



May 13, 2020

To All Concerned Parties

Company name Mitsubishi Materials Corporation  
Representative Naoki Ono, Chief Executive Officer  
(Securities code: 5711, First Section, Tokyo Stock Exchange)  
Contact for inquiries Yuji Omura, General Manager, Corporate Communications Dept.  
(Tel: +81-3-5252-5206)

**Notice of Revisions to the Consolidated Earnings Forecasts and Recording of Extraordinary Losses**

Mitsubishi Materials Corporation hereby announces revisions to the consolidated earnings forecasts announced on February 12, 2020, and recording of extraordinary losses for the fourth quarter of the fiscal year ended March 31, 2020.

Details are as described below.

1. Revisions to the consolidated earnings forecasts for the fiscal year ended March 31, 2020  
(from April 1, 2019, to March 31, 2020)

1) Revisions to the consolidated earnings forecasts

	Net sales	Operating profit	Ordinary profit	Profit (loss) attributable to owners of parent
	Million yen	Million yen	Million yen	Million yen
Previous forecasts (A)	1,520,000	27,000	40,000	(57,000)
Revised forecasts (B)	1,516,000	37,000	49,000	(72,000)
Amount change (B-A)	(4,000)	10,000	9,000	(15,000)
Percentage change (%)	(0.3)	37.0	22.5	-
(Reference) Results in previous fiscal year (fiscal year ended March 31, 2019)	1,662,990	36,861	50,679	1,298

2) Reasons for the revisions

Regarding to the consolidated earnings forecasts for the fiscal year ended March 31, 2020, profit attributable to owners of parent is expected to decline from the previous forecasts due to the increase of extraordinary losses and tax expenses, while operating profit and ordinary profit are expected to increase from the previous forecasts as a result of improvement of recovery rate and reduction of smelting cost, which exceeded the forecasts, in the Metals Business.

2. Dividends forecasts

The dividends forecasts remain unchanged despite the revisions to the forecasts.

3. Recording of extraordinary losses

1) Impairment loss of fixed assets

In the Advanced Products Business and Metalworking Solutions Business of MMC, it was observed that there was an indication of impairment loss due to a decline in profitability under the significant deterioration of business environment and a decline in market value of land. As a result of careful consideration of future recoverability,

MMC determined to record 27.4 billion yen of extraordinary losses for non-current assets of the plants engaged in these businesses on the consolidated and non-consolidated financial statements for the fourth quarter of the fiscal year ending on March 31, 2020, based on the “Accounting Standard for Impairment of Fixed Assets.”

At subsidiaries in the Aluminum business, it was observed that there was an indication of impairment loss due to a decline in profitability. As a result of careful consideration of future recoverability, MMC determined to record 20.3 billion yen of extraordinary losses on the consolidated financial statements for the fourth quarter of the fiscal year ending on March 31, 2020, based on the “Accounting Standard for Impairment of Fixed Assets.”

2) Provision for loss on business restructuring

To cover potential losses resulting from business restructuring of MMC and subsidiaries in the Sintered parts business, MMC determined to record 30.3 billion yen of the estimated loss as extraordinary losses on the consolidated financial statements for the fourth quarter of the fiscal year ending on March 31, 2020.

On the non-consolidated basis, provision of allowance for doubtful accounts of 12.9 billion yen related to loans to subsidiaries and associates will be recorded in non-operating expenses and provision for loss on business restructuring of 17.4 billion yen will be recorded in extraordinary losses.

3) Loss on valuation of investment securities in subsidiaries and associates

The shares of the subsidiaries in the Aluminum business, held by MMC, significantly reduces its actual value due to “impairment loss on fixed assets” as stated in 1) above, and consequently extraordinary losses of 16.2 billion yen will be recorded as loss on valuation of investment securities in subsidiaries and associates.

The loss on valuation of investment securities in subsidiaries and associates will not affect the consolidated results because the loss is written off with the consolidated results.

(Note) The above forecasts 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.