May 14, 2024
JX Advanced Metals Corporation

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[3]   Abbreviation for Chemical Vapor Deposition, which is a method that uses chemicals to react to form thin films.

[4]   Abbreviation for Atomic Layer Deposition, which is a method of forming thin films by controlling the thickness at the atomic layer level.

(2)   Focus Businesses: ICT Materials Segment

x   Sales of rolled annealed copper foil for FPC, the Company's main product, fell due to adjustments in the market for electronics products which occurred in the fiscal year ended March 31, 2024. Howe

x Looking ahead to the expansion of demand for semiconductors, particularly the growth of advanced semiconductors, we will continue to develop and propose materials that meet customer needs, and will make expansive investments to capture market growth. In March 2022, we acquired large sites for the construction of new plants in Hitachinaka City, Ibaraki Prefecture and the state of Arizona in the United States (approximately 240,000 m^2 and 260,000 m^2, respectively), and we plan

4.   Medium- to Long-term Business Targets

The Company group has set the following medium- to long-term business targets based on the business environment outlook and the business strategies above.

		Actual results (fiscal year ended March 31, 2023)	Actual results (fiscal year ended March 31, 2024)	Target in the fiscal year ending March 31, 2028
Operating income	Consolidated	Approx. 72.0 billion Yen	Approx. 86.0 billion yen	CAGR 10%>| 15% (fiscal year ended March 31, 2024 to fiscal year ending March 31, 2028)
	Focus Businesses	Approx. 55.0 billion yen	Approx. 27.0 Billion yen	CAGR 35%>| 40% (fiscal year ended March 31, 2024 to fiscal year ending March 31, 2028)
Operating margin	Consolidated	Approx. 4.5%	Approx. 5.5%	12% >| 17%
	Focus Businesses	Approx. 15%	Approx. 8.5%	15% >| 20%
	Semiconductor Materials segment	Approx. 23%	Approx. 21%	25% >| 30%
	ICT Materials segment	Approx. 9.5%	Approx. 0.5%	8% >| 13%
Profit composition ratio	Focus Businesses[16]	Approx. 65%	Approx. 25%	67% or more
	Semiconductor Materials segment[16]	Approx. 40%	Approx. 25%	45% or more
ROE		Approx. 7%	Approx. 17%	10% or more
Net Debt/EBITDA[17]		Approx. 4.0x	Approx. 2.6x	Less than 1.5x

The targets shown above are based on an assumed exchange rate for the fiscal year ending March 31, 2025 of 140 yen/dollar, an assumed exchange rate during and after the fiscal year ending March 31, 2026 of 135 yen/dollar, and an assumed copper price in and after the fiscal year ending March 31, 2025 of 380¢/lb.

In the fiscal year ended March 31, 2023, the Company recorded the valuation loss of 74.2 billion yen following the transfer of 51% of the shares of SCM Minera Lumina Copper Chile ("MLCC"), which is operator of the Caserones Copper Mine, to Lundin Mining Corporation[18]. The figures of the consolidated operating income, consolidated operating margin, profit composition ratio for Focus Businesses, profit composition ratio for Semiconductor Materials segment, ROE, and Net Debt/EBITDA above include the effects.

The loss before totalization arising from the transfer of shares of MLCC, in the fiscal year ended March 31, 2024 was adjusted out of profit or loss through the group relief system, resulting in settlement of the total tax effect amount. As a result, the net income for the year ended March 31, 2024 was lifted and ROE improved temporarily.

We plan to sell an additional 19% of MLCC's shares, bringing the final transfer ratio to 70%.

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[16]   This is calculated based on the operating income of the Focus Businesses (Semiconductor Materials segment and ICT Materials segment) and the Base Businesses (Metals & Recycling segment) excluding the business common costs. The operating income of the Focus Businesses is the simple sum of the operating income of the Semiconductor Materials segment and the ICT Materials segment.

[17]   This is calculated by dividing the Net Debt (interest-bearing debt equivalents (including cash from the ENEOS Holdings group short-term loans)) by EBITDA (operating income + depreciation expense).

[18]   https://www.jx-nmm.com/english/newsrelease/fy2023/20230714_02.html