

Mitsubishi Materials Corporation Investor Conference Material

May 15, 2018

Akira Takeuchi, President
Mitsubishi Materials Corporation



1. Respond to the Matters of Non-Conforming Products (P3-18)

2. Performance Summary (P20-22)

3. Progress on the Medium-Term Management Strategy (P24-29)

4. Initiatives by Segment (P31-43)

5. Recap (P45)

Overview of the Matters of Non-Conforming Products

Company name	Products	Number of customers	Details
Mitsubishi Cable Industries, Ltd.	Sealing parts	218	Rewriting of inspection records data, non-inspection, etc.
	MEXCEL®	5	Rewriting of inspection records data, etc.
Mitsubishi Shindoh Co.,Ltd.	Brass strips and copper strips	30	Rewriting of inspection records data, etc.
Mitsubishi Aluminum Co., Ltd.	Rolled products	8	Rewriting of inspection records data, inadequate testing method, etc.
	Extruded products	114	Rewriting of inspection records data, inadequate testing method, etc.
Tachibana Metal Manufacturing Co.,Ltd.	Extruded products	339	Rewriting of inspection records data, inadequate testing method, etc.
Diamet Corporation	Sintering machinery parts, etc.	113	Rewriting of inspection records data, non-inspection, etc.
	Total	762 *	

* Excluding overlap between subsidiaries

Results of Extraordinary Quality Audit

Overview of Extraordinary Quality Audit

- ◆ Implementation period: February to May 2018
- ◆ Audited period: January 1, 2017 to December 31, 2017
- ◆ Audited locations: Manufacturing locations of the Company and the Group companies (119 locations)

Results of Extraordinary Quality Audit

- ◆ In cases where matters with quality control methods, etc. were identified in the audits, corrective action has already been taken.
- ◆ There were no confirmed cases of issues with product quality.

Safety Confirmation Status

As of May 9, 2018

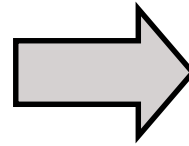
Company Name	Products	Number of customers	A	B	C	D
Mitsubishi Cable Industries, Ltd.	Sealing parts	218	201	17	0	0
	MEXCEL®	5	3	2	0	0
Mitsubishi Shindoh Co.,Ltd.	Brass strips and copper strips	30	29	1	0	0
Mitsubishi Aluminum Co., Ltd.	Rolled products	8	7	1	0	0
	Extruded products	114	40	74	0	0
Tachibana Metal Manufacturing Co.,Ltd.	Extruded products	339	129	200	10	0
Diamet Corporation	Sintering machinery parts, etc.	113	33	33	47	0

- A The customer has completed its confirmation that there are no safety concerns
- B The customer has determined that there are no immediate safety concerns, but is conducting further review
- C The affected companies have communicated to the customers its opinion that, from a technical perspective, there is high probability that the affected products can be assumed to be safe
- D The affected companies have provided notification that Non-Conforming Products were delivered to the customer

Measures to Address the Matters of Non-Conforming Products

Final report from Special Investigation Committee

In terms of results, given the fact that the Company failed to discover and remediate the misconduct earlier, measures based on the understanding that transforming the corporate culture and strengthening governance is necessary, has to be stated that timeliness of required reactions was insufficient in some ways.



Need to work on recurrence prevention by enhancement of the group governance, etc. including quality control with further enhanced sense of crisis and in a more timely manner



Measures to Address the Matters of Non-Conforming Products

- (i) "Preventive measures" at the company where have the Matters of Non-Conforming Products (formulated from December 2017 to March 2018)
- (ii) "Restructuring Measures of the Governance Framework for Quality Control in the Group" (formulated December 2017)
- (iii) "Governance Framework Enhancement Measures of the Group" (formulated March 2018)
- (iv) "Committee for monitoring of measures to enhance governance" (established May 10, 2018)
- (v) "Committee for nomination and compensation" (plan to establish on June 22, 2018)

Preventive measures of the Matters of Non-Conforming Products

Main causes of the shipment of non-conforming products

- ◆ Inadequate framework for exerting influence on product development and order receiving processes at order receiving stage
- ◆ Attitude excessively prioritizing "order receiving" and "delivery date"
- ◆ Order received and mass production that the specifications exceeding manufacturing capability

- ◆ Insufficient framework of quality assurance system
- ◆ Pressure on quality assurance departments from other departments

- ◆ Low awareness of compliance with specifications
- ◆ Arrogance in thinking that quality control is being achieved
- ◆ Low sensitivity to risk in relation to quality issues

- ◆ Insufficient business resources (insufficient inspectors, inspection equipment, etc.)

- ◆ Audit procedures that has become a mere facade

Preventive measures

(Restructuring Measures of the Governance Framework for Quality Control in the Group)

1) Implementation of a front loading system for order receiving

2) Enhancement of the framework and authority of the quality control department

3) Expansion of quality training

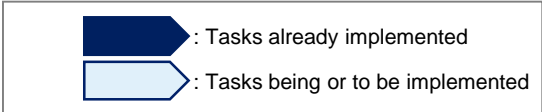
4) Promoting automated inspection equipment

5) Enhancement of quality audits

6) Utilization of outside consultants

Preventive measures of the Matters of Non-Conforming Products

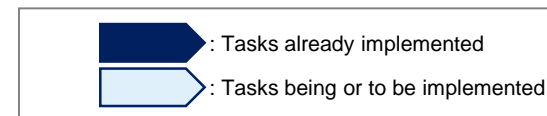
Preventive measures of the Matters of Non-Conforming Products (1/3)



Name of measures	Outline of measures	Implementation schedule				
		FY 2018	FY2019		Subsequent fiscal year	
			First half	Second half		
1) Implementation of a front loading system (FLS) for order receiving We will implement a system (FLS) for making decisions on specifications and receiving orders after considering whether the order can be accepted taking into account manufacturing capability at each department in the business division.	◆ Establishment and wide dissemination of guidelines ◆ Confirmation of operation status	Establishment and wide dissemination of FLS guidelines	- Review of FLS guidelines	- Confirmation (during quality audits) and periodic review of FLS operation status		
	◆ Primary preventive measures for quality issues at 5 affected companies	- Strengthening DR when making quotations - Accumulation of technical data	- Establish a structure to deliberate from the design development stage	- Reconsideration of order receiving determination process and improvement of operation		
2) Enhancement of the framework and authority of the quality control department Centered on the Governance Division and the Quality Management Department, we will establish a framework aimed at improving quality control for the Group and will construct the required quality control function for each business and product.	◆ Confirmation that independence of quality assurance function in each business organization is ensured ◆ Confirmation of area of responsibility and status of fulfilment at quality assurance department in each business organization	Investi- gation	- Confirmation - Formulation of improvement measures	- Confirmation of operation status during quality audits - Review of framework / authority and training		
	◆ Primary preventive measures for quality issues at 5 affected companies	- Change of organization of quality assurance departments - Increase in quality assurance-related human resources - Formulate the policy of quality control	- Enhancement of the independence of quality assurance department and ensuring the authority of shipment			
		- Strengthening of system and equipment for inspection before shipment	- Review of quality assurance standards and construct quality control system			
	- Strengthening of the quality and quantity of human resources for Quality Assurance Department	- Rotation				

Preventive measures of the Matters of Non-Conforming Products

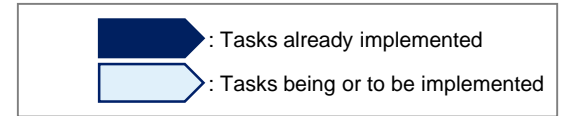
Preventive measures of the Matters of Non-Conforming Products (2/3)



Name of measure	Outline of measures	Implementation schedule			
		FY 2018	FY2019		Subsequent fiscal year
			First half	Second half	
3) Expansion of quality training We will have all our employees understand the importance of quality and what should be done to maintain and improve quality. We will establish a practical training system corresponding to each group company's business.	◆ Provision of quality training to relevant employees at locations in Japan and overseas	- Training preparation	- Training provision	- Follow-up and review of training content	
	◆ Primary preventive measures for quality issues at 5 affected companies	- Compliance training - Education using materials based on this matter		- Leadership meetings for managers	
4) Promoting automated inspection equipment By promoting initiatives such as automated acquisition of inspection data and uploading inspection data into manufacturing control systems, we will aim to prevent misconduct, including the rewriting of data.	◆ Promotion of automated inspection equipment (3 years)	- Collection and collation of data	- Confirmation of progress in promoting automated inspection equipment - Sharing information and applying within the Group		
	◆ Primary preventive measures for quality issues at 5 affected companies	- Introduction of the inspection equipment for automated - Automated uploading to the Company's enterprise system		- Improvement and enhancement the function of the Company's enterprise system	
		- Introduction of the latest technology for measurement and automated	Continuation		- Skill support training for leaders of workplace
				- Improvement of issuance system for certificate of analysis	- Compilation of database for product specification - Automated collecting of inspection data

Preventive measures of the Matters of Non-Conforming Products

Preventive measures of the Matters of Non-Conforming Products (3/3)



Name of measure	Outline of measure	Implementation schedule			
		FY 2018	FY2019		From next fiscal year
			First half	Second half	
5) Enhancement of quality audits We will aim to establish more robust quality audits by measures such as improving the independence of our Group's internal audit departments and strengthening their authority and increasing the frequency of quality audits.	◆ Review of checklist for quality audits	- Establishment	- Review as necessary after establishment		
	◆ Implementation of quality audits of all affected locations requiring quality audits	- Planning and preparation	- Implementation of quality audits		
6) Utilization of outside consultants In order to introduce a third-party perspective on quality control, we will utilize outside consultants specializing in quality control on an ongoing basis.	◆ Implementation of quality consultant guidance meetings	- Implementation of quality consultant guidance meetings for each location - Confirmation of status of improvement and progress at each company, sharing of information and applying within the Group			
	◆ Primary measures to prevent a recurrence of quality issues at 5 affected companies				

Group Governance Framework Enhancement Measures

1

Enhancement of framework for discussion, and reporting of governance-related matters

- ◆ We will implement a framework for reducing risks and preventing problem occurrences
⇒ In April 2018, we have deliberated and shared policies, plans, etc. on governance-related matters through the “Governance Deliberative Council”

2

Improvement of functions of management divisions and their collaboration with operating divisions

- ◆ Launch of Governance Division on April 1, 2018
We have established the Governance Division to improve administrative division’s control and support functions for governance-related matters

3

Improvement of human resources training and encouragement of active interaction

- ◆ We will expand educations regarding governance-related matters
- ◆ In addition to promoting human resources interactions in the Group, and endeavoring to deepen communication, we will provide human resources training throughout the Group by developing the knowledge and experience in various divisions

4

Internal audit strengthening

- ◆ The frequency and content of audits will be enhanced through cooperation with each department within the Governance Division.

5

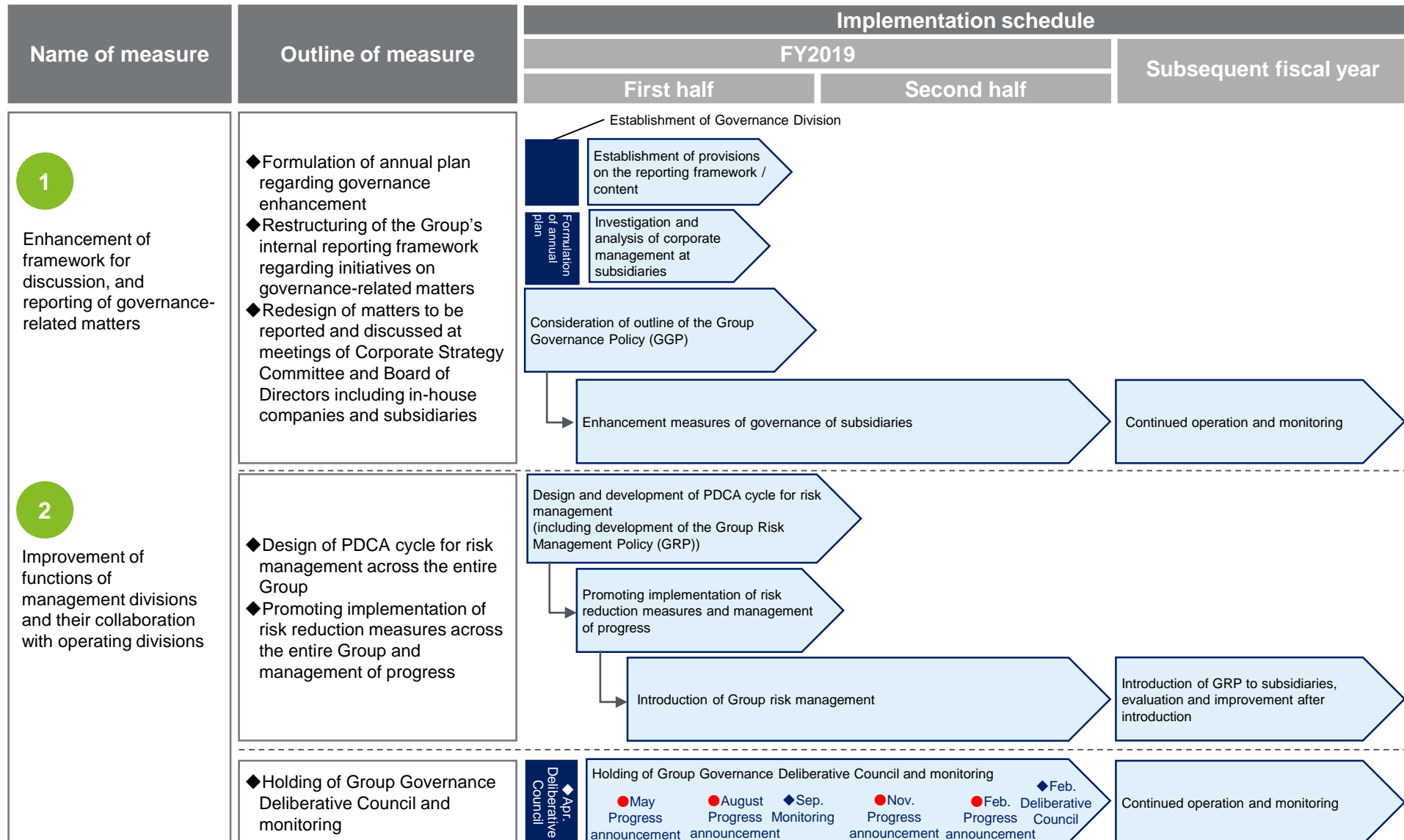
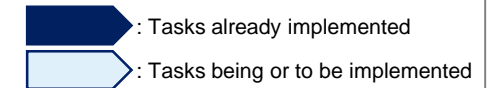
Studies with a business optimization focus

- ◆ Effectiveness of the governance is one of the important decision-making criteria when considering business portfolio
- ◆ We will seek to achieve an appropriate balance so that the Group’s governance capabilities match the business domains

* We plan to announce the progress of Group Governance Framework Enhancement Measures through opportunities such as Investor Conference.

Group Governance Framework Enhancement Measures

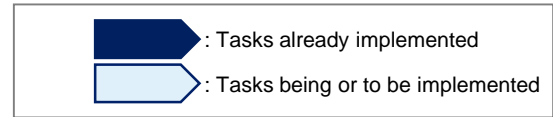
Group Governance Framework Enhancement Measures (1/4)



(Progress report at Corporate Strategy Committee meeting each month)

Group Governance Framework Enhancement Measures

Group Governance Framework Enhancement Measures (2/4)



Name of measure	Outline of measure	Implementation schedule				
		FY2019		Subsequent fiscal year		
		First half	Second half			
<p>3</p> <p>Improvement of human resources training and encouragement of active interaction</p>	<p>Implementation of management executives training</p> <ul style="list-style-type: none"> ◆ Training on governance-related matters for executives of each Group company ◆ Familiarizing of reporting system for risk management and risk information 	<p>Implementation of explanations and training on governance of subsidiaries and risk management - Leadership meetings by top of management -</p>	<p>Implementation of training on quality control</p>	<p>Continued implementation of investigation regarding corporate culture and compliance awareness</p> <ul style="list-style-type: none"> ◆ May Investigation ◆ Jul. Investigation ◆ Oct. Investigation ◆ Jan. Investigation 	<p>Continued implementation of investigation of corporate culture and compliance awareness</p>	
	<ul style="list-style-type: none"> ◆ Encouragement of active interaction of human resources between departments, between parent company and subsidiaries and within subsidiaries ◆ Human resources training throughout the Group 	<p>Consideration of human resources measures to encourage active interaction (In conjunction with consideration of outline of GGP)</p>	<p>Introduction and implementation of human resources measures to encourage active interaction (In conjunction with introduction of governance of subsidiaries)</p>	<p>Formulation and implementation of Group-wide human resources development plans</p>		
	<ul style="list-style-type: none"> ◆ Transformation of Corporate Culture - Organization with good and healthy communication where employee can be unrestricted communication - 	<p>Communication in small group activities (compliance and workplace activation)</p>	<p>Transformation of awareness among managers through leadership meetings (compliance training and creation of workplace with good communication)</p>		<p>Continued implementation of various measures</p>	

Group Governance Framework Enhancement Measures

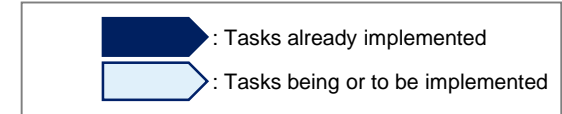
Group Governance Framework Enhancement Measures (3/4)

- Aiming to Be a Organization with Good and Healthy Communication where Employee Can Be Unrestricted Communication -

Target	Name of measure	FY2019		Description and Remarks
		First half	Second half	
Top level of management -	Leadership meetings (to be held continuously)	President	<ul style="list-style-type: none"> ◆ Meetings with the presidents of the group companies and general managers of the locations of the Company by the President ◆ Grouping persons from different business divisions to eliminate the sectionalism mindset 	<ul style="list-style-type: none"> - Transformation of leadership mindset (foster the sense of a risk management) <ol style="list-style-type: none"> 1) Report on the backgrounds, progress of implementation and policies of respond for the Matters of Non-Conforming Products 2) Educate the importance of responsibility of the top of management 3) Explain the meaning of restructuring the governance system 4) Discuss of important issues and solutions regarding governance at each company or location 5) Have management play the role of instructors to deepen their understanding - Foster the sense of a mindset that management and managers listen to the voices at workplace and respond sincerely - Enhance the support for expansion from the presidents at the Group companies and general managers at locations (Dispatch a facilitator as required)
		Presidents of the group companies	<ul style="list-style-type: none"> ◆ Expansion from the presidents of the Group companies to the management executives at each company (General managers and higher class + presidents of indirectly owned subsidiaries) ◆ Expansion from executive officers at each company to general managers and then employees ◆ Expansion from president of indirectly owned subsidiaries to managers at each company and then employees 	
		General manager of each location	<ul style="list-style-type: none"> ◆ Expansion from general managers of locations to managers and then employees 	
All manager levels	Dialogues from executive vice president and managing executive officer	<ul style="list-style-type: none"> ◆ Endeavoring to deepen communication through lectures, direct dialogues and workshops provided to managers of subsidiaries and each locations 		<ul style="list-style-type: none"> - Close the gap between the head office and workplace through direct communication - Report on the backgrounds, progress of implementation and policies of respond for the Matters of Non-Conforming Products to foster the senses of ownership and crisis, aiming to transform of awareness among managers
	Compliance workshop	<ul style="list-style-type: none"> ◆ Group training provided by a specialized agency (outside resources) ◆ Workshop that uses the Matters of Non-Conforming Products in the Group as a case study ◆ Targets are managers level in business locations 		
Front line	Implementation of small group activities	<ul style="list-style-type: none"> ◆ Implement autonomous and continuous workshops using small group activities ◆ Foster the sense of a compliance mindset ◆ Improve communication in and between workplaces 		<ul style="list-style-type: none"> - Enhance support by dispatching inside or outside facilitators as required

Group Governance Framework Enhancement Measures

Group Governance Framework Enhancement Measures (4/4)



Name of measure	Outline of measure	Implementation schedule		
		FY2019		Subsequent fiscal year
		First half	Second half	
4 Internal audit strengthening	<ul style="list-style-type: none"> ◆ Implementation of management audits ◆ Implementation of quality audits (70-80 locations / year and 2 year cycle) 	Development of framework for audited locations, themes and procedures Examination of audit themes, bases and procedures Trial audits	Implementation of management and quality audits Formulation of audit plan for next fiscal year	Implementation of management and quality audits (continued)
	<ul style="list-style-type: none"> ◆ Joint audits with Corporate Auditor 		Implementation of joint audits with Corporate Auditor	
5 Studies with a business optimization focus	<ul style="list-style-type: none"> ◆ Consideration of business portfolio incorporating governance perspective 	Examination in conjunction with measures (1) and (4)		

Establishment of New Committees

Committee for monitoring of measures to enhance governance

Purpose

To supervise the progress of the Group Governance Framework Enhancement Measures, including quality control, from a standpoint that is independent from the executive organs of the Company

Composition

Mariko Tokuno, External director
Hiroshi Watanabe, External director
Kazuaki Takenaka, Executive Vice President, Executive Director,
Japan Management Association

Duties

- (i) Confirmation and supervision of progress of each measures
- (ii) Reporting the results of (i) above to the Board of Directors, and provision of advice and proposals to the Board of Directors on action to address issues based on the results

Date of establishment

May 10, 2018

Committee for nomination and compensation

Purpose

To guarantee the transparency and objectivity of judgment on the election and removal of directors and executive officers of the Company and judgement of remuneration by the Board of Directors

Composition

Mariko Tokuno, External director
Hiroshi Watanabe, External director
Hikaru Sugi, External director
Naoki Ono, Director and Executive Vice President
Yasunobu Suzuki, Director and Senior Managing Executive Officer

Matters for deliberation

- To deliberate the following matters and to recommend to the Board of Directors
- (i) Policy and standard for the election and removal of directors and executive officers and proposal of candidates
 - (ii) Succession plan of management executives including the President
 - (iii) Systems and levels of remuneration of Directors and Executive Officers
 - (iii) Other matters incidental to the foregoing

Date of establishment

June 22, 2018

(Date for ordinary general meeting of shareholders)

Monitoring of Governance Enhancement Framework

Committee for monitoring of measures to enhance governance

The Committee will confirm and supervise the progress of the governance enhancement measures and report the results to the Board of Directors and will also provide advice and proposals to Board of Directors on action to address issues, etc.

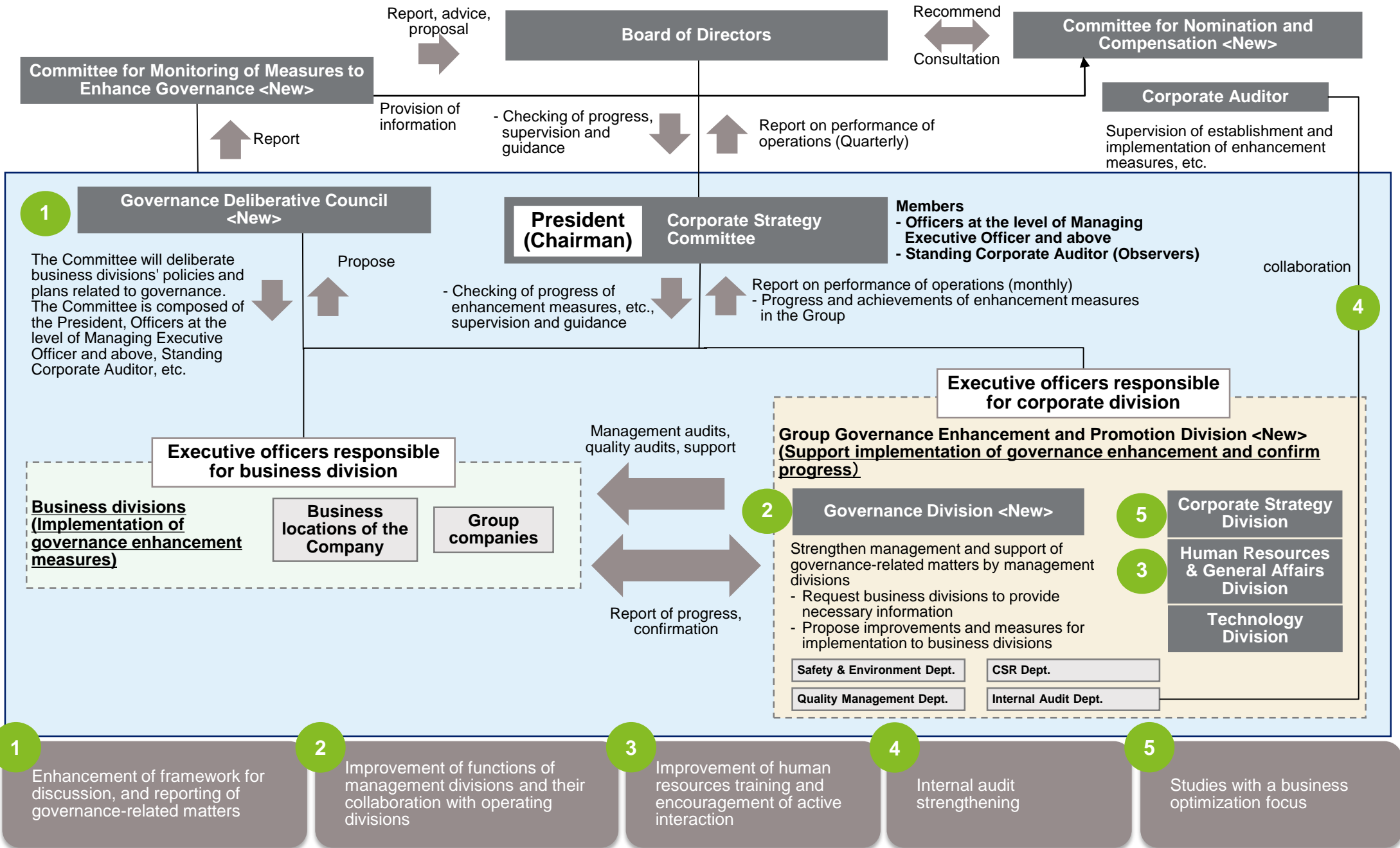
It will also monitor any performance and achievements of internal directors related to the measures.

Committee for nomination and compensation

The Committee will deliberate matters such as the policy and standard for the election and removal of directors and executive officers and proposal of candidates, succession plan of management executives, and systems and levels of remuneration based on information obtained from the Committee for monitoring of measures to enhance governance, and will recommend to the Board of Directors.

As an important organ for enhancement of the Company's corporate governance framework, the Committee will responsibly fulfil its important role with respect to decisions on the election and removal of directors and executive officers and systems of remuneration.

Promotion Framework for Governance Framework Enhancement



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FY2018 Result (Comparison with YoY Result)

Comparison with YoY Result

Net sales: Net sales went up, mainly due to the rising copper prices and increased sales quantity of products such as cemented carbide products.

Operating profit: Operating profit rose, particularly in the Metals, and Advanced Materials & Tools business, mainly due to the sales quantity effect and the yen depreciation.

Ordinary income: Ordinary income increased, mainly reflecting increases in operating profit and dividends from copper mines.

Net income*: Net income increase, chiefly reflecting higher ordinary income.

Dividend: Annual dividend per share increased by ¥20 to ¥80, in accordance with the capital policy set out in the Medium-Term Management Strategy.

(¥ billions)	FY2017 Result (a)	FY2018 Result (b)	Difference (b)-(a)
Net sales	1,304.0	1,599.5	+295.4
Operating profit	59.7	72.8	+13.0
Ordinary income	63.9	79.6	+15.6
Net income *	28.3	34.5	+6.2
Net income per share (yen) *1	216.44	264.15	+47.71
Dividend per share (yen) *1	60	80	+20
Exchange rate USD (yen / \$)	108	111	+3
Copper price (LME) (¢ / lb)	234	292	+58

*1 A consolidation of shares of the Company's common stock at a 10:1 ratio was executed, with an effective date of October 1, 2016. According to this, net income per share and dividend per share are calculated on the assumption that the consolidation of its shares was conducted at the beginning of FY2017.

* Net income attributable to owners of parent

FY2018 Result (Comparison with Previous Forecast)

Com- parison with Previous Forecast

Net sales: Net sales were more or less on a par with the previous forecast.

Operating profit: Operating profit exceeded the forecast mainly due to better-than-anticipated sales of cemented carbide products.

Ordinary income: Ordinary income exceeded the forecast, mainly reflecting an increase in operating profit.

Net income*: Net income was on par with the previous forecast mainly due to deterioration in extraordinary income (loss).

Dividend: The previous forecast was left unchanged.

(¥ billions)	FY2018 Forecast (a) (Announced on Feb. 13)	FY2018 Result (b)	Difference (b)-(a)
Net sales	1,580.0	1,599.5	+19.5
Operating profit	70.0	72.8	+2.8
Ordinary income	78.0	79.6	+1.6
Net income *	35.0	34.5	-0.4
Net income per share (yen)	267.23	264.15	-3.08
Dividend per share (yen)	80	80	-
Exchange rate USD (yen / \$)	112	111	-1
Copper price (LME) (¢ / lb)	288	292	+4

* Net income attributable to owners of parent

FY2019 Full Year Forecast

Comparison with YoY Result

Net sales: Net sales will increase mainly due to rising copper prices.

Operating profit: Although net sales are expected to rise due to such as ready-mixed concrete in the U.S. and cemented carbide products, operating profit will fall largely due to the impact of the external factor including energy costs and foreign exchange rates.

Ordinary income: The decline will be smaller than at the operating profit stage, chiefly due to an improvement in equity in earnings of affiliates.

Net income*: Net income will increase mainly due to an improvement in extraordinary income (loss).

Dividend: The annual dividend per share will be ¥80, the same as the previous fiscal year, in accordance with the capital policy set out in the Medium-Term Management Strategy.

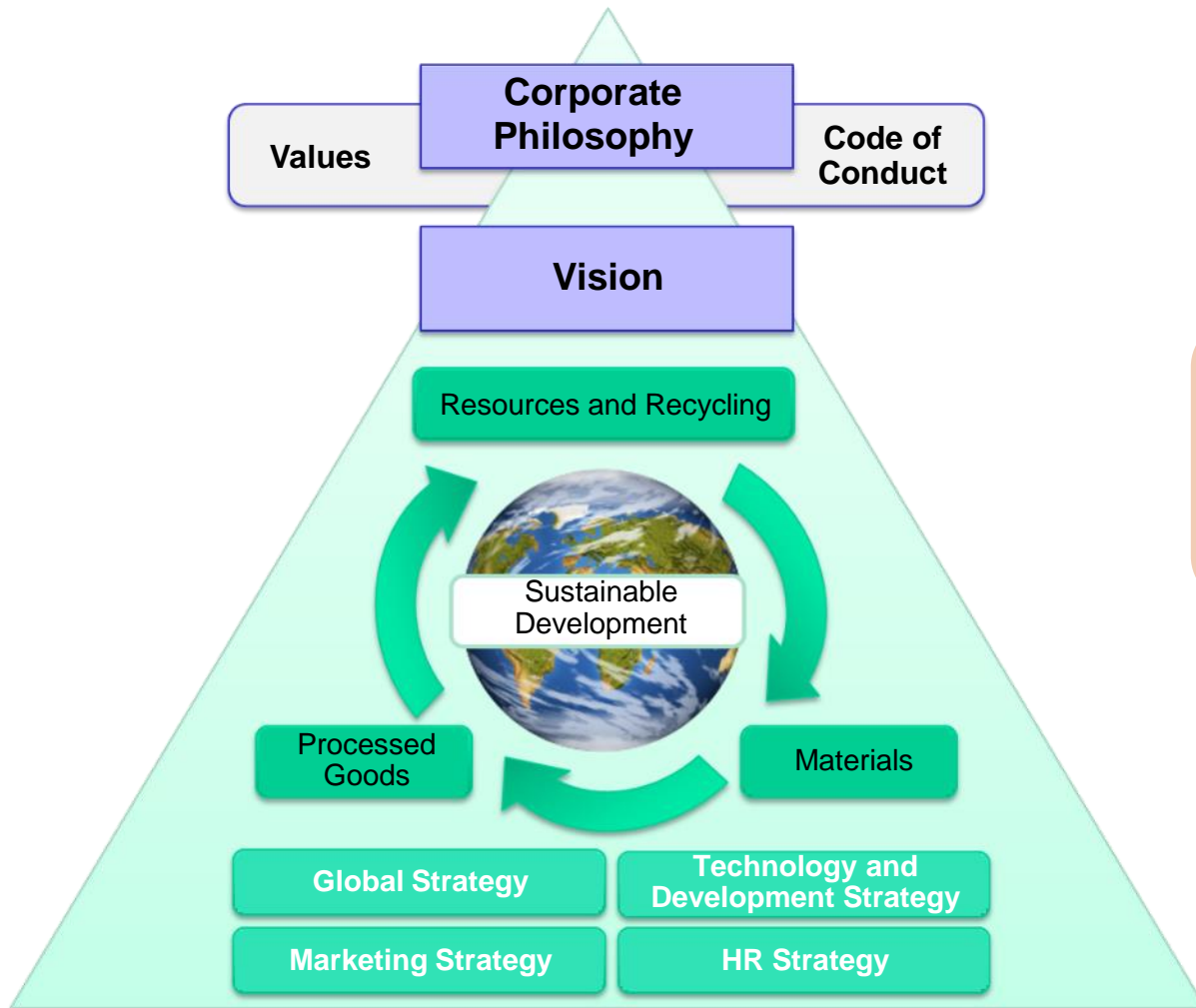
(¥ billions)	FY2018 Result (a)	FY2019 Forecast (b)	Difference (b)-(a)
Net sales	1,599.5	1,660.0	+60.4
Operating profit	72.8	67.0	-5.8
Ordinary income	79.6	79.0	-0.6
Net income *	34.5	35.0	+0.4
Net income per share (yen)	264.15	267.23	+3.08
Dividend per share (yen)	80	80	-
Exchange rate USD (yen / \$)	111	107	-4
Copper price (LME) (¢ / lb)	292	310	+18

* Net income attributable to owners of parent

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Group-wide Policy



Long-term Management Policy

Medium-to-long-term Goals (the company in the future)

- ◆ Leading company in domestic and overseas key markets
- ◆ Achieving high profitability and efficiency
- ◆ Achieving growth that exceeds the market growth rate

Group-wide Policy

- ◆ Optimization of business portfolio
- ◆ Comprehensive efforts to increase business competitiveness
- ◆ Creation of new products and businesses

Medium-Term Management Strategy

Key Strategies in FY2020 Strategy

- ◆ Achieve growth through innovation
- ◆ Create value by building a recycling-oriented society
- ◆ Increase the company's market presence through investment for growth
- ◆ Increase efficiency through continuous improvement

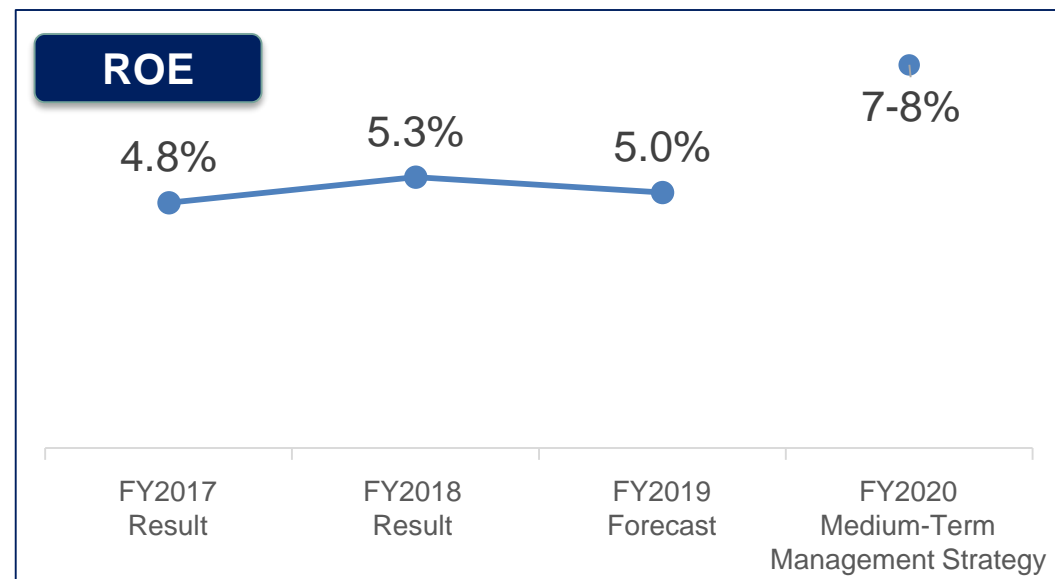
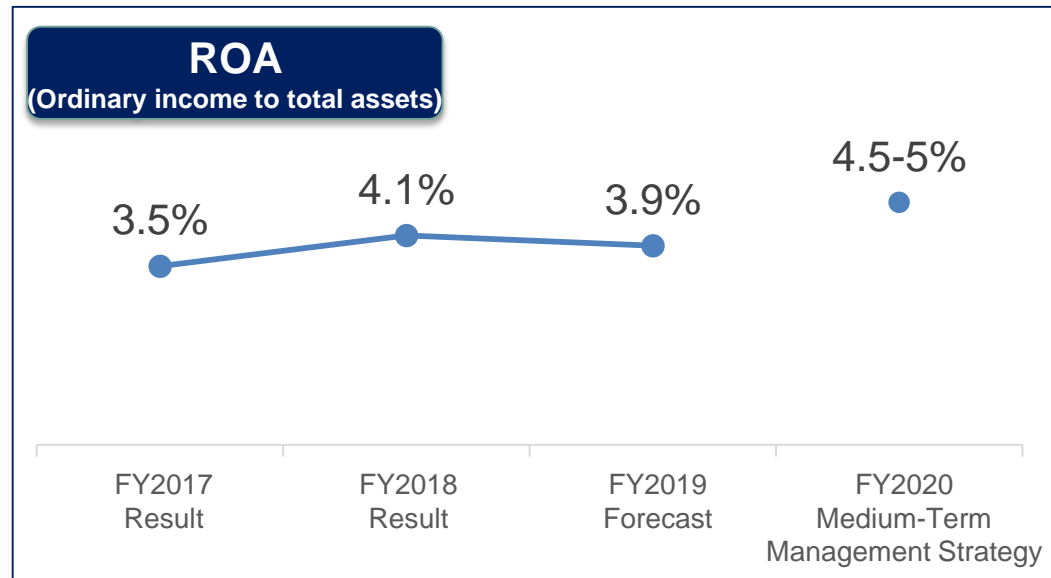
Rolling Review of Medium-Term Management Strategy

Rolling Review of Medium-Term Management Strategy

- ◆ Growth strategies and investment plan for upcoming three years under the Medium-Term Management Strategy are reviewed every year.
- ◆ There has been no major change in the business environment, etc. since formulation in FY2018.

→ There are no major changes to the basic strategies, investment plan and provisional financial calculations of the Group and each business.

Provisional financial calculations



Capital Policy

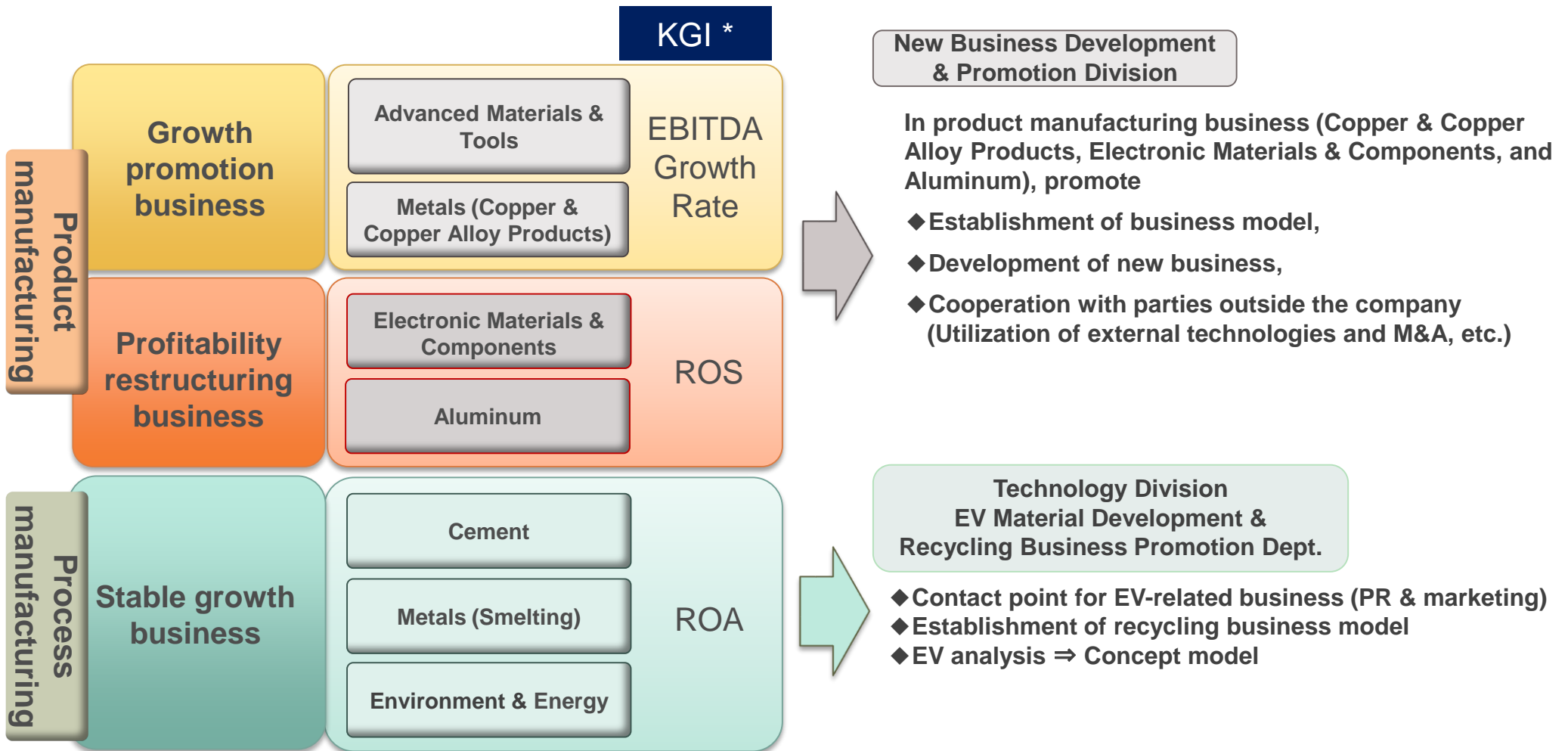
	FY2017 (Results)	FY2018-2020
Dividend	60 yen/share	80 yen/share

- ◆ While the Company's performance is changed, its policy is to maintain stable dividends, and annual dividends during the FY2018-2020 period will be 80 yen per share (same as dividend in FY2018).
- ◆ If the consolidated dividend payout ratio is lower than 25%, however, the Company will temporarily increase the dividend or purchase treasury stock.

* A consolidation of shares of the Company's common stock at a 10:1 ratio was executed, with an effective date of October 1, 2016. According to this, dividend per share for FY2017 is calculated on the assumption that the consolidation of its shares was conducted at the beginning of the FY2017.

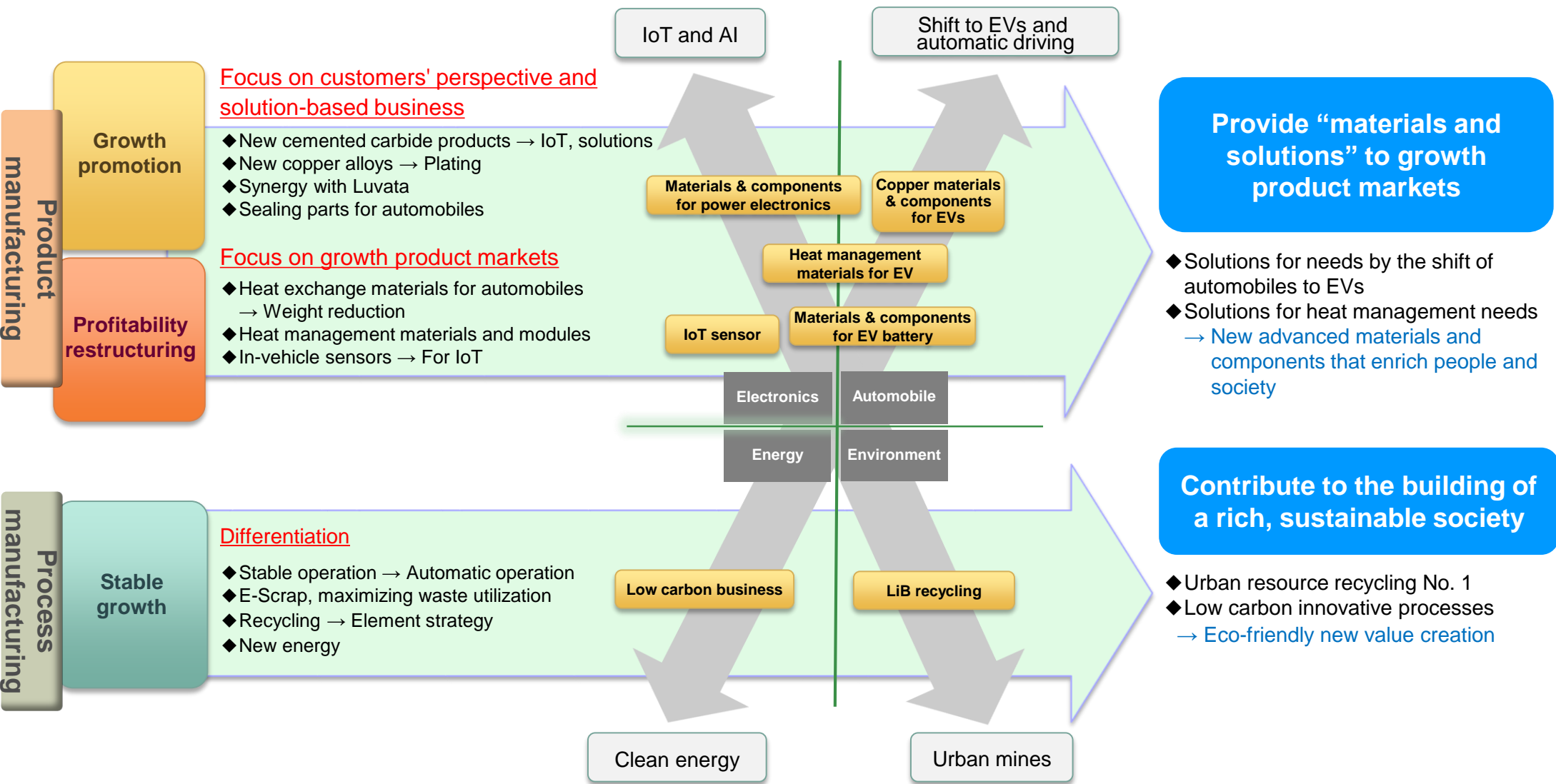
Optimization of Business Portfolio

Creation of New Products and Business



- ◆ Set performance indices (KGIs and KPIs) appropriate for each business and commence operations
- ◆ Incorporate governance perspective when optimizing of business portfolio
- ◆ Establish organization to create new business in both process and product manufacturing businesses (from April, 2018)

Creation of New Products and Business



Key Measures to Strengthen and Restructure the Business Since April 2017

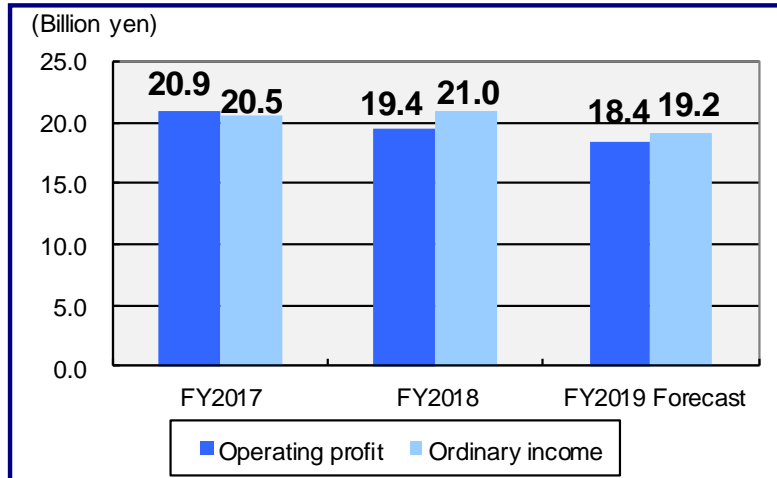
Key Business Strengthening and Acquisition of Shares	
Cement Business	<ul style="list-style-type: none"> Capacity of waste plastic processing at Kyushu Plant increased 1.7 times
Metals Business	<ul style="list-style-type: none"> “Luvata Special Products Division” became a consolidated subsidiary through completion of the acquisition of shares
	<ul style="list-style-type: none"> “MM Metal Recycling B.V.”, an E-Scrap sampling facility established in the Netherlands, went into operation
Advanced Materials & Tools Business	<ul style="list-style-type: none"> “Central Japan Technical Center” was established
	<ul style="list-style-type: none"> “TianJin LingYun tool Design Co.,LTD.” was relocated, and improved and expanded
	<ul style="list-style-type: none"> Tungsten recycling capacity at Japan New Metals Co., Ltd. was increased 1.5 times
Other business	<ul style="list-style-type: none"> “KitaKyushu Ash Recycle Systems Co., Ltd.”, which is engaged in the treatment of incineration fly ash, went into operation
Common	<ul style="list-style-type: none"> “New Business Development & Promotion Division” and “EV Material Development & Recycling Business Promotion Dept.” were established
	<ul style="list-style-type: none"> Investment to “Incubation Alliance, Inc.”, which is involved in the development and manufacture of new carbonaceous material “graphene”
Key Business Restructuring and Sales of Shares	
Advanced Materials & Tools Business	<ul style="list-style-type: none"> All shares in “Hitachi Metals MMC Superalloy, Ltd.” were sold
Common	<ul style="list-style-type: none"> All shares in “Mitsubishi Materials Real Estate Corporation” were sold

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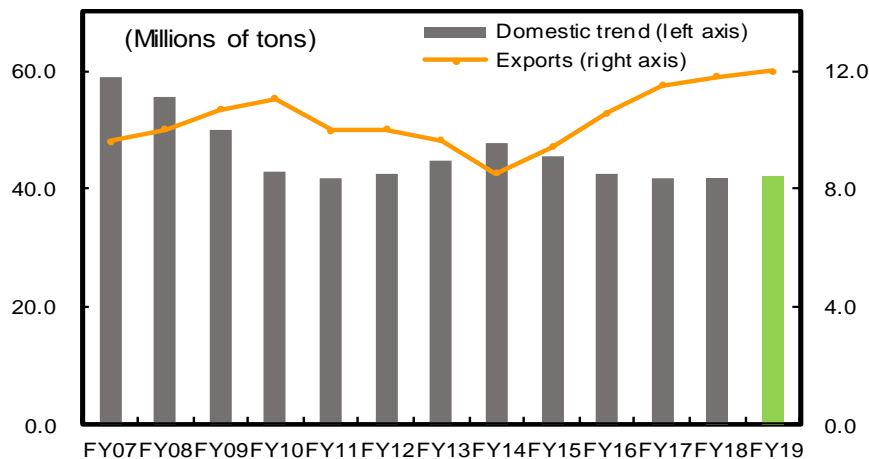
1. Respond to the Matters of Non-Conforming Products (P3-18)
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5. Recap (P45)

Cement Business

Performance History (Cement)



Demand history (domestic / export)



(Source: Japan Cement Association, forecast at the beginning of the fiscal year)

Business Forecast for FY2019

◆ Trends of demand

- For FY2019, domestic demand assumption of the Company is 42.5 million tons, which is a forecast increase of 1.5% from FY2018
- As for exports, firm demand especially in the Oceania and Asia is expected

◆ Sales price

- In response to rising manufacturing and logistics costs, price revision of 1,000 yen or more per ton was announced, starting from April 1, 2018 shipments

◆ Waste disposal processing

- Coal ash processing prices will be raised and acceptance and processing quantity of waste plastic will be expanded

Key strategy: Fortifying the domestic foundation for competitiveness

- Capacity of waste plastic processing increased
(operations began in Feb. 2018)
→ Capacity at Kyushu Plant increased 1.7 times
- Consider increasing berth capacity for export at Kyushu Plant
→ To accommodate expansion of export volume when domestic demand declines

United States

Business Forecast for FY2019

◆ Trends of demand (Southern California)

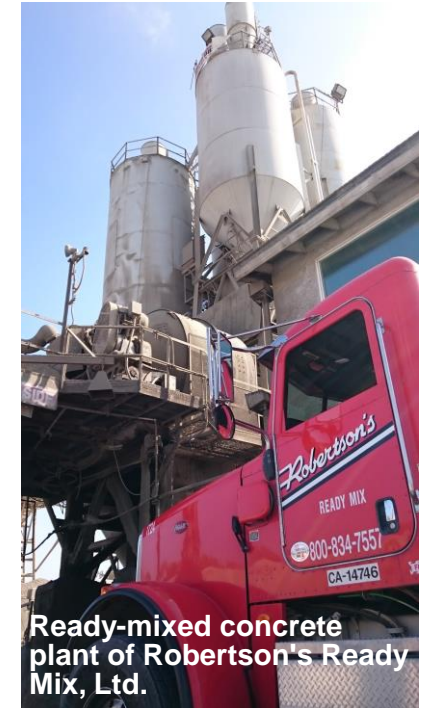
- Demand is expected to continue growing in the region, driven by demand for private housing and non-residential in the private sector

◆ Production & sales plan

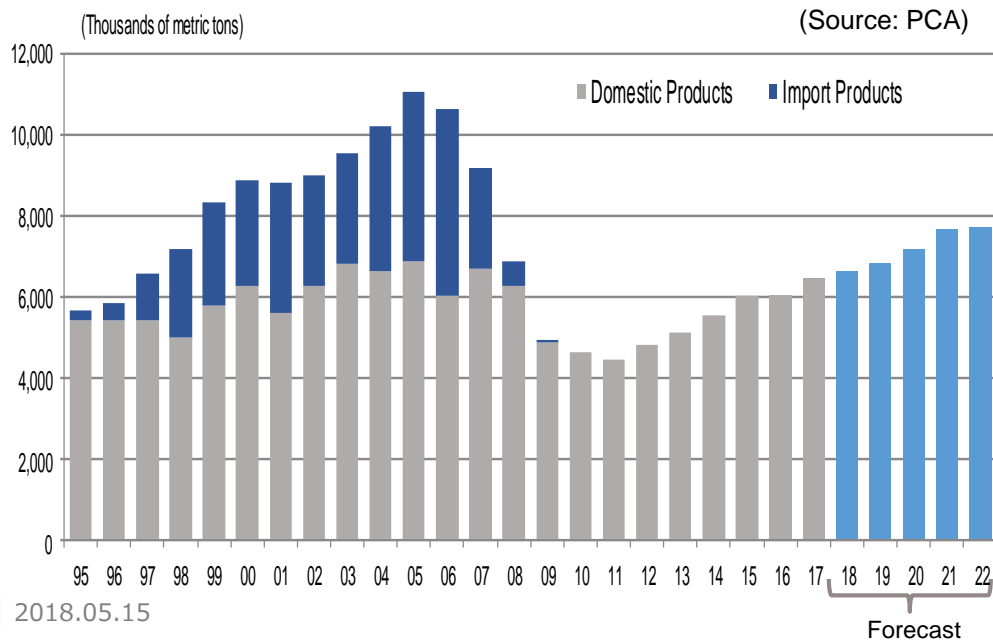
- Cement (Mitsubishi Cement Corporation (MCC)) plans full-capacity production as in FY2018
- Ready-mixed concrete (Robertson's Ready Mix, Ltd. (RRM)) expects increased sales

◆ Sales price

- Both cement (MCC) and ready-mixed concrete (RRM) plan further price increases



Demand history for cement in Southern California



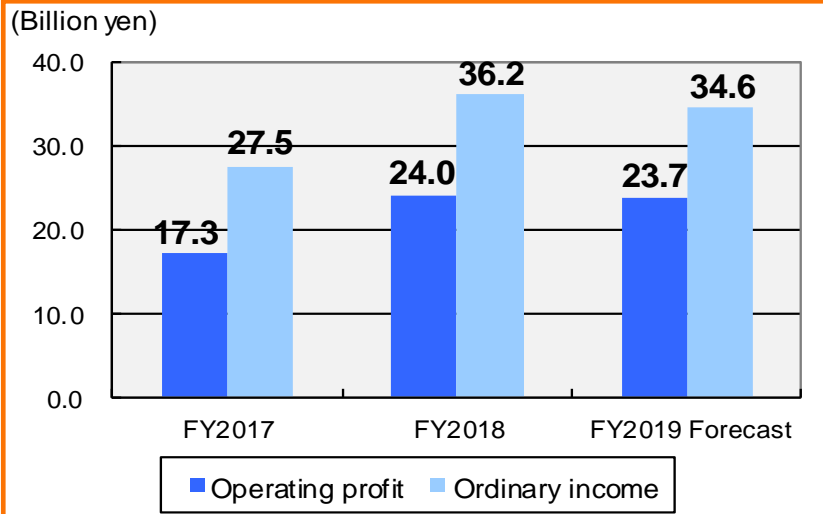
Key strategy: Expansion of the US business (Robertson's Ready Mix, Ltd.)

- New ready-mixed concrete plant in Simi Valley, northwest of Los Angeles, plan to go into operation (in second half of FY2019)
- Systematically promote expansion of existing mines and acquisition of new mines with aim of securing aggregate resources

Metals Business

Mining

Performance History (Metals)



Business Forecast for FY2019

◆ Dividend income

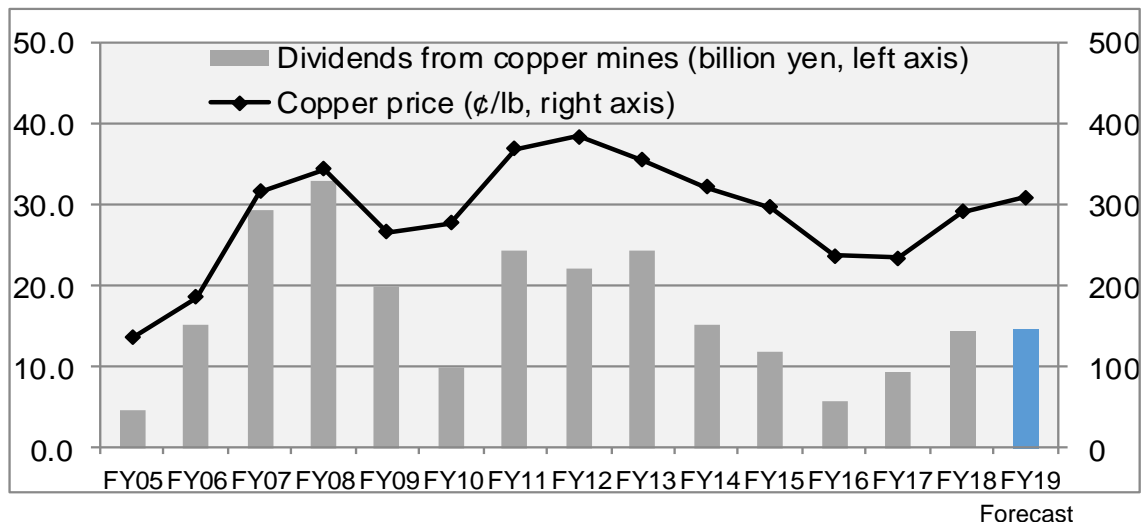
- Expected to increase ¥0.3 billion from FY2018, to ¥ 14.6 billion



◆ Investment for copper mines

- Continue to develop new mines aiming for stable procurement of copper ore
- Continue to consider acquisition of new mining stakes

Dividends from Copper Mines & Copper Price



Key strategy: Develop new projects

- To promote the Zafranel project in Peru
→ Aim to complete F/S in FY2019
- Continue to consider acquisition of new mining stakes
→ Considering development of new mines utilizing technology built up in copper smelting and refining business

Long-term controlled volume ratio target



Approx. 50% (early 2020s)

* Controlled volume ratio: The ratio of the volume of ore according to mining interests plus the volume under off-take agreements

Smelting

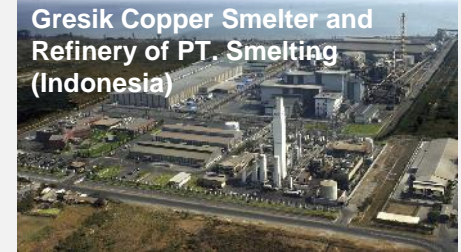
Business Forecast for FY2019

◆ Status of operation at smelters

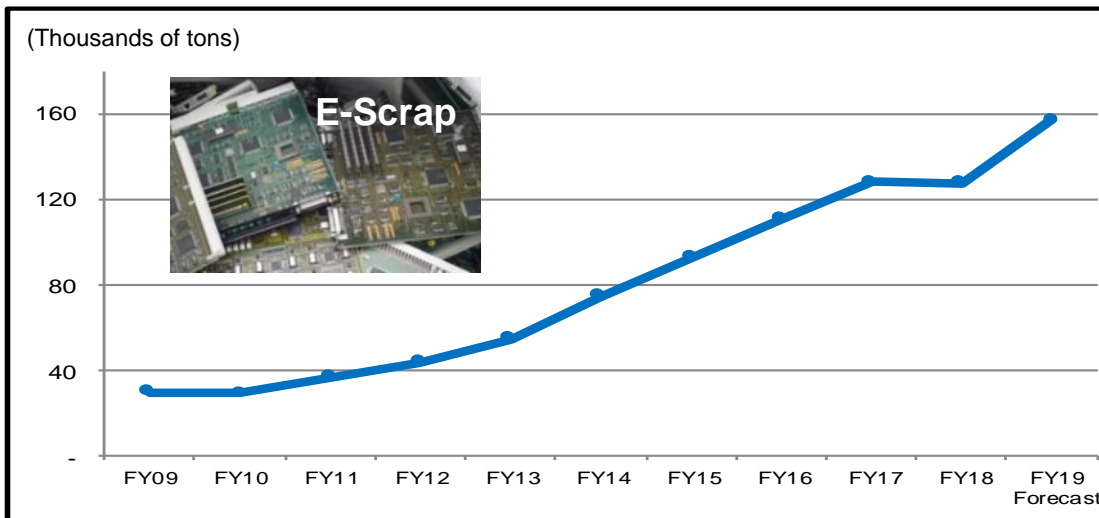
- Naoshima Smelter & Refinery, Onahama Smelting and Refining Co.,Ltd. and PT. Smelting plan a high level of operations
- Large-scale periodic repairs in FY2019 are planned at PT. Smelting (first half) and Naoshima Smelter & Refinery (second half)

◆ Recycling (E-Scrap)

- Recycling capacity has increased to approx. 160,000 tons a year



History of E-scrap treatment capacity (Naoshima & Onahama)



Key strategy: Increasing E-Scrap recycling

- The E-Scrap recycling facility in the Netherlands began operation (Feb. 2018) → Capacity increased 20,000 tons, to 160,000 tons
- Considering additional investment from FY2020, aiming to increase capacity to 200,000 tons by 2021

Copper & Copper Alloy Products

Business Forecast for FY2019

◆ Mitsubishi Shindoh Co., Ltd.

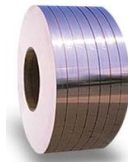
- Continued strong demand centering on terminal materials for automobiles and leadframes for semiconductors is expected
- Capital expenditure to improve productivity is planned

◆ Mitsubishi Cable Industries, Ltd.

- The top priority will be to implement preventive measures of the Matters of Non-Conforming Products and to return to normal operations

◆ Luvata Special Products (SP) Division

- Luvata SP will contribute to consolidated results as full year starting from FY2019 and creation of business synergies will be achieved



Copper strips (Mitsubishi Shindoh)



Superconducting wires and cables (Luvata SP)



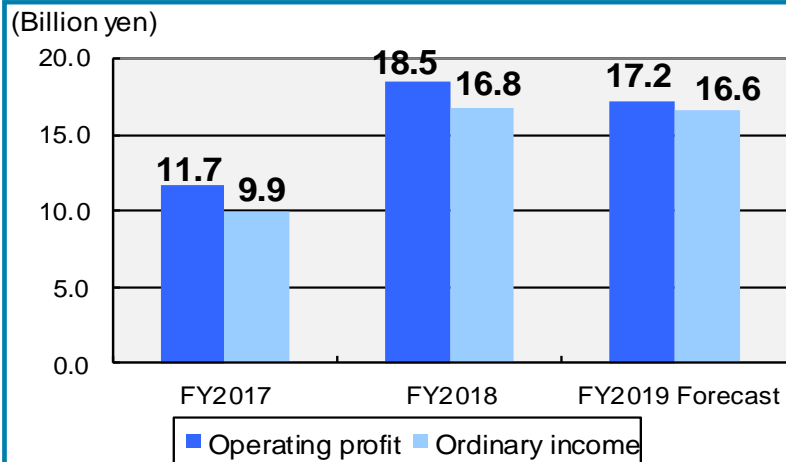
Welding electrodes (Luvata SP)

Key strategies	Tactics			
	Mitsubishi Shindoh (rolling)	Mitsubishi Shindoh (extrusion)	Mitsubishi Cable Industries	MMC Sakai Plant
● Focus on high value-added areas	- Increase sales of terminal materials for automobiles (MSP alloys and PIC plating)	- Increase sales, taking advantage of the features of ECOBRASS® - Boost sales of high quality copper alloys	- Increase sales of sealing parts	- Increase sales of ROX® alloys - Boost sales of trolley wire, target materials and high purity copper
● Business expansion	- Create synergy with Luvata			- Create synergy with Luvata
● Efforts for the future	- Develop high-performance plating - Shift of automobiles to EVs, etc.	- Establish sales and production systems to prepare for ELV and RoHS Directive - Establish system for increased production of copper alloys	- Develop sealing parts for automobiles	
	- Establish the foundation for increasing sales of terminal materials and new alloys			
	- Strengthen the production system			

Advanced Materials & Tools Business

Cemented Carbide Products

Performance History (AM&T)



Business Forecast for FY2019

◆ Demand and sales forecast

- Firm sales environment is expected globally
- Announced sales price revision from April 1, 2018 due to rising raw material costs
- Increased the capacity of recycling tungsten, a raw material of cemented carbide products, by 50% (October 2017)



Key strategy: Increase capacity to provide solutions

- Established the Central Japan Technical Center (June, 2017)
- Relocated, improved and expanded TianJin LingYun tool Design Co.,LTD. in China (October, 2017)
- Plan to establish new technical centers in Germany and India



Central Japan Technical Center



TianJin LingYun tool Design Co.,LTD

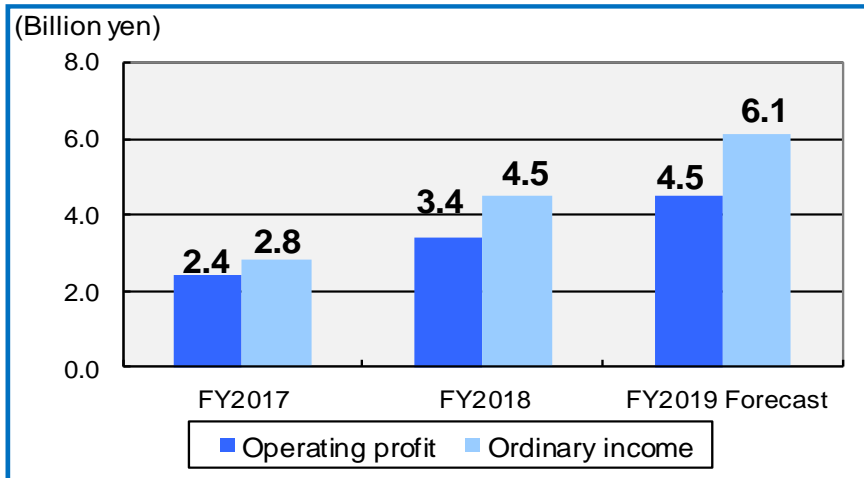
Key strategy: Reinforce the Key Account strategy

- Participated in “OMIC R&D” at cooperative research institute for government, industry and academia in Oregon, US (November 2017)
- 15th cooperative research institute for government, industry and academia established around the world, and led by The Boeing Company
- We will strive for further growth as a global player driven by the activities at OMIC R&D

Electronic Materials & Components Business

Electronic Materials & Components Business

Performance History (EM&C)



Key strategy: Lineup of high value-added products

★ Major new products since April, 2017

- New silver alloy sputtering target for organic EL displays
- “EFrontier™”, a fluorine compound with hydrophilic oil-repellent
- Multiband antennas for cellular bands worldwide for automotive telecommunications equipment
- Aluminum heat sink-integrated substrate module for automotive LED headlamps
- World's first gold-tin alloy solder paste that does not require a washing process

Overview

◆ Advanced Materials

- Resources will be focused on growth products such as silicon materials and components for semiconductor manufacturing equipment (precision silicon products, silicon parts)

◆ Electronic Components

- Sales of thermistor sensors (temperature sensors) for air conditioners are expected to increase
- Planning capital expenditure for increasing production to meet strong demand

◆ Silicon

- Rising prices of metallurgical silicon, which is the raw material, will lead to higher costs
- Operation will be increased to full-capacity production to improve profitability

Key strategy: Develop and nurture strong new businesses

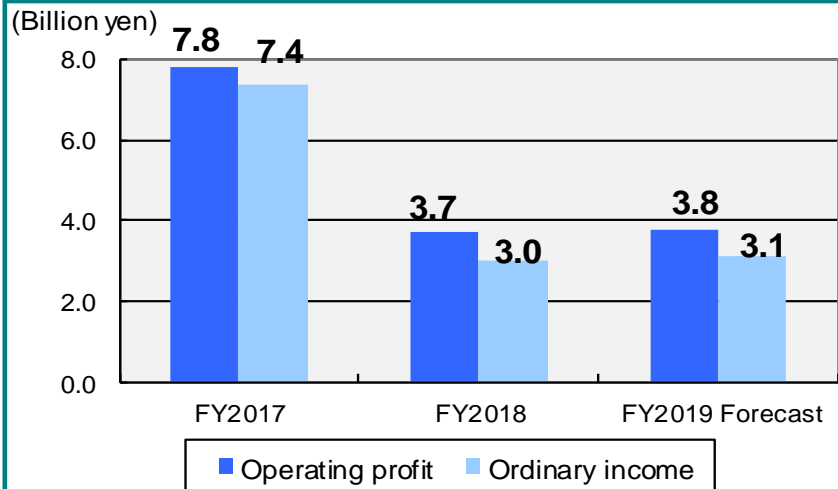
● Established “Antenna Solution Center” inside Saitama Property Management Office

- To meet needs for solutions which are increasing due to expansion of the IoT market, strengthening structure and proposing optimization of wireless communication to more customers

Aluminum Business

Aluminum Business

Performance History (Aluminum)



Overview

◆ Mitsubishi Aluminum Co., Ltd.

(Rolled and extruded products)

- Sales of heat exchanger sheet materials for automobiles, and lithium-ion battery cases are expected to remain strong

◆ Universal Can Corporation (Aluminum beverage cans)

- Sales of bottle cans fell in the previous fiscal year, pushed down by PET bottle products
- In FY2019, sales of regular cans are expected to recover, and sales of bottle cans are expected to fall

Mitsubishi Aluminum Co., Ltd.

Key strategies

- Shift the heat exchanger sheet materials for automobiles through selection and concentration
- Establish a new production base for heat exchanger sheet materials for automobiles in North America
 - Continuing consideration with Gränges, the world's largest manufacturer in the industry



Universal Can Corporation

Key strategies

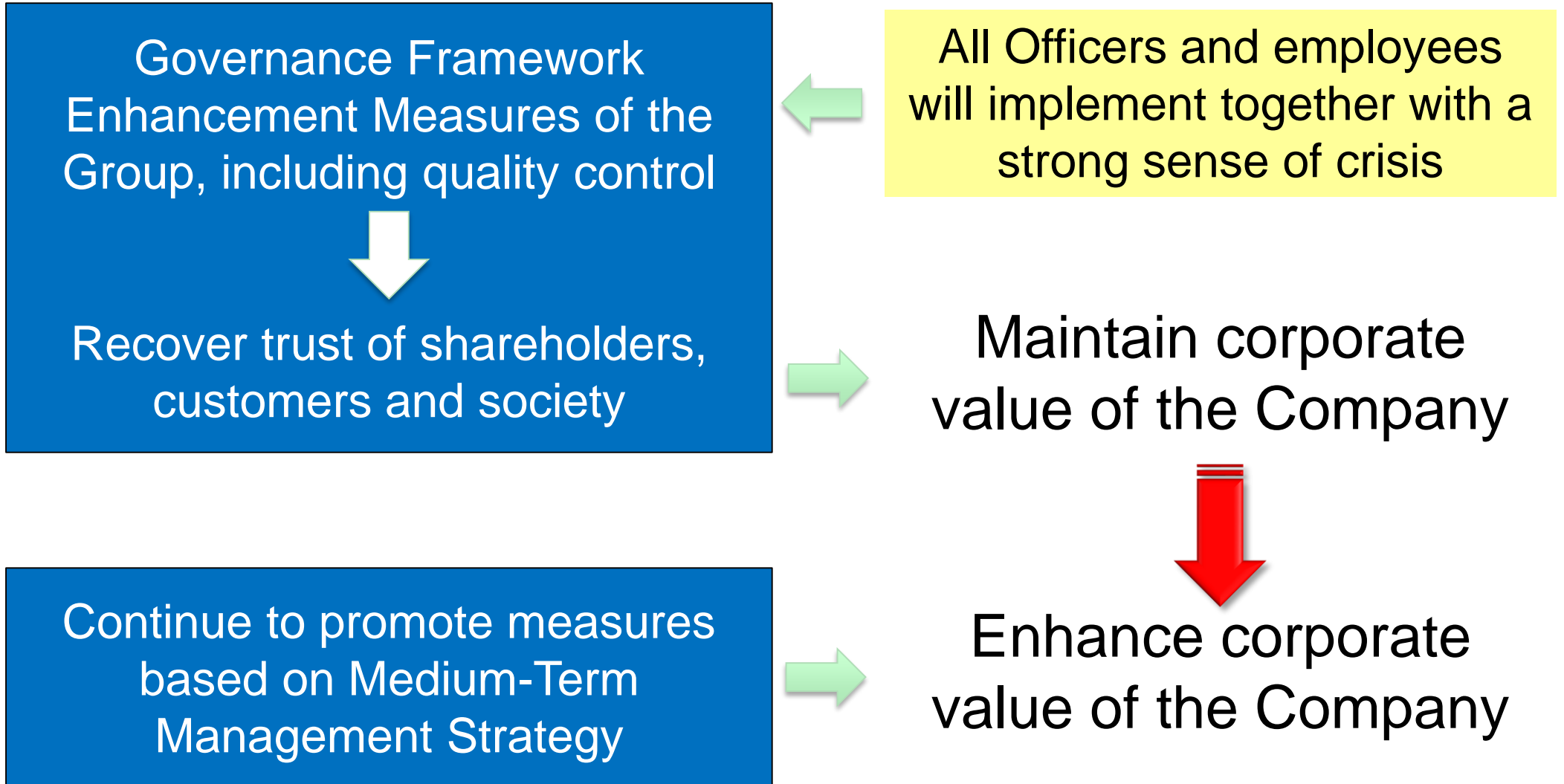
- Increase sales of bottle cans and develop and launch cans with new shapes
 - Establishing a new production line at Gifu Plant
- Promote UBC recycling
- Development overseas business
 - Considering development business in the Southeast Asian market, etc.



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Recap



◆ 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.

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