



MITSUI KINZOKU

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

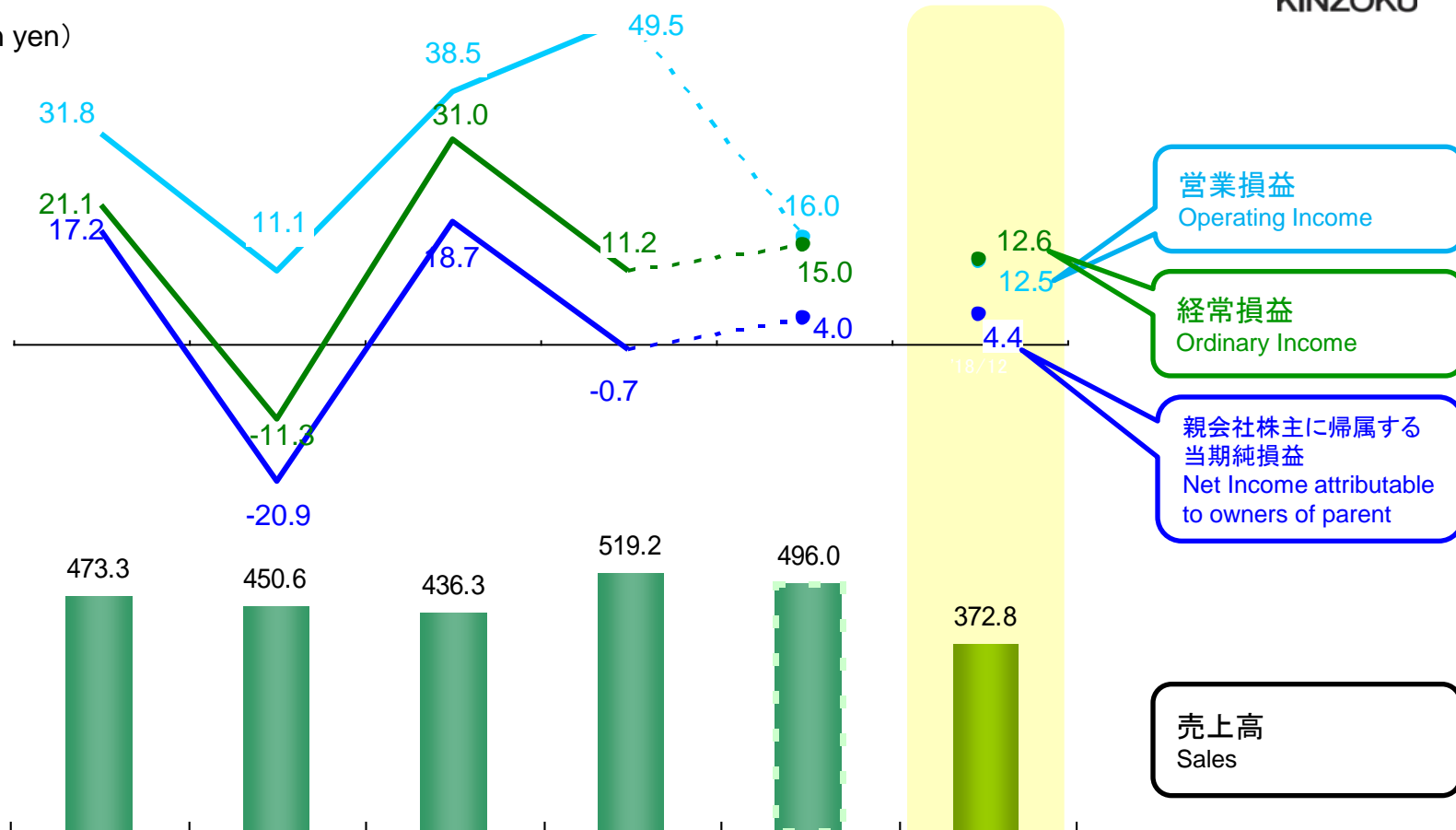
FY2018 Q3 Results & Forecast

February 8 , 2019

Sales and Earnings



(Unit: Billion yen)



1株当り配当
Dividend per share
連結配当性向
Dividend payout ratio

'15/3	'16/3	'17/3	'18/3	'19/3	'18/12
¥6	¥6	¥7	¥70	¥70	
19.9%	—	21.4%	—	99.9%	

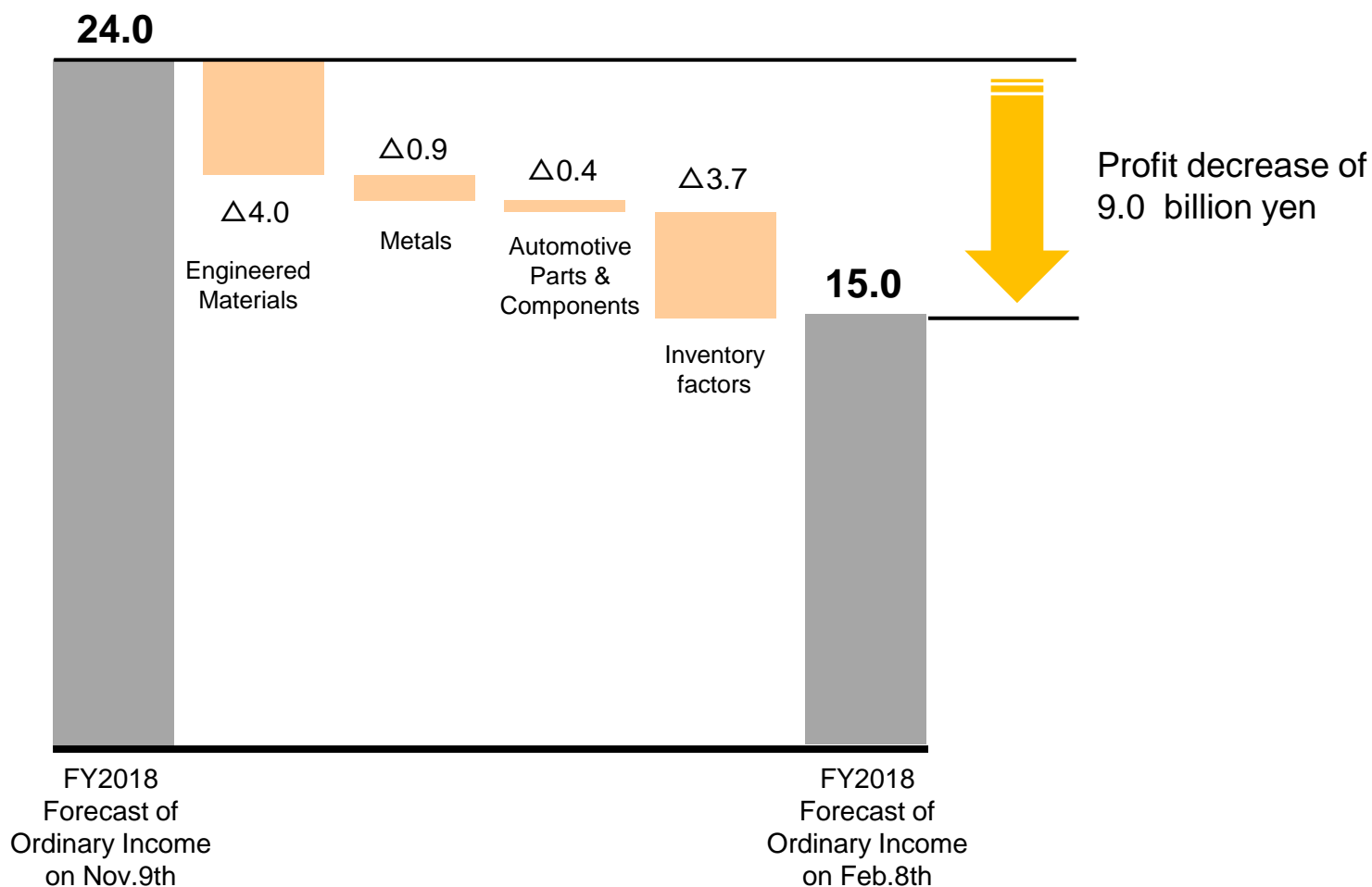
※ On October 1st 2017, we implemented the consolidation of shares.(10 shares into one).

2/8現在予想
Forecast as of Feb.8

FY 2018 Ordinary Income Forecast

Ordinary income of FY2018 is expected to be decreased by 9.0 billion lower than that of FY2018 announced on Nov.9th.

(Unit: Billion yen)

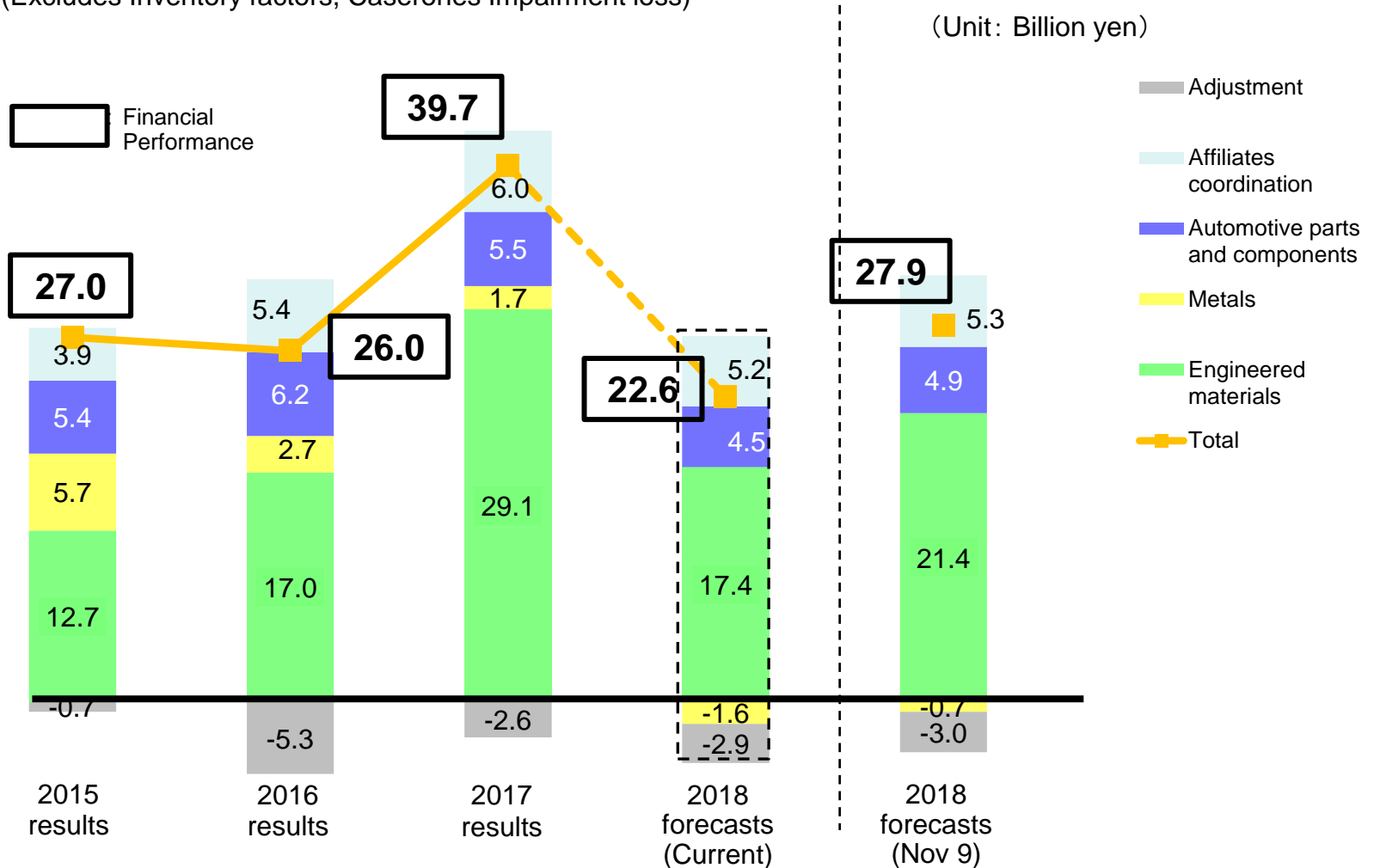


Financial Performance

(Unit: Billion yen)

Trends in Financial Performance

(Excludes Inventory factors, Caserones Impairment loss)



Statements of income



(Unit: Billion yen)	第3四半期 Q3 Results			通期 Full-year				
	'18/Q1-3	'17/Q1-3	増減 Change	2018 今回予想 Forecast	2017	増減 Change	2018 前回予想 as of Nov. 9	増減 Change
売上高 Net Sales	372.8	373.6	-0.8 <i>-0.2%</i>	496.0	519.2	-23.2 <i>-4.5%</i>	506.7	-10.7 <i>-2.1%</i>
売上原価 Cost of sales	319.3	299.8	19.5 <i>6.5%</i>	-	-	-	-	-
売上総利益 Gross Profit	53.5	73.8	-20.3 <i>-27.5%</i>	-	-	-	-	-
販売費・管理費 SG&A expenses	41.0	38.0	3.0 <i>7.8%</i>	-	-	-	-	-
営業損益 Operating Income	12.5	35.8	-23.3 <i>-65.0%</i>	16.0	49.5	-33.5 <i>-67.7%</i>	24.5	-8.5 <i>-34.7%</i>
営業外収支 Non-operating income/expenses-net	0.1	-2.7	2.8	-1.0	-38.3	37.3	-0.5	-0.5
経常損益 Ordinary Income	12.6	33.1	-20.4 <i>-61.8%</i>	15.0	11.2	3.8 <i>33.5%</i>	24.0	-9.0 <i>-37.5%</i>
特別損益 Extraordinary profit/losses-net	-2.0	-2.4	0.4	-2.4	-3.5	1.1	-2.1	-0.3
税引前損益 Net Income and loss before income taxes	10.6	30.7	-20.0 <i>-65.4%</i>	12.6	7.7	4.8 <i>62.5%</i>	21.9	-9.3 <i>-42.5%</i>
税金費用・非支配株主帰属利益 Income taxes & Net income attributable to non-controlling interests	6.2	8.9	-2.7	8.6	8.4	0.1	7.9	0.7
親会社株主に帰属する 当期純利益 Net Income attributable to owners of parent	4.4	21.8	-17.4 <i>-79.7%</i>	4.0	-0.7	4.7	14.0	-10.0 <i>-71.4%</i>

Segment Information by Business

(Unit: Billion yen)

	第3四半期 Q3 Results			通期 Full-year				
	'18/Q1-3	'17/Q1-3	増減 Change	2018 今回予想 Forecast	2017	増減 Change	2018 前回予想 as of Nov.9	増減 Change
■ 売上高 Sales								
機能材料 Engineered Materials	128.0	124.3	3.7 3.0%	166.9	167.2	-0.3 -0.2%	172.5	-5.6 -3.2%
金属 Metals	122.3	129.2	-6.8 -5.3%	164.2	186.5	-22.3 -12.0%	167.2	-3.0 -1.8%
自動車部品 Automotive Parts and Components	77.2	74.5	2.7 3.6%	104.0	102.0	2.0 1.9%	102.7	1.3 1.3%
関連 Affiliates Coordination	95.2	95.8	-0.6 -0.6%	128.0	132.7	-4.7 -3.6%	128.7	-0.7 -0.5%
調整額 Adjustment	-49.9	-50.1	0.2	-67.1	-69.3	2.2	-64.4	-2.7
連結 Consolidated	372.8	373.6	-0.8 -0.2%	496.0	519.2	-23.2 -4.5%	506.7	-10.7 -2.1%
■ 経常損益 Ordinary Income								
機能材料 Engineered Materials	14.4	23.6	-9.3 -39.2%	16.6	30.6	-14.0 -45.8%	21.9	-5.3 -24.2%
金属 Metals	-6.1	2.0	-8.2	-7.9	5.5	-13.4	-4.8	-3.1
自動車部品 Automotive Parts and Components	3.2	4.0	-0.8 -19.4%	4.5	5.5	-1.0 -18.4%	4.9	-0.4 -8.2%
関連 Affiliates Coordination	3.7	5.3	-1.6 -30.2%	4.7	6.8	-2.1 -31.2%	5.0	-0.3 -6.0%
調整額 Adjustment	-2.5	-1.8	-0.6	-2.9	-37.3	34.4	-3.0	0.1
連結 Consolidated	12.6	33.1	-20.4 -61.8%	15.0	11.2	3.8 33.5%	24.0	-9.0 -37.5%

Variance analysis of ordinary income

(Unit : Billion yen)

	Ordinary Income			Details					
	18Q1-Q3	17Q1-Q3	Diff.	Volume	LME/Forex	Inventory Factor	Margin/Cost	Equity gain or loss	Total
Engineered Materials	14.4	23.6	-9.3	-1.4	-0.4	-1.9	-5.5	-0.1	-9.3
Metals	-6.1	2.0	-8.2	0.9	-0.4	-8.3	-2.8	2.4	-8.2
Automotive parts & components	3.2	4.0	-0.8	-	-0.2	-	-0.6	-	-0.8
Affiliate coordination	3.7	5.3	-1.6	0.5	-	-	-1.6	-0.5	-1.6
Adjustment	-2.5	-1.8	-0.6	-	-	-	-0.6	-	-0.6
Total	12.6	33.1	-20.4	0.0	-1.0	-10.2	-11.0	1.8	-20.4

Non-operating income/expenses and Extraordinary gains/losses

(Unit : Billion yen)

	実績 Results			通期 Full-year				
	'18/Q1-3	'17/Q1-3	増減 Change	2018 今回予想 Forecast	2017	増減 Change	2018 前回予想 as of Nov.9	増減 Change
金利収支 Interest income - net	-1.0	-0.9	-0.1	-1.3	-1.2	-0.1	-1.3	-0.0
受取配当金 Dividend income - net	1.6	1.3	0.3	1.9	1.6	0.3	1.8	0.1
持分法投資損益 Equity in gains/losses	-1.5	-3.3	1.8	-2.5	-38.0	35.5	-2.4	-0.1
その他 Others	1.1	0.3	0.8	0.9	-0.7	1.6	1.4	-0.5
営業外収支 計 Non-operating income/expenses	0.1	-2.7	2.8	-1.0	-38.3	37.3	-0.5	-0.5
固定資産除売却 Loss on sale & disposal of P.P.E.	-1.3	-0.9	-0.4	-1.5	-1.4	-0.1	-1.3	-0.2
減損損失 Impairment charges on P.P.E.	-	-	-	-	-0.3	0.3	-	-
過年度関税 Custom tax of prior years	-	-1.1	1.1	-	-1.1	1.1	-	-
その他 Others	-0.7	-0.4	-0.3	-0.9	-0.7	-0.2	-0.8	-0.1
特別損益 計 Extraordinary profit/losses - net	-2.0	-2.4	0.4	-2.4	-3.5	1.1	-2.1	-0.3

Quarterly sales and incomes

(Unit: Billion yen)	'17/Q1	'17/Q2	'17/Q3	'17/Q4	'18/Q1	'18/Q2	'18/Q3	'18/Q4 (予想) Forecast	Q3増減 (前年比) YoY	Q3増減 (前Q比) QoQ	Q4増減 (前年比) YoY	Q4増減 (前Q比) QoQ
■売上高 Sales												
機能材料 Engineered Materials	38.7	41.9	43.7	42.9	42.4	44.4	41.3	38.9	-2.4	-3.1	-4.0	-2.4
金属 Metals	37.3	45.0	46.9	57.4	43.8	40.6	37.9	41.9	-9.0	-2.6	-15.5	3.9
自動車部品 Automotive Parts & Components	24.8	24.4	25.3	27.6	25.3	25.2	26.7	26.8	1.4	1.5	-0.7	0.2
関連 Affiliate Coordination	30.5	29.4	35.8	37.0	29.5	31.9	33.7	32.8	-2.1	1.8	-4.1	-0.9
調整額 Adjustment	-15.1	-14.5	-20.5	-19.2	-15.1	-17.3	-17.5	-17.2	3.0	-0.1	2.0	0.3
連結 Consolidated	116.2	126.2	131.3	145.6	125.9	124.7	122.2	123.2	-9.1	-2.6	-22.4	1.0
■営業利益 [a] Operating income	7.4	12.1	16.3	13.8	7.8	1.4	3.3	3.5	-13.1	1.8	-10.3	0.2
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	-2.0	-0.8	-4.8	2.8	-2.2	1.2
[a] - [b]	7.5	10.9	13.5	12.4	7.3	6.2	5.3	4.3	-8.3	-1.0	-8.1	-1.0
■経常利益 Ordinary income												
機能材料 Engineered Materials	6.4	7.5	9.6	7.0	6.2	5.5	2.7	2.2	-7.0	-2.8	-4.8	-0.4
金属 Metals	-1.1	1.1	2.0	3.5	0.9	-4.0	-3.0	-1.8	-5.0	1.0	-5.3	1.3
自動車部品 Automotive Parts & Components	1.3	1.0	1.7	1.6	0.9	1.0	1.3	1.3	-0.4	0.3	-0.2	0.0
関連 Affiliate Coordination	1.3	1.4	2.5	1.5	0.9	1.2	1.6	1.0	-0.9	0.4	-0.5	-0.6
調整額 Adjustment	-0.4	-1.1	-0.3	-35.4	-0.7	-0.8	-0.9	-0.4	-0.6	-0.1	35.0	0.5
連結 Consolidated	7.6	10.0	15.5	-21.8	8.2	2.9	1.6	2.4	-13.9	-1.2	24.2	0.7
■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	-0.1	-0.4	-11.3	-0.2	22.1	-0.3
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	'18/Q3	'18/Q4	Q3増減	Q3増減	Q4増減	Q4増減
								Forecast	Q3 (YonY)	Q3vsQ2	Q4 (YonY)	Q4vsQ3
機能材料 Engineered materials	6.2	7.4	9.6	7.6	5.6	5.1	2.8	2.3	-6.8	-2.3	-5.4	-0.6
金属 Metals	-0.6	3.6	3.5	4.2	1.3	-4.2	-1.7	-0.5	-5.2	2.5	-4.7	1.2
自動車部品 Automotive Parts & Components	1.1	1.0	1.5	1.6	1.0	0.5	1.3	1.2	-0.1	0.9	-0.4	-0.1
関連 Affiliated Coordination	0.9	1.2	2.1	1.1	0.6	1.0	1.4	0.7	-0.7	0.4	-0.4	-0.7
調整額 Adjustment	-0.3	-1.1	-0.3	-0.8	-0.6	-1.0	-0.6	-0.2	-0.3	0.4	0.6	0.4
連結 Consolidated	7.4	12.1	16.3	13.8	7.8	1.4	3.3	3.5	-13.1	1.8	-10.3	0.2

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	Q3	Q4 Fore cast	2nd H Fore casr	FY 2018 Fore cast	2018 Fore cast (Nov 9)	Diff.
Engineered Materials	0.1	0.1	0.2	0.1	0.1	0.2	0.4	0.1	0.1	0.2	0.1	0.1	0.2	0.4	0.4	-
Metals	-0.8	-2.6	-3.4	-1.4	-0.7	-2.0	-5.4	-1.0	-0.0	-1.1	-1.3	-1.4	-2.7	-3.8	-3.7	-0.1
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	0.2	0.3	0.5	0.9	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	-1.0	-1.0	-2.0	-2.5	-2.4	-0.1

Copper (¢ / lb)	265	257	261	288	309	298	280	316	312	314	277	280	278	296	299
Forex (Yen/\$)	111	111	111	113	108	111	111	109	111	110	113	108	110	110	110

※ 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 (Nov. 9th)
MH alloy	Volume of Sales	Index	100	88	96	96	95	86	91	96	94	92	98	96	107	104	101	100
Catalysts for motorcycle	Volume of Sales	Index	100	104	86	111	100	119	126	115	118	119	124	126	112	112	119	119
Catalysts for automobile	Volume of Sales	Index	100	107	109	150	117	159	182	185	191	179	217	241	284	267	252	250
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	2,020	2,050	2,230	2,390
MicroThin™	Volume of Sales	Index	100	108	115	104	107	151	221	233	186	198	170	197	158	146	168	191
ITO Target	Volume of Sales	Index	100	112	124	114	113	118	125	135	116	124	121	111	120	112	116	121
Zinc	Volume of Production	k-t	56	57	56	53	55	47	59	54	56	54	54	49	50	58	53	54
Side door Latches	Volume of Sales	Index	100	103	102	112	104	106	104	103	115	107	106	107	112	—	—	—

※ Index : The sales volume in 2016 Q1 being 100

Inventory Factors

(Unit : Billion yen)



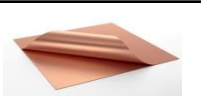


	2017							2018 Forecast								
	Q1	Q2	1st Half	Q3	Q4	2nd Half	FY 2017	Q1	Q2	1st Half	Q3	Q4 Forecast	2nd Half Forecast	FY 2018 (Feb.8th)	FY 2018 (Nov.9th)	Diff.
Engineered Materials	-0.1	-0.3	-0.4	0.9	1.0	1.9	1.5	0.8	-0.3	0.5	-1.9	0.6	-1.3	-0.8	0.5	-1.3
Metals	-	1.5	1.5	1.9	0.4	2.3	3.8	-0.3	-4.5	-4.8	-0.1	-1.4	-1.5	-6.3	-4.1	-2.2
Automotive Parts & Components	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Affiliate Coordination	-	0.3	0.3	0.3	0.2	0.5	0.8	-	-0.3	-0.3	-0.1	-0.1	-0.2	-0.5	-0.3	-0.2
Total	-0.1	1.5	1.4	3.1	1.6	4.7	6.1	0.5	-5.1	-4.6	-2.1	-0.9	-3.0	-7.6	-3.9	-3.7

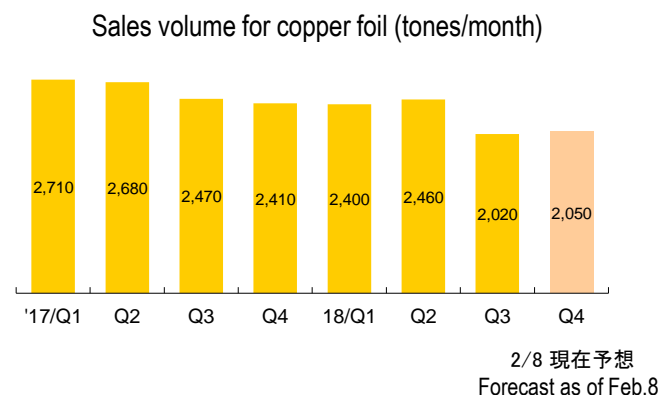
Indium(High) (\$/Kg)	223	209	216	260	337	298	257	335	292	313	262	250	256	285	292
Zinc (\$ / t)	2,598	2,962	2,780	3,234	3,423	3,328	3,054	3,114	2,534	2,824	2,630	2,600	2,615	2,719	2,712
Lead (\$ / t)	2,165	2,334	2,249	2,493	2,523	2,508	2,379	2,387	2,102	2,245	1,964	2,000	1,982	2,113	2,172
Copper (¢ / lb)	257	288	272	309	316	312	292	312	277	294	280	275	277	286	290

Performance by Segment – Engineered Materials

(Unit: Billion yen)

	'18/Q1-3	'17/Q1-3	増減 YoY	FY2018 (今回予想) Forecast	'FY2017	増減 YoY	'FY2018 (前回予想) Forecast as of Nov.9	増減 Diff
■ 売上高 Sales	128.0	124.3	3.7	166.9	167.2	-0.3	172.5	-5.6
■ 営業利益 Operating income	13.4	23.2	-9.7	15.7	30.8	-15.1	20.8	-5.1
■ 経常利益 Ordinary income	14.4	23.6	-9.3	16.6	30.6	-14.0	21.9	-5.3

(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 • Toner for copier



Performance by Segment – Metals

(Unit: Billion yen)

	'18/Q1-3	'17/Q1-3	増減 YonY	FY2018 (今回予想) Forecast	'FY2017	増減 YonY	'FY2018 (前回予想) Forecast as of Nov.9	増減 YonY
■売上高 Sales	122.3	129.2	-6.8	164.2	186.5	-22.3	167.2	-3.0
■営業利益 Operating income	-4.5	6.6	-11.1	-5.0	10.8	-15.8	-1.5	-3.5
■経常利益 Ordinary income	-6.1	2.0	-8.2	-7.9	5.5	-13.4	-4.8	-3.1

Metal Prices

(予想 Forecast)

	FY17	'18/Q1	'18/Q2	'18/Q3	'18/Q4	'FY18	
亜鉛 Zn	\$/t	3,054	3,114	2,534	2,630	2,600	2,719
亜鉛(実効) Zn (Actual)	\$/t	2,646	2,832	2,540	2,595	2,577	2,634
鉛 Pb	\$/t	2,379	2,387	2,102	1,964	2,000	2,113
銅 Cu	¢/lb	280	316	312	277	280	296
為替 Forex US\$	yen/\$	111	109	111	113	108	110
為替(実効) Forex US\$ (Actual)	yen/\$	113	109	110	111	108	109

Difference Analysis

	'17/Q1-3 →'18/Q1-3	Forecast Nov → Feb
LME/Forex	-0.4	-0.0
T/C	-0.8	-
Inventory factors	-8.3	-2.2
Equity profit/loss	2.3	-0.1
Cokes	-	-0.0
Dividends	0.2	0.1
Others	-1.2	-0.9
Total	-8.2	-3.1


※ Copper price is on calendar year basis.

Q1: Jan - Mar

Performance by Segment – Automotive Parts & Components

(Unit: Billion yen)

	'18/Q1-3	'17/Q1-3	増減 YonY	FY2018 (今回予想) Forecast	'FY2017	増減 YonY	'FY2018 (前回予想) Forecast as of Nov.9	増減 Diff.
■ 売上高 Sales	77.2	74.5	2.7	104.0	102.0	2.0	102.7	1.3
■ 営業利益 Operating income	2.8	3.6	-0.8	4.0	5.2	-1.2	4.4	-0.4
■ 経常利益 Ordinary income	3.2	4.0	-0.8	4.5	5.5	-1.0	4.9	-0.4

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

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.