

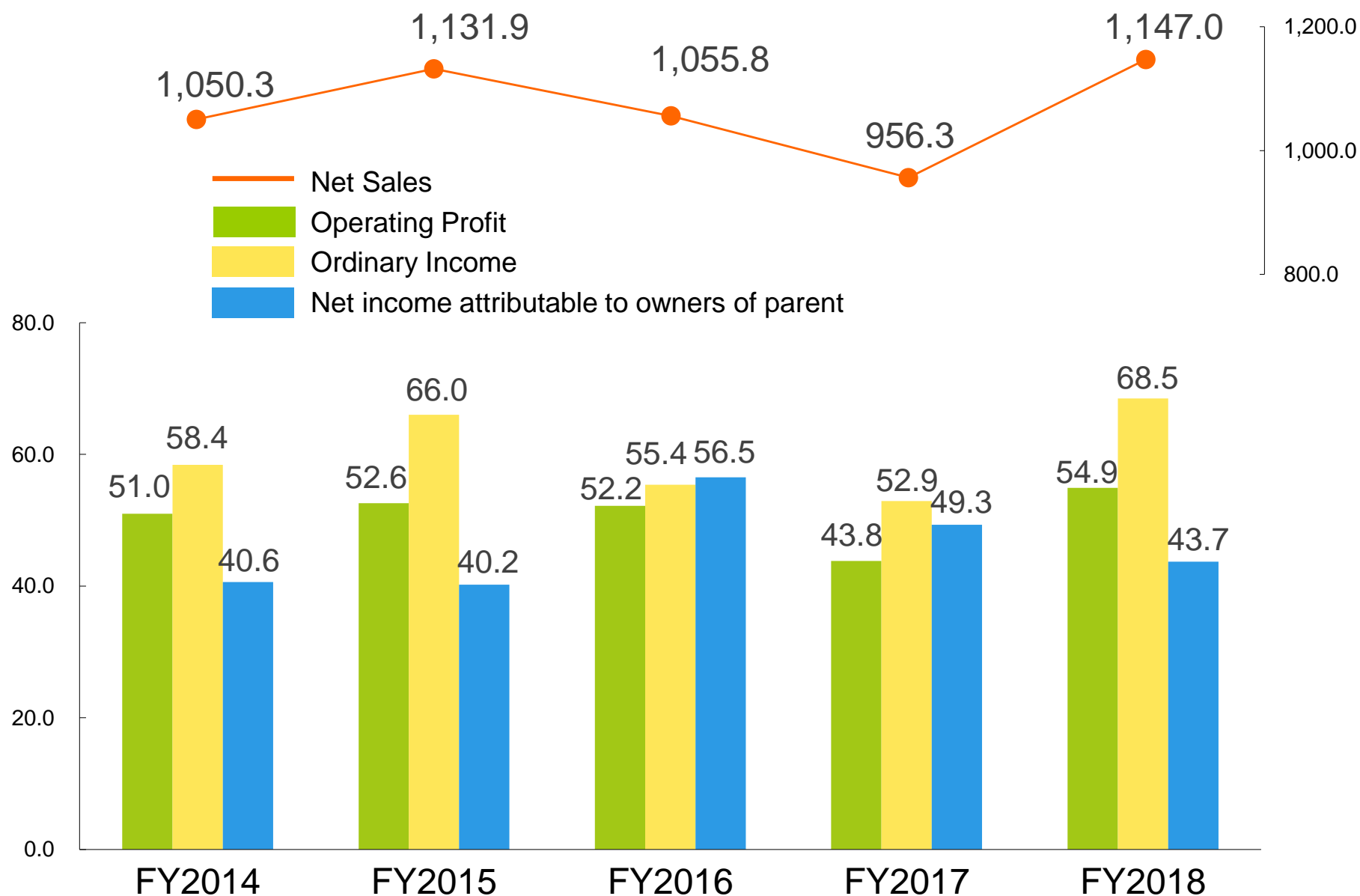
# **MITSUBISHI MATERIALS CORPORATION**

Supplementary Explanation for the 3rd Quarter  
of the fiscal year ending March 31, 2018

February 13, 2018

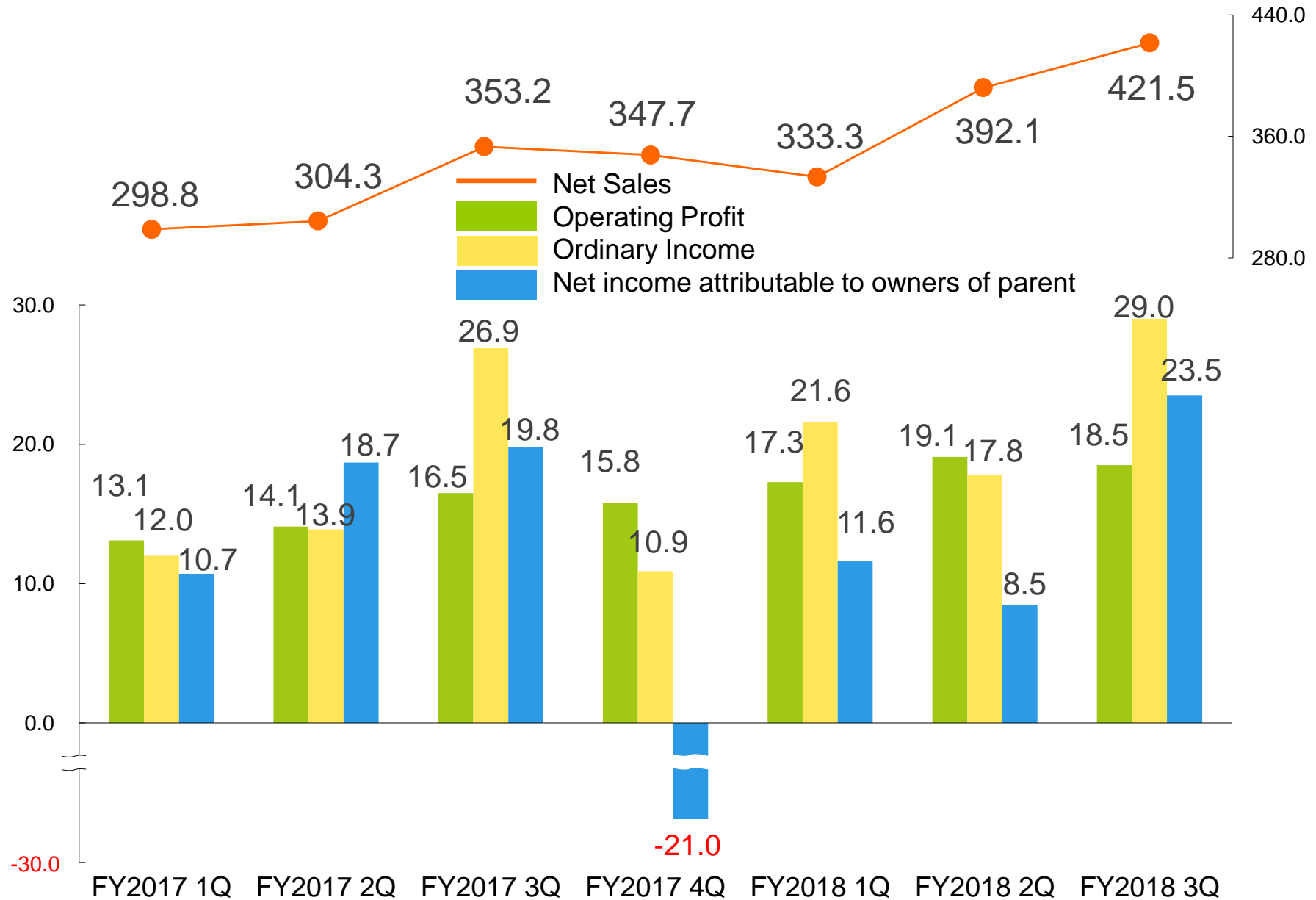
# Performance Overview (for the Nine Months)

[Unit: ¥ billions]



# Performance Overview (Quarterly)

[Unit: ¥ billions]



# Consolidated Statements of Operations (for the Nine Months) [Unit: ¥ billions]

	FY2017 Nine Months' Result (a)	FY2018 Nine Months' Result (b)	Difference (b)-(a)	Reason
Net sales	956.3	1,147.0	190.7	Cement +13.7, Metals +148.2, AM&T +13.5, EM&C +6.1, etc.
Operating profit	43.8	54.9	11.0	Cement +0.5, Metals +4.5, AM&T +5.6, EM&C +1.3, etc.
Net interest and dividends income	10.9	15.0	4.0	Dividend income +3.8, etc.
Equity in earnings of affiliates	1.8	2.2	0.4	
Other / Non-operating profit / loss	-3.7	-3.7	0.0	
Ordinary income	52.9	68.5	15.6	
Extraordinary income / loss	19.1	3.5	-15.6	Gain on sales of non-current assets -13.6, etc.
Income taxes	-17.4	-19.7	-2.2	
Net income attributable to non-controlling interests	-5.2	-8.6	-3.3	
Net income attributable to owners of parent	49.3	43.7	-5.6	
Exchange rate (USD)	107	112	5	JPY / \$
Exchange rate (EUR)	118	129	11	JPY / €
Copper price (LME)	224	285	61	¢ / lb

# Statistics / Assumptions

## ■ Statistics / Assumptions

		FY2017 Nine Months' Result (a)	FY2018 Nine Months' Result (b)	Difference (b)-(a)
Total demand for cement in Japan	(million tons)	31.66	32.10	0.44
Cement sales volumes for MMC-Domestic	(million tons)	5.10	5.35	0.25
Cement sales volumes for MMC-Exports	(million tons)	1.68	1.80	0.12
Cement sales volumes in the U.S. *	(million tons)	1.19	1.15	-0.04
Ready-mixed concrete sales volumes in the U.S. *	(million cy)	5.30	6.28	0.98
Sales volumes of copper cathodes (in-house product)	(thousand tons)	215	232	17
Sales volumes of copper cathodes (PTS)	(thousand tons)	187	203	16
Sales volumes of copper & copper alloy products	(thousand tons)	106	108	2
Dividend from copper mine	(¥ billion)	9.0	14.4	5.3
Sales volumes of aluminum sheet products	(thousand tons)	86	82	-4
Sales volumes of aluminum extrusion products	(thousand tons)	13	14	1

\* From FY2018, the accounting periods of the cement and ready-mixed concrete business in the U.S. have been changed from "Ending December 31" to "Ending March 31".

Accordingly, "FY2017 Nine Months" in the above results shows the sales volumes from January to September, 2016, and "FY2018 Nine Months" shows the sales volumes from April to December, 2017.

(Reference) Cement sales volumes in the U.S.: 1.20 million tons (April to December, 2016)

Ready-mixed concrete sales volumes in the U.S.: 5.49 million cy (April to December, 2016)

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

[Unit: ¥ billions]

		FY2017 Nine Months' Result (a)	FY2018 Nine Months' Result (b)	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)
Cement	Net sales	132.3	146.0	13.7	1.8	1.7	9.9	—	—	—	0.3	
	Operating profit	16.4	16.9	0.5	0.2	-2.1	2.6	-0.4	—	—	0.2	
	Ordinary income	16.3	18.3	1.9					-0.0	0.6	1.0	
Metals	Net sales	459.6	607.9	148.2	18.0	89.3	8.3	—	—	—	32.6	
	Operating profit	12.4	17.0	4.5	1.6	1.5	5.4	-0.5	—	—	-3.5	- Periodic furnace repairs (Non-consolidated)
	Ordinary income	22.9	30.5	7.5					2.3	1.3	-4.1	- Acquisition of Luvata SP division
Advanced Materials & Tools	Net sales	106.1	119.6	13.5	3.5	0.6	9.4	—	—	—	0.0	
	Operating profit	8.2	13.8	5.6	0.8	1.0	5.2	-0.2	—	—	-1.2	
	Ordinary income	7.2	13.0	5.7					0.0	-0.0	-1.1	
Electronic Materials & Components	Net sales	46.4	52.5	6.1	0.8	-2.3	7.6	—	—	—	0.0	
	Operating profit	1.3	2.6	1.3	0.0	-1.5	2.7	-0.2	—	—	0.3	
	Ordinary income	1.4	3.1	1.7					0.3	-0.4	0.8	
Aluminum	Net sales	120.4	114.9	-5.4	0.6	0.1	-6.1	—	—	—	0.0	
	Operating profit	7.6	4.4	-3.2	0.0	-0.6	-2.4	-0.5	—	—	0.3	
	Ordinary income	7.6	4.0	-3.5					0.0	-0.0	0.0	
Other	Net sales	148.7	170.2	21.5	0.4	9.4	10.8	—	—	—	0.9	
	Operating profit	4.8	6.2	1.4	0.0	0.9	0.7	-0.0	—	—	-0.2	
	Ordinary income	4.6	6.1	1.5					0.7	-1.0	0.2	
Elimination, etc.	Net sales	-57.3	-64.3	-7.0	0.0	0.0	-7.0	—	—	—	0.0	
	Operating profit	-7.1	-6.2	0.8	0.0	0.0	0.1	0.0	—	—	0.6	
	Ordinary income	-7.3	-6.7	0.5					0.4	-0.0	0.0	
Total	Net sales	956.3	1,147.0	190.7	25.1	98.9	32.9	—	—	—	33.8	
	Operating profit	43.8	54.9	11.0	2.6	-0.8	14.4	-1.8	—	—	-3.4	
	Ordinary income	52.9	68.5	15.6					3.8	0.4	-3.0	

# Consolidated Balance Sheet

[Unit: ¥ billions]

	End of Mar. 2017 (a)	End of Dec. 2017 (b)	Difference (b)-(a)
<b>Assets</b>			
Cash and deposits	141.2	102.5	-38.7
Notes and accounts receivable-trade	213.3	254.1	40.7
Inventories	288.2	402.9	114.6
Other	224.5	237.2	12.6
Current assets, subtotal	<b>867.4</b>	<b>996.8</b>	<b>129.3</b>
Property, plant and equipment and intangible assets	724.8	748.9	24.1
Investments and other assets	304.6	375.2	70.6
Non-current assets, subtotal	<b>1,029.4</b>	<b>1,124.2</b>	<b>94.7</b>
<b>Total Assets</b>	<b>1,896.9</b>	<b>2,121.0</b>	<b>224.1</b>

	End of Mar. 2017 (a)	End of Dec. 2017 (b)	Difference (b)-(a)
<b>Liabilities</b>			
Notes and accounts payable-trade	114.5	156.9	42.4
Loans payable and bonds payable	528.2 28%	588.9 28%	60.7
Other liabilities	544.0	578.3	34.2
Liabilities, subtotal	<b>1,186.7</b>	<b>1,324.3</b>	<b>137.5</b>
<b>Net assets</b>			
Capital stock	119.4	119.4	-
Capital surplus and treasury stock	90.4	90.3	-0.0
Retained earnings	333.5	368.8	35.3
Total other comprehensive income	77.8	126.1	48.2
Non-Controlling interests	88.9	91.9	3.0
Net Assets, subtotal	<b>710.1 37%</b>	<b>796.7 38%</b>	<b>86.5</b>
<b>Total liabilities and net assets</b>	<b>1,896.9</b>	<b>2,121.0</b>	<b>224.1</b>

Shareholders' equity ratio	33 %	33 %
Net debt to equity ratio	0.6 times	0.7 times

# FY2018 Forecast: Statistics / Assumptions / Sensitivity

## ■ Statistics / Assumptions

		Forecast (a) *			Forecast (b) at this time			Difference (b)-(a) Full Year
		1st Half Result	2nd Half Forecast	Full Year	1st Half Result	2nd Half Forecast	Full Year	
Total demand for cement in Japan	(million tons)	20.84	21.66	42.50	20.84	21.66	42.50	—
Cement sales volumes for MMC-Domestic	(million tons)	3.39	3.64	7.03	3.39	3.75	7.14	0.11
Cement sales volumes for MMC-Exports	(million tons)	1.16	1.36	2.52	1.16	1.25	2.41	-0.11
Total demand for cement in the U.S.	(million tons)	—	—	94.34	—	—	93.53	-0.81
Cement sales volumes in the U.S.	(million tons)	0.80	0.76	1.56	0.80	0.73	1.53	-0.03
Ready-mixed concrete sales volumes in the U.S.	(million cy)	4.36	3.67	8.03	4.36	3.62	7.98	-0.05
Sales volumes of copper cathodes (in-house product)	(thousand tons)	152	167	319	152	170	322	3
Sales of volumes of copper cathodes (PTS)	(thousand tons)	135	132	267	135	133	268	1
Sales volumes of copper & copper alloy products	(thousand tons)	71	71	142	71	72	143	1
Dividend from copper mine	(¥ billion)	4.3	6.5	10.8	4.3	10.0	14.4	3.5
Sales volumes of aluminum sheet products	(thousand tons)	56	54	110	56	53	109	-1
Sales volumes of aluminum extrusion products	(thousand tons)	9	9	18	9	8	17	-1

\*Announced on November 8, 2017

## ■ Sensitivity

	FY2018 4Q	Assumptions 4Q
Exchange rates Operating profit - 1 yen/\$ (yen depreciation)	0.1 billion yen	113 JPY / \$
Operating profit - 1 yen/€ (yen depreciation)	0.03 billion yen	130 JPY / €
Copper price (LME) Operating profit ±10¢/lb	0.1 billion yen	300 ¢ / lb
Non-operating profit ±10¢/lb	0.0 billion yen	



# FY2018 Performance Forecast

[Unit: ¥ billions]

	Forecast (a) *			Forecast (b) at this time			Difference (b)-(a) Full Year
	1st Half Result	2nd Half Forecast	Full Year	1st Half Result	2nd Half Forecast	Full Year	
Net sales	725.4	874.5	1,600.0	725.4	854.5	1,580.0	-20.0
Operating profit	36.4	38.5	75.0	36.4	33.5	70.0	-5.0
Net interest and dividends income	4.5	6.1	10.6	4.5	9.9	14.4	3.8
Equity in earnings of affiliates	1.6	1.5	3.1	1.6	0.9	2.5	-0.6
Other / Non-operating profit / loss	-3.2	-5.6	-8.7	-3.2	-5.9	-9.0	-0.3
Ordinary income	39.5	40.5	80.0	39.5	38.5	78.0	-2.0
Extraordinary income / loss	-0.7	-14.3	-15.0	-0.7	-9.8	-10.5	4.5
Income taxes	-13.8	-8.1	-22.0	-13.8	-9.6	-23.5	-1.5
Net income attributable to non-controlling interests	-4.8	-3.2	-8.0	-4.8	-4.2	-9.0	-1.0
Net income attributable to owners of parent	20.1	14.9	35.0	20.1	14.9	35.0	—
Exchange rate (USD)	111	110	110	111	113	112	2 JPY / \$
Exchange rate (EUR)	126	130	128	126	131	129	1 JPY / €
Copper price (LME)	272	290	281	272	305	288	7 ¢ / lb
Dividend per share (yen)	30	50	80	30	50	80	—

\*Announced on November 8, 2017

# FY2018 Performance Forecast by Segment

[Unit: ¥ billions]

		Forecast (a) *			Forecast (b) at this time			Difference (b)-(a) Full Year
		1st Half Result	2nd Half Forecast	Full Year	1st Half Result	2nd Half Forecast	Full Year	
Cement	Net sales	95.6	96.8	192.4	95.6	97.4	193.0	0.6
	Operating profit	10.6	10.9	21.6	10.6	9.4	20.1	-1.5
	Ordinary income	11.0	10.9	22.0	11.0	9.6	20.7	-1.3
Metals	Net sales	374.5	498.7	873.2	374.5	472.5	847.0	-26.2
	Operating profit	10.8	13.9	24.7	10.8	12.7	23.5	-1.2
	Ordinary income	14.2	19.0	33.2	14.2	22.0	36.2	3.0
Advanced Materials & Tools	Net sales	78.3	81.8	160.1	78.3	80.2	158.5	-1.6
	Operating profit	8.6	8.1	16.8	8.6	8.0	16.7	-0.1
	Ordinary income	8.1	7.6	15.7	8.1	7.3	15.4	-0.3
Electronic Materials & Components	Net sales	34.0	37.5	71.5	34.0	39.1	73.1	1.6
	Operating profit	1.8	1.5	3.3	1.8	1.9	3.7	0.4
	Ordinary income	2.3	2.0	4.3	2.3	2.7	5.0	0.7
Aluminum	Net sales	77.5	77.1	154.6	77.5	72.1	149.6	-5.0
	Operating profit	3.9	2.7	6.6	3.9	0.3	4.2	-2.4
	Ordinary income	3.7	2.0	5.7	3.7	-0.3	3.4	-2.3
Other	Net sales	106.4	129.8	236.2	106.4	136.9	243.3	7.1
	Operating profit	3.9	6.9	10.8	3.9	7.9	11.8	1.0
	Ordinary income	4.4	6.9	11.3	4.4	6.9	11.3	0.0
Elimination, etc.	Net sales	-41.0	-47.3	-88.3	-41.0	-43.6	-84.6	3.7
	Operating profit	-3.4	-5.4	-8.9	-3.4	-6.6	-10.1	-1.2
	Ordinary income	-4.3	-8.0	-12.4	-4.3	-9.7	-14.1	-1.7
Total	Net sales	725.4	874.5	1,600.0	725.4	854.5	1,580.0	-20.0
	Operating profit	36.4	38.5	75.0	36.4	33.5	70.0	-5.0
	Ordinary income	39.5	40.5	80.0	39.5	38.5	78.0	-2.0

\*Announced on November 8, 2017

# (FYI) Performance Overview (Quarterly)

[Unit: ¥ billions]

		FY2017 Result							FY2018 Result						
		1Q	2Q	1st Half	3Q	4Q	2nd Half	Full Year	1Q	2Q	1st Half	3Q	4Q	2nd Half	Full Year
<b>■ Performance Overview by Segment</b>															
Cement	Net sales	40.1	43.6	83.8	48.4	45.2	93.7	177.5	47.5	48.0	95.6	50.3	—	—	—
	Operating profit	2.8	5.2	8.1	8.3	4.5	12.8	20.9	5.2	5.3	10.6	6.2	—	—	—
	Ordinary income	2.5	5.0	7.5	8.7	4.1	12.9	20.5	5.3	5.7	11.0	7.2	—	—	—
Metals	Net sales	139.5	139.3	278.8	180.7	169.8	350.5	629.4	158.5	215.9	374.5	233.4	—	—	—
	Operating profit	4.5	3.4	7.9	4.4	4.8	9.3	17.3	3.7	7.0	10.8	6.2	—	—	—
	Ordinary income	4.3	5.0	9.3	13.5	4.5	18.1	27.5	7.8	6.3	14.2	16.3	—	—	—
Advanced Materials & Tools	Net sales	36.4	34.7	71.1	34.9	37.2	72.2	143.4	39.0	39.2	78.3	41.3	—	—	—
	Operating profit	3.6	2.8	6.5	1.7	3.4	5.2	11.7	4.2	4.4	8.6	5.2	—	—	—
	Ordinary income	2.9	2.0	4.9	2.3	2.6	4.9	9.9	3.9	4.1	8.1	4.8	—	—	—
Electronic Materials & Components	Net sales	15.0	14.7	29.8	16.5	16.6	33.2	63.0	17.4	16.5	34.0	18.5	—	—	—
	Operating profit	0.2	0.6	0.9	0.4	1.1	1.5	2.4	1.4	0.3	1.8	0.7	—	—	—
	Ordinary income	0.2	0.6	0.9	0.5	1.3	1.9	2.8	1.4	0.8	2.3	0.8	—	—	—
Aluminum	Net sales	40.2	40.3	80.6	39.7	35.5	75.2	155.9	39.5	38.0	77.5	37.3	—	—	—
	Operating profit	2.3	2.7	5.0	2.6	0.1	2.7	7.8	2.3	1.6	3.9	0.4	—	—	—
	Ordinary income	2.2	2.9	5.1	2.4	-0.1	2.3	7.4	2.2	1.5	3.7	0.3	—	—	—
Other	Net sales	45.4	50.2	95.6	53.0	69.5	122.5	218.2	50.7	55.6	106.4	63.8	—	—	—
	Operating profit	1.0	1.7	2.7	2.0	5.3	7.3	10.1	1.6	2.2	3.9	2.3	—	—	—
	Ordinary income	0.9	1.5	2.5	2.1	2.5	4.6	7.1	1.9	2.4	4.4	1.7	—	—	—
Elimination, etc.	Net sales	-18.0	-18.7	-36.8	-20.4	-26.3	-46.7	-83.6	-19.7	-21.3	-41.0	-23.2	—	—	—
	Operating profit	-1.4	-2.6	-4.0	-3.0	-3.6	-6.7	-10.7	-1.4	-1.9	-3.4	-2.8	—	—	—
	Ordinary income	-1.2	-3.2	-4.4	-2.9	-4.1	-7.0	-11.4	-1.1	-3.1	-4.3	-2.4	—	—	—
Total	Net sales	298.8	304.3	603.1	353.2	347.7	700.9	1,304.0	333.3	392.1	725.4	421.5	—	—	—
	Operating profit	13.1	14.1	27.3	16.5	15.8	32.4	59.7	17.3	19.1	36.4	18.5	—	—	—
	Ordinary income	12.0	13.9	26.0	26.9	10.9	37.8	63.9	21.6	17.8	39.5	29.0	—	—	—

## ■ Statistics / Assumptions

Total demand for cement in Japan	(million tons)	9.81	10.40	20.21	11.45	10.12	21.57	41.78	10.23	10.61	20.84	11.26	—	—	—
Cement sales volumes for MMC-Domestic	(million tons)	1.53	1.63	3.16	1.94	1.70	3.64	6.80	1.63	1.76	3.39	1.96	—	—	—
Cement sales volumes for MMC-Exports	(million tons)	0.48	0.57	1.05	0.63	0.76	1.39	2.44	0.52	0.64	1.16	0.64	—	—	—
Total demand for cement in the U.S.	(million tons)	—	—	—	—	—	—	91.95	—	—	—	—	—	—	—
Cement sales volumes in the U.S. *	(million tons)	0.38	0.39	0.77	0.42	0.39	0.81	1.58	0.45	0.35	0.80	0.35	—	—	—
Ready-mixed concrete sales volumes in the U.S. *	(million cy)	1.53	1.80	3.33	1.97	1.72	3.69	7.02	2.29	2.07	4.36	1.93	—	—	—
Sales volumes of copper cathodes (in-house product)	(thousand tons)	67	76	143	72	67	139	282	70	82	152	80	—	—	—
Sales of volumes of copper cathodes (PTS)	(thousand tons)	62	51	113	74	44	118	231	57	78	135	68	—	—	—
Sales volumes of copper & copper alloy products	(thousand tons)	35	34	69	37	35	72	141	35	36	71	37	—	—	—
Dividend from copper mine	(¥ billion)	—	1.5	1.5	7.5	0.1	7.6	9.2	4.3	-0.0	4.3	10.0	—	—	—
Sales volumes of aluminum sheet products	(thousand tons)	29	29	58	28	28	56	114	30	26	56	26	—	—	—
Sales volumes of aluminum extrusion products	(thousand tons)	4	5	9	4	5	9	18	5	4	9	5	—	—	—

Exchange rate (USD)	JPY / \$	108	102	105	109	114	112	108	111	111	111	113	—	—	—
Exchange rate (EUR)	JPY / €	122	114	118	118	121	119	119	122	130	126	133	—	—	—
Copper price (LME)	¢ / lb	215	217	216	240	265	252	234	257	288	272	309	—	—	—

For further information, please contact at:

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

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

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

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.