

The following is an English translation of the Notice of Convocation of the 100<sup>th</sup> Ordinary General Meeting of Shareholders of Sumitomo Metal Mining Co., Ltd. (hereinafter referred to as the "Company"). The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise. The Japanese original is the sole official version and shall prevail in the event of any discrepancy between the Japanese original and this English translation.

[Delivered paper-based documents]

# Document of Matters Subject to Measures for Electronic Provision Regarding the 100<sup>th</sup> Ordinary General Meeting of Shareholders

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Sumitomo Metal Mining Co., Ltd.  
Securities Code No. 5713

The following matters that are not presented in this document are not presented in the paper-based documents delivered to shareholders who have requested the delivery of such documents as they are posted on the Company's website and Tokyo Stock Exchange's website, which are presented on page 1 of this notice, in accordance with the laws and regulations and Article 16, Paragraph 2 of the Articles of Incorporation of the Company.

- Main businesses, etc., Main offices and plants, etc., Employees, Summary of details of Contract for Limitation of Liability, Matters related to Directors and Officers liability insurance contract, Matters related to Accounting Auditor, Matters related to the development of systems necessary to ensure the properness of operations and Basic policies related to the way a person is to control the decisions on the financial and business policies of the Company
- Consolidated Statement of Changes in Equity and Notes on the Consolidated Financial Statements
- Non-consolidated Statement of Changes in Equity and Notes on the Non-consolidated Financial Statements

The content of Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements presented in this document is part of the documents audited by the Accounting Auditor when preparing the accounting audit report and by the Audit & Supervisory Board Members when preparing the audit report.

# Business Report

(From April 1, 2024 to March 31, 2025)

## 1. Matters relating to the current status of the corporate group

### (1) Business activities and results

In the Group's performance in the fiscal year ended March 31, 2025, consolidated net sales increased year on year mainly due to the increased average prices of copper and gold compared to the previous fiscal year and the depreciation of Japanese yen. Consolidated profit before taxes decreased year on year mainly due to the recording of impairment losses by an overseas subsidiary and the battery materials business of the Company, despite an increase through the steady opening of newly developed mines. As a result, profit attributable to owners of parent decreased year on year.

The economic environment and other factors during fiscal 2024 were as follows.

### Overview of the world economy

The US economy steadily expanded, backed by personal consumption growth. In Europe, the overall economy was on a moderate recovery trend as high prices have subsided, although there was sluggishness in the manufacturing sector in some countries. Meanwhile, in China, the economy has not recovered significantly as the internal demand remained stagnant due to the real estate downturn. Thus, the global economy as a whole recovered moderately, despite disparities among countries, regions, and industries.

### Environment surrounding the Group

Non-ferrous metals industry	The price of copper was volatile, while demand remained strong. The average price rose year on year. For the price of nickel, a supply surplus sustained, and the average price fell year on year. The price of gold was on an upward trend throughout the period. The average price rose significantly year on year.
Materials related industry	In the market for battery materials for automobile batteries, a trend of market adjustments became more evident. Demand for components for electronic parts was generally on a recovery trend mainly due to progress with inventory adjustments and expansion of market for generative AI.

\*Average rate of the U.S. dollar during the period  
FY2024: \$1=¥152.58    FY2023: \$1=¥144.63

Consolidated net sales	Consolidated profit before tax	Profit attributable to owners of parent
¥1,593,348 million 10.2% increase year over year	¥31,383 million 67.2% decrease year over year	¥16,487 million 71.9% decrease year over year

## **Mineral Resources Segment**

**Net sales**

**¥210,716 million**

26.9% increase year over year

**Segment income**

**¥101,836 million**

92.7% increase year over year

### **Exploration, development, production, and sales of non-ferrous metal resources**

The Hishikari Mine (Kagoshima Prefecture) continued steady operation. Production volume at the Morenci Copper Mine (the United States) and the Cerro Verde Copper Mine (Peru) decreased year on year due mainly to a decline in ore grade. Quebrada Blanca Copper Mine (Chile) commenced shipment of copper concentrates in March 2024. Côté Gold Mine (Canada) commenced production in March 2024.

Segment income increased year on year because of increased copper and gold prices and the steady opening of newly developed mines, despite the increasing trend of production costs at some overseas mines.

(Note) Sociedad Minera Cerro Verde S.A.A. and Compania Minera Teck Quebrada Blanca S.A. are companies accounted for by the equity method and are not included in net sales, but are included in segment income.

## **Smelting & Refining Segment**

<b>Net sales</b>	<b>¥1,230,694 million</b>
	15.2% increase year over year
<b>Segment loss</b>	<b>¥(7,147) million</b>
	—

### **Smelting and refining and sales of copper, nickel, ferronickel, gold, silver, etc.**

The production volume and sales volume of electrolytic copper, electrolytic nickel, and gold increased year on year. Meanwhile, the production volume and sales volume of ferronickel decreased year on year because of production adjustment.

At Coral Bay Nickel Corporation (Philippines) and Taganito HPAL Nickel Corporation (Philippines), where intermediate raw materials for nickel are manufactured, the production volume decreased year on year.

Segment income/loss worsened year on year and finally segment loss was recorded mainly because of the falling price of nickel and the recording of impairment losses by Coral Bay Nickel Corporation.

## Materials Segment

<b>Net sales</b>	<b>¥296,513 million</b>
	11.7% decrease year over year
<b>Segment loss</b>	<b>¥(54,231) million</b>
	—

### **Manufacturing and sales of battery materials and advanced materials such as powder materials and crystal materials**

In the advanced materials business, income increased as demand for components for electronic parts was on a recovery trend. Meanwhile, in the battery materials business, the sales volume of automobile battery components remained virtually unchanged from the previous fiscal year, while the production capacity of the Company is expected to decline as a result of anticipated replacements of product types going forward and as a result, an impairment loss was recorded. Segment income/loss worsened year on year.

- Net sales and profit/loss of each segment include intersegment transactions.
- Figures for consolidated net sales are the sum of external net sales after eliminating intersegment transactions.

## (2) Changes in assets and profits

### International Financial Reporting Standards (IFRS)

	97th business year (Year ended March 31, 2022)	98th business year (Year ended March 31, 2023)	99th business year (Year ended March 31, 2024)	100th business year (Year ended March 31, 2025)
Net sales (Millions of yen)	1,259,091	1,422,989	1,445,388	1,593,348
Profit before tax (Millions of yen)	357,434	229,910	95,795	31,383
Profit attributable to owners of parent (Millions of yen)	281,037	160,585	58,601	16,487
Basic earnings per share (Yen)	1,022.80	584.44	213.28	59.99
Total assets (Millions of yen)	2,268,756	2,707,899	3,027,714	3,068,622
Total equity (Millions of yen)	1,557,418	1,789,296	1,973,380	2,049,386

(Note) Accounting errors were found in the amounts of Total assets and Total equity of the 99th business year after the 99th Ordinary General Meeting of Shareholders was held, and such errors were corrected and the corrected amounts are shown.

## (3) Sales and production by segment

### 1) Sales results by segment

Reportable segment, etc.	Previous fiscal year (FY2023)		Current fiscal year (FY2024)	
	millions of yen	%	millions of yen	%
Mineral Resources	166,006	11.5	210,716	13.2
Smelting & Refining	1,067,863	73.9	1,230,694	77.2
Materials	335,791	23.2	296,513	18.6
Others	10,219	0.7	11,164	0.7
Adjustment	(134,491)	(9.3)	(155,739)	(9.7)
Total	1,445,388	100.0	1,593,348	100.0

(Note) Intersegment sales are included in the sales results of each segment and eliminated in the adjustment amount.

### 2) Production volume of major products (the Company)

Products	Unit	Previous fiscal year (FY2023)	Current fiscal year (FY2024)	Year-on-year change	Reportable segment
Copper	t	374,504	442,960	18.3	Smelting & Refining
Gold	kg	18,026	18,709	3.8	Smelting & Refining
Electrolytic nickel	t	59,313	60,108	1.3	Smelting & Refining
Ferronickel	t	4,793	3,317	(30.8)	Smelting & Refining
Gold and silver ore	t	133,466	141,142	5.8	Mineral Resources

(Notes) 1. Production volume includes commissioning and/or commissioned production.  
2. Ferronickel is shown by amounts converted to a nickel content basis.

#### **(4) Funding and capital expenditure**

##### **1) Funding**

In fiscal 2024, funds were raised through the issuance of the 36th series straight bonds and bank loans. The balance of borrowing (including bonds) as of the end of fiscal 2024 increased year on year by ¥30,014 million to ¥560,303 million.

##### **2) Capital expenditure**

We carried out capital expenditure of ¥117,378 million in total during fiscal 2024. Capital expenditures in fiscal 2024 included the additional investment in the cathode material used in secondary batteries as well as the 8-inch SiC (silicon carbide) substrate development line in the Materials Segment and the construction of the Côté Gold Project (Canada) in the Mineral Resources Segment.

##### **(5) Significant corporate restructuring, etc.)**

The Company transferred all of its shares in its wholly-owned subsidiary Sumitomo Metal Mining Siporex Co., Ltd. to KMEW Co., Ltd. in October 2024.

The Company absorbed Sicoxs Corporation, a wholly-owned subsidiary, on April 1, 2025, although it is an event subsequent to the final date of fiscal 2024.

## **(6) Issues to be addressed and future outlook**

As for the global economy, there are concerns that it will be adversely impacted by various factors such as sluggish Chinese economy as a result of real estate downturn, prolonged geopolitical risks, inflation resurgence risks associated with international trade frictions including the US tariff policy, and financial market adjustments in different countries and regions.

The supply-demand balance of copper is expected to show a slight supply surplus due to the expansion of production capacity in China and others, while demand is also expected to increase for the applications including renewable energies and AI. On the other hand, the supply-demand balance of nickel is expected to continuously have a supply surplus due to increased production in Indonesia. For the supply-demand balance of non-ferrous metals, however, infrastructure in emerging countries, electric vehicles, renewable energy and generative AI can boost demand in the middle or long term.

In industries related to the materials business, demand for automobile battery materials is forecasted to continue to expand, as China, Europe, and India drive the market, while growth in demand is currently slowing down in some countries and regions. In the electronic parts market, growth is expected due to the recovery in applications for AI as well as household appliances and industrial machinery.

Under these circumstances, the Group will strive to enhance its corporate value by promoting the 3-Year Business Plan 2027, formulated in May this year.

At present, while the Company assumes that the direct impact by the US tariff policy on the Company's business is limited, we will continue to carefully watch the situation.

### **<Long-term vision>**

**Become “the World Leader  
in the Non-ferrous Metals Industry”**

The Company defines “the World Leader in the Non-ferrous Metals Industry” that the Company is aiming for as to:

- Have a global presence in terms of mineral resource interests and metal production volumes (= be in the global top five)
- Have leading technology and a unique business model that cannot be easily emulated by other major mineral resource companies
- Grow sustainably and stably produce a certain amount of profit
- Actively tackle social issues such as the SDGs
- Have employees work with spirit

**<Target>**

<b>Nickel</b>	<b>Annual production volume</b> <b>150 kt</b>	<b>Copper</b>	<b>Annual production volume</b> <b>corresponding to interest</b> <b>300 kt</b>
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<b>Gold</b>	<b>Participation in new mine operations through the acquisition of excellent interests</b>
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<b>Materials</b>	<b>Achievement of annual profit before tax of ¥25.0 billion through portfolio management</b>
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<b>Profit attributable to owners of parent</b>	<b>¥150.0 billion/year</b>
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**<Vision for 2030>**

The Company has set a long-term vision of “Becoming the world leader in the non-ferrous metals industry” and has defined material issues that must be addressed to achieve this long-term vision.

Considering the increasing social demands for contributing to the realization of a sustainable society and enhancing corporate value, the Company has arranged the material issues to six. Accordingly, for each material issue, the Company has organized the “Vision for 2030,” and has redefined the KPIs and goals to measure the degree of realization of each vision.

**Material Issues**

Stable Supply of Non-Ferrous Metals and Transition to a Circular Economy	Realizing a Carbon Neutral Society	Conservation and Restoration of Nature
Human Capital Management	Co-Existence and Mutual Prosperity with Local Communities and Indigenous People	Supply Chain Management

### KPIs and Goals (examples)

#### Stable Supply of Non-Ferrous Metals and Transition to a Circular Economy

- Production volume of nickel:  
100,000 tons / year (nickel amount)
- Production volume of copper from our interest:  
300,000 tons / year (copper amount)
- Recycling processing volume of lithium-ion batteries:  
10,000 tons / year
- Recycling processing volume of copper:  
140,000 tons / year (copper amount)

#### Human Capital Management

- Engagement score:  
Deviation score 55
- Serious accidents:  
Zero
- Percentage and number of female managers:  
Consolidated: 18%  
Non-consolidated: 7% (50 people)

### <Future initiatives in each segment>

We will take the following measures within each segment of the Group aiming for realizing our long-term vision and targets.

#### Mineral Resources Segment

We will work on increasing further production efficiency, in addition to maintaining stable operations, at the Quebrada Blanca Copper Mine and the Côté Gold Mine.

At the Hishikari Mine, we plan to produce 3.5 tons (gold amount) in fiscal 2025, based on our policy of fully utilizing valuable resources for a long-term period by mining at the average ore grade.

#### Smelting & Refining Segment

In the copper business, we have positioned copper smelting as the core element for the Company's supply chain. This positioning has not been changed although the purchasing conditions of concentrates are forecasted to remain at a historic low level. We will continue to enhance our MONOZUKURI-RYOKU (manufacturing and operational capability) and technical capabilities to strengthen our competitiveness.

In the nickel business, we will work on basic design for Kalgoorlie Nickel Project - Goongarrie Hub (Australia), targeting at decision-making on development in fiscal 2027. At Hyuga Smelting Co., Ltd. (Miyazaki Prefecture), a new production facility for nickel matte (intermediate raw materials for nickel) will be built aiming for completion in fiscal 2027, to enhance the supply chain for the whole nickel business of the Company.

#### Materials Segment

In the battery materials business, we expect a decrease in sales volume of nickel cathode materials because a facility upgrade is required for replacements of product types. We will then promptly move to a production system capable of producing new types of products.

As for advanced materials business, we will expand our deployment area of near-infrared absorbing materials through our material technology brand, SOLAMENT®. We will also strive to expand sales of bonded SiC (silicon carbide) substrates.

In addition to the maintenance and management of the facility and the storage and management of low-level radioactive waste, JCO Co., Ltd. is taking various measures to promote dismantling and decontamination of the facility in preparation for decommissioning of the facility. We continue to support the company so that it can implement these measures to the fullest extent possible.

We would like to ask for the continued understanding and support of our shareholders.

## (7) Status of significant subsidiaries and associates, etc.

### 1) Subsidiaries

Name	Share capital	Voting rights ratio (%)	Main businesses
Sumitomo Metal Mining America Inc.	U.S. dollars 600	100.0	Exploration, and supervision of mineral resources business in North and South America, etc.
Sumitomo Metal Mining Arizona, Inc.	U.S. dollars 800	80.0 (80.0)	Production and sales of copper and copper concentrates
SMM Morenci Inc.	U.S. dollars 10,000	100.0 (100.0)	Production and sales of copper and copper concentrates
SMM GOLD COTE INC.	Thousands of U.S. dollars 650,000	100.0	Production and sales of gold
Sumitomo Metal Mining Oceania Pty Ltd	Thousands of Australian dollars 43,000	100.0 (89.0)	Production and sales of copper concentrates and exploration of non-ferrous minerals
Hyuga Smelting Co., Ltd.	Millions of yen 1,080	60.0	Manufacturing of ferronickel
Coral Bay Nickel Corporation	Thousands of Philippine pesos 587,500	100.0	Manufacturing and sales of nickel raw materials
Taganito HPAL Nickel Corporation	Thousands of Philippine pesos 4,095,000	75.0	Manufacturing and sales of nickel raw materials
Ohkuchi Electronics Co., Ltd.	Millions of yen 1,000	100.0	Manufacturing of advanced materials
Shinko Co., Ltd.	Millions of yen 738	100.0	Manufacturing and sales of printed wiring boards
JCO Co., Ltd.	Millions of yen 10	100.0	—

(Notes) 1. Figures in parentheses in the voting rights ratio column indicate the percentage of voting rights held by the Company's subsidiaries.

2. In addition to the maintenance and management of the facility and the storage and management of low-level radioactive waste, JCO Co., Ltd. is taking various measures to promote dismantling and decontamination of the facility in preparation for decommissioning of the facility.
3. Sumitomo Metal Mining Siporex Co., Ltd., which was listed in the previous fiscal year, has been removed from significant subsidiaries as its importance has decreased as all the equities of the Company were transferred on October 1, 2024.

## 2) Associates, etc.

Name	Share capital	Voting rights ratio (%)	Main businesses
Compania Contractual Minera Candelaria	Thousands of U.S. dollars 105,860	20.0 (20.0)	Production and sales of copper concentrates
Sociedad Minera Cerro Verde S.A.A.	Thousands of U.S. dollars 990,659	21.0 (21.0)	Production and sales of copper and copper concentrates
Quebrada Blanca Holdings SpA	Thousands of U.S. dollars 3,480,803	33.3 (33.3)	Interest ownership at the Quebrada Blanca Copper Mine (Chile)
Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd.	Millions of yen 4,250	50.0	Manufacturing and sales of copper alloy fabricated products
FIGESBAL SA	Thousands of CFP franc 543,213	25.5 (0.0)	Mining and retail wholesale of nickel ore
Nickel Asia Corporation	Thousands of Philippine pesos 6,999,974	26.5 (26.5)	Nickel mine business
N. E. Chemcat Corporation	Millions of yen 3,424	50.0	Manufacturing and sales of precious metal catalysts, etc.

(Note) Figures in parentheses in the voting rights ratio column indicate the percentage of voting rights held by the Company's subsidiaries.

There are 51 consolidated subsidiary companies, including the above 11 significant subsidiaries, and 13 equity-method affiliates, including the above seven significant associates.

## (8) Major lenders and amounts of borrowings (as of March 31, 2025)

Companies with borrowings	Name of lenders	Balance of borrowings
		Millions of yen
The Company	Japan Bank for International Cooperation	112,895
	Syndicated loan	112,000
	Sumitomo Mitsui Banking Corporation	21,500
	The Norinchukin Bank	12,549
	THE BANK OF FUKUOKA, LTD.	9,362
	The Nanto Bank, Ltd.	9,257
	Sumitomo Mitsui Trust Bank, Limited	7,741
	THE IYO BANK, LTD.	7,194
Taganito HPAL Nickel Corporation	Sumitomo Mitsui Banking Corporation	18,783
	Mizuho Bank, Ltd.	11,306
	MUFG Bank, Ltd.	2,991
Sumitomo Metal Mining America Inc.	Japan Bank for International Cooperation	55,351

(Note) The syndicated loan is provided through a co-financing arrangement in which Sumitomo Mitsui Banking Corporation is the lead arranger and Sumitomo Mitsui Trust Bank, Limited is the co-lead arranger, a co-financing arrangement in which Sumitomo Mitsui Banking Corporation is the lead arranger, and a co-financing arrangement in which Sumitomo Mitsui Trust Bank, Limited is the lead arranger.

**2. Matters related to shares (as of March 31, 2025)****(1) Total number of authorized shares** 500,000,000 shares**(2) Total number of shares issued** 290,814,015 shares**(3) Number of shareholders** 68,803**(4) Major shareholder (top 10)**

Name of shareholders	Number of shares owned (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	45,582,900	16.57
Custody Bank of Japan, Ltd. (Trust Account)	19,302,950	7.02
Toyota Motor Corporation	11,058,000	4.02
STATE STREET BANK AND TRUST COMPANY 505325	10,023,568	3.64
STATE STREET BANK AND TRUST COMPANY 505001	7,145,539	2.60
STATE STREET BANK WEST CLIENT - TREATY 505234	5,632,615	2.05
BNYM AS AGT/CLTS NON TREATY JASDEC	5,196,201	1.89
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	4,684,937	1.70
Sumitomo Realty & Development Co., Ltd.	3,745,055	1.36
SUMITOMO LIFE INSURANCE COMPANY	3,737,000	1.36

(Notes) 1. We own 15,793,676 shares of treasury shares.

2. The shareholding ratios were calculated based on the total number of issued shares less treasury shares.

**3. Matters related to share acquisition rights, etc. (Other significant matters related to share acquisition rights, etc.)**

Not applicable.

#### 4. Matters related to corporate officers

##### (1) Name of Directors and Audit & Supervisory Board Members (as of March 31, 2025)

	Position	Name	Significant concurrent occupations or positions at other organizations
*	Chairman of the Board of Directors	Akira Nozaki	
*	President and Director	Nobuhiro Matsumoto	
	Director	Masaru Takebayashi	
	Director	Hiroshi Yoshida	
	Director	Hideyuki Okamoto	
☆ ※	Director	Taeko Ishii	Lawyer of Ohta & Ishii Law Firm Outside Director, Audit & Supervisory Committee Member of DTS CORPORATION Outside Audit & Supervisory Board Member of Dai Nippon Printing Co., Ltd. Outside Audit & Supervisory Board Member of Furusato Service Co., Ltd.
☆ ※	Director	Manabu Kinoshita	Outside Director of Alfresa Holdings Corporation Outside Director of MEIDENSHA CORPORATION
☆ ※	Director	Koji Takeuchi	
	Senior Audit & Supervisory Board Member (Standing)	Koji Imai	
	Audit & Supervisory Board Member (Standing)	Tsuyoshi Nozawa	
★ ※	Audit & Supervisory Board Member	Shoji Wakamatsu	Certified Public Accountant and Certified Public Tax Accountant of Wakamatsu Certified Public Accountant Firm Outside Audit & Supervisory Board Member of SUMIKEN MITSUI ROAD CO., LTD. (retired on June 27, 2024)
★ ※	Audit & Supervisory Board Member	Tsuguya Ieda	

(Notes) 1. \* indicates Representative Directors.

2. ☆ indicates Outside Directors as defined in Article 2, item (xv) of the Companies Act.

3. ★ indicates Outside Audit & Supervisory Board Members as defined in Article 2, item (xvi) of the Companies Act.

4. ※ indicates corporate officers who have been notified as Independent Officers who are unlikely to have any conflicts of interest with general investors as specified by Tokyo Stock Exchange, Inc.

5. Mr. Shoji Wakamatsu, an Audit & Supervisory Board Member, is a certified public accountant and has considerable knowledge of finance and accounting.

6. There is no special relationship between the Company and significant concurrent occupations or positions at other organizations of the Outside Directors and Outside Audit & Supervisory Board Members.

7. Please see page 10 of the Convocation Notice for an overview of an indemnity agreement Mr. Nobuhiro Matsumoto, President and Director, has concluded with the Company.

**(2) Name, etc. of Executive Officer (as of March 31, 2025)**

The Company has adopted an Executive Officer system in which executive officers are responsible for the execution of business. Names, positions, and areas of responsibility of executive officers are as follows.

	Position	Name	Area of responsibility
*	President	Nobuhiro Matsumoto	
*	Managing Executive Officer	Hiroshi Yoshida	General Manager of Corporate Planning Dept., in charge of Human Resources Dept., Legal Dept., Digital Transformation Dept., Safety & Environment Control Dept., Quality Assurance Dept., and Internal Audit Dept.
	Managing Executive Officer	Katsuya Tanaka	General Manager of Battery Materials Div.
*	Managing Executive Officer	Masaru Takebayashi	General Manager of Non-Ferrous Metals Div.
*	Managing Executive Officer	Hideyuki Okamoto	General Manager of Mineral Resources Div.
	Managing Executive Officer	Kazuhiko Hotani	General Manager of Finance & Accounting Dept., in charge of Secretarial Dept., Purchasing Dept. and Information System Dept.
	Managing Executive Officer	Toru Motoki	General Manager of Technology Div.
	Executive Officer	Shinichi Sato	General Manager of Advanced Materials Div.
	Executive Officer	Munekazu Kawata	Senior Deputy General Manager of Battery Materials Div.
	Executive Officer	Yusuke Niwa	Senior Deputy General Manager of Non-Ferrous Metals Div.
	Executive Officer	Kazuaki Sakamoto	General Manager of Engineering Div.
	Executive Officer	Hirohiko Matsushita	General Manager of Besshi-Niihama District Div.
	Executive Officer	Yasumasa Hattori	Senior Deputy General Manager of Technology Div.
	Executive Officer	Yoshihiro Sagawa	Senior Deputy General Manager of Mineral Resources Div.
	Executive Officer	Mihoko Yano	General Manager of Sustainability Dept., in charge of General Affairs Dept., Public Relations & Investor Relations Dept. and Osaka Branch
	Executive Officer	Naoki Kawai	Senior Deputy General Manager of Non-Ferrous Metals Div.
	Executive Officer	Takahiro Hagiwara	Senior Deputy General Manager of Mineral Resources Div.
	Executive Officer	Toru Kitazaki	Senior Deputy General Manager of Non-Ferrous Metals Div.
	Executive Officer	Kenji Hara	Senior Deputy General Manager of Engineering Div.
	Executive Officer	Yukinori Okano	Senior Deputy General Manager of Battery Materials Div.

(Note) \* indicates the officer is also serving concurrently as a Director.

### (3) Matters related to outside officers

The main activities during fiscal 2024 were as follows.

Category	Name	Summary of attendance at meetings, statements made, and duties performed in relation to the role expected of an Outside Director
Outside Director	Taeko Ishii	Ms. Taeko Ishii attended 19 meetings (12 regular meetings and seven extraordinary sessions) out of 20 meetings of the Board of Directors (12 regular meetings and eight extraordinary sessions) held in fiscal 2024. Backed by her experience as a lawyer, she expressed her opinions on legal risk management, compliance, how to address social trend changes, etc. and performed check functions, thereby enhancing the quality of decision-making and, ultimately, contributing to the improvement of corporate value. In addition, as the Chair of the Governance Committee, she attended all five Governance Committee meetings held during the current fiscal year, and exercised a supervisory function by providing advice on corporate governance, including decision-making regarding nominations and remunerations of Directors and executive officers.
Outside Director	Manabu Kinoshita	Mr. Manabu Kinoshita attended 18 meetings (12 regular meetings and six extraordinary sessions) out of 20 meetings of the Board of Directors (12 regular meetings and eight extraordinary sessions) held in fiscal 2024. Backed by his experience as an executive, he expressed his opinions on organizational transformation, enhancement of the employee engagement, business portfolio management, etc., and performed check functions, thereby enhancing the quality of decision-making and, ultimately, contributing to the improvement of corporate value. In addition, as a member of the Governance Committee, he attended all five Governance Committee meetings held during the current fiscal year, and exercised a supervisory function by providing advice on corporate governance, including decision-making regarding nominations and remunerations of Directors and executive officers.
Outside Director	Koji Takeuchi	Since his appointment as an Outside Director, Mr. Koji Takeuchi attended all 14 meetings of the Board of Directors (nine regular meetings and five extraordinary sessions) held in fiscal 2024. Backed by his knowledge about corporate management and research and development, he expressed his opinions on the strategies of the materials business, capital expenditure processes, etc., and performed check functions, thereby enhancing the quality of decision-making and, ultimately, contributing to the improvement of corporate value. In addition, as a member of the Governance Committee, he attended all three Governance Committee meetings held during his time at the Company in the current fiscal year, and exercised a supervisory function by providing advice on corporate governance, including decision-making regarding nominations of Directors and executive officers.

Category	Name	Summary of attendance, statements made, and duties performed in relation to the role expected of an Outside Audit & Supervisory Board Member
Outside Audit & Supervisory Board Member	Shoji Wakamatsu	Mr. Shoji Wakamatsu attended all 20 meetings of the Board of Directors (12 regular meetings and eight extraordinary sessions) held in fiscal 2024 and also attended all 17 meetings of the Audit & Supervisory Board held in fiscal 2024. He conducted effective audits based on his expertise and experience as a certified public accountant, in full coordination with the standing Audit & Supervisory Board Members. Furthermore, in addition to visiting domestic and foreign offices and facilities for audit, including those of the group companies, he participated in meetings of the Board of Directors and other important meetings as part of his auditing activities, and in the decision-making process, he expressed his opinions on the status of internal control, management of a joint venture, and other issues based on the legality and appropriateness of the proposals from an independent and objective standpoint.
Outside Audit & Supervisory Board Member	Tsuguya Ieda	Since his appointment as an Outside Audit & Supervisory Board Member, Mr. Tsuguya Ieda attended all 14 meetings of the Board of Directors (nine regular meetings and five extraordinary sessions) held in fiscal 2024 and also attended all 10 meetings of the Audit & Supervisory Board held in fiscal 2024. He conducted effective audits based on his extensive experience in financial institutions and knowledge about corporate management, in full coordination with the standing Audit & Supervisory Board Members. Furthermore, in addition to visiting domestic and foreign offices and facilities for audit, including those of the group companies, he participated in meetings of the Board of Directors and other important meetings as part of his auditing activities, and in the decision-making process, he expressed his opinions on the status of risk management and analysis, funding, and other issues based on the legality and appropriateness of the proposals from an independent and objective standpoint.

## 5. Matters related to remunerations of corporate officers

### (1) Total remunerations

Officer classification	Total remunerations	Basic remunerations, etc.			Number of officers
		Fixed remunerations	Performance-based remunerations, etc.	Non-monetary remunerations, etc.	
Directors (excluding Outside Directors)	269 million yen	235 million yen	34 million yen	–	7
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	68 million yen	68 million yen	–	–	2
Outside Directors	40 million yen	40 million yen	–	–	3
Outside Audit & Supervisory Board Members	25 million yen	25 million yen	–	–	3

(Notes) 1. The number of Directors (excluding Outside Directors) includes two Directors who retired as of the end of the 99th Ordinary General Meeting of Shareholders held on June 26, 2024.

2. The number of Outside Audit & Supervisory Board Members includes one Audit & Supervisory Board Member who retired as of the end of the 99th Ordinary General Meeting of Shareholders held on June 26, 2024.

### (2) Matters related to determination by resolution at the General Meeting of Shareholders

The amount of remunerations for Directors was approved by a resolution at the 81st Ordinary General Meeting of Shareholders held on June 29, 2006 not to exceed 40 million yen per month (not including employee salaries to Directors who concurrently serve as employees). The number of Directors related to the determination by said resolution is eight at the conclusion of the Ordinary General Meeting of Shareholders.

The amount of remunerations for Audit & Supervisory Board Members was approved by a resolution at the 80th Ordinary General Meeting of Shareholders held on June 29, 2005 not to exceed 9 million yen per month. The number of Audit & Supervisory Board Members related to the determination by said resolution is four at the conclusion of the Ordinary General Meeting of Shareholders.

### (3) Policy on determining the details of remunerations for each Director

#### 1) How the policy is determined

The Company resolved a partial revision of the policy for determining the details of remunerations, etc., for each Director (the “Policy for Determining Remunerations”) at the Board of Directors meeting held on June 17, 2022. Prior to such resolution by the Board of Directors, the Company obtained the advice of the Governance Committee, which consists of the Chairman of the Board of Directors, who is not an executive officer, and three Independent Outside Directors.

#### 2) Summary of details of the policy

##### a. Basic policy

Remuneration for Directors of the Company is linked to the business performance of the Company, and designed to motivate Directors to achieve mid to long-term goals, based on the business structure of the Company, so that it functions as a sufficient incentive to contribute to sustainable growth, increase the corporate value of the Group over the mid to long term, and to strengthen and maintain the management base. When determining the remuneration of individual Directors, the amount of remuneration is calculated using a predetermined formula in order to ensure fairness, and the Company maintains a

basic policy of setting remuneration at an appropriate level based on the responsibilities of each Director.

Specifically, the remuneration for Directors (excluding a Chairman and Director and Outside Directors) shall consist of basic remuneration and bonuses. Basic remuneration shall consist of fixed remuneration (remuneration which is neither performance-based nor non-monetary) and performance-based remuneration, etc., while bonuses shall be performance-based remuneration, etc. A Chairman and Director and Outside Directors shall receive only basic remuneration and no bonuses.

Basic remuneration is calculated on an annual basis for each individual and paid each month in monthly installments, while bonuses are paid once annually after approval is obtained at the ordinary general meeting of shareholders.

b. Basic remunerations

a) Policy on determination of remuneration, etc. for the President and Representative Director

Basic remuneration for the President and Representative Director is composed of fixed remuneration and performance-based remuneration.

The amount of fixed remuneration will be a basic amount for calculation set by referencing the remuneration trends of domestic companies in the same industry and domestic manufacturing companies of the same size as the Company ("Basic Amount for Calculation of Fixed Remuneration") multiplied by a predetermined position-specific coefficient.

As an evaluation of corporate management performance, performance-based remuneration, etc., is paid as an amount calculated in accordance with the degree of achievement of targets for net income attributable to owners of the parent and safety during the previous fiscal year.

b) Policy on determination of remuneration, etc. for a Chairman and Representative Director

Basic remuneration for a Chairman and Representative Director is composed of fixed remuneration and performance-based remuneration.

The amount of fixed remuneration will be the Basic Amount for Calculation of Fixed Remuneration multiplied by a predetermined position-specific coefficient.

As an evaluation of corporate management performance, performance-based remuneration, etc., is paid as an amount calculated in accordance with the degree of achievement of a target for net income attributable to owners of the parent during the previous fiscal year.

c) Policy on determination of remuneration, etc. for a Chairman and Director and Outside Directors

Basic remuneration for a Chairman and Director and Outside Directors is composed of fixed remuneration.

The amount of fixed remuneration will be the Basic Amount for Calculation of Fixed Remuneration multiplied by a predetermined position-specific coefficient.

In the event that the Chairman and Director or an Outside Director concurrently serves as the chairperson of the Board of Directors, a predetermined amount of fixed remuneration shall be paid in addition to the basic remuneration above.

d) Policy on determination of remuneration, etc. for Directors who concurrently serve as Executive Officers with special titles (Executive Vice President,

Senior Managing Executive Officers, Managing Executive Officers)

Basic remuneration for directors who concurrently serve as executive officers with special titles is composed of fixed remuneration and performance-based remuneration.

The amount of fixed remuneration will be the Basic Amount for Calculation of Fixed Remuneration multiplied by a predetermined position-specific coefficient.

The amount to be paid as a performance-based remuneration will be determined taking into account job responsibilities, departmental performance, and individual performance evaluations.

Representative Directors who concurrently serve as Vice President or Senior Managing Executive Officers and Directors who concurrently serve as Managing Executive Officers shall be paid fixed remuneration predetermined in consideration of their positions and responsibilities in addition to the basic remuneration above.

- e) Policy on determination of remuneration, etc., for Directors who concurrently serve as Executive Officers (excluding Executive Officers with special titles)

Basic remuneration for Directors who concurrently serve as Executive Officers shall be composed entirely of fixed remuneration predetermined in consideration of their positions and responsibilities and other factors.

However, the basic remuneration for their role as an executive officer shall be paid separately as an employee salary.

- c. Bonuses

Bonuses for Directors shall be paid to Directors, excluding a Chairman and Director and Outside Directors, as a reward for their performance in the corresponding fiscal year, and shall be proposed and deliberated at the ordinary general meeting of shareholders for the corresponding fiscal year in the case that net income attributable to owners of the parent exceeds a certain amount.

The bonus amount for the President and Representative Director, Chairman of the Board and Representative Director, and Directors who concurrently serve as Executive Officers shall be calculated by multiplying the base amount, which is determined by the degree of achievement of the target for net income attributable to owners of the parent for the corresponding fiscal year, by a position-specific coefficient, etc.

The specific amount paid to each individual will be determined by reflecting the individual performance evaluation of each Director.

- d. Policy on determination of ratio of fixed remuneration and performance-based remuneration, etc.

The ratio of fixed remuneration and performance-based remuneration, etc. for each director is determined according to the calculation method for each of the above remuneration types. However, the ratio of remuneration is determined in a manner that provides an appropriate incentive to increase corporate value based on consultation and advice from the Governance Committee, which is composed of the Chairman of the Board, who does not concurrently serve as an Executive Officer, and Independent Outside Directors.

In the case that net income attributable to owners of the parent does not reach the specified level, bonuses will not be paid.

- e. Delegation of decisions regarding details of individual remuneration, etc. of Directors to third parties

The President and Representative Director shall be delegated the authority to determine specific details of individual remuneration based on a corresponding resolution by the Board of Directors, and the authority granted shall be the determination of the amount of basic remuneration and bonuses for Directors. Regarding the specific procedure involved, the President and Representative Director, who has been delegated authority by the Board of Directors, shall determine the specific amount of remuneration for each director after consulting the Governance Committee and obtaining its advice. When finalizing remuneration, the Secretary Office shall prepare a request for approval, which shall be approved by the President and Representative Director.

Results are reviewed by the Chairman of the Board, who is a member of the Governance Committee, as well as by Audit & Supervisory Board members.

### **3) Reasons why the Board of Directors has determined that each Director's remunerations for the corresponding fiscal year is consistent with such policy**

The amount of basic remunerations and bonuses for each individual Director of the Company shall be determined by the President and Representative Director, who is delegated authority by the Board of Directors, with advice from the Governance Committee.

The Governance Committee received an explanation from the President and Representative Director regarding the amounts of basic remunerations and bonuses, as well as the method for determining specific amounts, and as a result of its review, the Governance Committee confirmed that the content of such remunerations etc., was in line with the Policy for Determining Remunerations.

The Board of Directors received a report of confirmatory result that the summary of advice given by the Governance Committee and the details of remunerations, etc., are in accordance with the Policy for Determining Remunerations, and based on this report, the Board of Directors has determined that the individual remunerations, etc. for each Director for the current fiscal year is consistent with the Policy for Determining Remunerations.

### **(4) Matters related to performance-based remunerations, etc.**

#### **1) Details of the performance indicators selected as the basis for calculating the amount of performance-based remunerations, etc., and the reasons for their selection**

The indicators employed by the Company to determine performance-based remunerations include consolidated results (profit attributable to owners of parent, profit before tax), division results (return on capital employed [ROCE], free cash flows, and segment income), the degree of attainment of personal targets under medium-to long-term management strategies, and safety record (number of occupational accidents).

With regards to the reasons that these indicators have been selected, the Company's consolidated results (profit attributable to owners of parent, profit before tax) were chosen as the Company views these indicators as key measures of its corporate management performance, and has set profitability targets that it aims to achieve as part of its long-term vision. Performance indicators for division results were selected in order to evaluate the three criteria of efficiency, cash flows, and absolute value of profit in a balanced manner. Regarding the degree of attainment of

personal targets under medium-to long-term management strategies, we believe that the steady implementation of plans with a medium-to long-term perspective is essential in order to increase our corporate value in a sustainable manner. Regarding the setting of safety record as a performance indicator, we believe that securing a safe workplace is our operating foundation as a company engaged in the mining and manufacturing industries, including the smelting and refining industry.

**2) Method of calculating the amount or number of performance-based remunerations, etc.**

The amount of performance-based remunerations, etc., is calculated by adding an amount reflecting individual performance to an amount of position-specific performance-based remunerations, etc.

a. Method of calculating the amount of position-specific performance-based remunerations, etc.

The amount of performance-based remunerations, etc., for each position is calculated by multiplying the basic amount for calculation of the base compensation, which is calculated from profit attributable to owners of parent, by the position-specific coefficient. The amount of position-specific performance-based remunerations, etc. related to basic remunerations shall be calculated using profit attributable to owners of parent for the previous fiscal year, and the amount of position-specific performance-based remunerations, etc. related to bonuses shall be calculated using profit attributable to owners of parent for the current fiscal year.

Amount of position-specific performance-based remunerations, etc. related to basic remunerations = Profit attributable to owners of parent for the previous fiscal year x Position-specific coefficient x Certain coefficients not based on performance

Amount of position-specific performance-based remunerations, etc. related to bonuses = Profit attributable to owners of parent for the current fiscal year x Position-specific coefficient x Certain coefficients not based on performance

b. Method of calculating the amount reflecting individual performance

With respect to the amount reflecting individual performance related to the basic remunerations for the President and Representative Director, the total score shall be calculated based on a 4:1 ratio of “achievement level of the published forecast of company-wide performance” and “achievement level of safety record” for the previous fiscal year. The individual performance evaluation coefficient is determined, in the range of 90% to 160%, based on the predetermined coefficient table according to the total score (in this table, profit before tax is taken into account), and the amount reflecting individual performance is calculated.

With respect to the amount reflecting individual performance related to the basic remunerations for Directors who concurrently serve as executive officers with special titles (Executive Vice President, Senior Managing Executive Officers, Managing Executive Officers), the total score shall be calculated by scoring the “comparison of division results with the previous fiscal year,” “achievement level of the published forecast of division results,” “the degree of attainment of personal targets under medium-to long-term management strategies,” and “achievement level of safety record” each for the previous fiscal year, and weighting them at a ratio of 2:4:4:1, and then the amount reflecting individual performance is calculated in the same manner as above.

With respect to the amount reflecting individual performance related to the bonus

for the President and Representative Director, the total score shall be calculated based on a 4:1 ratio of “achievement level of the published forecast of company-wide performance” and “achievement level of safety record” for the current fiscal year. With respect to the amount reflecting individual performance related to the bonus for Directors who concurrently serve as executive officers, the total score shall be calculated by weighting “comparison of division results with the previous fiscal year,” “achievement level of the published forecast of division results,” “the degree of attainment of personal targets” and “achievement level of safety record” each for the current fiscal year at a ratio of 2:4:4:1, and the amount reflecting individual performance is calculated in the same manner as above.

Amount reflecting individual performance related to the basic remunerations = Amount of basic remunerations for each position x Certain coefficients not based on performance x Individual performance evaluation coefficient

Amount reflecting individual performance related to the bonus = Amount of bonus for each position x Certain coefficients not based on performance x Individual performance evaluation coefficient

### 3) Details of performance indicators and figures

Details of performance indicators		Target in FY2023 (million yen) Published forecast in May 2023	Results in FY2023 (million yen)	Achievement (%)
Consolidated results (profit attributable to owners of parent)		42,000	58,601	140
Consolidated results (profit before tax)		77,000	95,795	124
Segment income	Smelting & Refining	28,000	62,199	222

(Notes) 1. Performance-based remunerations, etc. (basic remunerations), for Directors for the current fiscal year is paid based on the performance of the previous fiscal year, therefore the actual performance results for the previous fiscal year are shown. Segment income is presented only using the figures that are utilized for the calculation of performance-based remuneration, etc. for Directors who concurrently serve as executive officers with special titles.

2. The average achievement for each performance indicator for division results (return on capital employed [ROCE], free cash flows, and segment income) of Smelting & Refining segment for the previous fiscal year was 148%.

The target for safety record (number of occupational accidents of employees in Japan in calendar year 2023) was zero serious accidents and no more than seven accidents of all types, and the actual results were one serious accident and 15 accidents of all types.

### (5) Matters related to delegation in determining the details of remunerations, etc.

The Board of Directors delegates to the President and Representative Director, Nobuhiro Matsumoto, the determination of the amount of basic remunerations and bonuses for each individual Director. The reason for this delegation is that the amount of individual remunerations, etc. for Directors who concurrently serve as executive officers is linked to the Company’s performance and the performance evaluation of each individual executive officer, and that the President and Representative Director meets with each executive officer to set individual targets for such performance evaluation and to evaluate the degree of achievement of these targets. The Company has therefore determined that it is appropriate for the President and Representative Director to determine the specific amount of remunerations. The reason also includes that the amount of remunerations, etc. for other Directors is determined based on the basic amount for calculation of fixed remuneration, etc., which is also applied to

Directors who concurrently serve as executive officers, etc.

Prior to the determination of the specific amount, the President and Representative Director will provide an explanation to and receive advice from the Governance Committee. Then, when determining the specific amount, the Secretarial Dept. shall prepare a request for approval, which shall be approved by the President and Representative Director. The results are confirmed by the Chairman of the Board of Directors, who is a member of the Governance Committee, and also by the Audit & Supervisory Board Members.

**(6) Specific procedures for determining the amount of remunerations, etc. for Audit & Supervisory Board Members**

The amount of basic remunerations for each Audit & Supervisory Board Member is determined by discussion among the Audit & Supervisory Board Members at a meeting of the Audit & Supervisory Board within the scope of the total amount of remunerations approved at the General Meeting of Shareholders.

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(The units in this Business Report are rounded to the nearest unit.)

## Consolidated Financial Statements

### Consolidated Statement of Financial Position (as of March 31, 2025)

(Millions of yen)

Items	Amount	Items	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>		<b>Current liabilities</b>	
Cash and cash equivalents	159,712	Trade and other payables	246,428
Trade and other receivables	196,035	Bonds and borrowings	193,045
Other financial assets	4,305	Other financial liabilities	15,232
Inventories	567,800	Income taxes payable	18,942
Other current assets	48,442	Provisions	10,312
<b>Total current assets</b>	<b>976,294</b>	Other current liabilities	19,676
<b>Non-current assets</b>		<b>Total current liabilities</b>	<b>503,635</b>
Property, plant and equipment	675,459	<b>Non-current liabilities</b>	
Intangible assets and goodwill	70,434	Bonds and borrowings	367,258
Investment property	3,477	Other financial liabilities	12,694
Investments accounted for using equity method	538,197	Provisions	41,001
Other financial assets	760,057	Retirement benefit liability	3,546
Deferred tax assets	288	Deferred tax liabilities	90,004
Other non-current assets	44,416	Other non-current liabilities	1,098
<b>Total non-current assets</b>	<b>2,092,328</b>	<b>Total non-current liabilities</b>	<b>515,601</b>
		<b>Total liabilities</b>	<b>1,019,236</b>
		<b>Equity</b>	
		Share capital	93,242
		Capital surplus	87,518
		Treasury shares	(37,489)
		Other components of equity	413,613
		Retained earnings	1,288,853
		<b>Total equity attributable to owners of parent</b>	<b>1,845,737</b>
		Non-controlling interests	203,649
		<b>Total equity</b>	<b>2,049,386</b>
<b>Total assets</b>	<b>3,068,622</b>	<b>Total liabilities and equity</b>	<b>3,068,622</b>

## Consolidated Statement of Profit or Loss

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

Items	Amount
<b>Net sales</b>	<b>1,593,348</b>
<b>Cost of sales</b>	<b>(1,534,843)</b>
<b>Gross profit</b>	<b>58,505</b>
<b>Selling, general and administrative expenses</b>	<b>(74,394)</b>
<b>Finance income</b>	<b>56,088</b>
<b>Finance costs</b>	<b>(18,046)</b>
<b>Share of profit (loss) of investments accounted for using equity method</b>	<b>8,705</b>
<b>Other income</b>	<b>13,653</b>
<b>Other expenses</b>	<b>(13,128)</b>
<b>Profit before tax</b>	<b>31,383</b>
<b>Income tax expense</b>	<b>(19,606)</b>
<b>Profit</b>	<b>11,777</b>
<b>Profit attributable to:</b>	
Owners of parent	16,487
Non-controlling interests	(4,710)
<b>Profit</b>	<b>11,777</b>

## Non-consolidated Financial Statements

### Non-consolidated Balance Sheet (as of March 31, 2025)

(Millions of yen)

Items	Amount	Items	Amount
<b>(Assets)</b>	<b>(2,026,038)</b>	<b>(Liabilities)</b>	<b>(942,717)</b>
<b>Current assets</b>	<b>900,951</b>	<b>Current liabilities</b>	<b>564,114</b>
Cash and deposits	104,834	Accounts payable - trade	87,529
Notes receivable - trade	1,493	Short-term bonds payable	49,922
Accounts receivable - trade	165,698	Short-term borrowings	34,240
Merchandise and finished goods	170,912	Current portion of long-term borrowings	64,044
Work in process	148,812	Lease liabilities	18
Raw materials and supplies	58,373	Accounts payable - other	54,796
Advance payments to suppliers	40,488	Accrued expenses	13,492
Prepaid expenses	1,758	Income taxes payable	14,414
Short-term loans receivable	175,685	Advances received	922
Accounts receivable - other	7,405	Deposits received	527
Other	31,142	Deposits received from subsidiaries and associates	211,589
Allowance for doubtful accounts	(5,649)	Provision for bonuses	1,958
<b>Fixed assets</b>	<b>1,125,087</b>	Provision for furnace repair works	1,850
<b>Property, plant and equipment</b>	<b>141,526</b>	Provision for loss on business restructuring	331
Buildings	35,159	Provision for environmental measures	78
Structures	28,392	Provision for loss on litigation	3,140
Machinery and equipment	41,577	Provision for dismantling and removal	1,234
Vehicles	789	Asset retirement obligation	21
Tools, furniture and fixtures	2,443	Other	24,009
Mining sites	22	<b>Fixed liabilities</b>	<b>378,603</b>
General use site	18,304	Bonds payable	55,000
Construction in progress	14,840	Long-term borrowings	266,046
<b>Intangible assets</b>	<b>3,664</b>	Lease liabilities	212
Leasehold interests in land	83	Deferred tax liabilities	47,229
Mining rights	250	Provision for prevention of mining pollution in the metal mining and other activities	56
Software	1,883	Provision for loss on business restructuring	66
Other	1,448	Provision for loss on support to subsidiaries and associates	7,970
<b>Investments and other assets</b>	<b>979,897</b>	Provision for environmental measures	117
Investment securities	211,313	Asset retirement obligation	963
Shares of subsidiaries and associates	680,056	Other	944
Investments in capital	5	<b>(Net assets)</b>	<b>(1,083,321)</b>
Investments in capital of subsidiaries and associates	3,315	<b>Shareholders' equity</b>	<b>989,050</b>
Long-term loans receivable	65,608	<b>Share capital</b>	<b>93,242</b>
Long-term prepaid expenses	473	<b>Capital surplus</b>	<b>86,862</b>
Prepaid pension costs	15,861	Legal capital surplus	86,062
Other	3,459	Other capital surplus	800
Allowance for doubtful accounts	(193)	<b>Retained earnings</b>	<b>846,435</b>
		Legal retained earnings	7,455
		Other retained earnings	838,980
		Reserve for overseas investment loss	48,401
		Reserve for tax purpose reduction entry	4,103
		Reserve for mineral exploration	12,341
		General reserve	650,000
		Retained earnings brought forward	124,135
		<b>Treasury shares</b>	<b>(37,489)</b>
		<b>Valuation and translation adjustments</b>	<b>94,271</b>
		<b>Valuation difference on available-for-sale securities</b>	<b>99,097</b>
		<b>Deferred gains or losses on hedges</b>	<b>(4,826)</b>
<b>Total assets</b>	<b>2,026,038</b>	<b>Total liabilities and net assets</b>	<b>2,026,038</b>

## Non-Consolidated Statement of Income

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

Items	Amount
<b>Net sales</b>	<b>1,403,514</b>
<b>Cost of sales</b>	<b>1,276,657</b>
<b>Gross profit</b>	<b>126,857</b>
<b>Selling, general and administrative expenses</b>	<b>49,182</b>
<b>Operating profit</b>	<b>77,675</b>
<b>Non-operating income</b>	<b>70,046</b>
Interest income	21,356
Dividend income	37,859
Foreign exchange gains	2,088
Gain on valuation of derivatives	2,811
Guarantee commission received	1,192
Reversal of allowance for doubtful accounts	201
Other	4,539
<b>Non-operating expenses</b>	<b>28,371</b>
Interest expenses	22,755
Interest on bonds	352
Loss on valuation of contingent acquisition consideration	149
Non-cost amortization	143
Provision for dismantling and removal	1,234
Maintenance expenses for closed mines	633
Dismantling and removal expenses	1,415
Other	1,690
<b>Ordinary profit</b>	<b>119,350</b>
<b>Extraordinary income</b>	<b>18,364</b>
Gain on sale of fixed assets	1,353
Gain on sale of investment securities	14,591
Gain on liquidation of subsidiaries and associates	2,420
<b>Extraordinary losses</b>	<b>92,354</b>
Loss on sale of fixed assets	0
Loss on retirement of fixed assets	216
Loss on tax purpose reduction entry of non-current assets	17
Impairment losses	55,451
Loss on valuation of investment securities	1,474
Loss on valuation of shares of subsidiaries and associates	31,345
Loss on valuation of investments in capital of subsidiaries and associates	264
Loss on support to subsidiaries and associates	1,830
Provision for loss on support to subsidiaries and associates	870
Provision for loss on litigation	887
<b>Profit before income taxes</b>	<b>45,360</b>
Income taxes - current	23,471
Income taxes - deferred	(14,738)
<b>Profit</b>	<b>36,627</b>

## **Audit Reports**

### **Accounting auditor's report on consolidated financial statements**

#### Independent Auditor's Report

May 15, 2025

To the Board of Directors of Sumitomo Metal Mining Co., Ltd.:

KPMG AZSA LLC

Tokyo Office, Japan

Tomoyasu Sugizaki

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Kenya Yakuwa

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Kenichi Tejima

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

#### Opinion

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the related notes of Sumitomo Metal Mining Co., Ltd. (the "Company") and its consolidated subsidiaries (collectively referred to as the "Group"), as at March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 444, paragraph (4) of the Companies Act.

In our opinion, the consolidated financial statements referred to above have been prepared in accordance with the accounting standard that omits some disclosure items required under International Financial Reporting Standards pursuant to the provisions of the latter part of Article 120, paragraph (1) of the Regulations on Corporate Accounting, and present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of Management, the Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting standard that omits some the disclosure items required under International Financial Reporting Standards pursuant to the provisions of the latter part of Article 120, paragraph (1) of the Regulations on Corporate Accounting. This includes the establishment and operation of such internal control as management determines is necessary to enable the preparation and appropriate disclosure of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, unless management intends to cease production or operations or there are no other realistic alternative, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the accounting standard that omits some disclosure items required under International Financial Reporting Standards pursuant to the provisions of the latter part of Article 120, paragraph (1) of the Regulations on Corporate Accounting.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties including the design and implementation of the Group's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

We are responsible for obtaining reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, based on the audit performed by us, and for expressing an opinion on the consolidated financial statements from an independent standpoint in the auditor's report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,

they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We shall exercise professional judgment throughout the audit process in accordance with auditing standards generally accepted in Japan, and shall maintain professional skepticism and do the followings:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, where the selection and application of audit procedures shall be at the discretion of the auditor, and additionally obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, while the objective of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies and methods of application thereof adopted by management and the reasonableness of accounting estimates made by management and the adequacy of the related notes.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists regarding the entity's ability to continue as a going concern, we are required to draw attention in our auditor's report to the related notes in the consolidated financial statements or, if the notes to the consolidated financial statements are not appropriate with respect to the material uncertainty, to express an opinion with qualifications on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and notes in the consolidated financial statements are in accordance with the accounting standard that omits some disclosure items required under International Financial Reporting Standards pursuant to the provisions of the latter part of Article 120, paragraph (1) of the Regulations on Corporate Accounting, the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiary companies which provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the provisions of our country's professional ethics regarding independence, as well as any matters that we reasonably believe affect auditor's independence and, where applicable, any measures that are in place to eliminate disincentives or any safeguards that are introduced to reduce disincentives to an acceptable

level.

Interest required to be disclosed by the Certified Public Accountants Act of Japan  
We do not have any interest in the Company and its consolidated subsidiary companies  
which is required to be disclosed pursuant to the provisions of the Certified Public  
Accountants Act of Japan.

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## Accounting auditor's report on non-consolidated financial statements

### Independent Auditor's Report

May 15, 2025

To the Board of Directors of Sumitomo Metal Mining Co., Ltd.:

KPMG AZSA LLC  
Tokyo Office, Japan

Tomoyasu Sugizaki  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Kenya Yakuwa  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Kenichi Tejima  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### Opinion

We have audited the non-consolidated financial statements for the 100th business year, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity and the related notes, and the supplementary schedules (the "non-consolidated financial statements and others") of Sumitomo Metal Mining Co., Ltd. (the "Company"), as at March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 436, paragraph (2), item (i) of the Companies Act.

In our opinion, the non-consolidated financial statements and others referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the said non-consolidated financial statements and others were prepared, in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the non-consolidated financial statements and others does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements and others, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements and others or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of Management, the Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements and Others

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and others in accordance with accounting principles generally accepted in Japan. This includes the establishment and operation of such internal control as management determines is necessary to enable the preparation and appropriate disclosure of non-consolidated financial statements and others that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements and others, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties including the design and implementation of the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

We are responsible for obtaining reasonable assurance about whether the non-consolidated financial statements and others as a whole are free from material misstatement, whether due to fraud or error, based on the audit performed by us, and for expressing an opinion on the non-consolidated financial statements and others from an independent standpoint in the auditor's report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the non-consolidated financial statements and others.

We shall exercise professional judgment throughout the audit process in accordance with auditing standards generally accepted in Japan, and shall maintain professional skepticism and do the followings:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements and others, whether due to fraud or error, design and perform audit procedures responsive to those risks, where the selection and application of audit procedures shall be at the discretion of the auditor, and additionally obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, while the objective of the audit of the non-consolidated financial statements and others is not to express an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies and methods of application thereof adopted by management and the reasonableness of accounting estimates made by management and the adequacy of the related notes.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in the non-consolidated financial statements and others and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists regarding the entity's ability to continue as a going concern, we are required to draw attention in our auditor's report to the related notes in the non-consolidated financial statements or, if the notes to the non-consolidated financial statements and others are not appropriate with respect to the material uncertainty, to express an opinion with qualifications on the non-consolidated financial statements and others. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and notes in the non-consolidated financial statements and others are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements and others, including the notes, and whether the non-consolidated financial statements and others represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the provisions of our country's professional ethics regarding independence, as well as any matters that we reasonably believe affect auditor's independence and, where applicable, any measures that are in place to eliminate disincentives or any safeguards that are introduced to reduce disincentives to an acceptable level.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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## Report of the Audit & Supervisory Board

### Audit Report

The Audit & Supervisory Board has prepared the following report based on the audit reports prepared by individual Audit & Supervisory Board Members related to the Directors' execution of their duties during the 100th business year, the period from April 1, 2024 to March 31, 2025, after due deliberations and consultations among the Audit & Supervisory Board Members.

1. Methods used in audits by the individual Audit & Supervisory Board Member and by the Audit & Supervisory Board and content of audits
  - (1) The Audit & Supervisory Board determined the audit policies and audit plan, etc., and received reports from each Audit & Supervisory Board Member regarding the status and results of the audits, as well as reports from the Directors and Accounting Auditor on the execution of their duties, and requested explanations of those reports when necessary.
  - (2) Each Audit & Supervisory Board Member, in accordance with the audit policies and audit plan, etc. established by the Audit & Supervisory Board endeavored to communicate with the Directors, Internal Audit Section and other employees, etc. to collect information and create an audit environment, and conducted audits in the following manner.
    - 1) Each Audit & Supervisory Board Member attends meetings of the Board of Directors and other important meetings, received reports from Directors and employees, etc. on the status of execution of their duties, requested explanations as necessary, perused important approval documents, etc., and inspected the status of operations and assets at the head office and principal business offices. With respect to subsidiaries, each Audit & Supervisory Board Member communicated and exchanged information with Directors and Audit & Supervisory Board Members, etc. of subsidiaries, and visited subsidiaries as necessary to examine their operations and financial conditions.
    - 2) With respect to the contents of a resolution by the Board of Directors of the Company concerning the development of a system stipulated in Article 100, paragraphs (1) and (3) of the Regulations for Enforcement of the Companies Act and the system established based on such resolution (internal control system), as the necessary system to ensure appropriate execution of Directors' duties in conformity with laws and regulations and the Articles of Incorporation and to ensure appropriate business operations of the corporate group consisting of the stock company and its subsidiaries, which is included in the Business Report, the Audit & Supervisory Board members received reports regularly from Directors and other employees regarding the status of the establishment and implementation of the systems, sought additional explanations as necessary, and expressed opinions thereon. Regarding internal control over financial reporting, the Audit & Supervisory Board received reports from Directors, etc. and KPMG AZSA LLC concerning the evaluation of such internal control and the status of audit, and sought additional explanations as necessary.

- 3) The Audit & Supervisory Board Members examined the contents of the basic policies related to the way a person is to control the decisions on the financial and business policies of the Company included in the Business Report (matters stipulated in Article 118, item (iii) of the Regulations for Enforcement of the Companies Act), based on deliberations by the Board of Directors and other parties.
- 4) In addition to monitoring and verifying whether the Accounting Auditor maintained their independence and conducted appropriate audits, the Audit & Supervisory Board members received reports from the Accounting Auditor on the execution of their duties, and requested explanation as necessary. Furthermore, the Audit & Supervisory Board received notice from the Accounting Auditor that it maintains a well-developed quality control system for audit work in accordance with laws and regulations and standards issued by the Business Accounting Council and other organizations with respect to “matters related to the performance of duties of financial auditor” stipulated in Article 131 of the Regulations on Corporate Accounting, and sought explanations as necessary.

Based on the above method, the Audit & Supervisory Board have examined the Business Report and its supporting schedules, non-consolidated financial statements (balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, and notes on the non-consolidated financial statements) and its supporting schedules, as well as the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity, and notes on the consolidated financial statements) for the current fiscal year, which have been prepared, with some omissions of disclosure items required under International Financial Reporting Standards, in accordance with the latter part of Article 120, paragraph (1) of the Regulations on Corporate Accounting.

## 2. Results of the Audit

### (1) Results of audit of the Business Report, etc.

- 1) In our opinion, the Business Report and the supplementary schedules present the situation of the Company fairly, in compliance with the provisions of applicable laws and regulations and the Articles of Incorporation.
- 2) In our opinion, there are no wrongful acts or material violations of applicable laws and regulations or the Articles of Incorporation in the execution of their duties by the Directors.
- 3) In our opinion, the content of the resolution by the Board of Directors regarding internal control systems is appropriate. Furthermore, with regard to such internal control system, operational aspects have been continuously enhanced, and there are no matters to be pointed out concerning the contents of the Business Report and the execution of duties by Directors, including the internal control over financial reporting.
- 4) In our opinion, there are no matters to be pointed out with regard to the basic policies related to the way a person is to control the decisions on the financial and business policies of the Company included in the Business Report.

### (2) Results of the audit of non-consolidated financial statements and the supplementary schedules

In our opinion, the auditing methods used by KPMG AZSA LLC, the Accounting Auditor, and

the results of its audit are appropriate.

(3) Results of the audit of consolidated financial statements

In our opinion, the auditing methods used by KPMG AZSA LLC, the Accounting Auditor, and the results of its audit are appropriate.

May 22, 2025

Audit & Supervisory Board, Sumitomo Metal Mining Co., Ltd.  
Koji Imai (Seal), Senior Audit & Supervisory Board Member (Standing)  
Tsuyoshi Nozawa (Seal), Audit & Supervisory Board Member (Standing)  
Shoji Wakamatsu (Seal), Audit & Supervisory Board Member  
Tsuguya Ieda (Seal), Audit & Supervisory Board Member

Note: Mr. Shoji Wakamatsu and Mr. Tsuguya Ieda are Outside Audit & Supervisory Board Members as defined in Article 2, item (xvi) of the Companies Act.

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<Reference>

## 3-Year Business Plan 2027

The Company has formulated its 3-Year Business Plan 2027 (hereinafter referred to as “3-Year Plan 27”) covering fiscal 2025 to fiscal 2027. An overview of the plan is as follows.

[Overview]

A critical juncture for realizing “becoming the world leader in the non-ferrous metals industry”  
in our long-term vision

Enhance our MONOZUKURI-RYOKU (manufacturing and operational capability) to regain  
profitability and rebuild a foundation to sustainably increase corporate value

Strong headwind expected in the business environment during 3-Year Business Plan 2027

- Prolonged oversupply due to increased nickel production in Indonesia
- Slumping copper concentrate purchase terms (TC/RC) due to supply shortages and new copper smelter opens
- Drastic changes in the battery materials business environment

Tailwind expected in the medium to long-term business environment

- Demand for non-ferrous metals (copper/nickel) continues to grow; supply will also increase, but suppliers who cannot withstand the price level will be eliminated (balance after 2030)
- TC/RC will also return to a level where supply (production of smelters) can be maintained to meet demand (after 2030)
- Trends such as carbon neutrality, xEVs, hydrogen economy, and AI are certainties, increasing uses for materials business products

Work to enhance corporate value from a long-term perspective while overcoming current issues

- |   |  |   |
|---|--|---|
| <ul style="list-style-type: none"><li>• Rebuilding of battery materials business</li><li>• Operating Smelting and Refining business under adverse conditions (nickel, copper)</li><li>• Business portfolio management (ROCE management)</li><li>• Prepare for future growth</li></ul> | <ul style="list-style-type: none"><li>• Focus on MONOZUKURI</li><li>• Management with an awareness of capital costs and stock prices</li><li>• Strengthen and enhance shareholder returns</li><li>• Corporate governance</li></ul> | <ul style="list-style-type: none"><li>• Sustainability management (material issues and Vision for 2030, KPIs)</li></ul> |
|---|--|---|

The key indicators in the 3-Year Plan 27 are as follows.

[Key Indicators, etc.]

#### Profit before tax

FY2027

**¥140 billion**

(+¥108.6 billion against FY2024 results)

- Realization of contributions of Quebrada Blanca Copper Mine and Côté Gold Mine
- Establishment of a system for the Smelting & Refining Business aimed at realizing a circular economy
- Battery Materials Business undergoing structural reform
- Growth of the Functional Materials Business

#### Capital expenditures/ Investment and financing

3-Year Plan 2027 total

**¥437 billion**

- Future Investment (Green innovation + DX investment): ¥46 billion
- Growth investment: ¥150 billion
- Investment in maintaining and updating facilities: ¥241 billion

**Ensure steady execution for the next stage of growth**

#### Strengthening and enhancement of shareholder returns

- In principle, dividends from surplus shall be paid at a consolidated dividend payout ratio of 35% or more, with a lower limit indicator of **DOE2.5%\***
- \* Annual total dividends ÷ (consolidated net assets attributable to owners of the parent at the end of the previous fiscal year - other components of equity at the end of the previous fiscal year)
- Flexible **Acquisition of own shares**

For the details of the 3-Year Plan 27, please refer to the URL below.

<https://www.smm.co.jp/en/ir/management/plan/>

(The information on these <Reference> pages does not constitute statutory documents under the Companies Act but are provided for our shareholders for their reference.)