

December 19, 2019

News Release

JX Nippon Mining & Metals Corporation
Mitsui Mining and Smelting Co., Ltd.
Pan Pacific Copper Co., Ltd.

Planned Revisions to Joint Structure for Copper Operations

The three companies JX Nippon Mining & Metals (Head Office: Otemachi 1-chome, Chiyoda-ku, Tokyo; President: Seiichi Murayama; “JX Metals”), Mitsui Mining and Smelting Co., Ltd. (Head Office: Osaki 1-chome, Shinagawa-ku, Tokyo; President: Keiji Nishida; “Mitsui Kinzoku”), and Pan Pacific Copper Co., Ltd. (Head Office: Otemachi 1-chome, Chiyoda-ku, Tokyo; President: Akira Miura; “PPC”) announce that they have reached a basic agreement, pending approvals by the relevant authorities, to revise their joint structure for copper operations as of April, 2020. Under the agreement, JX Metals and Mitsui Kinzoku are to form their own subsidiaries, the copper smelting and refining functions of Saganoseki Smelter & Refinery and Hitachi Refinery, operated by PPC, are to be transferred to JX Metals, while Hibi Smelter and Tamano Smelter of Hibi Kyodo Smelting Co., Ltd. (in which PPC has an equity share of 63.51%) are to be transferred to Mitsui Kinzoku.

1. Background and purpose of the changes

JX Metals and Mitsui Kinzoku established PPC in October 2000 as a joint sales company for their copper products. Then on April 1, 2006, the two companies transferred their respective copper refining and smelting functions to PPC and integrated their productions, with the aim to be more competitive through consolidated operation. In doing so, they established in PPC the capability of providing a full range of copper-related services, from resources development and raw materials procurement to smelting and refining and product sales, an arrangement that has continued to this day.

Since this integration of production operations, JX Metals has been reviewing the role of the smelting and refining business as it seeks to strengthen downstream business segments, while Mitsui Kinzoku has been pursuing synergies in its existing lead, zinc, and precious metals smelting and refining network, as both companies have developed their own separate business strategies in seeking to expand earnings. The decision to change over to the new operational structure is based on the judgment that by making independent use of the respective smelting and refining facilities for their own particular business portfolios, JX Metals and Mitsui Kinzoku, being thoroughly familiar with the distinctive features and nature of each of the facilities, will be better able to make the existing copper smelting and refining functions more competitive.

Along with the transfer of copper smelting and refining functions to JX Metals and Mitsui Kinzoku, respectively, the three companies have also reached basic agreement on the transfer of the resources development business conducted by PPC, including mineral rights held by PPC in the Caserones Copper Mine and mineral exploration projects, to a joint subsidiary formed through direct investment by JX Metals and Mitsui Kinzoku. PPC will then become dedicated to the copper smelting and refining business.

2. Functions of PPC following the change in operational structure

JX Metals and Mitsui Kinzoku, as individual consignees, will be supplied with raw material by PPC, and will return to PPC their respective refined copper, gold, silver, sulfuric acid and other products.

PPC, while benefiting from the merits of scale as copper smelting and refining consignor, will continue to procure raw materials and to sell the returned products.

Attachment: Graphic Showing Operational Structure

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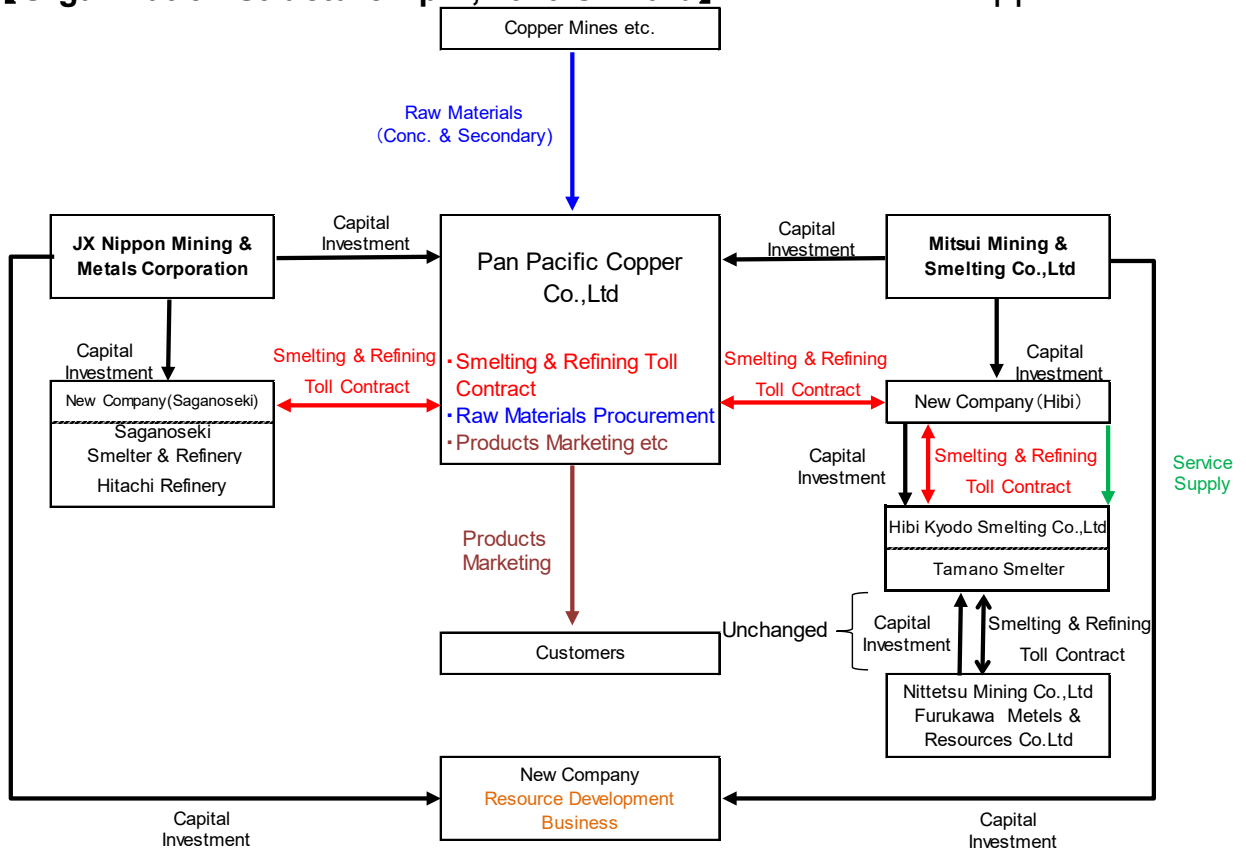
Pan Pacific Copper Co., Ltd.

Corporate Support Department

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【Organization Structure April, 2020 Onward】

Appendix 1



(※) Share Holding Ratio

Pan Pacific Copper Co.,Ltd:JX Nippon Mining & Metals Corporation67.8%・Mitsui Mining & Smelting Co.,Ltd32.2%

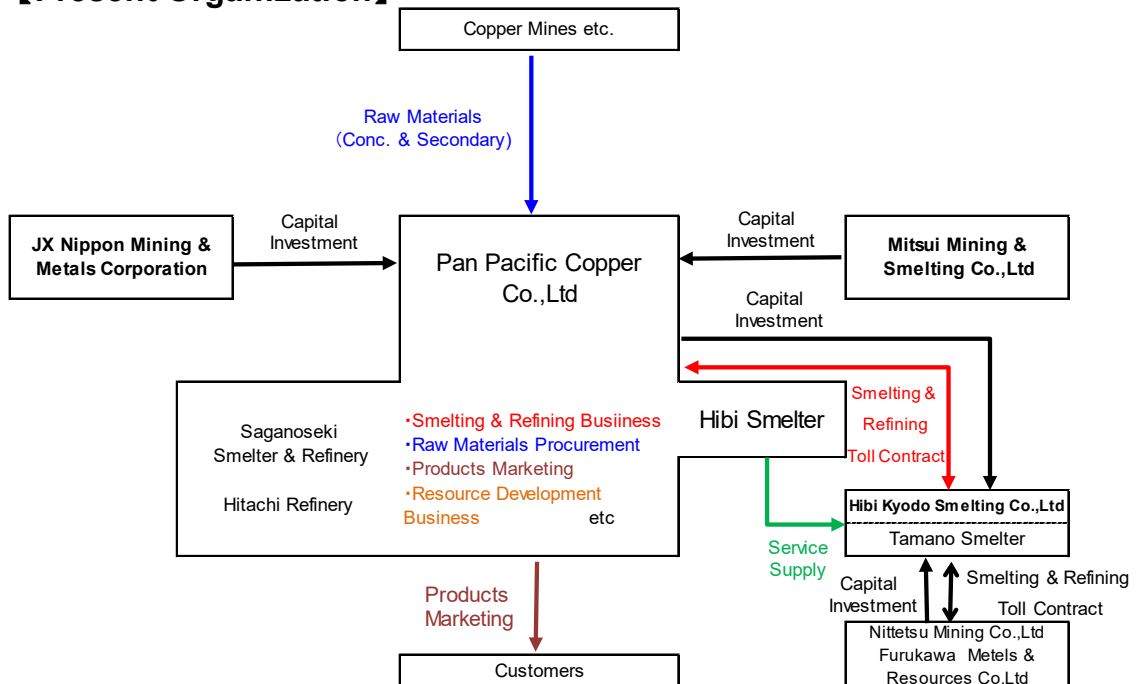
Hibi Kyodo Smelting Co.,Ltd:New Company (Hibi)63.51%・Nittetsu Mining Co.,Ltd20.28%・Furukawa Metels & Resources Co.Ltd16.21%

New Company (Saganoseki) :JX Nippon Mining & Metals Corporation100%

New Company(Hibi) :Mitsui Mining & Smelting Co.,Ltd100%

New Company (Resource Development Business) :JX Nippon Mining & Metals Corporation67.8%・Mitsui Mining & Smelting Co.,Ltd32.2%

【Present Organization】



(※) Share Holding Ratio

Pan Pacific Copper Co.,Ltd:JX Nippon Mining & Metals Corporation67.8%・Mitsui Mining & Smelting Co.,Ltd32.2%

Hibi Kyodo Smelting Co.,Ltd:Pan Pacific Copper Co.,Ltd63.51%・Nittetsu Mining Co.,Ltd20.28%・Furukawa Metels & Resources Co.Ltd16.21%

1. JX Nippon Mining & Metals Corporation

1) Head Office : 1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8164, Japan

2) Representative : Seiichi Murayama (President and Representative Director)

3) Paid-in-Capital : 75,000 millions of yen

4) Business Line :

- Developing and mining of non-ferrous metal resources
- Smelting & refining, and marketing of non-ferrous metals (ex. copper, gold, silver, and etc.)
- Manufacturing and marketing of electro-deposited and treated rolled copper foils
- Manufacturing and marketing of thin film materials such as sputtering targets, surface treatment agents, and compound semiconductor materials
- Manufacturing and marketing of precision-rolled copper, copper-alloy, and special steel products
- Manufacturing and marketing of precision fabricated products such as gold-plated products
- Recycling of non-ferrous metal materials and treatment of industrial waste for reuse

5) Revenue : 1,042 billions of yen (FY2019 (consolidated))

6) Total Assets : 1,445 billions of yen (As of March 31, 2019 (consolidated))

7) Number of Employees : 9,487 (As of September 30, 2019 (consolidated))

2. Mitsui Mining and Smelting Co., Ltd.

1) Head Office : 1-11-1, Osaki, Shinagawa-ku, Tokyo, Japan

2) Representative : Keiji Nishida (President and Representative Director)

3) Paid-in-Capital : 42,129 millions of yen

4) Business Line :

- Manufacturing and sale of functional engineered materials and electronic materials
- Nonferrous metal smelting, minerals resource development, and precious metal recycling
- Raw material related businesses
- Manufacturing and sale of automotive parts/components

5) Revenue : 497.7 billions of yen (FY2019 (consolidated))

6) Total Assets : 523 billions of yen (As of March 31, 2019 (consolidated))

7) Number of Employees : 12,520 (As of September 30, 2019 (consolidated))

3. Pan Pacific Copper Co., Ltd.

- 1) Head Office : 1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8164, Japan
- 2) Representative : Akira Miura (President and Representative Director)
- 3) Paid-in-Capital : 105,683 millions of yen
- 4) Business Line :
 - Metal mining
 - Purchase of copper concentrates
 - Production and sales of refined copper, sulfuric acid, precious metals, and other by-products
- 5) Revenue : 734 billions of yen (FY2019)
- 6) Total Assets : 504 billions of yen (As of March 31, 2019)
- 7) Number of Employees : 833 (As of September 30, 2019)

4. Hibi Kyodo Smelting Co., Ltd.

- 1) Head Office : 1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8164, Japan
- 2) Representative : Akira Miura (President and Representative Director)
- 3) Paid-in-Capital : 105,683 millions of yen
- 4) Business Line :
 - Production of refined copper, sulfuric acid, and other products
- 5) Revenue : 20.4 billions of yen (FY2019)
- 6) Total Assets : 32 billions of yen (As of March 31, 2019)
- 7) Number of Employees : 211 (As of September 30, 2019)

5. New Company (Saganoseki)

- 1) Head Office : To be determined
- 2) Representative : To be determined
- 3) Paid-in-Capital : To be determined
- 4) Business Line :
 - Production of refined copper, sulfuric acid, and other products
- 5) Revenue : To be determined
- 6) Total Assets : To be determined
- 7) Number of Employees : To be determined

6. New Company (Hibi)

- 1) Head Office : To be determined
- 2) Representative : To be determined
- 3) Paid-in-Capital : To be determined
- 4) Business Line :
 - Production of refined copper, sulfuric acid, and other products
- 5) Revenue : To be determined
- 6) Total Assets : To be determined
- 7) Number of Employees : To be determined

7. New Company (Resource Development Business)

- 1) Head Office : To be determined
- 2) Representative : To be determined
- 3) Paid-in-Capital : To be determined
- 4) Business Line :
 - Developing and mining of non-ferrous metal resources
 - Production and sales of copper concentrate and refined copper
- 5) Revenue : To be determined
- 6) Total Assets : To be determined
- 7) Number of Employees : To be determined