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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, 2026

Fiscal Year Ended March 31, 2026

(From April 1, 2025 to March 31, 2026)

Business Report

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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	296 million yen
Total amount of cash and other property benefits to be paid by the Company and its subsidiaries	415 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.
 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. Some of the Company's consolidated subsidiaries are audited by audit firms other than the Company's independent auditor.

(3) Policies on Determining Dismissal or Non-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.

System to Ensure Proper Operations and the Outline of the Operational Effectiveness Thereof (as of March 31, 2026)

(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 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 antisocial 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 (rank-specific education including that for officers), and conducted training based on this plan.
 - The Company conducted inspection and monitoring activities for risks related to operational process of each company of JX Advanced Metals Group.
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.
 - In order to strengthen the information security system, the Company conducted risk assessments and monitoring of information management.
 - The Company instituted and operated guidelines related to responses to information security incidents.
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. In addition, the status of execution of loan and investment projects (status of progress, completion/operation of approved important projects) is regularly reported to the Executive Meeting.
 - With regard to the significant risks and management 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 implemented business continuity management (BCM) initiatives and conducted joint business continuity plan (BCP) drills in coordination between the Head Office and various business bases.
 - 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.
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 Advanced Materials Group and the Resource and Metals Group, as well as the Ibaraki Office that integrated the administrative and back-office departments of bases in Ibaraki Prefecture.
 - 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
 - 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.
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, 2025 to March 31, 2026)

(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, 2025	75,000	48,093	432,121	(1,000)	4,751	(700)
Profit	–	–	104,645	–	–	–
Other comprehensive income (loss)	–	–	–	–	6,209	(4,195)
Total comprehensive income (loss)	–	–	104,645	–	6,209	(4,195)
Purchase of treasury shares	–	–	–	(1,500)	–	–
Dividends of surplus	–	–	(22,283)	–	–	–
Share-based payment transactions	–	288	–	281	–	–
Equity transactions with non-controlling interests, etc.	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	4,015	–	(58)	–
Transfer from other components of equity to non-financial assets, etc.	–	–	–	–	–	3,728
Other	–	(1,972)	–	–	–	–
Total transactions with owners	–	(1,684)	(18,268)	(1,219)	(58)	3,728
Balance as of March 31, 2026	75,000	46,409	518,498	(2,219)	10,902	(1,167)

	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, 2025	57,032	–	61,083	615,297	96,457	711,754
Profit	–	–	–	104,645	24,092	128,737
Other comprehensive income (loss)	22,033	3,957	28,004	28,004	5,814	33,818
Total comprehensive income (loss)	22,033	3,957	28,004	132,649	29,906	162,555
Purchase of treasury shares	–	–	–	(1,500)	–	(1,500)
Dividends of surplus	–	–	–	(22,283)	(14,574)	(36,857)
Share-based payment transactions	–	–	–	569	–	569
Equity transactions with non-controlling interests, etc.	–	–	–	–	(395)	(395)
Transfer from other components of equity to retained earnings	–	(3,957)	(4,015)	–	–	–
Transfer from other components of equity to non-financial assets, etc.	–	–	3,728	3,728	–	3,728
Other	–	–	–	(1,972)	376	(1,596)
Total transactions with owners	–	(3,957)	(287)	(21,458)	(14,593)	(36,051)
Balance as of March 31, 2026	79,065	–	88,800	726,488	111,770	838,258

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 80 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.

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 65 years
- Machinery and vehicles 2 to 22 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. Leases

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.

In addition, the Group applies the “International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12 “Income Taxes)”” (issued in May 2023). Furthermore, the Group applies the exceptions in these amendments, and does not recognize and disclose deferred taxes related to income taxes arising from tax law enacted or substantively enacted to introduce the Pillar two model rules published by the Organisation for Economic Co-operation and Development.

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) Recoverability of deferred tax assets

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 significant assumptions about sales volume, commodity prices and others.

As a result, the amount recorded as deferred tax assets at the end of the current fiscal year was 16,107 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 345,075 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 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 58,262 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	62,730
Other assets	3,191

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	78,040
Work in process	106,362
Raw materials and supplies	160,673

(3) Components of property, plant and equipment

	(Millions of yen)
Buildings and structures	164,094
Machinery and vehicles	117,954
Land	60,556
Construction in progress	56,826
Other	7,386

(4) Loss allowance deducted directly from assets

	(Millions of yen)
Trade receivables	975
Receivables other than trade receivables	70

(5) Accumulated depreciation and impairment of property, plant and equipment 565,484 million yen

(6) Guarantee obligations, etc. 50,072 million yen

4. Notes to Consolidated Statements of Profit or Loss

(1) Principal components of other income

Information is omitted because there was no significant other income.

(2) Principal components of other expenses

Principal components of other expenses are as follows:

	(Millions of yen)
	Fiscal year ended March 31, 2026
Environmental remediation expenses	27,685

5. Notes to Consolidated Statements of Changes in Equity

(1) Total number of shares of common stock as of March 31, 2026 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	1,220	1,000
Change	1,117	1,219
Balance at end of period	2,337	2,219

(3) Equity transactions with non-controlling interests

Information is omitted because there were no significant equity transactions with non-controlling interests.

(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 (1,981) 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
June 27, 2025 Ordinary General Meeting of Shareholders	Common stock	16,712	18.00	March 31, 2025	June 30, 2025
November 11, 2025 Board of Directors meeting	Common stock	5,571	6.00	September 30, 2025	December 9, 2025

(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 26, 2026 Ordinary General Meeting of Shareholders	Common stock	23,212	25.00	March 31, 2026	June 29, 2026

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, 2026	
	Carrying amount	Fair value
Borrowings	324,250	320,028

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, 2026)			
	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	–	14,862	–	14,862
Other financial assets (derivatives)	–	1,795	734	2,529
Financial assets measured at fair value through other comprehensive income				
Other financial assets (equities)	16,440	–	8,812	25,252
Financial liabilities measured at fair value through profit or loss				
Other financial liabilities (derivatives)	–	6,397	–	6,397

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, 2026
Balance at beginning of period	648
Other	86
Balance at end of period	734

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

	(Millions of yen)
	Fiscal year ended March 31, 2026
Balance at beginning of period	1,844
Gains and losses included in other comprehensive income	1,114
Purchased	5,916
Sold	(7)
Other	(55)
Balance at end of period	8,812

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, 2026						
Geographic area	Semiconductor Materials	ICT Materials	Metals & Recycling	Other	Total	
Japan	28,821	157,520	384,353	2,500	573,194	
Asia	China	13,055	49,359	6	66	62,486
	Taiwan	47,656	22,394	12	–	70,062
	Other Asia	34,522	47,923	26	–	82,471
U.S.	36,754	28,661	1,494	–	66,909	
Other	15,757	8,738	5,021	–	29,516	
Total	176,565	314,595	390,912	2,566	884,638	

(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, 2025	As of March 31, 2026
Trade receivables (accounts receivable - trade and notes receivable - trade)	113,814	138,743
Contract liabilities	2,364	2,269

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, 2026
Within one year	24,584
Over one year up to two years	14,400
Over 2 years	39,601
Total	78,585

- (Notes) 1. The transaction prices above relate to a long-term distribution agreement for titanium sponges.
 2. Disclosures regarding agreements relating to revenue for products with an original expected period of one year or less have been omitted.

(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	784.44 yen
Basic profit attributable to owners of parent per share	112.94 yen
Diluted profit attributable to owners of parent per share	112.71 yen

9. Notes to Business Combination

Information is omitted because there was no major business combination.

10. Notes to Material Subsequent Events

Sale of assets held for sale

In order to achieve the JX Advanced Metals Group Long-Term Vision 2040, at a Board of Directors meeting held on March 10, 2026, the Company decided to transfer 5% of shares of SCM Minera Lumina Copper Chile (MLCC), in which we held a 30% stake, and project interests held by the Group in the copper mine development project in the Frontera area (Frontera Project) to LMC Caserones SpA (LMC Caserones), a wholly-owned subsidiary of Lundin Mining Corporation (Lundin). Accordingly, under the agreement concluded between the Company and Lundin regarding the sale, the MLCC shares and Frontera Project interests to be sold were classified as a group of assets held for sale in the fiscal year under review. The transfer of said shares and interests was completed on April 7, 2026, for a total consideration of 34,109 million yen. Regarding MLCC shares, we still hold a 25% stake after the sale, which is classified as investments accounted for using equity method.

Conversion into a wholly-owned subsidiary through a share exchange

The Company and its subsidiary Toho Titanium Co., Ltd. (Toho Titanium) resolved at their respective Board of Directors meetings held on February 25, 2026 to integrate their businesses by conducting a share exchange through which the Company will become the wholly-owning parent company and Toho Titanium will become the wholly-owned subsidiary company (the "Share Exchange"). The two companies subsequently entered into a share exchange agreement (the "Share Exchange Agreement") and a business integration agreement. The Share Exchange Agreement was approved at Toho Titanium's extraordinary general meeting of shareholders held on April 24, 2026, with the share exchange ratio set at 0.70 shares of the Company's common stock for every one (1) share of Toho Titanium's common stock.

Through the Share Exchange, the Company plans to allocate 24,728,687 shares of its common stock to Toho Titanium's shareholders, excluding the Company. The Share Exchange Agreement is scheduled to come into effect on June 1, 2026. The Share Exchange will be treated as an equity transaction.

Share repurchase and tender offer for own shares

The Company resolved at its Board of Directors meeting held on May 11, 2026 to conduct a share repurchase pursuant to Article 156, Paragraph (1) of the Companies Act, as applied by replacing terms pursuant to Article 165, paragraph (3) of the same Act, and the Articles of Incorporation of the Company, and a tender offer for its own shares (the "Tender Offer") as a specific method of the share repurchase.

Taking into account the intention of a major shareholder to sell a portion of its holdings of shares of the Company's common stock, the Company decided to conduct a share repurchase and tender offer for own shares, with the objectives of achieving an optimal shareholder structure and enhancing shareholder returns through improved capital efficiency.

(1) Details of Resolution of Board of Directors on Share Repurchase

- 1) Class of shares to be repurchased: Common stock of the Company
- 2) Number of shares to be repurchased: 57,300,122 shares (maximum)*
- 3) Total repurchase amount: 250,000,432,286 yen (maximum)
- 4) Period of repurchase: From May 21, 2026 to July 31, 2026

* If the number of tenders exceeds the number of shares to be purchased and unit adjustments are made on a pro rata basis, this may result in the total number of Tendered Shares exceeding the number of shares to be purchased. Therefore, the total number of shares resolved by the Board of Directors is the number of shares to be purchased plus one additional unit (100 shares).

(2) Outline of Tender Offer for Own Shares

- 1) Class of shares to be purchased: Common stock of the Company
- 2) Planned number of shares to be purchased: 57,300,022 shares
- 3) Price of purchase, etc.: TBD*
- 4) Period of tender offer: From May 21, 2026 to June 17, 2026 (20 business days)
- 5) Date of public notice of commencement of tender offer: May 21, 2026
- 6) Date of commencement of settlement: July 9, 2026

* A price per share of common stock obtained by applying a 10% discount to the lower of (a) the simple average of the closing prices of the Company's common stock on the Prime Market of the TSE over the one-month period up to and including May 8, 2026, or (b) the closing price of the Company's common stock on the Prime Market of the TSE on May 20, 2026 (rounded to the nearest whole number).

Issuance of Zero Coupon Convertible Bonds

The Company resolved at its Board of Directors meeting held on May 11, 2026 to issue Zero Coupon Convertible Bonds (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuen-tsuki shasai*) due 2029 (the “Bonds with Stock Acquisition Rights due 2029”) and Zero Coupon Convertible Bonds due 2031 (the “Bonds with Stock Acquisition Rights due 2031”; together with the Bonds with Stock Acquisition Rights due 2029, the “Bonds with Stock Acquisition Rights”, of which the bonds only, the “Bonds,” and stock acquisition rights only, “Stock Acquisition Rights,” respectively).

1. Name of Bonds

JX Advanced Metals Corporation Zero Coupon Convertible Bonds due 2029 and Zero Coupon Convertible Bonds due 2031

2. Paid-in Amount of the Bonds

The paid-in amount for the Bonds shall be determined by the President & Representative Director of the Company based on the authorization of the Company’s Board of Directors, by taking into account investor demand and other market conditions. However, the paid-in amount of the Bonds shall not be less than 100.0% of the face value of the Bonds. The difference between the offering price (issue price) of the Bonds with Stock Acquisition Rights described in item 5 below and the paid-in amount of the Bonds shall be 2.5% of the face value of the Bonds.

3. Money to Be Paid in Exchange for Stock Acquisition Rights

No money payment is required in exchange for the Stock Acquisition Rights.

4. Payment Date and Issue Date of the Bonds

June 3, 2026 (London time, the same applies hereinafter unless otherwise indicated)

5. Offering Price (Issue Price) of Bonds with Stock Acquisition Rights

The offering price (issue price) of the Bonds with Stock Acquisition Rights shall be determined by the President & Representative Director of the Company, based on the authorization of the Company’s Board of Directors, by taking into account investor demand and other market conditions. However, the offering price (issue price) of the Bonds with Stock Acquisition Rights shall not be less than 102.5% of the face value of the Bonds.

6. Matters Concerning Stock Acquisition Rights

(1) Class, Content and Number of Shares to Be Issued upon Exercise of Stock Acquisition Rights

The class and content of shares to be issued upon exercise of the Stock Acquisition Rights shall be the Company’s common stock (number of shares per unit: 100), and the number of shares the Company delivers upon such exercise shall be the number obtained by dividing the total face value of the Bonds related to the exercise request by the conversion price described in item (4) below. However, fractions of less than one share resulting from the exercise shall be rounded down, and no cash adjustment will be made. If a fraction less than a unit occurs due to the exercise of the Stock Acquisition Rights, such fraction less than a unit shall be delivered to the holder of the Bonds with Stock Acquisition Rights (the “Bondholder with Stock Acquisition Rights”) in the same manner as the shares constituting a unit, and the Company will not make any cash settlement regarding such fraction less than a unit.

(2) Total Number of Stock Acquisition Rights to be Issued

Bonds with Stock Acquisition Rights due 2029

The total of 12,500 and the number of units obtained by dividing the total face value of the Bonds related to substitute bond certificates with stock acquisition rights by 10 million yen.

Bonds with Stock Acquisition Rights due 2031

The total of 12,500 and the number of units obtained by dividing the total face value of the Bonds related to substitute bond certificates with stock acquisition rights by 10 million yen.

(3) Allotment Date of Stock Acquisition Rights

June 3, 2026

(4) Content and Value of Assets to be Contributed upon Exercise of Stock Acquisition Rights

(a) Upon exercise of each Stock Acquisition Right, the Bonds related to such Stock Acquisition Rights shall be contributed, and the value of such Bonds shall be the same as their face value.

(b) The conversion price shall initially be the amount obtained by multiplying the closing price (as defined below) of the Company’s common stock on the day of the conclusion of the underwriting agreement between the Company and the lead managers regarding the Bonds with Stock Acquisition Rights by 1.2, and if the calculation results in a fraction of less than 1 yen, such fraction shall be rounded up. The “closing price” of the Company’s common stock on a given date refers to the closing price of regular trading of the Company’s common stock on the Tokyo Stock Exchange on that day.

- (c) The conversion price shall be adjusted by the following formula if the Company issues its common stock at a paid-in amount less than the market price or disposes of its own common stock held by the Company after the issuance of the Bonds with Stock Acquisition Rights. In the following formula, “Number of Shares Issued” refers to the total number of issued shares of common stock of the Company (excluding those held by the Company).

$$\text{Adjusted Conversion Price} = \text{Pre-adjustment Conversion Price} \times \frac{\text{Number of Shares Issued} + \frac{\text{Number of Issued or Disposed Shares} \times \text{Paid-in Amount per Share}}{\text{Market Price}}}{\text{Number of Shares Issued} + \text{Number of Issued or Disposed Shares}}$$

The conversion price shall also be adjusted as appropriate in cases such as a stock split or a consolidation of the Company’s common stock, certain dividend distributions of surplus, issuance of stock acquisition rights (including those attached to bonds with stock acquisition rights) that can request delivery of the Company’s common stock at a price lower than the market price of the Company’s common stock, and other certain causes.

(5) Period During which Stock Acquisition Rights can be Exercised

Bonds with Stock Acquisition Rights due 2029: From June 17, 2026 to May 21, 2029

Bonds with Stock Acquisition Rights due 2031: From June 17, 2026 to May 20, 2031

(Local time at the place where the Bonds were deposited for the exercise of Stock Acquisition Rights.)

However, certain provisions are set forth in the “Notice Regarding the Issuance of Zero Coupon Convertible Bonds due 2029 and Zero Coupon Convertible Bonds due 2031” published on May 11, 2026.

7. Matters Concerning Bonds

(1) Total Amount of Bonds

Bonds with Stock Acquisition Rights due 2029:

Aggregate of 125 billion yen and the total face value of the Bonds related to substitute bond certificates with stock acquisition rights.

Bonds with Stock Acquisition Rights due 2031:

Aggregate of 125 billion yen and the total face value of the Bonds related to substitute bond certificates with stock acquisition rights.

(2) Interest Rate of Bonds

No interest shall be paid on the Bonds

(3) Maturity Redemption

Bonds with Stock Acquisition Rights due 2029:

The Bonds shall be redeemed at 100% of the face value of the Bonds on June 4, 2029 (redemption date).

Bonds with Stock Acquisition Rights due 2031:

The Bonds shall be redeemed at 100% of the face value of the Bonds on June 3, 2031 (redemption date).

(4) Collateral or Guarantee for Bonds

The Bonds shall be issued without collateral or guarantee.

8. Use of Proceeds

The net proceeds from the issuance of the Bonds with Stock Acquisition Rights (the “Proceeds”) are expected to be allocated to the funds for the Tender Offer (the “Tender Offer Funds”; for details, please refer to “Tender Offer for Own Shares” under the note on Important Subsequent Events) by the end of July 2026.

The Tender Offer Price has not yet been determined. There is also a possibility that the total number of shares tendered in the Tender Offer may not reach the number of shares to be purchased. Accordingly, depending on the total amount of the Tender Offer Funds to be determined in the future, a portion of the Proceeds may remain unallocated to the Tender Offer Funds.

Any remaining amount of the Proceeds after deducting the amount allocated to the Tender Offer Funds is expected to be used, by the end of March 2028, primarily for expansion of major manufacturing facilities for sputtering targets for semiconductors, the major products in the Focus Businesses, which form the core of the Company’s growth strategy, enhancement of facilities to increase the production of crystal materials, and acquisition of rare metal resources for the Focus Businesses.

Non-consolidated Financial Statements

Non-consolidated Statements of Changes in Equity (from April 1, 2025 to March 31, 2026)

(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	Reserve for acquisition of specified shares	Retained earnings brought forward	
Balance as of April 1, 2025	75,000	60,000	54,206	114,206	150	–	255,103	255,253
Changes in items during the period								
Reversal of reserve for tax purpose reduction entry of non-current assets	–	–	–	–	(8)	–	8	–
Dividends of surplus	–	–	–	–	–	–	(22,283)	(22,283)
Profit	–	–	–	–	–	–	66,870	66,870
Purchase of treasury shares	–	–	–	–	–	–	–	–
Disposal of treasury shares	–	–	–	–	–	–	–	–
Net changes in items other than shareholders' equity	–	–	–	–	–	50	(50)	–
Total changes of items during the period	–	–	–	–	(8)	50	44,545	44,587
Balance as of March 31, 2026	75,000	60,000	54,206	114,206	142	50	299,647	299,839

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments				Share award rights	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, 2025	(1,000)	443,459	3,494	(2,313)	(5,123)	(3,941)	–	439,517
Changes in items during the period								
Reversal of reserve for tax purpose reduction entry of non-current assets	–	–	–	–	–	–	–	–
Dividends of surplus	–	(22,283)	–	–	–	–	–	(22,283)
Profit	–	66,870	–	–	–	–	–	66,870
Purchase of treasury shares	(1,500)	(1,500)	–	–	–	–	–	(1,500)
Disposal of treasury shares	281	281	–	–	–	–	–	281
Net changes in items other than shareholders' equity	–	–	4,803	(761)	–	4,042	117	4,159
Total changes of items during the period	(1,219)	43,367	4,803	(761)	–	4,042	117	47,526
Balance as of March 31, 2026	(2,219)	486,826	8,297	(3,074)	(5,123)	101	117	487,044

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 (excluding leased assets): Straight-line method

Intangible assets (excluding leased assets): Straight-line method

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.

2. Changes in Accounting Policies

Not applicable.

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 23,731 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) Recoverability of deferred tax assets."

(Provision for environmental measures)

Provision for environmental measures is recorded in the amount of 22,726 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."

(Provision for share transfer compensation)

Provision for share transfer compensation is recorded in the amount of 20,062 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 to Non-consolidated Balance Sheet

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

Property, plant and equipment (Note): 62,730 million yen

(Note) This is the amount of collateral, etc. 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 9,750 million yen has been established, but there are no corresponding obligations.

(2) Accumulated depreciation of property, plant and equipment: 210,966 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.

Company name	Amount
TANIOBIS GmbH	42,849
Pan Pacific Copper Co., Ltd.	37,153
JX Advanced Metals USA, Inc.	25,421
SCM Minera Lumina Copper Chile	11,827
JX Metals Canada Inc.	11,592
Other	6,244
Total	135,085

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

	(Millions of yen)
Short-term monetary claims	100,728
Long-term monetary claims	37,319
Short-term monetary obligations	64,681

(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	541

- (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.

5. Notes to Non-consolidated Statements of Income

(1) Volume of transactions with subsidiaries and associates

	(Millions of yen)
Net sales	353,824
Purchase	239,110
Volume of non-business transactions	103,526

(2) Provision for environmental measures

Mainly due to expansion work on water treatment facilities at inactive mines.

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

Number of treasury shares at the end of the fiscal year under review: Common stock 2,337,181 shares

Number of shares of the Company subject to share award rights at the end of the fiscal year under review
Common stock 148,454 shares

7. Notes to Tax Effect Accounting

Significant components of deferred tax assets and liabilities

	(Millions of yen)
Deferred tax assets	
Tax loss carryforwards	8,659
Loss on valuation of securities, etc.	60,093
Provision for retirement benefits	6,421
Valuation loss on impairment of land, etc.	3,601
Excess depreciation of non-current assets	1,290
Provision for environmental measures	7,163
Provision for bonuses	1,812
Provision for loss on business of subsidiaries and associates	1,044
Provision for share transfer compensation	6,323
Deferred gains or losses on hedges	1,425
Other	4,195
Subtotal of deferred tax assets	102,027
Valuation allowance	(73,051)
Total deferred tax assets	28,976
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(3,821)
Valuation difference on land	(1,305)
Other	(119)
Total deferred tax liabilities	(5,245)
Net deferred tax assets	23,731

8. 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 Smelting Co., Ltd.	Direct ownership: 100%	Loan of funds Interlocking directorate	Loan of funds (*1)	44,259	Short-term loans receivable	9,213
						Long-term loans receivable	36,600
Subsidiary	TANIOBIS GmbH	Direct ownership: 100%	Debt guarantee Interlocking directorate	Debt guarantee (*2)	42,849	—	—
Subsidiary	JX Advanced Metals USA, Inc.	Direct ownership: 100%	Debt guarantee Interlocking directorate	Debt guarantee (*3)	25,421	—	—
Subsidiary	JX Metals Canada Inc.	Direct ownership: 100%	Debt guarantee Interlocking directorate	Debt guarantee (*4)	11,592	—	—
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 (*5)	46,583	Accounts receivable - trade	12,450
Subsidiary	JX Metals Circular Solutions Co., Ltd.	Direct ownership: 80%	Purchase of raw materials Interlocking directorate	Purchase of raw materials (*6)	105,576	Advance payments to suppliers	11,178
						Accounts payable - trade	27,902
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)	195,008	Accounts receivable - trade	30,460
				Purchase of raw materials (*6)	43,339	Accounts payable - trade	6,808
				Debt guarantee (*8)	37,153	—	—
Affiliate	SCM Minera Lumina Copper Chile	Direct ownership: 30%	Debt guarantee	Debt guarantee (*9)	11,827	—	—

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 of loan and borrowing of funds are determined by taking market interest rates into consideration.
- (*2) The Company guarantees the borrowings and transaction obligations of TANIOBIS GmbH and receives guarantee fees.
- (*3) The Company guarantees the borrowings of JX Advanced Metals USA, Inc. and receives guarantee fees.
- (*4) The Company guarantees the borrowings of JX Metals Canada Inc. and receives guarantee fees.
- (*5) 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.
- (*6) 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.
- (*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.

9. 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.”

10. Notes to Per-Share Information

Net assets per share	525.77 yen
Basic earnings per share	72.17 yen

11. Notes to Material Subsequent Events

Sale of shares of subsidiaries and associates

In order to achieve the JX Advanced Metals Group Long-Term Vision 2040, at a Board of Directors meeting held on March 10, 2026, the Company decided to transfer 5% of shares of SCM Minera Lumina Copper Chile, in which we held a 30% stake, to LMC Caserones SpA, a wholly-owned subsidiary of Lundin Mining Corporation. For details, please refer to “Notes to Consolidated Financial Statements, 10. Notes to Material Subsequent Events.”

Conversion into a wholly-owned subsidiary through a share exchange

The Company and its subsidiary Toho Titanium Co., Ltd. (“Toho Titanium”) resolved at their respective Board of Directors meetings held on February 25, 2026 to integrate their businesses by conducting a share exchange through which the Company will become the wholly-owning parent company and Toho Titanium will become the wholly-owned subsidiary company, and the two companies subsequently entered into a share exchange agreement and a business integration agreement. For details, please refer to “Notes to Consolidated Financial Statements, 10. Notes to Material Subsequent Events.”

Share repurchase and tender offer for own shares

The Company resolved at its Board of Directors meeting held on May 11, 2026 to conduct a share repurchase pursuant to Article 156, Paragraph (1) of the Companies Act, as applied by replacing terms pursuant to Article 165, paragraph (3) of the same Act, and the Articles of Incorporation of the Company, and a tender offer for its own shares as a specific method of the share repurchase. For details, please refer to “Notes to Consolidated Financial Statements, 10. Notes to Material Subsequent Events.”

Issuance of Zero Coupon Convertible Bonds

The Company resolved at its Board of Directors meeting held on May 11, 2026 to issue Zero Coupon Convertible Bonds (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) due 2029 and Zero Coupon Convertible Bonds due 2031. For details, please refer to “Notes to Consolidated Financial Statements, 10. Notes to Material Subsequent Events.”

12. Other Notes

Not applicable.