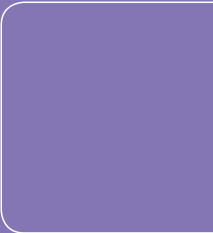


Social Activities Report

In the following section, we will report on the JX Nippon Mining & Metals Group's relationship with society and its social activities with respect to each of its stakeholders.

Earning the Trust of Our Customers and Suppliers	075
Involvement with Our Employees	079
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Social Activities Report

Earning the Trust of Our Customers and Suppliers

The JX Nippon Mining & Metals Group is dedicated to being the “best partner” to its customers and suppliers. Accordingly, it works to supply high-quality, safe products that are worthy of the trust of its customers. At the same time, we are striving to develop “win-win” relationships with our suppliers. We place the greatest importance on building trusting relationships with our customers and suppliers by reflecting their opinions on improving the quality of our products and services.

Promoting Companywide Quality Management

Customer needs for quality grow more sophisticated and more diverse with each coming year. In order to respond to such customer needs, it has been a matter of great urgency to develop a system that promotes the sharing and effective use of knowledge and experience pertaining to quality control across the Group.

We took the April 2006 management integration of the three core companies in the former Nippon Mining & Metals Group as an opportunity to address this issue. From the

perspective of sharing information related to quality control, we integrated former systems, under which each operating site handled quality control, to consequently create a group-wide quality control system.

In fiscal 2009, we established a groupwide structure in which we can share knowledge, experience, and information about quality to conduct horizontal development of quality improvement activities within the Group. To this end, we implemented initiatives based on the following themes.

1. Establishment of a companywide quality management system

On October 1, 2009, we established the Basic Quality Policy and the Quality Management Rules.

JX Nippon Mining & Metals Corporation Basic Quality Policy

The JX Nippon Mining & Metals Group hereby sets forth, and acts in observance of, this Basic Policy on Quality in order to contribute to the development of sustainable society while recognizing that its mission for the society is to stably supply non-ferrous metals and materials.

1. Correctly grasp the requirements of the customers and of the society in order to offer products and services that the customers will trust and be satisfied with.
2. While paying due attention to safety and environmental conservation, improve and maintain quality at all processes from development, designing, production to delivery.
3. Establish quality management system, and carry out continual improvements and raise human resources.
4. Comply with all pertinent laws of both Japan and overseas countries, and offer to our customers and the society transparency with regard to the quality.

(At the time of its establishment, the policy was originally named the Nippon Mining & Metals Basic Quality Policy. In July 2010, it was subsequently launched as the JX Nippon Mining & Metals Basic Quality Policy.)

2. Sharing of quality-related information throughout operating sites

The Quality Supervisor Committee met in November 2009 for the purpose of reporting on the status of compliance with the ISO 9001 standard, quality losses, and quality-related complaints at operating sites under the direct control of the Company.

(In fiscal 2010, the committee met in May 2010. The third meeting is scheduled for November 2010.)

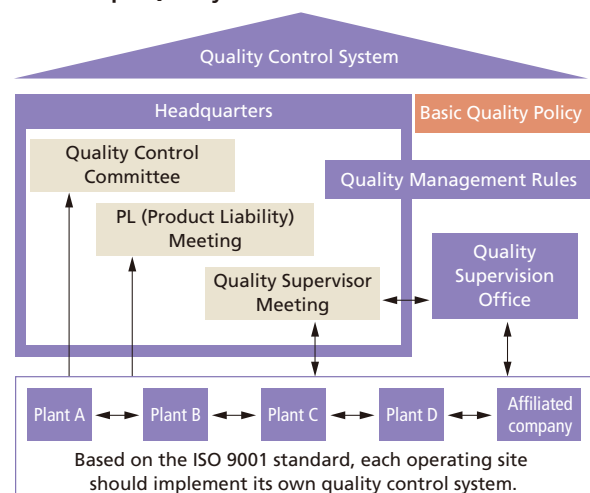
3. Reconstruction of quality-related education programs

We are advancing the development of new systematic quality-related education programs. While such programs were previously handled independently by each operating site, we reorganized these programs into ones that individual operating sites operate and ones that should be managed in an integrated fashion across the Group. These new programs incorporate newly compiled quality control and problem resolution methods as well as a quality control system in accordance with ISO 9001.

Based on the above-mentioned Basic Quality Policy, we will promote the sharing of information, knowledge, and experi-

ence related to quality control throughout the Group. At the same time, we will improve education and training programs for employees and enhance the Groupwide quality control system.

The Group's Quality-related Communication Structure



Quality Control and Assurance Systems at Operating Sites

The Group's quality control initiatives are not simply limited to the quality of products and services. The Group views quality control with a broader perspective that includes improving the quality of both its administration and management. In view of this concept of quality control, each operating site is operating its own quality control system, principally based on the [ISO 9001](#) standard, and conducting TPM* and other improvement activities.

Taking into consideration the specific characteristics of the products that each operating site manufactures, we have set concrete goals for reducing the percentage of defective products and the number of quality-related complaints and

others. To accomplish these goals, we have established a quality control structure that involves representatives responsible for sales, manufacturing, production management, technology, and product development. Implementing the [PDCA cycle](#) based on this quality control structure, the Group is coming together to promote quality improvements throughout the Group.

Further, several domestic and overseas operating sites have obtained ISO 9001 certification, the international standard for quality control systems.

* Refer to page 33 for details regarding TPM.

Operating Sites that have Obtained ISO 9001 Certification

Domestic	Shirogane Works, Isohara Works, Toda Works, Kurami Works, Isohara Fabricating Works, Hitachi Fabricating Works, Nikko Exploration and Development Co., Ltd., Pan Pacific Copper Co., Ltd. (Hibi Smelter, Saganoseki Smelter), Hibi Kyodo Smelting Co., Ltd., Japan Copper Casting Co., Ltd., Nikko Coil Center Co., Ltd., Nikko Shoji Co., Ltd. (Takatuski Plant)
Overseas	Nikko Metals Korea Co., Ltd., Changzhou Jinyuan Copper Co., Ltd., Nikko Fuji Electronics Dongguan Co., Ltd., Nippon Mining & Metals (Suzhou) Co., Ltd., Nikko Fuji Precision (Wuxi) Co., Ltd., Nikko Metals Shanghai Co., Ltd., Nikko Metals Taiwan Co., Ltd., Nikko Metals Philippines, Inc., Nippon Precision Technology (Malaysia) Sdn. Bhd., Nikko Metals USA, Inc., Gould Electronics GmbH

Quality Control Initiatives during the Stages of Development and Manufacturing

Our customers require a high level of quality and reliability in our electronic materials. In order to live up to these requirements, we have employed various quality control measures at stages from product development, manufacturing, to shipping.

Quality Control Flow



Overview of Specific Initiatives and their Results

Isohara Works obtains [ISO/TS 16949](#) certification

Customers—especially those customers in businesses related to semiconductors—require a particularly high level of quality. In order to meet these requirements, in August 2009, the Isohara Works obtained ISO/TS 16949 certification—a standard for quality control systems employed in the automotive industry—encompassing the manufacturing of [sputtering targets](#) for semiconductors, one of its mainstay products.

The acquisition of this certification has allowed the Works to engage in more customer-oriented quality control activities to materialize higher quality performance. Accordingly, the Isohara Works is able to provide high-quality products that accommodate highly sophisticated customer requirements, thereby achieving greater customer satisfaction.

Earning the Trust of Our Customers and Suppliers

Product Safety Initiatives

In order to provide safe products, the Group thoroughly complies with applicable laws and regulations. For the purpose of developing a preventative approach toward product safety, and by taking into consideration the characteristics of

each product, we are always aware of “product safety,” from product development to manufacturing and sales stages.

Examples of specific initiatives

- Developing safety measures for the shipping of copper ingots and other heavy materials, as well as substances such as sulfuric acid that require special care (Establishing and implementing Logistic Safety Action Plans, and sharing information regarding safety measures between Group companies, etc.)
- Providing customers with environmental and safety related information on all products through material safety data sheets (MSDS)
- Implementing education and training programs regarding product safety activities
- Ensuring quality control for safety
- Developing environmentally friendly products to reduce the environmental impact (Developing lead-free surface treatment agents ready for Restriction of Hazardous Substances (RoHS) Directive, etc.)

Moreover, Pan Pacific Copper Co., Ltd.—handling 2 million tons of sulfuric acid annually (fiscal 2009)—is making every effort to improve its education training programs designed for its logistics departments as well as partnering logistics companies, who are responsible for carefully handling

chemical substances by employing the above-mentioned MSDS. In fiscal 2009, there were no violations of any laws and regulations with regard to product safety or the provision of products and services reported.

Awards Received from Customers

In fiscal 2009, thanks to our highly acclaimed technological capabilities and product qualities, the Group could receive a number of awards from our customers. Going forward, we

will continue to work tirelessly to accurately respond to demands of our customers. (Company names listed below are as of fiscal 2009.)

Major Awards

Customer	Award	Receiving company	Background
Intel Corporation	PQS Award	JX Nippon Mining & Metals Co., Ltd.	PQS (Preferred Quality Supplier) Award This award was established by Intel to encourage continued and superior improvement among its principal suppliers. The Company was selected as a superior vendor of sputtering targets used in the shaping of thin films. The Company's cost, quality, supply system, delivery, and technological capabilities were highly evaluated, receiving scores of over 80% in each area.
TAIFLEX Scientific Co., Ltd.	Best Supplier Award	Nikko Metals Taiwan Co., Ltd.	Providing a stable supply of treated rolled copper foil.
Sony Corporation	Sony Green Partner Award	Nikko Metals Philippines, Inc.	Complying with chemical management standards.
RAYTHEON	NCS Supplier Excellence Award	Nikko Metals USA, Inc.	Providing high-quality products, etc.

Partnerships with Suppliers

The Group aims to develop “win-win” relationships with its suppliers based on mutual trust. With the purpose of developing a procurement system across the JX Group, we have entrusted our procurement function to JX Nippon Procurement Corporation. (In July 2010, the former Nippon Mining

Procurement, Inc. changed its name to JX Nippon Procurement Corporation.) JX Nippon Procurement strives to realize fair and highly transparent procurement in accordance with the JX Nippon Procurement Purchasing Policies and strict compliance with relevant laws and regulations.

JX Nippon Procurement Purchasing Policies

■ Purchasing Policies

1. We will provide the group companies of the JX Group with the necessary materials and services in the most efficient and stable manner.
2. We will contribute to the competitiveness of the group companies of the JX Group by working with group companies to reduce the cost of the materials to be purchased.
3. We will conduct business with high level of precision, speed, and transparency so that we can gain the trust and satisfaction of the group companies of the JX Group.
4. We will share information with and disclose the progress and results of the purchasing process to the group companies of the JX Group, in order to strengthen the purchasing functions of the JX Group.

■ Course of Action for Purchasing Deals

1. Transparent transactions
We will provide those who wish to trade with us with fair opportunities, respond to any proposal earnestly, so that we can conduct transparent transactions. In addition to that, we will carry out purchasing deals in an open manner, by clearly specifying the fundamental rules for purchasing deals, registration procedures for new business partners, various procedures from ordering through payment, and contract details for the person in charge.
2. Fair evaluation
Selection of business partners will be conducted based on fair evaluations of product quality, price, delivery schedules, performance, and other factors. Where business partners are not selected in tenders or competitive bids, we will clearly inform them, if requested, of the facts and reason behind our decision.
3. CSR and compliance
During purchasing deals, we will comply with all related regulations, and will not only observe the individual clauses of each law, but will also adhere to the spirit of law.
4. Environment conservation
We will purchase environment-friendly materials.
5. Partnership
We will create the win-win situation, by cooperating with and build mutual trust with business partners, and realizing efficient purchasing deals.
6. Ethics
The person in charge of purchasing will keep fair relationship with business partners based on a rigorous ethical viewpoint.
7. Management of confidential information
We will strictly manage information received in the course of purchasing operations and ensure maintenance of confidentiality.

Voice—Overview of Specific Initiatives and their Results



Dr. Shinichi Ogawa
Nanodevice Innovation Research Center
National Institute of Advanced Industrial Science and Technology

Dr. Shinichi Ogawa has made a career of researching and developing semiconductors, working for Intel Corporation, Semiconductor Leading Edge Technologies, Inc. (Selete), and the semiconductor business of Panasonic Corporation. We asked Dr. Ogawa for his evaluation of the Company, a supplier of sputtering targets for semiconductors and a partner in research and development.

What is your most impressive event in transactions with us?

I can think of one time when I was working to create a new electrode on a semiconductor circuit by adopting cobalt when I was at Panasonic's laboratory in Kyoto. Cobalt is a ferromagnetic metal and caused a number of issues when we tried to form a thin film of the metal on circuits. Nippon Mining & Metals (the predecessor of JX Nippon Mining & Metals) offered a speedy response to our requests to control magnetic permeability and crystals of cobalt and inhibit particles from generating during sputtering. We greatly appreciated Nippon Mining & Metals' assistance, which played a vital role in the successful development of the electrode material of cobalt. (Currently, cobalt is a common electrode material on semiconductor circuits.)

Do you have any advice for our future business evolution as a materials manufacturer?

I believe that alloys will be increasingly employed as new metals for elements to be formed on semiconductor circuits. Only material manufacturers can develop an alloy that meets specific requirements and create production technologies to manufacture such an alloy. In other words, materials manufacturers should bear ever greater responsibilities to develop cutting-edge alloys. Moreover, when a materials manufacturer like JX Nippon Mining & Metals takes up tasks of experimental evaluations to properties of thin film elements of alloys formed on circuits, I think that development would progress more smoothly.

Lastly, although this suggestion is not confined to materials manufacturers, I believe it is a key element for further business growth to construct an organization flexible enough to maximize the attributes of women, who have quite a different way of thinking from men.

Earning the Trust of Our Customers and Suppliers

Green Purchase Guideline

The Company is encouraging green purchasing based on the Green Purchase Guideline instituted in October 2006, in order to contribute to the establishment of a recycling-oriented society, the prevention of global warming, and the promotion of 3R activities. The guideline was compiled for the purpose of establishing a common awareness regarding environment conservation to be shared with suppliers and purchasing environment-friendly materials and machinery.

We decide to purchase materials and machinery after carefully investigating the features, price, delivery conditions, as well as their contribution degrees to enable us to reduce the

environmental impact. We disclose the aforementioned Green Purchase Guideline as well as other policies regarding our procurement process to our suppliers, and request them to develop appropriate environmental management systems, guarantee that materials or machinery do not contain banned substances, thoroughly investigate chemical substances that may be contained in materials or machinery, and promote environment conservation initiatives.

Involvement with Our Employees

"People"—Our Greatest Asset

The Group's philosophy toward employees dates back to 1905, when the Hitachi Mine was founded. Like other mines, the Hitachi Mine was located deep in the mountains. The founder, Fusanosuke Kuhara, realized that it would be imperative to provide employees with an environment in which they can work with peace of mind, in order to build business success at the Hitachi Mine, which was located at a desolate area distant from urban regions. For this reason, he focused his efforts on raising the standard of living at the mine. The Group's philosophy of "respect for employees" originates with this initiative.

Striving to create an environment in which employees could live with their families, Mr. Kuhara built a town that offered not only housing but also schools for children, hospitals, railroads, as well as recreational facilities. Living in the area, which was equipped with workplaces and residences, employees shared all their joys and sorrows with each other, while fostering a sense of togetherness. At the same time, a

spirit of "respect for employees" was nurtured, which has subsequently been passed down to the current Group. This spirit of "respect for employees" has also influenced our business activities, subsequently bringing free and vigorous discussions and a flexible organization where employees can freely communicate with each other. For 300 years since a vein was first discovered at the Hitachi Mine, many have tried to develop the mine, but have only ended in failure. The mine was beset with various issues to be solved, such as smoke damage. It was through free and vigorous discussions that provided these solutions to these issues. And our flexible organization underpinned such discussions. Engineers and experts at the time considered deeply and argued aggressively to find solutions to these issues, before they could finally develop the Hitachi Mine into one of the leading domestic mines with considerable production capacity.

Today, we believe that such discussion will lead to the creation of new opportunities. In line with this thinking, we aim to develop a working environment in which employees feel free to exchange opinions regardless of position, age, or gender.



Fusanosuke Kuhara, the Company's founder



Company's office in the Motoyama District



Company residential district in the Daioin District

Breakdown of Employees (As of March 31, 2010)

(People)

	Full-time			Other			Total	Temporary employees	Total workforce
	A	B	Total	A	B	Total			
Domestic companies (24)	3,457	337	3,794	2	56	58	3,852	209	4,061
Overseas companies (15)	1,127	775	1,902	5	12	17	1,919	14	1,933
Total	4,584	1,112	5,696	7	68	75	5,771	223	5,994

* The "domestic companies" category includes the Company. The "full-time" category encompasses regular employees and employees working equivalent hours to regular employees. A: Employees not on fixed-term contracts. B: Employees on fixed-term contracts.

* The number of companies as of April 1, 2010.

Respect for Human Rights

The Group aims to create an organization where employees' human rights, personalities, and individuality are respected. Since fiscal 2008, the Company has participated in the United Nations Global Compact, an international initiative that advocates ten Universal Principles, including human rights and labor. Also, the Group's Code of Conduct states "respect for employees' personality, human rights and individuality" in Article 4, in order to increase awareness about the Group's attitude of respecting human rights in both domestic and overseas affiliated companies. Furthermore, the Group's Compliance Guidebook, which is distributed to each employee, specifies to strictly inhibit unjust discrimination and sexual harassment.

Also, the Group does not condone child labor and forced labor. An investigation into child labor conducted by the International Labour Organization (ILO) shows that over 9,600 children between the ages of 5 and 14 years old are currently working in the Asia-Pacific region. The Group, developing its business in this region where approximately 1,700 employees work, has implemented strict control on em-

ployee age, especially through pre-employment examinations, and rigorously inhibits forced labor. As a result, no issues regarding child labor or forced labor have been reported.

Going forward, we will globally expand our operations. We aim to build a workplace where employees can be involved in his or her operation by complying with laws and regulations in countries where overseas operating sites are located and enhancing harmonious relationships with the local communities.

Number of Managers Employed at Overseas Operating Sites (As of March 31, 2010)

(People)	
Local employees	Of which, managers
1,902	113

* Local employees are those employees who work full-time at our overseas operating sites. Managers are those employees positioned as a manager or higher. Approximately 99% of local employees possess citizenship of the country in which they are employed.

Description of the Group's Workforce

The tables below describes the workforce of JX Nippon Mining & Metals and its 38 subsidiary companies (23 domestic, 15 overseas) encompassed in the boundary of this Report. The average age of employees is 39 years old and the average number of years of service is 12 years.

Composition of Managerial-level Employees by Region (As of March 31, 2010)

		Managerial-level employees			Others			Total		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Domestic companies (24)	Japan	1,296	26	1,322	2,099	288	2,387	3,395	314	3,709
	North America	9	0	9	0	0	0	9	0	9
	South America	24	0	24	0	0	0	24	0	24
	Asia	42	0	42	4	0	4	46	0	46
	Europe	1	0	1	0	0	0	1	0	1
	Oceania	4	1	5	0	0	0	4	1	5
Subtotal		1,376	27	1,403	2,103	288	2,391	3,479	315	3,794
Overseas companies (15)	North America	12	1	13	43	13	56	55	14	69
	Asia	169	102	271	875	548	1,423	1,044	650	1,694
	Europe	16	1	17	117	5	122	133	6	139
Subtotal		197	104	301	1,035	566	1,601	1,232	670	1,902
Total		1,573	131	1,704	3,138	854	3,992	4,711	985	5,696

* The figures stipulated in the table above represent the number of full-time employees. Managerial staff encompasses general managers, managers, assistant managers, and supervisory staff members.

* Number of companies as of April 1, 2010.

* The "domestic companies" category includes the Company.

Composition of Managerial-level Employees by Age (As of March 31, 2010)

		Managerial-level employees			Others			Total		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Domestic companies (24)	Below 29 years of age	106	7	113	481	43	524	587	50	637
	30-49 years of age	748	18	766	1,106	179	1,285	1,854	197	2,051
	Above 50 years of age	522	2	524	516	66	582	1,038	68	1,106
Subtotal		1,376	27	1,403	2,103	288	2,391	3,479	315	3,794
Overseas companies (15)	Below 29 years of age	30	54	84	393	345	738	423	399	822
	30-49 years of age	134	49	183	549	202	751	683	251	934
	Above 50 years of age	33	1	34	93	19	112	126	20	146
Subtotal		197	104	301	1,035	566	1,601	1,232	670	1,902
Total		1,573	131	1,704	3,138	854	3,992	4,711	985	5,696

* The figures stipulated in the table above represent the number of full-time employees. Managerial staff encompasses general managers, managers, assistant managers, and supervisory staff members.

* The number of companies as of April 1, 2010.

* The "domestic companies" category includes the Company.

Involvement with Our Employees

Average Age and Average Number of Years of Service (As of March 31, 2010)

	Age (years)			Years of service (years)		
	Men	Women	Total	Men	Women	Total
Domestic companies (24)	42.4	40.5	42.3	15.0	12.2	14.8
Overseas companies (15)	35.0	29.6	33.1	7.6	5.2	6.7
Average	40.6	33.1	39.2	13.1	7.5	12.1

* The number of companies as of April 1, 2010.

* The "domestic companies" category includes the Company.

Number of Employees Recruited (April 1, 2009 to March 31, 2010)

(People)

	Men	Women	Total
Domestic companies (24)	284	31	315
Overseas companies (15)	165	155	320
Total	449	186	635

* The number of companies as of April 1, 2010.

* The "domestic companies" category includes the Company.

Number of Employees that Left the Company (April 1, 2009 to March 31, 2010)

		Number of employees that left the Company (people)			Rate of employees leaving the Company (%)		
		Men	Women	Total	Men	Women	Total
Domestic companies (24)	Below 29 years of age	34	1	35	1	0	1
	30-49 years of age	28	8	36	1	3	2
	Above 50 years of age	102	8	110	3	3	3
Subtotal		164	17	181	2	2	2
Overseas companies (15)	Below 29 years of age	118	239	357	10	36	23
	30-49 years of age	53	28	81	4	4	4
	Above 50 years of age	8	0	8	1	0	0
Subtotal		179	267	446	5	13	9
Total		343	284	627	3	8	5

* The number of employees that left the Company includes the number of those who left the company due to age-limit retirement, personal circumstances, death, and involuntary retirement.

* Rate of employees leaving the Company is the percentage of the number of employees who left the Company to the total number of employees.

* The number of companies as of April 1, 2010.

* The "domestic companies" category includes the Company.

Initiatives toward Diversity

We believe it is necessary for the Group to improve the environment of workplaces in which employees can harness their full potential, in order to accommodate the evolving business circumstances while at the same time continuously growing its business. In view of that, the Group values diversity in both human resources and working ways.

In compliance with relevant laws and regulations in Japan and overseas, JX Nippon Mining & Metals is promoting the reemployment of retirees and the use of women workers' abilities. We have set systems for child rearing, granny volunteer leaves, and improving our workplace environment such that employees can choose the work that most suits their life style.

Reemployment of retirees

The Company is promoting the reemployment of retirees, based on its reemployment program. We expect that the reemployment program will not merely engage retirees in day-to-day duties, but will also enable them to pass on their technological know-how and skills to younger employees as well as contribute to operational management by maintaining and improving safety and quality control.

Status of Rehiring Efforts (JX Nippon Mining & Metals) (April 1, 2009 to March 31, 2009)

The number of age-limit retirees (people)	The number of those reemployed (people)	Reemployment ratio (%)
59	36	61

Creating workplaces where women can play significant roles

The Company aims to create a workplace that empowers female employees to play active and significant roles. As of March 31, 2010, a total of 985 female employees were working at domestic and overseas operating sites in the Group. Of this, approximately 13% occupy managerial positions. JX Nippon Mining & Metals employed 135 female employees, of whom approximately 17% were currently active in managerial roles. Regardless of gender, fair treatment and base pay compensation are strictly controlled.

Work-life balance

The Company believes that measures to help employees achieve a balance between their professional and their family lives are essential.

In fiscal 2009, nine employees used maternity leave and child care leave systems.



Initiatives to employ the physically challenged

We view the creation of a society where the physically challenged can work in accordance with their aptitudes and capabilities as one of our missions. On the other hand, some physically challenged employees left their workplaces due to age-limit retirement. A reduction in the number of physically challenged employees with an increase in the total number of employees consequently brought the employment ratio of the physically challenged to 1.55%. As a result, the Company did not meet the legally required ratio of 1.8% in fiscal 2009. With this situation in mind, we are proactively striving to meet the legally required ratio in fiscal 2010.



Maintaining a Good Relationship between Labor and Management

Labor unions are organized in most domestic affiliated companies of the Group.

Based on mutual trust between management and employees, a sound relationship is maintained. At all regular meetings between representatives of management and a labor union of each company, management discloses details of the business condition of the Company to the union. Also, joint committees on health and safety issues at each company thoroughly discuss causes and other factors involved in any accidents and any necessary remedial measures. The union thus plays an important role as a partner with management.

Moreover, we believe that employees' full understanding

allows the smooth change of the Companies' business lines or organizational structure. For that purpose, after adequate explanation and discussion preliminarily made with sufficient duration, the provisional Labor-Management Council is held to obtain deeper understanding of the labor union, in line with labor agreement.

In fiscal 2009, we held an extraordinary Labor-Management Council to adequately explain and discuss a strategic reorganization plan to gain the understanding of employees.

Furthermore, in fiscal 2009, there were no shutdowns of plants or lockouts caused by strikes or labor-management negotiations.

Labor Union Members (As of March 31, 2010)

		The number of union members (people)			Percentage of labor union members (%)		
		Men	Women	Total	Men	Women	Total
Domestic companies (24)	Below 29 years of age	503	36	539	81	72	77
	30-49 years of age	1,452	166	1,618	78	84	81
	Above 50 years of age	476	25	501	46	37	41
Total		2,431	227	2,658	68	64	66

* The percentage of labor union members is the ratio of the number of union members to the number of full-time employees.

* The number of companies as of April 1, 2010.

* The "domestic companies" category includes the Company.



Involvement with Our Employees

Human Resources Development and Personnel Systems

We follow a basic policy of running our business operations with a small number of highly skilled staff. To translate this policy into reality, it is essential to provide education and training programs that will develop the individual skills of each employee. Amidst the rapidly and structurally changing business environment, surviving against competitors in the global marketplace and sustainably growing our business increasingly requires us to vigorously strengthen our human resources, an engine of our business activities.

Currently, the Company is developing and conducting companywide education and training programs based on themes to enhance expertise and improve the judgment of those who work on the manufacturing floor, as well as cultivate strategic thinking among employees. Additionally, we encourage employees to participate in a wide range of education and training programs, including studying at overseas graduate schools or at institutes for foreign language education in Japan as well as self-enlightenment seminars on financial analysis or presentation skills.

Further, we have introduced the "Competency Evaluation Program," "Performance Evaluation System," and "Self-Statement System" into our personnel systems. We strive to foster a better working environment by integrating functions to improve communication between the Company and its employees into the personnel systems.

Education and Training Programs Undertaken in Fiscal 2009

(Programs undertaken at JX Nippon Mining & Metals, Nikko Smelting & Refining, and Nikko Environmental Services)

	Managers	General employees	Total
Total hours of programs (annually)	11,796	49,574	61,370
Average hours per employee (annually)	29.34	27.03	27.45

(Hours)

Voice—The Fundamentals of Human Resources Development



Ryo Nagatsu
General Manager
Human Resources Dept.

Q: What is the origin of human resources development at JX Nippon Mining & Metals?

A: The origin of our human resources development lies in workplaces for manufacturing.

As a manufacturer, it goes without saying that our primary business is manufacturing. Sales, accounting, purchasing, and human resources management are indispensable to the Company. However, when asked what the origin of our human resources development is, there can be no other answer—workplaces for manufacturing. Our business originates from mining operations with the motto of "one mine, one family." We have inherited the tradition of respecting people working at mining and manufacturing workplaces in an unbroken line. This shows that the JX Nippon Mining & Metals Group's human resources development is attributable to workplaces for manufacturing.

Q: What style of human resources development does the Company employ?

A: Programs of on-the-job training and personnel rotation are our two pillars of human resource development.

The fundamental of our human resources development is a program of on-the-job training (OJT). In addition to implementing OJT in the course of daily operations, we also place an emphasis on personnel rotations. We position planning and implementing job rotations as a key measure for human resources development. Job rotation, with or without relocation, is implemented individually or based on the class of employee. Being vividly aware that each re-deployment of personnel, a main occupation of the Human Resources Department, is considered with the aim of human resources development, we are undertaking our daily transactions.

On the other hand, we think off-the-job training, which is conducted at each major career transition point, is supplementary to the OJT program. Although these trainings are highly effective, particularly in motivating employees and offering further job stimulation, we, in principle, view it as a supplement to OJT. This attitude is based on the concept that the fundamentals of human resources development, as well as issues and solutions to them, should lie on manufacturing floors. Recently, in order to take a long-term perspective toward human resources development, we

re-clarified job classifications and started the individual rotation program based on the newly designed job classifications.

Q: What is necessary for promoting human resources development?

A: Recruitment is one of the key elements to maintain a working environment where education and training programs can be properly fulfilled.

The presence of newcomers, or so-called "juniors," awakens other employees to the fact that they are "senior" associates to them. Also, by thinking seriously about how to educate their juniors, the seniors also grow.

Conversely, those who have educated themselves without support from their seniors are apt to turn to their own juniors and say that you should be your own person. In order to maintain a sound working environment in which proper relationships between seniors and juniors can be formed, it is necessary to continuously recruit the appropriate number of employees. The important thing is to recruit neither too many nor too few. When we adjust the number of recruits in view of the business conditions of the Company, mass hiring in one year may cause no hiring in the subsequent year. Regurgitating random numbers of employees to be hired makes an awkwardly shaped demographic pyramid of employees. Eliminating the influence of the business conditions, we should continually hire a stable number of recruits so that we can avoid such a vicious cycle. In view of human resources development, I eagerly desire to materialize "standardization of recruitment," which we have failed to accomplish so far over the long history of the Company.

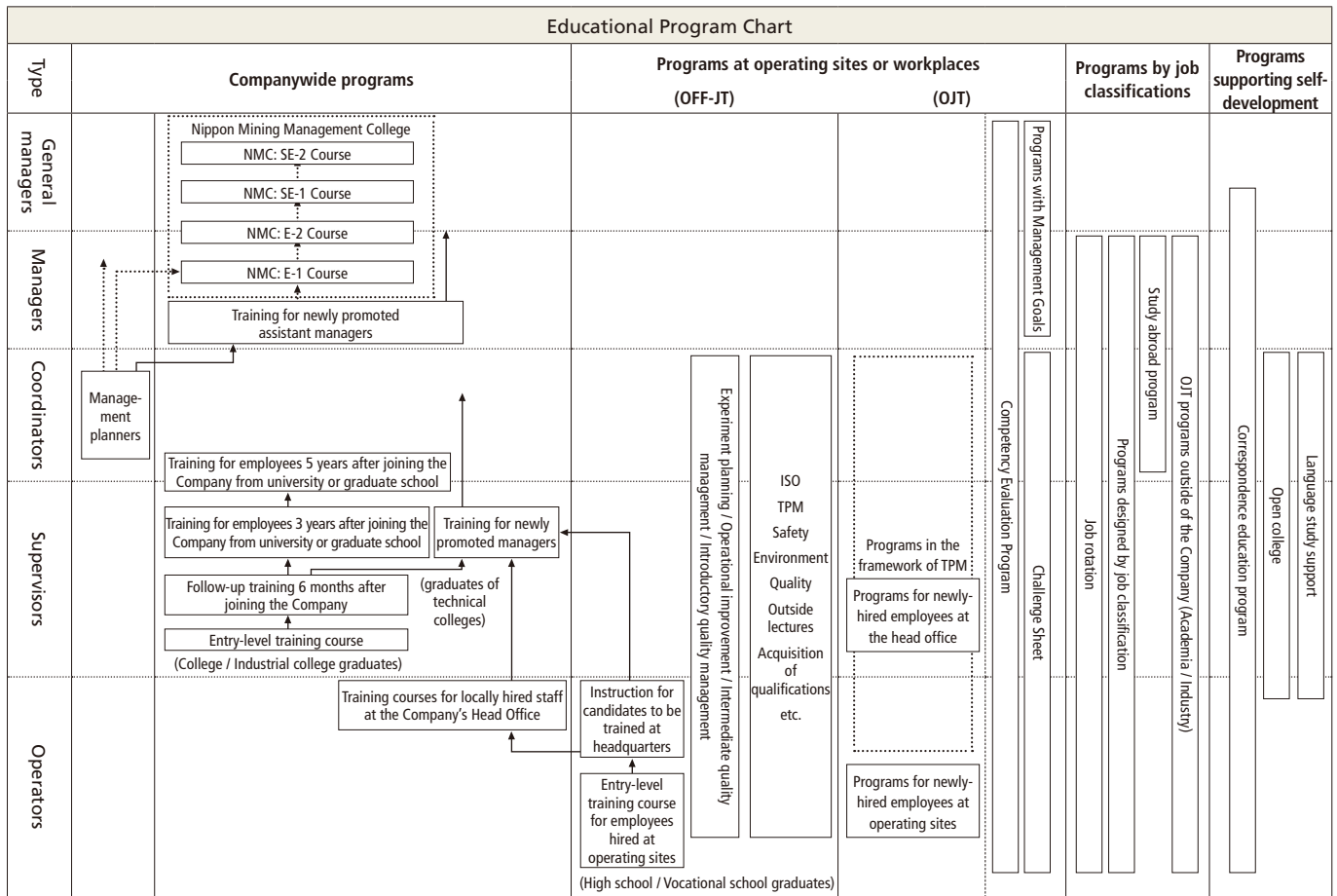
Q: Could you please let us know your enthusiasm regarding future human resources development?

A: I will promote human resources development based on the concept of respecting people.

Needless to say, the Human Resources Department is working for "human resources." Among our duties, human resource development is of essence. In preparation for this interview, I looked over the history of the Company. I think human resources development, besides "safety," could be a part of the Company's ideology.

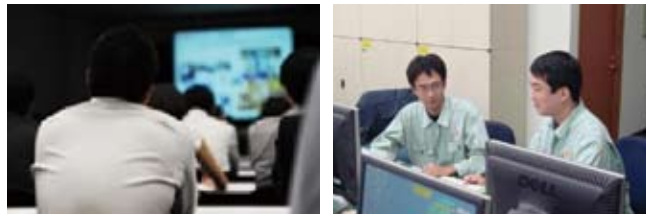
And, I intend to work for human resources development, based on the Company's concept of respecting people.

Our Educational Program in Fiscal 2009



Systematic education and training program for college graduates

For employees who are college graduates, we positioned the first five years after joining the Company as a period for systematic human resources development. During this period, they participate in various education and training programs that help develop specific business skills.



Education and Training Programs Implemented in Fiscal 2009

	Goals
Programs for new employees	1. Understanding the current business conditions and management issues of the Company. 2. Acquiring basic skills requisite to a business person, including business manners, English conversation, financial accounting, etc. 3. Developing a sense of cooperation and community among employees entering the Company at the same time.
Programs at 6 months after joining the Company	1. Looking back on their lives as members of society after entering the Company and examining current issues. 2. Strengthening basic skills requisite to a business person such as communication and presentation.
Programs in the 3rd year after joining the Company	1. Deepening understanding of the current business conditions and management issues of the Company. 2. Acquiring additional business skills such as logical thinking. 3. Understanding role expectations and enhancing motivation.
Programs in the 5th year after joining the Company	1. Enhancing self-advancement problem-solving ability. 2. Acquiring business skills necessary for problem solving such as logical thinking, problem identification, problem resolution, project management, etc. as the final step in the education and training programs for college graduate employees. 3. Logically and systematically implementing issues found in actual operations, and practicing business skills acquired in the programs into actual operations.

Social Activities Report



Involvement with Our Employees

Enhancing education and training programs by job classification

We have developed a system to promote education and training programs that are headed by executive employees. These programs are designed for the enhancement of specialized skills requisite to professionals in order to carry out their duties. The contents of the programs are considered, and education and trainings are implemented in line with the program by job classification. In this program, individual job rotations are also planned. Periodically revising the contents of the program, we are providing employees with opportunities to work in various job fields, and at the same time enhance the education and training programs for human resources development.

Ensuring appropriate personnel evaluation

To maintain the Group's policy of operating with a small number of highly skilled staff, one of the keys is to create a system that allows individual employees to fully realize their potential and make the best use of their unique abilities. To make this possible, we need to accurately evaluate their abilities.

The Company has introduced the "Competency Evaluation Program" based on "competency models" and a performance appraisal system with management goals. The evaluation of the "Competency Evaluation Program" requires each employee to have an interview with his or her supervisor.

The interview is conducted in line with competency items determined by the work that each employee is responsible for and their job position. This program aims to evaluate efforts to produce significant results required in the competency models. Results of the evaluation are taken into consideration in relation to employee promotion.

Under the "Performance Evaluation Program," employees set work-related goals at the beginning of each fiscal year. The challenge levels of goals and goal attainment levels are discussed with their supervisors and subsequently evaluated. The results of these evaluations are reflected in employee bonuses.

We are willing to enhance fairness of and increase employees' consent degrees to evaluation to their performances and the human resource development program, by appropriately implementing these programs.

"Self-Statement System"

The aim of this system is that the Company identifies each employee's career interests and aspirations, and reflects them in the human resources development programs to the utmost extent. Once a year, looking back at his or her performance, each employee completes and submits the "Self-Statement" sheet, filling in his or her business affairs, skills they would like to improve and business lines they are willing to challenge, and also any private circumstances they want to let the Company know.



Promoting Physical and Mental Health Maintenance

We believe that enhancing and maintaining the physical and mental well-being of employees is important.

Mental health care

We recognize good mental health as a requisite to create a happy life for each employee and his or her family as well as a lively workplace. Taking a broad sense of mental healthcare, a wide range of initiatives, including facilitating communication at workplaces, have been taken.



In July 2008, we implemented the "Mental and Emotional Health Maintenance Plan," and subsequently worked to spread awareness of this plan throughout the Group. Each operating site has launched a system to support employees to maintain good mental health. Some measures involved in this plan cover the families of employees.

[Principal Measures]

1. Face-to-face counseling
2. Counseling by means of telephone
3. Mental health training
4. Workplace stress checks



Mental healthcare pamphlet

"Stress Checks" Surveyed at Workplaces of the Company

Number of participants	Approx. 2,700
Parties surveyed	Employees of the Company, contract employees, commission-based employees, short-term employees, temporary employees, employees seconded from other companies, employees from affiliated companies, etc.
Results of the survey	Fed back to individuals, advising individuals to have a mental checkup as necessary, conducting workshops to improve the various working environments, etc.



Health and Safety Activities

JX Nippon Mining & Metals Basic Policy on Health and Safety

We place the highest priority on ensuring the health and safety for all members working at the JX Nippon Mining & Metals Group and thereby strive to create a safe and secure working place.

1. We will continuously improve health and safety management levels through the establishment and efficient operation of health and safety management system.
2. We will work to identify, eliminate, and reduce hazards and harmful factors in all areas of business operations and to ensure no accidents occur.
3. We will work to maintain and improve employees' mental and physical health by ensuring good communication and comfortable working environment
4. We will actively provide information and education in order to develop human resources that can act spontaneously and have strong safety competencies.
5. We will not only comply with health and safety laws and regulations, but will also establish and observe necessary voluntary standards.

Management Policy on Health and Safety

The Group, acting in line with its Basic Policy on Health and Safety, sets the Management Policy on Health and Safety each fiscal year. The goals and focal measures of the policy in any particular fiscal year are set in view of an analysis of the performance results for health and safety in the previous fiscal year. The Management Policy on Health and Safety for any particular fiscal year should be discussed and approved by the Central Health and Safety Committee, and then promulgated across the Group.

Health and Safety Related Performance in Fiscal 2009*1

In fiscal 2009, there were no explosions, fires, or occurrences of occupational diseases reported, but there was a rise in the number of accidents. Details regarding health and safety performance are outlined in the table below.

Category		2007	2008	2009
Safety performance at domestic operating sites*2	Instances of accidents with lost work days and fatal accidents (people)	8	15	15*5
	Instances of accidents without lost work days (people)	13	17	22
	Total (people)	21	32	37
	Frequency rate of industrial accidents*3	0.32	0.61	0.61
	Accident severity rate*3	0.08	0.09	0.01
Health performance at domestic operating sites	Explosions, fires (occurrences)	1	0	0
	Occupational diseases (people)	1*4	0	0
(Reference) Safety performance at overseas operating sites	Instances of accidents with lost work days (people)	7	17	9
	Instances of accidents without lost work days (people)	6	9	10
	Total (people)	13	26	19

*1. Data on health and safety performance is counted on a calendar year basis.

*2. The figures include the performance of related companies and business partners.

*3. Both the frequency rate of industrial accidents (the number of casualties caused by occupational accidents per total actual working million hours) and the accident severity rate (the number of work days lost per total actual working thousand hours) were calculated on the base of performances of the Company's employees.

(Reference) From January through December 2009, the frequency rate of industrial accidents and the accident severity rate of all businesses in Japan were 1.62 and 0.09, respectively. (Industrial Accident Trend Survey by the Ministry of Health, Labour and Welfare)

*4. The occupational disease listed in 2007 was a pulmonary disease caused by dust to be certified as a work-related accident by the relevant labor standards supervision office. We continuously implement measures against pulmonary disease, such as preventing the occurrence of airborne dust, carrying out medical examinations, and providing information and education to the relevant employees.

*5. The three fatalities related to the accident that occurred on June 13, 2009, are included.

Management Policy on Health and Safety for Fiscal 2009

■ Goals

1. Accidents (regardless of scale) and casualties of accidents: zero
2. Explosions, fires: zero
3. Occupational diseases: zero

■ Examples of focal measures

1. Thoroughly educating employees to enhance their sensitivity to anticipate danger.
2. Promoting health and safety activities together with partner companies.
3. Identifying hazards in ordinary operations and setting countermeasures.
4. Complying with all laws and regulations, and offering thorough guidance for "safety first" behavior.
5. Enhancing and maintaining both the mental and physical health condition of employees.

Significant Accident at the Saganoseki Smelter & Refinery

On June 13, 2009, a significant accident that involved three employees of Nissho Ko-un Co., Ltd., a Group company involved in the transportation of copper concentrate, who passed away of oxygen deficiency occurred at the Saganoseki Smelter & Refinery.

In view of the severity of this accident, the Group has been identifying and remedying problems on safety in an expeditious way. The measures for recurrence prevention that we have implemented include improving the management of

the working environment, including reexamination of how oxygen concentration is measured; reviewing the working methods for loading copper concentrate; reinforcing education and training programs to deepen understanding about all laws and regulations related to safety; enhancing emergency response equipment; and developing an emergency-response manual to help prevent secondary disasters, as well as overhauling the safety systems and reexamining the accident prevention measures that we had previously compiled.

Involvement with Our Employees

In February 2010, we invited Mr. Michio Niwa as a guest lecturer, who conducted a special lecture presentation about safety that was entitled "Top managements' responsibilities for safety control," targeting the Group's top management. After the lecture, the President indicated "thorough initiatives to integrate a climate of safety into the Group's culture." Currently, these initiatives are eagerly being

implemented across the Group.

Moreover, we advocate "promoting elimination of significant accidents" in the Management Policy on Health and Safety for Fiscal 2010. With strong determination, we are working together to enhance health and safety management activities in the Group.

Management System for Health and Safety

Health and safety management organizations

The Group has established Health and Safety Committees at each of its domestic operating sites. We have also established the Central Health and Safety Committee as well as the Central Health and Safety Standing Committee at corporate headquarters to monitor health and safety jointly by employees and management so that we can strive to ensure

safety and promote the health management of employees including those of our related companies and business partners. Moreover, we convene the Corporate Supervisors' Meeting on Health and Safety that is attended by representatives of domestic operating sites of the Group to discuss and share information about health and safety measures.

Committee name	Function	Committee member	Meeting frequency
Central Health and Safety Committee	Reviewing the health and safety performance in the current fiscal year and discussing health and safety management policies for the next fiscal year	Committee members from both management and the labor union (representatives from corporate headquarters and operating bases)	Once every year
Central Health and Safety Standing Committee	Discussing and reporting issues commissioned from the Central Health and Safety Committee (Discussing and reporting issues associated with identifying the causes of disasters and preventing reoccurrence)	Committee members from both management and the labor union (representatives of corporate headquarters)	Five times every year
Health and Safety Committees at Operating Sites	Discussing and reporting issues concerning health and safety at each operating site	Committee members from both management and the labor union—representatives of affiliates/business partners attend when necessary.	Once every month
Corporate Supervisors' Meeting on Health and Safety	Reviewing measures for health and safety at each operating base, showing cases of each operating site's activity, and exchanging opinions	Health and safety supervisors at the operating sites of the Group	Twice every year
Labor-Management Joint Monitoring on Health and Safety	Monitoring the status of health and safety management at the operating sites, and exchanging opinions on problems and improvement measures	Members of the Central Health & Safety Standing Committee	Once every year

Establishing and operating an occupational health and safety management system

The Basic Policy on Health and Safety of the Group stipulates the establishment and efficient implementation of occupational health and safety management systems. The operating sites listed in the table below have obtained OHSAS 18001.

Fiscal year certification obtained	Operating site
Fiscal 2006	Hibi Smelter, Pan Pacific Copper Co., Ltd. (Including Tamano Smelter, Hibi Kyodo Smelting Co., Ltd., Sankin Hibi Harbor Transportation Co., Ltd.)
Fiscal 2008	Hitachi Area Coordination Center (Including Shirogane Works, HMC Works, Hitachi Fabricating Works Technology Development Center, Hitachi Works, Pan Pacific Copper Co., Ltd., Nikko Environmental Services Co., Ltd., Hitachi Area Coordination Center, Nikko Foundry Co., Ltd. HMC Works all obtained certification via extension audit in January 2010), Kurami Works (Including Nikko Coil Center Co., Ltd., Kurami Office, Nikko Shoji Co., Ltd.), Saganoseki Smelter & Refinery, Pan Pacific Copper Co., Ltd. (Including Japan Copper Casting Co., Ltd., Nissho Ko-un Co., Ltd., Nikko Plant Saganoseki Co., Ltd.), Nikko Metals Taiwan Co., Ltd. (Bade Works)
Fiscal 2009	Isohara Works (Including Nikko Foundry Co., Ltd., Isohara Administration Office), Toda Works, Tomakomai Chemical Co., Ltd., Nikko Mikkaichi Recycle Co., Ltd., Nikko Tsuruga Recycle Co., Ltd., Isohara Fabricating Works, Gould Electronics GmbH

Safety audits

The Group aims to eliminate disasters and accidents through audits conducted by the environment safety audit team, working directly under the CEO. Operating sites and business partners are subject to the audit. In principle, the audit

is conducted once every year. The problems identified are reported to top management and then passed to each operating site to elicit improvement. The subsequent status of implementation is reviewed later.

Compliance with Laws and Regulations

The Group has introduced a legal and regulatory monitoring system for the purpose of gathering accurate information on revisions made to relevant laws and regulations regarding health, safety, and the environment, and appropriately responding to the revisions. Upon receipt of the latest information on regulatory revisions each week, we compile

explanatory materials regarding important points in relation to the revisions and manuals on how to respond to these revisions. We distribute these materials to all operating sites so that they can understand the points and comply with the relevant laws and regulations without fail.

Involvement with Local Communities

Regional

Communication with Local Communities

In this section, we will introduce examples of communication with local communities in fiscal 2009.

Participation in regional organizations (Fiscal 2009)

The Company participates in chambers of commerce and other such organizations in all regions in which it has operating sites (Tomakomai, Kitaibaraki, Hitachi, Kurobe, Tsuruga, Tokyo, Samukawa, Tamano, Oita, Makurazaki, the Philip-

pinas, Freiburg (Germany), etc.). Further, it is a member of the organizations listed below, and participates in regular meetings (Executive Committee) and various other committees. Through these and other initiatives, we are actively participating in regional organizations.

Organization (Other)	Participating operating site / Group company (Position with the organization)
Industrial Waste Association (Hokkaido, Toyama, Ibaraki, Fukui, Osaka)	Tomakomai Chemical Co., Ltd. (Executive Secretary), Nikko Mikkaichi Recycle Co., Ltd., Nikko Environmental Services Co., Ltd., Nikko Tsuruga Recycle Co., Ltd. (Director), Nikko Shoji Co., Ltd.
The Foundation For The Advancement of Industrial Technology In Dohoh Area	Tomakomai Chemical Co., Ltd. (Councilor)
Kitaibaraki-shi Boka-Kanri-Kyogikai (Fire Protection and Control Council of Kitaibaraki)	Isohara Works (Director)
Takahagi-chiku Koyo Taisaku Kyogikai (an association for employment measures in Takahagi District)	Isohara Works (Director)
Hitachi-roudoukijunkuyokai (an organization to provide information about labor regulations, industrial accidents, and others)	Hitachi Area Coordination Center
Hitachi Traffic Safety Association	Hitachi Area Coordination Center
Kurobe Water Resource Management Committee	Nikko Mikkaichi Recycle Co., Ltd. (Director)
Kurobe Industrial District Support Organization	Kurobe Nikko Galva Co., Ltd.
Reinan Environmental Conservation Organization	Nikko Tsuruga Recycle Co., Ltd. (Chairman)
Tsuruga Mikata Association for Safety of Hazardous Materials	Nikko Tsuruga Recycle Co., Ltd. (Vice Chairman)
Samukawa Hazardous Substance Safety Association	Kurami Works (Vice Chairman)
Tamono-shibu (Tamano branch division), Japan Coast Guard Association	Hibi Kyodo Smelting Co., Ltd. (Assistant Branch Manager)

Organization (Other)	Participating operating site / Group company (Position with the organization)
Tamano Traffic Safety Association	Hibi Kyodo Smelting Co., Ltd. (Director)
Saganoseki Machidukuri Kyogikai (Council for Revitalization of Saganoseki)	Saganoseki Smelter & Refinery, Pan Pacific Copper Co., Ltd. (Vice Chairman)
Saganoseki Donation Allocation Intermediately Association	Saganoseki Smelter & Refinery, Pan Pacific Copper Co., Ltd. (Vice Chairman)
Kyushu-chihou Kouzan-kai (Mining Association of Kyushu-district)	Saganoseki Smelter & Refinery, Pan Pacific Copper Co., Ltd. (Chairman), Kasuga Mines Co., Ltd. (Director)
Oita Labour Standards Association	Nissho Ko-un Co., Ltd.
Waigaoqiao Free Trade Zone Industrial Association	Nikko Metals Shanghai Co., Ltd.
Suzhou Foreign Business Association	Nippon Mining & Metals (Suzhou) Co., Ltd. (Standing Director)
Suzhou Nissho Club	Nippon Mining & Metals (Suzhou) Co., Ltd.
Association of Enterprises with Foreign Investment, Changzhou City	Changzhou Jinyuan Copper Co., Ltd.
Wuxi Foreign Investors Industrial Association	Nikko Fuji Precision (Wuxi) Co., Ltd.
Dongwan Hongmeizhen Support Association	Nikko Fuji Electronics Dongguan Co., Ltd.
Taoyuan Waste Committee	Nikko Metals Taiwan Co., Ltd.
The Japanese Association, Manila, Inc.	Nikko Metals Philippines, Inc.
Laguna Industrial District Organization	Nikko Metals Philippines, Inc.
Japan Business Association of Arizona	Nikko Metals USA, Inc. (Director)

* The above is an abbreviated list of organization membership.

Responding to complaints

The Company responds earnestly to any complaints it receives from local communities. And, it makes sincere efforts to rectify the situation by working to quickly assess the situation and develop necessary improvement measures.

The complaints received in fiscal 2009 are recorded in the table below. In all cases, the Company responded quickly and took appropriate corrective measures. Going forward, we will redouble our efforts to prevent such complaints from arising in the future.

Operating site	Complaint	Response measure	Future improvements, etc.
Hitachi Area Coordination Center	Noise pollution	The Ag oxidation furnace burners continuously emitted a shrilling noise due to their slant. In addition to reinforcing the fixtures that keep these burners in place, we improved the noise insulation of the building.	The budget is being assembled to improve the mouths of the burners and upgrade to new quiet-running burners.
Kurami Works	Noise pollution	We evaluated the noise pollution in the area bordering the plant's grounds and investigated possible measures to reduce it. We explained the results of these investigations to the issuer of the complaint.	We will continue working to reduce noise pollution. Also, we will pursue active communication with members of the local community in order to gain their understanding in regard to our operations.

Involvement with Local Communities

Examples of communication with local communities

Implementation of Plant Tours, Etc. (Fiscal 2009)

Operating site	Initiative	Target group (Organization)	Period of implementation (Fiscal 2009)	Number of participants
Hitachi Area Coordination Center	Plant tour	Students from ASEAN countries, China, and Korea	March 2010	Approximately 30
Tomakomai Chemical Co., Ltd.	Plant tour	Students from local technical schools	July and August	Approximately 70
Nikko Mikkaichi Recycle Co., Ltd.	Plant tour	KAMIICHI Manufacturing & Industrial Association (Toyama Prefecture)	November	Approximately 20
Kurobe Nikko Galva Co., Ltd.	Plant tour	Members of the local community	August	Approximately 50
		Local junior high schools	October	6
Nikko Tsuruga Recycle Co., Ltd.	Plant tour	Asahi Commerce and Industry Association (Toyama Prefecture)	March 2010	Approximately 10
		Tsuruga Togo District Farmers Association (Fukui Prefecture)	November	Approximately 10
Hibi Smelter, Pan Pacific Copper Co., Ltd., Hibi Kyodo Smelting Co., Ltd.	Plant tour	Local high schools	May and June	Approximately 80
		The Tamano Chamber of Commerce & Industry	November	Approximately 40
Saganoseki Smelter & Refinery, Pan Pacific Copper Co., Ltd.	Plant tour	The Oita Chamber of Commerce & Industry	September	Approximately 20
		Kensei Fureai Talk	November	Approximately 10
Nikko Metals Philippines, Inc.	Plant tour	De La Salle University	April 2009 and March 2010	Approximately 10

Plant tour (Kurobe Nikko Galva Co., Ltd.)



Asahi Commerce and Industry Association



Program organized by the city in which children visit local companies

Convivial Events (Summer festivals and other events to which members of the community were invited, fiscal 2009)

Operating site	Event details, participants, etc.
Hitachi Area Coordination Center	<ul style="list-style-type: none"> Conducted an outdoor event held as a part of the "Sanjin-sai" summer festival held on company grounds and a martial arts tournament held in the Nikko Shido Kan (Held annually in July, approx. 2,000 participants)
Kurami Works	<ul style="list-style-type: none"> Conducted "Hazuki-sai" summer festival held on the company ground (Held annually in August, approx. 7,000 participants) Participated in the "Shinko-sai" festival (Held annually in September, approx. 300 participants): The company participated in a festival held at the local Kurami Shrine. Part of the plant is opened to visitors and employees participated in "carrying a mikoshi," a traditional Japanese festival event.
Toda Works	<ul style="list-style-type: none"> Participated in a summer festival sponsored by Japan Energy Corporation of the JX Nippon Mining & Metals Group at its Toda Administration Office (Held annually in August, approx. 900 participants)
Nikko Tsuruga Recycle Co., Ltd.	<ul style="list-style-type: none"> Held firefly viewing event in cooperation with the local NPO Aqua Sangha (June, approx. 20 participants)
Hibi Smelter, Pan Pacific Copper Co., Ltd., Hibi Kyodo Smelting Co., Ltd.	<ul style="list-style-type: none"> Participated in the Hibi District Autumnal Festival of the Hibi District of Tamano City, Okayama Prefecture (October, approx. 150 participants)
Saganoseki Smelter & Refinery, Pan Pacific Copper Co., Ltd.	<ul style="list-style-type: none"> Participated in the "Seki no Tai-tsuru Odori Taikai" festival (Held annually in September, approximately 40 participants)
Kasuga Mines Co., Ltd.	<ul style="list-style-type: none"> Held the "Sanjin-sai" festival (Held annually in October, approx. 30 participants)
Nikko Metals USA, Inc.	<ul style="list-style-type: none"> Participated in the Japan Business Association of Arizona's New Year's Party (January 2009, approx. 150 participants)



Sanjin-sai (Hitachi Area Coordination Center)



Shinko-sai (Kurami Works)



Hibi District Autumnal Festival (Hibi Smelter, Pan Pacific Copper Co., Ltd., Hibi Kyodo Smelting Co., Ltd.)

Contributions to local communities

In addition to contributing to society through its business activities, the Group acts in accordance with its Code of Conduct and engages in social contribution activities geared toward helping develop and enrich local communities, while also building harmony with these communities. The Group engages in a variety of activities including cleanup activities as well as crime prevention activities and disaster preparedness

drills. Through these activities, we are promoting continuous communication and interaction with members of the local community, as well as developing mutual understanding and friendship.

Major contribution activities in fiscal 2009 toward local communities in areas where Group operations are located are listed in the table below.

Local Cleanup Activities (Fiscal 2009)

Operating site	Activity details
Isohara Works	<ul style="list-style-type: none"> Participated in a beautification campaign sponsored by Kitaibaraki City (Ibaraki Prefecture) and cleaned such areas as the coast of Isohara (May and July, approx. 280 participants). Organized a beautification campaign and cleaned the area around the plant (Conducted 4 times in fiscal 2009, approx. 250 participants).
Hitachi Area Coordination Center	<ul style="list-style-type: none"> Participated in cleanup activities of the Miyadagawa River in Hitachi City (June and December, approx. 100 participants).
Toda Works	<ul style="list-style-type: none"> Participated in "Operation Clean and Green Toda District" and cleaned the area around the plant (June and October, approx. 20 participants each time).
Kurami Works	<ul style="list-style-type: none"> Participated in the Sagami River Clean Campaign (May, approx. 50 participants). Participated in a beautification campaign organized by Samukawa City (Kanagawa Prefecture) to clean the riverbed of the Sagami River, which flows through the area.
Tomakomai Chemical Co., Ltd.	<ul style="list-style-type: none"> Participated in cleanup activities sponsored by Tomakomai City (April and October, approx. 20 participants). Conducted autonomous cleanup activities around the plant (August, 6 participants).
Nikko Tsuruga Recycle Co., Ltd.	<ul style="list-style-type: none"> Participated in "Operation Cleanup Fukui" sponsored by Tsuruga City in Fukui Prefecture (4 times a year, approx. 30 participants each time). Participated in various cleanup activities including the cleanup of the Kehi-No-Matsubara Beach, weeding and trash collection along the public roads in front of the company, cleanup of the rivers within company grounds, and cleanup of the rivers and farm roads behind the company. Collected illegally dumped garbage along the levees of the Kinomegawa River (February 2010, approx. 20 participants).
Hibi Smelter, Pan Pacific Copper Co., Ltd., Hibi Kyodo Smelting Co., Ltd.	<ul style="list-style-type: none"> Conducted bi-monthly cleanup activities of the roads and sidewalks around the plant (Approx. 10 participants each time). Participated in cleanup activities of the coast of Shibukawa (June, approx. 30 participants). <p>* The coast of Shibukawa is a specially designated area of the Setonaikai National Park. The Pan Pacific Copper Hibi Kyodo Smelter and Hibi Kyodo Smelting Co., Ltd. are located on an area of land bordering the coast that is approximately 789,517 m².</p>
Saganoseki Smelter & Refinery, Pan Pacific Copper Co., Ltd.	<ul style="list-style-type: none"> Conducted cleanup activities of the public roads adjacent to the smelter (Once a month, approx. 30 participants each time).
Kasuga Mines Co., Ltd.	<ul style="list-style-type: none"> Participated in volunteer activities in the local community (Cleanup of the port, mowing grass along public roads, and cleanup of the coast on Marine Day).
Nippon Mining & Metals (Suzhou) Co., Ltd.	<ul style="list-style-type: none"> Conducted monthly cleanup activities of the area around the plant (Approx. 200 participants each time).
Nikko Metals Philippines, Inc.	<ul style="list-style-type: none"> Participated in cleanup activities along the shore of Laguna de Bay (April, approx. 10 participants).
Nippon Precision Technology (Malaysia) Sdn. Bhd.	<ul style="list-style-type: none"> Conducted cleanup activities of the area around the plant (January 2010, approx. 120 participants).



Cleanup activities of the riverbed of the Sagami River (Kurami Works)



Cleanup activities in the area neighboring the plant (Tomakomai Chemical Co., Ltd.)



Cleanup activities of the Kehi-No-Matsubara Beach (Nikko Tsuruga Recycle Co., Ltd.)



Cleanup activities along the shore of Laguna de Bay (Nikko Metals Philippines, Inc.)

Crime Prevention and Disaster Preparedness Drills (Fiscal 2009)

Operating site	Activity details
Toda Works	<ul style="list-style-type: none"> Participated in the Toda City Fire Fighting Olympics (November, 2 participants).
Kurami Works	<ul style="list-style-type: none"> Conducted disaster preparedness drills (October, approx. 150 participants).
Tomakomai Chemical Co., Ltd.	<ul style="list-style-type: none"> Conducted disaster preparedness drills (November, approx. 70 participants).
Nikko Tsuruga Recycle Co., Ltd.	<ul style="list-style-type: none"> Conducted emergency response drills (July, approx. 50 participants).
Saganoseki Smelter & Refinery, Pan Pacific Copper Co., Ltd.	<ul style="list-style-type: none"> Conducted crime prevention patrols as part of the Saganoseki Donation Allocation Committee's Umineko-Tai, a local patrol team (Once a month, 8 participants each time). Conducted disaster preparedness drills (September, approx. 150 participants). Conducted autonomous gate-front high-pressure gas training (March 2010, approx. 20 participants).
Nikko Fuji Electronics Dongguan Co., Ltd.	<ul style="list-style-type: none"> Conducted firefighting education and training program for employees (November, approx. 270 participants).
Nikko Metals Philippines, Inc.	<ul style="list-style-type: none"> Participated in the LTA Fire Fighting Olympics (March 2010, 13 participants).
Nippon Precision Technology (Malaysia) Sdn. Bhd.	<ul style="list-style-type: none"> Conducted disaster preparedness drills (December, approx. 20 participants).

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Disaster preparedness drills (Kurami Works)



Blood drive (Nikko Metals Philippines, Inc.)



Disaster preparedness drills (Nippon Precision Technology (Malaysia) Sdn. Bhd.)

Traffic Safety and Blood Drive Activities (Fiscal 2009)

Operating site	Activity details
Isohara Works	<ul style="list-style-type: none"> Conducted monthly traffic safety activities (Approx. 150 participants). Conducted blood drives (November 2009 and March 2010, approx. 100 participants).
Hitachi Area Coordination Center	<ul style="list-style-type: none"> Organized road traffic safety volunteers on a monthly basis (Approx. 20 participants each time). Participated in events sponsored by the Hitachi Traffic Safety Association (5 times a year, approx. 50 participants each time). Conducted blood drives (2 times a year, approx. 80 participants).
Toda Works	<ul style="list-style-type: none"> Conducted blood drives (2 times a year, approx. 5 participants each time).
Kurami Works	<ul style="list-style-type: none"> Conducted road traffic safety lectures (December, approx. 100 participants). Conducted blood drives (November, approx. 30 participants).
Tomakomai Chemical Co., Ltd.	<ul style="list-style-type: none"> Participated in road traffic safety lectures conducted by local municipal bodies responsible for traffic safety and the police (May, approx. 60 participants). Participated in road traffic safety rallies organized by local municipal bodies responsible for traffic safety (July–November, approx. 60 participants).
Nikko Tsuruga Recycle Co., Ltd.	<ul style="list-style-type: none"> Participated in traffic safety activities organized by residents of the prefecture (4 times in the year, 3 participants each time).
Hibi Smelter, Pan Pacific Copper Co., Ltd., Hibi Kyodo Smelting Co., Ltd.	<ul style="list-style-type: none"> Conducted blood drives (2 times a year, approx. 80 participants).
Saganoseki Smelter & Refinery, Pan Pacific Copper Co., Ltd.	<ul style="list-style-type: none"> Conducted monthly “Yamabiko Undo” traffic safety awareness activities (Approx. 20 participants each time). Conducted blood drives (2 times a year, approx. 80 participants).
Nikko Metals Philippines, Inc.	<ul style="list-style-type: none"> Conducted blood drives (4 times a year, approx. 90 participants). Participated in flood relief activities (September and October, the majority of employees made donations).
Nippon Precision Technology (Malaysia) Sdn. Bhd.	<ul style="list-style-type: none"> Visited facilities for people with disabilities in the local community (October, 4 participants).

Opening of company facilities

The Group opens a number of its facilities to the public, such as the grounds, at principal operating sites and affiliated companies. These facilities are used throughout the year to hold a wide variety of events. Examples of opening facilities to the public are listed in the table below.

Operating site	Facility	Activity details
Isohara Works	Parking lot of company dormitory	Provided an area for children’s events to be held.
Hitachi Area Coordination Center	Nikko Shido Kan	Provided a place for children as well as junior high school and high school kyudo (Japanese archery) and kendo teams (Japanese fencing) to practice.
Kurami Works	Company grounds	Provided an area for baseball tournaments to be held.
Nikko Mikkaichi Recycle Co., Ltd.	Company grounds	Provided an area for local firefighters to train.
Hibi Smelter, Pan Pacific Copper Co., Ltd., Hibi Kyodo Smelting Co., Ltd.	E-No-Hara Grounds	Provided an area for baseball and softball tournaments to be held.
	Kyohi Gymnasium	Provided an area for sports tournaments to be held (volleyball, badminton, kendo, etc.).
	Idle land on grounds of company dormitory	Provided a space for local residents to park their cars as part of typhoon and flood tide countermeasures.
Saganoseki Smelter & Refinery, Pan Pacific Copper Co., Ltd.	Osuiki Baseball Field	Provided an area for baseball tournaments to be held.
	Fujiu Grounds	Provided an area for Ground Golf tournaments to be held.
Kasuga Mines Co., Ltd.	Grounds of company dormitory	Provided an area to practice golf.

Principal Displays in Exhibitions (Fiscal 2009)

Related Group company	Activity details
Nippon Mining & Metals Co., Ltd.	<ul style="list-style-type: none"> Displayed various manufactured products such as treated rolled copper foil, electro-deposited copper foil, and copper foil for lithium-ion batteries at JPCA Show 2009 (June). Displayed treated rolled copper foil, electro-deposited copper foil, surface treatment agents, etc. at TPCA Show 2009, sponsored by the Taiwan Printed Circuit Association (October). Displayed ITO targets and IGZO targets at FPD International 2009 (October). Displayed various sputtering targets for semiconductors, 450mm-diameter polycrystalline silicon wafers, the electro-less Under Bump Metallurgy (UBM) formation service, super high-purity copper sulfate, etc. at SEMICON Japan 2009 (December). Participated in NEPCON WORLD JAPAN 2010 (January 2010). <ol style="list-style-type: none"> IC Packaging Technology Expo: Displayed the electroless tin-plating process, super high-purity copper sulfate, functional surface treatment agents, etc. EV & HEV Drive System Technology Expo: Displayed NMC cathode materials, the world's thinnest treated rolled copper foil (6μm), materials for automotive connectors, etc. Displayed various sputtering targets, etc. at SEMICON Korea 2010 (February 2010).
Tomakomai Chemical Co., Ltd.	<ul style="list-style-type: none"> Participated in the Hokkaido Technical Information & Business Exchange Fair (Business EXPO) (November).
Nikko Mikkaichi Recycle Co., Ltd., Kurobe Nikko Galva Co., Ltd.	<ul style="list-style-type: none"> Participated in "Kurobe Fair 2009," hosted by Kurobe City and the Kurobe City Chamber of Commerce and Industry (August).
Nikko Tsuruga Recycle Co., Ltd.	<ul style="list-style-type: none"> Participated in the "Tsuruga City Environmental Forum," hosted by the Tsuruga Kankyo Mirai Network of Tsuruga City (February).
Nikko Art & Craft Co., Ltd.	<ul style="list-style-type: none"> Displayed and sold jewelry, precious metals, and arts and crafts at the Industrial Culture Festival of Saganoseki, Oita City (November).
Nikko Metals Taiwan Co., Ltd.	<ul style="list-style-type: none"> Displayed ITO sputtering targets at Display Taiwan 2009 and introduced the newly developed UHD-IV grade targets (June). Displayed various sputtering targets, 450mm-diameter polycrystalline silicon wafers and wafers for handling tests, etc. at SEMICON Taiwan 2009 (September and October).

* Company names are their names during fiscal 2009.



NEPCON WORLD JAPAN 2010



"Tsuruga City Environmental Forum"



FPD International 2009

Donations to Local Communities, Etc. (Fiscal 2009)

Receiving organization	Number of donations	Amount (thousands of yen)
1. Local public organizations (including schools and hospitals)	6	4,070
2. Other regional organizations (Festivals, events, municipal councils, etc.)	76	5,813
3. Non-profit foundations, corporations, charities, etc.	33	29,517
Total	115	39,400

* Donations through the matching gift program described below are excluded.
 * Total donations made by the Group were ¥0.05 billion (page 56).
 * Donations from overseas affiliated companies are translated into Japanese yen using the average exchange rate for fiscal 2009.

Matching gift program

In fiscal 2009, the Company implemented a matching gift program in which donations collected from executives and employees were matched in amount by the Company. These donations were used to support victims of flooding in Manila (the Philippines) and earthquakes in both Sumatra (Indonesia) and Haiti. Details about these donations are outlined in the table on the right.

(Thousands of yen)

Donations amount	Matching gift amount	Total
760	760	1,520

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Awards received from external organizations

In fiscal 2009, the Group received a wide variety of awards from public and industry organizations in the various regions in which it operates. Details about these awards are outlined in the table below.

The fact that various day-to-day activities have been highly evaluated will serve as a driving force behind future efforts to develop our operations. Going forward, we will work to ensure the continuation of these activities.

Public and Industrial Organizations, Etc.

Operating site	Organization	Award details	Reason
Isohara Works	Takahagi-chiku Koyo Taisaku Kyogikai (an association for employment measures in Takahagi District), Hitachi-roudoukijunkyokai (an organization to provide information about labor regulations, industrial accidents, and others)	Superior Employee Award	Received for contributing to the development of the plant (Target group for award: managers)
Hitachi Area Coordination Center	Hitachi-roudoukijunkyokai (an organization to provide information about labor regulations, industrial accidents, and others)	Superior Employee Award	Received by employees who have served a long term of continued service (those that set a good example for other employees)
	Hitachi-shi Bosai Kyokai (an association of disaster prevention in Hitachi City)	Superior Employee Award City	Received by employees who set a good example for other employees and have three or more years experience handling hazardous substances and managing fire prevention initiatives
	Japan Crane Association	Superior Crane Operator	Received by crane operators that have achieved significant results in promoting accident prevention and improving their operation of cranes, etc.
Kurami Works	Japan Copper and Brass Association	Superior Employee Award	Received by employees who possess a rich wealth of knowledge and technical skills (those that set a good example for other employees)
Tomakomai Chemical Co., Ltd.	Tomakomai Chamber of Commerce and Industry	Employee Award for Long-term Continued Service	Received by employees who have served a long term of continued service (those that set a good example for other employees)
Nikko Tsuruga Recycle Co., Ltd.	Fukui Measurement Association	Letter of Appreciation	Received for contributing to improved organizational performance over the course of many years
	Fukui Prefecture Labor Standards Association, Reinan Branch	Employee Award for Superior Health and Safety	Received for implementing health and safety management initiatives and improving the standards for workplace health and safety over the course of many years
Hibi Smelter, Pan Pacific Copper Co., Ltd., Hibi Kyodo Smelting Co., Ltd.	Marine Rescue Japan	Letter of Appreciation	Received for collecting donations through donation-based vending machines placed at three locations within the plant
Saganoseki Smelter & Refinery, Pan Pacific Copper Co., Ltd.	Sulfuric Acid Association of Japan	Sulfuric Acid Award	Received for contributing to the sulfuric acid industry by advancing and developing sulfuric acid production processes over the course of many years
	The Japan Society for Analytical Chemistry	Merit Award	Received for contributing to the advancement of the analytical industry over the course of many years
	Japan Boiler Association	Japan Boiler Association Branch Head's Award	Received for the stable and safe operation of boilers
Kasuga Mines Co., Ltd.	Makurazaki Chamber of Commerce and Industry	Makurazaki Mayor's Award	Received by superior employees (those that set a good example for other employees)
Changzhou Jinyuan Copper Co., Ltd.	Changzhou Municipal People's Government	Four-star Corporation	Received for the company's superior performance (sales and income)
	Tian Ning Qu Municipal People's Government	Excellent Tax Paying Industrial Corporation	Received for contributing to the local community through the payment of taxes
	Changzhou City Labor-Society Security Board	Reliable Corporation for Labor Safety	Received for ensuring the safety of employees
Nikko Fuji Electronics Dongguan Co., Ltd.	Dongguan Municipal People's Government	Reliable Corporation for Payment of Taxes	Received for contributing to the local community through the payment of taxes

Environmental

Operating site	Organization	Award details	Reference
Tomakomai Chemical Co., Ltd.	Tomakomai Association for Safety of Hazardous Materials, Hokkaido Association for Safety of Hazardous Materials	Superior Hazardous Material Handler	Working to prevent accidents by complying with laws and regulations pertaining to hazardous materials and properly handling hazardous substances
Saganoseki Smelter & Refinery, Pan Pacific Copper Co., Ltd.	Oita Disaster Prevention Association	Award for Distinguished Management of the Safety of Hazardous Materials	Contributing to the maintenance and management of fire and disaster prevention activities and hazardous material safety facilities
Nikko Metals Philippines, Inc.	Philippine Economic Zone Authority (PEZA)	Outstanding Environmental Performer Award	Reducing NOx and SOx emissions by shifting certain plants from in-house power generation using heavy crude oil to purchase energy from power companies
	Philippine Department of Energy (DOE)	Award for Energy Saving Initiatives	Reducing energy consumption by decreasing use of heavy crude oil by 5% year on year

Industry Organizations Participated in by Group Companies (Abbreviated list for fiscal 2009)

Organization	Participating Group company (Position with the organization)
Japan Mining Industry Association	Nippon Mining & Metals Co., Ltd. (Council Member), Kasuga Mines Co., Ltd., Nikko Exploration and Development Co., Ltd., Pan Pacific Copper Co., Ltd. (Director), Hibi Kyodo Smelting Co., Ltd. (Director), Nikko Logistics Partners Co., Ltd.
International Council on Mining & Metals (ICMM)	Nippon Mining & Metals Co., Ltd.
International Copper Association (ICA)	Pan Pacific Copper Co., Ltd.
Mining Safety and Health Association, Japan	Kasuga Mines Co., Ltd.
SHIGEN SOZAI GAKKAI	Nippon Mining & Metals Co., Ltd., Hibi Kyodo Smelting Co., Ltd. (Regular Member)
Japan Society of Newer Metals	Nippon Mining & Metals Co., Ltd.
The Japan Institute of Metals	Nippon Mining & Metals Co., Ltd.
The Japan Society of Applied Physics	Nippon Mining & Metals Co., Ltd.
Japan Institute of Electronics Packaging	Nippon Mining & Metals Co., Ltd.
Copper Foil Industries Associations	Nippon Mining & Metals Co., Ltd.
Japan Powder Metallurgy Association	Nippon Mining & Metals Co., Ltd.
The Japan Society for Analytical Chemistry	Nippon Mining & Metals Co., Ltd.
Japan Copper and Brass Association	Nippon Mining & Metals Co., Ltd.
Japan Catalyst Recovering Association	Nippon Mining & Metals Co., Ltd.
The Society of Resource Geology	Nippon Mining & Metals Co., Ltd., Nikko Exploration and Development Co., Ltd.
Sulfuric Acid Association of Japan	Pan Pacific Copper Co., Ltd., Tomakomai Chemical Co., Ltd. (Director), Hibi Kyodo Smelting Co., Ltd. (Director)
Hokuriku Electric Association	Nikko Mikkaichi Recycle Co., Ltd.
Japan Galvanizers Association	Kurobe Nikko Galva Co., Ltd.
Japan Plating Suppliers Association	Nikko Shoji Co., Ltd.
Japan Federation of Coastal Shipping Associations	Nippon Marine Co., Ltd. (Special IMO Related Committee Member, etc.)
The Japanese Shipowners' Association	Nippon Marine Co., Ltd. (Costal Shipping Committee Member, etc.)
Japan-Peru Business Committee	Pan Pacific Copper Co., Ltd.
Korea Display Industry Association	Nikko Metals Korea Co., Ltd.
China Non-ferrous Metals Industry Association	Changzhou Jinyuan Copper Co., Ltd.
Association of German PCB Manufacturers	Gould Electronics GmbH

* Company names are their names during fiscal 2009.

Social Contribution

Activities in Domestic and International Societies

Afforestation and reforestation activities at the sites of closed mines

With the aim of protecting the environment and preserving biodiversity, the Group is conducting afforestation and reforestation activities at closed mines. In fiscal 2008, a five-year afforestation project was commenced at the site of the closed Oe Mine in Yoichi County, Hokkaido. This project is being conducted in cooperation with the local forestry union.

Further, with a change in management systems, the Company took over the afforestation activities that were previously conducted by Japan Energy Corporation (currently JX Nippon Oil & Energy Corporation) at the sites of the closed

Kameda Mine, in Hakodate, Hokkaido, and the Takatama Mine, in Koriyama, Fukushima Prefecture, and will conduct them from fiscal 2010.



Site of the Kameda Mine

Participating in reforestation at Kurakake Mountain

Approximately 500 trees of different varieties, including Oshimazakura cherry and Japanese mountain cherry, were planted on Kurakake Mountain, adjacent to the Hitachi Area Coordination Center, during the Meiji and Taisho periods. Since fiscal 2008, reforestation activities on this mountain have been carried out under the supervision of the Kurakake Mountain Cherry Tree 100-Year Committee, an organization formed by the city of Hitachi. Employees of the Hitachi Area Coordination Center have been regularly volunteering in these activities.

In fiscal 2009, the reforestation activities were conducted in mid-November and approximately 150 people participated in them. About 30 employees of the Hitachi Area Coordination Center took part in these activities, to clean the hiking tracks, remove and chop up fallen wood, and cut long grass.

The city of Hitachi intends to establish the mountain as a place for people to relax as well as a site for children to observe nature, experience the forest, and learn about the

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environment. To this end, the government and citizens of Hitachi, as well as companies located there, will work together to continue conducting reforestation activities going forward.



Reforestation activities at Kurakake Mountain

Supporting the activities of NPO 2050—Increasing the status and quality of life of women in developing nations

NPO 2050 is an organization that tackles such global problems as rapid population growth, poverty, environmental destruction, as well as HIV/AIDS. It believes one of the keys to solving these problems is to increase the status and quality of life of women in developing countries. Accordingly, the organization is currently undertaking projects in various Asian countries to help women in poor families to become more self-reliant through establishing educational funds and conducting agricultural instruction. The Company agrees with the organization's activities to support approximately 120 women in five southwest Asian countries to study at high schools and colleges.



Scholarship students from Guizhou Province, China



Scholarship students from Bangladesh

Concluding a basic agreement to participate in the "Ryu-ju Satoyama" Reforestation Project

On July 24, 2009, the Company concluded an agreement with the city of Nanyo in Yamagata Prefecture to participate in the "Ryu-ju Satoyama" Reforestation Project. Satoyama is a Japanese term that represents an area neighboring a local community and covering a hill and a flat field surrounding it. Satoyama is widely used for the life of humankind especially for agriculture and forestry, and can foster biodiversity when well-managed by human beings.

Nippon Mining Co., Ltd. (currently JX Nippon Mining & Metals Corporation) previously conducted operations at the Yoshino Mine located in Yoshino City. In view of the history of the Group and the relationship with the city, we decided to take part in the project. The project plans to be conducted over a 13 hectare area located south of Takehara Public Park, between the park and Ryu-ju Mountain, at an elevation of 376 meters. The area is home to a diverse range of wildlife including wild deer (*Cervus nippon yezoensis*). The Company will support the project over the five-year period until fiscal 2013.

Under this project, new trees will be planted while activating existing broad-leaf trees that currently grow in the area. The project has two pillars, one is establishing the "Satoyama Area for Relaxation," an area in which people can collect mushrooms at forest thinning and enjoy forest bathing; the other is the "Satoyama Four Seasons Area," an area in which visitors can enjoy cherry blossoms and other seasonal flowers and fruits. Further, the current walking path will be connected to a new path that will be 600 meters long and a service road that is 220 meters long. Observation decks and gazebos are also scheduled to be constructed.



Voice—From Nanyo City



Hideo Shiota
Mayor of Nanyo City

Satoyamas such as Ryu-ju Mountain have been a part of people's lives for a long time. Also, Satoyamas have brought many blessings to those who live and work around them, however, many of these areas have been abandoned or have not received proper upkeep. The rejuvenation of these areas, is not a simple act of environmental conservation. I believe that these activities should be a type of social action program to revitalize the relationship of coexistence and coprosperity that has traditionally existed between people and nature. The effects of these efforts may not be immediately apparent. However, I still believe it is the duty of the people and companies of today to push forward with such initiatives. Also, it is the responsibility of the government to plan this kind of social action program.

Nippon Mining (currently JX Nippon Mining & Metals) mined copper, zinc, lead, and other metals at the Yoshino Mine in Nanyo City up until 1974. It was this connection between the city and the company that inspired me to contact Nippon Mining & Metals (name at that time) to act as our partner in the "Ryu-ju Satoyama" Reforestation Project. Another reason I solicited Nippon Mining & Metals to work with us is that the company has a grounding to accept our proposal since it is developing overseas mining projects. As I expected, the company readily concurred with our approach. I hope JX Nippon Mining & Metals will aggressively work with other social action programs that have the same significance as the "Ryu-ju Satoyama" Reforestation Project.

ICMM Activities in Fiscal 2009

Since inception in 2001, ICMM and its members have made considerable progress. Our 10 fundamental sustainable development principles provide a strong values-based foundation to guide performance. We have produced policy and practice guidance on a range of challenging topics, the most recent of which is climate change. Our system of public reporting and third party assurance continues to evolve as we learn how to best demonstrate our performance. Our engagement with a broad range of stakeholders is ongoing.

All of this activity continues to be aimed at strengthening performance and enhancing our contribution to sustainable development.

Our niche is unique, and we are proud of the steps we have taken. However, to ICMM must continue to evolve. Thus, 2009 saw the completion of a comprehensive strategic review of direction and focus.

The resulting Strategy and Action Plan 2010–2012 re-enforces the role of our Council of CEOs in setting crucial policy direction, entrenches a rigorous means for annually assessing organizational performance, introduces a three-year planning cycle to bring stability and foresight into our decision making, and initiates an annual review of emerging issues to strengthen our ability to be proactive, not reactive.

Our renewed vision is “Leading companies working together and with others to strengthen the contribution of mining, minerals and metals to sustainable development”. Three ideas sit at its core.

First, our vision talks of “leading companies.” 2009 saw ICMM joined by African Rainbow Minerals and Goldcorp bringing our company members to 19, many of the largest in the industry. Together, they account for a significant percentage of the production of many key minerals and metals used by society, and some 800,000 of the 2.5 million workers employed in the industry. ICMM also serves as a convener of some 30 commodities and country-focused industry

associations. Through them, our potential reach extends to another 1,500 companies. Though we are far from being the whole industry, what we hope is that the actions of our members can serve as a catalyst for improved performance across the whole industry.

Second, we highlight “working together.” The idea of working together applies both within the ICMM as well as between ICMM members and others in the industry, governments, indigenous peoples, international organizations, communities, end-users, civil society organizations, and academia. Though there are actions that companies must address alone, we believe that on many of the tough issues the industry faces, it is only through collaboration that success is possible.

Third, our emphasis is on our “contribution to sustainable development.” Such a perspective allows us to continue work on assessing, minimizing, and redressing impacts while strengthening the positive contributions that we offer to society—as well as others’ understanding of the result. This is a lens that encourages an assessment of the long-term contribution of mining to people and the environment. In doing so, we recognize that we are raising the bar, that in focusing on contribution, the industry will be judged on that basis—on its usefulness to society.

The strategic review process has given us a renewed sense of purpose, a focus and a compass for moving forward. Our work continues with the same degree of energy and commitment that has always been a hallmark of the ICMM. It is for others to judge the results.



Dr. R. Anthony Hodge
President, ICMM



As a member of the ICMM, JX Nippon Mining & Metals supports the ICMM’s 10 fundamental principles, and has developed its Code of Conduct in accordance with these principles. (ICMM website: <http://www.icmm.com/>)

Involvement with Local Communities

Endorsement and Support of the Extractive Industries Transparency Initiative (EITI)

The Extractive Industries Transparency Initiative (EITI) was first announced at the World Summit on Sustainable Development in Johannesburg, South Africa, in September 2002 by the then British Prime Minister Tony Blair. This initiative calls for the revenues and flows of assets of companies in extractive industries, such as the oil, natural gas, and metals industries, to be made transparent. Further, it encourages these companies to contribute to the development of a

sustainable society and to the elimination of poverty in resource-rich nations. With membership particularly strong among African nations, there are currently 23 countries implementing EITI.

In 2005, the ICMM announced that it would offer its continued support to EITI. Additionally, the JX Nippon Mining & Metals Group endorses the initiative and offers its own support.

The EITI Principles

1. We share a belief that the prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction, but if not managed properly, can create negative economic and social impacts.
2. We affirm that management of natural resource wealth for the benefit of a country's citizens is in the domain of sovereign governments to be exercised in the interests of their national development.
3. We recognize that the benefits of resource extraction occur as revenue streams over many years and can be highly price dependent.
4. We recognize that a public understanding of government revenues and expenditure over time could help public debate and inform choice of appropriate and realistic options for sustainable development.
5. We underline the importance of transparency by governments and companies in the extractive industries and the need to enhance public financial management and accountability.
6. We recognize that achievement of greater transparency must be set in the context of respect for contracts and laws.
7. We recognize the enhanced environment for domestic and foreign direct investment that financial transparency may bring.
8. We believe in the principle and practice of accountability by government to all citizens for the stewardship of revenue streams and public expenditure.
9. We are committed to encouraging high standards of transparency and accountability in public life, government operations and in business.
10. We believe that a broadly consistent and workable approach to the disclosure of payments and revenues is required, which is simple to undertake and to use.
11. We believe that payments' disclosure in a given country should involve all extractive industry companies operating in that country.
12. In seeking solutions, we believe that all stakeholders have important and relevant contributions to make—including governments and their agencies, extractive industry companies, service companies, multilateral organizations, financial organizations, investors, and non-governmental organizations.



EITI website <http://www.eitransparency.org>

Participation in the United Nations Global Compact

The Company joined the United Nations Global Compact in July 2008. It supports the 10 principles on human rights, labour, the environment, and anti-corruption, and is working to realize these ideals.



The UN Global Compact's Ten Principles

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.