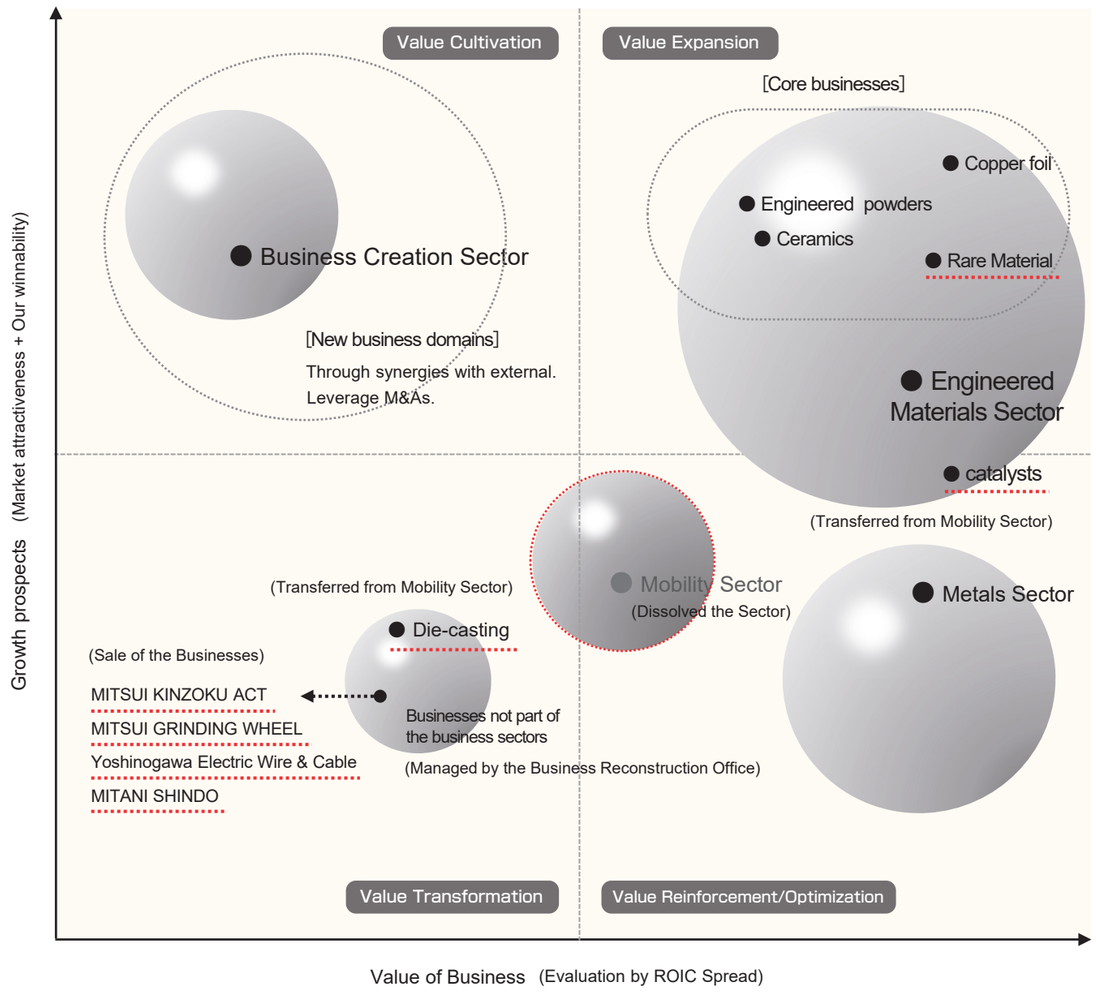
In businesses with high growth prospects, which is the matrix’s vertical axis, we actively use external resources, not only internal growth, including M&As and business alliances for further Value Expansion and Value Cultivation. The Business Development Office of the Corporate Planning Department is responsible for implementing these initiatives. We will combine synergies created through internal business reorganization and partnerships with external organizations to enhance our growth strategies.
Based on dynamic business portfolio management, we will constantly assess businesses and explore internal and external best owners* for businesses that are categorized as Value Transformation. The Business Reconstruction Office of the Corporate Planning Department, which governs businesses not included in the business sectors, is responsible for these initiatives.

FY2024 Business Evaluation Matrix review and measures

In last FY2024, we also evaluated and reviewed the growth prospects of each business in the Group.
In FY2023, with the aim of creating synergy with the engineered powder rare metal business, we made Nippon Yttrium Co., Ltd. a wholly owned subsidiary, incorporating it as a core business that can contribute to value expansion. Since we expect we may be able to achieve even greater synergy, we absorbed Nippon Yttrium to create our new Rare Materials Division.
Aiming to realize our Vision, we eliminated the Mobility Sector to pursue more efficient, concentrated allocation of management resources. We also decided to sell Mitsui Kinzoku ACT Corporation which was long a mainstay of the Group’s parts manufacturing business.
Going forward, our thorough business evaluation and allocation of management resources focused on strategic selection and concentration will steadily lead to higher corporate value.

One of the key concepts of the newly launched 2025-2027 MTP is “Big Moves.” By leveraging internal and external expertise while adopting an investor’s perspective, we will carry out fundamental cash generation and large-scale resource investments. We expect that doing so will further demonstrate the evolution of the Group’s business portfolio.

Portfolio Matrix　Measures implemented in FY2024　Re-evaluated and action taken in FY2024



∗ Best owner

“Best owner” refers to the management entity that is expected to make the best use of the management resources of the business to maximize the corporate value in the medium to long term.

Exploring for new businesses

Exploration　Value Cultivation

［Business Creation Sector］

Vision for 2030 (What we should be in 2030)

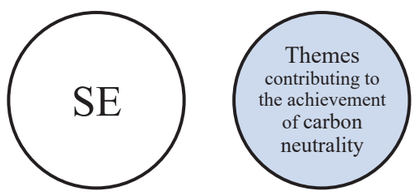
A team of excited people co-creating value, and exploring the future with material intelligence

“Help build a better future.” By taking on this challenge and making it come true, we will help improve the sustainability of society and enhance the corporate value of Mitsui Kinzoku Group.

R&D Themes Advancing Toward Commercialization and Their Markets

＊ The size of each circle illustrates the estimated amount of contributed profit in 2030.

[Environment & Energy Area]



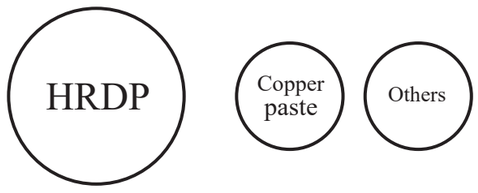
Development themes to be accelerated based on new materiality

Solid electrolyte for all-solid-state batteries

A-SOLiD®

All-solid-state batteries are expected to be the next generation of storage batteries. In FY2021, we started to produce and supply A-SOLiD®, a solid electrolyte that is a key material for all-solid-state batteries, at our mass production testing facility. Since then, we have continued to boost our production capacity, and we plan to start operation of a line with four times the initial production capacity in the second half of this year. Development of this mass-production technology has been recognized as an initiative under the Ministry of Economy, Trade and Industry’s plan to ensure a stable supply of storage batteries.
Thanks to their excellent battery properties and heat resistance, all-solid-state batteries have already been adopted in industrial applications.
In addition, automakers are actively and seriously developing next-generation EVs equipped with all-solid-state batteries, which are expected to shorten charging time and increase driving distance. Automakers aim to launch next-generation EVs in the late 2020s, and demand for solid electrolytes is expected to grow dramatically in line with this movement.
We will continue to ensure the high quality and supply capacity of A-SOLiD® to meet this strong demand growth.

[Next-generation Electronics Area]



For next-generation semiconductor chip mounting

HRDP®

Product development using our HRDP®, a special carrier for next-generation semiconductor chip mounting, has been consistently commencing at many customers, including composite chip module and IC chip mounting device manufacturers. It is highly evaluated as contributing to shorter cycle times and higher yields in the production processes of next-generation semiconductor packages. Customers plan to move forward with using HRDP® in mass production by 2030, and in line with such plans, we are proceeding to introduce a second production line at a partner’s factory; this fiscal year, fully automated lines are scheduled to commence operation for the purposes of further improving quality and increasing production capacity.
We are striving to make HRDP® the mounting platform for next-generation semiconductor packages and the de facto standard in the market. To accelerate full-scale commercialization, we intend to generate synergistic effects with units that have semiconductor-related business, and in the second half of this fiscal year, we will transfer control to the Engineered Materials Sector.

＊ SE ＝ Solid Electrolyte　HRDP ＝ High Resolution De-bondable Panel

The mission of the Business Creation Sector is to provide our stakeholders with “exciting” value with our spirit of exploration and diverse technologies, and thus contribute to improving the corporate value of Mitsui Kinzoku Group.
The Business Creation Sector is responsible for Exploration in the ambidexterity-oriented management promoted by the Group. In the business portfolio, management resources are intensively allocated to this Sector as the area of Value Cultivation.
We are committed to achieving more than 10 billion yen in profit by 2030 by commercializing as many projects as possible from the current R&D subjects and existing business implementation units to meet the aggressive input of people, costs, and investments.
To achieve these goals, we have been working on R&D enhancement through DX and collaboration and co-creation with external parties; the enhancement of project commercialization by increasing human resources; and the improvement of strategic support by establishing mass-production process technologies for commercialization, expanding intellectual property and strengthening the quality assurance system.
In terms of “R&D enhancement,” we are making steady progress, both in Japan and overseas, in market co-creation efforts with customers, startups, universities, partners, and others aimed at creating new innovations that integrate our technologies with external resources.
Going forward, we will continue to work together to enhance the Group’s growth and society’s sustainability by leveraging our material intelligence to provide problem-solving value unique to Mitsui Kinzoku Group.



Senior Executive Officer,
Senior General Manager
of Business Creation Sector

YASUDA Kiyotaka

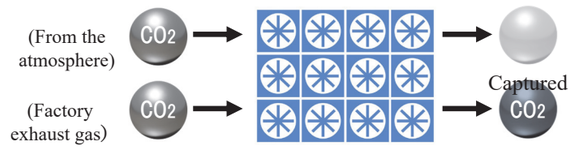
New Materiality in the 2025-2027 MTP

Exploration to create new markets

Advance R&D themes contributing to carbon neutrality to the demonstration phase. （Goals for FY2027）

Theme: CO_2 Capture Business

Completion of an initial evaluation using actual gas at partners and collaborators who want to capture CO_2



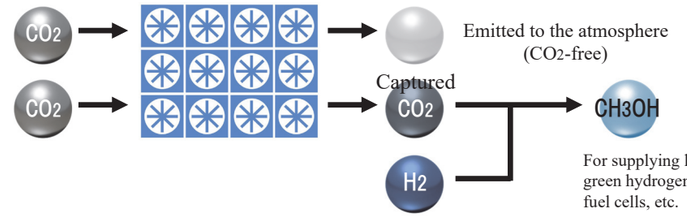
Now considering storage methods and effective usage methods, including collaboration/partnerships with external organizations

＊ Capture and separation system using our CO_2 adsorbent

Technologies that capture the CO_2 contained in the atmosphere or factory exhaust gas are attracting interest because they enable recovered CO_2 to be used as a resource (e.g., as a raw material for synthetic fuels or chemicals). The CO_2 adsorbent we have developed plays an important role in the capture and separation process.

Theme: CCU-S Demonstration Project in India　Carbon Capture & Utilization System

Completion of a demonstration project of the process from capture to methanol generation at a catalyst manufacturing site in India



For supplying low-cost green hydrogen to be used in fuel cells, etc.

The demonstration project we are undertaking in India has been selected for the Ministry of Economy, Trade, and Industry’s Global South Future-Oriented Co-Creation Project subsidy program.

Engineered materials

Exploitation　Value Expansion

［Engineered Materials Sector］

Vision for 2030 (What we should be in 2030)

FY2030 targets: ¥330 billion net sales, ¥70 billion ordinary income

More than 70% of newly launched products and more than 50% of sales are environmental contribution products.

New Structure from FY2025

Business Divisions and Main Products under the Sector

Copper Foil Division
Electrolytic copper foil for printed circuit boards, MicroThin™ copper foil with carrier film, embedded capacitors

Catalysts Division
Catalysts for detoxifying exhaust gas (for automobiles, motorcycles, and utility engines)

Engineered Powders Division
Conductive powders, ultrafine powder for electronic materials, solder powder, atomized powder, battery materials (hydrogen storage alloy, lithium manganese oxide)

Rare Material Division
Oxidized/carbonized tantalum and niobium, cerium oxide abrasives, rare earth products (oxides, rare earth compounds, metal products, rare earth salts, processed products)

Ceramics Division
Refractory materials, fine ceramics, molten aluminum treatment systems

PVD Materials Division
Transparent conductive thin film applications, oxide semiconductor applications, sputtering target materials

FY2024 Results

Proportion of the entire Group's results by sector



Net sales
34.6%
246.2 billion yen



Ordinary income
46.2%
40.3 billion yen

＊The various amounts are aggregate figures based on the new business segments.

＊The denominator for the ordinary income percentage is the figure prior to consolidated adjustment.

Strengths of the Engineered Materials Sector

- High-quality, high-performance product lineup that leverages the unique core technologies and expertise we have developed to date
- Production and sales systems located in consumption areas, especially in the Asia region
- Creation of synergy through collaboration with internal and external partners

Key Top-Share Products

For semiconductor packages	Copper foil with carrier film	95 %
For AI servers	High-grade VSP™	40 %
For motorcycles	Catalyst for exhaust purifier	50 %
For hybrid vehicles	Battery Materials (Hydrogen storage alloy)	30 %
For MLCC	Copper powders	30 %
For glass substrates	Cerium Oxide Abrasives	40 %
For filtration of molten aluminum	METALOFILTER®	85 %
For liquid crystal displays	Oxide semiconductor target material	40 %

＊Each figure indicates the share of the global market.

Changes in Capital Investment of the Sector

FY2025	13.5（10.7）billion yen （plan）
FY2024	7.6（6.3）billion yen
FY2023	7.5（5.6）billion yen
FY2022	8.1（5.9）billion yen

＊ Figures in parentheses indicate the amount of the total investment invested in growth areas.

＊ For FY2022 and FY2023, the figures are the totals of the old business segments.

Last year marked the 150th year since our founding, and the Engineered Materials Sector has played an important role throughout the company's history. This is the sector that possesses the diverse technologies that have been utilized to fulfill Mitsui Kinzoku's Purpose of "promoting the well-being of the world through a spirit of exploration and diverse technologies."
We have met society's needs across a wide range of industrial fields with technologies adapted to the times, including developing metal smelting technologies, introducing new external technologies and combining them with our own technologies, and collaborating with our customers to create products that contribute to society.
The Engineered Materials Sector supports industries around the world with cutting-edge technologies and innovative products. We supply high-added-value products in diverse fields, such as electronic materials, automotive components, and environmentally friendly materials. In the electronic materials field, we develop and manufacture high-performance copper foil and electronic materials that are indispensable to smartphones, tablets, 5G telecommunications equipment, and more. These materials play a key role in maximizing the performance of today's electronic equipment, which is expected to achieve high-speed communication at a high level of reliability. In the automotive components field, our catalyst products improve batteries for hybrid automobiles and fuel costs as well as contribute to enhancing environmental performance, such as by reducing CO_2 emissions.
Furthermore, in the field of environmentally friendly materials, we are making efforts to develop recyclable materials and products with reduced environmental footprints while pursuing initiatives aimed at realizing a sustainable society, such as utilizing renewable energy.
Mitsui Kinzoku's Engineered Materials Sector is constantly tackling new challenges aimed at achieving technological innovation and a sustainable society. Going forward, we will continue to work with our customers around the world to deliver optimal solutions that pave the way to a brighter future.



Representative Director
Senior Managing Director,
Senior Managing Executive Officer,
Senior General Manager of
Engineered Materials Sector

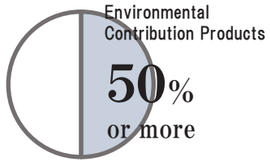
OKABE Masato

New Materiality in the 2025-2027 MTP

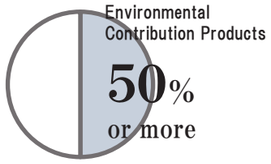
Advanced materials that enhance customer value

Continuously create Environmental Contribution Products

（Goals for FY2027）



Newly launched products (Number)



Sales of the Sector

Environmental Contribution Products – Number of internally certified products



Main certified products

- Electrolytic copper film using 100% recycled copper（Copper Foil）
- ITO targets using recycled indium（PVD Materials）
- Ta-related iconos™ rare metal solution（Engineered Liquids Commercialization Promotion Division）
- CeraMesh® new kiln tool（Ceramics）

In the Engineered Materials Sector, we have been pursuing the acquisition and deployment of LCA (lifecycle assessment) evaluation techniques since 2021 in various business divisions. While the possible scope of data validation varies by product, such evaluations quantitatively evaluate the environmental footprint throughout the product lifecycle, including processes at the supplier, processes at Mitsui Kinzoku, customer processes, and even usage by the end user and product disposal.

In 2023, we developed an internal certification system for products with significant environmental reduction effects based on the results of LCA evaluation; the scope includes both newly developed and upgraded products. We are actively incorporating this system into our review process; to date, 11 products have been certified. Going forward, we will continue to create such environmental contribution products, which can enhance customer value and serve as flagship products for integrated thinking-based management, which balances economic value and social value.

Value Expansion in the 2025-2027 MTP

Customer markets and products for which we will strengthen our involvement/collaboration

- AI servers
- High-speed switching devices
- Photoelectric conversion devices
- Semiconductors (advanced logic, memory)
- High-capacity HDDs (hard disk drives)
- Next-generation base stations
- High-end smartphones
- Next-generation SAW filters
- MLCC (multilayer ceramic capacitors)
- Fine ceramics
- 3D printing
- Photovoltaic cells
- Semiconductor manufacturing equipment

Metals Mining and smelting

[Metals Sector]

Exploitation

Value Reinforcement/Optimization

Vision for 2030 (What we should be in 2030)

We are essential in efforts to build a sustainable world.

We strive to further enhance recycling network underpinned by distinctive characteristics, and we continue to explore new mineral resources and utilization of low-carbon energy.

New Structure from FY2025

Business Divisions and Main Products under the sector

Zinc Division
Zinc, Zinc-based alloys, Zinc products, Lightweight aggregate

Lead Division
Lead, Tin, Bismuth, Antimony trioxide, Lead compounds

Copper & Precious Metals Division
Copper, Gold, Silver, Sulfuric acid

Mineral Resources Division
Zinc concentrate, Lead concentrate, Copper concentrate, Geothermal Resource

FY2024 Results

Proportion of the entire Group's results by sector



Net sales
45.8%
326.4 billion yen



Ordinary income
51.0%
44.5 billion yen

∗ The various amounts are aggregate figures based on the new business segments.

∗ The denominator for the ordinary income percentage is the figure prior to consolidated adjustment.

Strengths of the Metals Sector

Smelting Division
- We are a leading domestic producer of zinc.
- We can process a wide range of raw materials thanks to our network of seven smelters in Japan.
- Hachinohe Smelting is one of the few smelters in the world with ISP technology, and we have a smelting network that combines wet and dry zinc smelting along with copper and lead smelting.
- We produce compounded zinc for highly corrosion resistant galvanized sheet iron (a high-added-value product).

Mining Division
- We have operated our own zinc mines in Peru for many years.
- We produce clean, high-grade zinc concentrate.

Key Top-Share Products

Zn	Zinc	49%
Bi	Bismuth	61%

∗ Each figure indicates the domestic production share.

Percentage of recycled materials in products

Zn	Zinc	50%
Pb	Lead	69%
Cu	Copper	27%
Sn	Tin	100%

While striving to ensure a stable supply of non-ferrous metal materials, which are essential to various kinds of infrastructure around the world, we have worked to advance our recycling and smelting businesses over the years. To meet growing recycling needs as we transition to a recycling-oriented society, the mission of the Metals Sector is to propose and provide solutions that help build a sustainable world.

Focused on our Vision for 2030, we will pursue a more sophisticated recycling network, explore new mining opportunities, reduce CO_2 emissions to create a decarbonized society, explore renewable energy solutions, and improve digital infrastructures for digital transformation (DX) under the newly launched current medium-term management plan.

During the three-year period of the 2025-2027 MTP, in addition to recycling zinc from galvanized sheet iron, which we are already pursuing, we will make efforts to process lead concentrate residue that contains tin, antimony, bismuth, and other valuables. Processing needs for these elements in particular will grow as E-scrap recycling advances at various copper smelters.

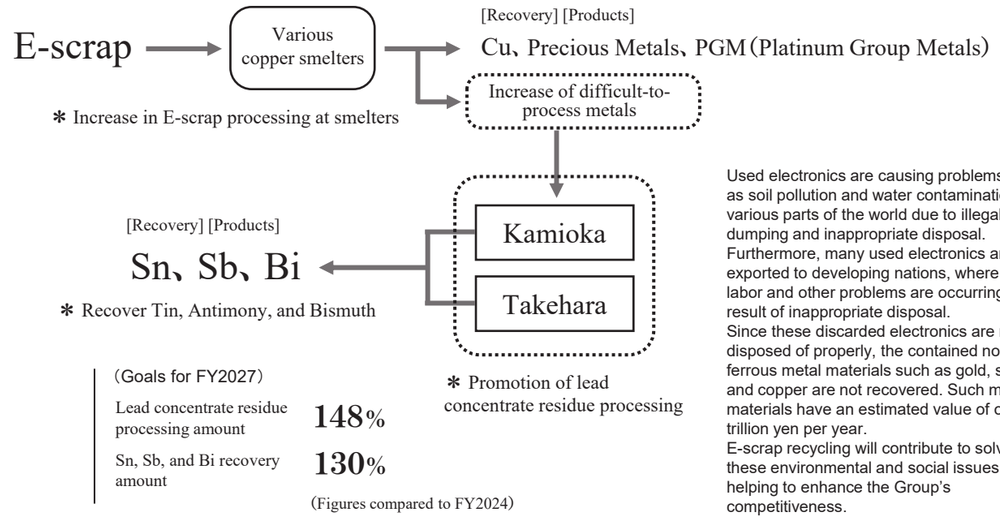
We will continue to provide value that only we can provide by making the best use of our zinc, lead, and copper smelting and refining network with our Group's diverse processes, mining resources, and renewable energy.



Senior Executive Officer,
Senior General Manager of
Metals Sector
SAITO Osamu

New Materiality in the 2025-2027 MTP

Promoting E-scrap recycling by leveraging our smelting network



Used electronics are causing problems such as soil pollution and water contamination in various parts of the world due to illegal dumping and inappropriate disposal. Furthermore, many used electronics are exported to developing nations, where child labor and other problems are occurring as a result of inappropriate disposal. Since these discarded electronics are not disposed of properly, the contained non-ferrous metal materials such as gold, silver, and copper are not recovered. Such metal materials have an estimated value of over 1 trillion yen per year. E-scrap recycling will contribute to solving these environmental and social issues while helping to enhance the Group's competitiveness.

Network of our smelters

For example, valuable metals such as lead, copper, tin, and silver that are recovered at Hachinohe Smelting—which can simultaneously smelt zinc and lead—are combined with tin, antimony, and other metals recovered at Kamioka Mining & Smelting. They are then processed into finished products at our Takehara Refinery Plant. Fly ash from Miike Smelting's electric furnaces and refuse incinerators contains zinc and copper. The zinc is sent to a zinc smelter and the copper is sent to Hibi Kyodo Smelting to be processed into finished products.

We can process complex, diverse recycled raw materials by utilizing the smelting network of seven smelters with diverse processes in Japan.

Going forward, we will continue to enhance our technical capabilities and processing capacity for recycled raw materials at our smelters and refineries to meet larger and more complex recycling needs.

