



May 28, 2026

Company Name	Mitsubishi Materials Corporation	
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Notice Concerning Execution of Final Agreement Regarding the Integration of Businesses for the Purchase of Copper Concentrates and the Sales of Related Products through a Company Split (Simplified Absorption-Type Company Split)

As announced in November 2025, Mitsubishi Materials Corporation (the “Company”) entered into a basic agreement with JX Advanced Metals Corporation (“JX”), Mitsui Kinzoku Company, Limited (“Mitsui Kinzoku”) and Marubeni Corporation (“Marubeni”) to integrate the Company’s business related to the purchase of copper concentrates and the sales of related products, including copper cathodes, sulfuric acid, and other by-products derived from copper concentrates (the “Target Business”) into Pan Pacific Copper Co., Ltd. (“PPC”), which is a joint venture among JX, Mitsui Kinzoku and Marubeni (collectively, the “PPC Shareholders”; together with the Company, the “Companies”). Since then, the Companies have proceeded with detailed discussions and consideration toward such integration (the “Integration”). The Company hereby announces that its Board of Directors resolved today to implement the Integration, and that the Company has executed a management integration agreement (the “Final Agreement”) with the PPC Shareholders.

1. Purpose of the Integration

With regard to the external environment surrounding the copper smelting business, the terms and conditions for purchasing copper concentrate from mining companies (TC/RC) have deteriorated significantly amid intensifying competition with overseas smelters, and the future outlook remains uncertain.

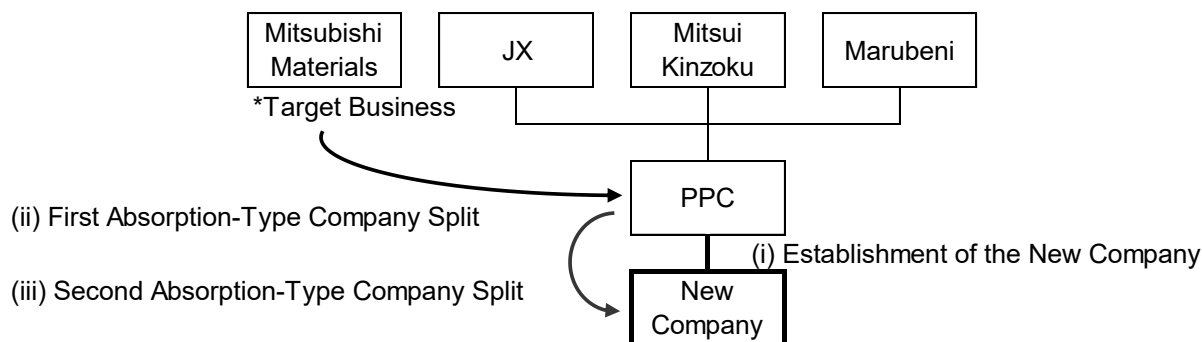
Under these circumstances, through the Integration, the Companies will strengthen their international competitiveness by jointly procuring copper concentrate, reduce costs by consolidating common functions and improving the efficiency of sales operations, and establish a new structure capable of maintaining and improving the profitability of the copper smelting business.

2. Outline of the Integration

(1) Method of the Integration

The Integration will be implemented by: (i) PPC establishing a new company (the “New Company”) to serve as the recipient of the Company’s Target Business; (ii) conducting an absorption-type company split of the Target Business, with the Company as the splitting company and PPC as the succeeding company in the absorption-type company split (the “First Absorption-Type Company Split”); and (iii) conducting, on the same date as the First Absorption-Type Company Split and subject to the First Absorption-Type Company Split becoming effective, an absorption-type company split of the Target Business, with PPC as the splitting company and the New Company as the succeeding company in the absorption-type company split (the “Second Absorption-Type Company Split”; collectively with the First Absorption-Type Company Split, the “Absorption-Type Company Splits”) (see the diagram below).

After the Integration, the shareholding ratios in PPC will be 32.00% for the Company, 32.50% for JX, 21.90% for Mitsui Kinzoku and 13.60% for Marubeni, and the New Company will become a wholly owned subsidiary of PPC.



(2) Schedule of the Integration

Date of execution of the basic agreement	November 11, 2025
Date of Board of Directors resolution approving the Final Agreement	May 28, 2026
Date of execution of the Final Agreement	May 28, 2026
Establishment of the New Company	June 2026 (planned)
Date of Board of Directors resolution approving the agreement for the Absorption-Type Company Splits	July 2026 (planned)
Execution of the agreement for the Absorption-Type Company Splits	July 2026 (planned)
Date of shareholders meeting resolution approving the agreement for the Absorption-Type Company Splits (PPC)	September 2026 (planned)
Effective date of the Absorption-Type Company Splits	October 1, 2026 (planned)

(Note) The implementation of the Integration is subject to the completion of filings with, and the acquisition of permits and approvals from, the relevant authorities in Japan and overseas, including the Japan Fair Trade Commission, that are necessary for carrying out the Integration (the “Procedures Related to Permits and Approvals”).

In the course of proceeding with the procedures, the schedule of the Integration may be changed upon consultation among the Companies due to the Procedures Related to Permits and Approvals or other reasons.

The First Absorption-Type Company Split constitutes, for the Company, a simplified company split pursuant to Article 784, paragraph 2 of the Companies Act, and the Second Absorption-Type Company Split constitutes, for the New Company, a short-form company split pursuant to Article 784, paragraph 1 of the Companies Act. Accordingly, the Company and the New Company will each conduct the relevant company split without obtaining approval by resolution of a general meeting of shareholders.

In addition, the effectiveness of the First Absorption-Type Company Split is conditional upon the share split of PPC’s shares at a ratio of 17 shares for each share becoming effective.

(3) Outline of the First Absorption-Type Company Split

(a) Details of Allotment in the First Absorption-Type Company Split

In connection with the First Absorption-Type Company Split, PPC will newly issue 94,608 shares of common stock, all of which will be allotted to the Company. Prior to the issuance of the new shares, PPC will conduct a stock split of its common stock at a ratio of 17 shares for each share.

(b) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in Connection with the First Absorption-Type Company Split

The Company has not issued any stock acquisition rights or bonds with stock acquisition rights.

(c) Change in Stated Capital Due to the First Absorption-Type Company Split

There will be no change in the amount of the Company’s stated capital as a result of the First Absorption-Type Company Split.

(d) Rights and Obligations to Be Succeeded to by the Succeeding Company

As a result of the First Absorption-Type Company Split, PPC will, on the effective date, succeed to the rights and obligations held by the Company in relation to the Target Business, except for those stipulated in the absorption-type company split agreement relating to the First Absorption-Type Company Split as not being succeeded to.

The succession of obligations to PPC as a result of the First Absorption-Type Company Split will be conducted by way of assumption of obligations with release of the Company from such obligations.

(e) Prospects for Performance of Obligations

Since the amount of assets of both the Company and PPC is expected to exceed the amount of liabilities after the First Absorption-Type Company Split, and since no event is currently expected to occur that would hinder the performance of obligations to be borne after the First Absorption-Type Company Split, the Company has determined that there are no issues with the prospects for the performance of obligations by the Company and PPC after the First Absorption-Type Company Split.

3. Basis, etc. of Allotment Relating to the First Absorption-Type Company Split

(1) Basis and Reason for the Allotment

After taking into comprehensive consideration factors such as the confirmation and detailed review of the business plans of the Target Business and PPC, the financial analysis conducted by financial advisors, and the financial condition, business or asset status, and future prospects of the Target Business and PPC, and after careful negotiations and discussions between the Company and PPC regarding the integration ratio relating to the First Absorption-Type Company Split (the equity value of PPC, assuming that the equity value of the Target Business is 1 in the First Absorption-Type Company Split; hereinafter, the “Integration Ratio”), the Company and PPC today finally agreed on the Integration Ratio as follows.

	Target Business	PPC
Integration Ratio	1	2.12

(2) Matters Related to Calculation

(a) Name of the Valuation Advisor and Its Relationship with the Listed Company and the Other Company

In determining the Integration Ratio, in order to ensure fairness and appropriateness, the Company appointed UBS Securities Japan Co., Ltd. (“UBS Securities”), a third-party valuation advisor independent of the Company, PPC, and PPC Shareholders, as its financial advisor and requested UBS Securities to conduct financial analysis regarding the Integration Ratio. The Company’s Board of Directors obtained a calculation report concerning the Integration Ratio dated May 28, 2026, subject to the assumptions and certain other conditions described in the Note below.

(b) Outline of the Calculation

UBS Securities conducted the valuation of the Target Business and PPC using DCF analysis subject to the condition precedent set forth below (Note) and certain other conditions, based on the premise that both the Target Business and PPC are going concerns, in order to reflect future business performance in the valuation. The range of the Integration Ratio calculated by UBS Securities using the aforementioned method (Equity value of the Target Business set at 1 in the First Absorption-Type Company Split, and the corresponding equity value of PPC) is as follows.

Calculation method	Target Business	PPC
DCF analysis	1	2.19–2.31

In the DCF method, the corporate values of the Target Business and PPC are evaluated by discounting to present

value the free cash flows projected in the business plans of the Target Business and PPC for the fiscal years ending March 31, 2027 through March 31, 2036 (the “Business Plan”), prepared by the Company and PPC’s shareholders, based on various assumptions including earnings forecasts and other relevant factors. The equity values of the Target Business and PPC are then analyzed and evaluated by making certain financial adjustments, such as adding the value of cash equivalents held by each. The Business Plan does not account for the effects of the synergies expected to be realized as a result of the implementation of the Integration because it is difficult to specifically estimate the effects of such synergies at the time of calculation. In addition, the Business Plan used as a basis for the DCF analysis conducted by UBS Securities incorporates biennial scheduled furnace maintenance at each of the Company’s and PPC’s smelters (including smelters to which smelting is outsourced), as well as the anticipated suspension of operations relating to the processing of copper concentrates and the operation of smelting facilities associated with such processing at the Onahama Smelter & Refinery of Onahama Smelting and Refining Co., Ltd., a consolidated subsidiary of the Company. As a result of these factors, fluctuations in processing volumes are expected during the relevant periods, leading to corresponding fluctuations in working capital and operating profit. Accordingly, the free cash flows are expected to include fiscal periods in which large increases and decreases are repeated.

(Note) The Integration Ratio Valuation Report (UBS Securities) has been delivered solely for the benefit of the board of directors of the Company from a financial point of view. The Integration Ratio Valuation Report (UBS Securities) does not express any opinion or view on the consideration to be received by holders of any kind of securities, creditors, or other stakeholders of Target Business and PPC in connection with the Integration. The Integration Ratio Valuation Report (UBS Securities) does not express any opinion or view on the terms of or other aspects of the Integration (including, without limitation, the manner or structure of the Integration or other elements).

UBS Securities’ analysis is necessarily based upon the economic, financial, market, and other conditions, as of May 28, 2026 (unless an earlier date is otherwise indicated in Integration Ratio Valuation Report (UBS Securities)), as well as the information available to UBS Securities as of such date. UBS Securities does not undertake any obligation to update, revise, or reaffirm any information in the Integration Ratio Valuation Report (UBS Securities) to reflect any circumstances, changes, or events occurring thereafter. With respect to the future financial projections and forecasts of the Target Business and PPC prepared by the management of the Company and PPC’s shareholders, as included in the Integration Ratio Valuation Report (UBS Securities), UBS Securities has relied upon and taken into account that such projections and forecasts have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of Company and PPC’s management, and that such projections and forecasts will be realized in the amounts and at the times contemplated therein as a result of the considered determinations of Company and PPC’s management.

Neither UBS Securities nor any of its respective directors, officers, employees, agents, representatives, or advisors makes any representation, warranty, or undertaking, express or implied, as to the accuracy, completeness, reliability, or adequacy of the information contained in the Integration Ratio Valuation Report (UBS Securities), or as to the reasonableness of the assumptions on which Integration Ratio Valuation Report (UBS Securities) is based.

By receiving the Integration Ratio Valuation Report (UBS Securities) the Company acknowledges and agrees that to the maximum extent permitted by law, except in the case of fraud and save as provided in the engagement letter with UBS Securities, UBS Securities and its directors, officers, employees, agents, representatives and advisors expressly disclaim any liability which may arise from the Integration Ratio Valuation Report (UBS Securities), or any other written or oral information provided in connection with the Integration Ratio Valuation Report (UBS Securities), and any errors contained therein or omissions therefrom.

In preparing the Integration Ratio Valuation Report (UBS Securities), UBS Securities has: (i) not made any independent valuation or appraisal of the physical assets and liabilities of the Target Business and PPC referred to in the Integration Ratio Valuation Report (UBS Securities), nor been furnished with any such valuation or

appraisal; (ii) not carried out any assessment as to the commercial merits of the Integration; (iii) not conducted any legal, tax, accounting, or other analysis in respect of the Integration, and where relevant, has relied solely upon the judgments of the relevant professional advisors in these areas; and (iv) assumed that in the course of obtaining any regulatory or third party approvals, consents, and releases for the Integration, there would be no delay, limitation, restriction, or condition that would have an adverse effect on the Company, any other company referred to in the Integration Ratio Valuation Report (UBS Securities), or the Integration.

UBS Securities is acting as financial advisor of the Company in connection with the Integration and receives remuneration for its services as financial advisor, contingent upon the completion of the Integration. In addition, the Company has agreed to indemnify UBS Securities for all costs borne by UBS Securities in relation to UBS Securities' involvement and certain liabilities arising out of UBS Securities' engagement.

4. Overview of the Companies Involved in the Absorption-Type Company Splits

(1) First Absorption-Type Company Split (as of March 31, 2026)

	The Company	PPC
(1) Name	Mitsubishi Materials Corporation	Pan Pacific Copper Co., Ltd.
(2) Location	3-2-3, Marunouchi, Chiyoda-ku, Tokyo 100-8117 Japan	10-4, Toranomon 2-chome, Minato-ku, Tokyo 105-8418, Japan The Okura Prestige Tower
(3) Representative	Executive Officer and President: Tetsuya Tanaka	President and Representative: Yosuke Murao
(4) Main business	Smelting and sales of copper, gold, silver, lead, tin, palladium, and other metals; recycling of home appliances; manufacture and sales of copper and copper alloy products and electronic materials and components; manufacture and sales of cemented carbide products; renewable energy-related businesses	Purchase of copper concentrates; production outsourcing and sales of refined copper, sulfuric acid, precious metals, and other by-products
(5) Capital	¥119,457 million	¥5,000 million
(6) Date of establishment	April 1, 1950	October 3, 2000
(7) Shares issued	131,489,535 shares	11,826 shares (Note)
(8) Fiscal year end	March 31	March 31
(9) Number of employees	Consolidated: 17,591 Non-consolidated: 5,084	Non-consolidated: 71
(10) Major business partners	Sumitomo Corporation	Marubeni, Mitsubishi Corporation RtM Japan Ltd., JX
(11) Major banks	MUFG Bank, Ltd.; Mizuho Bank, Ltd.; The Norinchukin Bank; Hachijuni Nagano Bank, Ltd.; Development Bank of Japan Inc.	Mizuho Bank, Ltd.; Sumitomo Mitsui Banking Corporation; MUFG Bank, Ltd.
(12) Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (Trust account) 15.6% Custody Bank of Japan, Ltd. (Trust account) 5.8% BNYMAS AGT/CLTS NON TREATY JASDEC 4.3% NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL 3.2%	JX: 47.8%; Mitsui Kinzoku: 32.2%; Marubeni: 20.0%

	INVESTORS INTERNATIONAL VALUE EQUITY TRUST STATE STREET BANK AND TRUST COMPANY 505223 2.7% STATE STREET BANK AND TRUST COMPANY 505001 2.6% Meiji Yasuda Life Insurance Company 2.4% NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS 1.9% JP MORGAN CHASE BANK 385781 1.5% DFA INTL SMALL CAP VALUE PORTFOLIO 1.3%	
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(13) Relationship between the parties

Capital relationship	Not applicable.
Personnel relationship	Not applicable.
Business relationship	The Company and PPC have mutual transactions, including the purchase and sale of copper cathode.
Status of related parties	Not applicable.

(14) Operating results and financial position for the past three fiscal years

Fiscal Year	The Company			PPC (Non-consolidated)		
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets	685,623	693,276	752,978	87,463	99,835	110,945
Total assets	2,167,628	2,379,409	2,999,744	495,768	509,103	730,160
Net assets per share (yen)	5,003.75	5,183.34	5,633.05	7,395,883	8,442,021	9,381,531
Net sales	1,540,642	1,962,076	1,844,053	1,152,917	1,325,159	1,491,928
Operating profit	23,276	37,118	60,502	12,837	19,356	18,441
Ordinary profit	54,102	60,235	97,556	9,574	13,677	14,641
Profit attributable to owners of parent	29,793	34,076	40,581	6,050	9,251	15,916
Profit attributable to owners of parent per share (yen)	155.60	228.07	260.82	511,646	782,265	1,345,901
Dividend per share (yen)	94.00	100.00	100.00	–	–	391,133

(Millions of yen, unless otherwise noted.)

(Note) PPC will conduct a share split of its shares at a ratio of 17 shares for each share before the First Absorption-Type Company Split becomes effective. The total number of issued shares after such share split will be 201,042 shares.

(2) Second Absorption-Type Company Split

For an overview of PPC, which is the splitting company in the Second Absorption-Type Company Split, please refer to “4. Overview of the Companies Involved in the Absorption-Type Company Splits, (1) First Absorption-Type Company Split” above. An overview of the New Company, which is the succeeding company in the Second Absorption-Type Company Split, is as follows.

	New Company (Post-Establishment Immediate Plans)
(1) Name	PPC Material Co., Ltd.
(2) Location	3-2-3, Marunouchi, Chiyoda-ku, Tokyo 100-8117 Japan
(3) Representative	To be determined
(4) Main business	Purchase of copper concentrates; production outsourcing and sales of refined copper, sulfuric acid, precious metals, and other by-products
(5) Capital	¥1
(6) Date of establishment	June 2026 (planned)
(7) Number of shares issued	1 share
(8) Fiscal year end	March 31
(9) Major shareholders and shareholding ratio	PPC: 100%

5. Overview of the Business Unit to Be Split

(1) First Absorption-Type Company Split

(a) Description of the Business Unit to Be Split

Target Business

(b) Operating Results of the Business Unit to Be Split (Fiscal year ended March 31, 2026)

Net sales ¥593,592 million

(c) Items and Book Values of Assets and Liabilities to Be Split (Expected as of September 30, 2026)

Assets		Liabilities	
Current assets	¥384,020 million	Interest-bearing liabilities	¥197,358 million
Non-current assets	¥1,221 million	Other liabilities	¥136,325 million
Total	¥385,241 million	Total	¥333,683 million

(Note) The amounts to be succeeded to will be the actual amounts as of the effective date of the First Absorption-Type Company Split. The above figures include the items and book values of assets and liabilities expected as of the effective date of the First Absorption-Type Company Split.

6. Status after the Absorption-Type Company Splits

	The Company	PPC	New Company
(1) Name	Mitsubishi Materials Corporation	Pan Pacific Copper Co., Ltd.	PPC Material Co., Ltd.
(2) Location	3-2-3, Marunouchi, Chiyoda-ku, Tokyo 100-8117 Japan	10-4, Toranomom 2-chome, Minato-ku, Tokyo 105-8418, Japan The Okura Prestige Tower	3-2-3, Marunouchi, Chiyoda-ku, Tokyo 100-8117 Japan
(3) Representative	Executive Officer and President: Tetsuya Tanaka	President and Representative: Yosuke Murao	To be determined
(4) Main business	Smelting and sales of	Purchase of copper	Purchase of copper

	copper, gold, silver, lead, tin, palladium, and other metals; recycling of home appliances; manufacture and sales of copper and copper alloy products and electronic materials and components; manufacture and sales of cemented carbide products; renewable energy-related businesses	concentrates; production outsourcing and sales of refined copper, sulfuric acid, precious metals, and other by-products	concentrates; production outsourcing and sales of refined copper, sulfuric acid, precious metals, and other by-products
(5) Capital	¥119,457 million	¥5,000 million	¥3,000 million
(6) Fiscal year end	March 31	March 31	March 31
(7) Net assets	Not determined at this time	—	—
(8) Total assets	Not determined at this time	—	—

7. Outline of Accounting Treatment

Accounting treatment is expected to be conducted in accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019), the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), and other applicable standards and guidance.

8. Future Outlook

As a result of the Integration, PPC will become an equity-method affiliate of the Company. The impact of this matter on the Company’s consolidated financial results has been factored into the consolidated financial results forecast for the fiscal year ending March 31, 2027, announced on May 13, 2026, to the extent reasonably estimable. If any matters requiring disclosure arise in the future, the Company will promptly disclose them.

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