

FY2026 Business Strategy Briefing (May)

May 18, 2026

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MINING THE FUTURE

Table of Contents



- I** Executive Summary
- II** Safety Initiatives
- III** FY2025 Financial Results and
FY2026 Full Year Forecast
- IV** Progress in Key Strategy and Measures
of 3-Year Plan 27
- V** Supplementary Materials

I . Executive Summary

- I** Executive Summary
- II Safety Initiatives
- III FY2025 Financial Results and FY2026 Full Year Forecast
- IV Progress in Key Strategy and Measures of 3-Year Plan 27
- V Supplementary Materials

I . Executive Summary

Summary of FY2025

- ◆ Compared to the 3-Year Plan 27, uncertainties increased despite upturn in non-ferrous metal prices and exchange rate.
- ◆ With continued stable operations at major sites and start of new mines, we benefited from the rise in metal prices and depreciation of yen.
- ◆ Datacenter-related demand is serving as a tailwind for the Materials Business.
- ◆ Changed the basic policy of financial strategy and shareholder return policy with the aim of further optimizing capital structure, enhancing capital efficiency, and implementing more appropriate shareholder returns.

Future initiatives

- ◆ Steadily promote the strategy stated in 3-Year Plan 27.
- ◆ Evolve and deepen the “Shin” 3-business Collaboration Business Model. (cf.P39)
- ◆ Optimize capital structure and further improve capital efficiency.
- ◆ Take early measures while monitoring the market trends amid increasing uncertainties including the Middle East situation.

[FY2024 results]

Profit before tax

¥31.4 billion

(Down ¥64.4 billion year on year)

Recorded impairment loss of ¥112.7 billion in nickel smelting and refining business and battery materials business

[FY2025 results]

Profit before tax

¥255.7 billion

(Up ¥224.3 billion year on year)

Benefited from tailwind from market conditions on the back of stable operations
Steadily implemented growth strategy

[FY2026 forecast (May)]

Profit before tax

¥229.0 billion

(Down ¥26.7 billion year on year)

Continue to expect tailwind from metal prices and exchange rate market
Closely monitor the Middle East situation

I . Executive Summary: Topics

Basic policy of financial strategy Shareholder return policy

- ✓ Optimize capital structure
- ✓ Further improve capital efficiency

See “Notice regarding Changes to the Basic Policy of Financial Strategy and Shareholder Return Policy, and Revisions Made to Dividend Forecast”, announced on Feb. 9, 2026, for details.

The Middle East situation

- ✓ Take measures in advance while monitoring the market trends amid increasing uncertainties.

Consolidated equity ratio

58% by the end of Mar. 2028

As of the end of Mar. 2026(FY2025)

58.3%

(Down 1.8pp compared to the end of FY2024)

Cross-shareholdings

Reduce to 10% or less of consolidated net assets by the end of Mar. 2028 (*1)

As of the end of Mar. 2026(FY2025)

34 issues (*2)

(Down 4 issues compared to the end of FY2024)

12.6%

(Similarly, up 2.0pp on increase in share price)

Shareholder Return

	Dividend	Repurchase of Own Shares
FY2025	Forecast ¥228 per share (interim: ¥65; year-end ¥163)	Result ¥15.0 billion
FY2026	Forecast ¥207 per share (interim: ¥103; year-end ¥104)	Plan ¥20.0 billion (*3) (May 12, 2026 to July 31, 2026)

*1 Ratio of consolidated net assets of stocks other than unlisted stocks, including deemed holdings, excluding PTVI. See P18 for details.

*2 Stocks other than unlisted stocks, including PTVI and deemed holdings.

*3 All acquired shares are scheduled to be cancelled.

- ✓ While there is no immediate impact on operations or sales, impacts are likely if it prolongs.
- ✓ Negotiations in progress with business partners for stable procurement of raw materials and operating materials.
- ✓ Performance forecasts for each segment already incorporates the impact from price rises in energy and other operating materials.
- ✓ While working on stable supply of products, we are also carrying out intense negotiations with customers on price pass-through of cost increases.

II . Safety Initiatives

I Executive Summary

II Safety Initiatives

III FY2025 Financial Results and
FY2026 Full Year Forecast

IV Progress in Key Strategy and Measures
of 3-Year Plan 27

V Supplementary Materials

II . Safety Initiatives

《Serious accidents*》 3-Year Plan 27 Target: Zero

[Results for 2025]

1 case

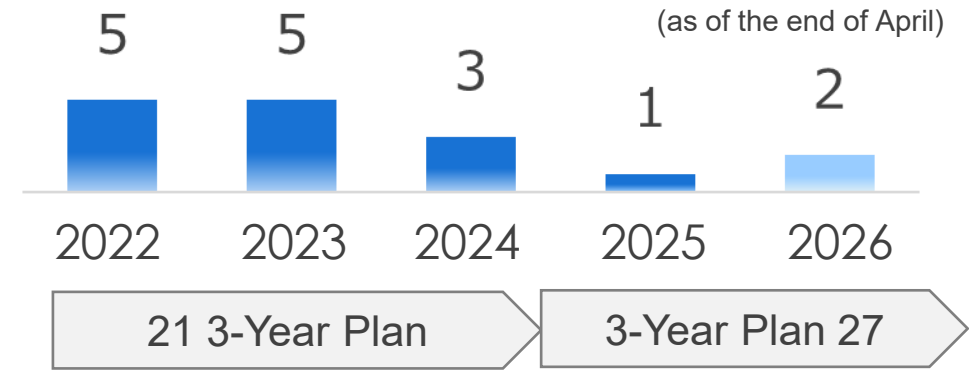
[Results for 2026]

2 cases

(as of the end of April)

*Serious accidents: Accidents resulting in absence from work for 50 days or longer; total of all sites globally (including contractors).

Trend in serious accidents (number of cases)



[Key initiatives]

Risks	Countermeasures
Accidents by employees with limited years of work experience	◆ Enhance education system (Modify the training content easier [using DX] for employees to visualize accident risks associated with the work and enhance contents to evaluate work proficiency level).
Contact with heavy machinery or self-driving equipment	◆ Strengthen measures for self-driving equipment (ensure lockout/tagout, improve compatible equipment, etc.) ◆ Implement equipment-related measures including introduction of new technologies (proximity warning system and automatic shutdown using AI camera, etc.)
Oversight of risks of manufacturing sites	◆ Improve the level of supervisors' worksite observation capability through work monitoring and assessment of practical risks; identify and handle risks through active communications with operators.

III. FY2025 Financial Results and FY2026 Full Year Forecast

I Executive Summary

II Safety Initiatives

III FY2025 Financial Results and
FY2026 Full Year Forecast

IV Progress in Key Strategy and Measures
of 3-Year Plan 27

V Supplementary Materials

1. Metal Supply and Demand Outlook

《Copper》 Estimate tight supply-demand balance

- ◆ Fundamentals are helping copper demand (global spread of decarbonization, additional construction of data centers, EV shift, etc.)
- ◆ While the supply capacity of copper metal increased given new construction and expansion of smelters, the supply capacity of copper concentrate is limited in the short term.
- ◆ Growth in demand to stagnate due to uncertainties such as the Middle East situation.

[Reference]

Cu (kt)	ICSG forecast (Apr. 2026)		
	2025	2026	2027
Production	28,656	28,760	29,613
Usage	28,201	28,664	29,236
Balance	+455	+96	+377

《Nickel》 Estimate temporary easing of over-supply

- ◆ Demand for stainless and nickel-based special steels (aerospace field, turbines for power generation, etc.) will continue to grow, but the pace is likely to be moderate.
- ◆ On the supply side, monitor the trend in mining regulations by the Indonesian government.

[Reference]

Ni (kt)	INSG forecast (Apr. 2026)		
	2024	2025	2026
Production	3,589	3,880	3,715
Usage	3,473	3,596	3,747
Balance	+116	+283	-32

2. Metal Price Estimation for FY2026 Forecast in May

《Copper》 \$11,000/t (FY2025 ave.: \$10,816/t Apr. 2026 ave.: \$12,891/t)

- ◆ Demand growth for copper metal will slow but the price is expected to remain strong.
- ◆ Tight supply of copper concentrate is expected to ease gradually as production constraints get resolved among other factors.

《Nickel》 \$7.50/lb (FY2025 ave.: \$7.08/lb Apr. 2026 ave.: \$8.17/lb)

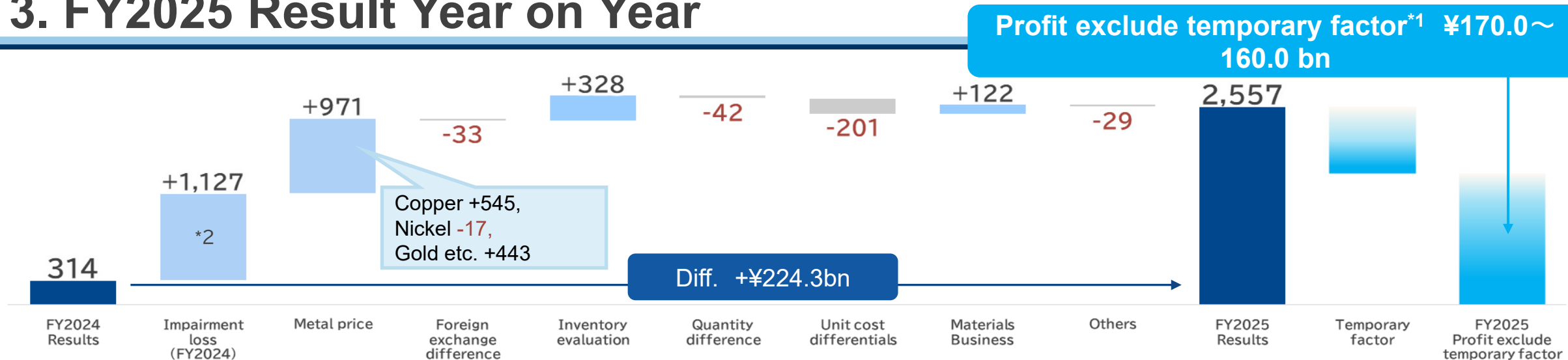
- ◆ Over-supply is expected even with temporary production control due to factors such as mineral supply restrictions.
- ◆ Stable performance is expected for stainless and nickel-based special steels.

《Gold》 \$4,200/toz (FY2025 ave.: \$3,939/toz Apr. 2026 ave.: \$4,722/toz)

- ◆ Gold price is expected to remain at high levels.
- ◆ Demand is likely to continue against the background of uncertainties in the international situation and heightened geopolitical tensions.

3. FY2025 Result Year on Year

(Figures in the water-fall chart are presented in units of JPY100 million.)



*1 Calculated by excluding the impact of temporary gains/losses in a situation where metal prices or foreign exchange fluctuate, as well as the impact of special factors or the concerned period from profit before tax

*2 Smelting & Refining(Nickel) ¥55.4bn, Battery Materials ¥57.3bn

Metal Price/ Exchange-rate		FY2025 Results	FY2024 Results	Diff.
Cu(\$/t)	FY	10,816	9,370	+ 1,446
	CY	9,939	9,144	+795
Ni(\$/lb)	FY	7.08	7.51	-0.43
	CY	3,939	2,585	+ 1,354
Au(\$/toz)	FY	3,435	2,387	+1,048
	CY	150.78	152.58	-1.80
Exchange-rate (¥/\$)	FY	149.71	151.58	-1.87
	CY			

Profit exclude temporary factor (+¥50.0bn YoY)

Primarily due to external factors, such as rising copper and gold prices.

Major Variance Factors

Quantity difference

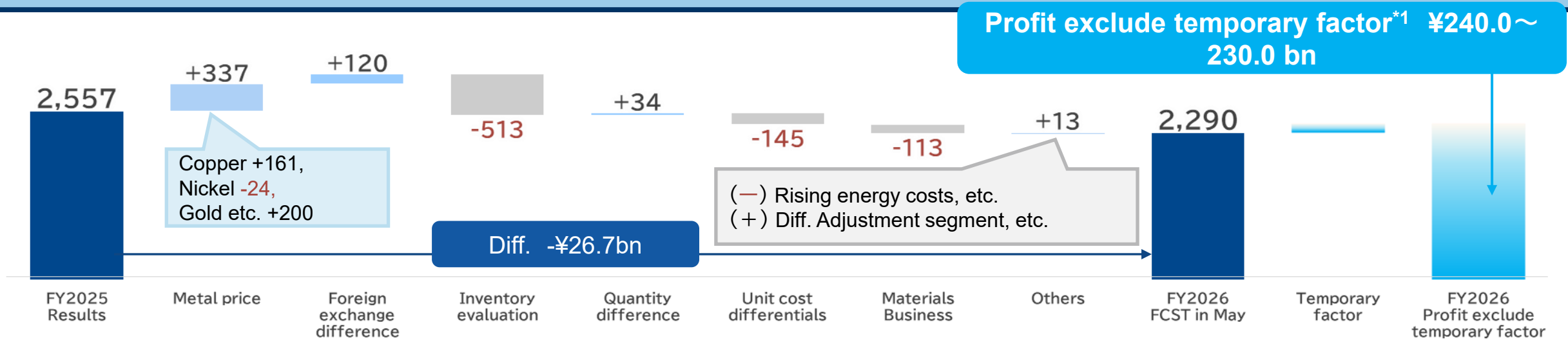
- (+) Cote gold mine
- (-) Hishikari mine
- Cerro Verde copper mine
- Candelaria copper Mine
- etc.

Unit Cost difference

- (+) Morenci copper mine
- (-) Cote gold mine
- Cerro Verde copper mine
- Candelaria copper Mine
- etc.

4. FY2026 Forecast Year on Year

(Figures in the water-fall chart are presented in units of JPY100 million.)



*1 Calculated by excluding the impact of temporary gains/losses in a situation where metal prices or foreign exchange fluctuate, as well as the impact of special factors or the concerned period from profit before tax

Metal Price/ Exchange-rate		FY2026 FCST in May	FY2025 Results	Diff.
Cu(\$/t)	FY	11,000	10,816	+184
	CY	11,463	9,939	+1,524
Ni(\$/lb)	FY	7.50	7.08	+0.42
	CY	4,200	3,939	+261
Au(\$/toz)	FY	4,200	3,939	+261
	CY	4,369	3,435	+934
Exchange-rate (¥/\$)	FY	155.00	150.78	+4.22
	CY	155.47	149.71	+5.76

Profit exclude temporary factor (+¥70.0bn YoY)

External factors such as higher metal prices and a weaker yen (approx. ¥46.0 billion), increased production at the Quebrada Blanca copper mine, etc.

Middle East Situation, Rare-Earth Procurement

- ✓ While there is currently no impact on operations or sales, effects are expected if the situation becomes prolonged.
- ✓ We are in discussions with business partners to ensure a stable supply of raw materials and operating supplies.
- ✓ For operating materials, including energy costs, we have already factored into each segment's earnings forecasts the impact of price increases arising from the situation in the Middle East. (Note: In the variance analysis of the FY2026 Forecast in May comparison on page 14, this is included under "unit cost differential" and "others.")
- ✓ We are working to ensure a stable supply of products and are also negotiating intensively with customers to pass through the increased costs.

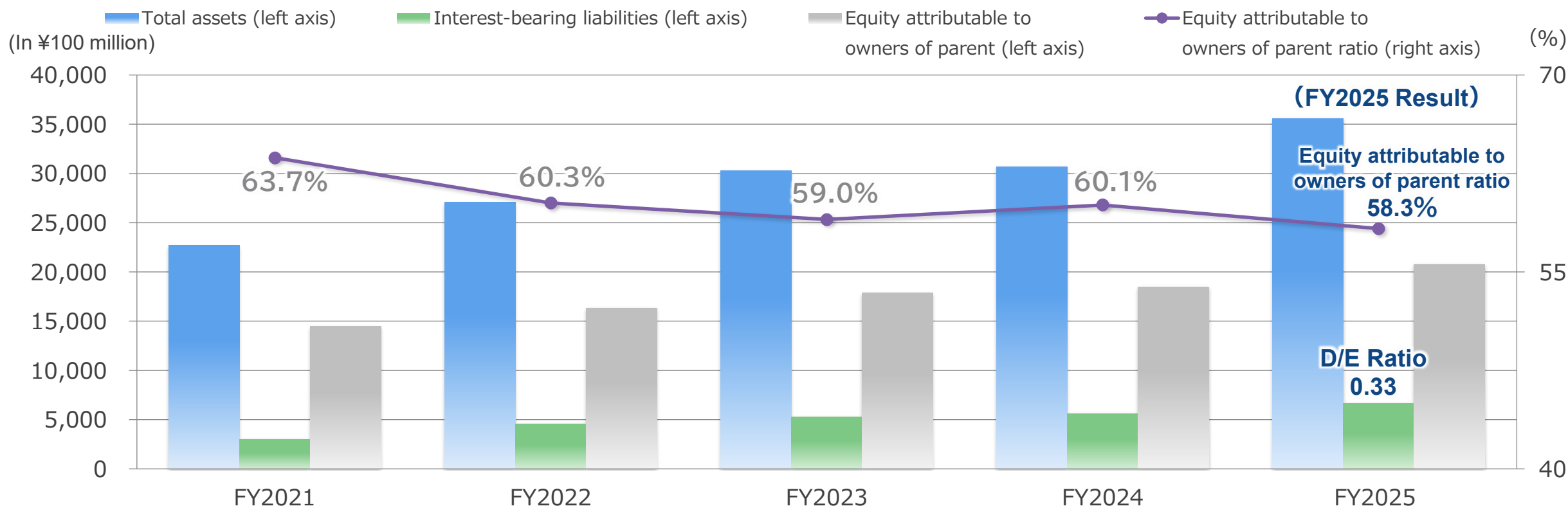
5. Comparison of Financial Results and Forecast

(JPY100M)		FY2025 Results (A)	FY2024 Results (B)	Diff. (A)-(B)	FY2025 FCST in Feb. (C)	Diff. (A)-(C)	FY2026 FCST in May (D)	Diff (D)-(A)
Net Sales		17,416	15,933	+1,483	16,970	+446	18,830	+1,414
Gross Profit		2,745	585	+2,160	2,490	+255	2,370	-375
Profit Before Tax		2,557	314	+2,243	2,090	+467	2,290	-267
<i>Equity in earnings of affiliated companies</i>		406	87	+319	350	+56	590	+184
Segment Profit	Mineral Resources	1,678	1,018	+660	1,570	+108	1,960	+282
	<i>Copper Mine Business</i>	1,151	591	+560	1,120	+31	1,320	+169
	<i>Gold Mine Business etc.</i>	527	427	+100	450	+77	640	+113
	Smelting & Refining	916	-71	+987	650	+266	240	-676
	Materials	153	-542	+695	140	+13	40	-113
	<i>Battery Materials</i>	100	-585	+685	70	+30	-30	-130
	<i>Advanced Materials</i>	53	43	+10	70	-17	70	+17
	Others	-21	-12	-9	-20	-1	-40	-19
Diff. Adjustment		-169	-79	-90	-250	+81	90	+259
Profit attributable to owners of parent		1,763	165	+1,598	1,400	+363	1,390	-373

6. Changes in Financial Position

Consolidated equity ratio

From the perspective of financial soundness, we set a consolidated equity ratio of 50% or more. Furthermore, to promote management that is conscious of cost of capital, we see the appropriate level of the consolidated equity ratio of 55% and aim to raise it to 58% by FY2027 through enhanced shareholder returns and other initiatives.



7. Shareholder Returns

Shareholder Return Policy

1. In principle, dividends from surplus shall be paid out with a consolidated payout ratio of 35% or more. If the consolidated payout ratio exceeds the Company-defined appropriate level of 55%, the minimum indicator is set at a DOE of 3.5%*.

*DOE = Annual total dividends / Shareholders' equity (The Company will use the finalized shareholders' equity figure as of the end of the previous fiscal year when performing calculations, excluding other components of equity from consolidated net assets attributable to owners of parent.)

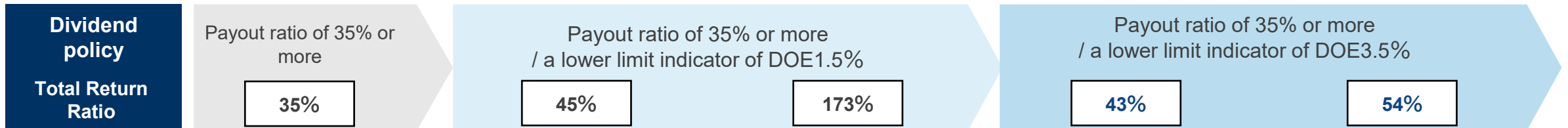
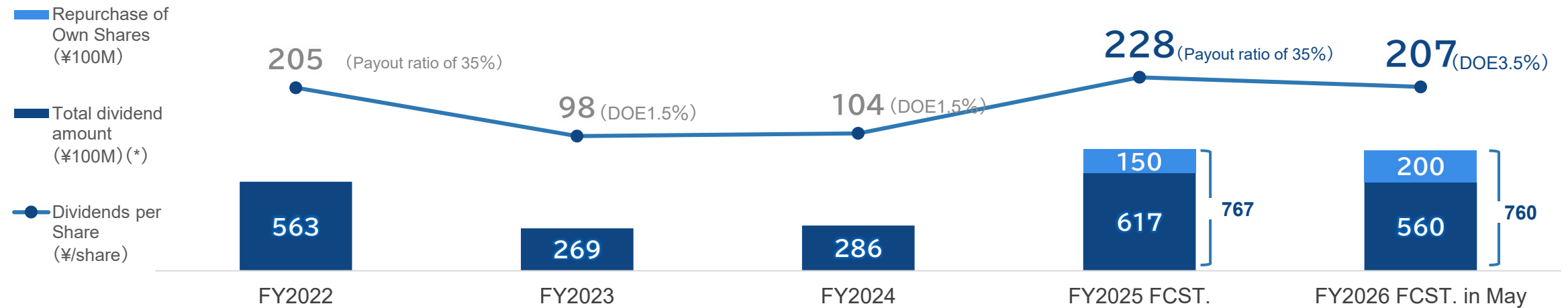
2. Shareholder returns will consist primarily of dividends from surplus. The Company will flexibly implement measures, including acquisition of own shares, based on its business results and financial status after comprehensively considering investment opportunities and capital requirements.

Dividend Forecast and Repurchase of Own Shares

- ◆ FY2025 forecast (consolidated payout ratio of 35%)
 - ✓ Annual dividend (forecast): **228 yen/share** (interim results: ¥65, year-end forecast: ¥163, up ¥45 from previous forecast)
- ◆ FY2026 forecast (DOE 3.5%)
 - ✓ Annual dividend (forecast): **207 yen/share** (interim forecast: ¥103, year-end forecast: ¥104)
- ◆ Repurchase of own shares: Allocate a portion of the proceedings from reduction of cross-shareholdings to repurchase own shares again following 2025 (¥15.0 billion).
 - ✓ Amount planned for this time: **¥20.0 billion** (from May 12 to July 31, 2026)

8. Shareholder Returns (Dividends/Repurchase of Own Shares)

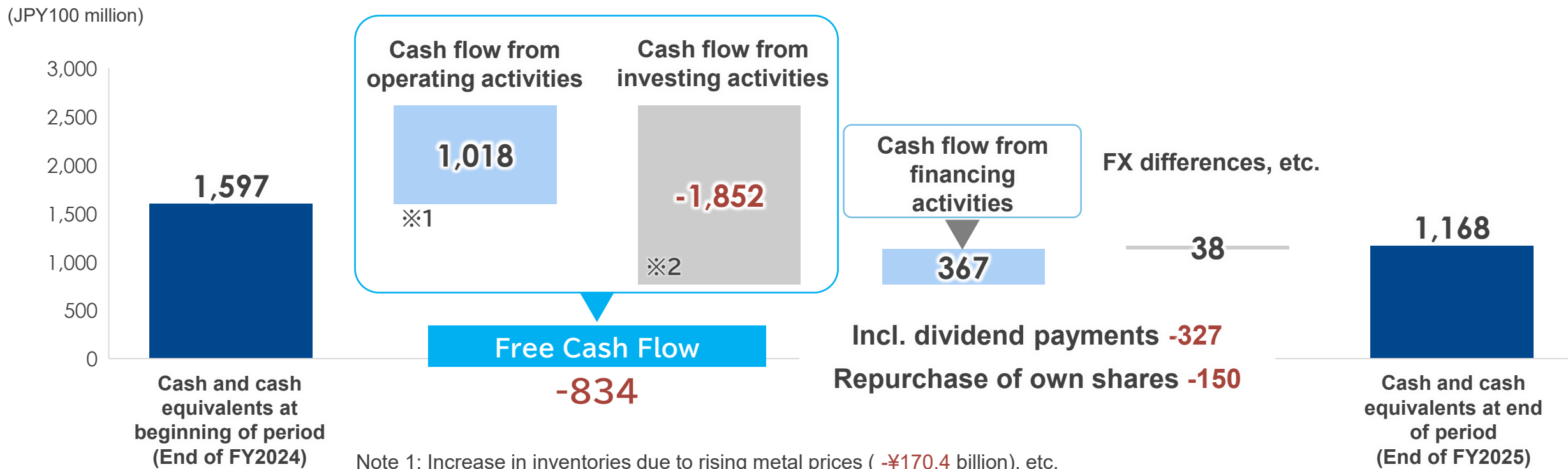
	FY2024 (Reference)	① FY2025	② FY2026	Diff. (②-①)
Dividends per Share	¥104/share	¥228/share	¥207/share	-¥21/share
Interim Dividend	¥49/share	Result) ¥65/share	¥103/share	+¥38/share
Year-end Dividend	¥55/share	¥163/share	¥104/share	-¥59/share



Number of shares issued as of end of March 2026(excluding treasury stock) 270,549,733shares *Figures are rounded to the nearest ¥100 million.

9. Cash Flows (FY2025 Results)

- ◆ Free cash flow was negative due to increase in working capital caused by rising metal prices and depreciation of yen in addition to high-level capital investment as well as investment and financing.
- ◆ Interest-bearing liabilities (as of the end of Mar. 2026): ¥682.8 billion Up ¥106.7 billion year on year.
- ◆ We will work on optimizing capital structure and improving capital efficiency while maintaining appropriate levels of liquidity on hand and equity ratio in preparation for future growth investment.



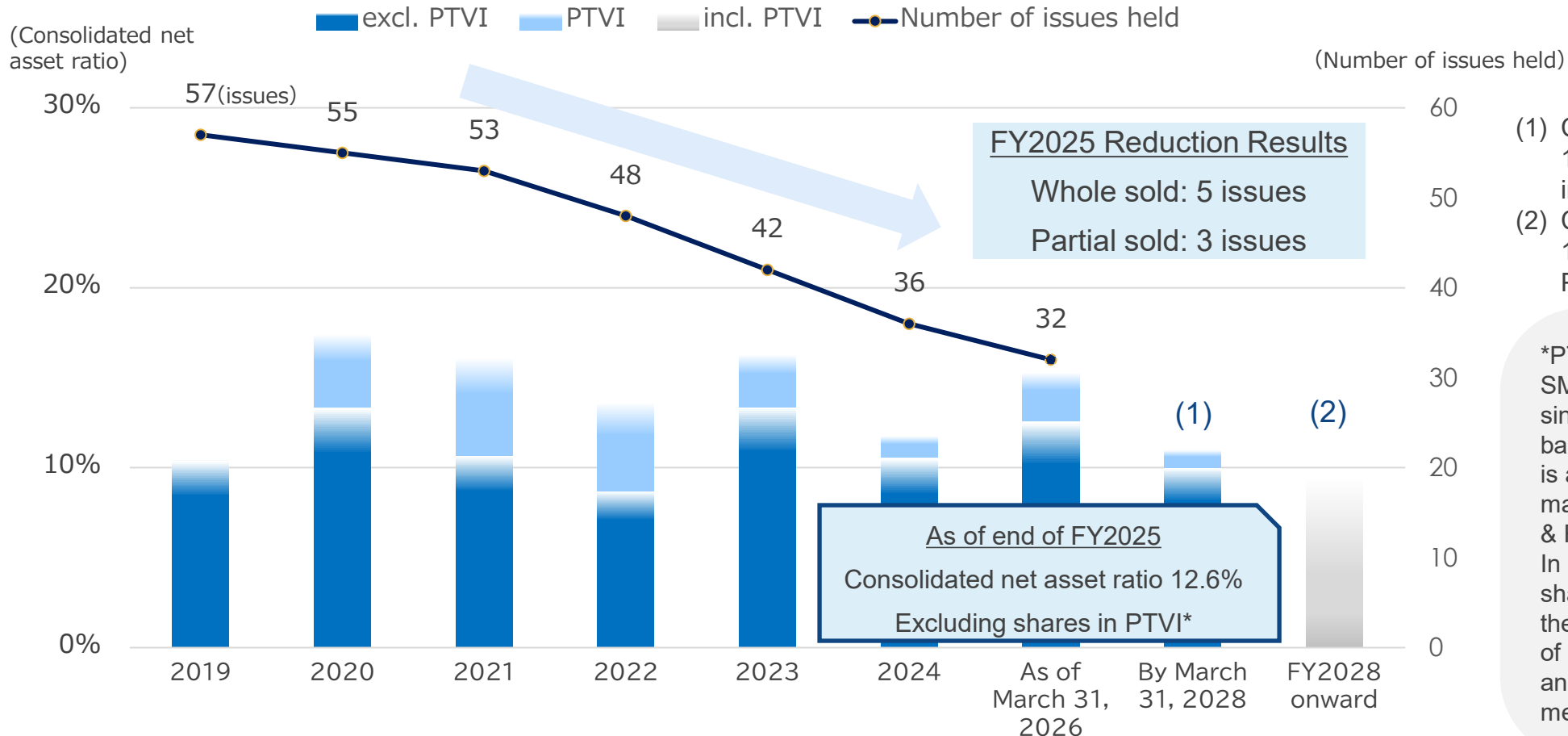
Note 1: Increase in inventories due to rising metal prices (-¥170.4 billion), etc.

Note 2: Acquisition of interests in the Winu copper-gold project, construction of a secondary battery recycling plant, etc.

10. Cross-shareholdings

We work to reduce cross-shareholdings to 10% or less of our consolidated net assets

Shares held for purposes other than pure investment (stocks other than those unlisted stocks, including deemed holdings)



- (1) Consolidated net asset ratio of 10% or less, excluding shares in PTVI*
- (2) Consolidated net asset ratio of 10% or less, including shares in PTVI*

*PT Vale Indonesia Tbk (PTVI). SMM has been investing in PTVI since 1972. An important business base in the Republic of Indonesia, it is a major source of the nickel raw materials that we use in our Smelting & Refining Business. In 2020, SMM sold a portion of its shares of PTVI in accordance with the Indonesian government's policy of promoting domestic ownership, and excluded PTVI from its equity-method affiliates.

11. Capital Allocation

Continue efforts to optimize the capital structure, enhance capital efficiency, and maintain a balanced approach to shareholder returns.

(100 million yen)		FY202 Results + FY2026 Forecast + FY2027 Forecast	3-year Plan 27 (FY2025-FY2027)	
Cash flow from operating activities		6,650	4,950	Improved Profit
Disposal of cross-shareholdings, increase in interest-bearing debt, etc.		1,650	900	
Total Cash Inflows		8,300	5,850	
Capital Investment, Investments and Financing	Future investment, Growth investment, Investment in maintaining and updating facilities	5,400	4,400	Increased spending on large-scale projects, rising prices, and yen depreciation
	New investment	Management and Capital Allocation		Securing funding for new project participation in the next medium-term plan period
shareholder returns	Additional shareholder returns			1,100
	Dividends	1,800	1,000	Enhanced Shareholder Returns by Raising the Minimum DOE indicator (2.5% → 3.5%)
Total Cash Outflows		8,300	5,850	

* This reflects our current outlook and does not constitute a commitment.

IV. Progress in Key Strategy and Measures of 3-Year Plan 27

- I Executive Summary
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- V Supplementary Materials

1. Business Environment

While the strong headwind assumed in 3-Year Plan 27 has ebbed slightly, uncertainties over the future have increased. However, there is no change to the fact that it is a critical juncture to realize our Long-Term Vision to “Become the world leader in the non-ferrous metals industry”

- (1) FY2026 forecast assumptions
- (2) 3-Year Plan 27 assumptions

Change from 3-Year Plan 27 assumptions:

Improved

In line with expectations

Worsened

Cu (Copper)	Mines	Benefited from the rising copper price (1) 11,000\$/t (2) 9,200\$/t
	Smelting & Refining	Though TC/RC is deteriorating, sales premium has improved

Ni (Nickel)	Expect over-supply to continue (1) 7.50\$/lb (2) 7.50\$/lb
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Battery Materials	-Pace of growth slowed with countries terminating support policies -Advance in shift to high-Ni NMC
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Au (Gold)	Benefited from the rising gold price (1) 4,200\$/toz (2) 2,400\$/toz
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Advanced Materials	-Driven by datacenter-related demand -Delay in launch of EV-related market
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Foreign Exchange	Benefited from the weakening trend of the yen (1) 155 yen/\$ (2) 140 yen/\$
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Middle East situation	-A factor causing cost increases including energy, operating materials, etc. -If it prolongs, the impact will expand, leading to escalation
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Improve corporate value by steadily promoting the strategies outlined in 3-Year Plan 27 while simultaneously overcoming the immediate challenges

2. Quebrada Blanca Copper Mine (QB2)

Focus on early stabilization of operation together with JV partners

[Production results and guidance]

- ◆ All figures are announced by Teck on a 100% project basis.
 - ✓ 2025 results: 183 thousand tonnes
 - ✓ 2026 plan: 193 thousand to 227 thousand tonnes
 - ✓ 2027 plan: 232 thousand to 265 thousand tonnes

Panoramic view of the Quebrada Blanca copper mine plant



[Efforts to address constraints in tailings management facility]

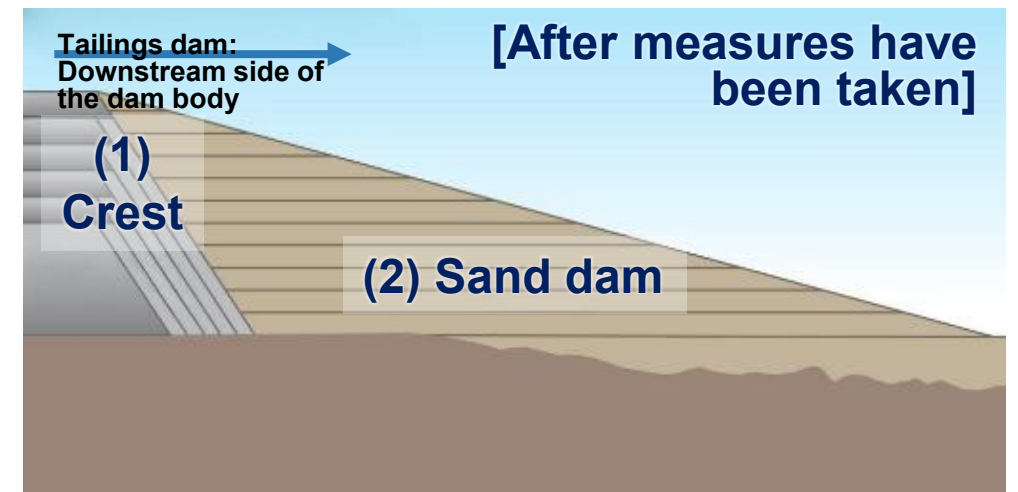
- ✓ Progressing according to the plan. Aiming to shift to stable operation within 2027

(1) Crest

The fifth level to be completed in June. Its completion will ensure sufficient dam height, which is expected to resolve production constraint risks in 2026.

(2) Sand dam

To introduce additional cyclone in the latter half of 2026 and increase sand production to complete the sand dam early on with the aim of shifting to stable operations in 2027.



3. Côté Gold Mine

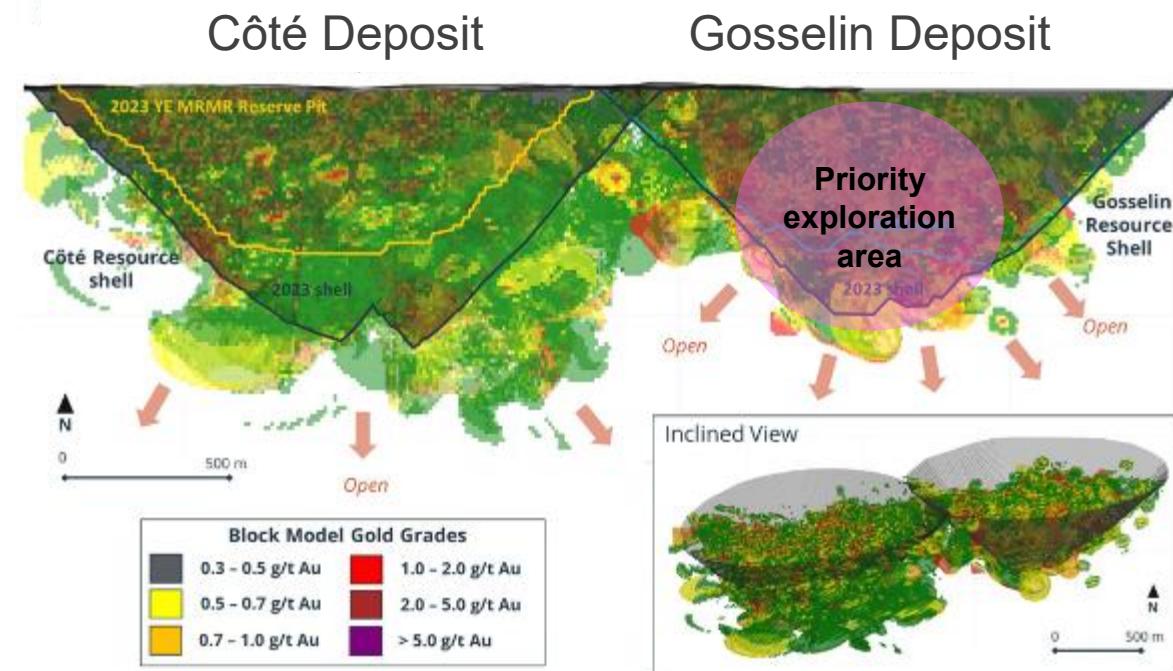
Working on improving project value with our partner IAMGOLD

[Production results and guidance]

- ◆ Both figures are announced by IAMGOLD on a 100% project basis.
 - ✓ 2025 results: 12.4t
 - ✓ 2026 plan: 12.0 to 13.6t
- ◆ We aim to further stabilize and optimize the mine and increase processing volume by debottlenecking.

[Exploration and assessment of adjacent areas]

- ◆ Trial exploration is also planned in FY2026, which is being implemented smoothly.
- ◆ Promoting assessment including the possibility of joint development with Côté.



Information on Côté gold mine development project and Gosselin area exploration (*The IAMGOLD announcement of February 15, 2024, with some additions)

4. Winu Copper-Gold Project

Established JV in Oct. 2025. Promoting feasibility study in cooperation with Rio Tinto

To contribute to the annual copper production interest of 300 thousand tons in the Long-Term Vision throughout 2030s

- ◆ Project overview
 - ✓ Location: Western Australia, Australia
 - ✓ Interests: Rio Tinto with 70%, SMM with 30%
 - ✓ Process: Open-pit mining. To manufacture copper and gold concentrate following gravity separation and flotation.
 - ✓ Resource volume: 741 million tonnes (including 3 million tonnes of copper and 250t of gold)

[Progress]

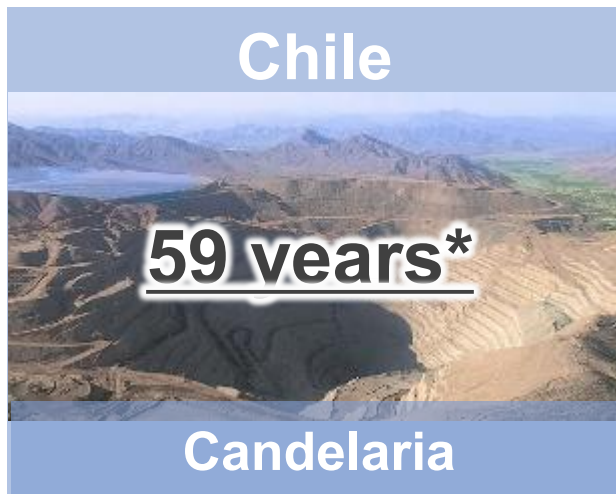
- ✓ May 2025: Agreed to acquire a 30% interest.
- ✓ Oct. 2025: Closed the final contract, established JV.
- ✓ As of May 2026: **Making smooth progress in feasibility study and approval process.**



Winu Copper-Gold Project (photo courtesy of Rio Tinto)

5. Copper Mines in Which SMM Holds Interests: Mine Life (future images)

All mines have potential for long-term operations



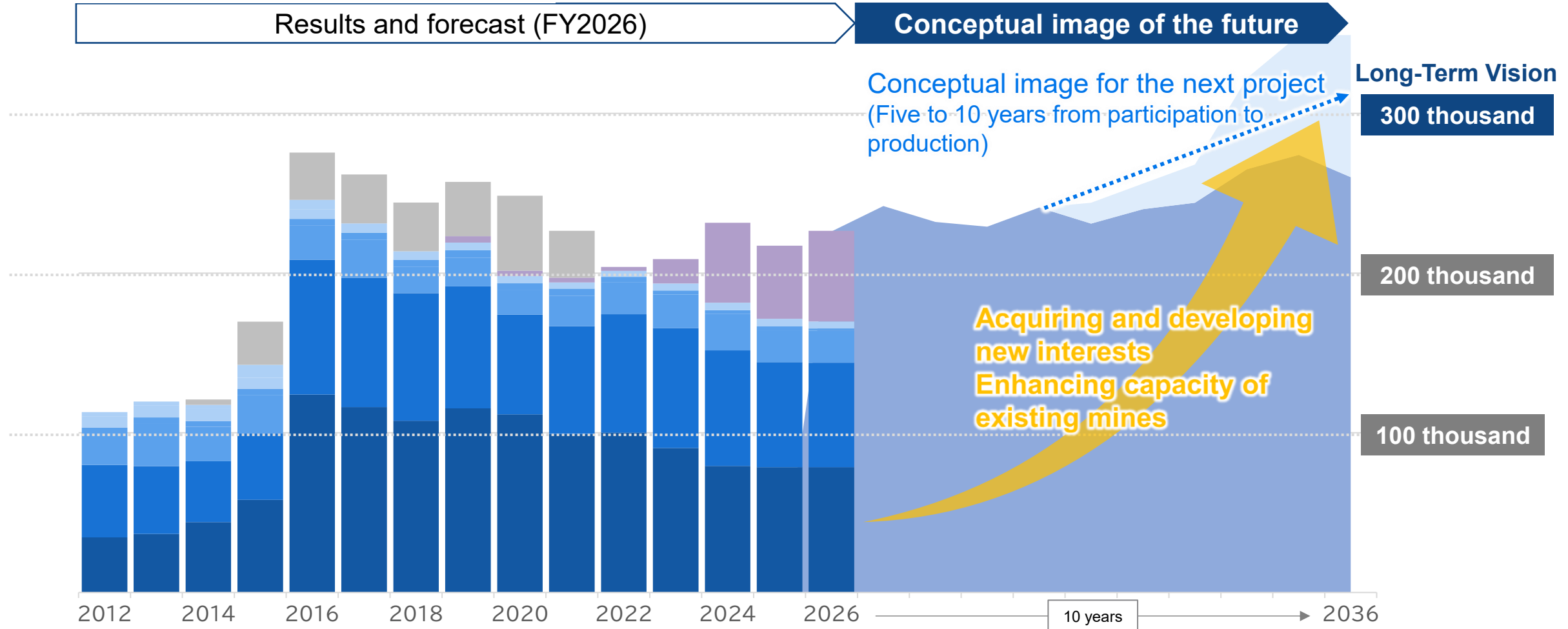
*SMM calculation: (Proven and probable mineral reserves + Measured and indicated mineral resources + Inferred mineral resources) ÷ Production volume in 2025

For metal volume under mineral resource interests for copper in each mine, please refer to slides 44 to 46; for notes, refer to slide 49.

6. Copper Mines in Which SMM Holds Interests: Future Image

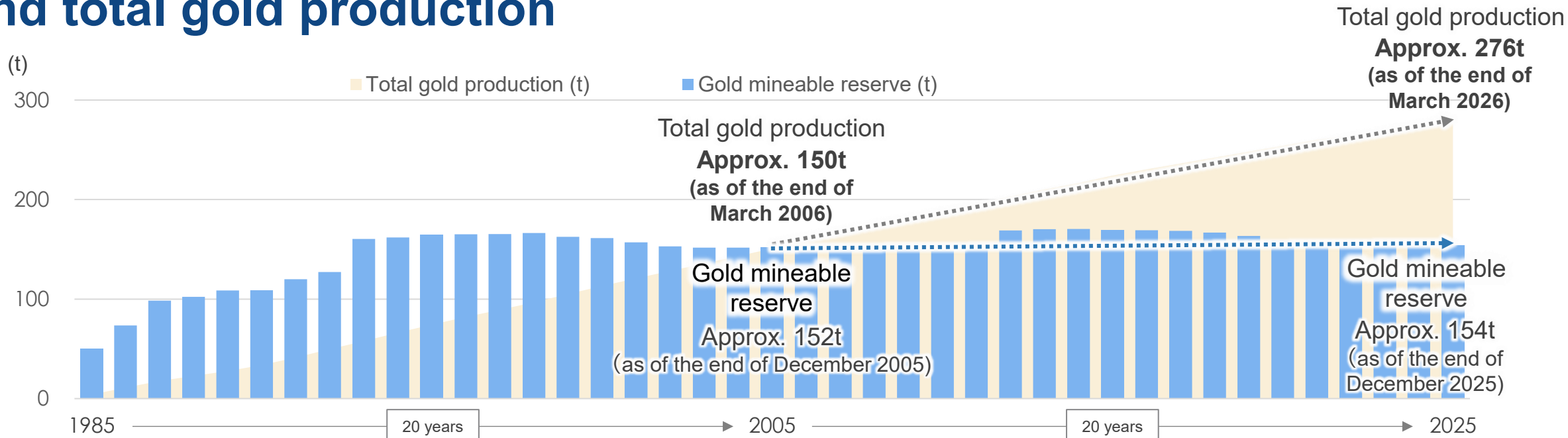
Aim to steadily achieve the annual copper production interest target of 300 thousand tons in the Long-Term Vision

Copper mine production interest (t/year)



7. Mines in Which SMM Holds Interests (Hishikari Mine)

Changes in the amount of remaining gold (gold mineable reserve) and total gold production



[SMM's advantage and future initiatives]

- ✓ Total gold production is approx. 276t (as of the end of March 2026).
- ✓ Gold mineable reserve is approx. 154t (as of the end of December 2025).
- ✓ We are maintaining a certain level of gold mineable reserve with exploration every year.
- ✓ **Strive to explore and improve productivity for further extension of mine life.**

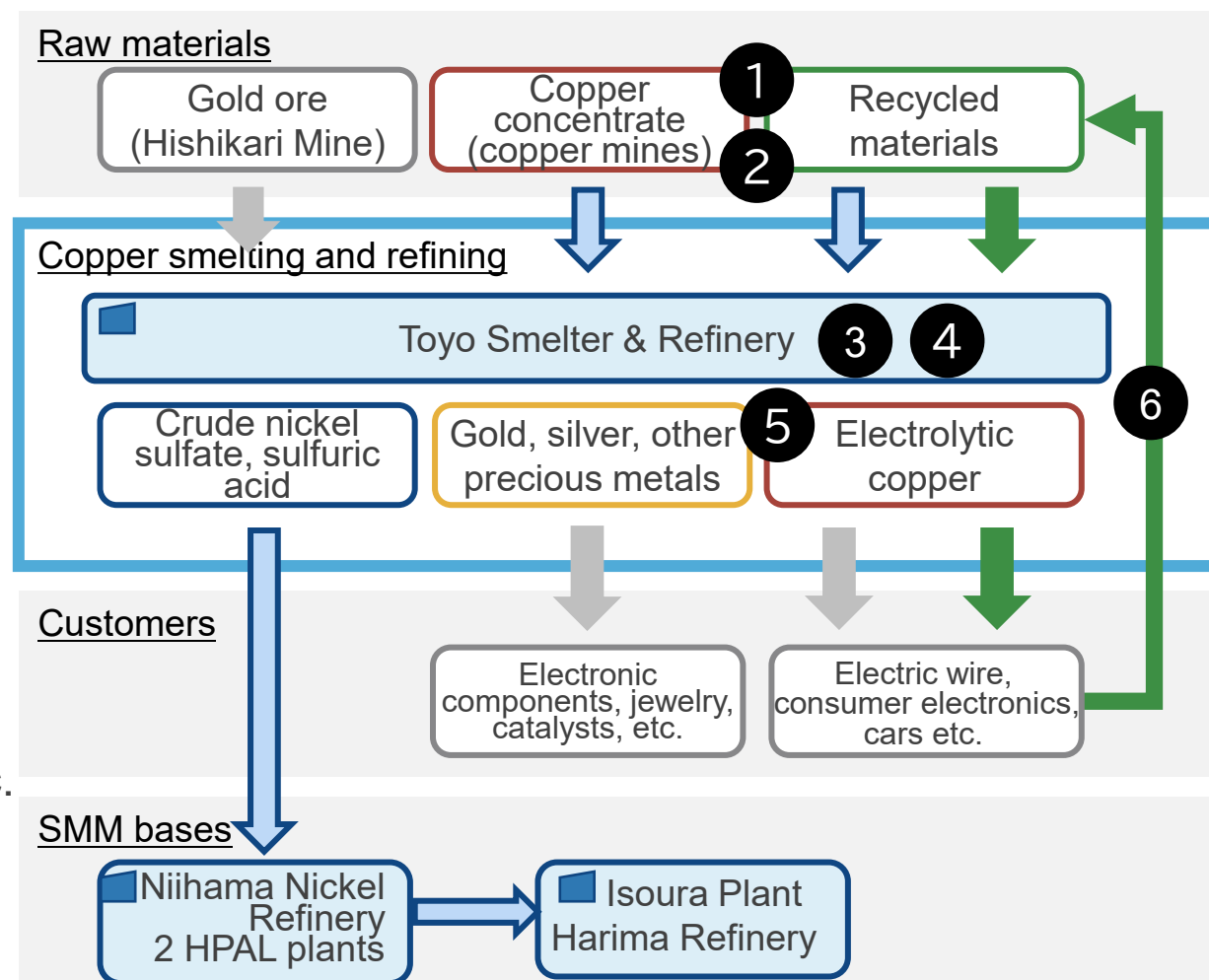
(*) For metal volume under mineral resource interests of gold at Hishikari Mine, please refer to slide 47; for notes, refer to slide 49.

8. Strengthening Competitiveness in the Copper-Smelting & Refining Business

Promoting measures to strengthen competitiveness of the Copper-Smelting & Refining Business Centered on Toyo Smelter & Refinery

- 1 Achieve recycled materials ratio of 30% (140 thousand t/year) + Production of 300 thousand t/year at mine interest.**
 - Offset the impact of low TC/RC
 - Stably supply electrolytic copper by securing raw materials
- 2 Increase processing of raw materials containing nickel.**
 - Secure nickel raw materials
- 3 Enhance capability to deal with impurities in copper concentrate.**
 - Enhance profitability by collecting valuable metals
- 4 Reduce costs through improved logistics, etc.**
 - Improve profitability by realizing lean cost structure
- 5 Expand sales of high value-added products.**
 - Oxygen-free copper, shot gold, shot silver, etc.
- 6 Promote closed recycling in collaboration with customers.**
 - Strengthen carbon neutrality efforts

Supply chain of the copper smelting & refining business



9. Building Circular Supply Chain for Copper

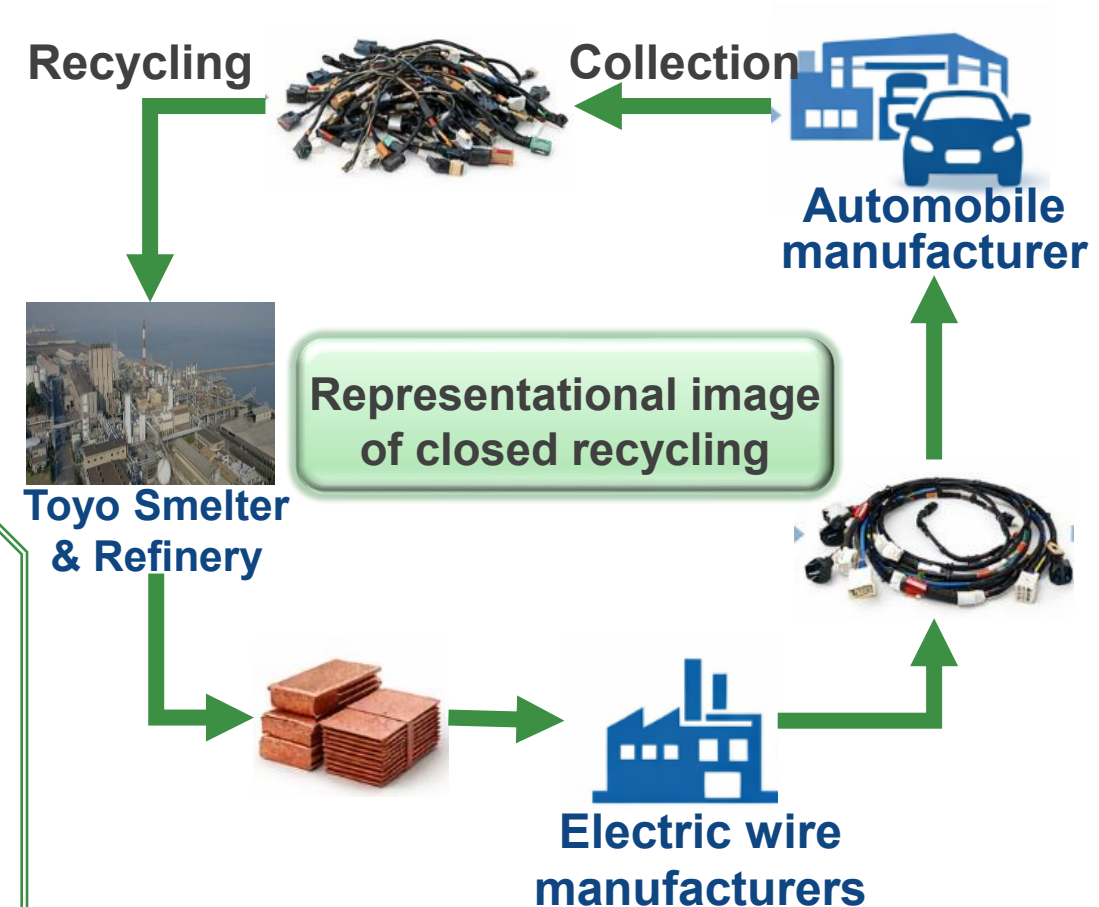
Closed recycling of waste wire harnesses utilizing excess heat from copper smelting

[Background]

- ◆ Waste wire harnesses increase due to vehicle electrification .
- ◆ Waste wire harnesses contain many impurities and its recycling is complex.
- ◆ Costs for sorting them have been a hurdle and a majority of the wire harnesses are exported unprocessed.
- ◆ It has become increasingly important to secure valuable resources in Japan.
- ◆ Demand from Europe, etc. to automobile manufacturers regarding recycling of scrapped cars.

[SMM's advantage]

- ✓ Supply of high-quality electrolytic copper suitable for wire harnesses.
- ✓ Efficient pretreatment and utilization of reaction heat generated in copper smelting process.
- ✓ Reduction of capital investment by leveraging the existing smelting and refining infrastructure to the maximum extent.
- ✓ We can disclose electrolytic copper recycling ratio based on the mass balance method.
- ✓ Collaboration with automobile manufacturers through the cathode material business.



10. Progress in Secondary Battery Recycling, Nickel Matte Production

Construction of secondary battery recycling plants progressing as planned. Focusing on raw material procurement

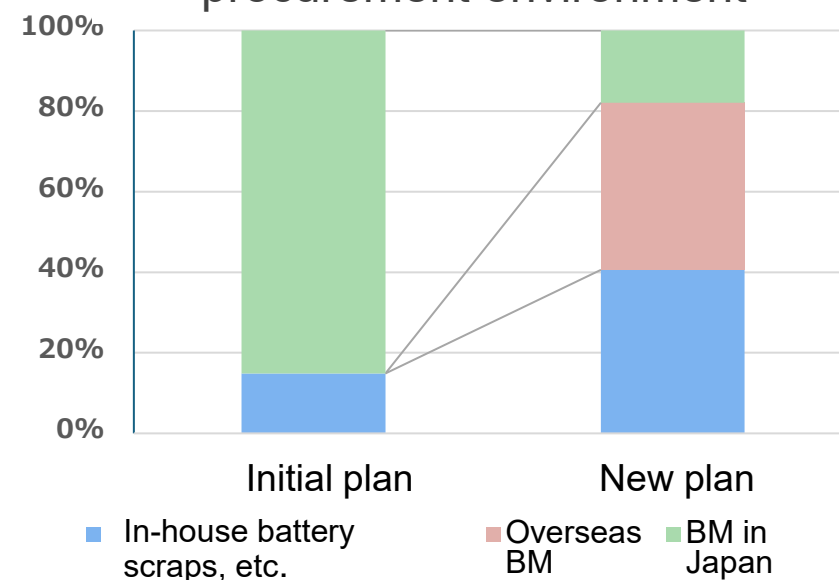
[Construction of secondary battery recycling plants]

- ◆ Wet processing plant (Niihama Nickel Refinery) **started trial run in March 2026.**
- ◆ Pyro- metallurgical plant (Toyo Smelter & Refinery) **to start operations in July 2026 as planned.**

[Raw material (mainly black mass (BM)) procurement environment has changed]

- ✓ Amount of BM generated in Japan has stagnated.
- ✓ It has become difficult to procure BM in Japan, which was supposed to be the main raw material in the initial plan.
- ✓ The plan is reviewed so as to give priority to increase processing of overseas BM and in-house and external battery scraps.

Changes in recycled material procurement environment



Construction of nickel matte production plant progressing as planned

[Hyuga Smelting]

- ◆ **Progressing as planned** for completion in FY2027.
Negotiations for raw material procurement **have also been progressing well.**

11. Strengthening Competitiveness in the Nickel Business

Plan to enhance scandium production capacity

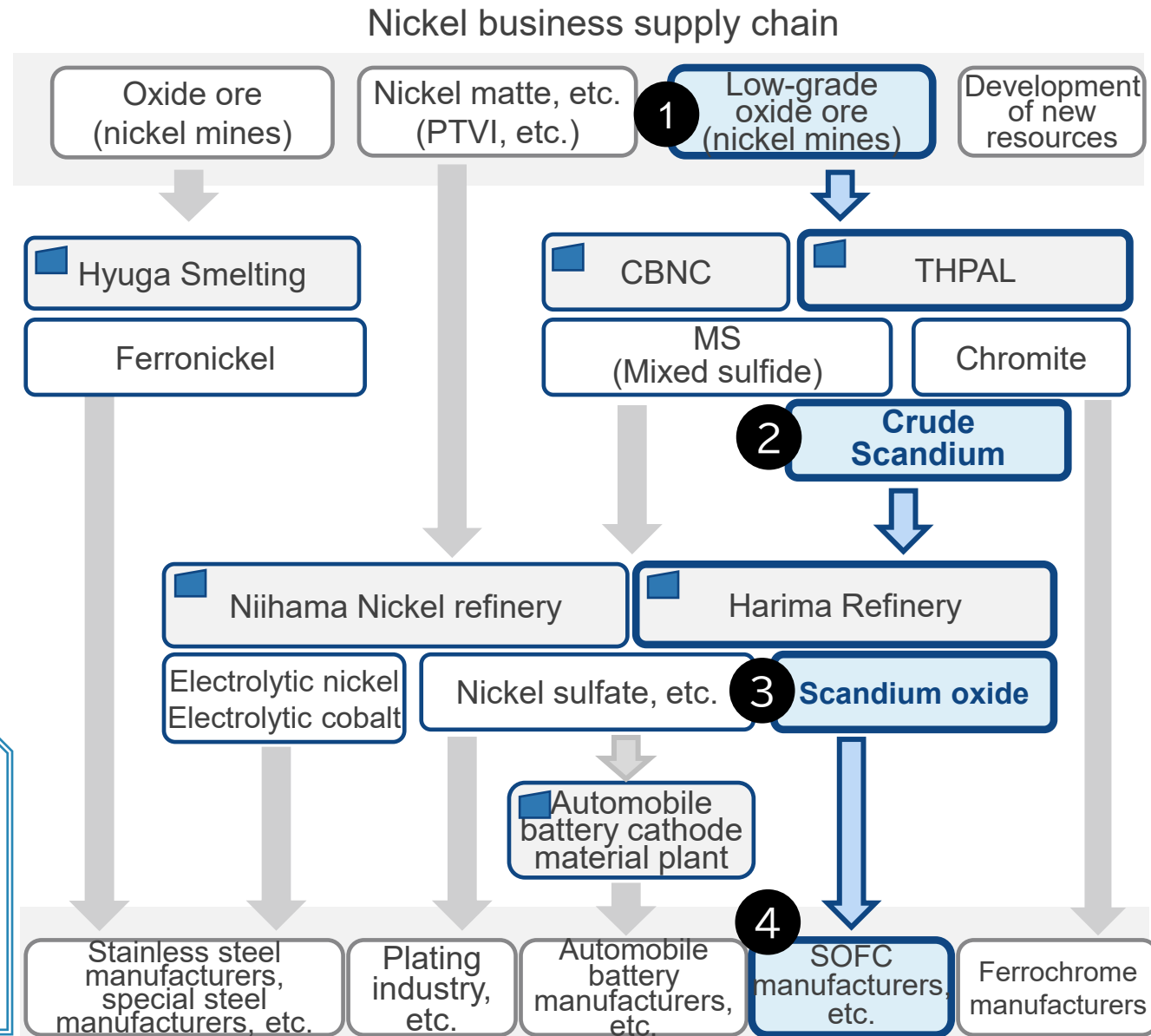
Scandium (Sc) is one of the rare earth elements. Global scandium consumption was approx. 60t in 2025.

→ Most of which is produced in China.

- ① Nickel ores contain a small amount of scandium.
- ② THPAL is producing scandium intermediate.
- ③ Refined into scandium oxide at Harima Refinery.
- ④ Sold for use in solid oxide fuel cells (SOFC), etc.

[SMM's advantage and future initiatives]

- ✓ One of the few suppliers outside China
- ✓ **Planning capacity enhancement** given demand increase
- ✓ Exploring new applications (aluminum alloy)
→ Aerospace, 3D printer, semiconductor materials, etc.



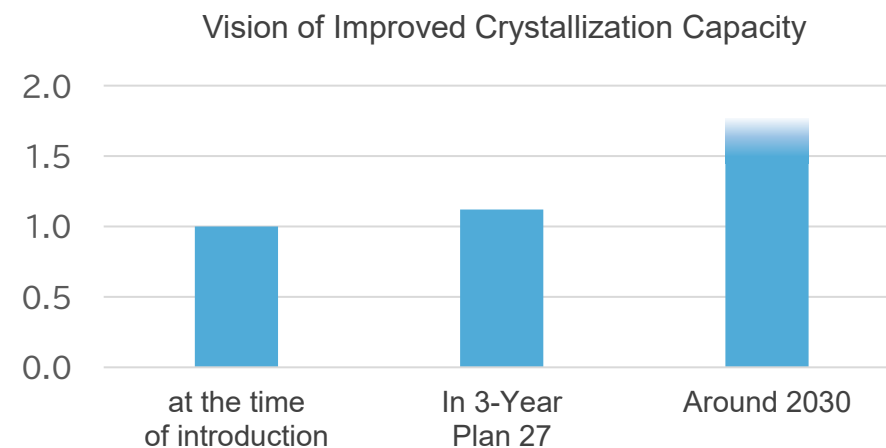
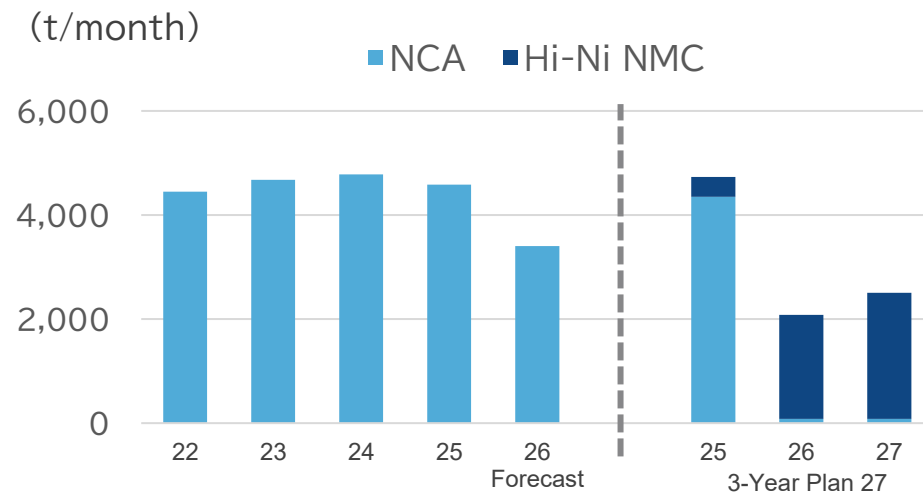
12. Battery Material Business: Switchover to High-Ni NMC Cathode Materials

[State of NCA Cathode Materials (Our Main Product)]

- ◆ FY2025: Customer demand steadily grew and sales continued to remain high.
- ◆ FY2026: Sales of NCA to continue to meet customer demand. Sales volume to be adjusted in preparation for the next changeover of product type.

[High-Ni NMC Cathode Materials]

- ◆ Working to align the launch of the high-Ni NMC cathode material with customer demand.
- ◆ Working to improve the production throughput of the high-Ni NMC cathode material.
- ◆ Selling NCA in tandem with the equipment work for the switchover to the next NMC cathode material.
- ◆ Continuing technological development to improve our mass production capacity (continuous processing).



13. Battery Material Business: Development of Next-generation Cathode Materials

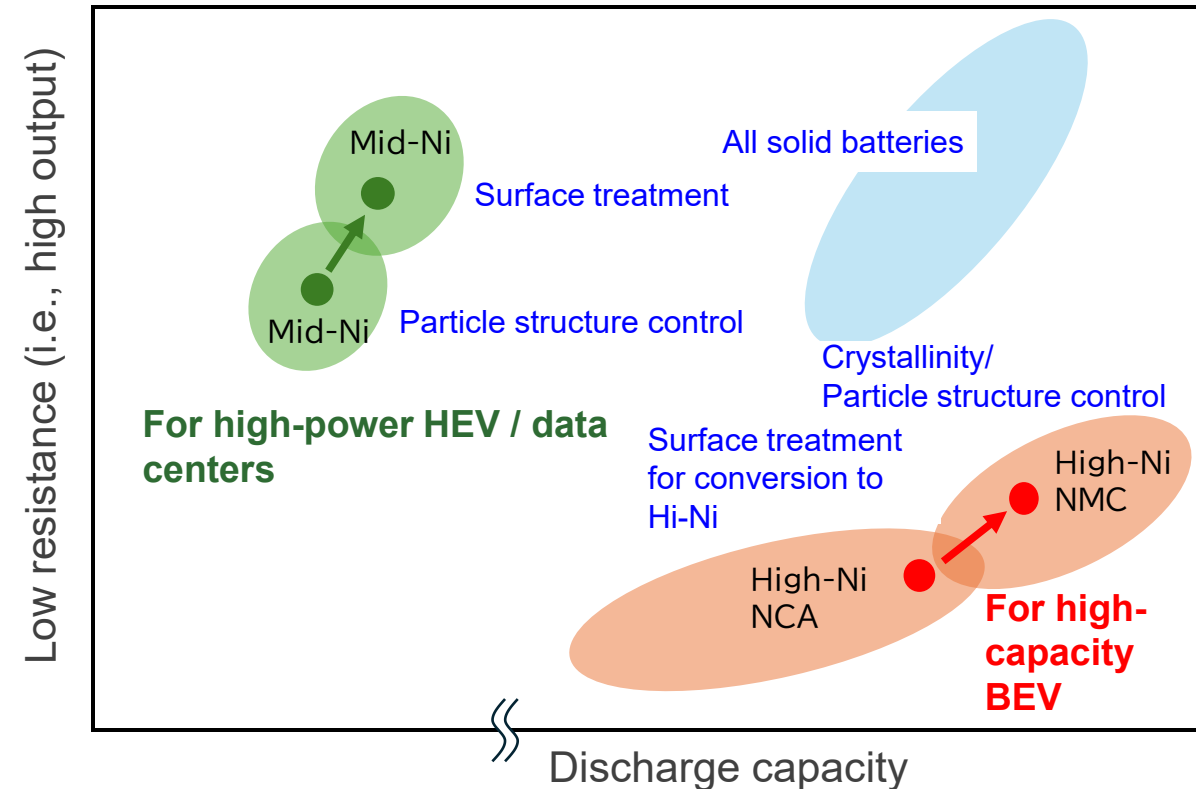
[Development of cathode materials used to produce all solid batteries (Nickel)]

- ◆ Continuing product development to achieve the goal of starting mass production in 2027 or 2028.
- ◆ Planning to redesign facilities for low-volume production.
- ◆ Planning to use an existing production base to achieve a launch as soon as possible.

[Development of the next-generation cathode materials]

- ◆ For BEV: Contribute to greater cruising ranges and lower costs.
Leverage our surface treatment and crystallinity control technologies.
Improve capacities and durability.
- ◆ For HEV: Contribute to lower costs.
Develop new products with improved features, including output and durability.
Enhance our particle structure control technology to improve output.

Directions of Our Cathode Material Development

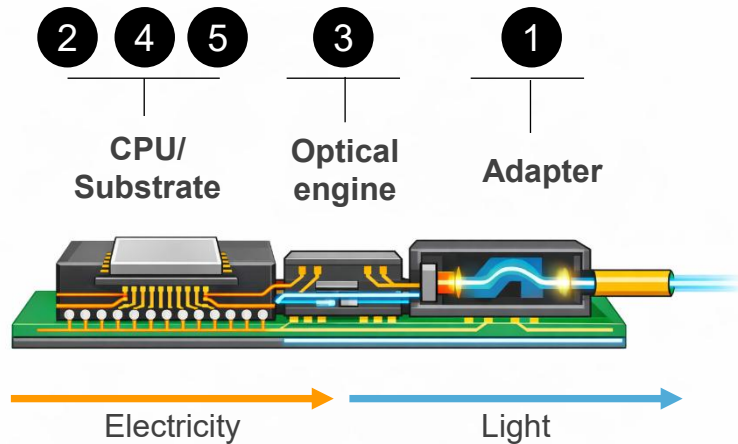


14. Advanced Materials Business: Toward the Next Stage of Growth


We focus our efforts on contributing to the advanced information and telecommunication field and to addressing social issues including carbon neutrality and energy conservation

[Advanced information and telecommunication field]

[Photonics-electronics convergence package (illustration)]



1



FR crystal
for optical isolators to stabilize optical signals
(page 35)

2




SiCkrest®
Next-generation semiconductor material
(page 36)

3



LN crystal
for thin film LN devices for photonics-electronics convergence
(page 37)

4



Oxidation-resistant copper nanoparticles
to support bonding and wiring

5



Thick film pastes
for MLCC, resistors, inductors

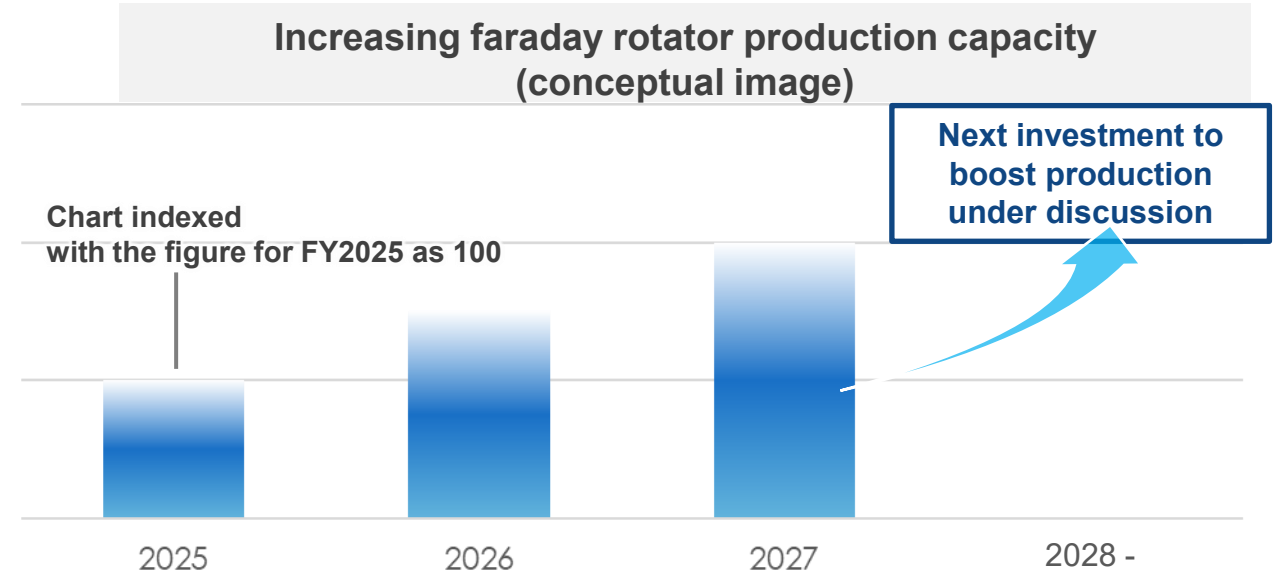
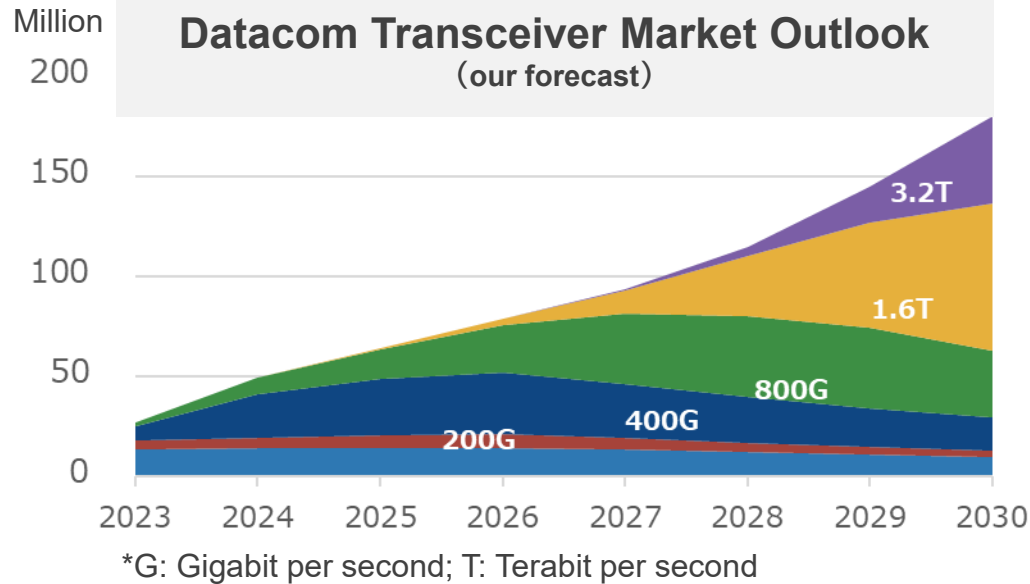
[Contribution to addressing social issues]

Global boiling: **Near-infrared light absorbing material (SOLAMENT™)** (page 38)

Creation of a hydrogen-based society: Nickel oxide for SOEC and SOFC (*)

15. Advanced Materials Business: Faraday Rotator (FR)

We are considering a further boost in our production capacity to meet growing demand



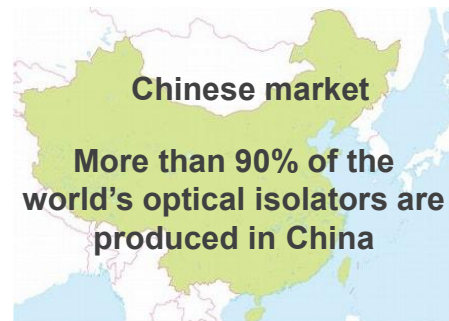
Production Capacity Expansion: Our Record and Plans

By FY2024	Established a sales company in Shenzhen, China (Granopt Optics Trading) Built Granopt Plant 2
FY2025 record	Invested in FR for production increase and automation SMM Precision invested in production increase for SGGG substrates, materials for FR
FY2026 - FY2027 plan	Continuing to invest in production increase and automation for FR and SGGG substrates
From FY2028	Production increase to meet demand under discussion

Granopt Plant 2



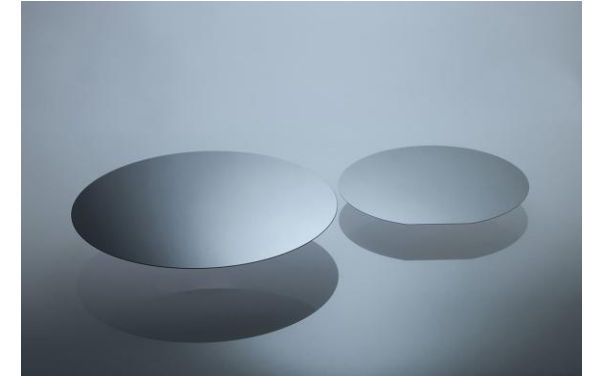
Sales company Granopt Optics Trading



16. Advanced Materials Business: Bonded SiC Substrate (SiCkrest®)

Accelerating customer qualification and licensing

- ◆ 6-inch: Used for power semiconductors leveraging the characteristics of SiCkrest®
- ◆ 8-inch: **Mass production line brought into operation at the end of 2025 as planned**
Mass-produced products scheduled for delivery from FY2026
- ◆ 12-inch: Development accelerated for practical use



Business Plan

Excellent characteristics of SiCkrest®

- ✓ **Resistivity reduced to half**

Conventional monocrystalline substrate: 20 mΩ-cm

SiCkrest®: Less than 10 mΩ-cm



- ✓ **Low resistance, smaller chips**
- ✓ **Curbed degradation for greater reliability**
- ✓ **Faster switching response**

		FY2025	FY2026	FY2027	FY2028
6-inch		Mass production; Acquiring new customers			
	Mass-production line	Line established (complete)			
	Company A	Customer evaluation and qualification	Mass production		
8-inch	Company A		Bonding license negotiations	Technical transfer	Mass production
	Other prospective customers		Evaluation	Mass production	
12-inch		Development			

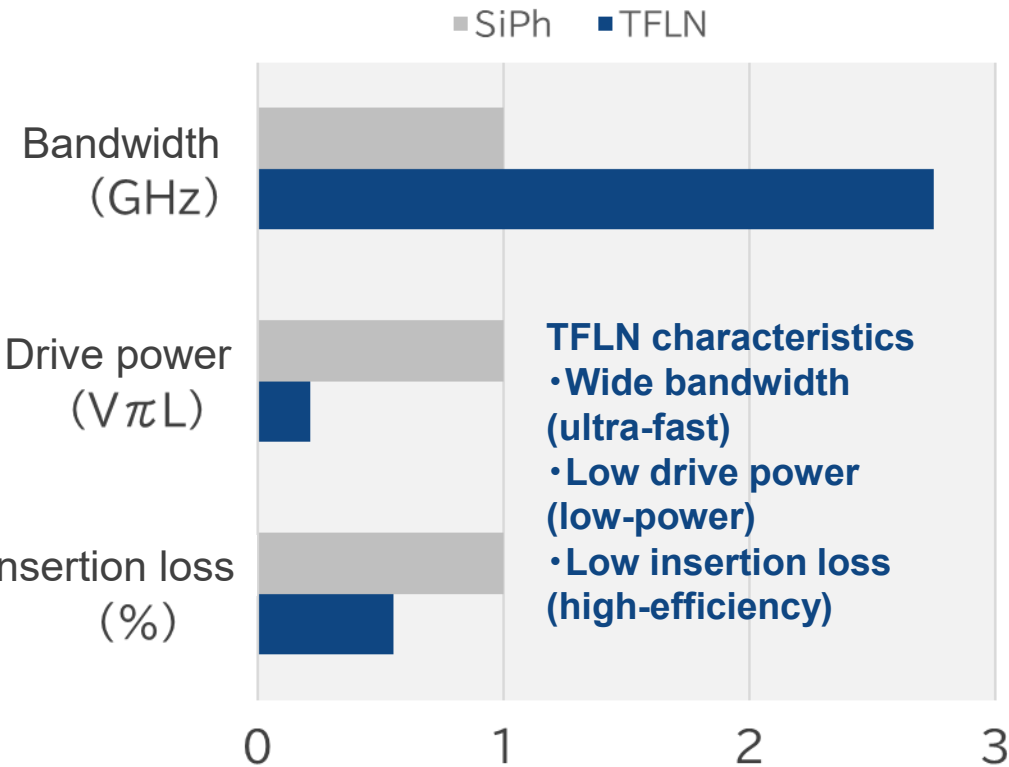
17. Advanced Materials Business: LN Crystal (for TFLN)

Greater transmission capacity geared to transition from electrical transmission to optical transmission

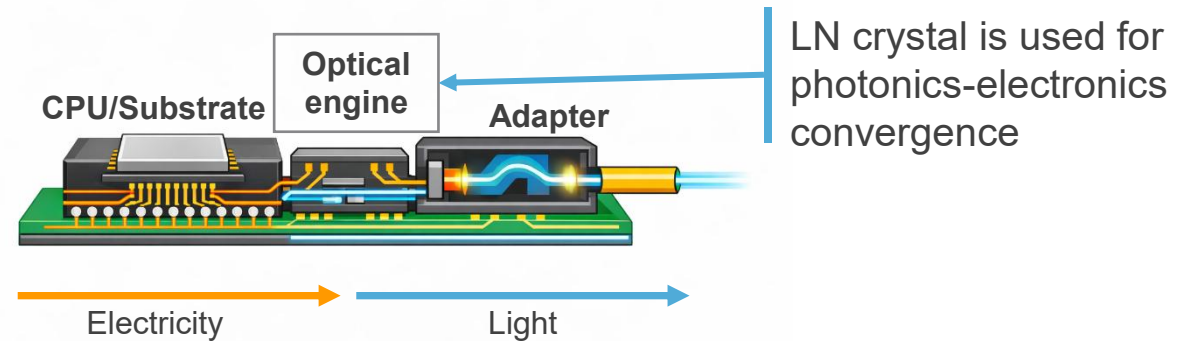
Aiming to achieve the growth of LN crystal as a material for ultra-fast and low-power TFLN

Silicon photonics (SiPh) is currently the mainstream technology, yet the material it uses likely reaches its limit when transmission capacity reaches 1.6 T to 3.2 T.

Device Characteristics in Comparison (with SiPh as 1)



[Photonics-electronics convergence package (illustration)]



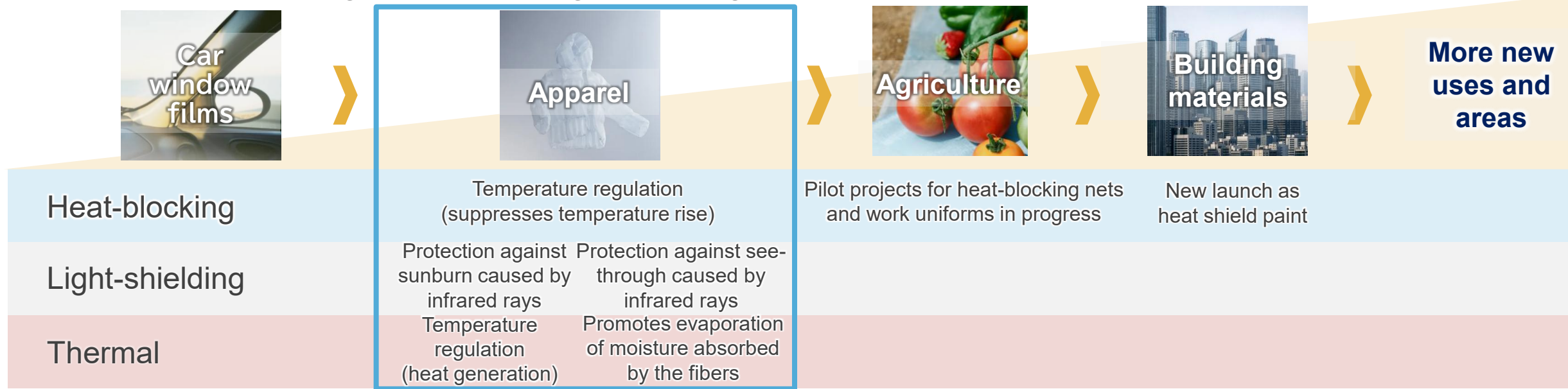
[Our Advantages]

- ✓ We have a proven track record of LN mass production for SAW (we boast stable quality and production capacity).
- ✓ We develop crystal technologies leveraging our optical technologies based on the knowledge we have acquired from our communication device business.
- ✓ We optimize substrate processing technologies using the SiCkrest® bonding technology.

18. Advanced Materials Business: SOLAMENT™ (near-infrared light absorbing material)

Speeding up rollouts into new areas through effective branding

- ◆ SOLAMENT™, our proprietary material, combines high visible light transmittance and an enormous capacity for absorbing near-infrared light.
- ◆ With its heat-blocking, thermal, and light-shielding features, the product addresses social issues.



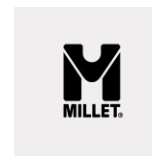
Growing number of business partnerships with leading brands

Our Product Adoption



- ✓ Japan national baseball team uniform
- ✓ Japan women's national volleyball team uniform

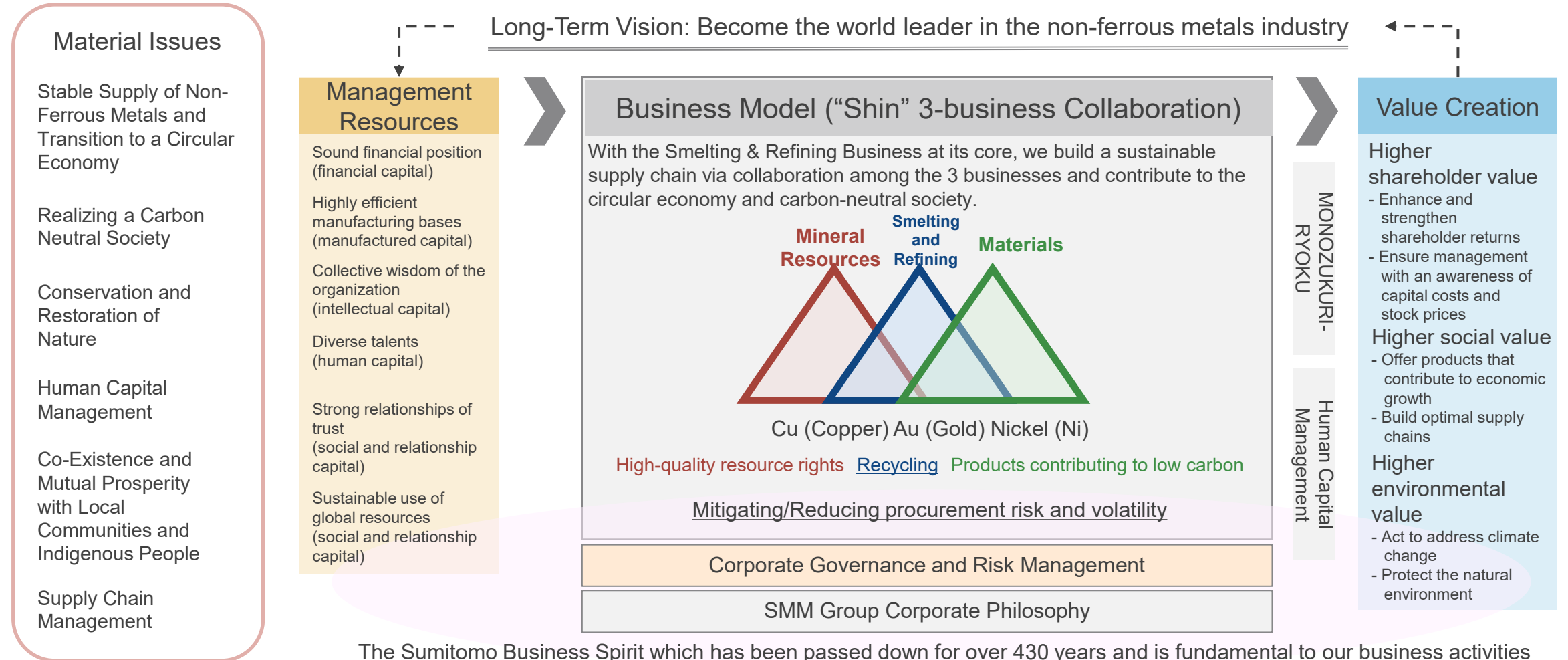
Our Business Partners



etc.

19. Conclusion

As the business environment grows increasingly uncertain, we operate across the upstream and downstream sectors, taking advantage of our unique business model (“Shin” 3-business Collaboration) that also integrates the recycling sector.



V. Supplementary Materials

- I Executive Summary
- II Safety Initiatives
- III FY2025 Financial Results and FY2026 Full Year Forecast
- IV Progress in Key Strategy and Measures of 3-Year Plan 27
- V Supplementary Materials**

1. Non-ferrous Metal Prices and Exchange Rates (USD/JPY, Au)

Exchange Rate (USD/JPY) (cY2000~)



Gold Price(cY2000~)



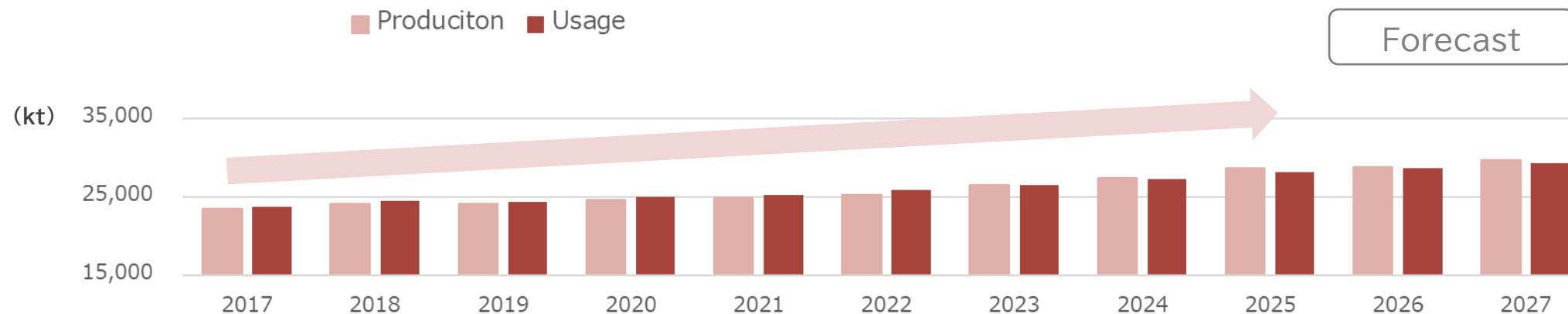
2. Non-ferrous Metal Prices and Exchange Rates (Cu)

Data/Reference

Copper Price(cY2000~)



Copper Supply and Demand(cY2017~)



Source: Compiled by our company from the following publications:

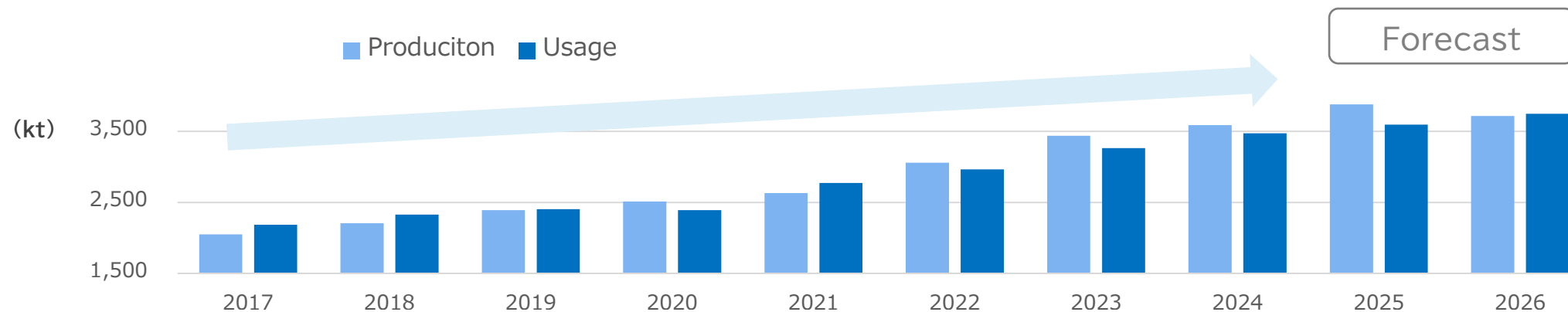
- International Copper Study Group, "Release of ICSG 2024 Statistical Yearbook" (October 30, 2025), for data from 2017 to 2024
- International Copper Study Group, "ICSG Copper Market Forecast 2026-2027" (April 23, 2026), for data from 2025 to 2027

3. Non-ferrous Metal Prices and Exchange Rates (Ni)

Nickel Price(cY2000~)



Nickel Supply and Demand(cY2017~)



Source: Compiled by our company from the following publications:

- JOGMEC, "Mineral Resources Material Flow 2022: Nickel" (published January 25, 2024), for data from 2017 to 2021
- International Nickel Study Group, "INSG April 2025 Meetings Press Release" (April 24, 2024), for data from 2022
- International Nickel Study Group, "INSG April 2026 Meetings Press Release" (April 22, 2026), for data from 2023 to 2026

[Major mines in which the SMM Group has interests]

Morenci

SMM interest: 25%

Mineral volume calculation standards: S-K 1300 (U.S.A.)/as of December 31, 2025

(25%)	Grade (%)	Copper volume (Kt)
Proven and probable mineral reserves (Note:1,3)	0.22	1,970
(25%)	Grade (%)	Copper volume (Kt)
Measured and indicated mineral resources (Note:2,3)	0.21	1,940
Inferred mineral resources (Note:2,3)	0.21	440

Reference

FY2025 production volume (Results)

78.5kt (25%)

Northparkes

SMM interest: 13.3%

Mineral volume calculation standards: JORC Code 2012 (Australia)/as of December 31, 2024

(13.3%)	Grade (%)	Copper volume (Kt)
Proven and probable mineral reserves (Note:1,3)	0.52	70
(13.3%)	Grade (%)	Copper volume (Kt)
Measured and indicated mineral resources (Note:2,3)	0.50	360
Inferred mineral resources (Note:2,3)	0.46	30

Reference

FY2025 production volume (Results)

4.8kt (13.3%)

(Note) See slide 49 for notes.

[Major mines in which the SMM Group has interests]

Winu Copper-Gold Project

SMM interest: 30% (The figures in the table below are on a 100%)
 Mineral volume calculation standards: JORC Code 2012 (Australia)/ as of December 31, 2024

(100%)	Grade (%)	Copper volume (Kt)
Proven and probable mineral reserves (Note:1,3)	-	-
(100%)	Grade (%)	Copper volume (Kt)
Measured and indicated mineral resources (Note:2,3)	0.39	1,810
Inferred mineral resources (Note:2,3)	0.41	1,130

On October 31, 2025, the transaction to acquire a 30% interest in the Winu Copper-Gold Project was closed.

[Major mines in which the SMM Group has interests through equity-method affiliates]

Quebrada Blanca

SMM interest: 25% (The figures in the table below are on a 100%)
 Mineral volume calculation standards: NI-43-101 (Canada)/as of December 31, 2025

(100%)	Grade (%)	Copper volume (Kt)
Proven and probable mineral reserves (Note:1,3)	0.53	7,050
(100%)	Grade (%)	Copper volume (Kt)
Measured and indicated mineral resources (Note:2,3)	0.38	17,120
Inferred mineral resources (Note:2,3)	0.34	12,680

Reference

FY2025 production volume (Results) **183kt** (100%)

(Note) See slide 49 for notes.

[Major mines in which the SMM Group has interests through equity-method affiliates]

Cerro Verde

SMM interest: 16.8% (The figures in the table below are on a 100%)
 Mineral volume calculation standards: S-K 1300 (U.S.A.)/as of December 31, 2025

(100%)	Grade (%)	Copper volume (Kt)
Proven and probable mineral reserves (Note:1,3)	0.34	13,170
(100%)	Grade (%)	Copper volume (Kt)
Measured and indicated mineral resources (Note:2,3)	0.33	5,710
Inferred mineral resources (Note:2,3)	0.33	1,370

Reference

FY2025 production volume (Results) **391kt** (100%)

Candelaria Complex (including Ojos Del Salado)

SMM interest: 16% (The figures in the table below are on a 100%)
 Mineral volume calculation standards: NI-43-101 (Canada)/as of December 31, 2025

(100%)	Grade (%)	Copper volume (Kt)
Proven and probable mineral reserves (Note:1,3)	0.46	2,730
(100%)	Grade (%)	Copper volume (Kt)
Measured and indicated mineral resources (Note:2,3)	0.55	7,490[※]
Inferred mineral resources (Note:2,3)	0.55	700

Reference

FY2025 production volume (Results) **140kt** (100%)

(Note) See slide 49 for notes.

[Major mines owned by the SMM Group / in which the SMM Group has interests]

Hishikari Mine

Mineral volume calculation standards: JIS M 1001:1994 (Japan)/as of December 31, 2025

(100%)	Grade (g/t)	Gold volume (t)
Gold mineable reserve*	17.9	154

*Calculated based on the Hishikari Mine Mineable Volume Calculation Standards, which complies with Japanese Industrial Standards (JIS) M1001-1994.

Reference

FY2025 production volume (Results)	3.6 t (100%)
---------------------------------------	------------------------

Winu Copper-Gold Project

SMM interest: 30% (The figures in the table below are on a 100%)

Mineral volume calculation standards: JORC Code 2012 (Australia)/ as of December 31, 2024

(100%)	Grade (%)	Copper volume (Kt)
Proven and probable mineral reserves (Note:1,3)	-	-
(100%)	Grade (%)	Copper volume (Kt)
Measured and indicated mineral resources (Note:2,3)	0.32	148
Inferred mineral resources (Note:2,3)	0.36	100

On October 31, 2025, the transaction to acquire a 30% interest in the Winu Copper-Gold Project was closed.

(Note) See slide 49 for notes.

[Major mines in which the SMM Group has interests]

※For the Côte Gold Mine, in accordance with the operator's reporting classification, the measured and indicated mineral resources (Côte Deposit and Gosselin Deposit) include the proven and probable mineral reserves .

Côte Gold Mine (Côte Deposit)

SMM interest: 30%

Mineral volume calculation standards: NI-43-101 (Canada)/as of December 31, 2025

(30.0%)	Grade (g/t)	Gold volume (t)
Proven and probable mineral reserves (Note:1,3)	1.01	66
(30.0%)	Grade (g/t)	Gold volume (t)
Measured and indicated mineral resources (Note:2,3)	0.83	105 ※
Inferred mineral resources (Note:2,3)	0.60	11

Reference

FY2025 production volume (Results)

3.7t (30%)

Côte Gold Mine (Gosselin Deposit)

SMM interest: 30%

Mineral volume calculation standards: NI-43-101 (Canada)/as of December 31, 2025

(30.0%)	Grade (g/t)	Gold volume (t)
Proven and probable mineral reserves (Note:1,3)	-	-
(30.0%)	Grade (g/t)	Gold volume (t)
Measured and indicated mineral resources (Note:2,3)	0.80	64 ※
Inferred mineral resources (Note:2,3)	0.79	9

(Note) See slide 49 for notes.

[Notes]

Please note the following points regarding each slide of the metal volume under mineral resource interests.

- The "measured mineral resources", "indicated mineral resources", or "inferred mineral resources" in this presentation do not necessarily mean that they are or will be economically or legally mineable. Further, "inferred mineral resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that any part or all of an inferred mineral resource will ever be upgraded to a higher category.
- The data set out in this presentation are estimates, and no assurance can be given that the anticipated volumes and grades will be achieved.

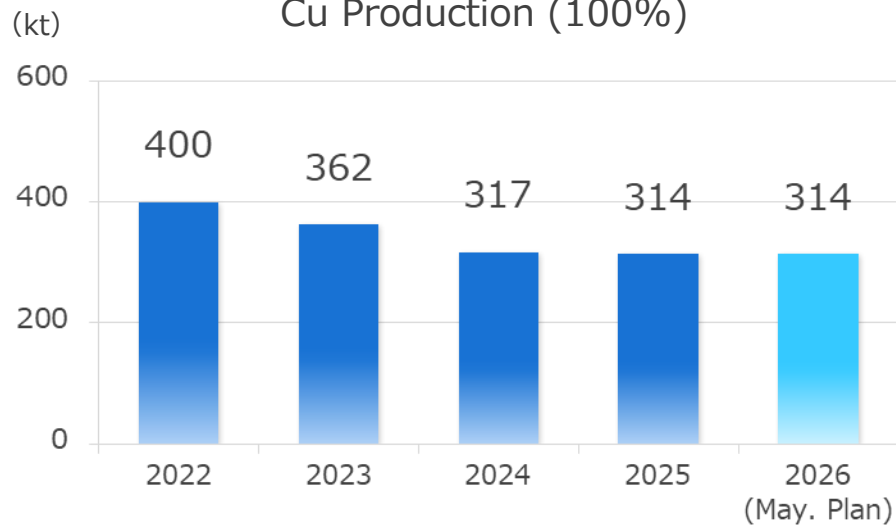
- (Notes) 1. Proven and probable mineral reserves represents the volume where mining is economically feasible, calculated based on mineral volume calculation standards of each country.
2. The volume of mineral resources represents the volume of minerals discovered, calculated based on mineral volume calculation standards of each country and classified based on the certainty of ore grade and volume.
The volume of mineral resources is classified as "measured," "indicated," or "inferred" in the order of precision. To be considered as reserves where mining is economically feasible, the precision needs to be "indicated" or higher.
3. Figures for proven and probable mineral reserves, measured and indicated mineral resources, and inferred mineral resources are those as of December 31, 2023. The classification of proven and probable mineral reserves, measured and indicated mineral resources, and inferred mineral resources is based on reports from the operating companies that have the operator rights of the copper mines.

Morenci (U.S.A.)

Interest	FCX	72%
	SMM	25%
	Sumitomo Corp.	3%



Cu Production (100%)

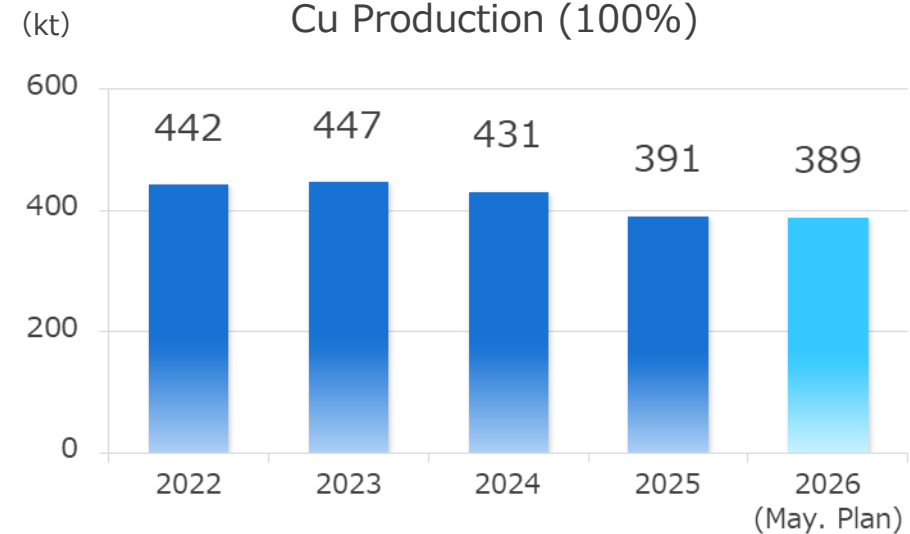


Cerro Verde (Peru)

Interest	FCX	55.08%
	SMM	16.80%
	Sumitomo Corp.	4.20%
	Others	23.92%

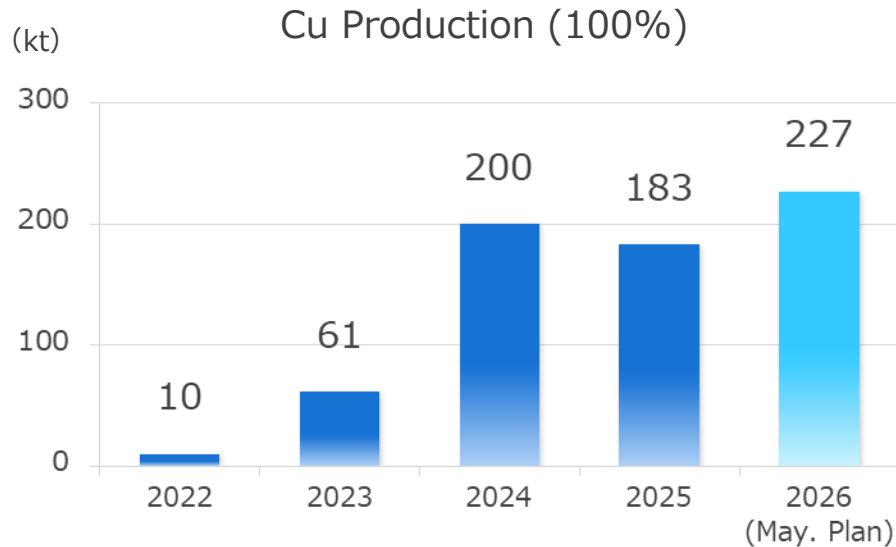


Cu Production (100%)



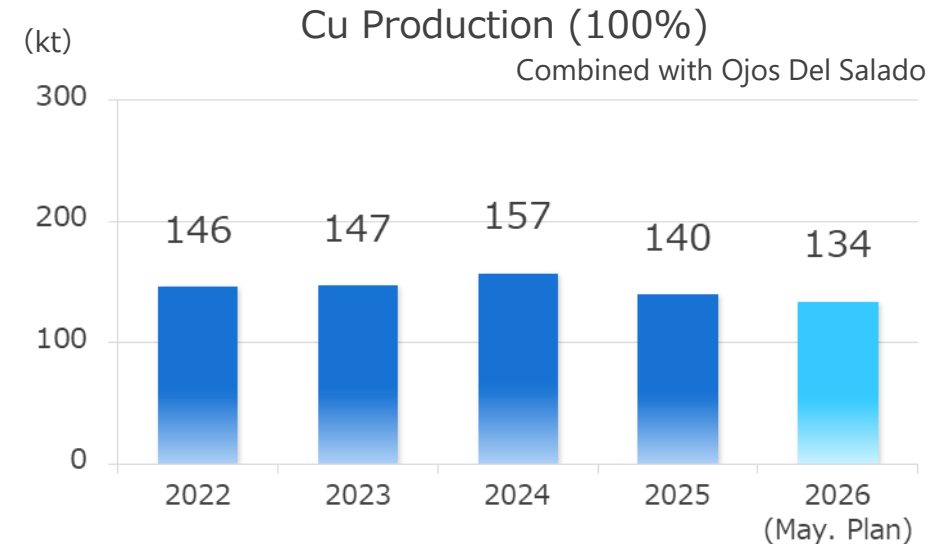
Quebrada Blanca (Chile)

Interest	Teck	60%
	SMM	25%
	Sumitomo Corp.	5%
	Others	10%



Candelaria Complex (Chile)

Interest	Lundin	80%
	SMM	16%
	Sumitomo Corp.	4%

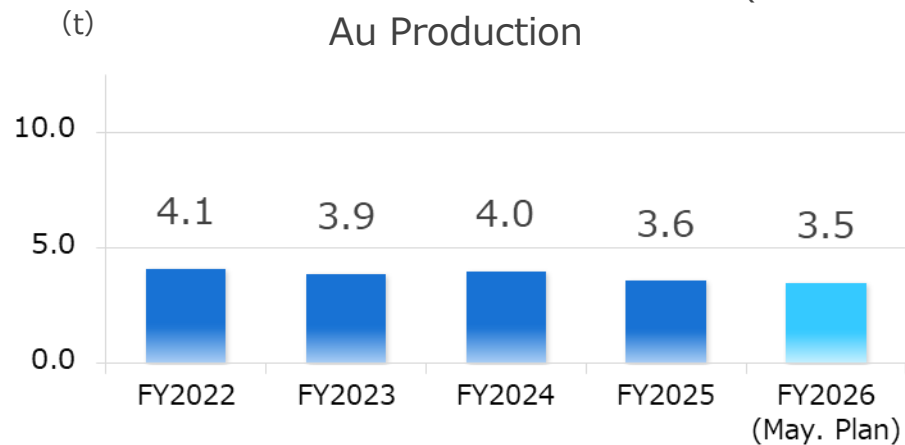


Hishikari Mine (Kagoshima Pref.)

Interest SMM 100%



- Mineable gold reserve as of the end of 2025:
154 tons (JIS Standard)

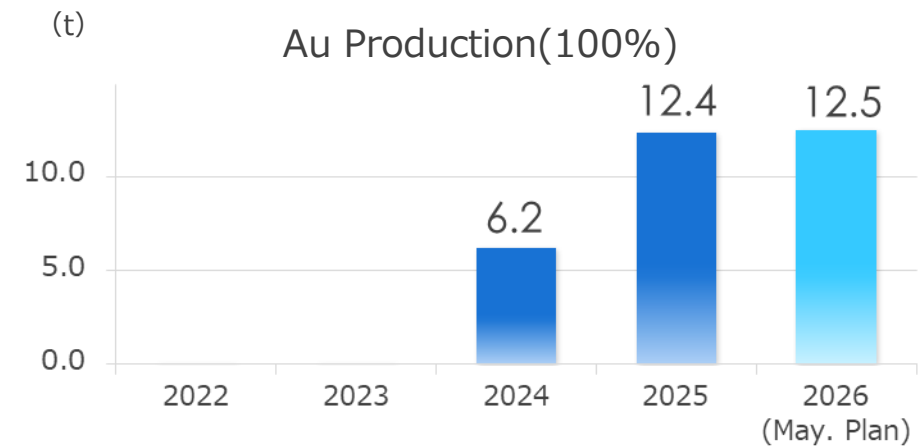


Côte Gold Mine (Canada)

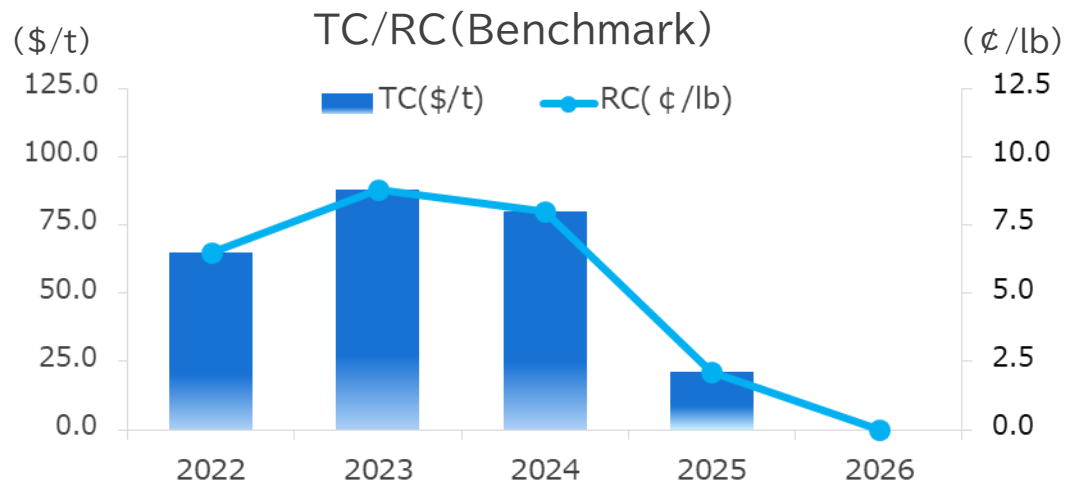
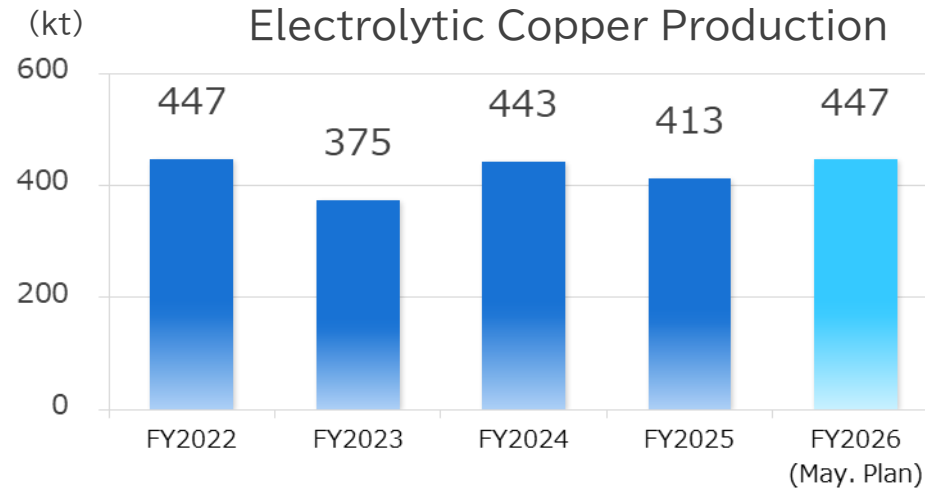
Interest IAMGOLD SMM 70% 30%



- Commercial Production begun in August 2024

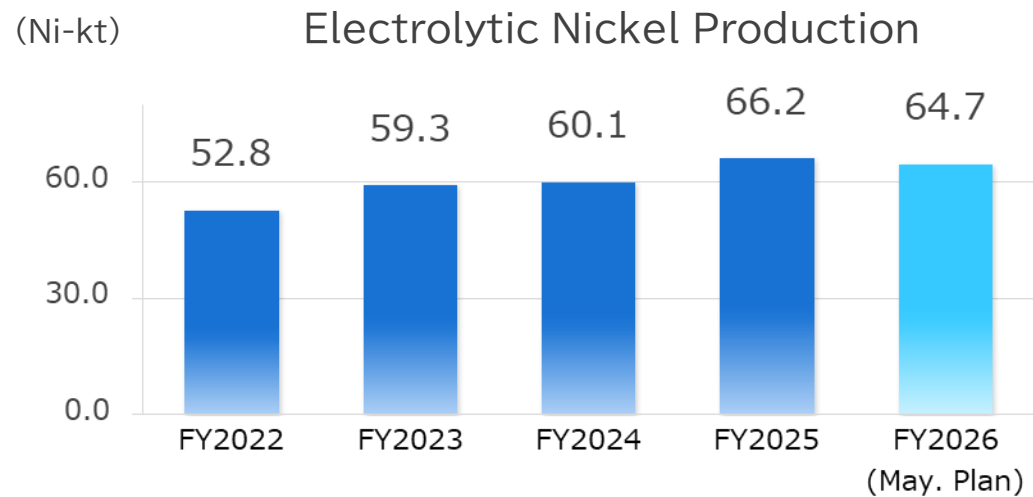
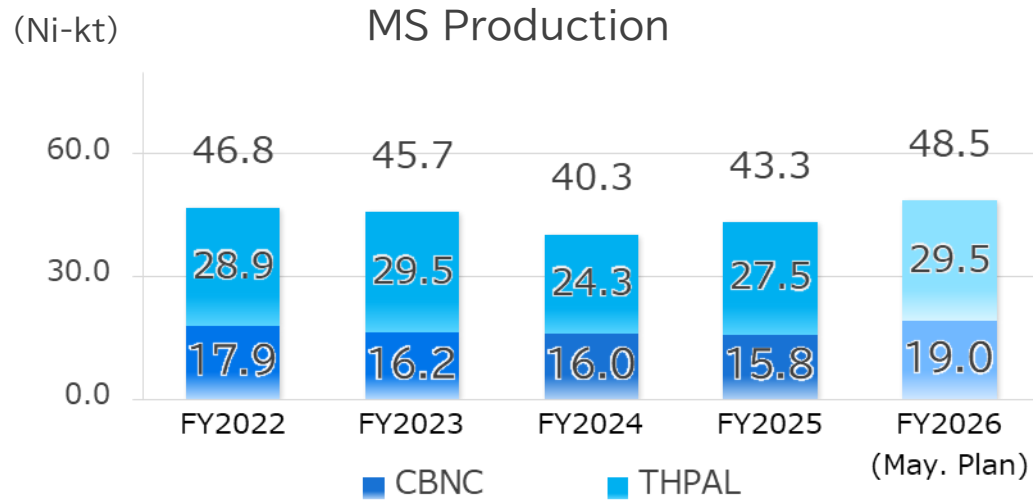


Toyo Smelter & Refinery (Ehime Pref.)



- Periodical shutdowns were carried out during FY2023 and FY2025.
- Facility improvement continued in order to boost production (from 450 thousand tonnes/year to 460 thousand tonnes/year).
- Starting from FY2026, we do not refer to TC/RC benchmarks as we procure raw materials. Now, individual negotiations with mining companies are the key part of our procurement.

CBNC、THPAL(Philippines)、Niihama Nickel Refinery (Ehime Pref.)

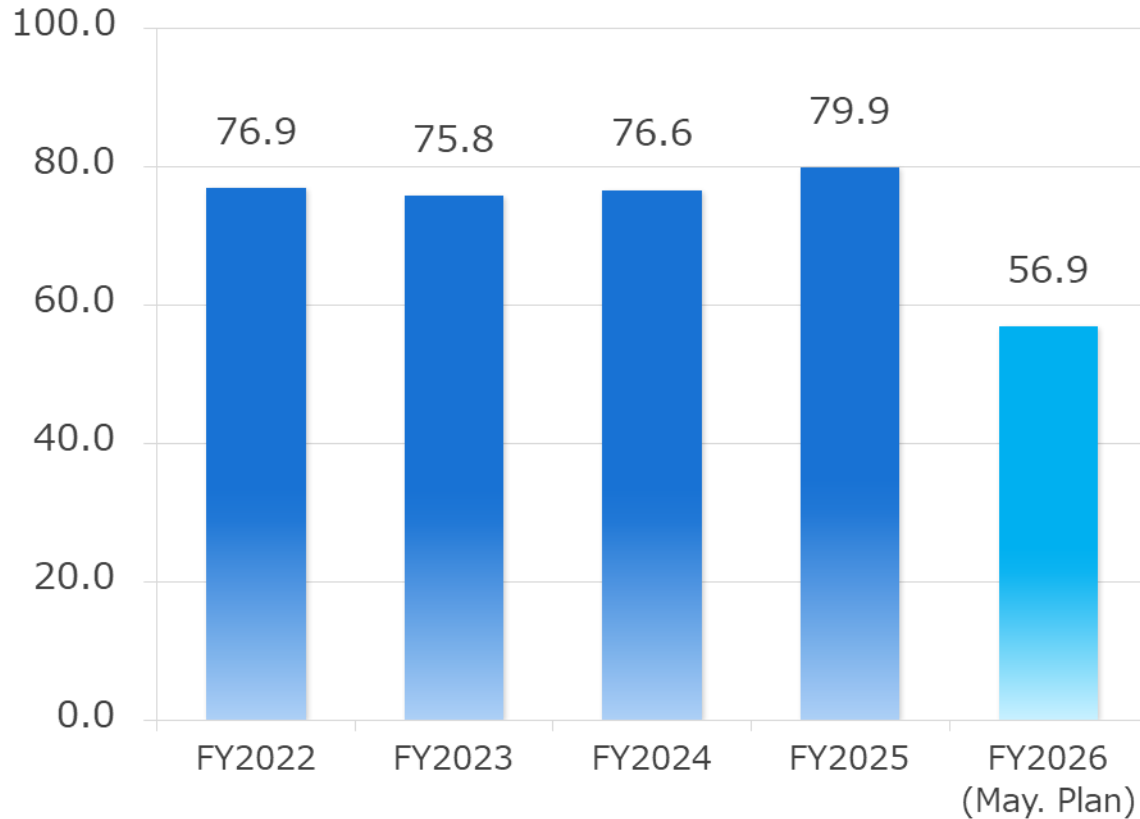


THPAL

Niihama Nickel Refinery (Ehime Pref.), Harima Refinery (Hyogo Pref.)

Nickel sulfate production
(Niihama Nickel+Harima)

(Nickel Sulfate Ni-kt)

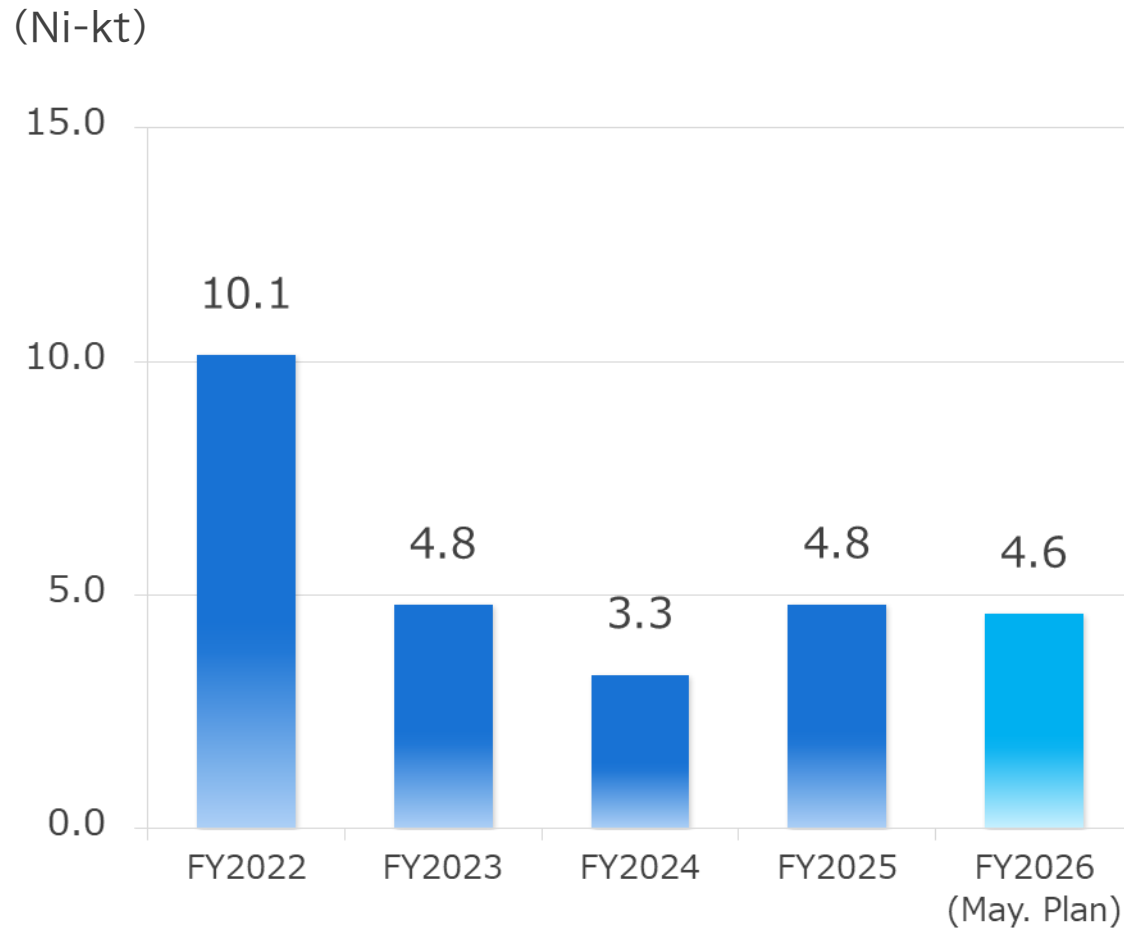


Harima Refinery

- Output will be cut in FY2026 owing to lower production as we switch to a new type of battery material.

Hyuga Smelting Co.,Ltd (Miyazaki Pref.)

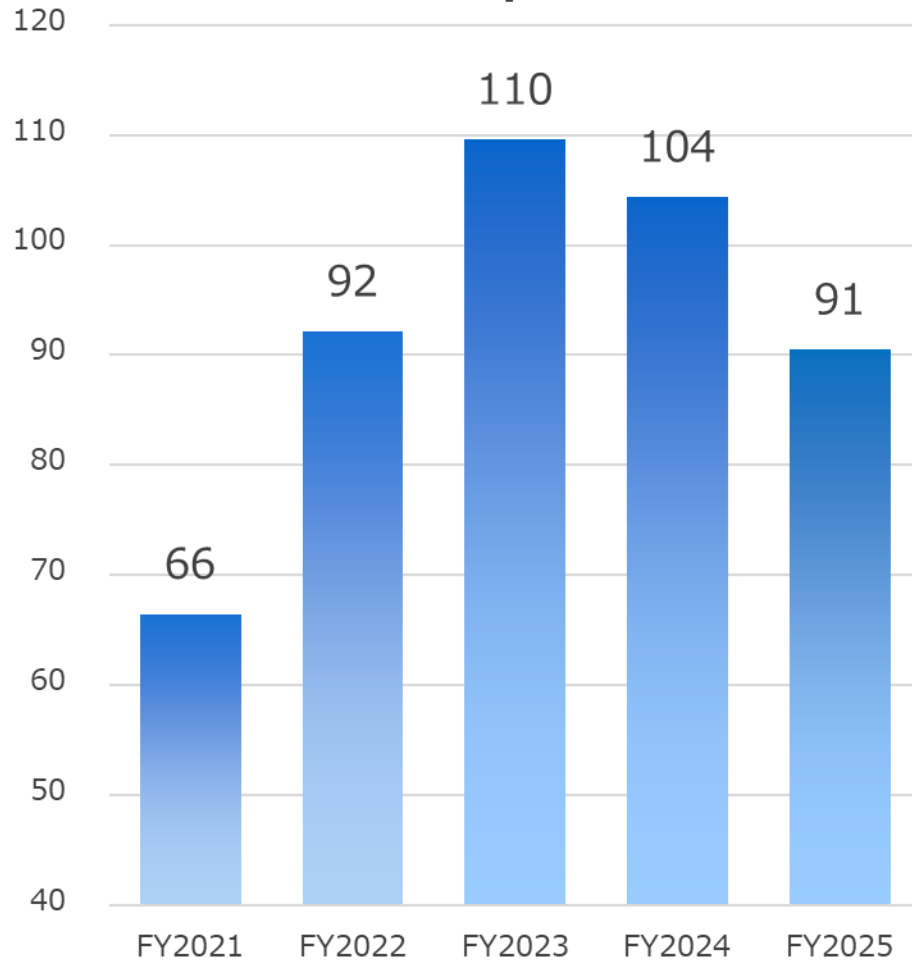
Fe-Ni Production



- Production has been adjusted through a temporary shutdown and by other means, considering the current business environment.
- During the shutdown, we plan to take measures to cut costs, renew facilities, and cut GHG emissions.
- A business restructuring is in progress (a nickel matte production furnace is under construction).

(In ¥100 million)

R&D Expense



Promoting the development of products, new technologies and processes that contribute to carbon neutrality

- ◆ Development of low-carbon smelting & refining technologies
 - ✓ Technology for Hydrogen reduction smelting of nickel oxide ore
 - ✓ Direct lithium extraction technology
- ◆ Development of products that contribute to low carbon emissions
 - ✓ Ni-based catalyst materials for hydrogen production
 - ✓ Cathode materials for all-solid-state batteries (NEDO-subsidized project)
- ◆ Exploration of advanced materials (materials using hydrogen, future battery materials)
 - ✓ Exploring new material themes at GX Materials Science Co-creation Research Center established in Tohoku University
- ◆ New businesses to reduce carbon footprints
 - ✓ Battery recycling (Ni, Co, Cu, Li) (NEDO-subsidized project)
 - ✓ Research on photocatalyst materials for artificial photosynthesis: water-splitting catalyst
 - Photocatalyst for carbon dioxide reduction (an industry-academia joint course with Kyoto University)

18. Status of Business - Research & Development (2)

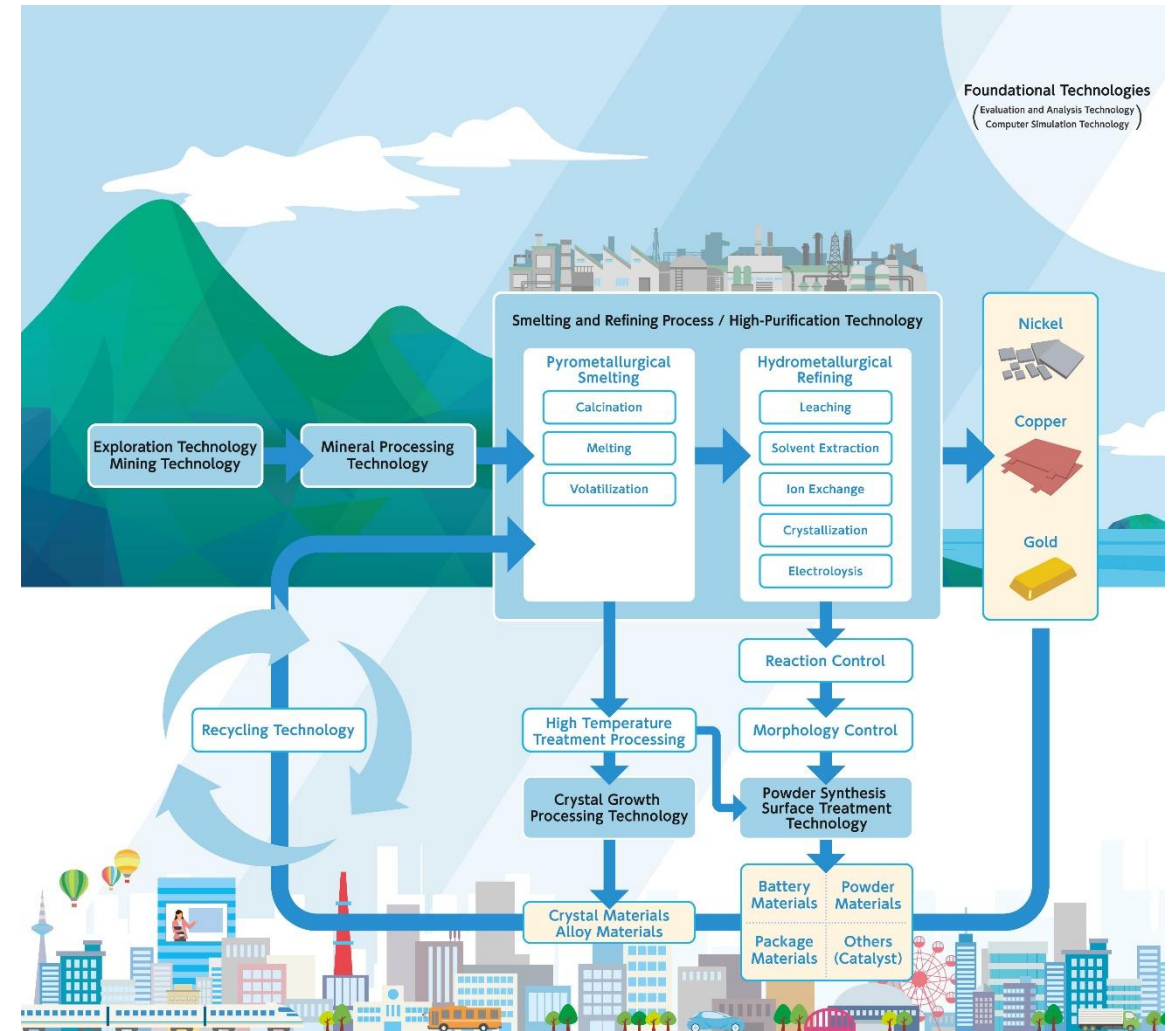
The SMM Group started with refining technology known as “Nanban-buki,” the first of its kind in Japan, developed by Soga Riemon around 1600. The technical capabilities that have been enhanced throughout the Group’s history are now organically linked in our three businesses of Mineral Resources, Smelting & Refining, and Materials.

The Company possesses core technologies including exploration and mining technology, mineral processing technology, smelting and refining process technology, crystal growth and processing technology, and powder synthesis and surface treatment technology as well as fundamental technologies that support these, including evaluation and analysis technology and computer simulation technology.

We use exploration, mining, and mineral processing technologies from searching for ore deposits to separation and concentration of valuable metals. In our smelting and refining processes, we recover high-purity nickel, copper, gold, and other metals by combining pyrometallurgy, which processes acquired ores and recycled materials at high temperature, with hydrometallurgy, which controls reactions.

The application of these pyrometallurgical technologies has led to advances in crystal growth and processing technologies and that are now used in the manufacture of current crystal materials and alloy materials. In addition, the chemical reaction control technologies developed through hydrometallurgical techniques have led to advances powder synthesis and surface treatment technologies, and those are used in the manufacture of powder materials and battery materials.

Furthermore, in recent years, we have leveraged the strengths of these two metallurgies such as pyrometallurgy and hydrometallurgy processes to achieve the first in Japan “battery to battery” horizontal recycling, recovering metals from used secondary batteries. We are currently conducting research and development with the objective of building sustainable supply chains and achieving a circular economy.



Results

	Mineral Resources	Smelting & Refining	Materials (Battery material and Advanced material *1 *2)
FY2022 Result	8.6%	12.0%	4.8%
FY2023 Result	4.6%	5.8%	-2.9%
FY2024 Result	5.7%	-2.1%	-32.3%
FY2025 Result	10.9%	7.1%	2.2%

*1 Figures for "Materials" above do not include other than battery material and advanced material.

*2 Excluding certain product groups under business restructuring and those in the launch phase, the Company's main product groups are generally exceeding a ROCE of 6.5%.

**【Reference : Calculation in FY2027 under 27 3-Year Plan
(ROCE standard during 3-Year Plan 27 period: 6.5%)】**

	Mineral Resources	Smelting & Refining			Materials
3-Year Plan 27 2027	10.1%	4.5%			4.1%
	Cu	Ni	Gold	Exchange rate (¥/\$)	
3-Year Plan 27 Assumed price for calculation	\$9,400/t	\$7.50/lb	\$2,400/toz	140.00	

20. Changes in Financial Results (FY2020 - FY2026 Forecast)

Data/Reference

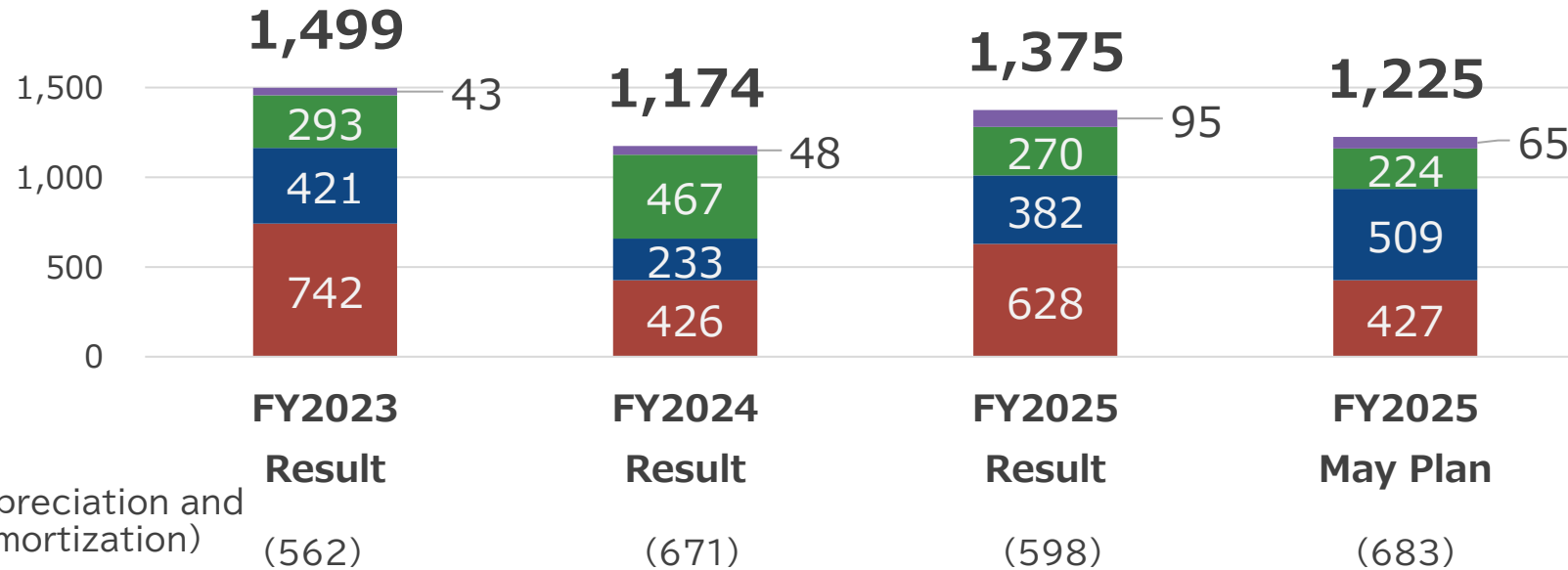
(in ¥100 million)		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 (May.Forecast)
Net sales		9,261	12,591	14,230	14,454	15,933	17,416	18,830
Gross profit		1,509	2,578	2,501	1,661	585	2,745	2,370
Profit / loss before tax		1,234	3,574	2,299	958	314	2,557	2,290
Equity method profit/loss		87	575	365	331	87	406	590
	Mineral Resources	631	2,085	764	528	1,018	1,678	1,960
	Smelting & Refining	530	1,148	1,179	622	-71	916	240
	Materials	105	276	173	-72	-542	153	40
	Other	-28	-9	-30	-15	-12	-21	-40
	Diff. adjustment	-4	74	213	-105	-79	-169	90
Net income attributable to owners of parent		946	2,810	1,606	586	165	1,763	1,390
Copper (USD/t)		6,879	9,691	8,551	8,362	9,370	10,816	11,000
Nickel (USD/lb)		6.80	9.35	11.63	8.68	7.51	7.08	7.50
Gold (USD/toz)		1,824	1,818	1,805	1,989	2,585	3,939	4,200
Cobalt (USD/lb)		16.62	27.46	25.57	14.16	10.89	19.67	21.00
Exchange (JPY/\$)		106.07	112.39	135.48	144.63	152.58	150.78	155.00

21. Capital Investment, Investments and Financing

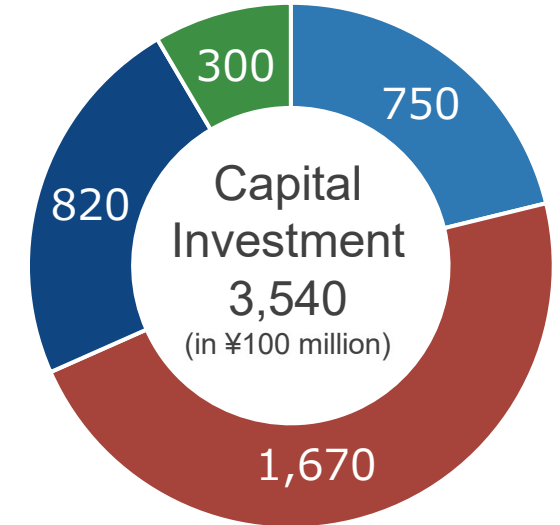
(in ¥100 million)

Trends of Capital Investment

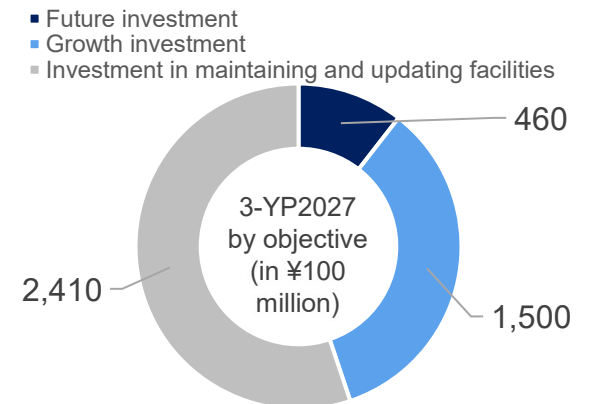
■ Mineral Resources ■ Smelting & Refining ■ Materials ■ R&D/Other



3-Year Plan 2027 Capital Investment, Investments and Financing



+ Investments and financing
830 (in ¥100 million)



[Key Projects in FY2026 May Plan]

- (i) Construction of a lithium-ion secondary battery recycling plants
- (ii) Construction of a nickel matte production plant
- (iii) Construction of an 8-inch silicon carbide substrate mass production line

Investments and financing
excl. capital investment

FY2024 Result	856
FY2025 Result	673
Forecast as of May 2026	536

22. Sensitivity for FY2026 Forecast in May

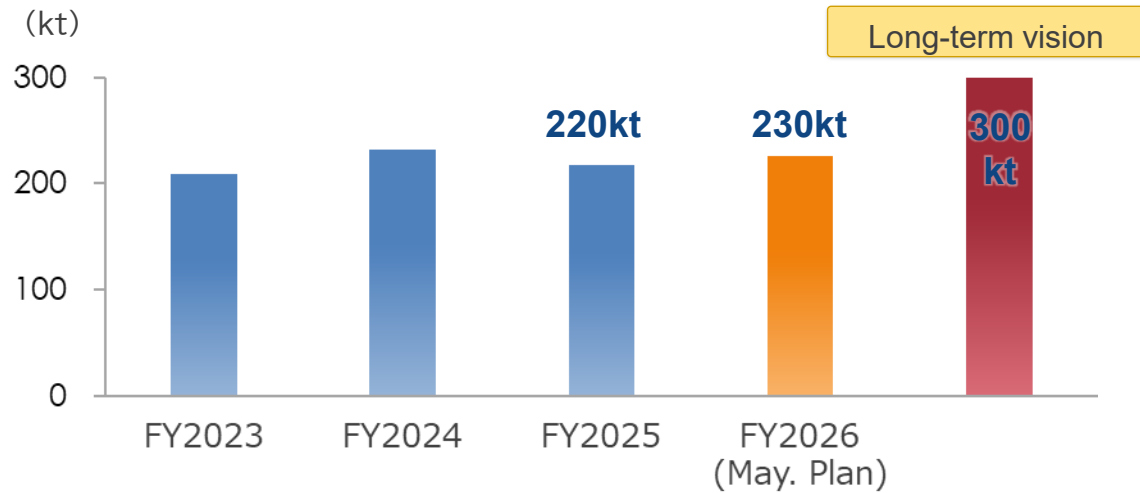
(in ¥100 million)

Element	Fluctuation	FY2026 Profit before tax
Cu	±100\$/t	35
Ni	±10¢/lb	16
Au	±100\$/toz	37
¥/\$	±1¥/\$	20

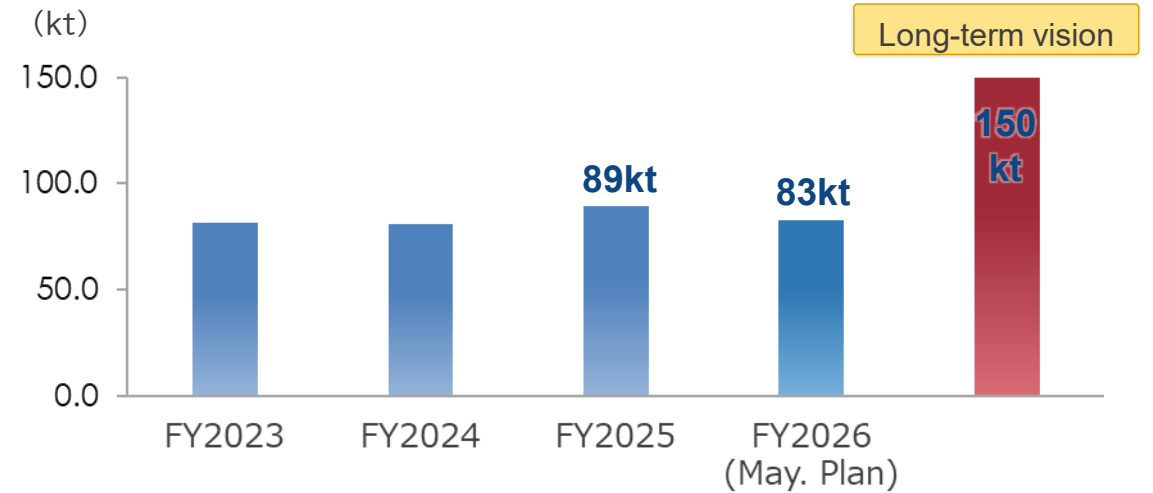
Note: The monetary value of the impact of exchange rate fluctuations provided above is the sum of the revenue from metal processing operations in Japan and FOREX differences in foreign operations. It does not include the impact of inventory valuation.

23. Long-term Vision Targets and Their Achievements

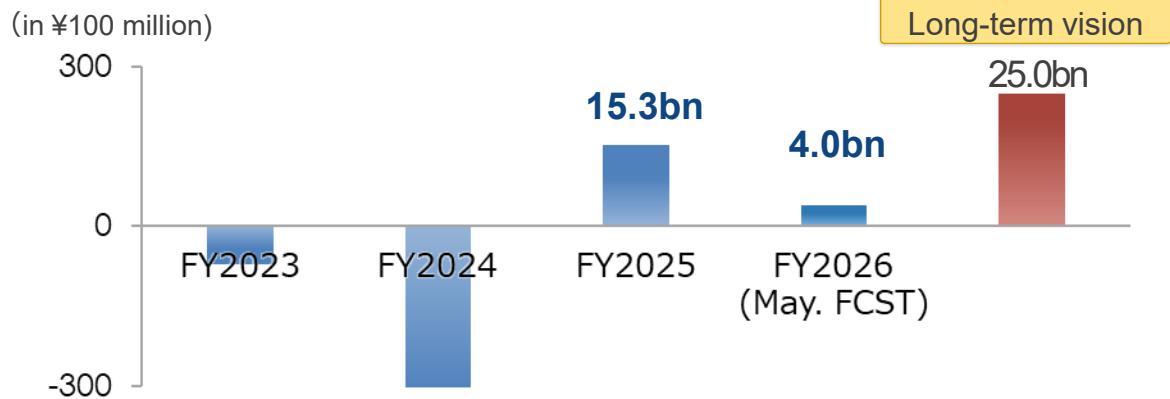
Cu (Production from company mines)



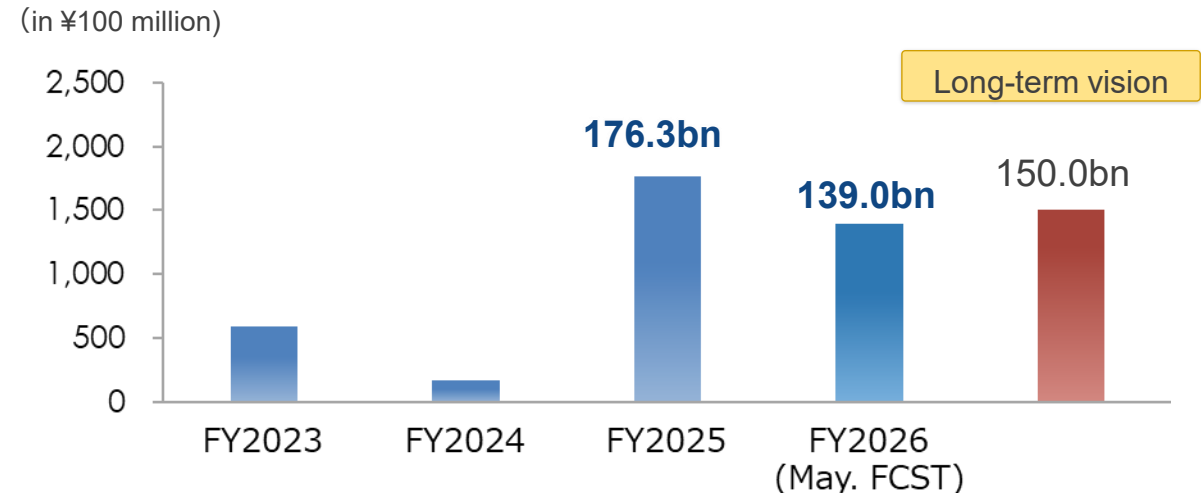
Ni (Annual production volume)



Materials Business (Segment profit)



Net income (Attributable to owners of the parent)



Tackle management issues that contribute to society's sustainable development, and will strive to achieve continuous growth in our business and improve our corporate value.

Setting material issues to achieve the long-term vision, along with the corresponding "Vision for 2030" for each issue

Material Issue	Vision for 2030
1 Stable Supply of Non-Ferrous Metals and Transition to a Circular Economy	A company that contributes to building and maintaining a circular economy by providing a stable supply of non-ferrous metal resources through its high technological capabilities
2 Realizing a Carbon Neutral Society	A company that actively works to reduce greenhouse gas (GHG) emissions and develops technologies that contribute to low carbon emissions in order to achieve a carbon neutral society.
3 Conservation and Restoration of Nature	A company that contributes to a nature-positive future
4 Human Capital Management	A company that attracts a diverse workforce and allows them to grow and thrive
5 Co-Existence and Mutual Prosperity with Local Communities and Indigenous People	A company that grows with the community as a trusted partner
6 Supply Chain Management	A company that builds a sustainable supply chain

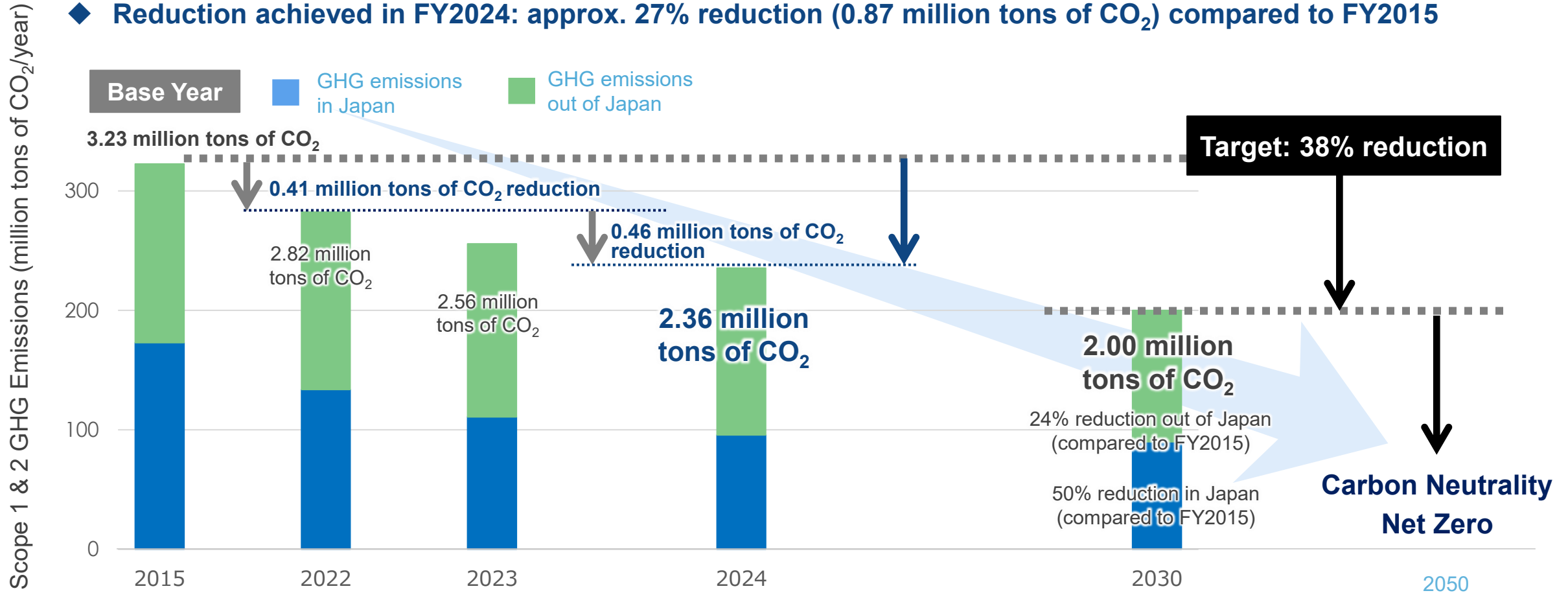
25. Material Issues for Realizing Vision for 2030 (2)

Material Issue	Vision for 2030	KPI	Goal
Stable Supply of Non-Ferrous Metals and Transition to a Circular Economy	A company that contributes to building and maintaining a circular economy by providing a stable supply of non-ferrous metal resources through its high technological capabilities	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)
Realizing a Carbon Neutral Society	A company that actively works to reduce greenhouse gas (GHG) emissions and develops technologies that contribute to low carbon emissions in order to achieve a carbon neutral society.	GHG emissions (Scope 1 and 2)	38% reduction compared to FY2015
		Developing and supplying low-carbon contributing products Amount of GHG emissions reduction contributed by low-carbon contributing products	1.1 million t-CO ₂
Conservation and Restoration of Nature	A company that contributes to a nature-positive future	Prevention of significant environmental accidents Number of significant environmental accidents	Zero
Human Capital Management	A company that attracts a diverse workforce and allows them to grow and thrive	Engagement score based on engagement survey	Deviation score 55
		Serious accidents	Zero
		Percentage and number of female managers	Consolidated : 18% Non-consolidated : 7% (50 people)
Co-Existence and Mutual Prosperity with Local Communities and Indigenous People	A company that grows with the community as a trusted partner	Dialogue with local communities and indigenous people Dialogue leading to the resolution of local issues Grievance mechanism	Continuous implementation Proper operation
Supply Chain Management	A company that builds a sustainable supply chain	Percentage of smelters certified with international certifications	100%
		Implementation of ESG due diligence across the supply chain Due diligence for suppliers	Implementation and disclosure: by the end of FY2026

The KPIs and targets shown are partial excerpts. For further details, please refer to the following sustainability website: <https://www.smm.co.jp/en/sustainability/vision/task/>

Reduction target for FY2030: 38% reduction compared to FY2015 (50% in Japan, 24% out of Japan)

◆ Reduction achieved in FY2024: approx. 27% reduction (0.87 million tons of CO₂) compared to FY2015



[Initiatives for the environment and communities]

- ◆ THPAL Receives the Outstanding Community Projects Award for the First Time
This award is given by the Philippine Economic Zone Authority to companies and organizations that have strengthened their relationships with local communities through socially meaningful CSR activities.

THPAL was recognized for its long-term efforts to contribute to the sustainable development of the surrounding communities through infrastructure development such as domestic water supply systems, hospitals, and schools; educational support such as scholarship programs; and technical support for agriculture, fishery, and forestry.

[Human rights-related initiatives in supply chains]

- ◆ Responsible mineral sourcing
 - Gold and silver: Renewed LBMA RGG/RGC certification
 - Cobalt: RMI-certified since 2021
 - Nickel: RMI-certified since 2023
 - Copper: RMI-certified since 2023

The Copper Mark-certified since 2025



[Publication of Integrated Report and ESG Data Book (Japanese version in September 2025, English version in November 2025)]

- ◆ The report and data book discuss how we create value and what strategies we implement, illustrating a road map to the fulfillment of our Long-Term Vision to “Become the world leader in the non-ferrous metals industry.” Exhaustive and readable, they are also designed to facilitate investment decisions.

[Engagement with investors (FY2025 results)]

- ◆ **We put greater effort into conveying useful information to the public through our IR activities and incorporated invaluable feedback received during engagement, which led to improve our corporate value.**
 - ✓ President and Representative Director, Chairman and Representative Director, Outside Directors, Executive Officers
Financial results briefings, meetings with President, meetings with outside directors, engagement with institutional investors in Japan and overseas (incl. those in charge of the exercise of voting rights and ESG)
 - ✓ Executive Officer in charge of IR + concerned and relevant divisions
Financial results briefings, one-on-one engagement with institutional investors, analysts, etc.: approx. 260 times
Additionally, we also held briefings for individual investors, business briefings, and briefings at business bases, etc.
- ◆ **Main topics: “Supply of and demand for copper and nickel, and market and price trends,” “Progress of mine development projects,” “Trends in the business of cathode materials for vehicles,” “Capital cost- and stock price-conscious management,” “Shareholder return policy,” and “Status of initiatives for carbon neutrality (CN),” etc.**

Disclaimer

The materials provided herein are not intended as disclosure materials under the Financial Instruments and Exchange Act of Japan. We provide no guarantee as to their completeness or accuracy.

Any projections included in these materials are based solely on information available at the time of this briefing, and are subject to change based on market conditions, competition conditions, and a number of other factors.

We therefore ask you not to make any investment decisions based on these materials alone. We will not be held responsible in any way for any losses that may arise as a result of the use of these materials.

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