

**Consolidated Financial Results for the six months ended September 30, 2001****Mitsubishi Materials Corporation**

Tokyo, Japan

Code : 5711

Shares listed : Tokyo, Osaka and 3 other Japanese stock exchanges

For further information please contact : Mr. Koji Shigemura, Manager, Corporate Communications &amp; IR Dept., Tel: 03-5252-5206

Date of board of directors' meeting for approval of accounts: November 29, 2001

**1. Results of the six months ended September 30, 2001****(1) Results of operations :**

	Millions of yen							
	Net Sales	Change	Operating Profit	Change	Ordinary Income	Change	Net Income	Change
		%		%		%		%
Six months ended Sep.30,2001	¥530,657	(3.4)	¥9,467	(67.4)	(¥5,841)	-	(¥10,416)	-
Six months ended Sep.30,2000	¥549,216	17.8	¥29,027	207.9	¥16,788	-	(¥2,236)	-
Year ended Mar.31,2001	¥1,144,067	15.9	¥65,827	141.8	¥36,877	-	¥7,149	-

  

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep.30,2001	(¥9.32)	-
Six months ended Sep.30,2000	(¥2.00)	-
Year ended Mar.31,2001	¥6.40	¥6.12

## Note 1.Profit/(loss) on investment by the equity method of accounting

Six months ended Sep.30,2001 : (3,704)million yen Year ended Mar.31,2001 : 509million yen

Six months ended Sep.30,2000 : 6 million yen

## 2.Number of averaged shares in the period

Six months ended Sep.30,2001 : 1,117,265,231share Year ended Mar.31,2001 : 1,117,262,085share

Six months ended Sep.30,2000 : 1,117,260,512share

## 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 sales, operating profit, 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
Six months ended Sep.30,2001	¥1,596,250	¥213,274	13.3	¥190.88
Six months ended Sep.30,2000	¥1,631,557	¥224,863	13.8	¥201.26
Year ended Mar.31,2001	¥1,615,844	¥239,190	14.8	¥214.08

## Note: Number of averaged shares at the end of the period

Six months ended Sep.30,2001 : 1,117,265,382share Year ended Mar.31,2001 : 1,117,265,081share

Six months ended Sep.30,2000 : 1,117,261,935share

**(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
Six months ended Sep.30,2001	¥28,497	(¥51,453)	¥37,646	¥32,015
Six months ended Sep.30,2000	¥45,297	(¥14,129)	(¥62,745)	¥42,124
Year ended Mar.31,2001	¥132,068	(¥38,728)	(¥151,950)	¥16,594

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

Number of consolidated subsidiaries : 117

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 : 5

Excluded : 2

Number of companies to which the equity method of accounting is applied ;

New : -

Excluded : 1

**2. Forecast (from April 1, 2001 to March 31, 2002)**

	Millions of yen		
	Net Sales	Ordinary Income	Net Income
Year ending Mar.31,2002	¥1,050,000	(¥6,500)	(¥20,000)
Anticipated net income per share for the year ending March 31, 2002:		(¥17.90)	

## **An Overview of Company Results (Consolidated)**

### **1. Results for the six months period ended September 30, 2001**

Net sales decreased JPY18.5 billion to JPY530.6 billion. Operating profit sharply decreased JPY19.5 billion to JPY9.4 billion.

Ordinary income also decreased JPY22.6 billion to a loss of JPY5.8 billion. Such loss is largely caused by sharp decrease of sales over various products as stated below due to rapid deterioration of Information and Technology (IT) related industries. It is also partly attributable to JPY3.7 billion of investment loss in equity method which comprises of poor results at affiliates and withdrawal from unprofitable operations at affiliates including Mitsubishi Shindo Co., Ltd.

With regard to extraordinary items, the company posted JPY7.9 billion of extraordinary profit including disposition of assets such as land. However, the company incurred JPY 13.1 billion of extraordinary losses. Such losses comprise of expenses for future employees' retirement and writing off of investments to affiliates of which financial positions worsened.

As a result, net loss increased JPY8.1 billion to JPY10.4 billion.

#### **Operation Review**

##### **Nonferrous Metals**

Sales JPY137.3 billion, increased JPY18.9 billion

Operating profit JPY0.0 billion, increased JPY0.4 billion

Sales of copper decreased due to decline in demand for cable and rolled products which is attributable to sluggish private capital expenditure and sharp decline in IT related industries. Copper price also remained low on account of fall in overseas price, in spite of weaker yen.

On the other hand, sales of gold increased, pushed by strong demand from individuals, banks and securities companies increased in the light of terrorism in the U.S.A.

At consolidated subsidiaries, PT.Smelting, Indonesian copper smelter, increased both sales and profit as a result of making full use of the facilities.

##### **Cement**

Sales JPY79.1 billion, decreased JPY10.8 billion

Operating profit JPY5.0 billion, decreased JPY0.8 billion

Domestic sales volume of cement was lower than that of previous period, due to weak demand from private sector, in addition to sharp decline in demand from public spending. Price also remained low.

On the other hand, export volume increased since demand from China remained strong.

At consolidated subsidiaries, domestic construction related operations were sluggish due to recession, although the US operations have been brisk. Sanko Materials Corp. was merged into Ryoko Sangyo Co., Ltd., another subsidiary in the "Others" segment, and thus sales of this segment decreased by JPY9.3 billion.

#### Fabricated Metal Products

Sales JPY184.4 billion, decreased JPY12.9 billion

Operating profit JPY10.8 billion, decreased JPY1.9 billion

Sales declined due to weak demand from IT related industries such as mobile telecommunications, personal computers, semiconductors and machinery industry.

Operating profit also decreased on account of decrease of sales and lowered sales price in spite of cost cuttings and withdrawal from unprofitable operations.

#### Silicon and Advanced Materials

Sales JPY62.3 billion, decreased JPY20.6 billion

Operating profit (JPY4.9 billion), decreased JPY12.7 billion

Although IT related business was booming by end last year, we have experienced a sharp downturn in demand for silicon wafers, mainstay in the sector, since the beginning of this year. And demand for products related to mobile telecommunications such as chip thermistors also declined. Consequently, sales decreased sharply.

Owing mainly to domestic and overseas silicon wafers operations, operating profit run into the red.

#### Others

Sales JPY112.5 billion, increased JPY5.2 billion

Operating profit JPY2.8 billion, decreased JPY3.1 billion

## 2. Forecast for fiscal 2002

For the fiscal 2002, the management forecasts the following figures that are unchanged from those revised and announced on September 27<sup>th</sup>, 2001.

Sales: JPY1,050 billion,

Ordinary income: (JPY6.5 billion), and

Net income: (JPY20.0 billion).

**CONSOLIDATED BALANCE SHEET ( 1 / 2 )**  
**AS OF SEPTEMBER 30 2001**

(Millions of yen)

	30/9/2001	31/3/2001	Difference	30/9/2000
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash & Cash equivalent	¥33,458	¥16,989	¥16,468	¥42,475
Notes received & Accounts receivable - Trade	195,590	232,807	(37,217)	252,676
Marketable securities	546	559	(12)	1,305
Inventories	186,950	185,760	1,189	173,681
Future income tax benefit	9,481	9,440	40	7,454
Other current assets	109,886	87,989	21,896	77,385
Allowance for doubtful accounts	(7,180)	(6,745)	(435)	(3,997)
<b>TOTAL CURRENT ASSETS</b>	<b>528,732</b>	<b>526,801</b>	<b>1,930</b>	<b>550,980</b>
<b>NON-CURRENT ASSETS</b>				
<b>TANGIBLE ASSETS</b>				
Buildings & Structures	268,729	267,695	1,034	266,514
Machinery & Equipment	293,100	302,908	(9,808)	295,615
Land	185,119	187,717	(2,597)	186,502
Construction in progress	43,086	41,474	1,611	27,308
Other tangible assets	15,984	15,649	335	16,132
<b>TOTAL TANGIBLE ASSETS</b>	<b>806,020</b>	<b>815,445</b>	<b>(9,425)</b>	<b>792,073</b>
<b>INTANGIBLE ASSETS</b>				
Other intangible assets	22,382	14,110	8,271	13,251
<b>TOTAL INTANGIBLE ASSETS</b>	<b>22,382</b>	<b>14,110</b>	<b>8,271</b>	<b>13,251</b>
<b>INVESTMENT &amp; LONG-TERM RECEIVABLES</b>				
Investments securities	144,145	171,065	(26,920)	196,269
Long-term loans receivable	31,194	40,937	(9,743)	41,001
Advance payments	1,954	2,686	(731)	2,126
Future income tax benefit	25,519	17,431	8,088	11,904
Investment other	50,431	46,461	3,970	41,115
Reserve for loss on consolidated subsidiaries	(44)	-	(44)	-
Allowance for doubtful accounts	(14,086)	(19,097)	5,010	(17,167)
<b>TOTAL INVESTMENT &amp; LONG-TERM RECEIVABLES</b>	<b>239,114</b>	<b>259,485</b>	<b>(20,371)</b>	<b>275,251</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,067,517</b>	<b>1,089,042</b>	<b>(21,524)</b>	<b>1,080,576</b>
<b>TOTAL ASSETS</b>	<b>¥1,596,250</b>	<b>¥1,615,844</b>	<b>(¥19,593)</b>	<b>¥1,631,557</b>

**CONSOLIDATED BALANCE SHEET( 2 / 2 )**  
**AS OF SEPTEMBER 30 2001**

(Millions of yen)

	30/9/2001	31/3/2001	Difference	30/9/2000
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Notes payable & Accounts payable - Trade	¥134,701	¥165,268	(¥30,567)	¥149,591
Short-term bank loans	446,908	413,073	33,834	463,327
Bonds payable	55,000	45,000	10,000	29,929
Commercial paper	18,000	20,000	(2,000)	-
Income taxes payable	4,792	9,113	(4,321)	5,584
Provision for deferred income tax	441	536	(94)	1,411
Reserve for bonus	12,648	12,646	2	12,252
Other current liabilities	154,893	155,545	(651)	141,079
<b>TOTAL CURRENT LIABILITIES</b>	<b>827,386</b>	<b>821,184</b>	<b>6,201</b>	<b>803,175</b>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable	154,799	134,799	20,000	179,799
Long-term loans payable	262,104	276,710	(14,606)	289,562
Severance and pension benefits of employees	33,665	32,712	952	30,724
Reserve for loss on consolidated subsidiaries	-	2,645	(2,645)	4,512
Other provisions	6,014	4,980	1,033	4,301
Provision for deferred income tax	18,921	18,966	(44)	16,531
Provision for deferred income tax in relation to revaluation	6,686	7,244	(558)	6,925
Consolidated control	3,581	3,506	74	3,980
Other non-current liabilities	26,272	27,621	(1,349)	34,689
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>512,044</b>	<b>509,187</b>	<b>2,857</b>	<b>571,028</b>
<b>TOTAL LIABILITIES</b>	<b>1,339,430</b>	<b>1,330,371</b>	<b>9,058</b>	<b>1,374,204</b>
<b>MINOR SHARE</b>	<b>43,545</b>	<b>46,282</b>	<b>(2,736)</b>	<b>32,489</b>
<b>SHAREHOLDERS' EQUITY</b>				
Paid-in capital	99,396	99,396	-	99,396
Capital reserve	68,573	68,573	-	68,573
Reserve for revaluation	8,437	9,201	(764)	8,547
Retained earnings	46,324	59,941	(13,616)	51,025
Net unrealized holding gains on securities	(4,034)	4,177	(8,212)	9,114
Foreign currency translation adjustments	(5,419)	(2,096)	(3,323)	(11,789)
Treasury stock, at cost	(3)	(3)	0	(4)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>213,274</b>	<b>239,190</b>	<b>(25,916)</b>	<b>224,863</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>¥1,596,250</b>	<b>¥1,615,844</b>	<b>(¥19,593)</b>	<b>¥1,631,557</b>

**CONSOLIDATED PROFIT & LOSS STATEMENTS  
FOR SIX MONTHS ENDED SEPTEMBER 30 2001**

(Millions of yen)

	<b>6 months to 30/9/2001</b>	<b>6 months to 30/9/2000</b>	<b>Difference</b>	<b>12 months to 31/3/2001</b>
Net Sales	¥530,657	¥549,216	(¥18,558)	¥1,144,067
Cost of Goods Sold	450,489	450,936	(447)	936,562
Selling, General & Administrative Expenses	70,700	69,252	1,447	141,677
<b>Operating profit</b>	<b>9,467</b>	<b>29,027</b>	<b>(19,559)</b>	<b>65,827</b>
Non-operating income				
Interest income	701	796	(94)	1,684
Dividend income	1,044	1,204	(159)	2,030
Profit on sale of marketable securities	15	376	(361)	397
Profit on investment	-	6	(6)	509
Other non-operating income	2,260	2,766	(506)	4,857
Non-operating expenses				
Interest expenses	11,855	13,463	(1,608)	28,574
Loss on investment	3,704	-	3,704	-
Other non-operating expenses	3,770	3,925	(155)	9,854
<b>Ordinary income</b>	<b>(5,841)</b>	<b>16,788</b>	<b>(22,629)</b>	<b>36,877</b>
Extraordinary profit				
Profit on sales of fixed assets	7,060	5,819	1,241	11,855
Profit on sales of investment stocks	277	3,812	(3,535)	5,271
Profit on setting up trust for employees' retirement	-	11,124	(11,124)	11,124
Other extraordinary profit	576	539	36	6,105
Extraordinary loss				
Expenses for future employees' retirement	4,453	19,703	(15,250)	24,447
Allowance for bad debt	2,684	6	2,678	2,743
Unrealized loss on evaluation of investment stocks	2,216	1,279	936	4,480
Loss on disposal of fixed assets	1,801	1,332	468	5,042
Loss on sales of investments securities	201	105	95	1,586
Loss on disposal of business	-	9,712	(9,712)	8,704
Provision for loss on investments	-	2,297	(2,297)	687
Other extraordinary loss	1,827	1,974	(147)	5,154
<b>Net income before tax</b>	<b>(11,113)</b>	<b>1,673</b>	<b>(12,786)</b>	<b>18,387</b>
Corporate income taxes & business tax	3,839	5,862	(2,023)	13,274
Income taxes adjustments	(3,433)	254	(3,687)	(2,925)
Minority interest adjustment	(1,102)	(2,207)	1,104	889
<b>Net income for the current year</b>	<b>(¥10,416)</b>	<b>(¥2,236)</b>	<b>(¥8,179)</b>	<b>¥7,149</b>

**CONSOLIDATED RETAINED EARNINGS  
FOR SIX MONTHS ENDED SEPTEMBER 30 2001**

(Millions of yen)

	<b>6 months to 30/9/2001</b>	<b>6 months to 30/9/2000</b>	<b>Difference</b>	<b>12 months to 31/3/2001</b>
<b>Balance at the beginning of year</b>	<b>¥59,941</b>	<b>¥55,000</b>	<b>¥4,940</b>	<b>¥55,000</b>
Increase resulting from increase of consolidated subsidiaries	989	-	989	-
Increase resulting from reversal of reserve for land revaluation	762	20	741	
Other increase	78	50	27	140
<b>Increase total</b>	<b>1,831</b>	<b>71</b>	<b>1,759</b>	<b>140</b>
Cash dividends paid	3,351	1,675	1,675	1,675
Bonus to directors and statutory auditors	136	132	3	132
Decrease resulting from reversal of reserve for land revaluation	-	-	-	540
Decrease resulting from increase of consolidated subsidiaries	1,543	-	1,543	-
Other decrease	-	1	(1)	-
<b>Decrease total</b>	<b>5,031</b>	<b>1,810</b>	<b>3,221</b>	<b>2,348</b>
<b>Net income for current year</b>	<b>(10,416)</b>	<b>(2,236)</b>	<b>(8,179)</b>	<b>7,149</b>
<b>Balance at the end of year</b>	<b>¥46,324</b>	<b>¥51,025</b>	<b>(¥4,702)</b>	<b>¥59,941</b>

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR SIX MONTHS ENDED SEPTEMBER 30 2001**

(Millions of yen)

	6 months to 30/9/2001	6 months to 30/9/2000	Difference	12 months to 31/3/2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net (loss) income before tax	(¥11,113)	¥1,673	(¥12,786)	¥18,387
Adjustment to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	37,454	37,511	(57)	78,983
Provisions	3,009	5,081	(2,072)	2,480
Interest income & dividend income	(1,746)	(2,001)	254	(3,715)
Interest expenses	11,855	13,463	(1,608)	28,574
Equity earnings of unconsolidated subsidiaries and affiliates	3,704	(6)	3,711	(509)
Sales or disposal of property, plant and equipment	(5,492)	(4,486)	(1,005)	381
Sales or evaluation of marketable securities and investments in securities	2,125	(2,909)	5,035	397
(Increase)Decrease in accounts receivables	37,907	(24,584)	62,491	(1,845)
(Increase)Decrease in inventories	(889)	191	(1,081)	(8,174)
(Increase)Decrease in other current assets	(8,813)	11,098	(19,912)	12,738
Increase(Decrease) in accounts payable	(34,670)	19,349	(54,019)	28,963
Others	11,820	6,635	5,185	5,496
Sub-total	45,152	61,018	(15,865)	162,159
Receipts for interest & dividend	3,225	2,332	893	5,094
Payments for interest	(11,916)	(13,111)	1,194	(28,634)
Payments for income taxes	(7,963)	(4,941)	(3,021)	(6,550)
<b>Net cash provided by operating activities</b>	<b>28,497</b>	<b>45,297</b>	<b>(16,799)</b>	<b>132,068</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of marketable securities and investments in securities	(678)	(2,744)	2,066	(4,949)
Proceeds from sales of marketable securities and investments in securities	513	8,303	(7,790)	22,986
Proceeds from sales of property, plant and equipment	11,585	12,858	(1,272)	32,182
Purchase of property, plant and equipment	(48,948)	(25,748)	(23,200)	(75,219)
Others	(13,925)	(6,798)	(7,127)	(13,729)
<b>Net cash provided by investing activities</b>	<b>(51,453)</b>	<b>(14,129)</b>	<b>(37,324)</b>	<b>(38,728)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase(Decrease) in short-term bank loans	38,102	(50,250)	88,352	(109,199)
Proceeds from long-term debt	8,274	17,206	(8,931)	44,396
Repayments of long-term debt	(33,157)	(27,814)	(5,342)	(75,379)
Increase(Decrease) in commercial paper	(2,000)	-	(2,000)	20,000
Proceeds from issuance of bonds	30,000	-	30,000	-
Redemption of bonds	-	-	-	(29,929)
Dividend paid	(3,351)	(1,675)	(1,675)	(1,675)
Others	(220)	(210)	(10)	(163)
<b>Net cash provided by financing activities</b>	<b>37,646</b>	<b>(62,745)</b>	<b>100,392</b>	<b>(151,950)</b>
<b>Adjustment</b>	<b>(477)</b>	<b>67</b>	<b>(545)</b>	<b>1,570</b>
<b>Net Increase(Decrease) in cash</b>	<b>14,212</b>	<b>(31,510)</b>	<b>45,722</b>	<b>(57,039)</b>
<b>Cash at beginning of year</b>	<b>16,594</b>	<b>74,171</b>	<b>(57,576)</b>	<b>74,171</b>
<b>Increase(Decrease) due to the change of scope of consolidation</b>	<b>1,208</b>	<b>(537)</b>	<b>1,745</b>	<b>(537)</b>
<b>Cash at end of year</b>	<b>32,015</b>	<b>42,124</b>	<b>(10,108)</b>	<b>16,594</b>



## Segment Information

### (a) Business segment information

Millions of yen

Six months ended September 30, 2001	Nonferrous metals	Cement	Fabricated metal products	Silicon and advanced materials	Others	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥125,852	¥78,850	¥175,060	¥60,219	¥90,674	¥530,657		¥530,657
Intersegment	11,508	249	9,413	2,169	21,916	45,256	(45,256)	-
Total	137,360	79,100	184,473	62,389	112,590	575,914	(45,256)	530,657
Operating expenses	137,315	74,085	173,631	67,352	109,725	562,110	(40,920)	521,189
Operating profit	¥45	¥5,015	¥10,842	(¥4,962)	¥2,864	¥13,804	(¥4,336)	¥9,467
Identifiable assets	¥267,714	¥232,135	¥435,194	¥264,399	¥270,106	¥1,469,549	¥126,701	¥1,596,250
Depreciation	¥4,951	¥5,188	¥10,574	¥12,329	¥3,501	¥36,545	¥908	¥37,454
Capital expenditures	¥3,509	¥2,625	¥11,486	¥13,780	¥2,172	¥33,574	¥3,706	¥37,281

Six months ended September 30, 2000	Nonferrous metals	Cement	Fabricated metal products	Silicon and advanced materials	Others	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥101,188	¥89,407	¥186,578	¥80,337	¥91,704	¥549,216		¥549,216
Intersegment	17,261	570	10,802	2,709	15,662	47,005	(47,005)	-
Total	118,450	89,977	197,380	83,046	107,366	596,221	(47,005)	549,216
Operating expenses	118,846	84,158	184,575	75,306	101,349	564,236	(44,046)	520,189
Operating profit	(¥395)	¥5,818	¥12,805	¥7,740	¥6,017	¥31,985	(¥2,958)	¥29,027
Identifiable assets	¥250,044	¥257,240	¥465,415	¥263,711	¥266,483	¥1,502,893	¥128,664	¥1,631,557
Depreciation	¥4,968	¥5,377	¥10,868	¥11,757	¥3,827	¥36,800	¥710	¥37,511
Capital expenditures	¥5,923	¥4,134	¥7,738	¥8,375	¥1,541	¥27,712	¥845	¥28,557

Year ended March 31, 2001	Nonferrous metals	Cement	Fabricated metal products	Silicon and advanced materials	Others	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥222,551	¥185,791	¥374,605	¥160,937	¥200,180	¥1,144,067		¥1,144,067
Intersegment	37,535	4,157	21,883	5,913	38,754	108,245	(108,245)	-
Total	260,087	189,949	396,489	166,851	238,935	1,252,313	(108,245)	1,144,067
Operating expenses	257,792	174,600	370,374	151,546	227,619	1,181,933	(103,693)	1,078,240
Operating profit	¥2,295	¥15,348	¥26,114	¥15,304	¥11,315	¥70,379	(¥4,552)	¥65,827
Identifiable assets	¥261,762	¥246,478	¥446,632	¥271,219	¥249,681	¥1,475,774	¥140,069	¥1,615,844
Depreciation	¥10,711	¥11,404	¥21,931	¥25,830	¥7,498	¥77,376	¥1,606	¥78,983
Capital expenditures	¥11,607	¥8,155	¥26,472	¥29,812	¥3,475	¥79,522	¥4,238	¥83,761

#### 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, were as follows:

Six months ended September 30, 2001	¥4,789 million
Six months ended September 30, 2000	¥2,708 million
Year ended March 31, 2001	¥5,436 million

3. An amount of corporate assets included in Elimination and corporate assets, consisting of basic research & fundamental development costs, monies in the parent company (cash and marketable securities) and those related to managerial division, were as follows:

Six months ended September 30, 2001	¥145,735 million
Six months ended September 30, 2000	¥160,457 million
Year ended March 31, 2001	¥164,823 million

**(b) Segment information by geographic area**

Millions of yen

Six months ended September 30, 2001	Japan	U.S.A.	Europe	Asia	Other	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥451,148	¥37,997	¥4,456	¥36,109	¥945	¥530,657		¥530,657
Intersegment	19,989	1,969	1	11,905	-	33,865	(33,865)	-
Total	471,137	39,966	4,458	48,015	945	564,523	(33,865)	530,657
Operating expenses	456,246	42,530	4,258	47,294	786	551,116	(29,926)	521,189
Operating profit	¥14,891	(¥2,563)	¥200	¥720	¥158	¥13,407	(¥3,939)	¥9,467
Identifiable assets	¥1,329,968	¥153,224	¥19,036	¥111,312	¥2,269	¥1,615,810	(¥19,560)	¥1,596,250

Six months ended September 30, 2000	Japan	U.S.A.	Europe	Asia	Other	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥485,814	¥39,535	¥3,061	¥20,025	¥778	¥549,216		¥549,216
Intersegment	12,866	909	7	8,746	-	22,529	(22,529)	-
Total	498,681	40,445	3,069	28,771	778	571,745	(22,529)	549,216
Operating expenses	465,987	39,973	2,704	30,522	663	539,851	(19,662)	520,189
Operating profit	¥32,693	¥471	¥365	(¥1,750)	¥114	¥31,894	(¥2,867)	¥29,027
Identifiable assets	¥1,378,408	¥144,356	¥3,902	¥97,604	¥2,274	¥1,626,546	¥5,010	¥1,631,557

Year ended March 31, 2001	Japan	U.S.A.	Europe	Asia	Other	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥985,031	¥90,877	¥7,011	¥59,519	¥1,627	¥1,144,067		¥1,144,067
Intersegment	30,771	3,400	29	21,713	-	55,915	(55,915)	-
Total	1,015,803	94,278	7,041	81,233	1,627	1,199,983	(55,915)	1,144,067
Operating expenses	947,681	93,389	6,747	80,736	1,522	1,130,077	(51,836)	1,078,240
Operating profit	¥68,122	¥888	¥293	¥496	¥104	¥69,905	(¥4,078)	¥65,827
Identifiable assets	¥1,356,155	¥159,290	¥4,984	¥114,307	¥2,333	¥1,637,071	(¥21,227)	¥1,615,844

## 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, UK, France, Holland  
(2) Asia : Indonesia, Malaysia, Singapore, Taiwan, Hong Kong, Thailand  
(3) Other : Australia

3. 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, were as follows:

Six months ended September 30, 2001	¥4,789 million
Six months ended September 30, 2000	¥2,708 million
Year ended March 31, 2001	¥5,436 million

4. An amount of corporate assets included in Elimination and corporate assets, consisting of basic research & fundamental development costs, monies in the parent company (cash and marketable securities) and those related to managerial division, were as follows:

Six months ended September 30, 2001	¥145,735 million
Six months ended September 30, 2000	¥160,457 million
Year ended March 31, 2001	¥164,823 million

(c) Overseas sales by geographic area

	Millions of yen				
Six months ended September 30, 2001	U.S.A.	Europe	Asia	Other	Total
Overseas sales	¥35,429	¥7,341	¥52,294	¥877	¥95,942
Consolidated net sales					¥530,657
Percentage of overseas sales to consolidated net sales	6.7%	1.4%	9.9%	0.2%	18.1%
Six months ended September 30, 2000	U.S.A.	Europe	Asia	Other	Total
Overseas sales	¥35,409	¥5,940	¥49,076	¥970	¥91,397
Consolidated net sales					¥549,216
Percentage of overseas sales to consolidated net sales	6.5%	1.1%	8.9%	0.2%	16.6%
Year ended March 31, 2001	U.S.A.	Europe	Asia	Other	Total
Overseas sales	¥80,120	¥13,346	¥90,845	¥2,010	¥186,322
Consolidated net sales					¥1,144,067
Percentage of overseas sales to consolidated net sales	7.0%	1.2%	7.9%	0.2%	16.3%

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, France
- (2) Asia : Indonesia, Korea, Malaysia, Singapore, Taiwan, Thailand, Hong Kong
- (3) Other : Australia, Canada, Brazil

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