

Special Feature
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Human Capital Management

Aiming to be the Global Leader in Advanced Materials

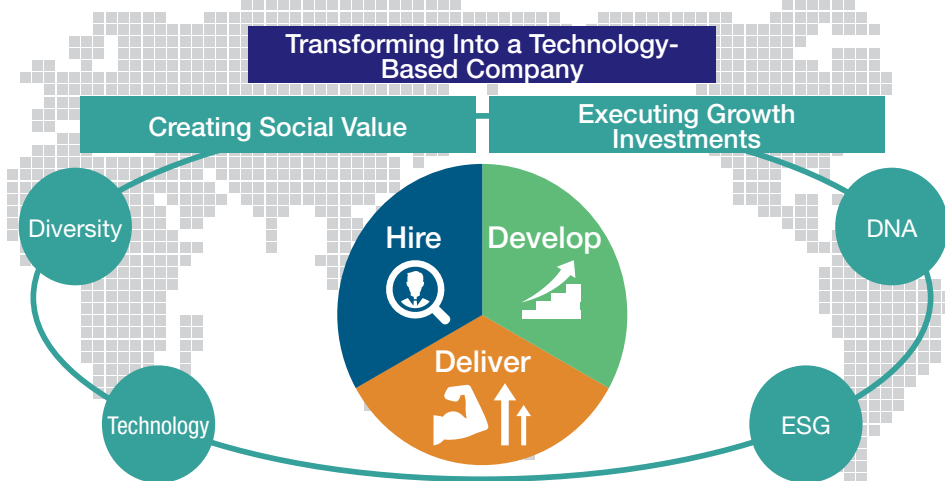
Improving human capital will be essential if we are to contribute to the development and innovation of society as a global leader in advanced materials. The global competitive environment for metal materials is changing rapidly, particularly for semiconductor and ICT materials and others in which we do business. To respond to these changes, we must employ human resources from diverse backgrounds who strive to maximize their abilities, think independently, and embrace change.

The JX Metals Group Approach

Since announcing our long-term vision in 2019, we have pursued measures to transform ourselves into a technology-based company. Our Medium-Term Management Plan for Fiscal 2023 to 2025 calls for measures under a policy of steady investment in growth, which is essential for transforming into a technology-based company. At the same time, our plan describes how we create value through ESG activities, paving the way toward maximizing corporate value. We know the power of people is indispensable, and we consider maximizing the motivation and capabilities of our people to be an important management issue.

Under a corporate culture of mutual respect and friendly competition, we respect the ingenuity and ideas of every employee toward achieving our long-term vision. We believe the growth of our people is linked to the sustainable growth of the company. We will also strive to hire and develop human resources who create added value while respecting the Company's DNA. More than ever before, we intend to proactively build an organizational structure that encourages diverse human resources to maximize their abilities.

Contributing to Social Development and Innovation as a Global Leader in Advanced Materials



JX Metals Corporation
Senior Executive Officer
Komatsuzaki Kan

Attracting and Hiring Talent

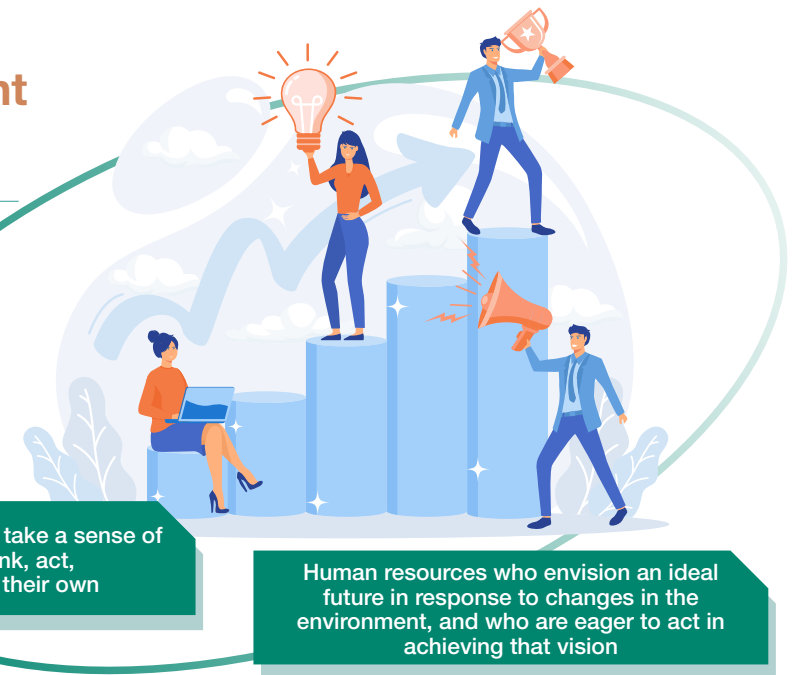
Core HR Values

The following definitions represent the type of human resources we believe will create new and added value.

Human resources who lead innovation by understanding diversity, accepting diversity, and working in collaboration with stakeholders of various circumstances

Human resources who take a sense of ownership, think, act, and embrace on their own

Human resources who envision an ideal future in response to changes in the environment, and who are eager to act in achieving that vision



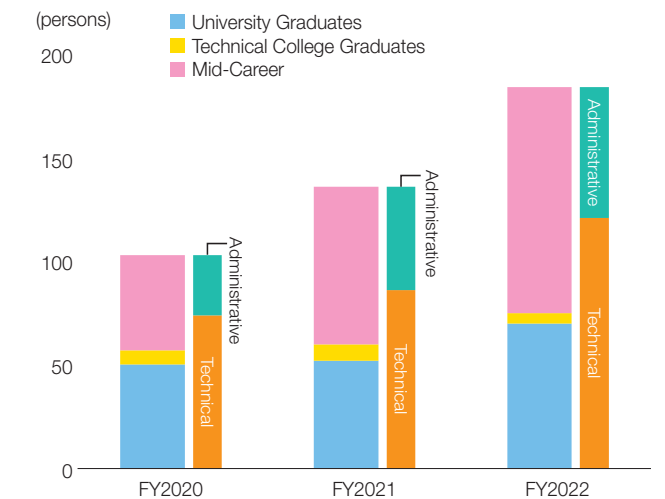
Fostering Diverse Values

We hire a wide range of outstanding human resources by strengthening the organization in charge of recruitment in the Human Resources Department and diversifying recruitment channels. We recruit technical candidates among new graduates, including technical college students, as well as globally oriented candidates from Japan and overseas who have experience studying abroad. We are also extending our reach for

mid-career hires. Over the past three years, the ratio of new graduates to career hires has been approximately fifty-fifty. We are hiring an increasing number of university graduates, technical college graduates, and mid-career hires, ensuring quality, quantity, and diversity in our workforce. This increase has led to the development of an open-minded corporate culture that seeks to share new knowledge, technologies, and ideas.



Recruitment Results (JX Metals Corporation)



Recruiting Technical Candidates

We hire technical candidates actively to strengthen our technological development and production site capabilities, which represent the roots of our competitiveness. Pursuing these human resources measures is helping us transform into a technology-based company.

Recruiting New Graduates

- We hire people with interests and abilities across a wide range of college majors, not limited to those who majored in metals at university (graduate school)
- We are extending recruitment activities to all applicants, not limiting ourselves strictly to applicants recommended by the schools
- We are expanding the employment of technical college students

Recruiting Mid-Career Professionals

- We hire for technical expertise in positions such as new business planning, technology development, and others in which we lack expertise
- We hire for key positions above managerial staff levels
- We recruit from diverse industries (automotive, electric, chemical, university, etc.)

Strengthening Human Resources Development

Human Resources Development Policy



Providing opportunities for independent and self-motivated growth according to individual needs

● We implement uniform training, including training in the skills we expect of human resources. We provide flexible training opportunities according to the needs of the individual employee (role expectations, competencies, aspirations, desired career, etc.) to encourage independent and self-motivated growth.



Emphasizing practical human resources development

● We place work experience at the center of employee development, fostering human resources through comprehensive personnel policies, including performance evaluations and education. In particular, we offer practical training in different environments to help employees develop a broad perspective, a resilient mentality, and a mindset of thinking and acting independently.



Developing human resources in a corporate culture that accepts diversity and encourages challenge

● We foster managers and a workplace culture that accepts diversity and encourages employees to take on challenges to develop human resources in line with our expectations.



Engaging in the systematic development of target talent* to support continuous growth

● We develop human resources systematically (select, assign, and train) to become management candidates, global business operations leaders, new business developers, etc. By enhancing educational opportunities for specialists, we develop human resources capable of supporting technology-based businesses.
● We enhance education for managers and on-site leaders to strengthen their ability to respond to on-site situations.

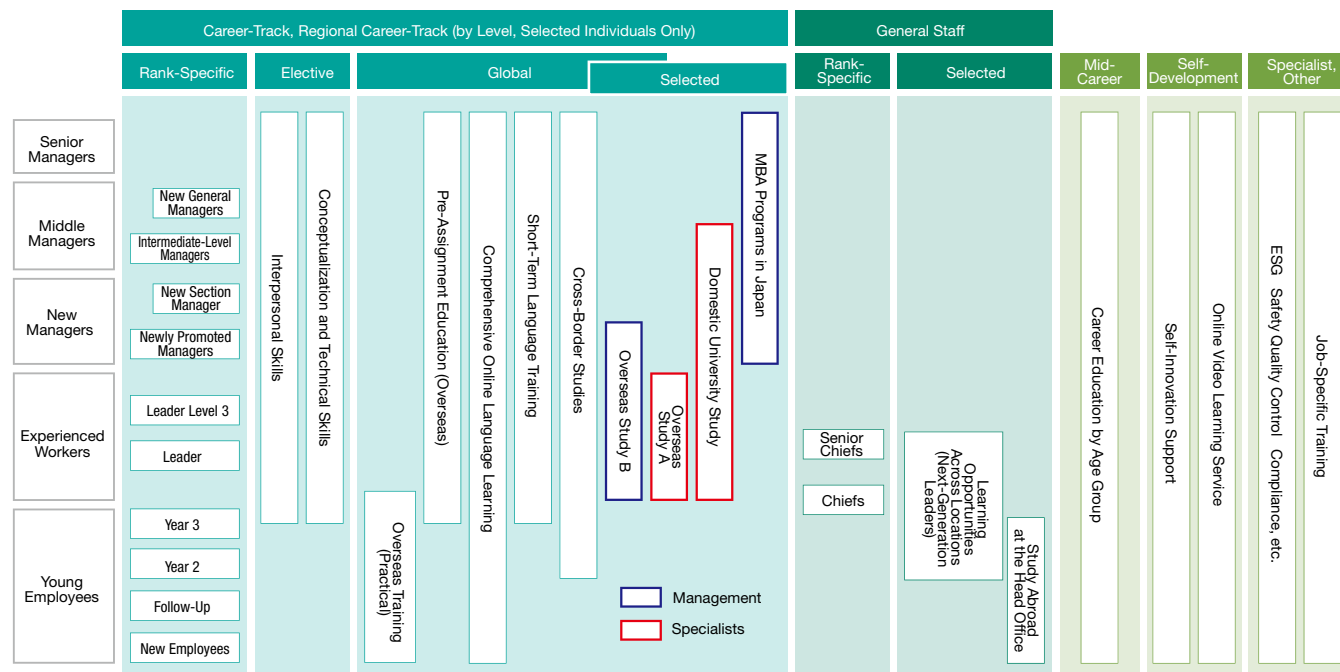
*Target talent: Specific employees identified for individual training.

Creating a New Training System

Historically, human resource development at JX Metals has been under a training system based on rank-specific education and on-the-job training (OJT) for newly graduated employees. However, we are hiring an increasing number of mid-career professionals every year, and employees from various backgrounds play active roles in the Company. In addition, we are offering greater diversity in career paths, including earlier promotion to manager positions and transfers across job categories. Given this situation, we revised our training system from a uniform,

passive structure to one offering flexible and active education.

Our vision is to become a technology-based company, expanding our existing businesses and creating new businesses on a global scale. To achieve this vision, it is critical that we develop management candidates who can guide businesses, global personnel who can take charge of overseas business development, specialists who can lead the Company with expert knowledge, and personnel who can improve our competitiveness in the field. We are building and improving training programs for selected individuals who demonstrate this potential.



Policies

Training Program for Young Employees

With a view to early promotion to managerial positions, we are speeding up the pace of focusing on training through year three of employment. Our aim here is to instill the Company's DNA while fostering the basic skills and mindset to act independently and take on challenges. In this context, we provide follow-up training six months after an employee joins the Company, providing an opportunity for reflection, raising awareness of their current situation and expected roles, and following up to foster a positive toward taking on challenges through the acquisition of organizational skills. We also provide training for leaders to develop the ability to solve problems for which there are no clear answers and to foster thinking from a company-wide perspective at stages before managerial levels.



Training for Operations Managers

To improve on-site capabilities, which is an important issue for us today, we provide training for senior chiefs and chiefs—key personnel at production sites—to develop the skills and acquire the knowledge necessary for on-site management. While deepening an understanding of the Company's current management situation and issues, we also foster leadership skills to face challenges as a team, as well as personal skills and mindsets for developing and following up with subordinates.



Training for Managers

In conjunction with the revised human resources system for managers, we improved management training to instill a management mindset and build management skills. Newly promoted manager training includes panel discussions with vice presidents, allowing managers to learn about the ideas and specific background experiences of other managers. Our intent here is to teach an understanding of management attitudes and thinking from a company-wide perspective.



Career Education

We offer age-specific career education as an opportunity for employees to think independently about their future life plans and careers. Considerations include what the individual wants to accomplish at the Company, their future roles, and what skills they should acquire. Lectures by career counselors and in-house systems for balancing life events and work help employees build independent careers while alleviating concerns about the future.



Self-Development Support

Self-Innovation Support and Online Video Learning Service

Under our Self-Innovation Support program, employees may apply to any eligible external training program. On completing the program, half of the expenses will be subsidized (up to 500,000 yen per program).



To create an environment that further facilitates learning, we began offering *Udemy Business*, in fiscal 2023. *Udemy Business* is an online video learning service for study without restrictions on location or time. With access to a variety of courses and educational materials, employees have more opportunities to acquire diverse knowledge and skills.

Global Human Resources Development

Overseas Training

We provide overseas training for younger employees. Our objective is to not only develop language skills, cross-cultural understanding, relationship building, and global business awareness, but also develop the toughness and confidence to dive into different environments and cultivate various skills, knowledge, and mindsets.



Overseas Study

We select eligible individuals to study abroad at graduate schools to obtain degrees or at business schools to obtain MBA degrees, strengthening their expertise and management skills.



Comprehensive Online Language Learning

As part of our efforts to develop human resources for global business, we adopted goFLUENT, a comprehensive language online learning system, in fiscal 2023. The system combines e-learning in English, Chinese, German, and other languages, online global conversation classes, and ability assessment tests to provide practical language learning.



New employee training

Training for newly promoted managers

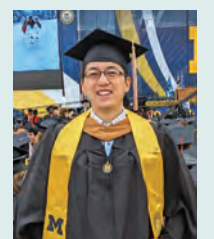
VOICE

Testimonial From an Overseas Study Program Graduate

I studied for my MBA at the Stephen M. Ross School of Business, University of Michigan, as a company-sponsored student under the overseas study program. The Global MBA program, which I attended, is an intensive two-year MBA course compressed into just 14 months. I had many opportunities to talk with people of different cultures and values about unfamiliar topics, gaining a new perspective every time.

I went to the U.S. with my wife and three children. I had a difficult time persuading my children to go back to Japan when it was time to go home, as they had become so fond of the area. The opportunity turned out to be a wonderful experience for us as a family.

Currently, I am a member of the Structural Reform Team working in the IPO Preparation Office. I work as hard as possible to demonstrate the leadership skills I learned from my MBA experience.



JX Metals Corporation
Human Resources Department
and IPO Preparation Office
Oshikawa Tomoaki

Creating an Environment for Employees to Maximize Their Abilities

Revising Our Human Resources System

We began revising our personnel system in stages in fiscal 2021. Our aim is to transform into a technology-based company by

creating an environment where each employee is aware of his or her role, respects and encourages each other, and takes on more challenging tasks in a spirit of friendly competition.

Revision of Human Resources System for Managers

We revised our human resources system to select and foster outstanding employees, regardless of job type, department, or grade. These are employees we believe will manage our businesses from a long-term, company-wide perspective and play a central role in management.

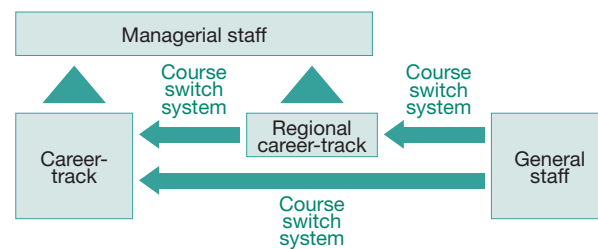
Specifically, we clarified the classification of line managers with subordinates as management personnel. We also implemented consistent compensation based on the scope of responsibilities and endeavor to promote individuals to managerial positions earlier in their careers.

Revision of Human Resources System for Non-Management Employees

We revised our system to strengthen the on-site competitiveness through the appropriate evaluation and compensation of employees who support production sites, secure and develop human resources to support business expansion in Ibaraki Prefecture, allow diverse human resources, including seniors, to play active roles, etc. Specific measures in our revised system are as follows.

1. Clarified course classifications between career-track and general staff positions

After clarifying the roles of each course, we designed the system to provide appropriate evaluations and compensation accordingly. We also established a means for employees to switch from general staff to career-track or regional career-track, depending on their willingness to take on new challenges. In this way, we support an independent career development and foster a corporate culture of embracing the challenge of change.



Classification: Non-management

Course Classification	Work Location	Job Description
Career-track	Domestic and overseas offices	Manage and develop business and functions based on the company-wide management strategy
Regional career-track	Ibaraki Prefecture business locations ¹	Manage and develop businesses and functions in the area in accordance with the company-wide business plan
General staff	Head office and operating sites ²	Manage and execute the operations of a specific department at a given business location

¹ In principle, there are no transfers involving relocation

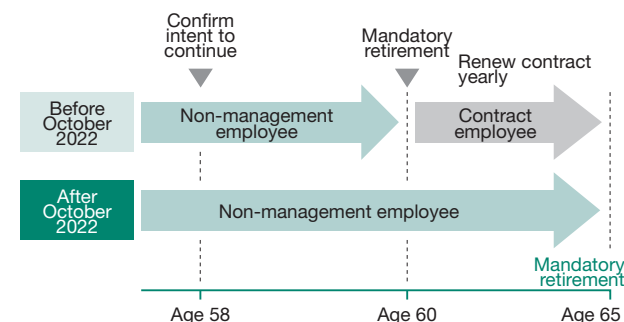
² In principle, there are no transfers out of the prefecture involving relocation

2. Established regional career-track position

We established a regional career-track course for the Ibaraki Prefecture area, where we expect a significant increase in employees. This course has a defined work area within Ibaraki Prefecture. In principle, this course will not entail transfers that require relocation. The course is designed to strengthen recruitment and business operations in Ibaraki Prefecture, including I-turns (moving to the prefecture for the first time) and U-turns (returning to the prefecture).

3. Extension of retirement age

We raised the retirement age from 60 to 65 years for more stable operations at production sites and the passing on of learned skills. Salary levels will remain at that of employees aged 60 years. At the same time, we introduced a manager retirement program at a maximum age of 60 years to provide management opportunities to young and experienced workers, as well as to revitalize our organization.



Column

Employing and Retaining People With Disabilities



We employ and retain people with disabilities in response to their desires to play active roles in society. In September 2020, our head office began training instructors and improving work environments. In January 2022, we established the Cheerful Support Office, which consists of members who have mental disabilities (intellectual and developmental). In April 2023, we made JX Metals Corporate Service Co., Ltd.* a special subsidiary, transferring the Cheerful Support Office to this company to accelerate improvements in the working environment. In addition, we hold tours of workplaces and meetings to foster a shared awareness for Group-wide understanding.

*A wholly owned subsidiary of JX Metals

Cheerful Support Office

Between fiscal 2021 and fiscal 2022, we hired six employees with mental disabilities to work in the head office. These employees sorted and delivered mail, replenished supplies and beverages, and performed other duties. In April 2023, we welcomed four new employees from a special-needs school and expanded our operations to accommodate the increased number of members. The office began taking orders for business card production, digitizing paper documents, and general administrative work for various departments. We plan to launch a Cheerful Support cleaning team by April 2024 to bring head office cleaning in-house. Cleaning services are currently performed by an outside contractor.

A company-wide understanding is essential for making these types of initiatives a permanent fixture. All new employees and new hires at the head office learn about the Cheerful Support work through presentations given by Cheerful Support Members. Through these efforts, the activities of Cheerful Support Members have become well known among employees, and the office is receiving many requests for services. The cheerful and loud greetings offered by Cheerful Support Members bring energy and vitality to the company.

Community contribution activities

In cooperation with Minato Ward Disabled Persons' Welfare Section and Minato Ward Board of Education, Cheerful Support members gave presentations about their efforts to find employment, etc., to approximately 10,000 teachers and guardians at special-needs schools. In April 2023, the office gave a tour to all first-year students of Eifuku Gakuen, a special-needs school, explaining their work and talking about the satisfaction of work.



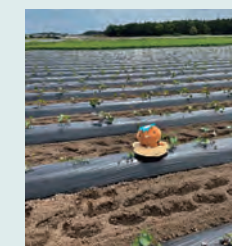
Presentation at the Minato Ward



Workplace tour for Eifuku Gakuen

Agricultural and Welfare Cooperative Project, Uchihara Farms

We established Uchihara Farms as an agricultural and welfare cooperative project in Mito City, Ibaraki Prefecture as an organization under JX Metals Corporate Service Co., Ltd. The farm aims to contribute to social welfare through farming performed by people with disabilities. The farm also aims to contribute to the well-being of Company employees by utilizing agriculture for employee education and company events. With the cooperation of Nihon Nogyo Jissen Gakuen, the farm leases approximately 7,000m² of land from the organization and employs people with disabilities to farm the land. Harvested vegetables are used in the company cafeteria, provided at various events, and sold at direct sales outlets. In addition, Uchihara Farms serves as an in-house training facility to promote an understanding of people with disabilities.



Growing root and other vegetables on the farm



Members with disabilities and instructors



Shipment to a nearby direct-sales shop