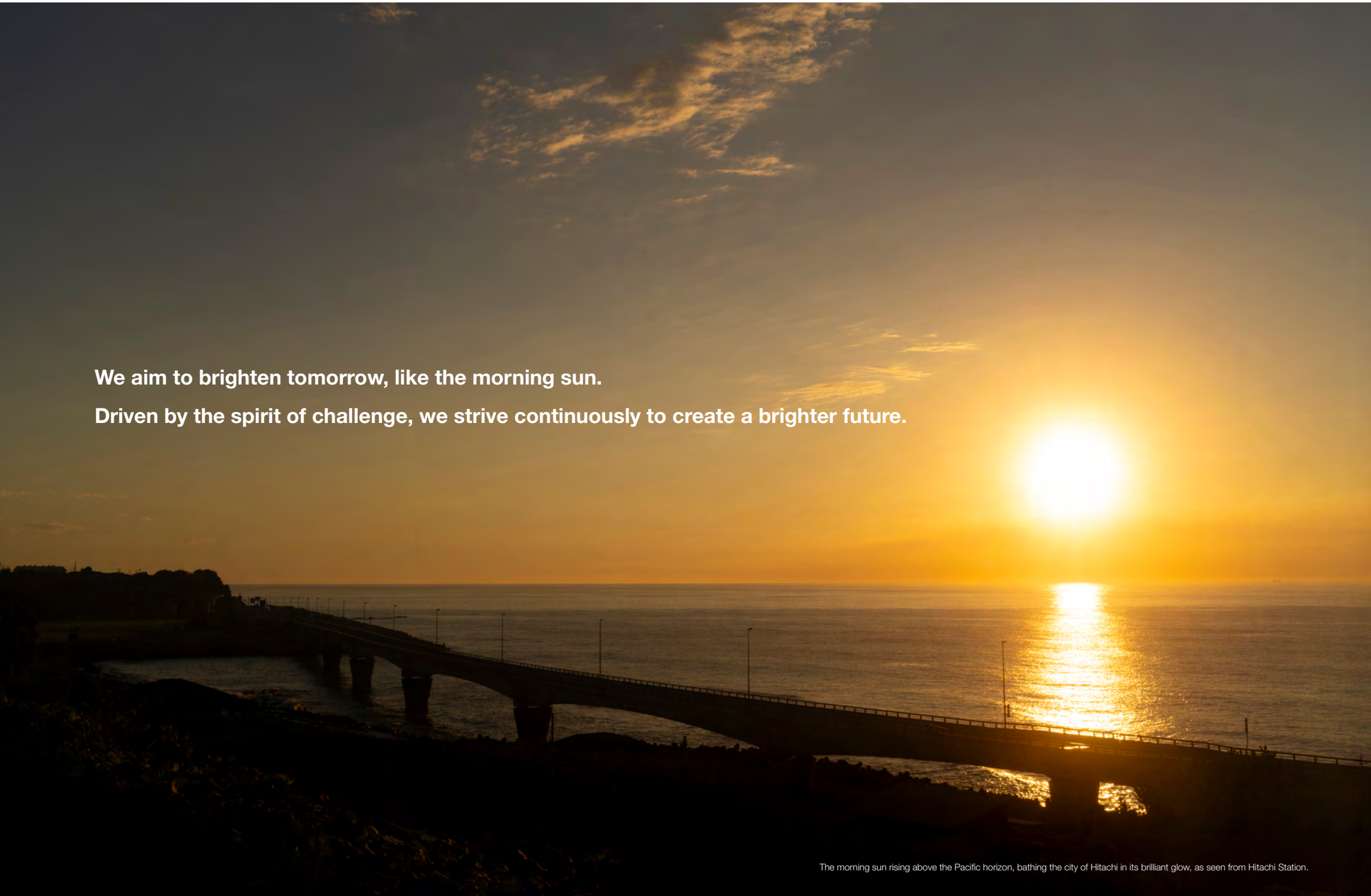
JX Advanced Metals

Integrated Report 2026

JX Advanced Metals Corporation



We aim to brighten tomorrow, like the morning sun.

Driven by the spirit of challenge, we strive continuously to create a brighter future.

The morning sun rising above the Pacific horizon, bathing the city of Hitachi in its brilliant glow, as seen from Hitachi Station.

JX Advanced Metals Group Philosophy

Marking the significant milestone of our listing on the Tokyo Stock Exchange Prime Market, we have reaffirmed our purpose and values to enable the JX Advanced Metals Group to come together and deliver greater value to society.
Since our founding, we have continuously evolved to meet society's needs and created value for a brighter future in each era. With the same spirit of challenge, we will continue to build on this history by creating new value, looking to the Group Philosophy as a foundation for all our activities.

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.

Creating Value for a Brighter Future

Powered by technology, passion, and innovation

The value we envision extends beyond tangible products such as materials and metals, encompassing all initiatives—products, services, and actions—that enrich people's lives, including business models, management approaches, and social contribution activities.
Since our founding, we have consistently envisioned ways of creating a brighter society for each era, transcending the boundaries of our business and continually taking on new challenges to create value and realize our vision.
Moving forward, even as global change intensifies, we will transcend conventional thinking and remain dedicated to building a brighter future by delivering value to society.



Courageous Spirit

Our pursuit of excellence challenges convention and welcomes innovative change.

In building our business over many generations, we have never feared failure. We have adopted bold management strategies and overcome countless challenges over the decades. We have never been bound by conventional thinking. We regularly question the status quo, dismiss unwarranted fear of change or uncertainty, and show a hunger for growth opportunities.

Purposeful Collaboration

Our commitment to creating value drives us to address challenges through open and inclusive dialogue.

We believe it is important to have frank exchanges of opinion in order to generate value through our work. This means removing such barriers to open discussion as age, seniority, and rank. The first step to generating value is to honestly confront a variety of issues through wide-ranging discussions as a team, vertically and horizontally throughout an organization, with each team member taking ownership of the issues.

Mutual Respect

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

As a company with roots in copper mining, we have always viewed all the employees working in the same mine as part of a family, prioritizing harmony among people in the spirit of “the Mine as One Big Family.” Only when people join together as one team can we build momentum towards success. Under this credo, the Company values all of its employees. Our employees take ownership of their work and our business, and the communication they build together through dialogues enables sustainable and powerful value creation.

Flourishing Together

We embrace sustainable business practices to harmonize with society for mutual prosperity.

By their nature, mines are businesses rooted in local communities. Since our founding, we have striven to act in harmony and build trust with local communities. Today, through the provision of products and technologies meeting the needs and expectations of society, we are working with a diverse group of stakeholders to co-create value. The trusted partnerships we have built with stakeholders form the foundation for the creation of value and a brighter future.

Contents

Introduction

Cover Story 1
Editorial Policy 6
At a Glance 7
Global Network 8

Message From the President

Message From the President 9

Value Creation Strategy

Materiality 15
History of Value Creation 17
Value Creation Model 18
The Source of Our Value Creation 20
Feature Article 1
Providing Advanced Materials That Enable an Information-Based Society 21
Feature Article 2
Ensuring a Sustainable Supply of Materials Indispensable to Society 23
Message From the Executive Officer in Charge 25
Strategy by Segment 29
- Focus Businesses 31
- Base Businesses 37

Sustainability Implementation Framework 39

Addressing Environmental and Social Challenges

Contributing to Environmental Conservation and Restoration
- Three Pillars of Environmental Conservation and Restoration 41
- Decarbonization Initiatives 42
- Resource Recycling 45
- Nature-Positive 47

Fulfilling Our Social Responsibilities
- Respect for Human Rights 49
- Supply Chain Management 51
- Fostering Coexistence and Co-Prosperity With Local Communities 52

Reinforcing Foundations for Sustainable Growth

Enhancing Human Capital
- Human Capital Management 53

Enhancing Intellectual Capital
- Technology and Intellectual Property Strategies 57
- DX Promotion 60

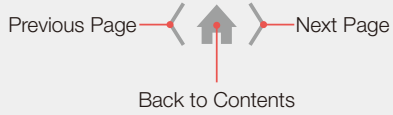
Strengthening Corporate Governance
- Corporate Governance 61
- Officers 69
- Outside Directors Roundtable Discussion 71
- Risk Management 75
- Information Security 79
- Quality Control 80
- Compliance 81

Company Overview

Financial and Non-Financial Data 83
Corporate Profile/Shareholder Information 84

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

We publish the JX Advanced Metals Integrated Report 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, 2025–March 31, 2026
- 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 2026

Referenced Guidelines

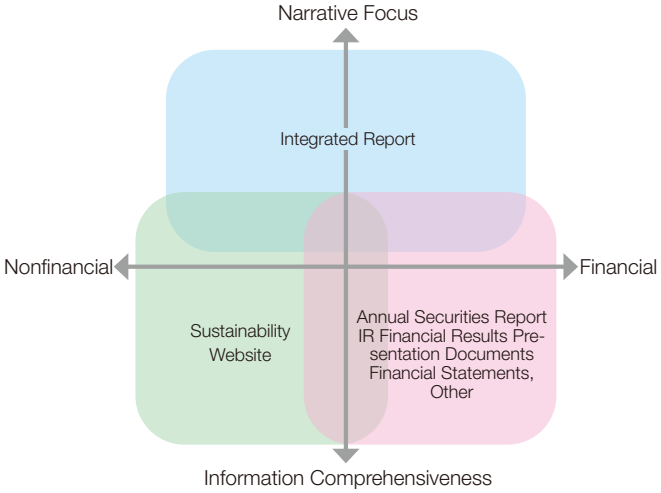
- International Integrated Reporting Framework, IFRS Foundation
- Guidance for Collaborative Value Creation 2.0, Ministry of Economy, Trade and Industry

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/sustainability/



At a Glance

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.

Established
1905

Number of Employees
10,450
*Based on Annual Securities Report

Number of Business Locations
70 sites (33 sites overseas)

Fiscal 2025 Net Sales **884.6** billion yen

Operating Profit **175.0** billion yen

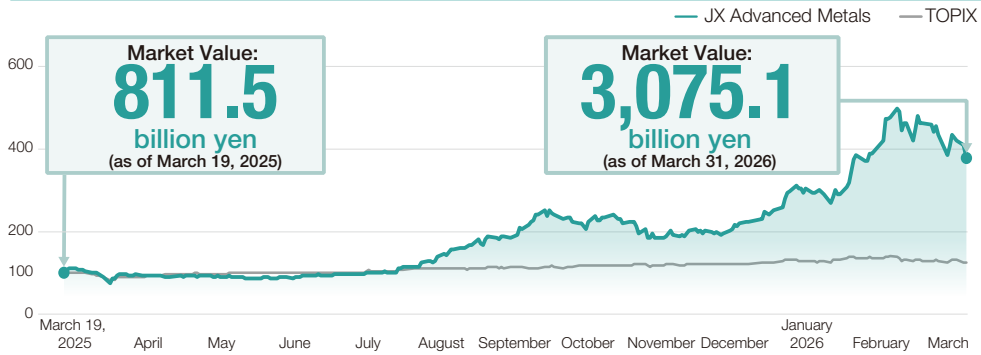
YoY Growth Rate (Operating Profit) **55.6**%

Operating Margin **19.8**%

Return on Equity **15.6**%

Shareholders' Equity Ratio **48.3**%

Stock Price in Initial Year of Listing



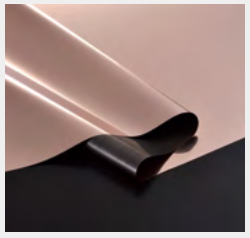
*Market value is based on the total number of outstanding shares, including treasury shares.
*The stock price at closing on March 19, 2025 is indexed to 100.

Main Products With High Market Share (Global Share)

Sputtering Targets for Semiconductors
Approx. **65**%*1



Treated Rolled Copper Foil for FPCs
Approx. **78**%*2



InP Compound Semiconductor Substrates
Approx. **40**%*1



High-Purity Tantalum Powder
Approx. **50**%*3



*1 Company estimate.
*2 Source: 2024 Handbook of New Materials for Electronics Implementation, Fuji Chimera Research Institute (2023 results; FPC only; based on shipping volume)
*3 Company estimate. Includes for sputtering targets.

Global Network

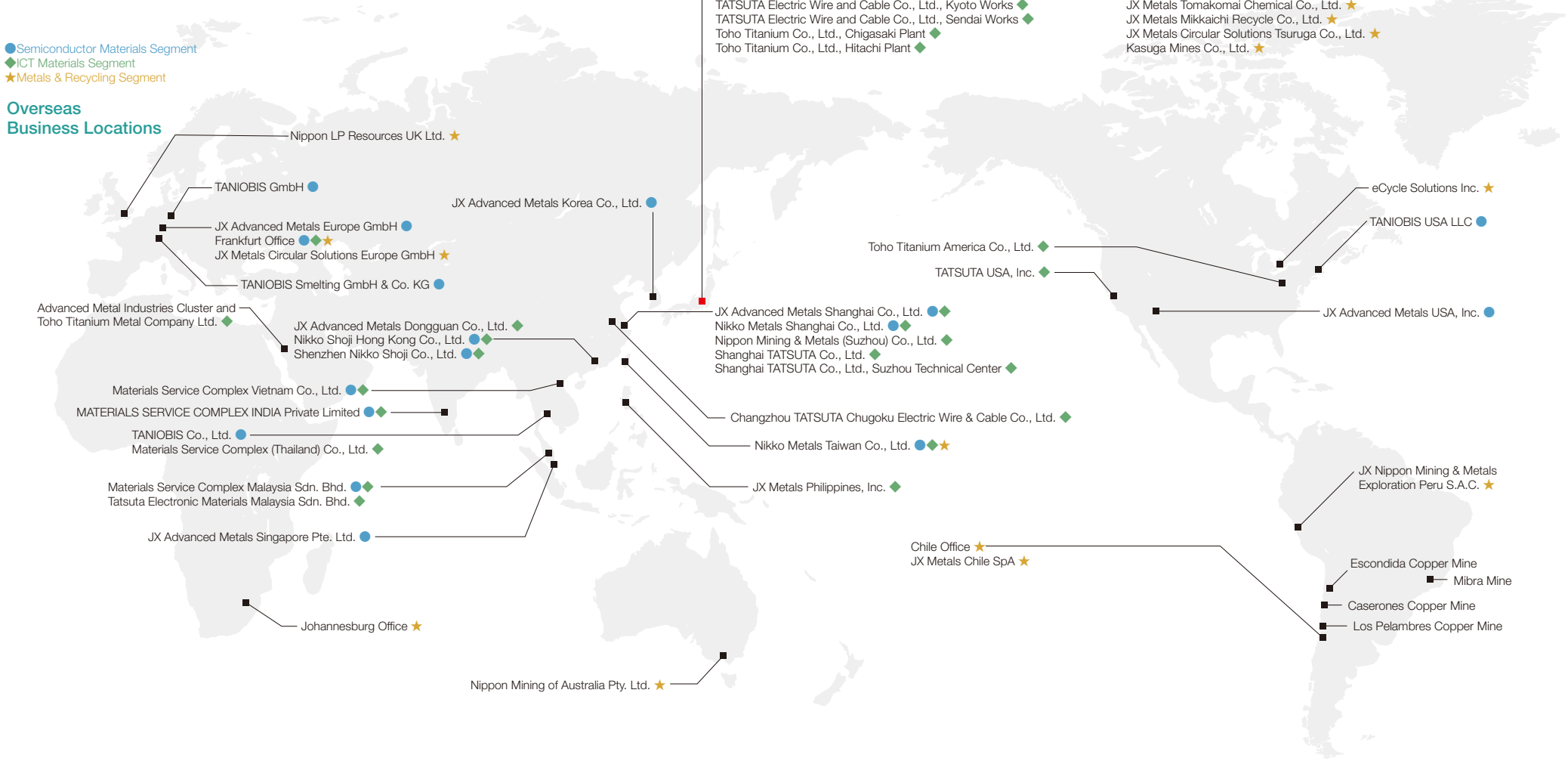
The JX Advanced Metals Group operates sites around the world. This global network enables us to meet customer needs through close information sharing and collaboration.

Manufacturing Bases in Japan

- Isohara Works ●
- Ibaraki Office (Hitachinaka district) ●
- Kurami Works ◆
- Hitachi Works ◆
- Tokyo Denkai Co., Ltd. ●
- TANIOBIS Japan Co., Ltd., Mito Plant ●
- Furuuchi Chemical Corporation, Tsukuba Factory ●
- JX Advanced Metals Coil Center Co., Ltd., Kurami Office ◆
- JX Advanced Metals Coil Center Co., Ltd., Tatebayashi Office ◆
- JX Advanced Metals Coil Center Co., Ltd., Nasu Office ◆
- TATSUTA Electric Wire and Cable Co., Ltd., Head Office, Osaka Works ◆
- TATSUTA Electric Wire and Cable Co., Ltd., TATSUTA Technical Center ◆
- TATSUTA Electric Wire and Cable Co., Ltd., Kyoto Works ◆
- TATSUTA Electric Wire and Cable Co., Ltd., Sendai Works ◆
- Toho Titanium Co., Ltd., Chigasaki Plant ◆
- Toho Titanium Co., Ltd., Hitachi Plant ◆
- Toho Titanium Co., Ltd., Yahata Plant ◆
- Toho Titanium Co., Ltd., Wakamatsu Plant ◆
- Toho Titanium Co., Ltd., Kurobe Plant ◆
- Osaka Alloying Works Co., Ltd. ◆
- Ichinoseki Foil Manufacturing Co., Ltd. ◆
- JX Metals Smelting Co., Ltd., Saganoseki Smelter & Refinery ★
- JX Metals Smelting Co., Ltd., Hitachi Works ★
- Japan Copper Casting Co., Ltd., Saganoseki Plant ★
- JX Metals Smelting Logitech Co., Ltd. ★
- JX Metals Takasho Co., Ltd., Shirakawa Plant ★
- JX Metals Trading Co., Ltd., Takatsuki Plant ★
- JX Metals Environmental Services Co., Ltd. ★
- JX Metals Tomakomai Chemical Co., Ltd. ★
- JX Metals Mikkaichi Recycle Co., Ltd. ★
- JX Metals Circular Solutions Tsuruga Co., Ltd. ★
- Kasuga Mines Co., Ltd. ★

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

Overseas Business Locations





Message From the President

Increasing Our Corporate Value Through Sustainable Growth by Embracing Challenges to Create New Value

**The JX Advanced Metals Group has accelerated its growth strategies in the year since its listing on the Tokyo Stock Exchange Prime Market in March 2025, with the goal of realizing the Long-Term Vision 2040.
We are making firm strides in establishing a resilient earnings foundation, with advanced materials as the core business.**

JX Advanced Metals Corporation
President & Representative Director
Hayashi Yoichi

Positive Market Response Stirs Employee Pride in Year Since Listing

One of my missions in the year following our listing on the Tokyo Stock Exchange was to demonstrate the true strengths of the JX Advanced Metals Group among shareholders, investors, and other key stakeholders. Looking at it another way, I was confident that if our stakeholders understood us properly, we would enjoy a correspondingly positive assessment from the market. In reviewing the past year, the semiconductor market has expanded by more than 20%, driven by a global surge in investments in data centers supporting the adoption of generative AI. Information and communications-related infrastructure markets have also grown rapidly. Amid these developments, we have enjoyed more opportunities to enhance our reputation as an indispensable materials supplier for the semiconductor industry, through such products as semiconductor targets, treated rolled copper foil, and crystalline materials.

There is growing recognition of our presence throughout the industry. JX Advanced Metals is recognized as a company with a portfolio of market-leading products befitting its position as a global leader in advanced materials contributing to society. We are known as a company with a robust supply chain buttressed by its mineral resources and smelting business. Stakeholders are aware that we have leveraged these business strengths to establish a uniquely competitive business model. Our stock price has risen accordingly, and the current level reflects the market's expectations for our medium- to long-term growth. We will strive to not only meet but exceed stakeholder expectations for our business growth, with the aim of maximizing increases in our corporate value.

In addition to external recognition, the stock listing has had a very positive impact on our internal corporate culture. Upon the establishment of Nippon Mining Holdings, Inc. in September 2002, our company was delisted from the stock exchange. Between 2002 and 2025, we operated as an unlisted company. This made it difficult to receive objective assessments of our Company. In 2019, we announced our Long-Term Vision to transition from a process industry-type firm to a technology-based firm, with a particular focus on the promising field of advanced materials. I felt, however, that our standing as a private company did not afford us enough opportunities to communicate these new challenges broadly to society.

Hence, one of the driving purposes of the initial public offering (IPO) was to generate benefits internally among employees. I wanted the employees to understand that society has great expectations of us, and that we are highly recognized by our stakeholders. The TSE listing has increased opportunities for communicating our message through the media and receiving assessments from the stock market. Employees can now understand how their company is recognized objectively by external stakeholders. The result is that employees are beginning to have more confidence and take greater pride in working for the JX Advanced Metals Group. This momentum will only grow in the future. Already, however, we are seeing truly positive results in raising motivation within the Group.

Anticipating Change Before Customers in a Fast-Changing Market

While the business environment is developing generally in line with our forecasts, demand is growing faster than we expected. It is very likely that all players in the semiconductor industry are experiencing similar trends. In particular, demand for indium phosphide (InP) substrates, a crystalline material used in the optical communications industry, is recording exponential growth due to accelerated investment in data centers supporting the generative AI adoption. We have supplied the semiconductor industry with advanced materials for the past 45 years, but we have never witnessed this kind of market growth. In this business environment, we must constantly anticipate the market needs and take prompt, concrete action to develop and invest in new products. Only this sense of urgency can prevent us from losing business opportunities.

It is also important to note that our role as a materials manufacturer is evolving. Traditionally, materials manufacturers' main role is to develop new products matching a customer's specifications and ensure supplies at a competitive price. Today, the role has expanded. In addition to the technological value demanded by the customer, manufacturers are expected to evaluate and understand how technology will develop and what social value it will generate in the future. Manufacturers then feed these insights back to the customers through future value propositions. Additionally, manufacturers are tasked with ensuring that products have value in the future by not only understanding the customer's immediate needs, but accurately predicting the market's and society's needs. In this way, materials manufacturers are collaborating with related parties to generate new value, re-

flecting the critical role we have assumed.

In the AI server market, for example, we must predict how cutting-edge technologies will evolve in the future by exchanging information with developers in various fields and providing technology proposals to the customer based on forecasted changes. We ourselves must evolve to ensure this level of business competency. Currently, we are urgently strengthening our marketing and research functions at the head office and each business unit in order to provide this level of responsiveness. In addition to our traditional focus on customers, with sales and R&D functions geared to their needs, we must broaden our vision to the end-users of customer products and social infrastructure in general. Internally, we must build the competencies and functions required to take this kind of bird's-eye view and grasp future trends. To that end, we will develop human resources with not only a deep grounding in cutting-edge technology, but the ability to forge new business schemes from an overarching market viewpoint, as well as an analytical ability to understand both micro and macro issues.

Continual Investments for the Future, Focused on Organic Growth

I believe that the business activities we have implemented over the past year have raised our potential to achieve the goals of Long-Term Vision 2040. In formulating our Vision, we could not visualize the world in 2040 with a high degree of confidence, nor did we put forth any specific plans to achieve the lofty goal of 250 billion yen in operating profit. The market is expanding faster than our projections, however, and our organic growth continues to progress according to plan. Therefore, I believe we are in a good position to achieve the goals of the Vision before 2040, including inorganic growth.

It is important to recognize that we cannot capture new opportunities by simply yielding ourselves to the market trends. We will need to accurately grasp opportunities by responding to rapid demand growth and properly analyzing market conditions. Through this approach, we can take strategic risks while aggressively investing to strengthen our supply capacity.

In the past three years, we have invested approximately 270 billion yen for such initiatives as the establishment of a global production system for advanced materials, shifting our Mineral Resources Business to minor metals and providing high added value in the Smelting and Recycling Business. For the next three years, we are committing more than 100 billion yen in annual investments geared towards expanding production capacity, strengthening the supply chain, and advancing R&D programs for the future. One important issue will be our commitment to expanding the indium phosphide (InP) substrate business, for which demand is expected to increase further. What kinds of investments we make and to what extent we increase supply capacity are among the key decisions we face.

Inorganic growth will also be instrumental in achieving the Long-Term Vision, specifically the goal of becoming a global leader in the semiconductor and ICT materials sectors to realize a highly profitable structure. We plan to develop new fields of business for the future by acquiring new technologies, using M&As in fields surrounding our core technologies, and other means to test the boundaries of our potential.

Allocating Management Resources to Realize Business Portfolio Reforms

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, which deal in advanced materials—as the core of our growth strategy. Our Base Businesses consist of the Metals & Recycling segment, which deals in mineral resources, smelting, and recycling, and serve as the foundation supporting our Focus Businesses through the stable supply of raw materials. The Base Businesses are subject to a high degree of volatility due to the significant impact of market conditions. Heightened geopolitical risks, however, have only raised the value of these businesses compared with the past. Under these conditions, we will carefully monitor the market environment and wait for the proper timing to make decisions on optimizing our portfolio.

Our business portfolio reforms have generally progressed as planned. Our goal is not to simply enter or exit businesses, but rather to refocus our limited management resources into priority fields in order to raise capital efficiency and generate value over the long term.

As an example, we have decided to exit the phosphor bronze business by around 2028. Phosphor bronze is a precision material used in connector terminals and other electronics. We have long held a high market share, beginning with management under Nippon Mining. The future growth prospects for the material are low, however, due to market maturation. At

our Kurami Works, we can raise profitability by maximizing capital expenditures into copper titanium alloys and other high-value-added materials instead of investing to increase the production efficiency of phosphor bronze. This strategy will result in both higher growth and capital efficiency. Of course, there were both external and internal objections to exiting this business. Despite the regret surrounding such a decision, we cannot allow our future earnings power to decline based only on product market share and history. Our human resources, equipment, and capital are finite resources. I believe that management's role is to always make the optimal decisions for enhancing corporate value based on the limitations we face.

JX Advanced Metals Group Philosophy: Shifting from Awareness and Penetration to Practical Application

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 the JX Advanced Metals Group's Philosophy announced in September 2025. This Philosophy provides a foundation for all our activities, with Our Purpose of "Creating Value for a Brighter Future—Powered by technology, passion, and innovation" at its core. Our Philosophy will serve as the driving force behind the achievement of our Long-Term Vision. As president, my most urgent task is to promote awareness and penetration of our Philosophy and ensure that it is put into practice in everything we do as a company and as employees.

In fiscal 2025, in order to better understand employees' reaction to our Philosophy, then Deputy Chief Executive Officer Sugawara Shizuo and I held more than 50 dialogues over a six-month period at the head office and major business sites. This tour enabled us to have direct communication and exchange opinions with approximately 900 employees. Our discussions revolved around Our Purpose, Our Way, and more specifically how our Philosophy connects our past, present, and future, providing participants with rare insights into our history and current state. To the managers, we repeatedly noted that while JX Advanced Metals has the technologies it needs, we are lacking in passion and creativity. I feel strongly that we will never be able to achieve our Long-Term Vision 2040 simply by giving the minimum effort and carrying out the obvious tasks. We will need to combine all of our technology, passion, and creativity to create value and a brighter future.

We cannot avoid difficult issues. We must face them head on and summon courage to make hard decisions. At this stage, we have only succeeded in communicating executives' ideas to employees. The initial reaction of employees and managers has been positive. There have been very few employees saying they do not understand our Philosophy or objecting to our approaches. I also felt there was a strong understanding of Our Purpose and Our Way, reflecting the clarity of their wording.

Now, the real work begins. Putting a philosophy into practice is a different order of difficulty from raising awareness. We are still in the process of discovering just how to infuse our Philosophy into daily behaviors and decision-making, including the executives.

In the JX Advanced Metals Group, we are all equal in our most basic posture towards work, from executives to new university graduates. We approach work with a sincere attitude, sharing our opinions freely and

JX Advanced Metals Group Philosophy (announced in September 2025)

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.

honestly, with a common desire to embrace the challenge of creating value. This is the organization we strive to be. In fiscal 2026, we will advance our discussions on our Philosophy, constantly asking ourselves why it is difficult to put it into practice. In this way, we will strive to translate ideas into action, and infuse the organization with our Philosophy in its truest sense.

Becoming a Company in Which Each Employee Strives to Create Value, Based on New Materiality

As we formulated our Philosophy, we reevaluated the management issues the Company needs to tackle. During this process, we identified specific categories of initiatives required to realize our Philosophy, and these categories themselves were identified as materiality, leading us to reconsider the definition of each of our material issues.

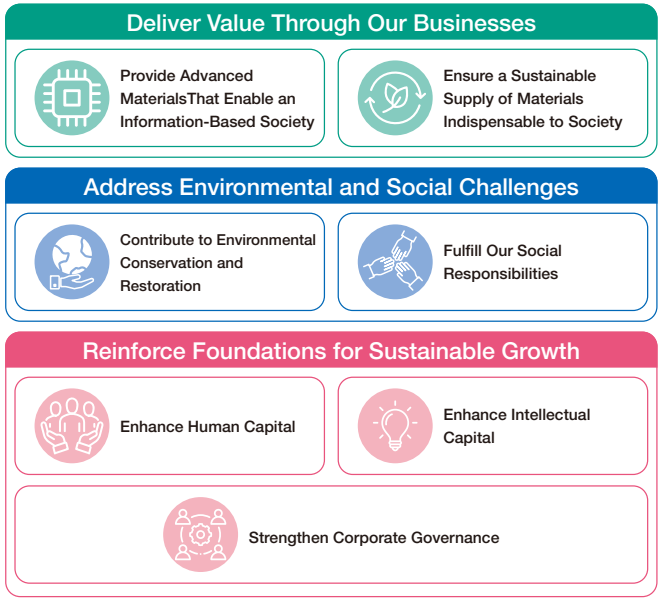
While the existing materiality served as the basis of our deliberations, we also incorporated the principles of integrated thinking, specifically Sustainability Transformation (SX) and the International Integrated Reporting Framework. This approach helped to clarify exactly what value the Group provides to society and what management foundation is required to generate that value. As a result, we restructured the conventional ESG framework around the three overarching themes of “Deliver Value Through Our Businesses,” “Address Environmental and Social Challenges,” and “Reinforce Foundations for Sustainable Growth.” Under those themes, we further defined seven material issues. We announced this revision in April 2026 after approval from the Board of Directors.

During the revision, I viewed “Deliver Value Through Our Businesses” as a particularly important area. We provide value to society through our Focus Businesses, mainly semiconductor and ICT materials, as well as through the Base Businesses, which support the Focus Businesses. This is the reason for our existence. Our highest priority is to “Deliver Value Through Our Businesses,” and our human capital is responsible for ensuring that we succeed. No matter how good a company’s philosophy and strategies are, they are pointless without a commitment from each and every employee to understand their meaning and translate them into concrete action. I believe that the development of our employees, who take the lead in executing our materiality, is what will ensure that we can grow sustainably into the future.

As I mentioned previously, we aim to develop human resources with not only technological and business skills, but the ability to grasp social and market trends from a broader perspective, and use those insights to seize every opportunity to generate new value. In the training programs we are currently implementing, a core cadre of exceptional employees with great potential has begun to emerge. We will provide workplaces and opportunities for all of our employees to take the initiative and continue to grow with experience.

In addition to human resources development, an evaluation system consistent with our Philosophy is also necessary. “Deliver Value Through Our Businesses” does not only refer to the value created through innovative technologies and major business projects. It includes important value creation occurring within an organization, for example workstyle reforms, new approaches to workflows, and other actions making organizations more innovative. In that sense, it is important for us to grow as an organization so that we better understand the full scope of “value” and properly assess employees who take on challenges.

Materiality of the JX Advanced Metals Group (announced in April 2026)



Optimizing the Capital Structure to Further Enhance Corporate Value

In the past year, we made important management decisions to resolve two major issues that the JX Advanced Metals Group had faced for many years. First, in May 2026 we announced a tender offer for own shares to acquire a portion of our common shares held by ENEOS Holdings, Inc. (ENEOS HD). Reducing ENEOS HD's shareholding ratio will help us secure a flexible capital policy. This has been an important management issue deliberated internally since our IPO. One of our concerns was the potential impact of ENEOS HD releasing a large number of shares into the market. Therefore, we decided to fund the share repurchase tender offer through the issuance of convertible bonds. This decision was made to minimize the impact on existing shareholders, particularly medium- to long-term shareholders.

Our second major management decision was converting Toho Titanium Co., Ltd. into a wholly owned consolidated subsidiary in June 2026. Toho Titanium operates a titanium business, a catalyst business utilizing titanium intermediaries and related technologies, and chemical business. The Company has had a capital and business alliance with Toho Titanium, with a 50.38% stake previous to the conversion. We deliberated all the options regarding our relationship with Toho Titanium, and after a comprehensive consideration of the business synergies and management risks, we decided to make the company a wholly owned subsidiary and split off part of its operations. The combination of the two companies' management resources will allow us to further strengthen the high-purity titanium business, which has enjoyed growing demand amid the AI data center boom, stabilize our supply chain by reinforcing the titanium sponge business, and leverage synergies by fusing core technologies to expand new business opportunities.

In both cases, our decisions were designed to optimize the capital structure. Moving forward, we will continue to promote capital policies with the aim of enhancing corporate value and supporting sustainable growth.

Leveraging Engagement with All Stakeholders as a Source of Growth

In the short to medium term, the market conditions surrounding the JX Advanced Metals Group are providing a tailwind to our business. In this market environment, we will continue to pursue business portfolio reforms in a timely manner. To realize our Long-Term Vision 2040, however, we will need to effect organizational reforms that enable all employees to broaden their business vision and continue to take on challenges, based on our Philosophy.

In 2026, we made Toho Titanium a wholly owned subsidiary after executing a similar conversion with TATSUTA Electric Wire and Cable Co., Ltd. in 2024. These initiatives aimed to not only generate business synergies, but strengthen our human capital by acquiring exceptional talent and optimizing the allocation of human resources across the entire Group. We will enhance engagement with internal stakeholders, our Group employees, to establish an environment in which each employee can proactively take on challenges, and then harness this momentum into the driving force behind the realization of our long-term vision.

We have also built new engagement with shareholders, investors, and other external stakeholders by leveraging the opportunities afforded by our status as a public company. Moving forward, I will actively create new opportunities for dialogue with stakeholders, broaden my vision of the world, anticipate the future needs of our customers, and continually create new value. In this way, I will lead the JX Advanced Metals Group as we aspire to realize our vision. I appreciate your continued support as we strive towards new challenges and growth.



Value Creation Strategy

Materiality

Identifying and Revising the Material Issues of the JX Advanced Metals Group

In fiscal 2025, the JX Advanced Metals Group revised the material issues identified for priority action to realize our Long-Term Vision 2040. KPIs have been set for each material issue, and the Sustainability Committee, chaired by the president, implements this system, measuring and assessing levels of achievement for these KPIs.

JX Advanced Metals Group Philosophy

Our Purpose	Our Way
Creating Value for a Brighter Future Powered by technology, passion, and innovation	Courageous Spirit, Purposeful Collaboration, Mutual Respect, Flourishing Together

JX Advanced Metals Group Long-Term Vision 2040
Contribute to sustainable societies as a global leader in semiconductor and ICT materials

Previous Materiality

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

Reviewed in fiscal 2025

New Materiality

Deliver Value Through Our Businesses
- Provide Advanced MaterialsThat Enable an Information-Based Society
- Ensure a Sustainable Supply of Materials Indispensable to Society

Address Environmental and Social Challenges
- Contribute to Environmental Conservation and Restoration
- Fulfill Our Social Responsibilities

Reinforce Foundations for Sustainable Growth
- Enhance Human Capital
- Enhance Intellectual Capital
- Strengthen Corporate Governance

Fiscal 2026 KPIs for the Materiality

Achieve CAGR of 35–40% in the operating profit of the advanced materials business in fiscal 2027 (vs. fiscal 2023)	Quantitative
Establish a structure consistently responsive to demand	Qualitative
Secure stable supply of minor metals critical to providing advanced materials	Qualitative
Promote measures to expand resource recycling	Qualitative
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	Qualitative
Landfill disposal rate: Less than 1% in fiscal 2026	Quantitative
Percentage of employees taking human rights training: 100% in fiscal 2026	Quantitative
Conduct survey of human rights in supply chains	Qualitative
Build relationships of trust with local communities, the foundation of our business activities	Qualitative
Comprehensive human capital index* 100 pts or higher * HR goal achievement status (70–120 pts) x Engagement score (actual score/target)	Quantitative
Reduce serious occupational accidents: Less than 0.7 accidents (four days or more of lost work time) per 1,000 workers in fiscal 2026	Quantitative
Build a framework to support technology-based management	Qualitative
Ratio of R&D expenditures for advanced materials and new businesses: 80% or more in fiscal 2026	Quantitative
Reform work styles with generative AI and foster a corporate culture that utilizes AI	Qualitative
Enhance and efficiently operate risk management	Qualitative
Quality control training: 500 participants or more in fiscal 2026	Quantitative
Zero security incidents	Quantitative
Compliance training tailored to business characteristics and social movements, etc.	Qualitative

Revision Process

In revising our materiality, we built upon the existing framework while clarifying the value we provide to society and the management foundation that supports such value creation, taking into account the concept of Sustainability Transformation (SX) promoted by Japan's Ministry of Economy, Trade and Industry (METI), as well as integrated thinking reflected in the International Integrated Reporting Framework. As a result of these deliberations, we restructured the ESG framework around three pillars, "Deliver Value Through Our Businesses," "Address Environmental and Social Challenges," and "Reinforce Foundations for Sustainable Growth," and identified seven material issues under these.

Verification of Timeliness and Coverage

The charts below illustrate the verification process for timeliness and coverage. The basis for the newly revised materiality was the priority issues for CSR activities identified in fiscal 2018. These were reviewed to ensure the new materiality comprehensively reflects recent changes in the business environment surrounding the Group and important sustainability issues.

① In addition to the 34 issues identified in fiscal 2018, we referenced such international standards as SASB, GRI, and ESRS, along with publicly disclosed items of other benchmark companies. The result was a long list of approximately 70 sustainability issues.

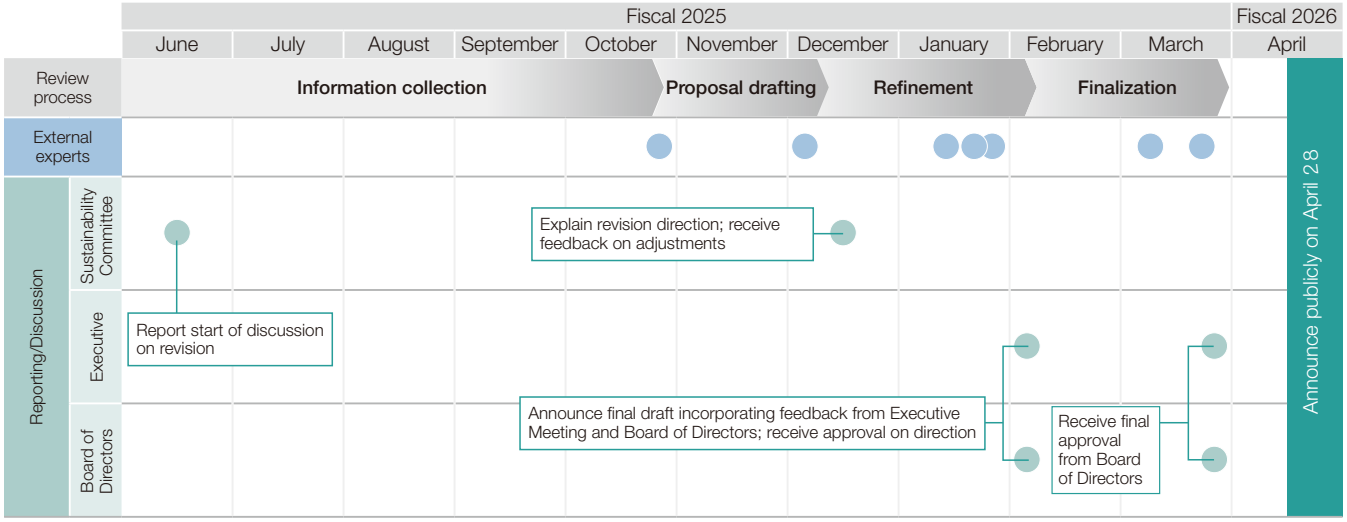
② Next, we narrowed it to a short list of between 30 and 40 issues based on a qualitative evaluation from the perspectives of relevance to sustainability, financial importance, and impact on society.

③ We reviewed each issue based on the two-dimensional evaluation approach illustrated below, and compiled a final list of social issues that are particularly important for the Company (approximately 30 issues).

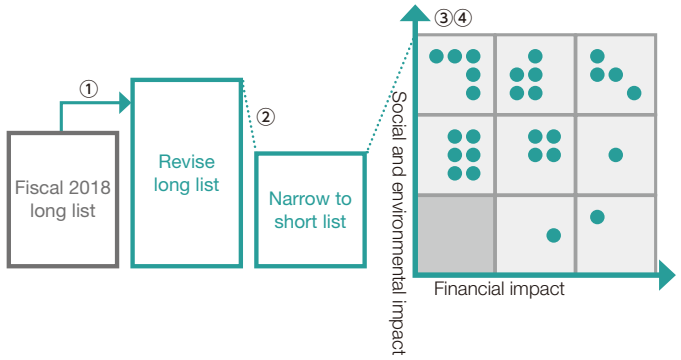
- X axis: Financial impact (financial impact on Company based on impact size and likelihood of occurrence)
- Y axis: Social and environmental impact (level of external expectations based on SASB, GRI, and other international standards, as well as public data from benchmark companies)

④ Based on our verification of the relevancy between these priority issues (approximately 30 items) and the new materiality, we confirmed that all the priority issues were properly reflected in the newly revised materiality.

Materiality Review Process



Verification Process for Timeliness and Coverage



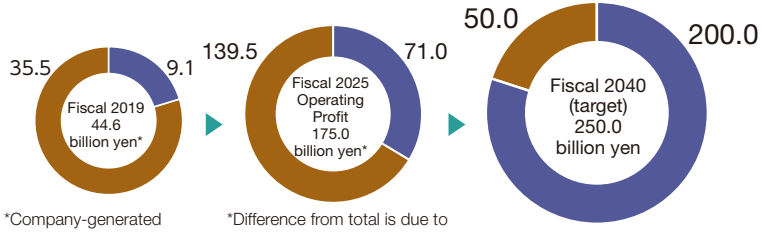
Web→ Our Sustainability Management
https://www.jx-nmm.com/sustainability/2026/strategy/

History of Value Creation

The JX Advanced Metals Group has, since our founding in 1905, striven to generate new value while adapting to the various changes in the business environment. In fiscal 2019, we announced our Long-Term Vision 2040, a plan to transform ourselves from a process industry-type firm to a technology-based company. The core goals of the Vision are to contribute to sustainable societies as a global leader in semiconductor and ICT materials, and increase our operating profit to 250 billion yen by 2040.

Operating Profit

Focus Businesses Base Businesses



*Company-generated data based on ENEOS Holdings' Metals Business results

*Difference from total is due to shared expenses, etc. (-35.5 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.

From 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. In addition, in 2025 and 2026, we earmarked a total capital investment of 150 billion yen to expand production capacity for InP substrates.

New Hitachinaka Works



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.



1905 Established

1929 Established Nippon Mining

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

2016 Changed Japanese name of JX Nippon Mining & Metals

2024 TATSUTA Electric Wire and Cable becomes a wholly owned subsidiary

2026
- Converted Toho Titanium into a wholly owned subsidiary
- Started operations at new Hitachinaka Works

Fiscal 2025
Net Sales
884.6billion yen
Employees:
10,450
Based on Annual Securities Report

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

Toho Titanium



TATSUTA Electric Wire and Cable



1905 Opened the Hitachi Mine

Company founder Kuhara Fusanosuke opened the Hitachi Mine in Ibaraki Prefecture, launching the resource 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 TANIOBIS GmbH)

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



Value Creation Model [Overview]

The JX Advanced Metals Group works to identify the social issues calling for resolution by JX, and seeks to promote its value creation model to achieve sustainable growth and help resolve 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

JX Advanced Metals Group Long-Term Vision 2040

Input

- Financial capital
- Manufacturing capital
- Human capital
- Intellectual capital
- Social and relationship capital
- Natural capital

*Please see P.19 for details.

Business Model

Focus Businesses
- Semiconductor Materials Segment
- ICT Materials Segment

Base Businesses
- Metals & Recycling Segment

*Please see P.29-38 for details.

Materiality

Deliver Value Through Our Businesses
- Provide Advanced MaterialsThat Enable an Information-Based Society
- Ensure a Sustainable Supply of Materials Indispensable to Society

Address Environmental and Social Challenges
- Contribute to Environmental Conservation and Restoration
- Fulfill Our Social Responsibilities

Reinforce Foundations for Sustainable Growth
- Enhance Human Capital
- Enhance Intellectual Capital
- Strengthen Corporate Governance

Output

Sputtering targets for semiconductors

CPUs, GPUs, Data Centers

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

Smartphones, Mobility, Wearables

Indium Phosphide Compound Semiconductor Substrates

Data Center and Optical Communication Network

High-Purity Tantalum Powder

Smart Phone and Data Center

Wide Variety of Basic Materials

Electrolytic Copper | Precious Metals | Recycled Raw Materials (Scrap Circuit Boards)

Ratio of Recycled Raw Materials in Electrolytic Copper: 26.2%

Outcome

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

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

Enhance capital

[Management Capital]

	Financial capital	Manufacturing capital	Human capital	Intellectual capital	Social and relationship capital	Natural capital
Capital Distinctions	Continual growth investments, backed by an earnings structure and sound financial position resting on robust relationships with client companies. We aim to sustainably increase corporate value by further reforming our business and product portfolios and enhancing our ability to generate cash.	Establishment of a global production structure, with overseas locations in addition to major domestic works, enabling us to respond to various customer requests as a technology-based company. We stably supply high-quality materials and products through the maintenance of facilities able to handle a diverse range of materials, from advanced materials to rare minerals.	Ability to thoroughly address and solve challenges based on an accurate understanding of business issues and latent customer needs. Sales, development, manufacturing, and administrative departments integrate their capabilities, using their expertise in mineral resources and materials as a foundation, while maintaining safety, the environment, and quality as the highest priorities. Our organizations have the technological capability and flexible business acumen to respond to sophisticated requests from global companies, which supports long-term relationships of trust with customers and value creation.	The main distinction is the diverse wealth of fundamental technologies (core technologies) amassed in the business and R&D since our founding. These core technologies can be combined to rapidly propose new materials matching the needs of client companies and markets.	The Company promotes business activities with the support of stakeholders in and outside Japan. The main distinction is the strong relationships we have built with client companies over the years through the stable supply of high-quality products. Additionally, since our founding, we have remained committed to the spirit of coexistence and co-prosperity with communities.	The development and promotion of our business are dependent on a significant amount of natural capital. The high reliance on natural mineral resources, primarily mined resources, is the main distinction. Recycling programs support the efficient use of these resources.
Major Indicators	● Total assets (consolidated) 1,505.3 billion yen ● Net assets 838.3 billion yen ● Shareholders' equity ratio 48.3% ● ROE 15.6% ● Net Debt/EBITDA 1.2x	● Number of business locations 70 ● Capital investment 77.9 billion yen	● Employees (consolidated) 10,450 *Based on Annual Securities Report ● Engagement index 67.2 ● Hiring fulfillment rate 89.7% ● Turnover rate 3.1% ● Technical specialists (ratio of R&D staff) 11.3%	● Number of patents held 4,884 ● R&D expenses 20.0 billion yen ● Portion for advanced materials, new businesses 18.8 billion yen	Establishment of collaborative relationships underpinning our ability to sustainably create value, through such measures as maintaining and strengthening trusted relationships with local communities, suppliers, client companies, investors, shareholders, and external partners	● Primary raw material input 1,436 kt *1 ● Recycled raw material input 207 kt ● Energy consumption 7,754 TJ ● Water consumption 51.9 million m^3 *1 Including portion owned by Pan Pacific Copper Co., Ltd., which became a consolidated subsidiary in March 2024, considering the integrated nature of business with the Company.
Enhancement Measures	● Promote further business portfolio reforms ● Steadily implement business plan ● Enhance profitability through price pass-throughs, higher productivity	● Increase production capacity through new site construction and existing site expansion (construction of new Hitachinaka Works, etc.) ● Promote productivity enhancement measures through DX, automation, process improvement	● Optimize the human resources portfolio ● Revise human resources system (grading, performance evaluations, compensation) ● Establish educational environment enabling self-directed career development ● Improve employee engagement ● Promote DE&I (empowering female employees and persons with disabilities) ● Establish sustainable work environment based on health and safety	● Advance technology development for next-generation semiconductors, energy, aerospace, medicine, emerging next-generation technologies, etc. ● Strengthen framework for creation and protection of intellectual property ● Develop intellectual property human resources	● Continue to provide a stable supply through production capacity expansion ● Manage quality thoroughly ● Promote community dialogues and social contributions ● Promote supplier engagement ● Enhance constructive dialogues with investors and shareholders ● Promote collaborative creation with external partners	● Promote value creation through business activities ● Promote resource recycling ● Promote decarbonization ● Promote nature-positive initiatives
Links	● Message From the Executive Officer in Charge (Financial Strategy) P.25 ● Strategy by Segment P.29 ● Investors > Performance/Financial Information Web	● At a Glance P.7 ● Strategy by Segment P.29 ● Enhancing Human Capital P.53 Web	● Message From the Executive Officer in Charge P.25 ● Enhancing Human Capital P.53 Web	● The Source of Our Value Creation P.20 ● Enhancing Intellectual Capital P.57 Web	● The Source of Our Value Creation P.20 ● Fulfilling Our Social Responsibilities P.49 Web	● Contributing to Environmental Conservation and Restoration P.41 Web

The Source of Our Value Creation

The JX Advanced Metals Group's strengths lie in our highly specialized human capital, core technologies, research and development, and strong relationships with client companies cultivated through these competencies. These strengths work together effectively to drive continuous value creation, even in times of rapid change.

Core Technologies Making Customer Requirements a Reality

Purification	Our proprietary refining and electrolysis technologies remove impurities from metals to the greatest extent possible. We deliver products with industry-leading quality.
Composition and Microstructure Design	We precisely design crystal structures and particle sizes in metal, ceramic and single-crystal materials using proprietary processing and heat treatment technologies.
Surface Design	We maximize the functionality of materials through a wide range of surface treatment technologies, including polishing, etching, plating, and bonding.
Separation, Extraction, and Refining	We leverage our advanced analytical instruments and high-precision evaluation techniques to assess material characteristics from multi-faceted perspectives, and achieve requested functionality and quality.
Precision Rolling and Fabrication	Our high-precision fabrication technologies enable mass production of 6 μm copper foil, the thinnest in the world, as well as the manufacture of high flatness substrates used in advanced semiconductors.
Powder Design	We manufacture various powders with diverse compositions, including alloys and oxides, and precisely design particle size and distribution according to their use in order to deliver highly functional powder materials.
Analysis, Evaluation, and Examination	We leverage our advanced analytical instruments and high-precision evaluation techniques to assess material characteristics from multi-faceted perspectives. We achieve requested functionality and quality.

Handling a Broad Range of Materials

JX Advanced Metals has established systems for handling a broad range of metallic elements, including major base metals, as well as minor and precious metals, allowing us to flexibly respond to cutting-edge materials manufacturing. 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.

Metals we manufacture　Metals we refine to high purity

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

*1 Lanthanoid	La	Ce	Pr	Nd	Pm	Sm	Eu	Gd	Tb	Dy	Ho	Er	Tm	Yb	Lu
*2 Actinoid	Ac	Th	Pa	U	Np	Pu	Am	Cm	Bk	Cf	Es	Fm	Md	No	Lr

Expert Sales Approach and Follow-Through on Front Lines

Our ability to create high-value-added products is driven by our discerning eye for sales, through which we develop deep insights into customers' issues and market needs, combined with our frontline development and follow-through ability backed by material and process technologies. We leverage a cutting-edge quality management system that fully integrates processes from R&D through mass production, enabling us to rapidly and reliably transform customer requirements into products. The establishment of long-term, trusted relationships and competitive superiority is the driving force behind our ability to generate value.

Integration of Sales, R&D, Engineering

Sales

Dialogues with customers enable us to grasp latent needs and market trends, leading to new technological and business opportunities. Sales teams define customers' challenges in concrete terms, and then collaborate with research and engineering departments to create new value for the customers.

R&D

We generate new materials and processes through R&D that leverages core technologies and sophisticated analysis and assessment technologies amassed over the decades. With insights into market needs and social challenges, our R&D supports highly competitive products and businesses.

Engineering

We leverage our advanced manufacturing technologies and facility development capabilities to ensure that the fruits of our research are delivered to society steadily and at high quality. Mass production and continual improvement programs at our factories support our business growth.

Strong relationships with customers

Semiconductor Materials Web
ICT Materials Web

Feature Article 1

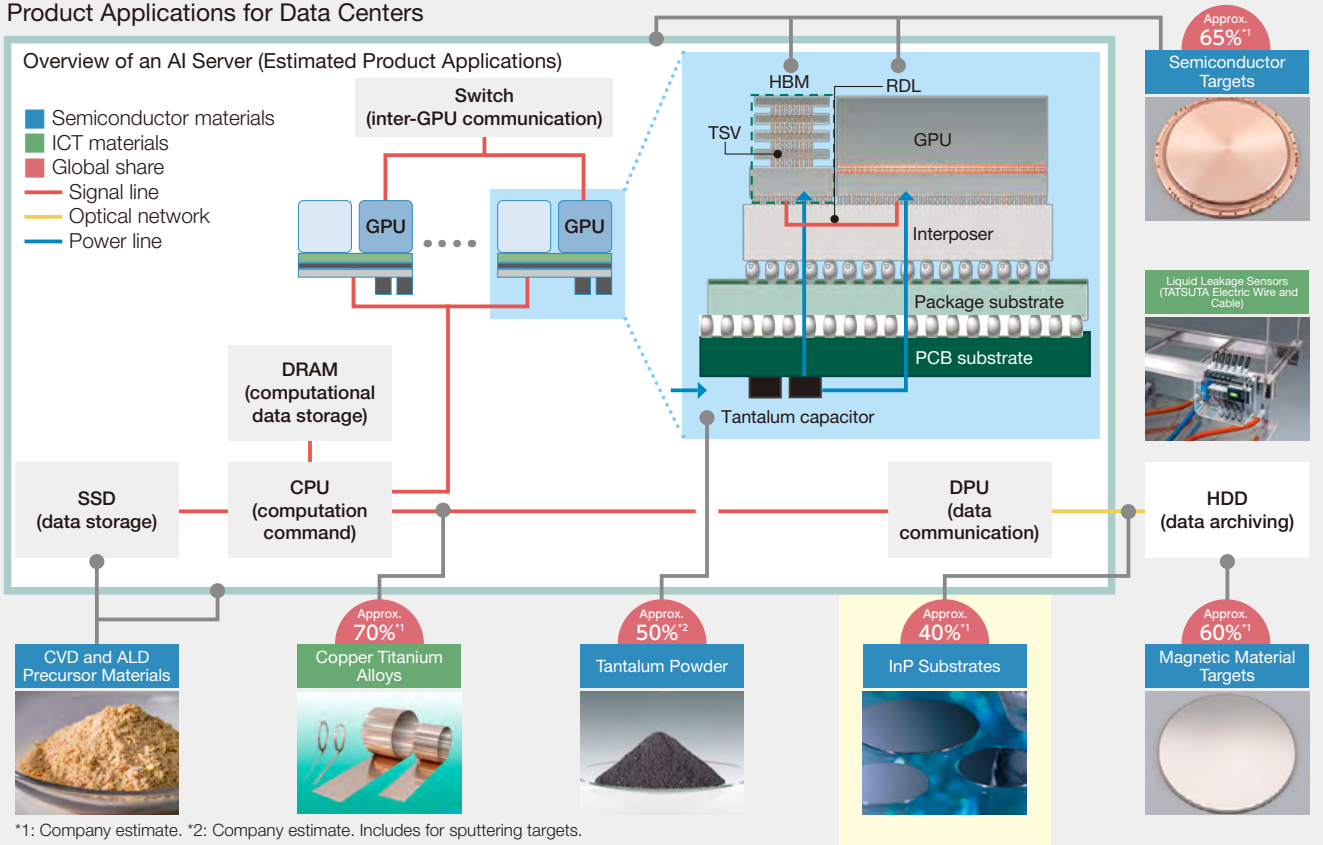
Providing Advanced Materials That Enable an Information-based Society

Demand for high-performance semiconductor and ICT materials is growing in conjunction with advances in data centers and communications infrastructure. The JX Advanced Metals Group contributes to the realization of a highly advanced information-based society through its supply of a broad range of cutting-edge materials.

Product Applications for Data Centers

The performance and data capacity of servers used in data centers are being rapidly upgraded to support the widespread adoption of generative AI and expansion of cloud-based services. We supply a range of advanced materials to support this market's growth, including sputtering targets for semiconductors, InP substrates, tantalum powder, and copper titanium alloys. These materials are indispensable to semiconductor miniaturization, high-speed data transfer, stable power supplies, high-density mounting, and other applications. Furthermore, targets for magnetic devices and liquid leakage sensor materials raise the reliability of data center facilities and contribute to stable operations. Through an array of materials technologies, we are contributing to the development of data centers serving as the foundation for an advanced information-based society.

Product Applications for Data Centers



*1: Company estimate. *2: Company estimate. Includes for sputtering targets.

Surging demand for optical communications for data centers

Generative AI's advancement, along with the broad adoption of agentic and physical AI, has led to a surge in the amount of data processed at data centers. In conjunction with these trends, the demand for InP substrates used in optical transceivers is growing far beyond our projections.

With expectations of even greater demand growth, we made decisions in July 2025, October 2025, and February 2026 to increase production of InP substrates in stages. In June 2026, we took an even larger step by earmarking a maximum of 120 billion yen over the next four years in additional investment for capacity increases. The combined investment of all of these announcements totals approximately 150 billion yen, enabling us to increase production capacity seven to 10 times compared with fiscal 2025 levels.

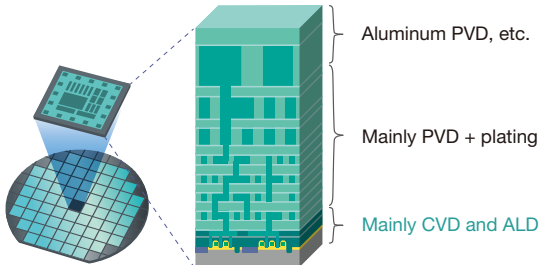
Feature Article 1: Providing Advanced Materials That Enable an Information-based Society

CVD and ALD Precursor Materials

There has been a surge in demand for logic semiconductors, 3D-NAND, HBM, and other high-performance semiconductors supporting the adoption of generative AI and construction of data centers. These semiconductors require greater miniaturization and multi-layering of wiring, and for these ever-more-complex structures, CVD and ALD materials are increasingly critical to film deposition. The JX Advanced Metals Group develops and manufactures CVD and ALD materials such as molybdenum compounds produced with our high-purification technologies. These materials help raise semiconductor performance and yield rates. In 2025, we completed a facility expansion project at Toho Titanium's Chigasaki Plant, which is now operating at full capacity. Additionally, in 2026, we launched a mass production line at the Ibaraki Office (Hitachi district) and have begun full-scale shipments. Moving forward, we will continue to expand our product lineup to meet demand growth.

□Application Areas (Image)

	PVD	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



Cross-sectional view of a semiconductor chip

Priority Fields for New Businesses

We continue to develop new businesses by leveraging the technologies and customer base cultivated in existing businesses. We are prioritizing new business endeavors in growth areas such as next-generation semiconductors, energy, aerospace, medicine, and emerging next-generation technologies.

In the field of next-generation semiconductors, we are promoting the commercialization of our CVD and ALD materials and advanced packaging materials to meet surging demand amid generative AI development. There are fresh business opportunities for battery materials in the energy field, drone and additive manufacturing materials in the aerospace field, catheter- and CT-related products in the medical field, and new materials in such emerging areas as robotics and nuclear fusion. We are making inroads in these and other fields with promising future growth.

□Priority Fields for New Businesses

Next-generation semiconductors	CVD・ALD	Advanced packaging
Energy	Batteries	Catalysts
Aerospace	Drones	Additive manufacturing
Medicine	Catheters	CT
Emerging next-generation technologies	Robotics	Nuclear fusion

Further expand new business fields through Group synergies (Toho Titanium and TATSUTA Electric Wire and Cable, etc.) as well as inorganic growth.

Expanding Business Opportunities Through Group Synergies

We are enhancing the coordination of technologies held by each Group company along with their customer bases in order to expand business opportunities in growth fields.



Toho Titanium Co., Ltd.

The conversion of Toho Titanium into a wholly owned subsidiary in 2026 has offered an opportunity for the Group to accelerate cutting-edge materials development using Toho Titanium's technologies, including chlorination, high purification, and powder design. The combination of JX Advanced Metals' and Toho Titanium's CVD and ALD materials technologies for next-generation semiconductors will enhance our competitive superiority and expand our business.



TATSUTA Electric Wire and Cable Co., Ltd.

At TATSUTA Electric Wire and Cable, we expanded manufacturing facilities and reinforced our stable supply structure to meet a surge in demand for liquid leakage sensors. These sensors are critical to preventing liquid leakages in liquid-cooled servers that are growing increasingly common with the expansion of AI data centers. The JX Advanced Metals Group will continue to combine our diverse range of technologies and business foundations in our ceaseless effort to create new value.

Feature Article 2:

Ensuring a Sustainable Supply of Materials Indispensable to Society



The demand for non-ferrous metals continues to grow amid advances in digitalization and decarbonization. The supply of these resources, however, has become increasingly unstable due to resource limitations and geopolitical risks. The JX Advanced Metals Group is striving to achieve both stable supplies and resource recycling in this business environment. We have therefore made the sustainable supply of materials one of our material issues.

Materials Indispensable to Society

Advanced materials incorporating copper and minor metals are indispensable to the development of AI and the decarbonization of society. To ensure the stable supply of these advanced materials, it is critical to sustainably secure the mineral resources used as raw materials. In the semiconductor field, multiple types of minor metals are essential for different applications. The stable supply of these non-ferrous metals is absolutely critical to maintaining industrial competitiveness and ensuring the sustained functioning of social infrastructure.

One of the material issues of the JX Advanced Metals Group is to “ensure a sustainable supply of materials indispensable to society.” With the supply of materials essential to society placed at the heart of our value creation activities, we operate our Base Businesses and Focus Businesses in an integrated manner.

Integrated Operational Model to Ensure Stable Supplies

Our Base Businesses are responsible for mineral resources, smelting, and recycling. Specifically, we secure mineral resources from mines, smelt and supply copper and minor metals, and then recover and recycle end-of-life products to promote resource recycling. This combination of primary mineral resources and recycled materials has enabled us to build a diverse raw materials portfolio. This has increased our resilience to mineral resource price fluctuations and the risk of supply restrictions, thereby strengthening our sustainable supply foundation.

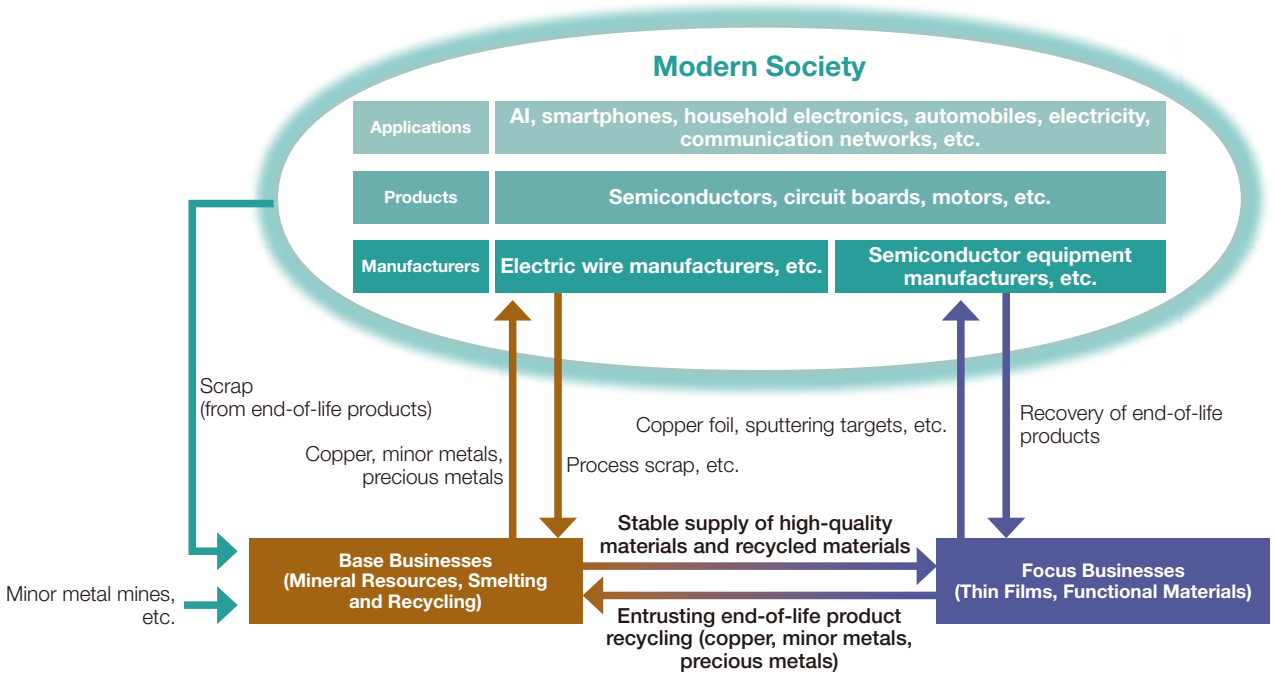
In our Focus Businesses, we deliver sputtering targets and other high-value-added materials critical to semiconductor manufacturing. Furthermore, we directly recover used materials and metal scrap generated in customers’ manufacturing processes. By coordinating with the Base Businesses, we can recycle these materials and raise the rate of recycled inputs in our products while improving procurement reliability.

Through these initiatives, we are enhancing the resource efficiency of the entire supply chain, while stabilizing supplies and reinforcing our earnings foundation.

Our business model fully integrates the entire process from the procurement of mineral resources to the supply of high-value-added products and through to resource recycling. This model promotes both sustainability and economy, allowing us to establish a business foundation that can flexibly respond to changes in the external environment.

Resource recycling represents one of the core strengths of the JX Advanced Metals Group’s distinctive business model. Through this model, we are able to mitigate mineral resource restrictions and environmental impact, while also maximizing the value of non-ferrous metals indispensable to society. In this way, we are increasing our medium- to long-term corporate value and contributing to the realization of a sustainable society.

□A Stable Supply Structure Bridging Society and Business



Feature Article 2: Ensuring a Sustainable Supply of Materials Indispensable to Society

Strengthening the Minor Metal Supply Chain

The JX Advanced Metals Group is building an integrated supply chain, from mineral resource procurement through manufacturing, for tantalum sputtering targets essential to the manufacture of cutting-edge semiconductors. In 2018, we acquired all shares in German company TANIOBIS GmbH*, one of the world's leading suppliers of tantalum and niobium powders used in capacitor and semiconductor materials. In 2022, we acquired all shares in Tokyo Denkai Co., Ltd. in order to bolster our ingot manufacturing capabilities and construct an integrated supply structure from raw-material powders through targets. From 2023, we have participated in the business of producing tantalum raw materials at the Mibra Mine in Brazil. This upstream access to mineral resources has enabled us to strengthen our stable supplies of tantalum materials. In addition, we are expanding our resource recycling by reclaiming valuable resources from end-of-life targets and process scrap. Through these initiatives, we promote responsible procurement and stable supplies to enhance the competitiveness of our advanced materials business.

*Company name was H.C. Starck Tantalum and Niobium GmbH at the time of acquisition.

Tantalum Target Business Supply Chain



Supply Chain Reinforcement Initiatives

Participation in tantalum materials production business at Mibra Mine (2023)
We strengthened our upstream business foundation in minor metals through participation in the production of tantalum raw materials at Brazil's Mibra Mine. Group company TANIOBIS procures tantalum concentrate from the mine on a priority basis, ensuring that the Group can secure enough raw materials for the stable supply of its advanced materials. This scheme also ensures supply chain transparency and promotes responsible procurement.

Acquisition of all shares in TANIOBIS (2018)
Based in Germany, TANIOBIS is among the world's leading tantalum and niobium businesses. With the acquisition of the company, we secured a business foundation for high-performance tantalum powder and compounds, while enhancing the competitiveness and growth potential of our advanced materials business.

Acquisition of all shares in Tokyo Denkai Co., Ltd. (2022)
The acquisition of Tokyo Denkai strengthened our ingot manufacturing functions for tantalum targets. The coordination of activities between TANIOBIS and Tokyo Denkai has enabled us to build an integrated supply structure, from raw material powder through targets, enhancing the resiliency of the supply chain and achieving stable supplies.

Recycling
We promote recycling of used targets and process scrap. The expansion of tantalum recycling will support our ability to secure mineral resources while enhancing the sustainability of the supply chain.

Establishing Stable Copper Supplies and Recycling-Based Supply Chains

The JX Advanced Metals Group is striving to provide stable supplies of copper by maintaining and reinforcing the smelting foundation in Japan and expanding our resource recycling. The smelting function plays a central role in the copper supply chain by converting the raw inputs into high-quality electrolytic copper. Maintaining and improving the competitiveness of these operations underpin the stable supply foundation.

In the smelting business, we are progressing with the restructuring of Pan Pacific Copper Co., Ltd. (PPC) in light of the changes in the global business environment. As a leading domestic supplier of electrolytic copper, PPC plays an important role in supporting the copper supply chain in Japan. We are consolidating the raw material procurement and sales functions of PPC to raise business efficiency and competitiveness, while bolstering the company's smelting foundation.

In the area of resource recycling, we are promoting a Green Hybrid Smelting system in which copper concentrate from the mines are mixed with recycled raw materials. The mass balance method is also being utilized to promote the supply of recycled copper. These initiatives are helping to visualize the actual use of recycled raw materials in the supply chain, giving momentum to the use of recycled materials. In addition, JX Metals Circular Solutions Co., Ltd. is collaborating with client companies to recover, recycle, and reuse copper from end-of-life products and scrap as part of our effort to build a recycling-oriented supply chain.

Three Pillars of Environmental Conservation and Restoration ····· See P.41

JX Advanced Metals' recycled copper, "Cu again"
Web→ https://www.jx-nmm.com/products/cu_again/

Message From the Executive Officer in Charge



Senior Executive Officer
In charge of Planning & Coordination, Corporate Communication, Finance, Administration, Legal, and Human Resources Departments and Ibaraki Office

Kawaguchi Yoshiyuki

A Year of Transformations and Challenges Towards Sustainable Growth

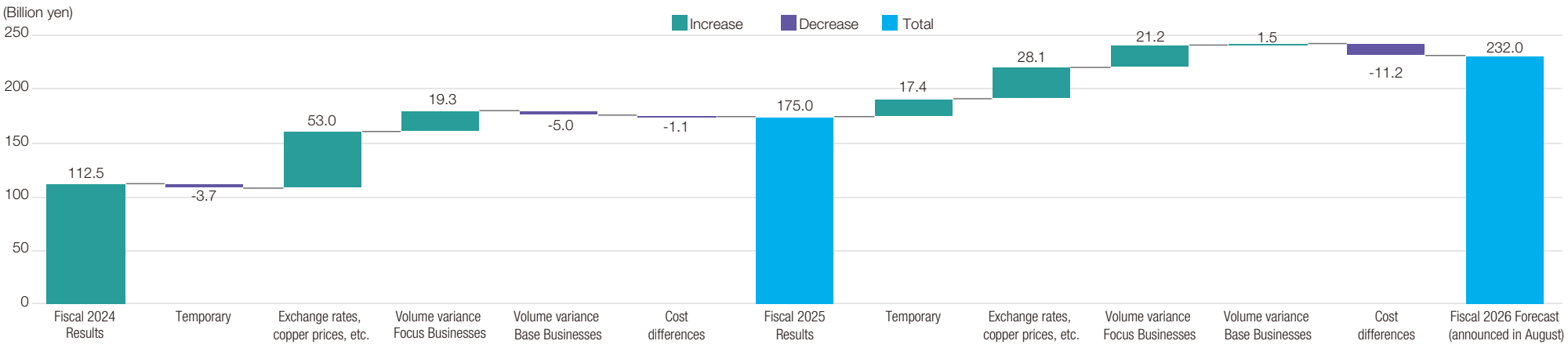
Based on Our Purpose of "Creating Value for a Brighter Future," we strive to be a company that can grasp change in the social environment and continually create value needed for the future. In 2025, we carried out an IPO in March and then continued on our course of Group-wide structural reforms, growth investments, and foundational reinforcements. Overall, we forged a clearer path to greater growth.

More specifically, we used the capital from divestitures of copper mining interests to make growth investment in our Focus Businesses, reinforce the supply chain, and make capital investments to boost production capacity and meet a wave of demand. At the same time, we were able to rationalize the size of our Base Businesses. Furthermore, we made steady progress reforming and optimizing the Group's capital structure. These initiatives included the decision to make Toho Titanium Co., Ltd. a wholly owned subsidiary and a tender offer to acquire a portion of our common shares owned by ENEOS Holdings, Inc.

In addition to these business initiatives, we undertook a revision to our management priorities (materiality) in conjunction with the formulation of the Group's Philosophy. I believe that our most basic role as a corporate entity is to provide value needed by society and to earn a steady return from that value. Our new materiality includes the theme of "Deliver Value Through Our Businesses," which serves to clarify the reason for our existence. I believe it is important for each and every employee to embrace this theme, accept ownership, and put it into practice.

Reviewing our fiscal 2025 financial results, the main products in the Focus Businesses achieved higher sales amid the AI investment boom, while higher copper prices also contributed to sales growth. The Group's consolidated operating profit totaled 175.0 billion yen, a year-on-year increase of 55.6%. Although the figures themselves were strong, it is important to recognize that factors associated with the external environment, such as soaring metals prices and foreign exchange rates, also had a major contribution. In performing a self-evaluation, I felt our Focus Businesses still had more room for growth despite the increase in both sales and profits.

Operating Profit



Fiscal 2026 Strategy and Initiatives

In fiscal 2026, we expect both metals prices and foreign exchange rates to continue providing a short-term tailwind to our business. Overall, with interest rate increases and foreign exchange volatility risks compounded by heightened geopolitical risks, uncertainty continues to cloud the horizon and the medium- to long-term outlook remains unpredictable.

For the JX Advanced Metals Group, we must strengthen our distinctive competencies and establish a resilient earnings structure independent of external factors.

The two most urgent issues before us are the optimization of product prices and the stable procurement and securing of raw materials. With regard to product prices, we have begun to study revisions to each product group using the principle of supply and demand as the basis. In light of the current market conditions, the stable procurement and securing of raw materials is our highest priority. We will address this challenge by continuing to build a firm foundation for the Base Businesses.

We will also continue to prepare for such external factors as risks related to interest rates and market fluctuations as well as geopolitical change. In this regard, we will continue to optimize our business portfolio while remaining proactive by taking any steps we can ourselves, such as allocating reserves in anticipation of future risks. Through these measures, we forecast increases in both sales and profit for fiscal 2026, with consolidated net sales of 1,025.0 billion yen and operating profit of 232.0 billion yen.

Honing Our True Strengths to Build an Earnings-Generating Structure

Since the formulation of our long-term vision in 2019, we have endeavored to transition to a portfolio centered on Focus Businesses while optimizing the structure of our Base Businesses.

Our strategy is not simply to lower the ratio of Base Businesses and increase the ratio of Focus Businesses. Rather, our aim is to shift from an earnings structure that is largely vulnerable to such external factors as metals prices and exchange rates, to a structure under which we generate profits based on our true strengths, our distinctive competencies as a technology-based company.

We still operate under a structure benefitting from high metals prices, and the transition to a company that can generate the same level of profits based on its technology and true strengths is still a work in progress. As a Group, however, we are making steady progress in our transformation efforts.

In our Focus Businesses, we are making steady growth investments, and in the Base Businesses, we are optimizing the production scale and increasing profitability through such programs as Green Hybrid Smelting. These and other initiatives represent positive proof of progress in our structural reforms.

Moving forward, I believe it will be important for the JX Advanced Metals Group to accelerate the growth of Focus Businesses to ensure that our true strengths can generate sufficient profits even without the benefit of profits from the mining business.

□Progress Toward Medium- to Long-term Business Targets

		Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026 (announced in August)	Fiscal 2027 Targets*1
Operating Profit	[Consolidated]	86.2 billion yen	112.5 billion yen	175.0 billion yen	232.0 billion yen	CAGR 10% to 15% (Fiscal 2023–Fiscal 2027)
	(YoY Growth Rate)		30.5%	55.6%	32.6%	
	[Focus Businesses]	27.3 billion yen	51.8 billion yen	71.0 billion yen	100.0 billion yen	CAGR 35% to 40% (Fiscal 2023–Fiscal 2027)
	(YoY Growth Rate)		89.7%	37.1%	40.8%	
Operating Margin	[Consolidated]	5.7%	15.7%	19.8%	22.6%	12% to 17%
	[Focus Businesses]	8.8%	12.5%	14.3%	17.1%	15% to 20%
	[Semiconductor Materials Segment]	21.4%	18.0%	22.3%	26.5%	25% to 30%
	[ICT Materials Segment]	0.5%	9.5%	9.9%	11.0%	8% to 13%
Operating Profit Composition Ratio	[Focus Businesses]*2	26%	41%	34%	40%	67% or more
	[Semiconductor Materials Segment]*2	25%	21%	19%	25%	45% or more
ROE		18.3%	11.0%	15.6%	19.8%	10% or more
Net Debt/EBITDA Ratio*3		2.6x	1.6x	1.2x	1.5x	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 ended 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 profit of the Focus Businesses (Semiconductor Materials segment and ICT Materials segment) and the Base Businesses (Metals & Recycling segment), excluding common business expenses. The operating profit of the Focus Businesses is the simple sum of the operating profit of the Semiconductor Materials segment and the ICT Materials segment.
*3 This figure is calculated by dividing net debt (interest-bearing debt – cash and cash equivalents (including ENEOS Holdings group short-term loans)) by EBITDA (operating profit + depreciation expense).

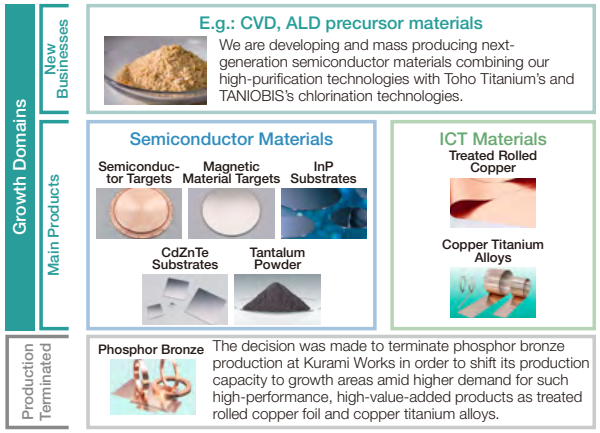
Selection and Concentration to Be No. 1 Globally

We are managing our business domains and product portfolios using the standard of becoming No. 1 globally in the markets in which we compete.

Instead of judging our competitiveness on leading market share alone, we seek the ability to operate businesses and manage products to the point where we can influence market pricing. We are aggressively expanding in fields in which our businesses have this future potential, even though they may earn lower returns currently, while making rapid management decisions on businesses that cannot maintain their current market position.

In regard to the tantalum and niobium business, TATSUTA Electric Wire and Cable, and other businesses acquired as part of our inorganic growth strategy, we made investments based on their future potential rather than their current earnings alone. The tantalum powder business, with surging growth in recent years amid the generative AI server boom, is a prime example of how foresight can be used to implement successful acquisitions. We will apply the same management approach to map out growth strategies for all Focus Businesses and pursue reforms with an even greater sense of urgency.

□Approach to Business Selection and Concentration



The Challenge Towards Sustainable Growth and Capital Efficiency

Investors and shareholders have demonstrated their support for our equity story of pursuing growth around the Focus Businesses. In dialogues with investors, we have listened carefully to their expectations for growth, and we will strive to meet those expectations.

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, thereby maximizing shareholder benefit. Based on this fundamental approach, the current capital allocation policy designates growth investments as the highest priority.

We adhere to financial discipline as a matter of course and use Net Debt/EBITDA as a debt management indicator. Recently, we have issued convertible bonds (CB) to fund a tender offer for our own shares. Including this debt, our current Net Debt/EBITDA ratio is above the target level of 1.5x. As we are currently at a stage where aggressive, continuous growth investments are necessary, we are prioritizing growth with a view to steadily reaping earnings and gradually improving our financial discipline moving forward. We will use a variety of fund procurement methods, including the use of held assets, to effectively manage our balance sheet, with the careful consideration of the timing of our transactions.

Additionally, we use ROE as a key indicator of capital efficiency. In managing ROE, we use the high standards of other companies in semiconductor-related industries as benchmarks. In this way, we aim to consistently generate ROE in excess of our capital costs. With regard to the tender offer for treasury shares and related CB issuance, our goals are to minimize fund procurement costs amid higher interest rates while securing a flexible financial strategy. This scheme enables the Company to raise corporate value through capital efficiency improvements.

Dynamic Capital Allocation Focused on Growth Potential

In response to booming demand in the advanced materials field, the JX Advanced Metals Group has made significant investments since 2022 to enlarge the production capacity, including investments in the new Mesa Plant in North America and the new Hitachinaka Works in Japan.

The pace of change in the semiconductor materials market has been intense, forcing us to make prompt decisions on capital investment to meet demand growth, and then rapidly put new production lines into operation. We have successfully built a structure at our locations in North America and Japan enabling us to secure large tracts of land and sufficient buildings to deploy new facilities at the right timing and seize new opportunities. Currently, demand continues to exceed our projections. We therefore plan to make timely capital investments of more than 100 billion yen annually.

It is important to note, however, that we are not bound to any fixed investment sum. Rather, we will carefully analyze the growth rates in each field and make investments in a flexible and timely manner. This approach will ensure that we can promptly allocate a greater investment to businesses and products demonstrating higher growth potential. Based on this strategy, we will aim to strengthen our earnings and achieve high business growth.

□Consolidated Cash Flow

(Billion yen)

	Fiscal 2025
Cash flows from operating activities	107.5
Cash flows from investing activities	-77.3
Free cash flow	30.3
Cash flows from financing activities	-24.9
Net increase (decrease) in cash and cash equivalents	5.4
Impact of exchange rates, etc.	2.6

□Capital Expenditures

(Billion yen)

	Fiscal 2023	Fiscal 2024	Fiscal 2025
Capital expenditures	79.2	92.3	84.5
Depreciation	39.1	44.0	44.7
R&D expenses	15.9	17.8	20.0

Revising and Clarifying Shareholder Return Policy

Previously, our dividend policy was based on a consolidated payout ratio of approximately 20%. In addition, when copper prices exceeded our assumptions and resulted in higher profits from our Base Businesses, we returned a portion of that excess to shareholders. Stakeholders have pointed out that linkage of a portion of returns to copper prices is difficult to understand. Internally, there has also been concern that with the conversion of Toho Titanium to a wholly owned subsidiary, it is inappropriate to link returns solely to copper prices. Given these concerns, we have decided to clarify and simplify the basic policy by eliminating the linkage of returns to copper prices.

Our new policy is to target a consolidated dividend payout ratio of approximately 25% as a benchmark and establish a minimum dividend of 20 yen per share. However, in the event of large-scale asset disposals or share repurchases, we intend to separately consider the total payout ratio. With regard to the return policy for the fiscal year ending March 31, 2027, the annual dividend will be the minimum amount of 20 yen a share in consideration of the significant increase in total payout ratio following the share repurchase.

□New Shareholder Return Policy

Previous Shareholder Return Policy

Consolidated payout ratio of approx. 20%
Additionally, when
copper prices exceeded
our assumptions and resulted in higher profits from our Base Businesses,
return a portion of that excess to shareholders.

New Shareholder Return Policy

Consolidated payout ratio of approx. 25%
With this as a benchmark, set a minimum
dividend of 20 yen
a share to ensure a stable return to shareholders, even when profits are below expectations.
*In years when transactions have a large impact on the balance sheet, such as asset divestitures or share buybacks, the total payout ratio will also be considered in setting dividend payments.

□Dividends

	Fiscal 2024	Fiscal 2025	Fiscal 2026 (forecast) (announced in August)
Dividend per share*2	18 yen*1	31 yen	20 yen
Dividend payout ratio*2	24.0%*2	27.4%*2	13%*3

*1 Excluding dividends (85 billion yen) paid in November 2024
*2 Reflects higher copper prices
*3 Total payout ratio of approximately 151% including purchase of treasury shares totaling 194.9 billion yen.

Materiality Management With the Aim of Enhancing Corporate Value

As mentioned in the introduction, I believe that an important role of any company is to provide value needed by society and to earn a steady return from that value. That applies to sustainability activities as well.

To that end, in line with the revision of our materiality, I believe it is important to set appropriate KPIs and targets to assess the value delivered through our initiatives, and manage our activities accordingly.

There are two key points to the management of materiality. The first is raising employee awareness. In fiscal 2025, we began programs to raise awareness of the Group's Philosophy, and while these have just gotten underway, they are helping to foster a shared sense of the challenge we face in addressing the issues.

The second key point is our awareness of ESG ratings, certifications, and other external evaluations. In our first year of MSCI's ESG rating, we earned an evaluation of AA. These types of tangible successes support the goal of recognizing sustainability as an initiative to raise corporate value. It is important that employees throughout the Group work together on these initiatives.

Conclusion

Using growth investments based on business portfolio reforms and optimization of capital structure, the JX Advanced Metals Group has made steady progress in transforming to an organization that can generate profits through its true strengths, largely independent of external factors. These initiatives are still incomplete, however.

We will continue to accelerate the selection and concentration of business into fields where we can aim for a No. 1 global market position, establishing a robust earnings foundation. Based on Our Purpose of "Creating Value for a Brighter Future," we will continue to provide the value needed by society, thereby realizing sustainable growth and increasing our corporate value.

In an era of intense change, we will take on challenges and strive towards becoming an ever-stronger corporate group. Thank you for your enduring support and understanding.

Materiality ····· See P. 15
Sustainability Implementation Framework ····· See P. 39
MSCI ESG Rating ····· See P. 84



Strategy by Segment

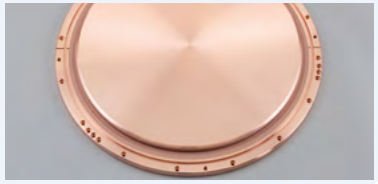
We position our Focus Businesses, which supply advanced materials for the semiconductor and ICT fields, as the core of our growth strategy.
Our Base Businesses support these businesses by supplying raw materials and strengthening the supply chain.

Focus Businesses

Semiconductor Materials Segment

Net Sales:
177.2 billion yen (20% of total)

Operating Profit:
39.5 billion yen (19% of total)

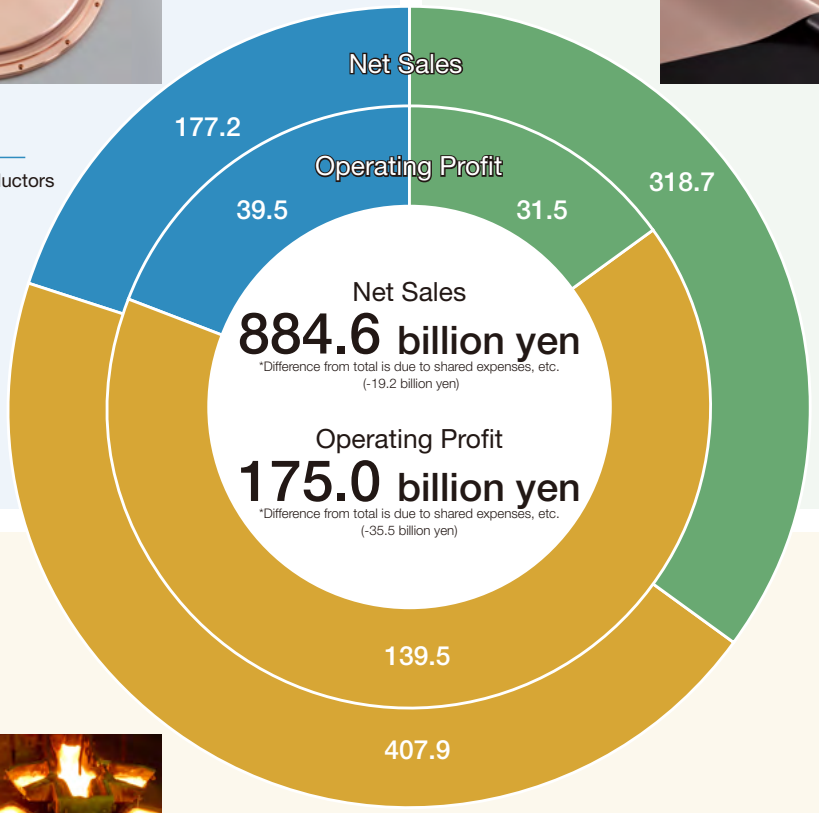


Operating Profit Composition Ratio



Main Products

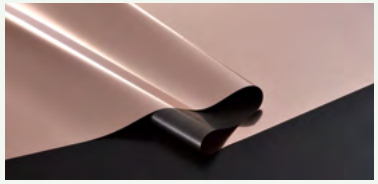
- Sputtering Target for Semiconductors
- High Purity Metals
- Surface Treatment Agents
- Compound Semiconductors/ Crystalline Materials
- Tantalum and Niobium Powder



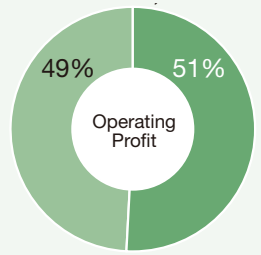
ICT Materials Segment

Net Sales:
318.7 billion yen (35% of total)

Operating Profit:
31.5 billion yen (15% of total)



Operating Profit Composition Ratio



Main Products

- Treated Rolled Copper Foil
- Copper Titanium Alloys
- Corson Alloys
- Ultra-Fine Nickel Powder
- High-Purity Titanium
- EMI Shielding Film
- Conductive Pastes

Metals & Recycling Segment

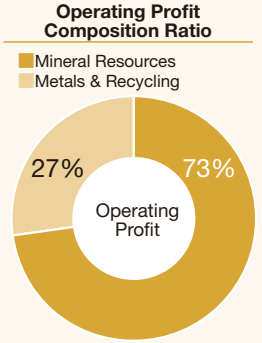
Net Sales:
407.9 billion yen (45% of total)

Operating Profit:
139.5 billion yen (66% of total)





Operating Profit Composition Ratio



Main Products

- Copper Concentrate
- Electrolytic Copper
- Copper Cakes and Billets
- Precious Metals
- Sulfuric Acid

Base Businesses

Business Activities and Outputs

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.

Focus Businesses

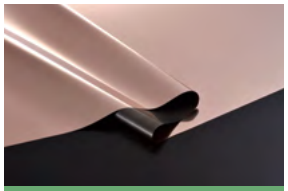
	Sub-segments	Main Products	Main Applications
Semiconductor Materials	Thin Film Materials	Semiconductor Targets	Metal Thin-Film Deposition on Semiconductor Wafers
		Magnetic Material Targets	Metal Thin-Film Deposition on Magnetic Recording Media
		Indium Phosphide (InP) Substrates	Light ⇔ Electric Conversion (Light-Receiving and Emitting Devices)
		Cadmium Zinc Telluride (CdZnTe) Substrates	Infrared Detection/Radiation Detection
		CVD and ALD Materials for Semiconductors	Semiconductor Wiring Materials
	Tantalum and Niobium	Tantalum Powder for Sputtering Targets	Materials for Semiconductor Targets
		Tantalum Powder for Capacitors	Materials for Small, High-Density Capacitors
ICT Materials	Functional Materials	Treated Rolled Copper	Materials for Flexible Printed Circuit Boards (FPC)
		Copper Titanium Alloys	Connector Materials, Camera Spring Materials
	Toho Titanium	Titanium Sponge	Aircraft Engine Parts, Fuselage Materials
		Chemicals (Ultra-Fine Nickel Powder)	Materials for Multilayer Ceramic Capacitor (MLCC) Internal Electrodes
		THC Catalysts	Catalysts for Polypropylene, Polyolefin Manufacturing
	TATSUTA Electric Wire and Cable	Electric Wire for Infrastructure/Industrial Equipment	Electric Wiring Materials
		EMI Shielding Film	Internal Circuit Protection for Mobile Electronic Devices

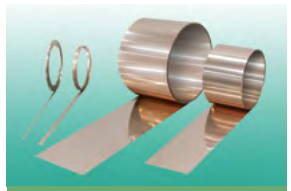

Sputtering Targets for Semiconductors


High-Purity Tantalum Powder


InP Substrates


CVD and ALD Materials


Treated Rolled Copper


Copper Titanium Alloys

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.

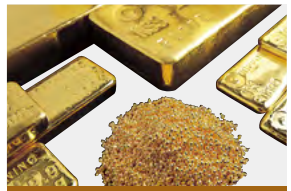
Base Businesses

	Sub-segments	Main Products
Metals & Recycling	Mineral Resources	Copper Concentrate, Electrolytic Copper, Molybdenum Concentrate, Tantalum Concentrate
		(Company interests) Caserones Copper Mine: 25%; Los Pelambres Copper Mine: 12.52%; Escondida Copper Mine: 3%
	Metals & Recycling	Electrolytic copper, copper cakes and billets, precious metals, sulfuric acid
		(Company interest) Pan Pacific Copper: 47.8% Capital ratio is expected to become 32.5% after the integration of copper concentrate purchasing and electrolytic copper sales business see P. 38


Ultra-fine Nickel Powder


EMI Shielding Film

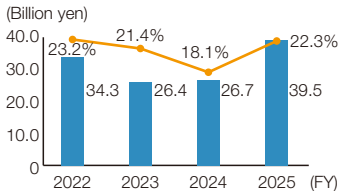

Electrolytic Copper


Precious Metals

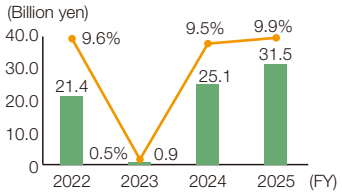
Focus Businesses

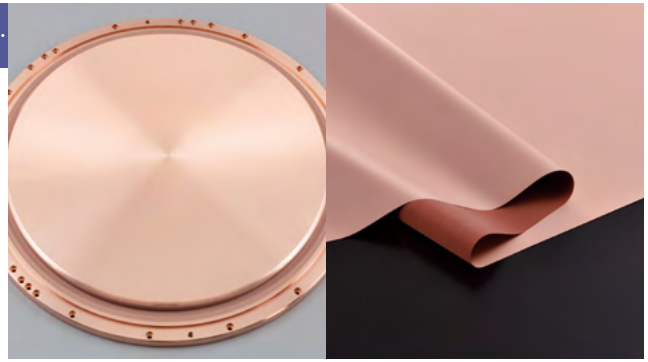
With the widespread adoption of AI and expanded investment in data centers, the importance of advanced materials for semiconductors and ICT infrastructure is increasing. The JX Advanced Metals Group has positioned semiconductor and ICT materials as part of its Focus Businesses. We deliver high-performance materials globally to support the world's most advanced digital societies. Proprietary materials technologies and market development capabilities are our core strengths. We use these strengths to anticipate change in growth markets, striving to create new value and achieve sustainable growth.

□Semiconductor Materials Segment Operating Profit/Operating Margin



□ICT Materials Segment Operating Profit/Operating Margin





Segment Overview

Semiconductor Materials Segment

In fiscal 2025, although yen appreciation was a factor in lowering profit, demand for advanced logic semiconductors and memory devices remained high. The main drivers of this trend were continued expansion of AI-related demand, along with growing needs for large-scale data storage and higher data transmission speeds in conjunction with the higher data generation volumes. As a result, segment profit increased on higher sales of sputtering targets for semiconductors and other main products.

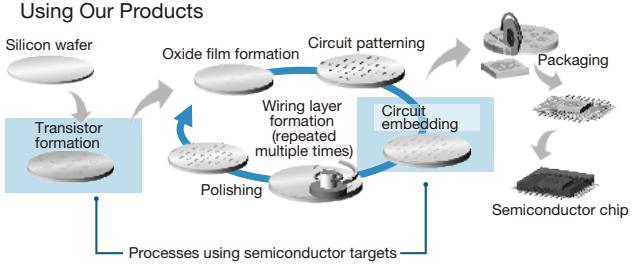
Against this background, net sales in the Semiconductor Materials segment for the current fiscal year increased 20% from the previous year to 177.2 billion yen, while operating profit increased 12.8 billion yen year on year to 39.5 billion yen.

Sputtering targets for semiconductors

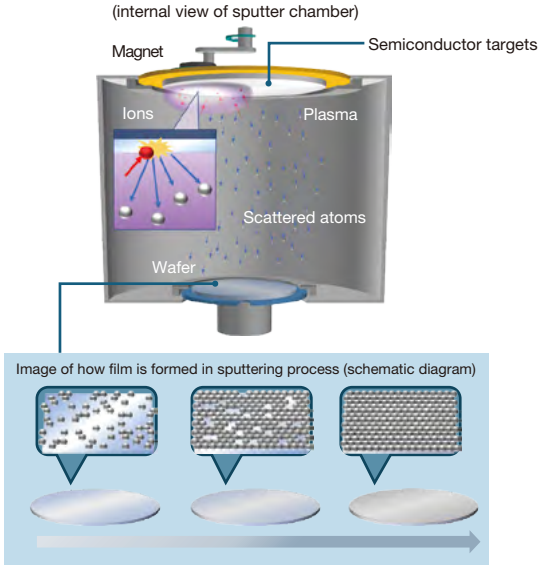
Sputtering targets for semiconductors, a mainstay product, are a material used to form wiring within semiconductors, including logic and memory devices. We offer a wide variety of sputtering targets, including copper, tantalum, titanium, tungsten, and cobalt. Semiconductors are becoming increasingly 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 manufacturing process companies and semiconductor equipment manufacturers through the stable supply of high-quality products. Further growth in the scale of our business is anticipated in the future.

The advancement of generative AI is driving the full-scale expansion of the semiconductor logic and memory markets. We also expect leading-edge logic devices to achieve strong growth, as such devices continue to become miniaturized and more multilayered. Our sputtering targets for semiconductors 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.

□Semiconductor Chip Manufacturing Processes Using Our Products



□Usage Processes and Structures



ICT Materials Segment

The segment reported a year-on-year increase in profit due to increased sales of treated rolled copper foil, which benefited from the smartphone demand recovery, as well as broader adoption of our high-performance copper alloys, including copper titanium alloys used in AI servers. These factors outweighed the impact of yen appreciation as well as negative goodwill recorded from the consolidation of TATSUTA Electric Wire and Cable in August 2024, which had boosted profits in the previous year. Earnings structure reforms aimed at improving profitability and productivity also contributed to the increased profit.

Against this background, revenue in the ICT Materials segment for the current fiscal year increased 20% from the previous year to 318.7 billion yen, while operating profit rose 6.4 billion yen to 31.5 billion yen.

Treated Rolled Copper Foil for FPCs

Treated rolled copper foil is a core material of flexible printed circuit boards used in smartphones, wearable devices, and electronic devices used for mobility. Thin, exceptionally flexible and durable, the material is critical to advanced electronic devices amid demands for greater miniaturization and higher performance.

We have secured a dominant position in the high-end market, which requires both high quality and reliability, by leveraging our strengths in pressure rolling technology and a market-development approach, both honed over the decades.

Copper Titanium Alloys

Connector materials capable of high-speed data transmission are in greater demand amid the AI server expansion. Specifically, the new equipment requires higher strength and heat resistance compared to conventional products. Our copper titanium alloys meeting these standards have been in greater demand. We expect demand to continue to increase amid the growth of the AI server market.

Moving ahead, we will continue to expand business in growth markets by consistently responding to the ICT industry's thirst for ever-higher functionality and performance.

Opportunities and Risks

Opportunities

Expanding Demand for Data Center-Related Products

Demand for materials used in advanced semiconductors and high-speed communication infrastructure is booming against a backdrop of generative AI adoption and data center investment growth. Our sputtering targets for semiconductors, InP substrates, copper titanium alloys, and tantalum powder are all essential materials supporting the growth of the AI-related markets, and therefore we expect demand to continue increasing in the future. To consistently capitalize on these market growth opportunities, we are expanding the production capacity of a broad range of products, from mainstay products to growth products.

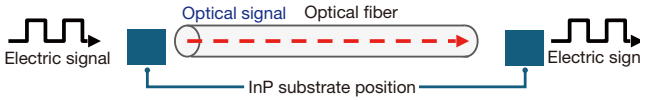
Growth Opportunities Amid Shift From Electric to Optical

Increasing processing speeds and reducing power consumption are some of the most critical challenges in data center operations as AI server performance increases. One solution to this challenge is expanding the application of optical communications technologies previously used primarily for long-distance communications.

Our InP substrates are used in the light-receiving and emitting devices housed within optical transceivers. This is just one example of the materials that will benefit from the expanded application of these technologies. We expect the expanded applications of optical communications to serve as a wellspring of opportunities for InP substrate demand to grow over the medium to long term.

InP Substrates

- This material is used in the process of converting between electric and optical signals in data center and internet networks for optical communications.
- InP materials are used in light-receiving and emitting devices for optical transceivers.

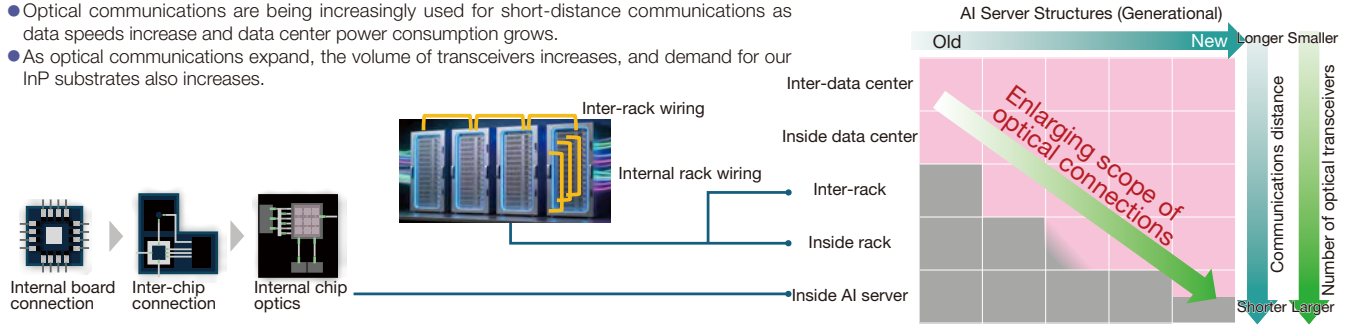


Measures to Expand InP Earnings

Release	Production capacity vs. fiscal 2025	Investment
July 2025	Approx. 20% increase	Approx. 1.5 billion yen
October 2025	Approx. 50% increase	Approx. 3.3 billion yen
February 2026	Approx. 3 times (capacity to be brought online in stages from fiscal 2027)	Approx. 20.0 billion yen
June 2026	7–10x	Max. 120.0 billion yen

Growth Opportunities Amid Shift From Electric to Optical

- Optical communications are being increasingly used for short-distance communications as data speeds increase and data center power consumption grows.
- As optical communications expand, the volume of transceivers increases, and demand for our InP substrates also increases.



Surging Demand for Materials Used in AI Server Connectors

JX Advanced Metals produces high-performance copper alloys with superior strength and formability. Copper titanium alloys are an example of an alloy product widely adopted as a connector material in smartphones, PCs, and other electronics. In recent years, AI data centers have sprung up around the world to serve the rapid adoption of generative AI. Our high-performance connector materials have enjoyed a demand surge, as they meet rigorous standards for strength and reliability required by high-temperature environments inside AI servers. We expect the market to grow even further in the future with the expansion of robots, mobility, and other physical AI applications.

Reshuffling the Functional Materials Business Portfolio

The evolution to an advanced information-based society and full-fledged adoption of generative AI have accelerated the progress in devices in a wide range of fields, including mobile communications, data centers, mobility, and robotics. These sweeping societal changes have spurred demand for our high-performance, high-value-added products such as treated rolled copper foil and copper titanium alloys, which boast our cutting-edge, proprietary technologies.

Our policy is to reallocate the production capacity of our main facilities to high-growth fields. We therefore decided to terminate production of phosphor bronze in March 2028 and reallocate the production facilities of that business's main site, the Kurami Works, to high-performance, high-value-added products.

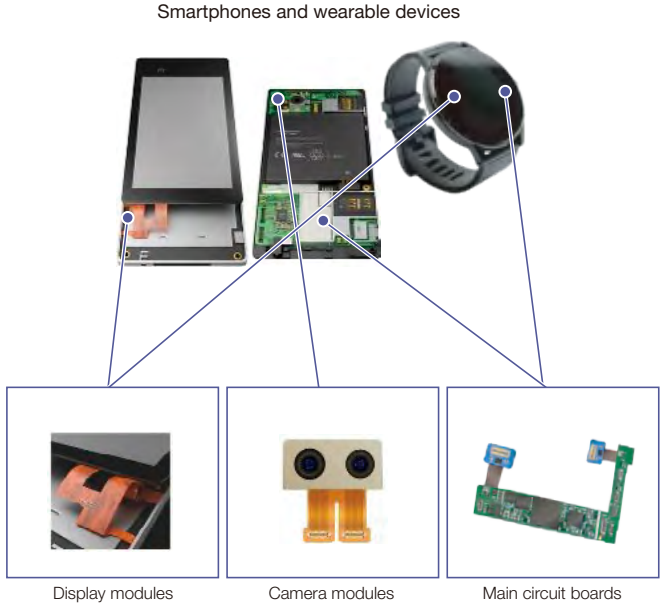


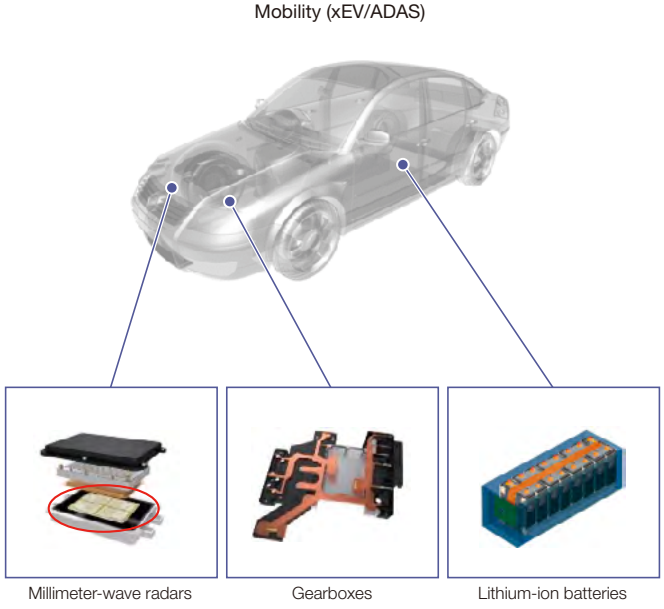
Kurami Works

Tantalum Powder for Capacitors

Small but highly reliable, tantalum capacitors ensure stable power supply. They are a widely used and critical material for power circuits used in high-performance semiconductors. The functional tantalum powder manufactured by Group company TANIOBIS is a primary component of these materials. There has been surging demand for high-performance semiconductors used in AI servers and data centers amid the widespread adoption of generative AI. High-performance power circuits ensure stability during massive amounts of data processing for these applications, and tantalum capacitor demand is therefore expanding. TANIOBIS is steadily raising production capacity at its Thai site in order to meet this demand growth. After a series of investments are completed, the production capacity will be 1.5 times the fiscal 2025 level.

□Main FPC Applications





Risks

- Sharp fluctuations in the semiconductor market size caused by global economic trends and fluctuations in demand for end products
- Inability to meet the increases in demand due to late execution in capital investments or misreading the market growth rates
- Risk of declining market share and profit margins should we be unable to satisfy customer requirements

Competitive Advantage (Sputtering Targets)

World-class Technological Capabilities

Even minute impurities can impact defect rates significantly in semiconductor manufacturing, placing extremely high demands on material quality and requiring advanced quality control capabilities throughout the entire process. JX Advanced Metals possesses advanced technologies and quality control capabilities across all of purification, composition and microstructure design, 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.

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.

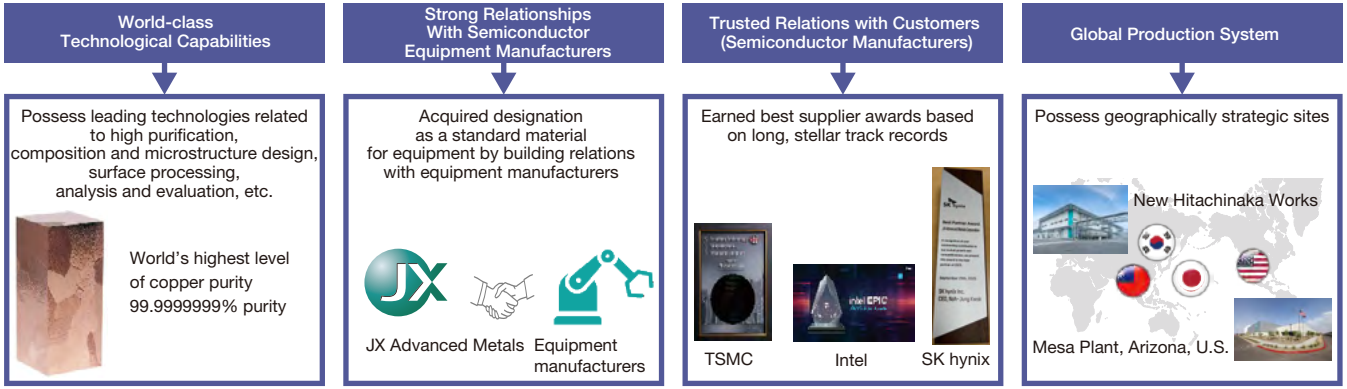
Trusted Relationships With Customers (Semiconductor Manufacturers)

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. These achievements enable us to establish a solid foothold in the semiconductor target market, underpinned by high entry barriers.

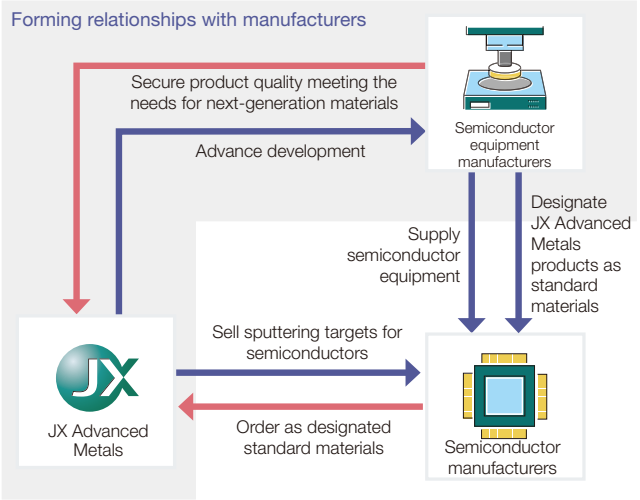
Global Production System

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.

□Realizing No. 1 Global Share



□Business Model for Semiconductor Sputtering Target Products



Growth Strategy 1: Expanding Production Capacity

Demand for materials used in semiconductors and high-speed communication infrastructure is booming against a backdrop of generative AI adoption and data center investment growth. Our sputtering targets for semiconductors, InP substrates and tantalum powder are all essential materials supporting the growth of the AI-related markets, and therefore we expect demand to continue increasing in the future. To consistently capitalize on these market growth opportunities, we are expanding the production capacity of a broad range of products, from mainstay products to growth products.

We have made significant capital investments for sputtering targets for semiconductors, a mainstay product, primarily the construction of the new Hitachinaka Works. With this investment, we plan to increase capacity to approximately 1.3 times the fiscal 2025 level. We also plan to increase capacity for magnetic material targets, for which demand is also expected to increase with the growing adoption of high-capacity HDDs for AI servers. Our investment into InP substrates for optical communications will total as much as 120 billion yen over the next four years, based on our strategy of raising production capacity by seven to 10 times the fiscal 2025 level. For tantalum powder, TANIOBIS plans to make capital investments at its Thai facility to boost production capacity to 1.5 times the fiscal 2025 level.

For sputtering targets for semiconductors, we have built a global production structure where target materials manufactured in Japan are finished at processing sites in Taiwan, South Korea, and the United States. Located strategically close to customers, these sites enable us to supply products promptly and provide technical support.

In Taiwan, we are making investments to automate the processing lines to raise capacity to approximately 1.4 times the current level. This will serve an expected increase in demand for state-of-the-art logic semiconductors used in AI data servers. In South Korea, we are nearly doubling processing capacity to support the expansion in the cutting-edge memory market. In Arizona, the United States, we are expanding capacity in line with customer needs as the region develops into a semiconductor industry hub. We are enhancing our stable supply structure by strengthening supply capacity and implementing BCP measures in each region of the world.

Promoting Proactive Production Capacity Increases to Meet AI Data Center-Driven Demand

	Region	Scale of Increase (Production Capacity)	Operation Timelines
Semiconductor Targets			
	Japan (new Hitachinaka Works)	(vs. fiscal 2025) 1.3x To meet above level, increase local processing capacity in the final process 1.4x (Taiwan), 2x (S. Korea)	Ramp-up from fiscal 2027
Magnetic Material Targets			
	Japan (Isohara Works)	(vs. fiscal 2025) 1.5x	2H fiscal 2026
InP substrate			
	Japan (Isohara & new Hitachinaka Works)	(vs. fiscal 2025) 7–10x	Ramp-up from 2H fiscal 2026
Tantalum powder			
	Thailand	(vs. fiscal 2025) 1.5x	Ramp-up from 1H fiscal 2027

Global Production Network for Semiconductor Targets



Growth Strategy 2: Priority Fields for New Businesses

Next-Generation Semiconductor Materials as a New Pillar of Growth

There has been growing demand for logic semiconductors, 3D-NAND, HBM, and other high-performance semiconductors supporting the adoption of generative AI. These semiconductors require greater miniaturization and multi-layering of wiring, and for these ever-more-complex structures, CVD and ALD materials are increasingly critical to film deposition. We leverage our high-purification technologies to develop and manufacture molybdenum compounds and other CVD and ALD materials. Our customers are evaluating our products for applications to support next-generation semiconductor manufacturing as we enhance our product lineups.

We are also leveraging the technologies and customer bases for such existing products as sputtering targets for semiconductors and InP substrates to spur progress in the commercialization of next-generation semiconductor materials. Our goal is to build new earnings pillars by generating synergies with existing businesses.

Business Expansion Through Group Synergies

We are combining the technologies held by each Group company and sharing their business foundations in order to expand opportunities in growth fields. Toho Titanium Co., Ltd., which was converted into a wholly owned subsidiary in June 2026, possesses advanced chlorination, purification, powder design, and other technologies. We are working to generate technological synergies in the field of CVD and ALD materials for next-generation semiconductors. Toho Titanium is increasing production capacity at its Chigasaki Plant and deploying a mass production system at the Ibaraki Office to meet growing demand.

TATSUTA Electric Wire and Cable Co., Ltd., which became a wholly owned subsidiary in 2024, has made medical device manufacturer UTM Co., Ltd. a subsidiary to draw on its strengths in intravascular diagnostics and therapeutic devices. TATSUTA Electric Wire and Cable will combine its materials technologies and customer base with UTM's medical facility network and product development know-how to nurture the growth of new businesses.

By combining the materials technologies and customer bases of Group companies, we will accelerate new business opportunities in not only the next-generation semiconductor field, but medicine, energy, and other growing markets.

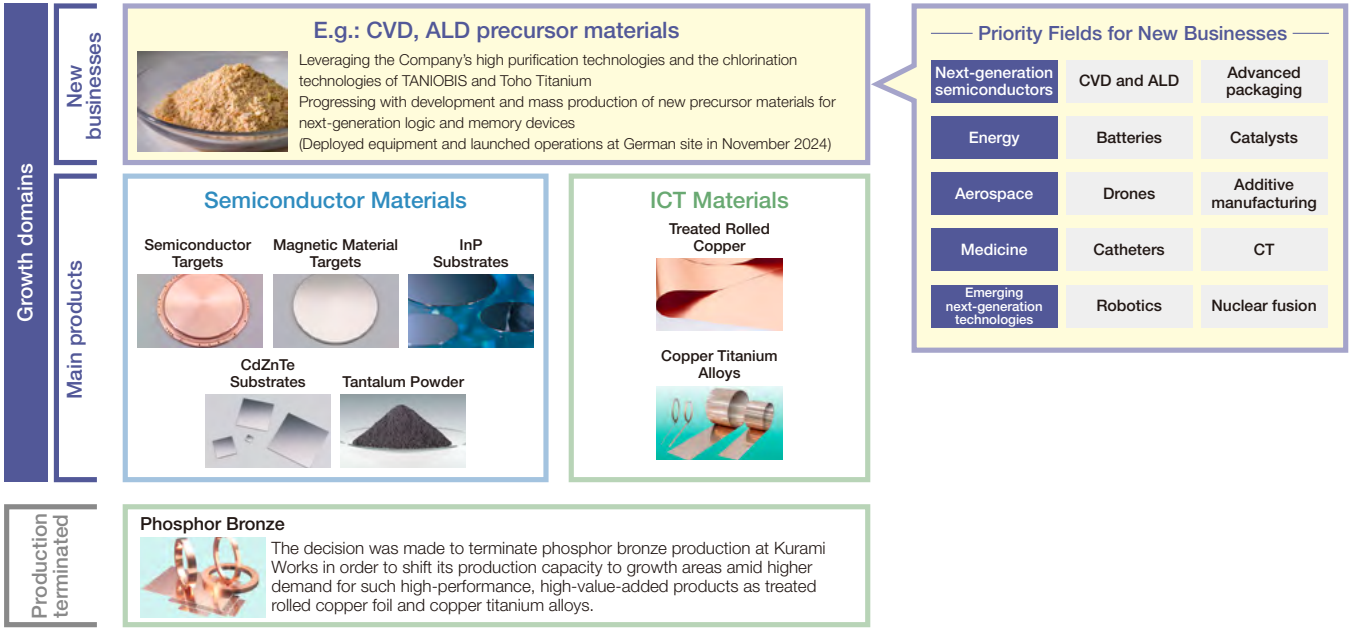
Chitose Office Launched for New Business Generation

In February 2026, we opened the new Chitose Office within the grounds of New Chitose Airport in Chitose, Hokkaido Prefecture, with the goal of creating new business opportunities to support future growth. Chitose City is the home of Rapidus Corporation's new mass production facility for cutting-edge logic semiconductors. The area has attracted a host of semiconductor-related companies and research organizations to create a new hub for the revival of Japan's semiconductor industry.

The JX Advanced Metals Group has supported Rapidus' initiatives through the supply of sputtering targets for semiconductors and other semiconductor materials. In 2026, we made an investment in Rapidus as a way to forge a stronger alliance transcending the conventional customer-supplier relationship.

In the future, we plan to expand our collaboration with Rapidus from front-end and back-end semiconductor manufacturing processes to various new fields, including scrap and waste liquid recycling, with the aim of acquiring new technologies and market opportunities. The new Chitose Office will also build relationships with semiconductor-related companies, universities, research institutions, and local government bodies to strengthen our information collection and sales activities. These networks will serve as a foundation for generating new businesses and expanding our advanced materials business.

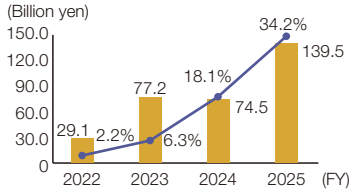
□Priority Fields for New Businesses



Base Businesses

To achieve our Long-Term Vision 2040, we are restructuring our business portfolio around Focus Businesses as the foundation of our future growth. For the Base Businesses, we are building an optimal structure in consideration of the segment's business attributes. The Base Businesses will continue to provide essential supply chain functions for the Focus Businesses as well as an earnings foundation, with the aim of enhancing the corporate value of the entire Group.

□Metals & Recycling Segment
Operating Profit/Operating Margin







Segment Overview

In fiscal 2025, the segment posted higher profit year on year due mainly to higher copper prices and equity method profit from the recording of a deferred tax asset at SCM Minera Lumina Copper Chile (MLCC). These factors offset the negative impact of the absence of such factors as the gain from partial divestment of MLCC interest in July 2024 and equity method profit, which boosted profit in the previous fiscal year. Additionally, since the recent terms of purchase for copper concentrate in the Metals & Recycling Business have deteriorated significantly, we are studying measures to reduce production at smelters operated by the Group.

Against this background, net sales in the Metals & Recycling segment for the current fiscal year increased 33% from the previous year to 407.9 billion yen, while operating profit increased 64.9 billion yen year on year to 139.5 billion yen.

□Mineral Resources Business


Caserones Copper Mine


Los Pelambres Copper Mine


Mibra Mine (tantalum concentrate production)

□Metals & Recycling Business


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

Opportunities and Risks

Opportunities

The Base Businesses are positioned as a strategic foundation of support for the Focus Businesses. In the Mineral Resources Business, we are steadily shifting to minor metals, which are indispensable to advanced materials and offer new growth opportunities as demand increases. In the Metals & Recycling Business, the importance of resource recovery from urban mines and recycling of precious and minor metals is only increasing, and the expansion of resource recycling is creating new business opportunities. Moreover, the advancement of AI and digitalization has made the stable supply of copper, minor metals, precious metals, and other resources ever more important. We will leverage our unique ability to integrate resource development, smelting, and recycling in order to buttress the supply chain for Focus Businesses and realize a sustainable resource recycling system, with the ultimate goal of enhancing our corporate value.

Risks

- Risks to business performance and financial position arising from fluctuations in metal prices and exchange rates.
- Geopolitical risks including royalty taxes and high-value-added policies stemming from resource nationalism
- Procurement risks caused by tighter supply of recycled raw materials

Business Strategy

Rationalize Business Scale and Secure Supply Chain for Focus Businesses

Shift From Base Metals to Minor Metals

In the Mineral Resources Business, we are transitioning to minor metals, which are highly compatible with the Focus Businesses. We are reshuffling our business portfolio in planned stages. In recent years, for example, we have divested partial interests in the Caserones Copper Mine and participated in the Copi project. In 2026, we decided to divest an additional portion of our stake in the Caserones Copper Mine, as well as our interests in the Frontera copper mine development project, while making an investment in the minor metals development company Fireweed. Through these and other initiatives, we are bolstering our position in the minor metals field, which has promising potential for growth and can build synergies with our Focus Businesses.

Raising Business Efficiency With a Focus on Recycling

In the Metals & Recycling Business, we are taking initiatives to bolster the competitiveness of our smelting and recycling functions and expand resource recycling. Our efforts to rationalize the business portfolio have made progress, with such measures as the divestiture of our interest in South Korea's LS-Nikko Copper and a portion of the shareholding in Pan Pacific Copper. We have also made strides in building our resources recovery network for end-of-life household appliances and electronic devices through such measures as our stake in eCycle. Moving forward, we will leverage our capabilities in the Smelting and Recycling Business, while promoting the realization of a recycling-oriented society and enhancing the supply chain underpinning the Focus Businesses.

□Main Initiatives in Base Businesses

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

Steady progress in rationalizing the scope of the business portfolio while securing a supply chain for Focus Businesses

	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
Mineral Resources Business From base metals to minor metals	Mibra Mine (Tantalum) investment	Divested portions of interests in the Caserones Copper Mine and Los Pelambres Copper Mine	Additional divestiture of partial interest in the Caserones Copper Mine	Participated in the Copi project (minor metals and rare earths); participated in Marubeni's development research Divested portion of interest in the Caserones Copper Mine; divested interest in the Frontera copper mine development project Acquired shares of Fireweed (minor metals, etc.) (Closed in April 2026)
Metals & Recycling Business Raising efficiency, with a focus on recycling	Sold entire stake in Korean copper smelting joint venture LS-Nikko Acquired eCycle shares (in collaboration with Sojitz)	Divested partial interest in Pan Pacific Copper Co.	High-value-added Smelting and Recycling Business (in collaboration with Mitsubishi Corporation)	Integrated Pan Pacific Copper (JX Advanced Metals, Mitsui Kinzoku, Marubeni) with Mitsubishi Materials' copper concentrate purchasing and electrolytic copper sales business Definitive agreement execution (May 2026) Stakes: JX Advanced Metals, 32.5%; Mitsubishi Materials, 32.0%; Mitsui Kinzoku, 21.9%; Marubeni, 13.6%

Pan Pacific Business Integration

The copper smelting business environment continues to change significantly. The business challenges are intensifying, characterized by fiercer competition with smelting companies outside Japan and the severe deterioration in TC/RC, or the terms smelters can charge to process copper concentrate. Most copper smelting plants not only produce electrolytic copper but also play an important role in the social infrastructure by recovering minor and precious metals. Operating these plants requires enhancement of competitiveness and sustainability.

In this environment, the Company concluded a definitive agreement in May 2026 with Mitsubishi Materials Corporation, Mitsui Kinzoku Co., Ltd., and Marubeni Corporation to integrate the procurement of copper concentrate and the sales of electrolytic copper into Pan Pacific Copper Co., Ltd. (PPC). With the inclusion of Mitsubishi Materials' business, PPC plans to establish a structure encompassing all processes from copper concentrate procurement through product sales. Currently, PPC subcontracts its smelting operation to JX Metal Smelting Co., Ltd. and Hibi Smelting Co., Ltd., and after the integration, Mitsubishi Materials will also become a subcontractor for the PPC Group.

The integration will enable the PPC Group to increase its copper concentrate procurement volume, thereby enhancing its purchasing power by leveraging economies of scale. In addition, by consolidating common functions and building an optimal supply structure, the PPC Group will promote greater efficiency in its production and sales operations. These reforms will lead to cost reductions and further improvements in profitability. Furthermore, by combining the strengths and expertise of each company, the PPC Group will pursue synergies such as the optimization of its sales portfolio and further strengthen the competitiveness of its copper smelting business. The integration is intended to strengthen competitiveness and implement a fundamental restructuring to ensure sustainable business operations, given the challenging environment currently facing the copper smelting industry.

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 identified material issues for priority action to realize our Long-Term Vision 2040.
In April 2026, we restructured the six previous material issues around three new pillars, "Deliver Value Through Our Businesses," "Address Environmental and Social Challenges," and "Reinforce Foundations for Sustainable Growth," and identified seven material issues under these.**

Sustainability Committee

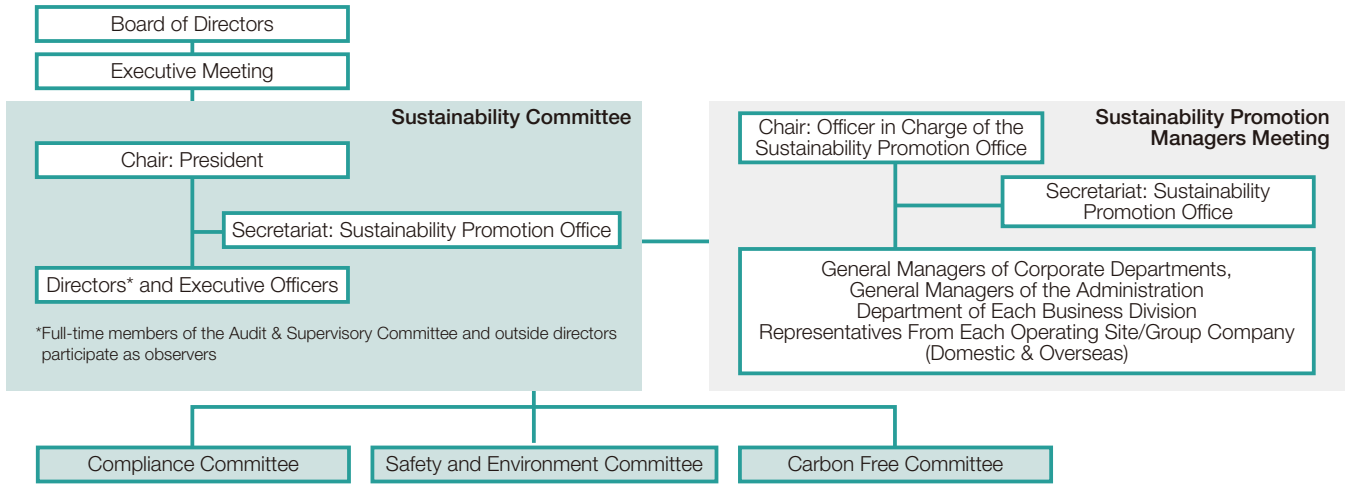
The Sustainability Committee is an advisory body to the president, who chairs the committee, with members from the Executive Meeting and participation by outside directors as observers. This committee meets twice a year in principle. The Sustainability Committee is responsible for planning basic policies and action plans related to sustainability, as well as monitoring these initiatives. Important issues related to sustainability are discussed with and reported to the Board of Directors and Executive Meeting as needed. In fiscal 2025, we held Sustainability Committee meetings in June and December to discuss activity policies for each priority issue and report on the status of activities.

In addition, to promote and infuse 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.

Main Discussion Topics in Fiscal 2025
Sustainability Committee Meetings

- Materiality revision
- KPI progress status
- The Company's response policies for sustainability information disclosure
- Reports on the progress and performance of climate change targets
- Status of discussions on copper resource recycling schemes
- Response status to nature-positive (biodiversity)
- Response status regarding respect for human rights and responsible mineral procurement
- Status of supply chain management using sustainable procurement surveys, etc.

□Sustainability Implementation Framework



Committees Organized Under Sustainability Committee

The following three committees are organized under the Sustainability Committee. The president of the Company appoints the chairpersons of these committees from among the members of the Sustainability Committee, and the other members from among the executives and managers of the Company and Group companies. The committees meet twice a year and at other times as needed.

Compliance Committee

The Compliance Committee conducts training and develops initiatives and action plans for promoting compliance. It reports on the status of compliance activities at all Group companies.

Safety and Environment Committee

The Safety and Environment Committee develops action plans for safety, health, and environmental conservation. It reports on the status of safety, health, and environmental conservation activities at all Group companies.

Carbon Free Committee

The Carbon Free Committee is entrusted by the Sustainability Committee with setting policies and developing action plans and other initiatives with the aim of achieving CO_2 net-zero for the Group. The committee also reports on the status of CO_2 net-zero activities at all Group companies.

Overview of Materiality and KPIs

*Fiscal 2025 KPIs are for the JX Advanced Metals Group unless otherwise specified

Self-evaluation: ○Achieved, ×Not achieved

Previous Materiality	Initiatives	Fiscal 2025 KPIs	Self-Assessment	Results for Fiscal 2025
Contribute to Environmental Conservation	Contribute to environmental conservation by creating a carbon-free and recycling-oriented society.	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	○	The Carbon Free Committee, launched to support target achievement, continued to promote measures for decarbonization, including the deployment of CO_2-free electric power at sites and the creation of net-zero roadmaps for each business unit. We continued our activities toward our goal by using CO_2-free electricity at each site and exploring the introduction of new technologies. The Carbon Free Committee took the lead in launching new studies on reducing Scope 3 emissions.
		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, researching and testing new processes, and other measures aimed towards the 2040 target of raising the ratio of recycled raw materials in copper smelting to 50% (ratio of recycled raw materials or recycled composition in products). Regarding two types of 100% recycled electrolytic copper (PCL 100/mb and MR 100/mb) using the mass balance method, we started business with multiple customers to increase our recovery of recycled raw materials.
		Landfill disposal rate: Less than 1% in fiscal 2025	○	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 2025 was 0.59%. TANIOBIS faces comparatively large landfill volumes and significant technical challenges in recycling. For this reason, we exclude TANIOBIS from the KPI to appropriately reflect the reduction effects at other sites. Including TANIOBIS, the calculated value is 1.7%.
Provide Advanced Materials That Support Lives and Lifestyles	Advance development of new technologies and contribute to an IoT/AI society.	Ratio of R&D expenditures for advanced materials and new businesses: 80% or more in fiscal 2025	○	R&D ratio for advanced materials and new businesses was 94% in fiscal 2025. Aggressive R&D investments will continue to be made to accelerate growth, primarily in these fields.
		Build a framework to support technology-based management	○	We newly formed the Data Infrastructure Material Business Promotion Department within the Advanced Materials Group to accelerate the launch of new businesses in the growth field of data infrastructure materials.
		Reform work styles with generative AI and foster a corporate culture that utilizes AI	○	We achieved workflow efficiencies in document creation, meetings, knowledge applications, and other areas through the steady promotion of generative AI (Copilot, etc.) throughout the Group. In some areas, we have confirmed a reduction in monthly working hours, reflecting the improved productivity. Additionally, there has been strong progress in usage awareness through study sessions and case studies for executive officers and employees. These efforts fostered a culture of developing independent approaches to applying AI to workflow reforms.
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.	Reduce serious occupational accidents: Less than 0.7 accidents (four days or more of lost work time) per 1,000 workers in fiscal 2025	×	In fiscal 2025, the annual rate was 1.07 per 1,000 workers. With solemn consideration for the accidents that have occurred, we will continue fiscal 2025 efforts to improve our occupational 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.
		Increase annual leave utilization rate*1: 80% or more in fiscal 2025	○	The annual leave utilization rate reached 85.8% 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.
		Initiatives for employee health promotion*1: Employee cancer screening rate of 80% or more in fiscal 2025	○	The screening rate for fiscal 2025 increased from the previous year (83.5%) to 85.7%. 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.
		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.
		Maintain and improve hiring rate for persons with disabilities*2: 2.7% or more in fiscal 2025	○	Employment rate of persons with disabilities: 2.86% in fiscal 2025. 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.
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.	Percentage of employees taking human rights training*1: 100% in fiscal 2025	○	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 2025, an e-learning training program co-created by the Human Resources Department and Legal Department mainly on the theme of workplace harassment was provided to executive officers and employees, along with a 20-minute training video. Participation was 100%.
		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 2025, we underwent external audits by an auditing firm related to copper, gold, silver, platinum, palladium, and tantalum. These audits determined that we were operating business appropriately.
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.	Build relationships of trust with local communities, the foundation of our business activities	○	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.
Strengthen Governance	Ensure sound, transparent business management via thorough compliance and risk management activities.	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 2025, 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.
		Quality control training: 500 participants or more in fiscal 2025	×	Employees receiving training totaled approximately 400 participants in fiscal 2025. The number of participants was limited to 400 due to a reduction in the number of training sessions. During the year, training development was transferred in-house to reduce costs, while a priority was placed on revising the program content and preparing for e-learning. The e-learning development has progressed according to plan, and therefore the target number of participants is raised to 500 employees for fiscal 2026.
		Zero serious security incidents	○	In fiscal 2025, the number of serious security incidents was zero, a result of efforts to strengthen and maintain organizational, personnel, physical, and technological measures through ISMS-based risk assessment, auditing, and training. Security risks continue to increase, as evidenced by the growing number of cyberattacks and their level of sophistication. We will continually strengthen our prevention measures in normal times, as well as resilience to incidents.
		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 continuation of efforts in fiscal 2024, we conducted compliance training for the entire Group (themes: compliance basics, anti-social force response, insider trading prevention); compliance training based on employee rank; and compliance training for different business fields. All the programs took into consideration the business attributes and social trends.

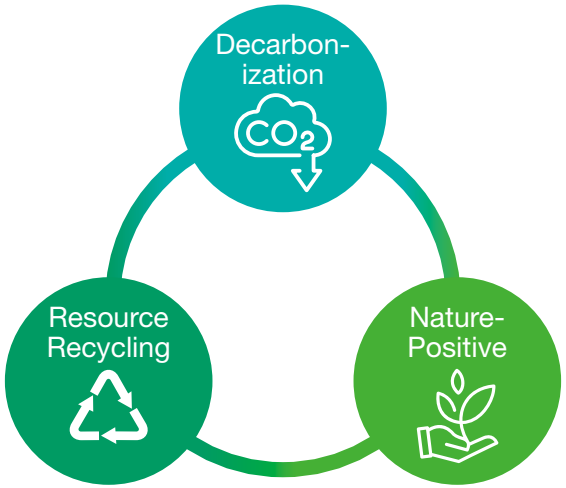
The results for fiscal 2025 are explained in relation to the material issues used through fiscal 2025.
For fiscal 2026 KPIs, see “Materiality” P. 15
*1 The figures are for JX Advanced Metals on a non-consolidated basis.
*2 The figures are for JX Advanced Metals and special subsidiaries.

Addressing Environmental and Social Challenges

Contributing to Environmental Conservation and Restoration

Three Pillars of Environmental Conservation and Restoration

Traditionally, the JX Advanced Metals Group has exerted significant efforts to prevent air pollution, conserve water resources, and protect forestry around its smelters and mines. In recent years, with the shift in our business activities, we have been required to refocus our initiatives around decarbonization, resource recycling, and nature-positive. The promotion of decarbonization can alleviate climate change, while resource recycling will help to limit the amount of resources mined. These initiatives can prevent or reduce the impact of our business activities on nature, which means they are closely related to our goal of becoming nature-positive. In that sense, in addition to taking specific initiatives addressing decarbonization, resource recycling, and nature-positive, we also need an integrated approach that recognizes the mutual relationships among these three themes. The JX Advanced Metals Group has made decarbonization, resource recycling, and nature-positive the three pillars of our initiatives under our Basic Environmental Policy, promoting an integrated approach to environmental conservation and restoration.



Long-Term Environmental Goals

CO_2 Emissions

- Fiscal 2030: Reduce Scope 1 & 2 emissions to 50% of fiscal 2018 levels
- Fiscal 2050: Achieve net zero CO_2 emissions

Recycling Rates

- Fiscal 2040: Increase the percentage of recycled raw materials in copper smelting to 50% or more
- Continual Goal: Keep landfill disposal rate at less than 1%

Nature-Positive

- Fiscal 2030: Enhance nature-related risk management using TNFD
- Beyond fiscal 2050: Realize ecosystem recovery and harmony with nature

Decarbonization

To address the serious global issue of climate change, we are striving to achieve net zero CO_2 emissions by fiscal 2050. With a focus on resource recycling, we are promoting decarbonization throughout the supply chain by adopting renewable energies and supplying low-CFP products.

Main initiatives

- Deploying and promoting renewable energies
- Supporting efforts to achieve a low-carbon digital society through semiconductor materials
- Promoting low-carbon logistics and transport processes

Resource Recycling

We leverage our unique strength in Green Hybrid Smelting and recover copper, minor metals, and precious metals from end-of-life products and process scrap. These activities limit the mining of natural resources and contribute to a recycling-oriented society.

Main initiatives

- Increasing processing capacity for recycled raw materials and strengthening circulation foundation
- Establishing resource recycling model for entire supply chain

Nature-Positive

We strive to mitigate negative impacts on nature, while promoting ecosystem recovery and biodiversity conservation around inactive mines. We aim to conduct business activities in harmony with local communities by enhancing the value of natural capital.

Main initiatives

- Acquired Sustainably Managed Natural Site certification for Coppy's Conservation Forest by JX Advanced Metals / Yoshino
- Assessing nature-related risks (joined the Nature Footprint Consortium)

Decarbonization Initiatives



The JX Advanced Metals Group views climate change as an urgent issue that must be resolved on a global scale, and to contribute to the resolution of this issue, we set the ultimate goal of achieving net zero CO_2 emissions and are further accelerating our efforts to achieve this goal.

Decarbonization Vision

Our group businesses are committed to resource recycling, particularly through expanding the use of recycled raw materials to reduce CO_2 emissions, including Scope 3, across the supply chain. Our efforts here will allow us to focus on reducing the carbon footprint (CFP) of our products and meet customer needs while advancing both resource recycling and decarbonization. In June 2024, we developed a vision for decarbonization consisting of five initiatives.

Decarbonization Vision

We will implement decarbonization activities that simultaneously fulfill customer needs, provide integrated solutions to social challenges, and enhance the appeal of our products through the following five initiatives.

1. Reduction of CO_2 emissions centered on resource recycling
2. Reduction of CO_2 emissions throughout the entire supply chain through external collaboration
3. Simultaneous reduction of Scope 1, 2, and 3 emissions aimed at reducing the CFP of our products
4. Reduction of CO_2 emissions by utilizing our own materials technology
5. Contribution to nature-positive through CO_2 reduction and evaluation

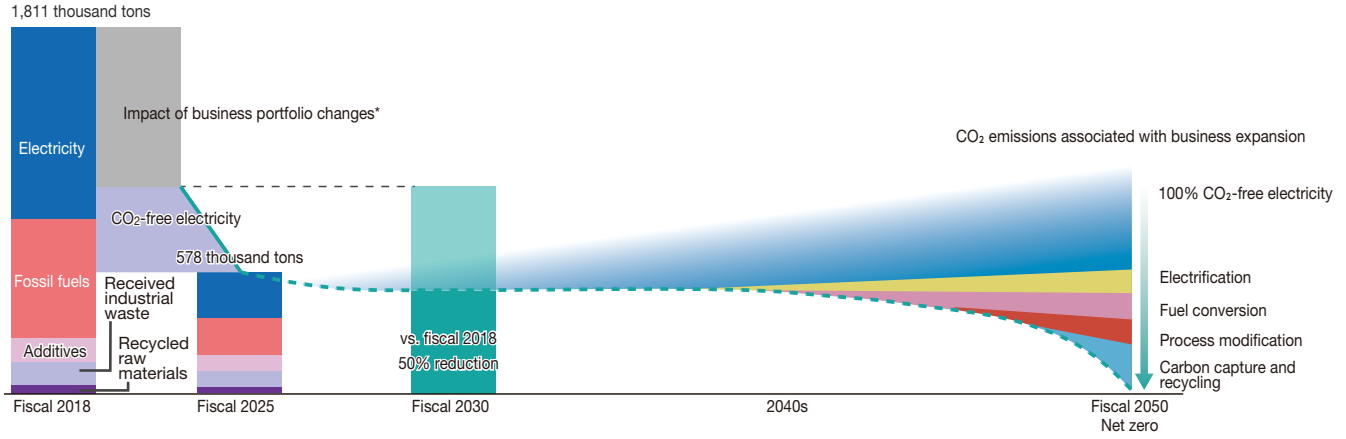
Roadmap for Reducing Total In-House CO_2 Emissions (Scope 1 and 2)

The Group established in-house CO_2 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_2 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 on 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_2-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_2 Emissions in Fiscal 2050



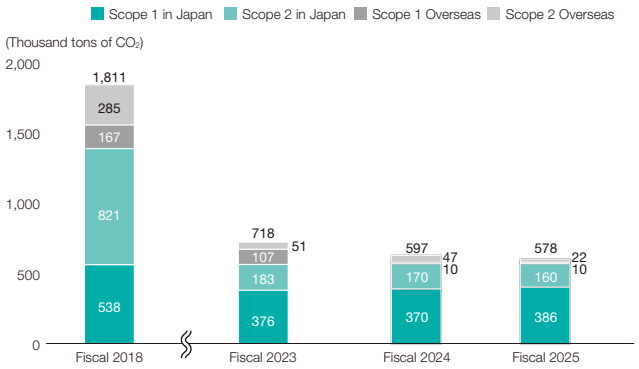
* Impact of Business Portfolio Changes includes CO_2 emissions from the following entities, which were excluded from the Group's scope between fiscal 2018 and the end of fiscal 2025.
SCM Minera Lumina Copper Chile; Hibi Smelter, Pan Pacific Copper Co., Ltd.; Keihin Kaseihin Center Co., Ltd.; JX Metals Precision Technology Co., Ltd.; Nikko Fuji Precision (Wuxi) Co., Ltd.
CO_2 emissions from the following entities, which became Group companies between fiscal 2019 and the end of fiscal 2025, are not included in Impact of Business Portfolio Changes:
TATSUTA Electric Wire and Cable Co., Ltd.; Tokyo Denkai Co., Ltd.; Furuuchi Chemical Corporation; eCycle Solutions Inc.; Osaka Alloying Works Co., Ltd.

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

CO_2 Emissions (Scope 1 and 2)

Our initiatives to reduce total in-house CO_2 emissions include introducing CO_2-free electricity, generating renewable energy, and initiatives to eliminate energy loss. We also explore fuel switching and technology development.

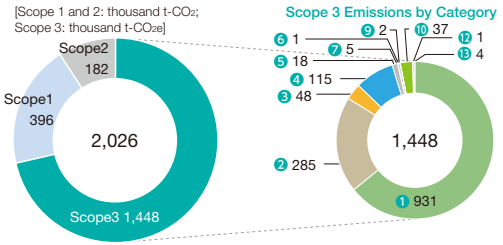
JX Advanced Metals Group Scope 1 and 2 Emissions



CO_2 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 2025 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 8, 11, 14,and 15 were not calculated because the Group has no relevant activities in these areas.

Representative Initiatives

Carbon Free Committee Activities

The Carbon Free Committee was established in fiscal 2022 as an organization to discuss and decide on company-wide policies and specific measures to achieve net zero CO_2 emissions. The committee operates under the Sustainability Promotion Office and includes management from each business division and production site, the Technology Group, as well as each Group company. Since its establishment, the committee has taken a company-wide, strategic view towards net zero CO_2 emissions, studying decarbonization and resource recycling measures that contribute to enhancing business competitiveness and adding value. This includes accelerating the realization of Carbon-Neutral Plants (achieving net zero for Scope 1 and Scope 2 emissions at production sites). Specifically, we are studying the electrification of steam boilers, utilization of hydrogen and ammonia as alternatives to city gas, early introduction of biofuels, and introduction of CO_2 capture and utilization facilities.

In addition to these measures, the Carbon Free Committee has started efforts to reduce Scope 3 CO_2 emissions in support of the JX Advanced Metals Group's Decarbonization Vision.

Initiatives at Each Site to Achieve Our Decarbonization Vision

Site	Initiative [Progress]
Isohara Works	Electrification of steam generation [Studying equipment specifications and installation space requirements]
Kurami Works	Hydrogen and ammonia alternatives to city gas [Studying collaboration with external organizations and companies]
Saganoseki Smelter & Refinery, JX Metals Smelting Co., Ltd. Ibaraki Office (Hitachi district)	CO_2 capture and utilization (CCUS) [Studying collaborators for CO_2 concentration measurement, CO_2 capture partners, equipment specifications, and installation space requirements]
Kasuga Mines Co., Ltd.	Decarbonization of heavy equipment [Research on heavy electric equipment and testing of biofuels as an alternative to diesel]

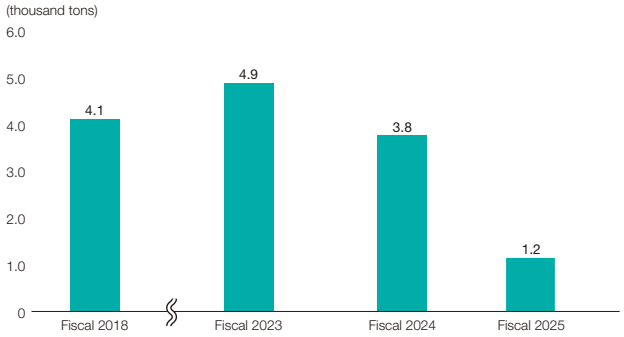
Terminating Use of LNG Primary Electric Power Generators at Isohara Works to Reduce Scope 1 and 2 Emissions

The Isohara Works, a leading production site for the Thin Film Materials Division, has continually reduced its per-unit energy consumption through the adoption of renewable energies for electric power, power-conservation activities, and utilities equipment upgrades. As a result, the plant succeeded in slashing Scope 1 and 2 emissions by more than 70% between fiscal 2018 and fiscal 2024, mainly by adopting renewable energies for electric power production.

In fiscal 2025, the plant further cut its Scope 1 and 2 emissions by more than 10% from the fiscal 2018 level by terminating the operation of LNG primary power generators, which had accounted for approximately 70% of the plant's Scope 1 emissions (based on fiscal 2024 data).

The plant will continue to strive to reduce CO_2 emissions by electrifying its facilities and improving its production processes.

LNG Usage at Isohara Works



Representative Initiatives

Implementing Trial Railway Shipments of Sputtering Targets for Semiconductors

The Isohara Works (Ibaraki Prefecture) has begun trial railway shipments of a portion of sputtering targets for semiconductors transported to customers in the Kyushu region of Japan.

The trial is part of initiatives we have taken to reduce greenhouse gas (GHG) emissions from logistics activities. These shipments are transported from JR Hitachi Station to freight terminals in the Kyushu region. The goal is to reduce Scope 3 emissions by switching from truck transport to railway transport, which has lower environmental impact.

Moving forward, we will ensure both transport efficiency and stable product supplies as we establish sustainable logistics structures through these types of modal shift.



Mesa Works in U.S. Receives LEED GOLD® Certification

In March 2026, JX Advanced Metals USA, Inc. (Mesa, Arizona, U.S.) received LEED GOLD®, an international green building certification, for its semiconductor material plant.

The Mesa Works commenced operations in 2024 as a base for strengthening our semiconductor sputtering target business in the United States and for developing new businesses. On this occasion, part of the manufacturing building and the adjacent office building at the Mesa Works received LEED GOLD® certification in recognition of their high environmental performance, including energy- and water-saving measures.

The JX Advanced Metals Group positions contributing to environmental conservation as a material issue. We will contribute to the realization of a sustainable society by lowering our impact on the environment and strengthening our business foundation.



New Insights Into Improving Iridium Catalyst Utilization in PEM Water Electrolysis

Through collaborative research with Columbia University, the Company has obtained new insights into improving the utilization efficiency of iridium as a catalyst and reducing its usage in proton exchange membrane (PEM) water electrolysis, a technology employed for hydrogen production. The research results were published in the international scientific journal ACS Catalysis. PEM water electrolysis has attracted attention as a promising method for producing green hydrogen. One of the challenges to its adoption is reducing the use of iridium, a minor metal. This study confirmed the potential of optimizing the catalyst layer design, thereby maintaining the catalyst performance while raising the iridium utilization rate. The Company is leveraging its materials technologies developed over the years to promote R&D activities for decarbonization-related technologies, including green hydrogen. We will continue to collaborate with universities and research institutes to contribute to the realization of a sustainable society.

Web→ International scientific journal ACS Catalysis
https://doi.org/10.1021/acscatal.6c00063

Contributing to Power Efficiency Throughout Society With Advanced Materials

The JX Advanced Metals Group has leading global market shares in sputtering targets and other CVD and ALD materials used in advanced logic semiconductors and memory semiconductors. These materials contribute to raising the performance and power efficiency of semiconductor devices by enabling high-quality wiring formation and miniaturized transistor designs.

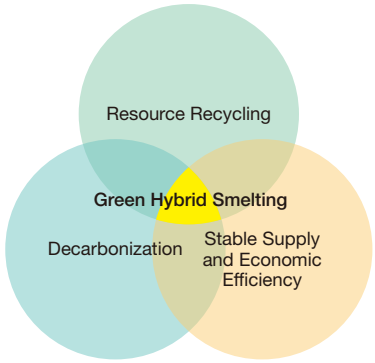
With the widespread adoption of AI and cloud services, data processing volumes and electricity demand are growing rapidly, mainly at data centers. Meanwhile, advanced semiconductors enable larger amounts of calculation and data processing to be performed with less electricity. By supporting the manufacture of such high-performance, power-saving semiconductors, our materials enable more efficient energy use in a digital society, thereby helping reduce greenhouse gas emissions.



The JX Advanced Metals Group recognizes the promotion of resource recycling as an important material issue related to the environment. The effective use of limited resources and expansion of recycling and reuse of metal resources are essential responsibilities of all companies handling mineral resources and materials. We are leveraging technologies and know-how developed in our smelting and recycling businesses to promote resource recycling.

Achieving Decarbonization and Resource Recycling as Dual Missions

The JX Advanced Metals Group recognizes the importance of promoting resource recycling to both reduce the environmental impact and contribute to the decarbonization of society. Furthermore, the stable supply of metal resources supporting society is critical to ensuring the sustainability of our initiatives. We are utilizing the technologies and know-how from the smelting and recycling businesses to promote Green Hybrid Smelting as a system harmonizing the goals of decarbonization, resource recycling, and stable supplies.



Resource Recycling
- Reduce concentrate use
- Recycle

Stable Supply and Economic Efficiency
- Maximize the use of urban mines
- Ensure the appropriate use of mining resources
- Ensure the effective use of existing smelting facilities

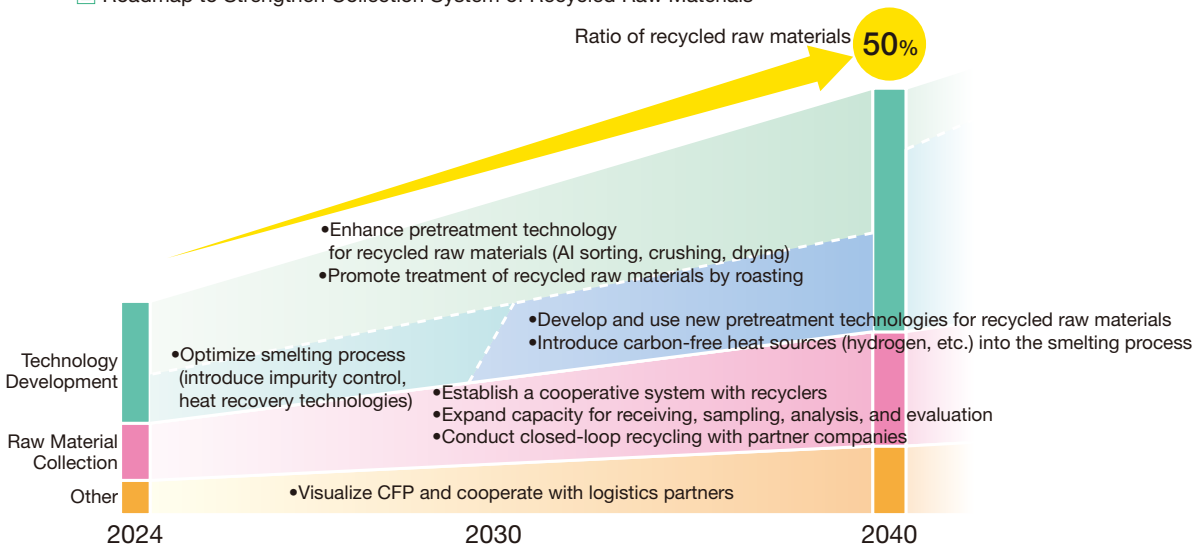
Decarbonization
- Reduce concentrate and fossil fuel use
- Maximize use of excess heat

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.

To meet these challenges, we will strengthen our structure for the recovery and processing of recycled raw materials, with the aim of raising the ratio of recycled raw materials to 50% of our inputs in 2040. Our Green Hybrid Smelting process minimizes the use of fossil fuels while achieving low-CO_2 melting and separation. This approach enables us to ensure a stable copper supply structure to support growing demand, promote resource recycling, and contribute to a decarbonized society.

□ Roadmap to Strengthen Collection System of Recycled Raw Materials



Strengthening the Foundation to Expand the Use of Recycled Raw Materials

By 2040, we aim to increase the ratio of recycled raw materials to 50% of our inputs. This will require us to bolster our capacity for recovering and processing recycled raw materials. In fiscal 2025, we announced our strategy for raising the profitability of the Metals & Recycling Business. One of the measures in this strategy is to transform the business structure and enable expanded usage of recycled raw materials. Furthermore, we earmarked new capital investment for preprocessing to raise our processing capacity for recycled raw materials, while newly establishing a recycling logistics center in Hitachinaka, Ibaraki Prefecture. The recycling business had been conducted primarily at sites in Hitachi, Ibaraki Prefecture and Oita, Oita Prefecture. The addition of a new site will strengthen the recycling structure, from end-of-life product recovery to processing, and enhance the Group's overall capability to receive and process recycled raw materials. These initiatives will promote the expansion of our resource recycling and ability to secure a stable supply of raw materials.

In fiscal 2025, the ratio of recycled raw materials to inputs was 26.2%, based on copper volume. We are taking steady measures to reach our future goals.

Examples of Recycled Products

100% Recycled Electrolytic Copper (PCL 100/mb, MR 100/mb)

As part of our measures to increase the ratio of recycled raw materials by 2040, we have begun selling two types of 100% recycled electrolytic copper using the mass balance method: PCL 100/mb and MR 100/mb. By providing environmental value to customers through recycled copper, we promote the recovery and recycling of end-of-life products and process scrap, thereby expanding the use of recycled raw materials.

PCL 100/mb uses recycled raw materials obtained from end-of-life products and process scrap from customers. The product is sold as 100% recycled electrolytic copper with a guaranteed origin. The validation of this management system (CoC management system) was completed by a third party. In the case of MR 100/mb, the origin of the raw material is not specifically linked to the electrolytic copper. The management of the recycled raw materials recovered from the market and their copper content enables us to supply 100% recycled electrolytic copper using the mass balance method.

In fiscal 2025, we established a resource recycling scheme utilizing copper resources from end-of-life products. Between August 2025 and June 2026, we shipped approximately 5,200 tons of 100% recycled electrolytic copper using the mass balance method, marking steady progress in our resource recycling efforts.

High-Performance Copper Alloy Products Made With 100% Recycled Copper

In addition to the 100% recycled electrolytic copper made using the mass balance method, we have expanded our resource recycling by launching high-performance copper alloy products made with 100% recycled copper. Under this initiative, we use recycled raw materials recovered in collaboration with Group companies to create high-performance copper alloys through proprietary technologies that separate impurities and prevent contamination. We received verification (UL2809) 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.





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

Upinorg

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.

Lithium Ion Battery (LiB) Recycling

In 2005, we began recycling lithium ion batteries (LiB) from household electronics, PCs, and other consumer-use devices. Over the past 20 years, we have developed advanced LiB recycling technologies. Our technologies are used to recover minor metals such as cobalt, nickel, manganese, and lithium at high purity and recycle them, and our technology demonstration plant for these processes has built a strong track record of success. With this foundation, we now recover minor metals from end-of-life automotive LiBs, and reuse the minor metals as raw materials for automotive LiBs as part of our plan to develop closed-loop recycling for social implementation. Furthermore, we are progressing with the development of highly efficient lithium recovery technologies, with the aim of expanding resource recycling of non-ferrous metals, including metals in automotive LiB.



Nature-Positive



The JX Advanced Metals Group is committed to various initiatives aimed not only at conserving the natural environment but also at halting the loss of ecosystems on the planet and putting them on a path to recovery, in line with our goal of achieving nature-positive.

Our Policy

For more than a century, we have striven to flourish together with local communities and operate in harmony with the natural environment, as evidenced by our early response to smoke pollution from the Hitachi Mine and our reforestation programs. To formalize and convey this approach to future generations, in 2024 we created the Nature-Positive Vision and a roadmap as a basis on which to support biodiversity conservation and restoration, and advance our nature-positive initiatives.

Nature-Positive Vision

We recognize that the Group's business activities have a dependence and impact on nature. We are committed to initiatives that reduce negative impacts and create positive ones.

1. Understand the relationship between the Group's business activities and nature, and respond adaptively to improve those business activities.
2. Actively promote initiatives to create a decarbonized, recycling-oriented society that contributes to nature-positive.
3. Appropriately disclose nature-related information pertaining to the Group.
4. Promote initiatives for the conservation and restoration of biodiversity through dialogue and collaboration with stakeholders.

Achieving Nature-Positive

We strive to understand the relationship between our business activities and nature in order to achieve nature-positive. As part of these efforts, we have used such tools as ENCORE*1 and IBAT*2 to assess our dependence and impact on natural capital. The results of the assessments have found that among the land assets held by the Group, the connection between inactive mines and nature is very significant.

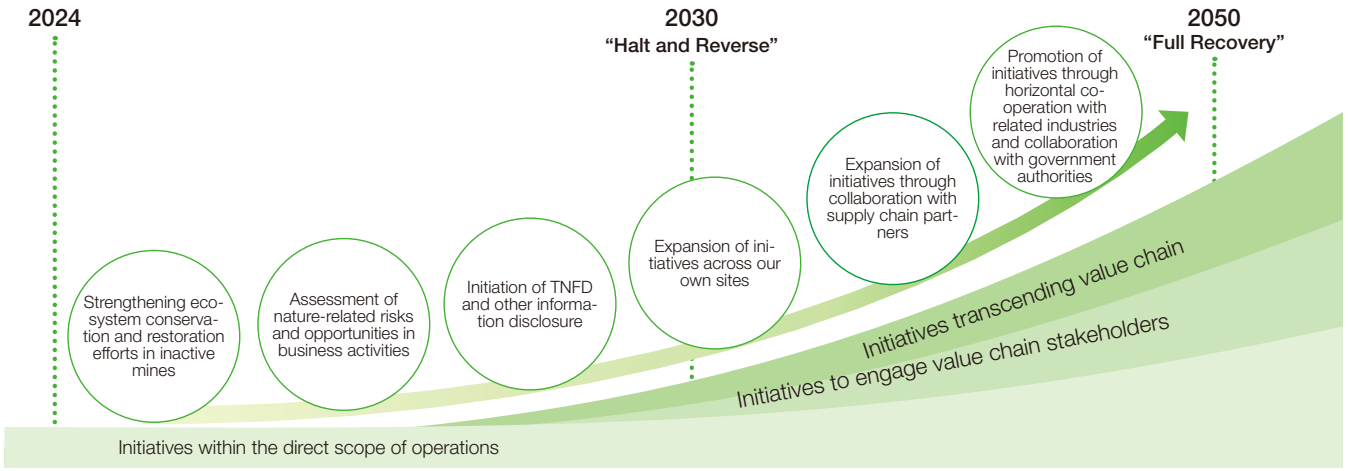
Inactive mines retain a diverse range of ecosystems, from forests to grasslands and rivers. These ecosystems support the natural environments of local areas by providing watersheds and wildlife habitats. Through years of mine wastewater treatment and forestry management, ecosystems in some areas around inactive mines have recovered, offering great potential for supporting the conservation and restoration of biodiversity. Instead of viewing inactive mines simply as maintenance projects, we regard them as natural capital and important management resources.

Our continuing efforts will treat inactive mines as a model field, encompassing the assessment of ecosystems and ecosystem services, biota surveys, and ecosystem management plans. In this way, we will develop know-how and methodology for conserving and restoring biodiversity. Additionally, we will adhere to the TNFD LEAP approach to improve our ability to "Locate" and "Evaluate" our interactions with nature and enhance our assessment of nature-related risks and opportunities, while using international frameworks to improve information disclosure.

The achievements and know-how obtained from model sites will be shared laterally throughout the Group for the management of other sites and business activities. Further, by collaborating with local communities and stakeholders across the supply chain, we will aim to raise the value of the natural environment and help resolve local environmental issues. The development of these initiatives will put us another step forward in achieving nature-positive.

*1 ENCORE: An analysis tool for evaluating the dependence and impact on natural capital
*2 IBAT: An analysis tool for understanding the relationship between business activities and key biodiversity areas and protected areas

JX Group Roadmap to Nature-Positive



Registration of Nationally Certified Sustainably Managed Natural Sites

Nationally Certified Sustainably Managed Natural Sites are areas designated by the Ministry of the Environment where activities are being undertaken to conserve biodiversity and promote harmony with nature. In March 2026, Coppy's Conservation Forest by JX Advanced Metals / Yoshino, located in Nanyo, Yamagata Prefecture, was certified. The site is a forested area (approximately 20 hectares) around the former Yoshino Mine, which is now being managed and restored. Many years of plant and wildlife restoration and environmental conservation efforts have succeeded in forming satoyama rural ecosystems where forests, grasslands, and wetlands all thrive in harmony.

A diverse array of wildlife has been confirmed on the site, including the apex predator grey-faced buzzard, attesting to the health and sustained management of the ecosystems. The national certification has helped redefine our inactive mines as natural capital and demonstrated the success of many years of ecosystem conservation and restoration. Additionally, our initiatives support the international goal of designating more than 30% of Earth's land and ocean area as protected areas by 2030, the so-called "30 by 30" target. This certification is an important step in the JX Advanced Metals Group's goal to achieve nature-positive. We will continue striving to conserve biodiversity and flourish together with nature through management efforts based on collaboration with local communities and scientific knowledge.

Ecosystem of Coppy's Conservation Forest by JX Advanced Metals / Yoshino



Grey-faced buzzard
Ministry of Environment, Red Data Book Categories, Vulnerable
Yamagata Prefecture, Red Data Book Categories, Endangered



Treecreeper
Yamagata Prefecture, Red Data Book Categories, Endangered



Blue-and-white flycatcher
Yamagata Prefecture, Red Data Book Categories, Near Threatened



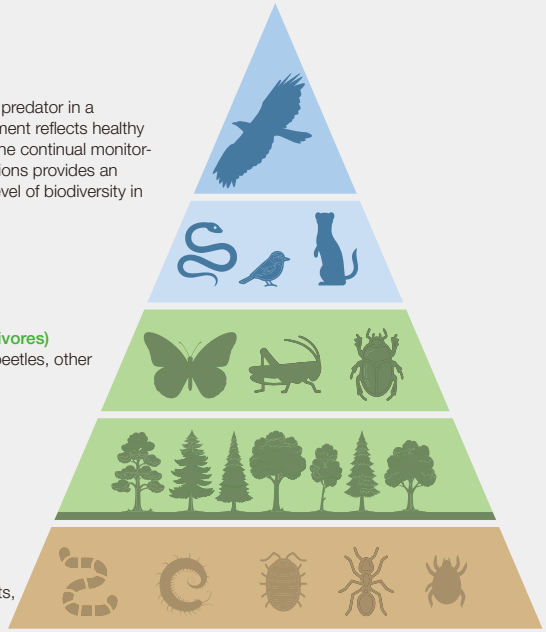
White-backed woodpecker (fledgling)
Yamagata Prefecture, Red Data Book Categories, Near Threatened

Apex predator (carnivore)
The emergence of an apex predator in a forested satoyama environment reflects healthy ecosystem maintenance. The continual monitoring of apex predator conditions provides an important indicator of the level of biodiversity in an area.

Primary consumers (herbivores)
Butterflies, grasshoppers, beetles, other insects

Producers (plants)
Trees and plants

Decomposers (soil organisms)
Earthworms, millipedes, ants, etc.



Risk Assessments

We are participating in the BRIDGE project managed by Japan's Cabinet Office to enhance our understanding and assessment of our dependence and impact on nature. With the support of the Norihiro Itsubo Lab. of Waseda University, we have conducted initial quantitative assessments of the impact each of our procurement mines has on land modification and biodiversity. Our Group's Copper Smelting Business produces approximately 400,000 tons of electrolytic copper annually. The raw materials extracted from copper mines amount to tens of millions of tons of copper ore. The large-scale changes to land caused by the extraction could potentially impact ecosystems and biodiversity around the mines. We recognize this as one of the important nature-related issues in our value chain.

While we are still in the initial stage of analysis and there are issues regarding the refinement of methodology and data reliability, this program is an important step for us in visualizing how our raw material procurement activities are impacting nature. There is also the possibility that the distinctive land and surrounding ecosystem attributes for each mine may result in different levels of impact on nature. In conducting future BRIDGE assessments, therefore, we aim to expand the scope to reflect the various attributes of each local area. These types of quantitative analyses are advancing our understanding of the relation between our procurement activities and nature-related issues, while enhancing our information disclosure and risk management.

We will continue to improve our assessment methods based on the TNFD framework to enhance our ability to identify and respond to nature-related risks and opportunities. In this way, we will contribute to sustainable resource utilization and conservation of natural capital.

Fulfilling Our Social Responsibilities

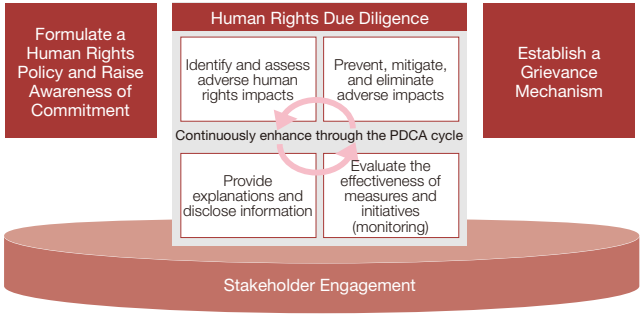
Respect for Human Rights



The JX Advanced Metals Group practices human rights due diligence and engages with human rights issues in accordance with internationally recognized frameworks.

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 the 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 has established the following policy based on the "Guiding Principles on Business and Human Rights" set forth by the United Nations (UN) to ensure that we conduct our business activities in respect for the environment, culture, and customs of people in all countries and regions. As the primary policy on human rights for the Group, it is the basis for the promotion of initiatives respecting the human rights of all people, including local residents, customers, employees, and business partners.

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

Created August 1, 2023
Revised November 1, 2025

Web→ JX Advanced Metals Group Human Rights Policy
https://www.jx-nmm.com/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.

JX Advanced Metals Group Compliance Regulation (Excerpt)

Prohibition of Discrimination

JX Advanced Metals Group companies and their executive officers and employees do not discriminate with regard to race, nationality, gender, age, beliefs, social status, or physical attributes, in any of their business activities, including employee recruitment, wages, working hours, other employment requirements and business transactions.

Harassment Prevention

JX Advanced Metals Group companies and their executive officers and employees take proactive measures to prevent harassment*. If an incident of harassment occurs, we respond appropriately to resolve the issue.

*Sexual harassment, power harassment, maternity harassment, and customer harassment at the workplace, as well as sexual harassment of job seekers and others.

Personal Information Protection

JX Advanced Metals Group companies and their executive officers and employees comply with personal information protection laws and regulations, as well as internal rules, to protect customer, partner, employee, and other types of personal information. Efforts are made to handle personal information with meticulous care and appropriate management in cases where work duties require personal information handling.

Prevention of Child and Forced Labor

JX Advanced Metals Group companies and their executive officers and employees must not be directly involved in child labor or forced labor, and they strive to contribute to solving these issues.

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. In fiscal 2025, we held the following human rights training session.

- Theme: "Prevention of Harassment—The Support Needed to Balance Work and Caregiving"
- Target: Employees of the Company and Group companies
- Achieved 100% participation rate (KPI)

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, among other measures. In consideration of these international movements, the business organizations with which the JX Advanced Metals Group is associated (*LME*[1], LBMA*[2], LPPM*[3], RBA*[4], etc.) have instituted research programs to eliminate conflict minerals. All parties associated with these organizations are required to abide by the programs.

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

JX Metals Smelting Co., Ltd. has established and operates 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 undergoing 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. JX Metals Smelting acts in conformance with these procedures, and was duly registered on these organizations' Good Delivery list for the gold and silver bullion it produces. For platinum sponge and palladium sponge, the company was registered on their Sponge Accreditation List. At the same time, Saganoseki Smelter & Refinery and Hitachi Works are registered on the RMAP*[6] Conformant Smelters list. This list names smelters that do not use conflict minerals, and was established by RBA and the Global e-Sustainability Initiative (GeSI*[5]). JX Advanced Metals has also established a supply chain due diligence management system for copper cathodes and undergoes third-party audits through the Copper Mark certification process, which is an international system for certifying responsible production and contribution to sustainable development in the copper industry.





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 strives to prevent complicity in human rights violations in Conflict-Affected and High-Risk Areas. The supply chain management of TANIOBIS received certification from RMI*[7], an international framework for responsible mineral procurement, and was evaluated as an RMAP Conformant Smelter.

*1 London Metal Exchange: An international exchange which facilitates most futures trading for copper and other non-ferrous metals.
*2 London Bullion Market Association: An industry association of financial and other institutions for the trading of gold and silver bullion. Registration on the LBMA's Good Delivery list guarantees high quality and reliability.
*3 London Platinum and Palladium Market: An industry association of financial and other institutions for trading of platinum and palladium. Registration on the LPPM's Good Delivery list guarantees high quality and reliability.
*4 Responsible Business Alliance: An electronics industry alliance promoting responsible supply chain activities.
*5 Global e-Sustainability Initiative: GeSI and RBA with a connection to the mining industry have cooperated to establish an RMAP accreditation program given the high risk for use of conflict minerals in electronic devices and communications equipment
*6 Responsible Minerals Assurance Process (RMAP): A certification program for responsible mineral procurement established by RMI
*7 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

Human Rights Consultation and Remedies

The JX Advanced Metals Group operates an internal hotline for consultations on human rights and other issues. Employees may contact the hotline anonymously for consultations on a wide range of issues, from daily concerns to serious issues. Any reports received through the Group hotline are shared with the president, along with its response status, and the Board of Directors also receives reports on the status of the hotline operation. Information regarding the availability of the hotline is provided on the Company intranet, while training is also provided to raise awareness of human rights and other issues. No one using the Group hotline for consulting or reporting shall be subjected to disadvantageous treatment for its use. Regarding relief measures, there are no restrictions on the types of external relief measures used to address the issue. Therefore, various relief means may be used in accordance with the legal systems in each jurisdiction.

In addition to the internal hotline, we operate an external JX Advanced Metals Group Supplier Hotline and accept inquiries through our website to enable various external stakeholders, including suppliers, business partners, their employees, and local residents, to contact us with their concerns. Issues may involve legal violations or concerns over compliance with laws and regulations. We have a process in place through which affected parties can access corrective action and relief, on an anonymous basis if necessary. Anyone consulting these hotlines or making reports may do so without fear of disadvantageous treatment of affected parties or their worksites.

Supply Chain Management



Basic Approach

The JX Advanced Metals Group established the Basic Policy on Procurement to ensure responsible procurement in light of the growing interest in environmental and social issues. In our procurement activities, we verify the operations of our suppliers from the perspectives of ensuring respect for human rights, preventing discrimination and forced or child labor, and taking measures to eliminate conflict minerals.

JX Advanced Metals Group Basic Policy on Procurement (Excerpt)

1. Rigorous compliance and fair business transactions, etc.
2. Information management
3. Protection of intellectual property rights
4. Building relationships with business partners based on mutual understanding and trust
5. Confronting the problem of conflict minerals

Web→ JX Advanced Metals Group Basic Policy on Procurement
https://www.jx-nmm.com/company/purchase/supply.html

Sustainability Procurement Promotion

The JX Advanced Metals Group set the Green Purchasing Policy with the aim of reducing environmental impacts when procuring materials and equipment. Based on this policy, we also formulated the Green Purchasing Guidelines to set out requirements for choosing suppliers. These guidelines clearly explain the requirements with which we ask all of our suppliers to comply. We confirm supplier compliance with these guidelines through our Sustainability Procurement Questionnaire.

Web→ JX Advanced Metals Group Green Purchasing Guidelines
https://www.jx-nmm.com/company/purchase/guideline.html

Measures to Ensure Responsible Mineral Procurement

The JX Advanced Metals Group recognizes the importance of issues related to conflict minerals. We take measures based on the frameworks used by LME, LBMA, LPPM, RBA, and other organizations. Regarding copper, gold, silver, platinum, palladium, and tantalum, we have established a supply chain due diligence management system based on OECD guidance. With this system, we promote responsible minerals procurement by confirming risks, disclosing our policies, providing internal training, and conducting internal and external audits. By taking the initiative as an industry leader, we are ensuring sustainable procurement while strengthening our business competitiveness.

Sustainability Procurement Questionnaire

We began using a CSR Procurement Questionnaire in fiscal 2019, and from fiscal 2025, we bolstered our initiative by introducing an upgraded Sustainability Procurement Questionnaire. This questionnaire allows us to confirm the status of suppliers' initiatives, issues, and reform measures from the perspectives of human rights, occupational health and safety, the environment, compliance, and other viewpoints.

Sustainability Procurement Questionnaire Overview

- Companies surveyed: 166 (response rate of 99.4%)
- Major questionnaire items
  - Compliance, fairness, and equitable transactions
  - Provision of products and services
  - Environment
  - Information management
  - Human rights and labor
  - Supply chain
  - Occupational health and safety
- Response to questionnaire results

We provided e-learning programs and conducted interviews with business partners identified as needing improvement, and reviewed the following matters.

- Understanding of issues and feedback implementation
- Progress on cause investigation and monitoring of corrective action
- Implementation of individual follow-up when necessary

Collaboration With the Supply Chain for Creating Environmental Value

The JX Advanced Metals Group is raising the environmental value of its products by promoting decarbonization and resource recycling throughout its supply chain. In recent years, customers have demanded the clear indication of a product's carbon footprint (CFP), the ratio of recycled materials used, and other environmental information. Responding to these demands requires collaboration with suppliers delivering raw materials and subsidiary materials. Based on the Green Purchasing Guidelines, we help our suppliers to promote environmental management as well as to grasp and reduce greenhouse gas emissions. We also request the cooperation of our suppliers in preparing data for the calculation of our main products' CFP. Furthermore, our suppliers work with us on the promotion of resource recycling, through such efforts as raising the visibility of recycled materials origin and content ratios. Through these collaborative efforts, we can quantify the environmental value of our products and continually deliver products and services responsive to the needs of our customers.

Supplier Hotline

The JX Advanced Metals Group has established procedures and takes relief measures in response to violations of laws or internal rules or cases of suspected misconduct. Additionally, we have a process in place through which affected parties can access corrective action and relief, along with a consultation structure.

We have 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. Through these measures, we ensure appropriate transactions and corrective processes throughout the supply chain.

Web→ JX Advanced Metals Group Supplier Hotline
https://www.jx-nmm.com/company/purchase/csr_procurement/



Fostering Coexistence and Co-Prosperity With Local Communities

Since its founding with the Hitachi Mine, the JX Advanced Metals Group has championed the spirit of flourishing together with local communities in conducting business. Based on that enduring spirit, we have enshrined flourishing together with society in our Group Code of Conduct.

Realizing the Goal of Flourishing Together with Society

JX Advanced Metals Corporate Service Co., Ltd.'s Uchihara Farms was awarded the Fresh Prize in the Noufuku Awards 2025 administered by the Noufukurenkei Support Consortium. The award recognizes the company's efforts to provide work opportunities for people with disabilities, support local agriculture, cooperate with sports and educational institutions, and promote understanding and awareness. These are part of our efforts to ensure that people with diverse backgrounds can thrive in society.



Saganoseki District Fire Relief

We have a century-long history in the Saganoseki district of Oita City. When fires caused widespread damage to the area in November 2025, we provided daily living support and housing assistance for victims. We also made a donation of 1 billion yen to Oita City through the corporate version of the hometown tax incentive program. We will continue to support the recovery and rebuilding of the district.



Contributions to Next-Generation Education

We collaborate with Minato-ku, Tokyo and the district's board of education to continually support next-generation educational activities. The collaboration includes a program for learning about the many common uses of copper. We have received commendations for this and other programs. We will continue to collaborate on programs supporting children's education for the future.



Expanding Storage Capacity of Toyoha Mine Water Treatment Facilities

We have decided to expand the storage capacity of the Oshidorizawa tailings dam, part of the mine water treatment facilities at the Toyoha Mine (Sapporo City). We will invest approximately 20 billion yen in total to carry out the large-scale expansion work over a construction period of around 15 years. This will ensure continued water treatment into the future as well as natural environment conservation, safety, and security for the local community. We implement environmental conservation activities from a long-term perspective, with the aim of flourishing together with local communities.

Contributions to Sports and Culture Promotion

The 3rd Annual JX Advanced Metals Kendo Festival was held in 2026. Approximately 1,300 kendo practitioners from across Ibaraki Prefecture took part in the event, which has been held annually since 2024 as part of our initiatives to nurture future generations and contribute to communities. Kendo matches and a clinic helped deepen participants' understanding of techniques, strategies, and etiquette. In the professional arena, we sponsor the Mito Hollyhock J.League soccer team as part of our support for community-rooted sports. Moving forward, we will actively promote sports initiatives contributing to youth and community development.





Reinforcing Foundations for Sustainable Growth

Enhancing Human Capital

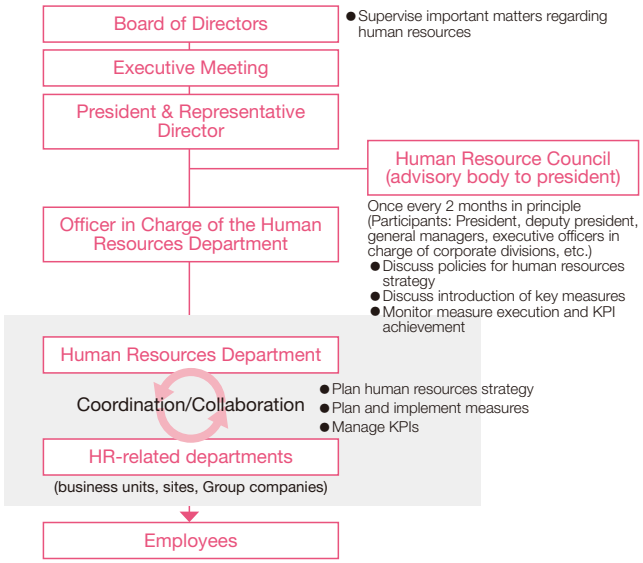
People are the driving force behind our value creation. As the business environment and society evolve at an ever-faster pace, we are fostering a corporate culture in which diverse talent can thrive, while developing human resources by enhancing their expertise and willingness to take on challenges. The growth of each employee makes corporate growth possible. Strengthening our human capital will, in turn, bolster our technological innovation and business transformation, enabling us to achieve both sustainable growth and resolve social issues.

Human Capital Management

Human Resources Governance Structure

The JX Advanced Metals Group has established a Human Resource Council to affirm the importance of human resources management and development as a core management theme. As an advisory body to the president, the Council discusses human resources issues from a company-wide management perspective. The Council convenes executive officers and other participants once every two months, in principle, to deliberate important issues regarding human resources management and development, along with the development of work environments. Based on policies and strategies formulated by the Council, the Human Resources Department and related organizations coordinate the implementation and adoption of initiatives.

□Human Resources Governance Structure



Message From General Manager, Human Resources Department

Human capital is positioned as the foundation of our competitiveness as we transform into a technology-based company and maximize our corporate value. In pursuit of Long-Term Vision 2040, our human capital strategy is focused on the recruitment, training, and retention of human resources aligned with the management strategy, as well as human resources allocation and work environment development aimed at maximizing their capabilities. We have set key measures and KPIs for these goals, and we are now developing more detailed initiatives. Amid drastic change in the business environment, we are particularly focused on accurately understanding the roles and human resources needed in each organization, and linking these with the business strategies and individual growth opportunities. In this way, we are strengthening human resources from a future-oriented vantage point.

To transform into a technology-based company, we are creating systems that encourage employees to take on challenges by being aware of their roles, respecting their colleagues, and inspiring one another.

In fiscal 2025, we launched a full-scale internal recruitment program and expanded the scope of employees eligible to transfer into career-track positions, specific to each region. Both programs are aimed at encouraging a spirit of challenge. We continue to make reforms to core human resources systems from the viewpoint of better linking results with benefits and compensation.

In regard to human resources development, we reformed the training systems from fiscal 2026 based on the premise that corporate value grows when employees can map their own careers and continue to learn. We are supporting self-improvement and offering online and other learning opportunities. In these ways, employees are developing skills to direct the course of their careers. In fiscal 2025, we launched the training program “Grow & Progress DX” to encourage new employees to view DX as a value creation opportunity. We have also begun a next-generation leader training program focused on strengthening the ranks of mid-career employees, who are expected to take the reins of management and business operations in the future, by developing their management perspective and ability to lead transformation.

We are striving to establish foundations to ensure employees can work comfortably, with programs to promote engagement, DE&I, and health and productivity management.

As a guideline in the planning of various measures, the Human Resources Department has created “Human Resources Policy: A Place Where Employees Gain Fulfillment.” This policy serves as a guiding principle for human resources personnel when planning and implementing human resources initiatives. We have begun various activities to embed this policy throughout our organizations.

Moving forward, the Human Resources Department will maintain dialogues with a diverse range of employees to steadily promote measures in alignment with management strategies. We will enhance the growth of employees supporting the Group’s future and the effectiveness of human capital management.

Iyota Yoshiteru,
General Manager, Human Resources Department,
JX Advanced Metals Co., Ltd.

Human Resources Policy: A Place Where Employees Gain Fulfillment

Support Transformation, Reward With Compensation	We support employees who carry on our mindset for reform that has been a hallmark since our founding, and who embrace bold change and challenges, while rewarding them with well-balanced compensation.
Accept Differences, Encourage Learning	Our employees have unique attributes and backgrounds, and these differences create a wellspring for transformation. We support the self-directed growth of employees who respect and learn from differences.
Cultivate Health, Foster Pride	The physical and mental well-being of our employees is first and foremost. We provide structures and environments where employees can build a sense of fulfillment and pride in their work, and where their life and career aspirations can take shape.

The JX Advanced Metals Group has positioned human capital as an important part of the management capital necessary to achieve Long-Term Vision 2040. Human capital begins with the recruitment and training of diverse employees. Then, we use human resources management to assign employees to the right organizations and provide growth opportunities, thereby maximizing each employee's potential. This process improves employee engagement and energizes organizations, leading to a sustainable increase in corporate value. Further, we continually visualize and monitor the progress and results of key measures through comprehensive human capital indices, thereby raising human capital management effectiveness.

Areas for Human Resources Improvement

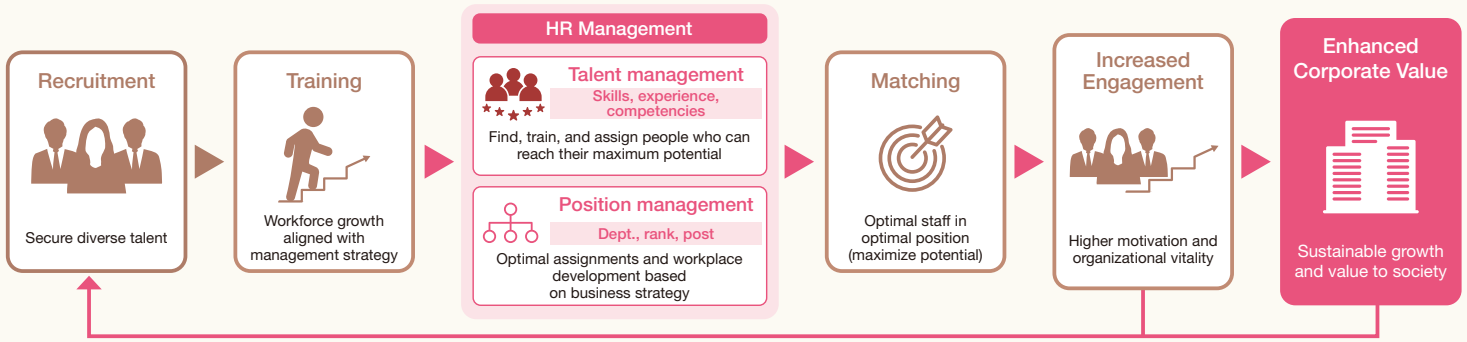
- The primary focus has been on planning and executing measures for individual optimization, while more effort is needed on optimizing the whole.
- Each organization has primarily been entrusted with hiring, assigning, and training for each job type, calling for a more strategic and systematic approach.
- The scores and indices for health and productivity management, engagement, and other measures have improved, but there is room for further improvement.

Long-Term Vision: Reinforce Foundations for Sustainable Growth

Purposes of Human Capital Management: Recruit, train, and retain talent aligned with management strategy | Make assignments and build workplaces to maximize capabilities

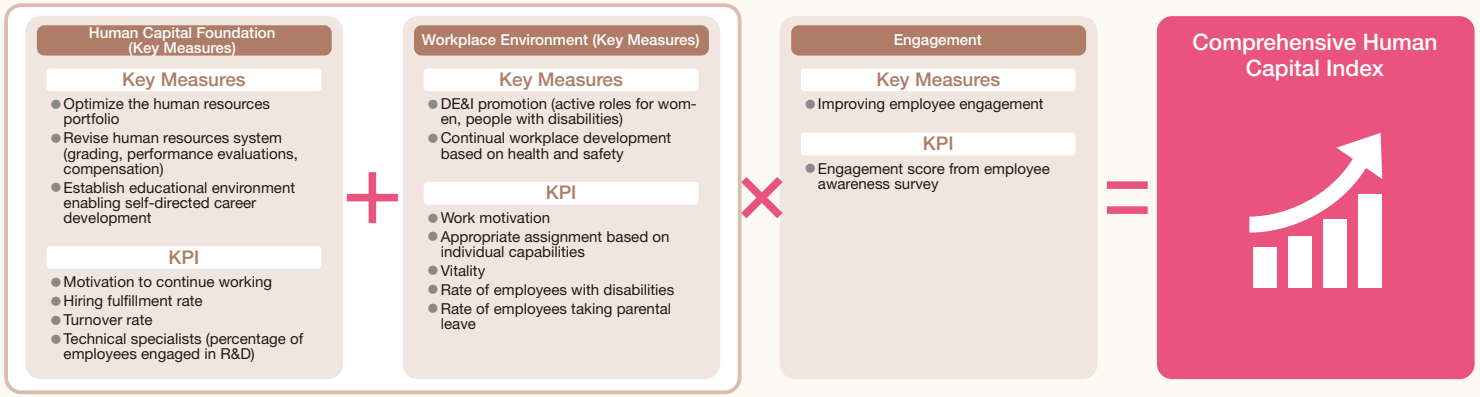
Overview of Human Capital Management

Maximize the potential of a diverse workforce to create value and enhance corporate value



Comprehensive Human Capital Index

Multiply progress rates of key measures by engagement to visualize and monitor results of human capital management



* While compensation levels are not included in the calculation of the comprehensive index, they will be monitored to continually increase the amount over the medium to long term.

Key Measures for the Promotion of Human Capital Management

Key Measures	Overview	Specific Initiatives
Optimize the human resources portfolio	Optimal assignments by combining position management with talent management.	Talent management system to develop data on positions and employees, supporting assignment planning
		Career paths for each work type (role model designs, visualization of requisite and preferred skills and experience)
		Recruitment and training of specialized technical and digital talent
Revise human resources system (grading, performance evaluations, compensation)	First full-scale reform of the core system in 20 years to reflect the challenging spirit and more differentiated performance evaluations.	Full-scale system reforms (well-balanced evaluations and enhanced employee acceptance)
Establish educational environment enabling self-directed career development	Model change from uniform training to selective training enabling self-directed career growth, along with a new system for technical specialists to support the realization of core strategies and business growth.	Planning for individual career design and growth
		Support for self-directed learning through selective programs, provision of e-learning platforms, etc.
Improve employee engagement	Engagement is a “mirror” reflecting an organization’s health, with new initiatives aimed at raising engagement scores.	Planning and implementation of measures to raise engagement score
		Flexible assignments through career course changes, internal recruitment, etc.
		Assignments matching career designs, consideration of individual needs for parenting and caregiving, etc.
Promote DE&I (empowering female employees and persons with disabilities)	Diverse attributes and backgrounds create differences that are leveraged as a source of transformation, while General Employer Action Plans are steadily promoted based on laws supporting child-raising and women's active engagement in companies.	Diversification of recruitment channels, promotion of hiring of people with disabilities, active participation of female employees, paternity leave, childrearing and nursing care support, etc.
Establish sustainable work environment based on health and safety	Continual promotion of workplace health and safety at each site based on recognition that employee health and safety are the highest priorities for business operations.	Various measures based on health and productivity management
		Promotion of safety measures at each worksite

Approach to Key Measures

We have positioned human capital as one of the most important forms of management capital in our pursuit of the long-term vision. We promote a human resources strategy that is closely aligned with broader management strategies.

The above chart outlines our six key measures for human capital management. While each measure is separately defined, these measures are highly interdependent rather than independent. The promotion of employee growth through self-directed career planning, for example, supports the optimization of the human resources portfolio. The promotion of DE&I to enable diverse human resources to thrive, meanwhile, supports higher engagement scores. In this way, the relationships raise human capital value. The measures are therefore promoted in an integrated, comprehensive approach, their progress measured through KPIs and subject to continual monitoring.

Systematic implementation of these measures ensures that we realize our management strategies through the creation of human capital value. To this end, we confirm the alignment of the measures with management strategies and seek continual improvements, with the goal of raising the effectiveness of human capital management.

JX Advanced Metals Comprehensive Human Capital Index

We calculate a comprehensive human capital index to measure the overall achievement level of our human capital management. Excluding engagement, we set a numeric point value for each of the 9 KPIs (see illustration on P. 54, Comprehensive Human Capital Management Index), with a base value for evaluating the level of achievement (total of 70 to 120 points). Engagement is measured separately as a comprehensive index of the extent to which our measures have taken root in organizations. The base value for each KPI is multiplied by the engagement target achievement level (actual value/target value) to produce a comprehensive index. The comprehensive index of 100 indicates that the target is achieved. The higher the actual value, the more effective our human capital management is functioning.

Comprehensive Human Capital Index Measurement Method

Base point total (points) x engagement survey (coefficient) = Comprehensive human capital index

Base point total (70 to 120 points)

Points are determined based on the achievement level towards each target, producing a total. The base value for achievement of each individual item is 11.11 points. The base value for the achievement of all 9 items is 100 points.

Engagement survey (coefficient)

The target achievement is given a coefficient of 1.00, and the rate is increased or decreased based on the level of achievement.

Comprehensive Human Capital Index

Base point total x Coefficient

Example

Item	KPI 1	KPI 2	KPI 3 to 8	KPI 9
Achievement rate	80%	100%	・・・	110%
Points	Approx. 9 points	Approx. 11 points	・・・	Approx. 12 points
			Total	99 points

×

Target	70
Result	73
Calculation	73÷70
Coefficient	1.043

=

99 points x 1.043

103

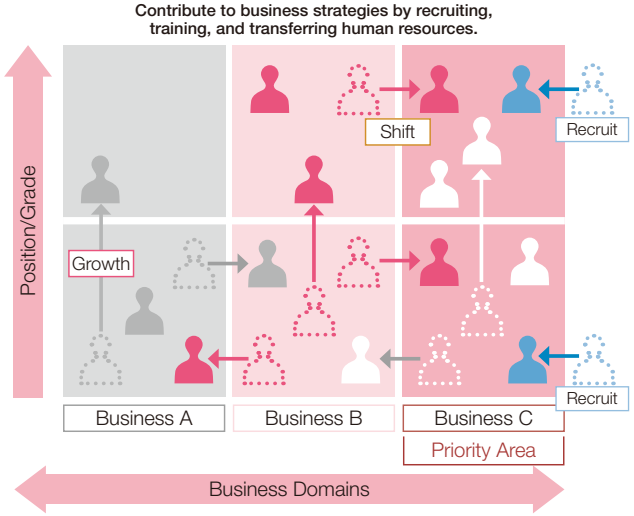
(rounded to the nearest whole number)

Human Resources Portfolio Approach

Our human resources portfolio applies management frameworks that administer the functions of recruitment, training, assignment, and appointment integrally with a broad view of the whole, instead of each function individually. This enables us to build a foundation for developing a workforce aligned with our overarching management strategies. As changes in the business environment accelerate, securing and developing human resources for the future is a key management challenge, requiring us to alleviate uneven distributions in the workforce and ensure organizations are not overly dependent on individuals.

Our portfolio management begins with the visualization of human resources data from the viewpoints of roles, duties, and skills. On that basis, we implement recruitment, training, assignments, and appointments in stages, aligned with management strategies, in our effort to enhance human resources management.

Human Resources Portfolio



Position Management Approach and Measures

Position management begins with determining the positions required to realize business strategies, with consideration given to the soundness of organizational operations, followed by training and optimal appointments to the positions. We clarify the roles involved with each position and visualize the required experience and skills before providing training and making assignments and appointments. Our process clarifies the personnel development goals, while improving the understanding and satisfaction of employees regarding their assignments and appointments. The ultimate goal is to reduce dependence on individuals and ensure assignments are made to put the right people in the right positions, thereby building an organizational foundation which functions sustainably.

Talent Management Approach and Measures

Talent management is a foundation to support employee growth and success. We use our talent management systems to visualize the experience, strengths, skills, and aspirations of each employee, allowing us to provide the right training and opportunities. Understanding each individual makes it possible to optimize training and assignments. This approach not only improves the growth and motivation of employees, but raises the ability of organizations to leverage employee strengths. The visualization of human resources data and use of that data to train and assign employees is particularly important to improving talent management.

Health and Productivity Management Promotion Policies and Structure

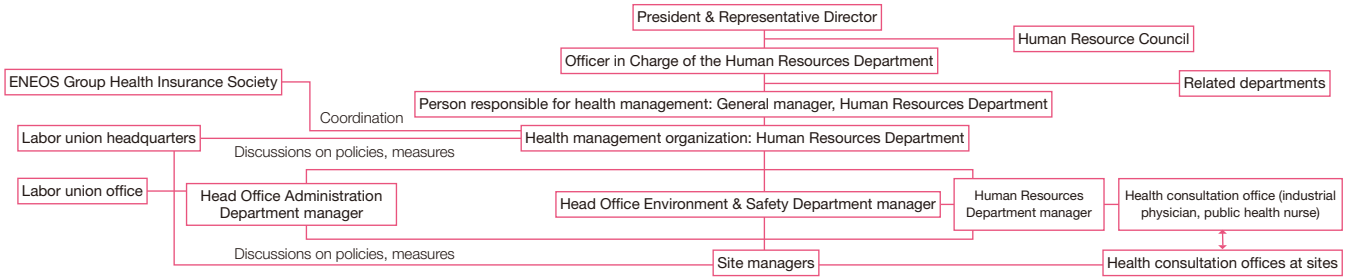
We believe that when employees are mentally and physically healthy, their ability to thrive in their work over the long term supports the sustainable creation of corporate value.

Based on this approach, we announced the JX Advanced Metals Group Health Declaration, signed by the president, and established a health and productivity management promotion system led by the president. The Human Resources Department, meanwhile, takes the lead in administering the company-wide Health Management Project. The company-wide Health Management Committee holds discussions and determines policies and measures that contribute to employee health. In recent years, we have introduced our own health support system to unify the management of health checkup data, while holding various seminars and events to promote better health.

The success of our health management measures has been recognized by external organizations, including the 2026 Certified KIH Outstanding Organization certification. Moving forward under the leadership of our management, we will support proactive health management for each employee.

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Health and Productivity Management Promotion Structure



Enhancing Intellectual Capital

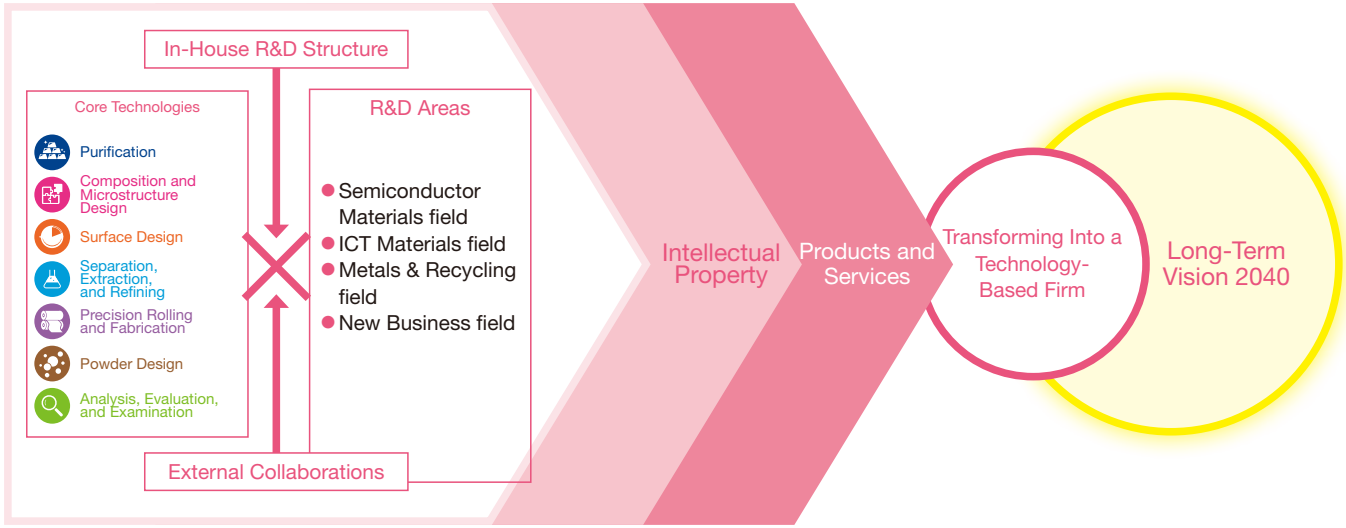
Advances in digitalization and decarbonization have rapidly changed the way we live, and further technological innovation is called for going forward. The JX Advanced Metals Group is pursuing R&D in its Semiconductor Materials, ICT Materials, Metals & Recycling, as well as new business fields. We also actively collaborate with universities and startups to generate innovation. As a technology-based company rapidly delivering new products and technologies that advance society, we help build a sustainable future by supporting convenient, fulfilling lives and industrial development.

Technology and Intellectual Property Strategies

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 create new themes for R&D and take measures for commercialization with the goals of developing innovative technologies and continually releasing new products. 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.

□ Overview of R&D Strategy

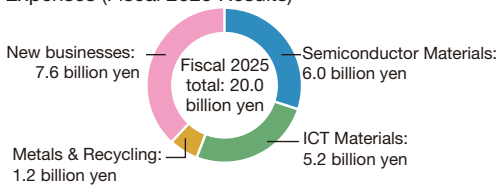


Strengthening Our Framework for Advanced Materials

Our R&D framework includes development departments within each business unit that strengthen business competitiveness by improving the performance of existing products and manufacturing processes. The framework also includes development departments within the Technology Group, which leads the creation of new businesses with growth potential. The Technology Group has established a structure integrating all functions, from R&D through commercialization. Building on the R&D function, the Group plans company-wide technology strategies while managing business incubation through the promotion of R&D themes. In recent years, we have witnessed advancements in semiconductor performance, societal digitalization, and the acceleration of decarbonization. Anticipating further changes in society, we are pursuing R&D in Semiconductor Materials, ICT Materials, and Metals & Recycling, as well as in new business fields.

From fiscal 2025, we have accelerated our efforts to incubate new business by establishing operational procedures and evaluation frameworks covering all processes, from theme proposals to commercialization. For key R&D themes, promotion offices take the lead in technology development and commercialization reviews to prepare for business launch. Moving forward, we will refocus our management resources into promising themes with the goals of accelerating commercialization and expanding new businesses.

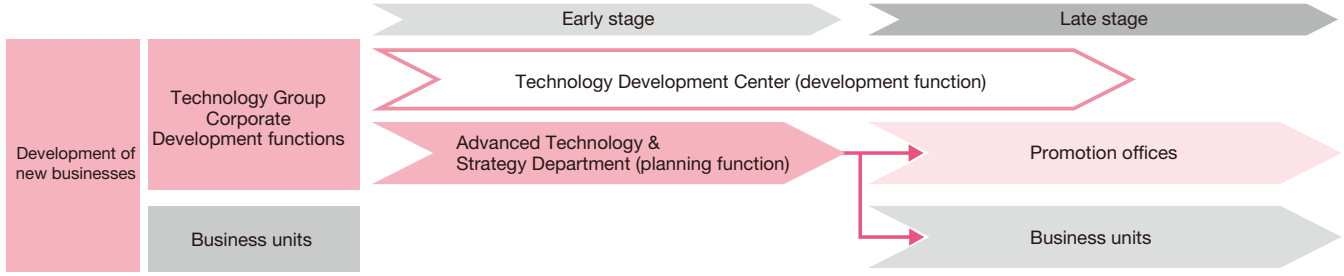
□R&D Expenses (Fiscal 2025 Results)



Structures to Accelerate New Business Creation

We create new businesses with a focus on markets and technologies with promising growth potential. The Advanced Technology & Strategy Department spearheads the identification and cultivation of promising R&D themes, coordinating efforts with the Technology Development Center and business units to generate and commercialize new businesses. We have adopted the stage gate process for evaluating both the technology and business potential of R&D themes in stages, promoting an integrated framework from R&D through commercialization. Through this approach, we aim to generate new products and technologies supporting future growth and rapidly launch them for the practical benefit of society.

□Structure for Promoting New Business Creation

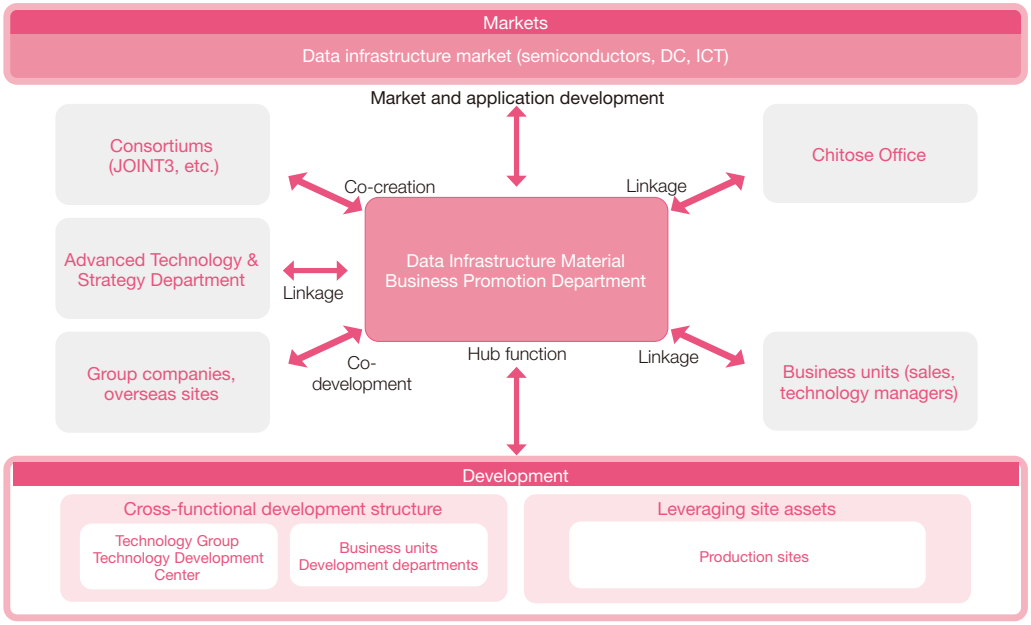


Role and Initiatives of Data Infrastructure Material Business Promotion Department

The Data Infrastructure Material Business Promotion Department was newly formed on October 1, 2025. The department was launched in response to advancements in semiconductor packages and data centers, along with new ICT technologies, accompanying the growth of generative AI. In this environment, the department explores the business opportunities surrounding our materials and core technologies to spearhead business creation. The scope of responsibilities also includes promising business development opportunities for recycling and resource circulation in the semiconductor field. The department takes a cross-functional approach to business development by coordinating with various business units and development organizations. This enables it to unify functions for new business creation, from marketing to mass production, with a focus on internally developed products. The department has coordinated efforts with TATSUTA Electric Wire and Cable, Toho Titanium, and JX Metals Trading, with joint programs to expand the marketing and applications development of the companies' materials and products. Furthermore, the department participates in JOINT3* and other consortiums with the aim of accelerating development and commercialization by collaborating with external materials, device, and design companies. Through these initiatives, the Data Infrastructure Material Business Promotion Department is pursuing business development from a market-oriented perspective and taking a central role in launching new business in the data infrastructure materials field.

*JOINT3: A collaborative consortium to develop material, device, and design technologies for next-generation semiconductor packages.

□Role and Initiatives of Data Infrastructure Material Business Promotion Department



New Business Creation Through External Collaborations

We have taken a stake in EX-Fusion, a startup launched by the University of Osaka, to pursue collaboration in support of the practical application of laser nuclear fusion power generation.

Amid heightened interest in realizing a decarbonized society and securing stable energy supplies, nuclear fusion has shown great promise due to its CO_2-free power generation and the nearly endless availability of deuterium, a raw material derived from seawater. A major technological obstacle to the commercialization of laser nuclear fusion energy is the successful development of laser systems with high output and durability.

We have collaborated with EX-Fusion on the technological development of YAG ceramics used for high-output lasers, a critical part of the laser nuclear fusion system. Our capital participation in EX-Fusion will accelerate the development of high-performance and reliable laser-related materials, while advancing the collaborative development of new materials including materials related to nuclear fusion reactors. Through these initiatives, we will contribute to the practical implementation of laser nuclear fusion power for society.

Intellectual Property Strategy

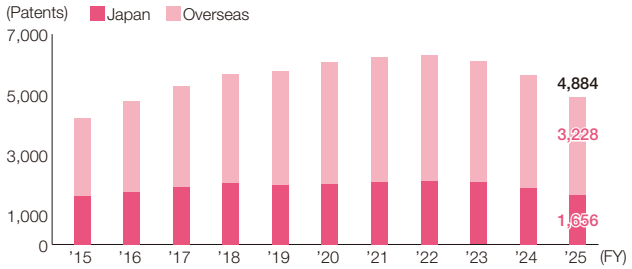
Intellectual property is an important asset for the technology-based firm that the JX Advanced Metals Group aims to be. In fiscal 2022, we formulated the JX Advanced Metals Group Basic Policy on Intellectual Property. Under this policy, we engage in intellectual property activities throughout the Group.

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.

From fiscal 2023, in addition to the separate groups for each business division, we have operated a dedicated group to support new business creation. From fiscal 2024, we further enhanced the structure by enabling all personnel responsible for IP protection and IP research of the Intellectual Property Department to participate in new business-related processes, led by the dedicated group. Under this new structure, personnel best suited to the new business theme or idea can be flexibly assigned to a project, enabling high-quality, rapid research and analysis into related IP information in support of new business launch.

Number of Patents Held



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.

Regarding the inventions generated through R&D activities, we promote the acquisition of patent rights in and outside Japan based on our business strategies. We review our intellectual property regularly based on business feasibility and the competitive environment. Portfolio optimization enables us to focus resources into key technologies and focus areas and bolster our business competitiveness.

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.

Developing Intellectual Property Human Resources

Training of human resources is essential to performing intellectual property activities. 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 (currently nine qualified staff) and intellectual property analyst certifications from the Association of Intellectual Property Education (AIPE) (currently two certified staff). Additionally, the department shares the latest intellectual property-related knowledge to enhance expertise.

DX Promotion

Purposes of DX Strategy

To achieve the growth targets of the long-term vision, we are promoting both structural reforms and DX. Amid intensified change in the external environment, we must continually review and update existing workflows and assets in order to grow sustainably. The management resources generated as a result must then be reinvested into growth fields.

Instead of viewing DX as a mere digital tool, we leverage its power for data-based decision-making, operational process reforms, and visualizing and resolving on-site issues. DX is positioned as a means of management reform aimed at raising profitability, capital efficiency, and productivity. Based on this approach, each business unit and corporate division has formulated a vision for 2030 and key measures, along with roadmaps for meeting its goals. Specifically, each business unit, business site, and corporate division has identified issues in their domains and is promoting manufacturing and office DX measures to address them, with the goals of expanding sales, reducing costs, improving working capital, and raising operational efficiency. Specialized departments under the Technology Group and other organizations are providing technical and operational support to ensure that good practices are promoted across all fields, enhancing the speed and effectiveness of company-wide reforms.

Moving forward, in addition to eyeing short-term benefits, we will promote a self-driven DX style in which each worksite can identify issues, and then plan, execute, and integrate measures. This will ensure that continual efforts are made to root reforms into daily work processes.

DX Promotion Structure

The Planning & Coordination Department, business units, business sites, corporate divisions, and the Technology Group all have roles in our DX promotion structure, each working to ensure that company-wide policies and on-site issues are linked.

With its integrated approach to structural reforms and DX, the Planning & Coordination Department establishes company-wide promotion meetings, confirms progress, manages cross-functional issues, reports to management, and supports its decision-making. Business units, business sites, and corporate divisions take the lead in executing their own initiatives. They identify important themes and issues, plan, execute, and integrate measures, and confirm their effectiveness, with the aim of raising profitability, reducing costs, and improving working capital. The Technology Group supports initiatives in all fields, including operational, quality, and equipment data utilization for manufacturing DX, operational process reforms through office DX, and deployment of generative AI and data utilization platforms. We are providing DX training, sharing good practices, and standardizing processes to ensure that each worksite can continually make improvements through a self-driven approach, without overreliance on specialized departments.

□DX Promotion Structure (Overview)

Planning & Coordination Department	Business units, sites, corporate divisions	Technology Group
Company-wide policies, promotion	Identify key themes and issues, and execute measures	Technology and methodology support for execution

Promoting self-driven DX company-wide through manufacturing DX, office DX, AI and data utilization

Specific Measures

Business units manage sales, supply and demand, production, inventory, and profitability data across the organization to enhance operations. This enables them to capture demand and customer trends at an early stage, and adjust sales and production plans, inventory levels, and price and profitability management in an integrated manner, minimizing opportunity loss, optimizing inventories, and increasing profitability. We are also re-examining operations that previously depended on individual expertise, promoting data visualization and standardization to support faster, more objective decision-making. At business sites, manufacturing DX is enabling more effective use of data on equipment operations, quality, yield, energy consumption, maintenance, and safety. By visualizing equipment operations, detecting anomalies quickly, analyzing factors behind quality fluctuations, and performing preventive maintenance, we will raise productivity, reduce costs, stabilize quality, and enhance safety. In corporate divisions, we are reforming operational processes and utilizing digital tools for common functions such as meetings, document creation, data collection, applications, approvals, inquiry handling, contracts, purchasing, human resources, and accounting. We are also leveraging generative AI and data platforms to streamline routine tasks, enhance data search and analysis, and facilitate coordination among departments. In this way, we are building workplaces where employees can focus on value-generating tasks.

To realize self-driven DX, in which issues are identified and addressed at each worksite, we launched a “Grow & Progress DX” training program for new employees in fiscal 2025. A total of 57 new career-track employees participated, identifying issues in their assigned organizations and addressing them using digital technologies. Workshops and mentorships helped participants gain the necessary understanding and skills to promote DX, while also cultivating a reform-oriented mindset. In fiscal 2026, we are continuing to foster a corporate culture that encourages operational reform and to develop DX talent. We are also promoting the use of generative AI, primarily M365 Copilot, as a base tool for self-driven DX throughout business units, business sites, and corporate divisions. Measurable improvements are already seen in areas such as document creation, material analysis, market research, and data analysis. As the number of users and applications steadily increase, generative AI is taking firm root as a platform for raising productivity. We will share case studies and provide more usage environments to support continual operational reforms using generative AI, thereby enhancing corporate value.

Strengthening Corporate 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, while further improving the flexibility and speed of business execution.

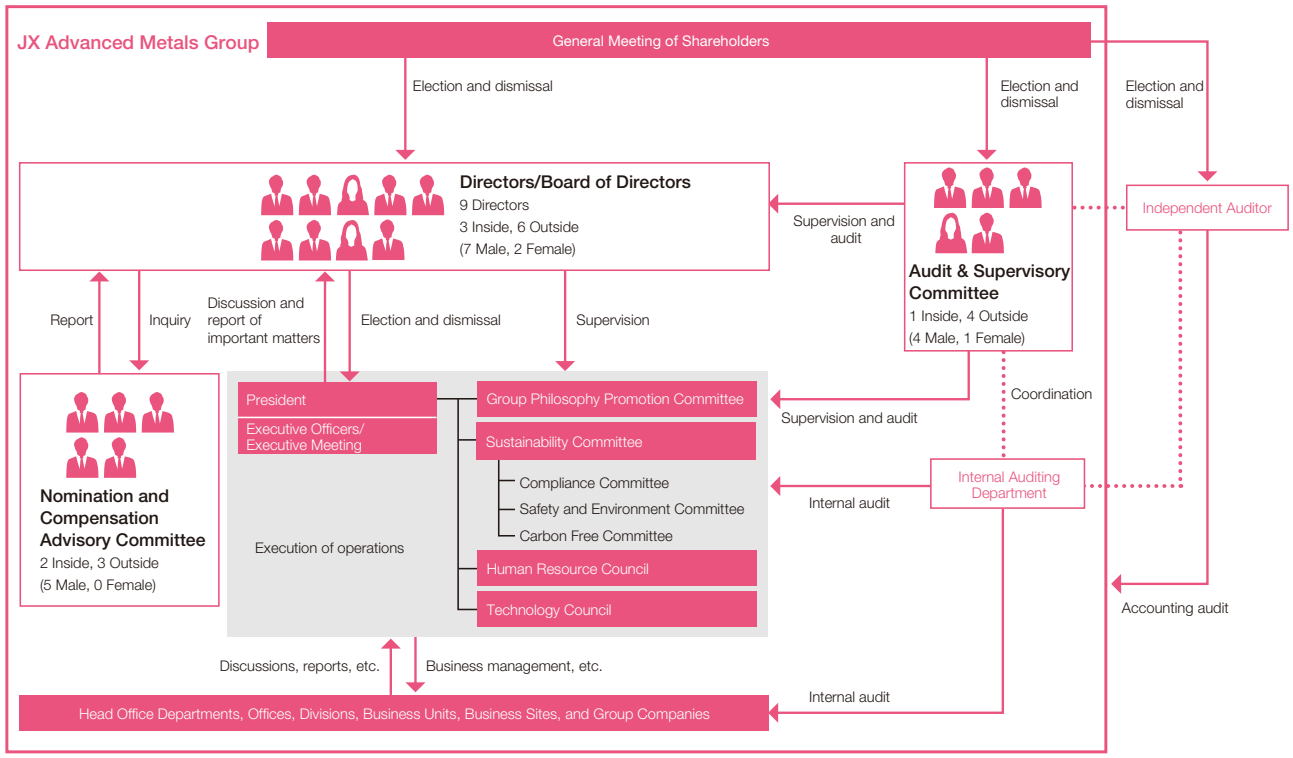
We also established the Nomination and Compensation Advisory Committee in November 2023. The committee conducted thorough discussions and finalized a succession plan, a skills matrix, independence criteria, and other nomination matters. Regarding compensation, the committee reviewed the executive remuneration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

Following our listing on the Tokyo Stock Exchange Prime Market in March 2025, we continued to enhance the effectiveness of our Board of Directors and take other measures to strengthen our corporate governance, including the formulation of Our Philosophy, the backbone to our business operations, and the prompt approval of investments and other projects in line with our growth strategies.

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.

□Explanation of Major Governance Bodies

	Board of Directors	Audit & Supervisory Committee	Nomination and Compensation Advisory Committee
Role	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 Board of Directors meetings, 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 based on consultation with the Board of Directors. Upon deliberation, the committee submits recommendations to the Board of Directors.
Chairperson	Chairman and Director	Full-time Audit & Supervisory Committee member	Outside Director
Composition	9 directors (incl. 6 outside directors)	5 directors (incl. 4 outside directors)	5 directors (incl. 3 outside directors)
Meetings Held in Fiscal 2025	17	18	4

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 2025 survey took place in January 2026 and targeted all 11 directors at that time. The questionnaire addressed six main areas: (1) Board role, size, and composition; (2) the operation of Board meetings; (3) collaboration with auditing bodies; (4) relationships with outside directors; (5) relationships with shareholders and investors; and (6) responses to issues identified in the previous evaluation. In February 2026, to complement the survey, all members of the Board joined in a group discussion to deepen dialogues, primarily over the items identified as issues in the survey results. We outsourced the distribution, collection, tabulation, and analysis of responses, as well as facilitation of the group discussion, to an external organization. Based on the findings and analysis from this external organization, the Board of Directors reviewed and discussed Board effectiveness at its May 2026 meeting, identified specific issues to be addressed, and confirmed how to proceed with efforts to improve effectiveness.

Results of the fiscal 2025 survey confirmed that, as with the previous fiscal year, the Board was comprised of a diverse group of members, and convened an appropriate number of times, at proper intervals, with an appropriate attendance rate. The Board met several times to deliberate the contents of the JX Advanced Metals Group Philosophy and other issues prior to resolution, as part of efforts to enhance the discussions of important management topics. Additionally, to ensure the Board's ability to engage in full discussions, outside directors visited worksites in and outside Japan and took part in study sessions on the Group's business activities. In regard to the survey results, each of the areas evaluated produced high scores, and the average scores were on par or higher than the previous year's results. In particular, the results for (2) the operation of Board meetings, and (4) relationships with outside directors showed significant improvement over the previous year. These were issues identified from the results of the fiscal 2024 survey. In response, we enhanced Board meeting operations to facilitate thorough discussions, while strengthening training for outside directors through site visits and study sessions, as mentioned previously. The results confirmed the continued effectiveness of the Board in fiscal 2025.

At the same time, the survey results and group discussion revealed that further improvements to Board effectiveness can be made in the future by enhancing the Board's discussions on raising our medium- to long-term corporate value and taking additional measures to enhance Board operation.

For fiscal 2026, we will continue to plan and hold site visits and study sessions, aiming to enhance the quality of these initiatives with more thorough explanations of changes in the business environment and growth strategies. Additionally, we will set an agenda for the Board to discuss growth investments, human capital strategies, and other key management topics in order to bolster discussions on raising medium- to long-term corporate value.

Efforts to Improve Board Effectiveness

In order for the members of the Board of Directors to perform their roles and responsibilities, it is critical that they have an understanding of the Group's business activities, management issues, and governance system. In particular, outside directors are tasked with leveraging their specialized expertise and experience to make appropriate decisions on important management issues and perform effective management oversight. To this end, it is important to provide them with not only information on the Group's business activities, but to share insights and provide training regarding the business environment and growth strategies. The thorough sharing of information leads to thorough Board discussions, supporting improvement in medium- to long-term corporate value.

Based on this approach, we explain key aspects of our business to outside directors at the time of appointment, and continue to provide opportunities to raise understanding of the Group through initiatives such as observing the Group Executive Meeting, the Sustainability Committee, and other meetings, sharing internal documents on technology and human resources strategy, site visits, and study sessions on Group business. In fiscal 2025, in order to deepen understanding of our business, we started visits to sites outside Japan, in addition to the previous domestic visits, and held study sessions on our DX initiatives and semiconductor processes. For decision-making on important management issues, we made multiple reports to the Board prior to the resolution to ensure that the members had sufficient information on which to discuss issues.

Moving forward, we will continue with our measures to raise the effectiveness of the Board of Directors.

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 medium- to 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
Chairman and Director	Sugawara Shizuo	○	○	○	○	○		
President & Representative Director, President & Chief Executive Officer	Hayashi Yoichi	○	○		○	○	○	
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	○			○		○	

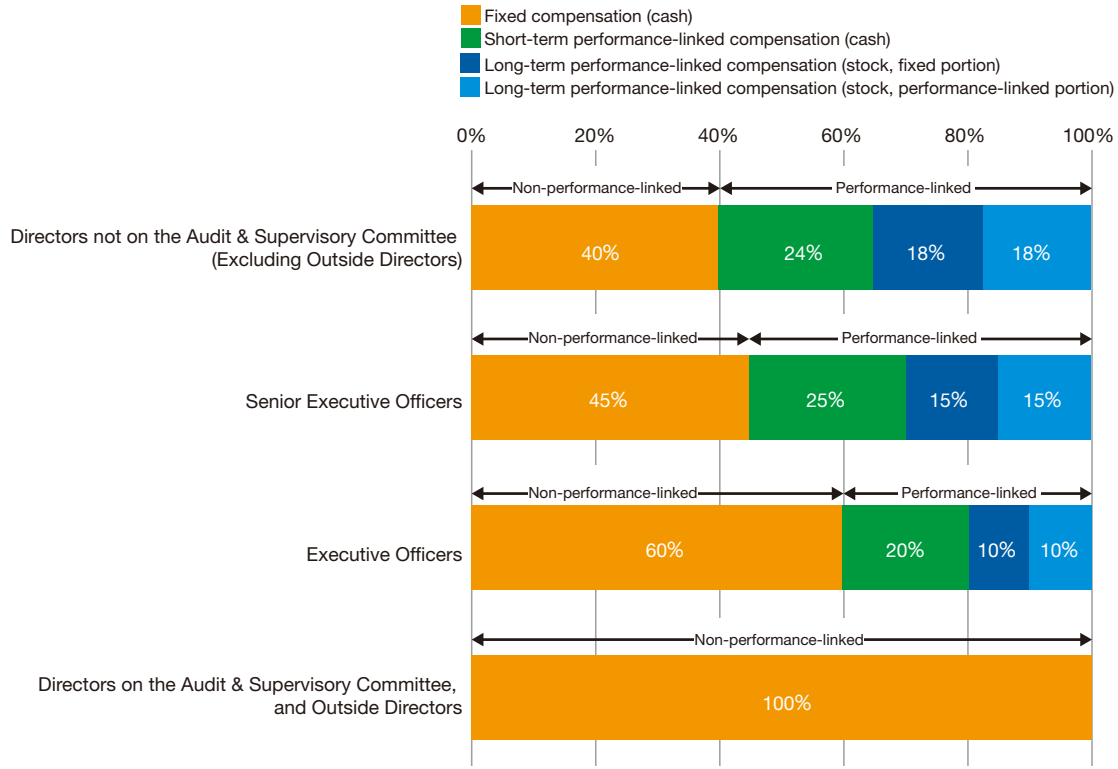
Executive Officer Compensation

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 consisted 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 clarifying 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 composition ratios shown above assume a payout rate of 100%.

Fixed Compensation (Cash)

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

Compensation for outside directors not on the Audit & Supervisory Committee consists only of fixed compensation to enable them to fully perform their oversight responsibilities. Directors on the Audit & Supervisory Committee also receive only fixed compensation so that they can perform their full oversight and auditing responsibilities.

Short-term performance-linked compensation (cash)

Short-term performance-linked compensation reflects performance indicators tied to annual results (companywide 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/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 President & Representative Director and the Chairman and Director, regardless of whether the Chairman holds the title of Representative Director. We do not apply an individual evaluation for the President and Representative Director, as well as the Chairman of the Board of Directors, regardless of whether the Chairman holds the title of Representative Director, given the ultimate responsibility the roles bear 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 the degree of achievement of multiyear 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
Nonfinancial	Workplace safety	3%	Strengthen incentives to create a safe and healthy work environment from the perspective of human 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's 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 to support the maintenance and operation of the internal control systems by conducting operational risk reviews and providing internal control training. In these ways, the department is striving to advance the Group's internal control activities.

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. In regard to material risks to the Group, a specialized department in the Company coordinates management with the department responsible for managing each risk to monitor changes and the status of risk response. Every six months the specialized department reports on the results of the monitoring to the Company's Board of Directors and the Executive Meeting.

With regard to listed subsidiaries and affiliates, we regularly reviewed whether it remained appropriate to maintain exchange listing from the standpoint of enhancing corporate value and capital efficiency for the Group as a whole. The Board of Directors also deliberated the rationale for maintaining these companies and evaluated the effectiveness of their governance structures.

Regarding listed subsidiary Toho Titanium Co., Ltd., it was decided that the optimal structure was to eliminate the parent-subsidiary dual listing in order to maximize the total corporate value of the Group by generating synergies between Toho Titanium and the Company through such measures as improving Group governance, raising efficiency of management resources, strengthening the advanced materials business, and accelerating new business development. As a result of deliberations at both companies, it was determined that transforming Toho Titanium into a wholly owned subsidiary of the Company through a share exchange would raise the corporate value of both companies as well as benefit Toho Titanium's shareholders. On February 25, 2026, the companies announced a share exchange agreement and a business integration agreement. Thereafter, at an extraordinary shareholders' meeting held on April 24, 2026, Toho Titanium shareholders approved a resolution on the execution of a share exchange between the Company and Toho Titanium. These measures met the Tokyo Stock Exchange's requirements for delisting the shares, and on May 28, 2026, Toho Titanium's shares were delisted.

Regarding listed affiliate Maruwn Corporation, SENKO Group Holdings Co., Ltd. (hereinafter SENKO HD) announced a tender offer for shares of Maruwn on November 13, 2025, with the intention of making the company a subsidiary. The Company approved this policy, judging that it will support an increase in Maruwn's corporate value and sustainable growth. SENKO HD's tender offer for shares of Maruwn (from January 26 to March 5, 2026) was successfully completed. At an extraordinary shareholders' meeting on May 8, 2026, Maruwn shareholders approved a resolution for share consolidation. These measures met the Tokyo Stock Exchange's requirements for delisting the shares, and on June 4, 2026, Maruwn's shares were delisted. Maruwn is now a subsidiary of SENKO HD, and the Company's voting rights ratio in Maruwn stood at 20% as of August 31, 2026.

As a result of the above transactions, as of September 30, 2026, the Company does not have any listed subsidiaries or listed affiliates. At the present time, the Company does not have any plan to newly list a subsidiary or affiliate.

Other Associated Companies

ENEOS Holdings, Inc. (ENEOS HD) is an "other associated company" of JX Advanced Metals. Each ENEOS HD business is operated in clearly delineated business domains, and currently, we face no competition or conflicts affecting the expansion of the Group Metals Business. ENEOS HD 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 ENEOS HD. In addition, the nine directors of JX Advanced Metals include six outside directors. Of these outside directors, five qualify as independent under the independence criteria. One director on the Audit & Supervisory Committee also serves as a director of ENEOS HD. However, we examine whether an appointment would strengthen our governance system before nominating any individual affiliated with ENEOS HD 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 ENEOS HD does not pose any risk of obstructing independent decision-making in the management of the Company.

We have established and operate the Nomination and Compensation 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 election and dismissal of directors and executive compensation based on consultation with 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 compensation.

Furthermore, JX Advanced Metals has not entered into any contracts with ENEOS HD 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 (Specified Investment Securities)

	Fiscal 2023	Fiscal 2024	Fiscal 2025
Number of stocks held (issues)	3	3	3
Total number of shares held (shares)	1,314,782	1,314,782	1,805,982
Balance sheet amount (millions of yen)	4,939	7,608	14,636
Ratio to net assets (%)	0.69	1.07	1.75

Officers



Chairman of the Board of Directors
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, Technology Group, and General Manager, 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 and Deputy Chief Executive Officer (Assistant to the President (Technology), and General Manager, Technology Group) of the Company
April 2022	Director and 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
April 2026	Director and Deputy Chief Executive Officer (Assistant to the President (Technology)) of the Company
June 2026	Chairman and Director of the Company (to present)



President & Representative Director, President & 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., and 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., and 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., and Logistics Dept.) of the Company
April 2022	Director, Senior Executive Officer (in charge of Planning & Coordination Dept., ESG Promotion Dept., Accounting Dept., and Logistics Dept., and Senior Executive Engineer, Project Management Office) of the Company
April 2023	President & Representative Director, and President & Chief Executive Officer 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 Hagoromo 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 Hagoromo Foods Corporation (to present)
October 2022	Outside Director (Audit & Supervisory Committee Member) 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)
June 2026	Outside Director, NIDEC CORPORATION (to present)



Outside Director and Audit & Supervisory Committee Member
Futamiya Masaya

April 1974	Joined The Nippon Fire & Marine Insurance Co., Ltd. (currently Sompo Japan Insurance Inc.)
June 2003	Executive Officer of NIPPONKOA Insurance Company, Limited (currently Sompo 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
	Director of NKSJ Holdings, Inc. (currently Sompo Holdings, Inc.)
April 2012	Representative Director, Chairman and Executive Officer of NKSJ Holdings, Inc.
September 2014	Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa Insurance Inc. (currently Sompo Japan Insurance Inc.)
	Representative Director, Chairman and Executive Officer of Sompo Japan Nipponkoa Holdings, Inc. (currently Sompo Holdings, Inc.)
April 2015	Representative Director, Chairman of Sompo Japan Nipponkoa Holdings, Inc.
June 2015	Director, Chairman of Sompo Japan Nipponkoa Holdings, Inc.
April 2016	Representative Director, Chairman, Sompo Japan Nipponkoa Insurance Inc. (currently Sompo Japan Insurance Inc.)
April 2018	Director, Chairman of Sompo 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 Sompo 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 Dept.) of JXTG Nippon Oil & Energy Corporation (currently ENEOS Corporation)
April 2023	Assistant to the President of Nippon Oil Co., Ltd.
June 2023	Director (Full-Time Audit & Supervisory Committee Member) of ENEOS Holdings, Inc. (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)

Web→ Areas of Responsibility, etc.
https://www.jx-nmm.com/company/chart.html

Outside Directors Roundtable Discussion

The Year in Review: Advancing Governance and Aiming for New Growth

**How have the JX Advanced Metals Group's governance systems evolved since the listing?
Our five outside directors look back on a year marked by faster decision-making, improved Board effectiveness, and reforms to the business portfolio.
The roundtable discussion also afforded an opportunity to discuss the road to further enhancing corporate value—the challenges and the promise.**



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

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

C Outside Director
Tokoro Chiharu

D Outside Director (Audit & Supervisory Committee Member)
Sakuma Soichiro

E Outside Director
Ito Motoshige

For details on the backgrounds of each outside director, please see P. 69–70.

Assessment of the Group's Governance in the Year Since the Listing

Tokoro: Prior to the IPO, the Company spent a considerable amount of time strengthening its governance structure. There were issues related to governance operation and information disclosure before the listing, but these were steadily resolved and improved one by one after listing. My impression is that the Company has succeeded in building a stable structure. The Company has also done an excellent job sharing information with outside directors in an easy-to-understand format. This is particularly true of the technology information, key for a company that depends on it, and information on the status of business sites.

Ito: The Company's advanced semiconductor materials business is evolving rapidly, requiring dynamic decision-making. This makes it all the more important to share information with directors, just as Ms. Tokoro said. Overall, I feel the Company has made appropriate investment judgments and management decisions which have produced successful results.



Outside Director
Tokoro Chiharu

Sakuma: I believe that management is about getting results. On that point, the executive officers produced exceptional results for the year. Compared with prior to the listing, the speed of decision-making has risen and governance is functioning well.

It is important to note, however, that we have become a "parent company" of the Group as a result of the listing. We now have new issues to tackle, such as managing from a Group-wide perspective and improving the management of individual Group companies.

Futamiya: Since the listing, from our position as leader of the Group, we have found areas to revise and optimize, as Mr. Sakuma aptly points out. Here, it's important that management has avoided ambiguity and facilitated thorough and clear discussions with the Board on a way forward. Overall, management has done an excellent job building a culture of making decisions based on in-depth discussions.

Kawaguchi: I think this has been the year in which "proactive governance" has started in earnest. Moving beyond the systems- and structure-building stage, the management's stance over the past year, including executive officers, has been on putting systems into practice and improving them. The revision to the Corporate Governance Code will be an opportunity to deepen discussions over further improvements, including the need for dialogues with investors.

Addressing Environmental Change and Accelerating Decision-Making

Tokoro: In terms of speed, the Focus Businesses are fields with innately rapid change. Even in the Base Businesses, however, the business environment is changing rapidly in areas like resource recycling and economic security. I feel we have entered an era when every part of our business requires urgency, whether it be Focus or Base Businesses.

Futamiya: Business portfolio reform has been an important theme, and here management has acted with urgency on structural reforms. The management's stance on selection and concentration of business has been clear.

Sakuma: I agree there's a sense of urgency with decision-making. It's impressive that management has excelled at sharing information and starting discussions well in advance instead of waiting until a decision needs to be made. As outside directors, the ability to make judgments based on a full understanding of the issues leads to faster, better decision-making.



Outside Director (Audit & Supervisory Committee Member)
Futamiya Masaya

Efforts to Improve Board Effectiveness

Futamiya: The evaluation of the effectiveness of the Board of Directors at the Company began in fiscal 2024. Steady improvement has been made on issues identified in the evaluations.

As an example, the schedule for fiscal 2025 was set much earlier than in the previous year, which made it much easier to attend to our work. There have been other meaningful improvements, including more substantive preliminary briefings and rules on sharing reference materials, visits to sites in and outside Japan, and providing technical briefings in response to requests from outside directors.

Sakuma: The technology briefings were particularly meaningful. The Company's strength lies in cutting-edge technologies, and understanding of technology is critical for us in making invest-



Outside Director (Audit & Supervisory Committee Member)
Kawaguchi Rika

ment decisions.

I'm among the outside directors with very little background in technology. The opportunity to learn about the Company's innovations, from semiconductor basics to undisclosed advanced technology, was of great help.

Kawaguchi: There are many meetings, including the Human Resource Council and Technology Council, that outside directors don't attend. The sharing of materials from these meetings has been another improvement. In the past, I felt that the scope of our information access was somewhat narrow. The better sharing of information has given me a deeper understanding of the Company as a whole. When I have questions, management has provided additional materials, and this creates an environment where I feel I can make more effective contributions to Board discussions.

Ito: As outside directors, in addition to understanding technological evolution, we must develop viewpoints on corporate risk, market environments, and other areas of change. Just after the listing, there were many issues that had to be dealt with right away. Now, I'd like to see more opportunities to discuss such medium- to long-term issues as trends in social environments and markets.

For example, if management had a fixed schedule of themes to discuss at the Board throughout the fiscal year, then I'd assume that discussions on the medium- to long-term issues would arise in due course. I think issues like human capital and investor dialogues are topics that we need to sit down and hammer out over time.

Futamiya: For important management themes, I also believe that it's effective to have discussions separate from the Board meetings. The members of these side discussions would change depending on the issue. We already have such opportunities on issues like DX strategies and human resources strategies.

Another important matter discussed by the Nomination and Compensation Advisory Committee was the clarification of requirements for an optimal executive officer structure. Specifically, we've discussed the importance of taking time to set a direction for the structure through careful discussions, including composition of outside directors, independent directors, and the representation of female directors. There are also ongoing discussions on creating a pool of candidates for new directors and performance-linked compensation.

Ito: There must be detailed discussions on the skills matrix for officers in consideration of management strategies and the business environment. Regarding qualities needed by executive officers and the kind of talent we need given the overall business portfolio, I believe we should move ahead while getting input from the executive officers themselves.

Futamiya: Information on candidate directors is being shared with a view towards determining the Board's future composition. For us to participate appropriately in the nomination of future directors, I think it's important for management to provide more opportunities for us to interact and get to know the candidates.

■Heritage as a Platform for Revising the Group Philosophy —

Kawaguchi: The most memorable experience in the past fiscal year for me was the creation of the Group Philosophy and its core elements, Our Purpose and Our Way. I was particularly impressed with the process. It wasn't decided in a single discussion, but rather the Board had many opportunities to discuss the contents, with the final version reflecting diverse viewpoints.

Futamiya: I also felt the discussions on creating our Philosophy and the Code of Conduct were critically important. For my part, I shared my experiences helping to revise the Keidanren Charter of Corporate Behavior, and particularly the importance of clarifying human rights and management responsibility. Management succeeded in creating a Philosophy that carefully reflected the Company's heritage and its reason for existence. The Philosophy should serve as a guidepost for employees when they need direction or face problems. I'd like to see the Philosophy ingrained in the corporate culture.

Sakuma: In developing the content of our Philosophy, the proposals from the executive officers were revised numerous times following our discussions and input. In that sense, I think our Philosophy was the successful result of both top-down and bottom-up approaches. Through this process, I felt that management should be more active in promoting the value of the Company's technologies. For myself, the process therefore took



Outside Director (Audit & Supervisory Committee Member)
Sakuma Soichiro

on a larger meaning in that it was an opportunity to rediscover our value and reason for existing.

Ito: The goal of any corporate philosophy is not to create a statement. The test of its value is the extent to which the Company and employees absorb its meaning and translate it into behavior. From that vantage point, I think there needs to be continued discussions.

Accelerating Our Transformation to Raise Corporate Value

Ito: For myself, the most memorable discussions at the Board in fiscal 2025 were those to decide on investments and partnerships as we navigate a rapidly changing business environment. We didn't limit ourselves to individual projects, but rather discussed the long view—what's on the horizon and what we are aiming to achieve. I had an interest in those perspectives and was able to contribute. It will be important to deepen our discussions on expansion in future growth fields as we reconfirm and reaffirm our strengths and monitor changes in the business environment. These continuing discussions are essential to raising corporate value.

Tokoro: To maintain the trust of investors and society, I think one of the Company's core strengths should be a resilient supply chain, both upstream and downstream. When planning investment in new business fields, we should consider the sustainability of the entire supply chain and resource recycling. Recycling is going to take on greater importance in the future, not just for minor metals but for all resources. We need to have thorough discussions on this challenge.

Sakuma: I feel that the Company's biggest strengths are its direct relationships with global customers and its ability to supply them with advanced materials. These relationships with customers are vitally important assets that are invisible to other companies. The Company is at a stage where it must maximize this strength to further increase the profits from the Focus Businesses.

Futamiya: Since the listing, management has reshuffled the business portfolio in its drive to engineer a stable growth structure and meet the expectations of the market and investors. During the year, the Company has made capital investments, executed M&As and capital partnerships, implemented a tender offer to optimize the shareholder structure, and canceled a portion of treasury stock. These initiatives have been completed with a sense of urgency. Now, management needs to spend more time to carefully consider how the capital policy will support future growth strategies.

It's clear from the cancelation of treasury stock and revisions to the shareholder return policy that the Company has a very sincere governance posture. In regard to the shareholder return policy, management considered different approaches and communicated its policy to the market. Investor feedback proved that the policy was difficult to understand, and from this year, policy revisions were made. This demonstrated the Company's sincerity in meeting the expectations of investors.

Expectations for Human Capital and Sustainability

Kawaguchi: I think the Company's most important non-financial capital is its human capital. Developing and retaining exceptional human resources not only ensures the Company can maintain its competitiveness, but it supports risk management by preventing data leaks and other issues. The distinctive engagement index the Company is reviewing includes turnover and retention rates and other factors, and this will be something I'd like to monitor more closely in the future.

Sakuma: The driving force behind the Company's growth is strong on-site manufacturing performance. The people who make that possible are the technical staff. Continually retaining engineers will be particularly important to future success. All Japanese companies with manufacturing sites outside major urban hubs are facing the same problem, and the question will be how much the Company is willing to invest.

At the same time, the Head Office needs to effectively use external resources to lead growth into the future. That growth must be driven by people who have a strong understanding of our on-site manufacturing operations and business, and that will require new approaches.

Ito: In an era when it's more difficult to secure talent, the positioning of human capital within the growth strategies will be important. I think this will require constant review and discussion.



Outside Director
Ito Motoshige

Moreover, there's a need to evaluate the Company's sustainability and business from the viewpoint of what value we provide to society. Although it is difficult to quantify success in this area, I'd like to see the Company make greater efforts to promote sustainability with awareness of the brand value.

Tokoro: In the environmental area, the transition to a circular economy is an important theme. The Company has significant capabilities in the resource recycling field. One of the challenges is demonstrating that value quantitatively. Evaluation indices are still in the process of being developed globally. I'd like to see the Company take a leadership role here.

Futamiya: The revision of our Philosophy and the materiality reaffirmed the reason for the Company's existence. Ingraining these into the workforce will require the executive management to continually engage in dialogues with employees and foster a culture of taking on challenges. Companies grow when their employees grow. Rooting this culture into the fabric of the Company will be the key to future success.

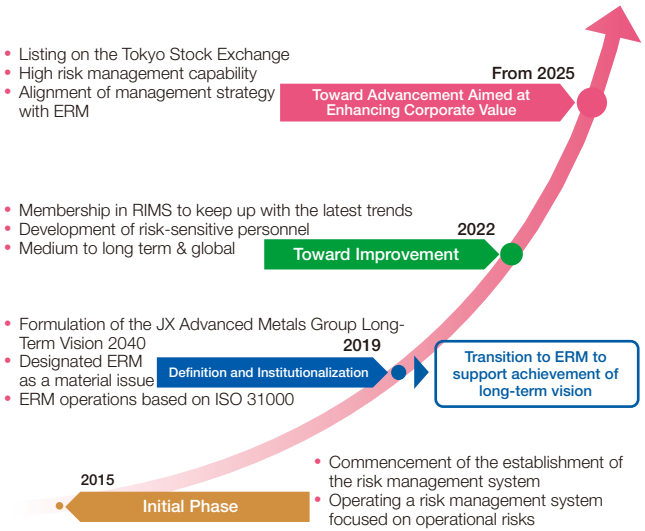
Risk Management

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, own, or otherwise handle 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.

- Pursue with all management and employees involved.
- Recognize risks linked to business targets 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



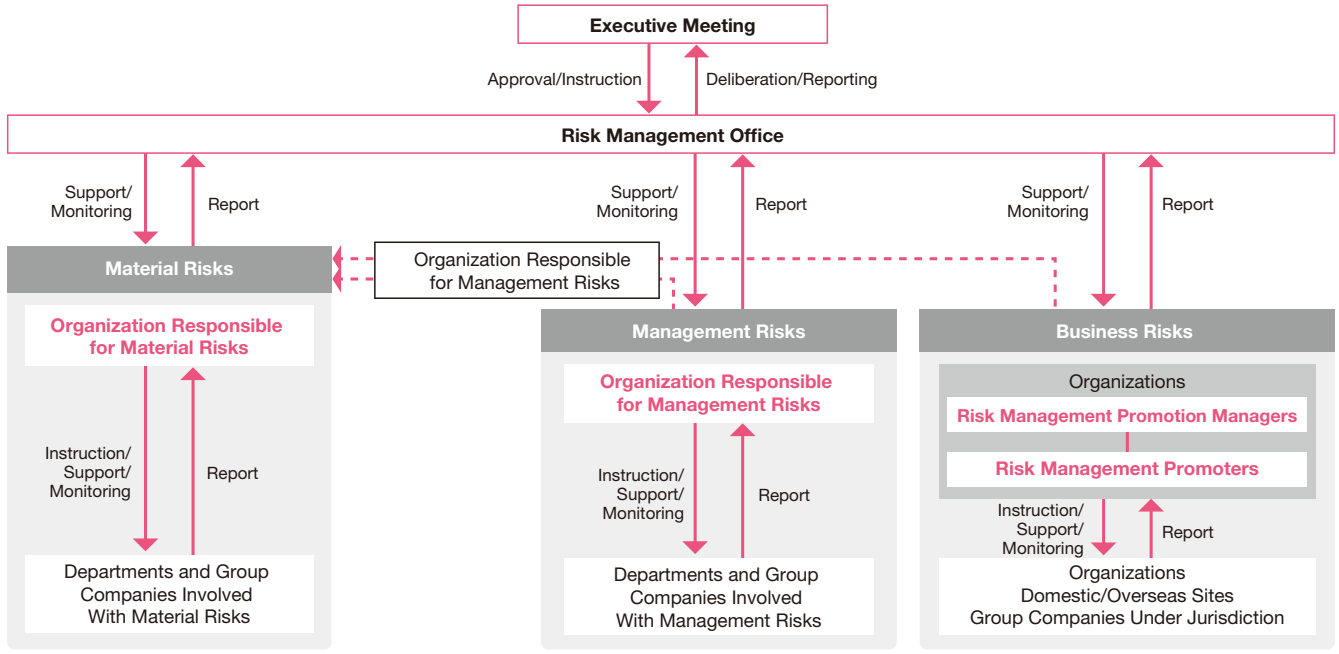
Risk Management Advancement and Promotion System

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. When we first started working to establish our risk management system in 2015, we 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. With an awareness of investors, we will strategically implement ERM moving forward in order to further raise corporate value.

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

* 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



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 and business plans, 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 Meeting. 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 Meeting monitors the status of these actions.

1. Management Risks
   Risk of obstructing achievement of the business targets 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 department or Group company. 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 adoption and integration of risk management activities within each organization.
3. Material Risks
   Management and business risks that are selected by the Executive Meeting as risks that could have a significant impact on the management of the JX Advanced Metals Group. The Executive Meeting approves and monitors risk response.

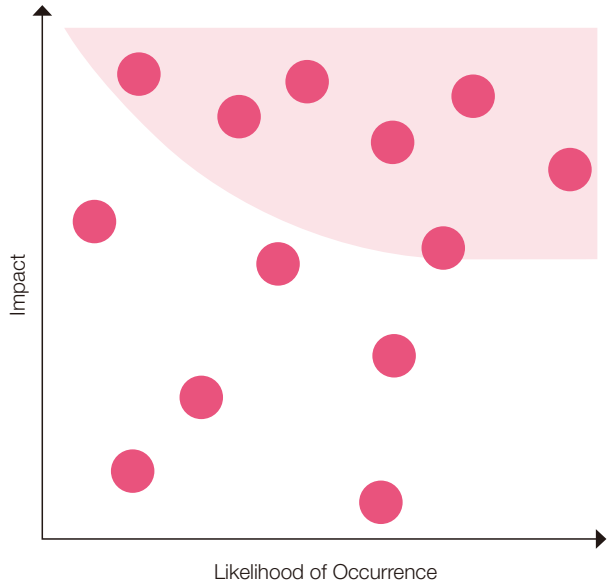
Business Risks

We conduct an annual business risk identification survey when formulating our budget. 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.

Risk Assessment Map



Business Risks Rated as High

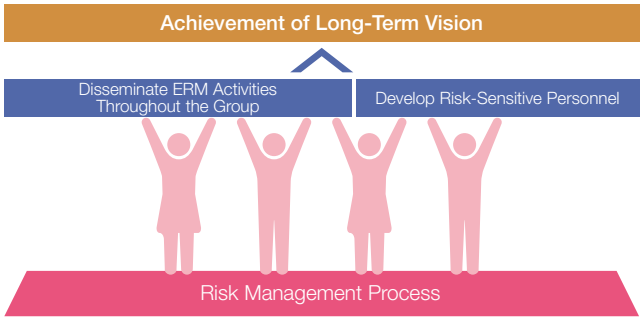
- Social Change to Mitigate Climate Change
- Geopolitical Risks
- Economic Conditions and Fluctuations
- Financial Market Fluctuations
- Fluctuations in Metal Prices
- Technology Development Risk
- Business Strategy Risks
- Natural Disaster Risks
- Fire and Explosion
- Dependence on Specific Customers
- ESG Risks in the Supply Chain
- Equipment Problems and Aging Risks
- Physical Infringement Risks

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, including the business risk identification survey and monitoring activities. These bodies collaborate to refine risk information and develop effective countermeasures. With regard to disaster prevention and mitigation, we conduct monitoring from budget request through the execution of measures.

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.



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.

Based on the Risk Management Training System, we implement training tailored to specific target groups in a phased manner. 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 sets of the skills and knowledge required to perform risk management 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.

Business Continuity Plan (BCP*1) Initiatives

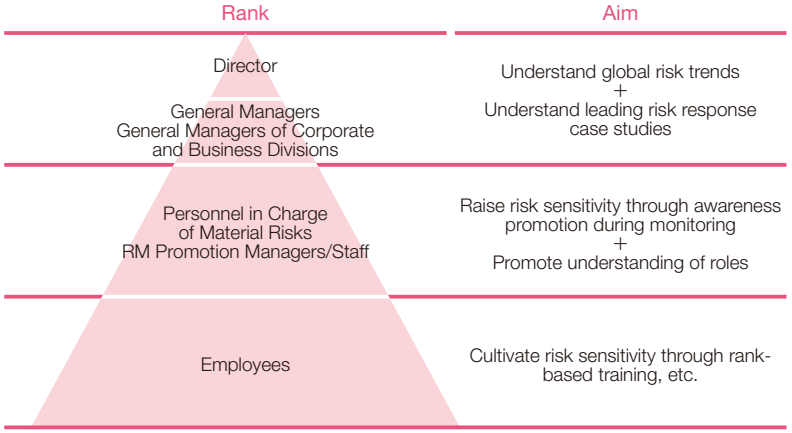
The Group has formulated business continuity plans (BCP) to minimize damage and achieve early recovery in the event of business interruption due to a major earthquake. In formulating these plans, we have clarified the concepts of business continuity management (BCM*2) and BCP and are working to establish the necessary framework to meet the needs of customers and other stakeholders. Additionally, we 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. Through these initiatives, we aim to bolster BCP while continually improving our initial response capabilities, including the efficient and effective sharing of information during disasters.

In fiscal 2025, we held our first BCP training exercise simulating a cyberattack at our Head Office (see P. 79 for details).

Moving forward, we will continue to enhance the effectiveness of our BCP through regular training sessions, as we work on establishing BCM.

*1 BCP: Business Continuity Plan
*2 BCM: Business Continuity Management

□Risk Management Training System (Company-wide)



Material Risks

We review and revise material risks every three years. The process begins with proposals from the general managers of corporate and business divisions, which are discussed among the president and other executive officers, for final approval by the Executive Meeting.

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
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. We procure raw materials internationally through investments in copper and minor metal mines and through our Metals & Recycling and Tantalum and Niobium Businesses, pursuing stable sourcing of essential raw materials for semiconductor and ICT 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 seven material issues for priority action and actively implement initiatives in line with these issues. However, inadequate future 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.

Information Security

Approach and Basic Policy on Information Security

The information assets supporting our products, technologies, and business activities are positioned as an important management resource and a source of our competitiveness. With advances in digital technologies and supply chains, information security is not only central to our business continuity, but directly impacts our ability to maintain and enhance the trust of customers, partners, shareholders, and other stakeholders as well as our corporate value. We therefore recognize information security as a critical management issue. The Group has built an information security management system (ISMS) in compliance with ISO/IEC27001. On this foundation, we take measures to strengthen the structure designed to thoroughly protect information and leverage information internally and externally. Through these initiatives, we support highly reliable business operations and value creation, with the aim of transforming into a technology-based company.

JX Advanced Metals Group Basic Policy Concerning Information Security

We, the JX Advanced Metals Group, recognize that the information assets that support our products and technology are critical assets. In order to strive to maintain our advantage in business competition, we will systematically and continuously strengthen information security in accordance with the following policy.

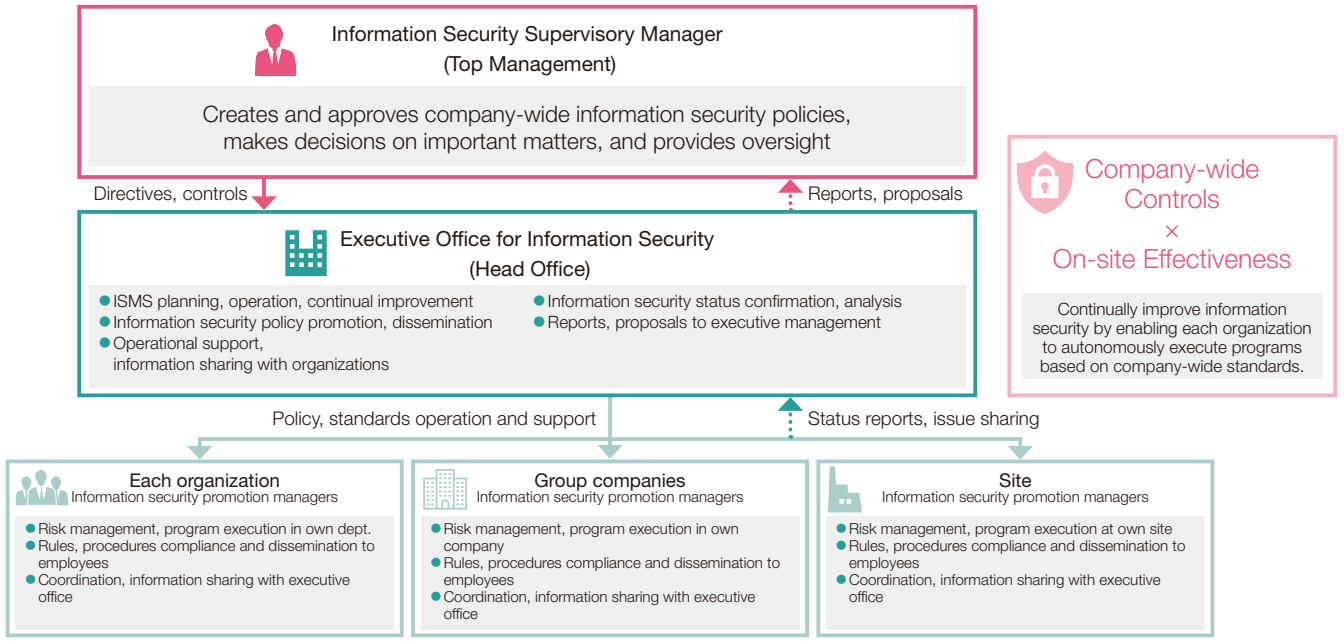
1. We will comply with laws and regulations, the guidelines set forth by the national government, and the obligations under contracts, etc. related to information security.
2. We will strive to ensure reliable protection of information assets entrusted to us by our customers and business partners.
3. We will implement appropriate management of information assets, which are the source of the JX Advanced Metals Group's competitiveness.
4. We will prevent the occurrence of information security incidents. Should an incident occur, we will minimize the impact of the incident and develop and implement measures to prevent recurrence.
5. We will establish an information security management system, carry out continual improvements, and train human resources through information security education.

Established on November 1, 2020
Revised on November 1, 2025

Information Security Promotion Structure

The JX Advanced Metals Group has established a company-wide promotion structure led by executive-level information security supervisory management. The Executive Office for Information Security leads the Group's ISMS planning, operation, and continual improvement activities. The office also promotes policies company-wide and supports operations while confirming and reporting on operational status. Promotion managers assigned to each department and Group company act as the security representative, managing programs and executing measures in accordance with the risk. Each organization operates programs autonomously while coordinating with the executive office. This approach ensures effective company-wide controls and on-site management.

Information Security Promotion Structure



Measures to Enhance Information Security

We are working across the Group to enhance information security by conducting risk assessment based on ISMS, identifying important risks, and prioritizing countermeasures. We also perform internal audits and rank-based training to raise the security awareness of our employees and ensure rules are strictly followed. Furthermore, we verify the effectiveness of our structure through third-party evaluations by external experts. In addition, we conduct cyberattack drills to boost our response capabilities in the event of a security incident, identify issues, and make improvements in coordination with relevant departments. Through these measures, we are continually raising our security standards in response to changes in our business environment.

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

We, the JX Advanced Metals Group, will strive to ensure and improve quality in accordance with the following policy in the pursuit of excellence in order to create value for society through our products, technology, etc.

1. We will correctly grasp the requirements of customers and society in order to offer products and services that customers will trust and be satisfied with.
2. While paying due attention to safety and environmental conservation, we will improve quality throughout all processes from development, designing, order acceptance, and delivery to after-sales service.
3. We will establish a quality management system, and carry out continual improvements and train human resources.
4. We will comply with all pertinent laws of both Japan and overseas countries, and provide customers and society with accurate information related to 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 of 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 has 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, many of our 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 Management 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.

Currently, we have a total of 12 employees evaluated by and registered with IRCA under its international standards, including 2 Lead Auditors, 1 Auditor, 6 Internal Auditors, and 3 Associate Auditors. We define those registered at the auditor level or above 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 Status

In fiscal 2025, 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 Surveys 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 Regulations (Excerpt)

<Basic Policy>

The executive management of the JX Advanced Metals Group takes the lead in ensuring compliance. Executive officers and employees are required to act with integrity in accordance with not only laws and regulations but also with social standards and corporate ethics, while conducting business activities and work duties in compliance with the Articles of Incorporation and internal rules. They must also work 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 compliance with the Antimonopoly Act, prohibition of insider trading, prevention of bribery, measures against antisocial forces, prevention of harassment, 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 ensure compliance with specific standards, and the executive officers and employees 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 these Regulations 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 for the Group to respond to the expectations of our diverse stakeholders by continuing to create value as a member of the community, we have established various internal regulations concerning compliance. Each fiscal year, we set priority compliance targets to monitor the compliance status. 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.

In fiscal 2025, the three main compliance goals were full observance of compliance-related rules, increased awareness and knowledge of compliance among officers and employees, and verification of compliance status and thorough response to issues identified. Various measures were taken in support of these goals. In fiscal 2026, we are continuing those initiatives and augmenting the goals with a fourth: appropriate response through early reporting of compliance violations and matters of concern and proper coordination with the relevant parties. This addition will ensure early reporting on compliance violations and related matters, while strengthening coordination among related departments. A robust response from the initial stage of an issue and thorough efforts to prevent similar occurrences will bolster the Group's compliance level.

Compliance Reporting and Appropriate Responses

The Compliance Committee, a subcommittee under the Sustainability Committee, receives reports on the state of compliance from each department of the Company and from Group companies see P. 39 . 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 goals and formulating education plans.

The Group has also established reporting standards and requires early reporting along with information sharing and coordination among related departments to ensure that appropriate action can be taken in the event of compliance violations or the risk of such violations.

Compliance Education

The Group provides a full range of compliance education to increase awareness and knowledge of compliance among executive officers and employees, and conducts a variety of compliance training sessions in Japan and overseas based on business characteristics and social trends.

In fiscal 2025, the uniform JX Advanced Metals Group Compliance Education program for all Group organizations covered compliance basics, prevention of insider trading, response to anti-social forces, and other topics. We also provided rank-based compliance training for executive officers, managers, new employees, and other groups. Further, we 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. At sites outside Japan, we provided compliance training at the Head Office for Japanese staff being dispatched overseas. Overseas offices, meanwhile, provided legal training based on local circumstances and revisions to local laws, along with training on the legal responsibilities of executives. At our German and Chinese sites, local managers were given training on the Group's compliance and important legal frameworks by attorneys and legal staff.

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.

Whistleblower System

The JX Advanced Metals Group has 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.

Reports may be made anonymously, and no party using the Group hotline for consulting or reporting will be subjected to disadvantageous treatment for its use. In addition to the contact office operated by an external organization, we newly opened an internal contact office in October 2025 to improve the system by making consultations and reporting easier.

We have also taken a wide range of measures to increase awareness and use 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. Upon the establishment of an internal contact office in October 2025, we made efforts to raise awareness of the system.

In fiscal 2025, we received 19 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.

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

In fiscal 2025, we continued to monitor the application of these regulations, confirming that the system was generally being implemented appropriately.

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 entertainment 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 2025, we verified the operational status of the regulation and it was found to be operating appropriately (there were no regulatory actions for acts of corruption).

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 violations from occurring. This program requires, among other measures, obtaining approval from each company's designated Person Responsible for Compliance with Competition Laws before attending meetings with 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, and conducting prescribed checks in advance when entering into transactions that may raise competition law concerns.

In fiscal 2025, we verified the operational status of the program and it was found to be operating appropriately (there were no regulatory actions for anti-competitive behavior).

Tax Governance

The JX Advanced Metals Group ensures tax compliance in all countries and regions where we conduct business activities. On the premise of making appropriate tax payments, we strive to boost our corporate value through tax optimization and tax transparency. Further, the JX Advanced Metals Group Tax Policy is used as a basis on which to raise awareness of tax compliance and establish our global tax governance structure. Regarding important tax-related events, the Company reports such matters to the Executive Meeting and other relevant bodies in a timely and appropriate manner.

In addressing tax risks, we seek advice from independent tax experts and obtain advance rulings from tax authorities. We provide tax authorities with timely and appropriate information and respond sincerely and cooperatively in an effort to build trusted relationships.

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/company/policy/tax.html

Company Overview

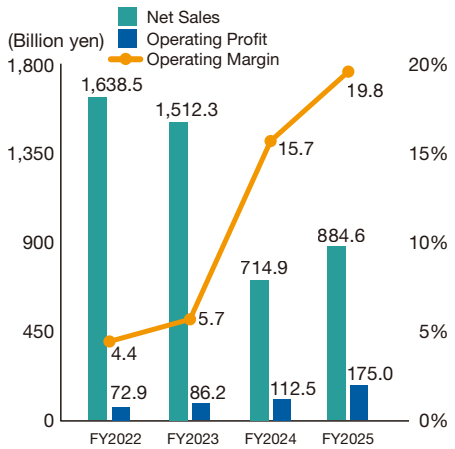
Web→ ESG Data
https://www.jx-nmm.com/sustainability/esg-data/

Web→ IR Information
https://www.jx-nmm.com/ir/

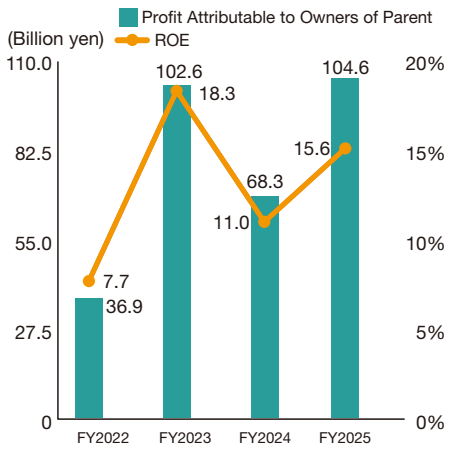
Financial and Non-Financial Data

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 subject to independent third-party assurance).

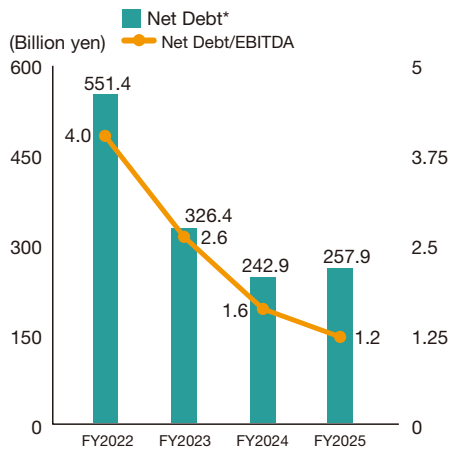
Net Sales, Operating Profit, Operating Margin



Profit Attributable to Owners of Parent, ROE

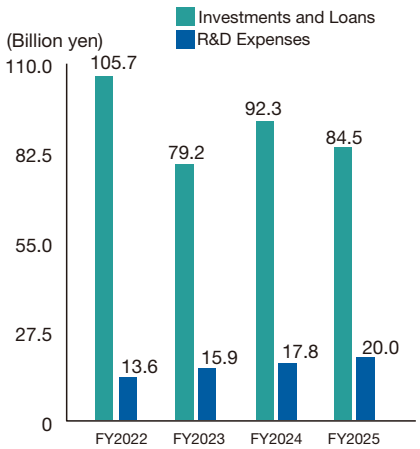


Net Debt (Absolute Value), Net Debt/EBITDA

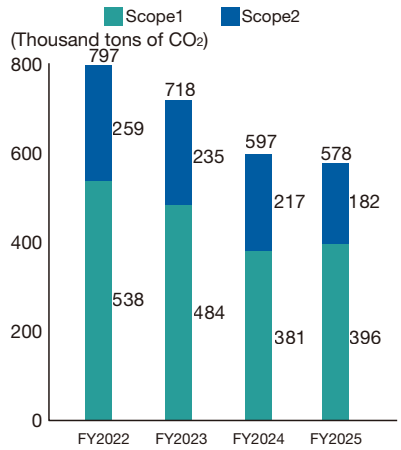


* Net debt for the fiscal years ended March 31, 2023 and 2024 represents interest-bearing debt minus cash and cash equivalents and short-term loans receivable from ENEOS Finance Corporation (short-term loans receivable from the ENEOS Group).

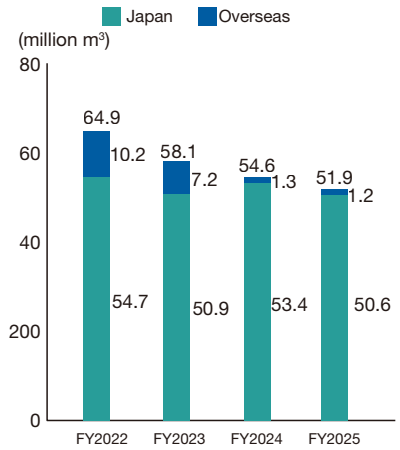
Investments and Loans, R&D Expenses



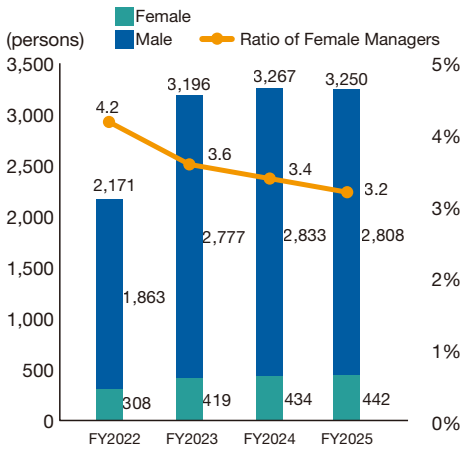
CO_2 Emissions (Scope 1 and 2)



Water Usage

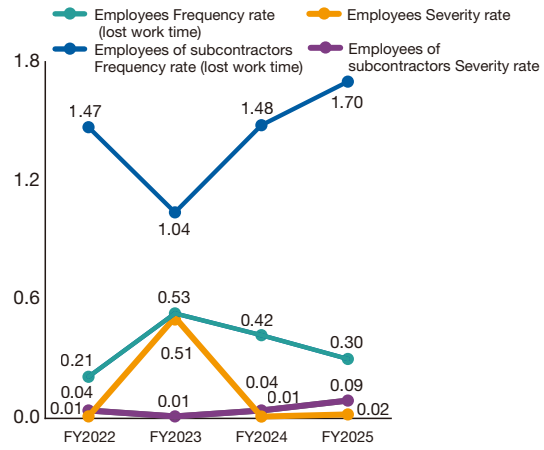


No. of Employees, Ratio of Female Managers (Non-Consolidated)*



*Figures are based on the annual securities report

Frequency Rate and Severity Rate of Industrial Accidents



Corporate Profile/Shareholder Information (as of March 31, 2026)

Corporate Profile

Company Name — JX Advanced Metals Corporation
Head Office — 10-4, Toranomon 2-chome, Minato-ku, Tokyo 105-8417, Japan
Founded — December 1905
Incorporated — September 2002
Paid-in Capital — 75.0 billion yen
Employees — Consolidated: 10,450
*Based on Annual Securities Report

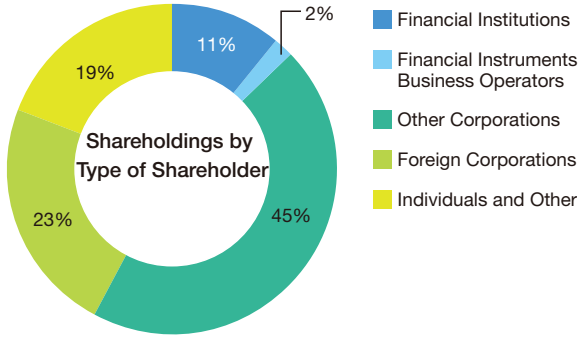
Stock Information

Listed Stock Exchange — Tokyo Stock Exchange Prime Market
Securities Code — 5016
Trading Unit — 100 shares

Stock Status (as of March 31, 2026)

No. of Shares Authorized — 3,700,000,000 shares
No. of Shares Outstanding — 928,463,102 shares*
No. of Shareholders — 293,460

□Shareholders



* As a result of a share exchange between the Company and Toho Titanium Co., Ltd. effective June 1, 2026, and the cancellation of treasury shares on July 31, 2026, the number of shares outstanding as of July 31, 2026 was 949,183,210 shares.

□Major Shareholders (Top 10)

Name	No. of Shares Held (thousand shares)	Ownership Ratio (%)
ENEOS Holdings, Inc.	393,529	42.38
The Master Trust Bank of Japan, Ltd. (Trust Account)	74,480	8.02
Custody Bank of Japan, Ltd. (Trust Account)	23,323	2.51
STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	8,936	0.96
GIC PRIVATE LIMITED-C (Standing Proxy: MUFG Bank, Ltd.)	8,624	0.92
JP MORGAN CHASE BANK 385781 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	7,796	0.83
BNYM AS AGT/CLTS NON TREATY JASDEC (Standing Proxy: MUFG Bank, Ltd.)	7,317	0.78
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	6,342	0.68
JP MORGAN CHASE BANK 385642 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	5,723	0.61
GOVERNMENT OF NORWAY (Standing Proxy: Citibank, N.A., Tokyo Branch)	5,204	0.56

1. The ownership ratio (%) of ENEOS Holdings, Inc. was 35.28% as of July 9, 2026 due to the tender offer for own shares approved by the Company's Board of Directors on May 11, 2026.
2. JX Advanced Metals holds 182 shares of treasury stock. The 876,799 shares of the Company held by the Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the Trust Account of the Employee Stock Ownership Plan (J-ESOP-RS) for employees in managerial positions are not included in treasury shares. The 1,460,200 shares of the Company held by the Custody Bank of Japan, Ltd. (Trust Account) as Board Benefit Trust Restricted Stock (RS Trust) are not included in treasury shares.
3. The Master Trust Bank of Japan, Ltd. (Trust Account) shares are comprised of 36,097,000 shares in an investment trust and 661,000 shares in a pension trust. The Custody Bank of Japan, Ltd. (Trust Account) shares are comprised of 14,641,000 shares in an investment trust and 1,118,000 shares in a pension trust.
4. The number of shares owned is rounded down to the nearest thousand shares. The ownership ratio of shares owned to total number of shares outstanding (excluding treasury stock) is rounded down to two decimal places.

ESG Rating

MSCI ESG Ratings*



MSCI ESG Ratings evaluate companies' resilience to industry-specific ESG risks and opportunities based on a relative assessment against peers, assigning ratings on a seven-point scale from "AAA" (highest) to "CCC" (lowest). Following its stock listing in March 2025, the Company became subject to this rating and received an "AA" rating in its first assessment (announced March 23, 2026). The Company's initiatives in areas such as climate change, occupational health and safety, and corporate governance were highly regarded.

CDP



CDP is a British nonprofit organization that operates a global framework for disclosure of information on companies' efforts on climate change, water security, and other measures. Companies are scored on an eight-point scale from A to D-. The rating is considered one of the leading indicators of a company's environmental initiatives. In fiscal 2025, the Company received a rating of A- in the areas of climate change and water security.

* THE USE BY JX Advanced Metals Corporation OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF JX Advanced Metals Corporation BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI. (Notice and Disclaimer for Reporting Licenses | MSCI)
MSCI ESG Ratings measure a company's resilience to long-term, industry-specific sustainability risks using a rules-based methodology. MSCI analysts research and rate companies on a 'AAA' (leader) to 'CCC' (laggard) scale based on their exposure to and management of these risks relative to peers.
MSCI Sustainability and Climate measures, benchmarks and monitors, sustainability and climate performance versus peers across 10 000 + corporate issuers, collecting thousands of data points for each company.
Learn more about MSCI ESG Ratings here.

Web→ External Evaluations and Certifications, etc.
https://www.jx-nmm.com/sustainability/2026/evaluation/

JX Advanced Metals Corporation

JX Advanced Metals Corporation
10-4, Toranomon 2-chome, Minato-ku, Tokyo 105-8417, Japan The Okura Prestige Tower
E-mail: esg_promotion@jx-nmm.com
URL: https://www.jx-nmm.com/english/

2026.11