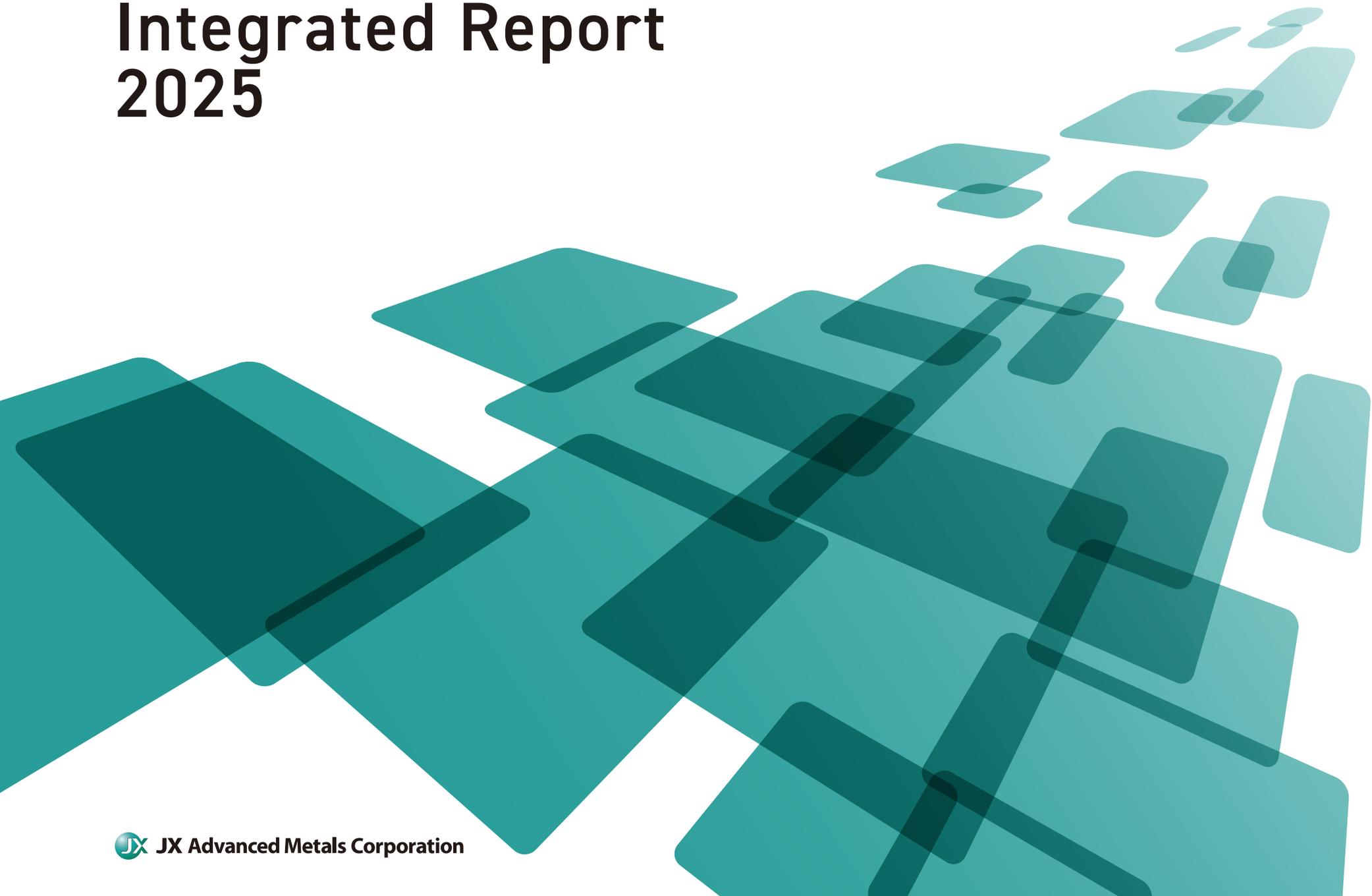


JX Advanced Metals  
**Integrated Report**  
**2025**



## JX Advanced Metals Group's Philosophy

We defined our Purpose and Way under the JX Advanced Metals Group Philosophy.

Our Purpose represents our social role and reason for existence. This concept conveys our commitment to creating added value for society over the next 100 years, just as we have for the past century, and expresses our forward-looking spirit. Our Way represents the values that guide our actions. These expressions reflect the principles that have been cultivated throughout our long history.

### Our Purpose

## Creating Value for a Brighter Future

Powered by technology, passion, and innovation

### Our Way

- Courageous Spirit** Our pursuit of excellence challenges convention and welcomes innovative change.

---

- Purposeful Collaboration** Our commitment to creating value drives us to address challenges through open and inclusive dialogue.

---

- Mutual Respect** The core of our culture is building strong relationships with each other as valued members of a team.

---

- Flourishing Together** We embrace sustainable business practices to harmonize with society for mutual prosperity.

## JX Advanced Metals Group Code of Conduct

In order to shape a brighter future by creating value, we will act in compliance with the code stipulated below, based on the JX Advanced Metals Group Philosophy, in all aspects of our business activities.

### 1. Creation of value for society

Welcoming innovative change, challenging convention and pursuing excellence, we will create value and shape a brighter future through our products, technology, etc.

### 2. Compliance and fair business transactions

We will act with sincerity in compliance with laws, regulations and social common sense. We will engage in fair and free competition, maintain a sound relationship with political bodies and government agencies, and respond resolutely to antisocial forces.

### 3. Disclosure of corporate information

We will hold constructive dialogue with shareholders and other stakeholders through disclosure of corporate information in a timely and appropriate manner.

### 4. Management of information assets and intellectual properties

We will conduct proper management of the information assets and intellectual properties that support our products and technology, in order to maintain our advantage in technological competition.

### 5. Respect for human rights

We will respect international norms on human rights and will conduct our business activities respecting the human rights of all people, including local residents, clients, employees, and customers.

### 6. Employees' health and creation of optimum working environment

We will place top priority on health, safety and disaster prevention, assure employees' health, and ensure a comfortable and optimum working environment that respects diversity and enables human resources from various backgrounds to perform to their maximum capacity.

### 7. Global environmental conservation

Based on the awareness that tackling environmental issues is a common issue of humanity and an essential requirement of corporate existence and activities, we will engage in activities aimed at conserving the global environment in a voluntary, active and continuous manner.

### 8. Flourishing together with society

We will respect the environments, cultures and customs of people in all countries and regions, and will play an active role in local communities through our business activities and social contributions, engaging in dialogue, association, and collaboration with them.

### 9. Enhancement and strengthening of risk management

We will establish a management system based on scientific data to enhance and strengthen risk management.

### 10. Management responsibilities

Management executives will take the lead in implementing this code and ensure it is thoroughly implemented across the Group, and will construct a governance structure enabling the Group as a whole to act in compliance with it. In the event of any non-compliance with the code, the management executives will investigate the causes, work to prevent reoccurrence, and disclose information to the public promptly and accurately, thereby fulfilling their responsibility to ensure the soundness and transparency of business management.

## Contents

### Introduction

- 1 ····· JX Advanced Metals Group's Philosophy, JX Advanced Metals Group Code of Conduct
- 3 ····· Editorial Policy
- 4 ····· At a Glance
  - Our Products That Support the Future
  - Our Business
  - Global Network

### Message From the President

- 7 ····· Message From the President

### Value Creation Strategy

- 13 ····· History of Value Creation
- 14 ····· Value Creation Model
- 15 ····· The Source of Our Value Creation
- 17 ····· Message From the Executive Officer in Charge
- 21 ····· Strategy by Segment
  - Semiconductor Materials Segment
  - ICT Materials Segment
  - Technology and R&D Strategy
  - Metals & Recycling Segment

### Sustainable Management

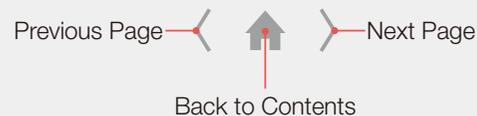
- 35 ····· Sustainability Implementation Framework
- 37 ····· Resource Recycling × Decarbonization
- 41 ····· Human Capital Management
- 45 ····· Respect for Human Rights
- 47 ····· Strengthen Governance
  - Corporate Governance
  - Officers
  - Outside Directors Roundtable Discussion
  - Risk Management
  - Quality Control
  - Supply Chain Management
  - Compliance

### Company Overview

- 69 ····· Financial and Non-Financial Data
- 70 ····· Corporate Profile/Shareholder Information

### How to Use Interactive Features

Use the top menu to navigate to each section (online version). You can also use the navigation buttons located in the upper right corner of each page.



## Editorial Policy

This report marks the first issue of our Integrated Report, a publication that comprehensively brings together financial and non-financial information. We published the JX Advanced Metals Integrated Report 2025 to outline the annual progress of JX Advanced Metals Group management and growth strategies in an easy-to-understand manner, with a focus on sustainability. This report serves as a communication tool for our customers, shareholders, investors, local communities, employees, and other stakeholders. We present our value creation story together with information on business strategies, environment, human resources, and corporate governance initiatives.

### Reporting Period

- April 1, 2024 - March 31, 2025
- Certain portions of this report contain information on activities conducted after the reporting period to share the latest information.

### Scope of Report

- JX Advanced Metals Corporation (the “Company,” “we”) and consolidated group companies in Japan and overseas

### Publication Date

- November 2025

### Referenced Guidelines

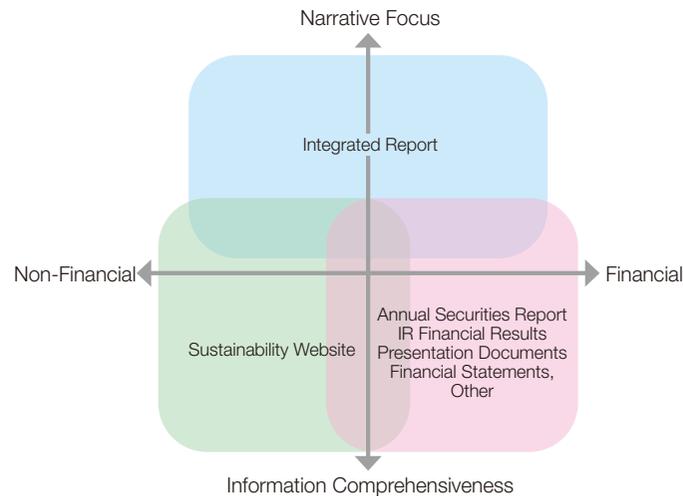
- *International Integrated Reporting Framework*, IFRS Foundation
- *Guidance for Collaborative Value Creation 2.0*, Ministry of Economy, Trade and Industry

### Forward-Looking Statements

The forecasts, plans, and outlooks related to future performance described in this report are based on information currently available and reasonable assumptions made by the management of JX Advanced Metals Corporation. Actual results may differ significantly from the forecasts, plans, and outlooks described herein due to various factors. Such factors include, but are not limited to, changes in economic conditions in major markets, fluctuations in product demand, movements in foreign exchange rates, and revisions to accounting standards and practices or other regulations in Japan and overseas.

## Disclosure System

The JX Advanced Metals Group discloses financial and non-financial information through the following publications.

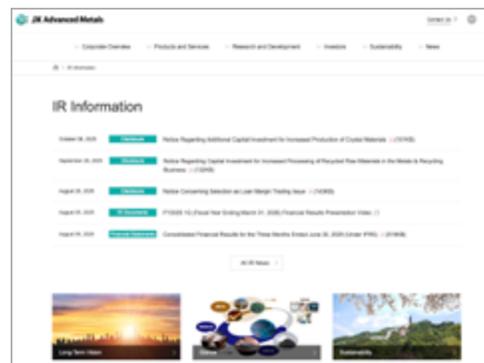


## IR Information

This page provides access to the latest IR news and a range of IR-related materials.

[Web](#) → IR Information

<https://www.jx-nmm.com/english/ir/>



## Sustainability Website

We disclose comprehensive information on our sustainability initiatives and related topics on our dedicated sustainability website. This website, together with the Integrated Report, offers an overall view of our efforts toward sustainable value creation.

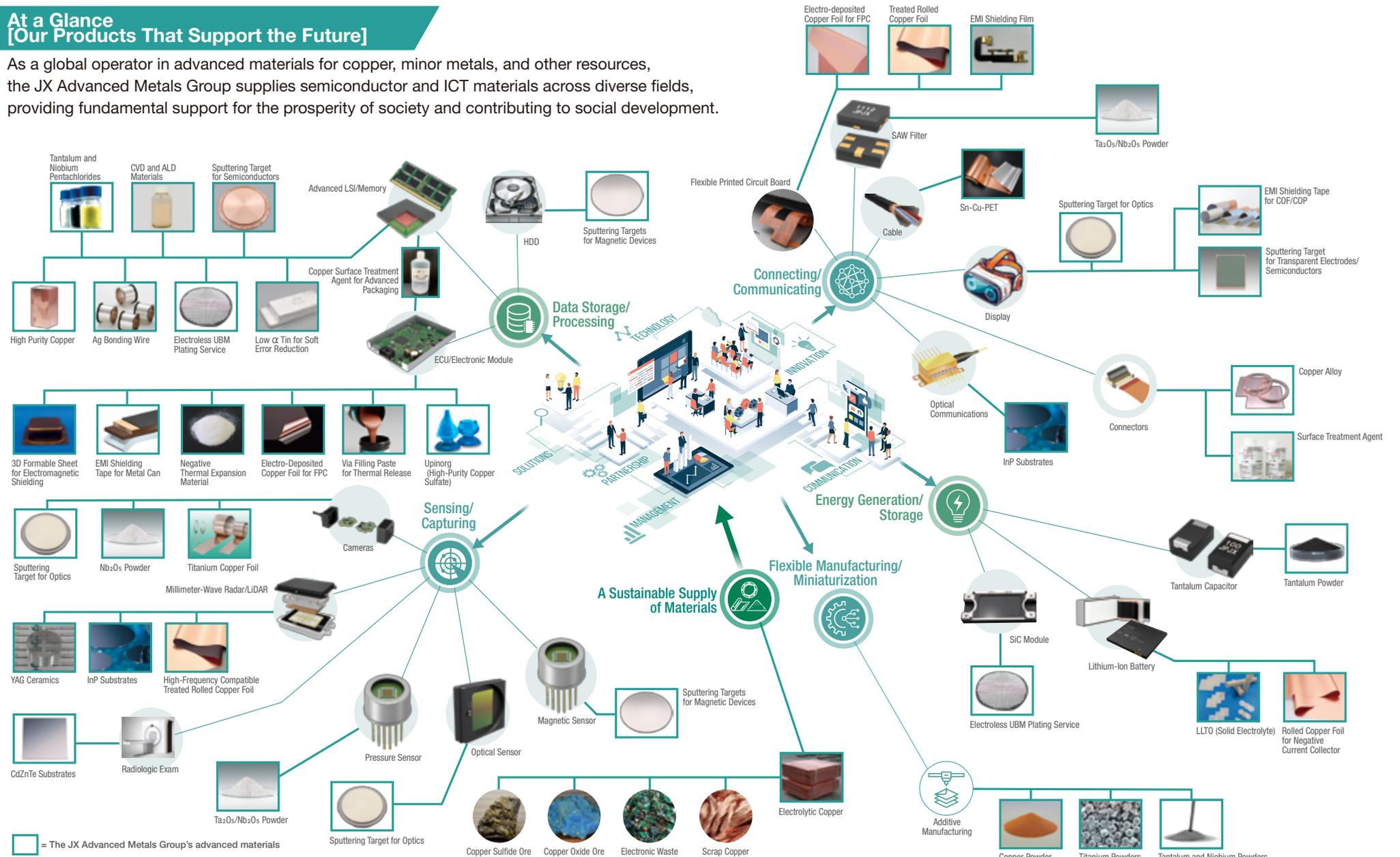
[Web](#) → Sustainability Website

<https://www.jx-nmm.com/english/sustainability/>



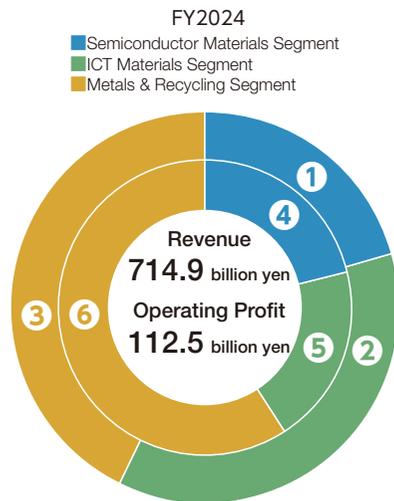
### At a Glance [Our Products That Support the Future]

As a global operator in advanced materials for copper, minor metals, and other resources, the JX Advanced Metals Group supplies semiconductor and ICT materials across diverse fields, providing fundamental support for the prosperity of society and contributing to social development.



## At a Glance [Our Business]

The JX Advanced Metals Group pursues Focus Businesses, consisting of the Semiconductor and ICT Materials segments, as the core of our growth strategy. Our Base Businesses, including the Metals & Recycling segment, supports Focus Businesses through the stable supply of copper and minor metals, while pursuing an optimized business structure.



Revenue	Operating Profit
① 148.0 billion yen	④ 26.7 billion yen
② 265.1 billion yen	⑤ 25.1 billion yen
③ 306.5 billion yen	⑥ 74.5 billion yen

\* Difference from total is due to shared expenses, etc.  
(revenue -4.7 billion yen; profit -13.8 billion yen)

Employees (Consolidated).....10,939

\*1 Source: *Semiconductor Materials market's Current Status and Future Outlook 2024*, Fuji Keizai. Based on 2023 results. Figures represent our market share in the semiconductor target market (excluding aluminum-based products), calculated on a sales value basis.

\*2 Company estimate

\*3 Company estimate (including materials for sputtering targets)

\*4 Source: *2024 Handbook of New Materials for Electronics Implementation*, Fuji Chimera Research Institute (2023 results; FPC only; based on shipping volume)

\*5 Company estimate

## Core Businesses in Our Growth Strategy for Achieving Technological Differentiation and Global Superiority

Focus Businesses supply advanced materials for the semiconductor and ICT sectors, and represent a strategic core for Group growth. Focus Businesses include semiconductor and ICT materials, both of which have extensive product lineups and top global market shares. We expect further growth in the future in line with market expansion.

### Focus Businesses

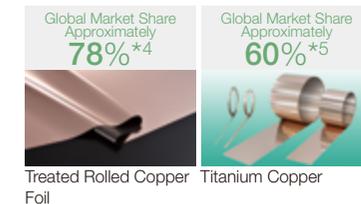
#### Semiconductor Materials Segment

We conduct the global development of sputtering targets for semiconductors and magnetic materials, as well as products used in cutting-edge IT equipment such as AI servers. The Group's main product, sputtering targets for semiconductors, boasts a global market share of approximately 64%. We also procure high-purity tantalum powder, which serves as a raw material for these targets, from within the Group. Indium phosphide (InP) is a light-receiving and emitting device material for optical communications. Cadmium zinc telluride (CdZnTe) is used as an infrared sensor material. We expect these products to grow strongly as next-generation earnings pillars for the Group, and we plan to expand the scale of these businesses.



#### ICT Materials Segment

In addition to our mainstay treated rolled copper foil, we also supply copper alloys, including titanium copper and Corson alloy, used in connectors for AI servers. Treated rolled copper foil is used in flexible circuit boards (FPCs) used in smartphones, wearable devices, and mobility applications. We boast a global market share for this product of approximately 78% due to superiority in flexibility and durability. We also expect titanium copper for connectors to see high growth as an indispensable metal material for cutting-edge IT equipment (e.g., AI servers), which are critical for today's information society.



## Supporting the Growth of Focus Businesses by Strengthening the Supply Chain for Copper and Minor Metals

Base Businesses ensure the stable supply of raw materials to Focus Businesses and advance Green Hybrid Smelting technology. As part of our efforts to ensure a stable supply of raw materials, we began participating in a tantalum raw materials production business at the Mibra Mine (Brazil) in January 2023.

### Base Businesses

#### Metals & Recycling Segment

To ensure the stability of mineral resources that are necessary raw materials used by the Group, we are considering developing not only copper mines but also mines for minor metals, such as tantalum and titanium. We created the Sustainable Copper Vision in 2022 to secure stable supplies using copper concentrates and recycled raw materials. The vision also describes how we will reduce CO<sub>2</sub> emissions, conduct resource recycling, and engage in responsible procurement. We have made advancements in the Green Hybrid Smelting process [see P.34](#), which uses almost no fossil fuels. We also launched 100% recycled electrolytic copper using the mass balance method, aiming to add high value to electrolytic copper.

Ratio of Recycled Raw Materials **24.6%**

Aiming for 50% by 2040



Mibra Mine (Brazil)

Electrolytic Copper



Recycled Raw Materials



[Web](#) → JX Advanced Metals Recycled Copper

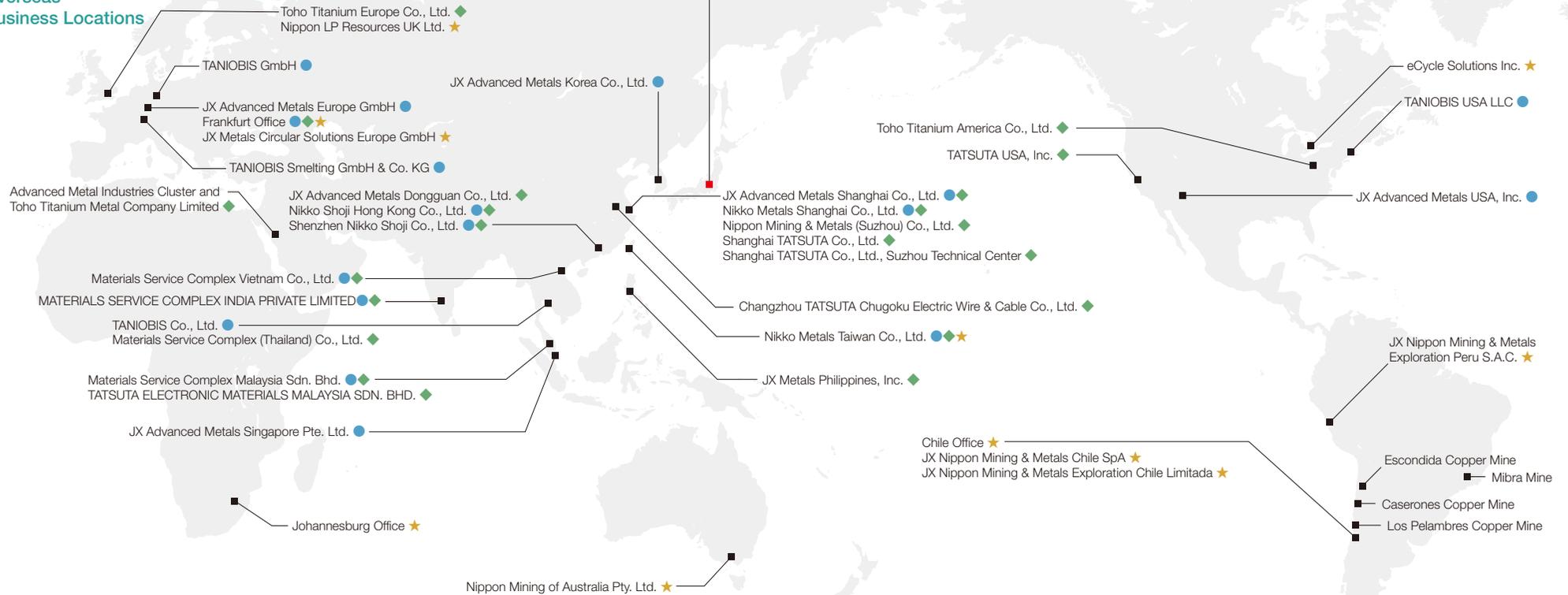
[https://www.jx-nmm.com/products/cu\\_again/index.html](https://www.jx-nmm.com/products/cu_again/index.html)

## At a Glance [Global Network]

The JX Advanced Metals Group operates sites around the world. This global network enables us to meet customer needs through close information sharing and collaboration.

- Semiconductor Materials Segment
- ◆ ICT Materials Segment
- ★ Metals & Recycling Segment

### Overseas Business Locations



# Message From the President



## A Future Growing Together With Stakeholders

JX Advanced Metals Corporation  
President & Representative Director

Hayashi Yoichi

## Initial Public Offering

On March 19, 2025, JX Advanced Metals conducted an initial public offering on the Prime Market of the Tokyo Stock Exchange. We are sincerely grateful to all of our stakeholders for their support and cooperation.

The roots of JX Advanced Metals date back to 1905, when the company's founder, Fusanosuke Kuhara, opened the Hitachi Mine. Kuhara pushed for greater mechanization and modernization of the mine from its inception. In just a few years, he built the Hitachi Mine into one of Japan's leading copper mines and laid the foundations of the Nissan Conglomerate, which fostered companies such as Hitachi, Ltd. under its umbrella. In the intervening 120 years, we have evolved through repeated challenges and changes, becoming the company we are today. Now, in addition to copper and other major base metals, we are a global player as a supplier of advanced materials, including precious and minor metals. Our business operates on an integrated supply chain, from resource procurement to recycling.

In June 2019, we created the Long-Term Vision 2040 (revised partially in May 2023), looking 20 years into the future. This vision describes our basic policy to transition from a process industry-type firm to a technology-based firm, aiming to contribute to the realization of a sustainable society as a global leader in the semiconductor and ICT materials sectors to realize a highly profitable structure, even in the face of intensifying international competition. Under this vision, we continue to enhance corporate value to meet the expectations of you, our stakeholders. On behalf of our entire organization, I ask for your ongoing support.

## What We Learned From Interactions With Investors During the IPO Process

JX Advanced Metals Corporation announced preparations for an initial public offering in May 2023, beginning the process in earnest. We believe this IPO fostered a certain level of recognition in the market regarding our transition from a process industry-type firm focused on mineral resources, smelting and recycling into a technology-based firm focusing on semiconductor and ICT materials. At the same time, dialogues with investors during this global offering indicated at times that investors were not fully aware of JX Advanced Metals Corporation or

our business model, partly because we had been under the umbrella of ENEOS Holdings.

We began a review of our business portfolio even before we began preparations for the IPO, establishing our Focus Businesses—comprising the Semiconductor and ICT Materials segments that deal in advanced materials—as the core of our growth strategy. What we call our Base Businesses consist of the Metals & Recycling segment, which deals in mineral resources, smelting and recycling, serves as the foundation supporting our Focus Businesses through the stable supply of raw materials.

Focus Businesses will survive global competition by differentiating through technology and achieving profit growth that exceeds market growth. To this end, we must further develop products in areas where we have strengths, while also creating and delivering new products. This process involves a great number of moving parts to create new businesses, not to mention a system capable of withstanding considerable trial and error. In this sense, we believe that the role of the Base Businesses in providing a stable supply of materials and supporting growth is vitally important.

In conversations with investors prior to the IPO, I was sometimes asked whether we should concentrate mainly on our Focus Businesses. However, in this era of heightened geopolitical risks, the stable procurement of precious metals and minor metals essential for semiconductor materials are an important issue, and one that is fundamental to the continuity of our business. From the perspective of strengthening the supply chain, improving the conventional recovery of recycled materials is increasingly important, as is exploring new mines for minor metals.

Meanwhile, other investors worried whether the scale of our Base Businesses was too large. JX Advanced Metals recognizes that our copper production capacity far exceeds the demand of our Focus Businesses. We have made steady progress in lightening assets through the sale of our interest in the Caserones Copper Mine and the sale of shares in Pan Pacific Copper, a copper smelting subsidiary.

Through these dialogues, I learned firsthand about the intense speed demanded by investors. In this context, the fact that quickly proved the synergies between Focus and Base Businesses, including the execution of portfolio reform, gave us great confidence and helped us gain the trust of investors.

As we enhance our presence as a global leader in semiconductor and ICT materials, we must indicate clearly the growth curve we intend to draw, and which

businesses we intend to grow, in particular. Even if valuation multiples remain constant, growth in the underlying business will increase corporate value and, by extension, our share price. Making advancements in portfolio reform may result in an increase in multiples, leading to even greater corporate value and higher share prices. Rising geopolitical risks are a cause of uncertainty, including the tensions between the U.S. and China, Russia's invasion of Ukraine, and the destabilization of the Middle East. Amid these times, we intend to communicate clearly the transformation of our business portfolio based on the Base Businesses and Focus Businesses, where we have particular strengths. We will engage in dialogue with our stakeholders and make decisions with a sense of urgency.

### Creating a New Philosophical Framework to Embody What Must Not Change

The IPO reconfirmed to me the importance of fostering a better understanding of our business model and enhancing our reputation in the market. I also reaffirmed the importance of every employee taking pride in their work and in the Company, strengthening their engagement. We have consistently pursued proactive branding initiatives, including television commercials and sponsorship agreements with professional sports clubs. In addition to these initiatives, I understand that the significant media coverage surrounding our IPO was a source of pride among



employees whose families were impressed that they worked for such a notable company. I feel strongly that we must share this reputation and pride across the entire organization, encourage everyone to work together to achieve our long-term vision.

The IPO has been an opportunity to reiterate the ideas, attitude, and spirit of the JX Advanced Metals Group. This spirit has been cultivated and passed down from generation to generation over our 120-year history, and we redefined these concepts in September 2025, announcing the JX Advanced Metals Group's Philosophy, *Our Purpose: Creating Value for a Brighter Future, Powered by technology, passion, and innovation*.

At the time of our founding, the sulfur dioxide generated during copper smelting at the Hitachi Mine was causing serious smoke pollution. As a solution, then-founder Fusanosuke Kuhara decided to build what would be the world's tallest smokestack ("Giant Stack") at the time, bringing about a coexistence and co-prosperity with the local community. Of course, this episode required the company's technological strengths, but it also proved a firm conviction rooted in a strong sense of responsibility and mission toward business and society. At the same time, we proved our courage to make tough choices in attacking a problem without fearing change or failure, engaging in discussions that transcended boundaries and seeking human harmony, developing alongside society in a sustainable manner. The Giant Stack of the Hitachi Mine stands as a symbol of our purpose in society. In the years since, JX Advanced Metals has continued to boldly transform in response to the ever-changing needs of society—from copper to advanced materials supporting electronic devices and recycling that fosters resource recycling. In every era, we have always created value that leads to a better future.

This philosophy embodies our commitment to pursue value creation through a free and inventive mindset, improving lives even as the world becomes increasingly uncertain and complex.

As stated in our Long-Term Vision, our focus is on the advanced materials business, mainly in semiconductor and ICT materials. Working toward completing this business portfolio transformation, we face challenging times and pioneering efforts, just as we did with the Giant Stack. I have high expectations that the JX Advanced Metals Group's Philosophy will be the driving force to achieve our Long-Term Vision, as Group members share the unchanging aspiration that we have held since our founding and reflect this commitment in their own actions.

We will continue to be a company that creates value and creates the future

through technology, passion, and innovative thinking, holding tightly to unchanging aspirations. I want every employee to have a sense of ownership toward the company, believing they can make a difference, working together in unity toward the next transformation and the creation of the future.

### Progress Toward Medium- to Long-Term Business Targets For Achieving the Long-Term Vision

Based on our recent efforts and the business environment, in May 2024, we formulated Medium- to Long-Term Business Targets toward achieving Long-Term Vision 2040. While we have made generally favorable progress toward the targets for fiscal 2027, the external environment, triggered by U.S. tariff policy, is changing more rapidly, and the future remains uncertain. Amid these circumstances, we believe we must allocate resources from the perspective of a best owner, responding flexibly to changes in the market.

We have two major areas of focus for capital allocation toward achieving our

medium- to long-term business targets.

The first is to put Focus Businesses on a solid growth trajectory. As we continue to invest in growth in semiconductor and ICT materials, we know we must create value through competitive advantage in advanced materials technology, even as we recognize the downside risk of demand. We must raise the volume and make capital investments in connection with our strong products, including sputtering targets and rolled annealed copper foil, to firmly defend our current position. At the same time, we must develop products that will become drivers of earnings in future generations. One example is indium phosphide (InP), a crystalline material used in optical communications. The market for this material in use for generative AI and data centers has grown 1.5 times in the last year, and is expected to continue to grow by 20% to 30%. Demand is also on the rise for other high-quality materials, including sputtering targets for magnetic materials used in HDDs for AI servers, titanium copper as a connecting material for high-speed transmission, and tantalum powder as a capacitor material, where a stable power supply is critical. We have already begun mass production of CVD-ALD, which is used as wiring materials for next-generation semiconductors, and we

#### ① The JX Advanced Metals Group Long-Term Vision 2040

Transition from a process industry-type firm to a technology-based firm, aiming to contribute to the realization of a sustainable society as a global leader in the semiconductor and ICT materials sectors to realize a highly profitable structure, even in the face of intensifying international competition

#### Target Business Portfolio

##### Position Focus Businesses as the core of our growth strategy

- Build an appropriate structure for Base Businesses, regardless of business scale, to support the growth of Focus Businesses
- Position copper and minor metals indispensable to semiconductor and ICT materials as core domains

#### [Growth] Focus Businesses

##### Semiconductor Materials Segment

##### ICT Materials Segment

- Aiming to achieve profit growth exceeding market growth through technological differentiation
- Drastically expand scale of revenue and make the segment a source of profits with diverse line-up of technologies and small-lot, highly profitable products

#### [Business Foundation] Base Businesses

##### Metals & Recycling Segment

- Secure a stable supply of raw materials (copper and minor metals) for Focus Businesses
- Supply basic materials required for advanced materials in a sustainable manner, contributing solutions to ESG issues

have high expectations for significant growth. In these ways and more, we seek sustainable growth by developing and delivering the advanced materials that support society.

The second is to strengthen the resilience of our Base Businesses. As I mentioned at the outset, Base Businesses play an important role in our supply chain. However, as the business environment becomes even more of a challenge, we realize surviving until 2040 will be difficult if we only maintain the status quo. We must create higher added value. As part of our efforts, we pursue the recovery of minor and precious metals through new investments in minor metal mines and expanded recycling in copper smelting, aiming to maximize the value of these materials. Our efforts are valuable not only to our own company, but also to society as a whole, since what we do links directly to the formation of a circular economy. To this end, we must engage in ever-stronger cooperation with outside organizations.

In any case, we do not believe that we can reach 2040 under our current business portfolio. The development of generative AI and IoT is a great opportunity for us to become a global leader in advanced materials, and these technologies are our chance to act swiftly in changing business structures. As the leader of our company, I recognize that my mission is to ensure the speedy evolution of our organization and business structure, ensuring we will continue to provide value 20 years into the future.

### Strengthening Sustainability Management and Governance

The JX Advanced Metals Group has identified six materialities for priority action toward achieving Long-Term Vision 2040. We established KPIs for each materi-

#### Medium- to Long-term Business Targets

		Results (fiscal year ended March 31, 2023)	Results (fiscal year ended March 31, 2024)	Results (fiscal year ended March 31, 2025)	Targets*1 (fiscal year ending March 31, 2028)
Operating profit	Consolidated	72.9 billion yen	86.2 billion yen	112.5 billion yen	CAGR 10% to 15% (fiscal year ended March 31, 2024, to fiscal year ending March 31, 2028)
	Focus Businesses	55.7 billion yen	27.3 billion yen	51.8 billion yen	CAGR 35% to 40% (fiscal year ended March 31, 2024, to fiscal year ending March 31, 2028)
Operating margin	Consolidated	4.5%	5.7%	15.7%	12% ~ 17%
	Focus Businesses	15.0%	8.8%	12.5%	15% ~ 20%
	Semiconductor Materials Segment	23.2%	21.4%	18.0%	25% ~ 30%
	ICT Materials Segment	9.6%	0.5%	9.5%	8% ~ 13%
Profit composition ratio	Focus Businesses*2	66%	26%	41%	67% or more
	Semiconductor Materials Segment*2	40%	25%	21%	45% or more
ROE		7.7%	18.3%	11.0%	10% or more
Net Debt/EBITDA*3		4.0x	2.6x	1.6x	Less than 1.5x

\*1 The targets shown above are based on an assumed exchange rate for the fiscal year ending March 31, 2025, of 140 yen per U.S. dollar; an assumed exchange rate during and after the fiscal year ending March 31, 2026, of 135 yen per U.S. dollar; and an assumed copper price in and after the fiscal year ending March 31, 2025, of 380 cents per pound.

\*2 This figure is calculated based on the operating income of the Focus Businesses (Semiconductor Materials segment and ICT Materials segment) and the Base Businesses (Metals & Recycling segment), excluding common costs. The operating income of the Focus Businesses is the simple sum of the operating income of the Semiconductor Materials segment and the ICT Materials segment.

\*3 This figure is calculated by dividing net debt (interest-bearing debts – cash and cash equivalents (including ENEOS Holdings group short-term loans)) by EBITDA (operating income + depreciation expense).

ality, measuring and assessing progress under the Sustainability Committee.

The Group contributes to the creation of a sustainable society by rapidly delivering products and technologies that support data society and IoT/AI society of the future. One of our materialities in this context is to *provide advanced materials that support lives and lifestyles*.

In the context of this materiality, we may say that *contribute to environmental conservation* and *coexistence and co-prosperity with local communities* have been part of our company since the very beginning. As matters most closely related to our businesses, these ideals are extremely important in our pursuit of long-term growth.

Another materiality is to *create attractive workplaces*. This is an important materiality, since innovation through the power of people is a critical part of transforming into a technology-based firm and maximizing corporate value. While it is important that every employee improve their skills, the most important thing is how we develop people who think independently and have the courage to lead innovation. To this end, we have taken on the challenge to create a culture of praising our colleagues, creating a system that facilitates a fair evaluation of achievements. At the same time, we strive to create workplaces offering a high level of psychological safety.

Lately, society has taken a keener interest in human rights violations in the supply chain. As a company that deals in resources and materials globally, we take human rights risks in our supply chain very seriously. We will continue to raise awareness of human rights in a broader sense, including DE&I, while stepping up our efforts to emphasize respect for human rights more than ever.

In terms of strengthening governance with a view to becoming independent from the ENEOS Group, we have taken time to improve systems, including ap-

#### ⑥ Six Materialities of the JX Advanced Metals Group

Contribute to Environmental Conservation
Provide Advanced Materials That Support Lives and Lifestyles
Create Attractive Workplaces
Respect for Human Rights
Coexistence and Co-Prosperity With Local Communities
Strengthen Governance

pointing outside directors at the earliest stages. Among other measures, we set the performance-linked ratio of executive compensation to 60% of the total, demonstrating our resolve and responsibility. We also set a long-term performance-linked ratio to 60% of total performance-linked compensation, which is equivalent to 36% of total executive compensation. We incorporate non-financial factors into performance evaluations, as well, emphasizing perspectives that include employee safety and increased employee engagement. Aside from these factors, I have come to feel the importance of risk management even more strongly now that I serve as president. Our company had been non-public for some time, operating under the umbrella of the ENEOS Group. During that time, I must say that the level of risk management was by no means adequate. Now that we are a publicly traded company on the stock exchange, we must improve systems to a level commensurate with the required standards, and we believe that these efforts will lead directly to progress in our materiality.

### A Message to Stakeholders

JX Advanced Metals is supported by many stakeholders, including shareholders, investors, customers, business partners, employees, and local communities. We want to be a company that continues to grow together with these *stakeholders*.

We continue to listen sincerely and incorporate diverse feedback, including comments from investors, opinions from customers, and information from the local community. We intend to grow together, drawing strength from these diverse voices. While economic success is of course important, we do not want to pursue monetary results alone: we want to be a company that is loved by our stakeholders, understanding clearly the importance of the trust we have built.

I myself have a strong desire to see our company become an economically and socially indispensable part of Japan. And I believe that if we are important to Japan, then we will be valuable in the global market. To make this future come true, we must properly communicate our thoughts, values, and vision, gaining the understanding and trust of our stakeholders.

We at JX Advanced Metals Corporation will continue to share a future of mutual growth with our stakeholders, and we are committed to working diligently to this end. I look forward to your continued support and encouragement.

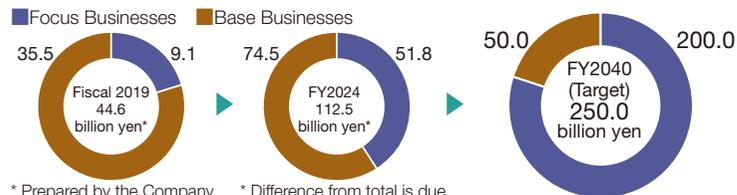
# Value Creation Strategy

In recognition of our mission as a stable provider of nonferrous metal resources and materials to society, the JX Advanced Metals Group has, since our founding in 1905, strived to generate new value even while adapting to the various changes in the business environment. We are determined to continue forward, taking on the challenge of contributing to the development of sustainable economies and societies through innovation in materials.

## History of Value Creation

In 2019, we created our Long-Term Vision 2040, pivoting from a process industry-type firm to a technology-based firm. The Basic Policy of the JX Advanced Metals Group is to contribute to the creation of a sustainable society as a global leader in semiconductor and ICT materials. We aim to raise operating profit from 100 billion yen to 250 billion yen by 2040, supported by high-margin, high-growth Focus Businesses.

### Operating Profit



\* Prepared by the Company based on figures from the ENEOS Holdings Metal segment.

\* Difference from total is due to shared expenses, etc. (-13.8 billion yen)

### 1914 Built the Hitachi Giant Stack

The rapid growth of the Hitachi Mine's business led to severe smoke pollution in its surrounding area. To deal with the pollution, the Company built what was then the world's tallest stack, at 155.7 meters. It began operation in March of the following year.

### 1978 Built new recycling furnace

A new recycling furnace making use of smelting techniques was built at the Hitachi Smelter & Refinery, marking the launch of the Company's Recycling and Environmental Services Business. Using this furnace, we pursued the business of reclaiming valuable metals from plating sludge and other industrial waste.

### 2022 Significant investment in advanced materials

We acquired large sites in Hitachinaka City, Ibaraki Prefecture, Japan, and Mesa, Arizona, the U.S., for construction of new plants to meet the growing demand for advanced materials.

### 2025 Initial public offering on the Tokyo Stock Exchange Prime Market

Our goal is to increase corporate value by establishing a management structure that enables highly specialized and rapid decision making as well as creating an optimal capital structure that suits the characteristics of our business.

**Long-Term Vision 2040**  
Contribute to sustainable societies as a global leader in semiconductor and ICT materials

**FY2024**  
Net Sales 714.9 billion yen  
No. of Employees 10,939 (as of March 31, 2025) \* Consolidated

**2024 TATSUTA Electric Wire and Cable becomes a wholly owned subsidiary**

**2019 Formulation of Long-Term Vision**

**2016 Changed Japanese name of JX Nippon Mining & Metals**

**1992 Nikko Metals becomes an independent company Spinoff of Nippon Mining's metals and metal fabrication businesses**

**1929 Established Nippon Mining**

**1905 Established**

### 1905 Opened the Hitachi Mine

Company founder Kuhara Fusanosuke opened the Hitachi Mine in Ibaraki Prefecture, launching the resources development and smelting and refining businesses.

### 1916 Launched operations at the Saganoseki Smelter & Refinery

Saganoseki Smelter & Refinery was built in Oita Prefecture to further expand the mining, smelting, and refining segments fundamental to the Company's diversified business.

### 1964 Launched operations at Kurami Works

The launch of operations at the Kurami Works in Kanagawa Prefecture marked the Company's earnest entry into the metal fabrication business. It featured the latest rolling mills, producing phosphor bronze and other copper alloy products.

### 1985 Launched operations at Isohara Works

With the establishment of the Isohara Works in Ibaraki Prefecture as a new main manufacturing center, the Company expanded into the development and manufacturing of various electronics materials.

### 2018 Acquired shares in H.C. Starck Tantalum and Niobium GmbH (now TANIJOBIS GmbH)

The Group acquired shares of H.C. Starck Tantalum & Niobium GmbH (now TANIJOBIS GmbH), a German manufacturer of metal powders in anticipation of dramatic demand growth for electronic components and devices.

## Value Creation Model

The JX Advanced Metals Group works to identify the social issues calling for resolution by JX, and seeks to promote a value creation model in growing sustainably and resolving social issues.

### JX Advanced Metals Group Philosophy

Our Purpose

Creating Value for a Brighter Future  
Powered by technology, passion, and innovation

Our Way

Courageous Spirit, Purposeful Collaboration,  
Mutual Respect, Flourishing Together

### Input

#### Financial capital

- Total assets (consolidated) ... 1,283,002 million yen
- Net assets ..... 711,754 million yen
- Shareholders' equity ratio ..... 55.5%

#### Manufacturing capital

- No. of business locations (major reporting companies) ..... 66
- Capital investment ..... 63,809 million yen

#### Intellectual capital

- No. of patents granted ..... 5,858
- R&D expenses ..... 17,757 million yen  
(including 16,445 million yen in advanced materials, new businesses, etc.)

#### Human capital

- No. of employees ..... 10,939
- Total annual training ..... 30 hours/person

#### Social and relationship capital

- Strong relationships with client companies
- Global collection network for resource recycling
- Transparent supply chain
- Coexistence and mutual prosperity with the surrounding community

#### Natural capital

- Primary raw material input\*1 ..... 1,574 kt
- Recycled raw materials input\*1 ..... 224 kt
- Energy consumption ..... 7,736TJ
- Water usage ..... 54.6 million m<sup>3</sup>

\*1 Including portion owned by Pan Pacific Copper Co., Ltd. (equity-method affiliate as of March 2024), considering the integrated nature of business with the Company.

### Business Model

#### Business Activities

##### Long-Term Vision

- Build a highly profitable structure by transforming into a technology-based firm
- Contribute to sustainable societies as a global leader in semiconductor and ICT materials

Focus Businesses

Semiconductor Materials Segment

ICT Materials Segment

Base Businesses

Metals & Recycling Segment

\* Refer to P.21 of Business Overview for a business organization chart.

##### Six Materialities

- Contribute to Environmental Conservation
- Provide Advanced Materials that Support Lives and Lifestyles
- Create Attractive Workplaces
- Respect Human Rights
- Coexistence and Co-Prosperity With Local Communities
- Strengthen Governance

#### Output

##### Sputtering Targets for Semiconductors



##### Treated Rolled Copper Foil for Flexible Printed Circuit Board (FPC)



##### Indium Phosphide Compound Semiconductor Substrates



##### High-Purity Tantalum Powder



##### Wide Variety of Basic Materials



### Outcome

Helping to build a sustainable society through economic, social, and environmental value

#### SUSTAINABLE DEVELOPMENT GOALS

Areas of Contribution



##### Economic Value Created

- Profit growth in excess of market growth
- Investment in growth, particularly in Focus businesses
- Appropriate returns to shareholders
- Sustainable enhancement of corporate value



##### Social and Environmental Value Created

- Balanced resource recycling and decarbonization
- Helping build a more prosperous society through the stable and efficient supply of high-quality products
- Sustainable return to employees
- Fair and equitable transactions throughout the supply chain
- Coexistence and co-prosperity with communities at each work site

## The Source of Our Value Creation

Our strengths lie in our highly specialized human capital, core technologies, research and development, and strong relationships with client companies.

These strengths work together effectively to drive continuous value creation, even in times of rapid change.

JX Advanced Metals handles a wide variety of materials, including copper and other major base metals, as well as minor and precious metals. Our integrated framework covers processes from resource development and smelting to the manufacture and sale of electronic materials and recycling. Supporting these operations are our diverse foundational technologies (core technologies) accumulated since our founding and the expertise of our highly skilled personnel.

JX Advanced Metals places people-driven innovation at the core of our management, aiming to transform into a technolo-

gy-based firm and maximize our corporate value. We focus on drawing out each individual's motivation and abilities and make continuous investments in human resources. This accumulation of human capital forms the foundation of our robust R&D capabilities. We also maintain strong relationships with client companies. Close engagement with these clients enables us to quickly identify emerging needs and propose materials solutions that precisely and promptly address complex social issues and evolving market demands.

### Achieving Our Long-Term Vision (Contributing to the Sustainable Development of the Economy and Society)



### Learn More About Our Strengths (External Links)

#### Strong Relationships With Client Companies

[P.21](#) → Strategies by Segment

#### Core Technologies

[P.16](#) → Product and Business Development Through Core Technology Integration

#### R&D Structure

[P.31](#) → JX Advanced Metals Technology and R&D Strategy

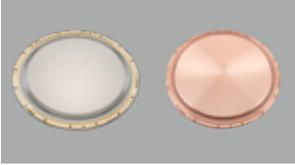
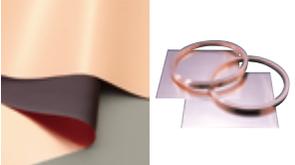
[Web](#) → [Research and Development](#)

<https://www.jx-nmm.com/english/rd/>

#### Human Capital

[P.41](#) → Human Capital Management

### Our Core Technologies

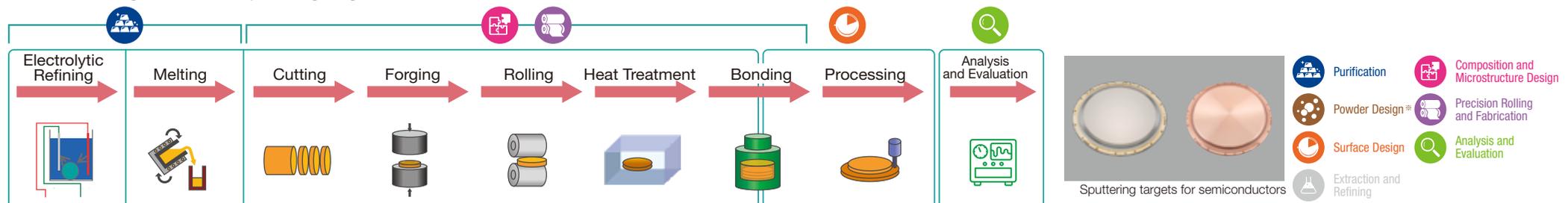
	<ul style="list-style-type: none"> <li>Purification</li> <li>Powder Design</li> <li>Surface Design</li> <li>Extraction and Refining</li> </ul>	<ul style="list-style-type: none"> <li>Composition and Microstructure Design</li> <li>Precision Rolling and Fabrication</li> <li>Analysis and Evaluation</li> </ul>
Thin Film Materials		
	<ul style="list-style-type: none"> <li>Purification</li> <li>Powder Design</li> <li>Surface Design</li> <li>Extraction and Refining</li> </ul>	<ul style="list-style-type: none"> <li>Composition and Microstructure Design</li> <li>Precision Rolling and Fabrication</li> <li>Analysis and Evaluation</li> </ul>
Tantalum and Niobium		
	<ul style="list-style-type: none"> <li>Purification</li> <li>Powder Design</li> <li>Surface Design</li> <li>Extraction and Refining</li> </ul>	<ul style="list-style-type: none"> <li>Composition and Microstructure Design</li> <li>Precision Rolling and Fabrication</li> <li>Analysis and Evaluation</li> </ul>
Functional Materials		
	<ul style="list-style-type: none"> <li>Purification</li> <li>Powder Design</li> <li>Surface Design</li> <li>Extraction and Refining</li> </ul>	<ul style="list-style-type: none"> <li>Composition and Microstructure Design</li> <li>Precision Rolling and Fabrication</li> <li>Analysis and Evaluation</li> </ul>
Metals & Recycling		
	<ul style="list-style-type: none"> <li>Purification</li> <li>Powder Design</li> <li>Surface Design</li> <li>Extraction and Refining</li> </ul>	<ul style="list-style-type: none"> <li>Composition and Microstructure Design</li> <li>Precision Rolling and Fabrication</li> <li>Analysis and Evaluation</li> </ul>
Mineral Resources		

### Product and Business Development Through Core Technology Integration

- 
**Purification**  
 Our proprietary refining and electrolysis technologies remove impurities from metals to the greatest extent possible. These technologies allow us to constantly achieve the high purity required for advanced electronic components, providing products that meet the highest quality standards in the industry.
- 
**Composition and Microstructure Design**  
 We precisely control crystal structures and particle sizes in metal, ceramic, and single-crystal materials. We apply our unique processing and heat treatment technologies to develop and supply advanced functional materials optimized for specific applications, earning strong recognition in cutting-edge fields.
- 
**Powder Design**  
 We manufacture various powders with diverse compositions, including alloys and oxides, and precisely control particle size and distribution according to their use. We provide high-performance powder materials for 3D printing, sputtering targets, and other applications through granulation and surface treatment technologies.
- 
**Precision Rolling and Fabrication**  
 Our precision processing technology enables us to mass produce the world's thinnest 6µm copper foil and manufacture highly flat substrates applicable to advanced semiconductors, contributing to the reduction of defect rates and stable operation of our customers' products.

- 
**Surface Design**  
 We maximize the functionality of materials through a wide range of surface treatment technologies, including polishing, etching, plating, and bonding. Tailoring surface processing to desired properties allows us to enhance product performance and create new value.
- 
**Analysis and Evaluation**  
 We leverage our advanced analytical instruments and high-precision evaluation techniques to assess material characteristics from multi-faceted perspectives. We evaluate materials under conditions that replicate customer operating environments. These assessments verify that materials meet the functions and quality required in final products, and help us develop high-performance materials.
- 
**Extraction and Refining**  
 We help achieve a sustainable society by efficiently recovering valuable metals, including copper, precious metals, and minor metals, contained in recycled materials through a process that utilizes metal smelting technology.

### Manufacturing Process for Sputtering Targets



\* Used for targets made of refractory metals manufactured by powder sintering

### Handling a Broad Range of Materials

JX Advanced Metals established a system that enables us to handle a broad range of metallic elements, including copper and other major base metals, as well as minor and precious metals. This wide-ranging capability allows us to flexibly meet the advanced material requirements of cutting-edge fields, including next-generation semiconductors, electric devices, and telecommunications equipment. We understand the unique characteristics of each metal element and its processing conditions. Based on this understanding, we apply the most appropriate technologies and continue to deliver materials that meet complex, high-performance customer needs.

H																	He	
Li	Be											B	C	N	O	F	Ne	
Na	Mg											Al	Si	P	S	Cl	Ar	
K	Ca	Sc	Ti	V	Cr	Mn	Fe	Co	Ni	Cu	Zn	Ga	Ge	As	Se	Br	Kr	
Rb	Sr	Y	Zr	Nb	Mo	Tc	Ru	Rh	Pd	Ag	Cd	In	Sn	Sb	Te	I	Xe	
Cs	Ba	La*1	Hf	Ta	W	Re	Os	Ir	Pt	Au	Hg	Tl	Pb	Bi	Po	At	Rn	
Fr	Ra	Ac*2	Rf	Db	Sg	Bh	Hs	Mt	Ds	Rg	Cn	Nh	Fl	Mc	Lv	Ts	Og	
		La	Ce	Pr	Nd	Pm	Sm	Eu	Gd	Tb	Dy	Ho	Er	Tm	Yb	Lu		
		Ac	Th	Pa	U	Np	Pu	Am	Cm	Bk	Cf	Es	Fm	Md	No	Lr		

Legend: ■ Metals we manufacture ■ Metals we refine to high purity

\*1 Lanthanoid  
\*2 Actinium series

## Message From the Executive Officer in Charge

### We Pursue the Sustainable Improvement of Earning Power Through the Creation of Social Value

At the same time, our mission is to identify changes in the social environment, create value that only our company can provide, and contribute to the development of society.

As the executive officer in charge of finance, sustainability, and human resources, etc., I am committed to creating common value (corporate profits) and the appropriate distribution and reinvestment of profits to achieve lasting corporate development in line with the JX Advanced Metals Group's Philosophy, published in September 2025.

Executive Officer  
Planning & Coordination, Corporate Communications, Finance, Administration,  
Legal, and Human Resources

Kawaguchi Yoshiyuki



#### Our Transition and Sustainable Management

Our origins as a company trace back 120 years to the opening of the Hitachi Mine, one of Japan's four largest. During Japan's period of industrialization, the Company laid the foundations of the mining industry and supplied copper to various industries. Since that time, we have expanded our business domains from upstream to downstream processing, becoming an industry leader in step with industrial advancements.

Today, with global political and economic uncertainties continuing to rise, we have once again taken the long-term view of the future, reevaluating the significance of our existence as a company. Our decision: To pursue what only we can do, or in other words, become a one-of-a-kind company in our industry. We recognize that this commitment means creating essential value for society in a way that only we can. We also know that accomplishing this mission will lead to the sustainable development of our business and sustainable management.

My view is that corporate profit is an assessment of the value that an entity creates for society and is the result of that value. Conversely, a business or product that does not generate sufficient profit may only be creating a limited value for society. Or it

may be the case that the competition is creating better value. In terms of JX Advanced Metals' sustainability, we know we must create value for society and properly distribute the profits—the return on that value—for the future development of our employees and the Company, as well as for our shareholders and other stakeholders. This cycle exemplifies what I mean when I say sustainable management.

#### Pursuing Sustainable Management From a Purpose

We have been talking about our aim to transform ourselves into a technology-based firm and contribute to sustainable society through a clear statement of our long-term vision of what we want to become by the year 2040.

With our IPO, we have reiterated our purpose and the values handed down since our founding, publishing the JX Advanced Metals Group's Philosophy in September 2025. This philosophy is the foundation for our actions and serves as guidelines that point us in the right direction.

In addition, we have identified six areas as materialities, important management issues for achieving the medium- and long-term goals included in our long-term vision [see P.35](#) . In

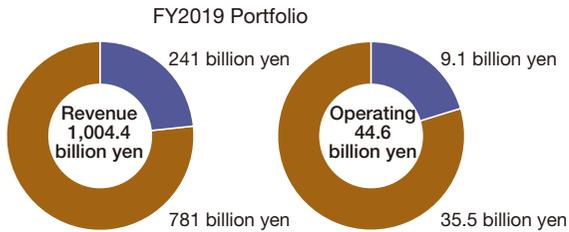
particular, to *provide advanced materials that support lives and lifestyles* is the very vision of what we want to be, as stated in our long-term vision. The JX Advanced Metals Group contributes to the development and innovation of society through advanced materials as a global leader in semiconductor and ICT materials. Of course, respect for human rights and the conservation of the environment represent universal values, and we will continue to address these issues actively and at levels exceeding minimum legal compliance. We believe this commitment is necessary for us to be a company that our employees are proud to work for.

With respect to the proper allocation of management capital in terms of financial capital, we intend to prioritize investments for growth, particularly in the semiconductor and ICT materials businesses. At the same time, we intend to balance these investments by improving our financial position and returning profits to shareholders in an appropriate manner [see P.20](#) . We formulated a new Human Resources Policy this fiscal year. Under this policy, we pursue the development of human capital through various measures to maximize the power of our people [see P.41](#) .

## Toward Achieving Our Long-Term Vision

■ Focus Businesses ■ Base Businesses

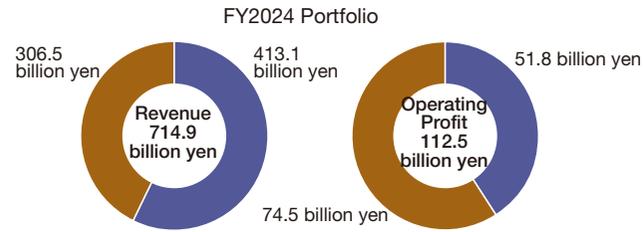
### Formulated Long-Term Vision 2040 and Initiated Structural Reforms



\* Difference from total is due to shared expenses, etc. (sales -17.6 billion yen)  
 \* Prepared by the Company based on figures from the ENEOS Holdings Metal segment.

Base Businesses, which require significant invested capital and entail high volatility, account for a large portion of sales and profits. At the same time, however, we view Focus Businesses, differentiated by technology, as the core of future growth. We have begun to transform our portfolio based on this understanding.

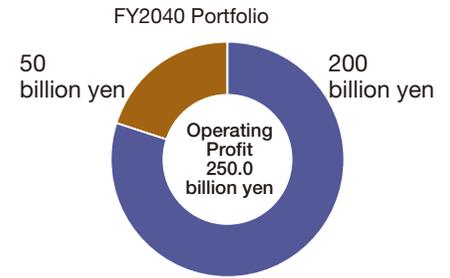
### At Present



\* Difference from total is due to shared expenses, etc. (sales -4.7 billion yen; profit -13.8 billion yen)

Steadily implementing measures to optimize the structure of the Base Businesses, including the sale of interests in the Caserones Copper Mine and Pan Pacific Copper

### Achieving Long-Term Vision 2040



We are aiming for operating profit of 250 billion yen in 2040, supported by high-margin, high-growth Focus Businesses

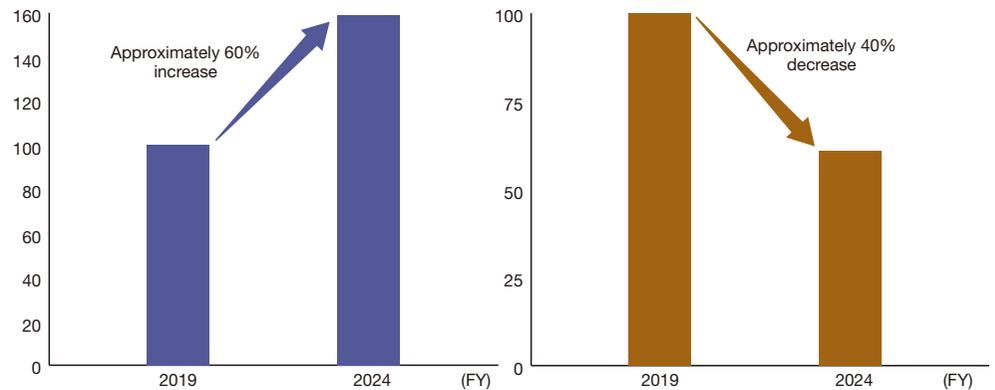
## Establishing an Optimal Structure for Base Businesses for a Focus Business-Centered Portfolio in Line With Our Long-Term Vision

Since the formulation of a long-term vision in 2019, we have endeavored to optimize the structure of our Base Businesses, working toward a Focus Business-centered portfolio. Since fiscal 2022, we have implemented portfolio transformation steadily through the sale of mining interests, as well as the sale of equity interests in LS-Nikko of Korea and Pan Pacific Copper. At the same time, we have also secured interests in minor metals that will strengthen the supply chain of Focus Businesses. We believe we are making steady progress toward achieving our long-term vision. The Metals & Recycling business pursues green hybrid smelting for optimal production scale profitability. In this way, we address issues related to low-profit, low-growth smelting and associated low levels of capital efficiency, instilling greater resilience in our smelting business.

FY2022	FY2023	FY2024	FY2025
Sold entire stake in Korean copper smelting joint venture LS-Nikko	Divested partial interest in Pan Pacific Copper Co.	Additional divestiture of partial interest in Caserones Copper Mine	Participated in the Copi project (minor metals and rare earth)
Mibra Mine (Tantalum) investment	Divested partial interest in Caserones Copper Mine	High-value-added Smelting and Recycling Business (in collaboration with Mitsubishi Corporation)	
Acquired eCycle shares (in collaboration with Sojitz)	Divested partial interest in Los Pelambres Copper Mine	Sold Assets	Strengthening the Supply Chain High Added Value

### Invested Capital\* FY2019 indexed as 100

■ Focus Businesses ■ Base Businesses



\* Invested capital = (assets - cash and deposits - group loans - deferred tax assets) - (liabilities - interest-bearing debt - deferred tax liabilities)

## Review of the Previous Fiscal Year and Initiatives Toward Medium- to Long-Term Business Targets

### Review of Fiscal 2024

The fiscal 2024 market environment for the Focus Businesses has been recovering from the decline in the semiconductor and ICT markets, which had continued since the second half of fiscal 2022. Inventory adjustments in the supply chain have run their course. In addition to this recovery in market conditions, strong investments related to generative AI resulted in particularly strong sales of semiconductor targets used in cutting-edge applications. In addition to this increase in semiconductor-related revenues, we made progress in structural reforms in the Functional Materials Business, where we began improvements in fiscal 2023 in response to deteriorating market conditions. Our efforts led to a significant improvement of 90% compared to the previous fiscal year.

In our Base Businesses, revenue was impacted negatively due to the removal from consolidation of Pan Pacific Copper, a metals smelting raw materials and sales company with sales of 1 trillion yen, and Caserones, a copper mining company. These management decisions were part of our portfolio reform aimed at transforming into a technology-based firm. However, the weakness of the yen and rising copper prices resulted in revenue on par with the previous fiscal year.

### Toward Achieving Medium- to Long-Term Business Strategies and Business Targets

#### [Outlook for Fiscal 2025]

Growth outperforming the wafer base for semiconductor targets, despite the impact of U.S. tariffs

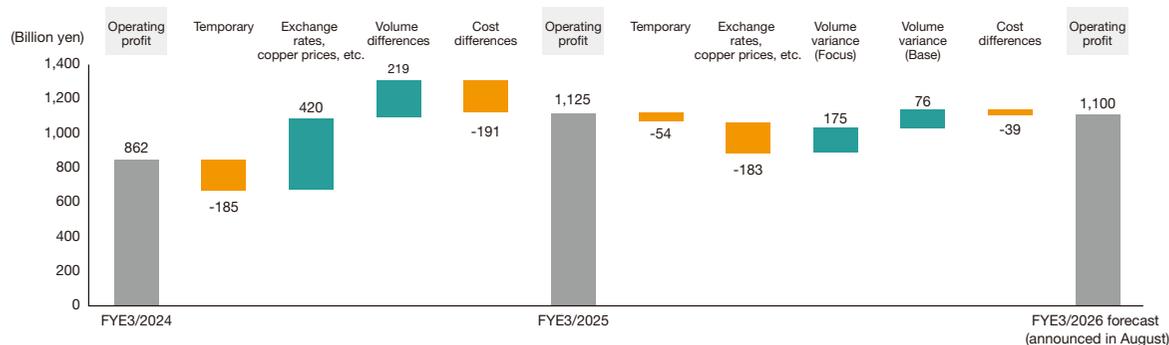
Our main product is sputtering targets for semiconductors. These products are growing faster than the silicon wafer market with increasing numbers of wiring layers in advanced semiconductor chips, as well as applications in high-speed memory and other devices used in GPUs and other advanced semiconductors. We revised our fiscal 2025 operating profit forecast upward from the initial forecast of 95 billion yen (announced in May) to 110 billion yen (announced in August). We based this upward revision on strong sales of semiconductor and ICT materials, foreign exchange rates, and copper price levels, as well as a review of the impact of the U.S. tariffs (uncertain as of May 2025, but now understood to some extent).

#### [Initiatives From Fiscal 2025 Onward]

Toward the rapid expansion and extension of lineups other than semiconductor targets

Besides sputtering targets for semiconductors, demand for several other materials is rising significantly. These products include magnetic targets for hard disk drive applications, CVD and ALD materials for SSDs in response to increased data storage capacity, indium phosphide used to convert information from optical fibers connecting servers into electrical signals, tantalum powder for capacitors to address increased power consumption accompanying rising information processing volumes, and titanium-copper for connectors requiring high heat resistance. Materials for generative AI servers and data centers that require special characteristics are an area where we can utilize our strengths further. To this end, we are building new bases and expanding others to build production capacity in anticipation of increased demand.

### Operating Profit \* Forecasts for FYE3/2024 through FYE3/2026 (announced in August 2025)



## Financial Strategy

### Financial Policy

We believe that fulfilling our high growth potential will strengthen our financial base and increase profits that will serve as a source of shareholder returns, which will contribute to maximizing shareholder returns. Our capital allocation policy is to return profits to shareholders in an appropriate manner, balancing the improvement of financial position while prioritizing investment in growth, particularly in the semiconductor and ICT materials businesses.

### Progress Toward Medium- to Long-Term Business Strategies and Business Target

Our fiscal 2024 results indicate favorable progress toward our business results targets. We established medium- to long-term business targets based on assumptions as of May 2024, and we may revise said targets in the future if there are concerns that the global economy will be significantly affected by market conditions and macroeconomic trends due to the impact of tariffs and other factors.

### Medium- to Long-Term Business Strategies and Business Target

		FYE3/2024	FYE3/2025	FYE3/2028 Targets*1
Operating Profit	[Consolidated] (YoY Growth Rate)	86.2 billion yen	112.5 billion yen	CAGR 10% to 15% (FY2023-FY2027)
	[Focus Businesses] (YoY Growth Rate)	27.3 billion yen	51.8 billion yen	CAGR 35% to 40% (FY2023-FY2027)
Operating Margin	[Consolidated]	5.7%	15.7%	12%~17%
	[Focus Businesses]	8.8%	12.5%	15%~20%
	[Semiconductor Materials Segment]	21.4%	18.0%	25%~30%
	[ICT Materials Segment]	0.5%	9.5%	8%~13%
Operating Profit Composition Ratio	[Focus Businesses] <sup>2</sup>	26%	41%	67% or more
	[Semiconductor Materials Segment] <sup>2</sup>	25%	21%	45% or more
ROE		18.3%	11.0%	10% or more
NET Debt/EBITDA Ratio <sup>3</sup>		2.6x	1.6x	Less than 1.5x

\*1 The targets shown above are based on an assumed exchange rate for the fiscal year ended March 31, 2025, of 140 yen per U.S. dollar; an assumed exchange rate during and after the fiscal year ending March 31, 2026, of 135 yen per U.S. dollar; and an assumed copper price in and after the fiscal year ended March 31, 2025, of 380 cents per pound.

\*2 This figure is calculated based on the operating income of the Focus Businesses (Semiconductor Materials segment and ICT Materials segment) and the Base Businesses (Metals & Recycling segment), excluding common costs. The operating income of the Focus Businesses is the simple sum of the operating income of the Semiconductor Materials segment and the ICT Materials segment.

\*3 This figure is calculated by dividing net debt (interest-bearing debts – cash and cash equivalents (including ENEOS Holdings group short-term loans)) by EBITDA (operating income + depreciation expense).

### Capital Allocation

Consolidated Cash Flow (Billion yen)	
FYE3/2025	
Cash flows from operating activities	2,154
Cash flows from investing activities	-221
Sale of assets (share of Caserones, etc.)	620
Capital investment and financing	-841
Free cash flow	1,933
Cash flows from financing activities	-1,722
Net increase (decrease) in cash and cash equivalents	211
Impact of exchange rates, etc.	5

### Growth Investments

Investments and loans totaled 92.3 billion yen in fiscal 2024. To respond to strong future demand in the advanced materials field, we are working toward the start-up of the Mesa Plant in North America and the construction of the Hitachinaka Works, etc., in line with plan.

### Capital Expenditures

	FYE3/2023	FYE3/2024	FYE3/2025
(Billion yen)			
Capital expenditures	1,057	792	923

\* Executing as planned; mainly investments to increase production of sputtering targets for semiconductors at Hitachinaka Works.

### Reduction of Interest-Bearing Debt

We reduced net debt by 83.0 billion yen between March 2024 and March 2025, mainly through the sale of additional interests (19%) in the Caserones Copper Mine. As we invested where necessary, we generated free cash flow through operating cash flow of 215.4 billion yen and asset sales (including a partial interest in Caserones) of 62.0 billion yen. As a result, our Net Debt/EBITDA ratio improved to 1.6x, indicating stronger financial soundness.

### Shareholder Returns

Our dividend policy is based on a consolidated payout ratio of approximately 20%. In addition, when copper prices exceed our assumptions and result in higher profits from our base business, we return a portion of that excess to shareholders. In light of strong sales, exchange rates, and copper price levels, as well as the impact of tariffs in the U.S., which was unclear at the time of the May announcement, we have revised our forecast for operating profit upward from 95 billion yen (as announced in May) to 110 billion yen. In conjunction with this revision, we increased our projection for dividend per share from 15 yen to 18 yen.

### Dividends

	FYE3/2025	FYE3/2026 (Scheduled)	
		Announced in May	Announced in August
Dividend per share <sup>2</sup>	18 yen*1	15 yen	18 yen
Dividend payout ratio <sup>2</sup>	24%	24%	24%

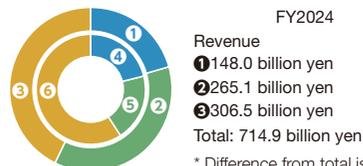
\*1 Excluding dividends (85 billion yen) paid in November 2024

\*2 Reflects higher copper prices

## Strategy by Segment

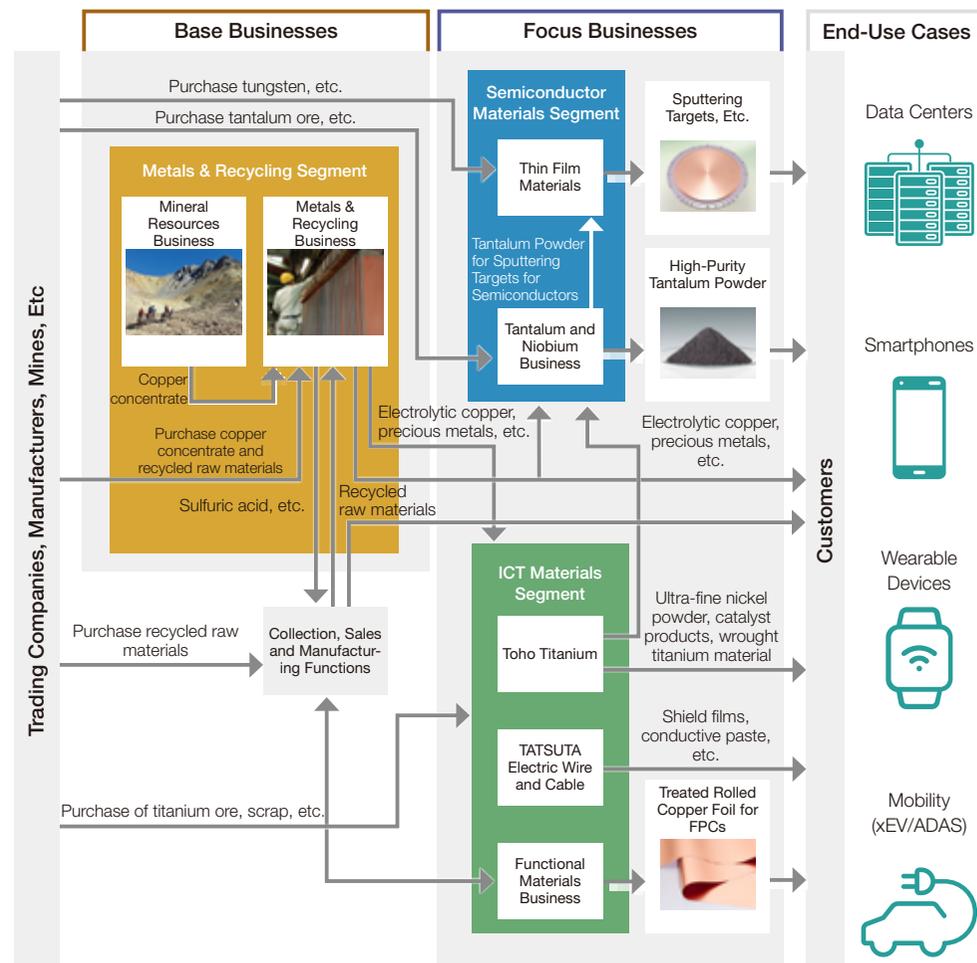
We position our Focus Businesses, which supply advanced materials for the semiconductor and ICT fields, as the core of our growth strategy. Our Base Businesses support these businesses by supplying raw materials and strengthening the supply chain.

■ Semiconductor Materials Segment  
 ■ ICT Materials Segment  
 ■ Metals & Recycling Segment



\* Difference from total is due to shared expenses, etc. (sales -4.7 billion yen; profit -13.8 billion yen)

	Segment	Division/Operating Company	Main Products	FY2024
Focus Businesses	Semiconductor Materials	Thin Film Materials Division	Sputtering targets for semiconductors, high-purity metals, surface treatment agents, compound semiconductor and crystal materials	■ Thin Film Materials ■ Tantalum and Niobium 
		Tantalum and Niobium Division	Tantalum and niobium metal powders, tantalum and niobium oxide powders, chlorides and compounds	
	ICT Materials	Functional Materials Division	Treated rolled copper foil, copper titanium alloys, Corson alloy	■ Functional Materials ■ Toho Titanium and TATSUTA Electric Wire and Cable 
Toho Titanium	Ultra-fine nickel powder, high-purity titanium dioxide, catalyst products, titanium sponge, titanium ingots			
TATSUTA Electric Wire and Cable	EMI shielding films, conductive paste, bonding wire, wires for infrastructure and industrial equipment			
Base Businesses	Metals & Recycling	Mineral Resources Division	Copper concentrate, electrolytic copper, molybdenum concentrate, auriferous silica ore, tantalum concentrate	■ Mineral Resources ■ Metals & Recycling 
		Metals & Recycling Division	Electrolytic copper, cast copper, precious metals, sulfuric acid	

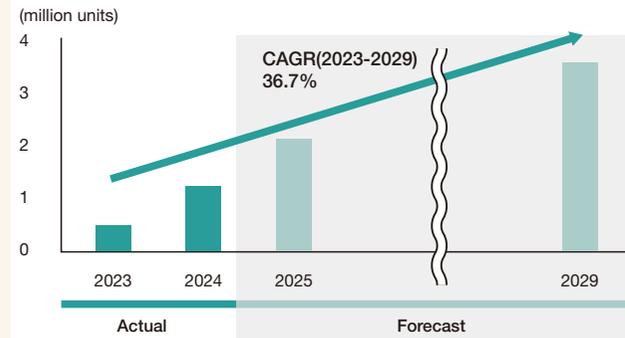


## Topics | Expansion of Products for Generative AI

### Increased Demand for Generative AI Servers

Stronger demand is expected for AI servers and GPUs as the spread of generative AI drives advancements in high-speed, high-capacity data transmission. We expect this expansion to lead to significant growth in demand for our sputtering targets for semiconductors, as well as for InP substrates, high-purity tantalum powder, and magnetic material sputtering targets. Demand is also growing rapidly in the ICT materials business for titanium copper used in connectors for AI servers, with current sales volumes rising substantially.

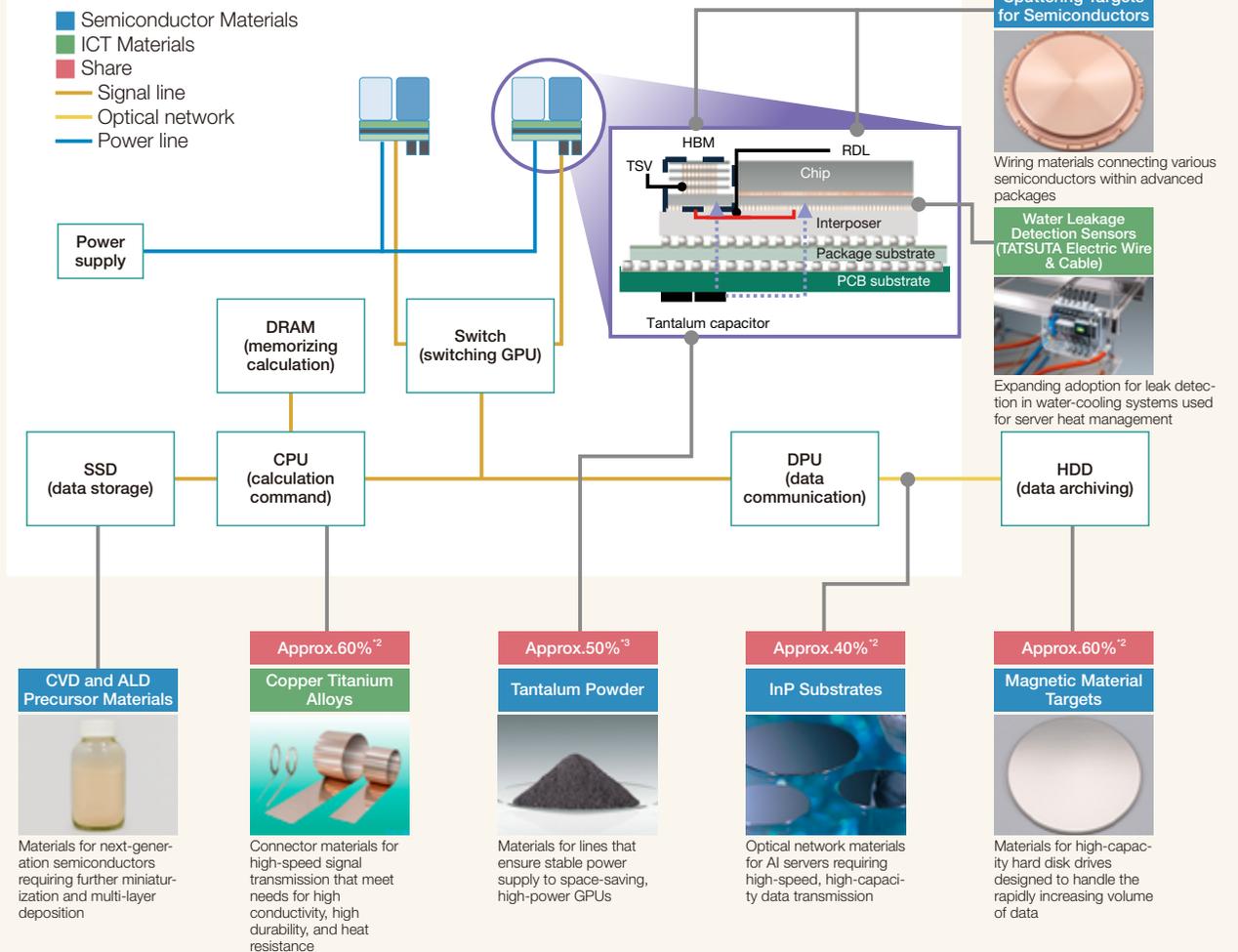
### AI Server Shipments



\* Source: Prepared by the Company based on 2025 Prismark Workshop, February 2025, Prismark Partners LLC

### JX Advanced Metals Corporation Product Applications (Data Centers)

#### Overview of an AI Server (Estimated Product Applications)



\*1 Source: Fujii Keizai, *Semiconductor Materials market's Current Status and Future Outlook 2024*. Based on 2023 results. Figures represent our share in the semiconductor target market (excluding sputtering targets made using aluminum (Al) materials), calculated on a sales value basis.

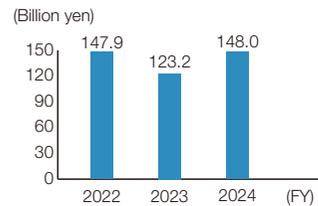
\*2 Company estimate.

\*3 Company estimate. Includes for sputtering targets.

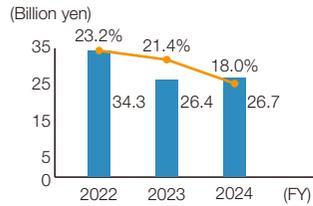
## Semiconductor Materials Segment — Focus Businesses

The Semiconductor Materials segment consists of the Thin Film Materials and the Tantalum and Niobium businesses. Main products of the Thin Film Materials business include sputtering targets for semiconductors, high-purity metals, surface treatment agents, and compound semiconductor and crystal materials. In the Tantalum and Niobium business, main products include tantalum and niobium powders for use in capacitors, semiconductor materials and SAW devices.

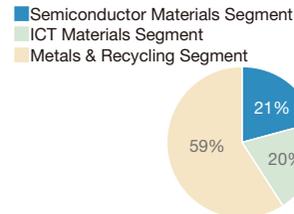
### Revenue



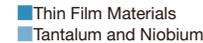
### Operating Profit and Profit Margin



### Operating Profit Composition Ratio (FY2024)



### Business Composition Ratio (FY2024)



\* The Tantalum and Niobium business posted an operating loss, mainly due to a one-off loss.



## Segment Overview

Operating profit in the Semiconductor Materials segment remained in line with the previous fiscal year as a result, mainly due to higher revenue from increased sales of sputtering targets for semiconductors, driven by growing AI-related demand and a weaker yen. This result was partially offset by a one-off goodwill impairment charge at our subsidiary TANIJOBIS GmbH, reflecting our strategic shift toward supplying tantalum capacitors as a part of revenue structural reforms. Against this background, net sales in the Semiconductor Materials segment for the current fiscal year increased 20% from the previous year to 148.0 billion yen. Operating profit also increased 0.3 billion yen from the previous year to 26.7 billion yen.

### Sputtering Targets for Semiconductors

This material is used to form wiring within semiconductors, including logic and memory devices. We offer a wide variety of sputtering targets, including copper, tantalum, titanium, tungsten, and cobalt, all of which hold the world's No. 1\* market

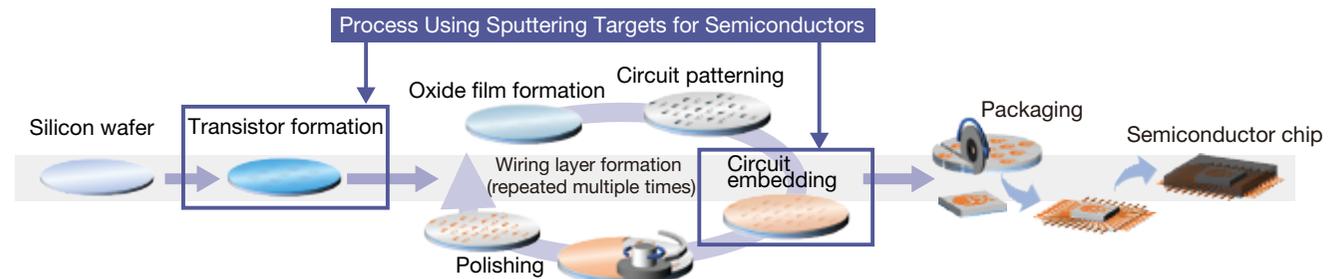
share.

Semiconductors are becoming increasingly advanced every year, and consequently, there is a demand for high-quality sputtering targets that can form finer wiring. We have established strong relationships built on trust with semiconductor manufac-

turers and semiconductor equipment manufacturers through the stable supply of high-quality products, and further growth in the scale of our business is anticipated in the future.

\* We prepared this information based on a survey conducted by an external research organization at our request (2021 results based on the sales value of the Company's share of the semiconductor target market).

### Semiconductor Chip Manufacturing Process



## Opportunities and Risks

### Opportunities

Growth in the logic and memory semiconductor market is increasingly driven by the expansion of generative AI, and we expect further growth from the broader adoption of electric vehicles. We also expect leading-edge logic devices to achieve strong growth, as such devices continue becoming even smaller and more multilayered.

Sputtering targets for semiconductors, the main products of the Company, are used to manufacture various semiconductor devices. The sales volume of these targets is likely to outpace the overall wafer market growth as leading-edge logic devices require more wiring layers, increasing target usage.

AI server shipments are also likely to increase as construction

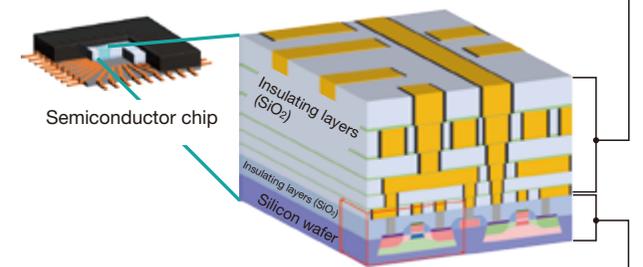
for generative AI data centers progresses. AI servers rely on many of our products, including sputtering targets for semiconductors, InP substrates, high-purity tantalum powder, and targets for magnetic materials. For this reason, we expect the increase in AI servers to become a tailwind for the segment earnings growth. AI servers also incorporate a large number of GPUs, which are also likely to see significant shipment growth. GPU packaging requires more film deposition for chip interconnects (TSV and RDL) and chiplet connections, and we expect demand for our sputtering targets for semiconductors to rise as a result.

### Risks

- Risk of sharp market fluctuations driven by global economic trends and changes in end-product demand
- Risk of being unable to meet growing demand due to delays in executing capital investments or misjudging the scale of market growth
- Risk of declining market share and profit margins should we be unable to satisfy customer requirements

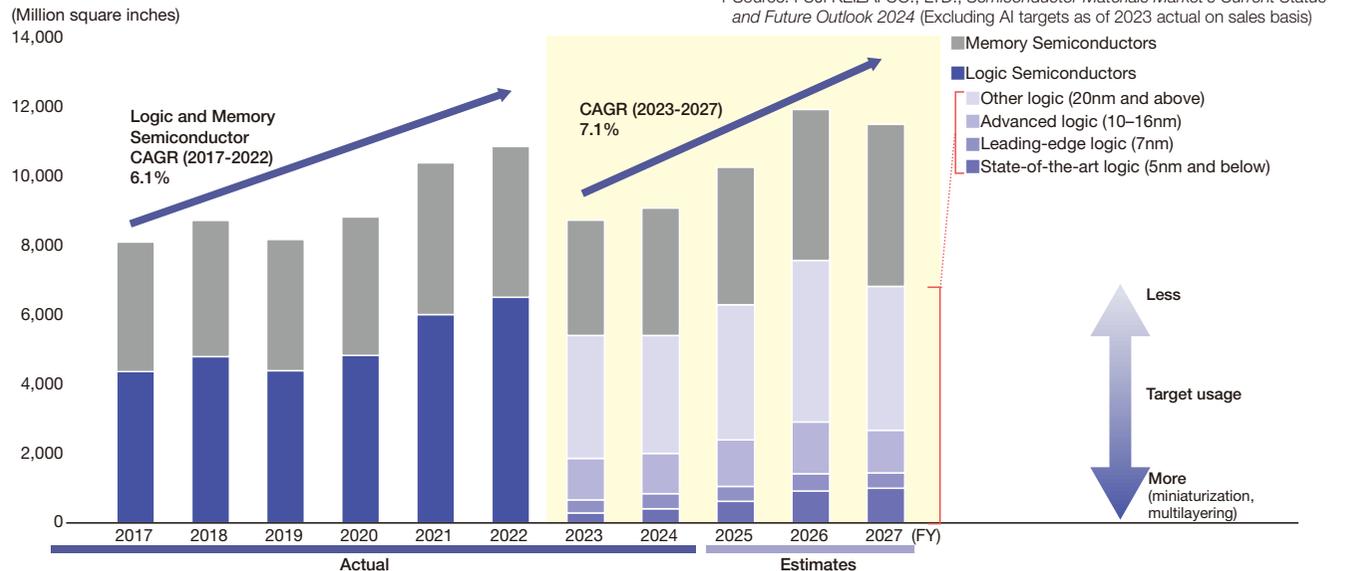
### Location of Our Products in Semiconductor Chips

**Wiring Layers**  
Main wiring layers use copper or copper alloys, with tantalum serving as the barrier layer



**Transistors**  
Semiconductor circuit formation and transistor parts use titanium, cobalt, and tungsten

### Growth of the Logic and Memory Semiconductor Market\*1



\* Source: TechInsights Inc., Worldwide Silicon Demand History and Forecast (as of March 2025, based on silicon wafer area shipment). Prepared by the Company.

## Core Competence

### Point 1: Technological Capabilities that Ensure High Quality and Stable Supply

Even minute impurities can impact defect rates significantly in semiconductor manufacturing, placing extremely high demands on material quality and requires advanced quality control capabilities throughout the entire process. JX Advanced Metals possess advanced technologies and quality control capabilities across all of purification, composition and structure control, surface treatment, and analytical evaluation. These advantages allow us to provide a stable supply of high-quality products across a wide range of metal materials. Our ability to consistently achieve both technological precision and quality across all processes represents one of our key strengths and serves as a barrier to entry for other companies. (Figure 1)

### Point 2: Strong Relationships With Semiconductor Equipment Manufacturers

The JX Advanced Metals business model is supported by strong relationships with semiconductor equipment manufacturers. Designation as a standard material in semiconductor manufacturing equipment is critical to winning orders from semiconductor manufacturers.

We have a long track record of providing a stable supply of high-quality products. Our strong relationships with major equipment manufacturers allow us to propose solutions from the earliest stages of new product development. As a result, our products are often adopted for mass production ahead of competitors, creating a virtuous cycle that represents a significant source of our competitive advantage. (Figure 2)

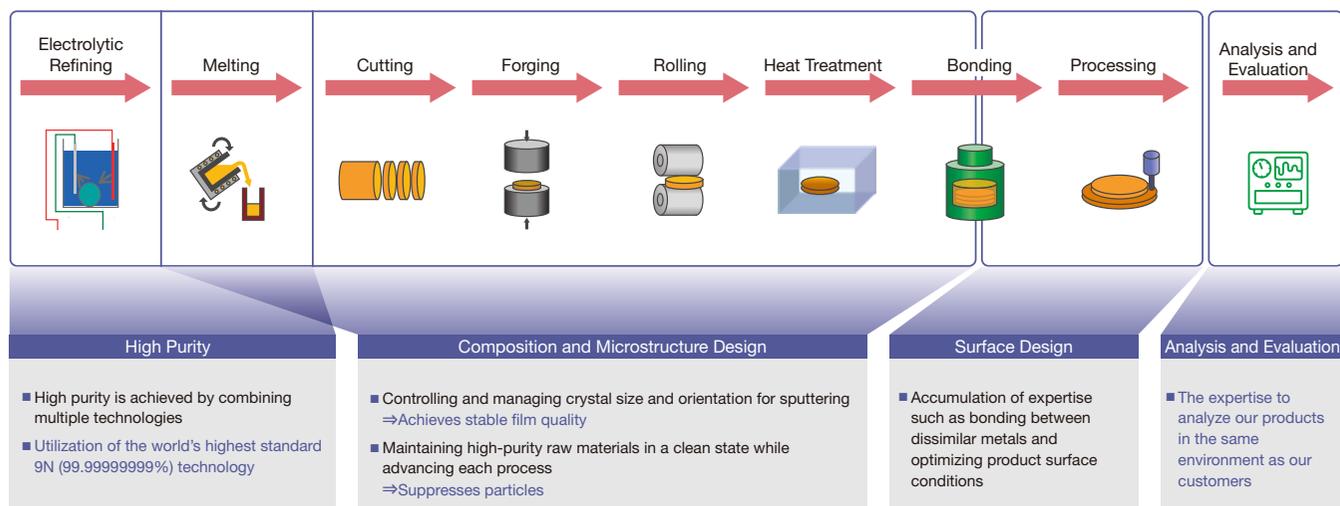
### Point 3: Long-Standing Relationships of Trust With Semiconductor Manufacturers (Customers)

We have built strong, enduring relationships of trust with our customers through a long track record of providing a stable supply of high-quality products. As a result, we have received numerous awards as an excellent supplier from global semiconductor manufacturers, including Intel and TSMC. These achievements enable us to establish a solid foothold in the semiconductor target market, underpinned by high entry barriers.

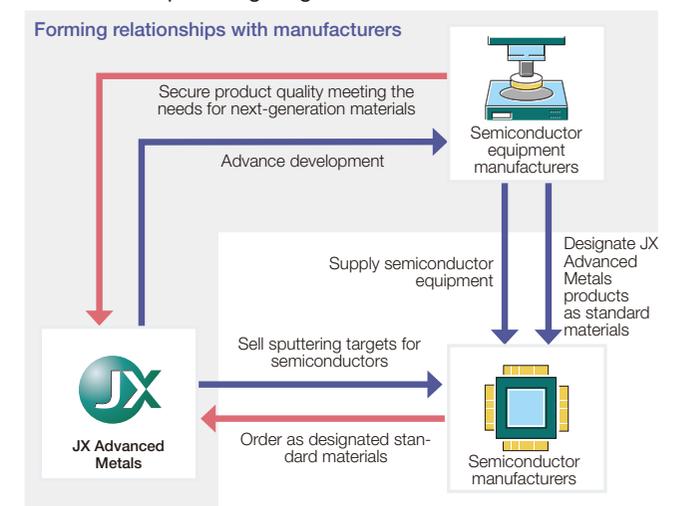
### Point 4: Global Production System

We operate factories in regions where major semiconductor manufacturers operate manufacturing facilities, including Mesa, Arizona, Taiwan, and South Korea. This global mass-production framework enables us to respond flexibly to rapidly changing demand from semiconductor manufacturers.

◎(Figure 1) Manufacturing Process for Semiconductor Sputtering Targets



◎(Figure 2) Business Model Diagram for Semiconductor Sputtering Target Products



### Achieving Our Medium- to Long-Term Business Strategies and Business Targets

We will continue to develop and propose materials that meet customer needs, focusing on expanding demand for semiconductors, and in particular, on the growth of advanced semiconductors. At the same time, we will invest in capacity expansion to capture market growth and strengthen our broad lineup of next-generation semiconductor materials.

	FY3/2024 Results	FY3/2025 Results	FY3/2028 Target
Operating margin	21.4%	18.0%	25%~30%
Operating profit composition ratio	25%	21%	45% or more

### Global Production Network for Sputtering Targets for Semiconductors



### Growth Strategy 1: Expanding Production Capacity to Meet Global Semiconductor Demand

We aim to increase production capacity for semiconductor targets to approximately 1.6 times the fiscal 2023 level by fiscal 2027, while closely monitoring market recovery trends and adjusting plans flexibly. Our initiatives include building a new plant, which launched commercial production in the first half of fiscal 2025, in Mesa, Arizona, where major semiconductor companies are constructing new plants. We are also building a new plant in Hitachinaka, our largest-ever investment in advanced materials, with trial operations scheduled to start within fiscal 2025.

#### July 2025 Release

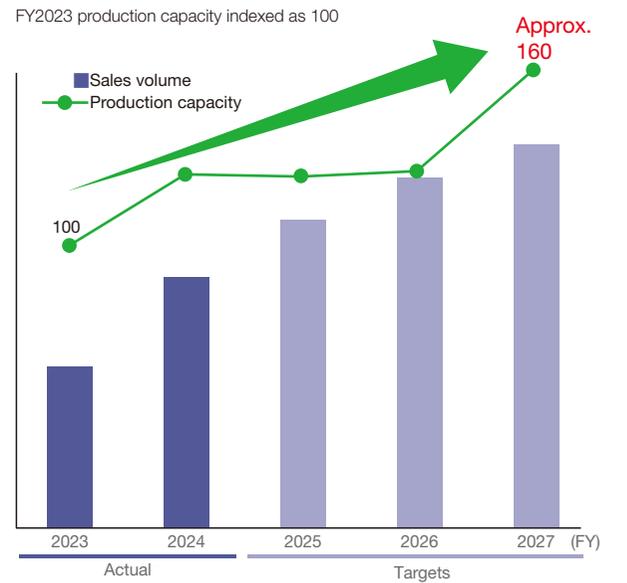
**Ministry of Economy, Trade and Industry's Supply Assurance Plan Certification**

The Ministry of Economy, Trade and Industry (METI) certified part of our capital investment plan for the new Hitachinaka Works as eligible for support measures under the Economic Security Promotion Act, an act designed to ensure stable supply of semiconductors and related products.

**Overview of Support Measures**

Place of production	New Hitachinaka Works (Hitachinaka City, Ibaraki Prefecture)
Details	Increase production capacity of sputtering targets for semiconductors
Required funding	Approx. 6.6 billion yen (Maximum subsidy amount: Approx. 2.2 billion yen)

#### Prospective Production Capacity of Sputtering Targets for Semiconductors



## Growth Strategy 2: Building the Next Generation of Revenue Pillars

We believe that achieving Long-Term Vision 2040 requires not only reinforcing our existing revenue base but also creating new revenue pillars for the future. With this in mind, we strive to expand the scale of our next-generation semiconductor materials business.

### Next-Generation Revenue Pillar Crystal Materials Business

The crystal materials business mainly produces compound semiconductors, including indium phosphide (InP) and cadmium zinc telluride (CdZnTe). We aim to expand this business to accelerate growth in the Semiconductor Materials segment by leveraging the long-cultivated technologies of the JX Advanced Metals Group.

InP is used as a material for light-receiving and emitting devices in optical communications and for infrared sensors, both of which are expected to see strong growth driven by the increasing data traffic from data centers and mobile communications.

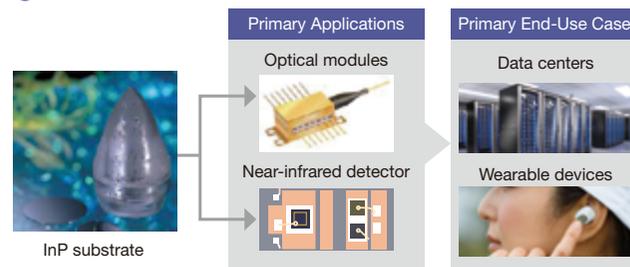
CdZnTe is used as a material for radiation sensors and infrared sensor elements, and is expected to grow in fields such as defense and healthcare.

#### July 2025 Release

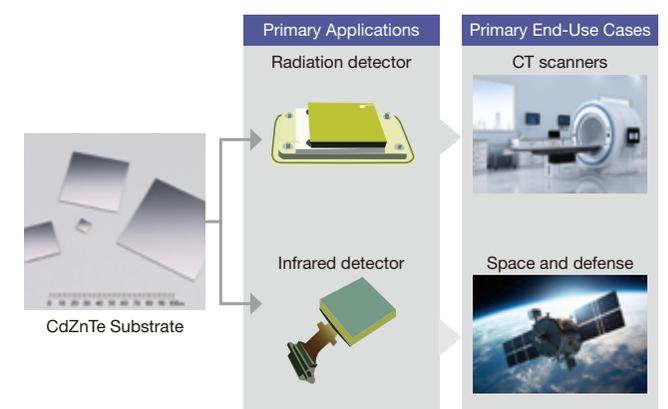
##### Decision to Expand Production Capacity for InP Substrates

We resolved to increase production capacity by approximately 20% from the current level. We will be flexible in considering additional investments for further demand growth.

#### InP Overview



#### CdZnTe Overview



### Next-Generation Revenue Pillar Next-Generation Semiconductor Materials Business

Our next-generation semiconductor materials business manufactures materials used in chemical vapor deposition (CVD) and atomic layer deposition (ALD) processes.

Markets for data centers and AI-enabled IoT devices expand as generative AI continues to evolve, and high-performance semiconductors required for these applications demand further reductions in size and multilayering to achieve higher levels of integration.

The push for finer features and more multilayer structures is increasing demand for thin-film formation using CVD and ALD. In response, JX Advanced Metals is establishing mass-production lines for CVD and ALD materials and strengthening facilities for new process and material development to further expand production capacity.

#### June 2025 Release

##### Full-Scale Launch of CVD and ALD Material Production Facility

We began full-scale operations on the premises of the Chigasaki Plant of Toho Titanium. We are also introducing new production facilities at our Ibaraki Office (Hitachi area).

#### CVD and ALD Materials for Semiconductors



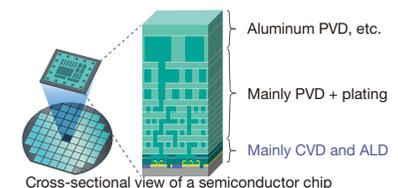
Molybdenum compounds

#### Application Areas (Image)

	PVD <sup>*1</sup>	CVD·ALD
Application	Used widely, from wide to fine interconnects	Used where PVD is unsuitable, such as fine or deep interconnects
Manufacturing Cost	Less expensive than CVD and ALD	More expensive than PVD
Our Products	Sputtering targets for semiconductors	CVD and ALD materials for semiconductors

<sup>\*1</sup> Abbreviation of physical vapor deposition.

A method in which metal materials are vaporized and deposited as thin films on a substrate. Sputtering is a typical PVD process.

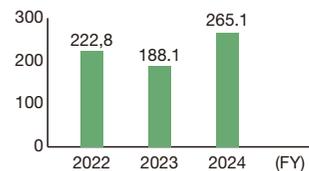


## ICT Materials Segment — Focus Businesses

The ICT Materials segment consists of the Functional Materials Division and two subsidiaries: Toho Titanium Co., Ltd. and TATSUTA Electric Wire and Cable Co., Ltd. Main products of the Functional Materials Division include treated rolled copper foil, titanium copper, and Corson alloys. Toho Titanium main products include ultra-fine nickel powder, high-purity titanium dioxide, catalyst products, titanium sponge, and titanium ingots. Main products of TATSUTA Electric Wire and Cable include electromagnetic wave shielding films, conductive paste, bonding wire, and wires for infrastructure and industrial equipment.

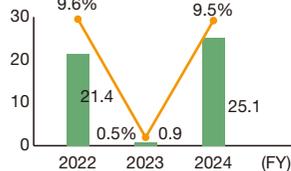
### Revenue

(Billion yen)

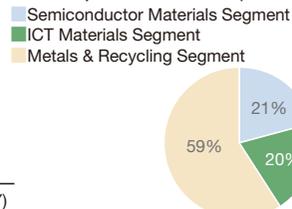


### Operating Profit and Profit Margin

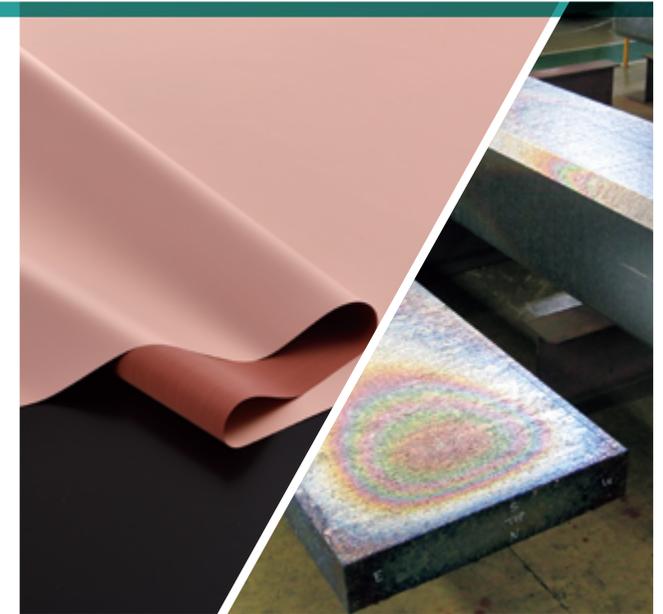
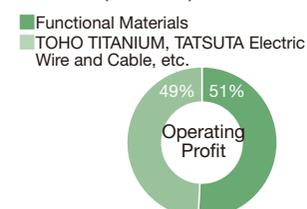
(Billion yen)



### Operating Profit Composition Ratio (FY2024)



### Business Composition Ratio (FY2024)



## Segment Overview

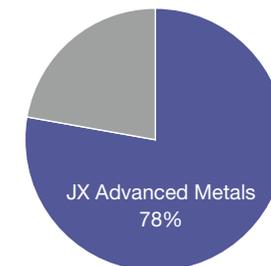
Sales and profit increased year on year, mainly due to higher sales of treated rolled copper foil after inventory adjustments in the supply chain, and increased adoption of our high-performance copper alloys for use in AI servers. Profit structure reforms also contributed to the increased sales and profit through profitability and productivity improvements. We made TATSUTA Electric Wire and Cable a consolidated subsidiary through a tender offer in August 2024 and a wholly owned subsidiary in November 2024.

Against this background, revenue in the ICT Materials segment for the current fiscal year increased 41% from the previous year to 265.1 billion yen. Operating profit also increased 24.2 billion yen from the previous year to 25.1 billion yen.

### Treated Rolled Copper Foil for FPCs

Treated rolled copper foil is used in flexible printed circuit boards (FPCs). This copper foil is a wiring material that can be bent to connect components inside smartphones, contributing to miniaturization and longer life. In the future, in addition to the further advancement and miniaturization of components for smartphones and PCs with the incorporation of AI, the use of these components is expected to expand through wearable devices such as smartwatches and smart glasses. We have secured our position as a leading vendor, maintaining a competitive advantage through a market development approach that allows us to launch products ahead of competitors by identifying development needs quickly based on strong relationships with end users.

### Market Share of Treated Rolled Copper Foil for FPCs\*



Source: 2023 Handbook of New Materials for Electronics Implementation, Fuji Chimera Research Institute (2022 results; for FPCs only; based on shipping volume)

## Opportunities and Risks

### Opportunities

Uses of treated rolled copper foil are likely to expand due to the miniaturization and increasing functionality of smartphone and PC components for AI-equipped devices. Market growth for smartwatches, smart glasses, and other wearable devices is also expected to further expand uses of treated rolled copper foil. As sales of EVs increase globally, applications and uses for treated rolled copper foil are likely to expand for use in shielding materials used in wiring and in preventing operational malfunctions. Miniaturization and weight reduction in industrial machin-

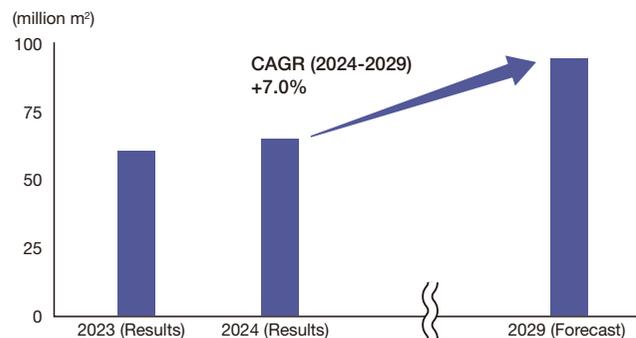
ery and robotics are likely to expand the use of treated rolled copper foil over the medium to long term for the material's excellent fatigue resistance under complex motion.

Applications are also growing rapidly for titanium copper in response to needs for high heat resistance and strength in AI server connectors. Furthermore, demand is expected to increase for leak detection sensors that monitor coolant leakage inside high-temperature AI servers.

### Risks

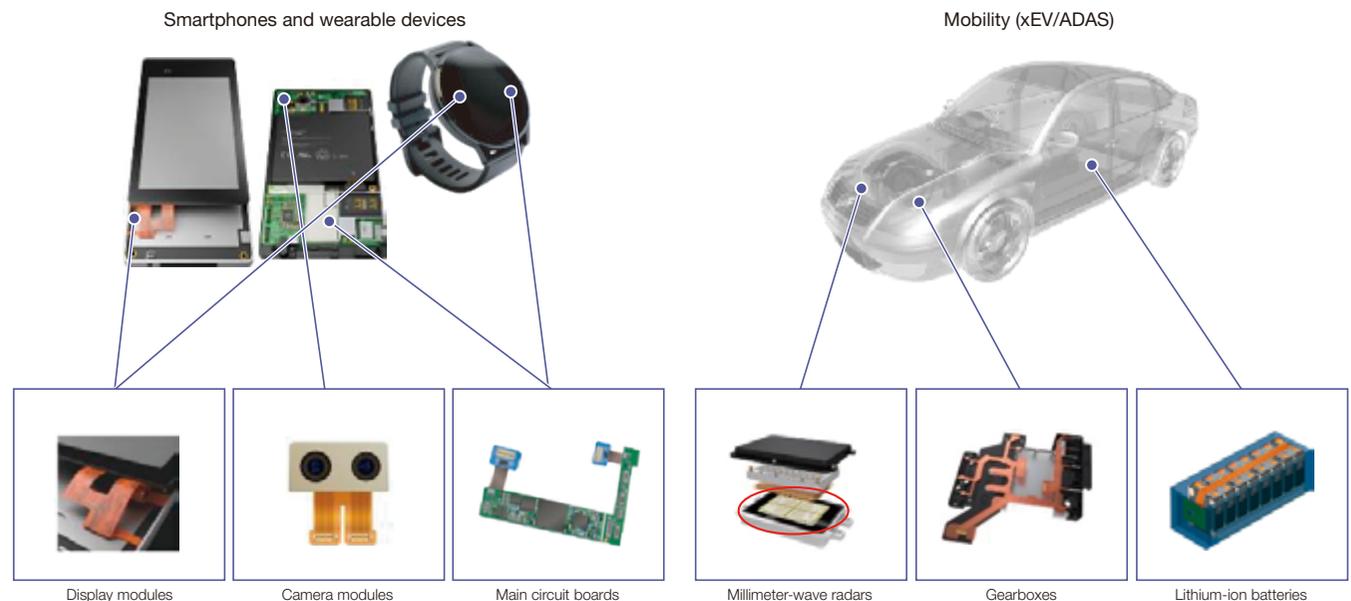
- Risk of sharp market fluctuations driven by global economic trends and changes in end-product demand
- Risk of being unable to meet growing demand due to delays in executing capital investments or misjudging the scale of market growth
- Risk of declining market share and profit margins should we be unable to satisfy customer requirements

### FPC Market Growth



\* Source: Prepared by the Company based on *The Printed Circuit Report Second Quarter 2025*, Prismark Partners LLC

### Main FPC Applications



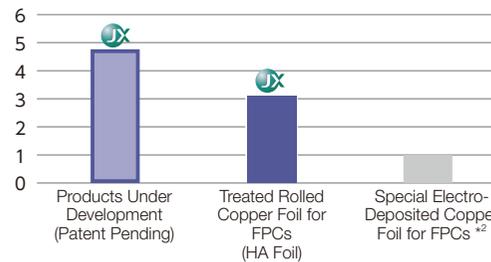
## Competitive Advantage

FPCs, one of the main applications of rolled copper foil, are circuit boards that form electrical circuits on base materials (FCCL) made by bonding treated rolled copper foil, a conductive metal, with thin, flexible, and insulating base films such as polyimide. Treated rolled copper foil is used in narrow gaps and moving parts that bend repeatedly, requiring excellent flexibility and durability. JX Advanced Metals leverages proprietary technology and advanced manufacturing expertise to produce high quality, ultra-thin rolled copper foil as thin as 6 micrometers (about one-tenth the thickness of a human hair) for FPC applications.

We have built strong relationships with end users of treated rolled copper foil for FPCs for over 20 years. Engaging in dialogue with these end users has allowed us to identify their development needs at an early stage and propose materials based on those needs. Our products receive material specifications directly from end users, which enable stable orders from the CCL and FPC manufacturers supplying those end users.

### Excellent Flexibility of Treated Rolled Copper Foil

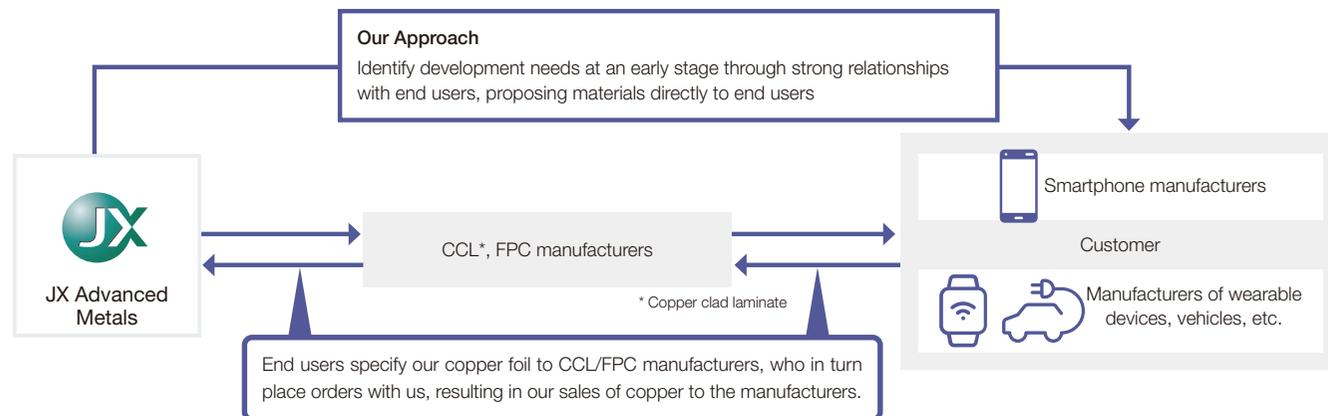
Number of bending cycles until fatigue life based on bending test \*1 (indexed with special electro-deposited copper foil as 1)



\*1 Fatigue endurance experiment compliant with IPC Association Connecting Electronics Industries (a printed circuit industry organization in the U.S.) and JIS standards.

\*2 Electrodeposited copper foil that corresponds to Grade 10 *Electrodeposited low temperature annealable* of the IPC standard IPC-4562A, *Metal Foil for Printed Board Applications*, which is the most widely used standard in the printed circuit industry globally.

### Market Development Approach for Early Identification of Development Needs



## Achieving Our Medium- to Long-Term Business Targets

The ICT Materials segment pursues various initiatives, aiming to build a structure that secures stable profit even during slumps or downturns in demand, which tend to occur on a multi-year cycle. We first reviewed our product portfolio and resolved to expand sales of high-value-added products centered on treated rolled copper foil and titanium copper, while reducing sales of low-profit products. Our efforts on the commercial side include improving profitability by revising prices to reflect product competitiveness and passing on rising production costs in selling prices. In manufacturing, we work to improve productivity by reducing costs through facility consolidation and improving yield. Together, these efforts aim to reduce the ICT Materials segment losses.

	FY3/2024 Results	FY3/2025 Results	FY3/2028 Target
Operating margin	0.5%	9.5%	8% to 13%

# Technology and R&D Strategy

Our lives rapidly evolve through digitalization, and even greater changes lie ahead. JX Advanced Metals pursues active research and development under our goal of becoming a technology-based firm that quickly delivers innovative products and technologies to society. We help build a sustainable future society by supporting convenient, fulfilling lives and industrial development.



## JX Advanced Metals Technology and R&D Strategy

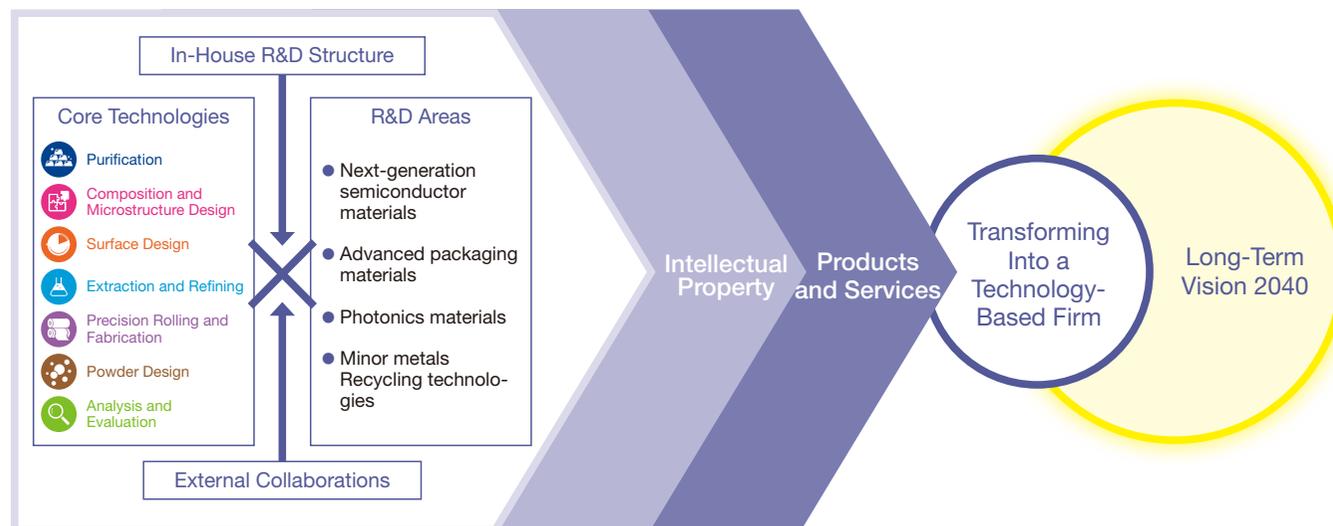
The JX Advanced Metals Group leverages the core technologies and strong R&D capabilities cultivated over more than 100 years since our founding. We drive technological innovation in advanced semiconductors, information and communications, and recycling technologies, which form the core of our growth strategy under our long-term vision. We advance efforts to continu-

ously create innovative technologies and products by identifying new development areas and driving commercialization. Furthermore, we actively pursue open innovation through investments in startups and joint research with universities, driving the development of advanced materials essential for an IoT and AI society.

## Strengthening Our Framework for Advanced Materials

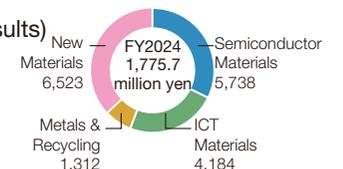
Our R&D framework includes development departments within each business unit that strengthen existing businesses by improving existing products and manufacturing processes. The framework also includes development departments within the Technology Group, which leads new business creation. The Technology Group also manages company-wide technology strategies, from planning and proposal to execution, and operates an incubator that manages projects in the development stage for commercialization. We established two specialized offices within the Advanced Technology & Strategy Department of the Technology Group to support the evolution of increasingly high-performance semiconductors. These two offices include the CVD and ALD Material Business Promotion Office for next-generation semiconductor materials and the Advanced Packaging Material Business Promotion Office\* for advanced packaging materials. Under this new organization, we make active efforts to achieve the early commercialization of next-generation semiconductor materials by building mass production lines, developing new processes, and upgrading facilities for new material development.

### Overview of R&D Strategy



\* Integrated into the Data Infrastructure Materials Business Promotion Department through structural reforms effective October 1, 2025.

### R&D Expenses (FY2024 Results)

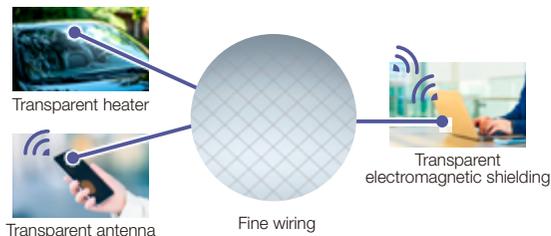


## New Business Creation Through External Collaborations

We drive innovation and accelerate commercialization through our technology development efforts by combining our core technologies with external proprietary technologies through collaborations with academic and research institutions, startups, and venture capital funds.

### AIST: Printed Electronics (PE)

Printed electronics is a next-generation wiring formation technology that uses printing techniques to produce electronic circuits and devices. This technology conserves resources and energy while reducing environmental impact compared with conventional wiring processes. JX Advanced Metals works with the National Institute of Advanced Industrial Science and Technology (AIST) to develop conductive inks, printing technologies, and sintering processes used in printed electronics.



### Alloyed Limited

Metal additive manufacturing (AM) technology enables the production of complex-shaped metal components. This manufacturing technology is well suited for creating intricate parts and producing small batches of diverse items, which are difficult to make using conventional processing and manufacturing methods. Metal powder plays an important role in metal AM technology. This is why we work with Alloyed Limited, a British startup company, to develop metal powders for different applications.



## Intellectual Property Strategy

Intellectual property is an important asset for the technology-based firm that the JX Advanced Metals Group aims to be. In fiscal 2022, we formulated the JX Advanced Metals Group Basic Policy on Intellectual Property. Under this policy, we engage in intellectual property activities throughout the Group.

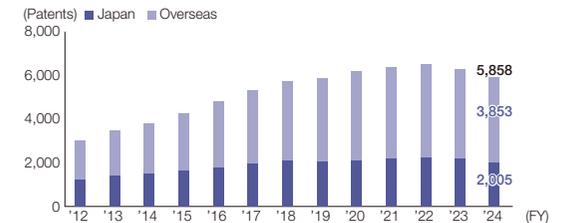
### Intellectual Property Framework

We have established an Intellectual Property Department directly under the President within the Technology Group. Under the slogan of three-in-one, the department strengthens collaboration among management, business divisions, and technology divisions, and examines and implements intellectual property strategies that reflect our management, business, and technology strategies. The Intellectual Property Department is comprised of multiple groups divided by business domain. Each group works with the relevant business divisions to conduct intellectual property activities tailored to each group's respective domain.

### Our Intellectual Property Management and Protection

In accordance with the Patent Act, the Group has established the Regulations Concerning Handling of Employee Inventions. In addition to incentives at the time of application and registration, we have established our own unique system to award inventors of profitable patents and inventors of outstanding inventions to encourage development and invention and promote activities as a technology-based firm.

### Number of Patents Held



### Utilization of Intellectual Property Information

The JX Advanced Metals Group regards intellectual property information (patent information, etc.) as big data useful for understanding technological trends. We utilize this information for various purposes. For example, as part of our IP landscape survey, we conduct research and analysis by integrating our own and competitors' patent information with business and market data. This enables us to anticipate shifts in customer needs and technology trends, thereby contributing to the formulation of business strategies, the creation of development themes, and the search for partners. We also encourage the use of intellectual property information by others besides personnel in charge of intellectual property directly.

### Developing Intellectual Property Human Resources

In the interest of the appropriate acquisition, protection, and utilization of intellectual property and management of intellectual property risks, the Group provides all employees, including clerical staff, with intellectual property education based on a systematic program and using our own teaching materials. To address intellectual property tasks that become more complex each year, the Intellectual Property Department encourages obtaining qualifications such as patent attorney certifications and intellectual property analyst certifications from the Association of Intellectual Property Education (AIPE). Additionally, the department shares the latest intellectual property-related knowledge to enhance expertise.

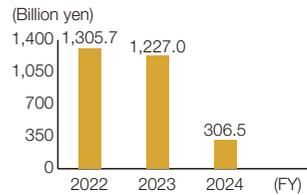
## Metals & Recycling Segment — Base Businesses

We position the Metals & Recycling segment as one of our Base Businesses. The segment supports our Focus Businesses through the stable supply of copper and minor metals.

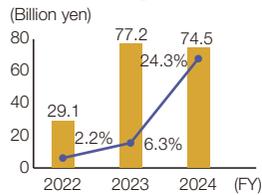
Mineral Resources — Main Products: Copper concentrate, electrolytic copper, tantalum concentrate, etc.

Metals & Recycling — Main Products: Electrolytic copper, cast copper, precious metals, sulfuric acid, etc.

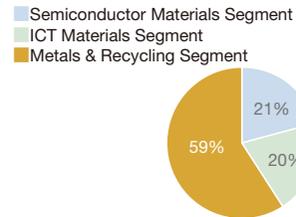
### Revenue



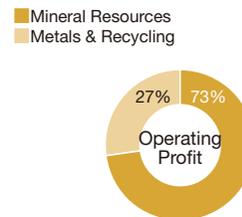
### Operating Profit and Profit Margin



### Operating Profit Composition Ratio (FY2024)



### Business Composition Ratio (FY2024)



## Segment Overview

Revenue and profit declined year on year despite positive effects from yen depreciation and higher copper prices. This result was mainly due to the absence of foreign exchange gains associated with the partial transfer of our shareholdings in SCM Minera Lumina Copper Chile (MLCC), a subsidiary operating the Caserones Copper Mine, in July 2023, and the absence of net sales and profit from Pan Pacific Copper (PPC) following the partial

transfer of our shareholdings in March 2024. Against this background, revenue in the Metals & Recycling segment for the current fiscal year decreased 75% from the previous year to 306.5 billion yen. Operating profit also decreased 2.7 billion yen from the previous year to 74.5 billion yen.

We began selling and scaling down our mining and smelting operations since establishing our long-term vision in 2019. This

decision was based on declining profitability in the smelting business, as well as rising development costs and greater volatility in mining operations. Meanwhile, we are shifting toward more profitable and efficient recycling operations and securing minor metals and rare earths, which are becoming increasingly important amid growing geopolitical risks.

### Mineral Resources Business



Caserones Copper Mine



Los Pelambres Copper Mine



Escondida Copper Mine

### Metals & Recycling Business



Saganoseki Smelter & Refinery, JX Metals Smelting Co., Ltd.

## Opportunities and Risks

### Opportunities

The shift toward a decarbonized society and the growing use of renewable energy are driving electrification across industries, pointing to steady medium- to long-term growth in copper demand. The supply-demand balance for copper will likely grow unstable due to the limited supply of copper ore from existing mines. Efforts to secure recycled raw materials are accelerating due to the rising global awareness of environmental issues related to decarbonization.



Mibra Mine (Brazil)



Recycled raw materials

### Risks

The Metals & Recycling segment faces risks to business performance and financial position arising from fluctuations in metal prices and exchange rates. We also face the following risks:

- Geopolitical risks including royalty taxes and high-value-added policies stemming from resource nationalism
- Procurement risks caused by tighter supply of recycled raw materials

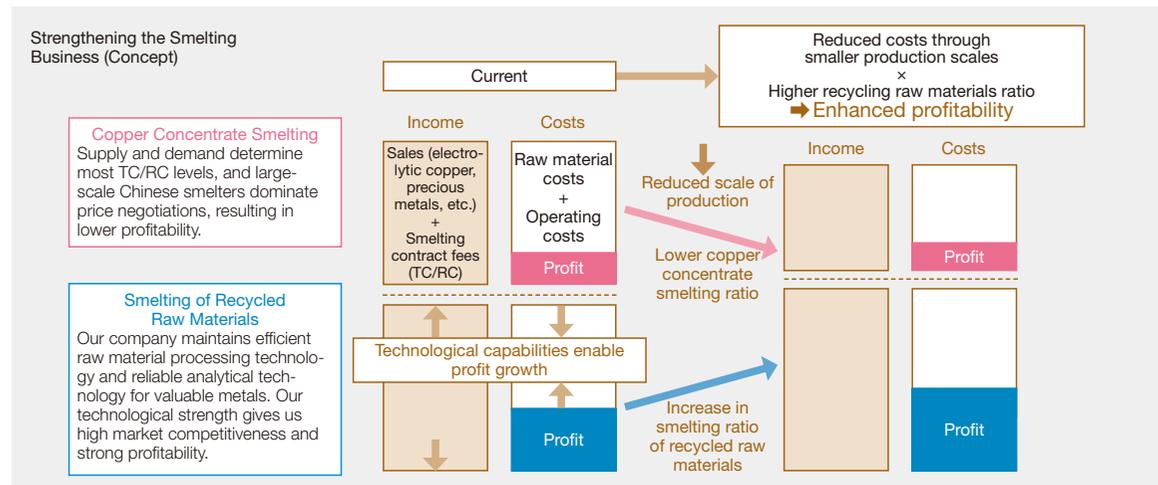
## Base Business Strategy

### Started reviewing reductions to production scale and accelerating efforts to strengthen the smelting business

- Low profitability and growth potential in concentrate smelting
- Highly profitable recycled raw materials

#### Copper Smelting Profit Structure

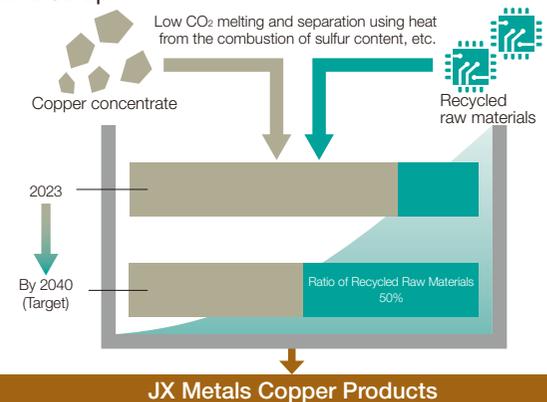
Profit is generated by subtracting raw material and operating costs from sales and smelting contract fees received from mining and recycled raw material suppliers.



### Green Hybrid Smelting

- Eliminate the need for fossil fuels by melting recycled raw materials with the heat generated by copper concentrates during chemical reactions in the smelting process
- Increase the use of recycled raw materials while using copper concentrate as a heat source in an optimal balance

### Green Hybrid Smelting Combines the Use of Copper Ore and Scrap



# Sustainable Management

The JX Advanced Metals Group's Philosophy is *creating value for a brighter future*. Under this philosophy, we contribute to the sustainable development of economies and societies through business activities that encourage sustainability. At the same time, we pursue the long-term growth of our company.

## Sustainability Implementation Framework

We established a group-wide committee to ensure every JX Advanced Metals Group officer and employee continuously engages in sustainability initiatives. In addition, we have identified six materialities for priority action to realize our Long-Term Vision 2040.

### Sustainability Committee

The Sustainability Committee serves as an advisory body to the president, and is responsible for basic policies and activity plans related to sustainability, as well as the monitoring of these initiatives. The Sustainability Committee is chaired by the president of the Company, with members from the Executive Council and with participation by outside directors as observers. This committee meets twice a year in principle. Important sustainability-related matters are discussed and reported to the Board of Directors and the Executive Council as appropriate.

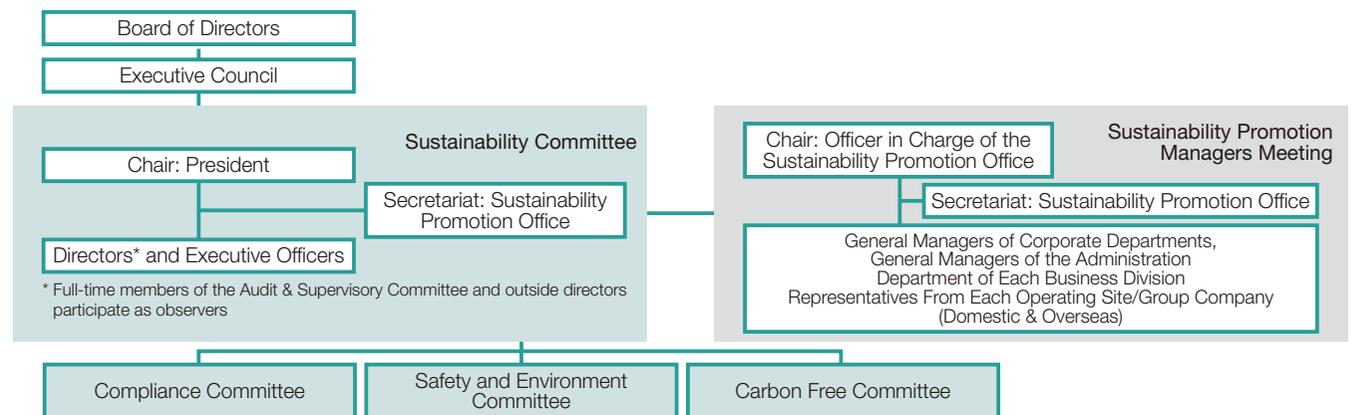
In addition, to promote and permeate sustainability initiatives throughout the Group, we have established the Sustainability Promotion Managers Meeting as a subordinate body to this committee, consisting of the sustainability promotion managers from each of the Company's departments and each Group company.

In fiscal 2024, we held Sustainability Committee meetings in June and December to discuss activity policies for each priority issue and report on the status of activities.

#### Main Discussion Topics in Fiscal 2024 Sustainability Committee Meetings

- Progress on Materialities/KPIs
- Regulatory trends related to sustainability information disclosure and the Company's response policies
- Status of discussions on copper resource recycling schemes
- Reports on the progress and performance of climate change targets
- Status of the Group's initiatives related to respect for human rights, etc.

### Sustainability Implementation Framework



### Materiality Identification

The JX Advanced Metals Group has identified six materialities for priority action to realize our Long-Term Vision 2040. KPIs have been set for each materiality, and the Sustainability Committee administers this system, measuring and assessing levels of achievement for these KPIs. We took the accompanying steps based on global social issues and the goals set forth by the SDGs, as well as international guidelines (GRI, ISO 26000, etc.), initiatives in Japan and overseas, and trends among industry peers. The identified materialities will be periodically reviewed in accordance with future changes in social conditions and needs, management strategies, and other factors.



## Overview of Materialities and KPIs

Materialities	Initiatives	Fiscal 2024 KPIs	Self-Assessment	Results for Fiscal 2024	Fiscal 2025 KPIs
Contribute to Environmental Conservation	Contribute to global environmental conservation by creating a carbon-free and recycling-oriented society.	Implement initiatives to increase the percentage of recycled raw materials and expand the breadth of recycled materials to be treated	○	We worked to increase processing of recycled raw materials by expanding facilities and researching and testing new processes. We advanced discussions with various customers involved in copper use to develop a detailed transaction scheme involving the increased collection of recycled raw materials, aiming for the social implementation of two types of 100% recycled electrolytic copper (PCL100/mb and MR100/mb) produced using the mass balance approach.	Implement initiatives to increase the percentage of recycled raw materials and expand the breadth of recycled materials to be treated
		Landfill disposal rate: Less than 1% in fiscal 2024	○	We set a goal of keeping our landfill disposal rate at no more than 1%* to cut down on waste with the aim of minimizing our impact on the environment. Our landfill disposal rate in fiscal 2024 was 0.46%. * TANIÖBIS faces comparatively large landfill volumes and significant technical challenges in recycling. For this reason, we exclude TANIÖBIS from the KPI to appropriately reflect the reduction effects at other sites. Including TANIÖBIS, the calculated value is 1.50%.	Landfill disposal rate: Less than 1% in fiscal 2025
		Implement initiatives to achieve a 50% reduction in total in-house greenhouse gas emissions by fiscal 2030 (vs. fiscal 2018), and achieve net zero emissions in fiscal 2050	○	We continued our activities toward our goal by using CO <sub>2</sub> -free electricity at each site and exploring the introduction of new technologies. We also formulated a decarbonization vision through the Carbon Free Committee and announced the measures the Group will implement to achieve net zero emissions.	Implement initiatives to achieve a 50% reduction in total in-house greenhouse gas emissions by fiscal 2030 (vs. fiscal 2018), and achieve net zero emissions in fiscal 2050
Provide Advanced Materials That Support Lives and Lifestyles	Advance development of new technologies and contribute to an IoT/AI society.	Build a framework to support technology-based management	○	With the goal of continuously generating innovative technologies and products for technology-based management, we advanced our initiatives for creating new development themes and advancing commercialization. In addition, we worked on cultivating research and development talent capable of creating new innovations and fostering an organizational culture that encourages taking on challenges.	Build a framework to support technology-based management
		—	—	—	Reform work styles with generative AI and foster a corporate culture that utilizes AI
Create Attractive Workplaces	Create a healthy, safe, and peaceful working environment for all employees. Create an environment in which diverse employees feel fulfilled and maximize their abilities.	Develop advanced materials needed by the IoT/AI society	○	We made changes and improvements to our organizational structure to develop and commercialize crystal materials, which are attracting attention for their use in next-generation semiconductors, advanced packaging materials, and information and communication applications. Furthermore, we pursued open innovation by investing in startups and conducting joint research with universities to develop advanced materials necessary for the IoT/AI society.	Ratio of R&D expenditures for advanced materials and new businesses: 80% or more in fiscal 2025
		Implement initiatives to revitalize people and organizations	○	We conduct employee awareness surveys and actively incorporate employee feedback to create rewarding work environments. We also strive for organizational vitality by supporting greater workforce mobility through the introduction of internal recruitment and reemployment programs.	Implement initiatives to revitalize people and organizations
		Increase annual leave utilization rate: 80% or more in fiscal 2024	○	The annual leave utilization rate reached 82.0% as a result of our ongoing efforts to create a work environment that encourages employees to take vacation days and to provide more days where employees are encouraged to take leave. Moving forward, we will continue to take actions to encourage employees to take more vacation.	Increase annual leave utilization rate: 80% or more in fiscal 2025
		Maintain and improve hiring rate for persons with disabilities: 2.5% or more in fiscal 2024	○	In fiscal 2024, employees with disabilities comprised 2.83% of our total number of employees (total including special subsidiaries). We will continue to maintain and improve the hiring rate for persons with disabilities through actively providing support and rolling out measures to enable disabled persons to lead fulfilling social lives.	Maintain and improve hiring rate for persons with disabilities: 2.7% or more in fiscal 2025
		Reduce serious occupational accidents: Less than 0.7 accidents (four days or more of lost work time) per 1,000 workers in fiscal 2024	×	In fiscal 2024, the annual rate was 1.01 per 1,000 workers. With solemn consideration for the accidents that have occurred, we constantly strive to improve our health and safety management system and prevent occupational accidents by improving the effectiveness of our risk assessments and enhancing the ability of employees to investigate the causes of accidents.	Reduce serious occupational accidents: Less than 0.7 accidents (four days or more of lost work time) per 1,000 workers in fiscal 2025
Respect for Human Rights	Conduct business activities that respect the human rights of all throughout the supply chain, including local community residents, customers, employees, and business partners.	Initiatives for employee health promotion: Employee cancer screening rate of 80% or more in fiscal 2024	○	The screening rate for fiscal 2024 increased from the previous year (68.8%) to 83.5%. Screenings are typically for JX Advanced Metals employees, with effects evident year after year. We will continue such measures (e.g., regular health checkups and physical examinations that also include cancer screenings, follow-ups from the health consultation offices at the head office and other locations, and distribution of leaflets recommending cancer screening) to raise health awareness among employees and increase screening rates.	Initiatives for employee health promotion: Employee cancer screening rate of 80% or more in fiscal 2025
		Conduct survey of human rights in supply chains	○	We established and operate a supply chain due diligence management system in accordance with OECD guidance for procurement of raw materials. In fiscal 2024, we underwent external audits related to copper, gold, silver, platinum, palladium, and tantalum. These audits determined that we were taking appropriate action.	Conduct survey of human rights in supply chains
Foster Coexistence and Co-Prosperity With Local Communities	Foster relationships of trust with local communities through community-based social contribution activities and communications in every business location in Japan and abroad.	Percentage of employees taking human rights training: 100% in fiscal 2024	○	In addition to stipulating respect for human rights in the Group Code of Conduct, Human Rights Policy, and other internal rules, we continue to carry out human rights training and e-learning programs at Group companies to raise awareness of human rights and prevent human rights violations. In fiscal 2024, 100% of our officers and employees participated in these ongoing human rights training programs.	Percentage of employees taking human rights training: 100% in fiscal 2025
		Continuing dialogue with local communities	○	We made efforts to build relationships of trust with local communities, the foundation of our business activities, through social contribution initiatives and open dialogues with communities at each of our operating sites in Japan and overseas.	Build relationships of trust with local communities, the foundation of our business activities
Strengthen Governance	Ensure sound, transparent business management via thorough compliance and risk management activities.	Compliance training tailored to business characteristics and social movements, etc.	○	The Group conducts compliance training every year to increase awareness and knowledge of compliance among officers and other employees. In fiscal 2024, in addition to the annual rank-specific compliance training, we conducted harassment prevention and security trade control training in Japan and overseas, taking into account our business characteristics, social trends, and other factors. We also held training on insider trading prevention as part of our preparation for our stock listing.	Compliance training tailored to business characteristics and social movements, etc.
		Enhance maturity of group-wide risk management	○	The JX Advanced Metals Group bases activities on Enterprise Risk Management (ERM), established with reference to ISO 31000, a set of guidelines for risk management. In fiscal 2024, we focused on continuously improving our ERM framework to achieve the JX Advanced Metals Group ERM Vision, which aims for ERM that is more conducive to enhancing corporate value. In making improvements, we used a maturity model from an external organization to analyze the gaps between the current situation and our desired outcomes. We then planned and implemented measures to improve existing operations and address these gaps.	Enhance maturity of group-wide risk management
		—	—	—	Zero serious security incidents
		—	—	—	Quality control training: 500 participants or more in fiscal 2025

## Resource Recycling × Decarbonization

The JX Advanced Metals Group positions contributing to environmental conservation as a material issue. We set resource recycling, decarbonization, and nature-positive initiatives as the three pillars of our efforts under our Basic Environmental Policy. We take an integrated approach that recognizes the interconnection between each pillar to ensure steady progress toward global environmental conservation. The Integrated Report 2025 highlights our initiatives in resource recycling and decarbonization, two pillars with a particularly close relationship.

Refer to our sustainability website for more information on our nature-positive initiatives.

[Web](#) → Nature-Positive

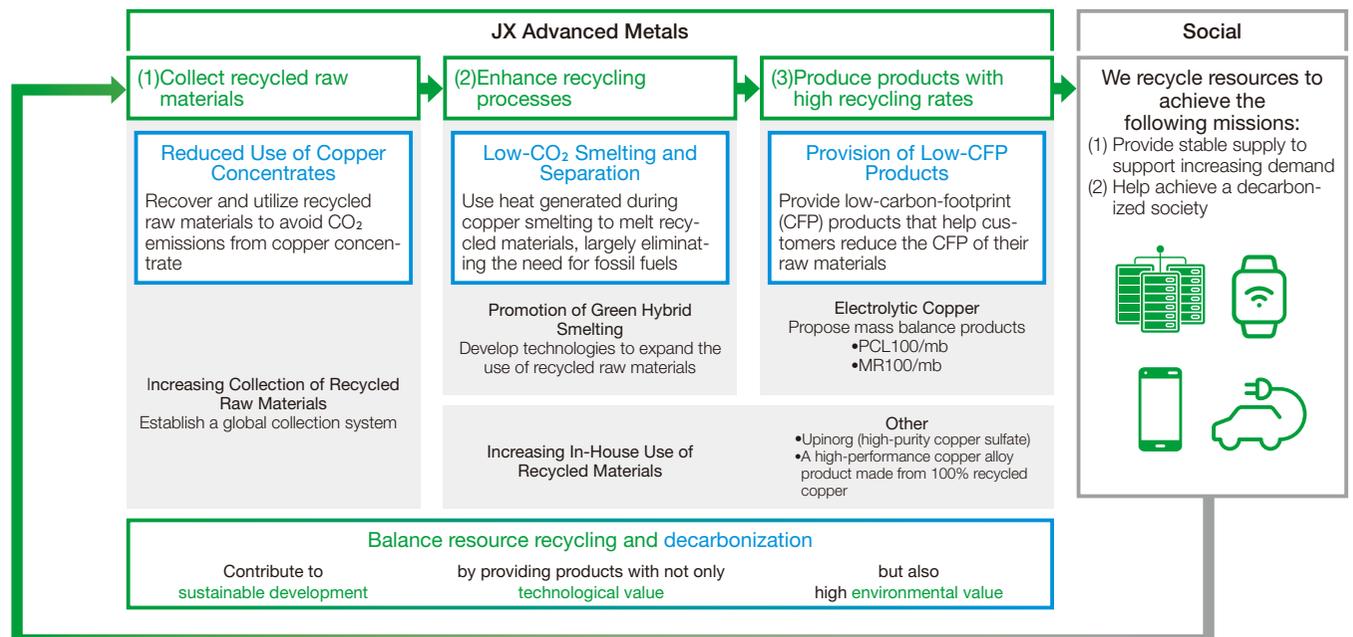
<https://www.jx-nmm.com/english/sustainability/materiality/environment/nature-positive/>



### Overview of Resource Recycling × Decarbonization

A key social role of the JX Advanced Metals Group is to advance resource recycling and contribute to decarbonization. We have long focused our efforts in these areas, recognizing the importance of recycling and reducing dependence on fossil fuels. Saganoseki Smelter & Refinery of JX Metals Smelting Co., Ltd. achieved both a low CO<sub>2</sub> emission intensity and a high recycling rate as a leading global copper production site. (For details on the site's smelting method, see *Green Hybrid Smelting* on [page 34](#).) The facility also has plans to further increase recycling rates. The JX Advanced Metals Group has recently been holding a series of discussions with several copper customers in recent years to explore the ideal copper supply. These discussions led the Group to add stable supply and economic efficiency as new key areas alongside resource recycling and decarbonization. The decision to add new elements reflects concerns that the depletion of copper resources or a sharp rise in copper prices could hinder not only progress toward decarbonization but also broader social development. The Group aims to establish Sustainable Copper as the optimal approach to copper production from the perspective of these three aspects.

### Decarbonization in Resource Recycling Processes

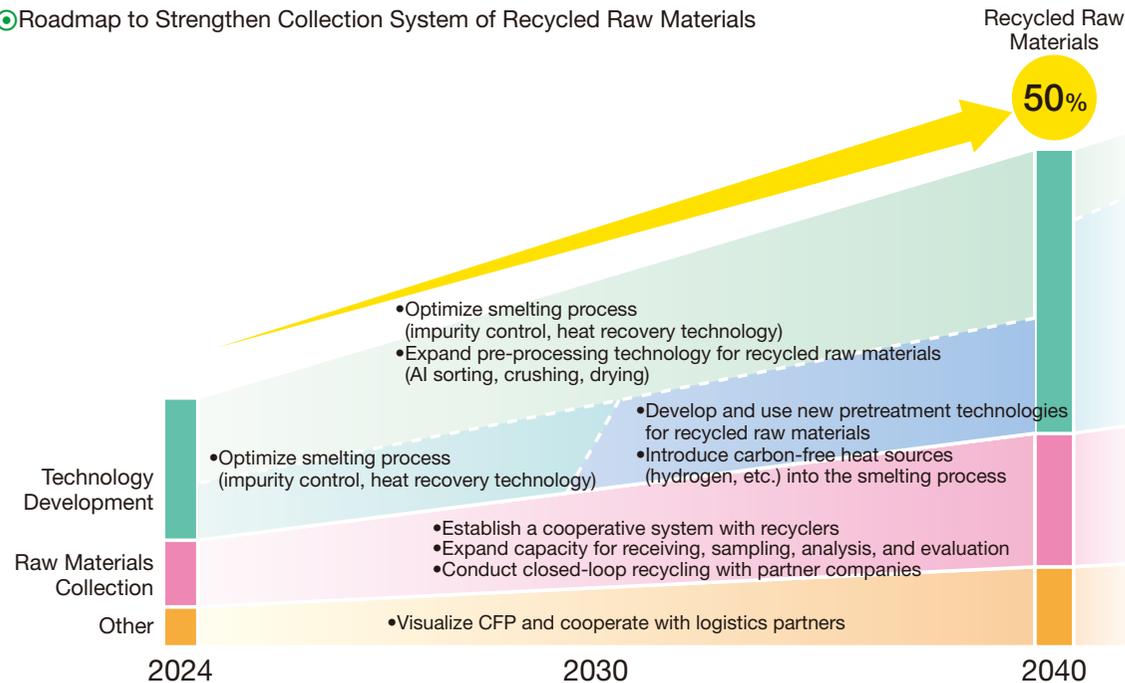


**(1) Collect Recycled Raw Materials**

**Establishment of a Global Collection System**

JX Advanced Metals works to strengthen our recycled raw material collection system. Under these efforts, we acquired all shares of eCycle Solutions Inc., a Canadian recycling company, in August 2022 and launched a partnership with Sojitz Corporation in April 2023. In April 2024, in collaboration with Mitsubishi Corporation, we established JX Metals Circular Solutions Co., Ltd. to reuse waste electrical appliances, discarded electronic devices, and end-of-life automotive lithium-ion batteries, officially commencing operations in July of the same year. By leveraging Mitsubishi Corporation's cross-industry global network and expertise, we aim to expand the collection of recycled raw materials and enhance collaboration across the entire supply chain, with the goal of expanding non-ferrous metal resources such as copper and minor metals.

**🕒 Roadmap to Strengthen Collection System of Recycled Raw Materials**



**(2) Enhance recycling processes**

**Green Hybrid Smelting**

Electricity is essential for social development. Achieving carbon neutrality also requires reducing fuel consumption and advancing the electrification of society. This shift to electrification is expected to further increase demand for copper, a metal known for its excellent electrical conductivity. However, future demand for copper is expected to tighten due to the limited supply of copper ore and recycled raw materials from existing mines. Our Green Hybrid Smelting process [see page 34](#) minimizes the use of fossil fuels while achieving low-CO<sub>2</sub> melting and separation.

This approach enables us to fulfill our three missions of ensuring a stable supply of copper to support growing demand, recycling resources, and contributing to a decarbonized society.

**4x**

Renewable energy requires about four times more copper than fossil fuels per MW of power generation capacity

- Fossil fuels: **Up to 1 ton/MW**
- Renewable energy: **Up to 4 tons/MW**



**2x**

A decentralized network requires about twice as much copper as compared to the conventional supply grid

- Centralized: **Up to 10 tons/km**
- Decentralized: **Up to 20 tons/km**



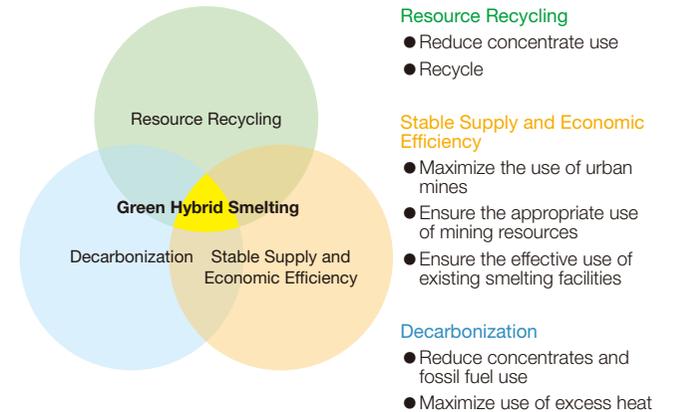
**4x**

Electric vehicles incorporate and use about four times more copper than internal combustion vehicles

- Internal combustion engine vehicles: **24 kg/vehicle**
- Electric vehicles: **94 kg/vehicle**



**🕒 The Three Missions of the JX Advanced Metals Group**



### (3) Produce Products With High Recycling Rates

#### 100% Recycled Electrolytic Copper Using the Mass Balance Method

We launched two types of 100% recycled electrolytic copper using the mass balance method in fiscal 2024: The Partnered Closed Loop 100% mass balance method (PCL100/mb) and the Mixed Recycle 100% mass balance method (MR100/mb).

PCL100/mb involves using recycled materials from customers (Company A in the diagram) that have collected used products or generated process scrap in their factories. The product is returned as 100% recycled electrolytic copper with a guaranteed origin. In July 2024, the validation of this management system (CoC management system) was completed by a third party.

MR100/mb, on the other hand, does not separately link the origin of the raw material to the electrolytic copper. Instead, we

manage the recycled raw materials and the contained copper volume collected from the market under the mass balance method, supplying 100% recycled electrolytic copper based on this system.

JX Advanced Metals works toward the practical application of this product (PCL100/mb) and other 100% recycled copper products produced by the Group under the Cu again product series. We are also in discussions with customers regarding the potential use of PCL100/mb for sputtering targets.



[Web → JX Advanced Metals Recycled Copper](https://www.jx-nmm.com/products/cu_again/index.html)

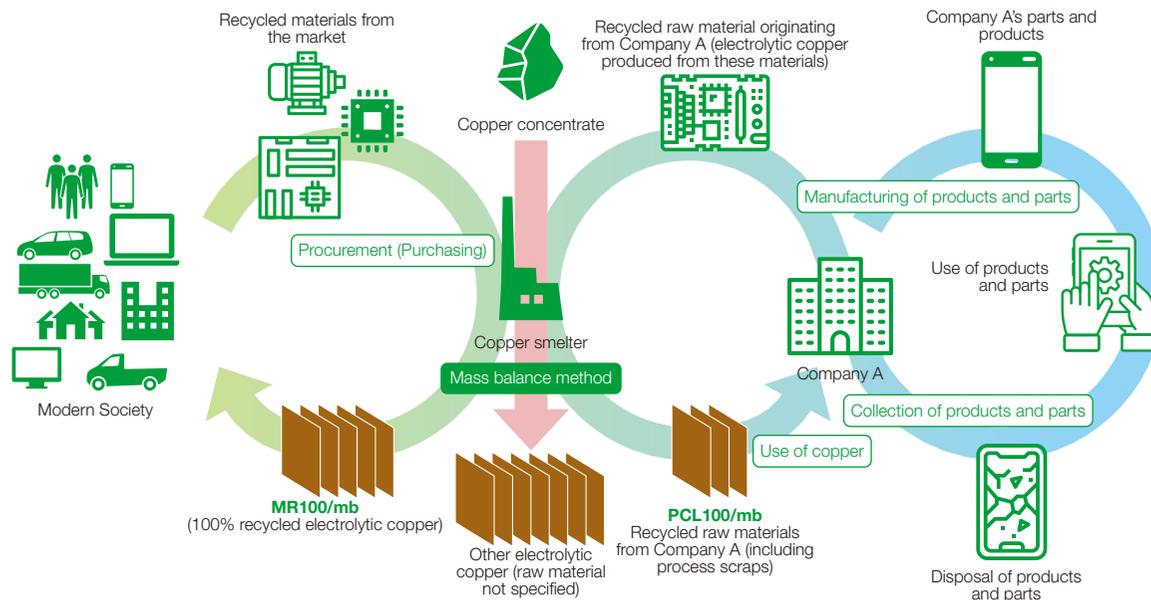
[https://www.jx-nmm.com/products/cu\\_again/index.html](https://www.jx-nmm.com/products/cu_again/index.html)

#### 100% Recycled High-Performance Copper Alloys

We announced our launch of high-performance copper alloy products made entirely from recycled materials in January 2025 as a part of the *Cu again* project. Our product lineup includes strip and foil products made from titanium copper and Corson alloys. The *Cu again* initiative is a project through which we use recycled raw materials collected with Group companies to create high-performance copper alloys through proprietary technologies that separate impurities and prevent contamination. We received verification (UL 2809) from UL Solutions, a third-party organization, confirming that the raw materials in these copper alloys are 100% recycled. This certification ensures a high level of reliability.



#### Our Two Proposed Recycling Schemes



#### Upinorg (High-Purity Copper Sulfate)

Upinorg is a high-purity copper sulfate validated as 100% recycled under UL 2809 Environmental Claim Validation Procedure (ECVP) for Recycled Content. We manufacture Upinorg using carefully selected raw materials through JX Advanced Metals proprietary high purification technology. Upinorg contains fewer impurities and enables a stable supply of high-purity material compared with copper sulfate derived from ore or waste solution. Upinorg has numerous applications. One such area is in front-end and back-end semiconductor processes, including copper plating solutions for through holes and via filling in printed circuit boards, as well as copper plating solutions for damascene and TSV processes in semiconductor manufacturing. Upinorg also serves as a raw material for high-performance catalysts and other advanced applications.



## Decarbonization Initiatives

### Roadmap for Reducing Total In-House CO<sub>2</sub> Emissions (Scope 1 and 2)

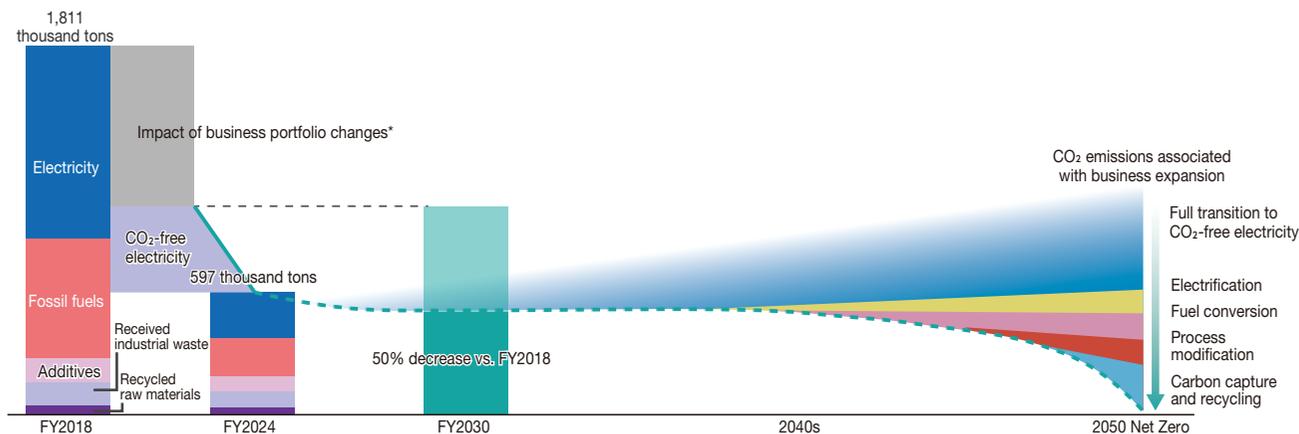
The Group established in-house CO<sub>2</sub> emissions (Scope 1 and 2) as an indicator of climate change and aims to achieve net zero emissions by fiscal 2050. We set an interim target of a 50% reduction by fiscal 2030 versus total in-house emissions in fiscal 2018, based on backcasting from our fiscal 2050 goal. The figure below depicts our roadmap to reduce emissions and achieve these goals.

We expect to see an increase in CO<sub>2</sub> emissions in line with expanding business and production volumes if no measures are taken. To this end, the systematic and continuous implementation of measures is essential to reduce emissions over the medium to long term. JX Advanced Metals aims to focus technological development and social implementation while advancing

flexible and steady reduction measures in line with government and industry roadmaps.

We aim to meet our interim target for fiscal 2030 by advancing and accelerating efforts to shift to CO<sub>2</sub>-free electricity. The Company will build on this progress after 2030 through broader use of existing technologies, including electrification, and through stronger efforts to optimize processes. In the 2040s, we expect to see the establishment of new technologies and social infrastructures that utilize hydrogen, ammonia, and other next-generation energy, as well as those for carbon capture, utilization, and storage (CCUS). Based on such assumptions, we will explore the introduction of these latest technologies.

### Conceptual Image of Net Zero CO<sub>2</sub> Emissions in Fiscal 2050



\* Impact of Business Portfolio Changes includes CO<sub>2</sub> emissions from the following entities, which were excluded from the Group's scope between fiscal 2018 and the end of fiscal 2024. SCM Minera Lumina Copper Chile; Hibi Smelter, Pan Pacific Copper Co., Ltd.; Keihin Kaseihin Center Co., Ltd.; JX Metals Precision Technology Co., Ltd.; Nikko Fuji Precision (Wuxi) Co., Ltd. CO<sub>2</sub> emissions from the following entities, which became Group companies between fiscal 2019 and the end of fiscal 2024, are not included in Impact of Business Portfolio Changes: TATSUTA Electric Wire and Cable Co., Ltd.; Tokyo Denkai Co., Ltd.; eCycle Solutions Inc.; Osaka Alloying Works Co., Ltd.

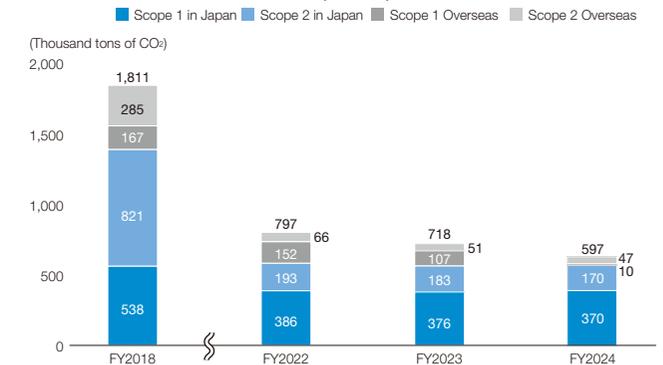
[Web](https://www.jx-nmm.com/english/sustainability/materiality/environment/decarbonization/) → Examples of Initiatives Toward Achieving Net Zero

<https://www.jx-nmm.com/english/sustainability/materiality/environment/decarbonization/>

### CO<sub>2</sub> Emissions (Scope 1 and 2)

Our initiatives to reduce total in-house CO<sub>2</sub> emissions include introducing CO<sub>2</sub>-free electricity, generating renewable energy, and initiatives to eliminate energy loss. We also explore fuel switching and technology development.

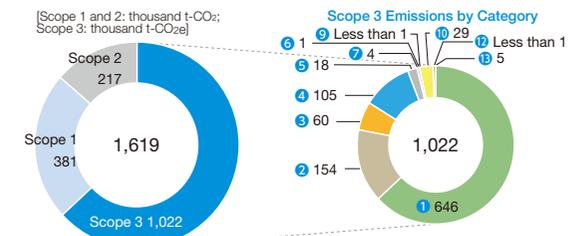
#### JX Advanced Metals Group Scope 1 and 2 Emissions



### CO<sub>2</sub> Emissions (Scope 3)

We continue to expand data coverage and improve calculation accuracy to address difficulties in collecting Scope 3 emissions data. We also began exploring ways to reduce Scope 3 emissions.

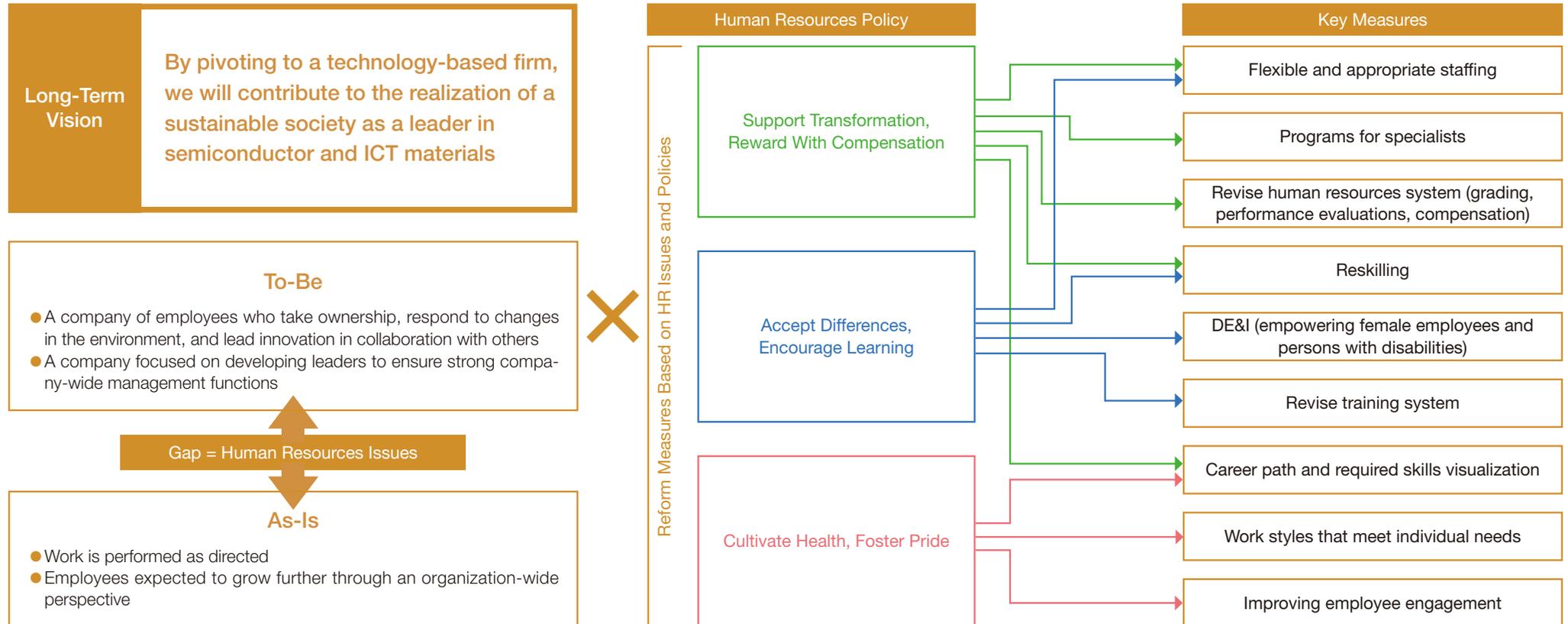
#### Scope 1, 2, and 3 Emissions (Fiscal 2024 results)



Scope 1 and 2 emissions are calculated for operating sites of high quantitative importance. Scope 3 emissions are calculated mainly for operating sites where production activities are conducted, and the scope of calculation is different for each category. Categories 6, 11, 14, and 15 were not calculated because the Group has no relevant activities in these areas.

# Human Capital Management

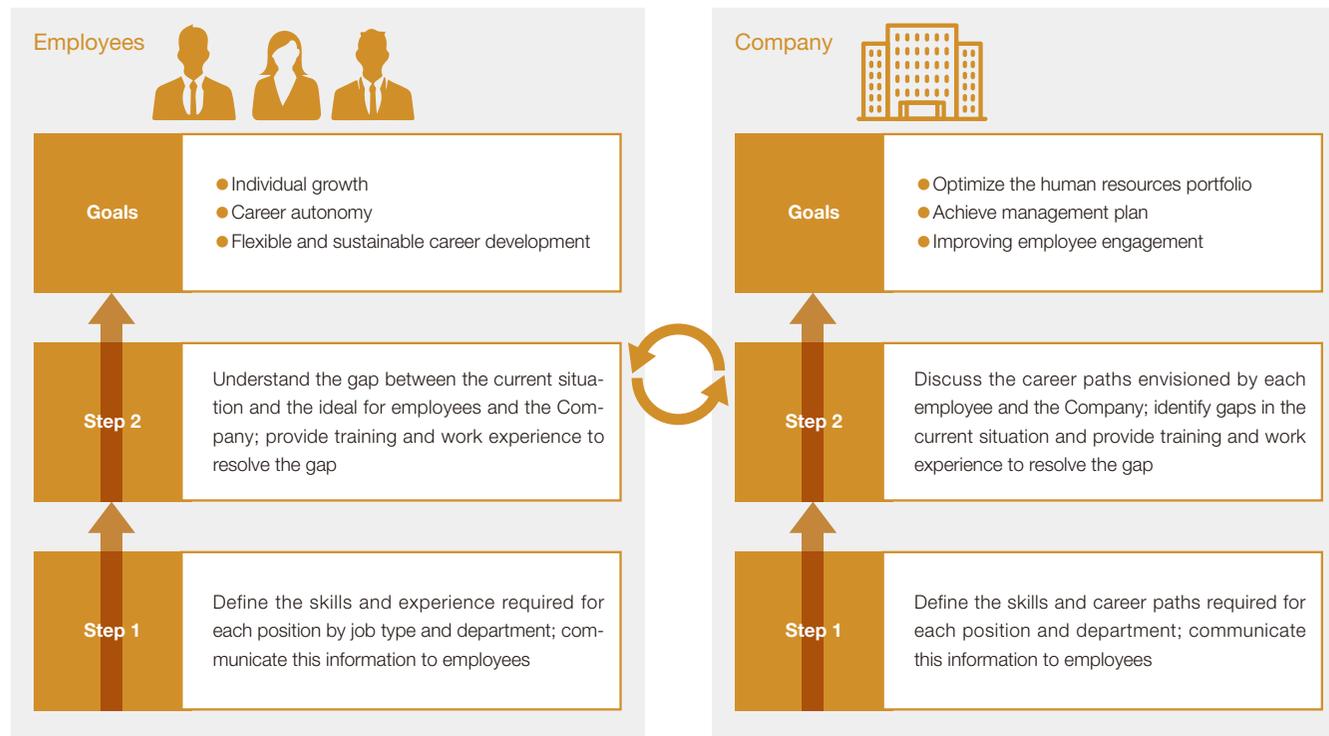
We know that innovation through the power of people is indispensable for us to transform from a process industry-type to a technology-based firm and achieve our Long-Term Vision 2040. We consider maximizing the motivation and capabilities of our people to be an important management issue. Based on these considerations, we developed a new human resources policy as a stance toward employees that combines what we continue to value and what we want to change in the future. This policy will serve as a basis for decisions when formulating specific measures. The JX Advanced Metals Group continues to implement reforms to eliminate the gap between “as-is” and “to-be” in terms of human resources issues.



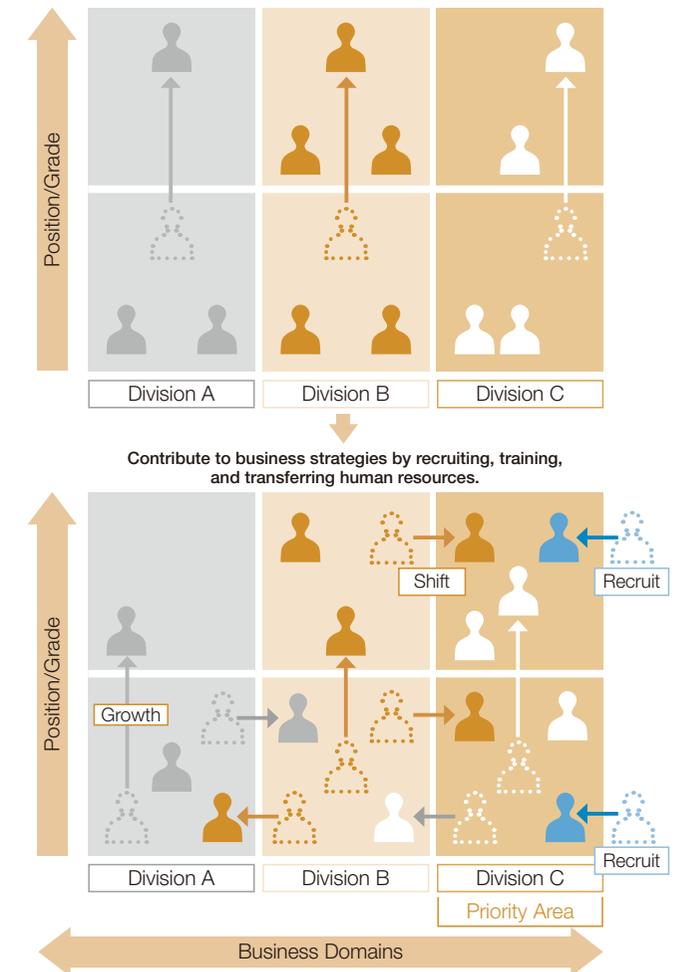
### Approach to Human Resource Portfolio Management

We engage in human resources portfolio management to maximize the value of human capital, aiming to achieve Long-Term Vision 2040. Specifically, we first determine the positions and requirements necessary to achieve our business strategy. Next, we strategically train and assign personnel, implementing personnel policies to ensure the optimal placement of human re-

sources. To ensure the sustainable growth of the organization, we also encourage employees to grow and contribute unique value on their own initiative. Through these efforts, we strive for both optimal placement of human resources and support for growth.



### Human Resources Portfolio



## Business Domains

### Core Talent Profile



The following definitions represent the type of human resources we believe will create new and added value. We recruit and develop talent toward these definitions.

1. Human resources who lead innovation by understanding diversity, accepting diversity, and working in collaboration with stakeholders of various circumstances
2. Human resources who take a sense of ownership, think, act, and embrace challenges on their own
3. Human resources who envision an ideal future in response to changes in the environment, and who are eager to act in achieving that vision

## Talent Acquisition

We recruit new graduates from technical majors, not specifying certain fields, but rather recruiting from a wide range of departments, focusing on aptitudes and potential. We are increasing opportunities to communicate the attractiveness of our company by expanding recruitment activities for unaffiliated applicants and technical college students, as well as through internships and employee roundtable discussions. We introduced a new course-based recruitment system for clerical staff. The system assures students an initial job assignment and supports their autonomous career choice. For mid-career professionals, we look for highly specialized individuals, focusing on new business planning and technology development, recruiting persons with technical expertise we do not possess. We use other recruitment channels in parallel, including referrals and comeback recruits, seeking specialized professionals who will strengthen our governance as a publicly listed company.

## Human Resources Development

The Company develops various measures and support policies based on the following human resource development policy.

Our Self Innovation Support program encourages employees to apply for external training programs of their own choice. The Company subsidizes half of the course fees (up to 500,000 yen), motivating employees to learn. We have also created a flexible learning environment using an online video learning service that allows employees to study at any time and from any location. Online learning and overseas training programs are other vehicles we use to improve language skills and develop global human resources. We also provide practical learning opportunities across external organizations, rather than limiting training to within the company. These opportunities expose employees to diverse values and knowledge, helping them develop their careers with a broader perspective. At the same time, we strive to develop the next generation of leaders. Through programs that foster an understanding of management issues and a company-wide perspective, we develop individuals who will be responsible for a future of corporate growth.

Through these and other measures, we strengthen the competitive stance of the Company, creating an environment in which employees learn and grow independently.

### Human Resources Development Policy (Excerpt)

- Providing opportunities for independent and self-motivated growth according to individual needs
- Emphasizing practical human resources development
- Developing human resources in a corporate culture that accepts diversity and encourages challenge
- Engaging in the systematic development of target talent\* to support continuous growth

\* Specific employees identified for individual training.

[Web]→ [Human Resources Development Policy](https://www.jx-nmm.com/english/sustainability/materiality/social/workplaces/human-capital/)

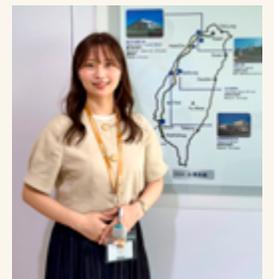
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### VOICE Employee Testimonial Experiencing a Different Environment Gave Me Confidence in My Work

Working with overseas customers, I became acutely aware of the importance of language skills and began learning English through the Company's self-development support system. At first, I struggled speaking as well as I wanted, but by attending English conversation classes every week, the quality of my communication improved gradually. Little by little, I have become more confident in my work.

Last year, I took on a new challenge of cross-border studies, becoming seconded to a local government for one year. This cross-border study initiative exposes employees to different

values and cultures as we leave our own organization and join another. I learned about the challenges and fun of working with people in a completely different environment and industry—people with different positions and perspectives. I think I developed the ability to do my work with an understanding of the backgrounds of others. I have just been assigned to an overseas post, and the experiences I have had so far, including learning English and working in an external organization, have been part of my personal growth story. Now, I look forward to tackling new challenges with a positive attitude.



Nikko Metals Taiwan Co., Ltd.  
Functional Materials Division

**Tsuda Rina**

## Employee Engagement

We conducted an employee awareness survey in January 2025 (98.2% response rate) that confirmed generally favorable engagement levels compared to the national average\*. In particular, employees indicated high satisfaction on matters related to job performance, including a sense of growth, satisfaction with work, clarity of work goals, and a sense of accomplishment.

We also noted issues related to transformation and sustain-

able growth. Such issues included the awareness and acceptance of management policies among general employees, career development support for younger employees, interesting work content, distribution of labor, and skills transfer.

We intend to provide feedback from the survey to each workplace to encourage improvement. We expect to tie this feedback to measures that include expanded career support, revised

personnel systems, and enhanced information disclosure, both internally and externally.

We intend to improve the value of human capital further through ongoing efforts linked to KPIs.

\* Results of a survey conducted by a contracted research organization in December 2024 involving approximately 10,000 workers in Japan

## Diversity, Equity, and Inclusion (DE&I)

We recruit diverse human resources and develop systems for flexible work styles, supporting a balance of work with childcare and nursing care. Through our efforts, we aim to create workplace environments where everyone feels fulfilled in their work and contributes their talents freely.

### Women's Empowerment

We foster women's empowerment and support women in their career development through programs that offer work styles in accordance with life stages. These work styles include flextime, telecommuting, and childbirth and childcare support. The Company sponsors DE&I forums on our own and in collaboration with industry associations, and we promote empowerment to employees through communications from top management and people involved in women's empowerment in the workplace. We also provide training to raise awareness of gender bias and behavioral changes that reflect this bias, in addition to supporting personal networking activities among female employees. Furthermore, we actively work to increase the number of female employees and promote an understanding of the Company through information sessions and communications tailored specifically for female students. We continue to delve deeper into and expand our efforts in this area, striving to be a company that encourages the success of female employees.

### Childbirth, Childcare, and Family Care

We consider creating an environment where employees can continue to work with peace of mind while balancing work with

childcare and family care to be important. We continue to develop systems and strengthen support structures that encourage flexible work styles.

To accommodate diverse lifestyles, we introduced a flextime system with no core hours, a short-time work system, and a telework system, all designed to provide employees a choice in work style according to their circumstances. We publish a Handbook for Supporting Balancing Childcare or Nursing Care that covers internal and external systems and procedures related to childcare and family care. In addition, we create environments that facilitate prompt access to necessary information, including the external contact points to consult with experts in areas related to childcare and nursing care. In this way, we not only encourage the use of systems and programs, but also foster a culture of mutual support throughout the workplace. Our childcare and family care support systems exceed the levels legally mandated. We also conduct other initiatives to reduce the financial and psychological burden on employees through expense subsidies, external consultation services, and supporting employees when they are ready to return to work after having retired for childcare or family care reasons.

### Employing and Retaining People With Disabilities

We recruit and retain people with disabilities in response to their desires to play active roles in society. In January 2022, the Company's head office established the Cheerful Support Office, consisting of individuals with mental and developmental disabilities. Cheerful Support members share tasks, such as administrative

support work (printing, typing, sending mail), cleaning, and organizing meeting rooms, according to their individual situations. In April 2023, we transferred the function of this office to special-purpose subsidiary JX Advanced Metals Corporate Services\*, continuing our commitment to grow and improve skills through day-to-day tasks. Every major JX Advanced Metals site supports the contribution of members with disabilities.

In Mito City, Ibaraki Prefecture, we founded Uchihara Farms to grow a variety of crops. The facility plans cultivation according to the season and teaches agriculture. Produce harvested from the farm is used at JX Advanced Metals cafeterias and at various events. Produce is also donated to a children's cafeteria near the office and sold in the area around the farm.

\* A wholly owned subsidiary of JX Advanced Metals Corporation

Category	Leave, Absence, and Support Systems for Childcare and Family Care in Excess of Statutory Requirements
Childcare and Family Care	Childcare and family care subsidies (up to 30,000 yen/month) available for childcare and family care services
	External consultation service to provide advice and information on childcare and family care
	Reinstatement to work within five years after retirement due to childcare or family care
Childcare	Subsidy of 100,000 yen provided to employees who have taken pre-/post-childbirth leave and childcare leave for a total of three months or more (after returning to work)
	Company support for a portion of expenses when using eligible babysitting facilities
Family Care	Maximum of four separate family care leave days within a 730-day span
	Family care leave allowance of 15% of standard monthly wage per month (up to 60,000 yen/month) in addition to unemployment insurance family care leave benefit

## Respect for Human Rights

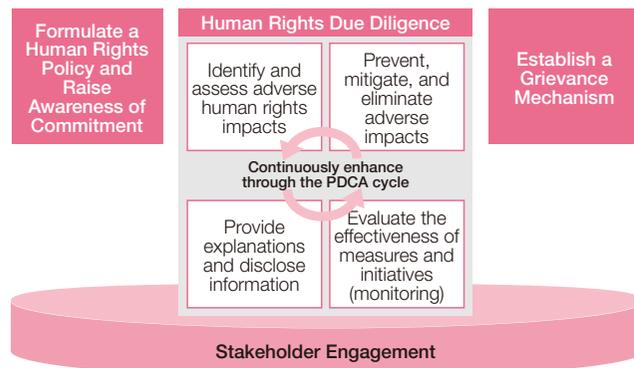
The JX Advanced Metals Group sees maintaining sound business practices while respecting the human rights of local residents, customers, employees, business partners, and all others involved in the supply chain as a major premise for our continued operation. Based on this belief, we aim to conduct our business with due consideration for human rights, using opportunities like briefings and interviews, and to create a corporate climate where human rights are respected.



### Established the JX Advanced Metals Group Human Rights Policy

We adopted the JX Advanced Metals Group Human Rights Policy on August 1, 2023. This Group policy is based on *Guiding Principles on Business and Human Rights* set forth by the United Nations, and is intended to guide how we respect human rights in all the countries and regions where we conduct business.

Under this policy, the Group continuously operates a human rights due diligence framework that consists of conducting assessments to prevent or mitigate potential negative impacts on human rights, taking corrective action when such impacts are identified, and disclosing progress and results externally.



### JX Advanced Metals Group Human Rights Policy (Excerpt)

The JX Advanced Metals Group understands that human rights of individuals must be respected in all countries and regions in which it conducts business activities, and as the guidelines for fulfilling its responsibility and obligation for ensuring the above, hereby stipulates this “JX Advanced Metals Group Human Rights Policy” (hereinafter referred to as this “Policy”) based on the “Guiding Principles on Business and Human Rights” set forth by the United Nations. The JX Advanced Metals Group positions this Policy as the primary policy on human rights in conducting its business activities and continues to promote its efforts in upholding human rights.

1. Commitment to Respect for Human Rights
2. Human Rights Due Diligence
3. Remedy
4. Education
5. Information Disclosure
6. Dialogue/Consultation
7. Scope of Application

[Website](https://www.jx-nmm.com/english/company/policy/human_rights_policy.html) → JX Advanced Metals Group Human Rights Policy

[https://www.jx-nmm.com/english/company/policy/human\\_rights\\_policy.html](https://www.jx-nmm.com/english/company/policy/human_rights_policy.html)

### Prohibition of Forced Labor, Child Labor, and Discrimination

Our Group Policy for Selecting Procurement Partners extends to our supply chain and stipulates that forced labor, child labor, racial discrimination, and gender discrimination are prohibited and that there is to be compliance with all labor laws and regulations. Neither in the Group nor among our suppliers have there been any reported cases of forced labor, child labor, violations of freedom of association, factory shutdowns due to strikes, or employment discrimination. Going forward, we will continue our efforts to prohibit forced labor, child labor, and discrimination of all kinds.

## Confronting the Problem of Conflict Minerals

The Organization for Economic Co-operation and Development (OECD) established the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas in 2011. This guidance stipulates guidelines to ensure that companies and other organizations do not engage in the trade of conflict minerals under their control. The United States strives to eliminate conflict minerals through regulations that require listed companies to report their use of specified conflict minerals to the U.S. Securities and Exchange Commission (SEC), among other measures. The industry associations to which our Group belongs have established due diligence programs to eliminate conflict minerals in response to this global movement. Such organizations include the London Metal Exchange (LME), the London Bullion Market Association (LBMA), the London Platinum and Palladium Market (LPPM), and the Responsible Business Alliance (RBA), and require member companies to comply with their due diligence programs.

### Initiatives in Copper, Gold, Silver, Platinum, and Palladium Supply Chains

JX Metals Smelting Co., Ltd. established a management system for supply chain due diligence that includes the following activities:

1. Conducting supply chain due diligence before purchasing raw material minerals
2. Informing suppliers of our policy to exclude conflict minerals
3. Providing internal education on supply chain due diligence and background
4. Conducting internal audits and undergo external audits

A third-party assurance provider approved by LBMA and LPPM assesses our supply chain due diligence operations, and we report these assessment results to LBMA and LPPM. Both organizations list the gold, silver, platinum, and palladium sponges produced by JX Metals Smelting Co., Ltd. on their Good Delivery List through this process. At the same time, Saganoseki Smelter & Refinery and Hitachi Works appear on the RMAP Conformant Smelters list. This list identifies smelters that do not use conflict minerals, and was established by RBA and the Global e-Sustainability Initiative (GeSI).

JX Advanced Metals also established a supply chain due diligence management system for copper cathodes and undergoes third-party audits through the Copper Mark certification process.

### Initiatives for the Tantalum Supply Chain

TANIOBIS GmbH is a Group company that produces tantalum powder. This company conducts supply chain due diligence in accordance with international standards as a smelter of tantalum, a designated conflict mineral. TANIOBIS GmbH strives to prevent complicity in human rights violations in Conflict-Affected and High-Risk Areas. The supply chain management of TANIOBIS GmbH received certification from RMI\*1, an international framework for responsible mineral procurement, and was evaluated as an RMAP\*2 Conformant Smelter.

\*1 Responsible Minerals Initiative (RMI): An organization within the Responsible Business Alliance (RBA) that facilitates due diligence in the conflict minerals supply chain and provides programs to certify appropriate measures.

\*2 Responsible Minerals Assurance Process (RMAP): A certification program for responsible mineral procurement established by RMI



## Human Rights Education and Internal Awareness Raising

The Group provides and makes known guidelines on human rights issues including discrimination, harassment, forced labor, and child labor, for the prevention of these issues. We also create opportunities for periodic training to ensure retention of human rights awareness.

We provided human rights training to all Group employees in fiscal 2024 on human rights, DE&I, and harassment. This subject was chosen to deepen the multilayered understanding of human rights issues in line with the increasing importance of companies addressing such issues, which now extend along the entire supply chain.

We will continue our work to ensure an understanding of human rights concepts in our global business operations and to do business in consideration of human rights.

### ◎ Total Hours Spent in Human Rights E-Learning Training (Number of trainees x course hours)

**FY2024 2,227**

## Human Rights Consultation and Remedies

The JX Advanced Metals Group established the JX Advanced Metals Group Hotline as an internal contact point for consultations, including those related to human rights violations. The hotline accepts anonymous consultations, with details and responses reported to the president and operational updates provided to the Board of Directors [see P.68](#).

## Strengthen Governance

It is essential for companies to gain and maintain stakeholder trust to conduct business and increase long-term corporate value in a drastically changing society. The JX Advanced Metals Group ensures strict compliance with laws and risk management to increase the soundness and transparency of management and reinforce governance.



### Corporate Governance

#### Basic Approach to Corporate Governance

JX Advanced Metals strengthens corporate governance across the Group to enhance management soundness and transparency and reinforce and maintain our management foundation. Through these efforts, we aim to achieve sustainable growth and medium- to long-term improvement in corporate value for the JX Advanced Metals Group while fulfilling our responsibilities to shareholders and other stakeholders.

#### Transition to a Stronger Corporate Governance Structure

In May 2023, JX Advanced Metals announced the commencement of preparations for listing of shares on the Tokyo Stock Exchange. We have since been taking steps to strengthen our corporate governance structure further.

We transitioned to a company with an Audit & Supervisory Committee in June 2023. We also delegated part of decisions of execution of important operations to the President & Representative Director and revised the standards for matters submitted to the Board of Directors. These efforts aimed to enhance discussions at the Board on key topics, expand opportunities for director training and deepening company understanding, and further improve the flexibility and speed of business execution.

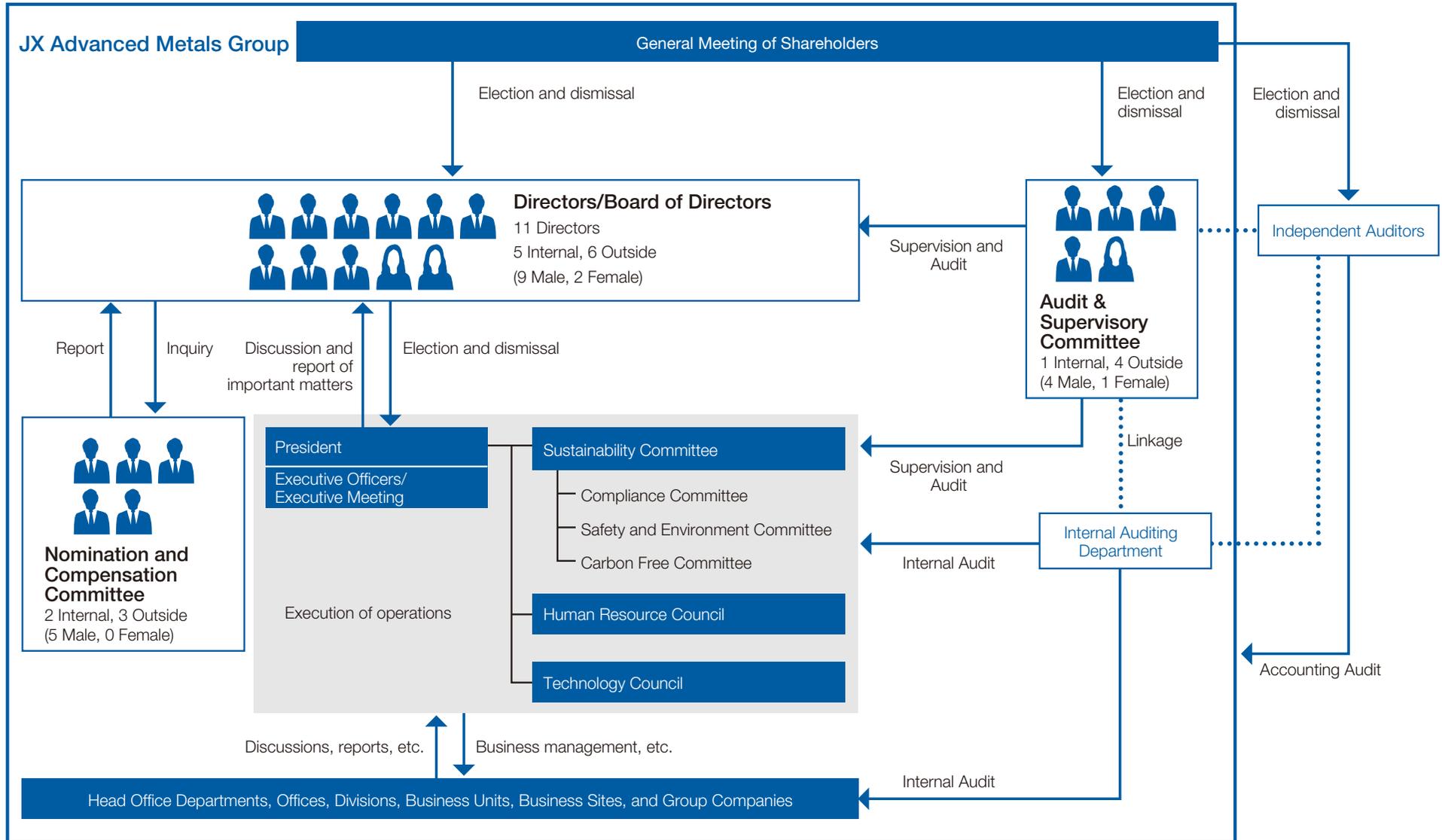
We also established the Nomination and Compensation Advisory Committee in November 2023. The committee conducted thorough discussions and finalized a succession plan, a skills matrix, independence criteria, and other nomination matters. Regarding compensation, the committee reviewed the executive remuneration system and introduced a share-based

remuneration system.

The Company also established the Group Basic Policy on Corporate Governance, evaluated the effectiveness of the Board of Directors, and reviewed the significance of cross-shareholdings, advancing overall governance initiatives.

After strengthening these governance frameworks, we applied for a new listing on the Tokyo Stock Exchange in October 2024. The Exchange confirmed our governance framework was appropriate and ensured independence, and approved our Prime Market listing in February 2025, the market with the most stringent requirements. Institutional investors and others subsequently recognized our Focus Businesses, positioned as the core of our growth strategy, for holding numerous global top-share products in promising markets. Our management structure was also valued for its ability to drive portfolio reform with an approach unconstrained by traditional frameworks. These evaluations led to our new listing in March 2025.

Corporate Governance Structure Overview



## Reasons for Adopting the Current Governance Structure

We transitioned to a company with an Audit & Supervisory Committee, judging that this structure would strengthen the supervisory function of the Board of Directors more than a company with statutory auditors, as directors on the Audit & Supervisory Committee hold voting rights at the Board. We also established the Nomination and Compensation Advisory Committee to strengthen the objectivity and transparency of director nomination and compensation procedures, as well as to further enhance corporate governance.

In addition, the Company introduced an executive officer system to facilitate prompt decision-making and enhance business execution efficiency.

## Evaluation of Board Effectiveness

The JX Advanced Metals Board of Directors conducts an annual analysis and assessment of Board effectiveness, drawing on self-evaluations by each director, and discloses an overview of the results.

The fiscal 2024 survey took place in February 2025 and targeted all 11 directors. The questionnaire addressed five main areas: (1) Board role, size, and composition; (2) the operation of Board meetings; (3) collaboration with auditing bodies; (4) relationship with outside directors; and (5) responses to issues identified in the previous evaluation. We outsourced the distribution, collection, tabulation, and analysis of responses to an external organization. Based on the findings and analysis from this external organization, the Board of Directors reviewed and discussed Board effectiveness at the May 2025 meeting and confirmed future areas for improvement.

Results of the fiscal 2024 survey were generally positive across all categories. The survey confirmed that the Board met an appropriate number of times, at proper intervals, with an appropriate attendance rate, and that diverse members engaged

## Explanation of Major Governance Bodies

	Board of Directors	Audit & Supervisory Committee	Nomination and Compensation Advisory Committee
<b>Role</b>	The Board deliberates on matters prescribed by laws and regulations, the Articles of Incorporation, and other important management issues. Based on these deliberations, the Board makes key management decisions for the Group and supervises the execution of business operations.	The Audit & Supervisory Committee audits the execution of director duties in line with the audit plan. Committee members attend important meetings; receive reports from directors, executive officers, and employees; review key approval documents; and examine operations and assets at headquarters and business sites. The committee also supervises business execution through the exercise of voting rights at the Board of Directors, which each Audit & Supervisory Committee member holds as a director.	The Nomination and Compensation Advisory Committee strengthens the objectivity and transparency of director nomination and compensation procedures and enhances corporate governance. The committee deliberates on matters such as personnel proposals for directors (including election and dismissal), executive remuneration policies and systems, and the succession plan for the president. Upon deliberation, the committee submits recommendations to the Board of Directors.
<b>Chairperson</b>	Representative Director and Chairman	Full-time Audit & Supervisory Committee member	Outside director
<b>Composition</b>	11 directors (incl. 6 outside directors)	5 directors (incl. 4 outside directors)	5 directors (incl. 3 outside directors)
<b>Meetings Held in FY2024</b>	26	18	8

in active discussions on key topics during the target year. The survey also confirmed the establishment of a framework to enable more substantive discussions by delegating part of the decisions of execution of important operations to the President & Representative Director and revising the criteria for matters submitted to the Board to enhance discussions. The survey further confirmed that several initiatives to enhance outside directors' understanding of the company were effective, including the provision of advance briefings on important Board agenda items (including matters submitted for resolution), site visits to major facilities for outside directors, and opportunities for outside directors to attend key meetings outside the Board. The Board further confirmed that issues identified in the prior year had been properly addressed, resulting in measurable improvements. Based on these considerations, the survey concluded that the Board of Directors maintains effectiveness.

At the same time, the Board recognizes that major ongoing challenges include the need to further strengthen discussions on material topics and enhance training for directors.

## Efforts to Improve Board Effectiveness

JX Advanced Metals provides directors opportunities to receive the training necessary to fulfill their roles and responsibilities. For outside directors, we explain key aspects of our business at the time of appointment, and continue to provide opportunities to raise understanding of the Group through initiatives such as site visits to Group facilities. Fiscal 2024 training for directors and executive officers focused on the prevention of insider trading, aiming to strengthen our compliance system in preparation for the listing of our shares on the Tokyo Stock Exchange. Further efforts to enhance outside director understanding of the Group included providing prior explanations of important Board agenda items before each meeting, arranging site visits to Group facilities, enabling outside directors to observe meetings of the Group Executive Meeting and the Sustainability Committee, and holding meetings exclusively for independent outside directors. Looking ahead, we will continue to improve our training system for Directors and Executive Officers, expand visits by outside directors to domestic and overseas Group facilities, and discuss important topics and explain important matters outside of the Board of Directors meetings.

## Policies and Procedures for Nominating Board of Director Candidates and for Selecting and Dismissing Senior Managers

In nominating candidates for directors and senior management, JX Advanced Metals places emphasis on selecting individuals able to contribute to the sustainable growth of the Group and the enhancement of long-term corporate value. For directors, we focus on whether candidates can provide effective management oversight, while for senior management, we consider whether individuals can make timely and decisive decisions on important business matters. In both cases, we take a comprehensive view of each person's track record, experience, skills, knowledge, capabilities, and character, and select candidates considered to be suitable, physically and mentally sound, and of high integrity. Nominations and appointments are determined by a resolution of the Board of Directors following deliberation by the Nomination and Compensation Advisory Committee. We give particular consideration to our skill matrix when nominating director candidates to ensure the Board as a whole maintains a well-balanced mix of knowledge, experience, and capabilities. We also take into account diversity and appropriate board size to foster open and constructive discussions, thereby enhancing the Board's effectiveness. For senior management appointments, we place emphasis on individuals with a deep understanding of the Group and our businesses, as well as relevant expertise and experience.

We nominate as candidates for directors on the Audit & Supervisory Committee individuals with the track record, experience, skills, knowledge, capabilities, and character required to fulfill their role of auditing and supervising the execution of director duties, in addition to the above policy. Special emphasis is placed on knowledge and experience in finance, accounting, and legal affairs. The nomination of such candidates ensures that in principle, at least one member possesses sufficient expertise in finance and accounting, while also considering the overall balance of knowledge, experience, and capabilities within the Audit & Supervisory Committee.

We nominate outside director candidates with the track record, experience, skills, knowledge, capabilities, and character required to fulfill their role of supervising management from an independent and objective standpoint, in addition to the above policy. We also ensure such candidates meet the independence criteria set forth by the Tokyo Stock Exchange, as well as the independence standards established by the Company, and confirm that no issues exist regarding candidate independence.

The dismissal of senior management members is deliberated by the Nomination and Compensation Advisory Committee and resolved by the Board of Directors when members no longer satisfy the requirements set forth in our selection policy, violate laws or the Articles of Incorporation, or otherwise become significantly impaired in carrying out their duties.

## Skills Matrix

We identified the skills that the Board of Directors as a whole should possess, taking into account the JX Advanced Metals Group Long-Term Vision 2040, formulated in June 2019 and partially revised in May 2023.

The current balance of knowledge, experience, and capabilities across the Board is as follows.

### Skills Matrix

Position	Name	Corporate Management and Business Operations	Global	Technology and R&D	Sustainability and ESG	Human Resources and HR Strategy	Finance and Accounting	Legal and Risk Management
Representative Director & Chairman	Murayama Seiichi	○	○		○	○		
President & Representative Director President & Chief Executive Officer	Hayashi Yoichi	○	○		○	○	○	
Director Deputy Chief Executive Officer	Sugawara Shizuo	○	○	○	○	○		
	Ohuchi Yoshiaki		○		○	○	○	○
Outside Director	Tokoro Chiharu		○	○	○	○		
	Ito Motoshige		○		○	○		
Director (Full-Time Audit & Supervisory Committee Member)	Kuroiwa Motohiro	○	○		○		○	
Outside Director (Audit & Supervisory Committee Member)	Sakuma Soichiro	○	○		○	○		○
	Futamiya Masaya	○			○			○
	Kawaguchi Rika				○	○		○
	Shiota Tomoo	○			○		○	

## Executive Officer Compensation

JX Advanced Metals leveraged our listing on the Prime Market of the Tokyo Stock Exchange as an opportunity to review our executive compensation system, aiming to establish a system that supports sustainable growth of the Group, enhances corporate value over the medium to long term, and fulfills our responsibility to shareholders and other stakeholders. With this vision in mind, the Board of Directors reviewed our system upon deliberation by the Nomination and Compensation Advisory Committee.

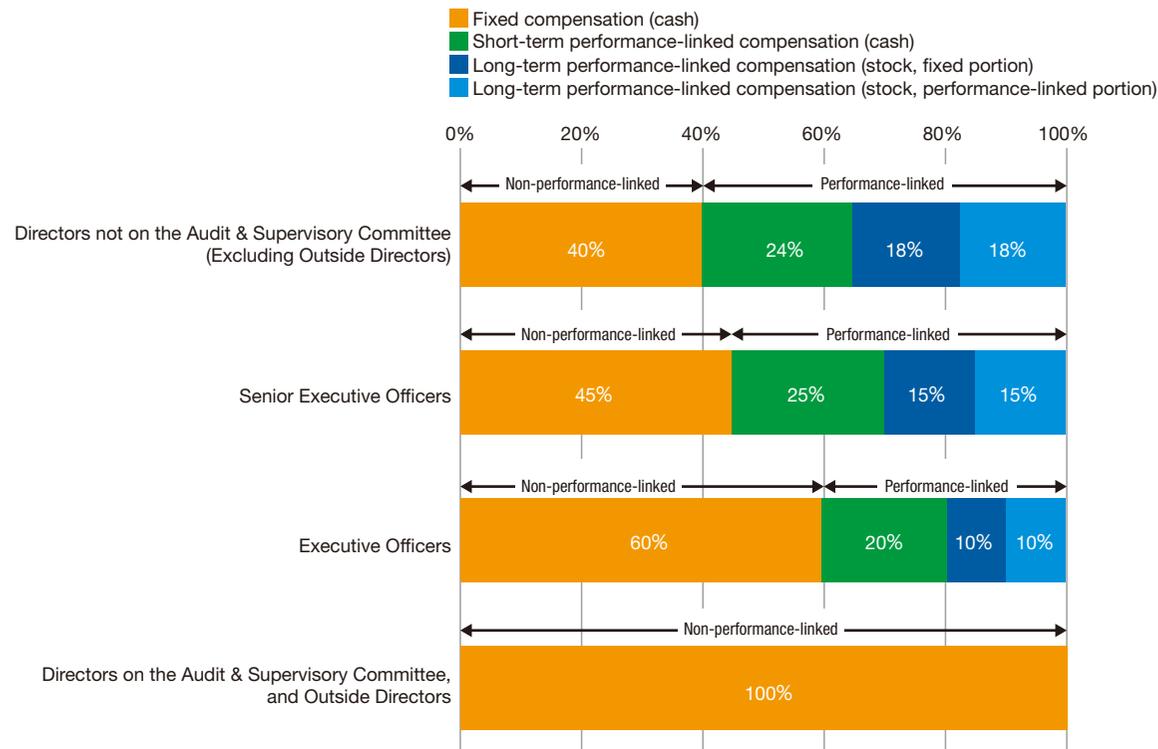
Executive officer compensation at the time of listing consist-

ed of fixed compensation and short-term performance-linked compensation. However, the General Meeting of Shareholders held on June 27, 2025, approved the introduction of a stock compensation plan as long-term performance-linked compensation. We deemed it appropriate to increase the proportion of performance-linked compensation in the overall package to further enhance officers' awareness of contributing to business performance. We also deemed it appropriate to heighten executive officer awareness of contributing to medium- to long-term performance improvement and corporate value growth by clar-

ifying the link between executive officer compensation, Company performance, and stock value, and by reinforcing value sharing with shareholders.

This stock compensation plan delivers Company shares as long-term performance-linked compensation under transfer restriction agreements with eligible executives, effective throughout their term of office. The Company will acquire all shares without compensation if an officer violates the transfer restriction agreement by attempting to transfer any portion of the shares, or if the officer is dismissed or resigns due to misconduct.

### Composition of Compensation for JX Advanced Metals Officers



\* We set performance-linked compensation at a 100% payout when targets are achieved. The above composition ratios show the payout at 100%.

### ■ Fixed Compensation (Cash)

We determine the annual amount of fixed compensation based on a comprehensive assessment of full-time or part-time status, position as director or executive officer, and roles and responsibilities. This amount then paid in monthly installments.

Compensation for outside directors not on the Audit & Su-

pervisory Committee consists only of fixed compensation to support performance in carrying out full oversight responsibilities. Directors on the Audit & Supervisory Committee also receive only fixed compensation to support performance in carrying out full oversight and auditing responsibilities.

### ■ Short-Term Performance-Linked Compensation (Cash)

Short-term performance-linked compensation reflects performance indicators tied to annual results (company-wide performance) as well as the degree of achievement of individually set

business targets (individual evaluation). The payout ratio ranges from 0% to 200% depending on the degree of achievement of targets, with a 100% payout at target achievement.

Performance Indicator	Evaluation Weight	Reason for Selection
Consolidated operating profit	50% (40%)	Strengthen incentives to improve profitability
Net debt to EBITDA ratio	50% (40%)	Strengthen incentives to improve financial soundness
Individual evaluation	— (20%)	Evaluate degree of achievement against missions set according to each role

\* Figures in parentheses show the evaluation weight applied to directors other than the Representative Director. We do not apply an individual evaluation for the Representative Director, given the ultimate responsibility the role bears for company-wide performance.

\* Payout ratio for all short-term performance-linked compensation is set at 0% if consolidated operating profit is negative.

### ■ Long-Term Performance-Linked Compensation (Stock)

Long-term performance-linked compensation consists of a fixed portion, which grants a set number of shares based on position, and a performance-linked portion, in which the number of shares granted varies according to degree of achievement of multi-year

business targets. The performance-linked portion ranges from 0% to 190% depending on the degree of achievement of targets, with a 100% payout at target achievement.

	Performance Indicator	Evaluation Weight	Reason for Selection
Financial	Consolidated operating profit	30%	Strengthen incentives to improve profitability and growth
	ROE	30%	Strengthen incentives to improve efficiency
	TSR*	30%	Strengthen incentives to enhance medium- to long-term stock value to strengthen value sharing with shareholders
Non-financial	Workplace safety	3%	Strengthen incentives to create a safe and healthy work environment from the perspective of capital management
	Employee engagement	3%	Strengthen incentives to improve employee engagement from the perspective of human capital management
	Comprehensive sustainability evaluation by external organization	4%	Strengthen incentives to maintain and enhance the Company sustainability framework and ensure steady implementation of initiatives

\* We calculate total shareholder return (TSR) during the evaluation period as Company TSR divided by the TOPIX growth rate (including dividend yield).

## Internal Control System

The Group established the Basic Policy for Establishment and Operation of Internal Control Systems. Based on this policy, we established internal control systems to ensure the efficiency and appropriateness of our operations. In addition to receiving reports on the status of internal control activities from each division of the Company, we conduct surveys of the status of development and operation of internal control systems at major Group companies. The status of the development and operation of internal control systems is, in principle, monitored once a year by the Executive Meeting. While taking into consideration the business characteristics of each company, we are continuously improving internal control systems for the Group as a whole. The Group also established the Internal Control Department on April 1, 2024. This department strengthens internal controls of the Group by conducting operational risk reviews and providing internal control training.

## Group Governance

JX Advanced Metals places each Group company under the supervision of the appropriate business, technology, or corporate division of the Company, according to the Group company's business. Our divisions then manage and supervise business execution of their respective Group companies. Important matters regarding the business management of individual Group companies are reported to the Company through the relevant supervising departments. If necessary, such matters are also reported or discussed at the Board of Directors, Executive Meeting, and other important meetings.

We address the governance of our listed subsidiary and affiliate from the perspective of sustainable growth and enhancement of corporate value for the Group as a whole. Our basic policy is to respect the autonomy of these bodies, ensure their independence, and foster mutual coordination and cooperation to support the overall development of the Group by leveraging our collective strength. The Company reasonably determines transaction terms with our listed subsidiaries and affiliate through discussions and negotiations, basing terms on general contract terms with other customers and market prices, thereby ensuring the protection of minority shareholders. JX Advanced Metals has not entered into any agreements with our listed subsidiary or affiliate that restrict the business activities of these organizations.

We regularly review whether it remains appropriate to maintain our listed subsidiary and affiliate from the standpoint of enhancing corporate value and capital efficiency for the Group as a whole. The Board of Directors also deliberates the rationale for maintaining these companies and evaluates the effectiveness

of their governance structures. We require that at least one-third of directors at each listed subsidiary and affiliate be independent outside directors to secure independent decision-making at these companies. If the Company dispatches directors to our listed subsidiary or affiliate, we first hold discussions with the relevant company. We confirm the necessity for both sides and ensure the arrangement does not hinder sound decision-making at the listed subsidiary or affiliate.

Toho Titanium Co., Ltd. is a listed subsidiary of JX Advanced Metals. We position businesses that gain a global competitive advantage through technological differentiation, such as advanced materials, as Focus Businesses and the core of our growth strategy. We maintain Toho Titanium as a subsidiary because the company serves as an important supplier of high-quality materials that sustain this competitiveness. Further, we need close collaboration with Toho Titanium in the advanced materials field, where new technologies are commercialized at remarkable speed, to ensure the quick creation and development of next-generation product groups. Maruwn Co., Ltd. is a listed affiliate of JX Advanced Metals. We maintain Maruwn as an affiliate because the company plays an important role in our logistics operations. Both Toho Titanium and Maruwn must have the means to raise funds flexibly and directly from the capital markets for us to maximize synergies and support the sustainable growth of these companies. Maintaining these companies as a listed subsidiary and a listed affiliate also sustains employee motivation and helps attract talented personnel. For these reasons, JX Advanced Metals considers the listed status of these companies to be fully justified.

## Other Associated Companies

ENEOS Holdings, Inc. (ENEOSHD) is an associated company of JX Advanced Metals. Each ENEOSHD business is segmented separately, and as of the date of this report, we face no competition or conflicts affecting the expansion of the Group Metals Business. ENEOSHD has also not announced any decision that would create such competition within the ENEOS Group.

The JX Advanced Metals Group operates under the policy of contributing to a sustainable society as a global leader in semiconductor and ICT materials, under the JX Advanced Metals Group Long-Term Vision 2040. To this end, we do not expect to engage in businesses that would compete with other segments within the ENEOS Group.

Management of the Group does not define any matters that require prior approval from or consultation with ENEOSHD. In

addition, the 11 directors of JX Advanced Metals include 6 outside directors. Of these outside directors, 5 qualify as independent under the independence criteria. One director on the Audit & Supervisory Committee also serves as a director of ENEOSHD. However, we examine whether an appointment would strengthen our governance system before nominating any individual affiliated with ENEOSHD as a director of JX Advanced Metals. We then consult with the Nomination and Compensation Advisory Committee to confirm that the appointment would not hinder sound corporate management or the protection of minority shareholders. Based on these measures, we determine that ENEOSHD does not pose any risk of obstructing independent decision-making in the management of the Company.

We established and operate the Nomination and Compensa-

tion Advisory Committee, composed of a majority of independent outside directors and chaired by an independent outside director. The committee discusses important matters related to the appointment and dismissal of directors and executive compensation based on consultations from the Board of Directors. Such important matters include those concerning personnel proposals for directors (including election and dismissal), the succession plan for the president, and policies and systems for executive remuneration, based on consultations from the Board of Directors.

JX Advanced Metals has not entered into any contracts with ENEOSHD that restrict management of the Company.

## Policy on Cross-Shareholdings

In principle, JX Advanced Metals does not hold shares of listed companies. However, we do hold such shares as cross-shareholdings when the shares belong to a company that plays an important role in Group businesses, or when we determine that holding the shares contributes to the sustainable growth and medium- to long-term corporate value of the Group.

The Board of Directors reviews exceptional cross-shareholdings in detail, examining whether the purpose of each holding is appropriate and whether the benefits and risks are commensurate with the cost of capital. The Board regularly verifies the necessity of these holdings and discloses the results of its review.

We exercise voting rights on cross-shareholdings by considering the significance and purpose of each holding and judging each proposal individually against the standard of whether it

contributes to the sustainable growth and enhancement of medium- to long-term corporate value for both the Group and the issuer. During such deliberations, we request explanations from the issuing company regarding the proposals presented when necessary. We exercise particular caution when the issuer faces a deteriorating business environment, serious misconduct, or governance concerns.

We do not suggest reducing business transactions or interfere in any way with the sale of Company shares if shareholders that hold our shares as cross-shareholdings (“Cross-Shareholding Shareholders”) indicate an intention to sell. In addition, the Company examines the economic rationale of transactions with Cross-Shareholding Shareholders and avoids any transactions that would harm the shared interests of the Company and our shareholders.

### ◎Cross-Shareholdings

	FY2022	FY2023	FY2024
Number of stocks held (issues)	3	3	3
Total number of shares held (shares)	1,314,782	1,314,782	1,314,782
Balance sheet amount (millions of yen)	2,777	4,939	7,608
Ratio to net assets (%)	0.46	0.69	1.07

## Officers



Representative Director and  
Chairman  
**Murayama Seiichi**

April 1980 Joined Nippon Mining Co., Ltd.  
April 2010 Executive Officer (General Manager, Planning & Coordination Dept. and General Manager, General Management Office, Metals Division) of the Company  
April 2012 Executive Officer (in charge of Planning & Coordination Dept.) of the Company  
April 2013 Senior Executive Officer (in charge of Planning & Coordination Dept., Accounting & Finance Dept., IT Dept., Logistics Dept. and Internal Auditing Office) of the Company  
June 2013 Director, Senior Executive Officer (in charge of Planning & Coordination Dept., Accounting & Finance Dept., IT Dept., Logistics Dept. and Internal Auditing Office) of the Company  
April 2016 Director, Senior Executive Officer (in charge of Planning & Coordination Dept., Accounting & Finance Dept., Logistics Dept. and Internal Auditing Office) of the Company  
April 2018 Director, Senior Executive Officer (in charge of Planning & Coordination Dept., Research Dept., Accounting & Finance Dept., Logistics Dept. and Internal Auditing Dept.) of the Company  
May 2018 Director, Senior Executive Officer (in charge of Planning & Coordination Dept., Accounting & Finance Dept., Research Dept., Logistics Dept. and Internal Auditing Dept.) of the Company  
April 2019 Director, Senior Executive Officer (in charge of Planning & Coordination Dept.) of the Company  
June 2019 President and Representative Director, and President and Chief Executive Officer of the Company  
April 2023 Director of JXTG Holdings, Inc. (Part-time)  
Representative Director and Chairman of the Company (to present)



President and Representative  
Director, President and Chief  
Executive Officer  
**Hayashi Yoichi**

April 1988 Joined Nippon Mining Co., Ltd.  
April 2019 Executive Officer (in charge of Planning & Coordination Dept. and Research Dept., and General Manager, Planning & Coordination Dept.) of the Company  
April 2020 Executive Officer (in charge of Planning & Coordination Dept., Research Dept., Logistics Dept., and General Manager, Planning & Coordination Dept.) of the Company  
October 2020 Executive Officer (in charge of Planning & Coordination Dept., Research Dept., ESG Promotion Dept., Logistics Dept., and General Manager, Planning & Coordination Dept.) of the Company  
April 2021 Director, Senior Executive Officer (in charge of Planning & Coordination Dept., ESG Promotion Dept., Accounting Dept., Logistics Dept.) of the Company  
April 2022 Director, Senior Executive Officer (in charge of Planning & Coordination Dept., ESG Promotion Dept., Accounting Dept., Project Management Office) of the Company  
April 2023 President and Representative Director, and President and Chief Executive Officer of the Company (to present)



Director and Deputy Chief  
Executive Officer  
**Sugawara Shizuo**

October 1990 Joined Nippon Mining Co., Ltd.  
April 2016 Executive Officer (General Manager, Planning and Administration Dept., Technology Group) of the Company  
March 2018 Executive Officer (General Manager, Planning and Administration Dept., Technology Group, and General Manager, Integration Promotion Office, Technology Group) of the Company  
April 2018 Executive Officer (Deputy General Manager, Technology Group, and General Manager, Integration Promotion Office, Technology Group) of the Company  
June 2018 Executive Officer (Deputy General Manager and General Manager, Technology Group, and Tantalum and Niobium Division, Technology Group) of the Company  
April 2019 Director, Senior Executive Officer (Deputy General Manager, Technology Group, and General Manager, Tantalum and Niobium Division, Technology Group) of the Company  
April 2020 Director, Senior Executive Officer (General Manager, Technology Group) of the Company  
April 2021 Director, Deputy Chief Executive Officer (Assistant to the President (Technology), and General Manager, Technology Group) of the Company  
April 2022 Director, Deputy Chief Executive Officer (Assistant to the President (Technology), General Manager, Technology Group, and Deputy General Manager, Project Management Office) of the Company  
April 2024 Director, Deputy Chief Executive Officer (Assistant to the President (Technology), General Manager, Technology Group, and General Manager, Project Management Office) of the Company (to present)



Director and Deputy Chief  
Executive Officer  
**Ohuchi Yoshiaki**

April 1984 Joined Kyodo Oil Co., Ltd. (currently ENEOS Corporation)  
April 2016 Executive Officer (General Manager, Finance & Investor Relations Dept.) of JX Holdings, Inc. (currently ENEOS Holdings)  
April 2017 Executive Officer (General Manager, Finance & Investor Relations Dept.) of JXTG Holdings, Inc. (currently ENEOS Holdings)  
June 2018 Senior Vice President (General Manager, Finance & Investor Relations Dept.) of JXTG Holdings, Inc.  
June 2019 Director, Senior Vice President (in charge of Internal Control Dept., Controller Dept., and Finance & Investor Relations Dept.) of JXTG Holdings, Inc.  
June 2020 Director (Full-Time Audit and Supervisory Committee Member) of JXTG Holdings, Inc.  
June 2020 Corporate Auditor (Non-executive) of the Company  
June 2023 Director, Deputy Chief Executive Officer (Assistant to the President (Specially Assigned Matters)) of the Company (to present)  
June 2024 Outside Director of Maruwn Corporation (to present)  
April 2025 Director, Deputy Chief Executive Officer (Assistant to the President (Specially Assigned Matters), and in charge of Logistics Dept.) of the Company (to present)



Outside Director  
**Tokoro Chiharu**

April 2009 Associate Professor, Faculty of Science and Engineering of Waseda University  
April 2015 Professor, Faculty of Science and Engineering of Waseda University (to present)  
November 2016 Project Professor, Institute of Industrial Science of the University of Tokyo (to present)  
November 2018 Director, Office for Promotion of Equality and Diversity of Waseda University  
April 2021 Professor, Graduate School of Engineering of the University of Tokyo (to present)  
April 2021 Outside Director of the Company (to present)  
September 2022 Associate Director, Waseda Institute for Advanced Study  
September 2022 Associate Director, Waseda Center for a Carbon Neutral Society  
November 2023 Outside Director of Toppan Photomask Co., Ltd. (currently Tekscend Photomask Corp.) (to present)  
September 2024 Dean, School of Creative Science and Engineering, Faculty of Science and Engineering of Waseda University (to present)



Outside Director  
**Ito Motoshige**

December 1993 Professor, Faculty of Economics of the University of Tokyo  
April 1996 Professor, Graduate School of Economics, Faculty of Economics of the University of Tokyo  
February 2006 President of National Institute for Research Advancement (NIRA)  
October 2007 Dean, Graduate School of Economics, Faculty of Economics of the University of Tokyo  
January 2013 Member of Council on Economic and Fiscal Policy  
June 2015 Outside Director of East Japan Railway Company  
April 2016 Professor, Faculty of International Social Sciences of Gakushuin University  
June 2016 Outside Audit & Supervisory Board Member of Hagaromo Foods Corporation Professor Emeritus of The University of Tokyo (to present)  
June 2018 Outside Director of The Shizuoka Bank Ltd.  
Outside Director of Sumitomo Chemical Company, Limited (to present)  
April 2022 Outside Director of the Company (to present)  
June 2022 Outside Director of Hagaromo Foods Corporation (to present)  
October 2022 Outside Director of Shizuoka Financial Group, Inc. (to present)



Director and Full-Time Audit & Supervisory Committee Member  
Kuroiwa Motohiro

April 1985 Joined Nippon Mining Co., Ltd.  
April 2017 Executive Officer (in charge of Accounting & Finance Dept., and General Manager, Accounting & Finance Dept.) of the Company  
April 2021 Senior Executive Officer (General Manager, Chile Office)  
April 2024 Assistant to the President of the Company  
June 2024 Director (Full-Time Audit & Supervisory Committee Member) of the Company (to present)



Outside Director and Audit & Supervisory Committee Member  
Sakuma Soichiro

April 1978 Joined Nippon Steel Corporation  
April 2009 Director (under the Executive Management System) of Nippon Steel Corporation  
April 2012 Managing Director (under the Executive Management System) of Nippon Steel Corporation  
June 2012 Managing Director (Member of the Board) of Nippon Steel Corporation  
April 2014 Representative Director and Executive Vice President of Nippon Steel & Sumitomo Metal Corporation  
April 2018 Director of Nippon Steel & Sumitomo Metal Corporation  
June 2018 Senior Advisor of Nippon Steel & Sumitomo Metal Corporation  
June 2020 Outside Director of Konica Minolta, Inc. (to present)  
July 2020 Advisor of Nippon Steel Corporation  
Senior Advisor of NS Solutions Corporation (to present)  
June 2022 Outside Director of the Company  
June 2023 Outside Director (Audit & Supervisory Committee Member) of the Company (to present)



Outside Director and Audit & Supervisory Committee Member  
Futamiya Masaya

April 1974 Joined The Nippon Fire & Marine Insurance Co., Ltd. (currently Sampo Japan Insurance Inc.)  
June 2003 Executive Officer of NIPPONKOA Insurance Company, Limited (currently Sampo Japan Insurance Inc.)  
June 2004 Managing Executive Officer of NIPPONKOA Insurance Company, Limited  
June 2005 Director, Managing Executive Officer of NIPPONKOA Insurance Company, Limited  
June 2009 Representative Director, Senior Managing Executive Officer of NIPPONKOA Insurance Company, Limited  
June 2011 Representative Director, President and Chief Executive Officer of NIPPONKOA Insurance Company, Limited  
April 2012 Representative Director, Chairman and Executive Officer of NKSJ Holdings, Inc. (currently Sampo Holdings, Inc.)  
September 2014 Representative Director, President and Chief Executive Officer of Sampo Japan Nipponkoa Insurance Inc. (currently Sampo Japan Insurance Inc.)  
Representative Director, Chairman and Executive Officer of Sampo Japan Nipponkoa Holdings, Inc. (currently Sampo Holdings, Inc.)  
April 2015 Representative Director, Chairman of Sampo Japan Nipponkoa Holdings, Inc.  
June 2015 Director, Chairman of Sampo Japan Nipponkoa Holdings, Inc.  
April 2016 Representative Director, Chairman, Sampo Japan Nipponkoa Insurance Inc. (currently Sampo Japan Insurance Inc.)  
April 2018 Director and Chairman, Sampo Japan Nipponkoa Insurance Inc.  
June 2018 Outside Director of Ricoh Leasing Company, Ltd.  
July 2018 Chair of Japan Network for Public Interest Activities (to present)  
April 2022 Special Advisor of Sampo Holdings, Inc. (to present)  
June 2023 Outside Director (Audit & Supervisory Committee Member) of the Company (to present)



Outside Director and Audit & Supervisory Committee Member  
Kawaguchi Rika

April 1997 Registered as an attorney at law and joined Okukawa Law Office (to present)  
April 2018 Vice-president of the Dai-ichi Tokyo Bar Association  
April 2018 Executive Director, Kanto Federation of Bar Associations  
March 2021 Member, Corporate Law and Corporate Auditing Research Committees, Research & Training Institute of Dai-ichi Tokyo Bar Association (to present)  
April 2022 Family Mediator of Tokyo Family Court (to present)  
April 2022 Vice President, Promotion for Gender Equality Headquarters of the Dai-ichi Tokyo Bar Association  
June 2022 Member, Promotion for Gender Equality Headquarters of the Japan Federation of Bar Associations (to present)  
June 2023 Outside Director (Audit & Supervisory Committee Member) of the Company (to present)  
April 2024 Acting President, Promotion for Gender Equality Headquarters of the Dai-ichi Tokyo Bar Association (to present)



Outside Director and Audit & Supervisory Committee Member  
Shiota Tomoo

April 1988 Joined Nippon Oil Co., Ltd. (currently ENEOS Corporation)  
April 2020 Executive Officer (General Manager, Hydrogen Business Promotion Dept.) of Nippon Oil Co., Ltd.  
April 2023 Assistant to the President of Nippon Oil Co., Ltd.  
June 2023 Director (Full-Time Audit & Supervisory Committee Member) of ENEOS Holdings (to present)  
June 2024 Director (Audit & Supervisory Committee Member) of the Company  
Corporate Auditor of JX Nippon Oil & Gas Exploration Corporation (currently ENEOS Xplora Inc.) (to present)  
March 2025 Outside Director (Audit & Supervisory Committee Member) of the Company (to present)

## Outside Directors Roundtable Discussion

On June 12, 2025, the Company held a roundtable discussion with Chairman Murayama and five outside directors.

The discussion focused on issues related to the sustainable growth of the JX Advanced Metals Group and strengthening the group's governance structure.



**A** Outside Director  
(Audit & Supervisory Committee Member)  
Futamiya Masaya

**B** Outside Director (Audit & Supervisory  
Committee Member)  
Kawaguchi Rika

**C** Representative Director and Chairman  
Murayama Seiichi

**D** Outside Director  
Tokoro Chiharu

**E** Outside Director  
(Audit & Supervisory Committee Member)  
Sakuma Soichiro

**F** Outside Director  
Ito Motoshige

Refer to the list of officers [P.55-56](#) for the profiles of outside directors.

### Responsibilities and Roles of Outside Directors

**Murayama:** This is our first roundtable since the company went public. Please share your thoughts on your responsibilities and roles as outside directors as the organization moves into a new stage.

**Ito:** The pace of management change has accelerated since the listing. The company has defined its Base and Focus Businesses and systematized its corporate philosophy, while continuing to review its business portfolio. To this end, it's important to not just respond to these immediate changes, but to also take a medium- to long-term perspective when doing so. My role in this context, as I see it, is to discuss oversight and execution from the standpoint of the broader macroeconomic environment, environmental issues, and global developments.

**Tokoro:** As a university researcher, I contribute by drawing on



Outside Director  
(Audit & Supervisory Committee Member)  
Futamiya Masaya

my expertise in areas like copper separation and refining, resource recycling, and environmental technology. Society is changing rapidly, and the technologies required to keep up are evolving just as quickly. I think keeping track of these shifts is another one of my responsibilities. I also want to help advance diversity in the organization, drawing on my experience as one of the relatively few female researchers in this field.

**Sakuma:** My background is in the steel industry, and I see many management challenges in common with the metals industry. I want to provide balanced oversight and advice based on my corporate experience, including what I have learned from past failures. JX Advanced Metals' IPO carries special significance because it was not a parent-subsidary listing. Rather, the listing marks the company's first step as a fully independent entity. Going forward, the company will need to face the market directly, with resolve.

**Kawaguchi:** I aim to ensure sound corporate governance by drawing on my practical experience in domestic law and placing importance on the monitoring function of management. It's easy for me to slip into the perspective of a corporate legal advisor when looking at management, but that isn't the role expected of me here. Instead, I try to think each day about what it really takes to achieve proper corporate governance at a higher level.

**Futamiya:** How a company carries itself and how it exists as a member of society, regardless of the industry it operates in, are what matter most in earning stakeholder trust and achieving sustainable growth. Drawing on my management experience, my role as an outside director is to raise issues proactively, deepen discussions, and help guide the company to sound decisions, especially in addressing the various risks it faces.

### Evaluation of the Stock Listing, Future Challenges, and Growth Opportunities

**Murayama:** What are your views on the company's stock listing, the challenges we should address to achieve medium- to long-term growth, and future growth opportunities?



Outside Director  
Tokoro Chiharu

**Futamiya:** I give high marks to the company for building a solid foundation for sustainable growth in a short period of time. Transforming the business structure to achieve stable earnings and high growth regardless of scale is extremely difficult. But JX Advanced Metals reshaped its business portfolio and, at the same time, reduced interest-bearing debt and strengthened its financial position. Going forward, the company needs to strike a balance between growth investment and shareholder returns. Achieving this balance requires earning the trust of stakeholders through active and thorough engagement.

**Tokoro:** I think the company has made good progress in moving from a process industry-type firm to a technology-based one. From a technology perspective, I think the company has two major areas of growth potential. The first is initiatives in mineral resource recycling and decarbonization. The company is already taking advanced, industry-leading steps in these ar-



Outside Director  
Ito Motoshige

eas, and I believe such initiatives will become even stronger advantages going forward. The second area of growth potential is semiconductor materials, an area the company is already focusing on. Semiconductors are being used in an increasingly wide range of applications. This means that copper and other metals will still have diverse applications and needs, creating a major opportunity for the company. I think JX Advanced Metals is well positioned to capture these needs from a technology standpoint.

**Sakuma:** The public listing of JX Advanced Metals clarified the company's position as a technology-driven business and as a semiconductor materials manufacturer. Other companies and countries will likely catch up to the advantages the company holds today, so focusing on further development will be essen-

tial to stay ahead. From my perspective, the mission of JX Advanced Metals is to use copper, minor metals, and other metal resources in a sustainable way. I also think the company will need to demonstrate the supply chains solely unique to JX Advanced Metals.

**Ito:** JX Advanced Metals has a history of strong management, but the company has also had a distinct corporate culture of its own. When preparing for the listing, the company even re-examined practices that had long been taken for granted. I commend such commitment and expect the listing to serve as a catalyst for management to become even more agile going forward.

**Kawaguchi:** JX Advanced Metals has been engaging in more dialogue with a wider range of shareholders and investors since the company listing. I think this increased engagement could eventually put a strain on company direction or speed of progress. There is also the possibility that pressure from investors for short-term results could weaken the company culture of taking on challenges or even lead to unprecedented misconduct. I intend to discuss how to prevent such risks at future board of directors meetings.

**Murayama:** Thank you. We are aware that because JX Advanced Metals was unlisted for so long, our approach to the capital markets is still underdeveloped. We want to strengthen our understanding with guidance from our outside directors.

### Strengthening Sustainability Management and Governance

**Murayama:** As we transform our business portfolio, some stakeholders have expressed concern about the difficulty of simultaneously advancing sustainability management and strengthening governance. What are your thoughts from the perspective of an outside director?

**Tokoro:** Shifting management resources into the Focus Businesses makes sense when you consider the best overall balance for the company. At the same time, the company needs to pay close attention to ongoing talent development in the Base Businesses. JX Advanced Metals may need to think

about sustaining talent development structures across the industry. I believe JX Advanced Metals works closely with other companies and is able to think carefully about such structures. **Kawaguchi:** I think JX Advanced Metals needs to push DE&I further. We no longer live in a time when companies can excuse having few women employees is unavoidable given the large number of engineers in the industry. I want to fulfill my role as an outside director based on the belief that the empowerment of women, who are a minority in the company, enables the organization as a whole to innovate and achieve healthy growth.

**Sakuma:** JX Advanced Metals grew to hold the world's top share in advanced semiconductor materials, even with mining at the core of our origins. I believe the company was able to achieve this feat because of its strong front-line leadership. Going forward, it will be important for the company to pair a



Outside Director  
(Audit & Supervisory Committee Member)  
Kawaguchi Rika

strong frontline with a strong headquarters, ensuring proper checks and thorough risk management. I also want employees to take the initiative, think for themselves, and play a leading role in driving the company.

**Ito:** JX Advanced Metals revised executive compensation to go further than before after reviewing market trends and peer practices. The new system better aligns management with shareholders by increasing the ratio of long-term performance-linked compensation. The company will likely come across shortcomings and areas to strengthen as the new system is put into practice. I see these areas as opportunities for further improvement in the years ahead.

**Futamiya:** The balance between fixed and performance-linked compensation is the result of thorough discussion in the Nomination and Remuneration Advisory Committee. I take this balance as a sign of management's commitment.



Outside Director  
(Audit & Supervisory Committee Member)  
Sakuma Soichiro

**Murayama:** Thank you. This discussion has reinforced for me the importance of taking our outside directors' advice seriously and applying it continuously in our management.

### Expectations for the JX Advanced Metals Group and Future Corporate Value Enhancement

**Futamiya:** I believe information disclosure is extremely important. Sharing information and gaining further empathy from stakeholders through various opportunities can strengthen the foundation built through the IPO. I intend to fully support the company by backing the unwavering leadership of top management, the company's dedication to open communication, and the determination of JX Advanced Metals to grow as a company supporting Japan and society.

**Sakuma:** I also believe sharing information more actively with external audiences is important. JX Advanced Metals holds over 60% of the global share in products essential to semiconductor manufacturing, yet the company name is rarely mentioned in discussions of the semiconductor materials supply chain. I strongly hope to see more proactive outreach efforts from the company.

**Kawaguchi:** I have long believed the company should clearly express what kind of enterprise it aspires to be, both to employees and to external audiences. I commend the swift establishment of the JX Advanced Metals Group's Philosophy following the company listing. However, the key now lies in ensuring that all employees and stakeholders share that vision. I hope to oversee the corporate philosophy, an expression of the company's spirit, take root throughout the organization.

**Tokoro:** I believe the stock market listing will attract greater attention to JX Advanced Metals from a diverse range of stakeholders. As a university professor, I hear many voices from employees, students seeking employment, and academic and professional organizations. I intend to listen to those perspectives and help JX Advanced Metals conduct balanced corporate activities.

**Ito:** As we discussed today, management and governance do not aim for fixed goals; they require us to keep running toward



Representative Director and Chairman  
Murayama Seiichi

ever-changing targets. From my perspective as an outside director, I think it's important for JX Advanced Metals to foster more dialogue on the Board of Directors and build a shared understanding of the issues, even when answers are not yet clear. Advanced industries demand adaptive responses to such evolving targets, and I intend to help the company strengthen its responsiveness.

**Murayama:** The JX Advanced Metals Group's Philosophy represents our unchanging will in an era that constantly demands transformation. In formulating this philosophy, we incorporated many valuable insights from our outside directors.

Looking ahead, we aim to run the Board of Directors in a way that faithfully reflects outside director guidance and perspectives in management as we work toward sustainable growth. Thank you all for your contributions today.

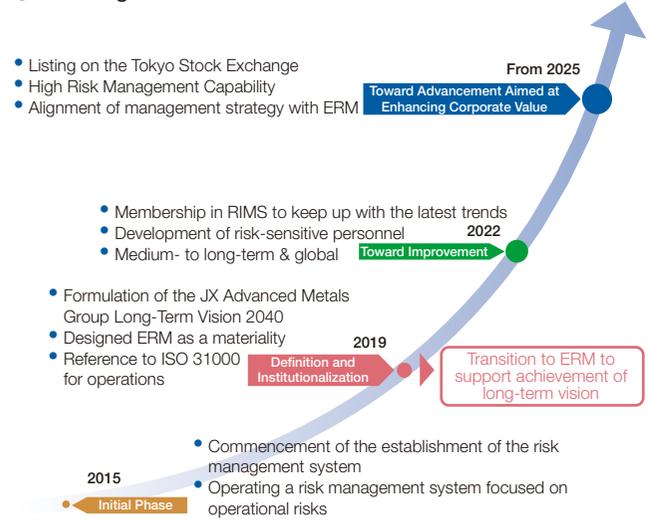
# Risk Management

## Basic Approach

We identify, analyze, and assess various risks surrounding our business based on future projections and changes in the internal and external environment, and implement measures to avoid, mitigate, transfer, or acknowledge, etc., related to these risks. In addition, by monitoring the situation, we promote risk management in accordance with the following principles with the goal of appropriately managing risks and supporting the management of the Group.

- Management and employees will all be involved.
- Recognize risks linked to business goals and promote them as an organization-wide activity.
- Review risks and risk response plans, taking into account the organization's purpose, mission, and goals, as well as internal and external conditions.
- Continuously improve based on evaluation of the effectiveness of our initiatives and feedback from stakeholders.

## The Progress and Future Vision of ERM



## Risk Management Advancement and Promotion System

The JX Advanced Metals Group regards enterprise risk management (ERM\*) as an essential element in achieving our long-term vision. We are committed to continuous improvement to enhance the effectiveness of our ERM practices. We first established our risk management system in 2015 and focused on operational risks. In 2019, the formulation of Long-Term Vision 2040 prompted the transition to a risk management approach that supports the achievement of this vision. We shifted from

traditional risk management activities to the implementation of ERM, referencing ISO 31000. We then worked to strengthen risk management capabilities to enhance corporate value in preparation for our listing on the Tokyo Stock Exchange, and continue to aim for alignment of ERM with management strategy.

\* A system or process to ensure that risk management is implemented in an organized, systematic, effective, and continuous manner in order to increase the certainty of achieving the organization's objectives and goals. The acronym ERM stands for Enterprise Risk Management in English.

## Enterprise Risk Management Governance Structure



Under the ERM framework, the JX Advanced Metals Group determines material risks, approves response plans for each material risk, and monitors these plans, at the JX Advanced

Metals Executive Council. In addition, the Risk Management Office is responsible for the overall risk management for both the Company and the Group, and implements ERM.

## Risk Definition and Classification

Risk is defined as “any and all uncertainty that could have an impact on the management of JX Advanced Metals Group companies.” Here, in order to achieve risk management that is linked to our long-term vision, medium-term management plan, and business plan, we classify risks into management risks and business risks. Among management risks and business risks, risks that we determine will have a significant impact on the Group’s management, and that should be addressed on a company-wide basis, are designated as material risks by the Executive Council. Material risks include risks related to technology, business continuity, and geopolitical risks. The department responsible for these material risks takes the lead in implementing risk responses. In addition, the Executive Council monitors the status of these actions.

### 1. Management Risks

Risk of obstructing achievement of the management goals of the JX Advanced Metals Group. These risks are selected by consensus from the general managers of corporate departments.

### 2. Business Risks

Risks that may affect the achievement of goals related to the execution of business by the respective organization. The organizations responsible for each risk select business risks through a business risk identification survey. Each organization appoints risk management promotion managers and risk management promoters, with the goal of promoting the penetration of risk management activities within each organization.

### 3. Material Risks

Management and business risks that are selected by the Executive Council as risks that could have a significant impact on the management of the JX Advanced Metals Group. The Executive Council approves and monitors risk response.

## Business Risks

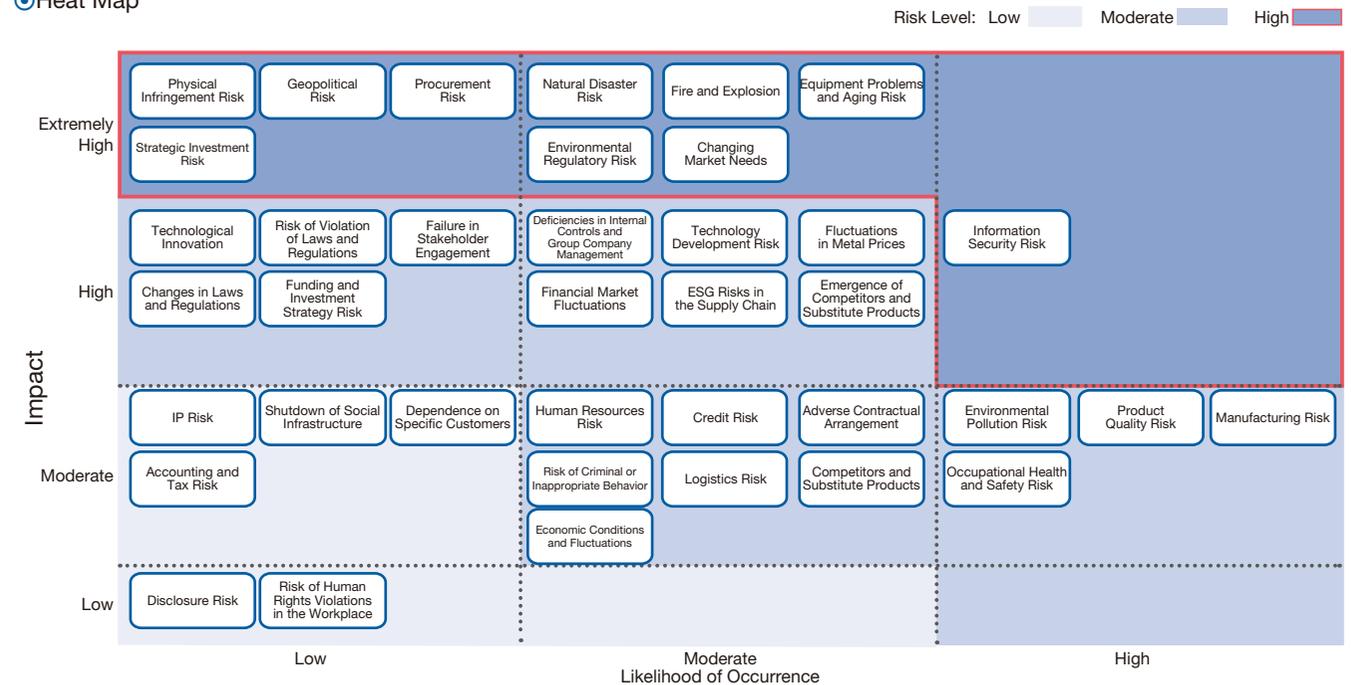
We conduct an annual business risk identification survey when formulating our management plan. This survey requires the organizations responsible for each risk (including subordinate organizations, business sites, and group companies under supervisory divisions), to identify, analyze, and evaluate risks that may hinder the achievement of business targets. Risks assessed as higher in priority (ranked based on impact and likelihood of occurrence) are reported to the respective risk supervisory divisions, which consolidate the results for submission to the Risk Management Office. The responsible organizations, acting as risk owners, mitigate or transfer identified risks throughout the year, and take appropriate risk response measures. To confirm

risk status, we conduct semiannual monitoring to track changes, review progress, and evaluate the effectiveness of countermeasures.

We analyze reported risks across 45 categories based on impact and likelihood of occurrence, and report the results to management in the form of a risk map (heat map). This process visualizes material risks, clarifies priorities, and provides management with risk information that supports effective decision-making.

Through this framework, we advance risk management aligned with our management strategy, support the achievement of business targets, and ensure accountability to stakeholders.

## Heat Map



## Material Risks

We begin identifying and addressing material risks when formulating medium-term management plans. The process involves the participation of key members of the Group's management, such as the general managers of corporate and business divi-

sions, as well as the president and vice presidents. This ensures that management's perception of a risk is correctly reflected as a material risk.

### Identified Material Risks and Risk Awareness Refer to 2. Business Conditions, (3) Business and Other Risks in the Annual Securities Report for more details (Japanese Only).

Risk Category	Risk Awareness and Mitigation Initiatives
Risk of Losing Competitive Advantage in Focus Businesses	Our Focus Businesses include the Semiconductor Materials and ICT Materials segments. These segments secure competitive advantage by building strong relationships of trust with customers, which enable us to quickly grasp and respond appropriately to customer needs and the latest development trends. Efforts to maintain this advantage include advancing research and development, securing intellectual property rights for advanced technologies and preventing third-party infringement, strengthening supply chain resilience, enhancing quality control systems, and expanding production capacity. However, we may lose this competitive advantage if our responses fail to meet customer needs or if changes in the business environment, including the emergence of substitute products or shifts in demand, persist. We address the risk of losing competitive advantage by advancing new product and business development in defined priority areas and by actively leveraging internal resources. We also make proactive use of external resources, including collaboration across our group companies, joint research with universities, and partnerships with external enterprises. However, Group business results and financial position could be significantly affected if new products and businesses do not become a sustainable earnings base before the competitiveness of existing product groups declines.
Geopolitical Risk	The Group operates business sites worldwide through an established global network. The Mineral Resources Business invests in, explores, and develops copper and minor metal mines, including the Caserones mine in Chile. Our Metals & Recycling and Tantalum and Niobium Businesses procure raw materials internationally and pursue stable sourcing of essential raw materials for semiconductor and information and communications materials. We collaborate with the think tanks within the Group to gather information from open sources and other channels, and provide this information quickly across the organization. Geopolitical risks surrounding mineral resources are increasing, leading to concerns about raw material procurement. Such risks include resource nationalism, conflict minerals, and restrictions on recycled raw materials. Intensifying international political conflicts could disrupt the supply chain for our products and affect business continuity. Overseas Group operations also face potential exposure to litigation, disputes, or other legal proceedings. We monitor the issues and progress of these cases on a regular basis and judge that they do not pose a material threat to business continuity. However, significant settlement payments or damages from multiple lawsuits could affect Group business results and financial position.
Natural Disaster Risk	Natural disasters have grown more severe in recent years due to abnormal weather patterns. The Group operates numerous business sites in Japan and overseas, and large-scale natural disasters, including earthquakes, tsunamis, floods, or heavy snowfall, could disrupt supply chains and damage assets. Such disruptions or damage may lead to delays or suspension of supply to customers, deterioration in earnings, and threats to human life. To prepare against such incidents, the Group established a business continuity plan based on our crisis and emergency response regulations. We conduct regular training and ongoing improvements to minimize human and material damage and enable early recovery. However, natural disasters that exceed our expectations could impair business continuity.
Sustainability Risk	Stakeholders in recent years increasingly call for broader sustainability initiatives to achieve a decarbonized and recycling-oriented society, conserve biodiversity and water resources, and respect human rights. The Group positions achieving a sustainable society as a priority issue in our management policy under the long-term vision. To this end, we identified six materialities for priority action and actively implement initiatives in line with these materialities. However, inadequate response to stricter stakeholder expectations or tighter national regulations could lead to the termination of business relationships or contraction of operations. Such outcomes could significantly affect Group business results and financial position.
Human Resources Risk	Recruiting and retaining talent has become more challenging amid the declining labor force in Japan, resulting from an aging and shrinking population, and the diversification of work values among younger generations. The Group works to recruit and retain skilled talent by fostering an organizational culture able to adapt to change. Our efforts include revising personnel systems, enabling flexible job transfers, and building frameworks that allow diverse employees to thrive. However, inadequate response to future labor market changes could result in higher turnover and difficulties in hiring, leading to prolonged labor shortages. These conditions may disrupt business operations and significantly affect Group business results and financial position.

## Risk Management Activity Framework

Based on the results of the maturity assessment, we have identified the dissemination of ERM activities throughout the Group and the development of risk-sensitive personnel as the two key elements to promote for achieving a more effective ERM. Specifically, through our outreach efforts, we aim to deepen understanding among all officers and other employees in our group regarding the importance of ERM and its connection to our management strategy by consistently highlighting these points. Additionally, through personnel development, we aim for individuals at various levels and roles to acquire the knowledge and skills necessary for effective risk management.

We incorporate and implement these elements into actual activities by ensuring risk management functions as a company-wide initiative. To this end, we develop processes and strengthen collaboration with the organizations responsible for each risk. The organizations responsible for each risk and the Risk Management Office communicate with each other through reviews and interviews conducted during various initiatives, in-

## Human Resources Development and Internal Dissemination

The foundation for the advancement and dissemination of ERM is human resources. The Group enhances employee risk sensitivity by raising awareness of ERM, and implements various measures to ensure employees treat risks as personal matters.

For example, each risk management organization conducts e-learning and comprehension tests at the time of appointing those in charge of risk management promotion. These measures ensure that those appointed are equipped to lead the annual business risk assessment and risk response, allowing these individuals to exercise their abilities as leaders in their respective organizations.

Another measure is the initiatives implemented by the Risk Management Office to strengthen the capabilities of its members. Specifically, we have established our own skill sets of the skills and knowledge required to perform risk management

cluding the business risk identification survey and monitoring activities. These bodies collaborate to refine risk information and develop effective countermeasures.

Ultimately, the goal is for employees at all levels in each organization within the Group to fulfill the risk management roles required by their positions and to operate the ERM system autonomously.



tasks, and visualize the status of acquisition of these skills by our office members. Each member conducts a self-assessment during the performance evaluation period and, through discussions with their supervisor, works on improving their individual capabilities.

We regularly publish the Risk Management Newsletter, an in-house newsletter dedicated to risk management, with the aim of making risk management accessible to each employee and promoting its dissemination throughout the Group. The newsletter features interviews with the president on what risk management means to the president and also reports on the latest global risk trends. We also implement collaborative plans with other departments within the Group, working with responsible staff members to present video clips and other materials introducing good practices in risk response.

## Business Continuity Plan (BCP) Initiatives

The Group has formulated business continuity plans (BCP) to minimize damage and achieve early recovery in the event of business interruption due to a major earthquake. In fiscal 2020, we began working toward the establishment of an all-hazard BCP called a resource-based BCP. This is not a BCP for individual events, such as earthquakes or floods, but one that focuses on resource contingencies (facilities, raw materials, materials, etc.) that are likely to disrupt business activities during emergencies, and organizes relevant disaster mitigation and recovery measures. We also conduct regular assessments of disaster risks at major business sites, including those overseas. This information aids in making decisions related to preventive measures and capital investments to mitigate potential damages. Moving forward, we will continue to enhance the effectiveness of our BCP through regular training sessions, as we work on establishing business continuity management (BCM).

## Information Security Initiatives

The Group has taken steps to build an information security management system (ISMS) in compliance with ISO 27001 from the three perspectives of strengthening information security compliance, increasing customer trust, and leveraging information internally and externally.

In fiscal 2024, we conducted information security risk assessments, internal audits, rank-based training, and supplier management in each department in accordance with plans approved by the Information Security Supervisory Manager. To solidify information security measures and awareness within the Group, we are extending their application to Group companies, in addition to the head office and business sites.

[\[Web\]→ JX Advanced Metals Group Basic Policy Concerning Information Security](https://www.jx-nmm.com/english/company/policy/infosec.html)

<https://www.jx-nmm.com/english/company/policy/infosec.html>

## Quality Control

### Basic Approach

The JX Advanced Metals Group recognizes that our social mission is to provide a stable supply of nonferrous metals and advanced materials to contribute to the sustainable development of society. Based on this policy, we aim to improve the level of quality control throughout the entire supply chain.

#### JX Advanced Metals Group Basic Quality Policy

The JX Advanced Metals Group established, and acts in observance of, this Basic Quality Policy to contribute to the development of a sustainable society while recognizing that our social mission is to stably supply nonferrous metals and materials.

1. Grasp the requirements of customers and society correctly in order to offer products and services that customers can trust and that satisfy their needs.
2. Improve and maintain quality in all processes from development, design, and production to delivery, while paying due attention to safety and environmental conservation.
3. Establish a quality management system, carry out continual improvements, and develop human resources.
4. Comply with all pertinent laws and regulations of Japan and other countries, and provide customers and society with accurate information on quality.

### Providing Information on Products and Services

In accordance with the Basic Quality Policy, the Group provides customers with information on our products and services through product specifications and Safety Data Sheets (SDS)\*. For example, sulfuric acid sold by Group companies is designated as a deleterious substance under Japan's Poisonous and Deleterious Substances Control Act. By limiting our business partners to sellers of poisonous or deleterious substances and issuing SDSs, we strive to prevent serious negative effects on the occupational health and safety for our customers and their employees after delivery.

\* Safety Data Sheet (SDS): A document containing information on the hazards and toxicity of chemicals to ensure safe handling

### Establishing and Operating a Quality Management System

The Group established a quality management system (QMS), which we operate to carry out our Basic Quality Policy. We work to continually make quality improvements through steady PDCA cycles, aiming to realize better quality through the QMS. As one measure, Company sites both in Japan and overseas have acquired QMS third-party certification (ISO 9001, etc.).

In addition, the Group reviews quality improvement activities and establishes action plans through the Quality Management Meeting, which is attended by top management. We also hold Quality Meetings twice annually to share information on quality management. Participants share the action plans adopted at Quality Meetings and share issues encountered and good practices found at each manufacturing site, fostering interactions

among managers. Furthermore, we are working to improve the effectiveness of internal quality audits, automate inspections, and strengthen the training of quality control personnel.

Our efforts to strengthen human resources development included introducing the OEA Program offered by the International Register of Certificated Auditors (IRCA). This program is the only system in the world of its kind, designed to train quality audit professionals to meet global standards. The JX Advanced Metals Group focuses on improving our quality management system (QMS), not only for product quality, but also across all business processes, placing importance on internal audit effectiveness. We aim to double our number of professional quality auditors through the OEA Program by 2027.

#### Main Manufacturing Sites With Third-Party QMS Certifications [Domestic]

- Isohara Works, Kurami Works, Hitachi Copper Foil Works
- Ichinoseki Foil Manufacturing Co., Ltd.
- Kitaibaraki Precision Co., Ltd.
- JX Advanced Metals Coil Center Co., Ltd. (Kurami Office and Tatebayashi Office)
- JX Metals Trading Co., Ltd. (Takatsuki Plant)
- JX Metals Smelting Co., Ltd. (Saganoseki Smelter & Refinery and Hitachi Works)
- JX Metals Smelting Logitech Co., Ltd.
- JX Metals Resources Exploration & Development Co., Ltd.
- TATSUTA Electric Wire and Cable Co., Ltd. (TATSUTA Technical Center, Kyoto Works, Sendai Works, Tokyo Branch, Head Office and Osaka Works, and Tatsuta Environmental Analysis Center Co., Ltd.)
- Tatsuta Tachii Electric Cable Co., Ltd. (Head Office, Hyogo Works)
- TANIOBIS Japan Co., Ltd. (Head Office and Mito Plant)
- Chugoku Electric Wire & Cable Co., Ltd.
- Tokyo Denkai Co., Ltd.
- Toho Titanium Co., Ltd. (Head Office and Chigasaki Plant; Hitachi Plant; Yahata Plant; Wakamatsu Plant; and Kurobe Plant)
- Japan Copper Casting Co., Ltd. (Saganoseki Plant)
- Furuuchi Chemical Corporation

#### [Overseas]

- Nippon Mining & Metals (Suzhou) Co., Ltd.
- JX Metals Dongguan Co., Ltd.
- Shanghai TATSUTA Co., Ltd., Suzhou Technical Center
- Nikko Metals Taiwan Co., Ltd. (Longtan Works and Kuanyin Works)
- Changzhou TATSUTA Chugoku Electric Wire & Cable Co., Ltd.
- JX Metals Philippines, Inc.
- JX Advanced Metals USA, Inc.
- JX Advanced Metals Korea Co., Ltd.
- Materials Service Complex Malaysia Sdn. Bhd.
- Materials Service Complex Coil Center (Thailand) Co., Ltd.
- TANIOBIS GmbH (Goslar)
- TANIOBIS Smelting GmbH & Co. KG (Laufenburg)
- TANIOBIS Co. Ltd. (Map Ta Phut)
- Tatsuta Electronic Materials Malaysia Sdn. Bhd.

## Supply Chain Management

### Basic Approach

JX Advanced Metals established the Basic Policy on Procurement and the Green Procurement Guideline to address growing risks across the value chain and to ensure responsible procurement as part of our CSR initiatives. In our procurement activities, we ensure respect for human rights and the protection of workers' rights, and we check for discrimination in employment and occupation, the presence of forced or child labor, and compliance with the prohibition against purchasing conflict minerals.

#### JX Advanced Metals Group Basic Policy on Procurement (Excerpt)

1. Comply with laws, regulations, and rules and engage in fair transactions
2. Information control
3. Protect intellectual property rights
4. Build relationships with business partners based on mutual understanding and trust
5. Follow the defined principles regarding conflict minerals

[Web](https://www.jx-nmm.com/english/company/purchase/supply.html) → JX Advanced Metals Group Basic Policy on Procurement  
<https://www.jx-nmm.com/english/company/purchase/supply.html>

### CSR Purchasing

The Group set a Green Purchasing Policy, aimed at reducing environmental and other social impacts when procuring materials and equipment. Based on this policy, we also formulated the Green Procurement Guideline to set out specific requirements for choosing suppliers. This guideline contains requirements with which we ask all of our suppliers to comply. We confirm supplier compliance with these guidelines through our CSR Procurement Questionnaire.

[Web](https://www.jx-nmm.com/english/company/purchase/guideline/) → Green Procurement Guideline  
<https://www.jx-nmm.com/english/company/purchase/guideline/>

### Supplier Hotline

The JX Advanced Metals Group addresses actual or potential violations of laws, regulations, or internal rules through appropriate corrective procedures and works to ensure proper remediation. We also maintain processes that allow affected parties to seek remedy and corrective measures. We established two reporting hotlines: the JX Advanced Metals Group Hotline, available to employees of Group companies and certain contractors, and the JX Advanced Metals Group Supplier Hotline, available to supplier companies and their employees. We also established internal rules governing how reports are handled, including the parties reported, response procedures, and the protection of whistleblowers.

[Web](https://www.jx-nmm.com/english/company/purchase/csr_procurement/) → JX Advanced Metals Group Supplier Hotline  
[https://www.jx-nmm.com/english/company/purchase/csr\\_procurement/](https://www.jx-nmm.com/english/company/purchase/csr_procurement/)

#### CSR Procurement Questionnaire Overview

● Number of companies surveyed:  
163 (100% response rate)

- Major questionnaire items
  - Compliance, fairness, and equitable transactions
  - Provision of products and services
  - Information management
  - Supply chain
  - Environment
  - Human rights and labor
  - Occupational health and safety

#### ● Response to questionnaire results

We conducted individual hearings with all business partners identified as needing improvement, and reviewed the following matters.

- Overview of the issue(s) identified
- Status, progress, and outlook of investigations into underlying causes
- Overview, review status, and outlook of recurrence prevention measures and improvement plans

Currently, we have a total of 11 employees evaluated by and registered with IRCA under its international standards, including 2 Lead Auditors, 2 Auditors, 4 Internal Auditors, and 3 Associate Auditors. We define those working as Auditors or higher-level positions as Professional Quality Auditors.

These initiatives support the JX Advanced Metals Group long-term vision to become a global leader in advanced materials. We will continue to improve our QMS to help drive innovation and contribute to social progress.

### Liability Claims

In fiscal 2024, no claims were pursued under the Product Liability Act due to personal or property damage caused by defects in products made by Group companies.

### Initiatives With Suppliers

Cooperation with suppliers is essential for thorough quality assurance. Our efforts include conducting regular evaluations and quality audits for JX Advanced Metals Group suppliers based on quality control criteria and requirements, reducing quality risks, and improving the quality level of our suppliers. We also conduct Supplier Questionnaire to promote mutual understanding with our suppliers.

## Compliance

### Basic Approach

The JX Advanced Metals Group Code of Conduct and the JX Advanced Metals Group Compliance Regulations define compliance as not only complying with domestic and foreign laws, rules, and regulations, but also acting in compliance with social standards and corporate ethics. We conduct our corporate activities with an emphasis on compliance.

#### JX Advanced Metals Group Compliance Regulation (Excerpt)

##### <Basic Policy>

The top management of the JX Advanced Metals Group takes the lead in ensuring compliance, requiring all Officers and Employees etc. to act with integrity in accordance with not only laws and regulations but also with social standards and corporate ethics. The top management also works continuously to strengthen the ethical culture of the organization, prevent misconduct, and establish a clear framework of accountability.

##### <Specific Standards>

Provide specific standards on complying with priority compliance matters\*.

\* Priority compliance matters include Complying with the Antitrust Law, Prohibiting Insider Trading, Preventing Bribery, Measures against Antisocial Forces, Harassment-Free Environment, Management of information, and Appropriate Export Control

##### <Implementation Structure>

Each JX Advanced Metals Group company shall establish guidelines, manuals, and other rules as required to reflect compliance with the specific standards, and the Officers and Employees etc. shall comply with such standards.

Each JX Advanced Metals Group company shall promote activities such as (including but not limited to) education, guidance and inspection in relation to Compliance, and shall establish internal structures, as required, including but not limited to, committees related to Compliance and whistle-blowing systems (Compliance Hotlines).

##### <Education and Training>

In order to promote Compliance, each JX Advanced Metals Group company shall ensure that its Officers and Employees etc. are aware of this Regulation and internal rules and notices related to fulfilling business obligations. This shall be achieved through various educational programs and training sessions, and when required shall take educational measures.

### Compliance Promotion Structure

Based on the belief that thorough compliance is a prerequisite, the Group, as a member of the community, continues to create value in response to the expectations of our diverse stakeholders, and we have established various internal regulations concerning compliance. If any issues are identified in the structure or in operations, we make improvements as we continue various efforts that will enable us to remain a trusted corporate group.

Measures related to compliance in the Group are determined at Compliance Committee meetings (twice yearly in principle). The committee consists of officers, etc. from the Company and other major Group companies in and outside Japan.

### Compliance Education

The Group facilitates the fulfillment of compliance education to increase awareness and knowledge of compliance among officers and other employees, and conducts a variety of compliance training sessions in Japan and overseas based on business characteristics and social trends.

In fiscal 2024, in addition to the annual rank-specific compliance training (for officers, managers, new employees, etc.), the Group implemented a compliance program common to all JX Advanced Metals Group companies. We also took business characteristics and social trends into consideration and conducted various field-specific legal and regulatory education sessions on topics including human rights, harassment, security trade controls, and the Stamp Tax Act. Other training included that on

### Handling Anti-Social Forces

The Group has established a system for eliminating anti-social forces based on the JX Advanced Metals Group Basic Regulation on Handling of Antisocial Forces and the JX Advanced Metals Group Detailed Regulation on Handling of Antisocial Forces to cut off any relationship with anti-social forces. This system includes periodically conducting specified investigations

### Compliance Reporting and Appropriate Responses

The Compliance Committee, a subcommittee under the Sustainability Committee [see P.35](#), receives reports on the state of compliance from each department of the Company and from Group companies. Based on these reports, the committee evaluates the risks of fraudulent acts, legal violations, and other compliance violations related to business operations, and reflects the results in setting priority issues and formulating education plans.

The Group also established reporting standards and requires prompt reporting to ensure that appropriate action can be taken in the event of compliance violations or the risk of such violations.

the prevention of insider trading, in light of the Company's recent listing on the stock market. At overseas bases, we conducted education for expatriates at the headquarters or the bases, taking into account business characteristics, social trends, and other factors. In Germany and China, lectures on important laws and regulations, such as those dealing with competition law compliance, anti-bribery, and personal information protection, were presented mainly to national staff managers by lawyers, legal staff, and other instructors.

Going forward, we plan to continue studying and implementing compliance training programs in Japan and overseas, based on trends in legal revisions, regional characteristics, and other factors.

of business partners and their related parties, and taking contractual measures in advance to terminate business relationships, depending on the circumstances.

In fiscal 2024, we continued to monitor the application of these regulations, confirming that the system was generally being implemented appropriately.

## Whistleblower System

The JX Advanced Metals Group established the JX Advanced Metals Group Hotline, a whistleblower system established to detect and correct violations of laws or internal regulations within the Group at an early stage. The hotline is available to not only officers, employees, and temporary staff of Group companies, but also to employees of contractors engaged in Group business activities. To increase reliability of our whistleblower system, we have outsourced the JX Advanced Metals Group Hotline to an external organization. This external organization also accepts anonymous reports. No one using the Group hotline for consulting or reporting shall be subjected to disadvantageous treatment

## Preventing Bribery

The JX Advanced Metals Group established an anti-bribery framework based on the JX Advanced Metals Group Regulation for Preventing Bribery, aiming to prevent bribery of public officials in various countries, as well as prevent acts that violate or could be suspected of violating anti-bribery laws and regulations, by officers and employees of JX Advanced Metals Group companies. This framework prohibits acts that violate or could be suspected of violating anti-bribery laws and regulations. The framework also requires prescribed checks before providing entertain-

## Program for Compliance With Competition Laws

The JX Advanced Metals Group established the JX Advanced Metals Group Regulation for Compliance with Competition Laws to prevent cartels and other conduct that may violate competition laws in the countries in which we conduct business activities. We prohibit not only acts that violate competition laws but also any behavior that could give rise to suspicion of such violations. At the same time, we established the Program for Compliance With Competition Laws to prevent issue occurrence. This program requires, among other measures, obtaining approval from each company's designated Person Responsible for Compliance with Competition Laws before attending meetings with

for its use.

We have also taken a wide range of measures to increase awareness of the system throughout the Group. Such measures include displaying posters at individual Group company sites to publicize the program, creating a special section on the Company portal site, and introducing the program during compliance education sessions.

In fiscal 2024, we received 13 reports through the program and took necessary measures in all instances in accordance with the relevant rules and regulations while taking due care to protect whistleblowers.

ment or gifts to public officials and other similar parties, and in certain cases, approval from each company's designated Person Responsible for Preventing Bribery, as part of our efforts to prevent misconduct before it occurs.

In fiscal 2024, we continued to monitor the application of said regulations, confirming that the framework was generally being implemented appropriately. (There were no adverse dispositions issued by regulators in regard to bribery.)

competitors and reporting back afterward, submitting an annual report from each company's designated Person Responsible for Compliance with Competition Laws to the Legal Department at JX Advanced Metals Headquarters, conducting prescribed checks in advance when entering into transactions that may raise competition law concerns, and having the responsible person submit periodic reports to the program secretariat.

In fiscal 2024, we continued to monitor the application of the aforementioned program, confirming that it was generally being implemented appropriately. (There were no adverse dispositions issued by regulators in regard to anti-competitive behavior.)

## Tax Governance

The JX Advanced Metals Group is committed to ensuring tax compliance and proper tax payment in all countries and regions where we deploy business activities. To this end, we have established a global tax governance framework in accordance with the JX Advanced Metals Group Tax Policy and endeavor to improve tax awareness and compliance within the Group. In this way, we aim to boost corporate value through tax optimization and tax transparency. Whenever important tax-related events occur, the Company reports such to the Executive Council and other relevant bodies in a timely and appropriate manner.

We promote efforts to mitigate tax risks by such means as seeking advice from independent tax experts and obtaining advance rulings from tax authorities. We are committed to proper tax compliance by providing tax authorities with timely and appropriate information and by responding sincerely and cooperatively.

### JX Advanced Metals Group Tax Policy (Excerpt) Basic Principle

We, JX Advanced Metals Group, have established the Tax Policy as follows and strictly implement this Policy, aiming at boosting our corporate value through tax optimization and tax transparency, on the premise of ensuring tax compliance and proper tax payments in all countries and regions where we deploy business activities.

1. Tax Governance
2. Tax Compliance
3. Tax Risk Management
4. Tax Planning
5. Relation With Tax Authorities
6. Tax Transparency

[\[Web\]→ JX Advanced Metals Group Tax Policy](https://www.jx-nmm.com/english/company/policy/tax.html)  
https://www.jx-nmm.com/english/company/policy/tax.html

# Company Overview

Here are some key figures on the results of our operations and initiatives. We disclose more comprehensive non-financial data on our sustainability website. (Certain data is guaranteed by a third party.)

[Web](https://www.jx-nmm.com/english/sustainability/esg-data/) → ESG Data

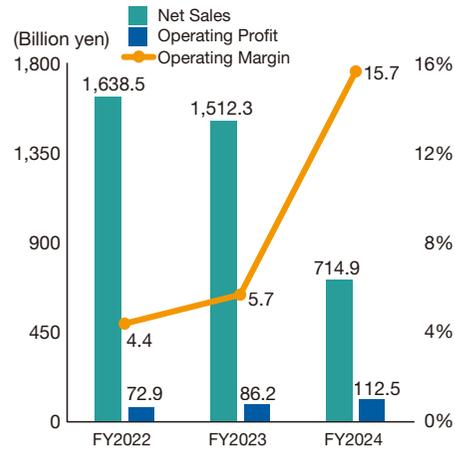
<https://www.jx-nmm.com/english/sustainability/esg-data/>

[Web](https://www.jx-nmm.com/english/ir/) → IR Information

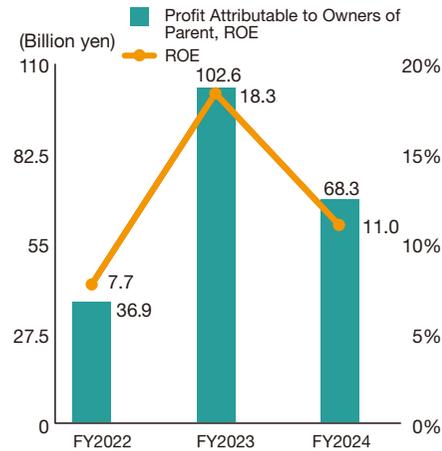
<https://www.jx-nmm.com/english/ir/>

## Financial and Non-Financial Data

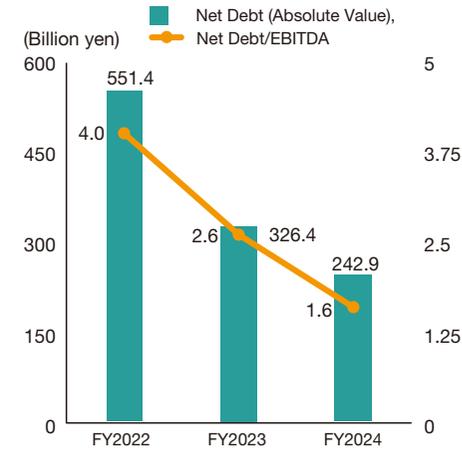
### Net Sales, Operating Profit, Operating Margin



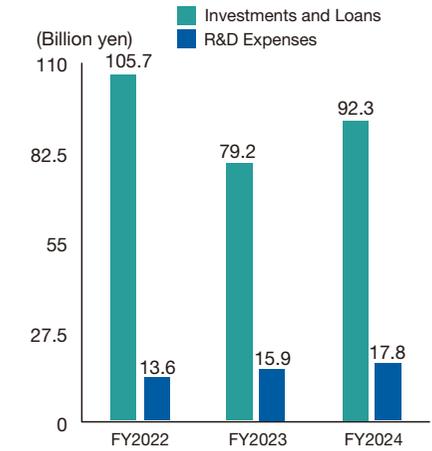
### Profit Attributable to Owners of Parent, ROE



### Net Debt (Absolute Value), Net Debt/EBITDA

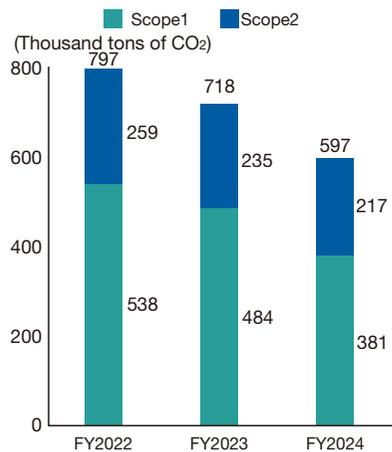


### Investments and Loans, R&D Expenses

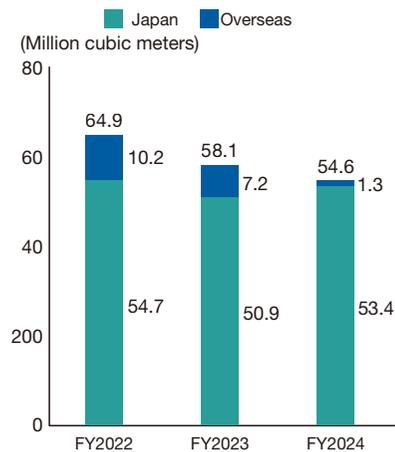


\* Net debt for the fiscal years ended March 31, 2023 and 2024 represents interest-bearing debt minus cash and cash equivalents and short-term loans receivable from ENEOS Finance Corporation (short-term loans receivable from the ENEOS Group).

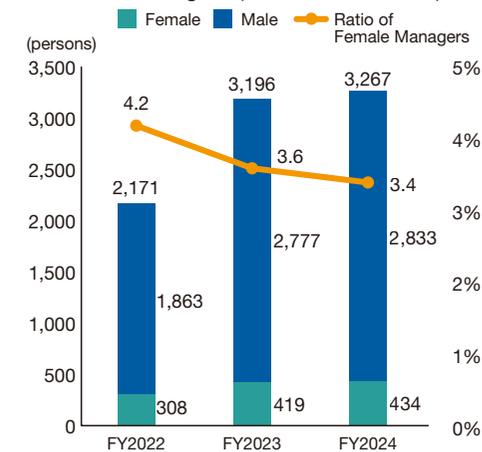
### CO<sub>2</sub> Emissions (Scope 1 and 2)



### Water Usage

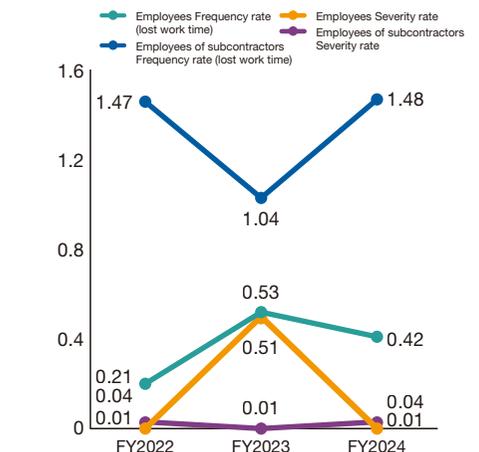


### No. of Employees, Ratio of Female Managers (Non-Consolidated)\*



\* As of the end of the fiscal year

### Frequency Rate and Severity Rate of Industrial Accidents



## Corporate Profile/Shareholder Information

(as of March 31, 2025)

### Corporate Profile

Company Name — JX Advanced Metals Corporation

Head Office — 10-4, Toranomon 2-chome, Minato-ku, Tokyo  
105-8417, Japan

Established — December 1905

Established — September 2002

Paid-in Capital — 75.0 billion yen

Employees — Consolidated: 10,939; Non-consolidated: 3,267

### Stock Information

Listed Stock Exchange — Tokyo Stock Exchange Prime Market

Securities Code — 5016

Trading Unit — 100 shares

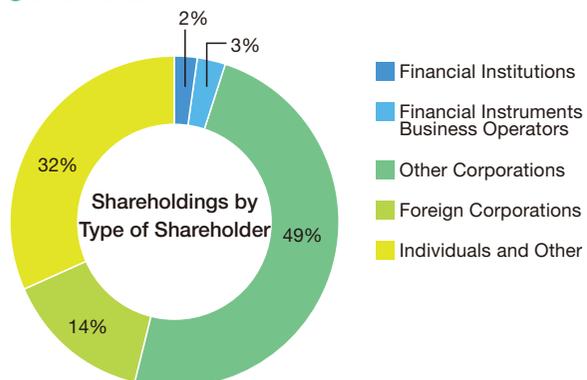
### Stock Status

No. of Shares Authorized — 3,700,000,000 shares

No. of Shares Outstanding — 928,463,102 shares

No. of Shareholders — 241,378

### Shareholders



## Topics | March 19, 2025 | Listing on the Tokyo Stock Exchange Prime Market

On March 19, 2025, JX Advanced Metals Corporation conducted an initial public offering on the Prime Market of the Tokyo Stock Exchange.

Through the listing of shares, JX Advanced Metals aims to enhance corporate value by establishing a management structure capable of highly specialized and rapid decision-making and realizing an optimal capital structure based on business characteristics, thereby accelerating capital investments, R&D, etc., in the highly competitive fields of semiconductor and ICT materials.



### Major Shareholders (Top 10)

Name	No. of Shares Held (thousand shares)	Ownership Ratio (%)
ENEOS Holdings, Inc.	393,529	42.38
STATE STREET BANK AND TRUST COMPANY 505325	30,000	3.23
MSIP CLIENT SECURITIES	25,408	2.73
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	14,003	1.50
GIC PRIVATE LIMITED-C	13,924	1.49
The Master Trust Bank of Japan, Ltd. (Trust Account)	12,769	1.37
NOMURA INTERNATIONAL PLC A/C JAPAN FLOW	6,313	0.67
Rakuten Securities, Inc.	6,033	0.64
JP JPMSE LUX RE UBS AG LONDON BRANCH EQ CO	5,514	0.59
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	5,348	0.57

1. The number of shares held is rounded down to the nearest thousand shares. Shareholding ratios are rounded down to the nearest hundredth.

2. JX Advanced Metals does not hold treasury stock. The 1,219,500 shares of the Company held by the Trust Account of the Employee Stock Ownership Plan for employees in managerial positions are not included in treasury shares.



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