

Mitsubishi Materials Corporation

Supplementary Explanation
for the fiscal year ended March 31, 2014

May 12, 2014

Contents

【Overview of Financial Results for Mar'14】

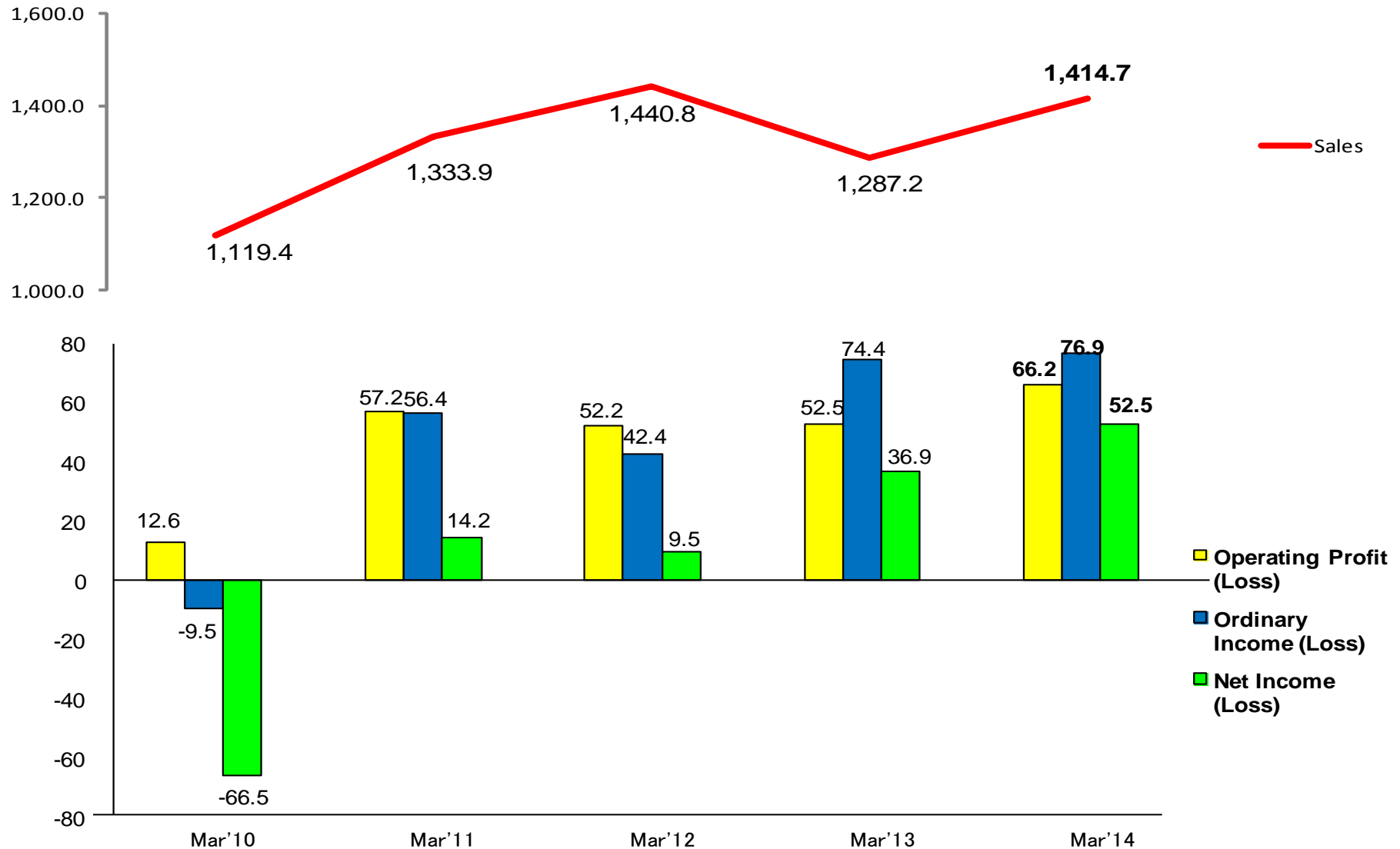
- Performance Overview.....3~4
- Consolidated Statements of Operations.....5
- Factor Analysis of Net Sales, Operating Profit
and Ordinary Income by Segment.....6
- Differences between Forecasts and Results.....7
- Comparison with Previous Medium-term
Management Plan.....8
- Consolidated Balance Sheet.....9~10

【Overview of Financial Forecasts for Mar'15】

- Assumptions / Sensitivity.....11~12
- Consolidated Statements of Operations.....13
- Factor Analysis of Net Sales, Operating Profit
and Ordinary Income by Segment.....14
- Depreciation and Capital Expenditures.....15
- Cash Flows.....16
- Interest-Bearing Debt & D/E Ratio.....17

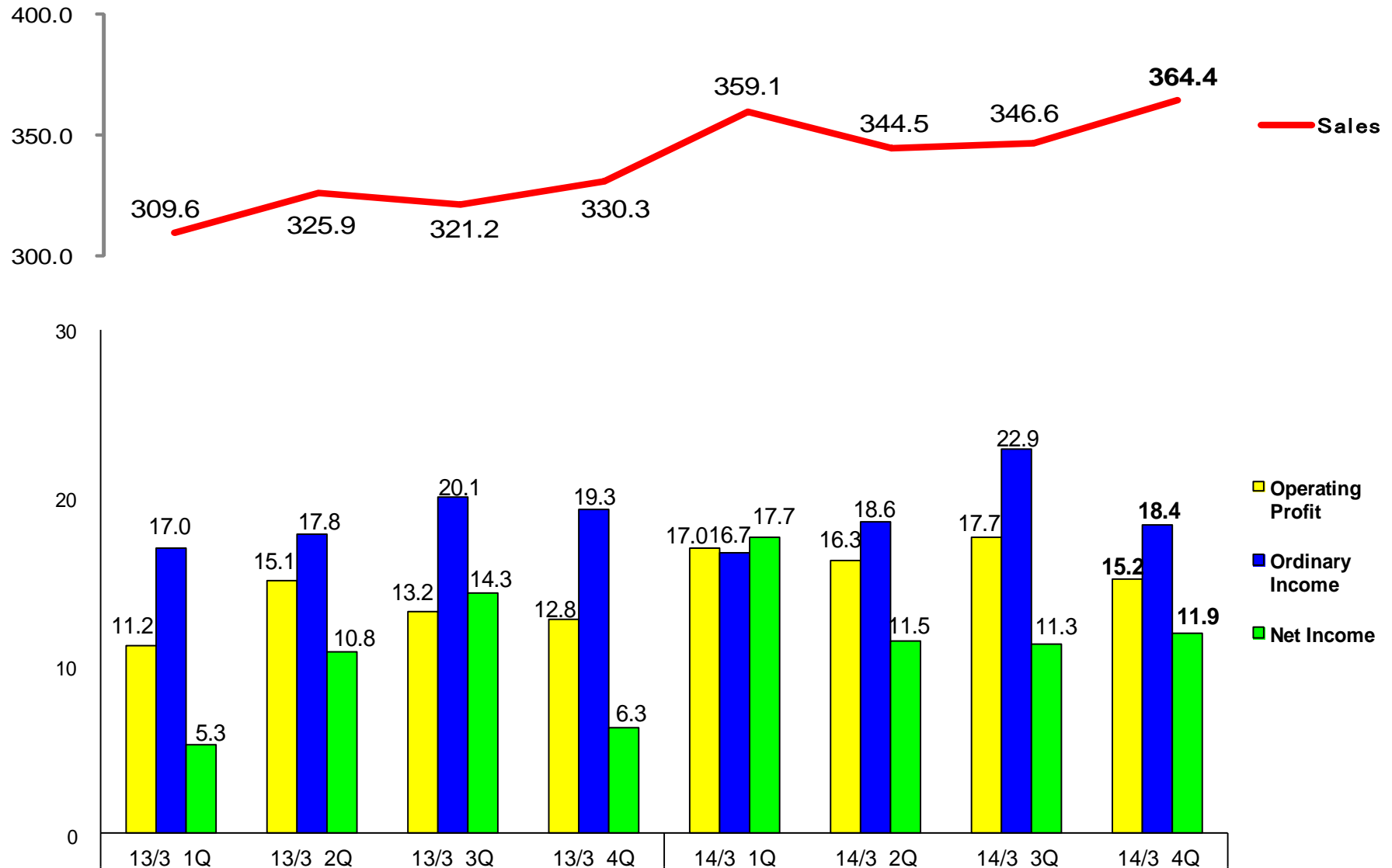
Performance Overview

(¥billions)



Performance Overview (Quarterly)

(¥billions)



Consolidated Statements of Operations (Mar'14)

(¥billions)

	Mar '13 Result (a)	Mar '14 Result (b)	Difference (b)-(a)	Reason
Net sales	1,287.2	1,414.7	127.5	Metals+73.5, Cement+25.4 etc
Operating profit	52.5	66.2	13.7	Metals+5.5, Cement+4.8, AM&T +3.3 etc
Net interest and dividends income	19.5	10.1	-9.3	Dividends Δ 10.4 etc
Equity in earnings of affiliates	5.1	4.3	-0.8	
Other/Non-operating profit	-2.8	-3.9	-1.1	
Ordinary income	74.4	76.9	2.4	
Extraordinary income/loss	-16.6	8.4	25.0	Gain on sale of investment securities+29.6, Gain on contribution on securities to retirement benefit trust +10.9, Impairment loss Δ 21.7 etc
Income taxes	-10.7	-26.4	-15.6	
Minority interests in income	-10.0	-6.3	3.7	
Net income	36.9	52.5	15.6	
Dividend payment (¥)	4	6	2	

Exchange rate: 83 JPY/\$ → 100 JPY/\$

Copper price: 356 ¢ /lb → 322 ¢ /lb

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

(¥billions)

		Mar '13 (a)	Mar '14 (b)	Differences (b)-(a)	Exchange rates differences	Price differences	Quantity variation	Electricity price effect	Dividends received	Earnings in equity of affiliates	Others
Cement	Sales	164.7	190.1	25.4	12.5	1.9	9.8				1.1
	Operating profit	14.2	19.1	4.8	0.1	1.3	4.7	-0.8	-0.0	0.1	-0.4
	Ordinary income	14.0	18.8	4.7							-0.7
Metals	Sales	622.7	696.3	73.5	81.1	-47.7	34.4				5.7
	Operating profit	17.7	23.2	5.5	5.5	-3.7	-0.8	-1.1	-9.3	0.9	5.7
	Ordinary income	39.1	36.5	-2.5							6.0
Advanced Materials & Tools	Sales	136.6	145.8	9.2	10.3	-0.7	2.9				-3.2
	Operating profit	10.7	14.0	3.3	4.1	-0.3	2.3	-0.4	-0.2	-0.0	-2.4
	Ordinary income	10.6	13.9	3.3							-2.2
Electronic Materials & Components	Sales	68.6	67.7	-0.8	3.9	-0.6	-4.5				0.3
	Operating profit	4.8	4.0	-0.8	0.2	0.1	-1.9	-0.2	-0.0	-0.7	0.9
	Ordinary income	3.4	2.1	-1.2							1.3
Aluminium	Sales	146.6	151.5	4.8	2.8	-0.6	2.6				0.0
	Operating profit	6.1	5.5	-0.6	0.1	-2.5	1.4	-0.5	-0.0	0.0	0.9
	Ordinary income	5.5	4.7	-0.7							0.8
Others	Sales	348.9	380.1	31.1	1.6	-5.6	33.3				1.4
	Operating profit	6.9	8.0	1.0	0.0	-0.8	1.3	0.0	-1.0	-1.1	0.5
	Ordinary income	10.8	9.5	-1.3							0.3
Elimination etc	Sales	-201.1	-217.0	-15.8	0.0	0.0	-15.8				0.0
	Operating profit	-8.2	-7.8	0.4	0.0	0.0	0.1	0.0	0.3	0.0	0.2
	Ordinary income	-9.2	-8.9	0.2							-0.1
Total	Sales	1,287.2	1,414.7	127.5	112.3	-53.3	62.9				5.5
	Operating profit	52.5	66.2	13.7	10.1	-5.9	7.2	-3.3	-10.4	-0.8	5.6
	Ordinary income	74.4	76.9	2.4							5.5

Differences between Forecasts and Results (Year to March 2014)

(¥billions)

	Mar'14 Previous Forecast announced on Feb. 12(a)	Mar'14 Result (b)	Difference (b)-(a)	Reason
Net sales	1,480.0	1,414.7	-65.3	Metals Δ 22.2, AM&T Δ 10.0, Cement Δ 5.8 etc
Operating profit	72.0	66.2	-5.8	Cement non-consolidated Δ 2.1 (snowfalls and other reasons), PTS Δ 1.5 (furnace repairs and other reasons) etc
Ordinary income	80.0	76.9	-3.1	Earnings in equity of affiliates +2.1 etc
Net income	45.0	52.5	7.5	

Exchange rate: 100 JPY/\$ → 100 JPY/\$

Copper price: 325 ¢ /lb → 322 ¢ /lb

Comparison with Previous Medium-term Management Plan

(¥billions)

Previous Medium-term Plan Target & Result

	Previous Medium-term Plan Target	Mar'14 Result
Ordinary income	¥110 billion	¥76.9 billion
ROA (ordinary income base)	6%	4.3%
Net D/E ratio	Under 1.5 times	1.3 times



Ordinary Income by Segment

	Previous Medium-term Plan Target (a)	Mar'14 Result (b)	Difference (b)-(a)
Cement	23.0	18.8	-4.2
Metals	48.5	36.5	-12.0
Advanced Materials & Tools	21.5	13.9	-7.6
Electronic Materials & Components	13.0	2.1	-10.9
Aluminium	9.0	4.7	-4.3
Others/Elimination, etc.	-5.0	0.6	5.6
Total	110.0	76.9	-33.1

Consolidated Balance Sheet: Assets

(¥billions)

		End of Mar. 2013 (a)	End of Mar. 2014 (b)	Difference (b-a)
Current assets	Cash and deposits	64.4	63.4	-0.9
	Notes and accounts receivable-trade	211.7	219.0	7.2
	Inventories	282.3	284.9	2.5
	Other	220.4	207.0	-13.4
Sub total		778.9	774.4	-4.4
Noncurrent assets	Property, plant and equipment and intangible assets	707.2	698.7	-8.4
	Investments and other assets	325.5	305.2	-20.3
Sub total		1,032.8	1,004.0	-28.7
Total		1,811.7	1,778.5	-33.2

Consolidated Balance Sheet: Liabilities and Net Assets

(¥billions)

		End of Mar. 2013 (a)	End of Mar. 2014 (b)	Difference (b-a)
Liabilities	Notes and accounts payable-trade	105.8	106.6	0.7
	Loans payable, bonds payable, and CP	(38%) 692.9	(37%) 649.8	-43.1
	Other liabilities	546.6	496.2	-50.3
	Sub total	1,345.5	1,252.7	-92.7
Net assets	Capital stock	119.4	119.4	—
	Capital surplus and treasury stock	90.5	90.4	-0.0
	Retained earnings	158.4	207.3	48.8
	Other comprehensive income	36.7	39.4	2.7
	Minority interests	61.0	68.9	7.9
	Sub total	(26%) 466.2	(30%) 525.7	59.4
	Total	1,811.7	1,778.5	-33.2

Equity Ratio (Mar. '13) 22% → (Mar. '14) 26%

Net Debt to Equity Ratio 1.6 times → 1.3 times

Assumptions / Sensitivity (1)

	Mar' 13 Result	Mar' 14 Result (a)
Average TTM rate (yen/\$)	83	100
Average TTM rate (yen/€)	107	134
Total demand for cement in Japan (million tons)	44.58	47.71
Cement sales volumes for MMC-Domestic (million tons)	6.59	7.42
Cement sales volumes for MMC-Exports (million tons)	2.73	2.28
Total demand for cement in the U.S. (million tons)	76.47	79.84
Cement sales volumes in the U.S. (million short tons)	1.53	1.68
Ready-mixed concrete sales volumes in the U.S. (million cy)	5.30	6.05
Copper price LME (¢/lb)	356	322
Sales of cathodes(in-house product) (thousand tons)	284	289
Sales of cathodes(exports) (thousand tons)	98	114
Sales of cahodes (PTS) (thousand tons)	202	198

Mar' 15			Difference (b) - (a)
1st Half	2nd Half	Annual Forecast(b)	
102	102	102	2
140	140	140	6
23.20	24.80	48.00	0.30
3.57	3.92	7.49	0.07
1.28	1.23	2.51	0.23
-	-	86.01	6.17
0.90	0.85	1.75	0.07
3.29	3.52	6.81	0.76
310	310	310	-12
148	124	272	-17
96	39	135	21
140	135	275	76

Assumptions / Sensitivity (2)

	Mar '13 Result	Mar '14 Result (a)
Processed copper products sales volumes (thousand tons)	129	143
Dividends from copper mine (¥ billions)	24.5	15.1
SUMCO's net income (¥ billions)	3.4	0.7
MMC's equity method investment gain(¥ billions)	0.6	-0.1
Sales of aluminum sheet products (kilotons)	103	107
Sales of aluminum extrusion products (kilotons)	21	21

Mar '15			Difference
1st Half	2nd Half	Annual Forecast (b)	(b)-(a)
76	78	154	11
3.2	9.4	12.6	-2.4
4.5	4.5	9.0*	8.3
1.1	1.1	2.2	2.3
54	54	108	1
10	10	20	0

*For the first half, net income which was officially announced by SUMCO on February 14,2014 is used. For the second half, due to the fact that the Company has not yet announced the forecast for the full fiscal year, the same number as the first half is used.

Sensitivity for Mar '15 (operating profit base)

Exchange rate yen/US\$ (yen appreciation)
yen/€ (yen appreciation)
Copper price (LME) operating profit 10 ¢ /lb
non-operating profit 10 ¢ /lb

Annual	
-400	JPY million
-100	JPY million
400	JPY million
1,700	JPY million

Consolidated Statements of Operations (Mar'15 Forecast)

(¥billions)

	Mar'14 Full Year Result (a)	Mar'15 Forecast (b)		Difference (b)-(a)	
		1st Half	2nd Half		
Net sales	1,414.7	760.0	740.0	1,500.0	85.3
Operating profit	66.2	33.0	41.0	74.0	7.8
Net interest and dividends income	10.1	0.5	6.6	7.1	-3.0
Earnings in equity of affiliates	4.3	2.7	4.9	7.6	3.3
Other/Non-operating profit	-3.9	-2.2	-2.5	-4.7	-0.8
Ordinary income	76.9	34.0	50.0	84.0	7.1
Extraordinary income	8.4	-4.0	-4.0	-8.0	-16.4
Income taxes	-26.4	-9.0	-9.0	-18.0	8.4
Minority interests in income	-6.3	-4.0	-4.0	-8.0	-1.7
Net income	52.5	17.0	33.0	50.0	-2.5
Dividend payment (¥)	6	3	5	8	2

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

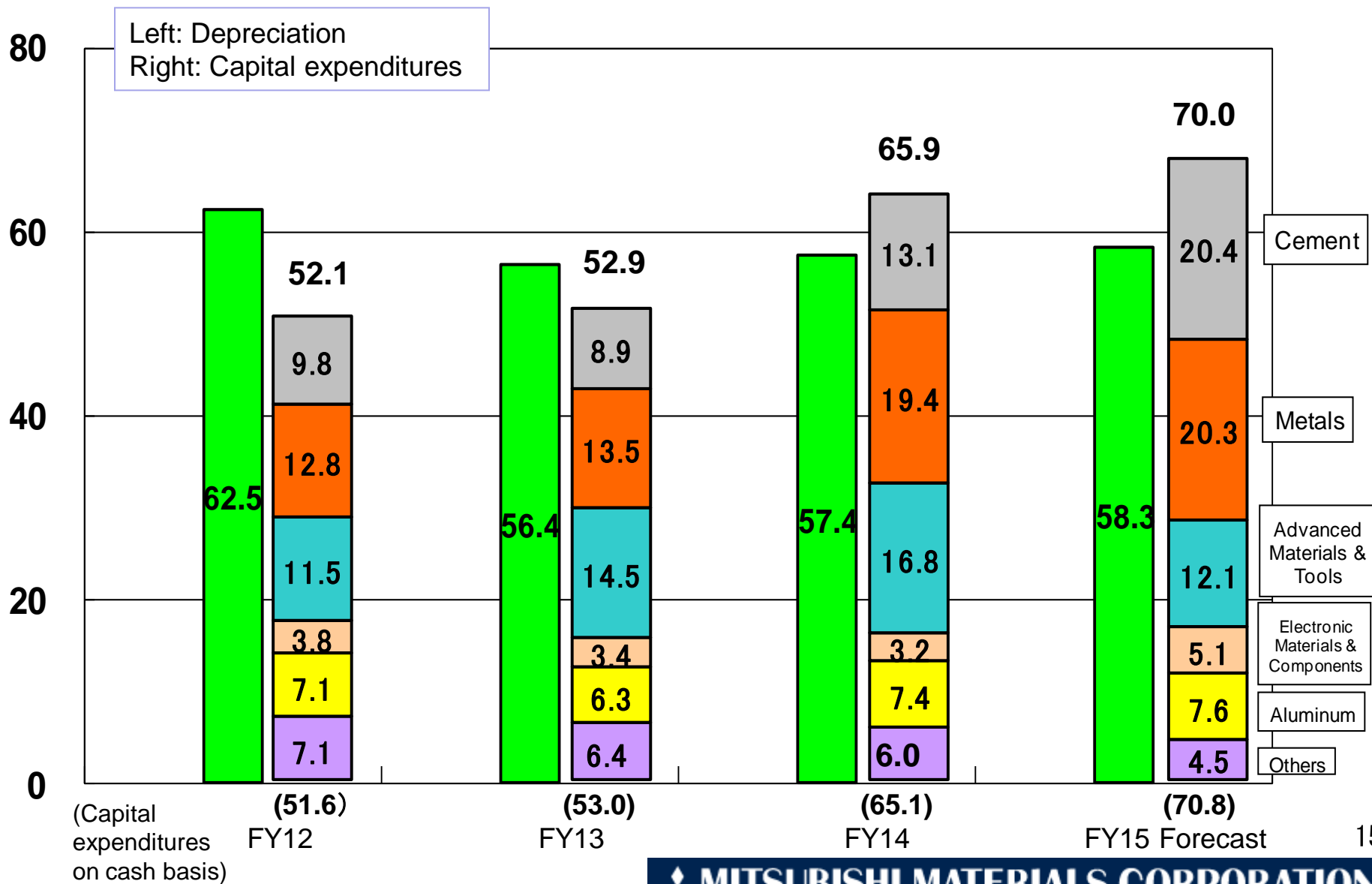
(¥billions)

		Mar '14 (a)	Mar '15 (b)	Differences (b)-(a)	Exchange rates differences	Price differences	Quantity variation	Electricity price effect	Dividends received	Earnings in equity of affiliates	Others	Mar' 15 1st Half	Mar' 15 2nd Half
Cement	Sales	190.1	205.0	14.9	3.0	5.3	5.9				0.3	97.0	108.0
	Operating profit	19.1	24.2	5.1	-0.2	5.1	1.4	-0.4			-0.7	10.1	14.1
	Ordinary income	18.8	24.0	5.2					-0.0	-0.5	-0.2	9.0	15.0
Metals	Sales	750.9	833.6	82.7	5.2	-8.5	82.7				3.1	443.2	390.4
	Operating profit	23.7	26.3	2.6	0.6	-1.2	6.9	-0.6			-3.1	12.4	13.9
	Ordinary income	37.8	36.9	-0.9					-2.5	-0.2	-3.9	14.7	22.2
Advanced Materials & Tools	Sales	145.8	139.0	-6.8	1.8	-0.3	16.0				-24.4	69.4	69.6
	Operating profit	14.0	14.3	0.3	1.5	-3.8	7.1	-0.1			-4.4	6.2	8.1
	Ordinary income	13.9	14.2	0.3					-0.0	0.1	-4.5	6.2	8.0
Electronic Materials & Components	Sales	67.7	65.0	-2.7	0.6	-1.4	-1.8				0.0	29.3	35.7
	Operating profit	4.0	3.9	-0.1	0.0	-1.2	-1.9	-0.2			3.3	1.3	2.6
	Ordinary income	2.1	4.7	2.6					-0.0	2.3	3.6	1.7	3.0
Aluminium	Sales	151.5	156.7	5.2	0.2	-0.1	5.0				0.0	80.4	76.3
	Operating profit	5.5	5.4	-0.1	-0.0	-1.6	1.1	-0.2			0.7	3.1	2.3
	Ordinary income	4.7	4.5	-0.2					-0.0	-0.0	0.5	2.7	1.8
Others *1	Sales	238.7	234.1	-4.6	0.2	-0.1	-5.5				0.7	108.9	125.2
	Operating profit	7.5	7.2	-0.3	0.0	0.0	-0.3	0.0			0.0	1.9	5.3
	Ordinary income	8.2	8.7	0.5					-0.9	1.5	0.2	2.0	6.7
Elimination etc	Sales	-130.2	-133.4	-3.2	0.0	0.0	-3.2				0.0	-68.2	-65.2
	Operating profit	-7.8	-7.3	0.5	0.0	0.0	0.2	0.0			0.3	-2.0	-5.3
	Ordinary income	-8.9	-8.9	0.0					-0.0	0.0	-0.3	-2.3	-6.7
Total	Sales	1,414.7	1,500.0	85.3	11.3	-5.1	99.1				-20.1	760.0	740.0
	Operating profit	66.2	74.0	7.8	1.9	-2.9	14.5	-1.7			-3.9	33.0	41.0
	Ordinary income	76.9	84.0	7.1					-3.5	3.3	-4.6	34.0	50.0

*1. As of April 1, 2014, the management of the precious metals business that had been contained in the "Others" segment was transferred to the "Metals" segment. Please note that business results for the term ended March, 2014 have been reorganized to match the segments after the change.

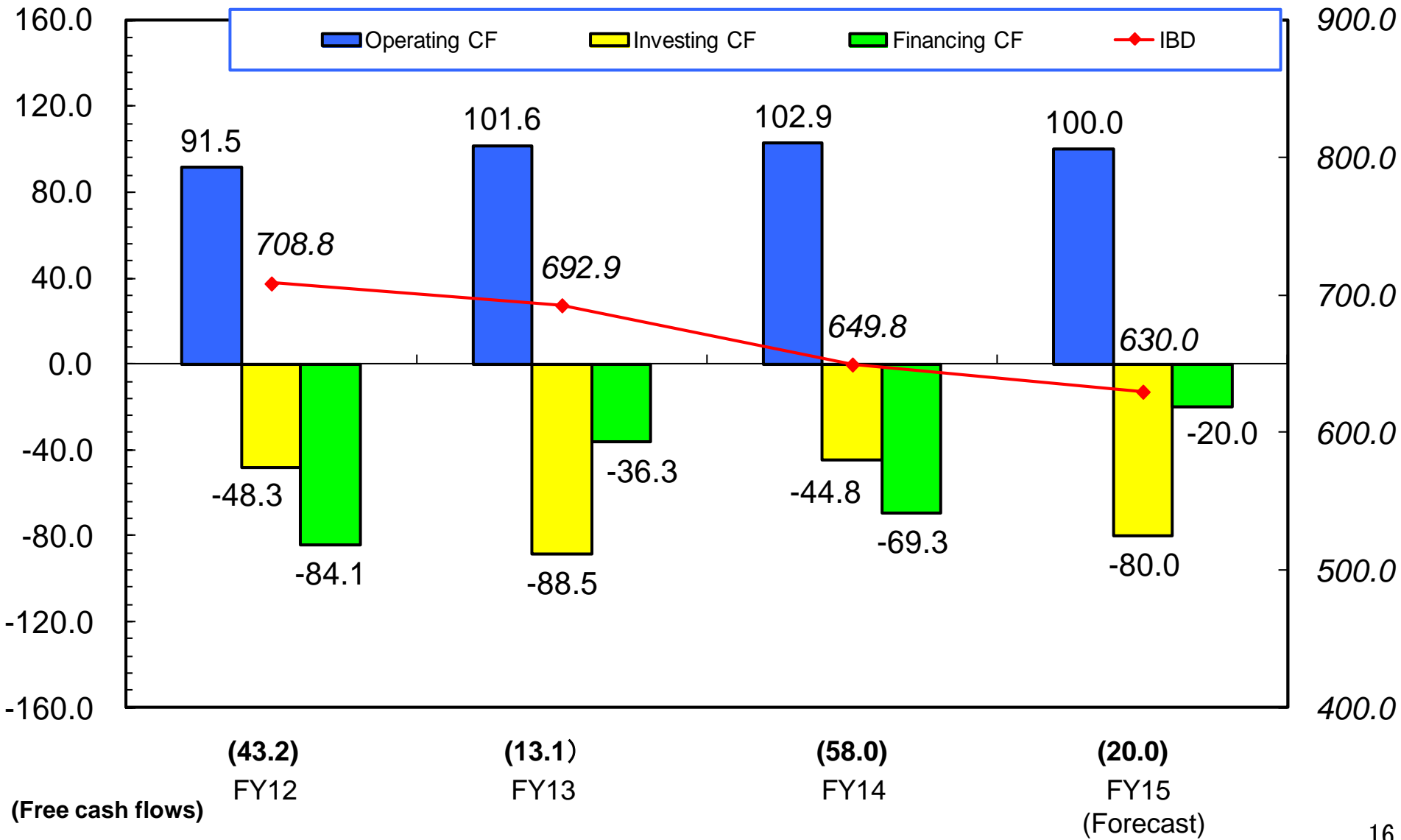
Depreciation and Capital Expenditures

(¥billions)



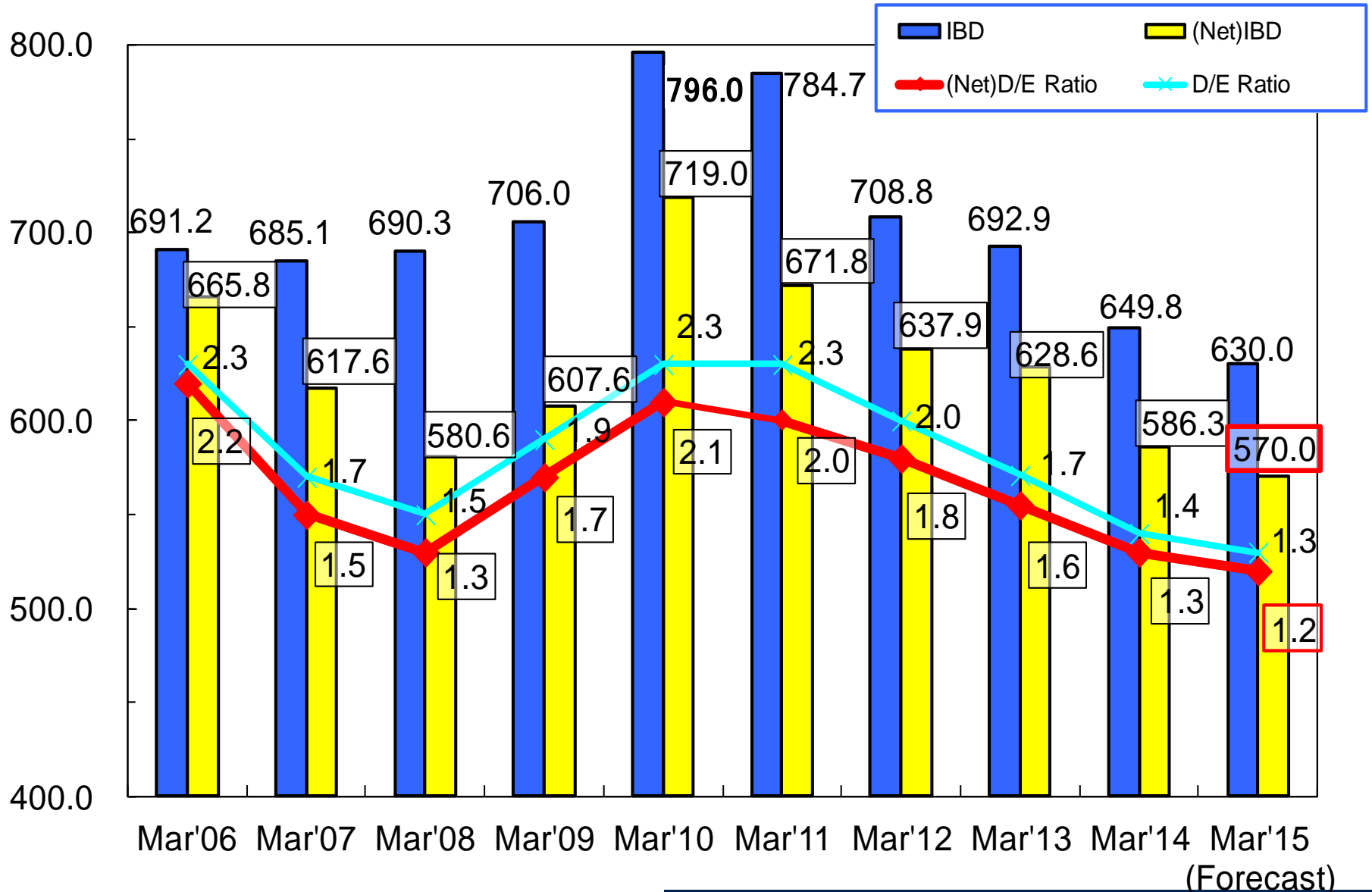
Cash Flows

(¥billions)



Interest-Bearing Debt & D/E Ratio

(¥billions)



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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.