Securities code
5707

FY2026 1Q
Financial Results Presentation

August 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. **FY2026 1Q got off to a strong start, with net sales and profit increasing year on year.**

2. **Despite the recent decline in silver prices, EBITDA remained positive.**
   EBITDA excluding inventory valuation losses recognized under the lower-of-cost-or-market (LCM) method was ¥1.5 billion.

3. **Progress toward the full-year forecast was around 20% for EBITDA and ordinary profit excluding inventory valuation losses. The full-year forecast remains unchanged.**

4. **Net assets improved as of 1Q-end, supported by the return to profitability and hedging gains.**

5. **To achieve the Business Revitalization Plan targets for FY2027 and beyond, we are transforming our business structure to establish an earnings base independent of external conditions.**

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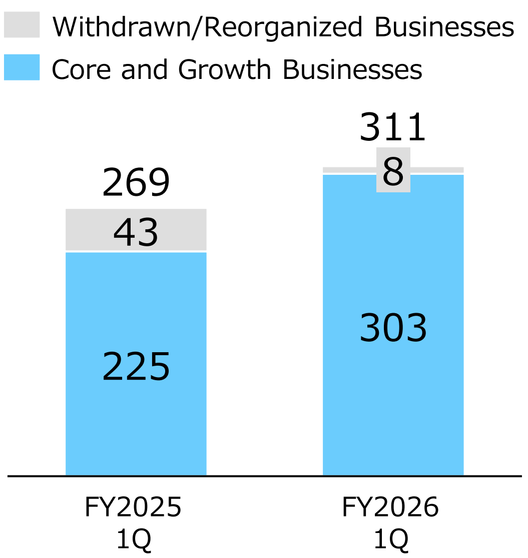
FY2026 1Q Financial Results (YoY Comparison)

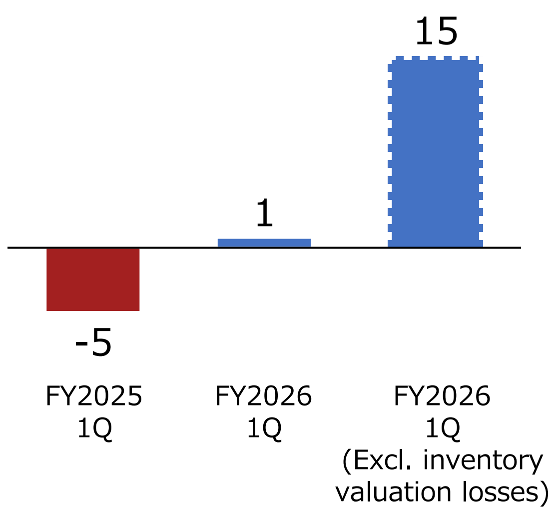
Net sales and profit increased year on year, and EBITDA excluding inventory valuation losses was positive at ¥1.5 billion.

(Unit: 100M JPY)

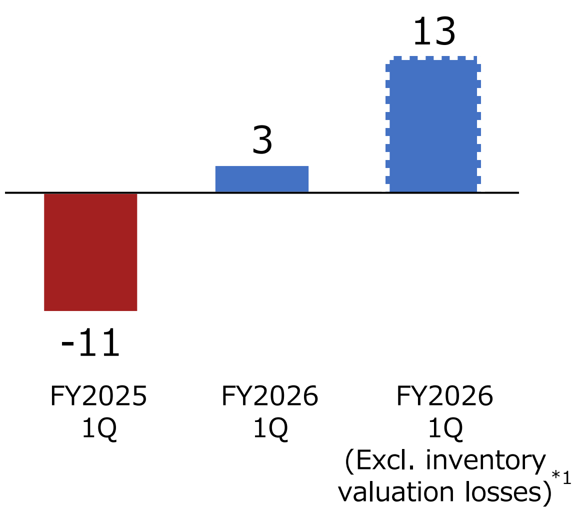
Net Sales



EBITDA



Profit



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

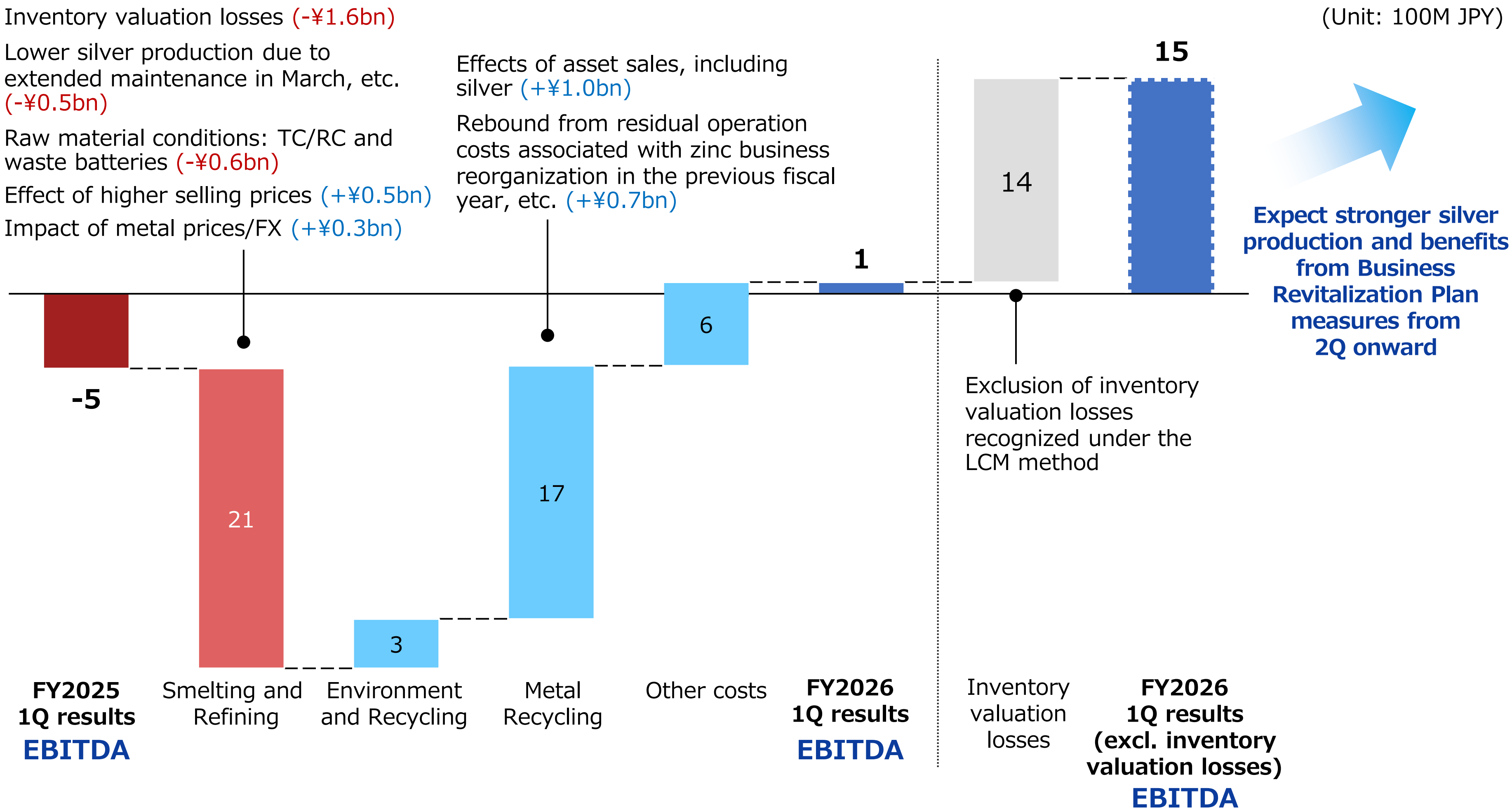
(YoY)
- Positive effect from asset sales, including silver, related to zinc smelting business reorganization↑
- Positive effect of tax-effect accounting from recognition of deferred tax assets↑

*** Inventory valuation losses recognized under the LCM method were approximately ¥1.4 billion.**

*1 The effect on profit of excluding inventory valuation losses is estimated at approximately ¥1.4 billion × (1 - effective tax rate).

FY2026 1Q EBITDA: YoY Changes and EBITDA Excluding Inventory Valuation Losses

EBITDA increased year on year. EBITDA excluding inventory valuation losses was ¥1.5 billion.



Status of Net Assets for FY2026

In addition to the return to profitability, the equity ratio improved partly because hedge gains were recognized in net assets on the balance sheet, despite the current downward trend in silver prices.

(Unit: 100M JPY)

Item	End-FY2023	End-FY2024	End-FY2025	End-FY2026 1Q
Net assets	**27**	**101**	**137**	**184**
Total assets	**1,084**	**993**	**989**	**1,078**
Equity ratio	**2.5%**	**10.2%**	**13.8%**	**17.0%**
Deferred gains or losses on hedges	-15	-4	-16	18

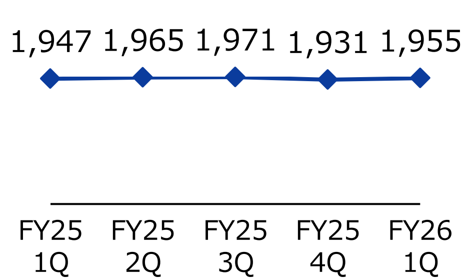
Reference: Lead and Silver Price Trends over the Past Year (USD-based and JPY-based)

In 1Q, lead prices rose year on year in USD terms and, with a slightly weaker yen, also rose in JPY terms. Silver prices rose year on year in USD terms and, with a slightly weaker yen, also rose in JPY terms. Silver prices have, however, declined most recently.

Lead

Lead LME Market Price (USD-based)

(USD/ton)



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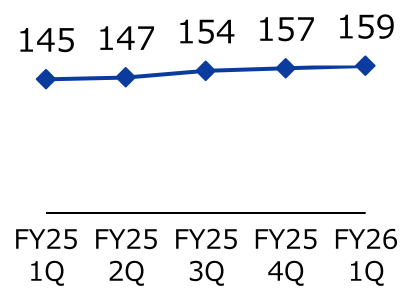
USD/JPY

(JPY/USD)



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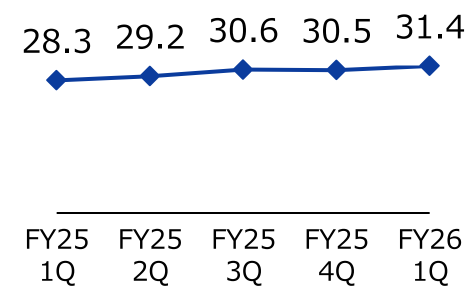
Lead LME Market Price (JPY-based)

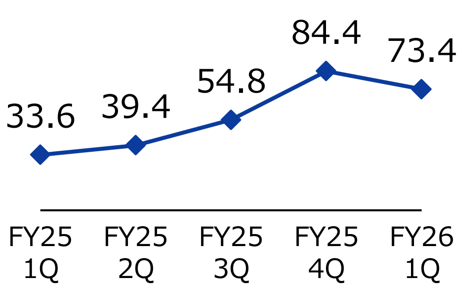
(¥10,000/ton)



Silver

Silver LBMA Market Price (USD-based)

(USD/troy ounce)



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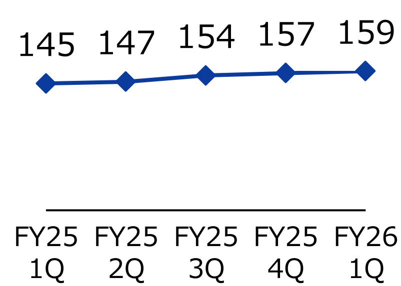
USD/JPY

(JPY/USD)



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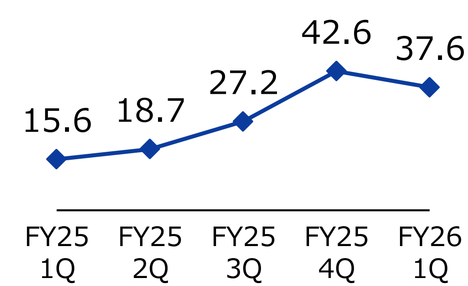
Silver LBMA Market Price (JPY-based)

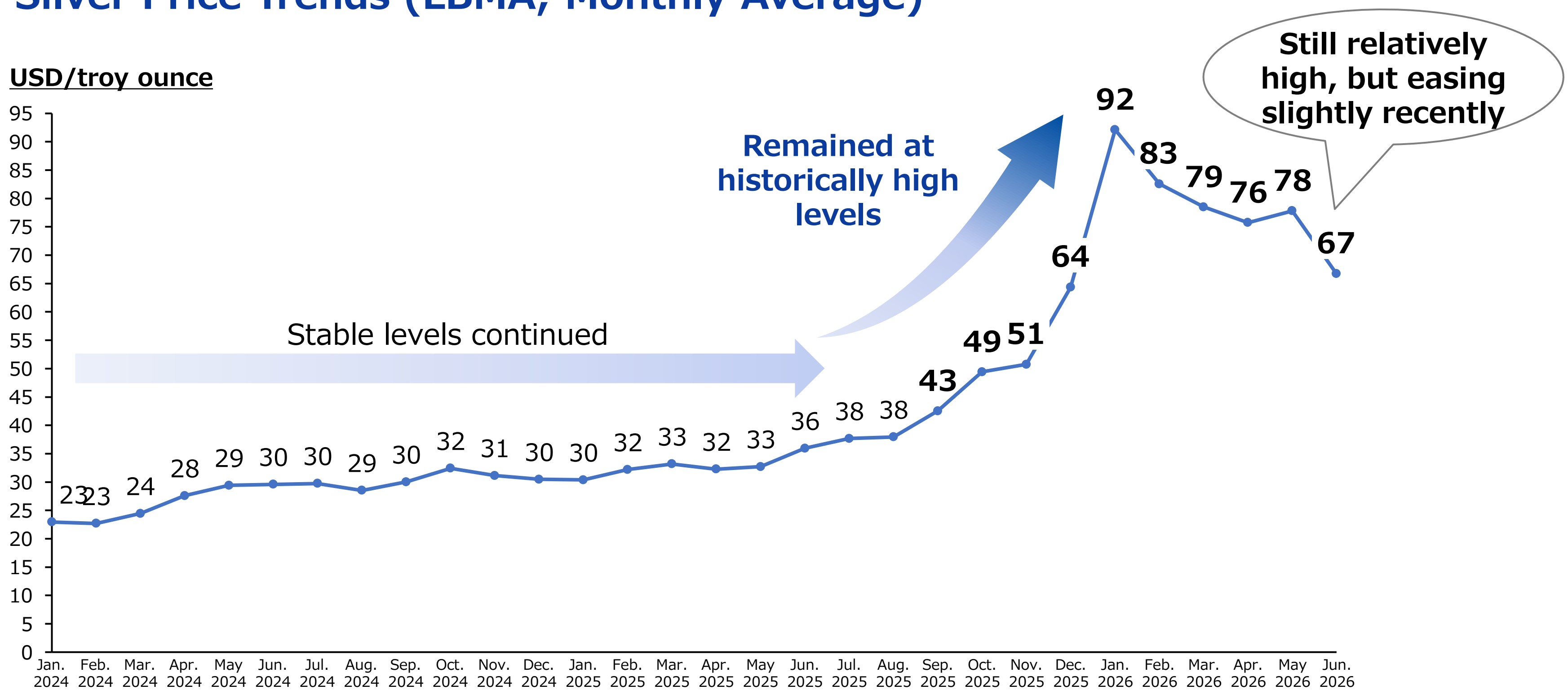
(¥10,000/kg)



Reference: Silver Price Trends

Silver prices exceeded USD40 in September 2025 and averaged USD92 in January. They have since eased somewhat to the USD60 range but remain relatively high.

Silver Price Trends (LBMA; Monthly Average)



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.

	FY2025 Actual	FY2026 Forecast	Sensitivities
Lead	**1,953** USD/ton	**1,900** USD/ton	A USD100/ton increase raises ordinary profit by ¥250 million per year.
Silver	**53** USD/toz	**80** USD/toz	A USD1/toz increase raises ordinary profit by ¥60 million per year.
Exchange rate	**151** USD/JPY	**160** USD/JPY	A ¥1 depreciation against the U.S. dollar raises ordinary profit by ¥110 million per year.

Progress Toward FY2026 Full-Year Forecast

On a basis excluding inventory valuation losses, progress toward the full-year forecast was around 20% for EBITDA and ordinary profit.
The full-year forecast remains unchanged.

(Unit: 100M JPY)	FY2026 1Q Results	FY2026 Forecast	Progress
Net Sales	311	1,785	17.4%
EBITDA	15	80	19.2%
Ordinary Profit	9	45	19.4%

Excl. inventory valuation losses

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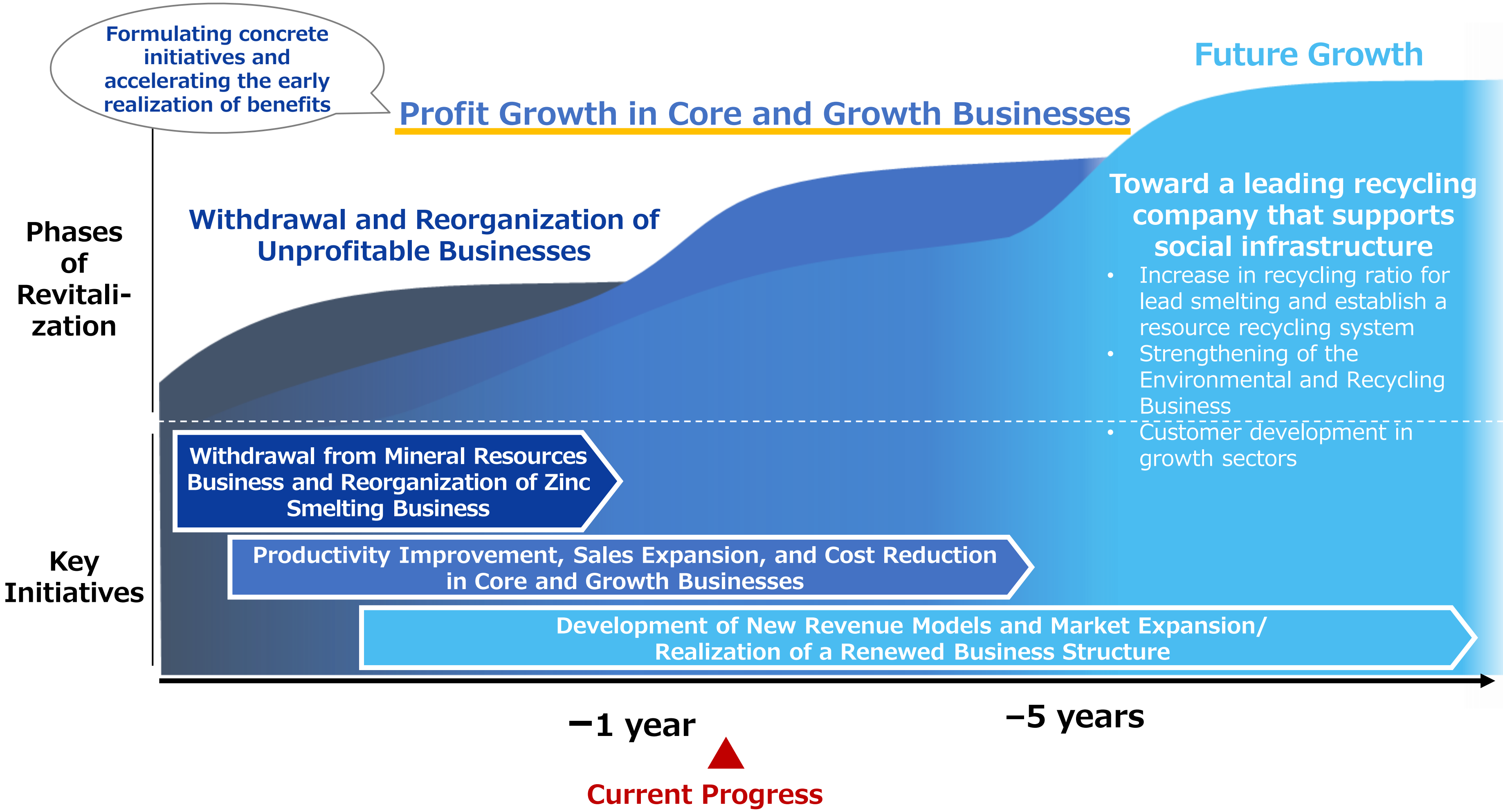
Overview of the Business Revitalization Plan

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.



Current External/Internal Environment

Raw material sourcing conditions are worsening mainly in the lead and silver smelting business. Precious metal prices are expected to remain high.

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.	+
		TC/RC	● Historically low levels continue, affected by robust demand for concentrates 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

- 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.
- In light of developments in the Middle East, we will work through the Japan Mining Industry Association to help address supply imbalances and distribution bottlenecks, thereby ensuring a stable supply of critical materials.

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**

Progress in Business Structure Transformation (1): Strengthening Core and Growth Businesses

We are advancing new initiatives to contribute to earnings from FY2027 onward.

Business	Initiative Theme	Initiatives/Details
Metal Recycling	**Recovery of valuable metals through effective use of Annaka facilities**	• **Effectively use existing facilities** at Annaka. • **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.**
Electronic Components	**Partial transfer of production operations to Bangladesh**	• **Contribute to earnings by expanding sales through lower production costs and stronger price competitiveness.**

Progress in Business Structure Transformation (2): Advancing Technology-driven Management through the CTO Organization

We have begun reforms in each area to strengthen cross-functional collaboration in production technology and R&D capabilities, and to integrate deployment and enhance development of technical personnel.

	Purpose of Establishing the CTO Organization	Key Initiatives since Establishment
Manufac-turing	• Establish a framework to standardize technical knowledge and best practices and strengthen frontline capabilities • Convert tacit knowledge into explicit knowledge and enhance data utilization	• Began developing best-practice examples in safety and occupational health • Began digitizing data using AI-OCR
R&D	• Select and focus development themes • Enhance technology intelligence through IP landscape and AI • Accelerate development through co-creation	• Began technical verification for recovery of new elements • Identified functional materials development domains through patent research and IP landscape • Searched for and approached potential alliance partners
Human Capital	• Rebuild human capital through stronger recruitment and development of technical personnel • Unlock the potential of technical personnel	• Launched integrated recruitment, development, and retention initiatives across HR, technology, and manufacturing • Reallocated personnel to priority areas

Progress in Business Structure Transformation (3): Productivity Improvement through DX

We have obtained DX Certification and will continue improving earnings by increasing productivity through DX.

The Company has been certified as a **DX Certified Business Operator** under the **DX Certification Program** established by the Ministry of Economy, Trade and Industry.
This certification recognizes that the Company's digital business reform initiatives comply with the standards established by the government.

Our DX Strategy

Management Vision

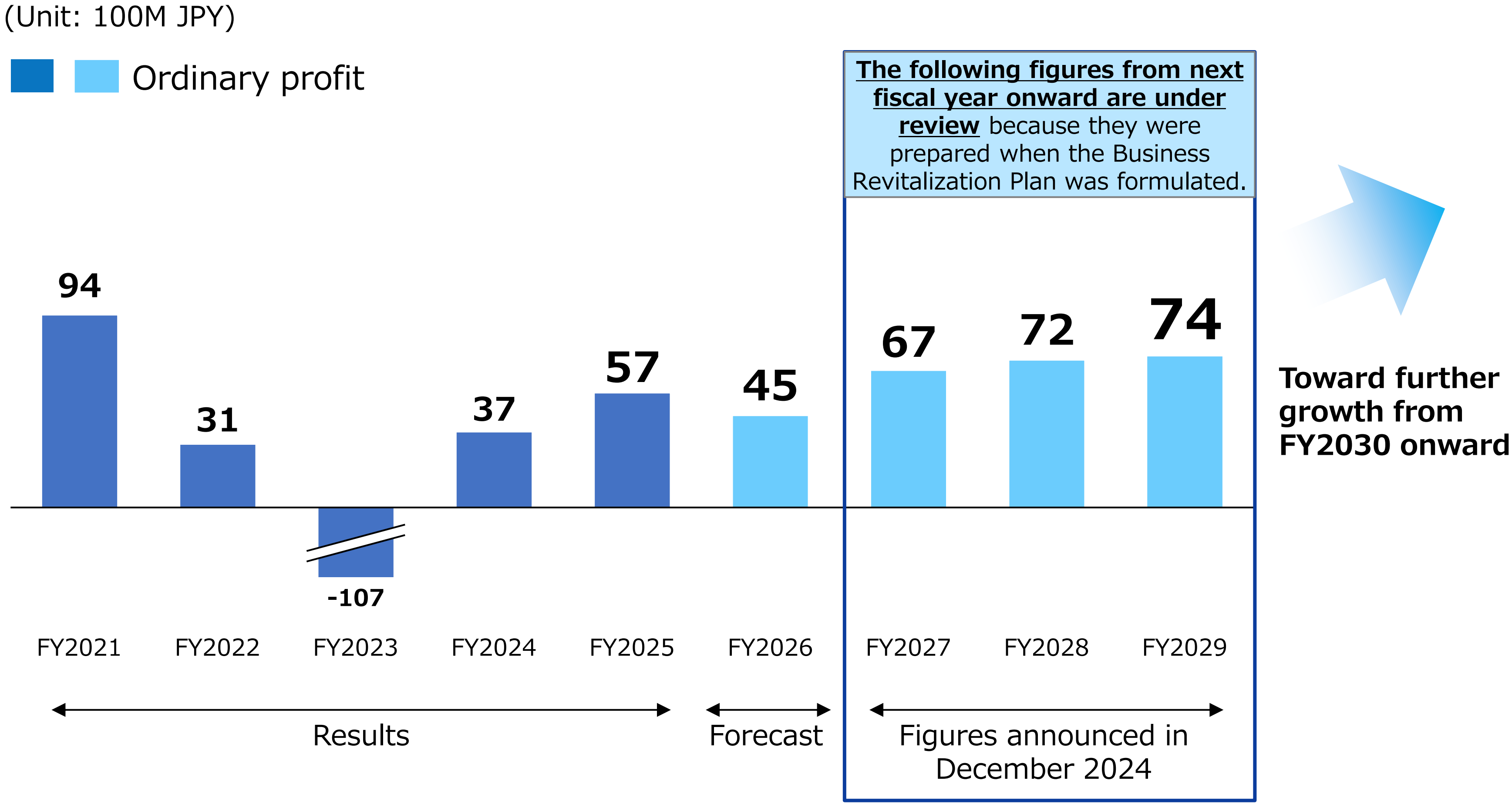
"Toward a leading recycling company that supports social infrastructure"

To realize our management vision, we are promoting business reform and advanced operations using data and digital technologies. Under our DX strategy, we are building a next-generation IT platform, establishing a KPI utilization platform, promoting DX across divisions and sites, developing smart factories, and visualizing and optimizing operations using AI and data.

[Related Information]
DX Strategy Materials (Digital Business Reform Concept)

Figures in the Business Revitalization Plan

Figures for FY2027 onward are currently under review in light of changes in exchange rates, resource prices, and business progress. We aim to establish diverse earnings models that are less dependent on changes in the external environment.



Change of Corporate Name and Adoption of New Corporate Logo

TOHO METALIX

To strengthen competitiveness in our business domains, which cover a wide range of metals from base metals to rare metals and precious metals, and demonstrate our commitment to transitioning to a new stage of growth, we will change our corporate name to “Toho Metalix Co., Ltd.” effective April 1, 2027.

The new logo combines the letter “M” from “Metalix” with the infinity symbol (∞), representing infinity, derived from the Company’s mission statement: “Finite resources into infinite value.”

Message from the New President

佐藤義和

Yoshikazu Sato
President and Representative Director

From Revitalization to Sustainable Growth
We will steadily implement reforms and deliver results quarter by quarter.

First-quarter performance improved year on year, but remained below the earnings level we are targeting, leaving no room for complacency. We take these results seriously and will analyze the variances from our plan and rigorously implement measures to improve earnings.

Since launching the Business Revitalization Plan, we have withdrawn from the Mineral Resources Business, reorganized the zinc smelting business, and strengthened our decision-making processes. In the previous fiscal year, we achieved a return to profitability. This, however, does not mark the completion of our revitalization; it is the starting point for sustainable growth.

Going forward, with safe and stable operations as our foundation, we will expand the procurement of secondary raw materials, strengthen the recovery of valuable metals, and revitalize the Metal Recycling Business, thereby building an earnings base that is less susceptible to external conditions. At the same time, through organizational restructuring, reforms to our human resources systems, talent development, the transfer of technical expertise, and DX, we will transform ourselves into a company in which every employee thinks independently and continuously pursues improvement.

My responsibility is not merely to advocate reform, but to deliver tangible results.

To realize our vision of becoming “the leading recycling company,” we will steadily deliver results quarter by quarter and translate them into enhanced corporate value.

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Financial Performance Comparison for 3 Months (1Q)

		FY2025 1Q	FY2026 1Q	Difference	Difference (%)
Market					
Lead	US$/t	1,946.8	1,955.0	8.2	0%
Silver	US$/oz	33.6	73.4	39.8	118%
yen/US$		144.6	159.5	14.9	10%
Production Volume of Key Products in the Smelting Business					
Lead products	1,000 t	19.7	20.7	1.0	5%
Electrolytic Silver	t	44.5	41.0	(3.4)	(8%)
Profit and Loss					
Revenue	100 million yen	268.7	311.0	42.3	
Operating Income	100 million yen	(8.5)	(2.5)	6.0	
EBITDA	100 million yen	(5.1)	0.8	5.9	
Ordinary income	100 million yen	(10.8)	(5.8)	5.0	
Smelting	100 million yen	(4.2)	(24.8)	(20.6)	
Inventory valuation	100 million yen	(6.0)	(22.0)	(16.0)	
Others	100 million yen	1.8	(2.8)	(4.6)	
Environment and Recycling	100 million yen	2.4	5.8	3.4	
Electronic Components and Advanced Materials	100 million yen	0.7	0.7	(0.0)	
Metal Recycling	100 million yen	(6.8)	10.6	17.4	
Mineral Resources	100 million yen	0.0	0.0	0.0	
Others	100 million yen	1.3	1.3	(0.0)	
Adjustment	100 million yen	(4.1)	0.7	4.8	
Net income/loss	100 million yen	(11.1)	2.6	13.7	

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

The exercise ratio of the share acquisition rights is currently 32%.

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	11,205 units
Exercise ratio	32.01%
Number of unexercised share acquisition rights	23,795 units

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
- Sep. Release of Integrated Report

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

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