Consolidated Financial Results for the Three Months Ended June 30, 2026 (Japanese Accounting Standards)

August 6, 2026

Name of Listed Company: Mitsubishi Materials Corporation Listing: Tokyo Stock Exchange
Stock Code: 5711 URL: https://www.mmc.co.jp/
Representative: Tetsuya Tanaka, Executive Officer and President
Contact: Kota Nagashima, General Manager, Investor Relations Dept. Tel: +81-3-5252-5290
Scheduled Date of Start of Dividend Payment: —
Supplementary Materials for the Financial Results: Yes
Investor Conference for the Financial Results: Yes (For Institutional Investors)

(Amounts of less than one million yen are omitted)

1. Consolidated Financial Results for the Three Months Ended June 30, 2026 (From April 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2026	597,005	38.4	32,994	—	51,902	—	51,284	—
Three months ended June 30, 2025	431,402	-16.0	-2,641	—	-143	—	-4,050	—

(Note) Comprehensive income: Three months ended June 30, 2026: ¥49,759 million (—%)
Three months ended June 30, 2025: -¥11,110 million (—%)

	Profit per share	Diluted profit per share
	Yen	Yen
Three months ended June 30, 2026	392.35	—
Three months ended June 30, 2025	-31.00	—

(2) Consolidated Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2026	2,940,124	792,919	26.4
As of March 31, 2026	2,999,744	752,978	24.5

(Reference) Shareholders' equity: As of June 30, 2026: ¥775,329 million
As of March 31, 2026: ¥736,112 million

2. Dividends

	Dividend per share				
(Record date)	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2026	—	50.00	—	50.00	100.00
Year ending March 31, 2027	—				
Year ending March 31, 2027 (Forecast)		58.00	—	58.00	116.00

(Note) Revision of the most recently published dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2027 (From April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2027	2,400,000	30.1	130,000	114.9	180,000	84.5	140,000	245.0	1,070.80

(Note) Revision to forecast published most recently: Yes

For revisions to the consolidated earnings forecast, please refer to the "Notice Concerning Revision to Earnings Forecast" and the "Presentation Materials for the First Three Months of the Fiscal Year Ending March 31, 2027," both released today.

Notes:

(1) Significant changes in the scope of consolidation during the period: None
New: — (Company name: —)
Excluded: — (Company name: —)

(2) Application of special accounting treatment in the preparation of the quarterly consolidated financial statements: Yes
(Note) For details, please refer to "2. Consolidated Financial Statements and Key Notes," section (3), "Key notes to consolidated quarterly financial statements (Notes on accounting methods specific to the preparation of quarterly consolidated financial statements)" on page 12.

(3) Changes in accounting policies, changes in accounting estimates and restatements

(i)	Changes in accounting policies due to amendments to accounting standards:	None
(ii)	Other changes in accounting policies:	None
(iii)	Changes in accounting estimates:	None
(iv)	Restatements:	None

(4) Number of outstanding shares (common stock)

(i)	Number of outstanding shares at the end of the period (including treasury shares):	
	Three months ended June 30, 2026:	131,489,535 shares
	Year ended March 31, 2026:	131,489,535 shares
(ii)	Number of treasury shares at the end of the period:	
	Three months ended June 30, 2026:	731,098 shares
	Year ended March 31, 2026:	812,094 shares
(iii)	Average number of outstanding shares during the period:	
	Three months ended June 30, 2026:	130,709,918 shares
	Three months ended June 30, 2025:	130,660,070 shares

* The quarterly consolidated financial statements attached to these financial results are not subject to a review by certified public accountants or an audit firm.

* Explanation regarding the proper use of financial forecasts and other special notes.
(Notes concerning forward-looking statements, etc.)
The operating results forecasts and other forward-looking statements contained in this report are based on information currently available to Mitsubishi Materials Corporation ("Company" or "Group"), as well as certain assumptions that the Company has judged to be reasonable. As such, they do not constitute an assurance that the Company will achieve these projected results. Therefore, readers are advised to note that the actual results may vary materially from the forecasts due to a variety of factors.

(Procedure for obtaining the supplementary materials for quarterly financial results and information on the quarterly financial results briefing)
The Company plans to hold a quarterly financial results briefing for institutional investors on Thursday, August 6, 2026. The supplementary materials for quarterly financial results to be used at the briefing are disclosed on TDnet and the Company's website at the same time as the announcement of the quarterly financial results.

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***Contents**

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1. Overview of Business Results

(1) Overview of operating results

1) Summary of business performance for the first quarter

During the first quarter of the current fiscal year, the global economy continued to pick up moderately, although there were signs of a pause in the economic recovery in some regions amid growing uncertainty due to developments in the Middle East.

Although the Japanese economy continued on a moderate recovery trend, there were also signs of uncertainty, such as weakening consumer sentiment amid continued price increases.

In the business environment surrounding the Group, in addition to signs of recovery in demand for automobile-related and semiconductor-related products, the yen remained weak, and metal prices remained at levels above those in the same period of the previous fiscal year.

Under these circumstances, net sales, operating profit, and ordinary profit increased year-on-year in the Materials Business Area, the Metalworking Solutions Business, the Advanced Products Business, and the Renewable Energy Business.

As a result, consolidated net sales, operating profit, and ordinary profit amounted to ¥597,005 million (up 38.4% year-on-year), ¥32,994 million (compared with an operating loss of ¥2,641 million in the same period of the previous fiscal year), and ¥51,902 million (compared with an ordinary loss of ¥143 million in the same period of the previous fiscal year), respectively. Consequently, profit attributable to owners of parent amounted to ¥51,284 million, compared with a loss of ¥4,050 million in the same period of the previous fiscal year.

2) Segment overview

Effective from the first quarter of the current fiscal year, the Group changed its reportable segments and made related changes. For details, please refer to “2. Consolidated Financial Statements and Key Notes,” section (3), “Key notes to consolidated quarterly financial statements (Notes on segment information, etc.)” The following year-on-year comparisons are based on the figures for the same period of the previous fiscal year reclassified in accordance with the revised segment classifications.

Materials Business Area

(Billions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Change (%)	
Net sales	332.0	472.1	140.0	(42.2%)
Operating profit (loss)	-5.2	24.4	29.7	(－%)
Ordinary profit (loss)	-6.6	26.0	32.7	(－%)

In the Materials Business Area, net sales and operating profit increased year-on-year due to the impact of higher prices for major metals such as tungsten, copper, and gold, as well as the depreciation of the yen. Ordinary profit increased mainly due to the increase in operating profit and the recognition of foreign exchange gains.

Products Business Area

Metalworking Solutions Business

(Billions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Change (%)	
Net sales	34.2	45.4	11.1	(32.6%)
Operating profit	3.2	8.6	5.4	(167.2%)
Ordinary profit	3.1	8.5	5.4	(173.4%)

In the Metalworking Solutions Business, the overall market followed a moderate recovery trend. Net sales, operating profit, and ordinary profit increased year-on-year, mainly due to an increase in sales volume, as well as the effects of a weaker yen and price improvements.

Advanced Products Business

(Billions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Change (%)	
Net sales	54.8	72.0	17.2	(31.4%)
Operating profit	0.5	3.2	2.6	(503.0%)
Ordinary profit	0.4	3.4	3.0	(698.7%)

In the Advanced Products Business, net sales, operating profit, and ordinary profit increased year-on-year owing to expanded demand for AI-related products.

Mineral Resources Business

(Billions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Change (%)	
Net sales	—	—	—	(—%)
Operating profit	-0.7	-0.7	0.0	(—%)
Ordinary profit	1.9	14.0	12.0	(616.0%)

In the Mineral Resources Business, ordinary profit increased year-on-year due to an increase in dividend income from mines.

Renewable Energy Business

(Billions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Change (%)	
Net sales	1.3	2.1	0.7	(53.5%)
Operating profit	0.3	0.8	0.4	(126.1%)
Ordinary profit	0.1	1.0	0.9	(915.1%)

The Appi Geothermal Power Plant suspended operations from April to October of the previous fiscal year due to equipment damage caused by lightning. Consequently, net sales, operating profit, and ordinary profit in the Renewable Energy Business increased year-on-year.

Other Businesses

(Billions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Change (%)	
Net sales	35.3	32.9	-2.4	(-7.0%)
Operating profit	0.6	0.5	-0.0	(-10.2%)
Ordinary profit	3.9	3.8	-0.0	(-1.3%)

In other businesses, combined net sales, operating profit, and ordinary profit remained at approximately the same levels as in the same period of the previous fiscal year.

(2) Overview of financial position

Total assets at the end of the first quarter of the current fiscal year amounted to ¥2,940.1 billion, a decrease of ¥59.6 billion from the end of the previous fiscal year. This was mainly attributable to a decrease in leased gold bullion. Total liabilities amounted to ¥2,147.2 billion, a decrease of ¥99.5 billion from the end of the previous fiscal year. This was mainly attributable to a decrease in deposited gold bullion.

The Group is working to enhance cash efficiency by implementing a cash management system and other measures to centrally manage surplus funds across Group companies. As part of these efforts, a global cash management system (notional pooling) has been introduced for certain overseas subsidiaries to further improve cash efficiency on a global basis. As of the end of the first quarter of the current fiscal year, deposits of ¥78.8 billion and borrowings of ¥67.3 billion under the notional pooling arrangement were presented as part of “Cash and deposits” and “Short-term borrowings,” respectively.

(3) Forecasts of consolidated financial results and other forward-looking statements

For the consolidated earnings forecasts for the fiscal year ending March 2027, please refer to the “Notice Concerning Revision to Earnings Forecast” and the “Presentation Materials for the First Three Months of the Fiscal Year Ending March 31, 2027,” both released today.

2. Consolidated Financial Statements and Key Notes

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	123,019	157,006
Notes receivable – trade	25,508	24,560
Accounts receivable – trade	198,349	213,476
Merchandise and finished goods	203,710	204,393
Work in process	184,670	199,698
Raw materials and supplies	221,644	242,720
Leased gold bullion	813,829	772,434
Other	294,943	212,079
Allowance for doubtful accounts	(682)	(651)
Total current assets	2,064,993	2,025,718
Non-current assets		
Property, plant and equipment		
Machinery and equipment, net	143,146	142,905
Land, net	88,727	88,711
Other, net	202,659	205,396
Total property, plant and equipment, net	434,533	437,013
Intangible assets		
Goodwill	19,599	18,904
Other	27,341	26,490
Total intangible assets	46,940	45,394
Investments and other assets		
Investment securities	330,663	302,449
Other	122,723	129,714
Allowance for doubtful accounts	(770)	(770)
Total investments and other assets	452,616	431,392
Total non-current assets	934,090	913,801
Deferred assets		
Commencement costs	661	604
Total deferred assets	661	604
Total assets	2,999,744	2,940,124

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(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable – trade	123,608	122,832
Short-term borrowings	281,845	330,518
Commercial papers	70,000	100,000
Current portion of bonds payable	30,000	10,000
Income taxes payable	8,710	11,607
Allowance	15,793	8,440
Deposited gold bullion	1,239,178	1,097,051
Other	102,853	98,027
Total current liabilities	1,871,989	1,778,476
Non-current liabilities		
Bonds payable	110,000	110,000
Long-term borrowings	160,225	154,387
Provision for environmental measures	13,078	13,061
Other provisions	974	766
Retirement benefit liability	38,791	38,696
Other	51,706	51,815
Total non-current liabilities	374,776	368,728
Total liabilities	2,246,766	2,147,205
Net assets		
Shareholders' equity		
Share capital	119,457	119,457
Capital surplus	81,745	81,745
Retained earnings	406,922	451,299
Treasury shares	(2,788)	(2,591)
Total shareholders' equity	605,338	649,910
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,127	12,543
Deferred gains or losses on hedges	3,315	2,033
Revaluation reserve for land	15,623	15,596
Foreign currency translation adjustment	74,045	78,430
Remeasurements of defined benefit plans	25,661	16,814
Total accumulated other comprehensive income	130,773	125,418
Non-controlling interests	16,866	17,590
Total net assets	752,978	792,919
Total liabilities and net assets	2,999,744	2,940,124

(2) Consolidated statement of profit or loss and consolidated statement of comprehensive income

Consolidated statement of profit or loss

(Millions of yen)

	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)
Net sales	431,402	597,005
Cost of sales	401,448	530,405
Gross profit	29,954	66,599
Selling, general and administrative expenses	32,595	33,605
Operating profit (loss)	(2,641)	32,994
Non-operating income		
Interest income	859	878
Dividend income	2,408	12,516
Share of profit of entities accounted for using equity method	4,213	6,834
Foreign exchange gains	—	2,189
Rental income from non-current assets	994	1,139
Other	553	736
Total non-operating income	9,029	24,294
Non-operating expenses		
Interest expenses	2,368	2,876
Expense for the maintenance and management of abandoned mines	1,081	804
Other	3,080	1,706
Total non-operating expenses	6,531	5,386
Ordinary profit (loss)	(143)	51,902
Extraordinary income		
Gain on revision of retirement benefit plans	—	11,033
Other	13	714
Total extraordinary income	13	11,747
Extraordinary losses		
Impairment loss	0	54
Special retirement allowance	1,279	—
Others	73	34
Total extraordinary losses	1,353	88
Profit (loss) before income taxes	(1,484)	63,561
Income taxes	2,623	8,566
Profit (loss)	(4,107)	54,995
Profit (loss) attributable to non-controlling interests	(57)	3,710
Profit (loss) attributable to owners of parent	(4,050)	51,284

Consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)
Profit (loss)	(4,107)	54,995
Other comprehensive income		
Valuation difference on available-for-sale securities	340	1,336
Deferred gains or losses on hedges	(660)	(1,264)
Foreign currency translation adjustment	(2,361)	1,453
Retirement benefit adjustments	1,032	(8,746)
Share of other comprehensive income of entities accounted for using equity method	(5,353)	1,985
Total other comprehensive income	(7,002)	(5,235)
Comprehensive income	(11,110)	49,759
(Breakdown)		
Comprehensive income attributable to owners of parent	(10,983)	45,956
Comprehensive income attributable to non-controlling interests	(126)	3,803

(3) Key notes on consolidated quarterly financial statements

Notes on accounting methods specific to the preparation of quarterly consolidated financial statements

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax-effect accounting to profit or loss before income taxes for the fiscal year including the first quarter of the current fiscal year, and applying the estimated effective tax rate to quarterly profit or loss before income taxes. However, if the estimated effective tax rate cannot be used, the statutory effective tax rate is used.

Notes on segment information, etc.

[Segment information]

I. For the three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

1. Information on net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment					Other Businesses	Total	Adjustments	Amounts presented in the quarterly consolidated statement of income
	Materials Business Area	Products Business Area		Mineral Resources Business	Renewable Energy Business				
		Metalworking Solutions Business	Advanced Products Business						
Net sales									
(1) Net sales to external customers	319,632	33,206	50,311	—	1,380	26,872	431,402	—	431,402
(2) Inter-segment net sales or transfers	12,451	1,055	4,530	—	—	8,523	26,560	(26,560)	—
Total	332,083	34,261	54,842	—	1,380	35,395	457,962	(26,560)	431,402
Segment profit (loss)	(6,653)	3,138	436	1,959	104	3,944	2,929	(3,073)	(143)

Notes:

1. "Other Businesses" includes cement-related and engineering-related businesses.
2. The adjustment to segment profit (loss) of ¥(3,073) million includes eliminations of inter-segment transactions of ¥(728) million and corporate expenses not allocated to any reportable segment of ¥(2,344) million. Corporate expenses mainly consist of general and administrative expenses, basic research expenses, and net financial income and expenses not attributable to any reportable segment.
3. Segment profit (loss) is reconciled to ordinary loss in the quarterly consolidated statement of income.

II. For the three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)

1. Information on net sales and profit by reportable segment

(Millions of yen)

	Reportable segment					Other Businesses	Total	Adjustments	Amounts presented in the quarterly consolidated statement of income
	Materials Business Area	Products Business Area		Mineral Resources Business	Renewable Energy Business				
		Metalworking Solutions Business	Advanced Products Business						
Net sales									
(1) Net sales to external customers	457,227	43,736	68,968	—	2,111	24,961	597,005	—	597,005
(2) Inter-segment net sales or transfers	14,907	1,697	3,103	—	7	7,972	27,689	(27,689)	—
Total	472,135	45,434	72,072	—	2,118	32,933	624,694	(27,689)	597,005
Segment profit	26,063	8,582	3,485	14,026	1,059	3,892	57,110	(5,208)	51,902

Notes:

1. "Other Businesses" includes cement-related, engineering-related, and other businesses.
2. The adjustment to segment profit of ¥(5,208) million includes eliminations of inter-segment transactions of ¥(3,495) million and corporate expenses not allocated to any reportable segment of ¥(1,712) million. Corporate expenses mainly consist of general and administrative expenses, basic research expenses, and net financial income and expenses not attributable to any reportable segment.
3. Segment profit is reconciled to ordinary profit in the quarterly consolidated statement of income.

2. Changes in reportable segments

At a meeting of the Board of Directors held on November 26, 2025, the Company approved the Medium-term Management Strategy covering fiscal years ending March 2027 through 2029.

Under the Medium-term Management Strategy, the Company reorganized its business structure effective April 1, 2026, designating operations ranging from the collection and processing of recycled raw materials to the manufacture of copper and copper alloy products and tungsten materials as the “Materials Business Area,” and operations involving the manufacture of cemented carbide products and advanced products subject to further downstream processing as the “Products Business Area.” The Company will accelerate the global development of each business area.

In the Materials Business Area, the Company will promote the expansion of secondary smelting, resource circulation loops, and tungsten recycling by consolidating related businesses. In the Products Business Area, the Company will seek to improve profitability through the provision of high-value-added products and solutions. In the Mineral Resources Business, the Company will contribute to the stable procurement of copper concentrates used in the Materials Business Area and the establishment of a stable earnings base through investments in mines. In the Renewable Energy Business, the Company will develop an energy platform that achieves both a stable energy supply and decarbonization by combining diverse power sources, primarily geothermal, hydroelectric, and solar power.

Accordingly, the Company changed its reportable segments from the Metals Business, Advanced Products Business, Metalworking Solutions Business, and Renewable Energy Business to the Materials Business Area, Products Business Area (Metalworking Solutions Business), Products Business Area (Advanced Products Business), Mineral Resources Business, and Renewable Energy Business.

Segment information for the first quarter of the previous fiscal year has been prepared and disclosed based on the revised reportable segment classifications.

Notes on significant changes in the amount of shareholders’ equity

Not applicable.

Notes on going concern assumptions

Not applicable.

Notes on the quarterly consolidated statement of cash flows

The Company did not prepare a quarterly consolidated statement of cash flows for the first quarter of the current fiscal year. Depreciation and amortization, including amortization of intangible assets other than goodwill, and amortization of goodwill for the first quarter of the current fiscal year were as follows:

	Previous first quarter (From April 1, 2025 to June 30, 2025)	Current first quarter (From April 1, 2026) to June 30, 2026)
Depreciation and amortization	¥11,062 million	¥11,383 million
Amortization of goodwill	¥447 million	¥252 million

Additional information

Execution of an Agreement Regarding the Integration of Businesses for the Purchase of Copper Concentrates and the Sales of Related Products through a Company Split (Simplified Absorption-Type Company Split)

1. Outline of the Integration

On May 28, 2026, the Company resolved at a meeting of its Board of Directors to integrate its business related to the purchase of copper concentrates and the sales of related products, including copper cathodes, sulfuric acid, and other by-products derived from copper concentrates (the “Target Business”) into Pan Pacific Copper Co., Ltd. (“PPC”), which is a joint venture among JX Advanced Metals Corporation (“JX”), Mitsui Kinzoku Company, Limited (“Mitsui Kinzoku”), and Marubeni Corporation (“Marubeni”; JX, Mitsui Kinzoku, and Marubeni are hereinafter collectively referred to as the “PPC Shareholders,” and the PPC Shareholders and the Company are hereinafter collectively referred to as the “Companies”) (the “Integration”), and executed a management integration agreement (the "Final Agreement") with the PPC Shareholders.

With regard to the external environment surrounding the copper smelting business, the terms and conditions for purchasing copper concentrate from mining companies (TC/RC) have deteriorated significantly amid intensifying competition with overseas smelters, and the future outlook remains uncertain. Under these circumstances, through the Integration, the Companies will strengthen their international competitiveness by jointly procuring copper concentrate, reduce costs by consolidating common functions and improving the efficiency of sales operations, and establish a new structure capable of maintaining and improving the profitability of the copper smelting business.

The Integration will be implemented by: (i) PPC establishing a new company (the "New Company") to serve as the recipient of the Company's Target Business; (ii) conducting an absorption-type company split of the Target Business, with the Company as the splitting company and PPC as the succeeding company in the absorption-type company split (the "First Absorption-Type Company Split"); and (iii) conducting, on the same date as the First Absorption-Type Company Split and subject to the First Absorption-Type Company Split becoming effective, an absorption-type company split of the Target Business, with PPC as the splitting company and the New Company as the succeeding company in the absorption-type company split (the "Second Absorption-Type Company Split"; collectively with the First Absorption-Type Company Split, the "Absorption-Type Company Splits").

After the Integration, the shareholding ratios in PPC will be 32.00% for the Company, 32.50% for JX, 21.90% for Mitsui Kinzoku, and 13.60% for Marubeni, and the New Company will be a wholly owned subsidiary of PPC.

2. Outline of the First Absorption-Type Company Split

(1) Method of the Absorption-Type Company Split

Splitting company: The Company

Succeeding company: Pan Pacific Copper Co., Ltd.

(2) Effective Date

February 1, 2027 (planned)

(3) Rights and Obligations to Be Succeeded

On the effective date, PPC will succeed to the rights and obligations held by the Company in relation to the Target Business, except for those specified as not being assumed by PPC under the absorption-type company split agreement for the First Absorption-Type Company Split. The succession by PPC to the Company's obligations through the First Absorption-Type Company Split will be effected by a debt assumption whereby the Company will be released from such obligations.

(4) Consideration for the Company Split

Upon the First Absorption-Type Company Split, PPC will newly issue 94,608 shares of common stock, all of which will be allotted to the Company. Prior to the First Absorption-Type Company Split becoming effective, PPC will conduct a 17-for-1 stock split with respect to its shares.

(5) Change in Share Capital

There will be no increase or decrease in the amount of the Company's share capital as a result of the First Absorption-Type Company Split.

3. Outline of the Second Absorption-Type Company Split

(1) Method of the Absorption-Type Company Split

Splitting company: Pan Pacific Copper Co., Ltd.

Succeeding company: The New Company (PPC Material Co., Ltd.)

(2) Effective Date

February 1, 2027 (planned)

(3) Change in Share Capital of the Succeeding Company

The amount by which the share capital of the succeeding company will increase as a result of the Second Absorption-Type Company Split is expected to be ¥2,999 million.

4. Reportable Segment That Includes the Business Subject to the Company Split

Materials Business Area

5. Date of the Integration

May 28, 2026:

Date of the Board of Directors resolution approving the Final Agreement

May 28, 2026:
Date of execution of the Final Agreement
July 1, 2026:
Establishment of the New Company
November 2026 (planned):
Date of the Board of Directors resolution approving the agreement for the Absorption-Type Company Splits
November 2026 (planned):
Execution of the agreement for the Absorption-Type Company Splits
January 2027 (planned):
Date of shareholders meeting resolution approving the agreement for the Absorption-Type Company Splits (PPC)
February 1, 2027 (planned):
Effective date of the Absorption-Type Company Splits

Note: The implementation of the Integration is subject to, among other things, the completion of notifications and filings with, and the receipt of permits and approvals from, the relevant authorities in Japan and overseas, including the Japan Fair Trade Commission, as necessary for the implementation of the Integration (the "Procedures Related to Permits and Approvals"). In the course of proceeding with these procedures, the Companies may, upon consultation among themselves, change the schedule for the Integration due to the Procedures Related to Permits and Approvals or other reasons.
The First Absorption-Type Company Split constitutes a simplified absorption-type company split for the Company pursuant to Article 784, paragraph 2 of the Companies Act, and the Second Absorption-Type Company Split constitutes a short-form absorption-type company split for the New Company pursuant to Article 784, paragraph 1 of the Companies Act. Accordingly, the Company and the New Company will each implement the relevant Absorption-Type Company Split without obtaining approval at their respective General Meetings of Shareholders.
The First Absorption-Type Company Split becoming effective is subject to PPC's 17-for-1 stock split becoming effective.

Significant subsequent events

Issuance of Zero Coupon Convertible Bonds due 2030 and Zero Coupon Convertible Bonds due 2032

At a meeting of the Board of Directors held on July 8, 2026, the Company resolved to issue Zero Coupon Convertible Bonds due 2030 (the “2030 Bonds”) and Zero Coupon Convertible Bonds due 2032 (the “2032 Bonds,” and together with the 2030 Bonds, the “Bonds”) (each being bonds with stock acquisition rights, tenkanshasaigata shinkabu yoyakuken-tsuki shasai; the stock acquisition rights attached to the Bonds are hereinafter referred to as the “Stock Acquisition Rights”). Payment for the Bonds was completed on July 24, 2026 (London time, unless otherwise specified). The outline is as follows.

1. Name of the Bonds
   Mitsubishi Materials Corporation Zero Coupon Convertible Bonds due 2030 and Zero Coupon Convertible Bonds due 2032

2. Amount to Be Paid for the Bonds
   2030 Bonds:
   100.0% of the principal amount of the Bonds (principal amount of ¥10 million per Bond)
   2032 Bonds:
   100.0% of the principal amount of the Bonds (principal amount of ¥10 million per Bond)

3. Amount Payable in Exchange for the Stock Acquisition Rights
   No cash payment will be required in exchange for the Stock Acquisition Rights.

4. Payment Date and Issue Date of the Bonds
   July 24, 2026

5. Offer Price (Issue Price) of the Bonds with Stock Acquisition Rights
   2030 Bonds: 102.5% of the principal amount of the Bonds
   2032 Bonds: 102.5% of the principal amount of the Bonds

6. Matters Concerning the Stock Acquisition Rights
   (1) Class, Description, and Number of Shares Subject to the Stock Acquisition Rights
   The class and description of shares subject to the Stock Acquisition Rights shall be shares of common stock of the Company, with 100 shares constituting one unit. The number of shares of common stock of the Company to be delivered by the Company upon exercise of the Stock Acquisition Rights shall be the number obtained by dividing the aggregate principal amount of the Bonds in respect of which an exercise request is made by the conversion price set forth in (4) below. Any fraction of less than one share resulting from such exercise shall be disregarded, and no adjustment will be made in cash.
   (2) Total Number of Stock Acquisition Rights to Be Issued
   2030 Bonds:
   The aggregate of 3,500 and the number obtained by dividing the aggregate principal amount of the Bonds relating to any replacement bond certificate for the 2030 Bonds (meaning any bond certificate with stock acquisition rights issued upon receipt of appropriate evidence and indemnity in the event of loss, theft or destruction of the Bond Certificate with Stock Acquisition Rights) by ¥10 million
   2032 Bonds:
   The aggregate of 3,500 and the number obtained by dividing the aggregate principal amount of the Bonds relating to any replacement bond certificate for the 2032 Bonds (meaning any bond certificate with stock acquisition rights issued upon receipt of appropriate evidence and indemnity in the event of loss, theft or destruction of the Bond Certificate with Stock Acquisition Rights) by ¥10 million
   (3) Date of Allotment of the Stock Acquisition Rights
   July 24, 2026
   (4) The Price of the Assets to Be Contributed upon Exercise of the Stock Acquisition Rights
   (a) Upon exercise of each Stock Acquisition Right, the Bond relating to such Stock Acquisition Right shall be contributed as an asset, and the price of such asset shall be an amount equal to the principal amount of the Bond.

(b) The initial conversion price shall be ¥5,275 for the 2030 Bonds and ¥5,105 for the 2032 Bonds.

(c) Following the issuance of the Bonds, if the Company issues shares of its common stock for an amount to be paid in that is below the market price of the shares of common stock of the Company, or disposes of shares of common stock of the Company held by the Company for such an amount, the conversion price shall be adjusted in accordance with the formula set forth below. In the formula, "Number of issued shares" means the total number of issued shares of common stock of the Company, excluding shares held by the Company.

Adjusted conversion price
= Conversion price before adjustment ×
(Number of issued shares + Number of shares to be issued or disposed of × Amount to be paid in per share ÷ Market price)
÷ (Number of issued shares + Number of shares to be issued or disposed of)

The conversion price shall also be adjusted, as appropriate, upon a share split or consolidation of shares of common stock of the Company, a dividend from surplus, the issuance of stock acquisition rights, including those attached to bonds with stock acquisition rights, that entitle the holder to acquire shares of common stock of the Company at a price below the market price of such shares, or the occurrence of certain other events.

(5) Exercise Period of the Stock Acquisition Rights

2030 Bonds:
From August 7, 2026 to July 10, 2030
2032 Bonds:
From August 7, 2026 to July 12, 2032

The above periods are based on the local time at the place where exercise requests are received. However, certain other provisions shall apply in addition to those stated above.

7. Matters Relating to the Bonds

(1) Aggregate Principal Amount of the Bonds

2030 Bonds:
The aggregate of ¥35.0 billion and the aggregate principal amount of the Bonds relating to any replacement bond certificate for the 2030 Bonds
2032 Bonds:
The aggregate of ¥35.0 billion and the aggregate principal amount of the Bonds relating to any replacement bond certificate for the 2032 Bonds

(2) Coupon

0%

(3) Redemption at Maturity

2030 Bonds:
The Bonds will be redeemed on July 24, 2030, at 100.0% of their principal amount.
2032 Bonds:
The Bonds will be redeemed on July 26, 2032, at 100.0% of their principal amount.

(4) Security or Guarantee for the Bonds

The Bonds will be issued without security or guarantee.

8. Use of Proceeds

The net proceeds of the issue of the Bonds are estimated to be approximately ¥70.0 billion and are expected to be used towards growth investments aimed at shifting to a business structure centered on the resource circulation business, including transition to secondary smelting and expansion of tungsten recycling, by March 2029.