

Record of Telephone Conference Concerning FY2025 Q2 Results

Reference: FY2025 Q2 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 1st half

- FY2025 1st half YoY : The sales volume of MicroThin™ and Electrolytic Copper Foil VSP™ for AI servers increased compared to the previous year. Although there were unfavorable inventory effects and other factors in the metal segment, Sales, operating profit, and ordinary profit all increased slightly. Additionally, net income decreased due to the extraordinary losses related to the divestiture of Mitsui Kinzoku ACT.
- As for the FY2025 forecast, we expect sales and profits to increase compared to the previous forecast. In the Engineered Materials, demand for key products such as MicroThin™ and Electrolytic Copper Foil VSP™ for AI servers remains solid. And in the metal segment, we expect improve dearnings due to higher metal prices and a weaker yen, as well as favorable inventory effects associated with these factors.

(Unit: Billion yen)

	1st half Results			Forecast		
	2025 Results	2024 Results	Difference (25-24)	2025 Forecast (Nov 11)	2025 Forecast (Aug 8)	Difference
Net Sales	364.3	348.1	16.2 4.6%	715.0	665.0	50.0 7.5%
Operating Income	39.8	38.8	0.9 2.4%	78.0	46.0	32.0 69.6%
Ordinary Income	39.1	38.4	0.8 2.0%	77.0	44.0	33.0 75.0%
Net income attributable to owners of parent	19.0	37.0	-18.0 -48.6%	43.0	17.0	26.0 152.9%

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Please refer to page one of the financial results presentation.

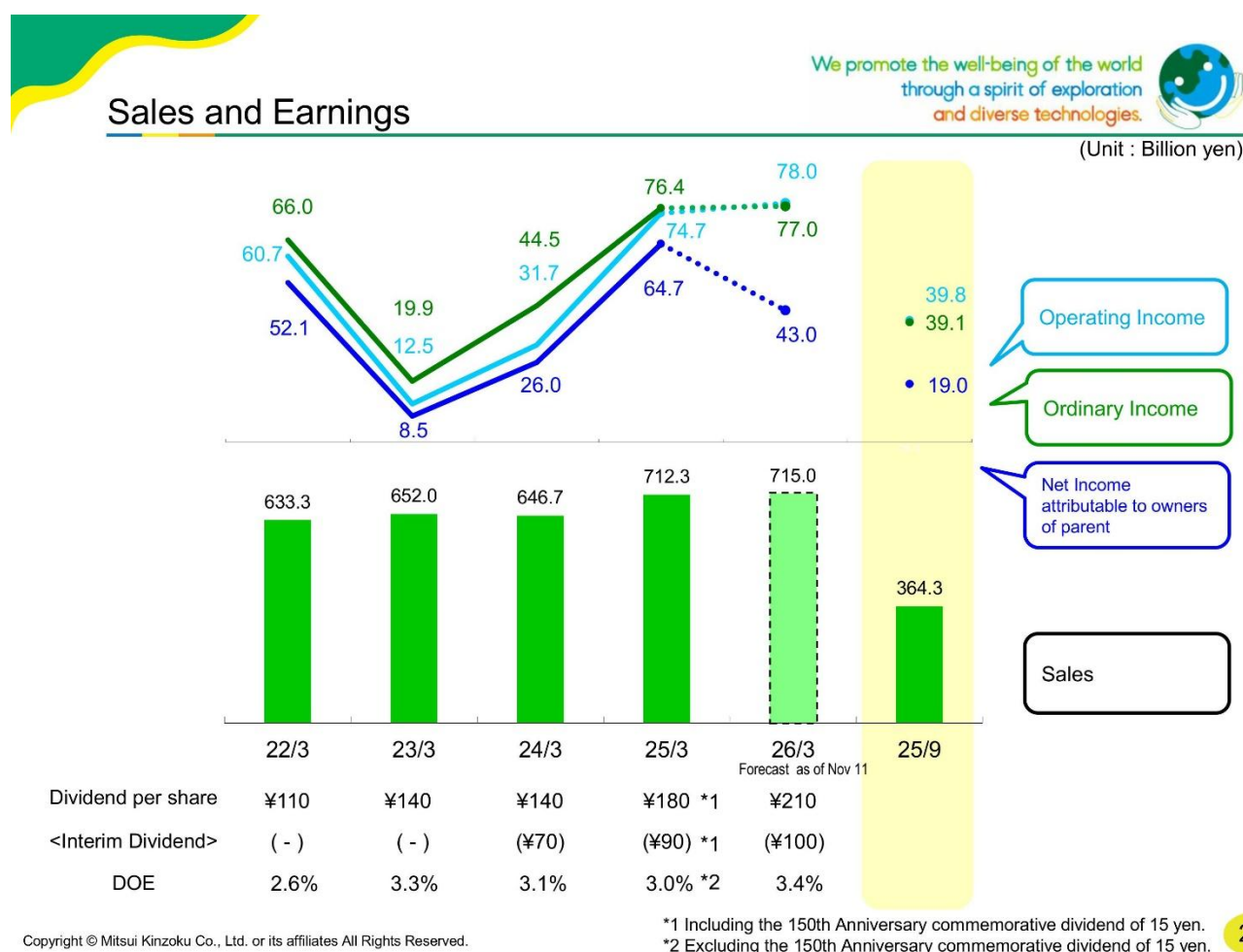
For Q2 of the fiscal year ending September, 2026, we recorded net sales were JPY364.3 billion, operating income was JPY39.8 billion, ordinary income was JPY39.1 billion, and net income attributable to shareholders of the parent company stood at JPY19 billion. Compared to the same period of the previous year, overall sales of the Group increased by JPY16.2 billion, mainly due to increased sales volume of key products in the engineered materials segment, such as MicroThin™ and Electrolytic Copper Foil VSP™ for AI servers.

Regarding profits, despite the increase in sales volume of the main products in the engineering materials segment and the rise in prices of copper foil products, operating profit increased by JPY0.9 billion year-on-year and ordinary profit increased by JPY0.8 billion, because the improvement in metal inventory factors was not as large as in the same period of the previous year.

And net income attributable to owners of the parent decreased by JPY18 billion from the same period last year, mainly due to the recording of an extraordinary loss of JPY18.8 billion from the transfer of shares in Mitsui Kinzoku ACT.

For the fiscal year ending March 2026, we have revised to reflect the results of H1 and to take into account business trends in H2. In particular, operating income and ordinary income are expected to reach record highs following the fiscal year ending March 2025.

The metal price assumptions for H2 are based on LME zinc price of USD3,000, LME lead price of USD2,000, LME copper price of USD4.54 per pound, and an exchange rate of JPY150 per US dollar.



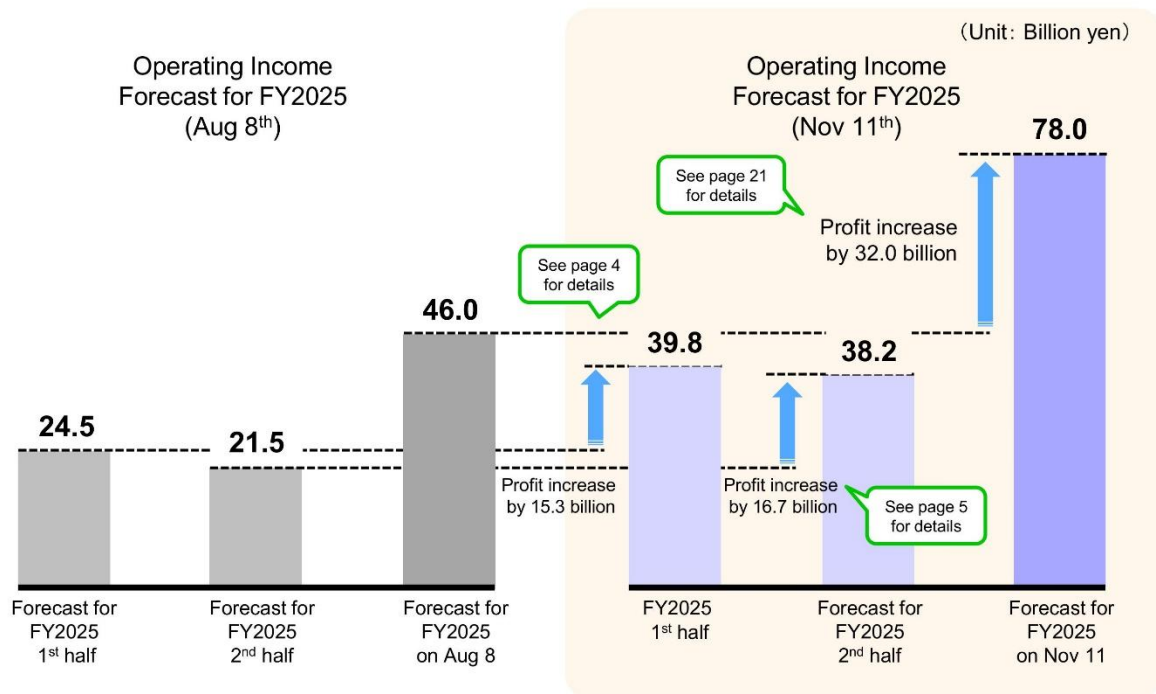
Please refer to page two of the material.

As for the dividend shown below the horizontal axis of the graph, as disclosed today in the “Notice Concerning Revisions to Full-Year Consolidated Financial Results Forecasts and Dividend Forecasts for the Fiscal Year Ending March 31, 2026”, the year-end dividend forecast has been increased from JPY95 to JPY110. This figure, together with the interim dividend of JPY100, equates to the annual dividend forecast of JPY210.



FY2025 Operating Income Forecast

For FY2025, operating income for the full year is expected to be 78.0 billion yen, and it is expected to increase by 32.0 billion yen compared to the previous forecast.



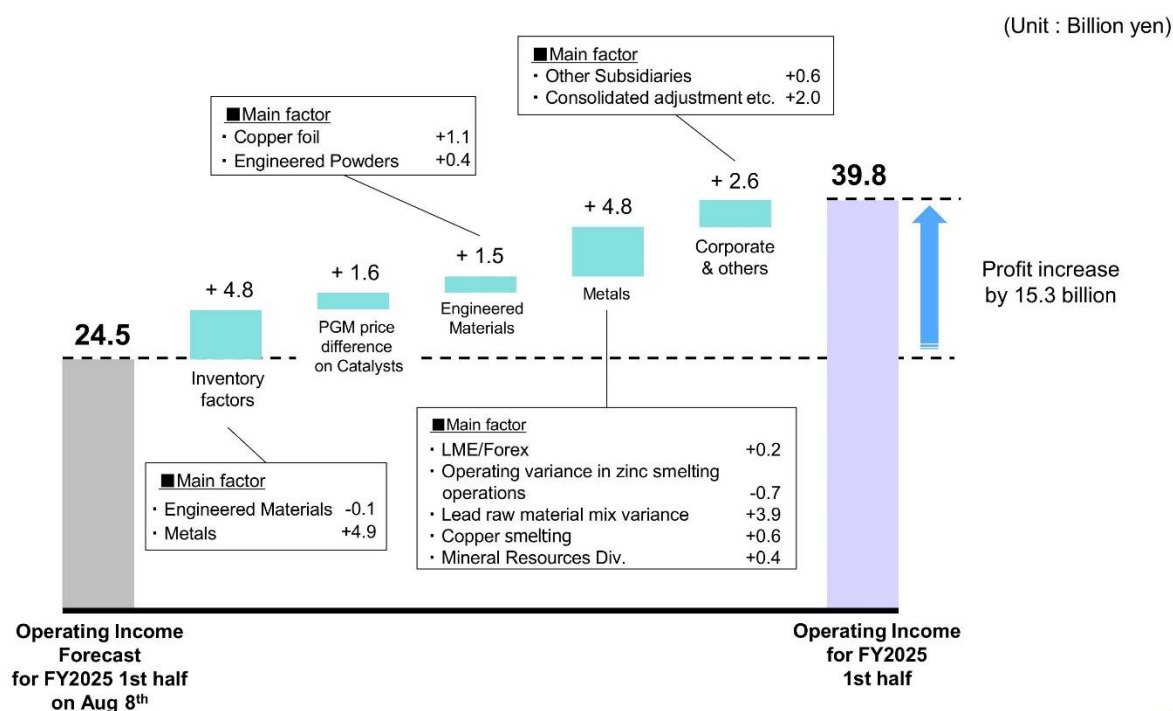
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Please turn to page three of the material.

For the fiscal year ending March 2026, we expect operating income to increase by JPY15.3 billion to JPY39.8 billion in H1, JPY16.7 billion to JPY38.2 billion in H2, and JPY32 billion to JPY78 billion for the full year, compared to the previous forecast.

FY2025 1st half Operating Income



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First, we would like to explain the difference in operating income for H1 from the previous forecast. Please see page four.

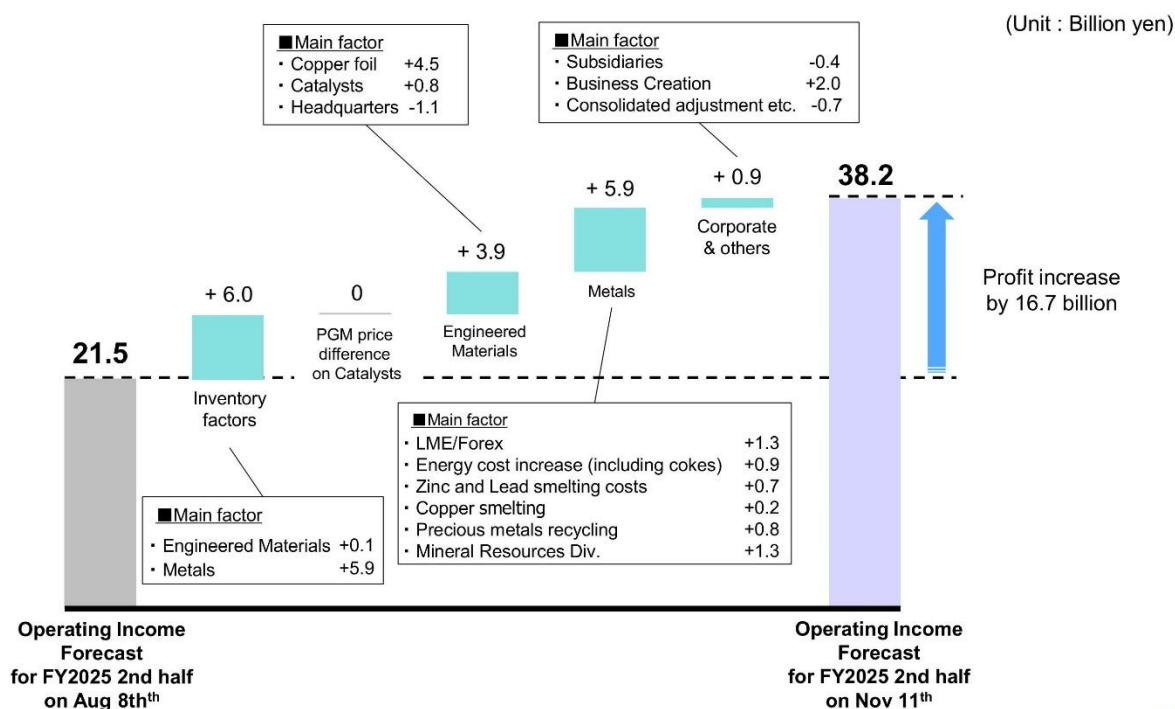
Operating income is expected to increase by JPY15.3 billion, as indicated by the blue arrow on the right of the graph.

Inventory factors and catalyst precious metal price effects have turned around due to higher metal prices and a weaker yen, while all business segments have increased profits. In the engineered materials segment, the copper foil business posted an increase of JPY1.5 billion due to an increase in sales volume of MicroThin™ and a decrease in costs. The metals segment reported an increase of JPY4.8 billion amidst a favorable turnaround in the composition of lead raw materials resulting from the use of repetitive raw materials that had been held back. This turnaround linked to repeated use of raw materials was a one-time event in H1.

In headquarters jurisdiction and others, the increase of JPY2.6 billion was mainly due to consolidation adjustments, including an adjustment for unrealized gains on inventories.

The total increase was JPY15.3 billion, but if we take into account inventory factors of JPY4.8 billion, the impact of precious metal prices of JPY1.6 billion, and repeated raw materials of metals, about JPY4 billion, the increase in the so-called ability basis was about JPY5 billion.

FY2025 2nd half Operating Income Forecast



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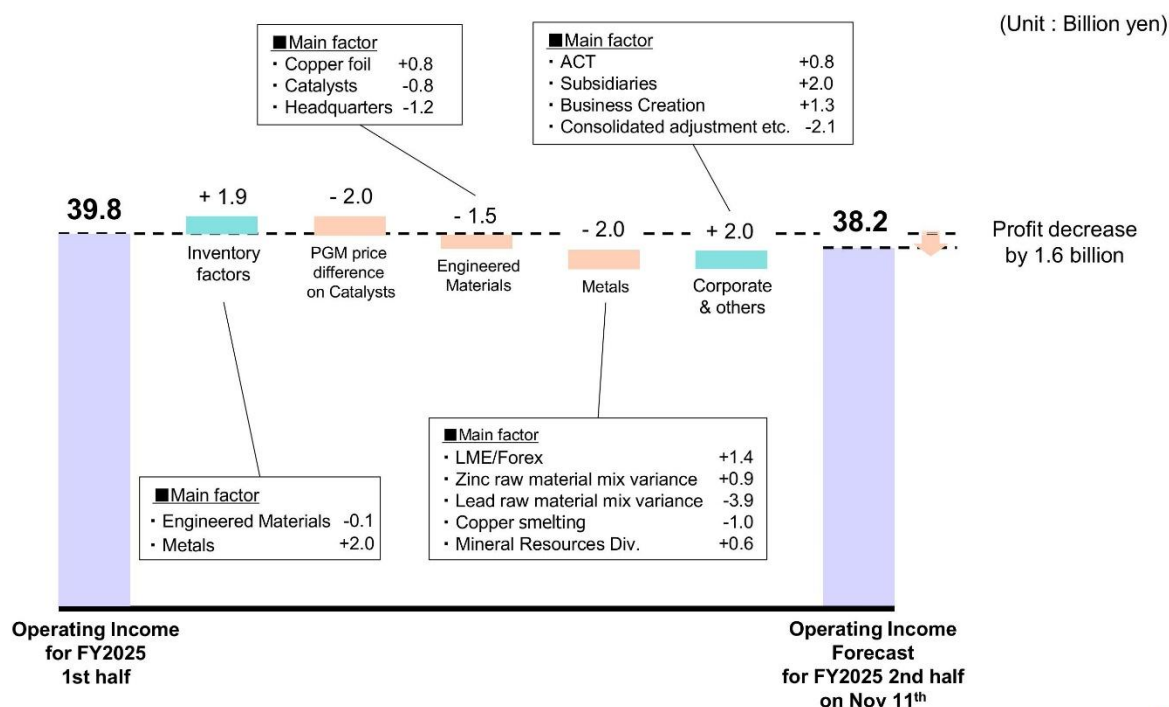
Next, we would like to explain the difference between the previous forecast of operating income for H2 and the new forecast for the six-month period. Please see page five.

Operating income is expected to increase by JPY16.7 billion. Based on the price assumption of zinc at USD3,000 per ton and an exchange rate of JPY150 to the US dollar, the inventory factors and the performance of the metals segment are improving.

In addition, the copper foil business in the engineered materials segment is expected to post an increase of JPY4.5 billion mainly due higher sales volume of MicroThin™ and Electrolytic Copper Foil VSP™ and the effect of price hikes, so we expect an increase in profit of JPY3.9 billion across the engineered materials segment.



FY2025 2nd half Operating Income Forecast



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Please see page six.

With respect to the difference between H1 and H2, operating income for H2 is expected to be JPY38.2 billion, slightly lower than the JPY39.8 billion in operating income for H1.

In H2, we expect a zinc price of USD3,000 and an exchange rate of JPY150 per US dollar, which are more favorable to us than in H1. Earnings are expected to decrease compared to H1 as the positive factors, such as an increase in VSP™ sales volume in the electrolytic copper foil business, will be offset by the following: the disappearance of favorable effects from precious metal prices that improved in H1, a decrease in catalyst sales volume due to seasonal factors; and the absence of a one-time positive impact from repeated raw material supply in the metals segment, which was recorded in H1 of the year.

Statements of income



(Unit : Billion yen)

	1st half Results			2nd half			FY		
	2025 Results	2024 Results	Difference (25-24)	2025 Forecast	2024 Results	Difference (25-24)	2025 Forecast	2024 Results	Difference (25-24)
Net Sales	364.3	348.1	16.2 4.6%	350.7	364.2	-13.5 -3.7%	715.0	712.3	2.7 0.4%
Cost of sales	284.5	272.8	11.7 4.3%	-	-	-	-	-	-
Gross Profit	79.8	75.3	4.5 6.0%	-	-	-	-	-	-
SG&A expenses	40.1	36.5	3.6 9.8%	-	-	-	-	-	-
Operating Income	39.8	38.8	0.9 2.4%	38.2	35.9	2.3 6.4%	78.0	74.7	3.3 4.4%
Non-operating income/expenses	-0.6	-0.4	-0.2	-0.4	2.1	-2.5	-1.0	1.7	-2.7
Ordinary Income	39.1	38.4	0.8 2.0%	37.9	38.0	-0.2 -0.4%	77.0	76.4	0.6 0.8%
Extraordinary profit/losses-net	-16.3	9.3	-25.6	-2.4	-5.0	2.6	-18.6	4.4	-23.0
Net Income before income taxes	22.8	47.7	-24.9 -52.1%	35.5	33.0	2.5 7.5%	58.4	80.8	-22.4 -27.7%
Income taxes & minority interests	3.8	10.7	-6.9	11.6	5.4	6.1	15.4	16.1	-0.8
Net income attributable to owners of parent	19.0	37.0	-18.0 -48.6%	24.0	27.6	-3.7 -13.3%	43.0	64.7	-21.7 -33.5%

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First, please see non-operating income/expenses and extraordinary income/losses-net on page 11 of the document.

As shown on the lower left, a loss of JPY18.8 billion from the transfer of shares in Mitsui Kinzoku ACT was recorded as a provision for other reserves in H1, and this amount was transferred to gain/loss on sales of shares in affiliates in H2.

On November 4, 2025, we carried out the transfer of Mitsui Kinzoku ACT shares as planned.

Performance by Segment – Engineered Materials

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



(Unit : Billion yen)

	25/1H Results	24/1H Results	Diff. (25-24)	25/2H Forecast	24/2H Results	Diff. (25-24)	FY2025 Forecast	FY2024 Results	Diff. (25-24)
■ Sales	150.5	124.0	26.5	146.5	122.1	24.4	297.0	246.2	50.8
■ Operating income	28.0	22.1	5.9	24.5	19.7	4.8	52.5	41.8	10.7
■ Ordinary income	26.5	19.7	6.8	24.0	20.7	3.4	50.5	40.3	10.2
※ Ordinary income	24.2	16.5	7.7	23.8	19.5	4.4	48.0	35.9	12.1

※ 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"> High-Density Packaging Printed circuit board
Catalysts	<ul style="list-style-type: none"> Motorcycles Automobiles
Battery Materials	<ul style="list-style-type: none"> Nickel-hydrogen batteries for hybrid cars Lithium-ion batteries
Engineered Powders	<ul style="list-style-type: none"> Wide range of electronic components
Rare Material	<ul style="list-style-type: none"> Abrasive for glass Wide range of electronic components
Ceramics	<ul style="list-style-type: none"> Kiln furniture for electronic materials Liquid aluminum filtration equipment
PVD Materials (Sputtering target)	<ul style="list-style-type: none"> Flat panel displays
HRDP *2	<ul style="list-style-type: none"> Carrier for next-gen chips packages

Difference Analysis of Ordinary income

[FY2024 1st Half→FY2025 1st Half + 6.8]

Copper foil	+7.5 (MicroThin and VSP volume of sales increases, others)
Catalysts	+2.2 (PGM price difference improvement, others)
PVD Materials	-2.0 (Inventory factors, others)

[FY2024→FY2025 Forecast + 10.2]

Copper foil	+14.8 (MicroThin and VSP volume of sales increases, others)
Catalysts	+1.4 (PGM price difference improvement, others)
Engineered Powders and Rare Materials *1	-1.1 (Volume of sales decreases, others)
PVD Materials	-2.3 (Inventory factors, others)
Headquarters	-1.9 (Due to the reorganization, others)

*1 Due to the transfer of some products from Engineered Powders to Rare Materials as part of the organizational restructuring in April 2025, we are comparing the combined ordinary income.

*2 In October 2025, the HRDP was transferred from the Business Creation Div. to Engineered Materials Div.

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Next, we will explain the situation by segment. Please see page 14 of the document.
First is the engineered materials segment.

In particular, in the copper foil business, sales of MicroThin™ and Electrolytic Copper Foil VSP™ for AI servers have been more robust than last year, and this trend is continuing in the current period.

In addition to the increase in volume, we are also benefiting from the price increases of MicroThin™ and electrolytic copper foil implemented last year, and we are currently proposing a price increase for electrolytic copper foil, including VSP™.

As a result, the copper foil business is performing very well, expecting increased profits in both the first half and the full year due to higher sales volume and price increases compared to the same period last year.

Additionally, there is an item regarding the impact of headquarters organizational restructuring from 2024 to 2025 in the lower right corner, including: the transfer of HRDP from the business creation division to engineered materials division effective October 1, and the associated cost increase of about JPY1 billion. We will now proceed toward full-scale commercialization of HRDP while leveraging synergies with our engineered materials business.

Under these circumstances, we forecast ordinary income of JPY26.5 billion for H1 and JPY50.5 billion for the full year in the engineered materials segment in FY2025, a level in line with our plan for FY2027, the final year of the three-year mid-term management plan started in 2025.



Performance by Segment – Metals

(Unit : Billion yen)

	25/1H Results	24/1H Results	Diff. (25-24)	25/2H Forecast	24/2H Results	Diff. (25-24)	FY2025 Forecast	FY2024 Results	Diff. (25-24)
■ Sales	161.2	155.2	6.0	190.8	169.7	21.0	352.0	325.0	27.0
■ Operating income	17.7	22.7	-4.9	17.8	19.1	-1.3	35.5	41.8	-6.3
■ Ordinary income	18.4	24.3	-5.9	17.6	20.2	-2.7	36.0	44.5	-8.5
※Ordinary income	15.7	16.6	-0.9	12.9	15.3	-2.5	28.6	31.9	-3.3

※Ordinary income : Ordinary income excluding inventory factors.

Difference Analysis of Ordinary income

	FY2024 1H→ FY2025 1H	FY2024→ FY2025 Forecast
LME/Forex	-1.2	-1.0
T/C	-1.8	-2.7
Inventory Factors	-5.0	-5.2
Equity profit/loss	-0.8	-2.1
Energy cost	2.2	3.5
(Cokes, included in the number above)	(1.0)	(1.0)
Others *	0.7	-1.0
Total	-5.9	-8.5

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

FY2024 1H→ FY2025 1H	Lead raw material mix variance +2.6, Copper smelting tolling terms variance -0.9, Mineral Resource Div. -1.7
FY2024→ FY2025 Forecast	Operating variance in zinc smelting operations -1.7, Operating variance in lead smelting operations -0.9, Lead raw material mix variance +1.6, Copper smelting tolling terms variance -2.3, Fixed cost increase in Copper (including large scale maintenance +2.4) +1.7, precious metals recycling -1.0, Mineral Resource Div. -1.3

Next is the metals segment. Please see page 15.

In FY2025, zinc prices remained at the same level compared to the same period of the previous year, but the exchange rate trended slightly higher against the yen this year. These factors, together with the deterioration of T/C and the absence of favorable inventory factors that occurred in the previous period, resulted in a YoY decrease in profit for both H1 and the full fiscal year.

As shown in the middle right, ordinary income excluding inventory factors for the full fiscal year is JPY28.6 billion. This figure includes a transitory lead material composition difference of approximately JPY4 billion, so excluding this, the figure would be approximately JPY24.6 billion.

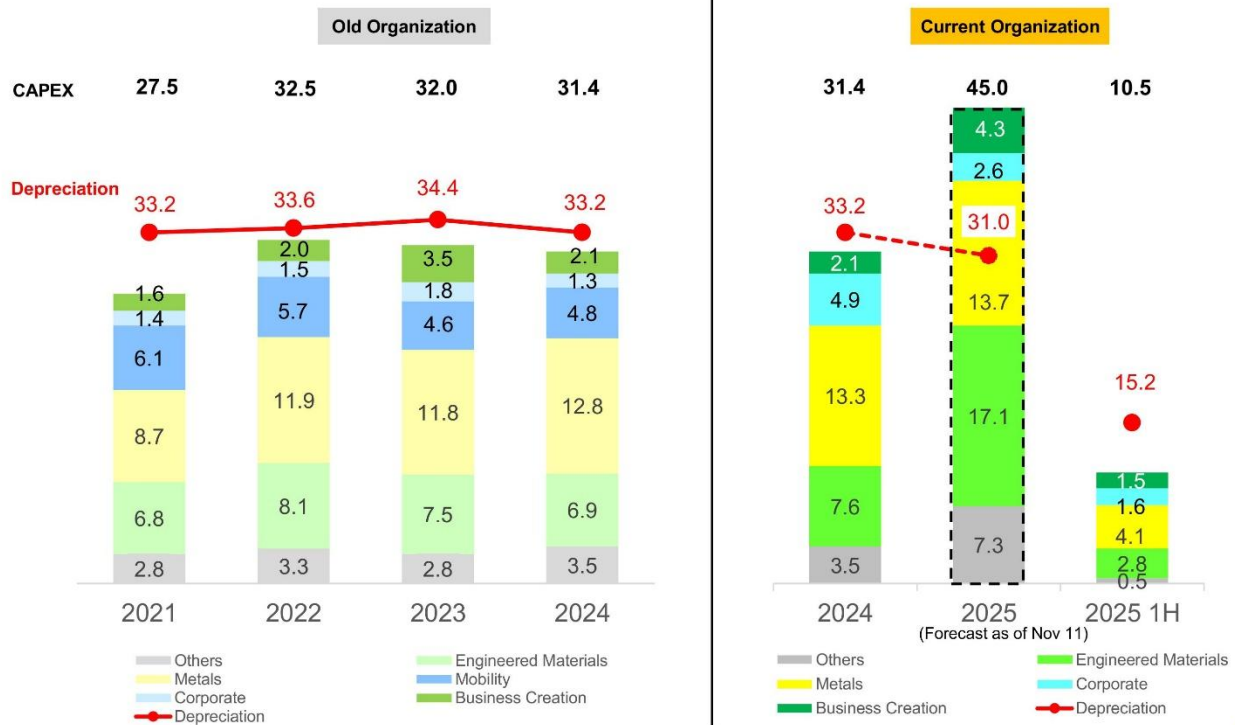
We are aiming for a profit of JPY20 billion in the metals business by 2030 on an actual profit/loss basis, so we are aware that the metals business has a profit/loss of JPY15 billion to JPY20 billion. This figure is lower than the same period last year, but the ordinary income of JPY24.6 billion for the current term is not a bad figure.

CAPEX and Depreciation

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and diverse technologies.



(Unit : Billion yen)



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Next, we will explain capital expenditures. See page 16.

Capital investment is planned at a pace of JPY45 billion in FY2025. Although not shown here, the initial plan for the period was JPY41 billion, which was originally planned to be a high level of investment for the Company.

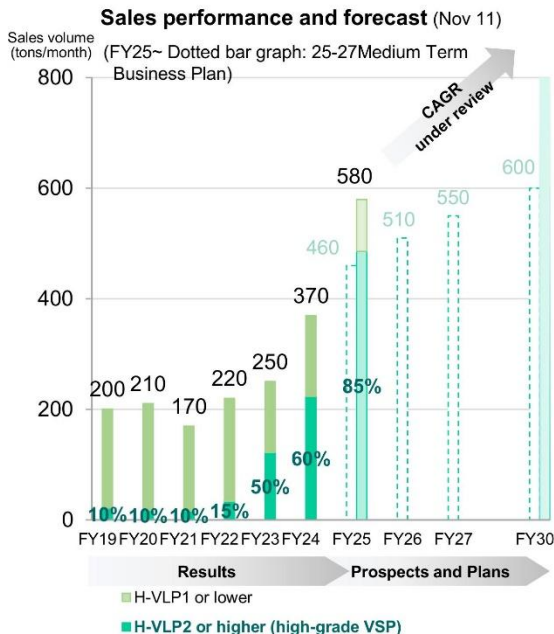
The increase of JPY4 billion is mainly due to the relocation costs of the catalysts business plant in Thailand following the transfer of shares in Mitsui Kinzoku ACT. This one is in engineered materials and is about JPY3 billion.

Also, the purchase of land for domestic business sites, about JPY2 billion, is shown in the gray common area at the bottom of the page.



Sales Performance and Forecast for VSP™

Sales volume in fiscal 2025 is expected to exceed the plan for fiscal 2027, the final year of the 2025 Mid-Term Management Plan, and we will assess future demand growth in our review of CAGR.



FY25

Sales are expanding, mainly in the HVLP3 and higher categories, and production capacity is being increased to accommodate this.

Total production at Taiwan and Malaysia bases:
720 tons/month at the ending of FY2025
(580 tons/month at the beginning of FY2025)

We have decided to expand to 1,200 tons/month to ensure we can meet increasing demand. Going forward, we will increase the proportion of HVLP4 and higher categories, our strong product.

■ VSP™ production capacity transition (Unit: tons per month)

	Nov. 2025 Current	Mar. 2026	Sep. 2026	Sep. 2027	Sep. 2028
Taiwan	560	600	720	760	860
Malaysia	60	120	120	240	340
Total	620	720	840	1,000	1,200

*News release dated November 11, 2025

VSP™ Electro-Deposited Copper Foil for High-Frequency Circuit Boards Production Capacity Enhanced

Finally, we will explain about Electrolytic Copper Foil VSP™ for high-frequency circuit boards. See page 28.

First, as shown in the graph on the left, the estimated VSP™ sales for FY2025 are 580 tons per month. The dotted line next to the figure is what's in the 2025 mid-term management plan, and the figure for FY2027 is 550 tons per month, which is already expected to be higher than the figures in the mid-term management plan. We have issued a release today regarding the expansion of VSP's production capacity and production system to a 1,200 ton capacity.

We will take firm measures to ensure mass production while keeping an eye on future demand growth. Moreover, since the ratio of high-grade ratios will increase among VSPs in the future, we will work to ensure profitability by increasing the ratio of HVLP4 and higher categories, which are one of our strengths.

■Q&A Session

Engineered Materials Segment

Q.

Please explain the sales volumes of electro-deposited copper foil, VSP™, and MicroThin™ in the Copper Foil Division on page 12 of the FY2025 Q2 Results & FY2025 Forecast, including: (1) the differences between the current and previous forecasts; (2) the differences between the first-half results and the second-half forecast; (3) demand trends; and (4) the reason why the first half results for VSP™ did not reach the previous forecast.

A.

Regarding sales volume trends from the first half to the second half: For VSP™, the first-half results fell short of the previous forecast, but the market itself has been very strong and underlying demand is solid. The slight decrease in sales volume was a temporary adjustment. We expect the reduced volume to be offset by higher sales in the second half, so the full-year forecast remains unchanged from the previous forecast. Our view that VSP™ will grow from the first half to the second half has not changed. For MicroThin™ for HDI, volumes were above the previous forecast in the first half, and we also expect a slight increase in the second half. The decline toward the second half follows the usual seasonal pattern. For MicroThin™ for PKG, our previous forecast assumed a slowdown heading into the second half; however, certain customers have indicated that the strong demand may continue. The current forecast assumes that the strong sales will continue into and beyond January. However, due to the impact of the Chinese New Year, we expect a slight decline in sales from the first half to the second half.

Q.

On page 14, the copper foil business shows a 14.8-billion-yen increase in profit from FY2024 to FY2025. What were the factors behind this increase?

A.

Regarding the 14.8-billion-yen increase in profit, the combined effect of increased volume for MicroThin™ and electro-deposited copper foil is expected to be nearly 10.0 billion yen. With regard to selling prices, the price increases implemented mainly for MicroThin™ in the second half of FY2024 will make a significant contribution this fiscal year, and together with the impact of the recent price increases for electro-deposited copper foil, including VSP™, we expect a profit increase of 3.0 to 4.0 billion yen. Separately, we expect more than 3.0 billion yen in additional profit from an improvement in the average unit price driven by a higher VSP™ ratio within electro-deposited copper foil. On the other hand, we expect a deterioration of more than 2.0 billion yen due to increases in fixed costs and SG&A expenses.

Q.

Is it correct to understand that the VSP™ price increase is a new initiative, separate from the price increase announced for the second half of FY2024? When will the effect start, and how large will it be?

A.

This is a separate initiative from the price increase applied from the second half of FY2024. We have requested a price increase for electro-deposited copper foil, including VSP™, and are currently seeking our customers' understanding regarding this. We expect the effect of the price increase in the second half of this fiscal year to be roughly 500–900 million yen.

Q.

In the previous forecast, the impact of improving the mix of electrolytic-deposited copper foil was less than 3.0 billion yen. In the current forecast, although the improvement in the average unit price of electro-deposited copper foil exceeds 3.0 billion yen, but since the full-year sales volume of VSP™ remains unchanged from the previous forecast, does this mean that the ratio of high-grade products is increasing?

A.

The slight improvement in electro-deposited copper foil's average unit price from the previous to the current forecast reflects the overall average—including both VSP™ and regular electro-deposited copper foil—and should be interpreted as a benefit arising from the change in the sales mix.

Q.

I assume that the operating profit (OP) margin of the copper foil business has been improving. Please explain how you plan to further improve the margin from this fiscal year to the next, and the key points of the recent price increase.

A.

MicroThin™ volumes are expected to increase steadily toward the next fiscal year. At the same time, as previously announced in the press release regarding production capacity, we plan to prepare capacity without significant costs, which we expect will dilute fixed costs and improve the margin ratio. For electro-deposited copper foil, the goal is to increase the margin ratio by raising VSP™ volumes and by increasing the proportion of higher value-added products within the VSP™ category, particularly in the higher-grade copper foil segment. While there are naturally cost increases due to inflation, we have recently been offering price increases to our electro-deposited copper foil customers. No price increase has been proposed for MicroThin™ at this time, but we will continue to consider it based on profitability and cost conditions.

Q.

Regarding the November 11 release on strengthening the VSP™ production framework, please explain the key factors and background that led you to decide to increase capacity. For example, have you gained greater visibility or confidence in user adoption plans for 2026 and 2027? We would also like to understand how your visibility into demand and your level of confidence have changed.

A.

We are currently receiving a variety of information from our customers, and we are seeing very strong volume requirements. Certain customers have even provided long-term volume forecasts through 2026 and 2027. Based on these developments, we are increasingly confident that volumes will grow strongly. We have set production at 1,200 tons for now, but we are naturally considering the possibility that demand may exceed this level. In that case, we will look at measures such as bringing forward capacity expansion to keep up with demand and continue to consider additional production increases.

Q.

What is the background behind the VSP™ price increase implemented this fiscal year? Costs are expected to rise this fiscal year due to factors such as higher prices, but the price increase you have announced appears to exceed those cost increases. I would therefore like to understand what changes lie behind this and what stance you intend to maintain going forward.

A.

While we are conscious of securing profit margins amid a deteriorating cost environment, we are also considering the added value we provide. In particular, in the copper foil business, because we are able to offer technologically high-value-added products, we are exploring initiatives to ask customers to shoulder a share of the cost burden.

Q.

I would like to know your view on MicroThin™ for PKG when broken down into smartphone, non-smartphone, DDR5, and other server-related applications.

A.

Demand for both smartphone and non-smartphone applications has been very strong. Smartphone demand, such as for memory and camera modules, is strong, and non-smartphone demand, such

as for server memory, is also performing very well. Sales volumes are coming in above expectations, and this strength is expected to continue into the second half.

Q.

In the November 11 release regarding the expansion of MicroThin™ into flexible PCB applications, there is mention of its being adopted for FPCs. Could you explain how much potential this market has?

A.

MicroThin™ for FPCs corresponds to the next-generation flexible PCB application, which was one of the new uses of MicroThin™ presented at the January business briefing, alongside optical modules and infrastructure high-layer boards. Although we had already factored part of the impact of this into the 25-27 Medium Term Business Plan, as actual adoption has begun earlier than we expected, expectations for future expansion are increasing.

Q.

Please tell us if there have been any changes in the sales volume of MicroThin™ for optical modules from Q1 to Q2.

A.

Sales of optical modules have been strong, driven by expansion into new applications.

Q.

It is said that the supply-demand balance for general-purpose DRAM is tight, and Korean memory manufacturers are very eager to increase their future production. Can we expect this to contribute to higher volumes for MicroThin™ PKGs in the next fiscal year and beyond?

A.

Regarding memory, we see the increase in general-purpose DRAM volumes as contributing to our sales opportunities. While MicroThin™ is not used in HBM, the growth of general-purpose DRAM is highly positive.

Metals Segment

Q.

Regarding the metal business, please explain what you mean by “repetitive raw materials that had been held back”. Also, even if this is excluded, ordinary income of 24.6 billion yen in FY2025 is at a high level. I would like to understand the perspective regarding the metal business: should this be viewed as a platform for the next fiscal year and beyond, or should it be adjusted downward somewhat more due to the impact of maintenance work?

A.

The repetitive raw materials that had been held back was a lead raw material that had been stagnant in lead-related processes and was put into use as part of strengthened management controls; it has already been fully utilized. Analysis of this residual material revealed the presence of precious metals and the like, providing a tangible benefit to the company. However, since it has already been put into use, it is unlikely that similar raw materials will become available in the future. Regarding the high level of profit, the current business environment is favorable to the company due to metal prices and exchange rates. While there are challenges with TC, under these assumptions, we expect to remain profitable.

Total

Q.

I would like your advice on which figures should be used as ordinary income excluding one-time factors as a basis for preparing the FY2026 forecast.

A.

As stated on page 25, operating income for the second half of FY2025 is expected to be 33.3 billion yen as ordinary income, excluding one-time factors. Based on this, for the next fiscal year, the

metal segment is planning the maintenance of zinc and copper facilities, which is expected to reduce profit by approximately 4.0 billion yen, as in previous years. On the other hand, positive factors include expected improvements from negotiations on zinc TC in the metal segment, as this fiscal year was challenging, and in the engineered materials segment, particularly the steadily rising sales volume of copper foil, which is expected to contribute to profit growth.