



February 26, 2020

To All Concerned Parties

Company name Mitsubishi Materials Corporation
Representative Naoki Ono, Chief Executive Officer
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Notice Regarding Additional Acquisition of Shares in Mitsubishi Hitachi Tool Engineering, Ltd.
(Making the Company a Wholly Owned Subsidiary)

Mitsubishi Materials Corporation (hereinafter "MMC") hereby announces that at a meeting of the Board of Directors held today, MMC resolved to acquire additional issued shares (hereinafter "the Acquisition") in Mitsubishi Hitachi Tool, Ltd., a consolidated subsidiary of MMC (hereinafter "MHT", MMC holds 51% of the shares, Hitachi Metals, Ltd. (hereinafter "Hitachi Metals") holds 49% of the shares), all of which are held by Hitachi Metals, to make it a wholly-owned subsidiary.

1. Purpose of the Acquisition

In April 2015, MMC acquired 51% of the issued shares of MHT from Hitachi Metals, making it a consolidated subsidiary, with the aim to strengthen the business foundation of the carbide product business.

Since then, MHT has steadily expanded its business by leveraging MMC's strong global sales network, while having a top-class domestic market share of tools in the field of mold that requires complicated shape processing. At the same time, MMC has been building a structure to provide market-demanded products and services more broadly than ever, mainly in tools for the automobiles, aircrafts and medical sector, by utilizing MHT's strong and high-level technical proposal capability related to the processing of diverse materials, while being a top-class domestic market share as a comprehensive cemented carbide product manufacturer that possesses an integrated supply chain ranging from raw materials and end products to recycling.

Under such circumstances, MMC, in order to respond to increasingly accelerated changes in market needs, resolved the Acquisition, determining that it is necessary to make MHT a wholly owned subsidiary and operate it as the Group's cemented carbide products business in a more agile manner. The Acquisition is expected to be completed on April 1, 2020.

After the Acquisition, MMC and MHT aim med- to long-term growth globally to realize efficient and competitive business operations in their respective strong fields, under DIAEDGE brand for MMC and MOLDINO brand for MHT.

After the Acquisition, MHT will be renamed as MOLDINO Tool Engineering, Ltd.

2. Overview of the acquired company (as of January 31, 2020)

(1) Name	Mitsubishi Hitachi Tool Engineering, Ltd. *
(2) Location	4-31-11, Ryogoku, Sumida-ku, Tokyo
(3) Name and title of representative	Hitoshi Kikuchi, President and Representative Director
(4) Business	Manufacturing and sales of cemented carbide tools
(5) Capital stock	1,455.41 million yen
(6) Date of establishment	September 23, 1933
(7) Major shareholders and shareholding ratio	MMC: 51%, Hitachi Metals: 49%

(8)	Relations between MMC and the acquired company	Capital relations	MMC holds 51% of the shares in MHT and it is a consolidated subsidiary.	
		Human relations	MMC dispatches four Directors to MHT, including Representative Director and President, and two Corporate Auditors.	
		Business relations	MMC and MHT have business relations in terms of supply of raw material and manufacturing contract.	
(9) Financial position and operating results for the most recent three fiscal years (in the simplified consolidated basis)				
	Fiscal year	FY2017	FY2018	FY2019
	Net assets	21,783 million yen	25,142 million yen	26,279 million yen
	Total assets	30,529 million yen	35,376 million yen	36,572 million yen
	Net assets per share	793.34 yen	915.69 yen	957.11 yen
	Net sales	22,377 million yen	25,467 million yen	26,147 million yen
	Operating profit	4,750 million yen	6,099 million yen	5,567 million yen
	Ordinary income	4,471 million yen	5,880 million yen	5,275 million yen
	Net Income	3,154 million yen	4,034 million yen	3,726 million yen

* After the Acquisition is completed, the company will be renamed as "MOLDINO Tool Engineering, Ltd."

3. Overview of the counterparty of the Acquisition

(1)	Name	Hitachi Metals, Ltd		
(2)	Location	1-2-70 Konan, Minato-ku, Tokyo		
(3)	Name and title of representative	Koji Sato, President and Chief Executive Officer; Representative Executive Officer		
(4)	Business	Manufacture and marketing of advanced metals products, and advanced components and materials		
(5)	Capital stock	26,284 million yen		
(6)	Date of establishment	April 10, 1956		
(7)	Total capital	595,211 million yen (as of March 31, 2019)		
(8)	Total assets	1,099,252 million yen (as of March 31, 2019)		
(9)	Major shareholders and shareholding ratio	Hitachi, Ltd. 52.9%		
(10)	Relations between MMC and Hitachi Metals	Capital relations	MMC and Hitachi Metals have no Capital relation.	
		Human relations	MMC and Hitachi Metals have no Human relation.	
		Business relations	MMC and Hitachi Metals have business relations in terms of sale and purchasing.	
		Status of the related party	Not applicable.	

4. Details of the Acquisition

(1)	The number of shares held before the Acquisition	14,003,085 shares (Ownership ratio: 51.0%)
(2)	The number of shares acquired	13,453,945 shares

(3)	The acquisition amount	The acquisition amount is not disclosed because of the contractual confidentiality obligation. It was, however, decided through a fair process, therefore MMC determines the amount matches the corporate value of MHT.
(4)	The number of shares held after the Acquisition	27,457,030 shares (Ownership ratio: 100.0%)

5. Schedule of the Acquisition

(1)	Date of Resolution at the Board of Directors meeting	February 26, 2020
(2)	Execution date of SPA	March 2, 2020 (scheduled)
(3)	The acquisition completion date	April 1, 2020 (scheduled)

6. Future outlook

The acquisition has no impact on the consolidated business performance of MMC for the period ending March 31, 2020.