

## Record of Telephone Conference Concerning FY2025 Q3 Results

Reference: FY2025 Q3 Results & FY2025 Forecast

[LinkClick.aspx](#)

Note:

PKG = Package substrate

HDI = High density interconnect

real profit = ordinary income excluding the inventory factors and the PGM price difference in Catalysts

### ■Explanation

We promote the well-being of the world  
through a spirit of exploration  
and diverse technologies.



### Results of FY2025 Q3

- FY2025 Q1-3 YoY : Sales and profits increased due to an increase in sales volume of major products in the Engineered Materials segment and price of precious metals in the catalyst business has risen. However, net income decreased due to the extraordinary losses related to the divestiture of Mitsui Kinzoku ACT.
- As for the FY2025 forecast, we expect increased revenue and profits in copper foil business, supported by a strong market for high-end servers such as AI servers. Furthermore, in the metal segment, we expect improved earnings due to higher metal prices and a weaker yen, as well as significant favorable inventory effects associated with these factors. As a result, we anticipate record highs in our net sales, operating profit, ordinary profit, and net income for the current period.

(Unit: Billion yen)

	Q1-3 Results			Forecast		
	2025 Results	2024 Results	Difference (25-24)	2025 Forecast (Feb 13)	2025 Forecast (Nov 11)	Difference
<b>Net Sales</b>	542.2	525.9	16.3 3.1%	750.0	715.0	35.0 4.9%
<b>Operating Income</b>	71.7	56.2	15.5 27.6%	117.0	78.0	39.0 50.0%
<b>Ordinary Income</b>	74.5	59.1	15.4 26.1%	120.0	77.0	43.0 55.8%
Net income attributable to owners of parent	49.1	52.1	-3.1 -5.9%	77.0	43.0	34.0 79.1%

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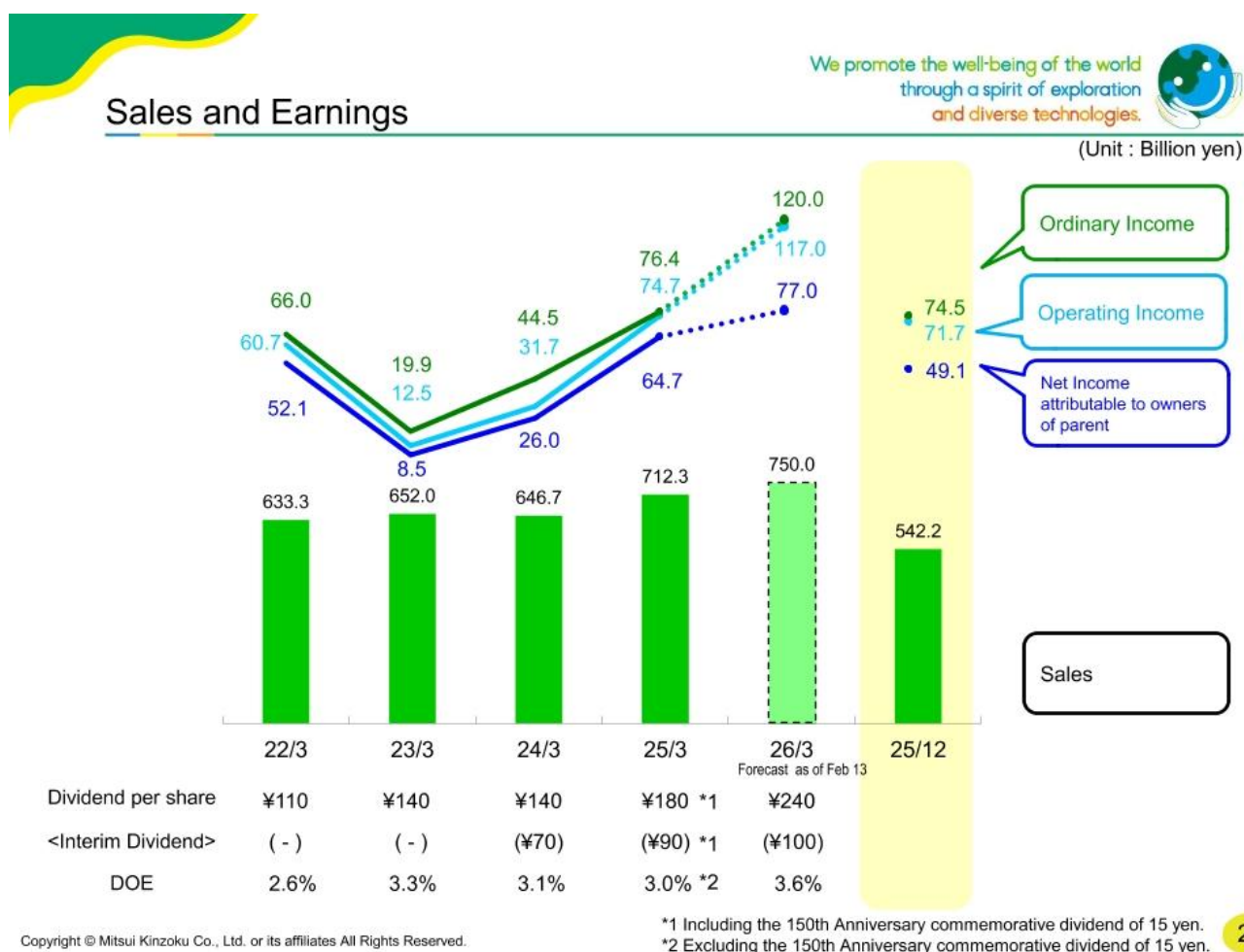
Please refer to page one of the financial results presentation.

For Q3 of the fiscal year ending December 2026, we recorded net sales were JPY542.2 billion, operating income was JPY71.7 billion, ordinary income was JPY74.5 billion, and net income attributable to owners of the parent was JPY49.1 billion. Despite favorable factors such as increased sales volume of key products in the Engineered Materials segment, including MicroThin™ and electro-deposited copper foil VSP™ for AI servers, compared to the same period last year, overall sales of the Group increased by JPY16.3 billion due to a decrease in sales resulting from the transfer of shares in Mitsui Kinzoku ACT.

Regarding profits for the same period, operating income increased by JPY15.5 billion and ordinary income increased by JPY15.4 billion compared with the same period of the previous year due to the increase in sales volume of copper foil as I mentioned, the effect of price increases, and the favorable turnaround in the impact of precious metal prices in the catalyst business.

On the other hand, net income attributable to shareholders of the parent company decreased by JPY3.1 billion from the same period of the previous year, mainly due to an extraordinary loss of JPY19 billion resulting from the transfer of shares in Mitsui Kinzoku ACT.

The full-year forecast for the fiscal year ending March 2026 was revised to reflect the results through Q3 and to take into account business trends and other factors in Q4. As a result, we expect net sales of JPY750 billion, operating income of JPY117 billion, ordinary income of JPY120 billion, and net income of JPY77 billion, all of which are higher than our previous full-year forecasts disclosed on November 11, the previous time, and represent our highest ever net sales, operating income, ordinary income, and net income. Our price assumptions for Q4 are based on LME zinc price of USD3,100, LME lead price of USD2,000, LME copper price of USD5.9 per pound, and an exchange rate of JPY155.



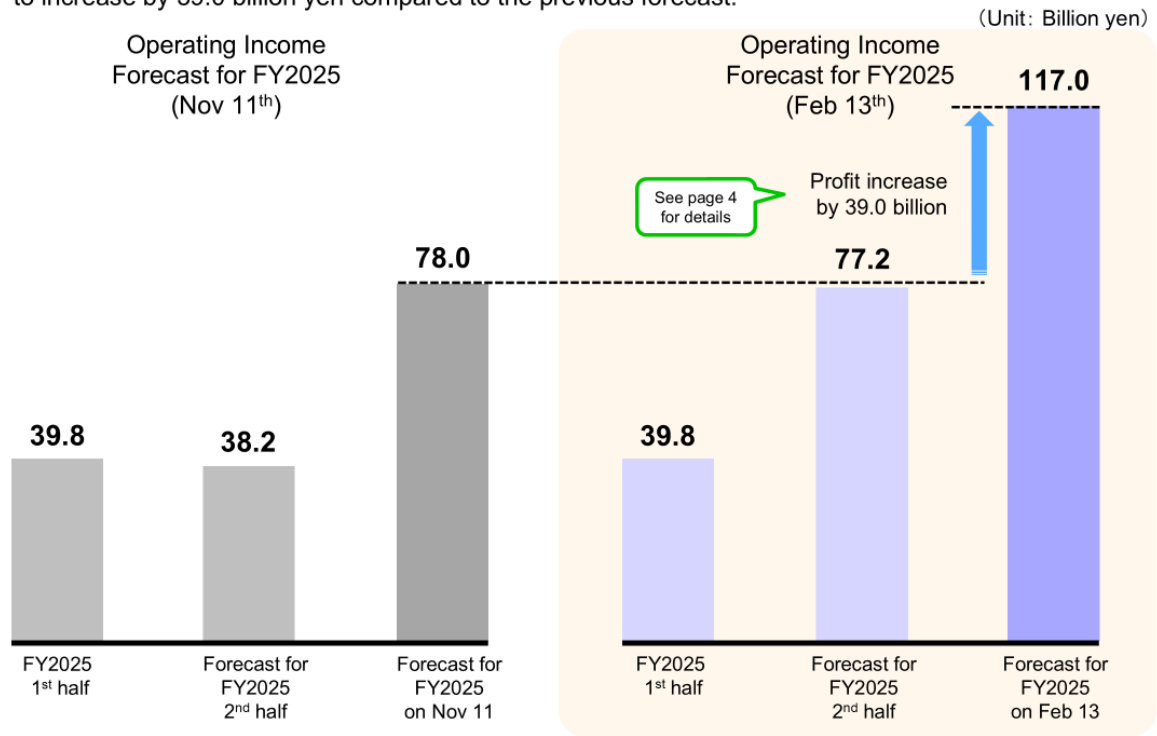
Please refer to page two of the material.

The dividend, which is shown at the bottom of the graph, as stated in the "Notice Concerning Revisions to Full-Year Consolidated Financial Results Forecasts and Dividend Forecasts for the Fiscal Year Ending March 31, 2026" announced on February 13. The year-end dividend forecast has been increased by JPY30 from JPY110 to JPY140, and together with the interim dividend of JPY100, the annual dividend forecast is JPY240.



## FY2025 Operating Income Forecast

For FY2025, operating income for the full year is expected to be 117.0 billion yen, and it is expected to increase by 39.0 billion yen compared to the previous forecast.



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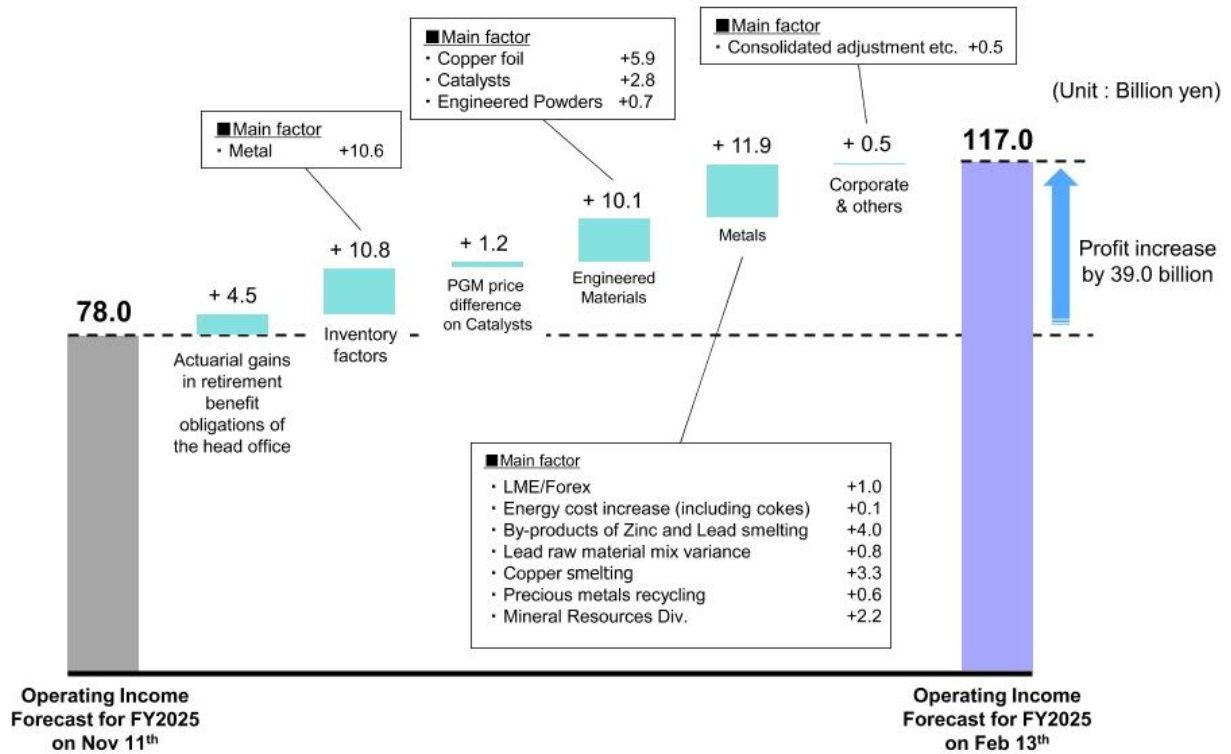
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Please turn to page three of the material.

Operating income for FY2025 is expected to be JPY117 billion, an increase of JPY39 billion from the previous forecast for the full year.



# FY2025 Operating Income Forecast



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Please turn to page four.

Operating profit has improved by 10.8 billion yen in the inventory factor (third from the left) due to the recent rise in metal prices and the yen's depreciation, and both the Engineered Materials and Metals businesses have also achieved significant profit growth exceeding 10 billion yen.

The Engineered Materials expects an increase in profit of 10.1 billion yen. Demand for core copper foil products such as MicroThin™ and VSP™ is strong due to the continued strong performance in the high-end server market, including AI servers, and including margin improvements through price increases, the copper foil business is expected to see a positive turnaround of 5.9 billion yen.

The metals segment is expecting an increase in profit of 11.9 billion yen. The main breakdown is listed in the bubble below, but aside from the 1 billion yen gain from exchange rates, other items also largely reflect the impact of rising metal prices, amounting to roughly 11 billion yen from market effects.

Regarding the Actuarial gains in retirement benefit obligations of the head office, due to the anticipated decrease in retirement benefit obligations from this fiscal year's interest rate rise, we expect a positive change of 4.5 billion yen.

In total, this results in a profit increase of 39 billion yen; however, excluding one-time factors such as the Actuarial gains in retirement benefit obligations, inventory factors, and the impact of precious metal prices in the catalyst business, the profit increase based on core performance is 22.5 billion yen, of which about half, 11 billion yen, is considered to have been driven by rising market prices.











## Performance by Segment – Engineered Materials

(Unit : Billion yen)

	'25/Q1-3 Results	'24/Q1-3 Results	Diff. (25-24)	FY2025 Forecast (Feb 13)	FY2024 Results	Diff. (25-24)	FY2025 Forecast (Nov 11)	Diff.
■ Sales	233.6	185.8	47.8	330.0	246.2	83.8	297.0	33.0
■ Operating income	45.5	31.9	13.6	64.0	41.8	22.2	52.5	11.5
■ Ordinary income	44.9	31.4	13.4	63.0	40.3	22.7	50.5	12.5
※ Ordinary income	41.6	27.9	13.6	59.1	35.9	23.2	48.0	11.1

※ Ordinary income : Ordinary income excluding inventory factors and PGM price difference on Catalysts.

(Engineered Material Products)	(Main Applications)
Copper Foil	 <ul style="list-style-type: none"> <li>High-Density Packaging</li> <li>Printed circuit board</li> </ul>
Catalysts	 <ul style="list-style-type: none"> <li>Motorcycles</li> <li>Automobiles</li> </ul>
Battery Materials	 <ul style="list-style-type: none"> <li>Nickel-hydrogen batteries for hybrid cars</li> <li>Lithium-ion batteries</li> </ul>
Engineered Powders	 <ul style="list-style-type: none"> <li>Wide range of electronic components</li> </ul>
Rare Material	 <ul style="list-style-type: none"> <li>Abrasive for glass</li> <li>Wide range of electronic components</li> </ul>
Ceramics	 <ul style="list-style-type: none"> <li>Kiln furniture for electronic materials</li> <li>Liquid aluminum filtration equipment</li> </ul>
PVD Materials (Sputtering target)	 <ul style="list-style-type: none"> <li>Flat panel displays</li> </ul>
HRDP *1	 <ul style="list-style-type: none"> <li>Carrier for next-gen chips packages</li> </ul>

### Difference Analysis of Ordinary income

<b>[24/Q1-3 → 25/Q1-3 + 13.4 ]</b>	
Copper foil	+13.5 (MicroThin and VSP volume of sales increases, others)
Catalysts	+4.2 (Volume of sales increases, PGM price difference improvement, others)
PVD Materials	-2.5 (Inventory factors, others)
Headquarters	-0.8 (Due to the reorganization, others)
<b>[FY2024→FY2025 Forecast + 22.7 ]</b>	
Copper foil	+21.1 (MicroThin and VSP volume of sales increases, others)
Catalysts	+6.2 (Volume of sales increases, PGM price difference improvement, others)
PVD Materials	-2.2 (Inventory factors, others)
Headquarters	-2.2 (Due to the reorganization, others)

\*1 In October 2025, the HRDP was transferred from the Business Creation Sector to Engineered Materials Sector.

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We will explain the situation by segment. Please see page 12 of the document.  
First is the Engineered Materials segment.

In the Engineered Materials segment, especially MicroThin™ and the copper foil business, demand for electro-deposited copper foil VSP™ for AI servers are stronger than last year as we enter FY2025, and this is continuing. In addition to the increase in volume, we have offered to raise the price of electrodeposited copper foil including VSP™ from H2 of this fiscal year, following the price increase of MicroThin™ and electrodeposited copper foil that was implemented last year. As a result, the Copper foil business improved by JPY21.1 billion from the same period of the previous year. This was due to higher sales volume and price increases in both H1 and the full year, as well as higher unit prices for electrodeposited copper foil resulting from an increase in the VSP™ ratio.

Regarding the headquarters, the phrase "Due to the reorganization, others" noted in the lower right corner indicates the transfer of the HRDP business from the business creation division to the engineered materials division effective October 1 of last year, and we have factored in approximately JPY1 billion in increased costs associated with this transfer.

Under these circumstances, in the engineered materials segment, ordinary income is forecasted to be JPY63 billion for the full year of FY2025. This is higher than JPY51 billion planned for FY2027, the final year of the Company's mid-term management plan for the three-year period beginning in 2025, and is at a level that will bring the FY2030 target to JPY70 billion.



## Performance by Segment – Metals

(Unit : Billion yen)

	'25/Q1-3 Results	'24/Q1-3 Results	Diff. (25-24)	FY2025 Forecast (Feb 13)	FY2024 Results	Diff. (25-24)	FY2025 Forecast (Nov 11)	Diff.
■ Sales	255.0	234.9	20.1	359.0	325.0	34.0	352.0	7.0
■ Operating income	35.8	31.7	4.1	58.0	41.8	16.2	35.5	22.5
■ Ordinary income	38.6	34.6	4.1	61.0	44.5	16.5	36.0	25.0
※Ordinary income	27.7	22.8	5.0	43.0	31.9	11.1	28.6	14.4

※Ordinary income : Ordinary income excluding inventory factors.

### Difference Analysis of Ordinary income

	24/Q1-3→ 25/Q1-3	FY2024→ FY2025 Forecast
LME/Forex	-0.6	0.3
T/C (Zinc)	-2.3	-2.6
Inventory Factors	-0.9	5.4
Equity profit/loss	0.9	1.0
Energy cost	3.0	3.4
(Cokes, included in the number above)	(1.1)	(1.0)
Others *	4.0	9.0
Total	4.1	16.5

### Sensitivity to ordinary income (for FY2025)

		Full open basis	Including forward contract
Zinc	± 100\$/t	1.6	1.4
Lead	± 100\$/t	0.2	0.2
US\$ (yen/\$)	± 1yen/\$	0.5	0.4

### Zinc TC

FY2024	165 \$/t
FY2025	80 \$/t

### \*Detail of Others

24/Q1-3→ 25/Q1-3	Operating variance in zinc smelting operations -1.5, By-products of Zinc and Lead smelting +2.5, Lead raw material mix variance +2.6, Operating variance in copper operations +1.4, Copper smelting tolling terms variance -1.7, Fixed cost decrease in Copper (including large scale maintenance +2.4) +1.3, Precious metals recycling +1.2, Mineral Resource Div. -0.9
FY2024→ FY2025 Forecast	Operating variance in zinc smelting operations -4.0, By-products of Zinc and Lead smelting +6.0, Lead raw material mix variance +2.4, Operating variance in copper operations +3.4, Copper smelting tolling terms variance -2.3, Fixed cost decrease in Copper (including large scale maintenance +2.4) +1.3, Precious metals recycling +1.6, Mineral Resource Div. +0.2

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Next is the Metals segment. Please see page 13.

Ordinary income for FY2025 is JPY61 billion, an increase of JPY16.5 billion compared to last year's results. Regarding the explanation by factor, first, as for market prices and exchange rates, the average zinc price was slightly higher compared with the previous period, while the average exchange rate was slightly stronger for the yen. As a result, the impact of market prices and exchange rates was limited to an improvement of approximately JPY300 million.

However, due to the recent rise in metal prices and the depreciation of the yen, inventory factors are expected to increase profits by 5.4 billion yen, while other factors are expected to increase profits by 9 billion yen. Among the breakdown of 'Others', By-products of Zinc and Lead smelting 6 billion yen, and Operating variance in copper operations 3.4 billion yen, etc., are mostly due to the impact of rising metal prices.

Regarding the profit and loss of 43 billion yen excluding inventory factors for this term, if we also exclude the 3.9 billion yen composition difference in lead raw materials that occurred in the first half of the year, the actual profit and loss is considered to be 39.1 billion yen. Even so, this figure is higher than the 31.9 billion yen in fiscal year 2024; however, as already explained, this figure is being pushed up by the current rise in metal market prices.

However, our metals business, which we have been calling as smelting network for more than 10 years now, has been taking advantage of the strengths of our seven smelters in Japan. We are continuing our efforts to collect valuable metals such as gold, silver, antimony, and bismuth as by-products from the raw ore. We hope you understand that this time we are not only seeing an increase in metal prices, but also the results of this increased collection of by-products from a medium- to long-term perspective. This concludes my presentation.

## ■Q&A Session

### Engineered Materials Segment

- Q. Please explain the changes in copper foil volume, including the shortfall in VSP™ and the increase in MicroThin™ for PKG, as well as the changes in catalyst volume, as shown in “Trends of products” on page 10 of the FY2025 Q3 Results & FY2025 Forecast.
- A. Regarding VSP™, there have been no particular changes in market conditions or the competitive environment, and demand for high-end servers remains solid. However, in the current second half, due to model transitions in certain products at downstream customers in the supply chain, orders for our products are undergoing volume adjustments. We view this as a temporary adjustment and expect demand to resume its medium- to long-term upward trajectory after the transitions as originally anticipated. For MicroThin™, the volume for HDI applications is expected to be slightly above the previous forecast. For MicroThin™ for PKG, our forecast announced at the time of the previous earnings release had factored in a temporary pause from the first half to the second half. However, both smartphone and non-smartphone applications continue to perform well, and Q4 is now expected to show further growth, partly due to shipments originally scheduled at the end of December shifting to January. Regarding catalysts, motorcycle catalysts destined for India are benefiting from strong motorcycle sales driven by a rise in local consumer spending following India’s GST tax reduction. We have revised our sales forecast upward and now expect catalyst sales volumes to remain robust.
- Q. Regarding copper foil profits, please provide a breakdown of the 21.1-billion-yen year-on-year increase in the current full-year forecast and the 13.5-billion-yen year-on-year increase in the cumulative nine-month results through Q3.
- A. Regarding the 21.1-billion-yen year-on-year increase in profit, the breakdown is as follows. First, increased sales of MicroThin™ and VSP™ combined contributed approximately 12.0 billion yen to profit growth. With respect to unit sales prices, there was a total improvement of approximately 8.0 billion yen. This consisted of about 4.0 billion yen from price increases on electro-deposited copper foil, including MicroThin™ and VSP™, and a further approximately 4.0 billion yen was mainly attributable to higher sales volumes of VSP™, which lifted the average unit sales price of electro-deposited copper foil above the level assumed at the time of the previous earnings release. On the cost side, fixed costs were expected to deteriorate significantly, and while some deterioration remains, this was partially offset by improvements in variable costs. On a net basis, fixed and variable costs worsened by approximately 1.0 billion yen. In addition, inventory valuation under cost accounting improved by approximately 1.0 billion yen due to rising copper prices, which had a positive impact on profits. Turning to the 13.5-billion-yen year-on-year increase in profit for the nine-month cumulative period through Q3, the overall trend is similar. Higher sales of MicroThin™ and VSP™ combined contributed approximately 8.0 billion yen. Improvements in unit sales prices, including both price increases and a favorable change in sales mix, totaled approximately 7.0 billion yen. Combined, sales-related factors contributed approximately 15.0 billion yen in profit improvement. On the cost side, variable costs showed a slight improvement; however, fixed costs and SG&A expenses deteriorated by approximately 1.5 billion yen.
- Q. The full-year forecast for copper foil ordinary income indicates a year-on-year increase of 21.1 billion yen, representing an improvement of more than 6.0 billion yen compared with the previous forecast of a 14.8-billion-yen increase announced at the time of the previous earnings release. Is this entire upward revision attributable to the improvement in MicroThin™?
- A. Improvements from cost reviews toward the fiscal year-end also contributed. Although increased sales of MicroThin™ significantly contributed to the revision, the improvement was not driven entirely by MicroThin™.
- Q. Regarding copper foil pricing, have any further price increases been implemented since the previous earnings release?

- A. With respect to copper foil price increases, we have not implemented any additional price increases for MicroThin™ this fiscal year. We proposed price increases for electro-deposited copper foil, primarily for VSP™, at the time of the previous earnings release, and these have been implemented beginning in the second half of this fiscal year.
- Q. At the Explanation Meeting on the Engineered Materials Business held in January 2026, a breakdown of profits for the copper foil business was disclosed. At that time, I had expected each segment—electro-deposited copper foil (including MicroThin™ and VSP™) and FaradFlex®—to grow while maintaining their respective profit shares. However, with overall copper foil profits now exceeding expectations, and especially with greater MicroThin™ volumes coming in than planned, I believe the profit share of MicroThin™ may increase. Could you explain the changes in the profit composition of the copper foil business and the contribution of each segment to overall profits?
- A. Increased sales of VSP™ for PKG have resulted in profit growth that is even greater than originally anticipated. Meanwhile, although this is based on a simplified allocation of costs, profits for electro-deposited copper foil have not declined even though sales volumes are slightly below expectations. In particular, with respect to unit sales prices, current efforts to improve the mix are showing results. This includes not only changes in the product mix of VSP™, but also steady progress in reducing low-margin products across the entire electro-deposited copper foil portfolio, which is contributing positively to profits. Although the recent strong growth in MicroThin™ sales volume is especially noticeable, profits are increasing for both MicroThin™ and electro-deposited copper foil.
- Q. Regarding VSP™ sales volume, the temporary adjustment attributed to model changes at downstream customers in the supply chain—at which stage is this occurring (such as CCL or PCB)? Also, on a basis excluding the impact of such temporary model changes, is sales volume actually increasing?
- A. Our direct customers for VSP™ are CCL manufacturers, but we understand that our products are adopted in the products of multiple Big Tech companies. As models at downstream customers in the supply chain change, the types of copper foil used also change. As customers switch from the products we have previously supplied, order adjustments are occurring. As models transition, we believe the types of products we sell will also shift accordingly.
- Q. Regarding VSP™, while I expect volume to remain flat, could you explain how the ratio of super high-grade products is expected to increase from here?
- A. Regarding high-end VSP™ products, we explained at the time of the previous earnings release that products classified as super high-grade (HVLP4 or higher) were projected to account for approximately 40% of VSP™ in the second half of the fiscal year. However, in this revised outlook, we now expect the ratio to be approximately 30%, and therefore anticipate that growth in super high-grade products will be slightly delayed. That said, looking ahead, as the temporary adjustment to our sales volume resulting from model changes recovers, we expect growth to proceed in line with our original plan.
- Q. Regarding the VSP™ adjustment, is this a situation where volume growth is being constrained because, for example, HVLP2 was temporarily adopted for products that were originally expected to use the super high-grade product HVLP4? Do you expect VSP™ to resume solid growth from Q1 of next fiscal year?
- A. In the context of increasing functionality accompanying server model changes, we believe it is unlikely that non-high-grade copper foil would be used in areas where high-performance copper foil had previously been adopted. Since this reflects a server model change, please understand that a transitional period—during which server production shifts from slightly older models to newer ones somewhere within the supply chain—is occurring in the second half of this fiscal year. Regarding the timing of VSP™ sales volume recovery, we expect a firm recovery early in the next fiscal year.

Q. Regarding electro-deposited copper foil, at the time of the previous earnings release, you mentioned that strong demand for servers had led to a significant increase in inquiries for RTF and HVLP1. Is this still the case? Although the ratio of VSP™ super high-grade products is now lower than initially projected, could you elaborate on how the mix improvement in the electro-deposited copper foil portfolio is contributing positively compared with the previous forecast?

A. The recent improvement in the average unit sales price spread for electro-deposited copper foil reflects robust demand for communication infrastructure, which has led to increased sales of higher-margin products. Although there are declines in certain areas due to transitional periods, the rest of the product mix is shifting toward higher-margin products. This improvement is supported by strong current demand. Among the many varieties of electro-deposited copper foil, we believe our efforts to steadily reduce non-VSP electro-deposited copper foil products that were not particularly profitable from the beginning are being successfully implemented.

Q. Regarding VSP™, I have heard that AI server model changes are being delayed, and that shortages of high-end copper foil and glass cloth are causing some certification processes to be delayed. Are you aware of such developments?

A. We do not believe that these certification delays are affecting our sales volume.

Q. Regarding MicroThin™ for PKG, could you elaborate again on the background to its strong performance? Is it correct to understand that this is largely due to increased production by memory manufacturers, particularly in DRAM? At the Explanation Meeting on the Engineered Materials Business held in January, you had assumed that MicroThin™ for PKG—especially for memory applications—would not see much growth next fiscal year. Based on the current demand and order environment, has your outlook changed such that you now expect solid growth next fiscal year?

A. With respect to MicroThin™ for PKG, memory demand is strong, but demand for smartphone applications is also extremely strong. Our understanding is that strong sales for smartphones themselves have supported steady demand for modules and related products. Meanwhile, non-smartphone applications—particularly memory-related ones—are also performing very strongly. Although some areas such as optical modules are currently still relatively small in scale, they are showing steady growth. Overall, we recognize demand as strong across the board. Looking ahead, while MicroThin™ has historically exhibited some cyclical tendencies, we currently see no particular signs of a downturn and its growth has continued steadily. As for next fiscal year, we would like to review our outlook based on the current favorable conditions.

Q. For MicroThin™ for PKG, has the ratio between smartphone and non-smartphone applications changed from previous levels?

A. There has been no change; we think non-smartphone applications will continue to account for a slightly larger share.

Q. Regarding MicroThin™, while no price increases have been announced for this fiscal year, do you intend to pursue price increases from next fiscal year onward?

A. We continuously review pricing in consideration of the added value and overall value our products deliver. Accordingly, there remains the possibility that we may revisit price increase proposals from next fiscal year onward.

### **Metals Segment**

Q. Regarding the difference analysis of ordinary income for metals on page 13, within the 9.0-billion-yen “Others” category, please explain the details of the 6.0-billion-yen increase from By-products of Zinc and Lead smelting and the 3.4-billion-yen increase from Operating variance in copper operations, as well as their sustainability beyond next fiscal year.

A. The 6.0-billion-yen increase from by-products of zinc and lead smelting reflects substantially higher profits resulting from the recent rise in market prices of various metals recovered as by-

products of zinc and lead smelting operations, particularly gold and silver, as well as bismuth, antimony, tin, and copper. In previous analyses, these By-products of zinc and lead smelting were included within operating variance in zinc or lead smelting operations, but due to their significant impact, they are now presented separately. The 3.4-billion-yen increase in operating variance in copper operations relates to volume variances in copper smelting operations and is primarily attributable to increased income resulting from higher current market prices for copper, gold, and silver. Regarding sustainability, both volume variances and by-products are subject to considerable volume fluctuations. However, if current market price levels persist, high profit levels are expected to continue.

- Q. Please explain the impact of the earthquake on the zinc smelting plant in Hachinohe.
- A. Regarding the impact of the Aomori Prefecture Eastern Offshore Earthquake on the Hachinohe plant, we have slightly lowered our zinc ingot production volume compared with the previous forecast. We estimate the negative impact from the deterioration in operating rates to be just under 1.0 billion yen. Repair costs for damaged equipment will be reviewed and the amounts finalized at the time of scheduled maintenance, and are expected to be recorded as extraordinary losses. At this stage, we do not anticipate these costs to be significant.

#### **Total**

- Q. Would operating income of approximately 86.0 billion yen—calculated by subtracting 8.4 billion yen in one-time positive factors and 21.9 billion yen in inventory valuation from the full-year forecast of 117.0 billion yen—serve as a starting point when considering next fiscal year's forecast? Please provide guidance on next fiscal year's profit and loss.
- A. We are currently reviewing next fiscal year's outlook in detail. However, in terms of general direction, for the engineered materials business, starting from ordinary income excluding the impact of PGM price difference on catalysts and inventory factors related to indium, we expect profit growth driven by continued sales expansion, particularly in copper foil. On the other hand, in the metals business, current metal prices and exchange rates are producing exceptionally strong figures. Assuming these conditions remain the same into next fiscal year, and excluding one-time factors and inventory factors from the current profit outlook, we expect a profit decline of approximately 4.0 billion yen, reflecting scheduled maintenance at zinc and copper smelters next fiscal year. In addition, the outcome of ongoing negotiations regarding zinc TC is also expected to affect results.