



MITSUI KINZOKU

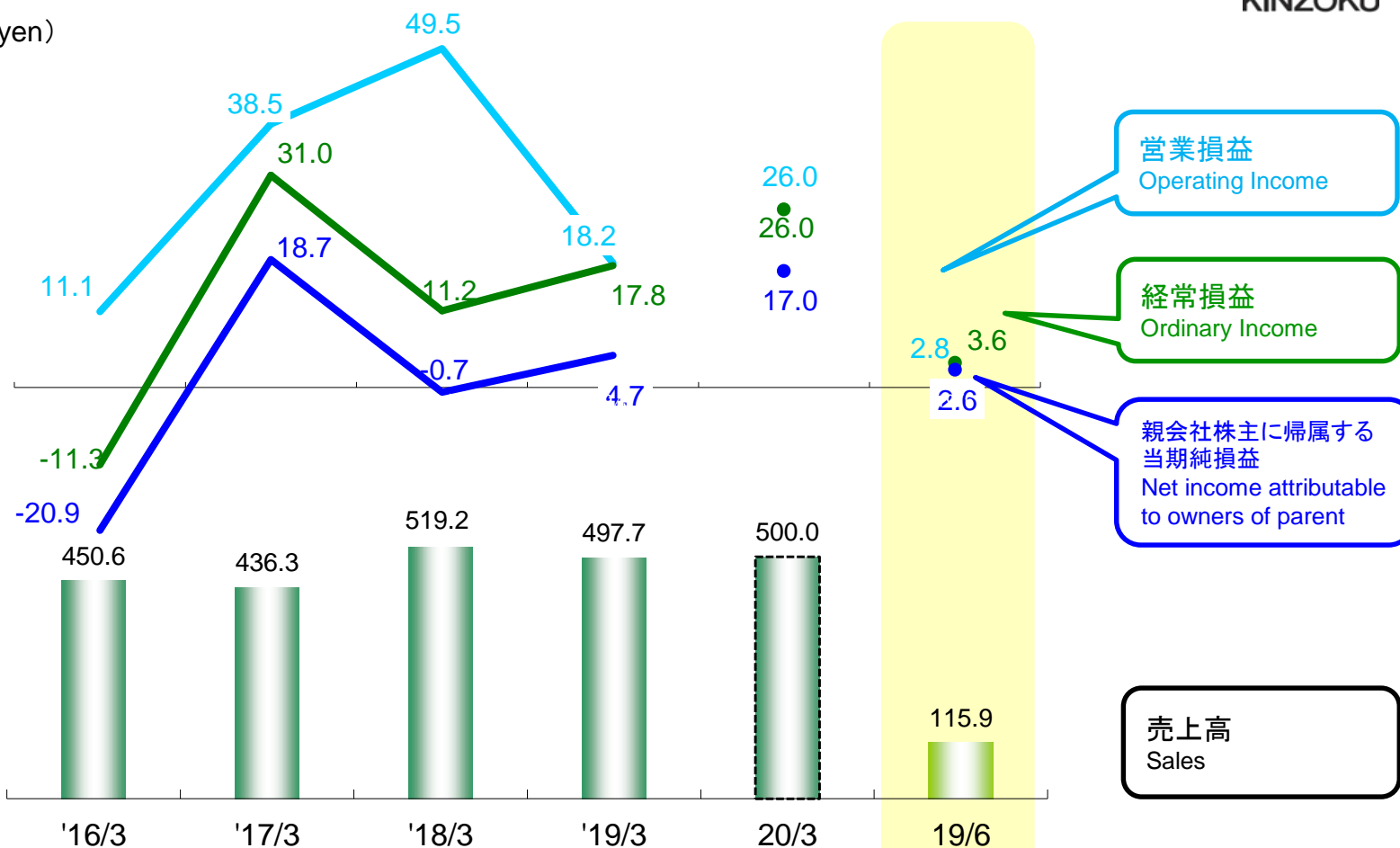
(Mitsui Mining & Smelting Co., Ltd. TSE5706)

FY2019 Q1 Results & FY2019 Q1-Q2 Forecast

August 8, 2019

Sales and Earnings

(Unit: Billion yen)



1株当り配当 Dividend per share	¥6	¥7	¥70 (¥7)	¥70 (¥7)	¥70 (¥7)
連結配当性向 Dividend payout ratio	—	21.4%	—	85.2%	23.5%

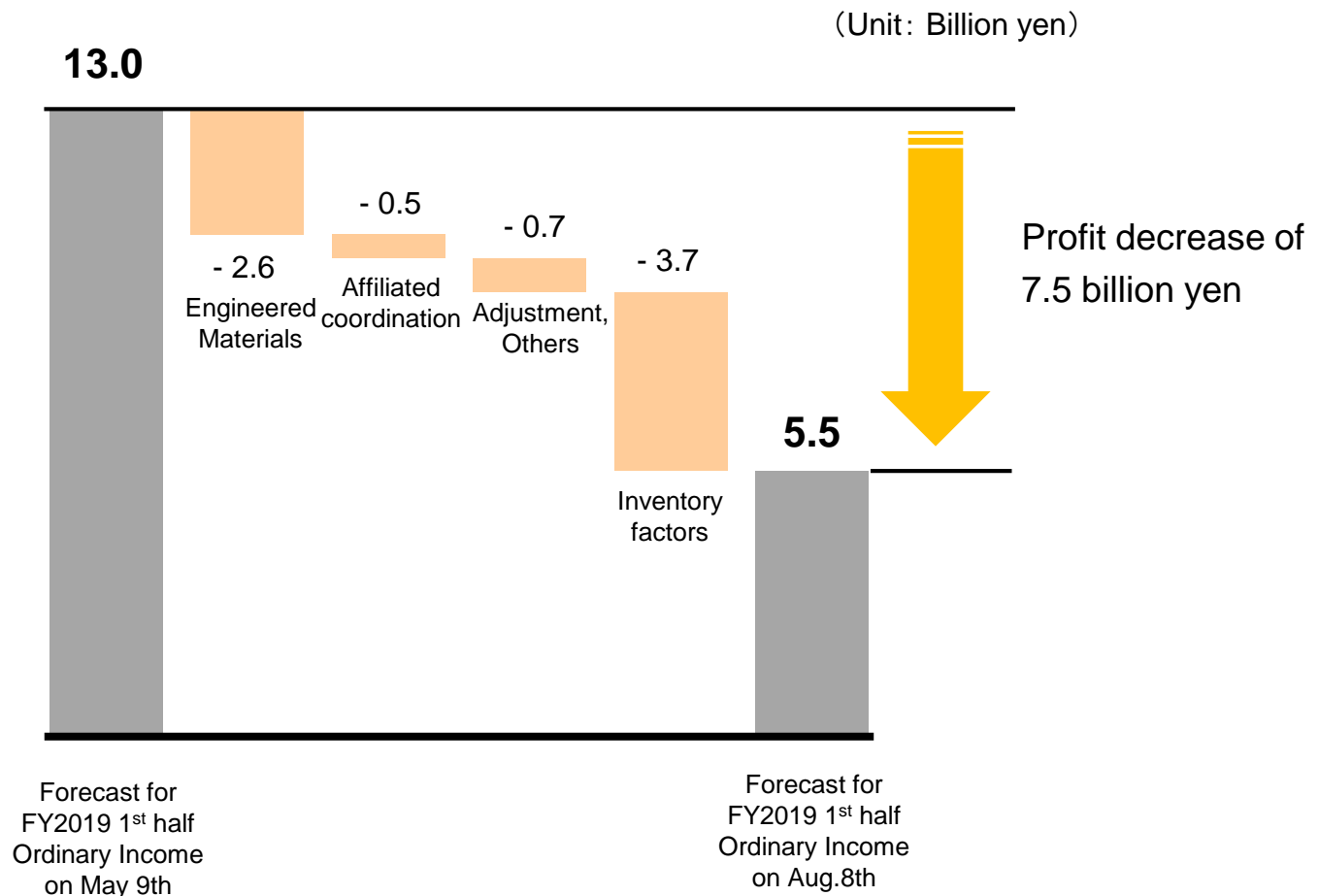
※ On October 1st 2017, we consolidated our shares from 10 to 1.

5/9予想
Forecast as of May. 9

2019 1st half Ordinary Income Forecast

Forecast for ordinary income of FY2019 1st half is expected to be decreased by 7.5 billion compared to that of FY2019 1st half on May 9th.

Forecast for Ordinary Income of 2019 1st half



Statements of income

(Unit: Billion yen)

	第1四半期 Q1 Results			第2四半期累計期間 Q1-2				
	'19/Q1	'18/Q1	増減 Change	'19/Q1-2 今回予想 Forecast	'19/Q1-2 5/9予想 as of May9	増減 Change	'18/Q1-2	増減 Change
売上高	115.9	125.9	-10.1	238.0	245.0	-7.0	250.6	-12.6
Net Sales			-8.0%			-2.9%		-5.0%
売上原価	99.3	104.7	-5.4	-	-	-	214.3	-
Cost of sales			-5.2%					
売上総利益	16.6	21.2	-4.6	-	-	-	36.3	-
Gross Profit			-21.8%					
販売費・管理費	13.8	13.4	0.4	-	-	-	27.1	-
SG&A expenses			2.9%					
営業利益	2.8	7.8	-5.0	6.0	12.5	-6.5	9.3	-3.3
Operating Income			-64.3%			-52.0%		-35.1%
営業外収支	0.8	0.4	0.4	-0.5	0.5	-1.0	1.8	-2.3
Non-operating income/expenses-net								
経常利益	3.6	8.2	-4.6	5.5	13.0	-7.5	11.0	-5.5
Ordinary Income			-56.0%			-57.7%		-50.1%
特別損益	0.3	-0.4	0.7	0.0	-0.8	8.0	-1.3	1.3
Extraordinary profit/losses-net								
税引前利益	3.9	7.7	-3.8	5.5	12.2	-6.7	9.7	-4.2
Net Income before income taxes			-49.5%			-54.9%		-43.5%
税金費用・非支配株主帰属損益	1.3	3.2	-1.9	2.5	3.2	-0.7	5.2	-2.7
Income taxes & minority interests								
親会社株主に帰属する 当期純利益	2.6	4.5	-1.9	3.0	9.0	-6.0	4.5	-1.5
Net income attributable to owners of parent			-42.8%			-66.7%		-34.1%

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				
	'19/Q1	'18Q1	増減 Change	'19/Q1-2 今回予想 Forecast	'19/Q1-2 5/9 予想 as of May9	増減 Change	'18/Q1-2	増減 Change
■売上高 Sales								
機能材料 Engineered Materials	39.8	42.4	-2.7 -6.2%	84.0	89.0	-5.0 -5.6%	86.8	-2.8 -3.2%
金属 Metals	39.6	43.8	-4.2 -9.7%	80.0	81.0	-1.0 -1.2%	84.4	-4.4 -5.2%
自動車部品 Automotive Parts and Components	23.3	25.3	-2.0 -7.9%	46.0	48.0	-2.0 -4.2%	50.5	-4.5 -8.9%
関連 Affiliates Coordination	25.9	29.5	-3.6 -12.4%	54.0	55.0	-1.0 -1.8%	61.4	-7.4 -12.1%
調整額 Adjustment	-12.6	-15.1	2.5	-26.0	-28.0	2.0	-32.4	6.4
連結 Consolidated	115.9	125.9	-10.1 -8.0%	238.0	245.0	-7 -2.9%	250.6	-12.6 -5.0%
■経常利益 Ordinary Income								
機能材料 Engineered Materials	2.1	6.2	-4.1 -66.3%	5.5	9.6	-4.1 -42.7%	11.7	-6.2 -53.0%
金属 Metals	2.5	0.9	1.6 179.4%	1.1	3.2	-2.1 -65.6%	-3.1	4.2
自動車部品 Automotive Parts and Components	0.1	0.9	-0.8 -85.9%	0.0	0.0	0.0 #DIV/0!	1.9	-1.9 -100.0%
関連 Affiliates Coordination	0.3	0.9	-0.6 -66.7%	0.4	1.0	-0.6 -60.0%	2.1	-1.7 -81.0%
調整額 Adjustment	-1.4	-0.7	-0.7	-1.5	-0.8	-0.7	-1.5	0.0
連結 Consolidated	3.6	8.2	-4.6 -56.0%	5.5	13.0	-7.5 -57.7%	11.0	-5.5 -50.1%

Variance analysis of ordinary income

(Unit: Billion yen)

	Ordinary Income			Details					
	19Q1	18Q1	Diff.	Volume	LME/Forex	Inventory Factor	Margin/Cost	Equity gain or loss	Total
Engineered Materials	2.1	6.2	-4.1	-1.8	-0.6	-2.1	0.3	-	-4.1
Metals	2.5	0.9	1.6	0.0	-0.4	-0.1	0.8	1.3	1.6
Automotive parts & components	0.1	0.9	-0.8	-0.9	0.1	-	-	-	-0.8
Affiliate coordination	0.3	0.9	-0.6	-0.6	-0.0	-	0.2	-0.2	-0.6
Adjustment	-1.4	-0.7	-0.7	-	-	-	-0.7	-	-0.7
Total	3.6	8.2	-4.6	-3.2	-0.9	-2.2	0.6	1.1	-4.6

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				
	'19/Q1	'18/Q1	増減 Change	'19/Q1-2 今回予想 Forecast	'19/Q1-2 5/9 予想 as of May 9	増減 Change	'18/Q1-2	増減 Change
金利収支 Interest income - net	-0.4	-0.3	-0.0	-0.7	-0.8	0.1	-0.6	-0.1
受取配当金 Dividend income - net	1.1	1.2	-0.1	1.1	0.6	0.4	1.5	-0.4
持分法投資損益 Equity in gains/losses	0.3	-0.8	1.1	-0.4	0.6	-1.0	-0.5	0.1
為替差損益 Forex Exchange gain or loss	-0.5	0.4	-0.8	-0.5	0.0	-0.5	1.2	-1.7
その他 Others	0.2	-0.1	0.3	-0.0	0.0	-0.1	0.3	-0.3
営業外損益 計 Non-operating income/expenses	0.8	0.4	0.4	-0.5	0.5	-1.0	1.8	-2.3
固定資産除売却 Loss on sale & disposal of Fixed	-0.1	-0.2	0.1	-0.3	-0.7	0.4	-0.6	0.3
災害損失 Disaster loss	-0.0	-0.0	0.0	-0.0	0.0	-0.0	-0.4	0.4
受取保険金 Insurance Proceeds	0.5	0.0	0.5	0.5	0.0	0.5	0.0	0.5
その他 Others	-0.1	-0.2	0.1	-0.1	-0.1	-0.0	-0.3	0.1
特別損益 計 Extraordinary profit/losses - net	0.3	-0.4	0.7	0.0	-0.8	0.8	-1.3	1.3

Quarterly sales and incomes

(Unit: Billion yen)

	'18/Q1	'18/Q2	'18/Q3	'18/Q4	'19/Q1	Q1増減 (前年比) YonY	Q1増減 (前Q比) QonQ
■売上高 Sales							
機能材料 Engineered Materials	42.4	44.4	41.3	37.4	39.8	-2.7	2.3
金属 Metals	43.8	40.6	37.9	44.3	39.6	-4.2	-4.7
自動車部品 Automotive Parts & Components	25.3	25.2	26.7	26.9	23.3	-2.0	-3.5
関連 Affiliates Coordination	29.5	31.9	33.7	31.8	25.9	-3.6	-5.9
調整額 Adjustment	-15.1	-17.3	-17.5	-15.4	-12.6	2.5	2.8
連結 Consolidated	125.9	124.7	122.2	124.9	115.9	-10.1	-9.0
■営業利益 [a] Operating Income	7.8	1.4	3.3	5.7	2.8	-5.0	-2.9
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	-2.2	1.0
[a] - [b]	7.3	6.2	5.1	8.4	4.5	-2.8	-3.9
■経常利益							
機能材料 Engineered Materials	6.2	5.5	2.7	2.3	2.1	-4.1	-0.2
金属 Metals	0.9	-4.0	-3.0	0.1	2.5	1.6	2.4
自動車部品 Automotive Parts & Components	0.9	1.0	1.3	1.5	0.1	-0.8	-1.4
関連 Affiliates Coordination	0.9	1.2	1.6	1.2	0.3	-0.6	-0.9
調整額 Adjustment	-0.7	-0.8	-0.9	0.1	-1.4	-0.7	-1.5
連結 Consolidated	8.2	2.9	1.6	5.1	3.6	-4.6	-1.5
■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	0.1	-4.4	-0.2

Operating income



(Unit: Billion yen)

■ 営業利益 Operating income	'18/Q1	'18/Q2	'18/Q3	'18/Q4	'19/Q1	前年 同期比	前Q比	'19/Q1- Q2 Forecast	'19/Q1- Q2 as of May 9	増減 Difference	'18/Q1- Q2	増減 Difference
						19Q1-' 18Q1	19Q1-' 18Q4					
機能材料 Engineered materials	5.6	5.1	2.8	2.2	2.1	-3.4	-0.1	5.7	10.0	-4.3	10.6	-4.9
金属 Metals	1.3	-4.2	-1.7	1.0	1.8	0.5	0.7	1.3	3.0	-1.7	-2.8	4.1
自動車部品 Automotive Parts & Components	1.0	0.5	1.3	1.2	-0.1	-1.1	-1.4	-0.3	0.0	-0.3	1.4	-1.7
関連 Affiliated Coordination	0.6	1.0	1.4	1.0	0.0	-0.5	-1.0	0.2	0.5	-0.3	1.6	-1.4
調整額 Adjustment	-0.6	-1.0	-0.6	0.3	-1.0	-0.4	-1.2	-0.9	-1.0	0.1	-1.5	0.6
連結 Consolidated	7.8	1.4	3.3	5.7	2.8	-5.0	-2.9	6.0	12.5	-6.5	9.3	-3.3

Equity in gain or losses

(Unit: Billion yen)

	2017							2018							2019 見込				
	Q1	Q2	1st Half	Q3	Q4	2nd Half	FY 2017	Q1	Q2	1st Half	Q3	Q4	2nd Half	FY 2018	Q1	Q2 Fore cast	1st Half Fore cast	1st Half Fore cast (May 9)	Difference.
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	-
Metals	-0.8	-2.6	-3.4	-1.4	-0.7	-2.0	-5.4	-1.1	-0.0	-1.1	-1.3	-0.9	-2.3	-3.4	0.2	-0.7	-0.5	0.1	-0.6
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	0.2	0.4	0.8	0.0	-0.0	0.0	0.4	-0.4
Others	-	-	-	-	-34.6	-34.6	-34.6	-	-	-	-	-	-	-	-	-	-	-	-
Total	-0.4	-2.2	-2.6	-0.7	-34.7	-35.4	-38.0	-0.8	0.3	-0.5	-1.0	-0.7	-1.7	-2.2	0.3	-0.7	-0.4	0.6	-1.0

Copper (¢ / lb)	265	257	261	288	309	298	280	316	312	314	277	280	278	296	282	277	280	295
Forex (Yen/\$)	111	111	111	113	108	111	111	109	111	110	113	110	112	111	110	108	109	110

※1 Impairment loss in Caserones copper mine in 2017 Q4 is included in *Others*.

※2 Copper price is on calendar year basis.

Q1: Jan - Mar

Trends of products

Volume for 2017 Q1 scaled at 100 (except Copper Foil and Zinc)

			2017					2018					2019		
			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	106	111	109	106	114	111	124	117	117	116	119	114
Catalysts for motorcycle	Volume of Sales	Index	100	106	97	99	100	105	106	95	90	99	97	100	103
Catalysts for automobile	Volume of Sales	Index	100	114	116	120	113	137	151	179	165	158	175	184	166
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	2,430	2,370
MicroThin™	Volume of Sales	Index	100	147	155	124	131	113	131	105	65	103	95	110	136
ITO Target	Volume of Sales	Index	100	105	114	98	105	102	94	102	92	97	89	97	107
Zinc	Volume of Production	k-t	47	59	54	56	216	54	49	50	58	211	56	112	113
Side door Latches	Volume of Sales	Index	100	99	98	109	102	100	100	105	104	102	98	—	—

Inventory Factors

(Unit: Billion yen)






	2018							2019				
	Q1	Q2	1st Half	Q3	Q4	2nd Half	FY 2018	Q1	Q2 Forecast	1st Half Forecast	1st Half (9th May)	Diff.
Engineered Materials	0.8	-0.3	0.5	-1.9	-0.9	-2.8	-2.3	-1.3	-0.2	-1.5	-	-1.5
Metals	-0.3	-4.5	-4.8	0.1	-1.8	-1.7	-6.5	-0.4	-2.9	-3.3	-1.2	-2.1
Automotive Parts & Components	-	-	-	-	-	-	-	-	-	-	-	-
Affiliate Coordination	-	-0.3	-0.3	-0.1	-0.1	-0.2	-0.5	-	-0.1	-0.1	-	-0.1
Total	0.5	-5.1	-4.6	-1.9	-2.8	-4.7	-9.3	-1.7	-3.2	-4.9	-1.2	-3.7

Indium(High) (\$/Kg)	335	292	313	262	230	246	280	196	175	185	220
Zinc (\$ / t)	3,114	2,534	2,824	2,630	2,705	2,667	2,746	2,763	2,500	2,631	2,600
Lead (\$ / t)	2,387	2,102	2,245	1,964	2,037	2,000	2,122	1,886	2,000	1,943	2,000
Copper (¢ / lb)	312	277	294	280	282	281	288	277	270	274	295

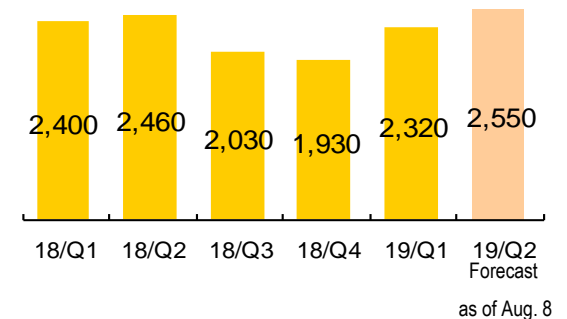
Performance by Segment – Engineered Materials

(Unit: Billion yen)

	'19/Q1	'18/Q1	増減 YonY	'19/Q1-2 (予想) Forecast	'19/Q1-2 (前回予想) Forecast as of May9	増減 YonY	'18/Q1-2	増減 YonY
■売上高 Sales	39.8	42.4	-2.7	84.0	89.0	-5.0	86.8	-2.8
■営業利益 Operating income	2.1	5.6	-3.4	5.7	10.0	-4.3	10.6	-4.9
■経常利益 Ordinary income	2.1	6.2	-4.1	5.5	9.6	-4.1	11.7	-6.2

(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 •Tonner 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

Sales volume for copper foil (t / month)



Performance by Segment – Metals

(Unit: Billion yen)

	'19/Q1	'18/Q1	増減 YonY	'19/Q1-2 (予想) Forecast	'19/Q1-2 (前回予想) Forecast as of May9	増減 YonY	'18/Q1-2	増減 YonY
■売上高 Sales	39.6	43.8	-4.2	80.0	81.0	-1.0	84.4	-4.4
■営業利益 Operating income	1.8	1.3	0.5	1.3	3.0	-1.7	-2.8	4.1
■経常利益 Ordinary income	2.5	0.9	1.6	1.1	3.2	-2.1	-3.1	4.2

Metal Prices

Forecast

		'18/Q1	'18/Q2	'18/Q3	'18/Q4	'19/Q1	'19/Q2
Zn	\$/t	3,114	2,534	2,630	2,705	2,763	2,500
Zn (Actual)	\$/t	2,832	2,540	2,595	2,636	2,676	2,518
Pb	\$/t	2,387	2,102	1,964	2,037	1,886	2,000
Cu	¢ /lb	316	312	277	280	282	277
Forex	yen/\$	109	111	113	110	110	108
Forex (Actual)	yen/\$	109	110	111	109	110	108

Difference Analysis


	18Q1→19Q1	Forecast 19Q1-2 (May 9th) →19Q1-2
LME/Forex	-0.4	-0.2
T/C	0.6	-
Inventory Factors	-0.1	-2.1
Cokes	-0.0	-0.1
Equity profit/loss	1.3	-0.6
Dividends	-0.2	0.1
Others	0.4	0.8
Total	1.6	-2.1

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

Performance by Segment – Automotive Parts & Components

(Unit: Billion yen)

	'19/Q1	'18/Q1	増減 YonY	'19/Q1-2 (予想) Forecast	'19/Q1-2 (前回予想) Forecast as of May9	増減 YonY	'18/Q1-2	増減 YonY
■売上高 Sales	23.3	25.3	-2.0	46.0	48.0	-2.0	50.5	-4.5
■営業利益 Operating income	-0.1	1.0	-1.1	-0.3	0.0	-0.3	1.4	-1.7
■経常利益 Ordinary income	0.1	0.9	-0.8	0.0	0.0	0.0	1.9	-1.9

[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.

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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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