

May 26, 2000

## Consolidated Financial Results for the year ended March 31, 2000

### Mitsubishi Materials Corporation

Tokyo, Japan

Code : 5711  
 Shares listed : Tokyo, Osaka and 4 other Japanese stock exchanges  
 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, 2000

#### 1. Results of the year ended March 31, 2000

##### (1) Results of operations :

	Millions of yen							
	Net Sales	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
		%		%		%		%
Year ended Mar.31,2000	¥986,983	0.3	¥27,229	161.7	¥3,785	-	(¥12,074)	-
Year ended Mar.31,1999	¥983,783	(17.7)	¥10,405	(80.8)	(¥13,804)	-	(¥34,853)	-

  

	Net income per share	Diluted net income per share	Net income /Shareholders' equity	Ordinary income /Total assets	Ordinary income /Net sales
	Yen	¥	%	%	%
Year ended Mar.31,2000	(¥10.81)	-	(5.1)	0.2	0.4
Year ended Mar.31,1999	(¥30.90)	-	(12.5)	(0.8)	(1.4)

Note 1. Profit(loss) on investment by the equity method of accounting  
 Year ended March 31, 2000 : 1,735million yen  
 Year ended March 31, 1999 : 88million yen  
 2. Unrealized profit(loss) on marketable securities 36,831million yen  
 Unrealized profit(loss) on derivative transactions (392)million yen  
 3. Changes in the accounting method No change was made in the accounting method during the fiscal period under review.  
 4. Changes shown in net income, operating income, ordinary income and net income are calculated against those figures in the previous period.

##### (2) Financial position :

	Millions of yen			
	Total assets	Shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
			%	Yen
As of Mar.31,2000	¥1,671,000	¥231,559	13.9	¥207.2
As of Mar.31,1999	¥1,605,670	¥243,355	15.2	¥217.6

##### (3) Cash flows :

	Millions of yen			
	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalent at end of year
As of Mar.31,2000	* ¥45,296	(¥12,679)	(¥15,898)	¥74,171
As of Mar.31,1999	-	-	-	-

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

Number of consolidated subsidiaries : 116  
 Number of non-consolidated subsidiaries to which the equity method accounting is applied : -  
 Number of affiliates to which the equity method accounting is applied : 21

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

Number of consolidated companies ; New : 7 Excluded : 1  
 Number of companies to which the equity method is applied ; New : 1 Excluded : 5

#### 2. Forecast (from April 1, 2000 to March 31, 2001 )

	Millions of yen		
	Net Sales	Ordinary Income	Net Income
Six months ending Sep.30,2000	¥550,000	¥13,000	¥4,000
Year ending Mar.31,2001	¥1,127,000	¥30,000	¥10,000

Anticipated net income per share for the year ending March 31, 2001: ¥6.95

## An Overview of Company Results (Consolidated)

### 1. Results for the fiscal year ended March 31, 2000

Net sales increased JPY3.1 billion to JPY986.8 billion. This increase is attributable to favorable demand for Information-Technology related and semiconductor related products, which offset sluggish demand from civil construction, automobile and home appliances industries. As result of cost cuttings such as restrained capital expenditure and reconstruction of subsidiaries, operating income increased JPY16.8 billion to JPY27.2 billion. Ordinary income also increased JPY17.5 billion to a profit of JPY3.7 billion. However, in terms of net income, the company has posted losses of JPY12.0 billion. This is attributable mainly to provision for losses accruing from long term future currency exchange transaction, past service liabilities for employees and extraordinary losses for business restructuring which could not be covered by extraordinary profit from disposition of assets including the headquarters and a building in Sapporo, Hokkaido.

#### Operation Review

##### Nonferrous Metals

Sales JPY224.0 billion, increased JPY9.8 billion

Operating income(JPY0.1 billion), decreased JPY4.4 billion

Sales increased due to start up of Indonesian copper smelter and addition of Onahama Smelter & Refinery as a consolidated subsidiary, in spite of appreciation of yen and lowered prices of metals such as copper and gold. Operating income was adversely affected by the appreciation of yen and decrease in Treatment Charges and Refining Charges due to unfavorable terms and conditions of purchase contract.

##### Cement

Sales JPY171.6 billion, decreased JPY17.7 billion

Operating income JPY11.4 billion, increased JPY2.0 billion

Domestic sales volume of cement slightly exceeded that of previous year by 0.6 %, due to recovery of demand from private sector in the last half year, in addition to steady demand from public spending. Operating profit increased through reduction of energy cost and increase in treatment of industrial wastes which offset decline of price of products.

On the other hand, it is to be noted that we established a cement marketing and distribution joint venture with Ube Industries in October 1998. Therefore, we have transferred the area of sales and distribution to the subsidiary, which caused the decline in sales.

##### Fabricated Metal Products

Sales JPY323.4 billion, increased JPY3.5 billion

Operating income JPY14.8 billion, increased JPY9.3billion

Sales went up due to increased demand from IT and electronic parts related industries and for aluminum beverage cans, in spite of sluggish demand from automobile and electronics industries and the appreciation of yen. Operating income also increased on account of withdrawal from unprofitable sector and cost cuttings, mainly labor cost.

##### Silicon and Advanced Materials

Sales JPY136.0 billion, decreased JPY2.0 billion

Operating income (JPY1.4 billion), increased JPY7.4 billion

Although demand for silicon wafers sharply picked up in the later half of the year and that for chip thermistors rose due to active mobile phone market, sales of the segment decreased due to withdrawal

from unprofitable sector, such as multi-layer ceramic capacitors.

Operating income increased due mainly to recovery in domestic silicon wafer and monocrystalline silicon operations.

Others

Sales JPY210.2 billion, decreased JPY25.5 billion

Operating income JPY6.7 billion, decreased JPY1.8 billion

## 2. Forecast for fiscal 2001

For the fiscal 2001, the management's forecasts are as follows ;

Sales :JPY1,127 billion,

Ordinary income : JPY30.0 billion, and

Net income : JPY10.0 billion.

### CONSOLIDATED BALANCE SHEET (1/2) AS OF MARCH 31 2000

(Millions of yen)

	31/3/2000	31/3/1999	Difference
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & Cash equivalent	¥77,210	¥57,056	¥20,153
Note received & Accounts receivable - Trade	229,326	228,607	718
Marketable securities	91,441	102,945	(11,504)
Inventories	173,635	163,144	10,491
Future income tax benefit	7,345	4,750	2,595
Other current assets	77,404	43,635	33,768
Allowance for doubtful accounts	(4,382)	(4,669)	286
<b>TOTAL CURRENT ASSETS</b>	<b>651,981</b>	<b>595,470</b>	<b>56,510</b>
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>			
Buildings & Structures	275,592	278,306	(2,713)
Machinery & Equipment	302,312	249,616	52,696
Land	189,635	143,619	46,015
Construction in progress	23,071	125,018	(101,947)
Other tangible assets	16,347	15,933	413
<b>TOTAL TANGIBLE ASSETS</b>	<b>806,959</b>	<b>812,494</b>	<b>(5,535)</b>
<b>INTANGIBLE ASSETS</b>			
Consolidated control	-	272	(272)
Other intangible assets	13,231	10,040	3,190
<b>TOTAL INTANGIBLE ASSETS</b>	<b>13,231</b>	<b>10,313</b>	<b>2,918</b>
<b>INVESTMENT &amp; LONG-TERM RECEIVABLES</b>			
Investments securities	98,471	107,112	(8,641)
Long-term loans receivable	40,372	50,263	(9,890)
Future income tax benefit	15,158	5,600	9,558
Investment other	45,909	44,238	1,670
Allowance for doubtful accounts	(17,269)	(25,828)	8,558
<b>TOTAL INVESTMENT &amp; LONG-TERM RECEIVABLES</b>	<b>182,642</b>	<b>181,386</b>	<b>1,256</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,002,833</b>	<b>1,004,194</b>	<b>(1,360)</b>
<b>FOREIGN STATEMENTS TRANSLATION ADJUSTMENTS</b>	16,185	6,006	10,179
<b>TOTAL ASSETS</b>	<b>¥1,671,000</b>	<b>¥1,605,670</b>	<b>¥65,329</b>

**CONSOLIDATED BALANCE SHEET(2 / 2 )  
AS OF MARCH 31 2000**

(Millions of yen)

<b>LIABILITIES</b>	<b>31/3/2000</b>	<b>31/3/1999</b>	<b>Difference</b>
<b>CURRENT LIABILITIES</b>			
Notes payable & Accounts payable - Trade	¥133,357	¥122,496	¥10,861
Short-term bank loans	500,487	479,415	21,072
Bonds payable	29,929	27,000	2,929
Commercial paper	-	13,000	(13,000)
Income taxes payable	4,756	3,226	1,530
Reserve for bonus	11,656	12,410	(754)
Other current liabilities	119,953	94,199	25,754
<b>TOTAL CURRENT LIABILITIES</b>	<b>800,140</b>	<b>751,747</b>	<b>48,393</b>
<b>NON-CURRENT LIABILITIES</b>			
Bonds payable	179,799	209,728	(29,929)
Long-term loans payable	313,165	297,993	15,171
Reserve for retirement of employees	29,354	26,289	3,065
Reserve for loss on consolidated subsidiaries	3,216	5,251	(2,034)
Reserve for loss from foreign exchange fluctuation	12,200	-	12,200
Provision for deferred income tax	15,369	-	15,369
Provision for deferred income tax in relation to revaluation	6,925	-	6,925
Consolidated control	3,786	-	3,786
Other non-current liabilities	39,278	41,183	(1,904)
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>603,095</b>	<b>580,446</b>	<b>22,649</b>
<b>TOTAL LIABILITIES</b>	<b>1,403,236</b>	<b>1,332,194</b>	<b>71,042</b>
<b>MINOR SHARE</b>	<b>36,204</b>	<b>30,121</b>	<b>6,083</b>
<b>SHAREHOLDERS' EQUITY</b>			
Paid-in capital	99,396	99,396	-
Capital reserve	68,573	68,573	-
Reserve for revaluation	8,592	-	8,592
Consolidation surplus	55,000	75,388	(20,388)
Self-stocks	(3)	(1)	(2)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>231,558</b>	<b>243,355</b>	<b>(11,796)</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>¥1,671,000</b>	<b>¥1,605,670</b>	<b>¥65,329</b>

**CONSOLIDATED PROFIT & LOSS STATEMENTS  
FOR THE YEAR ENDED MARCH 31 2000**

(Millions of yen)

	1999	1998	Difference
Net Sales	¥986,883	¥983,783	¥3,101
Cost of Goods Sold	825,096	830,128	(5,031)
Selling, General & Administrative Expenses	134,557	143,249	(8,692)
<b>Operating income</b>	<b>27,229</b>	<b>10,405</b>	<b>16,824</b>
Non-operating income			
Interest income	1,566	2,047	(481)
Dividend income	2,543	2,035	508
Profit on investment	1,735	88	1,646
Profit on sale of marketable securities	4,788	4,266	522
Other non-operating income	5,048	4,472	575
Non-operating expenses			
Interest expenses	24,332	24,663	(331)
Unrealized loss on marketable securities	3,579	4,505	(925)
Other non-operating expenses	11,213	7,950	3,263
<b>Ordinary income</b>	<b>3,785</b>	<b>(13,804)</b>	<b>17,589</b>
Extraordinary profit			
Profit on sales of fixed assets	27,433	5,017	22,416
Profit on sales of investment stocks	4,768	487	4,281
Other special profit	4,322	1,449	2,873
Extraordinary loss			
Provision for foreign exchange loss	12,200	-	12,200
Loss on disposal of fixed assets	9,363	4,543	4,820
Foreign exchange loss	8,903	-	8,903
Contribution to PSL of pension fund	7,113	-	7,113
Loss on disposal of business	4,902	-	4,902
Provision for loss on consolidated subsidiaries	2,070	5,251	(3,180)
Loss on written off investment stocks	999	2,320	(1,320)
Allowance for bad debt	758	1,598	(839)
Loss on restructuring of affiliates	536	1,032	(496)
Loss on redundancy	-	9,979	(9,979)
Other special loss	9,314	9,428	(114)
<b>Net income before tax</b>	<b>(15,852)</b>	<b>(41,005)</b>	<b>25,152</b>
Corporate income taxes & business tax	6,003	6,276	(273)
Income taxes adjustments	(4,190)	(12,233)	8,042
Minority interest adjustment	5,590	195	5,395
<b>Net income for the current year</b>	<b>(¥12,074)</b>	<b>(¥34,853)</b>	<b>¥22,779</b>
NOTE 1. Lease expense	4,454	4,635	(181)

**CONSOLIDATED RETAINED EARNINGS  
FOR THE YEAR ENDED MARCH 31 2000**

(Millions of yen)

	1999	1998	Difference
<b>Balance at the beginning of year</b>	<b>¥75,308</b>	<b>¥140,525</b>	<b>(¥65,137)</b>
Cumulative effect of change in accounting for income taxes	-	(22,552)	22,552
Increase due to merger of unconsolidated subsidiaries	8	-	8
<b>Increase total</b>	<b>8</b>	<b>-</b>	<b>8</b>
Cash dividends paid	-	5,670	(5,670)
Bonus to directors and statutory auditors	164	349	(185)
Decrease resulting from increase of consolidated subsidiaries	-	1,711	(1,711)
Decrease resulting from decrease of affiliated companies on equity method	37	-	37
Decrease due to correction of land resulting from revaluation	3,068	-	3,068
Decrease due to adjustments for tax-effect accounting	5,051	-	5,051
<b>Decrease total</b>	<b>8,321</b>	<b>7,731</b>	<b>589</b>
<b>Net income for current year</b>	<b>(12,074)</b>	<b>(34,853)</b>	<b>22,778</b>
<b>Balance at the end of year</b>	<b>¥55,000</b>	<b>¥75,308</b>	<b>(¥20,308)</b>

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31 2000**

	<u>Millions of yen</u> <b>1999</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net (loss) income	(¥15,852)
Adjustment to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	73,394
Provisions	10,012
Gain on sale of property, plant and equipment	(18,070)
Gain on sale of marketable securities and investments in securities	(3,982)
Equity earnings of unconsolidated subsidiaries and affiliates	(1,735)
Decrease in accounts receivables	13,656
Increase in inventories	(4,014)
Increase in other current assets	(7,202)
Increase in accounts payable	(999)
Decrease in income tax payable	(4,631)
Others	4,720
<b>Net cash provided by operating activities</b>	<b>45,296</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of marketable securities and investments in securities	(5,907)
Proceeds from sales of marketable securities and investments in securities	16,390
Purchase of newly-consolidated subsidiaries	(8,522)
Proceeds from sales of property, plant and equipment	41,266
Purchase of property, plant and equipment	(51,095)
Others	(4,810)
<b>Net cash provided by investing activities</b>	<b>(12,679)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Increase in short-term bank loans	9,551
Proceeds from long-term debt	61,352
Repayments of long-term debt	(45,869)
Redemption of commercial paper	(13,000)
Redemption of bonds	(27,000)
Others	(933)
<b>Net cash provided by financing activities</b>	<b>(15,898)</b>
<b>Adjustment</b>	<b>(1,047)</b>
<b>Net Increase in cash</b>	<b>15,670</b>
<b>Cash at beginning of year</b>	<b>57,768</b>
<b>Increase due to the change of scope of consolidation</b>	<b>733</b>
<b>Cash at end of year</b>	<b>74,171</b>

## **Significant Accounting Policies**

### **1. Scope of consolidation**

(1) Number of consolidated subsidiaries is 116.

(2) 3 subsidiaries including Sambo copper alloy to which the equity method of accounting was applied until the previous period are included in consolidation from this financial period as well as two other subsidiaries including MMC Kobelco tool which have become subsidiaries by way of acquisition of stocks. Neomet corporation ceased to exist at the end of this financial period, and Ryoko finance changed its name to Material finance.

(3) Number of non-consolidated subsidiaries is 165.

(4) 5 of the non-consolidated subsidiaries including Osarizawa mining either ceased operation or are out of the business temporarily, and as for the rest of 159 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 113 affiliates, the equity method of accounting is applied to 21 of them.

Ube-Mitsubishi Cement research institute is accounted for using the equity method from the current period, and Kowa kaiun was excluded from the affiliates to which the equity method is applied because of decrease of share.

92 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 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.

**(3) Translation of foreign currencies** Foreign currency amounts are translated into Japanese yen amounts on the basis of historical rates for current receivable and payables.

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

## **(5) 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.

### 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 consolidated subsidiaries

Possible losses on consolidated subsidiaries are provided considering individual financial and other conditions of subsidiaries.

### Loss on foreign exchange loss

Provision has been made for the loss resulting from settlement of foreign exchange contracts with knock-out price by providing an amounts that will be required at year-end.

(6) **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. Evaluation of assets and liabilities of consolidated subsidiaries

Assets and liabilities of consolidated subsidiaries are stated at market value.

#### 6. Amortization of consolidated control

The excess of cost over underlying net equity at the acquisition dates of investments in consolidated and unconsolidated subsidiaries and affiliates accounted for by the equity method is amortized over a period of five years on a straight-line basis except that such excess in consolidated subsidiaries is so small that it is charged to operations in the period incurred.

#### 7. 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.

#### 8. Statements of cash flows

For the purpose of the statements of cash flows, cash includes cash on hand and in banks, and short-term investments readily convertible to cash that fall due within three months from the date of acquisition.

Millions of yen

#### Note 1 - Balance Sheet

31/3/2000

1. Accumulated depreciation	¥956,038
2. Discounting notes receivable	¥3,093
3. Endorsing notes receivable	¥218
4. Loans guaranteed	¥48,292
5. Reservation for financial guarantee	¥21,336
6. Letter of awareness	¥1,052
7. Self-stocks	¥3
[The number of shares]	[10,768]
8. Assets pledged	
Cash & cash equivalent	¥2,019
Note received & account receivable	¥4,147
Inventories	¥7,120
Marketable securities	¥14,166
Property, plant & equipment	¥200,391
Intangible assets	¥36
Investments securities	¥13,742
Other assets	¥44

## Note 2 - Lease Transactions

1. Finance leases, except those leases for which the ownership of the leased assets is considered to be transferred to the lessee were as follows:

(1) Equivalent of purchase price, accumulated depreciation and book value of leased properties

	Millions of yen			
	1999			
	Machinery equipment and vehicles	Tools	Other	Total
Purchase price equivalent	¥17,156	¥8,587	¥2,049	¥27,793
Accumulated depreciation equivalent	6,546	5,540	1,161	13,248
Book value equivalent	¥10,609	¥3,047	¥888	¥14,545

(2) Lease commitments

	Millions of yen
	1999
Due within one year	¥3,689
Due after one year	10,856
Total	¥14,545

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.

(3) Lease expenses and depreciation equivalents

	Millions of yen
	1999
Lease expenses	¥4,454
Depreciation equivalents	4,454

(4) 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

Non-cancelable operating lease commitments were as follows:

	Millions of yen
	1999
Due within one year	¥1,787
Due after one year	12,534
Total	¥14,322

## MARKET VALUE OF QUOTED SECURITIES

	Millions of yen		
	31/3/2000		
	Book value	Market value	Unrealized gains(losses)
Current assets			
Shares	¥87,236	¥125,249	¥38,013
Bonds	¥2,160	¥2,033	(¥127)
Other	¥675	¥672	(¥3)
Total current assets	¥90,072	¥127,955	¥37,883
Non current assets			
shares	¥33,765	¥32,710	(¥1,055)
Bonds	¥106	¥110	¥4
Other	¥1	¥1	¥0
Total non current assets	¥33,873	¥32,821	(¥1,052)
Total assets	¥123,945	¥160,776	¥36,831

### 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

2. Book value of securities not subject to disclosure

**31/3/2000**

Current assets

  Discounted financial bonds

¥1,194

  Other

¥174

Non current assets

  Unlisted shares (Over-the-counter securities excluded)

¥64,270

  Private placement bonds

¥4

  Other

¥323

## DERIVATIVE TRANSACTIONS

(1) Foreign Currency Contracts		Millions of yen				
		31/3/2000			Market value	Unrealized gain(loss)
		Contract amounts in yen equivalent				
		Due within one year	Due after one year	Total		
Forward exchange contracts						
Sell	U.S.dollars	¥20,345	¥0	¥20,345	¥20,352	(¥6)
	Others	1,052	0	1,052	983	69
Buy	U.S.dollars	8,986	3,897	12,883	12,913	30
	Others	81	0	81	81	0
Forward exchange contracts with knock-out price						
Buy	U.S.dollars	0	59,800 (203)	59,800 (203)	(13,999)	(13,796)
Currency swap contracts						
	Pay yen, receive U.S.dollars	0	10,000	10,000	(415)	(415)
	Pay U.S.dollars, receive yen	0	2,322	2,322	396	396
Currency option contracts						
Call	U.S.dollars	412	824	1,236	0	0
Put	U.S.dollars	412	824 [19]	1,236 [32]	183	151
Total		¥0	¥0	¥0	¥0	(¥13,571)

### NOTE

1. Foreign exchange rates at the end of the year are forward rates.
2. Fair value of foreign exchange contracts with knock-out price, currency swap and currency option at the end of year is based on the price provided by the financial institutions.
3. 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.
4. 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.
5. Provision has been made for unrealised loss on foreign exchange contracts with knock-out price by providing an amounts(12,200million yen) that will be required at year-end.
6. Figures shown in [ ] are option cost of currency option that is included in contracts amounts.

**(2) Interest Rate Contracts**

	31/3/2000				
	Notional amounts			Fair value	Unrealized gain(loss)
	Due within one year	Due after one year	Total		
Interest rate swap contracts					
Pay floating rate, receive fixed rate	¥15,000	¥34,000	¥49,000	¥524	¥524
Pay fixed rate, receive floating rate	4,454	25,512	29,966	(79)	(79)
Option contracts					
Buy interest cap		0	35,100		
		[269]	[269]	43	(225)
<b>Total</b>	<b>¥0</b>	<b>¥0</b>	<b>¥0</b>	<b>¥0</b>	<b>¥219</b>

## NOTE

1. Fair value at the end of the year is based on the price provided by the financial institutions.
2. Figures shown in [ ] are option cost of interest rate option that is included in contracts amounts.

**(3) Commodity Contracts**

	31/3/2000				
	Contract amounts			Market value	Unrealized gain(loss)
	Due within one year	Due after one year	Total		
Forward(Non-ferrous metals)					
Sell	¥24,038	¥0	¥24,038	¥23,861	¥1,76
Buy	20,067	4,553	24,620	25,406	786
<b>Total</b>	<b>¥0</b>	<b>¥0</b>	<b>¥0</b>	<b>¥0</b>	<b>¥963</b>

## 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.

**Segment Information****(a) Business segment information**

Year ended March 31, 2000	Millions of yen							
	Nonferrous metals	Cement	Fabricated metal products	Silicon and advanced materials	Others	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥203,792	¥171,050	¥301,245	¥132,774	¥178,021	¥986,883		¥986,883
Intersegment	20,247	629	22,207	3,235	32,226	78,545	(78,545)	-
Total	224,039	171,679	323,452	136,009	210,248	1,065,429	(78,545)	986,883
Operating expenses	224,136	160,262	308,605	137,420	203,543	1,033,968	(74,313)	959,654
Operating profit	(¥97)	¥11,417	¥14,847	(¥1,411)	¥6,704	¥31,460	(¥4,231)	¥27,229
Identifiable assets	¥245,279	¥265,480	¥467,177	¥266,015	¥203,042	¥1,526,994	¥144,006	¥1,671,000
Depreciation	¥8,417	¥11,628	¥21,596	¥22,362	¥7,538	¥71,564	¥1,830	¥73,394
Capital expenditures	¥6,289	¥6,690	¥16,451	¥17,490	¥6,024	¥52,946	¥1,036	¥53,983
Year ended March 31, 1999								
Sales :								
Unaffiliated customers	¥210,988	¥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	138,065	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	¥264,985	¥291,625	¥1,423,347	¥182,323	¥1,605,670
Depreciation	¥5,150	¥12,078	¥21,403	¥22,598	¥7,197	¥68,426	¥3,845	¥72,274
Capital expenditures	¥18,986	¥9,241	¥21,540	¥34,437	¥4,836	¥68,941	¥2,465	¥71,407

NOTES

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

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

2. An amount of unallocated operating expenses, such as basic research & fundamental development costs and managerial costs of the parent company, included in Elimination and corporate assets or expenses is 3,312 million yen for the current period and 8,209 million yen for the previous period.

3. An amount of corporate assets included in Elimination and corporate assets is 158,852 million yen for the current period and 200,612 million yen for the previous period, main assets of which are those related to basic research & fundamental development, monies in the parent company (cash and marketable securities) and managerial division.

(b) Segment information by geographic area

Millions of yen

Year ended March 31, 2000	Japan	U.S.A.	Europe	Asia	Other	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥900,515	¥67,095	¥4,823	¥31,949	¥1,509	¥966,893		¥966,893
Intersegment	19,620	972	46	19,092	1	39,732	(39,732)	-
Total	900,236	68,067	4,869	51,042	1,600	1,026,616	(39,732)	986,883
Operating expenses	862,975	74,665	4,848	51,981	1,376	995,847	(38,192)	959,654
Operating profit	¥37,260	(¥5,797)	¥20	(¥938)	¥224	¥30,769	(¥3,540)	¥27,229
Identifiable assets	¥1,248,187	¥138,651	¥3,038	¥104,566	¥2,463	¥1,496,908	¥174,092	¥1,671,000

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	¥988,572	¥79,712	¥5,131	¥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

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, UK, Spain                                      |
| (2) Asia :   | Indonesia, Korea, Malaysia, Singapore, Taiwan, Hongkong |
| (3) Other :  | Australia, Canada, Brazil                               |

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 3,312 million yen for the current period and 8,209 million yen for the previous period.

5. An amount of corporate assets included in Elimination and corporate assets is 158,852 million yen for the current period and 200,612 million yen for the previous period, main assets of which are those related to basic research & fundamental development, monies in the parent company (cash and marketable securities) and managerial division.

**(c) Overseas sales by geographic area**

Millions of yen

Year ended March 31, 2000	U.S.A.	Europe	Asia	Other	Total
Overseas sales	¥4,507	¥6,463	¥82,780	¥3,701	¥147,453
Consolidated net sales					¥986,883
Percentage of overseas sales to consolidated net sales	5.5%	0.6%	8.4%	0.4%	14.9%

  

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%

**NOTES**

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

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

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

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