



MITSUI KINZOKU

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

FY2018 Q1 Results & FY2018 Q1-Q2 Forecast

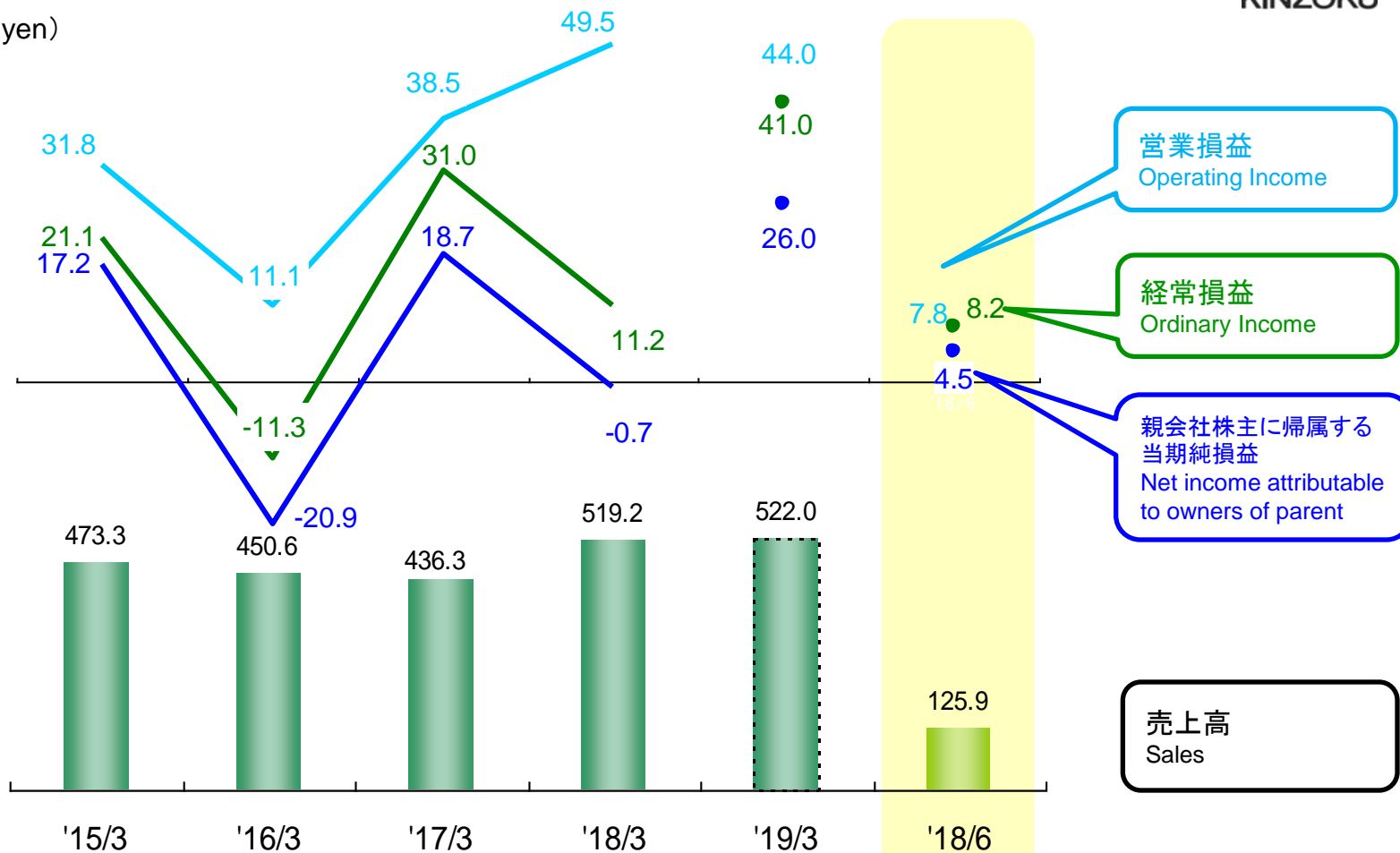
August 10, 2018

売上高・損益

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	¥6	19.9%
'16/3	¥6	—
'17/3	¥7	21.4%
'18/3	¥70 (¥7)	—
'19/3	¥90 (¥9)	19.8%

※ On October 1st 2017, we consolidated our shares from 10 to 1.

5/9予想
Forecast as of May. 9

18年度上期經常利益見込

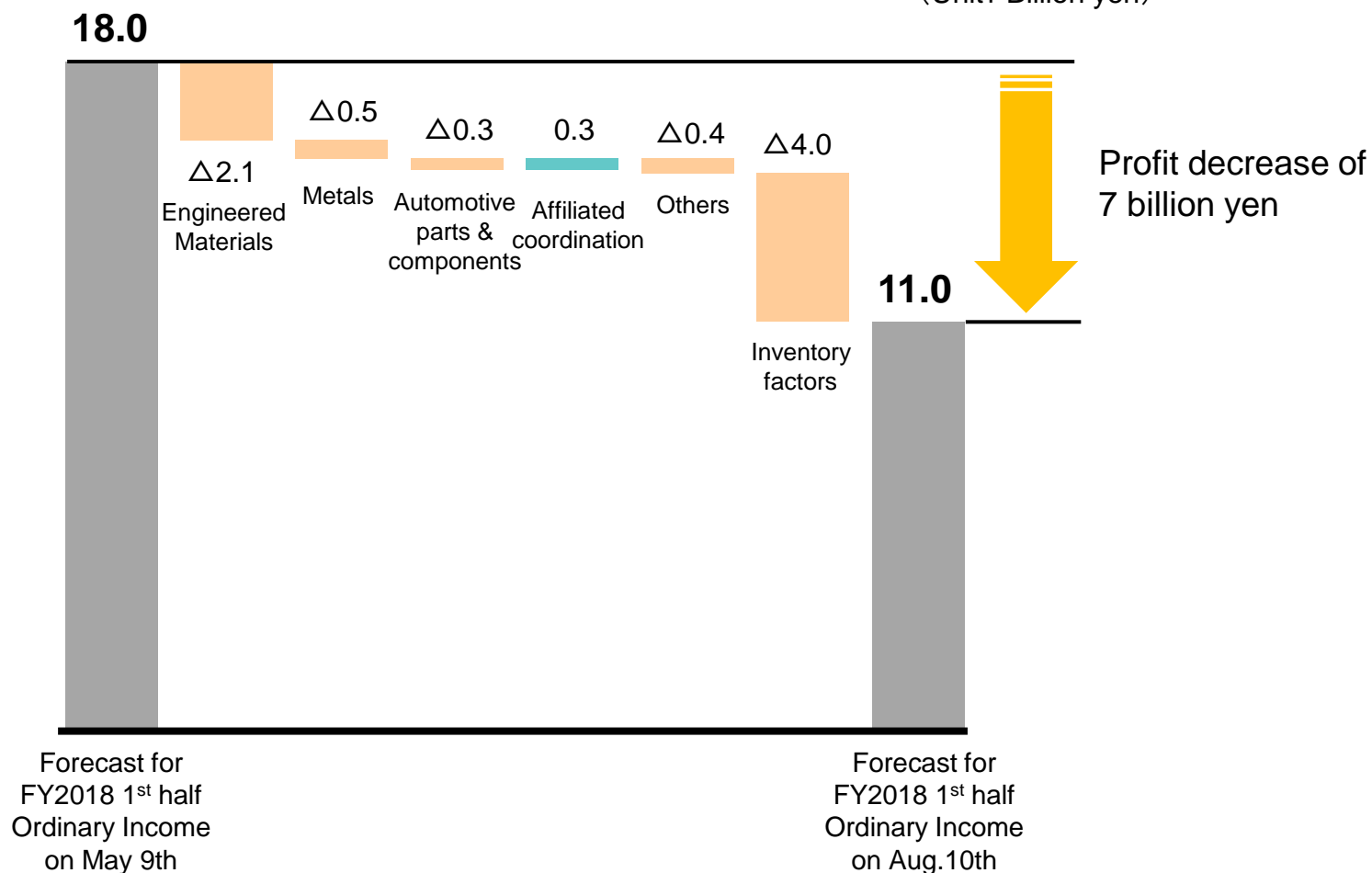
Forecast for 2018 1st half Ordinary Income



Forecast for ordinary income of FY2018 1st half is expected to be decreased by 7 billion compared to that of FY2018 1st half on May 9th.

Forecast for Ordinary Income of 2018 1st half

(Unit: Billion yen)



損益計算書

Statements of income



(Unit: Billion yen)

	第1四半期 Q1 Results			第2四半期累計期間 Q1-2				
	'18/Q1	'17/Q1	増減 Change	'18/Q1-2 今回予想 Forecast	'18/Q1-2 5/9予想 as of May 9	増減 Change	'17/Q1-2	増減 Change
売上高 Net Sales	125.9	116.2	9.7 8.4%	250.0	252.0	-2.0 -0.8%	242.4	7.6 3.1%
売上原価 Cost of sales	104.7	96.3	8.4 8.7%	-	-	-	-204.2	-
売上総利益 Gross Profit	21.2	19.9	1.3 6.7%	-	-	-	446.6	-
販売費・管理費 SG&A expenses	13.4	12.5	0.9 7.0%	-	-	-	427.1	-
営業利益 Operating Income	7.8	7.4	0.5 6.1%	10.0	19.5	-9.5 -48.7%	19.4	-9.4 -48.6%
営業外収支 Non-operating income/expenses-net	0.4	0.2	0.1	1.0	-1.5	2.5	-1.9	2.9
経常利益 Ordinary Income	8.2	7.6	0.6 7.6%	11.0	18.0	-7.0 -38.9%	17.6	-6.6 -37.4%
特別損益 Extraordinary profit/losses-net	-0.4	-0.4	-0.0	-1.1	-1.7	0.6	-2.1	1.0
税引前利益 Net Income before income taxes	7.7	7.2	0.6 7.8%	9.9	16.3	-6.4 -39.3%	15.5	-5.6 -36.0%
税金費用・非支配株主帰属損益 Income taxes & minority interests	3.2	2.4	0.8	4.9	5.3	-0.4	4.9	0.0
親会社株主に帰属する 当期純利益 Net income attributable to owners of parent	4.5	4.8	-0.3 -5.8%	5.0	11.0	-6.0 -54.5%	10.6	-5.6 -52.9%

事業セグメント別内訳

Segment Information by Business



(Unit: Billion yen)

	第1四半期 Q1 Results			第2四半期累計期間 Q1-2				
	'18/Q1	'17/Q1	増減 Change	'18/Q1-2 今回予想 Forecast	'18/Q1-2 Forecast as of May 9	増減 Change	'17/Q1-2	増減 Change
■売上高 Sales								
機能材料 Engineered Materials	42.4	38.7	3.7 9.5%	87.0	88.0	-1.0 -1.1%	80.6	6.4 7.9%
金属 Metals	43.8	37.3	6.5 17.5%	84.0	89.0	-5.0 -5.6%	82.2	1.8 2.1%
自動車部品 Automotive Parts and Components	25.3	24.8	0.5 1.9%	50.0	49.0	1.0 2.0%	49.2	0.8 1.6%
関連 Affiliates Coordination	29.5	30.5	-1.0 -3.2%	59.0	56.0	3.0 5.4%	59.9	-0.9 -1.6%
調整額 Adjustment	-15.1	-15.1	0.0	-30.0	-30.0	0.0	-29.6	-0.4
連結 Consolidated	125.9	116.2	9.7 8.4%	250.0	252.0	-2.0 -0.8%	242.4	7.6 3.1%
■経常利益 Ordinary Income								
機能材料 Engineered Materials	6.2	6.4	-0.2 -3.7%	12.4	14.0	-1.6 -11.4%	14.0	-1.6 -11.4%
金属 Metals	0.9	-1.1	2.0	-3.7	1.0	-4.7	0.0	-3.7
自動車部品 Automotive Parts and Components	0.9	1.3	-0.4 -29.6%	2.4	2.7	-0.3 -11.1%	2.3	0.1 4.7%
関連 Affiliates Coordination	0.9	1.3	-0.4 -33.7%	1.2	1.2	0.0 0.0%	2.8	-1.6 -56.6%
調整額 Adjustment	-0.7	-0.4	-0.3	-1.3	-0.9	-0.4	-1.5	0.2
連結 Consolidated	8.2	7.6	0.6 7.6%	11.0	18.0	-7.0 -38.9%	17.6	-6.6 -37.4%

經常利益差異分析

Variance analysis of ordinary income



(Unit: Billion yen)

	Ordinary Income			Details					
	18Q1	17Q1	Diff.	Volume	LME/Forex	Inventory Factor	Margin/Cost	Equity gain or loss	Total
Engineered Materials	6.2	6.4	-0.2	1.0	-0.3	0.9	-1.8	-	-0.2
Metals	0.9	-1.1	2.0	0.7	0.6	-0.3	1.2	-0.2	2.0
Automotive parts & components	0.9	1.3	-0.4	-	-0.2	-	-0.2	-	-0.4
Affiliate coordination	0.9	1.3	-0.4	0.1	-	-	-0.4	-0.1	-0.4
Adjustment	-0.7	-0.4	-0.3	-	-	-	-0.3	-	-0.3
Total	8.2	7.6	0.6	1.8	0.1	0.6	-1.5	-0.3	0.6

営業外・特別損益

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				
	'18/Q1	'17/Q1	増減 Change	'18/Q1-2 今回予想 Forecast	'18/Q1-2 Forecast as of May 9	増減 Change	'17/Q1-2	増減 Change
金利収支 Interest income - net	-0.3	-0.3	0.0	-0.6	-0.6	-0.1	-0.6	0.0
受取配当金 Dividend income - net	1.2	1.0	0.2	1.3	1.0	0.4	1.2	0.2
持分法投資損益 Equity in gains/losses	-0.7	-0.4	-0.3	-0.7	-2.4	1.7	-2.6	1.9
為替差損益 Forex Exchange gain or loss	0.4	-0.1	0.4	0.4	0.0	0.3	0.0	0.4
その他 Others	-0.1	0.1	-0.2	0.6	0.4	0.2	0.1	0.5
営業外損益 計 Non-operating income/expenses	0.4	0.2	0.1	1.0	-1.5	2.5	-1.9	2.9
固定資産除売却 Loss on sale & disposal of Fixed Asset	-0.2	-0.3	0.1	-0.8	-0.8	0.0	-0.7	-0.1
投資有価証券売却益 Gain on sales of Investment Securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
過年度関税 Custom Tax of prior year	0.0	0.0	0.0	0.0	0.0	0.0	-1.1	1.1
その他 Others	-0.2	-0.1	-0.1	-0.3	-0.9	0.6	-0.3	0.0
特別損益 計 Extraordinary profit/losses - net	-0.4	-0.4	0.0	-1.1	-1.7	0.6	-2.1	1.0

四半期売上高および利益推移

Quarterly sales and incomes



(Unit: Billion yen)

	'17/Q1	'17/Q2	'17/Q3	'17/Q4	'18/Q1	Q1増減 (前年比) YoY	Q1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	3.7	-0.5
金属 Metals	37.3	45.0	46.9	57.4	43.8	6.5	-13.5
自動車部品 Automotive Parts & Components	24.8	24.4	25.3	27.6	25.3	0.5	-2.3
関連 Affiliates Coordination	30.5	29.4	35.8	37.0	29.5	-1.0	-7.5
調整額 Adjustment	-15.1	-14.5	-20.5	-19.2	-15.1	0.0	4.1
連結 Consolidated	116.2	126.2	131.3	145.6	125.9	9.7	-19.7
■営業利益 [a] Operating Income	7.4	12.1	16.3	13.8	7.8	0.5	-6.0
うち棚卸資産在庫要因 [b] Of which amounts impacted by inventory valuation	-1.0	1.2	2.8	1.4	0.5	1.5	-0.9
[a] - [b]	8.4	10.9	13.5	12.4	7.3	-1.0	-5.1
■経常利益							
機能材料 Engineered Materials	6.4	7.5	9.6	7.0	6.2	-0.2	-0.8
金属 Metals	-1.1	1.1	2.0	3.5	0.9	2.0	-2.6
自動車部品 Automotive Parts & Components	1.3	1.0	1.7	1.6	0.9	-0.4	-0.7
関連 Affiliates Coordination	1.3	1.4	2.5	1.5	0.9	-0.4	-0.6
調整額 Adjustment	-0.4	-1.1	-0.3	-35.4	-0.7	-0.3	34.7
連結 Consolidated	7.6	10.0	15.5	-21.8	8.2	0.6	30.0
■親会社株主に帰属する 当期純利益 Net income attributable to owners of parent	4.8	5.8	11.2	-22.5	4.5	-0.3	27.0

営業利益

Operating income



(単位: 億円 100 million yen)

■営業利益 Operating income	'17/Q1	'17/Q2	'17/Q3	'17/Q4	'18/Q1	前年	前Q比	'18/Q1-	'18/Q1-	'17/Q1-		
						同期比		Q2	Q2	Q2	増減	増減
						18Q1-'	18Q1-'	Forecast	as of	Difference	Difference	
						17Q1	17Q4		May 9			
機能材料 Engineered materials	6.2	7.4	9.6	7.6	5.6	-0.6	-2.0	11.8	13.8	-2.0	13.6	-1.8
金属 Metals	-0.6	3.6	3.5	4.2	1.3	1.9	-2.9	-3.1	3.5	-6.6	3.0	-6.1
自動車部品 Automotive Parts & Components	1.1	1.0	1.5	1.6	1.0	-0.2	-0.7	2.0	2.6	-0.6	2.1	-0.1
関連 Affiliated Coordination	0.9	1.2	2.1	1.1	0.6	-0.4	-0.5	0.9	0.8	0.1	2.1	-1.2
調整額 Adjustment	-0.3	-1.1	-0.3	-0.8	-0.6	-0.3	0.2	-1.6	-1.2	-0.4	-1.4	-0.2
連結 Consolidated	7.4	12.1	16.3	13.8	7.8	0.5	-6.0	10.0	19.5	-9.5	19.4	-9.4

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	Q1	Q2 Fore cast	1st Half	1st H Fore cast (May 9th)	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	0.1	0.1	0.2	0.2	-0.0
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	-1.0	-0.1	-1.1	-2.9	1.8
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	0.2	0.0	0.2	0.3	-0.1
Others	-	-	-	-	-	-	-	-	-	-	-	-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	-0.7	0.0	-0.7	-2.4	1.7

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	3,114	2,600	2,857
Copper (¢/lb)	212	215	213	217	240	228	221	265	257	261	288	309	298	280	316	312	314
Forex (Yen/\$)	108	102	105	109	114	112	108	111	111	111	113	108	111	111	109	110	110

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

主要製品の動向

Trends of products



			2016					2017					2018		
			Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q1-Q2 Forecast	Q1-Q2 Forecast (May 9th)
MH alloy	Volume of Sales	Index	100	88	96	96	95	86	91	96	94	92	98	98	101
Catalysts for motorcycle	Volume of Sales	Index	100	104	86	111	100	119	126	115	118	119	124	124	115
Catalysts for automobile	Volume of Sales	Index	100	107	109	150	117	159	182	185	191	179	217	242	206
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	2,440	2,500
MicroThin™	Volume of Sales	Index	100	108	115	104	107	151	221	233	186	198	170	190	245
ITO Target	Volume of Sales	Index	100	112	124	114	113	118	125	135	116	124	121	121	131
Zinc	Volume of Production	k-t	56	57	56	53	55	47	59	54	56	54	54	52	53
Side door Latches	Volume of Sales	Index	100	103	103	113	105	105	103	101	112	105	103	—	—

在庫要因

Inventory Factors

(Unit: Billion yen)




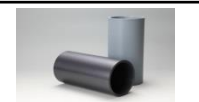

	2017							2018 Forecast				
	Q1	Q2	1st Half	Q3	Q4	2nd Half	FY 2017	Q1	Q2 Forecast	1st Half	1st Half (May 9th)	Diff.
Engineered Materials	-0.1	-0.3	-0.4	0.9	1.0	1.9	1.5	0.8	-0.3	0.5	-	0.5
Metals	-	1.5	1.5	1.9	0.4	2.3	3.8	-0.3	-3.9	-4.2	-	-4.2
Automotive Parts & Components	-	-	-	-	-	-	-	-	-	-	-	-
Affiliate Coordination	-	0.3	0.3	0.3	0.2	0.5	0.8	-	-0.3	-0.3	-	-0.3
Total	-0.1	1.5	1.4	3.1	1.6	4.7	6.1	0.5	-4.5	-4.0	-	-4.0

セグメントの業績(1) 機能材料

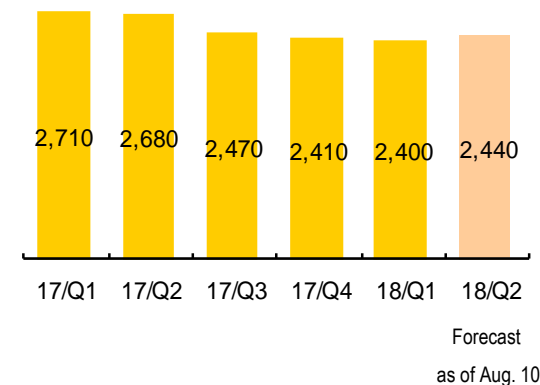
Performance by Segment – Engineered Materials

(Unit: Billion yen)

	'18/Q1	'17/Q1	増減 YoY	'18/Q1-2 (予想) Forecast	'18/Q1-2 (前回予想) Forecast as of May 9	増減 YoY	'17/Q1-2	増減 YoY
■売上高 Sales	42.4	38.7	3.7	87.0	88.0	-1.0	80.6	6.4
■営業利益 Operating income	5.6	6.2	-0.6	11.8	13.8	-2.0	13.6	-1.8
■経常利益 Ordinary income	6.2	6.4	-0.2	12.4	14.0	-1.6	14.0	-1.6

(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

Sales volume for copper foil (t /month)



セグメントの業績(2) 金属

Performance by Segment – Metals

(Unit: Billion yen)

	'18/Q1	'17/Q1	増減 YonY	'18/Q1-2 (予想) Forecast	'18/Q1-2 (前回予想) Forecast as of May 9	増減 YonY	'17/Q1-2	増減 YonY
■売上高 Sales	43.8	37.3	6.5	84.0	89.0	-5.0	82.2	1.8
■営業利益 Operating income	1.3	-0.6	1.9	-3.1	3.5	-6.6	3.0	-6.1
■経常利益 Ordinary income	0.9	-1.1	2.0	-3.7	1.0	-4.7	0.0	-3.7

Metal Prices

						Forecast	
		'17/Q1	'17/Q2	'17/Q3	'17/Q4	'18/Q1	'18/Q2
Zn	\$/t	2,598	2,962	3,234	3,423	3,114	2,600
Zn (Actual)	\$/t	2,361	2,511	2,764	2,864	2,832	2,573
Pb	\$/t	2,165	2,334	2,493	2,523	2,387	2,100
Cu	¢ /lb	265	257	288	309	316	312
Forex	yen/\$	111	111	113	108	109	110
Forex (Actual)	yen/\$	114	113	114	110	109	109

Difference Analysis

	17Q1→18Q1	Forecast 18Q1-2 (May 9th) →18Q1-2
LME/Forex	0.6	-0.7
T/C	-0.2	-
Cokes	0.0	0.0
Inventory Factors	-0.3	-4.2
Equity profit/loss	-0.2	1.8
Dividends	0.1	-
Others	2.0	-1.6
Total	2.0	-4.7


• Above copper price is on calendar year basis, Q1 is Jan – Mar.

セグメントの業績(3) 自動車部品

Performance by Segment – Automotive Parts & Components

(Unit: Billion yen)

	'18/Q1	'17/Q1	増減 YoY	'18/Q1-2 (予想) Forecast	'18/Q1-2 (前回予想) Forecast as of May 9	増減 YoY	'17/Q1-2	増減 YoY
■売上高 Sales	25.3	24.8	0.5	50.0	49.0	1.0	49.2	0.8
■営業利益 Operating income	1.0	1.1	-0.2	2.0	2.6	-0.6	2.1	-0.1
■経常利益 Ordinary income	0.9	1.3	-0.4	2.4	2.7	-0.3	2.3	0.1

[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.