

December 21, 2022
JX Nippon Mining & Metals Corporation

Notice Regarding Commencement of Tender Offer for Shares of TATSUTA Electric Wire and Cable Co., Ltd.

JX Nippon Mining & Metals Corporation (Representative Director & President: Seiichi Murayama; “JX Metals”) hereby announces that at its board of directors’ meeting held today, it has resolved to acquire the shares of common stock of TATSUTA Electric Wire and Cable Co., Ltd. (Representative Director & Chief Executive Officer: Hiroya Yamada; “TATSUTA Electric”) through a tender offer under the Financial Instruments and Exchange Act of Japan, to make TATSUTA Electric its wholly-owned subsidiary (“Tender Offer”). The Tender Offer is scheduled to commence as soon as the clearance under competition laws of each relevant country and other conditions precedent are satisfied, and details of the schedule will be announced as soon as they are determined.

In “JX Nippon Mining & Metals Group Long-Term Vision 2040” published in 2019, JX Metals stated as its basic policy that it will move from “a mass production-based firm” to a “technology-based firm,” and has been proactively engaging in efforts toward achieving sustainable growth and a highly profitable structure even in the midst of international competition, thereby contributing to the realization of a sustainable society, which is the goal of the SDGs, by pursuing both further development of the “focus business,” which is the core of its growth strategy centering on advanced materials and the “base business” that supports the organizational base.

Meanwhile, according to TATSUTA Electric, against the backdrop of a stagnant domestic market in the field of its founding business, namely, wires and cables, as well as other factors such as price competition in said field, it apparently recognized the urgent need to change its business portfolio, and is reinforcing its electronic materials business, such as its functional films business. In its “2025 Long-Term Vision,” TATSUTA Electric states that it will explore the frontiers of electric wire and electronic materials with the aim of becoming a niche top supplier that provides unique cutting-edge parts and materials and is actively promoting various efforts including investments in the fields which are expected to achieve market expansion.

JX Metals believes that these visions and efforts of both companies are headed in the same direction.

In 2018, JX Metals acquired 32.41% of TATSUTA Electric shares held by then JXTG Holdings, Inc. (currently ENEOS Holdings, Inc.), and has since been collaborating mainly in the technological aspects toward creating new business mainly in the advanced materials area. However, JX Metals came to decide that further reinforcement of the direct capital relationship would be desirable in order for both companies to further generate synergy. Making TATSUTA Electric a wholly-owned subsidiary of JX Metals in the Tender Offer and the squeeze-out planned thereafter (“Transaction”) would enable efficient use of management resources of both companies, further collaboration in important technology, further reinforcement of TATSUTA Electric’s business competitiveness in the electronic materials field, and reinforcement of the business base of TATSUTA Electric’s wire and electronic materials business and JX Metals’ metal and recycling business, leading to the further growth and realization of the visions of both companies.

JX Metals has expressed to TATSUTA Electric our policy on continued retention of employment and supply chain in connection to the Transaction.

Reference: Overview of TATSUTA Electric

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|--------|---|---|--------|
| (I) | Name | TATSUTA Electric Wire and Cable Co., Ltd. | |
| (II) | Address | 2-3-1 Iwata-cho, Higashiosaka City, Osaka | |
| (III) | Title and name of representative | Hiroya Yamada, Representative Director & Chief Executive Officer | |
| (IV) | Business outline | Infrastructure wire business, industrial equipment wire business, functional film business, functional paste business, fine wire business, sensor & medical products business, and environmental analysis business | |
| (V) | Capital stock | 6,676 million yen (as of September 30, 2022) | |
| (VI) | Date of establishment | September 28, 1945 | |
| (VII) | Major shareholders and shareholding ratios (as of September 30, 2022) | JX Nippon Mining & Metals Corporation | 36.80% |
| | | The Master Trust Bank of Japan, Ltd. (Trust Account) | 7.87% |
| | | Sumitomo Metal Mining Co., Ltd. | 2.79% |
| | | Custody Bank of Japan, Ltd. (Trust Account) | 2.50% |
| | | Custody Bank of Japan, Ltd. (Trust Account 4) | 2.48% |
| | | Yutaka Hieda | 1.48% |
| | | MSIP CLIENT SECURITIES (Morgan Stanley MUFG Securities as Standing Proxy) | 1.07% |
| | | DFA INTL SMALL CAP VALUE PORTFOLIO (Citibank, N.A., Tokyo Branch as Standing Proxy) | 1.02% |
| | | FP Seicho Shien A-go Toshi Jigyo Yugen Sekinin Kumiai | 0.80% |
| | Tatsuta Densen Kyoekai | 0.72% | |
| (VIII) | Relationship between JX Metals and TATSUTA Electric | | |
| | Capital relationship | As of today, JX Metals directly holds 22,739,218 TATSUTA Electric shares (ownership ratio: 36.81%), and indirectly holds 136,311 TATSUTA Electric shares through JX Metals' subsidiary (ownership ratio: 0.22%), which totals 22,875,529 TATSUTA Electric shares (ownership ratio: 37.03%), making TATSUTA Electric JX Metals' equity method affiliate. | |
| | Personnel relationship | As of today, the representative director of TATSUTA Electric is originally an employee of JX Metals. Among directors who are not audit and supervisory committee members of TATSUTA Electric, one director holds the office of the executive officer of JX Metals, and two directors are originally employees of JX Metals. Furthermore, among directors who are audit and supervisory committee members of TATSUTA Electric, one director is originally an employee of JX Metals. Other than above, as of March 31, 2022, there are 10 persons seconded to the TATSUTA Electric group from JX Metals group (other than TATSUTA Electric group) (out of which 4 secondees still belong to the JX Metals group, and 6 secondees no longer belong to the JX Metals group). | |
| | Business relationship | JX Metals supplies electrolytic copper, gold shot/silver balls, and rolled copper foil to TATSUTA Electric. | |
| | Status as related party | TATSUTA Electric is an equity method affiliate of JX Metals, and therefore, TATSUTA Electric is regarded as a related party of JX Metals. | |

Disclaimers with respect to this translation.

[Restriction on Solicitation]

This press release is a translation of a news statement to publicly release the Tender Offer, and was not prepared for the purpose of soliciting a tender for a sale. If you intend to tender an offer to sell the shares in the Tender Offer, please make sure that you refer to the Tender Offer Explanatory Document regarding the Tender Offer in advance, and tender for it at your own discretion. This press release is not a tender for, or a solicitation for a tender for, a sale or purchase of securities, and does not constitute a part of the foregoing. In addition, this press release (or any part of it) and any distribution hereof will not be the basis for any agreement concerning the Tender Offer, nor will it be relied upon when executing any such agreement.

[Prediction of the Future]

The Offeror does not promise that the projections expressed or implied as “forward-looking statements” will ultimately be accurate. The “forward-looking statements” in this press release have been prepared based on information available to the Offeror as of December 21, 2022, and unless otherwise required by law or regulation, the Offeror will not be responsible for updating or otherwise revising such forward-looking statements in order to reflect any future event or circumstances.

[Regulations of the United States]

Unless the Tender Offer can be implemented in compliance with applicable laws and various regulations in the United States, the Offeror will not conduct the Tender Offer for the United States or to a United States person (within the meaning of “United States person” provided in Regulation S of the Securities Act of 1933; hereinafter the same in this section). In this case, applications for shares of the Target Company related to the Tender Offer by any means, usage or method, or through any facility, cannot be conducted from the United States, within the United States, or by those existing or residing the United States, or by any person acting by calculation of a United States person or for the profit of a United States person.

[Other Countries]

In certain countries or regions, the announcement, issue or distribution of this press release may be restricted by laws or regulations. In such cases, you are required to be aware of such restrictions and comply with them. This press release does not constitute any solicitation of an offer to sell or offer to purchase shares in relation to the Tender Offer, and shall be considered as a mere distribution of informative materials.