

# **MITSUBISHI MATERIALS CORPORATION**

Supplementary Explanation of Consolidated Financial Results  
for the Six Months Ended September 30, 2020

December 16, 2020

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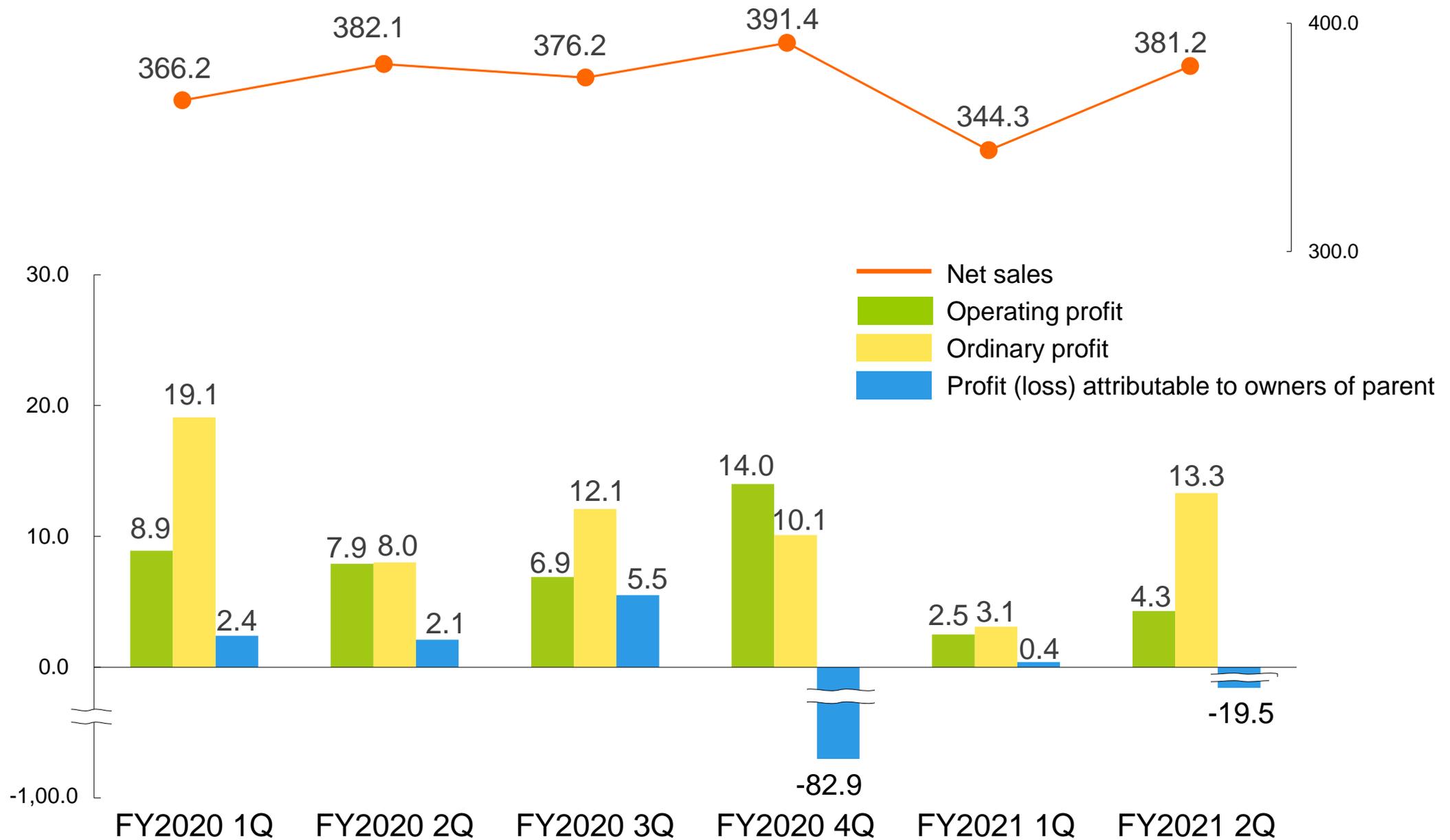
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In the “Notice Regarding Submission of the Second Quarterly Securities Report for the Fiscal Year Ending March 31, 2021” of today, the Company announced the results of the investigations on the issues at Robertson’s Ready Mix, Ltd and other companies that caused the postponement of the announcement of consolidated financial results for the six months ended September 30, 2020. The notice also announced the impact on the consolidated financial statements. The Company extends its sincere apologies for causing inconvenience and anxiety to its shareholders, investors and all relevant parties.

# Performance Overview (Quarterly)

[Unit: billion yen]



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

[Unit: billion yen]

	FY2020 2Q Result (a)	FY2021 2Q Result (b)	Difference (b)-(a)	Reason *
Net sales	748.4	725.5	-22.8	AP-35.7、MS-21.4、Metals+41.7、Cement-18.0, etc.
Operating profit	16.9	6.8	-10.0	AP-3.3、MS-8.6、Metals+2.1、Cement-2.4, etc.
Net interest and dividend income	10.3	9.4	-0.8	Dividend income-1.0, etc.
Share of profit (loss) of entities accounted for using equity method	2.1	0.8	-1.3	Copper mine-0.9, etc.
Other / Non-operating profit / loss	-2.2	-0.7	1.4	Employment adjustment subsidy+1.5, etc.
Ordinary profit	27.2	16.4	-10.7	
Extraordinary income / loss	-10.9	-23.0	-12.0	Reversal of provision for loss on business restructuring-21.9 Provision for loss on the Antimonopoly Act+ 10.4, etc.
Income taxes	-9.4	-8.6	0.7	
Profit(loss) attributable to non-controlling interests	-2.3	-3.9	-1.5	
Profit(loss) attributable to owners of parent	4.5	-19.1	-23.6	
Exchange rate (USD)	109	107	-2	JPY / \$
Exchange rate (EUR)	121	121	0	JPY / €
Copper price (LME)	270	269	-1	¢ / lb

\*AP: Advanced Products  
MS: Metalworking Solutions

# Comparison with the Previous Year Result (Statistics)

## ■ Statistics

		FY2020	FY2021		
		2Q Result	2Q Result	Difference	
		(a)	(b)	(b-a)	
	Sales volumes of copper & copper alloy products	(thousand tons)	67	50	-18
	Sales volumes of copper cathodes (in-house product)	(thousand tons)	150	175	24
	Sales volumes of copper cathodes (PTS)	(thousand tons)	138	141	4
	Dividend from copper mine	(billion yen)	8.8	9.0	0.1
	Total demand for cement in Japan	(million tons)	20.36	19.05	-1.31
	Cement sales volumes for MMC-Domestic	(million tons)	3.24	3.03	-0.21
	Cement sales volumes for MMC-Exports	(million tons)	1.01	1.08	0.07
	Cement sales volumes in the U.S.	(million tons)	0.74	0.84	0.10
	Ready-mixed concrete sales volumes in the U.S.	(million cy)	4.43	4.25	-0.18
	Sales volumes of aluminum sheet products	(thousand tons)	50	46	-4
	Sales volumes of aluminum extrusion products	(thousand tons)	7	5	-2

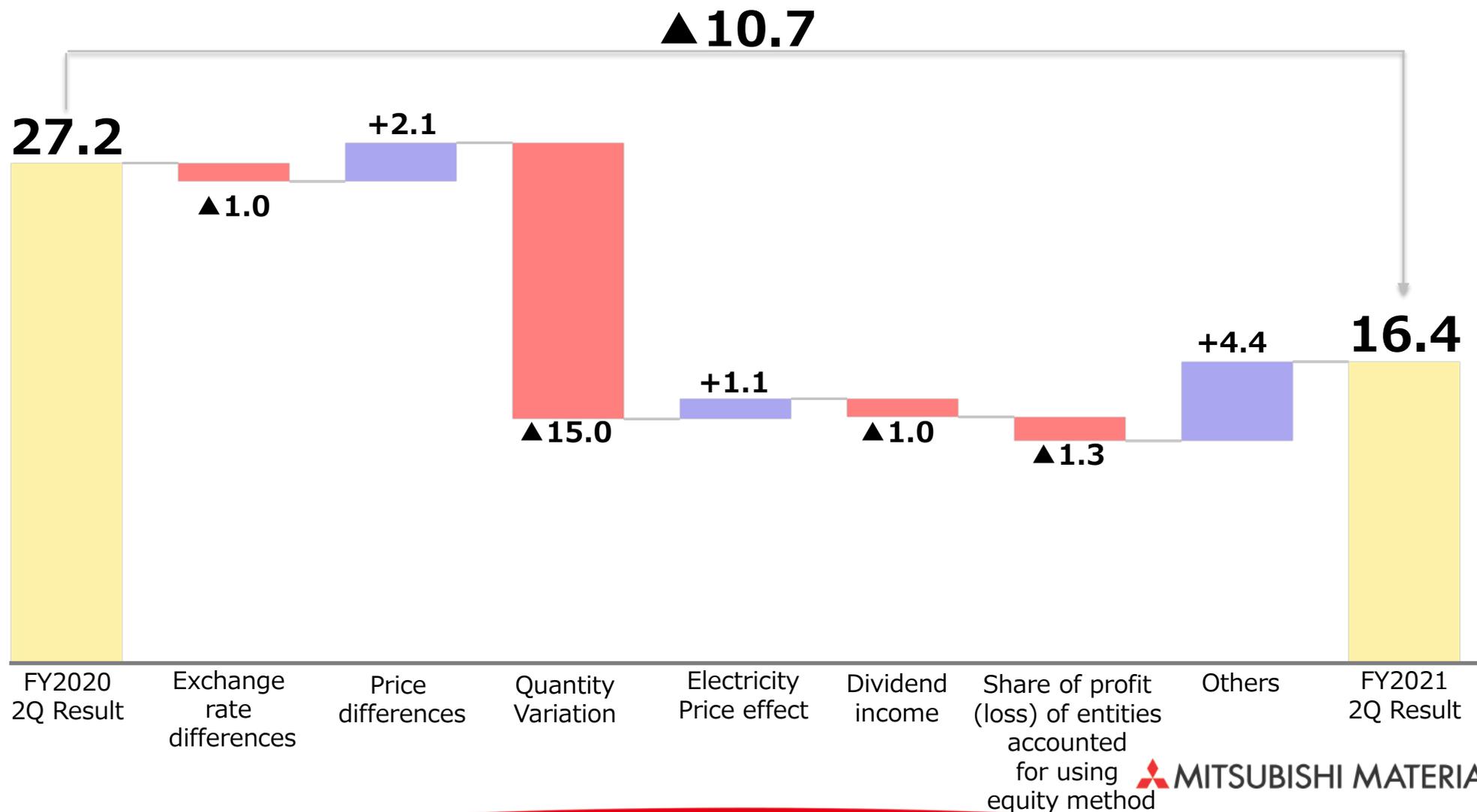
# Comparison with the Previous Year Result (Factor Analysis of Ordinary Profit)

[Unit: billion yen]

## **FY2021 2Q Result : -10.7 billion yen(year-on-year)**

**[Quantity Variation]** Due to demand for products of automobiles, sales decreased in Advanced Products Business (Copper & Copper Alloy) and Metalworking Solutions Business.

**[Others]** Despite a deterioration in purchasing condition of concentrates, Ordinary Profit was recovered to some extent due to implementation measures to improve earnings.



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

[Unit: billion yen]

		FY2020 2Q Results (a)	FY2021 2Q Results (b)	Difference (b-a)	Exchange rate difference	Price difference	Quantity variation	Electricity price effect	Dividend income	Share of profit (loss) of entities accounted for using equity method	Other	
Advanced Products	Net sales	191.8	156.0	-35.7	-1.6	-4.8	-29.3	—	—	—	—	
	Operating profit	1.5	-1.7	-3.3	-0.0	0.1	-3.1	0.1	—	—	-0.4	
	Ordinary profit	2.8	0.0	-2.8					-0.3	-0.2	0.6	
	Copper & copper alloy	Net sales	130.9	99.0	-31.9	-1.3	-4.7	-25.9	—	—	—	—
		Operating profit	1.5	-2.2	-3.7	-0.0	-0.0	-3.0	0.0	—	—	-0.7
		Ordinary profit	1.1	-1.7	-2.8					-0.0	-0.2	0.4
	Electronic materials & components	Net sales	61.1	57.5	-3.5	-0.2	-0.1	-3.2	—	—	—	—
		Operating profit	0.0	0.6	0.5	-0.0	0.1	0.1	0.1	—	—	0.2
		Ordinary profit	1.6	1.9	0.2					-0.2	-0.0	0.1
Metalworking Solutions	Net sales	78.1	56.6	-21.4	-1.0	-0.4	-20.0	—	—	—	—	
	Operating profit	5.5	-3.0	-8.6	-0.6	0.0	-11.1	0.2	—	—	2.9	
	Ordinary profit	4.7	-2.8	-7.6					-0.0	—	3.9	
Metals	Net sales	316.5	358.3	41.7	-0.0	35.4	6.3	—	—	—	—	
	Operating profit	5.3	7.4	2.1	-0.3	0.9	1.4	0.3	—	—	-0.2	
	Ordinary profit	13.3	15.4	2.1					0.1	-0.9	0.6	
Cement	Net sales	123.7	105.7	-18.0	-0.8	-2.6	-14.6	—	—	—	—	
	Operating profit	6.5	4.1	-2.4	-0.1	-1.2	-0.3	0.1	—	—	-0.9	
	Ordinary profit	7.9	3.8	-4.1					-0.5	0.1	-2.2	
Environment & Energy	Net sales	10.9	9.6	-1.2	0.0	0.1	-1.3	—	—	—	0.0	
	Operating profit	0.2	-0.0	-0.3	0.0	0.1	-0.2	0.0	—	—	-0.2	
	Ordinary profit	0.9	0.4	-0.5					0.0	-0.1	-0.3	
Others	Net sales	136.4	127.3	-9.1	-0.3	0.1	-8.9	—	—	—	—	
	Operating profit	0.1	2.5	2.3	0.0	2.1	-1.6	0.3	—	—	1.5	
	Ordinary profit	0.0	2.2	2.1					-0.0	-0.0	1.3	
	Aluminum	Net sales	70.5	63.9	-6.5	-0.1	0.1	-6.5	—	—	—	—
		Operating profit	-1.2	1.7	2.9	0.0	2.1	-0.7	0.2	—	—	1.3
		Ordinary profit	-1.4	1.3	2.8					-0.0	0.0	1.2
Elimination, etc.	Net sales	-109.4	-88.3	21.0	0.0	-0.2	21.2	—	—	—	—	
	Operating profit	-2.4	-2.2	0.2	0.0	0.0	0.0	0.0	—	—	0.2	
	Ordinary profit	-2.8	-2.7	0.0					-0.1	0.0	0.1	
Total	Net sales	748.4	725.5	-22.8	-3.8	27.6	-46.6	—	—	—	0.0	
	Operating profit	16.9	6.8	-10.0	-1.0	2.1	-15.0	1.1	—	—	2.8	
	Ordinary profit	27.2	16.4	-10.7					-1.0	-1.3	4.4	

\* As a result of organizational restructuring that occurred on April 1, 2020, the Company has changed its reporting segments. Consequently, the results for the first half of the fiscal year ended March 31, 2020, which is shown as "(a)", are presented after reclassifications according to the changes in segmentation. In addition, the Company has reviewed the method of allocating the common costs of the Company and changed its method of calculating profits or losses within the reporting segments.

# Consolidated Balance Sheet

[Unit: billion yen]

	End of Mar. 2020(a)	End of Sept. 2020(b)	Difference (b-a)
<b>Assets</b>			
Cash and deposits	134.4	148.0	13.6
Notes and accounts receivable - trade	217.2	196.5	-20.7
Inventories	352.2	368.0	15.8
Other	251.5	279.1	27.5
<b>Total current assets</b>	<b>955.4</b>	<b>991.7</b>	<b>36.2</b>
Property, plant and equipment and intangible assets	710.7	703.3	-7.4
Investments and other assets	237.7	249.1	11.3
<b>Total non-current assets</b>	<b>948.5</b>	<b>952.4</b>	<b>3.8</b>
<b>Total assets</b>	<b>1,904.0</b>	<b>1,944.2</b>	<b>40.1</b>

	End of Mar. 2020(a)	End of Sept. 2020(b)	Difference (b-a)
<b>Liabilities</b>			
Notes and accounts payable - trade	113.1	137.8	24.7
Borrowings, bonds payable and commercial papers	547.6 29%	584.9 30%	37.3
Other liabilities	657.2	679.7	22.5
<b>Total liabilities</b>	<b>1,318.0</b>	<b>1,402.5</b>	<b>84.5</b>
<b>Net assets</b>			
Share capital	119.4	119.4	—
Capital surplus and treasury shares	90.2	76.3	-13.8
Retained earnings	274.7	250.2	-24.4
Accumulated other comprehensive income	22.3	26.5	4.1
Non-Controlling interests	79.2	68.9	-10.3
<b>Total net assets</b>	<b>586.0 31%</b>	<b>541.6 28%</b>	<b>-44.4</b>
<b>Total liabilities and net assets</b>	<b>1,904.0</b>	<b>1,944.2</b>	<b>40.1</b>

Shareholders' equity ratio	27 %	24 %
Net D/E ratio	0.8 times	0.9 times

# FY2021 Performance Forecast (Statistics / Assumptions / Sensitivity)

■ Statistics	FY2021 Forecast (Announced on August 6,2020)			FY2021 Forecast (This time)			Difference Full year (b-a)
	1st Half Forecast	2nd Half Forecast	Full Year (a)	1st Half Result	2nd Half Forecast	Full Year (b)	
	Sales volumes of copper & copper alloy products (thousand tons)	48	53	101	50	61	
Sales volumes of copper cathodes (in-house product) (thousand tons)	173	146	319	175	151	325	6
Sales volumes of copper cathodes (PTS) (thousand tons)	142	124	265	141	114	256	-10
Dividend from copper mine (billion yen)	0.9	5.3	6.3	9.0	3.5	12.5	6.2
Total demand for cement in Japan (million tons)	—	—	39.50	—	—	39.50	—
Cement sales volumes for MMC-Domestic (million tons)	3.16	3.48	6.64	3.03	3.40	6.43	-0.21
Cement sales volumes for MMC-Exports (million tons)	1.14	1.13	2.27	1.08	1.23	2.31	0.04
Cement sales volumes in the U.S. (million tons)	0.82	0.73	1.55	0.84	0.73	1.56	0.01
Ready-mixed concrete sales volumes in the U.S. (million cy)	4.42	4.14	8.56	4.25	4.02	8.27	-0.29
Sales volumes of aluminum sheet products (thousand tons)	45	47	92	46	48	94	2
Sales volumes of aluminum extrusion products (thousand tons)	5	10	15	5	7	12	-3

## ■ Sensitivity

	FY2021 2nd Half Forecast	
Exchange rates Operating profit - 1 yen/\$ (yen depreciation)	0.3	billion yen
Exchange rates Operating profit - 1 yen/\$ (yen depreciation)	0.04	billion yen
Copper price (LME) Operating profit ±10¢/lb	0.2	billion yen
Non - Operating profit ±10¢/lb	0.1	billion yen

# FY2021 Performance Forecast (Consolidated Statements of Operations)

[Unit: billion yen]

	FY2021 Forecast (Announced on August 6,2020)			FY2021 Forecast (This time)			Difference (b-a)	FY2021 Forecast (Announced on September 29,2020)	
	1st Half Forecast	2nd Half Forecast	Full Year (a)	1st Half Result	2nd Half Forecast	Full Year (b)		1st Half Forecast	Full Year
Net sales	720.0	690.0	1,410.0	725.5	724.5	1,450.0	40.0	710.0	1,420.0
Operating profit (loss)	-2.0	-3.0	-5.0	6.8	1.2	8.0	13.0	5.0	0.0
Net interest and dividend income	1.0	5.0	6.0	9.4	2.6	12.0	6.0		
Share of profit (loss) of entities accounted for using equity method	0.5	2.0	2.5	0.8	2.9	3.7	1.2		
Other Non-operating profit / loss	0.5	-4.0	-3.5	-0.7	-3.0	-3.7	-0.2		
Ordinary profit	0.0	0.0	0.0	16.4	3.6	20.0	20.0	14.0	7.0
Extraordinary income / loss	4.0	1.0	5.0	-23.0	23.0	0.0	-5.0		
Income taxes	-6.0	-4.0	-10.0	-8.6	-5.4	-14.0	-4.0		
Profit (loss) attributable to non-controlling interests	-3.0	-2.0	-5.0	-3.9	-2.1	-6.0	-1.0		
Profit (loss) attributable to owners of parent	-5.0	-5.0	-10.0	-19.1	19.1	0.0	10.0	-20.0	-20.0
Exchange rate (USD)	107	107	107	107	105	106	-1		
Exchange rate (EUR)	119	120	120	119	124	123	3		
Copper price (LME)	266	290	278	266	307	288	10		
Dividends per share (yen)	0	40	40	0	40	40	-		

# FY2021 Performance Forecast (Factor Analysis by Segment)

[Unit: billion yen]

		FY2021 Forecast (Announced on August 6, 2020)			FY2021 Forecast (This Time)			Difference (b-a)	
		1st Half Forecast	2nd Half Forecast	Full year (a)	1st Half Result	2nd Half Forecast	Full year (b)		
Advanced Products	Net sales	150.6	162.9	313.5	156.0	181.2	337.2	23.7	
	Operating profit	-2.7	-1.0	-3.8	-1.7	0.0	-1.7	2.1	
	Ordinary profit	-1.6	-1.1	-2.7	0.0	0.7	0.7	3.4	
	Copper & copper alloy	Net sales	91.4	100.1	191.6	99.0	116.2	215.2	23.6
		Operating profit	-2.7	-1.4	-4.1	-2.2	-0.7	-2.9	1.2
		Ordinary profit	-2.7	-1.8	-4.5	-1.7	-0.5	-2.2	2.3
	Electronic materials & components	Net sales	59.5	62.7	122.2	57.5	65.0	122.5	0.3
		Operating profit	0.1	0.5	0.6	0.6	0.9	1.5	0.9
		Ordinary profit	1.3	0.8	2.1	1.9	1.2	3.1	1.0
Metalworking Solutions	Net sales	53.3	62.2	115.6	56.6	57.4	114.0	-1.6	
	Operating profit	-5.6	-3.2	-8.8	-3.0	-2.1	-5.1	3.7	
	Ordinary profit	-5.3	-3.8	-9.2	-2.8	-2.7	-5.5	3.7	
Metals	Net sales	352.0	333.4	685.5	358.3	337.6	695.9	10.4	
	Operating profit	2.1	-5.2	-3.1	7.4	0.1	7.5	10.6	
	Ordinary profit	1.9	-1.6	0.3	15.4	2.7	18.1	17.8	
Cement	Net sales	108.0	121.8	229.8	105.7	118.7	224.4	-5.4	
	Operating profit	5.2	7.1	12.4	4.1	5.0	9.1	-3.3	
	Ordinary profit	5.3	7.1	12.4	3.8	5.6	9.4	-3.0	
Environment & Energy	Net sales	10.2	14.9	25.2	9.6	16.7	26.3	1.1	
	Operating profit	-0.4	0.8	0.4	-0.0	0.9	0.9	0.5	
	Ordinary profit	0.0	1.4	1.5	0.4	1.7	2.1	0.6	
Others	Net sales	129.0	136.2	265.2	127.3	132.2	259.5	-5.7	
	Operating profit	0.9	2.6	3.5	2.5	2.6	5.1	1.6	
	Ordinary profit	0.7	2.8	3.6	2.2	3.1	5.3	1.7	
	Aluminum	Net sales	64.8	65.8	130.7	63.9	64.5	128.4	-2.3
		Operating profit	0.4	1.0	1.5	1.7	1.2	2.9	1.4
		Ordinary profit	0.1	1.5	1.6	1.3	1.7	3.0	1.4
Elimination, etc.	Net sales	-83.3	-141.7	-225.0	-88.3	-119.2	-207.5	17.5	
	Operating profit	-1.3	-4.1	-5.4	-2.2	-5.7	-7.9	-2.5	
	Ordinary profit	-1.0	-4.7	-5.8	-2.7	-7.6	-10.3	-4.5	
Total	Net sales	720.0	690.0	1,410.0	725.5	724.5	1,450.0	40.0	
	Operating profit	-2.0	-3.0	-5.0	6.8	1.2	8.0	13.0	
	Ordinary profit	0.0	0.0	0.0	16.4	3.6	20.0	20.0	

# Comparison of the FY2021 1st half Result with 2nd half Forecast (Factor Analysis of Ordinary profit)

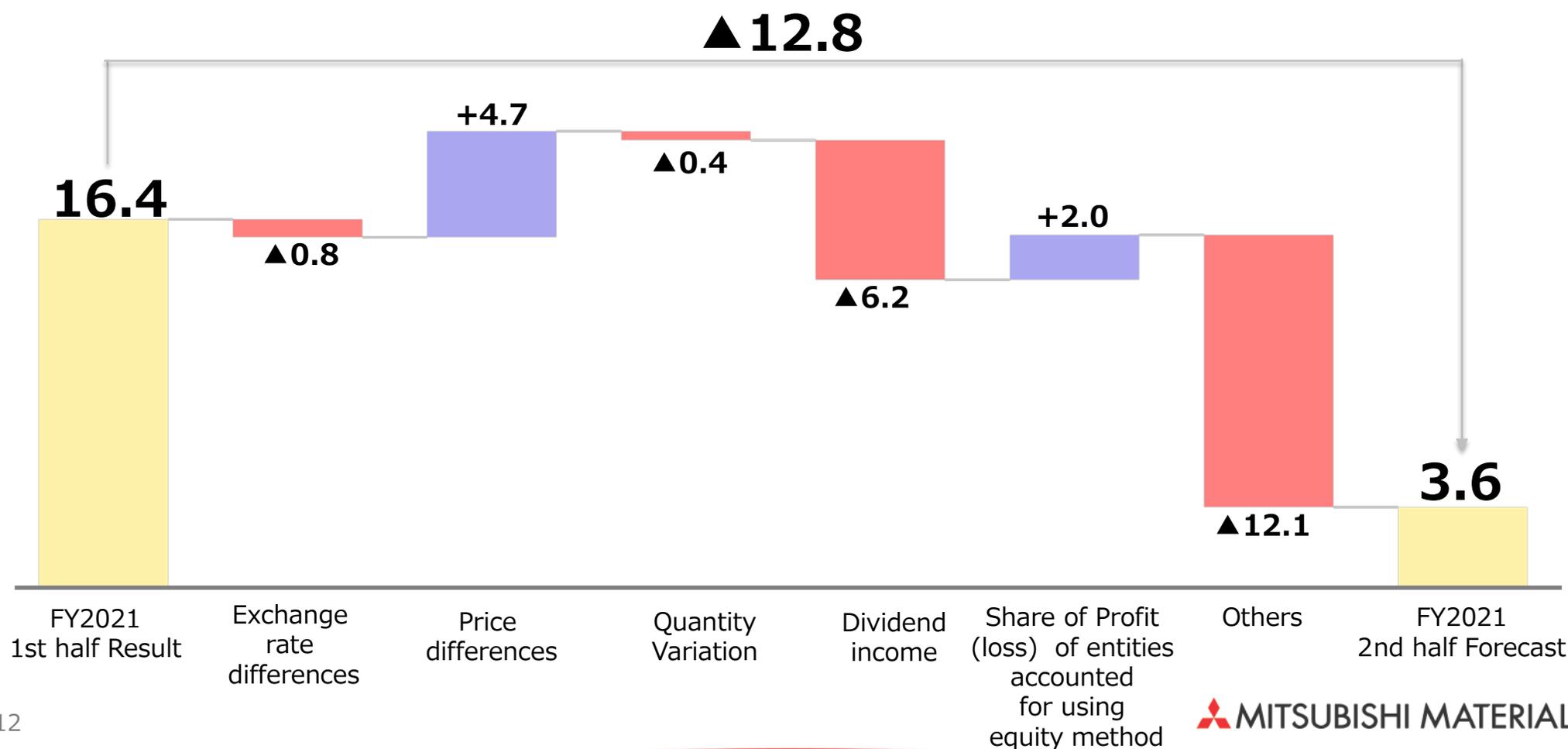
[Unit: billion yen]

## **FY2021 2nd half Forecast : -12.8 billion yen(Comparison with the FY2021 1st half Result)**

【Price differences】 Ordinary profit is expected to increase mainly due to a hike in precious metal prices in Metals Business, among others.

【Dividend income】 Dividend income from mining companies is expected to decrease.

【Others】 Ordinary profit is expected to decrease mainly due to regular furnace repairs in Naoshima Smelter & Refinery and Indonesia PT. Smelting, among others.



# Comparison of the FY2021 1st half Result with 2nd half Forecast (Factor Analysis by Segment)

[Unit: billion yen]

		FY2021 1st half Results (a)	FY2021 2nd half Forecast (b)	Difference (b-a)	Exchange rate difference	Price difference	Quantity variation	Dividend income	Share of profit (loss) of entities accounted for using equity method	Other	
Advanced Products	Net sales	156.0	181.2	25.2	-0.5	5.7	20.0	—	—	—	
	Operating profit	-1.7	0.0	1.7	-0.0	0.6	1.8	—	—	-0.7	
	Ordinary profit	0.0	0.7	0.7	-0.0	0.6	1.8	-0.4	-0.1	-1.2	
	Copper & copper alloy	Net sales	99.0	116.2	17.2	-0.5	5.6	12.1	—	—	—
		Operating profit	-2.2	-0.7	1.5	-0.0	0.1	1.5	—	—	-0.1
		Ordinary profit	-1.7	-0.5	1.2	-0.0	0.1	1.5	-0.0	0.2	-0.6
	Electronic materials & components	Net sales	57.5	65.0	7.5	-0.0	0.1	7.4	—	—	—
		Operating profit	0.6	0.9	0.3	-0.0	0.5	0.3	—	—	-0.5
		Ordinary profit	1.9	1.2	-0.7	-0.0	0.5	0.3	-0.3	-0.3	-0.9
Metalworking Solutions	Net sales	56.6	57.4	0.8	0.4	-0.1	4.3	—	—	-3.8	
	Operating profit	-3.0	-2.1	0.9	0.0	0.1	1.4	—	—	-0.6	
	Ordinary profit	-2.8	-2.7	0.1	0.0	0.1	1.4	-0.0	—	-1.4	
Metals	Net sales	358.3	337.6	-20.7	-11.5	27.7	-36.9	—	—	—	
	Operating profit	7.4	0.1	-7.3	-0.7	2.8	-2.6	—	—	-6.8	
	Ordinary profit	15.4	2.7	-12.7	-0.7	2.8	-2.6	-5.3	1.5	-8.4	
Cement	Net sales	105.7	118.7	13.0	-0.8	1.2	12.6	—	—	—	
	Operating profit	4.1	5.0	0.9	-0.1	0.4	-0.2	—	—	0.8	
	Ordinary profit	3.8	5.6	1.8	-0.1	0.4	-0.2	-0.1	0.2	1.6	
Environment & Energy	Net sales	9.6	16.7	7.1	0.0	0.0	7.1	—	—	—	
	Operating profit	-0.0	0.9	0.9	0.0	0.0	0.9	—	—	0.0	
	Ordinary profit	0.4	1.7	1.3	0.0	0.0	0.9	-0.0	0.2	0.2	
Others	Net sales	127.3	132.2	4.9	0.4	0.2	4.4	—	—	-0.1	
	Operating profit	2.5	2.6	0.1	0.0	0.7	-0.1	—	—	-0.5	
	Ordinary profit	2.2	3.1	0.9	0.0	0.7	-0.1	-0.1	0.0	0.4	
	Aluminum	Net sales	63.9	64.5	0.6	0.0	0.2	0.4	—	—	—
		Operating profit	1.7	1.2	-0.5	-0.0	0.7	-0.7	—	—	-0.5
		Ordinary profit	1.3	1.7	0.4	-0.0	0.7	-0.7	-0.0	0.0	0.4
Elimination, etc.	Net sales	-88.3	-119.2	-30.9	0.0	-6.4	-24.5	—	—	—	
	Operating profit	-2.2	-5.7	-3.5	0.0	-0.0	-1.6	—	—	-1.9	
	Ordinary profit	-2.7	-7.6	-4.9	0.0	-0.0	-1.6	-0.1	-0.0	-3.2	
Total	Net sales	725.5	724.5	-1.0	-12.1	28.4	-13.4	—	—	-3.9	
	Operating profit	6.8	1.2	-5.6	-0.8	4.7	-0.4	—	—	-9.1	
	Ordinary profit	16.4	3.6	-12.8	-0.8	4.7	-0.4	-6.2	2.0	-12.1	

# [Reference] Performance Overview (Quarterly)

[Unit: billion yen]

■ Performance Overview by Segment		FY2020 Results							FY2021 Results						
		1 Q	2 Q	1st Half	3 Q	4 Q	2nd Half	Full Year	1 Q	2 Q	1st Half	3 Q	4 Q	2nd Half	Full Year
Advanced Products	Net sales	97.6	94.2	191.8	93.3	90.1	183.5	375.3	79.9	76.1	156.0				
	Operating profit	1.2	0.3	1.5	0.7	0.9	1.6	3.2	-0.1	-1.6	-1.7				
	Ordinary profit	1.6	1.2	2.8	0.5	1.0	1.5	4.4	-0.7	0.7	0.0				
Copper & copper alloy	Net sales	67.1	63.8	130.9	61.9	60.0	121.9	252.9	50.5	48.4	99.0				
	Operating profit	1.2	0.2	1.5	0.4	0.4	0.8	2.4	-0.7	-1.4	-2.2				
	Ordinary profit	1.3	-0.1	1.1	-0.0	-0.0	-0.1	1.0	-1.7	0.0	-1.7				
Electronic materials & components	Net sales	30.6	30.4	61.1	31.7	30.4	62.1	123.2	29.6	27.9	57.5				
	Operating profit	-0.0	0.0	0.0	0.3	0.5	0.8	0.8	0.6	-0.0	0.6				
	Ordinary profit	0.3	1.3	1.6	0.6	1.0	1.6	3.3	1.1	0.8	1.9				
Metalworking Solutions	Net sales	40.4	37.7	78.1	36.9	35.1	72.0	150.2	27.9	28.7	56.6				
	Operating profit	3.4	2.1	5.5	1.1	1.1	2.2	7.7	-1.2	-1.8	-3.0				
	Ordinary profit	3.0	1.7	4.7	0.9	0.5	1.4	6.2	-1.3	-1.4	-2.8				
Metals	Net sales	151.9	164.6	316.5	164.8	183.5	348.4	665.0	157.8	200.5	358.3				
	Operating profit	1.2	4.1	5.3	3.5	9.7	13.3	18.6	1.5	5.8	7.4				
	Ordinary profit	9.7	3.6	13.3	6.8	7.2	14.1	27.4	1.6	13.7	15.4				
Cement	Net sales	60.6	63.1	123.7	63.8	59.8	123.7	247.5	51.2	54.5	105.7				
	Operating profit	4.2	2.3	6.5	3.1	2.5	5.6	12.2	1.9	2.1	4.1				
	Ordinary profit	5.0	2.8	7.9	4.4	2.8	7.2	15.2	2.5	1.2	3.8				
Environment & Energy	Net sales	4.4	6.4	10.9	5.6	10.4	16.1	27.0	4.6	5.0	9.6				
	Operating profit	0.0	0.2	0.2	0.1	1.2	1.4	1.6	-0.0	0.0	-0.0				
	Ordinary profit	0.3	0.6	0.9	0.5	1.5	2.1	3.1	0.2	0.2	0.4				
Others	Net sales	66.8	69.5	136.4	73.5	75.3	148.8	285.2	61.9	65.3	127.3				
	Operating profit	-0.3	0.5	0.1	0.4	1.3	1.8	2.0	0.8	1.6	2.5				
	Ordinary profit	-0.2	0.3	0.0	0.4	0.7	1.2	1.2	0.7	1.4	2.2				
Aluminum	Net sales	35.6	34.8	70.5	34.1	32.1	66.2	136.7	31.7	32.2	63.9				
	Operating profit	-0.4	-0.7	-1.2	-0.9	-0.9	-1.8	-3.0	0.5	1.1	1.7				
	Ordinary profit	-0.5	-0.8	-1.4	-0.9	-1.5	-2.4	-3.9	0.4	0.9	1.3				
Elimination, etc.	Net sales	-55.6	-53.7	-109.4	-61.9	-63.0	-125.0	-234.4	-39.2	-49.1	-88.3				
	Operating profit	-0.7	-1.7	-2.4	-2.2	-2.9	-5.1	-7.6	-0.3	-1.8	-2.2				
	Ordinary profit	-0.3	-2.4	-2.8	-1.6	-3.7	-5.3	-8.1	-0.0	-2.7	-2.7				
Total	Net sales	366.2	382.1	748.4	376.2	391.4	767.7	1,516.1	344.3	381.2	725.5				
	Operating profit	8.9	7.9	16.9	6.9	14.0	20.9	37.9	2.5	4.3	6.8				
	Ordinary profit	19.1	8.0	27.2	12.1	10.1	22.3	49.6	3.1	13.3	16.4				
■ Statistics / Assumptions															
Sales volumes of copper & copper alloy products (thousand tons)		34	33	67	32	31	63	130	27	23	50				
Sales volumes of copper cathodes (in-house product) (thousand tons)		69	81	150	74	81	156	306	77	98	175				
Sales volumes of copper cathodes (PTIS) (thousand tons)		68	70	138	64	69	133	271	69	72	141				
Dividend from copper mine (billion yen)		8.9	-0.0	8.8	3.7	0.0	3.7	12.6	0.9	8.0	9.0				
Total demand for cement in Japan (million tons)		10.03	10.33	20.36	10.97	9.64	20.61	40.97	9.40	9.65	19.05				
Cement sales volumes for MMC-Domestic (million tons)		1.62	1.62	3.24	1.81	1.65	3.45	6.69	1.47	1.55	3.03				
Cement sales volumes for MMC-Exports (million tons)		0.48	0.53	1.01	0.50	0.71	1.21	2.22	0.41	0.66	1.08				
Total demand for Cement in the U.S. (million tons)		—	—	—	—	—	—	99.56	—	—	—				
Cement sales volumes in the U.S. (million tons)		0.38	0.35	0.74	0.34	0.40	0.74	1.48	0.41	0.43	0.84				
Ready-mixed concrete sales volumes in the U.S. (million cy)		2.29	2.14	4.43	1.87	1.94	3.81	8.24	2.21	2.04	4.25				
Sales volumes of aluminum sheet products (thousand tons)		26	24	50	26	24	50	100	24	22	46				
Sales volumes of aluminum extrusion products (thousand tons)		4	4	7	3	3	7	14	3	3	5				
Exchange rate (USD) (JPY/\$)		110	107	109	109	109	109	109	108	106	107				
Exchange rate (EUR) (JPY/€)		123	119	121	120	120	120	121	118	124	121				
Copper price (LME) (¢/lb)		277	263	270	267	256	261	266	242	296	269				

\* As a result of organizational restructuring that occurred on April 1, 2020, the Company has changed its reporting segments. Consequently, the results for the fiscal year ended March 31, 2020 are presented after reclassifications according to the changes in segmentation. In addition, the Company has reviewed the method of allocating the common costs of the Company and changed its method of calculating profits or losses within the reporting segments.

# **[Reference] Regarding the case at Robertson's Ready Mix, Ltd. (hereinafter referred to as "RRM") and other companies**

\*For details, please see "Notice Regarding Submission of the Second Quarterly Securities Report for the Fiscal Year Ending March 31, 2021" (announced on December 16, 2020)

<b>Overview of the Case</b>	It turned out that RRM and other companies (all of which are consolidated subsidiaries of the Company located in the U.S., hereinafter collectively referred to as "RRMs") conducted transactions with companies in which some senior executives of RRM have jointly invested (hereinafter referred to as the "Case").
<b>Overview of investigation</b>	A: Investigation into the facts of the Case B: Verification of whether there were any inappropriate transactions other than the Case within RRM C: Investigation into existence of similar incidents in the Group
<b>Result of investigation</b>	A It turned out that RRM had been overcharged ➤ Impact on the Company's consolidated financial statements for the fiscal year ending March 31, 2021: Profit (loss) attributable to owners of parent -293 million yen

## **Cause of incidence of the Case**

- (i) Insufficient checks on senior executives  
[Minimized involvement in RRM to maintain a climate that supported RRM's success up to that period.]
- (ii) The Company did not fully ascertain the realities within RRM  
[Merely receiving periodic reports on management conditions and accordingly did not fully ascertain the realities within RRM]
- (iii) Concentration of authorities in senior executives and the culture to follow the top  
[History of success by top-down management as an owner-managed company]
- (iv) There were no clear internal rules prohibiting a conflict-of-interest transaction
- (v) The whistle-blowing system was not sufficient

## **RRMs recurrence prevention measures**

- Enhancement of compliance system at RRM [(i)/(ii)/(iii)/(iv)]
  - 1) Establish a management team at RRM, and have it conduct an advance review of material matters sanctioned by senior executives
  - 2) RRM shall have a Compliance Officer and necessary staff
    - Confirmation of status of new/existing business partners
    - prevent unfair transactions / enhancement of internal control and preparation of necessary internal rules
    - Implementation of compliance education
    - Implementation of investigation into misconduct/ conduct a fraud audit
- Establish external contact window for reporting with attorneys-at-law being the contact window[(v)]
- Renovation and enhancement of management system at RRM by appointing senior executives dispatched from shareholders[(i)/(ii)/(iii)]
- Enhancement of board of directors' effectiveness and enhancement of conversations with executives at subsidiaries [(i)/(ii)/(iii)]

## **The Group-wide internal control enhancement measures (prevention and early detection of misconduct by senior executives)**

- Enhancement of internal control (Dispatch of several full-time Officers from the parent company or enhancement of supervisory functions of part-time officers dispatched from the parent company, obligating advance notification to the company regarding Holding Concurrent Position and the Related Parties Transaction to the Officers of the Company and subsidiaries, confirmation of the status of Holding Concurrent Position and the Related Parties Transactions thereof, introduction of a whistle-blowing system at overseas subsidiaries, preparation of necessary internal rules)
- Enrichment of measures for enhancement of Officers' awareness (expansion of officer governance training)
- Enhancement of communications between management divisions of the parent company and subsidiaries(second line of defense)
- Expansion of internal audit

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<Disclaimer>

These projected performance figures are based on information available to the MMC's management as of the day for releasing this material. There are many uncertain or risk factors inherent in this projections, and there might be cases in which actual results materially differ from projections of this material.