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[Translation]

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To whom it may concern:

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Notice of Introduction of a Share-based Remuneration System (RS Trust) for Officers as Long-term Incentive

JX Advanced Metals Corporation (President: Hayashi Yoichi; "JXAM") hereby announces that it resolved, at a meeting of the Board of Directors held today, to introduce a share-based remuneration system as a long-term incentive (the "System"), using a trust, for JXAM's directors who are not audit & supervisory committee members (excluding outside directors; the same applies hereinafter) and that a proposal for introduction of the System will be submitted to the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2025 scheduled to be held on June 27, 2025 (the "General Meeting").

The meeting of the Board of Directors held today also resolved that if the introduction of the System is approved at the General Meeting, a similar share-based remuneration system for executive officers who have entered into a delegation agreement with JXAM ("Executive Officers") will also be introduced.

1. Review of Executive Remuneration System and Introduction of Share-based Remuneration System

(1) Background

As announced in the press release dated March 19, 2025, titled "Notice of Listing on the Tokyo Stock Exchange Prime Market," JXAM was successfully listed on the Tokyo Stock Exchange, Inc. ("TSE") Prime Market on that day. Given those circumstances, JXAM decided to review its executive remuneration system in order to create an executive remuneration system that is suitable for a listed company (namely, an executive remuneration system that aims for sustainable growth of the JXAM Group and enhancement of corporate value in the medium to long term and that enables it to fulfill its responsibilities to shareholders and other stakeholders).

As a result, while the current remuneration of JXAM's directors who are not audit & supervisory committee members and Executive Officers consists of "fixed compensation" and a "short-term incentive," in addition to that remuneration, JXAM has decided to newly introduce a share-based remuneration system as a "long-term incentive."

The share-based remuneration system aims to enhance awareness of contributions to improved medium- to long-term business performance and increased corporate value, by more clearly linking the remuneration of directors who are not audit & supervisory committee members and Executive Officers with JXAM's business performance and share value, while having directors who are not audit & supervisory committee members and Executive Officers share the benefits and risks of share price fluctuations with shareholders. In addition, the plan aims to incentivize directors who are not audit & supervisory committee members and Executive

Officers to continuously improve JXAM's corporate value after the delivery of shares by imposing transfer restrictions on the shares delivered to them until their resignation.

With the introduction of the System, the remuneration of JXAM's directors who are not audit & supervisory committee members and Executive Officers will consist of "fixed compensation," a "short-term incentive," and a "long-term incentive (share-based remuneration)."

The introduction of the share-based remuneration system is subject to approval by the General Meeting.

JXAM has also decided to review the composition ratio of each type of remuneration and the performance indicators and other relevant factors concerning the performance-linked remuneration, an overview of which is provided in "1. (2) Overview of Executive Remuneration System After Listing" below.

(2) Overview of Executive Remuneration System After Listing

(i) Composition and Ratio of Remuneration

The remuneration of JXAM's directors who are not audit & supervisory committee members and Executive Officers consists of fixed compensation, a short-term incentive, and a long-term incentive (share-based remuneration), and JXAM will increase the performance-linked ratio overall but will also implement gradual variations based on the responsibilities of each position. In particular, the ratio is as follows:

Category of Officer	Fixed Compensation	Short-term Incentive	Lont-term Incentive (Share-based Remuneration)	
			Fixed Portion	Performance-linked Portion
Director	40%	24%	18%	18%
Managerial Executive Officer	45%	25%	15%	15%
Executive Officer	60%	20%	10%	10%

* The ratios of performance-linked incentives are set so that the payout rate will be 100% upon target achievement. The above shows the composition ratio when the payout rate is 100%.

Remuneration for outside directors who are not audit & supervisory committee members consists only of fixed compensation so that they can sufficiently perform their duty to supervise the circumstances of business operations.

Further, the remuneration for directors who are audit & supervisory committee members consists only of fixed compensation so that they can sufficiently perform their duty to supervise and audit the circumstances of business operations and will be determined through discussions among directors who are audit & supervisory committee members, comprehensively taking into account whether they serve as full-time or part-time directors and based on their responsibilities and other relevant factors.

(ii) Performance Indicators and Other Relevant Factors for Short-term Incentive

The short-term incentive is remuneration linked to performance indicators for business performance, etc. during a single fiscal year (JXAM's overall performance) and the level of achievement for the performance target set individually (individual evaluation), and it will be paid after the end of the relevant fiscal year. JXAM has selected consolidated operating profit and the net debt/EBITDA ratio as the performance indicators for JXAM's overall performance. Given that the Representative Director is ultimately responsible for JXAM's overall performance, the Representative Director will have no remuneration linked to individual evaluations.

The payout rate for the short-term incentive varies from 0% to 200% based on the level of target achievement, and the payout rate is set to be 100% upon target achievement. The final remuneration amount is determined by multiplying the base amount determined for each position by the target achievement rate.

The performance indicators, weight of evaluation, and reasons for selection are as follows:

Performance Indicators	Weight of Evaluation	Reasons for Selection
Consolidated operating profits	50% (40%)	To enhance the incentives to improve profitability.
Net debt / EBITDA ratio	50% (40%)	To enhance the incentives to improve financial health.
Individual evaluation	-% (20%)	To evaluate the level of achievement based on an officer's mission according to his/her individual responsibilities.

* The percentages within the parentheses are weights of evaluation applied to directors other than the Representative Director, who is not subject to individual evaluations. Given that the Representative Director is ultimately responsible for JXAM's overall performance, the Representative Director will have no remuneration linked to individual evaluations.
* In the case of a consolidated operating loss, the payout rate for the entire short-term incentive is set at 0%.

(iii) Performance Indicators and Other Relevant Factors for Long-term Incentive (Share-based Remuneration)

The long-term incentive (share-based remuneration) will consist of a fixed portion in which a designated number of shares are granted according to position and a portion in which the number of shares granted fluctuates in accordance with the achievement status of business targets and the like over a certain period of time (performance-linked portion); the fixed portion will be paid after the end of the fiscal year, and the performance-linked portion will be paid after the end of the relevant period. Consolidated operating profit, ROE, and total shareholder return (TSR), as well as non-financial metrics (workplace safety, employee engagement, and comprehensive evaluation of sustainability by an external organization), are selected as indicators related to the performance-linked portion. The shares eligible for grant are shares that are restricted from being transferred for a certain period of time after the grant.

The performance-linked portion is set to fluctuate from 0% to 190% depending on the level of target achievement, and to be 100% upon target achievement. The final number of shares to be granted is determined by multiplying the value of base points determined for each position by the target achievement rate.

The performance indicators, weight of evaluation, and reasons for selection are as follows:

Performance Indicators		Weight of Evaluation	Reasons for Selection
Financial	Consolidated operating profit	30%	To enhance the incentives to improve profitability and growth.
	ROE	30%	To enhance the incentives to improve efficiency.
	TSR	30%	To enhance the incentives to enhance share value in the medium to long term to further strengthen value sharing between management and shareholders.
Non-fina	Workplace safety	3%	To enhance the incentives to achieve an environment in which employees can work securely, safely and healthily, from the perspective of implementing human capital management.

ncial	Employee engagement	3%	To enhance the incentives to improve employee engagement, from the perspective of implementing human capital management.
	Comprehensive evaluation of sustainability by an external organization	4%	To enhance the incentives to maintain and strengthen JXAM's sustainability promotion system and steady implementation of various initiatives.

* The TSR is calculated by dividing JXAM's TSR during the evaluation period by the TOPIX growth rate (including dividend yield).

* Non-financial metrics are set to be 100% when the target is achieved and 0% when the target is not achieved.

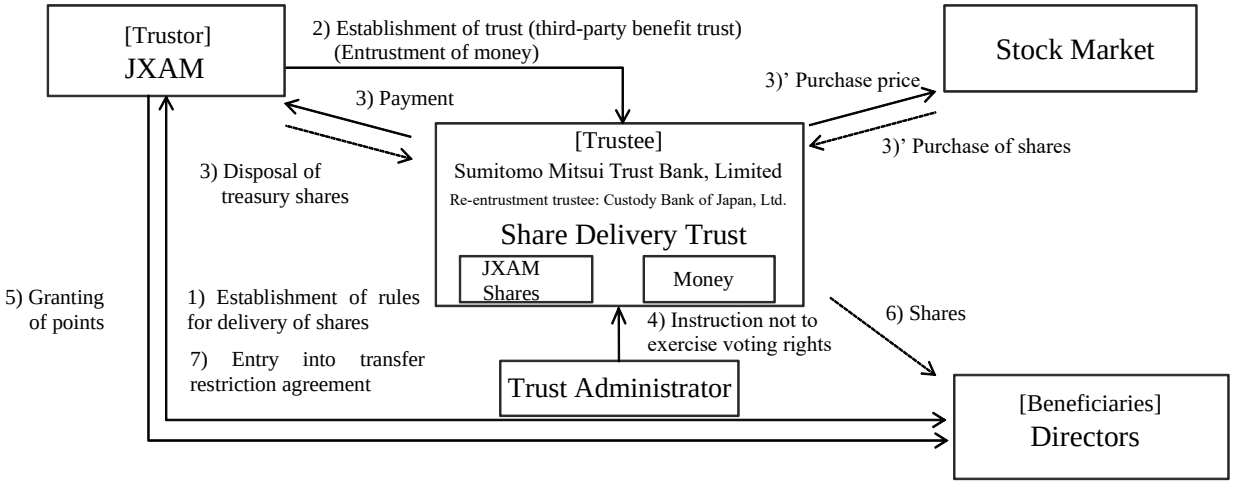
2. Overview of the System

(1) Structure of the System

The System is a share-based remuneration system in which a trust (the "Trust"), established with money contributed by JXAM, will acquire common shares of JXAM ("JXAM Shares") and, through the Trust, JXAM Shares corresponding to the number of points granted by JXAM to each directors who are not audit & supervisory committee members (the "Directors") will be delivered to the respective Directors (however, as described in 3. below, transfer restrictions will be imposed on such shares by the entry into transfer restriction agreement between JXAM and each Director).

In principle, the Directors will receive delivery of JXAM Shares at a certain time during each fiscal year of the trust period.

< Overview of the Structure of the System >



1) JXAM establishes share delivery rules for the Directors.
2) JXAM establishes a share delivery trust (third-party-benefit trust) with the Directors as the beneficiaries (the Trust). At that time, JXAM entrusts the amount of money to the trustee, equivalent to the funds for the acquisition of shares (however, the amount of funds for acquisition of the shares to be delivered to JXAM's Directors shall be within the scope of the amount approved by the General Meeting of JXAM).
3) The trustee acquires, in a single tranche, the number of JXAM Shares sufficient for the expected delivery of shares in the future (the acquisition shall be through receiving disposal of treasury shares or acquisition from the stock market (including off-auction trading)).
4) A trust administrator (who must be independent from JXAM and its officers) is appointed to protect the interests of the beneficiaries who are covered by the share delivery rules and supervise the trustee, throughout the trust period. Note, with respect to JXAM Shares held in the Trust, the trust administrator instructs the trustee not to exercise any voting rights and, based on this instruction, the trustee shall not exercise voting rights throughout the trust period.
5) JXAM grants points to the Directors based on the share delivery rules.
6) The Directors who satisfy the requirements stipulated in the share delivery rules and the trust agreement pertaining to the Trust, as beneficiaries of the Trust, receive delivery of JXAM Shares from the trustee corresponding to the points granted to them.
7) JXAM and the Directors will enter into transfer restriction agreements regarding JXAM Shares delivered, which will establish a transfer restriction period from the delivery date until the Retirement Date.

It is planned that JXAM Shares that are residual assets of the Trust at the time of the Trust's termination will be acquired by JXAM in full, without compensation, and then cancelled by resolution of the Board of Directors.
Also, it is planned that a certain amount of money from the residual assets of the Trust at the time of the Trust's termination will be donated to a special public-interest promotion corporation, with which the Directors have no relationship of interest, as provided for in advance in the share delivery rules and the trust agreement.
Sumitomo Mitsui Trust Bank, Limited which will be the trustee under the System, will delegate (re-entrust) management of the trust assets to Custody Bank of Japan, Ltd.

(2) Establishment of the Trust

Subject to approval of the introduction of the System at the General Meeting, JXAM will establish the Trust by contributing the funds necessary for the Trust to acquire, in advance, JXAM Shares in a number reasonably expected to be required for delivery over a certain period in accordance with (6) below. As

described in (5) below, the Trust will acquire JXAM Shares using the funds contributed by JXAM as its funding source.

Sumitomo Mitsui Trust Bank, Limited, which will be the trustee under the System, will delegate (re-entrust) management of the trust assets to Custody Bank of Japan, Ltd.

(3) Trust period

The trust period will be approximately 3 years, from August 2025 (scheduled) to August 2028 (scheduled). However, the trust period may be extended as described in (4) below.

(4) Upper limit on trust money that may be contributed to the Trust as funds for the acquisition of shares

The initial trust period of the Trust will be approximately 3 years. During the trust period, JXAM will contribute money up to an upper limit of 750 million yen in total to fund the acquisition of JXAM Shares as necessary for delivery to the Directors under the System, and establish the Trust with the Directors who satisfy certain requirements as beneficiaries. Using the money entrusted by JXAM as its source of funds, the Trust will acquire JXAM Shares by means of receiving disposal of treasury shares from JXAM or by means of acquisition from the stock market (including off-auction trading).

Note: In addition to the funds for acquiring JXAM Shares detailed above, anticipated amounts for necessary expenses such as trust fees, trust administrator fees, etc., will also be entrusted to the Trust by JXAM. Additionally, as described above, a similar share-based remuneration system will be introduced for executive officers. Therefore, the funds required for acquiring JXAM Shares to be delivered to executive officers under this system will also be entrusted.

In addition, JXAM may, by decision of the Board of Directors, extend the trust period for periods of up to 5 fiscal years, as determined each time and, with this, extend the trust period (this includes effectively extending the trust period by transferring the trust assets of the Trust to a trust that JXAM establishes with the same purpose as the Trust; the same applies below), and thereby have the System continue. In such cases, during the extended trust period, JXAM will make additional contribution of money to the Trust up to the amount obtained by multiplying the number of fiscal years of the extended trust period by 250 million yen, to fund acquisition of additional JXAM Shares to be delivered to the Directors under the System, and will continue to grant points and deliver JXAM Shares as described in (6) below (the same applies hereinafter).

(5) Method of acquisition of JXAM Shares by the Trust

It is planned that the initial acquisition of JXAM Shares by the Trust will be through disposal of treasury shares from JXAM or acquisition from the stock market, within the scope of the upper limit on funds for acquisition of shares described in (4) above. Details about the method of acquisition will be decided on after the resolution of the General Meeting and disclosed.

Note, if, during the trust period, the number of JXAM Shares held in the Trust may become insufficient for the number of shares corresponding to the points granted to the Directors, due to an increase in the number of the Directors or other reason, additional money may be entrusted to the Trust, within the scope of the upper limit on trust funds as described in (4) above, and additional JXAM Shares may be acquired.

(6) Method of calculation and upper limit on the number of JXAM Shares to be delivered to Directors

(i) Method of granting points to the Directors

JXAM will grant points to each Director on the points-granting dates during the trust period as specified in the share delivery rules. In principle, points corresponding to each Director’s position will be granted after the end of each fiscal year and points corresponding to their achievement of performance targets, etc. for a

certain period will be granted after the end of the relevant period, based on the share delivery rules established by the Board of Directors.

However, the total number of points to be granted to the Directors by JXAM will have an upper limit of 2,282,400 points during the initial trust period (approximately 3 years).

Note: Should the trust period of the Trust be extended as described in (2) above, the upper limit of points for the extended trust period shall be calculated by multiplying 760,800 points by the number of years of the extended trust period.

(ii) Delivery of JXAM Shares corresponding to the number of points granted

Directors will receive delivery of JXAM Shares corresponding to the number of points granted under item (i) above, in accordance with the procedure set forth in item (iii) below.

One point will correspond to one share of JXAM. However, if circumstances arise with respect to JXAM Shares in which it may be reasonable to adjust the number of JXAM Shares to be delivered, such as stock split or reverse stock split, etc., then reasonable adjustment will be made in accordance with the stock split ratio, reverse stock split ratio, etc.

(iii) Delivery of JXAM Shares to the Directors

Each Director will conduct prescribed procedures, including, as described in 3. below, entry into a share transfer restriction agreement with JXAM, and in principle, each fiscal year during the trust period, acquire beneficial rights in the Trust, and, as a beneficiary of the Trust, receive delivery of JXAM Shares from the Trust.

However, if JXAM Shares held in the Trust are converted into cash, such as in the case of a tender offer where there is settlement of JXAM Shares held in the Trust, delivery may be made of cash (said converted cash amount) instead of JXAM Shares.

Additionally, if, at the time of the share delivery, the Directors have resigned from both the position of director and executive officer of JXAM, a certain percentage of JXAM Shares, as described in item (ii) above, may be sold and converted into cash by the Trust for the purpose of withholding taxes and other tax-related payments, and the Directors may receive cash instead of JXAM Shares.

(7) Exercise of voting rights

Based on the instructions of the trust administrator, who will be independent of JXAM and its officers, none of the voting rights of JXAM Shares held in the Trust may be exercised. The purpose of this is to ensure the neutrality of the Trust from JXAM's management regarding the exercise of voting rights in JXAM Shares held in the Trust.

(8) Handling of dividends

Dividends on JXAM Shares held in the Trust will be received by the Trust, and will be applied to the acquisition price of JXAM Shares, as well as trust fees payable to the trustee in connection with the Trust, etc.

(9) Handling of JXAM Shares and money at the time of termination of the Trust

It is planned that JXAM Shares that are residual assets of the Trust at the time of the Trust's termination will be acquired by JXAM in full, without compensation, and then cancelled by resolution of the Board of Directors.

Also, it is planned that a certain amount of money from the residual assets of the Trust at the time of the Trust's termination will be donated to a special public-interest promotion corporation, with which the

Directors have no relationship of interest, as provided for in advance in the share delivery rules and the trust agreement.

3. Transfer Restriction Agreement Regarding JXAM Shares to Be Delivered to the Directors

In connection with the delivery of JXAM Shares described in 2(6)(ii) above, a transfer restriction agreement containing the terms outlined below shall be entered into between JXAM and the Directors (the "Transfer Restriction Agreement") (Each Director shall receive the delivery of JXAM Shares on the condition that he/she executes the Transfer Restriction Agreement).

However, no transfer restriction will be imposed on JXAM Shares to be delivered after the day on which the Directors resign.

(1) Transfer Restriction Period

Directors may not transfer, create a security interest in, or otherwise dispose of the shares delivered under the System (the "Delivered Shares") from the date they receive such delivery (or the date of receipt of each delivery if they have received multiple deliveries) to the date of their resignation (the "Transfer Restriction Period") (the "Transfer Restriction").

During the Transfer Restriction Period, the Directors will manage the Delivered Shares in an account at a securities company designated by JXAM for the purpose of managing the Delivered Shares separately from the shares already held by the Directors.

(2) Acquisition of Delivered Shares Without Consideration

In certain cases, including cases where (i) the Director attempts to transfer or carry out other similar actions for all or a part of the Delivered Shares in violation of (1) above or (ii) the Director is dismissed or resigns from his/her position as an officer of JXAM due to certain unlawful acts, JXAM will acquire all of the Delivered Shares without compensation.

(3) Treatment Upon Reorganization, etc.

If, during the Transfer Restriction Period, a merger agreement in which JXAM will become a dissolved company, or other matters relating to reorganization, etc., is approved by JXAM's General Meeting of Shareholders (or JXAM's Board of Directors if approval by the General Meeting of Shareholders is not required), notwithstanding (1) above, pursuant to the Transfer Restriction Agreement, the Transfer Restriction on the Delivered Shares shall be lifted at the time immediately before the business day preceding the effective date of the relevant reorganization, etc.

(4) Other Matters Determined by Board of Directors

In addition to the above, the details of the Transfer Restriction Agreement shall include the method of expression of intent and notification under the Transfer Restriction Agreement, the method of revising the Transfer Restriction Agreement, and other matters determined by the Board of Directors.

(Reference) Overview of the Trust Agreement for the Trust

Trustor	JXAM
Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-entrustment trustee: Custody Bank of Japan, Ltd.)
Beneficiaries	Directors and Executive Officers of JXAM who satisfy the beneficiary requirements
Trust Administrator	A third party to be selected that is independent of JXAM and its officers
Exercise of Voting Rights	The voting rights of shares held in the Trust will not be exercised at any time during the trust period
Type of Trust	Trust of money other than "money trust" (*kinsen-shintaku*) (third-party-benefit trust)
Date of Trust Agreement	August 2025 (scheduled)
Trust Period	From August 2025 to August 2028 (scheduled)
Trust Purpose	To deliver JXAM Shares to the beneficiaries based on the share delivery rules

End