

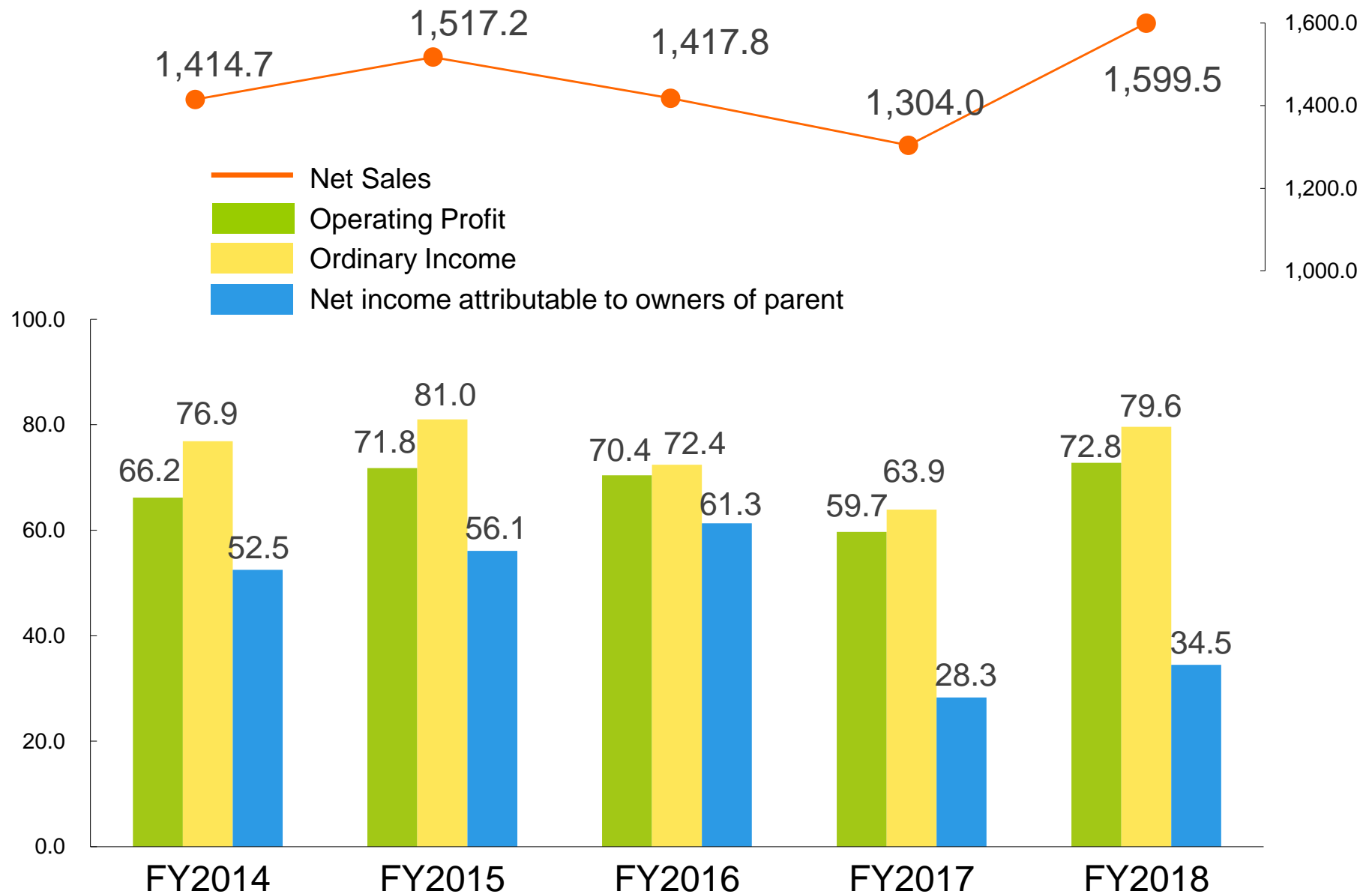
MITSUBISHI MATERIALS CORPORATION

Supplementary Explanation
for the fiscal year ended March 31, 2018

May 10, 2018

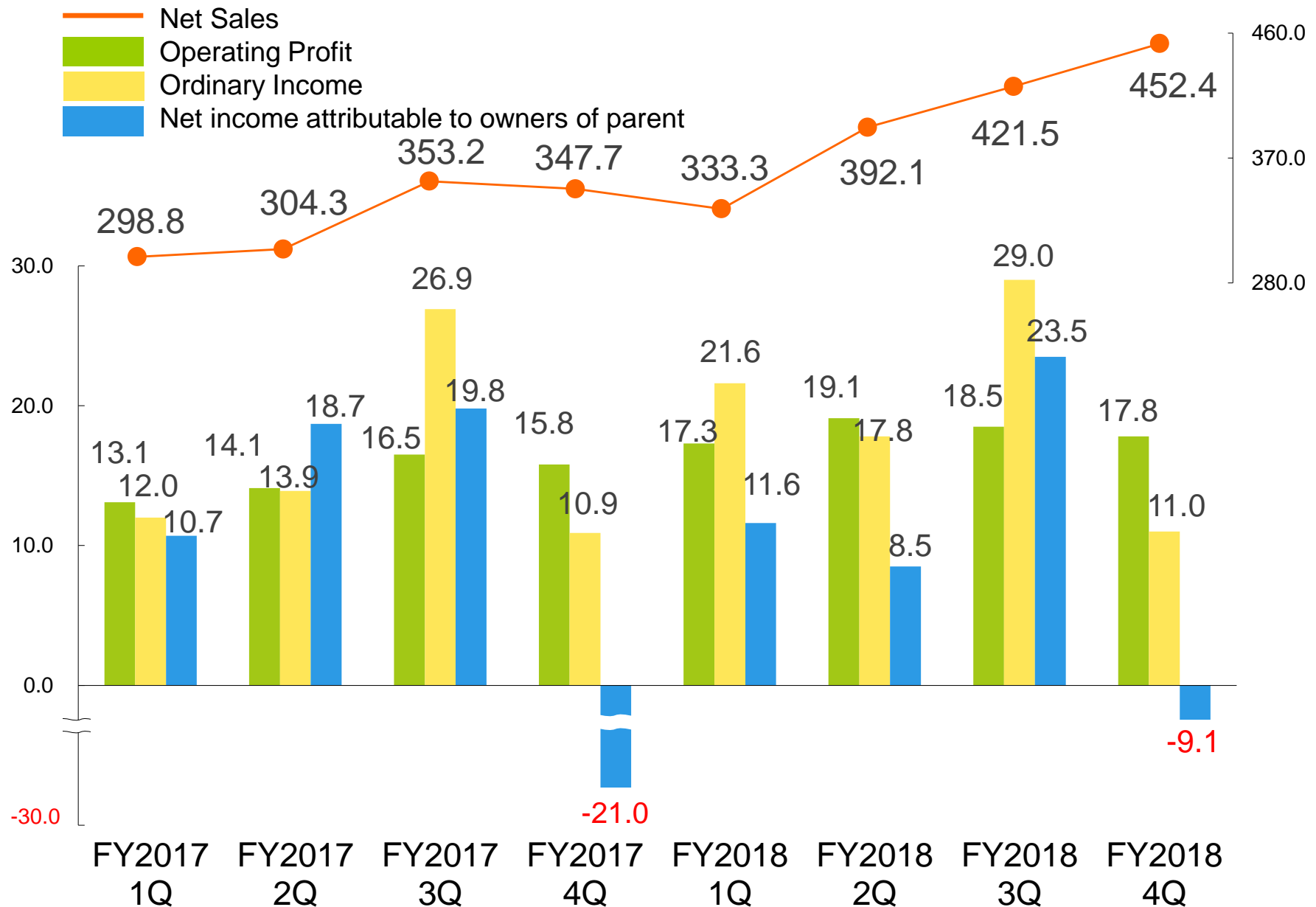
Performance Overview (Full Year)

[Unit: ¥ billions]



Performance Overview (Quarterly)

[Unit: ¥ billions]



Consolidated Statements of Operations (Full Year)

[Unit: ¥ billions]

	FY2017 Result (a)	FY2018 Result (b)	Difference (b)-(a)	Reason
Net sales	1,304.0	1,599.5	295.4	Cement +14.8, Metals +233.2, AM&T+17.7, EM&C +10.3, etc.
Operating profit	59.7	72.8	13.0	Cement -1.4, Metals +6.6, AM&T +6.7, EM&C +0.9, etc.
Net interest and dividends income	10.3	15.2	4.8	Dividend income +4.7, etc.
Equity in earnings of affiliates	0.0	-1.3	-1.3	
Other / Non-operating profit / loss	-6.1	-7.0	-0.8	
Ordinary income	63.9	79.6	15.6	
Extraordinary income / loss	-4.3	-11.8	-7.5	Gain on sales of non-current assets -9.7, Gain on sales of investment securities -13.4, Loss on Non-Conforming Products -3.2, Provision for environmental measures +14.8, etc.
Income taxes	-24.0	-23.6	0.3	
Net income attributable to non-controlling interests	-7.2	-9.5	-2.3	
Net income attributable to owners of parent	28.3	34.5	6.2	
Exchange rate (USD)	108	111	3	JPY / \$
Exchange rate (EUR)	119	130	11	JPY / €
Copper price (LME)	234	292	58	¢ / lb
Dividend per share (yen)	60	80		

* The Company consolidated its shares at a 10:1 ratio of its common stock, with an effective date of October 1, 2016. Accordingly, dividend per share is calculated on the assumption that the consolidation of its shares was conducted at the beginning of the FY2017.

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

[Unit: ¥ billions]

		FY2017 Result (a)	FY2018 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	177.5	192.3	14.8	1.5	2.9	9.6	—	—	—	0.8	
	Operating profit	20.9	19.4	-1.4	0.2	-4.1	2.3	-0.6	—	—	0.8	
	Ordinary income	20.5	21.0	0.5					0.4	0.9	1.4	
Metals	Net sales	629.4	862.7	233.2	17.7	123.1	39.2	—	—	—	53.2	- Periodic furnace repairs (Non-consolidated) - Acquisition of Luvata SP division - Impact of quality issues (-0.4)
	Operating profit	17.3	24.0	6.6	1.5	1.6	8.4	-0.6	—	—	-4.3	
	Ordinary income	27.5	36.2	8.7					2.0	1.8	-6.0	
Advanced Materials & Tools	Net sales	143.4	161.1	17.7	4.2	1.6	11.9	—	—	—	0.0	- Impact of quality issues (-0.5)
	Operating profit	11.7	18.5	6.7	1.1	1.2	6.2	-0.2	—	—	-1.6	
	Ordinary income	9.9	16.8	6.8					0.0	-0.1	-1.4	
Electronic Materials & Components	Net sales	63.0	73.4	10.3	0.6	-3.1	12.8	—	—	—	0.0	
	Operating profit	2.4	3.4	0.9	0.0	-2.2	4.2	-0.3	—	—	-0.8	
	Ordinary income	2.8	4.5	1.7					1.1	-0.8	-0.3	
Aluminum	Net sales	155.9	148.5	-7.3	0.5	0.9	-8.7	—	—	—	0.0	- Impact of quality issues (-0.4)
	Operating profit	7.8	3.7	-4.1	0.0	-0.6	-2.9	-0.8	—	—	0.2	
	Ordinary income	7.4	3.0	-4.4					-0.0	-0.1	0.0	
Other	Net sales	218.2	249.5	31.2	0.5	12.1	16.8	—	—	—	1.8	
	Operating profit	10.1	13.1	3.0	0.0	1.0	1.9	-0.0	—	—	0.0	
	Ordinary income	7.1	8.3	1.1					0.7	-3.0	0.5	
Elimination, etc.	Net sales	-83.6	-88.3	-4.6	0.0	0.0	-4.6	—	—	—	0.0	- Impact of quality issues (-0.1)
	Operating profit	-10.7	-9.6	1.1	0.0	0.0	0.3	0.0	—	—	0.8	
	Ordinary income	-11.4	-10.4	1.0					0.4	-0.0	0.3	
Total	Net sales	1,304.0	1,599.5	295.4	25.0	137.5	77.0	—	—	—	55.8	Total impact of quality issues -1.4
	Operating profit	59.7	72.8	13.0	2.8	-3.1	20.5	-2.5	—	—	-4.8	
	Ordinary income	63.9	79.6	15.6					4.7	-1.3	-5.5	

Consolidated Statements of Operations

(Comparison with the forecast announced on February 13)

[Unit: ¥ billions]

	FY2018 Previous forecast (a)	FY2018 Result (b)	Difference (b)-(a)
Net sales	1,580.0	1,599.5	19.5
Operating profit	70.0	72.8	2.8
Net interest and dividends income	14.4	15.2	0.8
Equity in earnings of affiliates	2.5	-1.3	-3.8
Other / Non-operating profit / loss	-9.0	-7.0	1.9
Ordinary income	78.0	79.6	1.6
Extraordinary income / loss	-10.5	-11.8	-1.3
Income taxes	-23.5	-23.6	-0.1
Net income attributable to non-controlling interests	-9.0	-9.5	-0.5
Net income attributable to owners of parent	35.0	34.5	-0.4
Exchange rate (USD)	112	111	-1
Exchange rate (EUR)	129	130	1
Copper price (LME)	288	292	4
Dividend per share (yen)	80	80	

Consolidated Balance Sheet

[Unit: ¥ billions]

	End of Mar. 2017 (a)	End of Mar. 2018 (b)	Difference (b)-(a)
Assets			
Cash and deposits	141.2	93.3	-47.8
Notes and accounts receivable-trade	213.3	260.4	47.0
Inventories	288.2	366.0	77.8
Other	224.5	234.2	9.6
Current assets, subtotal	867.4	954.1	86.6
Property, plant and equipment and intangible assets	724.8	710.1	-14.6
Investments and other assets	304.6	350.8	46.1
Non-current assets, subtotal	1,029.4	1,060.9	31.4
Total Assets	1,896.9	2,015.0	118.1

	End of Mar. 2017 (a)	End of Mar. 2018 (b)	Difference (b)-(a)
Liabilities			
Notes and accounts payable-trade	114.5	158.3	43.8
Loans payable and bonds payable	528.2 28%	521.4 26%	-6.7
Other liabilities	544.0	566.7	22.7
Liabilities, subtotal	1,186.7	1,246.5	59.8
Net assets			
Capital stock	119.4	119.4	-
Capital surplus and treasury stock	90.4	90.3	-0.0
Retained earnings	333.5	361.4	27.9
Total other comprehensive income	77.8	111.2	33.3
Non-Controlling interests	88.9	86.0	-2.8
Net Assets, subtotal	710.1 37%	768.4 38%	58.3
Total liabilities and net assets	1,896.9	2,015.0	118.1

Shareholders' equity ratio	33 %	34 %
Net debt to equity ratio	0.6 times	0.6 times

FY2019 Forecast: Statistics / Assumptions / Sensitivity

■ Statistics / Assumptions

		FY2017 Result	FY2018 Result (a)	FY2019 (Forecast)			Difference (b)-(a)
				1st Half	2nd Half	Full Year (b)	
Total demand for cement in Japan	(million tons)	41.78	41.88	—	—	42.50	0.62
Cement sales volumes for MMC-Domestic	(million tons)	6.80	7.05	3.50	3.61	7.11	0.06
Cement sales volumes for MMC-Exports	(million tons)	2.44	2.37	1.19	1.21	2.40	0.03
Total demand for cement in the U.S.	(million tons)	91.95	94.18	—	—	96.83	2.65
Cement sales volumes in the U.S. *	(million tons)	1.58	1.53	0.84	0.75	1.59	0.06
Ready-mixed concrete sales volumes in the U.S. *	(million cy)	7.02	8.11	4.50	3.85	8.35	0.24
Sales volumes of copper cathodes (in-house product)	(thousand tons)	282	320	166	152	318	-2
Sales of volumes of copper cathodes (PTS)	(thousand tons)	231	263	125	147	272	9
Sales volumes of copper & copper alloy products	(thousand tons)	141	143	70	73	143	0
Dividend from copper mine	(¥ billion)	9.2	14.3	1.3	13.3	14.6	0.3
Sales volumes of aluminum sheet products	(thousand tons)	114	107	57	56	113	6
Sales volumes of aluminum extrusion products	(thousand tons)	18	18	9	10	19	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” in the above results shows the sales volumes from January to December, and “FY2018” and “FY2019” show the sales volumes from April to March.
(Reference) Cement sales volumes in the U.S.: 1.53 million tons (April, 2016 to March, 2017)
Ready-mixed concrete sales volumes in the U.S.: 7.06 million cy (April, 2016 to March, 2017)

■ Sensitivity

	FY2019 Full Year	
Exchange rates Operating profit - 1 yen/\$ (yen depreciation)	0.7	billion yen
Operating profit - 1 yen/€ (yen depreciation)	0.2	billion yen
Copper price (LME) Operating profit ±10¢/lb	0.6	billion yen
Non-operating profit ±10¢/lb	1.7	billion yen

FY2019 Performance Forecast

[Unit: ¥ billions]

	FY2018 Result (a)	FY2019 (Forecast)			Difference (b)-(a)
		1st Half	2nd Half	Full Year (b)	
Net sales	1,599.5	800.0	860.0	1,660.0	60.4
Operating profit	72.8	32.0	35.0	67.0	-5.8
Net interest and dividends income	15.2	1.6	13.3	14.9	-0.3
Equity in earnings of affiliates	-1.3	2.0	2.1	4.1	5.4
Other / Non-operating profit / loss	-7.0	-2.1	-4.9	-7.0	0.0
Ordinary income	79.6	33.5	45.5	79.0	-0.6
Extraordinary income / loss	-11.8	-0.2	-9.0	-9.2	2.6
Income taxes	-23.6	-10.7	-15.0	-25.7	-2.2
Net income attributable to non-controlling interests	-9.5	-3.6	-5.5	-9.1	0.4
Net income attributable to owners of parent	34.5	19.0	16.0	35.0	0.4
Exchange rate (USD)	111	107	107	107	-4
Exchange rate (EUR)	130	130	130	130	0
Copper price (LME)	292	310	310	310	18
Dividend per share (yen)	80	40	40	80	

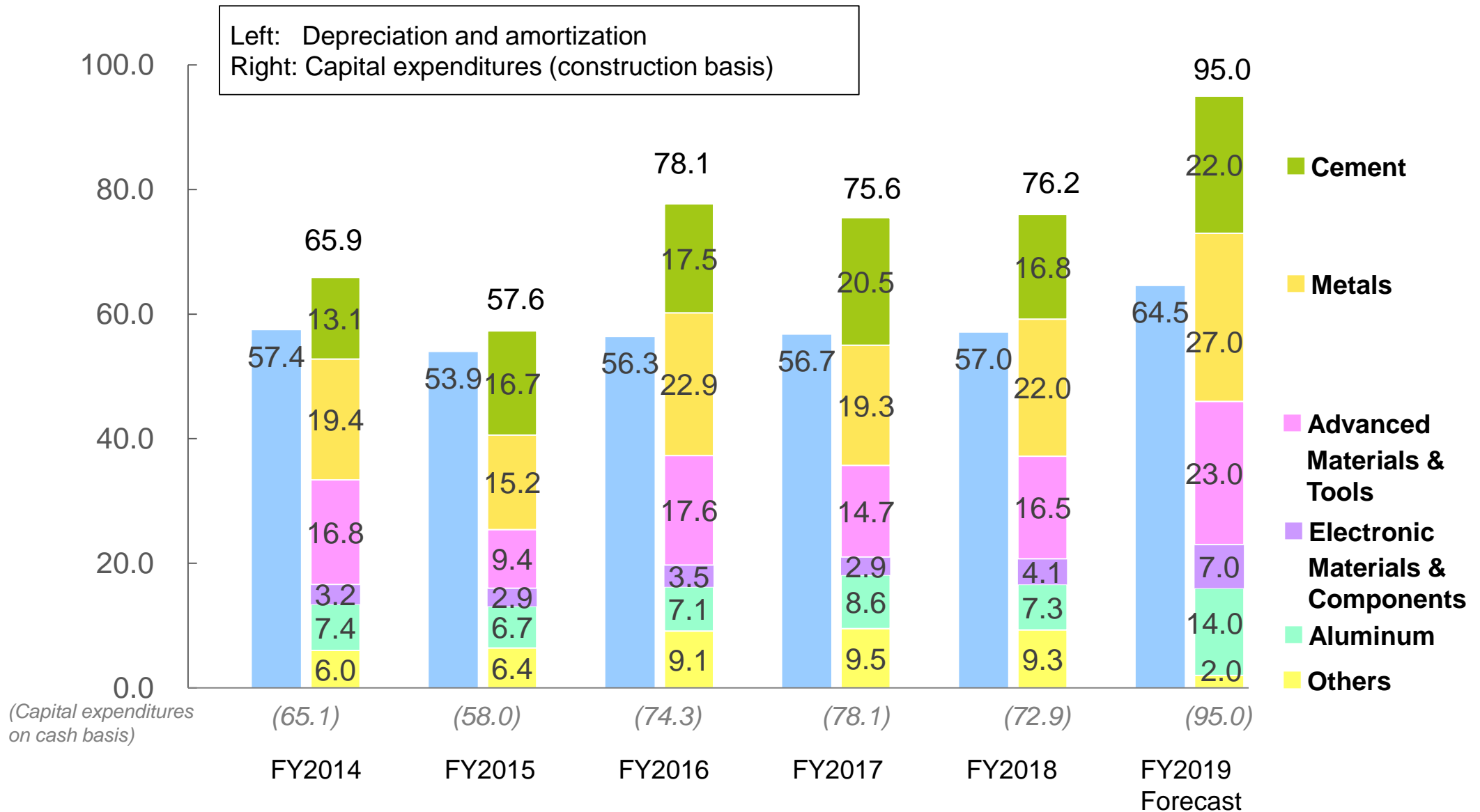
FY2019 Forecast: Factor Analysis of Net Sales, Operating Profit and Ordinary Income by Segment

[Unit: ¥ billions]

	FY2018 Result (a)	FY2019 (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	192.3	100.5	98.7	199.2	6.8	-3.4	5.0	4.1	-	-	-	1.1	
	Operating profit	19.4	9.6	8.8	18.4	-0.9	-0.2	0.0	1.1	-0.4	-	-	-1.4	
	Ordinary income	21.0	9.9	9.3	19.2	-1.8	-0.2	0.0	1.1	-0.4	-0.4	0.0	-1.9	
Metals	Net sales	862.7	430.6	472.9	903.5	40.7	-20.8	19.3	15.8	-	-	-	26.4	- Acquisition of Luvata SP division (FY2018 8 months → FY2019 12 months)
	Operating profit	24.0	11.6	12.1	23.7	-0.3	-1.6	2.0	1.1	-0.5	-	-	-1.3	- Periodic furnace repairs (Non-consolidated and PTS)
	Ordinary income	36.2	11.4	23.2	34.6	-1.6	-1.6	2.0	1.1	-0.5	0.4	-0.9	-2.1	
Advanced Materials & Tools	Net sales	161.1	85.5	87.9	173.4	12.2	-0.0	3.1	4.8	-	-	-	4.2	
	Operating profit	18.5	7.8	9.4	17.2	-1.3	-0.2	-0.1	2.6	-0.1	-	-	-3.5	- Expenditures for sales expansion (labor cost)
	Ordinary income	16.8	7.4	9.2	16.6	-0.2	-0.2	-0.1	2.6	-0.1	-0.0	0.0	-2.4	
Electronic Materials & Components	Net sales	73.4	38.3	42.1	80.4	6.9	-0.3	-1.7	8.9	-	-	-	0.0	
	Operating profit	3.4	1.5	3.0	4.5	1.0	-0.0	-2.9	3.6	-0.2	-	-	0.5	
	Ordinary income	4.5	2.3	3.8	6.1	1.5	-0.0	-2.9	3.6	-0.2	0.5	0.0	0.5	
Aluminum	Net sales	148.5	78.1	76.2	154.3	5.7	-0.0	0.5	5.2	-	-	-	0.0	
	Operating profit	3.7	2.6	1.2	3.8	0.0	-0.0	-0.8	1.0	-0.5	-	-	0.3	
	Ordinary income	3.0	2.2	0.9	3.1	0.0	-0.0	-0.8	1.0	-0.5	-0.0	0.0	0.3	
Other	Net sales	249.5	114.6	133.1	247.7	-1.8	0.7	0.9	-0.6	-	-	-	-2.7	
	Operating profit	13.1	3.6	6.5	10.1	-3.0	0.0	0.3	-2.0	-0.0	-	-	-1.3	- Transfer shares of real estate business subsidiary
	Ordinary income	8.3	4.3	7.2	11.5	3.1	0.0	0.3	-2.0	-0.0	-0.0	6.3	-1.5	
Elimination, etc.	Net sales	-88.3	-47.6	-50.9	-98.5	-10.2	0.0	0.0	-10.2	-	-	-	0.0	
	Operating profit	-9.6	-4.7	-6.0	-10.7	-1.1	0.0	0.0	0.3	0.0	-	-	-1.4	
	Ordinary income	-10.4	-4.0	-8.1	-12.1	-1.7	0.0	0.0	0.3	0.0	0.0	0.0	-2.0	
Total	Net sales	1,599.5	800.0	860.0	1,660.0	60.4	-23.8	27.1	28.0	-	-	-	29.1	
	Operating profit	72.8	32.0	35.0	67.0	-5.8	-2.0	-1.5	7.7	-1.7	-	-	-8.1	
	Ordinary income	79.6	33.5	45.5	79.0	-0.6	-2.0	-1.5	7.7	-1.7	0.4	5.4	-8.9	

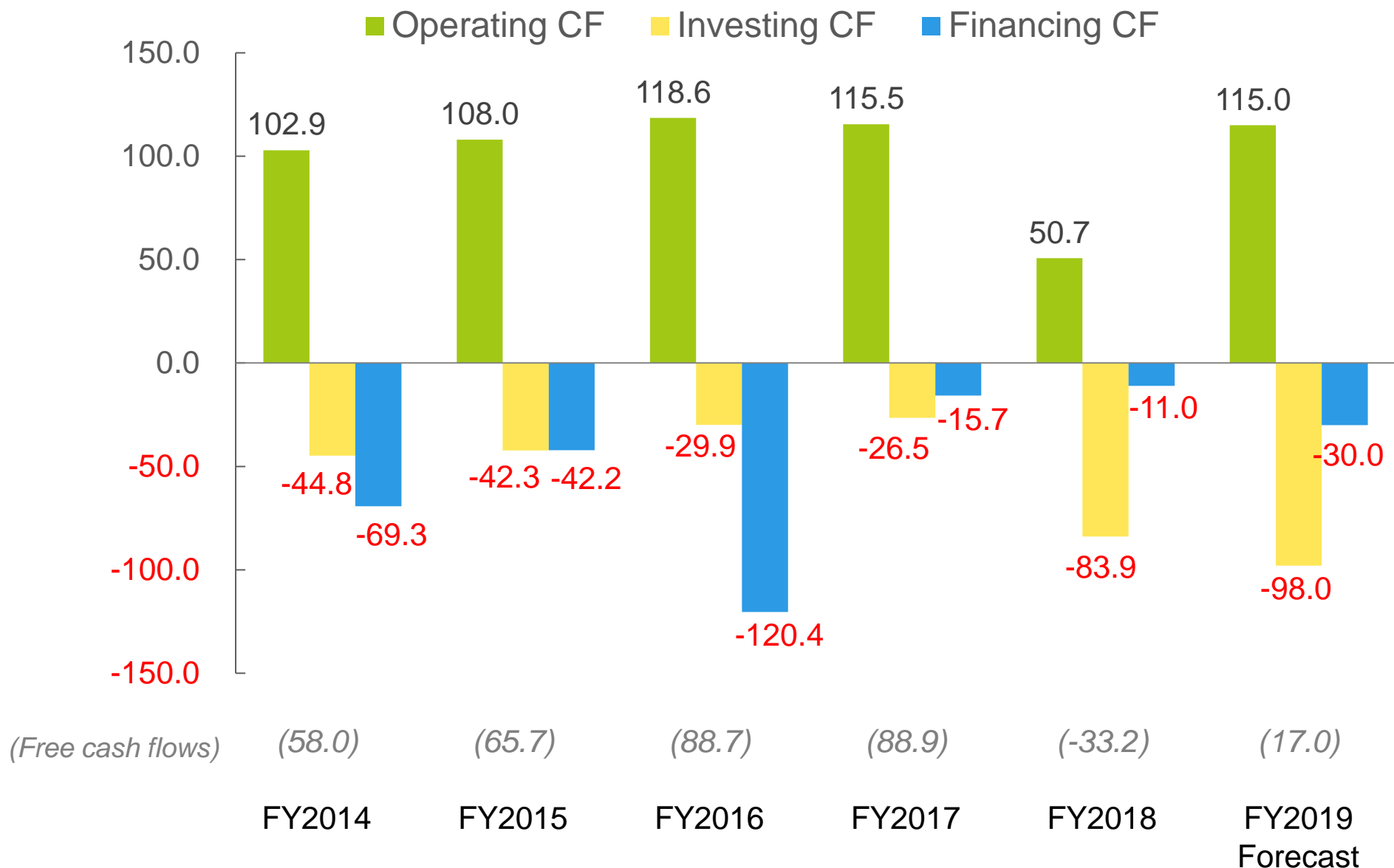
Depreciation and Capital Expenditures

[Unit: ¥ billions]



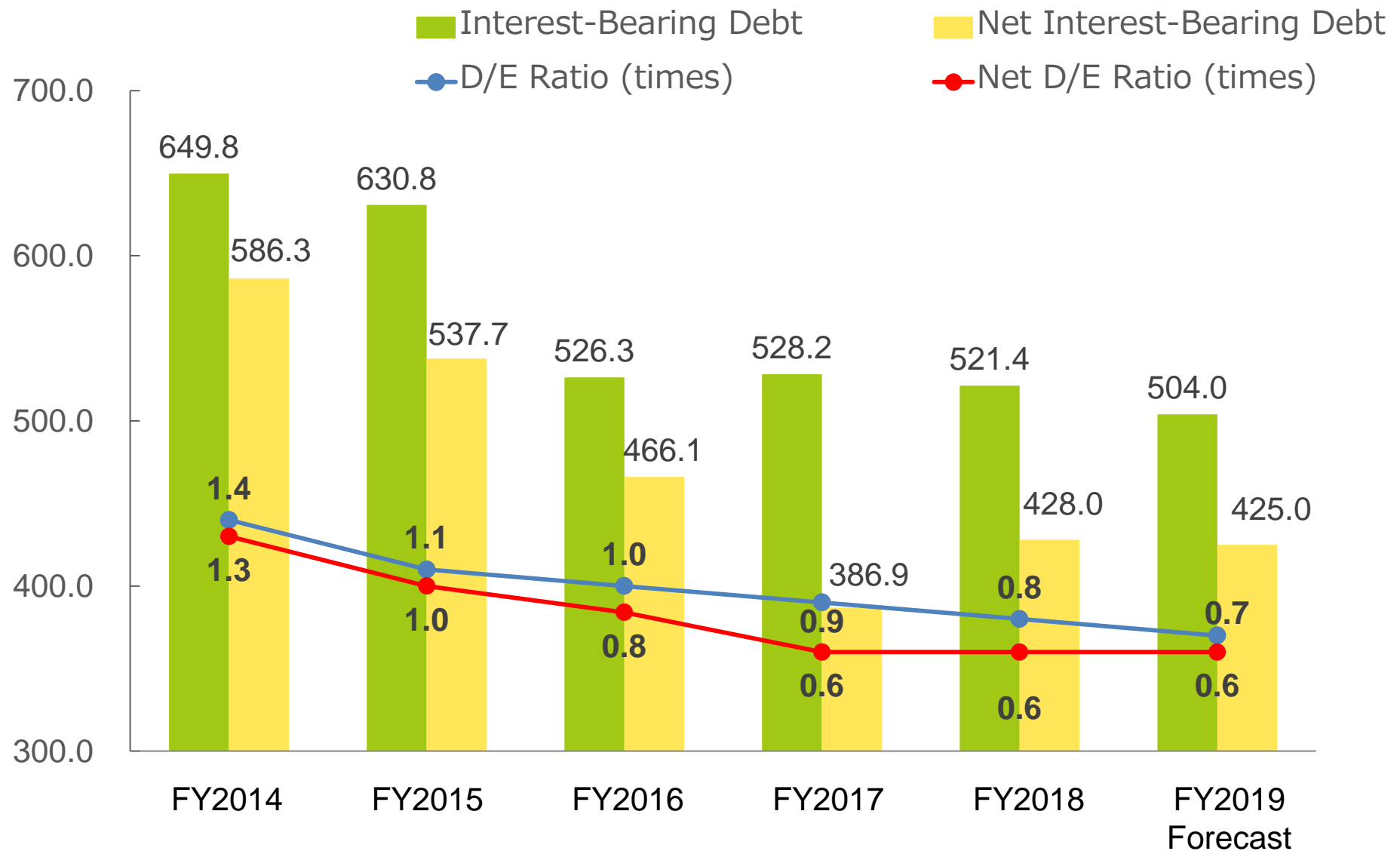
Cash Flows

[Unit: ¥ billions]



Interest-Bearing Debt and D/E Ratio

[Unit: ¥ billions]



(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
■ Performance Overview by Segment															
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	46.3	96.6	192.3
	Operating profit	2.8	5.2	8.1	8.3	4.5	12.8	20.9	5.2	5.3	10.6	6.2	2.4	8.7	19.4
	Ordinary income	2.5	5.0	7.5	8.7	4.1	12.9	20.5	5.3	5.7	11.0	7.2	2.7	10.0	21.0
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	254.8	488.2	862.7
	Operating profit	4.5	3.4	7.9	4.4	4.8	9.3	17.3	3.7	7.0	10.8	6.2	6.9	13.2	24.0
	Ordinary income	4.3	5.0	9.3	13.5	4.5	18.1	27.5	7.8	6.3	14.2	16.3	5.7	22.0	36.2
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	41.4	82.8	161.1
	Operating profit	3.6	2.8	6.5	1.7	3.4	5.2	11.7	4.2	4.4	8.6	5.2	4.6	9.8	18.5
	Ordinary income	2.9	2.0	4.9	2.3	2.6	4.9	9.9	3.9	4.1	8.1	4.8	3.7	8.6	16.8
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	20.9	39.4	73.4
	Operating profit	0.2	0.6	0.9	0.4	1.1	1.5	2.4	1.4	0.3	1.8	0.7	0.7	1.5	3.4
	Ordinary income	0.2	0.6	0.9	0.5	1.3	1.9	2.8	1.4	0.8	2.3	0.8	1.4	2.2	4.5
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	33.6	71.0	148.5
	Operating profit	2.3	2.7	5.0	2.6	0.1	2.7	7.8	2.3	1.6	3.9	0.4	-0.6	-0.1	3.7
	Ordinary income	2.2	2.9	5.1	2.4	-0.1	2.3	7.4	2.2	1.5	3.7	0.3	-1.0	-0.7	3.0
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	79.2	143.0	249.5
	Operating profit	1.0	1.7	2.7	2.0	5.3	7.3	10.1	1.6	2.2	3.9	2.3	6.9	9.2	13.1
	Ordinary income	0.9	1.5	2.5	2.1	2.5	4.6	7.1	1.9	2.4	4.4	1.7	2.1	3.9	8.3
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	-23.9	-47.2	-88.3
	Operating profit	-1.4	-2.6	-4.0	-3.0	-3.6	-6.7	-10.7	-1.4	-1.9	-3.4	-2.8	-3.3	-6.1	-9.6
	Ordinary income	-1.2	-3.2	-4.4	-2.9	-4.1	-7.0	-11.4	-1.1	-3.1	-4.3	-2.4	-3.6	-6.0	-10.4
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	452.4	874.0	1,599.5
	Operating profit	13.1	14.1	27.3	16.5	15.8	32.4	59.7	17.3	19.1	36.4	18.5	17.8	36.3	72.8
	Ordinary income	12.0	13.9	26.0	26.9	10.9	37.8	63.9	21.6	17.8	39.5	29.0	11.0	40.0	79.6

■ 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	9.78	21.04	41.88
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	1.70	3.66	7.05
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	0.57	1.21	2.37
Total demand for cement in the U.S.	(million tons)	—	—	—	—	—	—	91.95	—	—	—	—	—	—	94.18
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	0.38	0.73	1.53
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	1.82	3.75	8.11
Sales volumes of copper cathodes (in-house product)	(thousand tons)	67	76	143	72	67	139	282	70	82	152	80	88	168	320
Sales of volumes of copper cathodes (PTS)	(thousand tons)	62	51	113	74	44	118	231	57	78	135	68	60	128	263
Sales volumes of copper & copper alloy products	(thousand tons)	35	34	69	37	35	72	141	35	36	71	37	35	72	143
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	-0.1	9.9	14.3
Sales volumes of aluminum sheet products	(thousand tons)	29	29	58	28	28	56	114	30	26	56	26	25	51	107
Sales volumes of aluminum extrusion products	(thousand tons)	4	5	9	4	5	9	18	5	4	9	5	4	9	18
Exchange rate (USD)	JPY / \$	108	102	105	109	114	112	108	111	111	111	113	108	111	111
Exchange rate (EUR)	JPY / €	122	114	118	118	121	119	119	122	130	126	133	133	133	130
Copper price (LME)	¢ / lb	215	217	216	240	265	252	234	257	288	272	309	316	312	292

* 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”.

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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.