

[Translation: Please note that the following purports to be an excerpt translation from the Japanese original Business Report and Financial Statements prepared for the convenience of shareholders outside Japan. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.]

BUSINESS REPORT

(For the Period from April 1, 2013 through March 31, 2014)

1. Particulars Concerning the State of the Group

(1) Business Developments

[While overseas market prices fell for key metals the performance of Mitsubishi Materials Corporation (the Company) and Mitsubishi Materials Group (the Group) improved, thanks to impact from correction of yen appreciation and increased demand for cement as a result of full-scale demand generated by reconstruction efforts in the wake of the Great East Japan Earthquake.]

During the fiscal year under review, the world economy on the whole headed toward recovery, as although there was a continuing slowdown in the economies of China, India, and other emerging nations, there were also signs of improvement such as a gradual change for the better in business conditions in the U.S.

Conditions of the Japanese economy have gradually improved driven by an increase in public investment, and an increase in personal consumption driven by such factors as an improvement of the employment/income environment and a rush of demand before the consumption tax rate was raised.

Regarding the operating environment for the Group, although overseas market prices fell for key metals, including copper, operations were affected overall by a correction in the exchange rate of the Japanese yen. Furthermore, earthquake disaster recovery projects reached a strong tempo and housing construction increased, leading firm demand for cement.

In this environment, we embarked on the medium-term management plan (FY2012-2014), entitled “Materials Premium 2013—Aiming for New Value Creation”. The plan embraces the basic concept of “Simultaneously implementing growth strategies and financial improvements,” with two initiatives states as growth strategies: “Business advancement in overseas markets, especially emerging markets” and “Generation of distinctive synergies as an integrated business entity.” Based on this recognition, we have continued to implement various measures, expanded its network of production and sales sites, principally in Asia ex-Japan, and promoted business selection and concentration.

As a result, consolidated net sales for the fiscal year amounted to ¥1,414,796 million, up 9.9% from the previous fiscal year. Operating profit increased 26.3% to ¥66,281 million, and ordinary income increased 3.3% to ¥76,902 million. Net income increased 42.4% to ¥52,551 million.

On a non-consolidated basis, net sales amounted to ¥735,558 million, up 9.2% from the previous fiscal year. Operating profit increased 26.8% to ¥23,180 million, ordinary income decreased 22.5% to ¥42,134 million, and net income decreased 5.3% to ¥42,377 million.

At its 81st Ordinary General Meeting of Shareholders held on June 29, 2006, the Company changed its Articles of Incorporation to distribute the surplus following the resolution at the Board of Directors Meeting. We regard the distribution of profits to all shareholders as one of our most important priorities. Accordingly, our policy is to make decisions on profit appropriation based on comprehensive consideration of various factors related to overall management, such as income over the relevant period, retained earnings, and financial position. Based on this policy, the Board of Directors, at its meeting on May 12, 2014, decided to distribute the year-end dividend of 4 yen. And with the interim dividend of 2 yen, the Company made the full-year dividend for the fiscal year under review of 6 yen per share (with an increase of 2 yen from the last fiscal year).

On January 9, 2014, five employees from our company and a subcontractor lost their lives in an explosion and fire at the Yokkaichi Plant that manufactures polycrystalline silicon and the like. Thirteen other employees experienced injuries. Furthermore, this resulted in our having temporarily to suspend operations of manufacturing equipment at that plant to ensure safety. The Group wishes to extend its deepest sorry and apologies for the enormous worry and trouble that everyone involved has suffered, including our shareholders and our trading partners.

We solemnly accept this situation and will work harder to strength our safety management system under the Group and will make every effort to ensure such an accident does not happen again, and to rebuild society's confidence in our company.

Below is a report of the Group's performance by business segment.

● Cement

[Operating profit of the Cement business rose year-on-year thanks to an increase in sales volumes, due to an overall increase in Japanese, US and Chinese demand.]

In the domestic Cement business, a stable, nation-wide increase in demand caused by the full-scale reconstruction efforts from the earthquake, as well as an increase in other disaster relief work, redevelopment construction, and housing construction for condominiums and the like, increased sales volumes. Overseas, sales volume increased due to strong United States demand for private-sector capital spending and housing-related, as well as increased Chinese demand due to the high-speed rail construction and the construction of the new airport in Shandong.

As a result, in the entire Cement business, both net sales and operating profit rose year-on-year. Ordinary income also rose due to an increase in operating profit.

Consolidated net sales in the Cement business amounted to ¥190,199 million, up 15.4% from the previous fiscal year. Operating profit rose 34.3% to ¥19,105 million and ordinary income rose 34.2% to ¥18,813 million.

● Metals

[Operating profit of the copper business increased year-on-year thanks to increased production at the Naoshima Smelter & Refinery, and the impact from correction of yen appreciation. Operating profit of the gold and other metals business declined because of production cutbacks and the like. Operating profit of the copper and copper alloy products business increased because of an increase in sales of products for the automobile sector.]

In the copper business, the overseas copper market prices decreased, but there was also impact from correction of yen appreciation. At PT Smelting in Indonesia, operational trouble at the mines from which the company sources its ore and operation shutdown associated with periodic furnace repairs affected results. At the Naoshima Smelter & Refinery, however, there were no periodic furnace repairs during the period. This resulted in increased production, which in turn led to an increase in net sales and operating profit.

In the gold and other metals business, despite the impact from correction of yen appreciation, both net sales and operating profit decreased as a result of reduced production partly due to a decrease in the amount of metals contained in the raw material ore.

In the copper and copper alloy products business, sales of products for the automobile sector increased, and there was an increase in net sales and operating profit.

As a result, in the entire Metals business, both net sales and operating profit increased year-on-year. Ordinary income decreased due to a decrease in dividend income.

Consolidated net sales in the Metals business amounted to ¥696,311 million, up 11.8% from the previous fiscal year. Operating profit rose 31.0% to ¥23,295 million and ordinary income decreased 6.6% to ¥36,549 million.

● Advanced Materials & Tools

[Operating profit of the cemented carbide products business increased year-on-year due to sales promotions at overseas subsidiaries and the correction for a stronger Yen. Operating profit of the high-performance alloy products business declined because the Group continued to select and focus its operations.]

In cemented carbide products business, sales increased because of sales promotion measures implemented by our overseas subsidiaries and correction of yen appreciation. Furthermore, costs were reduced because of improved productivity. As a result, there was an increase in net sales and operating profits.

In the high-performance alloy products business, although there was an increase in demand for the aircraft-related market and in sales of products for automobile sector, purchase costs increased as a result of correction of yen appreciation. Also, as the Group continued to select and focus its operations, Tamadai Corporation ceased to be subsidiary in December 2013, and Mitsubishi Materials C.M.I. Corporation ceased to be subsidiary in January 2014, resulting in a decrease both in net sales and operating profit.

As a result, in the entire Advanced Materials & Tools business, both net sales and operating profit increased year-on-year. Ordinary income also increased due to an increase in operating profit.

Consolidated net sales in the Advanced Materials & Tools business amounted to ¥145,898 million, up 6.8% from the previous fiscal year. Operating profit rose 30.7% to ¥14,090 million and ordinary income rose 31.8% to ¥13,999 million.

● Electronic Materials & Components

[Operating profit of the advanced materials business decreased year-on-year because of weak demand for advanced materials in semiconductor-related markets. Conversely, operating profit of the electronic components business increased because of an increase in sales of products for household appliances. Operating profit of the polycrystalline silicon and chemical products business decreased because production at the Yokkaichi Plant was suspended.]

Although sales of products for smartphone displays were steady, as demand in the semiconductor-related markets was low, the advanced materials business recorded a decrease in both net sales and operating profit.

The electronic components business posted an increase in both net sales and operating profit due to increased sales of products for household appliances, results of cost reductions, and impact from correction of yen appreciation.

The polycrystalline silicon and chemical products business posted a decrease in both net sales and operating profit, as sales of polycrystalline silicon decreased as a result of suspension of operation at the Yokkaichi Plant after an explosion and fire, which occurred there on January 9, 2014.

As a result, in the entire Electronic Materials & Components business, both net sales and operating profit decreased year-on-year. Ordinary income also fell due to a decline in operating profit and a decrease in equity in earnings of affiliates.

Consolidated net sales in the Electronic Materials & Components business amounted to ¥67,724 million, down 1.3% from the previous fiscal year. Operating profit decreased 16.8% to ¥4,001 million and ordinary income decreased 36.6% to ¥2,195 million.

● Aluminum

[In the aluminum can business, demand for bottle cans decreased. In the rolled aluminum and processed aluminum products business, demand increased for aluminum can materials, products for solar battery and automobiles. Operating profit of the entire Aluminum business declined because of increased costs associated with the stronger Japanese Yen.]

In the aluminum cans business, demand increased for regular cans mainly for beer or beer-like beverages, but demand for bottle cans decreased for black coffee and tea-based beverages.

In rolled aluminum and processed aluminum products, demand for aluminum can materials and products for solar battery sector lifted. After a decrease in demand in the first half of the period under review, prompted by the end of an Eco-car subsidy, product demand for automobile sector rose again, influenced by the last-minute rush before the increase in the consumption tax.

Overall the aluminum segment saw an upturn in energy cost and material cost, due to the correction of yen appreciation.

As a result, in the entire Aluminum business, net sales increased year-on-year but operating profit decreased. Ordinary income decreased due to a decrease in operating profit.

Consolidated net sales in the Aluminum business amounted to ¥151,564 million, up 3.3% from the previous fiscal year. Operating profit declined 9.9% to ¥5,559 million and ordinary income decreased 14.3% to ¥4,739 million.

● Others

[Operating profit of the energy-related business decreased year-on-year. Operating profit of the "e-waste" (used electronics and electrical products) recycling and precious metals businesses rose.]

In the energy-related business, although coal sales were up, costs increased in the field of nuclear energy which experienced an increase in sales for decontamination business. In addition to that, survey costs for new geothermal power development projects increased. As a result, there was an increase in net sales but a decrease in operating profit.

In the "e-waste" (used electronics and electrical products) recycling business, both net sales and operating profit increased due to an increase in the amount of throughput influenced by the last-minute rush before the increase in the consumption tax, the increase in the amount of collection of valuable resources and the effect of cost reductions.

In the precious metal business, although sales decreased for jewelry-related items, sales volumes of gold bullion increased because of a major drop in the price of gold in overseas markets in the first quarter, leading to increases in both net sales and operating profit.

As a result, in the entire Others business, both net sales and operating profit rose year-on-year. Ordinary income dropped because equity in losses of affiliates was recorded.

Consolidated net sales in the Others business amounted to ¥380,110 million, up 8.9% from the previous fiscal year. Operating profit rose 15.6% to ¥8,048 million and ordinary income decreased 12.0% to ¥9,556 million.

Sales, operating profit and ordinary income for each business segment of the Group were as follows:

Business Segment	Item	88th Period (April 2012– March 2013)		89th Period (April 2013– March 2014)		YOY Change (%)
		Amount (¥ Millions)	% of Total	Amount (¥ Millions)	% of Total	
Cement	Net Sales	164,764	12.8	190,199	13.4	15.4
	Operating Profit	14,230	27.1	19,105	28.8	34.3
	Ordinary Income	14,023	18.8	18,813	24.5	34.2
Metals	Net Sales	622,742	48.4	696,311	49.2	11.8
	Operating Profit	17,789	33.9	23,295	35.1	31.0
	Ordinary Income	39,134	52.6	36,549	47.5	(6.6)
Advanced Materials & Tools	Net Sales	136,653	10.6	145,898	10.3	6.8
	Operating Profit	10,779	20.5	14,090	21.3	30.7
	Ordinary Income	10,622	14.3	13,999	18.2	31.8
Electronic Materials & Components	Net Sales	68,602	5.3	67,724	4.8	(1.3)
	Operating Profit	4,811	9.2	4,001	6.0	(16.8)
	Ordinary Income	3,465	4.7	2,195	2.9	(36.6)
Aluminum	Net Sales	146,675	11.4	151,564	10.7	3.3
	Operating Profit	6,168	11.8	5,559	8.4	(9.9)
	Ordinary Income	5,530	7.4	4,739	6.2	(14.3)
Others	Net Sales	348,947	27.1	380,110	26.9	8.9
	Operating Profit	6,964	13.3	8,048	12.1	15.6
	Ordinary Income	10,864	14.6	9,556	12.4	(12.0)
Elimination and Corporate Assets or Expenses ^{Note)}	Net Sales	(201,134)	(15.6)	(217,012)	(15.3)	7.9
	Operating Profit	(8,243)	(15.8)	(7,819)	(11.7)	(5.1)
	Ordinary Income	(9,226)	(12.4)	(8,951)	(11.7)	(3.0)
Total	Net Sales	1,287,251	100.0	1,414,796	100.0	9.9
	Operating Profit	52,500	100.0	66,281	100.0	26.3
	Ordinary Income	74,414	100.0	76,902	100.0	3.3

Note: Net sales, operating profit and ordinary income resulting from transactions among the Business divisions have been deducted in the “Elimination and Corporate Assets or Expenses” items.

(2) Status of Group Financing

In the fiscal year under review, the Company financed its business primarily through issuance of straight corporate bonds (¥15 billion) and commercial paper and borrowings from banks. Debts (including corporate bonds) as of the end of the fiscal year amounted to ¥649,843 million, down ¥43,137 million from a year earlier.

(3) Status of Group Capital Expenditures

The Group determines its capital expenditures by carefully selecting investment cases in the fields where future profit and growth are expected while working to reduce interest-bearing debt.

In the fiscal year under review, total capital expenditures amounted to ¥65,944 million, which consisted mainly of maintenance and repairs of existing facilities in each business, as well as reinforcement and streamlining of production facilities and modification of equipment.

Capital expenditures by business segment in the fiscal year under review were as follows:

● Cement

The Group carried out development work related to limestone mine in Japan, as well as maintenance and repairs on existing facilities mainly in Japan and the US.

Capital expenditures in this business amounted to ¥13,144 million.

● Metals

The Group carried out maintenance and repair work at copper smelting and processing facilities in Japan.

Capital expenditures in this business amounted to ¥19,435 million.

● Advanced Materials & Tools

The Group carried out reinforcement and streamlining work in order to meet the increasing demand in this business as a whole, as well as maintenance and repair work at existing facilities.

Capital expenditures in this business amounted to ¥16,775 million.

● Electronic Materials & Components

The Group carried out maintenance and repair work at existing facilities for products for electronic materials & components, especially for the semiconductor-related market.

Capital expenditures in this business amounted to ¥3,189 million.

● Aluminum

The Group carried out maintenance and repair work at existing facilities for aluminum beverage cans and rolled aluminum products.

Capital expenditures in this business amounted to ¥7,374 million.

● Others

The Group carried out maintenance and repair work at existing facilities.

Capital expenditures in this business amounted to ¥6,025 million.

(4) Trends of Assets and Profit and Loss Accounts

1. The Group's Trends of Assets and Profit and Loss Accounts (Consolidated)

(¥ millions, except per share data)	86th Period (April 2010 – March 2011)	87th Period (April 2011 – March 2012)	88th Period (April 2012 – March 2013)	89th Period (April 2013 – March 2014)
Net Sales	1,333,992	1,440,847	1,287,251	1,414,796
Operating Profit	57,290	52,293	52,500	66,281
Ordinary Income	56,425	42,495	74,414	76,902
Net Income	14,274	9,565	36,948	52,551
Net Income per Share	10.88	7.29	28.19	40.10
Net Assets	402,868	409,074	466,231	525,707
Net Assets per Share	262.38	267.62	309.17	348.54
Total Assets	1,837,405	1,751,870	1,811,767	1,778,505

2. The Company's Trends of Assets and Profit and Loss Accounts (Non-consolidated)

(¥ millions, except per share data)	86th Period (April 2010 – March 2011)	87th Period (April 2011 – March 2012)	88th Period (April 2012 – March 2013)	89th Period (April 2013 – March 2014)
Net Sales	723,413	769,337	673,632	735,558
Operating Profit	14,782	14,319	18,281	23,180
Ordinary Income	33,991	26,822	54,332	42,134
Net Income	19,794	18,194	44,738	42,377
Net Income per Share	15.09	13.87	34.13	32.33
Net Assets	300,936	323,245	373,683	398,674
Net Assets per Share	229.37	246.40	285.10	304.22
Total Assets	1,229,417	1,200,368	1,256,038	1,177,558

(5) Priorities for the Group

1. Group Priorities

[While sustained, gradual recovery of the economy is anticipated, the Group will continue to strive to be “the No. 1 Corporate Group” and will set the growth strategies for the overall Group on strengthening its basis for growth, its global competitive power, and its pursuit of a recycling-based business model.]

As for the global economy, while the future is uncertain for the economies of China and other emerging countries, a gradual recovery is expected mainly in developed countries.

With regard to the Japanese economy, although a rebound is forecasted because of the last-minute rush before the increase in consumption tax, a sustained, gradual recovery of the Japanese economy is anticipated because of firm trends in domestic demand thanks to improvements in corporate profits, and employment and income environments.

As for the business environment in which the Group operates, while the domestic economy has showed a trend toward recovery, demand for cement is anticipated to continue because of demand in the full-scale reconstruction efforts. On the other hand, with the pace of prices in overseas markets for key metals, including copper, there is some concern for a downward trend.

Furthermore, we recognize that further strengthening our safety control system for the entire Group is the most important issue because of the major industrial accident that occurred January 9, 2014 at the Yokkaichi Plant.

In this situation, the Group has formulated its “long-term management policy” that looks toward the beginning of 2020s, and its medium-term management plan (FY2015-2017) “Materials Premium 2016 – Taking up the Challenge of Becoming the No. 1 Corporate Group.”

(i) Long-Term Management Policy

In recent years, the business environment has dramatically changed because of a more complex worldwide economy, diversified social needs, and an acceleration of the speed of technical innovations. In this situation, the Group is striving “to become the No. 1 corporate group that creates the new materials on earth utilizing unique technologies, and contributes to a recycling-oriented society” toward the beginning of the 2020s in order to securely implement the corporate philosophy “For People, Society and the Earth.”

Based on this policy, each operation of the Group commits to create valuable products and services with our unique technologies and to take an important position in the industry and market.

(ii) Management policy in the medium-term management plan (FY2015 – 2017)

Our medium-term management plan “Materials Premium 2016” is positioned as a first step to focus on strengthening our infrastructure to become the No. 1 corporate group, which is defined in our long-term management policy, and we have set the followings as the growth strategies for the overall Group.

a. Strengthening the base for growth

Setting the motto “Safety and Health is the First” as our first priority, we will strengthen our safety management system and cultivate corporate culture to value safety and will structure stable operational frameworks that contribute to the growth of the Group business.

Also, while accelerating growth by implementing strategic investments of ¥100 billion over the three-year period, focusing on M&A, and expanding production and sale facilities in the overseas countries, we will continue to work to improve our financial standing by improving profitability by continued business selection and concentration.

b. Strengthening global competitiveness

By focusing on strengthening our existing production and sale facilities in the overseas countries and developing the new production and sales bases mainly in the emerging countries, we will acquire the new growth markets on a global basis.

In particular, the Group will conduct strategic marketing in the automotive and electronics industries, to boost its competitive position by gaining access to new customers and markets.

c. Pursuing a recycling-based business model

The Group operates business widely across the upstream (sources), midstream (materials) and downstream (processed products) markets. We will continue pursuing the business model to circulate waste materials and products to upper stream for reutilization.

We will also facilitate recycling of the wastes that have so far been hard to process through our “Materials Premium” (i.e., distinctive synergies as an integrated business entity) in order to contribute to sustainable growth of the society.

2. Priorities in Each Business

- Cement

In the domestic cement business, demand in the public and private sectors was strong. This is evidenced by some recovery signs represented by public investments for economic policies including the reconstruction efforts in the wake of the earthquake, and private equipment investments with improved corporate profits. Nevertheless, manpower constraints at construction sites, and the like, are forecasted to continue. For that reason, domestic (Japanese) cement demand in FY2015 is forecasted to only be slightly above the previous fiscal year at 48,000 thousand tons. Under such circumstances, we will organize our sales and supply system to support the envisioned sales volumes or an increase in cement demand beyond what is forecasted.

In the US cement business, demand is anticipated to recover around the private sector, continuing from the gradual recovery in the US economy. For that reason, Mitsubishi Cement Corp will strive to increase sales volumes and reform prices through sales centering on the Robertson's Ready Mix, Ltd. that provides the ready-mix cement business. We will also strive to increase profitability by efficient work management of the US cement and ready-mixed concrete businesses by maximizing the use of the businesses and assets at Robertson's Ready Mix, Ltd.

In the Chinese cement business, while firm public and private sector demands are forecasted to continue in Shandong Province, we will strive to implement stable supplies, and incorporate sales price revisions, and strength earning power.

- Metals

The supply-demand situation of copper concentrates is expected to become easy due to the enhanced supply capacity of mines. Copper market price is currently on a downward trend. However, we will watch this trend closely in the future together with currency exchange rates and stock market trends.

In the copper and copper alloy products business, demand for products for automobiles and electronic materials is forecasted temporarily to decrease because of the rise in consumption tax, but later, a gradual recovery is expected.

The Group will respond actively to these conditions. In copper operations overall, we will continue to raise the efficiency of energy use and squeeze fixed costs, to lower our break-even point, thereby building a robust constitution that is not vulnerable to fluctuations in the price environment. In copper smelting, we will work to deliver stable operations at smelters both in Japan and overseas while expanding recycling operations by constructing a treatment framework that can manage difficult-to-handle waste. By boosting revenues from waste treatment, the Group will bolster its profitability. In the copper and copper alloy products business, we will continue to increase profitability by enhancing sales competitiveness through accelerated development of alloys, drawing on our technological and development capabilities.

Also, as of April 1, 2014, sales of precious metals bullion that had been classified in the precious metals business were integrated into the Metals business. In the future, production and sales of the precious metals bullion will be managed in an integrated fashion to make work more efficient and to strengthen profitability.

- Advanced Materials & Tools

In the cemented carbide products business, in addition to an overall continuing sense of a slowdown in economic growth in emerging countries, the pace of the recovery of demand in the US and Europe was uneven throughout the country. Nevertheless, there was a trend toward overall recovery for the ordering environment. Demand is expected to expand particularly in the automobile-related and aircraft-related markets, where our main customers are, in the medium- and long-term. Amid such circumstances, we will further strengthen high-performance, high-precision product development and scale up our engineering service organization, to support the needs of our customers as a general tool manufacturer. On the sales side, we will be working on reinforcing our sales activities through the expansion of our sales network, by building out our array of sales bases mainly in emerging countries. In addition, we will continue to promote the diversification of raw material procurement sources, such as by improving the recycling ratio in order to stably procure tungsten, which is a main raw material of cemented carbide products.

Turning to high-performance alloy products business, Tamadai Corporation and Mitsubishi Materials C.M.I. Corporation ceased to be subsidiaries, while MMC Superalloy Corporation will change from being a consolidated subsidiary to being an equity-method affiliate because of becoming a joint venture company, targeting July, 2014. While these moves are forecast to reduce revenues and earnings over the short term, demand for sintered products is forecast to expand due to growth in automobile-related industries. Amid such circumstances, the Group will start smooth operations at new sintered-products plants overseas, launch fresh products at existing plants, and strengthen production technology in Japan. This latter initiative will improve quality and pare costs by raising productivity. In this way the Group will strive to expand earnings.

- Electronic Materials & Components

In the advanced materials business, sales of products for smartphone displays and for solar battery are expected to be firm, but demand for semiconductor-related products is opaque. Also, in addition to a positive trend in demand for products for hybrid automobiles, demand is expected to increase for products in industries other than for automobiles. In the markets, we will continue to increase profitability by using core technological capabilities, and enhancing sales competitiveness and proposal capabilities to clients.

In the electronic devices business, although sales of products for household appliances have a firm trend, there is some concern for decelerated growth in the future for the Chinese economy; demand is opaque. In the future, we will strength our sales organizations in emerging countries, implement early introductions of new products and further reduce costs in our efforts to strengthen the business structure.

In polycrystalline silicon and chemical products, the Group will draft measures to prevent recurrence of the explosion and fire at Yokkaichi Plant, in consideration of the recommendations of the committee investigating the accident. The Group is also working to restart safe operations, soliciting guidance from related governmental authorities.

- Aluminum

In the aluminum cans business, although we cannot expect a major increase in demand for the overall domestic drink market, we are working more stably to take orders for regular cans, and actively making efforts to expand sales of aluminum bottle cans, which is our strategic product, for black coffee and tea-based beverages. We will also actively promote advantageous procurement of raw materials, stable product quality and cost reductions.

In the rolled aluminum and processed aluminum products business, although no dramatic increase in domestic demand is expected, we will work toward securing orders for can materials, and products for automobiles and electronic materials. We will also undertake efforts to expand sales for the automobile market which is forecasted to have increased demand overseas.

We will also contribute to establish a resource-recycling society by actively promoting the recycling business of used aluminum cans, which the Group has long worked on.

We ask for the ongoing support and cooperation of shareholders as we implement these measures with the aim of consolidating the collective potential of the Group and creating value as an integrated business entity.

(6) Major Business Activities of the Group (as of March 31, 2014)

The major business activities of the Group are production and sales of cement and ready-mixed concrete and other products; refining, production and sales of copper, gold, silver and other metals; production and sales of cemented carbide products and high-performance alloy products; production and sales of advanced materials, electronic components, polycrystalline silicon and chemical products; and production and sales of aluminum beverage cans , rolled aluminum and processed aluminum products ,etc. The major products and services of each business are as follows:

Business Division	Major Products
Cement	Ordinary Portland cement and various other types of cements, cement-based solidification materials, aggregate, ready-mixed concrete, secondary cement products,.
Metals	Copper, gold, silver, lead, tin, zinc alloy, sulfuric acid, processed copper products (copper cakes, billets, copper alloy products, wire rods, etc.)
Advanced Materials & Tools	Cemented carbide products (cemented carbide tools, cement carbide alloy, etc.), high-performance alloy products (corrosion-resistant alloy, heat-resistant alloy, special copper alloy, precision forging products, sintered products, etc.)
Electronic Materials & Components	Advanced materials (fine materials for assembly, sputtering targets, precision silicon products, insulating circuit substrates, etc.), electronic components (surge absorbers, thermistor sensors, etc.), polycrystalline silicon, columnar crystal silicon, chemical products (fluorine chemical products, conductive coatings, etc.), silane gas, etc.
Aluminum	Bodies, ends and caps of aluminum beverage cans, rolled aluminum products, processed aluminum products, etc.
Others	Energy related (coal, geothermal and hydro-power generation, nuclear fuel cycling business (consignment of surveys, research, design and operations, etc.)), precious metals (precious metals products, jewelry, etc.), environmental and recycling related (recycling of home appliances, etc.), real estate (real estate development, leasing, management, trading, forestry), others (engineering, geological surveys, resource exploration, and consulting, etc.)

(7) The Group's Major Plants and Business Offices (as of March 31, 2014)**1. The Company**

Head Office	1-3-2, Otemachi, Chiyoda-ku, Tokyo	
Plants and others	Cement	Aomori Plant, Iwate Plant, Yokoze Plant (Saitama), Higashitani Mine (Fukuoka), Kyushu Plant (Fukuoka)
	Metals	Akita Refinery, Naoshima Smelter & Refinery (Kagawa), Ikuno Plant (Hyogo), Sakai Plant (Osaka)
	Advanced Materials & Tools	Tsukuba Plant (Ibaraki), Gifu Plant, Akashi Plant (Hyogo),
	Electronic Materials & Components	Sanda Plant (Hyogo), Ceramics Plant (Saitama), Yokkaichi Plant (Mie)
	Others ¹⁾	Human Resources Development Center (Saitama), Saitama Property Management Office, Energy Project & Technology Center (Saitama)
Branch (office)	Sapporo Branch, Tohoku Branch (Miyagi), Nagoya Branch, Osaka Regional Head Office, Kyushu Branch (Fukuoka)	
R&D Centers	Central Research Institute (Ibaraki)	
Offices ²⁾	Vancouver (Canada), Santiago (Chile), Bangkok (Thailand), London (U.K.), Sydney (Australia), Suva (Fiji)	

Note 1: Production Engineering Center (Saitama) has been setup as of April 1, 2014.

Note 2: Shanghai Office (China) was abolished as of August 31, 2013.

2. Major Subsidiaries

Business Division	Name of Subsidiaries ¹⁾
Cement	MCC Development Corp. (U.S.), Robertson's Ready Mix, Ltd. (U.S.), Tokyo Hoso Kogyo Co., Ltd. (Tokyo), Mitsubishi Cement Corp. (U.S.)
Metals	PT Smelting (Indonesia), Mitsubishi Shindoh Co. Ltd., (Tokyo), Mitsubishi Cable Industries, Ltd. (Tokyo), Onahama Smelting & Refining Co. Ltd. (Tokyo)
Advanced Materials & Tools ²⁾	Diamet Corporation (Niigata), Mitsubishi Materials Tools Co., Ltd. (Tokyo), MMC Superalloy Corporation (Saitama)
Electronic Materials & Components	Mitsubishi Polycrystalline Silicon America Corp. (U.S.), Mitsubishi Materials Electronic Chemicals Co., Ltd. (Akita), MMC Electronics (HK) Ltd. (China)
Aluminum	Mitsubishi Aluminum Co., Ltd. (Tokyo), Universal Can Corporation (Tokyo), MA Packaging Co, Ltd. (Tokyo)
Others	Ryoko Sangyo Corporation (Tokyo), Mitsubishi Materials Techno Corp. (Tokyo), Dia Consultants Co., Ltd. (Tokyo), Mitsubishi Materials Real Estate Corporation (Tokyo), Materials' Finance Co., Ltd. (Tokyo)

Note 1: Words within parentheses in the table denote the regions (for domestic subsidiaries) or countries (for overseas subsidiaries) where each subsidiary's head office is located.

Note 2: Mitsubishi Materials Tools Co., Ltd. was absorbed and merged with the Company as of April 1, 2014.

(8) The Status of Employees (as of March 31, 2014)**1. Status of Employees of the Group (Consolidated)**

Business Division	Number of Employees ¹⁾
Cement	4,245 (increased by 83)
Metals ²⁾	5,167 (increased by 646)
Advanced Materials & Tools	5,926 (increased by 188)
Electronic Materials & Components	1,412 (decreased by 37)
Aluminum	2,770 (decreased by 64)
Others	2,973 (increased by 104)
All Companies (for the whole Group) ³⁾	619 (increased by 11)
Total	23,112 (increased by 931)

Note 1: Employee numbers within parentheses denote the change from the previous fiscal year-end.

Note 2: There has been an increase in the number of employees in the Metals business because of the effects of handling the Sanbo Shindo (Thailand) Co., Ltd. as a consolidated subsidiary.

Note 3: Employees stated for all Companies (for the whole Group) are attached to administrative divisions that cannot be demarcated within a specific business division.

2. Status of Employees of the Company (Non-consolidated)

Number of Employees (persons)	YOY Change (persons)	Average Age (years)	Average Years of Employment (years)
4,183	Increased by 15	41.7	17.2

(9) The State of Major Subsidiaries and Affiliates (as of March 31, 2014)**1. The State of Major Subsidiaries**

Name of the Company	Paid-in Capital	Percentage of Ownership (including indirect ownership) (%)	Line of Business
PT Smelting	326 million U.S. dollars ¹⁾	60.5	Production and sales of electrolytic copper in Indonesia
MCC Development Corp.	811 million U.S. dollars ^{1), 2), 3)}	70.0	Investment in ready-mixed concrete businesses in the U.S.
Onahama Smelting & Refining Co. Ltd.	6,999 million yen	55.7	Production and sales of electrolytic copper
Diamet Corporation	1,500 million yen	100.0	Production and sales of sintered products
Mitsubishi Cement Corp.	70 million U.S. dollars ^{1), 2)}	67.0	Production and sales of cement in the south-west area of the U.S.
Mitsubishi Polycrystalline Silicon America Corp.	328 million U.S. dollars ¹⁾	100.0	Production and sales of polycrystalline silicon for semiconductors in the U.S.
Materials' Finance Co., Ltd.	30 million yen	100.0	Financing the Company and its affiliates
Mitsubishi Aluminum Co., Ltd.	8,196 million yen	87.7	Production and sales of rolled and processed aluminum products
Mitsubishi Shindoh Co., Ltd.	8,713 million yen	100.0	Processing and sales of copper and copper alloy
Mitsubishi Cable Industries Ltd.	21,815 million yen	100.0	Production and sales of optical and electronic components, cables for electricity and communication
Mitsubishi Materials Tools Co., Ltd.	100 million yen	100.0	Sales of cemented carbide tools
Mitsubishi Materials Techno Corp.	1,042 million yen	100.0	Technical construction and civil engineering; production and sales of industrial machinery
Mitsubishi Materials Real Estate Corporation	4,500 million yen	100.0	Sales and leasing of real estate
Universal Can Corporation	8,000 million yen	80.0	Production and sales of aluminum beverage cans
Ryoko Sangyo Corporation	393 million yen	100.0	Sales of the Company's products and other non-ferrous metal products
Robertson's Ready Mix, Ltd.	32 million U.S. dollars ^{1), 2)}	100.0	Production and sales of ready-mixed concrete and aggregate in the south-west area of the U.S.

Note 1: Paid-in capital is shown.

Note 2: This company closes accounts in December. For that reason, paid-in capital as of December 31, 2013 is listed, but there is no change in the paid-in capital as of March 31, 2014.

Note 3: MCC Development Corp. made a capital increase as of January 10, 2013 increasing its paid-in capital from 498 million U.S. dollars to 811 million U.S. dollars.

2. The State of Major Affiliates

Name of the Company	Paid-in Capital (Million Yen)	Percentage of Ownership (including indirect ownership) (%)	Line of Business
Ube-Mitsubishi Cement Corporation	8,000	50.0	Sales of cement and cement related products
NM Cement Co., Ltd	7,001	30.0	Investment in Nghi Son Cement Corporation (Vietnam)
Kobelco & Materials Copper Tube, Ltd.	6,000	45.0	Production and sales of copper tubes and fabricated copper tubes
SUMCO Corporation	136,607	27.8	Production and sales of silicon wafers for semiconductors
P.S. Mitsubishi Construction Co. Ltd	4,218	33.5	Pre-stressed concrete works, civil engineering and sales of concrete products
Mitsubishi Nuclear Fuel Co., Ltd.	11,400	30.0	Production and sales of nuclear fuels

(10) Succession of rights and obligations in businesses of other companies through absorption-type company mergers and splits

The Company absorbed and merged with our company subsidiary Mitsubishi Materials Tools Co., Ltd. as of April 1, 2014 by a decision made at the Board of Directors on September 25, 2013. All rights and obligations relating to that company have been succeeded.

(11) Acquisition or disposal of shares, equity interests or share options in other companies

The Company passed a resolution at the Board of Directors convened on November 27, 2013 to transfer to Dow Corning Corporation (U.S.) shares that the Company has in Hemlock Semiconductor Corporation (U.S.) as of November 28 of the same year.

(12) The Group's Major Lenders (as of March 31, 2014)

Major Lenders	Borrowed Amount (Million Yen)	Company Shares held by the Lender	
		Number of Shares Held (Thousand)	Percentage of Shareholding (%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	162,421	24,651	1.9
Mitsubishi UFJ Trust and Banking Corporation	82,830	11,594	0.9
Mizuho Bank, Ltd.	38,829	1,570	0.1
Development Bank of Japan Inc.	30,600	-	-
The Norinchukin Bank	16,353	5,001	0.4

Note: Percentages of shareholding were calculated after deducting treasury shares (4,425,844 shares).

2. Articles Concerning Stock (as of March 31, 2014)

(1) **Total number of authorized shares:** 3,400,000,000 (no change from the previous fiscal year-end)

(2) **Total number of issued shares:** 1,314,895,351 (no change from the previous fiscal year-end)

(3) **Number of shareholders:** 126,732 (decreased by 11,839 from the previous fiscal year-end)

This includes 92,694 shareholders with voting rights (decreased by 10,223 from the previous fiscal year-end).

(4) Major Shareholders

Name of Shareholders	Number of Shares Held (Thousand)	Percentage of Shareholding (%)
Japan Trustee Services Bank, Ltd. (Trust account)	82,721	6.3
The Master Trust Bank of Japan, Ltd. (Trust account)	54,498	4.2
National Mutual Insurance Federation of Agricultural Cooperatives	33,961	2.6
Meiji Yasuda Life Insurance Company	31,018	2.4
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	24,651	1.9
Mitsubishi Heavy Industries, Ltd.	19,209	1.5
Nippon Life Insurance Company	18,212	1.4
Mitsubishi Estate Co., Ltd.	17,397	1.3
Japan Trustee Services Bank, Ltd. (Trust account 1)	15,914	1.2
Mitsubishi Electric Corporation	14,936	1.1

Note: Percentages of shareholding were calculated after deducting treasury shares (4,425,844 shares).

3. Articles Concerning the Company's Executives

(1) Directors and Corporate Auditors (as of March 31, 2014)

Title	Name	Position and Responsibilities	Important Positions of Other Organizations
Representative Director Chairman	Akihiko Ide		Director, Sakai Chemical Industry Co., Ltd.
Representative Director President	Hiroshi Yao	General Operation of the Company	
Representative Director Executive Vice President	Toshinori Kato	Assistant to the President <u>responsible for:</u> Mineral Resources; Precious Metals Business; Aluminum Business	
Representative Director Executive Vice President	Toshimichi Fujii	Assistant to the President President, Cement Company <u>responsible for:</u> Procurement & Logistics	Outside Director, P.S. Mitsubishi Construction Co., Ltd.
Representative Director Managing Director	Akira Takeuchi	Assistant to the President <u>responsible for:</u> General Affairs; Human Resources; Safety & Health; Affiliated Corporations Business	
Representative Director Managing Director	Akio Hamaji	Assistant to the President <u>responsible for:</u> Corporate Communications & IR; Internal Audit; Finance & Accounting	President, Materials' Finance Co., Ltd.
Representative Director Managing Director	Masaru Aramaki	Assistant to the President President, Electronic Materials & Components Company	
Representative Director Managing Director	Osamu Iida	Assistant to the President President, Metals Company <u>responsible for:</u> Safety & Health; Corporate Production Engineering	
Director	Yukio Okamoto 1) 12)		Representative Director, Okamoto Associates, Inc. ²⁾ ; Outside Director, Nippon Yusen Kabushiki Kaisha (NYK Line) ³⁾ ; Outside Corporate Auditor, Mitsubishi Motors Corporation ⁴⁾
Corporate Auditor (Standing)	Keisuke Yamanobe ⁵⁾		Outside Corporate Auditor, SUMCO Corporation
Corporate Auditor (Standing)	Akihiko Minato ^{6) 7) 12)}		8)
Corporate Auditor (Standing)	Toshikazu Murai		
Corporate Auditor	Akio Utsumi 6) 9) 12)		Senior Advisor, Mitsubishi UFJ Trust and Banking Corporation ¹⁰⁾ Outside Corporate Auditor, Mitsubishi Estate Co., Ltd. ¹¹⁾

Note 1: Director Mr. Yukio Okamoto is an Outside Director as defined in Article 2, Paragraph 15 of the Companies Act.

Note 2: There is no business relationship between the Company and Okamoto Associates, Inc.

Note 3: There is a business relationship for the transportation of coal between the Company and NYK Line.

Note 4: There is a business relationship for the sale and purchase of goods between the Company and Mitsubishi Motors Corporation.

Note 5: Corporate Auditor Mr. Keisuke Yamanobe has experience as Director of the Company, responsible for accounting and finance, and have extensive knowledge of finance and accounting.

Note 6: Corporate Auditors Mr. Akihiko Minato and Mr. Akio Utsumi are Outside Corporate Auditors as defined in Article 2, Paragraph 16 of the Companies Act.

Note 7: Corporate Auditor Mr. Akihiko Minato has experience in think-tank management and has extensive knowledge of finance and accounting.

Note 8: Corporate Auditor Mr. Akihiko Minato resigned his post as auditor of The Nanto Bank, Ltd as of June 27, 2013.

Note 9: Corporate Auditor Mr. Akio Utsumi has experience in bank management and has extensive knowledge of finance and accounting.

Note 10: There is a business relationship between the Company and Mitsubishi UFJ Trust and Banking Corporation for borrowing funds from it, providing debt guarantee to it, and entrusting the Company's pension funds to it.

Note 11: There is a business relationship for real estate rental and leasing between the Company and Mitsubishi Estate Co., Ltd.

Note 12: The Company has notified Tokyo Stock Exchange, Inc. that Director Mr. Yukio Okamoto and Corporate Auditors Mr. Akihiko Minato and Mr. Akio Utsumi are Independent Executives (Outside Director or Outside Auditor with no conflict of interest with general shareholders) in accordance with their regulations, respectively.

Note 13: The following Corporate Auditor resigned during the fiscal year under review.
Corporate Auditor Mr. Hiroshi Kanemoto (As of June 27, 2013)

The following Directors have been given new title or posted to new positions shown below as of April 1, 2014.

Title	Name	Position and Responsibilities
Representative Director Executive Vice President	Toshinori Kato	Assistant to the President <u>responsible for:</u> Procurement & Logistics; Mineral Resources; Aluminum Business; Affiliated Corporations Business
Representative Director Executive Vice President	Toshimichi Fujii	<u>responsible for:</u> Special Assignments
Representative Director Executive Vice President	Akira Takeuchi	Assistant to the President <u>responsible for:</u> General Affairs; Human Resources; Safety & Health; Crisis Management
Representative Director Managing Director	Osamu Iida	Assistant to the President President, Metals Company <u>responsible for:</u> Safety & Health; Corporate Production Engineering

(Reference) The following Executive Officers had assumed office as of April 1, 2014:

Title	Name	Position and Responsibilities
Senior Executive Officer	Kimball McCloud	President, Mitsubishi Cement Corp. President, MCC Development Corp. Chairman, Robertson's Ready Mix, Ltd. Vice President, Cement Company
Senior Executive Officer	Teruhiko Masuda	President, Advanced Materials & Tools Company
Senior Executive Officer	Hiroshi Kondo	General Manager, Mineral Resources & Recycling Business Unit
Senior Executive Officer	Chitoshi Mori	General Manager, Corporate Strategy Div.
Senior Executive Officer	Yoshihiko Kimura	Responsible for System Strategy; Corporate Research & Development
Senior Executive Officer	Naoki Ono	President, Cement Company
Executive Officer	Yasuhiko Noguchi	Assistant to the General Manager, Mineral Resources & Recycling Business Unit; Assistant to the President, Electric Material & Component Company
Executive Officer	Nobuo Shibano	Vice President, Electric Material & Component Company
Executive Officer	Yasunobu Suzuki	Vice President, Metals Company
Executive Officer	Hiroaki Anzai	General Manager, Safety & Health Dept.
Executive Officer	Koso Saeki	Vice President, Cement Company
Executive Officer	Hikaru Kimura	General Manager, Human Resource Dept.
Executive Officer	Kenichiro Ishizuka	General Manager, Finance & Accounting Dept.
Executive Officer	Fumio Tsurumaki	Vice President, Advanced Materials & Tools Company
Executive Officer	Kenichi Watase	General Manager, Corporate Marketing & Overseas Business Development Dep., Corporate Strategy Div.
Executive Officer	Yoshikazu Okada	President, Japan New Metals Co., Ltd.
Executive Officer	Naoyuki Shimoda	President & CEO, Yantai Mitsubishi Cement Co., Ltd.
Executive Officer	Tairiku Matsumoto	General Manager, Tsukuba Plant
Executive Officer	Soichi Fukui	Vice President, Electronic Materials & Components Company
Executive Officer	Masato Koide	General Manager, Naoshima Smelter & Refinery

Executive Officer	Kenji Shimamura	General Manager, General Affairs Dept.
Executive Officer	Koji Sakamoto	Vice President, Metals Company
Executive Officer	Tatsuro Maeda	Vice President, Mitsubishi Cement Corp. Vice President, MCC Development Corp.
Executive Officer	Kazuhiro Kishi	General Manager, Kyushu Plant

(2) Directors and Corporate Auditors' Remuneration

Position	Total Amount of Remuneration (Millions of yen)	Remuneration by Type (Millions of yen)		Number of Executives (persons) ¹⁾
		Basic ⁴⁾	Bonus ⁵⁾	
Directors (of which Outside Directors)	465 ²⁾ (23)	364 (23)	101	11 Directors (1 Outside Director)
Corporate Auditors (of which Outside Corporate Auditors)	125 ³⁾ (50)	125 (50)	-	5 Corporate Auditors (2 Outside Corporate Auditors)

Note 1: The number of Directors/Corporate Auditors includes two Directors and one Corporate Auditor whose terms ended or who resigned its office during the fiscal year under review. There are nine Directors and four Corporate Auditors as of the end of the fiscal year under review.

Note 2: It was resolved at the 82nd Ordinary General Meeting of Shareholders held on June 28, 2007 that the amount of remuneration to Directors should not exceed ¥49 million per month (excluding salaries as employees for Directors who also serve as employees), including remuneration not exceeding ¥4 million for Outside Directors.

Note 3: It was resolved at the 82nd Ordinary General Meeting of Shareholders held on June 28, 2007 that the amount of remuneration to Corporate Auditors should not exceed ¥17 million per month.

Note 4: Of the basic remuneration for Directors, stock-based remuneration is ¥39 million.

Note 5: It was resolved at the 81st Ordinary General Meeting of Shareholders held on June 29, 2006 that the amount of bonuses for Directors other than Outside Directors should not exceed ¥170 million per annum.

(3) Policy regarding the determination of remuneration

1. Directors

We make it a basic policy to appropriately link the remuneration for Directors to corporate performance and performance of individual Directors. The remuneration for Directors is comprised of basic remuneration and bonuses (not paid to part-time Directors).

Firstly, the amount of basic remuneration is determined in accordance with the title and performance of each Director.

The portion of basic remuneration is paid as stock-based remuneration (not paid to Outside Directors) and used for purchasing the Company's shares through the Company's director shareholding association. The Company's shares acquired based on the remuneration cannot be sold at least during each Director's term of office. This aims to link the remuneration to medium- and long-term corporate performance.

Secondly, the amount of bonuses, as remuneration linked to short-term corporate performance, is determined at the end of the fiscal year by making as indicators consolidated net income and ordinary income during the fiscal year and taking into consideration performance of individual Directors. The bonuses can be reduced or removed entirely depending on business conditions and the amount of dividends for the fiscal year when bonuses are paid.

2. Corporate Auditors

The remuneration for Corporate Auditors is set at an appropriate level based on discussions among them and is not linked to corporate performance in light of the fact that they assume the responsibility for auditing the execution of duties by Directors as an independent body entrusted by shareholders.

(4) Major Activities of Outside Directors and Auditors

Status Classification	Name	Major Activities
Outside Director	Yukio Okamoto	Mr. Yukio Okamoto participated in 15 out of 16 meetings of the Board of Directors held during the fiscal year under review. Mr. Okamoto provides well-informed opinions concerning general management as a Director and well-informed opinions on international affairs as an informed specialist on such fields, when necessary.
Outside Corporate Auditor	Akihiko Minato	Mr. Akihiko Minato participated in all 16 meetings of the Board of Directors and all 14 meetings of the Board of Corporate Auditors held during the fiscal year under review. Mr. Minato provides well-informed opinions as a Corporate Auditor, based on abundant experience as a manager and corporate auditor in a think-tank, etc. and extensive knowledge concerning business management, when necessary.
Outside Corporate Auditor	Akio Utsumi	Mr. Akio Utsumi participated in all 16 meetings of the Board of Directors and all 14 meetings of the Board of Corporate Auditors held during the fiscal year under review. Mr. Utsumi provides well-informed opinions as a Corporate Auditor, based on abundant experience as a manager in a financial institution and extensive knowledge concerning business management, when necessary.

(5) Outline of the Content of Limited Liability Agreement

For the purpose of facilitating the appointment of valuable human resources, provisions of the Articles of Incorporation allow the Company to execute with Outside Directors and Outside Corporate Auditors agreements limiting liability for damages in accordance with Article 427, Paragraph 1 of the Companies Act. In accordance with the provisions, the Company has concluded Limited Liability Agreements with one Outside Director and two Outside Corporate Auditors. The outline of the Agreements is as follows:

1. Limited Liability Agreement with the Outside Director

With respect to liability as described in Article 423, Paragraph 1 of the Companies Act, if the Outside Director performs his duty in good faith and without gross negligence, the Outside Director shall be liable to the Company for damages only to the extent of minimum liability as set out in Article 425, Paragraph 1 of the Companies Act. The Company shall indemnify the Outside Director for damages in excess of the amount of the liability.

2. Limited Liability Agreement with the Outside Corporate Auditors

With respect to liability as described in Article 423, Paragraph 1 of the Companies Act, if the Outside Corporate Auditors perform their duty in good faith and without gross negligence, the Outside Corporate Auditors shall be liable to the Company for damages only to the extent of minimum liability as set out in Article 425, Paragraph 1 of the Companies Act. The Company shall indemnify the Outside Corporate Auditors for damages in excess of the amount of the liability.

4. Articles Concerning Accounting Auditor

(1) Name of the Accounting Auditor: KPMG AZSA LLC

(2) Remuneration of Accounting Auditor for the Year Ended March 31, 2014

Content of the Remuneration	Amount
(a) Remuneration paid by the Company to Accounting Auditors	143 million yen ¹⁾
(b) Total amount of monetary and other property benefits paid by the Company and its subsidiaries (including the above-mentioned)	402 million yen

Note 1: The Company has not subdivided the amount of remuneration for auditing based on the Financial Instruments and Exchange Act and the amount of remuneration for auditing based on the Companies Act. In the Auditing Agreement entered with the Accounting Auditor it is not possible to substantially subdivide the two. The amount in (a) thus includes auditing remuneration based on the Financial Instruments and Exchange Law.

Note 2: Among the major subsidiaries of the Company, PT Smelting, MCC Development Corp., Mitsubishi Cement Corp., Mitsubishi Polycrystalline Silicon America Corp., and Robertson's Ready Mix, Ltd. use the services of auditing corporations (including auditors who have the appropriate auditing qualifications abroad) other than the services of KPMG AZSA LLC., to audit accounting related documents (in accordance with the Companies Act and the Financial Instruments and Exchange Act and the applicable laws of the concerned foreign countries' own legislations).

(3) Content of Non-Auditing Duties

The Company subcontracts "Financial Due Diligence Survey Work" and other duties (non-auditing duties) to the Accounting Auditor that are other than the duties of Article 2, Paragraph 1 of Certified Public Accountants Act.

(4) Policy on Dismissal or Non-reappointment of the Accounting Auditor

The Company, as a general rule, other than dismissals of Accounting Auditor by with the Board of Corporate Auditors as stipulated in Article 340 of the Companies Act, shall place on the agenda an item concerning the decision not to reappoint or to dismiss the Accounting Auditor to the General Meeting of Shareholders based on the agreement or the request of the Board of Corporate Auditors in the event it is recognized that it is difficult for the Accounting Auditor to execute its duties suitably.

5. Systems to ensure Compliance with Laws and the Articles of Incorporation in the Execution of Duties by Directors, and Other Systems to Secure Appropriate Business Operations

(1) Systems to Ensure Execution of Duties by Directors and Employees in Conformity with Laws and Articles of Incorporation

1. The Company shall determine the Code of Conduct and internal regulations that should be observed by the directors and employees and establish corporate ethics and a compliance system.
2. The Company shall determine execution of duties through the Board of Directors, Corporate Strategy Committee and other committees in accordance with laws, Articles of Incorporation, and internal regulations and others. In addition, the legal department and the relative department shall carry out the preliminary review of specific significant matters.
3. The Company shall determine the general policies and plans, etc., concerning compliance at the Meetings of the Board of Directors. In addition, the Company shall appoint a Director in charge of compliance and establish a committee related to CSR (corporate social responsibility) and a division responsible for compliance. The Company shall also enforce cross-divisional compliance promotion activities (including internal education) for the whole Company.
4. The Company shall establish a reporting desk to deal with particulars related to problems that may arise over compliance.
5. The Company shall enforce periodical auditing concerning the state of compliance in each division by the division in charge of internal audits.
6. In accordance with its Code of Conduct, the Company shall establish internal structures to ensure appropriate actions under its policy of resolutely rejecting any involvement whatsoever with anti-social forces.

(2) Systems for Preservation and Management of Information Related to the Execution of Duties of Directors

The Company shall properly preserve and manage the minutes of the Meetings of Board of Directors, meetings of Corporate Strategy Committee and other significant information, based on legislation, Articles of Incorporation and internal regulations and policies.

(3) Regulations and Other Systems Concerning Risk Management

1. The Company shall deliberate carefully on significant matters through the Board of Directors, Corporate Strategy Committee, and other decision-making bodies based on legislations, Articles of Incorporation, internal regulations and others. In addition, the Company shall carry out preliminary review of significant matters by legal and other related departments based on the internal regulations and others in order to identify risks and prevent risk elicitation and manifestation.
2. The Company shall determine the general regulations, policies, and plans related to risk management at the Meetings of the Board of Directors. In addition, the Company shall appoint the Director in charge of risk management and establish a committee related to CSR and a division responsible for risk management, and shall enforce cross-divisional risk management promotion activities for the whole Company.
3. The Company shall determine the various internal regulations and others and enforce suitable management concerning individual risks, including financial transaction risk, credit transaction risk and information leakage risk.
4. The Company shall enforce suitable management based on the legislation and ordinances concerning work-related accidents.
5. The Company shall build a communication system with the aim of preventing damage from accidents on a massive scale, natural disasters or terrorism, and establish an organization to respond to such events.

6. The Company shall enforce periodical auditing concerning the state of risk management in each division by the division in charge of internal audits.

(4) Systems to Ensure Efficient Execution of Duties by Directors

1. The Company shall determine rationally the areas of responsibility of each of the Directors and let the Executive Officers assist the Directors in their execution of duties in accordance with the executive officers system. In addition, the Company shall determine the areas of responsibility and authority of each body and division in accordance with the internal regulations and others.
2. The Company shall determine the management plan, allocate suitable management resources and authority among the various divisions to achieve the plan, and require those divisions to formulate their own specific plans. In addition, the Directors shall suitably verify the progress state of the plan of each division and take appropriate measures when necessary.
3. The Company shall enforce periodic inspection concerning the efficiency of the execution of duties of each division by the division in charge of internal audit.

(5) Systems to Ensure Appropriate Operations of the Group consisting of the Company and its Parent Company and Subsidiaries

1. The Company shall aim to establish corporate ethics and build a compliance system and risk management system of the Group (including an internal education system) by letting each subsidiary formulate a Code of Conduct and internal regulations identical to those of the Company.
2. Concerning each subsidiary, the Company shall aim to improve the soundness and efficiency of management of the subsidiary, and by extension the whole Group, by determining a response liaison division within the Company. The concerned division shall consult and exchange information with the subsidiary concerning specific significant matters.
3. Concerning subsidiaries listed on the Stock Exchange, the Company shall exchange the necessary information with such subsidiaries in order to ensure the efficiency of consolidated management of the Group. The Company shall also establish an internal control system while respecting the autonomy and independence of the subsidiaries.
4. The Company shall establish various regulations related to internal controls concerning financial reporting. The Company shall also establish assessment mechanisms for those internal controls and build a system to ensure the accuracy of the Group's financial reports.
5. In addition to the above-mentioned 1, 2, 3 and 4, the Company shall enforce periodic inspection concerning compliance, risk management and the efficiency of management of subsidiaries by the division in charge of internal audit of the Company.

(6) Particulars Concerning Employees assigned to assist Corporate Auditors and such Employees' Independence from Directors

The Company shall establish a division and assign full-time employees to support the operations of the Corporate Auditors. In addition, the Company shall obtain the consent of the Board of Auditors concerning transfer of such employees and consult with the Board of Auditors concerning assessment and evaluation of them.

(7) Systems for Directors' and Employees' Reporting to Corporate Auditors

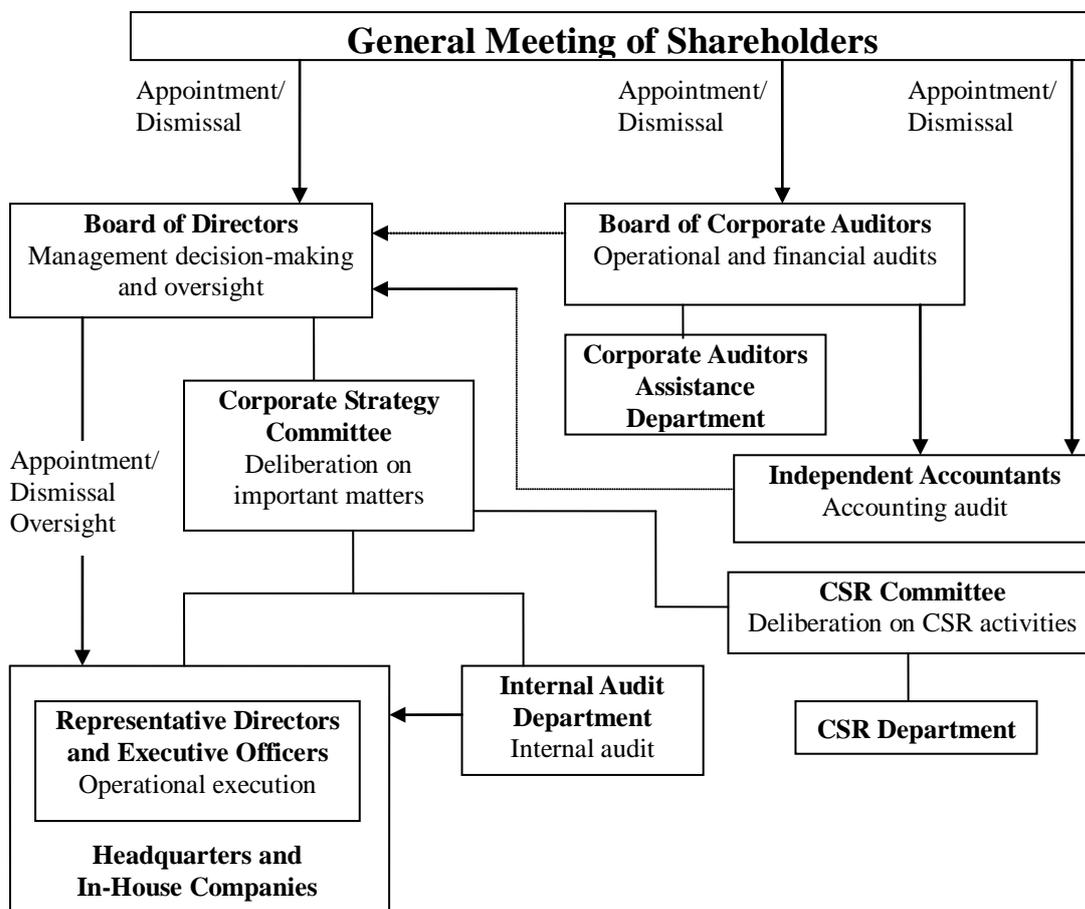
The Directors and employees shall swiftly report appropriate information to the Corporate Auditors or to the Board of Corporate Auditors in accordance with the method stipulated in legislations and the internal regulations of the Company, in the case where there is considerable damage to the Company's operations in areas for which they are responsible or the possibility of significant impact on the Company. In addition, the same shall apply in the event that Corporate Auditors request a report about business operations.

(8) Other Systems to Ensure Effective Auditing by Corporate Auditors

1. Corporate Auditors and Representative Directors shall exchange their opinions periodically and when deemed necessary.
2. Corporate Auditors shall be provided with the opportunity to attend Board of Directors Meetings and other significant meetings of the Company.

(Reference) Status of Corporate Governance
<Fundamental Policy>

The Company seeks to maintain sustainable development and maximize corporate value through fair business activities. With the aim of complying with relevant laws and regulations and conducting sound business activities sensibly, the Company established corporate behavioral guidelines as the supreme norm which all employees should comply with and implement in 1997, and positioned this as the supreme norm for the Group as a whole in 2003. For this purpose, the Group recognizes the importance of efficient and transparent management and is steadily undertaking measures that fully realize its corporate governance. The figure below shows the corporate governance structure regarding management decision-making and oversight, and operational execution and audit in the Company.



6. Fundamental Policy Concerning the Control of the Company

(1) Fundamental Policy on Parties in Control of Decisions Concerning the Company's Financial and Operating Policies

The Company believes that, as a general rule, the control of the Company should be determined through free market transactions in the Company's shares on the Stock Exchanges, and also the decision to accept or decline a proposal for a Large-Scale Acquisition (Defined in (3) 2. (i) below. The same applies below.) should be ultimately left to the individual shareholders of the Company.

However, there are some Large-Scale Acquisitions that do not contribute to the corporate medium and long-term shareholder value of the Company (hereinafter referred to as "medium and long-term shareholder value"), such as those that obviously harm the medium and long-term shareholder value, and those that essentially force shareholders to sell their shares, etc.

In addition, unless the party carrying out a Large-Scale Acquisition is properly aware of the Company's management environment, understands the sources of its corporate value, and aims to ensure and improve these factors in the medium and long terms, the medium and long-term shareholder value may possibly be harmed.

Furthermore, while it can go without saying that the freedom of all shareholders' investment behavior should be respected to the degree that is possible, the Company believes that, in today's domestic takeover regulation, there is not always adequate time or procedures to obtain and to study the information necessary for its shareholders to assess whether a fixed Large-Scale Acquisition is appropriate, so that there is a possibility of that conflicting with the medium and long-term corporate value.

Therefore, the Company believes that it is not appropriate for a party conducting a Large-Scale Acquisition that could possibly harm the medium and long-term shareholder value as described above, to be one that dominates the Company's financial and operating policies decisions.

Therefore, the Company believes that it is necessary to maintain a framework to secure the necessary time and information for its shareholders to assess whether the acquisition is appropriate and negotiate with Acquirers on behalf of the shareholders, in order to deter acquisitions that conflict with the medium and long-term shareholder value.

(2) Overview of Special Measures to Ensure the Implementation of the Fundamental Policy

The Company has been developing its various businesses by utilizing technologies accumulated through its origin, metal and coal mining operations, to form an integrated business entity involved in Cement, Metals, Advanced Materials & Tools, Electronic Materials & Components, the Mineral Resources & Recycling, Aluminum and Precious Metals businesses. The Company has a fundamental corporate philosophy of contribution to society through its various business activities, and has supplied basic materials indispensable to people's lives as a comprehensive basic materials manufacturer.

Moreover, the Company has made consistent efforts to create an affluent society toward helping reduce environmental impact and establishing a resource-recycling social system. The Company will continue striving to ensure and enhance the medium and long-term shareholder value not only by advancing its business activities, but also by earning the further trust of all stakeholders—including shareholders, employees, customers, local communities, suppliers and many other related parties—while maintaining a harmonious coexistence with society.

In this environment, the Group has been implementing various measures based on "Simultaneously implementing growth strategies and financial improvements," which is a basic concept of the medium-term management plan (FY 2012-2014), entitled "Materials Premium 2013 – Aiming for New Value Creation," as well as two initiatives stated as growth strategies: "Advancement into overseas markets, especially emerging markets" and "Generation of distinctive synergies as an integrated business entity."

Also, the Group is striving "to become the No. 1 corporate group that creates the new earth-friendly materials with the unique technologies and contributes to a recycling-oriented society" in our long-term management policy toward the beginning of 2020s. In the future, we will implement various measures using "strengthening the base for growth," "strengthening global competitiveness," and "pursuing a recycling-based business model" in our medium-term management plan (FY2015 – 2017) "Materials Premium 2016 – Taking up the Challenge of Becoming the No. 1 Corporate Group" in order to realize becoming "the No. 1 Corporate Group" as the growth strategies for the overall Group.

(3) Overview of Efforts to Prevent Inappropriate Parties from Assuming Control of Decisions Relating to the Company's Financial and Operating Policies

The Company, in conformity with its corporate philosophy and various policies outlined in (2) above, shall continue pursuing maximization of the medium and long-term shareholder value in the future. At the same time, however, it may not be possible to ignore the potential of Large-Scale Acquisitions by third parties that may harm the medium and long-term shareholder value, as described in (1) above. Therefore, at its meeting held on May 10, 2013, the Board of Directors passed a resolution entitled "Renewal of the Countermeasures to Large-Scale Acquisition of the Company's Shares (Takeover Defense Measures)," (hereinafter called the "New Countermeasures"), which is a modified version of a plan previously in place. The New Countermeasures received approval at the 88th Ordinary General Meeting of Shareholders held on June 27, 2013.

An outline of the New Countermeasures is given below. For more details, please refer to the May 10, 2013 press release entitled "Renewal of the Countermeasures to Large-Scale Acquisition of the Company's Shares (Takeover Defense Measures)" posted on the Company's website (Japanese language only): <http://www.mmc.co.jp/corporate/ja/01/01/13-0510.pdf>

1. Fundamental Policy of the New Countermeasures

For the purpose of ensuring and enhancing the medium and long-term shareholder value, the Company has set out Countermeasures to Large-Scale Acquisition of the Company's Shares (Takeover Defense Measures) incorporating procedures to be observed by a party carrying out or who plans to carry out a Large-Scale Acquisition of the Company's shares. The Company shall warn such parties in advance that there are procedures with which they will be required to comply, that the Company may, in certain circumstances, take protective measures against the acquisition, and the Company shall, in certain circumstances, actually take protective measures against the acquisition.

2. New Countermeasures Details

(i) Targeted Large-Scale Acquisitions

The New Countermeasures shall apply in cases where there is an acquisition of the Company's share certificates that falls under a. or b. below or any similar action (hereinafter referred to as a "Large-Scale Acquisition"). Any party carrying out or proposing a Large-Scale Acquisition (the "Acquirer") must comply with procedures predetermined in the New Countermeasures.

- a. An acquisition that would result in the holding ratio of share certificates, etc., of a holder amounting to 20% of more of the share certificates, etc., issued by the Company
- b. A tender offer that would result in the ownership ratio of share certificates, etc., of the share certificate relating to the tender offer, and the owning ratio of share certificates, etc., of a person having a special relationship totaling at least 20% of the share certificates, etc., issued by the Company.

(ii) Prior Submission of Letter of Intent to the Company

The Acquirer will submit a statement in Japanese (hereinafter referred to as a "Letter of Intent") to the Board of Directors such as a promise to observe the procedures prescribed in the New Countermeasures, before executing the Large-Scale Acquisition.

(iii) Provision of Information

When the Acquirer submits the Letter of Intent, the Company will send to the Acquirer an Information List that details all the information necessary to be initially submitted. The Acquirer will submit to the Company adequate information pursuant to the Information List.

The Board of Directors shall require the Acquirer to submit the information within the period set by the Board (the "Information Provision Requirement Period"), which is 60 days following the sending of the above-mentioned Information List, and the Board of Directors' Evaluation Period (Defined in (v) below. This also applies below.) shall commence immediately upon the expiration of the Information Provision Requirement Period. However, if a request for an extension based on a plausible reason is made by the Acquirer, the Information Provision Requirement Period may be extended as needed up to a maximum of 30 days. Alternatively, if the Board of Directors determines that the information submitted by the Acquirer is sufficient, then the Information Provision Requirement Period will be ended forthwith and the Board of Directors' Evaluation Period will commence, even if it is before the expiration of the Information Provision Requirement Period.

(iv) Disclosure of Information

The Company will disclose the fact that there has been a proposal for a Large-Scale Acquisition by an Acquirer, and describe the background of the fact. Furthermore, if there is information deemed to be required by judgment of the shareholders, that information will be disclosed at a time that is deemed to be appropriate.

Also, in the event that the Board of Directors judges that the information provided by the Acquirer is adequate, the Acquirer will be notified (hereinafter referred to as "Notice of Completion of Providing Information") of that quickly and that will be disclosed.

(v) Establishment of Board of Directors' Evaluation Period

The Board of Directors will begin evaluating and considering the Large-Scale Acquisition after Notice of Completion of Providing Information or when the Information Provision Requirement Period has ended. The period for the Board of Directors to evaluate, consider, negotiate, form opinions or to offer an alternative proposal (hereinafter referred to as "Board of Directors' Evaluation Period") will be a maximum of 60 days or a maximum of 90 days depending on the status of the Large-Scale Acquisition.

However, the Board of Directors' Evaluation Period may be extended by a maximum of 30 days when deemed necessary by the Board of Directors, or when recommended by the Independent Committee.

(vi) Consulting with the Independent Committee

In the New Countermeasures, in order to eliminate arbitrary decisions by the Board of Directors when countermeasures are invoked, there is the Independent Committee composed of only people who are independent of executive personnel that conduct business operations for the Company.

In the event that the Acquirer has not observed the procedures defined in the New Countermeasures, or when it is found that the Large-Scale Acquisition by the Acquirer will cause notable damage to the medium and long term shareholder value, the Board of Directors can consult with the Independent Committee about whether to invoke countermeasures when it is judged appropriate to invoke countermeasures.

(vii) Recommendation by the Independent Committee Concerning the Invocation of Countermeasures

When there has been consultation by the Board of Directors regarding whether to invoke countermeasures, the Independent Committee will make recommendations for the Board of Directors regarding whether to invoke countermeasures.

(viii) Resolution by the Board of Directors

The Board of Directors will comply to the degree possible with the recommendation of the Independent Committee outlined in (vii) above, and will implement a resolution to invoke countermeasures.

(ix) Holding a Shareholders Meeting to Confirm Their Intent

Excluding instances when it is notably difficult to convene a general meeting of shareholders, for the following reasons, the Board of Directors can debate bills for invoking countermeasures by convening a general meeting of shareholders (hereinafter the shareholders' meeting is referred to as the "Shareholders Meeting to Confirm Their Intent").

- a. When the Independent Committee makes a recommendation concerning the invocation of countermeasures that is conditional upon receiving prior approval at a general meeting of shareholders; and
- b. The Board of Directors deems that it is appropriate to confirm the intent of all shareholders.

The Board of Directors shall pass a resolution to invoke countermeasures in compliance with the resolution passed at the Shareholders Meeting to Confirm Their Intent.

(x) Period to Start Large-Scale Acquisition

When it has been determined by the Board of Directors to convene the Shareholders Meeting to Confirm Their Intent, the Acquirer may not start Large-Scale Acquisition until the Board of Directors has implemented a resolution to invoke the countermeasures based on the resolution of the Shareholders Meeting to Confirm Their Intent. Also, when the Shareholders Meeting to Confirm Their Intent has not been convened, it is possible to start the Large-Scale Acquisition only after the Board of Directors' Evaluation Period has passed.

(xi) Termination or Withdrawal of Countermeasures

In the event that invoking the countermeasures is decided, the Board of Directors can consult with the Independent Committee regarding whether to terminate or withdraw the countermeasures for the following reasons.

- a. When the Acquirer has terminated or withdrawn the Large-Scale Acquisition; and
- b. Changes occurred in the facts that presumed judgment of whether to invoke the countermeasures, and the circumstances are considered not to be appropriate for maintaining the invoked countermeasures in view of ensuring and enhancing the medium and long-term shareholder value.

The Board of Directors will resolve to terminate or withdraw the countermeasures when it is judged inappropriate to maintain the countermeasures, complying to the degree possible with the recommendation of the Independent Committee.

(xii) Specific Content of the Countermeasures in the New Countermeasures

As a countermeasure invoked in accordance with the New Countermeasures, the Company shall, in principle, exercise the gratis allotment of stock acquisition rights.

Such stock acquisition rights shall be allotted to shareholders as of the allotment date. One right will be allotted per common stock of the Company. Under the New Countermeasures, the Company intends to attach conditions that the Acquirer or other ineligible parties that meet criteria specified separately may not exercise the stock acquisition rights. Further, the Company plans to attach conditions that enable the Company to acquire the stock acquisition rights allotted to persons other than ineligible parties and, in exchange, issue one common stock of the Company per such stock acquisition right.

(xiii) Effective Period, Abolition, or Amendment of the New Countermeasures

The New Countermeasures shall be effective until the closing of the 91st Ordinary General Meeting of Shareholders of the Company, to be held in June 2016.

Also, even before expiration of the effective period, the New Countermeasures will be abolished immediately, for the following reasons.

- a. When a general meeting of shareholders of the Company passes a resolution to abolish the New Countermeasures; and
- b. When the Board of Directors passes a resolution to abolish the New Countermeasures.

Also, the Company can change the New Countermeasures within a scope that does not violate the basic policy for formalities in line with revisions to laws and ordinances and the like.

(4) Determination by the Board of Directors, and the Reasons thereof, that the Measures in (2) above are in Accordance with the Basic Policy in (1) above and as such do not Harm the Common Interests of Shareholders or Aim to Maintain the Status of the Company's Officers

The Board of Directors has determined that the measures in (2) above are in accordance with the basic policy in (1) above. Such reason is that, by ensuring and enhancing the medium- and long-term shareholder value through the measures in (2) above, and appropriately reflecting it in the value of the Company's shares, it will become difficult to conduct a Large-Scale Acquisition that adversely affects the medium- and long-term shareholder value.

Accordingly, the Board of Directors has determined that the measures in (2) above do not harm the common interests of the Company's shareholders and are not aimed to maintain the status of the Company's officers.

(5) Determination by the Board of Directors, and the Reasons thereof, that the Measures in (3) above are in Accordance with the Basic Policy in (1) above and as such do not Harm the Common Interests of Shareholders or Aim to Maintain the Status of the Company's Officers

The measures in (3) above is to prevent inappropriate parties, in the context of the basic policy in (1) above, from conducting Large-Scaled Acquisitions and controlling decisions on the Company's financial and operating policies by enabling the Company to invoke countermeasures against Acquirers who do not provide sufficient information or accede to a request for securing a sufficient period for their examination and who intend to conduct a Large-Scale Acquisition which may harm the medium and long term shareholder value etc.

Additionally, the measures in (3) above are implemented with the objective of ensuring and enhancing the medium and long-term shareholder value, and in line with such objective, to have the Acquirer provide the necessary information beforehand concerning the Large-Scale Acquisition that said Acquirer intends to make so that the required period of time is secured for evaluating and examining, etc., the details thereof.

Furthermore, a variety of systems and procedures are in place to ensure the reasonableness and fairness of the measures in (3) above for the reason that these measures contain a procedure for confirming the intent of all shareholders, establish the Independent Committee comprising highly independent members, give utmost respect to the Committee's recommendation, establish reasonable and objective criteria for the invocation of countermeasures, and eliminate arbitrary judgments by the Board of Directors by basing the invocation of countermeasures on a resolution passed at a Shareholders Meeting to Confirm Their Intent.

Accordingly, the Board of Directors determines that the measures in (3) above are in accordance with the basic policy in (1) above, and do not harm the common interests of the Company's shareholders and are not aimed at maintaining the status of the Company's officers.

In this Business Report, the figures for financial amounts and number of shares are rounded down to the nearest stated unit. Figures for ratios have been rounded up or down to the nearest stated decimal place.

FINANCIAL STATEMENTS

Consolidated Balance Sheets

[As of March 31, 2014]

(Millions of yen)

Item	Amount	Item	Amount
[ASSETS]		[LIABILITIES]	
Current Assets:	774,465	Current Liabilities:	738,518
Cash and deposits	63,486	Notes and accounts payable-trade	106,656
Notes and accounts receivable-trade	219,016	Short-term loans payable	256,098
Merchandise and finished goods	81,516	Current portion of bonds payable	40,000
Work in process	100,280	Income taxes payable	9,576
Raw materials and supplies	103,155	Deferred tax liabilities	648
Deferred tax assets	10,924	Accrued bonuses	11,975
Gold bullion loaned	93,635	Gold payable	212,760
Other	104,293	Allowance for loss on disposal of inventories	923
Allowance for doubtful accounts	(1,843)	Other	99,878
		Noncurrent Liabilities:	514,279
Noncurrent Assets:	1,004,039	Bonds payable	85,140
Property, Plant and Equipment:	650,571	Long-term loans payable	268,605
Building and structures, net	153,369	Reserve for directors' retirement benefits	1,740
Machinery, equipment and vehicles, net	187,634	Reserve for loss on subsidiaries and affiliates	1,698
Land, net	273,048	Reserve for environmental measures	4,117
Construction in progress	22,510	Deferred tax liabilities	31,650
Other, net	14,009	Deferred tax liabilities for revaluation	32,532
Intangible Assets:	48,226	Net defined benefit liability	52,787
Goodwill	38,816	Other	36,007
Other	9,410	Total Liabilities	1,252,797
Investments and Other Assets:	305,241	[NET ASSETS]	
Investment securities	250,576	Shareholders' Equity:	417,302
Deferred tax assets	31,255	Capital stock	119,457
Other	30,375	Capital surplus	92,272
Allowance for investment loss	(1,168)	Retained earnings	207,354
Allowance for doubtful accounts	(5,797)	Treasury stock	(1,782)
		Accumulated Other Comprehensive Income:	39,447
		Valuation difference on available for sale securities	31,972
		Deferred gains or losses on hedges	218
		Revaluation reserve for land	32,907
		Foreign currency translation adjustment	(12,348)
		Remeasurements of defined benefit plans	(13,302)
		Minority Interests	68,957
		Total Net Assets	525,707
Total Assets	1,778,505	Total Liabilities and Net Assets	1,778,505

Note: All amounts less than one million yen are rounded down.

Consolidated Statements of Operations

[For the year ended March 31, 2014]

(Millions of yen)

Item	Amount
Net Sales	1,414,796
Cost of Sales	1,199,192
Gross Profit	215,604
Selling, general and administrative expenses	149,322
Operating Profit	66,281
Non-Operating Profit:	32,038
Interest income	916
Dividends income	18,964
Equity in earnings of affiliates	4,377
Rent income on noncurrent assets	4,559
Other	3,221
Non-Operating Expenses:	21,418
Interest expenses	9,686
Rent expenses on noncurrent assets	3,399
Loss on disposal of property, plant and equipment	2,755
Mine liquidation expense	2,704
Other	2,873
Ordinary Income	76,902
Extraordinary Income:	51,158
Gain on sales of marketable securities and investments in securities	32,078
Gain on contribution of securities to retirement benefit trust	10,949
Gain on sales of noncurrent assets	4,334
Other	3,796
Extraordinary Losses:	42,714
Impairment loss	32,308
Loss on valuation of investment securities	850
Other	9,555
Income before Income Taxes	85,346
Corporate income taxes, resident taxes and business tax	16,509
Income taxes adjustments	9,956
Income before minority interests	58,880
Minority interests in income	6,328
Net Income	52,551

Note: All amounts less than one million yen are rounded down.

Statement of Changes in Consolidated Shareholders' Equity
[Year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)]

(Millions of yen)

	Shareholders' Equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Balance as of April 1, 2013	119,457	92,272	158,456	(1,692)	368,495
Change during the fiscal year					
Dividends from retained earnings			(7,864)		(7,864)
Net income			52,551		52,551
Decrease from write-downs of land revaluation excess			1,923		1,923
Increase from change of fiscal year end of consolidated subsidiaries			281		281
Increase in number of consolidated subsidiaries			2,005		2,005
Purchase of treasury stock				(92)	(92)
Disposal of treasury stock		(0)	(0)	2	1
Net change in items other than shareholders' equity					
Total change during the fiscal year	-	(0)	48,897	(90)	48,806
Balance as of March 31, 2014	119,457	92,272	207,354	(1,782)	417,302

	Accumulated Other Comprehensive Income						Minority Interests	Total Net Assets
	Valuation difference on available for sale securities	Deferred gains or losses on hedge	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other comprehensive income		
Balance as of April 1, 2013	40,516	(1,189)	34,830	(37,422)	-	36,735	61,001	466,231
Change during the fiscal year								
Dividends from retained earnings								(7,864)
Net income								52,551
Decrease from write-downs of land revaluation excess								1,923
Increase from change of fiscal year end of subsidiaries								281
Increase in number of consolidated subsidiaries								2,005
Purchase of treasury stock								(92)
Disposal of treasury stock								1
Net change in items other than shareholders' equity	(8,543)	1,407	(1,923)	25,073	(13,302)	2,711	7,956	10,668
Total change during the fiscal year	(8,543)	1,407	(1,923)	25,073	(13,302)	2,711	7,956	59,475
Balance as of March 31, 2014	31,972	218	32,907	(12,348)	(13,302)	39,447	68,957	525,707

Note: All amounts less than one million yen are rounded down.

Balance Sheets
[As of March 31, 2014]

(Millions of yen)

Item	Amount	Item	Amount
[ASSETS]		[LIABILITIES]	
Current Assets:	381,108	Current Liabilities:	465,237
Cash and deposits	6,280	Notes payable	532
Notes receivable	2,297	Accounts payable	33,391
Accounts receivable	75,339	Short-term loans payable	113,952
Merchandise and finished goods	37,947	Current portion of bonds payable	40,000
Work in process	33,954	Lease obligation	376
Raw materials and supplies	38,866	Other payables	3,963
Advanced payment	30,536	Accrued expenses	16,837
Prepaid expenses	951	Income taxes payable	1,733
Short-term loans receivables	873	Advance received	12,778
Other receivables	9,927	Progress payment received	5
Gold bullion loaned	93,635	Unearned revenue	74
Gold bullion in custody	41,697	Accrued bonuses	4,953
Deferred tax assets	3,217	Employee deposits	8,607
Other	6,486	Facilities related notes payable	367
Allowance for doubtful accounts	(902)	Other facilities related payables	10,377
		Assets removal liabilities	47
		Gold payable	212,760
		Other	4,479
Noncurrent Assets:	796,450	Noncurrent Liabilities:	313,646
Property, Plant and Equipment:	290,128	Bonds payable	85,000
Buildings	53,179	Long-term loans payable	155,472
Structures	26,352	Lease obligation	898
Machinery and equipment	54,015	Deferred tax liabilities	19,424
Vessels	0	Deferred tax liabilities for revaluation	28,069
Vehicles and delivery equipment	73	Provision for retirement benefits	8,018
Tools, furniture and fixtures	1,650	Reserve for loss on subsidiaries and affiliates	1,809
Land	139,899	Reserve for environmental measures	4,117
Lease assets	658	Assets removal liabilities	350
Construction in progress	13,204	Guarantee deposits received	4,234
Timber	1,092	Other	6,251
Intangible Assets:	1,788	Total Liabilities	778,884
Mining rights	488		
Software	938	[NET ASSETS]	
Lease assets	44	Shareholders' Equity:	341,092
Other	317	Capital stock	119,457
Investments and Other Assets:	504,532	Capital surplus	113,165
Investment securities	109,075	Capital reserve	85,654
Securities of affiliates	382,095	Other capital surplus	27,511
Bonds of affiliates	4	Retained earnings	110,244
Investments	87	Other retained earnings	110,244
Investments in affiliates	6,798	Reserve for advanced depreciation of noncurrent assets	2,695
Long-term loans receivable	34	Deposit for mining search	515
Long-term loans to affiliates	4,130	Earned surplus carried forward	107,033
Other	7,658	Treasury stock	(1,775)
Allowance for investment loss	(638)	Valuation and Translation Adjustments:	57,582
Allowance for doubtful accounts	(4,714)	Valuation difference on available for sale securities	30,114
		Deferred gains or losses on hedges	142
		Revaluation reserve for land	27,325
		Total Net Assets	398,674
Total Assets	1,177,558	Total Liabilities and Net Assets	1,177,558

Note: All amounts less than one million yen are rounded down.

Statements of Operations
[For the year ended March 31, 2014]

(Millions of yen)

Item	Amount
Net Sales	735,558
Cost of Sales	667,176
Gross Profit	68,381
Selling, general and administrative expenses	45,200
Operating Profit	23,180
Non-Operating Profit:	33,972
Interest income	300
Dividends income	21,946
Gain on bad debts recovered	4,360
Rent income on noncurrent assets	4,589
Miscellaneous revenue	2,775
Non-Operating Expenses:	15,019
Interest expenses	5,002
Rent expenses on noncurrent assets	3,222
Mine liquidation expense	2,674
Loss on disposal of property, plant and equipment	1,511
Miscellaneous losses	2,608
Ordinary Income	42,134
Extraordinary Income:	48,496
Gain on sales of marketable securities and investments in securities	27,468
Gain on contribution of securities to retirement benefit trust	10,949
Gain on sales of subsidiaries and affiliates' stocks	4,657
Gain on sales of noncurrent assets	4,092
Other	1,328
Extraordinary Losses:	37,292
Impairment loss	27,574
Loss on valuation of stocks of subsidiaries and affiliates	6,565
Other	3,153
Income before Income Taxes	53,337
Corporate income taxes, resident taxes and business tax	2,955
Income taxes adjustments	8,004
Net Income	42,377

Note: All amounts less than one million yen are rounded down.

Statement of Changes in Shareholders' Equity
 [Year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)]

(Millions of yen)

	Shareholders' Equity									
	Capital stock	Capital surplus			Retained earnings				Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings			Total retained earnings		
					Reserve for advanced depreciation of noncurrent assets	Deposit for mining search	Retained earnings brought forward			
Balance as of April 1, 2013	119,457	85,654	27,511	113,165	-	410	73,790	74,200	(1,685)	305,139
Change during the fiscal year										
Provision of voluntary retained earnings					2,801	515	(3,316)	-		-
Reversal of voluntary retained earnings					(105)	(410)	516	-		-
Dividends from retained earnings							(7,864)	(7,864)		(7,864)
Net income							42,377	42,377		42,377
Decrease from write-downs of land revaluation excess							1,530	1,530		1,530
Purchase of treasury stock									(92)	(92)
Disposal of treasury stock			(0)	(0)					2	1
Net change in items other than shareholders' equity										
Total change during the fiscal year	-	-	(0)	(0)	2,695	105	33,242	36,043	(90)	35,952
Balance as of March 31, 2014	119,457	85,654	27,511	113,165	2,695	515	107,033	110,244	(1,775)	341,092

(Millions of yen)

	Valuation and Translation Adjustments				Total Net Assets
	Valuation difference on available for sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance as of April 1, 2013	39,774	(86)	28,855	68,543	373,683
Change during the fiscal year					
Provision of voluntary retained earnings					-
Reversal of voluntary retained earnings					-
Dividends from retained earnings					(7,864)
Net income					42,377
Decrease from write-downs of land revaluation excess					1,530
Purchase of treasury stock					(92)
Disposal of treasury stock					1
Net change in items other than shareholders' equity	(9,660)	229	(1,530)	(10,961)	(10,961)
Total change during the fiscal year	(9,660)	229	(1,530)	(10,961)	24,991
Balance as of March 31, 2014	30,114	142	27,325	57,582	398,674

Note: All amounts less than one million yen are rounded down.