

December 8, 2021

JX Nippon Mining & Metals Corporation

**Decision to Increase Production Capacity for Sputtering Targets
for Semiconductors and Treated Rolled Copper Foil**
—Two New Factories to Be Established in Hitachi, Ibaraki Prefecture—

JX Nippon Metals & Mining Corporation (President: Murayama Seiichi; “the Company”) has decided to increase its capacity to produce sputtering targets for semiconductors and treated rolled copper foil, demand for which is expected to grow. In conjunction with this decision, the Company will establish two new factories in Hitachi, Ibaraki Prefecture. It plans to invest a total of around 30.0 billion yen in the two factories.

Hitachi is the birthplace of the Company, which originated from the Hitachi Mine founded in 1905. Since the closure of the Hitachi Mine in 1981, the Company has continued to provide society with cutting-edge materials that constantly meet the demands of the times from its Hitachi site, for example by developing new businesses in recycling and electronic materials.

Acceleration of digital transformation and decarbonization efforts is currently driving burgeoning demand for both of the above products, and markets for them are projected to continue expanding substantially. The Company has already been increasing production capacity for the two products, but has now decided to make further investment to respond flexibly to rapid expansion of demand in the near-term. In addition to the two new factories in Hitachi, the Company also plans to reinforce facilities at other sites, and overall investment including these initiatives will amount to 48.0 billion yen.

1. Sputtering Targets for Semiconductors

The Company’s sputtering targets for semiconductors are used in fine interconnect materials for advanced semiconductors. In December 2020, the Company announced its intention to increase production capacity for such sputtering targets by approximately 30% compared to fiscal 2020 levels, but as expansion in the semiconductor industry continues to exceed projections, it has further boosted the plan announced last year and will invest a total of 32.0 billion yen to increase capacity by approximately 80% compared to fiscal 2020 levels. To implement this revised plan, as well as reinforcing its existing sites, the Company will spend around 14.0 billion yen to establish a new factory to carry out melting and casting and rolling processes in the HITACHI HOKUBU Industrial Park, located in Hitachi.

2. Treated Rolled Copper Foil

Demand for the Company's treated rolled copper foil, which is chiefly used in flexible printed circuit boards, is growing due to advances in telecommunications technologies and higher functionality in mobile devices. To steadily respond to higher customer needs, the Company has decided to invest a total of 16.0 billion yen to establish a new factory at its Shirogane area in the Hitachi Works. To date the Hitachi Works has carried out surface treatment, the final process in treating rolled copper foil, but only the Kurami Works (Koza-gun, Kanagawa Prefecture) currently carries out rolling processes. A production line for rolling processes will be installed in the new factory, which will reinforce business continuity planning systems and increase production capacity by approximately 25% compared to fiscal 2020 levels.

Both of the above products are core products of the advanced materials field, which is defined as the focus business in the Company's Long-Term Vision 2040, and the Company has the top global share for these products. The Company will continue to build supply systems adapted to market trends in order to provide materials required by society.

Reference Materials

(1) New Hitachi-kita Factory (tentative name)



Location	Isagozawa-cho, Hitachi-shi, Ibaraki
Area	23,348.04 m ²
Products to be manufactured	Sputtering targets for semiconductors
Employees (tentative)	30 – 40
Start of operations (tentative)	Second half of FY2023
Facilities to be installed (tentative)	Facilities for melting and casting and rolling processes for semiconductors

(2) New Hitachi Factory (tentative name)



Location	Shirogane-cho, Hitachi-shi, Ibaraki
Area	8,001.77 m ²
Products to be manufactured	Treated rolled copper foil
Employees (tentative)	20–25
Start of operations (tentative)	First half of FY2024
Facilities to be installed (tentative)	Rolling mill, degreasing line