

# **MITSUBISHI MATERIALS CORPORATION**

Supplementary Explanation of Consolidated Financial Results  
for the Six Months Ended September 30, 2021

November 9, 2021

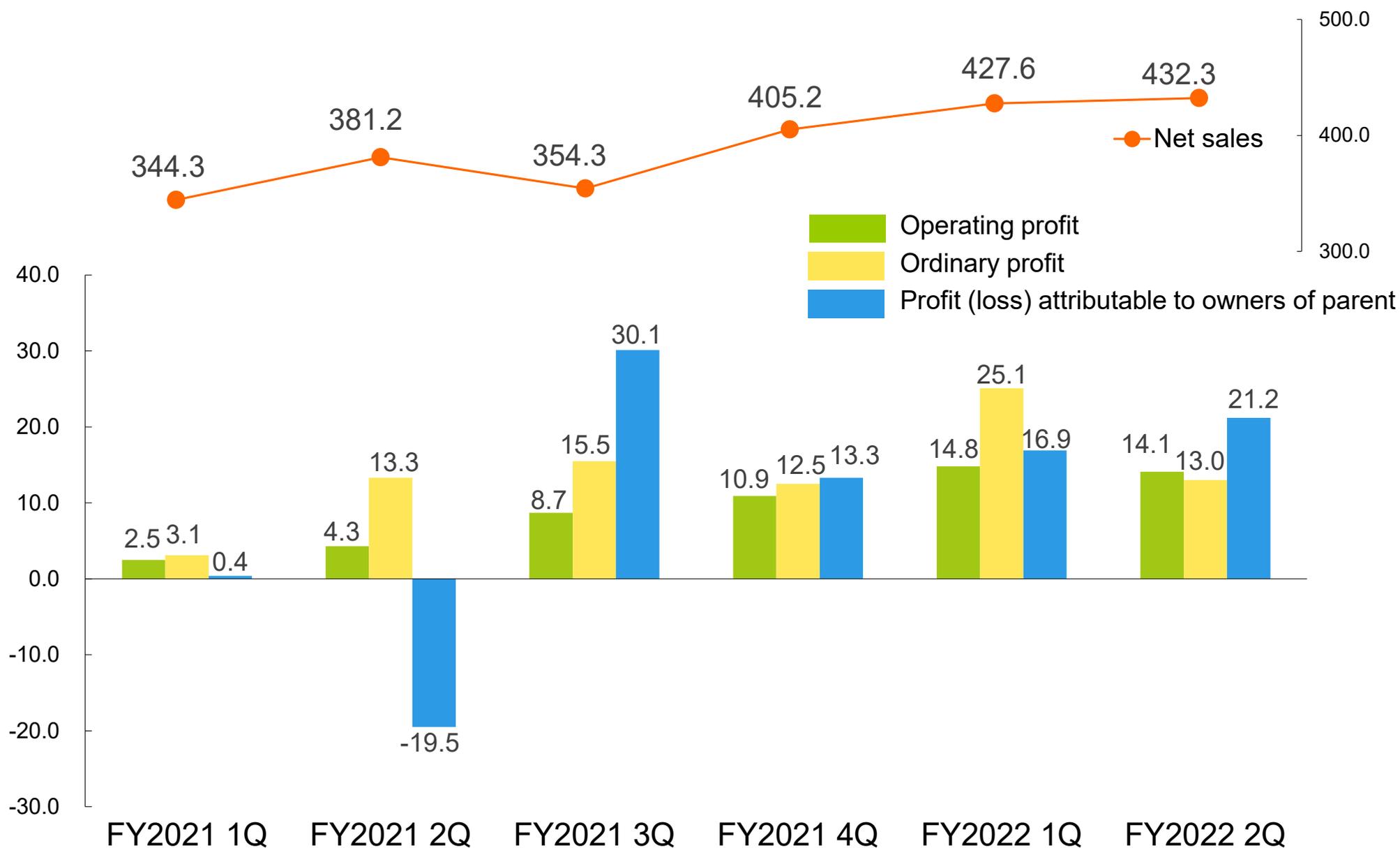
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# Performance Overview (Quarterly)

[Unit: billion yen]



# 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

\*AP: Advanced Products  
MS: Metalworking Solutions

# 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

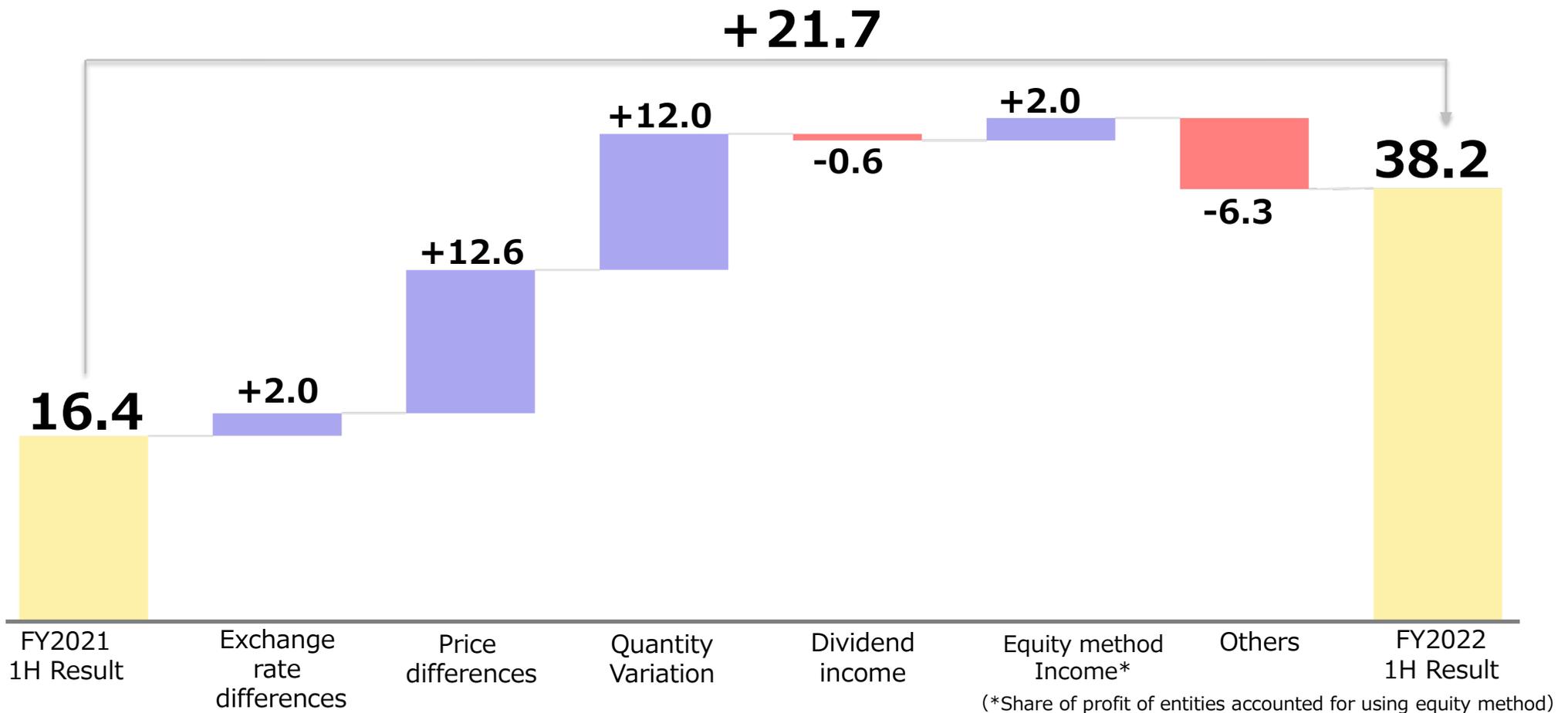
# Comparison with the Previous Year Result (Factor Analysis of Ordinary Profit)

[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.



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

[Unit: billion yen]

		FY2021 1H Results (a)	FY2022 1H Results (b)	Difference (b-a)	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	0.1	1.0	7.5	—	—	—	-1.0	
	Ordinary profit	0.0	7.2	7.2					-0.2	1.0	-2.2	
	Copper & copper alloy	Net sales	99.0	172.9	73.9	5.2	41.2	27.5	0.0	—	—	—
		Operating profit	-2.2	1.4	3.6	0.0	0.6	3.6	—	—	—	-0.6
		Ordinary profit	-1.7	1.9	3.6					-0.0	0.9	-1.5
	Electronic materials & components	Net sales	57.5	58.3	0.7	0.5	0.1	11.2	-11.1	—	—	—
		Operating profit	0.6	4.3	3.7	0.1	0.4	3.9	—	—	—	-0.7
		Ordinary profit	1.9	5.3	3.3					-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	0.0	-0.0	0.4	—	—	—	0.9	
	Ordinary profit	2.2	3.3	1.1					-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.

# Consolidated Balance Sheet

[Unit: billion yen]

	End of Mar. 2021(a)	End of Sept. 2021(b)	Difference (b-a)
<b>Assets</b>			
Cash and deposits	153.0	147.0	-6.0
Notes and accounts receivable - trade	220.5	224.3	3.8
Inventories	379.8	437.4	57.5
Other	286.4	293.8	7.4
<b>Total current assets</b>	<b>1,039.8</b>	<b>1,102.7</b>	<b>62.8</b>
Property, plant and equipment and intangible assets	711.8	708.1	-3.7
Investments and other assets	283.8	231.5	-52.2
<b>Total non-current assets</b>	<b>995.6</b>	<b>939.6</b>	<b>-55.9</b>
<b>Total assets</b>	<b>2,035.5</b>	<b>2,042.4</b>	<b>6.8</b>

	End of Mar. 2021(a)	End of Sept. 2021(b)	Difference (b-a)
<b>Liabilities</b>			
Notes and accounts payable – trade	153.6	136.3	-17.2
Borrowings, bonds payable and commercial papers	629.4 31%	638.4 31%	8.9
Other liabilities	638.0	628.0	-10.0
<b>Total liabilities</b>	<b>1,421.1</b>	<b>1,402.8</b>	<b>-18.3</b>
<b>Net assets</b>			
Share capital	119.4	119.4	–
Capital surplus and treasury shares	76.5	76.5	-0.0
Retained earnings	294.8	327.3	32.5
Accumulated other comprehensive income	54.3	45.2	-9.1
Non-Controlling interests	69.1	71.0	1.9
<b>Total net assets</b>	<b>614.3 30%</b>	<b>639.6 31%</b>	<b>25.2</b>
<b>Total liabilities and net assets</b>	<b>2,035.5</b>	<b>2,042.4</b>	<b>6.8</b>

Shareholders' equity ratio	27 %	28 %
Net D/E ratio	0.87 times	0.86 times

# 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	
			2H	
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.

# 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	30

# 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

# 【Reference】 Performance Overview (Quarterly)

[Unit: billion yen]

■ Performance Overview by Segment			FY2021 Results							FY2022 Results						
			1 Q	2 Q	1H	3 Q	4 Q	2H	Full Year	1 Q	2 Q	1H	3 Q	4 Q	2H	Full Year
Advanced Products	Net sales	79.9	76.1	156.0	95.3	105.6	201.0	357.1	115.7	114.8	230.5					
	Operating profit	-0.1	-1.6	-1.7	1.0	3.5	4.6	2.8	3.2	2.6	5.8					
	Ordinary profit	-0.7	0.7	0.0	1.9	4.2	6.1	6.1	4.2	3.0	7.2					
Copper & copper alloy	Net sales	50.5	48.4	99.0	61.9	70.6	132.6	231.6	86.5	86.4	172.9					
	Operating profit	-0.7	-1.4	-2.2	0.4	1.4	1.8	-0.3	0.9	0.4	1.4					
	Ordinary profit	-1.7	0.0	-1.7	1.0	1.5	2.5	0.8	1.7	0.2	1.9					
Electronic materials & components	Net sales	29.6	27.9	57.5	33.6	35.4	69.0	126.6	29.5	28.7	58.3					
	Operating profit	0.6	-0.0	0.6	0.8	2.0	2.9	3.5	2.2	2.1	4.3					
	Ordinary profit	1.1	0.8	1.9	1.0	2.6	3.7	5.6	2.5	2.7	5.3					
Metalworking Solutions	Net sales	27.9	28.7	56.6	31.8	30.8	62.7	119.3	33.4	32.0	65.4					
	Operating profit	-1.2	-1.8	-3.0	-0.3	2.2	1.9	-1.1	2.1	3.7	5.8					
	Ordinary profit	-1.3	-1.4	-2.8	-0.3	2.3	2.0	-0.7	2.1	3.6	5.7					
Metals	Net sales	157.8	200.5	358.3	163.5	206.3	369.9	728.2	237.1	232.3	469.4					
	Operating profit	1.5	5.8	7.4	3.2	8.1	11.4	18.8	7.1	7.7	14.8					
	Ordinary profit	1.6	13.7	15.4	7.1	10.3	17.4	32.9	16.6	8.2	24.9					
Cement	Net sales	51.2	54.5	105.7	52.9	57.1	110.0	215.8	50.4	50.6	101.0					
	Operating profit	1.9	2.1	4.1	2.4	0.0	2.5	6.6	1.9	0.3	2.3					
	Ordinary profit	2.5	1.2	3.8	3.6	-1.3	2.3	6.1	1.9	-0.3	1.5					
Environment & Energy	Net sales	4.6	5.0	9.6	6.1	10.4	16.5	26.2	5.5	3.6	9.1					
	Operating profit	-0.0	0.0	-0.0	0.3	1.5	1.8	1.7	0.2	0.4	0.7					
	Ordinary profit	0.2	0.2	0.4	0.7	1.9	2.6	3.1	0.5	0.8	1.4					
Others	Net sales	61.9	65.3	127.3	68.8	70.5	139.3	266.7	59.2	60.2	119.4					
	Operating profit	0.8	1.6	2.5	2.7	3.5	6.3	8.8	1.7	2.0	3.8					
	Ordinary profit	0.7	1.4	2.2	2.8	4.3	7.1	9.3	1.5	1.8	3.3					
Aluminum	Net sales	31.7	32.2	63.9	32.5	31.7	64.2	128.2	30.4	28.2	58.6					
	Operating profit	0.5	1.1	1.7	1.3	1.2	2.6	4.3	2.1	0.9	3.1					
	Ordinary profit	0.4	0.9	1.3	1.2	1.9	3.2	4.5	1.8	0.7	2.6					
Elimination, etc.	Net sales	-39.2	-49.1	-88.3	-64.3	-75.8	-140.1	-228.4	-73.8	-61.3	-135.1					
	Operating profit	-0.3	-1.8	-2.2	-0.7	-8.2	-9.0	-11.3	-1.6	-2.7	-4.4					
	Ordinary profit	-0.0	-2.7	-2.7	-0.3	-9.3	-9.7	-12.4	-1.9	-4.1	-6.1					
Total	Net sales	344.3	381.2	725.5	354.3	405.2	759.5	1,485.1	427.6	432.3	860.0					
	Operating profit	2.5	4.3	6.8	8.7	10.9	19.6	26.5	14.8	14.1	29.0					
	Ordinary profit	3.1	13.3	16.4	15.5	12.5	28.0	44.5	25.1	13.0	38.2					
■ Statistics / Assumptions																
Sales volumes of copper & copper alloy products	(thousand tons)	27	23	50	30	33	64	113	34	34	68					
Sales volumes of copper cathodes (in-house product)	(thousand tons)	77	98	175	73	62	135	309	72	74	146					
Sales volumes of copper cathodes (PTS)	(thousand tons)	69	72	141	52	67	118	260	66	65	131					
Dividend from copper mine	(billion yen)	0.9	8.0	9.0	3.5	1.5	5.1	14.1	9.4	0.0	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	9.47	18.70					
Cement sales volumes for MMC-Domestic	(million tons)	1.47	1.55	3.03	1.71	1.48	3.20	6.22	1.37	1.50	2.86					
Cement sales volumes for MMC-Exports	(million tons)	0.41	0.66	1.08	0.62	0.64	1.26	2.34	0.58	0.47	1.06					
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	0.36	0.73					
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	1.88	3.90					
Sales volumes of aluminum sheet products	(thousand tons)	24	22	46	23	25	48	94	27	24	51					
Sales volumes of aluminum extrusion products	(thousand tons)	3	3	5	3	3	7	12	3	3	6					
Exchange rate (USD)	(JPY/\$)	108	106	107	105	106	105	106	109	110	110					
Exchange rate (EUR)	(JPY/€)	118	124	121	125	128	126	124	132	130	131					
Copper price (LME)	(¢/lb)	242	296	269	325	385	355	312	440	425	433					

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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.