

Investor Meeting Mitsubishi Materials Corporation

May 13, 2016

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1. Performance Summary (FY2016 Consolidated Results)

YoY com- parison

Net sales:	Net sales were down, particularly in the Metals business, due to factors such as a falling copper price and equipment trouble.
Operating profit:	Operating profit decreased as a result of such factors as lower profit in the Aluminum business, affected by raw materials prices, despite higher profit from the Cement business stemming from expanded operations in North America.
Ordinary income:	Ordinary income declined, partly because of further worsening in copper mine-related profits
Net income:	Net income rose, mainly owing to a gain on sales of investment securities.

(Billions of yen, except where otherwise indicated)	FY2015 Result (a)	FY2016 Result (b)	Difference (b)-(a)
Net sales	1,517.2	1,417.8	- 99.3
Operating profit	71.8	70.4	- 1.4
Ordinary income	81.0	72.4	- 8.6
Net income	56.1	61.3	+5.1
Net income per share (yen)	42.85	46.80	+3.95
Dividend per share (yen)	8	10	+2
Dividend ratio (%)	18.7	21.4	+2.7
Exchange rate (JPY/USD)	110	120	+10
Copper price (LME)	297¢/lb	237¢/lb	- 60¢/lb

1. Performance Summary (FY2016 Consolidated Results)

Comparison with previous forecast

Net sales:	Generally in line with forecast.
Operating profit:	Forecast was not achieved due to factors including a decline in cement export prices and lower sales volume on cemented carbide products.
Ordinary income:	Ordinary income fell slightly below forecast levels, although the increase in copper mine dividends partially offset a decline in operating profit.
Net income:	Achieved forecast levels, due to improvements in extraordinary income / loss, among other factors.
Dividend:	Our dividend forecast of ¥10 per share (up ¥2 per share year on year) remains unchanged.

(Billions of yen, except where otherwise indicated)	FY2016 Forecast (a) (Announced February 9, 2016)	FY2016 Result (b)	Difference (b)-(a)
Net sales	1,410.0	1,417.8	+ 7.8
Operating profit	72.0	70.4	- 1.5
Ordinary income	73.0	72.4	- 0.5
Net income	54.0	61.3	+ 7.3
Net income per share (yen)	41.22	46.80	+5.58
Dividend per share (yen)	10	10	—
Dividend ratio (%)	24.3	21.4	- 2.9
Exchange rate (JPY/USD)	121	120	- 1
Copper price (LME)	234¢/lb	237¢/lb	+3¢/lb

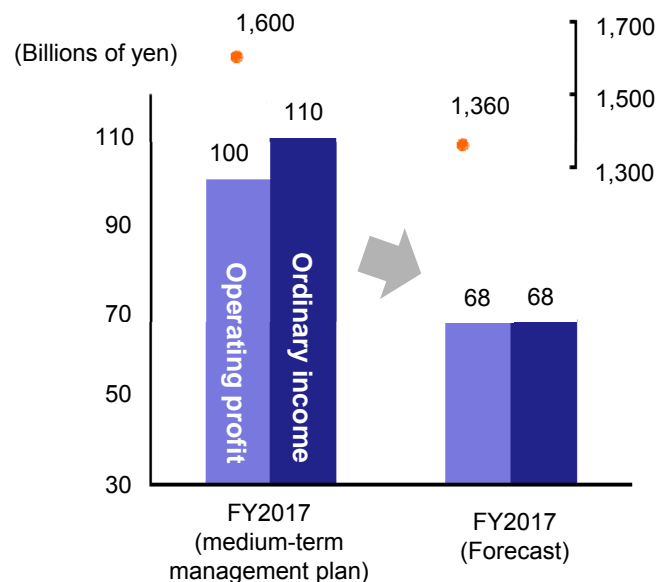
1. Performance Summary (Consolidated Forecast for FY2017)

YoY Comparison

Net sales:	Net sales are expected to fall, mainly due to factors including lower copper prices and yen appreciation.
Operating profit:	We forecast a decrease in operating profit, due to impact of the lower copper price and yen appreciation on the Metals business, although we anticipate increases from the Cement, Advanced Materials & Tools and Aluminum businesses.
Ordinary income:	Ordinary income is forecast to decrease as a result of factors including lower dividends from copper mines and higher costs related to abandoned mines.
Net income:	We expect net income to decline due to the record of provision for environmental measures and absence of a gain on sales of investment securities, which was present in FY2016.
Dividend:	In line with lower net income, we expect the dividend to be ¥6 per share per year, down ¥4 per share.

(Billions of yen, except where otherwise indicated)	FY2016 Result (a)	FY2017 Forecast (b)	Difference (b)-(a)
Net sales	1,417.8	1,360.0	- 57.8
Operating profit	70.4	68.0	- 2.4
Ordinary income	72.4	68.0	- 4.4
Net income	61.3	25.0	- 36.3
Net income per share (yen)	46.80	19.08	- 27.72
Dividend per share (yen)	10	6	- 4
Dividend ratio (%)	21.4	31.4	+ 10.0
Exchange rate (JPY/USD)	120	110	- 10
Copper price (LME)	237¢/lb	230¢/lb	- 7¢/lb

2. Progress on the Medium-Term Management Plan (Outlook for Final Fiscal Year)



1. Differences in Major Assumptions for FY2017

Major Assumptions	FY2017 (Medium-Term Management Plan)	FY2017 (Forecast)	Difference
Copper price (LME)*1	300¢/lb	230¢/lb	- 70¢/lb
Exchange rate (JPY/USD)*2	100	110	+10
Total demand for cement in Japan (millions of tons per year)	48.0	43.0	- 5.0
Total demand for cement in the U.S. (millions of tons per year)	104.2	92.92	- 11.3
Dividends from copper mine (billions of yen)	14.0	4.9	- 9.1

*1 Copper price sensitivity (ordinary income): ¥1.9 billion/10¢ (up: gain profit)

*2 Exchange rate sensitivity (operating profit): ¥0.6 billion/US\$ (yen depreciation: gain profit)

2. Differences in Ordinary Income by Segment (Billions of Yen)

Segment	Ordinary Income	Difference	Main Reasons for Differences
Cement	35.0 → 21.1	- 13.9	Delayed recovery in Japanese and U.S. demand, worsening business environment in China
Metals	40.0 → 25.1	- 14.9	Downturn in sales of processed copper products, lower dividends from copper mine due to lower copper prices
Advanced Materials & Tools	23.0 → 16.1	- 6.9	Downturn in demand for cemented carbide products and delayed sales expansion
Electronic Materials & Components	6.0 → 4.0	- 2.0	Sluggish growth in sales of advanced materials and products for smartphones and other products
Aluminum	7.0 → 6.1	- 0.9	Downturn in sales of extruded heat exchanger materials for automobiles in overseas

2. Progress on Medium-Term Management Plan (Group-wide Growth Strategy)

Fortifying the Foundation for Growth

Accelerate Business Selection and Focus

Key Strategic and Major Investments in Period of Current Medium-Term Management Plan

Cement	• Expanded limestone crushed sand production capabilities in Kyushu plant [August 2015]
Cement	• Expanded powder of waste gypsum board recycle processing capabilities in Kyushu plant [December 2015]
Metals	• Expanded E-Scrap receiving and processing capabilities in Naoshima Smelter and Refinery's [April 2016]
Advanced Materials & Tools	• Acquired 51% stocks in Hitachi Tool Engineering Ltd , converted company to consolidated subsidiary [April 2015]
Advanced Materials & Tools	• Increasing cemented carbide end mill production capacity and commence production of cemented carbide drill in Indonesia [Slated for completion in October 2016]

Key Business Restructuring, Sales of Shares and Other Activities in Period of Current Medium-Term Management Plan

Cement	• Spun off Mitsubishi Materials Kenzai Corp. and transferred business [October 2015]
Cement	• Conducted share exchange of all shares in Tokyo Hoso Kogyo Co., Ltd. and transferred business [April 2016]
Metals	• Expanded scope of joint venture in cable business of Mitsubishi Cable Industries, Ltd [April 2016]
Advanced Materials & Tools	• Sold partial shares of MMC Superalloy [June 2014]
Electronic Materials & Components	• Sold partial shares of common stock in SUMCO [April 2015]

2. Progress on Medium-Term Management Plan (Group-wide Growth Strategy)

Strengthening Global Competitiveness

Overseas Business Expansion in Markets Expected to Grow

Key Initiatives Related to Overseas Business Expansion in Period of Current Medium-Term Management Plan

Cement	<ul style="list-style-type: none"> Commence operation of new aggregate mine (Hubs aggregate mine) in South California [November 2014]
Cement	<ul style="list-style-type: none"> Acquisition of factory site for new ready-mixed concrete plant in Northwestern of Los Angeles [December 2015]
Metals	<ul style="list-style-type: none"> Established E-Scrap recycling business division in the United States [July 2014]
Advanced Materials & Tools	<ul style="list-style-type: none"> Expanded cemented carbide sales bases (one in Turkey, four in China, one in Vietnam, and one in India)
Advanced Materials & Tools	<ul style="list-style-type: none"> Expanding cemented carbide production bases (planned increases in production capacity at bases in the United States and Spain)
Advanced Materials & Tools	<ul style="list-style-type: none"> Commenced manufacture of sintering parts in Indonesia [April 2014]
Electronic Materials & Components	<ul style="list-style-type: none"> Began production of thermistor sensors in Laos [June 2015]
Aluminum	<ul style="list-style-type: none"> Started production of extruded aluminum heat exchanger materials (multi-port tubes) in India [March 2016]
Common	<ul style="list-style-type: none"> Converted supervisory offices to local subsidiaries in South and Southeast Asia, and expanded their functions and networks [April 2015]

2. Progress on Medium-Term Management Plan (Group-wide Growth Strategy)

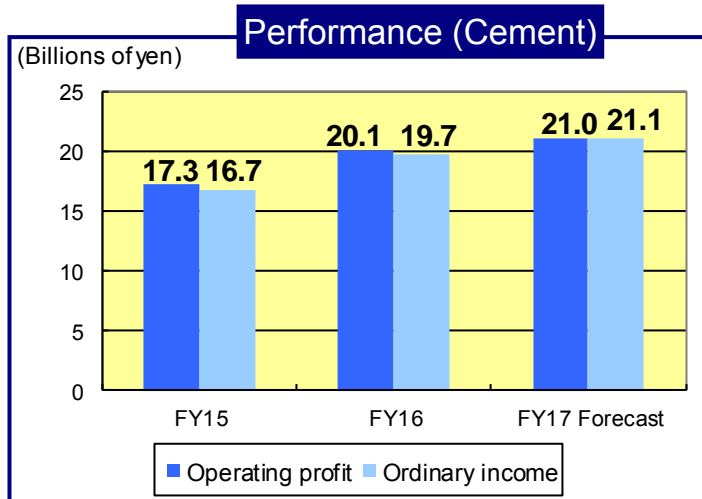
Progress on Improving Our Financial Position

(Billions of yen)		FY2015 Results	FY2016 Results	FY2017 Forecast	FY2017 Plan
BS	Interest-bearing debt	630.8	526.3	580.0	650.0
	Net D/E ratio (times)	1.0	0.8	0.9	1.0 or less
CF	Operating cash flow	108.0	118.6	75.0	—
	Three-year cumulative	—	—	301.7	361.0
	Investing cash flow	(42.3)	(29.9)	(115.0)	—
	Three-year cumulative	—	—	(187.3)	(318.0)
	Free cash flow	65.7	88.7	(40.0)	—
	Three-year cumulative	—	—	114.4	43.0

Future Financial Strategy Directions

We will consider policies for the next medium-term management plan by taking into account a balance among investment in growth, financial structure and shareholder returns.

3. Initiatives by Segment (Cement)



Japan

◆ **Outlook for demand in Japan**

Assumed to rise slightly year on year, to 43 million tons

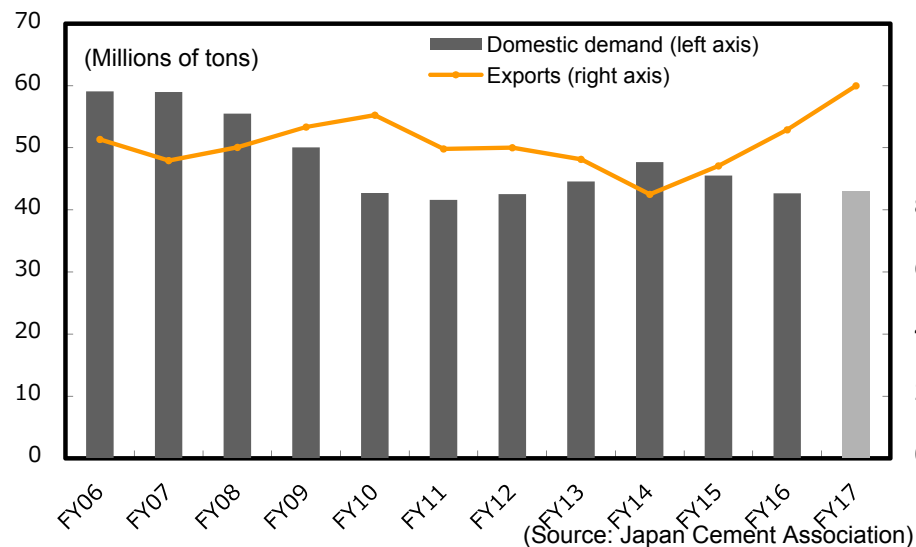
◆ **Export environment**

Prices in Asia are assumed to fall, although plan to increase volume, notably in Oceania

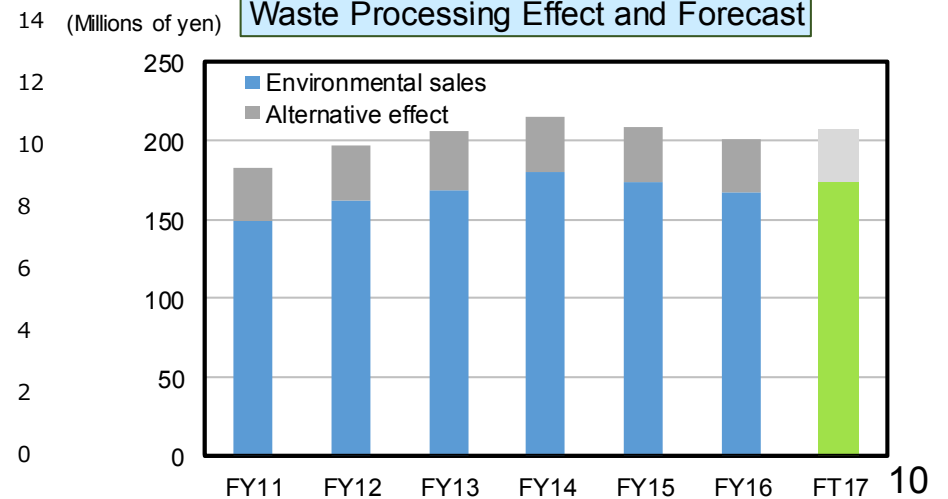
◆ **High-value-added promotion for waste disposal processing**

Increased processing prices and greater acceptance of difficult item to dispose

Demand trends (domestic / export)



Waste Processing Effect and Forecast



3. Initiatives by Segment (Cement)

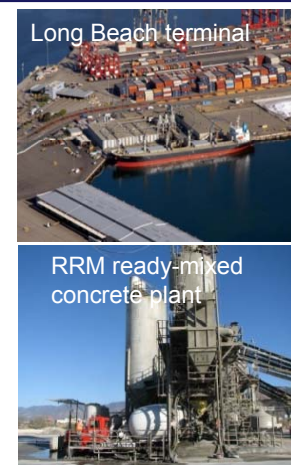
North America

◆ **Expansion of cement supply system**

Preparing to expand import terminal in anticipation of cement supply shortage from 2017

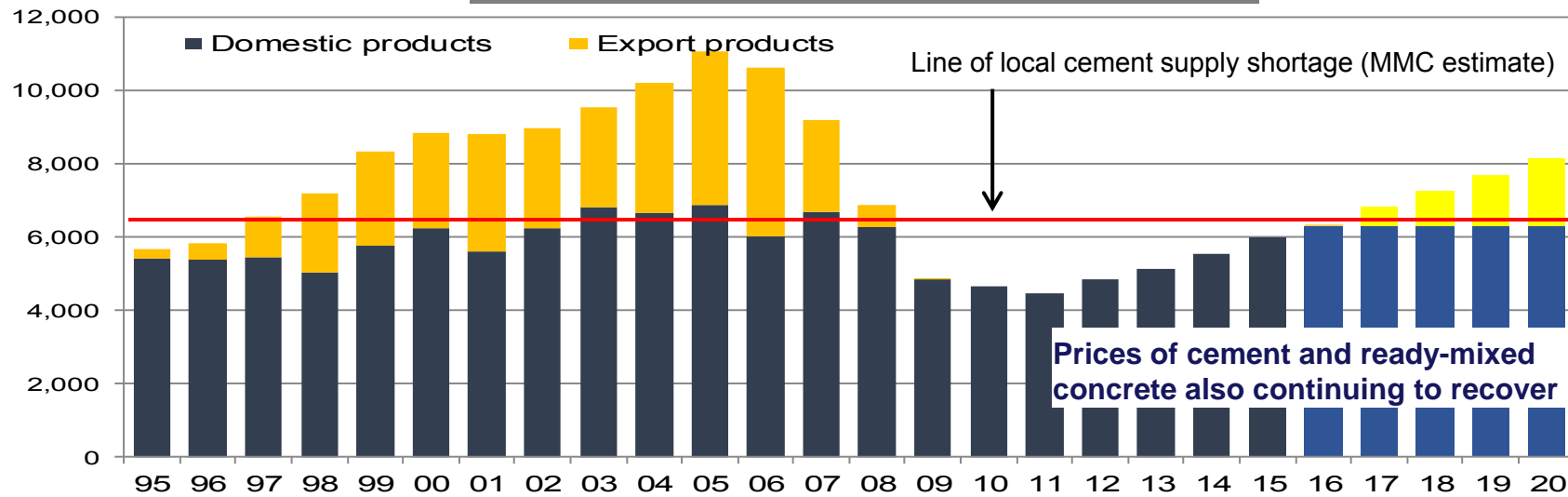
◆ **Further increase in ready-mixed concrete operations**

Newly construct or acquire ready-mixed concrete plants, further ensure aggregate resources



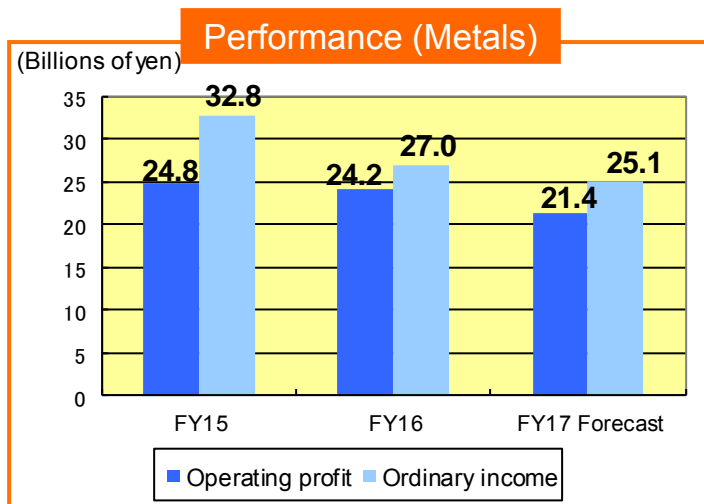
(Thousands of metric tons)

Demand for cement in Southern California



(Source: PCA)

3. Initiatives by Segment (Metals)

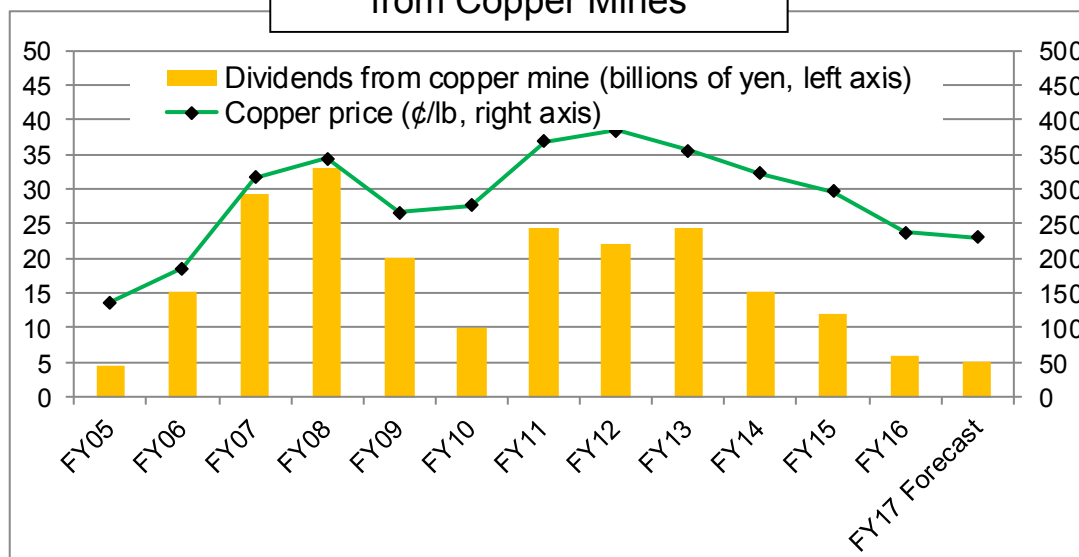


Mining

- ◆ **FY2016 copper price outlook**
FY2016 assumption is an average of 230¢/lb
(1H: 225 ¢/lb; 2H: 235¢/lb)
- ◆ **New mine development**
Ongoing promotion of Zafranel project in Peru
(currently in pre-F/S stage)



Copper Price and Dividends from Copper Mines



3. Initiatives by Segment (Metals)

Smelting

◆ **Smelting margin in FY2016**

Expected to be generally the same as in the preceding fiscal year

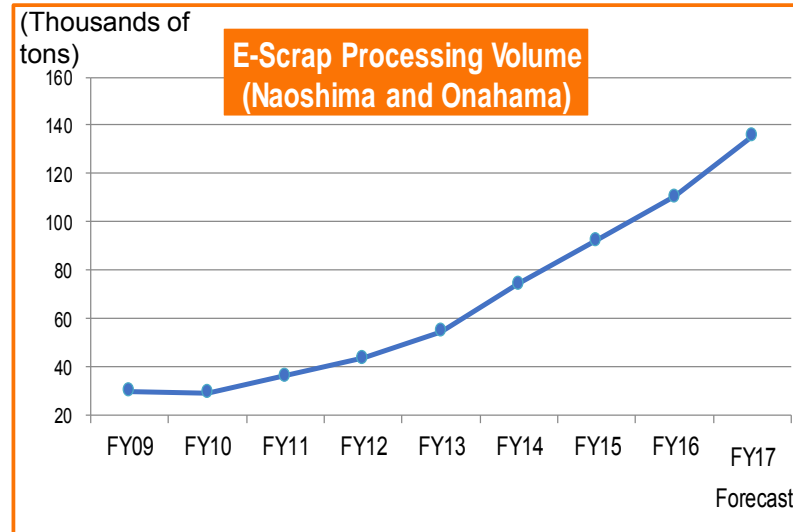
◆ **Expansion of the recycling business**

Becoming a world leader in E-Scrap receiving and processing capacity

Completed expansion of annual receiving and processing capacity at the Naoshima Smelter and Refinery from 80,000 tons to 110,000 tons (total capacity of 140,000 tons, including Onahama Smelting & Refining., Ltd)



E-Scrap



Copper Processing

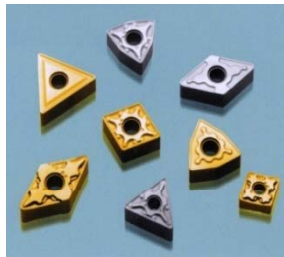
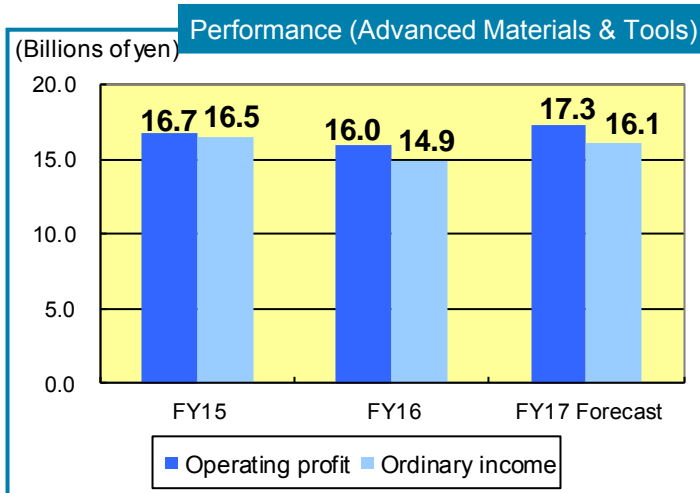
◆ **Business environment**

Expect to finish inventory adjustment of processed copper products and recovery of environment for automotive and semiconductor sector

◆ **Increasing sales and strengthen of cost competitiveness**

Expand sales for automotive and smart meter sector and focus to cost reduction such as improvement of yield rate

3. Initiatives by Segment (Advanced Materials & Tools)



Cemented Carbide Products

Strengthen and maintain product supply and solution proposal capabilities, and build a business structure that will engender customers' trust in us as partners

- ◆ **Expand global production and sales bases**
Established seven overseas sales bases in FY2015 and FY2016
- ◆ **Strengthen sales capabilities with industry-specific teams**
Select three focus sectors: automobiles, aircraft and medical equipment
- ◆ **Enhance expansion technical bases (currently five) and cooperation**
New **Chubu Technical Center** (Gifu Prefecture) scheduled to open

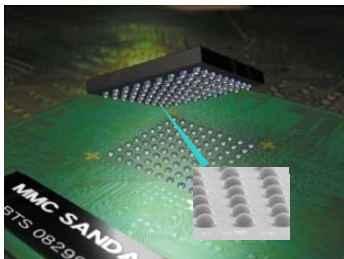
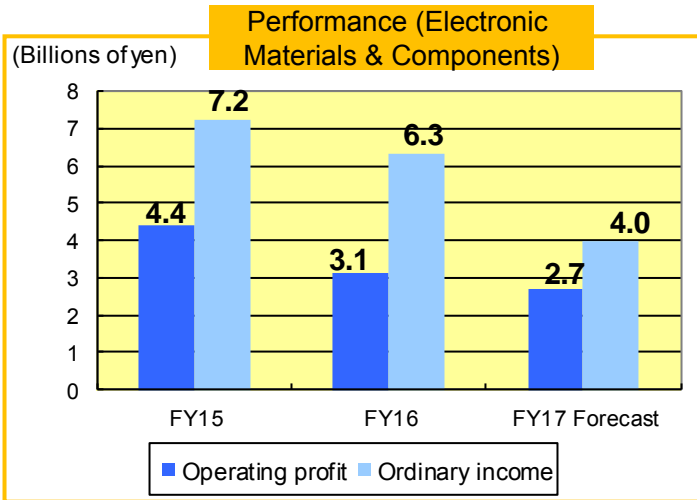
Eliciting Synergies with Mitsubishi Hitachi Tool Engineering

- Step 1: Held networking events in individual departments from April 2015 (completed)
- **Step 2: Identify and quantify areas of potential synergy (ongoing)**

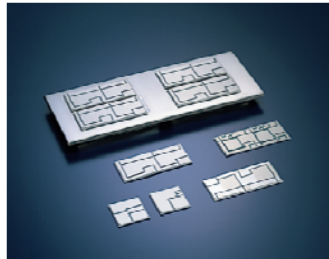
Areas of potential synergy ⇒

- Expand product lineup (mutual product supply, accelerated new product development)
- Upgrade product functionality (joint development)
- Improve delivery times (flexible manufacturing system, share the MMC's IT infrastructure)

3. Initiatives by Segment (Electronic Materials & Components)



Fine materials for assembly (advanced materials)



DBA substrate (advanced materials)



MME Laos (electronic devices)

Electronic Materials & Components

◆ Advanced materials

- Expand business in sputtering target for the CIGS solar cell, organic electroluminescence and touch panel markets
- Rally the business with new products (high-speed plating chemicals) in the area of fine materials for assembly—packaging materials—for smartphones
- Expand sales through new applications (electric railway, industrial equipment, etc.) of insulation substrate DBA products for hybrid vehicles

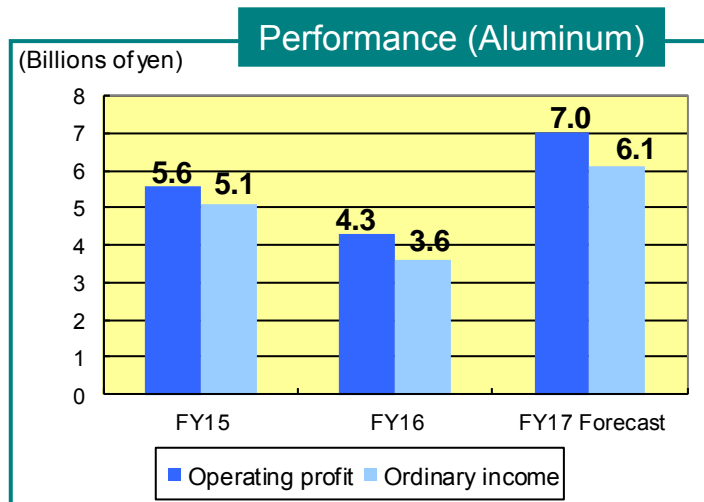
◆ Electronic devices

Centering on thermistor sensors, promote configuration of optimal production and sales system, and expand sales to air conditioner, refrigerator and other markets

◆ Silicon

Although the business environment remains difficult due to oversupply, achieve world-leading quality in polycrystalline silicon, and boost customer satisfaction to augment sales

3. Initiatives by Segment (Aluminum)



Aluminum

◆ Rolled and extruded products

(Mitsubishi Aluminum Company, Ltd.)

Expanded overseas production base for heat exchanger materials

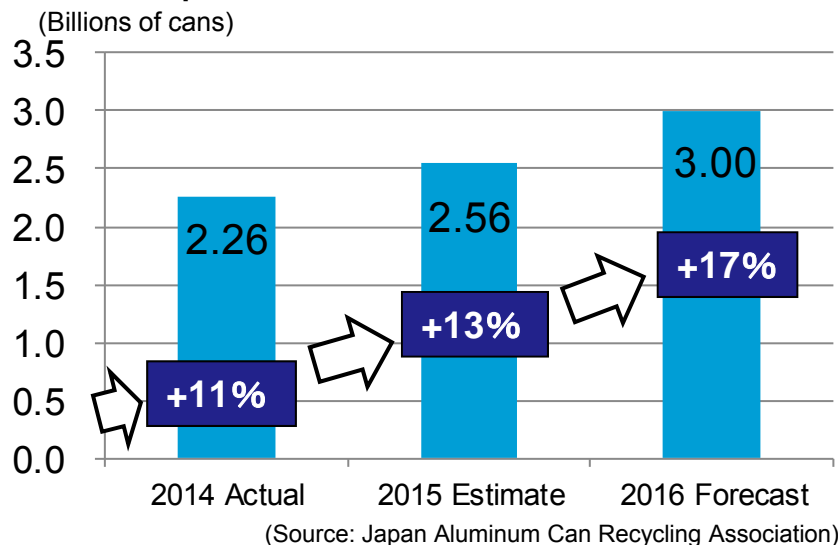
→ Commenced production at new company in India (March 2016)

◆ Can production (Universal Can Corporation)

Increasing sales of bottle cans, for which demand expanding

→ Boost production capacity and increase sales through measures such as accelerating existing production lines

Japanese Demand for Aluminum Bottle Cans



Can products
(Left: bottle can;
right: regular can)



Rolled and extruded
products (extruded heat
exchanger materials for
automobiles)

4. Recap

- ◆ Execution of medium-term management plan growth strategy

Continue financial constitutional improvement along with steady strategic investment for sustained growth, and strengthen the basis for growth

Materials Premium 2016

Challenge to Become the World's
Leading Business Group

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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.