

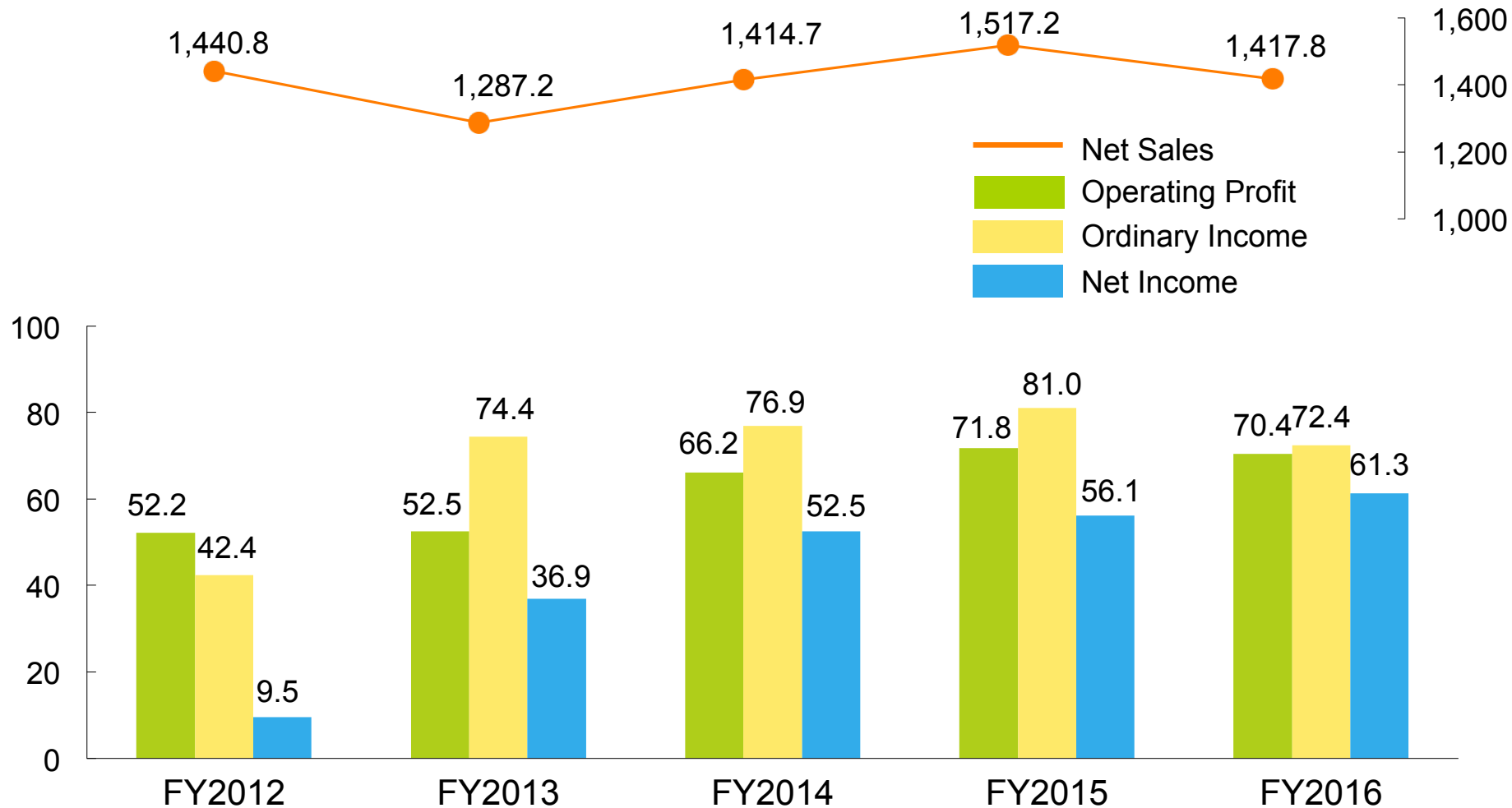
# **MITSUBISHI MATERIALS CORPORATION**

Supplementary Explanation  
for the fiscal year ended March 31, 2016

May 13, 2016

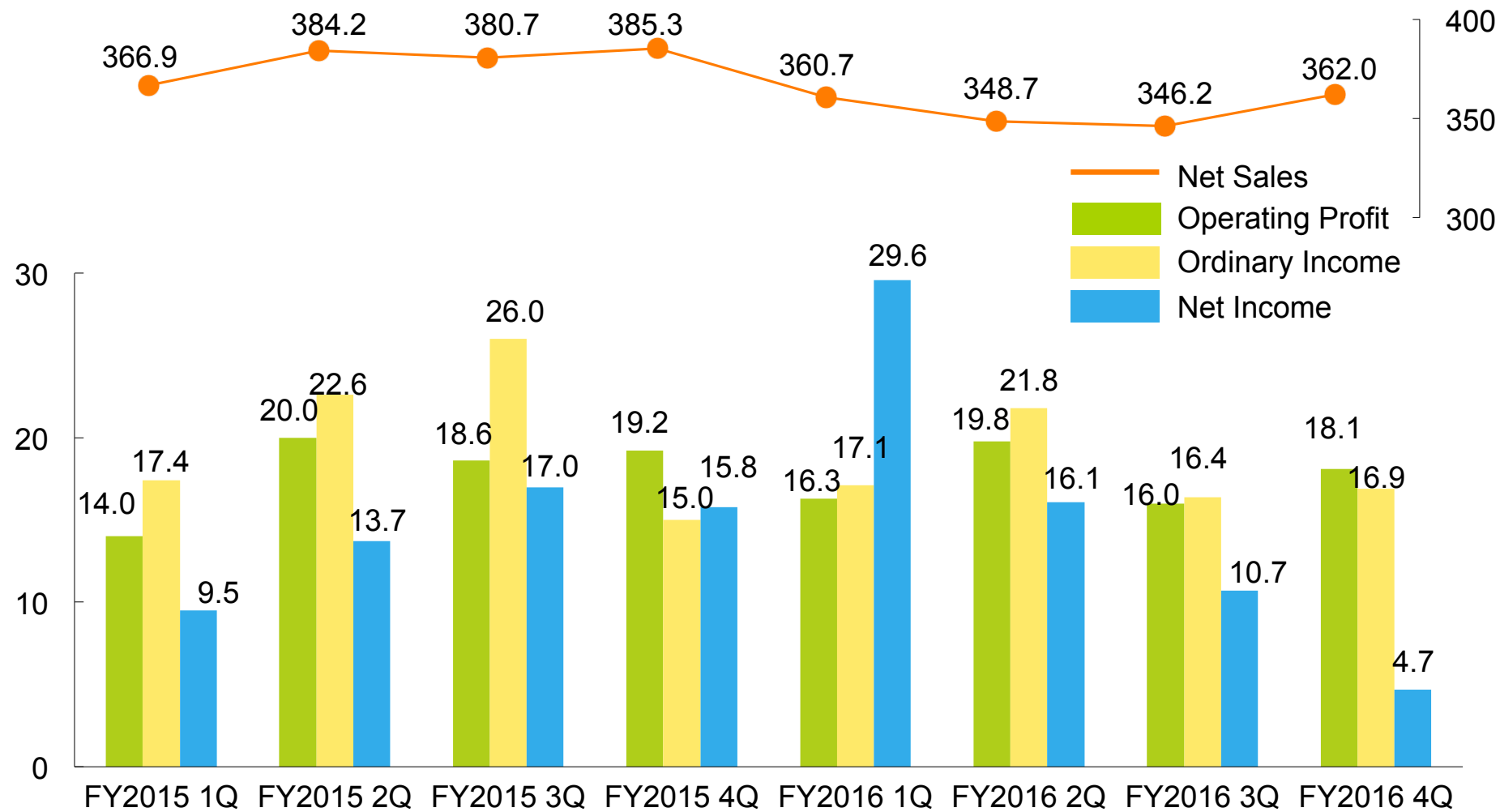
# Performance Overview (Full Year)

(\ billions)



# Performance Overview (Quarterly)

(\ billions)



# Consolidated Statements of Operations (Full Year)

(\ billions)	FY 2015 Result (a)	FY 2016 Result (b)	Difference (b-a)	Reason
Net sales	1,517.2	1,417.8	-99.3	Cement +4.1, Metals -122.9, AM&T +17.0, EM&C +3.2, etc.
Operating profit	71.8	70.4	-1.4	Cement +2.7, Metals -0.6, AM&T -0.7, EM&C -1.2, Aluminum -1.3, etc.
Net interest and dividends income	7.6	2.9	-4.7	Dividends -6.2, Interest expenses +1.5, etc.
Equity in earnings of affiliates	6.5	2.1	-4.3	Copper mines -3.1, Japan Drilling Co -3.1, etc.
Other / Non-operating profit / loss	-5.0	-3.0	1.9	
Ordinary income	81.0	72.4	-8.6	
Extraordinary income / loss	-5.4	10.2	15.7	Gain on sales of investment securities +17.4, Gain on Change in equity +10.3, Loss on business withdrawal -7.5, Provision for environmental measures -9.5, etc.
Income taxes	-14.0	-15.1	-1.0	
Minority interests in income	-5.4	-6.2	-0.8	
Net income	56.1	61.3	5.1	
Dividend per share (yen)	8	10	2	
Exchange rate (USD)	110	120	10	JPY/\$
Exchange rate (EUR)	139	133	-6	JPY/€
Copper price (LME)	297	237	-60	¢ /lb

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

(\ billions)

		FY2015 Result (a)	FY2016 Result (b)	Differences (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	193.3	197.5	4.1	9.9	3.9	-1.7	-	-	-	-8.0	
	Operating profit	17.3	20.1	2.7	0.1	4.5	-0.6	0.5	-	-	-1.8	
	Ordinary income	16.7	19.7	2.9					-0.0	0.1	-1.7	
Metals	Net sales	811.6	688.7	-122.9	57.3	-108.2	-72.0	-	-	-	0.0	- Decrease in depreciation and amortization - Improvement in conditions for the purchase of copper ore
	Operating profit	24.8	24.2	-0.6					-	-	9.0	- Effect of reclassifying loss on suspension of PTS operation to extraordinary loss in 2Q, FY2016
	Ordinary income	32.8	27.0	-5.8	3.9	-4.4	-9.9	0.8	-6.1	-3.6	13.5	
Advanced Materials & Tools	Net sales	134.6	151.6	17.0	1.1	-1.2	-0.5	-	-	-	17.6	- Addition of Mitsubishi Hitachi Tool Engineering Ltd. as a consolidated subsidiary
	Operating profit	16.7	16.0	-0.7	1.1	-1.4	-0.6	0.3	-	-	-0.1	- Cost increase in cemented carbide products business
	Ordinary income	16.5	14.9	-1.6					0.0	0.2	-1.2	
Electronic Materials & Components	Net sales	67.0	70.2	3.2	1.7	-2.1	3.0	-	-	-	0.6	- Effect of reclassifying loss on suspension of Yokkaichi plant's operation to extraordinary loss in 1Q, FY2015
	Operating profit	4.4	3.1	-1.2	0.0	-1.5	1.8	0.5	-	-	-2.0	
	Ordinary income	7.2	6.3	-0.9					-0.0	-0.2	-1.5	
Aluminum	Net sales	159.4	158.6	-0.7	1.2	0.7	-2.6	-	-	-	0.0	
	Operating profit	5.6	4.3	-1.3	0.0	-1.4	0.4	0.7	-	-	-1.0	
	Ordinary income	5.1	3.6	-1.4					0.0	-0.0	-1.1	
Other	Net sales	241.2	243.2	2.0	0.5	-0.1	-2.7	-	-	-	4.3	
	Operating profit	9.3	10.3	0.9	0.0	-0.1	1.3	0.0	-	-	-0.3	
	Ordinary income	9.8	9.9	0.0					-0.1	-0.7	-0.4	
Elimination, etc.	Net sales	-89.9	-92.1	-2.2	0.0	0.0	-2.2	-	-	-	0.0	
	Operating profit	-6.6	-7.8	-1.2	0.0	0.0	-0.8	0.0	-	-	-0.4	
	Ordinary income	-7.3	-9.1	-1.8					-0.0	-0.0	-1.0	
Total	Net sales	1,517.2	1,417.8	-99.3	71.8	-107.0	-78.7	-	-	-	14.6	
	Operating profit	71.8	70.4	-1.4	5.1	-4.3	-8.3	2.8	-	-	3.3	
	Ordinary income	81.0	72.4	-8.6					-6.2	-4.3	6.6	

# Consolidated Statements of Operations (Comparison with February 9 Forecast)

(\ billions)

	FY2016 Previous Forecast (a)	FY2016 Result (b)	Difference (b-a)
Net sales	1,410.0	1,417.8	7.8
Operating profit	72.0	70.4	-1.5
Net interest and dividends income	1.2	2.9	1.7
Equity in earnings of affiliates	2.9	2.1	-0.7
Other / Non-operating profit / loss	-3.1	-3.0	0.0
Ordinary income	73.0	72.4	-0.5
Extraordinary income / loss	4.0	10.2	6.2
Income taxes	-17.0	-15.1	1.8
Minority interests in income	-6.0	-6.2	-0.2
Net income	54.0	61.3	7.3
Dividend per share (yen)	10	10	-
Exchange rate (USD)	121	120	-1 JPY/\$
Exchange rate (EUR)	133	133	-0 JPY/€
Copper price (LME)	234	237	3 ¢/lb

# Consolidated Balance Sheet

(\ billions)

	End of Mar. 2015 (a)	End of Mar. 2016 (b)	Difference (b-a)
<b>Assets</b>			
Cash and deposits	93.1	60.1	-33.0
Notes and accounts receivable-trade	230.8	233.0	2.2
Inventories	296.7	258.6	-38.0
Other	247.6	230.6	-16.9
Current assets, subtotal	<b>868.4</b>	<b>782.5</b>	<b>-85.8</b>
Property, plant and equipment and intangible assets	707.9	736.2	28.2
Investments and other assets	321.7	274.5	-47.1
Noncurrent assets, subtotal	<b>1,029.7</b>	<b>1,010.8</b>	<b>-18.9</b>
Total	1,898.1	1,793.3	-104.7

	End of Mar. 2015 (a)	End of Mar. 2016 (b)	Difference (b-a)
<b>Liabilities</b>			
Notes and accounts payable-trade	128.3	110.5	-17.7
Loans payable, bonds payable, and CP	630.8 33%	526.3 29%	-104.5
Other liabilities	509.3	511.4	2.0
Liabilities Subtotal	<b>1,268.6</b>	<b>1,148.3</b>	<b>-120.2</b>
<b>Net assets</b>			
Capital stock	119.4	119.4	-
Capital surplus and treasury stock	90.4	90.3	-0.0
Retained earnings	252.8	303.0	50.1
Other comprehensive income	88.0	42.4	-45.6
Minority interests	78.7	89.7	11.0
Net Assets Subtotal	<b>629.5 33%</b>	<b>645.0 36%</b>	<b>15.5</b>
Total	1,898.1	1,793.3	-104.7

Equity ratio	29 %	31 %
Net debt to equity ratio	1.0 times	0.8 time

# Statistics / Assumptions / Sensitivity

## ■ Statistics / Assumptions

		FY2015 Result	FY2016 Result (a)	FY2017 (Forecast)			Difference (b-a)
				1st Half	2nd Half	Full Year (b)	
(\ billions)							
Total demand for cement in Japan	(million tons)	45.55	42.67	20.90	22.10	43.00	0.33
Cement sales volumes for MMC-Domestic	(million tons)	6.99	6.75	3.35	3.44	6.79	0.04
Cement sales volumes for MMC-Exports	(million tons)	2.61	2.64	1.29	1.40	2.69	0.05
Total demand for cement in the U.S.	(million tons)	86.50	89.84	-	-	92.92	3.08
Cement sales volumes in the U.S.	(million tons)	1.41	1.54	0.80	0.79	1.59	0.05
Ready-mixed concrete sales volumes in the U.S.	(million cy)	6.27	6.61	3.30	3.95	7.25	0.64
Sales of cathodes (in-house product)	(thousand tons)	270	296	152	145	297	1
Sales of cathodes (PTS)	(thousand tons)	262	188	122	139	261	73
Processed copper product sales volumes	(thousand tons)	151	132	68	71	139	7
Dividends from copper mine	(¥ billion)	11.9	5.7	-	4.9	4.9	-0.8
Sales of aluminum sheet products	(thousand tons)	109	112	59	56	115	3
Sales of aluminum extrusion products	(thousand tons)	21	20	10	10	20	0

## ■ Sensitivity

	FY 2017 Full Year
Exchange rates Operating profit - 1 yen/\$ (yen depreciation)	0.6 billion yen
Operating profit - 1 yen/€ (yen depreciation)	0.1 billion yen
Copper price (LME) Operating profit ±10 ¢ /lb	0.5 billion yen
Non-operating profit ±10 ¢ /lb	1.4 billion yen



# FY 2017 Performance Forecast

(\ billions)	FY2016 Result (a)	FY2017 (Forecast)			Difference (b-a)	
		1st Half	2nd Half	Full Year (b)		
Net sales	1,417.8	645.0	715.0	1,360.0	-57.8	
Operating profit	70.4	29.0	39.0	68.0	-2.4	
Net interest and dividends income	2.9	-1.3	3.1	1.8	-1.1	
Equity in earnings of affiliates	2.1	0.5	1.7	2.2	0.1	
Other / Non-operating profit / loss	-3.0	-3.2	-0.8	-4.0	-1.0	
Ordinary income	72.4	25.0	43.0	68.0	-4.4	
Extraordinary income / loss	10.2	15.4	-30.4	-15.0	-25.2	
Income taxes	-15.1	-13.7	-7.0	-20.7	-5.6	
Net income attributable to non-controlling interests	-6.2	-2.7	-4.6	-7.3	-1.1	
Net income attributable to owners of the parent company	61.3	24.0	1.0	25.0	-36.3	
Dividend per share (yen)	10	2	4	6	-4	
Exchange rate (USD)	120	110	110	110	-10	JPY/\$
Exchange rate (EUR)	133	125	125	125	-8	JPY/€
Copper price (LME)	237	225	235	230	-7	¢/lb

# FY 2017 Forecast : Factor Analysis of Net Sales, Operating Profit and Ordinary Income by Segment

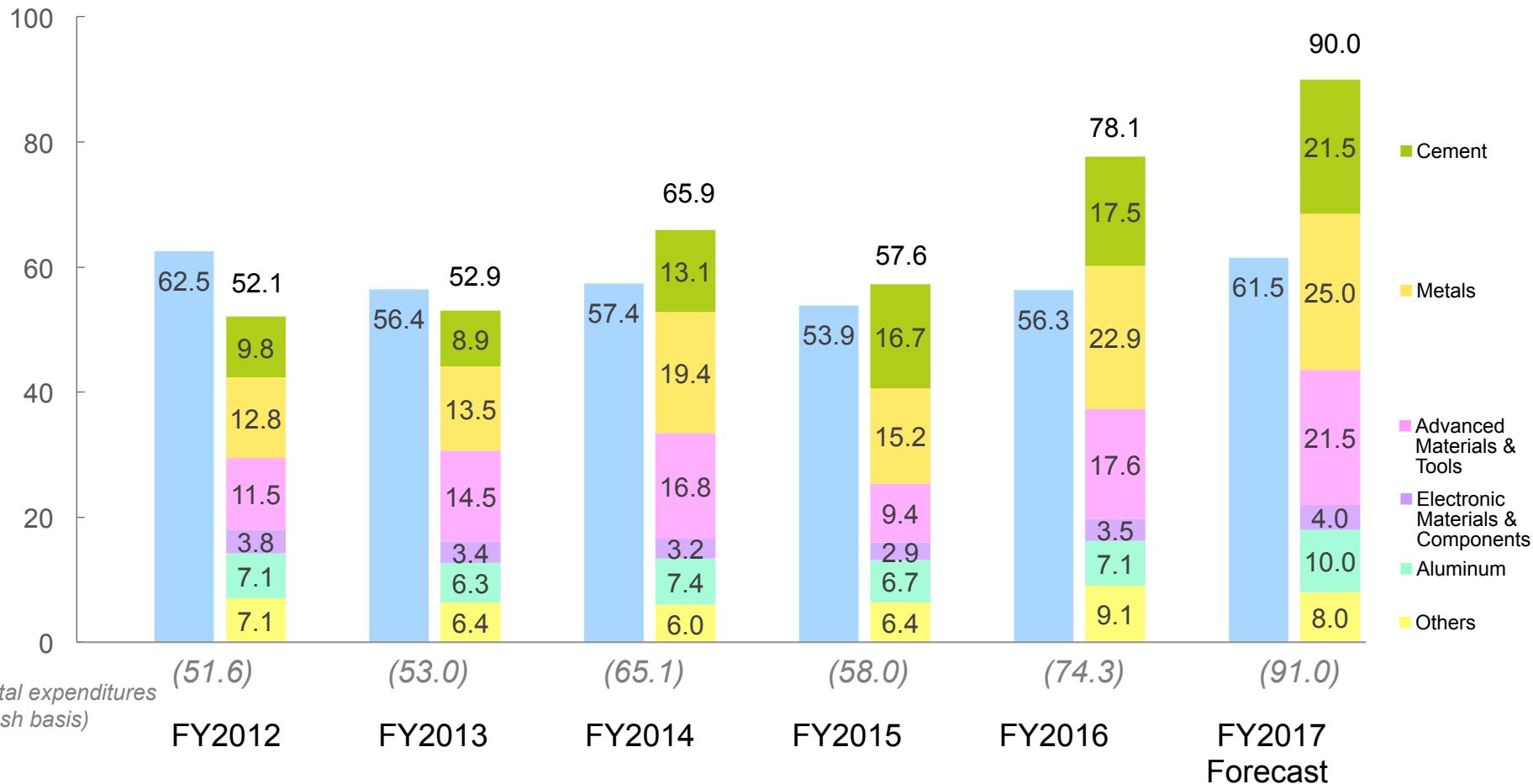
(\ billions)		FY2016 Result (a)	FY2017 (Forecast)			Differences (b-a)	Exchange rate differen ces	Price differen ces	Quantity varia tion	Electricity price effect	Dividends received	Earnings in equity of affiliates	Others	Other principal reasons (operating profit)
			1st Half	2nd Half	Full Year (b)									
Cement	Net sales	197.5	86.5	96.1	182.6	-14.9	-8.7	3.2	7.0	-	-	-	-16.4	- transfer of domestic business
	Operating profit	20.1	7.9	13.1	21.0	0.9	-1.0	0.3	3.2	0.4	-	-	-2.0	- Renewal of equipment for power plant
	Ordinary income	19.7	7.7	13.4	21.1	1.4					0.0	0.0	-1.5	
Metals	Net sales	688.7	298.6	350.4	649.0	-39.7	-45.4	-39.1	44.8	-	-	-	0.0	
	Operating profit	24.2	9.4	12.0	21.4	-2.8	-4.2	-3.6	3.8	0.8	-	-	0.4	
	Ordinary income	27.0	8.3	16.8	25.1	-1.9					-0.9	2.5	-0.3	
Advanced Materials & Tools	Net sales	151.6	78.7	81.4	160.1	8.5	-5.3	-1.7	15.5	-	-	-	0.0	
	Operating profit	16.0	8.0	9.3	17.3	1.3	-1.9	0.5	2.6	0.1	-	-	0.0	
	Ordinary income	14.9	7.4	8.7	16.1	1.2					0.0	-0.5	0.4	
Electronic Materials & Components	Net sales	70.2	32.0	38.6	70.6	0.4	-1.7	-1.3	3.4	-	-	-	0.0	
	Operating profit	3.1	0.5	2.2	2.7	-0.4	0.0	-1.2	0.1	0.5	-	-	0.2	
	Ordinary income	6.3	0.8	3.2	4.0	-2.3					0.0	-2.2	0.5	
Aluminum	Net sales	158.6	84.1	77.9	162.0	3.4	-1.0	-2.5	5.6	-	-	-	1.3	
	Operating profit	4.3	4.3	2.7	7.0	2.7	0.0	1.4	1.1	0.6	-	-	-0.4	
	Ordinary income	3.6	4.0	2.1	6.1	2.5					0.0	-0.0	-0.6	
Other	Net sales	243.2	106.0	124.3	230.3	-12.9	-0.4	-0.1	-16.1	-	-	-	3.7	
	Operating profit	10.3	2.1	6.2	8.3	-2.0	0.0	-0.1	-1.9	0.0	-	-	0.0	
	Ordinary income	9.9	2.1	5.9	8.0	-1.9					-0.4	0.2	0.3	
Elimination, etc.	Net sales	-92.1	-40.9	-53.7	-94.6	-2.5	0.0	0.0	-2.5	-	-	-	0.0	- Increase in R&D cost & size-based business tax
	Operating profit	-7.8	-3.2	-6.5	-9.7	-1.9	0.0	0.0	0.0	0.0	-	-	-1.9	
	Ordinary income	-9.1	-5.3	-7.1	-12.4	-3.3					-0.0	0.0	-3.3	
Total	Net sales	1,417.8	645.0	715.0	1,360.0	-57.8	-62.6	-41.5	57.7	-	-	-	-11.4	
	Operating profit	70.4	29.0	39.0	68.0	-2.4	-7.2	-2.7	8.9	2.4	-	-	-3.8	
	Ordinary income	72.4	25.0	43.0	68.0	-4.4					-1.4	0.1	-4.5	

# Depreciation and Capital Expenditures

(\ billions)

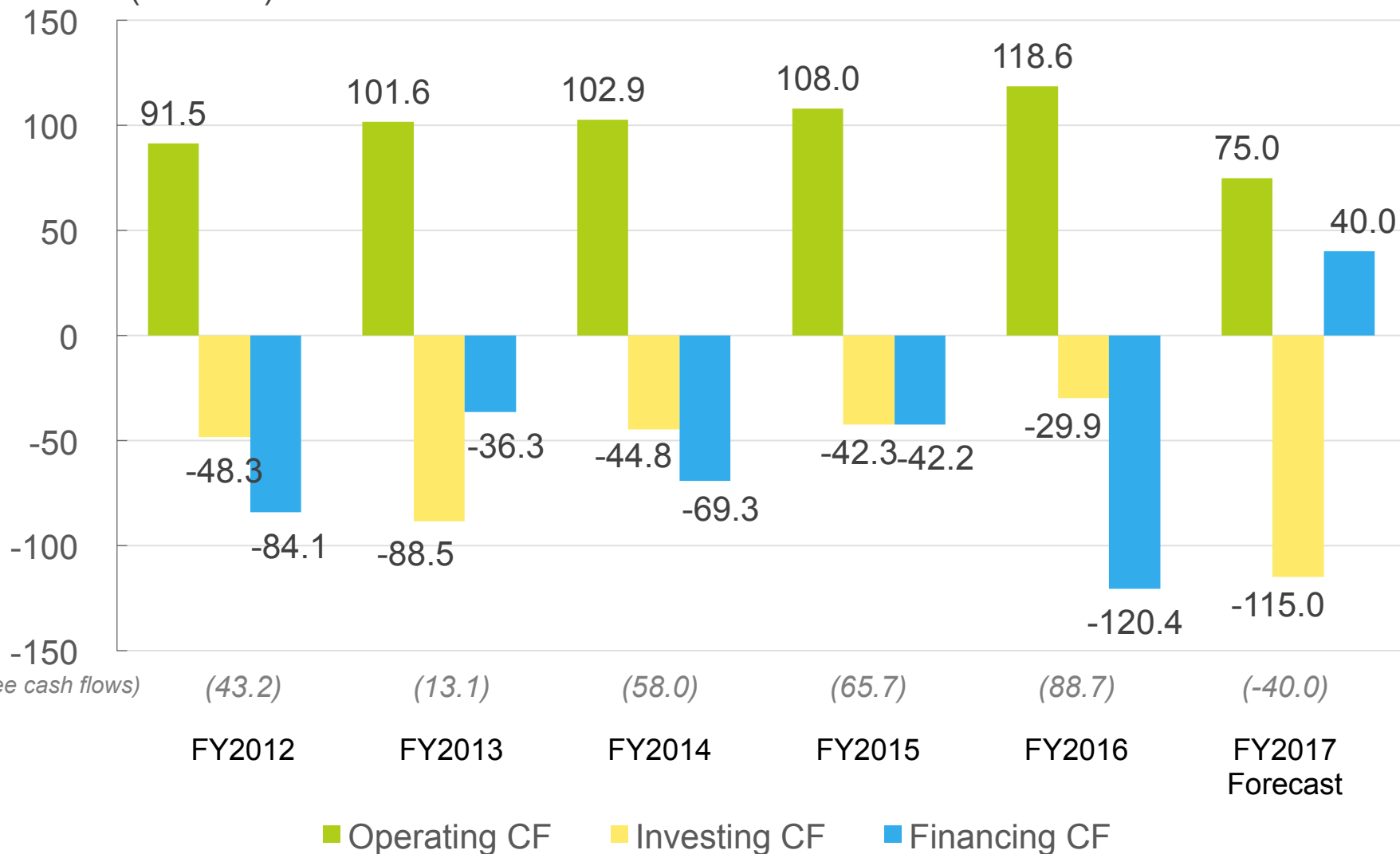
Left : Depreciation and amortization

Right : Capital expenditures (construction basis)



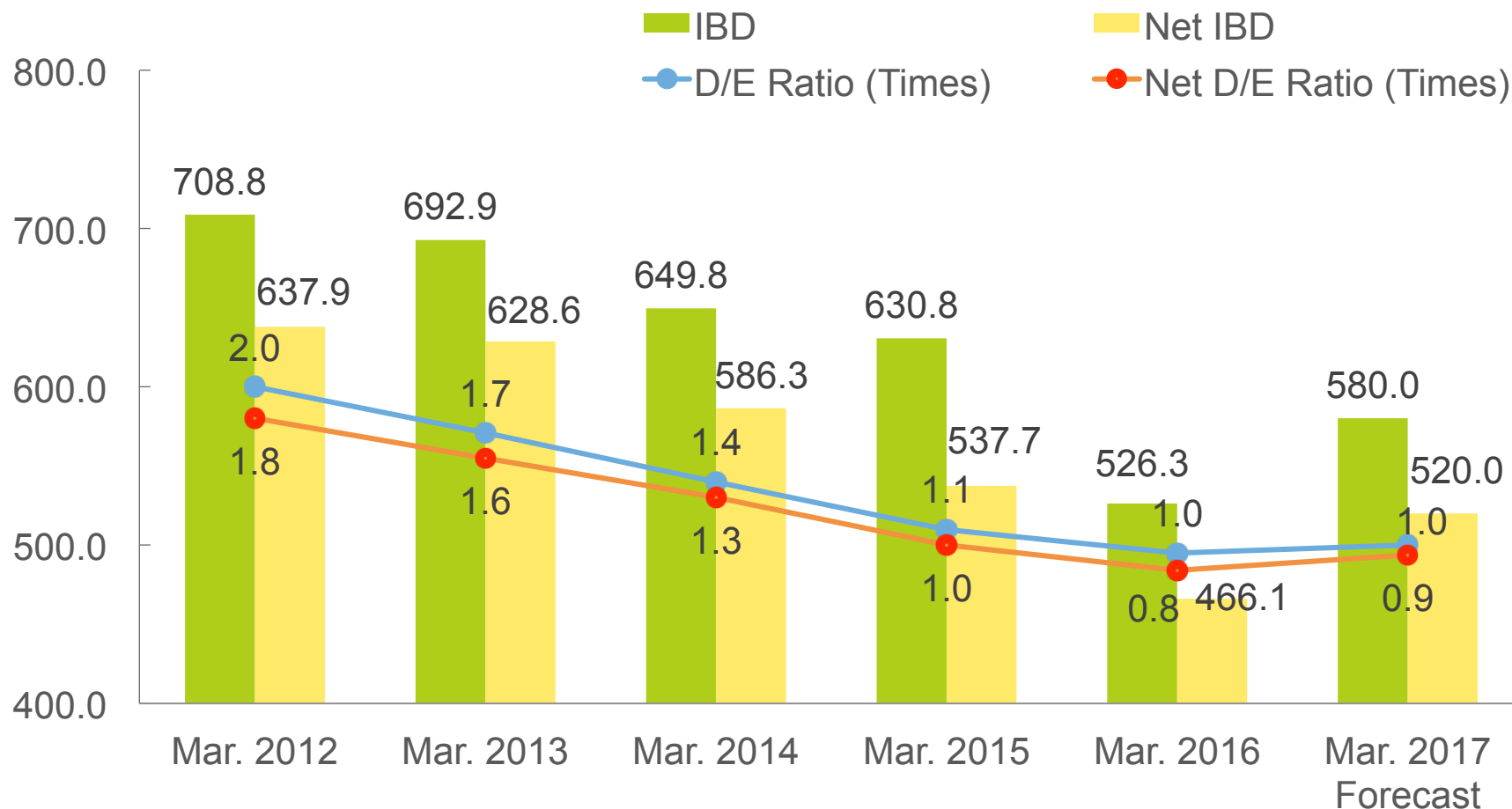
# Cash Flows

(\ billions)



# Interest-Bearing Debt and D/E Ratio

(\ billions)



For further information, please contact at:

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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.