



FY2021 Progress of Business Strategy

May 18, 2022

President and Representative Director
Akira Nozaki



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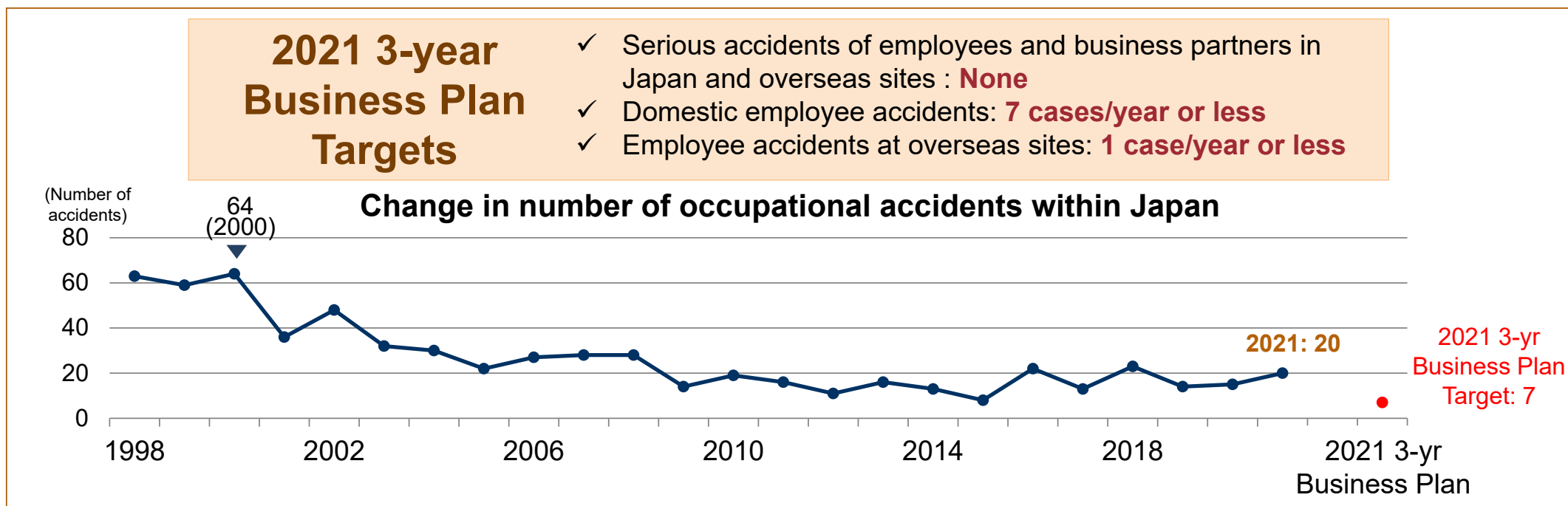
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1. FY2021 Summary: (1) Safety initiatives

<Domestic occupational accidents> 2018 3-year Business Plan Target:
5 accidents or less → **2021 result: 20**

Emphasis placed on preventing “serious accidents” (absence from work for 3 months or more) & reducing “recurring accidents”



*Recurring accidents: Recurrence of accidents that have occurred within the SMM Group over the past 20 years.

1. FY2021 Summary: (2) Production / Sales / Large Projects

Production / Sales

◆ Mineral Resources / Smelting and Refining

- ✓ Despite production decreased due to the impacts of COVID-19 at some overseas plants and natural disasters (typhoons), production and sales have been progressing generally well.

◆ Materials

- ✓ With strong customer demand, production continues at full capacity for many products.

Large projects

- ✓ **Decision to sell the Sierra Gorda copper mine in** October 2021 (as part of portfolio reshuffling)
→ Closing in February 2022
- ✓ Decision to **discontinue consideration of Pomalaa project** in April 2022.
- ✓ **The Quebrada Blanca 2 projects and Cote gold project** progressing smoothly.
- ✓ **Battery materials production capacity enhancement:** Announced in July 2021 to construct a new plant
On May 1, 2022, we take over the LFP materials business from Sumitomo Osaka Cement Co. Ltd.

1. FY2021 Summary: (3) Financial results / dividends / cashflows / financial position

Financial results / dividends

- ◆ In addition to being helped by the metal price increase and yen depreciation, we posted a profit on the sale of Sierra Corda mine, which has led to the record highs in net sales (1,259.1 billion yen) and profit (Profit before tax: 357.4 billion yen)
→ **Annual dividend paid (301 yen/share) also achieved a record high.**
- ◆ Materials business posted **a record-high profit of 27.6 billion yen**
→ Achieved the long-term vision target of 25.0 billion yen for the first time

Cash flows / financial strength

- ◆ Continued stable financial strength with favor profit
- ◆ Investment expenditures prepared for the Pomalaa project will be allocated to new projects.

II. Outlook for FY2022 (topics)

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1. Global Economy

FY2022 Outlook (Topics)

The effects of monetary and fiscal policies in various countries and the progress of the COVID-19 vaccinations are expected to help achieve a certain level of economic expansion. However, there are many downside risks, and uncertainty is increasing.

Downside Risk Factors

- ◆ Prolonged Russian invasion of Ukraine
- ◆ Energy price hikes
(Our FY2022 forecast has estimated a negative impact of about 15.0 billion yen on Mineral Resources and Smelting & Refining compared to FY2021.)
- ◆ Slowdown in the global economy
- ◆ Shortage of industrial materials and supplies such as semiconductors, etc.
- ◆ Another spread of COVID-19; and lockdown in major Chinese cities

IMF's forecast on global economic growth

Year 2020	Year 2021	Year 2022
Result	Result	Forecast as of April 2022
-3.1%	+6.1%	+3.6%

2. Metals supply and demand forecast

FY2022 Outlook (Topics)

Copper: Supply and demand easing

- ◆ Supply: Copper mines have escaped the effects of COVID-19, and new and expansion projects are contributing to increased production.
Smelting capacity is also expected to grow at a high rate.
- ◆ Demand: Russia's invasion of Ukraine, lockdown of major Chinese cities, etc. are expected to restrict consumption growth.
- ✓ Fundamentals are helped by the demand for copper.
(global decarbonization, clean energy, EV shift, etc.)

Cu	ICSG Forecast		
(kt)	2020 Announced 21/10	2021 Announced 22/5	2022 22/5 Forecast
Production	24,510	24,825	25,883
Usage	24,989	25,264	25,742
Balance	-479	-439	+142

Nickel: Supply and demand easing

- ◆ Supply: Significant increase mainly in Indonesia NPI
- ◆ Demand: Strong applications of stainless steel in China and Indonesia. In addition, the demand for batteries is increasing globally. Yet, Supply also growth is significant.
- ✓ Possible decline in demand due to prolonged impact of COVID-19 in China, the largest consumer country.

Ni	INSG Forecast (Apr 2022)		
(kt)	2020	2021	2022
Production	2,490	2,608	3,082
Usage	2,390	2,776	3,015
Balance	+99	-168	+67

3. Metal price estimation for FY2022 forecast

FY2022 Outlook (Topics)

<Copper> \$9,000/t (2022 April average: \$10,183/t)

- ◆ Supply and demand are easing. Strong dollar is also a easing factor.
- ◆ Ukraine situation has an insignificant impact on supply and demand.

<Gold> \$1,750/toz (2022 April average: \$1,934/toz)

- ◆ Higher interest rates and a stronger U.S. dollar due to tighter U.S. monetary policy are easing factors.
- ◆ However, uncertainty in the global economy is providing firm support for the price.

<Nickel> \$9.5/lb (2022 April average: \$15.10/lb)

- ◆ Supply and demand are easing. However,
 - ✓ Supply: Russia is a major producer of refined nickel, accounting for about 10% of the global production.
 - ✓ Demand: COVID-19's impact (lockdown, etc.) in China, the country with the largest demand, is unknown.

4. Nickel/battery strategy (1)

FY2022 Outlook (Topics)

April 2022: Decision to discontinue consideration of Pomalaa project

- ◆ Differences in views with the schedule-oriented partner became apparent.
 - ✓ As the study protracted under the COVID-19 crisis, the partner chose to negotiate with other companies.
 - ✓ We will now apply the resources and time we have available to search projects for other nickel deposits and new projects that we have been proceeding with in parallel.
 - ✓ No impact is expected on other products such as battery materials in the short term.
In the long term, we aim to cover the impact with other new projects, etc.

4. Nickel/battery strategy (2)

FY2022 Outlook (Topics)

Search for upcoming projects

Identifying needs for undeveloped projects by leveraging our industry network

Secure raw materials through collaboration with existing projects that can utilize our technology



- ✓ **Combination of hydro/pyro metallurgical technologies that we have developed in addition to HPAL**
 - Consider processing and producing MHP (hydroxide) not only MS (sulfide)
 - Develop hard-to-process ore projects utilizing our technology
- ✓ **Strengthen the value chain through the collaboration between the three businesses (nickel/batteries) including recycling.**



Select and implement projects that take full advantage of our strengths.

5. Reduction of recurring accidents

FY2022 Outlook (Topics)

<2021 3-year Business Plan: Safety Initiatives>

Emphasis on preventing “serious accidents” (absence from work for 3 months or more) & reducing “recurring accidents”



In addition to promoting the company measures, labor and management confirmed that “all employees will work together to achieve annual goals shared by labor and management, and that the labor union will strongly support the goals set and the measures to achieve them, thereby fostering a new culture of mutual joy in achieving them.

<Scope of the initiatives> All SMM Group sites in Japan and domestic subcontractors

<Target> **“Reduction of recurring accidents” (8 or fewer per year at all domestic sites)**

<Period of the initiatives> Three years through April 2025, where 12 months from May 2022 to April 2023 is one year

*Recurring accidents: Recurrence of accidents that have occurred within the SMM Group over the past 20 years.

III. Highlights from the FY2021 Financial Results and FY2022 Financial Forecasts

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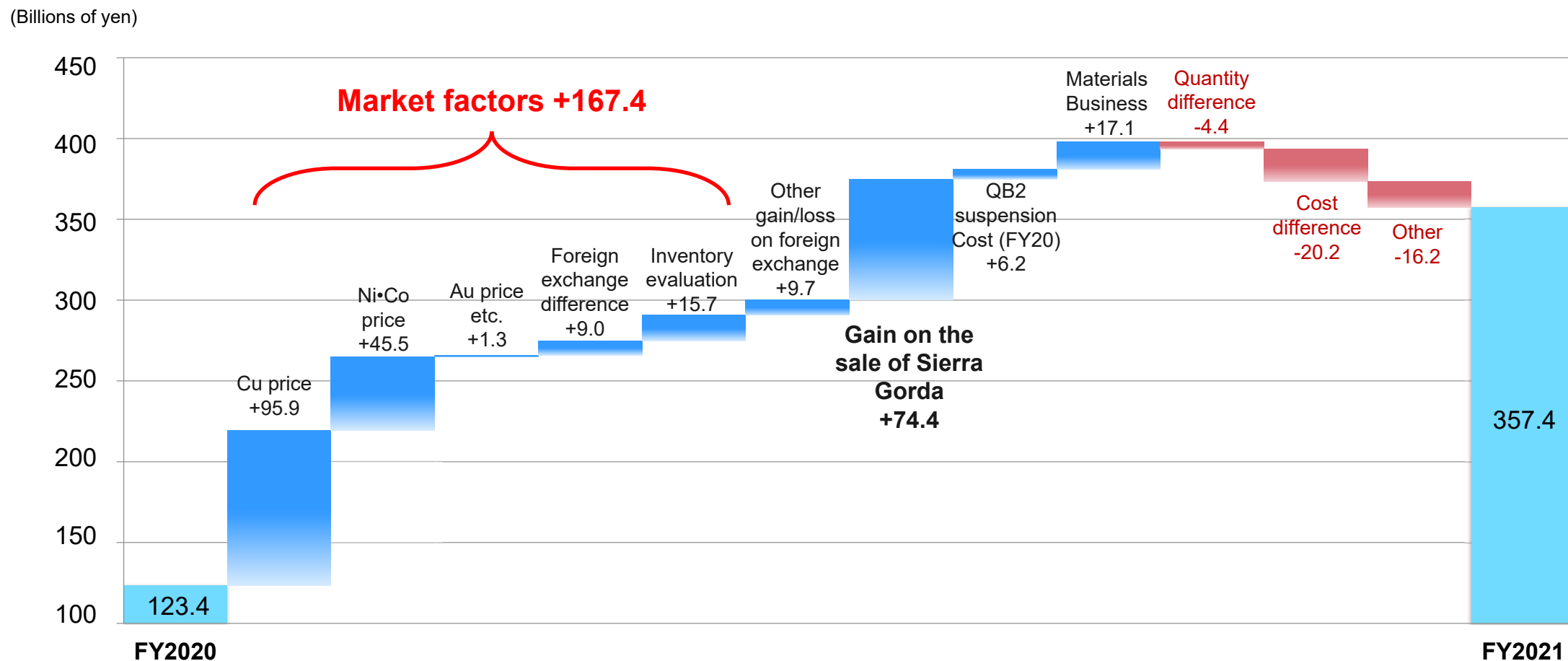
1. Change in financial results (FY2017 – FY2022 forecast)

(Billions of yen)		International Financial Reporting Standards [IFRS]					
		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 (forecast)
Net sales		929.7	912.2	851.9	926.1	1,259.1	1,331.0
Profit/loss before tax		108.3	89.4	79.0	123.4	357.4	194.0
Equity method profit/loss		12.3	-4.9	6.2	8.7	57.5	39.0
Segment profit	Mineral resources	58.0	47.3	37.9	63.1	208.5	99.0
	Smelting & refining	47.8	40.9	48.2	53.0	114.8	86.0
	Materials	7.1	13.8	53	10.5	27.6	10.0
	Other	-7.4	-2.0	-9	-2.8	-0.9	-2.0
	Diff. Adjustment	2.8	-10.6	-11.5	-0.4	7.4	1.0
Net income attributable to owners of parent		90.2	66.8	60.6	94.6	281.0	137.0
Copper (USD/t)		6,444	6,341	5,860	6,879	9,691	9,000
Nickel (USD/lb)		5.06	5.85	6.35	6.80	9.35	9.50
Gold (USD/toz)		1,285	1,263	1,462	1,824	1,818	1,750
Cobalt (USD/lb)		30.64	31.64	15.76	16.62	27.46	30.00
Exchange (JPY/\$)		110.86	110.92	108.74	106.07	112.39	120.00

2. FY2021 Financial Results and FY2022 Financial Forecasts

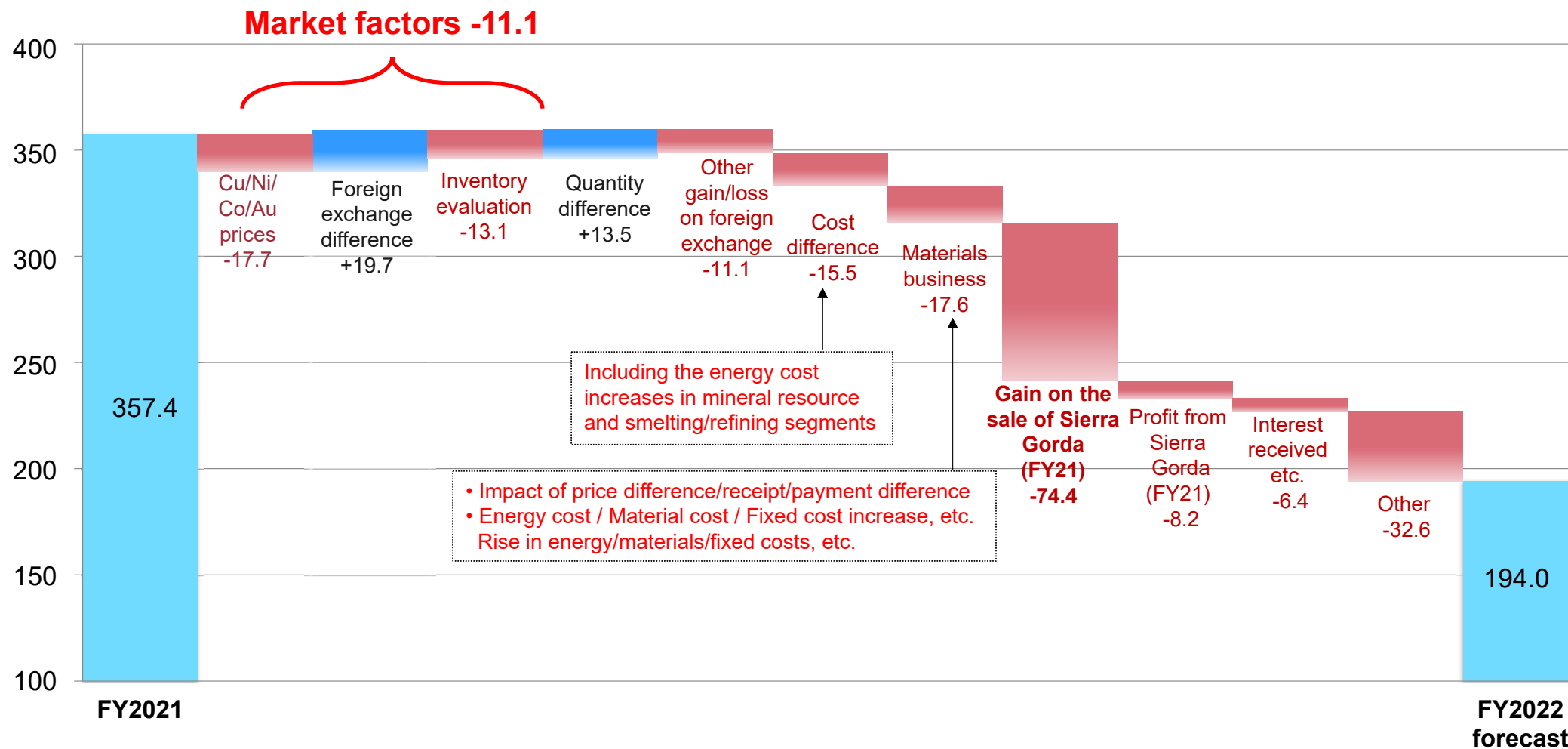
(Billions of yen)		FY2021 result (A)	FY2020 result (B)	Change (A)-(B)	FY2022 forecast (C)	Increase / Decrease (C)-(A)
Net sales		1,259.1	926.1	+333.0	1,331.0	+71.9
Sales total profit		257.8	150.9	+106.9	222.0	+35.8
Profit/loss before tax		357.4	123.4	+234.0	194.0	-163.4
Equity method profit/loss		57.5	8.7	+48.8	39.0	-18.5
Segment profit	Mineral resources	208.5	63.1	+145.4	99.0	-109.5
	Smelting & refining	114.8	53.0	+61.8	86.0	-28.8
	Materials	27.6	10.5	+17.1	10.0	-17.6
	Other	-0.9	-2.8	+1.9	-2.0	-1.1
	Diff. Adjustment	7.4	-0.4	+7.8	1.0	-6.4
Net income attributable to owners of parent		281.0	94.6	+186.4	137.0	-144.0
Copper (USD/t)		9,691	6,879	+2,812	9,000	-691
Nickel (USD/lb)		9.35	6.80	+2.55	9.50	+0.15
Gold (USD/Toz)		1,818	1,824	-6	1,750	-68
Cobalt (USD/lb)		27.46	16.62	+10.84	30.00	+2.54
Exchange (JPY/\$)		112.39	106.07	+6.32	120.00	+7.61

3. Profit before tax analysis FY2021 results vs. FY2020 results

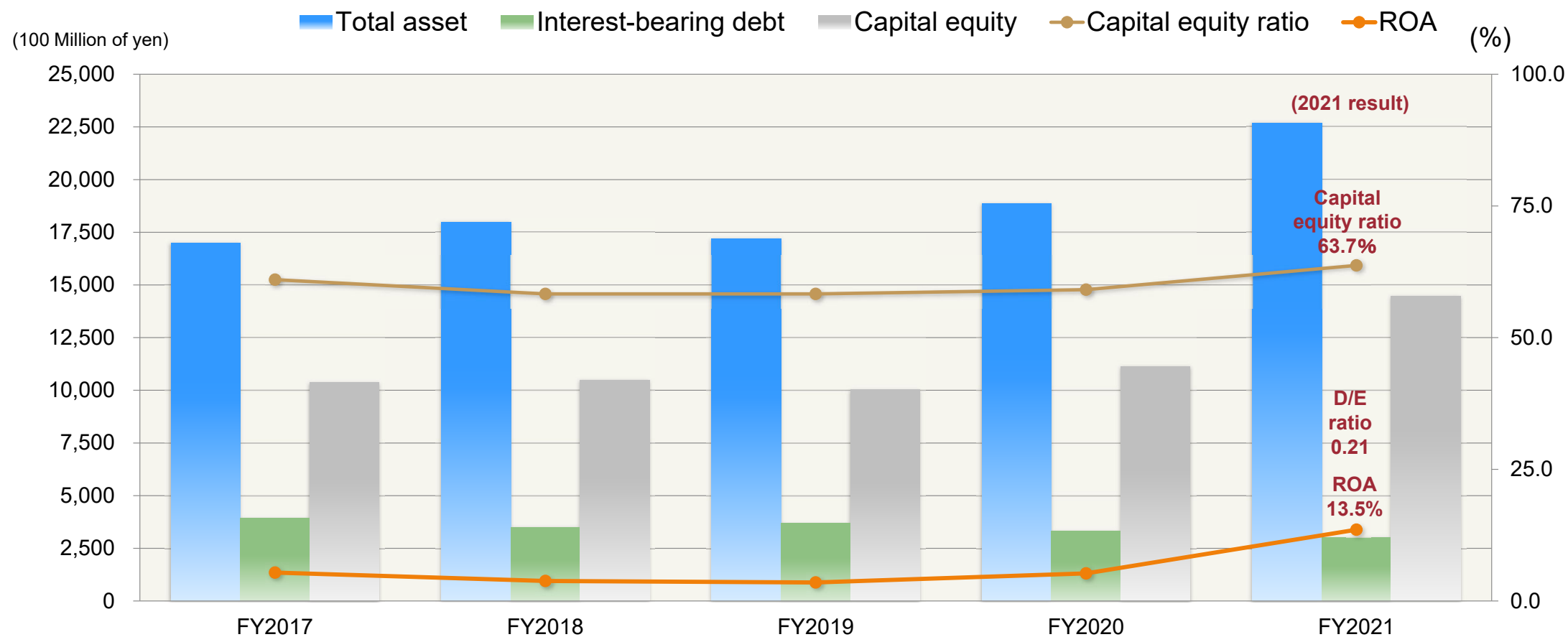


4. Profit before tax analysis FY2022 forecast vs. FY2021 results

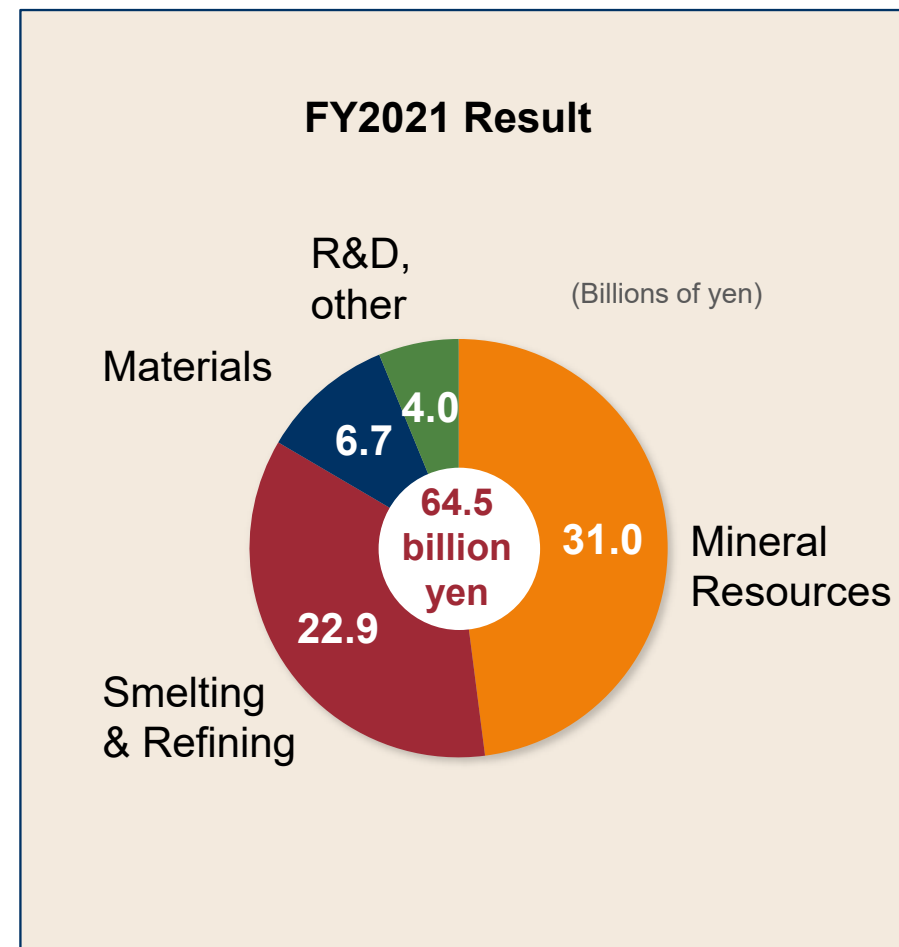
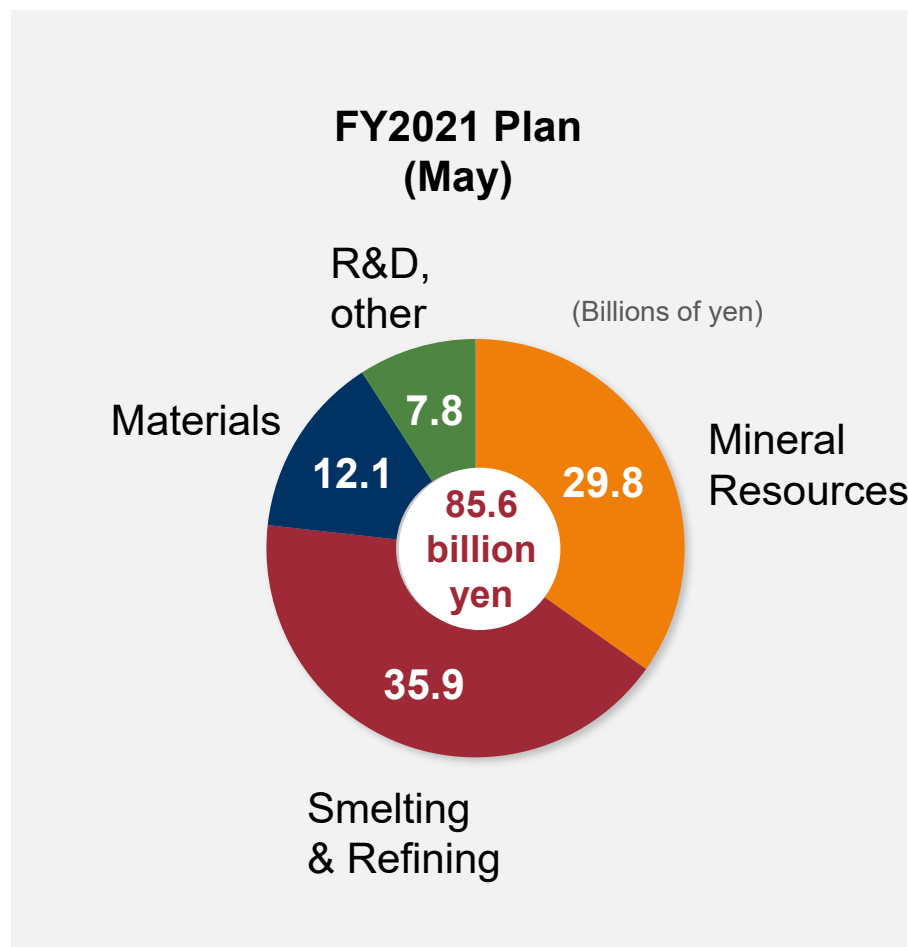
(Billions of yen)



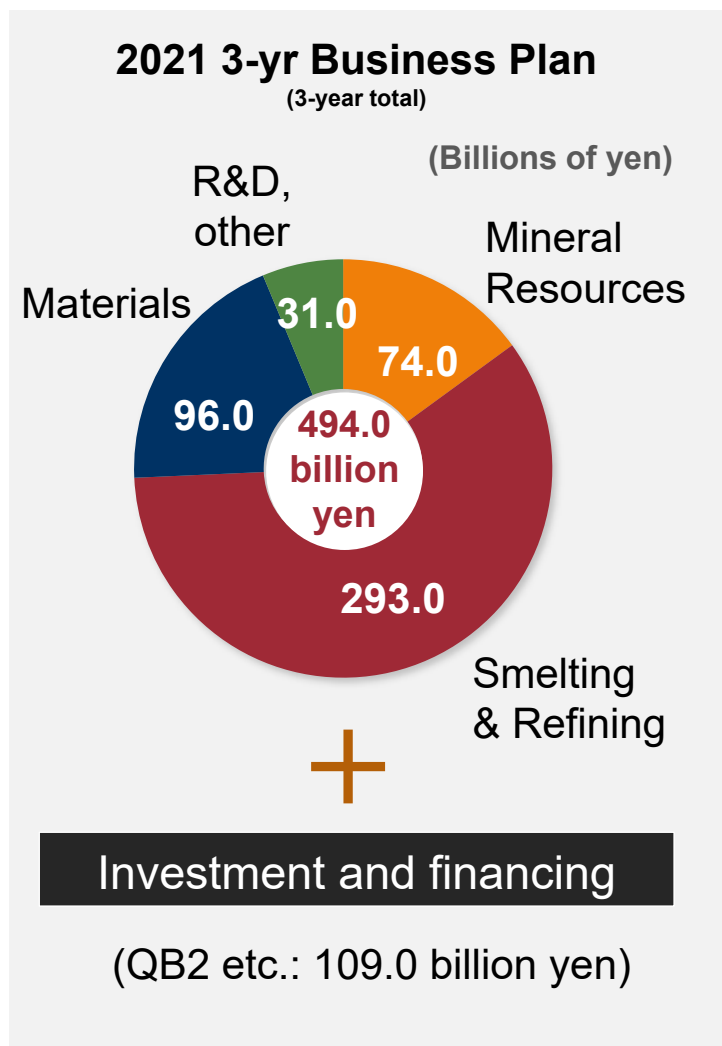
5. Financial position changes



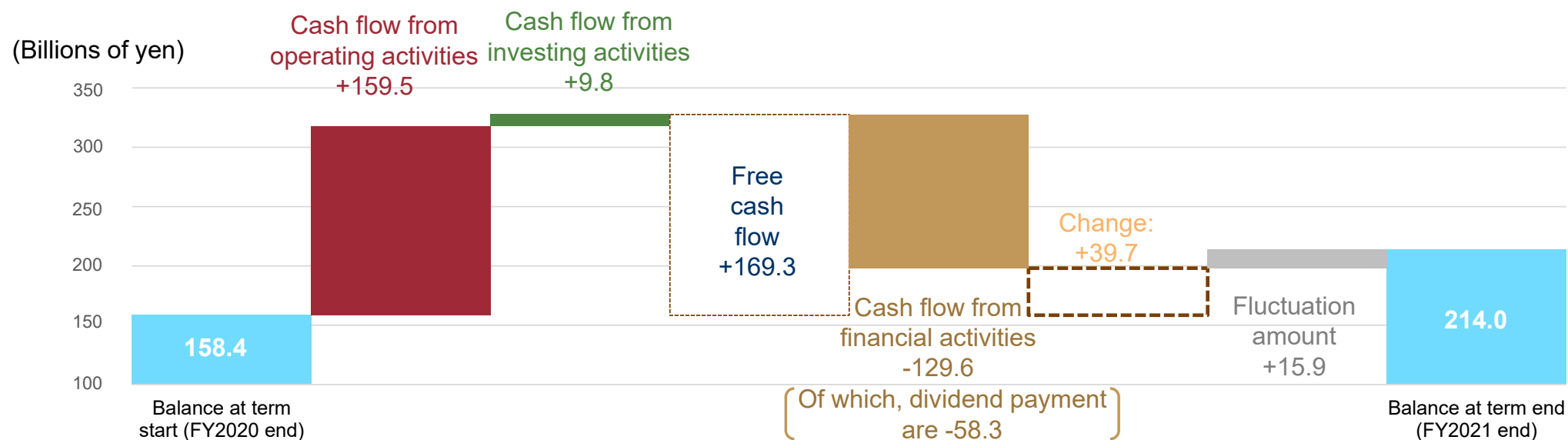
6. Capital expenditure results (FY2021 Results vs. FY2021 Plan)



7. Capital expenditure plan (FY2022)



8. Cash flow (FY2021 results)

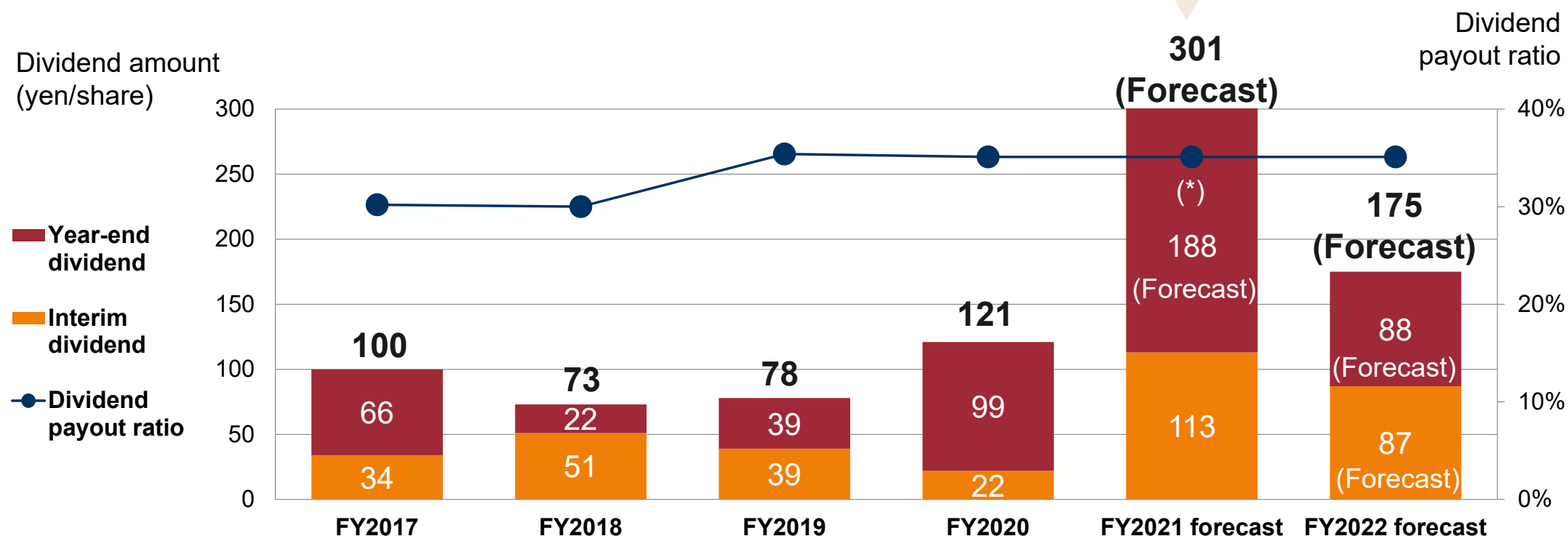


- Cash flows improved due to the favorable net income and the impact of yen depreciation.
- Continue to implement the growth strategy set forth in the 3-yr Business Plan
- Maintain sufficient capital reserves for future investment growth

9. Shareholder return (dividend forecast: FY2021 / FY2022)

<2021 3-year plan>
Dividend payout ratio 35% or more in principle

**Record high
dividend per share**



(Note) Due to the implementation of a reverse stock split (2-for-1 ratio) as of October 1, 2017, dividends per share before that date are calculated and presented on a post-reverse stock split basis.

*The dividend payout ratio for FY2021 is calculated excluding the adjustments related to the transfer of Sierra Gorda.

IV. Medium- and Long-term Strategy

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1. Review of 2018 3-Year Business Plan

1) Progress and challenges of 18 3-Year Plan's three main basic strategies

2018 3-Year Business Plan's Three Main Basic Strategies

(1) **Strengthen the growth foundation** of core businesses (Mineral Resources, Smelting & Refining, Materials)

Steady promotion of growth strategy and swift realization of competitiveness: Offensive investment

Minimization of lost profits and opportunity losses and consolidation of business base: Defensive investment


(2) **Three-business collaboration** centered on cathode materials for batteries

Leverage the integrated production structure to the max and win through overall capabilities, including battery recycling

(3) **Strengthen corporate functions**

Stimulate communication with stakeholders both inside and outside the company

Rebuild an open and vibrant organizational climate

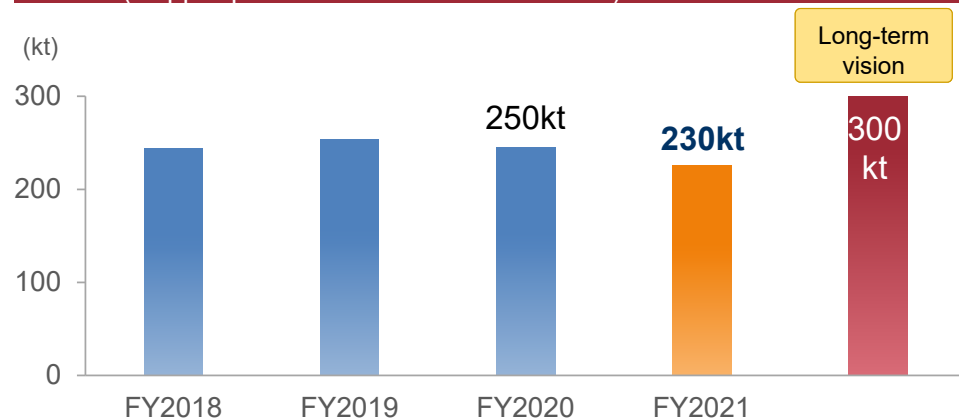
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- QB2 and Côté projects progressed smoothly
 - Decided to sell the Sierra Gorda copper mine for a portfolio reshuffling
 - Pomalaa project: Decided to discontinue consideration
 - Decided to build a new battery plant in 2021 (completion is planned in the 21 3-yr plan period)
 - Practical application of battery recycling technology including Cu, Ni, Co, Li
 - Enhance abilities to deal with changes in the business environment through organizational restructuring
 - Rebuild an organizational climate through Head Office refurbishment
 - Strengthen shareholder relations activities for institutional investors

Progress made only halfway partly due to COVID-19's impact

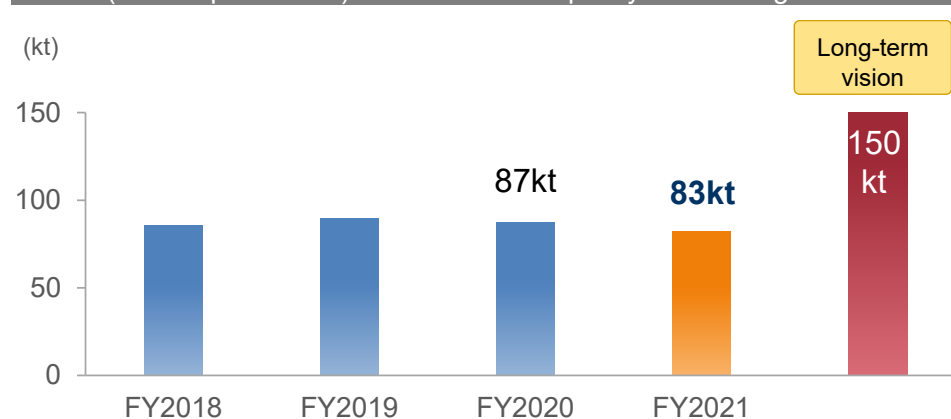
→ **Work toward transformation under 21 3-Year Plan**

1. Review of 2018 3-Year Business Plan 2) Progress toward the targets

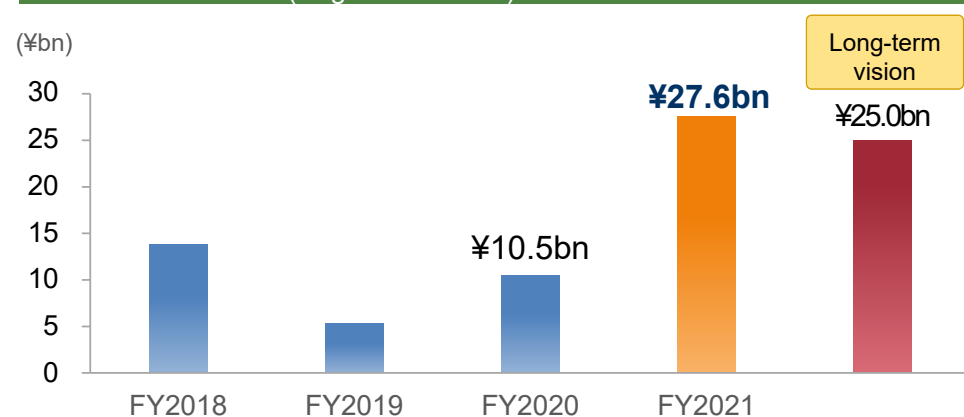
Cu (Copper production on an interest basis)



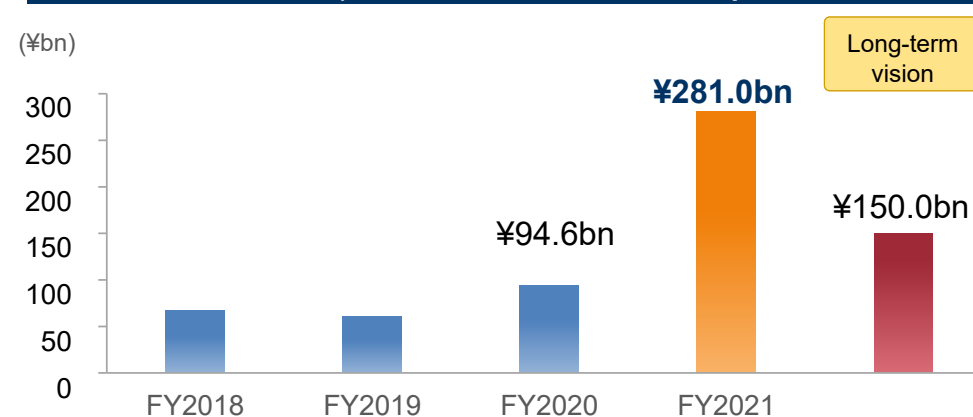
Ni (Annual production) *Production capacity for the long-term vision



Materials (Segment income)



Net income (attributable to owners of the parent)



1. Review of 2018 3-Year Business Plan 3) Steps toward realizing our vision

Climate change

- ◆ Disclosed the scenario analysis required by TCFD in Integrated Report 2021
- ◆ Began developing a plan toward carbon neutrality

Effective use of non-ferrous metal resources

- ◆ Completed PoC of battery recycling

Employees' occupational health & safety

- ◆ Significantly underperformed 2018 3-yr Plan targets

Rights of Indigenous people

- ◆ Create an educational video and watched in the all of district

Human rights in the supply chains

- ◆ Completed a third-party audit of refineries producing cobalt

Trail to change

Shiki-nen reform project, Change ways of meeting, refurbish head office



- ✓ Different degrees of progress among areas
- ✓ Continue enhancing efforts to realize our vision under 21 3-yr Plan

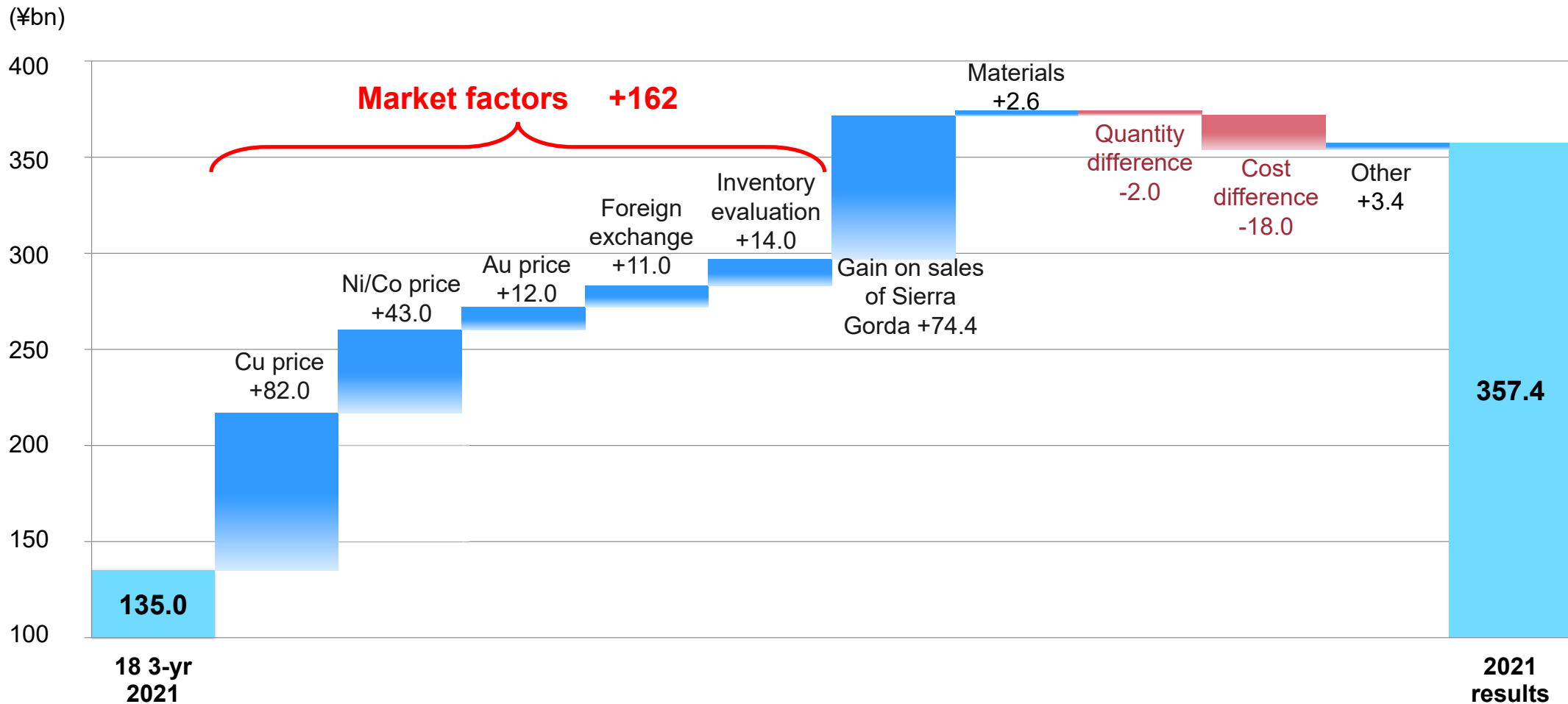
1. Review of 2018 3-Year Business Plan

4) FY2021 results vs. 18 3-Year Plan FY2021 trial calculation

(¥bn)		FY2021 results (A)	18 3-Yr Plan FY2021 trial calculation (B)	Increase / Decrease (A)-(B)
Net sales		1,259.1	1,050.0	+209.1
Pretax profit		357.4	135.0	+222.4
Equity method profit/loss		57.5	27.0	+30.5
Segment income	Mineral resources	208.5	47.0	+161.5
	Smelting/refining	114.8	65.0	+49.8
	Materials	27.6	25.0	+2.6
	Others/Adjustments	6.5	-2.0	+8.5
Net income attributable to owners of the parent		281.0	97.0	+184.0
Copper (USD/t)		9,691	6,500	+3,191
Nickel (USD/lb)		9.35	7.00	+2.35
Gold (USD/Toz)		1,818	1,300	+518
Cobalt (USD/lb)		27.46	27.50	-0.04
Exchange rate (¥/USD)		112.39	105.0	+7.39

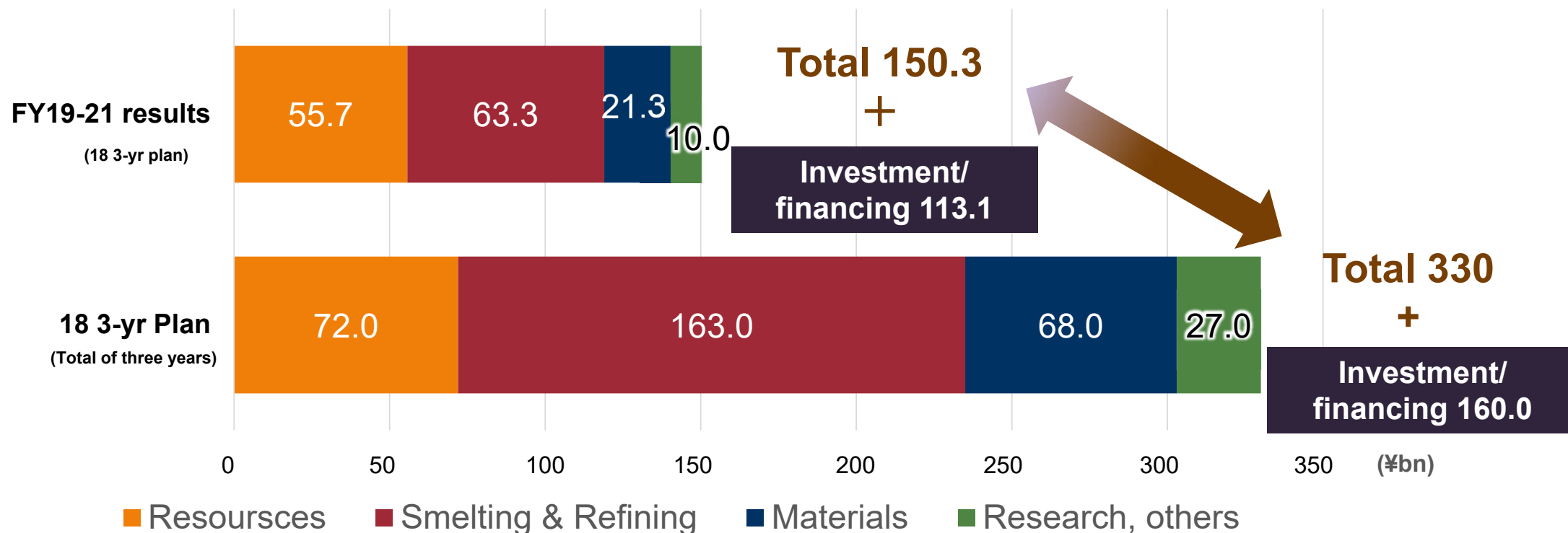
1. Review of 2018 3-Year Business Plan

5) Pretax profit analysis FY2021 results vs. 18 3-yrY Plan 2021 trial calculation



1. Review of 2018 3-yr Business Plan

6) Capital expenditure and investment/financing results (vs 18 3-yr Plan)



Progress rate is approx. 45% mainly due to the use of project financing in QB2 project, cancellation of the Pomalaa project, and delay in completing a new battery plant

1. Review of 2018 3-Year Business Plan

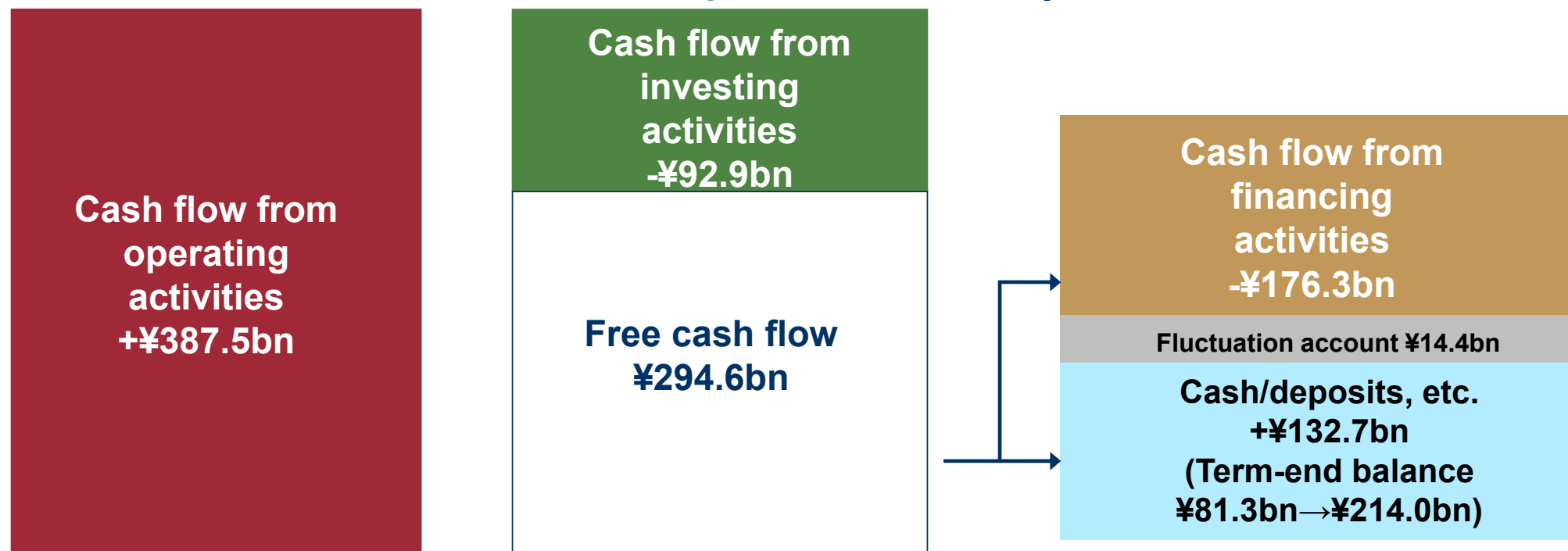
7) Cash flow (three-year cumulative results)

Cash flow during the 2018 3-Year Business Plan period

Profit improvement due to higher metal prices
Sales gain on Sierra Gorda mine

Investment activities were significantly below the plan

Cash flow improved considerably



2. 2021 3-Year Business Plan: Four Challenges

Four challenges

Challenge 1. Increasing corporate value – large-scale value – Promotion of projects

- Expanding production capacity for battery cathode materials
- ~~Pomala project~~
- Quebrada Blanca 2 project
- Côte gold mine development project

Challenge 3. Adapting to changes in the social environment

- Reducing greenhouse gas (GHG) emissions
- Promoting the development of products, technologies and processes that can help achieve carbon neutrality
- Adaptation to digital transformation (DX)
- Initiatives for securing, fostering and utilizing human capital

Challenge 2. Improving core business sustainability

- 3-biz collaboration to strengthen the value chain for Ni-batteries
- Shifting Hishikari Mine to sustainability-oriented operation
- Enhancing competitiveness of copper-smelting business
- Strategy for advanced materials business expansion

Challenge 4. Strengthening the foundation of business management

- Strengthening safety initiatives
- Reorganizing and enhancing sustainability promotion framework
- Corporate governance

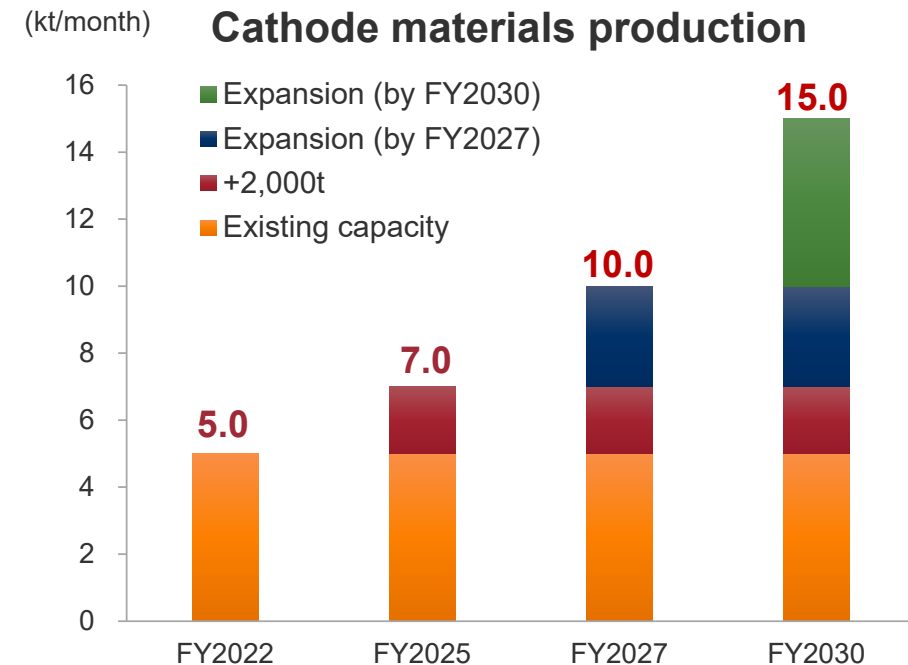
Challenge 1. Increasing corporate value

- Promoting large-scale projects 1) Battery materials

21 3-yr Plan

Expanding production capacity for battery cathode materials

- ◆ Increasing the production capacity by 2,000 tonnes per month (by the end of FY2025)
 - Promoting the construction of a new Niihama plant
 - DX to raise productivity and save energy
- ◆ Acquisition of LFP business
 - Acquired an LFP business as of May 1 and began production under SMM's name.
 - Aim to stably produce and sell high-quality products and strengthen R&D for the next generation.
- ◆ Toward production increase during next period
 - Demand trends vary in each region due to the impact of national government policies.
 - Production increase in the next period is under consideration including locations.



Challenge 1. Increasing corporate value

- Promoting large-scale projects 2) QB2

21 3-yr Plan

Quebrada Blanca 2 (QB2) Project

- ◆ **Production** scheduled to **start in the second half of 2022**
- ◆ Over 80% of progress made in construction. Currently mobilizing over 12,000 construction workers.
- ◆ **Mill Expansion**
There is a plan to expand the mill for further lower orebody development.



Challenge 1. Increasing corporate value

- Promoting large-scale projects 3) Côte

21 3-yr Plan

Côte Gold Mine Development Project

- ◆ Production scheduled to start in 2023
- ◆ Amount of capital expenditures is currently being examined, as it is in the trend of increasing due to COVID-19 and Ukraine situation
- ◆ Prospect drilling in areas around the mine has confirmed the presence of additional resources
 - Increasing the project's value with additional projects in the future



3-biz collaboration to strengthen the value chain for Ni-batteries

Securing the supply of nickel resources and implementing measures to enhance collaboration among the three core businesses

- ◆ Enhancing the exploration of new nickel projects in the next period
- ◆ Securing a supply of nickel ore to CBNC and THPAL
- ◆ Start designing of battery recycling facilities

Hishikari Mine (Shifting to sustainability-oriented operations)

- ◆ Shifting to sustainable production centered on average-grade ore mining to extend the mine's life
FY2022 production volume 4.4 tonnes per year
- ◆ Promoting the development of lower orebodies



Challenge 2. Improving core business sustainability (2)

21 3-yr Plan

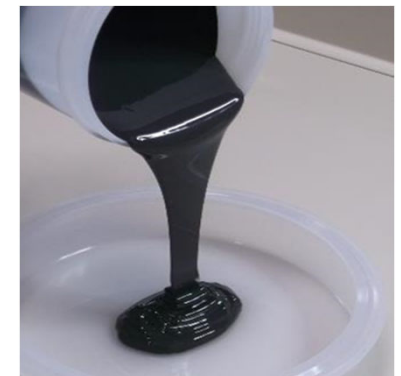
Enhancing competitiveness in copper smelting and refining

- ◆ Ensuring stable operations to produce 450,000 tonnes of electrolytic copper per year
FY2022 production plan: 447,000 tonnes
- ◆ Enhance response to concentrate type change and continue efforts to reduce cost and improve yield
- ◆ Increasing the production capacity to 460,000 tonnes in the 21-3-Year Plan



Strategy for advanced materials business expansion

- ◆ Demand is expected to remain stable
- ◆ Implementing various measures to increase sales and enhance production of each product as set out in 21 3-Year Plan



Challenge 3. Adapting to changes in the social environment (1)

21 3-yr Plan

1) Carbon neutrality

To reduce greenhouse gas (GHG) emissions, we will keep our GHG emissions below the FY2013 level, develop a plan for reaching **net zero GHG emissions no later than 2050**, and implement various necessary measures.

- Make TCFD disclosures in the Integrated Report
- Apply the internal carbon pricing (ICP) scheme to capital investments to promote investments that would reduce GHG emissions
- Promote various new products that contribute to carbon neutrality and the development of recycling technology

2) Adaptation to digital transformation (DX)

- Establish a new unit tasked with DX promotion to accelerate company-wide DX
 - Enhance competitiveness and establish infrastructure for implementing measures toward achieving our vision by leveraging DX
- Raise a digitalization awareness throughout the company
 - Foster an awareness to facilitate DX of operations by, for instance, sharing initiatives implemented internally

3) Initiatives for securing, fostering and utilizing human capital

Securing: Enhance branding through, for instance, advertising

Increase mid-career recruitment

Fostering: Accelerate the rollout of 1-on-1 meetings

Utilizing: Begin reviews of various systems, allowances, etc. (partly implemented)

Head office renovation and enhancing inter-departmental communication

**Raise corporate vitality through proactive investments
in human capital**

**Expand inter-base online communication and
resume various face-to-face initiatives**

Challenge 4. Strengthening the foundation of business management

1) Safety

21 3-yr Plan

Safety initiatives

Placing emphasis on preventing “serious accidents” (absence from work for 3 months or more) and “recurring accidents”

- (1) Promote measures related to equipment and essential safety with a focus on serious accident risks (moving parts, crashes/falls, heavy objects, heavy machinery)
- (2) Improve on-site management capability by strengthening checks on realities and actions through “work observation” and “practical risk assessment (RA)” as well as through priority-oriented initiatives
- (3) Improve risk sensitivity by introducing and practicing more effective education and training (e.g., sensory training using VR, etc.)

**Targets
during 21
3-yr Plan**

- ✓ Serious accidents of employees and business partners in Japan and overseas sites: **None**
- ✓ Domestic employee accidents: **7 cases/year** or less
- ✓ Employee accidents at overseas sites: **1 case/year** or less

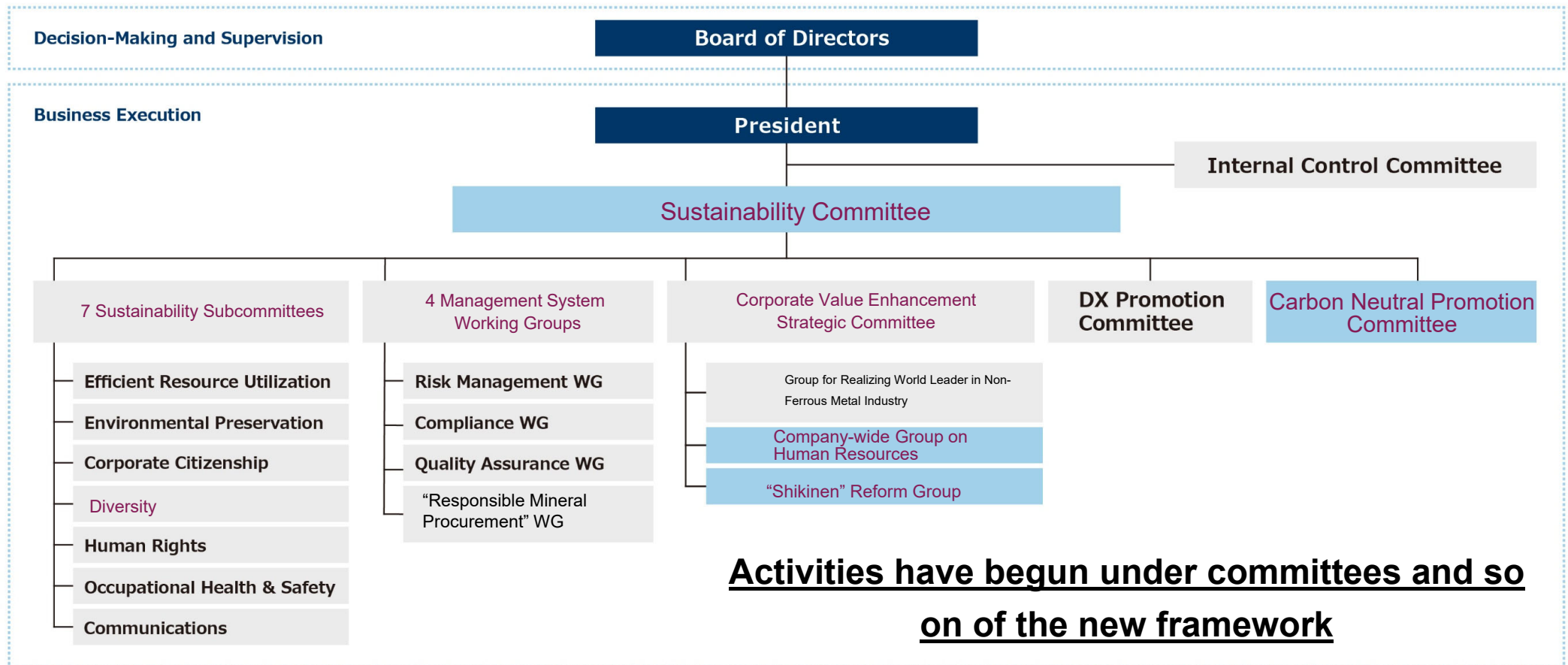
Challenge 4. Strengthening the foundation of business management

2) Promote sustainability

21 3-yr Plan

Sustainability promotion framework (from April 2022)

= New Business Units
Red = New Names



Activities have begun under committees and so on of the new framework

Challenge 4. Strengthening the foundation of business management

3) Corporate governance

21 3-yr Plan

◆ Effectiveness evaluation of the Board of Directors

In FY2021, we conducted a survey with the cooperation of a law firm.

- Responses were favorable, generally considering that the Board was functioning effectively
- Some pointed out the needs for change for the Board to play the roles and functions envisioned by the company; improvement initiatives are being implemented.

◆ Effectiveness evaluation of the Audit & Supervisory Board

Conducted a survey for the first time in FY2021. An external auditing corporation analyzed and evaluated the survey. The Audit & Supervisory Board discussed it and assessed that it was functioning effectively.

◆ Skill matrix

Disclosed in the Corporate Governance Report.

Established the benchmark for skills expected of Directors. The Board of Directors discusses the items that will contribute to the governance of the company which in principle adopts a management model.

V. Financial Information and Supplementary Materials

- I Review of Major Issues
- II Outlook for FY2022 (topics)
- III Highlights from the FY2021 Financial Results and FY2022 Financial Forecasts
- IV Medium- and Long-term Strategy
- V Financial Information and Supplementary Materials**

1) Supply-demand balance (copper and nickel)

Copper

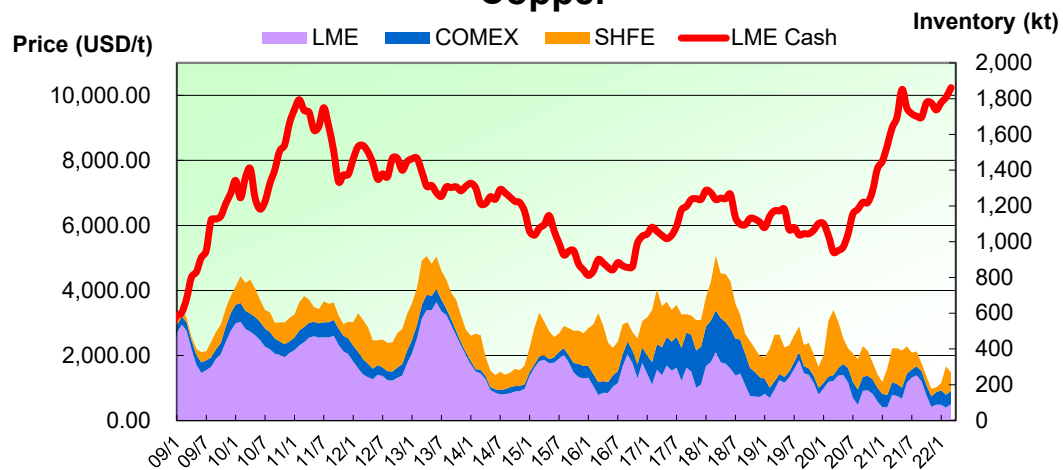
	ICSG estimate (May 2022)		
(kt)	2021	2022	2023
Production	24,825	25,883	26,826
Usage	25,264	25,742	26,474
Balance	-439	+142	+352

Nickel

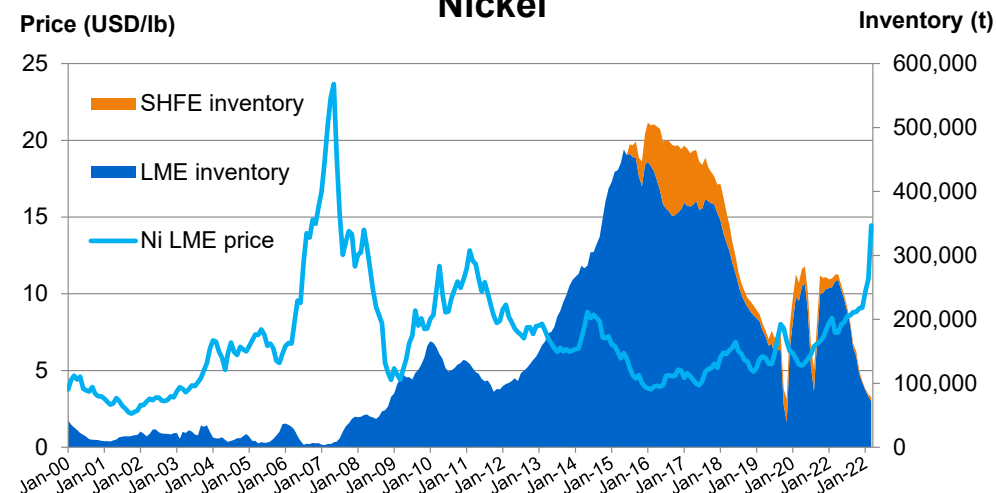
	INSG estimate (Apr 2022)			SMM estimate (Feb 2022)		
(kt)	2020	2021	2022	2020	2021	2022
Production	2,490	2,608	3,082	2,504	2,631	2,931
Usage	2,390	2,776	3,015	2,390	2,766	2,999
Balance	+99	-168	+67	+114	-135	-68

2) Non-ferrous metal prices and foreign exchange rates

Copper



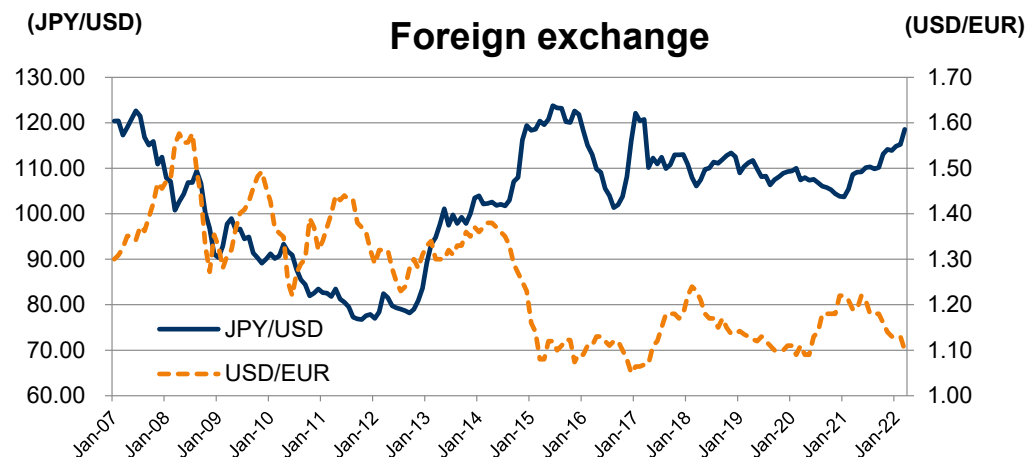
Nickel



Gold



Foreign exchange



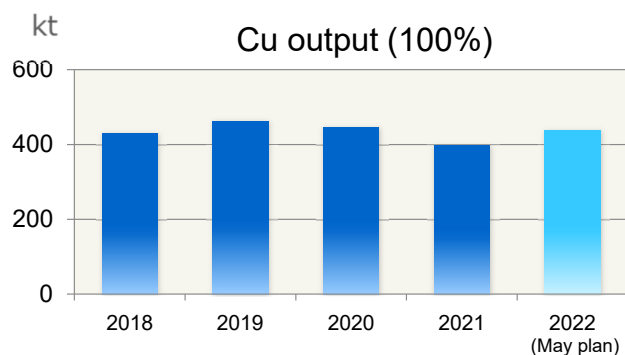
3) Individual business Resources (1) Copper (copper mines overseas)

Morenci Mine (U.S.)

Ownership ratio	FCX	72%
	SMM	25%
	Sumitomo Corp.	3%



Output FY2021 397kt (actual)
FY2022 437kt (plan)

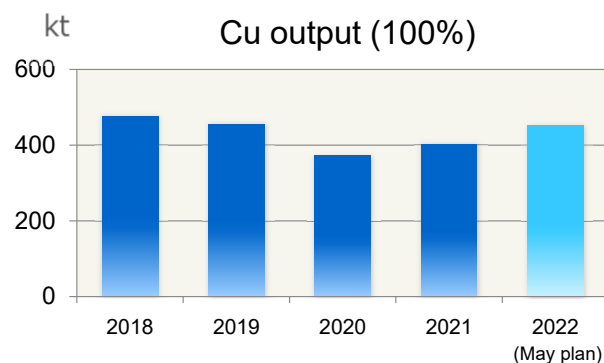


Cerro Verde Mine (Peru)

Ownership ratio	FCX	53.56%
	SMM	16.80%
	Sumitomo Corp.	4.20%
	Other	25.44%



Output FY2021 402kt (actual)
FY2022 451kt (plan)

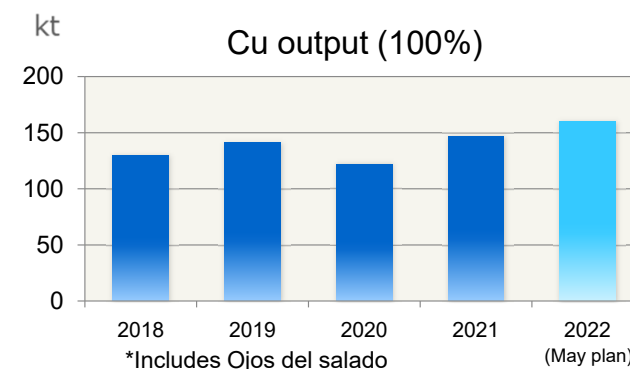


Candelaria Mine (Chile)

Ownership ratio	Lundin	80%
	SMM	16%
	Sumitomo Corp.	4%



Output FY2021 146kt (actual)
FY2022 160kt (plan)



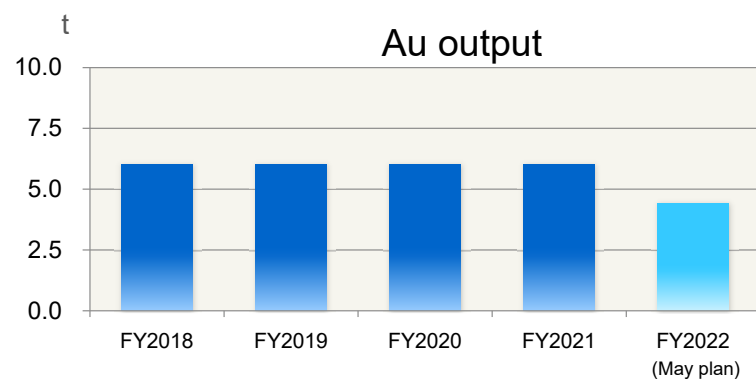
3) Individual business Resources (2) Gold (Hishikari & Côté)

Hishikari Mine (Kagoshima Prefecture)

Ownership ratio SMM 100%



- Continuing lower orebody development placing priority on safety
- Reserve: 157 tonnes (based on JIS) at the end of 2021
- Output: 4.4 tonnes (May plan) in FY2022



Côté gold mine development project (Canada)

Ownership ratio IAMGOLD 64.75%
SMM 27.75%
Other 7.50%

Acquisition price: USD195mn (approx. ¥21.5bn)

Location: Province of Ontario

- F/S completed in Nov 2018
- Construction began in Aug 2020
- Production scheduled to begin in 2023



Mine life	18 years
Total gold output	205 tonnes
Reserve	233Mt
Reserve grade	0.96g/t

(Figures are quoted from a press release issued on July 21, 2020.)

3) Individual business Smelting & Refining (1) Copper (Toyo Smelter & Refinery)

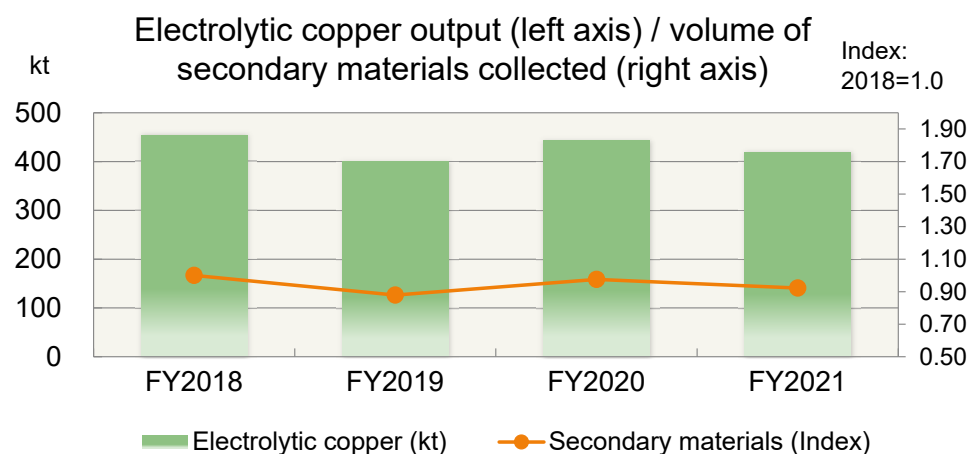
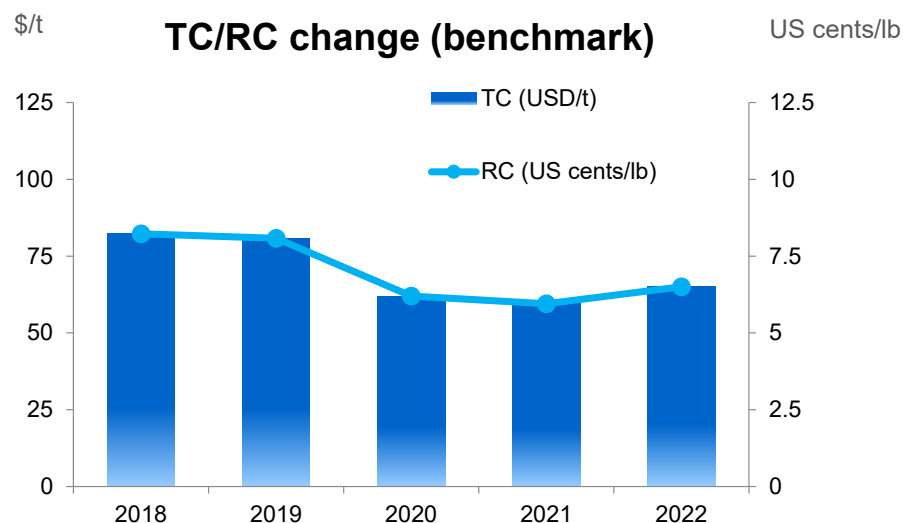
Toyo Smelter & Refinery

Electrolytic copper output

FY2021 419 kt (actual)

FY2022 447 kt (May plan)

*No scheduled regular maintenance/repair in FY2022



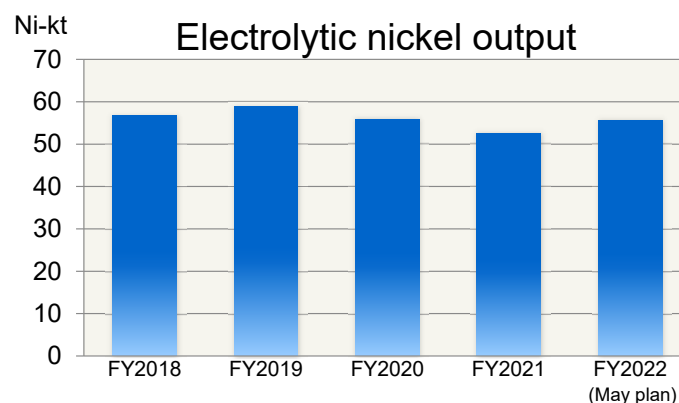
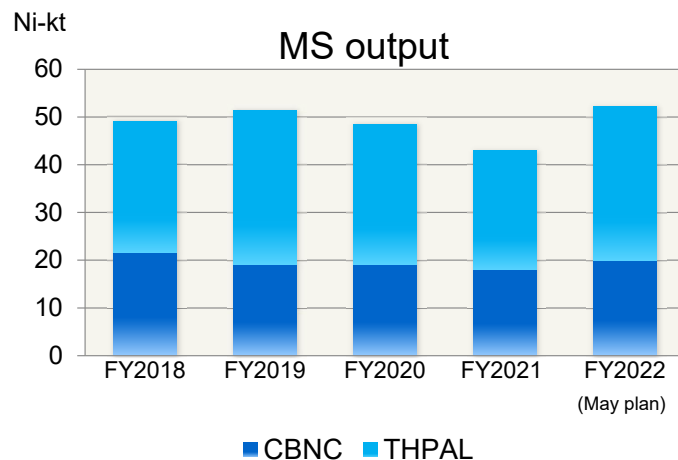
3) Individual business

Smelting & Refining (2) Nickel (CBNC, THPAL, Niihama Nickel Refinery)

CBNC, THPAL, Niihama Nickel Refinery

Output

(Ni-kt)	FY2021 result	FY2022 (May plan)	Difference
CBNC	18.1	20.0	+1.9
THPAL	24.8	32.2	+7.4
Niihama Nickel Refinery	52.5	55.6	+3.1



Maximize HPAL by-product recovery

Scandium oxide:
Began commercial production in 2019

Chromite:
Began sales in FY2021

3) Individual business

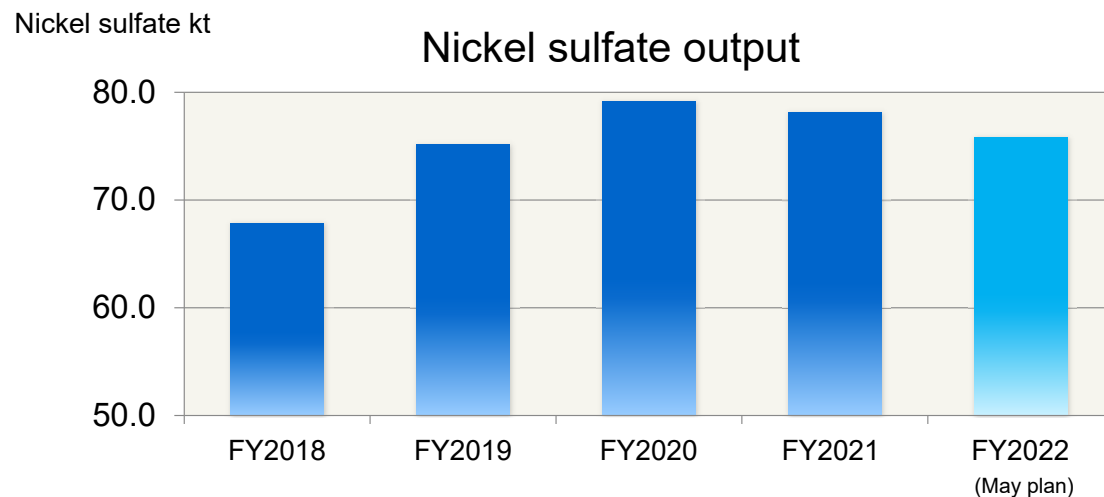
Smelting & Refining (3) Nickel sulfate (Niihama Nickel Refinery, Harima Refinery)

Niihama Nickel Refinery and Harima Refinery

Nickel sulfate output (total of Niihama Nickel Refinery and Harima Refinery)

FY2021 78.1 kt (actual)

FY2022 75.8 kt (May plan)



3) Individual business

Smelting & Refining (4) Ferronickel (Hyuga Smelting Co., Ltd.)

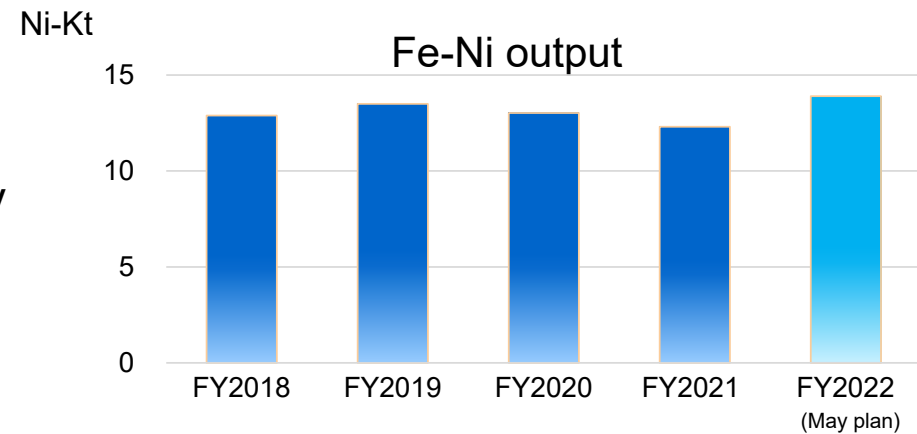
Hyuga Smelting Co., Ltd.

Output

FY2021	12.3Ni-kt (actual)
FY2022	13.9Ni-kt (May plan)



- Aim to maximize output using the two kiln, one electric furnace system
- Secure profits through cost reduction achieved by stable production and efficient operation



3) Individual business Materials

Battery materials

NCA has raised its production capacity to 4,850 tonnes. EV-related markets are remaining strong with smooth production. However, we will monitor the impact of shortages in semiconductors, etc.

Powder materials

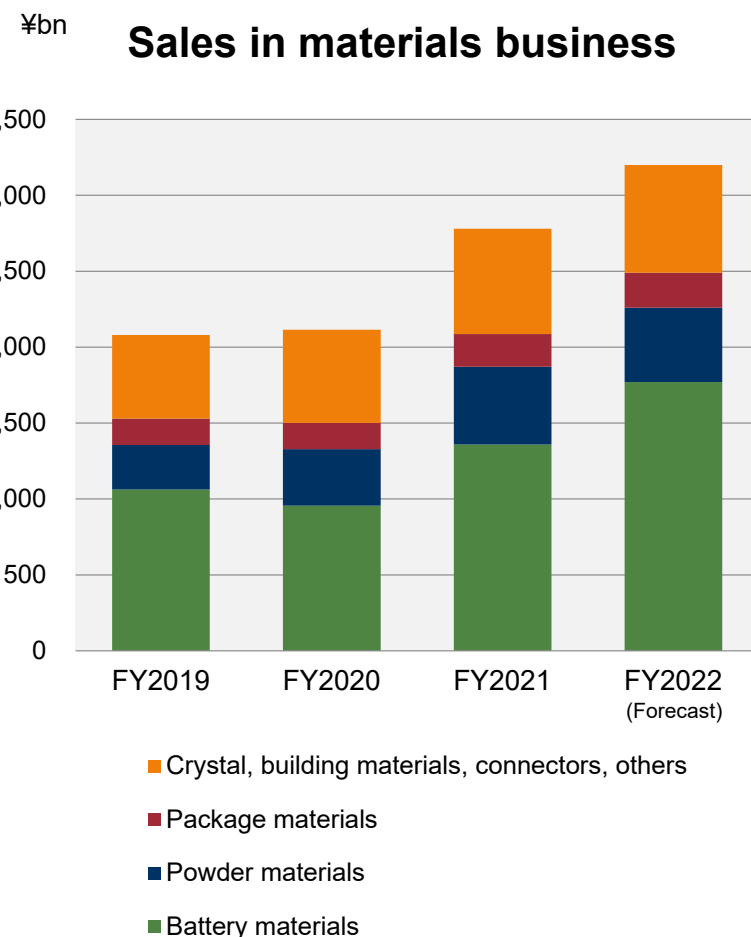
The second half of FY2021 saw a slight dip mainly due to the impact of a pause in smartphone demand. In the medium- to long-term, demand is expected to grow due to the electrification of cars and the spread of 5G networks for smartphones.

Crystal materials

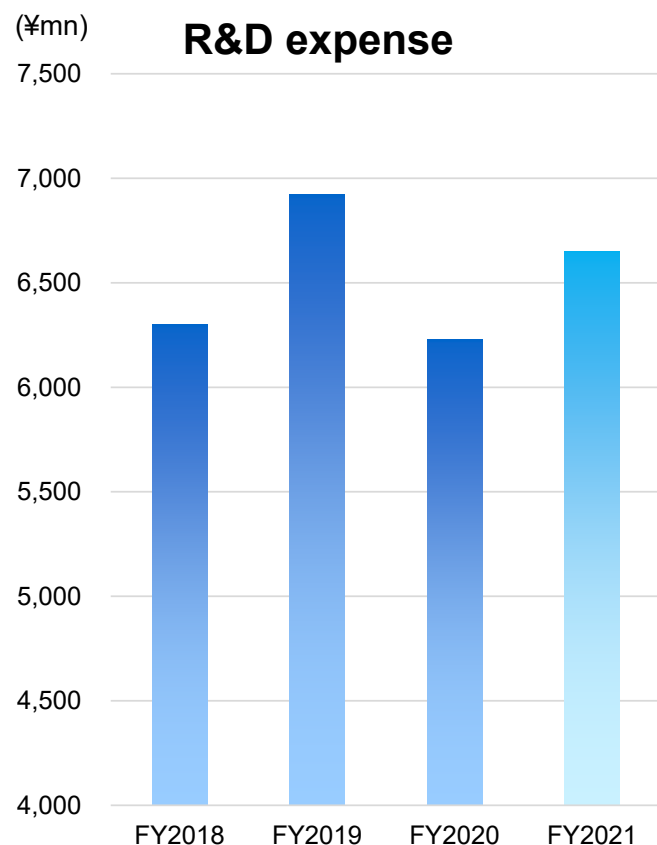
Smartphones are slightly slowing down. In the communication device market, demand for long-distance devices has begun recovering.

Package materials

Maintained high shipping levels in FY2021. High shipping levels will likely continue in FY2022, although a lull is expected for display panels and others.



3) Individual business Research & Development (1)



Materials Business (materials development)

[Battery materials]

- R&D of higher performance battery cathode materials
- Actions for solid state batteries

[Crystal materials]

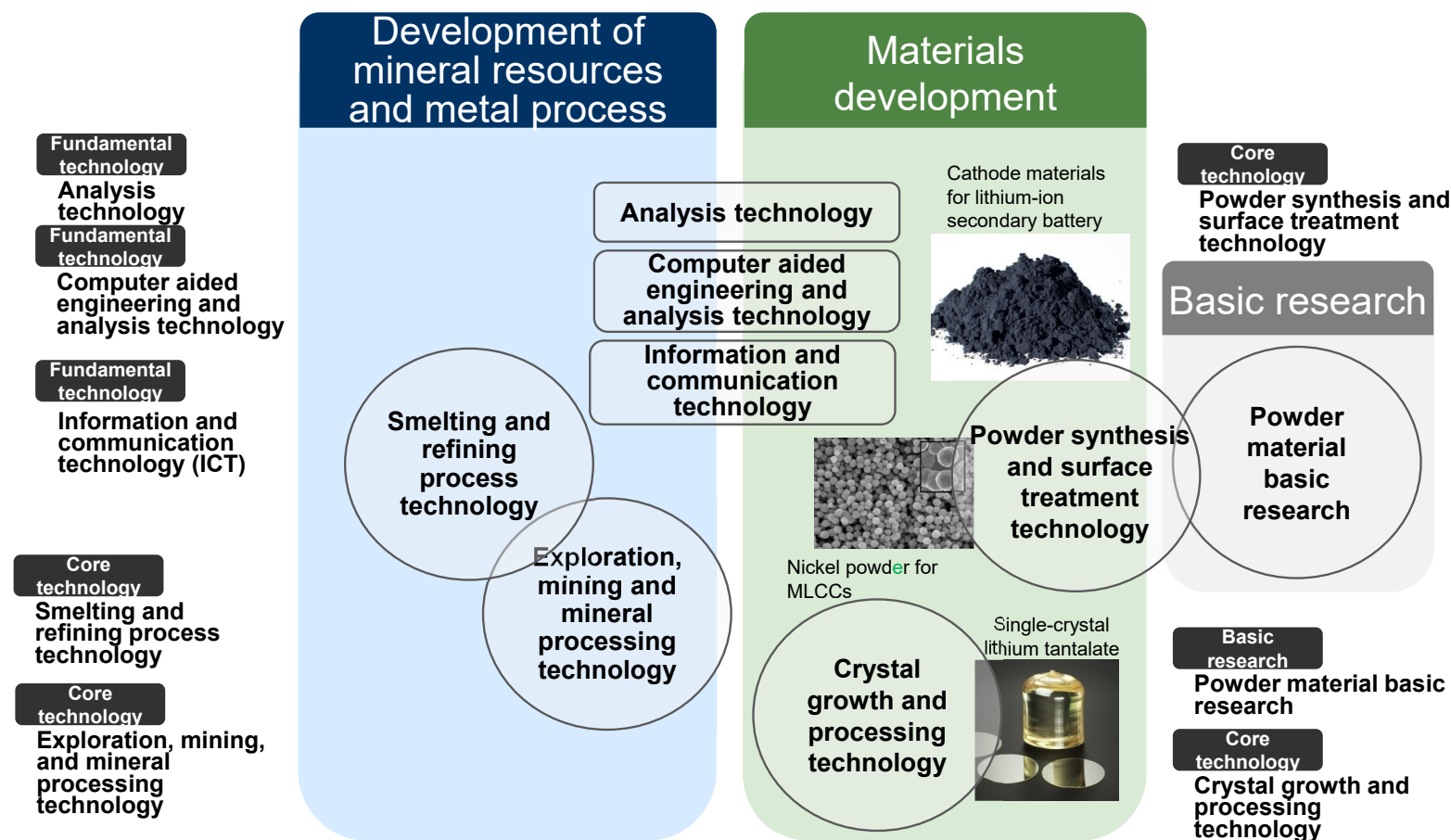
- Cost reduction ahead of commodification
Achieve productivity improvement through crystal lengthening, larger bore, and the improved crystal growing/production yield
- Meeting new user needs
Large bore LT crystal growth technology established, now in user work

Smelting & Refining Business (process development)

[Lithium-ion battery recycling]

- Succeeded in developing a recovery process including Cu, Co, Ni, Li, which was a challenge for recycling; conducting a PoC in a pilot test

3) Individual business Research & Development (2) Area/Field



Focus on growth strategy fields, search for the seeds of next-generation business

4) Sensitivity

(¥bn)

Element	Margin of change	Change in FY2022 profit before tax
Cu	±USD100/t	2.6
Ni	±US10 cents/lb	1.7
Au	±USD10/toz	0.2
JPY/USD	±JPY1/USD	2.2

(Note) The change in FY2022 profit before tax based on the JPY/USD exchange rate change is the total of domestic metal processing income and overseas exchange conversions.

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