



MITSUI KINZOKU

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

FY2017 Results & FY2018 Forecast

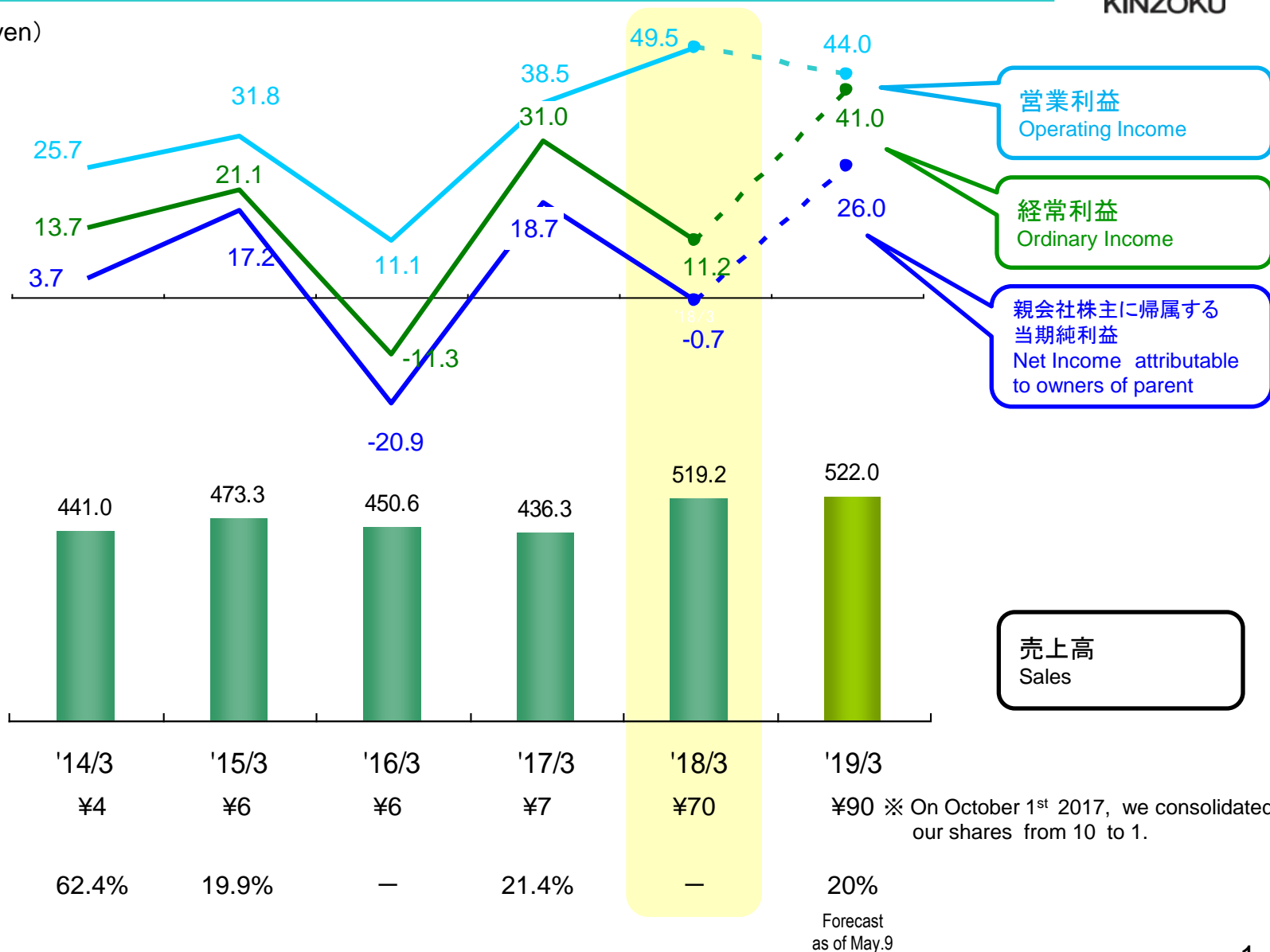
May 9, 2018

売上高・損益

Sales and Earnings



(Unit: Billion yen)



18年度業績予想

FY2018 Forecast Ordinary Income

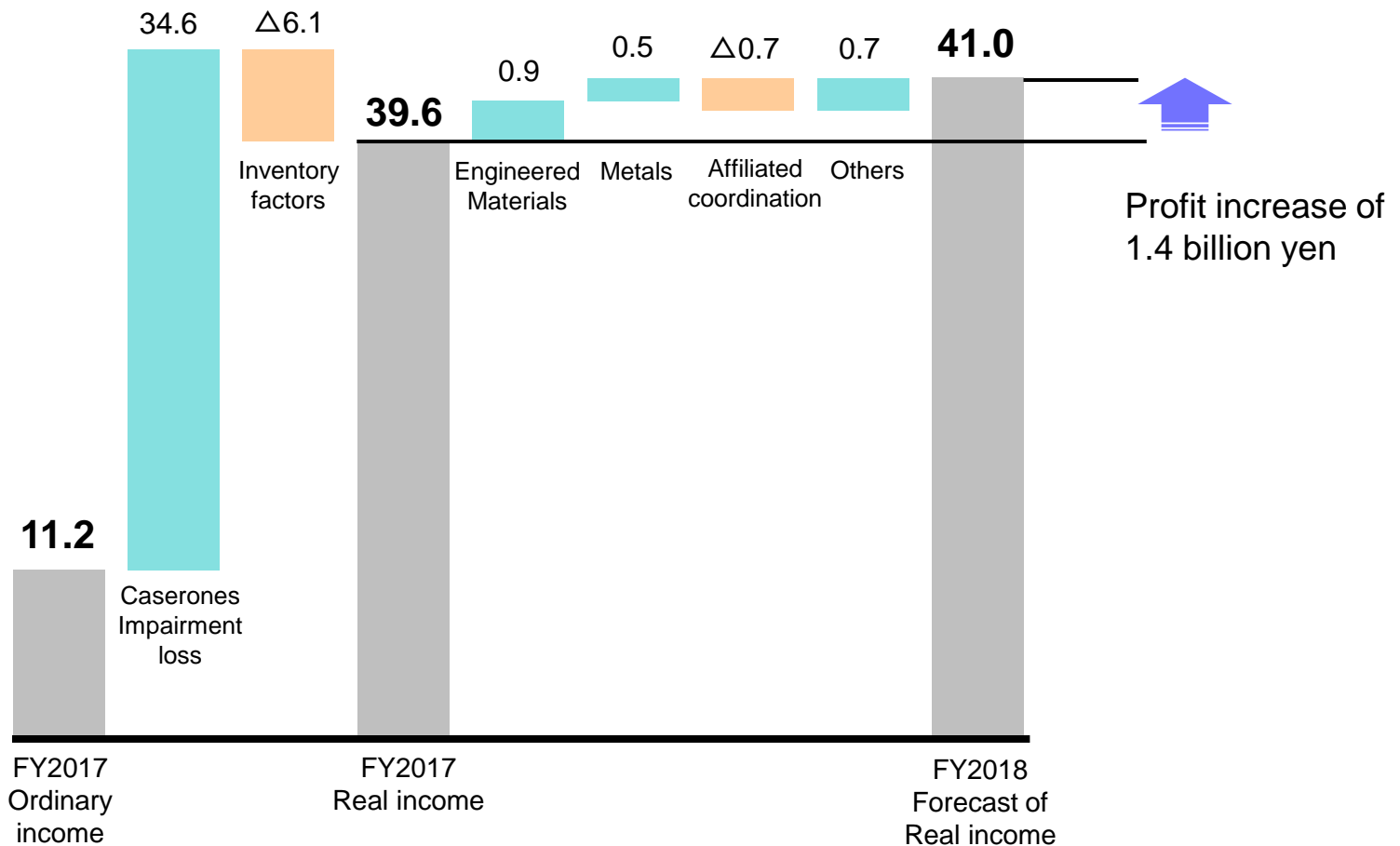


Real income of FY2018 is expected to be increased by 1.4 billion higher than that of FY2017

(Real income : Ordinary income excluding Caserones impairment loss and inventory factors)

FY2018 real income compared to the FY2017

(Unit: Billion yen)



損益計算書

Statements of income



(Unit: Billion yen)	実績 Results			見通し Forecast			
	2017	2016	増減 Change	2018 Forecast	増減 Change	上期 1st half	下期 2nd half
売上高 Net Sales	519.2	436.3	82.9 19.0%	522.0	2.8 0.5%	252.0	270.0
売上原価 Cost of sales	417.8	349.1	68.7 19.7%	-	-	-	-
売上総利益 Gross Income	101.4	87.3	14.1 16.2%	-	-	-	-
販売費・管理費 SG&A expenses	51.9	48.8	3.1 6.3%	-	-	-	-
営業利益 Operating Income	49.5	38.5	11.1 28.8%	44.0	-5.5 -11.2%	19.5	24.5
営業外収支 Non-operating income/expenses-net	-38.3	-7.4	-30.9	-3.0	35.3	-1.5	-1.5
経常利益 Ordinary Income	11.2	31.0	-19.8 -63.8%	41.0	29.8 264.8%	18.0	23.0
特別損益 Extraordinary gains/losses-net	-3.5	-5.1	1.6	-3.0	0.5	-1.7	-1.3
税引前利益 Net Income before income taxes	7.7	25.9	-18.2 -70.1%	38.0	30.3 391.2%	16.3	21.7
税金費用・少数株主利益 Income taxes & minority interests	8.4	7.3	1.2	12.0	3.6	5.3	6.7
親会社株主に帰属する 当期純利益 Net Income attributable to owners of parent	-0.7	18.7	-19.4	26.0	26.7	11.0	15.0

事業セグメント別内訳

Segment Information



(Unit: Billion yen)

	決算 Results			見通し Forecast			
	2017	2016	増減 Change	2018	増減 Change	上期 1st half	下期 2nd half
■売上高 Sales							
機能材料 Engineered Materials	167.2	145.8	21.4 14.7%	180.0	12.8 7.6%	88.0	92.0
金属 Metals	186.5	139.6	46.9 33.6%	181.0	-5.5 -3.0%	89.0	92.0
自動車部品 Automotive Parts and Components	102.0	113.2	-11.2 -9.9%	99.0	-3.0 -3.0%	49.0	50.0
関連 Affiliates Coordination	132.7	113.5	19.3 17.0%	126.0	-6.7 -5.1%	56.0	70.0
調整額 Adjustment	-69.3	-75.8	6.5	-64.0	5.3	-30.0	-34.0
連結 Consolidated	519.2	436.3	82.9 19.0%	522.0	2.8 0.5%	252.0	270.0
■経常利益 Ordinary Income							
機能材料 Engineered Materials	30.6	15.9	14.7 92.2%	30.0	-0.6 -2.0%	14.0	16.0
金属 Metals	5.5	8.5	-2.9 -34.8%	2.2	-3.3 -60.2%	1.0	1.2
自動車部品 Automotive Parts and Components	5.5	6.2	-0.7 -10.9%	5.5	-0.0 -0.3%	2.7	2.8
関連 Affiliates Coordination	6.8	5.7	1.2 20.2%	5.3	-1.5 -22.4%	1.2	4.1
調整額 Adjustment	-37.3	-5.2	-32.0	-2.0	35.3	-0.9	-1.1
連結 Consolidated	11.2	31.0	-19.8 -63.8%	41.0	29.8 264.8%	18.0	23.0

・Caserones impairment loss -34.6 billion yen is included in Adjustment

經常利益差異分析

Variance analysis of ordinary income



(Unit: Billion yen)

	Ordinary Income			Details					
	2017	2016	Diff.	Volume	LME/Forex	Inventory Factor	Margin/Cost	Equity gain or loss	Total
Engineered Materials	30.6	15.9	14.7	12.4	-0.2	2.6	-0.1	-	14.7
Metals	5.5	8.5	-2.9	1.4	3.5	-2.0	-7.9	2.1	-2.9
Automotive parts & components	5.5	6.2	-0.7	-	-0.6	-	-0.1	-	-0.7
Affiliate coordination	6.8	5.7	1.2	1.0	-0.1	-	-0.5	0.7	1.2
Adjustment	-37.3	-5.2	-32.0	-	-	-	2.6	-34.6	-32.0
Total	11.2	31.0	-19.8	14.8	2.6	0.6	-6.0	-31.8	-19.8

• Caserones impairment loss -34.6 billion yen is included in Adjustment

営業外収支・特別損益

Non-operating income/expenses and Extraordinary gains/losses



(Unit: Billion yen)

	実績 Results			見通し Forecast			
	2017	2016	増減 Change	2018	増減 Change	上期 1st half	下期 2nd half
金利収支 Interest income - net	-1.2	-1.2	0.0	-1.1	0.1	-0.6	-0.6
受取配当金 Dividend income - net	1.6	1.8	-0.2	1.3	-0.3	1.0	0.3
持分法投資損益 Equity in gains/losses	-38.0	-6.3	-31.7	-3.5	34.5	-2.4	-1.1
為替差損 Forex exchange loss - net	-0.9	-1.6	0.8	-0.1	0.8	0.0	-0.1
その他 Others	0.2	-0.0	0.2	0.4	0.3	0.4	-0.0
営業外収支 計 Non-operating income/expenses	-38.3	-7.4	-30.9	-3.0	35.3	-1.5	-1.5
固定資産除売却 Loss on sale & disposal of P.P.E.	-1.4	-2.9	1.5	-1.4	-0.0	-0.8	-0.6
投資有価証券売却益 Gain on sales of investment securities	0.1	0.6	-0.4	-	-0.1	-	-
減損損失 Impairment loss on P.P.E.	-0.3	-2.0	1.8	-	0.3	-	-
過年度関税 Custom tax of prior year	-1.1	-	-1.1	-	1.1	-	-
その他 Others	-0.8	-0.7	-0.1	-1.6	-0.7	-0.9	-0.7
特別損益 計 Extraordinary income/expense - net	-3.5	-5.1	1.6	-3.0	0.5	-1.7	-1.3

四半期売上高および経常利益推移

Quarterly sales and Ordinary Income



(Unit: Billion yen)

	'16/Q1	'16/Q2	'16/Q3	'16/Q4	'17/Q1	'17/Q2	'17/Q3	'17/Q4	FY2016	FY2017	YoY
■売上高 Sales											
機能材料 Engineered Materials	35.4	35.1	35.2	40.0	38.7	41.9	43.7	42.9	145.8	167.2	21.4
金属 Metals	27.5	31.8	37.0	43.4	37.3	45.0	46.9	57.4	139.6	186.5	46.9
自動車部品 Automotive Parts & Components	27.4	27.2	27.7	30.9	24.8	24.4	25.3	27.6	113.2	102.0	-11.2
関連 Affiliate Coordination	21.7	27.5	31.2	33.1	30.5	29.4	35.8	37.0	113.5	132.7	19.3
調整額 Adjustment	-13.4	-19.7	-21.4	-21.2	-15.1	-14.5	-20.5	-19.2	-75.8	-69.3	6.5
連結 Consolidated	98.7	101.8	109.7	126.2	116.2	126.2	131.3	145.6	436.3	519.2	82.9
■営業利益 [a] Operating Income	7.0	6.5	10.4	14.5	7.4	12.1	16.3	13.8	38.5	49.5	11.1
うち棚卸資産在庫要因 [b] Of which amounts impacted by inventory valuation	1.1	0.2	2.0	1.4	-0.1	1.2	2.8	1.4	4.7	5.3	0.6
[a] - [b]	5.9	6.3	8.4	13.1	7.5	10.9	13.5	12.4	33.8	44.2	10.5
■経常利益 Ordinary Income											
機能材料 Engineered Materials	3.7	2.3	5.3	4.6	6.4	7.5	9.6	7.0	15.9	30.6	14.7
金属 Metals	1.1	-0.4	1.9	5.9	-1.1	1.1	2.0	3.5	8.5	5.5	-2.9
自動車部品 Automotive Parts & Components	1.4	1.3	1.8	1.6	1.3	1.0	1.7	1.6	6.2	5.5	-0.7
関連 Affiliate Coordination	0.3	1.1	1.9	2.4	1.3	1.4	2.5	1.5	5.7	6.8	1.2
調整額 Adjustment	-0.7	-1.2	-2.2	-1.1	-0.4	-1.1	-0.3	-35.4	-5.2	-37.3	-32.0
連結 Consolidated	5.8	3.1	8.7	13.4	7.6	10.0	15.5	-21.8	31.0	11.2	-19.8
■親会社株主に帰属する 当期純利益 Net Income attributable to owners of parent	3.7	1.4	5.4	8.1	4.8	5.8	11.2	-22.5	18.7	-0.7	-19.4

営業利益

Operating Income



(Unit: Billion yen)

	'16/Q1	'16/Q2	'16/Q3	'16/Q4	'17/Q1	'17/Q2	'17/Q3	'17/Q4	FY2016	FY2017	YoY	18/1H Forecast	18/2H Forecast	FY2018 Forecast
■ 営業利益 Operating Income														
機能材料 Engineered Materials	4.2	2.6	4.7	5.0	6.2	7.4	9.6	7.6	16.5	30.8	14.3	13.8	16.0	29.8
金属 Metals	2.1	2.7	4.1	7.1	-0.6	3.6	3.5	4.2	16.1	10.8	-5.3	3.5	3.4	6.9
自動車部品 Automotive Parts & Components	1.4	1.6	2.0	1.6	1.1	1.0	1.5	1.6	6.6	5.2	-1.3	2.6	2.7	5.3
関連 Affiliate Coordination	0.2	1.0	1.6	1.9	0.9	1.2	2.1	1.1	4.6	5.2	0.6	0.8	3.4	4.2
調整額 Adjustment	-0.9	-1.3	-1.9	-1.2	-0.3	-1.1	-0.3	-0.8	-5.2	-2.5	2.8	-1.2	-1.0	-2.2
連結 Consolidated	7.0	6.5	10.4	14.5	7.4	12.1	16.3	13.8	38.5	49.5	11.1	19.5	24.5	44.0

持分法損益

Equity in gain or losses



(Unit: Billion yen)

	2016							2017									2018 Forecast		
	Q1	Q2	1st Half	Q3	Q4	2nd Half	FY 2016	Q1	Q2	1st Half	Q3	Q4	2nd Half	FY 2017	FY 2017 Forecast Feb.9th	Diff.	1st Half	2nd Half	FY 2018
Engineered Materials	0.1	0.1	0.2	0.1	0.1	0.2	0.4	0.1	0.1	0.2	0.1	0.1	0.2	0.4	0.4	0.0	0.2	0.2	0.4
Metals	-1.4	-3.1	-4.5	-2.5	-0.6	-3.1	-7.6	-0.8	-2.6	-3.4	-1.4	-0.6	-2.0	-5.4	-5.6	0.2	-2.9	-2.0	-4.9
Automotive Parts & Components	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Affiliate Coordination	0.1	-	0.1	0.2	0.6	0.8	0.9	0.3	0.3	0.6	0.5	0.5	1.0	1.6	1.6	-0.0	0.3	0.6	1.0
Others	-	-	-	-	-	-	-	-	-	-	-	-34.6	-34.6	-34.6	-	-34.6	-	-	-
Total	-1.2	-3.0	-4.2	-2.2	0.1	-2.1	-6.3	-0.4	-2.2	-2.6	-0.7	-34.7	-35.4	-38.0	-3.6	-34.4	-2.4	-1.1	-3.5

Zinc (\$ / t)	1,915	2,254	2,084	2,518	2,781	2,650	2,367	2,598	2,962	2,780	3,234	3,423	3,328	3,054			3,200	3,200	3,200
Copper (¢ / lb)	212	215	213	217	240	228	221	265	257	261	288	309	298	280			300	300	300
Forex (Yen/\$)	108	102	105	109	114	112	108	111	111	111	113	108	111	111			110	110	110

- Caserones impairment loss -34.6 billion yen is included in Others
- Copper price is listed on calendar year basis, Q1 is Jan – Mar.

主要製品の動向

Trends of products



			2016					2017					2018		
			Q1	Q2	Q3	Q4	年間	Q1	Q2	Q3	Q4	年間	1H	2H	年間
MH alloy	Volume of Sales	Index	100	88	96	96	95	86	91	96	94	92	101	101	101
Catalysts for motorcycle	Volume of Sales	Index	100	104	86	111	100	119	126	115	118	119	115	114	115
Catalysts for automobile	Volume of Sales	Index	100	107	109	150	117	159	182	185	191	179	206	231	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	2,500	2,360	2,430
MicroThin™	Volume of Sales	Index	100	108	115	104	107	151	221	233	186	198	245	296	270
ITO Target	Volume of Sales	Index	100	112	124	114	113	118	125	135	116	124	131	133	132
Zinc	Volume of Production	k-t	56	57	56	53	55	47	59	54	56	54	53	57	55
Side door Latches	Volume of Sales	Index	100	103	103	112	104	105	102	101	111	105	—	—	—

在庫要因

Inventory Factors



(Unit: Billion yen)




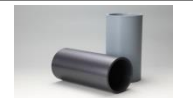

	2016							2017								2018 Forecast	
	Q1	Q2	上期 1st H	Q3	Q4	下期 2nd H	FY 2016	Q1	Q2	1st Half	Q3	Q4	2nd Half	FY 2017	FY 2017 Forecast Feb.9th	Diff.	FY 2018
Engineered Materials	-	-0.9	-0.9	-0.1	-0.1	-0.2	-1.1	-0.1	-0.3	-0.4	0.9	1.0	1.9	1.5	0.7	0.8	-
Metals	1.1	1.1	2.2	2.1	1.5	3.6	5.8	-	1.5	1.5	1.9	0.4	2.3	3.8	3.1	0.7	-
Automotive Parts & Components	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Affiliate Coordination	-0.2	-0.2	-0.4	0.3	0.4	0.7	0.3	-	0.3	0.3	0.3	0.2	0.5	0.8	0.8	-	-
Total	0.9	-	0.9	2.3	1.8	4.1	5.0	-0.1	1.5	1.4	3.1	1.6	4.7	6.1	4.6	1.5	-

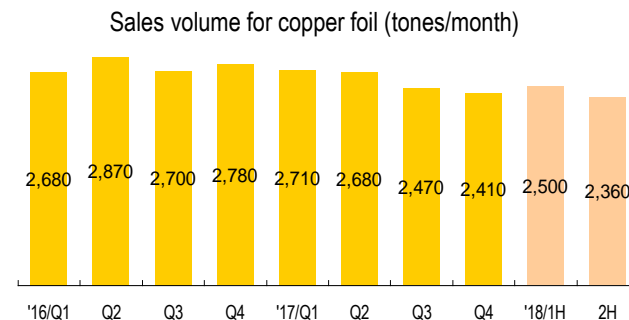
セグメントの業績(1) 機能材料

Performance by Segment – Engineered Materials

(Unit: Billion yen)

	2017	2016	増減 YonY	2018 (予想) Forecast	増減 YonY	上/18 (予想) Forecast 1st half	下/18 (予想) Forecast 2nd half
■売上高 Sales	167.2	145.8	21.4	180.0	12.8	88.0	92.0
■営業利益 Operating Income	30.8	16.5	14.3	29.8	-1.0	13.8	16.0
■経常利益 Ordinary Income	30.6	15.9	14.7	30.0	-0.6	14.0	16.0

(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



セグメントの業績(2) 金属

Performance by Segment – Metals

(Unit: Billion yen)

	2017	2016	増減 YonY	2018 (予想) Forecast	増減 YonY	上/18 (予想) Forecast 1st half	下/18 (予想) Forecast 2nd half
■売上高 Sales	186.5	139.6	46.9	181.0	-5.5	89.0	92.0
■営業利益 Operating Income	10.8	16.1	-5.3	6.9	-3.9	3.5	3.4
■経常利益 Ordinary income	5.5	8.5	-2.9	2.2	-3.3	1.0	1.2

Metal Prices

		Forecast		
		FY'16	FY'17	FY'18
Zn	\$/t	2,367	3,054	3,200
Zn (Actual)	\$/t	2,208	2,646	2,896
Pb	\$/t	2,005	2,379	2,300
Cu	¢ /lb	221	280	300
Forex	yen/\$	108	111	110
Forex (Actual)	yen/\$	115	113	109

Difference Analysis	2016→2017	2017→2018
LME/Forex	3.5	1.1
T/C	-1.9	-0.9
Cokes	-1.1	-
Inventory Factors	-2.0	-3.8
Equity profit/loss	2.1	0.6
Dividends	-0.2	-
Others	-3.3	-0.3
Total	-2.9	-3.3

Sensitivity to ordinary income (for FY2018)

(Billion yen)


Zn	±100\$/t	1.2
Pb	±100\$/t	0.2
US\$(yen/\$)	±1yen/\$	0.5

セグメントの業績(3) 自動車部品

Performance by Segment – Automotive Parts & Components

(Unit: Billion yen)

	2017	2016	増減 YonY	2018 (予想) Forecast	増減 YonY	上/18 (予想) Forecast 1st half	下/18 (予想) Forecast 2nd half
■売上高 Sales	102.0	113.2	-11.2	99.0	-3.0	49.0	50.0
■営業利益 Operating Income	5.2	6.6	-1.3	5.3	0.1	2.6	2.7
■経常利益 Ordinary income	5.5	6.2	-0.7	5.5	-0.0	2.7	2.8

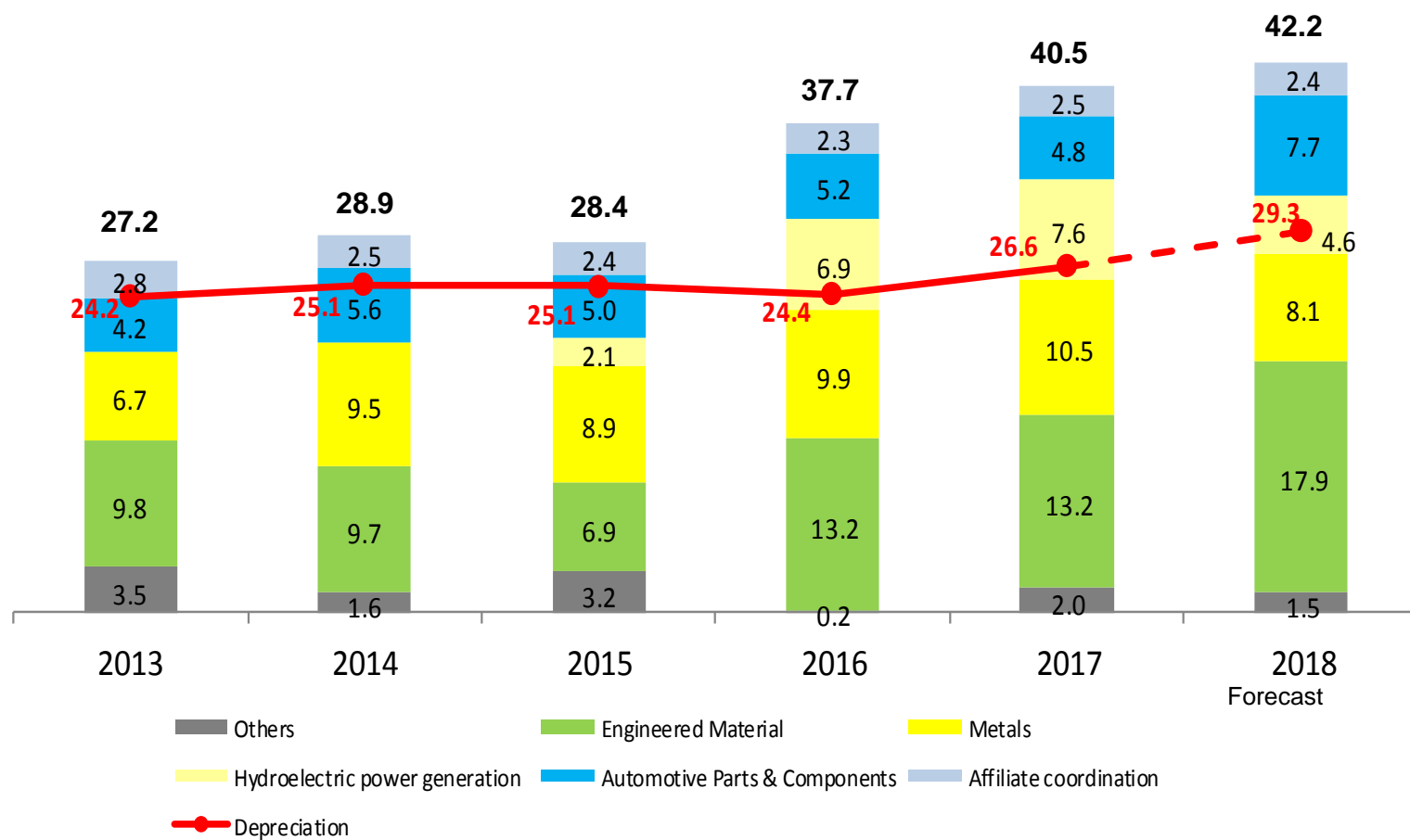
[Mitsui Kinzoku ACT]		(Main Applications)
Automotive Parts & Components		<ul style="list-style-type: none"> • Door locks for automobiles

設備投資・減価償却

CAPEX and Depreciation



(Unit: Billion yen)

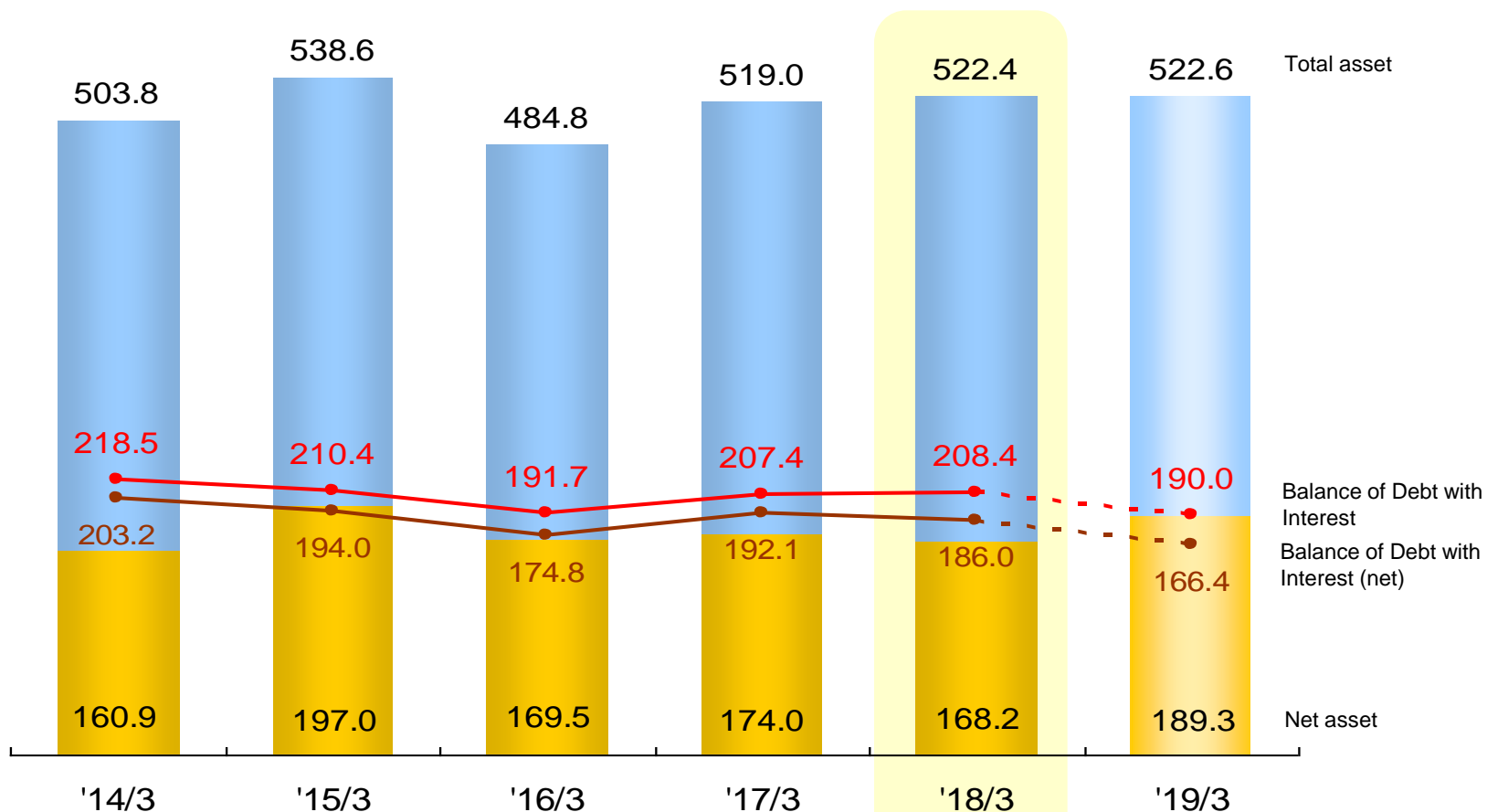


財政状態

Financial Position at Term End



(Unit: Billion yen)



D/E Ratio

1.36

1.07

1.13

1.19

1.24

1.00

D/E Ratio(net) ※

1.26

0.98

1.03

1.10

1.11

0.88

Capital Ratio

32%

37%

35%

34%

32%

36%

※ Net debt with interest / Net asset

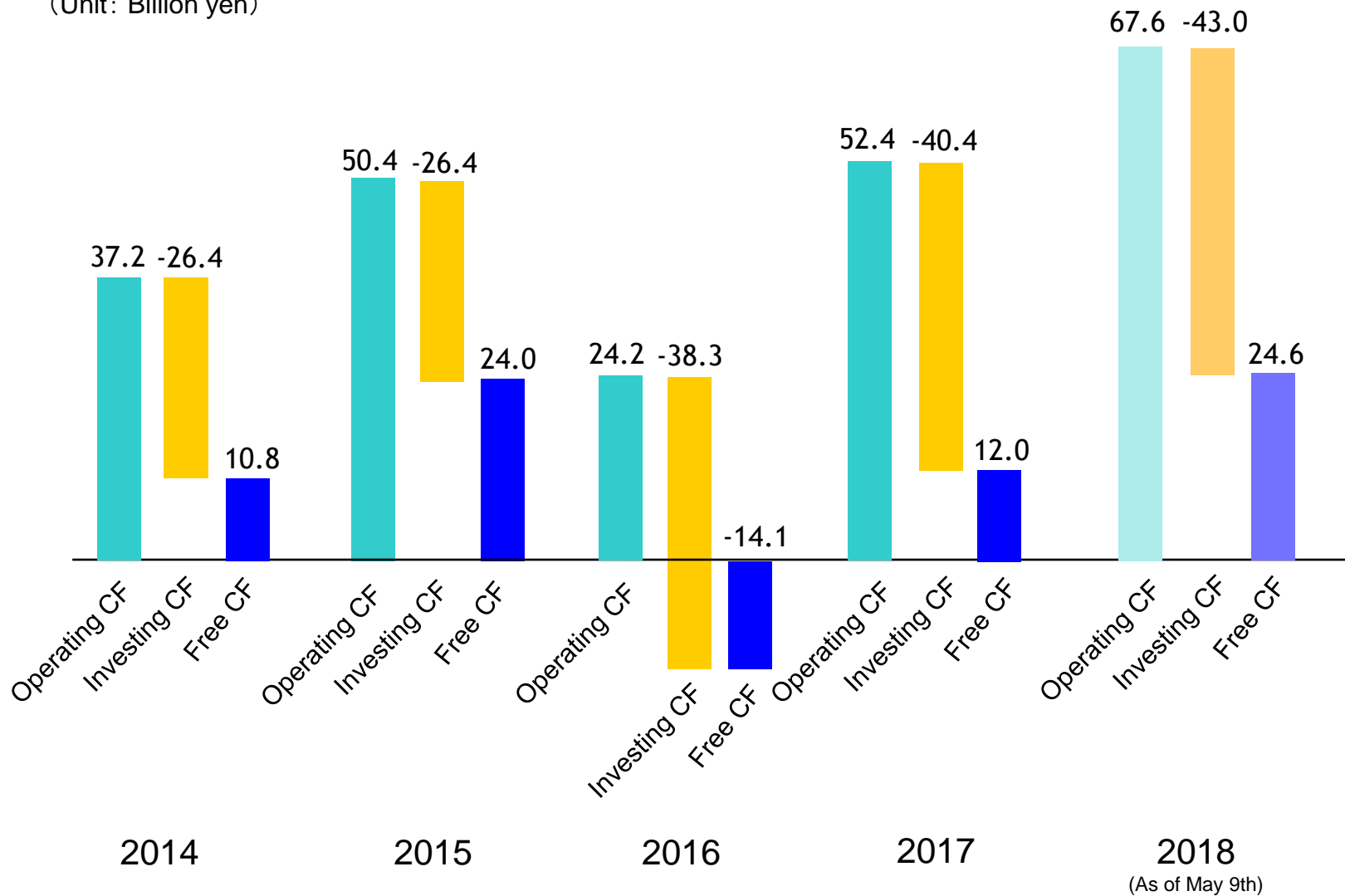
(5/9 現在予想)

キャッシュフロー

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.

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