

Stakeholder Engagement

The Group believes that understanding the demands of various stakeholders accurately, responding in good faith, and building relationships of trust will lead to an increase in corporate value. To this end, we take advantage of opportunities for dialogue with each stakeholder and engage in active two-way communications.

Key Stakeholders and Responsibilities	Main Means of Communication	Main Topics
<p>Customers We will contribute to achieving a more affluent society by improving satisfaction and fulfilling our social responsibilities through the stable and efficient supply of high-quality products.</p>	<ul style="list-style-type: none"> • Communication in sales activities • Dissemination of information via website and SNS • Exhibit at the 9th Highly-functional Metal Expo • Invitation to SQUARE LAB 	<ul style="list-style-type: none"> • Stable supply of highly-functional products • Improvement of economic efficiency and added value of products • Improvement of environmental performance of products • Appropriate disclosure of product information
<p>Shareholders and investors As a major operating company of the ENEOS Group, we will strive to disclose information in a timely and appropriate manner through ENEOS Holdings, a listed company.</p>	<ul style="list-style-type: none"> • Publication of Sustainability Report • Disclosure of information on website • IR news email distribution • General meeting of shareholders, financial results briefing, business office information 	<ul style="list-style-type: none"> • Stable profit return • Easy-to-understand information disclosure on management strategies • Full disclosure of ESG information
<p>Employees We will promote the creation of a rewarding workplace, focusing on the improvement of the work environment and the enhancement of training systems. And we will strive to improve the motivation of each individual.</p>	<ul style="list-style-type: none"> • Publication of the group newsletter Cuprum • Preparation and distribution of the <i>ESG Handbook</i> and the <i>Handbook for Supporting Balancing Childcare or Nursing Care</i> • Implementation of self-assessment system • Holding online workshops • Dialogue between labor unions and management • Various employee training and education programs 	<ul style="list-style-type: none"> • Prevention of occupational accidents • Penetration of Group ESG activities • Achieving diverse work styles • Enhancement of training system • Fair and equitable personnel evaluation • Maintaining and promoting mental and physical health
<p>Business partners We will conduct business with our partners built on relationships of trust. We are working to achieve fair and equitable transactions throughout the supply chain.</p>	<ul style="list-style-type: none"> • Communication through purchasing activities (CSR Procurement Questionnaire) • Operation of an inquiry desk • Conducting surveys with business partners • Invitation to SQUARE LAB 	<ul style="list-style-type: none"> • Equal and fair trade • Management of occupational safety
<p>Local communities We will pursue coexistence and co-prosperity at each of our bases by creating understanding of our business and building cooperative relationships through various exchange opportunities.</p>	<ul style="list-style-type: none"> • Creation of cooperation agreements with universities and establishment of joint research courses • Conducting factory tours, office tours, and visiting classes • Participation in and sponsorship of community events • Conducting briefings for local residents • Participation in local volunteer activities 	<ul style="list-style-type: none"> • Strengthening cooperation with local communities for their revitalization • Cultivation of a new generation and educational support • Reduction of the environmental impact of the region
<p>International community We pay close attention to trends in global warming and other international issues. We engage with issues proactively and comply with laws and regulations.</p>	<ul style="list-style-type: none"> • Implementation of business practices that support the SDGs • Response to TCFD / Endorsement of Challenge Zero / Participation in GX League 	<ul style="list-style-type: none"> • Establishment of a resource-recycling society • Climate change adaptation and mitigation • Progress in the Digital Society



Materiality 6 Strengthen Governance

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



KPIs and Progress

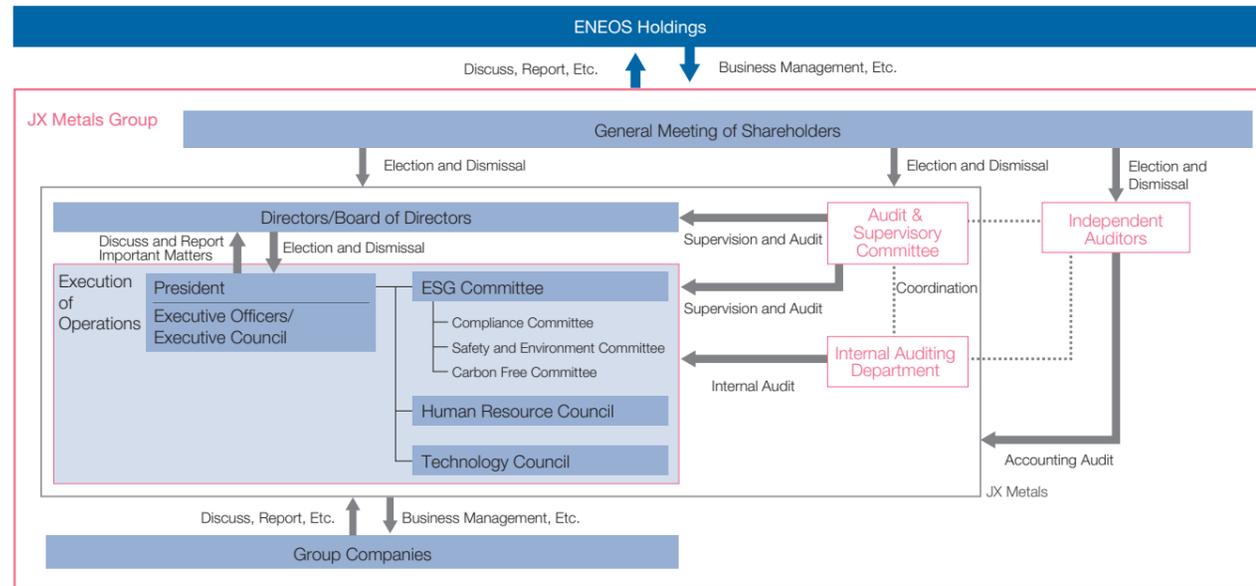
Assessment: 😊 Achieved/Steady Progress ☹️ Not Achieved

KPI	FY2022 Results/Progress	Assessment
Steady operation of group-wide risk management	The JX Metals Group bases activities on Enterprise Risk Management (ERM), established with reference to ISO 31000, a set of guidelines for risk management. In fiscal 2022, we formulated the <i>JX Metals Group ERM Vision</i> toward ERM that is more conducive to enhancing corporate value. To achieve this vision, we planned and implemented measures to improve our ERM system. We analyzed the gap with our current state and analyzed actions to take based on a maturity model provided by an external organization.	😊
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 executives and other employees. In fiscal 2022, in addition to annual the rank-specific compliance training, we once again held training programs in Japan and overseas regarding harassment and the Subcontract Act, tailored to business characteristics, social trends, and other factors.	😊

Corporate Governance

The Group is working to strengthen our governance structure in order to have a firm grasp on rapidly changing business environments, to accelerate decision-making and business execution, and to achieve fair and highly transparent management.

Corporate Governance Structure



● Board of Directors

The Board of Directors was established to discuss matters specified by laws, regulations, and the Articles of Incorporation, as well as other important management issues. The Company's Board of Directors consists of 12 members: 7 non-Audit & Supervisory Committee members (6 male and 1 female) and 5 Audit & Supervisory Committee members (4 male and 1 female). In accordance with laws, regulations, and the rules of the Board of Directors, transactions involving conflicts of interest between directors and the Company are subject to approval by the Board of Directors.

● Audit & Supervisory Committee

On June 28, 2023, the Company transitioned to a company with an Audit & Supervisory Committee to strengthen the supervisory function of the Board of Directors and enhance corporate governance further.

The Audit & Supervisory Committee has the authority prescribed by law, the Articles of Incorporation, etc., to audit the execution of duties by directors and to prepare audit reports. In addition, auditors endeavor to understand the state of business execution by individual executives of the Company and Group

companies through interviews and the inspection of documents. Furthermore, auditors receive periodic reports on audit plans, progress, and results from the Internal Auditing Department and the accounting auditor while enhancing cooperation through the exchange of information and opinions.

● Executive Council

As an advisory organ to the president, the Executive Council, consisting of the president and executive officers appointed by the president, was established to discuss important matters regarding company management and to report the state of business execution.

● Outside Directors

With the recent growing calls from society to strengthen governance and internal controls, we appoint outside directors to incorporate new perspectives in judgment and new stimuli, as well as provide an external oversight function. As of June 2023, 5 of the 12 directors (2 directors who are not Audit & Supervisory Committee members and 3 Audit & Supervisory Committee members) are outside directors.

● Management of Group Companies

Each Group company is placed under the jurisdiction of the appropriate operating or corporate department of the Company based on its business line, and the execution of its operations is managed and supervised by that department. Important matters regarding the business management of individual Group companies are reported to the Company through the relevant supervising departments. If necessary, they are also reported or discussed at the Executive Council and other important meetings.

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

Directors who are not Audit & Supervisory Committee members are selected from among persons having high professional ethics, excellent strategic thinking and judgment, adaptability to change, and the ability to make decisions and supervise management from the perspective of overall Group optimization.

Directors who are Audit & Supervisory Committee members are selected from among persons who have high professional ethics and a certain level of expertise in law, finance, accounting, etc., and who are capable of auditing the execution of duties by directors and supervising the execution of business operations appropriately.

Executive Officer Compensation System

Company compensation for the executives consists of fixed monthly compensation based on the relevant individual's role and variable performance-based bonus payments. The bonus is determined by the consolidated business results of the Company as well as ENEOS Holdings. The Company does not have an executive officer retirement benefit program. The share-based remuneration system was implemented in July 2017. The share-based payment system applies the Board Incentive Plan (BIP) to Board Members and Executive Officers (excluding directors who are not Audit & Supervisory Committee members and outside directors) to provide ENEOS Holdings shares according to individual role and performance as part of the incentives program. The share-based payment system is designed to strengthen the link between the compensation of eligible individuals and the Company's medium- to long-term strategy, to foster an awareness of the eligible employee's contribution to raising corporate value and engage in shareholder-oriented management, and to pursue efforts toward building a sustainable society, including environmental preservation. In this connection, we adopted the following performance indicators.

- Net income, excluding inventory effects
- Free cash flow
- GHG emission reductions achieved
- Net D/E ratio
- Return on equity (ROE)
- Return on invested capital (ROIC)

Internal Control System

The Group has established the Basic Policy for Establishment and Operation of Internal Control Systems. Based on this policy, the Group has 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 Council. While taking into consideration the business characteristics of each company, we are continuously improving internal control systems for the Group as a whole.

Internal Audit

We conduct internal audits across the entire JX Metals Group to investigate, discuss, and assess the state of business administration, operations, and asset preservation from the standpoints of legality, efficiency, and effectiveness. The Internal Auditing Department is in charge of these functions.

The Internal Auditing Department establishes a medium-term policy at three-year intervals and drafts auditing plans for each fiscal year to ensure systematic internal audits. Internal audits of Group companies are conducted in collaboration and cooperation with auditors dispatched from the Company. Based on the results of these audits, proposals for necessary improvements are made, with progress tracked for corresponding actions. Audit results and findings are reported to the president of JX Metals, to the relevant Group company, and, as necessary, to the Executive Council.

Rigorous Compliance

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

Compliance Promotion Structure

Based on the belief that thorough compliance is a prerequisite, the Group, as a member of the community, continues to create value in response to the expectations of our diverse stakeholders, and we have established various internal regulations concerning compliance. At the same time, we have established Compliance Priority Targets for each fiscal year and monitor the real-time status of their implementation. If any issues are identified in the system 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 executives from the Company and other major Group companies in and outside Japan. In response to reports on the state of compliance provided by individual departments of the Company and Group companies, the Compliance Committee evaluates the risk of fraudulent acts, legal violations, and other misconduct related to business operations, and reflects the results in setting priority issues and formulating education plans.

Whistleblower Program

To increase reliability, we have outsourced the Group's whistleblower program to an external organization. This external organization is responsible for accepting anonymous reports from whistleblowers. We have also taken a wide range of measures to increase awareness of the program throughout the Group. Such measures include displaying posters at individual Group company sites to publicize the program, creating a special section on the Company portal site, and introducing the program during compliance education sessions.

In fiscal 2022, we received seven 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 and Bribery Prevention

The Group has established a system for eliminating anti-social forces based on the JX Metals Group Regulations for Dealing with Anti-social Forces and the JX Metals Group Detailed Rules for Dealing with Anti-social Forces in order 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 order to prevent violations or suspected violations of anti-bribery laws and regulations by Group company executives and employees, we have established an anti-bribery system founded on the JX Metals Group Anti-Bribery Regulation. This system includes the requirement of a prescribed set of checks when providing entertainment, gifts, etc., to a public official or similar person, and approval from a responsible party when certain conditions are met.

In fiscal 2022, we continued to check the application based on said regulations, confirming that the system was applied properly in general. (There were no adverse dispositions issued by regulators in regard to bribery.)

Program for Compliance with Competition Laws

The Group has established the Program for Compliance with Competition Laws, which includes rules such as those requiring all employees to report in advance planned transactions or gatherings with competitors to confirm that they do not violate competition laws, requiring individual managers to submit periodic reports to the head office, and so on.

In fiscal 2022, we continued to check the application based on the aforementioned program, confirming that the program was applied properly in general. (There were no adverse dispositions issued by regulators in regard to anti-competitive behavior.)

Complete Inspections for Compliance With Environment and Safety Laws

We conducted complete inspections for compliance with environmental and safety laws at two Group sites in fiscal 2022. We confirmed that environment-related and occupational health and safety-related laws were thoroughly understood by employees at all Group company sites, and no serious lack of understanding was observed. All sites are also responding appropriately to matters requiring improvement.

Inspections for Compliance With Labor Laws

We conducted inspections for compliance with personnel and labor laws at nine Group sites in fiscal 2022 and confirmed proper management.

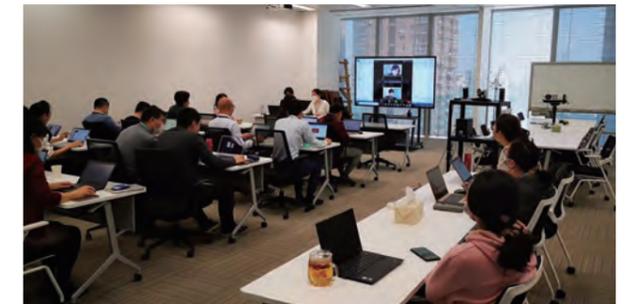
Compliance Education

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

In fiscal 2022, in addition to annual rank-specific compliance training (for directors, managers, new employees, etc.) that is conducted every year, we conducted training sessions on internal controls, security trade controls, harassment, the Subcontract Act, Stamp Tax Act, information security, etc., as theme-specific legal and regulatory education sessions. At overseas bases, we conducted education for expatriates at the headquarters or the bases, taking into account business characteristics and social trends, etc. In the United States, Germany,

and China, lectures on the Group's compliance system and explanations of important laws and regulations, such as those dealing with competition law compliance and anti-bribery, were presented mainly to national staff managers by lawyers, legal staff, and other instructors. It was an opportunity for participants to deepen their understanding of compliance.

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.



Compliance Training in China by attorney Sun Haiping, Fangda Partners (at JX Nippon Mining & Metals Shanghai Co., Ltd.)

Tax Governance

The JX Metals Group recognizes that the proper fulfillment of tax obligations in the countries and regions where a company does business is one of the most important social responsibilities that it should fulfill. Based on this, we are fostering awareness of tax compliance and working to maintain our tax governance system in accordance with the ENEOS Group Tax Matters Policy.

ENEOS Group Tax Matters Policy (Excerpt)

1. Basic Approach
Companies have a social responsibility to appropriately honor their tax obligations in the countries and areas where they conduct their business activities.
2. Compliance With Applicable Laws and Regulations
We comply with the relevant tax laws and regulations in the countries and areas in which we conduct our business activities.
We conduct our business activities in accordance with the purposes of the rules regarding international tax matters (such as the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and the Base Erosion and Profit Shifting Project).
3. Fostering Awareness of Tax Compliance
Through continuous training concerning tax matters and other relevant training, we make efforts to maintain and improve our awareness of tax compliance.
4. Optimization of Tax Costs
By using the Advance Pricing Arrangement and other relevant systems, we attempt to obtain agreement with tax authorities and make efforts to reduce risks and optimize costs.
5. Establishment of Relationships of Trust with Tax Authorities
At the request of tax authorities, we provide necessary information properly and promptly.

Decision-Making on Tax matters, Supervision by the Board of Directors, and the Role of Audit & Supervisory Committee Members

The Accounting Department is in charge of corporate taxes and performs duties related to taxes under the management and supervision of the executive officer in charge of the Accounting Department. We also established and maintain an internal control system, including matters related to taxes. We strive to ensure that this system operates properly and that an effective tax governance structure is in place. Whenever important tax-related events occur, the Company reports such to the Executive Council and other relevant bodies in a timely and appropriate manner.

Tax-Related Government Initiatives and Information Gathering

We are committed to reducing tax risks by consulting with outside experts and making advanced inquiries with tax authorities.

We are committed to proper tax compliance by providing tax authorities with timely and appropriate information and by responding sincerely and cooperatively. We are a member of the Japan Mining Industry Association. Through this association, we gather information and express our opinions on tax system revisions to government agencies.

Protection of Intellectual Property

The Group recognizes that intellectual property rights are important company assets and strives to protect and utilize such rights. In addition, the JX Metals Group Basic Policy on Intellectual Property clearly states that we respect the intellectual property rights of other companies and endeavor not to infringe on them. In researching and developing new products and technologies, we conduct preliminary investigations to ensure that our products do not infringe on intellectual property rights.

Reference → Basic Policy on Intellectual Property Strategy → P 73

Risk Management

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

- Management and employees will participate in risk management initiatives.
- Recognize risks linked to business goals and promote them as an organization-wide activity.
- Respond flexibly to risks, taking into account the organization's purpose, mission, and goals, as well as internal and external conditions.
- Continuous improvement based on information from stakeholders and evaluation of the effectiveness of risk management efforts.

Risk Management Promotion System

The JX Metals Group determines material risks, approves response plans for each material risk, and monitors these plans, all under the approval of the JX Metals Executive Council. In addition, the Risk Management Office in the Company's Administration Department is responsible for the overall risk management for both the Company and Group, handling ERM.

Status of Risk Management Initiatives

Risk is defined as "any and all uncertainty that could have an impact on the management of JX Metals Group companies." Here, in order to achieve risk management that is linked to our long-term vision, medium-term management plan, and business plan, we classify risks into management risks and business risks. Among those management risks and business risks, risks that we determine will have a significant impact on the Group's man-

agement, and that should be addressed on a company-wide basis, are designated as material risks by the Executive Council. These material risks include risks related to business continuity and sustainability, such as climate change and risks related to human rights, geopolitics, etc. The organization responsible for material risks takes the lead in responding to these risks. In addition, the Executive Council monitors the status of these actions.

In fiscal 2022, we formulated the JX Metals Group ERM Vision to further advance company-wide enterprise risk management initiatives. To achieve this vision, we joined the Risk Management Society® (RIMS*), and we implemented various measures using the maturity model published by RIMS. We also collect information on the latest trends in ERM, build networks within the organization and member companies, and reflect the knowledge gained in our various measures. We continue to evaluate the adequacy and appropriateness of our risk manage-

ment system, advancing our approach to ERM by identifying issues and making improvements under the aforementioned maturity model.

* RIMS: Headquartered in New York, RIMS is the world's largest risk management organization, consisting of more than 9,000 risk management professionals worldwide.

1. Management Risks

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

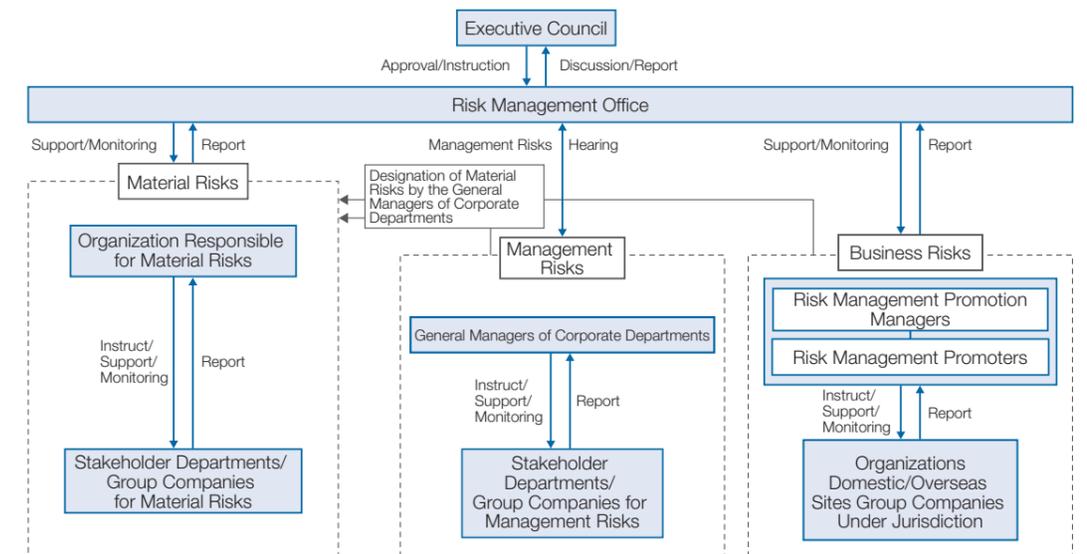
2. Business Risks

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

3. Material Risks

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

Risk Management Structure



Strengthen Risk Transfer Strategies

Our approach to risk is to select and implement an appropriate response (avoidance, mitigation, transfer, or retention) to the relevant risk based on the results of risk assessment. For risks that could have a significant impact on our business activities despite risk reduction measures, we utilize insurance as a means

of risk transfer. To enhance the effectiveness of insurance, we worked together with related departments in fiscal 2022 to calculate the probable maximum loss for fires and other specific risks, designing an insurance plan based on these figures. We intend to expand the scope of this initiative in the future.

Promotion of Risk Personnel Education

The JX Metals Group conducts risk management training by rank to foster Group-wide understanding of risk management and improve risk sensitivity. In fiscal 2022, we created an opportunity for management to discuss risk management and the integration of management and business strategy through lectures and group work facilitated by outside experts. Prior to selecting management risks, we also held training for general managers of corporate and business divisions related to risk scenario development based on global risk trends. In this way, we identified comprehensive risks that could affect management from a more medium- to long-term perspective.

To further raise risk management awareness among all employees, we began publishing a regular internal newsletter dedicated to risk management. The newsletter includes messages from top management and case studies of initiatives in each organization. We created original cartoon content about risk management basics to complement basic knowledge, publishing the materials in a serialized format. We continue to raise awareness of risk management, taking into account feedback from directors and employees.

Business Continuity Plan (BCP) Initiatives

The Group has formulated business continuity plans (BCP^{*1}) to minimize damage and achieve early recovery in the event of business interruption due to a major earthquake.

From fiscal 2020, we have taken this to a higher level and have begun working toward the establishment of an all-hazard BCP called a resource-based BCP. This is not a BCP for every event, such as an earthquake or a flood, but one that focuses on resource contingencies (facilities, raw materials, materials, etc.) that are likely to disrupt business activities during emergencies, and organizes relevant disaster mitigation and recovery measures. In addition, we regularly survey the risk of disasters occurring where our major business sites are located to help us make decisions about preventing damage and investing in facilities. Through these efforts, we aim to strengthen our BCPs. We continue efforts to improve initial response through efficient and reliable means of information sharing in the event of a natural disaster.

At the same time, we will continue to conduct business continuity management (BCM^{*2}) by confirming and improving the effectiveness of BCP through regular drills.

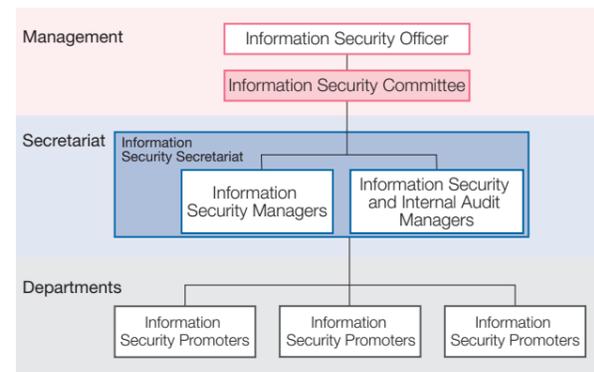
^{*1} BCP: Business Continuity Plan
^{*2} BCM: Business Continuity Management

Information Security Initiatives

The Group has taken steps to build an information security management system (ISMS) in compliance with ISO 27001 from the three perspectives of strengthening information security compliance, increasing customer trust, and leveraging information internally and externally. In fiscal 2022, we conducted information security risk assessments, internal audits, rank-based training, and supplier management in each department. These assessments and audits were conducted in accordance with plans approved by the Information Security Officer. To solidify information security measures and awareness within the Group, we established a system for stronger information security by applying the standard to Group companies, in addition to the head office and business sites.

In efforts to upgrade information security further under the leadership of the Information Security Officer, we will incorporate the cyber security measures implemented by the IT Department. At the same time, we pursue continuous improvement in accordance with ISMS to contribute to the realization of our long-term vision of becoming a technology-based company.

Information Security Structure



JX Metals Group Basic Policy on Information Security

As a company with a social mission to provide a stable supply of nonferrous metals and advanced materials, the JX Metals Group recognizes that the information entrusted to us by our customers and business partners, as well as trade secrets and personal information held by us, are important assets. We have established a basic policy for information security in order to systematically and continuously strengthen information security.

1. Legal compliance and social responsibility
Comply with laws and regulations, government guidelines, contractual obligations, and internal rules related to information security, and work to foster compliance management and a culture that emphasizes information security.
2. Maintaining and strengthening the trust we receive from customers and business partners
Ensure the protection of information assets entrusted to us by our customers and business partners.
3. Contributing to the expansion of our own business opportunities
Ensure the protection of information assets that can be a source of competitive advantage.

Implementing a New IT Infrastructure Based on the Zero Trust Approach

In response to changes in work styles amid the COVID-19 pandemic and requests from business partners to strengthen security measures, the Group has been upgrading our network based on the concept of zero trust. This is the most advanced cloud-based security service available today, enabling security management at the terminal and user level that cannot be

achieved with conventional perimeter security networks, thereby raising the security level of the entire Group in a uniform manner. This system is already in operation at JX Metals' Head Office and operating sites, and will be rolled out to Group companies in Japan and overseas in stages.

Reference → Strengthen DX Infrastructure (Zero Trust Network) ⇒ P69

Quality Control in the Supply Chain

The Group recognizes that our social mission is to provide a stable supply of nonferrous metals and materials in order 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 Metals Group Basic Quality Policy

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

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

Establishing and Operating a Quality Management System

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

In addition, the Group reviews quality improvement activities and establishes action plans through the Quality Management Meeting, which is made up of top management. We also hold Quality Meetings twice annually to share information on quality management. Participants share the action plans adopted at Quality Meetings and share issues encountered and good practices found at each manufacturing site, fostering interactions among managers. Furthermore, we are working to improve the effectiveness of internal quality audits, automate inspections, and strengthen the training of quality control personnel.



Quality Meetings

Main Manufacturing Sites With Third-Party QMS Certifications

[Domestic]

- Isohara Works, Kurami Works, Hitachi Works (Copper Foil Department)
- Ichinoseki Foil Manufacturing Co., Ltd.
- Kitaibaraki Precision Co., Ltd.
- JX Nippon Coil Center Co., Ltd. (Kurami Office, Kawasaki Office)
- JX Metals Trading Co., Ltd. (Takatsuki Plant)
- JX Metals Smelting Co., Ltd. (Saganoseki Smelter & Refinery, Hitachi Works)
- JX Metals Resources Exploration & Development Co., Ltd.
- JX Metals Precision Technology Co., Ltd. (Esashi Works, Nasu Works, and Kakegawa Works)
- TANIOBIS Japan Co., Ltd. (Head Office, Mito Plant)
- Tokyo Denkai Co., Ltd.
- Toho Titanium Co., Ltd. (Head Office/Chigasaki Plant, Hitachi Plant, Yahata Works, Wakamatsu Works, Kurobe Works)
- Japan Copper Casting Co., Ltd. (Saganoseki Works)
- Furuuchi Chemical Corporation

[Overseas]

- Nippon Mining & Metals (Suzhou) Co., Ltd.
- Nikko Fuji Precision (Wuxi) Co., Ltd.
- JX Nippon Mining & Metals Dongguan Co., Ltd.
- Nikko Metals Taiwan Co., Ltd. (Longtan Works, Kuanyin Works)
- JX Metals Philippines, Inc.
- JX Metals USA, Inc.
- JX Metals Korea Co., Ltd.
- TANIOBIS GmbH (Goslar)
- TANIOBIS Smelting GmbH & Co. KG (Laufenburg)
- TANIOBIS Co. Ltd. (Map Ta Phut)
- Materials Service Complex Malaysia Sdn. Bhd.
- Materials Service Complex Coil Center (Thailand) Co., Ltd.
- SCM Minera Lumina Copper Chile

Quality Control Department Activities

The Quality Control Department is in charge of planning, proposal, promotion, and oversight for enhancement of Group-wide quality control. This department is also engaged in clarifying Group-wide QMS requirements, improving the effectiveness of internal quality audits, supporting quality improvement activities and quality control training at manufacturing sites, introducing DX to quality management tasks.

In fiscal 2022, we conducted internal quality audits on-site at a total of 20 sites (eight overseas and 12 domestic) in accordance with each site's response measures (guidelines) against COVID-19.



On-site audit



Liability Claims

In fiscal 2022, no claims were pursued under the Product Liability Act due to personal or property damage caused by defects in products made by Group companies.

Providing Information on Products and Services

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

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

Quality Assurance Initiatives With Suppliers

Cooperation with suppliers is essential for thorough quality assurance. Our efforts include conducting regular evaluations and quality audits for JX 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.

Promotion of Personnel Quality Education

The Group ensures that all employees are thoroughly familiar with the Basic Quality Policy through quality control training. In addition, we provide quality control training to all employees to improve their problem identification and resolution capability, help them to logically infer the root cause of a problem, independently resolve problems and improve the quality of their work. These training programs range from introductory to advanced courses according to the level of the participants and reflect carefully planned courses according to job rank and years of employment, and have become an established part of employee training.

Starting in fiscal 2020, the Company's Quality Control Department began encouraging internal quality auditors to acquire qualifications such as QMS Auditor, and conducting review training performed by outside instructors to improve competence.



Quality control training