Securities code
5707

FY2025 Full-Year & 4Q Financial Results Presentation

May 14, 2026

東邦亜鉛株式会社
TOHO ZINC CO., LTD.

The forward-looking statements in this document are based on information currently available to the Company and reasonable assumptions.

Today's Key Messages

1. **FY2025 financial results were strong, exceeding the forecasts as of 3Q.**

2. **In FY2026, EBITDA is forecast to be in the ¥8.0 billion range as in FY2025, despite rapid changes in the business environment such as raw material sourcing conditions.**

3. **Business revitalization plan is making steady progress as a whole.**
   - Turned profit positive in the first year of revitalization / Restored EBITDA to around ¥8.0 billion
   - Withdrew from or reorganized unprofitable businesses and accumulated the effects of measures, which contributed to revenue
   - Strengthen strategic investment toward further growth

4. **We restructured the organizational framework and plan to change the president and the company name as a base for propelling business revitalization forward.**

5. **We meet the criteria for continued listing on the Tokyo Stock Exchange Prime Market. Share price has been also steady.**

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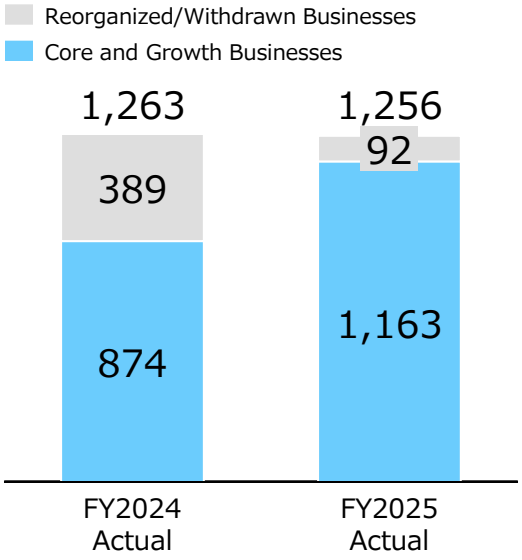
FY2025 Full-Year Financial Results (YoY Comparison)

Net sales and EBITDA were largely flat overall, reflecting both positive and negative factors. Meanwhile, profit increased year on year, mainly due to a rebound from the impairment losses recorded in the previous fiscal year related to the withdrawal from zinc smelting operations

(Unit: 100M JPY)

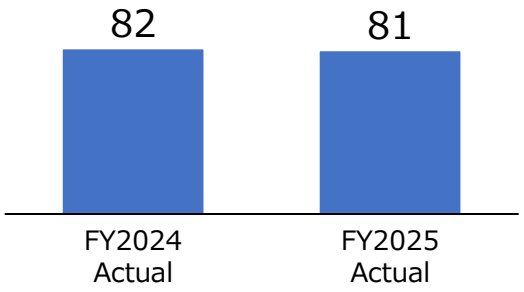
Net Sales



(YoY)

- Decrease in net sales due to the reorganization and withdrawal of the zinc smelting business and the Mineral Resources Business
- Increase in net sales due to the rise in silver prices

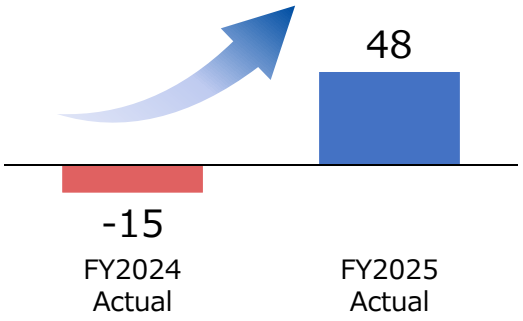
EBITDA



(YoY)

- Negative impact from operational issues and a fire in 1H
- Positive impact from gains on asset sales related to reorganization of the zinc smelting business

Profit



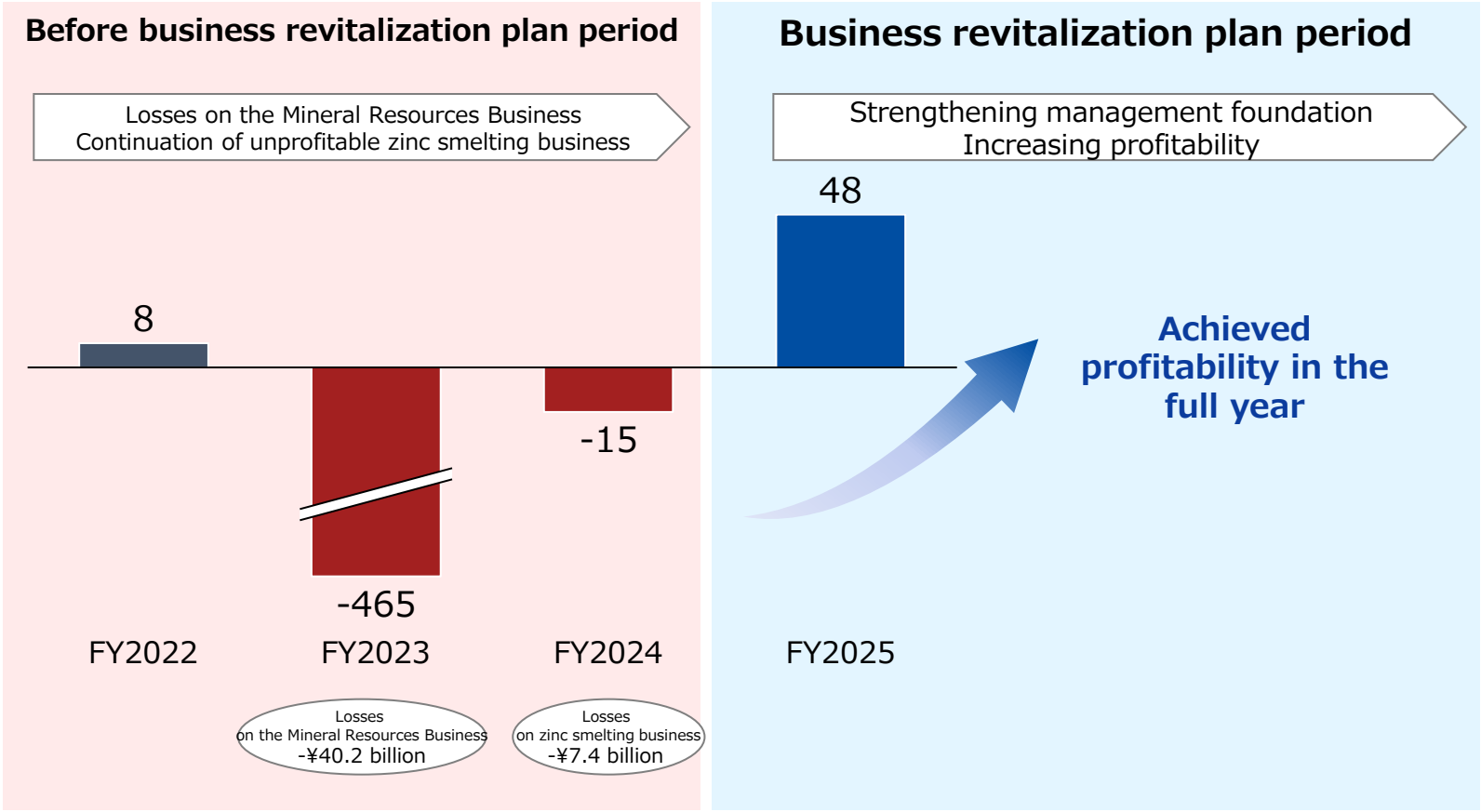
(YoY)

- Rebound from the impairment losses recorded in the previous fiscal year related to the withdrawal from the zinc smelting business

Turned profit positive in the first year of the Business Revitalization Plan period

The Company withdrew from the Mineral Resources Business and reorganized the zinc smelting business, and achieved profitability in the first year of the Plan period.

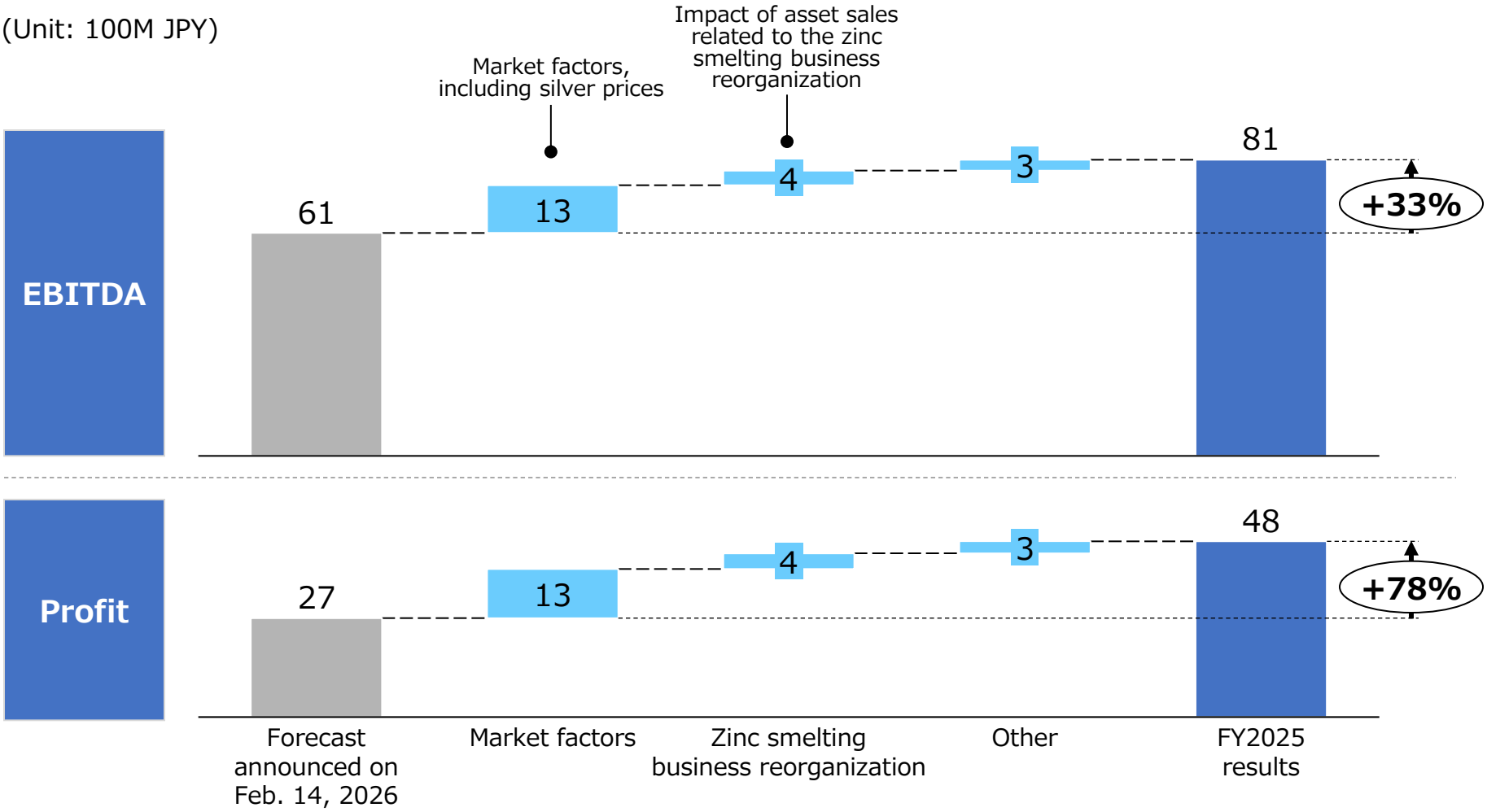
(Unit: 100M JPY)



FY2025 Full-Year Financial Results (Upward Revision)

We revised upward the FY2025 full-year forecast, primarily owing to the impact of silver price trends, to ¥8.1 billion in EBITDA and ¥4.8 billion in profit, up 33% and 78%, respectively, versus the February forecast.

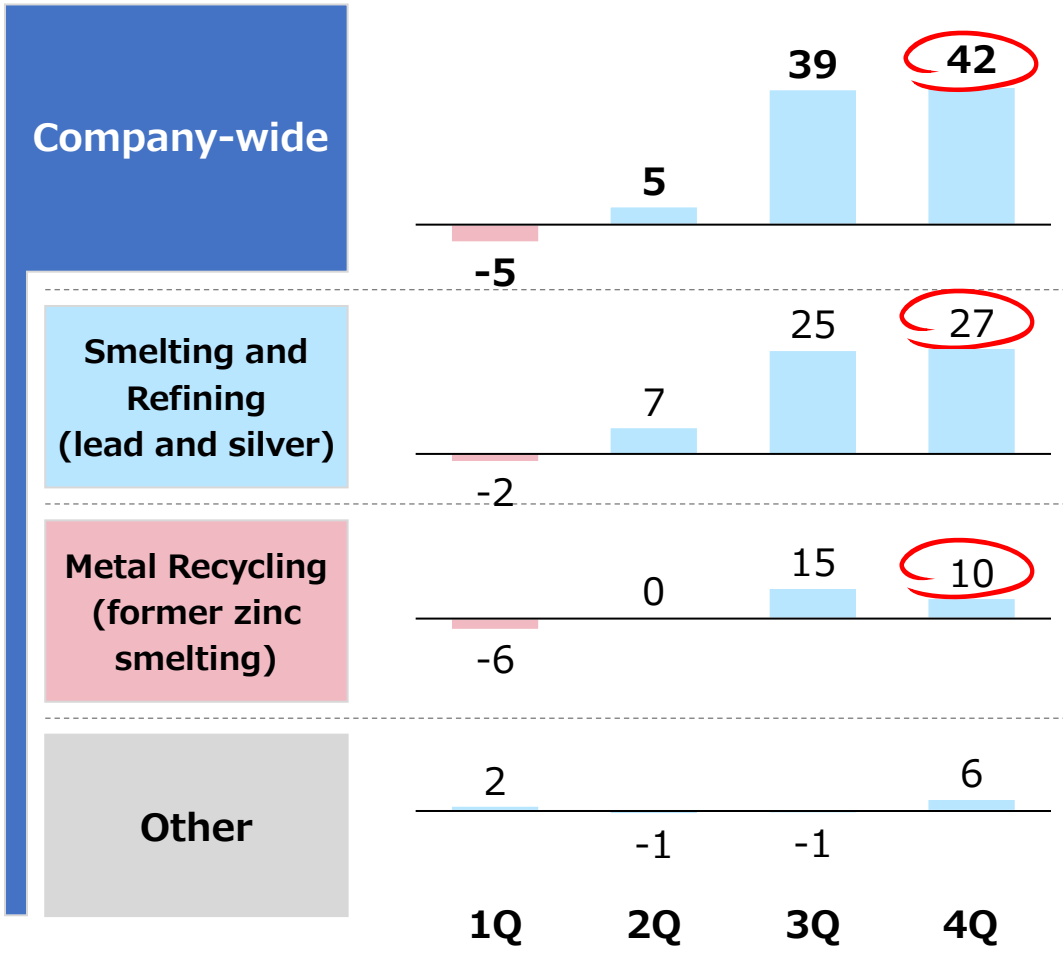
(Unit: 100M JPY)



FY2025 Quarterly Profit Accumulation (EBITDA)

As in 3Q, we have achieved significant increase in profits owing to improved market conditions and sale of assets following reorganization of the zinc smelting business.

(Unit: 100M JPY)



- **2Q→3Q: A significant increase as a result of productivity improvement thanks to elimination of the production trouble in 1H, the recent upturn in the silver market, and the effect of the measure to sell assets as part of the zinc smelting business reorganization. Results continued to be strong in 4Q.**

- **1Q→2Q:** EBITDA increased, driven by **inventory valuation gains and higher silver sales.**
- **2Q→4Q:** EBITDA improved, driven by **stronger silver prices, productivity improvements following the resolution of operational issues, and higher sales volumes of lead and silver.**

- **1Q→2Q:** EBITDA improved, mainly due to **lower residual operation and other costs** (as planned) **and product price increases;**
  2Q→4Q: EBITDA improved, driven by **gains from asset sales related to the reorganization.**

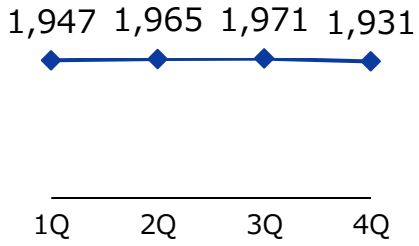
- Profits in 2Q and 3Q declined due primarily to **the impact of the fire at Onahama Smelter and Refinery in 2Q**, but then recovered steadily.

FY2025 Lead and Silver Price Trends (USD-based and JPY-based)

Lead price declined in USD terms and was largely unchanged amid yen's slight depreciation. Silver price rose in USD terms and has risen in JPY terms similarly amid yen's slight depreciation.

FY2025 Lead

Lead LME market price (USD-based) (USD/ton)



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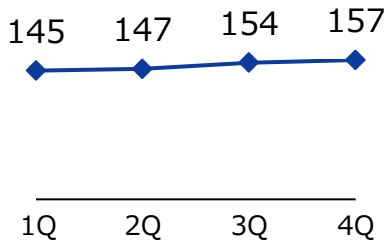
USD/JPY



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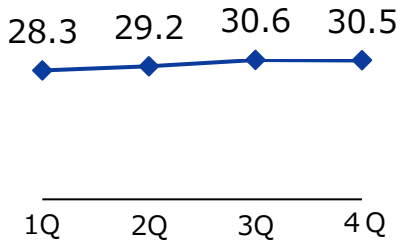
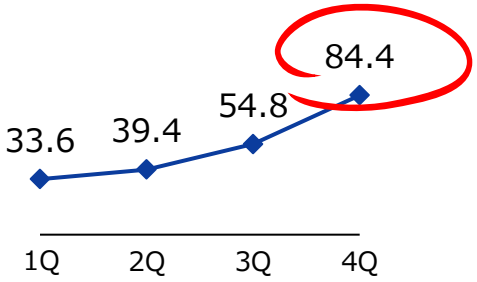
Lead LME market price (JPY-based) (JPY10k/ton)



FY2025 Silver

Silver LBMA market price (USD-based) (USD/toz)



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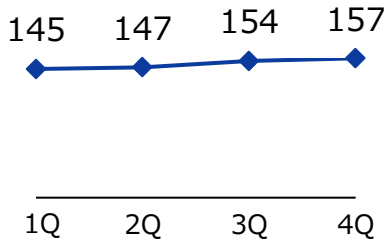
USD/JPY



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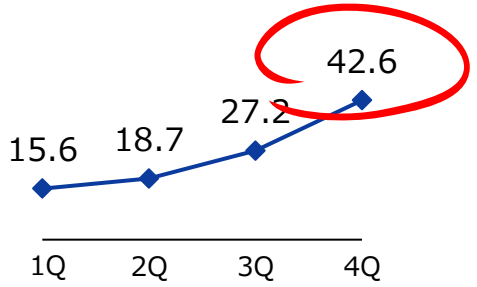
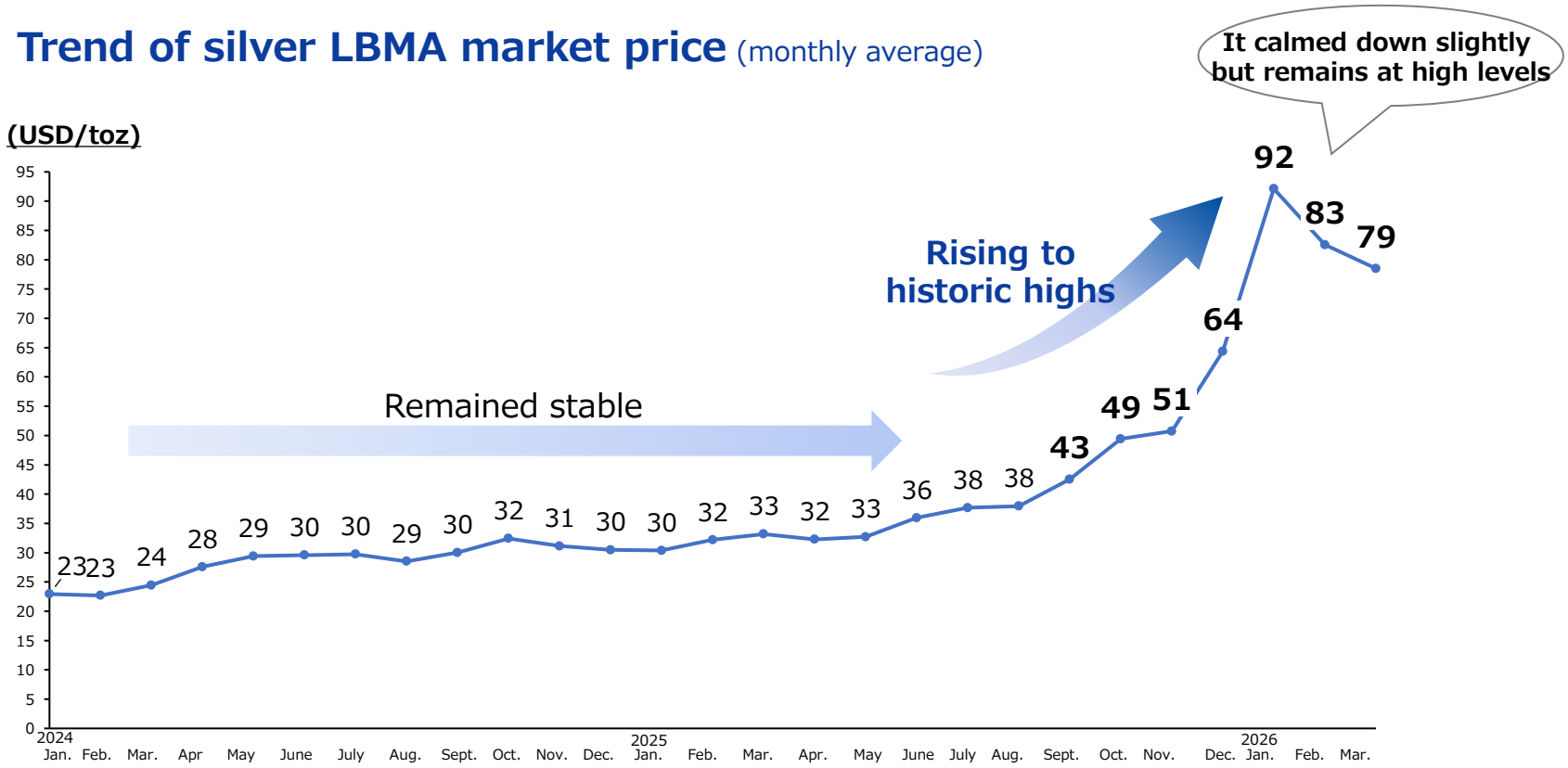
Silver LBMA market price (JPY-based) (JPY10k/ton)



Reference: Silver Price Trend

Silver price exceeded USD40 in September 2025, rising to a historic high level of USD92 on average in January. It then calmed down slightly but remains at high levels.

Trend of silver LBMA market price (monthly average)



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Current External/Internal Environment

Raw material sourcing conditions worsen mainly in the lead and silver smelting business. Market prices of precious metals are expected to remain high.

Key factors		Current situation	Impact in FY2026 (YoY)
External	Market prices of precious metals	● We expect contribution from free metal revenue as gold and silver prices are at historically high levels.	+
Lead and silver	TC/RC terms	● Historically low level continues, as affected by robust demand for concentrates in China.	−
	Used batteries	● Recovery costs for used batteries are surging.	−
	Market prices of rare metals	● The surge in antimony prices in the previous fiscal year has settled down. (The bismuth price is also rising but its impact on profits is relatively small.)	−
Internal	Operation	● Operational issues in the previous fiscal year were resolved. (Chigirishima/Onahama)	Back to normal

- At this point, the situation in the Middle East is expected to pose no significant risk that may lead to operational shutdown, despite a limited impact from a rise in some energy costs. Amid growing uncertainty about the future outlook, we will closely monitor developments and take appropriate actions.

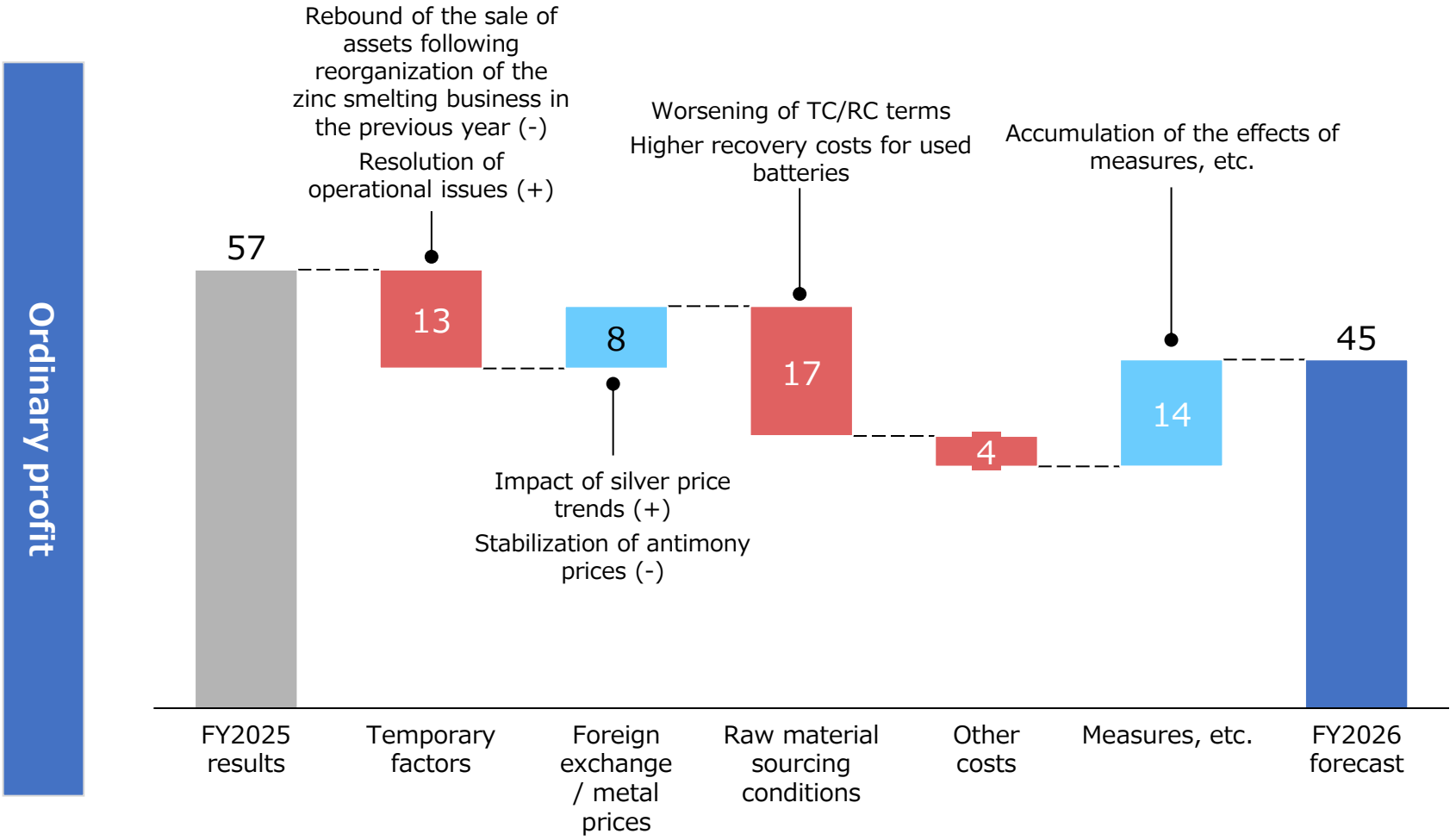
Outlook for FY2026

The FY2026 outlook assumes EBITDA will remain in the ¥8.0 billion range, broadly in line with the strong FY2025 performance, amid changes in the business environment.

(Unit: 100M JPY)	FY2025 results	FY2026 forecast	YoY	YoY (%)
Net sales	1,256	1,785	+530	+42.2%
EBITDA	81	80	-1	-1.6%
Ordinary profit	57	45	-12	-20.7%
Profit	48	35	-13	-27.9%

FY2026 Ordinary Profit (YoY Comparison)

Despite building more effects of measures in the next year, we face rapid changes in the external environment.



Market price and FX Assumption and Sensitivities

Regarding market conditions and exchange rates, we now have revised the assumptions underlying our forecast for the fiscal year FY2026 based on recent trends. The sensitivity of our profitability to these factors is as follows:

	FY2025 actual	FY2026 forecast	Sensitivities
Lead LME	1,953 USD/ton	**1,900** USD/ton	For every $100/ton increase, ordinary income is expected to increase by 250 million JPY.
Silver LBMA	53 USD/toz	**80** USD/toz	For every $1/toz increase, ordinary income is expected to increase by 60 million yen.
USD/ JPY FX	151 USD/JPY	**160** USD/JPY	For every 1 yen depreciation against the U.S. dollar, ordinary income is expected to increase by 110 million JPY

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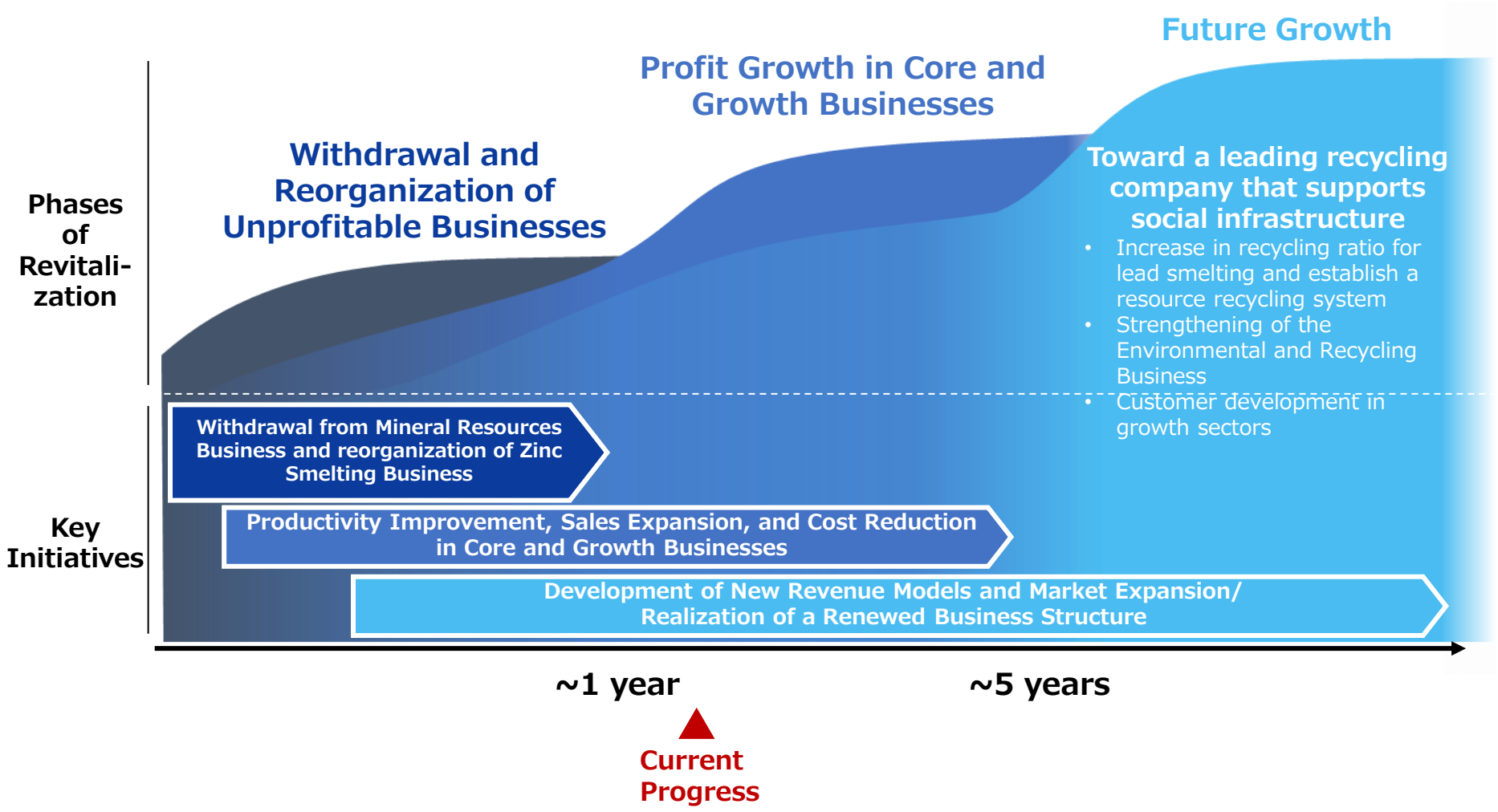
Overview of the Business Revitalization Plan

There are no changes to the overall framework of the Business Revitalization Plan from the time of its initial formulation. Currently, we are working on planning and early reaping of the benefits of the profit growth measures in the core and growth businesses.



Achievements of the Business Revitalization Plan to Date (1/3) Overview

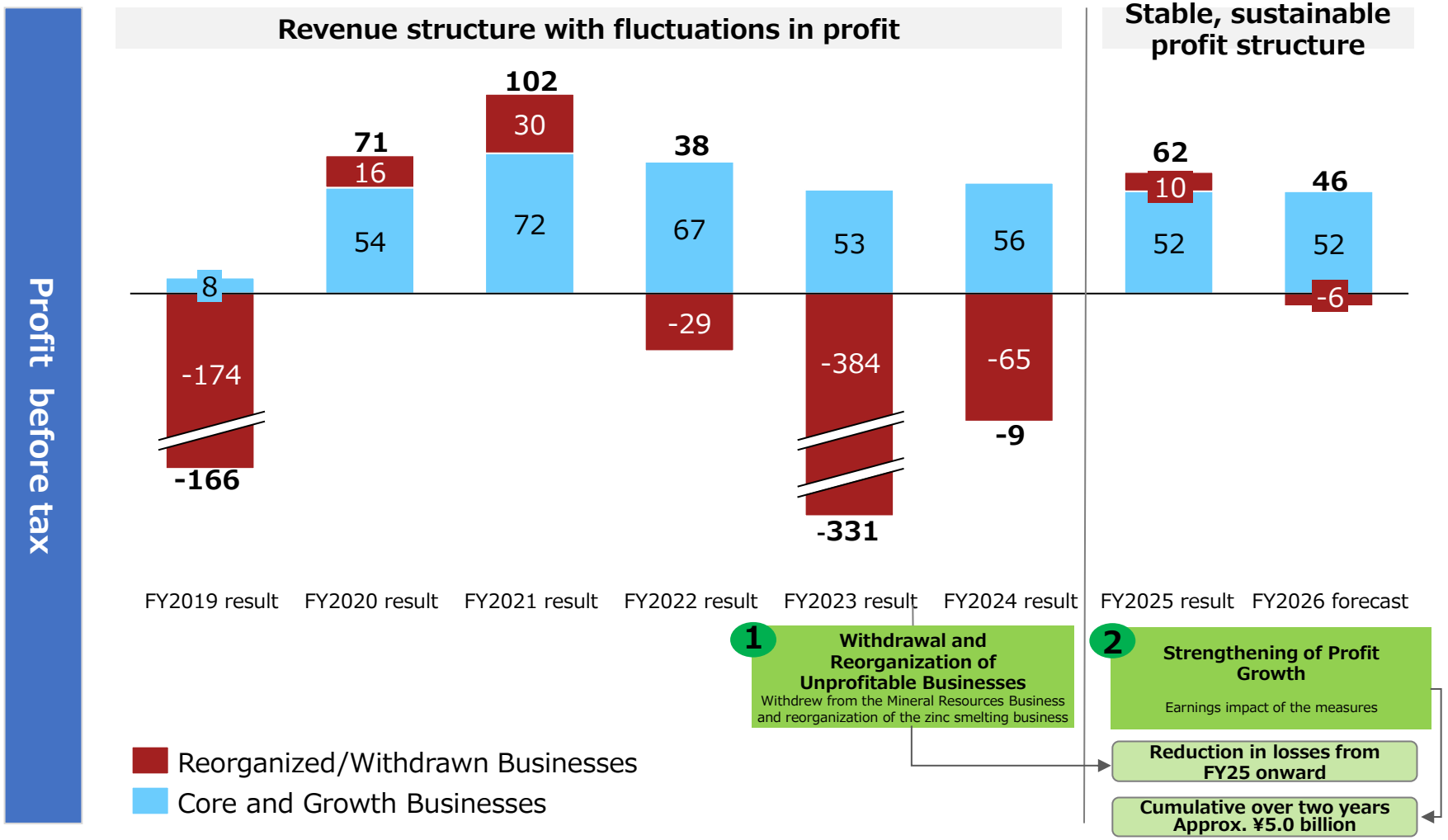
One year has passed since the launch of the Business Revitalization Plan, which is making steady progress as a whole.

Themes	Evaluation	Major progress and key achievements
Figures **Figures in Revitalization Plan**	**Favorable financial results**	• **Turned profit positive in the first year of the revitalization plan** • Restored earning power with **EBITDA of at the ¥8.0 billion level**
Phase 1 **Withdrawal and Reorganization of Unprofitable Businesses**	**Steady progress in structural reform**	• **Withdrew from the Mineral Resources Business and reorganized the zinc smelting business** • Strengthened **decision-making process for business investments**
Phase 2 **Profit Growth in Core and Growth Businesses**	**Effects of measures being accumulated**	• **Accumulating measures, which is contributing to revenue** steadily • Steadily **enhancing DX (IT infrastructure / smart factories)**
Phase 3 **Future Growth**	**More investments under consideration**	• **Discussing new businesses to strengthen our competitiveness**

Achievements of the Business Revitalization Plan to Date (2/3)
Revenue Structure

We have shifted to a structure to earn stable, sustainable profit after the start of the business revitalization.
Earning power was also strengthened thanks to the effect of measures.

(Unit: 100M JPY)



Achievements of the Business Revitalization Plan to Date (3/3)
Promotion of DX

According to a DX roadmap, we are currently building the groundwork for promoting the reform across the company.
We will move forward with our initiatives based on the foundation built.

	Summary of progress	Main initiatives
Rebuild next-generation IT infrastructure and strengthen DX organization	**No. of themes worked on: 22 (17 of which are completed)** • **Preparing a base to fully rebuild a next-generation IT infrastructure**	✓ Introduce a tool for enhancing internal communication ✓ Optimize internal networks ✓ Rebuild a data platform ✓ Enhance security measures, etc.
Develop smart factories	**No. of themes worked on: 5** • **Taking measures in steps that can deliver results in a short period** • **Drawing an overall picture of smart factories**	✓ Sophisticate the management of used batteries ✓ Apply DX to electrolytic iron business ✓ Improve and streamline onsite communication ✓ Promote labor-saving operations with the use of IoT technology, etc.
Digital utilization through quick wins	**No. of themes worked on: 9 (5 of which are completed)** • **Prioritizing themes of which results are easy to notice** • **Led by CDIO, actively delivering information and having in-house study sessions**	✓ Streamline expense reimbursement processes using AI ✓ Standardize and digitalize application procedures across the company ✓ Streamline data entry operations (Maintenance Sec.'s construction data and Inspection Sec.'s inspection data) ✓ Promote paperless operation, etc.

FY2026 Policies in Business Revitalization Plan

We clarify basic policies and key actions to execute a selective and focused plan.

A year to solidify our business foundation to generate revenue on our own without relying on external factors

Basic policies

Withdrawal and Reorganization of Unprofitable Businesses

Profit Growth in Core and Growth Businesses

Future Growth

(1) Ensure stable operation
-Establish safe and stable operation
-Prevent troubles and recurrence

(2) Strengthen revenue structure
-Sophisticate optimum raw material mixes
-Strengthen recovery of valuable metals from secondary materials

(3) Accelerate the company-wide structural reform
-Make steady improvements through measures
-Review low-profit businesses and assets

(4) Strengthen consideration of investment themes
-Consider investments aimed at enhancing business competitiveness
New -Strengthen functions toward achieving discontinuous growth

Key initiatives (actions)

•**Stabilize operation** through investment in maintenance and renewal **(DX investment)**

•Improve profitability through **procuring more secondary materials (gold and silver)**

•**Increase the amount of lead battery recovered and improve negotiation power**

•Promote the **revitalization** project of **the Metal Recycling Business**

•**Strengthen recovery of precious/rare metals** (wet smelting method)

•**Sort out unprofitable businesses and assets**

•**Strengthen strategic investments/M&A strategy**

M&A Strategy, Business Alliance and Joint Research Strategy for Future Growth

We promote M&A, business alliance and joint research to achieve discontinuous growth.

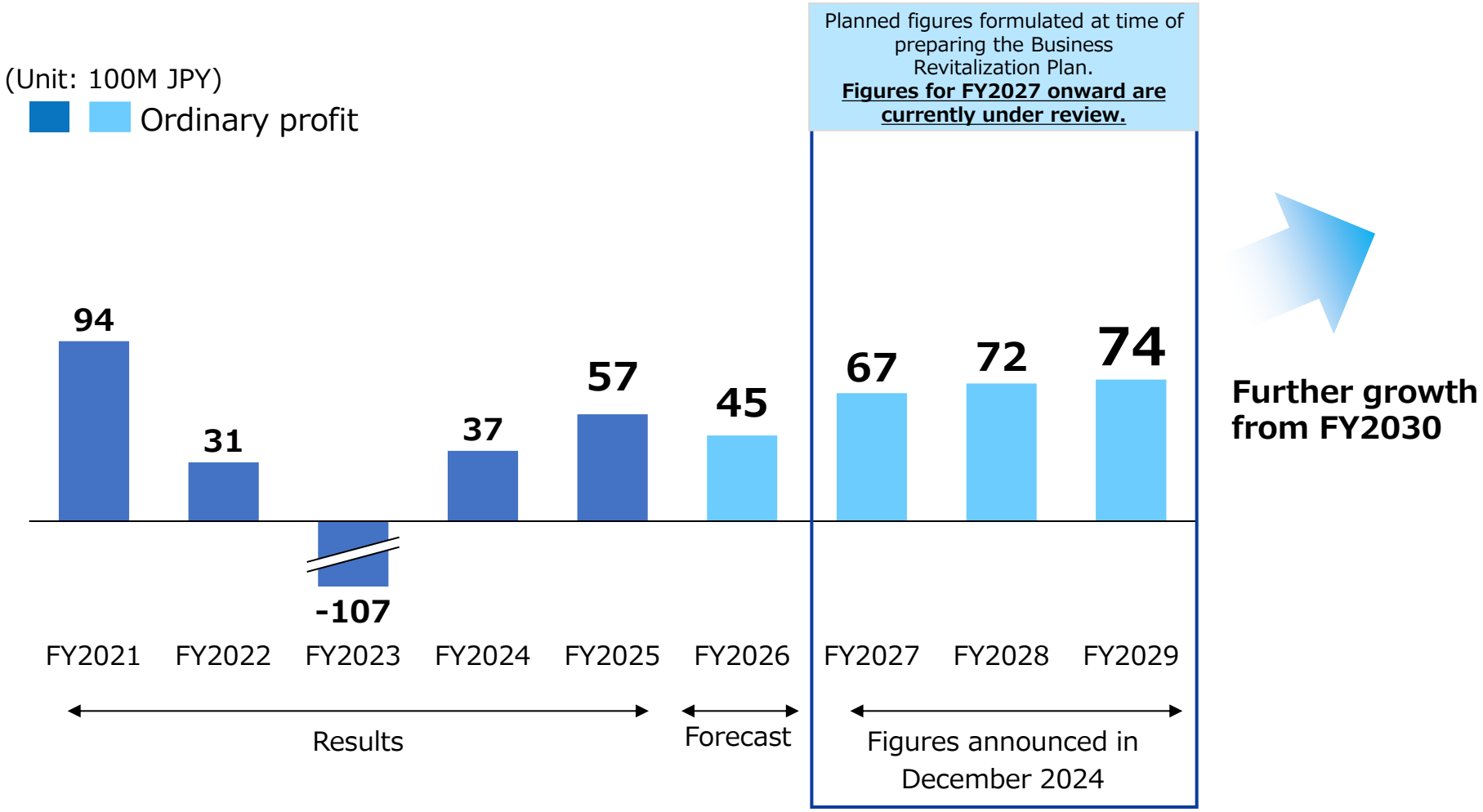
Goals

1. **Increase the recycling ratio as a leading recycling company**
2. **As Japan's leading lead smelter and refiner, improve smelting technology further**
3. **Strengthen collection and recovery of precious and rare metals**
4. **Develop technology, new materials/properties, and applications in the area of advanced materials**

	M&A	Business Alliance	Joint Research
Functions to be strengthened	• Pickup, transport and dismantling of used batteries • Licenses and permits for waste collection and recovery • Technology to recover precious and rare metals • Plant engineering	• Efficient and collaborative transport of used batteries and smelting residues • Joint purchase of concentrates • Smelting technology for precious and rare metals • Overseas smelting project	• Intellectual property development through joint research with universities, research startups and other institutes • Smelting technology for precious and rare metals • Develop new materials/properties, and applications in the area of advanced materials

Figures in Business Revitalization Plan

We are currently reviewing the plan for FY2027 onward taking into account changes in the foreign exchange, raw materials markets and progress of business. We aim to build a diversified revenue model independent from changes in the operating environment.



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Share Price (for Prime Market Listing)

As of March 31, 2026, the Company met the continued listing criteria for TSE's Prime Market.

[As of March 31, 2026]

	No. of Shareholders	No. of Tradable Shares	Tradable Share Market Capitalization	Tradable Share Ratio
The Company's status (As of Mar. 31, 2026)	19,228	129,474 units	¥19.7bn	94.0%
Criteria for continued listing	800 or more	20,000 units or more	¥10bn or more	35% or more
Status of conformance	○	○	○	○

Recent Press Releases

We announced organizational restructuring in March, followed by the establishment of our Mission, Vision, and Values (MVV), a change of President, and a change of company name in April.

Changed on April 1, 2026

01. Organizational restructuring

- We restructured the organizational framework effective April 1, 2026. Details are shown below:
  - **1) Dissolution of Divisional Headquarters and Transition to a Three-Division Structure**
  - **2) Reorganization of the Technology Function and Appointment of a Chief Technology Officer (CTO)**
  - **3) Strategic Enhancement of Legal Capabilities**
  - **4) Establishment of a Function-Based Sales Organization**
- In line with this restructuring, we **also revised our Executive Officer structure**.

Changed on April 1, 2026

02. MVV

- Management Philosophy Framework was **redefined as Mission, Vision, and Values (MVV)**.

Scheduled on June 26, 2026

03. Change of President

- We will change the President after the Ordinary General Meeting of Shareholders and the Board of Directors' meeting scheduled on June 26.
  We aim to accelerate execution of the Business Revitalization Plan and achieve sustainable growth and improvement in corporate value.
  Current: ITO Masahito ⇒ New: SATO Yoshikazu

Scheduled on April 1, 2027

04. Change of company name

- We will change our company name effective April 1, 2027, subject to approval for a proposal to amend the Articles of Incorporation at the Ordinary General Meeting of Shareholders.
  New company name: Toho Metalix Co., Ltd.
  From base metals to rare and precious metals, the new name represents the wide coverage of metals we handle.

New Structure of Executive Officers (as of April 1, 2026)

We changed the organization and the Executive Officer structure in April and plan to change our President in June.



Representative Director President
ITO Masahito



To be appointed as President in June

Director Managing Executive Officer
SATO Yoshikazu
CRO and CLO



Managing Executive Officer
MORITA Eiji
CTO, Technology Management Department and Smelting Technology Department



Managing Executive Officer
NIKI Takemasa
CFO, General Affairs Officer and CBH Resources Pty Ltd. Director



Managing Executive Officer
TAKAHASHI Koji
Smelting & Metals Division



Executive Officer
YAMAZAKI Kouichi
Toho Chigirishima Refinery Co., Ltd. President



Executive Officer
TAKAHASHI Hiroshi
Annaka Smelter and Refinery



Executive Officer
SERI Koichi
Electronic Components & Functional Materials Division and CBH Resources Pty Ltd. Director



Newly appointed in April

Executive Officer
HASHIDA Yukihiro
Resource Recovery & Environmental Solutions Division



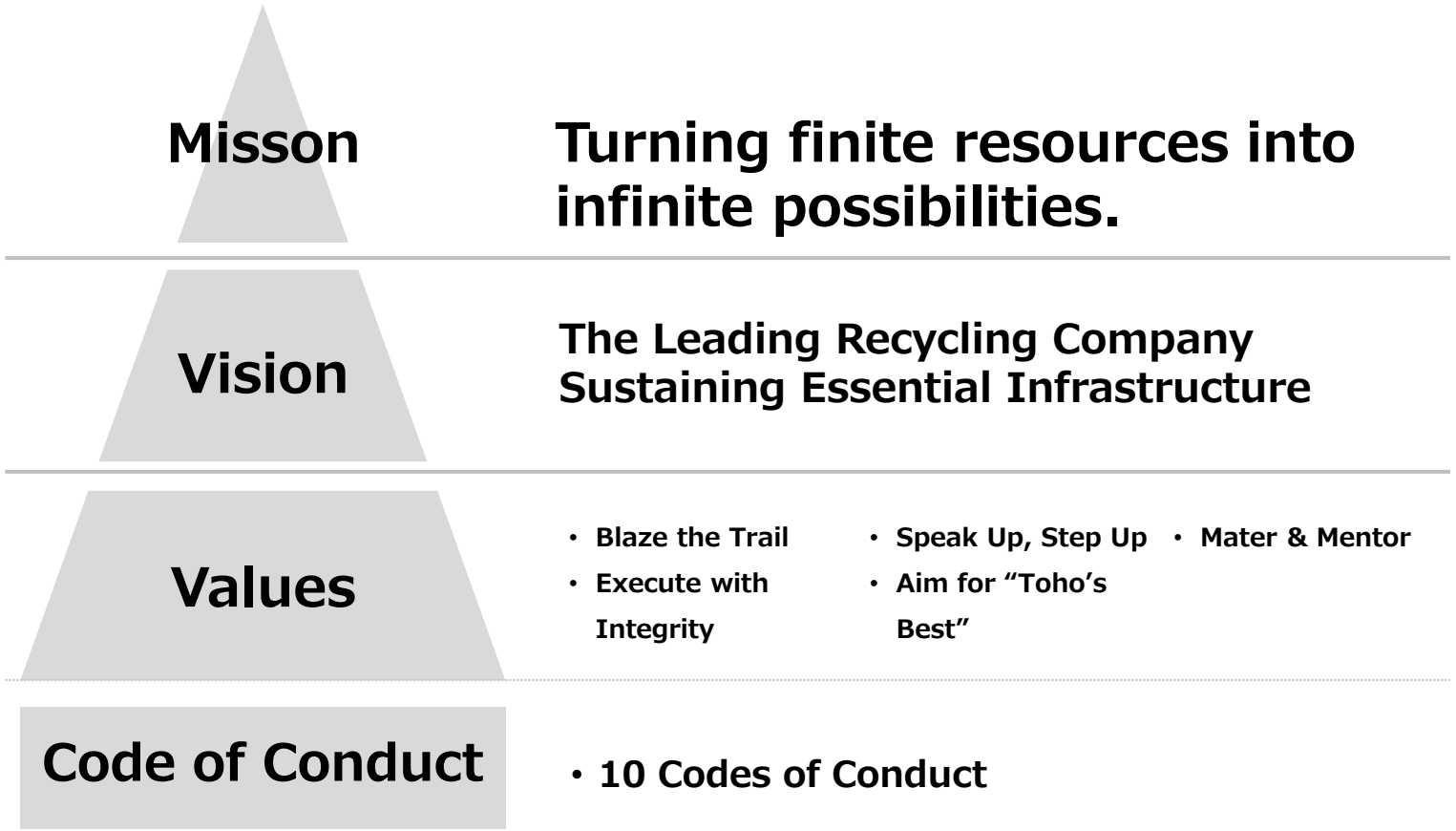
Newly appointed in April

Executive Officer
MORIYA Akihiro
CDIO

Mission, Vision, and Values (Effective April 1, 2026)

Mission, Vision, and Values (MVV) were redefined as a new Management Philosophy Framework.

Management Philosophy Framework



To a New Growth Phase by Changing Company Name (to be changed on April 1, 2027)

Toho Metalix Co., Ltd.

While ensuring revenue in step with the current rise in precious metal prices, we achieve a shift to a business structure independent from various changes in the operating environment, such as inflation, foreign exchange fluctuations, and raw material sourcing conditions.

Strengthening competitiveness in a business field with wide coverage of metals, from base metals to rare and precious metals, we move toward a new stage of growth.

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Financial Performance by Quarter

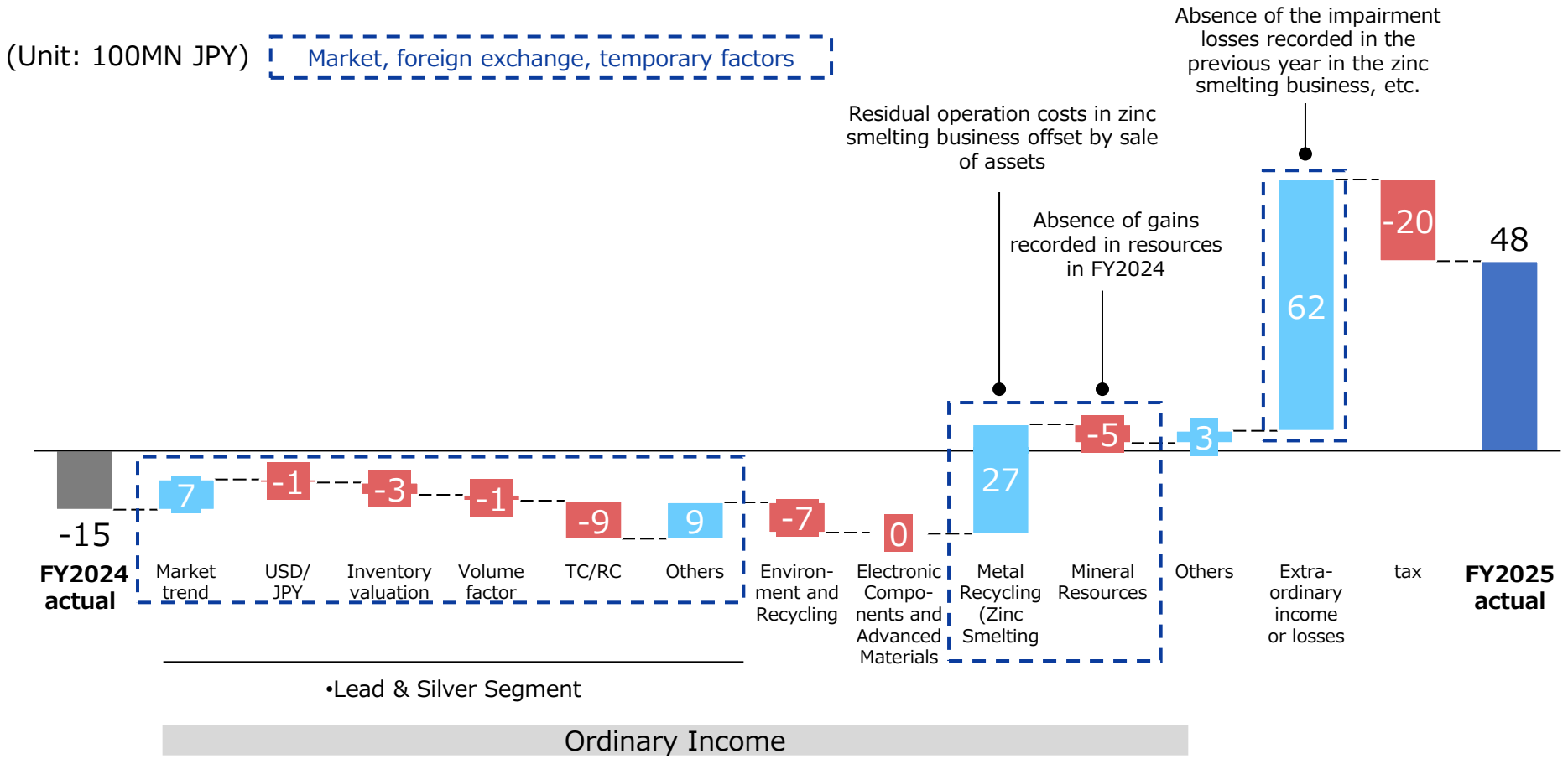
		FY2024				FY2025			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Market									
Lead	US$/t	2,166.3	2,041.4	2,006.1	1,970.3	1,946.8	1,964.8	1,970.8	1,931.4
Silver	US$/toz	28.9	29.4	31.3	31.9	33.6	39.4	54.8	84.4
yen/US$		155.9	149.4	152.4	152.6	144.6	147.5	154.2	156.9
Production Volume of Key Products in the Smelting Business									
Lead products	1,000t	23.7	21.1	21.7	15.1	19.7	20.6	24.7	16.5
Electrolytic Silver	t	53.0	63.9	62.7	59.5	44.5	64.9	74.8	63.9
Profit and Loss									
Revenue	100 million yen	348.9	286.1	337.9	289.7	268.7	269.6	362.7	354.5
Operating Income	100 million yen	35.4	(1.6)	24.9	(2.5)	(8.5)	1.8	35.9	38.1
EBITDA	100 million yen	42.3	5.8	32.4	1.3	(5.1)	5.3	39.3	41.8
Ordinary income	100 million yen	33.1	(5.8)	15.6	(6.1)	(10.8)	(1.0)	32.9	35.7
Smelting and Refining	100 million yen	20.2	(6.7)	18.8	3.4	(4.2)	2.4	19.1	20.6
Inventory valuation	100 million yen	6.1	(9.1)	11.8	(0.9)	(6.0)	(0.3)	9.4	1.8
Others	100 million yen	14.1	2.4	7.1	4.3	1.8	2.8	9.7	18.8
Environment and Recycling	100 million yen	4.6	3.9	3.4	4.8	2.4	1.1	1.0	4.7
Electronic Components and Advanced Materials	100 million yen	1.8	1.5	1.0	0.5	0.7	1.2	0.8	1.9
Metal Recycling	100 million yen	8.7	(9.8)	(3.1)	(8.2)	(6.8)	(1.3)	14.0	8.6
Mineral Resources	100 million yen	(0.2)	7.0	0.8	(3.0)	(0.2)	0.2	0.0	0.0
Others	100 million yen	0.7	0.3	1.5	2.2	1.3	(0.4)	0.8	0.6
Adjustment	100 million yen	(2.7)	(1.9)	(6.9)	(5.7)	(4.1)	(4.0)	(2.8)	(1.5)
Net income/loss	100 million yen	26.2	15.9	(52.3)	(4.4)	(11.1)	(2.4)	30.9	30.5

Financial Performance Comparison of FY2024 and FY2025

		FY2024	FY2025	Difference	Difference (%)
Market					
Lead	US$/t	2,046.0	1,953.4	(92.6)	(5%)
Silver	US$/toz	30.4	53.1	22.7	75%
yen/US$		152.6	150.8	(1.8)	(1%)
Production Volume of Key Products in the Smelting Business					
Lead products	1,000 t	81.7	81.5	(0.2)	(0%)
Electrolytic Silver	t	239.1	248.1	9.0	4%
Profit and Loss					
Revenue	100 million yen	1,262.7	1,255.5	(7.2)	
Operating Income	100 million yen	56.3	67.2	11.0	
EBITDA	100 million yen	81.7	81.3	(0.4)	
Ordinary income	100 million yen	36.9	56.8	19.9	
Smelting and Refining	100 million yen	35.7	37.9	2.2	
Inventory valuation	100 million yen	7.9	4.9	(3.0)	
Others	100 million yen	27.9	33.1	5.2	
Environment and Recycling	100 million yen	16.7	9.2	(7.5)	
Electronic Components and Advanced Materials	100 million yen	4.8	4.6	(0.2)	
Metal Recycling	100 million yen	(12.5)	14.5	27.0	
Mineral Resources	100 million yen	4.6	0.0	(4.6)	
Others	100 million yen	4.7	3.1	(1.7)	
Adjustment	100 million yen	(17.2)	(12.5)	4.7	
Net income/loss	100 million yen	(14.6)	47.8	62.4	

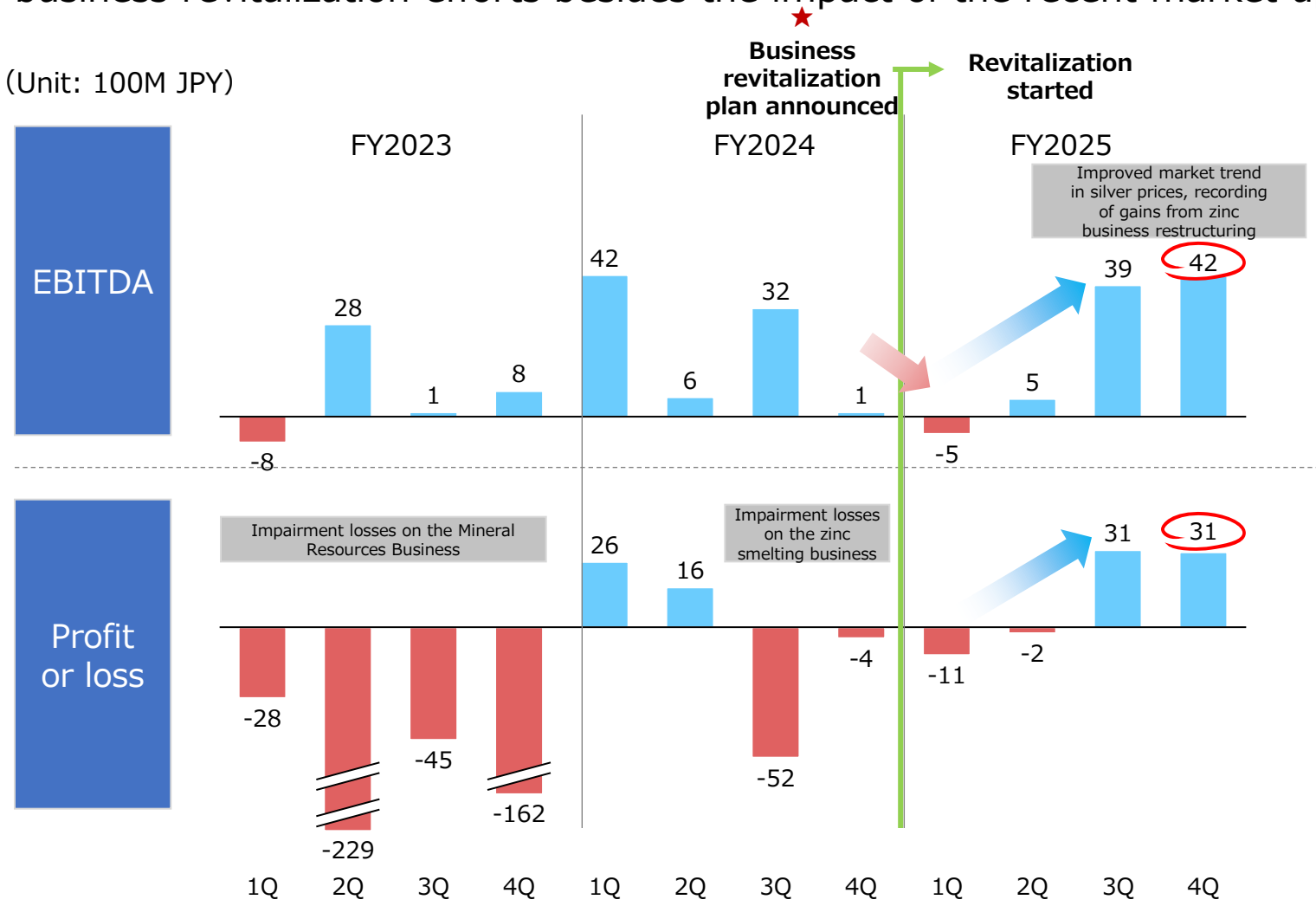
Factors Affecting Change from FY2024 to FY2025

Year on year, profit increased despite the deterioration of TC/RC terms and other factors, mainly due to gains on the sale of assets held in connection with the zinc smelting business reorganization and a rebound from the impairment losses recorded in the previous fiscal year related to the withdrawal from the zinc smelting business.



Quarterly Profit Trends

The quarterly trends also illustrate the steady profit growth since the start of the business revitalization efforts besides the impact of the recent market upturn.



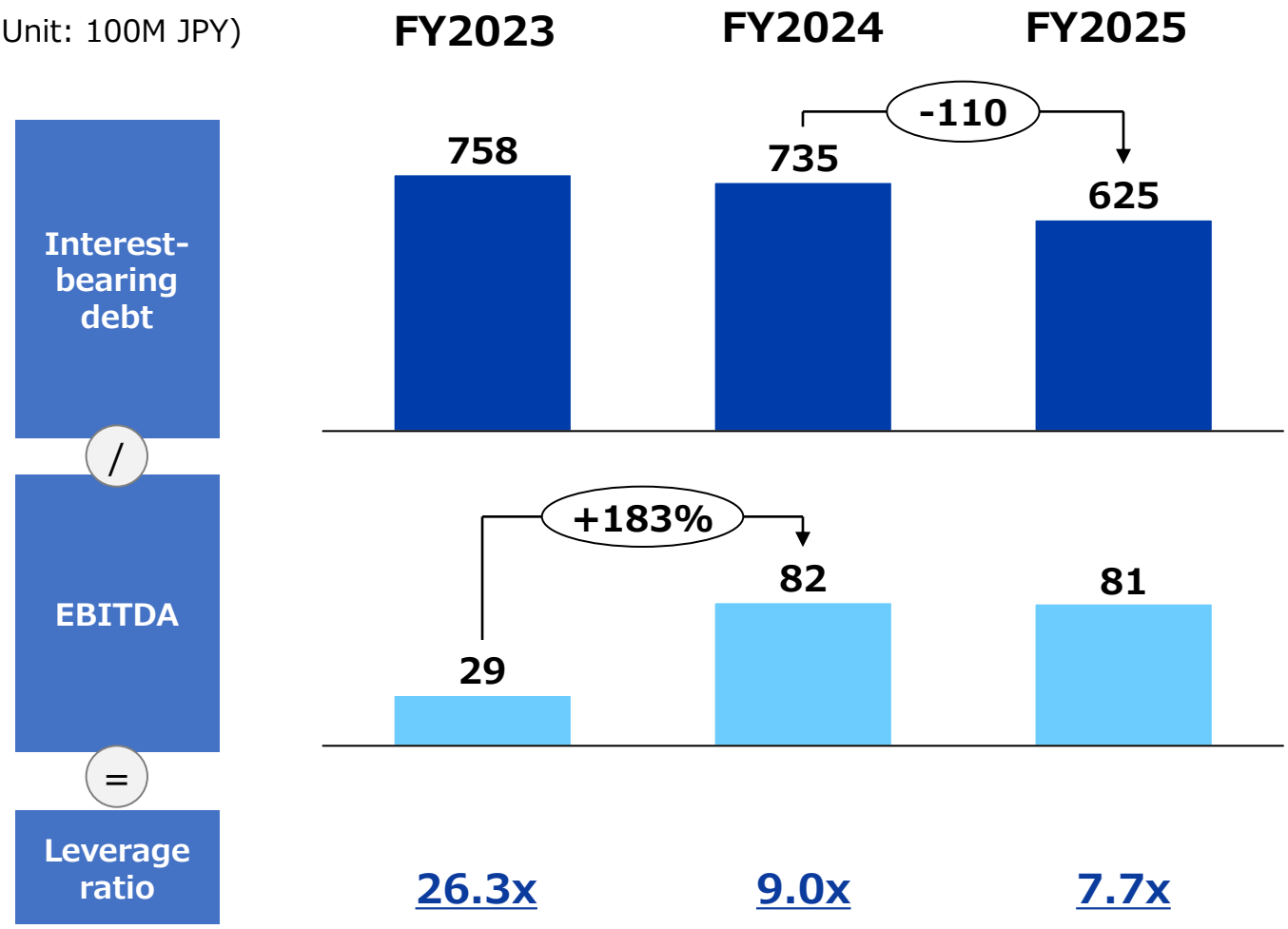
EBITDA significantly improved despite the impact of market fluctuations

Improved from net loss to net profit partly as EBITDA increased

Interest-bearing Debt / EBITDA = Leverage Ratio

Strong results were achieved in the first year of the Business Revitalization Plan period, with leverage ratio also improved.

(Unit: 100M JPY)



Interest-bearing debt decreased following the repayment of bank loans in FY2025

EBITDA significantly improved partly due to the impact of market conditions

Status of Net Assets

Net assets are on a steady recovery trend, supported in part by the return to profitability.

(Unit: 100M JPY)

Item	FY2023	FY2024	FY2025
Net assets	27	101	137
Total assets	1,084	993	989
Equity ratio	2.5%	10.2%	13.8%
Profit	-465	-15	48

Internal and External Environment in FY2025

Text in black: in line with the forecast
Text in blue: outperforming the forecast
Text in red: underperforming the forecast

Achieved profit growth thanks to the effect of the business revitalization efforts as well as upturn in the markets despite worsening of TC/RC terms, increases in secondary raw material prices, operational troubles, and a fire.

Actual

		1Q	2Q	3Q	4Q
Growth and Core		Deterioration of TC/RC terms and rising prices of secondary raw materials			
		Rare metals (bismuth, antimony): Market prices rising and production increasing			
		Chigirishima operational issues		Onahama fire	
		Benefitting from the effects of the revitalization plan			
Reorganized/ Withdrawn		Zinc segment residual operation costs and recording of losses from inventory sales		Sale of the zinc segment facilities that have been shut down	
FX and Market conditions	JPY/ USD	Forecast JPY145		Forecast JPY150	Forecast JPY156
		JPY145	JPY147	JPY154	JPY157
	Lead	Forecast USD2,000/ton		Forecast USD2,000/ton	
		USD1,947/ton	USD1,965/ton	USD1,971/ton	USD1,931/ton
	Silver	Forecast USD33/Oz		Forecast USD42/Oz	Forecast USD64/Oz
		USD34/toz	USD39/toz	USD55/toz	USD84 /toz

Production increase in 2H onward

Ample room for enhancing business performance through mgmt improvement

Profit & Loss Trend

Loss as projected due to residual operation costs

Recovery as residual operation costs declined

Recovery from operational troubles and accidents

Upturns in markets, benefitting from the effects of the revitalization plan

IR Communications Planned in 1H FY2026

We will strengthen new initiatives aiming for improvement in corporate value.

Major IR Communications in 1H

- Apr. 7 (Tue.) Announcement of change of President and company name and released Mission, Vision, and Values
- May 14 (Thu.) Announcement of FY2025 results
- May 23 (Sat.) Event for individual investors **New**
  The First Diamond IR Fair 2026: Predict the future and select companies – The first step toward valuable investment -
- Jun. 26 (Fri.) General Meeting of Shareholders
- Aug. 14 (Fri.) Announcement of FY2026 1Q results
- Aug. Release of Integrated Report
- Sep. Integrated Report briefing (planned) **New**

*** Explanation on the progress of the Business Revitalization Plan (forecast for FY2027 onward) is communicated as necessary at the timing of results announcements.**

東邦亞鉛株式会社
TOHO ZINC CO., LTD.