



November 25, 2021

To All Concerned Parties

Company name	Mitsubishi Materials Corporation
Representative	Naoki Ono, Chief Executive Officer (Securities code: 5711, First Section, Tokyo Stock Exchange)
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Notice Regarding Reorganization of Aluminum Business

Mitsubishi Materials Corporation (hereinafter referred to as “the Company”) announces that the Board of Directors has resolved at a meeting held today that the Company has entered into agreement (hereinafter referred to as the “Agreement”) with regards to its consolidated subsidiaries Universal Can Corporation (hereinafter referred to as “UNICAN”) and Mitsubishi Aluminum Co., Ltd. (hereinafter referred to as “Mitsubishi Aluminum”, and “the Two Aluminum Companies” together with UNICAN), to transfer all share of UNICAN to Showa Aluminum Can Corp., which is owned by funds managed by affiliates of Apollo Global Management, Inc. (together with its consolidated subsidiaries, hereinafter collectively referred to as “Apollo”) based in the US, and to split the Aluminum rolling and processing business from Mitsubishi Aluminum into Showa Aluminum Can Corp. through an absorption-type company split and related transactions (hereinafter collectively referred to as the “Transaction”) and to subsequently reorganize such business into a new company.

As a result, the Company forecast that it will record an extraordinary loss in the fourth quarter of the fiscal year ending March 31, 2022 as of loss on business restructuring.

1. Background and Objectives

The Company has entered the Aluminum rolling and processing business in 1962 and the Aluminum beverage cans business in 1972. Since then, the Company has been operating both businesses for about half a century. While facing rapid changes in the external environment, the Company has provided support for the further growth of the Two Aluminum Companies, most recently through the expansion of new lines at UNICAN in 2019 and the capital increase at Mitsubishi Aluminum in 2020. But at the same time, the Company has been promoting its optimization of the business portfolio in the Medium-term Management Strategy. While improving the profit structure, the Company has been looking for opportunities to reorganize the Aluminum Business, which found to be difficult to realize synergies with other businesses of the Company. Under these circumstances, the Company repeatedly discussed the Transaction with Apollo, which has global expertise and management resources in the materials industry including aluminum, and concluded that pursuing the enhancement of business competitiveness under Apollo would be the best choice for both the Company and the Two Aluminum Companies, and decided to execute the Agreement and the Transaction. In addition, the Transaction is subject to the acquisition of necessary approvals and/or permission from a regulatory agency, etc.

2. Companies Subject to the Transaction

The Two Aluminum Companies will be subject to the Transaction, which is outlined below.

Outline of UNICAN

(1) Name	Universal Can Corporation
(2) Location	1-4-25, Kouraku, Bunkyo-ku, Tokyo, Japan

(3) Name and Title of the Representative	Tatsuya Hanafusa, President		
(4) Business Description	Manufacturing and sale of aluminum beverage cans bodies (includes aluminum bottle can bodies for beverages) and aluminum beverage can lids (including aluminum bottle cans lids for beverages)		
(5) Share capital	8,000 million yen		
(6) Date of Establishment	October 3, 2005		
(7) Major shareholders and their shareholding ratio	Mitsubishi Materials Corporation 80%, Hokkan Holdings Limited 20%		
(8) Relationship between the Company and UNICAN	Capital relationships	The Company holds 80% of the shares of UNICAN, which is a consolidated subsidiary of the Company.	
	Personnel relationship	The Company dispatches one director and one corporate auditor to UNICAN.	
	Business relationship	The Company and UNICAN have equipment leasing transactions.	
(9) Financial position and operating results of UNICAN for the most recent three fiscal years			
Fiscal year	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net asset	36,596 million yen	24,529 million yen	26,588 million yen
Total assets	69,507 million yen	74,134 million yen	67,730 million yen
Net assets per share	457,451 yen	306,616 yen	332,352 yen
Net sales	67,557 million yen	65,870 million yen	67,754 million yen
Operating profit	1,286 million yen	148 million yen	2,699 million yen
Ordinary profit (loss)	1,390 million yen	-110 million yen	3,145 million yen
Profit (loss)	984 million yen	-10,839 million yen	3,190 million yen

Outline of Mitsubishi Aluminum

(1) Name	Mitsubishi Aluminum Co., Ltd.		
(2) Location	2-3-3 Shiba, Minato-ku, Tokyo, Japan		
(3) Name and Title of the Representative	Yoshihiko Kimura, President		
(4) Business Description	Production and sales of aluminum and aluminum alloy products (such as sheets, extrusions, foils) and their fabricated products		
(5) Share capital	3,500 million yen		
(6) Date of Establishment	January 20, 1962		
(7) Major shareholders and their shareholding ratio	Mitsubishi Materials Corporation 100%		
(8) Relationship between the Company and Mitsubishi Aluminum	Capital relationships	The Company holds 100% of the shares of Mitsubishi Aluminum, which is a consolidated subsidiary the Company.	
	Personnel relationship	The Company dispatches two directors and one corporate auditor to Mitsubishi Aluminum.	
	Business relationship	The Company has business relationships with Mitsubishi Aluminum, including provision of loans, supply of raw materials, and sales and purchase of products.	

(9) Financial position and operating results of Mitsubishi Aluminum for the most recent three fiscal years			
Fiscal year	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net asset	23,201 million yen	- 1,499 million yen	7,030 million yen
Total assets	75,102 million yen	51,539 million yen	55,681 million yen
Net assets per share	470.43 yen	- 30.39 yen	0.99 yen
Net sales	67,042 million yen	62,802 million yen	57,854 million yen
Operating profit (loss)	- 341 million yen	- 1,143 million yen	2,737 million yen
Ordinary profit (loss)	607 million yen	- 2,896 million yen	2,988 million yen
Profit (loss)	- 707 million yen	- 24,594 million yen	2,225 million yen

As a result of the Transaction, the following companies will also be removed from the scope of consolidation of the Company.

- One subsidiary of UNICAN (Shinryo Aluminum Techno Corporation)
- Six subsidiaries of Mitsubishi Aluminum (MA PACKAGING Co.,Ltd., MA TRADING Co.,Ltd., TME Co.,Ltd, THERMALEX Inc. (U.S.A.), MALC-THAI Co.,Ltd. (Thailand), MA EXTRUSION INDIA PVT. Ltd. (India))

3. Outline of the Counterparty in the Transaction

(1) Name	Showa Aluminum Can Corporation	
(2) Location	1-30-2 Nishigotanda Shinagawa-ku, Tokyo, Japan	
(3) Name and Title of the Representative	Yasushi Tashiro, President and Representative Director	
(4) Business Description	Manufacturing and sale of aluminum beverage cans	
(5) Share capital	11,600 million yen	
(6) Date of Establishment	December 18, 2020 (Note: The former Showa Aluminum Can Co., Ltd. was founded in April 1969.)	
(7) Major shareholders and their shareholding ratio	Alpha Japan Holdings Co., Ltd. (100%)	
(9) Relationship between the Company and the Counterparty	Capital relationships	N/A
	Personnel Relationship	N/A
	Business Relationship	N/A
	Status as a Related Party	N/A

4. Date of the Transaction

November 25, 2021 (Today)	Conclusion of the Agreement
March 31, 2022 (Scheduled)	Completion of the Transaction (Share transfer of UNICAN and absorption-type company split by Mitsubishi Aluminum)

5. Impact on the Company's Performance

The Company forecast to record an extraordinary loss of approximately 290 hundred million yen as of loss on

business restructuring in the fourth quarter of the fiscal year ending March 31, 2022 as a result of the Transaction. The impact of the Transaction on the Company's performance has already been factored into the full-year consolidated earnings forecast announced on November 9, 2021.

(Reference) Consolidated Earnings Forecast for the Fiscal Year ending March 31, 2022 (announced on November 9, 2021) and Results for the Previous Fiscal Year

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
	Million yen	Million yen	Million yen	Million yen
Forecast for the fiscal year ending March 31, 2022	1,760,000	42,000	59,000	37,000
Results for the fiscal year ended March 31, 2021	1,485,121	26,567	44,527	24,407