

**The Conference Call for the Consolidated Financial Results**  
**for the Second Quarter of the Year Ending March 31, 2026 (FY2025):**  
**Questions and Answers Script (Summary)**

[Profit Exclude Temporary Factor]

Q: How should we view the November forecast of profit exclude temporary factor for FY2025?

A: If we exclude profit and loss resulting from fluctuations of non-ferrous metal prices and foreign exchange and the impact of special factors for the said period from the November forecast of profit before tax for FY2025, profit exclude temporary factor is around ¥120.0 to ¥110.0 bn. Compared with the time when the previous August forecast was made, we expect profit exclude temporary factor to improve approx. ¥10.0 bn, boosted by rising copper and gold prices and the Materials business, despite worsening of quantity differential and unit cost differential.

Q: If you split the November forecast of profit exclude temporary factor for FY2025 between the first and second half, what do they look like?

A: From the first half to second half of FY2025, we are expecting a slowdown in operation of Quebrada Blanca Copper Mine in the Mineral Resources business, an impact of low TC/RC of copper smelting in the Smelting & Refining business, and costs of preparation for start of mass production of high-nickel NMC cathode material, which is battery material in the Materials business. Therefore, we are expecting profit exclude temporary factor for the second half to be lower than that for the first half.

Q: How should we consider profit exclude temporary factor for FY2026?

A: We are going to consider the FY2026 plan from now on. So, this is essentially what we are thinking for now. The forecast for the second half of FY2025 announced this time includes the slowdown of Quebrada Blanca Copper Mine, the impact of low TC/RC of copper smelting, and switch to high-nickel NMC cathode material in battery materials. When we consider the profit exclude temporary factor for the next fiscal year, it would probably be closer to the second-half forecast than the first-half results.

[Profit and Loss of the Mineral Resources Business]

Q: What is the reason for worsening of profit before tax of the Mineral Resources business from the first half to the second half of FY2025?

A: For the first half, there was a temporary favorable factor of rising copper prices. By contrast, we have factored in the slowdown of Quebrada Blanca Copper Mine and new feasibility study costs at the Winu Copper-Gold Project in Australia for the second half.

Q: Regarding the impact of large-scale projects (Quebrada Blanca Copper Mine and Cote Gold Mine), how much profit contribution are you expecting in the November forecast for FY2025?

A: We have included approx. ¥17.0 bn in profit contributions from the large-scale projects in the November forecast for FY2025.

Q: How should we view the profit and loss of Quebrada Blanca Copper Mine for the next fiscal year?

A: We are currently looking at the details, and as our partner Teck Resources Ltd. has announced, production volume in 2026 is expected to be 200–235 kt, which is higher than the 170–190 kt in 2025, and you can consider the profit and loss for the next fiscal year based on this premise. If we can solve the issue of the tailings management facility, which is currently being addressed, and its operation stabilizes, the positioning of the Quebrada Blanca Copper Mine as a highly competitive mine that will serve as a long-term earnings base for us will not change.

[Profit and Loss of the Smelting & Refining Business]

Q: What is the reason for the worsening of profit before tax of the Smelting & Refining business in the second half of FY2025 compared with the first half?

A: Compared with the first half of FY2025, we are expecting the situation surrounding the copper business to worsen in the second half due to the unit cost increase stemming from scheduled shutdown and the impact of low TC/RC in FY2025. For the nickel business, the business environment for ferronickel continues to be severe and we also expect worsening of processing revenue due to sluggish nickel price.

Q: TC/RC has been sluggish. What is the production plan for copper smelting and refining business?

A: At this point, we are not considering reducing the production volume. SMM is highly competitive and we believe that full capacity production is still advantageous with the current TC/RC. Of the copper concentrate we currently use, 50% to 60% is from the mines in which we hold interests, and this portion is offset by our Mineral Resources business. If we reach the annual copper production interest of 300,000 tons, which is the target of the Long-Term Vision, we can increase the ratio to 70% to 80%. Toyo Smelter & Refinery is the core of our supply chain and we can demonstrate our strengths to the maximum extent by eliminating facility troubles and labor accidents and maintaining a high operating rate (full capacity operation).

[Profit and Loss of the Materials Business]

Q: What is the reason for worsening of profit before tax of the Materials business in the second half of FY2025 compared with the first half?

A: With regard to advanced materials, demand for applied powder materials and materials for communication devices are steady. A group of materials in the others category is expected to slow down in the second half. Battery materials are expected to post a loss due to upfront expenses for preparations to start mass production of high-nickel NMC cathode material in FY2026, and therefore we are expecting the profit before tax of the Materials business to worsen in the second half compared with the first half.

Q: What is the reason for the improvement in the November profit before tax forecast of the advanced materials business compared with the August forecast?

A: In the advanced materials business, demand for data center-related electronic component materials (applied powder materials and crystal material), etc. has been strong and we expect it to improve compared with the August forecast.