

# **MITSUBISHI MATERIALS CORPORATION**

Supplementary Explanation of Consolidated Financial Results  
for the Three Months Ended June 30, 2022

August 9, 2022

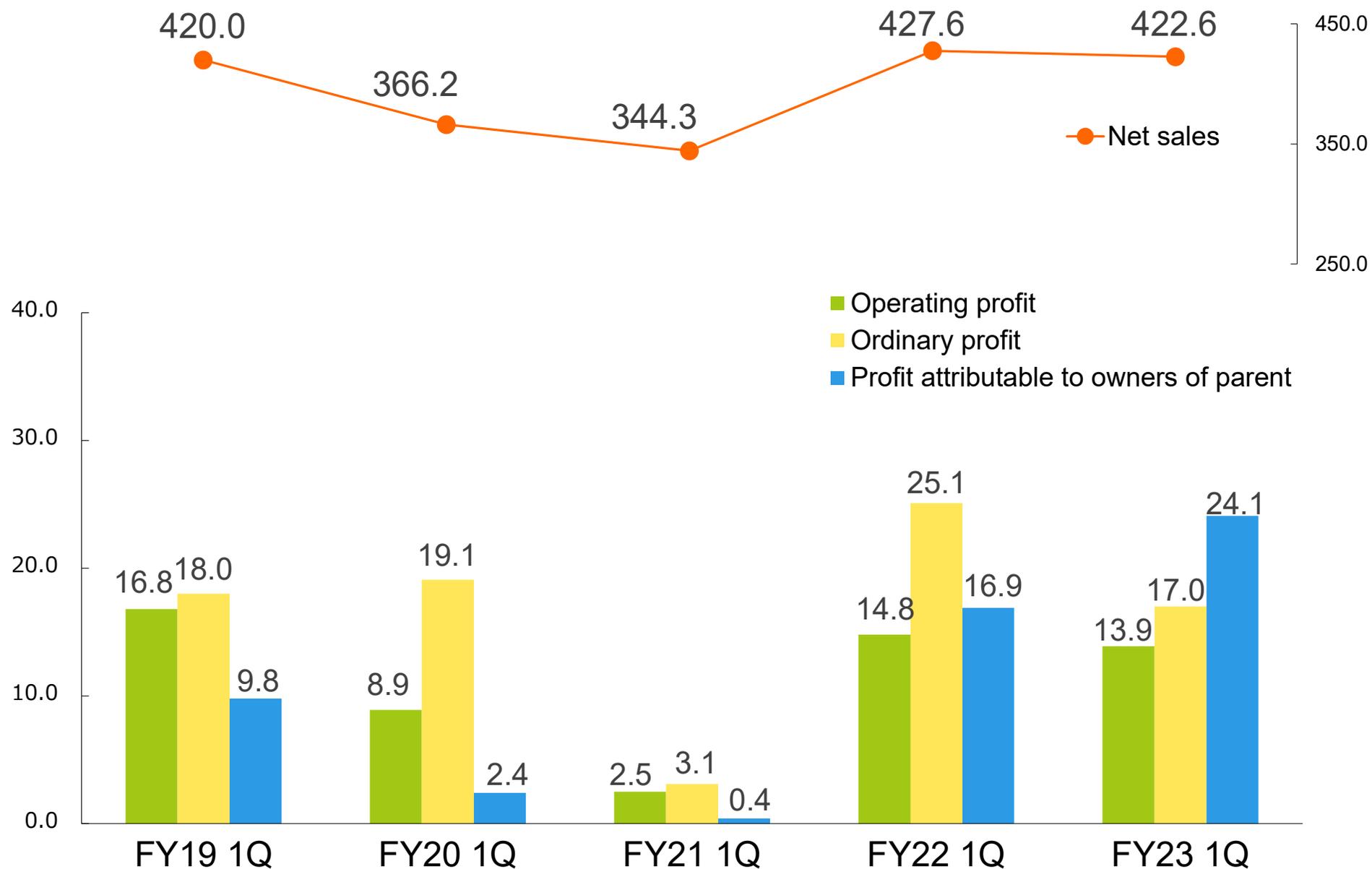
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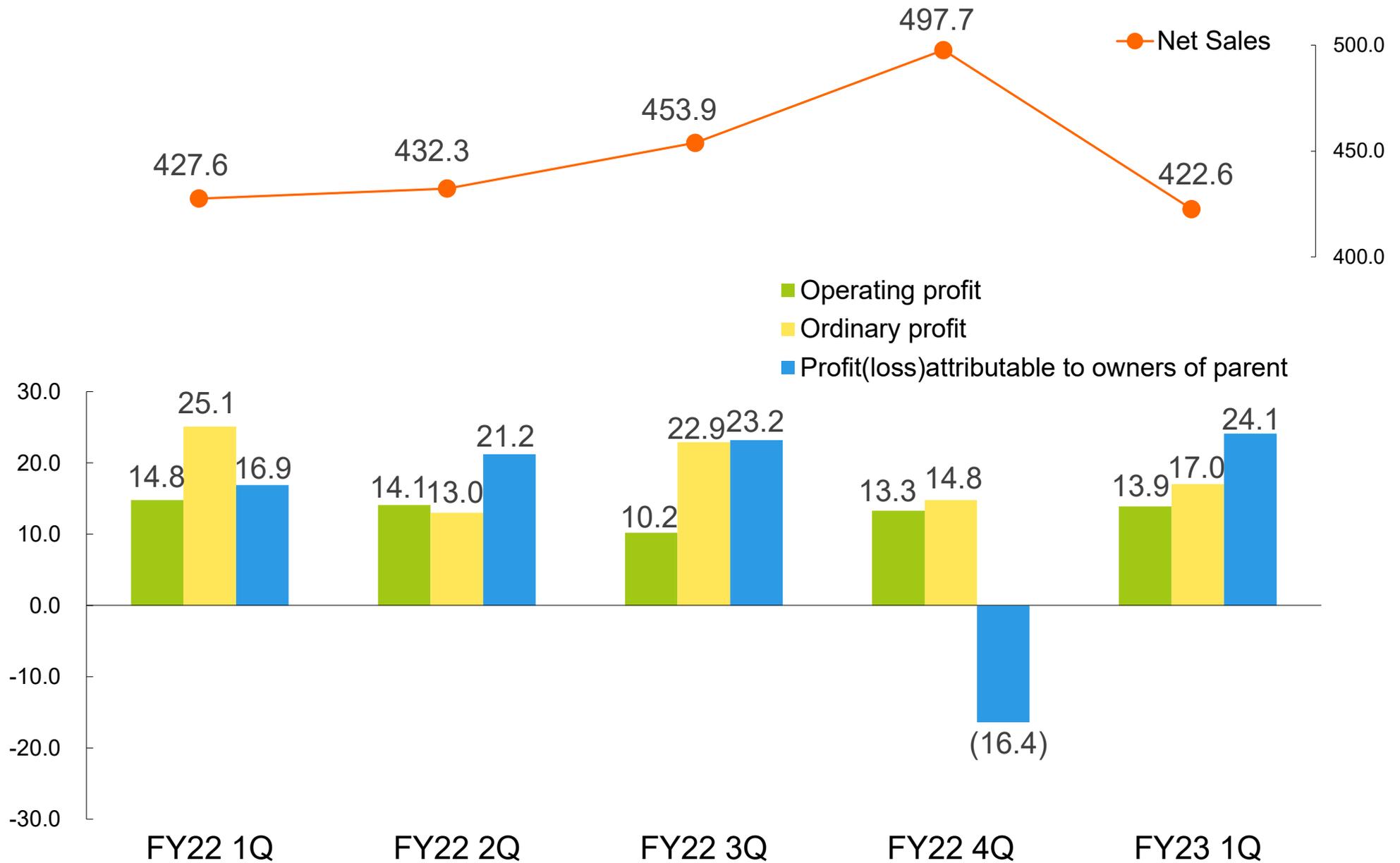
# Performance Overview (1st Quarter)

[Unit: billion yen]



# Performance Overview (Quarterly)

[Unit: billion yen]



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

[Unit: billion yen]

	FY22 1Q Result	FY23 1Q Result	YoY change	Reason
Net sales	427.6	422.6	-5.0	Advanced Products +17.5, Metalworking Solutions +2.8, Metals +51.6, Environment & Energy -0.5, Cement -50.4, Aluminum -30.4
Operating profit	14.8	13.9	-0.9	Advanced Products +0.4, Metalworking Solutions +2.2, Metals -1.2, Environment & Energy +0.7, Cement -1.9, Aluminum -2.1
Net interest and dividend income	8.8	4.5	-4.3	Dividend income -4.3
Share of profit (loss) of entities accounted for using equity method	1.6	(1.6)	-3.2	Mitsubishi UBE Cement Corporation -5.0
Other Non-operating profit (loss)	(0.2)	0.2	+0.5	
Ordinary profit	25.1	17.0	-8.0	Advanced Products -0.4, Metalworking Solutions +2.8, Metals -5.1, Environment & Energy +0.9, Cement -7.3, Aluminum -1.8
Extraordinary income	1.0	10.3	+9.3	FY23: Gain on changes in equity +11.0 FY22: Gain on sale of investment securities +1.0
Income taxes	(5.6)	(1.8)	+3.7	
Profit (loss) attributable to non-controlling interests	(3.5)	(1.4)	+2.1	
Profit attributable to owners of parent	16.9	24.1	+7.2	

## Comparison with the Previous Year Result (Statistics)

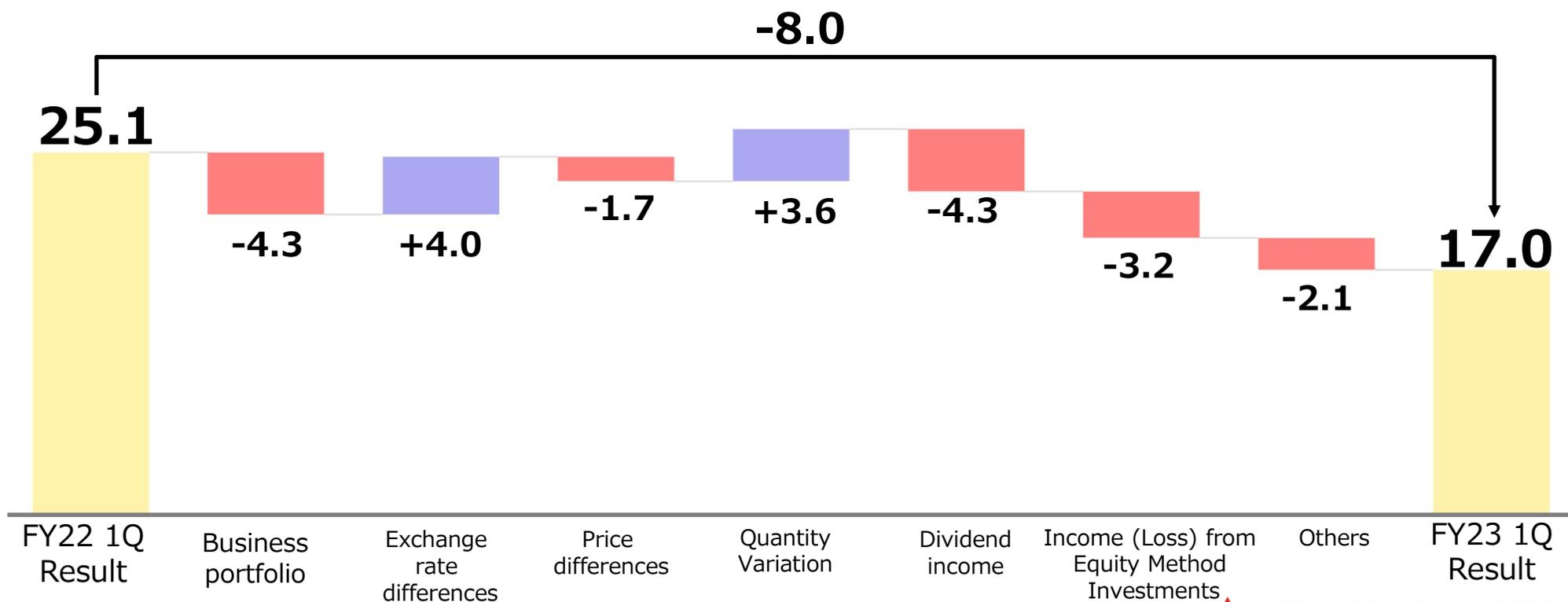
■ Statistics		FY22 1Q Result	FY23 1Q Result	YoY change
Sales volumes of copper & copper alloy products	(thousand tons)	34	34	0
Sales volumes of copper cathodes (in-house product)	(thousand tons)	72	79	+7
Sales volumes of copper cathodes (PTS) *	(thousand tons)	66	68	+2
Dividend from copper mine	(billion yen)	9.4	5.1	-4.3
Income (Loss) from Equity Method Investments of Mitsubishi UBE Cement Corporation	(billion yen)	—	(5.0)	-5.0
* Contains only the amount of smelting as a custom smelter.				
Exchange rate (USD)	(yen/\$)	109	130	+20
Exchange rate (EUR)	(yen/€)	132	138	+6
Copper price (LME)	(¢/lb)	440	432	-8

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

[Unit: billion yen]

## FY23 1Q Results : -8.0 billion yen (year-on-year)

- 【Business portfolio】 Decrease in profits due to optimization of business portfolio (Cement business -1.9, Aluminum business -1.8, etc.)
- 【Exchange rate differences】 Profits increased due to yen depreciation for both the US dollar and the euro (US dollar +3.7, Euro +0.2)
- 【Price differences】 Despite an increase in selling prices in the Advanced Products business, Profits decreased due to falling in palladium prices in the Metals business and soaring energy costs in each business.
- 【Quantity Variation】 Profits increased in the Metals business and the Environment and Energy business, etc.  
(Metals +1.2, Environment and Energy +0.9)
- 【Dividend income】 Profits decreased due to a decrease in dividend income from the Los Pelambres Mine (-4.3) ,etc.
- 【Income (Loss) from Equity Method Investments】  
Profit decreased due to an equity-method investment loss of Mitsubishi UBE Cement Corporation (-5.0), etc.



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

[Unit: billion yen]

		FY22 1Q	FY23 1Q	YoY change	Business portfolio	Exchange rate difference	Price difference	Quantity variation	Dividend income	Income (Loss) from Equity Method Investment	Others	
		Results	Results									
Advanced Products	Net sales	115.7	133.2	+17.5	-2.4	2.5	16.3	1.1				
	Operating profit	3.2	3.7	+0.4	-0.1	0.8	-0.1	0.4			-0.6	
	Ordinary profit	4.2	3.8	-0.4	-0.6	0.8	-0.1	0.4	0.0	0.0	-0.9	
	Copper & copper alloy	Net sales	86.5	103.7	+17.1	-1.1	0.6	15.4	2.2			
		Operating profit	0.9	1.0	+0.1	0.0	0.0	0.3	0.2			-0.4
		Ordinary profit	1.7	0.7	-1.0	-0.5	0.0	0.3	0.2	0.0	0.0	-1.0
	Electronic materials & components	Net sales	29.5	29.9	+0.3	-1.3	1.8	0.9	-1.1			
		Operating profit	2.2	2.5	+0.3	-0.1	0.7	-0.5	0.2			0.0
		Ordinary profit	2.5	3.0	+0.5	-0.1	0.7	-0.5	0.2	0.0	0.0	0.2
Metalworking Solutions	Net sales	33.4	36.2	+2.8		2.3	0.8	-0.3				
	Operating profit	2.1	4.3	+2.2		0.9	0.0	-0.1			1.4	
	Ordinary profit	2.1	5.0	+2.8		0.9	0.0	-0.1	0.0	0.0	2.0	
Metals	Net sales	237.1	288.8	+51.6		48.4	-5.8	9.0				
	Operating profit	7.1	5.8	-1.2		2.2	-1.3	1.2			-3.3	
	Ordinary profit	16.6	11.4	-5.1		2.2	-1.3	1.2	-4.2	0.6	-3.6	
Environment & Energy	Net sales	5.5	5.0	-0.5	-2.7	0.0	0.0	2.2				
	Operating profit	0.2	1.0	+0.7	0.0	0.0	0.0	0.9			-0.2	
	Ordinary profit	0.5	1.4	+0.9	0.0	0.0	0.0	0.9	0.0	0.1	-0.1	
Others*	Net sales	108.8	35.1	-73.6	-81.1	0.6	0.0	6.9				
	Operating profit	3.7	0.7	-3.0	-4.1	0.0	-0.1	0.9			0.3	
	Ordinary profit (loss)	3.4	(3.8)	-7.3	-3.7	0.0	-0.1	0.9	0.0	-4.8	0.4	
Adjutment Amount	Net sales	(73.0)	(75.9)	-2.9		0.0	0.9	-3.8				
	Operating profit	(1.5)	(1.7)	-0.1		0.0	0.0	0.1			-0.2	
	Ordinary profit	(1.9)	(0.7)	+1.1		0.0	0.0	0.1	0.0	0.8	0.2	
Total	Net sales	427.6	422.6	-5.0	-86.3	54.0	12.1	15.2				
	Operating profit	14.8	13.9	-0.9	-4.2	4.0	-1.7	3.6			-2.6	
	Ordinary profit	25.1	17.0	-8.0	-4.3	4.0	-1.7	3.6	-4.3	-3.2	-2.1	

\* Due to the integration of the cement business and its related businesses on April 1, 2022, we have changed our cement-related businesses to include in "Others."

# Consolidated Balance Sheet

[Unit: billion yen]

	End of Mar 2022	End of June 2023	YoY change
<b>Assets</b>			
Cash and deposits	159.2	142.6	-16.5
Notes and accounts receivable - trade	249.8	209.4	-40.3
Inventories	454.5	461.8	+7.2
Other	375.2	429.1	+53.8
<b>Total current assets</b>	<b>1,238.9</b>	<b>1,243.1</b>	<b>+4.1</b>
Property, plant and equipment and intangible assets	677.7	436.3	-241.4
Investments and other assets	208.3	340.5	+132.2
<b>Total non-current assets</b>	<b>886.0</b>	<b>776.9</b>	<b>-109.1</b>
<b>Total assets</b>	<b>2,125.0</b>	<b>2,020.0</b>	<b>-105.0</b>

	End of Mar. 2022	End of June 2023	YoY change
<b>Liabilities</b>			
Notes and accounts payable – trade	158.5	122.1	-36.3
Borrowings, bonds payable and commercial papers	608.7 <sup>29%</sup>	609.2 <sup>30%</sup>	+0.5
Other liabilities	702.0	646.2	-55.8
<b>Total liabilities</b>	<b>1,469.2</b>	<b>1,377.6</b>	<b>-91.6</b>

<b>Net assets</b>			
Share capital	119.4	119.4	—
Capital surplus and treasury shares	76.5	76.6	+0.0
Retained earnings	328.8	346.4	+17.5
Accumulated other comprehensive income	59.9	59.5	-0.4
Non-Controlling interests	70.9	40.3	-30.6
<b>Total net assets</b>	<b>655.7 <sup>31%</sup></b>	<b>642.3 <sup>32%</sup></b>	<b>-13.4</b>

<b>Total liabilities and net assets</b>	<b>2,125.0</b>	<b>2,020.0</b>	<b>-105.0</b>
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Shareholders' equity ratio	28 %	30 %
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Net D/E ratio	0.77 times	0.78 times
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# FY2022 Performance Forecast (Statistics / Sensitivity / Assumptions)

## ■ Statistics

		FY23 Forecast		
		Previous	Current	Difference
Sales volumes of copper & copper alloy products	(thousand tons)	144	140	-5
Sales volumes of copper cathodes (in-house product)	(thousand tons)	310	314	+4
Sales volumes of copper cathodes (PTS) *	(thousand tons)	233	232	-1
Dividend from copper mine	(billion yen)	7.2	7.6	+0.4
Income (Loss) from Equity Method Investments of Mitsubishi UBE Cement Corporation	(billion yen)	(0.5)	(12.9)	-12.4

\* Contains only the amount of smelting as a custom smelter.

## ■ Sensitivity

			FY23 Forecast	
			2Q - 4Q	
Exchange rate (USD)	:1 yen/\$ (yen depreciation)	Operating profit	+0.5	billion yen
Exchange rate (EUR)	:1 yen/€ (yen depreciation)	Operating profit	+0.11	billion yen
Copper price (LME)	:+10¢/lb	Operating profit (a)	+0.4	billion yen
		Non-Operating profit (b)	+0.2	billion yen
		Ordinary Profit (a)+(b)	+0.6	billion yen

## ■ Assumptions

	FY23 Forecast	
	2Q	2nd Half
Exchange rate(USD)	135	135 yen/\$
Exchange rate(EUR)	135	135 yen/€
Copper price (LME)	360	360 ¢ /lb

# Performance Forecast for FY2023

[Unit: billion yen]

Performance Forecast for FY2023 was revised as follows from the previous one announced on May 13, 2022, in consideration of the steady sales of semiconductor-related products in the first quarter of the FY2023, continuing depreciation of the yen, decline in metal prices, and deterioration of loss from equity method for Mitsubishi UBE Cement Corporation.

		Previous*	Current	Difference	Percent change
Net sales		1,590.0	1,640.0	+50.0	+3.1%
Operating profit		36.0	45.0	+9.0	+25.0%
Ordinary profit		36.0	32.0	-4.0	-11.1%
Profit attributable to owners of parent		20.0	20.0	0	—
Exchange Rate(USD)	yen/\$	120	134	+14	
Exchange Rate(EUR)	yen/€	135	136	+1	
Copper price (LME)	¢ /lb	448	378	-69	
Dividend per share (yen)		50	50	—	

		Previous*	Current	Difference
Advanced Products	Net sales	546.1	525.8	-20.3
	Operating profit	6.9	9.5	+2.6
	Ordinary profit	6.5	9.1	+2.6
Copper & copper alloy	Net sales	426.4	400.3	-26.1
	Operating profit	2.0	3.0	+1.0
	Ordinary profit	0.7	1.4	+0.7
Electronic materials & components	Net sales	121.1	126.9	+5.8
	Operating profit	5.3	6.8	+1.5
	Ordinary profit	6.0	8.0	+2.0
Metalworking Solutions	Net sales	146.8	148.0	+1.2
	Operating profit	12.1	14.2	+2.1
	Ordinary profit	12.3	14.6	+2.3
Metals	Net sales	1,020.2	1,053.9	+33.7
	Operating profit	18.8	23.7	+4.9
	Ordinary profit	24.2	25.9	+1.7
Environment & Energy	Net sales	17.6	17.6	+0.0
	Operating profit	1.5	2.0	+0.5
	Ordinary profit	2.9	3.4	+0.5
Others*	Net sales	145.1	147.2	+2.1
	Operating profit	3.9	4.2	+0.3
	Ordinary profit	1.9	(9.2)	-11.1
Adjutment Amount	Net sales	(286.0)	(252.7)	+33.3
	Operating profit	(7.4)	(8.8)	-1.4
	Ordinary profit	(11.9)	(11.9)	+0.0
Total	Net sales	1,590.0	1,640.0	+50.0
	Operating profit	36.0	45.0	+9.0
	Ordinary profit	36.0	32.0	-4.0

\* Due to the integration of the cement business and its related businesses on April 1, 2022, we have changed our cement-related businesses to include in "Others."

# Comparison of previous forecast and current forecast (Factor Analysis of Ordinary profit)

[Unit: billion yen]

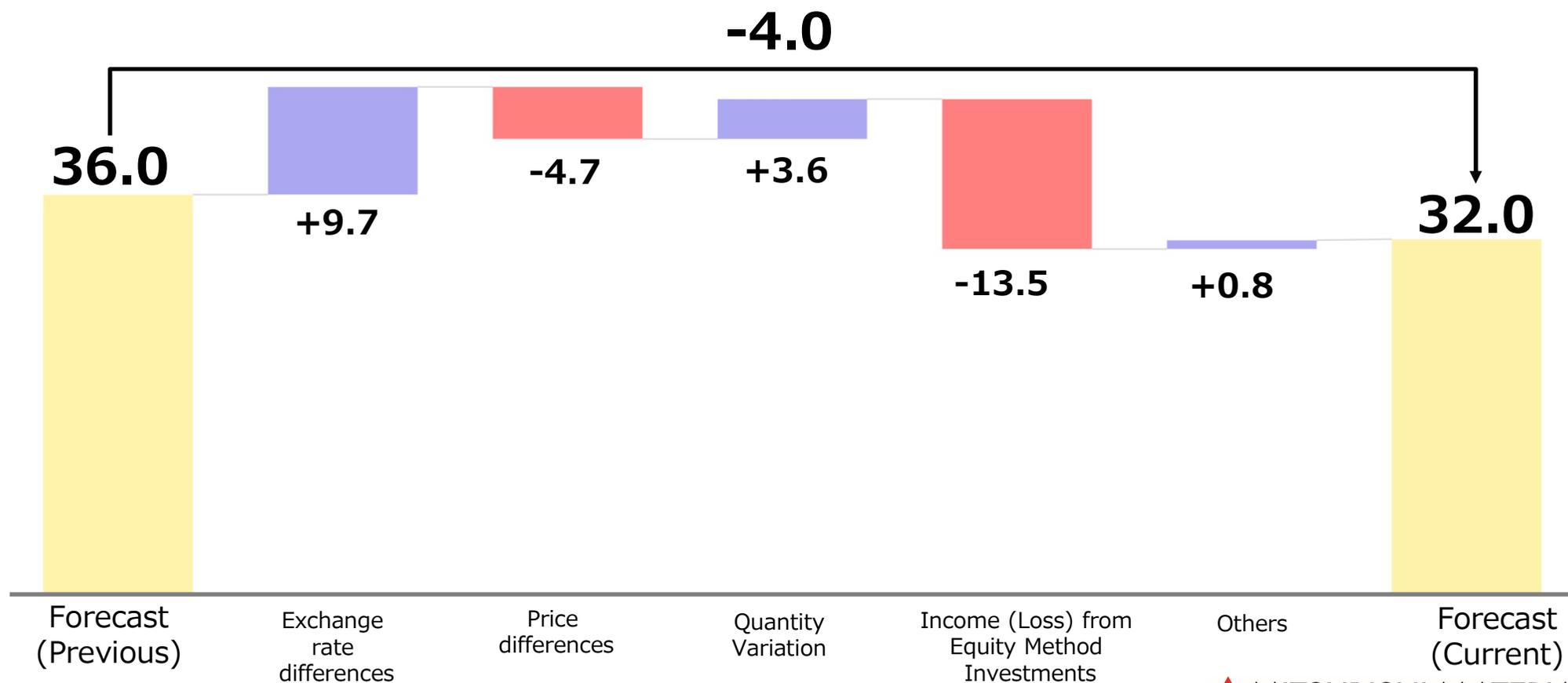
【Exchange rate differences】 Profits increased due to continuing depreciation of the yen, mainly against the US dollar.

【Price differences】 Profits decreased due to falling metal prices and soaring energy costs.

【Quantity Variation】 Profits increased due to increase in sales in the Electronic Materials & Components Business and the Metals Business.

【Income (Loss) from Equity Method Investments】

Profits decreased due to deterioration in business performance of Mitsubishi UBE Cement Corporation and decrease in the amount of ore shipments of the Copper Mountain Mine, etc.



# 【Reference】 Performance Overview (Quarterly)

[Unit: billion yen]

■ Performance Overview by Segment		FY22 Results							FY23 Results						
		1 Q	2 Q	1st Half	3 Q	4 Q	2nd Half	Full Year	1 Q	2 Q	1st Half	3 Q	4 Q	2nd Half	Full Year
Advanced Products	Net sales	115.7	114.8	230.5	126.2	129.1	255.3	485.9	133.2						
	Operating profit	3.2	2.6	5.8	3.9	4.8	8.8	14.7	3.7						
	Ordinary profit	4.2	3.0	7.2	4.4	5.2	9.6	16.9	3.8						
Copper & copper alloy	Net sales	86.5	86.4	172.9	94.6	99.0	193.6	366.6	103.7						
	Operating profit	0.9	0.4	1.4	1.6	1.5	3.2	4.6	1.0						
	Ordinary profit	1.7	0.2	1.9	1.8	1.5	3.3	5.3	0.7						
Electronic materials & components	Net sales	29.5	28.7	58.3	31.9	30.4	62.3	120.7	29.9						
	Operating profit	2.2	2.1	4.3	2.3	3.3	5.6	10.0	2.5						
	Ordinary profit	2.5	2.7	5.3	2.5	3.7	6.3	11.6	3.0						
Metalworking Solutions	Net sales	33.4	32.0	65.4	33.4	33.6	67.1	132.6	36.2						
	Operating profit	2.1	3.7	5.8	4.2	3.9	8.2	14.1	4.3						
	Ordinary profit	2.1	3.6	5.7	4.2	4.5	8.7	14.5	5.0						
Metals	Net sales	237.1	232.3	469.4	242.5	285.2	527.7	997.1	288.8						
	Operating profit	7.1	7.7	14.8	2.1	8.3	10.4	25.2	5.8						
	Ordinary profit	16.6	8.2	24.9	14.9	10.3	25.2	50.2	11.4						
Environment & Energy	Net sales	5.5	3.6	9.1	4.0	4.6	8.6	17.8	5.0						
	Operating profit	0.2	0.4	0.7	0.2	1.2	1.5	2.2	1.0						
	Ordinary profit	0.5	0.8	1.4	0.7	1.6	2.4	3.8	1.4						
Others	Net sales	108.8	109.8	218.6	116.8	123.9	240.8	459.5	35.1						
	Operating profit	3.7	2.4	6.1	2.3	1.9	4.3	10.5	0.7						
	Ordinary profit (loss)	3.4	1.4	4.9	1.4	0.3	1.7	6.6	(3.8)						
Adjutment Amount	Net sales	(73.0)	(60.3)	(133.3)	(69.1)	(78.9)	(148.0)	(281.3)	(75.9)						
	Operating profit	(1.5)	(2.7)	(4.3)	(2.7)	(7.0)	(9.8)	(14.2)	(1.7)						
	Ordinary profit	(1.9)	(4.1)	(6.1)	(2.7)	(7.1)	(9.9)	(16.1)	(0.7)						
Total	Net sales	427.6	432.3	860.0	453.9	497.7	951.7	1811.7	422.6						
	Operating profit	14.8	14.1	29.0	10.2	13.3	23.6	52.7	13.9						
	Ordinary profit	25.1	13.0	38.2	22.9	14.8	37.8	76.0	17.0						

\* Due to the integration of the cement business and its related businesses on April 1, 2022, we have changed our cement-related businesses to include in "Others."

# 【Reference】 Performance Overview (Quarterly)

[Unit: billion yen]

## ■ Statistics / Assumptions

		FY22 Results							FY23 Results						
		1 Q	2 Q	1st Half	3 Q	4 Q	2nd Half	Full Year	1 Q	2 Q	1st Half	3 Q	4 Q	2nd Half	Full Year
Sales volumes of copper & copper alloy products	(thousand tons)	34	34	68	35	35	70	138	34						
Sales volumes of copper cathodes (in-house product)	(thousand tons)	72	74	146	79	92	170	316	79						
Sales volumes of copper cathodes (PTS)*	(thousand tons)	66	65	131	72	68	140	271	68						
Dividend from copper mine	(billion yen)	9.4	0.0	9.4	13.5	0.5	14.0	23.5	5.1						

\*Contains only the amount of smelting as a custom smelter.

Exchange rate (USD)	(yen/\$)	109	110	110	114	116	115	112	130					
Exchange rate (EUR)	(yen/€)	132	130	131	130	130	130	131	138					
Copper price (LME)	(¢ /lb)	440	425	433	440	453	446	440	432					

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