



Consolidated Financial Results for the Nine Months Ended December 31, 2011

Mitsubishi Materials Corporation

Tokyo, Japan

February 8, 2012

Stock code:	5711
Shares listed:	Tokyo Stock Exchange and Osaka Securities Exchange
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Filing date of Quarterly Report:	February 10, 2012
Scheduled date of start of dividend payment:	—
Supplementary materials for the quarterly financial results:	Yes
Investor conference for the quarterly financial results:	Yes (For Corporate Investors)

1. Results of the nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

(1) Results of operations (cumulative):

(Millions of yen)

(Percentage changes relative to previous corresponding period)

	Net sales		Operating Profit		Ordinary Income		Net Income	
Nine Months Ended Dec.31, 2011	¥1,088,931	10.1(%)	¥43,704	-3.0(%)	¥54,031	16.8(%)	¥26,457	27.3(%)
Nine Months Ended Dec.31, 2010	¥989,158	28.6(%)	¥45,048	—	¥46,278	—	¥20,784	—

(Note) Comprehensive income
 Nine months ended Dec 31, 2011: 17,700 million yen (86.1%)
 Nine months ended Dec 31, 2010: 9,512 million yen (—%)

	Net Income per Share	Diluted Net Income per Share
Nine Months Ended Dec.31, 2011	¥20.17 (yen)	—
Nine Months Ended Dec.31, 2010	¥15.84 (yen)	—

(2) Financial Position:

(Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio
As of December 31, 2011	¥1,770,906	¥410,611	20.2(%)
As of March 31, 2011	¥1,837,405	¥402,868	18.7(%)

(Reference) Shareholders' equity
 As of December 31, 2011: 357,225 million yen
 As of March 31, 2011: 344,233 million yen

2. Dividend payments

(yen)

(Record date)	Dividends per Share				
	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
Year Ended March 31, 2011	—	¥0.00	—	¥2.00	¥2.00
Year Ending March 31, 2012	—	¥0.00	—	—	—
Year Ending March 31, 2012 (Forecast)	—	—	—	—	—

(Note) Revisions to dividend forecast in the current period: No Forecast of year-end dividend has not been decided.

3. Forecast (From April 1, 2011 to March 31, 2012)

(Millions of yen)

(Percentage changes relative to the previous corresponding period)

	Net sales		Operating Profit		Ordinary Income		Net Income		Net Income per Share
Year Ending March 31, 2012	¥1,417,000	6.2 (%)	¥52,000	-9.2 (%)	¥40,000	-29.1 (%)	¥2,000	-86.0 (%)	¥1.52 (yen)

(Note) Revisions to forecast in the current period: No

4. Other

(1) Significant changes of subsidiaries during the period (including changes in scope of consolidation): None

(2) Application of specific accounting treatment :Yes

(Note) For details, please see “2. Summary (Other) Information” on page 5.

(3) Changes in accounting policies; changes in accounting estimates; restatements

(i) Changes in accounting policies due to amendment of accounting standards: None

(ii) Other changes in accounting policies: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(4) Number of issued shares (common stock)

(i) Number of issued shares at end of year (including treasury shares)

Nine months ended December 31, 2011: 1,314,895,351 shares

Year ended March 31, 2011: 1,314,895,351 shares

(ii) Number of treasury shares at end of year

Nine months ended December 31, 2011: 3,011,420 shares

Year ended March 31, 2011: 2,933,251 shares

(iii) Average number of shares during the period (quarterly cumulative period)

Nine months ended December 31, 2011: 1,311,921,356 shares

Nine months ended December 31, 2010: 1,312,084,446 shares

*Indication regarding the situation of quarterly review procedures

These financial results are not subject to the quarterly review procedures pursuant to the Financial Instruments and Exchange Act. As of the disclosure of these financial results, the procedures for reviewing quarterly financial statements pursuant to the Financial Instruments and Exchange Act are in progress.

*Appropriate use of business forecasts and other special items

(Notes regarding descriptions of earning forecasts and other forward-looking statements, etc.)

Earning forecasts and other forward-looking statements in this document are based on information currently available to the Company's management and certain assumptions judged rational. Accordingly, there might be cases in which actual results materially differ from forecasts of this report. To use assumptions for forecasts and to refer to specific revisions on consolidated financial forecasts, see (3) Qualitative Information on Consolidated Performance Forecasts (page 5) under “1. Qualitative Information Regarding the Consolidated Performance”.

(Method of obtaining supplementary information to and contents of the first three quarters financial results briefing)

Mitsubishi Materials Corporation is scheduled to hold a first three quarters financial results briefing for institutional investors on February 8, 2012 (Wednesday). Supplementary information to the quarterly financial results to be used in this briefing is being released on TDnet and on the Company's website with the announcement of the consolidated financial results for the nine months ended December 31, 2011.

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1. Qualitative Information Regarding the Consolidated Performance

(1) Qualitative Information on the Consolidated Business Performance

1) Overview of period under review

In the three-quarter period under review (April 1, 2011 – December 31, 2011), downside risks in the world economy became greater partly due to the impact of the debt crisis in Europe.

In Japan, although the conditions of the economy remained difficult due to the prolonged appreciation of the yen and the impact of the Great East Japan Earthquake, the economy recovered gradually following the progress of rebuilding of supply chains.

The business environment surrounding the Mitsubishi Materials Group was steady partly because the prices of major metals continued at high levels despite the impact of the floods in Thailand

In this environment, the Group strove to establish a system enabling us to maintain production activities at pre-disaster levels by working on a quick recovery from the earthquake and establishing an operating plan based on the assumption of constant electricity shortages. In addition, we embarked on a New Medium-Term Management Plan FY2012-2014, entitled “Materials Premium 2013—For the Creation of New value”. The plan embraces the basic concept of “Simultaneously implementing growth strategies and financial improvements,” with two initiatives stated as growth strategies: “Business advancement in overseas markets, especially newly emerging nations” and “Generation of distinctive synergies as an integrated business entity.” Based on this recognition, we have continued to implement various measures.

As a result, consolidated net sales for the period totaled ¥1,088,931 million, up 10.1% from the previous corresponding period. Operating profit decreased 3.0%, to ¥43,704 million, and ordinary income rose 16.8%, to ¥54,031 million. Net income for the period jumped 27.3%, to ¥26,457 million.

2) Overview of Segment (Cement)

(Billions of yen)

	FY 2011 Q1-Q3	FY 2012 Q1-Q3	Increase/decrease (%)	
Net sales	¥113.3	¥116.5	¥3.2	(2.8%)
Operating profit	5.5	7.3	1.7	(31.9%)
Ordinary income	¥4.2	¥5.9	¥1.7	(40.9%)

In the Cement business, domestic demand increased due to the trend towards recovery for demand observed in Japan’s Tohoku District as well as the large-sized redevelopment projects progressed in the Kanto District. Overseas as well, we enjoyed an increase in demand thanks to ongoing recovery in private-sector capital spending in the United States as well as continued brisk construction of infrastructure in China. Total cement production for the period was 9.1 million tons, up 400,000 tons from the previous corresponding period.

As a result, the entire Cement business posted year-on-year increases in both net sales and operating profit.

It also reported an increase in the ordinary income, due to an increase of operating profit from the previous corresponding period.

(Metals)

(Billions of yen)

	FY 2011 Q1-Q3	FY 2012 Q1-Q3	Increase/decrease (%)	
Net sales	¥514.2	¥578.6	¥64.4	(12.5%)
Operating profit	18.4	16.1	(2.2)	(-12.1%)
Ordinary income	¥28.8	¥29.2	¥0.4	(1.5%)

The copper business benefited from growth in sales by PT Smelting in Indonesia. However, the earthquake led to a suspension of operations at the Onahama Smelter & Refinery (operated by Onahama Smelting and Refining Co., Ltd.) until the end of June 2011. The appreciation of the yen also affected the business. Due mainly to those factors, the copper business reported an increase in revenue but a decrease in earnings. Total production of electrolytic copper for the period was 422 thousand tons, down 20 thousand tons from the previous corresponding period.

Gold and other valuable metals posted year-on-year increases in revenue and earnings thanks mainly to higher gold prices and increased palladium sales.

The processed copper products business was affected by a decline in sales stemming from reorganization of the automobile wiring harness business of Mitsubishi Cable Industries, Ltd. Owing to high copper prices, however, the processed copper products business posted increases in both revenue and earnings.

As a result, the entire Metals business reported a year-on-year rise in net sales but a decline in operating

profit.

In addition, ordinary income increased from the previous corresponding period thanks to an increase in dividend income but a decrease in operating profit.

(Advanced Materials & Tools)

(Billions of yen)

	FY 2011 Q1-Q3	FY 2012 Q1-Q3	Increase/decrease (%)	
Net sales	¥106.7	¥110.8	¥4.0	(3.8%)
Operating profit	12.2	11.3	(0.9)	(-7.4%)
Ordinary income	¥11.5	¥10.4	¥(1.0)	(-9.4%)

The cemented carbide products business reported year-on-year increases in revenue and earnings owing mainly to a healthy demand for the products in emerging nations, including China, as well as in the United States and Europe and also an earlier recovery of production than initially planned in the Tsukuba Plant, which sustained partial damage to its buildings and equipment due to the earthquake despite the suspension in operation suffered at such manufacturing subsidiaries as MMC Tools (Thailand) Co., Ltd. due to the floods in Thailand.

The high-performance alloy products business reported an increase in revenue and a decrease in earnings. Although rising metals prices helped boost sales, there was a decline in demand in automobile-related markets due to the earthquake.

Consequently, the entire Advanced Materials & Tools business posted year-on-year increase in net sales but a decline in operating profit.

It also reported a decline in ordinary income from the previous corresponding period due to a decrease in dividend income in addition to a decrease in operating profit.

(Electronic Materials & Components)

(Billions of yen)

	FY 2011 Q1-Q3	FY 2012 Q1-Q3	Increase/decrease (%)	
Net sales	¥45.7	¥55.6	¥9.8	(21.6%)
Operating profit	3.4	3.4	(0.0)	(-0.8%)
Ordinary income (loss)	¥(6.0)	¥2.1	¥8.2	(-%)

The advanced materials business enjoyed year-on-year increases in both revenue and earnings owing mainly to recovered demand for automobile-related products in addition to solid demand for smartphone-related products.

The electronic devices business posted declines in both revenue and earnings due to the decline in sales of products for flat screen TVs, etc. as well as the impact from the yen's appreciation.

The polycrystalline silicon and related products business enjoyed an increase in sales thanks to the steady operations at the Yokkaichi Plant, where operations were suspended from late April to early September 2010. However, there was an increase in repair costs incurred by periodical repair work.

As a result, the entire Electronic Materials & Components business reported a year-on-year increase in net sales but a decline in operating profit.

Owing mainly to a decrease in equity in losses of affiliates, the segment posted a positive ordinary income.

(Aluminum)

(Billions of yen)

	FY 2011 Q1-Q3	FY 2012 Q1-Q3	Increase/decrease (%)	
Net sales	¥106.1	¥115.4	¥9.3	(8.8%)
Operating profit	5.3	5.7	0.4	(8.0%)
Ordinary income	¥4.5	¥4.9	¥0.4	(9.5%)

In the aluminum cans business, demand increased due mainly to the shortage of supply in the market following the reduced production at some beverage container manufacturers as a result of the earthquake.

In the rolled aluminum and processed aluminum products business, demand remained at a high level for the electronic materials sector although demand for the automobile sector decreased due to the impact of the earthquake and also the floods in Thailand. In addition, on April 1, 2011, three non-consolidated subsidiaries became consolidated subsidiaries: MALC-Thai Co., Ltd., Thermalex, Inc., and Ma China Extrusion (Suzhou) Co., Ltd.

As a result, the entire Aluminum business posted year-on-year increases in both net sales and operating profit.

Ordinary income also increased thanks to the rise in operating profit from the previous corresponding period.

(Others)

(Billions of yen)

	FY 2011 Q1-Q3	FY 2012 Q1-Q3	Increase/decrease (%)	
Net sales	¥228.9	¥299.0	¥70.1	(30.7%)
Operating profit	4.3	4.3	0.0	(1.2%)
Ordinary income	¥6.8	¥7.0	¥0.1	(2.4%)

The energy-related products business reported increase in revenue, however, earnings declined due to the reduction in supply of steam at our geothermal plants despite an increase in coal sales.

In the “e-waste” (used electronics and electrical products) recycling business, both net sales and operating profit achieved the same level of results as performed for the corresponding period in the previous year.

In the precious metals business, both revenue and earnings increased following the increased trading volume of gold bullion as a result of highly volatile gold prices.

Orders for nuclear energy and engineering services amounted to ¥37.6 billion, down ¥1.8 billion from the previous corresponding period. The order backlog at the end of the period was ¥17.4 billion, down ¥2.5 billion from a year earlier.

(2) Qualitative Information on Consolidated Financial Position

As of December 31, 2011, the Group’s consolidated total assets stood at ¥1,770.9 billion, down ¥66.4 billion from March 31, 2011. This was mainly due to a decline in cash and deposits during the period.

Total liabilities decreased ¥74.2 billion, to ¥1,360.2 billion, due primarily to a decrease in interest-bearing debt during the period.

(3) Qualitative Information on Consolidated Performance Forecasts

With respect to the business environment of the Mitsubishi Materials Group, in addition to the trend for the high level of copper prices to drop, the impact from the prolonged appreciation of the yen is a concern domestically. Furthermore, overseas, there is a downside risk of the economy against the backdrop of the debt crisis in Europe, and unpredictability of the economic direction is increasing.

As announced in the “Notice Regarding the Booking of an Equity in Losses of Affiliates (Non-Operating Expenses) by the Equity Method and Information about the Revision of Forecasts for Full-year Consolidated Business Results and Dividends” as of February 2, 2012, taking it into consideration that the Company is expected to post equity losses of affiliates (non-operating expense) in relation to SUMCO CORPORATION, an equity-method affiliate of the Company, and the Company’s recent business results, the Company has revised its full-year performance forecasts (previously announced on May 12, 2011). Following the downwards revision of the performance forecasts, the year-end cash dividend forecast for the fiscal year ending March 31, 2012 has also been revised and is yet to be decided. Previously, the cash dividend forecast was ¥3.00 per share.

The Group has embarked on a new medium-term management plan, entitled “Materials Premium 2013—For the Creation of New value” for FY2012 to FY2014. We will seek to become the strongest integrated business entity in this resource-recycling society by developing overseas markets, especially newly emerging markets, and exploiting synergy created from the distinct features of an integrated management structure (“Materials Premium”) while focusing on both our growth strategy and enhancement of our financial position.

2. Summary (Other) Information

(1) Application of Specific Accounting Treatment

The Group rationally assumes an effective tax rate after applying tax-effect accounting to income before income taxes for the consolidated fiscal year, including the period under review, and multiplies such effective tax rate by quarterly income before income taxes to arrive at the tax expense.

Income tax adjustment is included in income taxes.

(2) Changes in Accounting Policies; Changes in Accounting Estimates; Restatements

Following the beginning of the period under review, the Company made accounting changes and/or corrections of past errors. For this reason, it has applied Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24, December 4, 2009) and Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, December 4, 2009).

(3) Additional information

Following the promulgation on December 2, 2012 of “Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changing in Economic and Social Structure” (Act No. 114 of 2011) and “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117 of 2011), corporation tax rate will be reduced and the Special Reconstruction Corporation Tax will be imposed for the fiscal year beginning on or after April 1, 2012. In line with these changes, instead of the previously used 40.7%, the effective statutory tax rate used to measure deferred tax assets and liabilities is 38.0% for temporary differences expected to be eliminated during the fiscal years beginning on or after April 1, 2012 and beginning on or after April 1, 2014, and 35.6% for temporary differences expected to be eliminated in the fiscal year beginning on or after April 1, 2015. As a result, deferred tax liabilities after offsetting deferred tax assets decreased by ¥6,397 million, other comprehensive income increased by ¥6,817 million and income taxes posted for the three-quarter period under review (April 1, 2011 – December 31, 2011) increased by ¥419 million.

3. Consolidated Financial Statement

(1) Consolidated Balance Sheets

[December 31, 2011 and March 31, 2011]

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
ASSETS		
Current Assets:		
Cash and deposits	¥112,930	¥72,947
Notes and accounts receivable-trade	221,480	234,044
Securities	570	539
Merchandise and finished goods	70,193	79,229
Work in process	103,561	110,222
Raw materials and supplies	88,076	86,410
Other	194,536	188,985
Allowance for doubtful accounts	(2,878)	(2,766)
Total Current Assets	788,471	769,611
Noncurrent Assets:		
Property, Plant and Equipment:		
Machinery and equipment, net	202,642	189,362
Land, net	280,062	277,290
Other, net	204,897	200,853
Total Property, Plant and Equipment	687,602	667,505
Intangible Assets:		
Goodwill	44,570	39,878
Other	8,675	8,232
Total Intangible Assets	53,246	48,111
Investments and Other Assets:		
Investment securities	265,655	246,763
Other	50,556	46,964
Allowance for investment loss	(2,236)	(2,236)
Allowance for doubtful accounts	(5,891)	(5,814)
Total Investments and Other Assets	308,084	285,677
Total Noncurrent Assets	1,048,933	1,001,294
Total Assets	¥1,837,405	¥1,770,906

(Millions of yen)

As of March 31, 2011 As of December 31, 2011

LIABILITIES**Current Liabilities:**

Notes and accounts payable-trade	¥136,749	¥124,713
Short-term loans payable	330,791	317,487
Current portion of bonds payable	20,000	10,000
Commercial papers	48,000	4,000
Income taxes payable	6,183	6,720
Provision	17,044	8,835
Gold payable	189,795	185,924
Other	113,649	109,012
Total Current Liabilities	862,214	766,694

Noncurrent Liabilities:

Bonds payable	80,000	105,000
Long-term loans payable	305,974	317,166
Provision for retirement benefits	62,478	61,615
Other provision	9,318	8,009
Other	114,551	101,808
Total Noncurrent Liabilities	572,321	593,600

Total Liabilities**1,434,536** **1,360,294****NET ASSETS****Shareholders' Equity:**

Capital stock	119,457	119,457
Capital surplus	113,570	113,566
Retained earnings	108,887	132,986
Treasury stock	(1,421)	(1,436)
Total Shareholders' Equity	340,493	364,574

Accumulated Other Comprehensive Income:

Valuation difference on securities available for sale	28,157	23,134
Deferred gains or losses on hedges	95	(497)
Revaluation reserve for land	31,616	36,681
Foreign currency translation adjustment	(56,129)	(66,668)
Total Accumulated Other Comprehensive Income	3,739	(7,348)

Minority interests**58,635** **53,385****Total Net Assets****402,868** **410,611****Total Liabilities and Net Assets****¥1,837,405** **¥1,770,906**

(2) Consolidated Statement of Operations and Consolidated Statement of Comprehensive Income

Consolidated Statement of Operations

[For the Nine Months Ended December 31, 2010 and 2011]

(Millions of yen)

	Nine Months Ended Dec. 31, 2010 (Apr. 1, 2010—Dec. 31, 2010)	Nine Months Ended Dec. 31, 2011 (Apr. 1, 2011—Dec. 31, 2011)
Net Sales	¥989,158	¥1,088,931
Cost of sales	845,905	944,484
Gross Profit	143,252	144,446
Selling, General and Administrative Expenses	98,203	100,742
Operating Profit	45,048	43,704
Non-Operating Profit:		
Interest income	579	625
Dividends income	21,284	22,156
Equity in earnings of affiliates	—	927
Other	5,903	5,457
Total Non-Operating Profit	27,767	29,166
Non-Operating Expenses:		
Interest expenses	9,808	8,764
Equity in losses of affiliates	7,781	—
Other	8,948	10,075
Total Non-Operating Expenses	26,537	18,839
Ordinary Income	46,278	54,031
Extraordinary Income:		
Gain on sales of noncurrent assets	282	311
Effect of application of accounting standard for inventories	3,438	—
Other	1,314	259
Total Extraordinary Income	5,034	571
Extraordinary Losses:		
Loss on disaster	—	4,198
Loss on valuation of investment securities	5,884	4,195
Other	4,470	1,191
Total Extraordinary Loss	10,355	9,585
Income before Income Taxes	40,957	45,017
Income taxes	13,003	14,129
Income before minority interests	27,954	30,887
Minority interests in income	7,170	4,430
Net Income	¥20,784	¥26,457

Consolidated Statement of Comprehensive Income

[For the Nine Months Ended December 31, 2010 and 2011]

(Millions of yen)

	Nine Months Ended Dec. 31, 2010 (Apr. 1, 2010—Dec. 31, 2010)	Nine Months Ended Dec. 31, 2011 (Apr. 1, 2011—Dec. 31, 2011)
Income before minority interests	¥27,954	¥30,887
Other comprehensive income		
Valuation difference on securities available for sale	(102)	(4,851)
Deferred gains or losses on hedges	(47)	262
Revaluation reserve for land	—	4,938
Foreign currency translation adjustment	(16,687)	(10,932)
Equity in earnings of affiliates	(1,603)	(2,602)
Total other comprehensive income	(18,441)	(13,186)
Comprehensive income	9,512	17,700
(Breakdown)		
Comprehensive income attributable to owners of the parent company	6,481	15,731
Comprehensive income for attributable to minority interests	3,031	1,969

(3) Notes on Assumptions for Going Concern: N/A**(4) Segment Information**

[Segment Information]

**I. For the nine months ended December 31, 2010 (From April 1, 2010 to December 31, 2010)
Sales and Income or Loss of Reporting Segments**

(Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Adjustment Amount	Amount Indicated in the Statements of Income
Net sales									
(1)Outside Customers	¥111,604	¥448,995	¥87,336	¥40,038	¥104,544	¥196,639	¥989,158	—	¥989,158
(2)Within Consolidated Group	1,764	65,251	19,427	5,754	1,569	32,270	126,037	¥(126,037)	—
Total	113,368	514,247	106,763	45,792	106,113	228,910	1,115,196	(126,037)	989,158
Segment income (loss)	¥4,246	¥28,859	¥11,571	¥(6,033)	¥4,544	¥6,899	¥50,087	¥(3,809)	¥46,278

Notes:

1. “Others” includes nuclear energy-related services, precious metals, environmental and recycling-related business, real estate business, and engineering-related services.
2. Included in the segment income (loss) adjustment amounted (-¥3,809 million) are segment eliminations (-¥1,031 million) and corporate expenses that cannot be allocated to specific segments (-¥2,777 million). Corporate expenses consist mainly of management-related costs, basic experimental research costs, and financial income/expenses.
3. Segment income (loss) has been adjusted together with ordinary income on the consolidated quarterly statements of income.

**II. For the nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)
Sales and Income or Loss of Reporting Segments**

(Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Adjustment Amount	Amount Indicated in the Statements of Income
Net sales									
(1)Outside Customers	¥114,379	¥459,765	¥88,759	¥49,928	¥114,444	¥261,655	¥1,088,931	—	¥1,088,931
(2)Within Consolidated Group	2,189	118,885	22,056	5,744	1,036	37,440	187,353	(187,353)	—
Total	116,568	578,651	110,815	55,672	115,480	299,095	1,276,285	(187,353)	1,088,931
Segment income	¥5,982	¥29,279	¥10,488	¥2,190	¥4,974	¥7,067	¥59,982	¥(5,950)	¥54,031

Notes:

1. “Others” includes nuclear energy-related services, precious metals, environmental and recycling-related business, real estate business, and engineering-related services.
2. Included in the segment income adjustment amounted (-¥5,950 million) are segment eliminations (¥348 million) and corporate expenses that cannot be allocated to specific segments (-¥6,299 million). Corporate expenses consist mainly of management-related costs, basic and experimental research costs, and financial income/expenses.
3. Segment income has been adjusted together with ordinary income on the consolidated quarterly statements of income.

(5) Notes in Event of Significant Changes in Shareholders' Equity: N/A

(6) Important Subsequent Event

(Flood in Thailand)

MMC Tools (Thailand) Co., Ltd., one of the consolidated subsidiaries of the Company, has begun its operation partially since December 2011 although it was submerged and its operation was forced to be suspended due to the floods in October 2011. The financial impacts, including restoration costs, are yet to be confirmed. The main assets held by the subsidiary are insured.

(Reporting of an Equity in Losses of Affiliates)

SUMCO CORPORATION, an equity-method affiliate of the Company, resolved at the meeting of the board of directors held on February 2, 2012 to implement and execute the Business Reorganization Plan to enable a stable profit generation even under the current difficult business environment. The key themes of the Plan are as follows; withdrawal from the solar wafer business, restructuring and consolidation of the semiconductor silicon wafer manufacturing facility, and review of workforce allocation in relation to restructuring of the manufacturing system.

It is anticipated that the Company will post a large amount of equity losses of affiliates (non-operating expense) since the affiliate is expected to incur and post a loss in relation mainly to implementation of the Plan.