



July 31, 2019

To All Concerned Parties

Company name	Mitsubishi Materials Corporation
Representative	Naoki Ono, Chief Executive Officer (Securities code: 5711, First Section, Tokyo Stock Exchange)
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**Notice Regarding Absorption-type Merger (Simplified Merger) of Mitsubishi Shindoh Co., Ltd., a Consolidated Subsidiary**

Mitsubishi Materials Corporation (hereinafter “MMC”) hereby announces that at a meeting of its Board of Directors held on July 31, 2019, MMC resolved to conduct an absorption-type merger (hereinafter “the Merger”) of Mitsubishi Shindoh Co., Ltd. (hereinafter “Mitsubishi Shindoh”), a consolidated subsidiary of MMC, with April 1, 2020, as the effective date. Details are as described below.

Because the Merger is an absorption-type merger of a wholly owned subsidiary, some of disclosure matters and details are omitted.

1. Purpose of the absorption-type merger

In the current Medium-term Management Strategy, MMC classified its overall business into the product manufacturing business and the process manufacturing business; responding to market trends and customer needs promptly, MMC has established the Advanced Products Company by integrating the Copper & Copper Alloy Business, the Electronic Materials & Components Business, and the Aluminum Business out of the product manufacturing business on October 1, 2018.

MMC has defined the Copper & Copper Alloy Business as a key driver for growth, and conducts business management with the aim of promoting business development globally and achieving growth that exceeds the market growth.

In recent market trends surrounding the Copper & Copper Alloy Business, research and development have been advancing rapidly on a global scale in an effort to respond to the higher electric current and higher voltage used in next-generation vehicles, the widespread use of computerized control in automobiles, including CASE (connected, autonomous, shared & services and electric), and needs related to IoT and AI in a variety of industries. The reduction of the environmental impact is also being emphasized more than ever before to achieve the sustainable development of society.

MMC regards this market environment as a good opportunity to grow its business given that it has a family of products; oxygen-free copper and copper alloy have high electrical and heat conductivity that are essential for next-generation vehicles; ECOBRASS has the effect of reducing the environmental impact while maintaining excellent workability and corrosion resistance as well.

The Copper & Copper Alloy Business of the Group has a structure in which MMC manufactures base materials while Mitsubishi Shindoh processes them into high value-added products and sells them. To achieve business growth by responding promptly and accurately to the diversification of users and applications, as well as to changes in technical needs, which will increasingly accelerate in the future, we have decided to conduct the Merger based on our judgment that it is necessary to operate our management resources cooperatively by integrating Mitsubishi Shindoh into MMC.

After the Merger, MMC will promptly develop products that meet market needs by investing more actively and flexibly; MMC will improve and enhance the manufacturing and sales systems in Japan as well as overseas. Specifically, we are planning capital expenditures of approximately ¥30.0 billion in total from fiscal 2021 to 2027 as a growth strategy to increase our production capacity by about 30% from the current level, mainly for automobile-related products in which strong demand is expected. In addition, collaborating with Luvata Group, which MMC acquired in

2017, MMC will strengthen and promote its business in overseas markets and downstream markets and will aim to become the global leading company in the industry of copper & copper alloy products.

## 2. Summary of the Merger

### (1) Schedule of the Merger

Date of resolution at the Board of Directors meeting: July 31, 2019

Date of contract: July 31, 2019

Scheduled date of Merger: April 1, 2020

\*Because the Merger is a simplified merger under Article 796, Paragraph 2 of the Companies Act for MMC and a short-form merger under Article 784, Paragraph 1 of the Companies Act for Mitsubishi Shindoh, neither company will hold a general meeting of shareholders to approve the merger agreement.

### (2) Method of the Merger

The Merger uses the method of an absorption-type merger with MMC as MMC surviving absorption-type merger and Mitsubishi Shindoh will be dissolved.

### (3) Allotment pertaining to the Merger

Because the Merger is an absorption-type merger of a wholly owned subsidiary of MMC, MMC will neither issue new shares nor pay consideration for merger.

### (4) Handling of share acquisition rights and convertible bonds with share acquisition rights of the disappearing company

Not applicable.

3. Overview of the companies involved in the Merger (as of March 31, 2019)

	Company surviving absorption-type merger	Company disappearing in absorption-type merger
(1) Name	Mitsubishi Materials Corporation	Mitsubishi Shindoh Co., Ltd.
(2) Location	3-2-3, Marunouchi, Chiyoda-ku, Tokyo	3-4-1, Marunouchi, Chiyoda-ku, Tokyo
(3) Post and name of representative	Naoki Ono, President <sup>(*)1</sup>	Kazumasa Hori, President
(4) Business	The manufacture and sale of copper & copper alloy products, electronic materials & components and aluminum products, the manufacture and sale of cemented carbide products and sintering parts, the smelting, refining and sale of copper, gold and silver, and the manufacture and sale of cement and ready-mixed concrete	Rolling, extrusion, molding, processing and sale of copper and copper alloy
(5) Capital stock	119,457 million yen	8,713.4 million yen
(6) Date of establishment	April 1, 1950	May 20, 1925
(7) Number of issued shares	131,489,535 shares	62,699,667 shares
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholding ratio <sup>(*)2</sup>	<p>Japan Trustee Services Bank, Ltd. 6.8% (Trust Account)</p> <p>The Master Trust Bank of Japan, Ltd. 6.4% (Trust Account)</p> <p>NORTHERN TRUST CO.(AVFC) 4.0% RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST</p> <p>Meiji Yasuda Life Insurance Company 2.4%</p> <p>NORTHERN TRUST CO. (AVFC) 2.2% RE U.S. TAX EXEMPTED PENSION FUNDS</p> <p>Japan Trustee Services Bank, Ltd. 2.0% (Trust Account 5)</p> <p>MUFG Bank, Ltd. 1.6%</p> <p>JP MORGAN CHASE BANK 1.5% 385151</p> <p>NORTHERN TRUST CO. (AVFC) 1.5% SUB A/C NON TREATY</p> <p>Mitsubishi Heavy Industries, Ltd. 1.5%</p>	Mitsubishi Materials Corporation 100%
(10) Financial position and operating results for the most recent fiscal year		
Fiscal year	Fiscal year ended March 31, 2019 (consolidated)	Fiscal year ended March 31, 2019 (non-consolidated)
Net assets	723,337 million yen	46,131 million yen
Total assets	1,938,270 million yen	108,235 million yen
Net assets per share	4,838.31 yen	735.75 yen
Net sales	1,662,990 million yen	149,705 million yen
Operating profit	36,861 million yen	4,865 million yen
Ordinary income	50,679 million yen	5,104 million yen

Net income attributable to owners of parent / Net income	1,298 million yen	4,199 million yen
Net income per share	9.92 yen	66.99 yen

\*1 Associated with the shift to a company with a nomination committee through the ordinary general meeting of shareholders held on June 21, 2019, the post of the representative has been changed to “Chief Executive Officer.”

\*2 The shareholding ratio is calculated after deducting treasury shares (536,170 shares).

#### 4. Situation after the Merger

The name, location, post and name of the representative, business, capital stock and fiscal year end of MMC after the Merger will remain the same.

#### 5. Impact on the business performance

The impact of the Merger on the consolidated earnings forecasts for the current fiscal year will be minor.