

# FY2025 1Q (Fisical Year Ending March 31, 2026) Financial Results Presentation Materials

August 5, 2025

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# Highlights

# Highlights

FY2025  
1Q results  
Operating profit

FY2024 1Q

24.3 bil. yen

Exchange rate 156 (JPY/USD)  
Copper(LME) 442 (¢/lb)

Results

**29.6 bil. yen**

Exchange rate 145 (JPY/USD)  
Copper (LME) 432 (¢/lb)

Difference

**+ 5.3 bil. yen**

Exchange rate 11 (JPY/USD)  
Copper (LME) ▲ 11 (¢/lb)

**Increased +5.3 bil yen**

due to increased sales of main products of Focus Businesses.



**Upwardly revised full-year FY2025 forecasts**  
based on 1Q results

FY2025  
Full-year forecasts  
Operating profit

Forecasts(in May)

95.0 bil. yen

Exchange rate 140 (JPY/USD)  
Copper(LME) 410 (¢/lb)

Latest

**110.0 bil. yen**

Exchange rate 141 (JPY/USD)  
Copper (LME) 427 (¢/lb)

Difference

**+ 15.0 bil. yen**

Exchange rate 1 (JPY/USD)  
Copper (LME) +17 (¢/lb)

**Upward revision +15.0 bil. yen**

due to increased sales of main products, review of tariff impact, and updated copper price assumptions.

FY2025  
Dividend forecasts

Forecasts(in May)

15 yen/share

Latest

**18 yen/share**

Difference

**+ 3 yen/share**

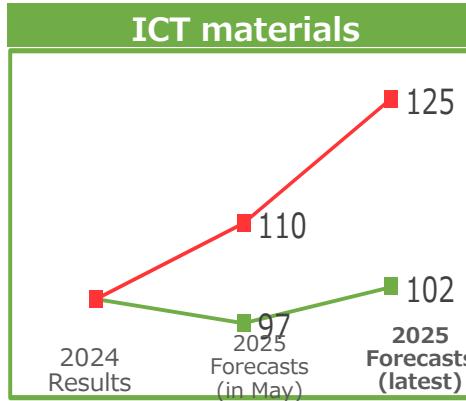
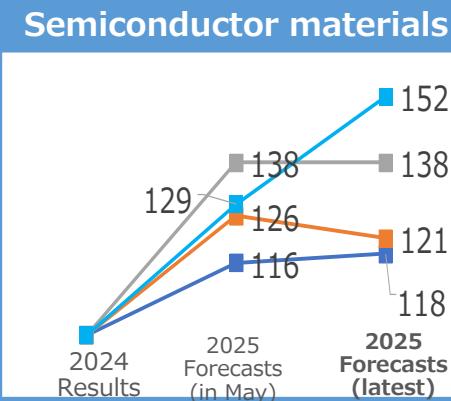
**Plans to increase dividend**

in line with upward revision of operating profit.

# Highlights

## Changes in sales volume of main products

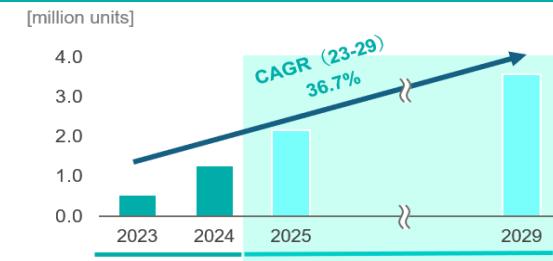
(indexed with FY2024 results as 100)



Status of main products (compared with the forecasts in May)

|   |   |
|---|---|
| Sputtering targets for SEMI             | Demand for latest applications such as AI servers continues to drive growth.<br>Demand for General-purpose applications are still in the process of recovery.<br>Continues to outperform wafer market growth. |
| Sputtering targets for magnetic devices | HDD demand for data centers remains strong.<br>Including the impact of partial changes in customers' production plans.  |
| InP substrates                          | Increased sales due to growth related to AI servers.  |
| Tantalum Powder for tantalum capacitor  | Increased sales due to growth related to AI servers.  |
| Rolled Annealed Copper Foil             | Increased sales due to recovery in smartphone market demand.  |
| Copper Titanium Alloys                  | Increased sales due to growth related to AI servers.  |

## Shipment of AI Servers \*



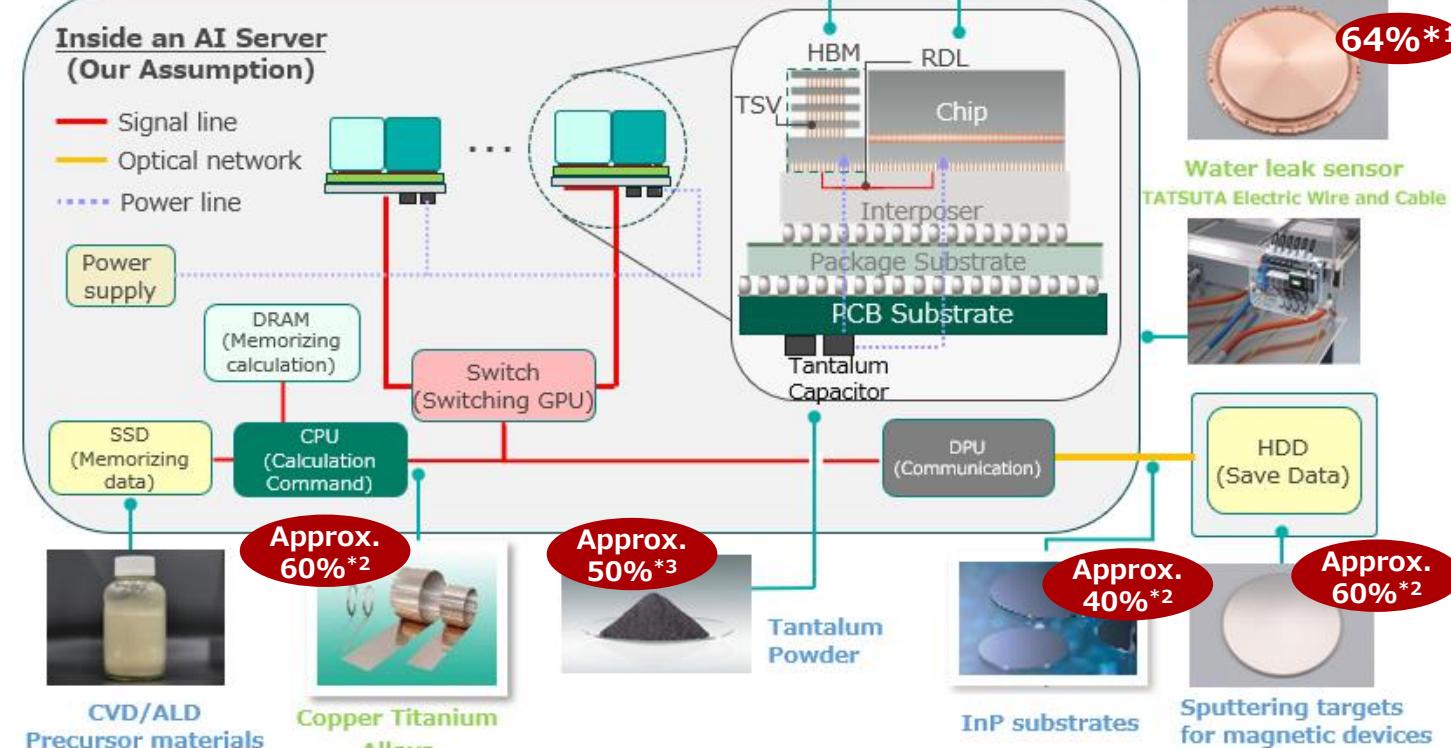
\*Based on Prismark Partners LLC 2025 Prismark Workshop

## Our data center-related products

### Semiconductor materials

### ICT materials

Global share



\*1 FUJI KEIZAI CO., LTD. "Semiconductor Materials market's Current Status and Future Outlook 2024" (Excluding AI targets as of 2023 actual on sales basis) ; \*2 our estimate ; \*3 our estimate, including for sputtering targets ;

# Highlights

## ■ Financial conditions (FY2025 forecasts)

|                                      | in May | Latest |
|--------------------------------------|--------|--------|
| (bil. yen)                           |        |        |
| Cash flows from operating activities | 106.0  | 97.0   |
| Cash flows from investing activities | -100.0 | -91.0  |
| CAPEX                                | -103.0 | -94.0  |
| Other                                | 3.0    | 3.0    |
| Net interest-bearing debt            | 275.0  | 274.0  |
| Net Debt/EBITDA ratio                | 1.9    | 1.8    |

- ✓ Decrease in operating CF is mainly due to increase in working capital resulting from higher metal price assumptions.
- ✓ Reviewed investment plan and reduced capex in line with strengthen resilience of the smelting business.
  - Continued efforts to improve financial position

### CAPEX forecasts breakdown

|                         | in May | latest |
|-------------------------|--------|--------|
| Total                   | 103.0  | 94.0   |
| Focus Businesses        | 54.0   | 54.0   |
| Base Businesses /Common | 49.0   | 40.0   |

# Highlights

- April Establishment of Indian subsidiary
- May Decision made to acquire land for industrial use next to new Hitachinaka Works (provisional name)
- June Conclusion of agreement aimed at participation in Australian mineral sand deposit development project
  - Aimed at long-term stable supply of rare metal resources -
- June Course of action for enhanced profitability of metals/recycling business → **Detailed explanation (p.8, 9)**
- June Strengthen supply of high-purity CVD/ALD materials essential for enhancing performance of next-generation semiconductors
  - Contribute to further evolution of rapidly growing generative AI – (\*1)
- July Certification under the Ministry of Economy, Trade and Industry's plan for securing supply of sputtering targets for semiconductors
- July Capital Investment for Increased Production of Crystal Materials (Acquisition of Fixed Assets) (\*2)

■ Focus Businesses

■ Base Businesses

(\*1)

**Began full production of CVD/ALD materials**

**Began full production** at Toho Titanium's Chigasaki Plant. Currently installing further production facilities at our Ibaraki Office (Hitachi district).

(\*2)

**Decision taken to increase capacity for InP substrates**

Made decision to increase production capacity by **approx. 20%** from current levels. Will take flexible approach to additional investments if demand increases further.

# Began investigating reducing scale of production

— accelerating efforts to strengthen resilience of smelting business

## Building optimal structure for Base Businesses in preparation for portfolio centered on Focus Businesses aligned with long-term vision

### Main initiatives implemented for Base Businesses so far

- ✓ Steady progress in rightsizing business scale, securing supply chain for Focus Businesses

| FY2022   | FY2023   | FY2024   | FY2025  |
|--|--|--|---|
| Divestiture of shares in LS-Nikko Copper (Copper Smelting JV in Korea) | Partial transfer of Pan Pacific Copper shares    | Additional divestiture of partial interest in Caserones                                  | Participation in Copi project (rare metals, rare earths)  |
| Investment in Mibra mine (tantalum)                                    | Divestiture of partial interest in Caserones     | Adding high value of smelting and recycling business (Established JV w/Mitsubishi Corp.) |   |
| Acquisition of eCycle shares (collaboration with Sojitz)               | Divestiture of partial interest in Los Pelambres | Sale of assets   | Strengthening of supply chain Shift to higher value-added |

### Metals/Recycling business strategy

- Issues: Low profitability and growth potential, and low level of capital efficiency in the area of smelting of concentrates.
- Strategy: Strengthen resilience of smelting business: pursue most efficient scale of production, promote plans for Green Hybrid Smelting
  - ✓ Achieve higher profitability/capital efficiency and business growth by raising percentage of high-margin recycled raw materials

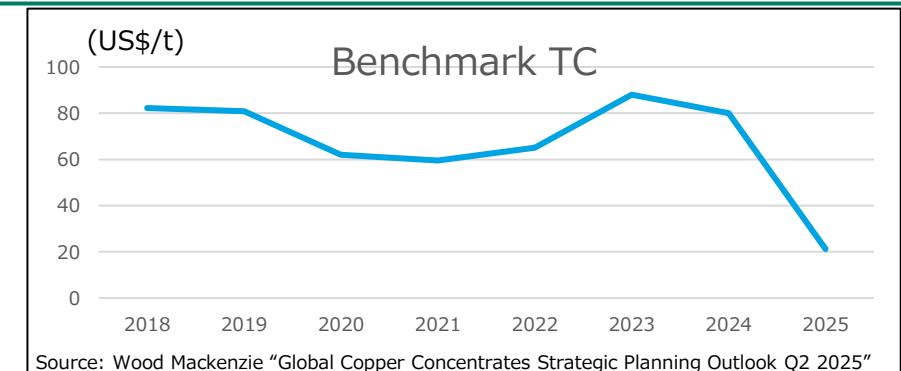
# Began investigating reducing scale of production

— accelerating efforts to strengthen resilience of smelting business

## Building optimal structure for Base Businesses in preparation for portfolio centered on Focus Businesses aligned with long-term vision

### Changes in the environment

- ✓ Sudden and extreme worsening of ore TC/RCs
- ✓ Caused by rapid increases in capacity mainly by smelters in China, change in this trend hard to predict
- ⇒ Reduction in profitability of traditional smelting of concentrates



### Accelerating efforts to strengthen resilience of smelting business

Previously

- Maintain production scale
- Raise recycled raw materials ratio

### Develop innovative technology

Achieve increased processing of high-margin recycled raw materials at compact scale of production

- Control scale of investment to raise recycled raw materials ratio through new technology development
- Significant reduction in running costs and investment in maintenance and upkeep by realizing the most efficient production structure with a view to facility consolidation.
- Enable allocation of resources to Focus Businesses

### Reduce production scale

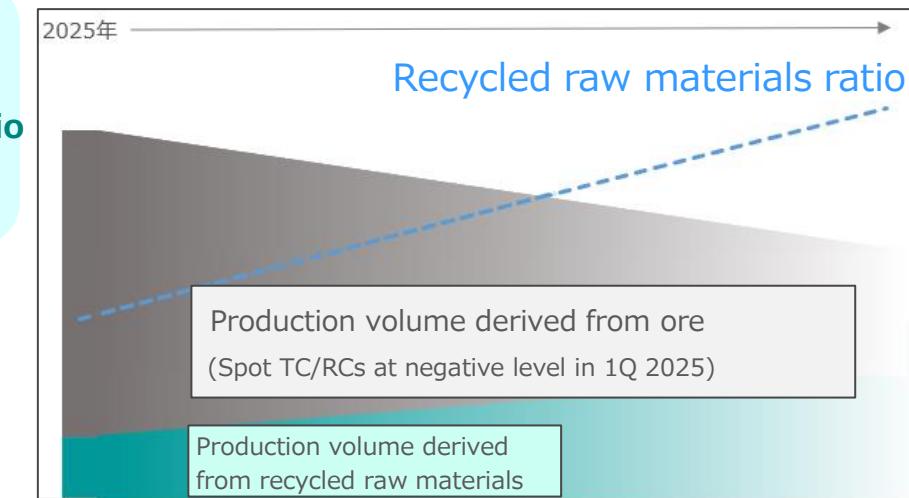
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### Raise recycled raw materials ratio

- Investigate fundamental structural reform of smelting business -

### Improve profitability/ capital efficiency

Aim to double ROIC of Metals & Recycling business



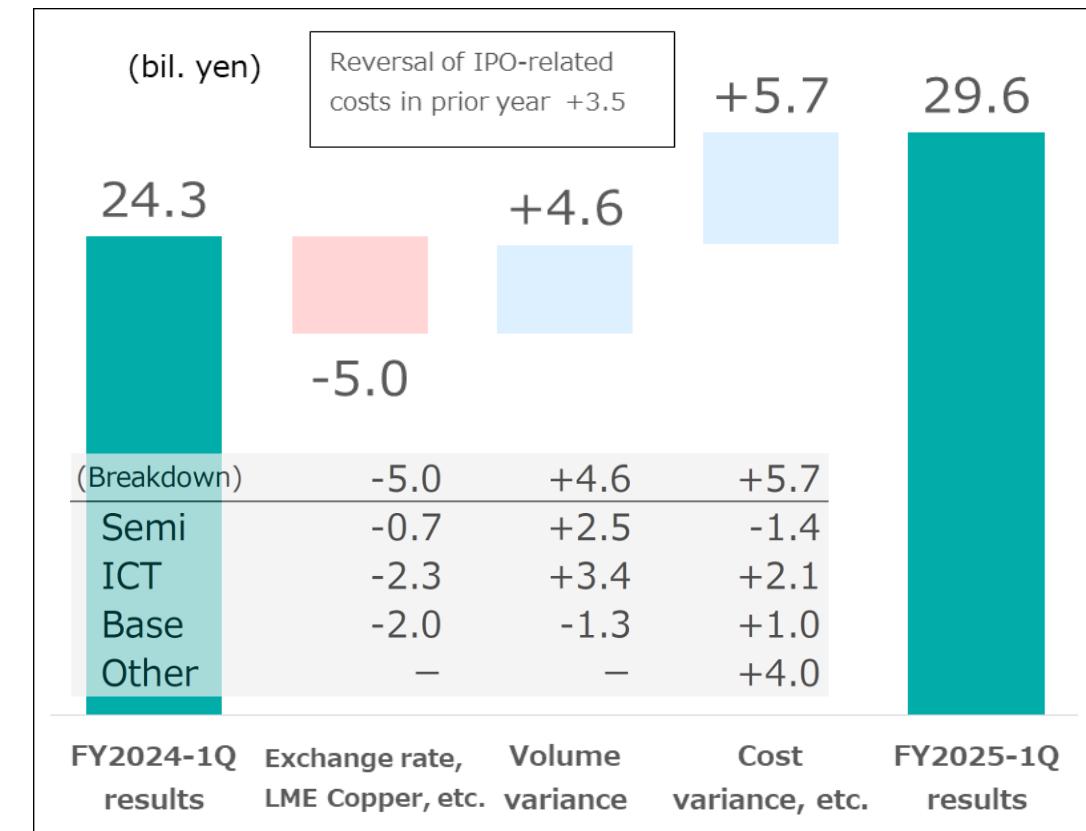
# **FY2025 1Q (fiscal year ending March 31, 2026) results**

# Consolidated statement of income

| bil. yen   | FY2024-1Q<br>results             | FY2025-1Q<br>results | Changes      |             |
|--|----------------------------------|----------------------|--------------|-------------|
|  |                                  |                      |              |             |
| <b>Revenue</b>                                     | <b>170.6</b>                     | <b>191.3</b>         | <b>+20.7</b> | <b>+12%</b> |
| (Focus Businesses)                                 | 90.3                             | 117.0                | +26.7        | +30%        |
| (Base Businesses)                                  | 80.9                             | 75.0                 | -5.9         | -7%         |
| (Other)  | -0.6                             | -0.7                 | -0.1         | -           |
| <b>Operating profit</b>                            | <b>24.3</b>                      | <b>29.6</b>          | <b>+5.3</b>  | <b>+22%</b> |
| (Focus Businesses)                                 | 12.6                             | 16.2                 | +3.6         | +29%        |
| (Base Businesses)                                  | 16.9                             | 14.6                 | -2.3         | -14%        |
| (Other)  | -5.2                             | -1.2                 | +4.0         | -           |
| <b>Profit before tax</b>                           | <b>23.5</b>                      | <b>28.5</b>          | <b>+5.0</b>  | <b>+21%</b> |
| <b>Net profit</b>                                  | <b>17.5</b>                      | <b>23.2</b>          | <b>+5.7</b>  | <b>+33%</b> |
| <b>Profit attributable to<br/>owners of parent</b> | <b>14.8</b>                      | <b>18.9</b>          | <b>+4.1</b>  | <b>+28%</b> |
| Exchange rate (JPY/USD)                            | 156                              | 145                  | -11          | -7%         |
| Copper (LME) (¢/lb)                                | Average                          | 442                  | 432          | -11         |
|  | End of previous/<br>current year | 396/430              | 439/455      | -2%         |

# Revenue and operating profit by business segment

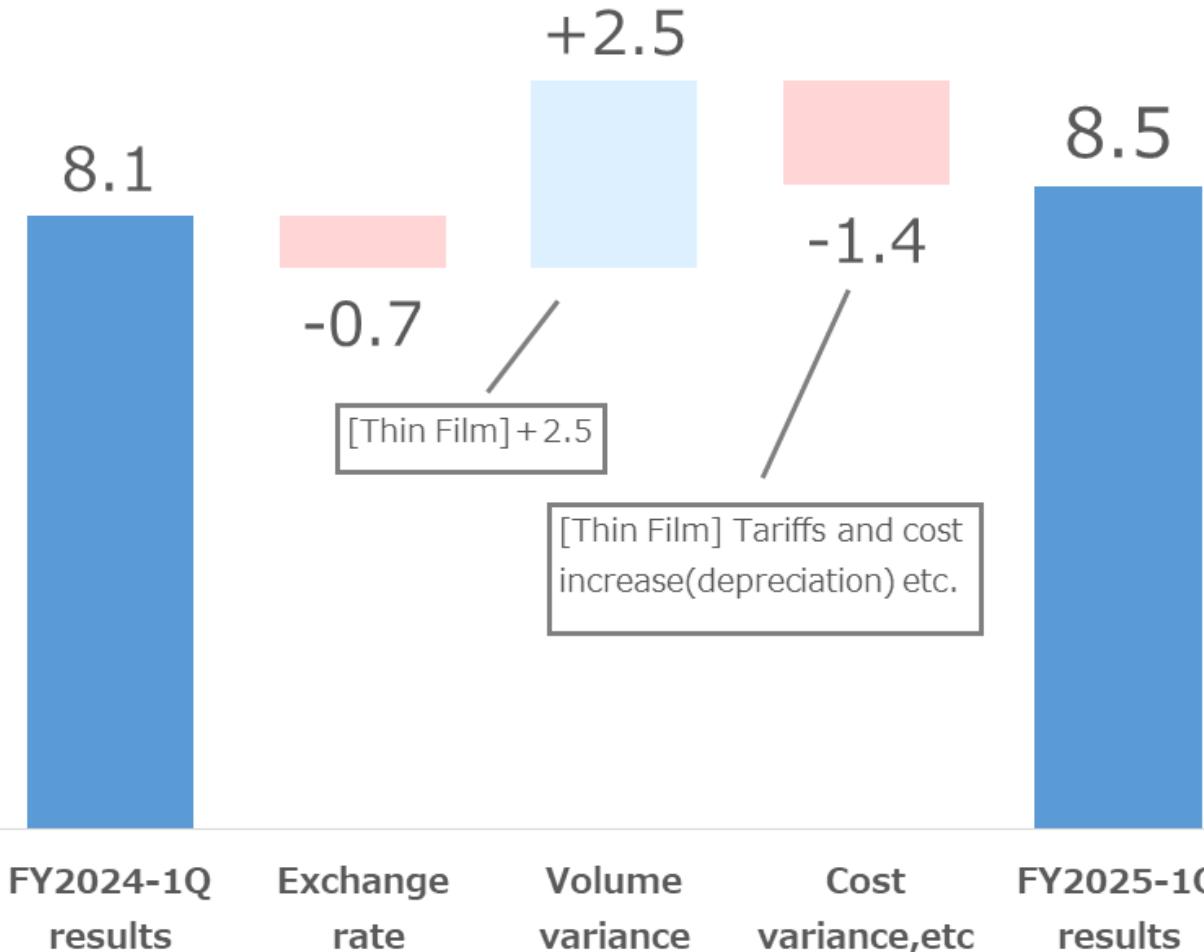
|                  | bil. yen                | Revenue | FY2024-1Q    |              | FY25-1Q      |             | Changes |
|------------------|-------------------------|---------|--------------|--------------|--------------|-------------|---------|
|                  |                         |         | results      | results      | results      | Changes     |         |
| Focus Businesses | Semiconductor materials | Revenue | 38.3         | 38.8         | +0.5         | +1%         |         |
|                  |                         | OP      | 8.1          | 8.5          | +0.4         | +5%         |         |
| Base Businesses  | ICT materials           | Revenue | 52.0         | 78.2         | +26.2        | +50%        |         |
|                  |                         | OP      | 4.5          | 7.7          | +3.2         | +71%        |         |
| Other            | Metals & Recycling      | Revenue | 80.9         | 75.0         | -5.9         | -7%         |         |
|                  |                         | OP      | 16.9         | 14.6         | -2.3         | -14%        |         |
| Total            | Common expenses         | Revenue | -0.6         | -0.7         | -0.1         | -           |         |
|                  |                         | OP      | -5.2         | -1.2         | +4.0         | -           |         |
|                  |                         | Revenue | <b>170.6</b> | <b>191.3</b> | <b>+20.7</b> | <b>+12%</b> |         |
|                  |                         | OP      | <b>24.3</b>  | <b>29.6</b>  | <b>+5.3</b>  | <b>+22%</b> |         |



|   |   |      |
|---|---|------|
| Percentage changes in sales volume of main products<br>(FY2024-1Q -> FY2025-1Q) | Sputtering targets for SEMI             | +14% |
|   | Sputtering targets for magnetic devices | +41% |
|   | InP substrates                          | +50% |
|   | Rolled Annealed Copper Foil             | +18% |
|   | Copper Titanium Alloys                  | +37% |

# Analysis of difference in operating profit: Semiconductor materials segment (FY2025 1Q results vs. FY2024 1Q results)

(bil.yen)



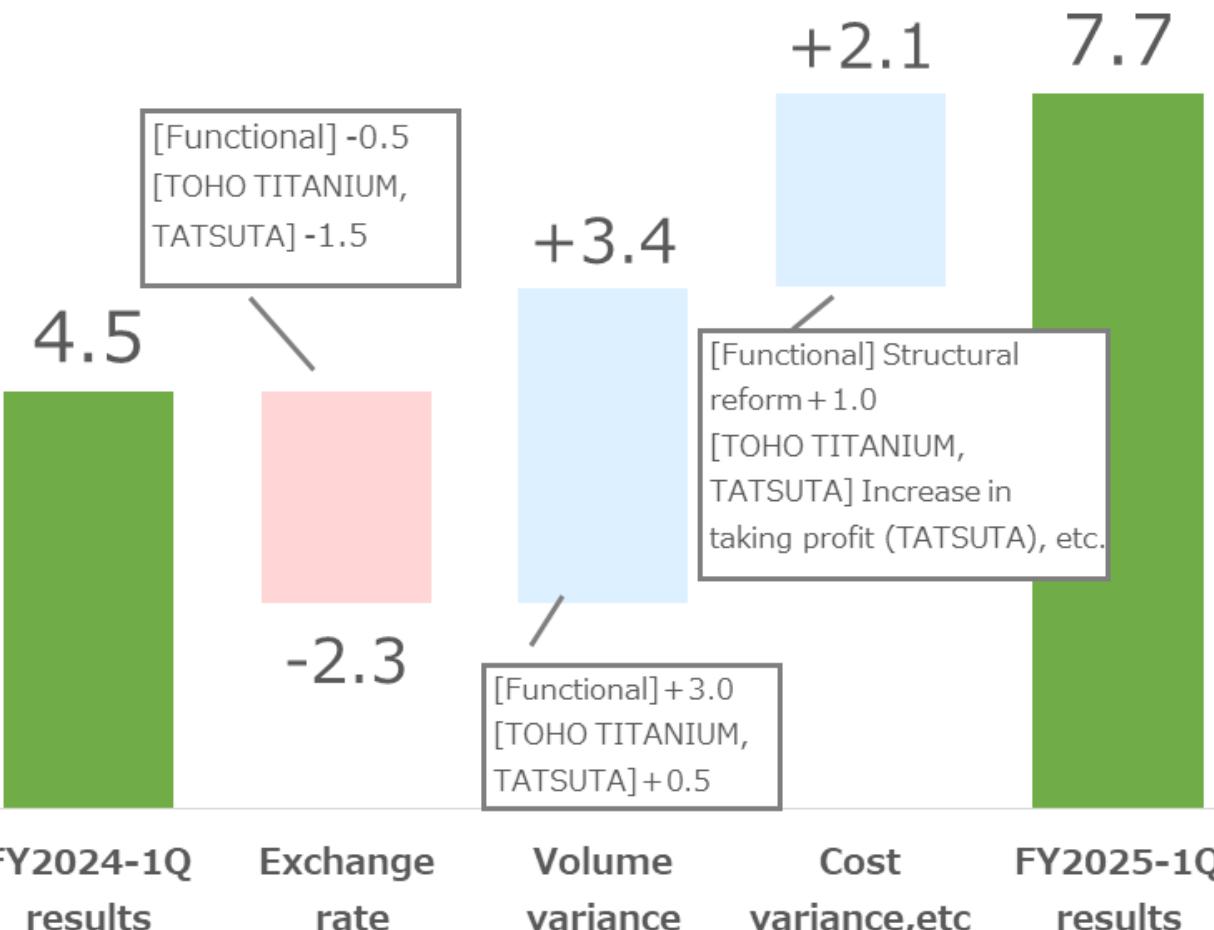
## [Thin Film Materials]

- Increased sales of main products are ongoing in response to growing AI-related demand.
- Strong yen, increase depreciation due to investment for main products, and direct tariffs impacts put downward pressure on earnings.

|                          |          | FY2024-1Q<br>results | FY25-1Q<br>results | Changes     |            |
|--------------------------|----------|----------------------|--------------------|-------------|------------|
|                          | bil. yen |                      |                    |             |            |
| Thin Film                | Revenue  | 32.4                 | 32.5               | +0.1        | +0%        |
| Materials                | OP       | 8.4                  | 8.4                | —           | —          |
| Tantalum                 | Revenue  | 8.5                  | 10.0               | +1.5        | +18%       |
| and Niobium              | OP       | -0.1                 | 0.3                | +0.4        | —          |
| Adjustments,<br>etc.     | Revenue  | -2.6                 | -3.7               | -1.1        | —          |
|                          | OP       | -0.2                 | -0.2               | —           | —          |
| <b>Segment<br/>total</b> | Revenue  | <b>38.3</b>          | <b>38.8</b>        | <b>+0.5</b> | <b>+1%</b> |
|                          | OP       | <b>8.1</b>           | <b>8.5</b>         | <b>+0.4</b> | <b>+5%</b> |

# Analysis of difference in operating profit: ICT materials segment (FY2025 1Q results vs. FY2024 1Q results)

(bil.yen)



## [Functional Materials]

- Significant increase in profit despite strong yen, due to recovery in smartphone markets including rush demand to avoid U.S. tariffs, increased sales due to adoption for AI server applications, and progress of structural reform.

## [TOHO TITANIUM]

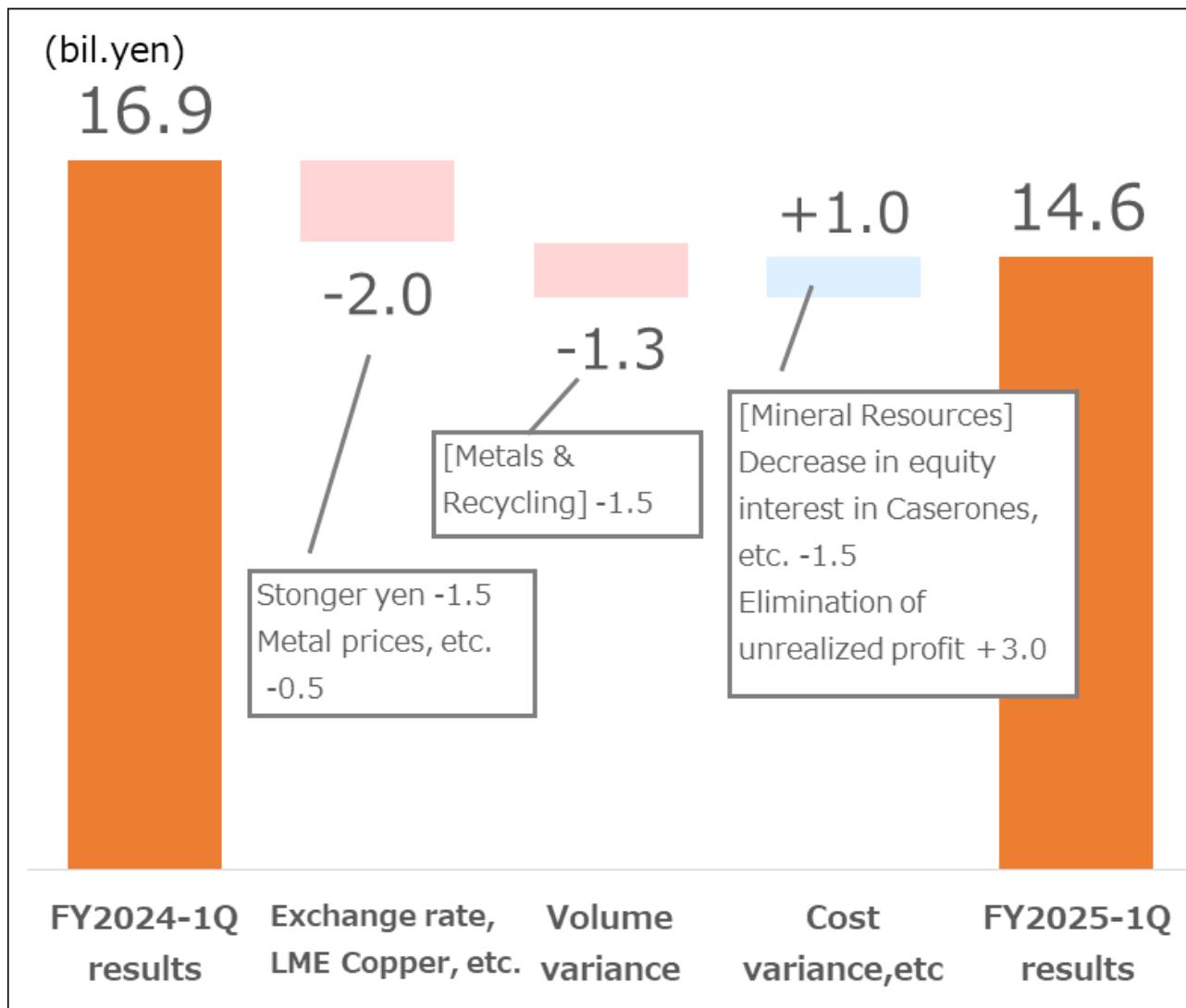
- Decreased due to strong yen.

## [TATSUTA]

- Increased in taking profit due to consolidation.

|                                 |         | FY2024-1Q<br>bil. yen | FY25-1Q<br>results | Changes |       |
|---------------------------------|---------|-----------------------|--------------------|---------|-------|
|                                 | results |                       |                    |         |       |
| Functional Materials            | Revenue | 30.9                  | 37.8               | +6.9    | +22%  |
| TOHO TITANIUM, TATSUTA and etc. | OP      | 1.9                   | 5.7                | +3.8    | +200% |
| TOHO TITANIUM, TATSUTA and etc. | Revenue | 21.1                  | 40.4               | +19.3   | +91%  |
| TOHO TITANIUM, TATSUTA and etc. | OP      | 2.6                   | 2.0                | -0.6    | -23%  |
| Segment total                   | Revenue | 52.0                  | 78.2               | +26.2   | +50%  |
| Segment total                   | OP      | 4.5                   | 7.7                | +3.2    | +71%  |

## Analysis of difference in operating profit: Metals & Recycling segment (FY2025 1Q results vs. FY2024 1Q results)



- ✓ Stronger yen and lower copper prices put downward pressure on earnings.

## Mineral Resources

- Decrease profit due to the sale of a portion of Caserones' equity interest.

## [Metals and Recycling]

- Decrease profit due to reduction in production caused by temporary troubles, etc.
- ✓ Reversal of unrealized profit elimination is expected to reduce profit decline.

|                      | bil. yen       | FY2024-1Q   | FY25-1Q     | Changes     |            |
|----------------------|----------------|-------------|-------------|-------------|------------|
|                      |                | results     | results     |             |            |
| Mineral Resources    | Revenue        | 0.6         | 0.8         | +0.2        | +33%       |
| Metals and Recycling | OP             | 15.5        | 11.5        | -4.0        | -26%       |
| Adjustments, etc.    | Revenue        | 80.4        | 74.2        | -6.2        | -8%        |
|                      | OP             | 4.6         | 3.5         | -1.1        | -24%       |
|                      | Revenue        | -0.1        | —           | +0.1        | —          |
|                      | OP             | -3.2        | -0.4        | +2.8        | —          |
| <b>Segment total</b> | <b>Revenue</b> | <b>80.9</b> | <b>75.0</b> | <b>-5.9</b> | <b>-7%</b> |
|                      | OP             | 16.9        | 14.6        | -2.3        | -14%       |

# Consolidated balance sheet/Cash flows

## ■ Consolidated balance sheet

| (bil. yen)                | March 31, 2025                                    | June 30, 2025 |
|---------------------------|---|---------------|
| Cash/Deposit              |   |               |
| 58.3                      | Interest-bearing debt                             | 63.2          |
|                           | 301.3   |               |
|                           | Other liabilities                                 | 331.2         |
| 269.9                     |   |               |
| Other assets              |   |               |
| 1,224.7                   | Other liabilities                                 | 240.8         |
|                           | 269.9   |               |
|                           | Total equity attributable to owners of the parent | 607.0         |
| 615.3                     |   |               |
|                           | Minority interest                                 | 97.6          |
| 96.5                      |   |               |
| Net interest-bearing debt | 242.9   | 268.0         |

Net interest-bearing debt increased due to income taxes, dividend payments, etc.

## ■ Consolidated cash flows

| (bil. yen)   | FY2025 1Q results |
|--|-------------------|
| Cash flows from operating activities                       | 14.8              |
| Cash flows from investing activities                       | -23.0             |
| <b>Free cash flow</b>                                      | <b>-8.2</b>       |
| Cash flows from financing activities                       | 14.4              |
| <b>Net increase (decrease)in cash and cash equivalents</b> | <b>6.2</b>        |
| Impact from exchange rate, etc.                            | -1.3              |

# CAPEX, Depreciation, R&D expenses

| (bil. Yen)   | FY2023<br>results | FY2024<br>results | FY2025-1Q<br>results |  |
|--------------|-------------------|-------------------|----------------------|--|
| CAPEX        | 79.2              | 92.3              | 22.7                 | Executing as planned, mainly investments to increase production of sputtering targets for semiconductors at Hitachinaka Works.   |
| Depreciation | 39.1              | 44.0              | 10.7                 | After deconsolidation of some businesses due to portfolio transformation of the base business by FY2023, an increasing trend, mainly due to the execution of capital investment. |
| R&D Expenses | 15.9              | 17.8              | 5.1                  | Conduct R&D which is necessary for business growth as an advanced materials company.   |

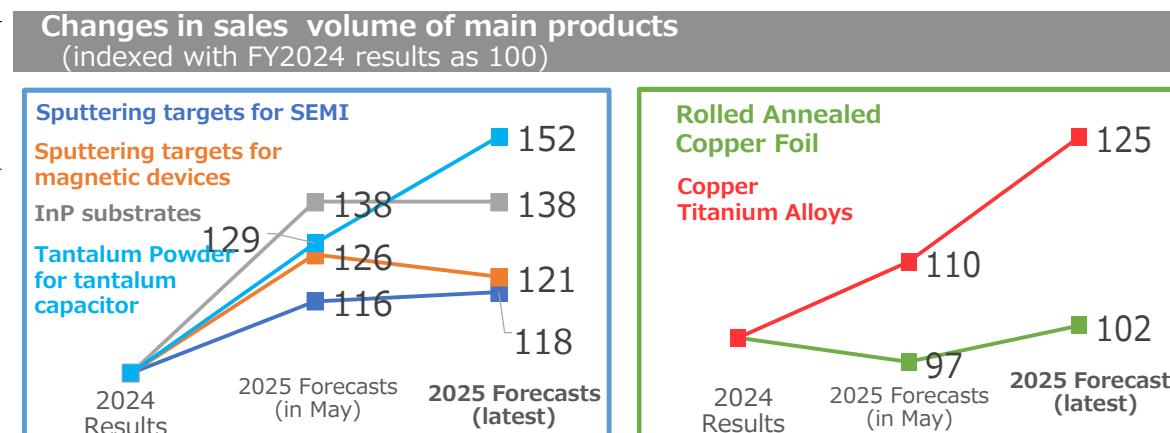
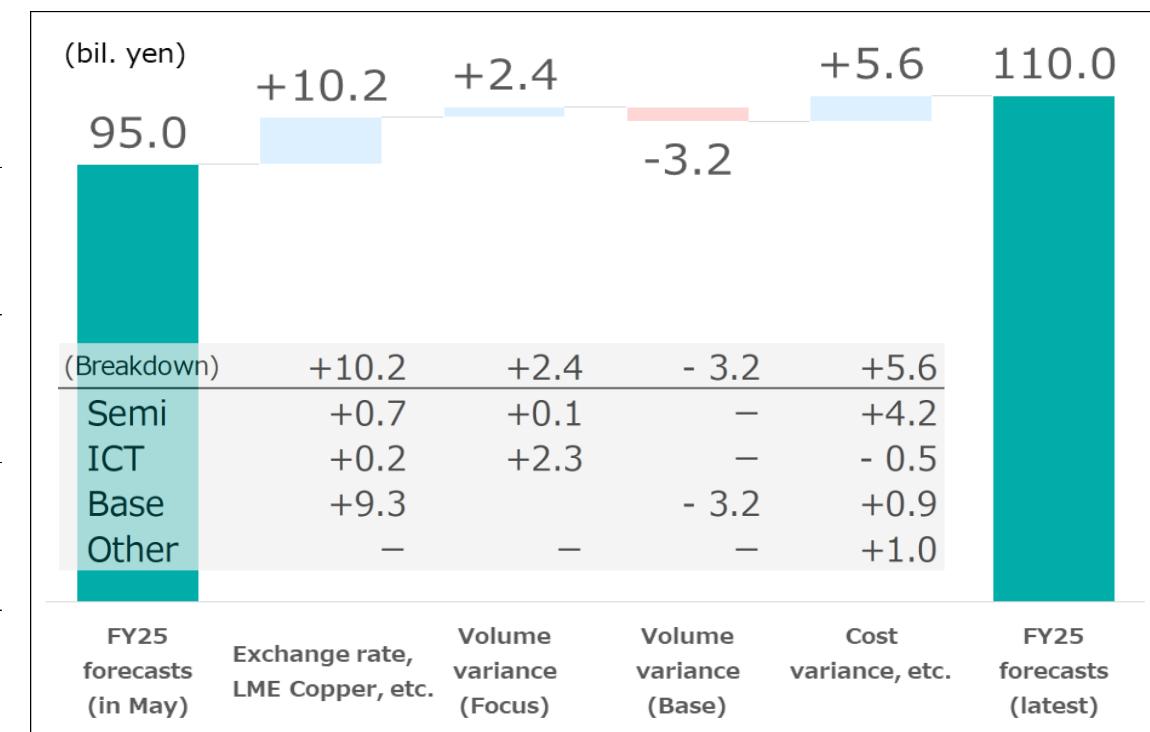
## **FY2025 (fiscal year ending March 31, 2026) full-year forecasts**

# Consolidated statement of income

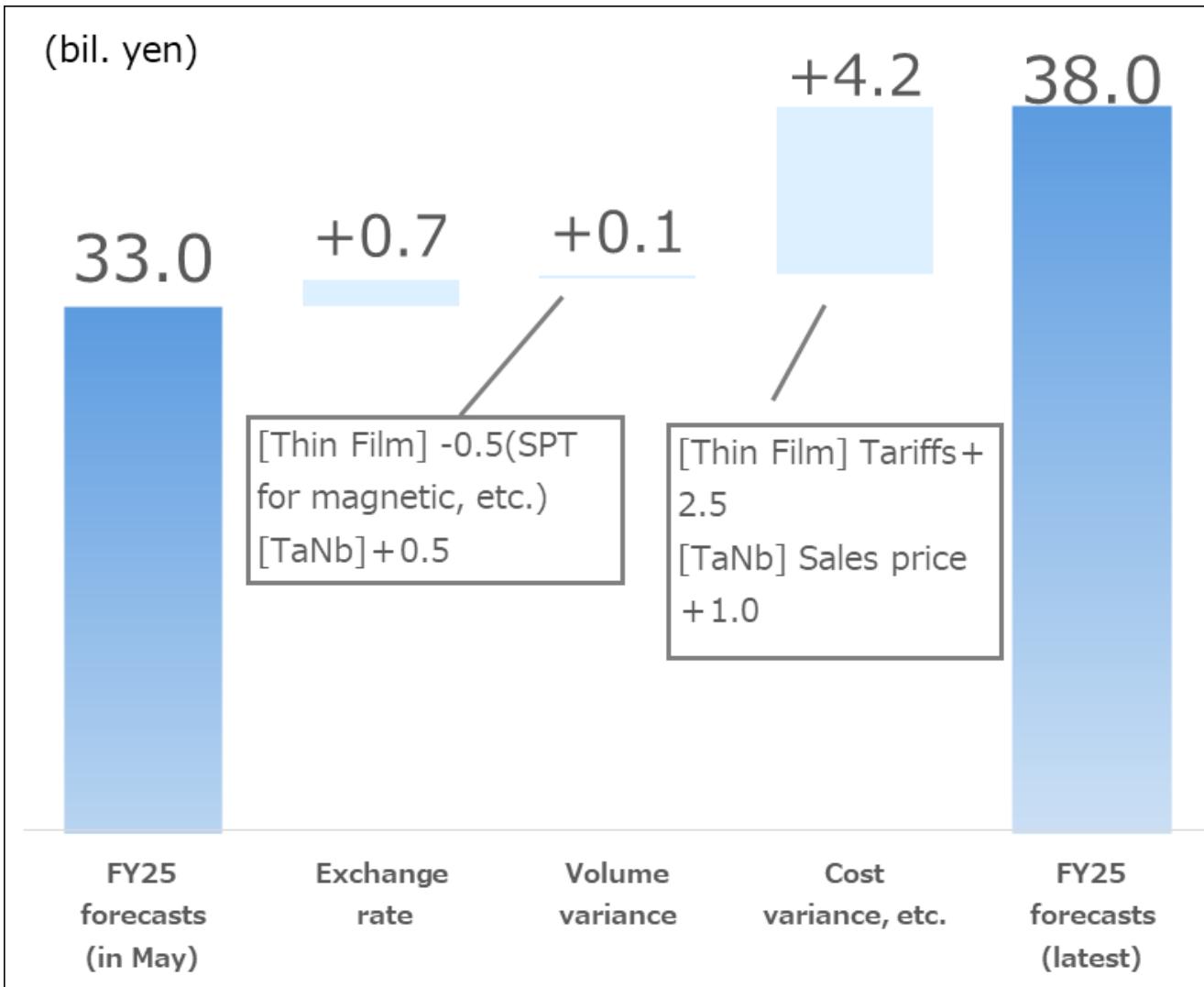
| bil. yen   | FY2025<br>forecasts<br>( in May) | FY2025<br>forecasts<br>(latest)      | Changes            |                         |  |  |  |
|--|----------------------------------|--------------------------------------|--------------------|-------------------------|--|--|--|
|  |                                  |                                      |                    |                         |  |  |  |
| <b>Revenue</b>                                     | <b>740.0</b>                     | <b>760.0</b>                         | <b>+20.0</b>       | <b>+3%</b>              |  |  |  |
| (Focus Businesses)                                 | 460.0                            | 470.0                                | +10.0              | +2%                     |  |  |  |
| (Base Businesses)                                  | 280.0                            | 290.0                                | +10.0              | +4%                     |  |  |  |
| (Other)  | -                                | -                                    | -                  | -                       |  |  |  |
| <b>Operating profit</b>                            | <b>95.0</b>                      | <b>110.0</b>                         | <b>+15.0</b>       | <b>+16%</b>             |  |  |  |
| (Focus Businesses)                                 | 52.0                             | 59.0                                 | +7.0               | +13%                    |  |  |  |
| (Base Businesses)                                  | 54.0                             | 61.0                                 | +7.0               | +13%                    |  |  |  |
| (Other)  | -11.0                            | -10.0                                | +1.0               | -                       |  |  |  |
| <b>Profit before tax</b>                           | <b>88.0</b>                      | <b>104.0</b>                         | <b>+16.0</b>       | <b>+18%</b>             |  |  |  |
| <b>Net profit</b>                                  | <b>71.0</b>                      | <b>87.0</b>                          | <b>+16.0</b>       | <b>+23%</b>             |  |  |  |
| <b>Profit attributable to<br/>owners of parent</b> | <b>58.0</b>                      | <b>70.0</b>                          | <b>+12.0</b>       | <b>+21%</b>             |  |  |  |
| Exchange rate (JPY/USD)                            | 140                              | 141                                  | +1                 | +1%                     |  |  |  |
| LME copper price (¢/lb)                            | Average                          | 410                                  | 427                | +17<br>+4%              |  |  |  |
|  | End of previous/<br>current year | 439/410                              | 439/425            |                         |  |  |  |
|  |                                  | Operating<br>profit<br>sensitivity   |                    |                         |  |  |  |
|  |                                  | (bil. Yen)                           | (July 2025 onward) | Copper price<br>+10¢/lb |  |  |  |
|  |                                  |                                      |                    |                         |  |  |  |
|  |                                  | Exchange rate<br>5-yen<br>weaker yen |                    |                         |  |  |  |
|  |                                  |                                      |                    |                         |  |  |  |
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# Revenue and operating profit by business segment

|                  |                         |          |                           | Changes                   |            |
|------------------|-------------------------|----------|---------------------------|---------------------------|------------|
|                  |                         | bil. yen | FY2025 forecasts (in May) | FY2025 forecasts (latest) |            |
| Focus Businesses | Semiconductor materials | Revenue  | 160.0                     | 170.0                     | +10.0 +6%  |
|                  |                         | OP       | 33.0                      | 38.0                      | +5.0 +15%  |
| Base Businesses  | ICT materials           | Revenue  | 300.0                     | 300.0                     | - -        |
|                  |                         | OP       | 19.0                      | 21.0                      | +2.0 +11%  |
| Other            | Metals & Recycling      | Revenue  | 280.0                     | 290.0                     | +10.0 +4%  |
|                  |                         | OP       | 54.0                      | 61.0                      | +7.0 +13%  |
| Total            |                         | Revenue  | 740.0                     | 760.0                     | +20.0 +3%  |
|                  |                         | OP       | 95.0                      | 110.0                     | +15.0 +16% |



# Analysis of difference in operating profit: Semiconductor materials segment (FY2025 forecasts: August vs. May announcements)



## Thin Film Materials

- Increase due to reduction of impact of U.S. tariffs, etc.

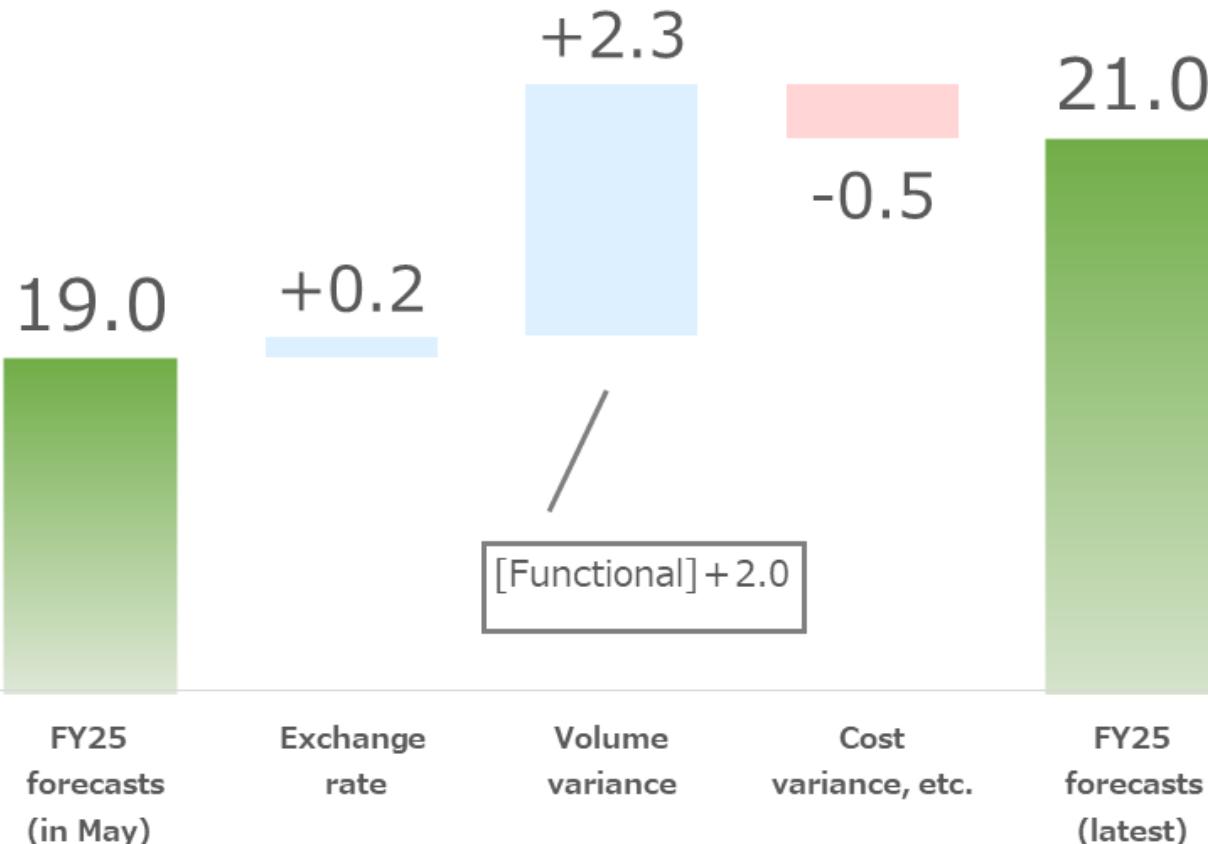
## Tantalum and Niobium

- Increase profits mainly due to increasing sales of tantalum powder for AI servers and improved selling prices.

|                      | bil. yen | FY2025 Forecasts (in May) | FY2025 Forecasts (latest) | Changes |      |
|----------------------|----------|---------------------------|---------------------------|---------|------|
| Thin Film Materials  | Revenue  | 140.0                     | 140.0                     | —       | —    |
| Tantalum and Niobium | OP       | 37.0                      | 39.0                      | +2.0    | +5%  |
| Adjustments, etc.    | Revenue  | 40.0                      | 50.0                      | +10.0   | +25% |
|                      | OP       | -4.0                      | -1.0                      | +3.0    | —    |
| Segment total        | Revenue  | 160.0                     | 170.0                     | +10.0   | +6%  |
|                      | OP       | 33.0                      | 38.0                      | +5.0    | +15% |

# Analysis of difference in operating profit: ICT materials segment (FY2025 forecasts: August vs. May announcements)

(bil .yen)

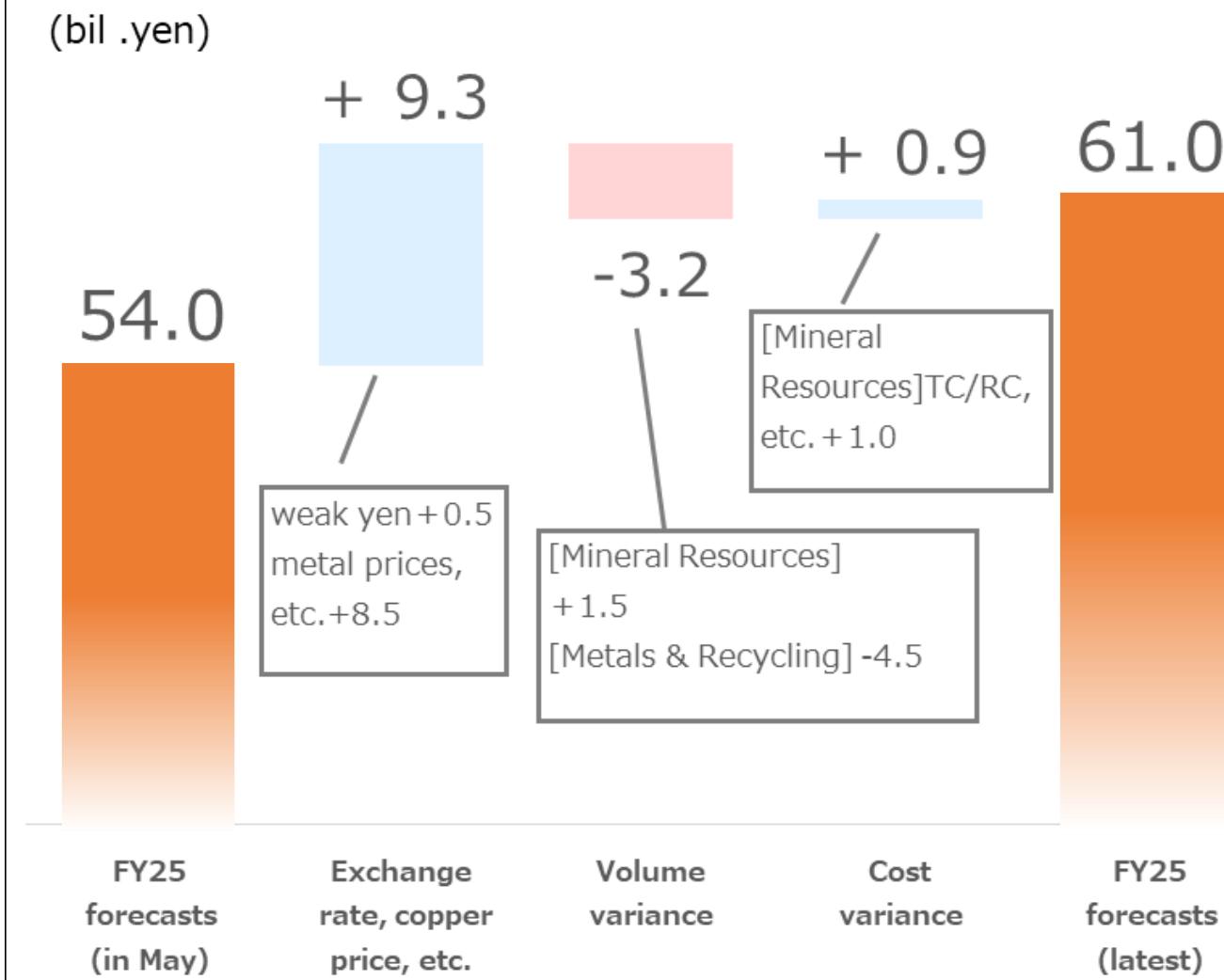


## [Functional Materials]

- Reviewed indirect impact of U.S. tariffs.
- Increase profits due to increase sales of Rolled Annealed Copper Foil for smartphones and of Copper Titanium Alloys for AI servers.

|                                 |         | FY2025 Forecasts<br>bil. yen | FY2025 Forecasts<br>(in May) | FY2025 Forecasts<br>(latest) | Changes |  |
|---------------------------------|---------|------------------------------|------------------------------|------------------------------|---------|--|
| Functional Materials            | Revenue | 130.0                        | 140.0                        | +10.0                        | +8%     |  |
|                                 | OP      | 12.0                         | 14.0                         | +2.0                         | +17%    |  |
| TOHO TITANIUM, TATSUTA and etc. | Revenue | 170.0                        | 160.0                        | -10.0                        | -6%     |  |
|                                 | OP      | 7.0                          | 7.0                          | —                            | —       |  |
| Segment total                   | Revenue | 300.0                        | 300.0                        | —                            | —       |  |
|                                 | OP      | 19.0                         | 21.0                         | +2.0                         | +11%    |  |

# Analysis of difference in operating profit: Metals & Recycling segment (FY2025 forecasts: August vs. May announcements)



✓ Profit is expected to increase due to the weaker yen and higher copper prices.

## [Mineral Resources]

- Factoring increase in profit due to decline in TC/RC.

## [Metals and Recycling]

- Factoring in production cuts in response to falling TC/RC.

|                      |         | FY2025 Forecasts<br>bil. yen<br>(in May) | FY2025 Forecasts<br>(latest) | Changes |      |
|----------------------|---------|--|------------------------------|---------|------|
| Mineral Resources    | Revenue | —  | —                            | —       | —    |
| Metals and Recycling | OP      | 38.0                                     | 46.0                         | +8.0    | +21% |
| Metals and Recycling | Revenue | 280.0                                    | 290.0                        | +10.0   | +4%  |
| Adjustments, etc.    | OP      | 15.0                                     | 13.0                         | -2.0    | -13% |
| Segment total        | Revenue | 280.0                                    | 290.0                        | +10.0   | +4%  |
| Segment total        | OP      | 54.0                                     | 61.0                         | +7.0    | +13% |

# Consolidated balance sheet/Cash flows for FY2025, Shareholder returns

## ■ Consolidated balance sheet

(bil. yen)

| March 31, 2025 (results)  | March 31, 2026 (forecasts)  | March 31, 2026 (forecasts in May) |
|---|---|-----------------------------------|
| Cash/<br>Deposit<br>58.3  | Cash/<br>Deposit<br>51.0  | 51.0                              |
| Interest-bearing<br>debt<br>301.3                                   | Interest-bearing<br>debt<br>325.0                                   | 326.0                             |
| Other<br>liabilities<br>269.9                                       | Other<br>liabilities<br>246.0                                       | 245.0                             |
| Other<br>assets<br>1,224.7  | Other assets<br>1,265.0   | 1,252.0                           |
| Total equity<br>attributable to<br>owners of the<br>parent<br>615.3 | Total equity<br>attributable to<br>owners of the<br>parent<br>647.0 | 637.0                             |
| Minority interest<br>96.5   | Minority interest<br>98.0   | 95.0                              |
| Net interest-<br>bearing debt<br>242.9                              | 274.0   | 275.0                             |

## ■ Consolidated cash flows

(bil. yen)

|   | FY2025<br>forecasts |
|---|---------------------|
| Cash flows from operating activities                            | 97.0                |
| Cash flows from investing activities                            | -91.0               |
| <b>Free Cash Flow</b>   | <b>6.0</b>          |
| Cash flows from financing activities                            | -12.0               |
| <b>Net increase (decrease) in<br/>cash and cash equivalents</b> | <b>-6.0</b>         |
| Impact from exchange rate, etc.                                 | -1.3                |

## ■ Shareholder returns

| Dividend policy  |  |
|--|--|
| Our basic approach to dividends is to set a consolidated dividend payout ratio of around 20%, as well as returning to shareholders a part of overshoots of profit in the Base Business caused by copper prices exceeding our assumptions |  |
|  |  |

|  | Fiscal year<br>ended<br>March 31,<br>2025 | Fiscal year ended<br>March 31, 2026<br>(forecasts) |        |
|--|---|--|--------|
| Dividend<br>per<br>share <sup>*2</sup> | 18 yen <sup>*1</sup>                      | in May   | Latest |
|  | 15yen                                     | 18yen  |        |

\*1 Excluding dividends (85.0 bil. yen) paid in November 2024

\*2 Reflects higher copper prices

# Appendix

# JX Advanced Metals at a Glance

## Leading global supplier of advanced materials in semiconductor and ICT industries

### Businesses and Main Products

#### Our highly competitive core business with an advanced technological excellence

★related to AI Server

##### Focus Businesses

##### Semiconductor materials

Thin Film Materials

Sputtering Targets for Semiconductors



Metals required for nano-scale deposition on semiconductor wafers

InP Substrates★



Light emitting and receiving elements in optical communications

CdZnTe Substrates



Single crystal substrates used for radiation and infrared sensors

Sputtering targets for magnetic devices



Metals required for nano-scale deposition Large Capacity HDD

Material for CVD<sup>4</sup>/ALD<sup>5</sup> Precursors



Metal raw materials used to form thin film in CVD/ALD process

##### ICT materials

Functional Materials

Rolled Annealed Copper Foil (RACF)



Metal foil with great ductility used for FPC (Flexible printed circuits)<sup>3</sup>

Copper Titanium Alloys



Alloy material with superior strength, conductivity and bendability

Electromagnetic shielding film



Functional film to protect mobile device circuits from electromagnetic noise

#### End Uses

##### Servers



##### Wearable



##### Smartphones



##### Mobility (xEV/ADAS)



#### Support growth of Focus Businesses by reinforcing sustainable supply chains of copper and minor metals (tantalum, titanium, etc.)

Note 1: FUJI KEIZAI CO., LTD. "Semiconductor Materials market's Current Status and Future Outlook 2024" (Excluding AI targets as of 2023 actual on sales basis); Note 2: Fuji Chimera Research Institute, Inc. "Electronics Mounting New Materials Handbook 2024" (actual record in 2023; for FPC only, based on shipping quantity basis); Note 3: FPC (Flexible printed circuits): Electronic circuits with combination of insulated base films and conductive metallic materials made with photolithographic; Note 4: Chemical Vapor Deposition; Note 5: Atomic Layer Deposition

# Began investigating reducing scale of production

— accelerating efforts to strengthen resilience of smelting business

\*Low profitability and growth potential

\*High-margin recycled raw materials

Copper smelting  
revenue/expenses structure

(How strengthened resilience in  
smelting business might look)

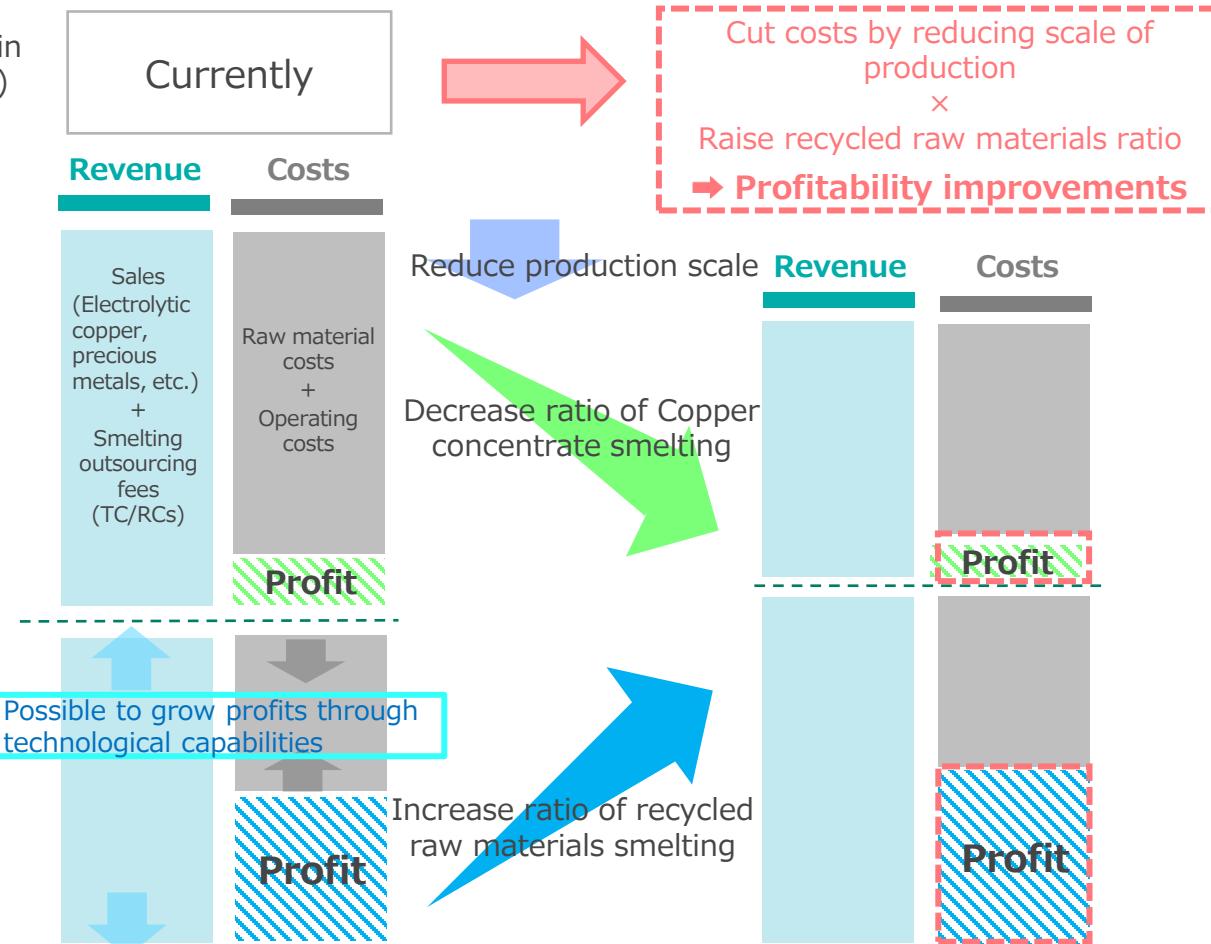
## Copper concentrates smelting

Bulk of TC/RCs determined  
by supply and demand, and  
Chinese smelters handling  
high volumes have greater  
influence to set price so **the  
profitability is noticeably  
declining**.

## Recycled raw materials smelting

We have efficient raw materials  
processing technology and highly  
reliable analysis technology for  
valuable metals. Highly  
competitive market position  
based on technological  
capabilities means **high  
profitability**.

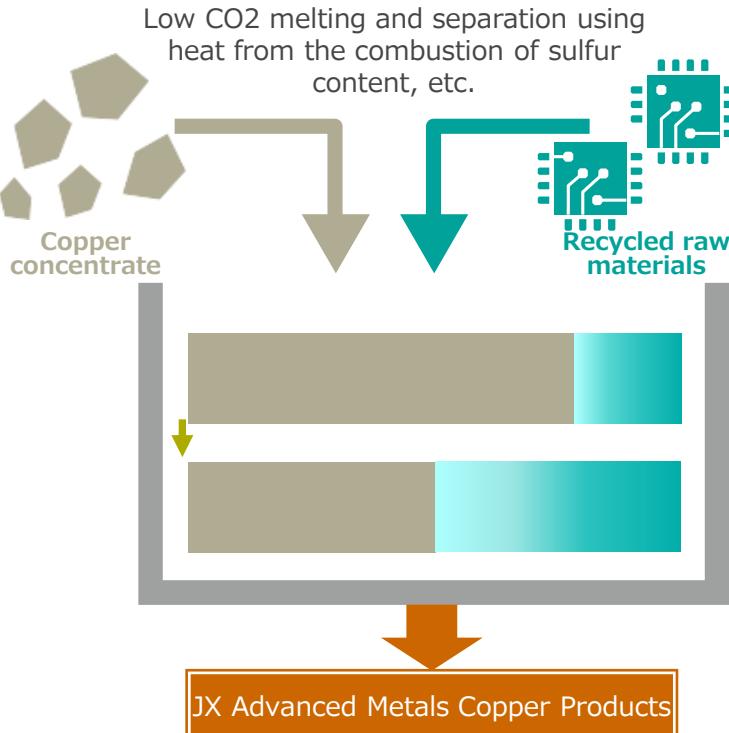
Structure is that revenue and smelting outsourcing fee revenue received from mining/raw material recyclers less raw material and operating costs is profit



## \*Green Hybrid Smelting

By using heat emitted by chemical reactions from concentrating copper during the smelting process itself to melt recycled raw materials, fossil fuels become virtually unnecessary.

We will increase recycled raw materials but find the optimal balance for use of copper concentrating as a heat source.



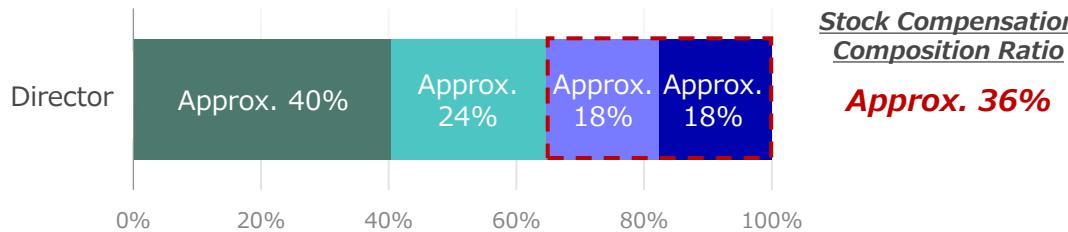
# Introduction of Share-based Remuneration System (RS Trust) for Officers and Employee Stock Ownership Plan (J-ESOP-RS)

## Overview of the Executive Compensation System

- For directors not on the audit committee (excluding outside directors) and executive officers, compensation consists of fixed compensation (cash), short-term incentive (STI: cash), and long-term incentive (LTI: stock)
  - Overall, the performance-linked ratio is increased, with gradual variations based on the responsibilities of each position
  - Stock compensation consists of performance-linked and non-performance-linked components (expected to have transfer restrictions)
- Compensation for outside directors not on the audit committee and directors on the audit committee consists only of fixed compensation (determined through discussions among audit committee members)
- Separate from the executive compensation system, an executive stock ownership plan has been established, with each executive contributing an appropriate amount

### Composition Ratio of Our Executive Compensation

■ Fixed (Cash) ■ STI Performance-Linked (Cash) ■ LTI Performance-Linked (Stock) ■ LTI Fixed (Stock)



### Number of shares held [units: in thousands of shares] (shareholding ratio)

|   | June 30, 2025 | March 31, 2025  |
|---|---------------|-----------------|
| Officers' Shareholding Association + Share-based remuneration<br>(number of shares held by the Shareholding Association)  | 234           | 201<br>(0.0%)   |
| Employees' Shareholding Association + Employee Stock Ownership Plan<br>(number of shares held by the Shareholding Association + number of shares granted to employees in ESOP.) | 1,920         | 1,190<br>(0.2%) |

\*share-based remuneration launches in August 2025

## Overview of Employee Stock Ownership Plan

- Shares are granted to employees in managerial positions who satisfy certain requirements
  - The objective is to encourage them to approach their duties in ways that improve business performance and drive increases in the share price, and in turn to enhance the Company's corporate value in the medium to long term (transfer restrictions will be imposed)

# Disclaimer

The Company's goals, plans, estimates, forecasts, expectations, targets, and other future information stated in this material are only the Company's determinations or opinions based on the information available to the Company at the time of preparation of this material and certain assumptions, and the Company's actual business results, financial condition, and other results may differ significantly from the details in this material or forecasts from this material due to economic situation and market environment, business activities, environment of competition with other companies, and other various factors, within or outside Japan.

