

MITSUBISHI MATERIALS CORPORATION

Supplementary Explanation of Consolidated Financial Results
for the Nine Months Ended December 31, 2021

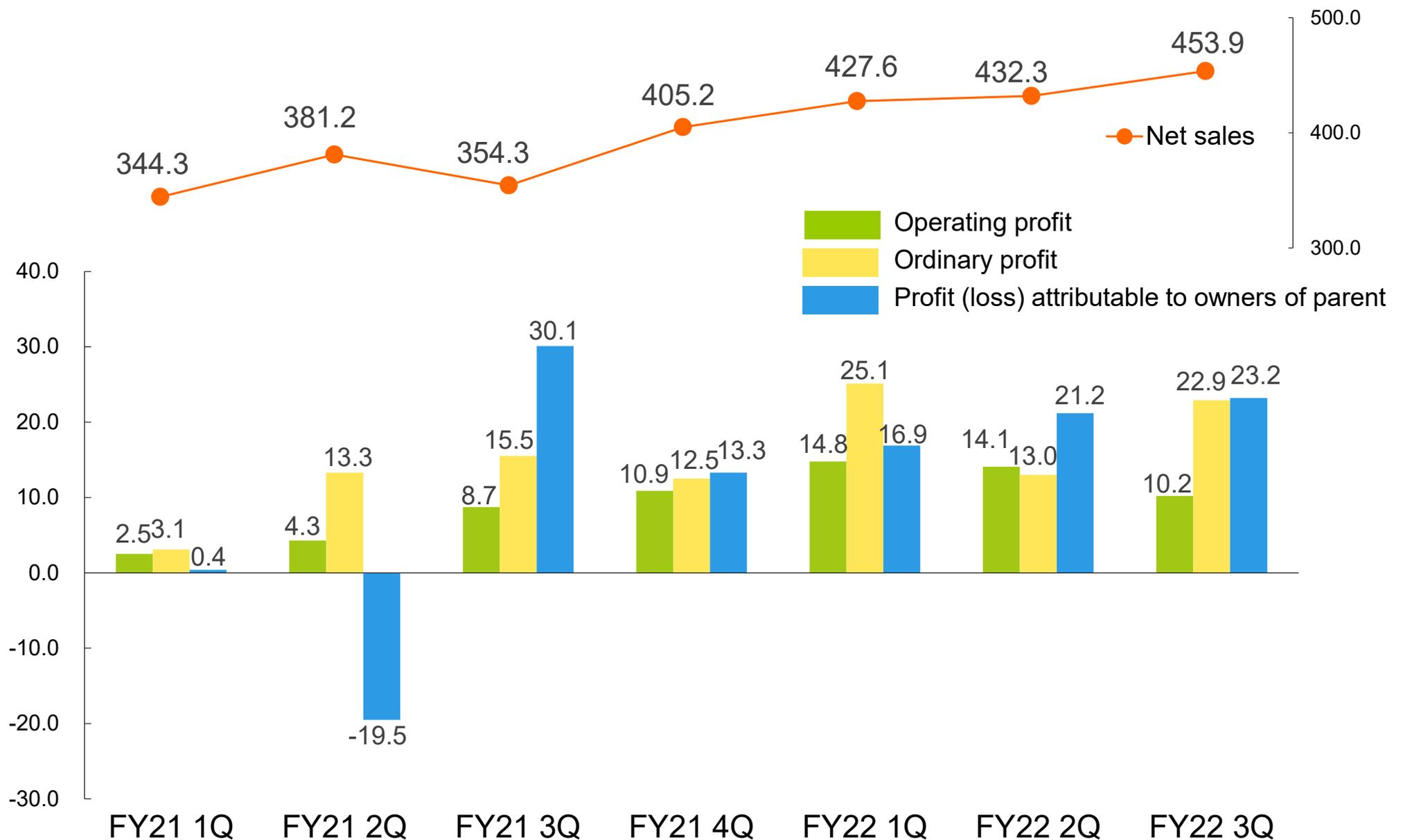
February 9, 2022

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Performance Overview (Quarterly)

[Unit: billion yen]



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

[Unit: billion yen]

	FY2021 Nine Months Result(a)	FY2022 Nine Months Result(b)	Difference (b)-(a)	Reason *
Net sales	1,079.8	1,314.0	234.1	AP +105.4, MS +10.3, Metals +190.0, Cement -3.6
Operating profit	15.5	39.3	23.7	AP +10.5, MS +13.5, Metals +6.2, Cement -3.0
Net interest and dividend income	13.1	20.8	7.6	Dividend income +8.8
Share of profit of entities accounted for using equity method	3.0	3.1	0.1	
Other Non-operating profit (loss)	0.3	-2.0	-2.3	Employment adjustment subsidy -1.6
Ordinary profit	32.0	61.2	29.1	
Extraordinary income (loss)	-4.6	32.5	37.2	Loss on business restructuring +22.3 Gain on sales of investment securities +13.1
Income taxes	-11.5	-25.1	-13.6	
Profit attributable to non-controlling interests	-4.8	-7.1	-2.3	
Profit attributable to owners of parent	11.0	61.4	50.4	
Exchange rate (USD)	106	111	5	JPY / \$
Exchange rate (EUR)	122	131	8	JPY / €
Copper price (LME)	288	435	147	¢ / lb

*AP: Advanced Products
MS: Metalworking Solutions

Reason *

Comparison with the Previous Year Result (Statistics)

■ Statistics

		FY2021 Nine Months Result (a)	FY2022 Nine Months Result (b)	Difference (b-a)
Sales volumes of copper & copper alloy products	(thousand tons)	80	103	23
Sales volumes of copper cathodes (in-house product)	(thousand tons)	247	225	-23
Sales volumes of copper cathodes (PTS)	(thousand tons)	193	203	10
Dividend from copper mine	(billion yen)	12.5	23.0	10.4
Total demand for cement in Japan	(million tons)	29.61	28.98	-0.63
Cement sales volumes for MMC-Domestic	(million tons)	4.74	4.58	-0.16
Cement sales volumes for MMC-Exports	(million tons)	1.70	1.66	-0.04
Cement sales volumes in the U.S.	(million tons)	1.20	1.06	-0.14
Ready-mixed concrete sales volumes in the U.S.	(million cy)	6.05	5.63	-0.43
Sales volumes of aluminum sheet products	(thousand tons)	69	74	4
Sales volumes of aluminum extrusion products	(thousand tons)	9	10	1

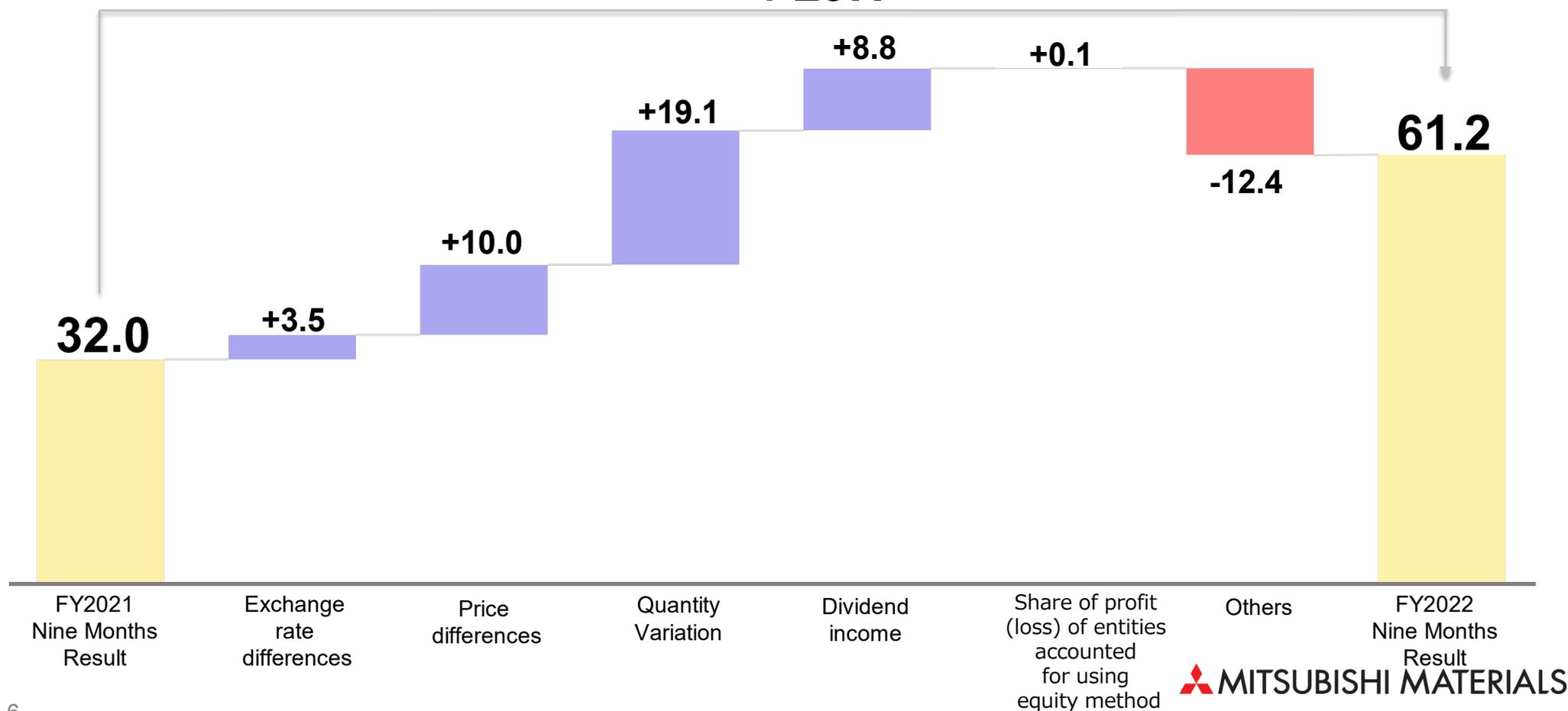
Comparison with the Previous Year Result (Factor Analysis of Ordinary Profit)

[Unit: billion yen]

FY2022 Nine Months Result : +29.1 billion yen (year-on-year)

【Price differences】	Increase in profits mainly in Metals Business due to a hike in metal prices such as copper 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.
【Dividend income】	Increase in dividend income from Los Pelambres mine.
【Others】	Decrease in profit due to the increase in operation costs of each business.

+29.1



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

[Unit: billion yen]

		FY2021 Nine Months Results (a)	FY2022 Nine Months Result (b)	Differenc e (b-a)	Exchange rate difference	Price difference	Quantity variation	Revenue recognition *1	Dividend income	Equity method Income (loss)*2	Other	
Advanced Products	Net sales	251.4	356.8	105.4	6.7	62.8	54.1	-18.2	—	—	—	
	Operating profit	-0.6	9.8	10.5	0.2	1.0	11.3	—	—	—	-2.0	
	Ordinary profit	1.9	11.6	9.7	0.2	1.0	11.3	—	-0.2	1.1	-3.7	
	Copper & copper alloy	Net sales	161.0	267.6	106.6	5.5	62.7	38.4	0.0	—	—	—
		Operating profit	-1.8	3.0	4.9	0.1	0.6	5.4	—	—	—	-1.2
		Ordinary profit	-0.6	3.7	4.4	0.1	0.6	5.4	—	-0.0	1.0	-2.7
	Electronic materials & components	Net sales	91.2	90.2	-0.9	1.2	0.1	16.0	-18.2	—	—	—
		Operating profit	1.4	6.7	5.2	0.1	0.4	5.9	—	—	—	-1.2
		Ordinary profit	2.9	7.8	4.8	0.1	0.4	5.9	—	-0.2	0.1	-1.5
Metalworking Solutions	Net sales	88.5	98.9	10.3	3.4	1.2	16.7	0.0	—	—	-11.0	
	Operating profit	-3.4	10.1	13.5	2.0	1.8	11.1	—	—	—	-1.4	
	Ordinary profit	-3.1	10.0	13.1	2.0	1.8	11.1	—	-0.0	—	-1.8	
Metals	Net sales	521.8	711.9	190.0	18.6	159.7	11.7	0.0	—	—	—	
	Operating profit	10.6	16.9	6.2	1.2	9.8	-2.5	—	—	—	-2.3	
	Ordinary profit	22.5	39.9	17.3	1.2	9.8	-2.5	—	10.4	2.2	-3.8	
Cement	Net sales	158.7	155.0	-3.6	3.3	6.4	-1.1	-12.2	—	—	—	
	Operating profit	6.5	3.5	-3.0	0.0	-1.2	-1.8	—	—	—	0.0	
	Ordinary profit	7.4	1.8	-5.6	0.0	-1.2	-1.8	—	0.0	-3.5	0.9	
Environment & Energy	Net sales	15.7	13.2	-2.5	0.0	0.1	1.8	0.0	—	—	-4.4	
	Operating profit	0.2	1.0	0.7	0.0	-0.1	1.4	—	—	—	-0.6	
	Ordinary profit	1.1	2.2	1.0	0.0	-0.1	1.4	—	-0.0	0.3	-0.6	
Others	Net sales	196.1	183.2	-12.8	1.1	3.5	-4.1	-10.3	—	—	-3.0	
	Operating profit	5.2	5.0	-0.2	0.0	-1.3	-0.4	—	—	—	0.7	
	Ordinary profit	5.0	4.4	-0.6	0.0	-1.3	-0.4	—	-0.0	-0.1	0.4	
	Aluminum	Net sales	96.5	86.3	-10.1	0.1	3.5	-3.6	-7.2	—	—	-2.9
		Operating profit	3.1	3.0	-0.0	-0.0	-1.3	0.2	—	—	—	1.1
		Ordinary profit	2.6	2.2	-0.3	-0.0	-1.3	0.2	—	-0.0	-0.1	0.9
Elimination, etc.	Net sales	-152.6	-205.2	-52.6	0.0	-46.4	-27.5	21.3	—	—	—	
	Operating profit	-3.0	-7.1	-4.1	0.0	0.0	-0.8	—	—	—	-3.3	
	Ordinary profit	-3.1	-8.9	-5.8	0.0	0.0	-0.8	—	-1.2	-0.0	-3.8	
Total	Net sales	1,079.8	1,314.0	234.1	33.2	187.3	51.5	-19.5	—	—	-18.4	
	Operating profit	15.5	39.3	23.7	3.5	10.0	19.1	—	—	—	-8.9	
	Ordinary profit	32.0	61.2	29.1	3.5	10.0	19.1	—	8.8	0.1	-12.4	

*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 Dec. 2021(b)	Difference (b-a)
Assets			
Cash and deposits	153.0	154.4	1.3
Notes and accounts receivable - trade	220.5	245.7	25.2
Inventories	379.8	452.1	72.2
Other	286.4	333.0	46.6
Total current assets	1,039.8	1,185.4	145.5
Property, plant and equipment and intangible assets	711.8	713.1	1.3
Investments and other assets	283.8	212.7	-71.0
Total non-current assets	995.6	925.8	-69.7
Total assets	2,035.5	2,111.2	75.7

	End of Mar. 2021(a)	End of Dec. 2021(b)	Difference (b-a)
Liabilities			
Notes and accounts payable – trade	153.6	146.9	-6.7
Borrowings, bonds payable and commercial papers	629.4 ^{31%}	643.7 ^{30%}	14.3
Other liabilities	638.0	660.3	22.2
Total liabilities	1,421.1	1,450.9	29.8
Net assets			
Share capital	119.4	119.4	–
Capital surplus and treasury shares	76.5	76.4	-0.0
Retained earnings	294.8	345.3	50.5
Accumulated other comprehensive income	54.3	46.4	-7.9
Non-Controlling interests	69.1	72.5	3.3
Total net assets	614.3 ^{30%}	660.3 ^{31%}	45.9
Total liabilities and net assets	2,035.5	2,111.2	75.7
Shareholders' equity ratio	27 %	28 %	
Net D/E ratio	0.87 times	0.83 times	

Performance Forecast for FY2022

■ No change from the previous forecast announced on November 9.

The consolidated performance forecast for the fiscal year ending March 31, 2022 has not been changed from the performance forecasts announced on November 9, 2021, taking into account the results for the consolidated cumulative third quarter and the outlook for the fourth quarter business environment.

[Unit: billion yen]

	FY2021 Results	FY2022 Forecast	Year-on-year Change
Net sales	1,485.1	1,760.0	18.5%
Operating profit	26.5	42.0	58.1%
Ordinary profit	44.5	59.0	32.5%
Profit attributable to owners of parent	24.4	37.0	51.6%

[Reference] Performance Overview (Quarterly)

[Unit: billion yen]

■ Performance Overview by Segment			FY2021 Results							FY2022 Results						
			1Q	2Q	1H	3Q	4Q	2H	Full Year	1Q	2Q	1H	3Q	4Q	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	126.2				
	Operating profit	-0.1	-1.6	-1.7	1.0	3.5	4.6	2.8	3.2	2.6	5.8	3.9				
	Ordinary profit	-0.7	0.7	0.0	1.9	4.2	6.1	6.1	4.2	3.0	7.2	4.4				
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	94.6				
	Operating profit	-0.7	-1.4	-2.2	0.4	1.4	1.8	-0.3	0.9	0.4	1.4	1.6				
	Ordinary profit	-1.7	0.0	-1.7	1.0	1.5	2.5	0.8	1.7	0.2	1.9	1.8				
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	31.9				
	Operating profit	0.6	-0.0	0.6	0.8	2.0	2.9	3.5	2.2	2.1	4.3	2.3				
	Ordinary profit	1.1	0.8	1.9	1.0	2.6	3.7	5.6	2.5	2.7	5.3	2.5				
Metalworking Solutions	Net sales	27.9	28.7	56.6	31.8	30.8	62.7	119.3	33.4	32.0	65.4	33.4				
	Operating profit	-1.2	-1.8	-3.0	-0.3	2.2	1.9	-1.1	2.1	3.7	5.8	4.2				
	Ordinary profit	-1.3	-1.4	-2.8	-0.3	2.3	2.0	-0.7	2.1	3.6	5.7	4.2				
Metals	Net sales	157.8	200.5	358.3	163.5	206.3	369.9	728.2	237.1	232.3	469.4	242.5				
	Operating profit	1.5	5.8	7.4	3.2	8.1	11.4	18.8	7.1	7.7	14.8	2.1				
	Ordinary profit	1.6	13.7	15.4	7.1	10.3	17.4	32.9	16.6	8.2	24.9	14.9				
Cement	Net sales	51.2	54.5	105.7	52.9	57.1	110.0	215.8	50.4	50.6	101.0	54.0				
	Operating profit	1.9	2.1	4.1	2.4	0.0	2.5	6.6	1.9	0.3	2.3	1.2				
	Ordinary profit	2.5	1.2	3.8	3.6	-1.3	2.3	6.1	1.9	-0.3	1.5	0.3				
Environment & Energy	Net sales	4.6	5.0	9.6	6.1	10.4	16.5	26.2	5.5	3.6	9.1	4.0				
	Operating profit	-0.0	0.0	-0.0	0.3	1.5	1.8	1.7	0.2	0.4	0.7	0.2				
	Ordinary profit	0.2	0.2	0.4	0.7	1.9	2.6	3.1	0.5	0.8	1.4	0.7				
Others	Net sales	61.9	65.3	127.3	68.8	70.5	139.3	266.7	59.2	60.2	119.4	63.8				
	Operating profit	0.8	1.6	2.5	2.7	3.5	6.3	8.8	1.7	2.0	3.8	1.1				
	Ordinary profit	0.7	1.4	2.2	2.8	4.3	7.1	9.3	1.5	1.8	3.3	1.0				
Aluminum	Net sales	31.7	32.2	63.9	32.5	31.7	64.2	128.2	30.4	28.2	58.6	27.6				
	Operating profit	0.5	1.1	1.7	1.3	1.2	2.6	4.3	2.1	0.9	3.1	-0.0				
	Ordinary profit	0.4	0.9	1.3	1.2	1.9	3.2	4.5	1.8	0.7	2.6	-0.3				
Elimination, etc.	Net sales	-39.2	-49.1	-88.3	-64.3	-75.8	-140.1	-228.4	-73.8	-61.3	-135.1	-70.1				
	Operating profit	-0.3	-1.8	-2.2	-0.7	-8.2	-9.0	-11.3	-1.6	-2.7	-4.4	-2.7				
	Ordinary profit	-0.0	-2.7	-2.7	-0.3	-9.3	-9.7	-12.4	-1.9	-4.1	-6.1	-2.7				
Total	Net sales	344.3	381.2	725.5	354.3	405.2	759.5	1,485.1	427.6	432.3	860.0	453.9				
	Operating profit	2.5	4.3	6.8	8.7	10.9	19.6	26.5	14.8	14.1	29.0	10.2				
	Ordinary profit	3.1	13.3	16.4	15.5	12.5	28.0	44.5	25.1	13.0	38.2	22.9				
■ Statistics / Assumptions																
Sales volumes of copper & copper alloy products	(thousand tons)	27	23	50	30	33	64	113	34	34	68	35				
Sales volumes of copper cathodes (in-house product)	(thousand tons)	77	98	175	73	62	135	309	72	74	146	79				
Sales volumes of copper cathodes (PTS)	(thousand tons)	69	72	141	52	67	118	260	66	65	131	72				
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	13.5				
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	10.29				
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	1.72				
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	0.60				
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	0.33				
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	1.73				
Sales volumes of aluminum sheet products	(thousand tons)	24	22	46	23	25	48	94	27	24	51	23				
Sales volumes of aluminum extrusion products	(thousand tons)	3	3	5	3	3	7	12	3	3	6	3				
Exchange rate (USD)	(JPY/ \$)	108	106	107	105	106	105	106	109	110	110	114				
Exchange rate (EUR)	(JPY/€)	118	124	121	125	128	126	124	132	130	131	130				
Copper price (LME)	(¢ /lb)	242	296	269	325	385	355	312	440	425	433	440				

For further information, please contact at:

**Mitsubishi Materials Corporation
IR Dept., Corporate Communications Dept.**

**Marunouchi Nijubashi Building, 3-2-3, Marunouchi, Chiyoda-ku,
Tokyo 100-8117 Japan**

TEL : +81-3-5252-5290

<https://www.mmc.co.jp/corporate/en/index.html>

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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.