



MITSUI KINZOKU

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

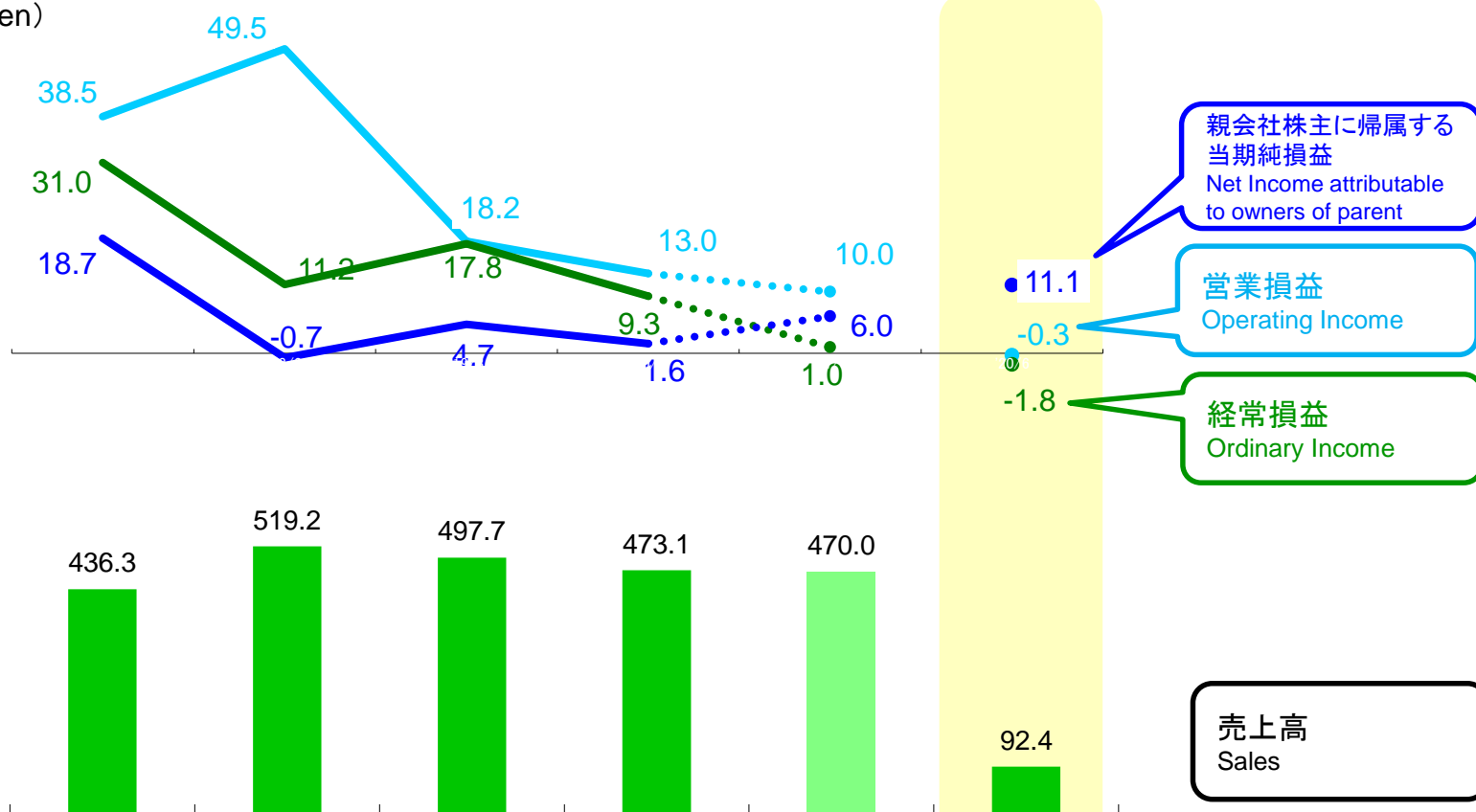
FY2020 Q1 Results & FY 2020 Q1-Q2 Forecast

August 7, 2020

Sales and Earnings



(Unit: Billion yen)



Dividend per share	¥7	¥70※	¥70	¥70	TBD	TBD
Dividend payout ratio	21.4%	—	85.2%	255.2%		
DOE	2.5%	2.5%	2.5%	2.5%		

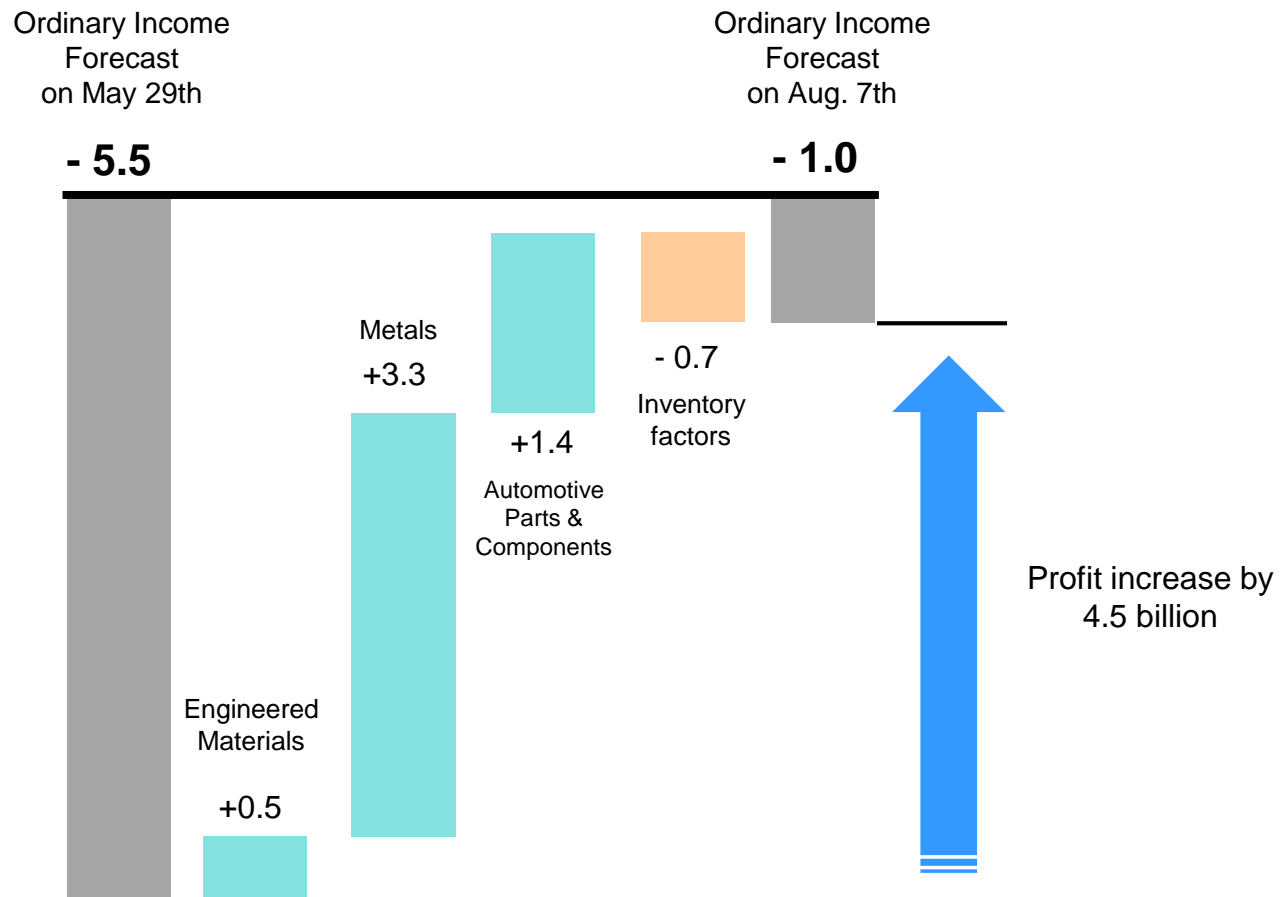
Forecast
as of May 29

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

Ordinary Income Forecast of FY 2020 1st Half

The latest ordinary income forecast of FY2020 1st half is -1.0 billion, by 4.5 billion higher than that of FY2020 1st half announced on May 29th.

(Unit: Billion yen)



Statements of income



(Unit : Billion yen)

	第1四半期 Q1 Results			第2四半期累計期間 Q1-2 Forecast				
	'20Q1	'19Q1	増減 Difference	'20/Q1-2 今回予想 Forecast	'20/Q1-2 前回予想 Forecast as of May 29	増減 Difference	'19/Q1-2	増減 Difference
売上高 Net Sales	92.4	115.9	-23.5 -20.2%	215.0	210.0	5.0 5.4%	238.1	-23.1 -9.7%
売上原価 Cost of sales	80.7	99.3	-18.6 -18.7%	-	-	-	-	-
売上総利益 Gross Profit	11.7	16.6	-4.9 -29.4%	-	-	-	-	-
販売費・管理費 SG&A expenses	12.0	13.8	-1.8 -12.8%	-	-	-	-	-
営業利益 Operating Income	-0.3	2.8	-3.1 -	2.5	0.5	2.0 -	5.3	-2.8 -53.2%
営業外収支 Non-operating income/expenses-net	-1.5	0.8	-2.3	-3.5	-6.0	2.5	-0.4	-3.1
経常利益 Ordinary Income	-1.8	3.6	-5.4 -	-1.0	-5.5	4.5 -	5.0	-6.0 -
特別損益 Extraordinary profit/losses-net	13.8	0.3	13.5	13.0	13.3	-0.3	-0.2	13.2
税引前利益 Net Income before income taxes	12.0	3.9	8.2 209.3%	12.0	7.8	4.2 34.5%	4.8	7.2 150.9%
税金費用・非支配株主帰属損益 Income taxes & minority interests	0.9	1.3	-0.4	2.0	2.3	-0.3	3.0	-1.0
親会社株主に帰属する 当期純利益 Net income attributable to owners of parent	11.1	2.6	8.5 331.0%	10.0	5.5	4.5 40.5%	1.8	8.2 447.9%

Segment Information by Business Unit

(Unit: Billion yen)

	第1四半期 Q1 Results			第2四半期累計期間 Q1-2 Forecast				
	'20/Q1	'19/Q1	増減 Difference	'20/Q1-2 今回予想 Forecast	'20/Q1-2 Forecast as of May 29	増減 Difference	'19/Q1-2	増減 Difference
■売上高 Sales								
機能材料 Engineered Materials	34.9	39.8	-4.9 -12.3%	88.0	69.0	19.0 27.5%	82.3	5.7 6.9%
金属 Metals	36.9	39.6	-2.6 -6.7%	77.0	86.0	-9.0 -10.5%	83.7	-6.7 -8.0%
自動車部品 Automotive Parts and Components	12.3	23.3	-11.0 -47.4%	33.0	32.0	1.0 3.1%	46.1	-13.1 -28.4%
関連 Affiliates Coordination	24.8	25.9	-1.0 -4.0%	50.0	49.0	1.0 2.0%	53.3	-3.3 -6.2%
調整額 Adjustment	-16.5	-12.6	-3.8	-33.0	-26.0	-7.0	-27.3	-5.7
連結 Consolidated	92.4	115.9	-23.5 -20.2%	215.0	210.0	5.0 2.4%	238.1	-23.1 -9.7%
■経常利益 Ordinary Income								
機能材料 Engineered Materials	3.8	2.1	1.7 80.3%	5.2	5.0	0.2 4.0%	5.2	-0.0 -0.8%
金属 Metals	-2.5	2.5	-5.0	-1.8	-5.0	3.2	0.8	-2.6
自動車部品 Automotive Parts and Components	-2.0	0.1	-2.1	-1.6	-3.0	1.4	0.1	-1.7
関連 Affiliates Coordination	-0.4	0.3	-0.7	-1.3	-1.0	-0.3	0.4	-1.7
調整額 Adjustment	-0.7	-1.4	0.7	-1.5	-1.5	0.0	-1.7	0.2
連結 Consolidated	-1.8	3.6	-5.4	-1.0	-5.5	4.5	5.0	-6.0

Variance analysis of ordinary income

(Unit Billion yen)

	Ordinary Income			Details					
	20Q1	19Q1	Diff.	Volume	LME/Forex	Inventory Factor	Margin/Cost	Equity gain or loss	Total
Engineered materials	3.8	2.1	1.7	-0.4	0.0	1.3	0.9	-0.1	1.7
Metals	-2.5	2.5	-5.0	-1.4	-1.4	-0.3	0.5	-2.4	-5.0
Automotive parts & components	-2.0	0.1	-2.1	-4.5	-0.1	-	2.5	-	-2.1
Affiliate coordination	-0.4	0.3	-0.7	-0.6	-0.0	-	0.2	-0.2	-0.7
Adjustment	-0.7	-1.4	0.7	-	-	-	0.7	-	0.7
Total	-1.8	3.6	-5.4	-7.0	-1.5	1.0	4.8	-2.7	-5.4

Non-operating income/expenses and Extraordinary gains/losses

(Unit : Billion yen)

	第1四半期 Q1 Results			第2四半期累計期間 Q1-2 Forecast				
	'20/Q1	'19/Q1	増減 Difference	'20/Q1-2 今回予想 Forecast	'20/Q1-2 前回予想 as of May 29	増減 Difference	'19/Q1-2	増減 Difference
金利収支 Interest income - net	-0.3	-0.4	0.1	-0.6	-0.7	0.1	-0.7	0.1
受取配当金 Dividend income - net	1.6	1.1	0.6	1.6	0.8	0.8	1.1	0.5
持分法投資損益 Equity in gains/losses	-2.4	0.3	-2.7	-3.7	-5.3	1.6	-0.5	-3.3
為替差損益 Forex Exchange gain or loss	-0.4	-0.5	0.0	-0.4	-0.0	-0.4	-0.7	0.3
その他 Others	0.0	0.2	-0.2	-0.4	-0.7	0.4	0.4	-0.7
営業外損益 計 Non-operating income/expenses	-1.5	0.8	-2.3	-3.5	-6.0	2.5	-0.4	-3.1
固定資産除売却 Loss on sale & disposal of Fixed Asset	1.6	-0.1	1.7	1.3	1.2	0.1	-0.4	1.7
有価証券売却損益 PL on Sale of Investment	13.6	0.0	13.6	13.6	13.6	0.0	0.0	13.6
災害損失 Disaster losses	-0.0	-0.0	-0.0	-0.4	0.0	-0.4	-0.1	-0.3
受取保険金 Insurance Proceeds	0.2	0.5	-0.3	0.2	0.0	0.2	0.5	-0.3
その他 Others	-1.6	-0.1	-1.5	-1.7	-1.5	-0.2	-0.2	-1.6
特別損益 計 Extraordinary profit/losses - net	13.8	0.3	13.5	13.0	13.3	-0.3	-0.2	13.2

Quarterly sales and incomes

(Unit : Billion yen)

	'19/Q1	'19/Q2	'19/Q3	'19/Q4	'20/Q1	'20/Q2 見込 Forecast	Q1増減 (前年比) YonY	Q1増減 (前Q比) QonQ	Q2増減 (前年比) YonY	Q2増減 (前Q比) QonQ
■売上高 Sales										
機能材料 Engineered Materials	39.8	42.6	42.8	42.7	34.9	53.1	-4.9	-7.8	10.6	18.3
金属 Metals	39.6	44.1	38.0	39.5	36.9	40.1	-2.6	-2.6	-4.0	3.2
自動車部品 Automotive Parts & Components	23.3	22.8	24.3	20.2	12.3	20.7	-11.0	-8.0	-2.0	8.5
関連 Affiliates Coordination	25.9	27.4	26.4	30.2	24.8	25.2	-1.0	-5.4	-2.3	0.4
調整額 Adjustment	-12.6	-14.6	-13.6	-15.4	-16.5	-16.5	-3.8	-1.0	-1.9	-0.1
連結 Consolidated	115.9	122.2	117.8	117.2	92.4	122.6	-23.5	-24.8	0.4	30.2
■営業利益 Operating income										
機能材料 Engineered Materials	2.1	3.3	5.6	4.1	4.1	1.7	2.0	0.0	-1.6	-2.5
金属 Metals	1.8	-0.7	1.0	-2.1	-1.6	2.1	-3.3	0.5	2.8	3.6
自動車部品 Automotive Parts & Components	-0.1	-0.0	0.8	-0.5	-2.2	0.4	-2.0	-1.7	0.4	2.6
関連 Affiliates Coordination	0.0	0.3	0.3	0.4	-0.2	-0.7	-0.2	-0.5	-1.1	-0.6
調整額 Adjustment	-1.0	-0.3	-0.8	-1.1	-0.5	-0.6	0.4	0.5	-0.2	-0.0
連結 Consolidated	2.8	2.5	6.9	0.8	-0.3	2.8	-3.1	-1.1	0.3	3.1
■経常利益 Ordinary income										
機能材料 Engineered Materials	2.1	3.2	5.7	2.5	3.8	1.4	1.7	1.3	-1.7	-2.3
金属 Metals	2.5	-1.6	0.7	-3.0	-2.5	0.7	-5.0	0.5	2.4	3.2
自動車部品 Automotive Parts & Components	0.1	0.0	0.8	-0.4	-2.0	0.4	-2.1	-1.6	0.4	2.3
関連 Affiliates Coordination	0.3	0.2	0.4	0.6	-0.4	-0.9	-0.7	-1.0	-1.1	-0.5
調整額 Adjustment	-1.4	-0.3	-0.9	-1.9	-0.7	-0.8	0.7	1.2	-0.5	-0.1
連結 Consolidated	3.6	1.4	6.7	-2.3	-1.8	0.8	-5.4	0.5	-0.6	2.6
■親会社株主に帰属する 当期純利益										
Net income attributable to owners of parent	2.6	-0.8	4.4	-4.7	11.1	-1.1	8.5	15.8	-0.4	-12.2

Quarterly operating incomes and ordinary incomes excluding inventory factors



(Unit : Billion yen)

	'19/Q1	'19/Q2	'19/Q3	'19/Q4	'20/Q1	'20/Q2 見込 Forecast	Q1増減 (前年比) YonY	Q1増減 (前Q比) QonQ	Q2増減 (前年比) YonY	Q2増減 (前Q比) QonQ
■営業利益 Operating income										
機能材料 Engineered Materials	3.4	4.2	5.8	4.4	4.1	1.7	0.7	-0.3	-2.5	-2.5
金属 Metals	2.2	2.9	1.3	2.0	-0.9	1.0	-3.0	-2.9	-1.9	1.8
自動車部品 Automotive Parts & Components	-0.1	-0.0	0.8	-0.5	-2.2	0.4	-2.0	-1.7	0.4	2.6
関連 Affiliates Coordination	0.0	0.3	0.3	0.4	-0.2	-0.7	-0.2	-0.5	-1.1	-0.6
調整額 Adjustment	-1.0	-0.3	-0.8	-1.1	-0.5	-0.6	0.4	0.5	-0.2	-0.0
連結 Consolidated	4.5	7.0	7.4	5.2	0.4	1.7	-4.1	-4.8	-5.3	1.3
■経常利益 Ordinary income										
機能材料 Engineered Materials	3.4	4.1	5.9	2.7	3.8	1.4	0.4	1.0	-2.6	-2.3
金属 Metals	2.9	2.0	1.0	1.0	-1.8	-0.4	-4.7	-2.8	-2.3	1.4
自動車部品 Automotive Parts & Components	0.1	0.0	0.8	-0.4	-2.0	0.4	-2.1	-1.6	0.4	2.3
関連 Affiliates Coordination	0.3	0.5	0.5	0.5	-0.1	-0.9	-0.4	-0.6	-1.4	-0.8
調整額 Adjustment	-1.4	-0.3	-0.9	-1.9	-0.7	-0.8	0.7	1.2	-0.5	-0.1
連結 Consolidated	5.3	6.2	7.3	2.0	-0.8	-0.3	-6.1	-2.8	-6.5	0.5

Equity gains or losses

(Unit : Billion yen)

	2019							2020 Forecast 1st half			2020 Forecast (May 29)		
	Q1	Q2	1st H	Q3	Q4	2nd H	FY 2019	Q1	Q2 Fore cast	1st Half Fore cast	1st Half	2nd Half	FY 2020
Engineered Materials	0.1	0.1	0.2	0.1	0.1	0.2	0.4	0.0	0.2	0.2	0.2	0.2	0.4
Metals	0.2	-0.8	-0.6	-0.4	-0.9	-1.3	-1.9	-2.2	-1.3	-3.5	-5.2	-2.9	-8.1
Automotive Parts & Components	-	-	-	-	-	-	-	-	-	-	-	-	-
Affiliate Coordination	0.0	-0.1	-0.1	0.1	0.1	0.2	0.1	-0.2	-0.2	-0.4	-0.3	0.3	-0.0
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	0.3	-0.8	-0.5	-0.2	-0.7	-1.0	-1.4	-2.4	-1.3	-3.7	-5.3	-2.4	-7.8

Copper (¢ / lb)	282	277	280	263	267	265	272	256	242	249	253	250	251
Forex (Yen/\$)	109.9	107.4	108.6	108.8	109.0	108.9	108.8	107.6	107.0	107.3	107.0	107.0	107.0

※ Copper price is on calendar year basis. Q1: Jan - Mar

Trends of products

			2018					2019					2020 1st half Forecast			2020 Forecast (May 29)		
			Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2 Forecast	1st Half Forecast (Aug 7)	1st Half	2nd Half	Year
MH alloy	Volume of Sales	Index	100	98	109	103	102	102	105	108	112	107	78	112	95	82	123	103
Catalysts for motorcycle	Volume of Sales	Index	100	101	90	86	94	93	96	96	101	96	45	115	80	72	123	97
Catalysts for automobile	Volume of Sales	Index	100	111	131	121	116	128	134	125	130	129	79	146	112	112	158	135
Copper foil	Volume of Sales	t	2,400	2,460	2,020	1,930	2,200	2,320	2,520	2,530	2,250	2,410	1,860	2,160	2,010	2,310	2,410	2,360
MicroThin™ Total (a+b)	Volume of Sales	Index	100	116	93	57	92	84	117	102	98	100	120	128	124	108	106	107
MicroThin™ for HDI (a)	Volume of Sales		24	42	29	5	25	20	28	15	13	19	17	36	27	18	19	18
MicroThin™ for PKG (b)	Volume of Sales		76	74	64	52	67	64	89	87	85	81	103	92	97	90	87	89
ITO Target	Volume of Sales	Index	100	92	99	89	95	87	97	97	95	94	90	83	87	92	94	93
Zinc	Volume of Production	k-t	54	49	50	58	211	56	56	56	52	219	43	57	100	103	119	222
Side door Latches	Volume of Sales	Index	100	100	105	104	102	98	97	95	80	93	58	—	—	—	—	—

※ Index : The sales volume in 2018 Q1 scaled at 100 (except Copper Foil and Zinc)

Inventory Factors

(Unit : Billion yen)

	2019							2020 1st half				
	Q1	Q2	1st Half	Q3	Q4	2nd Half	FY 2019	Q1	Q2 Fore cast	Fore cast	Fore cast (May 29)	Diff.
Engineered materials	-1.3	-0.9	-2.2	-0.2	-0.3	-0.5	-2.7	-	-	-	0.3	-0.3
Metals	-0.4	-3.6	-4.0	-0.3	-4.1	-4.4	-8.4	-0.7	1.1	0.4	0.5	-0.1
Automotive Parts & components	-	-	-	-	-	-	-	-	-	-	-	-
Affiliate coordination	-	-0.3	-0.3	-0.1	-	-0.1	-0.4	-0.3	-	-0.3	-	-0.3
Total	-1.7	-4.8	-6.5	-0.6	-4.4	-5.0	-11.5	-1.0	1.1	0.1	0.8	-0.7

Indium(High) (\$/Kg)	196	174	185	168	163	166	175	164	165	164	170
Zinc (\$ / t)	2,763	2,345	2,554	2,384	2,128	2,256	2,405	1,959	2,100	2,030	2,000
Lead (\$ / t)	1,886	2,029	1,958	2,039	1,847	1,943	1,950	1,670	1,800	1,735	1,600
Copper (¢ / lb)	277	263	270	267	256	261	266	242	290	266	250

Performance by Segment – Engineered Materials

(Unit : Billion yen)

	'20/Q1	'19/Q1	増減 Difference	'20/Q1-2 (今回予想) Forecast	'20/Q1-2 (前回予想) Forecast as of May29	増減 Difference	'19/Q1-2	増減 Difference
■売上高 Sales	34.9	39.8	-4.9	88.0	69.0	19.0	82.3	5.7
■営業利益 Operating income	4.1	2.1	2.0	5.8	5.5	0.3	5.4	0.4
■経常利益 Ordinary income	3.8	2.1	1.7	5.2	5.0	0.2	5.2	-0.0
※実力損益 Real Income	3.8	3.4	0.4	5.2	4.7	0.5	7.4	-2.2

※Real income : Ordinary income excluding inventory factors.

Difference Analysis of Ordinary income

['19Q1 → '20Q1 +1.7]

One of main reasons is inventory factors for ITO sputtering target improved.

The other is increasing sales volume.

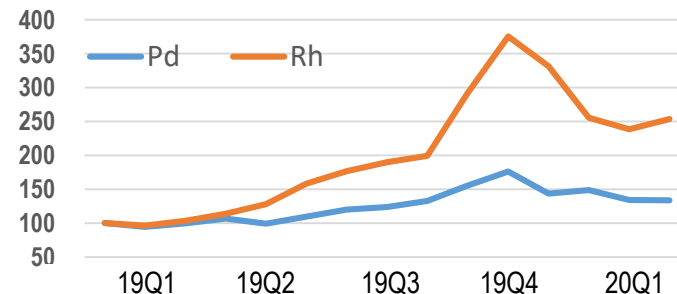
Though sales volume of Catalysts decreased, that of Engineered Powders and MicroThin™ (Ultra thin copper foil) increased.

['FY20/Q1-2 Forecast May 29

→ Forecast Aug. 7 +0.2]

The main reason is temporary loss by precious metal decrease in 2020Q1-Q2 will be smaller than that of previous forecast in 2020Q1-Q2.

Precious metal price



2019 April price scaled at 100

(Engineered Material Products)

(Main Applications)

Battery Materials



- Nickel-hydrogen batteries for hybrid cars
- Lithium-ion batteries

Engineered Powers



- Wide range of electronic components
- Abrasive for glass

Catalysts



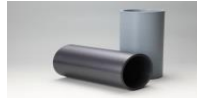
- Motorcycles
- Automobiles

Copper Foil



- High-Density Packaging
- Printed circuit board

PVD Materials (Sputtering target)



- Flat panel displays

Performance by Segment – Metals

(Unit: Billion yen)

	'20/Q1	'19/Q1	増減 Difference	'20/Q1-2 (今回予想) Forecast	'20/Q1-2 (前回予想) Forecast as of May 29	増減 Difference	'19/Q1-2	増減 Difference
■売上高 Sales	36.9	39.6	-2.6	77.0	86.0	-9.0	83.7	-6.7
■営業利益 Operating income	-1.6	1.8	-3.3	0.5	0.5	0.0	1.1	-0.6
■経常利益 Ordinary income	-2.5	2.5	-5.0	-1.8	-5.0	3.2	0.8	-2.6
※実力損益 Real Income	-1.8	2.9	-4.7	-2.2	-5.5	3.3	4.8	-7.0

※Real income : Ordinary income excluding inventory factors.

Metal Price and Forex

	'19/Q1	Q2	Q3	Q4	'20/Q1	Q2 Forecast	20Q1-2 Forecast	20Q1-2 Forecast (May 29)
Zinc \$/t	2,763	2,345	2,384	2,128	1,959	2,100	2,030	2,000
Zinc (Actual) \$/t	2,676	2,427	2,442	2,272	2,113	2,221	2,167	2,144
Lead \$/t	1,886	2,029	2,038	1,847	1,670	1,800	1,735	1,600
Copper (Q1:Jan-Mar) ¢/lb	282	277	263	267	256	242	249	253
Copper (Q1:Apr-Jun) ¢/lb	277	263	267	256	242	290	266	250
Yen/US\$ yen/\$	109.9	107.4	108.8	109.0	107.6	107.0	107.3	107.0
Yen/US\$ (Actual) yen/\$	110.0	107.8	108.1	108.3	107.8	107.3	107.5	107.3

Sensitivity to ordinary income (for FY2020)

※Full open basis (excluding forward contract)

(Unit : Billion yen)

Zinc	± 100\$/t	1.2
Lead	± 100\$/t	0.2
US\$(yen/\$)	± 1yen/\$	0.5

Ordinary Income

19Q1

20Q1-Q2 Forecast

as of May 29

Difference Analysis

→'20Q1

→as of Aug 7

LME/Forex	-1.4	0.2
T/C	0.4	0.0
Inventory Factors	-0.3	-0.1
Equity profit/loss	-2.4	1.7
Cokes	0.1	0.1
Dividends	0.8	0.9
Others	-2.2	0.4
Total	-5.0	3.2

Details of Others

['19Q1 → '20Q1 -2.2]

• Large scale maintenance for zinc smelting in 20Q1

• Zinc mine shutdown by COVID-19


['20Q1-Q2 Forecast May 29 → Forecast Aug. 7 +0.4]

• Cost down

Performance by Segment – Automotive Parts & Components

(Unit : Billion yen)

	'20/Q1	'19/Q1	増減 Difference	'20/Q1-2 (今回予想) Forecast	'20/Q1-2 (前回予想) Forecast as of May 29	増減 Difference	'19/Q1-2	増減 Difference
■売上高 Sales	12.3	23.3	-11.0	33.0	32.0	1.0	46.1	-13.1
■営業利益 Operating income	-2.2	-0.1	-2.0	-1.8	-3.0	1.2	-0.2	-1.6
■経常利益 Ordinary income	-2.0	0.1	-2.1	-1.6	-3.0	1.4	0.1	-1.7

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

Difference Analysis of Ordinary income

['19Q1 → '20Q1 - 2.1]

Sales amount decreased in 20Q1 due to COVID-19 impact.

['20Q1-Q2 Forecast as of May 29 → as of Aug.7 +1.4]

Further cost reduction.

2020 1st Half Forecast

■ Sales/Operation status by business segments compared to normal demand (excluding COVID-19 impact)

Segments		Assumptions (May 29)	Forecast (Aug 7)
Engineered materials	Catalyst for motorcycle	40% decrease in 1st Half	33% decrease in 1st Half
	Catalyst for automobile	25% decrease in 1st Half	Same as assumption
	MH alloys	33% decrease in 1st Half	23% decrease in 1st Half
Metals	Huanzala mine	Operation stopped for 3 months	Same as assumption. Operation resumed in July
	Caserones Copper mine	Operation down by 20% for 3months	Same as assumption
Automotive parts & components		Sales down by 20% per year Q1 : decrease by 50% After Q2 : decrease by 10%	Same as assumption, But there are regional differences.
Affiliate coordination		Sales down by 10% per year 1st Half : decrease by 15% 2nd Half : decrease by 5%	Same as assumption

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.

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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.

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