



August 6, 2020

To All Concerned Parties

Company name Mitsubishi Materials Corporation  
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**Notice Regarding the Consolidated Earnings Forecasts, Dividend Forecasts and Non-Consolidated Earnings Forecasts**

Mitsubishi Materials Corporation (hereinafter referred to as the “Company”) hereby gives a notice regarding the consolidated earnings forecasts, dividend forecasts and non-consolidated earnings forecasts for the fiscal year ending March 31, 2021, which were undetermined in the Consolidated Financial Results for the fiscal year Ended March 31, 2020 announced in May 27, 2020, as described below:

**1. Consolidated earnings forecasts and dividend forecasts**

(1) Consolidated earnings forecasts for the first six months of the fiscal year ending March 31, 2021  
 (from April 1, 2020 to September 30, 2020)

	Net sales	Operating profit	Ordinary profit	Quarterly profit (loss) attributable to owners of parent
	Million yen	Million yen	Million yen	Million yen
Previous forecasts (A)	-	-	-	-
Current forecasts (B)	720,000	(2,000)	0	(5,000)
Amount Change (B - A)	-	-	-	-
Percentage change (%)	-	-	-	-
(Reference) Results for the previous fiscal year (Six month of the fiscal year ended March 31, 2020)	748,400	16,978	27,242	4,511

(2) Consolidated earnings forecasts for the fiscal year ending March 31, 2021  
 (from April 1, 2020 to March 31, 2021)

	Net sales	Operating profit	Ordinary profit	Profit (loss) attributable to owners of parent
	Million yen	Million yen	Million yen	Million yen
Previous forecasts (A)	-	-	-	-
Current forecasts (B)	1,410,000	(5,000)	0	(10,000)
Amount Change (B - A)	-	-	-	-
Percentage change (%)	-	-	-	-



(Reference) Results for the previous fiscal year (fiscal year ended March 31, 2020)	1,516,100	37,952	49,610	(72,850)
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(3) Dividend forecasts for the fiscal year ending March 31, 2021

	Dividend per share (yen)				
	First quarter	Second quarter	Third quarter	Year-End	Annual
Previous forecasts	yen -	yen -	yen -	yen -	yen -
Current forecasts	-	0	-	40	40
Results for the current fiscal year	-	-	-	-	-
Results for the previous fiscal year (fiscal year ended March 31, 2020)	-	40	-	40	80

(4) Reasons for announcement

The Company had not determined the consolidated earnings forecasts for the fiscal year ending March 31, 2021, because it was difficult to reasonably estimate the impact of the spread of COVID-19 on business results. While the declaration of emergency was lifted in Japan and other countries have gradually resumed economic activities, the sign of ending regarding COVID-19 was still not shown and the situation remains uncertain. Despite such situation, the Company has prepared and hereby announces its earnings forecasts based on information, forecasts, and others currently available to the Company on the assumption that demand will slowly recover after hitting the bottom around the second quarter although their situation may differ among its businesses, in addition, mainly reflecting the impact of reduced production and net sales due to periodic repairs for smelter & refinery in the Metal Business during the second half of this fiscal year ending March 31, 2021 and so on.

The impact of the COVID-19 in each segment is assumed as follows.

Segments	Overview of Assumed Impacts of COVID-19
Advanced Products	Regarding copper & copper alloy products and electronic materials, demand for automotive products, etc., is expected to decrease with the spread of COVID-19 but slowly recover after hitting the bottom in the second quarter.
Metalworking Solutions Business	Regarding cemented carbide products and sintered products, demand for automotive products, etc., is expected to decrease with the spread of COVID-19 but slowly recover after hitting the bottom in the second quarter.
Metals Business	Regarding the Smelting & refinery business, margin is expected to decline especially during the third quarter due to a decrease in the volume of E-Scrap to be received from overseas with the spread of COVID-19.
Cement Business	Regarding the business in Japan, earnings for the first quarter decreased substantially quarter-on-quarter mainly due to the suspension of some construction projects in the Kanto and Tokai areas with the spread of COVID-19. In the second half of the current fiscal year, major construction projects, including

	redevelopment projects etc., are expected to resume gradually.
Environment & Energy Business	Mainly due to the temporary suspension and extension of construction projects, regarding a part of the consolidated subsidiaries of the Company with the spread of COVID-19 are deterioration of construction progress is expected mainly in the fourth quarter.
Other Businesses	Regarding the Aluminum business and related businesses, demand for automotive products, etc., is expected to decrease with the spread of COVID-19 but slowly recover after hitting the bottom in the second quarter.

Regarding dividends, the Company has comprehensively taken into account its above earnings forecasts and current financial conditions and expect not to pay dividends at the end of this second quarter, and expects to pay a dividend of 40 yen at the end of the fiscal year ending March 31, 2021.

## 2. Non-consolidated earnings forecasts

(1) Non-consolidated earnings forecasts for the fiscal year ending March 31, 2021

(from April 1, 2020 to March 31, 2021)

	Net sales	Operating profit	Ordinary profit	Profit (loss)
	Million yen	Million yen	Million yen	Million yen
Previous forecasts (A)	-	-	-	-
Current forecasts (B)	790,000	(20,000)	(10,000)	0
Amount Change (B - A)	-	-	-	-
Percentage change (%)	-	-	-	-
(Reference) Non-consolidated results for the previous fiscal year (fiscal year ended March 31, 2020)	802,655	(645)	17,233	(49,929)

(2) Reasons for announcement

As for the non-consolidated earnings forecasts, the Company expects that ordinary profit will get into red. This is because it is forecasted that automobile-related demand, etc., decrease due to the spread of COVID-19, construction is suspended mainly in the Tokyo metropolitan area, deterioration in purchasing conditions of concentrates and the Naoshima Smelter & Refinery plans periodic repairs as well as dividend income decreases.

## 3. Countermeasures

While the business environment surrounding the Mitsubishi Materials Group (hereinafter referred to as the “Group”) is currently promoting the following countermeasures against the decline of the business performance due to spread of COVID-19 to improve its earnings.

1. Cost reduction

- Cutback in variable costs, including raw materials costs and fuel costs
- Cutback in fixed costs, including reviewing production and sales system to meet demand and reducing cost for head office



## 2. Review of investment plans

In addition, in order to keep pace with deterioration of business environment and its prolongation as well as rapid environment changes, the Group seeks to reinforce its business platform by securing liquidity on hand and capabilities for financing, and establishing a cost-minimum structure, combining work-style reform in new normal and the Digital Transformation strategy in progress.

(Note) The above forecasts have 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.