

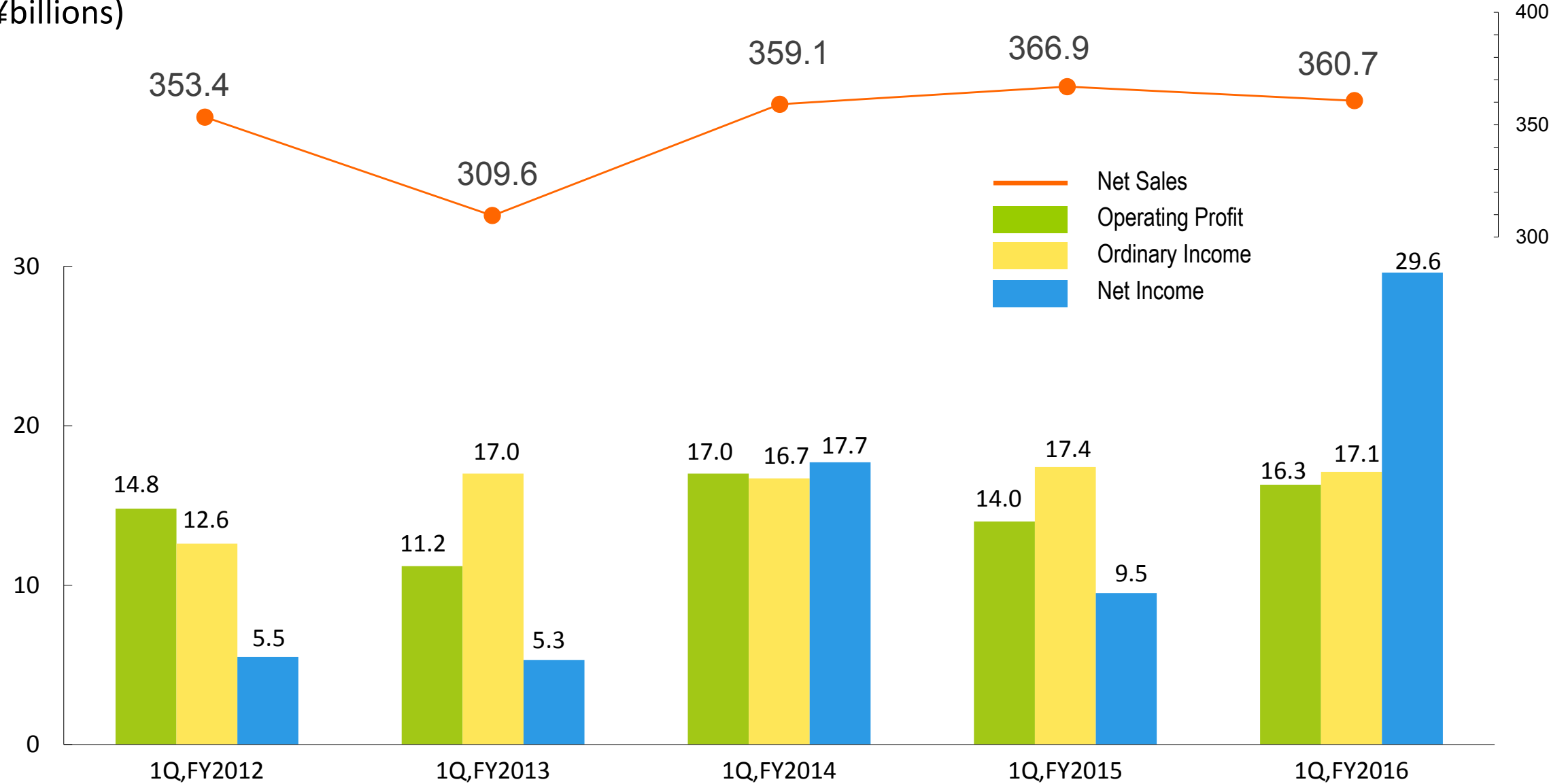
Mitsubishi Materials Corporation

Supplementary Explanation
for the 1st Quarter of the fiscal year ending March 31, 2016

August 6, 2015

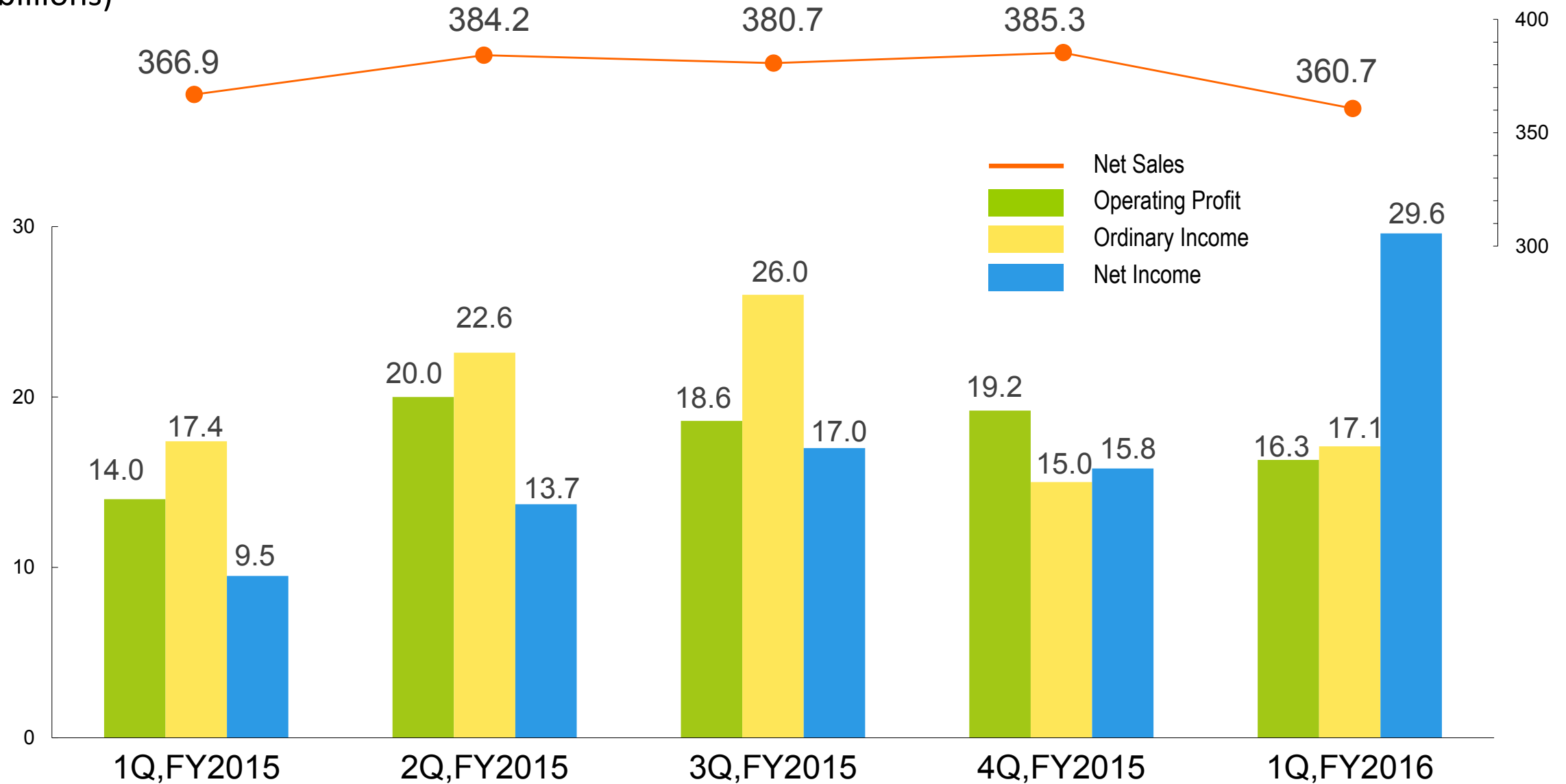
Performance Overview (for the 1st Quarters)

(¥billions)



Performance Overview (quarterly data)

(¥billions)



Consolidated Statements of Operations (for the 1st Quarter)

(¥billions)	1Q/FY2015 Result	1Q/FY2016 Result	Difference	Notes
Net sales	366.9	360.7	△ 6.1	Metals△ 16.8、EM&C+4.8、Cement+3.2、AM&T+2.7、etc
Operating profit	14.0	16.3	2.3	Metals+1.7、Cement+1.5、Aluminum△0.8、etc
Net interest and dividends income	1.7	0	△ 1.6	Dividends△2.0、Interest expenses+0.4、etc
Equity in earnings of affiliates	2.5	1.4	△ 1.0	JAPAN DRILLING Co.△ 1.5、Copper mines△0.8、SUMCO+0.6、etc
Other / Non-operating profit	△ 0.8	△ 0.8	0	
Ordinary income	17.4	17.1	△ 0.3	
Extraordinary income/loss	△ 2.4	20.1	22.5	Gain on sale of investment securities+19.0、Gain on change in equity+10.4、Gain on redemption of investment securities+1.2、Provision for environmental measures△9.5、etc
Income taxes	△ 4.5	△ 6.7	△ 2.1	
Net income attributable to non-controlling interests	△ 0.9	△ 0.9	0	
Net income attributable to owners of the parent	9.5	29.6	20.0	
Exchange rate (USD)	102	121	19	JPY/USD
Exchange rate (EUR)	140	134	△ 6	JPY/EUR
Copper price(LME)	308	275	△ 33	¢ /lb

		1Q/FY2015 Result	1Q/FY2016 Result	Difference
Total demand for cement in Japan	(million tons)	11.13	10.51	Δ 0.62
Cement sales volumes for MMC-Domestic	(million tons)	1.65	1.59	Δ 0.06
Cement sales volumes for MMC-Exports	(million tons)	0.57	0.57	Δ 0
Cement sales volumes in the U.S. ※	(million tons)	0.36	0.37	0.01
Ready-mixed concrete sales volumes in the U.S.	(million cy)	1.49	1.59	0.10
Sales of cathodes (in-house product)	(thousand tons)	69	71	1
Sales of cathodes (PTS)	(thousand tons)	65	64	Δ 1
Processed copper product sales volumes	(thousand tons)	38	34	Δ 3
Dividends from copper mine	(¥ billion)	2.2	0.3	Δ 1.8
SUMCO's net income	(¥ billion)	2.8	5.1	2.3
MMC's equity method investment gain	(¥ billion)	0.7	1.3	0.6
Sales of aluminum sheet products	(thousand tons)	29	29	Δ 1
Sales of aluminum extrusion products	(thousand tons)	5	5	Δ 0

※For cement sales volume in the U.S, it is changed from previous (million short tons) to (million tons).

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

(¥billions)		1Q/FY2015 Result	1Q/FY2016 Result	Differences	Exchange rate differences	Price differences	Quantity variation	Electricity price effect	Dividends received	Earnings in equity of affiliates	Others	Other principal reasons (operating profit)
Cement	Net sales	43.6	46.8	3.2	2.9	1.1	0.1	—	—	—	Δ 0.9	
	Operating profit	2.3	3.8	1.5	0	1.5	Δ 0.1	0	—	—	0.1	
	Ordinary income	1.9	3.4	1.5					Δ 0	0.1	0	
Metals	Net sales	200.4	183.6	Δ 16.8	20.2	Δ 10.8	Δ 26.1	—	—	—	0	• Decrease in depreciation and amortization
	Operating profit	4.6	6.4	1.7	1.4	0	Δ 1.1	0	—	—	1.4	• Improvement in conditions for the purchase of copper ore
	Ordinary income	6.1	5.4	Δ 0.6					Δ 1.8	Δ 0.8	1.7	
Advanced Materials & Tools	Net sales	36.4	39.1	2.7	1.1	0	0	—	—	—	1.6	• Addition of Mitsubishi Hitachi Tool Engineering, Ltd. as a consolidated subsidiary
	Operating profit	4.4	4.4	0	0.4	0	0.2	0	—	—	Δ 0.6	• Cost increase in cemented carbide products business
	Ordinary income	4.3	4.4	0.1					0	0.1	Δ 0.6	
Electronic Materials & Components	Net sales	13.6	18.4	4.8	0.8	Δ 0.3	4.1	—	—	—	0.2	• Effect of reclassifying loss on suspension of Yokkaichi plant's operation to extraordinary loss in 1Q, FY2015
	Operating profit	0.7	0.8	0.1	0	Δ 0.4	1.9	0	—	—	Δ 1.4	
	Ordinary income	1.1	2.0	0.9					Δ 0	0.7	Δ 1.3	
Aluminum	Net sales	39.8	41.6	1.8	0.8	0.7	0.2	—	—	—	0	
	Operating profit	1.8	1.0	Δ 0.8	0	Δ 0.6	0	0	—	—	Δ 0.2	
	Ordinary income	1.7	0.9	Δ 0.7					Δ 0	Δ 0	Δ 0.1	
Other	Net sales	53.6	52.8	Δ 0.8	0.3	0	Δ 2.0	—	—	—	0.9	
	Operating profit	0.9	0.6	Δ 0.3	0	Δ 0.1	0.3	0	—	—	Δ 0.5	
	Ordinary income	2.9	1.5	Δ 1.4					Δ 0.1	Δ 1.1	Δ 0.4	
Elimination, etc.	Net sales	Δ 20.7	Δ 21.8	Δ 1.1	0	0	Δ 1.1	—	—	—	0	
	Operating profit	Δ 0.9	Δ 0.9	0	0	0	0	0	—	—	0	
	Ordinary income	Δ 0.7	Δ 0.8	Δ 0.1					Δ 0	0	Δ 0.1	
Total	Net sales	366.9	360.7	Δ 6.1	26.2	Δ 9.3	Δ 24.8	—	—	—	1.8	
	Operating profit	14.0	16.3	2.3	1.9	0.3	1.0	0	—	—	Δ 0.9	
	Ordinary income	17.4	17.1	Δ 0.3					Δ 2.0	Δ 1.0	Δ 0.5	

Consolidated Balance Sheet

(¥billions)

	Mar 2015 (a)	Jun 2015 (b)	Difference (b-a)		Mar 2015 (a)	Jun 2015 (b)	Difference (b-a)
Assets				Liabilities			
Cash and deposits	93.1	73.5	Δ 19.5	Notes and accounts payable-trade	128.3	116.7	Δ 11.6
Notes and accounts receivable-trade	230.8	239.5	8.6	Loans payable, bonds payable, and CP	630.8	616.7	Δ 14.1
Inventories	296.7	325.5	28.8	Other liabilities	509.3	524.5	15.1
Other	247.6	245.6	Δ 1.9	Liabilities Subtotal	1,268.6	1,258.0	Δ 10.6
Current assets, subtotal	868.4	884.3	15.9	Net assets			
Property, plant and equipment and intangible assets	707.9	732.9	24.9	Capital stock	119.4	119.4	—
Investments and other assets	321.7	309.7	Δ 12.0	Capital surplus and treasury stock	90.4	90.3	Δ 0
Noncurrent assets, subtotal	1,029.7	1,042.6	12.8	Retained earnings	252.8	277.0	24.1
Total	1,898.1	1,927.0	28.8	Other comprehensive income	88.0	92.9	4.9
				Non-controlling interests	78.7	89.1	10.4
				Net Assets Subtotal	629.5	668.9	39.4
				Total	1,898.1	1,927.0	28.8
				Equity ratio	29 %	30 %	
				Net debt to equity ratio	1.0 times	0.9 times	

Forecast for FY2016 1st Half (Consolidated Statements of Operations)

(¥billions)	Forecast at the beg.of FY (announced on May) 1st Half (A)	Forecast this time 1st Half(B)	Difference B-A	Notes
Net sales	770.0	740.0	Δ 30.0	
Operating profit	36.0	34.0	Δ 2.0	
Net interest and dividends income	2.8	3.2	0.4	Interest expenses+0.4
Equity in earnings of affiliates	3.1	3.4	0.3	SUMCO+0.5
Other / Non-operating profit	Δ 3.4	Δ 3.2	0.2	
Ordinary income	38.5	37.5	Δ 1.0	
Extraordinary income/loss	27.5	22.5	Δ 5.0	(Breakdown of 2Q) Gain from sale of fixed asset,etc+3.9、Suspension cost at PTSΔ1.5
Income taxes	Δ 21.0	Δ 16.5	4.5	
Net income attributable to non-controlling interests	Δ 4.0	Δ 2.5	1.5	
Net income attributable to owners of the parent	41.0	41.0	—	
Dividend per share(yen)	5	5	—	Assumptions for 2Q
Exchange rate (USD)	118	122	4	JPY/USD 123JPY/USD
Exchange rate (EUR)	130	135	5	JPY/EUR 135JPY/EUR
Copper price(LME)	270	262	Δ 8	¢ /lb 250 ¢ /lb

The full-year forecast remains unchanged from the beginning of the fiscal year

Forecast for FY2016 1st Half (By segment/ Statistics · Assumptions/ Sensitivity)

■ By segment [¥ billions]		Forecast at the beg. of FY (announced on May) 1st Half(A)	Forecast this time 1st Half(B)	Difference B-A
Cement	Net sales	101.3	99.1	Δ 2.2
	Operating profit	9.1	9.4	0.3
	Ordinary income	8.6	8.7	0.1
Metals	Net sales	394.7	370.0	Δ 24.7
	Operating profit	15.6	11.6	Δ 4.0
	Ordinary income	19.6	14.9	Δ 4.7
Advanced Materials & Tools	Net sales	81.4	80.5	Δ 0.9
	Operating profit	8.7	9.2	0.5
	Ordinary income	8.4	9.0	0.6
Electronic Materials & Components	Net sales	37.0	37.6	0.6
	Operating profit	1.6	1.8	0.2
	Ordinary income	3.0	3.8	0.8
Aluminum	Net sales	85.0	83.6	Δ 1.4
	Operating profit	2.2	2.1	Δ 0.1
	Ordinary income	1.9	1.8	Δ 0.1
Other	Net sales	118.0	120.3	2.3
	Operating profit	2.0	2.4	0.4
	Ordinary income	2.8	3.3	0.5
Elimination, etc.	Net sales	Δ 47.4	Δ 51.0	Δ 3.6
	Operating profit	Δ 3.2	Δ 2.4	0.8
	Ordinary income	Δ 5.8	Δ 4.1	1.7
Total	Net sales	770.0	740.0	Δ 30.0
	Operating profit	36.0	34.0	Δ 2.0
	Ordinary income	38.5	37.5	Δ 1.0

■ Statistics · Assumptions		Forecast at the beg of FY (announced on May) 1st Half(A)	Forecast this time 1st Half(B)	Difference B-A
Total demand for cement in Japan	(million tons)	22.10	22.10	—
Cement sales volumes for MMC-Domestic	(million tons)	3.40	3.33	Δ 0.07
Cement sales volumes for MMC-Exports	(million tons)	1.35	1.31	Δ 0.05
Cement sales volumes in the U.S.	(million tons)	0.80	0.75	Δ 0.05
Ready-mixed concrete sales volumes in the U.S.	(million cy)	3.28	3.28	Δ 0
Sales of cathodes (in-house product)	(thousand tons)	154	150	Δ 4
Sales of cathodes (PTS)	(thousand tons)	131	70	Δ 61
Processed copper product sales volumes	(thousand tons)	75	68	Δ 8
Dividends from copper mine	(¥ billion)	4.8	4.6	Δ 0.2
SUMCO's net income	(¥ billion)	8.0	※10.5	2.5
MMC's equity method investment gain	(¥ billion)	1.7	2.2	0.5
Sales of aluminum sheet products	(thousand tons)	56	56	0
Sales of aluminum extrusion products	(thousand tons)	10	10	Δ 0

■ Sensitivity [¥billions]		FY2016 2Q
Exchange rates	Operating profit 1 yen/\$ (yen depreciation)	0.1 billion yen
	Operating profit 1 yen/€ (yen depreciation)	0 billion yen
Copper price (LME)	Operating profit ±10¢/lb	0.1 billion yen
	Non-operating profit ±10¢/lb	0.3 billion yen

※SUMCO's net income coincides with the 1st Half forecast announced by SUMCO on May 14, 2015

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