

March 31, 2021

JX Nippon Mining & Metals Corporation

JX Nippon Mining & Metals Corporation Subsidiary Ceases Business, New Subsidiary to be Established

JX Nippon Mining & Metals Corporation (President: Murayama Seiichi; "the Company") has today announced cessation of business by one of its subsidiaries and the establishment of a new subsidiary. Details are set out below.

1. Cessation of Business by Subsidiary

The Company has decided that one of its subsidiaries, JX Nippon Tsuruga Recycle Co., Ltd. (President: Kazuhiro Hatano; "Tsuruga Recycle") will cease business with effect from September 30, 2021. Tsuruga Recycle has today notified its labor union of the decision.

In a challenging market environment where margins on smelting and refining continue to trend downward, the JX Nippon Mining & Metals Corporation Group aims to enhance the competitiveness of its Metals & Recycling Business by focusing on recycling business. As part of this shift, Tsuruga Recycle has made efforts including improvement of its raw material recycling productivity, but the capabilities of its facilities are severely limited, and since profitability is unlikely to improve from a cost competitiveness perspective even over the medium to long term, the decision has been made to cease business. The utmost efforts will be made to secure employment for Tsuruga Recycle employees by redeploying them within Group companies including the new subsidiary detailed below or placing them in jobs outside the Group.

Overview of JX Nippon Tsuruga Recycle Co., Ltd. (as of March 1, 2021)

Company name	JX Nippon Tsuruga Recycle Co., Ltd.
Business activities	Recycling of electronic equipment, precious metal scrap, etc. and non-ferrous metals, and intermediate processing (neutralization, crushing, and sorting) of industrial waste
Address	1 Wakaizumi-cho, Tsuruga-shi, Fukui 914-0027, Japan
Representative	Kazuhiro Hatano, Representative Director & President
Capital	50,000,000 yen
Established	November 1, 1995
Stockholder	Wholly owned by JX Nippon Mining & Metals Corporation
Employees	77

2. Establishment of New Subsidiary

The Company has decided to establish a new subsidiary with a target launch date of May 2021. The new subsidiary will advance technology development to achieve closed loop recycling whereby minor metals contained in scrapped automotive lithium-ion batteries (LiB) are re-used as raw materials for new automotive LiB. The new subsidiary is scheduled to begin production technology development and demonstration operation in October this year.

Overview of new subsidiary

Company name	To be decided
Business activities	Technology development for closed loop recycling of automotive lithium-ion batteries
Address	1 Wakaizumi-cho, Tsuruga-shi, Fukui 914-0027, Japan
Representative	Toshiaki Sato, Representative Director & President
Capital	20,000,000 yen
Establishment	Scheduled for May 2021
Stockholder	Wholly owned by JX Nippon Mining & Metals Corporation