



May 12, 2023

To All the Parties Concerned

Company name Mitsubishi Materials Corporation
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**Notice Regarding Recording of Income Taxes – Deferred,
 and Differences between the Earnings Forecasts and Results for the Fiscal Year Ended March 31, 2023**

Mitsubishi Materials Corporation (hereinafter referred to as “the Company”) hereby announces its decision to record income taxes – deferred (gain) in its consolidated financial results for the fiscal year ended March 31, 2023 (hereinafter referred to as “FY2023”). The Company also announces that some differences have occurred between the consolidated earnings forecasts announced on February 10, 2023 and the actual consolidated results announced today for FY2023.

1. Recording of income taxes – deferred

The Company and some of its domestic consolidated subsidiaries have shifted from the non-consolidated tax system to the Japanese Group Relief System from FY2023. After carefully examining the recoverability of deferred tax assets in light of the outlook for FY2023 and the future business performance, the Company decided to recognize deferred tax assets for the portion that is likely to be recovered. As a result, the Company recorded an income tax - deferred of -20.9 billion yen (minus represents gain) in its consolidated financial results for FY2023. The impact of this matter has already been factored into the consolidated financial forecasts for FY2023, which was announced on February 10, 2023.

2. Differences between the earnings forecasts and results for FY2023 (from April 1, 2022 to March 31, 2023)

1) Details for the differences

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Previous forecasts (A)	1,680,000	43,000	15,000	6,000
Results (B)	1,625,933	50,076	25,306	20,330
Amount changes (B-A)	-54,066	7,076	10,306	14,330
Percentage changes (%)	-3.2	16.5	68.7	238.8
(Reference) Results for the previous fiscal year (The fiscal year ended March 31, 2022)	1,811,759	52,708	76,080	45,015

2) Reasons for the differences

As for FY2023, operating profit and ordinary profit were higher than the previous forecast mainly due to an increase in the profit from recovery of free metals in the Metals Business and a decrease in the share of loss of entities accounted for using equity method regarding Mitsubishi UBE Cement Corporation, while net sales decreased slightly, mainly due to lower sales of copper and copper alloy products in the Advanced Products Business. Profit attributable to owners of parent was higher than the previous forecast, mainly due to an increase in ordinary profit and a decrease in loss on business restructuring.