



October 28, 2022

To All Concerned Parties

Company name Mitsubishi Materials Corporation  
 Representative Naoki Ono, Chief Executive Officer  
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**Notice Regarding Company Split (Simplified Absorption-type Company Split),  
 Transfer of Shares of Newly Established Company, and Changes in Consolidated Subsidiary (Specified Subsidiary)**

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 transfer (hereinafter referred to as the “Transfer”) all the shares of the newly established company (hereinafter referred to as the “New Company”) to SUMCO Corporation (hereinafter referred to as the “SUMCO”) after having the Company’s polycrystalline silicon business (hereinafter referred to as the “Polycrystalline Silicon Business”, including the shares of Mitsubishi Polycrystalline Silicon America Corporation (hereinafter referred to as the “MIPSA), a specified subsidiary of the Company, and the shares of NIPPON AEROSIL CO., LTD., an equity-method affiliated company of the Company) succeeded to the New Company through an absorption-type company split (hereinafter referred to as the “Split”, and the “Transaction” together with the Transfer). The details of the Transaction are as follows. After the Transfer, MIPSA will no longer be a specified subsidiary of the Company.

In addition, the Company forecasts to record an extraordinary loss by the fourth quarter of the fiscal year ending March 31, 2023, as of loss on business restructuring.

The Company has omitted some items and details from this notice as the Split is a simplified absorption-type company split of the Company and the New Company, wholly owned subsidiary of the Company.

**1. Purpose of the Transaction**

The Company entered the silicon business for semiconductors in 1959 and have been manufacturing polycrystalline silicon mainly for supplying raw materials for silicon wafers for semiconductors. As the Polycrystalline Silicon Business is susceptible to changes in the market of semiconductors and silicon wafers, its business environment remains severe for the Polycrystalline Silicon Business, and the Company has recorded impairment loss of non-current assets in recent years.

In the medium-term management strategy, the Company has been promoting its optimization of the business portfolio. As a result of discussions with SUMCO, which specializes in the silicon wafer business, regarding the Polycrystalline Silicon Business, the Company has decided to execute this Transaction because we believe that operating the business through vertical integration under SUMCO will contribute to increasing the value of the Polycrystalline Silicon Business, and that it is the best for the company and the Polycrystalline Silicon Business.

**2. Summary of the Split**

**(1) Timeline of the Split**

Date of resolution at the meeting of the Board of Directors	October 28, 2022
Date of conclusion of the Split agreement	To be decided (to be concluded after establishment of the New Company)
Effective date of the Split	March 31, 2023 (scheduled)

※ The Split falls under a simplified company split as prescribed in Article 784, Paragraph 2 of the Companies Act. Hence, the Company will not hold a General Meeting of Shareholders to obtain approval for the Split agreement.

(2) Method of the Split

The Split uses the method of an absorption-type company split with the Company as splitting company and the New Company as the successor company.

(3) Details of allotment related to the Split

Upon the Split, the New Company will issue one share of common stock and allocate the share to the Company.

(4) Handling of share acquisition rights and bonds with share acquisition rights in connection with the Split

Not applicable.

(5) Increase or decrease in share capital due to the Split

There is no increase or decrease in the Company's share capital due to the Split.

(6) Rights and Obligations to be succeeded by the successor company

The New Company shall succeed to the assets, liabilities and rights and obligations relating to the Polycrystalline Silicon Business which are stipulated in the Split agreement.

(7) Prospect of fulfillment of obligations

Even after the effective date of the Split, the Company has determined that there are no problems with the prospects of fulfilling the obligations to be incurred by the Company and the New Company.

3. Overview of companies involved in the Split

	Splitting company (As of September 30, 2022)	Successor Company (Assumption at the time of establishment)
(1) Name	Mitsubishi Materials Corporation	High-Purity Silicon Corporation
(2) Location	3-2-3, Marunouchi, Chiyoda-ku, Tokyo	5, Mita-cho, Yokkaichi-shi, Mie
(3) Job title and name of representative	Naoki Ono, Chief Executive Officer	Hirotake Ohta, President
(4) Description of business	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; energy-related businesses, environmental and recycling-related businesses, etc.	Manufacture and sale of polycrystalline silicon for semiconductors, silicon tetrachloride, trichlorosilane, dichlorosilane, and other affiliated products
(5) Share Capital	119,457 million yen	1 yen
(6) Date of establishment	April 1, 1950	To be decided
(7) Number of issued shares	131,489,535 shares	1 share
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders and ownership ratios*	The Master Trust Bank of Japan, Ltd. (Trust Account)	The Company 100%
	15.16%	
	NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	
	6.78%	
	Custody Bank of Japan, Ltd. (Trust account)	
	6.19%	
	NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	
	3.29%	
	Meiji Yasuda Life Insurance Company	
	2.37%	
	NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY	
	2.29%	
	NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS	
	1.82%	

	CLIENTS 15.315 PCT NON TREATY ACCOUNT	
	NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	1.73%
	BBH FOR GLOBAL X COPPER MINERS ETF	1.52%
	NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS TOBACCO FREE INTERNATIONAL VALUE EQUITY TRUST	1.36%
(10) Operating results and financial positions for the most recent fiscal year		
Fiscal year	Year ended March 31, 2022 (Consolidated)	—
Total net assets	655,752 million yen	—
Total assets	2,125,032 million yen	—
Net assets per share	4,476.52 yen	—
Net sales	1,811,759 million yen	—
Operating profit	52,708 million yen	—
Ordinary profit	76,080 million yen	—
Profit attributable to owners of parent	45,015 million yen	—
Profit per share	344.56 yen	—

\*The ownership ratio of the splitting company is calculated after deducting treasury stock (574,997 shares).

#### 4. Overview of business division to be split

##### (1) Description of business of division to be split

Manufacturing of polycrystalline silicon for semiconductor, silicon tetrachloride, trichlorosilane, dichlorosilane, and other affiliated products (including shares of Mitsubishi Polycrystalline Silicon America Corporation (a consolidated subsidiary of the Company) and NIPPON AEROSIL CO., LTD. (an equity-method affiliated company of the Company)).

##### (2) Operating results of division to be split (year ended March 31, 2022, consolidated)

Net sales 27,061 million yen

##### (3) Items and book value of assets and liabilities to be split (as of the end of March 2022, consolidated)

Total assets 31,866 million yen

Total liabilities 2,847 million yen

※The above amounts are as of the end of March 2022. Actual amounts of assets and liabilities to be split are determined by adjusting the increase or decrease until the effective date.

#### 5. Status after the Split

There has been no change in the name, location, job title and name of representative, description of business, share capital and fiscal year-end of the Company following the Split.

#### 6. Summary of the Transfer

##### (1) Summary of the counterparty (as of June 30, 2022)

(1)	Name	SUMCO Corporation
(2)	Location	1-2-1 Shibaura, Minato-ku, Tokyo
(3)	Job title and name of representative	Mayuki Hashimoto, Representative Director Chairman & Chief Executive Officer
(4)	Description of business	Manufacture and sales of silicon wafers for semiconductor industry

(5)	Share Capital	199,034 million yen		
(6)	Date of establishment	July 30, 1999		
(7)	Total net assets (Consolidated)	565,444 million yen		
(8)	Total assets (Consolidated)	850,353 million yen		
(9)	Major shareholders and ownership ratios	The Master Trust Bank of Japan, Ltd. (Trust Account)		12.89%
		Custody Bank of Japan, Ltd. (Trust account)		6.14%
		JPMorgan Securities Japan Co., Ltd.		3.20%
		SSBTC CLIENT OMNIBUS ACCOUNT		2.96%
		SMBC Nikko Securities Inc.		2.93%
		Mitsubishi Materials Corporation		2.81%
		UBS AG LONDON A/C IPB SEGREATED CLIENT ACCOUNT		1.86%
		MSIP CLIENT SECURITIES		1.67%
		MSCO CUSTOMER SECURITIES		1.62%
		STATE STREET BANK WEST CLIENT - TREATY 505234		1.57%
(10)	Relation with the counterparty and the Company	Capital relationship	The Company holds 2.81% of the issued shares of SUMCO.	
		Personnel relationship	Not applicable.	
		Business relationship	The Company has business relations about land-leasing transactions and product sales transactions, etc., with SUMCO.	
		Related party relationship	Not applicable.	

(2) Number of shares transferred, transfer price, and shareholding before and after the Transfer

(1)	Number of shares held before the Transfer	2 shares (Number of voting rights: 2) (Ratio of voting rights: 100.0%)
(2)	Number of shares to be transferred	2 shares (Number of voting rights: 2)
(3)	Transfer price	Due to contractual confidentiality obligation, the transfer price is not disclosed. However, it was decided through a fair process, therefore the Company determines the amount matches the corporate value of the New Company.
(4)	Number of shares held after the Transfer	0 shares (Number of voting rights: 0) (Ratio of voting rights: 0.0%)

(3) Timeline of the Transfer

Date of resolution at the meeting of the Board of Directors	October 28, 2022
Date of conclusion of the Transfer	October 28, 2022
Effective date of the Transfer	March 31, 2023 (scheduled)

7. Summary of Changes in Specified Subsidiary

1) Overview of the specified subsidiary (as of September 30, 2022)

(1)	Name	Mitsubishi Polycrystalline Silicon America Corporation
(2)	Location	Theodore, Alabama, USA
(3)	Job title and name of representative	Matt Wilson, President
(4)	Description of business	Manufacture and sale of polycrystalline silicon for semiconductors, silicon tetrachloride, trichlorosilane, and other affiliated products
(5)	Share Capital	US\$328.8 million (37,548 million yen)
(6)	Date of establishment	July 1996
(7)	Major shareholders and ownership ratios	The Company 100%

(8) Relation with the specified subsidiary and the Company	Capital relationship	The Company holds 100% of the shares of MIPSAs and make it a consolidated subsidiary.	
	Personnel relationship	The Company dispatches four directors to MIPSAs.	
	Business relationship	The Company sells the MIPSAs's products as a sales agent.	
(9) Financial position and results for the past three fiscal years			
Fiscal year end	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022
Net assets	US\$182.1 million JPY19,822 million	US\$177.5 million JPY19,651 million	US\$172.9 million JPY21,171 million
Total assets	US\$190.5 million JPY20,736 million	US\$187.4 million JPY20,754 million	US\$177.9 million JPY21,776 million
Net assets per share	US\$2,897.5 JPY315,342	US\$2,850.7 JPY315,610	US\$2,705.7 JPY331,158
Net sales	US\$95.6 million JPY10,396 million	US\$98.9 million JPY10,491 million	US\$102.0 million JPY11,467 million
Operating profit	(US\$15.7 million) (JPY1,714 million)	(US\$8.1 million) (JPY863 million)	(US\$5.2 million) (JPY587 million)
Ordinary profit	(US\$11.3 million) (JPY1,231 million)	(US\$4.6 million) (JPY495 million)	(US\$4.7 million) (JPY537 million)
Profit	(US\$20.6 million) (JPY2,246 million)	(US\$4.6 million) (JPY491 million)	(US\$4.5 million) (JPY508 million)
Profit per share	(US\$314.1) (JPY34,155)	(US\$70.5) (JPY7,478)	(US\$68.7) (JPY7,726)
Dividend per share	— Yen	— Yen	— Yen

## 2) Date of transfer

Same date as the effective date of the Transfer

## 8. Future Outlook

The Company expects to record an extraordinary loss of approximately ¥36 billion by the fourth quarter of the fiscal year ending March 31, 2023, as loss on business restructuring. The Company is currently assessing the impact of this case on its consolidated earnings performance for the fiscal year ending March 31, 2023, including on its latest earnings performance. It will promptly disclose any revisions to the earnings forecasts announced on August 9, 2022, should they become necessary.

(Reference) Consolidated earnings forecasts 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 forecasts 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