



April 25, 2019

To All Concerned Parties

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**Notice of Revisions to the Consolidated Earnings Forecast, Differences between the Non-Consolidated Earnings Forecast and Result of the Previous Fiscal Year, and Partial Return of Officers Remuneration**

Mitsubishi Materials Corporation hereby announces revisions to the consolidated earnings forecast announced on February 12, 2019, differences between the non-consolidated earnings forecast and result of the previous fiscal year, and partial return of Officers remuneration. Details are as described below.

1. Revision to the consolidated earnings forecasts for the fiscal year ending March 31, 2019  
(from April 1, 2018 to March 31, 2019)

1) Revision to the forecasts

	Net sales	Operating profit	Ordinary income	Net income attributable to owners of parent
	Million yen	Million yen	Million yen	Million yen
Previous forecast (A)	1,650,000	42,000	52,000	10,000
Revised forecast (B)	1,663,000	36,800	50,500	1,000
Amount change (B - A)	13,000	(5,200)	(1,500)	(9,000)
Percentage change (%)	0.8	(12.4)	(2.9)	(90.0)
(Reference) Results in previous fiscal year (fiscal year ended March 31, 2018)	1,599,533	72,819	79,621	34,595

2) Reasons of the revision

For the consolidated fiscal year ending March 31, 2019, the Company expects that all of operating profit, ordinary income and net income attributable to owners of parent will be lower than previous forecast, reflecting an inventory shortage loss expected to be posted at the end of the current fiscal year along with partial reversals of deferred tax assets. In the Metals business, there was a noticeable decline in the recovery rates of valuable metals during the fiscal year under review. In countermeasure to solve this problem, the Company has intensified efforts to improve its operation and facilities while promoting strict inventory control. During the fourth quarter under review, the Company has made dismantled the facility on one of its production lines to strengthen inventory control and also examined the amount of valuable metals remaining in the dismantled facility. Analysis result revealed that the valuable metals were lower than the amount that had been estimated in the books of accounts. Accordingly, the Company will post the inventory shortage loss as part of the cost of sales for the the fiscal year under review.

2. Differences between the non-consolidated earnings forecast for the fiscal year ending March 31, 2019 (from April 1, 2018 to March 31, 2019) and result of the previous fiscal year

1) Differences between the non-consolidated earnings forecast and result of the previous fiscal year

	Net sales	Operating profit	Ordinary income	Net income
Results in previous fiscal year (fiscal year ended March 31, 2018) (A)	Million yen 869,677	Million yen 13,732	Million yen 31,370	Million yen 25,530
Revised forecast (B)	852,800	(10,900)	5,100	(13,500)
Amount change (B - A)	(16,877)	(24,632)	(26,270)	(39,030)
Percentage change (%)	(1.9)	—	(83.7)	—

2) Reasons of the differences

For the non-consolidated earnings forecast, the Company expects to post a decline in each of operating profit, ordinary income and net income on a year-on-year basis, reflecting the reasons described 1.2), periodic furnace repairs at Naoshima Smelter & Refinery, and rising thermal energy costs in the Cement business in Japan.

3. Dividend forecast

There is no revision to the dividend forecast due to the revisions to the consolidated earnings forecast.

4. Partial return of Officers remuneration

Based on the above situation, Officers will partially return their remuneration as follows. In addition, Officers bonus for fiscal year ending March 31, 2019 (paid in June 2019) will NOT be paid.

President		Return of 30% of the monthly remuneration	(3 months)
Director, Executive Vice President	1 person	Return of 30% of the monthly remuneration	(3 months)
Director, Senior Managing Executive Officer	1 person	Return of 30% of the monthly remuneration	(3 months)
Director, Managing Executive Officer	2 people	Return of 10% of the monthly remuneration	(3 months)
Managing Executive Officer	4 people	Return of 10% of the monthly remuneration	(3 months)

(Note) The above forecast has been prepared on assumed economic conditions, market trends, and other factors foreseeable as of the date of this announcement, and the results may differ from the forecasts due to various factors arising in the future.