



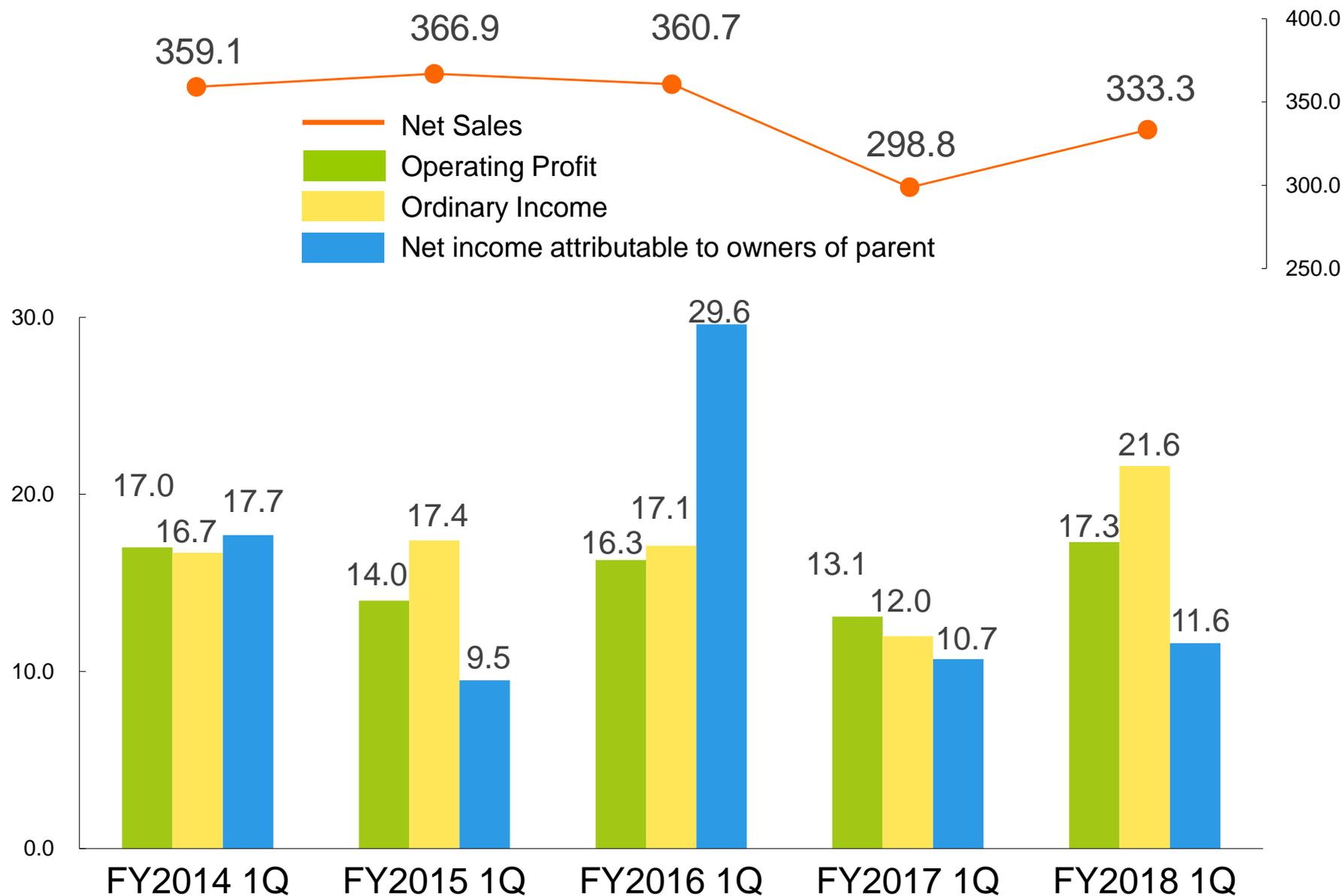
Supplementary Explanation for the 1st Quarter
of the fiscal year ending March 31, 2018

August 8, 2017



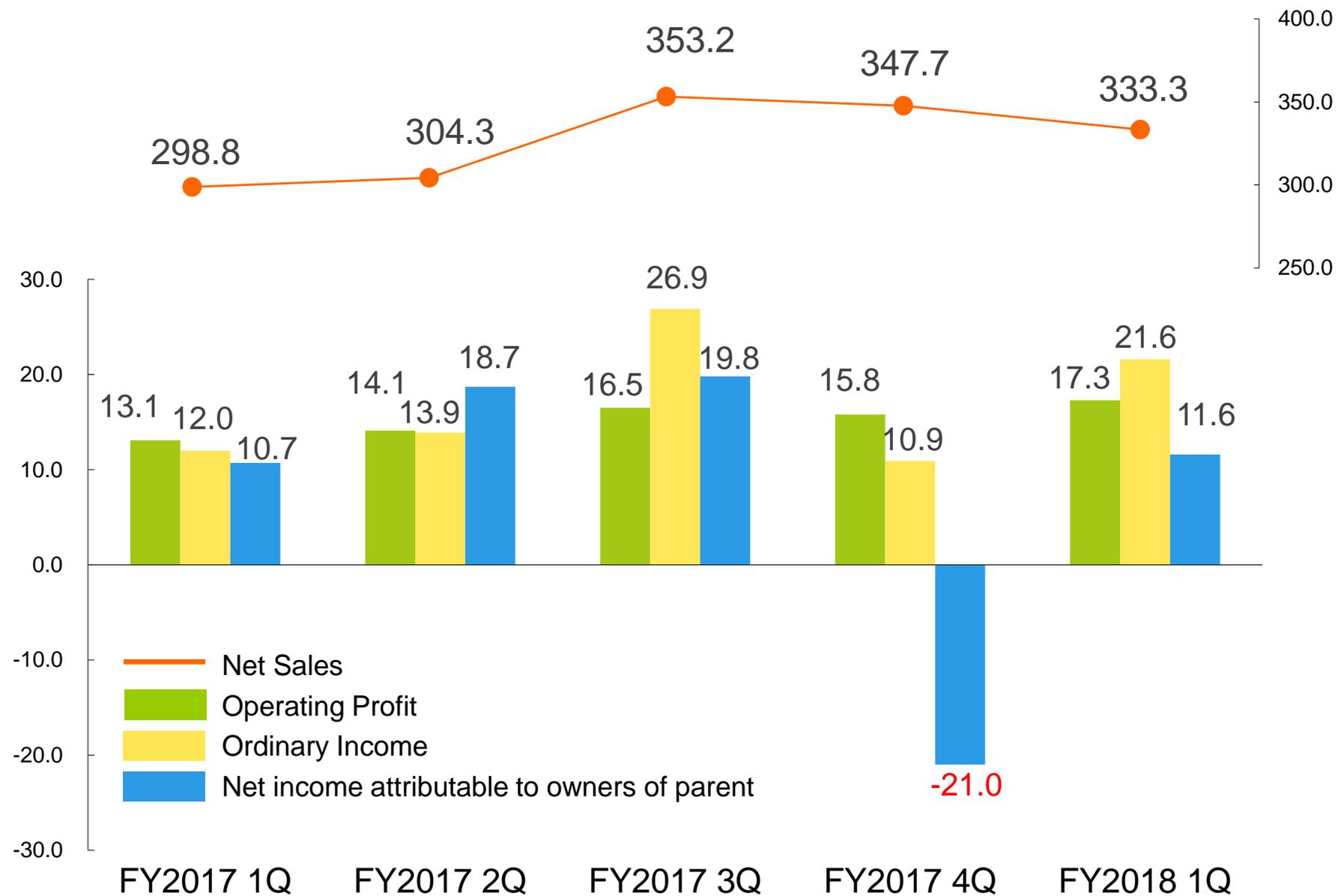
Performance Overview (for the 1st Quarters)

[Unit: ¥ billions]



Performance Overview (Quarterly)

[Unit: ¥ billions]



Consolidated Statements of Operations (for the 1st Quarter)

[Unit: ¥ billions]

	FY2017 1Q Result (a)	FY2018 1Q Result (b)	Difference (b)-(a)	Reason
Net sales	298.8	333.3	34.4	Cement +7.4, Metals +19.0, AM&T +2.5, EM&C +2.4, etc.
Operating profit	13.1	17.3	4.1	Cement +2.4, Metals -0.7, AM&T +0.5, EM&C +1.2, etc.
Net interest and dividends income	-0.0	4.8	4.9	Dividend income +4.7, Interest expenses +0.1, etc.
Equity in earnings of affiliates	0.7	0.6	-0.1	
Other / Non-operating profit / loss	-1.8	-1.1	0.6	
Ordinary income	12.0	21.6	9.5	
Extraordinary income / loss	3.6	0.1	-3.5	Gain on sales of non-current assets -3.1, etc.
Income taxes	-4.0	-7.1	-3.0	
Net income attributable to non-controlling interests	-0.9	-3.0	-2.0	
Net income attributable to owners of parent	10.7	11.6	0.8	
Exchange rate (USD)	108	111	3	JPY / \$
Exchange rate (EUR)	122	122	0	JPY / €
Copper price (LME)	215	257	42	¢ / lb

Statistics / Assumptions

■ Statistics / Assumptions

		FY2017 1Q Result (a)	FY2018 1Q Result (b)	Difference (b)-(a)
Total demand for cement in Japan	(million tons)	9.81	10.23	0.42
Cement sales volumes for MMC-Domestic	(million tons)	1.53	1.63	0.10
Cement sales volumes for MMC-Exports	(million tons)	0.48	0.52	0.04
Cement sales volumes in the U.S. *	(million tons)	0.38	0.45	0.07
Ready-mixed concrete sales volumes in the U.S. *	(million cy)	1.53	2.29	0.76
Sales volumes of copper cathodes (in-house product)	(thousand tons)	67	70	3
Sales volumes of copper cathodes (PTS)	(thousand tons)	62	57	-5
Sales volumes of copper & copper alloy products	(thousand tons)	35	35	0
Dividend from copper mine	(¥ billion)	—	4.3	4.3
Sales volumes of aluminum sheet products	(thousand tons)	29	30	1
Sales volumes of aluminum extrusion products	(thousand tons)	4	5	1

* From FY2018, the accounting period of the cement and ready-mixed concrete business in the U.S. have been changed from “Ending December 31” to “Ending March 31”.

Accordingly, “FY2017 1Q” in the above results shows the sales volumes from January to March, 2016, and “FY2018 1Q” shows the sales volumes from April to June, 2017.

(Reference) Cement sales volumes in the U.S.: 0.39 million tons (April to June, 2016)

Ready-mixed concrete sales volumes in the U.S.: 1.80 million cy (April to June, 2016)

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

[Unit: ¥ billions]

		FY2017 1Q Result (a)	FY2018 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	40.1	47.5	7.4	-0.6	-0.1	8.2	—	—	—	-0.1	
	Operating profit	2.8	5.2	2.4	-0.0	-0.1	2.7	-0.0	—	—	-0.2	
	Ordinary income	2.5	5.3	2.7					0.0	0.2	-0.1	
Metals	Net sales	139.5	158.5	19.0	2.5	18.1	-2.1	—	—	—	0.5	- Periodic furnace repairs (Non-consolidated)
	Operating profit	4.5	3.7	-0.7	0.2	0.8	0.6	-0.1	—	—	-2.2	
	Ordinary income	4.3	7.8	3.4					4.3	0.0	-2.4	
Advanced Materials & Tools	Net sales	36.4	39.0	2.5	0.2	0.1	2.2	—	—	—	0.0	
	Operating profit	3.6	4.2	0.5	0.0	0.7	0.7	-0.0	—	—	-0.8	
	Ordinary income	2.9	3.9	1.0					0.0	-0.0	-0.4	
Electronic Materials & Components	Net sales	15.0	17.4	2.4	0.1	-0.4	2.7	—	—	—	0.0	
	Operating profit	0.2	1.4	1.2	0.0	-0.0	1.5	-0.0	—	—	-0.3	
	Ordinary income	0.2	1.4	1.2					0.0	-0.2	-0.1	
Aluminum	Net sales	40.2	39.5	-0.7	0.1	0.0	-0.8	—	—	—	0.0	
	Operating profit	2.3	2.3	-0.0	0.0	0.2	-0.5	-0.1	—	—	0.4	
	Ordinary income	2.2	2.2	-0.0					0.0	-0.0	0.4	
Other	Net sales	45.4	50.7	5.3	0.0	2.1	3.1	—	—	—	0.1	
	Operating profit	1.0	1.6	0.6	0.0	0.6	0.1	-0.0	—	—	-0.1	
	Ordinary income	0.9	1.9	1.0					0.1	-0.0	0.2	
Elimination, etc.	Net sales	-18.0	-19.7	-1.6	0.0	0.0	-1.6	—	—	—	0.0	
	Operating profit	-1.4	-1.4	-0.0	0.0	0.0	-0.1	0.0	—	—	0.1	
	Ordinary income	-1.2	-1.1	0.0					0.2	0.0	-0.1	
Total	Net sales	298.8	333.3	34.4	2.3	19.8	11.7	—	—	—	0.5	
	Operating profit	13.1	17.3	4.1	0.2	2.2	5.0	-0.2	—	—	-3.1	
	Ordinary income	12.0	21.6	9.5					4.7	-0.1	-2.3	

Consolidated Balance Sheet

[Unit: ¥ billions]

	End of Mar. 2017 (a)	End of June 2017 (b)	Difference (b)-(a)
Assets			
Cash and deposits	141.2	82.7	-58.5
Notes and accounts receivable-trade	213.3	226.1	12.8
Inventories	288.2	350.6	62.4
Other	224.5	218.7	-5.7
Current assets, subtotal	867.4	878.3	10.9
Property, plant and equipment and intangible assets	724.8	740.1	15.3
Investments and other assets	304.6	310.5	5.9
Non-current assets, subtotal	1,029.4	1,050.7	21.2
Total Assets	1,896.9	1,929.0	32.1

	End of Mar. 2017 (a)	End of June 2017 (b)	Difference (b)-(a)
Liabilities			
Notes and accounts payable-trade	114.5	134.6	20.1
Loans payable, bonds payable, and CP	528.2 28%	556.1 29%	27.9
Other liabilities	544.0	526.7	-17.2
Liabilities, subtotal	1,186.7	1,217.5	30.8
Net assets			
Capital stock	119.4	119.4	-
Capital surplus and treasury stock	90.4	90.3	-0.0
Retained earnings	333.5	340.2	6.6
Total other comprehensive income	77.8	73.6	-4.2
Non-Controlling interests	88.9	87.8	-1.0
Net Assets, subtotal	710.1 37%	711.5 37%	1.3
Total liabilities and net assets	1,896.9	1,929.0	32.1
Shareholders' equity ratio	33 %	32 %	
Net debt to equity ratio	0.6 times	0.8 times	

FY2018 Forecast: Statistics / Assumptions / Sensitivity

■ Statistics / Assumptions

		Forecast (a) *		Forecast (b) at this time		Difference (b)-(a)	
		1st Half	Full Year	1st Half	Full Year	1st Half	Full Year
Total demand for cement in Japan	(million tons)	20.34	42.00	20.34	42.00	—	—
Cement sales volumes for MMC-Domestic	(million tons)	3.31	6.92	3.42	7.03	0.11	0.11
Cement sales volumes for MMC-Exports	(million tons)	1.19	2.50	1.20	2.51	0.01	0.01
Cement sales volumes in the U.S.	(million tons)	0.84	1.59	0.87	1.62	0.03	0.03
Ready-mixed concrete sales volumes in the U.S.	(million cy)	3.89	7.48	4.47	8.06	0.58	0.58
Sales volumes of copper cathodes (in-house product)	(thousand tons)	157	319	155	317	-2	-2
Sales of volumes of copper cathodes (PTS)	(thousand tons)	149	280	135	266	-14	-14
Sales volumes of copper & copper alloy products	(thousand tons)	70	141	70	141	0	0
Dividend from copper mine	(¥ billion)	0.1	9.5	4.3	9.5	4.2	—
Sales volumes of aluminum sheet products	(thousand tons)	57	112	57	112	0	0
Sales volumes of aluminum extrusion products	(thousand tons)	9	19	9	19	0	0

*Announced on May 11, 2017

■ Sensitivity

	FY2018 2-4Q
Exchange rates Operating profit - 1 yen/\$ (yen depreciation)	0.5 billion yen
Operating profit - 1 yen/€ (yen depreciation)	0.08 billion yen
Copper price (LME) Operating profit ±10¢/lb	0.4 billion yen
Non-operating profit ±10¢/lb	1.2 billion yen

■ Assumptions

	2Q	2nd Half
	110	113 JPY / \$
	120	120 JPY / €
	260	260 ¢ / lb

FY 2018 Performance Forecast

[Unit: ¥ billions]

	Forecast (a) *		Forecast (b) at this time		Difference (b)-(a)		
	1st Half	Full Year	1st Half	Full Year	1st Half	Full Year	
Net sales	750.0	1,570.0	720.0	1,540.0	-30.0	-30.0	
Operating profit	28.0	65.0	33.0	70.0	5.0	5.0	
Net interest and dividends income	-0.4	7.9	4.3	8.5	4.7	0.6	
Equity in earnings of affiliates	0.3	1.6	0.9	2.2	0.6	0.6	
Other / Non-operating profit / loss	-2.9	-6.5	-2.1	-5.7	0.8	0.8	
Ordinary income	25.0	68.0	36.0	75.0	11.0	7.0	
Extraordinary income / loss	-0.3	-13.1	-0.4	-13.1	-0.1	0.0	
Income taxes	-8.8	-20.0	-13.0	-23.1	-4.2	-3.1	
Net income attributable to non-controlling interests	-2.9	-6.9	-4.6	-7.8	-1.7	-0.9	
Net income attributable to owners of parent	13.0	28.0	18.0	31.0	5.0	3.0	
Exchange rate (USD)	113	113	111	112	-2	-1	JPY / \$
Exchange rate (EUR)	120	120	121	121	1	1	JPY / €
Copper price (LME)	260	260	258	259	-2	-1	¢ / lb
Dividend per share (yen)	30	80	30	80	—	—	

*Announced on May 11, 2017

FY2018 Forecast: Factor Analysis of Net Sales, Operating Profit and Ordinary Income by Segment

[Unit: ¥ billions]

		Forecast (a) *		Forecast (b) at this time		Difference (b)-(a)	
		1st Half	Full Year	1st Half	Full Year	1st Half	Full Year
Cement	Net sales	92.0	185.2	97.4	190.6	5.4	5.4
	Operating profit	8.7	19.2	11.0	21.5	2.3	2.3
	Ordinary income	8.0	18.8	10.8	21.6	2.8	2.8
Metals	Net sales	408.9	860.3	366.8	818.2	-42.1	-42.1
	Operating profit	10.1	23.8	10.4	24.1	0.3	0.3
	Ordinary income	8.9	30.7	13.6	31.2	4.7	0.5
Advanced Materials & Tools	Net sales	75.9	154.1	77.2	155.4	1.3	1.3
	Operating profit	5.7	12.5	7.1	13.9	1.4	1.4
	Ordinary income	5.3	11.7	6.5	12.9	1.2	1.2
Electronic Materials & Components	Net sales	32.8	68.3	33.7	69.2	0.9	0.9
	Operating profit	1.1	2.6	1.9	3.4	0.8	0.8
	Ordinary income	1.7	3.6	2.5	4.4	0.8	0.8
Aluminum	Net sales	78.3	154.8	78.9	155.4	0.6	0.6
	Operating profit	3.5	6.5	3.9	6.9	0.4	0.4
	Ordinary income	2.9	5.4	3.5	6.0	0.6	0.6
Other	Net sales	105.3	232.2	105.9	232.8	0.6	0.6
	Operating profit	2.4	9.2	3.1	9.9	0.7	0.7
	Ordinary income	2.4	9.2	3.3	10.1	0.9	0.9
Elimination, etc.	Net sales	-43.4	-85.0	-39.9	-81.5	3.5	3.5
	Operating profit	-3.8	-9.1	-4.4	-9.7	-0.6	-0.6
	Ordinary income	-4.5	-11.7	-4.3	-11.5	0.2	0.2
Total	Net sales	750.0	1,570.0	720.0	1,540.0	-30.0	-30.0
	Operating profit	28.0	65.0	33.0	70.0	5.0	5.0
	Ordinary income	25.0	68.0	36.0	75.0	11.0	7.0

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