

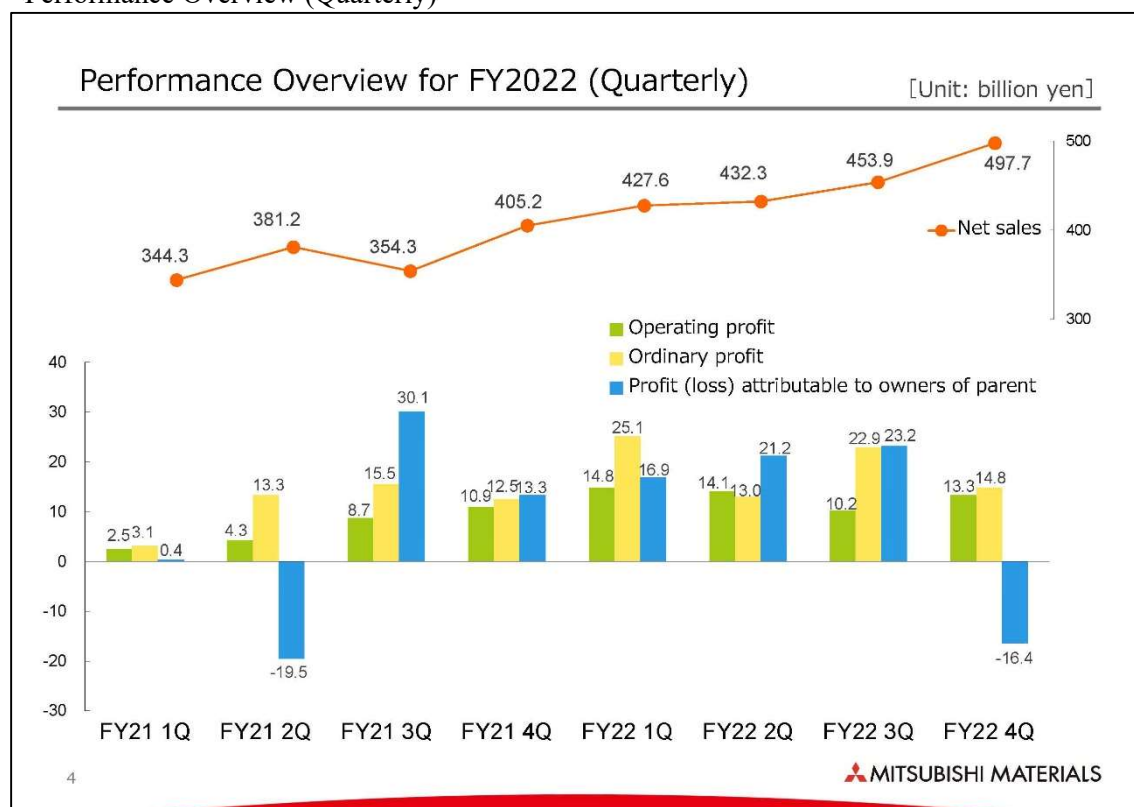
Financial Results Briefing for the fiscal year ended March 31, 2022

Mitsubishi Materials Corporation forecasts lower profits due to higher raw materials and energy costs, lower mining dividends, etc.

【Speaker】

Mr. Nobuhiro Takayanagi, Managing Executive Officer & CFO, Mitsubishi Materials Corporation

<Performance Overview (Quarterly)>



Nobuhiro Takayanagi (hereinafter referred to as “Takayanagi”):

Thank you very much for taking time to attend our financial results briefing. I would like to provide an overview of Mitsubishi Materials Corporation (hereinafter referred to as “the Company”) consolidated financial results for the fiscal year ended March 31, 2022 (hereinafter referred to as “FY2022”) and outlook for FY2023.

Please refer to the Performance Overview (Quarterly) on page 4 of the Supplementary Explanation of Consolidated Financial Results.

The results for the fourth quarter are shown in the bar graph on the very right side of the bottom row of the slide. Compared to the operating profit of the immediately preceding third quarter, operating profit increased mainly in the Metals Business due to higher sulfuric acid prices, steady metal prices, and a rebound from the furnace repairs at the Onahama Smelting and Refining Co., Ltd. in the third quarter.

On the other hand, ordinary profit in the fourth quarter decreased from the third quarter due to the absence of dividends from the Los Pelambres copper mine.

In addition, the Company posted a business restructuring loss of 25.1 billion yen in the Aluminum business as an extraordinary loss. As a result, we posted a net loss of 16.4 billion yen for the fourth quarter.

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

Comparison with the FY2021 Results (Consolidated Statements of Operations)				[Unit: billion yen]
	FY21 Results(a)	FY22 Results(b)	YoY change (b-a)	Remarks*
Net sales	1,485.1	1,811.7	326.6	AP +128.8, MS +13.2, Metals +268.8, Cement -6.0
Operating profit	26.5	52.7	26.1	AP +11.8, MS +15.3, Metals +6.3, Cement -3.3
Net interest and dividend income	14.0	20.3	6.3	Dividend income +7.7
Share of profit (loss) of entities accounted for using equity method	4.6	5.0	0.3	
Other Non-operating income (loss)	-0.7	-2.0	-1.3	Employment adjustment subsidy -1.7
Ordinary profit	44.5	76.0	31.5	
Extraordinary income (loss)	-1.1	0.5	1.7	FY22: Loss on business restructuring -25.1, Gain on sales of investment securities +34.6 FY21: Loss on business restructuring -22.3, Gain on sales of investment securities +28.0
Income taxes	-12.5	-24.0	-11.4	
Profit attributable to non-controlling interests	-6.3	-7.5	-1.2	
Profit attributable to owners of parent	24.4	45.0	20.6	
Exchange rate (USD)	106	112	6	JPY / \$
Exchange rate (EUR)	124	131	7	JPY / €
Copper price (LME)	312	440	128	¢ / lb

*AP: Advanced Products Business
MS: Metalworking Solutions Business

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On page 5, I will explain the Comparison with the Previous Year Results.

Net sales increased mainly in the Advanced Products, Metalworking Solutions Business, and Metals Business due to higher copper prices and strong demand in the semiconductor and automotive sectors. As a result, net sales increased by 326.6 billion yen to 1,811.7 billion yen year-on-year.

I will explain Operating Profit and Ordinary Profit later on page 7 and onward.

Although we posted a loss from business restructuring in the Aluminum Business, net profit increased by 20.6 billion yen year-on-year to 45.0 billion yen, mainly due to a gain on sales of investment securities resulting from the reduction of strategic shareholdings.

< Comparison with the Previous Year Results (Statistics)>

Comparison with the FY2021 Results (Statistics)				
■ Statistics		FY21 Results (a)	FY22 Results (b)	YoY change (b-a)
Sales volumes of copper & copper alloy products	(thousand tons)	113	138	25
Sales volumes of copper cathodes (in-house product)	(thousand tons)	309	316	7
Sales volumes of copper cathodes (PTS)	(thousand tons)	260	271	11
Dividend from copper mine	(billion yen)	14.1	23.5	9.4
Total demand for cement in Japan	(million tons)	38.67	37.88	-0.79
Cement sales volumes for MMC-Domestic	(million tons)	6.22	6.11	-0.12
Cement sales volumes for MMC-Exports	(million tons)	2.34	2.36	0.02
Cement sales volumes in the U.S.	(million tons)	1.54	1.39	-0.15
Ready-mixed concrete sales volumes in the U.S.	(million cy)	7.86	7.38	-0.48
Sales volumes of aluminum sheet products	(thousand tons)	94	97	3
Sales volumes of aluminum extrusion products	(thousand tons)	12	12	0

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 MITSUBISHI MATERIALS

Please refer to page 6 for Statistics.

Sales volumes of copper & copper alloy products are increasing, mainly for automobile-related products. Sales volume of in-house copper cathodes increased from the previous year due to the impact of furnace repairs at the Naoshima Smelter & Refinery in the fourth quarter of FY2021, despite equipment failure at an oxygen supplier at the Onahama Smelting and Refining Co., Ltd. in the first half of the fiscal year.

The sales volume of copper cathodes at PT Smelting also increased year-on-year owing to furnace repairs in the third quarter of FY2021.

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

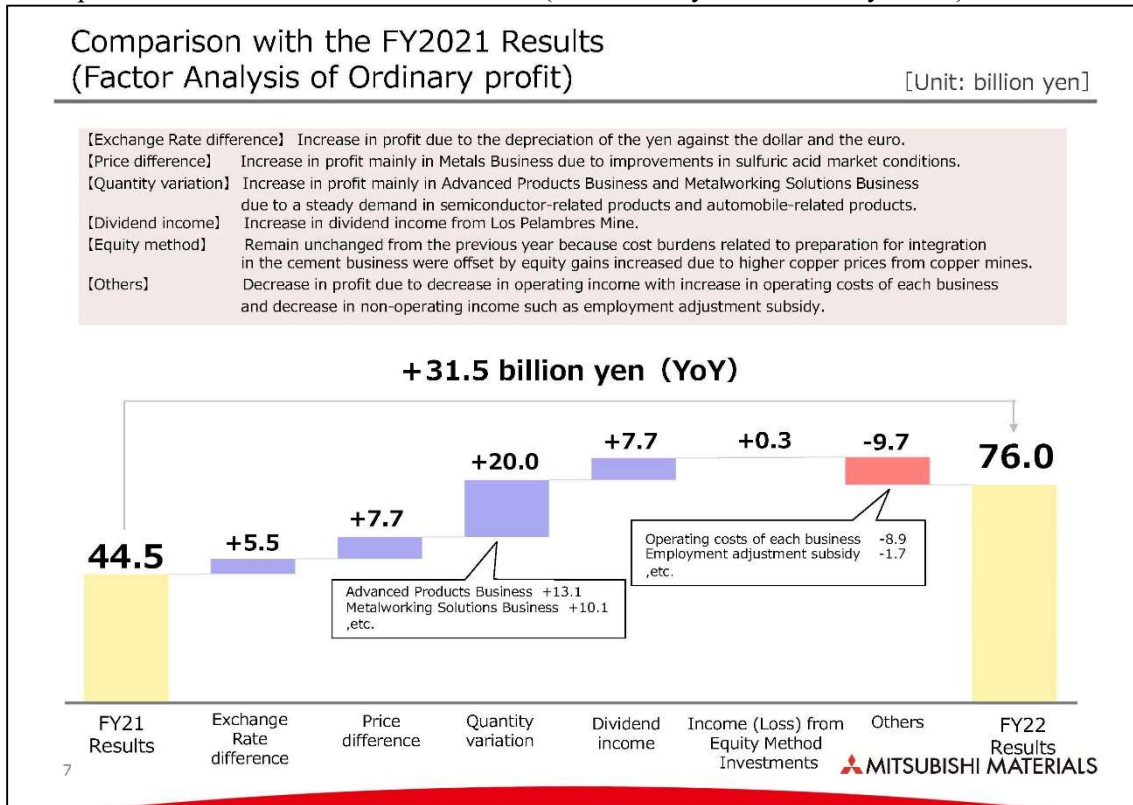
Domestic demand for cement has further declined from 38.67 million tons to 37.88 million tons. While redevelopment projects in the Tokyo metropolitan area are gradually gaining momentum, demand for disaster restoration work in the Tohoku and Chugoku regions has been declining, resulting in an overall downturn.

Sales volume of ready-mixed concrete in the U.S. decreased due to the continuing shortage of drivers against the backdrop of tight demand in the labor market and the impact of unfavorable weather conditions in the third quarter.

In addition, the sales volume of cement in the U.S. in the upper row decreased as a result of the decline in ready-mixed concrete sales.

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)>



On page 7, a waterfall graph shows year-on-year comparisons for each of these factors.

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

Comparison with the FY2021 Results (Factor Analysis by Segments)		[Unit: billion yen]									
		FY21 Results (a)	FY22 Results (b)	YoY change (b-a)	Exchange rate difference	Price difference	Quantity variation	Revenue recognition*	Dividend income	Income (Loss) from Equity Method Investment	Others
Advanced Products	Net sales	357.1	485.9	128.8	15.7	74.4	65.6	-25.4			-1.5
	Operating	2.8	14.7	11.8							-2.9
	Ordinary	6.1	16.9	10.7	0.3	1.3	13.1		-0.2	1.3	-5.1
Copper & copper alloy	Net sales	231.6	366.6	134.9	13.9	72.8	48.2	0.0			
	Operating	-0.3	4.6	4.9							-2.5
	Ordinary	0.8	5.3	4.4	0.1	0.3	7.0		-0.0	1.2	-4.2
Electronic materials & components	Net sales	126.6	120.7	-5.9	1.8	1.6	17.6	-25.4			-1.5
	Operating	3.5	10.0	6.4							-0.6
	Ordinary	5.6	11.6	5.9	0.1	0.9	6.0		-0.2	0.0	-0.9
Metalworking Solutions	Net sales	119.3	132.6	13.2	4.6	2.2	17.3	0.0			-10.9
	Operating	-1.1	14.1	15.3							-0.1
	Ordinary	-0.7	14.5	15.2	2.8	2.5	10.1		-0.0		-0.2
Metals	Net sales	728.2	997.1	268.8	38.2	166.1	64.5	0.0			0.0
	Operating	18.8	25.2	6.3							-2.0
	Ordinary	32.9	50.2	17.3	2.1	8.2	-2.0		9.3	4.1	-4.4
Cement	Net sales	215.8	209.8	-6.0	6.2	8.6	-0.5	-20.3			0.1
	Operating	6.6	3.2	-3.3							2.9
	Ordinary	6.1	0.1	-6.0	0.2	-2.4	-1.2		0.0	-5.5	-9.5
Environment & Energy	Net sales	26.2	17.8	-8.3	0.0	0.2	1.0	0.0			-1.2
	Operating	1.7	2.2	0.4							-1.4
	Ordinary	3.1	3.8	0.7	0.0	0.1	1.5		-0.0	0.5	-4.3
Others	Net sales	266.7	253.6	-13.0	1.7	5.4	-1.5	-14.3			0.5
	Operating	8.8	7.3	-1.4							-0.9
	Ordinary	9.3	6.5	-2.8	0.1	-2.1	0.1		-0.0	-0.0	-3.6
Aluminum	Net sales	128.2	115.4	-12.8	0.1	5.4	-4.7	-10.0			0.7
	Operating	4.3	2.2	-2.1							-0.8
	Ordinary	4.5	0.9	-3.6	-0.0	-2.8	0.0		-0.0	-0.0	-1.5
Adjustment Amount	Net sales	-228.4	-285.3	-56.8	0.0	-58.3	-28.1	29.6			-0.9
	Operating	-11.3	-14.2	-2.9							-7.1
	Ordinary	-12.4	-16.1	-3.6	0.0	0.0	-1.4		-1.3	-0.0	-9.7
Total	Net sales	1,485.1	1,811.7	326.6	66.6	198.8	118.1	-30.3			
	Operating	26.5	52.7	26.1							
	Ordinary	44.5	76.0	31.5	5.5	7.7	20.0		7.7	0.3	

* "Revenue recognition" here shows an approximate effect on the Mitsubishi Materials Group due to the change of revenue recognition accounting policy applied from FY22.

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On page 8, I will explain the Comparison with the Previous Year's results by segment.

First, in the Advanced Products, Copper & copper alloy products returned to profitability from an operating loss in the previous fiscal year due to an increase in sales in the automotive industry.

In the Electronic materials & components business, while sales volume and net sales were almost flat compared to the previous fiscal year, profits increased resulting from an increase in sales of our mainstay products for semiconductors, i.e., highly profitable products.

In the Metalworking Solutions Business, profit increased driven by a recovery in demand from major automobile manufacturers in Japan and major overseas countries.

In the Metals business, as shown in the waterfall graph shown earlier, the price increases due to improved market conditions for sulfuric acid prices and other factors, as well as increased dividend income from copper mines and equity in earnings of affiliates, contributed to the profits.

In the Cement Business, we are facing a very difficult situation in terms of sales, against the backdrop of the demand we reported earlier. In addition, profit decreased due to higher energy costs.

Particularly in our U.S. operations, driver shortages, as I mentioned earlier, as well as price hikes in both raw materials and fuel, put pressure on profits.


And in the Environment & Energy Business, net sales declined in the second quarter, mainly due to the transfer of the business of Dia Consultants Co., Ltd. However, the increase in the processing volume of home appliance recycling and the increase in the price of scrap generated by this process all contributed to the increase in profit.

In the Aluminum Business, profits decreased partly due to a sharp rise in the price of aluminum ingots, the raw material for aluminum beverage cans, in particular. The above is an explanation of the year-on-year comparison.

<Comparison with the Previous Forecast Announced on November 9, 2021 (Consolidated Statements of Operations)>

Comparison with the Forecast Announced on November 9, 2021 (Consolidated Statements of Operations)				[Unit: billion yen]	
	FY22 Forecast	FY22 Results	Difference		
	(a)	(b)	(b-a)		
Net sales	1,760.0	1,811.7	51.7		
Operating profit	42.0	52.7	10.7		
Net interest and dividend income	19.0	20.3	1.3		
Share of profit (loss) of entities accounted for using equity method	6.5	5.0	-1.5		
Other Non-operating income (loss)	-8.5	-2.0	6.5		
Ordinary profit	59.0	76.0	17.0		
Extraordinary income (loss)	2.0	0.5	-1.5		
Income taxes	-17.0	-24.0	-7.0		
Profit attributable to non-controlling interests	-7.0	-7.5	-0.5		
Profit attributable to owners of parent	37.0	45.0	8.0		
Exchange rate (USD)	110	112	2	JPY/\$	
Exchange rate (EUR)	130	131	0	JPY/€	
Copper price (LME)	426	440	13	¢/lb	
Dividend per share (yen)	Interim 40	40	—		
	Year-end 40	50	10		

*Dividend per share for the FY22 consists of 60 yen as ordinary dividend and 30 yen as special dividend.

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Next, I will explain the difference between the full year forecasts announced on November 9, 2021 and the actual results.

Please refer to page 9. The forecasted figures in the announcement are the most recent full-year forecast for the Company.

Net sales and operating profit exceeded the previous forecast due to higher metal prices and increased sales of the Advanced Products, as we reported earlier. In addition, the non-operating profit also increased due to foreign exchange gains resulting from the weaker yen. As a result, ordinary profit and net income exceeded the previous forecasts.

In light of the fact that the results for FY2022 exceeded our forecast, we have increased the year-end dividend by 10 yen from the most recent dividend forecast of 40 yen per share to 50 yen per share, as shown in the lower line.


<Consolidated Balance Sheet>

Consolidated Balance Sheet

[Unit: billion yen]

	FY21 End (a)	FY22 End (b)	Difference (b-a)		FY21 End (a)	FY22 End (b)	Difference (b-a)
Assets				Liabilities			
Cash and deposits	153.0	159.2	6.1	Notes and accounts payable – trade	153.6	158.5	4.9
Notes and accounts receivable - trade	220.5	249.8	29.3	Borrowings, bonds payable and commercial papers	629.4	608.7	-20.7
Inventories	379.8	454.5	74.7	Other liabilities	638.0	702.0	63.9
Other	286.4	375.2	88.8	Total liabilities	1,421.1	1,469.2	48.1
Total current assets	1,039.8	1,238.9	199.0	Net assets			
Property, plant and equipment and intangible assets	711.8	677.7	-34.0	Share capital	119.4	119.4	–
Investments and other assets	283.8	208.3	-75.4	Capital surplus and treasury shares	76.5	76.5	-0.0
Total non-current assets	995.6	886.0	-109.5	Retained earnings	294.8	328.8	34.0
				Accumulated other comprehensive income	54.3	59.9	5.5
Total assets	2,035.5	2,125.0	89.4	Non-Controlling Interests	69.1	70.9	1.7
				Total net assets	614.3	655.7	41.3
				Total liabilities and net assets	2,035.5	2,125.0	89.4
				Shareholders' equity ratio	27 %	28 %	
				Net D/E ratio	0.87 times	0.77 times	

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I will skip the explanation of the balance sheet on page 10.

<FY2023 Performance Forecast (Statistics / Sensitivity)>

Performance Forecast for FY2023 (Statistics / Sensitivities)				
■ Statistics				
		FY22 Results (a)	FY23 Forecast (b)	YoY Change (b-a)
Sales volumes of copper & copper alloy products	(thousand tons)	138	144	7
Sales volumes of copper cathodes (in-house product)	(thousand tons)	316	310	-6
Sales volumes of copper cathodes (PTS)*	(thousand tons)	271	233	-38
Dividend from copper mine	(billion yen)	23.5	7.2	-16.3
Income (Loss) from Equity Method Investments of Mitsubishi UBE Cement Corporation	(billion yen)	—	-0.5	—
*Contains only the amount of smelting as a custom smelter.				
■ Sensitivities				
		FY23 Forecast		
Exchange rates : 1 yen/\$ (yen depreciation)	Operating profit	0.7 billion yen		
: 1 yen/€ (yen depreciation)	Operating profit	0.17 billion yen		
Copper price (LME) : +10¢/lb	Operating profit	0.5 billion yen		
: +10¢/lb	Non-Operating profit	0.4 billion yen		

From page 11 onward is the full-year earnings forecast for the current fiscal year. Starting this fiscal year, we are announcing our earnings forecast for the full year only.

As you are probably well aware, currently metal prices fluctuate considerably, and disclosing detailed earnings forecasts corresponding to such fluctuations could be misleading. For this reason, we will only announce the full-year earnings forecast from this time forward.

Please let me start with an overview of the statistics. Regarding sales volume of copper & copper alloy products, we expect demand to remain high due to the expansion of in-vehicle applications for xEVs, and we are taking measures to increase production.

As for sales of in-house copper cathodes products, we expect a decrease in production at the Naoshima Smelter & Refinery due to the scheduled periodic furnace repair from February to March 2023. On the other hand, we plan to increase production at the Onahama Smelter and Refinery in FY2023. Including both smelters, the production is slightly less.

For PT. Smelting, we are planning a 30-day large-scale periodic repairs in September 2022. Also, we plan to close and proceed construction for the expansion from mid-March to the end of May 2023. In addition to those construction works, we will change the operation method of PT Smelting to the contract smelting method from January 2023.

Currently, we purchase copper concentrates from mining companies to produce copper cathodes. However, after the change, the operation method will be contract smelting of copper concentrates, and all products will be returned to our partner and copper concentrate supplier, PT. Freeport Indonesia.

So called “sales of electrolytic copper as the PT Smelting” will no longer occur, resulting in a

decrease from 271,000 tons to 233,000 tons. It is a little complicated, but I hope you understand.

Regarding the mine dividend, we are still experiencing the drought in central Chile that we have discussed in previous quarterly financial results briefings and IR conference calls. Los Pelambres copper mine also continues to be affected by reduced production and operating levels due to drought.

It will depend on future precipitation, but our partner Antofagasta, in their regular production reports, has announced that the copper production volume for the current year will remain unchanged, not only at the Los Pelambres copper mine, but also at the other mines they own. Therefore, operations will continue at approximately the budgeted level.

And the equity in earnings of affiliates of Mitsubishi UBE Cement Corporation, established in April of this year, is expected to be negative 500 million yen. In the Cement Business, the situation is still difficult in Japan. We have factored in the price increase for domestic cement. Still, on the other hand, due to the increase in energy costs and the one-time increase in costs associated with the integration, unfortunately, we expect the Company to post a net loss for the current fiscal year.

Sensitivities to foreign exchange rates and copper prices are shown in the bottom row, respectively.

<Performance Forecast for FY2023 (Consolidated Statements of Operations)>

Performance Forecast for FY2023 (Consolidated Statements of Operations)			
[Unit: billion yen]			
	FY22 Results (a)	FY23 Forecast (b)	YoY Change (b-a)
Net sales	1,811.7	1,590.0	-221.7
Operating profit	52.7	36.0	-16.7
Net interest and dividend income	20.3	3.5	-16.8
Share of profit (loss) of entities accounted for using equity method	5.0	4.5	-0.5
Other Non-operating profit (loss)	-2.0	-8.0	-6.0
Ordinary profit	76.0	36.0	-40.0
Extraordinary income (loss)	0.5	-2.5	-3.0
Income taxes	-24.0	-10.0	14.0
Profit attributable to non-controlling interests	-7.5	-3.5	4.0
Profit attributable to owners of parent	45.0	20.0	-25.0
Exchange rate (USD)	112	120	8 JPY / \$
Exchange rate (EUR)	131	135	4 JPY / €
Copper price (LME)	440	448	8 ¢ / lb
Dividend per share (JPY)	Interim	40	25
	Year-end	50	25

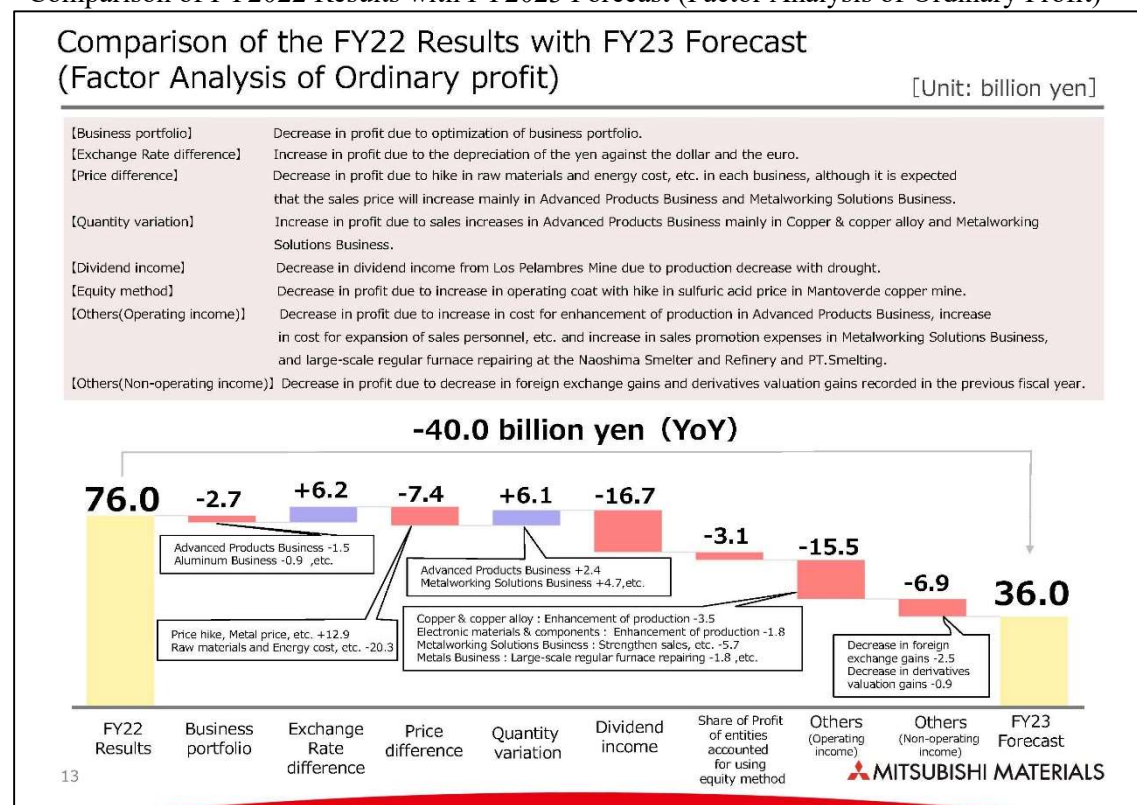
Please refer to page 12. First, the assumptions for the full-year forecast for FY2023 are 120 yen to the US dollar, 135 yen to the euro, and a copper price of 448 cents.

We forecast net sales of 1,590 billion yen, operating profit and ordinary profit of 36 billion yen each, and net income of 20 billion yen, all of which are decreased year-on-year.

With regard to shareholder returns, given such profit levels at this stage, we forecast to pay 50 yen per share for total of interim and year-end dividend.

This fiscal year will be the final year of the Medium-Term Management Strategy (FY2023 Strategy). And we will continue our efforts to return profits to shareholders on par with the total amount of dividends expected during the term of FY2023 Strategy by flexibly allocating funds as per our shareholder return policy announced last May.

<Comparison of FY2022 Results with FY2023 Forecast (Factor Analysis of Ordinary Profit)>



The waterfall graph on page 13 shows the breakdown of the decrease in ordinary profit, by factor, from 76 billion yen in the FY2022, to 36 billion yen in FY2023.

Please let me just tell you the key points. As for the Price difference, although we have some positive effects such as price increases and metal prices, but these are still not enough to cover the increased cost of raw materials and energy.

To make up for this shortfall, we are expanding sales, increasing sales in Quantity variation, or reducing costs, but that part has not yet been fully effective. As noted on the slide, Dividend income results in a negative figure.

Regarding the cost reductions I mentioned earlier, some investments are being made ahead of time to increase production, etc. This includes DX, but due to that burden, the result has settled at 36 billion yen.

<Comparison of FY2022 Results with FY2023 Forecast (Factor Analysis by Segment)>

Comparison of the FY22 Results with FY23 Forecast
(Factor Analysis by Segments)

[Unit: billion yen]

		FY22 Results (a)	FY23 Forecast (b)	YoY Change (b-a)	Business portfolio	Exchange rate difference	Price difference	Quantity variation	Dividend income	Income (Loss) from Equity Method Investment	Others
Advanced Products	Net sales	485.9	546.1	60.2	-9.6	21.5	14.3	34.0			
	Operating	14.7	6.9	-7.8	-0.5						-8.6
	Ordinary	16.9	6.5	-10.4	-1.5	0.7	-1.8	2.4	-0.3	-0.0	-9.9
	Net sales	366.6	426.4	59.8	-5.1	18.7	7.5	38.7			
	Operating	4.6	2.0	-2.6	-0.1	0.3	-0.3	2.3			-4.8
	Ordinary	5.3	0.7	-4.6	-1.2				-0.0	0.3	-6.0
	Net sales	120.7	121.1	0.4	-4.4	2.8	6.7	-4.7			
	Operating	10.0	5.3	-4.7	-0.3	0.4	-1.5	0.0			-3.3
	Ordinary	11.6	6.0	-5.6	-0.3				-0.3	-0.4	-3.5
Metalworking Solutions	Net sales	132.6	146.8	14.2		3.7	1.8	8.7			
	Operating	14.1	12.1	-2.0		1.9	-2.3	4.7			-6.3
	Ordinary	14.5	12.3	-2.2					0.0	0.0	-6.5
Metals	Net sales	997.1	1,020.2	23.1		63.3	-5.9	-34.3			
	Operating	25.2	18.8	-6.4		3.4	-3.3	-0.5			-6.0
	Ordinary	50.2	24.2	-26.0					-16.3	-2.4	-6.9
Environment & Energy	Net sales	17.8	17.6	-0.2	-2.7	0.0	0.0	2.5			
	Operating	2.2	1.5	-0.7	0.0	0.0	0.0	0.2			-0.9
	Ordinary	3.8	2.9	-0.9	0.0				-0.0	-0.2	-0.9
Others	Net sales	253.6	145.1	-108.5	-116.0	1.3	0.7	5.5			
	Operating	7.3	3.9	-3.4	-2.2	0.0	0.0	-0.5			-0.7
	Ordinary	6.5	1.9	-4.6	-0.9				0.2	-0.5	-2.9
Cement *	Net sales	209.8	—	-209.8	-209.8						
	Operating	3.2	—	-3.2	-3.2						
	Ordinary	0.1	—	-0.1	-0.1						
Adjustment *	Net sales	-285.3	-286.0	-0.7		0.0	-3.5	2.8			
	Operating	-14.2	-7.4	6.8		0.0	0.0	-0.3			7.1
	Ordinary	-16.1	-11.9	4.2					-0.2	0.0	4.7
Total	Net sales	1,811.7	1,590.0	-221.7	-338.1	90.0	7.5	18.9			
	Operating	52.7	36.0	-16.7	-6.1	6.2	-7.4	6.1			-15.5
	Ordinary	76.0	36.0	-40.0	-2.7				-16.7	-3.1	-22.4

*Income (Loss) from Equity Method Investments forecast from Mitsubishi UBE Cement Corporation for the fiscal year ending March 31, 2023 is included in the "Others".

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Page 14 shows each of the items in the waterfall graph on page 13 by segment.

Among them, I would like to explain the item "Increase/Decrease due to Business Portfolio," which we started presenting from this fiscal year.

Starting from the top row on the left side of the slide, we show here how net sales, operating profit, and ordinary profit have been affected by the transfer of subsidiaries and equity-method affiliates in the Advanced Products, the transfer of the Aluminum Business, and the transition of the Cement Business to equity-method affiliates, etc.

The differences in exchange rates, prices, and quantity variation, which we have given in previous years, are also shown in each segment.

Although the forecasts for each segment are almost the same, we expect increased sales for the Advanced Products and Metalworking Solutions Business, resulting in positive net sales in Quantity variation and Price difference.

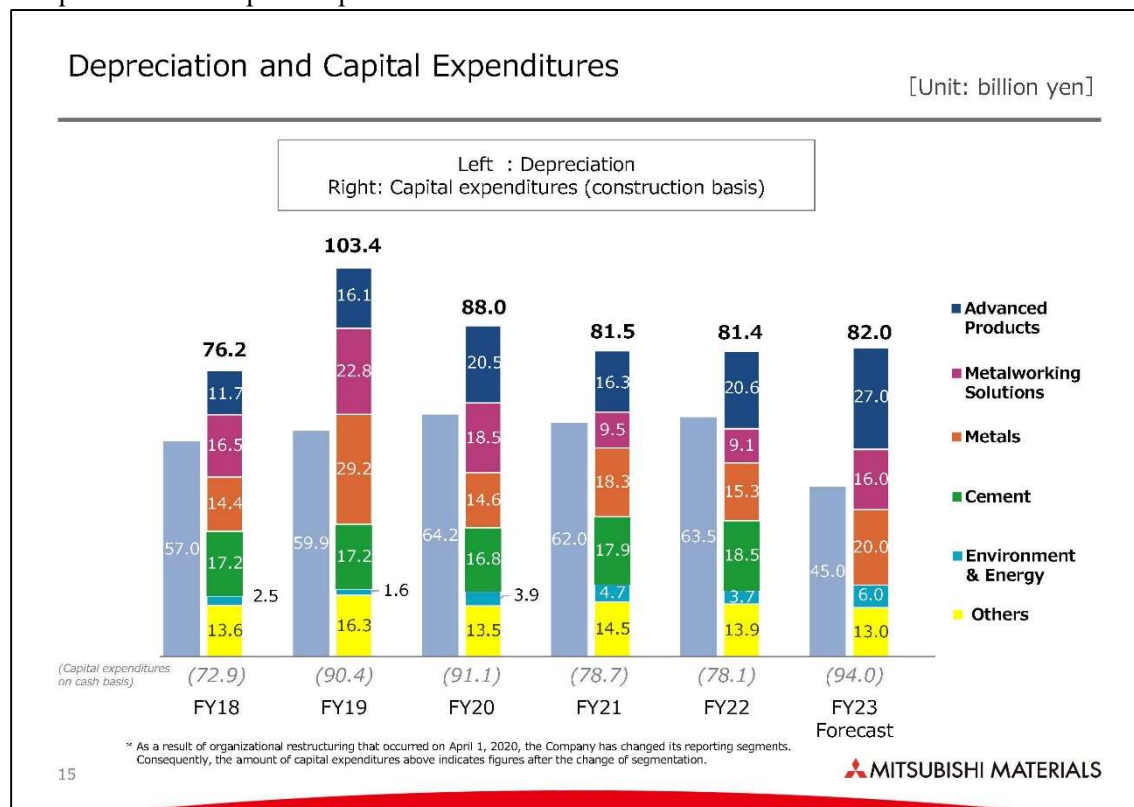
On the other hand, in Other areas, the higher cost for production growth reported earlier means increases in depreciation cost or some labor costs, and there will also be an upfront investment related to this. As a result, the projected figures are as shown in the table.

In the Metals Business, we are projecting lower profits on the price side due to higher energy costs, as well as a decrease in mine dividends, which we reported earlier, and lower equity in earnings of affiliates in the Mantoverde S.A. copper mine, which mean an increase in SX-EW costs due to higher sulfuric acid prices.

In addition, as reported earlier, there will be a cost increase due to furnace repairs at the Naoshima

Smelter & Refinery and PT Smelting.

<Depreciation & Capital Expenditures>



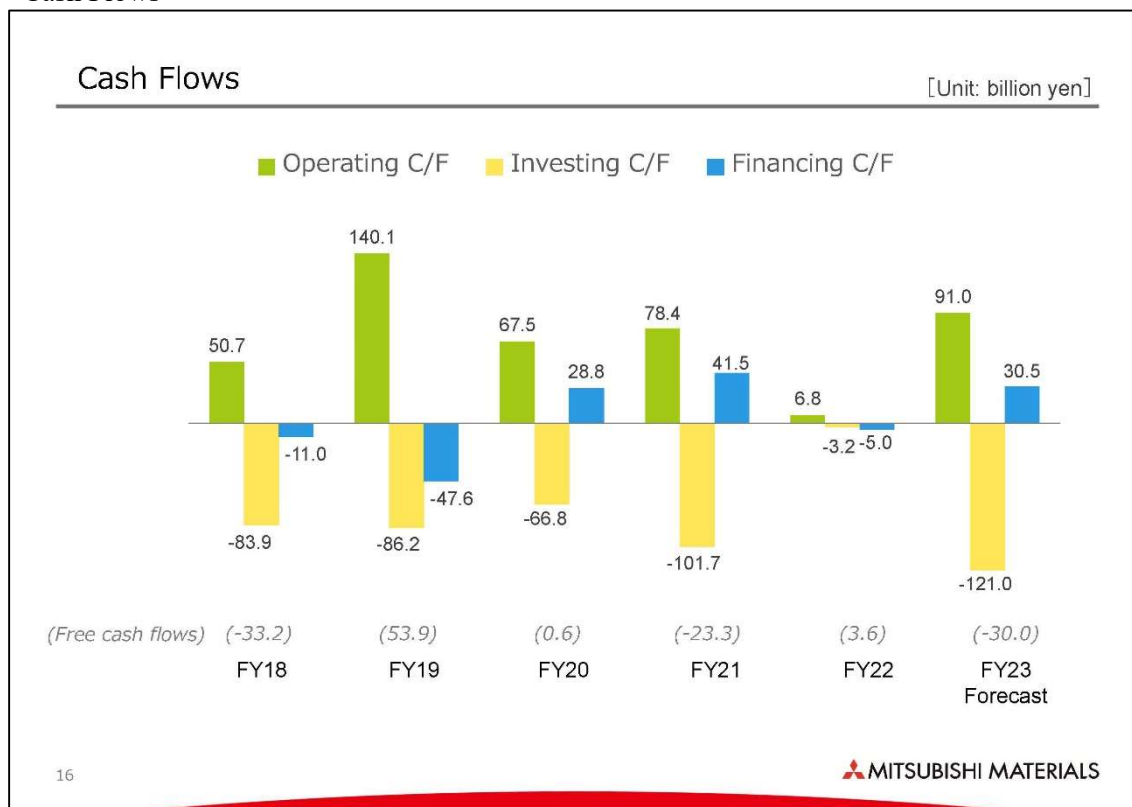
Page 15 is about depreciation and capital expenditure.

As I mentioned earlier, although we turned the Cement Business into an equity-method affiliate, and transferred the Aluminum Business, we still plan to make a capital investment of 82 billion yen in FY2023, about the same amount as last year.

We have been holding back capital expenditure for increasing production for the past few years, and it is like a rebound to this in Advanced Products and the Metalworking Solutions Business I mentioned earlier.

However, as you can see, depreciation costs have been reduced to 45 billion yen, so although this is a temporary investment for this fiscal year, we believe that it is important that our investment should eventually be further balanced.

<Cash Flows>



Based on depreciation and capital expenditures, I will explain the cash flow on page 16.

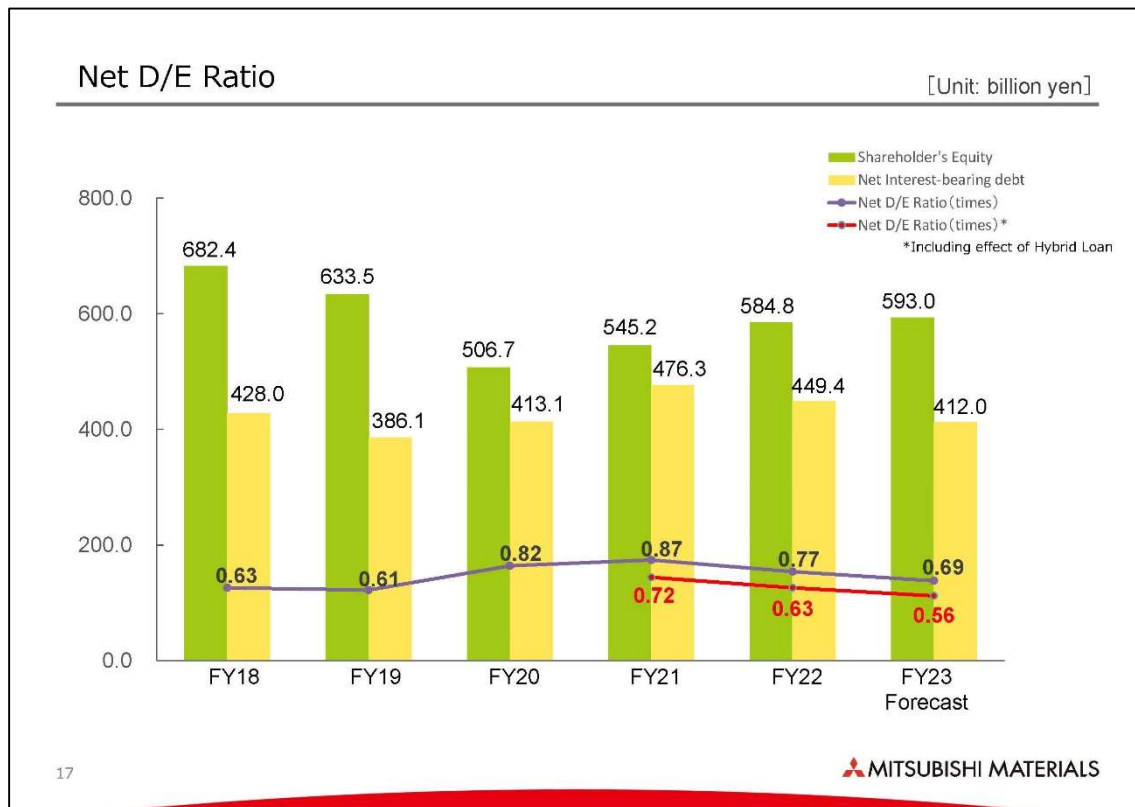
Operating profit and ordinary profit increased significantly in FY2022. However, due to higher metal prices, receivables and inventories increased significantly, resulting in an operating cash flow of 6.8 billion yen.

On the other hand, in investment cash flow, there were reduction of strategic shareholdings and the recovery of some investment amounts, resulting in a slightly positive free cash flow.

While operating profit and ordinary profit are expected to decrease for the FY2023, the increase of inventories due to higher metal prices is not expected to be significant. Meanwhile, operating cash flow is projected at 91.0 billion yen, due in part to a decrease in inventories as a result of PT Smelting's conversion to contract smelting.

In investment cash flow, we assume the capital expenditure plan mentioned earlier, plus some other investments and loans. Including them, we consider the net cash flow from investing activities will be negative 121.0 billion yen.

<Net D/E Ratio>



Please refer page 17 for net DE ratio.

The net D/E ratio as of March 31, 2023 is expected to decrease from 0.77 to 0.69 without adjusting for hybrid loans. This is due to the transfer of loans to Mitsubishi UBE Cement Corporation as a result of the Cement Business integration. After hybrid loan adjustment, the value is 0.56.

That is all I have for you today. Thank you so much for your attention.

Question and Answer Session

<Q&A(Summary) : Details of deviation by segment between the previous forecast in November 2021 and the actual results for FY2022.

Q : Could you explain the background behind the discrepancy between the previous forecast and the results by segment?

A : In terms of operating profit, the result for the Advanced Products is above 5 billion yen, and the Copper & copper alloy business and the Electronic materials & components business are each above 2.5 billion yen, or exactly half of the Advanced Products compared to forecasts. But basically, both can be considered due to increased sales.

In the Copper & copper alloy business, both Luvata, our group company, and the non-consolidated MMC, their operating profit results were above little less than 1 billion yen compared to forecasts.

Luvata's sales increase contributed about 300 million yen, and copper price fluctuations on inventories also contributed.

In the Electronic materials & components business, it was because overall sales increased, led by the precision silicon products, a mainstay product. I believe this is because, in our forecast, we factored in the demand for the fourth quarter too conservatively.

In the Metalworking Solutions Business, the operating profit result was above about 1.3 billion yen compared to forecasts, mainly due to increased sales and the increase in profit from tungsten prices at Japan New Metals Co., Ltd.

In the Metals business, the operating profit result was above approximately 5 billion yen. The main reasons for the excess were higher sulfuric acid prices and an increase in the profit from differences of recovery rate of metal.

In the Environment & Energy Business and the Aluminum Business, the results were generally in line with the previous forecast.

Mitsubishi Materials Techno Corporation, a related business in the Other Businesses segment, were above slightly more than 1 billion yen due to an increase in last-minutes demand for construction work at the end of the fiscal year.

The above are the differences in operating profit. In addition, foreign exchange gains contributed more than 2 billion yen as non-operating profit.

<Q&A(Summary): Comparison of FY2022 results with FY2023 forecast, factor analysis by segment>

Q: Please tell us about the changes by segment between the results for FY2022 and the forecast for FY2023.

A : As for the main reasons for the increase or decrease by segment between the actual results for FY2022 and the forecast for FY2023, as I explain with Copper & copper alloy in the Advanced Products, we expect plus 2 billion yen from the revise of processing fees (roll margins) for both

the non-consolidated MMC and Luvata. However, this is largely offset by the cost increase impact from price hike in raw material and energy costs.

In terms of Quantity variation, we expect profit increase due to continued high demand for copper wrought products as in the previous year, recovery in demand for Luvata's superconducting wires for MRI applications, increased demand for alloy wires, which continues to be strong in the U.S. market, and the effect of capital expenditure for increasing production in the second half of the fiscal year.

In Other differences, we expect an increase of up-front costs to increase production by the non-consolidated MMC and Luvata.

In the Electronic materials & components business, we expect an increase in the selling price of polycrystalline silicon against the backdrop of higher costs due to soaring metallic silicon prices. However, we still expect a decrease in profit in Price difference due to higher-than-expected raw material and energy costs.

In terms of Quantity variation, precision silicon products, which were very strong in FY2022, are expected to enter a slight adjustment phase in FY2023.

On the other hand, we expect sales of semiconductors-related materials, such as sealing materials / components from Mitsubishi Cable Industries, Ltd., to remain strong. In the Other differences, we expect an increase in upfront costs due to investments to increase production at Mitsubishi Cable Industries., Ltd. and other companies.

In the Metalworking Solutions Business, Japan New Metals Co., Ltd. held inexpensive inventories of tungsten in FY2022, which contributed to profits in terms of Price difference. However, the elimination of such raw material price differentials in FY2023, as well as the impact of soaring energy costs, is expected to result in a decrease in profits on the Price difference.

In terms of Quantity variation, we expect demand to remain strong in FY2023.

As for the Other differences, we are promoting sales expansion to the medical industry, mainly in the U.S. In addition to an increase in sales costs due to the expansion of sales personnel, etc., we have factored in an increase in upfront costs such as DX to strengthen contact with customers, and we are planning a decrease in profit for Other differences.

Regarding the Metals Business, as I explained earlier.

In the Environment & Energy Business, while expecting profit growth in Quantity variation as we factored in the operation start in a new hydroelectric power plant, Komatagawa Hydroelectric Power Plant, we forecast a slight lower profit in Other differences as we factored in renewal work at existing power plants and survey costs for a new geothermal power plant.

These are the main differences by segment between the actual results for FY2022 and the forecast for FY2023.

<Q&A (Summary): Resolution timeframe for drought problem at Los Pelambres mine>

Q: At the Antofagasta financial results meeting, the company explained that they are currently in the process of building a pipeline for a desalination plant. I suppose they will probably be able to get desalinated water from seawater in the fall. Can we expect that this problem will be solved next year?

A : As you mentioned, once the seawater desalination plant is built and the pipeline is constructed, the current drought problem will be solved. I think you can assume that the situation will return to normal.

<Q&A(Summary) : Automobile-related demand in the Copper & Copper Alloy and Metalworking Solutions Businesses in FY2023>

Q : How do you factor in automobile-related demand in the Copper & copper alloy and Metalworking Solutions Businesses in your forecast for FY2023?

A : Our view in our full-year forecast announced this time is that automobile production will not decline significantly compared to the previous fiscal year.

In the Copper & copper alloy business, we expect sales of EV components to grow.

However, in the Cemented carbide products business, the downturn caused by the lockdown in China is beginning to have an impact, and we feel that the sales volume may be slightly declining. The extent of the downturn is yet to be seen and has not been factored into the earnings forecast presented here.

<Q&A (Summary): Sulfuric Acid and Palladium Price Forecasts and "Other" Factors for the Decrease in profits

Q : What are your forecasts for sulfuric acid and palladium prices in the Metals Business for FY2023? Also, please tell us about operating profit of negative 6 billion yen in Other difference under Comparison of FY2022 results with FY2023 forecast.

A : We forecast sulfuric acid to remain high, and anticipate an increase of approximately 1 billion yen of operating profit due to this factor.

For palladium, we have adopted the consensus price of the forecast value issued by each statistical agency or financial institution. Our forecast for the current fiscal year incorporates a price in excess of \$2,000/oz.

Of the negative 6 billion yen in Other, one-third is due to cost increases from furnace repairs, and the remaining third is related to recovery rate of metal.

<Q&A (Summary): Profit decrease forecast due to increase in upfront costs in the Copper & copper alloy and Metalworking Solutions Businesses, and awareness of problems with such a plan

Q: In the Copper & copper alloy business and Metalworking Solutions Business, while expecting higher sales to lead to profit growth, you forecast profit to decrease due to an increased burden of the cost for production increase. Please explain the logic behind this, as it is difficult to

understand. Furthermore, I would like to know if the Company is aware of the problem with the lower profit forecast you made for FY2023.

A: As you pointed out, one reason for the lower profit despite factoring in increased sales is due to soaring energy prices, and the other is that we are considering investments to increase production ahead of time.

A reasonable amount of money is required to implement DX, but it takes a period of time to see the effects. Due to the discrepancy between the investment and the effects over a period of time, we forecast a decrease in profit.

Although this is the current forecast, the Company is very concerned about this issue and will continue implementing initiatives to reduce the increase in the cost burden on a practical basis.

<Q&A (Summary): Details on Mitsubishi UBE Cement Corporation's forecast for FY2023>

Q : You mentioned that the Cement Business is expected to post a negative 0.5 billion yen in equity in earnings of affiliates. Please explain the impact of fuel and coal prices, sales volumes, and sales price increases to the extent you can.

A : Concerning the forecast for FY2023, it was difficult for our affiliate and ourselves to discuss the details of the business plan. So, I would like you to consider that it is the sum of plans that were formulated by both parties but have not yet been fully finalized.

As I mentioned earlier, domestic demand continues to be challenging, and both companies continue to ask customers for price increases. We have heard that so far customers are responding reasonably well to our requests.

<Q&A (Summary): Status of incorporation of E-Scrap-related initiatives in the Metals Business into this year's forecast>

Q : I didn't hear anything specific about E-Scrap-related initiatives in your explanation. Please explain how you factored it into the forecast.

A : We expect E-Scrap to increase its collection volume by approximately 10% compared to the results for FY2022. We include that in Other differences in the analysis.

<Q&A (Summary): Impact of business divestitures due to optimization of business portfolio>

Q : While your free cash flow forecast is negative, interest-bearing debt is expected to decrease. Please explain the extent of the impact of the business divestiture due to the optimization of the business portfolio.

A: First, on the balance sheet, due to the impact of the withdrawal from the Aluminum Business, liabilities will decrease by 85 billion yen and total assets by about 125 billion yen.

We forecast the impact of turning the Cement Business into an equity-method affiliate to be more than 100 billion yen in interest-bearing debt and about double amount in total assets, or about 200 billion yen.

<Q&A (Summary) : Shareholder returns in the final year of the Medium-Term Management Strategy>

Q: Regarding dividends, while you are planning to reduce the dividend by 40 yen compared to the most recent results, there was a comment that you are aiming to implement shareholder returns as the same level as the dividend you originally expected during this Mid-Term Management Strategy period. With negative free cash flow expected for this fiscal year, do you see any room for further efforts to accelerate the sale of assets and other measures to generate cash and return profits to shareholders on par with the total dividend amount initially projected? What is your enthusiasm regarding shareholder returns?

A : We will of course make efforts to increase profits even more than the earnings forecast presented here. We also hope to increase the shareholder returns from the current forecast of 50 yen dividend per share. In addition, we consider increasing dividends or purchasing treasury stock by selling assets, etc. We are making daily efforts to achieve the total amount of returns we had initially expected during the period of FY2023 Strategy.

<Q&A (Summary): ROIC targets and upfront costs>

Q : I believe that various segments have incurred costs to increase sales. At the IR Day held last year, the ROIC targets for each segment in FY2023 Strategy were reviewed and some of them were lowered.

It seems to me that you have lowered your sights even a bit further from that lowered ROIC target. Would you please tell us a little bit about what has changed so much?

A: Certainly, if you look at the current forecast, the launch pad is lower than it was at IR Day, and we are very concerned that the scenario of ROIC recovery may have been set back a bit. We are moving forward with the idea of returning to the original line as soon as possible.

As to why the ROIC has fallen so far, many things can be said, but I think the major factor is that in addition to the costs required to increase production and DX costs in each business, the profit of the Cement Business, which has become an equity method affiliate, were significantly lower than we had expected.

In this context, our most pressing issue is how to proceed with our businesses and how to improve the profitability of the Cement Business.

<Closing remarks from Mr. Takayanagi>

Takayanagi: Thank you all very much for your continued participation over a long period of time today. I would like to express our sincere gratitude for your continued support. We look forward to your continued guidance and encouragement to our company in the future.

The last question is a very serious one for us. We believe that without breakthroughs in this area, we will not be able to become an even more profitable company. We will continue to focus our efforts on this area. Thank you very much for joining us today.