SUMITOMO METAL MINING

FY2026 Business Strategy Briefing (November)

November 17, 2026

President and Representative Director
Nobuhiro Matsumoto

MINING THE FUTURE

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Ⅰ. Executive Summary

Summary of FY2026 1H

- Although there were cost increases due to the effects of the Middle East situation, we benefited from higher metal prices and the depreciation of yen.
- Demand for Advanced Materials used in electronic components for data center-related applications remained solid.
- Several plants fell short of the planned production volumes.
- Recorded an impairment loss of -¥41.6 billion following a review of the amount recorded for asset retirement obligations in preparation for the cessation of production at CBNC.

Middle East situation

Monitoring the market trends and taking early measures

- Continuing to work with our business partners to ensure stable procurement of raw materials and operating materials.
- No change to the impact (approximately ¥20.0bn) of rising procurement prices of operating materials including energy compared to the previous forecast.
- While striving to maintain a stable supply of products, we are actively negotiating with customers to pass on higher costs.

Future initiatives

- Steadily promote the strategies set out in the 3-Year Plan 27
  - Mineral Resources: Maintain stable operation and expand and grow copper and gold mine businesses
  - Smelting & Refining: Strengthen competitiveness of the copper and nickel smelting businesses
  - Materials: Switchover of cathode materials and develop next-generation materials
    Respond to market expansion and develop new markets
- Monitor the market trends and take early measures amid increasing uncertainties including the Midde East situation.
- Optimize capital structure and further improve capital efficiency.

Ⅰ. Executive Summary

FY2026

1H results and
full year forecast

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.

[FY2026 1H results]

Profit before tax

¥149.4 billion

(Up ¥71.6 billion year on year)

[FY2026 forecast]

Profit before tax

¥260.0 billion

(Down ¥64.0 billion vs. Aug. forecast)

Consolidated equity ratio

58% by the end of Mar. 2028

As of the end of Sept. 2026

58.0%

(Down 0.3pp compared to the end of FY2025)

Cross-shareholdings

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

As of the end of Sept. 2026

30 issues (*2)

(Down 2 issues compared to the end of FY2025)

12.2%

(Down 0.4pp compared to the end of FY2025)

Shareholder returns

	Dividend	Repurchase of own shares
FY2026	**Forecast ¥207 per share** (interim: ¥103; year-end: ¥104)	**¥30.0 billion** (*3) (FY2026: ¥50.0 billion in total)

*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 See “Notice regarding Repurchase of Own Shares and the Determination of Policy for Holding Treasury Shares” announced on November 10, 2026.

Ⅱ. Safety Initiatives

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

[Results for 2025] **2 cases**

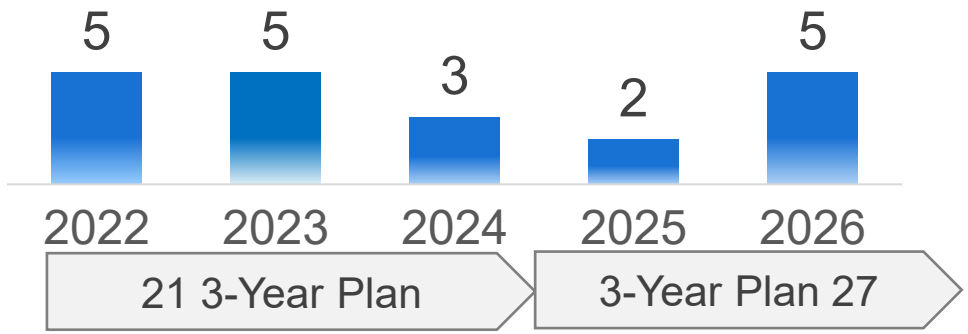
[Results for 2026] **5 cases**

(as of the end of October)

*Serious accidents: Accidents resulting in absence from work for 50 days or longer (employees in Japan and abroad as well as those of contractors)

Trend in serious accidents (number of cases)

(as of the end of October)



[Key initiatives]

Risks	Counter measures
Contact with cranes or automated-driving equipment	◆ Strengthen measures for automated-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. Identify potential risks using work recording cameras.
Accidents by employees with limited years of work experience	◆ Enhance education system (Modify the training content, leveraging DX, to make it easier to visualize accident risks associated with the work. Enhance contents to evaluate work proficiency level and introduce video-based manuals)

Ⅲ. FY2026 1H Results and FY2026 Full Year Forecast

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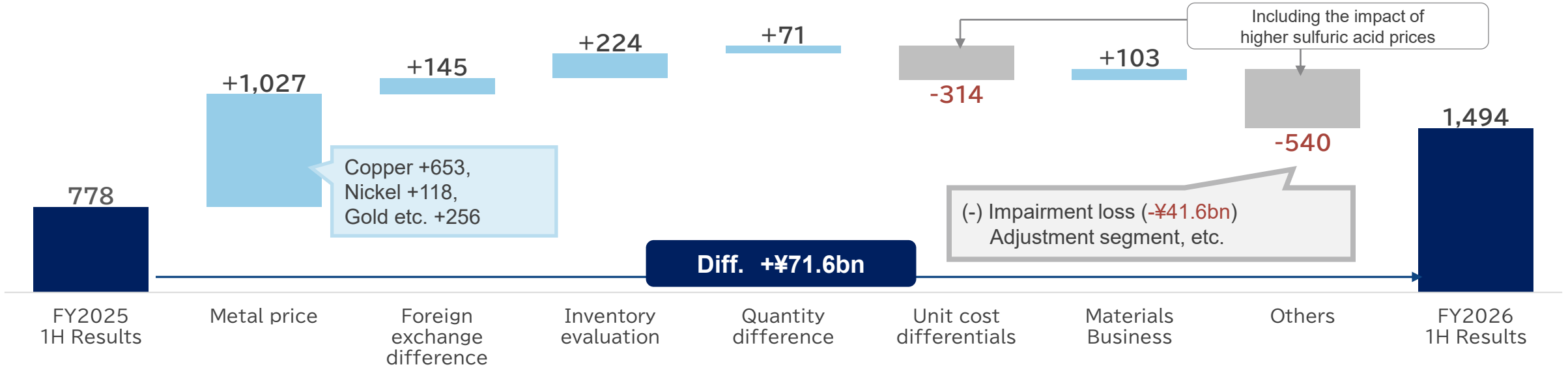
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1. FY2026 1H Result Year on Year

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



Metal Price/ Exchange-rate		FY2026/1H Results	FY2025/1H Results	Diff.
Cu($/t)	FY	13,722	9,655	+4,067
	CY	13,088	9,433	+3,655
Ni($/lb)	FY	7.88	6.85	+1.03
Au($/toz)	FY	4,391	3,367	+1,024
	CY	4,696	3,072	+1,624
Exchange-rate (¥/$)	FY	159.38	146.04	+13.34
	CY	158.18	148.60	+9.58

Major Variance Factors
(excl. metal price and forex)

Materials

Demand remained solid for materials used in electronic components related to data centers, including applied powder materials and communication devices.

Other, Unit cost differentials

The impact of higher prices for sulfuric acid produced and sold in copper smelting is included as a factor contributing to the improvement in "Others."
On the other hand, in nickel smelting, sulfuric acid is used as an operating material, resulting in a deterioration in "Unit cost differentials."

Impairment loss

Recorded an impairment loss of -¥41.6 billion following a review of the amount recorded for asset retirement obligations in preparation for the cessation of production at CBNC.

2. Metal Supply and Demand Outlook

《Copper》 Expecting tight supply-demand balance over short term

- ◆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.
- ◆Concerns over a risk of demand decline owing to deteriorating global economy due to the prolonged Middle East conflict.

[Reference]

Cu	ICSG forecast (Oct. 2026)		
(kt)	**2025**	**2026**	**2027**
Production	28,578	28,693	29,673
Usage	28,159	28,590	29,305
Balance	+419	+103	+368

《Nickel》 Expecting over-supply to continue

- ◆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	INSG forecast (Oct. 2026)		
(kt)	**2025**	**2026**	**2027**
Production	3,875	3,868	4,071
Usage	3,577	3,849	4,002
Balance	+299	+19	+69

3. Metal Price Estimation for FY2026 2H Forecast in Nov.

《Copper》 $13,300/t （FY2026 1H ave.: **$13,722/t** 2026 Oct. ave.: **$14,532/t**）

- Demand for copper metal is expected to remain strong.
- Tightness in supply of copper concentrate is expected to ease gradually as production constraints get resolved among other factors.

《Nickel》 $7.50/lb （FY2026 1H ave.: **$7.88/lb** 2026 Oct. ave.: **$7.02/lb**）

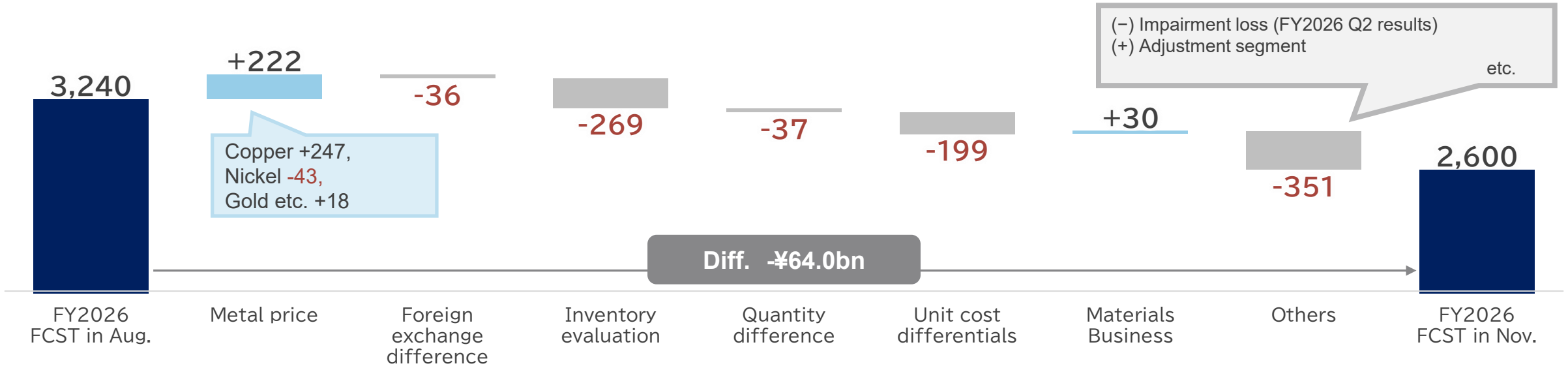
- Expecting over-supply despite temporary production control due to factors such as mineral supply restrictions.
- Expecting stable sales for stainless steel and nickel-based special steels.

《Gold》 $4,200/toz （FY2026 1H ave.: **$4,391/toz** 2026 Oct. ave.: **$4,111/toz**）

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

4. FY2026 Full Year Forecast Nov. vs Aug.

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



Metal Price/ Exchange-rate		FY2026 FCST in Nov.	FY2026 FCST in Aug.	Diff.
Cu($/t)	FY	13,511	12,706	+805
	CY	13,399	12,794	+605
Ni($/lb)	FY	7.69	7.68	+0.01
Au($/toz)	FY	4,296	4,204	+92
	CY	4,465	4,398	+67
Exchange-rate (¥/$)	FY	157.19	159.87	-2.68
	CY	157.66	159.09	-1.43

Reasons for deterioration in unit cost differentials

- ✓ The impact of higher prices for energy and operating materials affected by the Middle East situation (approximately ¥20.0bn) remains largely unchanged.
- ✓ Unit cost differentials deteriorated due to lower production and sales volumes compared with the previous forecast in Aug.

【Major Factors】

・Lower operating rates due to weather conditions and equipment issues, as well as the associated costs.

・Ore characteristics etc.

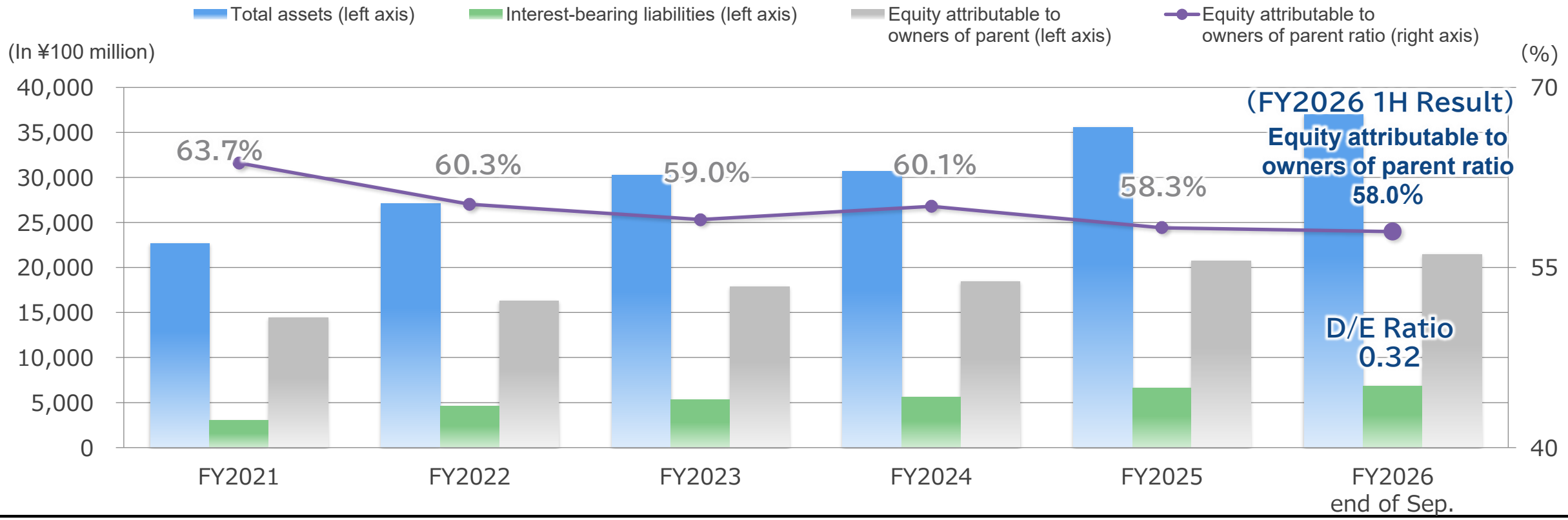
5. Comparison of Financial Results and Forecast

(JPY100M)		FY2026 1H Results (A)	FY2026 2H FCST. in Nov. (B)	FY2026 FCST. (A)+(B)=(C)	FY2026 FCST. in Aug. (D)	Diff. (C)-(D)
Net Sales		10,560	10,790	21,350	20,650	+700
Gross Profit		1,303	1,207	2,510	3,270	-760
Profit Before Tax		1,494	1,106	2,600	3,240	-640
Equity in earnings of affiliated companies		*435*	*465*	*900*	*790*	*+110*
Segment Profit	Mineral Resources	1,497	1,113	2,610	2,560	+50
	Copper Mine Business	*984*	*926*	*1,910*	*1,850*	*+60*
	Gold Mine Business etc.	*513*	*187*	*700*	*710*	*-10*
	Smelting & Refining	-14	-216	-230	630	-860
	Materials	164	46	210	180	+30
	Battery Materials	*74*	*-4*	*70*	*80*	*-10*
	Advanced Materials	*90*	*50*	*140*	*100*	*+40*
	Others	-5	-35	-40	-30	-10
	Diff. Adjustment	-148	198	50	-100	+150
Profit attributable to owners of parent		901	709	1,610	2,160	-550

6. Trends in Consolidated equity ratio

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.



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.

Dividends forecast and Repurchase/Cancellation own shares

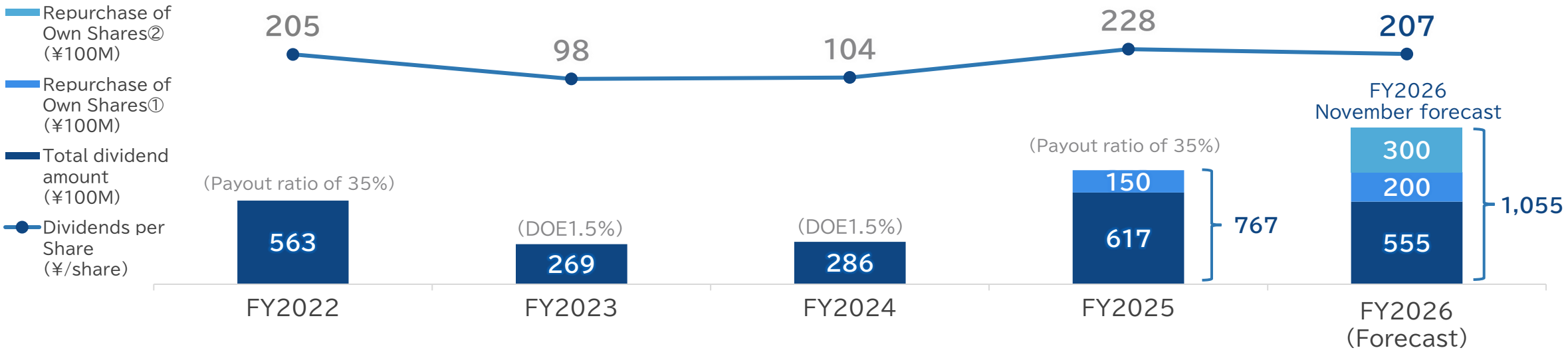
- FY2026 Dividends Forecast
  - ✓ Annual(forecast) ¥207/share (interim dividend: ¥103/share; year-end dividend: ¥104/share)
- **Repurchase Own Shares**:
  Following the ¥20.0 billion buyback conducted in May 2026, the company has decided to repurchase an additional 7.5 million shares, with a maximum investment of ¥30.0 billion.
- **Policy for Holding its Treasury Shares**:
  Going forward, keep treasury shares at approximately 5% of the total number of issued shares as a general guideline and, in principle, cancel any treasury shares in excess of that level.

* For details, please refer to the "Notice regarding Repurchase of Own Shares and the Determination of Policy for Holding Treasury Shares " announced on November 10, 2026.

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

【FY2026 Forecast】	①Previous Forecast	②Current Forecast	Diff.(②-①)
Dividends per Share	¥207/share	**¥207/share**	**¥－/share**
Interim Dividend	¥103/share	**¥103/share**	**¥－/share**
Year-end Dividend	¥104/share	¥104/share	**¥－/share**
Repurchase of Own Shares	¥20.0bn/year	**¥50.0bn¥/year**	*1 **+¥30.0bn**

*1 For details, please refer to the “Notice regarding Repurchase of Own Shares and the Determination of Policy for Holding Treasury Shares “ announced on November 10, 2026.



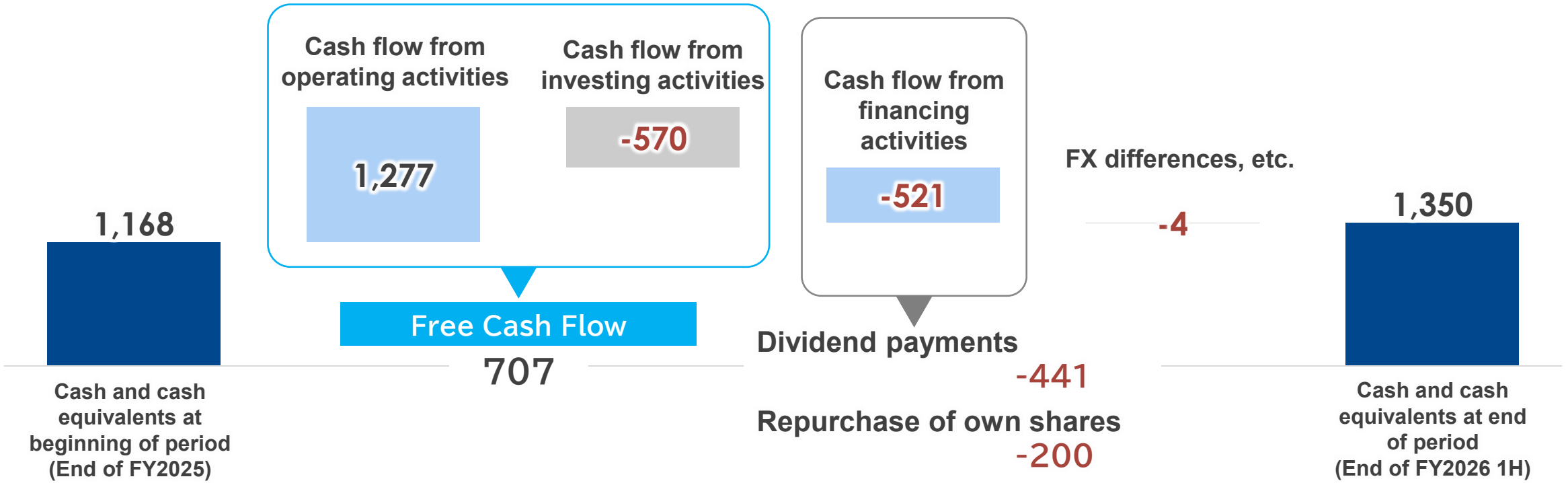
Dividend policy				
Total Return Ratio	Payout ratio of 35% or more	Payout ratio of 35% or more / a lower limit indicator of DOE1.5%		Payout ratio of 35% or more / a lower limit indicator of DOE3.5%
	35%	45%	173%	43%	65%

Number of shares issued as of end of September 2026(excluding treasury stock) 268,487,246shares

9. Cash Flows (FY2026 1H Results)

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

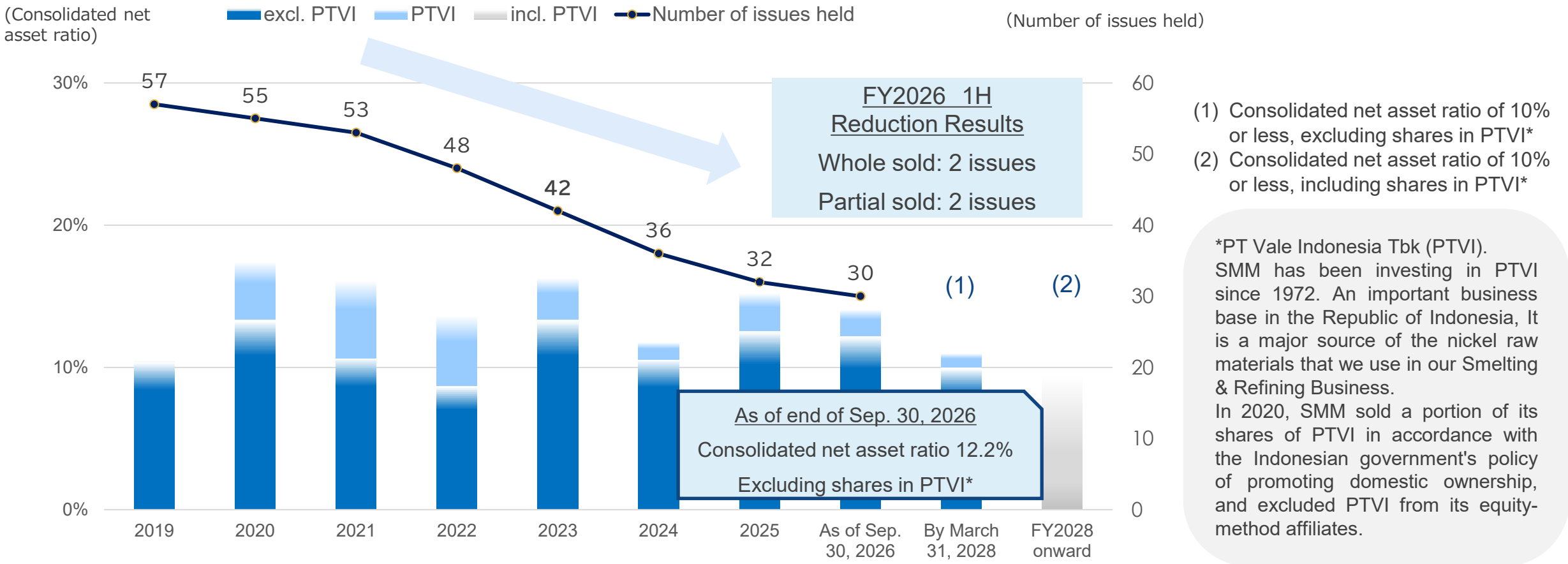
- Generated free cash flow primarily owing to an increase in profit before tax.
- Interest-bearing liabilities (as of the end of Sept. 2026): ¥700.4 billion Up ¥17.6 billion year on year.
- We will work on optimizing capital structure and improving capital efficiency while maintaining appropriate levels of liquidity on hand and equity ratio in preparation for future growth investment.



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)			Current (as of Nov. 2026) FY2025 Results + FY2026 Forecast + FY2027 Forecast	Previous (as of May 2026) FY2025 Results + FY2026 Forecast + FY2027 Forecast	3-year Plan 27 (FY2025-FY2027)	
Cash flow from operating activities			6,500	6,650	4,950	
Disposal of cross-shareholdings, increase in interest-bearing debt, etc.			1, 700	1,650	900	
Total Cash Inflows			8, 200	8,300	5,850	
Capital Investment, Investments and Financing	Future investment, Growth investment, Investment in maintaining and updating facilities		5,400	5,400	4,400	Increased spending on large-scale projects, rising prices, and yen depreciation
	New Investment	Management and Capital Allocation	1,000	1,100	450	Securing funding for new project participation in the next medium-term plan period
shareholder returns	Additional shareholder returns					Flexible repurchase of own shares, etc.
	Dividends		1,800	1,800	1,000	
Total Cash Outflows			8, 200	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

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1. Business Environment

Even as the level of uncertainty remains high, we will firmly implement strategies to realize our Long-Term Vision to "Become the world leader in the non-ferrous metals industry," amid improvement in the business environment

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

Change from 3-Year Plan 27 assumptions: Improved | In line with expectations | Worsened

Cu (Copper)	Mines	Benefiting from the rising copper price (1) $13,300/t (2) $9,400/t
	Smelting & Refining	Though TC/RC is deteriorating, sales premium remains at a high level
Au (Gold)		Benefiting from the rising gold price (1) $4,200/toz (2) $2,400/toz
Foreign Exchange		Benefiting from the weakening trend of the yen (1) 155 yen/$ (2) 140 yen/$

Ni (Nickel)	Expecting over-supply to continue (1) $7.50/lb (2) $7.50/lb
Battery Materials	-Pace of growth slowed with countries terminating support policies -Delay in the timing of switchover to high-Ni NMC
Advanced Materials	-Delay in takeoff of EV-related market -Data center-related demand has been strong
Middle East Situation	-A factor causing cost increases including of energy, operating materials, etc.

Entering into the second half of 3-Year Plan 27. Strive to overcome the immediate challenges while preparing for the next phase of growth

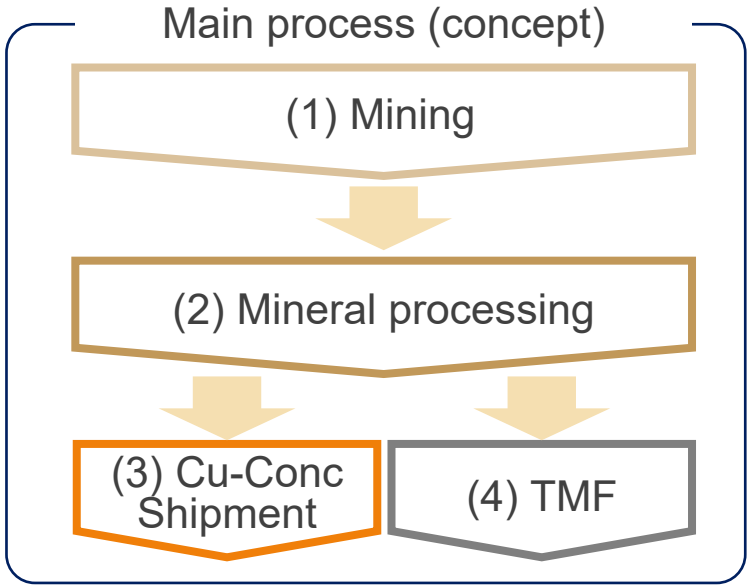
2. Mineral Resources: Quebrada Blanca 2 (QB2) Copper Mine

SMM interest: 25%

Focus on early stabilization of operation together with JV partners

[Operation status and outlook]

- Operating level temporarily declined due to poor weather (August and September 2026) but its impact on facilities, etc. was minimal
  →Changed copper production volume for full year 2026 from the initial plan of 227 thousand to 204 thousand tonnes (on a 100% project basis)
- Smooth progress in improvement of plant facilities
  →Operating level and processing volume are expected to increase from 2027 onward
- Progress in tailing management facility (TMF) in line with the plan
  →There is no impact on the plant operation at this point.





Panoramic view of
the Quebrada Blanca copper mine plant

3. Mineral Resources: Côté Gold Mine

SMM interest: 30%

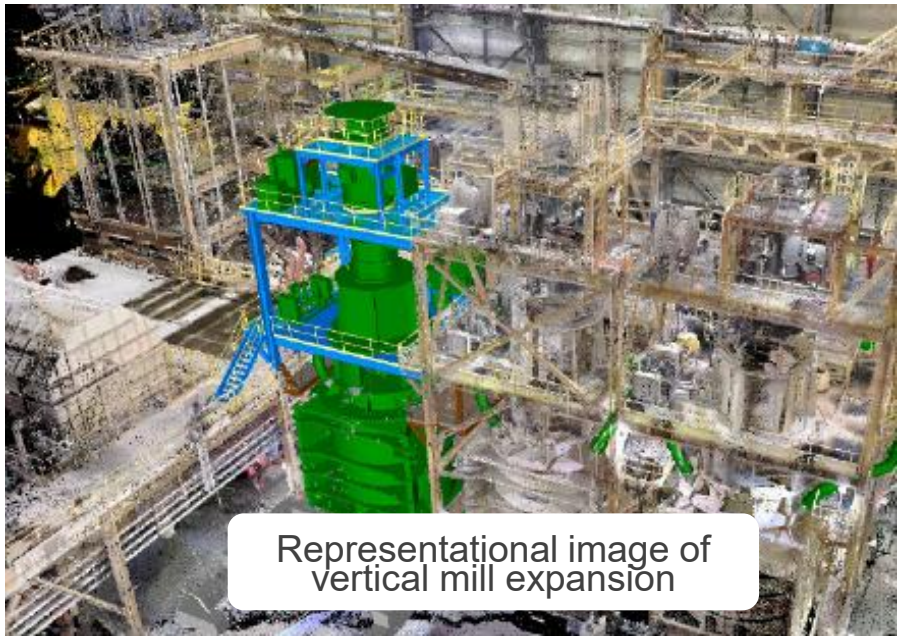
The work to further increase the processing volume through debottlenecking has been progressing according to the plan

[Operation status and outlook]

- Ore processing operation was unstable till August 2026 due to processing equipment troubles, etc., but processing volume is recovering steadily after improvements to the facility
- Annual gold production volume is expected to be in line with the initial plan
- Aim to further increase processing volume through debottlenecking such as vertical mill expansion from 2027

[Potential]

- We have confirmed more than 200t of gold resources (on a 100% project basis) at a satellite deposit (Gosselin) and are carrying out evaluation regarding development



Representational image of vertical mill expansion

*Construction began in August 2026. Scheduled to go into operation in June 2027

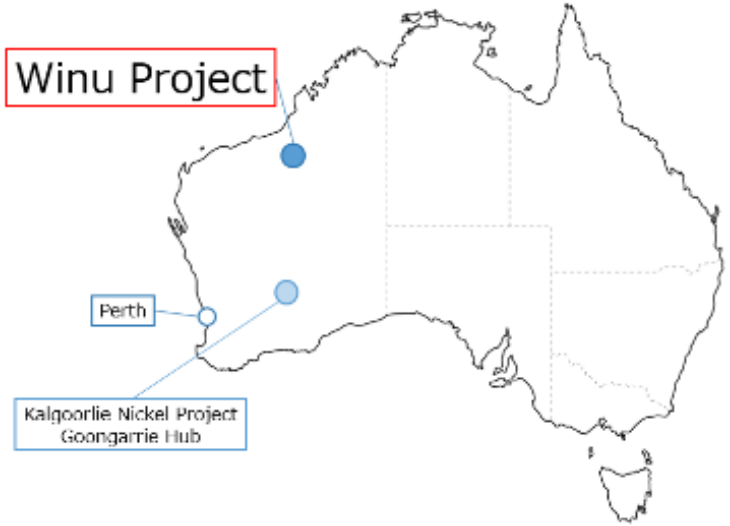
4. Mineral Resources: Winu Copper-Gold Project (1)

SMM interest: 30%

To contribute to the Long-Term Vision's annual copper production volume target of 300 thousand tonnes from our interest throughout 2030s

[Project overview]

- Location: Western Australia, Australia
- JV established in: October 2025
- 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 (on a 100% project basis; including 3 million tonnes of copper, 250 tonnes of gold, and 1,600 tonnes of silver)
- Continuing with exploration of surrounding areas with an eye on expanding investments in the future.
  Based on the outcome, resource volume is expected to increase further.





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

5. Mineral Resources: Winu Copper-Gold Project (2)

SMM interest: 30%

Feasibility study is making smooth progress and expected to be completed in the current fiscal year

[Project status]

- Environmental approval: Making smooth progress
- Consent of indigenous peoples: Continuing with negotiations and consensus building with indigenous stakeholders
  - ✓ Reached an agreement for promoting the project with Nyangumarta Warrarn Aboriginal Corporation, an important stakeholder of the project, in September 2026
- Feasibility study (FS): Making smooth progress
  - ✓ Scheduled to be completed in the current fiscal year. We will prepare for decision-making regarding construction taking into account the outcome of FS

[Potential]

- Based on the outcome of the ongoing exploration of the surrounding areas, we will also consider plans to expand mine facilities beyond the current base case.

Copper: The 300 thousand tonnes target for annual copper production volume from our interest in the Long-Term Vision

- Initiatives to increase production at mines with existing interests
  - ✓ QB: Production increase through debottlenecking
  - ✓ Winu: Production startup and realization of potential for mine expansion
- Considering multiple projects for acquiring interests in new projects
  - ✓ Primarily in low-risk countries and Pacific Rim region



Gold: Development of self-operated gold mines

- Promote overseas exploration with the aim of developing self-operated gold mines
  - ✓ Increasing the number of projects being evaluated mainly in Canada and Australia
- In Japan, we will focus on exploration of areas surrounding Hishikari Mine and aim for stable long-term operation
  - ✓ Re-evaluate exploration potential of areas surrounding Hishikari Mine by leveraging latest exploration technologies (geophysical exploration, AI, etc.) and examine potential for expanding resource volume

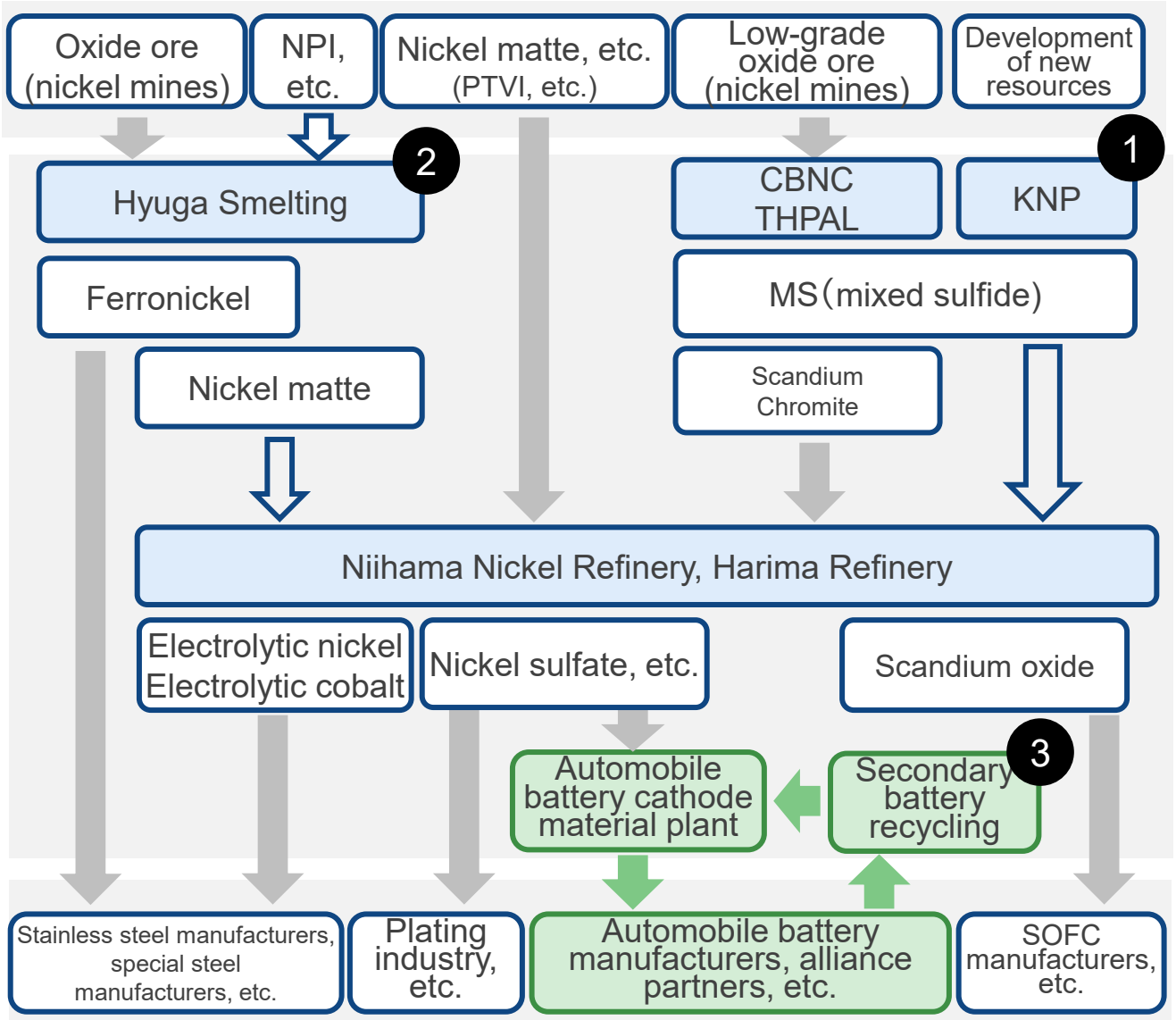
7. Smelting & Refining: Strengthening Competitiveness in the Nickel Business

Taking the business environment into account, build a sustainable and optimal production structure that addresses customer needs

1. Development of new mineral sources
   → Kalgoorlie Nickel Project (KNP)
2. Strengthen procurement of diverse raw materials and capability to handle them
   → Build nickel matte production furnace at Hyuga Smelting
3. Build a closed-loop system involving recycling, provide low-carbon footprint (CFP) nickel sulfate
   → **Lithium-ion secondary battery recycling**

Nickel is a critical mineral, which supports a wide range of industries and energy transition. We will contribute to sustainable growth of global economy and transition to a low-carbon society through stable supply of nickel.

Nickel business supply chain



Build the foundation of the secondary battery recycling business with an eye on future demand expansion

[Business model]

- Closed battery-to-battery recycling in collaboration with partner companies.
  SMM is in charge of manufacturing of cathode materials and resource recovery through recycling

[Operation status of the recycling plant]

- Construction completed according to the plan. Currently verifying facility capacity and product quality through ramp-up
- Manufacture samples for evaluation and aim for customer qualification by the end of FY2026

[Initiatives for building raw material procurement framework]

- Securing black mass (BM)

  Japan: Promote secondary raw material processing other than BM such as battery scrap, etc. in and outside the company

  Overseas: Promote cooperation with BM producers in the Oceania region
  Considering securing BM by procuring used LIB and entrusting them to BM producers

- Building a closed loop system

  Discussing a collection and resource recovery scheme in collaboration with Japanese battery manufacturers.



Pyro-metallurgical plant
in Toyo Smelter & Refinery

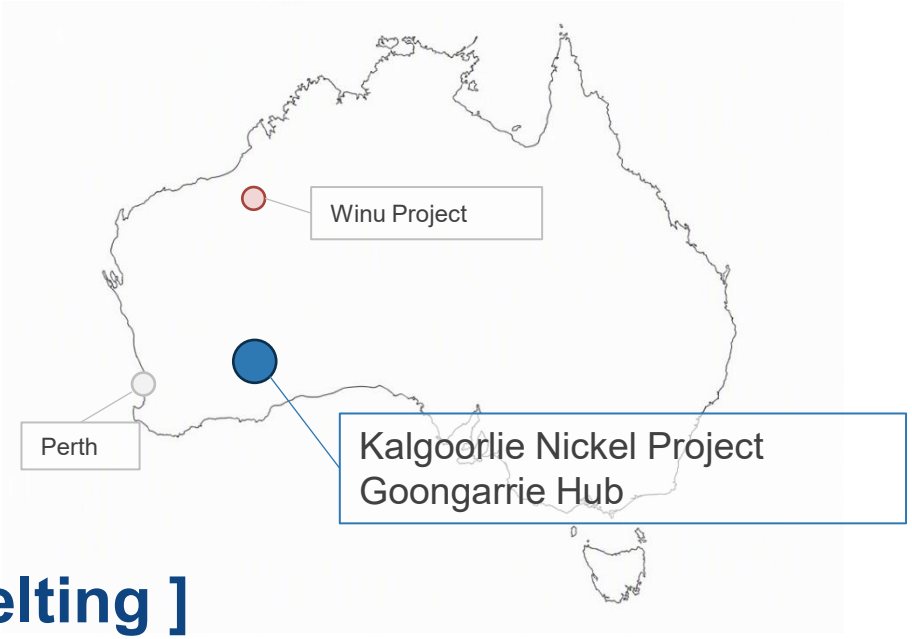


Product (Ni-Co mixed solution)

Projects underway to secure nickel raw materials for the future

[Kalgoorlie Nickel Project]

- A plan to produce approx. 30 thousand tonnes/year of nickel and approx. 2 thousand tonnes/year of cobalt over an approx. 40-year production period.
- Definitive feasibility study (DFS) completed in June 2026.
  Proceeding with preliminary study to start Frond-End Engineering Design (FEED)



[Nickel Matte Furnace Construction at Hyuga Smelting]

- Plant building, etc. under construction according to plan for completion in FY2027
- Continuing with negotiations for raw material procurement
- Continuing with sales negotiations of slag, raw material with zero carbon footprint, to steel manufacturers

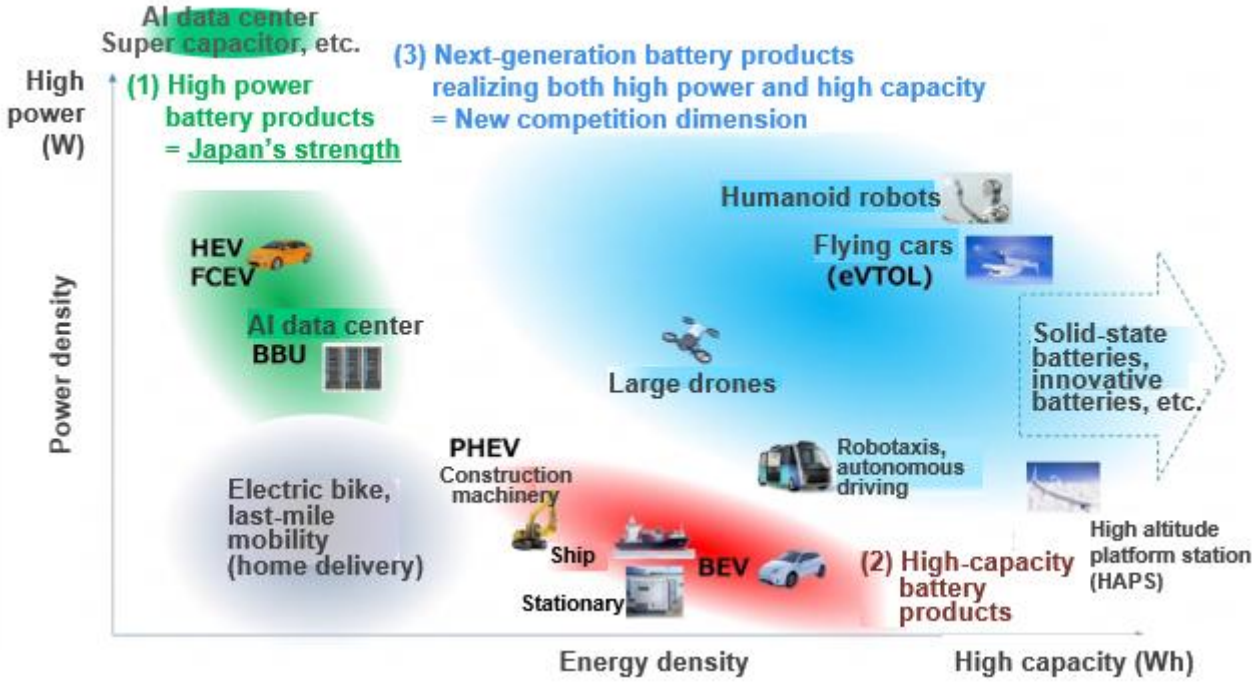


Converter building under construction

10. Battery Materials: Switchover to High-Ni NMC Cathode Materials and Next-generation Materials (1)

Rechargeable battery market outlook

- Automobile batteries expected to continue growing at a gradual pace
- Demand and applications for civil use to expand
- Diverse features are required as applications expand



Future business expansion

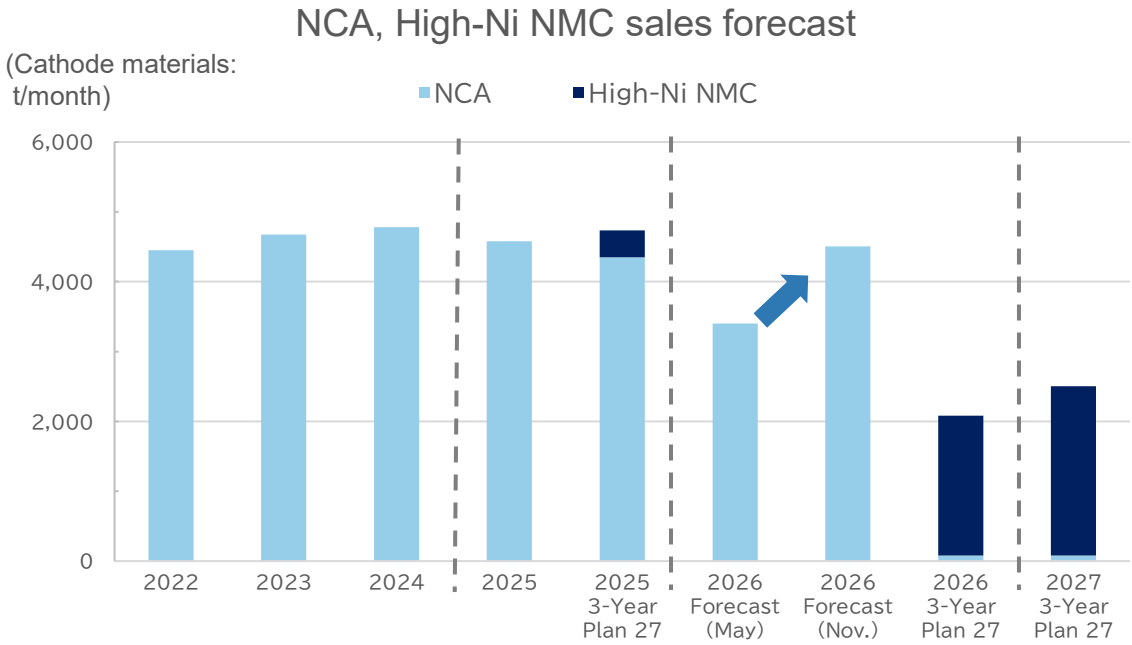
- Utilize the High-Ni cathode material production capacity to the maximum extent
- Our High-Ni cathode materials are used also in data centers and we will pursue further sales increase
- In addition to the high-power feature developed for HEVs and the high-capacity feature, the strength of High-Ni materials, we will leverage the related fundamental technologies so that our materials will be adopted in a wide-ranging fields
- As for next-generation products, we will continue to focus on development of cathode materials for solid-state batteries

Source: Prepared based on Battery and Power Industry Strategy ("Battery Industry Strategy" Revised as the "Battery and Power Industry Strategy" [METI])

11. Battery Materials: Switchover to High-Ni NMC Cathode Materials and Next-generation Materials (2)

High-Ni NMC cathode materials

- Working to meet robust demand for NCA
- Deciding the timing of launch of High-Ni NMC cathode materials corresponding to customer demand
- Improving the production throughput of the High-Ni NMC cathode materials
- Continuing to develop technologies for next-generation products



Development of nickel-based cathode materials used to produce solid-state batteries

- Continuing product development to meet the customers' commercialization goal of around 2027 to 2028
- Product sampling in progress with multiple customers in Japan and overseas
- Expecting the materials to generate revenue in the 2030s



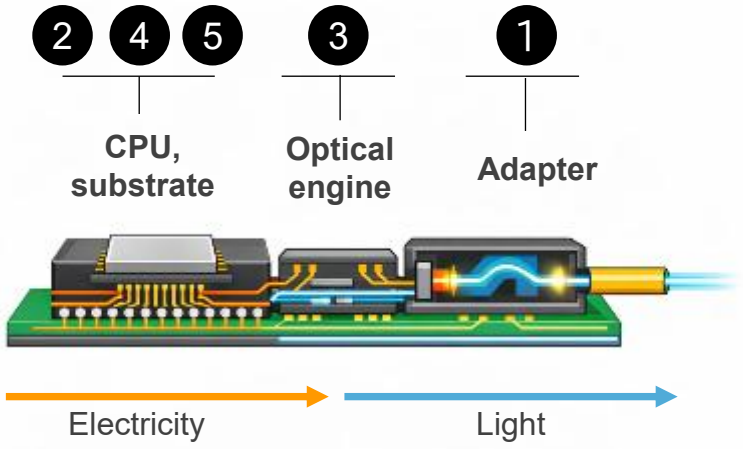
Cathode material for solid-state batteries

12. Advanced Materials: Toward the Next Stage of Growth

Focusing 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



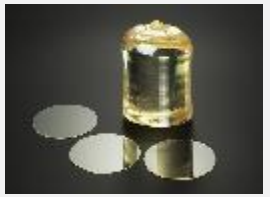
FR crystal
for optical isolators to stabilize optical signals
(page 33)

2



SiCkrest®
Next-generation semiconductor material
(page 34)

3



LN crystal
for thin film LN devices for photonics-electronics convergence

4



Oxidation-resistant copper nanoparticles
to support bonding and wiring
(pages 35–36)

New brand
CuALL™

5



Thick film pastes
for MLCC, resistors, inductors

[Contribution to addressing social issues]

Global boiling: Near-infrared light absorbing material (SOLAMENT™)
Creation of a hydrogen-based society: Nickel oxide for SOEC and SOFC*

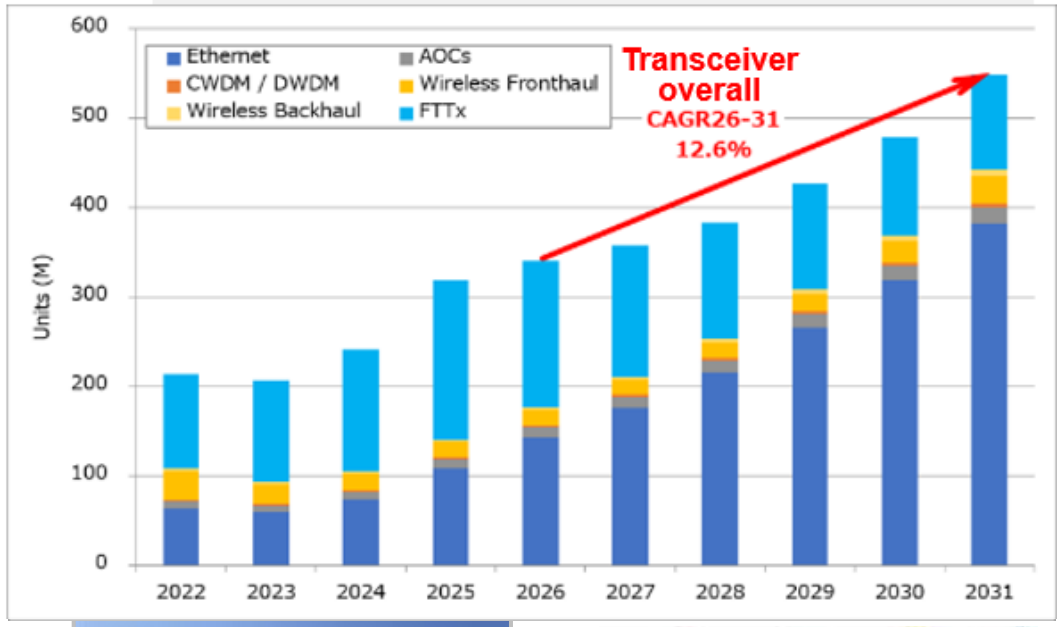
*SOEC: Solid oxide electrolyzer cell for hydrogen production; SOFC: Solid oxide fuel cell for hydrogen power generation

13. Advanced Materials: Faraday Rotator (FR)

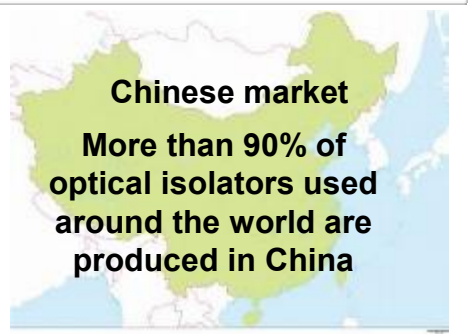
Tripling production capacity in FY2027 compared to FY2025
Considering further capacity expansion from FY2028 in light of growing demand

Million

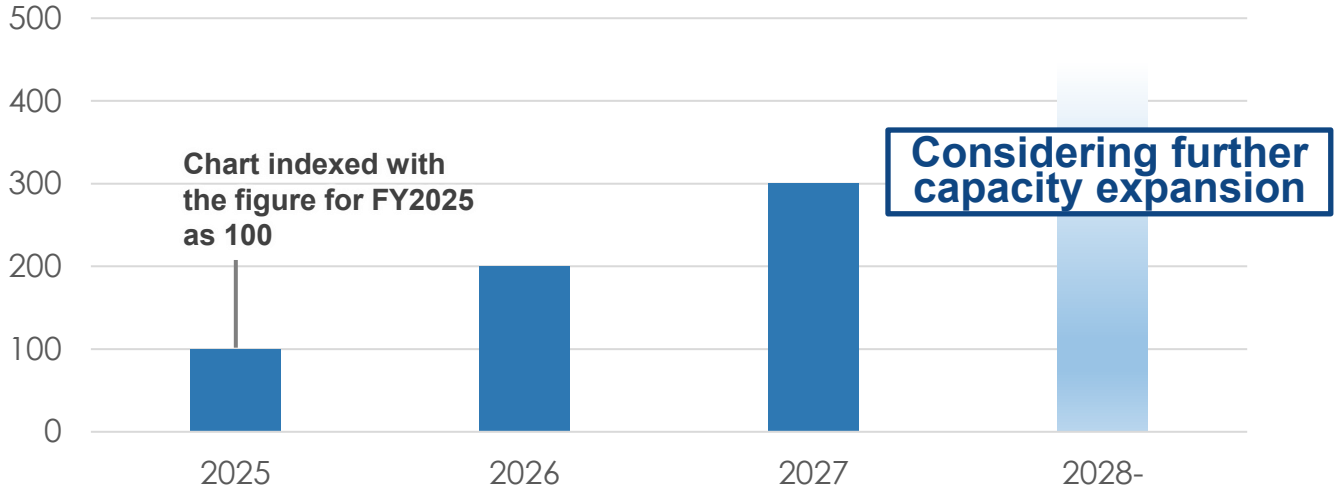
Transceiver market outlook
(SMM forecast)







Increasing faraday rotator production capacity (conceptual image)



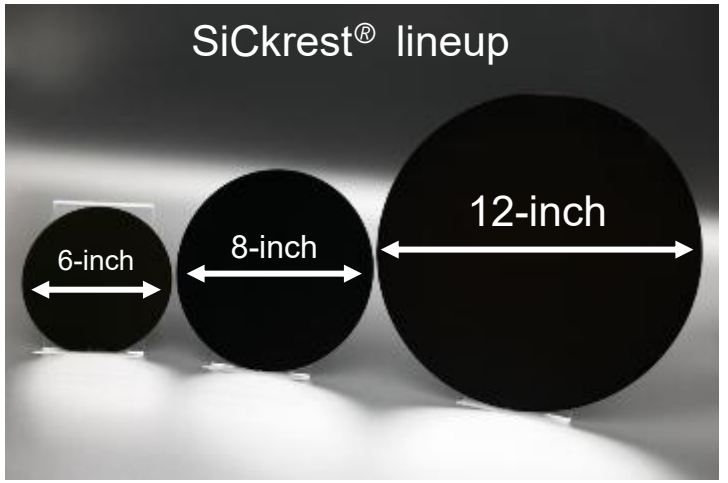
Production Capacity Expansion: Our Record and Plans	
By FY2024	Established a sales company in Shenzhen, China (Granopt Optics Trading) Built Granopt Plant 2
FY2025 record	Invested in Granopt FR for production increase and automation SMM Precision invested in production increase for SGGG substrates, materials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

14. Advanced Materials: Bonded SiC Substrate (SiCkrest®)

Focus on launching business in anticipation of market expansion

Accelerating customer qualification and licensing

- 6-inch: Used for power semiconductors leveraging the characteristics of SiCkrest®
- 8-inch: Delivery of mass-produced products began in FY2026
- 12-inch: Developed world's first 12-inch substrate. Started shipping samples



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**

Business Plan

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

15. Advanced Materials Business: Oxidation-resistant CopperNanoparticles CuALL™-Powder



Brand product line: Oxidation-resistant copper nanoparticles (CuALL™-Powder)

Mass production of the product (as an alternative to silver powder) for power semiconductor bonding materials began in FY2026 Q2

Essential properties of power semiconductor bonding materials:
High electrical conductivity, High thermal conductivity, Low-temperature sinterability

	Silver		Copper	
	Index Value	Rating	Index Value	Rating
Electrical conductivity	106	#1 among pure metals	**100**	**#2 among pure metals**
Thermal conductivity	106	#1 among pure metals	**100**	**#2 among pure metals**
Low-temperature sinterability	Highly sinterable		**Less sinterable than silver**	
Oxidation resistance	Resistant to oxidation		**Prone to oxidation**	
Price*	324 million yen per ton		**2.3 million yen per ton**	

*Calculated by SMM based on the average prices in September 2026

Powder Synthesis and Surface Treatment Technology (SMM's core technology)

Oxidation resistance and low-temperature sinterability achieved

Low-temperature sinterability
Sintered in the low temperature range of 180˚C to 250˚C → Usable for low-heat-resistant resin substrates

Oxidation resistance
Resistant to oxidation until the temperature reaches around 160˚C → Easy to handle and store in air

+

Particle size control
Fine particles with a narrow size distribution (100 nm – 200 nm)

CuALL™: Copper product made of an advanced material and the technology used for it

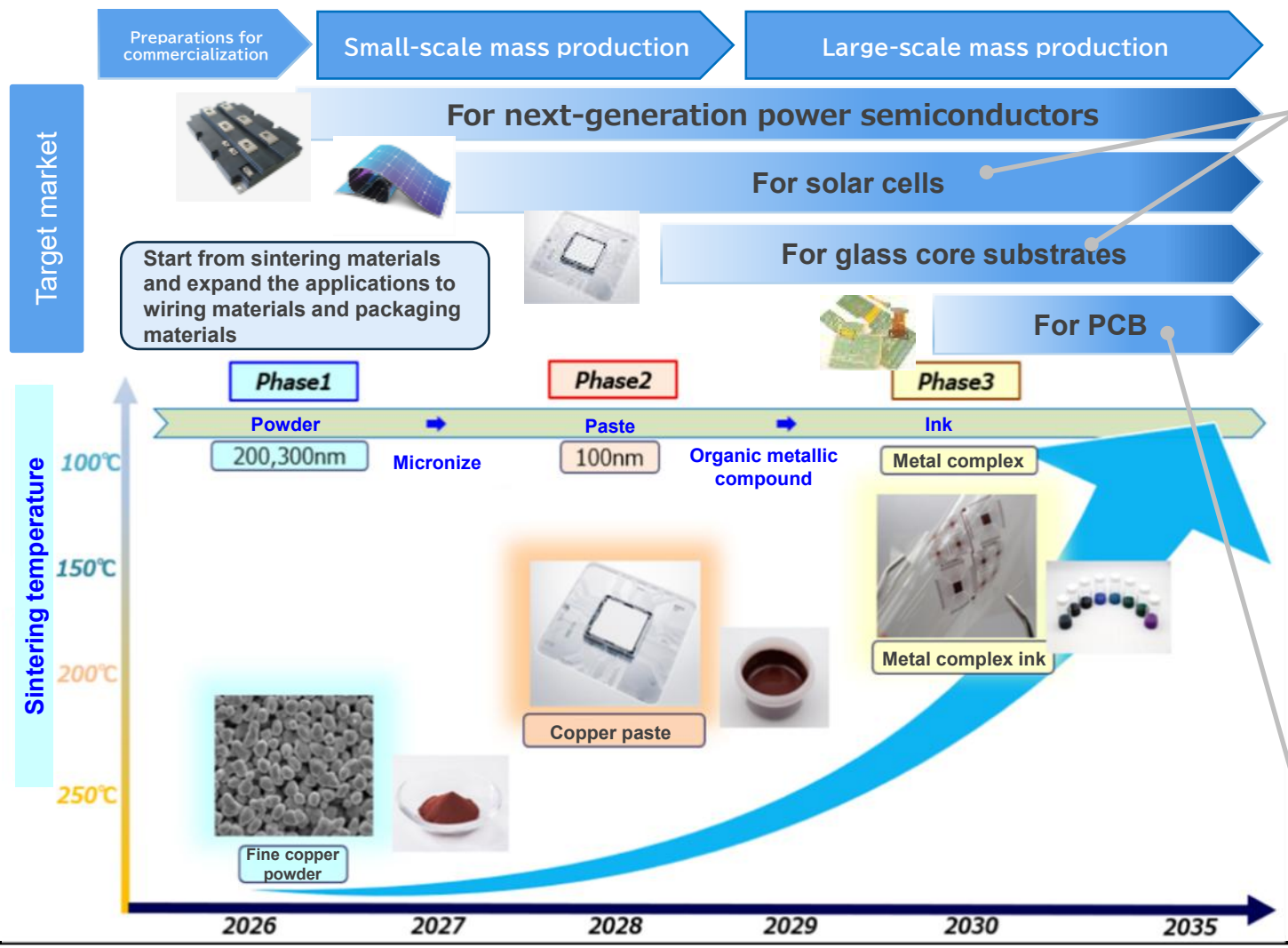


[Brand Purpose]
Copper Innovation for All

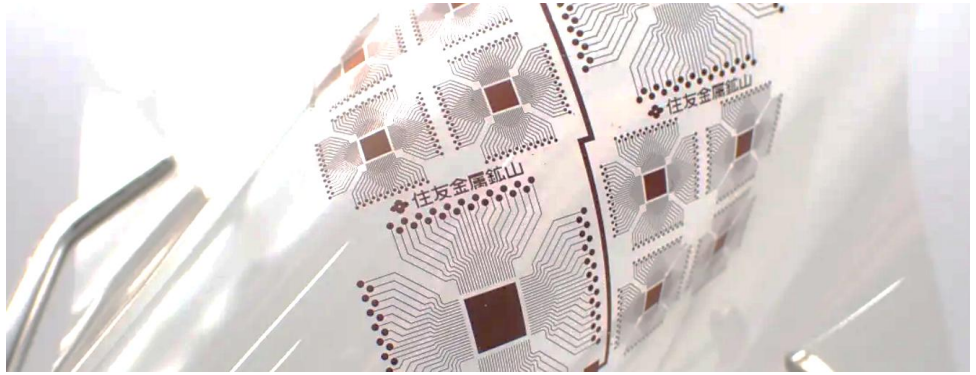
- ✓ Evolve copper at the nanoscale into a cutting-edge material
- ✓ Deliver cutting-edge materials made of widely used copper to create a future where everyone will receive the benefits of technological advancements

16. Advanced Materials Business: Expansion of the Oxidation-resistant Copper Nanoparticles Product Line

Leveraging the properties of copper nanoparticles to expand the product line with varied formats to meet market needs
Achieving growth in various sectors to contribute to addressing social issues



- Used more frequently for resin substrates and other low-heat-resistant materials → Growing demand for copper powder-based bonding materials capable of low-temperature sintering
- Used to create any circuit on various materials → Copper powder-based paste and MOD ink product development



Copper circuits with oxidation resistance
on transparent polyimide substrates using CuALL™-Powder

- Copper paste serves as an alternative to printed circuit board via-fill plating → Lower environmental impact: Reduction in the quantities of chemicals, industrial wastewater, electricity, and copper; joint development with a Group company (Shinko Co., Ltd.)

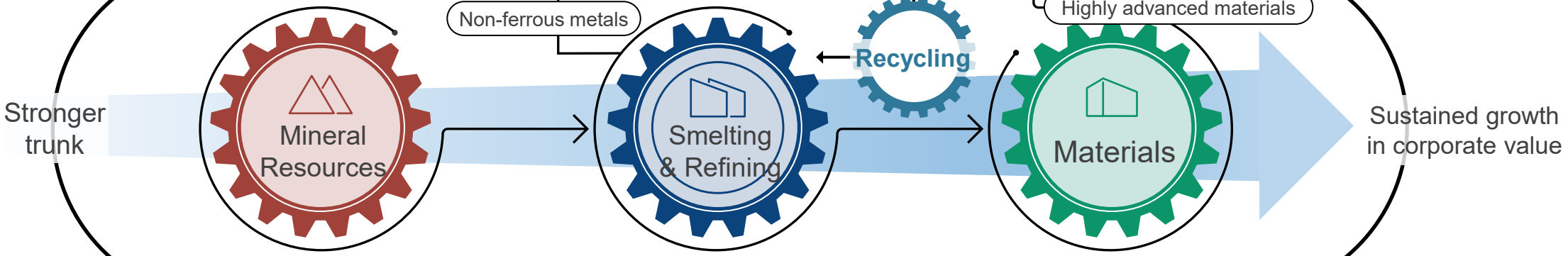
17. Conclusion

As uncertainty grows and supply chain disruption risk materializes, we leverage the strengths of the "Shin" 3-business Collaboration Business Model, centered on the Smelting & Refining Business, brings together our three businesses to build a sustainable supply chain and contribute to the realization of a circular economy and a carbon-neutral society.

- Advanced smelting & refining technologies support the development of a circular economy
- High-quality, low-carbon-contributing products offered by the Materials Business that help reduce GHG emissions
- The collective wisdom of diverse talent enhances organizational resilience

▶ Vision for 2030 realized ▶ **Greater social and environmental value**

Operate in harmony with the global environment and local communities to become a vibrant and dynamic enterprise



**Boost our manufacturing capability to improve our earning power.
Strengthen and expand our growth strategy and shareholder returns on a solid financial foundation.**

- Comprehensive supply chain spans from non-ferrous raw materials procurement to highly advanced materials
- Smelters that boast advanced technologies serve as the driving force behind acquiring high-quality mineral resource interests
- The Materials Business mitigate the volatility of the Mineral Resources and Smelting & Refining Businesses

▶ **Greater shareholder value**

For more details, please refer to Integrated Report 2026 (https://www.smm.co.jp/en/ir/library/integrated_report/).

Ⅴ. Supplementary Materials

Ⅰ Executive Summary

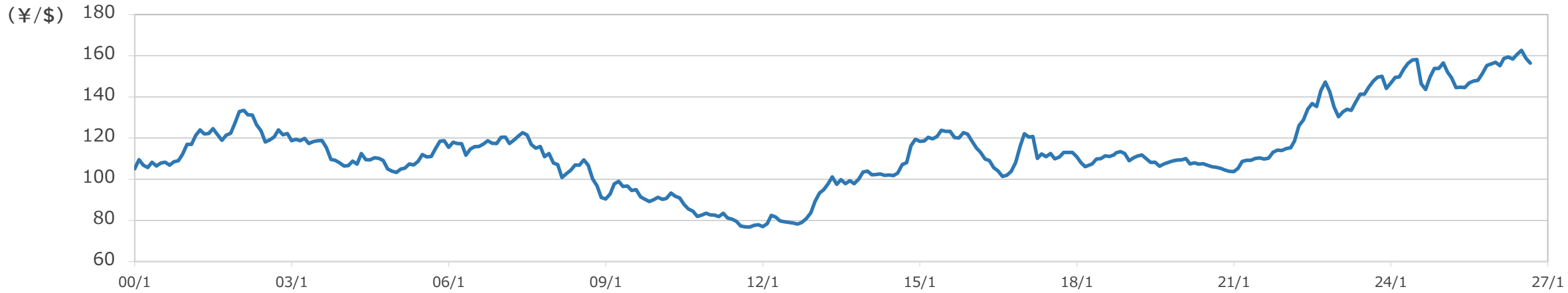
Ⅱ Safety Initiatives

Ⅲ FY2026 1H Financial Results and FY2026 Full Year Forecast

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

Ⅴ Supplementary Materials

Exchage Rate（USD/JPY）（CY2000～）



Gold Price(CY2000～)

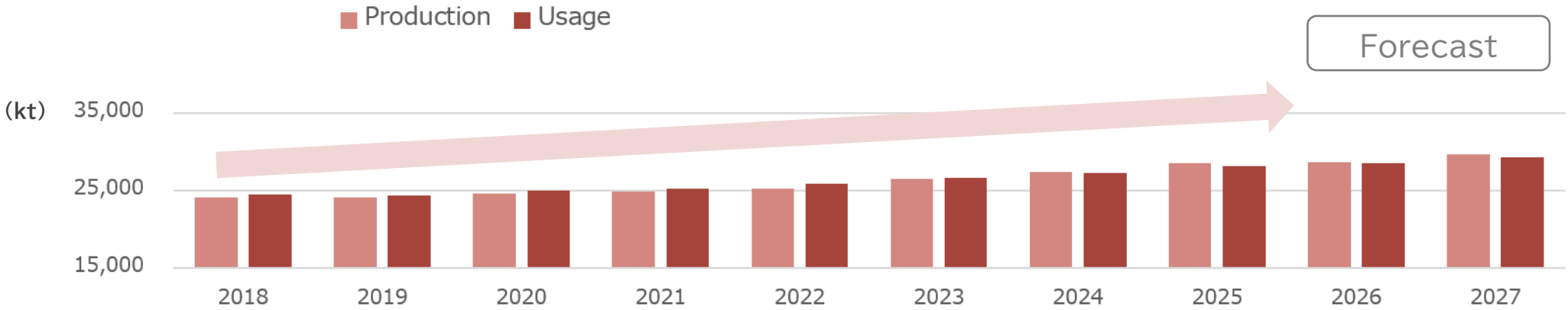


2. Non-ferrous Metal Prices and Exchange Rates（Cu）

Copper Price(CY2000～)



Copper Supply and Demand(CY2018～)



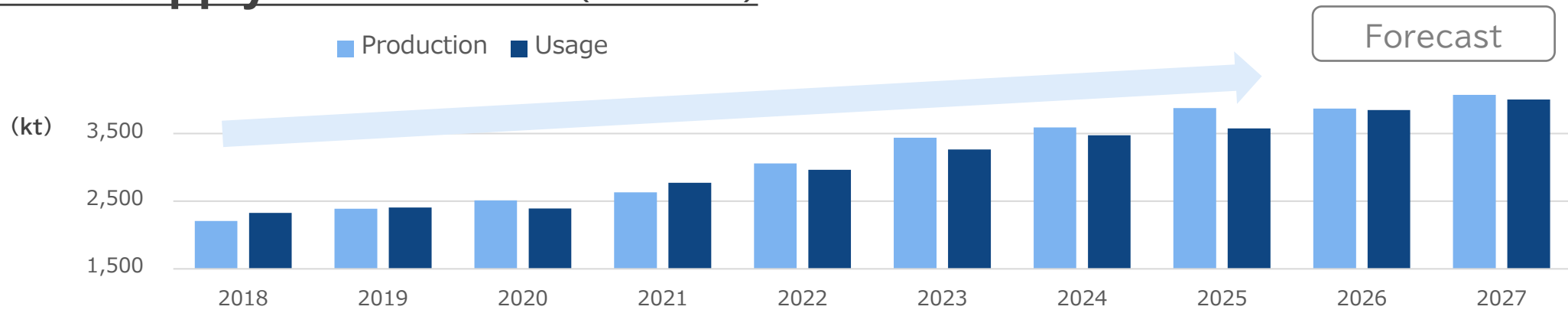
Source: Compiled by our company from the following publications:
- International Copper Study Group, “Release of ICSG 2024 Statistical Yearbook” (October 30, 2025) for data from 2018 to 2024
- International Copper Study Group, “ICSG Copper Market Forecast 2026/2027” (October 13, 2026) for data from 2025 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
- International Nickel Study Group, "INSG October 2026 Meetings Press Release" (October 31, 2026) for data from 2025 to 2027

4. Metal Volume Under Mineral Resource Interests (1) Copper - 1

[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

FY2026 production volume (November forecast) **75.8kt** (25%)

Northparkes

SMM interest: 13.3%
Mineral volume calculation standards: JORC Code 2012 (Australia)/as of December 31, 2025

(13.3%)	Grade (%)	Copper volume (Kt)
Proven and probable mineral reserves (Note:1,3)	0.51	60
(13.3%)	Grade (%)	Copper volume (Kt)
Measured and indicated mineral resources (Note:2,3)	0.51	380
Inferred mineral resources (Note:2,3)	0.43	30

Reference

FY2026 production volume (November forecast) **4.4kt** (13.3%)

(Note) See slide 47 for notes.

5. Metal Volume Under Mineral Resource Interests (1) Copper - 2

[Major mines in which the SMM Group has interests]

Winu Copper-Gold Project

SMM interest: 30%
Mineral volume calculation standards: JORC Code 2012 (Australia)/ as of December 31, 2024

(30%)	Grade (%)	Copper volume (Kt)
Proven and probable mineral reserves (Note:1,3)	-	-

(30%)	Grade (%)	Copper volume (Kt)
Measured and indicated mineral resources (Note:2,3)	0.39	540
Inferred mineral resources (Note:2,3)	0.41	340

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

FY2026 production volume (November forecast) **204kt** (100%)

(Note) See slide 47 for notes.

6. Metal Volume Under Mineral Resource Interests (1) Copper - 3

[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

FY2026 production volume (November forecast) **389kt** (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

FY2026 production volume (November forecast) **135kt** (100%)

(Note) See slide 47 for notes.

※For the Candelaria Complex (including Ojos Del Salado), in accordance with the operator's reporting classification, the measured and indicated mineral resources include the proven and probable mineral reserves .

[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

FY2026 production volume (November forecast)	3.5 t (100%)

Winu Copper-Gold Project

SMM interest: 30%
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	44
Inferred mineral resources (Note:2,3)	0.36	30

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

(Note) See slide 47 for notes.

8. Metal Volume Under Mineral Resource Interests (2) Gold - 2

[Major mines in which the SMM Group has interests]

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

Côté Gold Mine (Côté 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

FY2026 production volume (November forecast) **3.6t** (30%)

Côté 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

(The proven and probable mineral reserves, measured and indicated mineral resources, and inferred mineral resources for the Côté Deposit and Gosselin Deposit are mutually exclusive.)

(Note) See slide 47 for notes.

9. Metal Volume Under Mineral Resource Interests (3) 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.

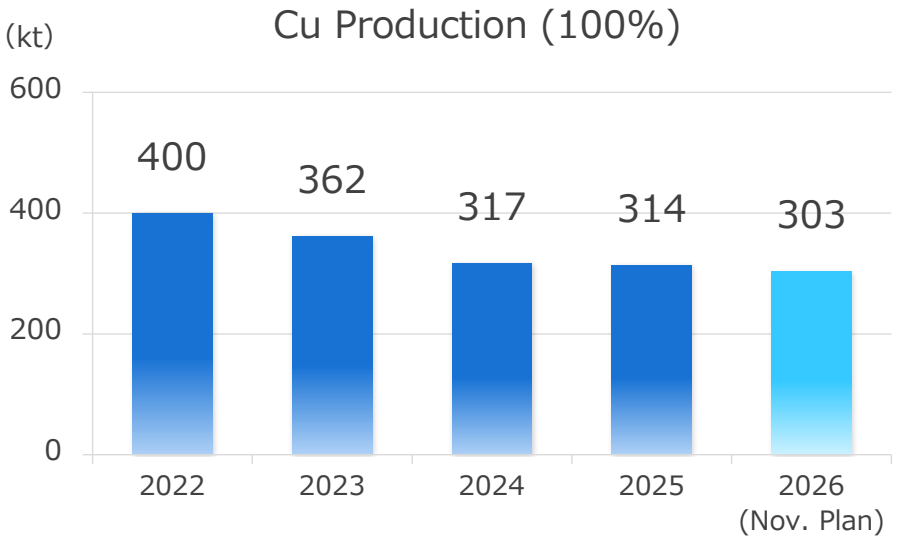
2. The volume of mineral resources represents the volume of minerals discovered, calculated based on mineral volume calculation standards of each country and classified based on the certainty of ore grade and volume.
   The volume of mineral resources is classified as “measured,” “indicated,” or “inferred” 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.

10. State of Business - Mineral Resources (1) Copper - 1

Morenci (U.S.A.)

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

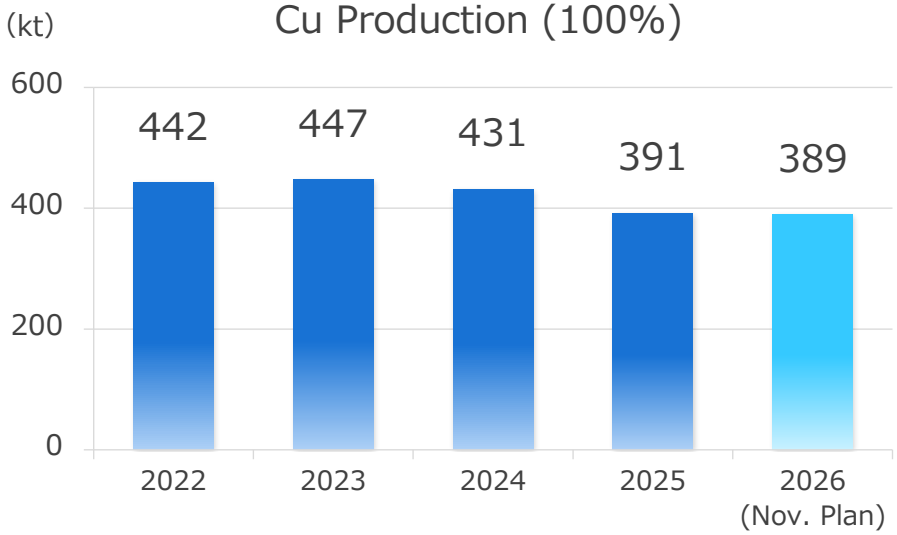




Cerro Verde (Peru)

Interest		
	FCX	55.66%
	SMM	16.80%
	Sumitomo Corp.	4.20%
	Others	23.34%



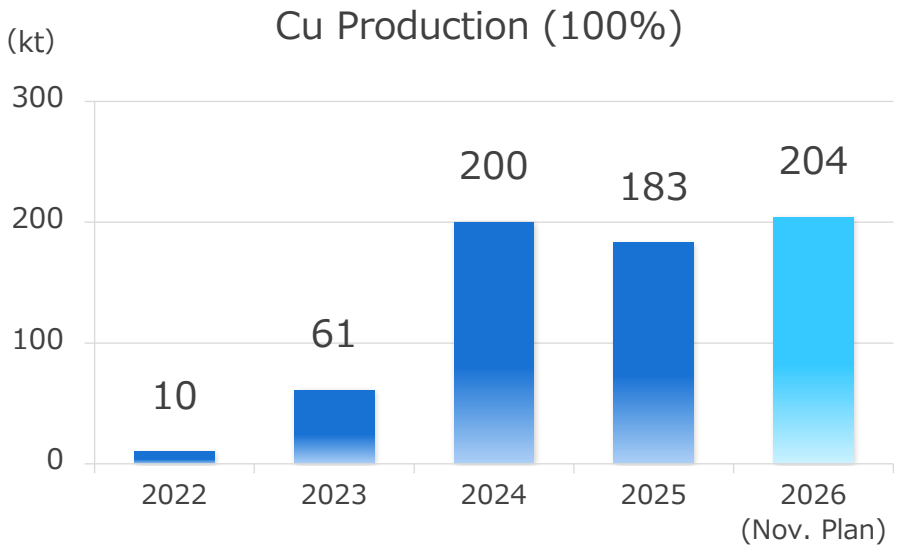


11. State of Business - Mineral Resources (1) Copper - 2

Quebrada Blanca (Chile)

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

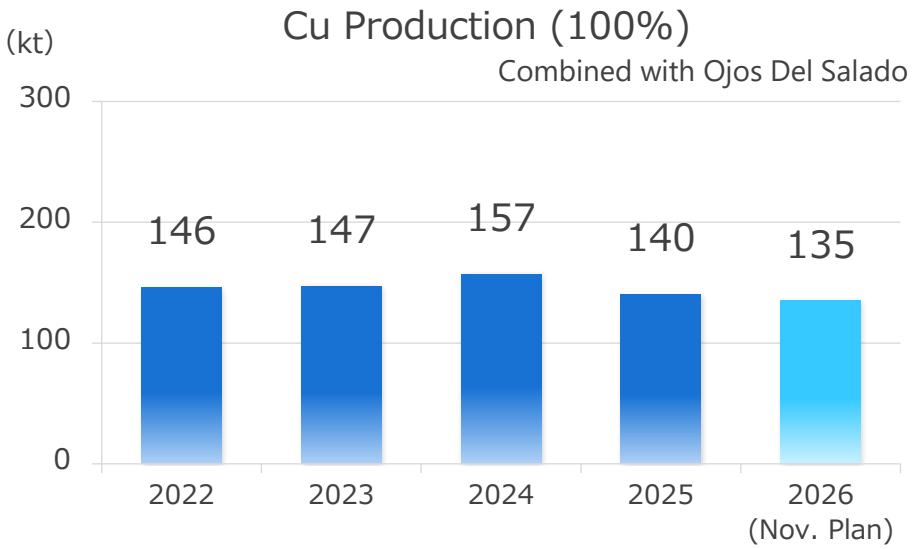




Candelaria Complex (Chile)

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





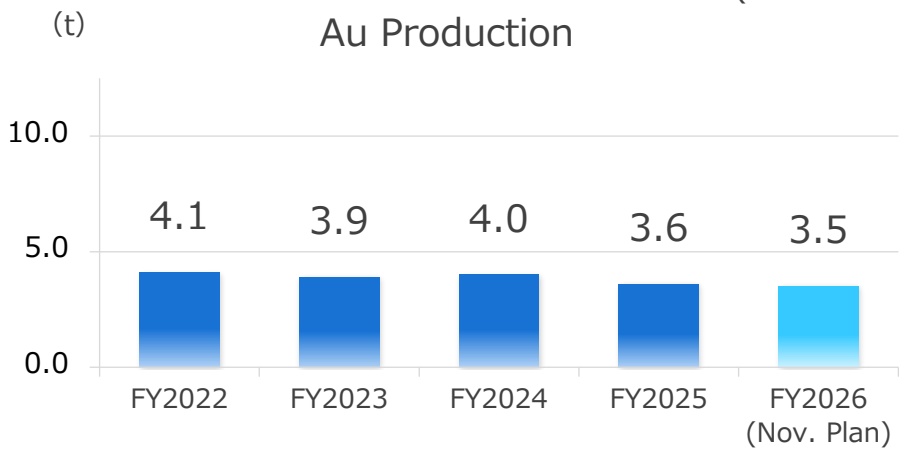
12. State of Business - Mineral Resources (2) Gold

Hishikari Mine (Kagoshima Pref.)

Interest	SMM	100%



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

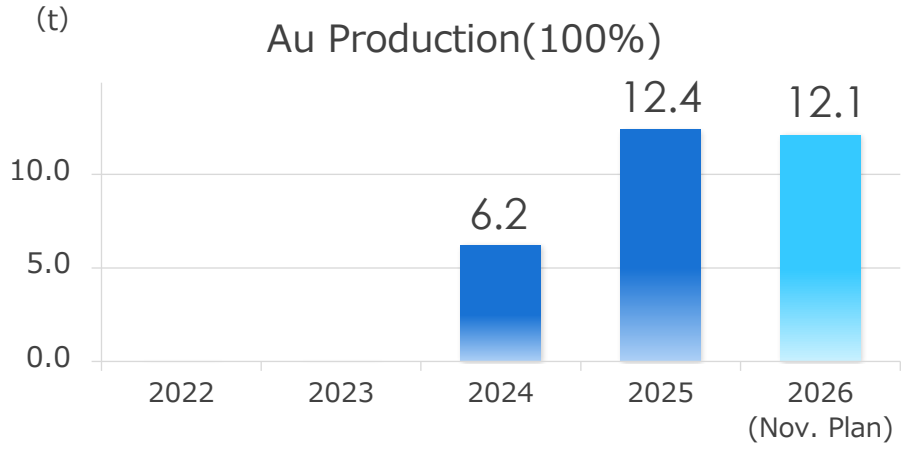


Côté Gold Mine (Canada)

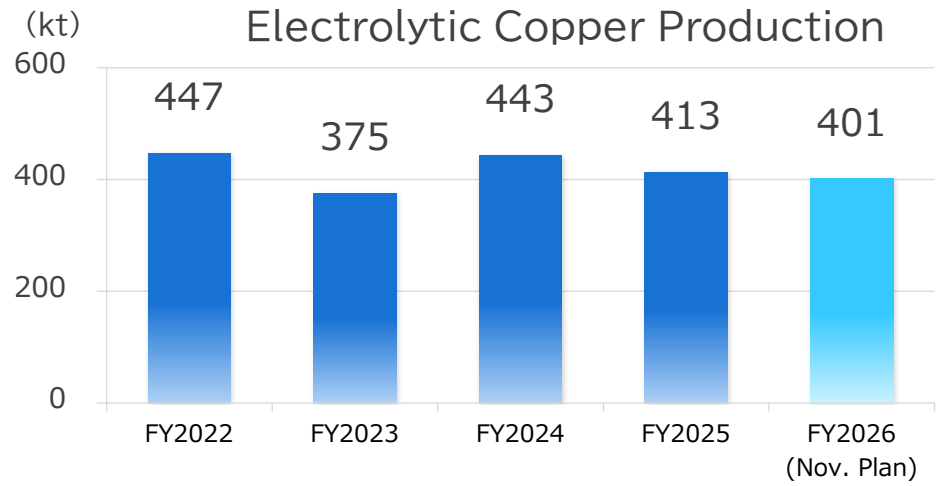
Interest	IAMGOLD	70%
	SMM	30%

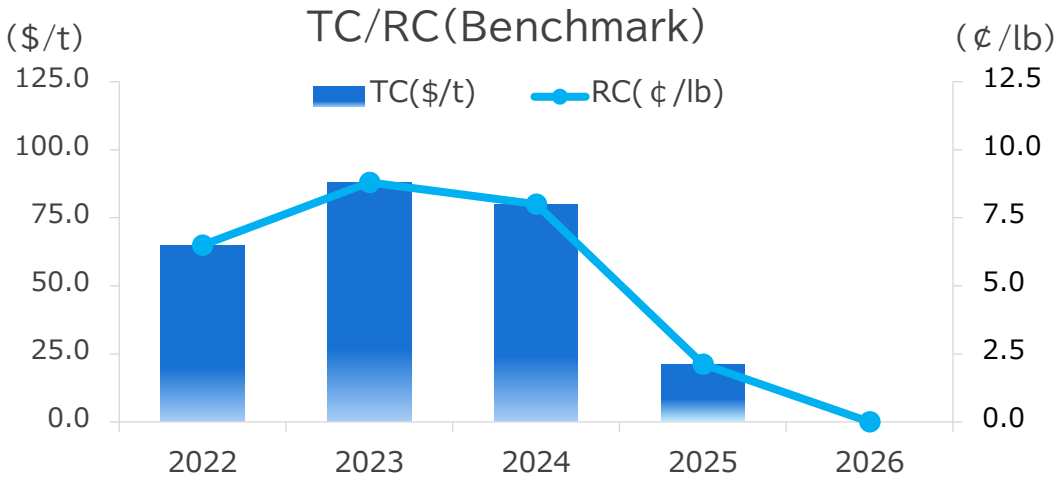


・Commercial Production begun in August 2024



Toyo Smelter & Refinery (Ehime Pref.)



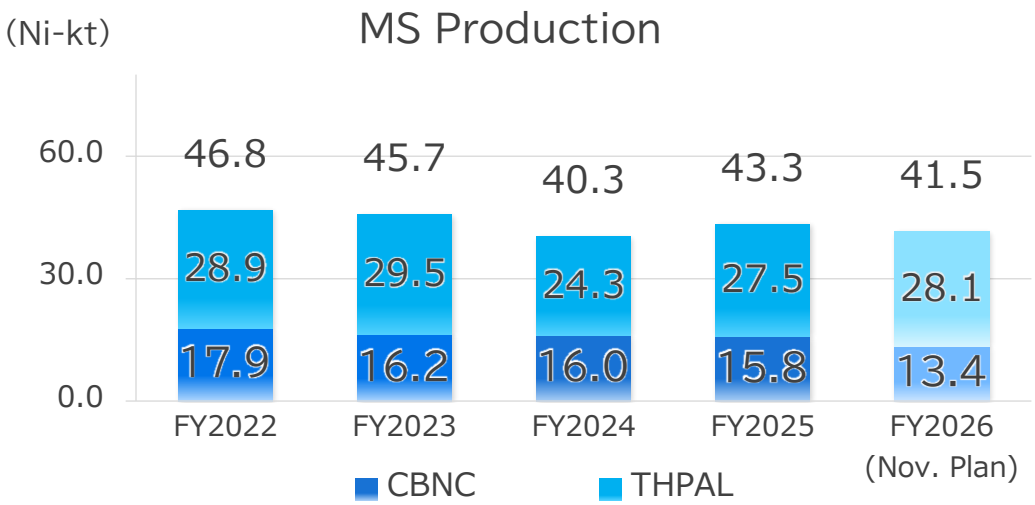


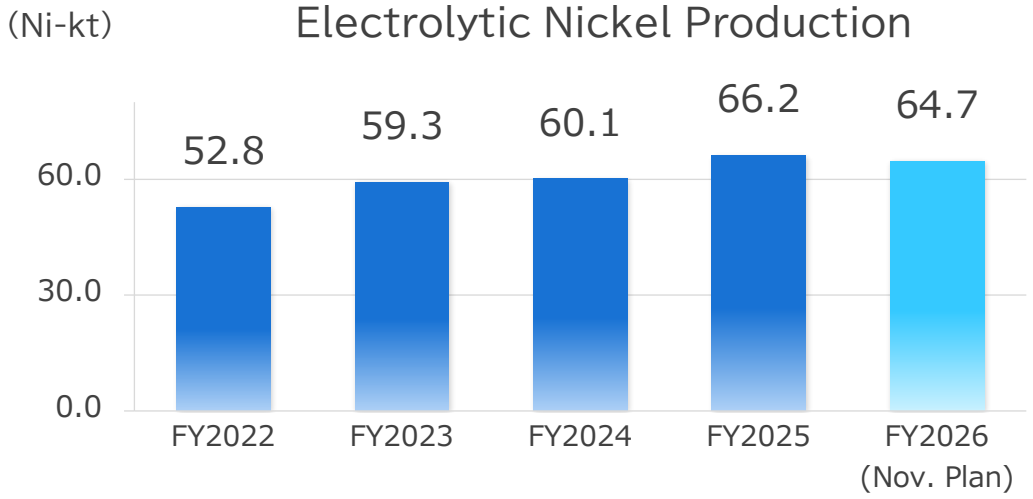


- Periodical shutdowns were carried out during FY2023 and FY2025.
- Facility improvement continued in order to boost production (from 450 thousand tonnes/year to 460 thousand tonnes/year).
- Beginning in FY2026, TC/RC benchmarks are no longer used as a reference in raw material procurement. Instead, individual negotiations with mining companies play a central role in the procurement process.

14. State of Business - Smelting & Refining (2) Nickel

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





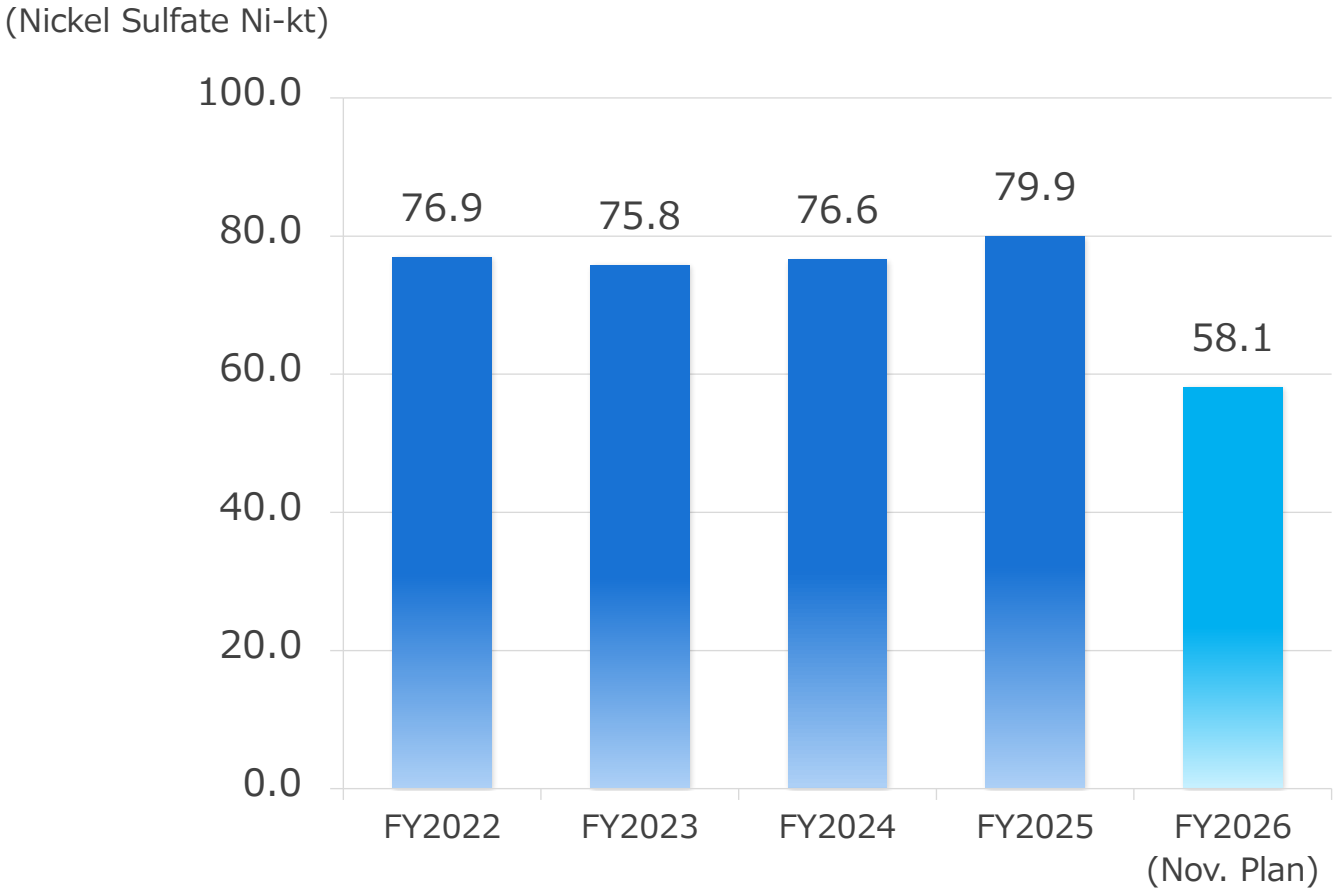


THPAL

15. State of Business - Smelting & Refining (3) Nickel Sulfate

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

Nickel sulfate production
(Niihama Nickel+Harima)

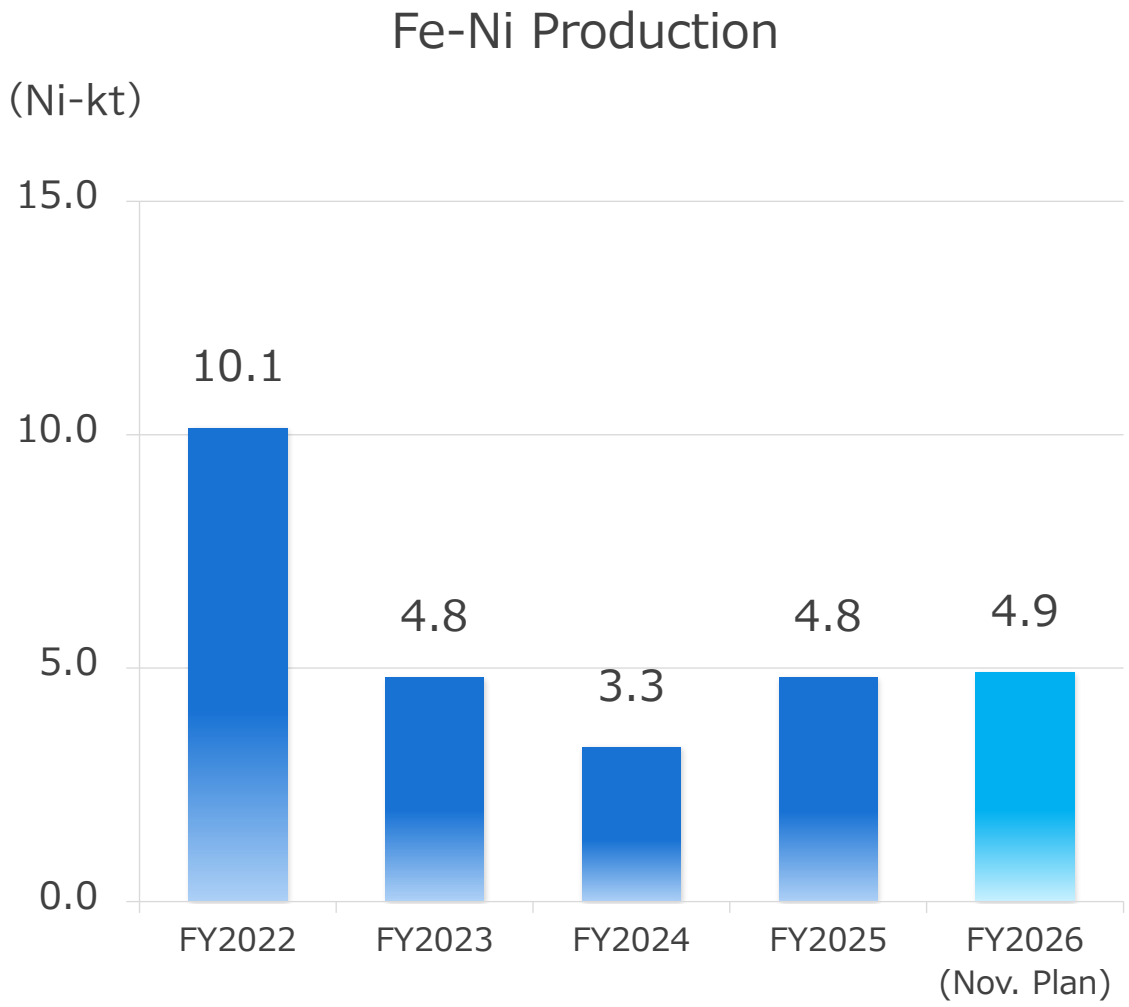




Harima Refinery

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

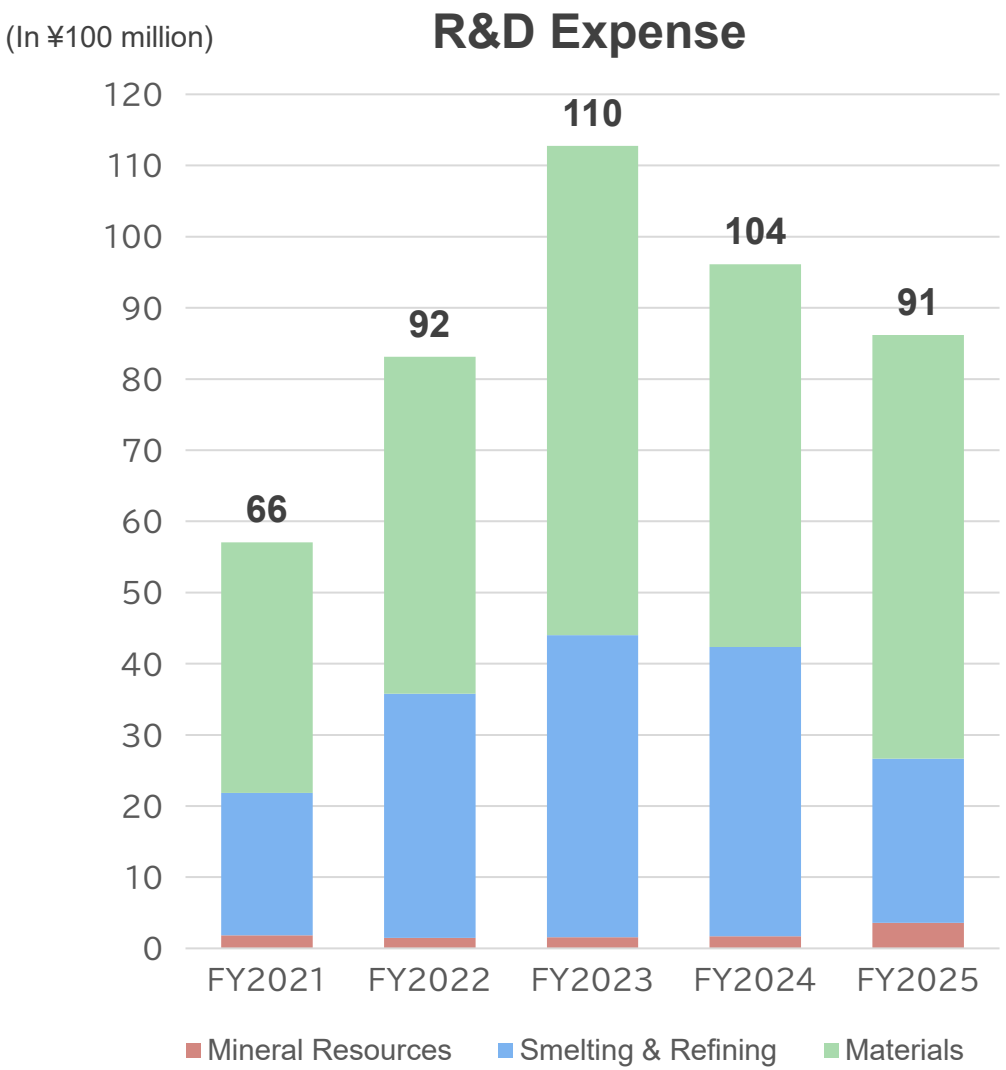
Hyuga Smelting Co.,Ltd (Miyazaki Pref.)





- 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).

17. Status of Business - Research & Development (1)



Note: The total amount includes the adjustment amount;
however, the adjustment amount is not shown in the graph.

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)

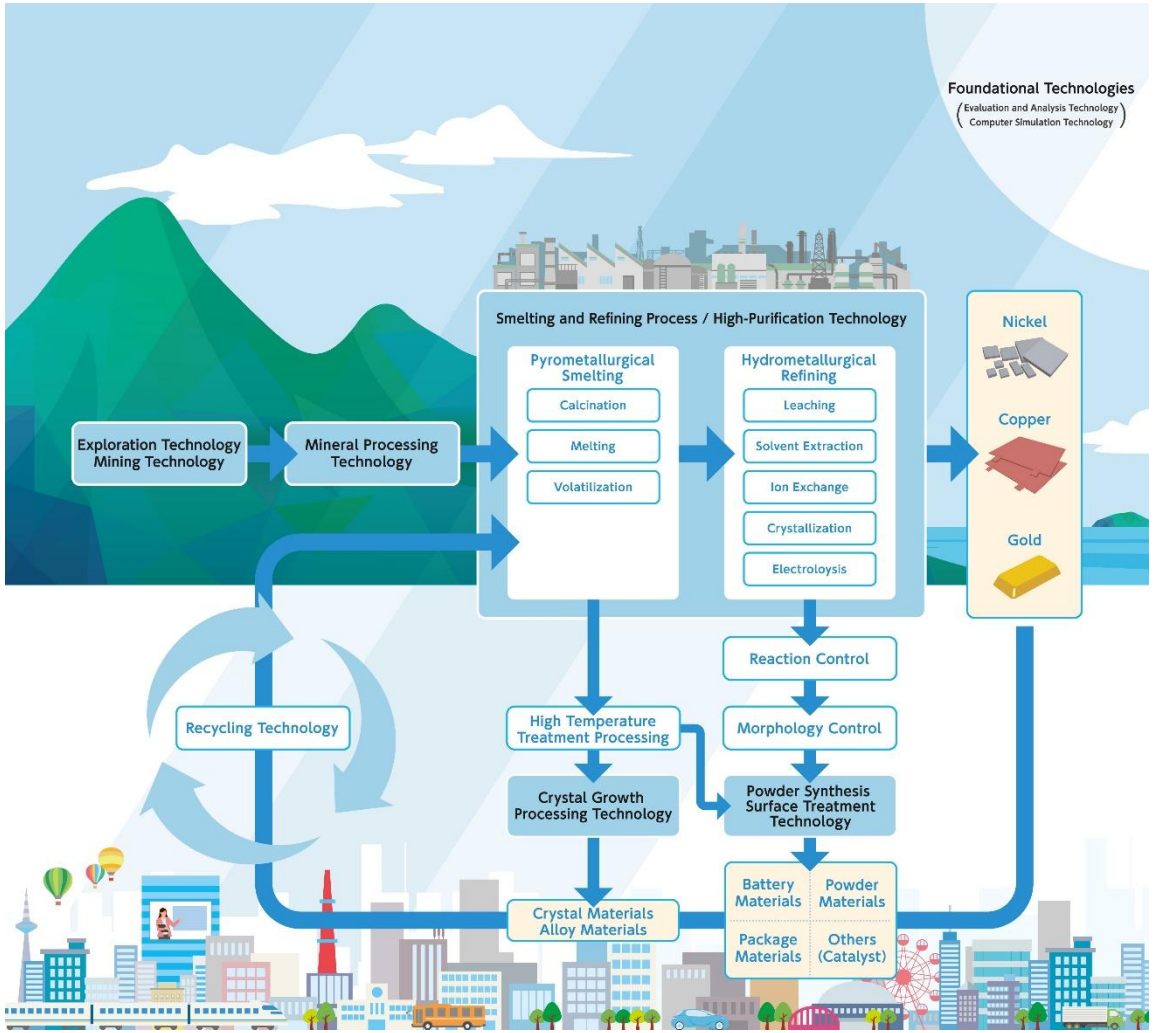
The SMM Group started with refining technology known as “Nanban-buki,” the first of its kind in Japan, developed by Soga Riemon around 1600. The technical capabilities that have been enhanced throughout the Group’s history are now organically linked in our three businesses of Mineral Resources, Smelting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



19. ROCE

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	8.1%	0.3%	2.9%

	Cu	Ni	Gold	Exchange rate (¥/$)
3-Year Plan 27 Assumed price for calculation	$9,400/t	$7.50/lb	$2,400/toz	140.00

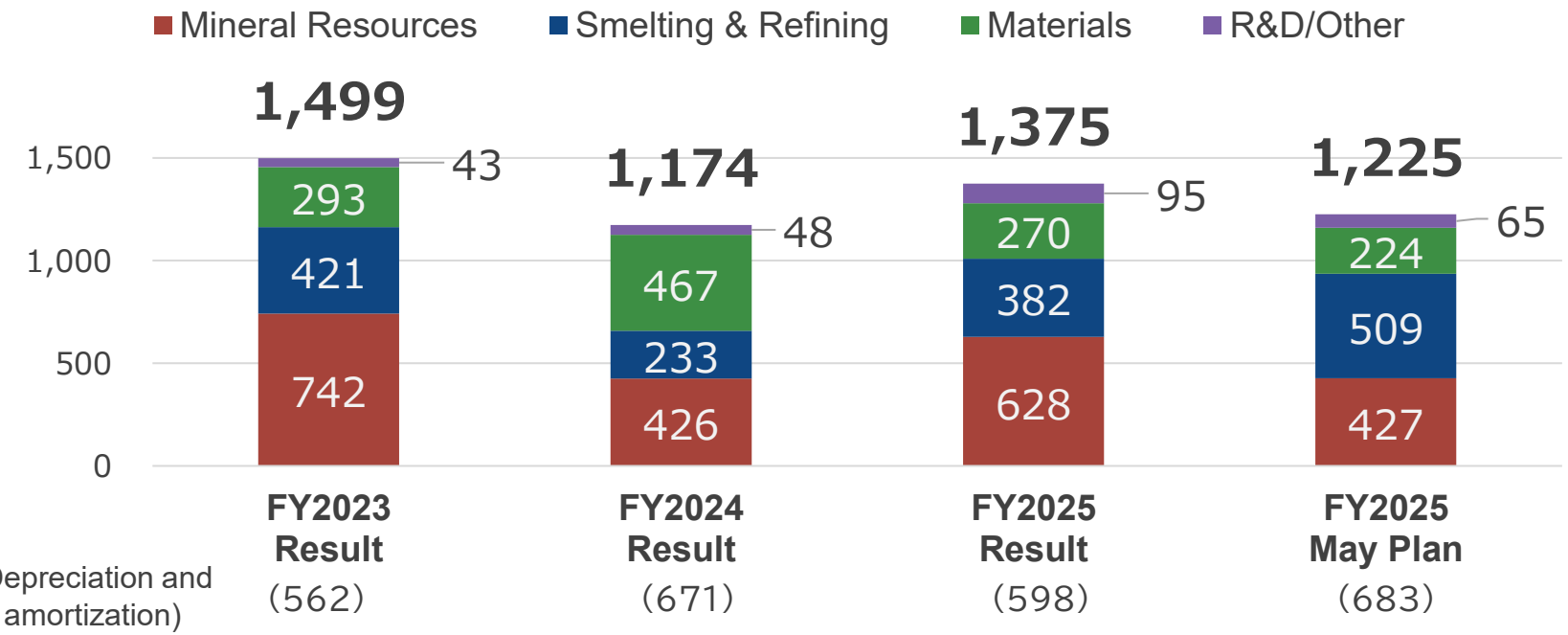
20. Changes in Financial Results (FY2020 - FY2026 Forecast)

(in ¥100 million)		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 (FCST. in Nov.)
Net sales		9,261	12,591	14,230	14,454	15,933	17,416	21,350
Gross profit		1,509	2,578	2,501	1,661	585	2,745	2,510
Profit / loss before tax		1,234	3,574	2,299	958	314	2,557	2,600
Equity method profit/loss		87	575	365	331	87	406	900
	Mineral Resources	631	2,085	764	528	1,018	1,678	2,610
	Smelting & Refining	530	1,148	1,179	622	-71	916	-230
	Materials	105	276	173	-72	-542	153	210
	Other	-28	-9	-30	-15	-12	-21	-40
	Diff. adjustment	-4	74	213	-105	-79	-169	50
Net income attributable to owners of parent		946	2,810	1,606	586	165	1,763	1,610
Copper (USD/t)		6,879	9,691	8,551	8,362	9,370	10,816	13,511
Nickel (USD/lb)		6.80	9.35	11.63	8.68	7.51	7.08	7.69
Gold (USD/toz)		1,824	1,818	1,805	1,989	2,585	3,939	4,296
Cobalt (USD/lb)		16.62	27.46	25.57	14.16	10.89	19.67	21.02
Exchange (JPY/$)		106.07	112.39	135.48	144.63	152.58	150.78	157.19

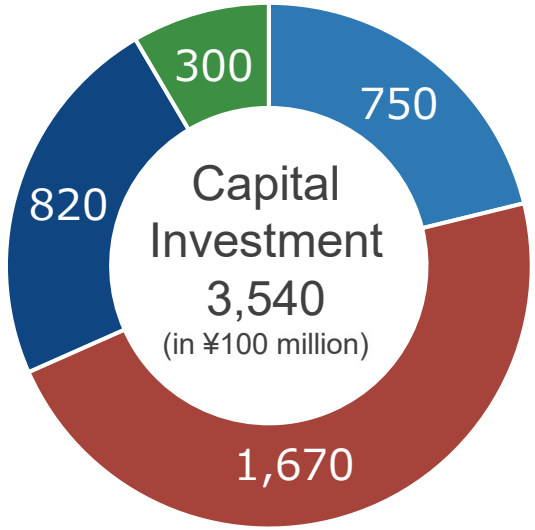
21. Capital Investment, Investments and Financing

Trends of Capital Investment

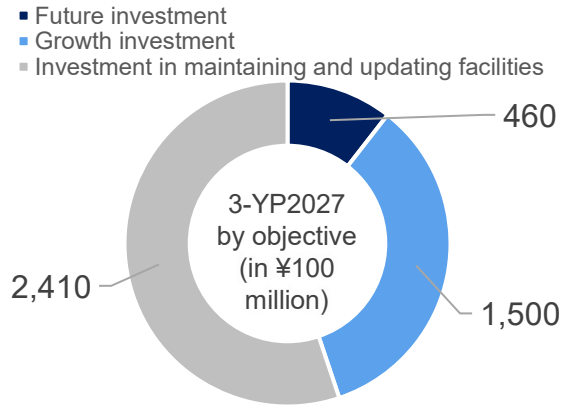
(in ¥100 million)



3-Year Plan 2027 Capital Investment, Investments and Financing



+ Investments and financing
830 (in ¥100 million)



Investments and financing excl. capital investment	
FY2024 Result	856
FY2025 Result	673
Forecast as of May 2026	536

[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

22. Sensitivity for FY2026 Forecast in November

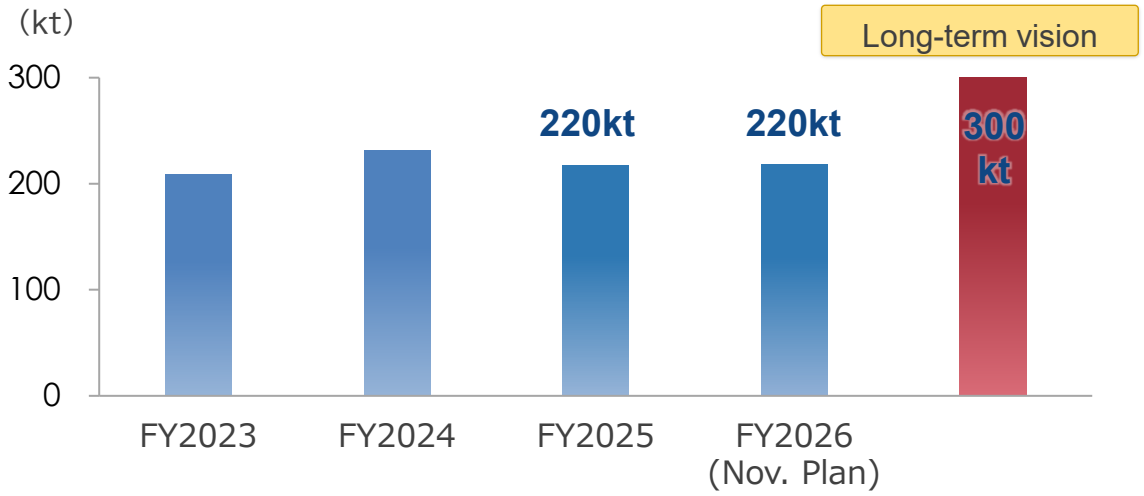
(in ¥100 million)

Element	Fluctuation	FY2026 Profit before tax
Cu	±100$/t	30
Ni	±10¢/lb	14
Au	±100$/toz	36
¥／$	±1¥/$	22

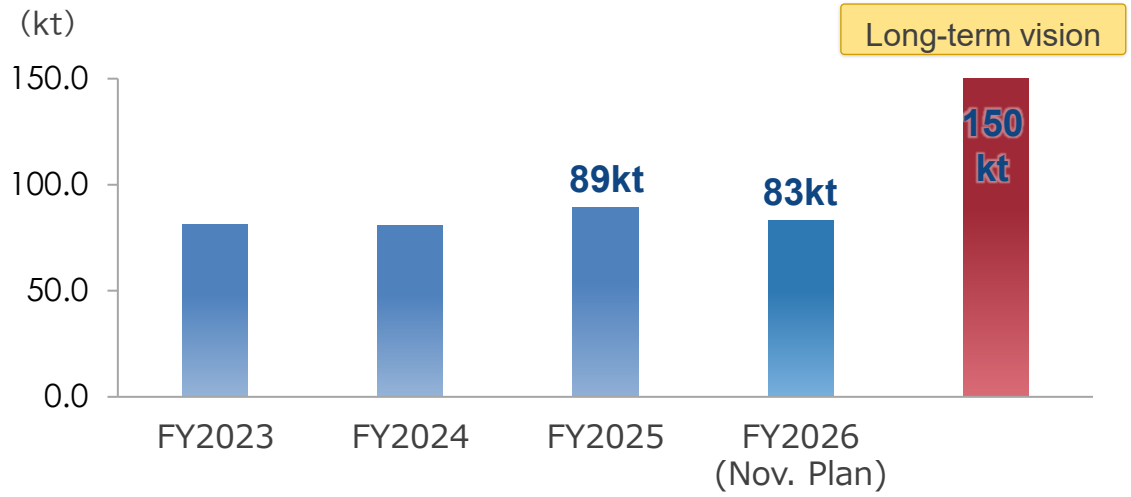
Note: The monetary value of the impact of exchange rate fluctuations provided above is the sum of the revenue from metal processing operations in Japan and FOREX differences in foreign operations. It does not include the impact of inventory valuation.

23. Long-term Vision Targets and Their Achievements

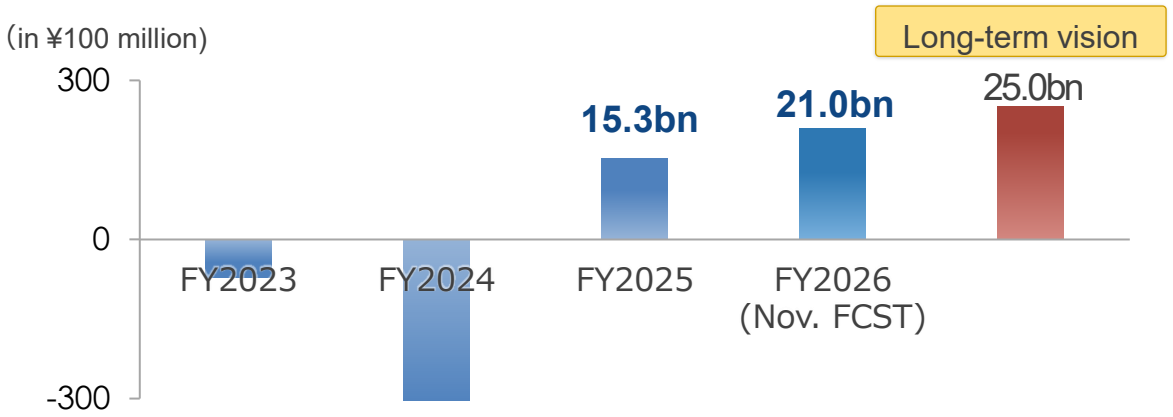
Cu (Production from company mines)



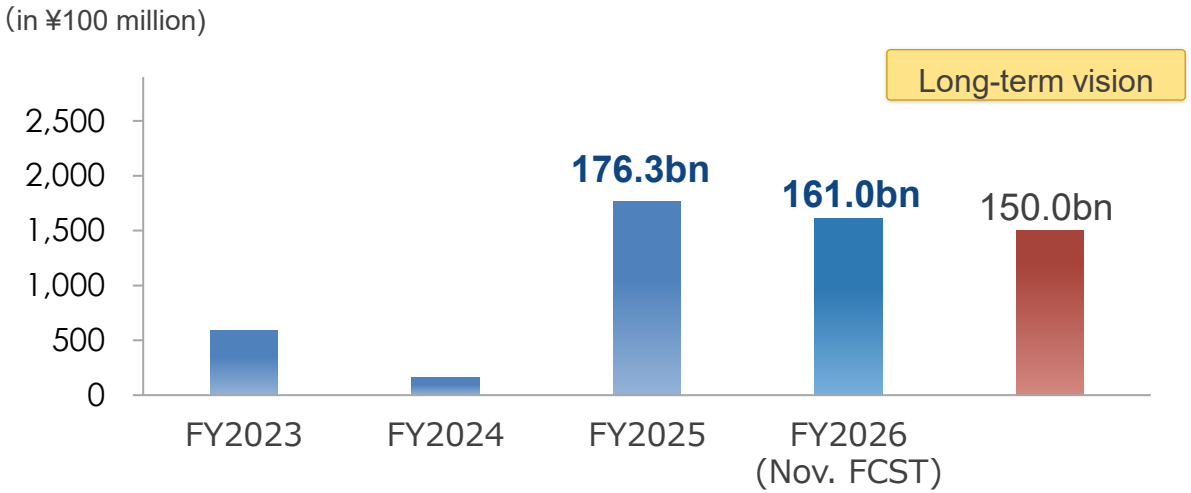
Ni (Annual production volume)



Materials Business (Segment profit)



Net income (Attributable to owners of the parent)



24. Material Issues for Realizing Vision for 2030 (1)

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	Ensuring a Stable Supply of Non-Ferrous Metals and Contributing 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	Contributing to the Realizing a Carbon-Neutral Society	A company that actively works to reduce greenhouse gas (GHG) emissions and develop 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

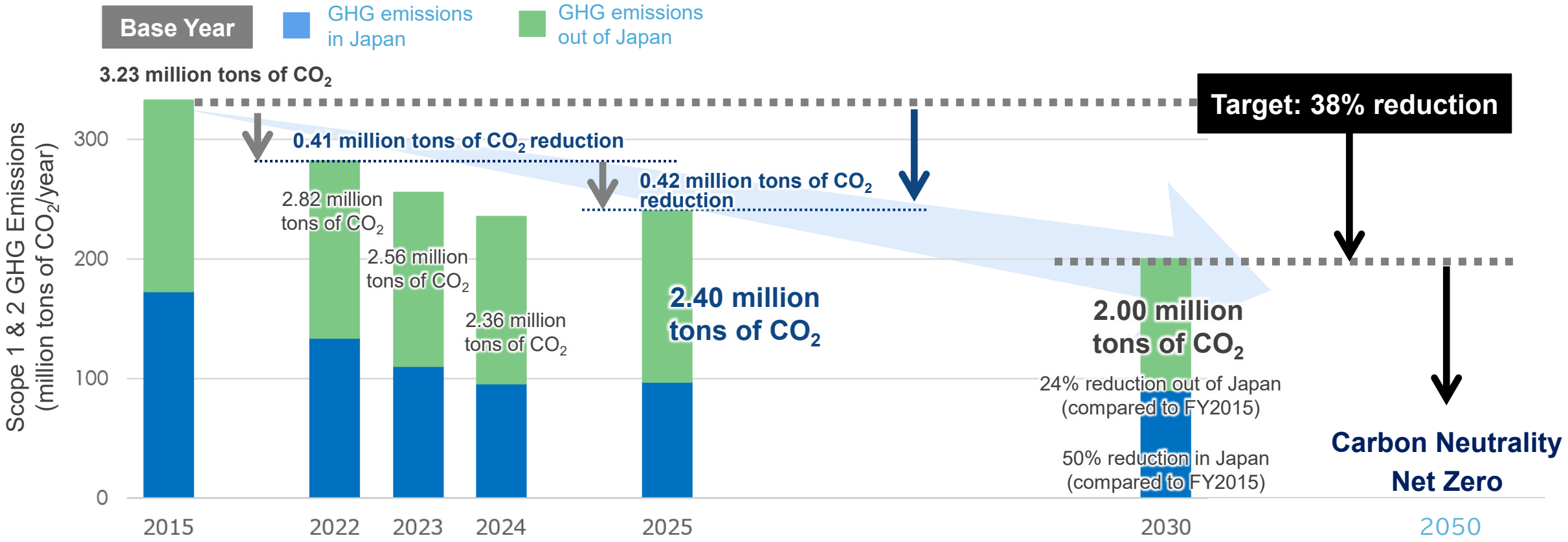
25. Material Issues for Realizing Vision for 2030 (2)

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 - Scope 3 (category 1)	38% reduction compared to FY2015 18% reduction compared to FY2023
		Developing and supplying low-carbon contributing products - Amount of GHG emissions reduction contributed by low-carbon contributing products	1.7 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 FY2025: approx. 26% reduction (0.83 million tons of CO_2) 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

RESPONSIBLE MINERALS INITIATIVE
CONFORMANT

28. Engagement with Stakeholders

[Publication of Integrated Report and ESG Data Book]

- 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 (FY2026 1H 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. 130 times

    Additionally, we are planning to hold briefings for individual investors, business briefings, and briefings at business bases, etc.
- **Main topics: “Impact of the situation in the Middle East,” “Supply of and demand for copper and nickel, and market and price trends,” “The business of cathode materials for vehicles,” “Generative AI and data center-related businesses,” “Shareholder return policy,” and “Status of initiatives for carbon neutrality (CN),” etc.**

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