

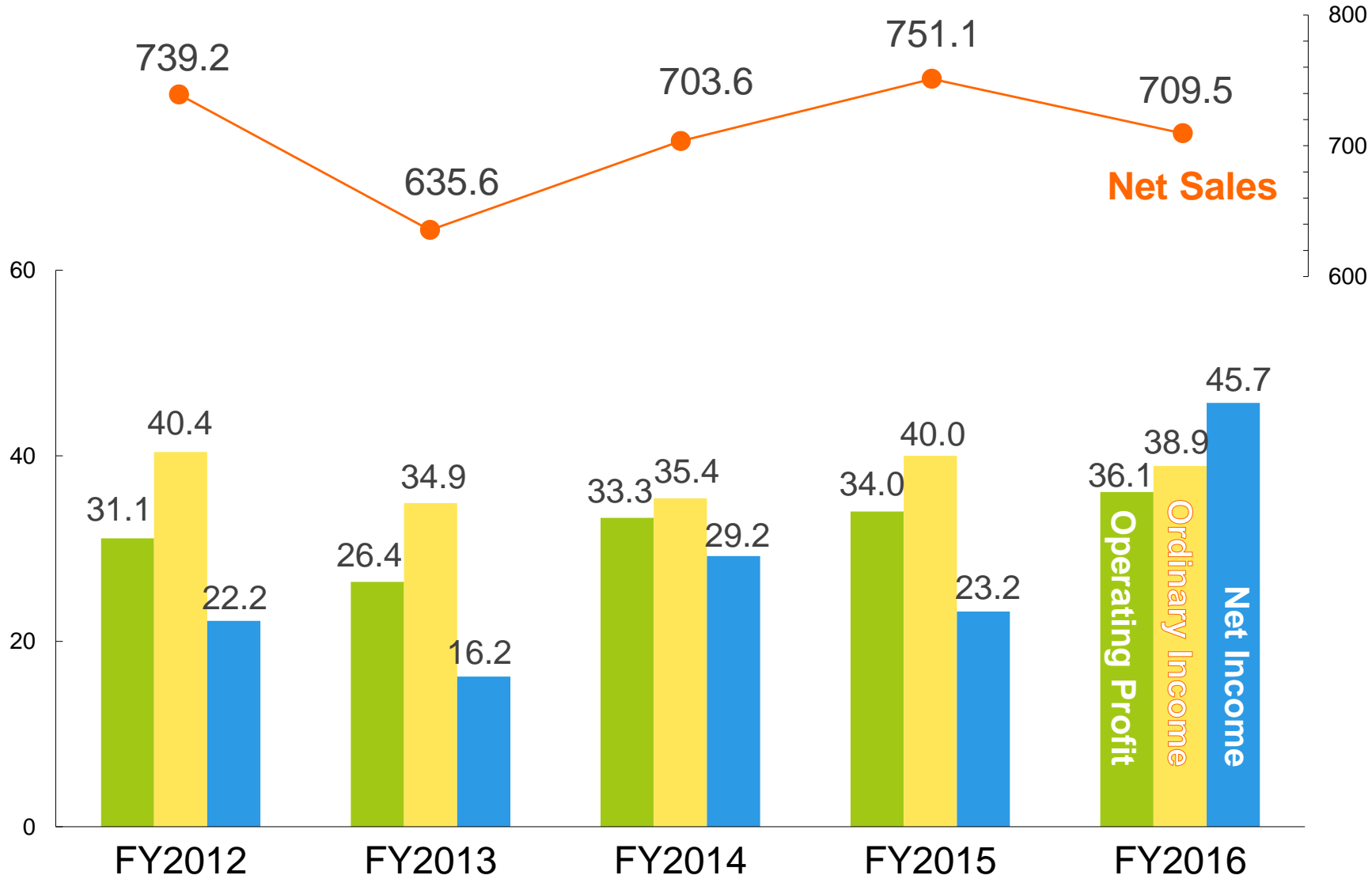
Mitsubishi Materials Corporation

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

November 10, 2015

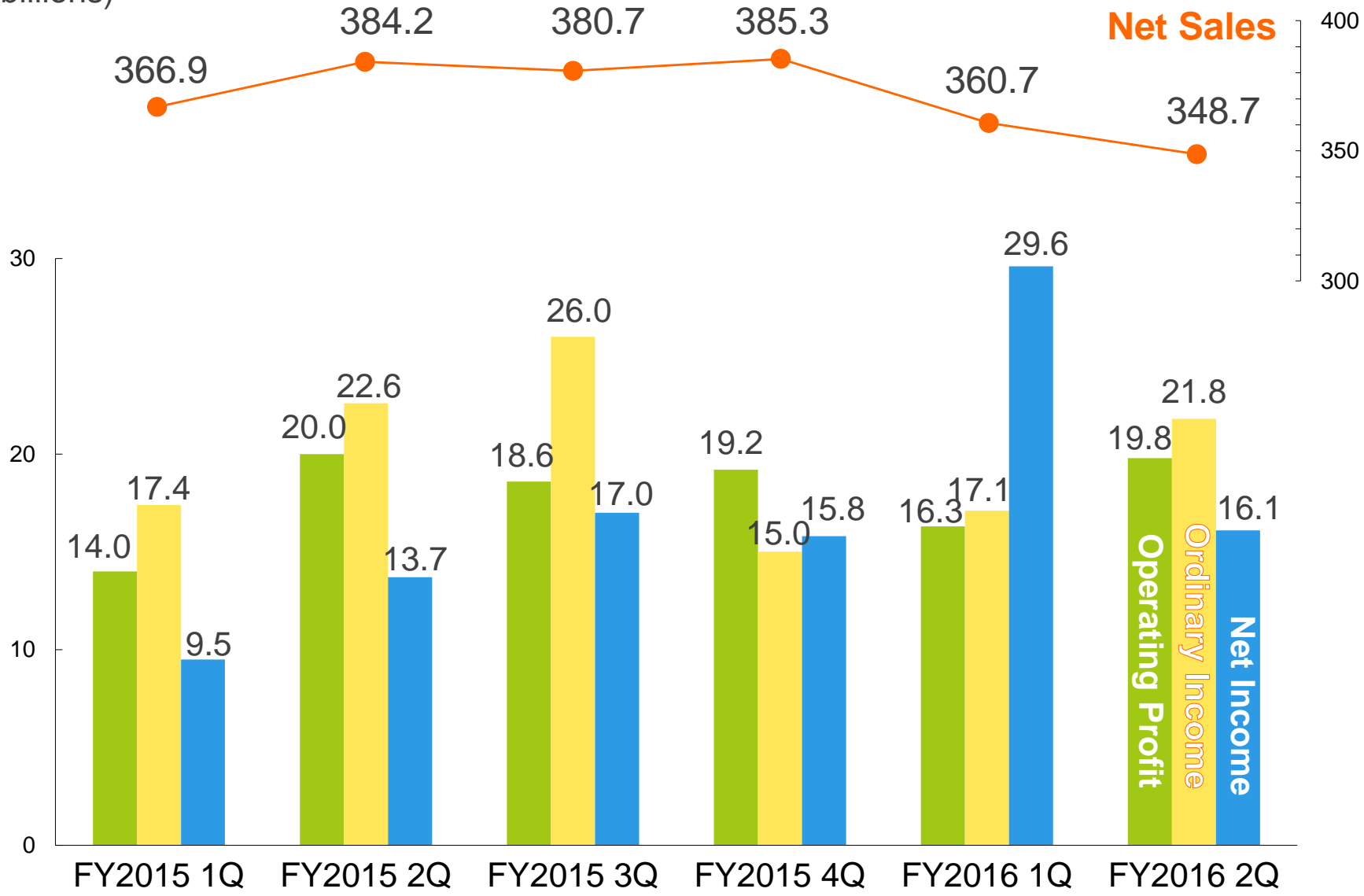
Performance Overview (for the 1st Half)

(¥ billions)



Performance Overview (Quarterly)

(¥ billions)



Consolidated Statements of Income (for the 1st Half)

(¥ billions)

	FY2015 1st Half Results (a)	FY2016 1st Half Results (b)	Difference (b-a)	Reason
Net sales	751.1	709.5	-41.6	Metal -64.7, AM&T +9.6, Cement +6.3, EM&C +4.8, etc.
Operating profit	34.0	36.1	2.1	Cement +2.9, Aluminum -1.0, etc.
Net interest and dividends income	3.5	2.4	-1.0	Dividends -1.8, Interest expenses +0.7, etc.
Equity in earnings of affiliates	4.8	3.4	-1.4	JAPAN DRILLING Co. -1.8, Copper mines -0.8, SUMCO +0.3, etc.
Other / Non-operating profit	-2.4	-3.1	-0.7	
Ordinary income	40.0	38.9	-1.1	
Extraordinary income / loss	-3.6	22.8	26.4	Gain on sale of investment securities +18.8, Gain on change in equity +10.3, Gain on sale of noncurrent assets +5.7, Provision for environmental measures -9.5, etc.
Income taxes	-10.4	-14.3	-3.9	
Net income attributable to non-controlling interests	-2.6	-1.6	1.0	
Net income attributable to owners of the parent	23.2	45.7	22.5	
Exchange rate (USD)	103	122	19	JPY/USD
Exchange rate (EUR)	139	135	-4	JPY/EUR
Copper price (LME)	313	256	-56	¢ /lb

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

(¥ billions)

		FY2015 1st Half Results (a)	FY2016 1st Half Results (b)	Difference (b-a)	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	90.6	96.9	6.3	6.3	2.0	-0	—	—	—	-2.0	
	Operating profit	6.4	9.4	2.9	0.1	3.0	-0.2	0.1	—	—	-0.1	
	Ordinary income	6.0	8.9	2.8					-0	0	-0.2	
Metals	Net sales	410.0	345.3	-64.7	40.7	-34.5	-70.9	—	—	—	0	<ul style="list-style-type: none"> Decrease in depreciation and amortization Improvement in conditions for the purchase of copper ore Effect of reclassifying loss on suspension of PTS operation to extraordinary loss in 2Q
	Operating profit	12.4	12.2	-0.2	3.1	-1.9	-7.3	0.3	—	—	5.6	
	Ordinary income	16.8	14.1	-2.6					-1.6	-1.1	5.9	
Advanced Materials & Tools	Net sales	68.0	77.7	9.6	2.1	-0	0.8	—	—	—	6.7	<ul style="list-style-type: none"> Addition of Mitsubishi Hitachi Tool Engineering, Ltd. as a consolidated subsidiary Cost increase in cemented carbide products business
	Operating profit	8.3	9.0	0.6	0.7	-0.1	0.1	0.1	—	—	-0.2	
	Ordinary income	8.1	8.7	0.5					0	0.2	-0.5	
Electronic Materials & Components	Net sales	30.5	35.3	4.8	1.6	-0.5	3.4	—	—	—	0.3	<ul style="list-style-type: none"> Effect of reclassifying loss on suspension of Yokkaichi plant's operation to extraordinary loss in 1st half of FY2015
	Operating profit	2.0	1.5	-0.5	0	-0.3	1.7	0.1	—	—	-2.0	
	Ordinary income	3.3	3.7	0.4					-0	0.5	-1.6	
Aluminum	Net sales	80.9	82.5	1.6	1.4	1.1	-0.9	—	—	—	0	
	Operating profit	3.9	2.9	-1.0	0	-1.0	0.1	0.2	—	—	-0.3	
	Ordinary income	3.6	2.6	-0.9					-0	-0	-0.2	
Other	Net sales	114.7	115.4	0.7	0.6	-0	-1.8	—	—	—	1.9	
	Operating profit	3.0	3.3	0.2	0	-0	0.4	0	—	—	-0.2	
	Ordinary income	4.9	3.9	-1.0					-0.1	-1.0	-0.3	
Elimination, etc.	Net sales	-43.7	-43.9	-0.1	0	0	-0.1	—	—	—	0	
	Operating profit	-2.3	-2.3	0	0	0	-0.2	0	—	—	0.2	
	Ordinary income	-2.8	-3.1	-0.3					0	0	-0.1	
Total	Net sales	751.1	709.5	-41.6	52.9	-31.9	-69.7	—	—	—	7.1	
	Operating profit	34.0	36.1	2.1	4.2	-0.5	-5.3	0.8	—	—	2.9	
	Ordinary income	40.0	38.9	-1.1					-1.8	-1.4	2.9	

Statistics / Assumptions

		FY2015 1st Half Results (a)	FY2016 1st Half Results (b)	Difference (b-a)
Total demand for cement in Japan	(million tons)	22.61	21.15	-1.46
Cement sales volumes for MMC-Domestic	(million tons)	3.35	3.22	-0.13
Cement sales volumes for MMC-Exports	(million tons)	1.28	1.19	-0.09
Cement sales volumes in the U.S. ※	(million tons)	0.72	0.75	0.03
Ready-mixed concrete sales volumes in the U.S.	(million cy)	3.06	3.28	0.23
Sales of cathodes (in-house product)	(thousand tons)	142	147	4
Sales of cathodes (PTS)	(thousand tons)	134	75	-59
Processed copper product sales volumes	(thousand tons)	75	66	-9
Dividends from copper mine	(¥ billion)	5.7	4.0	-1.7
SUMCO's net income	(¥ billion)	7.8	10.9	3.0
MMC's equity method investment gain	(¥ billion)	2.0	2.3	0.3
Sales of aluminum sheet products	(thousand tons)	56	56	0
Sales of aluminum extrusion products	(thousand tons)	11	10	-1

※The unit for cement sales volume in the U.S. has been changed from "million short tons" to "million tons."

Consolidated Balance Sheet

(¥ billions)

	End of Mar. 2015 (a)	End of Sept. 2015 (b)	Difference (b-a)
Assets			
Cash and deposits	93.1	55.1	-37.9
Notes and accounts receivable-trade	230.8	230.5	-0.2
Inventories	296.7	302.0	5.3
Other	247.6	225.9	-21.6
Current assets, subtotal	868.4	813.7	-54.6
Property, plant and equipment and intangible assets	707.9	729.2	21.3
Investments and other assets	321.7	289.1	-32.6
Noncurrent assets, subtotal	1,029.7	1,018.4	-11.3
Total	1,898.1	1,832.2	-65.9

	End of Mar. 2015 (a)	End of Sept. 2015 (b)	Difference (b-a)
Liabilities			
Notes and accounts payable-trade	128.3	99.9	-28.4
Loans payable, bonds payable, and CP	630.8 33%	570.4 31%	-60.4
Other liabilities	509.3	493.9	-15.4
Liabilities, subtotal	1,268.6	1,164.3	-104.2
Net assets			
Capital stock	119.4	119.4	—
Capital surplus and treasury stock	90.4	90.3	-0
Retained earnings	252.8	293.9	41.1
Other comprehensive income	88.0	75.7	-12.3
Non-controlling interests	78.7	88.3	9.5
Net assets, subtotal	629.5 33%	667.8 36%	38.3
Total	1,898.1	1,832.2	-65.9
Equity ratio	29 %	32 %	
Net debt to equity ratio	1.0 times	0.9 times	

Comparison with Forecast (Consolidated Statements of Income)

(¥ billions)

	FY2016 1st Half ※Forecast A	FY2016 1st Half Results B	Difference B-A	Reason
Net sales	740.0	709.5	-30.5	Cement -2.2, Metal -24.7, AM&T -2.8, etc.
Operating profit	34.0	36.1	2.1	Metal +0.6, Aluminum +0.8, etc.
Net interest and dividends income	3.2	2.4	-0.8	Dividends from copper mine -0.6, etc.
Equity in earnings of affiliates	3.4	3.4	0.0	
Other / Non-operating profit	-3.2	-3.1	0.1	
Ordinary income	37.5	38.9	1.4	
Extraordinary income/loss	22.5	22.8	0.3	
Income taxes	-16.5	-14.3	2.2	
Net income attributable to non-controlling interests	-2.5	-1.6	0.9	
Net income attributable to owners of the parent	41.0	45.7	4.7	
Dividend per share (yen)	5	5	—	
Exchange rate (USD)	122	122	0	JPY/USD
Exchange rate (EUR)	135	135	0	JPY/EUR
Copper price (LME)	262	256	-6	¢ /lb

※Announced on August 6, 2015

Forecast for FY 2016 (Consolidated Statements of Income)

(¥ billions)	FY2015	FY2016	FY2016		Current Forecast Full-year B	Difference B-A	
	Results	※Forecast at the beg. of FY Full-Year A	1st Half Results	2nd Half Forecast			
Net sales	1,517.2	1,580.0	709.5	770.5	1,480.0	-100.0	
Operating profit	71.8	85.0	36.1	46.9	83.0	-2.0	
Net interest and dividends income	7.6	6.2	2.4	2.4	4.8	-1.4	
Equity in earnings of affiliates	6.5	6.6	3.4	1.6	5.0	-1.6	
Other / Non-operating profit	-5.0	-5.8	-3.1	-1.7	-4.8	1.0	
Ordinary income	81.0	92.0	38.9	49.1	88.0	-4.0	
Extraordinary income/loss	-5.4	10.0	22.8	-20.5	2.3	-7.7	
Income taxes	-14.0	-28.0	-14.3	-7.0	-21.3	6.7	
Net income attributable to non-controlling interests	-5.4	-9.0	-1.6	-2.4	-4.0	5.0	
Net income attributable to owners of the parent	56.1	65.0	45.7	19.3	65.0	—	
Dividend per share (yen)	8	10	5	5	10	—	
Exchange rate (USD)	110	118	122	120	121	3	JPY/USD
Exchange rate (EUR)	139	130	135	135	135	5	JPY/EUR
Copper price (LME)	297	270	256	240	248	-22	¢/lb

※Announced on May 12, 2015

Forecast for FY 2016 (By Segment)

(¥ billions)

		FY2015 Results	FY2016 ※Forecast at the beg. of FY Full-Year A	FY2016		Current Forecast Full-Year B	Difference B-A
				1st Half Results	2nd Half Forecast		
Cement	Net sales	193.3	214.9	96.9	105.0	202.0	-12.9
	Operating profit	17.3	23.9	9.4	13.8	23.2	-0.7
	Ordinary income	16.7	23.3	8.9	13.5	22.4	-0.9
Metals	Net sales	811.6	800.9	345.3	377.3	722.6	-78.3
	Operating profit	24.8	34.4	12.2	18.1	30.4	-4.0
	Ordinary income	32.8	43.7	14.1	22.2	36.4	-7.3
Advanced Materials & Tools	Net sales	134.6	167.0	77.7	86.6	164.4	-2.6
	Operating profit	16.7	20.4	9.0	11.0	20.1	-0.3
	Ordinary income	16.5	20.0	8.7	10.9	19.6	-0.4
Electronic Materials & Components	Net sales	67.0	78.7	35.3	40.1	75.5	-3.2
	Operating profit	4.4	4.8	1.5	2.3	3.8	-1.0
	Ordinary income	7.2	7.2	3.7	3.1	6.8	-0.4
Aluminum	Net sales	159.4	167.0	82.5	77.5	160.1	-6.9
	Operating profit	5.6	3.5	2.9	1.2	4.1	0.6
	Ordinary income	5.1	2.6	2.6	0.6	3.2	0.6
Other	Net sales	241.2	251.6	115.4	134.5	250.0	-1.6
	Operating profit	9.3	8.0	3.3	5.8	9.2	1.2
	Ordinary income	9.8	9.2	3.9	5.6	9.5	0.3
Elimination, etc.	Net sales	-89.9	-100.1	-43.9	-50.7	-94.6	5.5
	Operating profit	-6.6	-10.0	-2.3	-5.5	-7.8	2.2
	Ordinary income	-7.3	-14.0	-3.1	-6.7	-9.9	4.1
Total	Net sales	1,517.2	1,580.0	709.5	770.5	1,480.0	-100.0
	Operating profit	71.8	85.0	36.1	46.9	83.0	-2.0
	Ordinary income	81.0	92.0	38.9	49.1	88.0	-4.0

Forecast for FY 2016 (Statistics/Assumptions/Sensitivity)

		FY2015 Results	FY2016 Forecast at the beg. of FY Full-Year A	FY2016 (Forecast)			Difference B-A
				1st Half Results	2nd Half Forecast	Current Forecast Full-Year B	
Total demand for cement in Japan	(million tons)	45.55	46.00	21.15	23.85	45.00	-1.00
Cement sales volumes for MMC-Domestic	(million tons)	6.99	7.13	3.22	3.61	6.83	-0.30
Cement sales volumes for MMC-Exports	(million tons)	2.61	2.72	1.19	1.43	2.61	-0.10
Total demand for cement in the U.S.	(million tons)	86.50	92.88	—	—	90.81	-2.07
Cement sales volumes in the U.S.	(million tons)	1.41	1.59	0.75	0.79	1.54	-0.05
Ready-mixed concrete sales volumes in the U.S.	(million cy)	6.27	6.96	3.28	3.44	6.72	-0.24
Sales of cathodes (in-house product)	(thousand tons)	270	305	147	151	297	-8
Sales of cathodes (PTS)	(thousand tons)	262	271	75	138	213	-57
Processed copper product sales volumes	(thousand tons)	151	153	66	78	144	-9
Dividends from copper mine	(¥ billion)	11.9	10.5	4.0	4.5	8.5	-2.0
SUMCO's net income	(¥ billion)	16.2	16.0	10.9	6.3	※17.2	1.2
MMC's equity method investment gain	(¥ billion)	4.2	3.0	2.3	1.0	3.4	0.4
Sales of aluminum sheet products	(thousand tons)	109	111	56	56	112	1
Sales of aluminum extrusion products	(thousand tons)	21	20	10	10	20	-0

* SUMCO's net income coincides with the full year forecast announced by the company on November 5, 2015.

■ Sensitivity

		FY2016 2nd Half
Exchange rates	Operating profit 1 yen/\$ (yen depreciation)	0.2 billion yen
	Operating profit 1 yen/€ (yen depreciation)	0.05 billion yen
Copper price (LME)	Operating profit 10¢/lb	0.2 billion yen
	Non-operating profit 10¢/lb	1.3 billion yen

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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.