

FY2024-2026

Third Medium-Term Management Plan

Securities Code: 1515

May 13, 2024

I would like to explain our medium-term management plan (MTMP).

Third Medium-Term Management Plan Contents



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Review of Second Medium-Term Management Plan

- Earnings were strong for all business segments. With a weakening yen and rising copper prices also contributing substantially, ROA (operating profit) and the equity ratio both achieved the targets
- For large-scale investments (third vertical shaft at Torigatayama Quarry Complex, new mining area at Hachinohe Mine, development at the Arqueros Mine), progress is steady despite some delays

Third Medium-Term Management Plan

- For our financial situation, borrowings are to increase sharply due to funding for the development of the Arqueros Mine
- For our business results, profits are to be weighed down by depreciation costs arising from the start of operations for the third vertical shaft of the Torigatayama Quarry Complex
- In FY2026, the final year of the Medium-Term Management Plan, operations are to start at the Arqueros Mine, providing a full-fledged contribution to earnings improvement from the period of the Fourth Medium-Term Management Plan and beyond

Initiatives for Management Conscious of Cost of Capital and Share Price

- We have introduced ROIC as a management indicator and aim for its uptake and instilment not just by individual business segments but also at the level of individual business sites, so as to achieve a better business portfolio
- As part of initiatives for management conscious of cost of capital and share price, we are striving for P/B ratio of 1.0x by lowering cost of equity and enhancing IR activities
- For shareholder returns, we implement dividend payments targeting a consolidated payout ratio of 40%
If the P/B ratio is under 1.0x as of the end of the fiscal year, the lower limit dividend value will be 3% of market price-based DOE, and if the P/B ratio is 1.0x or higher as of the end of the fiscal year, the lower limit dividend value will be 3% of DOE

**Steadily implement large-scale investments, aim to acquire resources for sustainable growth**

Targets	1	Aim for full-scale operations of the third vertical shaft at Torigatayama Quarry Complex (limestone) in FY2023	Full-scale operations are scheduled to commence from June 2024, one year later than originally planned, due to delayed civil engineering work and typhoon recovery construction
	2	Proceed with the ongoing development of the new area of Hachinohe Mine, aiming for full-scale operations in the next medium-term management plan period	Commenced some production in July 2021. Stripping and other work are progressing smoothly, and river rerouting is underway. Full-scale extraction is scheduled to commence from FY2026
	3	Proceed with the development at the Arqueros Mine, which is in its preparation stage, aiming for full-scale operation in the next medium-term management plan period (FY2024-FY2026)	Despite impacts such as the COVID-19 pandemic and delayed environmental approval, the decision to start development was finalized in April 2023, and we aim for operations to begin in FY2026

Allocate management resources in response to demand trends in Japan and overseas

Targets	1	Improve value of mineral resources (incl. price increase)	Negotiated with customers about production costs and stable supply. With inflation also progressing, yielded some benefits
	2	Maintain the stability of domestic supply and expand exports overseas	No protracted operating stoppages or other troubles. Secured share in export markets and acquired new customers
	3	Identify growth fields and develop demand	Despite progress with some projects and launches of new projects, these failed to contribute to earnings during the period of the Second Medium-term Management Plan
	4	Balance SDGs initiatives with business activities	Announced endorsement of TCFD recommendations in June 2022. Installing renewable energy power generation facilities for own consumption. Using FIT Non-Fossil Certificates with tracking for our FIT solar power plants to effectively shift to renewable energy for some purchased electricity for the Torigatayama Quarry Complex

First, I would like to review of the second MTMP.

In that plan, we established the basic policy: (1) to steadily implement large-scale investments, aiming to acquire resources for sustainable growth, and (2) to allocate management resources in response to demand trends in Japan and overseas. Based on this, we proceeded with large-scale investments including the construction of the third vertical shaft at the Torigatayama Quarry Complex, the development of the new mining area of the Hachinohe Mine, and the development at the Arqueros Mine.

The investments are proceeding steadily despite some delays in certain projects due mainly to natural disasters and the spread of COVIT-19.

Regarding the construction at Torigatayama (limestone), we have invested seven years in the project since November 2017, with the planned launch of operations scheduled for June 2024. The investment with the aim of maintaining production volume rather than increasing it, it is inevitable for Torigatayama, a producer of high-grade limestone with the largest volume domestically, to ensure sustainable supply.

About the development of the Arqueros Mine, anticipated to be the second

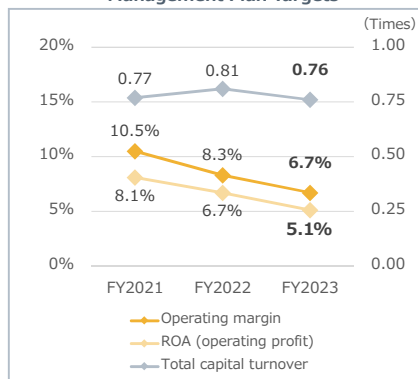
copper production site following the Atacama Kozan at chile, we acquired the interests in October 2017 and has proceeded with the development stage despite taking longer than expected to acquire environmental license due partially to the temporary suspension of the authorities review amid COVIT-19.

At HACHINOHE MINING Co., Ltd., one of our subsidiaries, it has advanced initiatives to develop the new mining area in order to increase limestone reserves. The development is proceeding on schedule, with partial production launch from July 2021.

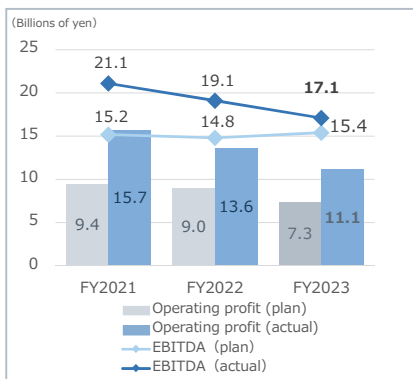
Review of Second Medium-Term Management Plan (FY2021-FY2023) (2)



Progress with Medium-Term Management Plan Targets



Operating Profit and EBITDA



	FY2023 Target	FY2023 Actual
Operating margin	6% or more	6.7%
Total capital turnover	0.7 or more	0.76
ROA (operating profit)	4% or more	5.1%
Equity ratio	57.5% or more	61.3%

In FY2021, overall operating profit was 6.3 billion yen (or 67%) higher than planned. The Metallic Minerals Division of the Mineral Resources Segment topped the plan by a strong 4.6 billion yen, despite the COVID-19 pandemic, due to rising copper prices, which had previously stalled, backed by the recovery trend in the global economy. Additionally, better-than-planned profit in the Nonmetallic Minerals Division and lower study and other costs contributed.

In FY2022, overall operating profit was 4.6 billion yen (or 51%) higher than planned, with the Metallic Minerals Division exceeding the plan by 4.5 billion yen amid a weakening yen.

In FY2023, overall operating profit was 3.8 billion yen (or 52%) higher than planned, aided by the deferred recording of depreciation costs due to construction delays for the third vertical shaft at the Torigatayama Quarry Complex in the Nonmetallic Minerals Division, yen weakening, and other factors.

Regarding ROA (operating profit) of 4% or more, which is our target for return on capital, due to earnings exceeding plans along with sales of shareholdings progressing in line with our policy on reducing cross-shareholdings (announced in Nov. 2022) and our revised policy on expanding shareholder returns (announced in Aug. 2023), both operating margin and total capital turnover, which comprise ROA, topped plans, and as such, ROA (operating profit) also hit its target, coming in at 5.1%

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Then, I will talk about financial results of the second MTMP.

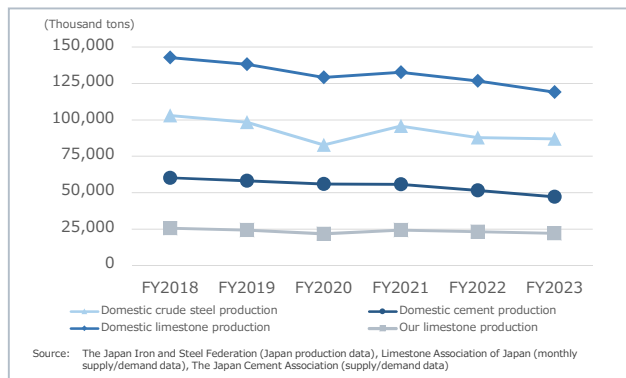
In the plan, the results exceeded the targets driven by solid performances across the segments, especially the Mineral Resources segment, against the backdrop of internal initiatives such as price increases and productivity improvements for limestone, as well as external factors including yen depreciation and copper price appreciation. Additionally, the depreciation cost of the Torigatayama third vertical shaft was pushed back to FY2024 due to the construction delays.

And, management targets for the plan, such as ROA and equity ratio, surpassed the targets due to our efforts to improve capital efficiency through the reduction of cross-shareholdings: a total of 19 stocks, totaling to 2.9 billion JPY, were disposed of in line with the policy that we set to optimize the cross-shareholdings, and the expansion of shareholder returns policy.

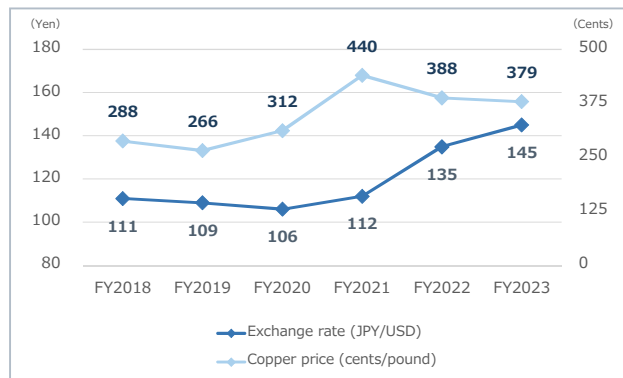
Review of Second Medium-Term Management Plan (FY2021-FY2023) (3)



Production Volume



Changes in Exchange Rates and Copper Prices



FY2021

External factors

- + Economic activities normalizing from COVID-19
- Lifted the banking of blast furnace
- Rising copper prices, weakening yen

Internal factors

- + Lower management and study costs amid the pandemic

FY2022

- + Weakening yen, rising copper prices
- Rising manufacturing costs due to surging energy and material prices

- + Boost from higher value of mineral resources (incl. price increase)
- Sales of cross-shareholdings

FY2023

- + Weakening yen
- Suspension of blast furnace operations due to structural reforms by blast furnace steel makers
- + Boost from higher value of mineral resources (incl. price increase)
- Lower sales volume due to falling limestone demand

Higher costs for the Atacama Kozan
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Long-term Vision (Vision FY2033)

Contributing to society through the development and stable supply of mineral resources and harnessing the collective strength of the Group as an **integrated mineral resources company** to achieve sustainable growth.

Long-Term Management Goal for FY2033

ROIC (return on invested capital) 7 % or more

Basic Policies (For period of Third Medium-Term Management Plan)

- In adopting and using ROIC as a management indicator, we aim for its uptake and entrenchment down from the company to individual business segments and from individual business segments to individual business sites, as well as for improved capital efficiency
- Steady progress with Arqueros Mine development and achieve start of operations
- Initiatives to optimize limestone supply, centered on Torigatayama Quarry Complex
- Continue initiatives to develop new markets (limestone, Polyetsu)
- Secure and develop new resources, regardless of interest (major/minor) or approach (greenfield/brownfield)

Now, I would like to explain the third MTMP.

Our long-term vision*, as outlined since the first MTMP, is now redefined as what we aim to achieve by FY2033, alongside the establishment of a 7% ROIC as our management goal.

*Achieve sustainable growth by contributing to society through the development and stable supply of mineral resources, and by harnessing the collective strengths of the Group as an integrated mineral resources company.

“What we aim to achieve” in the Mineral Resources, our core business, is to further strengthen our business foundation as “an integrated mineral resources company” through efforts: to ensure stable supplies, to secure/develop new mineral resources and enhance the value of minerals by leveraging accumulated technological capabilities, and to seek to develop mining-related technologies including geological consulting capabilities. Additionally, we fulfill our sustainable growth by harnessing collective strengths of the Group, including the Machinery & Environmental Engineering, the Real Estate and the Renewable Energy.

Regarding numerical targets, we have newly set an ROIC of above 7% for

FY2033, exceeding our assumed cost of equity of a 6% WACC.

Under the growth strategy derived from our aim for FY2033, we will implement practical initiatives. The basic policy of the plan is outlined as follows: Regarding the first point, “In adopting and using ROIC as a management indicator, we aim for its uptake and instilment down from the company to individual business segments and from individual business segments to individual business sites, as well as for improved capital efficiency,” in order to achieve the ROIC target of above 7%, outlined in our management goal, implementation of the ROIC at the management level is not sufficient. It is important to penetrate and instill the ROIC as a KPI throughout the organization. In the period of the third MTMP, we will establish ROIC management across the Group and promote the management focusing on bridging the gap between ROIC and WACC (cost of capital for investors/creditors), and business portfolio.

Followed by the second point, “Steady progress with the Arqueros Mine development and achieve start of operations,” in April 2023, the Arqueros Mine has progressed to the next stage of the development where large-scale civil works and construction of plant buildings are underway. The Mine is scheduled to commence operations in FY2026, the final year of the plan. We expect the Mine to contribute to the expansion of earnings in the Metallic Minerals Division from FY2026, its first year of operation. To realize this contribution to earnings, it is crucial to ensure the completion of the development work during the plan.

Then, about third and fourth points, “Initiatives to optimize limestone supply, centered on Torigatayama Quarry Complex,” Torigatayama Quarry Complex, one of our major mines, produces high-grade limestone with the largest level of production volume domestically. By further leveraging these strengths of the mine, we will improve productivity and enhance BCP through initiatives to domestically optimize the production and sales structures of limestone centered at the mine. Additionally, we will focus on exploring overseas markets by harnessing the advantages of the mine’s loading facilities facing the Pacific Ocean and compatible with 60,000-ton-class large vessels. In this plan, we will further strengthen our domestic supply system, while expand overseas sales and explore new applications flexibly.

We will explore overseas markets initially focusing on East Asia and Southeast Asia, by building factories of Polytetsu, a flagship product for the Environmental Division, in Taiwan and Vietnam.

The last point is about “Secure and develop new resources, regardless of interest (major/minor) or approach (greenfield/brownfield),” so far, we have focused on greenfield projects, starting with exploration from scratch and then acquiring major interests for development and operation on our own. However, looking ahead, brownfield projects, where we would be able to mitigate risks

at early stages and expedite exploration lead time by holding minor interests in promising projects, will also be among our options.

Financial Indicators and Medium- To Long-Term Management Targets (1)



	FY2023	FY2024	FY2025	FY2026
(Billions of yen)	Actual	Third Medium-Term Management Plan Period		
Net sales	166.8	181.4	172.8	184.8
Operating profit	11.1	7.4	9.0	12.8
Profit attributable to owners of parent	6.6	6.7	7.2	9.2
Operating margin	6.7%	4.1%	5.2%	6.9%
EBITDA (Operating profit before tax + depreciation)	17.1	16.3	16.9	24.5
Interest-bearing liabilities	22.1	37.2	62.4	63.3
Equity capital	140.7	144.5	147.7	151.7
ROIC	4.9%	3.0%	3.2%	4.2%
WACC	5.5%	5.8%	5.8%	5.8%
ROE	4.8%	4.7%	4.9%	6.1%

Management Targets

FY2023

ROIC
7% or more

NOPAT 14 billion yen
Invested capital
200 billion yen

*Operating profit before tax, 20 billion yen

Assumptions

Exchange rate (JPY/USD)	145	140		
Copper price (¢ /lb)	379	400		

Sensitivity

Depreciated by 5JPY/USD	-	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
		+2.7	+0.1	+2.6	+0.1	+3.0	+0.2
Appreciated by 10 ¢ /lb	-	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
		+2.0	+0.4	+2.0	+0.4	+2.2	+0.7

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I would like to explain the financial indicators for the third MTMP and mid- to long-term management goals.

We assume an exchange rate of 140 JPY to the USD and a copper price of 400 cents per pound.

In the third MTMP, unlike the second plan where favorable FX partially contributed, OP is expected to slow down due to the lack of FX gain incurred in the Metallic Minerals Division and depreciation costs for the third vertical shaft at the Torigatayama Quarry Complex. We anticipate a brief decline in the OP level for the first two years. However, for the final year of the plan, FY2026, OP is expected to surpass the OP in FY2023. This is due to contribution from the Arqueros Mine, scheduled to commence operations in FY2026, and a decline in depreciation costs.

The profit attributable to owners of parent reflects the gain on sales of investment securities of approx. 6 billion JPY during the period of this plan. We intend to implement shareholder returns through long-term stable dividends.

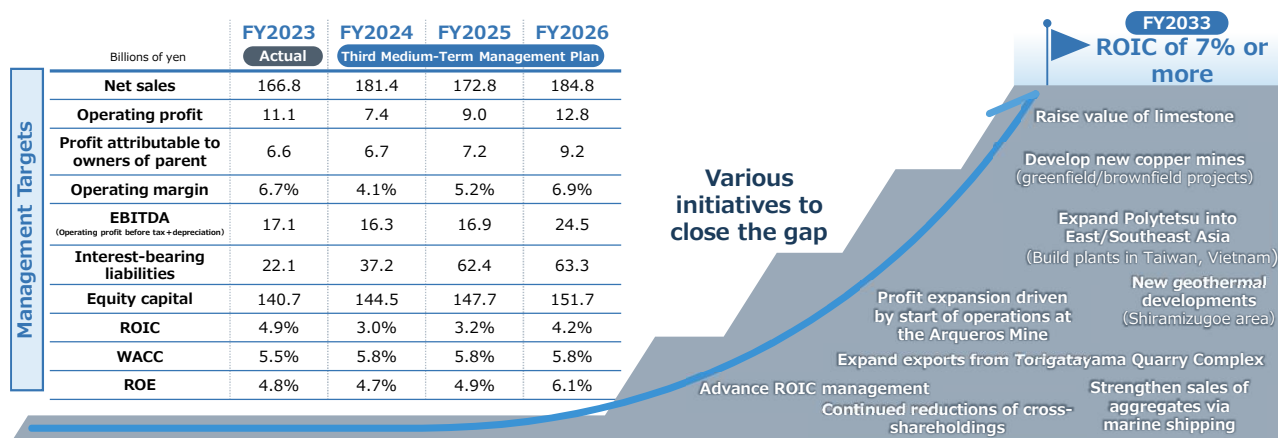
Next, I will explain the invested capital. The interest-bearing liabilities is

planned to be increase during the plan due to the fund borrowing for development costs of the Arqueros Mine as disclosed in March 2024.

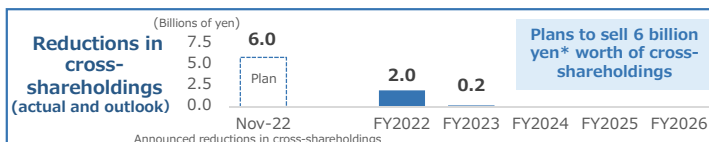
For the period of the plan, ROIC level, based on the expected profits and invested capital is projected to be range of 3-4%, failing short of WACC due to lower OP level and higher invested capital funded from increases both in interest-bearing liabilities and equity capital.

In FY2026, the final year of the plan, ROIC is planned to turn for the better contributed by the commencement of operation at the Arqueros Mine. We expect the numbers to improve further from the second year onwards, in the fourth MTMP.

Financial Indicators and Medium- To Long-Term Management Targets (2)



Over the Third Medium-Term Management Plan period, ROIC is expected to temporarily remain low due to a decrease in operating profit reflecting the start of depreciation for large-scale investments (Torigatayama Quarry Complex) and an increase in interest-bearing liabilities as a result of funds borrowed to develop the Arqueros Mine. However, we aim to achieve ROIC of 7% or more by implementing various initiatives above to close the gap and by shrinking interest-bearing liabilities



* Value of cross-shareholdings planned for sale during the Third Medium-term Management Plan period is based on market value as of end-March 2024

Plan for 6 billion yen-reduction, announced in Nov. 2022, based on market value as of end-Mar. 2022

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We aim for a 7% ROIC for FY2033, as our management plan. Measures to bridge the gap between our FY2033 goal and our current state are shown on the slide. We strongly believe it's inevitable for us to implement and benefit from these measures, progressing towards FY2033 starting from the third MTMP, in order to realize our goal.

Specific initiatives in the Second Medium-Term Management Plan and their progress

Targets	1	Raise value of mineral resources (incl. price increase)	Negotiated with customers about production costs and stable supply With inflation also progressing, yielded certain results
	2	Expand exports to Asia/Oceania region	Secured share in export markets and acquired new users
	3	Rebuild stable supply network	Learning from fire at the Torigatayama Quarry Complex in January 2021, we re-evaluated operational risks as well as our backup systems at our four coastal quarry complexes (Shiriyu, Hachinohe, Torigatayama, Tsukumi) plus the Sodegaura Distribution Center
	4	Improve production efficiency and economic potential by adopting AI and IT	Detecting foreign objects in limestone on conveyor belts to ensure stable plant operations and product quality Ran trial using AI visual recognition for changed configurations on conveyor belt surfaces
	5	Develop nonmetallic minerals, including limestone, in Japan and abroad	In addition to studying mineral occurrence, quality, development prospects, etc. using desktop surveys and exploration, we are also selecting study areas

Business environment and our initiatives

- External Environment**
- For steelmaking, domestic crude steel demand is expected to trend flat. Due to structural reforms and carbon neutral initiatives by blast furnace steelmakers, domestic blast furnaces are being consolidated. Over the long term, we expect lower consumption volumes of limestone as a steel auxiliary material due to higher ratios of scrap to iron source and the use of hydrogen reduction steelmaking
 - For cement and aggregates, there is a certain level of demand for redevelopment and infrastructure rebuilding but the impact from delayed construction due to worker shortages is considerable, and given decarbonization moves by companies and consolidation of production facilities, we expect limestone demand to decline
 - We aim to establish optimal production network by production/sales collaboration so as to respond to demand trends among various users of steel, cement and aggregates.
 - Capacity arising from lower sales to domestic customers to be allocated to exports and developing other applications to secure earnings. In particular, we are leveraging the strengths of the Torigatayama Quarry Complex, which produces high-quality limestone, and are focusing on developing new applications overseas (= new demand).

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Long-Term Vision

Establish stable supply and sales network, secure and develop new mining areas

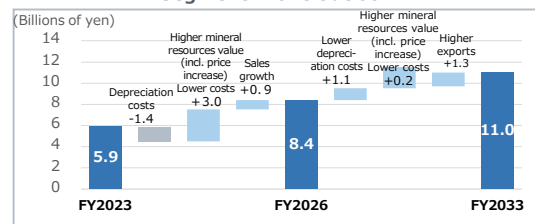
Long-term strategy with 10-year horizon

- Optimize earnings from each mine
 - Optimize business efficiency by maintaining the Torigatayama Quarry Complex's annual production/sales volume at 13.5-14 million tons
- Lift production capacity by introducing cutting-edge technology, including AI and IT
- Secure and develop new mining areas

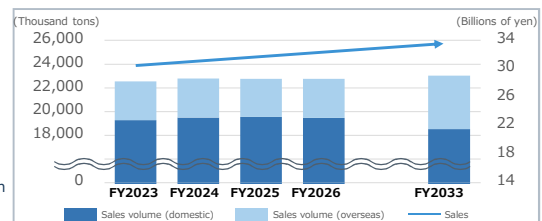
Specific initiatives in Third Medium-Term Management Plan

- Secure production/sales volume of 13.5 million tons/year at the Torigatayama Quarry Complex
- Raise value of mineral resources (incl. price increase)
- Capture new users by exploring new application of high-grade limestone
- Respond to aggregates demand in the Tokyo metropolitan area, centering on Sodegaura Distribution Center
- Enhance BCP by standardizing products and establishing the solid network of our four coastal quarry complexes + distribution center
- Strengthen export capabilities by expanding ore storage facilities housing finished products for export
- Maximize utilization of shipping facilities of the Torigatayama Quarry Complex, including its dock (can berth ships up to 60,000-ton class), pier berth (can berth ships up to 20,000-ton class) and three ship loaders
- Improve mine production efficiency by adopting heavy equipment tracking systems

Segment Profit Outlook



Outlook for Sales Volume and Value



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Specific initiatives in the Second Medium-Term Management Plan and their progress

Targets	1	Expand ore reserves for the Atacama Kozan in Chile	Began mining in the Sol Naciente area (handed over to Atacama Kozan in 2016), after receiving approval. We are focusing on securing resource volume through continued exploration in surrounding mining areas Identifying exploration projects in Atacama Region, including around the Atacama Kozan, and focusing on joining projects owned by third parties in addition to our own mine area projects
	2	Promote development of Arqueros Mine in Chile	Completed development preparatory work in FY2022, one year behind the original plan, and commenced development work in April 2023
	3	Study candidate copper mines for post-Arqueros Mine development	Joined the Los Chapitos copper exploration project in Peru in June 2023 Also studying development projects in Australia, Canada, Saudi Arabia, and Latin America, etc. while taking into account the status of infrastructure and laws
	4	Earnings improvement with smelting cost reductions as a top priority	Despite rising costs, including electricity rates and fuel costs, as well as smelting costs remaining high, earnings improved due to significant yen weakness

Business environment and our initiatives

External Environment	Copper demand is likely to expand over the medium to long term amid electrification and the shift to renewable energy to achieve carbon neutrality
	<ul style="list-style-type: none"> For the Atacama Kozan, we are focusing on mining from the Sol Naciente area and are also exploring surrounding mining areas, securing mineral resources volume and continuing with stable operations For the Arqueros Mine, development work is underway, and we aim for operations to commence in FY2026 (investment in mine development approx. 55 billion yen, 396 million US dollars)

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Long-Term Vision

Develop new mineral sources and efficiently balance between the smelting and mining sides of the business to create synergies

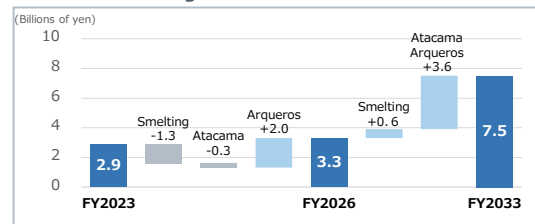
Long-term strategy with 10-year horizon

- Aim to produce at least 50,000 tons of copper equivalent per year
- Achieve stable profits in our smelting business

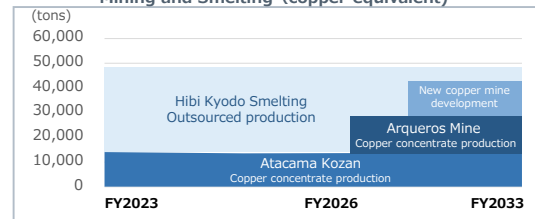
Specific initiatives in Third Medium-Term Management Plan

- Obtain new reserves and increase profits at the Atacama Kozan
- Steady development work at the Arqueros Mine
- Continue exploration of our own new copper mines
- Join interests
- Join interests in mines beyond copper
- Improve earnings, with reducing smelting costs the top-priority issue
- Obtain the "The Copper Mark" in collaboration with Anglo American

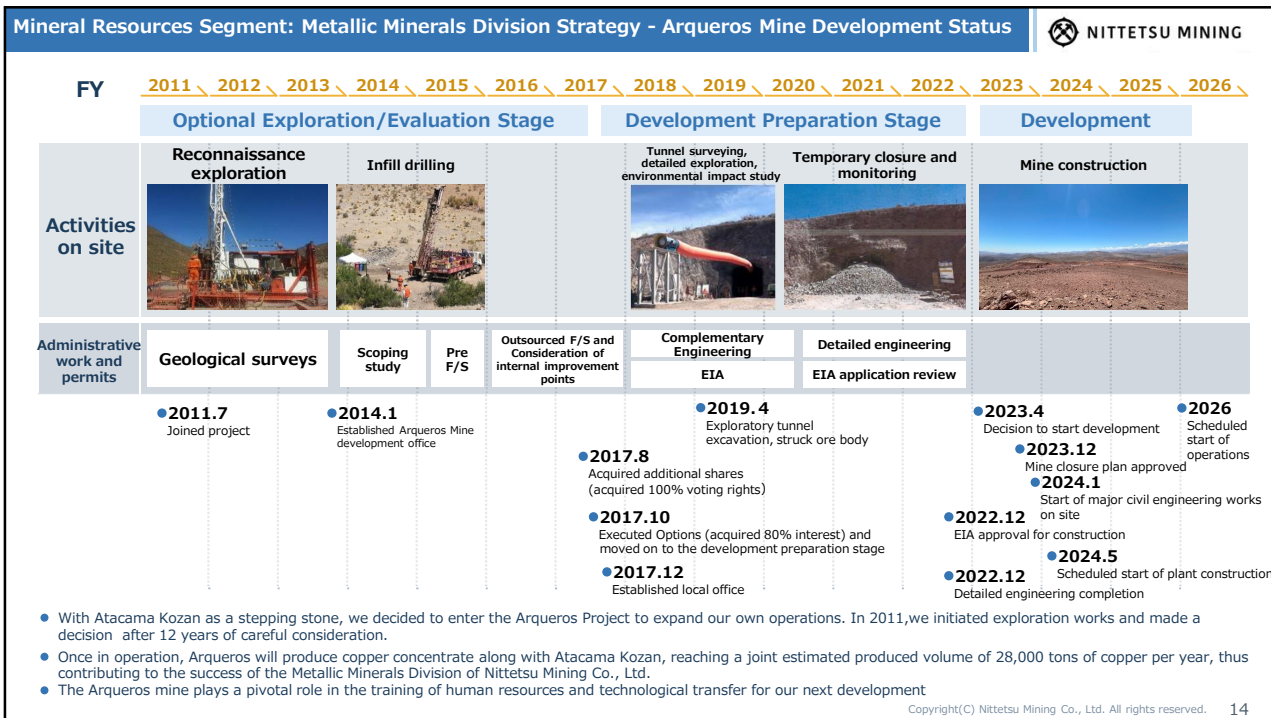
Segment Profit Outlook










Production Volume Outlooks for Mining and Smelting (copper equivalent)



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Mineral Resources Segment: Status of mineral resources development in Japan and overseas							 NITTETSU MINING
	Information collecting	Geological surveys	Initial exploration	Advanced exploration	Resource evaluation	Economic evaluation	Development
Japan	 Various regions in Japan 1. Silica stone 2. None 3. Information collecting ongoing						Country or region 1. Mineral 2. Our interest 3. Stage
Middle East	 Saudi Arabia 1. Copper 2. None 3. Information collecting underway						
Pacific Ocean						 Fiji Namosi joint Venture Project 1. Copper and gold 2. 2% 3. Revising economic evaluation	
South America			 Peru Los Chapitos copper exploration project 1. Copper 2. None (participating in option) 3. Exploration				 Chile Arqueros mine development 1. Copper 2. 80% 3. In development (from Apr. 2023)
Africa						 Morocco Achmmach tin project 1. Tin 2. 5% 3. Economic evaluation ongoing	

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Specific initiatives in the Second Medium-Term Management Plan and their progress

Targets	Environment	1	Develop new demand by developing next-generation wastewater treatment agents	In 2020, launched sales of Polytetsu-T in Kyushu area Uptake increasing due to positive reaction to removal of phosphorous, chromaticity and E. coli from wastewater as well as to being able to reduce chemical additive amounts by roughly 50% Began supply in Kanto region in 2023 and plan to accelerate nationwide expansion
		2	Construct new wastewater treatment agent plants in Taiwan, Southeast Asia, etc. and develop new overseas markets	Currently establishing plans to build wastewater treatment agent plants in Taiwan and Vietnam
	Machinery	1	Develop new overseas markets, especially for dust collectors in Asia	Increased sales in South Korea. Focusing on developing overseas markets, especially Asia
		2	Strengthen cost competitiveness through such improvements as automated production of dust collection filters	Technological studies underway on whether to adopt technology for automating filter manufacturing at domestic plants
		3	Expand sales by developing new applications for smoke separators	Launched single-occupant, box-type smoking booth COCOPA in 2H FY2023

Business environment and our initiatives

External environment

- In the Environment Division, sales of automotive and semiconductor applications are recovering. For Polyetsu materials, we are switching to overseas products to make up for the shortfall in procurement caused by domestic production cutbacks, which is pushing up manufacturing costs
- In the Machinery Division, machinery-related markets are relatively stable. The smoking booth market has been recovering since the pandemic and demand is strong, especially for public smoking locations
- Polyetsu, the mainstay of the Environment Division, is being adopted in new plants for semiconductor production. We have strengthened stable supply by starting operation of a 2,000-ton material yard with an eye to supplying semiconductor plants. We are also undertaking trials to switch to a production method that is expected to increase capacity 1.5-fold. We also bolstered stock facilities in the Kanto and Tokai regions.
- In the Machinery Division, we continued to receive orders for dust collectors from steel and animal feed plants as well as for overseas projects. For smoke separators, in response to strong demand from public smoking locations, we are focusing on increasing sales for single-occupant, box-type smoking booth COCOPA, which we launched in 2H FY2023.

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Machinery & Environmental Engineering Segment Strategy

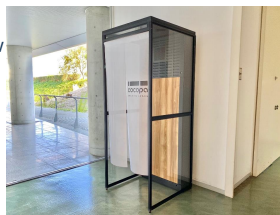
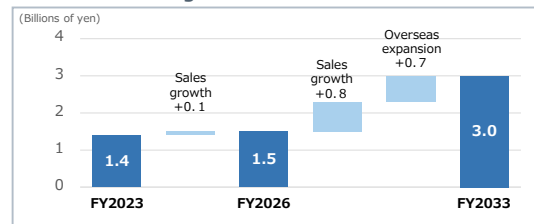
Long-Term Vision

Achieve segment profit of 3 billion yen

Long-term strategy with 10-year horizon and initiatives in the medium-term management plan

- Expand Polyetsu sales (acquire new customers, enter PAC market, etc.) and build stable supply network
- Expand Polyetsu sales overseas (build plants in Taiwan and Vietnam)
- Diversify Polyetsu materials
- Establish Polyetsu manufacturing method conscious of energy efficiency
- Enter domestic baghouse market and expand exports by strengthening the competitiveness of Sinter Lamellar Filter
- Expand sales channels for plasma membranes (develop new applications and develop new markets)
- Expand sales of COCOPA, a single-occupant box-type smoking booth

Segment Profit Outlook



COCOPA, a single-occupant box-type smoking booth



Inorganic iron flocculant Polyetsu

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Review of Real Estate Segment and Strategy



Specific initiatives in the Second Medium-Term Management Plan and their progress

Targets	1	Promote studies of new developments	Conducting studies envisioning store development for tenants on idle land
	2	Improve customer satisfaction and ensure profitability through renovations	No concrete renovation plans during Second Medium-Term Business Plan period, with plans to be studied in light of age of buildings and timing of tenant contract renewals
	3	Review profitability and future prospects of existing properties	Steadily lifting rents in light of market environment and with understanding of tenants

Long-Term Vision

Effective use of company-owned real estate, efficient management with top priority on stable earnings

Long-term strategy with 10-year horizon and initiatives in the medium-term management plan

- Maximize earnings from existing buildings
 - Improve customer satisfaction and secure profitability through renovations of buildings and facilities
- Property use conscious of return on capital
 - Promote studies of new developments, existing properties

Segment position

- The real estate segment leverages properties inherited from the Mineral Resources Segment
- Acts as a counter to the Mineral Resources Segment, whose earnings are relatively volatile

Contribute to earnings as a stable revenue source

Renewable Energy Segment Strategy Review



Specific initiatives in the Second Medium-Term Management Plan and their progress

Targets	Group wide	Consider introduction of renewable energy for in-house power generation and consumption	Introducing solar power, wind power and small-scale hydropower facilities, with some facilities already starting operations
	Geo-thermal	1 Examine and draft plans for securing a stable supply of steam to cover maximum electricity output of the Ogiri Geothermal Power Station	Maintained facility utilization rate among highest in Japan Formulating plans to dig auxiliary production wells and wells for re-injection as we aim establish a steam generation-hot water re-injection system to enable stable steam generation over the long term
		2 Promote investigations for the construction of new geothermal power plants	Regarding development in the Shiramizugoe district, we began geophysical exploration in Sep. 2022 after receiving approval of the mayor and received approval from the mayor in Sep. 2023 for exploration well drilling We will continue with development/investigations while taking sufficient time to explain to local stakeholders to gain their understanding
	Solar power	Engage in stable operations Consider ways to use surplus electricity	All eight solar power plants in Japan have started to connect online, enabling output controls that result in lower loss amounts.
	Hydro-power	Promote studies for small-scale hydropower generation using seepage in mine tunnels	Conducted water volume studies for limestone mines and considered installation of facilities

Renewable Energy Segment Strategy



Long-Term Vision

Renewable energy surveys/development/operations; Achieve carbon neutrality through business activities; Contribute to environmental preservation

Long-term strategy with 10-year horizon and initiatives in the medium-term management plan

Existing Businesses

- **Establish stable steam supply system for Ogiri Geothermal Power Station and improve earnings through higher steam volumes**
 - Stabilize reservoirs by digging new auxiliary wells for re-injection
 - Aim for operations to start in FY2026
 - Establish plans to upgrade existing wells and for new production wells

New Businesses

- **Business expansion through geothermal power generation at Shiramizugoe (15MW)**
 - Development surveys, explanation to local communities
 - Sep. 2023: Received approval from mayor of Kirishima for exploration well drilling plan
 - Plan for re-injection zone exploration well drilling (one well) during Third Medium-Term Management Plan period
 - Target development during the period of the Fourth or Fifth Medium-Term Management Plan
- **Support introduction of renewable energy for internal power generation and consumption**
 - Consider introduction of solar power, wind power, small-scale hydropower

Network of renewable energy power generation facilities

- New renewable energy power generation facilities (internal consumption)
- Existing renewable energy power generation facilities (solar power)
- Existing renewable energy power generation facilities (small-scale hydropower)
- Geothermal power plants (steam supply)



Status of initiatives to develop Shiramizugoe geothermal resources

- Develop geothermal resources and promote supply of steam to power plants, leveraging our longstanding expertise in underground resource development as a mining company
 - In accordance with Kirishima City ordinances, we explained results of geophysical exploration as well as future plans for re-injection zone exploration well drilling at a discussion forum with the local community in Jun. 2023
 - Submitted re-injection zone exploration well drilling plans at end-Jun. 2023 to Kirishima City, with approval from the mayor received in Sep. 2023; survey work is underway
 - Pushing ahead with various work after consistently monitoring hot springs and drinking water in close coordination with the local community
 - Investment to total 20-30 billion yen if Shiramizugoe geothermal plant is developed

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R&D Division Strategy



- **Contribute to the Mineral Resources Segment (Metallic Minerals Division) by developing effective beneficiation processes**
 - R&D for low-energy ore processing technologies to reduce loss of valuable resources to tailing by improving beneficiation recovery rates
 - For new mine development, conduct R&D for next-generation beneficiation technology targeting refractory ore mines and work to recover valuable resources from tailing and other waste
 - Develop low-energy environmental purification technology targeting mine drainage and subsurface water
- **Create new materials with our unique membrane coating technology and contribute to the materials science field**
 - Realize new materials that use membrane coatings to control optical qualities, electrical qualities, and chemical stability, as well as boast core material properties and membrane qualities



Laboratory flotation testing

Mineral Resources Segment related

Machinery & Environmental Engineering Segment related

Carbon neutrality related

- **Contribute to the expansion of the Machinery Division by improving/upgrading dust collection filters**
 - Develop new elements with low pressure loss, high tensile strength, and low price by optimizing sintering and coating methods for resin filters
- **Contribute to the expansion of the Environment Division by optimizing materials and manufacturing methods for wastewater treatment agents**
 - Aim for stable domestic supply and new overseas expansion by establishing manufacturing methods spurred by diversifying iron materials
 - Consider adding new functions and uses for new applications. Additionally, develop new wastewater treatment agent technology for incorporation into the material cycle



Sinter Lamellar Filter (industrial-use dust collection filter)

- **Promote technological development that can contribute to achieving energy-derived CO₂ emissions reduction targets by FY2030**
 - Develop a green hydrogen recovery system using photocatalytic reactions from hydrogen sulfide
 - Establish carbon fixation technology in calcareous materials using ammonia



Hydrogen evolution photocatalyst

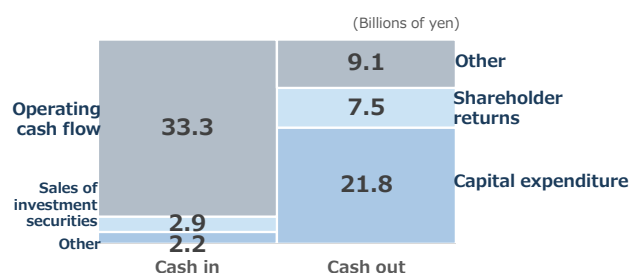
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	Material Issues (selection)	Targets	Main Efforts
E	Responding to climate change	Reduce CO ₂ emissions 【FY2030 Targets】 ➤ Domestic CO ₂ energy-derived emissions down at least 38% (vs. FY2013) 【FY2050 Targets】 ➤ Carbon neutrality in Scope 1, 2 emissions	<ul style="list-style-type: none"> Continued reductions in energy consumption per unit ➤ Aim for continued improvement in energy consumption per unit of at least 1% annually partly by switching to energy-saving facilities and reviewing operations Introduce renewable energy power generation facilities for internal consumption ➤ Plan to introduce solar power facilities with output of approx. 570kW in FY2024. Over medium term, aim to introduce facilities with total output of 3,500-4,000kW Effectively shift to renewable energy for purchased electric power ➤ Using FIT Non-Fossil Certificates with tracking for our FIT solar power plants to effectively shift to renewable energy for power purchased for the Torigatayama Quarry Complex Plan to acquire FIT Non-Fossil Certificates for approx. 17,000MWh/year (equivalent to all purchased energy for our FIT solar power plants) from FY2024 onward Carbon offset initiatives using company-owned forests ➤ We started calculating CO₂ forest absorption amounts for the company-owned forest in Shiraoi, Hokkaido (area of roughly 1,200 ha; S&EC forest certified) from FY2024
S	Respecting human rights and diversity, and developing human resources	Percentage of women hired for career track positions (Nittetsu Mining): 30% or more Gender gap in average continuous service (Nittetsu Mining): less than 2 years Percentage of management positions (FY2030) Women : 5% or more Foreign nationals : 5% or more Mid-career hires : 15% or more	<ul style="list-style-type: none"> Ensuring diverse human resources ➤ Hire throughout the year, regardless of gender, nationality, or whether candidates are recent college graduates or mid-career hires Introducing systems for accommodative work styles ➤ Adopted and expanding systems for accommodative work styles, including telecommuting, staggered schedules, paid leave systems, support systems for family care Developing human resources ➤ Enhance educational initiatives, including nurturing a global workforce and creating a workplace enabling autonomous learning, in line with our human resources development policy Improve engagement ➤ Establish an expert organization and solve various issues emerging from engagement surveys
G	Strengthening governance	Enhancing the corporate governance system Strengthening the compliance system Risk management	<ul style="list-style-type: none"> Build an organization that responds swiftly and correctly to changes in the management environment and build a management system to ensure fair and highly transparent decision making ➤ Transitioned to a company with an Audit and Supervisory Committee (FY2023) ➤ Evaluate effectiveness of the Board of Directors (used for external evaluations by third party bodies) Establishing compliance system in accordance with Group Code of Conduct, establishing/applying internal controls for financial reporting ➤ Conduct internal audits at multiple locations ➤ Appropriate operation of whistleblowing system ➤ Use of external reporting desk (outsourced to law firm) ➤ Hold compliance training Establish appropriate measures ahead of time based on risk management priorities ➤ Run evacuation and safety training and continue to review BCP ➤ Quality Assurance Committee continuously identifies and evaluates risks and considers responses ➤ Taking various initiatives for information security

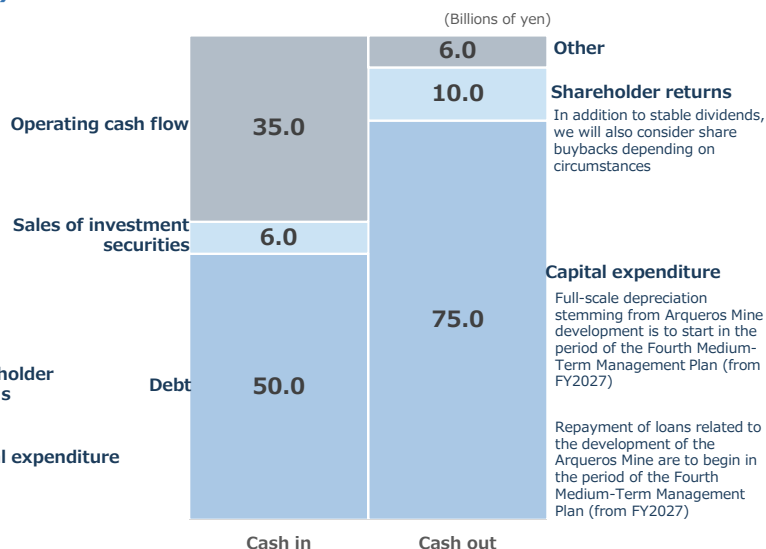
Capital Allocation



Period of Second Medium-Term Management Plan (FY2021-FY2023)



Period of Third Medium-Term Management Plan (FY2024-FY2026)



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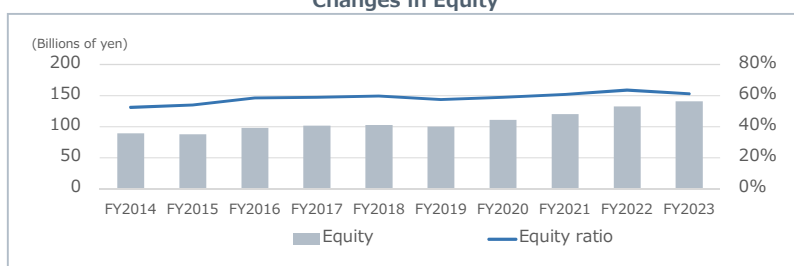
Regarding capital allocation for the third MTMP, far greater cash-out flows than cash-in flows from operations and sales of cross-shareholdings, is expected due to the period of investment for the Arqueros Mine development.

Therefore, we plan for free cash flow to be temporarily negative during the third MTMP. However, we intend to allocate capital in the same level as we did in the second MTMP for shareholder returns.

Share Price and P/B Ratio Trends



Changes in Equity

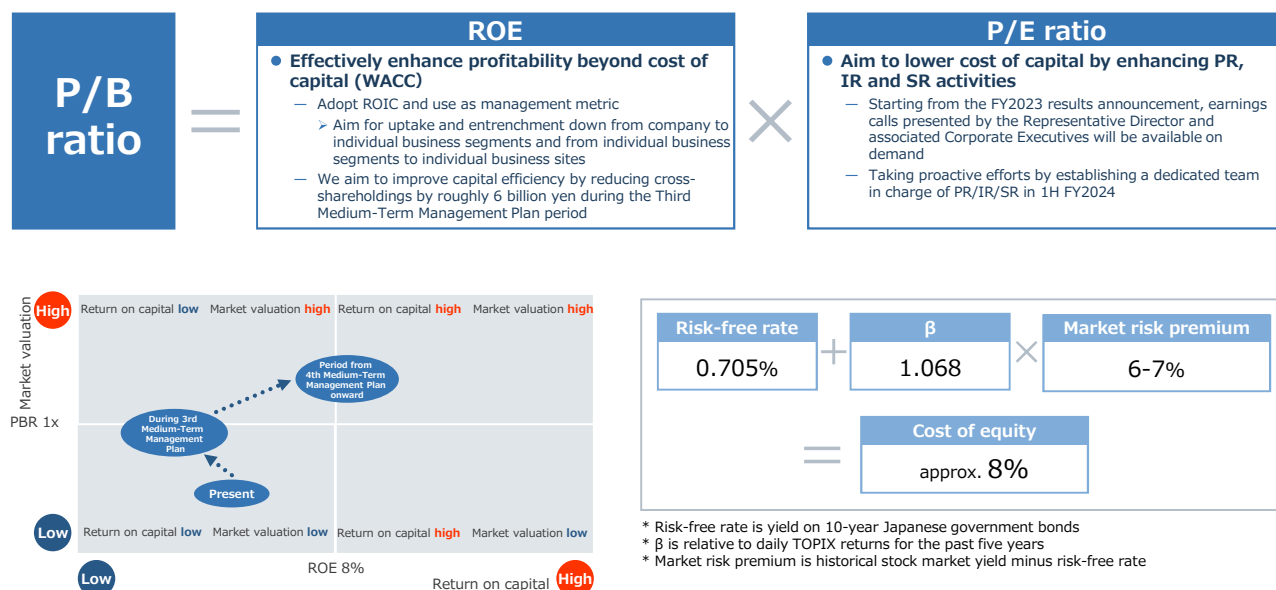


- Earnings have been stable over the past decade resulting in a higher equity ratio
- Shares have increased roughly 2.5 fold
- Enhanced shareholder returns during period of the Second Medium-Term Management Plan (FY2021-FY2023) lifted the P/B ratio from the 0.4x level to around 0.6x
- As of end-Mar. 2024, the P/B ratio was at roughly 0.6x. The P/B ratio is regularly below 1.0x
- There is room to improve PR and IR activities, including explaining specific growth strategies and their prospects, for shareholders/investors

I would like to explain management focusing on cost of capital and stock prices.

Over the last 10 years, our stock price has surged by approximately 2.5 times, however, the PBR has remained around 0.6 times, falling short of reaching 1.0 times.

We have recognized that there is room for improvement in PR/IR, better communication with stakeholders including detailed explanation of our growth strategies and their feasibilities.



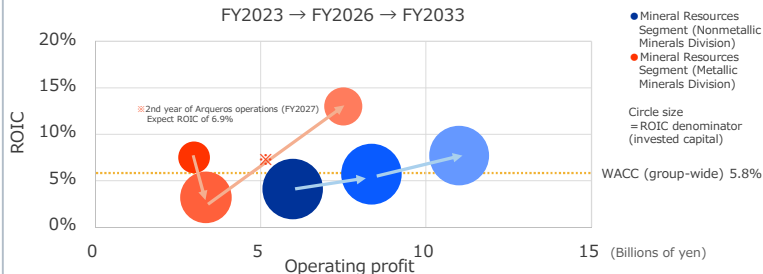
Initiatives to implement management focusing on cost of capital and stock price are being undertaken. Given the limited expectation for improvement of capital efficiency, particularly for the third MTMP, we aim to enhance our market valuation through proactive measures by a newly establishing dedicated PR/IR team, alongside an expansion in shareholder returns in accordance with the basic policy set in August 2023.

Additionally, we aim to achieve a PBR of 1.0 times or higher through improvements in profitability and capital efficiency, achieved in part through the disposal of cross-shareholdings, among other measures.



ROIC Outlook by Segment (Mineral Resources Segment)

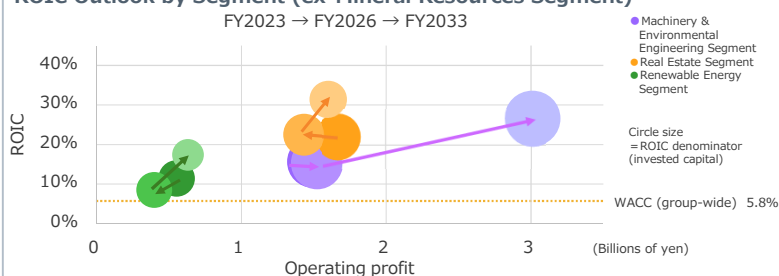
FY2023 → FY2026 → FY2033



- For the Nonmetallic Minerals Division, we aim to achieve ROIC above WACC by promoting improvement in the value of nonmetallic mineral resources (incl. price increase) and optimizing investment capital
- For the Metallic Minerals Division, ROIC is likely to decline sharply during the Third Medium-Term Management Plan period due to the increase in invested capital arising from Arqueros Mine development. However, with stable earnings expected in FY2026 due to the scheduled start of operations for the Arqueros Mine, ROIC is likely to exceed WACC from FY2027, the second year of the mine's operations

ROIC Outlook by Segment (ex-Mineral Resources Segment)

FY2023 → FY2026 → FY2033

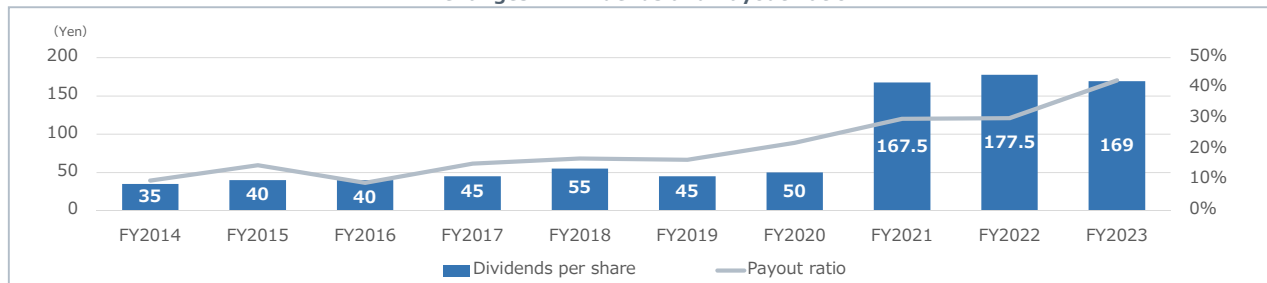


- The Machinery & Environmental Engineering Segment aims for further ROIC improvement by establishing new wastewater treatment agent plants in Taiwan and Vietnam and expanding Polyetsu sales in East/Southeast Asia
- For the Real Estate Segment, we see improved ROIC on stable earnings and depreciation of individual properties
- Once plans progress for geothermal development in the Shiramizugoe district by around the mid-2030s and investments can be recovered, considerable improvement in ROIC is expected for the Renewable Energy Segment

Shareholder Returns Policy



Changes in Dividends and Payout Ratio



Our core business, the mining industry, is an extremely long-term business, starting with research and development before moving on to subsequent operations spanning several decades or more. During that time, profits will vary due to changes in economic and business conditions, fluctuations in the price of resources, and other factors

In order to achieve sustained growth, we must be prepared for large-scale investment in the future, given not only the nature of our business, meaning the considerable size of investments for mine development and long investment recovery cycles, and the start of new mine development in light of mineral depletion at existing mines

As a result, our basic policy has been to pay stable dividends over the long term while maintaining an optimal balance between equity and shareholder returns

Dividend Policy in Third Medium-Term Management Plan

Based on the basic policy of paying stable dividends over the long term while maintaining an optimal balance between equity and shareholder returns, we will pay dividends with a **target consolidated payout ratio of 40%**. Additionally, if the P/B ratio at the end of a fiscal year is less than 1x, the lower limit of dividends is **3% of the market value DOE**; if it is 1x or greater, the lower limit is **3% of the DOE**.

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Lastly, I would like to explain shareholder returns.

Based on the basic policy announced in August 2023, of paying stable dividends over the long term while maintaining an optimal balance between equity capital adequacy and shareholder returns, we intend to pay dividends with a payout ratio of approx. 40%, and set the lower limits of dividends: 3% of the market value DOE when the year-end PBR falls short of 1.0 times/ 3% of the DOE when the year-end PBR reaches 1.0 times.

I would like to conclude my presentation here. Thank you for your time.



Note regarding forward-looking statements

The plans and outlook of future performance and other forward-looking statements contained in these materials were compiled based on certain assumptions using information currently judged to be reasonable by us. We cannot guarantee the accuracy and completeness of this information.

Actual results may differ significantly to the plans and other forward-looking statements contained in these materials due to various risk factors and uncertainties.

Appendix: Financial position & business results under Second Medium-Term Management Plan (1)



(Billions of yen)

	FY2021			FY2022			FY2023		
	Plan	Actual	Diff.	Plan	Actual	Diff.	Plan	Actual	Diff.
Net Sales									
Mineral Resources: Nonmetallic Resources	51.1	54.7	3.6	49.8	60.0	10.2	49.4	61.5	12.1
Mineral Resources: Metallic Resources	61.5	78.7	17.2	59.9	86.9	27.0	58.4	88.3	29.9
Machinery & Environmental Engineering	12.5	12.0	-0.4	12.7	13.7	1.0	12.8	14.0	1.2
Real Estate	2.8	2.8	0.0	2.7	2.8	0.1	2.7	2.8	0.1
Renewable Energy	1.7	1.7	0.0	1.6	1.7	0.1	1.7	1.7	0.0
Adjustments	-1.2	-1.0	0.1	-1.2	-1.3	-0.1	-1.2	-1.7	-0.5
Total	128.4	149.0	20.6	125.6	164.0	38.4	123.8	166.8	43.0

	FY2021			FY2022			FY2023		
	Plan	Actual	Diff.	Plan	Actual	Diff.	Plan	Actual	Diff.
Operating Profit									
Mineral Resources: Nonmetallic Resources	6.6	7.0	0.4	6.3	5.9	-0.3	4.0	5.9	1.9
Mineral Resources: Metallic Resources	2.6	7.2	4.6	2.1	6.6	4.5	2.5	2.9	0.4
Machinery & Environmental Engineering	1.0	1.0	-	1.0	1.2	0.2	1.1	1.4	0.3
Real Estate	1.5	1.5	-	1.4	1.7	0.3	1.6	1.6	0.0
Renewable Energy	0.4	0.5	0.1	0.4	0.5	0.1	0.4	0.5	0.1
Adjustments	-2.6	-1.6	1.0	-2.3	-2.4	-0.1	-2.3	-1.5	0.7
Total	9.4	15.7	6.3	9.0	13.6	4.6	7.3	11.1	3.8

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Appendix: Financial position & business results under Second Medium-Term Management Plan (2)



(Billions of yen)

	FY2021			FY2022			FY2023		
	Plan	Actual	Diff.	Plan	Actual	Diff.	Plan	Actual	Diff.
Financing Plan									
EBITDA*	15.2	21.1	5.9	14.8	19.1	4.3	15.4	17.1	1.7
Interest-bearing liabilities	21.5	20.7	-0.8	25.3	20.8	-4.5	30.4	22.1	-8.3

*EBITDA=Operating profit before taxes + depreciation costs

	FY2021			FY2022			FY2023		
	Plan	Actual	Diff.	Plan	Actual	Diff.	Plan	Actual	Diff.
Capital Investment Plan									
Capital investment	12.1	11.0	-1.1	13.2	8.5	-4.7	17.3	7.6	-9.6
(incl. growth investments*)	(7.0)	(6.3)	(-0.7)	(8.7)	(5.2)	(-3.5)	(13.3)	(2.7)	(-10.6)
Depreciation	5.8	5.4	-0.3	5.8	5.4	-0.3	8.1	6.0	-2.0
(incl. depreciation for third vertical shaft)	-	-	-	(0.2)	(0.0)	-0.2	(2.3)	(0.0)	-2.3

* Growth investments = Third vertical shaft at Torigatayama Quarry Complex (limestone), new mining area at Hachinohe Mine (limestone), Arqueros Mine

	FY2021			FY2022			FY2023		
	Plan	Actual	Diff.	Plan	Actual	Diff.	Plan	Actual	Diff.
Investments by Segment									
Mineral Resources: Nonmetallic Resources	11.1	10.4	-0.7	9.7	7.8	-1.9	3.5	5.9	2.4
Mineral Resources: Metallic Resources	0.6	0.5	-0.1	2.9	0.4	-2.5	13.1	1.5	-11.5
Machinery & Environmental Engineering	0.1	0.1	-	0.2	0.2	0.0	0.1	0.0	0.0
Real Estate	0.0	0.0	-	0.1	0.0	-0.1	0.0	0.0	0.0
Renewable Energy	0.3	0.0	-0.3	0.3	0.0	-0.3	0.7	0.0	-0.7
Corporate/intersegment eliminations	0.1	-0.1	-0.2	0.0	-0.0	-	-0.1	-0.0	-0.0
Total	12.1	11.0	-1.1	13.2	8.5	-4.7	17.3	7.6	-9.6

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Appendix: Net sales and operating profit under Third Medium-Term Management Plan



(Billions of yen)

	FY2023 Actual	FY2024 Plan	FY2025 Plan	FY2026 Plan
Net Sales				
Mineral Resources: Nonmetallic Minerals	61.5	67.6	68.3	68.4
Mineral Resources: Metallic Minerals	88.3	96.2	86.5	97.9
Machinery & Environmental Engineering	14.0	14.8	15.2	15.7
Real Estate	2.8	2.8	2.8	2.8
Renewable Energy	1.7	1.7	1.8	1.7
Adjustments	-1.7	-1.7	-1.7	-1.7
Total	166.8	181.4	172.8	184.8
Operating Profit				
Mineral Resources: Nonmetallic Minerals	5.9	6.7	7.1	8.4
Mineral Resources: Metallic Minerals	2.9	0.1	0.7	3.3
Machinery & Environmental Engineering	1.4	1.3	1.4	1.5
Real Estate	1.6	1.6	1.5	1.4
Renewable Energy	0.5	0.3	0.4	0.4
Adjustments	-1.5	-2.6	-2.0	-2.2
Total	11.1	7.4	9.0	12.8
Assumptions	Forex ...¥140/USD Copper price ...400 cents/pound			

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Appendix: Financing & capital investment plans under Third Medium-Term Management Plan



(Billions of yen)

	FY2023 Actual	FY2024 Plan	FY2025 Plan	FY2026 Plan
Financing Plan				
EBITDA*	17.1	16.3	16.9	24.5
Interest-bearing liabilities	22.1	37.2	62.4	63.3
* EBITDA = Operating profit before taxes + depreciation costs				
Capital Investment Plan				
Capital investment	7.6	22.7	32.5	18.3
(incl. growth investments*)	(2.7)	(18.3)	(26.2)	(9.7)
Depreciation	6.0	8.8	7.9	11.7
(incl. depreciation for third vertical shaft)	(0.0)	(2.2)	(2.0)	(1.4)
(incl. depreciation for Arqueros Mine development)	-	-	-	(4.0)
* Growth investments = Third vertical shaft at Torigatayama Quarry Complex (limestone), new mining area at Hachinohe Mine (limestone), Arqueros Mine				
Investments by Segment				
Mineral Resources: Nonmetallic Minerals	5.9	4.8	5.6	6.1
Mineral Resources: Metallic Minerals	1.5	17.5	26.4	9.8
Machinery & Environmental Engineering	0.0	0.1	0.1	0.1
Real Estate	0.0	0.1	0.1	0.1
Renewable Energy	0.0	0.2	0.1	1.8
Corporate/intersegment eliminations	-0.0	-0.0	0.2	0.4
Total	7.6	22.7	32.5	18.3

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