[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, 2012 through March 31, 2013)

1. Particulars Concerning the State of the Group

(1) Business Developments

[Despite a drop in copper prices, and a decrease in sales of products for automobiles and the electronic industry, the performance of Mitsubishi Materials Corporation (the Company) and Mitsubishi Materials Group (the Group) improved thanks to full-scale demand generated by reconstruction efforts in the wake of the Great East Japan Earthquake, and improved equity in earnings/losses of affiliates.]

During the fiscal year under review, the global economy as a whole slowed down due to slower economic expansion in emerging economies such as China and India, as well as the impact of the debt crisis in Europe.

In Japan, despite demand generated by reconstruction efforts in the wake of the earthquake, economic recovery appeared to be pausing against a backdrop of the global economic slowdown. Since the end of 2012, however, with the expectation of economic recovery backed by the government's economic measures taken into consideration in advance, the level of exchange rates and the stock market have been rapidly improving.

In the fiscal year under review, despite full-scale demand generated by reconstruction efforts in the wake of the earthquake, the business environment in which the Group operates remained unpredictable because the level of exchange rates continued unfavorable until the end of 2012, copper prices were downward trend compared with the previous fiscal year, and orders for core products for automobiles and the electronic industry were sluggish.

Amid such circumstances, we have pursued the sophistication of the business management system in order to appropriately respond to an ever-changing business environment and secure stable profit. We have also implemented 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."

As a result, consolidated net sales for the fiscal year amounted to ¥1,287,251 million, down 10.7% from the previous fiscal year. Operating profit increased year-on-year 0.4% to ¥52,500 million. Ordinary income increased 75.1% to ¥74,414 million because, while equity in losses of affiliates was recorded in the previous fiscal year in relation to SUMCO Corp., equity in earnings of affiliates was recorded in this fiscal year. Net income surged 286.3% to ¥36,948 million.

On a non-consolidated basis, net sales amounted to ¥673,632 million, down 12.4% from the previous fiscal year. Operating profit increased 27.7% to ¥18,281 million, ordinary income surged 102.6% to ¥54,332 million, and net income surged 145.9% to ¥44,738 million.

At the 81st Ordinary General Meeting of Shareholders held on June 29, 2006, the Company amended its Articles of Incorporation to stipulate that payment of dividends shall be decided by resolution of the Board of Directors. As the Company regards distribution of surplus to shareholders as one of its central management objectives, the Company has a policy to decide distribution of profits based on comprehensive consideration of various factors related to overall management such as income over the relevant period, internal reserves and financial position. In accordance with this policy, the Company decided by resolution of the Board of Directors held on May 10, 2013 to pay a year-end dividend of ¥4.00 per share. Because the Company did not pay an interim dividend, this brings total annual dividends to ¥4.00 per share (¥2.00 per share higher than the previous fiscal year).

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 volume on the back of an increase in demand in Japan and the US.]

In the Cement business, sales volume in Japan increased thanks to demand generated by reconstruction efforts in the wake of the earthquake, and solid demand particularly in redevelopment projects and road-related projects in the Tokyo metropolitan area. Overseas, while the recovery trend in demand continued in United States mainly for private-sector capital spending, demand decreased in China firstly due to a decrease of investment in housing construction such as condominium buildings, and secondly due to the influence of delay in resumption of high-speed rail construction and in progress with the new airport being constructed in Shandong, as a result, the sales volume decreased.

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

Consolidated net sales in the Cement business amounted to ¥164,764 million, up 3.7% from the previous fiscal year. Operating profit rose 54.0% to ¥14,230 million and ordinary income rose 81.4% to ¥14,023 million.

● Metals

[Operating profit of the copper business declined year-on-year partly due to production cutbacks in PT Smelting in Indonesia. Operating profit of the gold and other valuable metals business rose partly thanks to a cost reduction effect. Operating profit of the processed copper products business declined partly due to decreased sales of products for electronic materials.]

In the copper business, despite the steady operations throughout the fiscal year at the Onahama Smelter & Refinery (operated by Onahama Smelting and Refining Co., Ltd., based in Fukushima Pref.), where operations were suspended until the end of June 2011 affected by the earthquake, both net sales and operating profit declined year-on-year. This is due to the impact of furnace repairing in Naoshima Smelter & Refinery (Kagawa Pref.) and PT Smelting in Indonesia, and production cutbacks resulting from the lower quality level of copper contained in the raw material ore.

In the gold and other valuable metals business, despite production cutbacks resulting from the amount of gold contained in the raw material ore, net sales declined but operating profit rose partly thanks to a cost reduction effect.

In the processed copper products business, both net sales and operating profit declined due mainly to weak sales of products for electronic materials and construction.

As a result, in the entire Metals business, both net sales and operating profit declined year-on-year. Ordinary income rose due to an increase in dividend income and an increase in equity in earnings of affiliates.

Consolidated net sales in the Metals business amounted to ¥622,742 million, down 18.2% from the previous fiscal year. Operating profit declined 11.7% to ¥17,789 million and ordinary income rose 3.4% to ¥39,134 million.

● Advanced Materials & Tools

[Operating profit of the cemented carbide products business declined year-on-year partly due to the floods in Thailand. Operating profit of the high-performance alloy products business rose partly due to strong demand in the aircraft-related market.]

In the cemented carbide products business, both net sales and operating profit declined partly because of a decrease in sales due to the reason that the impact of the floods in Thailand continued until the first half of the year, and also due to the deterioration of market conditions.

In the high-performance alloy products business, net sales declined but operating profit rose partly due to strong demand in the aircraft-related market although sales decreased owing to weakening demand in the automobile-related market and a boycott of Japanese cars in China, and sales of motor products decreased owing to decreased sales of motorcycles in Southeast Asia and South America.

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

Consolidated net sales in the Advanced Materials & Tools business amounted to ¥136,653 million, down 5.2% from the previous fiscal year. Operating profit declined 20.0% to ¥10,779 million and ordinary income declined 13.8% to ¥10,622 million.

● Electronic Materials & Components

[Operating profit of the advanced materials business rose year-on-year thanks to solid demand for smartphone-related products and products for automobiles. Operating profit of the electronic devices business rose thanks to increased sales of products for household appliances. Operating profit of the polycrystalline silicon and related products business rose thanks to improved efficiency by stopping some production lines of the Yokkaichi Plant.]

In the advanced materials business, despite decreased sales of products for solar batteries, net sales declined but operating profit rose thanks to solid demand for smartphone-related products and products for automobiles.

In the electronic devices business, despite sluggish demand in the related market of electronic devices such as flat-screen TVs and PCs, both net sales and operating profit rose thanks to increased sales of products for household appliances.

In the polycrystalline silicon and related products business, despite decreased sales resulting from sluggish demand in the semiconductor-related and solar battery-related markets, net sales declined but operating profit rose because we sought efficiency by stopping some production lines of the Yokkaichi Plant (Mie Pref.). An amount equivalent to fixed costs associated with the stopped production lines was transferred to extraordinary loss.

As a result, in the entire Electronic Materials & Components business, net sales declined year-on-year but operating profit rose. Ordinary income turned into the black thanks to increased operating profit and improved equity in earnings/losses of affiliates in relation to SUMCO Corp.

Consolidated net sales in the Electronic Materials & Components business amounted to ¥68,602 million, down 7.8% from the previous fiscal year. Operating profit rose 14.6% to ¥4,811 million. Ordinary income was ¥3,465 million, compared with a ¥20,660 million ordinary loss in the previous fiscal year.

● **Aluminum**

[Demand for aluminum cans increased. In the rolled aluminum and processed aluminum products business, despite increased demand for aluminum can materials, demand for products for electronic materials decreased. Operating profit of the entire Aluminum business increased.]

In the aluminum cans business, despite decreased demand for regular cans because of the slump in shipping volume of beer or beer-taste beverages, demand for bottle cans increased for black coffee and tea-based beverages.

In the rolled aluminum and processed aluminum products business, despite increased demand for aluminum can materials, demand for products for electronic materials including products for solar batteries decreased.

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

Consolidated net sales in the Aluminum business amounted to ¥146,675 million, down 2.1% from the previous fiscal year. Operating profit rose 9.9% to ¥6,168 million and ordinary income rose 24.6% to ¥5,530 million.

● **Others**

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

In the energy-related products business, both net sales and operating profit rose year-on-year thanks to the increased sales amount of coal and increased orders related to the field of nuclear energy such as decontamination.

In the "e-waste" (used electronics and electrical products) recycling business, both net sales and operating profit declined due to the termination of the eco-point system for household appliances and the completion of the transition to digital terrestrial transmission.

In the precious metals business, both net sales and operating profit declined due to the decreased trading volume of gold bullion owing to less volatile gold prices and decreased sales of jewelry-related items.

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

Consolidated net sales in the Others business amounted to ¥348,947 million, down 14.7% from the previous fiscal year. Operating profit declined 0.8% to ¥6,964 million and ordinary income rose 7.5% to ¥10,864 million.

Sales, operating profit and ordinary income (figures in parentheses represent negative figures) for each business segment of the Group were as follows:

Business Segment	Item	87th Period (April 2011– March 2012)		88th Period (April 2012– March 2013)		YOY Change (%)
		Amount (¥ Millions)	% of Total	Amount (¥ Millions)	% of Total	
Cement	Net Sales	158,874	11.0	164,764	12.8	3.7
	Operating Profit	9,241	17.7	14,230	27.1	54.0
	Ordinary Income	7,729	18.2	14,023	18.8	81.4
Metals	Net Sales	761,111	52.8	622,742	48.4	(18.2)
	Operating Profit	20,144	38.5	17,789	33.9	(11.7)
	Ordinary Income	37,840	89.0	39,134	52.6	3.4
Advanced Materials & Tools	Net Sales	144,203	10.0	136,653	10.6	(5.2)
	Operating Profit	13,471	25.8	10,779	20.5	(20.0)
	Ordinary Income	12,329	29.0	10,622	14.3	(13.8)
Electronic Materials & Components	Net Sales	74,421	5.2	68,602	5.3	(7.8)
	Operating Profit	4,196	8.0	4,811	9.2	14.6
	Ordinary Income	(20,660)	(48.6)	3,465	4.7	—
Aluminum	Net Sales	149,876	10.4	146,675	11.4	(2.1)
	Operating Profit	5,613	10.7	6,168	11.8	9.9
	Ordinary Income	4,439	10.4	5,530	7.4	24.6
Others	Net Sales	408,912	28.4	348,947	27.1	(14.7)
	Operating Profit	7,021	13.4	6,964	13.3	(0.8)
	Ordinary Income	10,110	23.8	10,864	14.6	7.5
Elimination and Corporate Assets or Expenses Note)	Net Sales	(256,553)	(17.8)	(201,134)	(15.6)	(21.6)
	Operating Profit	(7,396)	(14.1)	(8,243)	(15.8)	11.5
	Ordinary Income	(9,293)	(21.8)	(9,226)	(12.4)	(0.7)
Total	Net Sales	1,440,847	100.0	1,287,251	100.0	(10.7)
	Operating Profit	52,293	100.0	52,500	100.0	0.4
	Ordinary Income	42,495	100.0	74,414	100.0	75.1

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 through issuance of straight corporate bonds (¥35,000 million) and commercial paper and borrowings from financial institutions. Debts (including corporate bonds and commercial paper) as of the end of the fiscal year amounted to ¥692,980 million, down ¥15,896 million from the previous fiscal year.

(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 ¥52,975 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 ¥8,888 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 ¥13,458 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 ¥14,520 million.

● Electronic Materials & Components

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

Capital expenditures in this business amounted to ¥3,409 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 ¥6,332 million.

● Others

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

Capital expenditures in this business amounted to ¥6,365 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)	85th Period (April 2009 – March 2010)	86th Period (April 2010 – March 2011)	87th Period (April 2011 – March 2012)	88th Period (April 2012 – March 2013)
Net Sales	1,119,448	1,333,992	1,440,847	1,287,251
Operating Profit	12,680	57,290	52,293	52,500
Ordinary Income (Loss)	(9,541)	56,425	42,495	74,414
Net Income (Loss)	(66,555)	14,274	9,565	36,948
Net Income (Loss) per Share	(52.34)	10.88	7.29	28.19
Net Assets	399,095	402,868	409,074	466,231
Net Assets per Share	259.93	262.38	267.62	309.17
Total Assets	1,826,420	1,837,405	1,751,870	1,811,767

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

(¥ millions, except per share data)	85th Period (April 2009 – March 2010)	86th Period (April 2010 – March 2011)	87th Period (April 2011 – March 2012)	88th Period (April 2012 – March 2013)
Net Sales	657,982	723,413	769,337	673,632
Operating Profit (Loss)	(9,942)	14,782	14,319	18,281
Ordinary Income (Loss)	(1,344)	33,991	26,822	54,332
Net Income (Loss)	(45,883)	19,794	18,194	44,738
Net Income (Loss) per Share	(36.08)	15.09	13.87	34.13
Net Assets	275,894	300,936	323,245	373,683
Net Assets per Share	210.26	229.37	246.40	285.10
Total Assets	1,179,558	1,229,417	1,200,368	1,256,038

(5) Priorities for the Group

1. Group Priorities

[With the economy expected to start to recover on the back of an improved export environment, the Group will continue to pursue growth strategies including advancement into emerging markets and generation of distinctive synergies as an integrated business entity.]

As for the global economy, while the US economy is on a recovery trend, and the economy is expected to pick up in Asia, especially in Southeast Asia, there are still downside risks, such as the debt problem in Europe and the fiscal problem in the US.

The Japanese economy is expected to start to recover thanks to an anticipated recovery of domestic demand on the back of the government's economic measures, and an improved export environment.

As for the business environment in which the Group operates, despite demand generated by reconstruction efforts in the wake of the earthquake and an anticipated recovery of demand from the automobile-related industry, there are concerns about the current downward trend of copper prices and the higher costs resulting from a hike in electricity rates.

In light of this situation, in line with its medium-term management plan, the Group will continuously seek to become the strongest integrated business entity in this resource-recycling society by advancing into overseas markets, especially emerging markets, and generating distinctive synergies as an integrated business entity ("Materials Premium") while simultaneously implementing growth strategies and financial improvements.

We will continue to implement the measures outlined below as growth strategies.

1) Advancement into overseas markets, especially emerging markets

Under circumstances where the domestic market is not expected to expand substantially, advancement into overseas markets, especially emerging markets is key to the Group's growth. In line with our medium-term management plan, we will seek advancement into overseas markets, especially fast-growing Asian emerging markets, where the Group has many existing bases, implement measures such as carrying out regional strategies and marketing across divisions, establishing common sales companies utilizing the existing bases and business expansion to non-Japanese clients.

2) Realization of Materials Premium

The Group has a wide range of materials, products and technologies including nonferrous metals and cement, and is operating globally particularly in Asian emerging economies. In line with our medium-term management plan, we will pursue "Generation of distinctive synergies as an integrated business entity (Realization of Materials Premium)" by bringing together the capabilities of the Group and further strengthening collaboration among our businesses to expand and enhance our existing integrated areas and to create new business areas.

In order to expand and enhance our existing integrated areas, we will seek to enhance the resources and environmental recycling businesses among others. We will further strengthen these businesses to achieve their medium- and long-term growth since these businesses have grown in value followed by the growing importance of resources security with a changing business environment and worldwide demand for establishing a resource-recycling society.

3) Group strategies supporting growth

In line with our medium-term management plan, we aim to be an integrated business entity group where employees can be active globally across divisions. For this purpose, we will develop diverse human resources by employing and using global staff and promoting deployment and use of staff across businesses and companies, and foster a corporate culture to respond to and challenge a changing business environment.

We will also continue to enhance efforts to pursue a switch to a low-cost structure. We will further reduce sourcing and process costs by establishing a global sourcing system, improving our supply chain management (SCM) and developing quality engineering.

Moreover, we will contribute to sustainable development of society as a whole by further promoting corporate social responsibility (CSR) activities and making continued efforts in business activities focusing on factors that have a material effect on corporate value (materiality).

2. Priorities in each business

● Cement

In the domestic cement business, sales are expected to continuously increase thanks to demand generated by reconstruction efforts in the wake of the earthquake. We will fulfill our social responsibility toward reconstruction in affected regions by stably supplying cement, a key reconstruction material, and by receiving disaster waste in the plant with an understanding of local residents.

In the US cement business, demand is expected to continue to recover. We will work on increasing sales volume and revising sales price. We will also strive to increase profitability by making the maximum use of the businesses and assets of Robertson's Ready Mix, Ltd., which became a wholly owned subsidiary of MCC Development Corp. in December 2012, and by further enhancing the efficiency of the US cement and ready-mixed concrete businesses.

In the Chinese cement business, with the development of infrastructure such as high-speed railway, airport and subway in Shandong Province well underway, demand is expected to recover. In this environment, we will continue to seek cost reduction and profitability enhancement.

● 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, and the future price trends are still uncertain. We will therefore keep a close watch on the price movements together with exchange rates and stock market trends.

In the processed copper products business, demand for products for automobiles and electronic materials is expected to recover gradually.

Amid such circumstances, in the Metals business, we will strive to establish a robust foundation less susceptible to market environment through ongoing efforts to lower the break-even point by reducing energy and fixed costs. In copper smelting, we will seek the steady operations at domestic and overseas smelting facilities. In addition, we will improve profitability through expansion of the recycling business and increasing revenues from treating waste by establishing the system to treat waste which is difficult to treat. In copper processing, we will continue to increase profitability by enhancing sales competitiveness through accelerated development of alloys, drawing on our technological and development capabilities.

● Advanced Materials & Tools
In the cemented carbide products business, although demand currently remains gradual recovery, demand is expected to expand particularly in the automobile-related market in the medium- and long-term.

In the high-performance alloy products business, demand is expected to recover gradually in the automobile-related market, and demand is expected to remain strong in the aircraft-related market.

Amid such circumstances, on the production side in the cemented carbide products business, we will scale up the production capacity in manufacturing bases and build the most suitable production system for each market. On the production side in the cemented carbide products business, we will strive to enhance sales activities by establishing new sales bases and expanding sales network especially in emerging economies, and deepening marketing in the automobile-related, aircraft-related and medical-related markets. In addition, we will promote the diversification of suppliers and raise the recycling ratio through scrap recovery in order to stably procure tungsten, which is a main raw material of cemented carbide products. In the high-performance alloy products business, we will strive to increase profitability by further enhancing quality and productivity using manufacturing technology capabilities that we have strengthened so far. We will also try to obtain demand in emerging economies by quickly enhancing the capabilities of new manufacturing bases in China.

● Electronic Materials & Components
In the advanced materials business, demand for smartphone-related products is expected to remain strong, and demand for products for solar batteries is expected to increase by the Feed-in Tariff program. As for products for automobiles, it is expected that the number of car models which adopt the products and new car sales in the US will increase although the impact of the expiration of government subsidies for eco-friendly cars is concerned. In the relevant 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, future demand for products for flat-screen TVs and other household appliances is still uncertain. We will reinforce our business foundation by promptly launching new products, strengthening our sales system in emerging economies including China, and further reducing costs.

In the polycrystalline silicon and related products business, demand in the semiconductor-related market is still uncertain. Amid such circumstances, except for some processes, we resumed operations in April 2013 at the Yokkaichi Plant (Mie Pref.), where some production lines were stopped from April 2012. We will strengthen our revenue base by revising the operational framework and implementing thorough cost reduction.

● Aluminum
In the aluminum cans business, we will actively expand sales of aluminum bottle cans, which are subject to steadily increasing demand for black coffee and tea-based beverages and we position as strategic products. We will also actively promote stable orders of regular cans, favorable procurement of raw materials, stable product quality and cost reduction.

In the rolled aluminum and processed aluminum products business, we forecast that demand for aluminum can materials will remain unchanged from this fiscal year, that demand for products for automobiles will decrease due to the expiration of government subsidies for eco-friendly cars, and that demand for products for electronic materials, especially for products for solar batteries will increase driven by the Feed-in Tariff program. We will keep a close watch on the overall demand trends, seek stable orders of aluminum can materials, and strive to increase orders of products for the automobile sector both domestically and abroad.

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, 2013)

The major business activities of the Group are production and sales of cement and secondary cement products; refining, production and sales of copper, gold, silver and other metals; production and sales of cemented carbide tools and other products; production and sales of electronic materials and components; and production and sales of aluminum beverage cans and other aluminum products, including rolled and processed products. 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, cement processed products, aggregate, ready-mixed concrete, etc.
Metals	Copper, gold, silver, lead, tin, zinc alloy, sulfuric acid, copper cakes, billets, copper alloy products, wire rods, etc.
Advanced Materials & Tools	Cemented carbide tools, cement carbide alloy, corrosion-resistant alloy, heat-resistant alloy, special copper alloy, precision forging products, powder metallurgical products, electric contact, small motors, etc.
Electronic Materials & Components	Fine materials for assembly, sputtering targets, precision silicon products, advanced materials including heat-conductive insulating substrates, electronic components including surge absorbers and temperature sensors, fluorine chemical products, conductive coatings and other chemical products; polycrystalline silicon, columnar crystal silicon, silane gas, etc.
Aluminum	Bodies ,ends and caps of aluminum beverage cans, rolled aluminum products, processed aluminum products, etc.
Others	Coal, geothermal and water power generation, nuclear fuel cycling business (survey, research, design and operations), precious metal products, jewelry, engineering, geological surveys, resource exploration, recycling of home appliances, real estate leasing and development, forestry, consulting, etc.

Note: The Company withdrew the diamond cutting tools business owned by the Advanced Materials & Tools Company during the fiscal year.

(7) The Group's Major Plants and Business Offices (as of March 31, 2013)

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 1)	Tsukuba Plant (Ibaraki), Gifu Plant, Akashi Plant (Hyogo),
	Electronic Materials & Components	Sanda Plant (Hyogo), Ceramics Plant (Saitama), Yokkaichi Plant (Mie)
	Others 2)	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 3)	Vancouver (Canada), Santiago (Chile), Shanghai (China), Bangkok (Thailand), London (U.K.), Sydney (Australia), Suva (Fiji)	

Note 1: Following the withdrawal from the diamond cutting tools business, Iwaki Plant was abolished as of August 31, 2012.

Note 2: Omiya Environmental Management Center was reorganized and its name was changed to Saitama Property Management Office as of June 28, 2012.

Note 3: Taipei Office was abolished as of March 31, 2013.

2. Major Subsidiaries

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

Note: 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.

(8) The Status of Employees (as of March 31, 2013)

1. Status of Employees of the Group (Consolidated)

Business Division	Number of Employees [1]
Cement	4,162 (increased by 115)
Metals	4,521 (decreased by 43)
Advanced Materials & Tools	5,738 (increased by 155)
Electronic Materials & Components	1,449 (decreased by 39)
Aluminum	2,834 (decreased by 29)
Others	2,869 (increased by 4)
All Companies (for the whole Group) [2]	608 (increased by 3)
Total	22,181 (increased by 166)

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

Note 2: 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	YOY Change (persons)	Average Age (years)	Average Years of Employment
4,168	Decreased by 71	41.0	17.0

(9) The State of Major Subsidiaries and Affiliates (as of March 31, 2013)

1. The State of Major Subsidiaries

Name of the Company	Capital Stock	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
MA Packaging Co., Ltd.	480 million yen	100.0	Production and sales of aluminum foils and resinoid products
Onahama Smelting & Refining Co. Ltd.	6,999 million yen	55.7	Production and sales of electrolytic copper
DIAMET Corp.	1,500 million yen	100.0	Production and sales of powder metallurgical products
MCC Development Corp.	498 million U.S. dollars 1) 2) 3)	70.0	Investment in ready-mixed concrete businesses in the U.S.
Mitsubishi Polycrystalline Silicon America Corp.	328 million U.S. dollars	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 Corp.	4,500 million yen	100.0	Sales and leasing of real estate
Universal Can Corp.	8,000 million yen	80.0	Production and sales of aluminum beverage cans
Ryoko Sangyo Corp.	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 4)	Production and sales of ready-mixed concrete and aggregate in the south-west area of the U.S.

Note 1: Paid-up capital is shown.

Note 2: As both MCC Development Corp. and Robertson's Ready Mix, Ltd. close accounts in December, the paid-in capital for the two companies is given as of December 31, 2012.

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.

Note 4: The Company's subsidiary MCC Development Corp. made Robertson's Ready Mix, Ltd. its wholly owned subsidiary through additional acquisition of shares on December 31, 2012.

2. The State of Major Affiliates

Name of the Company	Capital Stock (Million Yen)	Percentage of Ownership (including indirect ownership) (%)	Line of Business
Ube-Mitsubishi Cement Corp.	8,000	50.0	Sales of cement and cement related products
NM Cement Co., Ltd	7,001	30.0	Investment in construction and management of Nghi Son Cement Corp.(Vietnam)
Kobelco & Materials Copper Tube, Ltd.	6,000	45.0	Production and sales of copper tubes and fabricated copper tubes
SUMCO Corp.	136,607 Note)	27.8	Production and sales of silicon wafers for semiconductors
P.S. Mitsubishi Construction Co., Ltd	4,218	35.8	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

Note: As of May 11, 2012, the capital stock of SUMCO Corp. increased from ¥114,107 million to ¥136,607 million, due to the third-party allocation of new shares, which were purchased by the Company and others.

(10) Business transfer, absorption-type split or incorporation-type split

The Company transferred to Tokyo Seimitsu Co., Ltd. a business related to precision blade products of the diamond tool business owned by Advanced Materials & Tools Company as of August 1, 2012 by resolution of the Board of Directors held on June 28, 2012.

(11) Acquisition or disposal of shares, other interest or stock acquisition rights of other companies

1. The Company acquired preferred shares issued by SUMCO Corp. through third-party share issuance as of May 11, 2012 by resolution of the Board of Directors held on March 8, 2012.

2. The Company's subsidiary MCC Development Corp. made Robertson's Ready Mix, Ltd. its wholly owned subsidiary through additional acquisition on December 31, 2012.

(12) The Group's Major Lenders (as of March 31, 2013)

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.	144,023	24,651	1.9
Mitsubishi UFJ Trust and Banking Corp.	73,499	11,594	0.9
Development Bank of Japan Inc.	41,795	-	-
Mizuho Corporate Bank, Ltd.	39,262	1,570	0.1
The Hachijuni Bank, Ltd.	17,221	2,238	0.2

Note: Percentages of shareholding were calculated after deducting treasury stock (4,170,327 shares).

2. Articles Concerning Stock (as of March 31, 2013)

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

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

(3) Number of shareholders: 138,571 (decreased by 11,026 from the previous fiscal year-end)

This includes 102,917 shareholders with voting rights (decreased by 5,069 from the previous fiscal year-end).

(4) Major Shareholders

Name of Shareholders	Investment in the Company	
	Number of Shares Held (Thousand)	Percentage of Shareholding (%)
Japan Trustee Services Bank, Ltd. (Trust account)	77,291	5.9
The Master Trust Bank of Japan, Ltd. (Trust account)	54,206	4.1
National Mutual Insurance Federation of Agricultural Cooperatives	33,961	2.6
Meiji Yasuda Life Insurance Company	31,018	2.4
SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS	24,768	1.9
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	24,651	1.9
Nippon Life Insurance Company	19,688	1.5
Mitsubishi Heavy Industries, Ltd.	19,209	1.5
Japan Trustee Services Bank, Ltd. (Trust account 9)	18,286	1.4
Mitsubishi Estate Co., Ltd.	17,397	1.3

Note: Percentages of shareholding were calculated after deducting treasury stock (4,170,327 shares).

3. Articles Concerning the Company's Executives

(1) Directors and Corporate Auditors (as of March 31, 2013)

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	Responsible for: General Operations of the Company	
Representative Director Vice President	Toshinori Kato	Assistant to the President Responsible for: Business Portfolio Strategy; System Strategy; Mineral Resources; Precious Metal Business; Aluminum Business [1]	
Representative Director Managing Director	Akira Takeuchi	Assistant to the President Responsible for: General Affairs; Human Resources; Affiliated Corporations Business	
Representative Director Managing Director	Toshimichi Fujii	Assistant to the President President, Cement Company Responsible for: Civil Engineering & Construction Business; Procurement & Logistics	Outside Director, P.S. Mitsubishi Construction Co., Ltd.
Representative Director Managing Director [2]	Masatoshi Hanzawa	Assistant to the President General Manager, Mineral Resources & Recycling Business Unit Responsible for: Sustainable Development	[3]
Representative Director Managing Director [2]	Toshikazu Murai	Assistant to the President President, Advanced Materials & Tools Company Responsible for: Corporate Production Engineering; Corporate Research & Development	
Representative Director Managing Director [2]	Akio Hamaji	Assistant to the President Responsible for: Corporate Communications & IR; Internal Audit; Finance & Accounting	President, Materials' Finance Co., Ltd.
Director	Yukio Okamoto [4] [15]		Representative Director, Okamoto Associates, Inc. [5]; Outside Director, Nippon Yusen Kabushiki Kaisha (NYK LINE) [6]; Outside Corporate Auditor, Mitsubishi Motors Corp. [7]
Corporate Auditor (Standing)	Hiroshi Kanemoto [8]		
Corporate Auditor (Standing)	Keisuke Yamanobe [8]		Outside Corporate Auditor, SUMCO Corp.
Corporate Auditor (Standing)	Akihiko Minato [9] [10] [15]		Outside Corporate Auditor, The Nanto Bank, Ltd. [11]
Corporate Auditor	Akio Utsumi [9] [12] [15]		Senior Advisor, Mitsubishi UFJ Trust and Banking Corp. [13] Outside Corporate Auditor, Mitsubishi Estate Co., Ltd. [14]

Note 1: Director Mr. Toshinori Kato was removed from responsibility for system planning as of April 1, 2013.

Note 2: Directors Mr. Masatoshi Hanzawa and Mr. Toshikazu Murai resigned as Representative Director and Managing Director, respectively, as of March 31, 2013. They became directors without representative rights and titles and were removed from all responsibilities as of April 1, 2013.

Note 3: Director Mr. Masatoshi Hanzawa took office as the president and director of Mitsubishi Aluminum Co., Ltd. as of April 1, 2013.

Note 4: Director Mr. Yukio Okamoto is an Outside Director as defined in Article 2, Paragraph 15 of the Companies Act.

Note 5: There is no business relationship between the Company and Okamoto Associates, Inc.

Note 6: There is a business relationship for the transportation of coal between the Company and NYK Line.

Note 7: There is a business relationship for the sale and purchase of goods between the Company and Mitsubishi Motors Corporation.

Note 8: Corporate Auditors Mr. Hiroshi Kanemoto and Keisuke Yamanobe have experience as Director of the Company, responsible for accounting and finance, and have extensive knowledge of finance and accounting.

Note 9: 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 10: Corporate Auditor Mr. Akihiko Minato has experience in think-tank management and has extensive knowledge of finance and accounting.

Note 11: There is a business relationship for the borrowing of funds between the Company and The Nanto Bank, Ltd.

Note 12: Corporate Auditor Mr. Akio Utsumi has experience in bank management and has extensive knowledge of finance and accounting.

Note 13: There is a business relationship between the Company and Mitsubishi UFJ Trust and Banking Corp. for borrowing funds from it, providing debt guarantee to it, and entrusting the Company's pension funds to it.

Note 14: There is a business relationship for real estate rental and leasing between the Company and Mitsubishi Estate Co., Ltd.

Note 15: The Company has notified Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. that Director Mr. Yukio Okamoto and Corporate Auditors Mr. Akihiko Minato and Mr. Akio Utsumi are Independent Director and Independent Auditors (Outside Director or Outside Auditors with no conflict of interest with general shareholders) in accordance with their regulations, respectively.

Note 16: The following Director and Corporate Auditor resigned during the fiscal year under review.

Director Mr. Mayuki Hashimoto (As of April 26, 2012)

Corporate Auditor Mr. Takao Wada (As of June 28, 2012)

(Reference) The following Executive Officers had assumed office as of April 1, 2013:

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	Masaru Aramaki	President, Electronic Materials & Components 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	Osamu Iida	President, Metals Company; Responsible for: Corporate Production Engineering
Senior Executive Officer	Chitoshi Mori	General Manager, Corporate Strategy Div.
Senior Executive Officer	Yoshihiko Kimura	Responsible for: System Strategy; Corporate Research & Development
Executive Officer	Yasuhiko Noguchi	Assistant to the General Manager, Mineral Resources & Recycling Business Unit; Responsible for: Sustainable Development
Executive Officer	Hironori Miyahara	Vice President, Electric Materials & Components Company
Executive Officer	Nobuo Shibano	Vice President, Electric Materials & Components Company
Executive Officer	Yasunobu Suzuki	Vice President, Metals Company
Executive Officer	Hiroaki Anzai	General Manager, Corporate Production Engineering Dept.
Executive Officer	Kozo Saeki	Vice President, Cement Company
Executive Officer	Hisamaru Yamamoto	Chairman and President, Yantai Mitsubishi Cement Co., Ltd.
Executive Officer	Naoki Ono	Vice-chairman, Mitsubishi Cement Corp. Vice-chairman, MCC Development Corp.
Executive Officer	Hikaru Kimura	General Manager, Human Resources 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 Dept., Corporate Strategy Div.
Executive Officer	Yoshikazu Okada	General Manager, Corporate Research & Development Dept.
Executive Officer	Naoyuki Shimoda	General Manager, Kyushu Plant
Executive Officer	Tairiku Matsumoto	General Manager, Tsukuba Plant
Executive Officer	Soichi Fukui	General Manager, Advanced Materials Div., Electronic Materials & Components Company
Executive Officer	Masato Koide	General Manager, Naoshima Smelter & Refinery
Executive Officer	Kenji Shimamura	General Manager, General Affairs Dept.

(2) Directors and Corporate Auditors' Remuneration

Position	Total Amount of Remuneration (Millions of yen)	Remuneration by Type (Millions of yen)		Number of Directors/ Corporate Auditors [1)]
		Basic [4)]	Bonus [5)]	
Directors (of which Outside Directors)	467 [2)] (20)	376 (20)	91	11 Directors (1 Outside Director)
Corporate Auditors (of which Outside Corporate Auditors)	125 [3)] (50)	125 (50)	-	6 Corporate Auditors (3 Outside Corporate Auditors)

Note 1: The number of Directors/Corporate Auditors includes two Directors and two Corporate Auditors whose terms ended 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 after 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.

2. 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 all 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 13 meetings of the Board of Directors and all 12 meetings of the Board of Corporate Auditors held after taking office in June 28, 2012. Mr. Minato provides well-informed opinions as a Corporate Auditor, based on abundant experience as a top executive 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 15 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 top executive 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, 2013

Content of the Remuneration	Amount
(a) Remuneration that the Company should pay to Accounting Auditors	146 million yen 1)
(b) Total amount of monetary and other property benefits that the Company and its subsidiaries should pay (including the above-mentioned)	401 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 Act.

Note 2: Among the major subsidiaries of the Company, PT Smelting, MCC Development 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 "Advisory Services Related to Introduction of International Financial Reporting Standards" and other duties (non-auditing duties) to the Accounting Auditor that are other than the duties of Article 2, Paragraph 1 of the 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 audit.

(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.

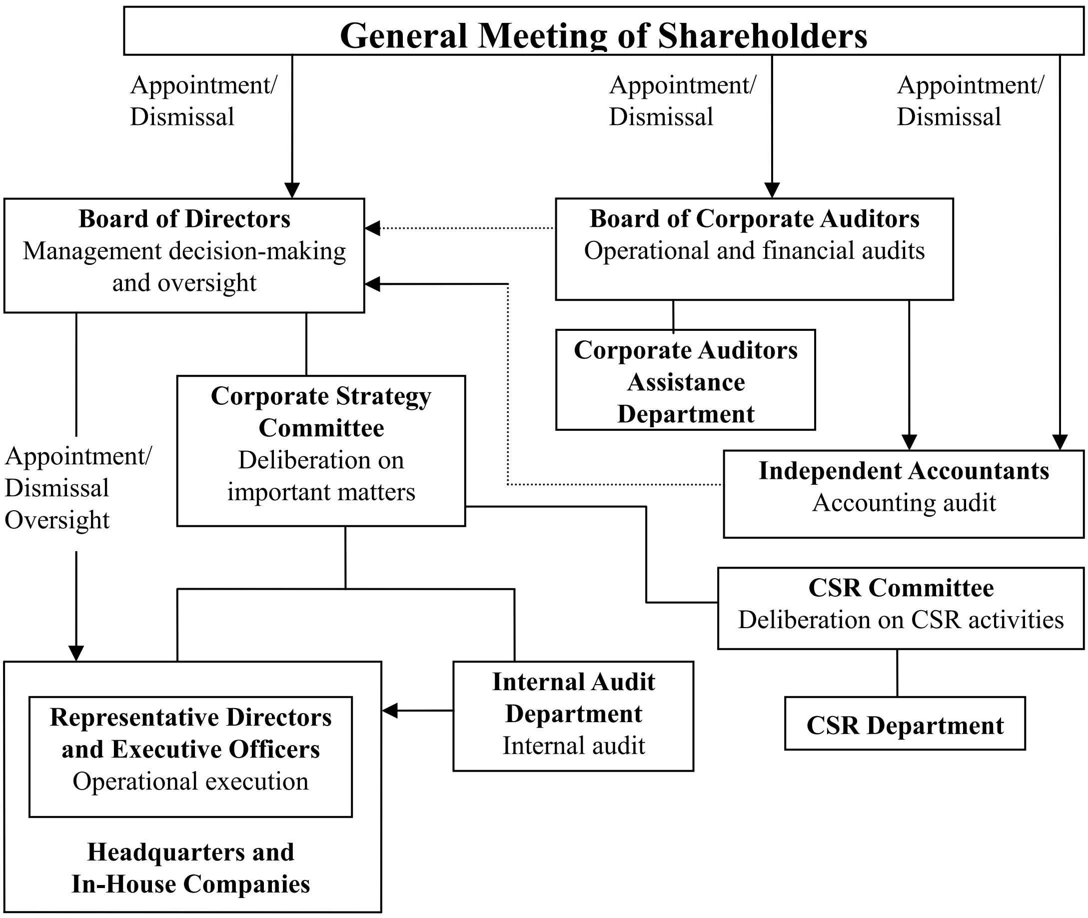
(8) Other Systems to Ensure Effective Auditing by Corporate Auditors

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 Finance and Operating Policies

As a general rule, the Company believes that its shareholders should be decided through free market transactions in Company stocks on the Stock Exchanges, since the Company's shares are publicly listed. The Board of Directors would not categorically deny an acquisition of shares, even in the case of a unilateral and large acquisition without due discussion with the Board or following agreements and other processes, as long as the acquiring party does not clearly harm the Company's corporate value and the common interests of the shareholders. As a matter of course, the Company believes that the decision to accept or decline a proposal for a Large-Scale Acquisition of shares 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 value of a target company or the common interests of the shareholders, including those that obviously harm the corporate value and the common interests of the shareholders and those that essentially force shareholders to sell their shares. In addition, unless the party carrying out a Large-Scale Acquisition of the Company's shares is properly aware of the Company's management environment, understands the sources of its corporate value, and aims to ensure and enhance these factors in the medium and long terms, the Company's corporate value and the common interests of the shareholders may possibly be harmed.

According to this assessment, the Company believes that parties undertaking Large-Scale Acquisitions that may possibly harm its corporate value and the common interests of shareholders as outlined above as not suitable to be in control of decisions about the Company's financial and operating policies. 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 or not the acquisition is appropriate, in order to deter acquisitions that conflict with the Company's corporate value and the common interests of shareholders. Such an arrangement will enable the management to negotiate with potential Acquirers on behalf of the shareholders.

(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, and 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 made consistent efforts to create an affluent society, not only through the supply of basic materials indispensable to people's lives as a comprehensive basic materials manufacturer, but also by helping reduce environmental impact and establishing a resource-recycling social system. Moreover, the Company will continue striving to underpin and enhance corporate value and the common interests of shareholders. In addition to advancing its business activities, the Company will achieve this 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 implemented 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." We will continue to strengthen management bases to achieve the target stated in the medium-term management plan.

(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 corporate value and the common interests of the shareholders 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 corporate value and the common interests of shareholders, as described in (1) above. Therefore, at its meeting held on May 12, 2010, the Board of Directors passed a resolution entitled "Countermeasures to Large-Scale Acquisition of the Company's Shares (Takeover Defense Measures)," (hereinafter called the "Plan"), which is a modified version of a plan previously in place. The Plan received approval at the 85th Ordinary General Meeting of Shareholders held on June 29, 2010.

An outline of the Plan is given below. For more details, please refer to the May 12, 2010 press release entitled "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/01/01/10-0512c.pdf

1. Fundamental Policy of the Plan

For the purpose of preserving and enhancing its corporate value and the common interests of shareholders, the Company has set out 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, and that the Company may, in certain circumstances, take protective measures against the acquisition.

2. Plan Details

(i) Targeted Large-Scale Acquisitions

The Plan shall apply in cases where there is an acquisition of share certificates, or the like of the Company 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 Plan.

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

Before effecting a Large-Scale Acquisition, the Company shall require any Acquirer conducting a Large-Scale Acquisition to submit to the Board of Directors a document written in Japanese language that the Acquirer will, upon the Large-Scale Acquisition, comply with the procedures set out in the Plan (the "Letter of Intent").

(iii) Provision of Information
When the Acquirer submits the Letter of Intent, the Company shall require the Acquirer to also submit information that complies with the Information List sent by the Company to the Acquirer specifying the information to be submitted in the first instance that is necessary and appropriate for the Company's shareholders to consider the Large-Scale Acquisition in accordance with procedures predetermined by the Company.

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 as described in (iv) 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 received from 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 objectively that the provision of information has been completed for the reason 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 as described in (iv) below will commence, even if it is before the expiration of the Information Provision Requirement Period.

(iv) Establishment of Board of Directors' Evaluation Period
Following the completion of the provision of information, or the expiration of the Information Provision Requirement Period, the Board of Directors shall set a period of a maximum of 60 days, or a maximum of 90 days, depending on the form of the Large-Scale Acquisition, for the Board of Directors to evaluate, examine, negotiate, form opinions, and prepare an alternative plan.

However, the said period may be extended by a maximum of 30 days when deemed necessary by the Board of Directors, or when recommended by an Independent Committee.

(v) Recommendation by Independent Committee Concerning the Invocation of Countermeasures
With regard to the invocation of countermeasures, under the Plan an Independent Committee comprising only of persons who are independent from the Company's management responsible for business execution will be established to eliminate arbitrary judgments by the Board of Directors.

If, on the appearance of an Acquirer, the Independent Committee is consulted by the Board of Directors as to whether it should invoke countermeasures or not, the Independent Committee shall make a recommendation to the Board of Directors on whether or not to invoke countermeasures.

(vi) Resolution by the Board of Directors
If the Acquirer does not comply with the procedures stipulated in the Plan, or if a Large-Scale Acquisition is judged to seriously harm the Company's corporate value or the common interests of shareholders, and it is therefore deemed appropriate to invoke countermeasures, the Board of Directors may resolve to invoke the countermeasures while granting utmost respect for the recommendation of the Independent Committee.

(vii) Holding a Shareholders Meeting to Confirm Their Intent
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, or the Board of Directors deems that it is appropriate to confirm the intent of all shareholders, a general meeting of shareholders shall be held at which an item will be submitted concerning the invocation of countermeasures (the "Shareholders Meeting to Confirm Their Intent"). The Board of Directors shall pass a resolution either to invoke countermeasures or not invoke countermeasures in compliance with the resolution passed at the Shareholders Meeting to Confirm Their Intent.

(viii) Outline of Countermeasure

As a countermeasure invoked in accordance with the Plan, 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 Plan, 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.

(ix) Effective Period, Abolition, or Amendment of the Plan

The Plan shall be effective until the closing of the 88th Ordinary General Meeting of Shareholders of the Company, to be held in June 2013.

However, even before the expiration of the effective period, the plan shall be abolished immediately if (a) a general meeting of shareholders of the Company passes a resolution to abolish the Plan, or (b) the Board of Directors passes a resolution to abolish the Plan.

(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 securing and enhancing the Company's corporate value and the common interests of shareholders 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 Company's corporate value and the common interests of shareholders.

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 prevent inappropriate parties, in the context of the basic policy in (1) above, from controlling decisions on policies relating to the Company's finances and operations. Such reason is that, by enabling the Company to invoke countermeasures against an Acquirer who does not provide sufficient information or does not accede to a request for securing a sufficient period for their examination etc., the Company may prevent a Large-Scale Acquisition that will significantly harm the Company's corporate value and the common interests of shareholders. Additionally, the measures in (3) above are implemented with the objective of securing and enhancing the Company's corporate value and the common interests of shareholders, 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 an 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.

The Plan was supposed to be effective until the closing of the 88th Ordinary General Meeting of Shareholders to be held on June 27, 2013 (hereinafter called the "Ordinary General Meeting of Shareholders"). After reviewing the renewal of the Plan, the Company judged that measures continue to be needed to secure and increase the corporate value and the shareholders' common interests, and thus medium- and long-term shareholder value. As a result, it was resolved at the Board of Directors held on May 10, 2013 that the Company would renew the Plan with a partial revision subject to shareholders' approval at the Ordinary General Meeting of Shareholders.

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 Sheet

[As of March 31, 2013]

(Millions of yen)

Item	Amount	Item	Amount
[ASSETS]		**[LIABILITIES]**	
Current Assets:	**778,931**	**Current Liabilities:**	**796,337**
Cash and deposits	64,416	Notes and accounts payable-trade	105,889
Notes and accounts receivable-trade	211,748	Short-term loans payable	287,942
Merchandise and finished goods	79,941	Commercial papers	26,000
Work in process	98,948	Income taxes payable	6,653
Raw materials and supplies	103,463	Deferred tax liabilities	734
Deferred tax assets	15,622	Accrued bonuses	12,097
Gold bullion loaned	99,548	Gold payable	232,002
Other	107,171	Allowance for loss on disposal of inventories	1,557
Allowance for doubtful accounts	(1,929)	Other	123,460
		Noncurrent Liabilities:	**549,198**
		Bonds payable	110,040
Noncurrent Assets:	**1,032,835**	Long-term loans payable	268,998
Property, Plant and Equipment:	**658,974**	Provision for retirement benefits	59,601
Building and structures, net	156,929	Reserve for directors' retirement benefits	1,470
Machinery, equipment and vehicles, net	198,220	Reserve for loss on subsidiaries and affiliates	2,035
Land, net	271,517	Reserve for environmental measures	4,238
Construction in progress	18,968	Deferred tax liabilities	32,771
Other, net	13,337	Deferred tax liabilities for revaluation	33,683
Intangible Assets:	**48,281**	Other	36,358
Goodwill	38,760	**Total Liabilities**	**1,345,535**
Other	9,520	**[NET ASSETS]**	
		Shareholders' Equity:	**368,495**
Investments and Other Assets:	**325,579**	**Capital stock**	**119,457**
		Capital surplus	**92,272**
Investment securities	271,754		
Deferred tax assets	29,183	**Retained earnings**	**158,456**
Other	32,061	**Treasury stock**	**(1,692)**
Allowance for investment loss	(1,748)	**Accumulated Other Comprehensive Income:**	**36,735**
Allowance for doubtful accounts	(5,672)	**Valuation difference on available for sale securities**	**40,516**
		Deferred gains or losses on hedges	**(1,189)**
		Revaluation reserve for land	**34,830**
		Foreign currency translation adjustment	**(37,422)**
		Minority Interests	**61,001**
		Total Net Assets	**466,231**
Total Assets	**1,811,767**	**Total Liabilities and Net Assets**	**1,811,767**

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

Consolidated Statements of Operations

[For the year ended March 31, 2013]

(Millions of yen)

Item	Amount
Net Sales	**1,287,251**
Cost of Sales	**1,094,588**
Gross Profit	**192,663**
Selling, general and administrative expenses	140,163
Operating Profit	**52,500**
Non-Operating Profit:	**43,304**
Interest income	597
Dividends income	29,399
Equity in earnings of affiliates	5,193
Rent income on noncurrent assets	4,705
Other	3,408
Non-Operating Expenses:	**21,389**
Interest expenses	10,453
Rent expenses on noncurrent assets	3,300
Loss on disposal of property, plant and equipment	2,941
Mine liquidation expense	2,370
Other	2,323
Ordinary Income	**74,414**
Extraordinary Income:	**9,423**
Insurance income	3,305
Gain on sales of noncurrent assets	3,061
Gain on sales of marketable securities and investments in securities	2,457
Other	599
Extraordinary Losses:	**26,063**
Impairment loss	10,551
Loss on valuation of investment securities	4,524
Loss on termination of operations	3,246
Expenses for disaster prevention construction	3,189
Other	4,551
Income before Income Taxes	**57,774**
Corporate income taxes, resident taxes and business tax	16,481
Income taxes adjustments	(5,690)
Income before minority interests	46,983
Minority interests in income	10,035
Net Income	**36,948**

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

Statement of Changes in Consolidated Shareholders' Equity

[Year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)]

(Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2012	119,457	113,566	116,890	(1,443)	348,471
Change during the fiscal year					
Dividends from retained earnings			(2,623)		(2,623)
Net income			36,948		36,948
Decrease from write-downs of land revaluation excess			1,177		1,177
Increase from change of fiscal year end of consolidated subsidiaries			122		122
Increase from change of fiscal year end of equity method affiliates			44		44
Increase in number of consolidated subsidiaries			1,070		1,070
Increase in number of equity method affiliates			4,698		4,698
Increase from merger of non-consolidated subsidiaries			135		135
Purchase of treasury stock				(251)	(251)
Disposal of treasury stock		(0)	(0)	2	1
Cancellation of treasury stock			(8)		(8)
Decrease of capital surplus from acquisition of non-controlling interest		(21,292)			(21,292)
Net change in items other than shareholders' equity					
Total change during the fiscal year		(21,293)	41,565	(248)	20,023
Balance as of March 31, 2013	119,457	92,272	158,456	(1,692)	368,495

	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	Total other comprehensive income		
Balance as of April 1, 2012	31,316	(768)	36,008	(63,945)	2,611	57,991	409,074
Change during the fiscal year							
Dividends from retained earnings							(2,623)
Net income							36,948
Decrease from write-downs of land revaluation excess							1,177
Increase from change of fiscal year end of subsidiaries							122
Increase from change of fiscal year end of equity method affiliates							44
Increase in number of consolidated subsidiaries							1,070
Increase in number of equity method affiliates							4,698
Increase from merger of non-consolidated subsidiaries							135
Purchase of treasury stock							(251)
Disposal of treasury stock							1
Cancellation of treasury stock							(8)
Decrease of capital surplus from acquisition of non controlling interest							(21,292)
Net change in items other than shareholders' equity	9,199	(421)	(1,177)	26,523	34,123	3,009	37,133
Total change during the fiscal year	9,199	(421)	(1,177)	26,523	34,123	3,009	57,157
Balance as of March 31, 2013	40,516	(1,189)	34,830	(37,422)	36,735	61,001	466,231

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

Balance Sheet

[As of March 31, 2013]

(Millions of yen)

Item	Amount	Item	Amount
[ASSETS]		**[LIABILITIES]**	
Current Assets:	**407,552**	**Current Liabilities:**	**510,975**
Cash and deposits	3,329	Notes payable	704
Notes receivable	3,138	Accounts payable	37,485
Accounts receivable	74,874	Short-term loans payable	155,026
Merchandise and finished goods	36,210	Commercial papers	26,000
Work in process	41,865	Lease obligation	392
Raw materials and supplies	45,698	Other payables	2,903
Advanced payment	17,027	Accrued expenses	19,461
Prepaid expenses	769	Income taxes payable	552
Short-term loans receivables	1,020	Advance received	9,176
Other receivables	16,183	Progress payment received	1,528
Refundable income tax	3,166	Unearned income	81
Gold bullion loaned	99,548	Accrued bonuses	4,739
Deferred tax assets	8,142	Employee deposits	8,323
Other	57,558	Facilities related notes payable	196
Allowance for doubtful accounts	(982)	Other facilities related payables	8,692
Noncurrent Assets:	**848,485**	Assets removal liabilities	57
Property, Plant and Equipment:	**308,280**	Gold payable	232,002
Buildings	56,623	Other	3,651
Structures	25,922	**Noncurrent Liabilities:**	**371,379**
Machinery and equipment	70,762	Bonds payable	110,000
Vessels	3	Long-term loans payable	164,275
Vehicles and delivery equipment	82	Lease obligation	1,071
Tools, furniture and fixtures	1,560	Deferred tax liabilities	21,634
Land	143,527	Deferred tax liabilities for revaluation	29,003
Lease assets	1,046	Provision for retirement benefits	27,239
Construction in progress	7,648	Reserve for loss on subsidiaries and affiliates	2,073
Timber	1,103	Reserve for environmental measures	4,238
Intangible Assets:	**1,644**	Assets removal liabilities	358
Mining rights	502	Guarantee deposits received	4,257
Software	734	Other	7,226
Lease assets	44	**Total Liabilities**	**882,355**
Other	362	**[NET ASSETS]**	
		Shareholders' Equity:	**305,139**
Investments and Other Assets:	**538,560**	**Capital stock**	**119,457**
Investment securities	140,074	**Capital surplus**	**113,165**
Securities of affiliates	385,486	Capital reserve	85,654
Bonds of affiliates	4	Other capital surplus	27,511
Investments	87	**Retained earnings**	**74,200**
Investments in affiliates	6,797	Other retained earnings	74,200
Long-term loans receivable	40	Deposit for mining search	410
Long-term loans to affiliates	3,797	Earned surplus carried forward	73,790
Other	7,603	**Treasury stock**	**(1,685)**
Allowance for investment loss	(906)	**Valuation and Translation Adjustments:**	**68,543**
Allowance for doubtful accounts	(4,425)	**Valuation difference on available for sale securities**	**39,774**
		Deferred gains or losses on hedges	**(86)**
		Revaluation reserve for land	**28,855**
		Total Net Assets	**373,683**
Total Assets	**1,256,038**	**Total Liabilities and Net Assets**	**1,256,038**

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

Statements of Operations

[For the year ended March 31, 2013]

(Millions of yen)

Item	Amount
Net Sales	**673,632**
Cost of Sales	**610,377**
Gross Profit	**63,254**
Selling, general and administrative expenses	44,973
Operating Profit	**18,281**
Non-Operating Profit:	**52,027**
Interest income	381
Dividends income	43,925
Rent income on noncurrent assets	4,629
Miscellaneous revenue	3,091
Non-Operating Expenses:	**15,975**
Interest expenses	6,161
Expenses for rent in undertaking	3,131
Mine liquidation expense	2,343
Loss on disposal of property, plant and equipment	1,835
Miscellaneous losses	2,503
Ordinary Income	**54,332**
Extraordinary Income:	**3,582**
Gain on sales of noncurrent assets	2,288
Gain on sales of securities of affiliates	582
Gain on transfer of business	442
Other	270
Extraordinary Losses:	**15,997**
Impairment loss	8,914
Loss on valuation of investment securities	3,629
Loss on termination of operations	3,246
Other	206
Income before Income Taxes	**41,918**
Corporate income taxes, resident taxes and business tax	1,132
Income taxes adjustments	(3,952)
Net Income	**44,738**

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

Statement of Changes in Shareholders' Equity

[Year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)]

(Millions of yen)

	Shareholders' Equity								
		Capital surplus			Retained earnings				
					Other retained earnings				
	Capital stock	Capital reserve	Other capital surplus	Total Capital surplus	Deposit for mining search	Earned surplus carried forward	Total retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2012	119,457	85,654	27,512	113,166	-	30,979	30,979	(1,435)	262,168
Change during the fiscal year									
Optional deposit					410	(410)	-		
Dividends from retained earnings						(2,623)	(2,623)		(2,623)
Net income						44,738	44,738		44,738
Decrease from write-downs of land revaluation excess						1,106	1,106		1,106
Purchase of treasury stock								(251)	(251)
Disposal of treasury stock			(0)	(0)				1	1
Net change in items other than shareholders' equity									
Total change during the fiscal year	-	-	(0)	(0)	410	42,810	43,221	(249)	42,971
Balance as of March 31, 2013	119,457	85,654	27,511	113,165	410	73,790	74,200	(1,685)	305,139

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

(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, 2012	31,930	(816)	29,962	61,076	323,245
Change during the fiscal year					
Voluntary retained earnings					-
Dividends from retained earnings					(2,623)
Net income					44,738
Decrease from write-downs of land revaluation excess					1,106
Purchase of treasury stock					(251)
Disposal of treasury stock					1
Net change in items other than shareholders' equity	7,844	729	(1,106)	7,466	7,466
Total change during the fiscal year	7,844	729	(1,106)	7,466	50,437
Balance as of March 31, 2013	39,774	(86)	28,855	68,543	373,683

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