



[Translation]

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To whom it may concern:

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Notice Regarding Additional Capital Investment for Increased Production of Crystal Materials
(Acquisition of Fixed Assets)

JX Advanced Metals Corporation (President: Hayashi Yoichi, hereinafter “the Company”) announces that, as of today, it has decided to make a capital investment to increase the production of InP (indium phosphide) substrates, for which demand is rapidly increasing, particularly in the optical communications field. This capital investment follows the expansion of InP substrate equipment announced in the “Notice Regarding Capital Investment for Increased Production of Crystal Materials (Acquisition of Fixed Assets)” dated July 23, 2025 (hereinafter referred to as the “July 23, 2025 News Release¹⁾”).

1. Background and Purpose

In recent years, against the background of rapid advances in generative AI, the construction of hyperscale data centers has accelerated globally, with further market expansion anticipated. As a result, data transmission volumes within data centers are surging, leading to a proportional increase in power consumption. In response to this situation, the shift toward optical communication is accelerating. This technology not only enables faster and higher-capacity data transmission than conventional electrical signals, but also contributes to reducing power consumption.

One of the key materials supporting this optical communication is the InP substrate. InP substrates possess the unique property of converting electrical signals into optical signals and vice versa. InP substrates are essential advanced materials for manufacturing high-performance devices used across a wide range of fields, including optical transmitters and receivers for optical communication, proximity sensors in wearable devices, and industrial image sensors. In particular, against the aforementioned background, demand for optical transceivers using light-emitting and light-receiving elements is rapidly increasing. Furthermore, InP substrates are also expected to be adopted in Photonic-Electronic Convergence Technology, which is being developed as a next-generation information and communications infrastructure technology. Their use is anticipated not only for inter-data center but also for inter-board and even inter-semiconductor package communication applications.

In response to this growing demand, the company has decided on capital investment in July of this year. Moreover, anticipating the continued evolution of generative AI, the company determined that establishing a system to handle the rapid surge in demand for InP substrates is an urgent priority and has decided on additional capital investment. The company expects future demand for InP substrates to continue increasing and is also continuing to consider further investments.

2. Overview of Capital Investment

(1) Details

To meet the anticipated further increase in demand for InP substrates, the Company will enhance part of the manufacturing process at its Isohara Plant (Kitaibaraki City, Ibaraki Prefecture).

(2) Investment Amount

Approximately 3.3 billion yen

(3) Production Capacity

Approximately 50% increase compared to 2025 levels

(Total including the increase in capital investment announced in the July 23, 2025 News Release)

3. Future Outlook

The impact on the consolidated financial results for the fiscal year ending March 2026 is expected to be minimal.

<Reference>

1); [“Notice Regarding Capital Investment for Increased Production of Crystal Materials \(Acquisition of Fixed Assets\)”](#) dated July 23, 2025



InP substrate