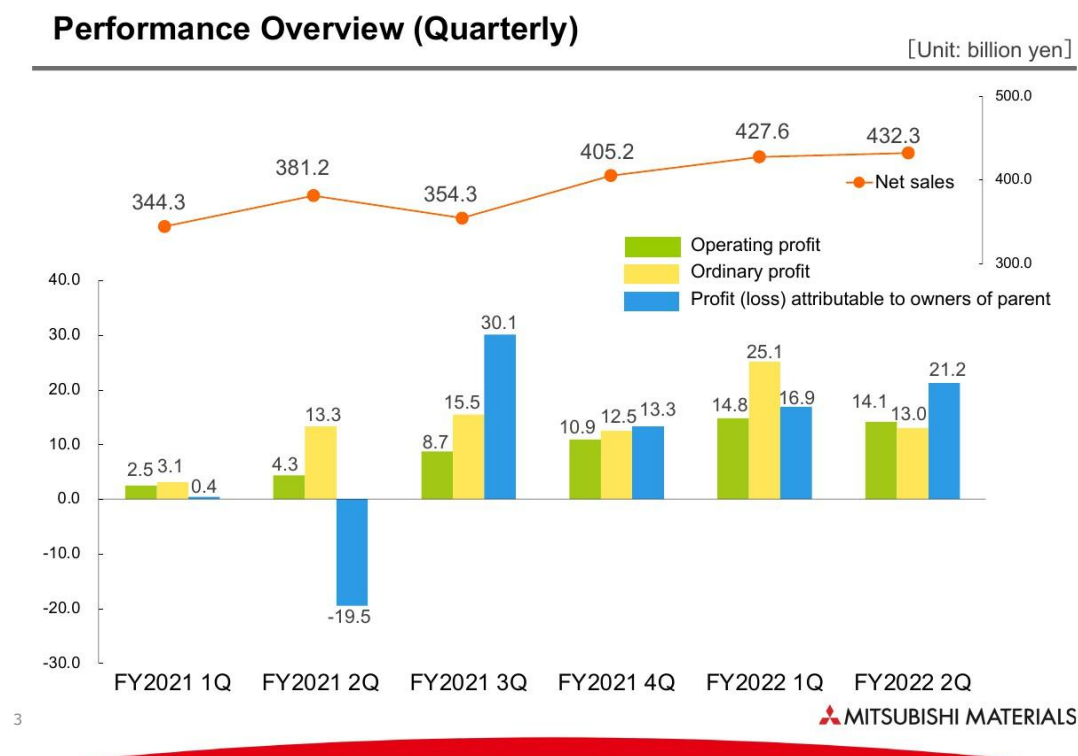


Mitsubishi Materials Corporation increased profit in first half of FY2022, but expect full-year profit to be in line with the previous forecast due to structural reforms and other factors. Paid a special dividend by selling investment securities and others.

Nobuhiro Takayanagi (hereinafter referred to as “Takayanagi”): Hello, I am Takayanagi, Managing Executive Officer. Thank you very much for taking time to attend our financial results briefing. I would like to explain the summary of the financial results for the second quarter and the forecast for the full year.

Performance Overview(Quarterly)



First, please look at page 3 of the supplementary materials for the financial results, which shows the quarterly trends. For the second quarter, the operating profit was 14.1 billion yen, as shown in the rightmost bar graph at the bottom of the slide. It was about the same level as the first quarter. The ordinary profit decreased from the first quarter due to the absence of dividend income from the copper mines.

Also, the Company recorded a gain on sales of investment securities as it continued to reduce the balance of shares held for strategic purposes. As a result, the profit attributable to owners of parent totaled to 21.2 billion yen.

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

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

[Unit: billion yen]

| | FY2021 1H Result (a) | FY2022 1H Result (b) | Difference (b)-(a) | Reason |
|--|----------------------------|----------------------------|-----------------------|--|
| Net sales | 725.5 | 860.0 | 134.4 | *AP+74.5 *MS+8.7 Metals+111.1 Cement-4.7 |
| Operating profit | 6.8 | 29.0 | 22.1 | *AP+7.6 *MS+8.9 Metals+7.3 Cement-1.8 |
| Net interest and dividend income | 9.4 | 8.1 | -1.3 | Dividend income-0.6 |
| Share of profit (loss) of entities accounted for using equity method | 0.8 | 2.9 | 2.0 | Copper mine+2.4 |
| Other / Non-operating profit (loss) | -0.7 | -1.8 | -1.1 | Employment adjustment subsidy-1.4 |
| Ordinary profit | 16.4 | 38.2 | 21.7 | |
| Extraordinary income (loss) | -23.0 | 19.7 | 42.7 | Provision for loss on business restructuring+21.9 Gain on sales of investment securities + 18.9 |
| Income taxes | -8.6 | -15.2 | -6.6 | |
| Profit (loss) attributable to non-controlling interests | -3.9 | -4.5 | -0.6 | |
| Profit (loss) attributable to owners of parent | -19.1 | 38.1 | 57.3 | |
| Exchange rate (USD) | 107 | 110 | 3 | JPY / \$ |
| Exchange rate (EUR) | 121 | 131 | 10 | JPY / € |
| Copper price (LME) | 269 | 433 | 164 | ¢ / lb |

4  MITSUBISHI MATERIALS

I would like to explain the net sales on page 4. Net sales were boosted mainly in the Advanced Products, Metalworking Solutions, and Metals businesses due to higher copper prices and strong demand for semiconductor-related and automobile-related products, etc.

On the other hand, the Cement Business has been struggling quite a bit in Japan and in the U.S. In the domestic Cement Business, the domestic demand was weaker than the previous year. In the U.S. business, sales of ready-mixed concrete and cement declined as a result of a driver shortage caused by tight supply and demand in the labor market, which has yet to be resolved. As a result of these of these factors, net sales increased by 134.4 billion yen to 860.0 billion yen.

I will explain about ordinary profit later in the waterfall graph on page 6.

Profit attributable to owners of parent totaled to 38.1 billion yen partly due to the sale of investment securities which I have explained earlier.

Comparison with the Previous Year Results (Statistics)

Comparison with the Previous Year Result (Statistics)

| Statistics | | FY2021 | FY2022 | |
|---|-----------------|-----------|-----------|------------|
| | | 1H Result | 1H Result | Difference |
| | | (a) | (b) | (b-a) |
| Sales volumes of copper & copper alloy products | (thousand tons) | 50 | 68 | 18 |
| Sales volumes of copper cathodes (in-house product) | (thousand tons) | 175 | 146 | -28 |
| Sales volumes of copper cathodes (PTS) | (thousand tons) | 141 | 131 | -10 |
| Dividend from copper mine | (billion yen) | 9.0 | 9.4 | 0.4 |
| Total demand for cement in Japan | (million tons) | 19.05 | 18.70 | -0.35 |
| Cement sales volumes for MMC-Domestic | (million tons) | 3.03 | 2.86 | -0.17 |
| Cement sales volumes for MMC-Exports | (million tons) | 1.08 | 1.06 | -0.02 |
| Cement sales volumes in the U.S. | (million tons) | 0.84 | 0.73 | -0.11 |
| Ready-mixed concrete sales volumes in the U.S. | (million cy) | 4.25 | 3.90 | -0.35 |
| Sales volumes of aluminum sheet products | (thousand tons) | 46 | 51 | 5 |
| Sales volumes of aluminum extrusion products | (thousand tons) | 5 | 6 | 1 |

Please refer to page 5 for the statistics.

Sales volume of the copper & copper alloy products increased, mainly for automobile application products.

Sales volume of copper cathodes in the first quarter of this year was impacted by production decrease in Naoshima Smelter & Refinery after the furnace repairs conducted from February to March in the previous fiscal year.

Additionally, it was also impacted by a production cut at the Onahama Smelting and Refining Co., Ltd, due to the equipment failure of an oxygen supplier in January 2021. The equipment failure at the oxygen supplier was resolved in late August of this year, and Onahama Smelting and Refining Co., Ltd. has been operating normally since then.

Regarding PT Smelting in Indonesia, sales volume of copper cathodes was affected by lower grade of ore during the first quarter, as well as the spread of COVID-19 in Indonesia during the second quarter of this year.

In response to the shortage of oxygen for medical use in Indonesia, PT Smelting provided oxygen. This has resulted in lower ore processing volume and sales declined. The support for medical treatment of COVID-19 was terminated at the end of August, 2021.

The mine dividend was generally in line with the previous year.

As for the domestic cement, the gross demand is still low compared with the previous fiscal year. The sales volume of ready-mixed concrete in the U.S. decreased mainly due to the driver shortage, as I mentioned earlier.

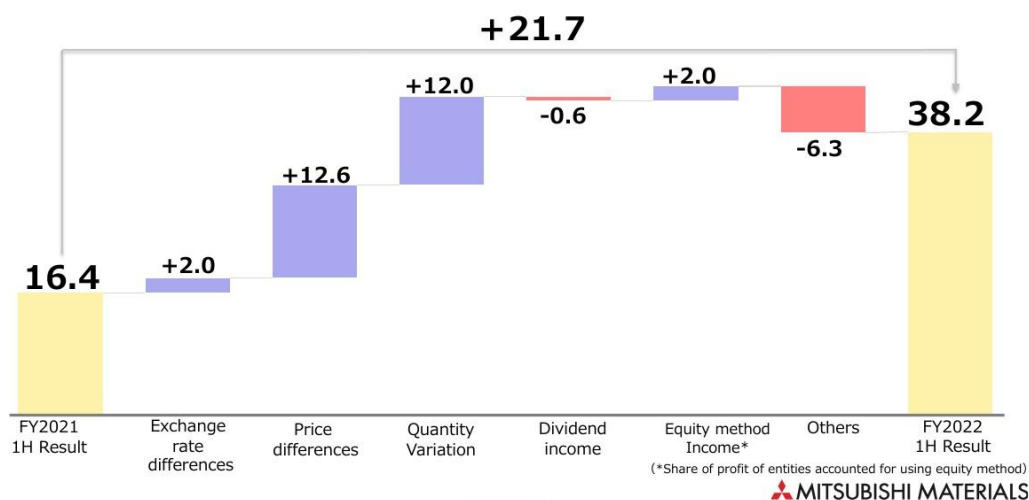
Comparison with the Previous Year Results (Factor Analysis of Ordinary Profit)

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

[Unit: billion yen]

FY2022 1H Result : + 21.7 billion yen(year-on-year)

【Price differences】 Increase in profits due to a hike in metal prices such as copper and palladium, and improvements in sulfuric acid market conditions.
 【Quantity Variation】 Due to steady demand for semi-conductors and automobiles related products, profit increased mainly in Advanced Products Business and Metalworking Solutions Business.



6

Please take a look at page 6. This waterfall graph illustrates the change in ordinary profit. The ordinary profit for the first six months of the fiscal year ending March 31, 2022, the yellow bar on the far-right side of the graph, is 38.2 billion, increased by 21.7 billion yen from 16.4 billion yen in the previous year.

The blue graph depicts the factors of profit increase, and the most notable ones were Price differences and Quantity variation. As for the Price differences, as you all know, the metal prices have been hiking. Specifically, the price of palladium hiked compared with the previous year.

The main factor for the Quantity variation was the steady demand for automobile and semiconductors related products that I mentioned earlier.

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


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

[Unit: billion yen]

| | | FY2021 1H Results ¥ aT* | FY2022 1H Results ¥ bT* | Difference ¥ b-aT | Exchange rate difference | Price difference | Quantity variation | Revenue recognition*1 | Dividend income | Equity method income (loss)*2 | Other |
|------------------------|------------------|-------------------------------|-------------------------------|----------------------|--------------------------------|---------------------|-----------------------|--------------------------|--------------------|--|-------|
| Advanced Products | Net sales | 156.0 | 230.5 | 74.5 | 5.8 | 41.3 | 38.5 | -11.1 | — | — | — |
| | Operating profit | -1.7 | 5.8 | 7.6 | — | — | — | — | — | — | -1.0 |
| | Ordinary profit | 0.0 | 7.2 | 7.2 | 0.1 | 1.0 | 7.5 | — | -0.2 | 1.0 | -2.2 |
| | Net sales | 99.0 | 172.9 | 73.9 | 5.2 | 41.2 | 27.5 | 0.0 | — | — | — |
| | Operating profit | -2.2 | 1.4 | 3.6 | — | — | — | — | — | — | -0.6 |
| | Ordinary profit | -1.7 | 1.9 | 3.6 | 0.0 | 0.6 | 3.6 | — | -0.0 | 0.9 | -1.5 |
| | Net sales | 57.5 | 58.3 | 0.7 | 0.5 | 0.1 | 11.2 | -11.1 | — | — | — |
| | Operating profit | 0.6 | 4.3 | 3.7 | — | — | — | — | — | — | -0.7 |
| | Ordinary profit | 1.9 | 5.3 | 3.3 | 0.1 | 0.4 | 3.9 | — | -0.2 | 0.0 | -0.9 |
| Metalworking Solutions | Net sales | 56.6 | 65.4 | 8.7 | 2.1 | 0.6 | 13.2 | 0.0 | — | — | -7.2 |
| | Operating profit | -3.0 | 5.8 | 8.9 | 1.3 | 1.0 | 8.8 | — | — | — | -2.2 |
| | Ordinary profit | -2.8 | 5.7 | 8.6 | — | — | — | — | -0.0 | — | -2.5 |
| Metals | Net sales | 358.3 | 469.4 | 111.1 | 1.5 | 126.4 | -16.8 | 0.0 | — | — | — |
| | Operating profit | 7.4 | 14.8 | 7.3 | 0.5 | 10.1 | -3.2 | — | — | — | -0.1 |
| | Ordinary profit | 15.4 | 24.9 | 9.4 | — | — | — | — | 0.4 | 2.4 | -0.8 |
| Cement | Net sales | 105.7 | 101.0 | -4.7 | 1.4 | 4.2 | -3.3 | -7.0 | — | — | — |
| | Operating profit | 4.1 | 2.3 | -1.8 | 0.0 | 0.4 | -2.2 | — | — | — | 0.0 |
| | Ordinary profit | 3.8 | 1.5 | -2.3 | — | — | — | — | -0.0 | -1.5 | 1.0 |
| Environment & Energy | Net sales | 9.6 | 9.1 | -0.4 | 0.0 | 0.0 | 1.2 | 0.0 | — | — | -1.6 |
| | Operating profit | -0.0 | 0.7 | 0.7 | 0.0 | -0.0 | 1.0 | — | — | — | -0.3 |
| | Ordinary profit | 0.4 | 1.4 | 1.0 | — | — | — | — | -0.0 | 0.2 | -0.2 |
| Others | Net sales | 127.3 | 119.4 | -7.8 | 0.6 | 1.9 | -1.4 | -6.5 | — | — | -2.4 |
| | Operating profit | 2.5 | 3.8 | 1.3 | — | — | — | — | — | — | 0.9 |
| | Ordinary profit | 2.2 | 3.3 | 1.1 | 0.0 | -0.0 | 0.4 | — | -0.0 | -0.1 | 0.8 |
| Aluminum | Net sales | 63.9 | 58.6 | -5.2 | 0.0 | 1.9 | -0.5 | -4.3 | — | — | -2.3 |
| | Operating profit | 1.7 | 3.1 | 1.3 | -0.0 | -0.0 | 0.2 | — | — | — | 1.1 |
| | Ordinary profit | 1.3 | 2.6 | 1.2 | — | — | — | — | -0.0 | -0.1 | 1.1 |
| Elimination, etc. | Net sales | -88.3 | -135.1 | -46.7 | 0.0 | -36.7 | -23.3 | 13.3 | — | — | — |
| | Operating profit | -2.2 | -4.4 | -2.1 | 0.0 | 0.0 | -0.2 | — | — | — | -1.9 |
| | Ordinary profit | -2.7 | -6.1 | -3.3 | — | — | — | — | -0.7 | -0.0 | -2.4 |
| Total | Net sales | 725.5 | 860.0 | 134.4 | 11.5 | 137.8 | 7.9 | -11.4 | — | — | -11.4 |
| | Operating profit | 6.8 | 29.0 | 22.1 | 2.0 | 12.6 | 12.0 | — | — | — | -4.5 |
| | Ordinary profit | 16.4 | 38.2 | 21.7 | — | — | — | — | -0.6 | 2.0 | -6.3 |

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

*2 Share of profit of entities accounted for using equity method.

 MITSUBISHI MATERIALS

Please proceed to page 7, as I will explain the factor analysis by segment.

I will start with the Advanced Products. The Copper & copper alloy business turned profitable from operating loss in the previous year. This was due to an increase in sales of automobile related products.

As for the Electronic materials & components business, sales of semiconductors related products remained steady, and this led to increase profit.

The Metalworking Solutions Business recorded an increase in profit mainly due to a recovery in demand from automobile manufacturers in both domestic and major overseas countries. The differences in Other factors include the effect of operating profit improved due to the business transfer in last December of the Sintered parts business which had been recording operating losses.

The Metals Business increased profits due to the higher metal prices, and sulfuric acid prices have also improved considerably and contributed to profits. As I previously stated, mine dividends were almost in line with the previous year, but the share of profit of entities accounted for using the equity method increased as a result of higher copper prices and other factors.

In the Cement Business, as I have already mentioned, domestic sales are down due to the extremely difficult conditions. Additionally, energy costs, such as rising coal prices, have increased, resulting in a larger operating loss.

The U.S. business also saw a decrease in operating profit due to sales decrease of ready-mixed concrete as I have mentioned earlier. As for the Share of profit (loss) of entities accounted for using the equity method, we saw loss for Ube Mitsubishi Cement.

As you see, the environment surrounding the Cement Business is extremely difficult, and in light of this situation, we have decided to raise the selling prices of cement and cement solidifying materials. We are currently negotiating with our customers to apply the revised prices for the shipments starting January 1, 2022.

In the Environment & Energy Business, sales decreased due to the business transfer of Dia Consultants Co., Ltd. in the second quarter. On the other hand, overall profit increased due to the contribution of an increase in the recycle processing of home appliance, etc., as well as a strong rise in scrap prices.

Regarding the Aluminum Business in the Other business, the Aluminum beverage cans business has seen an increase in raw material costs due to rising aluminum prices. And last year, we saw a rush demand for regular cans

caused by the revision of the Liquor Tax Law, however, the demand settled down this year, resulting in lower sales of them and a decrease in profits.

On the other hand, the Rolled and extruded aluminum business increased its profits due to a resurgence in demand for automobile related products.

FY2022 Performance Forecast (Statistics/Sensitivity/Assumptions)

FY2022 Performance Forecast (Statistics / Sensitivity / Assumptions)

| Statistics | | FY2022 Forecast (Previous*) | | | FY2022 Forecast (This time) | | | Difference | | |
|---|-----------------|-----------------------------|------|---------------|-----------------------------|------|---------------|------------|-------|-----------------|
| | | 1H | 2H | Full Year (a) | 1H | 2H | Full Year (b) | 1H | 2H | Full Year (b-a) |
| Sales volumes of copper & copper alloy products | (thousand tons) | 68 | 69 | 137 | 68 | 70 | 138 | 1 | 0 | 1 |
| Sales volumes of copper cathodes (in-house product) | (thousand tons) | 148 | 163 | 311 | 146 | 166 | 312 | -2 | 3 | 1 |
| Sales volumes of copper cathodes (PTS) | (thousand tons) | 138 | 139 | 276 | 131 | 137 | 268 | -6 | -2 | -8 |
| Dividend from copper mine | (billion yen) | 9.4 | 3.9 | 13.4 | 9.4 | 13.2 | 22.7 | 0.0 | 9.3 | 9.3 |
| Total demand for cement in Japan | (million tons) | — | — | 38.50 | — | — | 38.50 | — | — | — |
| Cement sales volumes for MMC-Domestic | (million tons) | 2.96 | 3.29 | 6.26 | 2.86 | 3.50 | 6.36 | -0.10 | 0.21 | 0.11 |
| Cement sales volumes for MMC-Exports | (million tons) | 1.19 | 1.21 | 2.40 | 1.06 | 1.21 | 2.26 | -0.13 | 0.00 | -0.13 |
| Cement sales volumes in the U.S. | (million tons) | 0.76 | 0.73 | 1.50 | 0.73 | 0.73 | 1.46 | -0.04 | 0.00 | -0.04 |
| Ready-mixed concrete sales volumes in the U.S. | (million cy) | 4.04 | 3.84 | 7.88 | 3.90 | 3.74 | 7.64 | -0.14 | -0.10 | -0.24 |
| Sales volumes of aluminum sheet products | (thousand tons) | 51 | 46 | 97 | 51 | 46 | 97 | -1 | 0 | -0 |
| Sales volumes of aluminum extrusion products | (thousand tons) | 7 | 7 | 14 | 6 | 7 | 13 | -0 | -0 | -0 |

*Announced on August 6, 2021

| Sensitivity | | FY2022 2H Forecast | Assumptions | |
|--------------------|--|--------------------|-------------|--|
| Exchange rates | Operating profit - 1 yen/\$ (yen depreciation) | 0.4 billion yen | 110 yen/£ | |
| | Operating profit - 1 yen/€ (yen depreciation) | 0.08 billion yen | 130 yen/€ | |
| Copper price (LME) | Operating profit ±10¢/lb | 0.2 billion yen | 420 ¢/lb | |
| | Non-operating profit ±10¢/lb | 0.1 billion yen | | |

*Related to Share of profit of entities accounted for using equity method from copper mine investment.

MITSUBISHI MATERIALS

I would like to explain the full year performance forecast for FY2022 from page 9. First, let me start with the statistics. This table compares the current forecast to the last one, which was released on August 6, 2021.

The dividends from copper mines are expected to increase compared with the previous forecast, as the dividend income from Los Pelambres Copper Mine during the third quarter of this year is expected due to higher copper prices.

We also expect an increase in the domestic cement sales volume in the second half of the fiscal year, because Kyushu Plant plans to increase the production volume in the second half.

About the sales volume of ready-mixed concrete in the U.S., the driver shortage affects not only the cement business, but also other logistics businesses overall. Therefore, it is really difficult to hire drivers who can transport our ready-mixed concrete for sale, and we are concerned if the situation may not improve sometime soon.

The above is an overview of the various factors.

Please see the assumptions and sensitivity of foreign exchange rate and copper price at the bottom of the slide.

FY2022 Performance Forecast (Consolidated Statements of Operations)

FY2022 Performance Forecast (Consolidated Statements of Operations)

[Unit: billion yen]

| | FY2022 Forecast (Previous*) | | | FY2022 Forecast (This time) | | | Difference | | |
|--|-----------------------------|-------|---------------|-----------------------------|-------|---------------|------------|-------|-----------------|
| | 1H | 2H | Full Year (a) | 1H | 2H | Full Year (b) | 1H | 2H | Full Year (b-a) |
| Net sales | 880.0 | 880.0 | 1,760.0 | 860.0 | 900.0 | 1,760.0 | -19.9 | 19.9 | 0.0 |
| Operating profit | 26.0 | 21.0 | 47.0 | 29.0 | 13.0 | 42.0 | 3.0 | -8.0 | -5.0 |
| Net interest and dividend income | 8.0 | 2.0 | 10.0 | 8.1 | 10.9 | 19.0 | 0.1 | 8.9 | 9.0 |
| Share of profit (loss) of entities accounted for using equity method | 3.0 | 4.5 | 7.5 | 2.9 | 3.6 | 6.5 | -0.1 | -0.9 | -1.0 |
| Other Non-operating profit (loss) | -3.0 | -5.5 | -8.5 | -1.8 | -6.7 | -8.5 | 1.2 | -1.2 | 0.0 |
| Ordinary profit | 34.0 | 22.0 | 56.0 | 38.2 | 20.8 | 59.0 | 4.2 | -1.2 | 3.0 |
| Extraordinary income (loss) | 2.0 | -1.5 | 0.5 | 19.7 | -17.7 | 2.0 | 17.7 | -16.2 | 1.5 |
| Income taxes | -9.0 | -5.0 | -14.0 | -15.2 | -1.8 | -17.0 | -6.2 | 3.2 | -3.0 |
| Profit (loss) attributable to non-controlling interests | -4.0 | -1.5 | -5.5 | -4.5 | -2.5 | -7.0 | -0.5 | -1.0 | -1.5 |
| Profit (loss) attributable to owners of parent | 23.0 | 14.0 | 37.0 | 38.1 | -1.1 | 37.0 | 15.1 | -15.1 | 0.0 |
| Exchange rate [JPY/USD] | 110 | 110 | 110 | 110 | 110 | 110 | 0 | 0 | 0 |
| Exchange rate [JPY/EUR] | 131 | 130 | 131 | 131 | 130 | 130 | -0 | 0 | -0 |
| Copper price (LME) [¢/lb] | 430 | 395 | 413 | 433 | 420 | 426 | 3 | 25 | 14 |
| *Announced on August 6, 2021 | | | | | | | | | |
| Dividends per share (yen) | Ordinary | 25 | 25 | 50 | 25 | 25 | 50 | — | — |
| | Special | — | — | — | 15 | 15 | 30 | 15 | 15 |

10

 MITSUBISHI MATERIALS

Please refer to page 10. I will start with the first half of this fiscal year. Comparing with the previous forecast and results for the first half year, operating profit and ordinary profit exceeded the previous forecast due to strong sales of semiconductor-related products and several other factors that contributed to the increase in sales.

Furthermore, a gain of 19.4 billion yen from the sale of investment securities was recorded as an extraordinary income in the first half of the fiscal year, resulting in a significant increase in profit compared to the previous forecast.

As you are probably aware, the price of palladium has been declining substantially in the second half of the year, so we are projecting our full-year earnings on the basis of this declined level.

On the other hand, energy prices, including crude oil and coal, are expected to increase. Therefore, we are forecasting a decrease in operating profit for the second half of this year.

The ordinary profit is expected to increase because of an increase in dividend income from Los Pelambres Copper Mine, as I mentioned earlier.

While profit attributable to owners of parent for the full year increased in the first half of the fiscal year, we are continuing our efforts to optimize our business portfolio for the second half.

We are moving forward with business structure reforms in areas where earnings are particularly poor, and we anticipate to incur a certain amount of expenses there. When these costs are taken into account, the current profit forecast is similar to the previous one.

Also, regarding the shareholder returns at the bottom of the slide, the Company changed the shareholder return policy when we released the revised Medium-term Management Strategy in May, 2021. By paying a minimum dividend of 50 yen per share, accelerating the sale of assets, and flexibly distributing earnings through share buybacks and additional dividends, we are aiming to return profits to shareholders at the same level as the total dividend amount initially projected in the original Medium-term Management Strategy.

Based on this policy, we are considering paying a special dividend of 15 yen for the interim and 15 yen for the year-end, taking into account the gain on the sale of investment securities.

FY2022 Performance Forecast (Factor Analysis by Segment)

FY2022 Performance Forecast (Factor Analysis by Segment)

[Unit: billion yen]

| | | FY2022 Forecast (Previous) | | | FY2022 Forecast (This time) | | | Difference | | |
|-----------------------------------|------------------|----------------------------|--------|------------------|-----------------------------|--------|------------------|------------|------|--------------------|
| | | 1H | 2H | Full year (a) | 1H | 2H | Full year (b) | 1H | 2H | Full year (b-a) |
| Advanced Products | Net sales | 238.4 | 243.5 | 481.9 | 230.5 | 245.7 | 476.3 | -7.9 | 2.2 | -5.6 |
| | Operating profit | 4.8 | 3.7 | 8.5 | 5.8 | 3.8 | 9.7 | 1.0 | 0.1 | 1.2 |
| | Ordinary profit | 6.1 | 3.5 | 9.7 | 7.2 | 3.4 | 10.6 | 1.1 | -0.1 | 0.9 |
| Copper & copper alloy | Net sales | 181.2 | 185.9 | 367.1 | 172.9 | 186.1 | 359.1 | -8.3 | 0.2 | -8.0 |
| | Operating profit | 1.3 | 0.6 | 2.0 | 1.4 | 0.7 | 2.1 | 0.1 | 0.1 | 0.1 |
| | Ordinary profit | 1.9 | 0.2 | 2.2 | 1.9 | 0.2 | 2.2 | 0.0 | 0.0 | 0.0 |
| Electronic materials & components | Net sales | 57.8 | 58.1 | 116.0 | 58.3 | 60.1 | 118.5 | 0.5 | 2.0 | 2.5 |
| | Operating profit | 3.4 | 3.0 | 6.5 | 4.3 | 3.1 | 7.5 | 0.9 | 0.1 | 1.0 |
| | Ordinary profit | 4.2 | 3.2 | 7.4 | 5.3 | 3.1 | 8.4 | 1.1 | -0.1 | 1.0 |
| Metalworking Solutions | Net sales | 67.1 | 69.7 | 136.8 | 65.4 | 68.2 | 133.7 | -1.7 | -1.5 | -3.1 |
| | Operating profit | 5.0 | 7.7 | 12.8 | 5.8 | 7.0 | 12.8 | 0.8 | -0.7 | 0.0 |
| | Ordinary profit | 4.9 | 7.4 | 12.3 | 5.7 | 6.7 | 12.5 | 0.8 | -0.7 | 0.2 |
| Metals | Net sales | 475.0 | 462.0 | 937.0 | 469.4 | 478.4 | 947.8 | -5.6 | 16.4 | 10.8 |
| | Operating profit | 13.9 | 8.0 | 22.0 | 14.8 | 5.3 | 20.1 | 0.9 | -2.7 | -1.9 |
| | Ordinary profit | 24.3 | 14.1 | 38.5 | 24.9 | 19.0 | 43.9 | 0.6 | 4.9 | 5.4 |
| Cement | Net sales | 104.0 | 105.3 | 209.3 | 101.0 | 106.9 | 207.9 | -3.0 | 1.6 | -1.4 |
| | Operating profit | 3.1 | 2.7 | 5.9 | 2.3 | 1.7 | 4.1 | -0.8 | -1.0 | -1.8 |
| | Ordinary profit | 2.0 | 1.5 | 3.5 | 1.5 | 0.1 | 1.6 | -0.5 | -1.4 | -1.9 |
| Environment & Energy | Net sales | 8.3 | 9.4 | 17.7 | 9.1 | 11.1 | 20.3 | 0.8 | 1.7 | 2.6 |
| | Operating profit | -0.1 | 0.7 | 0.5 | 0.7 | 0.7 | 1.4 | 0.8 | 0.0 | 0.9 |
| | Ordinary profit | 0.4 | 1.2 | 1.7 | 1.4 | 1.3 | 2.7 | 1.0 | 0.1 | 1.0 |
| Others | Net sales | 122.1 | 125.9 | 248.1 | 119.4 | 129.1 | 248.6 | -2.7 | 3.2 | 0.5 |
| | Operating profit | 3.1 | 2.0 | 5.1 | 3.8 | 1.0 | 4.9 | 0.7 | -1.0 | -0.2 |
| | Ordinary profit | 2.5 | 0.9 | 3.5 | 3.3 | 0.0 | 3.3 | 0.8 | -0.9 | -0.2 |
| Aluminum | Net sales | 61.3 | 57.6 | 118.9 | 58.6 | 58.1 | 116.8 | -2.7 | 0.5 | -2.1 |
| | Operating profit | 2.8 | 0.0 | 2.9 | 3.1 | -0.6 | 2.4 | 0.3 | -0.6 | -0.5 |
| | Ordinary profit | 2.2 | -0.8 | 1.3 | 2.6 | -1.6 | 0.9 | 0.4 | -0.8 | -0.4 |
| Elimination, etc. | Net sales | -135.1 | -135.9 | -271.1 | -135.1 | -139.6 | -274.8 | 0.0 | -3.7 | -3.7 |
| | Operating profit | -4.1 | -4.0 | -8.1 | -4.4 | -6.8 | -11.2 | -0.3 | -2.8 | -3.1 |
| | Ordinary profit | -6.4 | -6.9 | -13.3 | -6.1 | -9.8 | -15.9 | 0.3 | -2.9 | -2.6 |
| Total | Net sales | 880.0 | 880.0 | 1,760.0 | 860.0 | 900.0 | 1,760.0 | -19.9 | 19.9 | 0.0 |
| | Operating profit | 26.0 | 21.0 | 47.0 | 29.0 | 13.0 | 42.0 | 3.0 | -8.0 | -5.0 |
| | Ordinary profit | 34.0 | 22.0 | 56.0 | 38.2 | 20.8 | 59.0 | 4.2 | -1.2 | 3.0 |

*Announced on August 6, 2021



Page 11 illustrates the breakdown of factors by business segment which I would like to explain accordingly. Regarding the Electronic materials & components business in the Advanced Products business, we expect an increase in profit for the full year based on the first half year results.

For the Metalworking Solutions Business, although the first half year saw increased profit due to the rise in tungsten prices and other factors, we see a slight slowdown in orders currently. Therefore, the second half year forecast incorporates this situation to a certain extent.

For the Metals Business, the assumption is revised to reflect lower price of palladium as I explained earlier. The copper price is set by referring to consensus prices of specialized trading companies, etc.

As for the Cement Business, we forecast a lower profit considering a certain level of the driver shortage in the U.S., as I explained earlier. For the domestic market, energy costs continue to rise, and we expect profits to decline here as well.

As for the Other and the Aluminum Business, we expect slight increase in raw material costs in the second half of the fiscal year, but such factor has been already incorporated in the previous forecast. Therefore, I believe they have no significant changes.

That's all from me.

Q&A (Summary): Factors contributing to the decrease in operating profit for the second half of the fiscal year compared to the first half.

Q: Please explain the reasons for the decrease in operating profit by segment for the second half of the fiscal year compared to the first half, such as the impact of lower sales of automobiles related products or higher costs. Also, in the Metals Business, I would like to know why the figures have dropped so far, including the market circumstances for palladium and other metals.

A: Although net sales in the Copper & copper alloy business have remained relatively constant, the combination of contributing factors has changed. For the Electronic materials and components business, sales were slightly concentrated in the first half of the year and are expected to fall slightly toward the second half, so we expect profits from polycrystalline silicon produced at the Yokkaichi Plant to fall accordingly.

As for the Metalworking Solutions Business, we reported that we had factored in a slight drop in orders, but please understand that we have made revisions to our original slightly higher forecast.

Regarding the Metals Business, the price of palladium has been hovering around \$2,000 recently, so please consider that the price has been set around that level. The factor related to the price of palladium and sulfuric acid is approximately less than 3.0 billion yen, and the impact of furnace repairs at the Naoshima Smelter & Refinery and the Onahama Smelting and Refining Co., Ltd. in the second half of the fiscal year is approximately less than 2.0 billion yen.

In addition, given the continued backwardation of copper prices, we expect a cost rise of a few hundred million yen in the Metals Business due to price hedging, which also have an impact. We also have assumed the operating efficiency of PTS slight conservatively.

In the Aluminum Business, we do not expect Mitsubishi Aluminum's sales in the second half to be at the same level as in the first half, so there is a difference of about 1 billion yen. In the first half, Universal Can Corporation had raw material inventories with lower procurement prices than the current situation, but in the second half, the current procurement prices will have a direct effect on the business, and if we include the difference in energy costs, the difference is expected to be about 3.0 billion yen.

Regarding the Cement Business, as I mentioned earlier, please note that there is a difference between the first half and the second half for these reasons.

Q&A (Summary) : PTS's response to the increased production

Q: In Freeport's financial results, there was talk of increasing PTS production. How will the Company respond to this?

A: We are working on various adjustments with Freeport. I hope to be able to update with you regarding it when it is decided.

As you know, Indonesia's policy is to "increase the processing level of copper concentrates for export," so it is very important to increase the capacity of smelters. Given this, we believe that Freeport is willing to fund for the expansion of smelters by its own, but we are still discussing the matter. We will explain when we have reached a final decision.

Q: Do you mean that production is not going to increase at the current the Company's investment ratio?

A: That has not been decided yet. Please understand that there are various possibilities.

Q & A (Summary): Effect of the price hike in the Cement Business

Q: In the Cement Business, how much of the price increase from the first half to the second half has been factored in? How are customers' reactions to the price hike from January? Also, how much room for improvement do you expect there will be in the next fiscal year?

A: While we have announced that we will raise prices, the price hike has not been factored into the earnings forecast that we showed you today. Please note that we have just started negotiations and are still in the process of

persistent negotiations.

Q & A (Summary): Trend in sales volume of cemented carbide tools

Q: Regarding the trend in the sales volume of cemented carbide tools in the Metalworking Solutions Business, please explain the comparison with the first half of the previous year by region, the overall situation, and your view from the first half of this fiscal year to the second half.

A: As for the overall trend since last fiscal year, it has been increased about 30 percent. Among them, Asia is the region with the best start. In China, automobile sales have been declining year on year for the past several months. North America, and Europe are performing well after Asia.

As for the overall trend, orders have been gradually increasing since last fiscal year, but the situation during the second and third quarters of this fiscal year have been flat, and we expect it to pick up again in the fourth quarter. Therefore, please consider that we are making this forecast based on this view.

Q: In other words, do you expect the production and sales volume of cemented carbide tools to decline slightly in the second half compared from the first half of the year?

A: Rather than decreasing, I think it is correct to say that it will not increase. When we set the earnings forecast in August, we expected the sales volume to gradually increase from the second quarter to the fourth quarter, but please consider that we expect the increase to slow down or not increase much in this third quarter.

Q & A (Summary): Lowered Earnings Forecast for the Cement Business

Q: With regard to the Cement Business, while you have lowered your forecast this time, what do you see when you break it down by domestic sales volume, the rise in coal prices, and sales volume in the U.S.?

A: The difference between the forecast at the earnings announcement on August 6, 2021 is that operating profit is down by 1.8 billion yen and ordinary profit is down by 1.9 billion yen, with a decline by 1.0 billion yen in Japan due to the rise in coal prices and decline by 2.5 billion yen in the U.S. mainly due to a decline in sales. But we still have some coal-related business in Australia, which makes up for about 1.5 billion yen.

Q & A (Summary): Shortage of drivers for ready-mixed concrete in the United States

Q: It appears that you do not have a solution to the driver shortage yet. What measures are you taking?

A: Despite offering quite attractive conditions, such as higher wages, better benefits, and shorter working hours, we are still struggling to attract drivers. We have secured a certain number of drivers, but the number of drivers has not increased much beyond that.

Q & A (Summary): Impact of the rising price of metallic silicon on polysilicon

Q: You mentioned that you are revising your forecast for polysilicon. What is the background to this? In addition, please tell us about the impact of the price hike in metallic silicon.

A: Currently, the price of metallic silicon, especially derived from China, is quite high. However, we are not only purchasing from China, but have been looking for other sources since the price of metallic silicon started to rise. We will be able to secure procurement until the end of this fiscal year or the beginning of next fiscal year. Therefore, the price hike in metallic silicon will not have a significant negative impact on our polysilicon performance this fiscal year.

One of the reasons we have adjusted the polysilicon forecast is because the periodic repairs in the U.S. has been postponed to the second half of the fiscal year, which will have an impact of several hundred million yen.

Q & A (Summary): Differences between the forecast and the actual results for the first half of the fiscal year.

Q: As for the difference between the first half results and the Company's expectation, except for the Cement Business, all other segments came in above the expectation. Please explain qualitatively and quantitatively how each segment performed.

A: The difference between the forecast at the earnings announcement on August 6, 2021 and the actual results for the first half, the previous forecast was for operating profit of 26.0 billion yen and ordinary profit of 34.0 billion yen. But the actual results this time were for operating profit of 29.0 billion yen and ordinary profit of 38.2 billion yen. Profit attributable to owners of parent was 38.1 billion yen compared to the previous forecast of 23.0 billion yen, increased by 15.1 billion yen.

Looking at the operating profit and ordinary profit for the first half in each segment, there is generally no change in the Advanced Products. However, in the Electronic materials & components business, both operating profit and ordinary profit increased by about 1.0 billion yen. This is mainly attributable to increased sales by several hundred million yen each at Mitsubishi Materials Electronic Chemicals Co., Ltd. and Mitsubishi Cable Industries, Ltd. which are our group companies.

In the Metalworking Solutions Business, the increase in sales has an impact of about 0.8 billion yen based on the results in the second quarter.

Considering the business scale, we consider that the operating profit and ordinary profit of the Metals Business were in line with our forecast.

The Cement Business had a negative impact on operating profit of about 1.0 billion yen due to lower sales in the U.S. business.

Furthermore, as I explained from the beginning, the main trend is that, taking into account the extraordinary income from the sale of shares held for policy purposes, the actual result was 38.1 billion yen, increased by 15.1 billion yen.

Q: As you just explained, the Electronic materials & components business has seen an upside at subsidiaries, but does the current Company forecast factor in a decrease in profits due to a slowdown through the second half of the fiscal year?

A: Yes, that is correct. Since the first half of the fiscal year was strong, it may be fair to say that we are estimating slight conservatively for the second half of the fiscal year.

Q & A (Summary): Integration of the Cement Business with Ube Industries, Ltd.

Q: The Cement Business will be integrated with Ube Industries, Ltd. in the next fiscal year. We see that the business environment has become much more difficult compared to when we announced the integration. Some comments have been made in the press, such as "Together with Ube Industries, Ltd., we aim to become a company with an operating profit of 10.0 billion yen," how do you plan to rebuild this business for the integration in the next fiscal year?

A: Due to complying with the Antimonopoly Act, there is nothing I can talk about here in terms of progress after the press announcement.

One of the benefits of the integration is our U.S. business. However, the current situation is a little bit of a setback due to the shortage of drivers. We have to discuss how to strengthen these domestic and overseas businesses, and I think we have to consider them with a variety of options.

Q & A (Summary): Outlook of the volume of the Electronic materials & components

Q: Confirming your view on the volume of electronic materials, for example, although the domestic automobile-related sector is heading for a recovery in production, are you taking the view that the absence of the impact of decline in the first half of the year will be reflected in the second half of the year, or are you taking a more cautious view, reflecting various negative factors such as bases in Southeast Asia and power shortages in China?

Does this mean that the reason you estimate them conservatively is that the demand side is restrained by some reasons?

A: Compared to the forecast announced on August 6 and the current forecast, we do not see any major changes in the Electronic materials & components. However, if we look at the difference between the first half and the second half of the fiscal year, we have forecasted them more conservatively for the second half of the fiscal year. Originally, we had expected some correction of orders would come in the second half and factored it in the forecast announced on August 6.

Q: Do you mean that you did not reflect the change of demand environment in the forecast revision?

A: It does not mean that there have been any major changes from August 6 to the present. We have not changed our view of the sales volume significantly since we announced it in August.

Q. How about the Copper & copper alloy business?

A: The same is true for the Copper & copper alloy.

Q & A (Summary): The Special Dividend

Q: If I see your profit forecast, the first half of the fiscal year show a profit while the second half is expected to be loss, but you are considering paying a special dividend. How will you see the special dividend in relationship with profit from the next fiscal year and onward?

A: In May, we issued a press release stating that we would pay a minimum dividend of 50 yen. But we are considering returning the temporary proceeds from the sale of assets to shareholders through special dividends or share buybacks.

Many different views were expressed as to whether these strong results were due to temporal income or whether the business performance itself was robust, but since we received quite a large amount of income from the sale of SUMCO shares, we decided to pay a special dividend this time.

Since most of the profits were generated by the interim period, we discussed internally whether we should consider paying dividends based on the performance up to the interim period. But, changing the dividend amount often by quarter or half year is not what we are aiming for. Please understand that we have decided to pay 15 yen each as for the interim and year-end dividend based on the policy that those special dividends correspond to the full year earnings.

Q: May I understand that the reason why you decided to treat the dividend as a special dividend instead of an ordinal dividend increase, since it is the portion based on the gain on the sales of shares, and that you will consider the annual dividend of 50 yen, which is the usual base dividend, as the standard for the next fiscal year?

A: That will be our stance until next fiscal year.

Q: Do I understand correctly that the special dividend will be paid because it is related to the temporal income from sale of assets, rather than because the sharp rise in the metals market conditions is considered as temporal rise?

A: Yes, that is correct.

Final words by Takayanagi

Takayanagi: Thank you for taking time out of your busy schedule today. Because of the short time and my brief explanation, I think it may have been difficult for you to understand fully.

As you can see from these numbers, I believe that we had a very strong first half of the fiscal year. However, there are many uncertain factors such as the current price of raw materials and metals, the tapering in the U.S., and the power supply problem in China, so I think the forecast is somewhat conservative.

Although the outlook is unclear, we are determined to do our best to deliver profits effectively. I would like to ask for your continued support. Thank you very much for your time today.