

MITSUBISHI MATERIALS CORPORATION

Supplementary Explanation of Consolidated Financial Results
for the Nine Months Ended December 31, 2019

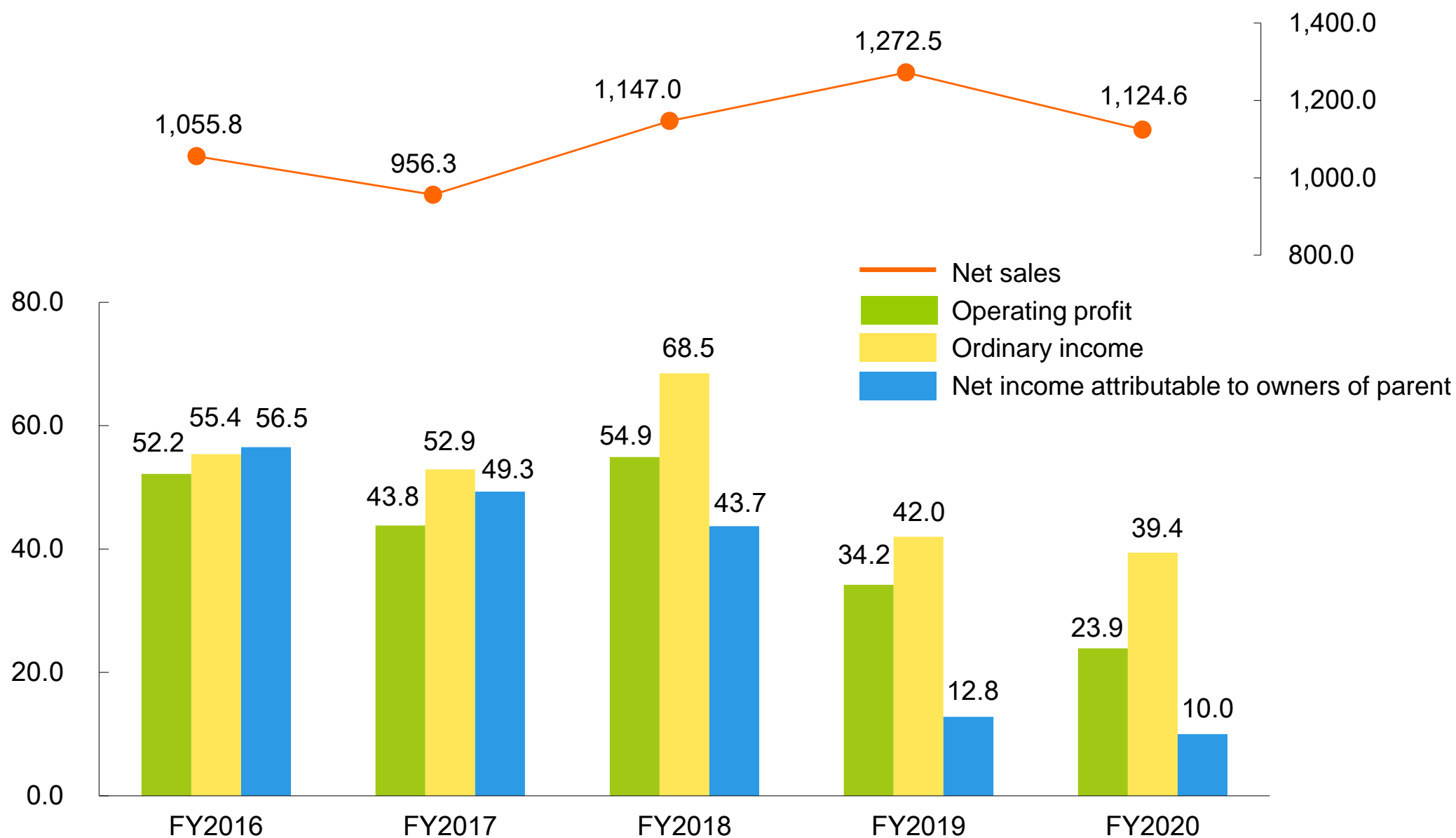
February 12, 2020

Contents

1. Performance Overview (P. 3 - 4)
2. Comparison with the Previous Year Result (P. 5 - 8)
3. Consolidated Balance Sheet (P. 9)
4. FY2020 Performance Forecast (P. 10 - 12)
5. (Reference) Performance Overview (Quarterly) (P. 13)

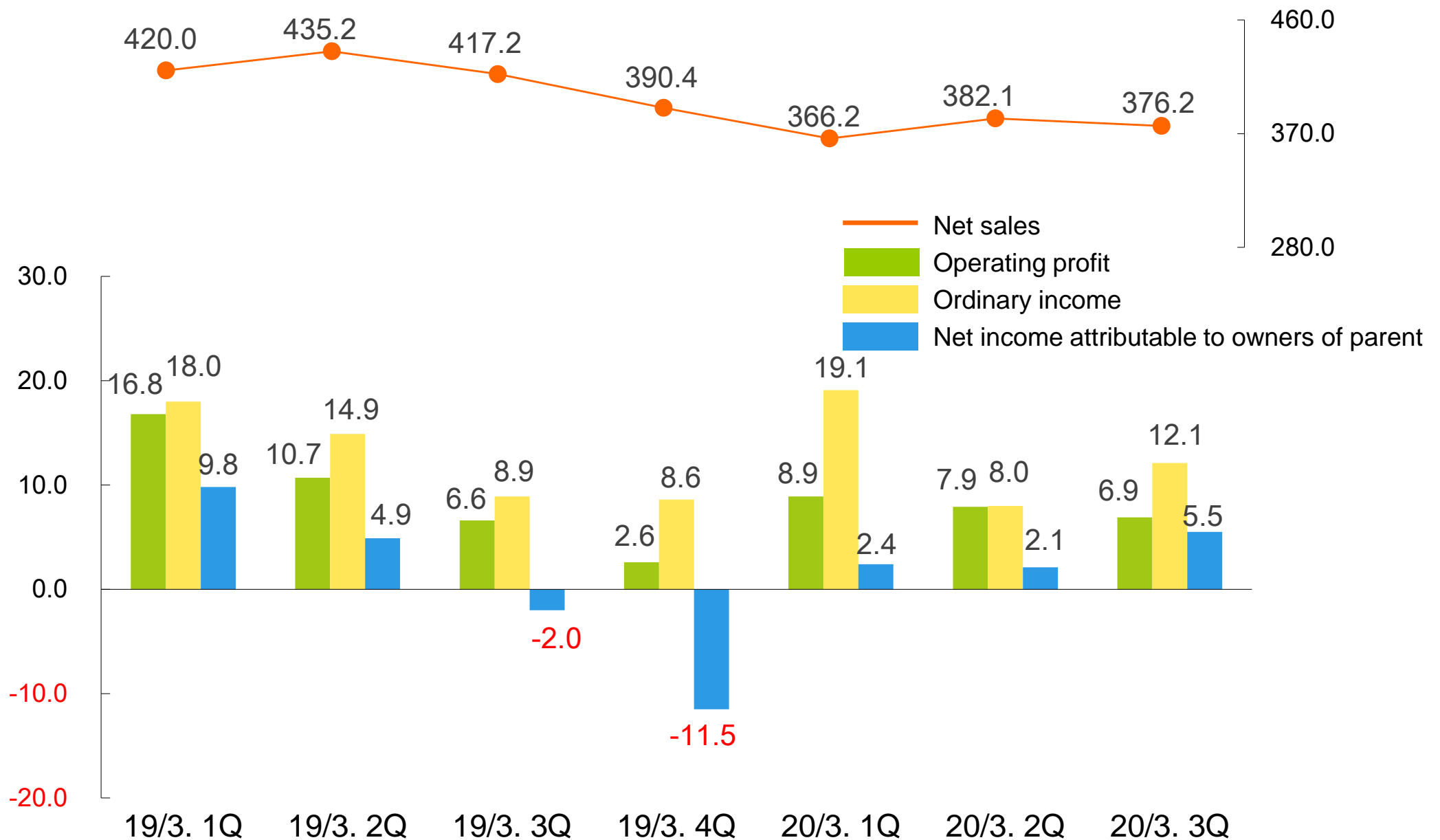
Performance Overview (for the Nine Months)

[Unit: ¥ billions]



Performance Overview (Quarterly)

[Unit: ¥ billions]



Comparison with the Previous Year Result (Consolidated Statements of Operations)

[Unit: ¥ billions]

	FY2019 Nine Months' Result (a)	FY2020 Nine Months' Result (b)	Difference (b)-(a)	Reason *
Net sales	1,272.5	1,124.6	-147.9	* AP: Advanced Products MS: Metalworking Solutions AP -45.7、MS -14.9、Metal -83.1、Cement -11.9 etc.
Operating profit	34.2	23.9	-10.3	AP -9.7、MS -6.5、Metal +10.6、Cement -4.4 etc.
Net interest and dividends income	10.4	15.0	4.6	Dividend income +4.6 etc.
Equity in earnings of affiliates	1.5	3.3	1.8	
Other Non-operating profit / loss	-4.1	-2.9	1.1	
Ordinary income	42.0	39.4	-2.6	
Extraordinary income / loss	-11.9	-10.9	1.0	Loss on the Antimonopoly Act -10.4, Gain on sales of investment securities +1.7, Provision for environmental measures +6.5, Loss on valuation of investment securities +1.3 etc.
Income taxes	-12.7	-14.4	-1.6	
Net income attributable to non-controlling interests	-4.4	-4.0	0.4	
Net income attributable to owners of parent	12.8	10.0	-2.7	
Exchange rate (USD)	111	109	-2	JPY / \$
Exchange rate (EUR)	129	121	-8	JPY / €
Copper price (LME)	289	269	-20	¢ / lb

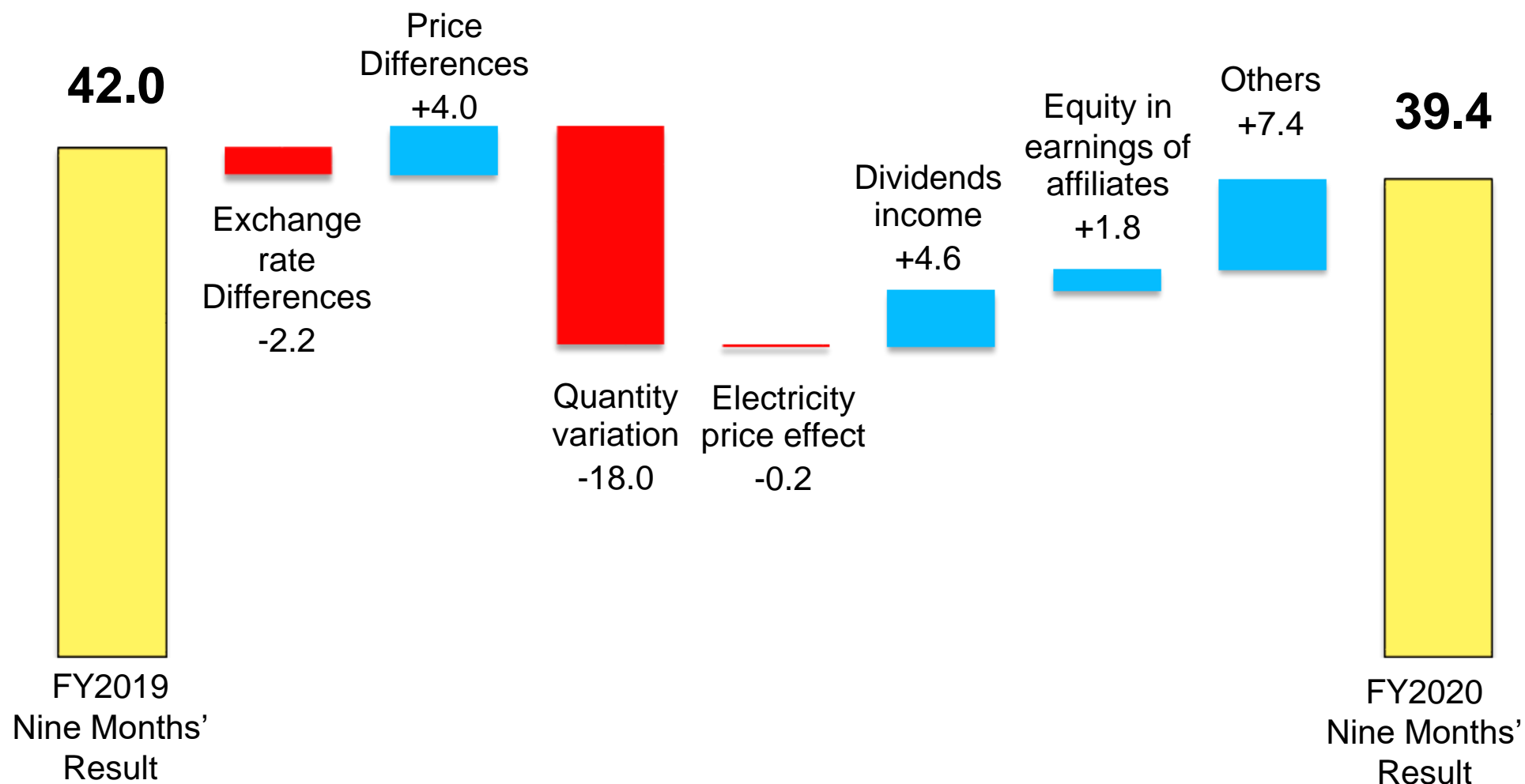
Comparison with the Previous Year Result (Statistics)

■ Statistics

		FY2019	FY2020	
		Nine Months'	Nine Months'	Difference
		Result (a)	Result (b)	(b)-(a)
Sales volumes of copper & copper alloy products	(thousand tons)	106	99	-7
Sales volumes of aluminum sheet products	(thousand tons)	80	76	-4
Sales volumes of aluminum extrusion products	(thousand tons)	13	11	-2
Sales volumes of copper cathodes (in-house product)	(thousand tons)	234	225	-9
Sales volumes of copper cathodes (PTS)	(thousand tons)	185	202	17
Dividends from copper mine	(¥ billion)	7.8	12.6	4.8
Total demand for cement in Japan	(million tons)	32.52	31.33	-1.18
Cement sales volumes for MMC-Domestic	(million tons)	5.61	5.04	-0.57
Cement sales volumes for MMC-Exports	(million tons)	1.52	1.51	-0.01
Cement sales volumes in the U.S.	(million tons)	1.15	1.08	-0.07
Ready-mixed concrete sales volumes in the U.S.	(million cy)	6.06	6.30	0.24

Comparison with the Previous Year Result (Factor Analysis of Ordinary Income)

[Unit: ¥ billions]



Comparison with the Previous Year Result (Factor Analysis by Segment)

[Unit: ¥ billions]

		FY2019 Nine Months' Result (a)	FY2020 Nine Months' Result (b)	Differences (b)-(a)	Exchange rate differences	Price differences	Quantity variation	Electricity price effect	Dividends income	Equity in earnings of affiliates	Others	
Advanced Products	Net sales	435.3	389.6	-45.7	-3.7	-11.0	-31.2	-	-	-	0.2	
	Operating profit	10.8	1.0	-9.7	-0.2	0.8	-6.0	-0.1	-	-	-4.2	
	Ordinary income	10.6	1.8	-8.8	-0.2	0.8	-6.0	-0.1	-0.2	0.1	-3.2	
	Copper & Copper Alloy	Net sales	266.4	233.0	-33.4	-3.1	-10.2	-20.3	-	-	-	0.2
		Operating profit	7.2	3.7	-3.4	-0.2	0.5	-2.8	-0.0	-	-	-0.9
		Ordinary income	6.1	3.3	-2.7	-0.2	0.5	-2.8	-0.0	-0.0	0.1	-0.3
	Electronic Materials & Components	Net sales	54.0	52.5	-1.5	-0.4	-0.1	-1.0	-	-	-	-
		Operating profit	2.6	-0.6	-3.2	-0.0	0.0	-1.4	-0.1	-	-	-1.7
		Ordinary income	3.9	0.8	-3.1	-0.0	0.0	-1.4	-0.1	-0.1	-0.0	-1.5
Aluminum	Net sales	115.2	104.6	-10.6	-0.1	-0.7	-9.8	-	-	-	-	
	Operating profit	0.9	-2.1	-3.0	0.0	0.2	-1.6	-0.0	-	-	-1.6	
	Ordinary income	0.5	-2.4	-2.9	0.0	0.2	-1.6	-0.0	-0.0	-0.0	-1.5	
Metalworking Solutions	Net sales	130.0	115.0	-14.9	-3.0	1.5	-13.4	-	-	-	-	
	Operating profit	13.7	7.2	-6.5	-1.5	1.6	-8.0	-0.0	-	-	1.4	
	Ordinary income	12.7	6.2	-6.4	-1.5	1.6	-8.0	-0.0	0.0	-	1.5	
Metals	Net sales	564.6	481.4	-83.1	-3.9	-6.5	-72.7	-	-	-	-	
	Operating profit	-1.2	9.4	10.6	-0.1	2.4	-3.0	-0.0	-	-	11.3	
	Ordinary income	3.9	20.7	16.8	-0.1	2.4	-3.0	-0.0	4.8	0.4	12.3	
Cement	Net sales	192.6	180.6	-11.9	-1.9	-3.0	-7.0	-	-	-	-	
	Operating profit	14.0	9.5	-4.4	-0.3	-0.9	-0.5	-0.1	-	-	-2.6	
	Ordinary income	15.7	12.2	-3.4	-0.3	-0.9	-0.5	-0.1	0.1	0.5	-2.2	
Others	Net sales	136.4	131.5	-4.9	-0.5	0.0	-4.4	-	-	-	-	
	Operating profit	5.2	4.4	-0.8	-0.0	0.0	-0.6	-0.0	-	-	-0.2	
	Ordinary income	5.6	5.6	0.0	-0.0	0.0	-0.6	-0.0	0.0	0.7	-0.1	
Elimination, etc.	Net sales	-186.6	-173.7	12.8	0.0	6.0	6.8	-	-	-	-	
	Operating profit	-8.4	-7.7	0.7	0.0	0.0	0.2	-0.0	-	-	0.5	
	Ordinary income	-6.6	-7.3	-0.6	0.0	0.0	0.2	-0.0	-0.1	0.0	-0.7	
Total	Net sales	1,272.5	1,124.6	-147.9	-13.1	-13.0	-122.0	-	-	-	0.2	
	Operating profit	34.2	23.9	-10.3	-2.2	4.0	-18.0	-0.2	-	-	6.1	
	Ordinary income	42.0	39.4	-2.6	-2.2	4.0	-18.0	-0.2	4.6	1.8	7.4	

* As of April 1, 2019, the reporting segments have been changed. In regards of the result for the nine months ended December 31, 2018, the numerical data obtained upon the reclassification under the changed segments is used.

Consolidated Balance Sheet

[Unit: ¥ billions]

	End of Mar. 2019 (a)	End of Dec. 2019 (b)	Difference (b)-(a)
Assets			
Cash and deposits	108.6	73.5	-35.1
Notes and accounts receivable-trade	248.2	238.5	-9.6
Inventories	335.5	375.4	39.8
Other	217.2	261.0	43.8
Current assets, subtotal	909.6	948.6	38.9
Property, plant and equipment and intangible assets	746.1	755.1	8.9
Investments and other assets	282.4	287.6	5.2
Non-current assets, subtotal	1,028.6	1,042.8	14.2
Total Assets	1,938.2	1,991.4	53.1

	End of Mar. 2019 (a)	End of Dec. 2019 (b)	Difference (b)-(a)
Liabilities			
Notes and accounts payable-trade	147.5	121.1	-26.4
Loans payable, bonds payable, and CP	494.7 26%	549.7 28%	54.9
Other liabilities	572.6	602.5	29.9
Liabilities, subtotal	1,214.9	1,273.3	58.4

Net assets			
Capital stock	119.4	119.4	—
Capital surplus and treasury stock	90.2	90.2	-0.0
Retained earnings	352.9	352.7	-0.2
Total other comprehensive income	70.9	72.5	1.6
Non-Controlling interests	89.7	83.0	-6.6
Net Assets, subtotal	723.3 37%	718.0 36%	-5.2

Total liabilities and net assets	1,938.2	1,991.4	53.1
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Shareholders' equity ratio	33 %	32 %
Net debt to equity ratio	0.6 times	0.7 times

FY2020 Forecast: Statistics / Assumptions / Sensitivity

■ Statistics / Assumptions

		※Forecast (Last time)			Forecast (This time)			Difference (b-a) Full Year
		1st Half	2nd Half	(a) Full Year	1st Half Result	2nd Half Forecast	(b) Full Year	
Sales volumes of copper & copper alloy products	(thousand tons)	67	69	136	67	63	130	-6
Sales volumes of aluminum sheet products	(thousand tons)	50	55	105	50	52	102	-3
Sales volumes of aluminum extrusion products	(thousand tons)	7	8	15	7	7	14	-1
Sales volumes of copper cathodes (in-house product)	(thousand tons)	150	167	317	150	162	312	-5
Sales volumes of copper cathodes (PTS)	(thousand tons)	138	141	279	138	133	270	-9
Dividends from copper mine	(¥ billion)	8.8	2.8	11.7	8.8	3.7	12.6	0.8
Total demand for cement in Japan	(million tons)	—	—	42.50	—	—	41.50	-1.00
Cement sales volumes for MMC-Domestic	(million tons)	3.24	3.70	6.93	3.24	3.59	6.82	-0.11
Cement sales volumes for MMC-Exports	(million tons)	1.01	1.12	2.13	1.01	1.15	2.16	0.03
Total demand for cement in the U.S.	(million tons)	—	—	98.67	—	—	98.67	—
Cement sales volumes in the U.S.	(million tons)	0.74	0.73	1.46	0.74	0.72	1.46	-0.00
Ready-mixed concrete sales volumes in the U.S.	(million cy)	4.43	4.06	8.49	4.43	3.90	8.33	-0.16

※Announced on November 7, 2019

■ Sensitivity

	FY2020 4 Q	
Exchange rates Operating profit - 1 yen/\$ (yen depreciation)	0.2	billion yen
Operating profit - 1 yen/€ (yen depreciation)	0.03	billion yen
Copper price (LME) Operating profit ±10¢/lb	0.1	billion yen
Non-operating profit ±10¢/lb	0.0	billion yen

■ Assumptions

4 Q
108 JPY / \$
120 JPY / €
265 ¢ / lb

FY2020 Performance Forecast

[Unit: ¥ billions]

	※Forecast (Last time)			Forecast (This time)			Difference (b-a) Full Year
	1st Half Result	2nd Half Forecast	(a) Full Year	1st Half Result	2nd Half Forecast	(b) Full Year	
Net sales	748.4	781.6	1,530.0	748.4	771.6	1,520.0	-10.0
Operating profit	16.9	14.1	31.0	16.9	10.1	27.0	-4.0
Net interest and dividends income	10.3	3.2	13.5	10.3	4.2	14.5	1.0
Equity in earnings of affiliates	2.1	1.4	3.5	2.1	1.6	3.7	0.2
Other Non-operating profit / loss	-2.2	-3.8	-6.0	-2.2	-3.0	-5.2	0.8
Ordinary income	27.2	14.8	42.0	27.2	12.8	40.0	-2.0
Extraordinary income / loss	-10.9	-1.1	-12.0	-10.9	-59.1	-70.0	-58.0
Income taxes	-9.4	-5.6	-15.0	-9.4	-11.6	-21.0	-6.0
Net income attributable to non-controlling interests	-2.3	-2.7	-5.0	-2.3	-3.7	-6.0	-1.0
Net income attributable to owners of parent	4.5	5.5	10.0	4.5	-61.5	-57.0	-67.0
Exchange rate (USD)	109	108	108	109	108	109	0
Exchange rate (EUR)	121	120	120	121	120	121	0
Copper price (LME)	270	265	268	270	266	268	1
Dividends per share (yen)	40	40	80	40	40	80	—

※Announced on November 7, 2019

FY2020 Performance Forecast by Segment

[Unit: ¥ billions]

		※Forecast (Last time)			Forecast (This time)			Difference	
				(a)	1st Half	2nd Half	(b)	(b-a)	
		1st Half	2nd Half	Full Year	Result	Forecast	Full Year	Full Year	
Advanced Products	Net sales	262.2	256.8	519.0	262.2	250.1	512.4	-6.6	
	Operating profit	0.9	2.5	3.4	0.9	-0.4	0.5	-2.9	
	Ordinary income	1.9	2.8	4.7	1.9	-0.6	1.2	-3.5	
	Copper & Copper Alloy	Net sales	157.1	148.2	305.3	157.1	146.8	303.9	-1.4
		Operating profit	2.5	3.0	5.5	2.5	1.6	4.2	-1.3
		Ordinary income	2.4	2.7	5.1	2.4	1.3	3.7	-1.4
	Electronic Materials & Components	Net sales	34.8	37.3	72.1	34.8	36.3	71.2	-0.9
		Operating profit	-0.4	0.6	0.2	-0.4	0.1	-0.2	-0.4
		Ordinary income	0.9	1.6	2.5	0.9	0.7	1.6	-0.9
	Aluminum	Net sales	70.5	71.2	141.7	70.5	67.2	137.7	-4.0
		Operating profit	-1.2	-1.1	-2.3	-1.2	-2.3	-3.5	-1.2
		Ordinary income	-1.4	-1.5	-2.9	-1.4	-2.7	-4.2	-1.3
Metalworking Solutions	Net sales	78.1	73.1	151.2	78.1	72.2	150.4	-0.8	
	Operating profit	5.9	1.0	6.9	5.9	1.0	6.9	0.0	
	Ordinary income	5.2	0.7	5.9	5.2	0.7	5.9	0.0	
Metals	Net sales	316.5	362.0	678.5	316.5	352.9	669.5	-9.0	
	Operating profit	5.6	3.2	8.8	5.6	5.5	11.2	2.4	
	Ordinary income	13.7	3.6	17.3	13.7	7.7	21.4	4.1	
Cement	Net sales	119.4	115.7	235.1	119.4	120.9	240.4	5.3	
	Operating profit	6.5	9.1	15.6	6.5	5.8	12.3	-3.3	
	Ordinary income	7.9	9.9	17.8	7.9	6.6	14.5	-3.3	
Others	Net sales	84.0	98.0	182.0	84.0	100.4	184.5	2.5	
	Operating profit	2.4	4.8	7.2	2.4	5.2	7.6	0.4	
	Ordinary income	3.2	5.3	8.5	3.2	5.8	9.0	0.5	
Elimination, etc.	Net sales	-112.1	-124.0	-236.1	-112.1	-125.2	-237.3	-1.2	
	Operating profit	-4.5	-6.7	-11.2	-4.5	-7.3	-11.8	-0.6	
	Ordinary income	-4.7	-7.7	-12.4	-4.7	-7.4	-12.2	0.2	
Total	Net sales	748.4	781.6	1,530.0	748.4	771.6	1,520.0	-10.0	
	Operating profit	16.9	14.1	31.0	16.9	10.1	27.0	-4.0	
	Ordinary income	27.2	14.8	42.0	27.2	12.8	40.0	-2.0	

※Announced on November 7, 2019

(Reference) Performance Overview (Quarterly)

		FY2019 Result							FY2020 Result							
		1Q	2Q	1st Half	3Q	4Q	2nd Half	Full Year	1Q	2Q	1st Half	3Q	4Q	2nd Half	Full Year	
■ Performance Overview by Segment [Unit: ¥ billions]																
Advanced Products	Net sales	148.4	142.0	290.5	144.8	135.5	280.4	570.9	133.2	128.9	262.2	127.4	—	—	—	
	Operating profit	4.5	3.1	7.6	3.1	1.1	4.3	11.9	1.0	-0.1	0.9	0.0	—	—	—	
	Ordinary income	4.3	3.8	8.1	2.5	2.5	5.0	13.2	1.3	0.5	1.9	-0.1	—	—	—	
	Copper & Copper Alloy	Net sales	90.3	87.1	177.4	88.9	83.4	172.3	349.8	79.9	77.1	157.1	75.9	—	—	—
		Operating profit	2.3	2.3	4.6	2.5	2.2	4.7	9.4	1.6	0.8	2.5	1.2	—	—	—
		Ordinary income	2.0	1.9	4.0	2.1	2.2	4.3	8.3	1.9	0.5	2.4	0.8	—	—	—
	Electronic Materials & Components	Net sales	18.7	17.4	36.1	17.8	18.0	35.9	72.1	17.7	17.0	34.8	17.6	—	—	—
		Operating profit	1.2	0.4	1.6	0.9	0.5	1.5	3.1	-0.1	-0.3	-0.4	-0.2	—	—	—
		Ordinary income	1.3	1.7	3.0	0.9	1.8	2.7	5.8	0.0	0.8	0.9	-0.0	—	—	—
	Aluminum	Net sales	39.4	37.5	77.0	38.2	34.2	72.4	149.5	35.6	34.8	70.5	34.1	—	—	—
Operating profit		0.9	0.3	1.3	-0.3	-1.6	-2.0	-0.7	-0.4	-0.7	-1.2	-0.9	—	—	—	
Ordinary income		0.9	0.1	1.1	-0.5	-1.5	-2.0	-0.9	-0.5	-0.9	-1.4	-0.9	—	—	—	
Metalworking Solutions	Net sales	44.8	42.3	87.2	42.7	41.5	84.2	171.5	40.4	37.7	78.1	36.9	—	—	—	
	Operating profit	5.9	3.9	9.9	3.8	2.9	6.8	16.7	3.6	2.3	5.9	1.2	—	—	—	
	Ordinary income	5.4	3.8	9.3	3.3	2.8	6.2	15.6	3.3	1.8	5.2	1.0	—	—	—	
Metals	Net sales	192.6	194.2	386.9	177.7	155.4	333.1	720.0	151.9	164.6	316.5	164.8	—	—	—	
	Operating profit	3.5	0.6	4.1	-5.4	-5.9	-11.3	-7.1	1.4	4.2	5.6	3.7	—	—	—	
	Ordinary income	3.5	4.5	8.1	-4.2	-1.6	-5.8	2.3	9.9	3.7	13.7	7.0	—	—	—	
Cement	Net sales	57.1	66.2	123.4	69.2	61.0	130.2	253.6	58.5	60.9	119.4	61.1	—	—	—	
	Operating profit	4.3	3.8	8.2	5.8	2.6	8.4	16.6	4.2	2.2	6.5	2.9	—	—	—	
	Ordinary income	5.1	3.9	9.0	6.6	4.0	10.6	19.7	5.1	2.8	7.9	4.3	—	—	—	
Others	Net sales	39.6	45.6	85.3	51.1	58.2	109.3	194.7	38.2	45.7	84.0	47.4	—	—	—	
	Operating profit	0.7	1.8	2.6	2.6	4.7	7.4	10.0	0.5	1.8	2.4	2.0	—	—	—	
	Ordinary income	0.9	1.9	2.8	2.7	4.7	7.4	10.3	0.9	2.2	3.2	2.4	—	—	—	
Elimination, etc.	Net sales	-62.7	-55.4	-118.2	-68.3	-61.4	-129.8	-248.0	-56.2	-55.9	-112.1	-61.5	—	—	—	
	Operating profit	-2.2	-2.7	-4.9	-3.4	-2.9	-6.3	-11.3	-1.9	-2.5	-4.5	-3.1	—	—	—	
	Ordinary income	-1.3	-3.1	-4.5	-2.0	-3.9	-6.0	-10.5	-1.5	-3.2	-4.7	-2.5	—	—	—	
Total	Net sales	420.0	435.2	855.2	417.2	390.4	807.7	1,662.9	366.2	382.1	748.4	376.2	—	—	—	
	Operating profit	16.8	10.7	27.5	6.6	2.6	9.2	36.8	8.9	7.9	16.9	6.9	—	—	—	
	Ordinary income	18.0	14.9	33.0	8.9	8.6	17.6	50.6	19.1	8.0	27.2	12.1	—	—	—	

■ Statistics / Assumptions

Sales volumes of copper & copper alloy products	(thousand ton:	36	34	70	37	36	73	142	34	33	67	32	—	—	—
Sales volumes of aluminum sheet products	(thousand ton:	28	25	53	27	24	51	104	26	24	50	26	—	—	—
Sales volumes of aluminum extrusion products	(thousand ton:	4	5	9	4	4	8	17	4	4	7	3	—	—	—
Sales volumes of copper cathodes (in-house produc	(thousand ton:	84	75	159	75	68	143	301	69	81	150	74	—	—	—
Sales of volumes of copper cathodes (PTS)	(thousand ton:	69	79	148	37	49	86	234	68	70	138	64	—	—	—
Dividends from copper mine	(¥ billion)	1.2	4.9	6.2	1.5	4.9	6.5	12.8	8.9	-0.0	8.8	3.7	—	—	—
Total demand for cement in Japan	(million tons)	10.46	10.31	20.77	11.75	10.07	21.82	42.59	10.03	10.33	20.36	10.97	—	—	—
Cement sales volumes for MMC-Domestic	(million tons)	1.82	1.77	3.59	2.02	1.71	3.73	7.32	1.62	1.62	3.24	1.81	—	—	—
Cement sales volumes for MMC-Exports	(million tons)	0.41	0.52	0.93	0.58	0.59	1.17	2.11	0.48	0.53	1.01	0.50	—	—	—
Total demand for cement in the U.S.	(million tons)	—	—	—	—	—	—	96.22	—	—	—	—	—	—	—
Cement sales volumes in the U.S.	(million tons)	0.41	0.35	0.76	0.39	0.31	0.69	1.46	0.38	0.35	0.74	0.34	—	—	—
Ready-mixed concrete sales volumes in the U.S.	(million cy)	2.10	2.09	4.19	1.86	1.65	3.52	7.72	2.29	2.14	4.43	1.87	—	—	—
Exchange rate (USD)	JPY / \$	109	111	110	113	110	112	111	110	107	109	109	—	—	—
Exchange rate (EUR)	JPY / €	130	130	130	129	125	127	128	123	119	121	120	—	—	—
Copper price (LME)	¢ / lb	312	277	294	280	282	281	288	277	263	270	267	—	—	—

※As of April 1, 2019, the reporting segments have been changed. In regards of the result for the fiscal year ended March 31, 2019, the numerical data obtained upon the reclassification under the changed segments is used.

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.