

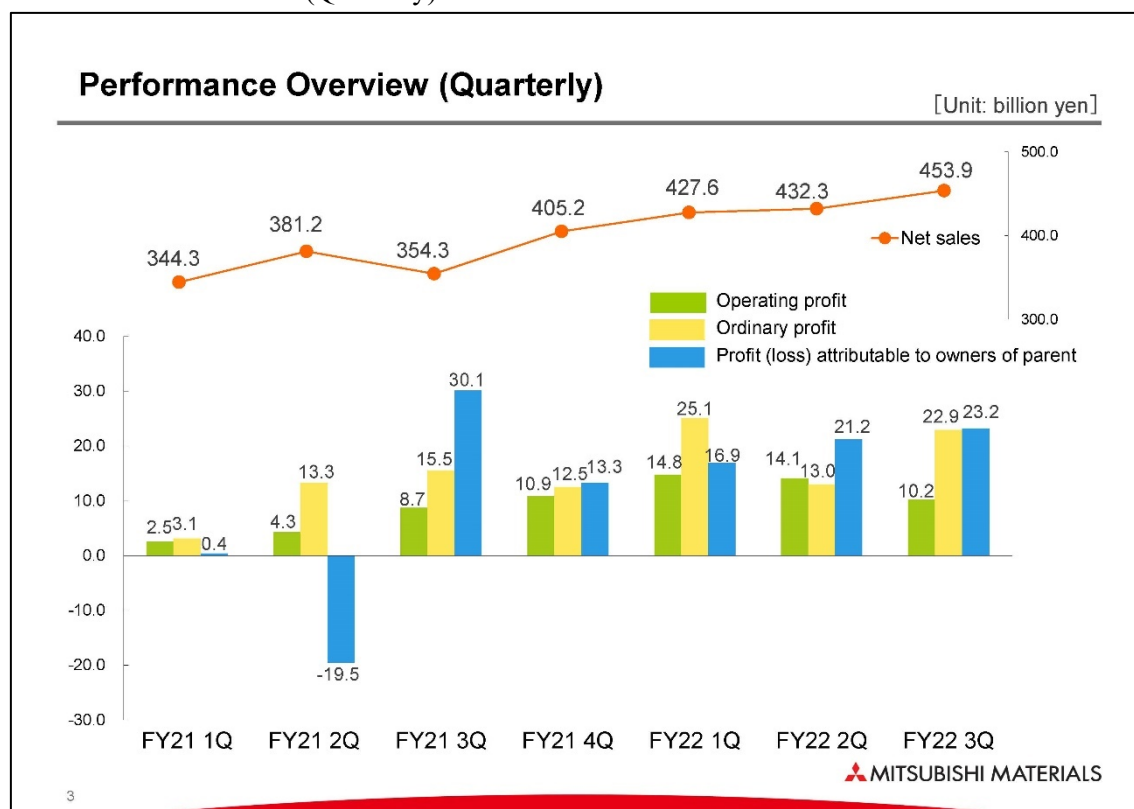
Financial results briefing for the Nine Months Ended December 31, 2021

Higher metal prices and increased demand for semiconductor and automobile related products contributed to Mitsubishi Materials Corporation's ordinary profit for the first nine months of the fiscal year.

Nobuhiro Takayanagi (hereinafter referred to as "Takayanagi"):

I am Takayanagi, Managing Executive Officer. Thank you very much for participating in our financial results briefing today. I would like to provide an overview of Mitsubishi Materials Corporation (hereinafter referred to as "the Company") consolidated financial results for the nine months ended December 31, 2021.

<Performance Overview (Quarterly)>



Please refer to the Performance Overview (Quarterly) on page 3 of the Supplementary Explanation of Consolidated Financial Results. The results for the third quarter are shown in the bar graph on the very right side of the bottom row of the slide. Operating profit declined from the previous quarter due to the decline in price of palladium and furnace repairs at the Onahama Smelting and Refining Co., Ltd.

On the other hand, net income reached 23.2 billion yen, mainly due to the recording of dividend income from copper mines in ordinary profit for the third quarter and the recording of gain on sales of investment securities, as a result of the continued reduction in the number of strategic shareholdings.

<Comparison with Previous Year Results (Consolidated Statements of Operations)>

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

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On page 4, I will explain the Comparison with the Previous Year Results.

Net sales increased mainly in the Advanced Products, Metalworking Solutions Business, and Metals Business driven by a rise in copper prices, and firm demand for semiconductor related and automobile related products.

On the other hand, in the Cement Business, domestic demand remained sluggish, and in the U.S. business, driver shortages continued due to tight supply and demand in the labor market, resulting in lower sales volume of ready-mix concrete and cement.

As a result, net sales increased by 234.1 billion yen to 1,314.0 billion yen year-on-year. As for ordinary profit, I will explain it later in the waterfall graph on page 6.

Net income reached at 61.4 billion yen led by the gain on sales of investment securities, etc., as I mentioned earlier.

< Comparison with the Previous Year Results (Statistics)>

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

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Please refer to page 5 for Statistics.

Sales volume of copper & copper alloy products increased, mainly for automobile-related products.

The sales volume of copper cathodes (in-house product) was affected in the first quarter by the production cutback after completion of furnace repairs at the Naoshima Smelter & Refinery in February and March of the previous fiscal year, as well as the production cutback at the Onahama Smelting and Refining Co.,Ltd. due to equipment failure at a company providing oxygen in January last year, although this has already been resolved. These production cuts in the first half of the fiscal year had an impact.

As for PT. Smelting, the company conducted regular furnace repairs in the third quarter of the previous fiscal year. As a result, sales volume increased year-on-year.

Dividends from copper mines were increased mainly due to dividends from the Los Pelambres copper mine.

The total demand for cement in Japan decreased year-on-year. In addition to the results in the first half of the fiscal year, the pace of shipments was generally sluggish in the third quarter.

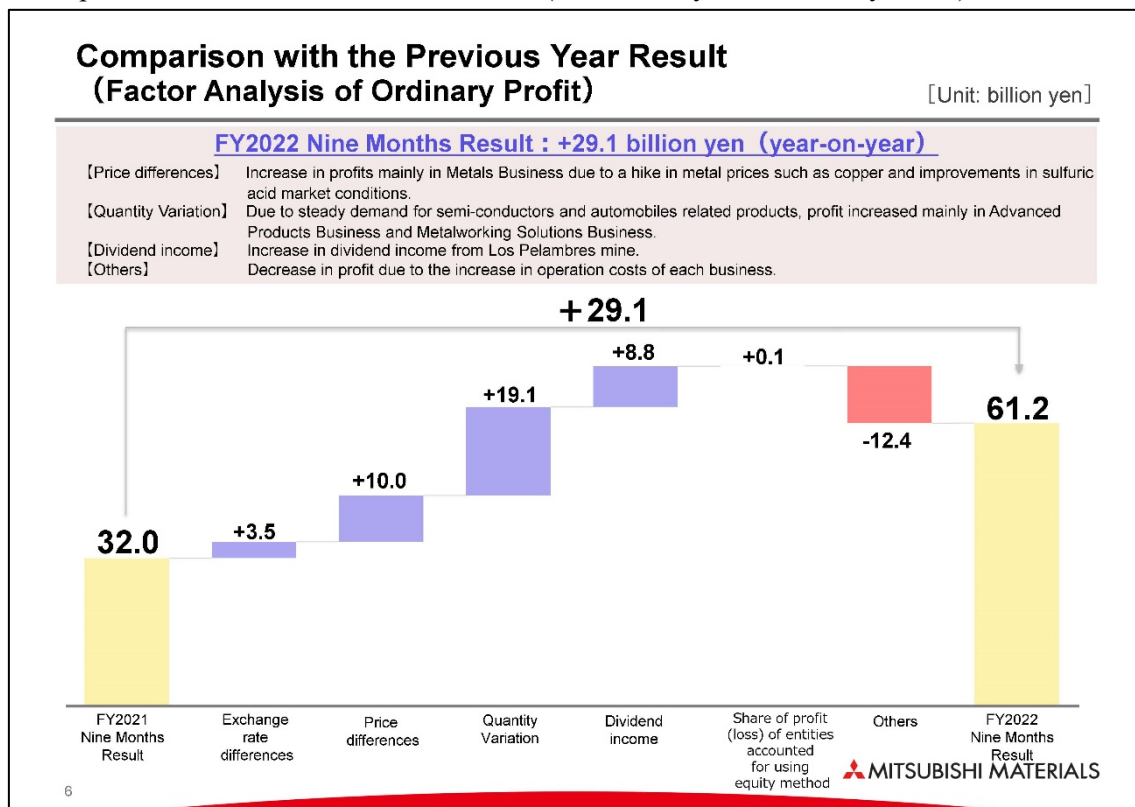
Regarding the ready-mix concrete sales volumes in the U.S., as I mentioned earlier, the driver shortage at Robertson's Ready Mix, Ltd. and the labor shortage at the construction sites

continued to affect sales. The impact of unfavorable weather conditions at the end of the year was also a factor in the decline in sales.

As a result of the decline in sales of ready-mix concrete, sales volume of cement in the U.S. also declined.

Sales volume of aluminum sheet products and aluminum extruded products increased, mainly for automobile-related products.

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



The waterfall graph on the slide shows the increase and decrease in ordinary profit. Ordinary profit for the first nine months of the fiscal year ending March 31, 2022 (hereinafter referred to as “FY2022”), shown on the rightmost of this side, is 61.2 billion yen, up 29.1 billion yen from 32.0 billion yen year-on-year.

I would like to explain the main details of each segment, business by business, on the next page, page 7.

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

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

[Unit: billion yen]

		FY 2021 Nine Months Results (a)	FY 2022 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	1.1	-3.7
	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	—	—	—	—	-0.0	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	—	—	—	—	-0.2	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	—	—	—	—	-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	—	—	—	—	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	-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	0.3	-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	-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	-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	—	—	—	—	-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	—	—	—	—	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

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For Copper & copper alloy in the Advanced Products Business, sales of products for the automotive industry increased, and the segment returned to profitability from an operating loss of the same period in the previous fiscal year. In Electronic materials & components, sales of semiconductors continued to be strong, resulting in a profit growth.

In the Metalworking Solutions Business, profit increased driven by a recovery in demand from major automobile manufacturers in Japan and major overseas countries. As for others, operating profit has improved as a result of the transfer of the Sintered parts business in December 2020, which had been posting an operating loss.

On the other hand, the rapid improvement in profit margins also led to a distribution of higher book value inventories, whose higher book value is because of lower operating rate in the previous year. It raised costs and contributed negatively on profit.

In the Metals Business, higher metal prices and improved sulfuric acid prices contributed to the profit growth, as did increased dividends received from copper mines and an increase of profit of investments accounted for using equity method of copper mines.

In the Cement Business, as I have already mentioned, both operating profit and ordinary profit decreased. In addition to the weaker demand, the increase in the cost of thermal energy is also driving up the cost in the domestic market. The business in the U.S. is as I mentioned earlier.

As for the profit/loss of investments accounted for using equity method in the Cement Business, the profits of Mitsubishi Ube Cement Corporation declined due to the cost related to the preparation for the integration, weaker domestic demand as well as the increase in logistics costs, and loss of investments accounted for using equity method widened.

In the Environment & Energy Business, net sales decreased due to the transfer of the Dia Consultants in the second quarter, but operating profit and ordinary profit both increased as a result of an increase in the volume of home appliance recycling and other processing, as well as soaring scrap prices generated by home appliance recycling.

In the Aluminum business, which is part of Other business, raw material costs increased in the aluminum beverage can business due to higher aluminum ingot prices. On the other hand, the Aluminum rolled and extruded products business saw a profit growth mainly driven by increased demand for automobile-related products and cost reductions as a result of successful cost-cutting measures, and operating profit for the Aluminum business as a whole was on par with the previous fiscal year.

<Performance Forecast for FY2022>

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%

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As shown on page 9, the performance forecast for FY2022 has not been changed from the forecast announced on November 9, 2021. That's all from me. Thank you so much for your attention.

Question and Answer Session (Summary)

1. Performance Forecast on Each Business for the Fourth Quarter

Q: You said that there is no change to your full-year forecast , but if we calculate backwards, operating profit for the fourth quarter is expected to be 2.7 billion yen, and ordinary profit will be in the red. Is it really going to get this bad? I would like you to explain the situation of each business.

A: First of all, I would like to explain how we see the changes from the second quarter to the third quarter for each business and the changes from the third quarter to the fourth quarter.

For the Copper & copper alloy in the Advanced Products Business, the third quarter on a non-consolidated basis is in line with the second quarter. On the other hand, for Luvata, demands for superconducting wires for MRI and other products are recovering gradually. In addition, copper price positively contributed in inventory valuation and Luvata's profit increased compared to the previous quarter.

In the Electronic materials & components business for the third quarter, semiconductor-related business remained strong, and profits were on par with the second quarter. In the Metalworking Solutions Business, the third quarter also remained generally strong, and was in line with the previous quarter.

In the Metals Business, third quarter results were down slightly from the second quarter, but partly due to irregularities caused by the decline in the price of palladium on a non-consolidated basis and the absence of gain on valuation of inventory in the third quarter, while there were gain on valuation in the second quarter. Also, the furnace repair at the Onahama Smelting and Refining Co.,Ltd. in the third quarter resulted in a decline in operating rate and posting furnace repair costs, which resulted in a decrease in operating profit for the third quarter in the Metals Business compared to the second quarter. The way it looks is the dividends from copper mines are covering these losses.

Next, I will explain our outlook for the fourth quarter. My overall impression is that losses on the retirement of equipment will be concentrated, and the replacement of equipment will be concentrated in the fourth quarter, so we expect costs to be high. Moreover, we expect the impact of higher energy prices to be approximately 1 billion yen to 2 billion yen.

In the Naoshima Smelter & Refinery in the Metals Business, furnace repairs for pretreatment are scheduled in the fourth quarter. Pretreatment refers to the pre-processing furnaces for scrap products, and the furnace repair costs and lower operating rates caused by the implementation of this furnace repair will have the same level of impact as the increase in energy prices, I mentioned earlier.

In the Metalworking Solutions Business, we have factored in the decrease of productivity resulting from the deterioration of some product mixes, and the weak sales forecast in the fourth

quarter, and lower profits caused by lower sales. We believe that this will have the same level of impact as the rise in energy prices.

We expect figures will be down in the Cement Business as it is not performing well both in Japan and in the U.S.

However, we expect only the Advanced Products Business, mainly Electronic materials & components business, to perform relatively well, and this should offset the negative impact we have mentioned so far.

In our latest consolidated performance forecast dated November 9, 2021, we had expected profits to be solid in the third quarter and less profitable in the fourth quarter. The fourth quarter is expected to be like this because of the cost increase factors I just mentioned. However, please note that our view is somewhat conservative.

2. Impact of the drought at Los Pelambres copper mine

Q: I noticed that the Company posted dividend income from Los Pelambres copper mine even though the mine is struggling due to a significant production cut caused by drought. Even if such a downward trend in production continues next year, is it safe to assume that dividends will still be paid?

A: As you pointed out, production at the Los Pelambres mine has been affected by drought. However, dividend income from the mines for the current fiscal year is not directly affected as dividends are paid from pre-drought cash. On the other hand, the operation of the Los Pelambres copper mine is dependent on the drought conditions of the nearby rivers, and it is difficult to foresee the future, which means that it will depend on the rainfall conditions in the next year and beyond. Early spring time in Japan is the start of the rainy season in the Los Pelambres area.

3. Trend of automobile related demand and the impact of production cuts

Q: What is your view of the trend of automobile related demand in the Copper & copper alloy business from the second quarter to the third quarter, and to the fourth quarter? Also, could you tell me about the impact of the cutbacks in automobile production on the Metalworking Solutions Business?

A: In the Copper & copper alloy business, mainly for wire harness terminal materials, automobile manufacturers and wire harness manufacturers are continuing to build up inventories, but terminal manufacturers' production capacity is not keeping up with their needs and orders continue to come in.

Since the production volume of automobile manufacturers has not risen, adjustments will be made at some point, but we forecast that orders for automobiles will continue to maintain the same level as now.

In the Metalworking Solutions Business, we see a trend of reduced sales in some areas. In addition, although this is a special factor for the fourth quarter, we forecast that the product mix will be worse than usual, and as a result, the top line of production will be lower, resulting in a slight decline in profits. Orders themselves have not reached the point of a major drop.

4. Impact of Cost Increase and Progress of Price Increase in the Cement Business

Q: Please tell us about how much cost have increased in the domestic Cement Business, including the price hike of thermal coal. Also, what is the progress and customers' reactions to the price increase?

A: The thermal coal price increased in spot prices, but it is somewhat stable now. As we usually purchase thermal coal in a bulk for a certain period, spot price fluctuation rarely impacts directly.

However, in light of the thermal energy price difference, we forecast the fourth quarter to be affected by over 500 million yen compared to the third quarter.

As for the price increase negotiation, we are negotiating with the customers for an increase of 2,200 yen or more per ton. Our customers are also aware of the rising costs including energy costs, so we are making every effort to negotiate with them, believing that they will accept some price increase.

5. Driver Shortage Situation in the U.S. Cement Business

Q: With regard to the shortage of labor and drivers at construction sites in the U.S. Cement Business, please tell us about your efforts to resolve the situation and your outlook for the next fiscal year.

A: The shortage of drivers to transport ready-mix concrete and cement in the U.S. has not yet been resolved. We are taking several measures, such as increasing base salaries, enriching employee benefit packages, or reimbursing fees to obtain special licenses required for the job. However, the U.S. labor market has been changing, and it is not easy to acquire the necessary talent. To tell the truth, it is difficult to predict what is coming because an immediate solution is hard to find.

6. Factors of operating profit decrease in the third quarter compared with the second quarter

Q: Compared with the second quarter, you mentioned that the third quarter operating profit was impacted by the price decrease of palladium, absence of gain on valuation of inventory, and impact of furnace repairs at the Onahama Smelting and Refining Co.,Ltd. Could you tell how much impact was brought by each factor, respectively? Additionally, could you also explain if

you expect reasons for changes to profit other than these or market condition factors through the fourth quarter?

A: Each of these factors, the decline in the price of palladium, absence of gain on valuation of inventory, furnace repair costs, and reduced operating rate due to furnace repairs, had an impact of approximately 1 billion yen or more. Also, please consider that the pretreatment of the furnace repairs in the fourth quarter will also have an impact of about the latter half of 1 billion yen range.

Q: How much impact was brought by the improvement of sulfuric acid market conditions?

A: For the first nine months of this fiscal year, it is about a 5 billion yen increase from the same period of previous fiscal year.

Q: Is it correct to assume that not much will change in the fourth quarter?

A: Yes, not much change is expected from the second quarter to the third quarter and from the third quarter to the fourth quarter.

7. Trends in Resource Nationalism in Latin America

Q: With regard to trends in resource nationalism in Latin America, please tell us what is happening at present and what you see as the risks.

A: The Chilean Senate's Mining and Energy Committee approved new changes to the mining royalty bill on January 26, 2022. Compared to the original draft that included a tax on sales at a progressive rate depending on copper prices, the approved bill is much more moderate. But the tax burden will still increase, so in that sense, we see it as a risk for a decline in profits.

Further discussions will be held in the future, however, I believe that the Chilean side's ideas must be respected to some extent.

I also heard that Chile is moving to amend its Constitution and nationalize its mines. As for how this will be linked to the movement to revise royalties, the discussion of the Constitution amendment is still in an early stage. Therefore, we are paying close attention to the development of the discussions.

In Chile, they have an organization of private companies that is similar to the Mining Industry Association in Japan. Thus, each enterprise may be given an opportunity to present its own view during the discussion and I heard they are engaged in lobbying activities. We will follow up on the situation while supporting such activities. However, some aspects are uncontrollable, which makes it difficult in terms of risk management.

Next, I would like to talk about Peru, which is in a more difficult situation than Chile. The government itself is unstable, with frequent changes in ministers, and we have no choice but to wait and see what happens.

8. Net Income Forecast for the Fourth Quarter

Q: Regarding the Performance Forecast for FY2022, you said that your forecast for operating profit and ordinary profit are conservative, as you explained the causes of items in operating profit and ordinary profit, but how should we think about the net income where there is still a large gap even factoring in the extraordinary loss, loss on retirement of equipment, tax expenses, etc. expected for the fourth quarter?

A: As you see in the press release issued at the end of November 2021, the Company will incur a loss of approximately 29 billion yen on the transfer of business related to the Aluminum business, which will be recorded in the fourth quarter. I believe this explains the remaining gap.

9. Outlook for the Final Fiscal Year of the Medium-term Management Strategy, and Shareholder Returns

Q: The next fiscal year is the final year of the Medium-term Management Strategy. Based on the actual results of this fiscal year, I believe the target numbers in the Strategy must be significantly revised. As the Company is entering the final fiscal year of the Medium-term Management Strategy, what are your thoughts at this point on what adjustments are likely to be made to the outlook for the next fiscal year and shareholder returns?

A: We revised the Medium-term Management Strategy in May 2021, and I believe that the actual results of the current fiscal year will surpass that. Also, we are currently finalizing the budget for the next fiscal year. Therefore, it depends on that, but I hope you can make some analogies based on the outlook for the current fiscal year. As for our approach to shareholder returns, we have decided that we will basically not change it during the FY2023 Strategy, that is, until the next fiscal year.

<Closing remarks from Mr. Takayanagi>

Takayanagi: Thank you so much for your many questions today even though we have only a short time.

As I mentioned at the beginning, the figures for the third quarter are a little irregular compared to the full-year forecast. I hope you can understand the background for this irregularity that I have explained today.

At present, copper and palladium prices have returned, and we believe that this will have a significant impact on our profit and loss.

We will continue to strive for timely information disclosure and easy-to-understand explanations. Thank you very much for joining us today.