



MITSUI KINZOKU

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

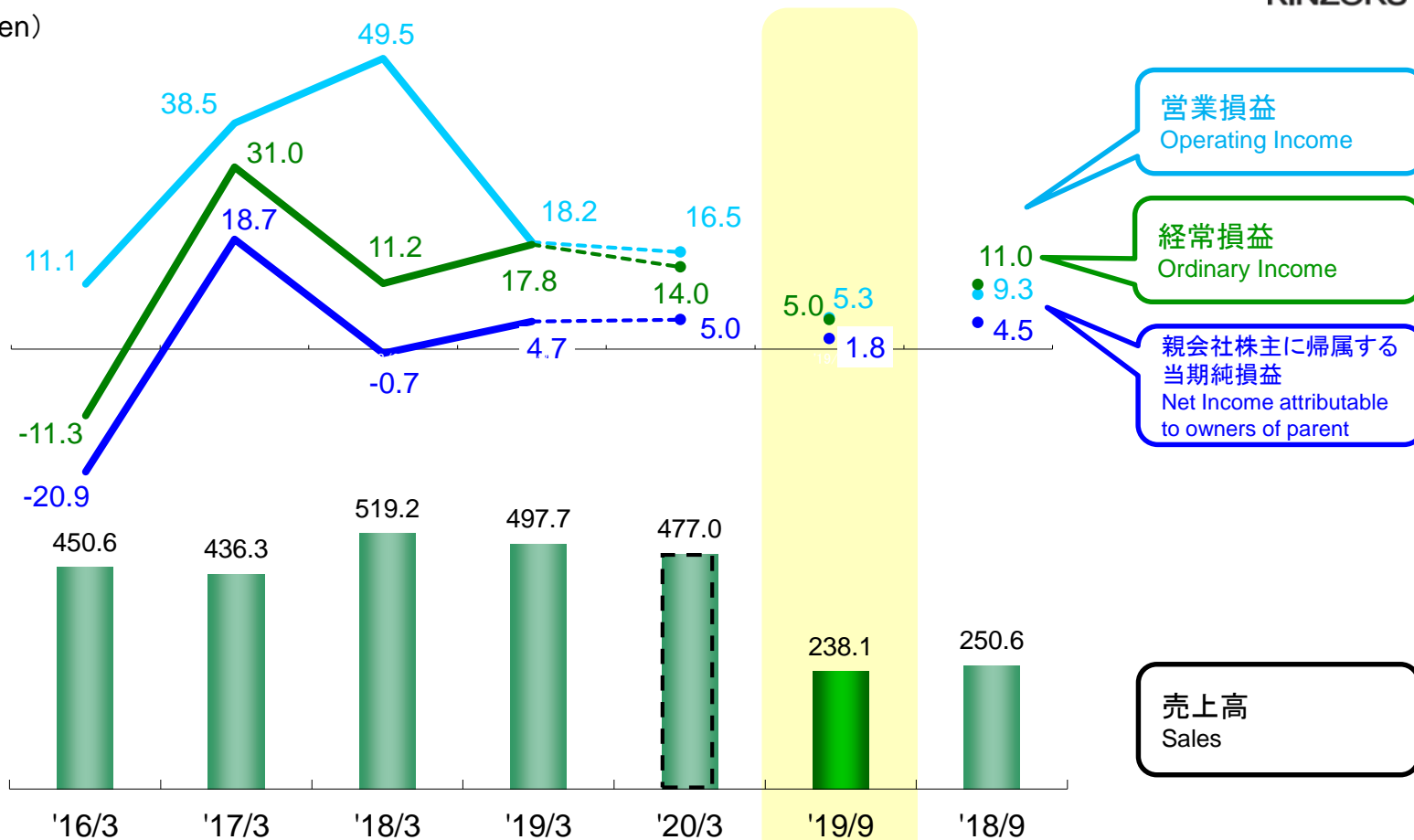
FY2019 Q2 Results & Forecast

November 11, 2019

Sales and Earnings



(Unit: Billion yen)



Dividend per share

¥6 ¥7 ¥70 ※ ¥70 ¥70

Dividend payout ratio

21.4% — 85.2% 79.9%

DOE

2.3% 2.5% 2.5% 2.5%

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

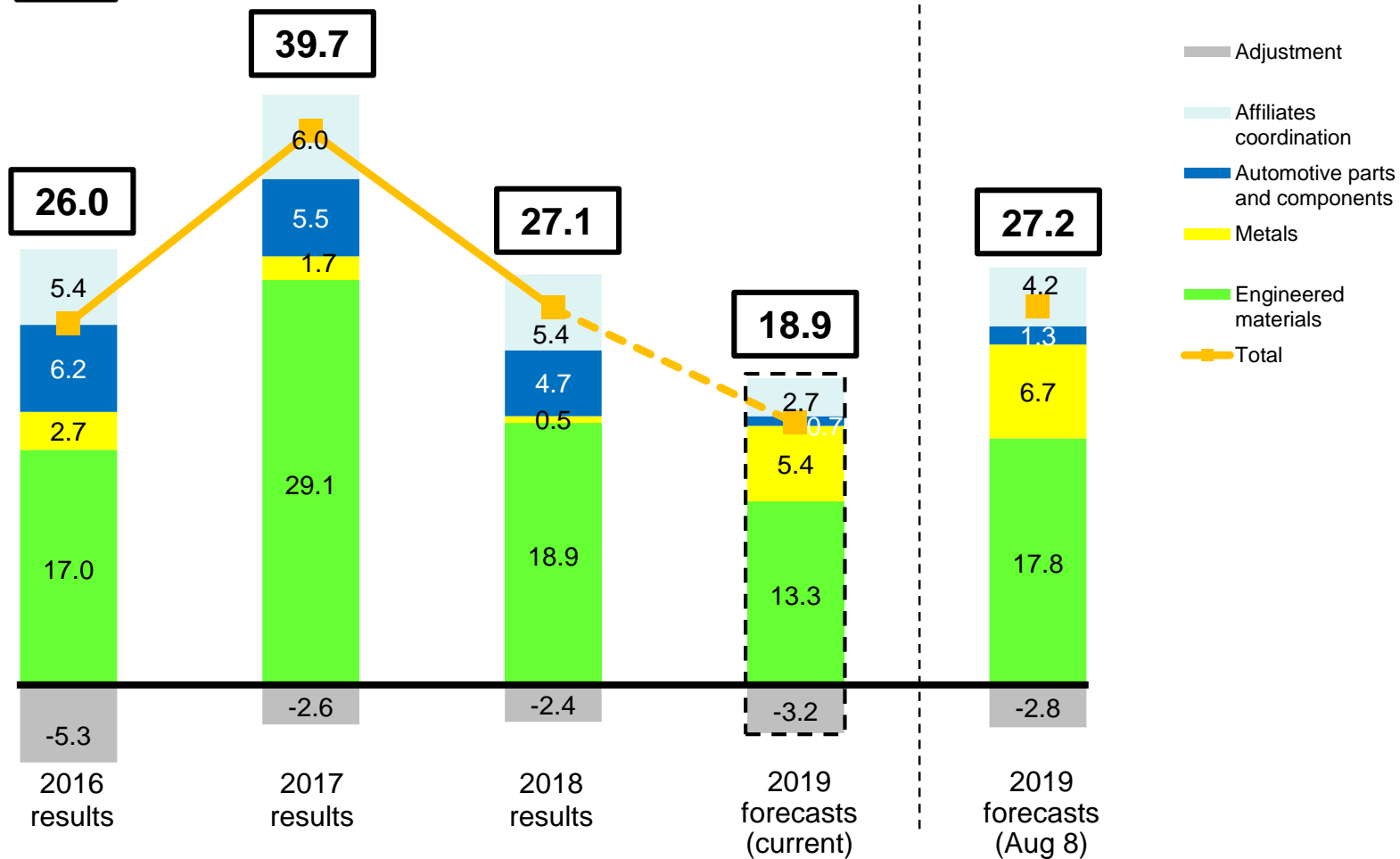
Forecast as of Nov. 11

Financial Performance

Trends in Financial Performance (excludes inventory factor, Caserones impairment)

 : Financial Performance

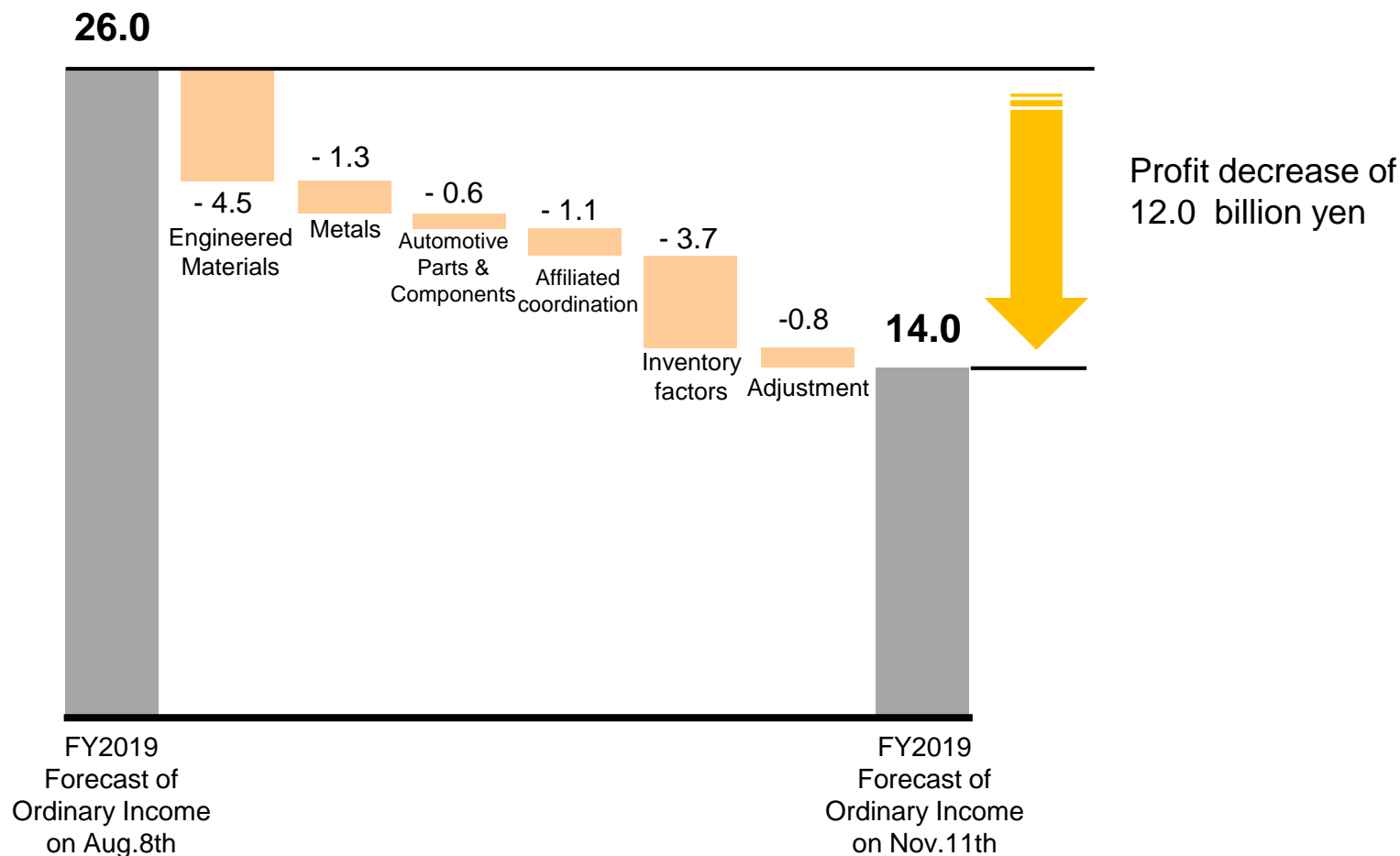
(Unit: Billion yen)



FY 2019 Ordinary Income Forecast

Ordinary income of FY2019 is expected to be decreased by 12.0 billion lower than that of FY2019 announced on Aug.8th.

(Unit: Billion yen)



Statements of income

(Unit : Billion yen)	実績 Results			通期見通し Forecast				
	'19/Q1-2	'18/Q1-2	増減 Difference	2019 今回予想 Forecast	2018	増減 Change	2019 8/8 予想 Forecast as of Aug. 8	増減 Difference
売上高 Net Sales	238.1	250.6	-12.5 -5.0%	477.0	497.7	-20.7 -4.2%	500.0	-23.0 -4.6%
売上原価 Cost of sales	204.9	214.3	-9.4 -4.4%	-	-	-	-	-
売上総利益 Gross Profit	33.2	36.3	-3.2 -8.7%	-	-	-	-	-
販売費・管理費 SG&A expenses	27.8	27.1	0.7 2.7%	-	-	-	-	-
営業利益 Operating Income	5.3	9.3	-3.9 -42.2%	16.5	18.2	-1.7 -9.5%	26.0	-9.5 -36.5%
営業外収支 Non-operating income/expenses-net	-0.4	1.8	-2.2	-2.5	-0.5	-2.0	0.0	-2.5
経常利益 Ordinary Income	5.0	11.0	-6.1 -55.0%	14.0	17.8	-3.8 -21.2%	26.0	-12.0 -46.2%
特別損益 Extraordinary profit/losses-net	-0.2	-1.3	1.1	-2.7	-2.6	-0.1	-2.7	-0.0
税引前利益 Net Income before income taxes	4.8	9.7	-5.0 -51.0%	11.3	15.2	-3.9 -25.5%	23.3	-12.0 -51.5%
税金費用・非支配株主帰属損益 Income taxes & minority interests	3.0	5.2	-2.2	6.3	10.4	-4.1	6.3	-0.0
親会社株主に帰属する 当期純利益 Net income attributable to owners of parent	1.8	4.5	-2.7 -59.9%	5.0	4.8	0.2 4.5%	17.0	-12.0 -70.6%

Segment Information by Business

(Unit: Billion yen)

	上期 1st half			下期 2nd half			通期 FY		
	2019	2018	増減 Difference	2019 (予想) Forecast	2018	増減 Difference	2019 (予想) Forecast	2018	増減 Difference
■売上高 Sales									
機能材料 Engineered Materials	82.3	86.8	-4.4 -5.1%	81.7	78.7	3.0 3.7%	164.0	165.5	-1.5 -0.9%
金属 Metals	83.7	84.4	-0.7 -0.9%	80.3	82.3	-1.9 -2.3%	164.0	166.6	-2.6 -1.6%
自動車部品 Automotive Parts and Components	46.1	50.5	-4.4 -8.8%	46.9	53.5	-6.6 -12.3%	93.0	104.0	-11.0 -10.6%
関連 Affiliates Coordination	53.3	61.4	-8.1 -13.2%	64.7	65.5	-0.8 -1.2%	118.0	126.9	-8.9 -7.0%
調整額 Adjustment	-27.3	-32.4	5.1	-34.7	-32.9	-1.8	-62.0	-65.3	3.3
連結 Consolidated	238.1	250.6	-12.5 -5.0%	238.9	247.1	-8.2 -3.3%	477.0	497.7	-20.7 -4.2%
■経常利益 Ordinary Income									
機能材料 Engineered Materials	5.2	11.7	-6.4 -55.2%	5.9	4.9	0.9 19.1%	11.1	16.6	-5.5 -33.2%
金属 Metals	0.8	-3.1	4.0	2.3	-2.9	5.2	3.1	-6.0	9.1
自動車部品 Automotive Parts and Components	0.1	1.9	-1.8 -92.9%	0.6	2.8	-2.2 -79.7%	0.7	4.7	-4.0 -85.1%
関連 Affiliates Coordination	0.4	2.1	-1.7 -78.8%	2.3	2.8	-0.5 -18.7%	2.7	4.9	-2.2 -44.7%
調整額 Adjustment	-1.7	-1.5	-0.2	-1.9	-0.8	-1.1	-3.6	-2.4	-1.2
連結 Consolidated	5.0	11.0	-6.1 -55.0%	9.0	6.7	2.3 34.1%	14.0	17.8	-3.8 -21.2%

Variance analysis of ordinary income

(Unit Billion yen)

	Ordinary Income			Details					
	19Q1-Q2	18Q1-Q2	Diff.	Volume	LME/Forex	Inventory Factor	Margin/Cost	Equity gain or loss	Total
Engineered Materials	5.2	11.7	-6.4	-1.6	-1.6	-2.7	-0.6	0.0	-6.4
Metals	0.8	-3.1	4.0	-0.3	-0.8	0.8	3.7	0.5	4.0
Automotive parts & components	0.1	1.9	-1.8	-1.5	-0.1	-	-0.2	-	-1.8
Affiliate coordination	0.4	2.1	-1.7	-0.8	-0.1	-	-0.3	-0.5	-1.7
Adjustment	-1.7	-1.5	-0.2	-	-	-	-0.2	-	-0.2
Total	5.0	11.0	-6.1	-4.2	-2.5	-1.9	2.5	0.0	-6.1

Non-operating income/expenses and Extraordinary gains/losses

(Unit : Billion yen)

	上期 1st half			下期 2nd half			通期 FY		
	2019	2018	増減 Difference	2019 (予想) Forecast	2018	増減 Difference	2019 (予想) Forecast	2018	増減 Difference
金利収支 Interest income - net	-0.7	-0.6	-0.0	-0.7	-0.6	-0.0	-1.3	-1.3	-0.0
受取配当金 Dividend income - net	1.1	1.5	-0.4	0.7	0.2	0.4	1.8	1.7	0.1
持分法投資損益 Equity in gains/losses	-0.5	-0.5	0.0	-2.0	-1.7	-0.3	-2.5	-2.2	-0.3
為替差損益 Forex Exchange gain or loss	-0.7	1.2	-1.9	0.0	-0.3	0.3	-0.7	0.9	-1.6
その他 Others	0.4	0.3	0.1	-0.1	0.2	-0.3	0.2	0.4	-0.2
営業外損益 計 Non-operating income/expenses	-0.4	1.8	-2.2	-2.1	-2.2	0.1	-2.5	-0.5	-2.0
固定資産除売却 Loss on sale & disposal of Fixed	-0.4	-0.6	0.2	-0.9	-1.1	0.2	-1.3	-1.7	0.4
災害損失 Disaster loss	-0.1	-0.4	0.3	0.0	0.0	-0.0	-0.1	-0.3	0.2
受取保険金 Insurance Proceeds	0.5	0.0	0.5	0.0	0.0	-0.0	0.5	0.0	0.5
その他 Others	-0.1	-0.3	0.1	-1.6	-0.3	-1.3	-1.8	-0.6	-1.2
特別損益 計 Extraordinary profit/losses - net	-0.2	-1.3	1.1	-2.5	-1.3	-1.2	-2.7	-2.6	-0.1

Quarterly sales and incomes

(Unit : Billion yen)

	'18/Q1	'18/Q2	'18/Q3	'18/Q4	'19/Q1	'19/Q2	Q1増減 (前年比) YonY	Q1増減 (前Q比) QonQ
■売上高 Sales								
機能材料 <i>Engineered Materials</i>	42.4	44.4	41.3	37.4	39.8	42.6	-1.8	2.8
金属 <i>Metals</i>	43.8	40.6	37.9	44.3	39.6	44.1	3.5	4.5
自動車部品 <i>Automotive Parts & Components</i>	25.3	25.2	26.7	26.9	23.3	22.8	-2.4	-0.5
関連 <i>Affiliates Coordination</i>	29.5	31.9	33.7	31.8	25.9	27.4	-4.5	1.6
調整額 <i>Adjustment</i>	-15.1	-17.3	-17.5	-15.4	-12.6	-14.6	2.7	-2.0
連結 <i>Consolidated</i>	125.9	124.7	122.2	124.9	115.9	122.2	-2.5	6.4
■営業利益 [a]								
Operating Income	7.8	1.4	3.3	5.7	2.8	2.5	1.1	-0.2
うち棚卸資産在庫要因 [b] Of which amounts impacted by inventory valuation	0.5	-4.8	-1.8	-2.7	-1.7	-4.5	0.3	-2.8
[a] - [b]	7.3	6.2	5.1	8.4	4.5	7.0	0.8	2.6
■経常利益								
機能材料 <i>Engineered Materials</i>	6.2	5.5	2.7	2.3	2.1	3.2	-2.3	1.1
金属 <i>Metals</i>	0.9	-4.0	-3.0	0.1	2.5	-1.6	2.4	-4.1
自動車部品 <i>Automotive Parts & Components</i>	0.9	1.0	1.3	1.5	0.1	0.0	-1.0	-0.1
関連 <i>Affiliates Coordination</i>	0.9	1.2	1.6	1.2	0.3	0.2	-1.1	-0.1
調整額 <i>Adjustment</i>	-0.7	-0.8	-0.9	0.1	-1.4	-0.3	0.5	1.1
連結 <i>Consolidated</i>	8.2	2.9	1.6	5.1	3.6	1.4	-1.5	-2.2
■親会社株主に帰属する 当期純利益								
Net income attributable to owners of parent	4.5	0.0	-0.1	0.4	2.6	-0.8	-0.8	-3.3

Operating income

(Unit : Billion yen)

■ 営業利益 Operating income	'18/Q1	'18/Q2	'18/Q3	'18/Q4	'19/Q1	'19/Q2	前年 同期比	前Q比	'19/Q3- Q4 Forecast	'18/Q3- Q4	増減 Difference
							19Q2-' 18Q2	19Q2-' 19Q1			
機能材料 Engineered materials	5.6	5.1	2.8	2.2	2.1	3.3	-1.8	1.1	6.1	5.0	1.1
金属 Metals	1.3	-4.2	-1.7	1.0	1.8	-0.7	3.5	-2.5	4.2	-0.7	4.9
自動車部品 Automotive Parts & Components	1.0	0.5	1.3	1.2	-0.1	-0.0	-0.5	0.1	0.5	2.6	-2.1
関連 Affiliated Coordination	0.6	1.0	1.4	1.0	0.0	0.3	-0.7	0.3	2.0	2.4	-0.3
調整額 Adjustment	-0.6	-1.0	-0.6	0.3	-1.0	-0.3	0.6	0.6	-1.7	-0.3	-1.4
連結 Consolidated	7.8	1.4	3.3	5.7	2.8	2.5	1.1	-0.2	11.2	9.0	2.2

Equity in gain or losses

(Unit : Billion yen)

	2018							2019 Forecast						
	Q1	Q2	1st Half	Q3	Q4	2nd Half	FY 2018	Q1	Q2	1st H	2nd H Fore casr	FY 2019 Fore cast	FY 2019 Fore cast (Aug 8)	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	-1.1	-0.0	-1.1	-1.3	-0.9	-2.3	-3.4	0.2	-0.8	-0.6	-2.4	-3.0	-1.0	-1.9
Automotive Parts & Components	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Affiliate Coordination	0.2	0.2	0.4	0.2	0.2	0.4	0.8	0.0	-0.1	-0.1	0.1	0.1	1.0	-0.9
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-0.8	0.3	-0.5	-1.0	-0.7	-1.7	-2.2	0.3	-0.8	-0.5	-2.0	-2.5	0.3	-2.8

Copper (¢ / lb)	316	312	314	277	280	278	296	282	277	280	260	270	295
Forex (Yen/\$)	109	111	110	113	110	112	111	110	107	109	108	108	110

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

Trends of products

			2017					2018					2019					2019	
			Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q1-Q2 Actual	Q3-Q4 Forecast	Year Forecast	Year Forecast (Aug 8th)	Q1-Q2 Forecast (Aug 8th)
MH alloy	Volume of Sales	Index	100	106	111	109	106	114	111	124	117	117	116	120	118	128	123	116	119
Catalysts for motorcycle	Volume of Sales	Index	100	106	97	99	100	105	106	95	90	99	97	100	99	100	99	104	100
Catalysts for automobile	Volume of Sales	Index	100	114	116	120	113	137	151	179	165	158	175	183	179	194	186	177	184
Copper foil	Volume of Sales	t	2,710	2,680	2,470	2,410	2,570	2,400	2,460	2,020	1,930	2,200	2,320	2,520	2,420	2,500	2,460	2,390	2,430
MicroThin™	Volume of Sales	Index	100	147	155	124	131	113	131	105	65	103	95	132	113	100	107	131	110
ITO Target	Volume of Sales	Index	100	105	114	98	105	102	94	102	92	97	89	99	94	94	94	106	97
Zinc	Volume of Production	k-t	47	59	54	56	216	54	49	50	58	211	56	56	112	108	220	222	112
Side door Latches	Volume of Sales	Index	100	99	98	109	102	100	100	105	104	102	98	96	97	—	—	—	—

※ Index : The sales volume in 2017 Q1 being 100

Inventory Factors

(Unit : Billion yen)





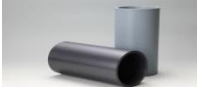
	2018							2019						
	Q1	Q2	1st Half	Q3	Q4	2nd Half	FY 2018	Q1	Q2	1st Half	2nd Half	FY 2019	FY 2019 (Aug 8th)	Diff.
Engineered Materials	0.8	-0.3	0.5	-1.9	-0.9	-2.8	-2.3	-1.3	-0.9	-2.2	-	-2.2	-	-2.2
Metals	-0.3	-4.5	-4.8	0.1	-1.8	-1.7	-6.5	-0.4	-3.6	-4.0	1.7	-2.3	-1.2	-1.1
Automotive Parts & Components	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Affiliate Coordination	-	-0.3	-0.3	-0.1	-0.1	-0.2	-0.5	-	-0.2	-0.2	-0.2	-0.4	-	-0.4
Total	0.5	-5.1	-4.6	-1.9	-2.8	-4.7	-9.3	-1.7	-4.7	-6.4	1.5	-4.9	-1.2	-3.7

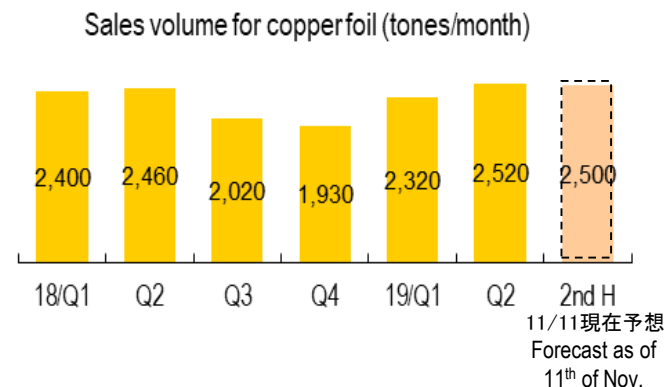
インジウム(High) (\$/Kg)	335	292	313	262	230	246	280	196	174	185	170	177	220
亜鉛 (\$ / t)	3,114	2,534	2,824	2,630	2,705	2,667	2,746	2,763	2,345	2,554	2,450	2,502	2,600
鉛 (\$ / t)	2,387	2,102	2,245	1,964	2,037	2,000	2,123	1,886	2,029	1,958	2,100	2,030	2,000
銅 (¢ / lb)	312	277	294	280	282	281	288	277	263	270	260	265	295

Performance by Segment – Engineered Materials

(Unit : Billion yen)

	2019 Q1-2	2018 Q1-2	増減 YonY	2019 Q3-4 (予想) Forecast	2018 Q3-4	増減 YonY	2019 通期 (予想) Forecast	2018 通期	増減 YonY
■売上高 Sales	82.3	86.8	-4.4	81.7	78.7	3.0	164.0	165.5	-1.5
■営業利益 Operating income	5.4	10.6	-5.3	6.1	5.0	1.1	11.5	15.6	-4.1
■経常利益 Ordinary income	5.2	11.7	-6.4	5.9	4.9	0.9	11.1	16.6	-5.5

(Engineered Material Products)		(Main Applications)
Battery Materials		<ul style="list-style-type: none"> • Nickel-hydrogen batteries for hybrid cars • Lithium-ion batteries
Engineered Powers		<ul style="list-style-type: none"> • Wide range of electronic components • Toner for copier
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



Performance by Segment – Metals

(Unit Billion yen)

	2019 Q1-2	2018 Q1-2	増減 YonY	2019 Q3-4 (予想) Forecast	2018 Q3-4	増減 YonY	2019 通期 (予想) Forecast	2018 通期	増減 YonY
■売上高 Sales	83.7	84.4	-0.7	80.3	82.3	-1.9	164.0	166.6	-2.6
■営業利益 Operating income	1.1	-2.8	3.9	4.2	-0.7	4.9	5.3	-3.5	8.8
■経常利益 Ordinary income	0.8	-3.1	4.0	2.3	-2.9	5.2	3.1	-6.0	9.1

Metal Prices

		Forecast			
		'18/Q1-2	'18/Q3-4	'19/Q1-2	'19/Q3-4
Zn	\$/t	2,824	2,667	2,554	2,450
Zn (Actual)	\$/t	2,686	2,615	2,551	2,483
Pb	\$/t	2,245	2,000	1,958	2,100
Cu	¢ /lb	314	278	280	260
Forex	yen/\$	110.3	111.6	108.6	108.0
Forex (Actual)	yen/\$	109.3	110.1	108.9	107.5

Difference Analysis	'18/Q1-2 →'19/Q1-2	'18/Q3-4 →'19/Q3-4
LME/Forex	-0.8	-0.8
T/C	1.0	1.0
Inventory Factors	0.8	3.4
Equity profit/loss	0.5	-0.1
Cokes	0.0	0.1
Dividends	-0.4	0.6
Others	2.9	1.0
Total	4.0	5.2

Sensitivity to ordinary income (for FY2019 2nd half)


(Unit : Billion yen)

Zn	±100\$/t	0.6
Pb	±100\$/t	0.1
US\$(yen/\$)	±1yen/\$	0.2

Performance by Segment – Automotive Parts & Components

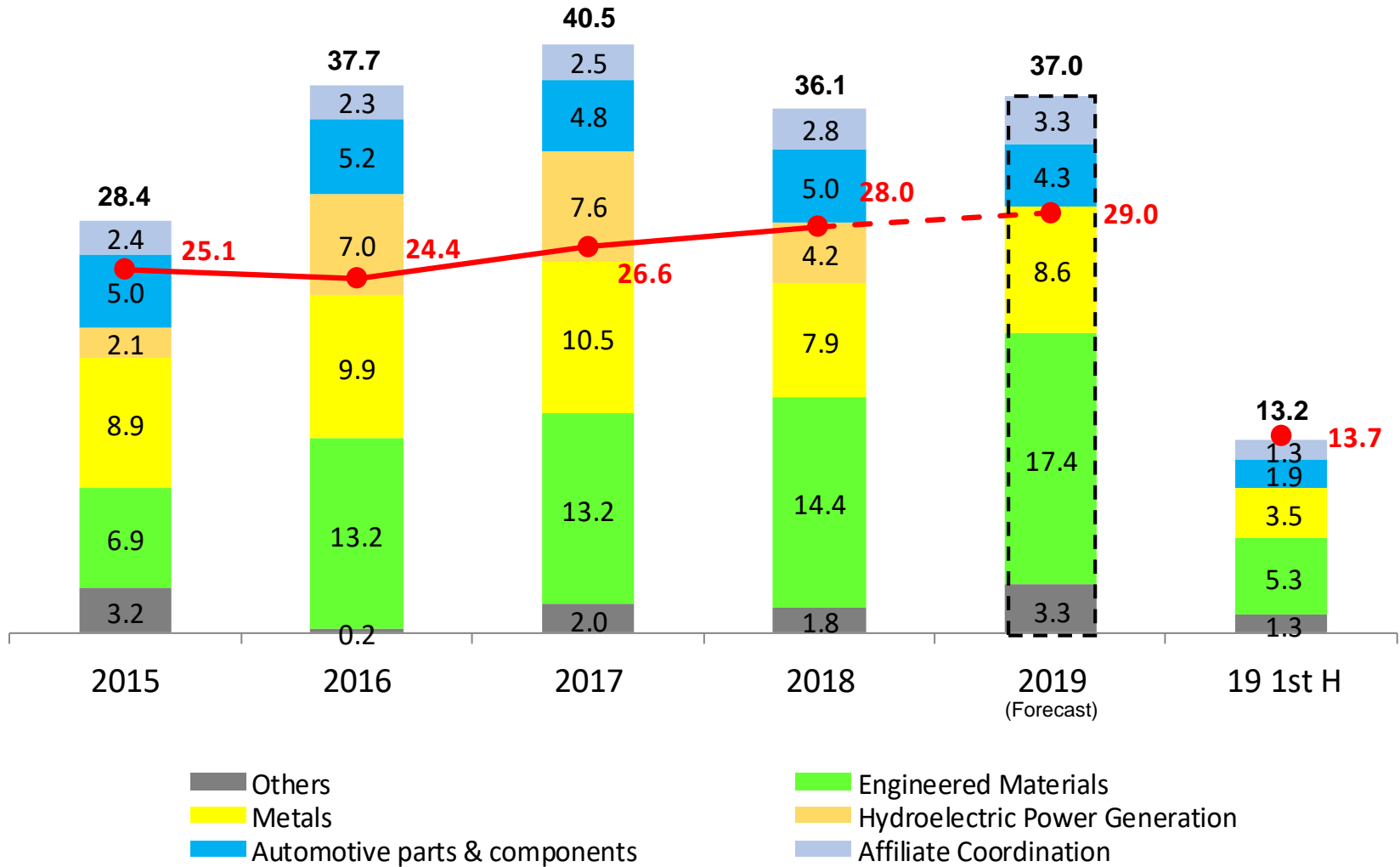
(Unit : Billion yen)

	2019 Q1-2	2018 Q1-2	増減 YonY	2019 Q3-4 (予想) Forecast	2018 Q3-4	増減 YonY	2019 通期 (予想) Forecast	2018 通期	増減 YonY
■売上高 Sales	46.1	50.5	-4.4	46.9	53.5	-6.6	93.0	104.0	-11.0
■営業利益 Operating income	-0.2	1.4	-1.6	0.5	2.6	-2.1	0.3	4.0	-3.7
■経常利益 Ordinary income	0.1	1.9	-1.8	0.6	2.8	-2.2	0.7	4.7	-4.0

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

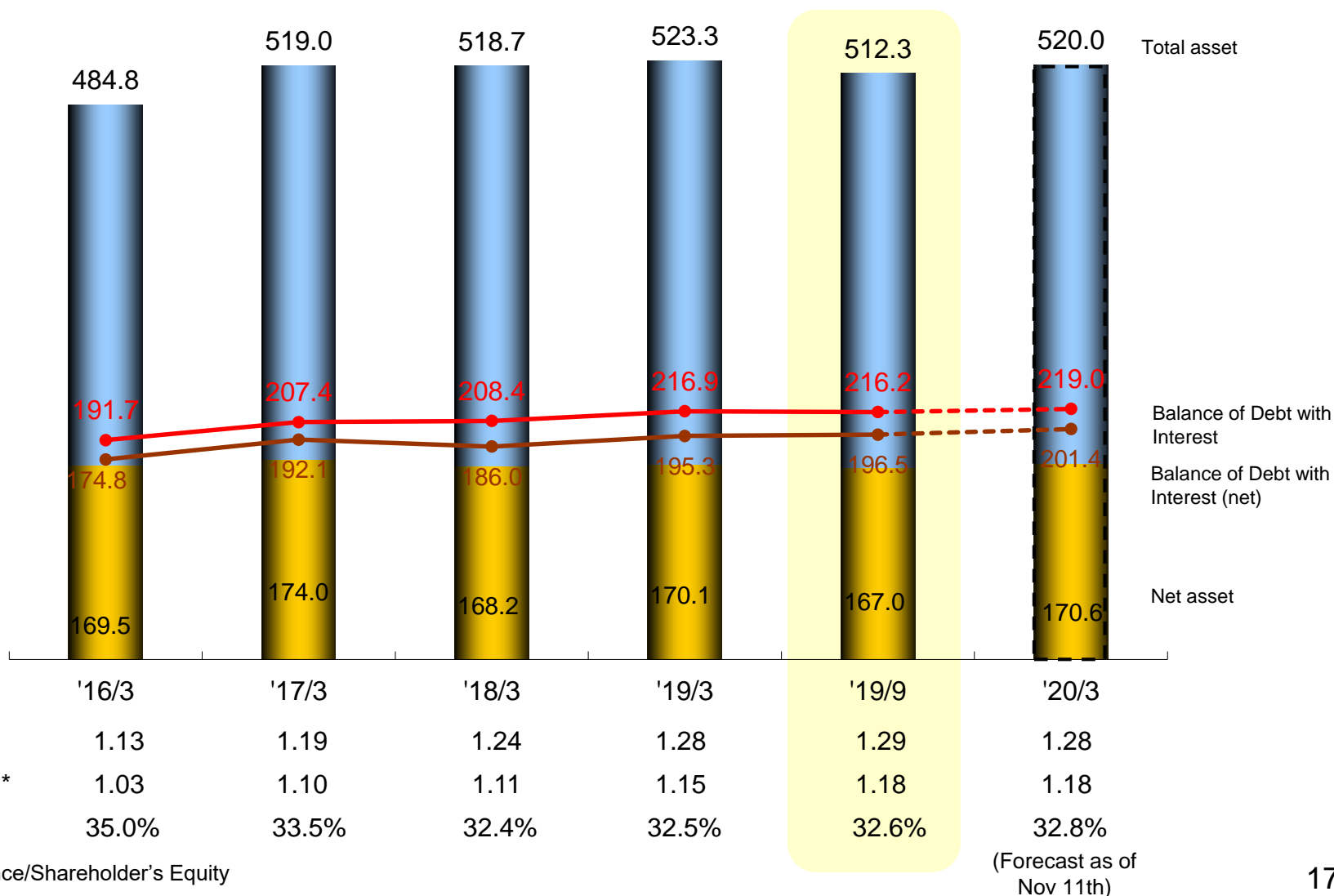
CAPEX and Depreciation

(Unit : Billion yen)



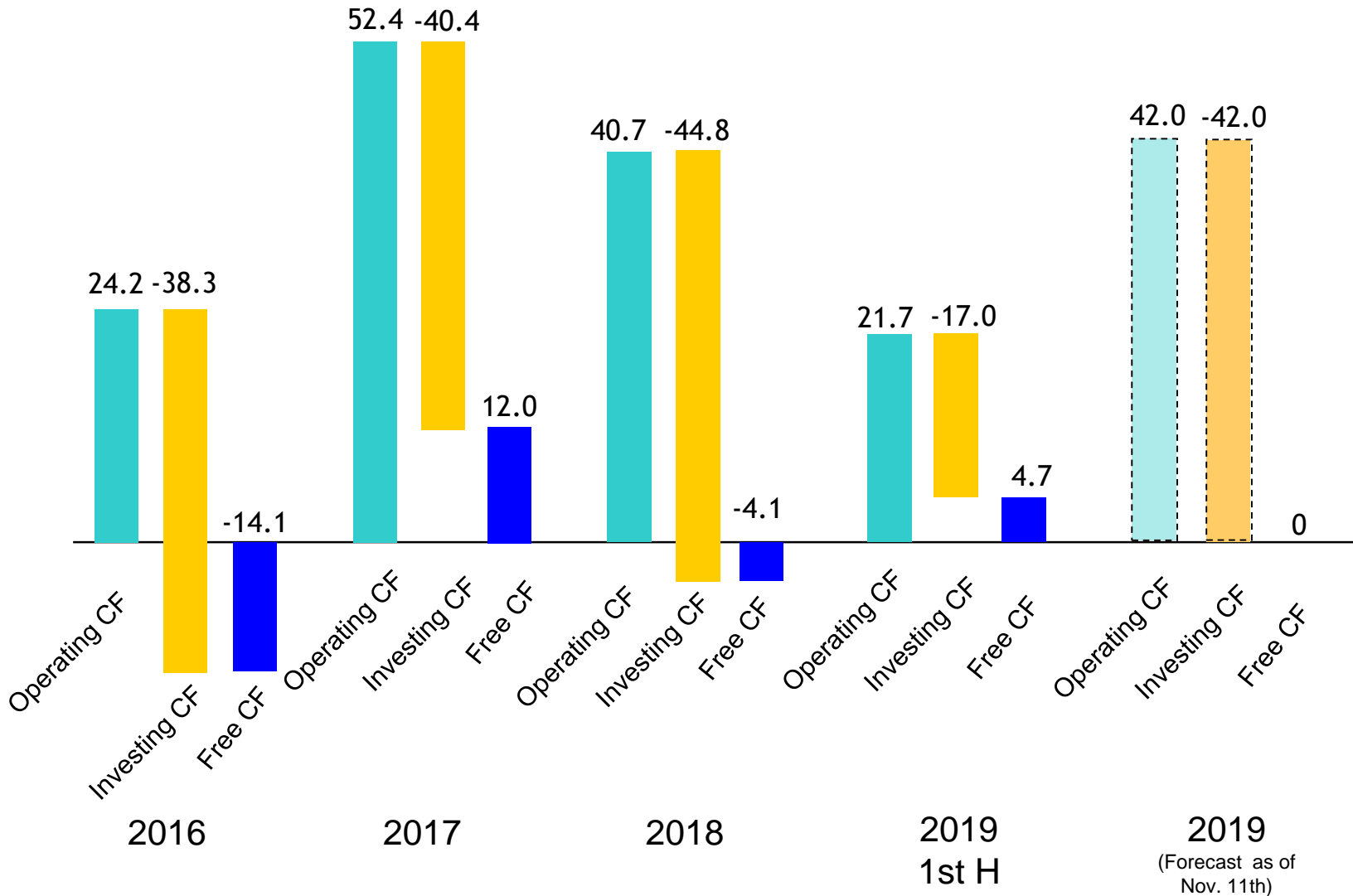
Financial Position at the end of Fiscal Year

(Unit : Billion yen)



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.