Securities code: 5016

Fiscal year ended March 31, 2025

BUSINESS REPORT

JX Advanced Metals

Contents

Business Report 2
Consolidated Financial Statements 26
Non-consolidated Financial Statements 29
Audit Reports 31

The following materials to be provided electronically are not included in this Report (documents delivered to shareholders) in accordance with laws and regulations and Article 16 Paragraph (2) of the Articles of Incorporation.

a) Matters Concerning the Independent Auditor and Outline of the System to Ensure Proper Operations and the Operational Effectiveness Thereof in Business Reports
b) Consolidated Statements of Changes in Equity and Notes to Consolidated Financial Statements in Consolidated Financial Statements
c) Non-consolidated Statements of Changes in Equity and Notes to Non-consolidated Financial Statements in Non-consolidated Financial Statements

The Audit and Supervisory Committee has audited the documents listed in a) through c) above, in addition to the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements presented in this Report. In addition, the Independent Auditor has audited the documents listed in b) through c) in addition to the Consolidated Financial Statements and Non-consolidated Financial Statements presented in this Report.

Business Report (April 1, 2024 to March 31, 2025)

1 Matters Concerning Present Condition of the Corporate Group

(1) Business Progress and Results

a. Listing on the Prime Market of the Tokyo Stock Exchange

In May 2023, JX Advanced Metals (the Company) began preparations for listing on the Tokyo Stock Exchange. Since then, it has worked to establish an appropriate governance structure, including the system to ensure independence, while implementing portfolio reforms aimed at improving profitability in its Focus Businesses (Semiconductor Materials Segment and ICT Materials Segment) and reducing volatility in its Base Businesses (Metals & Recycling Segment). Following these efforts, the Company filed an application for an initial public listing on the Tokyo Stock Exchange (TSE) on October 8, 2024, and after review, the Company was approved on February 14, 2025 for an initial public listing on the Prime Market, which requires the strictest standards, on the grounds that our governance structure, including the system to ensure independence, has been properly established. Subsequently, the Company has been praised by institutional investors and other investors for its Focus Businesses, the core of its growth strategy, which have a large number of products that hold a dominant position in the global promising markets, as well as for its management system that promoted business portfolio reform based on non-conventional approach, and on March 19, 2025, the Company achieved the initial listing on TSE.

b. Circumstances Surrounding the Group

When looking at the global economy in the period under review, economic conditions differed by region, and overall economic expansion was moderate. While in the US, consumer spending remained strong and drove economic expansion, the lingering real estate recession continued to be a drag on growth in China, and in Europe, the economy slumped due mainly to a slowdown in the German economy.

In the Japanese economy, despite rising prices, consumer spending picked up helped by wage increases, capital investment increased, and inbound demand remained strong. With all these factors, the Japanese economy rebounded moderately.

The yen against the dollar declined on the back of widening interest rate gap between Japan and the US through the previous fiscal year, reaching a level of 161 yen in June 2024 for the first time in nearly 38 years, but the yen began to appreciate due mainly to deteriorating US economic indicators and the interest rate hike by Bank of Japan. However, the yen weakened again following the widening interest rate gap between Japan and the US, with the average across the period falling 8 yen year on year to 153 yen.

In the semiconductor market, inventory adjustments up to the previous fiscal year have faded, and AI-related activities drove a recovery. Semiconductor shipment value grew strongly backed by strong demand for high-price applications for AI servers used in generative AI learning and inference, while shipments picked up slowly. In the electronics market, smartphones, personal computers, and tablets saw a recovery after inventory adjustments were completed, but the integration of AI functions in devices has not been widespread enough to drive demand for replacement. The electronics market for automobiles and industrial machinery was weak and showed mixed trends across sectors.

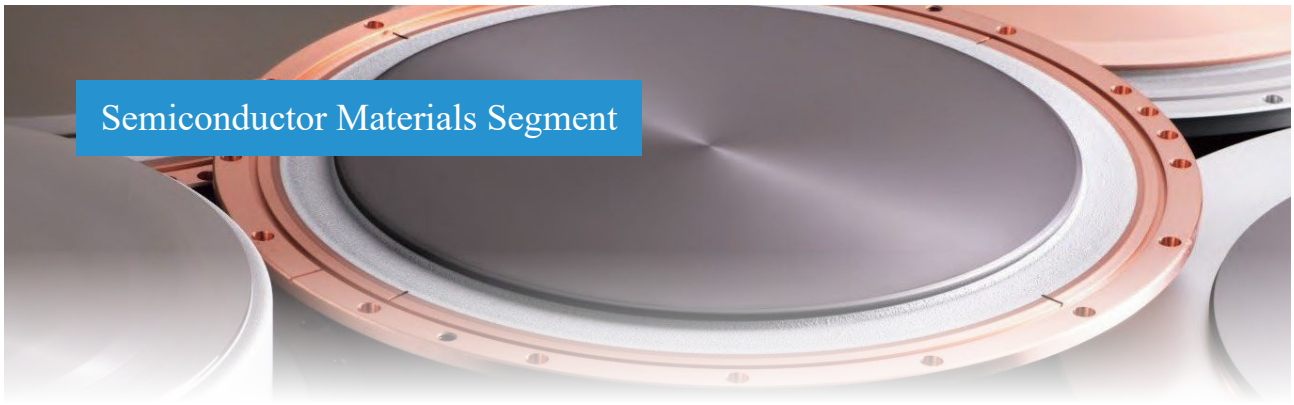
The price of copper began at 405 cents per pound, and with supply concerns caused by the suspension of some copper mines that continued from the last fiscal year, it reached an all-time high of 492 cents in May 2024. Although the market calmed subsequently, after the beginning of 2025, the concerns about the imposition of tariffs on copper by the US pushed the price higher towards the end of the period. At the end of the period, the price of copper stood at 439 cents per pound, and the average across the period rose 46 cents year on year to 425 cents.

c. Summary of Consolidated Business Results and Progress and Results of Each Segment

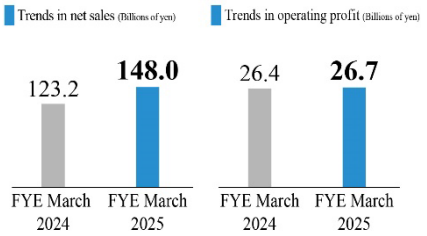
Amid such a business environment, the Company promoted various measures aimed at realizing the JX Advanced Metals Group Long-Term Vision 2040 (Long-Term Vision), including initiatives to further accelerate the growth of our Focus Businesses, which are the core of our growth strategy, and to strengthen the business with an awareness of capital efficiency in our Base Businesses. In addition, in order to establish pillars of next-generation earnings, we have been working to increase the capacity for full-scale production of CVD and ALD materials for next-generation semiconductors and to commercialize advanced packaging materials as quickly as possible.

The JX Advanced Metals Group's consolidated business results were net sales of 714.9 billion yen (52.7% decrease year on year), mainly due to the exclusion of net sales from Pan Pacific Copper Co., Ltd. (PPC) from the scope of consolidation following the partial transfer of shares in PPC, which was carried out as part of a business restructuring to realize our Long-Term Vision and changed PPC from a consolidated subsidiary to an equity method affiliate. Operating profit, on the other hand, increased 30.5% year on year to 112.5 billion yen, driven by the trend of yen depreciation, the high price of metals, and increased sales of our mainstay products, such as sputtering targets for semiconductors, treated rolled copper foil.

	Net sales (Billions of yen)		Operating profit (Billions of yen)	
	FYE March 2024	FYE March 2025	FYE March 2024	FYE March 2025
Semiconductor Materials Segment	123.2	148.0	26.4	26.7
ICT Materials Segment	188.1	265.1	0.9	25.1
Metals & Recycling Segment	1,227.0	306.5	77.2	74.5
Other (Inter-segment adjustments / common business expenses, etc.)	(25.9)	(4.7)	(18.4)	(13.9)
Consolidated total	1,512.3	714.9	86.2	112.5



Net sales	**148.0** billion yen	YoY **+20.2**%
Operating profit	**26.7** billion yen	YoY **+1.2**%

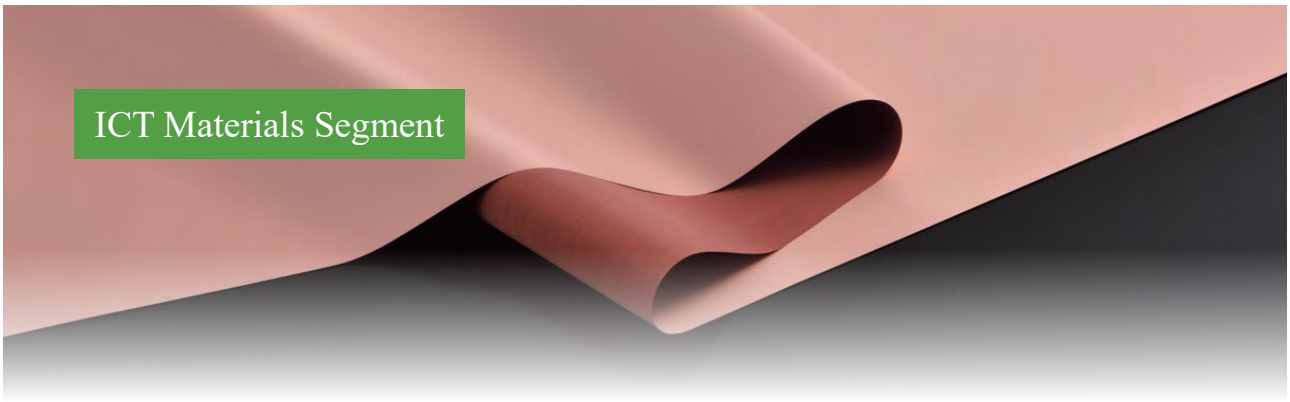


Operating profit in the Semiconductor Materials Segment increased 0.3 billion yen year on year to 26.7 billion yen in the fiscal year under review, mainly due to increased sales of semiconductor sputtering targets and other products driven by the expansion of AI-related demand as well as a weaker yen, despite an impairment loss of goodwill recorded at TANIOBIS GmbH.

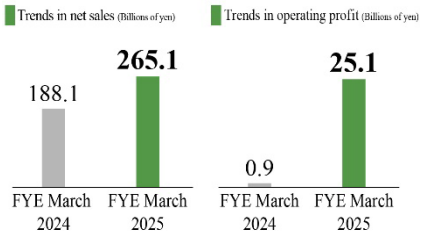
● Completion of new plant in Arizona, USA

With the aim of strengthening our semiconductor sputtering targets business and developing new businesses in the U.S., we proceeded with the construction of a new plant in Mesa, Arizona, which was completed in November 2024. The plant has reinforced production capacity and significantly improved productivity by automating manufacturing processes with the state-of-the-art equipment installed. By operating the plant, which is close to the manufacturing base of our main customers, we aim to achieve flexible production and customer service in accordance with customer needs, as well as to develop the plant as a production base for a variety of semiconductor materials and a new business base, thereby making it the center of the advanced materials business field in North America.


Our new plant in Arizona, USA



Net sales	**265.1** billion yen	YoY **+41.0**%
Operating profit	**25.1** billion yen	YoY **+2,588.6**%



Operating profit in the ICT Materials Segment rose 24.2 billion yen year on year to 25.1 billion yen in the fiscal year under review, due to increased sales of our mainstay products, such as treated rolled copper foil and titanium copper following the completion of inventory adjustments throughout the supply chain, the effect of structural reforms, and the generation of negative goodwill associated with the acquisition of shares in TATSUTA Electric Wire and Cable Co., Ltd.

● TATSUTA Electric Wire and Cable Co., Ltd. became our wholly owned subsidiary

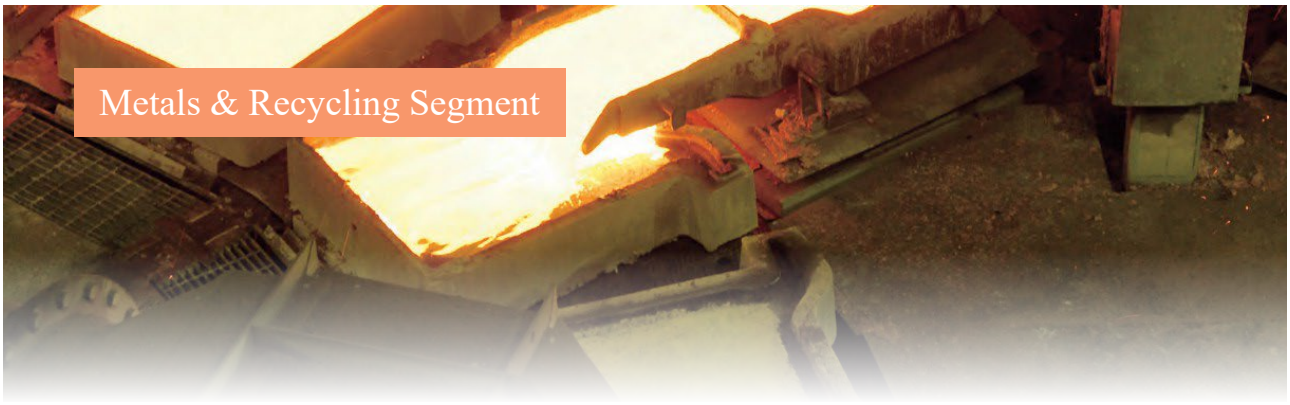
We made TATSUTA Electric Wire and Cable Co., Ltd., which was our equity method affiliate, a wholly owned subsidiary, with the aim of further strengthening our business competitiveness in advanced materials, among others.

TATSUTA Electric Wire and Cable is strengthening its electronic materials business, such as functional film and functional paste, and is striving to become a supplier of niche tops that supply original advanced components and materials, while maintaining its founder's wire and cable business.

TATSUTA Electric Wire and Cable and the Company are pursuing initiatives to achieve further growth, such as making efficient use of management resources, further collaboration in key technologies, and strengthening the management foundation through promoting the enhancement of business competitiveness.

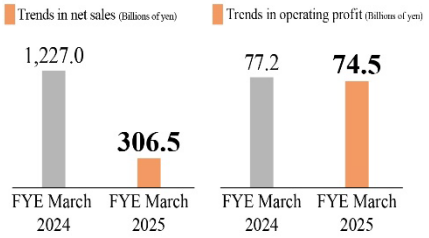


Functional film manufactured by TATSUTA Electric Wire and Cable Co., Ltd.



Metals & Recycling Segment

Net sales	**306.5** billion yen	YoY **-75.0**%
Operating profit	**74.5** billion yen	YoY **-3.5**%



Operating profit in the Metals & Recycling Segment fell 2.7 billion yen year on year to 74.5 billion yen in the fiscal year under review, mainly due to the reversal of foreign exchange gain generated from the partial transfer of shares in SCM Minera Lumina Copper Chile (MLCC) in July 2023, and the absence of profit of PPC resulting from the partial transfer of its shares in March 2024, despite positive factors such as the weaker yen and rising copper prices.

● JX Metals Circular Solutions Co., Ltd. has commenced its operation

In July 2024, JX Metals Circular Solutions Co., Ltd. (JXCS), a joint venture between the Company and Mitsubishi Corporation, began business related to resource recycling, including discarded appliances and electronic devices, waste automotive lithium-ion batteries, etc. Through JXCS, we will utilize Mitsubishi Corporation's cross-industry global network and knowledge to enhance the collection of recycled raw materials and promote recycling process reform and digitalization in collaboration with domestic and overseas recyclers. We will also provide solutions to the challenges faced by automobile OEMs, general electronics manufacturers, and others, with the aim of contributing to the realization of a circular economy.


Sample of recycled raw materials

d. Structural Reform Initiatives

We have been promoting the selection and concentration of businesses and products. In particular, since the formulation of Long-Term Vision in June 2019, we have restructured the business portfolio, mainly in the Base Businesses, and have also reviewed the product portfolio in the Focus Businesses with the aim of improving profitability. In addition, since the announcement of our preparations for the listing on the exchange in May 2023, we have been strongly promoting structural reforms through measures such as improvement of working capital, optimization of capital investments, sales expansion and review of sales prices, and optimization of costs, including indirect costs, in all of the Group companies.

● Business Portfolio Reforms in the Metals & Recycling Segment

In the Metals & Recycling Segment, in order to control volatility and strengthen its long-term revenue base, we are working to build an optimal system that is not bound by business scale. In the Mineral Resources Business, in July 2023 and June 2024, we transferred part of shares in MLCC, the operator of the Caserones Copper Mine in Chile. In the Metals & Recycling Business, we transferred a portion of shares in PPC, which oversees the procurement of raw materials and sales in the copper smelting business, to Marubeni Corporation (Marubeni) in March 2024. Under the new collaboration with Marubeni, we generate new synergies in customer expansion and raw material procurement to further strengthen our competitiveness. We have also been collaborating with Sojitz Corporation since April 2023 on eCycle Solutions Inc., a Canadian recycler. In July 2024, JXCS, which was established in collaboration with Mitsubishi Corporation, began business related to resource recycling. Going forward, we will continue to expand the collection of recycled raw materials and enhance collaboration across the entire supply chain, with the goal of increasing the recycling of non-ferrous metal resources such as copper and minor metals.

● Profit Structure Reforms in the ICT Materials Segment

The Functional Materials Business, which comprises the ICT Materials Segment, saw a significant decline in business performance in the fiscal year ended March 31, 2024. In light of this, we have been promoting structural reform with the aim of creating a profit structure that can secure stable earnings even in the event of a slump or downturn in demand. We have started with a review of our product portfolio, outlining a policy to proactively increase sales of high-value-added products such as treated rolled copper foil and titanium copper, while also improving profitability and productivity by optimizing product prices and passing on higher production costs. Utilizing our finishing process plant for treated rolled copper foil, which was newly built at the Hitachi Works and started operation in the fiscal year ended March 31, 2024, and the capacity of existing plant created by reviewing the product portfolio, we will also respond to the production of high-value-added products that are expected to continue to grow in the future. We will continue to achieve both curbing investments and growing businesses, and switch to a system that enables us to flexibly respond to changes in market conditions.

e. Sustainability Initiatives

● Promotion of sustainability management

The JX Advanced Metals Group has identified six materialities for priority action as follows in order to realize our Long-Term Vision.

	Materialities	Initiatives	Related SDGs
Environment	Contributing to Environmental Conservation	Contribute to global environmental conservation by creating a carbon-free and recycling-oriented society	
Social	Provide Advanced Materials That Support Lives and Lifestyles	Advance the development of new technologies and contribute to an IoT/AI society	
	Create Attractive Workplaces	Create a healthy, safe, and peaceful working environment for all employees Create an environment in which diverse employees feel fulfilled and fully express their talents	
	Respect Human Rights	Conduct business activities that respect the human rights of all, throughout the supply chain, including local community residents, customers, employees, and business partners	
	Coexistence and Co-Prosperity With Local Communities	Foster relationships of trust with local communities through community-based social contribution activities and communications in every business location in Japan and abroad	
Governance	Strengthen Governance	Ensure sound, transparent business management via thorough compliance and risk management activities	-

● Sustainability promotion structure

In the JX Advanced Metals Group, the ESG Committee serves as an advisory body to the president. The Committee takes responsibility for formulating the basic policies and activity plans related to sustainability initiatives as well as monitoring these initiatives. The ESG Committee is chaired by the president of the Company, with members from the Executive Meeting and participation by outside directors as observers. The Committee meets twice a year in principle.



(Note) The ESG Committee was renamed the Sustainability Promotion Committee on April 1, 2025. Due to the organizational change made on the same date, the Secretariat of the Meeting became the Sustainability Promotion Office of the Corporate Communication Department.

● Sustainability Information

Our Sustainability Report 2024 on the Company's website provides comprehensive and detailed information on the sustainability initiatives of the JX Advanced Metals Group.

URL https://www.jx-nmm.com/english/sustainability/

(2) Financing

The long-term funds necessary for the business of each Group company are procured mainly by the Company.

In the fiscal year under review, we procured 96.0 billion yen through long-term borrowings from financial institutions, primarily for the JX Advanced Metals Group's capital investment.

(3) Capital Investment

Business	Capital investment amount (Billions of yen)	Main description
Semiconductor Materials Segment	23.1	Increasing the production capacity of sputtering targets for semiconductors
ICT Materials Segment	25.6	Investment to meet market needs, maintenance investments, etc.
Metals & Recycling Segment	5.1	Maintenance investments
Other	10.1	Improving infrastructure at the new Hitachinaka Works, etc.
Total	63.8	—

(4) Matters the Company Should Address

a. Basic Management Policy—Long-Term Vision

Based on the Long-Term Vision, our basic policy is to transform from a process industry-type firm to a technology-based firm to achieve a highly profitable business structure even amid increasingly fierce global business competition, and in turn contribute to the realization of a sustainable society as a global leader in semiconductor and ICT materials.

We have positioned the Focus Businesses at the core of our growth strategy, and are aiming for profit growth that exceeds market growth through technological differentiation in advanced materials and the creation of markets. Our Base Businesses make use of an optimally sized business structure to support the Focus Businesses through the stable supply of copper and minor metals, and contribute to the realization of a sustainable society.

Shift to a "technology-based firm" from a "process industry-type firm"
Generate high and sustainable profits in fierce global business competition
Contribute to the realization of a sustainable society as a global leader in semiconductor/ICT materials

«Target Portfolio»

Position the Focus Businesses as the core of our growth strategy

- Build appropriate structure for Base Businesses, regardless of business scale, to support growth of Focus Businesses
- Position copper and minor metals indispensable to semiconductor/ICT materials, as core domains

【Growth】 Focus Businesses

Semiconductor Materials Segment and ICT Materials Segment

- Aim to achieve profit growth exceeding market growth through technological differentiation to establish a global competitive advantage
- Drastically expand scale of revenue and make it a source of profits with diverse line-up of technologies and small-lot, highly profitable products

【Business foundation】 Base Businesses

Metals & Recycling Segment

- Secure stable supply of raw materials (copper and minor metals) for the Focus Businesses
- Sustainably supply basic materials required for advanced materials and contribute to resolution of ESG agenda

b. Creation of a Global Production System to Capture the Growth of the Semiconductor Market

Against the backdrop of progress in multilayering and miniaturization of semiconductors and the increasing speed and capacity of data transmission in line with the spread of generative AI, the market for semiconductor logic and memory components is expected to continue growing. To capture this market growth, we are proactively promoting investment to expand production equipment for semiconductor sputtering targets, aiming to increase production capacity by approximately 1.6 times in the fiscal year ending March 31, 2028 compared to the fiscal year ended March 31, 2024.

For the upstream production processes (Note 1), in addition to the existing Isohara Works, we are moving forward with the construction of a new plant in Hitachinaka City, Ibaraki Prefecture. For downstream production processes (Note 2), we have production sites in Taiwan, Korea, and the US in addition to Japan, and manufacture in close proximity to semiconductor manufacturers, which are our main customers. Particularly in the US, where several advanced semiconductor manufacturers are constructing and expanding facilities, we proceeded with the construction of a new plant in Mesa, Arizona, which was completed in November 2024. The plant reinforces production capacity and is expected to improve productivity by automating processes with installed state-of-the-art equipment.

In order to respond to a diverse global customer base, the JX Advanced Metals Group will continue with the establishment of a robust global production system that can capture market growth.

Note 1: Upstream processes refer to processes from melting to heat treating in the manufacturing of sputtering targets for semiconductors.

Note 2: Downstream processes refer to processing and bonding in the manufacturing of sputtering targets for semiconductors.

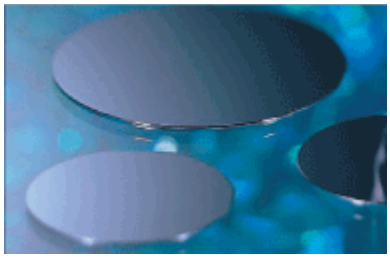
c. Development of Next-Generation Products that Hold a Dominant Position in the Global Market

Toward the full-scale supply of CVD/ALD materials that are expected to be materials for next-generation semiconductors, we have decided to invest in production equipment and development equipment on the site of the Chigasaki Plant of Toho Titanium Co., Ltd. and at our Hitachi Works. In addition, TANIOBIS GmbH is working to restructure its production bases to take advantage of recent changes in the market environment. As part of this restructuring, equipment capable of developing and producing CVD/ALD materials has been installed at the German site and has started operation.

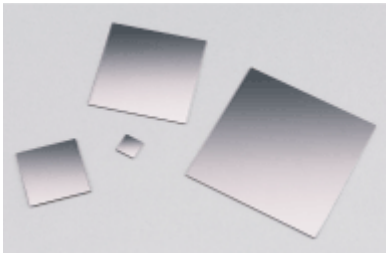
We are also making efforts to establish pillars of next-generation earnings by leveraging our purification, surface control, composition, and analytical evaluation technologies we have accumulated through the years. Specifically, we aim to expand our business scale of crystalline materials, including InP (indium phosphide), which is likely to grow backed by the increase in data centers and mobile communications, and CdZnTe (cadmium zinc telluride), which is expected to grow in fields such as defense and medical. Going forward, we will continue our efforts to create next-generation products that gain a dominant position in the global markets.



CVD/ALD materials



InP wafer



CdZnTe substrate

d. Initiatives to Achieve a Circular Economy

As society moves toward decarbonization, the introduction of renewable energy and electrification in various industries and domains is progressing. The demand for copper, minor metals, and other metal resources is expected to grow further in the future. Under these circumstances, particularly in the automobile and appliances and electronic devices industries, there is growing interest in closed-loop recycling, in which end-of-life products are collected, recycled, and reused as the same material. However, such a process is not always easy, and in order to achieve this, it is essential to develop a system to improve resource efficiency by linking together the entire supply chain involved in the product lifecycle.

With our collection and sales bases in Taiwan, the US, Canada, Germany, and Singapore, we have established a worldwide system for collecting recycled raw materials. Through JXCS, a joint venture with Mitsubishi Corporation that commenced operations in July 2024, we will utilize Mitsubishi Corporation’s cross-industry global network and knowledge to enhance our activities of collecting recycled raw materials and to promote the transformation and digitization of recycling processes in collaboration with domestic and overseas recyclers, with a goal to realize a circular economy.

(5) Trends in Financial Position and Operating Results

a. Trends in Financial Position and Operating Results of the Group

Category		FYE 3/2022	FYE 3/2023	FYE 3/2024	FYE 3/2025
Net sales	(Billions of yen)	–	1,638.5	1,512.3	714.9
Operating profit	(Billions of yen)	–	72.9	86.2	112.5
Profit attributable to owners of parent	(Billions of yen)	–	36.9	102.6	68.3
Basic profit per share		–	39.78 yen	110.53 yen	73.53 yen
Total assets	(Billions of yen)	–	1,831.6	1,325.9	1,283.0
Total equity	(Billions of yen)	–	602.5	720.8	711.8

(Note) The Company began preparing consolidated financial statements in the fiscal year ended March 31, 2025. Financial statements for the fiscal years ended March 31, 2023 and 2024 present the figures that are presented in the consolidated financial statements prepared in accordance with the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976). For the fiscal year ended March 31, 2022, the Company has not prepared consolidated financial statements with the Company as the top of the consolidation, and therefore the figures are left blank.

b. Trends in Financial Position and Operating Results of the Company

Category		FYE 3/2022	FYE 3/2023	FYE 3/2024	FYE 3/2025
Net sales	(Billions of yen)	302.5	319.9	291.4	379.4
Ordinary profit	(Billions of yen)	72.2	72.2	115.4	55.8
Profit (loss)	(Billions of yen)	56.9	(7.3)	141.6	37.2
Profit (loss) per share		61.31 yen	(7.82) yen	152.51 yen	40.12 yen
Total assets	(Billions of yen)	787.6	798.4	784.3	758.3

(6) Status of Material Subsidiaries, etc. (as of March 31, 2025)

● Semiconductor Materials Segment ● ICT Materials Segment
● Metals & Recycling Segment

a. Status of Material Subsidiaries and Affiliated Companies

Company name	Paid-in capital	Voting rights ratio (%)	Major business activities
● ● ● JX Metals Trading Co., Ltd.	JPY 390 million	100.0	Sale of nonferrous metal products, etc.
● ● ● Nikko Metals Taiwan Co., Ltd.	TWD 63.5 million	100.0 (16.3)	Sale and contracted processing of thin film materials, collection of nonferrous metal recycled raw materials, etc.
● JX Advanced Metals USA, Inc.	USD 5.0 million	100.0	Contracted processing and sale of thin film material products
● JX Advanced Metals Korea Co., Ltd.	KRW 2,400 million	100.0	Manufacture and sale of thin film material products
● JX Advanced Metals Singapore Pte. Ltd.	USD 0.7 million	100.0	Sale of thin film material products
● TANIOBIS GmbH	EUR 26.0 thousand	100.0	Manufacture and sale of high-functional tantalum and niobium materials
● Tokyo Denkai Co., Ltd.	JPY 100 million	100.0	Manufacture and sale of high-functional tantalum and niobium materials
● JX METALS PHILIPPINES, Inc.	USD 4.0 million	100.0	Manufacture and sale of treated rolled copper foil and electrodeposited copper foil
● Nippon Mining & Metals (Suzhou) Co., Ltd.	CNY 592.8 million	100.0	Manufacture and sale of rolled stainless steel products and copper alloy products
● Toho Titanium Co., Ltd.	JPY 11,960 million	50.4	Manufacture and sale of titanium metals
● TATSUTA Electric Wire and Cable Co., Ltd.	JPY 6,680 million	100.0	Manufacture and sale of wires, cables, and electronic materials
● JX Metals Precision Technology Co., Ltd. (*)	JPY 90 million	15.0	Sale of precision processed products raw materials
● JX Metals Smelting Co., Ltd.	JPY 100 million	100.0	Commissioned smelting of nonferrous metals
● JX Metals Circular Solutions Co., Ltd.	JPY 100 million	80.0	Collection of recycled raw materials and lithium-ion batteries
● eCycle Solutions Inc.	CAD 87.0 million	66.0 (66.0)	Collection, dismantling, sorting, and sale of discarded household appliances
● Pan Pacific Copper Co., Ltd. (*)	JPY 5,000 million	47.8	Raw materials procurement for and manufacturing outsourcing and sale of nonferrous metal products
● Nippon LP Resources UK Limited	USD 94.5 million	100.0 (50.1)	Information gathering in the nonferrous industry, etc.
● SCM Minera Lumina Copper Chile (*)	USD 6,820.3 million	30.0	Operation of Caserones Copper Mine, etc.
● Minera Los Pelambres (*)	USD 373.8 million	25.0 (25.0)	Operation of Los Pelambres Copper Mine, etc.
● Jeco Corp. (*)	JPY 10 million	20.0	Investment in Escondida Copper Mine

(Notes)
1. Companies with an asterisk are equity method affiliates of the Company.
2. Numbers in parentheses in the voting rights ratio indicate indirect ownership percentages included in the total.
3. The total number of consolidated subsidiaries is 78, including the 15 above. The total number of equity method affiliates is 18, including the 5 above.
4. JX Advanced Metals USA, Inc. changed its name from JX Metals USA, Inc. in May 2024.
5. JX Advanced Metals Korea Co., Ltd. changed its name from JX Metals Korea Co., Ltd. in January 2025.
6. JX Advanced Metals Singapore Pte. Ltd. changed its name from JX Metals Singapore Pte. Ltd. in January 2025.
7. TATSUTA Electric Wire and Cable Co., Ltd. became a wholly owned subsidiary of the Company in November 2024.
8. The paid-in capital of eCycle Solutions Inc. decreased from 90.0 million Canadian dollars to 87.0 million Canadian dollars in October 2024.
9. The Company's voting rights ratio in SCM Minera Lumina Copper Chile decreased from 49% to 30% in July 2024.

b. Status of Parent Company

ENEOS Holdings Inc. was the parent company of the Company, which owned all of the Company's shares. However, following the offering of its holding shares and offering by way of over-allotment of shares associated with the initial listing of the Company's shares on the Tokyo Stock Exchange Prime Market on March 19, 2025, its holding ratio of the Company's shares fell to 42.38%, resulting in less than the majority of the voting rights of the Company. As a result, as of the same date, ENEOS Holdings Inc. ceased to be the parent company of the Company.

(7) Major Business Activities

Business	Principal products
Semiconductor Materials Segment	Semiconductor sputtering targets, sputtering targets for magnetic materials, compound semiconductors/crystalline materials, high-purity metals, surface treatment agents, tantalum and niobium metal powders, tantalum and niobium oxide powders, chlorides and compounds
ICT Materials Segment	Treated rolled copper foil, titanium copper, corson alloys, ultra-fine nickel powder, high-purity titanium oxide, catalyst products, titanium sponge, titanium ingots, electromagnetic shielding film, electrically conductive paste, bonding wire, wires for infrastructure and industrial equipment
Metals & Recycling Segment	Copper concentrate, molybdenum concentrate, auriferous silica ore, tantalum concentrate, electrolytic copper, copper cakes and billets, precious metals, sulfuric acid, minor metals

(8) Main Locations (as of March 31, 2025)



Domestic locations (①)		
The Company	Head Office	Minato-ku, Tokyo
	Hitachi Works	Hitachi-shi, Ibaraki
	Isohara Works	Kitaibaraki-shi, Ibaraki
	Kurami Works	Samukawa-machi, Kouza-gun, Kanagawa
	Saganoseki Smelter and Refinery	Oita-shi, Oita
	Technology Development Center	Hitachi-shi, Ibaraki
Subsidiaries, etc.	JX Metals Trading Co., Ltd.	Shinjuku-ku, Tokyo
	Tokyo Denkai Co., Ltd.	Koto-ku, Tokyo
	Toho Titanium Co., Ltd.	Yokohama-shi, Kanagawa
	TATSUTA Electric Wire and Cable Co., Ltd.	Higashiosaka-shi, Osaka
	JX Metals Precision Technology Co., Ltd.	Taito-ku, Tokyo
	JX Metals Smelting Co., Ltd.	Minato-ku, Tokyo
	JX Metals Circular Solutions Co., Ltd.	Minato-ku, Tokyo
	Pan Pacific Copper Co., Ltd.	Minato-ku, Tokyo
	Jeco Corp.	Chiyoda-ku, Tokyo

Overseas locations			
The Company	④	Chile Office	Chile
	⑪	Frankfurt Office	Germany
	⑫	Johannesburg Office	South Africa
Subsidiaries, etc.	②	eCycle Solutions Inc.	Canada
	③	JX Advanced Metals USA, Inc.	USA
	④	SCM Minera Lumina Copper Chile	Chile
	④	Minera Los Pelambres	Chile
	⑤	JX Advanced Metals Korea Co., Ltd.	Korea
	⑥	Nippon Mining & Metals (Suzhou) Co., Ltd.	China
	⑦	Nikko Metals Taiwan Co., Ltd.	Taiwan
	⑧	JX METALS PHILIPPINES, Inc.	Philippines
	⑨	JX Advanced Metals Singapore Pte. Ltd.	Singapore
	⑩	Nippon LP Resources UK Ltd.	UK
	⑪	TANIOBIS GmbH	Germany

(Note) The Company established a new Ibaraki Office on April 1, 2025, as an operating site in Japan. Our Hitachi Works had functions related to administrative and indirect operations and manufacturing of treated rolled copper foil, etc., but the former functions were integrated into the Ibaraki Office, and the Hitachi Copper Foil Works was newly established as an organization responsible for the latter functions.

(9) Employees (as of March 31, 2025)

a. Employees of the Group

Segment	Number of employees		YoY change	
Semiconductor Materials Segment	2,442	(5)	-28	(-3)
ICT Materials Segment	4,275	(140)	+1,172	(+98)
Metals & Recycling Segment	1,869	(24)	+134	(-3)
Administrative Division and Technology Division, etc.	1,827	(41)	-147	(+4)
Total	10,413	(210)	+1,131	(+96)

(Notes) 1. The number of employees denotes the number of full-time employees (excluding employees seconded from the Group to outside the Group and including employees seconded from outside the Group to the Group).
2. The number of employees in parentheses denotes the number of temporary employees (excluded from the number of employees). Temporary employees are mainly part-time employees and do not include dispatched employees.

b. Employees of the Company

Number of employees	YoY change	Average age	Average years of service
3,267	+71	41.0	12.3

(Notes) 1. The number of employees denotes the number of full-time employees (excluding employees seconded from the Company to outside the Company and including employees seconded from outside the Company to the Company).
2. For employees seconded from outside the Company, the number of years of service is calculated from the date of receipt of these employees at the Company and does not include the number of years of service at the companies from which they were seconded.

(10) Main Lenders and Loans Payable (as of March 31, 2025)

Lender	Amount borrowed (Billions of yen)
Mizuho Bank, Ltd.	65.9
Sumitomo Mitsui Banking Corporation	48.4
Development Bank of Japan Inc.	25.0
The Joyo Bank, Ltd.	23.8
Japan Bank for International Cooperation	23.2

(11) Policy on Determining Dividends of Surplus, etc.

Positioning the Focus Businesses as the core of its growth strategy in the Long-Term Vision, the Company strives to achieve profit growth above market growth by differentiating technologies in the advanced materials field and creating markets. In order for the Company to continue to grow in the highly competitive environment in the advanced materials field, it is of paramount importance to steadily implement the necessary growth investments, and we have set forth the policy to prioritize growth investments in the advanced materials field. Particularly in the Focus Businesses, it is critical to have a stable financial base that enables quick and timely investments even in a cyclical business environment. We believe that appropriate investments at the appropriate time to maintain the Company's high growth potential will lead to an increase in profits, which is a source of returns for the shareholders, and consequently contribute to the enhancement of shareholder returns.

In view of the above, under its capital allocation policy, the Company prioritizes growth investments, particularly in the Focus Businesses, and then appropriately returns profits to shareholders while balancing this with improvements in its financial position. Consequently, the basic dividend policy after listing has set the dividend payout ratio on a consolidated basis at around 20%, and the Company will return to shareholders a portion of excess profits generated from the increase in resource prices (copper price) compared to its assumption. Further increase in shareholder returns will be considered at a stage when the Company has a stronger financial position and more freedom in the method of returns, but the specific timing and details have not been determined at this time.

In addition, the Company basically distributes dividends of surplus twice a year: an interim dividend with a record date of September 30, and a year-end dividend with a record date of March 31. The Articles of Incorporation of the Company stipulate that dividends of surplus and other matters specified in each item of Article 459, Paragraph (1) of the Companies Act of Japan may be decided by resolution of the Board of Directors. Based on this, decisions on dividends of surplus are made at the General Meeting of Shareholders for the year-end dividend and at the Board of Directors meeting for the interim dividend.

(12) Acquisition or Disposition of Other Companies' Shares

a. Tender Offer for Shares of TATSUTA Electric Wire and Cable Co., Ltd. to Make It a Wholly Owned Subsidiary

From June 2024 to August 2024, the Company acquired all of the shares in TATSUTA Electric Wire and Cable Co., Ltd. (excluding the shares already owned by the Company and TATSUTA Electric Wire and Cable Co., Ltd.), in which the Company had held 37% of the shares, and made it a wholly owned subsidiary in November 2024.

b. Transfer of Shares in SCM Minera Lumina Copper Chile

In July 2024, the Company transferred 19% of its shares in SCM Minera Lumina Copper Chile, in which the Company held 49% of the total shares, to Lundin Mining Corporation.

c. Transfer of Shares in JX Metals Circular Solutions Co., Ltd.

In July 2024, the Company transferred 20% of its shares in JX Metals Circular Solutions Co., Ltd., in which the Company held all of the shares, to Mitsubishi Corporation.

2 Matters Concerning the Company's Shares (as of March 31, 2025)

a. Total number of authorized shares issuable by the Company 3,700,000,000
b. Total number of issued shares 928,463,102
c. Number of shareholders 241,378
d. Large shareholders (top ten (10))

Shareholders' names	Number of shares held	Shareholding ratio
ENEOS Holdings, Inc.	393,529 thousand shares	42.38 %
STATE STREET BANK AND TRUST COMPANY 505325	30,000 thousand shares	3.23 %
MSIP CLIENT SECURITIES	25,408 thousand shares	2.73 %
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	14,003 thousand shares	1.50 %
GIC PRIVATE LIMITED-C	13,924 thousand shares	1.49 %
The Master Trust Bank of Japan, Ltd. (trust account)	12,769 thousand shares	1.37 %
NOMURA INTERNATIONAL PLC A/C JAPAN FLOW	6,313 thousand shares	0.67 %
Rakuten Securities, Inc.	6,033 thousand shares	0.64 %
JP JPMSE LUX RE UBS AG LONDON BRANCH EQ CO	5,514 thousand shares	0.59 %
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	5,348 thousand shares	0.57 %

(Notes) 1. The number of shares held is rounded down to the nearest thousand shares. Shareholding ratios are rounded down to two decimal places.
2. The Company does not hold treasury shares. The 1,219,500 shares of the Company held by the Trust Account of the Employee Stock Ownership Plan for employees in managerial positions are not included in treasury shares.

e. Status of shares issued as remuneration for the performance of duties of corporate officers during the fiscal year under review

Not applicable.

f. Other important matters concerning shares

The Company's shares were newly listed on the Tokyo Stock Exchange Prime Market on March 19, 2025.

3 Matters Concerning the Company's Executives

(1) Names, etc. of Directors (as of March 31, 2025)

Name	Position and assignment at the Company	Important concurrent office
Murayama Seiichi	Representative Director & Chairman	
Hayashi Yoichi	President & Representative Director Chief Executive Officer	
Sugawara Shizuo	Director and Deputy Chief Executive Officer Assistant to the President (Technology) General Manager, Technology Group General Manager, Project Management Office	
Ohuchi Yoshiaki	Director and Deputy Chief Executive Officer Assistant to the President (Specially Assigned Matters)	Director of Maruwn Corporation
Tokoro Chiharu	Outside Director Outside Independent	Dean, School/Graduate School of Creative Science and Engineering and Professor, Department of Resources and Environmental Engineering, Faculty of Science and Engineering of Waseda University Professor, Graduate School of Engineering of the University of Tokyo Independent Director of Tekscend Photomask Corp.
Ito Motoshige	Outside Director Outside Independent	Outside Director of Sumitomo Chemical Company, Limited Outside Director of Hagoromo Foods Corporation Outside Director and Audit & Supervisory Committee Member of Shizuoka Financial Group, Inc.
Kuroiwa Motohiro	Director (Full-Time Audit and Supervisory Committee Member)	
Sakuma Soichiro	Outside Director (Audit and Supervisory Committee Member) Outside Independent	Executive Advisor of NS Solutions Corporation Outside Director of KONICA MINOLTA, INC. Representative Director and Chairman of Global Industrial and Social Progress Research Institute
Futamiya Masaya	Outside Director (Audit and Supervisory Committee Member) Outside Independent	Special Advisor of Sompo Holdings, Inc. Chair (Representative) of Japan Network for Public Interest Activities
Kawaguchi Rika	Outside Director (Audit and Supervisory Committee Member) Outside Independent	Attorney of Okukawa Law Office
Shiota Tomoo	Outside Director (Audit and Supervisory Committee Member) Independent	Director, Audit and Supervisory Committee Member of ENEOS Holdings, Inc.

(Notes)
1. Director Murayama Seiichi had been a Director of ENEOS Holdings Inc., but retired from the position on June 26, 2024.
2. Director Ohuchi Yoshiaki assumed the office of a Director of Maruwn Corporation on June 26, 2024.
3. Outside Director Ito Motoshige was the Outside Director of East Japan Railway Company but retired from the position on June 20, 2024.
4. Mr. Miura Takahiko and Mr. Asazuma Katsuya retired from the position of Director who is an Audit and Supervisory Committee Member at the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2024 held on June 27, 2024.
5. At the Audit and Supervisory Committee held on June 27, 2024, Mr. Kuroiwa Motohiro, who was elected as a Director who is an Audit and Supervisory Committee Member at the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2024, held on the same day, was appointed as Full-Time Audit and Supervisory Committee Member because it is necessary to collect information and collaborate with the Internal Auditing Department and other divisions on a daily basis for the Audit and Supervisory Committee Members to fully demonstrate its audit and supervisory function. For the same reason, Mr. Miura Takahiko and Mr. Asazuma Katsuya were appointed as Full-Time Audit and Supervisory Committee Members until the conclusion of the said Ordinary General Meeting of Shareholders.
6. Mr. Kuroiwa Motohiro, who is Director and Full-Time Audit and Supervisory Committee Member, has experience in the accounting department of the Company and other companies, and Mr. Shiota Tomoo, who is Outside Director and Audit and Supervisory Committee Member, has experience in the accounting department of ENEOS Holdings, Inc., and both of them have considerable knowledge of finance and accounting.
7. Outside Director and Audit and Supervisory Committee Member Futamiya Masaya had been an Outside Director of RICOH LEASING COMPANY, LTD., but retired from the position on June 24, 2024.
8. Mr. Shiota Tomoo, who is Outside Director and Audit and Supervisory Committee Member, is serving as a Director of ENEOS Holdings Inc., which was the parent company of the Company. He was not Outside Director of the Company when he was elected as a Director who is an Audit and Supervisory Committee Member of the Company at the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2024 held on June 27, 2024. However, ENEOS Holdings Inc. ceased to be the parent company of the Company following the Company's initial listing on the Tokyo Stock Exchange Prime Market on March 19, 2025, and since then, he has been Outside Director.
9. No special interest required to be disclosed exists between any of the entities where candidates for Outside Director concurrently hold an important position, and the Company.
10. Outside Directors Tokoro Chiharu and Ito Motoshige, and Outside Director and Audit and Supervisory Committee Members Sakuma Soichiro, Futamiya Masaya, and Kawaguchi Rika satisfy the Criteria for Independence of Independent Outside Directors of the Company, and are all independent directors pursuant to the provisions stipulated by the stock exchange on which the Company is listed.
11. Positions and assignments at the Company of Directors were partially changed on April 1, 2025 as follows:

Name	Before change	After change
Ohuchi Yoshiaki	Director and Deputy Chief Executive Officer Assistant to the President (Specially Assigned Matters)	Director and Deputy Chief Executive Officer Assistant to the President (Specially Assigned Matters) In charge of Logistics Dept.

(2) Outline of the Limited Liability Contract

The Company has entered into an agreement with all Outside Directors and Directors who are Audit and Supervisory Committee Members to limit their liabilities under Article 423, Paragraph 1 of the Companies Act to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act, provided that gross negligence has not been committed and they performed their duties with good intent.

(3) Outline of the Indemnification Agreement

The Company has entered into an agreement with all Directors listed in "(1) Names, etc. of Directors" based on Article 430-2, Paragraph 1 of the Companies Act, under which the Company shall indemnify them from costs set forth in Item 1 and losses in Item 2 of the same Paragraph to the extent specified by laws and regulations. However, indemnity shall not apply to the Director who has knowledge of the violation of the provisions of laws and regulations or the facts underlying the claim for liability.

(4) Outline of the Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract with a non-life insurance company, which includes Directors, Audit and Supervisory Committee Members, and Executive Officers of the Company and subsidiaries, etc. as insured persons. Compensation (compensation for damages and litigation costs) is provided for damages suffered by the insured, due to a claim for damages resulting from the business activities. However, the exemption amount and reasons for exemption such as criminal acts are stipulated. The Company and each Group company covered by the insurance shall bear the full amount of the insurance premiums.

(5) Remuneration for Directors Pertaining to the Fiscal Year

a. Matters related to the policy for determining individual Director remuneration, etc.

The Board of Directors has established the policy for determining remuneration for each individual Director who is not an Audit and Supervisory Committee Member, after deliberation and reports by the Company's Nomination and Compensation Advisory Committee, which is an advisory body to the Board of Directors, made up of a majority of independent Outside Directors, and chaired by an independent Outside Director. The content is summarized as follows.

Item	Summary
Composition of remuneration	Remuneration, etc. for Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors) shall consist of fixed remuneration and short-term performance-linked remuneration in order to enhance their incentives for achieving the management plan, as well as to establish a remuneration system that enables the Company to achieve sustainable growth and medium- to long-term improvement of the corporate value of the JX Advanced Metals Group and to fulfill its responsibilities to shareholders and other stakeholders. Remuneration, etc. for Outside Directors shall consist solely of fixed remuneration so that they can fulfill their duties of supervising the status of business execution.
Policy for determining the amount of fixed remuneration (including policy for determining the timing or conditions to grant remuneration, etc.)	Fixed remuneration shall be determined taking into consideration whether full-time or part-time, and the positions and responsibilities of Directors and Executive Officers.
Policy for determining the content and the calculation method for the amount of short-term performance-linked remuneration (including policy for determining the timing or conditions to grant remuneration, etc.)	Short-term performance-linked remuneration shall be linked to performance for a single fiscal year and be paid after the end of the relevant fiscal year.
Policy for determining the percentage of remuneration by type	With regard to Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors), the percentage of remuneration by type shall be determined taking into consideration the positions and responsibilities of Directors and Executive Officers, the composition ratio of remuneration for officers in other companies, and other factors, under the basic policy of making the remuneration competitive from the viewpoint of securing excellent management personnel, while increasing incentives for achieving the management plan and making the Company more appealing to shareholders.
Matters related to the method for determining the contents of remuneration	Specific contents of remuneration shall be determined based on the resolution of the Board of Directors after taking into consideration the reports by the Nomination and Compensation Advisory Committee.

Remuneration, etc. for Directors who are Audit and Supervisory Committee Members shall consist solely of fixed remuneration so that they can fully fulfill their responsibilities of supervising and auditing the status of business execution. Their remuneration shall be determined through discussion among Directors who are Audit and Supervisory Committee Members, taking into comprehensive consideration whether full-time or part-time and their responsibilities.

Following deliberations and reports by the Nomination and Compensation Advisory Committee, at the Board of Directors meeting on May 9, 2025, the Company has revised its policy for determining remuneration for each individual Director who is not an Audit and Supervisory Committee Member, subject to the approval of Proposal No. 4 at this Ordinary General Meeting of Shareholders. The content is summarized as follows.

Item	Summary
Composition of remuneration	Remuneration, etc. for each individual Director who is not an Audit and Supervisory Committee Member (excluding Outside Directors) shall consist of fixed remuneration, short-term performance-linked remuneration, and long-term performance-linked remuneration (share-based) in order to enhance their incentives for achieving the management plan and further strengthen value sharing with shareholders, as well as to establish a remuneration system that enables the Company to achieve sustainable growth and medium- to long-term improvement of the corporate value of the JX Advanced Metals Group and to fulfill its responsibilities to shareholders and other stakeholders. Remuneration, etc. for each individual Outside Director shall consist solely of fixed remuneration so that they can fulfill their duties of supervising the status of business execution.
Policy for determining the amount of fixed remuneration (including policy for determining the timing or conditions to grant remuneration, etc.)	Fixed remuneration shall be paid monthly on a pro-rata basis, with the annual amount for each position being determined taking into consideration whether full-time or part-time, and the positions and responsibilities of Directors and Executive Officers.
Policy for determining the content and the calculation method for the amount of short-term performance-linked remuneration (including policy for determining the timing or conditions to grant remuneration, etc.)	Short-term performance-linked remuneration shall be linked to performance indicators related to performance (company-wide) and other factors for a single fiscal year and to achievement against performance targets set by each individual (individual evaluation), and shall be paid after the end of the relevant fiscal year. As company-wide performance indicators, consolidated operating profit and Net Debt/EBITDA ratio are adopted. In view of the position of Representative Directors as having ultimate responsibility for the Company's overall performance, the portion linked to individual evaluation does not constitute a part of their remuneration.
Policy for determining the content and the calculation method for the amount of long-term performance-linked remuneration (share-based) (including policy for determining the timing or conditions to grant remuneration, etc.)	Long-term performance-linked remuneration (share-based) shall consist of a fixed portion and a portion linked to the achievement of business targets, etc. over a certain period of time (performance-linked portion). The fixed portion shall be paid after the end of the fiscal year and the performance-linked portion shall be paid after the end of the relevant period. As indicators for the performance-linked portion, consolidated operating profit, ROE, and Total Shareholder Return (TSR) as well as non-financial targets (workplace safety, employee engagement, and comprehensive assessment of sustainability by an external organization) are adopted. The shares subject to be provided shall be restricted shares which are restricted from transfer for a certain period of time after provision.
Policy for determining the percentage of remuneration by type	With regard to Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors), the percentage of remuneration by type shall be determined taking into consideration the positions and responsibilities of Directors and Executive Officers, the composition ratio of remuneration for officers in other companies, and other factors, under the basic policy of making the remuneration competitive from the viewpoint of securing excellent management personnel, while increasing incentives for achieving the management plan and further strengthening value sharing with shareholders.
Matters related to the delegation of decisions on the content of remuneration, etc.	The decision on the portion of short-term performance-linked remuneration for Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors) that is linked to achievement against performance targets set by each individual (individual evaluation) shall be delegated to the President and Representative Director, as it is appropriate to be decided by the President and Representative Director, who is familiar with the overall business conditions of the JX Advanced Metals Group and the business execution status of each Director. As a measure to ensure that the exercise of such authority is appropriate, the President and Representative Director shall report the content of the decision to the Nomination and Compensation Advisory Committee and respect any opinions thereon.
Matters related to the method of determining the content of remuneration, etc.	Taking into consideration the report by the Nomination and Compensation Advisory Committee and based on the resolution of the Board of Directors, the specific contents of remuneration according to the position shall be decided (excluding the portion linked to "individual evaluation," on which the decision is delegated to the President and Representative Director).

(Note) The composition of remuneration for Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors) is designed such that, when performance targets are achieved, fixed remuneration is 40%, short-term performance-linked remuneration is 24%, and long-term performance-linked remuneration (share-based) is 36% (of which the fixed portion is 18% and the performance-linked portion is 18%).

b. Matters related to the resolution by the General Meeting of Shareholders on Director remuneration, etc.

The upper limit of Director remuneration, etc. has been set as follows.

Officer category	Type	Upper limit of remuneration	Resolution at the General Meeting of Shareholders	No. of officers related to the resolution by the General Meeting of Shareholders
Directors who are not Audit and Supervisory Committee Members	Fixed remuneration/ Performance-linked remuneration	No more than 1,000 million yen per fiscal year (of which, 100 million yen is for Outside Directors who are not Audit and Supervisory Committee Members)	FYE 3/2023 Ordinary General Meeting of Shareholders	7
Directors who are Audit and Supervisory Committee Members	Fixed remuneration	No more than 400 million yen per fiscal year	FYE 3/2023 Ordinary General Meeting of Shareholders	5

c. Total amount of remuneration for Directors, etc.

Officer category	Total amount of remuneration (Millions of yen)	Total amount by type of remuneration, etc. (Millions of yen)			Number of eligible officers
		Fixed remuneration	Short-term performance-linked remuneration	Long-term performance-linked remuneration (share-based)	
Directors who are not Audit and Supervisory Committee Members (of whom, Outside Directors)	379 (20)	243 (20)	136 (–)	– (–)	6 (2)
Directors who are Audit and Supervisory Committee Members (of whom, Outside Directors)	75 (35)	75 (35)	– (–)	– (–)	6 (3)
Total (of whom, Outside Directors)	453 (55)	318 (55)	136 (–)	– (–)	12 (5)

(Notes) 1. The above content includes one Director who is not an Audit and Supervisory Committee Member resigned on March 31, 2024, and two Directors who are Audit and Supervisory Committee Members resigned at the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2024 held on June 27, 2024.
2. Short-term performance-linked remuneration falls under performance-linked remuneration, etc. Long-term performance-linked remuneration (share-based) falls under non-monetary remuneration.
3. The Board of Directors determines the content of remuneration, etc. for each individual Director who is not an Audit and Supervisory Committee Member for the fiscal year under review based on the content of deliberations and reports by the Nomination and Compensation Advisory Committee. Consequently, the Company judged that the content aligns with "(5) a. Matters related to the policy for determining individual Director remuneration, etc."

d. Matters related to short-term performance-linked remuneration, etc.

Short-term performance-linked remuneration is remuneration linked to performance for a single fiscal year. It is designed to vary at a rate from 0% to 200% depending on performance achievement, and the rate will be 100% if performance targets are achieved. The final amount of remuneration is determined by multiplying the standard amount for each position by the percentage of performance targets achieved.

As an indicator for calculating the percentage of achievement of performance targets, the Company adopts operating profit, which directly demonstrates the profitability of its business, with an aim to increase incentives for achieving the management plan.

The percentage of achievement of performance targets for the fiscal year ended March 31, 2025 is as follows.

Performance indicator	Performance target for FYE 3/2025	Result for FYE 3/2025	Percentage of achievement of performance target
Operating profit	95.4 billion yen	112.5 billion yen	117%

(Note) Percentage of achievement of performance target is rounded down to a whole number.

The short-term performance remuneration following the conclusion of this Ordinary General Meeting of Shareholders (provided that the Proposal No. 4 is approved) shall be remuneration linked to performance indicators related to performance (company-wide) and other factors for a single fiscal year and to achievement against business targets set by each individual (individual evaluation). It is designed to vary at a rate from 0% to 200% depending on performance achievement, and the rate will be 100% if performance targets are achieved. The final amount of remuneration is determined by multiplying the standard amount for each position by the percentage of targets achieved.

Performance indicator, evaluation weight and reason for selection are as follows.

Performance indicator	Evaluation weight	Reason for selection
Consolidated operating profit	50% (40%)	To enhance incentives to increase profitability
Net Debt/EBITDA ratio	50% (40%)	To enhance incentives to improve financial health
Individual evaluation	-% (20%)	To evaluate the level of achievement in view of the importance of the mission to each individual responsibility

(Notes) 1. Percentages in parentheses indicate the evaluation weight applied to Directors other than the Representative Directors, who are not subject to individual evaluation. In view of the position of Representative Directors as having ultimate responsibility for the Company's overall performance, the portion linked to individual evaluation does not constitute a part of their remuneration.
2. If consolidated operating profit results in negative, the payment rate of all short-term performance-linked remuneration shall be 0%.

e. Matters related to the details of long-term performance-linked remuneration (share-based)

There are no items to be stated in the fiscal year under review.

With the approval of Proposal No. 4 at this Ordinary General Meeting of Shareholders, the Company will introduce a share-based remuneration plan as long-term performance-linked remuneration. This share-based remuneration plan is a scheme whereby a trust established by the Company by contributing cash (hereinafter referred to as the "Trust") acquires the Company's common shares (hereinafter referred to as the "Company Shares"), and the Company Shares equivalent to the number of points that the Company grants to each Director are delivered to Directors through the Trust. However, the Company Shares subject to provision shall be restricted shares which are restricted from transfer until the Director's retirement date.

This share-based remuneration consists of a fixed portion in which a prescribed number of Company Shares are provided in accordance with positions, and a performance-linked portion in which a number of Company Shares are provided in conjunction with the achievement of business targets, etc. for a specified period of time. The fixed portion is distributed after the end of fiscal

year, and the performance-linked portion is distributed after the end of the relevant period through the Trust. The ratio of the fixed portion to the performance-linked portion is 1:1. The performance-linked portion is designed to vary at a rate from 0% to 190% depending on performance achievement, and the rate will be 100% if performance targets are achieved. The final number of shares to be distributed is determined by multiplying the number of reference points determined for each position by the target achievement rate.

Performance indicator, evaluation weight and reason for selection are as follows.

	Performance indicator	Evaluation weight	Reason for selection
Financial	Consolidated operating profit	30%	To enhance incentives to increase profitability and growth potential
	ROE	30%	To enhance incentives to improve efficiency
	TSR	30%	To enhance incentives to increase medium- to long-term equity value with an aim to further strengthen value sharing with shareholders
Non-financial	Workplace safety	3%	To enhance incentives to achieve a safe, secure and healthy working environment from the human capital management perspective
	Employee engagement	3%	To enhance incentives to improve employee engagement from the human capital management perspective
	Comprehensive assessment of sustainability by an external organization	4%	To enhance incentives to maintain and strengthen the Company's sustainability promotion system and to steadily implement various initiatives

(Notes) 1. TSR is calculated based on the Company's TSR / TOPIX growth rate (including dividend yield) during the evaluation period.
2. For non-financial indicators, the rate is 100% when the target is achieved, and 0% when the target is not achieved.

(6) Matters Concerning Outside Officers

Position	Name	Major activities Attendance at Board of Directors' meetings
Outside Director	Tokoro Chiharu	As a university professor and researcher involved in the study of resource recycling technology in the field of non-ferrous metals, she possesses insight, a wealth of experience and a strong track record in technology, sustainability, and human resource development. Utilizing these insights and experience, among other strengths, she has provided useful comments and advice regarding the Company's management and conducted supervision of management from an independent and objective perspective. Board of Directors: 26/26
	Ito Motoshige	As a university professor active in fields such as economics, he possesses a high level of insight and a wealth of experience, as well as a strong track record in areas such as economics, society, and human resource development. Utilizing these insights and experience, among other strengths, he has provided useful comments and advice regarding the Company's management and conducted supervision of management from an independent and objective perspective. In addition, as the chair of the Nomination and Compensation Advisory Committee, he has led discussions to enhance the objectivity and transparency of Director nomination and remuneration processes, thereby contributing to the improvement of corporate governance. Board of Directors: 25/26 Nomination and Compensation Advisory Committee: 8/8
Outside Director, Audit and Supervisory Committee Member	Sakuma Soichiro	Having been involved in the management of a major steel company, overseeing legal affairs, internal controls, and audit departments, he possesses a high level of insight and a wealth of experience, as well as a strong track record in corporate management, legal affairs, and risk management. Utilizing these insights and experience, among other strengths, he has provided useful comments and advice regarding the Company's management, and audited and supervised the execution of the duties of Directors from an objective, independent and fair viewpoint as an Audit and Supervisory Committee Member. In addition, as a member of the Nomination and Compensation Advisory Committee, he has led discussions conducive to enhancing the objectivity and transparency of Director nomination and remuneration processes as well as improving corporate governance. Board of Directors: 26/26 Audit and Supervisory Committee: 18/18 Nomination and Compensation Advisory Committee: 8/8
	Futamiya Masaya	Having been involved in the management of a major non-life insurance company, he possesses a high level of insight and a wealth of experience, as well as a strong track record in corporate management overall. Utilizing these insights and experience, among other strengths, he has provided useful comments and advice regarding the Company's management, and audited and supervised the execution of the duties of Directors from an objective, independent and fair viewpoint as an Audit and Supervisory Committee Member. In addition, as a member of the Nomination and Compensation Advisory Committee, he has led discussions conducive to enhancing the objectivity and transparency of Director nomination and remuneration processes as well as improving corporate governance. Board of Directors: 25/26 Audit and Supervisory Committee: 18/18 Nomination and Compensation Advisory Committee: 8/8
	Kawaguchi Rika	Having been active in legal practice as a lawyer for many years and held key positions at organizations such as the Dai-Ichi Tokyo Bar Association and the Japan Federation of Bar Associations, she possesses a high level of insight and a wealth of experience, as well as a strong track record in legal and risk management, sustainability, and human resource strategy. Utilizing these insights and experience, among other strengths, she has provided useful comments and advice regarding the Company's management, and audited and supervised the execution of the duties of Directors from an objective, independent and fair viewpoint as an Audit and Supervisory Committee Member. Board of Directors: 25/26 Audit and Supervisory Committee: 17/18
	Shiota Tomoo	Having been involved in the management of a major oil and energy company, in charge of accounting and corporate planning, and assumed the office of Director who is an Audit and Supervisory Committee Member, he possesses a high level of insight and a wealth of experience, as well as a strong track record in areas such as business management, finance, accounting, and sustainability. Utilizing these insights and experience, among other strengths, he has provided useful comments and advice regarding the Company's management, and audited and supervised the execution of the duties by Directors from an objective, independent and fair viewpoint as an Audit and Supervisory Committee Member. Board of Directors: 21/21 Audit and Supervisory Committee: 13/13

(Note) Mr. Shiota Tomoo, Outside Director and Audit and Supervisory Committee Member, was elected at the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2024, held on June 27, 2024, and therefore his attendance indicates the number of Board of Directors meetings and Audit and Supervisory Committee meetings he participated in after that date.

(The figures in this business report are presented as follows:
Amounts, percentages, etc.: rounded down to the nearest unit)

Consolidated Financial Statements

Consolidated Statements of Financial Position (as of March 31, 2025)

(Millions of yen)

Account	Amount
Assets	
Current assets	
Cash and cash equivalents	58,316
Trade and other receivables	138,259
Inventories	273,187
Other financial assets	6,334
Other current assets	18,139
Total current assets	494,235
Non-current assets	
Property, plant and equipment	371,782
Goodwill	8,198
Intangible assets	19,521
Investments accounted for using equity method	319,950
Other financial assets	41,435
Deferred tax assets	26,730
Other non-current assets	1,151
Total non-current assets	788,767
Total assets	**1,283,002**

Account	Amount
Liabilities	
Liabilities	
Current liabilities	
Trade and other payables	92,826
Borrowings	120,717
Lease liabilities	3,279
Income taxes payable	12,434
Other financial liabilities	4,322
Provisions	2,515
Other current liabilities	41,832
Total current liabilities	277,925
Non-current liabilities	
Borrowings	180,542
Lease liabilities	16,715
Other financial liabilities	14,362
Retirement benefit liability	27,261
Provisions	28,277
Deferred tax liabilities	23,210
Other non-current liabilities	2,956
Total non-current labilities	293,323
Total liabilities	**571,248**
Equity	
Equity	
Share capital	75,000
Capital surplus	48,093
Retained earnings	432,121
Treasury shares	(1,000)
Other components of equity	61,083
Total equity attributable to owners of parent	615,297
Non-controlling interests	96,457
Total equity	**711,754**
Total liabilities and equity	**1,283,002**

Amounts are rounded to the nearest million yen.

Consolidated Statements of Profit or Loss (from April 1, 2024 to March 31, 2025) (Millions of yen)

Account	Amount
Net sales	714,940
Cost of sales	557,978
Gross profit	156,962
Selling, general and administrative expenses	100,155
Share of profit of investments accounted for using equity method	60,959
Other income	17,084
Other expenses	22,366
Operating profit	112,484
Finance income	2,407
Finance costs	7,415
Profit before tax	107,476
Income tax expense	26,089
Profit	81,387
Profit attributable to:	
Owners of parent	68,271
Non-controlling interests	13,116
Profit	81,387

Amounts are rounded to the nearest million yen.

Reference

Consolidated Statements of Cash Flows (Summary) (from April 1, 2024 to March 31, 2025)

(Millions of yen)

Account	Amount
Cash flows from operating activities	215,431
Cash flows from investing activities	(22,118)
Cash flows from financing activities	(172,249)
Net increase (decrease) in cash and cash equivalents	21,064
Cash and cash equivalents at beginning of period	36,779
Effect of exchange rate changes on cash and cash equivalents	473
Cash and cash equivalents at end of period	58,316

Amounts are rounded to the nearest million yen.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet (as of March 31, 2025)

(Millions of yen)

Assets	
Account	Amount
Assets	**(758,325)**
Current assets	**275,866**
Cash and deposits	19,608
Notes receivable - trade	527
Accounts receivable - trade	68,240
Merchandise and finished goods	15,818
Raw materials and supplies	88,217
Work in process	46,224
Advance payments to suppliers	7,005
Prepaid expenses	2,318
Short-term loans receivable	12,463
Accounts receivable - other	15,005
Derivatives	442
Non-current assets	**482,459**
Property, plant and equipment	147,267
Buildings	44,642
Structures	6,570
Machinery and equipment	43,796
Vehicles	187
Tools, furniture and fixtures	3,308
Land	26,105
Leased assets	2,124
Construction in progress	20,535
Intangible assets	3,650
Patent right	1
Leasehold interests in land	152
Software	3,474
Other intangible assets	23
Investments and other assets	331,542
Investment securities	8,090
Shares of subsidiaries and associates	241,275
Investments in capital	1,214
Investments in capital of subsidiaries and associates	3,419
Long-term loans receivable	32,230
Long-term prepaid expenses	57
Deferred tax assets	24,910
Other investments	20,346
Total	**758,325**

Liabilities and net assets	
Account	Amount
Liabilities	**(318,808)**
Current liabilities	**177,487**
Accounts payable - trade	43,069
Short-term borrowings	83,115
Lease liabilities	192
Accounts payable - other	7,724
Accrued expenses	10,806
Income taxes payable	2,403
Deposits received	16,548
Electronically recorded obligations - facilities	3,743
Provision for bonuses	5,181
Provision for share-based payments	331
Provision for environmental measures	266
Derivative liabilities	3,467
Provision for loss on withdrawal from business	346
Other current liabilities	296
Non-current liabilities	**141,321**
Long-term borrowings	97,000
Lease liabilities	1,943
Provision for retirement benefits	21,222
Provision for share transfer compensation	14,672
Provision for environmental measures	2,550
Provision for loss on business of subsidiaries and associates	3,120
Asset retirement obligations	813
Net assets	**(439,517)**
Shareholders' equity	**443,459**
Share capital	75,000
Capital surplus	114,206
Legal capital surplus	60,000
Other capital surplus	54,206
Retained earnings	255,253
Other retained earnings	255,253
Reserve for tax purpose reduction entry of non-current assets	150
Retained earnings brought forward	255,103
Treasury shares	(1,000)
Valuation and translation adjustments	**(3,941)**
Valuation difference on available-for-sale securities	3,494
Deferred gains or losses on hedges	(2,313)
Revaluation reserve for land	(5,123)
Total	**758,325**

Amounts are rounded to the nearest million yen.

Non-consolidated Statements of Income (from April 1, 2024 to March 31, 2025) (Millions of yen)

Account	Amount
Net sales	379,384
Cost of sales	295,243
Gross profit	84,141
Selling, general and administrative expenses	54,485
Operating profit	29,656
Non-operating income	40,362
Interest income	1,752
Dividend income	35,151
Lease revenue	1,758
Other	1,701
Non-operating expenses	14,263
Interest expenses	2,243
Foreign exchange losses	1,782
Rental expenses	1,669
Provision for loss on business of subsidiaries and associates	1,612
Provision for share transfer compensation	3,749
Environmental management expenses	2,818
Other	391
Ordinary profit	55,754
Extraordinary income	9,993
Gain on sale of non-current assets	998
Gain on sale of shares of subsidiaries and associates	8,995
Extraordinary losses	20,586
Loss on retirement of non-current assets	1,084
Impairment losses	176
Loss on valuation of investment securities	219
Loss on disaster	706
Loss on valuation of shares of subsidiaries and associates	10,715
Loss on valuation of investments in capital of subsidiaries and associates	6,917
Other	768
Profit before income taxes	45,162
Income taxes - current	6,427
Income taxes - deferred	1,487
Profit	37,249

Amounts are rounded to the nearest million yen.

Audit Reports

Independent Auditor's Report on Consolidated Financial Statements

Independent Auditor's Report

May 16, 2025

To: The Board of Directors of
JX Advanced Metals Corporation

Ernst & Young ShinNihon LLC.
Tokyo Office

Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Yamagishi Satoshi
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Inayoshi Takashi
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Wakino Mamoru

Opinion

Pursuant to the provisions of Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements of JX Advanced Metals Corporation (the "Company") and its consolidated subsidiaries (the "Group"), which are comprised of the consolidated statements of financial position as at March 31, 2025 and the consolidated statements of profit or loss and changes in equity for the fiscal year then ended, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material aspects, the financial position and operating results of the Group for the period covered by the consolidated financial statements, in accordance with the accounting standards that omit some of the matters required to be disclosed by the international accounting standards, as prescribed pursuant to the provisions of the second sentence of Article 120, Paragraph (1) of the Regulation on Corporate Accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information

Other information comprises the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. Meanwhile, the Audit and Supervisory Committee is responsible for overseeing the performance of duties by Directors in the design, implementation and maintenance of the reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance conclusion thereon.

Our responsibilities in auditing the consolidated financial statements are to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report the fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting standards that omit some of the matters required to be disclosed by the international accounting standards, as prescribed pursuant to the provisions of the second sentence of Article 120, Paragraph (1) of the Regulation on Corporate Accounting, and for such internal control management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, and disclosing matters related to going concern as required by the accounting standards that omit some of the matters required to be disclosed by the international accounting standards, as prescribed pursuant to the provisions

of the second sentence of Article 120, Paragraph (1) of the Regulation on Corporate Accounting.

The Audit and Supervisory Committee is responsible for overseeing the performance of duties by Directors in the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When performing risk assessment procedures, obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of auditing the consolidated financial statements to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements, and, based on the audit evidence obtained, determine whether a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern exists. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation of the consolidated financial statements and the notes thereto are in accordance with the accounting standards that omit some of the matters required to be disclosed by the international accounting standards, as prescribed pursuant to the provisions of the second sentence of Article 120, Paragraph (1) of the Regulation on Corporate Accounting, as well as the overall presentation, structure and content of the consolidated financial statements, including the notes thereto, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Plan and conduct audits of the consolidated financial statements in order to obtain sufficient and appropriate audit evidence regarding the financial information of the Group to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision, and inspection of the audit of the consolidated financial statements.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit and other matters required by auditing standards. We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, as well as where applicable, related countermeasures to eliminate factors that may hinder our independence, and related safeguards to mitigate such factors to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

We and our engagement partners do not have any interest in the Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report on Non-consolidated Financial Statements

Independent Auditor's Report

May 16, 2025

To: The Board of Directors of
JX Advanced Metals Corporation

Ernst & Young ShinNihon LLC.
Tokyo Office

Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Yamagishi Satoshi
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Inayoshi Takashi
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Wakino Mamoru

Opinion

Pursuant to the provisions of Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements of JX Advanced Metals Corporation (the "Company"), which are comprised of the non-consolidated balance sheet as at March 31, 2025, and the non-consolidated statements of income and changes in equity for the 23rd fiscal year, and the notes to the non-consolidated financial statements and the annexed detailed schedules thereof (hereinafter collectively referred to as the "non-consolidated financial statements, etc.").

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material aspects, the financial position and operating results of the Company for the period covered by the non-consolidated financial statements, etc., in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, etc." section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information

Other information comprises the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. Meanwhile, the Audit and Supervisory Committee is responsible for overseeing the performance of duties by Directors in the design, implementation and maintenance of the reporting process of the other information.

Our opinion on the non-consolidated financial statements, etc. does not cover the other information, and we do not express an opinion or any form of assurance conclusion thereon.

Our responsibilities in auditing the non-consolidated financial statements, etc. are to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements, etc. or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report the fact.

We have nothing to report in this regard.

Responsibilities of Management and Audit and Supervisory Committee for the Non-consolidated Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan, and for such internal control management determines is necessary to enable the preparation of non-consolidated financial statements, etc. that are free from material misstatements, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing the Company's ability to continue as a going concern, and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the performance of duties by Directors in the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a

whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements. etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When performing risk assessment procedures, obtain understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of auditing the non-consolidated financial statements, etc. to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc., and, based on the audit evidence obtained, determine whether a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern exists. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if such notes are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, etc. including the notes thereto, and whether the non-consolidated financial statements, etc. represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, as well as where applicable, related countermeasures to eliminate factors that may hinder our independence, and related safeguards to mitigate such factors to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan
We and our engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit and Supervisory Committee's Report

The Audit and Supervisory Committee has audited the Directors' performance of their duties for the fiscal year ended March 31, 2025 and reports as follows in regard to the method and results of those audits.

1. Method and contents of audits

In regard to the content of resolutions of the Board of Directors regarding the matters stated in Article 399-13, Paragraph (1), Items (i) (b) and (i) (c) of the Companies Act, as well as the systems developed pursuant to those resolutions (i.e., internal control systems), the Audit and Supervisory Committee periodically received reports from Directors and employees, etc. regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto, in addition to which the Audit and Supervisory Committee conducted audits using the following methods.

(1) In accordance with the audit policies and division of duties, etc. determined by the Audit and Supervisory Committee, and in cooperation with the internal auditing department of the company, the Audit and Supervisory Committee attended important meetings, received reports from Directors and employees, etc. regarding matters related to the performance of their duties, requested explanations as necessary, viewed important decision-making documents, etc., and inspected the status of operations and assets at the head office and main business locations. Additionally, in regard to subsidiaries, the Audit and Supervisory Committee communicated and exchanged information with the Directors and Audit and Supervisory Committee Members, etc. of subsidiaries and received reports on business from subsidiaries as necessary.

(2) The Audit and Supervisory Committee oversaw and verified whether the Independent Auditor maintained an independent position and conducted an appropriate audit, received reports from the Independent Auditor on the status of the performance of its duties, and requested explanations as necessary. Additionally, the Audit and Supervisory Committee received notification from the Independent Auditor that, it had developed systems in order to ensure that its duties are appropriately executed (i.e., notification of the matters stated in the items of Article 131 of the Regulation on Corporate Accounting) in accordance with the Quality Control Standards for Audit (Business Accounting Council) and requested explanations as necessary.

Using the methods above, the Audit and Supervisory Committee examined the business report, the supplementary schedules thereto, the non-consolidated financial statements (i.e., the non-consolidated balance sheet, non-consolidated statements of income and changes in equity, and the notes to the non-consolidated financial statements) the annexed detailed schedules thereof, and the consolidated financial statements (i.e., consolidated statements of financial position, consolidated statements of profit or loss and changes in equity, and the notes to the consolidated financial statements) for the fiscal year.

2. Results of audit of business report, etc.

(1) Results of audit of business report, etc.

(i) We find that the business report and the supplementary schedules thereto accurately present the status of the company in accordance with laws, regulations, and the articles of incorporation.

(ii) We do not find any misconduct or any material fact constituting a violation of any law, regulation, or the articles of incorporation in relation to the Directors' performance of their duties.

(iii) We find the content of the resolutions of the Board of Directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the business report or the Directors' performance of their duties relating to the internal control systems.

(2) Results of audit of non-consolidated financial statements and annexed detailed schedules thereof

We find the methods and results of the audit by the Independent Auditor, Ernst & Young ShinNihon LLC., to be reasonable.

(3) Results of audit of consolidated financial statements

We find the methods and results of the audit by the Independent Auditor, Ernst & Young ShinNihon LLC., to be reasonable.

May 16, 2025

Audit and Supervisory Committee, JX Advanced Metals Corporation

Full-Time Audit and Supervisory Committee Member
Kuroiwa Motohiro [Seal]

Audit and Supervisory Committee Member
Sakuma Soichiro [Seal]

Audit and Supervisory Committee Member
Futamiya Masaya [Seal]

Audit and Supervisory Committee Member
Kawaguchi Rika [Seal]

Audit and Supervisory Committee Member
Shiota Tomoo [Seal]

Note: Audit and Supervisory Committee Members Sakuma Soichiro, Futamiya Masaya, Kawaguchi Rika, and Shiota Tomoo are Outside Directors provided for in Article 2, Item (xv) and Article 331, Paragraph 6 of the Companies Act.