

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Japanese Accounting Standards)

May 14, 2025

Name of listed company: Mitsubishi Materials Corporation Listing: Tokyo Stock Exchange
Stock code: 5711 URL: <https://www.mmc.co.jp/>
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Scheduled date for ordinary general meeting of shareholders: June 25, 2025
Scheduled date of start of dividend payment: June 11, 2025
Scheduled filing date of Annual Securities Report: June 24, 2025
Supplementary materials for the financial results: Yes
Investor conference for the financial results: Yes (For Institutional Investors)

(Amounts of less than one million yen are omitted)

1. Results of the Fiscal Year Ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(1) Consolidated Results of Operations (Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	1,962,076	27.4	37,118	59.5	60,235	11.3	34,076	14.4
Year ended March 31, 2024	1,540,642	-5.2	23,276	-53.5	54,102	113.8	29,793	46.5

(Note) Comprehensive income: Year ended March 31, 2025: ¥45,056 million (-45.4%) Year ended March 31, 2024: ¥82,450 million (94.4%)

	Profit per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2025	260.82	—	5.1	2.7	1.9
Year ended March 31, 2024	228.07	—	4.8	2.7	1.5

(Reference) Share of profit of entities accounted for using equity method: Year ended March 31, 2025: ¥17,539 million
Year ended March 31, 2024: ¥11,525 million

(2) Consolidated Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	2,375,345	693,276	28.5	5,183.34
As of March 31, 2024	2,167,628	685,623	30.2	5,003.75

(Reference) Shareholders' equity: As of March 31, 2025: ¥677,250 million As of March 31, 2024: ¥653,642 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2025	58,889	-79,383	-13,208	88,642
Year ended March 31, 2024	51,351	-102,998	32,921	131,143

2. Dividend Payments

(Record date)	Dividend per share					Total dividend amount (annual)	Dividend payout ratio (consolidated)	Dividend to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2024	—	47.00	—	47.00	94.00	12,300	41.2	2.0
Year ended March 31, 2025	—	50.00	—	50.00	100.00	13,084	38.3	2.0
Year ending March 31, 2026 (Forecast)	—	50.00	—	50.00	100.00		65.3	

(Note) The year-end dividend for the fiscal year ended March 2025 will be fixed at the Board of Directors meeting to be held in May.

3. Consolidated Earnings Forecast (From April 1, 2025 to March 31, 2026) (Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2026	1,870,000	-4.7	10,000	-73.1	33,000	-45.2	20,000	-41.3	153.08

Notes:

- (1) Significant changes of subsidiaries during the period: Yes
 New: 13 (Company name: H.C. Starck Holding (Germany) GmbH and other 12 companies)
 Exempt: 1 (Company name: PT. Smelting)
 (Note) For details, please refer to “(5) Key notes on consolidated financial statements, Significant changes in scope of consolidation during the period” under “3. Consolidated Financial Statements and Key Notes” on page 17.
- (2) Changes in accounting policies, changes of accounting estimates and restatement
- | | |
|---|------|
| (i) Changes in accounting policies due to amendments to accounting standards: | Yes |
| (ii) Other changes in accounting policies: | None |
| (iii) Changes in accounting estimates: | None |
| (iv) Restatements: | None |
- (3) Numbers of outstanding shares (common stock)
- | | |
|---|--------------------|
| (i) Numbers of outstanding shares at the end of period (including treasury shares): | |
| Year ended March 31, 2025: | 131,489,535 shares |
| Year ended March 31, 2024: | 131,489,535 shares |
| (ii) Numbers of treasury shares at the end of period: | |
| Year ended March 31, 2025: | 830,439 shares |
| Year ended March 31, 2024: | 859,157 shares |
| (iii) Average number of outstanding shares during the period: | |
| Year ended March 31, 2025: | 130,653,077 shares |
| Year ended March 31, 2024: | 130,633,612 shares |

(Reference) Summary of Non-Consolidated Financial Results

Results of the Non-Consolidated Fiscal Year Ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(1) Non-Consolidated Results of Operations (Figures in percentages denote the year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	1,608,327	35.4	2,233	—	13,637	-30.5	-10,667	—
Year ended March 31, 2024	1,188,036	0.6	-9,233	—	19,621	-18.7	15,162	-25.6

	Profit per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2025	-81.65	—
Year ended March 31, 2024	116.07	—

(2) Non-Consolidated Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	1,852,792	365,283	19.7	2,795.70
As of March 31, 2024	1,660,409	393,172	23.7	3,009.81

(Reference) Shareholders' equity: As of March 31, 2025: ¥365,283 million As of March 31, 2024: ¥393,172 million

* This financial results is not subject to an audit by certified public accountants or audit firms.

* Explanation about the proper use of financial forecasts and other special notes.

(Notes concerning forward-looking statements, etc.)

The operating results forecasts and other forward-looking statements contained in this report are based on information currently available to Mitsubishi Materials Corporation (“Company” or “Group”), as well as certain assumptions that the Company has judged to be reasonable. As such, they do not constitute an assurance that the Company promises to achieve these projected results. Therefore, readers are advised to note that the actual results may vary materially from the forecasts due to a variety of factors.

Please see “(1) Overview of operating results, 3) Forecast for the next fiscal year (the fiscal year ending March 31, 2026)” under “1. Overview of Business Results” on page 5 for the assumptions about consolidated earnings forecast.

(Procedure for obtaining supplementary information on annual financial results and annual financial briefing)

The Company plans to hold an annual financial briefing for institutional investors on Wednesday, May 14, 2025. The materials used at this briefing are disclosed on the TDnet and the Company's website at the time that the annual financial results are announced.

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1. Overview of Business Results

(1) Overview of operating results

1) Overview of operating results

In the current fiscal year, amid the reduction of policy interest rates in the U.S. and Europe, the U.S. economy continued its recovery, whereas China and Europe experienced a slowdown in their economic recovery.

The Japanese economy has shown a gradual recovery trend, although there are signs of stagnation in personal consumption amid rising prices.

Regarding the business environment surrounding the Group, while demand for automobiles remained sluggish, there were signs of recovery in demand for semiconductors. In addition, there was an impact from both higher copper and gold prices as well as the depreciation of the yen compared to the same period in the previous year.

Under these circumstances, the Group has implemented various measures to enhance corporate value based on the Medium-term Management Strategy, which covers the period from the fiscal year ended March 2024 to the fiscal year ending March 2031.

As a result, in the current fiscal year, net sales were ¥1,964,976 million (up 27.5% year-on-year) and operating profit was ¥37,118 million (up 59.5% year-on-year). Ordinary profit was ¥60,235 million (up 11.3% year-on-year) mainly due to an increase in equity-method investment profit despite a decrease in dividends from mines. Profit attributable to owners of parent was ¥34,076 million (up 14.4% year-on-year) largely due to the impairment loss recorded and the gain on changes in equity associated with the conversion of PT. Smelting into an equity-method affiliate.

2) Overview by segments

Metals Business

(Billions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change (%)	
Net sales	1,038.0	1,433.6	395.6	(38.1%)
Operating profit	9.8	23.1	13.2	(134.5%)
Ordinary profit	31.0	41.1	10.1	(32.6%)

In the Metals business, net sales and operating profit increased year-on-year, mainly due to the impact of the yen's depreciation and a significant rise in copper and gold prices. Ordinary profit rose due to an increase in operating profit and an improvement in equity-method investment profit, despite a decrease in dividends from mines.

Advanced Products Business

(Billions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change (%)	
Net sales	488.7	510.3	21.6	(4.4%)
Operating profit	4.0	5.6	1.5	(38.0%)
Ordinary profit	1.8	3.1	1.3	(73.6%)

Regarding the Advanced Products business, fluctuations in copper prices and foreign exchange rates had an impact on the Copper & Copper Alloy business. Meanwhile, in the Electronic Materials & Components business, there were indications of recovery in demand for certain semiconductor-related products.

As a result, net sales and operating profit grew year-on-year. Ordinary profit rose primarily due to an increase in operating profit.

Metalworking Solutions Business

(Billions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change (%)
Net sales	140.0	148.8	8.7 (6.3%)
Operating profit	10.8	8.8	-1.9 (-17.7%)
Ordinary profit	12.2	8.5	-3.7 (-30.4%)

In the Metalworking Solutions business, net sales of carbide products, our main products, increased year-on-year due to the depreciation of the yen and the effect of price hikes. However, operating profit declined due to weak demand for automobiles and rising raw material costs. Ordinary profit also decreased due to the decline in operating profit and foreign exchange losses.

Renewable Energy Business

(Billions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change (%)
Net sales	4.6	8.3	3.6 (79.5%)
Operating profit	0.8	2.3	1.5 (182.6%)
Ordinary profit	0.8	2.6	1.7 (204.3%)

In the Renewable Energy business, net sales and operating profit increased year-on-year, as Appi Geothermal Corporation became a consolidated subsidiary in April 2024. Ordinary profit rose due to an increase in operating profit and growth in equity-method investment profit.

Other Businesses

(Billions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change (%)
Net sales	160.6	157.6	-2.9 (-1.8%)
Operating profit	7.8	5.4	-2.3 (-30.1%)
Ordinary profit (loss)	22.1	18.5	-3.5 (-16.2%)

In other businesses, net sales and operating profit decreased due to the withdrawal from the nuclear power business. Ordinary profit decreased mainly due to a decline in operating profit.

3) Forecast for the next fiscal year (the fiscal year ending March 31, 2026)

The future of the global economy is expected to become more uncertain due to the impact of U.S. policy trends, including tariff policy, and there are concerns about a downturn in the economy and fluctuations in the capital market. With regard to the Japanese economy, in addition to the trends of the global economy, there are concerns about downward pressure on the economy due to the impact on consumer sentiment through continued price increases. The business environment surrounding the Group is also expected to remain severe due to fluctuations in foreign exchange rates, a decline in TC/RC, and changes in demand for automobiles and semiconductors.

Against this backdrop, the Group will implement various measures based on the Medium-term Management Strategy to enhance its corporate value.

For the next fiscal year, we project net sales of ¥1,870 billion, operating profit of ¥10.0 billion, ordinary profit of ¥33.0 billion, and profit attributable to owners of parent of ¥20.0 billion, assuming the average U.S. dollar rate of ¥140/\$, the average euro rate of ¥160/€, and the copper price of 425¢/lb.

(2) Overview of financial position

Total assets at the end of the current fiscal year were ¥2,375.3 billion, an increase of ¥207.7 billion from the end of the previous fiscal year, mainly due to a rise in leased gold bullion, inventories.

Total liabilities were ¥1,682.0 billion, an increase of ¥200.0 billion from the end of the previous fiscal year, mainly due to a rise in deposited gold bullion.

Our Group is working to improve cash efficiency by implementing a cash management system and other measures to centralize the management of surplus funds at each group company. As part of this, from the third quarter of the consolidated fiscal year, we started operating a global cash management system (notional pooling) for some overseas subsidiaries, and are working to further improve cash efficiency on a global basis. In the national pooling system at the end of the fiscal year under review, the amount of deposits of ¥27.5 billion is included in cash and cash equivalents, and the amount of borrowings of ¥27.4 billion is included in short-term borrowings.

The status of each cash flow during the current consolidated fiscal year and their factors are as follows.

(Cash flow from operating activities)

Cash flow from operating activities in the current fiscal year was ¥58.8 billion (an increase of ¥7.5 billion year-on-year), mainly due to income before income taxes and minority interests, the recording of depreciation and amortization, which is a non-cash item, and an increase in inventories.

(Cash flow from investing activities)

Cash flow from investing activities in the current fiscal year was ¥79.3 billion (a decrease of ¥23.6 billion year-on-year), mainly due to capital expenditures.

(Cash flow from financing activities)

Cash flow from financing activities in the current fiscal year was ¥13.2 billion (an increase of ¥46.1 billion year-on-year), mainly due to payment of dividends.

As a result of the above, the balance of cash and cash equivalents at the end of the current fiscal year was ¥88.6 billion (a decrease of ¥42.5 billion from the end of the previous fiscal year).

Changes in the Group's cash flow-related indicators are as follows:

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Shareholders' equity ratio (%)	26.8	27.5	31.4	30.2	28.5
Shareholders' equity ratio on market value basis (%)	16.6	13.2	14.9	17.6	13.4
Interest-bearing debt to cash flow ratio	8.4	93.0	12.5	12.5	10.3
Interest coverage ratio	17.8	1.2	7.7	6.6	6.7

Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio on market value basis: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest payments

Notes:

1. All indicators are calculated on a consolidated basis.
2. Market capitalization is based on the year-end share price multiplied by the number of shares issued and outstanding at year-end (after deducting treasury shares).
3. Cash flows are based on the cash flows from operating activities in the Consolidated Statements of Cash Flows.
4. Interest-bearing debt covers all interest-bearing debt in the consolidated balance sheets. Interest payments are based on the amount shown in the consolidated statements of cash flows.

(3) Basic policy on profit allocation and dividends for the current fiscal year and the next fiscal year

The Company intends to distribute surplus profits through resolutions of the Board of Directors as stipulated in its Articles of Incorporation. In addition, based on the recognition that returning profits to shareholders is one of the most important objectives of management, the Company's policy is to determine the distribution of profits by comprehensively judging various factors throughout management, such as periodic revenues, retained earnings, and financial position.

Regarding profit distribution during the Medium-term Management Strategy FY2031, we plan to implement profit returns with a target dividend payout ratio of 30% from the fiscal year ended March 2024 to the fiscal year ending March 2026. With regard to the repurchase of treasury stock, the Company will continue to flexibly consider taking into account financial discipline such as cash flow, stock price, and net debt-to-equity ratio.

Based on this policy, the year-end dividend forecast for the current fiscal year is ¥50 per share, taking into account the results of earnings and operating cash flow for the same period. Together with the interim dividend of ¥50, the total dividend is expected to be ¥100 per share (¥94 in the previous fiscal year).

The Company plans to pay a dividend of ¥100 per share (interim dividend of ¥50, year-end dividend of ¥50) for the next fiscal year ending March 31, 2026.

2. Basic Concept for Selection of Accounting Standards

The Group intends to prepare the consolidated financial statements in accordance with Japanese GAAP for the time being, taking into consideration the inter-period comparability and inter-company comparability of consolidated financial statements.

The Group intends to make appropriate decisions on the application of IFRS (International Financial Reporting Standards), taking various situations into account.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated balance sheet

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2024)	Current Fiscal Year (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	134,923	91,605
Notes receivable – trade	26,255	23,309
Accounts receivable – trade	180,540	171,045
Merchandise and finished goods	135,991	151,718
Work in process	126,297	141,312
Raw materials and supplies	166,212	190,399
Leased gold bullion	290,614	463,727
Gold bullion in custody	119,031	129,505
Other	103,799	102,212
Allowance for doubtful accounts	(636)	(530)
Total current assets	1,283,029	1,464,306
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	129,813	152,535
Machinery, equipment and vehicles, net	192,346	155,323
Land, net	88,559	88,428
Construction in progress	24,670	22,609
Other, net	36,706	19,545
Total property, plant and equipment, net	472,096	438,443
Intangible assets		
Goodwill	8,029	32,823
Others	21,319	20,294
Total intangible assets	29,349	53,117
Investments and other assets		
Investment securities	286,714	310,772
Retirement benefit asset	16,673	25,282
Deferred tax assets	27,361	24,919
Other	53,170	58,381
Allowance for doubtful accounts	(766)	(766)
Total investments and other assets	383,153	418,590
Total non-current assets	884,59	910,151
Deferred assets		
Opening expenses	-	887
Total deferred assets	-	887
Total assets	2,167,628	2,375,345

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2024)	Current Fiscal Year (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	94,745	99,426
Short-term borrowings	182,772	308,345
Current portion of bonds payable	10,000	-
Commercial papers	15,000	-
Income taxes payable	5,643	4,396
Provision for bonuses	11,214	11,920
Provision for loss on disposal of inventories	1,218	772
Deposited gold bullion	567,047	773,036
Other	106,478	99,435
Total current liabilities	994,119	1,297,333
Non-current liabilities		
Bonds payable	80,000	100,000
Long-term borrowings	315,391	184,753
Deferred tax liabilities	9,416	10,921
Deferred tax liabilities for land revaluation	7,457	7,667
Provision for loss on business of subsidiaries and affiliates	73	73
Provision for environmental measures	12,123	14,120
Provision for directors' retirement benefits	532	422
Provision for share based compensation plan	455	456
Retirement benefit liability	19,227	41,208
Other	43,208	25,112
Total non-current liabilities	487,885	384,735
Total liabilities	1,482,005	1,682,069
Net assets		
Shareholders' equity		
Share capital	119,457	119,457
Capital surplus	81,745	81,745
Retained earnings	358,569	379,339
Treasury shares	(2,898)	(2,828)
Total shareholders' equity	556,875	577,714
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,751	7,894
Deferred gains or losses on hedges	3,262	972
Revaluation reserve for land	16,063	15,670
Foreign currency translation adjustment	57,567	57,698
Remeasurements of defined benefit plans	10,123	17,300
Total accumulated other comprehensive income	96,766	99,535
Non-controlling interests	31,981	16,026
Total net assets	685,623	693,276
Total liabilities and net assets	2,167,628	2,375,345

(2) Consolidated Statement of profit or loss and consolidated statement of comprehensive income
Consolidated statement of profit or loss

(Millions of yen)

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Fiscal Year (From April 1, 2024 to March 31, 2025)
Net sales	1,540,642	1,962,076
Cost of sales	1,392,497	1,795,431
Gross profit	148,144	166,645
Selling, general and administrative expenses	124,868	129,526
Operating profit	23,276	37,118
Non-operating income		
Interest income	3,972	4,415
Dividend income	24,057	20,197
Share of profit of entities accounted for using equity method	11,525	17,539
Rental income from non-current assets	4,159	3,824
Foreign exchange gains	5,141	-
Other	3,097	2,640
Total non-operating income	51,952	48,618
Non-operating expenses		
Interest expenses	7,766	8,771
Expense for the maintenance and management of abandoned mines	4,312	4,170
Rental expenses on non-current assets	2,709	2,741
Foreign exchange losses	-	2,572
Loss on retirement of non-current assets	2,003	2,090
Other	4,334	5,154
Total non-operating expenses	21,126	25,501
Ordinary profit	54,102	60,235
Extraordinary income		
Gain on change in equity	-	7,649
Gain on sales of investment securities	727	3,927
Gain on sales of non-current assets	90	119
Other	22	965
Total extraordinary income	840	12,661
Extraordinary losses		
Impairment loss	7,759	13,494
Provision for reserve for environmental measures	-	4,510
Others	1,153	4,927
Total extraordinary losses	8,912	22,933
Profit before income taxes	46,030	49,963
Income taxes – current	12,011	9,392
Income taxes – deferred	(3,261)	214
Total income taxes	8,750	9,606
Profit	37,280	40,357
Profit attributable to non-controlling interests	7,486	6,280
Profit attributable to owners of parent	29,793	34,076

Consolidated statement of comprehensive income

(Millions of yen)

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Fiscal Year (From April 1, 2024 to March 31, 2025)
Profit	37,280	40,357
Other comprehensive income		
Valuation difference on available-for-sale securities	2,500	(2,251)
Deferred gains or losses on hedges	1,512	(1,808)
Revaluation reserve for land	-	(218)
Foreign currency translation adjustment	17,727	241
Retirement benefit adjustments	9,195	6,998
Share of other comprehensive income of entities accounted for using equity method	14,234	1,739
Total other comprehensive income	45,170	4,699
Comprehensive income	82,450	45,056
(Break down)		
Comprehensive income attributable to owners of parent	71,402	36,835
Non-controlling interests	11,047	8,221

(3) Consolidated statement of changes in net assets

Previous fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of March 31, 2023	119,457	81,917	338,867	(2,897)	537,345
Changes during the period					
Cash dividends			(9,421)		(9,421)
Profit attributable to owners of parent			29,793		29,793
Reversal of land revaluation difference			639		639
Decrease due to changes in the scope of equity method application of equity method affiliates			(1,308)		(1,308)
Change in scope of consolidation			(0)		(0)
Purchase of treasury shares				(94)	(94)
Disposal of treasury shares		(0)		94	94
Changes in ownership interest of parent due to transaction with non-controlling interests		(171)			(171)
Net changes in items other than shareholders' equity					
Total Changes during the period	—	(171)	19,701	(0)	19,530
Balance as of March 31, 2024	119,457	81,745	358,569	(2,898)	556,875

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of March 31, 2023	4,193	1,631	16,702	33,786	(335)	55,978	35,550	628,875
Changes during the period								
Cash dividends								(9,421)
Profit attributable to owners of parent								29,793
Reversal of land revaluation difference								639
Decrease due to changes in the scope of equity method application of equity method affiliates								(1,308)
Change in scope of consolidation								(0)
Purchase of treasury shares								(94)
Disposal of treasury shares								94
Changes in ownership interest of parent due to transaction with non-controlling interests								(171)
Net changes in items other than shareholders' equity	5,558	1,630	(639)	23,780	10,458	40,788	(3,569)	37,218
Total changes during the period	5,558	1,630	(639)	23,780	10,458	40,788	(3,569)	56,748
Balance as of March 31, 2024	9,751	3,262	16,063	57,567	10,123	96,766	31,981	685,623

Current fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of March 31, 2024	119,457	81,745	358,569	(2,898)	556,875
Changes during the period					
Cash dividends			(12,692)		(12,692)
Profit attributable to owners of parent			34,076		34,076
Reversal of land revaluation difference			(10)		(10)
Decrease due to changes in the scope of equity method application of equity method affiliates					—
Change in scope of consolidation			(604)		(604)
Purchase of treasury shares				(20)	(20)
Disposal of treasury shares		(0)		90	90
Changes in ownership interest of parent due to transaction with non-controlling interests					—
Net changes in items other than shareholders' equity					
Total changes during the period	—	(0)	20,769	69	20,838
Balance as of March 31, 2025	119,457	81,745	379,339	(2,828)	577,714

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of March 31, 2024	9,751	3,262	16,063	57,567	10,123	96,766	31,981	685,623
Changes during the period								
Cash dividends								(12,692)
Profit attributable to owners of parent								34,076
Reversal of land revaluation difference								(10)
Decrease due to changes in the scope of equity method application of equity method affiliates								—
Change in scope of consolidation								(604)
Purchase of treasury shares								(20)
Disposal of treasury shares								90
Changes in ownership interest of parent due to transaction with non-controlling interests								—
Net changes in items other than shareholders' equity	(1,857)	(2,289)	(392)	131	7,177	2,768	(15,954)	(13,185)
Total changes during the period	(1,857)	(2,289)	(392)	131	7,177	2,768	(15,954)	7,653
Balance as of March 31, 2025	7,894	972	15,670	57,698	17,300	99,535	16,026	693,276

(4) Consolidated statement of cash flows

(Millions of yen)

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Fiscal Year (From April 1, 2024 to March 31, 2025)
Net cash provided by (used in) operating activities		
Profit before income taxes	46,030	49,963
Depreciation	46,699	45,503
Amortization of goodwill	1,744	1,781
Increase (decrease) in allowance for doubtful accounts	11	(103)
Increase (decrease) in provision for environmental measures	(2,264)	1,997
Increase (decrease) in retirement benefits and directors' retirement benefits	(1,018)	(3,075)
Interest and dividend income	(28,030)	(24,613)
Interest expenses	7,766	8,771
Foreign exchange gains (losses)	(3,488)	901
Share of loss (profit) of entities accounted for using equity method	(11,525)	(17,539)
Gains (losses)	-	(7,649)
Gain on sales of non-current assets	(90)	(119)
Loss on retirement of non-current assets	2,003	2,090
Impairment loss	7,759	13,494
Loss (gain) on sales of investment securities	(727)	(3,917)
Loss (gain) on valuation of investment securities	1	1,146
Decrease (increase) in notes and accounts receivable – trade	(13,145)	14,029
Increase (decrease) in inventories	(43,501)	(47,155)
Proceeds from sales of gold bullion	129,986	149,985
Payment for purchase of gold bullion	(99,686)	(129,699)
Increase (decrease) in other current assets	(9,134)	4,531
Increase (decrease) in notes and accounts payable – trade	1,917	3,709
Increase (decrease) in accrued expenses	90	(2,078)
Increase (decrease) in other current liabilities	3,661	(9,057)
Increase (decrease) in other non-current liabilities	2,726	1,641
Other	3,539	(4,957)
Sub-total	41,324	49,583
Interest and dividend received	29,357	26,268
Interest paid	(7,765)	(8,773)
Income taxes (paid) refund	(11,564)	(8,189)
Net cash provided by (used in) operating activities	51,351	58,889

(Millions of yen)

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Fiscal Year (From Apr. 1, 2024 to March 31, 2025)
Net cash provided by (used in) investing activities		
Payment for purchase of property, plant and equipment	(78,795)	(56,077)
Proceeds from sales of property, plant and equipment	496	431
Payment for purchase of intangible assets	(4,159)	(4,212)
Payment for purchase of investment securities	(2,819)	(367)
Proceeds from sales of investment securities	1,169	13,997
Proceeds from refunds of investment securities	-	12,292
Payment for purchase of subsidiaries' shares	(688)	(4,733)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(33,646)
Proceeds from sales of subsidiaries' shares resulting in change in scope of consolidation	-	1,903
Payment for loans	(18,254)	(3,407)
Proceeds from collection of loans	3,369	877
Others	(3,315)	(6,439)
Net cash provided by (used in) investing activities	(102,998)	(79,383)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	29,192	41,528
Proceeds from long-term borrowings	56,260	16,049
Repayment of long-term borrowings	(35,576)	(43,390)
Proceeds from issuance of bonds	20,000	20,000
Payment for redemption of bonds	-	(10,000)
Net increase (decrease) in commercial papers	(10,000)	(15,000)
Payment for purchase of treasury shares	(94)	(20)
Cash dividends paid	(9,421)	(12,692)
Cash dividends paid to non-controlling interests	(13,485)	(7,493)
Others	(3,952)	(2,189)
Net cash provided by (used in) financing activities	32,921	(13,208)
Effect of exchange rate changes on cash and cash equivalents	8,779	2,280
Net increase (decrease) in cash and cash equivalents	(9,945)	(31,421)
Cash and cash equivalents at beginning of period	141,079	131,143
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	10	(11,079)
Cash and cash equivalents at end of period	131,143	88,642

(5) Key notes on consolidated financial statements

Notes on going concern assumption

N/A

Notes on changes in accounting policies

(Application of “Accounting Standards for Corporation Tax, Inhabitants Tax and Enterprise Tax,” etc.)

The Company has applied the “Accounting Standards for Corporation Tax, Inhabitants Tax and Enterprise Tax,” etc. (ASBJ Statement No. 27, October 28, 2022. Hereinafter referred to as “Revised Accounting Standard 2022.”) from the beginning of the first quarter.

Amendments regarding the classification of income taxes (taxation of other comprehensive income) have been made in accordance with the transitional treatment set forth in the proviso of Paragraph -3 of Article 20 of the Revised Accounting Standards 2022 and the transitional treatment set forth in the proviso of Paragraph 65, Item - 2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (Guidance on Accounting Standards No. 28 issued on October 28, 2022. Hereinafter referred to as the “Revised Application Guidelines 2022”). This has no impact on the quarterly consolidated financial statements.

In addition, effective from the beginning of the first quarter of the current consolidated accounting period, the Revised Application Guidelines 2022 has been applied to the revision of the treatment in the consolidated financial statements in the case of deferral for tax purposes of gain or loss on sale of shares of subsidiaries, etc. between consolidated companies. The change in accounting policy has been retroactively applied, and the quarterly consolidated financial statements and the full-year consolidated financial statements for the previous fiscal year have been retroactively applied. This has no impact on the quarterly consolidated financial statements and the full-year consolidated financial statements for the previous fiscal year.

Significant changes in scope of consolidation during the period

In the first quarter of the fiscal year, PT. Smelting, a consolidated subsidiary of the Company, has been excluded from the scope of consolidation and included in the scope of equity method application, as its equity ratio in the Company decreased due to a third-party allotment of shares.

In the third quarter of the consolidated fiscal year, H.C. Starck Holding and 12 other companies have been included in the scope of consolidation due to the acquisition of new shares.

Additional information

(Share-based compensation)

1. Overview of transactions

The Company has introduced a share-based compensation plan (“Plan”) for its Executive Officers (excluding non-domestic residents).

This Plan adopts a mechanism called the Board Incentive Plan Trust (“BIP Trust”). The Plan is to issue and grant the Executive Officers the Company’s shares and the amount equivalent to the disposal value of the Company’s shares, according to the Executive Officers’ positions or other conditions.

2. The Company’s shares remaining in BIP Trust

The Company’s shares remaining in BIP Trust are recorded as treasury shares in the net assets section at the book value of the BIP Trust (excluding the amount of incidental expenses). The book value and number of shares of treasury stock at the end of the previous fiscal year were ¥546 million and 220 thousand shares, and ¥457 million and 184 thousand shares at the end of the current fiscal year.

Business combination, etc.

(Exclusion from consolidation due to capital increase by third-party allotment of PT. Smelting)

As of June 30, 2024, PT. Smelting (“PTS”) has changed from a consolidated subsidiary of the Company to an equity-method affiliate due to a decrease in its equity ratio following the completion of capital increase by third-party allotment to PT Freeport Indonesia (“PTFI”).

1. Overview of the business divestiture

(1) Name of the transferee company

PT Freeport Indonesia

(2) Details of the divested business

Contract smelting of copper concentrate in Indonesia

(3) Main reasons for the business divestiture

Since its establishment in 1996, PTS has been the Group’s key base in Southeast Asia and the only Indonesian copper smelter, providing a stable supply of high-quality copper cathode to Indonesia and Southeast Asian countries. In Indonesia, under the Mining Law enacted in 2009, mining companies are required to add higher value minerals, and PTS is increasingly viewed as a smelter attached to the Grasberg Mine, which is operated by PTFI. In light of this situation, the Company has been discussing PTS with PTFI. As a result, the Company reached an agreement with PTFI on the following matters, and a resolution was passed at the Company’s Board of Directors meeting held on November 25, 2021, to conclude an agreement related to these matters.

- The expansion of PTS will be carried out as part of the efforts to add higher value to minerals
- PTS will receive full financing from PTFI for the expansion work
- The completion of the expansion work is conditional on conversion of the entire amount of the loan from PTFI to PTS into new shares of PTS (capital increase of PTS) based on the book value net asset method

Based on the above, the expansion work has been completed, and PTS’s ownership ratio decreased with the completion of PTS’s capital increase on June 30, 2024. Therefore, PTS changed from a consolidated subsidiary of the Company to an equity-method affiliate.

(4) Date of business separation

June 30, 2024

(5) Outline of other transactions including legal forms

Issuance of new shares through third-party allotment to PTFI

2. Outline of accounting treatment performed

(1) Amount of gain or loss on transfer

Gain on change in equity: ¥7,553 million

(2) Appropriate book value of assets and liabilities related to the transferred business and major breakdown thereof

Current assets: ¥29,355 million

Non-current assets: ¥88,876 million

Total assets: ¥118,232 million

Current liabilities: ¥3,923 million

Non-current liabilities: ¥20,820 million

Total liabilities: ¥24,743 million

(3) Accounting

The difference between the consolidated book value of PTS and the paid-in amount is recorded as “gain on changes in equity” in extraordinary income.

3. Reportable segments that included separate businesses

Metals business

4. Estimated amount of profit and loss pertaining to the divested business, reported on the quarterly consolidated profit and loss statement for the current fiscal year

Net sales: ¥11,109 million

Operating profit: ¥1,540 million

(Business combination through acquisition)

The Company reached an agreement with Masan High-Tech Materials Corporation (“MHT”) to acquire all of the shares of H.C. Starck Holding (Germany) GmbH (“HCS”) (“Acquisition”), which is engaged in the tungsten business. It entered into a share transfer agreement with Masan Tungsten Limited Liability Company, a group company of MHT, regarding the Acquisition on May 29, 2024, and acquired the shares on December 17, 2024, through Mitsubishi Materials Europe B.V., a wholly owned subsidiary of the Company, formerly known as MM Netherlands B.V.

1. Overview of the business combination

(1) Name of the acquiree and business description

Name of the acquired company: H. C. Starck Holding (Germany) GmbH

Business description: Manufacture, sale and recycling of tungsten powder, tungsten carbide powder, and tungsten chemical

(2) Main reasons for the business combination

HCS is one of the world’s leading manufacturers of tungsten products, with a history of more than 100 years. HCS manufactures and sells high-quality powders mainly made from tungsten powder, tungsten carbide powder, and its alloys in Europe, North America, and China, and has a sales network in Japan. In addition, HCS has a presence in each region and possesses one of the world’s largest tungsten recycling capabilities.

One of the Group’s business strategies is to become “A Leading Company in Tungsten Products Recognized by Customers Globally” in the Medium-term Management Strategy FY2031, from the fiscal year ended March 2024 to the fiscal year ending March 2031. In cemented carbide tools, where tungsten is the main raw material, HCS is making efforts to secure global recovery and recycling capabilities for used cemented carbide tools.

As a result of the Acquisition, our Group will have bases in the tungsten business in the four major markets of Japan, Europe, North America, and China, and has decided the Acquisition based on the judgment that the Acquisition will lead to the global business development of tungsten recycling, as well as the creation of synergies and enhancement of corporate value through strengthening the collaboration between Japan New Metals Co., Ltd. (a consolidated subsidiary of the Company) and HCS, promotion of cross-selling, and utilization of recycling technologies and capabilities.

The Company has also entered into a long-term procurement agreement with MHT Group for APT, an intermediate material for tungsten, and will continue its partnership in the future.

(3) Date of business combination

December 17, 2024 (deemed acquisition date on December 31, 2024)

(4) Legal form of business combination

Acquisition of shares in exchange for cash

(5) Name of the combined company

No change

(6) Percentage of voting rights acquired

100%

(7) Main reasons for determining the acquirer

This was due to the acquisition of shares by Mitsubishi Materials Europe B.V., a consolidated subsidiary, acquired shares in exchange for cash

2. Period of results of the acquiree included in the consolidated financial statements

December 31, 2024, is the deemed acquisition date, and the Company consolidated only the balance sheet of the acquired company as of December 31, which is its fiscal year-end. Therefore, the results of the acquiree are not included in the consolidated statements of profit or loss for the current fiscal year.

3. Acquisition cost of the acquiree and breakdown of consideration by type

Acquisition consideration	Cash	¥21,197 million
Acquisition cost		¥21,197 million

4. Breakdown and amount of major acquisition-related expenses

Advisory expenses ¥1,198 million

5. Amount of goodwill incurred, cause of occurrence, amortization method, and amortization period

(1) Amount of goodwill incurred

¥27,319 million (approximate)

As the allocation of acquisition costs has not been completed at the end of the consolidated fiscal year under review, the amount was tentatively calculated.

(2) Cause of occurrence

As acquisition costs exceeded the net amount allocated to assets received and liabilities assumed, the excess amount is recorded as goodwill.

(3) Amortization method and amortization period

The Company estimates the period during which the investment effect will occur and plans to amortize the investment over a reasonable period. The amortization period is currently being calculated.

6. Amount of assets received and liabilities assumed at the date of the business combination and major breakdown thereof

Current assets ¥23,778 million

Non-current assets ¥24,883 million

Total assets ¥48,662 million

Current liabilities ¥22,251 million

Non-current liabilities ¥30,868 million

Total liabilities ¥53,120 million

As the allocation of acquisition costs has not been completed, the amounts of assets received and liabilities assumed are tentatively calculated.

7. Allocation of acquisition costs

At the end of the current fiscal year, the identification of identifiable assets and liabilities as of the date of the business combination and the calculation of their fair values have not been completed, and the allocation of acquisition costs has not been completed. Therefore, provisional accounting procedures have been performed based on reasonable information available at that time.

8. Estimated impact on the consolidated statement of profit or loss for the current fiscal year, assuming that the business combination was completed on the first day of the current fiscal year, along with the method of calculation

Net sales ¥56,014 million

Loss on operating profit ¥-1,229 million

(Calculation method of estimated amount)

Net sales and profit and loss information calculated on the assumption that the business combination was completed on the first day of the current fiscal year are used as the estimated amount of impact.

This note has not received audit certification.

Notes on segment information, etc.

[Segment information]

1. Overview of reporting segments

(1) Method to define reporting segments

The Company's reporting segments are the units of the Company for which discrete financial information is available and which are subject to regular review by the Board of Directors to decide the allocation of management resources and to assess the performance.

The Company adopts an in-house company system and each in-house company and business unit or office formulates comprehensive domestic and international strategies and develops business activities with respect to the products and services handled.

Accordingly, the Company consists of segments by products and services based on in-house companies and has four reporting segments of "Metals business," "Advanced Products business," "Metalworking Solutions business," and "Renewable Energy business."

(2) Products and services which belong to each reporting segment

Major products of each business are as follows:

- | | |
|---------------------------------------|---|
| (i) Metals business | nonferrous metal smelting (including copper, gold, silver, palladium and sulfuric acid), home appliance recycling |
| (ii) Advanced Products business | copper & copper alloy products, electronic materials & components |
| (iii) Metalworking Solutions business | cemented carbide products |
| (iv) Renewable Energy business | renewable energy |

2. Calculation method for net sales, profits and losses, assets, liabilities and other items for each reporting segment

The reported method of accounting for business segments is the same as the method used to prepare the consolidated financial statements.

Profit in the reporting segments is based on ordinary profit.

Amount of intersegment revenues and transfers are based on current market prices.

3. Information on the amounts of net sales, profit or loss, assets, liabilities and other items for each reporting segment

Previous fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reporting segment				Other businesses	Total	Adjustment	Amounts in consolidated financial statements
	Metals business	Advanced Products business	Metalworking Solution business	Renewable Energy business				
Net sales								
(1) Sales to outside customers	815,087	472,567	135,732	4,644	112,610	1,540,642	-	1,540,642
(2) Intersegment sales and transfers	222,938	16,144	4,301	0	47,989	291,374	(291,374)	-
Total	1,038,025	488,712	140,034	4,644	160,600	1,832,016	(291,374)	1,540,642
Segment profit	31,046	1,818	12,272	857	22,131	68,125	(14,023)	54,102
Segment assets	1,155,904	395,484	237,101	32,270	298,999	2,119,760	47,868	2,167,628
Other items								
Depreciation	17,246	12,517	10,738	1,133	1,031	42,667	4,031	46,699
Amortization of goodwill	-	514	1,226	-	4	1,744	-	1,744
Interest income	3,638	235	356	0	76	4,308	(335)	3,972
Interest expenses	2,620	2,730	675	268	574	6,870	895	7,766
Share of profit (or loss) of entities accounted for using equity method	(3,940)	979	-	616	13,870	11,525	-	11,525
Investment amount in equity method affiliates	53,335	3,997	-	5,041	184,838	247,212	(687)	246,525
Increase in property, plant and equipment and intangible assets	48,724	21,540	11,619	855	2,366	85,107	2,767	87,874

Notes:

1. “Other businesses” include cement-related, aluminum-related and engineering-related businesses.
2. “Adjustment amount” of segment profit of ¥(14,023) million includes elimination of intersegment transactions of ¥(1,896 million) and corporate expenses not allocated to each reporting segment of ¥(12,126) million. Corporate expenses consist mainly of general and administrative expenses that do not belong to the reporting segments, basic experiment and research expenses, and financial income and expenses.
3. “Adjustment amount” of segment assets of ¥47,868 million includes the elimination of intersegment transactions of ¥(73,957) million and corporate assets of ¥121,826 million which are not allocated to the reporting segments. Corporate assets consist mainly of assets of administrative departments and assets relating to basic experiment and research that do not belong to the reporting segments.
4. “Adjustment amount” of ¥2,767 million for the increase in tangible fixed assets and intangible assets is mainly capital expenditure made by DX Promotion Division and the Innovation Center.
5. Segment profit has been adjusted with ordinary profit on the consolidated statements of profit or loss.

Current fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segment				Other businesses	Total	Adjustment	Amounts in consolidated financial statements
	Metals business	Advanced Products business	Metalworking Solution business	Renewable Energy business				
Net sales								
(1) Sales to outside customers	1,202,272	491,914	144,221	8,336	115,331	1,962,076	-	1,962,076
(2) Intersegment sales and transfers	231,360	18,443	4,583	0	42,339	296,726	(296,726)	-
Total	1,433,633	510,358	148,804	8,337	157,670	2,258,803	(296,726)	1,962,076
Segment profit	41,167	3,156	8,537	2,609	18,551	74,021	(13,786)	60,235
Segment assets	1,288,709	395,900	303,996	55,829	291,676	2,336,112	39,233	2,375,345
Other items								
Depreciation	14,061	13,024	10,841	2,192	986	41,105	4,398	45,503
Amortization of goodwill	-	548	1,228	-	4	1,781	-	1,781
Interest income	3,838	300	601	3	83	4,826	(411)	4,415
Interest expenses	2,698	3,757	954	408	736	8,555	216	8,771
Share of profit of entities accounted for using equity method	1,490	1,157	-	812	14,079	17,539	-	17,539
Investments in equity-method affiliates	88,197	5,040	264	5,205	186,524	285,232	(1,188)	284,043
Increase in property, plant and equipment and intangible assets	19,015	18,055	12,740	1,921	3,958	55,690	3,187	58,878

Notes:

1. “Other businesses” include cement-related and engineering-related businesses.
2. “Adjustment amount” of segment profit of ¥(13,786) million includes elimination of intersegment transactions of ¥(2,453 million) and corporate expenses not allocated to each reporting segment of ¥(11,332) million. Corporate expenses consist mainly of general and administrative expenses that do not belong to the reporting segments, basic experiment and research expenses, and financial income and expenses.
3. “Adjustment amount” of segment assets of ¥39,233 million includes the elimination of intersegment transactions of ¥(86,368) million and corporate assets of ¥125,601 million which are not allocated to the reporting segments. Corporate assets consist mainly of assets of administrative departments and assets relating to basic experiment and research that do not belong to the reporting segments.
4. “Adjustment amount” of ¥3,187 million for the increase in tangible fixed assets and intangible assets is mainly capital expenditure made by DX Promotion Division and the Innovation Center.
5. Segment profit has been adjusted with ordinary profit on the consolidated statements of profit or loss.

Per share information

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Fiscal Year (From April 1, 2024 to March 31, 2025)
Net assets per share	¥5,003.75	¥5,183.34
Profit (loss) per share	¥228.07	¥260.82

Notes:

1. The Company's shares held by the BIP Trust are included in treasury shares to be deducted from the total number of shares outstanding at the end of the period in the calculation of net assets per share. The number of treasury shares at the end of the period was 859,000 shares in the previous fiscal year and 830,000 shares in the current fiscal year. Of these, the number of our company shares held by the BIP Trust at the end of the period was 220,000 shares in the previous fiscal year and 184,000 shares in the current fiscal year.
2. Diluted profit per share are not stated since there are no dilutive shares.
3. The basis for the calculation of profit per share is as follows:

	Previous fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Profit per share		
Profit attributable to owners of parent (Millions of yen)	29,793	34,076
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders of owners of the parent (Millions of yen)	29,793	34,076
Average number of shares outstanding during period (Thousand shares)	130,633	130,653

Note:

The Company's shares held by the BIP Trust are included in treasury shares to be deducted in the calculation of the average number of shares during the period in the calculation of profit (loss) per share. The average number of treasury shares during the period was 855,000 shares in the previous fiscal year and 836,000 shares in the current fiscal year. Of these, the average number of shares of our company shares held by the BIP Trust was 223,000 shares in the previous fiscal year and 193,000 shares in the current fiscal year.

Notes on significant subsequent events

N/A