THE FOLLOWING IS AN ENGLISH TRANSLATION PREPARED FOR THE CONVENIENCE OF THE SHAREHOLDERS AND INVESTORS. THE OFFICIAL TEXT IN JAPANESE OF THE DISCLOSURE THROUGH THE INTERNET RELATING TO THE CONVOCATION NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS HAS BEEN PREPARED IN ACCORDANCE WITH STATUTORY PROVISIONS. SHOULD THERE BE ANY INCONSISTENCY BETWEEN THE TRANSLATION AND THE OFFICIAL TEXT IN TERMS OF THE CONTENTS OF THE NOTICE, THE OFFICIAL TEXT SHALL PREVAIL. THE COMPANY ACCEPTS NO LIABILITY FOR ANY MISUNDERSTANDING CAUSED BY THE TRANSLATION FOR ANY REASON WHATSOEVER.

Dear Our Shareholders,

Matters Subject to Measures for Electronic Provision That Are Not Provided in the Documents Delivered to Shareholders (Matters Omitted from the Delivery Document) Relating to the Convocation Notice of the Ordinary General Meeting of Shareholders for the Fiscal Year Ended March 31, 2025

Fiscal Year Ended March 31, 2025

(From April 1, 2024 to March 31, 2025)

Business Report
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JX Advanced Metals

In accordance with the provisions of laws and regulations, and Article 16, Paragraph (2) of the Articles of Incorporation of the Company, matters omitted from the delivery document are excluded from the paper-based documents delivered to shareholders who have made a request for delivery of such documents.

1 Matters Concerning the Independent Auditor

(1) Name

Ernst & Young ShinNihon LLC

(2) Amount of Remuneration

Category	Amount
Amount of compensation, etc. of the independent auditor for the fiscal year under review	551 million yen
Total amount of cash and other property benefits to be paid by the Company and its subsidiaries	733 million yen

(Notes)
1. The audit contract between the Company and the independent auditor does not clearly distinguish between the audit compensation, etc. for audits based on the Companies Act and that for audits based on the Financial Instruments and Exchange Act. As they cannot be separated in practice, the total of these amounts is stated as the amount of compensation, etc. of the independent auditor for the fiscal year under review. In addition, the above amount includes compensation for audits of the non-consolidated financial statements and the IFRS-based consolidated financial statements for the past two years that were conducted in association with the Company's listing.
2. The Audit and Supervisory Committee received reports from the independent auditor regarding audit items, audit hours, staffing plans, and other matters in the audit plan prepared by the independent auditor. As a result of considering the unit price of auditing fees as explained by the Accounting Departments, the Audit and Supervisory Committee determined that the fees to be paid to the independent auditor are appropriate and agreed to the fees in accordance with Article 399, Paragraph (1) and Paragraph (3) of the Companies Act.
3. The Company paid compensation to the independent auditor for services other than those described in Article 2, Paragraph (1) of the Certified Public Accountants Act of Japan (non-audit services), primarily for the preparation of comfort letters related to initial public offerings.

(3) Policies on Determining Dismissal or Refusal of Reappointment of the Independent Auditor

The Audit and Supervisory Committee determines the content of the proposal on the appointment of an independent auditor to be submitted to the General Meeting of Shareholders by comprehensively assessing the independent auditor's quality control system, the existence of any grounds for disqualification under the Companies Act, independence and expertise, and the appropriateness of the audit.

In addition, if the independent auditor is found to fall under the matters stipulated in each item of Article 340, Paragraph (1) of the Companies Act, the Audit and Supervisory Committee will dismiss the independent auditor based on the consent of all members of the Audit and Supervisory Committee.

If it is determined that obstacles have occurred to the proper execution of duties due to the incidence of an event that impairs the eligibility or independence of the independent auditor, the Audit and Supervisory Committee shall determine the content of a proposal for the dismissal or non-reappointment of the independent auditor to be submitted to the General Meeting of Shareholders in accordance with Article 399-2, Paragraph (3), Item (ii) of the Companies Act.

2 System to Ensure Proper Operations and the Outline of the Operational Effectiveness Thereof (as of March 31, 2025)

(1) System to Ensure Proper Operations

The contents of the resolution regarding the establishment of a system to ensure proper operations at the Company (the Basic Policy for Establishment and Operation of the Internal Control Systems) are as follows:

The Company shall, based on the following basic policy, establish and operate a system (internal control system) to ensure proper operations of the Company, and strive for continuous improvement of the system.

1. System to Ensure That the Execution of Duties by Directors and Employees Complies with Laws and Regulations, and the Articles of Incorporation
   (1) The Company shall institute and operate the JX Advanced Metals Group Compliance Regulations and other rules and programs related to compliance, and establish a Compliance Committee to receive reports on the status of compliance and formulate measures, etc. The Company shall also conduct regular inspections on compliance with laws, regulations, and the Articles of Incorporation, provide compliance education, and implement audits of compliance with laws, regulations, and the Articles of Incorporation by the Internal Auditing Department, which serves as the internal audit organization.
   (2) The Company shall establish and operate the whistleblower program to detect and correct violations of laws and regulations at an early stage, and clearly state that any person who reports any incident to the Company by using the whistleblower program, or by any other appropriate method, should not be treated unfavorably on the grounds of making such a report.
   (3) In accordance with laws, regulations, the Articles of Incorporation, the Rules of the Board of Directors, and other rules, the Board of Directors shall deliberate with the Audit and Supervisory Committee Members and Outside Directors to ensure the legality and validity of their decisions and the effectiveness of supervision, make a decisions on important business execution that is prescribed as a matter to be resolved at the Board of Directors, and supervise the execution of duties by the Directors.
   (4) The Company shall establish and operate an internal control system to ensure the reliability of financial reporting, and shall evaluate its effectiveness annually and make necessary corrections.
   (5) The Company shall institute the JX Advanced Metals Group Basic Regulations on Handling of Antisocial Forces, and develop and operate a system based on the regulations in order to cut off any relationship with anti social forces.

2. System for the Storage and Management of Information Related to the Execution of Duties by Directors
   (1) The Company shall create, store, and manage approval documents related to the execution of duties by Directors, minutes, and other information in accordance with laws, regulations, and other rules, verify their implementation status, and review such rules as needed.
   (2) The Company shall institute the JX Advanced Metals Group Basic Policy Concerning Information Security, and implement measures to strengthen information security under the policy.

3. Rules and Other Systems for the Management of Risk of Loss
   (1) In discussing important matters such as large investments at the Board of Directors and the Executive Meeting, the risks assumed shall be identified and the policy for dealing with such risks and the criteria for considering withdrawal shall be clarified, and after the implementation of investments, continuous monitoring and follow-up shall be conducted. In addition, external advisors, such as legal, accounting, and tax advisors, shall be appointed as necessary to obtain their opinions.
   (2) With regard to various risks that may harm the corporate value of the JX Advanced Metals Group, the Company shall identify risks, formulate and implement risk response plans, develop and operate relevant rules, and develop and operate emergency systems. Among those risks, the Company's Executive Meeting shall select material risks that should be addressed on a company-wide basis, approve response plans, and monitor them.
   (3) The Company shall establish and operate the necessary systems and rules to promote internal controls to cope with risks that impede the achievement of organizational objectives in each department.

4. System to Ensure Efficient Execution of Duties by Directors
   (1) In order to improve the agility of business execution, the matters to be resolved by the Board of Directors shall be clarified in the Rules of the Board of Directors, some part of important business execution decisions shall be delegated to the President by resolution of the Board of Directors, and the decision-making matters and authority for each organization and position shall be specified in the Schedule of Authorities and other internal rules concerning organization and authority.
   (2) The Executive Officer System shall be adopted, and the Executive Meeting, composed of Executive Officers, shall be established to serve as an advisory body to the President.
   (3) In order to ensure the efficiency of management, the Board of Directors and the Executive Meeting shall gain an accurate understanding of the actual management situation through the management of the progress in the management plan based on its long-term vision, medium-term management plan, and budgets, and implement necessary measures.

5. System to Ensure Proper Operations within the Corporate Group
   (1) In order to enhance corporate value through efficient management and optimal allocation of management resources for the entire JX Advanced Metals Group, while paying respect to the autonomy of each of the business operation divisions and the Group companies, the Company shall strive to unify awareness of and thoroughly implement the management policies and plans of the JX Advanced Metals Group, including the long-term vision and medium-term management plan, through the Group Executive Meeting and other bodies, shall approve the budgets and business plans of the Group companies, and shall monitor their implementation status.
   (2) The Company shall set forth, in its Rules of the Board of Directors and the Schedule of Authorities, matters to be resolved and approved by, or reported to the Company's Board of Directors and the Executive Meeting among the matters regarding the business execution of each Group company, and ensure operation of those rules.
   (3) In order to enhance and strengthen the compliance system of the entire JX Advanced Metals Group, the Company shall institute the JX Advanced Metals Group Compliance Regulations and other rules and programs pertaining to compliance applicable to the entire Group, and shall require each Group company to comply with them, while the Compliance Committee shall receive reports on the compliance status of the Group companies and formulate various measures, etc. The Company shall also establish and operate a whistleblower program that is available to officers and employees of the Group companies, shall require the Group companies to conduct periodic inspections of compliance with laws, regulations, and the articles of incorporation, and shall receive reports of the results and conduct monitoring.

(4) The Company's Internal Auditing Department shall, while sufficiently exchanging information with the internal auditing bodies of the Group companies, conduct audits to ensure proper operations at the Group companies, report the results to the President, and provide feedback on matters directed by the President.

6. Systems to Ensure the Effective Execution of Audits by the Audit and Supervisory Committee

(1) An Audit and Supervisory Committee Office shall be established as an organization to support the duties of the Audit and Supervisory Committee, and sufficient employees shall be assigned in consultation with the Audit and Supervisory Committee.

(2) In order to ensure the independence of employees of the Audit and Supervisory Committee Office and to ensure the effectiveness of the instructions to these employees, no directives from Directors other than Audit and Supervisory Committee Members shall apply to their duties. The assignment and personnel treatment of these employees shall be decided after prior consultation with the Audit and Supervisory Committee.

(3) The Company shall respect the audit standards and plans set forth by the Audit and Supervisory Committee and cooperate in the smooth execution of audits and the improvement of the audit environment.

(4) The Company shall prepare a system so that the Full-Time Audit and Supervisory Committee Members can attend the Executive Meeting and other important meetings to understand the management situation of the JX Advanced Metals Group, while Directors and employees of the Company and its Group companies shall appropriately report on matters requested by the Audit and Supervisory Committee, and shall accept site visits requested by the Audit and Supervisory Committee.

(5) Directors and employees of the Company and its Group companies promptly report to the Audit and Supervisory Committee when there is or likely to be violations of laws, regulations, or the Articles of Incorporation in accordance with predefined standards.

(6) The Company shall ensure that a person who reports to the Audit and Supervisory Committee does not receive unfavorable treatment on the grounds of making such a report.

(7) The Company's President and other members of management shall hold regular meetings with the Audit and Supervisory Committee Members to discuss management issues of the Company and its Group companies.

(8) The Internal Auditing Department of the Company shall strive to maintain close cooperation with the Audit and Supervisory Committee.

(9) The Company shall appropriately bear expenses or debt associated with the execution of duties by Audit and Supervisory Committee Members, pursuant to provisions of Article 399-2, Paragraph (4) of the Companies Act, based on requests of the Audit and Supervisory Committee Members.

(2) Outline of the Operational Effectiveness of the System to Ensure Proper Operations

The status of the Company's operation of the system described above to ensure proper operations is as follows:

1. Overview of Internal Control
- In order to gain an understanding of the status of the Company's internal control system and address any issues, the Executive Meeting monitored the implementation and operation of the internal control system, and reported the results to the Board of Directors.
- The Company formulated a plan for education and training related to internal control, and conducted training based on this plan.

2. System to Ensure That the Execution of Duties by Directors and Employees Complies with Laws and Regulations, and the Articles of Incorporation
- The Compliance Committee held meetings to discuss the compliance priority targets within the JX Advanced Metals Group and report on the status of compliance and performance regarding these targets.
- The Company operated programs for compliance with laws and regulations related to the prevention of bribery overseas, competition laws, and dealing with anti-social forces, etc., and conducted audits on their operational status.
- The Company has established and operated a security export control system, conducted audits on its operational status and held training sessions.
- The Company conducted regular inspections of compliance with laws, regulations, and the Articles of Incorporation. As part of such inspections, compliance interviews, audits, and legal inspections related to the environment and safety were conducted.
- The Company formulated an audit plan and conducted internal audits in accordance with the plan.
- The Company made widely known and implemented the JX Advanced Metals Group Hotline, a whistleblowing program. In addition, the JX Advanced Metals Group Whistleblowing Operation Regulations ensure that whistleblowers who make whistleblowing reports are not subject to disadvantageous treatment, and the confidentiality of the whistleblower is strictly maintained.
- The Company holds meetings of the Board of Directors in accordance with the Rules of the Board of Directors to make decisions on important business executions and to receive reports on the status of the execution of duties by Directors.
- The Company conducted assessments of effectiveness concerning internal control over financial reporting pursuant to the Financial Instruments and Exchange Act.

3. System for the Storage and Management of Information Related to the Execution of Duties by Directors
- The Company prepared and managed documents such as approval documents and meeting minutes in accordance with the established procedure. The Company also continued the operation of the electronic approval systems.
- The Company promoted the introduction of JX Advanced Metals Group's common IT infrastructure to group companies.
- With regard to the Individual Number system, the Company continued office administration based on the rules and conducted regular checks.
- In order to strengthen the information security system, the Company conducted risk assessments and monitoring of information management.

4. Rules and Other Systems for the Management of Risk of Loss
- The Company appropriately operated risk assessments and responses during the discussion of capital investments and loan and investment projects based on the JX Advanced Metals Group Regulation on Budget Operation for Investment Finance.
- After reviewing the significant risks that should be addressed company-wide, the Company implemented measures based on the plans determined by the Executive Meeting, and the Meeting conducted monitoring.
- In preparation for emergencies such as earthquakes, the Company developed a business continuity plan (BCP) and conducted joint BCP drills in coordination between the Head Office and various locations.
- The Company started inspection and monitoring activities for operational risks of JX Advanced Metals Corporation.
- The status of derivative transactions and related activities was compiled on a semi-annual basis and reported to the Executive Meeting and the Board of Directors. The status of derivative transactions, etc. was summarized every half-year and reported to the Executive Meeting and the Board of Directors.
- The Company conducted regular monitoring of cash and deposit balances to ensure appropriate asset management within Group companies.

5. System to Ensure Efficient Execution of Duties by Directors
- The Company appropriately and efficiently makes decisions at meetings of the Board of Directors and the Executive Meeting in accordance with the Rules of the Board of Directors and the Rules of the Executive Meeting.
- Duties are executed based on the organizational structure, management positions, and business responsibilities defined in the Organizational Regulations, as well as the decision-making matters and authority specified for each position in the Schedule of Authorities.
- In order to ensure proper and efficient execution of duties, necessary organizational restructuring was carried out, including the establishment of the Internal Control Department, the Crystalline Material Business Promotion Department, and the Digital Manufacturing Transformation Department.
- The annual and quarterly financial results, both on a consolidated group basis and for the Company on a standalone basis, were appropriately approved by the Board of Directors and the Executive Meeting.

6. System to Ensure Proper Operations within the Corporate Group
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- The Company has established the Group Common Application Regulations applicable to the JX Advanced Metals Group and formed the Group's regulatory framework.
- The Company holds the JX Advanced Metals Group Executive Meeting to unify awareness of management policies and plans.
- The validity of the budget and business plans of each group company is verified through interviews and discussions, and the appropriateness of each Group company's plans is also verified at the company-wide budget review meeting.
- The Company has a system in place to receive regular and emergency reports on performance management and other matters from JX Advanced Metals Group companies.
- The Company has defined and appropriately managed business operation matters of JX Advanced Metals Group companies to be discussed with the Company's Board of Directors.
- The Company has made the code of conduct and the whistleblower program widely disseminated, and inspected the status of

compliance with laws and regulations, as well as the Articles of Incorporation within each company of the JX Advanced Metals Group.

- The Company's Internal Auditing Department conducts audits based on the audit plan that includes Group companies, and audit results are reported to the Executive Meeting, etc.
- The Company began applying business performance management and risk management of a Group company to TATSUTA Electric Wire and Cable Co., Ltd., which newly joined the JX Advanced Metals Group following the successful tender offer in August 2024.

7. Systems to Ensure the Effective Execution of Audits by the Audit and Supervisory Committee

- Multiple full-time personnel have been appointed to the Audit and Supervisory Committee Office, with their personnel treatment determined with the consent of the Audit and Supervisory Committee.
- In order to ensure the proper performance of the duties of the Audit and Supervisory Committee, the Company secures the opportunity so that the Audit and Supervisory Committee Members can attend important meetings such as the Executive Meeting, exchange opinions with the President and other members of the management, hold regular consultations with the Internal Auditing Department, audit the JX Advanced Metals Group's domestic and overseas bases, and view important documents.
- The Company has set forth and appropriately operates standards for Directors and employees to report violations of laws, regulations, and the Articles of Incorporation to the Audit and Supervisory Committee.
- The Company bears expenses or debt necessary for the execution of the duties of the Audit and Supervisory Committee in accordance with the stipulated procedures, based on requests from the Audit and Supervisory Committee.

(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 Changes in Equity (from April 1, 2024 to March 31, 2025) (Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Financial assets measured at fair value through other comprehensive income	Changes in fair value of cash flow hedges
Balance as of April 1, 2024	75,000	46,750	446,945	–	2,835	(3,130)
Profit	–	–	68,271	–	–	–
Other comprehensive income (loss)	–	–	–	–	2,250	(2,121)
Total comprehensive income (loss)	–	–	68,271	–	2,250	(2,121)
Purchase of treasury shares	–	–	–	(1,000)	–	–
Dividends of surplus	–	–	(85,000)	–	–	–
Share–based payment transactions	–	285	–	–	–	–
Equity transactions with non-controlling interests, etc.	–	(1,560)	–	–	240	261
Transfer from other components of equity to retained earnings	–	–	1,905	–	(574)	–
Transfer from other components of equity to non–financial assets, etc.	–	–	–	–	–	4,290
Changes due to business combination	–	–	–	–	–	–
Other	–	2,618	–	–	–	–
Total transactions with owners	–	1,343	(83,095)	(1,000)	(334)	4,551
Balance as of March 31, 2025	75,000	48,093	432,121	(1,000)	4,751	(700)

	Other components of equity			Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Remeasurement (losses) gains on defined benefit plans	Total			
Balance as of April 1, 2024	58,988	–	58,693	627,388	93,414	720,802
Profit	–	–	–	68,271	13,116	81,387
Other comprehensive income (loss)	(2,018)	1,331	(558)	(558)	(327)	(885)
Total comprehensive income (loss)	(2,018)	1,331	(558)	67,713	12,789	80,502
Purchase of treasury shares	–	–	–	(1,000)	–	(1,000)
Dividends of surplus	–	–	–	(85,000)	(12,777)	(97,777)
Share–based payment transactions	–	–	–	285	–	285
Equity transactions with non-controlling interests, etc.	62	–	563	(997)	(6,527)	(7,524)
Transfer from other components of equity to retained earnings	–	(1,331)	(1,905)	–	–	–
Transfer from other components of equity to non–financial assets, etc.	–	–	4,290	4,290	–	4,290
Changes due to business combination	–	–	–	–	6,841	6,841
Other	–	–	–	2,618	2,717	5,335
Total transactions with owners	62	(1,331)	2,948	(79,804)	(9,746)	(89,550)
Balance as of March 31, 2025	57,032	–	61,083	615,297	96,457	711,754

Notes to Consolidated Financial Statements (from April 1, 2024 to March 31, 2025)

1. Notes to Important Matters Fundamental for Preparation of Consolidated Financial Statements

(1) Basis for preparation of consolidated financial statements

The consolidated financial statements of the Company are prepared in accordance with the International Financial Reporting Standards ("IFRS") pursuant to the provisions of Article 120, Paragraph 1 of the Regulations for Corporate Accounting. In accordance with the second sentence of the same paragraph, certain disclosure items required under IFRS are omitted with respect to the consolidated financial statements.

(2) Scope of consolidation and matters concerning application of equity method

There are 78 subsidiaries and 18 equity method affiliates, etc. (affiliates and jointly controlled entities).

Major subsidiaries

JX Advanced Metals USA, Inc., JX Advanced Metals Singapore Pte. Ltd., JX Advanced Metals Korea Co., Ltd., TANIOBIS GmbH, Tokyo Denkai Co., Ltd., JX METALS PHILIPPINES, Inc., Nippon Mining & Metals (Suzhou) Co., Ltd., Toho Titanium Co., Ltd., TATSUTA Electric Wire and Cable Co., Ltd., JX Metals Smelting Co., Ltd., JX Metals Circular Solutions Co., Ltd., eCycle Solutions Inc., Nippon LP Resources UK Limited, JX Metals Trading Co., Ltd., Nikko Metals Taiwan Co., Ltd.

Major equity method affiliates, etc.

JX Metals Precision Technology Co., Ltd., Pan Pacific Copper Co., Ltd., SCM Minera Lumina Copper Chile, Minera Los Pelambres, Jeco Corp.

(3) Matters concerning accounting policies

(i) Valuation standards and methods for assets

a. Valuation standards and methods for financial assets

Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- The financial asset is held based on a business model in which an asset is held for the purpose of collecting contractual cash flows.
- The contractual terms of the financial asset give rise to cash flows that solely consist of payments of principal and interest on the principal balance at specific dates.

After initial recognition, they are measured at amortized cost using the effective interest method and are also evaluated for impairment.

Financial assets measured at fair value through other comprehensive income

Financial assets other than financial assets measured at amortized cost are measured at fair value. Of those, for equity instruments held for purposes other than trading, the Company determines on an individual instrument basis whether or not to designate an instrument as a financial asset measured at fair value through other comprehensive income upon initial recognition.

Financial assets designated as financial assets measured at fair value through other comprehensive income are measured at fair value after initial recognition, with any subsequent changes recognized in other comprehensive income.

Amounts recognized in other comprehensive income may be transferred within equity, although they cannot be subsequently transferred to profit or loss. When a related financial asset is derecognized or its fair value declines significantly, the relevant amount recognized in other comprehensive income is transferred to retained earnings.

For a transaction involving changes in the parent's equity interest in a subsidiary that does not result in loss of control, the cumulative amount of financial assets measured at fair value through other comprehensive income of the subsidiary is reallocated through equity between equity attributable to owners of parent and non-controlling interests.

Financial assets measured at fair value through profit or loss

Financial assets other than financial assets measured at amortized cost that are not designated as financial assets measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss.

They are measured at fair value after initial recognition, with any subsequent changes recognized in profit or loss.

b. Valuation standards and methods for inventories

Inventories are recorded at the lower of acquisition cost or net realizable value. Net realizable value is the expected selling price in the ordinary course of business less estimated costs to complete and estimated selling costs. Acquisition cost is determined primarily using the first-in, first-out method.

c. Valuation standards and methods as well as depreciation methods for property, plant and equipment

The cost model is used for the post-recognition measurement of property, plant and equipment, which is stated at acquisition cost less accumulated depreciation and impairment.

Acquisition costs include costs directly related to the acquisition of an asset, demolition, removal and restoration

costs, as well as borrowing costs for long-term projects that qualify for capitalization.
Expenditures for major maintenance and repairs include costs of reacquired assets and the replacement of portions of assets, survey costs and overhaul (detailed inspections) costs. Such expenditures that meet the criteria for recognition of property, plant and equipment are capitalized and depreciated over the period up to the next survey.
Depreciation of property, plant and equipment other than land is determined principally on the straight-line method over the estimated useful lives of the individual components of property, plant and equipment at their depreciable values, which are determined by deducting their residual values from their acquisition costs.

The estimated useful lives of major types of property, plant and equipment are as follows:

- Buildings and structures 2 to 50 years
- Machinery and vehicles 2 to 20 years

Depreciation methods, estimated useful lives and residual values of property, plant and equipment are reviewed at the end of each fiscal year.

d. Valuation standards and methods for goodwill and intangible assets

Goodwill

Goodwill is not amortized, and is stated at acquisition cost less accumulated impairment losses. Goodwill is allocated to individual cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of a business combination and is tested for impairment each period or whenever there is an indication of impairment. Impairment losses on goodwill are recognized in profit or loss on the consolidated statements of profit or loss and are not subsequently reversed.

Intangible assets

The cost model is used for the post-recognition measurement of intangible assets, which are stated at acquisition cost less accumulated amortization and impairment.

An intangible asset is amortized principally on a straight-line basis over the estimated useful life of the asset for the amount of its acquisition cost less any residual value. The estimated useful lives of major types of intangible assets are as follows:

- Software 5 years
- Customer-related intangible assets 10 to 25 years

e. Valuation standards and methods for right-of-use assets

Lease liabilities are initially recognized at the present value of the remaining lease payments as of the lease commencement date, discounted using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be practically readily determined at the time of recognition, the Group's incremental borrowing interest rate is used.
A right-of-use asset is recognized at the measured amount of the lease liabilities, adjusted for initial direct costs and prepaid lease payments, plus the cost of any restoration obligations required under the lease contract, and is depreciated systematically over the lease term. Right-of-use assets are included in "Property, plant and equipment" in the consolidated statements of financial position.

f. Impairment of non-financial assets

At each reporting period, the Group determines whether there is any indication of impairment for each asset and estimates the recoverable amount of the asset if there is an indication of impairment or where an annual impairment test is required, such as for intangible assets with indefinite useful lives. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is estimated for each cash-generating unit to which the asset belongs.
The recoverable amount is the higher of fair value less costs of disposal and value in use of an asset or cash-generating unit. Appropriate valuation models supported by available fair value indicators and transactions are used to determine fair value less costs of disposal. Further, estimated future cash flows in the value-in-use valuation are discounted to present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risks inherent in the asset.
If the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognized for that asset and written down to its recoverable amount.
For an asset other than goodwill, an assessment is made as to whether there are indications that impairment losses recognized in prior reporting periods may have been reduced or eliminated. If such indications exist, the recoverable amount of the relevant asset or cash-generating unit is estimated, and if the recoverable amount exceeds the carrying amount of the asset or cash-generating unit, an impairment loss is reversed up to an amount not exceeding the carrying amount that would have been the carrying amount had no impairment loss been recognized, less any required depreciation or amortization.

(ii) Recognition criteria for allowances and provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources with economic benefits will be required to settle the obligation, and its amount can be estimated reliably.
A provision is measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax discount rate that reflects the current market valuation of the time value of money and the risks inherent in the obligation. Increases in provisions over time are recognized as interest expenses.

(iii) Other matters important for preparation of consolidated financial statements

a. Business combination

The Group applies the acquisition method of accounting for business combinations. Identifiable assets acquired as well as identifiable liabilities and contingent liabilities assumed in a business combination are measured at fair value at the initial acquisition date. Costs incurred in connection with the acquisition are recognized as expenses as incurred. The Company determines on a transaction-by-transaction basis whether to measure non-controlling interests at fair value or based on non-controlling interests' proportional interest in the acquiree's identifiable net assets.
Goodwill is measured as an excess of the sum of the consideration transferred for the business combination, the amount of any non-controlling interests in the acquiree, and the fair value of any equity interest in the acquiree previously held by the acquirer over the net value of the identifiable assets and liabilities at the acquisition date. If such total amount is less than the net value of the identifiable assets and liabilities acquired through bargain purchase, the difference is recognized immediately in profit or loss on the consolidated statements of profit or loss.

b. Foreign currency translation

The Company's consolidated financial statements are presented in Japanese yen, which is its functional currency.
A transaction denominated in a foreign currency is translated into the functional currency of each Group company at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated into the functional currency at the exchange rate prevailing at the balance sheet date, and non-monetary assets and liabilities denominated in foreign currencies measured at fair value are translated into the functional currency at the exchange rate prevailing at the relevant date of fair value determination. Any resulting foreign currency translation differences are generally recognized in profit or loss. However, foreign currency translation differences arising from equity instruments designated as financial assets measured through other comprehensive income and from cash flow hedges are recognized in other comprehensive income. A non-monetary asset and liability denominated in a foreign currency measured at cost is translated at the exchange rate prevailing on the transaction date.
Assets and liabilities of foreign operations are translated into Japanese yen using the exchange rate prevailing at the balance sheet date, and revenue and expenses are translated into Japanese yen using the average exchange rate for the period, unless the exchange rate has changed significantly during the reporting period.
Any foreign currency translation differences arising from the translation of financial statements of foreign operations are recognized in other comprehensive income as "exchange differences on translation of foreign operations." Upon disposal of foreign operations, etc., such cumulative translation differences are transferred to profit or loss as part of gains or losses on disposal.
For a transaction involving changes in the parent's equity interest in a subsidiary that does not result in loss of control, foreign currency translation differences of the subsidiary are reallocated through equity between equity attributable to owners of parent and non-controlling interests.

c. Post-employment benefits

The Group has both defined benefit and defined contribution plans. The liability recognized in the consolidated statements of financial position in relation to the defined benefit plan is the present value of defined benefit obligations less fair value of the plan assets as of the end of the reporting period. Defined benefit obligations are calculated annually using the projected unit credit method. The discount rate is determined for a discount period based on a period up to the expected date of benefit payments in each future year and based on the market yield of high-quality corporate bonds corresponding to the discount period at the balance sheet date.
Among retirement benefit expenses, net service costs and net interest on net defined benefit liabilities (assets) are recognized in profit or loss, and remeasurements, including differences between estimates and actual results and actuarial gains and losses arising from changes in actuarial assumptions, are recognized in other comprehensive income in the period in which they arise. Such amounts are immediately transferred from other components of equity to retained earnings, since they are permitted to be transferred within equity, although they cannot be transferred to profit or loss. Prior service costs are recognized in profit or loss in the period in which they are incurred.
Retirement benefit expenses related to the defined contribution plan are recognized as an expense in the period an employee renders service, with the amount of the accrued contribution recognized as a liability.

d. Revenue recognition

The Group recognizes revenue by applying the following five steps, except for interest and dividend income and other income under IFRS 9 "Financial Instruments" ("IFRS 9").

Step 1: Identify a contract with a customer
Step 2: Identify performance obligations in the contract
Step 3: Calculate the transaction price
Step 4: Allocate the transaction price to performance obligations in the contract
Step 5: Recognize revenue when (or as) performance obligations are satisfied

The Group engages in the sale of sputtering targets for semiconductors, treated rolled copper foil, precious metals, and recycled raw materials. We recognize revenue from the sale when control over the product is transferred to the customer, i.e. when the product is delivered to the customer, as the legal ownership, possessory rights, material risks accompanying the ownership of the product, and economic value are transferred and the right to receive consideration for the product from the customer is obtained. Revenue is recognized based on the transaction price for contracts with customers. Consideration for transactions is received generally within three months after the product delivery, and it does not include any significant financing component.

e. Income tax expense
Income tax expense consists of current and deferred taxes.
They are recognized in profit or loss, except those related to business combinations and items recognized directly in equity or other comprehensive income.
Current income taxes are calculated based on estimated tax payments or refunds on taxable income or losses for the current period as calculated by multiplying tax rates in effect or substantially in effect as of the balance sheet date, in addition to adjustments for estimated tax payments or refunds for up to the prior year.
Deferred tax assets and liabilities are calculated based on temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their tax bases, and tax loss and tax credit carryforwards as of the end of the reporting period. Deferred tax assets and liabilities are calculated using tax rates that are in effect or substantially in effect by the end of the reporting period and are expected to be applied in the period in which related deferred tax assets are to be realized or deferred tax liabilities are settled. Deferred tax assets are recognized only to the extent that it is probable that tax loss carryforwards, tax credit carryforwards and deductible temporary differences will be available against future taxable income. Deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that tax benefits will be realized.

2. Notes to Significant Accounting Estimates

The Company's consolidated financial statements include estimates and judgments made by management. These estimates and judgments are based on management's best estimates, taking into account past performance and various factors that are considered reasonable as of the end of the reporting period; however, actual results that will materialize in the future may differ from those estimates and judgments.
Major estimates and judgments that may have a significant impact on the Company's consolidated financial statements include the following.

(1) Impairment of non-financial assets
The Group performs an impairment test for property, plant and equipment, goodwill and intangible assets in accordance with "1. Notes to Important Matters Fundamental for Preparation of Consolidated Financial Statements (3) Matters concerning accounting policies" in the Notes to Consolidated Financial Statements. In calculating recoverable amounts for impairment tests, the Company determines estimates of future cash flows, discount rates and others. Future cash flows are determined by management's best estimates and judgments based on business plans approved by management. However, because future cash flows are subject to fluctuations in sales volume, commodity prices, foreign exchange rates, and other uncertain factors that are included in future cash flows, when it becomes necessary to revise these estimates and recoverable amounts, it may have a significant impact on the consolidated financial statements.

(2) Income tax expense
The Group is subject to the income tax consequences of several tax jurisdictions. Important judgments must be made when determining the estimated amounts of income taxes in various parts of the world.
The amount recorded as income tax expense for the fiscal year under review was 26,089 million yen.
Many transactions and calculation methods involve uncertainty in final tax amounts. A liability for anticipated tax audit issues based on an estimate as to whether additional tax payments will be demanded is recognized. If the final tax amounts for those issues differ from the amounts initially recognized, it may have a significant impact on the consolidated financial statements.
In addition, the amount of deferred tax assets is determined to the extent that it is probable that taxable income will be available against which deductible temporary differences and unused tax loss and tax credit carryforwards can be utilized. The timing and amount of future taxable income are estimated based on business plans approved by management, including assumptions about sales volume, commodity prices, foreign exchange rates and others.
As a result, the amount recorded as deferred tax assets at the end of the current fiscal year was 26,730 million yen.
The timing and amount of taxable income arising are subject to uncertain future changes in economic conditions. If the timing and amount of taxable income that has actually occurred differ from the estimates, the amount of deferred

tax assets available will change as a result, which may have a significant impact on the consolidated financial statements.

(3) Valuation of inventories

Inventories are recorded at the lower of acquisition cost or net realizable value. If net realizable value is lower than the acquisition cost at the end of the reporting period, inventories are measured at such net realizable value and the difference from the acquisition cost (write-down) is recorded in cost of sales.

As a result, the amount recorded as inventories at the end of the current fiscal year was 273,187 million yen.

If the market environment changes significantly in the future and net realizable value declines significantly, a large difference (write-down) in cost of sales may occur, which may have a significant impact on the consolidated financial statements.

(4) Provisions and contingent liabilities

The Group recognizes various provisions, such as for asset retirement obligations, on the consolidated statements of financial position. Those provisions are recognized based on the best estimate of expenditures required to settle the obligations, taking into account risks and uncertainties associated with the obligations as of the end of the reporting period.

As a result, the amount recorded as provisions at the end of the current fiscal year was 30,792 million yen.

Although the amount of expenditures required to settle the obligations is calculated by taking into comprehensive consideration possible future outcomes, it may be affected by the occurrence of unforeseeable events or changes in circumstances. If the actual amount of payments differs from what has been estimated, it may have a significant impact on the amounts to be recognized in the consolidated financial statements from the next reporting period and onward.

For contingent liabilities, items that could have a significant impact on future operations are disclosed, taking into account all available evidence at the end of the reporting period and considering the likelihood of their occurrence and their monetary impact.

3. Notes to Consolidated Statements of Financial Position

(1) Assets pledged as collateral

	(Millions of yen)
Property, plant and equipment	62,047
Other assets	3,651

Note: These are mainly collateral for using the system for extending payment deadlines for customs duties on import transactions and consumption taxes in accordance with the Customs Act and the Consumption Tax Act.
A revolving mortgage has also been established, however there is no corresponding debt.

(2) Components of inventories

	(Millions of yen)
Merchandise and finished goods	76,192
Work in process	82,890
Raw materials and supplies	114,105

(3) Components of property, plant and equipment

	(Millions of yen)
Buildings and structures	135,409
Machinery and vehicles	98,671
Land	61,491
Construction in progress	70,200
Other	6,011

(4) Loss allowance deducted directly from assets

	(Millions of yen)
Trade receivables	973
Receivables other than trade receivables	48

(5) Accumulated depreciation and impairment of property, plant and equipment ····· 540,245 million yen

(6) Guarantee obligations, etc. ····· 52,475 million yen

4. Notes to Consolidated Statements of Profit or Loss

(1) Principal components of other income

Principal components of other income are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2025
Gain on sale of shares of subsidiaries and associates	7,136
Gain on bargain purchase	6,269

(2) Principal components of other expenses

Principal components of other expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2025
Impairment losses	6,731

5. Notes to Consolidated Statements of Changes in Equity

(1) Total number of shares of common stock as of March 31, 2025 928,463,102 shares

(2) Purchase of treasury shares

The number of treasury shares and changes in the balance of treasury shares are as follows:

	Number of shares (Thousands of shares)	Amount (Millions of yen)
Balance at beginning of period	–	—
Change	1,220	1,000
Balance at end of period	1,220	1,000

(3) Equity transactions with non-controlling interests

Capital surplus of negative 1,560 million yen arising from equity transactions with non-controlling interests, etc. during the current fiscal year mainly resulted from the subscription of capital increase of TANIOBIS GmbH, a consolidated subsidiary of the Company.

Equity transactions with non-controlling interests, etc. are equity transactions that result in changes in ownership interests in subsidiaries without involving changes in the scope of consolidation, and other components of equity were reallocated through equity between equity attributable to owners of parent and non-controlling interests. This resulted in increases of 240 million yen in the change in fair value of financial assets measured at fair value through other comprehensive income, 261 million yen in the change in fair value of cash flow hedges, and 62 million yen in exchange differences on translation of foreign operations, respectively.

(4) Written put options granted to non-controlling interests

The Group recognizes the present value of the redemption amount of written put options granted to non-controlling interests as a financial liability and derecognizes non-controlling interests under the put options, with the difference between the two included in capital surplus. The amount included in capital surplus in the current fiscal year is 2,618 million yen.

(5) Dividends of surplus

(i) Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
November 11, 2024 Board of Directors meeting	Common stock	85,000	91.55	—	November 29, 2024

(ii) Dividends with a record date in the fiscal year under review but an effective date in the following fiscal year

Resolution (planned)	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
June 27, 2025 Ordinary General Meeting of Shareholders	Common stock	16,712	18.00	March 31, 2025	June 30, 2025

6. Notes to Financial Instruments

(1) Matters concerning the status of financial instruments

The Company strives to achieve and maintain an optimal capital structure in order to achieve its medium- to long-term group strategy and maximize corporate value.

The Company is exposed to various risks such as credit risk, liquidity risk, and market risks, and manages these risks as follows.

(i) Credit risk

The Group sets a credit limit by counterparty in accordance with its credit management rules, periodically monitors financial conditions, etc. of counterparties, and appropriately manages due dates and outstanding balances of receivables by counterparty in order to early identify concerns about collection. The receivables held are against a large number of counterparties in a wide range of industries and geographic regions, with no significant credit risk exposure to specific counterparties and no excessive concentration of credit risk requiring special management.

(ii) Liquidity risk

The Group raises working capital and capital investment funds through borrowings from financial institutions, etc., and is exposed to the risk of difficulty in meeting those obligations, or liquidity risk.

The Company manages liquidity risk by preparing funding plans, based on an assessment of the funding needs of each group company as appropriate, and monitoring them by comparing them with actual cash flows.

(iii) Market risks

The Company uses derivative financial instruments such as forward exchange contracts, interest rate swaps, and commodity forward contracts to hedge market risks. Derivative transactions are executed and managed in accordance with internal rules that stipulate transaction authority, and the Company has a policy of not engaging in speculative transactions using derivative financial instruments.

(2) Matters concerning fair value, etc. of financial instruments

(i) Carrying amount and fair value of financial instruments measured at amortized cost

(Millions of yen)

	As of March 31, 2025	
	Carrying amount	Fair value
Borrowings	301,259	300,154

The fair value is calculated as follows.

Borrowings

Fair value of the Group's borrowings is estimated by discounting the future cash flows to present value using an interest rate that would be applicable if the Group were to newly borrow a similar debt. Such estimation is classified as Level 2 due to the use of observable inputs.

(ii) Financial instruments measured at fair value

The Group classifies the fair value hierarchy into the following three levels, depending on the market observability of inputs used to measure fair value:

Level 1: Unadjusted quoted prices of identical assets or liabilities in an active market

Level 2: Directly or indirectly observable inputs that do not belong to Level 1

Level 3: Unobservable inputs

(Millions of yen)

	Fiscal year under review (as of March 31, 2025)			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets measured at fair value through profit or loss				
Trade and other receivables	–	16,042	–	16,042
Other financial assets (derivatives)	–	704	648	1,352
Financial assets measured at fair value through other comprehensive income				
Other financial assets (equities)	8,775	–	1,844	10,619
Financial liabilities measured at fair value through profit or loss				
Other financial liabilities (derivatives)	–	3,674	–	3,674

The fair value is calculated as follows.

(a) Trade and other receivables

For trade and other receivables with embedded derivatives accounted for as a single instrument, fair value is calculated based on LME copper prices for a certain period in the future, and these are classified as Level 2.

(b) Other financial assets (derivatives), other financial liabilities (derivatives)

Among derivatives, fair value of forward exchange contracts is determined based on forward foreign exchange rates at the balance sheet date. Fair value of commodity derivatives is estimated based on publicly available index prices, etc. at the end of the period. All of these derivatives are classified as Level 2. Fair value of purchased call options held against non-controlling interests is estimated based on a binomial model using inputs such as fair value of the underlying shares, time to expiry, and volatility, and is classified as Level 3.

(c) Other financial assets (equities)

Listed equity securities are valued using unadjusted quoted market prices based on the closing market price at the balance sheet date and are classified as Level 1. For unlisted equity securities, fair value is determined using appropriate valuation techniques, such as a valuation technique based on discounted future cash flows, and classified as Level 3.

(iii) Financial instruments classified as Level 3

Changes in other financial assets (derivatives) that are classified as Level 3 are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2025
Balance at beginning of period	13,390
Gains and losses included in profit or loss (Note)	(12,735)
Other	(7)
Balance at end of period	648

(Note) Primarily resulted from the purchased put options over the controlling shareholder of an equity method affiliate. During the fiscal year under review, the Company derecognized the purchased put options as a result of the exercise of the written call options by the controlling shareholder of the relevant equity method affiliate. The amount of the purchased put options that was derecognized is included in "Other income" in the consolidated statements of profit or loss, net of gains and losses included in profit or loss from the written call option granted to the same shareholder.

Changes in other financial assets (equities) that are classified as Level 3 are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2025
Balance at beginning of period	1,079
Gains and losses included in other comprehensive income	698
Purchased	6
Sold	(1)
Other	62
Balance at end of period	1,844

Gains and losses included in other comprehensive income are included in "Financial assets measured at fair value through other comprehensive income" in the consolidated statements of comprehensive income.

Changes in other financial liabilities (derivatives) that are classified as Level 3 are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2025
Balance at beginning of period	12,629
Gains and losses included in profit or loss	(12,629)
Balance at end of period	–

(Note) Resulted from the written call options over the controlling shareholder of an equity method affiliate. During the fiscal year under review, the Company derecognized the written call options as a result of the exercise of the written call options by the controlling shareholder of the equity method affiliate. The amount of the written call options that was derecognized is included in "Other income" in the consolidated statements of profit or loss, net of gains and losses included in profit or loss from the purchased put option granted to the same shareholder.

In accordance with the Company's policy, fair value of unlisted equity securities classified as Level 3 is measured at each group company which directly owns relevant equity securities. In determining fair value, the Company periodically monitors the business activities, etc. of individual entities to be evaluated based on the valuation policy and valuation models that it has developed and updated, to verify its appropriateness on an ongoing basis.

7. Notes to Revenue Recognition

(1) Disaggregation of revenue

The Group is organized on the basis of Semiconductor Materials business, ICT Materials business, Metals & Recycling business, and other businesses, which are subject to periodic review by the Board of Directors of the Company in order to determine the allocation of management resources and evaluate performance. Accordingly, revenue recorded by those businesses is presented as net sales. Further, net sales are broken down by geographic region based on the location of customers. The relationship between the breakdown of net sales and net sales of each reportable segment is as follows.

(Millions of yen)

Fiscal year ended March 31, 2025						
Geographic area		Semiconductor Materials	ICT Materials	Metals & Recycling	Other	Total
Japan		19,615	112,112	297,084	2,451	431,262
Asia	China	13,104	36,438	–	70	49,612
	Taiwan	44,652	21,752	–	–	66,404
	Other Asia	28,564	46,247	61	40	74,912
U.S.		26,543	33,433	2,366	–	62,342
Other		14,950	10,903	4,555	–	30,408
Total		147,428	260,885	304,066	2,561	714,940

(Note) Amounts shown are net of internal transactions among the Group companies.

(i) Semiconductor Materials

In the Semiconductor Materials Segment, we engage in the sale of sputtering targets for semiconductors and semiconductor materials such as compound semiconductors and crystalline materials. We recognize revenue from the sale when control over the product is transferred to the customer, i.e. when the product is delivered to the customer, as the legal ownership, possessory rights, material risks accompanying the ownership of the product, and economic value are transferred and the right to receive consideration for the product from the customer is obtained. Revenue is recognized based on the transaction price for contracts with customers. Consideration for transactions is received generally within three months after the product delivery, and it does not include any significant financing component.

(ii) ICT Materials

In the ICT Materials Segment, we engage in the sale of information and telecommunication materials such as treated rolled copper foil, titanium copper, ultra-fine nickel powder, electromagnetic shielding film, and electric wires. We recognize revenue from the sale when control over the product is transferred to the customer, i.e. when the product is delivered to the customer, as the legal ownership, possessory rights, material risks accompanying the ownership of the product, and economic value are transferred and the right to receive consideration for the product from the customer is obtained. Revenue is recognized based on the transaction price for contracts with

customers. Consideration for transactions is received generally within three months after the product delivery, and it does not include any significant financing component.

(iii) Metals & Recycling

In the Metals & Recycling Segment, we engage in the sale of recycled raw materials, precious metals, etc., and in contract smelting of electrolytic copper, precious metals, etc. We recognize revenue from the sale of recycled materials and precious metals, etc. when control over the product is transferred to the customer, i.e. when the product is delivered to the customer, as the legal ownership, possessory rights, material risks accompanying the ownership of the product, and economic value are transferred and the right to receive consideration for the product from the customer is obtained, resulting in our performance obligations deemed to have been satisfied. In the case of contract smelting of electrolytic copper, precious metals, etc., we recognize revenue when the relevant contracted work is completed and accepted by the customer, as the right to receive consideration from the customer is obtained, resulting in our performance obligations being deemed to have been satisfied. Revenue from the sale of those products/materials and contract smelting is recognized based on the transaction price for contracts with customers. Consideration for transactions is received generally within three months after the satisfaction of our performance obligations, and it does not include any significant financing component.

In addition, some of the sales contracts for recycled raw materials include a provisional price clause at the time of shipment, and the final price is determined based on the monthly average market price of copper on the London Metal Exchange (LME) for a certain period in the future. Such sales based on a provisional price are considered sales contracts in the nature of commodity forwards with a month in which the price is finalized as the contract month, and contain embedded derivatives for which the main contract is the sale of recycled raw materials. Such embedded derivatives related to the post-shipment price settlement process are not separated from the host contract and instead, accounted for as a single instrument, in accordance with IFRS 9, since the subject of the host contract is a financial asset. Revenue from provisionally priced sales is recognized based on an estimate of fair value of the consideration to be received based on the market price at the time of shipment, and re-estimated at the end of the reporting period. Any difference between the fair value at the time of shipment and at the end of the reporting period is recognized as an adjustment to revenue, and revenue from relevant recycled raw materials is recognized at the market value of the metal paid by the customer, less any processing fees.

(2) Receivables and contract liabilities arising from contracts with customers

The breakdown of receivables and contract liabilities arising from contracts with customers is as follows.

In the consolidated statements of financial position, trade receivables and contract liabilities are included in trade and other receivables and other current liabilities, respectively.

(Millions of yen)

	As of April 1, 2024	As of March 31, 2025
Trade receivables (accounts receivable - trade and notes receivable - trade)	86,640	113,814
Contract liabilities	2,736	2,364

Contract liabilities are consideration received in advance of performance under a contract and are reclassified to revenue as (or when) the Company performs under the contract.

The balance of contract liabilities as of the beginning of the fiscal year under review is generally recognized as revenue during the fiscal year, and the amount carried forward is not material. In the current fiscal year, the amount of revenue recognized from performance obligations satisfied in prior periods was not material, either.

(3) Transaction price allocated to remaining performance obligations

The transaction price allocated to the remaining performance obligations and the period over which revenue is expected to be recognized are as follows:

(Millions of yen)

	As of March 31, 2025
Within one year	20,605
Over one year up to two years	2,691
Over 2 years	10,093
Total	33,389

(Note) The transaction prices above relate to a long-term distribution agreement for titanium sponges.

(4) Contract costs

The amount of assets recognized from the costs of obtaining or fulfilling contracts with customers was not material in the current fiscal year. The practical expedient is applied, and contract costs are recognized as an expense as incurred where the amortization period is one year or less.

8. Notes to Per-Share Information

Equity attributable to owners of parent per share	663.58 yen
Basic profit attributable to owners of parent per share	73.53 yen
Diluted profit attributable to owners of parent per share	73.53 yen

9. Notes to Business Combination

The Company made a tender offer for TATSUTA Electric Wire and Cable Co., Ltd. ("TATSUTA Electric Wire"), which had been an equity method affiliate in the ICT Materials Segment, as part of a transaction aimed at making TATSUTA Electric Wire a wholly-owned subsidiary of the Company, and acquired 50.61% of its voting rights on August 26, 2024. As a result, the Company now owns 87.64% of the voting rights of TATSUTA Electric Wire, when combined with equity already owned, making TATSUTA Electric Wire and its subsidiaries the Company's subsidiaries. Subsequently, as a result of procedures to make TATSUTA Electric Wire a wholly-owned subsidiary of the Company, TATSUTA Electric Wire became a wholly-owned subsidiary of the Company on November 11, 2024.

(1) Outline of the business combination

(i) Name and business of the acquiree

Name of acquiree	TATSUTA Electric Wire and Cable Co., Ltd.
Business	The infrastructure wires business, the industrial equipment wires business, the functional film business, the functional pastes business, the fine wire business, the sensor & medical products business, and the environmental analysis business

(ii) Main reasons for the business combination

It is essential to grow the Focus Businesses and stabilize the Base Businesses in order to achieve the JX Advanced Metals Group Long-Term Vision 2040 as set out by the Company, to which we believe both the electronic materials business and the cable business owned by TATSUTA Electric Wire will be of great help.

By making TATSUTA Electric Wire a wholly-owned subsidiary, which eliminates restrictions on mutual utilization of management resources and enables integration of the two companies into one, the Company aims to realize synergies such as (a) efficiently utilizing management resources of both companies, (b) further collaborating in key technologies, (c) further strengthening business competitiveness in the electronic materials business, and (d) strengthening the business foundation of TATSUTA Electric Wire's electric wire and cable businesses and the Company's metals business, and further enhance corporate value of the two companies.

(iii) Acquisition date: August 26, 2024

(iv) Method of obtaining control of the acquiree: Business combination with cash consideration

(v) Percentage of equity interest with voting rights acquired

Percentage of voting rights held immediately prior to the acquisition date	37.03%
Percentage of voting rights additionally acquired on the acquisition date	50.61%
Percentage of voting rights after the acquisition	87.64%

(2) Consideration for the acquisition and its breakdown

	(Millions of yen)
Cash	24,389
Fair value of equity interest held immediately prior to the acquisition date	17,843
Total	42,232

(3) Acquisition-related expenses

Acquisition-related expenses of 304 million yen in connection with the business combination were recorded in "selling, general and administrative expenses" in the consolidated statements of profit or loss for the current fiscal year.

(4) Fair value of assets acquired and liabilities assumed, non-controlling interests, and goodwill

(Millions of yen)

Fair value of consideration paid	42,232
Cash and cash equivalents	2,101
Trade and other receivables	22,917
Inventories	15,474
Other financial assets	4,281
Other current assets	295
Total current assets	45,068
Property, plant and equipment (other than land)	13,543
Property, plant and equipment (land)	8,641
Intangible assets	95
Other financial assets	1,405
Other non-current assets	117
Deferred tax assets	806
Total non-current assets	24,607
Trade and other payables	7,021
Borrowings	973
Income taxes payable	329
Other financial liabilities	12
Lease liabilities	76
Provisions	26
Other current liabilities	1,958
Total current liabilities	10,395
Borrowings	30
Lease liabilities	1,548
Provisions	80
Other non-current liabilities	657
Deferred tax liabilities	1,623
Total non-current liabilities	3,938
Fair value of assets acquired and liabilities assumed, net	55,342
Non-controlling interests	(6,841)
Negative goodwill	(6,269)

Non-controlling interests are measured based on the non-controlling interests' proportional interest in the recognized amount of the acquiree's identifiable net assets. The measurement of fair value of the assets acquired resulted in fair value of net assets acquired exceeding consideration paid for the acquisition, mainly due to the recognition of gain on revaluation of land in property, plant and equipment. Accordingly, gain on bargain purchase was recognized and recorded in "Other income" in the consolidated statements of profit or loss.

(5) Loss on step acquisition

As a result of the remeasurement of equity interest in TATSUTA Electric Wire held by the Group prior to the acquisition date at fair value on the acquisition date, a loss on step acquisition due to business combination of 44 million yen was recorded in "Other expenses" in the consolidated statements of profit or loss.

(6) Impact on the Group's business results

Information on profit and loss after the acquisition date, and profit and loss information as if the business combination had been implemented at the beginning of the period (pro forma information) are not disclosed because the impact on the consolidated financial statements is not material. Such pro forma information has not been audited.

10. Notes to Material Subsequent Events

Not applicable.

Non-consolidated Financial Statements

Non-consolidated Statements of Changes in Equity (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward	
Balance as of April 1, 2024	75,000	60,000	54,206	114,206	156	301,173	301,330
Cumulative effect of error correction						1,674	1,674
Balance at the beginning of the period after error correction	75,000	60,000	54,206	114,206	156	302,848	303,004
Changes in items during the period							
Reversal of reserve for tax purpose reduction entry of non-current assets	–	–	–	–	(6)	6	–
Dividends of surplus	–	–	–	–	–	(85,000)	(85,000)
Profit	–	–	–	–	–	37,249	37,249
Purchase of treasury shares	–	–	–	–	–	–	–
Net changes in items other than shareholders' equity	–	–	–	–	–	–	–
Total changes of items during the period	–	–	–	–	(6)	(47,745)	(47,751)
Balance as of March 31, 2025	75,000	60,000	54,206	114,206	150	255,103	255,253

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance as of April 1, 2024	–	490,536	1,671	(3,114)	(5,123)	(6,566)	483,969
Cumulative effect of error correction		1,674					1,674
Balance at the beginning of the period after error correction	–	492,210	1,671	(3,114)	(5,123)	(6,566)	485,644
Changes in items during the period							
Reversal of reserve for tax purpose reduction entry of non-current assets	–	–	–	–	–	–	–
Dividends of surplus	–	(85,000)	–	–	–	–	(85,000)
Profit	–	37,249	–	–	–	–	37,249
Purchase of treasury shares	(1,000)	(1,000)	–	–	–	–	(1,000)
Net changes in items other than shareholders' equity	–	–	1,824	801	–	2,625	2,625
Total changes of items during the period	(1,000)	(48,751)	1,824	801	–	2,625	(46,126)
Balance as of March 31, 2025	(1,000)	443,459	3,494	(2,313)	(5,123)	(3,941)	439,517

Amounts are rounded to the nearest million yen.

Notes to Non-consolidated Financial Statements

1. Significant accounting policies

(1) Valuation standards and methods for securities

Shares of subsidiaries and affiliates: Stated at cost determined by the moving-average method.

Available-for-sale securities:

Securities other than shares that do not have market prices: Stated at fair value (with any unrealized gain or loss directly recognized in net assets and the cost of securities sold being determined using the moving-average method).

Shares that do not have market prices: Stated at cost determined by the moving-average method.

(2) Valuation standards and methods for derivatives

Derivatives: Stated at fair value

(3) Valuation standards and methods for inventories

The valuation standards are based on the method in which book value is written down based on any decline in profitability, and the valuation methods include the following.

Merchandise and finished goods, raw materials and work in process: First-in, first-out method

Important materials among supplies: Moving-average method

General materials among supplies excluding important materials: Last purchase cost method

(4) Depreciation method for non-current assets

Property, plant and equipment: Straight-line method

Intangible assets: Straight-line method

Software for internal use is amortized under the straight-line method over internal useful lives (5 years).

Leased assets:

Leased assets in finance lease transactions that do not transfer ownership are depreciated on a straight-line basis using the lease term as the useful life, with a residual value of zero.

(5) Recognition criteria for allowances and provisions

Allowance for doubtful accounts: To provide for potential credit losses on receivables, allowance for doubtful accounts is recorded at an amount of estimated uncollectible receivables calculated based on the historical rate of credit loss for general receivables and determined in consideration of the collectability of individual receivables for doubtful accounts and certain other receivables.

Provision for bonuses: To provide for the payment of bonuses to employees, provision for bonuses is recorded based on the estimated amount to be paid.

Provision for retirement benefits: To provide for the payment of retirement benefits to employees, provision for retirement benefits is recorded based on the estimated amounts of retirement benefit obligation and pension assets as of the end of the fiscal year under review.

(i) Method of attributing estimated retirement benefits to periods of service

In calculating retirement benefit obligations, the benefit formula basis is used to attribute the estimated amount of retirement benefits to periods up to the end of the fiscal year under review.

(ii) Method of accounting for actuarial gains and losses and past service costs

Actuarial gains and losses and past service costs are fully expensed in the fiscal year in which they are incurred.

Provision for environmental measures: To cover expenditures for environmental remediation work arising from past operations, provision is recorded for the reasonably estimated amount of expected future losses.

Provision for loss on withdrawal from business: To provide for losses due to withdrawal from business, provision is recorded at an amount equivalent to the estimated losses.

Provision for loss on business of subsidiaries and associates: To provide for losses based on the business of subsidiaries and associates, provision for estimated losses to be borne by the Company at the end of the fiscal year under review is recorded, taking into consideration the financial conditions, etc. of the subsidiaries and associates.

Provision for share transfer compensation:

In accordance with the agreement on the transfer of the Company's stake in SCM Minera Lumina Copper Chile, provision is recorded to compensate the transferee for the expected future expenditure for losses caused by the introduction of a new mining royalty in the Republic of Chile and changes in the tax system, at a discounted amount that is reasonably estimated, within a certain limit.

Provision for share-based payments: To provide for the delivery of the Company's shares to employees in accordance with the Share Granting Regulations, provision for share-based payments is recorded based on the estimated amount of share delivery obligations as of the end of the fiscal year under review.

(6) Recognition criteria for revenues and expenses

The Company engages in the manufacture and sale of sputtering targets for semiconductors, treated rolled copper foil, precious metals, recycled raw materials, etc. The Company recognizes revenue when control over the product is transferred to the customer, i.e. when the product is delivered to the customer, as the legal ownership, possessory rights, material risks accompanying the ownership of the product, and economic value are transferred and the right to receive consideration for the product from the customer is obtained, resulting in performance obligations deemed to have been satisfied. Revenue is recognized based on the transaction price for contracts with customers. Consideration for transactions is received generally within three months after the product delivery, and it does not include any significant financing component.

In addition, some of the sales contracts for recycled raw materials include a provisional price clause at the time of shipment, and the final price is determined based on the monthly average market price of copper on the London Metal Exchange (LME) for a certain period in the future.

Since consideration for such sales based on a provisional price is considered variable consideration, revenue is recognized based on an estimate of fair value of consideration to be received based on the market price at the time of shipment and re-estimated at the end of the fiscal year. Any difference between fair value at the time of shipment and at the end of the fiscal year is recognized as an adjustment to revenue, and revenue from relevant recycled raw materials is recognized at the market value of the metal paid by the customer, less any processing fees.

For transactions involving the provision of goods or services in which the Company acts as an agent, revenue is recognized on a net basis, by deducting the amount paid to the supplier from the amount received from the customer.

(7) Other matters important for preparation of non-consolidated financial statements

Method of hedge accounting: Deferred hedge accounting is adopted in principle. However, forward exchange contracts that meet the requirements for allocation treatment are accounted for using the allocation method.

Exit from the group tax relief system:

The Company had applied the group tax relief system under which ENEOS Holdings, Inc. is a parent corporation for aggregation, however, upon listing its shares on March 19, 2025, the Company ceased to be a wholly-owned subsidiary of ENEOS Holdings, Inc. Accordingly, the Company exited the group tax relief system under which ENEOS Holdings, Inc. is a parent corporation for aggregation.

2. Changes in Accounting Policies

(Application of Accounting Standard for Current Income Taxes, etc.)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022), the Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022), and the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022) are applied from the beginning of the fiscal year under review. The change has no impact on the financial statements, etc.

(Application of the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules)

The Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules (Practical Solution No. 46, March 22, 2024) is applied from the beginning of the fiscal year under review. The change has only a minor impact on the financial statements, etc.

3. Notes to Accounting Estimates

The Company's non-consolidated financial statements include estimates made by management. Estimates affecting assets, liabilities, and profit or loss are based on management's reasonable judgment, taking into account historical experience and various other factors. However, due to the uncertainties inherent in estimates, actual results may differ from these estimates.

Major estimates that may have a significant impact on the Company's non-consolidated financial statements include the following.

(Deferred tax assets)

Deferred tax assets are recorded in the amount of 24,910 million yen on the balance sheet.

For details of the accounting estimates, please refer to "Notes to Consolidated Financial Statements, 2. Notes to Significant Accounting Estimates, (2) Income tax expense."

(Provision for share transfer compensation)

Provision for share transfer compensation is recorded in the amount of 14,672 million yen on the balance sheet.

For details of the accounting estimates, please refer to "Notes to Consolidated Financial Statements, 2. Notes to Significant Accounting Estimates, (4) Provisions and contingent liabilities."

4. Notes on Correction of Errors

During the fiscal year under review, corrections to properly reflect the impact of adjustments for profit and loss aggregation under the group tax relief system for the previous fiscal year have been made.

The cumulative effect of the corrections is reflected in the carrying amount of net assets at the beginning of the fiscal year under review.

Consequently, retained earnings on the statements of changes in equity at the beginning of the fiscal year under review increased by 1,674 million yen.

5. Notes to Non-consolidated Balance Sheet

(1) Assets pledged as collateral and obligations secured by collateral

Property, plant and equipment (Note): 52,130 million yen

(Note) This is collateral for using the system for extending the due date of customs duties and consumption taxes on import transactions based on the Customs Act and the Consumption Tax Act. In addition, a revolving mortgage of 10,224 million yen has been established, but there are no corresponding obligations.

(2) Accumulated depreciation of property, plant and equipment: 206,367 million yen

The accumulated depreciation above includes the amount of accumulated impairment losses.

(3) Guarantee obligations, etc.

The Company provides debt guarantees, guarantee commitments, and re-guarantees for bank loans and transaction obligations of the following companies, etc.

(Millions of yen)

Company name	Amount
Pan Pacific Copper Co., Ltd.	38,827
TANIOBIS GmbH	38,676
JX Advanced Metals USA, Inc.	23,774
SCM Minera Lumina Copper Chile	11,760
JX Metals Canada Inc.	10,623
Other	6,632
Total	130,291

(4) Monetary claims and monetary obligations to subsidiaries and associates

(Millions of yen)

Short-term monetary claims	76,966
Long-term monetary claims	32,523
Short-term monetary obligations	51,605

(5) Revaluation of land

In accordance with the Act on Revaluation of Land, the Company revaluated its land for business use, and the resulting revaluation difference was included in net assets as revaluation reserve for land.

Date of revaluation March 31, 2000

Revaluation method	The value of land was determined based on the roadside land prices as stipulated in Article 2, Item 4 of the Order for Enforcement of the Act on Revaluation of Land, with reasonable adjustments such as depth price correction.

(6) Notes to reduction entry

(i) The accumulated reduction entry amount deducted from the acquisition cost of property, plant and equipment due to the receipt of government subsidies, etc. is as follows.

	(Millions of yen)
Buildings	44
Structures	28
Machinery and equipment	560

(ii) In the fiscal year under review, there is no reduction entry amount deducted from the acquisition cost of property, plant and equipment due to the receipt of government subsidies, etc.

6. Notes to Non-consolidated Statements of Income

(1) Volume of transactions with subsidiaries and associates

	(Millions of yen)
Net sales	281,223
Purchase	184,617
General and administrative expenses	1,273
Volume of non-business transactions	52,648

(2) Cost of sales

Cost of sales includes reversal of inventory write-down of negative 291 million yen caused by a decline in profitability.

(3) Gain on sale of shares of subsidiaries and associates

Mainly due to the sale of shares of SCM Minera Lumina Copper Chile.

(4) Loss on valuation of shares of subsidiaries and associates

Mainly due to valuation loss related to shares of TANIOBIS GmbH, a subsidiary of the Company.

(5) Loss on valuation of investments in capital of subsidiaries and associates

Mainly due to valuation loss related to investment in Nippon Caserones Resources LLC, a subsidiary of the Company.

7. Notes to Non-consolidated Statements of Changes in Equity

Number of treasury shares at the end of the fiscal year under review: Common stock 1,219,500 shares

8. Notes to Tax Effect Accounting

(1) Significant components of deferred tax assets and liabilities

(Millions of yen)

Deferred tax assets	
Tax loss carryforwards	10,971
Loss on valuation of securities, etc.	62,910
Provision for retirement benefits	6,684
Valuation loss on impairment of land, etc.	3,601
Excess depreciation of non-current assets	1,482
Provision for environmental measures	883
Provision for bonuses	1,665
Provision for loss on withdrawal from business	106
Provision for loss on business of subsidiaries and associates	983
Provision for share transfer compensation	4,625
Deferred gains or losses on hedges	1,026
Other	4,088
Subtotal of deferred tax assets	99,024
Valuation allowance	(71,080)
Total deferred tax assets	27,945
Deferred tax liabilities	
Valuation difference on land	(1,305)
Other	(1,730)
Total deferred tax liabilities	(3,035)
Net deferred tax assets	24,910

(2) Revision of the amount of deferred tax assets and liabilities due to changes in the corporate tax rate, etc.

The Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025) was passed by the Diet on March 31, 2025, and the Special Defense Corporate Tax will be imposed from the fiscal year starting on or after April 1, 2026.

In line with this, the Company used the statutory effective tax rate of 31.52% instead of 30.62% to calculate the deferred tax assets and liabilities related to the temporary differences that are expected to be reversed in the fiscal year starting on or after April 1, 2026 or later years.

Due to this change, for the fiscal year under review, deferred tax assets (less deferred tax liabilities) increased by 316 million yen, and income taxes – deferred decreased by 316 million yen.

9. Notes to Transactions with Related Parties

(Millions of yen)

Category	Company name	The Company's ownership of voting rights of subsidiaries, etc.	Relationship with related parties	Details of transactions	Transaction amount	Account	Balance at end of period
Subsidiary	JX Metals Trading Co., Ltd.	Direct ownership: 100%	Purchase of raw materials Interlocking directorate	Purchase of raw materials (*1)	36,269	Accounts payable - trade	1,679
Subsidiary	JX Metals Smelting Co., Ltd.	Direct ownership: 100%	Loan of funds Interlocking directorate	Loan of funds (*2)	22,128	Short-term loans receivable	11,506
						Long-term loans receivable	31,200
Subsidiary	TATSUTA Electric Wire and Cable Co., Ltd.	Direct ownership: 100%	Borrowing of funds Interlocking directorate	Borrowing of funds (*2)	7,676	Short-term borrowings	10,103
Subsidiary	Nippon Caserones Resources Co., Ltd.	Direct ownership: 100%	Interlocking directorate	Return of contributions	12,000	–	–
Subsidiary	TANIOBIS GmbH	Direct ownership: 100%	Debt guarantee Interlocking directorate	Debt guarantee (*3)	38,676	–	–
Subsidiary	JX Advanced Metals USA, Inc.	Direct ownership: 100%	Debt guarantee Interlocking directorate	Debt guarantee (*4)	23,774	–	–
Subsidiary	JX Metals Canada Inc.	Direct ownership: 100%	Debt guarantee Interlocking directorate	Debt guarantee (*5)	10,623	–	–
Subsidiary	Nikko Metals Taiwan Co., Ltd.	Direct ownership: 83.7% Indirect ownership: 16.3%	Sale of merchandise and finished goods Interlocking directorate	Sale of merchandise and finished goods (*6)	36,892	Accounts receivable - trade	8,584
Subsidiary	JX Metals Circular Solutions Co., Ltd.	Direct ownership: 80%	Purchase of raw materials Interlocking directorate	Purchase of raw materials (*1)	54,271	Accounts payable - trade	14,429
Affiliate	Pan Pacific Copper Co., Ltd.	Direct ownership: 47.8%	Sale of raw materials, etc. Purchase of raw materials Debt guarantee Interlocking directorate	Sale of raw materials, etc. (*7)	152,092	Accounts receivable - trade	24,382
				Purchase of raw materials (*1)	42,228	Accounts payable - trade	5,256
				Debt guarantee (*8)	38,827	–	–
Affiliate	SCM Minera Lumina Copper Chile	Direct ownership: 30%	Debt guarantee	Debt guarantee (*9)	11,760	–	–

Note: "Interlocking directorate" includes cases in which a Director, an Audit and Supervisory Committee Member, an Executive Officer or an employee of the Company concurrently serves as an officer of the relevant company.

Transaction policy and policy for determining transaction terms, etc.

(*1) The terms in the purchase of raw materials are determined in the same manner as general transactions, taking market prices into consideration. The balance at the end of period includes consumption taxes.

(*2) The terms of loan and borrowing of funds are determined by taking market interest rates into consideration.

(*3) The Company guarantees the borrowings and transaction obligations of TANIOBIS GmbH and receives guarantee fees.
(*4) The Company guarantees the borrowings of JX Advanced Metals USA, Inc. and receives guarantee fees.
(*5) The Company guarantees the borrowings of JX Metals Canada Inc. and receives guarantee fees.
(*6) The terms in the sale of merchandise and finished goods to Nikko Metals Taiwan Co., Ltd. are determined in the same manner as general transactions, taking market prices into consideration.
(*7) The terms in the sale of raw materials, etc. to Pan Pacific Copper Co., Ltd. are determined in the same manner as general transactions, taking market prices into consideration. The balance at the end of period includes consumption taxes.
(*8) The Company guarantees the borrowings and transaction obligations of Pan Pacific Copper Co., Ltd. and receives guarantee fees.
(*9) The Company guarantees the transaction obligations of SCM Minera Lumina Copper Chile and receives guarantee fees.
(*10) The Company had repeatedly conducted a loan transaction with ENEOS FINANCE CORPORATION, but such transaction was dissolved when it withdrew from the ENEOS Group finance and shifted to the Group finance system headed by the Company.

10. Notes to Revenue Recognition

Information that forms the basis for understanding revenue from contracts with customers is as stated in "1. Significant accounting policies (6) Recognition criteria for revenues and expenses."

11. Notes to Per-Share Information

Net assets per share	474.00 yen
Basic earnings per share	40.12 yen

12. Other Notes

Not applicable.