

May 25, 2001

Consolidated Financial Results for the year ended March 31, 2001
Mitsubishi Materials Corporation
 Tokyo, Japan

Code : 5711
 Shares listed : Tokyo, Osaka and 3 other Japanese stock exchanges
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 Date of board of directors' meeting for approval of accounts: May 25, 2001

1. Results of the year ended March 31, 2001

(1) Results of operations :

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Change	%	Change	%	Change	%	Change	%
Year ended Mar.31,2001	¥1,144,067	15.9	¥65,827	141.8	¥36,877	874.3	¥7,149	-
Year ended Mar.31,2000	¥986,883	0.3	¥27,229	161.7	¥3,785	-	(¥12,074)	-

	Net income per share	Diluted net income per share	Net income /Shareholders' equity	Ordinary income /Total assets	Ordinary income /Net sales
	Yen	Yen	%	%	%
Year ended Mar.31,2001	¥6.40	¥6.12	3.0	2.3	3.2
Year ended Mar.31,2000	(¥10.81)	-	(5.1)	0.2	0.4

Note 1.Profit/(loss) on investment by the equity method of accounting
 Year ended March 31,2001 : 509million yen
 Year ended March 31,2000 : 1,735million yen
 2.Number of averaged shares in the fiscal period
 Year ended March 31,2001 : 1,117,262,085share
 Year ended March 31,2000 : 1,117,262,085share
 3.Changes in the accounting method No change was made in the accounting method during the fiscal period under review.
 4.Changes shown in net sales, operating income, ordinary income and net income are calculated against those figures in the previous period.

(2) Financial position :

	Total assets	Shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
			%	Yen
As of Mar.31,2001	¥1,615,844	¥239,190	14.8	¥214.08
As of Mar.31,2000	¥1,671,000	¥231,558	13.9	¥207.25

Note: Number of shares at the end of the fiscal period
 Year ended March 31,2001 : 1,117,265,081share
 Year ended March 31,2000 : 1,117,259,089share

(3) Cash flows :

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalent at end of year
				Millions of yen
As of Mar.31,2001	¥132,068	(¥38,728)	(¥151,950)	¥16,594
As of Mar.31,2000	¥45,296	(¥12,679)	(¥15,898)	¥74,171

(4) Scope of consolidation and adoption of the equity method of accounting :

Number of consolidated subsidiaries : 114
 Number of non-consolidated subsidiaries to which the equity method accounting is applied : -
 Number of affiliates to which the equity method accounting is applied : 22

(5) Changes in scope of consolidation and adoption of the equity method of accounting

Number of consolidated companies ; New : 3 Excluded : 5
 Number of companies to which the equity method is applied ; New : 1 Excluded : -

2. Forecast (from April 1, 2001 to March 31, 2002)

	Net Sales	Ordinary Income	Net Income
	Millions of yen		
Six months ending Sep.30,2001	¥550,000	¥10,000	¥2,000
Year ending Mar.31,2002	¥1,120,000	¥34,000	¥8,000

Anticipated net income per share for the year ending March 31, 2002: ¥7.16

An Overview of Company Results (Consolidated)

1. Results for the fiscal year ended March 31, 2001

Net sales increased JPY157.1 billion to JPY1,144.0 billion. Operating income increased JPY38.5 billion to JPY65.8 billion. Ordinary income also increased JPY33.0 billion to JPY36.8 billion.

With regard to extraordinary items, the company posted JPY34.3 billion of extraordinary profit including setting up of a trust for past service liabilities and disposition of assets such as investments in securities and land. However, the company was obliged to incur JPY 52.8 billion of extraordinary losses. Such losses comprises mainly of JPY 24.4 billion for writing off of differences upon change of accounting standards for past service liabilities (JPY 14.2 billion from writing off by setting up of a trust and JPY 10.2 billion of cost for the fiscal year which is to be incurred in straight five years) and JPY 8.7 billion for withdrawal from production and sale of hard disc substrates at a subsidiary.

As a result, net income increased JPY19.2 billion to JPY7.1 billion.

Operation Review

Nonferrous Metals

Sales JPY260.1 billion, increased JPY36.0 billion

Operating income JPY2.3 billion, increased JPY2.4 billion

Sales volume and amount of copper increased due to strong demand for rolled products for semiconductor related use, in spite of weaker demand for cable. On the other hand, sales of gold, of which price remained low, declined on account of weak demand from individuals, banks and securities companies

At consolidated subsidiaries, PT.Smelting, Indonesian copper smelter, which started commercial production in May 1999, made its revenue jump up compared to the previous year. However, its profit slightly declined due to repair works of furnaces which was not planned and increased costs.

In terms of operating profit, increased production and sales mainly in copper covered adverse effects such as appreciation of yen and decrease in Treatment Charges and Refining Charges due to unfavorable terms and conditions of purchase contracts of copper concentrates.

Cement

Sales JPY189.9 billion, increased JPY18.3 billion

Operating income JPY15.3 billion, increased JPY3.9 billion

In the first half of the year under review, domestic sales volume of cement exceeded that of previous period, due to strong demand from private sector such as capital expenditure and construction of condominiums, in addition to steady demand from public spending. However, in

the later half, decline in public spending adversely affected the sales. Total sales slightly exceeded the preceding year. Price remained low.

On the other hand, export volume increased due mainly to strong demand from China.

At consolidated subsidiaries, sales and profit increased considerably due mainly to the steady US operations and brisk domestic sale of sand and gravel.

Consequently operating profit increased through increase in sales volume and cost cuttings mainly increased treatment of industrial wastes that offset decline of price of products, including cement and construction materials.

Fabricated Metal Products

Sales JPY396.5 billion, increased JPY73.0 billion

Operating income JPY26.1 billion, increased JPY11.3 billion

Although demand for some products was adversely affected, sales went up due to strong demand from IT and electronic parts related industries, in addition to recovery in automobile and electronics industries. Addition of MMC Kobelco Tool and Sambo Copper Alloy, both newly consolidated as at end last fiscal year, also contributed to increased sales.

Operating income increased absorbing lowered sales price by increase of sales, addition of subsidiaries and withdrawal from unprofitable operations.

Silicon and Advanced Materials

Sales JPY166.9 billion, increased JPY30.8 billion

Operating income JPY15.3 billion, increased JPY16.7 billion

We saw a sharp pick up in demand for silicon wafers in fall 1999, and demand for mobile phones and semiconductor related products was also brisk. Consequently, sales increased considerably in spite of decline in IT and semiconductor related demand which is attributable to anticipated slow down in the economy of the U.S.A.

Operating income increased due mainly to recovery in silicon wafer and IT related subsidiaries.

Others

Sales JPY238.9 billion, increased JPY28.7 billion

Operating income JPY11.3 billion, increased JPY4.6 billion

2. Forecast for fiscal 2002

For the fiscal 2002, the management's forecasts are as follows:

Sales: JPY1,120 billion,

Ordinary income: JPY34.0 billion, and

Net income: JPY8.0 billion.

Notes: Each of above forecasts reflects changes expected to be caused by spin off of silicon wafer and related operations in which such operations are

scheduled to merge with that of Sumitomo Metal Industries as at January 1st, 2002.

The figures are forecasted to be affected as follows by excluding three months from January to March 2002:

Sales	: (JPY20.0 billion)
Ordinary income	: (JPY2.0 billion)
Net income	: (JPY1.0 billion)

CONSOLIDATED BALANCE SHEET (1 / 2)
AS OF MARCH 31 2001

(Millions of yen)

	31/3/2001	31/3/2000	Difference
ASSETS			
CURRENT ASSETS			
Cash & Cash equivalents	¥16,989	¥77,210	(¥60,221)
Note received & Accounts receivable - Trade	232,807	229,326	3,481
Marketable securities	559	91,441	(90,881)
Inventories	185,760	173,635	12,124
Future income tax benefit	9,440	7,345	2,095
Other current assets	87,989	77,404	10,584
Allowance for doubtful accounts	(6,745)	(4,382)	(2,362)
TOTAL CURRENT ASSETS	526,801	651,981	(125,179)
NON-CURRENT ASSETS			
PROPERTY, PLANT & EQUIPMENT			
Buildings & Structures	267,695	275,592	(7,897)
Machinery & Equipment	302,908	302,312	596
Land	187,717	189,635	(1,918)
Construction in progress	41,474	23,071	18,403
Other tangible assets	15,649	16,347	(698)
TOTAL TANGIBLE ASSETS	815,445	806,959	8,486
INTANGIBLE ASSETS			
Intangible assets	14,110	13,231	879
TOTAL INTANGIBLE ASSETS	14,110	13,231	879
INVESTMENT & LONG-TERM RECEIVABLES			
Investments securities	171,065	98,471	72,594
Long-term loans receivable	40,937	40,372	565
Advance payment	2,686	1,746	940
Future income tax benefit	17,431	15,158	2,273
Investment other	46,461	44,163	2,298
Allowance for doubtful accounts	(19,097)	(17,269)	(1,827)
TOTAL INVESTMENT & LONG-TERM RECEIVABLES	259,485	182,642	76,843
TOTAL NON-CURRENT ASSETS	1,089,042	1,002,833	86,208
FOREIGN STATEMENTS TRANSLATION ADJUSTMENTS	-	16,185	(16,185)
TOTAL ASSETS	¥1,615,844	¥1,671,000	(¥55,156)

CONSOLIDATED BALANCE SHEET(2 / 2)
AS OF MARCH 31 2001

(Millions of yen)

	31/3/2001	31/3/2000	Difference
LIABILITIES			
CURRENT LIABILITIES			
Notes payable & Accounts payable - Trade	¥165,268	¥133,357	¥31,911
Short-term bank loans	413,073	500,487	(87,413)
Bonds payable	45,000	29,929	15,071
Commercial paper	20,000	-	20,000
Income taxes payable	9,113	4,756	4,356
Provision for deferred income tax	536	800	(264)
Reserve for bonus	12,646	11,656	990
Other current liabilities	155,545	119,153	36,392
TOTAL CURRENT LIABILITIES	821,184	800,140	21,043
LONG-TERM LIABILITIES			
Bonds payable	134,799	179,799	(45,000)
Long-term loans payable	276,710	313,165	(36,455)
Reserve for retirement of employees	32,712	26,395	6,317
Reserve for loss on consolidated subsidiaries	2,645	3,216	(571)
Reserve for loss from foreign exchange fluctuation	-	12,200	(12,200)
Other provisions	4,980	4,982	(2)
Provision for deferred income tax	18,966	15,369	3,597
Provision for deferred income tax in relation to revaluation	7,244	6,925	319
Consolidated control	3,506	3,786	(279)
Other long-term liabilities	27,620	37,256	(9,635)
TOTAL LONG-TERM LIABILITIES	509,187	603,096	(93,908)
TOTAL LIABILITIES	1,330,371	1,403,236	(72,865)
MINORITY INTEREST	46,282	36,204	10,077
SHAREHOLDERS' EQUITY			
Paid-in capital	99,396	99,396	-
Capital reserve	68,573	68,573	-
Reserve for revaluation	9,201	8,592	609
Consolidation surplus	59,941	55,000	4,940
Unrealized gains of securities	4,177	-	4,177
Foreign statements translation adjustments	(2,096)	-	(2,096)
Self-stocks	(3)	(3)	-
TOTAL SHAREHOLDERS' EQUITY	239,190	231,558	7,631
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	¥1,615,844	¥1,671,000	(¥55,156)

**CONSOLIDATED PROFIT & LOSS STATEMENTS
FOR THE YEAR ENDED MARCH 31 2001**

(Millions of yen)

	2000	1999	Difference
Net Sales	¥1,144,067	¥986,883	¥157,183
Cost of Goods Sold	936,562	825,096	111,465
Selling, General & Administrative Expenses	141,677	134,557	7,120
Operating income	65,827	27,229	38,598
Non-operating income			
Interest income	1,684	1,566	118
Dividend income	2,030	2,543	(513)
Profit on investment	509	1,735	(1,225)
Profit on sale of marketable securities	397	4,788	(4,391)
Other non-operating income	4,857	5,048	(190)
Non-operating expenses			
Interest expenses	28,574	24,332	4,242
Unrealized loss on marketable securities	-	3,579	(3,579)
Other non-operating expenses	9,854	11,213	(1,359)
Ordinary income	36,877	3,785	33,092
Extraordinary profit			
Profit on sales of fixed assets	11,855	27,433	(15,578)
Profit on setting up trust for employees' retirement	11,124	-	11,124
Profit on sales of investment stocks	5,271	4,768	503
Other special profit	6,105	4,322	1,782
Extraordinary loss			
Expenses for future employees' retirement	24,447	-	24,447
Loss on withdrawal from business	8,704	4,902	3,801
Loss on disposal of fixed assets	5,042	9,363	(4,320)
Loss on written off investment stocks	4,480	999	3,480
Allowance for bad debt	2,743	758	1,984
Loss on sale of investments securities	1,586	-	1,586
Loss on restructuring of affiliates	853	536	317
Provision for loss on consolidated subsidiaries	687	2,070	(1,382)
Provision for foreign exchange loss	-	12,200	(12,200)
Foreign exchange loss	-	8,903	(8,903)
Contribution to PSL of pension fund	-	7,113	(7,113)
Other special loss	4,300	9,314	(5,013)
Net income before tax	18,387	(15,852)	34,240
Corporate income taxes & business tax	13,274	6,003	7,271
Income taxes adjustments	(2,925)	(4,190)	1,265
Minority interest adjustment	(889)	5,590	(6,480)
Net income for the current year	¥7,149	(¥12,074)	¥19,223
NOTE 1. Lease expense	3,764	4,454	(690)

**CONSOLIDATED RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31 2001**

(Millions of yen)

	2000	1999	Difference
Balance at the beginning of year	¥55,000	¥75,388	(¥20,388)
Increase due to merger of unconsolidated subsidiaries	-	8	(8)
Others	140	-	140
Increase total	140	8	131
Cash dividends paid	1,675	-	1,675
Bonus to directors and statutory auditors	132	164	(32)
Reversal of reserve for land revaluation gain	540	-	540
Decrease resulting from decrease of affiliated companies on equity method	-	37	(37)
Decrease due to correction of land resulting from revaluation	-	3,068	(3,068)
Decrease due to adjustments for tax-effect accounting	-	5,051	(5,051)
Decrease total	2,348	8,321	(5,972)
Net income for current year	7,149	(12,074)	19,222
Balance at the end of year	¥59,941	¥55,000	¥4,940

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31 2001**

(Millions of yen)

	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	¥18,387	(¥15,852)
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	78,983	73,394
Provisions	10,851	9,954
Interest income & dividend income	(3,715)	(4,110)
Interest expenses	28,574	24,332
Equity earnings of unconsolidated subsidiaries and affiliates	(509)	(1,735)
Gain on sale of property, plant and equipment	(6,812)	(18,070)
Gain on sale of marketable securities and investments in securities	(1,189)	(4,977)
(Increase)Decrease in accounts receivables	(1,845)	13,656
(Increase)Decrease in inventories	(8,174)	(4,014)
(Increase)Decrease in other current assets	6,899	(7,202)
Increase(Decrease) in accounts payable	28,963	(999)
Contribution to PSL of pension fund	-	7,113
Others	11,746	8,430
Sub-total	162,159	79,919
Receipts for interest & dividend	5,094	6,863
Payments for interest	(28,634)	(24,254)
Payments for income taxes	(6,550)	(4,631)
Payments for special retirement allowances	-	(12,601)
Net cash provided by operating activities	132,068	45,296
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of marketable securities and investments in securities	(4,949)	(5,907)
Proceeds from sales of marketable securities and investments in securities	22,986	16,390
Purchase of newly-consolidated subsidiaries	-	(8,522)
Proceeds from sales of property, plant and equipment	32,480	41,266
Purchase of property, plant and equipment	(75,219)	(54,822)
Others	(14,027)	(1,084)
Net cash provided by investing activities	(38,728)	(12,679)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase(Decrease) in short-term bank loans	(109,199)	9,551
Proceeds from long-term debt	44,436	61,352
Repayments of long-term debt	(75,379)	(45,869)
Increase(Decrease) in commercial paper	20,000	(13,000)
Redemption of bonds	(29,929)	(27,000)
Dividend paid	(1,675)	-
Others	(203)	(933)
Net cash provided by financing activities	(151,950)	(15,898)
Adjustment	1,570	(1,047)
Net Increase in cash	(57,039)	15,670
Cash at beginning of year	74,171	57,768
Increase(Decrease) due to the change of scope of consolidation	(537)	733
Cash at end of year	16,595	74,171

Segment Information

(a) Business segment information

Millions of yen

Year ended March 31, 2001	Nonferrous metals	Cement	Fabricated metal products	Silicon and advanced materials	Others	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥222,551	¥185,791	¥374,605	¥160,937	¥200,180	¥1,144,067		¥1,144,067
Intersegment	37,535	4,157	21,883	5,913	38,754	108,245	(108,245)	-
Total	260,087	189,949	396,489	166,851	238,935	1,252,313	(108,245)	1,144,067
Operating expenses	257,792	174,600	370,374	151,546	227,619	1,181,933	(103,693)	1,078,240
Operating profit	¥2,295	¥15,348	¥26,114	¥15,304	¥11,315	¥70,379	(¥4,552)	¥65,827
Identifiable assets	¥261,762	¥246,478	¥446,632	¥271,219	¥249,681	¥1,475,774	¥140,069	¥1,615,844
Depreciation	¥10,711	¥11,404	¥21,931	¥25,830	¥7,498	¥77,376	¥1,606	¥78,983
Capital expenditures	¥11,607	¥8,155	¥26,472	¥29,812	¥3,475	¥79,522	¥4,238	¥83,761

Year ended March 31, 2000	Nonferrous metals	Cement	Fabricated metal products	Silicon and advanced materials	Others	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥203,792	¥171,050	¥301,245	¥132,774	¥178,021	¥986,883		¥986,883
Intersegment	20,247	629	22,207	3,235	32,226	78,545	(78,545)	-
Total	224,039	171,679	323,452	136,009	210,248	1,065,429	(78,545)	986,883
Operating expenses	224,136	160,262	308,605	137,420	203,543	1,033,968	(74,313)	959,654
Operating profit	(¥97)	¥11,417	¥14,847	(¥1,411)	¥6,704	¥31,460	(¥4,231)	¥27,229
Identifiable assets	¥245,279	¥265,480	¥467,177	¥266,015	¥283,042	¥1,526,994	¥144,006	¥1,671,000
Depreciation	¥8,417	¥11,628	¥21,596	¥22,382	¥7,538	¥71,564	¥1,830	¥73,394
Capital expenditures	¥6,289	¥6,690	¥16,451	¥17,490	¥6,024	¥52,946	¥1,036	¥53,983

NOTES

1. Business segment has been classified in terms of sales, main products of each business segment are as follows;

- (1) Nonferrous metals : Gold, Silver, Copper, Zinc and Tin products
- (2) Cement : Cement, Cement-related products, Ready-mixed concrete and Building materials
- (3) Fabricated metal products : Powder metallurgy products, Special alloy products, Industrial machinery, Aluminum cans and Copper related products
- (4) Silicon and advanced materials : Advanced products and Silicon wafers
- (5) Others : Energy and environmental-related products and Real estate

2. An amount of unallocated operating expenses, such as basic research & fundamental development costs and managerial costs of the parent company, included in Elimination and corporate assets or expenses is 5,436 million yen for the current period and 3,312 million yen for the previous period.

3. An amount of corporate assets included in Elimination and corporate assets is 164,823 million yen for the current period and 158,852 million yen for the previous period, main assets of which are those related to basic research & fundamental development, monies in the parent company (cash and marketable securities) and managerial division.

(b) Segment information by geographic area

Millions of yen

Year ended March 31, 2001	Japan	U.S.A.	Europe	Asia	Other	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥985,031	¥90,877	¥7,011	¥59,519	¥1,627	¥1,144,067		¥1,144,067
Intersegment	30,771	3,400	29	21,713	-	55,915	(55,915)	-
Total	1,015,803	94,278	7,041	81,233	1,627	1,199,983	(55,915)	1,144,067
Operating expenses	947,681	93,389	6,747	80,736	1,522	1,130,077	(51,836)	1,078,240
Operating profit	¥68,122	¥888	¥293	¥496	¥104	¥69,905	(¥4,078)	¥65,827
Identifiable assets	¥1,356,155	¥159,290	¥4,984	¥114,307	¥2,333	¥1,637,071	(¥21,227)	¥1,615,844

Millions of yen

Year ended March 31, 2000	Japan	U.S.A.	Europe	Asia	Other	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥880,615	¥67,895	¥4,823	¥31,949	¥1,599	¥986,883		¥986,883
Intersegment	19,620	972	46	19,092	1	39,732	(39,732)	-
Total	900,236	68,867	4,869	51,042	1,600	1,026,616	(39,732)	986,883
Operating expenses	862,975	74,665	4,848	51,981	1,376	995,847	(36,192)	959,654
Operating profit	¥37,260	(¥5,797)	¥20	(¥938)	¥224	¥30,769	(¥3,540)	¥27,229
Identifiable assets	¥1,248,187	¥138,651	¥3,038	¥104,566	¥2,463	¥1,496,908	¥174,092	¥1,671,000

NOTES

1. Nations or areas has been classified in terms of their geographic closeness.

2. Main countries or regions that belong to classes other than Japan and the United States

- (1) Europe : Germany, Spain, UK, France
 (2) Asia : Indonesia, Malaysia, Singapore, Taiwan, Hong Kong, Thailand
 (3) Other : Australia

3. An amount of unallocated operating expenses, such as basic research & fundamental development costs and managerial costs of the parent company, included in Elimination and corporate assets or expenses is 5,436 million yen for the current period and 3,312 million yen for the previous period.

4. An amount of corporate assets included in Elimination and corporate assets is 164,823 million yen for the current period and 158,852 million yen for the previous period, main assets of which are those related to basic research & fundamental development, monies in the parent company (cash and marketable securities) and managerial division.

(c) Overseas sales by geographic area

Year ended March 31, 2001	Millions of yen				
	U.S.A.	Europe	Asia	Other	Total
Overseas sales	¥80,120	¥13,346	¥90,845	¥2,010	¥186,322
Consolidated net sales					¥1,144,067
Percentage of overseas sales to consolidated net sales	7.0%	1.2%	7.9%	0.2%	16.3%

Year ended March 31, 2000	Millions of yen				
	U.S.A.	Europe	Asia	Other	Total
Overseas sales	¥54,507	¥6,463	¥82,780	¥3,701	¥147,453
Consolidated net sales					¥986,883
Percentage of overseas sales to consolidated net sales	5.5%	0.6%	8.4%	0.4%	14.9%

NOTES

1. Nations or areas has been classified in terms of their geographic closeness.

2. Main countries or regions that belong to classes other than the United States

- (1) Europe : Germany, UK, Spain, France
 (2) Asia : Indonesia, Korea, Malaysia, Singapore, Taiwan, Thailand, Hong Kong
 (3) Other : Australia, Canada, Brazil

3. Overseas sales represents sales of Mitsubishi Materials Corporation and its subsidiaries made in countries and regions other than Japan.