



MITSUI KINZOKU

(Mitsui Mining & Smelting Co., Ltd. TSE5706)

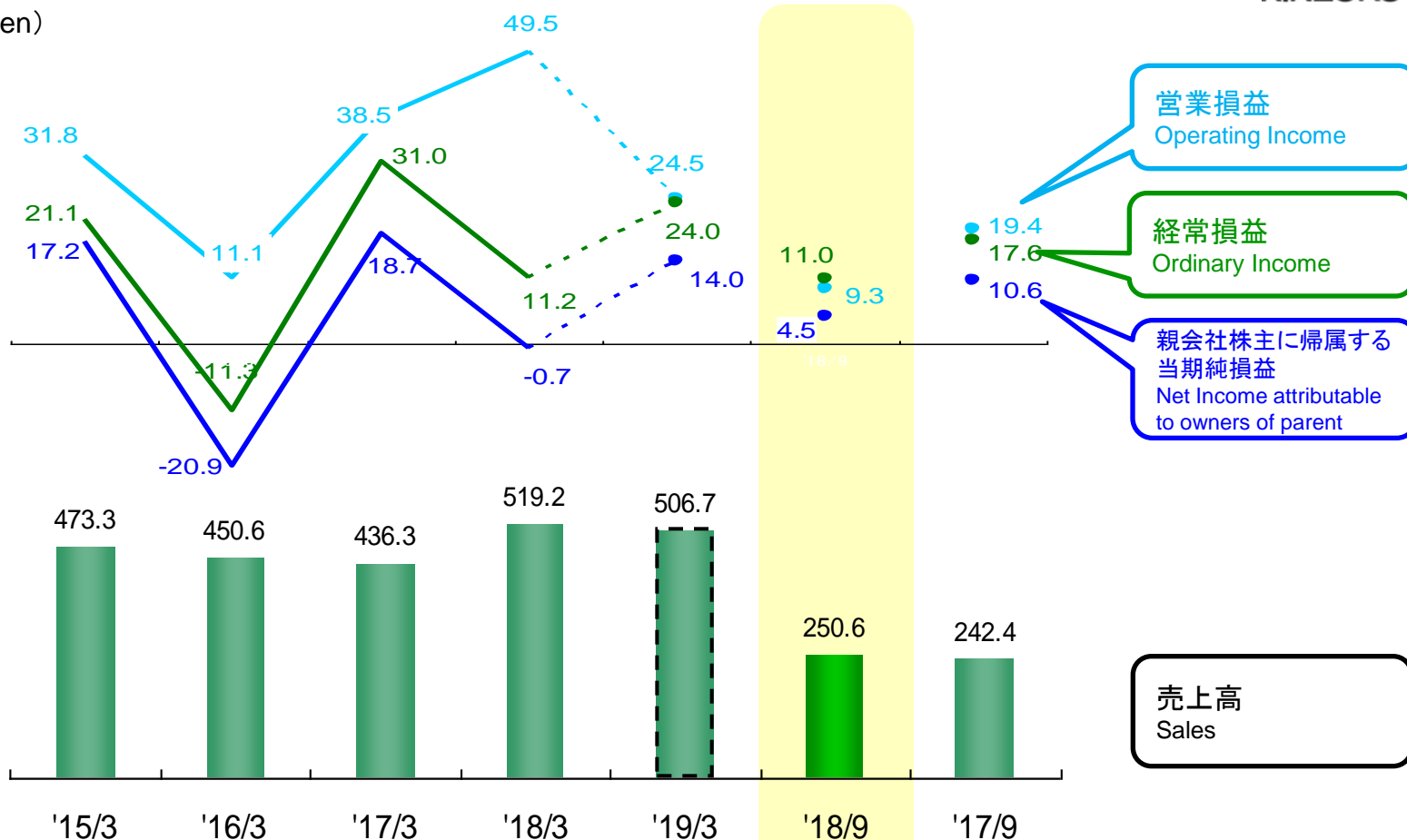
FY2018 Q2 Results & Forecast

November 9 , 2018

Sales and Earnings



(Unit: Billion yen)



1株当り配当
Dividend per share

連結配当性向
Dividend payout ratio

¥6	¥6	¥7	¥70	¥90
19.9%	—	21.4%	—	36.7%

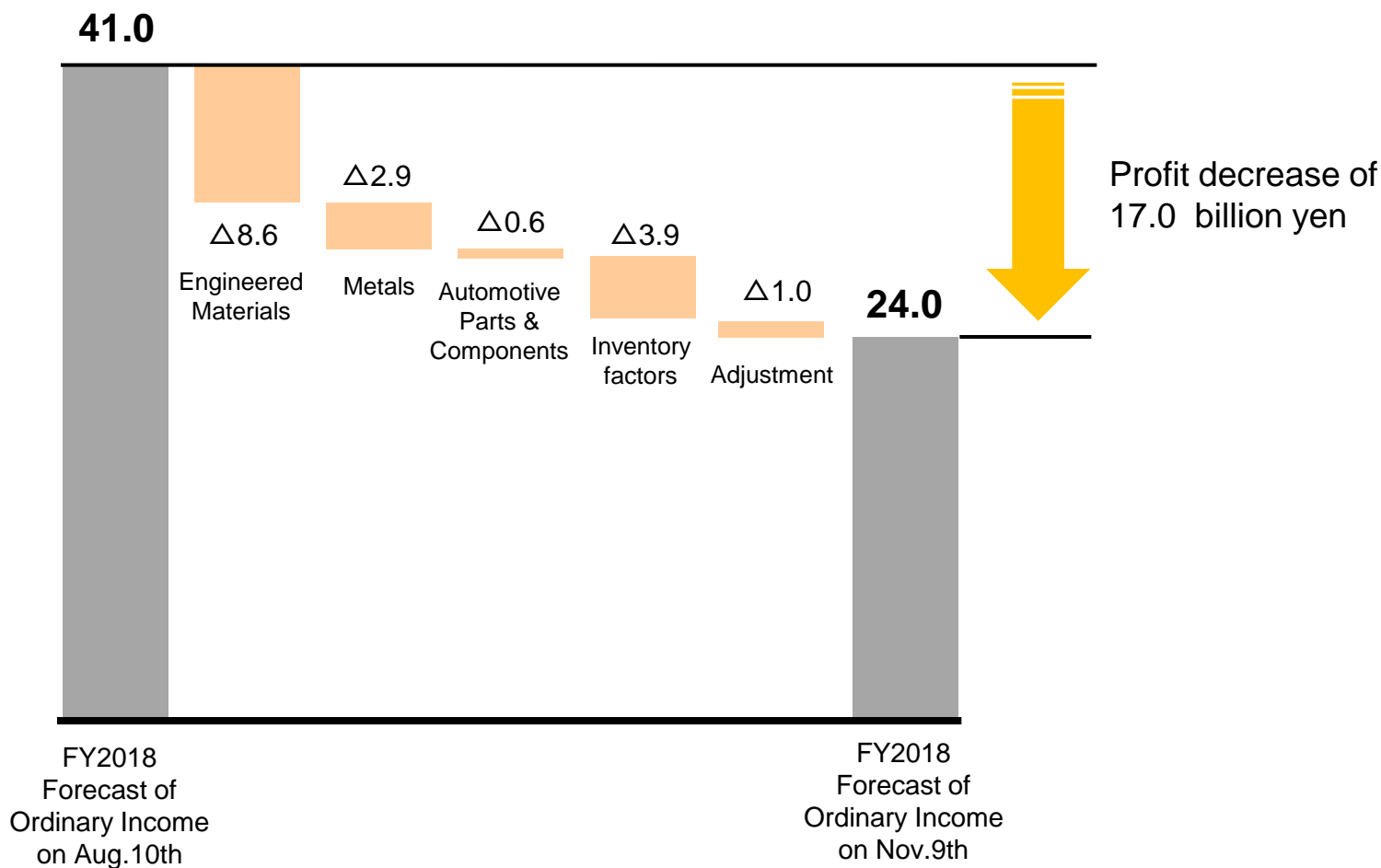
※ On October 1st 2017, we implemented the consolidation of shares.(10 shares into one).

11/9現在予想
Forecast as of Nov. 9

FY 2018 Ordinary Income Forecast

Ordinary income of FY2018 is expected to be decreased by 17.0 billion lower than that of FY2018 announced on Aug.10th.

(Unit: Billion yen)



Statements of income



(Unit: Billion yen)	実績 Results			通期見通し Forecast				
	'18/Q1-2	'17/Q1-2	増減 Change	2018 今回予想 Forecast as of Nov. 9	2017	増減 Change	2018 8/10 予想 Forecast as of Aug. 10	増減 Change
売上高 Net Sales	250.6	242.4	8.3 3.4%	506.7	519.2	-12.5 -2.4%	522.0	-15.3 -2.9%
売上原価 Cost of sales	214.3	197.7	16.6	-	-	-	-	-
売上総利益 Gross Profit	36.3	44.7	-8.3 -18.6%	-	-	-	-	-
販売費・管理費 SG&A expenses	27.1	25.2	1.9	-	-	-	-	-
営業利益 Operating Income	9.3	19.4	-10.2 -52.4%	24.5	49.5	-25.0 -50.5%	44.0	-19.5 -44.3%
営業外収支 Non-operating income/expenses-net	1.8	-1.9	3.6	-0.5	-38.3	37.8	-3.0	2.5
経常利益 Ordinary Income	11.0	17.6	-6.6 -37.3%	24.0	11.2	12.8 113.5%	41.0	-17.0 -41.5%
特別損益 Extraordinary profit/losses-net	-1.3	-2.1	0.8	-2.1	-3.5	1.4	-3.0	0.9
税引前利益 Net Income before income taxes	9.7	15.5	-5.8 -37.1%	21.9	7.7	14.2 182.8%	38.0	-16.1 -42.4%
税金費用・非支配株主帰属利益 Income taxes & Net income attributable to non-controlling interests	5.2	4.9	0.3	7.9	8.4	-0.6	12.0	-4.1
親会社株主に帰属する 当期純利益 Net Income attributable to owners of parent	4.5	10.6	-6.1 -57.1%	14.0	-0.7	14.7	26.0	-12.0 -46.2%

Segment Information by Business

(Unit: Billion yen)

	上期 1st half			下期 2nd half			通期 FY		
	2018	2017	増減 Change	2018 (予想) forecast	2017	増減 Change	2018 (予想) forecast	2017	増減 Change
■ 売上高 Sales									
機能材料 Engineered Materials	86.8	80.6	6.2 7.7%	85.7	86.6	-0.9 -1.0%	172.5	167.2	5.3 3.2%
金属 Metals	84.4	82.2	2.2 2.6%	82.8	104.3	-21.5 -20.6%	167.2	186.5	-19.3 -10.4%
自動車部品 Automotive Parts and Components	50.5	49.2	1.3 2.6%	52.2	52.8	-0.6 -1.2%	102.7	102.0	0.7 0.6%
関連 Affiliates Coordination	61.4	59.9	1.5 2.5%	67.3	72.8	-5.5 -7.6%	128.7	132.7	-4.0 -3.0%
調整額 Adjustment	-32.4	-29.6	-2.8	-32.0	-39.7	7.7	-64.4	-69.3	4.9
連結 Consolidated	250.6	242.4	8.3 3.4%	256.1	276.8	-20.8 -7.5%	506.7	519.2	-12.5 -2.4%
■ 経常利益 Ordinary Income									
機能材料 Engineered Materials	11.7	14.0	-2.3 -16.4%	10.2	16.6	-6.4 -38.6%	21.9	30.6	-8.7 -28.5%
金属 Metals	-3.1	0.0	-3.2	-1.7	5.5	-7.2	-4.8	5.5	-10.3
自動車部品 Automotive Parts and Components	1.9	2.3	-0.4 -17.3%	3.0	3.2	-0.2 -6.8%	4.9	5.5	-0.6 -11.1%
関連 Affiliates Coordination	2.1	2.8	-0.7 -23.6%	2.9	4.1	-1.2 -29.0%	5.0	6.8	-1.8 -26.8%
調整額 Adjustment	-1.5	-1.5	-0.0	-1.5	-35.7	34.3	-3.0	-37.3	34.3
連結 Consolidated	11.0	17.6	-6.6 -37.3%	13.0	-6.3	19.3	24.0	11.2	12.8 113.5%

Variance analysis of ordinary income

(Unit Billion yen)

	Ordinary Income			Details					
	18Q1-Q2	17Q1-Q2	Diff.	Volume	LME/Forex	Inventory Factor	Margin/Cost	Equity gain or loss	Total
Engineered Materials	11.7	14.0	-2.3	0.2	0.1	0.9	-3.5	-	-2.3
Metals	-3.1	0.0	-3.2	0.9	0.4	-6.3	-0.5	2.3	-3.2
Automotive parts & components	1.9	2.3	-0.4	-	-0.1	-	-0.3	-	-0.4
Affiliate coordination	2.1	2.8	-0.7	0.3	0.0	-	-0.8	-0.2	-0.7
Adjustment	-1.5	-1.5	-0.0	-	-	-	-	-	-
Total	11.0	17.6	-6.6	1.4	0.4	-5.4	-5.1	2.1	-6.6

Non-operating income/expenses and Extraordinary gains/losses

(Unit : Billion yen)

	上期 1st half			下期 2nd half			通期 FY		
	2018	2017	増減 Change	2018 (予想) Forecast	2017	増減 Change	2018 (予想) Forecast	2017	増減 Change
金利収支 <i>Interest income - net</i>	-0.6	-0.6	-0.0	-0.6	-0.6	-0.0	-1.3	-1.2	-0.1
受取配当金 <i>Dividend income - net</i>	1.5	1.2	0.3	0.3	0.5	-0.1	1.8	1.6	0.1
持分法投資損益 <i>Equity in gains/losses</i>	-0.5	-2.6	2.1	-1.9	-35.4	33.6	-2.4	-38.0	35.7
為替差損益 <i>Forex profit / losses</i>	1.2	0.0	1.2	0.0	-0.9	0.9	1.2	-0.9	2.1
その他 <i>Other</i>	0.3	0.1	0.1	-0.1	0.0	-0.1	0.2	0.2	0.0
営業外損益 計 <i>Non-operating income/expenses</i>	1.8	-1.9	3.6	-2.3	-36.4	34.1	-0.5	-38.3	37.8
固定資産除売却 <i>Loss on sale & disposal of P.P.E.</i>	-0.6	-0.7	0.1	-0.6	-0.7	0.0	-1.3	-1.4	0.1
減損損失 <i>Impairment charges on P.P.E.</i>	0.0	0.0	0.0	0.0	-0.3	0.3	0.0	-0.3	0.3
災害損失 <i>Disaster loss</i>	-0.4	0.0	-0.4	0.0	-0.1	0.1	-0.4	-0.1	-0.3
過年度関税 <i>Custom tax of prior years</i>	0.0	-1.1	1.1	0.0	-0.0	0.0	0.0	-1.1	1.1
その他 <i>Other</i>	-0.2	-0.2	0.0	-0.2	-0.4	0.2	-0.4	-0.6	0.2
特別損益 計 <i>Extraordinary profit/losses - net</i>	-1.3	-2.1	0.8	-0.8	-1.4	0.6	-2.1	-3.5	1.4

Quarterly sales and incomes

(Unit : Billion yen)

	'17/Q1	'17/Q2	'17/Q3	'17/Q4	'18/Q1	'18/Q2	Q2増減 (前年比) YoY	Q2増減 (前Q比) QonQ
■売上高 Sales								
機能材料 Engineered Materials	38.7	41.9	43.7	42.9	42.4	44.4	2.5	1.9
金属 Metals	37.3	45.0	46.9	57.4	43.8	40.6	-4.4	-3.2
自動車部品 Automotive Parts & Components	24.8	24.4	25.3	27.6	25.3	25.2	0.8	-0.1
関連 Affiliates Coordination	30.5	29.4	35.8	37.0	29.5	31.9	2.5	2.4
調整額 Adjustment	-15.1	-14.5	-20.5	-19.2	-15.1	-17.3	-2.9	-2.2
連結 Consolidated	116.2	126.2	131.3	145.6	125.9	124.7	-1.5	-1.2
■営業利益 [a] Operating Income	7.4	12.1	16.3	13.8	7.8	1.4	-10.7	-6.4
うち棚卸資産在庫要因 [b] Of which amounts impacted by inventory valuation	-0.1	1.2	2.8	1.4	0.5	-4.8	-6.0	-5.3
[a] - [b]	7.5	10.9	13.5	12.4	7.3	6.2	-4.7	-1.1
■経常利益 Ordinary Income								
機能材料 Engineered Materials	6.4	7.5	9.6	7.0	6.2	5.5	-2.1	-0.7
金属 Metals	-1.1	1.1	2.0	3.5	0.9	-4.0	-5.1	-4.9
自動車部品 Automotive Parts & Components	1.3	1.0	1.7	1.6	0.9	1.0	-0.0	0.1
関連 Affiliates Coordination	1.3	1.4	2.5	1.5	0.9	1.2	-0.2	0.3
調整額 Adjustment	-0.4	-1.1	-0.3	-35.4	-0.7	-0.8	0.3	-0.1
連結 Consolidated	7.6	10.0	15.5	-21.8	8.2	2.9	-7.1	-5.3
■親会社株主に帰属する 当期純利益	4.8	5.8	11.2	-22.5	4.5	0.0	-5.8	-4.5

Net income attributable to owners of parent

Operating income

(Unit : Billion yen)

■ 営業利益 Operating income	'17/Q1	'17/Q2	'17/Q3	'17/Q4	'18/Q1	'18/Q2	Q2増減 前Q比		'18/Q3- Q4 Forecast	'17/Q3- Q4	増減 Difference
							18Q2-' 17Q2	18Q2-' 18Q1			
機能材料 Engineered materials	6.2	7.4	9.6	7.6	5.6	5.1	-2.4	-0.5	10.2	17.2	-7.0
金属 Metals	-0.6	3.6	3.5	4.2	1.3	-4.2	-7.8	-5.5	1.3	7.7	-6.4
自動車部品 Automotive Parts & Components	1.1	1.0	1.5	1.6	1.0	0.5	-0.5	-0.5	3.0	3.1	-0.1
関連 Affiliated Coordination	0.9	1.2	2.1	1.1	0.6	1.0	-0.1	0.5	2.2	3.1	-0.9
調整額 Adjustment	-0.3	-1.1	-0.3	-0.8	-0.6	-1.0	0.1	-0.4	-1.5	-1.1	-0.4
連結 Consolidated	7.4	12.1	16.3	13.8	7.8	1.4	-10.7	-6.4	15.3	30.1	-14.8

Equity in gain or losses

(Unit : Billion yen)

	2017							2018 Forecast						
	Q1	Q2	1st Half	Q3	Q4	2nd Half	FY 2017	Q1	Q2	1st Half	2nd H Forecast	FY 2018 Forecast	2018 Forecast (May 9)	Diff.
Engineered Materials	0.1	0.1	0.2	0.1	0.1	0.2	0.4	0.1	0.1	0.2	0.2	0.4	0.4	-0.0
Metals	-0.8	-2.6	-3.4	-1.4	-0.6	-2.0	-5.4	-1.0	-0.0	-1.1	-2.6	-3.7	-4.9	1.2
Automotive Parts & Components	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Affiliate Coordination	0.3	0.3	0.6	0.5	0.5	1.0	1.6	0.2	0.2	0.4	0.5	1.0	1.0	0.0
Others	-	-	-	-	-34.6	-34.6	-34.6	-	-	-	-	-	-	-
Total	-0.4	-2.2	-2.6	-0.7	-34.7	-35.4	-38.0	-0.7	0.3	-0.5	-1.9	-2.4	-3.5	1.2

Zinc (\$ / t)	2,598	2,962	2,780	3,234	3,423	3,328	3,054	3,114	2,534	2,824	2,600	2,712	3,200
Copper (¢ / lb)	265	257	261	288	309	298	280	316	312	314	285	299	300
Forex (Yen/\$)	111	111	111	113	108	111	111	109	111	110	110	110	110

※ Above copper price is on calendar year basis.

Q1: Jan - Mar

Trends of products

			2016					2017					2018				2018
			Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3-Q4 Forecast	Year Forecast	Year Forecast (May 9th)
MH alloy	Volume of Sales	Index	100	88	96	96	95	86	91	96	94	92	98	96	102	100	101
Catalysts for motorcycle	Volume of Sales	Index	100	104	86	111	100	119	126	115	118	119	124	126	112	119	115
Catalysts for automobile	Volume of Sales	Index	100	107	109	150	117	159	182	185	191	179	217	241	271	250	219
Copper foil	Volume of Sales	t	2,680	2,870	2,700	2,780	2,760	2,710	2,680	2,470	2,410	2,570	2,400	2,460	2,340	2,390	2,430
MicroThin™	Volume of Sales	Index	100	108	115	104	107	151	221	233	186	198	170	197	198	191	270
ITO Target	Volume of Sales	Index	100	112	124	114	113	118	125	135	116	124	121	111	125	121	132
Zinc	Volume of Production	k-t	56	57	56	53	55	47	59	54	56	54	54	49	57	54	55
Side door Latches	Volume of Sales	Index	100	103	102	112	104	106	104	103	115	107	106	107	—	—	—

※ Index : The sales volume in 2016 Q1 being 100

Inventory Factors

(Unit : Billion yen)



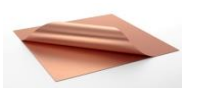
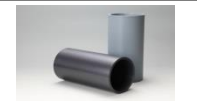

	2017							2018 Forecast						
	Q1	Q2	1st Half	Q3	Q4	2nd Half	FY 2017	Q1	Q2	1st Half	2nd Half	FY 2018	FY 2018 (May.9th)	Diff.
Engineered Materials	-0.1	-0.3	-0.4	0.9	1.0	1.9	1.5	0.8	-0.3	0.5	-	0.5	-	0.5
Metals	-	1.5	1.5	1.9	0.4	2.3	3.8	-0.3	-4.5	-4.8	0.7	-4.1	-	-4.1
Automotive Parts & Components	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Affiliate Coordination	-	0.3	0.3	0.3	0.2	0.5	0.8	-	-0.3	-0.3	-	-0.3	-	-0.3
Total	-0.1	1.5	1.4	3.1	1.6	4.7	6.1	0.5	-5.1	-4.6	0.7	-3.9	-	-3.9

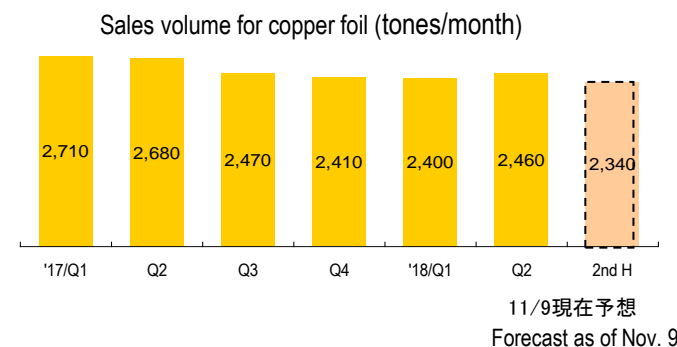
Inidium(High) (\$/Kg)	223	209	216	260	337	298	257	335	292	313	270	292	300
Zinc (\$ / t)	2,598	2,962	2,780	3,234	3,423	3,328	3,054	3,114	2,534	2,824	2,600	2,712	3,200
Lead (\$ / t)	2,165	2,334	2,249	2,493	2,523	2,508	2,379	2,387	2,102	2,245	2,100	2,172	2,300
Copper (¢ / lb)	257	288	272	309	316	312	292	312	277	294	285	290	300

Performance by Segment – Engineered Materials

(Unit : Billion yen)

	2018 Q1-2	2017 Q1-2	増減 YoY	2018 Q3-4 (予想) forecast	2017 Q3-4	増減 YoY	2018 通期 (予想) forecast	2017 通期	増減 YoY
■売上高 Sales	86.8	80.6	6.2	85.7	86.6	-0.9	172.5	167.2	5.3
■営業利益 Operating income	10.6	13.6	-3.0	10.2	17.2	-7.0	20.8	30.8	-10.0
■経常利益 Ordinary income	11.7	14.0	-2.3	10.2	16.6	-6.4	21.9	30.6	-8.7

(Engineered Material Products)		(Main Applications)
Battery Materials		<ul style="list-style-type: none"> •Nickel-hydrogen batteries for hybrid cars •Lithium-ion batteries
Catalysts		<ul style="list-style-type: none"> •Motorcycles •Automobiles
Copper Foil		<ul style="list-style-type: none"> •High-Density Packaging •Printed circuit board
PVD Materials (Sputtering target)		<ul style="list-style-type: none"> •Flat panel displays
Engineered Powers		<ul style="list-style-type: none"> •Wide range of electronic components •Tonner for copier



Performance by Segment – Metals

(Unit Billion yen)

	2018 Q1-2	2017 Q1-2	増減 YonY	2018 Q3-4 (予想) forecast	2017 Q3-4	増減 YonY	2018 通期 (予想) forecast	2017 通期	増減 YonY
■売上高 Sales	84.4	82.2	2.2	82.8	104.3	-21.5	167.2	186.5	-19.3
■営業利益 Operating income	-2.8	3.0	-5.9	1.3	7.7	-6.4	-1.5	10.8	-12.3
■経常利益 Ordinary income	-3.1	0.0	-3.2	-1.7	5.5	-7.2	-4.8	5.5	-10.3

Metal Prices

Forecast

		'17/Q1-2	'17/Q3-4	'18/Q1-2	'18/Q3-4
Zn	\$/t	2,780	3,328	2,824	2,600
Zn (Actual)	\$/t	2,436	2,814	2,686	2,577
Pb	\$/t	2,249	2,508	2,245	2,100
Cu	¢ /lb	261	298	314	285
Forex	yen/\$	111.1	110.6	110.3	110.0
Forex (Actual)	yen/\$	113.3	111.9	109.3	109.0

Difference Analysis

	'17/Q1-2 →'18/Q1-2	'17/Q3-4 →'18/Q3-4
LME/Forex	0.4	-1.7
T/C	-0.9	-0.9
Inventory Factors	-6.3	-1.6
Equity profit/loss	2.3	-0.6
Cokes	0.0	0.2
Dividends*	0.2	-0.1
Others	1.2	-2.5
Total	-3.2	-7.2

Sensitivity to ordinary income (for FY2018 2nd half)


(Unit : Billion yen)

Zn	±100\$/t	6.2
Pb	±100\$/t	1.2
US\$(yen/\$)	±1yen/\$	2.5

Performance by Segment – Automotive Parts & Components

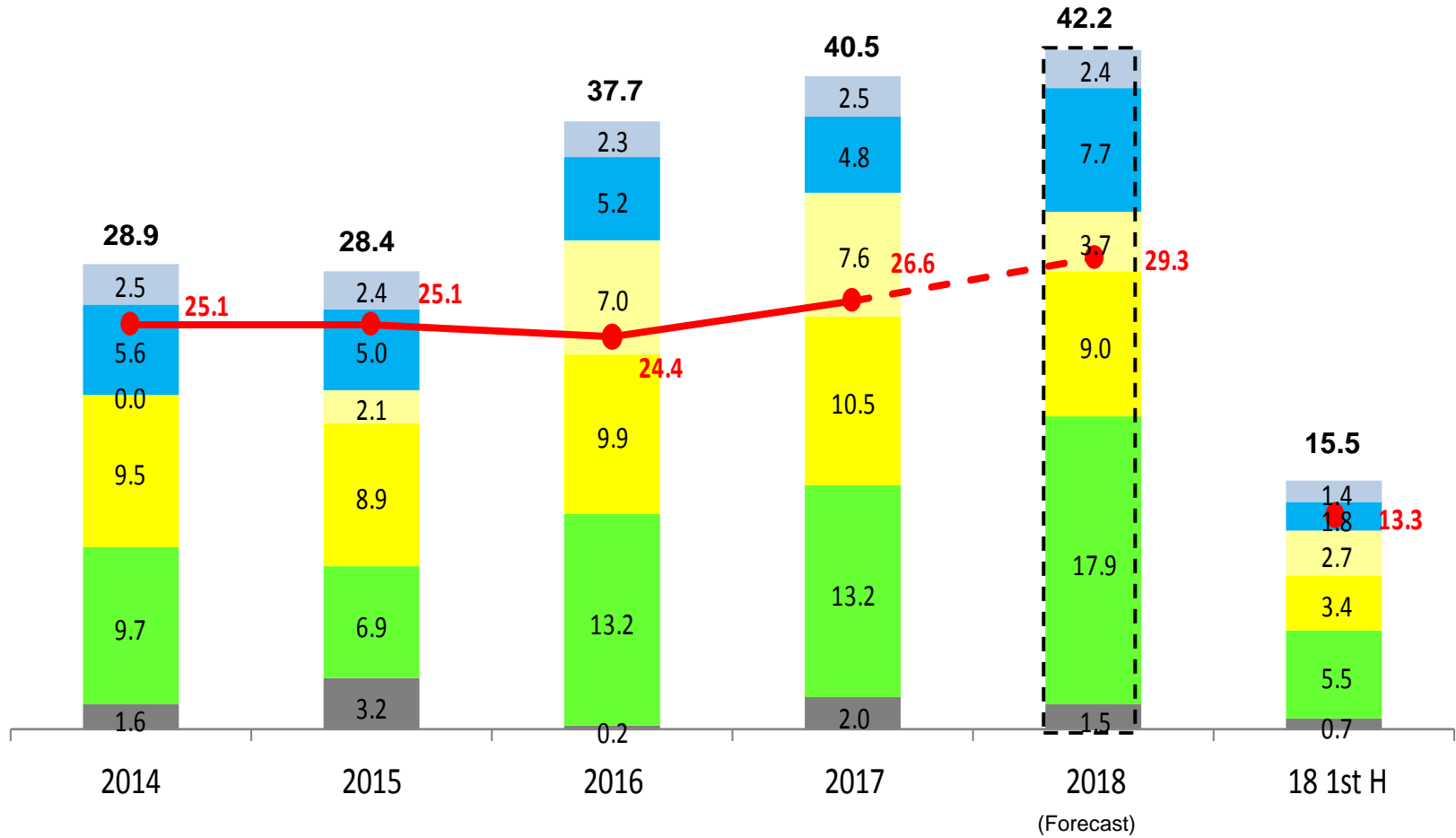
(Unit : Billion yen)

	2018 Q1-2	2017 Q1-2	増減 YonY	2018 Q3-4 (予想) forecast	2017 Q3-4	増減 YonY	2018 通期 (予想) forecast	2017 通期	増減 YonY
■売上高 Sales	50.5	49.2	1.3	52.2	52.8	-0.6	102.7	102.0	0.7
■営業利益 Operating income	1.4	2.1	-0.7	3.0	3.1	-0.1	4.4	5.2	-0.8
■経常利益 Ordinary income	1.9	2.3	-0.4	3.0	3.2	-0.2	4.9	5.5	-0.6

[Mitsui Kinzoku ACT]	(Main Applications)
Automotive Parts & Components 	<ul style="list-style-type: none"> •Door locks for automobiles

CAPEX and Depreciation

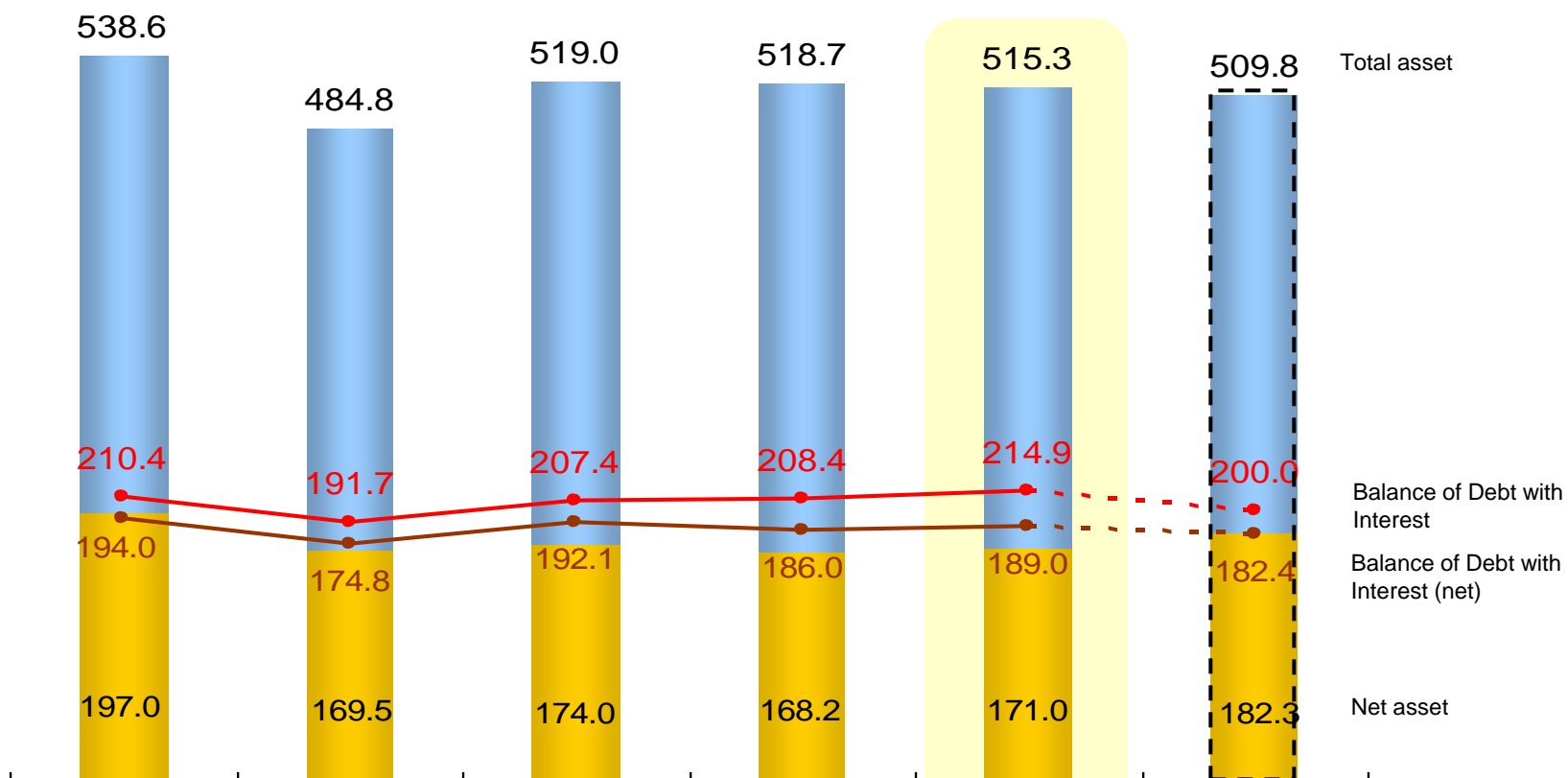
(Unit : Billion yen)



- Others
- Engineered Materials
- Metals
- Hydroelectric Power Generation
- Automotive parts & components
- Affiliate Coordination
- Depreciation

Financial Position at the end of Fiscal Year

(Unit : Billion yen)



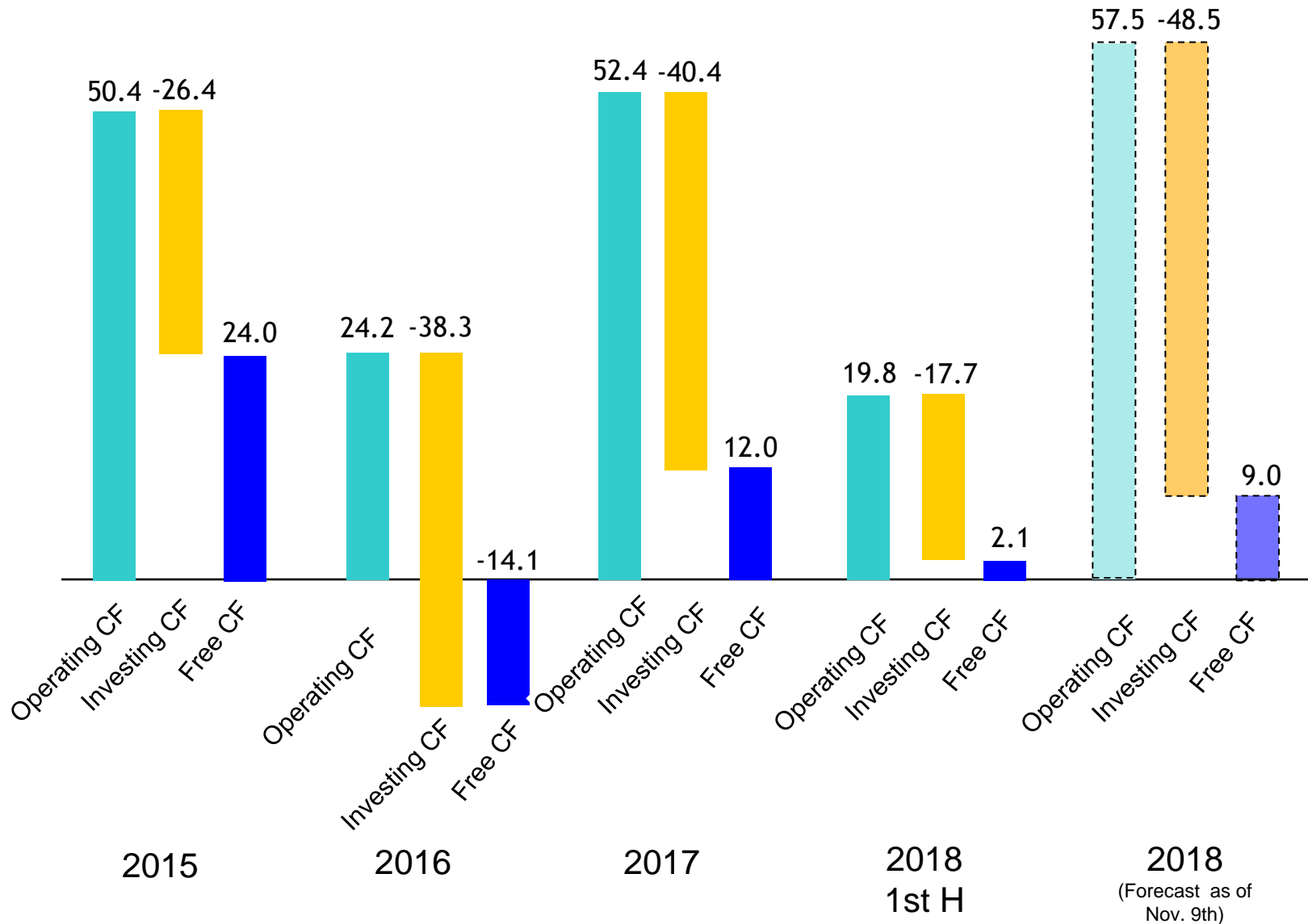
	'15/3	'16/3	'17/3	'18/3	'18/9	'19/3
D/E Ratio	1.07	1.13	1.19	1.24	1.26	1.10
D/E Ratio (net)*	0.98	1.03	1.10	1.11	1.11	1.00
Equity Ratio	36.6%	35.0%	33.5%	32.4%	33.2%	35.8%

* Net debt balance/Shareholder's Equity

(Forecast as of
Nov 9th)

Cash Flows

(Unit : Billion yen)



Caution Concerning Forward-looking Statements

Statements contained in these materials regarding forecasts of future events are qualified by various risks, both existing and unknown, and uncertainties, which may have a material impact on the actual business conditions and operational activities. Consequently, please be aware that actual performance may differ substantially from forecasts and business plans indicated herein because of various unforeseeable factors.

Mitsui Mining & Smelting Co., Ltd. cannot guarantee the validity of the targets, assumptions, expectations, predictions, plans, assessments and other information contained in this material, and the Company also cannot guarantee that its actual business performance will be consistent with the forecasts presented within.

Regarding latent risks which might impact forecast results and other uncertainties, some items are included in the “Business and Other Risks” section of our financial statements or our website. However, please recognize that these are just a summary rather than a comprehensive list of all possible items relating to latent risks and uncertainties.

This material was compiled with the aim of furthering the understanding of our shareholders and other investors with regard to the Company’s management policy and other details. This material is not for the purpose of soliciting investment through the purchase or sale of stocks. Accordingly, you are advised not to make your investment decision solely on the basis of the material presented herein.