May 26, 1999

Consolidated Financial Results for the year ended March 31, 1999
Mitsubishi Materials Corporation
5-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo, Japan

Code :	5711
Shares listed :	Tokyo, Osaka and 6 other Japanese stock exchanges
Accounting period :	1 year, ending March 31, each year
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Date of board of directors' meeting for approval of accounts: May 26, 1999

1. Results of the year ended March 31, 1999
(1) Results of operations :

Millions of yen

	Net Sales	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
		%		%		%		%
Year ended Mar.31,1999	983,783	(17.7)	10,405	(80.8)	(13,804)	-	(34,853)	-
Year ended Mar.31,1998	1,196,008	0.8	54,086	(3.3)	23,922	(30.5)	10,071	(31.7)

	Net income per share	Diluted net income per share	Net income /Shareholders' equity	Ordinary income /Total assets	Ordinary income /Net sales
	¥	¥	%	%	%
Year ended Mar.31,1999	(30.90)	-	(12.5)	(0.8)	(1.4)
Year ended Mar.31,1998	8.88	8.37	3.2	1.4	2.0

Note Profit/(loss) on investment by the equity method of accounting
Year ended March 31,1999 : 88 million yen
Year ended March 31,1998 : 2,223 million yen

(2) Financial position :

Millions of yen

	Total assets	Shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
			%	¥
As of Mar.31,1999	1,605,670	243,355	15.2	217.81
As of Mar.31,1998	1,679,206	312,385	18.6	275.29

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

Number of consolidated subsidiaries : 110
Number of non-consolidated subsidiaries : 149
(Number of which the equity method accounting is applied to : 0)
Number of affiliates : 123
(Number of which the equity method accounting is applied to : 25)

(4) Changes in the accounting method :

(i) Changes in scope of consolidation and adoption of the equity method of accounting
Number of consolidated companies ; New : 7 Excluded : 2
Number of companies to which the equity method is applied ; New : 2 Excluded : 2

(ii) Changes in the accounting method
No change was made in the accounting method during the fiscal period under review.

2. Forecast (from April 1, 1999 to March 31, 2000)

Millions of yen

	Net Sales	Operating Income	Net Income
Year ending Mar.31,2000	1,000,000	10,000	5,000

Anticipated net income per share for the year ending March 31, 2000 (Consolidation): ¥4.48
Anticipated net income per share for the year ending March 31, 2000 (Non-consolidation): ¥4.48

Results of the year ended March 31, 1999 (Non-consolidation)

Millions of yen

	Net Sales	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
		%		%		%		%
Year ended Mar.31,1999	631,365	(17.7)	11,259	(60.8)	3,713	(77.1)	(12,520)	-

	Net income per share	Diluted net income per share	Total assets	Shareholders' equity
	¥	¥		
Year ended Mar.31,1999	(11.09)	-	939,398	249,916

An Overview of Company Results (Consolidated)

1. Results for the fiscal year ended March 31, 1999

(1) Net sales were down by 212.2 billion to 983.7 billion due to reduced sales of most products. Sales of most of products including silicon and advanced materials, nonferrous metals, cement and construction materials and fabricated metal products were reduced due to sluggishness of domestic economy and semiconductor sector on and off shore and decline in metal prices.

(2) Ordinary income fell by 37.7 billion to a loss of 13.8 billion due to decline in margin of smelting operations caused by lower metal prices and reduction of import duties, and losses in silicon and advanced materials which are attributable to decline of silicon wafer price and delayed start up of overseas operations, in addition to aforementioned huge loss caused by sharp decline in sales. Net income, including losses incurred to improve performance for the forthcoming period such as divestment of less profitable operations and affiliates and reduction of employees, in addition to introduction of tax-effect accounting, was a loss of 34.9 billion down by 44.9 billion compared to the previous period.

(3) Total assets as of March 31, 1999 were 1,606 billion down by 73.5 billion from the end of the previous fiscal year. This change is attributable to a decrease in accounts receivable due to slow sales and securitization, as well as a decrease in tangible assets, in spite of increased number of consolidated affiliates mainly due to start up of overseas operations.

2. Forecast for fiscal 1999

For the fiscal 1999, ending March 31, 2000, rapid recovery in domestic economy is not foreseen to take place and sluggish sales and lower prices for products, including metals, are expected to continue. However, we expect recovery in our performance as a result of cost cutting measures including reduction of employees carried out in fiscal 1998. We forecast a sales of 1 trillion, ordinary profit of 10 billion and net income of 5 billion respectively. In addition, reduction of interest bearing debt and improvement of the financial position are expected to be achieved through constrained capital expenditure and disposition and securitization of assets.

CONSOLIDATED BALANCE SHEET (1 / 2)
AS OF MARCH 31 1999

(Millions of yen)

	31/3/1999	31/3/1998	Difference
ASSETS			
CURRENT ASSETS			
Cash & Cash equivalent	57,056	58,010	(953)
Note received & Accounts receivable - Trade	228,607	297,609	(69,002)
Marketable securities	102,945	111,286	(8,341)
Inventories	163,144	167,835	(4,691)
Loans receivable	17,758	20,239	(2,481)
Other receivable	14,586	10,699	3,887
Future income tax benefit	4,750	-	4,750
Other current assets	11,290	16,137	(4,847)
Allowance for doubtful accounts	(4,669)	(5,267)	598
TOTAL CURRENT ASSETS	**595,470**	**676,551**	**(81,081)**
NON-CURRENT ASSETS			
PROPERTY, PLANT & EQUIPMENT			
Buildings & Structures	278,306	288,222	(9,916)
Machinery & Equipment	249,616	260,129	(10,513)
Land	143,619	145,122	(1,503)
Construction in progress	125,018	90,226	34,791
Other tangible assets	15,933	19,274	(3,340)
TOTAL TANGIBLE ASSETS	**812,494**	**802,976**	**9,518**
INTANGIBLE ASSETS			
Consolidated control	272	-	272
Other intangible assets	10,040	9,543	497
TOTAL INTANGIBLE ASSETS	**10,313**	**9,543**	**770**
INVESTMENT & LONG-TERM RECEIVABLES			
Investments securities	107,112	112,093	(4,980)
Long-term loans receivable	50,263	41,333	8,929
Future income tax benefit	5,600	-	5,600
Investment other	44,238	61,496	(17,257)
Allowance for doubtful accounts	(25,828)	(24,833)	(994)
TOTAL INVESTMENT & LONG-TERM RECEIVABLES	**181,386**	**190,090**	**(8,703)**
TOTAL NON-CURRENT ASSETS	**1,004,194**	**1,002,609**	**1,584**
FOREIGN STATEMENTS TRANSLATION ADJUSTMENTS	6,006	-	6,006
CONSOLIDATED CONTROL	-	45	(45)
TOTAL ASSETS	**1,605,670**	**1,679,206**	**(73,535)**

CONSOLIDATED BALANCE SHEET(2 / 2)
AS OF MARCH 31 1999

(Millions of yen)

	31/3/1999	31/3/1998	Difference
LIABILITIES			
CURRENT LIABILITIES			
Notes payable & Accounts payable - Trade	122,496	138,143	(15,647)
Short-term bank loans	479,415	499,521	(20,105)
Bonds payable	27,000	10,000	17,000
Commercial paper	13,000	30,000	(17,000)
Accounts payable - other	11,736	15,300	(3,563)
Accrued expenses	38,101	41,747	(3,645)
Income taxes payable	3,276	6,061	(2,784)
Reserve for bonus	12,410	14,202	(1,792)
Employees' savings	14,967	16,810	(1,842)
Other current liabilities	29,343	29,471	(128)
TOTAL CURRENT LIABILITIES	**751,747**	**801,258**	**(49,510)**
NON-CURRENT LIABILITIES			
Bonds payable	209,728	206,538	3,190
Long-term loans payable	297,993	257,489	40,504
Reserve for retirement of employees	26,289	27,198	(908)
Reserve for loss on equity method affiliates	53	1,128	(1,074)
Reserve for loss from investment	5,251	-	5,251
Other non-current liabilities	41,129	42,022	(893)
TOTAL NON-CURRENT LIABILITIES	**580,446**	**534,377**	**46,068**
FOREIGN STATEMENTS TRANSLATION ADJUSTMENTS	-	1,366	(1,366)
MINOR SHARE	-	29,818	(29,818)
TOTAL LIABILITIES	**1,332,194**	**1,366,820**	**(34,626)**
MINOR SHARE	**30,121**	**-**	**30,121**
SHAREHOLDERS' EQUITY			
Paid-in capital	99,396	99,396	0
Capital reserve	68,573	72,465	(3,892)
Revenue reserve	-	15,900	(15,900)
Consolidation surplus	75,388	-	75,388
Other surplus	-	124,625	(124,625)
Self-stocks	(1)	(2)	1
TOTAL SHAREHOLDERS' EQUITY	**243,355**	**312,385**	**(69,030)**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**1,605,670**	**1,679,206**	**(73,535)**

NOTE :
Business tax payable is included in Income tax payable from this financial period.

CONSOLIDATED PROFIT & LOSS STATEMENTS
FOR THE YEAR ENDED MARCH 31 1999

(Millions of yen)

	1998	1997	Difference
Net Sales	983,783	1,196,008	(212,224)
Cost of Goods Sold	830,128	981,916	(151,787)
Selling, General & Administrative Expenses	143,249	160,004	(16,755)
Operating income	**10,405**	**54,086**	**(43,681)**
Non-operating income			
Interest and dividend income	4,083	4,439	(356)
Other non-operating income	8,827	4,530	4,296
Non-operating expenses			
Interest expenses	24,663	24,343	320
Other non-operating expenses	12,455	14,790	(2,334)
Ordinary income	**(13,804)**	**23,922**	**(37,726)**
Extraordinary profit			
Profit on sales of fixed assets	5,017	2,557	2,459
Profit on sales of investment stocks	487	95	391
Other special profit	1,449	1,145	303
Extraordinary loss			
Loss on redundancy	9,979	-	9,979
Provision for loss from investment	5,251	-	5,251
Loss on disposal of fixed assets	4,543	3,812	730
Loss on written off investment stocks	2,320	-	2,320
Allowance for bad debt	1,598	174	1,424
Loss on restructuring of affiliates	1,032	453	578
Other special loss	9,428	1,557	7,871
Net income before tax	**(41,005)**	**21,723**	**(62,728)**
Corporate income taxes	-	12,135	(12,135)
Income taxes adjustments deferred	-	440	(440)
Corporate income taxes & business tax	6,276	-	6,276
Income taxes adjustments	(12,233)	-	(12,233)
Minority interest adjustment	195	1,311	(1,116)
Amortization of consolidation adjustments	-	(13)	13
Profit/(loss) on investment (equity method)	-	2,223	(2,223)
Net income for the current year	**(34,853)**	**10,071**	**(44,924)**

NOTE 1. Lease expense 4,635 5,092 (456)

2. Business tax is included in corporate income taxes from this financial period. Amortization of consolidation adjustments is included in selling, general & administrative expenses, profit and loss on investment by equity method is included in extraordinary other profit from this financial period respectively.

CONSOLIDATED RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31 1999

(Millions of yen)

	1998	1997	Difference
Balance of other surplus at beginning of year	**124,625**	**120,577**	4,048
Transfer from legal reserve in the previous period	**15,900**	**0**	15,900
Balance at the beginning of year	**140,525**	**120,577**	19,948
Adjustment in connection with the adoption of tax-effect accounting	**(22,552)**	**-**	**(22,552)**
Increase due to merger of unconsolidated subsidiaries	-	717	(717)
Increase due to revaluation of property, plant and equipment of a foreign subsidiary	-	100	0 (100)
Increase total	-	**817**	(817)
Transfer to legal reserve	-	773	(773)
Cash dividends paid	5,670	5,670	0
Bonus to directors and statutory auditors	349	396	(47)
Decrease resulting from increase of consolidated subsidiaries	1,711	-	1,711
Decrease total	**7,731**	**6,841**	890
Net income for current year	**(34,853)**	**10,071**	(44,924)
Balance of other surplus at beginning of year	-	**124,625**	(124,625)
Balance at the end of year	**75,388**	**124,625**	(49,237)

Significant Accounting Policies

1. Scope of consolidation

(1) Number of consolidated subsidiaries is 110.
(2) 5 subsidiaries including MMC Hartmetall and Tamagawa machinery to which the equity method of accounting was applied until the previous period have come to be included in consolidation from this financial period.
(3) Number of non-consolidated subsidiaries is 149.
(4) 10 of the non-consolidated subsidiaries including Osarizawa mining either ceased operation or are out of the business temporally, and as for the rest of 139 companies, each of its total assets, sales, net income in the current period and retained earnings at year end is so small that it has no significant effect to the consolidated total assets, sales, net income in the current period and retained earnings at year end respectively. That is why those companies are excluded from consolidation.

2. Equity method of accounting

Among investments to 123 affiliates, the equity method of accounting is applied to 25 of them.
Two affiliates one of which is Ube-Mitsubishi Cement are accounted for using the equity method from the current period, and the same number of affiliates including Shin-Kawachi Ryoko Concrete which went into liquidation on January 29, 1999 was excluded from the affiliates to which the equity method is applied.
98 Affiliates not subject to the equity method neither have significant effect on consolidated profit and loss as well as consolidated retained earnings, nor are of importance as a whole.

3. Accounting period

The number of consolidated subsidiaries whose balance date of accounting period differ from that of consolidation is 26. Adjustments have been made in relation to transactions which occurred between balance date of each consolidated subsidiaries and that of consolidation for preparing consolidated financial statements.
The major consolidated subsidiaries are as follows :

Balance date of accounting period : December 31

MK Finance
Mitsubishi Silicon America
Mitsubishi Silicon America Corp.
MCC Development Corp.
Mitsubishi Cement Corp.
Heisei Minerals Corp. and other 21 companies

4. Accounting policies

(1) Evaluation of significant assets

Marketable securities and investment in securities
Securities listed on exchanges are valued at the lower of cost or market, cost being determined by the moving average method. Unlisted securities are carried at cost, determined by the moving average method.

Inventories
Nonferrous metals are stated at cost, determined by the first-in, first-out (FIFO) method.
Inventories of cement, building materials and ceramics out of advanced materials are stated at cost, primarily determined by the average method.
Other inventories are stated primarily at the lower of average cost or market.

(2) Depreciation

Depreciation is determined primarily on a declining-balance method and straight-line method in relation to plant and equipment (lands for mining & cement manufacturing and level for mining excluded), whereas the unit of production method is applied to lands for mining & cement manufacturing, level for mining and mining rights.
Other intangibles are depreciated on straight-line method.
The straight-line method is applied to buildings acquired on and after April 1, 1998 as a result of revision of corporate taxation law in 1998. This change of depreciation method has little effect on the accounts.

(3) Deferred costs

Research and development expenses for the improvement of existing products or the development of new products, including basic research and fundamental development costs as well as bond expenses, are charged to operations in the period incurred.

(4) Translation of foreign currencies

Foreign currency amounts are translated into Japanese yen amounts on the basis of historical rates for current receivable and payables.

(6) Consumption Tax
National and local consumption tax are eliminated in the calculation of profit and loss.

(7) Provisions
Doubtful Accounts :
Provision has been made for each of doubtful accounts by providing an amount for possible losses that will be incurred in the collection of all receivables.

Bonuses
Provision is made with respect to estimated payment of bonuses to employees by providing an amount that will be incurred in this financial period. Provision has been made by way of incurring maxim amount based on corporate income tax legislation until the previous financial period. However, as a result of revision of corporate income tax in fiscal 1998, it was changed into the way mentioned above. This change of accounting has little effect to the accounts.

Retirement
Provision has been made for the retirement and severance benefits primarily to the extent of 40% for employees and 100% for officers (directors and statutory auditors) of the amount which would be required if all employees voluntarily terminated their employment and all officers retired at each year-end.

Loss on investment

Provision has been made for the loss on investment to consolidated subsidiaries based on their financial positions.

Loss on investment resulting from adoption of the equity method of accounting
Provision has been made for the loss on investment to affiliates to which the equity method of accounting is applied by providing the negative amount of investment in affiliates from which account receivable is deducted.

(7) Lease transactions
Finance leases, except those for which it is recognized that the ownership of the leased item will be effectively transferred to the lessee is treated the same method as operating lease.

5. Change in accounting method
No change was made in the accounting method during the fiscal period under review.

6. Elimination of investment and capital
Set-off of investment account of the parent company and capital accounts of the consolidated subsidiaries is made based on the acquisition dates of investments in consolidated subsidiaries.

The excess of cost over underlying net equity at the acquisition dates of investments in consolidated subsidiaries is amortized over a period of five years on a straight-line basis except that such excess in investments in consolidated subsidiaries is allocated to the appropriate account if the cause of the excess is identifiable.

7. Elimination of unrealized intercompany profits
Unrealized intercompany profits resulting from transactions among consolidated companies have been eliminated in the consolidation, a minority interest portion of which is charged to the parent company.

8. Translation of the financial statements of foreign consolidated subsidiaries
The financial statements of the financial statements of foreign consolidated subsidiaries are translated into Japanese yen at the current rate except for shareholders' equity.

9. Retained earnings
Statements of consolidated retained earnings has been prepared base on each of the retained earnings of the consolidated companies which was fixed during the current financial period of consolidation.

10. Income tax
Deferred income taxes including business tax which relate to temporary differences between financial and tax reporting purposes are provided for regarding all the timing differences in the consolidated financial statements. This treatment of accounting had only been made regarding items related to the elimination of intercompany profits which arise as a result of the consolidation of subsidiaries.

11. Notes to the balance sheet

(Millions of yen)

	31/3/1999	31/3/1998
(1) Accumulated depreciation	865,415	838,882
(2) Contingent liabilities		
Discounting notes receivable	6,393	6,574
Endorsing notes receivable	167	2,439
Balance of guarantee others	77,187	32,962
Balance of guarantee booked	11,639	-
Letter of awareness etc.	1,004	-
(3) Self-stocks	1	2
[Number of shares]	[8,221]	[8,079]

(Including the number of shares held by subsidiaries)

12. Notes to lease transactions

(Millions of yen)

(1) Lease transactions include finance leases, except those for which it is recognized that the ownership of the leased item will be effectively transferred to the lessee.

(a) The equivalent amount of acquisition cost, accumulated depreciation and book value at the end of the financial period of the leased item

	Acquisition cost	Accumulated depreciation	Book value at year end
Machinery & equipmen	23,168	9,718	13,450
Tools & dies	9,500	5,851	3,648
Other	1,115	639	475
Total	33,784	16,209	17,575

(b) The equivalent book value of unearned lease payments at the end of the financial period

-not later than one year	4,629
-later than one year	12,946
Total	17,575

The equivalent amount of acquisition cost and unearned lease payments at the end of the financial period are calculated by interest expense-included-method, due to the fact that a ratio of equivalent amount of unearned lease payments at the end of the financial period to the amount of property, plant & equipment at the end of the year is low.

(c) Lease payments and equivalent amount of depreciation

Lease payments	4,635
Equivalent amount of depreciation	4,635

(d) Calculation of equivalent amounts of depreciation

The straight-line method is applied by which lease period is regarded as estimated useful life with residual value nil.

(2) Operating leases

Unearned lease payments

-not later than one year	736
-later than one year	1,834
Total	2,570

Segment Information

(a) Business segment information

Millions of yen

Year ended March 31, 1999	Nonferrous metals	Cement	Fabricated metal products	Silicon and advanced materials	Others	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	210,388	185,301	296,772	130,989	160,331	983,783		983,783
Intersegment	3,833	4,129	23,106	7,076	24,364	62,511	(62,511)	-
Total	214,221	189,431	319,879	138,066	184,696	1,046,294	(62,511)	983,783
Operating expenses	209,898	180,097	314,361	146,875	176,148	1,027,381	(54,003)	973,378
Operating profit	4,322	9,333	5,517	(8,809)	8,547	18,913	(8,508)	10,405
Identifiable assets	191,304	270,617	404,803	264,995	291,625	1,423,347	182,323	1,605,670
Depreciation	5,150	12,078	21,403	22,598	7,197	68,428	3,845	72,274
Capital expenditures	18,886	9,241	21,540	34,437	4,836	88,941	2,465	91,407

Year ended March 31, 1998	Nonferrous metals	Cement	Fabricated metal products	Silicon and advanced materials	Others	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	296,429	208,119	328,198	159,514	203,746	1,196,008		1,196,008
Intersegment	3,676	5,563	15,121	10,653	24,776	59,791	(59,791)	-
Total	300,106	213,682	343,320	170,167	228,523	1,255,799	(59,791)	1,196,008
Operating expenses	286,033	200,340	327,705	161,050	217,183	1,192,312	(50,391)	1,141,921
Operating profit	14,073	13,341	15,615	9,117	11,339	63,487	(9,400)	54,086
Identifiable assets	229,012	289,957	388,178	256,616	299,599	1,463,365	215,841	1,679,206
Depreciation	5,900	13,556	23,555	25,549	7,115	75,676	3,413	79,089
Capital expenditures	44,004	14,487	23,790	26,366	9,341	117,990	2,823	120,813

NOTES

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

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

(Change of business segments)

Segmentation has changed from nonferrous metals to fabricated metal products in relation to some of the copper-related products in this period. Sales and operating profits transferred from nonferrous metals to fabricated metals products by this change of segmentation is 11,761 million yen (sales to outside customers is 11,517 million yen) and 679 million yen respectively in this period. Sales and operating profits included in nonferrous metals in the last perio is 12,975 million yen (sales to outside customers is 12,732 million yen) and 1,049 million yen respectively.

2. An amount of unallocated operating expenses, such as basic research & fundamental development costs and managerial costs of the parent company, included in Elimination and corporate assets or expenses is 8,209 million yen for the current period and 9,676 million yen for the previous period.
The treatment of accounting for business tax has changed according to the revision of regulations. This change of accounting has increased operating profits of each segment as follows :

Nonferrous metals	11 million yen
Cement	17 million yen
Fabricated metal products :	173 million yen
Silicon and advanced materials	103 million yen
Others :	360 million yen

3. An amount of corporate assets included in Elimination and corporate assets is 200,612 million yen for the current period and 234,002 million yen for the previous period, main assets of which are those related to basic research & fundamental development, moneies in the parent company (cash and marketable securities) and managerial division.

(b) Segment information by geographic area

Millions of yen

Year ended March 31, 1999	Japan	U.S.A.	Europe	Asia	Other	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	888,672	79,712	6,131	7,087	2,179	983,783		983,783
Intersegment	21,719	1,937	418	1,211	2	25,289	(25,289)	-
Total	910,392	81,649	6,550	8,298	2,181	1,009,072	(25,289)	983,783
Operating expenses	884,378	87,136	6,257	10,524	1,749	990,046	(16,668)	973,378
Operating profit	26,013	(5,487)	292	(2,225)	432	19,025	(8,620)	10,405
Identifiable assets	1,128,025	169,815	3,884	100,784	2,960	1,405,470	200,200	1,605,670

Year ended March 31, 1998	Japan	U.S.A.	Europe	Asia	Other	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	1,089,188	94,318	886	9,132	2,482	1,196,008		1,196,008
Intersegment	15,762	2,244	24	634	0	18,666	(18,666)	-
Total	1,104,951	96,562	910	9,767	2,482	1,214,675	(18,666)	1,196,008
Operating expenses	1,046,904	90,573	800	10,090	2,332	1,150,701	(8,779)	1,141,921
Operating profit	58,046	5,989	110	(322)	150	63,974	(9,887)	54,086
Identifiable assets	1,202,520	165,555	2,117	72,117	3,626	1,445,938	233,268	1,679,206

NOTES

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

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

(1) Europe :	Germany, Spain
(2) Asia :	Malaysia, Singapore, Taiwan, Hongkong
(3) Other :	Australia

4. An amount of unallocated operating expenses, such as basic research & fundamental development costs and managerial costs of the parent company, included in Elimination and corporate assets or expenses is 8,209 million yen for the current period and 9,676 million yen for the previous period.

5. An amount of corporate assets included in Elimination and corporate assets is 200,612 million yen for the current period and 234,002 million yen for the previous period, main assets of which are those related to basic research & fundamental development, moneies in the parent company (cash and marketable securities) and managerial division.

(c) Overseas sales by geographic area

Millions of yen

Year ended March 31, 1999	U.S.A.	Europe	Asia	Other	Total
Overseas sales	75,046	10,866	76,127	3,373	165,415
Consolidated net sales					983,783
Percentage of overseas sales to consolidated net sales	7.6%	1.1%	7.7%	0.3%	16.8%

Year ended March 31, 1998	U.S.A.	Europe	Asia	Other	Total
Overseas sales	86,423	10,156	89,615	1,326	187,522
Consolidated net sales					1,196,008
Percentage of overseas sales to consolidated net sales	7.2%	0.8%	7.5%	0.1%	15.7%

NOTES

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

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

(1) Europe :	Germany, Spain
(2) Asia :	Malaysia, Singapore, Taiwan, Hongkong
(3) Other :	Australia, Brazil

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

May 26, 1999

Financial Results (Non-Consolidated) for the year ended March 31, 1999
Mitsubishi Materials Corporation
5-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo, Japan

Code :	5711
Shares listed :	Tokyo, Osaka and 6 other Japanese stock exchange
Accounting period :	1 year, ending March 31, each year
For further information please contact :	Mr. Koji Shigemura, Manager, Investor Relations Department, Tel: 03-5252-5206

Date of board of directors' meeting for approval of accounts: May 26, 1999
Date of annual general meeting for approval of accounts: June 29, 1999

1. Results of the year ended March 31, 1999
(1) Results of operations :

Millions of yen

	Net Sales	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
		%		%		%		%
Year ended Mar.31,1999	631,365	(17.7)	11,259	(60.8)	3,713	(77.1)	(12,520)	-
Year ended Mar.31,1998	766,721	2.3	28,730	42.6	16,181	53.7	6,723	67.3

	Net income per share	Diluted net income per share	Net income /Shareholders' equity	Ordinary income /Total assets	Ordinary income /Net sales
	¥	¥	%	%	%
Year ended Mar.31,1999	(11.09)	-	(5.0)	0.4	0.6
Year ended Mar.31.1998	5.93	5.65	2.3	1.6	2.1

Note 1. Average number of shares
Year ended March 31,1999 : 1,128,075,753
Year ended March 31,1998 : 1,134,152,857

2. Change in accounting method :
No change was made in the accounting methods during the fiscal period under review.

(2) Dividends :

Millions of yen

	Annual dividends per share Total	Interim	Term-end	Amount of dividends	Payout ratio	Cash dividends /Shareholders' equity
	¥	¥	¥		%	%
Year ended Mar.31,1999	0.00	0.00	0.00	0	0.0	0.0
Year ended Mar.31,1998	5.00	0.00	5.00	5,670	84.3	1.9

(3) Financial position :

Millions of yen

	Total assets	Shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
			%	¥
As of Mar.31,1999	939,398	249,916	26.6	223.68
As of Mar.31,1998	1,015,222	293,220	28.9	258.54

Note 1. Number of shares outstanding
As of March 31,1999 : 1,117,314,857
As of March 31,1998 : 1,134,152,857

2. Difference between current prices of marketable securities and their prices shown in the balance sheet as of March 31, 1999 :
28,369 millions of yen

3. Difference between current prices of derivative transactions and contractual prices and the like as of March 31, 1999 :
136 millions of yen

2. Forecast (from April 1, 1999 to March 31, 2000)

Millions of yen

	Net Sales	Operating Income	Net Income	Annual dividends per share Interim	Term-end	Total
				¥	¥	¥
Six months ending Sep.30,1999	270,000	4,500	2,500	0.0	-	-
Year ending Mar.31,2000	530,000	10,000	5,000	-	3.0	3.0

Note : Anticipated net income per share for the year ending March 31, 2000 : ¥4.48

An Overview of Company Results (Non-Consolidated)

1.Results for the fiscal year ended March 31, 1999

(1) Net sales were down by ¥135.4 billion to ¥631.4 billion due to reduced sales of most products. Nonferrous metals division was adversely affected by decline in price and demand for cement and construction materials showed no recovery in private sector nor in public spending. In addition, sales of most of other products including silicon and fabricated metals products was reduced due to sluggishness of related business sectors such as automobile, electronics and semiconductor.

(2) Ordinary income fell by ¥12.5 billion to ¥3.7 billion due to decline in margin of smelting operations caused by lower metal prices and reduction of import duties, and decrease in price of most products, in addition to aforementioned huge loss caused by sharp decline in sales, which were not compensated by emergency measures for improving performance as well as the continued efforts of each division to pare costs. Net income before tax, including losses incurred to improve performance for the forthcoming period such as divestment of less profitable operations and affiliates and reduction of employees which were not offset by deposition of real estates less relevant to our business, was a loss of ¥22.6 billion and net loss after adoption of tax-effect accounting was ¥12.5 billion down by ¥19.2 billion compared to the previous period .

(3) Total assets as of March 31, 1999 were ¥939.4 billion down by ¥75.8 billion from the end of previous fiscal year. This change is attributable to a decrease in inventories, accounts receivable due to slow sales and securitization, in spite of increased investment mainly to affiliates domestic and abroad, as well as a decrease in tangible assets resulting from constrained capital expenditure and sales of assets to Ube-Mitsubishi Cement Corporation, a joint venture established by the Company and Ube Industries for cement marketing and distribution operations and decrease in general in other assets.

2.Forecast for fiscal 1999

For the fiscal 1999, ending March 31, 2000, rapid recovery in domestic economy is not foreseen to take place and sluggish sales and lower prices for products are expected to continue. In addition to these, transfer of silicon and fuel business to affiliated companies will make sales down compared to the current financial period. However, we expect increase in ordinary income as a result of cost cutting measures including reduction of employees carried out in fiscal 1998, in spite of decline in sales. As for net income, we aim to turn into black in order to resume paying dividends, offsetting losses we expect to incur for normalization of pension fund from fiscal 1999 by extraordinary profit such as disposition of land. In addition, reduction of interest bearing debt and improvement of the financial position are expected to be achieved through constrained capital expenditure and disposition and securitization of assets.

3.Dividend Policy

The Company's policy on the distribution of profits is determined carefully by surveying such factors as earnings during the period, inner reserves and financial standing.

For the fiscal year ended March 31, 1999, aforementioned loss of net income which led the retained earnings negative at ¥1.3 billion of losses together with necessity of reform of overall business and improvement of cash flow forced the management of the Company to determine the suspension of the period-end dividend.

4.Equity Finance

50 billion yen of unsecured convertible bond due 2005 was issued on September 30, 1996. Forecast and result of spending money actually received by the issuance are as follows :

(1)Forecast

Out of ¥48.815 billion of net amount received, ¥31.51 billion will be spent on repaying loans, ¥10 billion spent on redemption of notes, and ¥7.305 billion will be spent on capital expenditure.

(2)Result

Net amount received has been spent as had been planed as a whole.

Mitsubishi Materials' Approach to Year 2000 Issue

1. Approach to Year 2000 Issue

(1) Management's perspective on the Year 2000 (Y2K) issue

Management regards the Y2K issue as an extremely pressing issue that demands a companywide response.

(2) Managements approach to cope with Y2K

Mitsubishi Materials set up a Y2K task force in 1997 under the managing director responsible for information services.

In addition to the task force, we have set up a management-level Y2K team to coordinate a companywide response to related issues. The team has recruited key personnel from pertinent divisions and plants.

The head of the management-level Y2K team is Mikiya Ono. Mr. Ono, a senior corporate advisor and member of the Board of Directors, advises the president as a member of our six-member Executive Committee.

The Y2K team is preparing systematic crisis-management procedures to cope with any conceivable Y2K-related problems. It reports monthly to the Executive Committee about its progress.

(3) Progress towards Y2K compliance

a.Among internal systems

・ With regard to accounting, human resources, purchasing, and other administrative systems, we completed all survey and testing work for evaluating Y2Kcompliance.

・ With regard to systems for processing sales and customer orders, we have studied Y2K-compliance thoroughly in these systems at each plant and have taken appropriate measures. We continue to conduct simulation testing and will achieve full Y2K compliance by the end of August.

b.Each of Mitsubishi Materials division has addressed foreseeable problems in its present products. However, as for some products delivered in the past and need to be modified, appropriate countermeasures are being taken respectively.

c.We presently are conducting a survey of Mitsubishi Materials' business counterparties Y2K-compliance

2. Funding and manpower allocated to the task of Y2K compliance.

Work on Y2K compliance takes place in the course of a wide range of daily work. Therefore, we do not maintain separate logs for time or funding expended on Y2K compliance. The expenditures of both time and funding are minor in the context of our overall operations, and they do not affect our business adversely in any way.

3. Crisis-management procedures

Crisis-management procedures for individual systems and items of equipment
are largely in place. Procedures for each plant and for companywide issues all will be in place by the end of September.

NON-CONSOLIDATED BALANCE SHEET(1 / 2)
AS OF MARCH 31 1999

(Millions of yen)

	31/3/1999	31/3/1998	Difference
ASSETS			
CURRENT ASSETS			
Cash and Cash equivalents	8,350	22,425	(14,074)
Notes receivable	17,817	57,822	(40,005)
Accounts receivable - Trade	104,723	120,926	(16,202)
Marketable securities	83,363	85,959	(2,596)
Inventories	64,147	73,357	(9,209)
Other receivable	12,036	10,073	1,962
Other current assets	8,894	13,657	(4,763)
Allowance for doubtful accounts	(2,016)	(2,302)	286

TOTAL CURRENT ASSETS	**297,316**	**381,920**	**(84,603)**
NON-CURRENT ASSETS			
PROPERTY, PLANT & EQUIPMENT			
Buildings	142,989	148,256	(5,267)
Structures	31,390	35,337	(3,947)
Machinery & Equipment	99,545	111,311	(11,766)
Transportation	1,450	1,707	(257)
Tools and Dies	4,334	5,055	(720)
Land	110,109	111,444	(1,334)
Construction in progress	5,655	9,321	(3,666)
Forests and trees	1,120	1,116	4
TOTAL PROPERTY, PLANT & EQUIPMENT	**396,596**	**423,551**	**(26,955)**
INTANGIBLE ASSETS			
Mining right	725	742	(16)
Patents etc.	1,617	839	777
TOTAL INTANGIBLE ASSETS	**2,342**	**1,581**	**760**
INVESTMENT & LONG-TERM RECEIVABLES			
Investments in securities	65,354	58,352	7,001
Subsidiaries stocks	121,925	102,199	19,725
Long-term loans receivable	66,373	53,090	13,283
Investment other	17,850	18,743	(893)
Allowance for doubtful accounts	(28,360)	(24,218)	(4,142)
TOTAL INVESTMENT & LONG-TERM RECEIVABLES	**243,142**	**208,168**	**34,974**
TOTAL NON-CURRENT ASSETS	**642,081**	**633,302**	**8,779**
TOTAL ASSETS	**939,398**	**1,015,222**	**(75,824)**

NON-CONSOLIDATED BALANCE SHEET(2 / 2)
AS OF MARCH 31 1999

	31/3/1999	31/3/1998	Difference
LIABILITIES			
CURRENT LIABILITIES			
Notes payable	13,488	20,081	(6,593)
Accounts payable - Trade	48,535	56,346	(7,810)
Short-term bank loans	149,623	169,826	(20,203)
Bonds payable	27,000	10,000	17,000
Commercial paper	13,000	30,000	(17,000)
Accounts payable - other	6,320	11,365	(5,045)
Accrued expenses	22,051	20,033	2,017
Employees' savings	12,434	14,032	(1,597)
Deferred income tax liability	400	-	401
Other current liabilities	22,621	23,354	(733)
TOTAL CURRENT LIABILITIES	**315,474**	**355,040**	**(39,565)**

NON-CURRENT LIABILITIES			
Bonds payable	145,000	142,000	3,000
Convertible bonds payable	64,538	64,538	-
Long-term loans payable	106,952	118,632	(11,680)
Deferred income tax liability	10,400	-	10,400
Reserve for retirement of employees	13,600	15,413	(1,812)
Reserve for loss from investment	8,600	-	8,600
Security deposits	21,687	24,185	(2,497)
Other non-current liabilities	3,228	2,192	1,035
TOTAL NON-CURRENT LIABILITIES	**374,007**	**366,962**	**7,045**
TOTAL LIABILITIES	**689,482**	**722,002**	**(32,520)**
SHAREHOLDERS' EQUITY			
Paid-in capital	**99,396**	**99,396**	-
Legal reserve	**83,371**	**86,683**	**(3,312)**
Capital reserve	68,573	72,465	(3,892)
Revenue reserve	14,797	14,217	580
Surplus	**67,148**	**107,140**	**(39,991)**
Reserves	68,487	97,421	(28,933)
Reserve for deferred income tax	34,237	62,220	(27,982)
Reserve for special account of deferred income tax	253	483	(229)
Reserve for mine prospecting	1,150	1,901	(750)
Reserve for loss from overseas investment	2,194	2,144	50
Reserve for special depreciation	15	36	(20)
Other reserves	30,635	30,635	-
Retained earnings (loss) at end of year	(1,338)	9,718	(11,057)
Net income for the current period	(12,520)	6,723	(19,244)
TOTAL SHAREHOLDERS' EQUITY	**249,916**	**293,220**	**(43,303)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**939,398**	**1,015,222**	**(75,824)**

NON-CONSOLIDATED PROFIT & LOSS STATEMENTS
FOR THE YEAR ENDED MARCH 31 1999

(Millions of yen)

	1998	1997	Difference
Net Sales	631,365	766,721	(135,356)
Cost of Sales	548,937	655,777	(106,839)
Selling, general and administrative expenses	71,168	82,213	(11,045)
Operating income	**11,259**	**28,730**	**(17,470)**
Non-operating income			
Interest income	1,200	1,342	(142)
Dividend income	4,792	5,829	(1,037)
Other non-operating income	5,585	4,954	630
Non-operating expenses			
Interest expenses	11,719	12,143	(424)
Other non-operating expenses	7,403	12,532	(5,128)

Ordinary income	**3,713**	**16,181**	**(12,468)**
Extraordinary profit			
Profit on sales of fixed assets	8,243	2,765	5,478
Profit on sales of investment stocks	532	486	46
Extraordinary loss			
Provision for loss on investments	8,600	-	8,600
Loss on redundancy	8,078	-	8,078
Loss on written off investment stocks	6,650	3,743	2,907
Provision for bad debt	4,962	0	4,962
Loss on disposal of fixed assets	3,324	2,607	717
Loss on sale of marketable securities	1,320	-	1,320
Loss on restructuring of affiliates	785	706	78
Other extraordinary loss	1,387	152	1,235
Net income before tax	**(22,620)**	**12,223**	**(34,844)**

Corporate income taxes	-	5,500	(5,500)
Income taxes and business taxes	200	-	200
Income taxes adjustment	(10,300)	-	(10,300)
Net income for the current period	**(12,520)**	**6,723**	**(19,244)**
Retained earnings at the beginning of the financial period	4,817	2,995	1,822
Adjustment of retained earnings in connection with the adoption of tax-effect accounting			
Decrease from adjustment for the previous periods	(21,100)	-	(21,100)
Increase from reversal of reserve for deferred income tax	24,843	-	24,843
Increase from reversal of reserve for special account of deferred income tax	184	-	184
Increase from reversal of reserve for loss from overseas investment	1,591	-	1,591
Increase from reversal of reserve for mine prospecting	834	-	834
Increase from reversal of reserve for special depreciation	11	-	11
Retained earnings (loss) at the end of the financial period	**(1,338)**	**9,718**	**(11,057)**

Note 1 - Summary of Significant Accounting Policies

(1) Marketable Securities and Investment in Securities

Securities listed on exchanges are valued at the lower of cost or market, cost being determined by the moving average method. Unlisted securities are carried at cost, determined by the moving average method.

(2) Inventories

Nonferrous metals are stated at cost, determined by the first-in, first-out (FIFO) method. Inventories of cement, building materials and ceramics out of advanced materials are stated at cost, primarily determined by the average method. Inventories of oil are stated at cost, determined by the last cost method. Other inventories are stated primarily at the lower of average cost or market.

(3)Depreciation
Depreciation is determined primarily on a declining-balance method in relation to plant and equipment used in cement and fabricated metal business, whereas the straight-line method is applied to plant and equipment used in nonferrous metals business. Lands used for mining and cement manufacturing and level for mining are depreciated on the unit of production method.

The straight-line method is applied to buildings acquired on and after April 1, 1998 as a result of revision of corporate taxation law in 1998. This change of depreciation method has little effect on the accounts. The useful life of building remains same under the revised corporation taxation law.

(4) Deferred Assets
Deferred assets are eliminated in full at the time of payment.

(5) Translation of Foreign Currencies
Foreign currency amounts are translated into Japanese yen amounts on the basis of historical rates for current receivable and payables.

(6) Consumption Tax
National and local consumption tax are eliminated in the calculation of profit and loss.

(7) Provisions
Doubtful Accounts :

Provision has been made for each of doubtful accounts by providing an amount for possible losses that will be incurred in the collection of all receivables.

Bonuses

Provision is made with respect to estimated payment of bonuses to employees by providing an amount that will be incurred in this financial period. Provision has been made by way of incurring maxim amount based on corporate income tax legislation until the previous financial period. However, as a result of revision of corporate income tax in fiscal 1998, it was changed into the way mentioned above. This change of accounting has little effect to the accounts.

Retirement

Provision has been made for the retirement and severance benefits primarily to the extent of 40% for employees and 100% for officers (directors and statutory auditors) of the amount which would be required if all employees voluntarily terminated their employment and all officers retired at each year-end. 1,557 million yen of provision for officers retirement is based on clause 287-2, Corporations Law.

Major repairs

The provision for major repairs to ships has been made base on anticipated costs. Provision has been made by way of incurring maxim amount base on corporate income tax legislation until the previous period. However, as a result of revision of corporate income tax in fiscal 1998, it was changed into the way mentioned above. This change of accounting has little effect to the accounts. This provision is based on clause 287-2, Corporations Law.

Loss on investment

Provision has been made for loss from investment to affiliate companies based on their financial positions. This provision is base on clause 287-2, Corporations Law.

(8) Construction contracts
The percentage of completion method is applied to the construction contracts which continue more than one year.

(9) Tax-effect accounting is applied from this financial period, which caused net loss to be 10.3 billion yen lower and retained earnings at the end of year to be 16.664 billion yen higher than would have been otherwise.

Note 2 - Balance Sheet

Millions of yen

(1) Marketable securities includes 1 million yen of self stocks.

(2) Monetary debts and credits to subsidiaries

Short-term credits	32,698
Long-term credits	44,890
Short-term debts	33,173
Long-term debts	464

(3) Accumulated depreciation 514,923

(4) Japanese yen equivalents of amounts payable and receivable in foreign currencies and difference between their book value and market value translated at exchange rates current at balance date.

	Book value	Market value	Difference
Amounts receivable	3,761	3,808	46 (Profit)
Amounts payable	976	1,058	82 (Loss)

(5) Assets and liabilities denominated in foreign currencies

Investment securities	14,169 (USD 48.067M and so on)
Subsidiaries stocks	71,119 (USD 448.509M and so on)
Long-term loans receivable	24,410 (USD 204.061M and so on)
Long-term loans payable	14,833 (USD 127.396M)

(6) Assets given in pledge

Marketable securities	9,557
Property, plant & equipment	14,675
Intangible assets	37
Subsidiaries stocks	9,932
Investment securities	3,447

(7) Contingent liabilities

Discounting notes receivable	3,400
Endorsing notes receivable	10
Balance of guarantee others	155,367
Balance of guarantee booked	11,639
Letter of awareness etc.	9,406

(8) Net loss per share for the current period ¥11.9

Note 3 - Profit and Loss Statements

Millions of yen

(1) Transactions with subsidiaries

Sales	117,320
Purchase	134,992
Non-operating transactions	32,038

(2) To date, business tax has been included in "selling, general & administrative expenses". However, from the period under review, business tax is included in income and business taxes. This change has no effect to the accounts as business tax in this period is nil.

Note 4 - Lease Transactions

Millions of yen

(1) Lease transactions include finance leases, except those for which it is recognized that the ownership of the leased item will be effectively transferred to the lessee.

(a) The equivalent amount of acquisition cost, accumulated depreciation and book value at year end are as follows :

	Acquisition cost	Accumulated depreciation	Book value at year end
Machinery & equipment	5,204	2,818	2,385
Tools & dies	5,993	3,653	2,340
Other	1,480	919	561
Total	12,677	7,390	5,286

(b) Equivalent book value of unearned lease payments at the end of the financial period

-not later than one year	2,165
-later than one year	3,121
Total	5,286

The equivalent amount of acquisition cost and unearned lease payments at the end of the financial period are calculated by interest expense-included-method, due to the fact that a ratio of equivalent amount of unearned lease payments at the end of the financial period to the amount of property, plant & equipment at the end of the year is low.

(c) Lease payments and equivalent amount of depreciation

Lease payments	2,268
Equivalent amount of depreciation	2,268

(d) Calculation of equivalent amounts of depreciation

The straight-line method is applied by which lease period is regarded as estimated useful life with residual value nil.

(2) Operating leases

Unearned lease payments

-not later than one year	41
-later than one year	10
Total	51

Retained

(Millions of yen)

	1998	1997	Difference
Balance at the end of year	**(1,338)**	**9,718**	**(11,056)**
Reversal of reserves for :			
deferred income tax	2,984	5,326	**(2,341)**
special account of deferred income tax	253	488	**(234)**
mine prospecting	207	445	**(237)**
loss on overseas investment	53	30	**22**
special depreciation	3	9	**(5)**
other	5,000	-	**5,000**
Total retained earnings for appropriation	**7,164**	**16,018**	**(8,854)**
Appropriation			
Transfer to legal reserve	-	580	**(580)**
Cash dividends paid	-	5,670	**(5,670)**
	¥0 per share	¥5 per share	
Bonuses to directors and statutory auditors	-	120	**(120)**
Transfer to voluntary reserves			
Reserve for deferred income tax	3,081	2,186	**894**
Reserve for special account of deferred income tax	176	442	**(265)**
Reserve for mine prospecting	116	529	**(412)**
Reserve for loss on overseas investment	92	1,671	**(1,579)**
Reserve for special depreciation	-	-	-
Total appropriation	**3,466**	**11,201**	**(7,734)**
Retained earnings carried forward	**3,697**	**4,817**	**(1,119)**

Earnings Note : Cash dividends paid are calculated based on the number of shares outstanding excluding owned stocks.

Sales By Each Product

(Millions of yen)

	1998			1997			Difference		
	Quantity		Amount	Quantity		Amount	Quantity		Amount
Nonferrous metals									
Copper	318,036	T	71,109	331,103	T	93,143	(13,067)	T	(22,034)
Gold	64,664	kg	81,480	96,937	kg	123,510	(32,273)	kg	(42,029)
Silver	487,700	kg	11,193	596,313	kg	12,391	(108,613)	kg	(1,198)
Sulphuric acid	1,158,673	T	7,145	1,117,117	T	7,937	41,556	T	(792)
Others			28,516			33,448			(4,931)
Total nonferrous metals			199,445			270,431			(70,986)
Cement and building materials	Thousands of tons			Thousands of tons			Thousands of tons		
Cement	11,690		67,505	13,488		101,284	(1,798)		(33,778)
Building materials	11,093		21,000	12,654		24,122	(1,561)		(3,122)
Others			4,592			2,004			2,588
Total cement & building materials			93,099			127,411			(34,312)
Fabricated metal products			81,633			93,582			(11,949)
Nonferrous alloy products			56,506			62,325			(5,818)
Aluminum products			57,370			58,894			(1,523)
Advanced materials products			49,976			49,089			886
Energy & eco-system related products			58,288			64,703			(6,415)
Silicon wafers			49,387			63,203			(13,815)
Real estate related products			10,910			10,143			766
Elimination of inner-company sales			(25,253)			(33,064)			7,810
TOTAL			631,365			766,721			(135,356)

NOTE : Owing to the establishment of the non-ferrous alloys division as a result of a change in the Company's structure effective June 26 1998, segmentation has changed. Accordingly, sales for the year ended March 31, 1998 have been reclassified in line with current segmentation.

SALES FOR THE LAST YEAR

	Before Reclassification	Change	Elimination	After Reclassification
Nonferrous metals	281,162	(11,012)	281	270,431
Fabricated metal products	142,932	(49,349)	0	93,582
Nonferrous alloy products	0	60,361	1,963	62,325
Elimination of inner-company sales	0	0	(2,245)	(2,245)
TOTAL	424,094	0	0	424,094

Market Value Of Quoted Securities

Millions of yen

	31/3/1999			31/3/1998		
	Book value	Market value	Unrealized gains(losses)	Book value	Market value	Unrealized gains(losses)
Current assets						
Shares	82,846	110,553	27,706	84,549	115,243	30,693
Bonds	-	-	-	-	-	-
Other	509	385	(124)	1,409	1,012	(397)
Total current assets	83,355	110,938	27,582	85,958	116,255	30,296
Non current assets						
shares	24,578	25,363	784	22,745	33,058	10,313
[affiliated companies included]	[23,814]	[24,420]	[605]	[21,965]	[31,731]	[9,766]
Bonds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total non current assets	24,578	25,363	784	22,745	33,058	10,313
[affiliated companies included]	[23,814]	[24,420]	[605]	[21,965]	[31,731]	[9,766]
Total assets	107,933	136,301	28,366	108,705	149,314	40,609
[affiliated companies included]	[23,814]	[24,420]	[605]	[21,965]	[31,731]	[9,766]

NOTE

1. Method of calculation of market value (including market value equivalent)
(1) Listed securities : Closing price in Tokyo stock exchange and Osaka stock exchange
(2) Over-the-counter securities : Closing price announced by securities association
(3) Unlisted securities representing beneficiary right of investment trust : Standard price
(4) Market value or market value equivalent of unlisted bonds is calculated using the price announced by Japan Securities Association that is based on indexes such as interest rate and remaining period of over-the-counter bonds.

2. Shares include self-stocks. Unrealized gains (losses) are as follows :

	31/3/1999	31/3/1998
Current assets	0	0

3. Book value of securities not subject to disclosure

	31/3/1999	31/3/1998
Non current assets		
Unlisted shares (Over-the-counter securities excluded)	179,596	134,804
[Affiliated companies included]	[156,061]	[112,883]
Unlisted convertible bonds	-	363
Private placement bonds	4	4
[Affiliated companies included]	[4]	[4]

Millions of yen

(1) Foreign Currency Contracts

	31/3/1999					31/3/1998				
	Contract amounts in yen equivalent					Contract amounts in yen equivalent				
	Due within one year	Due after one year	Total	Market value	Unrealized gain(loss)	Due within one year	Due after one year	Total	Market value	Unrealized gain(loss)
Forward exchange contracts										
Sell U.S.dollars	3,111	-	3,111	3,111	0	23,924	-	23,924	24,623	(699)
Others	107	-	107	103	3	4,794	-	4,794	4,753	41
Buy U.S.dollars	5,253	-	5,253	5,422	168	3,550	-	3,550	3,673	123
Others	-	-	-	-	-	72	-	72	75	3
Total	-	-	-	-	172	-	-	-	-	(530)

NOTE
1. Foreign exchange rates at the end of the year are forward rates.
2. Monetary debts and credits denominated in foreign currencies, of which settlement yen amounts are fixed and shown on the balance sheet as a result of forward exchange contracts, are not subject to disclosure.
3. The company's future profit and loss is not affected by unrealized gain or loss disclosed here, due to the fact that most of the foreign exchange contracts are for hedging against foreign exchange fluctuation in relation to the payment of imported ore.

Millions of yen

(2) Interest Rate Contracts

	31/3/1999					31/3/1998				
	Notional amounts					Notional amounts				
	Due within one year	Due after one year	Total	Fair value	Unrealized gain(loss)	Due within one year	Due after one year	Total	Fair value	Unrealized gain(loss)
Interest rate swap contracts										
Pay floating rate, receive fixed rate	20,000	28,000	48,000	1,370	1,370	2,800	38,000	40,800	1,386	1,386
Pay fixed rate, receive floating rate	-	12,800	12,800	(215)	(215)	-	12,800	12,800	(233)	(233)
Total	-	-	-	-	1,155	-	-	-	-	1,153

NOTE : Fair value at the end of the year is based on the price provided by the financial institutions.

Millions of yen

(3) Commodity Contracts

	31/3/1999					31/3/1998				
	Contract amounts					Contract amounts				
	Due within one year	Due after one year	Total	Market value	Unrealized gain(loss)	Due within one year	Due after one year	Total	Market value	Unrealized gain(loss)
Futures										
Sell	-	-	-	-	-	15	-	15	16	0
Buy	-	-	-	-	-	15	-	15	16	1
Forward										
Sell	11,383	-	11,383	11,481	(97)	12,720	-	12,720	13,336	(616)
Buy	9,612	426	10,038	9,212	(826)	7,521	66	7,587	7,627	40
Total	-	-	-	-	(924)	-	-	-	-	(573)

NOTE
1. Calculation of market value at the end of the year is made using forward rates
2. The company's future profit and loss is not affected by unrealized gain or loss disclosed here, due to the fact that future commodity contracts as well as forward commodity contracts are for hedging against fluctuation of commodity price.