



May 10, 2018

To: All

Company Mitsubishi Materials Corporation
 Representative Akira Takeuchi, President
 (Securities Code: 5711 on the First Section of the
 Tokyo Stock Exchange)
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Progress on Addressing Non-Conforming Products at MMC Subsidiaries

Mitsubishi Materials Corporation (“MMC”) sincerely apologizes for the difficulties that we have caused to all concerned parties, including our customers and shareholders, in connection with Mitsubishi Cable Industries, Ltd.’s (“MCI”), Mitsubishi Shidoh Co., Ltd.’s (“MSC”), Mitsubishi Aluminum Co., Ltd.’s (“MAC”) Tachibana Metal Mfg Co., Ltd.’s (“TKC”) and Diamet Corporation’s (“DM”) delivery of products that deviated from customer or internal specifications (“Non-Conforming Products”) due to misconduct, including the rewriting of data. MCI, MSC, MAC, TKC, and DM are consolidated subsidiaries of MMC. We would like to report today on the progress that has been made to date in addressing these issues.

1. Safety Confirmation Status

Each of the relevant companies is proceeding with safety confirmation with the cooperation of their customers. The progress as of May 9, 2018 is as follows. The figures in parenthesis in the tables are the figures as of March 28, 2018.

The categories, reflecting the status of the relevant company’s progress in evaluating the safety of affected products, are as follows:

- A. The customer has completed its confirmation that there are no safety concerns.
- B. The customer has determined that there are no immediate safety concerns, but is conducting further review.
- C. The relevant company (MCI, MSC, MAC, TKC or DM) has communicated to the customers its opinion that, from a technical perspective, there is a high probability that the affected products can be assumed to be safe.
- D. The relevant company has provided notification that Non-Conforming Products were delivered to the customer.

1) MCI

Product	Number of Customers	A	B	C	D

Seal Product	218	201 (110)	17 (108)	0 (0)	0 (0)
MEXCEL	5	3 (1)	2 (4)	0 (0)	0 (0)

2) MSC

Product	Number of Customers	A	B	C	D
Brass-strip and copper-strip products	30	29 (21)	1 (9)	0 (0)	0 (0)

3) MAC

Product	Number of Customers	A	B	C	D
	120				
Rolled Products	8	7 (7)	1 (1)	0 (0)	0 (0)
Extruded Products	114	40 (35)	74 (67)	0 (12)	0 (0)

(Note) There are 2 overlapping customers in the number of customers for rolled products and for extruded products.

4) TKC

Product	Number of Customers	A	B	C	D
Extruded Products	339	129 (85)	200 (165)	10 (89)	0 (0)

5) DM

Product	Number of Customers	A	B	C	D
Sintered Machinery Parts etc.	113	33 (0)	33 (26)	47 (61)	0 (26)

2. Extraordinary Quality Audits

Given the circumstances, since February 2018, for the target period from January 1, 2017, to December 31, 2017, MMC group started conducting extraordinary on-site quality audits at production facilities of MMC and its affiliates to reaffirm the absence of quality issues, and completed the audits for all 119 locations. Although some incidents in which there were issues with quality control method were identified as a result of the audits, corrective actions have been completed with respect to such issues. No cases in which there were issues with product quality were identified.

Taking into account the completion of the extraordinary quality audits, the Special Investigation Committee was dissolved as of today.

3. Outlook on Financial Results

While the impact on this matter on MMC's financial results have been incorporated into our forecasted consolidated financial results for the fiscal year ending March 31, 2019 that was announced today based on certain assumptions, their monetary impact is minimal.

END

Direct any question to:

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Corporate Administration & Personnel Section, Administrative Division, Mitsubishi Cable Industries, Ltd.
TEL : 03-3216-1551

Corporate Administration & Personnel Division, Mitsubishi Shidoh Co., Ltd.
TEL : 03-6629-5850

General Affairs Department, Mitsubishi Aluminum Co., Ltd. (including questions related to TKC)
TEL : 03-3769-0111

General Affairs Department, Administration Division, Diamet Corporation
TEL : 025-275-0111