

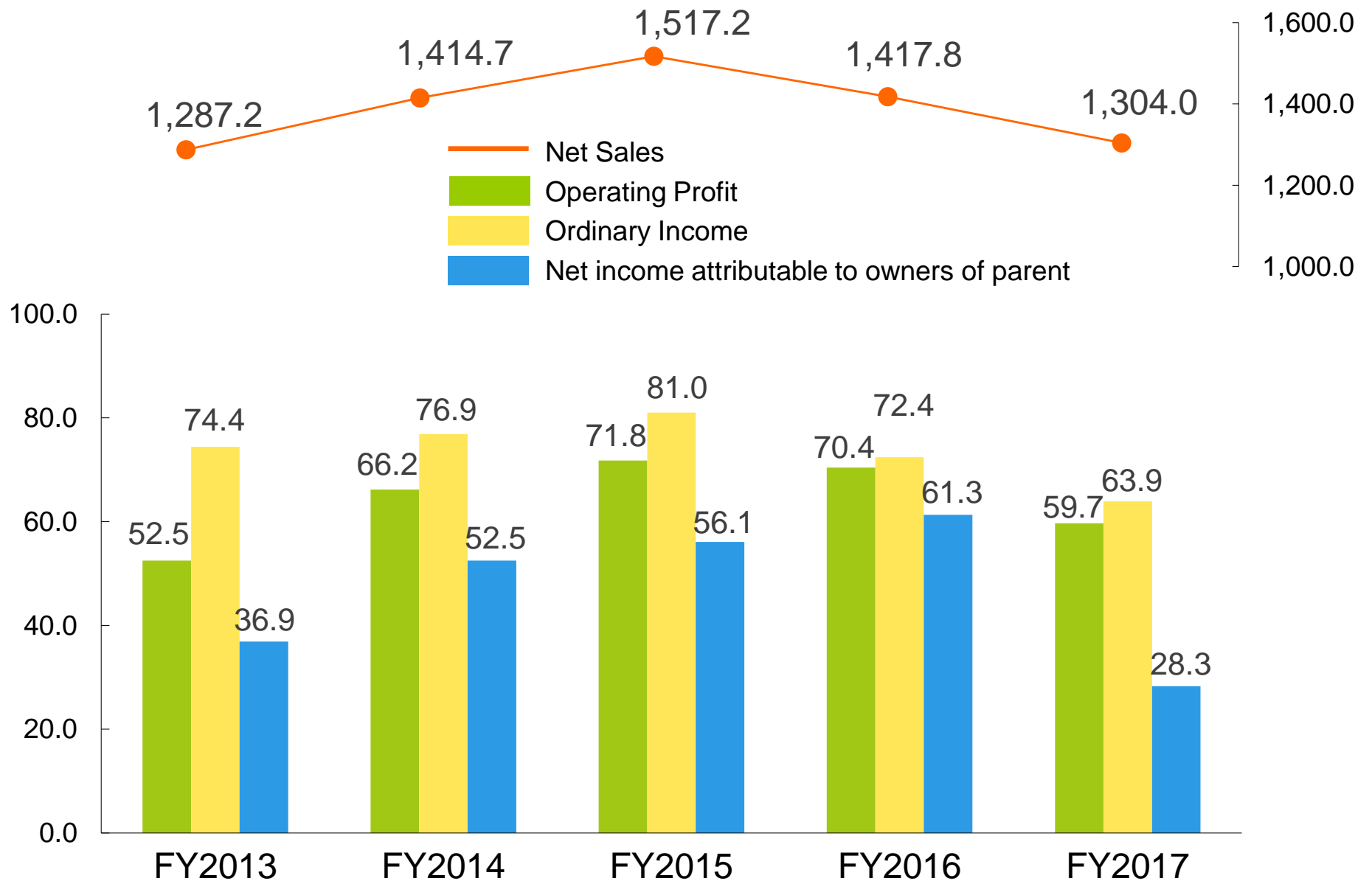
# **MITSUBISHI MATERIALS CORPORATION**

## Supplementary Explanation for the fiscal year ended March 31, 2017

May 11, 2017

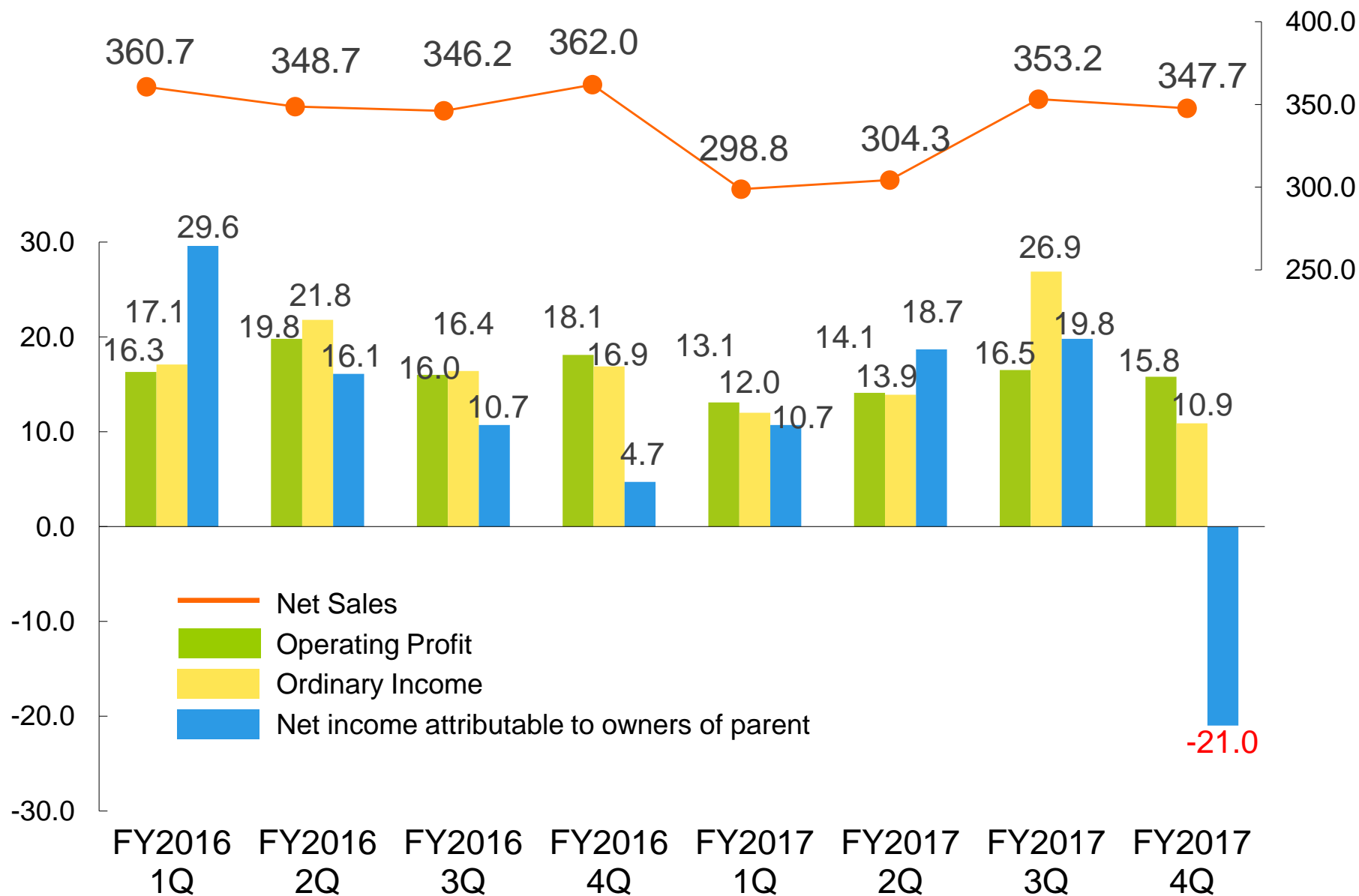
# Performance Overview (Full Year)

[Unit: ¥ billions]



# Performance Overview (Quarterly)

[Unit: ¥ billions]



# Consolidated Statements of Operations (Full Year)

[Unit: ¥ billions]

	FY2016 Result (a)	FY2017 Result (b)	Difference (b)-(a)	Reason
Net sales	1,417.8	1,304.0	-113.8	Cement -19.9, Metals -59.2, AM&T -8.2, EM&C -7.1, Aluminum -2.7, etc.
Operating profit	70.4	59.7	-10.6	Cement +0.7, Metals -6.8, AM&T -4.2, EM&C -0.7, Aluminum +3.5, etc.
Net interest and dividends income	2.9	10.3	7.4	Dividend income +5.6, Interest expenses +1.7, etc.
Equity in earnings of affiliates	2.1	0.0	-2.1	SUMCO Corp. -2.9, etc.
Other / Non-operating profit / loss	-3.0	-6.1	-3.1	
Ordinary income	72.4	63.9	-8.5	
Extraordinary income / loss	10.2	-4.3	-14.5	Provision for environmental measures -13.0, etc.
Income taxes	-15.1	-24.0	-8.8	
Net income attributable to non-controlling interests	-6.2	-7.2	-1.0	
Net income attributable to owners of parent	61.3	28.3	-32.9	
Exchange rate (USD)	120	108	-12	JPY / \$
Exchange rate (EUR)	133	119	-14	JPY / €
Copper price (LME)	237	234	-3	¢ / lb
Dividend per share (yen)	10	2Q 2 4Q* 40		
(Ref.) Before a consolidation of shares base (yen)	10	6		

\* The Company consolidated its shares at a 10:1 ratio of its common stock, with an effective date of October 1, 2016.

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

[Unit: ¥ billions]

		FY2016 Result (a)	FY2017 Result (b)	Difference (b)-(a)	Exchange rate differences	Price differences	Quantity variation	Electricity price effect	Dividends income	Equity in earnings of affiliates	Others	Other principal reasons (Operating profit)
Cement	Net sales	197.5	177.5	-19.9	-9.1	0.9	5.3	-	-	-	-17.0	- Transfer business of building materials, etc - Upgrade of equipment for power plant
	Operating profit	20.1	20.9	0.7	-0.7	1.1	1.9	0.7	-	-	-2.3	
	Ordinary income	19.7	20.5	0.8					-0.0	-0.4	-1.8	
Metals	Net sales	688.7	629.4	-59.2	-55.4	-9.0	4.6	-	-	-	0.6	- Effect of reclassifying loss on suspension of PTS operation to extraordinary loss in 2Q, FY2016
	Operating profit	24.2	17.3	-6.8	-6.1	-1.8	3.9	1.2	-	-	-4.0	
	Ordinary income	27.0	27.5	0.4					6.3	3.7	-6.8	
Advanced Materials & Tools	Net sales	151.6	143.4	-8.2	-8.9	-1.6	2.3	-	-	-	0.0	
	Operating profit	16.0	11.7	-4.2	-3.4	0.7	0.5	0.5	-	-	-2.5	
	Ordinary income	14.9	9.9	-5.0					-0.0	-0.4	-2.9	
Electronic Materials & Components	Net sales	70.2	63.0	-7.1	-2.5	-1.0	-3.6	-	-	-	0.0	
	Operating profit	3.1	2.4	-0.7	-0.0	-0.3	-3.0	0.7	-	-	1.9	
	Ordinary income	6.3	2.8	-3.5					0.0	-2.8	1.9	
Aluminum	Net sales	158.6	155.9	-2.7	-1.7	-4.5	3.3	-	-	-	0.2	
	Operating profit	4.3	7.8	3.5	-0.1	2.3	1.1	1.0	-	-	-0.8	
	Ordinary income	3.6	7.4	3.8					0.0	0.0	-0.5	
Other	Net sales	243.2	218.2	-25.0	-1.8	0.4	-27.2	-	-	-	3.5	
	Operating profit	10.3	10.1	-0.2	-0.2	1.6	-1.9	0.0	-	-	0.3	
	Ordinary income	9.9	7.1	-2.7					-0.6	-2.2	0.6	
Elimination, etc.	Net sales	-92.1	-83.6	8.5	0.0	0.0	8.5	-	-	-	0.0	- Increase in retirement benefit expenses - Increase in size-based business tax
	Operating profit	-7.8	-10.7	-2.9	0.0	0.0	-1.0	0.0	-	-	-1.9	
	Ordinary income	-9.1	-11.4	-2.2					-0.0	0.0	-1.2	
Total	Net sales	1,417.8	1,304.0	-113.8	-79.4	-14.8	-6.8	-	-	-	-12.7	
	Operating profit	70.4	59.7	-10.6	-10.5	3.6	1.5	4.1	-	-	-9.3	
	Ordinary income	72.4	63.9	-8.5					5.6	-2.1	-10.7	

# Consolidated Statements of Operations (Comparison with February 9 Forecast)

[Unit: ¥ billions]

	FY2017 Previous Forecast (a)		FY2017 Result (b)		Difference (b)-(a)
Net sales	1,300.0		1,304.0		4.0
Operating profit	59.0		59.7		0.7
Net interest and dividends income	9.9		10.3		0.4
Equity in earnings of affiliates	2.4		0.0		-2.4
Other / Non-operating profit / loss	-7.3		-6.1		1.2
Ordinary income	64.0		63.9		-0.1
Extraordinary income / loss	-14.7		-4.3		10.4
Income taxes	-18.4		-24.0		-5.6
Net income attributable to non-controlling interests	-6.9		-7.2		-0.3
Net income attributable to owners of parent	24.0		28.3		4.3
Exchange rate (USD)	107		108		1
Exchange rate (EUR)	119		119		-
Copper price (LME)	229		234		5
Dividend per share (yen)	2Q	2	2Q	2	
	4Q*	40	4Q*	40	
(Ref.) Before a consolidation of shares base (yen)	6		6		

\* The Company consolidated its shares at a 10:1 ratio of its common stock, with an effective date of October 1, 2016.

# Consolidated Balance Sheet

[Unit: ¥ billions]

	End of Mar. 2016 (a)	End of Mar. 2017 (b)	Difference (b)-(a)
<b>Assets</b>			
Cash and deposits	60.1	141.2	81.1
Notes and accounts receivable-trade	233.0	213.3	-19.7
Inventories	258.6	288.2	29.6
Other	230.6	224.5	-6.0
Current assets, subtotal	<b>782.5</b>	<b>867.4</b>	<b>84.9</b>
Property, plant and equipment and intangible assets	736.2	724.8	-11.4
Investments and other assets	274.5	304.6	30.0
Non-current assets, subtotal	<b>1,010.8</b>	<b>1,029.4</b>	<b>18.6</b>
<b>Total Assets</b>	<b>1,793.3</b>	<b>1,896.9</b>	<b>103.5</b>

	End of Mar. 2016 (a)	End of Mar. 2017 (b)	Difference (b)-(a)
<b>Liabilities</b>			
Notes and accounts payable-trade	110.5	114.5	3.9
Loans payable and bonds payable	526.3 29%	528.2 28%	1.9
Other liabilities	511.4	544.0	32.5
Liabilities, subtotal	<b>1,148.3</b>	<b>1,186.7</b>	<b>38.3</b>
<b>Net assets</b>			
Capital stock	119.4	119.4	-
Capital surplus and treasury stock	90.3	90.4	0.0
Retained earnings	303.0	333.5	30.4
Total other comprehensive income	42.4	77.8	35.4
Non-Controlling interests	89.7	88.9	-0.8
Net Assets, subtotal	<b>645.0 36%</b>	<b>710.1 37%</b>	<b>65.1</b>
<b>Total liabilities and net assets</b>	<b>1,793.3</b>	<b>1,896.9</b>	<b>103.5</b>

Shareholders' Equity Ratio	31 %	33 %
Net debt to equity ratio	0.8 times	0.6 times

# Statistics / Assumptions / Sensitivity

■ Statistics / Assumptions		FY2016 Result	FY2017 Result (a)	FY2018 (Forecast)			Difference (b)-(a)
				1st Half	2nd Half	Full Year (b)	
Total demand for cement in Japan	(million tons)	42.67	41.78	20.34	21.66	42.00	0.22
Cement sales volumes for MMC-Domestic	(million tons)	6.75	6.80	3.31	3.61	6.92	0.12
Cement sales volumes for MMC-Exports	(million tons)	2.64	2.44	1.19	1.31	2.50	0.06
Total demand for cement in the U.S.	(million tons)	89.84	91.95	-	-	95.19	3.24
Cement sales volumes in the U.S.	(million tons)	1.54	1.58	0.84	0.75	1.59	0.01
Ready-mixed concrete sales volumes in the U.S.	(million cy)	6.61	7.02	3.89	3.59	7.48	0.46
Sales volumes of copper cathodes (in-house product)	(thousand tons)	296	282	157	162	319	37
Sales of volumes of copper cathodes (PTS)	(thousand tons)	188	231	149	131	280	49
Sales volumes of copper & copper alloy products	(thousand tons)	132	141	70	71	141	0
Dividend from copper mine	(¥ billion)	5.7	9.2	0.1	9.4	9.5	0.3
Sales volumes of aluminum sheet products	(thousand tons)	112	114	57	55	112	-2
Sales volumes of aluminum extrusion products	(thousand tons)	20	18	9	10	19	1

## ■ Sensitivity

	FY2018 Full Year
Exchange rates Operating profit - 1 yen/\$ (yen depreciation)	0.6 billion yen
Operating profit - 1 yen/€(yen depreciation)	0.1 billion yen
Copper price (LME) Operating profit ±10¢/lb	0.5 billion yen
Non-operating profit ±10¢/lb	1.7 billion yen



# FY2018 Performance Forecast

[Unit: ¥ billions]

	FY2017 Result (a)	FY2018 (Forecast)		Full Year (b)	Difference (b)-(a)
		1st Half	2nd Half		
Net sales	1,304.0	750.0	820.0	1,570.0	265.9
Operating profit	59.7	28.0	37.0	65.0	5.2
Net interest and dividends income / loss	10.3	-0.4	8.3	7.9	-2.4
Equity in earnings of affiliates	0.0	0.3	1.3	1.6	1.6
Other / Non-operating profit / loss	-6.1	-2.9	-3.6	-6.5	-0.4
Ordinary income	63.9	25.0	43.0	68.0	4.0
Extraordinary income / loss	-4.3	-0.3	-12.8	-13.1	-8.8
Income taxes	-24.0	-8.8	-11.2	-20.0	4.0
Net income attributable to non-controlling interests	-7.2	-2.9	-4.0	-6.9	0.3
Net income attributable to owners of parent	28.3	13.0	15.0	28.0	-0.3
Exchange rate (USD)	108	113	113	113	5
Exchange rate (EUR)	119	120	120	120	1
Copper price (LME)	234	260	260	260	26
Dividend per share (yen)	2Q 4Q*	2 40	30	50	80
(Ref.) Before a consolidation of shares base (yen)	6	3	5	8	

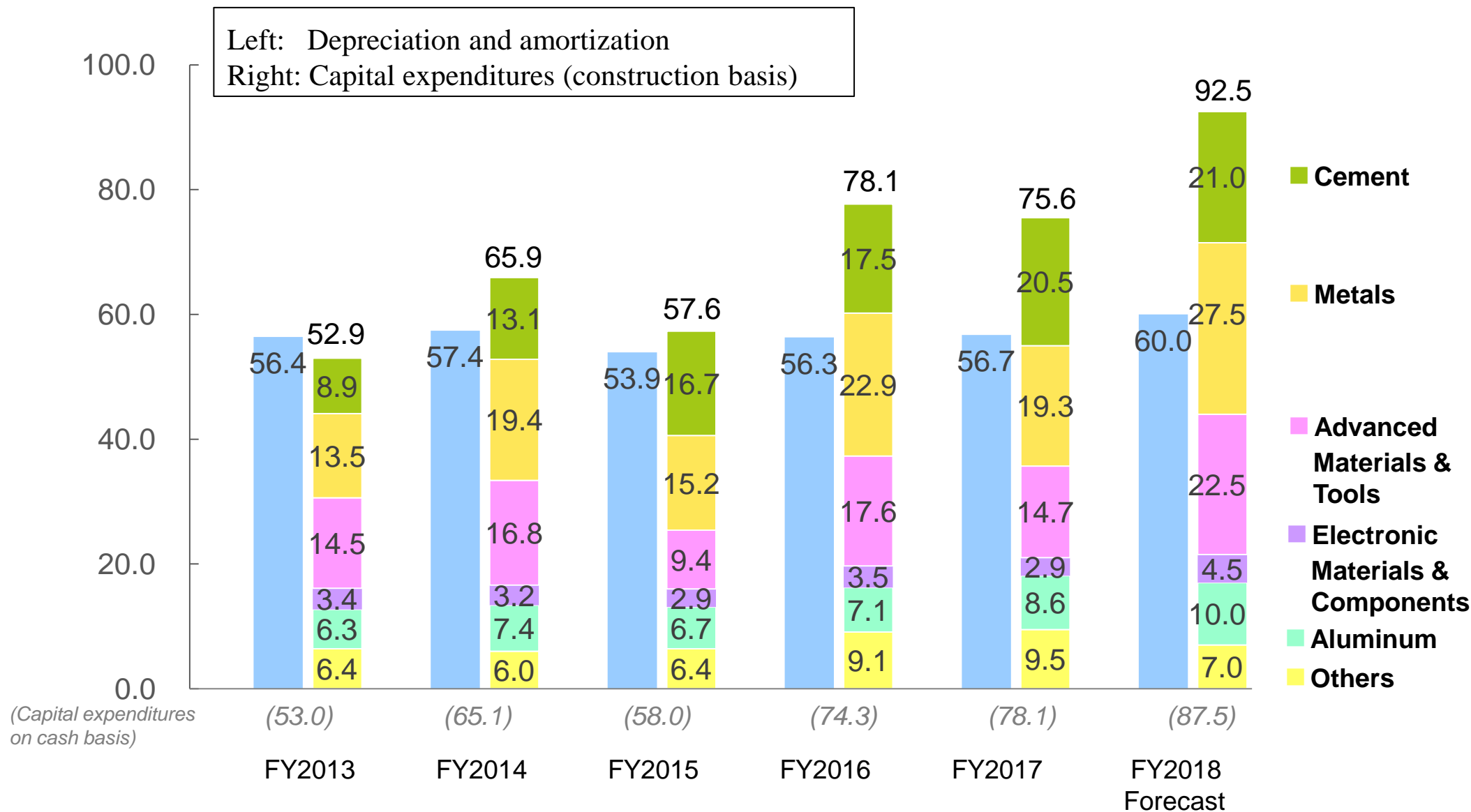
# FY2018 Forecast: Factor Analysis of Net Sales, Operating Profit and Ordinary Income by Segment

[Unit: ¥ billions]

		FY2017 Result (a)	FY2018 (Forecast)			Differences (b)-(a)	Exchange rate differences	Price differences	Quantity variation	Electricity price effect	Dividends income	Equity in earnings of affiliates	Others	Other principal reasons (Operating profit)
			1st Half	2nd Half	Full Year (b)									
Cement	Net sales	177.5	92.0	93.2	185.2	7.6	2.8	-0.1	6.8	-	-	-	-2.0	
	Operating profit	20.9	8.7	10.5	19.2	-1.6	0.2	-4.3	2.2	-0.3	-	-	0.6	
	Ordinary income	20.5	8.0	10.8	18.8	-1.7					-0.0	0.1	0.4	
Metals	Net sales	629.4	408.9	451.4	860.3	230.8	27.4	55.6	95.4	-	-	-	52.4	
	Operating profit	17.3	10.1	13.7	23.8	6.4	2.6	-2.8	4.4	-0.8	-	-	2.9	- Acquisition of Luvata SP division
	Ordinary income	27.5	8.9	21.8	30.7	3.1					-2.6	0.2	2.1	
Advanced Materials & Tools	Net sales	143.4	75.9	78.2	154.1	10.6	2.1	-0.1	8.7	-	-	-	0.0	
	Operating profit	11.7	5.7	6.8	12.5	0.7	0.6	-0.1	1.4	-0.3	-	-	-0.9	
	Ordinary income	9.9	5.3	6.4	11.7	1.8					-0.0	-0.0	0.1	
Electronic Materials & Components	Net sales	63.0	32.8	35.5	68.3	5.2	1.1	-3.0	7.2	-	-	-	0.0	
	Operating profit	2.4	1.1	1.5	2.6	0.2	0.1	-2.5	2.5	-0.2	-	-	0.3	
	Ordinary income	2.8	1.7	1.9	3.6	0.8					0.8	-0.9	0.9	
Aluminum	Net sales	155.9	78.3	76.5	154.8	-1.1	0.6	-0.2	-1.5	-	-	-	0.0	
	Operating profit	7.8	3.5	3.0	6.5	-1.3	0.0	-0.9	-0.1	-0.6	-	-	0.2	
	Ordinary income	7.4	2.9	2.5	5.4	-1.9					-0.0	-0.0	-0.3	
Other	Net sales	218.2	105.3	126.9	232.2	14.0	0.9	0.4	11.5	-	-	-	1.1	
	Operating profit	10.1	2.4	6.8	9.2	-0.8	0.2	0.4	-1.0	0.0	-	-	-0.3	
	Ordinary income	7.1	2.4	6.8	9.2	2.0					0.1	2.3	0.0	
Elimination, etc.	Net sales	-83.6	-43.4	-41.6	-85.0	-1.4	0.0	0.0	-1.4	-	-	-	0.0	
	Operating profit	-10.7	-3.8	-5.3	-9.1	1.6	0.0	0.0	0.6	0.0	-	-	0.9	
	Ordinary income	-11.4	-4.5	-7.2	-11.7	-0.2					0.0	0.0	-0.8	
Total	Net sales	1,304.0	750.0	820.0	1,570.0	265.9	34.9	52.6	126.8	-	-	-	51.4	
	Operating profit	59.7	28.0	37.0	65.0	5.2	3.7	-10.1	10.1	-2.2	-	-	3.7	
	Ordinary income	63.9	25.0	43.0	68.0	4.0					-1.6	1.6	2.5	

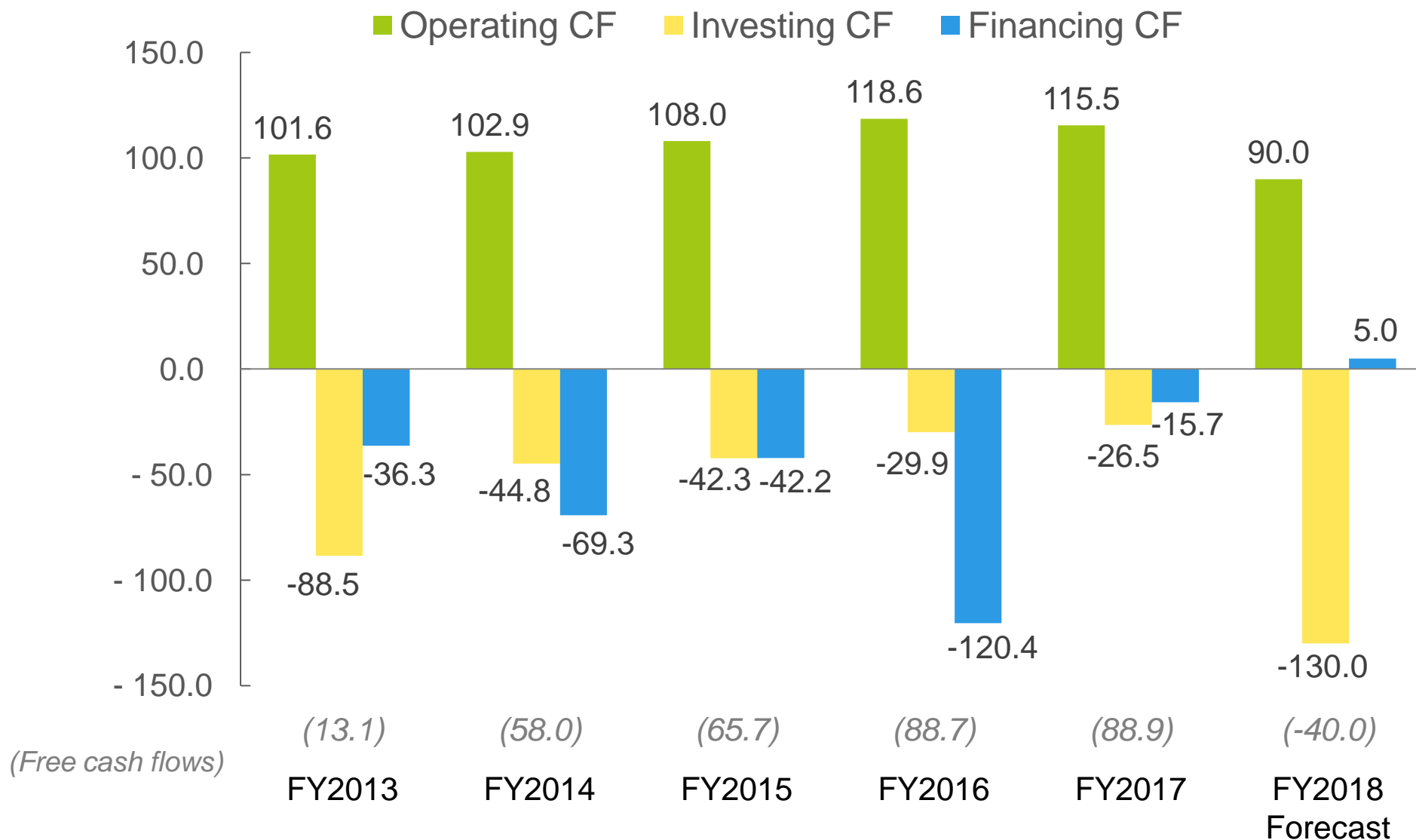
# Depreciation and Capital Expenditures

[Unit: ¥ billions]



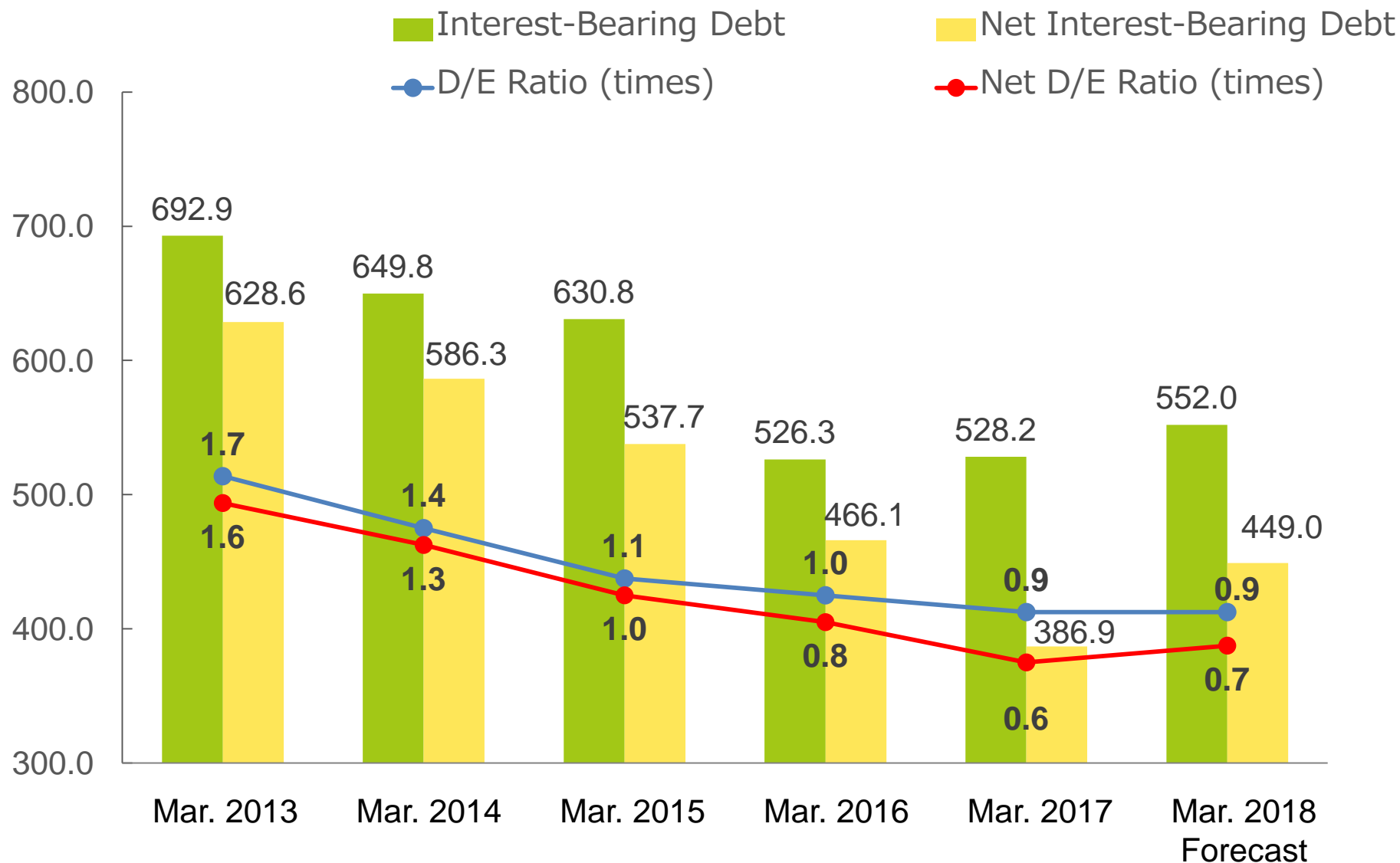
# Cash Flows

[Unit: ¥ billions]



# Interest-Bearing Debt and D/E Ratio

[Unit: ¥ billions]



For further information, please contact at:

Mitsubishi Materials Corporation  
IR Group, Accounting Dept.,  
Finance & Accounting Dept., Corporate Strategy Div.  
1-3-2, Otemachi, Chiyoda-ku, Tokyo 100-8117, Japan

E-mail: [ml-mmcir@mmc.co.jp](mailto:ml-mmcir@mmc.co.jp)

URL: <http://www.mmc.co.jp/corporate/en/index.html>

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.