



March 25, 2026

Company Name	Mitsubishi Materials Corporation	
Representative	Executive Officer and President	Tetsuya Tanaka
	(TSE Prime Market Securities Code 5711)	
Contact	Investor Relations Dept., General Manager	Shinsuke Oda
	(Telephone +81-3-5252-5290)	

Notice Regarding the Recognition of an Impairment Loss on Fixed Assets (Extraordinary Loss) and a Change in a Subsidiary (Becoming a Specified Subsidiary)

Mitsubishi Materials Corporation (the “Company”) hereby announces that it expects to record an impairment loss on fixed assets (extraordinary loss) for the fourth quarter of the fiscal year ending March 2026. In addition, at a meeting of the Board of Directors held today, the Company resolved to increase the capital of Onahama Smelting and Refining Co., Ltd. (a wholly owned consolidated subsidiary of the Company; hereinafter “Onahama Smelting and Refining”) (the “Capital Increase”). As a result, Onahama Smelting and Refining is expected to become a specified subsidiary of the Company.

1. Details of Impairment Loss on Fixed Assets (Extraordinary Loss)

In the Medium-term Management Strategy (fiscal years ending March 2027–2029), the Company has established the basic policy of becoming a company committed to “creating the future through resource circulation.” In line with this policy, the Company aims to expand its resource circulation business globally and further strengthen secondary smelting operations utilizing E-Scrap and copper scrap as raw materials, while accelerating fundamental structural reforms to enhance profitability.

Onahama Smelting and Refining commenced operations at the Onahama Smelter & Refinery in 1965 as Japan’s first joint copper smelter. Since then, it has produced copper cathodes from copper concentrate for more than 60 years, while continuously expanding, upgrading, and improving its facilities, thereby contributing to Japan’s postwar economic growth. However, the external environment surrounding the copper smelting business has become increasingly challenging due to intensified competition with overseas smelters and a significant deterioration in copper concentrate purchase terms (TC/RC), resulting in an increasingly uncertain future outlook. Under these circumstances, Onahama Smelting and Refining has sought to secure profitability by implementing various cost-cutting measures, including the suspension of certain processes to scale back copper concentrate processing, as well as reductions in fixed costs. However, in order to implement fundamental structural reforms, the Company has decided to suspend the processing of copper concentrate, the primary raw material, and the operation of related smelting facilities at the Onahama Smelter & Refinery by around the end of March 2027. Based on the Accounting Standard for Impairment of Fixed Assets, and a careful assessment of future recoverability, the Company expects to record an impairment loss of ¥21.0 billion in its consolidated financial statements for the fourth quarter of the fiscal year ending March 2026, mainly related to the fixed assets of the Onahama Smelter & Refinery.

With regard to the processing of E-Scrap and shredder residue, the Company plans to suspend acceptance or transfer processing to other production sites within the Group following this decision.

In addition, the electrolytic plant currently in operation will continue to operate for the purpose of refining copper anodes produced within the Group, as well as copper anodes derived from scrap processed at the Onahama Smelter & Refinery. Facilities not directly related to copper concentrate processing, such as the PGM plant engaged in the recycling and refining of platinum and palladium, and the casting plant that manufactures ingots for the Copper & Copper Alloy Products business within the Group, will also continue to operate.

2. Increase in Capital of Subsidiary (Becoming a Specified Subsidiary)

1) Background and Reason

As a result of the recognition of impairment losses and other factors associated with the suspension of copper concentrate processing, Onahama Smelting and Refining is expected to experience negative net asset. In order to achieve a fundamental improvement in earnings and strengthen its financial base, the Company has decided to convert loans provided to Onahama Smelting and Refining, up to a maximum amount of ¥23.0 billion, into common shares through a capital increase.

2) Outline of the Target Company

(1)	Name	Onahama Smelting and Refining Co., Ltd.		
(2)	Location	1-1 Nagisa, Onahama, Iwaki City, Fukushima, Japan		
(3)	Title and Name of Representative	Masayuki Kawasaki, President and Director		
(4)	Business Description	<ul style="list-style-type: none"> • Contract smelting and processing of non-ferrous metals • Manufacture and sale of sulfuric acid and other inorganic industrial products • Treatment of general waste and industrial waste 		
(5)	Capital	(Before the Capital Increase) ¥6,999 million		
(6)	Date of Establishment	December 5, 1963		
(7)	Major Shareholder and Ownership Ratio	The Company: 100%		
(8)	Relationship with the Listed Company and the Relevant Company	Capital relationship	The relevant company is a consolidated subsidiary of the Company and is expected to become a specified subsidiary after the Capital Increase.	
		Personnel relationship	Six directors and other personnel have been dispatched from the Company.	
		Business relationship	The Company entrusts the relevant company with copper smelting operations.	
(9)	Operating Results and Financial Position for the Past Three Years			
	Fiscal year end	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
	Net assets	¥12,590 million	¥8,120 million	¥9,330 million
	Total assets	¥43,586 million	¥44,366 million	¥47,620 million
	Net assets per share	¥899.33	¥580.03	¥666.46
	Net sales	¥32,243 million	¥31,305 million	¥32,759 million
	Operating profit (loss)	¥2,111 million	¥(3,842) million	¥2,013 million
	Ordinary profit (loss)	¥1,065 million	¥(4,906) million	¥1,253 million
	Profit (loss)	¥1,459 million	¥(4,470) million	¥1,209 million
	Per share profit (loss)	¥104.26	¥(319.29)	¥86.42
	Dividend per share	—	—	—

3) Details of the Capital Increase

(1)	Capital and Ownership Ratio before the Capital Increase	¥6,999 million; the Company owns 100%
(2)	Amount of the Capital Increase	Up to ¥23.0 billion
(3)	Date of the Capital Increase	Scheduled to be implemented by June 30, 2026
(4)	Capital and Ownership Ratio after the Capital Increase	Up to ¥29.9 billion; the Company owns 100%

4) Schedule

(1)	Date of Resolution by the Board of Directors	March 25, 2026
(2)	Date of the Capital Increase	By the end of June 2026

3. Future Outlook

The above impairment loss has been factored into the full-year consolidated earnings forecast announced on February 12, 2026, and the impact of the Capital Increase on the full-year consolidated earnings for the fiscal year ending March 2026 is expected to be immaterial.

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