NITTETSU MINING

FY2024Q1 Financial Results
(Three months ended June 30, 2024)

Securities Code : 1515

August 6,2024

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*MTMP: Medium-term management plan

1. Overview of consolidated results for FY24Q1

- Sales increased due mainly to higher prices of limestone in Nonmetallic Minerals and higher domestic price of electrolytic copper in Metallic Minerals.
- Operating Profit (OP) grew thanks mainly to sales increases in Nonmetallic Minerals and Metallic Minerals.
- Ordinary profit went up resulting from OP growth despite FX losses.
- Profit attributable to owners of parent increased due to receipt of fire damage insurance and higher sales of cross-shareholdings, even with higher taxes resulting from increased profits.

(Billions of JPY)

<Results>	FY23Q1	FY24Q1	Change
Net sales	39.9	46.9	6.9
Operating profit	2.7	4.6	1.8
Ordinary profit	3.3	4.0	0.6
Profit attributable to owners of parent	2.3	4.2	1.8

<KPIs>	FY23Q1	FY24Q1	Change
Copper price （¢/lb)	384.56	442.30	57.74
FX （JPY/USD)	137.37	155.88	18.51

2. Segment breakdown for FY24Q1 : Sales

（ Billions of JPY ）

	FY23Q1	FY24Q1	Change	Factors
Mineral Resources: Nonmetallic Minerals	15.3	16.0	0.6	**Limestone** increased due to higher prices and volume. **Fuel, etc.** decreased due mainly to lower prices of coal.
Mineral Resources: Metallic Minerals	20.3	26.2	5.9	**Electrolytic copper** increased due to higher domestic prices. **Copper concentrate** increased due to increased volume and the depreciation of the yen. **Others** increased due to higher domestic prices and higher volume of electrolytic gold.
Machinery & Environmental Engineering	3.0	3.4	0.4	**Environmental Division** grew due mainly to higher volume of eco friendly products. **Machinery Division** remained flat
Real Estate	0.7	0.7	0.0	-
Renewable Energy	0.4	0.4	0.0	-
Total	39.9	46.9	6.9	

2. Segment breakdown for FY24Q1 : OP

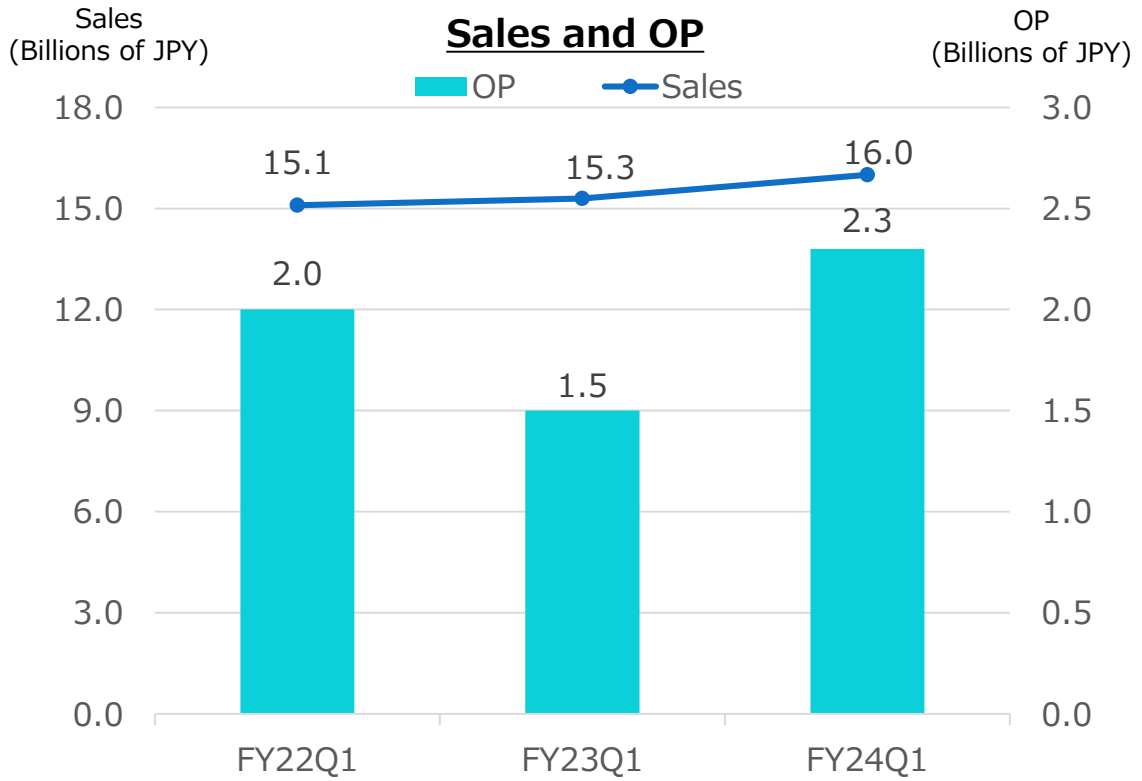
（Billions of JPY）

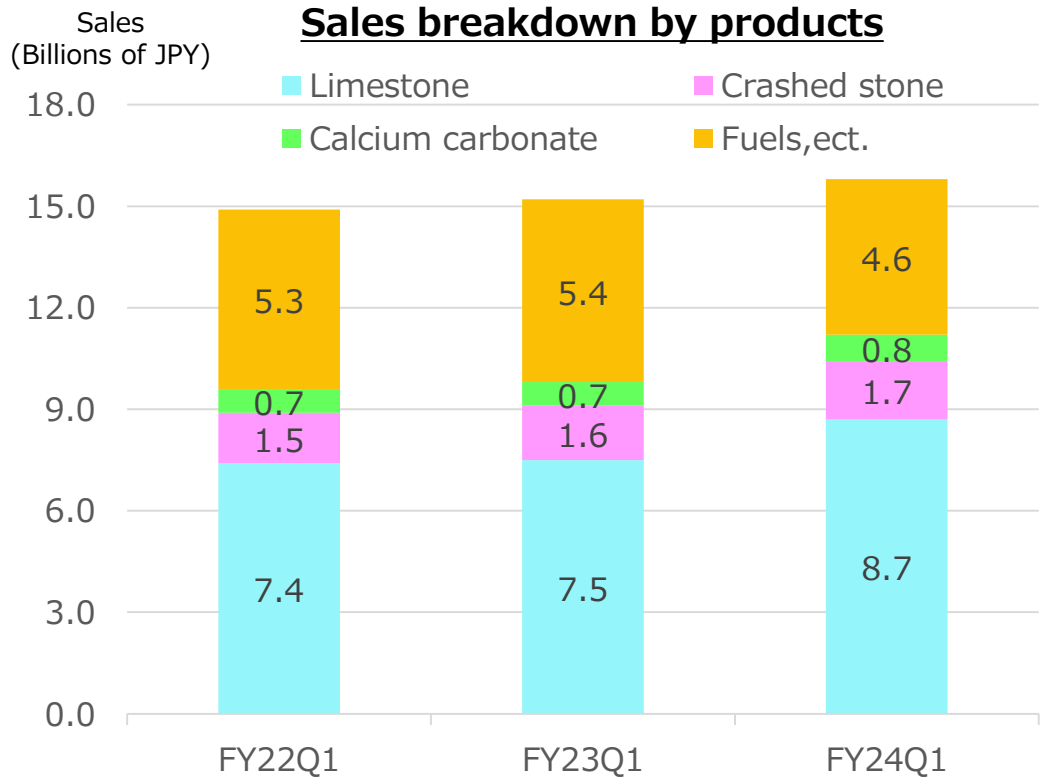
	FY23Q1	FY24Q1	Change	Factors
Mineral Resources: Nonmetallic Minerals	1.5	2.3	0.8	Higher prices and volume in limestone.
Mineral Resources: Metallic Minerals	0.8	1.6	0.7	Depreciation of the yen, etc.
Machinery & Environmental Engineering	0.3	0.4	0.1	Higher sales.
Real Estate	0.4	0.4	(0.0)	-
Renewable Energy	0.1	0.1	0.0	-
Eliminations / adjustments	(0.6)	(0.5)	0.0	-
Total	2.7	4.6	1.8	

2. Segment breakdown for FY24Q1:

Mineral Resources: Nonmetallic Minerals

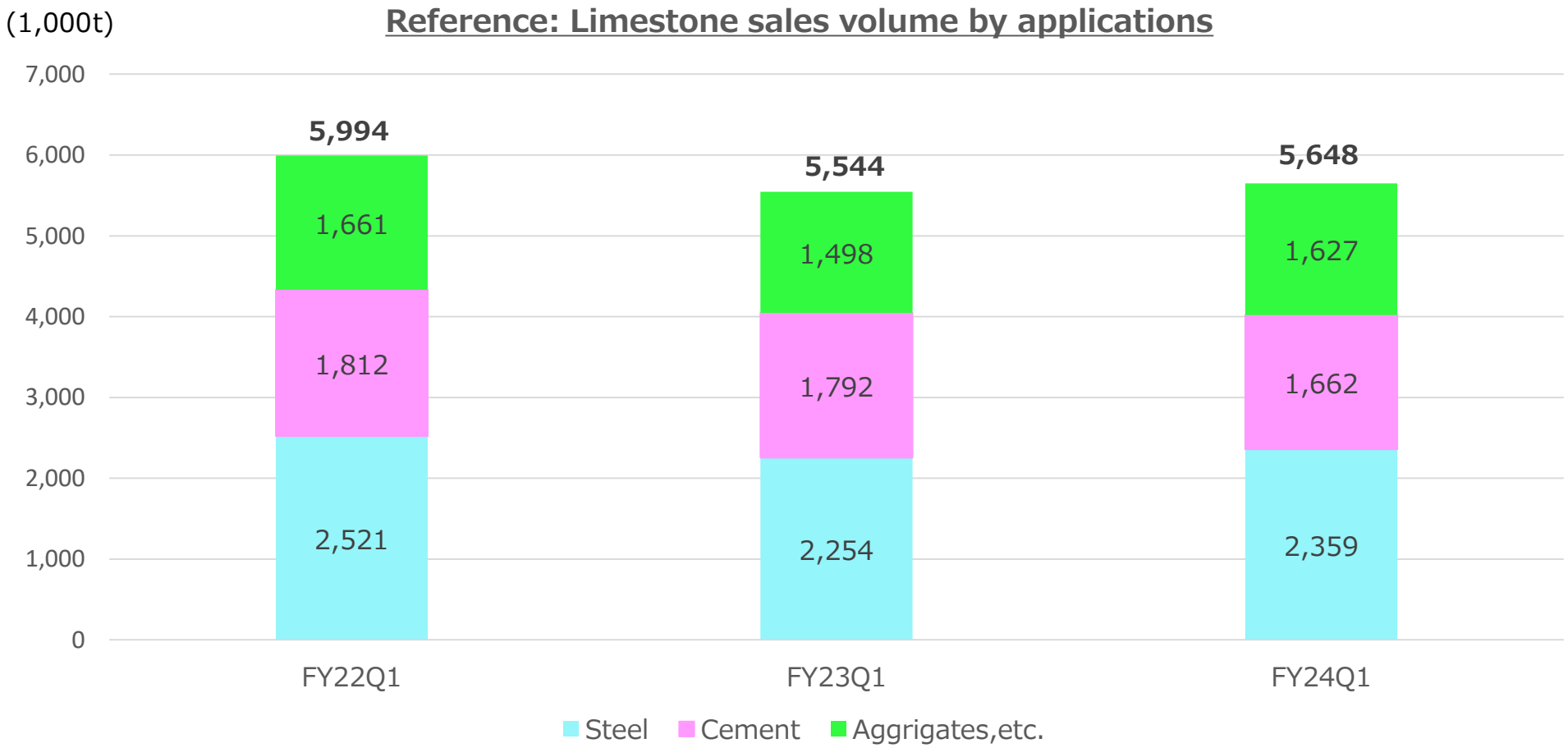
- Sales and OP increased due mainly to higher prices and volume of limestone, our major product.





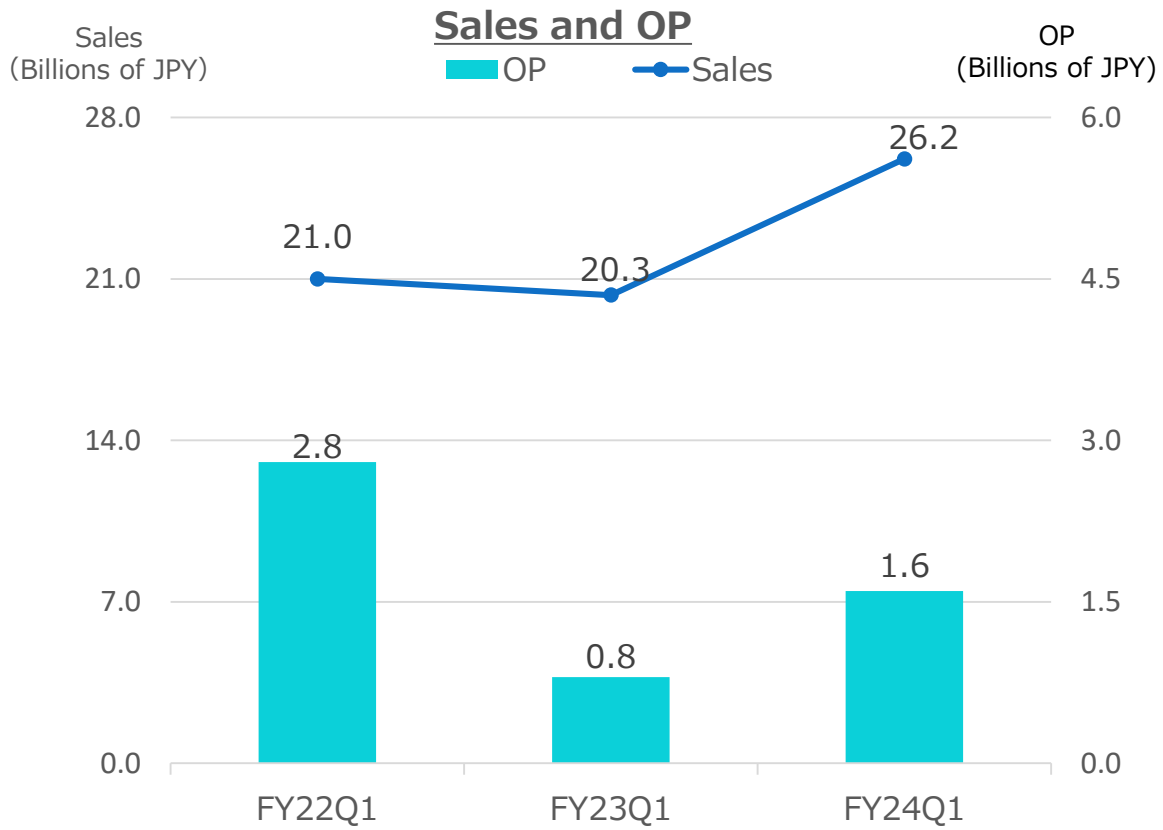
2. Segment breakdown for FY24Q1:

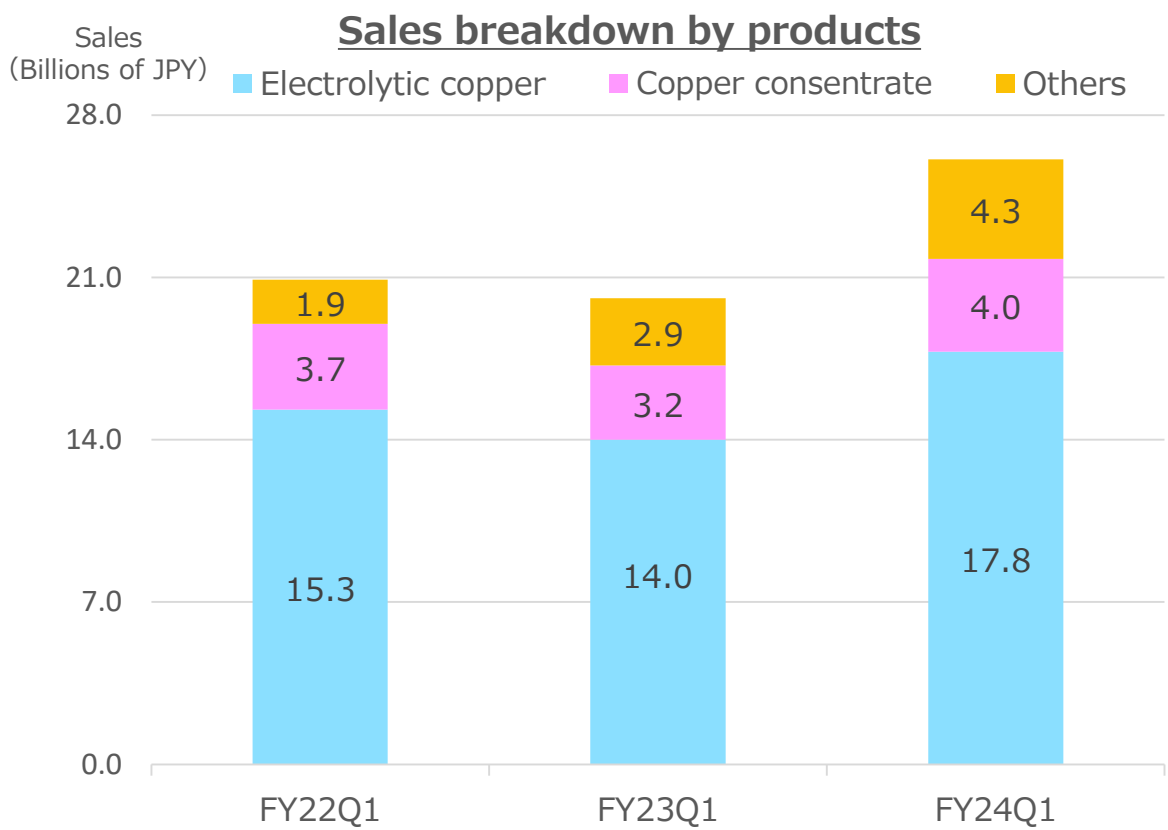
Mineral Resources: Nonmetallic Minerals



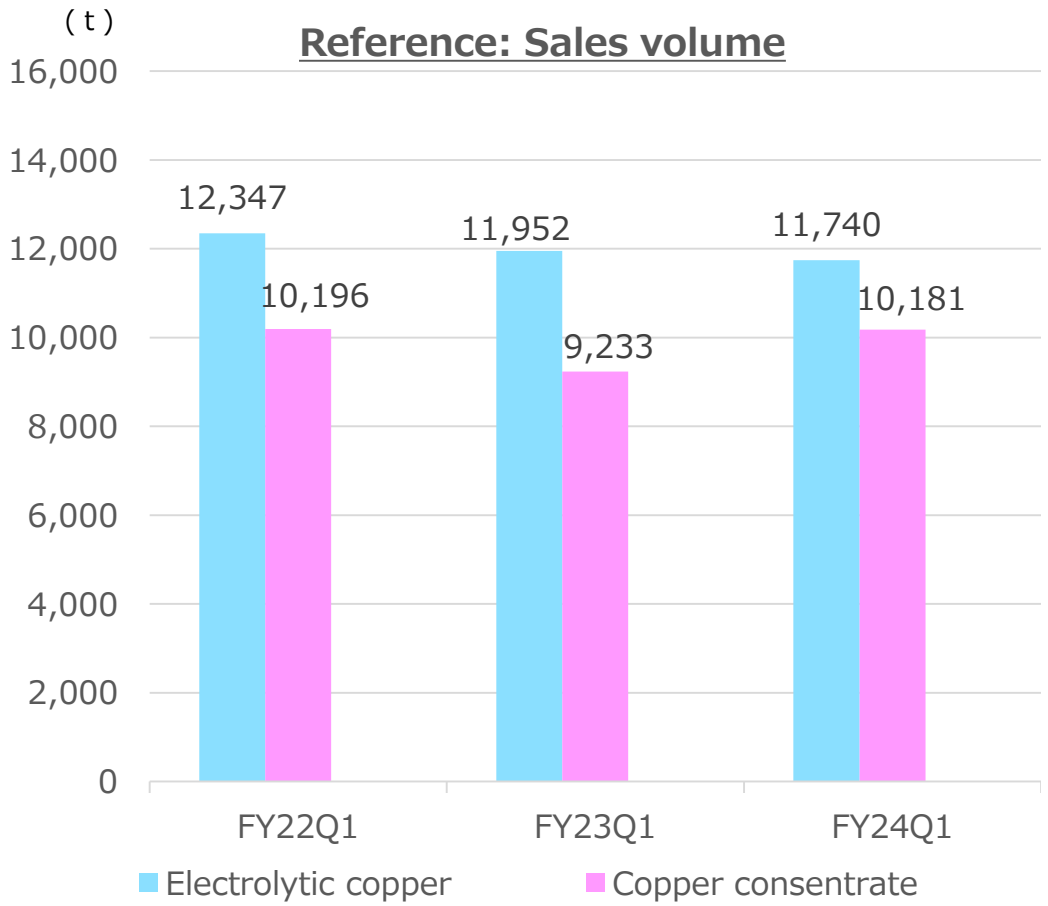
2. Segment breakdown for FY24Q1: **Mineral Resources: Metallic Minerals**

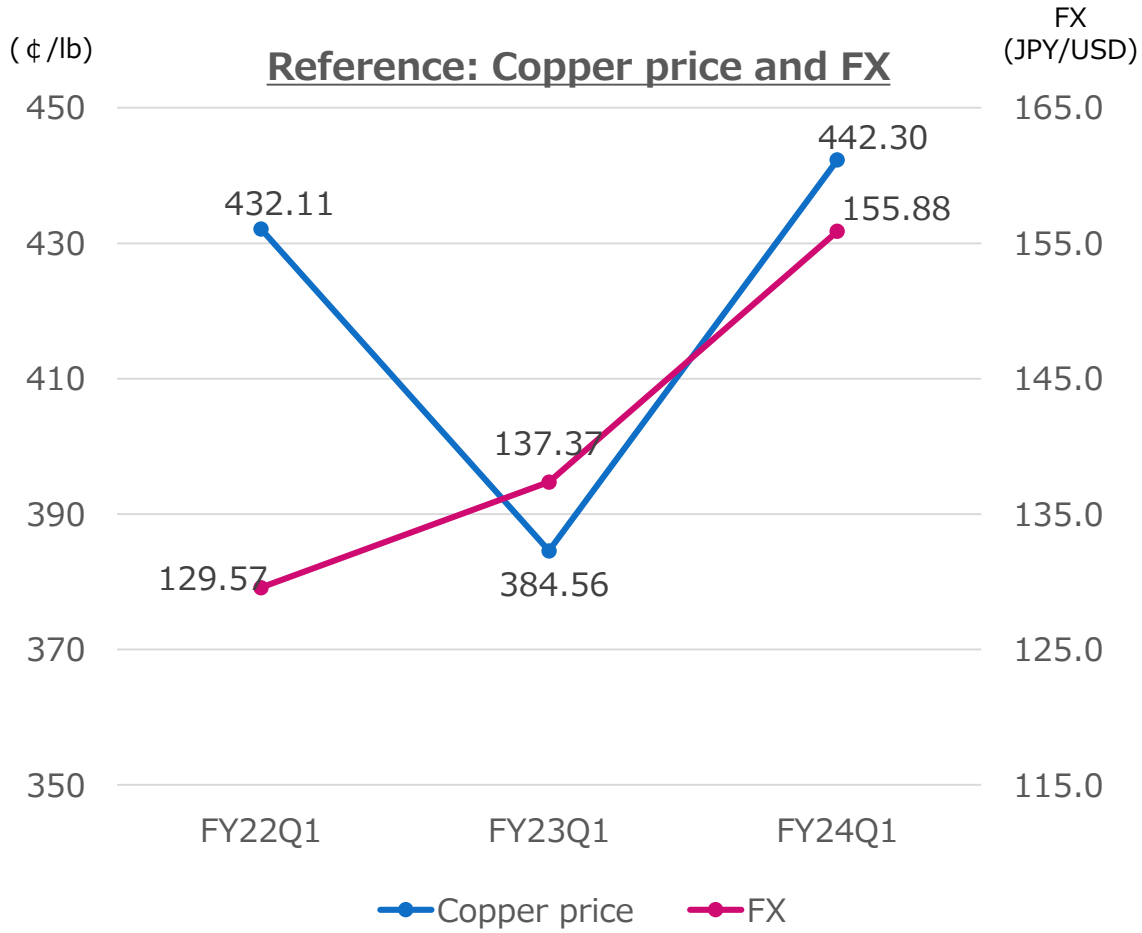
- Sales increased due mainly to higher domestic prices of electrolytic copper and gold, and higher volume of copper consentrate. OP grew due mainly to the depreciation of the yen.





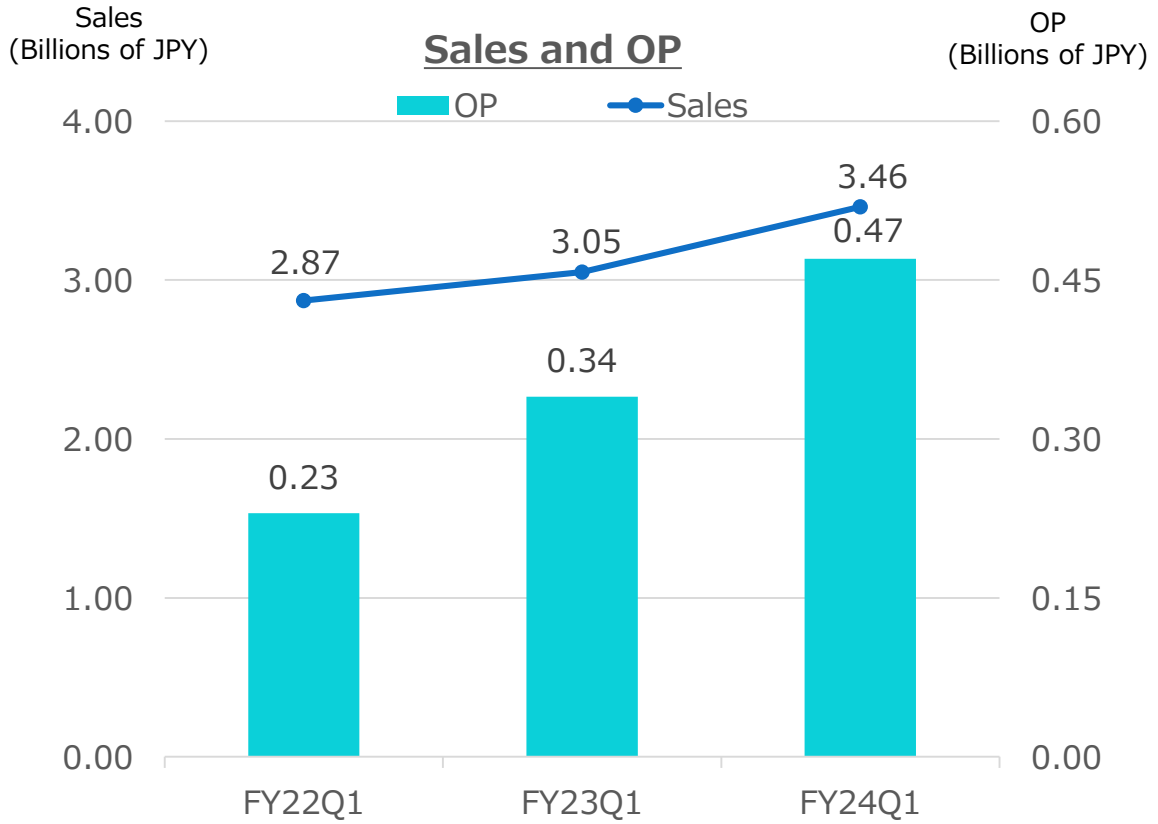
2. Segment breakdown for FY24Q1:
Mineral Resources: Metallic Minerals

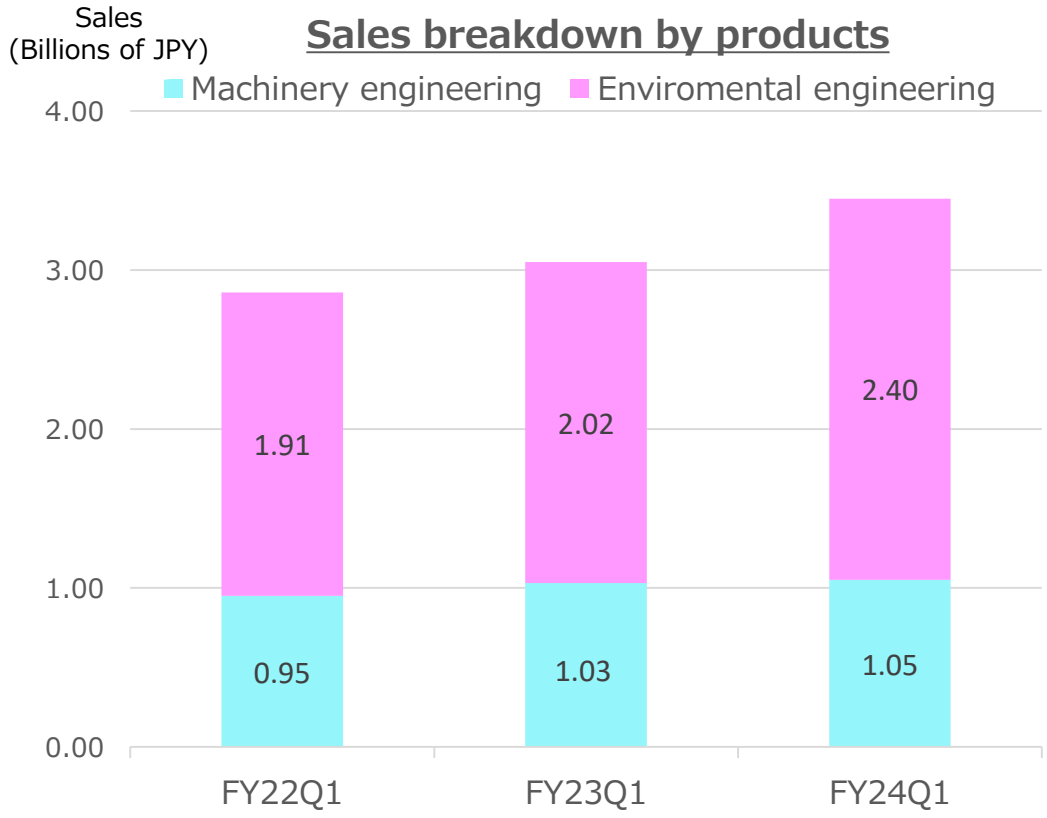




2. Segment breakdown for FY24Q1:
Machinery & Environmental Engineering

- Sales and OP grew thanks to higher sales both in Environmental and Machinery Division.

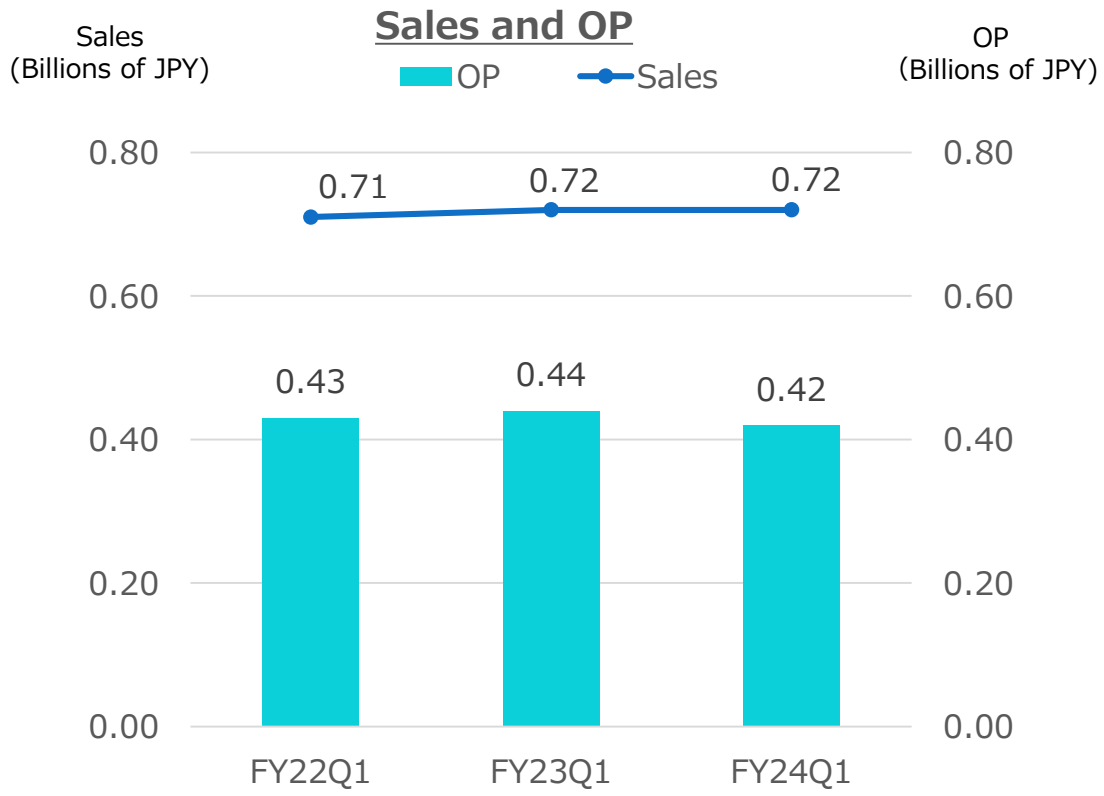




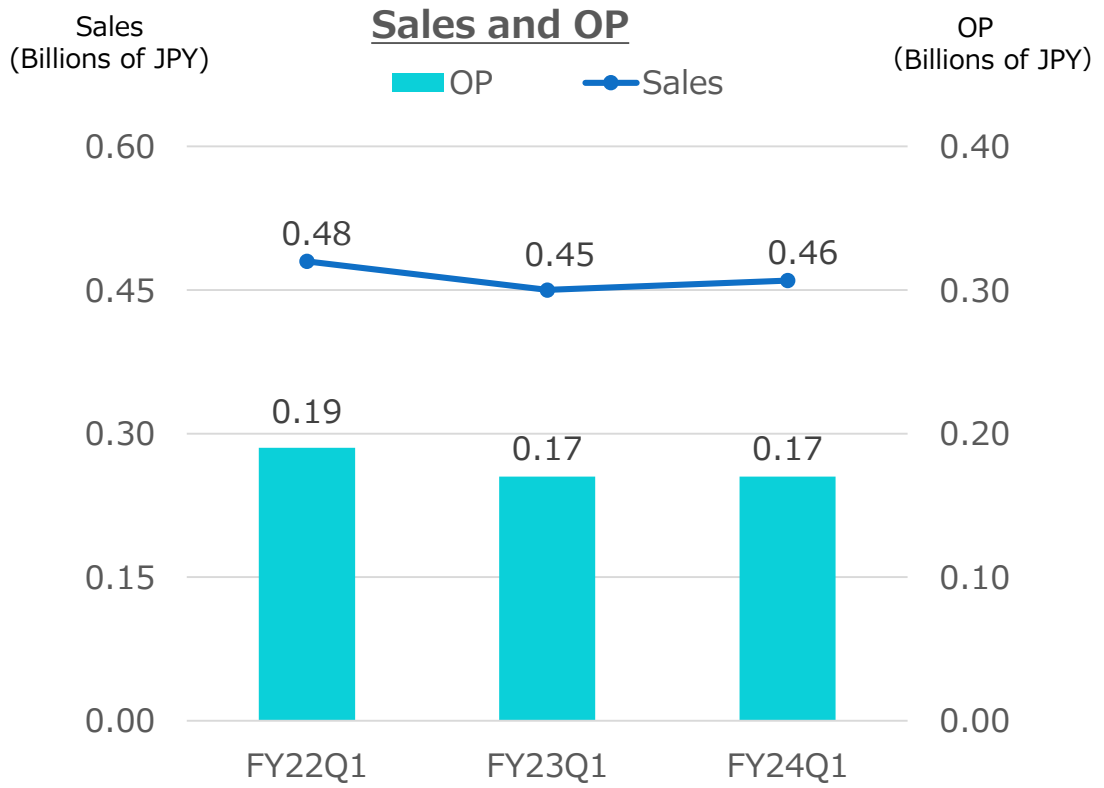
2. Segment breakdown for FY24Q1:

Real Estate, Renewable Energy

- Sales and OP remained flat the Real Estate.



- Sales and OP remained flat in the Renewable Energy.



3. Balance sheets

(Billions of JPY)

	March 31,2024	June 30,2024	Change
Current assets	105.0	123.0	17.9
Cash and deposits	37.4	39.9	2.5
Notes and accounts receivable	33.8	34.9	1.0
Inventories*	28.2	40.8	12.5
Non-current assets	124.4	126.4	1.9
Property, plant and equipment	70.8	71.8	1.0
Intangible assets	4.0	4.1	0.1
Investments and other assets	49.6	50.4	0.8
Current liabilities	54.2	69.2	15.0
Notes and accounts payable	20.5	34.1	13.6
Short-term loans payable	17.0	16.9	(0.1)
Non-current liabilities	24.6	24.6	0.0
Long-term loans payable	2.5	2.2	(0.2)
Net defined benefit liability	1.2	1.3	0.0
Net assets	150.7	155.5	4.7
Equity capital	140.7	145.1	4.4
Non-controlling interests	9.9	10.3	0.3
Total assets	229.5	249.5	19.9

*Inventories: Goods and products + Work in process + Raw materials and supplies

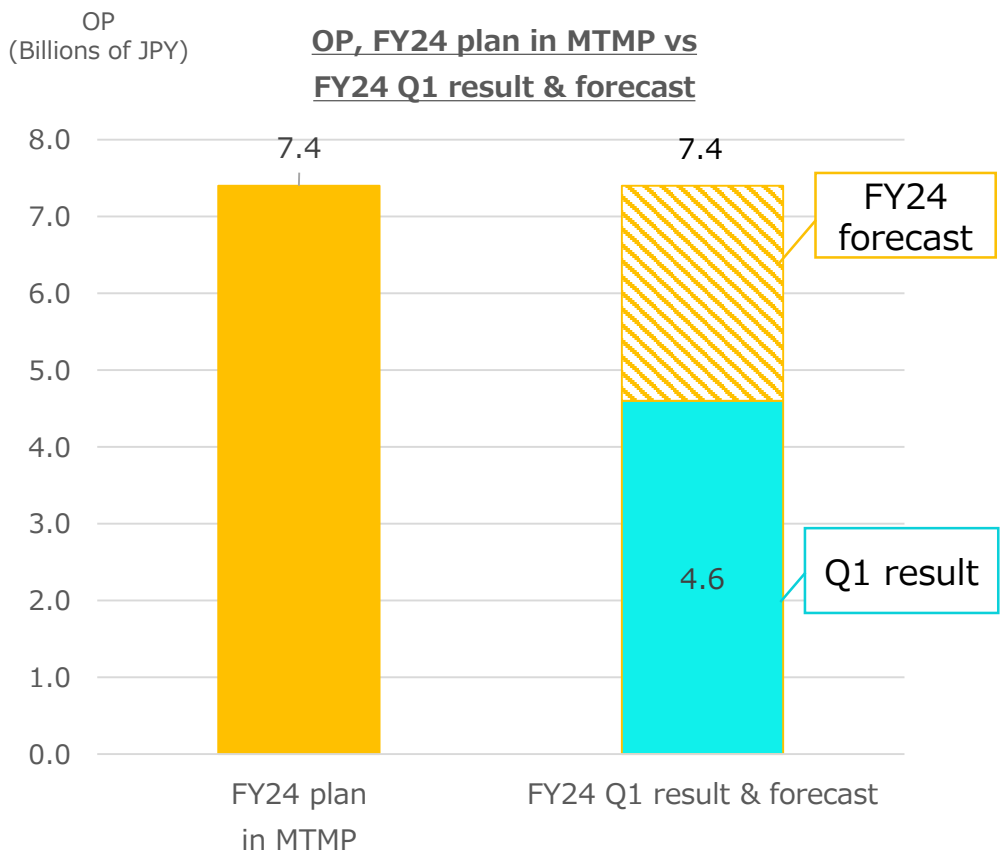
4. MTMP24-26 vs FY24Q1 progress

◆ FY24Q1 progress of OP towards the plan for FY24 set in the MTMP is 62%.
⇒Major factors:
Nonmetallic Minerals contributed through higher prices and volume of limestone, our major product.
Metallic Minerals delivered stronger results due mainly to copper price increase and the depreciation of the yen.

(Billions of JPY)

	FY24 plans in MTMP	FY24Q1 results	Gap
Net sales	181.4	46.9	26%
OP	7.4	4.6	62%
Mineral resources: Nonmetallic Minerals	6.7	2.3	34%
Mineral resources: Metallic Minerals	0.1	1.6	16x
Machinery & Environmental Engineering	1.3	0.4	31%
Real Estate	1.6	0.4	25%
Renewable Energy	0.3	0.1	33%
Eliminations /adjustments	(2.6)	(0.5)	19%

<Assumptions>	FY24 plans in MTMP	FY24Q1 results	Change
Copper price （¢/lb)	400.00	442.30	42.30
FX （JPY/USD)	140.00	155.88	15.88



5. FY24 forecasts: Consolidated

◆ The FY24 forecasts remain unchanged from those announced on May 13, 2024, despite the revision in FX rates.

(Billions of JPY)

	FY23 results	FY24 forecasts	Change
Net sales	166.8	181.4	14.6
Operating profit	11.1	7.4	(3.7)
Ordinary profit	12.0	8.2	(3.8)
Profit attributable to owners of parent	6.6	6.7	0.1
EPS（JPY）	396.88	402.74	5.86
Copper price （¢/lb）	379.28	400.00	20.72
FX（JPY/USD）	144.62	145.00	0.38

*The FX forecast has been revised from the previously announced rate of 140.00 JPY/USD in May 13, 2024 to 145.00 JPY/USD (with a rate of 140.00 JPY/USD from the second quarter onwards).

Dividend per share（JPY）	169.00	161.00	(8.00)

■ Sensitivity Analysis (From the second quarter onwards)

(Billions of JPY)

Copper price	Appreciated by 10¢/lb	Net sales OP	+1.34 +0.16
FX	Depreciated by 5JPY/USD	Net sales OP	+2.01 +0.12

5. FY24 forecasts: Segment breakdown

■ Segment sales and OP

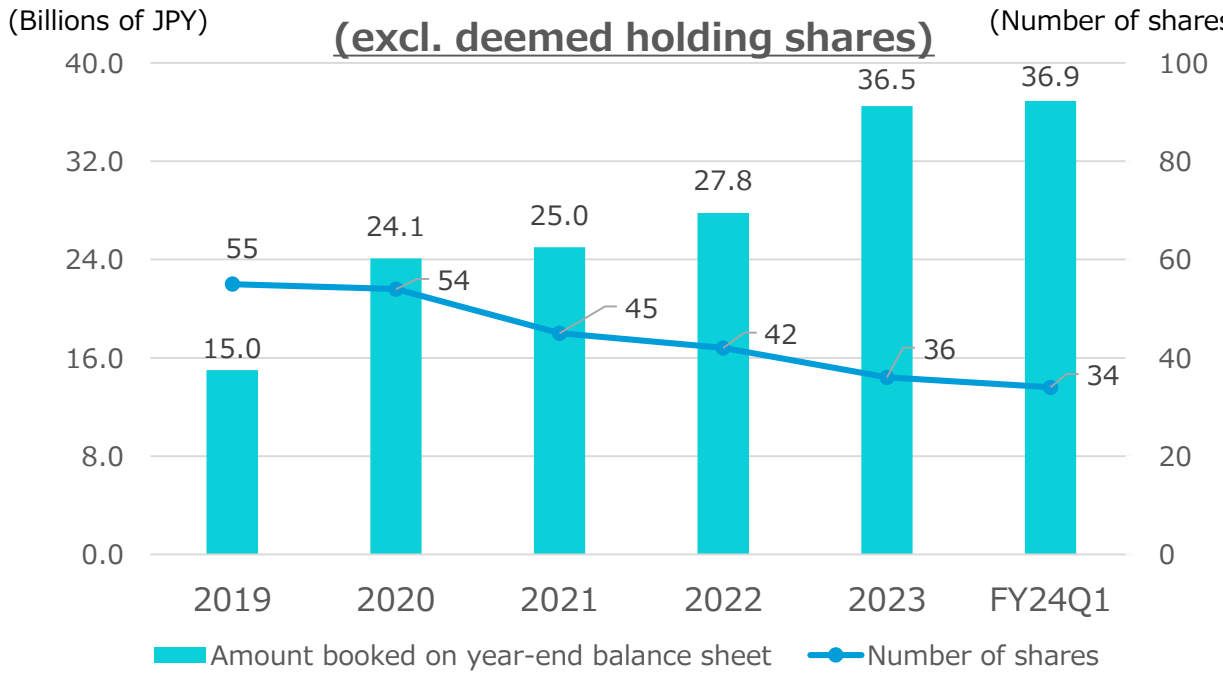
(Billions of JPY)

	Sales			OP		
	FY23 results	FY24 forecasts	Change	FY23 results	FY24 forecasts	Change
Mineral resources: Nonmetallic Minerals	61.5	67.6	6.1	5.9	6.7	0.8
Mineral resources: Metallic Minerals	88.3	96.2	7.9	2.9	0.1	(2.8)
Machinery & Environmental Engineering	14.0	14.8	0.8	1.4	1.3	(0.1)
Real Estate	2.8	2.8	—	1.6	1.6	—
Renewable Energy	1.7	1.7	—	0.5	0.3	(0.2)
Eliminations /adjustments	(1.7)	(1.7)	—	(1.5)	(2.6)	(1.1)
Total	166.8	181.4	14.6	11.1	7.4	(3.7)

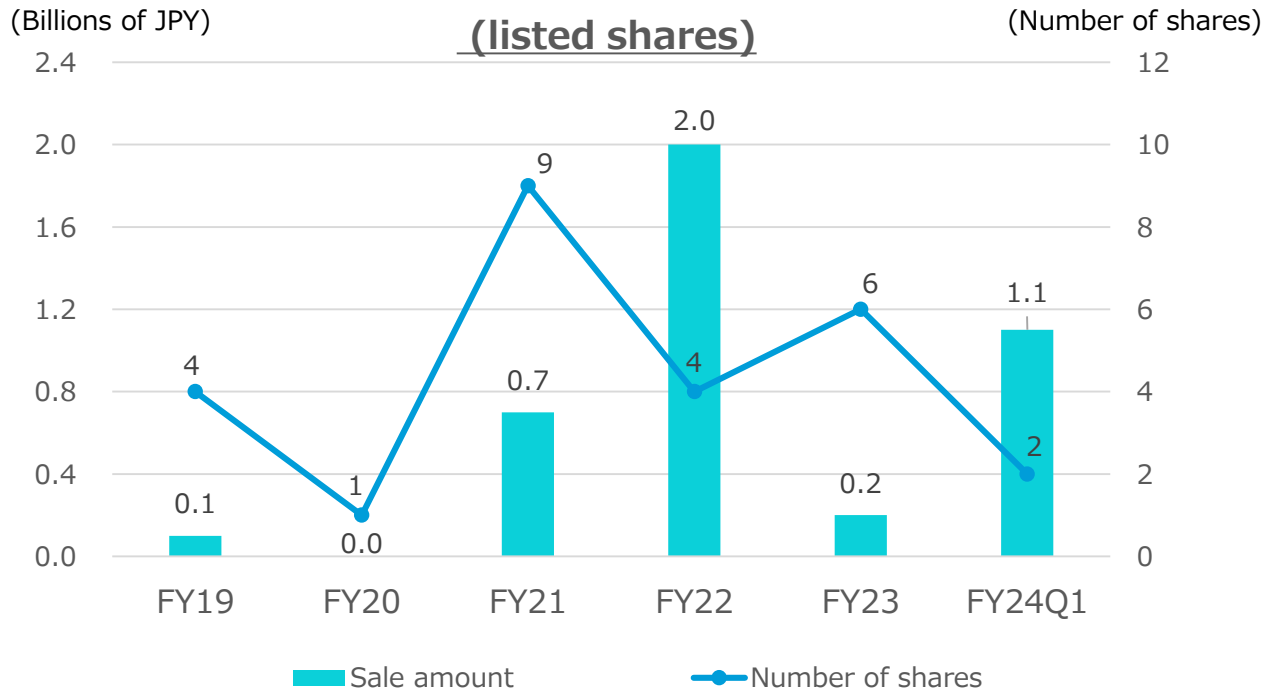
6. Cross-shareholdings

Reducing the cross-shareholdings by 6,000 million yen (based on the market value at end-March 2022) over the five-year period from FY2022 to FY2026 is planned as disclosed in our Integrated Report released on September 29, 2023.
In Q1 of FY24, two shares totaling 1.1 billion yen (1.2 billion yen as the market value at end-March 2022) were disposed.
We will exercise our right to vote on cross-shareholdings appropriately; our criteria are whether the holdings will improve corporate value of ours and portfolio companies' over the medium to long term, and whether our holdings remain worthwhile.

Cross-shareholdings (excl. deemed holding shares)



Actual sales of cross-shareholdings (listed shares)



7. Shareholder returns

Consolidated payout ratio of 40% with the lower limits of dividends, 3% of the market value DOE / 3% of the DOE.

To clarify our dividend policy of paying stable dividends over the long term while enhancing shareholder returns, we will pay dividends with a target consolidated payout ratio of 40% with the lower limits of dividends, 3% of the market value DOE* when the year-end PBR < 1.0x / 3% of the DOE** when the year-end PBR ≧ 1.0x

*Market value DOE: Annual dividend per share/Annual average share price (simple average of daily closing prices)
**DOE: Annual dividends per share/Consolidated net assets per share at fiscal year-end (excl. non-controlling interests)

Reference: Results and forecast of payout ratio

FY18	FY19	FY20	FY21	FY22	FY23	FY24(forecast)
17.1%	16.6%	22.2%	30.0%	30.2%	42.6%	approx. 40%

8. Topics for FY24Q1

- **Launched the third vertical shaft at the Torigatayama Quarry Complex aimed at enhancing a stable supply system on a global basis.**
  - ✓One of our initiatives to contribute to our growth strategy looking ahead to the next 10 years, "optimizing earnings from each mine" and "establishing an optimal production network.”
  - ✓Total construction cost was about 20 billion JPY. FY24 depreciation cost of 2.2 billion JPY is scheduled to be booked primarily from Q2 following the launch in June.
- **Set up dedicated IR team to lower cost of equity.**
  - ✓Proactive dialogue with investment community and information distribution to lower cost of equity.

IR site:
IR Information | Nittetsu Mining Co., Ltd. (nittetsukou.co.jp)

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info-nmc@nittetsukou.co.jp



Crusher at the third vertical shaft

Forward-looking statement

- The forward-looking statements in this document, including forecasts, are based on information currently available to the Company and certain assumptions that the Company considers to be reasonable. The Company undertakes no obligations whether to achieve.
- Actual results may differ from those expressed or implied in the company’s forward-looking statements.

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