

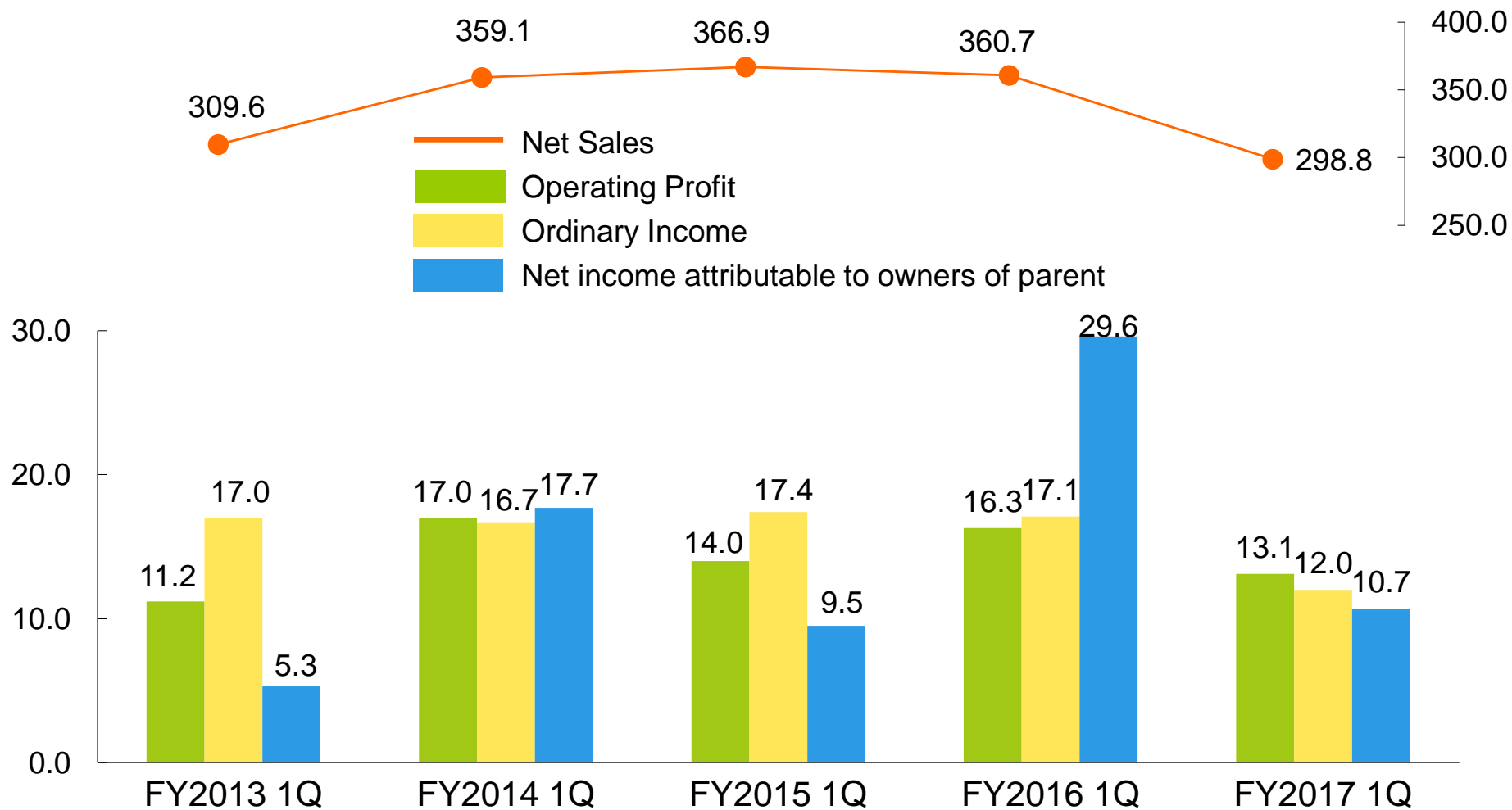
# **MITSUBISHI MATERIALS CORPORATION**

Supplementary Explanation for the 1st Quarter  
of the fiscal year ending March 31, 2017

August 8, 2016

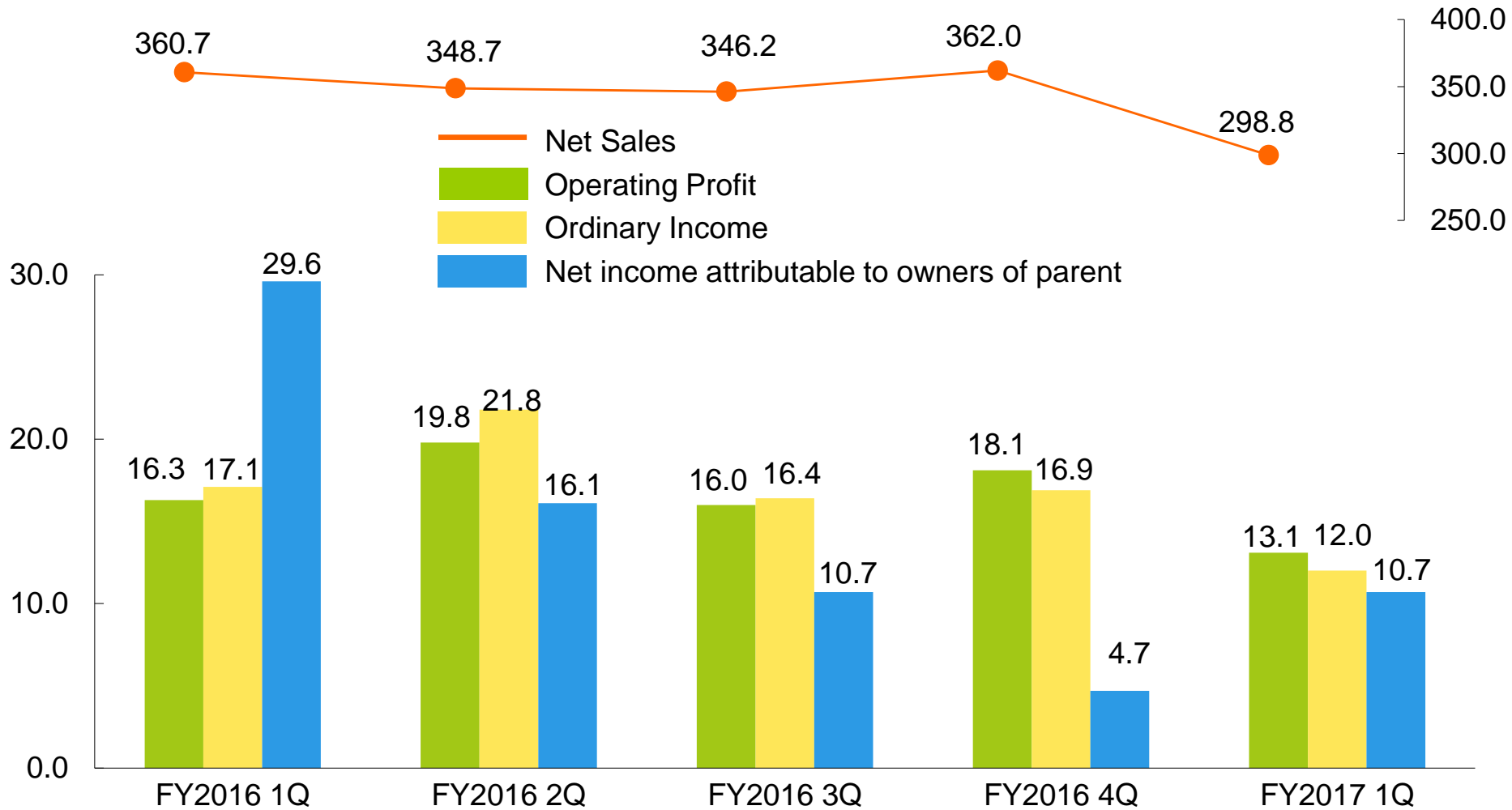
# Performance Overview (for the 1st Quarters)

(¥ billions)



# Performance Overview (Quarterly)

(¥ billions)



# Consolidated Statements of Operations (for the 1st Quarter)

(¥ billions)	FY2016 1Q Result (a)	FY2017 1Q Result (b)	Difference (b)-(a)	Reason
Net sales	360.7	298.8	-61.9	Cement -6.7, Metals -44.0, AM&T -2.6, EM&C -3.4, etc.
Operating profit	16.3	13.1	-3.1	Cement -1.0, Metals -1.9, AM&T -0.8, EM&C -0.6, Aluminum +1.2, etc.
Net interest and dividends income	0.0	-0.0	-0.1	Dividend income -0.5, Interest expenses +0.4, etc.
Equity in earnings of affiliates	1.4	0.7	-0.7	SUMCO Corp. -1.1, etc.
Other / Non-operating profit / loss	-0.8	-1.8	-0.9	
Ordinary income	17.1	12.0	-5.0	
Extraordinary income / loss	20.1	3.6	-16.4	Gain on sales of investment securities -18.5, Gain on change in equity -10.4, Provision for environmental measures +10.8, Gain on sales of noncurrent assets +2.7, etc.
Income taxes	-6.7	-4.0	2.6	
Net income attributable to non-controlling interests	-0.9	-0.9	0.0	
Net income attributable to owners of parent	29.6	10.7	-18.8	
Exchange rate (USD)	121	108	-13	JPY / \$
Exchange rate (EUR)	134	122	-12	JPY / €
Copper price (LME)	275	215	-60	¢ / lb

# Statistics / Assumptions

## ■ Statistics / Assumptions

		FY2016	FY2017	
		1Q Result	1Q Result	Difference
		(a)	(b)	(b)-(a)
Total demand for cement in Japan	(million tons)	10.51	9.81	-0.70
Cement sales volumes for MMC-Domestic	(million tons)	1.59	1.53	-0.06
Cement sales volumes for MMC-Exports	(million tons)	0.57	0.48	-0.09
Cement sales volumes in the U.S.	(million tons)	0.37	0.38	0.01
Ready-mixed concrete sales volumes in the U.S.	(million cy)	1.59	1.53	-0.06
Sales volumes of copper cathodes (in-house product)	(thousand tons)	71	67	-4
Sales volumes of copper cathodes (PTS)	(thousand tons)	64	62	-2
Sales volumes of copper & copper alloy products	(thousand tons)	34	35	1
Dividend from copper mine	(¥ billion)	0.3	—	-0.3
Sales volumes of aluminum sheet products	(thousand tons)	29	29	0
Sales volumes of aluminum extrusion products	(thousand tons)	5	4	-1

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

(¥ billions)

		FY2016 1Q Result (a)	FY2017 1Q Result (b)	Differences (b)-(a)	Exchange rate differences	Price differences	Quantity variation	Electricity price effect	Dividends income	Equity in earnings of affiliates	Others	Other principal reasons (Operating profit)
Cement	Net sales	46.8	40.1	-6.7	-0.9	0.6	-1.4	-	-	-	-5.0	- Transfer business of building materials, etc - Renewal of equipment for power plant
	Operating profit	3.8	2.8	-1.0	-0.1	0.6	-0.9	0.3	-	-	-0.9	
	Ordinary income	3.4	2.5	-0.9	-	-	-	-	-0.0	-0.1	-0.7	
Metals	Net sales	183.6	139.5	-44.0	-12.1	-27.5	-4.5	-	-	-	0.1	- Improvement in conditions for TC/ RC
	Operating profit	6.4	4.5	-1.9	-1.1	-1.4	-0.5	0.4	-	-	0.7	
	Ordinary income	5.4	4.3	-1.1	-	-	-	-	-0.3	0.9	0.9	
Advanced Materials & Tools	Net sales	39.1	36.4	-2.6	-1.9	-0.5	-0.2	-	-	-	0.0	
	Operating profit	4.4	3.6	-0.8	-0.4	-0.2	-0.2	0.2	-	-	-0.2	
	Ordinary income	4.4	2.9	-1.5	-	-	-	-	0.0	-0.0	-0.9	
Electronic Materials & Components	Net sales	18.4	15.0	-3.4	-0.7	-0.3	-2.4	-	-	-	0.0	
	Operating profit	0.8	0.2	-0.6	0.0	-0.0	-1.4	0.3	-	-	0.5	
	Ordinary income	2.0	0.2	-1.7	-	-	-	-	-0.0	-1.1	0.5	
Aluminum	Net sales	41.6	40.2	-1.3	-0.6	-1.3	0.6	-	-	-	0.0	
	Operating profit	1.0	2.3	1.2	-0.0	0.5	0.4	0.4	-	-	-0.1	
	Ordinary income	0.9	2.2	1.3	-	-	-	-	0.0	0.0	0.0	
Other	Net sales	52.8	45.4	-7.4	-0.6	0.0	-8.0	-	-	-	1.0	
	Operating profit	0.6	1.0	0.4	0.0	0.0	0.1	0.0	-	-	0.3	
	Ordinary income	1.5	0.9	-0.6	-	-	-	-	-0.2	-0.3	-0.2	
Elimination, etc.	Net sales	-21.8	-18.0	3.7	0.0	0.0	3.7	-	-	-	0.0	- Increase in retirement benefit expenses
	Operating profit	-0.9	-1.4	-0.4	0.0	0.0	0.0	0.0	-	-	-0.4	
	Ordinary income	-0.8	-1.2	-0.3	-	-	-	-	-0.0	0.0	-0.3	
Total	Net sales	360.7	298.8	-61.9	-16.8	-29.1	-12.1	-	-	-	-3.9	
	Operating profit	16.3	13.1	-3.1	-1.6	-0.4	-2.6	1.6	-	-	0.0	
	Ordinary income	17.1	12.0	-5.0	-	-	-	-	-0.5	-0.7	-0.8	

# Consolidated Balance Sheet

(¥ billions)

	End of Mar. 2016 (a)	End of June 2016 (b)	Difference (b)-(a)
<b>Assets</b>			
Cash and deposits	60.1	73.8	13.7
Notes and accounts receivable-trade	233.0	207.7	-25.3
Inventories	258.6	273.9	15.3
Other	230.6	231.1	0.4
Current assets, subtotal	<b>782.5</b>	<b>786.7</b>	<b>4.2</b>
Property, plant and equipment and intangible assets	736.2	717.7	-18.5
Investments and other assets	274.5	262.5	-11.9
Non-current assets, subtotal	<b>1,010.8</b>	<b>980.3</b>	<b>-30.5</b>
<b>Total Assets</b>	<b>1,793.3</b>	<b>1,767.1</b>	<b>-26.2</b>

	End of Mar. 2016 (a)	End of June 2016 (b)	Difference (b)-(a)
<b>Liabilities</b>			
Notes and accounts payable-trade	110.5	111.2	0.6
Loans payable, bonds payable	526.3 <small>29%</small>	539.9 <small>31%</small>	13.6
Other liabilities	511.4	492.8	-18.6
Liabilities, subtotal	<b>1,148.3</b>	<b>1,144.0</b>	<b>-4.2</b>
<b>Net assets</b>			
Capital stock	119.4	119.4	-
Capital surplus and treasury stock	90.3	90.4	0.1
Retained earnings	303.0	307.8	4.8
Total other comprehensive income	42.4	21.4	-21.0
Non-Controlling interests	89.7	83.8	-5.9
Net Assets, subtotal	<b>645.0</b> <small>36%</small>	<b>623.0</b> <small>35%</small>	<b>-21.9</b>
<b>Total liabilities and net assets</b>	<b>1,793.3</b>	<b>1,767.1</b>	<b>-26.2</b>

Equity ratio	31 %	31 %
Net debt to equity ratio	0.8 times	0.9 times

# FY 2017 Performance Forecast

(¥ billions)	Forecast (A) (announced on May)		Forecast (B) at this time		Difference (B)-(A)		
	1st Half	Full Year	1st Half	Full Year	1st Half	Full Year	
Net sales	645.0	1,360.0	630.0	1,330.0	-15.0	-30.0	
Operating profit	29.0	68.0	27.0	65.0	-2.0	-3.0	
Net interest and dividends income	-1.3	1.8	-1.4	1.6	-0.1	-0.2	
Equity in earnings of affiliates	0.5	2.2	0.5	2.1	0.0	-0.1	
Other / Non-operating profit / loss	-3.2	-4.0	-3.1	-4.7	0.1	-0.7	
Ordinary income	25.0	68.0	23.0	64.0	-2.0	-4.0	
Extraordinary income / loss	15.4	-15.0	16.4	-13.0	1.0	2.0	
Income taxes	-13.7	-20.7	-12.9	-19.0	0.8	1.7	
Net income attributable to non-controlling interests	-2.7	-7.3	-2.5	-7.0	0.2	0.3	
Net income attributable to owners of parent	24.0	25.0	24.0	25.0	—	—	
Dividend per share (yen)	2	6	2	6	—	—	
Exchange rate (USD)	110	110	107	106	-3	-4	JPY / USD
Exchange rate (EUR)	125	125	119	117	-6	-8	JPY / EUR
Copper price (LME)	225	230	225	230	—	—	¢ / lb
<b>■ Assumptions</b>	FY2017		<b>■ Sensitivity</b>	FY2017			
	2Q	2nd Half		2Q	2nd Half		
Exchange rate (USD)	105	105	Exchange rates	Operating income 1 yen / \$ (yen depreciation)	0.2	0.3	
Exchange rate (EUR)	115	115		Operating income 1 yen / € (yen depreciation)	0.02	0.06	



For further information, please contact at:

Mitsubishi Materials Corporation  
Corporate Communications & IR Dept.  
Corporate Strategy Div.

1-3-2, Otemachi, Chiyoda-ku, Tokyo 100-8117, Japan

E-mail: [ml-mmcir@mmc.co.jp](mailto:ml-mmcir@mmc.co.jp)

URL : <http://www.mmc.co.jp/corporate/en/index.html>

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.