

# Mitsubishi Materials Corporation

Supplementary Explanation  
for the 3<sup>rd</sup> Quarter of the fiscal year ending March 31, 2015

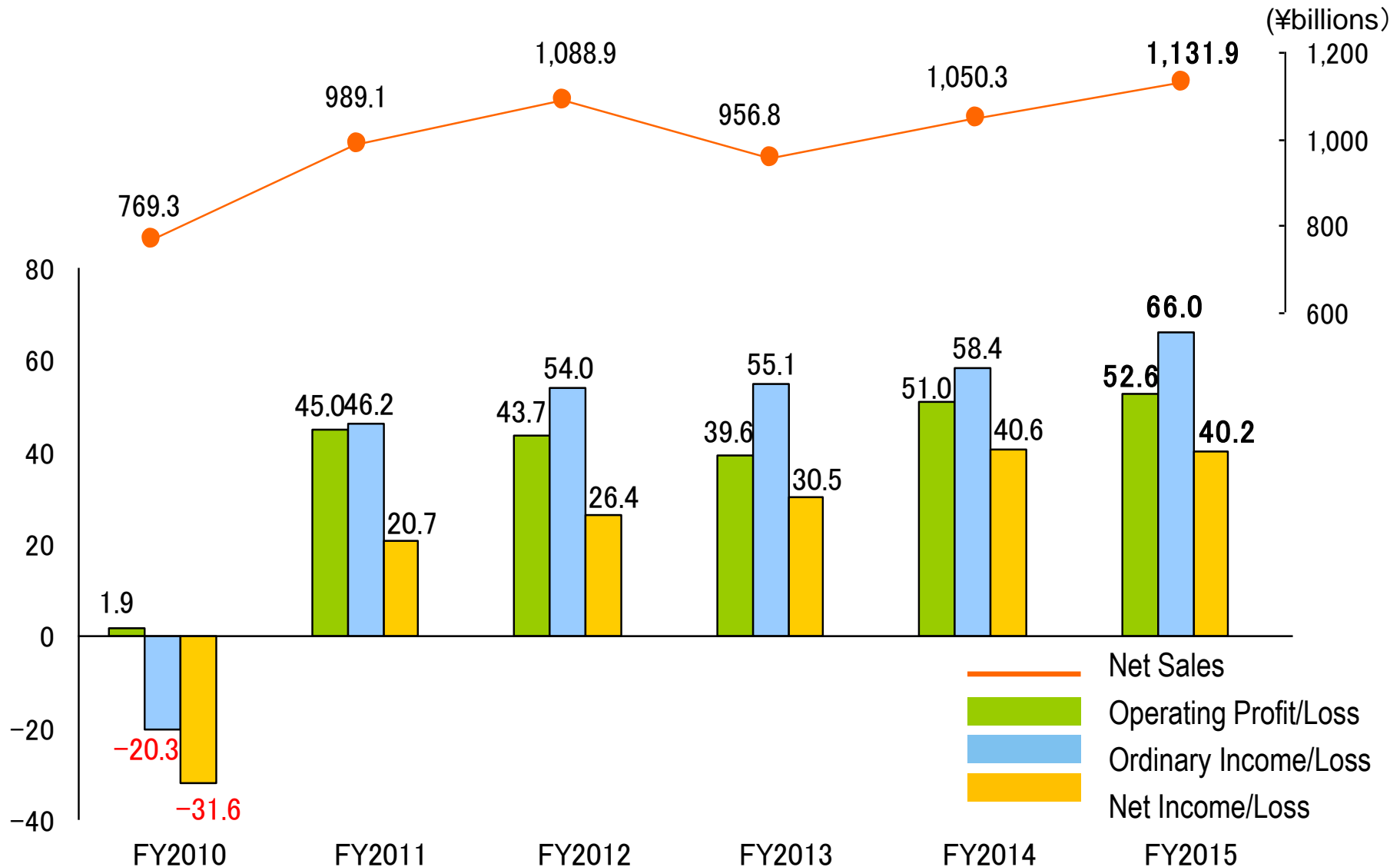
February 10, 2015

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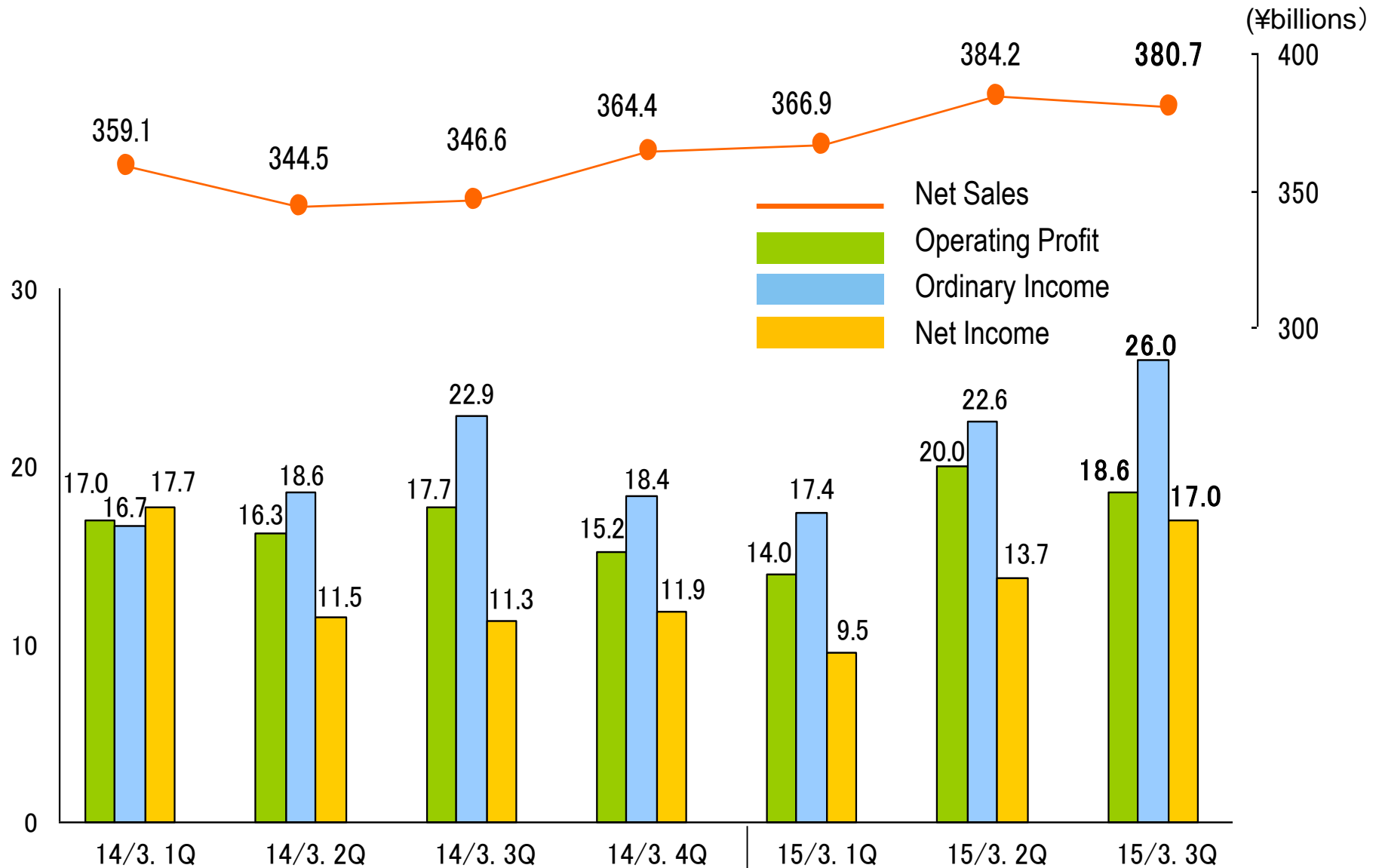
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# Performance Overview (Nine Months' Results)



# Performance Overview (Quarterly)



# Consolidated Statements of Operations (9 Months' Results)

(¥billions)	FY2014 9 Months' Result (a)	FY2015 9 Months' Result (b)	Difference (b)-(a)	Reason
<b>Net sales</b>	<b>1,050.3</b>	<b>1,131.9</b>	<b>81.6</b>	Metals+71.6、Aluminum+7.2、Cement+3.1、AM&T△9.5 (cemented carbide+9.3) etc
<b>Operating profit</b>	<b>51.0</b>	<b>52.6</b>	<b>1.6</b>	AM&T+1.3、Aluminum+0.5、Cement△1.4 etc
Net interest and dividends income	7.0	8.8	1.8	Dividends+0.6、Interest expenses+1.1 etc
Equity in earnings of affiliates	3.2	6.2	3.0	SUMCO+3.4、JDC+1.6、Metals△1.2 etc
Other / Non-operating profit	-2.9	-1.7	1.1	
<b>Ordinary income</b>	<b>58.4</b>	<b>66.0</b>	<b>7.6</b>	
Extraordinary income / loss	13.1	-4.1	-17.2	Gain on sale of investment securities△26.4、Gain on contribution of securities to retirement benefit trust△10.9、Impairment loss+27.1 etc
Income taxes	-26.9	-17.0	9.9	
Minority interests in income	-3.9	-4.6	-0.6	
<b>Net income</b>	<b>40.6</b>	<b>40.2</b>	<b>-0.3</b>	

Exchange rate : 99 JPY/\$ → 107 JPY/\$

Copper price : 323 ¢ /lb → 308 ¢ /lb

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

(¥billions)		FY2014 9 Months' Results (a)	FY2015 9 Months' Results (b)	Differences (b)-(a)	Exchange rates differences	Price differences	Quantity variation	Electricity price effect	Dividends received	Earnings in equity of affiliates	Others
Cement	Net sales	139.0	142.1	3.1	3.8	2.1	-2.7				-0.1
	Operating profit	14.3	12.9	-1.4	0.3	1.9	-1.9	-0.4			-1.4
	Ordinary income	14.1	12.6	-1.4					-0.0	-0.5	-0.8
Metals	Net sales	538.9	610.6	71.6	26.9	-21.5	64.4				1.8
	Operating profit	18.3	18.0	-0.3	1.3	-1.7	1.9	-0.7			-1.2
	Ordinary income	27.6	27.9	0.3					1.0	-1.2	-0.3
Advanced Materials & Tools	Net sales	110.2	100.7	-9.5	3.3	0.0	6.1				-19.0
	Operating profit	10.8	12.1	1.3	1.3	-0.4	3.6	-0.2			-2.9
	Ordinary income	10.6	12.2	1.6					-0.0	0.1	-2.8
Electronic Materials & Components	Net sales	52.8	49.0	-3.7	1.1	-0.2	-4.7				0.0
	Operating profit	3.3	3.4	0.1	0.1	0.0	-2.9	-0.2			3.1
	Ordinary income	1.8	5.8	3.9					-0.0	3.2	3.7
Aluminum	Net sales	114.8	122.0	7.2	0.6	-0.6	7.1				0.0
	Operating profit	5.4	5.9	0.5	0.0	-2.5	2.3	-0.3			1.0
	Ordinary income	4.8	5.4	0.6					0.0	-0.0	1.1
Other	Net sales	175.8	172.8	-2.9	0.3	0.2	-4.1				0.6
	Operating profit	3.9	5.0	1.0	0.0	0.3	0.6	0.0			0.0
	Ordinary income	4.6	6.9	2.3					-0.4	1.4	0.4
Elimination, etc.	Net sales	-81.4	-65.5	15.9	0.0	0.0	15.9				0.0
	Operating profit	-5.2	-4.8	0.3	0.0	0.0	0.4	0.0			-0.1
	Ordinary income	-5.2	-5.0	0.2					0.1	0.0	-0.3
Total	Net sales	1,050.3	1,131.9	81.6	36.3	-20.0	82.0				-16.5
	Operating profit	51.0	52.6	1.6	3.1	-2.2	4.2	-2.0			-1.5
	Ordinary income	58.4	66.0	7.6					0.6	3.0	0.9

Other main contents

※1. Cement: labor cost increase in ready-mixed concrete business in the U.S.  $\Delta$ 0.4

※2. Metals: repair cost for recycling facility (MMC)  $\Delta$ 1.0

※3. Advanced Materials & Tools: expenditures for sales expansion (cemented carbide)  $\Delta$ 1.6

※4. Electronic Materials & Components: depreciation (Yokkaichi Plant) +2.3

# Consolidated Balance Sheet: Assets

(¥billions)

		End of Mar. 2014 (a)	End of Dec. 2014 (b)	Difference (b-a)
Current assets	Cash and deposits	63.4	77.3	13.8
	Notes and accounts receivable-trade	219.0	262.6	43.6
	Inventories	284.9	332.9	47.9
	Other	207.0	235.3	28.3
	Sub total	774.4	908.3	133.8
Noncurrent assets	Property, plant and equipment and intangible assets	698.7	699.4	0.6
	Investments and other assets	305.2	326.2	20.9
	Sub total	1,004.0	1,025.6	21.6
Total		1,778.5	1,934.0	155.4

# Consolidated Balance Sheet: Liabilities and Net Assets

(¥billions)		End of Mar. 2014 (a)	End of Dec. 2014 (b)	Difference (b-a)
Liabilities	Notes and accounts payable-trade	106.6	127.7	21.0
	Loans payable, bonds payable, and CP	(37%) 649.8	(36%) 699.4	49.6
	Other liabilities	496.2	524.3	28.0
	Sub total	1,252.7	1,351.5	98.7
Net assets	Capital stock	119.4	119.4	–
	Capital surplus and treasury stock	90.4	90.4	–
	Retained earnings	207.3	235.1	27.7
	Other comprehensive income	39.4	61.8	22.4
	Minority interests	68.9	75.5	6.5
Sub total	(30%) 525.7	(30%) 582.4	56.7	
Total		1,778.5	1,934.0	155.4

Equity Ratio (Mar '14) 26% → (Dec '14) 26%

Net Debt to Equity Ratio 1.3 times → 1.2 times



# Statistics / Assumptions

	FY 2014 (9 months) Result	FY 2015 (9 months) Result	FY 2014 (Annual) Result	FY 2015 (forecast this time)					FY 2015 Annual (forecast announced on Nov.)
				1Q Result	2Q Result	3Q Result	4Q Forecast	Annual forecast	
Average TTM rate (yen/\$)	99	107	100	102	104	115	117	109	102
Average TTM rate (yen/€)	132	140	134	140	138	143	135	139	140
Total demand for cement in Japan (million tons)	36.18	34.90	47.71	11.13	11.48	12.28	11.61	46.50	48.00
Cement sales volumes for MMC-Domestic (million tons)	5.52	5.36	7.42	1.65	1.70	2.01	1.92	7.28	7.43
Cement sales volumes for MMC-Exports (million tons)	1.64	1.91	2.28	0.57	0.71	0.63	0.59	2.50	2.47
Total demand for cement in the U.S. (million tons)	-	-	79.81	-	-	-	-	86.34	86.06
Cement sales volumes in the U.S. (million short tons)	1.28	1.19	1.68	0.39	0.40	0.39	0.37	1.56	1.57
Ready-mixed concrete sales volumes in the U.S. (million cy)	4.71	4.77	6.28	1.49	1.57	1.71	1.50	6.27	6.35
Copper price LME (¢ /lb)	323	308	322	308	317	300	260	296	311
Sales of cathodes(in-house product) (thousand tons)	215	200	289	69	73	57	69	269	280
Sales of cathodes(exports) (thousand tons)	82	85	115	32	30	23	23	108	108
Sales of cathodes (PTS) (thousand tons)	159	190	198	65	69	56	64	253	271
Processed copper products sales volumes(thousand tons)	107	114	143	37	38	39	39	153	154
Dividends from copper mine (¥ billions)	10.7	11.6	15.1	2.2	3.5	5.8	1.1	12.8	13.6
SUMCO's net income (¥ billions)	0.3	12.7	0.7	2.8	5.0	4.9	1.8	14.5	* 14.5
MMC's equity method investment gain (¥ billions)	-0.1	3.3	-0.1	0.7	1.3	1.2	0.4	3.7	3.7
Sales of aluminum sheet products (kilotons)	79	83	107	29	27	27	27	110	111
Sales of aluminum extrusion products (kilotons)	16	16	21	5	5	5	5	21	21

\*Announced by SUMCO on November 7, 2014

# Forecast for the FY2015

(¥billions)	Forecast announced on Nov. (a)	This time (b)
<b>Net sales</b>	<b>1,500.0</b>	<b>1,500.0</b>
<b>Operating profit</b>	<b>74.0</b>	<b>70.0</b>
Net interest and dividends income	8.2	7.9
Equity in earnings of affiliates	6.6	6.0
Other/Non-operating profit	-4.8	-3.9
<b>Ordinary income</b>	<b>84.0</b>	<b>80.0</b>
Extraordinary income/loss	-8.0	-7.0
Income taxes	-18.0	-16.5
Minority interests in income	-8.0	-6.5
<b>Net income</b>	<b>50.0</b>	<b>50.0</b>



[Breakdown by Segment]		Forecast announced on Nov.(a)	This time (b)	Difference (b)-(a)
Cement	Net sales	198.2	195.2	-3.0
	Operating profit	21.0	17.9	-3.1
	Ordinary income	20.2	17.3	-2.9
Metals	Net sales	816.4	814.8	-1.6
	Operating profit	26.2	25.1	-1.1
	Ordinary income	37.2	35.0	-2.2
Advanced Materials & Tools	Net sales	138.2	134.8	-3.4
	Operating profit	16.0	16.3	0.3
	Ordinary income	15.9	16.2	0.3
Electronic Materials & Components	Net sales	67.3	66.8	-0.5
	Operating profit	4.2	4.2	0.0
	Ordinary income	6.5	6.6	0.1
Aluminum	Net sales	159.7	159.7	0.0
	Operating profit	5.6	5.6	0.0
	Ordinary income	4.9	4.9	0.0
Other	Net sales	238.7	238.9	0.2
	Operating profit	7.6	7.7	0.1
	Ordinary income	8.6	8.5	-0.1
Elimination, etc.	Net sales	-118.8	-110.2	8.6
	Operating profit	-6.7	-6.8	-0.1
	Ordinary income	-9.3	-8.5	0.8
Total	Net sales	1,500.0	1,500.0	0.0
	Operating profit	74.0	70.0	-4.0
	Ordinary income	84.0	80.0	-4.0

為替USD(JPY/\$)	102	109
EUR(JPY/€)	140	139
銅価格(¢/lb)	311	296

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