Securities code
5707

# FY2026 6M & 2Q
# Financial Results Presentation

November 13, 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. **FY2026 2Q results showed year-on-year increases in both net sales and profit.**

2. **The FY2026 full-year forecast was revised downward, mainly due to a decrease in precious metal manufacturing and sales (an increase in work in process) caused by a deterioration in raw material and sourcing conditions, as well as a decline in metal prices.**

3. **Efforts are currently underway to strengthen precious metal manufacturing and sales. We will work to resolve the issue of delayed monetization due to increased work in process, aiming to enhance business performance.**

4. **We aim to achieve medium- to long-term growth by further strengthening business structure transformation.**
   - Further expand recycling activities in response to worsening raw material (ore) and sourcing conditions.
   - Research and development, including broadening the variety of recovered elements, progressed steadily.

5. **The overall policy of the Business Revitalization Plan remains unchanged, and reforms are being implemented as stated above. The numerical targets of the revitalization plan for FY2027 onward are currently under review in light of changes in the external environment.**

# Table of Contents


1. FY2026 2Q Financial Results P.3
2. FY2026 Full-year Forecast P.10
3. Toward Delivering on the Business Revitalization Plan P.18

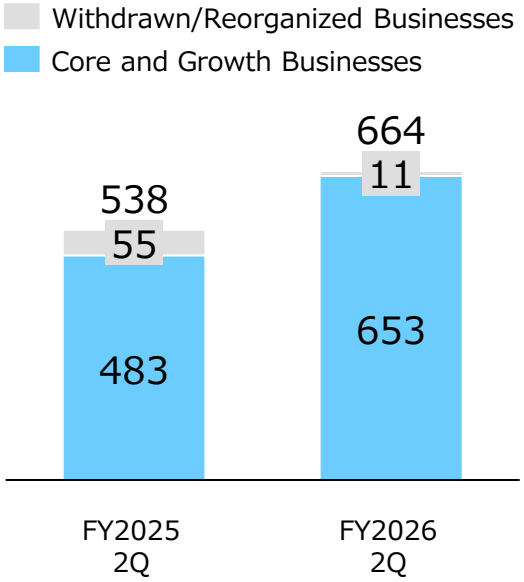
Appendix

# YoY comparison of FY2026 2Q Financial Results (Profit at Each Stage)

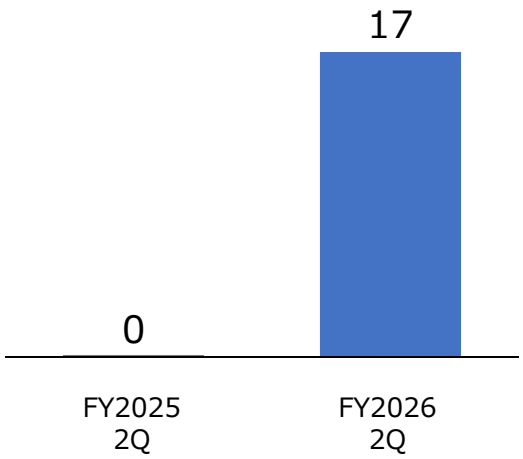
Net sales and profit increased year on year, with EBITDA reaching ¥1.7 billion and profit turning positive at ¥500 million.

(Unit: 100M JPY)

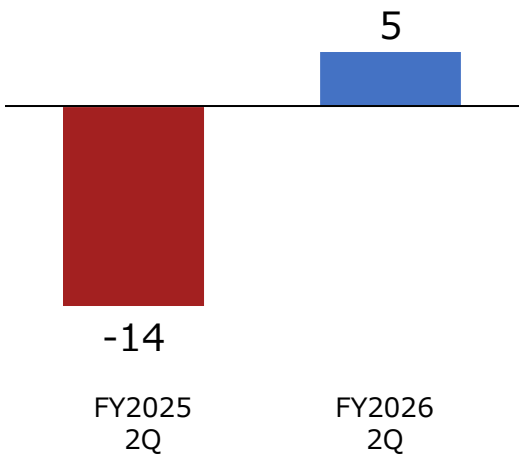
## Net Sales




## EBITDA




## Profit



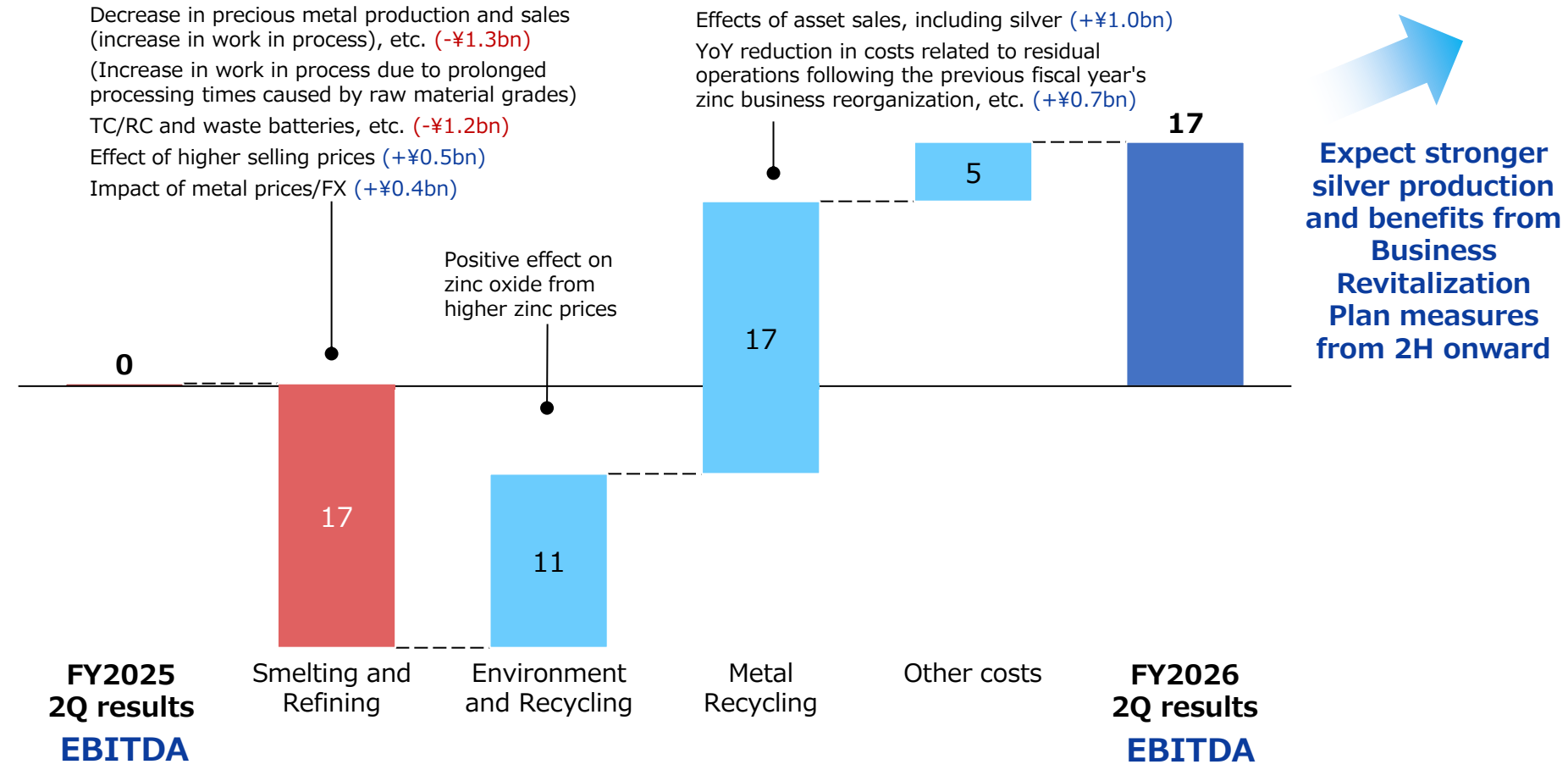

**(YoY)**
- Increase in net sales due to higher silver prices ↑
- Decrease in net sales due to zinc smelting business reorganization ↓

**(YoY)**
- Effects of asset sales, including silver, related to zinc smelting business reorganization ↑
- Positive effect of tax-effect accounting from recognition of deferred tax assets ↑

# YoY comparison of FY2026 2Q Financial Results (EBITDA)

Despite challenges in the Smelting and Refining Business, the other segments offset its weak performance, with EBITDA positive at ¥1.7 billion and up year on year.

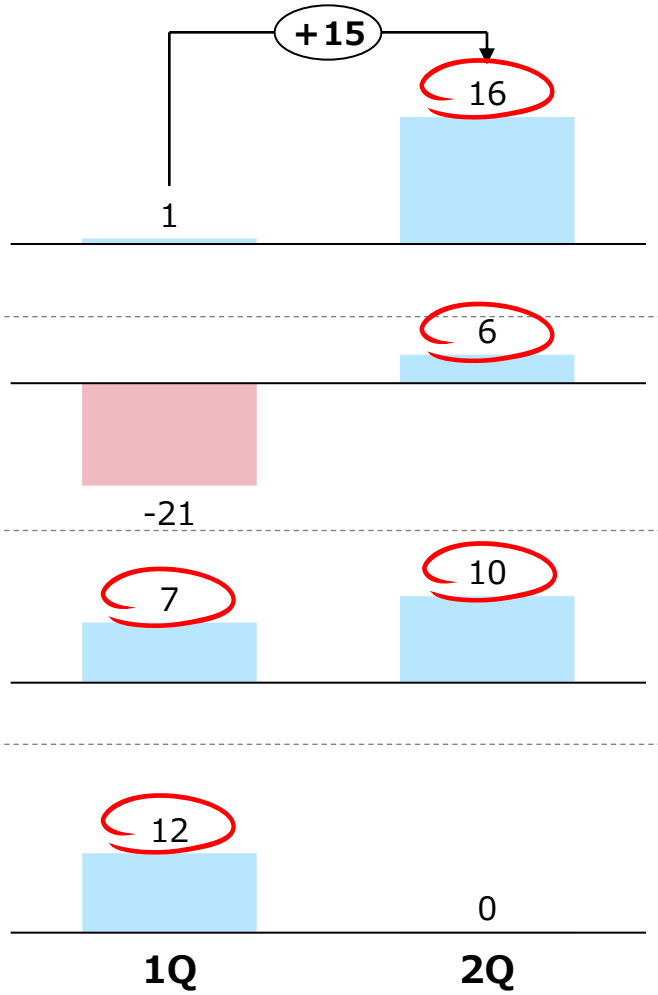
(Unit: 100M JPY)



# FY2026 Quarterly Profit Accumulation (EBITDA)

Profit turned positive in 2Q on a standalone quarterly basis, driven by improvements in the Smelting and Refining Business as well as steady performance in Environment and Recycling.

(Unit: 100M JPY)




- **Despite the negative impact from the Smelting and Refining Business, the Environment and Recycling and Metal Recycling Businesses offset the shortfall.**
- **EBITDA of ¥1.6 billion was achieved in 2Q.**
- **The negative impact of the LCM method eased from 1Q to 2Q.**
- **Profit remained positive despite the impact of factors such as decreased manufacturing and sales of precious metals.**
- **Performance remained solid in both 1Q and 2Q, supported in part by a stable supply of zinc oxide and higher zinc prices.**
- **In the 1Q-to-2Q comparison, the effects of asset sales, including silver, contributed to revenue in 1Q.**

Other items not mentioned above recorded ¥300 million in 1Q (¥0 million was recorded in 2Q).

# Status of Net Assets for FY2026 2Q

In addition to the return to profitability, the equity ratio improved partly because hedge gains were recognized in net assets on the balance sheet.

(Unit: 100M JPY)

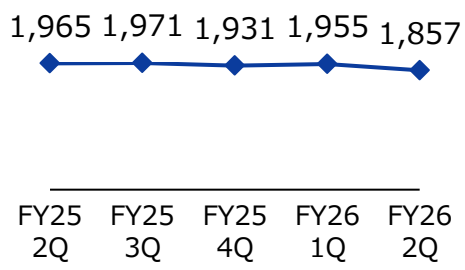
| Item | End-FY2023 | End-FY2024 | End-FY2025 | End-FY2026 2Q |
|---|---|---|---|---|
| **Net assets** | **27** | **101** | **137** | **183** |
| **Total assets** | **1,084** | **993** | **989** | **1,022** |
| **Equity ratio** | **2.5%** | **10.2%** | **13.8%** | **17.9%** |
| Deferred gains or losses on hedges | -15 | -4 | -16 | 5 |

# Reference: Lead and Silver Price Trends over the Past Year (USD-based and JPY-based)

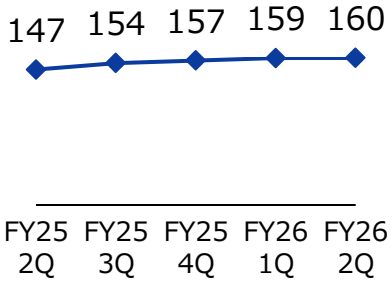
In 2Q, lead prices declined year on year in USD terms but, with a weaker yen, remained flat in JPY terms. Silver prices rose year on year in USD terms and, with a weaker yen, also rose in JPY terms. (Silver prices have been declining recently.)

**Lead**

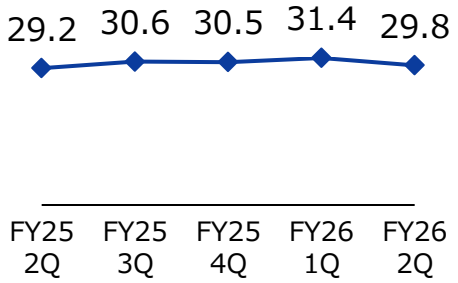
**Lead LME Market Price (USD-based)** (USD/ton)




× **USD/JPY** (JPY/USD)

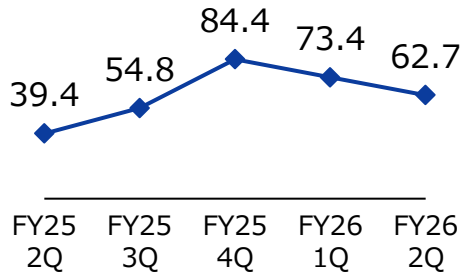



= **Lead LME Market Price (JPY-based)** (¥10,000/ton)

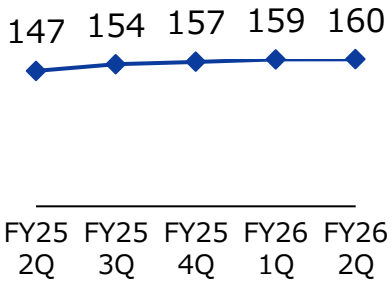



**Silver**

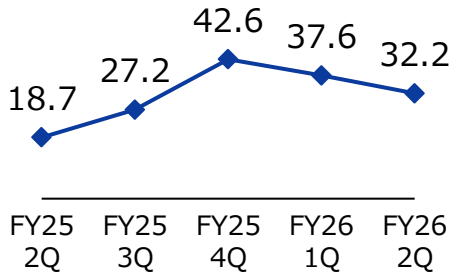
**Silver LBMA Market Price (USD-based)** (USD/troy ounce)




× **USD/JPY** (JPY/USD)



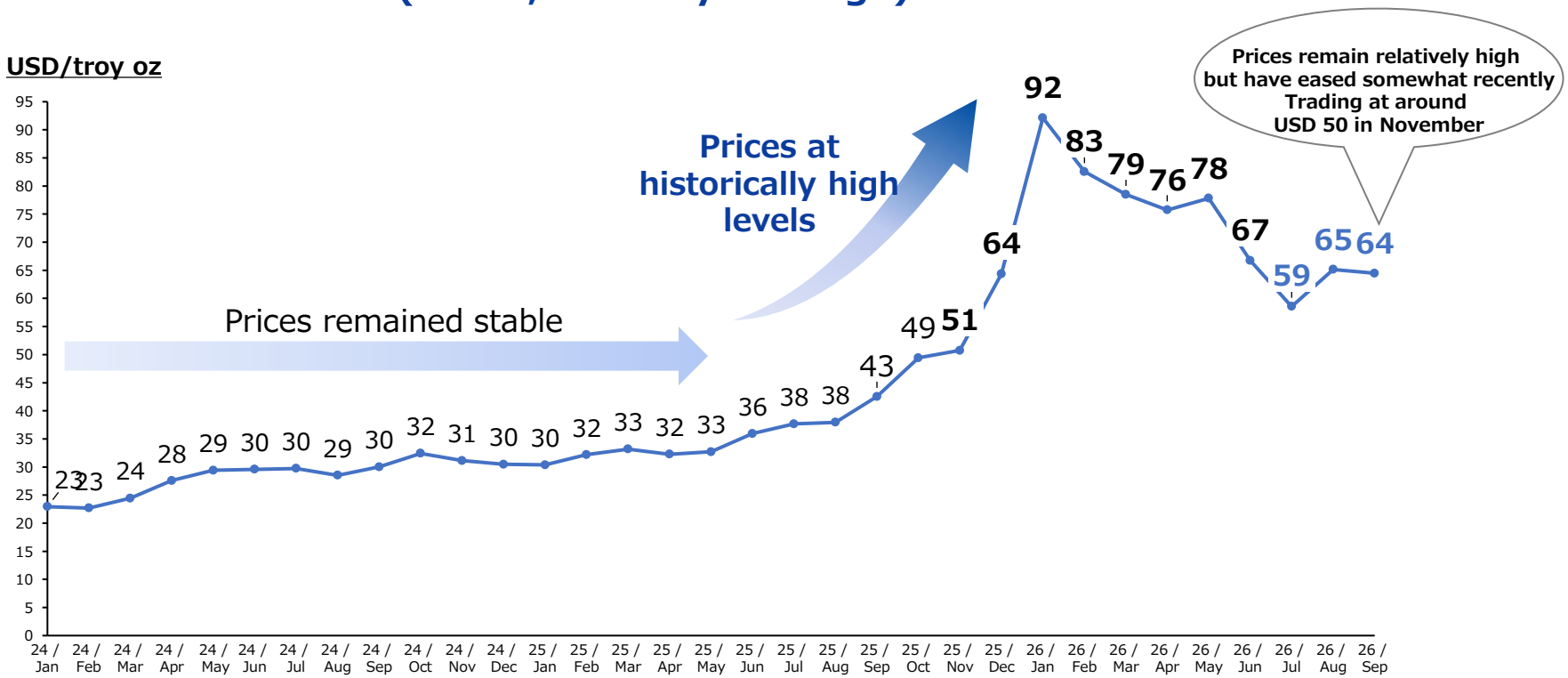

= **Silver LBMA Market Price (JPY-based)** (¥10,000/kg)



# Reference: Silver Price Trends

Silver prices exceeded USD 40 in September 2025 and averaged USD 92 in January 2026. Although prices remain relatively high, they have since declined to the USD 60 range (trading at around USD 50 in November).

## Silver Price Trends (LBMA; Monthly Average)



# Table of Contents


1. FY2026 2Q Financial Results P.3

2. FY2026 Full-year Forecast P.10

3. Toward Delivering on the Business Revitalization Plan P.18

Appendix

# Current External/Internal Environment

Raw material sourcing conditions have deteriorated, mainly in the Smelting and Refining (lead and silver) Business, also affecting precious metal manufacturing and sales.

| Key Factors | | Current Situation | FY2026 YoY Impact |
|---|---|---|---|
| External – Lead and Silver | Precious Metal Prices | ● Although prices have eased from the previous fiscal year, gold and silver remain high, and free metal revenue is expected to contribute (negative impact versus plan). | + |
| | TC/RC | Issues: Ore sourcing conditions have deteriorated, and TC/RC remain at historically low levels. The concentrate market remains tight due to robust demand in China. | − |
| | Waste Batteries | ● Recovery costs for waste batteries are surging. | − |
| | | ● Stricter regulation of improper storage yards is promoting proper treatment of lead scrap and waste batteries. | + |
| | Rare Metal Prices | ● The surge in antimony prices in the previous fiscal year has settled down. (The bismuth price is also rising but its impact on profit is relatively small.) | − |
| Internal | Operations | ● Operational issues in the previous fiscal year were resolved (Chigirishima/Onahama). | Back to Normal |
| | | Issues: Processing has taken longer due in part to the impact of raw material conditions (including changes in ore grade). Increase in work in process as well as decrease in manufacturing and sales of precious metals and rare metals. | − |

## Reference: Assumptions and Sensitivities for Key Resource Prices and Exchange Rates

FY2026 forecast assumptions for market prices and exchange rates are based on recent trends. The earnings sensitivities are as follows.

| | FY2026 Forecast | FY2026 Revised Forecast | Sensitivities |
|---|---|---|---|
| **Lead** | **1,900** USD/ton | **1,903** USD/ton | A USD100/ton increase raises ordinary profit by ¥250 million per year. |
| **Silver** | **80** USD/toz | **62** USD/toz* | A USD1/toz increase raises ordinary profit by ¥60 million per year. |
| **Exchange rate** | **160** USD/JPY | **160** USD/JPY | A ¥1 depreciation against the U.S. dollar raises ordinary profit by ¥110 million per year. |

*The silver price assumption is set at USD 55/toz for 2H, resulting in a full-year average of USD 62/toz.

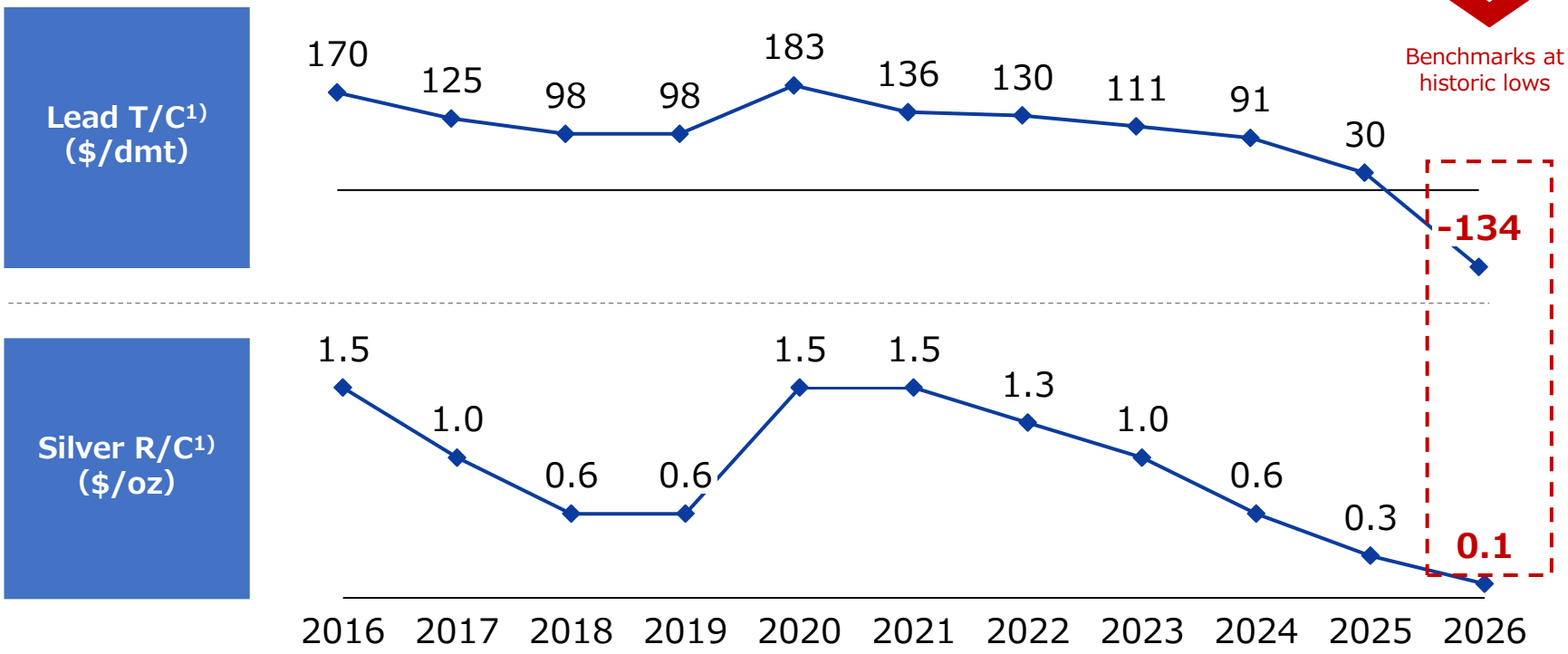
# Reference: Long-term trends in T/C and R/C

Benchmark levels for T/C (lead) and R/C (silver), which represent processing charges in transactions between mining companies and smelters, are at historic lows. Lead T/C, in particular, is negative.

Benchmarks for lead T/C and silver R/C are set annually through negotiations between major mining companies and major smelters. Over the long term, they follow a certain cyclical trend and are beyond the Company's control.

Increased demand for ore due to a supply-demand imbalance in China

Benchmarks at historic lows




1) Cannington Pb Conc Annual Benchmark term (High Ag BM)

# Factors behind the recent decline in TC and future outlook

Although TC has recently declined, downward pressure is expected to ease due to moderating by-product prices and improving supply and demand.

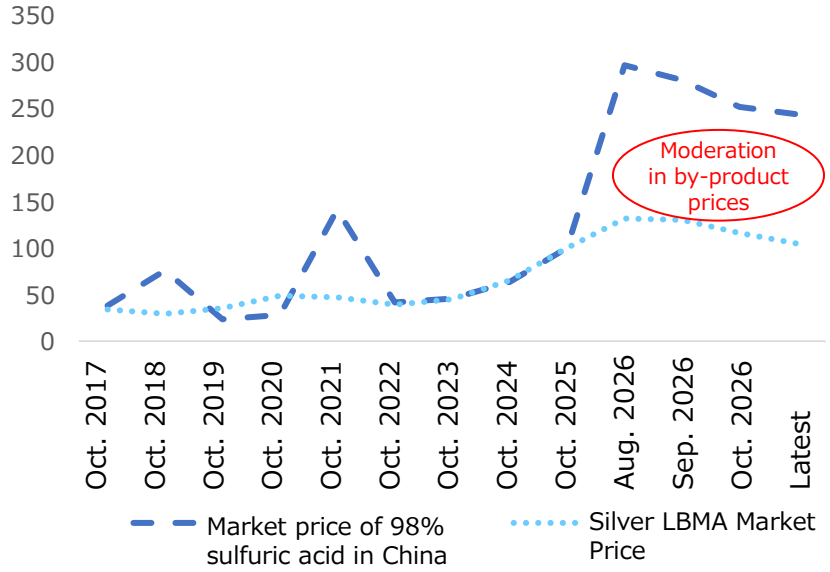
## Factors behind the recent decline in TC

- Decrease in concentrate supply
- Robust demand for concentrates in China and other countries
- Increase in the by-product value of silver and sulfuric acid from lead ore smelting and refining

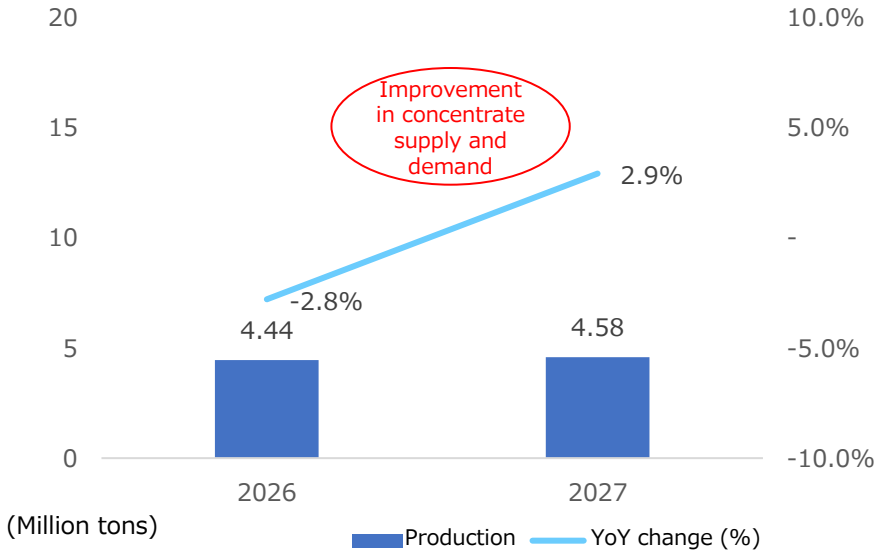
## Signs of future improvement in TC

- Moderation in the rise in silver and sulfuric acid prices
- Easing of supply-demand conditions driven by expected increases in mine production from FY2027 onward
- (Medium to long term) Changes in raw material mix due to an increase in the recycling ratio in China

Sulfuric acid and silver prices (October 2025 = 100)




Lead mine production forecast and YoY change (%)




Source: National Bureau of Statistics of China (NBS) and International Lead and Zinc Study Group (ILZSG)

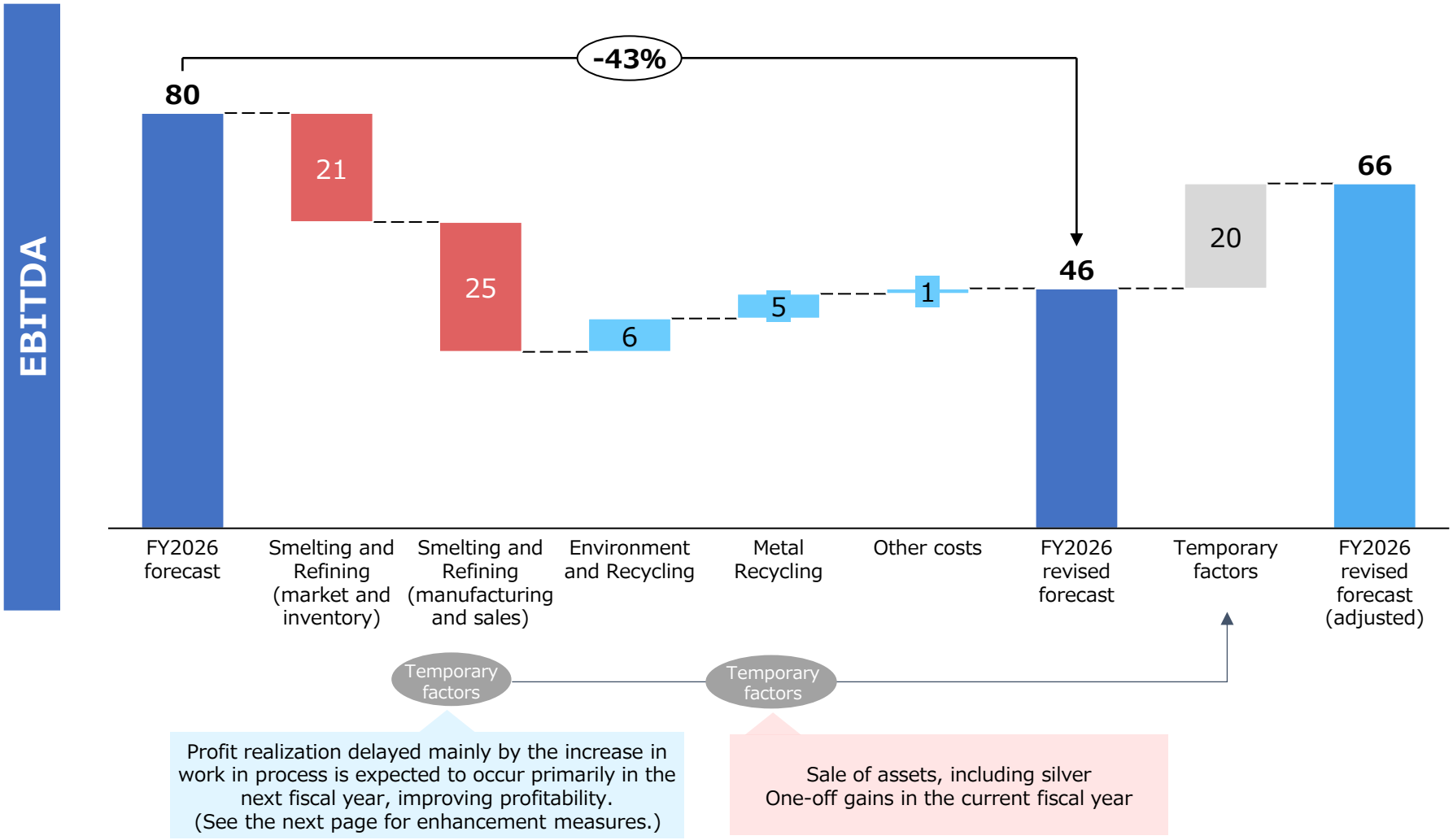
# Revision to the FY2026 Full-year Forecast

The FY2026 forecast has been revised downward as follows.

| (Unit: 100M JPY) | FY2026 forecast | FY2026 revised forecast | Difference from previous forecast | Difference from previous forecast (%) |
|---|---|---|---|---|
| Net sales | 1,785 | 1,310 | -475 | -26.6% |
| EBITDA | 80 | 46 | -34 | -42.5% |
| Ordinary profit | 45 | 16 | -29 | -64.4% |
| Profit | 35 | 8 | -27 | -76.8% |

# Revision to the FY2026 Full-year Forecast (Difference from the Previous Forecast)

The key factors behind the downward revision are as follows. We are strengthening manufacturing and sales to improve business performance.



# Strengthening Precious Metal Manufacturing and Sales

Initiatives have been launched to reduce current work in process through collaboration among smelters and refineries. These initiatives are expected to reduce work in process and shorten manufacturing lead time (LT).

**Quantity of work in process**

End of March 2026 3,000t ▶ End of September 2026 5,500t

**Chigirishima Smelter and Refinery in Hiroshima Prefecture**

Source of accumulated work in process

The accumulated work in process contains various elements, including precious metals, and would take longer to process if handled solely at the Chigirishima Smelter and Refinery

Send work in process

Process impurities and return

**Annaka Smelter and Refinery in Gunma Prefecture**

Idle and non-operational facilities remain following the zinc business reorganization

Impurities can be processed

Shortening of manufacturing LT



Electrolytic Silver



Crude gold

**Strengthen manufacturing and sales going forward, particularly for precious metals.**

**Manufacturing and sales are expected to improve in the next fiscal year.**

*Work in process: inventory that is still in the manufacturing process and has not yet become finished products.

# Table of Contents

1. FY2026 2Q Financial Results P.3

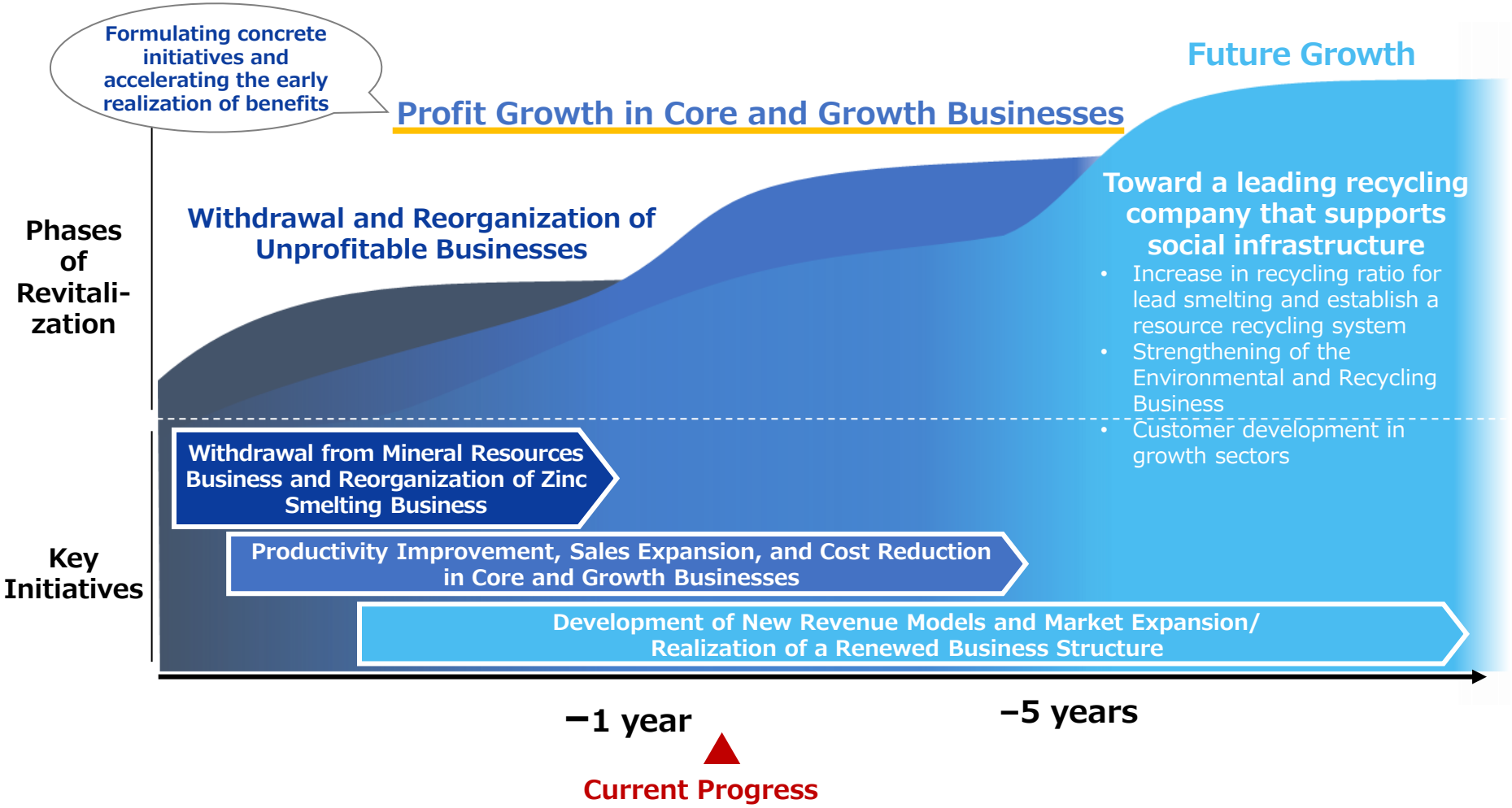
2. FY2026 Full-year Forecast P.10

3. Toward Delivering on the Business Revitalization Plan P.18

Appendix

# 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.



# 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
-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**

# Business Structure Transformation (Key Points Aligned with Our Materiality)

We aim to enhance current business performance and achieve medium- to long-term growth by implementing a business structure transformation aligned with our materiality.

| Material issues | KPI | FY2025 results | FY2030 targets |
|---|---|---|---|
| 1 Maximum utilization of finite resources (Strengthening recycling) | • Ratio of recycled raw materials in lead products | 47% | 60% or higher |
| | • Conversion rate of recycled raw materials into zinc products | 44% | 80% or higher |
| 2 Advancement of smelting and refining technologies and exploration of new fields | • Number of recovered elements and valuable materials | 8 types | 12 types or more |
| | • Number of DX improvement themes initiated (cumulative) | 14 themes | 200 themes or more |

**Improve current business performance and achieve medium- to long-term growth**

For more details on our materiality, please refer to the Integrated Report. Click here.

# Business Structure Transformation (1) Strengthening Recycling

We will establish a revenue model that can withstand deteriorating raw material (ore) conditions by strengthening recycling.

| Business | Initiative Theme | Initiatives/Details |
|---|---|---|
| Metal Recycling | **Recovery of valuable metals through effective use of Annaka facilities** | • **Effectively use existing facilities** at Annaka.<br>• **Strengthen recycling operations** by **recovering crude zinc oxide from recycled raw materials** such as residues. |
| Smelting and Refining | **Strengthen waste battery collection** | • **Expand waste battery processing lines and strengthen collection in regions not previously covered.** |
| Environment and Recycling | **Zinc oxide produced using recycled raw materials** | • **Stable supply of zinc oxide produced using 100% recycled raw materials**<br>• **Currently a key earnings contributor, supported in part by rising zinc prices** |

# Business Structure Transformation (2) Broadening the Variety of Recovered Elements (Research and Development)

Experimental research on manganese (Mn) smelting and refining began at the Annaka Smelter and Refinery in FY2025. With the technical hurdles to mass production now overcome, the focus will shift to ensuring cost competitiveness for commercialization.

| Completed | Expected in FY2030 or later |
|---|---|
| STEP1 | STEP2 | STEP3 |
| **Experimental research and mass production trials**<br>Conducted at the Annaka Smelter and Refinery | **Demonstration testing, cost reduction, and scale-up**<br>Optimization for commercialization and search for potential customers | **Commercial production**<br>Ensuring profitability and commercialization |

The Company has also joined the **Rare-Earth Rich Mud Development Promoting Consortium**, led by the University of Tokyo.

It plans to provide technical cooperation in the treatment of residues generated during rare-earth smelting and refining and the processing of manganese nodules, among other areas.

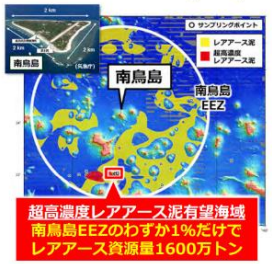
**Themes of particular focus for the Company**

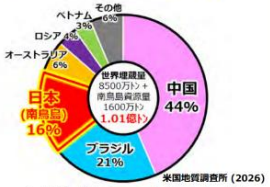
**レアアース泥** 東大チームが発見して命名

2011年、世界で初めて太平洋で「レアアース泥」を発見
(Kato et al., 2011 *Nature Geoscience*)

2012年、南鳥島EEZで「レアアース泥」を発見
(加藤泰浩, 2012 資源地質学会講演会)

2018年、有望海域の資源量の可視化に成功
(Takaya et al., 2018 *Scientific Reports*)



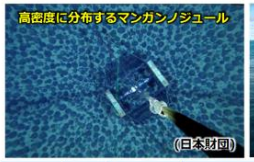




有望海域 (EEZ全体のわずか1%) だけで、世界第3位の「レアアース大国」

**マンガンノジュール** 東大チームが発見

バッテリーメタル (Co、Ni) の海底鉱物資源

2024年、日本財団と共に「マンガンノジュール」が高密度で分布する有望海域を特定
(日本財団・東京大学プレスリリース, 2024.6.21)










2027年に、欧米企業2社と連携して環境インパクト試験 (マンガンノジュール揚鉱試験) を実施予定

出所：「東京大学レアアース泥・マンガンノジュール開発推進コンソーシアム事務局提供資料」

# Figures in the Business Revitalization Plan

**The policy under the Business Revitalization Plan remains unchanged, and the current negative impact from the production and sales of precious metals is expected to ease from the next fiscal year onward.**

**We aim to improve current business performance and achieve medium- to long-term growth by accelerating our business structure transformation.**

# Table of Contents


1. FY2026 2Q Financial Results P.3
2. FY2026 Full-year Forecast P.10
3. Toward Delivering on the Business Revitalization Plan P.18

Appendix

# Financial Performance Comparison for 6 Months (1Q-2Q)

| | | FY2025 1Q-2Q | FY2026 1Q-2Q | Difference | Difference (%) |
|---|---|---|---|---|---|
| Market | | | | | |
| Lead | US$/t | 1,955.8 | 1,905.9 | (49.9) | (3%) |
| Silver | US$/oz | 36.5 | 68.1 | 31.6 | 86% |
| yen/US$ | | 146.0 | 159.5 | 13.5 | 9% |
| Production Volume of Key Products in the Smelting Business | | | | | |
| Lead products | 1,000 t | 40.3 | 40.5 | 0.1 | 0% |
| Electrolytic Silver | t | 109.4 | 93.9 | (15.5) | (14%) |
| Profit and Loss | | | | | |
| Revenue | 100 million yen | 538.3 | 664.5 | 126.2 | |
| Operating Income | 100 million yen | (6.7) | 9.1 | 15.8 | |
| EBITDA | 100 million yen | 0.2 | 16.7 | 16.5 | |
| Ordinary income | 100 million yen | (11.8) | 4.3 | 16.2 | |
| Smelting | 100 million yen | (1.8) | (18.6) | (16.8) | |
| Inventory valuation | 100 million yen | (6.4) | (6.7) | (0.4) | |
| Others | 100 million yen | 4.6 | (11.9) | (16.4) | |
| Environment and Recycling | 100 million yen | 3.4 | 14.5 | 11.1 | |
| Electronic Components and Advanced Materials | 100 million yen | 1.9 | 0.7 | (1.2) | |
| Metal Recycling | 100 million yen | (8.1) | 9.3 | 17.4 | |
| Mineral Resources | 100 million yen | 0.0 | 0.0 | 0.0 | |
| Others | 100 million yen | 0.9 | 1.8 | 0.9 | |
| Adjustment | 100 million yen | (8.1) | (3.4) | 4.8 | |
| Net income/loss | 100 million yen | (13.5) | 5.2 | 18.7 | |

# Financial Performance by Quarter

| | | FY2025 | | | | FY2026 | |
|---|---|---|---|---|---|---|---|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Market | | | | | | | |
| Lead | US$/t | 1,946.8 | 1,964.8 | 1,970.8 | 1,931.4 | 1,955.0 | 1,856.7 |
| Silver | US$/toz | 33.6 | 39.4 | 54.8 | 84.4 | 73.4 | 62.7 |
| yen/US$ | | 144.6 | 147.5 | 154.2 | 156.9 | 159.5 | 159.6 |
| Production Volume of Key Products in the Smelting Business | | | | | | | |
| Lead products | 1,000t | 19.7 | 20.6 | 24.7 | 16.5 | 20.7 | 19.8 |
| Electrolytic Silver | t | 44.5 | 64.9 | 74.8 | 63.9 | 41.0 | 52.8 |
| Profit and Loss | | | | | | | |
| Revenue | 100 million yen | 268.7 | 269.6 | 362.7 | 354.5 | 311.0 | 353.4 |
| Operating Income | 100 million yen | (8.5) | 1.8 | 35.9 | 38.1 | (2.5) | 11.6 |
| EBITDA | 100 million yen | (5.1) | 5.3 | 39.3 | 41.8 | 0.8 | 15.9 |
| Ordinary income | 100 million yen | (10.8) | (1.0) | 32.9 | 35.7 | (5.8) | 10.1 |
| Smelting and Refining | 100 million yen | (4.2) | 2.4 | 19.1 | 20.6 | (24.8) | 6.2 |
| Inventory valuation | 100 million yen | (6.0) | (0.3) | 9.4 | 1.8 | (22.0) | 15.3 |
| Others | 100 million yen | 1.8 | 2.8 | 9.7 | 18.8 | (2.8) | (9.1) |
| Environment and Recycling | 100 million yen | 2.4 | 1.1 | 1.0 | 4.7 | 5.8 | 8.7 |
| Electronic Components and Advanced Materials | 100 million yen | 0.7 | 1.2 | 0.8 | 1.9 | 0.7 | (0.0) |
| Metal Recycling | 100 million yen | (6.8) | (1.3) | 14.0 | 8.6 | 10.6 | (1.3) |
| Mineral Resources | 100 million yen | (0.2) | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | 100 million yen | 1.3 | (0.4) | 0.8 | 0.6 | 1.3 | 0.5 |
| Adjustment | 100 million yen | (4.1) | (4.0) | (2.8) | (1.5) | 0.7 | (4.0) |
| Net income/loss | 100 million yen | (11.1) | (2.4) | 30.9 | 30.5 | 2.6 | 2.6 |

## Exercise Status of Share Acquisition Rights with Exercise Price Reset Provision (Cumulative through September 2026)

The exercise ratio of the share acquisition rights is currently 63%.

| **Issue name** | **Toho Zinc Co., Ltd. 1st Series of Share Acquisition Rights** |
|---|---|
| Total number of share acquisition rights issued | 35,000 units |
| Number of share acquisition rights exercised | 22,060 units |
| Exercise ratio | 63.03% |
| Number of unexercised share acquisition rights | 12,940 units |

# IR Communications in FY2026

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

## Major IR Communications

- 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

  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
- Sep. 29 (Tue.) Publication of the Integrated Report
- Nov. 13 (Fri.) Announcement of FY2026 2Q results
- Early Dec. (planned) IR event for individual investors (online)
- Mid-Feb. (planned) Announcement of FY2026 3Q results
- Late Feb. (planned) IR event for individual investors (in person)
- Mid-May (planned) Announcement of FY2026 full-year results

***We plan to provide updates on the numerical targets for FY2027 onward under the Business Revitalization Plan at each earnings announcement.**

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

TOHO METALIX

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.

東邦亞鉛株式会社
TOHO ZINC CO., LTD.