
Reference material

Acquisition of Luvata Special Products Division

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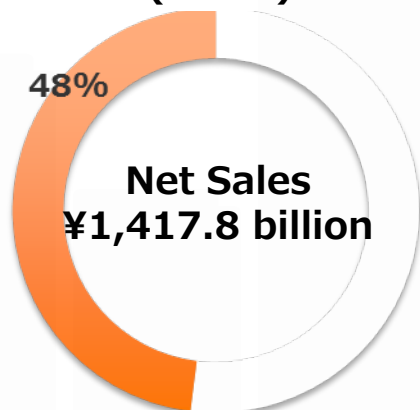
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1. MMC Metals Company ① Business overview

Position in MMC

Share of Net Sales
(FY'16)



Share of Operating Profit
(FY'16)



< Pursuit of Vertical Value Chain >

Strengths

Quality mining
stakes

Highly efficient
smelting process
The world-leading
E-scrap recycling

The nation's No.1
copper fabricator
Mitsubishi Shindoh
Co.,Ltd.

Segments

Mining

<Major investments>

- Los Pelambres mine
- Escondida mine
- Copper Mountain mine



Smelting

Copper
Precious Metals

<Copper Smelter>

- Naoshima Smelter & Refinery
- Onahama Smelting & Refining (OSR)
- PT Smelting



Processing

<Major bases / group companies>

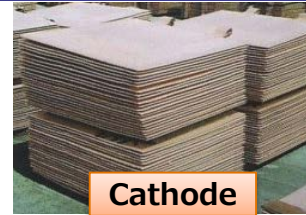
- Sakai Plant / OSR Fine casting plant
- Mitsubishi Shindoh Co.,Ltd. (MSC)
- Mitsubishi Cable Industries Co.,Ltd. (MCI)
- Kobelco Material Copper Tube Co.,Ltd. (KMCT)



1. MMC Metals Company ② Flow of the Copper Processing Business

Smelting

Naoshima / OSR /
Indonesia PT Smelting



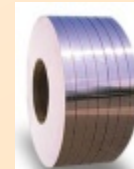
Primary
Processing

Sakai Plant / OSR
Fine casting Plant

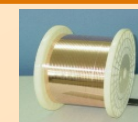
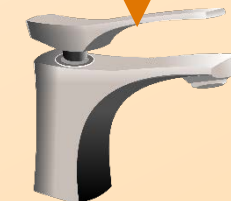
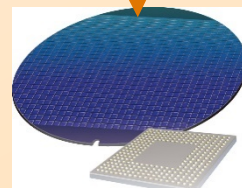
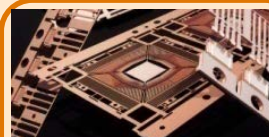
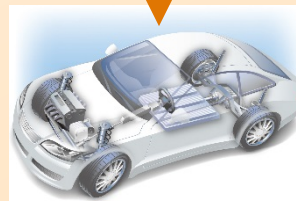


Secondary
Processing

Mitsubishi Shindoh Co.,Ltd.
/ Mitsubishi Cable Co.,Ltd.
Industries / Kobelco
Material Copper Tube
Co.,Ltd.



Customers



Topics: Acquisition of Special Products Division of Luvata Group (“Luvata SP”) ①

LUVATA



Overview of Luvata SP

President	Jussi Helavirta
Location	Pori, Finland
Establishment	May 2006
Business Fields	Copper processing and distribution
Total Sales	€585MM (2015/12, Actual)
Total EBITDA	€43 MM (2015/12, Actual)
Number of Employees	1,209 (2015/12, Actual)
Main Business Entities	Finland, US, UK, China, Malaysia, Russia, Brazil

Overview and Schedule of the Transaction

Acquired Business	Outstanding interests of Luvata SP owned by the Sellers
Seller	Luvata Group (Parent company of Luvata SP)
Execution Date of SPA	September 28, 2016
Effective Date of the Transaction	During the 4th quarter of the fiscal year ending March 2017 to 1st quarter of the fiscal year ending March 2018 *Subject to the satisfaction of customary closing conditions set forth under SPA, including anti-trust approvals in the United States, Germany and the Russian Federation

Topics: Acquisition of Special Products Division of Luvata Group (“Luvata SP”) ②

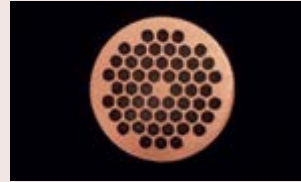
Major Products of Luvata SP



Welding electrodes



Superconducting wire & cables



NMR/MRI wire



Anodes



Busbars



Photovoltaic ribbon



Battery wire



Hollow conductors



Cooling elements

Market

- Automotive
- Healthcare
- Electronics
- Metals & Mining
- Power Generation
- Energy, etc.

Topics: Acquisition of Special Products Division of Luvata Group (“Luvata SP”) ③

Comparison of MMC / Luvata SP

Strengthening Global Operation for Copper Processing Business

	MMC	Luvata SP
Production / Sales Site	12 sites (including 4 in overseas locations) Mainly Japan and Southeast Asia	14 sites Global supply chain including Europe, US, South America, China and Malaysia
Key Features	- Strength: Copper-based alloys and materials engineering, and wrought copper products for automobiles such as terminal connector materials - Weakness: Product portfolio may not be well balanced	- Cover wide range of value chain, processing, manufacturing and distribution - Offers wide range of products in various end-market including medical, energy and automotive
Total Sales (FY2015)	Approx.JPY688.7Bn (*Total sales of Metals Company division)	Approx.JPY78.0Bn (€585million / Exchange rate: €1 = JPY133※) ※Yearly Average TTM for 2015

Topics: Acquisition of Special Products Division of Luvata Group (“Luvata SP”) ④

Realizing Synergies

To Be The Most Profitable Copper Processing Company Globally

【More Product Line-ups】

- Incorporate wide range of products in various end-market
(e.g. (i) Medical: Superconducting wire for MRI, (ii) Energy: Photovoltaic wire, (iii) Auto: Welding Electrodes, Battery wire and Cooling elements for metal smelters)

【Establishment of Global Production & Sales Structure】

- Complementary business area of two companies will accelerate MMC’s global operations
 - Luvata SP has the manufacturing and distribution facilities as well as client marketing capabilities not only in Japan and Asia, where are primary areas of Mitsubishi Materials, but also in Europe and US

【Expanding the Value Chain】

- By adding Luvata SP’s business, ranging from processing, manufacturing and distribution, the combined company will have a broader portfolio and an expanded value chain to better cater to the customers with various applications and needs.