

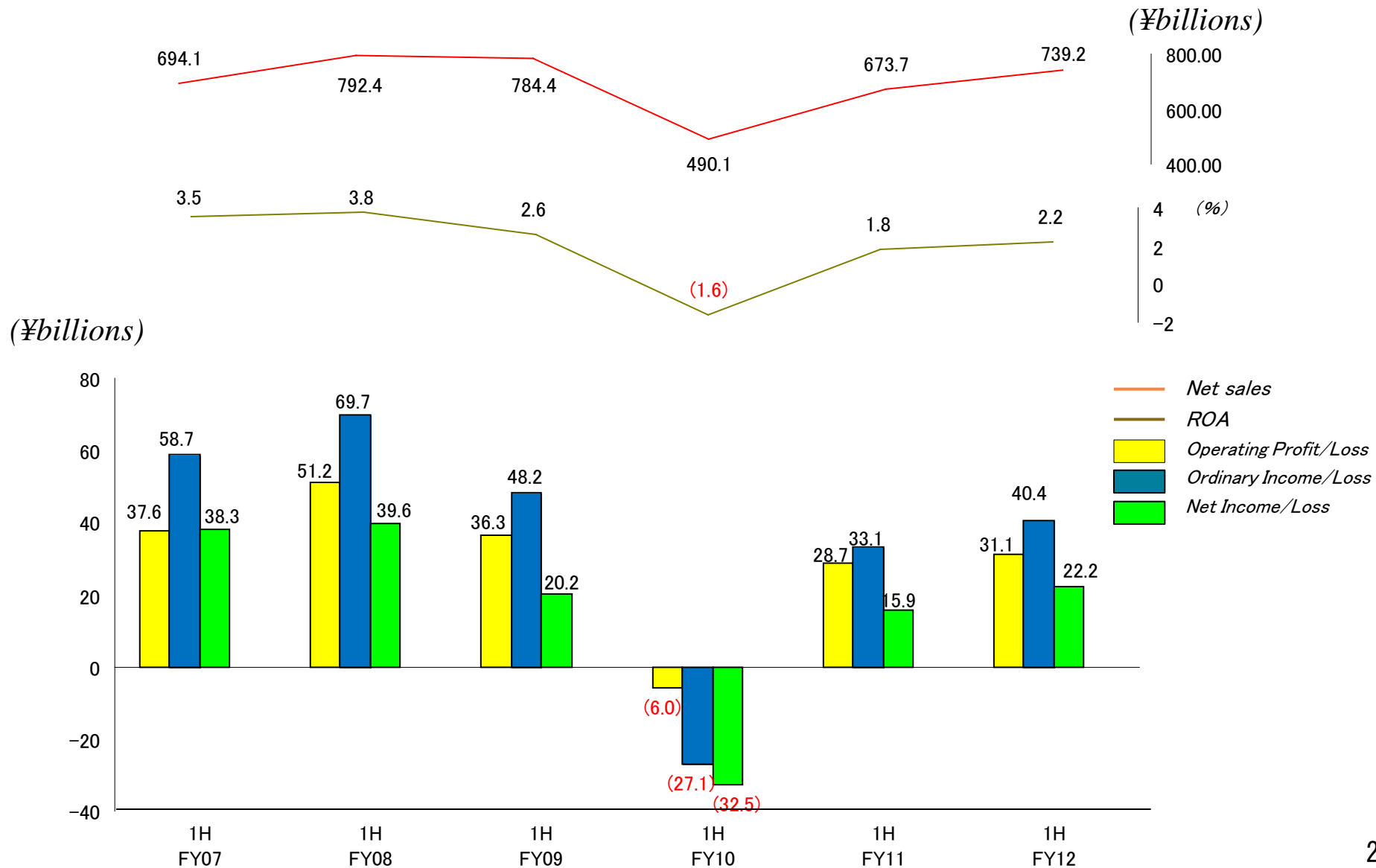
# Mitsubishi Materials Corporation

## Supplementary Explanation

for the 1<sup>st</sup> Half of the fiscal year ended March 31,  
2012

November 8, 2011

# Performance Overview (for the 1<sup>st</sup> Halves)



# Consolidated Statements of Operations (for the 1<sup>st</sup> Half)

(¥billions)	FY2011 1 <sup>st</sup> Half Results (a)	FY2012 1 <sup>st</sup> Half Results (b)	Difference (b)-(a)	Notes
Net sales	673.7	739.2	65.5	Copper:38.7, EM&C:7.8, Aluminum:5.2
Operating profit	28.7	31.1	2.3	Copper : 1.9
Net interest and dividend income	6.0	10.6	4.6	Dividends received : 3.9
Earnings in equity of affiliates	-1.2	1.4	2.7	SUMCO : 1.9
Other/Non-operating profit	-0.4	-2.9	-2.4	Earnings in hedging account at Mitsubishi Shindoh in FY2011: 1.2
Ordinary income	33.1	40.4	7.2	
Extraordinary income	-3.7	-4.2	-0.5	Earthquake Loss : (3.6)
Income taxes	-13.4	-13.8	-0.4	
Net income	15.9	22.2	6.2	

Forex (TTM) Average : ¥89/US\$ (1H/FY2011) →¥80/US\$ (1H/FY2012)

LME Copper Price Average : 324c/lb (1H/FY2011) →411c/lb (1H/FY2012)

# Factor analysis of Net Sales, Operating Profit, and Ordinary Income by Segment

<i>(¥billions)</i>		1H/FY2011 (a)	1H/FY2012 (b)	Difference (b)- (a)	Exchange rates* & price difference	Quantity variation	Special factors	Earthquake effects	Dividends received	Earnings in equity of affiliates	Others
Cement	Net sales	72.9	74.1	1.2	(2.3)	3.8		(0.3)			0.0
	Operating profit	2.0	2.5	0.5	(0.7)	0.6		(0.2)			0.8
	Ordinary income	1.2	1.6	0.4				(0.4)	0.0	0.0	0.9
Metals	Net sales	358.2	396.9	38.7	48.7	3.6		(13.6)			0.0
	Operating profit	11.6	13.5	1.9	(1.2)	2.4	2.0	(1.5)			0.2
	Ordinary income	18.1	24.8	6.7			0.5		4.9	0.9	0.7
Advanced Materials & Tools	Net sales	71.1	73.4	2.3	(0.5)	3.6	1.4	(2.2)			0.0
	Operating profit	8.0	8.4	0.4	(0.8)	2.2	0.1	(1.0)			(0.1)
	Ordinary income	7.6	7.8	0.2					(0.3)	0.0	(0.0)
Electronic Materials & Components	Net sales	28.9	36.7	7.8	0.4	7.9		(0.5)			0.0
	Operating profit	2.8	2.2	(0.6)	(0.1)	3.6	(1.2)	(0.2)			(2.7)
	Ordinary income	1.3	1.8	0.5				(0.5)	(0.6)	2.2	(2.9)
Aluminum	Net sales	72.5	77.7	5.2	(0.3)	0.4	6.2	(1.1)			0.0
	Operating profit	4.2	4.3	0.1	(0.1)	(0.1)	(0.2)	(0.3)			0.8
	Ordinary Income	3.7	3.8	0.1			(0.1)		(0.1)		0.8
Other	Net sales	157.5	201.8	44.3	24.0	19.6		0.7			0.0
	Operating profit	2.9	3.1	0.2	(0.1)	0.7		(0.2)			(0.2)
	Ordinary Income	3.7	4.2	0.5				(0.3)	0.1	0.2	(0.1)
Elimination, etc.	Net sales	(87.4)	(121.4)	(34.0)	(14.6)	(17.2)	0.0	(2.2)			0.0
	Operating profit	(2.8)	(2.9)	(0.2)	0.0	0.1	0.0	(0.3)			0.0
	Ordinary Income	(2.5)	(3.6)	(1.2)			(0.1)	(0.3)	(0.1)	0.0	(0.8)
Total	Net sales	673.7	739.2	65.5	55.4	21.7	7.6	(19.2)			0.0
	Operating profit	28.7	31.1	2.3	(3.0)	9.5	0.7	(3.7)			(1.2)
	Ordinary Income	33.1	40.4	7.2			(0.8)	(4.3)	3.9	3.3	(1.4)

\*Exchange rates difference in total

Net sales: (14.4)

Operating profit: (1.8)

# Differences from previous forecast for the 1<sup>st</sup> Half

\*Announcement on August 9, 2011

<i>(¥billions)</i>	FY2012 1 <sup>st</sup> Half Forecasts*(a)	FY2012 1 <sup>st</sup> Half Results (b)	Difference (b)-(a)	Notes
Net sales	720.0	739.2	19.2	Copper : 22.8
Operating profit	26.0	31.1	5.1	Copper : 2.6
Net interest and dividend income	10.0	10.6	0.6	Dividends received : 0.7
Earnings in equity of affiliates	1.0	1.4	0.4	
Other/Non- operating profit	-3.0	-2.9	0.1	
Ordinary income	34.0	40.4	6.4	
Extraordinary income	-6.0	-4.2	1.8	
Income taxes	-14.0	-13.8	0.2	
Net income	14.0	22.2	8.2	

Forex (TTM) Average : ¥81/US\$ (Forecasts) → ¥80/US\$ (Results)

LME Copper Price Average : 398c/lb (Forecasts) → 411c/lb (Results)

# Consolidated Balance Sheets: Assets

<i>(¥billions)</i>		Mar.,' 2011 (a)	Sep.,' 2011 (b)	Difference (b)-(a)
Current Assets	Cash and deposits	112.9	66.4	(46.4)
	Notes and accounts receivable-trade	221.4	228.2	6.7
	Inventories	261.8	274.7	12.8
	Other	192.2	206.7	14.6
	Sub total	788.4	776.0	(12.3)
Noncurrent Assets	Property, plant and equipment and intangible assets	740.8	728.0	(12.8)
	Investments and other assets	308.0	285.9	(22.1)
	Sub total	1,048.9	1,013.9	(34.9)
Total		1,837.4	1,790.0	(47.3)

# Consolidated Balance Sheets: Liabilities and Net Assets

<i>(¥billions)</i>		Mar.,' 2011 (a)	Sep.,' 2011 (b)	Difference (b)-(a)
Liabilities	Notes and accounts payable-trade	136.7	129.2	(7.4)
	Short-term loans payable, bonds payable, and CP	(43%) 784.7	(42%) 757.7	(27.0)
	Other liabilities	513.0	495.2	(18.0)
	Sub total	1,434.5	1,382.1	(52.4)
Net Assets	Capital stock	119.4	119.4	–
	Capital surplus and treasury stock	112.1	112.1	(0.0)
	Retained earnings	108.8	128.8	19.9
	Other Copmrehensive Income	3.7	(8.3)	(12.1)
	Minority interests	58.6	55.9	(2.7)
	Sub total	(22%) 402.8	(23%) 407.9	5.1
	Total	1,837.4	1,790.0	(47.3)

Equity Ratio : 19% (Mar.,'11) →20% (Sep.,'11)

# Statistics / Assumptions (1)

\*Announcement on May 12, 2011

	FY2011/Results			FY2012/Forecast*			FY2012 Results
	1st Half	2nd Half	Annual	1st Half	2nd Half	Annual	1st Half
Average TTM rate (yen/\$)	89	82	<b>86</b>	83	83	<b>83</b>	80
Average TTM rate (yen/€)	114	112	<b>113</b>	110	110	<b>110</b>	114
Total demand for cement in Japan (million tons)	19.82	21.79	<b>41.61</b>	19.00	21.00	<b>40.00</b>	20.15
Cement sales volumes for MMC (million tons)	4.27	4.68	<b>8.95</b>	4.67	4.66	<b>9.33</b>	4.51
(Export volumes within the above)	1.22	1.22	<b>2.44</b>	1.51	1.35	<b>2.86</b>	1.43
Total demand for cement in the U.S. (million tons)	-	-	<b>68.51</b>	-	-	<b>69.84</b>	-
Cement sales volumes in the U.S. (million short tons)	0.60	0.63	<b>1.23</b>	0.61	0.69	<b>1.30</b>	0.65
LME copper price (¢/lb)	324	415	<b>369</b>	380	380	<b>380</b>	411
Effective copper price (¢/lb)	324	362	<b>344</b>	380	380	<b>380</b>	421
Cathode sales volume for MMC (thousand tons)	159	143	<b>302</b>	135	159	<b>294</b>	149
(Export volumes within the above)	45	28	<b>73</b>	47	46	<b>93</b>	33
Cathode sales volume for PTS (thousand tons)	133	142	<b>275</b>	149	140	<b>289</b>	145
Processed copper products sales volumes (thousand tons)	68	69	<b>137</b>	69	78	<b>146</b>	68
Dividends from copper mine (\billions)	-	-	<b>24.5</b>	-	-	<b>22.0</b>	12.8

# Statistics / Assumptions (2)

\*Announcement on May 12, 2011

	FY2011/Results			FY2012/Forecast*			FY2012 Results
	1st Half	2nd Half	Annual	1st Half	2nd Half	Annual	1st Half
Sales of cemented carbide products ( ¥ billions)	41.0	40.0	<b>81.0</b>	40.0	46.0	<b>86.0</b>	42.7
Polycrystalline silicon sales volumes (tons)	1,257	2,049	<b>3,306</b>	2,064	2,318	<b>4,382</b>	1,894
Net income for SUMCO ( ¥ billions)	-8.4	-57.1	<b>-65.5</b>	-4.0	9.0	<b>5.0</b>	-1.3
Sales of regular aluminum cans (billion cans)	2.2	1.6	<b>3.8</b>	2.2	1.5	<b>3.7</b>	2.1
Sales of bottle cans (billion cans)	0.5	0.3	<b>0.8</b>	0.5	0.4	<b>0.9</b>	0.5
Sales of aluminum sheet products(thousand tons)	51	47	<b>99</b>	51	51	<b>102</b>	49
Sales of aluminum extrusion products(thousand tons)	11	11	<b>22</b>	9	11	<b>20</b>	10

Sensitivity (Bil. ¥/2nd Half)

Exchange Rate	¥1/US\$ (Strong Yen)	-0.30 (Operating profit)
	¥1/€ (Strong Yen)	-0.04 (Operating profit)
LME Copper Price	10 ¢ / 1b (Rize)	+0.20 (Operating profit)
	10 ¢ / 1b (Rize)	+0.40 (Dividends received)

# Forecast for FY12

Annual forecast has not been renewed from which announced on May 12, 2011.

( <i>¥billions</i> )	FY2011		FY2012	FY2012
	1st Half	Annual	1st Half	Annual forecast
Net sales	674	1,334	739	1,380
Operating profit	28.7	57.2	31.1	45
Net interest and dividend income	6	22.2	10.6	
Earnings in equity of affiliates	-1.2	-16.3	1.4	
Other/Non-operating profit	-0.4	-6.6	-2.9	
Ordinary income	33.1	56.4	40.4	60
Extraordinary income	-3.7	-18.9	-4.2	-15
Income taxes	-13.4	-23.2	-13.8	-23
Net income	15.9	14.2	22.2	22

## 【Forecast for the 2<sup>nd</sup> half】

**In addition to uncertainty caused by risks that current financial concerns in Europe may affect global economy, several factors as shown below boosted the uncertainty to renew the annual forecast;**

- **Historical record-rise of Yen**
- **Effect of lower copper price**
- **Direct/indirect effect of the flood in Thailand. (Our current forecast of loss from flood-effect shutdown of Thai-subsidiaries' operations, will be around 1 billion yen/month, excluding the extraordinary losses.)**

(Announcement on May12, 2011)

# Forecast for FY12

## ( Thai-flood effect to our group companies )



### 【Bang Pa-In Industrial Estate】

- MMC Tools (Thailand) Co., Ltd. & other 1 company  
Manufacturing cemented carbide tools, and stopped operations from Oct. 12.

### 【Navanakorn, Bangchan, Bangpoo, Bangplee, Rojana Industrial Estate】

- 7 companies partially effected by raw material supplies, production level, sales volumes, etc.
- Other 5 offices and sales companies located in Bangkok area

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These projected performance figures are based on information available to the Company's management as of the day for releasing this material. There are many uncertain or risk factors inherent in projections, and there might be cases in which actual results materially differ from projections of this material.