

Long-Term Vision and Medium-Term Management Plan

In 2019, we formulated our Long-Term Vision 2040 to transform from an equipment industry company to a technology-based company, aiming to become a global company contributing to the growth and innovation of society through advanced materials. We formulated our Medium-Term Management Plan for Fiscal 2020 to 2022 based on this vision. Under that plan, we engaged in specific initiatives to achieve our vision, including strengthening our production capacity for sputtering target for semiconductors, treated rolled copper foil, high-performance copper alloys, and other advanced materials, developing new businesses in collaboration with external partners, and implementing structural reform in our Base Businesses.

After operating for four years under this vision, we conducted a partial revision in May 2023 in response to the recent changes in the business environment and a clearer picture of the direction we want to pursue. We adjusted our sights, redefining business segments based on this future direction and business lines while stating a clear profit target for 2040.

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

Main Revisions in the Long-Term Vision

- Changes in underlying trends
- Redefinition of the position and roles of Base Businesses
- Declaration of our decarbonization vision
- Redefined segments ▶ **Point 1**
- Long-term earnings target ▶ **Point 2**

Point 1 Redefined Segments

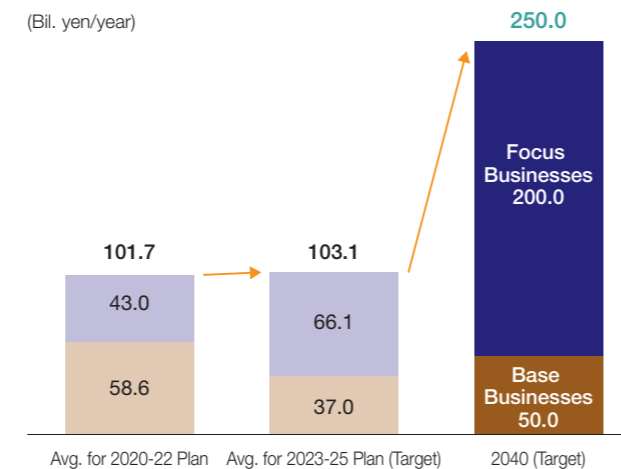
We established three segments. To properly communicate our path to growth to stakeholders, we established two segments under Focus Businesses: the Semiconductor Materials Segment and the ICT Materials Segment. Under Base Businesses, we established one segment called the Metals & Recycling Segment, which combines Mineral Resources and Metals & Recycling into one.

	Division/Operating Company	Segment
Focus Businesses (Downstream)	Thin Film Materials Division	Semiconductor Materials
	Tantalum and Niobium Division	
	Functional Materials Division	ICT Materials
	Toho Titanium Co., Ltd., Tatsuta Electric Wire and Cable Co., Ltd.	
Base Businesses (Upstream)	Mineral Resources Division	Metals & Recycling
	Metals & Recycling Division	

Point 2 Long-Term Earnings Target

We aim to lift operating income to 250 billion yen in 2040 backed by high-margin, high-growth Focus Businesses

Operating Income Growth Toward 2040



*Common expenses are allocated to the two businesses in proportion to operating income

Previous Medium-Term Management Plan

The Medium-Term Management Plan 2020-22 was positioned as a three-year period for sowing seeds for transformation into a technology-based company through business operations with

greater autonomy, agility, and independence as set forth in the JX Metals Group Long-Term Vision 2040, and we accelerated efforts in new growth areas.

Measures Implemented Under the Previous Medium-Term Plan

	Expand Strategic Investment and Promote Technology Development	Review Business Portfolios	Implement Reforms and Contribute to the SDGs
	Focus Businesses <ul style="list-style-type: none"> Expand production capacity to meet growing demand Hitachinaka New Plant (tentative name) and investments to create a portfolio centered on the Focus Businesses 	Technology-Based Businesses, ESG Initiatives, Etc. <ul style="list-style-type: none"> Build fundamentals to develop next pillar of profits Promote sustainable copper projects for our ESG management 	Base Businesses <ul style="list-style-type: none"> Stabilize profitability and minimize volatility by reshaping asset portfolio Support transformation to center on Focus Businesses
FY2020	Capacity expansion of semiconductor sputtering target HQ relocation (to introduce dynamic management and develop personnel oriented to added value)	Collaboration with Novel Crystal Technology, Inc. Establishment of JX Metals Research Institute for Technology & Strategy Co., Ltd.	Restructuring of copper business (changed smelting structure) Investment in scrap treatment capacity
FY2021	Capacity expansion of treated rolled copper foil	Establishment of Crystalline Material Business and Battery Material & Recycling Promotion Offices Establishment of lithium-ion battery recycling subsidiaries in Japan/Germany Collaboration with a national research laboratory (AIST)	Sale of P.T. Smelting
FY2022	Implementation of the new factory in Hitachinaka Implementation of North America New Plant (tentative name) TOB Announcement of Tatsuta Electric Wire and Cable, Co., Ltd. (Investment in Mibra Mine) Acquisition of Maruwn	Implementation of sustainable copper CO ₂ -free electricity at major locations in Japan and overseas Investment in NanoWired GmbH Awarded the Copper Mark	Acquisition of eCycle Solutions Sale of LS-Nikko Copper Investment in Mibra Mine Partial sale of Caserones Copper Mine interests

Previous Medium-Term Management Plan Results (Operating Income)

		(billions of yen)			
		FY2020	FY2021	FY2022	3-Year Cumulative
Focus Businesses	Functional Materials Business, Thin Film Materials Business	31.1	54.5	56.4	142.0
Base Businesses	Mineral Resources Business	34.9	72.1	-22.0	194.0
	Metals & Recycling Business	27.3	41.0	40.7	
Common Business Expenses		-15.2	-9.4	-6.4	-31.0
Total		78.1	158.2	68.7	305.0

● Summary of Business Results for FY2022

Year-on-year product sales were lower generally in the Functional Materials and Thin Film Materials Businesses leading to lower profit. This result was mainly due to declining demand for consumer electronic devices in the semiconductor market, the economic slowdown due to China's Zero-COVID policy, and inventory adjustments in the supply chains affected by these factors.

Despite increased production at the Caserones Copper Mine in Chile, the Mineral Resources Business saw lower copper price levels compared with the previous fiscal year. In addition,

we conducted an assessment of fair values for the assets of the SCM Minera Lumina Copper Chile in the wake of our decision to transfer our shares in the mine, and we recorded a loss of 75.3 billion yen.

The Metals & Recycling Business recorded an increase in profit stemming from improved international market conditions for sulfuric acid and the weak yen.

As a result, revenue for the fiscal year under review rose 26.7% year on year to 1,637.8 billion yen, while operating profit declined 89.5 billion yen year on year to 68.7 billion yen.

Financial Performance (Consolidated, IFRS)



Medium-Term Management Plan for Fiscal 2023 to 2025

Under the new medium-term management plan launched in fiscal 2023, we aim to be a leading global supplier of semiconductor and ICT materials by executing strategic investments for

Focus Businesses, reshaping the operational structure of Base Businesses and creating social value.

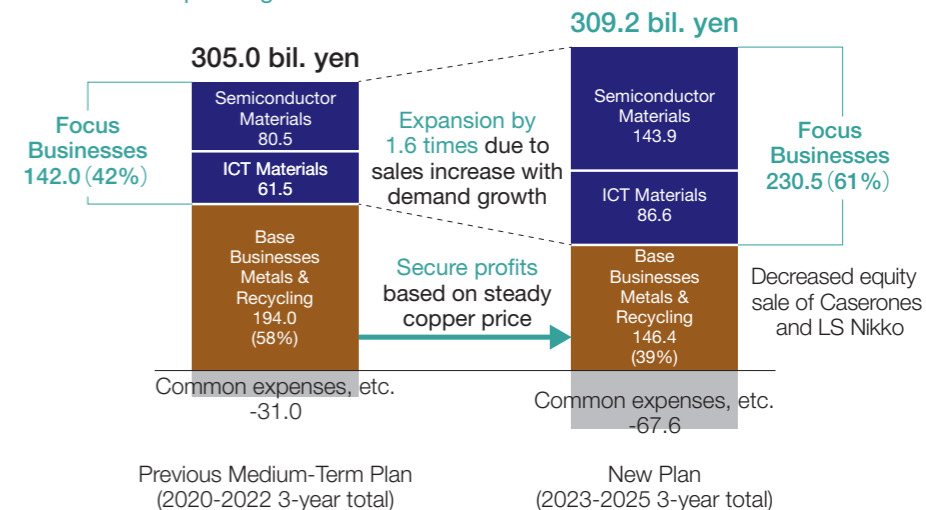
Role of the Current Medium-Term Plan



● New Plan: Business Plan

Although the business environment was difficult at the beginning of the period due to ongoing electronics market adjustments since fiscal 2022, we aim to achieve a cumulative operating income higher than the previous medium-term plan by capturing demand in the period of recovery onward. In addition, we will execute aggressive strategic investments to prepare for increased demand in our Focus Businesses.

3-Year Total Operating Income



● Planned Capex

Under the Medium-Term Management Plan for Fiscal 2023 to 2025, we intend to invest 290 billion yen over the three-year period to prepare for increased demand in the Focus Businesses. Of this amount, we have set aside 170 billion yen as Focused Investments that we expect to conduct in fiscal 2026 onward. Focused Investments include the construction of the Hitachinaka New Plant (tentative name) and the creation of new businesses.

New Plan: Planned Capex

