

# **MITSUBISHI MATERIALS CORPORATION**

Supplementary Explanation of Consolidated Financial Results  
for the Three Months Ended June 30, 2021

August 6, 2021

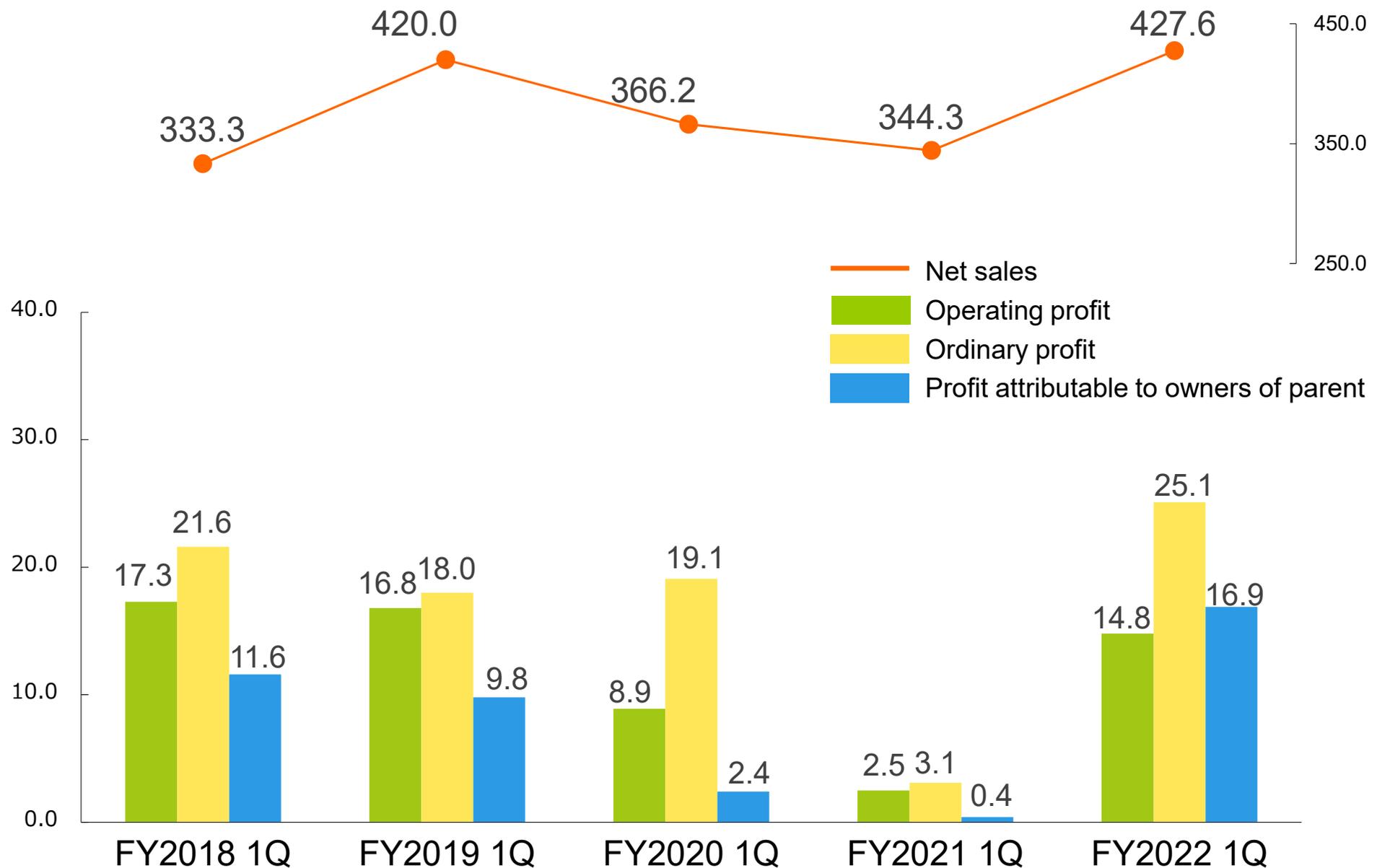
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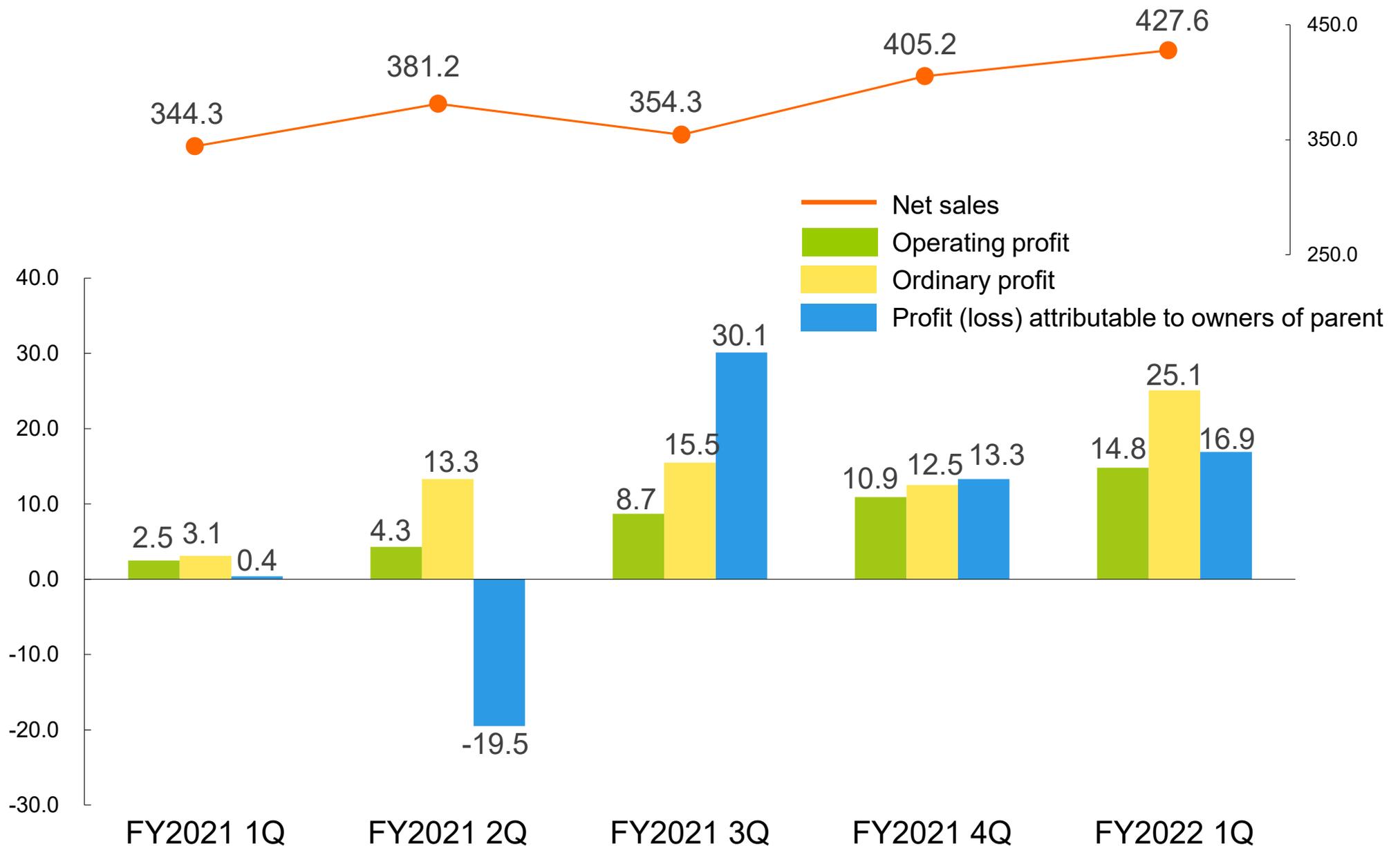
# Performance Overview (1st Quarter)

[Unit: billion yen]



# Performance Overview (Quarterly)

[Unit: billion yen]



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

[Unit: billion yen]

	FY2021 1Q Result (a)	FY2022 1Q Result (b)	Difference (b)-(a)	Reason *
Net sales	344.3	427.6	83.3	AP+35.7、MS+5.4、Metals+79.3、Cement-0.7, etc.
Operating profit	2.5	14.8	12.3	AP+3.4、MS+3.3、Metals+5.5、Cement-0.0, etc.
Net interest and dividend income	1.4	8.8	7.4	Dividend income+7.7, etc.
Share of profit (loss) of entities accounted for using equity method	-0.1	1.6	1.8	Copper mine+1.7, etc.
Other / Non-operating profit / loss	-0.6	-0.2	0.4	
Ordinary profit	3.1	25.1	22.0	
Extraordinary income / loss	1.4	1.0	-0.4	
Income taxes	-3.2	-5.6	-2.3	
Profit attributable to non-controlling interests	-0.8	-3.5	-2.7	
Profit attributable to owners of parent	0.4	16.9	16.4	
Exchange rate (USD)	108	109	2	JPY / \$
Exchange rate (EUR)	118	132	13	JPY / €
Copper price (LME)	242	440	198	¢ / lb

\*AP: Advanced Products  
MS: Metalworking Solutions

# Comparison with the Previous Year Result (Statistics)

## ■ Statistics

		FY2021 1Q Result (a)	FY2022 1Q Result (b)	Difference (b-a)
Sales volumes of copper & copper alloy products	(thousand tons)	27	34	7
Sales volumes of copper cathodes (in-house product)	(thousand tons)	77	72	-5
Sales volumes of copper cathodes (PTS)	(thousand tons)	69	66	-3
Dividend from copper mine	(billion yen)	0.9	9.4	8.4
Total demand for cement in Japan	(million tons)	9.40	9.22	-0.17
Cement sales volumes for MMC-Domestic	(million tons)	1.47	1.37	-0.11
Cement sales volumes for MMC-Exports	(million tons)	0.41	0.58	0.17
Cement sales volumes in the U.S.	(million tons)	0.41	0.37	-0.04
Ready-mixed concrete sales volumes in the U.S.	(million cy)	2.21	2.02	-0.19
Sales volumes of aluminum sheet products	(thousand tons)	24	27	3
Sales volumes of aluminum extrusion products	(thousand tons)	3	3	1

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

[Unit: billion yen]

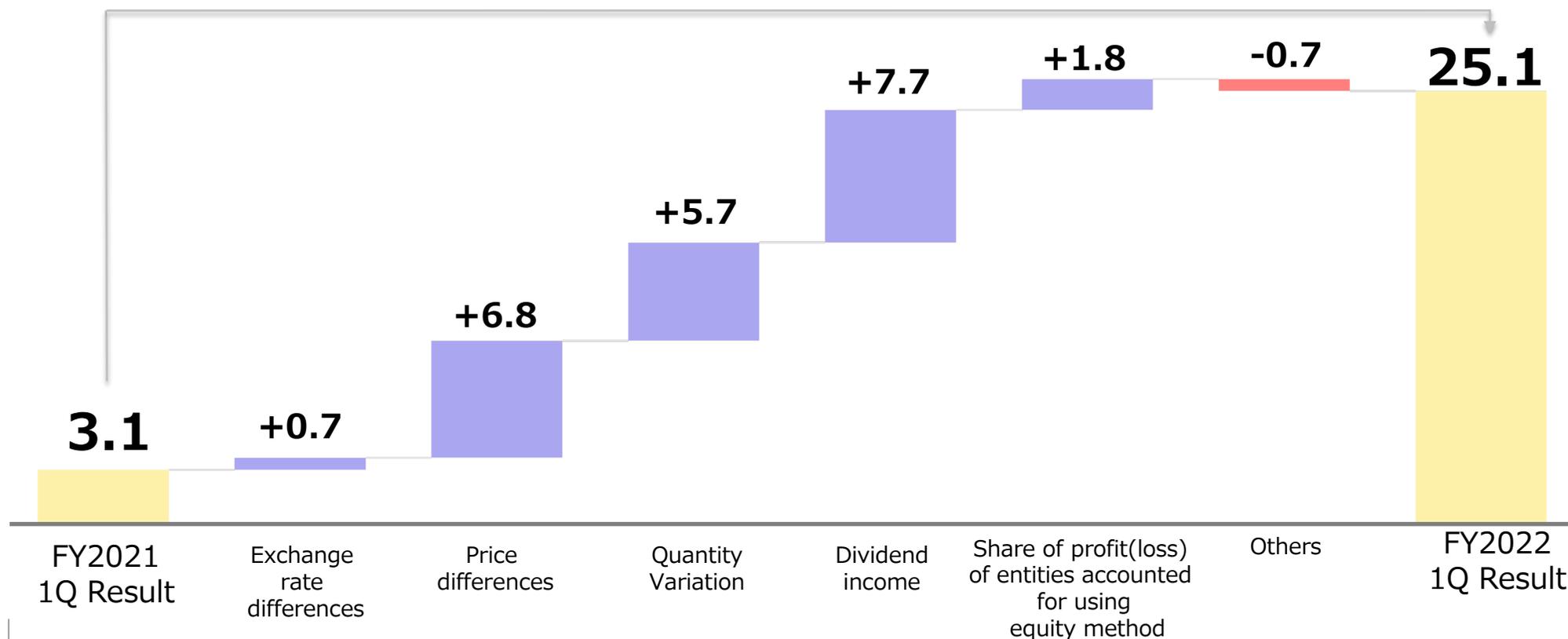
## FY2022 1Q Results : +22.0 billion yen (year-on-year)

【Price differences】 Increase in profits due to a hike in metal prices such as palladium and improvements in sulfuric acid market conditions.

【Quantity Variation】 Increase in profits mainly in the Advanced Products and Metalworking Solutions businesses due to steady demand for semiconductors and automobiles related products.

【Dividend income】 Increase in profits because a portion of dividend income from Los Pelambres Mine, which was expected to be recorded in the second half of the fiscal year, has been brought forward to the first quarter.

**+22.0**



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

[Unit: billion yen]

		FY2021 1Q Results (a)	FY2022 1Q Results (b)	Difference (b-a)	Exchange rate difference	Price difference	Quantity variation	Revenue recognition*	Dividend income	Share of profit (loss) of entities accounted for using equity method	Other	
Advanced Products	Net sales	79.9	115.7	35.7	0.5	23.6	17.3	-5.7	—	—	—	
	Operating profit	-0.1	3.2	3.4	-0.0	0.5	3.1	—	—	—	-0.2	
	Ordinary profit	-0.7	4.2	4.9	-0.0	0.5	3.1	—	-0.0	0.7	0.6	
	Copper & copper alloy	Net sales	50.5	86.5	35.9	0.2	23.6	12.1	0.0	—	—	—
		Operating profit	-0.7	0.9	1.7	-0.0	0.2	1.6	—	—	—	-0.1
		Ordinary profit	-1.7	1.7	3.5	-0.0	0.2	1.6	—	-0.0	0.6	1.1
	Electronic materials & components	Net sales	29.6	29.5	-0.0	0.3	0.1	5.3	-5.7	—	—	—
		Operating profit	0.6	2.2	1.6	0.0	0.3	1.4	—	—	—	-0.1
		Ordinary profit	1.1	2.5	1.3	0.0	0.3	1.4	—	0.0	0.0	-0.4
Metalworking Solutions	Net sales	27.9	33.4	5.4	1.2	0.0	7.4	0.0	—	—	-3.2	
	Operating profit	-1.2	2.1	3.3	0.6	0.3	4.2	—	—	—	-1.8	
	Ordinary profit	-1.3	2.1	3.5	0.6	0.3	4.2	—	-0.0	—	-1.6	
Metals	Net sales	157.8	237.1	79.3	-0.2	83.6	-4.1	0.0	—	—	—	
	Operating profit	1.5	7.1	5.5	0.1	4.7	-1.5	—	—	—	2.2	
	Ordinary profit	1.6	16.6	14.9	0.1	4.7	-1.5	—	8.4	1.7	1.5	
Cement	Net sales	51.2	50.4	-0.7	0.4	1.7	-0.8	-2.0	—	—	—	
	Operating profit	1.9	1.9	-0.0	-0.0	0.8	-0.6	—	—	—	-0.2	
	Ordinary profit	2.5	1.9	-0.6	-0.0	0.8	-0.6	—	-0.0	-0.4	-0.4	
Environment & Energy	Net sales	4.6	5.5	0.9	0.0	-0.0	0.9	0.0	—	—	0.0	
	Operating profit	-0.0	0.2	0.3	0.0	-0.0	0.3	—	—	—	0.0	
	Ordinary profit	0.2	0.5	0.3	0.0	-0.0	0.3	—	-0.0	0.0	0.0	
Others	Net sales	61.9	59.2	-2.7	0.4	0.8	0.6	-3.2	—	—	-1.3	
	Operating profit	0.8	1.7	0.9	0.0	0.5	0.3	—	—	—	0.1	
	Ordinary profit	0.7	1.5	0.7	0.0	0.5	0.3	—	-0.0	-0.1	0.0	
	Aluminum	Net sales	31.7	30.4	-1.3	0.0	0.9	1.0	-2.0	—	—	-1.2
		Operating profit	0.5	2.1	1.5	-0.0	0.5	0.6	—	—	—	0.4
		Ordinary profit	0.4	1.8	1.3	-0.0	0.5	0.6	—	-0.0	-0.1	0.3
Elimination, etc.	Net sales	-39.2	-73.8	-34.6	0.0	-25.8	-15.6	6.8	—	—	—	
	Operating profit	-0.3	-1.6	-1.2	0.0	0.0	-0.2	—	—	—	-1.0	
	Ordinary profit	-0.0	-1.9	-1.9	0.0	0.0	-0.2	—	-0.6	-0.0	-1.1	
Total	Net sales	344.3	427.6	83.3	2.2	84.1	5.6	-4.1	—	—	-4.5	
	Operating profit	2.5	14.8	12.3	0.7	6.8	5.7	—	—	—	-0.9	
	Ordinary profit	3.1	25.1	22.0	0.7	6.8	5.7	—	7.7	1.8	-0.7	

\*"Revenue recognition" here shows an approximate effect on the Mitsubishi Materials Group due to the change of revenue recognition accounting policy applied from FY2022.

# Consolidated Balance Sheet

[Unit: billion yen]

	End of Mar 2021(a)	End of June 2021(b)	Difference (b-a)		End of Mar. 2021(a)	End of June 2021(b)	Difference (b-a)
<b>Assets</b>				<b>Liabilities</b>			
Cash and deposits	153.0	168.4	15.3	Notes and accounts payable – trade	153.6	158.3	4.7
Notes and accounts receivable - trade	220.5	238.7	18.2	Borrowings, bonds payable and commercial papers	629.4 <sup>31%</sup>	690.4 <sup>32%</sup>	60.9
Inventories	379.8	414.3	34.4	Other liabilities	638.0	637.9	-0.1
Other	286.4	317.6	31.2	<b>Total liabilities</b>	<b>1,421.1</b>	<b>1,486.7</b>	<b>65.5</b>
<b>Total current assets</b>	<b>1,039.8</b>	<b>1,139.2</b>	<b>99.3</b>	<b>Net assets</b>			
Property, plant and equipment and intangible assets	711.8	709.6	-2.1	Share capital	119.4	119.4	–
Investments and other assets	283.8	277.4	-6.3	Capital surplus and treasury shares	76.5	76.5	0.0
<b>Total non-current assets</b>	<b>995.6</b>	<b>987.0</b>	<b>-8.5</b>	Retained earnings	294.8	306.0	11.2
<b>Total assets</b>	<b>2,035.5</b>	<b>2,126.3</b>	<b>90.8</b>	Accumulated other comprehensive income	54.3	65.0	10.6
				Non-Controlling interests	69.1	72.5	3.3
				<b>Total net assets</b>	<b>614.3<sup>30%</sup></b>	<b>639.6<sup>30%</sup></b>	<b>25.2</b>
				<b>Total liabilities and net assets</b>	<b>2,035.5</b>	<b>2,126.3</b>	<b>90.8</b>
				Shareholders' equity ratio	27 %	27 %	
				Net D/E ratio	0.87 times	0.92 times	

# FY2022 Performance Forecast (Statistics / Sensitivity / Assumptions)

## ■ Statistics

		FY2022 Forecast (Previous*)			FY2022 Forecast (This time)			Difference		
		1st Half	2nd Half	Full Year (a)	1st Half	2nd Half	Full Year (b)	1st Half	2nd Half	Full Year (b-a)
Sales volumes of copper & copper alloy products	(thousand tons)	68	67	135	68	69	137	-1	3	2
Sales volumes of copper cathodes (in-house product)	(thousand tons)	145	163	307	148	163	311	3	1	4
Sales volumes of copper cathodes (PTS)	(thousand tons)	143	139	281	138	139	276	-5	0	-5
Dividend from copper mine	(billion yen)	1.2	7.0	8.3	9.4	3.9	13.4	8.2	-3.1	5.1
Total demand for cement in Japan	(million tons)	—	—	39.00	—	—	38.50	—	—	-0.50
Cement sales volumes for MMC-Domestic	(million tons)	3.18	3.33	6.51	2.96	3.29	6.26	-0.21	-0.04	-0.25
Cement sales volumes for MMC-Exports	(million tons)	0.97	1.20	2.17	1.19	1.21	2.40	0.22	0.01	0.23
Cement sales volumes in the U.S.	(million tons)	0.82	0.73	1.55	0.76	0.73	1.50	-0.06	0.01	-0.05
Ready-mixed concrete sales volumes in the U.S.	(million cy)	4.33	3.93	8.26	4.04	3.84	7.88	-0.29	-0.09	-0.38
Sales volumes of aluminum sheet products	(thousand tons)	50	45	95	51	46	97	1	1	2
Sales volumes of aluminum extrusion products	(thousand tons)	7	7	13	7	7	14	0	0	0

\*Announced on May 14, 2021

## ■ Sensitivity

		FY2022 2Q-4Q Forecast	■ Assumptions	
			2Q	2nd Half
Exchange rates	Operating profit - 1 yen/\$ (yen depreciation)	0.6 billion yen	110	110 yen/\$
	Operating profit - 1 yen/€ (yen depreciation)	0.12 billion yen	130	130 yen/€
Copper price (LME)	Operating profit ±10¢/lb	0.4 billion yen	420	395 ¢/lb
	Non-operating profit ±10¢/lb	1.1 billion yen		

# FY2022 Performance Forecast

[Unit: billion yen]

	FY2022 Forecast(Previous*)			FY2022 Forecast(This time)			Difference		
	1st Half	2nd Half	Full Year (a)	1st Half	2nd Half	Full Year (b)	1st Half	2nd Half	Full Year (b-a)
Net sales	810.0	810.0	1,620.0	880.0	880.0	1,760.0	70.0	70.0	140.0
Operating profit	13.0	22.0	35.0	26.0	21.0	47.0	13.0	-1.0	12.0
Net interest and dividend income	0.0	5.0	5.0	8.0	2.0	10.0	8.0	-3.0	5.0
Share of profit (loss) of entities accounted for using equity method	2.0	4.5	6.5	3.0	4.5	7.5	1.0	0.0	1.0
Other Non-operating profit / loss	-5.0	-4.5	-9.5	-3.0	-5.5	-8.5	2.0	-1.0	1.0
Ordinary profit	10.0	27.0	37.0	34.0	22.0	56.0	24.0	-5.0	19.0
Extraordinary income / loss	1.0	-1.5	-0.5	2.0	-1.5	0.5	1.0	0.0	1.0
Income taxes	-5.0	-7.0	-12.0	-9.0	-5.0	-14.0	-4.0	2.0	-2.0
Profit (loss) attributable to non-controlling interests	-1.0	-3.5	-4.5	-4.0	-1.5	-5.5	-3.0	2.0	-1.0
Profit (loss) attributable to owners of parent	5.0	15.0	20.0	23.0	14.0	37.0	18.0	-1.0	17.0
Exchange rate (JPY/USD)	110	110	110	110	110	110	-0	0	-0
Exchange rate (JPY/EUR)	130	130	130	131	130	131	1	0	1
Copper price (LME)(¢/lb)	345	345	345	430	395	413	85	50	68
Dividends per share (yen)	25	25	50	25	25	50	—	—	—

\*Announced on May 14, 2021

# FY2022 Performance Forecast (Factor Analysis by Segment)

[Unit: billion yen]

		FY2022 Forecast (Previous*)			FY2022 Forecast (This time)			Difference			
		1st Half	2nd Half	Full year (a)	1st Half	2nd Half	Full year (b)	1st Half	2nd Half	Full year (b-a)	
Advanced Products	Net sales	210.4	211.5	421.9	238.4	243.5	481.9	28.0	32.0	60.0	
	Operating profit	3.2	4.4	7.6	4.8	3.7	8.5	1.6	-0.7	0.9	
	Ordinary profit	2.9	4.2	7.1	6.1	3.5	9.7	3.2	-0.7	2.6	
	Copper & copper alloy	Net sales	155.0	152.9	307.9	181.2	185.9	367.1	26.2	33.0	59.2
		Operating profit	1.3	1.4	2.8	1.3	0.6	2.0	0.0	-0.8	-0.8
		Ordinary profit	0.7	0.9	1.6	1.9	0.2	2.2	1.2	-0.7	0.6
	Electronic materials & components	Net sales	56.0	59.2	115.2	57.8	58.1	116.0	1.8	-1.1	0.8
		Operating profit	1.8	2.9	4.8	3.4	3.0	6.5	1.6	0.1	1.7
		Ordinary profit	2.2	3.2	5.4	4.2	3.2	7.4	2.0	0.0	2.0
Metalworking Solutions	Net sales	65.1	68.0	133.1	67.1	69.7	136.8	2.0	1.7	3.7	
	Operating profit	2.9	5.9	8.8	5.0	7.7	12.8	2.1	1.8	4.0	
	Ordinary profit	2.6	5.6	8.3	4.9	7.4	12.3	2.3	1.8	4.0	
Metals	Net sales	413.2	412.7	825.9	475.0	462.0	937.0	61.8	49.3	111.1	
	Operating profit	5.9	7.2	13.2	13.9	8.0	22.0	8.0	0.8	8.8	
	Ordinary profit	6.6	16.1	22.8	24.3	14.1	38.5	17.7	-2.0	15.7	
Cement	Net sales	104.9	103.5	208.4	104.0	105.3	209.3	-0.9	1.8	0.9	
	Operating profit	4.5	5.4	9.9	3.1	2.7	5.9	-1.4	-2.7	-4.0	
	Ordinary profit	4.5	4.8	9.4	2.0	1.5	3.5	-2.5	-3.3	-5.9	
Environment & Energy	Net sales	8.1	8.5	16.7	8.3	9.4	17.7	0.2	0.9	1.0	
	Operating profit	-0.3	0.4	0.0	-0.1	0.7	0.5	0.2	0.3	0.5	
	Ordinary profit	0.0	0.9	0.9	0.4	1.2	1.7	0.4	0.3	0.8	
Others	Net sales	119.6	122.9	242.6	122.1	125.9	248.1	2.5	3.0	5.5	
	Operating profit	2.9	3.4	6.4	3.1	2.0	5.1	0.2	-1.4	-1.3	
	Ordinary profit	2.3	2.4	4.8	2.5	0.9	3.5	0.2	-1.5	-1.3	
	Aluminum	Net sales	60.4	56.4	116.9	61.3	57.6	118.9	0.9	1.2	2.0
		Operating profit	2.9	1.1	4.1	2.8	0.0	2.9	-0.1	-1.1	-1.2
		Ordinary profit	2.3	0.2	2.6	2.2	-0.8	1.3	-0.1	-1.0	-1.3
Elimination, etc.	Net sales	-111.5	-117.4	-229.0	-135.1	-135.9	-271.1	-23.6	-18.5	-42.1	
	Operating profit	-6.2	-4.9	-11.2	-4.1	-4.0	-8.1	2.1	0.9	3.1	
	Ordinary profit	-9.1	-7.3	-16.5	-6.4	-6.9	-13.3	2.7	0.4	3.2	
Total	Net sales	810.0	810.0	1,620.0	880.0	880.0	1,760.0	70.0	70.0	140.0	
	Operating profit	13.0	22.0	35.0	26.0	21.0	47.0	13.0	-1.0	12.0	
	Ordinary profit	10.0	27.0	37.0	34.0	22.0	56.0	24.0	-5.0	19.0	

\*Announced on May 14, 2021

# 【Reference】 Performance Overview (Quarterly)

[Unit: billion yen]

■ Performance Overview by Segment			FY2021 Results							FY2022 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	79.9	76.1	156.0	95.3	105.6	201.0	357.1	115.7							
	Operating profit	-0.1	-1.6	-1.7	1.0	3.5	4.6	2.8	3.2							
	Ordinary profit	-0.7	0.7	0.0	1.9	4.2	6.1	6.1	4.2							
Copper & copper alloy	Net sales	50.5	48.4	99.0	61.9	70.6	132.6	231.6	86.5							
	Operating profit	-0.7	-1.4	-2.2	0.4	1.4	1.8	-0.3	0.9							
	Ordinary profit	-1.7	0.0	-1.7	1.0	1.5	2.5	0.8	1.7							
Electronic materials & components	Net sales	29.6	27.9	57.5	33.6	35.4	69.0	126.6	29.5							
	Operating profit	0.6	-0.0	0.6	0.8	2.0	2.9	3.5	2.2							
	Ordinary profit	1.1	0.8	1.9	1.0	2.6	3.7	5.6	2.5							
Metalworking Solutions	Net sales	27.9	28.7	56.6	31.8	30.8	62.7	119.3	33.4							
	Operating profit	-1.2	-1.8	-3.0	-0.3	2.2	1.9	-1.1	2.1							
	Ordinary profit	-1.3	-1.4	-2.8	-0.3	2.3	2.0	-0.7	2.1							
Metals	Net sales	157.8	200.5	358.3	163.5	206.3	369.9	728.2	237.1							
	Operating profit	1.5	5.8	7.4	3.2	8.1	11.4	18.8	7.1							
	Ordinary profit	1.6	13.7	15.4	7.1	10.3	17.4	32.9	16.6							
Cement	Net sales	51.2	54.5	105.7	52.9	57.1	110.0	215.8	50.4							
	Operating profit	1.9	2.1	4.1	2.4	0.0	2.5	6.6	1.9							
	Ordinary profit	2.5	1.2	3.8	3.6	-1.3	2.3	6.1	1.9							
Environment & Energy	Net sales	4.6	5.0	9.6	6.1	10.4	16.5	26.2	5.5							
	Operating profit	-0.0	0.0	-0.0	0.3	1.5	1.8	1.7	0.2							
	Ordinary profit	0.2	0.2	0.4	0.7	1.9	2.6	3.1	0.5							
Others	Net sales	61.9	65.3	127.3	68.8	70.5	139.3	266.7	59.2							
	Operating profit	0.8	1.6	2.5	2.7	3.5	6.3	8.8	1.7							
	Ordinary profit	0.7	1.4	2.2	2.8	4.3	7.1	9.3	1.5							
Aluminum	Net sales	31.7	32.2	63.9	32.5	31.7	64.2	128.2	30.4							
	Operating profit	0.5	1.1	1.7	1.3	1.2	2.6	4.3	2.1							
	Ordinary profit	0.4	0.9	1.3	1.2	1.9	3.2	4.5	1.8							
Elimination, etc.	Net sales	-39.2	-49.1	-88.3	-64.3	-75.8	-140.1	-228.4	-73.8							
	Operating profit	-0.3	-1.8	-2.2	-0.7	-8.2	-9.0	-11.3	-1.6							
	Ordinary profit	-0.0	-2.7	-2.7	-0.3	-9.3	-9.7	-12.4	-1.9							
Total	Net sales	344.3	381.2	725.5	354.3	405.2	759.5	1,485.1	427.6							
	Operating profit	2.5	4.3	6.8	8.7	10.9	19.6	26.5	14.8							
	Ordinary profit	3.1	13.3	16.4	15.5	12.5	28.0	44.5	25.1							
■ Statistics / Assumptions																
Sales volumes of copper & copper alloy products	(thousand tons)	27	23	50	30	33	64	113	34							
Sales volumes of copper cathodes (in-house product)	(thousand tons)	77	98	175	73	62	135	309	72							
Sales volumes of copper cathodes (PTS)	(thousand tons)	69	72	141	52	67	118	260	66							
Dividend from copper mine	(billion yen)	0.9	8.0	9.0	3.5	1.5	5.1	14.1	9.4							
Total demand for cement in Japan	(million tons)	9.40	9.65	19.05	10.56	9.06	19.62	38.67	9.22							
Cement sales volumes for MMC-Domestic	(million tons)	1.47	1.55	3.03	1.71	1.48	3.20	6.22	1.37							
Cement sales volumes for MMC-Exports	(million tons)	0.41	0.66	1.08	0.62	0.64	1.26	2.34	0.58							
Total demand for Cement in the U.S.	(million tons)	—	—	—	—	—	—	101.72	—							
Cement sales volumes in the U.S.	(million tons)	0.41	0.43	0.84	0.37	0.34	0.70	1.54	0.37							
Ready-mixed concrete sales volumes in the U.S.	(million cy)	2.21	2.04	4.25	1.81	1.81	3.61	7.86	2.02							
Sales volumes of aluminum sheet products	(thousand tons)	24	22	46	23	25	48	94	27							
Sales volumes of aluminum extrusion products	(thousand tons)	3	3	5	3	3	7	12	3							
Exchange rate (USD)	(JPY/ \$)	108	106	107	105	106	105	106	109							
Exchange rate (EUR)	(JPY/€)	118	124	121	125	128	126	124	132							
Copper price (LME)	(¢ /lb)	242	296	269	325	385	355	312	440							

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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.