NITTETSU MINING

Consolidated Financial Results (Supplementary Materials) for the Six Months Ended September 30, 2024

Securities Code : 1515

November 7 ,2024

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*Medium-term Management Plan

Summary for FY24 1H

- Sales grew while operating profit (OP) decreased YoY on a consolidated basis.
  - Nonmetallic Minerals: Sales grew due to price increases, resulting in an OP increase despite higher costs, including depreciation at the Torigatayama Quarry Complex.
  - Metallic Minerals: Sales went up primarily due to market factors. Mining business benefited from higher prices and a depreciating yen, but was unable to offset the OP reduction caused by the significant yen appreciation during Q2 in Smelting business. This led to a decline in consolidated OP.
- Consolidated financial results and annual dividend forecasts were revised upwards.
  - Sales are set to be 4.7% higher than the initial plan, and OP is also up by 14.9% in response to faster-than-expected business progresses.
  - Annual dividend per share was also revised from 161 JPY to 181 JPY, reflecting an upward revision in profit attributable to owners of parent.

Overview of consolidated results for FY24 1H

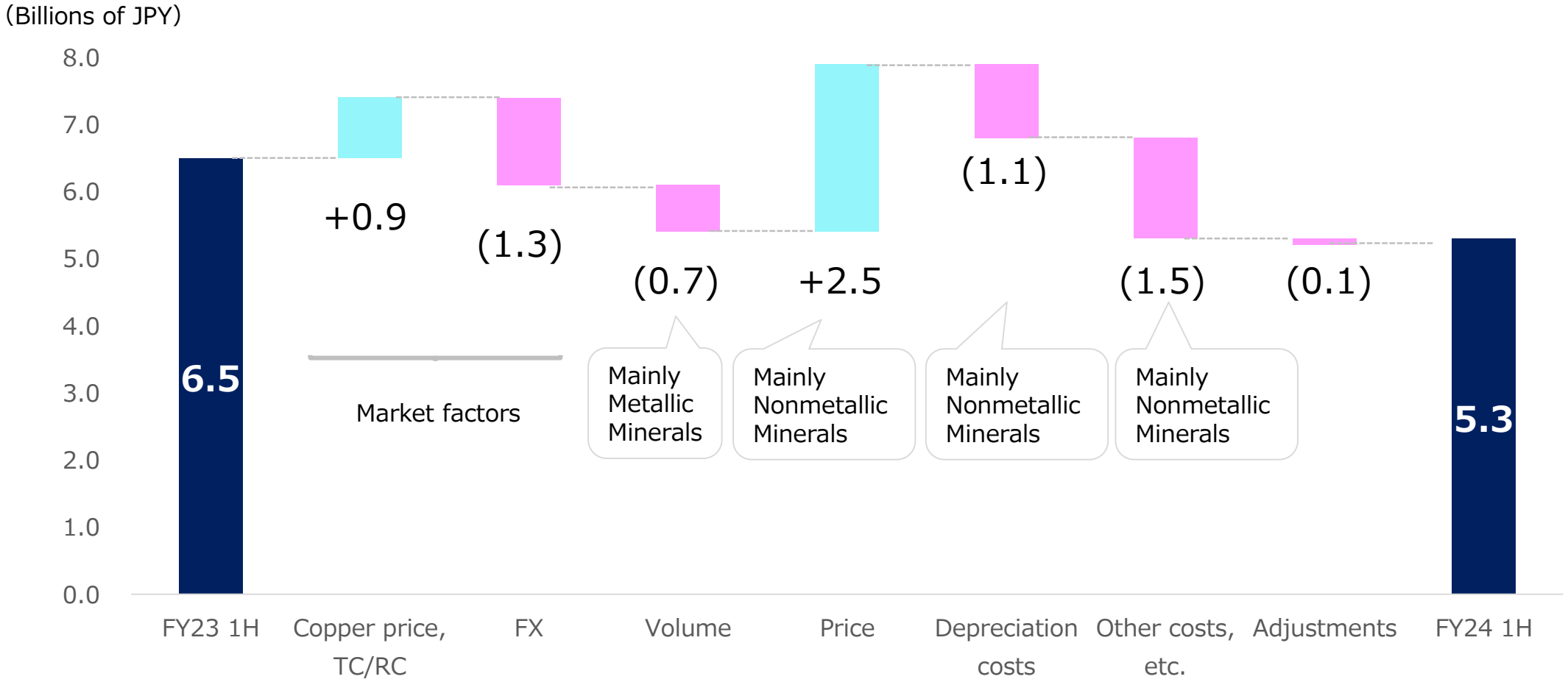
- Sales grew primarily due to price increases in products, including limestone from the Nonmetallic Minerals and electrolytic copper and gold for domestic customers from the Metallic Minerals.
- OP and ordinary profit declined mainly owing to negative FX impact in the Metallic Minerals despite sales growth.
- Profit attributable to owners of parent increased thanks to increase in gain on sales of investment securities and receipt of fire damage insurance, offsetting lower ordinary profit.

(Billions of JPY)

<Results>	FY23 1H	FY24 1H	Change
Net sales	82.3	95.2	12.9
Operating profit	6.5	5.3	(1.2)
Ordinary profit	7.1	6.5	(0.5)
Profit attributable to owners of parent	4.6	5.7	1.0

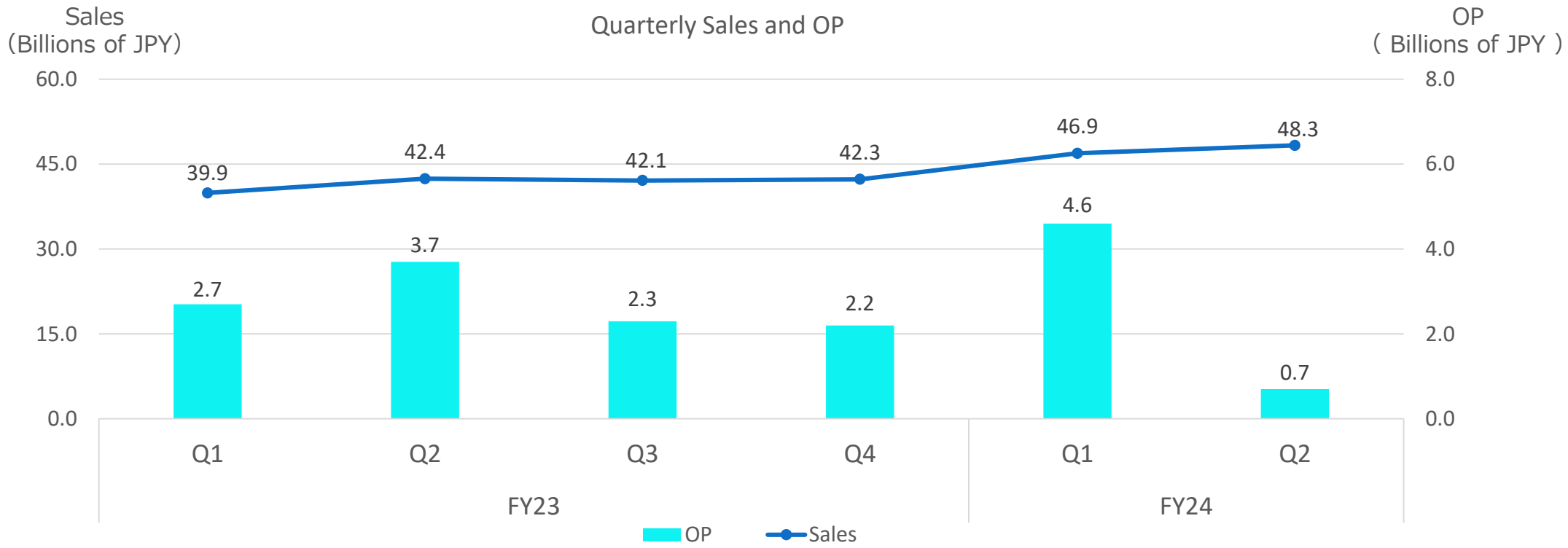
<KPIs>	FY23 1H	FY24 1H	Change
Copper price （¢/lb)	381.79	429.89	48.10
FX （JPY/USD)	140.99	152.63	11.64

Overview of consolidated results for FY24 1H: Major gains/losses in OP



Overview of consolidated results for FY24 1H: Quarterly results

- FY23: OP was weak through the year primarily due to increases in production costs in the Metallic Minerals, despite sales increases through price increases in the Mineral Resources and the Machinery & Environmental Engineering.
- FY24: Sales grew mainly owing to price increases in the Mineral Resources and the Machinery & Environmental Engineering. OP in Q1 increased primarily due to positive FX impact in the Metallic Minerals, while decreased in Q2 due to factors including negative FX impact in the Metallic Minerals and increases in operational costs in the Nonmetallic Minerals.



Segment breakdown for FY24 1H : Sales

(Billions of JPY)

	FY23 1H	FY24 1H	Change	Factors
Mineral Resources: Nonmetallic Minerals	30.8	31.6	0.8	**Limestone:** increased due to higher prices. **Fuels, etc.:** decreased mainly due to lower price of coal.
Mineral Resources: Metallic Minerals	42.8	54.1	11.3	**Electrolytic copper:** increased due to higher domestic prices. **Copper concentrate:** increased due to higher copper price and yen depreciation. **Others:** increased due to higher domestic prices and higher volume of electrolytic gold.
Machinery & Environmental Engineering	6.2	7.0	0.7	**Environmental Division:** grew due mainly to higher sales of eco friendly products. **Machinery Division:** remained flat.
Real Estate	1.4	1.4	(0.0)	-
Renewable Energy	0.9	0.9	(0.0)	-
Total	82.3	95.2	12.9	

Segment breakdown for FY24 1H : OP

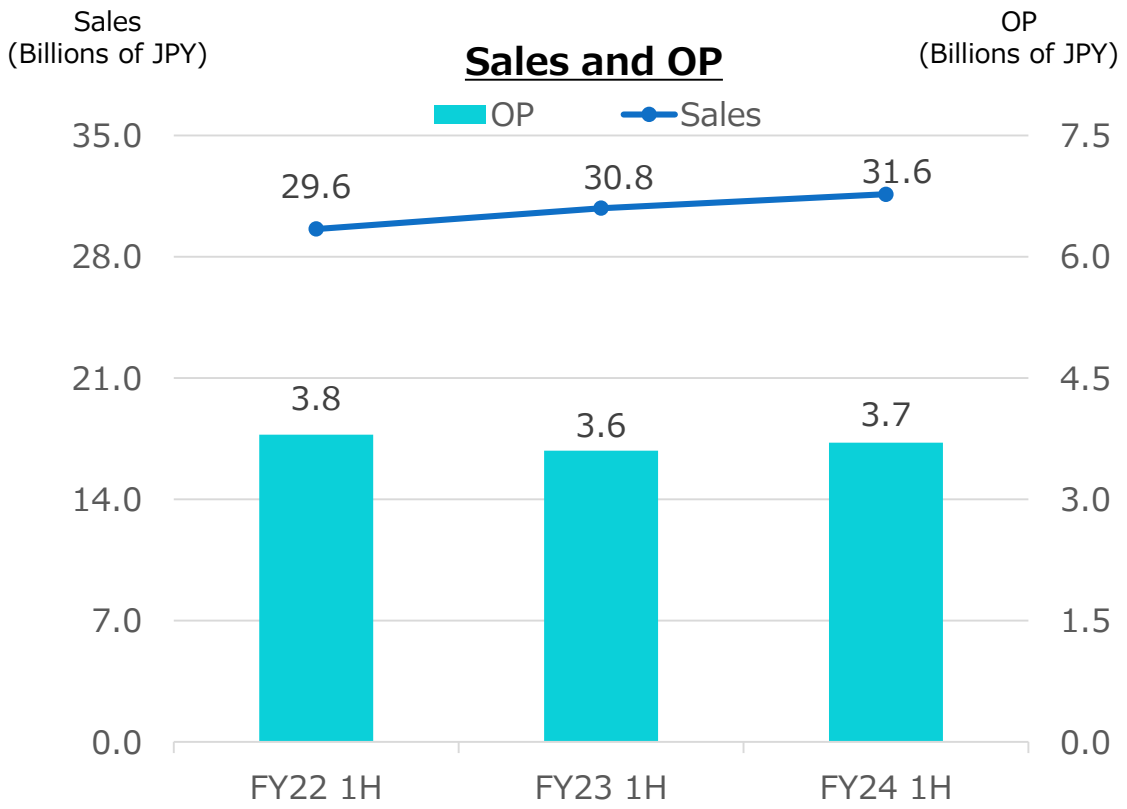
(Billions of JPY)

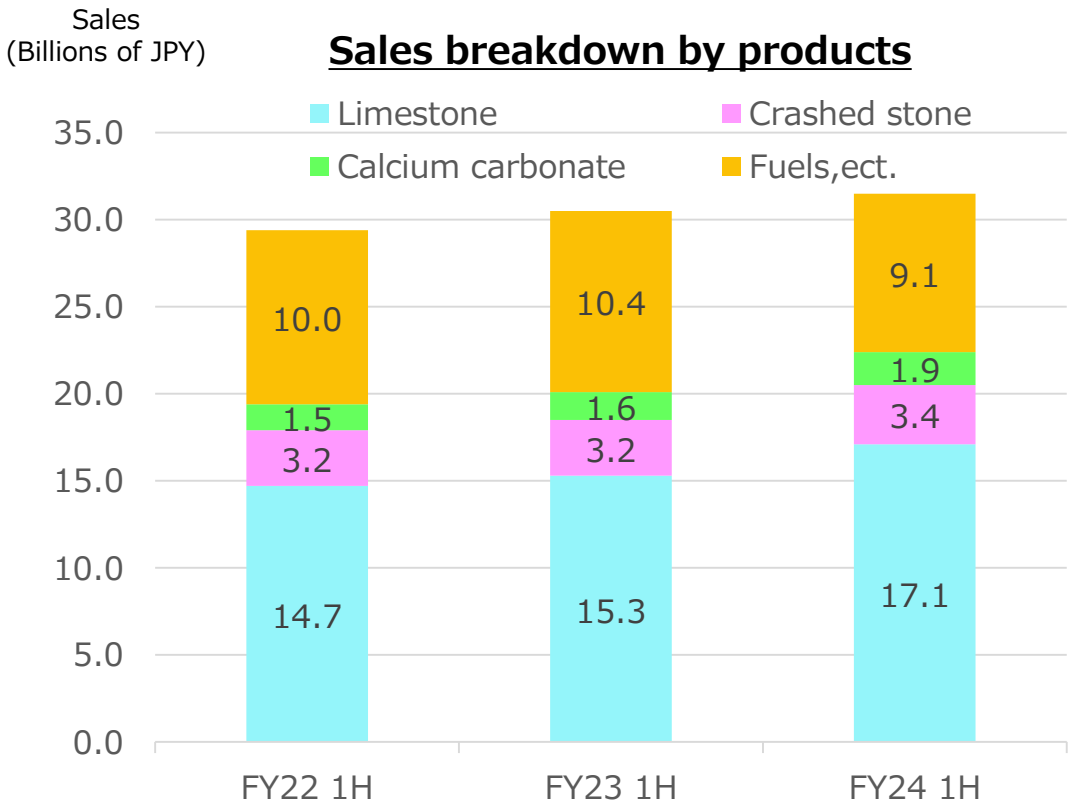
	FY23 1H	FY24 1H	Change	Factors
Mineral Resources: Nonmetallic Minerals	3.6	3.7	0.1	Higher prices mainly in limestone and crashed stone
Mineral Resources: Metallic Minerals	1.9	0.4	(1.5)	Negative FX impact
Machinery & Environmental Engineering	0.6	0.9	0.2	Higher sales
Real Estate	0.8	0.8	0.0	-
Renewable Energy	0.3	0.3	0.0	-
Eliminations / adjustments	(0.9)	(1.0)	(0.1)	-
Total	6.5	5.3	(1.2)	

Segment breakdown for FY24 1H:

Mineral Resources: Nonmetallic Minerals

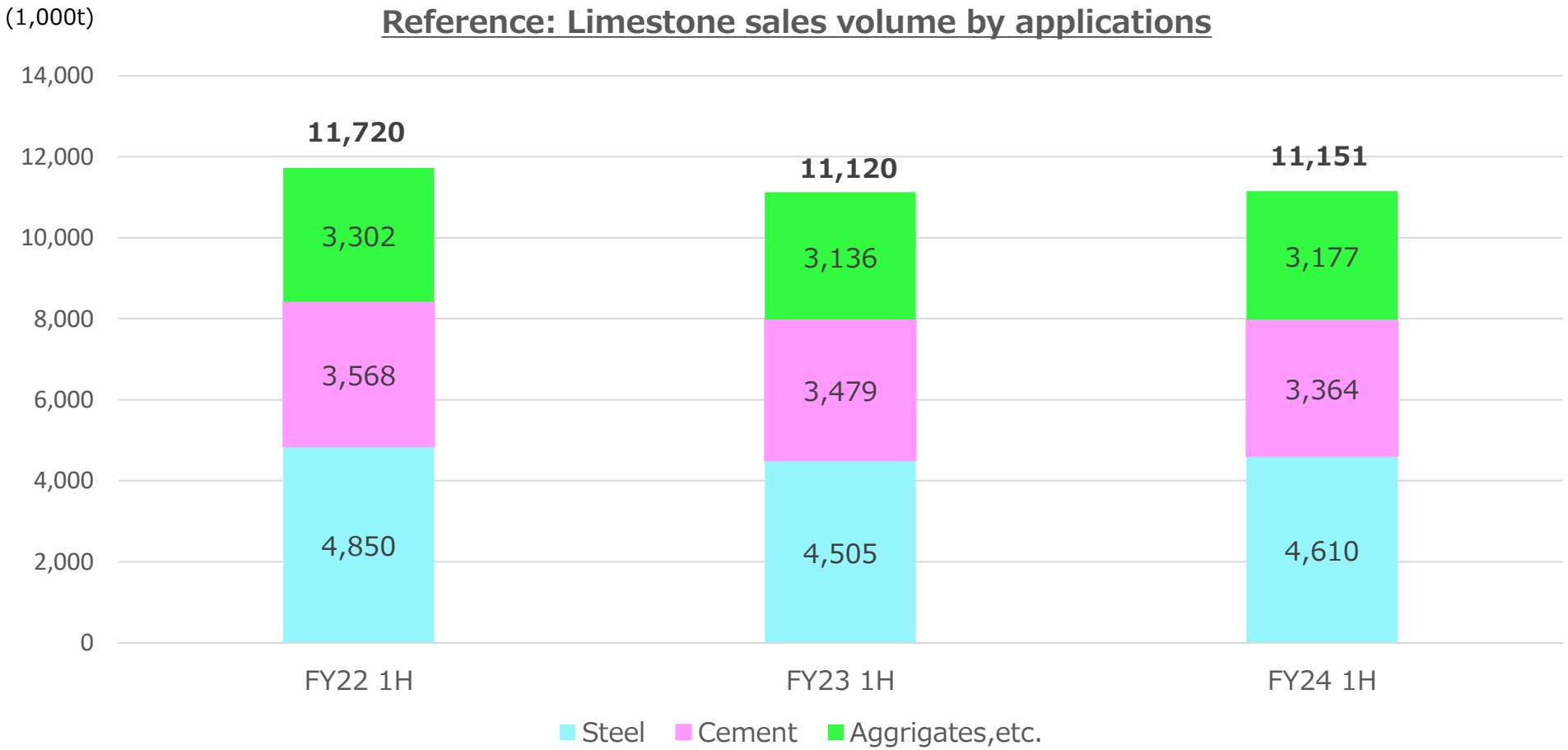
- Sales and OP grew primarily due to price increases in limestone, our major product and crashed stone, etc.





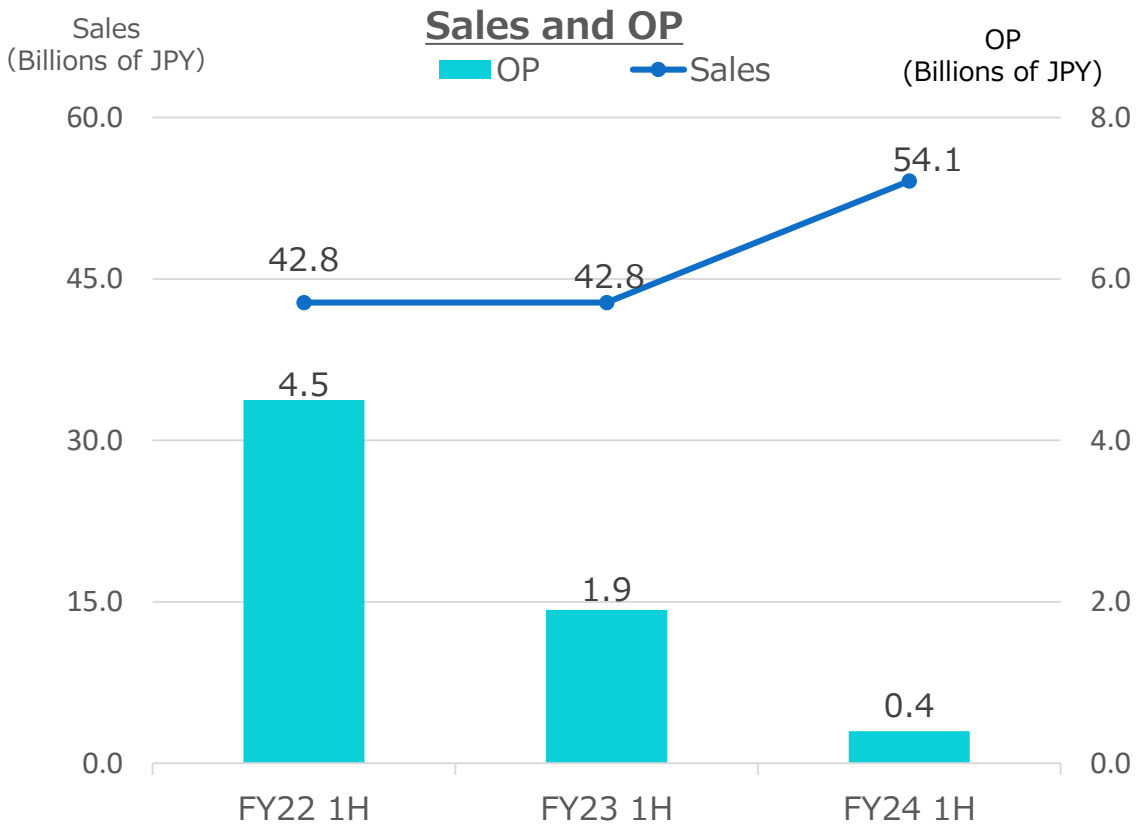
Segment breakdown for FY24 1H:

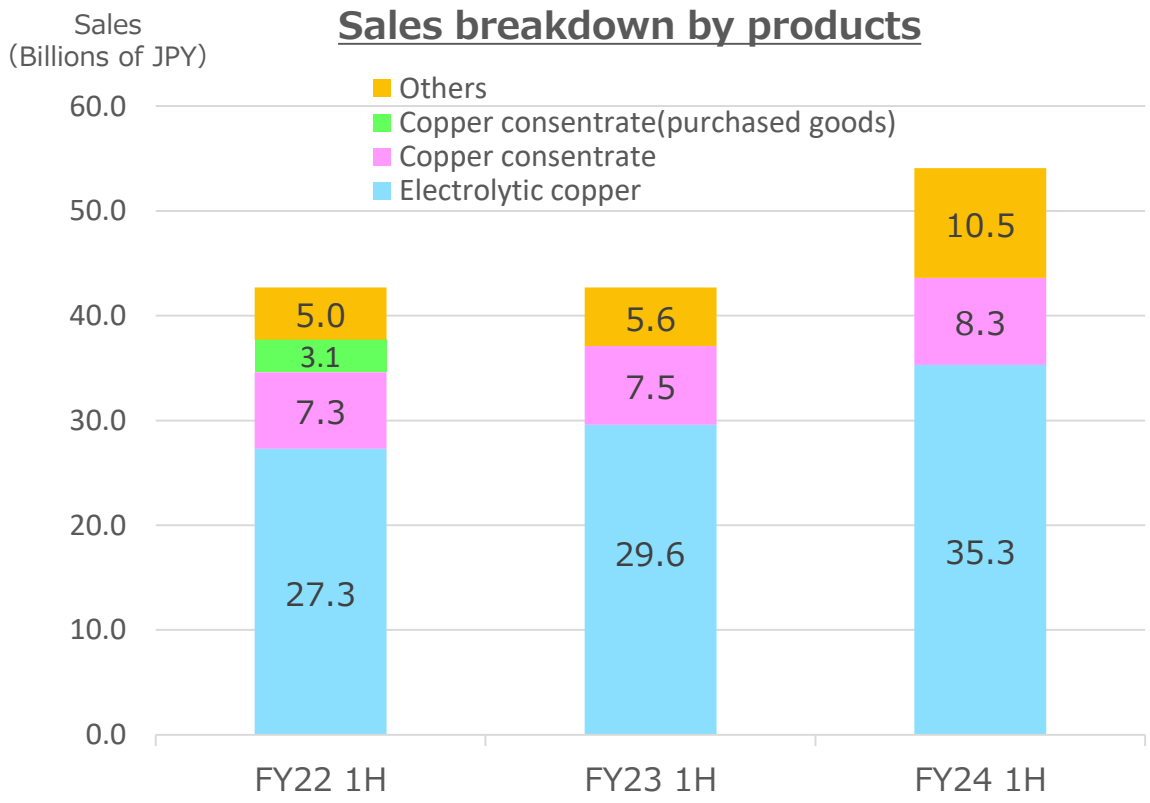
Mineral Resources: Nonmetallic Minerals



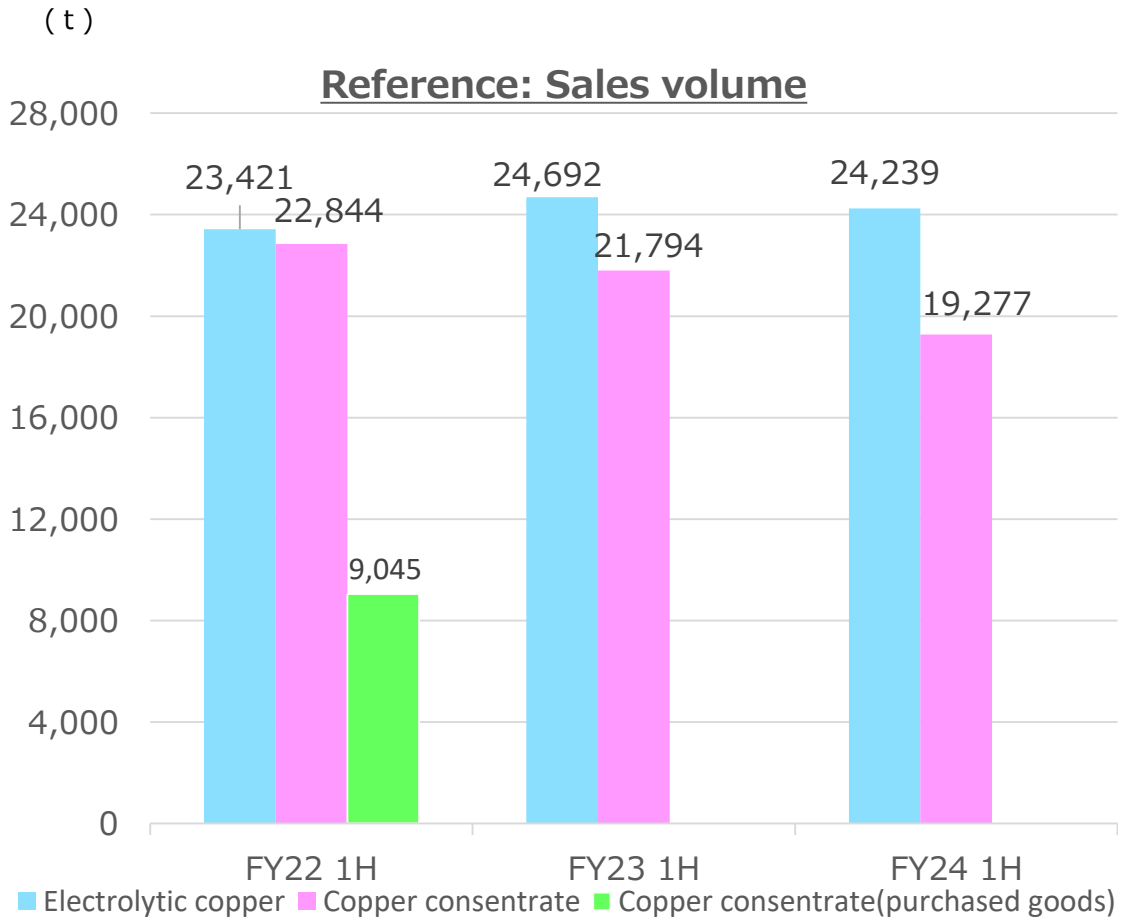
Segment breakdown for FY24 1H:
Mineral Resources: Metallic Minerals

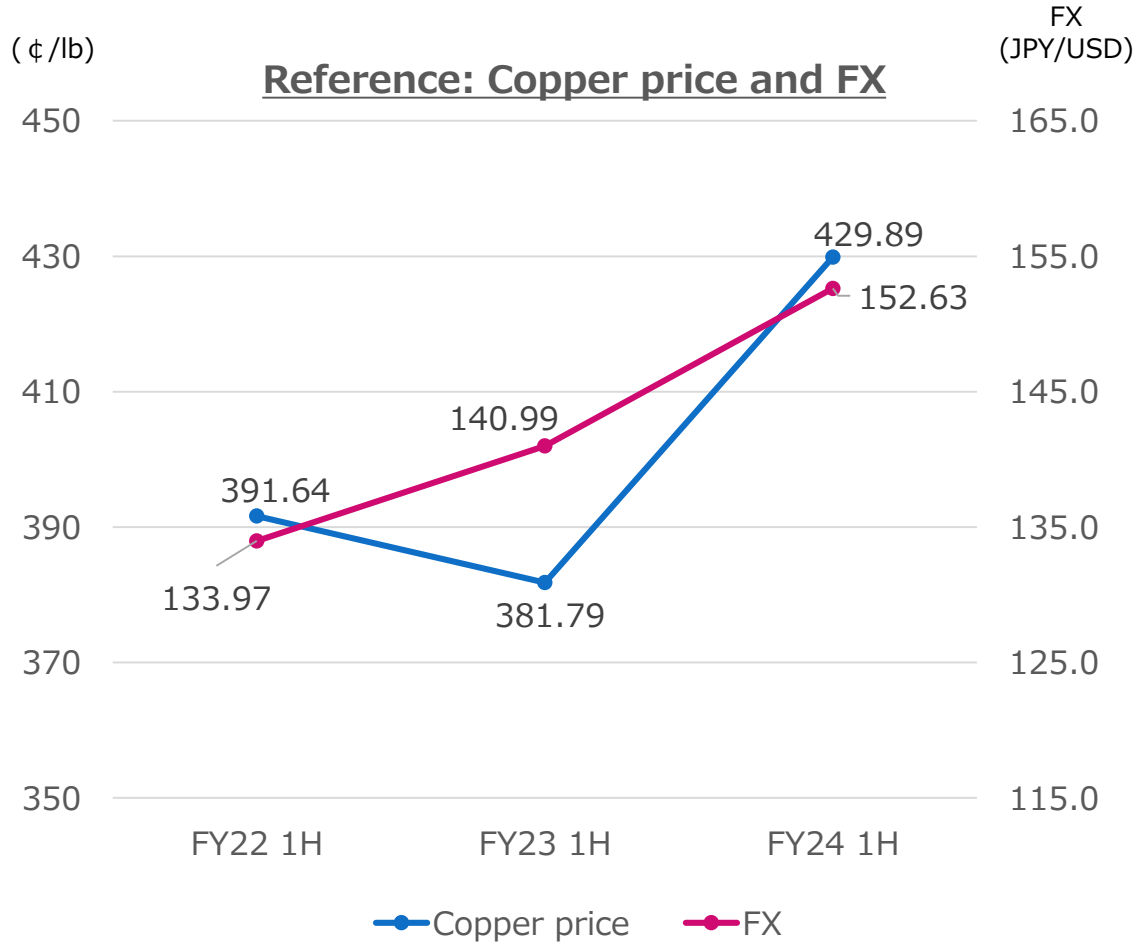
- Sales increased mainly thanks to increases in domestic price of electrolytic copper and gold, while OP declined due to negative FX impact.





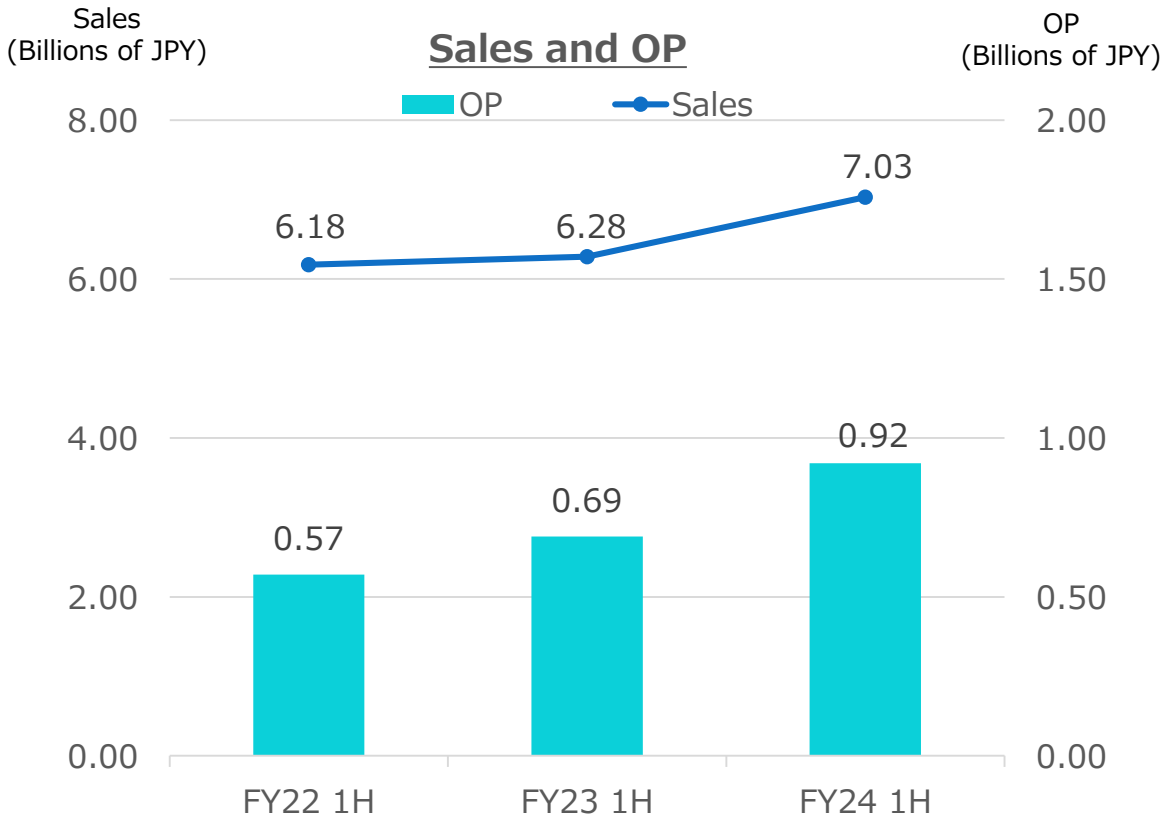
Segment breakdown for FY24 1H:
Mineral Resources: Metallic Minerals

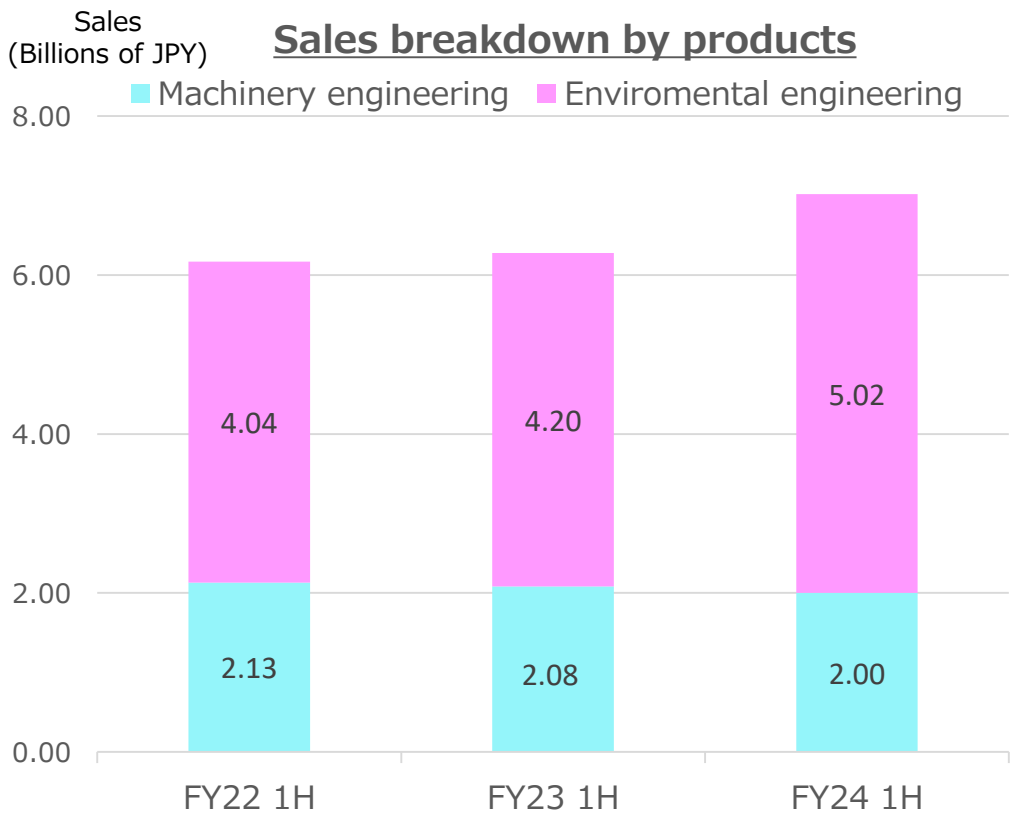




Segment breakdown for FY24 1H: **Machinery & Environmental Engineering**

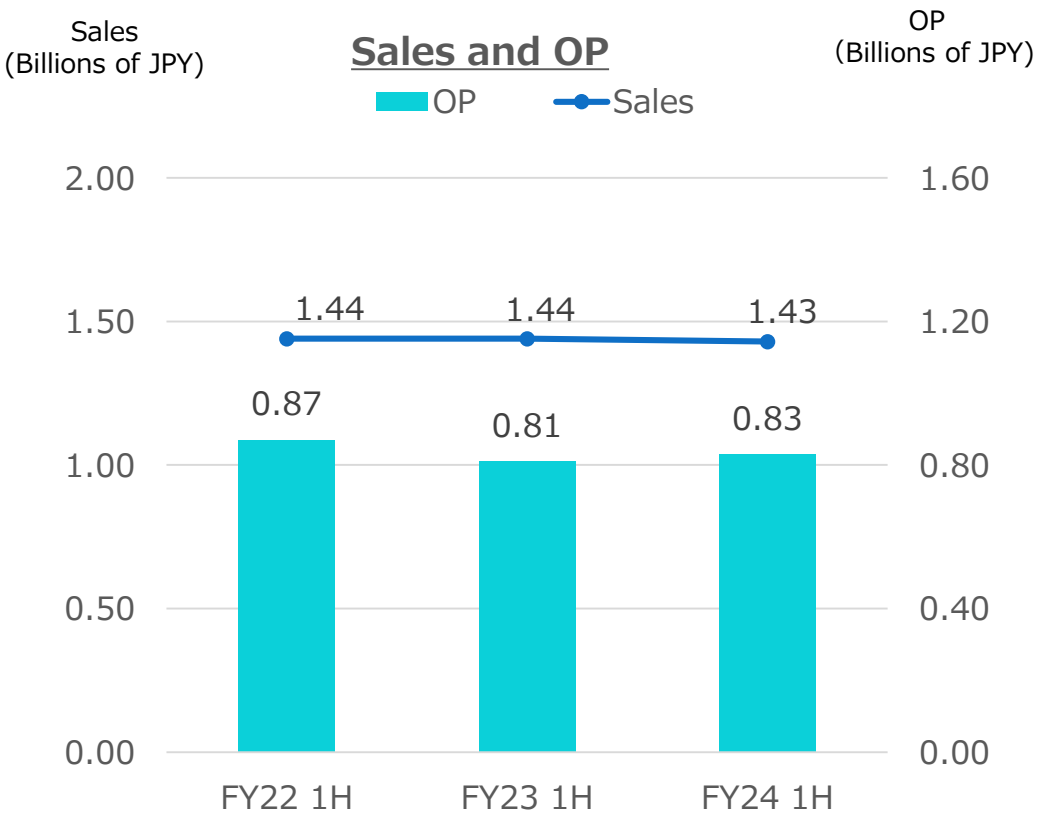
- Sales and OP grew thanks to the favorable sales trend in the Environmental Division and the subsidiaries of the Machinery Division.



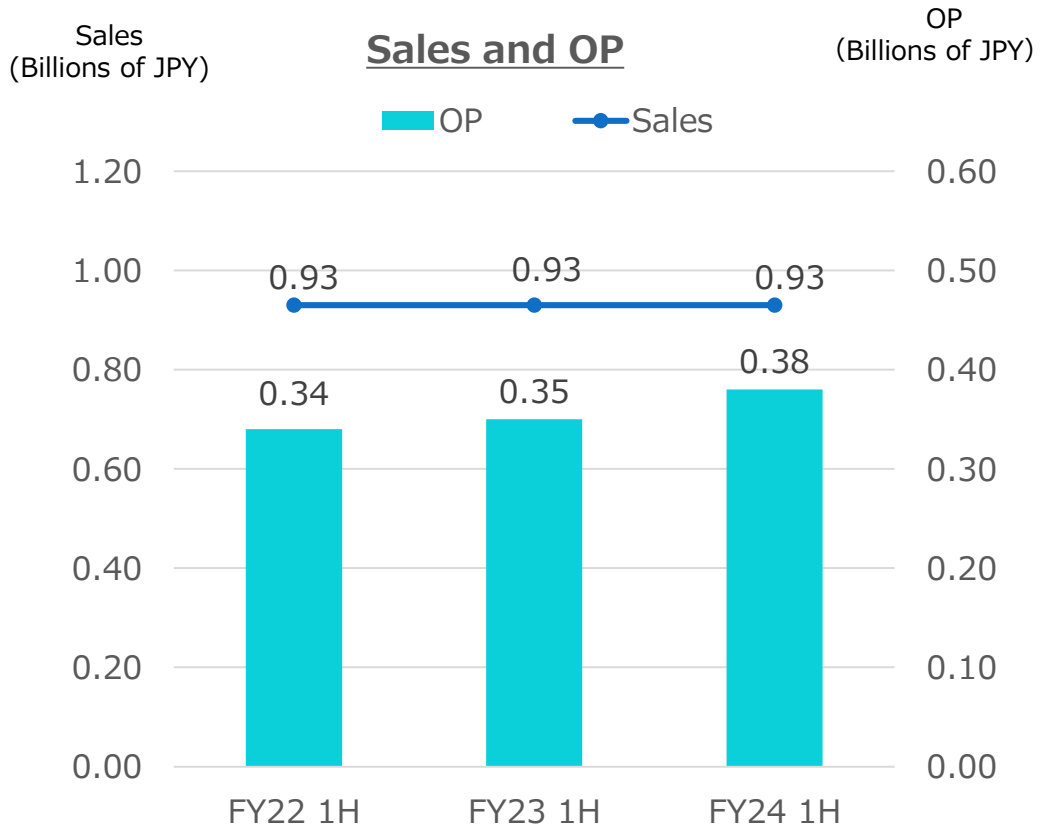


Segment breakdown for FY24 1H:
Real Estate, Renewable Energy

- Sales and OP remained flat in the Real Estate.



- Sales and OP remained flat in the Renewable Energy.



Balance sheets

(Billions of JPY)

	March 31,2024	September 30,2024	Change
Current assets	105.0	105.0	(0.0)
Cash and deposits	37.4	30.5	(6.8)
Notes and accounts receivable	33.8	33.0	(0.8)
Inventories*	28.2	35.0	6.8
Non-current assets	124.4	128.3	3.8
Property, plant and equipment	70.8	76.5	5.7
Intangible assets	4.0	4.2	0.1
Investments and other assets	49.6	47.5	(2.0)
Current liabilities	54.2	53.0	(1.2)
Notes and accounts payable	20.5	19.7	(0.8)
Short-term loans payable	17.0	16.9	(0.1)
Non-current liabilities	24.6	23.8	(0.7)
Long-term loans payable	2.5	2.2	(0.3)
Net defined benefit liability	1.2	1.3	0.0
Net assets	150.7	156.5	5.8
Equity capital	140.7	145.6	4.8
Non-controlling interests	9.9	10.9	0.9
Total assets	229.5	233.4	3.8

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

MTMP*24-26 vs FY24 1H progress: Consolidated

*Medium-term Management Plan

- FY24 1H progress of OP towards the full-year plan for FY24 set in the MTMP24-26 is 72%.

⇒Major factors:

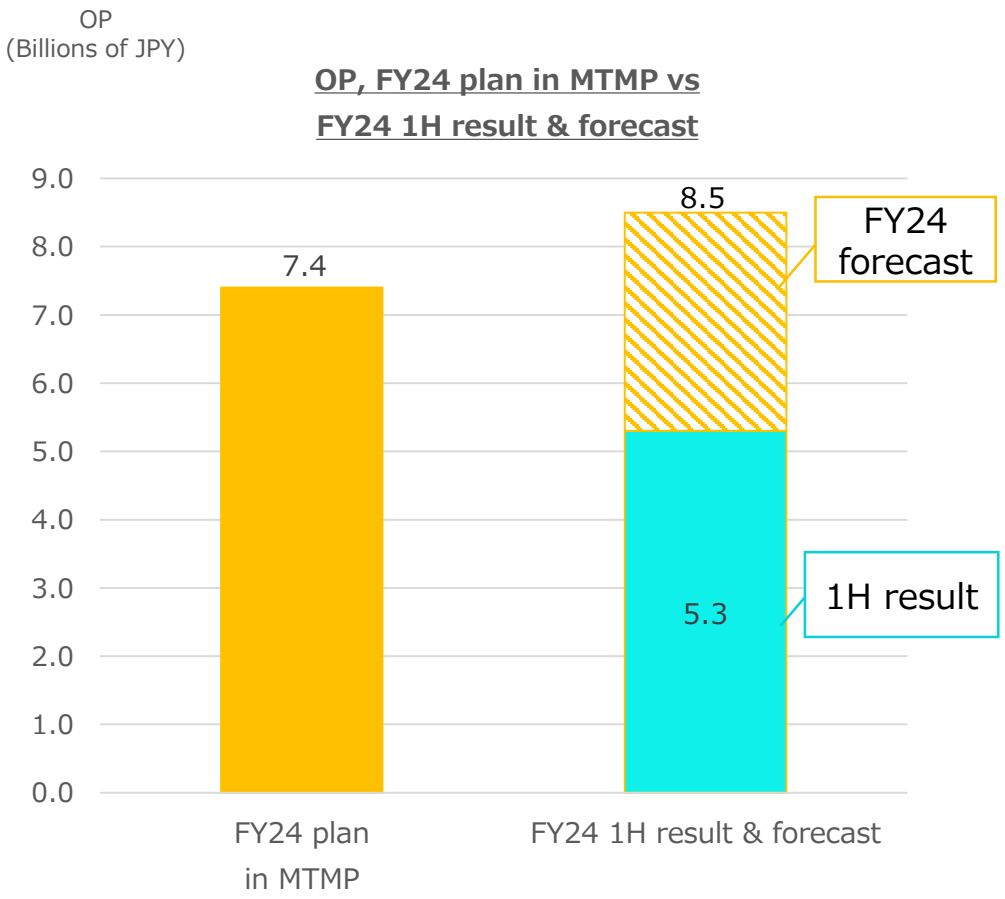
Nonmetallic Minerals: higher sales and OP primarily due to price increases in limestone, our major product

Metallic Minerals: higher sales mainly owing to domestic price increases in products including electrolytic copper, and higher OP primarily due to lower operation costs in the Atacama Mine despite negative FX impact in the smelting business

(Billions of JPY)

	FY24 plans in MTMP	FY24 1H results	Progress
Net sales	181.4	95.2	52%
OP	7.4	5.3	72%
Mineral resources: Nonmetallic Minerals	6.7	3.7	55%
Mineral resources: Metallic Minerals	0.1	0.4	4x
Machinery & Environmental Engineering	1.3	0.9	69%
Real Estate	1.6	0.8	50%
Renewable Energy	0.3	0.3	100%
Eliminations/adjustments	(2.6)	(1.0)	38%

<Assumptions>	FY24 plans in MTMP	FY24 1H results	Change
Copper price （¢/lb)	400.00	429.89	29.89
FX （JPY/USD)	140.00	152.63	12.63



MTMP24-26 vs FY24 1H progress: Financial plan and capex

■ Financial plan

(Billions of JPY)

	FY24 plans in MTMP	FY24 1H results	Progress
EBITDA	16.3	9.2	56%
Interest-bearing liabilities	37.2	21.2	57%

■ CAPEX plan (incl. the stripping activity asset)

(Billions of JPY)

	FY24 plans in MTMP	FY24 1H results	Progress
Mineral resources: Nonmetallic Minerals	4.8	2.6	54%
Mineral resources: Metallic Minerals	17.5	5.8	33%
Machinery & Environmental Engineering	0.1	0.0	–
Real Estate	0.1	0.0	–
Renewable Energy	0.2	0.0	–
Eliminations /adjustments	(0.0)	(0.0)	–
Total	22.7	8.4	37%

- EBITDA progressed on track thanks to an increase in OP.
- Interest-baring liabilities lagged behind schedule at this stage, mainly due to slower progress in the development construction at the Arqueros Mine. It is planned to be on track, reflecting upcoming full-scale construction.
- CAPEX progressed at a slower-than-planned pace at this stage, mainly due to delays in the development construction at the Arqueros Mine of the Metallic Minerals, despite steady progress in the Nonmetallic Minerals.

■ Progress in growth investment

	FY24 plans in MTMP	FY24 1H results	Total amount of planned investment	Accumulated results	Progress	Scheduled completion	Planned completion
3rd vertical shaft construction at Torigatayama (Billions of JPY)	0.7	0.9	20.0	20.2	—	—	June, 2024
Development of the new mining area at Hachinohe (Billions of JPY)	0.5	0.2	6.6	6.1	93%	FY25	—
Development and construction at Arqueros (Millions of USD)	122	36	395	42	10%	FY26	—

FY24 forecasts: Consolidated (Revised)

(Billions of JPY)

	Previous forecast As of May 13, 2024	Revised forecast As of Nov. 7, 2024	Change
Net sales	181.4	190.0	8.6
Operating profit	7.4	8.5	1.1
Ordinary profit	8.2	10.0	1.8
Profit attributable to owners of parent	6.7	7.5	0.8
EPS (JPY)	402.74	450.84	48.1

Copper price (¢/lb)	400.00	410.00	10.00
FX (JPY/USD)	140.00	150.00	10.00

Dividend per share (JPY)	161.00	181.00	20.00

Sales: +8.6 bil. JPY
- Nonmetallic Minerals: (1.8) bil. JPY
  Decreases in sales at subsidiaries, etc.
- Metallic Minerals: +10.8 bil. JPY
  Domestic price increases of electrolytic copper and gold, etc.
- Machinery & Environmental Engineering: (0.4) bil. JPY
  Decreases in sales at subsidiaries in the Machinery Division, etc.

OP: +1.1 bil. JPY
- Nonmetallic Minerals: +0.2 bil. JPY
  Price increases in limestone
- Metallic Minerals: +0.2 bil. JPY
  Lower operation costs at the Atacama Mine
- Machinery & Environmental Engineering: +0.2 bil. JPY
  Price increases of products
- Adjustments: +0.5 bil. JPY
  Lower survey costs

Ordinary profit: +1.8 bil. JPY
- Increases in FX gains and share of profit of entities accounted for using equity method

Profit attributable to owners of parent: +0.8 bil. JPY
- Higher tax expenses and profit attributable to non-controlling interests

FY24 forecasts: Consolidated (Revised)

(Billions of JPY)

	FY23 results	FY24 forecasts	Change
Net sales	166.8	190.0	23.1
Operating profit	11.1	8.5	(2.6)
Ordinary profit	12.0	10.0	(2.0)
Profit attributable to owners of parent	6.6	7.5	0.8
EPS（JPY）	396.88	450.84	53.96
Copper price （¢/lb）	379.28	410.00	30.72
FX（JPY/USD）	144.62	150.00	5.38
Dividend per share（JPY）	169.00	181.00	12.00

■ Sensitivity Analysis （FY24 2H）

(Billions of JPY)

Copper price	Appreciated by 10¢/lb	Net sales OP	+1.00 +0.21
FX	Depreciated by 5JPY/USD	Net sales OP	+1.19 +0.07

*Market outlook for FY24 2H: Copper price of 400¢/lb (410¢/lb for the full year), FX of 150 JPY/USD (150 JPY/USD for the full year)

FY24 forecasts: Segment breakdown (Revised)

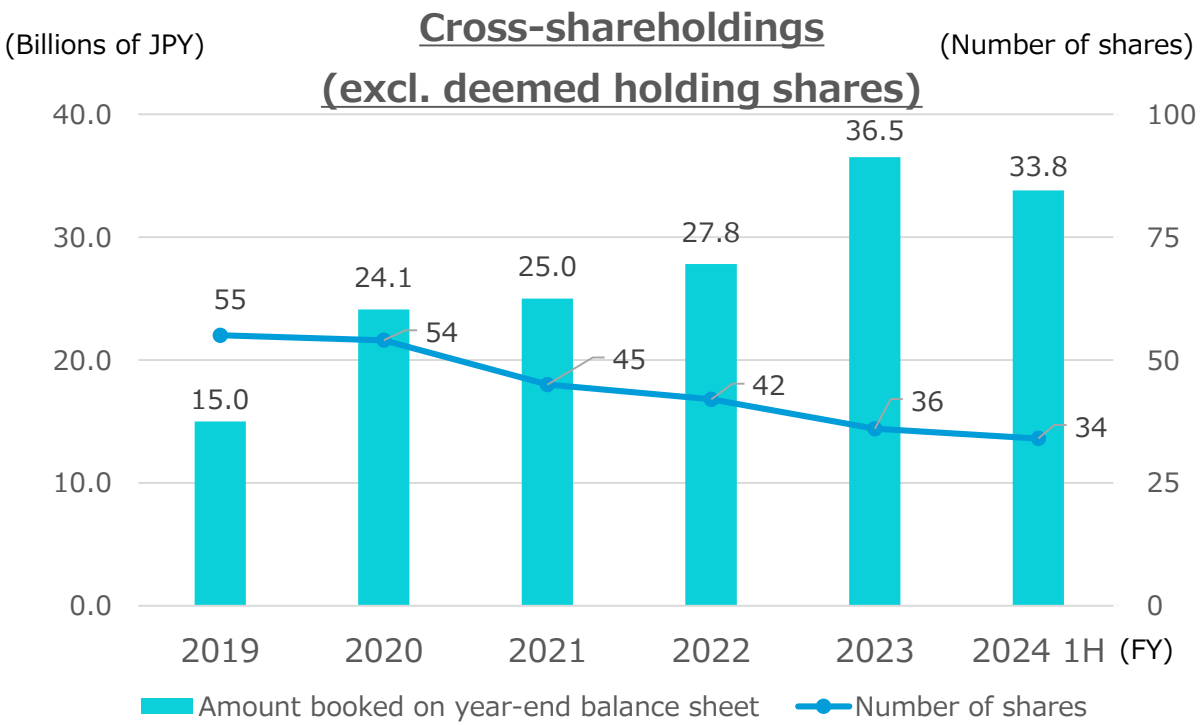
■ Segment sales and OP

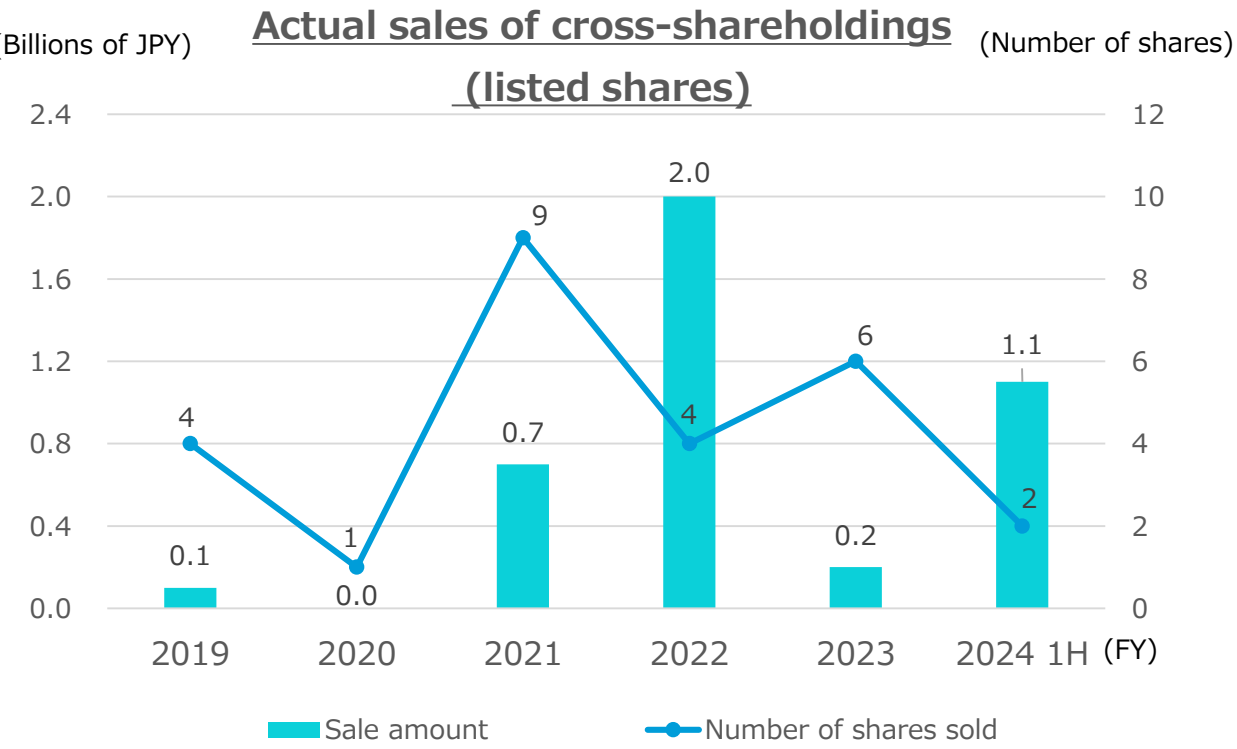
(Billions of JPY)

	Sales			OP		
	FY23 results	FY24 forecasts	Change	FY23 results	FY24 forecasts	Change
Mineral resources: Nonmetallic Minerals	61.5	65.8	4.2	5.9	6.8	0.8
Mineral resources: Metallic Minerals	88.3	107.0	18.6	2.9	0.3	(2.6)
Machinery & Environmental Engineering	14.0	14.4	0.3	1.4	1.5	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)	(2.0)	(0.5)
Total	166.8	190.0	23.1	11.1	8.5	(2.6)

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. In FY24 1H, 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.





Shareholder returns

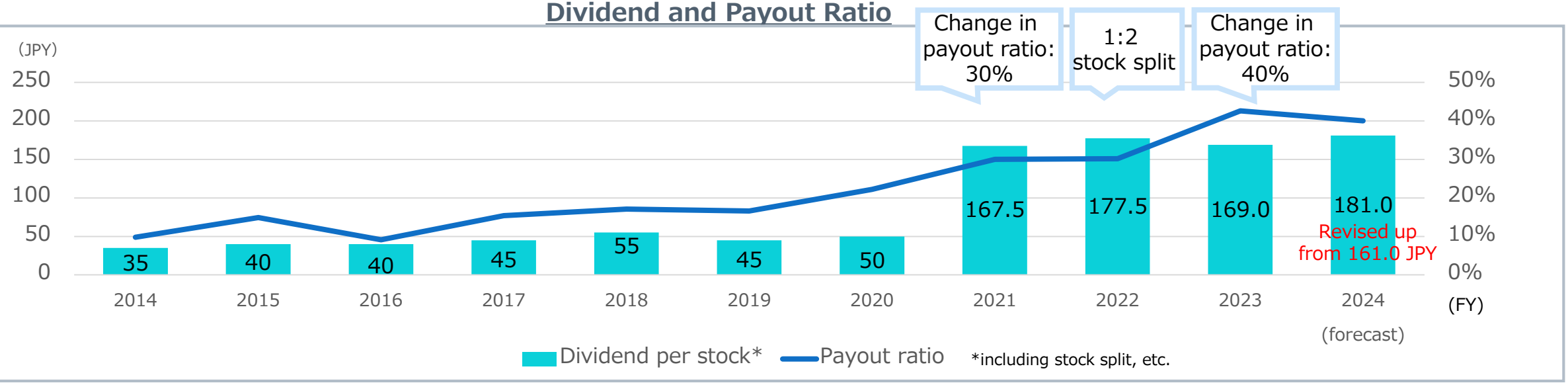
Consolidated payout ratio of 40% with the lower limits of dividends, 3% of the market value DOE / 3% of the DOE.

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)

Dividend and Payout Ratio



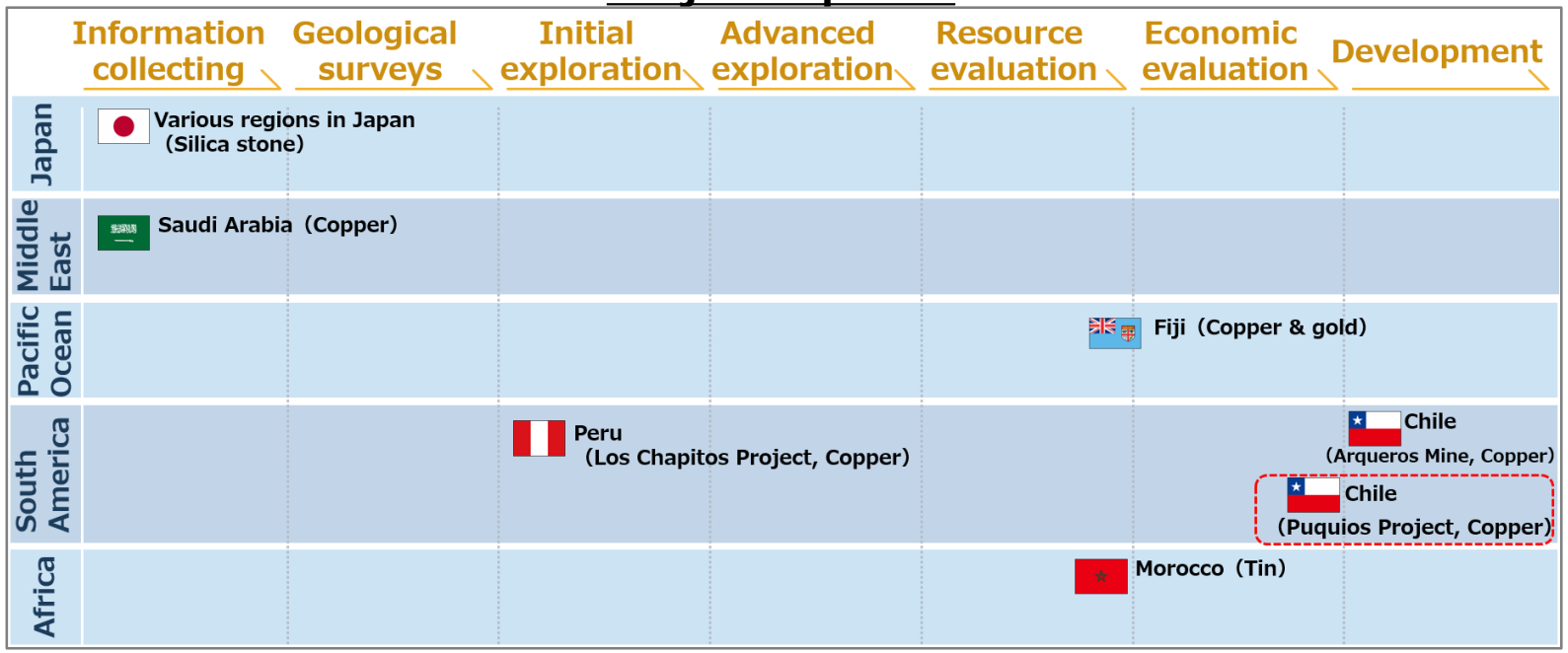
Topics for FY24 1H (1)



- **Current acquisition of the Puquios Copper Project in Chile**
  - ✓ The Project subsequent to the Atacama Mine (currently operational) and the Arqueros Mine (under development).
  - ✓ Brownfield project currently preparing to build plants and mines as it moves toward the development stage.
  - ✓ The project acquired on a 50:50 basis by Camino Corporation, which is partnering on a similar project in Peru.



Project Pipeline



Topics for FY24 1H (2)

- **Strengthening IR activities**
  - ✓ Enhancing engagement with the investment community, resulting in a YoY doubling of IR meetings. Feedback from the community is utilized to improve management and IR activities.
  - ✓ Boosting IR communication, including the addition of Investor FAQs* to the IR site. https://ssl4.eir-parts.net/doc/1515/ir_material3/234508/00.pdf *semi-annual update

- **Issue of Integrated Report 2024**
  https://www.nittetsukou.co.jp/ir/library/pdf/2024_integrated_report.pdf (Japanese version. English version is scheduled to be available at the end of Nov.)
  - ✓ Improved the content of the message section. The Torigatayama Quarry Complex, completed a major construction, was featured.



Appendix: Nittetsu Mining terminologies（1/5）

	Mineral Resources: Nonmetallic Minerals	Description
1	Limestone	Limestone is an essential primary and secondary mineral resource in the production of steel, cement, and other industrial materials. It also has other applications, including as an aggregate in civil engineering and construction.
2	Crashed stone	Crushed stone is generally regarded as stone that is made by crushing rocks at plants, and it is used as coarse aggregate in cement production. We also categorize fine aggregate as crash stone. They are used as a component mixed with cement and water to make concrete or mortar, aiming for higher quality, such as strength enhancement.
3	Calcium carbonate	Calcium carbonate is limestone powder, which has many applications, including as a desulfurizer at power plants and waste treatment facilities, and a material in the process of manufacturing fertilizer, animal feed, glass, paper, pharmaceuticals, food products.
4	Fuels, etc.	Fuels, etc. are purchased goods, including coal and petroleum.
5	Aggregates (one application of limestone)	Limestone is also used as a component mixed with cement and water to make concrete or mortar, aiming for higher quality, such as strength enhancement.
6	Torigataya Quarry Complex	Our company's main limestone quarry is located in Kochi Prefecture. The limestone extracted from the mining site at an altitude of over 1,000 meters is transported via a 23-kilometer long belt conveyor (LBC) to the coastal processing and shipping facilities, where it is dispatched to customers both domestically and internationally. For further information https://www.nittetsukou.co.jp/eng/company/pdf/torigata.pdf
7	Vertical shaft	Vertically dug shafts. At Torigatayama Quarry Complex, limestone extracted from the mining site is fed into vertical shafts, where it is crushed by large crushers installed directly below to a size suitable for transport via the LBC, specifically to 80 mm or smaller. The third vertical shaft was launched in June, 2024 at the Complex.

Appendix: Nittetsu Mining terminologies (2/5)

Mineral Resources: Metallic Minerals		Description
1	Mining (business)	We operate (extract copper ore, produce and sell copper concentrate) the Atacama Mine, and develop the Arqueros Mine, both located Chili.
2	Copper concentrate	Copper concentrate, which is produced by concentrating the copper ore extracted from copper mines and increasing its copper grade. The Atacama Mine produces copper concentrate with a grade of approximately 30%.
3	Atacama Mine	The operating copper mine in Chile, in which we hold a 60% interest, began operations in 2003 and currently has an annual production volume of 13,000 tons (copper equivalent).
4	Arqueros Mine	The developing copper mine in Chile, in which we hold an 80% interest, aims to start operations in FY2026. We plan to produce 15,000 tons annually (copper equivalent).
5	Los Chapitos Copper Exploration Works Project	The exploring copper mine project in Peru. We have concluded a contract with Camino Minerals Corporation (Camino) to join the project and plan to hold a 35% interest by investing 10 million Canadian dollars over three years. This investment is planned to be used for exploration work.
6	Puquios Copper Development Project	We are preparing for construction on a copper mine project in Chile, partnering with Camino. We have established a joint venture with Camino and hold 50% of the interest. *This project is planned to be recorded as eliminations/adjustments before being booked under the Metallic Minerals segment following the decision to proceed with development.
7	Camino Minerals Corporation	Camino is a Canadian discovery and development stage copper exploration company with a portfolio of projects located in Peru. It seeks to acquire a portfolio of advanced copper assets that have the potential to deliver copper globally. Camino website: www.caminocorp.com

Appendix: Nittetsu Mining terminologies (3/5)

	Mineral Resources: Metallic Minerals	Description
1	Smelting (business)	The Company outsources the production of copper concentrate and copper scrap purchased by the Company to Hibi Kyodo Smelting, an equity-method affiliate in which we hold a 20.28% stake, and it sells the resulting electrolytic copper to users.
2	Electrolytic copper	High-purity copper, primarily used as an electrical conductor, has a wide range of applications, including in electrical wires, electrical equipment, and electronic components, due to its efficient conductivity.
3	Byproduct	Substances generated during the smelting of electrolytic copper, such as sulfuric acid.
4	TC/RC (Treatment Charge, Refining Charge)	One of the conditions when purchasing copper concentrate from mining companies is the processing charge, which is deducted from the copper price. In long-term purchasing contracts, the terms negotiated annually between a major mining company and a large smelting company serve as a benchmark, and it is customary for other companies to agree to similar terms. In addition to long-term contracts, there are also spot contracts. Both types of contracts are influenced by the supply and demand balance of copper concentrate, and when supply is tight, the TC/RC tends to be lower.
5	Sales premium	An additional charge added to the price of copper traded on the LME (London Metal Exchange). This benchmark price is announced annually by major smelting companies in key regions.

Appendix: Nittetsu Mining terminologies (4/5)

Machinery & Environmental Engineering		Description
1	Environment Division	The Environment Division supplies wastewater treatment agents, with a special emphasis on our inorganic iron flocculant, Polytetsu.
2	Polytetsu	"Polytetsu," our inorganic iron flocculant for water treatment, is primarily used for the treatment of sewage and industrial wastewater. Its applications are expanding to deodorization and even soil improvement. The next-generation "Polytetsu T" achieves further reduction of phosphorus and E. coli, while also increasing concentration to reduce usage and improve transportation cost efficiency.
3	Machinery Division	The Machinery Division satisfies a broad range of needs with dust collectors and other environmentally friendly products as well as general industrial machinery including ultrafine powder classifiers.
Real Estate		**Description**
1	Real Estate	The Real Estate Division has carried out business activities to effectively use company-owned real estate. The division manages office buildings, condominiums, and other buildings on company-owned real estate in urban areas, and is developing leasing business to meet market needs (e.g. restaurants, merchandise outlets, factories, storehouses, parking areas) at former mine sites and on idle land throughout Japan.

Appendix: Nittetsu Mining terminologies（5/5）

Renewable Energy		Descriptions
1	Renewable Energy	Efforts are underway in this segment to develop renewable energy in ways that consider the global environment, for example using our prospecting technology cultivated through mineral resource development to study and develop geothermal energy and supply and sell geothermal steam, generating solar power at former mine sites and on other idle company-owned land, and small-scale hydropower generation using seepage water in tunnels.
2	Ogiri Geothermal Power Station	Geothermal power station with a capacity of 30,000kW operated by Kyuden Mirai Enerrgy, a group company of Kyushu Electric Power Company, Incorporated. We began exploring geothermal energy in the Kirishima area of Kagoshima Prefecture in 1973 and started supplying steam to the station in 1996. Our steam supply covers the entire output.
3	Shiramizugoe Geothermal Power Station	Shiramizugoe area, located 2 km southeast of the Ogiri Power Station in the Ginyu district, has confirmed the presence of high-temperature and dominant steam emissions equivalent to those in the Ginyu district. We are in the middle of surveys aiming for another geothermal development.

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.

NITTETSU MINING