



September 28, 2022

To All Concerned Parties

Company name Mitsubishi Materials Corporation
 Representative Naoki Ono, Chief Executive Officer
 (Securities code: 5711, Prime Market, Tokyo Stock Exchange)
 Chiaki Kubota, General Manager,
 Contact for inquiries Corporate Communications Dept.,
 Management Strategy Div.,
 Strategic Headquarters
 (Tel: +81-3-5252-5206)

**Notice Regarding Simplified Absorption-Type Merger of
 Consolidated Subsidiary Materials' Finance Co., Ltd.**

Mitsubishi Materials Corporation (hereinafter referred to as “the Company”) hereby announces that at a meeting of the Board of Directors held today, the Company resolved to merge with its consolidated subsidiary Materials' Finance Co., Ltd. (hereinafter referred to as “MFC”), effective January 1, 2023 (hereinafter referred to as “the Merger”), as outlined below.

The Company has omitted some disclosure items and details from this notice as the Merger is a simplified absorption-type merger of a wholly owned subsidiary.

1. Purpose of the Merger

Since its founding in 1985, MFC has fulfilled its role as a financial subsidiary of the Company with its main operations of providing loans to the Company’s domestic consolidated subsidiaries. Meanwhile, the Company has set forth as a companywide policy under the current medium-term management strategy the optimization of business portfolio, and to this end is steadily pushing forward with various initiatives. Under these circumstances, the Company determined it is best to absorb MFC into the Company to increase capital efficiency and reduce the financial costs of the Company’s Group, and hence resolved to carry out the Merger.

2. Overview of the Merger

1) Timeline of the Merger

Date of resolution of the Board of Directors	September 28, 2022
Date of signing of the Merger agreement	September 28, 2022
Effective date of the Merger	January 1, 2023 (scheduled)

Note: The Merger falls under a simplified merger as prescribed in Article 796, Paragraph 2 of the Companies Act in relation to the Company, and a short-form merger as prescribed in Article 784, Paragraph 1 of said act in relation to MFC. Hence, neither the Company nor MFC will convene a General Meeting of Shareholders to obtain approval for the Merger.

2) Method of the Merger

The Merger uses the method of an absorption-type of merger with the Company as surviving absorption-type merger, and MFC will be dissolved

3) Details of allotment related to the Merger

Because the Merger is an absorption-type of merger with wholly owned subsidiary of the Company, there will be no issuance of new shares or cash payments as a result of the Merger.

4) Handling of share acquisition rights and bonds with share acquisition rights issued by the absorbed company

No applicable items.

3. Outline of the companies involved in the Merger (as of March 31, 2022)

	The company surviving the Absorption-type Merger	The company disappearing in the Absorption-type Merger																				
1) Name	Mitsubishi Materials Corporation	Materials' Finance Co., Ltd.																				
2) Location	3-2-3, Marunouchi, Chiyoda-ku, Tokyo	3-2-3, Marunouchi, Chiyoda-ku, Tokyo																				
3) Name and title of representative	Naoki Ono, Chief Executive Officer	Kazuhiko Tanaka, Representative Director & President																				
4) Business Description	Manufacture and sale of copper & copper alloy products and electronic materials & components; manufacture and sale of cemented carbide products; smelting, refining and sale of copper, gold, silver, palladium; manufacture and sale of cement and ready-mixed concrete; energy-related businesses, environmental and recycling-related businesses, etc.	Provision of loans and brokerage for receivables securitization for the Company and affiliated companies, investment in financial products, etc.																				
5) Share Capital	119,457 million yen	30 million yen																				
6) Date of establishment	April 1, 1950	October 1, 1985																				
7) Total number of issued shares	131,489,535 shares	600 shares																				
8) Fiscal year-end	March 31	March 31																				
9) Major shareholders and shareholding ratio*	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust account)</td> <td>16.03%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust account)</td> <td>6.70%</td> </tr> <tr> <td>NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST</td> <td>6.46%</td> </tr> <tr> <td>NORTHERN TRUST CO.(AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS</td> <td>3.21%</td> </tr> <tr> <td>Meiji Yasuda Life Insurance Company</td> <td>2.37%</td> </tr> <tr> <td>NORTHERN TRUST CO.(AVFC) SUB A/C NON TREATY</td> <td>2.03%</td> </tr> <tr> <td>BBH FOR GLOBAL X COPPER MINERS ETF</td> <td>1.61%</td> </tr> <tr> <td>NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT</td> <td>1.56%</td> </tr> <tr> <td>NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS TOBACCO FREE INTERNATIONAL VALUE EQUITY TRUST</td> <td>1.46%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY 505103</td> <td>1.34%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (Trust account)	16.03%	Custody Bank of Japan, Ltd. (Trust account)	6.70%	NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	6.46%	NORTHERN TRUST CO.(AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	3.21%	Meiji Yasuda Life Insurance Company	2.37%	NORTHERN TRUST CO.(AVFC) SUB A/C NON TREATY	2.03%	BBH FOR GLOBAL X COPPER MINERS ETF	1.61%	NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	1.56%	NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS TOBACCO FREE INTERNATIONAL VALUE EQUITY TRUST	1.46%	STATE STREET BANK AND TRUST COMPANY 505103	1.34%	The Company 100%
The Master Trust Bank of Japan, Ltd. (Trust account)	16.03%																					
Custody Bank of Japan, Ltd. (Trust account)	6.70%																					
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	6.46%																					
NORTHERN TRUST CO.(AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	3.21%																					
Meiji Yasuda Life Insurance Company	2.37%																					
NORTHERN TRUST CO.(AVFC) SUB A/C NON TREATY	2.03%																					
BBH FOR GLOBAL X COPPER MINERS ETF	1.61%																					
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	1.56%																					
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS TOBACCO FREE INTERNATIONAL VALUE EQUITY TRUST	1.46%																					
STATE STREET BANK AND TRUST COMPANY 505103	1.34%																					
10) Financial position and results in the most recent fiscal year																						
Fiscal year	Ended March 31,2022 (consolidated)	Ended March 31,2022 (non-consolidated)																				
Total net assets	655,752 million yen	517 million yen																				
Total assets	2,125,032 million yen	60,897 million yen																				
Net assets per share	4,476.52 yen	862,940.88 yen																				
Net sales	1,811,759 million yen	349 million yen																				
Operating profit	52,708 million yen	53 million yen																				
Ordinary profit	76,080 million yen	53 million yen																				
Profit attributable to owners of parent	45,015 million yen	34 million yen																				
Profit per share	344.56 yen	57,463.53 yen																				

*Note: Shareholding ratio was calculated after subtracting treasury shares (571,410) from total shares issued.

4. Status after the Merger

There will be no change in the Company's trade name, address, name and title of representative, business activities, capital, or fiscal year end after the Merger.

5. Impact on earnings

The Merger is expected to have only a marginal impact on the Company's consolidated earnings performance for the fiscal year ending March 31, 2023.

(Reference) Consolidated earnings forecast for fiscal year ending March 31, 2023 (announced August 9, 2022) and consolidated financial results for previous fiscal year

	Net sales (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Profit attributable to owners of parent (million yen)
Consolidated earnings forecast for fiscal year ending March 31, 2023	1,640,000	45,000	32,000	20,000
Consolidated financial results for previous fiscal year ended March 31,2022	1,811,759	52,708	76,080	45,015