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JX Advanced Metals Corporation

Strengthening the Profitability of the Metals and Recycling Business

In view of the recent decline in profitability in concentrate smelting, JX Advanced Metals Corporation (President: Hayashi Yoichi; hereinafter, “the Company”) has been expanding the ratio of high-margin recycled raw materials in its metals and recycling business. However, due to the significant deterioration in the current conditions for purchasing ores, the Company has begun considering implementing measures to reduce production at the smelters operated by the Company Group. Additionally, to respond to the rapidly increasing demand for raw materials for semiconductor and other advanced materials and the growing awareness of the circular economy, the Company has decided to further accelerate the shift in business structure from concentrate smelting to recycling smelting. This includes considering changes to the production and business structure to reduce production scale.

The primary aim of the metals and recycling business is to supply raw materials used in the Company's focus businesses such as semiconductor materials and information and communication materials. While the Company can produce a significantly higher amount of copper than is required for its focus businesses, there is a specific demand in these businesses for precious and rare metals, mainly recovered from recycled raw materials. Furthermore, the risks associated with supply from producing countries are increasing, and recycling has great social significance. By placing greater emphasis on recycling, the Company aims to enhance the profitability of the metals and recycling business, strengthen the supply chain of its focus businesses, and thereby improve the overall profitability and efficiency of the Company Group. Copper is also an essential material for decarbonization in the spread of renewable energy and expansion of electrification, and promoting resource circulation is indispensable for its stable supply. Therefore, strengthening the competitiveness of smelters by optimizing production scale is also considered important from the perspective of maintaining bases for recovering copper and rare metals.

The specific details of the plan will be announced as soon as they are decided.