Overview

Business Portfolio

We see the social mission of our Group as providing stable supplies of nonferrous metal resources and materials to society and also as promoting zero-emission recycling. To fulfill this mission, we regard CSR activities as “nothing more or less than our business activities,” pursuing innovation in the productivity of resources and materials in each of our business areas.

Profit Structure

The Group’s business operations are divided into the following segments: mineral resources, metals, recycling and environmental services, functional materials, thin film materials, and other.

<table>
<thead>
<tr>
<th>Business</th>
<th>Profit Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Resources Business</td>
<td>17.7 bil. yen</td>
</tr>
<tr>
<td>Metals Business</td>
<td>12.7 bil. yen</td>
</tr>
<tr>
<td>Thin Film Materials Business</td>
<td>28.1 bil. yen</td>
</tr>
<tr>
<td>Functional Materials Business</td>
<td>6.1 bil. yen</td>
</tr>
<tr>
<td>Recycling and Environmental Services Business</td>
<td>6.1 bil. yen</td>
</tr>
<tr>
<td>Other</td>
<td>3.5 bil. yen</td>
</tr>
</tbody>
</table>

- **Mineral Resources Business**
  - **Fiscal 2018 operating profit**: 17.7 bil. yen
  - **Reported as copper resources development segment**

- **Metals Business**
  - **Fiscal 2018 operating profit**: 12.7 bil. yen
  - **Reported as the smelting and refining segment**

- **Thin Film Materials Business**
  - **Fiscal 2018 operating profit**: 28.1 bil. yen
  - **Reported as the electronic materials segment**

- **Functional Materials Business**
  - **Fiscal 2018 operating profit**: 6.1 bil. yen
  - **Reported as the electronic materials segment**

- **Recycling and Environmental Services Business**
  - **Fiscal 2018 operating profit**: 6.1 bil. yen
  - **Reported as copper resources development segment**

- **Other**
  - 3.5 bil. yen
  - **Titanium business**
  - **Tantalum and niobium business**
  - **Other affiliates**

Inventory Valuation

- **Fiscal 2018 operating profit**: 68.2 bil. yen
- **Inventory Valuation**: 0.1 bil. yen

The Competitive Superiority of Our Businesses (Fiscal 2018)

- **Pan Pacific Copper Co., Ltd.**
  - **Refined copper production capacity**: Approx. 650,000 tons
  - **Global market share**: 80%
  - Metals business is conducted chiefly by Pan Pacific Copper Co., Ltd., a joint venture with Mitsui Mining & Smelting Co., Ltd. Pan Pacific Copper has the largest production capacity in Japan.

- **Treated rolled copper foil**
  - **Global market share**: Approx. 60%
  - Our treated rolled copper foil products, thanks to outstanding production and quality management systems along with the advantage of our integrated production capabilities, boasts superior properties including high flexibility, thermal resistance, strength, and conductivity.

- **Sputtering targets for semiconductors**
  - **Global market share**: Approx. 60%
  - Our sputtering targets for semiconductors, products for which high purity is a key requirement, are provided by means of highly stable processes extending from mass production products to specially developed products.

- **Equity entitled copper mine production**
  - **Global market share**: Approx. 6%
  - Fundamental to our business is zero emissions, the concept of not generating any secondary wastes. We are helping to create a global recycling-oriented society aimed at not leaving future generations with an environmental burden.

- **Volume of gold recovered from recycling**
  - **Global market share**: Top
  - H.C. Starck Tantalum and Niobium GmbH contributes to the advancement of the internet of things (IoT) and artificial intelligence (AI) in society through provision of such products as high-purity tantalum powder, high-purity tantalum and niobium oxide, and additives for superalloys.

- **High purity tantalum powder for electronic materials**
  - **Global market share**: Top
  - H.C. Starck Tantalum and Niobium GmbH contributes to the advancement of the internet of things (IoT) and artificial intelligence (AI) in society through provision of such products as high-purity tantalum powder, high-purity tantalum and niobium oxide, and additives for superalloys.

- **Titanium sponge production capacity**
  - **Global market share**: Top
  - Toho Titanium Co., Ltd. manufactures titanium sponge by a process that adds its own original technology to the Kroll process, for reducing titanium tetrachloride using metal magnesium.