

March 6, 2024
JX Metals Corporation

Partial Change in Investment Plan for New Hitachinaka Factory

JX Metals Corporation (President: Hayashi Yoichi; “JX Metals”) has been constructing a new core base for advanced materials on the site which was previously acquired in Hitachinaka, Ibaraki Prefecture (news release: March 16, 2022^{*1}). However, viewing the recovery of Hitachi Works in Hitachi, Ibaraki, which was damaged by Typhoon Yun-yeung in September 2023, as a turning point, JX Metals thoroughly examined immediate investment needs for each of its products and has now decided to make some changes to the New Hitachinaka Factory (tentative name) investment plan.

Considering the optimal business operations at each site in Ibaraki, JX Metals will be relocating some functions from Hitachi Works to the New Hitachinaka Factory in order to maximize utilization of Hitachi Works, where a lot of equipment and facilities are installed in a limited flat area. Also, JX Metals will cancel the investment in rolled copper foil and high-functionality copper alloy strips originally planned at the New Hitachinaka Factory. Instead, JX Metals will address expanding future demand by operating the New Hitachi Factory (tentative name), which is set to begin operation in the first half of FY2024,^{*2} and fortifying production frameworks at existing factories. Meanwhile, the production capacity will be strengthened at the New Hitachinaka Factory for sputtering targets for semiconductors and other semiconductor materials, which are expected to enjoy a sharp expansion in demand and high profitability going forward.

Mainly due to the cancellation of the large investment in rolled copper foil manufacturing equipment, overall investment value in the New Hitachinaka Factory is expected to be approximately 150 billion yen instead of approximately 200 billion yen, which was originally planned. On the other hand, JX Metals will consider increasing investment going forward to reflect future growth of the semiconductor field. While some delays are expected in the original scheduling for the New Hitachinaka Factory due to these revisions, JX Metals is aiming to start trial operations in FY2025 as originally scheduled. The size of the potential workforce has not been changed and is still expected to be over 500, making the factory a major new base for JX Metals.

Regarding Hitachi Works, JX Metals is seeking to restore operations in the most efficient way possible while also paying close attention to various safety considerations and will also consider new investment relating to advanced semiconductor materials in order to enhance future growth.

JX Metals continues to view Ibaraki Prefecture as an important region where its major bases, including the New Hitachinaka Factory, are located. JX Metals is committed to helping develop the local economy and create jobs, and aims to be a global leader in the field of advanced materials.

*1 See news release dated March 16, 2022: “Acquisition of Large Site for Construction of New Factory in Hitachinaka, Ibaraki Prefecture”

*2 See news release dated December 8, 2021: “Decision to Increase Production Capacity for Sputtering Targets for Semiconductors and Treated Rolled Copper Foil”



Sputtering targets for semiconductors to be produced at the New Hitachinaka Factory