

April 1, 2019

The Japan Steel Works, Ltd.  
JX Nippon Mining & Metals Corporation

## **Conclusion of a Basic Agreement on Establishment of a Joint Venture for Copper Alloy Melting and Casting**

The Japan Steel Works, Ltd. (“JSW”; Head Office: Shinagawa-ku, Tokyo; President and Representative Director: Naotaka Miyauchi) and JX Nippon Mining & Metals Corporation (“JX Metals”; Head Office: Chiyoda-ku, Tokyo; President & CEO: Shigeru Oi) are pleased to announce the conclusion of a basic agreement, as outlined below, on establishment of a joint venture in the field of copper alloy melting and casting.

### **1. Background to joint venture establishment**

JSW applies its outstanding melting and casting/forging technologies to the manufacture of high-quality, highly clean large steel castings and forgings, and is a leading global supplier of formed and fabricated materials in a wide range of fields, from electrical energy to industrial machinery and information technology.

JX Metals, based on superior metal fabrication technologies, is one of the world’s top developers and manufacturers of titanium copper alloys and other advanced functional metal materials, providing products that meet wide-ranging needs as components in smartphones and tablets, automotive vehicles, medical devices and many more applications.

As technical innovation continues in the IT and other fields, advanced functional metal materials such as titanium copper alloys are likely to see increasing demands for greater thinness and functionality. Meeting these needs will require copper alloy materials with even higher levels of quality.

Against this background, JSW and JX Metals have concluded a basic agreement on the way to forming a joint venture with the capability of providing high-quality copper alloy ingots, by bringing together the steel materials melting and casting technologies of JSW and the copper alloy melting and casting and precision rolling technologies of JX Metals, which each company has cultivated over many years.

### **2. Objectives of joint venture establishment**

For JSW, the joint venture establishment will enable expansion of its business beyond its mainstay steel products into the advanced function metal materials field, accelerating the restructuring of its formed and fabricated materials and energy businesses.

For JX Metals, the supply of high-quality copper alloy ingots from the venture will make possible expansion of production capacity and even more stable provision of titanium copper alloys and other advanced functional materials, firming up its position as a leading global manufacturer in this field.

### **3. Summary of joint venture agreement (planned)**

Details of the company to be formed in this joint venture are currently under discussion by JSW and JX Metals. At the current time, the following broad outline is being considered.

When further details are officially decided, they will be announced promptly to the public.

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|-------------------------------------|--|
| 1) Name                             | To be determined   |
| 2) Location                         | Muroran, Hokkaido  |
| 3) Name and title of representative | To be determined   |
| 4) Main business operations         | Melting and casting of copper alloy  |
| 5) Capital                          | 100 million yen (planned)  |
| 6) Date of establishment            | August 2019 (planned)  |
| 7) Equity shares                    | The Japan Steel Works, Ltd. 51%<br>JX Nippon Mining & Metals Corporation 49% |

#### 4. Overview of The Japan Steel Works, Ltd. and JX Nippon Mining & Metals Corporation

Name	The Japan Steel Works, Ltd.	JX Nippon Mining & Metals Corporation
Location	11-1, Osaki 1-chome, Shinagawa-ku, Tokyo, Japan	1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo, Japan
Representative	Naotaka Miyauchi, President and Representative Director	Shigeru Oi, President and Chief Executive Officer
Main business operations	Manufacture and sale of plastics manufacturing and processing machinery, injection molding machines, forged and cast steel products and many other products	Development and mining of nonferrous metal resources, manufacture and sale of nonferrous metal products, etc.
Capital	19,716 million yen	75,000 million yen

#### 5. The next steps

The following schedule is planned at this time.

Conclusion of agreement on joint venture establishment	July 2019
Joint venture establishment	August 2019
Start of operations	By September 2021

#### For inquiries regarding this matter

Corporate Communication Group, Corporate Planning Office

The Japan Steel Works, Ltd.

Gate City Ohsaki West Tower, 11-1, Osaki 1-chome, Shinagawa-ku, Tokyo 141-0032,  
Japan

TEL: +81-(0)3-5745-2027

Public Relations Office, Planning & Coordination Department

JX Nippon Mining & Metals Corporation

1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8164, Japan

TEL: +81-(0)3-6257-7405