

**Earnings Briefing for Third Quarter of the Fiscal Year Ending March 31, 2026
(FY2025)**
Condensed Transcript of Q&A Session

Date & time: Tuesday, February 3, 2026, 18:00–19:00

Attendees: Hideyuki Iwamoto, Executive Vice President and CFO; Yasushi Aida, Deputy CFO; Shigeo Obata, Deputy CSO

Q. The Asia/Oceania business of the Mobility Division, the memory-related business of the Digital Solutions Division, and the non-ferrous/rare earth business of the Circular Economy Division all performed extremely well in the third quarter. Will this strong performance be sustained into the next fiscal year?

A. Regarding the Asia/Oceania business of the Mobility Division, in addition to special demand in Sri Lanka resulting from the lifting of import restrictions, demand in Cambodia and Laos is firm. Due to the nature of the special demand in Sri Lanka, it is possible that demand will slow in the next fiscal year, but we believe that the strong trend in Cambodia and Laos will continue into the next fiscal year and beyond. Regarding the memory-related business of the Digital Solutions Division, production of generative AI-related memory is booming, and the reduction in production of general-purpose memory and the resulting price increases have contributed to the increase in profit. Semiconductor demand tends to be cyclical, and fluctuations in demand are anticipated; however, by fulfilling our mission of connecting supply chains, we expect a certain level of demand to be maintained in the next fiscal year and beyond. Regarding the non-ferrous/rare earth business of the Circular Economy Division, the market is rising. Lithium prices have been recovering recently, but this is not reflected in the third quarter results. If the rising trend in the market continues in the next fiscal year and beyond, we believe that the current revenue structure will be maintained.

Q. You changed the price conditions for the share repurchase tender offer. Is it correct that this will be a factor in increasing ROE to 15%, a target set in the Medium Term Management Plan?

A. Just as you understand, this transaction will reduce equity, bringing achievement of ROE of 15% or more within reach.

Q. Prices for memory are increasing due to a shortage. What impact do you expect this will have on the company's financial results?

A. Tomen Devices is receiving supply from Samsung, while NEXTY Electronics is receiving supply from Micron Technology. Our plan is to build a supply chain while securing a certain quantity of inventory, but we also anticipate an increase in financial burdens from

the larger inventory.

We believe that the memory shortage will continue until the end of 2027. Suppliers are requesting long-term purchase agreements with advance payment, while manufacturers, which are our customers, are seeking long-term stable supply. We are negotiating with customers for long-term purchase commitments and improved margins. Increased inventory will have a negative impact on the balance sheet, but we anticipate that it will have a positive effect on profit and loss.

Q. The Africa Division's results were strong, but it appears that the automobile sales volume did not increase very much from the previous fiscal year. Please provide an analysis of the elements to explain which businesses are experiencing business growth.

A. At this time, we have provided explanations based on automobile sales by region and country, but we will endeavor to provide some kind of explanation through the business briefing.

Q. Please explain the details of the rare earth business conducted by the Circular Economy Division. Also, what were the results for the third quarter, including conditions in other markets, and what is the outlook for the future?

A. The rare earth business involves refining operations in India. We secure residue from nuclear power plants, which serves as a raw material, from the Indian Department of Atomic Energy and extract and refine cerium, lanthanum, and neodymium. The main factors that led to a positive impact in the third quarter compared to the previous fiscal year included rising neodymium prices as well as higher prices for platinum group metals (PGMs). The scope of profit in the neodymium business does not have a significant impact on the company's overall results.

Q. What is the performance status of Radius? Please discuss one-time factors and other factors separately.

A. Looking at after-tax profit from August to December, the scrap metal business recorded a loss, but the electric furnace business was profitable, and core business reported a loss of approximately 2.0 billion yen. Also, one-time acquisition costs and other expenses resulted in a loss of approximately 2.0 billion yen. Market prices for iron scrap are increasing, and we expect the business will turn profitable in the fourth quarter. We will continue our efforts to stabilize revenue through long-term sales price contracts and to generate synergy effects.

Q. The Africa Division is performing well. Was the increase in profit within expectations? Also, what is your sense for the next fiscal year?

A. There were only a few under-performing countries and regions in the mobility business

of the Africa Division, and growth was higher than expected. The division is expanding its network in preparation for future motorization. The healthcare business is achieving stable profit growth and made a full-scale entry into the retail business this fiscal year. In the future, the division will leverage the network that it has created in the mobility business to expand revenue and establish a second pillar of business alongside mobility.

Q. In relation to the share repurchase tender offer, I believe that with the change of the tender offer price, there will be a time when net DER exceeds 0.8 times. Have you made any changes to the capital allocation policy announced in the Medium Term Management Plan? Also, are further changes to the conditions or a postponement of the transaction possible?

A. Based on the current share price and other factors, we do not believe that DER will reach 0.8 times. We are unable to predict the future of the share repurchase tender offer at this time.

Q. The rate of progress toward the earnings forecast was solid at 80%. Can you explain why no changes were made to the forecast for the full fiscal year?

A. We are not facing any major risks, but have adopted a conservative outlook. There is a process to calculate and verify cash flow at the end of the fiscal year to determine asset impairment and other factors, but this too will not have a major impact on results.

Q. Why was the Mobility Division's performance in the third quarter stronger than in other quarters?

A. Although there was a reactionary effect in the third quarter from one-time factors in the previous fiscal year, progress was very strong in the Asia/Oceania region, particularly in Cambodia, Laos, Sri Lanka, and Papua New Guinea, and favorable foreign-exchange conditions also contributed to the strong performance. We expect that the strong performance in Sri Lanka will continue through the fourth quarter of this fiscal year.