

## Consolidated Financial Results for the Year Ended March 31, 2025 [IFRS]

May 9, 2025

[Full version of English translation released on May 28, 2025]

Listed Company Name: Sumitomo Metal Mining Co., Ltd.  
 Code: 5713  
 Listings: Tokyo Stock Exchange  
 URL: <https://www.smm.co.jp/>  
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 Scheduled Ordinary General Meeting of Shareholders: June 26, 2025  
 Scheduled Date to Start Dividend Payment: June 27, 2025  
 Scheduled Date to Submit Securities Report: June 25, 2025  
 Preparation of Supplementary Explanation Materials for Financial Results: Yes  
 Briefing on Account Settlement: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded off)

### 1. Consolidated Financial Results (From April 1, 2024, to March 31, 2025)

#### (1) Consolidated Operating Results

(% figures show year-on-year change)

|                           | Net sales       |      | Profit before tax |       | Profit          |       | Profit attributable to owners of parent |       | Total comprehensive income |       |
|---------------------------|-----------------|------|-------------------|-------|-----------------|-------|---|-------|----------------------------|-------|
|                           | Millions of yen | %    | Millions of yen   | %     | Millions of yen | %     | Millions of yen                         | %     | Millions of yen            | %     |
| Year ended March 31, 2025 | 1,593,348       | 10.2 | 31,383            | -67.2 | 11,777          | -80.6 | 16,487                                  | -71.9 | 105,640                    | -49.5 |
| Year ended March 31, 2024 | 1,445,388       | 1.6  | 95,795            | -58.3 | 60,803          | -64.3 | 58,601                                  | -63.5 | 209,335                    | -27.1 |

|                           | Basic earnings per share | Diluted earnings per share | Return on equity | Profit before tax to total assets |
|---------------------------|--------------------------|----------------------------|------------------|-----------------------------------|
|                           | Yen                      | Yen                        | %                | %                                 |
| Year ended March 31, 2025 | 59.99                    | 59.99                      | 0.9              | 1.0                               |
| Year ended March 31, 2024 | 213.28                   | 213.28                     | 3.4              | 3.3                               |

(Reference) Equity in earnings (loss) of affiliates

Year ended March 31, 2025: ¥8,705 million;

Year ended March 31, 2024: ¥33,117 million

#### (2) Consolidated Financial Position

|                      | Total assets    | Total equity    | Equity attributable to owners of parent | Equity attributable to owners of parent ratio | Equity attributable to owners of parent per share |
|----------------------|-----------------|-----------------|---|---|---|
|                      | Millions of yen | Millions of yen | Millions of yen                         | %   | Yen   |
| As of March 31, 2025 | 3,068,622       | 2,049,386       | 1,845,737                               | 60.1  | 6,711.27  |
| As of March 31, 2024 | 3,027,714       | 1,973,380       | 1,785,104                               | 59.0  | 6,496.96  |

#### (3) Consolidated Cash Flows

|                           | Net cash provided by operating activities | Net cash used in investing activities | Net cash provided by (used in) financing activities | Cash and cash equivalents at end of period |
|---------------------------|---|---------------------------------------|---|--|
|                           | Millions of yen                           | Millions of yen                       | Millions of yen                                     | Millions of yen                            |
| Year ended March 31, 2025 | 149,644                                   | (138,884)                             | (6,180)   | 159,712                                    |
| Year ended March 31, 2024 | 210,675                                   | (298,887)                             | 7,090   | 151,022                                    |

## 2. Dividends

|                                       | Dividend per share |                    |                   |          |        | Total dividend amount (Annual) | Dividend payout ratio (Consolidated) | Dividend payout ratio to equity attributable to owners of parent (Consolidated) |
|---------------------------------------|--------------------|--------------------|-------------------|----------|--------|--------------------------------|--------------------------------------|---|
|                                       | First quarter-end  | Second quarter-end | Third quarter-end | Year-end | Total  |                                |                                      |   |
|                                       | Yen                | Yen                | Yen               | Yen      | Yen    | Millions of yen                | %                                    | %   |
| Year ended March 31, 2024             | —                  | 35.00              | —                 | 63.00    | 98.00  | 26,927                         | 45.9                                 | 1.6   |
| Year ended March 31, 2025             | —                  | 49.00              | —                 | 55.00    | 104.00 | 28,589                         | 173.4                                | 1.6   |
| Year ending March 31, 2026 (Forecast) | —                  | 65.00              | —                 | 66.00    | 131.00 |                                | 62.1                                 |   |

## 3. Forecast of Consolidated Operating Results for the Year Ending March 31, 2026 (From April 1, 2025, to March 31, 2026)

(% figures show year-on-year change)

|           | Net sales       |      | Profit before tax |       | Profit          |       | Profit attributable to owners of parent |       | Basic earnings per share |
|-----------|-----------------|------|-------------------|-------|-----------------|-------|---|-------|--------------------------|
|           | Millions of yen | %    | Millions of yen   | %     | Millions of yen | %     | Millions of yen                         | %     | Yen                      |
| Full year | 1,538,000       | -3.5 | 100,000           | 218.6 | 68,000          | 477.4 | 58,000                                  | 251.8 | 210.89                   |

### Notes

(1) Significant Changes in the Scope of Consolidation during the Period under Review: None

(2) Changes in Accounting Policies or Estimates

1) Changes in accounting policies required by IFRS:

None

2) Changes in accounting policies other than item 1) above:

None

3) Changes in accounting estimates:

None

(3) Number of Outstanding Shares (Common stock)

1) Number of shares issued as of end of period (including treasury stock)

290,814,015 shares at March 31, 2025

290,814,015 shares at March 31, 2024

2) Number of shares of treasury stock as of end of period

15,793,676 shares at March 31, 2025

16,054,245 shares at March 31, 2024

3) Average number of shares during the period

274,845,090 shares for the year ended March 31, 2025

274,762,204 shares for the year ended March 31, 2024

(Reference) Summary of Non-Consolidated Financial Results (J-GAAP)  
Non-Consolidated Financial Results (From April 1, 2024, to March 31, 2025)

(1) Non-Consolidated Operating Results

(% figures show year-on-year change)

|                              | Net sales       |     | Operating profit |       | Ordinary profit |       | Profit          |       |
|------------------------------|-----------------|-----|------------------|-------|-----------------|-------|-----------------|-------|
|                              | Millions of yen | %   | Millions of yen  | %     | Millions of yen | %     | Millions of yen | %     |
| Year ended<br>March 31, 2025 | 1,403,514       | 9.7 | 77,675           | -9.3  | 119,350         | 13.4  | 36,627          | -55.1 |
| Year ended<br>March 31, 2024 | 1,279,284       | 3.1 | 85,670           | -25.8 | 105,272         | -36.6 | 81,583          | -32.7 |

|                              | Profit<br>per share (Basic) | Profit<br>per share (Diluted) |
|------------------------------|-----------------------------|-------------------------------|
|                              | Yen                         | Yen                           |
| Year ended<br>March 31, 2025 | 133.26                      | 133.26                        |
| Year ended<br>March 31, 2024 | 296.92                      | 296.92                        |

(2) Non-Consolidated Financial Position

|                      | Total assets    | Net assets      | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
|                      | Millions of yen | Millions of yen | %            | Yen                  |
| As of March 31, 2025 | 2,026,038       | 1,083,321       | 53.5         | 3,939.06             |
| As of March 31, 2024 | 2,080,263       | 1,134,145       | 54.5         | 4,127.77             |

(Reference) Shareholders' equity

As of March 31, 2025: ¥1,083,321 million;

As of March 31, 2024: ¥1,134,145 million

<Reasons for differences between the non-consolidated financial results for the year ended March 31, 2025 and the actual results for the previous year>

Ordinary profit increased year over year due mainly to an increase in gold prices, recovery in demand for materials for electronic parts, and recording of foreign exchange gain during the year ended March 31, 2025.

Profit decreased year over year due to the recording of impairment losses in the battery materials businesses.

The consolidated financial results presented herein are not subject to audits by certified public accountants or audit corporations.

Explanation regarding appropriate use of operating results forecast and other special notes  
(Caution Regarding Forward-Looking Statements)

The forward-looking statements, including business results forecast, contained in this report are based on information available to the Company and on certain assumptions deemed to be reasonable as of the date of release of this report and they are not meant to be a commitment by the Company. Also, actual business results may differ substantially due to a number of factors.

(Supplementary Explanation Materials for Financial Results)

The Supplementary Explanation Materials will be posted on the Company's website on Friday, May 9, 2025.

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# 1. Overview of Business Performance, etc.

## (1) Overview of Business Performance in Fiscal 2024

### 1) General overview

(Millions of yen)

|  | Net sales         | Profit before tax  | Profit attributable to owners of parent |
|--|-------------------|--------------------|---|
| Year ended March 31, 2025                | 1,593,348         | 31,383             | 16,487                                  |
| Year ended March 31, 2024                | 1,445,388         | 95,795             | 58,601                                  |
| Increase/decrease<br>[Rate of change: %] | 147,960<br>[10.2] | -64,412<br>[-67.2] | -42,114<br>[-71.9]                      |

### (Market prices and foreign exchange rates)

|                     | Unit   | Year ended March 31, 2024 | Year ended March 31, 2025 | Increase/decrease |
|---------------------|--------|---------------------------|---------------------------|-------------------|
| Copper              | \$/t   | 8,362                     | 9,370                     | 1,008             |
| Nickel              | \$/lb  | 8.68                      | 7.51                      | -1.17             |
| Gold                | \$/TOZ | 1,989.0                   | 2,584.7                   | 595.7             |
| Exchange rate (TTM) | ¥/\$   | 144.63                    | 152.58                    | 7.95              |

The global economy during the fiscal year ended March 31, 2025 recovered moderately overall despite disparities among countries, regions, and industries. In the United States, personal consumption grew due to the strong employment and income environment, and the economy steadily expanded. In Europe, the economy was on a moderate recovery trend as high prices have subsided on the whole, although the manufacturing sector was stagnant in some countries. In China, there was a moderate recovery as a result of economic stimulus measures driven by government subsidies toward the end of the fiscal year. However, internal demand remained stagnant due to the real estate downturn, and throughout the period, the economy failed to make a major recovery.

Regarding the prices of major non-ferrous metals, although copper prices were volatile due to fluctuations in the supply-demand balance and global economic forecasts, demand remained strong backed by factors such as an increase in data communications related to generative AI and the construction of data centers to accommodate it, and average prices increased year over year. For nickel prices, average prices fell year over year due to the sustained supply glut, such as an increase in production in Indonesia. Gold prices have been on an upward trend throughout the period on the back of geopolitical risks in the Middle East, interest rate cuts in the United States, among other factors, resulting in a significant increase in average prices year over year.

As for exchange rates, although there was a phase of yen appreciation at the middle of the period owing to a growing prediction for a narrower interest rate differential between Japan and the United States, the yen depreciated again toward the end of the year because of the factors such as a rise in long-term interest rates in the United States due to concerns for a resurgence of inflation. The yen appreciated again due to rising concerns for a potential economic downturn in the United States as a result of factors such as the protectionist trade policies of the new administration, but the average exchange rate for the yen depreciated year over year.

In industries related to the Materials business, the electric vehicle market has grown steadily, boosted by the carbon neutrality targets set by various countries for the year 2050, but during the fiscal year under review, there was a rising shift toward making adjustments, although the degree varied depending on the country, region, etc. This had an impact on demand forecasts for the automobile battery materials manufactured by the Company, and competition intensified as moves were made to replace of product types, etc. On the other hand, demand for components for electronic parts recovered overall due to progress with inventory adjustments, the growth of the generative AI market, and other factors.

Under these circumstances, consolidated net sales for the fiscal year ended March 31, 2025 increased by ¥147,960 million year over year to ¥1,593,348 million, due mainly to the average price of copper and gold increasing year over year and yen depreciation.

Consolidated profit before tax decreased by ¥64,412 million year over year to ¥31,383 million, due mainly to the recording of impairment losses by Coral Bay Nickel Corporation (Philippines), an overseas nickel smelting subsidiary, and by the battery materials businesses, despite an increase in profit through the steady opening of newly developed mines.

Profit attributable to owners of parent decreased by ¥42,114 million year over year to ¥16,487 million, due mainly to a decrease in consolidated profit before tax.

## 2) Reportable segments

### (a) Mineral Resources segment

(Millions of yen)

|                | Year ended March<br>31, 2024 | Year ended March<br>31, 2025 | Increase/decrease | Rate of change (%) |
|----------------|------------------------------|------------------------------|-------------------|--------------------|
| Net sales      | 166,006                      | 210,716                      | 44,710            | 26.9               |
| Segment income | 52,845                       | 101,836                      | 48,991            | 92.7               |

Segment income increased year over year due mainly to increases in copper and gold prices and the smooth opening of the newly developed Cote Gold Mine (Canada) and Quebrada Blanca Copper Mine (Chile), despite rising production costs in some overseas mines.

The statuses of the main mines are as follows.

Mining operations at the Hishikari Mine remained steady, and the sales volume of gold was 4.0 tonnes as planned.

Production levels at the Morenci Copper Mine (United States) (of which the Company holds a 25.0% interest, excluding non-controlling interest) was 317 thousand tonnes, lower than the previous fiscal year due mainly to a decline in ore grade.

Production levels at the Cerro Verde Copper Mine (Peru) (of which the Company holds a 16.8% interest, excluding non-controlling interest) was 431 thousand tonnes, lower than the previous fiscal year due mainly to a decrease in ore grade.

Production levels at the Quebrada Blanca Copper Mine (of which the Company holds a 25.0% interest, excluding non-controlling interest) was 200 thousand tonnes.

Production levels at the Cote Gold Mine (of which the Company holds a 30.0% interest, excluding non-controlling interest) was 6.2 tonnes. On November 30, 2024, IAMGOLD Corporation (Canada), which is jointly operating the mine with a consolidated subsidiary, SMM Gold Cote Inc. (Canada), exercised its right to repurchase its interest in the mine. Accordingly, the Company's interest fell from 39.7% to 30.0%.

### (b) Smelting & Refining segment

(Millions of yen)

|                       | Year ended March<br>31, 2024 | Year ended March<br>31, 2025 | Increase/decrease | Rate of change (%) |
|-----------------------|------------------------------|------------------------------|-------------------|--------------------|
| Net sales             | 1,067,863                    | 1,230,694                    | 162,831           | 15.2               |
| Segment income (loss) | 62,199                       | (7,147)                      | -69,346           | —                  |

### (Output by the Company's major product)

| Product             | Unit | Year ended March<br>31, 2024 | Year ended March<br>31, 2025 | Increase/decrease |
|---------------------|------|------------------------------|------------------------------|-------------------|
| Copper              | t    | 374,504                      | 442,960                      | 68,456            |
| Gold                | kg   | 18,026                       | 18,709                       | 683               |
| Electrolytic nickel | t    | 59,313                       | 60,108                       | 795               |
| Ferronickel         | t    | 4,793                        | 3,317                        | -1,476            |

(Note) Output includes the portions of commissioning and/or commissioned production.

Segment income decreased year over year, falling into a loss, due to factors such as the decline in nickel prices and the recording of impairment losses of ¥51,222 million by Coral Bay Nickel Corporation, although copper and nickel sales rose.

The production level and sales volume of electrolytic copper increased from the previous fiscal year due to no scheduled renovations (large-scale scheduled shutdown) at Toyo Smelter & Refinery. The production level and sales volume of electrolytic nickel increased from the previous fiscal year. The production level and sales volume of gold increased from the previous fiscal year. The production level and sales volume of ferronickel decreased year over year due to the production adjustment.

The production levels both at Coral Bay Nickel Corporation and at Taganito HPAL Nickel Corporation (Philippines) decreased year over year.

## (c) Materials segment

(Millions of yen)

|                          | Year ended March<br>31, 2024 | Year ended March<br>31, 2025 | Increase/decrease | Rate of change (%) |
|--------------------------|------------------------------|------------------------------|-------------------|--------------------|
| Net sales                | 335,791                      | 296,513                      | -39,278           | -11.7              |
| Segment income<br>(loss) | (7,203)                      | (54,231)                     | -47,028           | —                  |

Segment income decreased year over year due to the recording of ¥57,286 million in impairment losses as a result of a predicted production capacity decline resulting from an anticipated replacements of product types going forward in the battery materials businesses, despite the fact that the recovery in demand for electronic parts materials increased profits for the advanced materials businesses, and kept the sales volume of automobile battery materials in line with those of the previous fiscal year.

## (2) Overview of Financial Position in Fiscal 2024

## Consolidated Statement of Financial Position

(Millions of yen)

|                   | As of March 31, 2024 | As of March 31, 2025 | Increase/decrease |
|-------------------|----------------------|----------------------|-------------------|
| Total assets      | 3,027,714            | 3,068,622            | 40,908            |
| Total liabilities | 1,054,334            | 1,019,236            | -35,098           |
| Total equity      | 1,973,380            | 2,049,386            | 76,006            |

Total assets as of March 31, 2025 increased from those as of March 31, 2024. This was mainly due to increases in inventories, investments accounted for using equity method, and financial assets measured at fair value through other comprehensive income under non-current assets, despite a decrease in property, plant and equipment due to impairment by the Company and consolidated overseas subsidiaries, etc., and the exercise of interest repurchase options related to the overseas gold mine, among other items.

Total liabilities decreased from those as of March 31, 2024. This was mainly due to decreases in trade and other payables, bonds and borrowings under non-current liabilities, and deferred tax liabilities, despite an increase in bonds and borrowings under current liabilities.

Total equity increased from that as of March 31, 2024. This was mainly because under other components of equity, the exchange differences on transition of foreign operations increased due to the depreciation of the yen, although financial assets measured at fair value through other comprehensive income decreased due to a decrease in the price of stock holdings.

## Consolidated Statement of Cash Flows

(Millions of yen)

|  | Year ended March 31,<br>2024 | Year ended March 31,<br>2025 | Increase/decrease |
|--|------------------------------|------------------------------|-------------------|
| Net cash provided by operating activities                    | 210,675                      | 149,644                      | -61,031           |
| Net cash used in investing activities                        | (298,887)                    | (138,884)                    | 160,003           |
| Net cash provided by (used in) financing activities          | 7,090                        | (6,180)                      | -13,270           |
| Effect of exchange rate changes on cash and cash equivalents | 17,137                       | 4,110                        | -13,027           |
| Cash and cash equivalents at beginning of period             | 215,007                      | 151,022                      | -63,985           |
| Cash and cash equivalents at end of period                   | 151,022                      | 159,712                      | 8,690             |

Net cash provided by operating activities during the fiscal year ended March 31, 2025 decreased from the previous fiscal year, due mainly to an increase in inventories, an increase in trade and other receivables, and a decrease in trade and other payables, despite increases in interest and dividends received.

Net cash used in investing activities decreased from the previous fiscal year. This was mainly because although purchase of property, plant and equipment was on par with the previous fiscal year, payments for long-term loans receivable and purchase of shares of subsidiaries and associates decreased, while proceeds from transfer of interests and proceeds from sale of investment securities rose.

Net cash provided by financing activities became negative due to factors such as an increase in redemption of bonds and a decrease in proceeds from long-term borrowings, despite an increase in proceeds from issuance of bonds.

### Cash flow indicators

|  | Mar. 31,<br>2021 | Mar. 31,<br>2022 | Mar. 31,<br>2023 | Mar. 31,<br>2024 | Mar. 31,<br>2025 |
|--|------------------|------------------|------------------|------------------|------------------|
| Equity attributable to owners of parent ratio (%)                                | 59.1             | 63.7             | 60.3             | 59.0             | 60.1             |
| Equity attributable to owners of parent ratio based on market capitalization (%) | 69.6             | 74.6             | 51.2             | 41.6             | 29.1             |
| Cash flows/Interest-bearing debt ratio (times)                                   | 3.7              | 2.0              | 3.9              | 2.6              | 3.9              |
| Interest coverage ratio (times)  | 23.9             | 65.9             | 20.3             | 11.3             | 8.5              |

#### Notes:

- Equity attributable to owners of parent ratio:  $\text{Equity attributable to owners of parent} / \text{Total assets}$   
Equity attributable to owners of parent ratio based on market capitalization:  $\text{Market capitalization} / \text{Total assets}$   
Cash flows/Interest-bearing debt ratio:  $\text{Interest-bearing debt} / \text{Cash flows}$   
Interest coverage ratio:  $\text{Cash flows} / \text{Interest payment}$
- All of the above indicators are calculated for their respective values on a consolidated basis.
- Market capitalization is calculated based on the number of shares issued at the end of the fiscal year after deducting treasury shares.
- Cash flows employs “Net cash provided by (used in) operating activities” in the Consolidated Statement of Cash Flows.
- Interest-bearing debt indicates the liabilities for which interest is paid on all the liabilities posted in the Consolidated Statement of Financial Position. Interest payment corresponds to the amount of “Interest paid” in the Consolidated Statement of Cash Flows.

### (3) Future Outlook

#### 1) General overview

(Millions of yen)

|  | Net sales         | Profit before tax | Profit            | Profit attributable to owners of parent |
|--|-------------------|-------------------|-------------------|---|
| Year ending March 31, 2026 (Forecast)    | 1,538,000         | 100,000           | 68,000            | 58,000                                  |
| Year ended March 31, 2025 (Results)      | 1,593,348         | 31,383            | 11,777            | 16,487                                  |
| Increase/decrease<br>[Rate of change: %] | -55,348<br>[-3.5] | 68,617<br>[218.6] | 56,223<br>[477.4] | 41,513<br>[251.8]                       |

#### (Market prices and foreign exchange rates)

|                     | Unit   | Year ended March 31,<br>2025<br>Results | Year ending March 31,<br>2026<br>Forecast | Increase/decrease |
|---------------------|--------|---|---|-------------------|
| Copper              | \$/t   | 9,370                                   | 9,400                                     | 30                |
| Nickel              | \$/lb  | 7.51                                    | 7.25                                      | -0.26             |
| Gold                | \$/TOZ | 2,584.7                                 | 2,800.0                                   | 215.3             |
| Exchange rate (TTM) | ¥/\$   | 152.58                                  | 150.00                                    | -2.58             |

There are concerns of various factors having a negative impact on the global economy. These include the sluggish economy in China caused by the country’s real estate recession, prolonged geopolitical risk, international trade friction such as that caused by the United States tariff policies, and the risk of a resumption in inflation due to financial market adjustments in various countries and regions.

As for the supply and demand of copper, while production capacity will be expanded, primarily in China, demand will also increase due to new applications, primarily renewable energy and AI, and supply is expected to slightly exceed demand. As for the supply and demand of nickel, on the other hand, we estimate a continued oversupply because of increased production in Indonesia. As for non-ferrous metals, demand is expected to grow over the medium to long term due to growing infrastructure demand, primarily in developing countries, and demand for electric vehicle, renewable energy, and generative AI applications.

As for industries related to Materials business, although demand for automobile battery materials has



slowed recently in some countries and regions, it is expected that China, Europe, and India will lead the market and create continued demand growth. The electronic parts market is expected to grow due to a recovery in demand for AI, appliances, and industrial machinery.

However, recently, the United States tariff policies have become an unpredictable factor affecting the global economy, and the assumptions underlying predictions may change significantly. Furthermore, with respect to their impact on the SMM Group's businesses, although the direct impact is expected to be limited, the SMM Group's businesses may also be indirectly affected by the overall contraction of the global economy, so we will continue to keep a close eye on the situation.

With regard to the forecast for consolidated operating results for the fiscal year ending March 31, 2026, our estimate for overseas non-ferrous metals prices was set by considering the current level and predicting the future supply-demand balance. The exchange rate was set based on the current trend of yen depreciation for the fiscal year and the monetary policies both in the United States and Japan at the time of forecasting. Our forecast for production levels and sales volumes of major products was planned based on current results and other factors. As a result, net sales are expected to reach ¥1,538.0 billion, profit before tax of ¥100.0 billion, profit of ¥68.0 billion, and profit attributable to owners of parent of ¥58.0 billion on a consolidated basis.

As for segment income, please refer to "2) Reportable segments" below.

## 2) Reportable segments

(Millions of yen)

|                | Mineral Resources | Smelting & Refining | Materials | Total     | Other Businesses | Adjustments | Amount recorded on Consolidated Financial Statements |
|----------------|-------------------|---------------------|-----------|-----------|------------------|-------------|--|
| Net sales      | 240,000           | 1,132,000           | 295,000   | 1,667,000 | 12,000           | (141,000)   | 1,538,000  |
| Segment income | 97,000            | (5,000)             | 2,000     | 94,000    | (4,000)          | 10,000      | 100,000  |

## 2. Basic Concept Behind the Selection of Accounting Standards

The Company has voluntarily applied IFRS from the first quarter of the fiscal year ended March 31, 2019 as part of its efforts to enhance management foundations and respond to globalization.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Statement of Financial Position

|   | FY2023<br>(As of March 31, 2024) | FY2024<br>(As of March 31, 2025) |
|---|----------------------------------|----------------------------------|
|   | Millions of yen                  | Millions of yen                  |
| Assets  |                                  |                                  |
| Current assets                                |                                  |                                  |
| Cash and cash equivalents                     | 151,022                          | 159,712                          |
| Trade and other receivables                   | 185,238                          | 196,035                          |
| Other financial assets                        | 9,054                            | 4,305                            |
| Inventories                                   | 516,014                          | 567,800                          |
| Other current assets                          | 43,611                           | 48,442                           |
| Subtotal                                      | 904,939                          | 976,294                          |
| Assets held for sale                          | 19,482                           | —                                |
| Total current assets                          | 924,421                          | 976,294                          |
| Non-current assets                            |                                  |                                  |
| Property, plant and equipment                 | 759,484                          | 675,459                          |
| Intangible assets and goodwill                | 72,468                           | 70,434                           |
| Investment property                           | 3,477                            | 3,477                            |
| Investments accounted for using equity method | 499,097                          | 538,197                          |
| Other financial assets                        | 722,250                          | 760,057                          |
| Deferred tax assets                           | 1,828                            | 288                              |
| Other non-current assets                      | 44,689                           | 44,416                           |
| Total non-current assets                      | 2,103,293                        | 2,092,328                        |
| Total assets                                  | 3,027,714                        | 3,068,622                        |

|   | FY2023<br>(As of March 31, 2024) | FY2024<br>(As of March 31, 2025) |
|---|----------------------------------|----------------------------------|
|   | Millions of yen                  | Millions of yen                  |
| Liabilities and equity                                    |                                  |                                  |
| Liabilities   |                                  |                                  |
| Current liabilities                                       |                                  |                                  |
| Trade and other payables                                  | 263,054                          | 246,428                          |
| Bonds and borrowings                                      | 133,610                          | 193,045                          |
| Other financial liabilities                               | 16,961                           | 15,232                           |
| Income taxes payable                                      | 11,168                           | 18,942                           |
| Provisions  | 8,387                            | 10,312                           |
| Other current liabilities                                 | 26,015                           | 19,676                           |
| Subtotal  | 459,195                          | 503,635                          |
| Liabilities directly associated with assets held for sale | 4,415                            | —                                |
| Total current liabilities                                 | 463,610                          | 503,635                          |
| Non-current liabilities                                   |                                  |                                  |
| Bonds and borrowings                                      | 396,679                          | 367,258                          |
| Other financial liabilities                               | 14,354                           | 12,694                           |
| Provisions  | 42,997                           | 41,001                           |
| Retirement benefit liability                              | 3,223                            | 3,546                            |
| Deferred tax liabilities                                  | 128,808                          | 90,004                           |
| Other non-current liabilities                             | 4,663                            | 1,098                            |
| Total non-current liabilities                             | 590,724                          | 515,601                          |
| Total liabilities   | 1,054,334                        | 1,019,236                        |
| Equity  |                                  |                                  |
| Share capital   | 93,242                           | 93,242                           |
| Capital surplus   | 89,800                           | 87,518                           |
| Treasury shares   | (38,099)                         | (37,489)                         |
| Other components of equity                                | 344,241                          | 413,613                          |
| Retained earnings   | 1,295,920                        | 1,288,853                        |
| Total equity attributable to owners of parent             | 1,785,104                        | 1,845,737                        |
| Non-controlling interests                                 | 188,276                          | 203,649                          |
| Total equity  | 1,973,380                        | 2,049,386                        |
| Total liabilities and equity                              | 3,027,714                        | 3,068,622                        |

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income  
(Consolidated Statement of Profit or Loss)

|   | FY2023<br>(From April 1, 2023<br>to March 31, 2024) | FY2024<br>(From April 1, 2024<br>to March 31, 2025) |
|---|---|---|
|   | Millions of yen                                     | Millions of yen                                     |
| Net sales   | 1,445,388   | 1,593,348   |
| Cost of sales   | (1,279,255)   | (1,534,843)   |
| Gross profit  | 166,133   | 58,505  |
| Selling, general and administrative expenses                        | (67,647)  | (74,394)  |
| Finance income  | 18,819  | 56,088  |
| Finance costs   | (18,295)  | (18,046)  |
| Share of profit of investments accounted for using<br>equity method | 33,117  | 8,705   |
| Other income  | 3,575   | 13,653  |
| Other expenses  | (39,907)  | (13,128)  |
| Profit before tax   | 95,795  | 31,383  |
| Income tax expense  | (34,992)  | (19,606)  |
| Profit  | 60,803  | 11,777  |
| Profit attributable to:   |   |   |
| Owners of parent  | 58,601  | 16,487  |
| Non-controlling interests   | 2,202   | (4,710)   |
| Profit  | 60,803  | 11,777  |
| Earnings per share  |   |   |
| Basic earnings per share (Yen)                                      | 213.28  | 59.99   |
| Diluted earnings per share (Yen)                                    | 213.28  | 59.99   |

(Consolidated Statement of Comprehensive Income)

|  | FY2023<br>(From April 1, 2023<br>to March 31, 2024) | FY2024<br>(From April 1, 2024<br>to March 31, 2025) |
|--|---|---|
|  | Millions of yen                                     | Millions of yen                                     |
| Profit   | 60,803  | 11,777  |
| Other comprehensive income   |   |   |
| Items that will not be reclassified to profit or loss:                               |   |   |
| Financial assets measured at fair value through other comprehensive income           | 63,162  | (49,148)  |
| Remeasurements of defined benefit plans  | 7,948   | (267)   |
| Share of other comprehensive income of investments accounted for using equity method | 471   | 403   |
| Total of items that will not be reclassified to profit or loss                       | 71,581  | (49,012)  |
| Items that will be reclassified to profit or loss:                                   |   |   |
| Cash flow hedges   | (837)   | (2,754)   |
| Exchange differences on transition of foreign operations                             | 50,185  | 96,976  |
| Share of other comprehensive income of investments accounted for using equity method | 27,603  | 48,653  |
| Total of items that will be reclassified to profit or loss                           | 76,951  | 142,875   |
| Other comprehensive income, net of tax   | 148,532   | 93,863  |
| Comprehensive income   | 209,335   | 105,640   |
| Comprehensive income attributable to:  |   |   |
| Owners of parent   | 194,671   | 93,078  |
| Non-controlling interests  | 14,664  | 12,562  |
| Comprehensive income   | 209,335   | 105,640   |

(3) Consolidated Statement of Changes in Equity  
FY2023 (From April 1, 2023 to March 31, 2024)

|   | Equity attributable to owners of parent |                 |                 |  |                  |  |
|---|---|-----------------|-----------------|--|------------------|--|
|   | Share capital                           | Capital surplus | Treasury shares | Other components of equity                               |                  |  |
|   |   |                 |                 | Exchange differences on transition of foreign operations | Cash flow hedges | Financial assets measured at fair value through other comprehensive income |
|   | Millions of yen                         | Millions of yen | Millions of yen | Millions of yen  | Millions of yen  | Millions of yen  |
| As of April 1, 2023                           | 93,242                                  | 89,800          | (38,076)        | 105,602  | 725              | 114,056  |
| Profit  | —                                       | —               | —               | —  | —                | —  |
| Other comprehensive income                    | —                                       | —               | —               | 65,298   | (832)            | 63,187   |
| Total comprehensive income                    | —                                       | —               | —               | 65,298   | (832)            | 63,187   |
| Purchase of treasury shares                   | —                                       | —               | (23)            | —  | —                | —  |
| Disposal of treasury shares                   | —                                       | 0               | 0               | —  | —                | —  |
| Dividends                                     | —                                       | —               | —               | —  | —                | —  |
| Changes in ownership interest in subsidiaries | —                                       | —               | —               | —  | —                | —  |
| Transfer to retained earnings                 | —                                       | —               | —               | —  | —                | (3,795)  |
| Transactions with owners - total              | —                                       | 0               | (23)            | —  | —                | (3,795)  |
| As of March 31, 2024                          | 93,242                                  | 89,800          | (38,099)        | 170,900  | (107)            | 173,448  |

|   | Equity attributable to owners of parent |                 |                   |                 |                           |                 |
|---|---|-----------------|-------------------|-----------------|---------------------------|-----------------|
|   | Other components of equity              |                 |                   |                 | Non-controlling interests | Total equity    |
|   | Remeasurements of defined benefit plans | Total           | Retained earnings | Total           |                           |                 |
|   | Millions of yen                         | Millions of yen | Millions of yen   | Millions of yen | Millions of yen           | Millions of yen |
| As of April 1, 2023                           | —                                       | 220,383         | 1,266,322         | 1,631,671       | 157,625                   | 1,789,296       |
| Profit  | —                                       | —               | 58,601            | 58,601          | 2,202                     | 60,803          |
| Other comprehensive income                    | 8,417                                   | 136,070         | —                 | 136,070         | 12,462                    | 148,532         |
| Total comprehensive income                    | 8,417                                   | 136,070         | 58,601            | 194,671         | 14,664                    | 209,335         |
| Purchase of treasury shares                   | —                                       | —               | —                 | (23)            | —                         | (23)            |
| Disposal of treasury shares                   | —                                       | —               | —                 | 0               | —                         | 0               |
| Dividends                                     | —                                       | —               | (41,215)          | (41,215)        | (6,248)                   | (47,463)        |
| Changes in ownership interest in subsidiaries | —                                       | —               | —                 | —               | 22,235                    | 22,235          |
| Transfer to retained earnings                 | (8,417)                                 | (12,212)        | 12,212            | —               | —                         | —               |
| Transactions with owners - total              | (8,417)                                 | (12,212)        | (29,003)          | (41,238)        | 15,987                    | (25,251)        |
| As of March 31, 2024                          | —                                       | 344,241         | 1,295,920         | 1,785,104       | 188,276                   | 1,973,380       |

FY2024 (From April 1, 2024 to March 31, 2025)

|   | Equity attributable to owners of parent |                 |                 |  |                  |  |
|---|---|-----------------|-----------------|--|------------------|--|
|   | Share capital                           | Capital surplus | Treasury shares | Other components of equity                               |                  |  |
|   |   |                 |                 | Exchange differences on transition of foreign operations | Cash flow hedges | Financial assets measured at fair value through other comprehensive income |
|   | Millions of yen                         | Millions of yen | Millions of yen | Millions of yen  | Millions of yen  | Millions of yen  |
| As of April 1, 2024                                       | 93,242                                  | 89,800          | (38,099)        | 170,900  | (107)            | 173,448  |
| Profit  | —                                       | —               | —               | —  | —                | —  |
| Other comprehensive income                                | —                                       | —               | —               | 128,294  | (2,686)          | (49,123)   |
| Total comprehensive income                                | —                                       | —               | —               | 128,294  | (2,686)          | (49,123)   |
| Purchase of treasury shares                               | —                                       | —               | (20)            | —  | —                | —  |
| Disposal of treasury shares                               | —                                       | 792             | 630             | —  | —                | —  |
| Dividends   | —                                       | —               | —               | —  | —                | —  |
| Establishment of subsidiary with non-controlling interest | —                                       | —               | —               | —  | —                | —  |
| Changes arising from the loss of control of subsidiaries  | —                                       | —               | —               | —  | —                | (1)  |
| Changes in ownership interest in subsidiaries             | —                                       | (3,074)         | —               | —  | —                | —  |
| Transfer to retained earnings                             | —                                       | —               | —               | —  | —                | (7,112)  |
| Transactions with owners - total                          | —                                       | (2,282)         | 610             | —  | —                | (7,113)  |
| As of March 31, 2025                                      | 93,242                                  | 87,518          | (37,489)        | 299,194  | (2,793)          | 117,212  |

|   | Equity attributable to owners of parent |                 |                   |                 |                           |                 |
|---|---|-----------------|-------------------|-----------------|---------------------------|-----------------|
|   | Other components of equity              |                 |                   |                 | Non-controlling interests | Total equity    |
|   | Remeasurements of defined benefit plans | Total           | Retained earnings | Total           |                           |                 |
|   | Millions of yen                         | Millions of yen | Millions of yen   | Millions of yen | Millions of yen           | Millions of yen |
| As of April 1, 2024                                       | —                                       | 344,241         | 1,295,920         | 1,785,104       | 188,276                   | 1,973,380       |
| Profit  | —                                       | —               | 16,487            | 16,487          | (4,710)                   | 11,777          |
| Other comprehensive income                                | 106                                     | 76,591          | —                 | 76,591          | 17,272                    | 93,863          |
| Total comprehensive income                                | 106                                     | 76,591          | 16,487            | 93,078          | 12,562                    | 105,640         |
| Purchase of treasury shares                               | —                                       | —               | —                 | (20)            | —                         | (20)            |
| Disposal of treasury shares                               | —                                       | —               | —                 | 1,422           | —                         | 1,422           |
| Dividends   | —                                       | —               | (30,773)          | (30,773)        | (8,410)                   | (39,183)        |
| Establishment of subsidiary with non-controlling interest | —                                       | —               | —                 | —               | 579                       | 579             |
| Changes arising from the loss of control of subsidiaries  | —                                       | (1)             | 1                 | —               | (180)                     | (180)           |
| Changes in ownership interest in subsidiaries             | —                                       | —               | —                 | (3,074)         | 10,822                    | 7,748           |
| Transfer to retained earnings                             | (106)                                   | (7,218)         | 7,218             | —               | —                         | —               |
| Transactions with owners - total                          | (106)                                   | (7,219)         | (23,554)          | (32,445)        | 2,811                     | (29,634)        |
| As of March 31, 2025                                      | —                                       | 413,613         | 1,288,853         | 1,845,737       | 203,649                   | 2,049,386       |

#### (4) Consolidated Statement of Cash Flows

|   | FY2023<br>(From April 1, 2023<br>to March 31, 2024) | FY2024<br>(From April 1, 2024<br>to March 31, 2025) |
|---|---|---|
|   | Millions of yen                                     | Millions of yen                                     |
| Cash flows from operating activities                                    |   |   |
| Profit before tax   | 95,795  | 31,383  |
| Depreciation and amortization expense                                   | 56,224  | 67,074  |
| Loss (gain) on sale of fixed assets                                     | (1,162)   | (227)   |
| Impairment losses   | 761   | 112,671   |
| Impairment losses on assets held for sale                               | 6,417   | —   |
| Share of loss (profit) of investments accounted for using equity method | (33,117)  | (8,705)   |
| Loss (gain) on transfer of interests                                    | —   | (6,693)   |
| Increase or decrease in retirement benefit asset or liability           | (11,861)  | 558   |
| Increase (decrease) in provisions                                       | 1,877   | 1,904   |
| Finance income  | (18,819)  | (56,088)  |
| Finance costs   | 18,295  | 18,046  |
| Decrease (increase) in trade and other receivables                      | (3,698)   | (8,767)   |
| Decrease (increase) in inventories                                      | 43,851  | (51,997)  |
| Increase (decrease) in trade and other payables                         | 1,538   | (2,749)   |
| Decrease (increase) in advance payments to suppliers                    | 2,433   | 488   |
| Increase (decrease) in accrued consumption taxes                        | 14,197  | (14,115)  |
| Other   | 27,062  | 22,148  |
| Subtotal  | 199,793   | 104,931   |
| Interest received   | 31,927  | 44,367  |
| Dividends received  | 36,447  | 52,899  |
| Interest paid   | (18,601)  | (17,630)  |
| Income taxes paid   | (39,541)  | (35,479)  |
| Income taxes refund   | 650   | 556   |
| Net cash provided by (used in) operating activities                     | 210,675   | 149,644   |



|  | FY2023<br>(From April 1, 2023<br>to March 31, 2024) | FY2024<br>(From April 1, 2024<br>to March 31, 2025) |
|--|---|---|
|  | Millions of yen                                     | Millions of yen                                     |
| Cash flows from investing activities   |   |   |
| Purchase of property, plant and equipment  | (125,275)   | (117,141)   |
| Proceeds from sale of property, plant and equipment  | 3,097   | 467   |
| Purchase of intangible assets  | (2,803)   | (5,015)   |
| Purchase of investment securities  | (1,860)   | (1,785)   |
| Proceeds from sale of investment securities  | 8,689   | 18,629  |
| Purchase of shares of subsidiaries and associates  | (45,396)  | (23,994)  |
| Collection of short-term loans receivable  | 395   | 4,001   |
| Payments for long-term loans receivable  | (136,317)   | (72,161)  |
| Proceeds from sale of interests, etc. in subsidiaries resulting<br>in change in scope of consolidation | —   | (465)   |
| Proceeds from transfer of interests  | —   | 56,390  |
| Other  | 583   | 2,190   |
| Net cash provided by (used in) investing activities  | (298,887)   | (138,884)   |
| Cash flows from financing activities   |   |   |
| Proceeds from short-term borrowings  | 415,905   | 385,965   |
| Repayments of short-term borrowings  | (485,070)   | (366,796)   |
| Proceeds from long-term borrowings   | 130,668   | 29,935  |
| Repayments of long-term borrowings   | (52,065)  | (57,453)  |
| Proceeds from issuance of bonds  | 99,938  | 242,739   |
| Redemption of bonds  | (74,999)  | (207,810)   |
| Proceeds from share issuance to non-controlling<br>shareholders  | 22,235  | 13,157  |
| Dividends paid   | (41,215)  | (30,773)  |
| Dividends paid to non-controlling interests  | (6,248)   | (8,410)   |
| Purchase of shares of subsidiaries not resulting in change in<br>scope of consolidation                | —   | (4,830)   |
| Other  | (2,059)   | (1,904)   |
| Net cash provided by (used in) financing activities  | 7,090   | (6,180)   |
| Net increase (decrease) in cash and cash equivalents   | (81,122)  | 4,580   |
| Cash and cash equivalents at beginning of period   | 215,007   | 151,022   |
| Effect of exchange rate changes on cash and cash equivalents   | 17,137  | 4,110   |
| Cash and cash equivalents at end of period   | 151,022   | 159,712   |

## (5) Notes Relating to the Consolidated Financial Statements

### (Note Relating to the Going Concern Assumption)

There are no pertinent items.

### (Changes in Accounting Policies)

There are no pertinent items.

### (Changes in Presentation Method)

#### (Consolidated Statement of Cash Flows)

“Payments into time deposits” and “proceeds from withdrawal of time deposits,” which were presented separately under “cash flows from investing activities” in the fiscal year ended March 31, 2024, are included in “other” under “cash flows from investing activities” due to their decreased materiality. To reflect this change in the presentation method, a reclassification has been made to the consolidated financial statements for the fiscal year ended March 31, 2024.

As a result, “payments into time deposits” of ¥(281) million, “proceeds from withdrawal of time deposits” of ¥313 million, and “other” of ¥551 million, which were presented under “cash flows from investing activities” in the consolidated statement of cash flows for the fiscal year ended March 31, 2024, have been reclassified as “other” of ¥583 million.

### (Operating Segments)

#### (1) Summary of reportable segments

##### 1) Decision method of the reportable segments

The operating segments of the Company refer to constitutional units, for which separate financial information is available and that are subject to periodic reviews by the Board of Directors as the supreme, managerial decision-making organ to determine the allocation of management resources and assess their respective operating results.

The Company currently has four business divisions—Mineral Resources Div., Non-Ferrous Metals Div., Battery Materials Div. and Advanced Materials Div.—in the pursuit of effective business operations by products and services. Each of these business divisions plans its own comprehensive strategies to be carried out in Japan and overseas for its own product and service lines and engages in diverse business activities within the Company and through the consolidated subsidiaries and equity-method associates over which it holds jurisdiction. Furthermore, the Company has integrated the operating segments of the Battery Materials Div. and the Advanced Materials Div., as they have similar business characteristics and similar economic characteristics in terms of their customers, etc., and are recognized to be similar in all aspects including product/service characteristics. The Company has classified these operating segments into three core reportable segments of Mineral Resources, Smelting & Refining, and Materials by classifying the mineral resource businesses into Mineral Resources, the metals businesses into Smelting & Refining, and the battery materials businesses and the advanced materials businesses into Materials.

##### 2) Types of products and services that belong to each reportable segment

In the Mineral Resources segment, the SMM Group mainly engages in the exploration, development and production of non-ferrous metal resources in Japan and overseas, as well as sales of ores and products.

In the Smelting & Refining segment, the SMM Group mainly engages in smelting and sales of copper, nickel, ferronickel, zinc, etc., as well as smelting and sales of precious metals such as gold, silver, platinum and palladium.

In the Materials segment, the Company mainly engages in manufacturing, processing and sales of battery materials (e.g., nickel hydroxide, lithium nickel oxide), powder materials (e.g., pastes, nickel powder, NIR absorbing materials, magnetic materials), crystal materials (e.g., lithium tantalate substrates, lithium niobate substrates), and tape materials; and manufacturing and sales of automotive exhaust processing catalysts, chemical catalysts, and petroleum refinery and desulfurization catalysts.

#### (2) Information on the amounts of net sales, income (loss), assets and other items by reportable segments

The accounting methods employed for the reportable segments are almost the same as the accounting policies for the creation of the consolidated financial statements, with the exception of the recording by each operating segment of amounts corresponding to interest on internal loans, as determined in the statement of financial position of each segment.

The inter-segment net sales are calculated based on arm's length transaction prices.

Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

|   | Reportable Segments |                     |           |           | Other Businesses <sup>1</sup> | Adjustments <sup>2</sup> | Consolidated Statement of Profit or Loss |
|---|---------------------|---------------------|-----------|-----------|-------------------------------|--------------------------|--|
|   | Mineral Resources   | Smelting & Refining | Materials | Total     |                               |                          |  |
| Net sales:  |                     |                     |           |           |                               |                          |  |
| Outside customers   | 113,415             | 1,013,664           | 314,920   | 1,441,999 | 3,389                         | —                        | 1,445,388                                |
| Inter-segment   | 52,591              | 54,199              | 20,871    | 127,661   | 6,830                         | (134,491)                | —  |
| Total   | 166,006             | 1,067,863           | 335,791   | 1,569,660 | 10,219                        | (134,491)                | 1,445,388                                |
| Segment income (loss)   |                     |                     |           |           |                               |                          |  |
| [Profit (loss) before tax]  | 52,845              | 62,199              | (7,203)   | 107,841   | (1,530)                       | (10,516)                 | 95,795                                   |
| Segmental assets  | 1,383,110           | 1,023,254           | 314,984   | 2,721,348 | 26,455                        | 279,911                  | 3,027,714                                |
| Other information:  |                     |                     |           |           |                               |                          |  |
| Depreciation and amortization expense                                   | (16,260)            | (28,556)            | (8,043)   | (52,859)  | (589)                         | (2,776)                  | (56,224)                                 |
| Finance income  | 11,229              | 3,965               | 41        | 15,235    | (19)                          | 3,603                    | 18,819                                   |
| Finance costs   | (8,508)             | (13,650)            | 12        | (22,146)  | (26)                          | 3,877                    | (18,295)                                 |
| Share of profit (loss) of investments accounted for using equity method | 19,786              | 8,709               | 2,438     | 30,933    | —                             | 2,184                    | 33,117                                   |
| Impairment losses on non-financial assets                               | —                   | (623)               | (137)     | (760)     | (1)                           | —                        | (761)                                    |
| Other profit (loss)   | (7,678)             | (1,794)             | (6,602)   | (16,074)  | (2,803)                       | (17,455)                 | (36,332)                                 |
| Capital expenditures  | 74,173              | 42,092              | 29,335    | 145,600   | 569                           | 3,754                    | 149,923                                  |
| Investments accounted for using equity method                           | 313,062             | 78,025              | 30,349    | 421,436   | —                             | 77,661                   | 499,097                                  |

Year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

|   | Reportable Segments |                     |           |           | Other Businesses <sup>1</sup> | Adjustments <sup>2</sup> | Consolidated Statement of Profit or Loss |
|---|---------------------|---------------------|-----------|-----------|-------------------------------|--------------------------|--|
|   | Mineral Resources   | Smelting & Refining | Materials | Total     |                               |                          |  |
| Net sales:  |                     |                     |           |           |                               |                          |  |
| Outside customers   | 141,140             | 1,180,248           | 268,037   | 1,589,425 | 3,923                         | —                        | 1,593,348                                |
| Inter-segment   | 69,576              | 50,446              | 28,476    | 148,498   | 7,241                         | (155,739)                | —  |
| Total   | 210,716             | 1,230,694           | 296,513   | 1,737,923 | 11,164                        | (155,739)                | 1,593,348                                |
| Segment income (loss)   |                     |                     |           |           |                               |                          |  |
| [Profit (loss) before tax]  | 101,836             | (7,147)             | (54,231)  | 40,458    | (1,221)                       | (7,854)                  | 31,383                                   |
| Segmental assets  | 1,511,831           | 1,032,212           | 272,920   | 2,816,963 | 23,568                        | 228,091                  | 3,068,622                                |
| Other information:  |                     |                     |           |           |                               |                          |  |
| Depreciation and amortization expense                                   | (25,974)            | (27,650)            | (10,088)  | (63,712)  | (607)                         | (2,755)                  | (67,074)                                 |
| Finance income  | 52,613              | 2,229               | 50        | 54,892    | 2                             | 1,194                    | 56,088                                   |
| Finance costs   | (12,581)            | (11,528)            | 762       | (23,347)  | (28)                          | 5,329                    | (18,046)                                 |
| Share of profit (loss) of investments accounted for using equity method | 2,547               | 5,784               | 2,859     | 11,190    | —                             | (2,485)                  | 8,705                                    |
| Impairment losses on non-financial assets                               | —                   | (55,385)            | (57,286)  | (112,671) | —                             | —                        | (112,671)                                |
| Other profit (loss)   | 6,290               | (3,439)             | (1,923)   | 928       | (2,784)                       | 2,381                    | 525                                      |
| Capital expenditures  | 42,596              | 23,269              | 46,744    | 112,609   | 1,356                         | 3,413                    | 117,378                                  |
| Investments accounted for using equity method                           | 299,849             | 80,151              | 30,301    | 410,301   | —                             | 127,896                  | 538,197                                  |

(Notes)

1. The Other Businesses segment refers to operating segments and other income-seeking business activities that are under the control of the Head Office divisions/departments and are engaged in by business segments other than those included in the reportable segments. Other Businesses include real estate and technical engineering businesses.

2. The adjustments are as follows:

1) The adjustments for segment income (loss) are as follows:

(Millions of yen)

|  | FY2023<br>(from April 1, 2023, to March 31, 2024) | FY2024<br>(from April 1, 2024, to March 31, 2025) |
|--|---|---|
| Head Office expenses not allocated to each reportable segment <sup>a</sup> | (2,385)   | (4,618)   |
| Internal interest rate   | 1,823   | 4,332   |
| Eliminations of inter-segmental transactions among the reportable segments | 2,628   | (11,817)  |
| Income/expenses not allocated to each reportable segment <sup>b</sup>      | (12,582)  | 4,249   |
| Adjustments for segment income (loss)                                      | (10,516)  | (7,854)   |

a. The Head Office expenses not allocated to each reportable segment consist of general administrative expenses not attributable to the reportable segments.

b. Income/expenses not allocated to each reportable segment consist of other profit or loss, etc. not attributable to reportable segments.

2) The adjustments for segmental assets are as follows:

(Millions of yen)

|   | FY2023<br>(from April 1, 2023, to March 31, 2024) | FY2024<br>(from April 1, 2024, to March 31, 2025) |
|---|---|---|
| Corporate assets not allocated to each reportable segment*  | 1,265,994   | 1,250,605   |
| Offsets and eliminations, etc. of inter-segmental receivables among the reportable segments, including those toward Head Office divisions/departments | (986,083)   | (1,022,514)                                       |
| Adjustments for segmental assets  | 279,911   | 228,091   |

\* The corporate assets not allocated to each reportable segment refer to the assets under the control of the Head Office divisions/departments, which are not attributable to the reportable segments.

3) The adjustments for depreciation and amortization expense refer to depreciation and amortization expense at the Head Office divisions/departments, which are not allocated to the reportable segments.

4) The adjustments for finance income and costs refer to interest income and interest expenses at the Head Office divisions/departments, which are not allocated to the reportable segments, and eliminations of transactions among the reportable segments.

5) The adjustments for share of profit (loss) of investments accounted for using equity method refer to the deduction of unrealized income relating to the inter-segmental transactions among the reportable segments.

6) The adjustments for other profit or loss refer to other profit and other expenses at the Head Office divisions/departments, which are not allocated to the reportable segments, and eliminations of transactions among the reportable segments.

7) The adjustments for capital expenditures refer to increases at the Head Office divisions/departments, which are not allocated to the reportable segments.

8) The adjustments for investments accounted for using equity method refer to exchange differences on transition of foreign operations.

(Per Share Information)

|  | FY2023<br>(from April 1, 2023, to March 31, 2024) | FY2024<br>(from April 1, 2024, to March 31, 2025) |
|--|---|---|
| Profit attributable to owners of parent (Millions of yen)                    | 58,601  | 16,487  |
| Adjustments for profit (Millions of yen)                                     | —   | —   |
| Profit used to calculate diluted earnings per share (Millions of yen)        | 58,601  | 16,487  |
| Weighted average number of ordinary shares outstanding (Thousands of shares) | 274,762   | 274,845   |
| Increase in shares of common stock (Thousands of shares)                     | —   | —   |
| Weighted average number of diluted common stock (Thousands of shares)        | 274,762   | 274,845   |
| Basic earnings per share (Yen)   | 213.28  | 59.99   |
| Diluted earnings per share (Yen)   | 213.28  | 59.99   |

(Impairment of Non-Financial Assets)

In calculating impairment losses, the SMM Group performs grouping based on the smallest unit of asset groups that are identified as generating generally independent cash inflows.

Impairment losses are recorded as “cost of sales” in the consolidated statement of profit or loss.

|                             | FY2023<br>(From April 1, 2023<br>to March 31, 2024) | FY2024<br>(From April 1, 2024<br>to March 31, 2025) |
|-----------------------------|---|---|
|                             | Millions of yen                                     | Millions of yen                                     |
| Smelting & Refining segment | 623   | 55,385  |
| Materials segment           | 137   | 57,286  |
| Other Businesses segment    | 1   | —   |
| Total                       | 761   | 112,671   |

Year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

During the fiscal year ended March 31, 2024, the SMM Group’s impairment losses on non-financial assets amounted to ¥761 million. Impairment losses are recorded as cost of sales in the consolidated statement of profit or loss.

In the Smelting & Refining segment, we recorded impairment losses of ¥623 million. This was primarily due to the book value of equipment falling to its recoverable value as a result of a decline in the profitability of the ferronickel business since the previous fiscal year. Recoverable value was measured based on fair value after deducting disposal costs and amounted to ¥1,855 million. Fair value after deducting disposal costs was determined using real estate appraisal amounts determined by third parties primarily using a market approach. Fair value hierarchy level 3 (fair value calculated using evaluation methods that include unobservable inputs) was used.

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

During the fiscal year ended March 31, 2025, the SMM Group’s impairment losses on non-financial assets amounted to ¥112,671 million. Impairment losses are recorded as cost of sales in the consolidated statement of profit or loss.

In the Smelting & Refining segment, we recorded impairment losses of ¥55,385 million. This was primarily due to the recording of ¥51,222 million in book value for property, plant and equipment as an impairment loss, determined by performing an overall economic assessment and calculation of recoverable value, taking into consideration the slump in nickel and cobalt prices, rising production costs, and changes to future production volumes caused by declines in ore quality for Coral Bay Nickel Corporation, a consolidated subsidiary. Recoverable value was measured based on usage value.

In the nickel business, we recorded impairment losses of ¥3,413 million. This was due to writing off the entire book value for property, plant and equipment given that testing for smelting and refining process ending and the equipment used in the testing being removed without being reused for other applications. Recoverable value was measured based on usage value.

Furthermore, we recorded impairment losses of ¥750 million for consolidated subsidiaries. This was primarily due to the book value of equipment falling to its recoverable value as a result of a decline in the profitability of the ferronickel business since the previous fiscal year. Recoverable value was measured based on fair value after deducting disposal costs and amounted to ¥1,632 million. Fair value after deducting disposal costs was determined using real estate appraisal amounts determined by third parties primarily using a market approach. Fair value hierarchy level 3 (fair value calculated using evaluation methods that include unobservable inputs) was used.

In the Materials segment, we recorded impairment losses of ¥57,286 million. This was due to impairment loss testing being performed for the battery materials businesses, which was recognized as showing potential signs of impairment losses for the fiscal year ended March 31, 2025, and an expected decline in production capacity in conjunction with the replacements of product types that is planned for the future, resulting in the ¥76,602 million book value of property, plant and equipment falling to a recoverable amount of ¥19,316 million. Recoverable value was measured based on fair value after deducting disposal costs. Fair value after deducting disposal costs was determined using real estate appraisal amounts determined by third parties primarily using a market approach. Fair value hierarchy level 3 (fair value calculated using evaluation methods that include unobservable inputs) was used.

(Significant Subsequent Event)

There are no pertinent items.

#### 4. Others

##### Sales

Sales Volume, Unit Price and Net Sales for Major Products (the Company)

| Segment             | Product                                     | Unit           | A       | B       | B-A               |
|---------------------|---|----------------|---------|---------|-------------------|
|                     |   |                | FY2023  | FY2024  | Increase/decrease |
| Mineral Resources   | Gold and silver ores                        | t              | 130,894 | 137,983 | 7,089             |
|                     |   | ¥1,000/DMT     | 271     | 364     | 93                |
|                     |   | ¥million       | 35,417  | 50,275  | 14,858            |
|                     |   | (Gold content) | (kg)    | (4,015) | (15)              |
| Smelting & Refining | Copper                                      | t              | 433,359 | 448,948 | 15,589            |
|                     |   | ¥1,000/t       | 1,224   | 1,442   | 218               |
|                     |   | ¥million       | 530,238 | 647,429 | 117,191           |
|                     | Gold  | kg             | 18,333  | 18,612  | 279               |
|                     |   | ¥/g            | 9,090   | 11,969  | 2,879             |
|                     |   | ¥million       | 166,641 | 222,774 | 56,133            |
|                     | Silver                                      | kg             | 219,645 | 188,377 | -31,268           |
|                     |   | ¥1,000/kg      | 110     | 149     | 39                |
|                     |   | ¥million       | 24,146  | 28,111  | 3,965             |
|                     | Nickel                                      | t              | 63,200  | 65,509  | 2,309             |
|                     |   | ¥1,000/t       | 2,890   | 2,612   | -278              |
|                     |   | ¥million       | 182,624 | 171,140 | -11,484           |
| Materials           | Battery materials, advanced materials, etc. | ¥million       | 265,503 | 222,246 | -43,257           |

(Notes)

1. The Company mainly engages in project production for these major products because the ratio of build-to-order production is low.
2. Nickel above includes ferronickel.
3. The sales volume of copper excludes that related to location swaps.