

Consolidated Financial Results for the year ended March 31, 2002
Mitsubishi Materials Corporation
Tokyo, Japan

Code : 5711
Shares listed : Tokyo, Osaka and 3 other Japanese stock exchanges
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Date of board of directors' meeting for approval of accounts: May 23, 2002

1. Results of the year ended March 31, 2002**(1) Results of operations :**

	Net Sales		Operating Profit		Ordinary Income		Net Income	
	Change	%	Change	%	Change	%	Change	%
Year ended Mar.31,2002	¥1,046,807	(8.5)	¥10,871	(83.5)	(¥19,095)	-	(¥61,316)	-
Year ended Mar.31,2001	¥1,144,067	15.9	¥65,827	141.8	¥36,877	874.3	¥7,149	-

	Net income per share	Diluted net income per share	Net income /Shareholders' equity	Ordinary income /Total assets	Ordinary income /Net sales
	Yen	Yen	%	%	%
Year ended Mar.31,2002	(¥54.88)	-	(27.5)	(1.2)	(1.8)
Year ended Mar.31,2001	¥6.40	6.12	3.0	2.3	3.2

Note 1.Profit/(loss) on investment by the equity method of accounting
Year ended March 31,2002 : (5,898)million yen
Year ended March 31,2001 : 509 million yen
2.Number of averaged shares in the fiscal period
Year ended March 31,2002 : 1,117,228,707share
Year ended March 31,2001 : 1,117,262,085share
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, operatingprofit, ordinary income and net income are calculated against those figures in the previous period.

(2) Financial position :

	Total assets	Shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
			%	Yen
As of Mar.31,2002	¥1,575,739	¥206,412	13.1	¥184.76
As of Mar.31,2001	¥1,615,844	¥239,190	14.8	¥214.08

Note: Number of shares at the end of the fiscal period
Year ended March 31,2002 : 1,117,192,333share
Year ended March 31,2001 : 1,117,265,081share

(3) Cash flows :

	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.31,2002	¥42,073	(¥102,848)	¥94,394	¥52,152
As of 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 : 114
Number of non-consolidated subsidiaries to which the equity method accounting is applied : -
Number of affiliates to which the equity method accounting is applied : 24

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

Number of consolidated companies ; New : 9 Excluded : 9
Number of companies to which the equity method is applied ; New : 5 Excluded : 3

2. Forecast (from April 1, 2002 to March 31, 2003)

	Millions of yen		
	Net Sales	Ordinary Income	Net Income
Six months ending Sep.30,2002	¥440,000	¥1,000	(¥7,500)
Year ending Mar.31,2003	¥950,000	¥20,000	¥5,000

Anticipated net income per share for the year ending March 31, 2003: ¥4.48

An Overview of Company Results (Consolidated)

1. Results for the fiscal year ended March 30, 2002

Net sales decreased JPY97.2 billion to JPY1,046.8 billion. Operating profit sharply decreased JPY54.9 billion to JPY10.8 billion.

Ordinary income also decreased JPY55.9 billion to a loss of JPY19.0 billion. This is attributable mainly to 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 JPY5.8 billion of investment loss in the equity method which comprises of poor results at affiliates and withdrawal from unprofitable operations at affiliates including Mitsubishi Shindoh Co., Ltd., Mitsubishi Cable Industries Co., Ltd., and Mitsubishi Construction Co., Ltd.

With regard to extraordinary items, the company posted JPY17.0 billion of extraordinary profit including sales of fixed assets such as land.

On the other hand the company posted JPY90.2 billion of extraordinary losses. Such losses are caused by write-off of OAP towers, investment losses and provision of business losses for subsidiaries and affiliates, amortization of past service liabilities and others.

As a result, net income sharply decreased JPY68.4 billion to a loss of JPY61.3 billion.

Operation Review

Nonferrous Metals

Sales JPY284 billion, increased 23.9 billion

Operating profit JPY4.2 billion, increased JPY1.9 billion

Sales volume and amount of copper decreased due to decline in demand for cable from telecommunications and electric power companies, in addition to weak demand for rolled products for semiconductor related use.

In contrast, sales of gold increased. The increase was caused by strong demand from individuals, banks and securities companies which made reaction to 9/11 terrorism in the U.S.A. and payoff system on bank deposit introduced in April 2002.

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 JPY168.9 billion, decreased JPY21.0 billion

Operating profit JPY15.2 billion, decreased JPY0.1 billion

Domestic sales volume of cement was lower than that of previous fiscal year, 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 rose as a result of brisk shipments to the Peoples' Republic of China.

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 JPY18.7 billion.

Fabricated Metal Products

Sales JPY346.8, decreased JPY49.5 billion

Operating profit JPY13.5 billion, decreased JPY12.5 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 JPY113.3 billion, decreased JPY53.5 billion

Operating profit (JPY20.0 billion), decreased JPY35.3 billion

Although IT related business was booming until the end of the year 2000, we have experienced a sharp downturn in demand for silicon wafers, mainstay in the sector, since the beginning of last 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.

The company and Sumitomo Metal Industries, Ltd. merged and integrated their silicon wafers and related operation. The new integrated company Sumitomo Mitsubishi Silicon (SUMCO) commenced the operation in February 2002.

Others

Sales JPY223.7 billion, decreased JPY15.1 billion

Operating profit JPY6.0 billion, decreased JPY5.2 billion

2. Forecast for fiscal 2003

For the fiscal 2003, the management's forecasts are as follows.

Sales: JPY950.0 billion,

Ordinary income: JPY20.0 billion, and

Net income: JPY5.0 billion.

CONSOLIDATED BALANCE SHEET (1 / 2)
AS OF MARCH 31 2002

(Millions of yen)

	31/3/2002	31/3/2001	Difference
ASSETS			
CURRENT ASSETS			
Cash & Cash equivalents	¥49,851	¥16,989	¥32,862
Notes received & Accounts receivable - Trade	192,954	232,807	(39,853)
Marketable securities	3,000	559	2,441
Inventories	158,610	185,760	(27,149)
Future income tax benefit	6,899	9,440	(2,541)
Other current assets	111,474	87,989	23,485
Allowance for doubtful accounts	(3,700)	(6,745)	3,044
TOTAL CURRENT ASSETS	519,090	526,801	(7,710)
NON-CURRENT ASSETS			
TANGIBLE ASSETS			
Buildings & Structures	189,445	267,695	(78,250)
Machinery & Equipment	254,896	302,908	(48,011)
Land	240,599	187,717	52,881
Construction in progress	21,608	41,474	(19,866)
Other tangible assets	14,150	15,649	(1,498)
TOTAL TANGIBLE ASSETS	720,700	815,445	(94,745)
INTANGIBLE ASSETS			
Intangible assets	21,056	14,110	6,945
TOTAL INTANGIBLE ASSETS	21,056	14,110	6,945
INVESTMENT & LONG-TERM RECEIVABLES			
Investments securities	207,187	171,065	36,121
Long-term loans receivable	26,479	40,937	(14,458)
Advance payments	1,652	2,686	(1,034)
Future income tax benefit	47,635	17,431	30,203
Investment other	49,071	46,461	2,609
Reserve for loss on investments of affiliates	(1,301)	-	(1,301)
Allowance for doubtful accounts	(15,832)	(19,097)	3,265
TOTAL INVESTMENT & LONG-TERM RECEIVABLES	314,891	259,485	55,405
TOTAL NON-CURRENT ASSETS	1,056,648	1,089,042	(32,394)
TOTAL ASSETS	¥1,575,739	¥1,615,844	(¥40,105)

CONSOLIDATED BALANCE SHEET(2 / 2)
AS OF MARCH 31 2002

(Millions of yen)

	31/3/2002	31/3/2001	Difference
LIABILITIES			
CURRENT LIABILITIES			
Notes payable & Accounts payable - Trade	¥123,738	¥165,268	(¥41,530)
Short-term bank loans	393,510	413,073	(19,562)
Bonds payable	40,000	45,000	(5,000)
Commercial paper	31,000	20,000	11,000
Income taxes payable	3,363	9,113	(5,750)
Provision for deferred income tax	182	536	(353)
Reserve for bonus	11,743	12,646	(902)
Other current liabilities	152,218	155,545	(3,327)
TOTAL CURRENT LIABILITIES	755,757	821,184	(65,426)
LONG-TERM LIABILITIES			
Bonds payable	124,799	134,799	(10,000)
Long-term loans payable	309,198	276,710	32,487
Severance and pension benefits of employees	33,233	32,712	521
Reserve for loss on business of affiliates	21,235	-	21,235
Reserve for loss on investments of affiliates	-	2,645	(2,645)
Other provisions	4,959	4,980	(20)
Provision for deferred income tax	16,159	18,966	(2,808)
Provision for deferred income tax in relation to revaluation	31,860	7,244	24,615
Consolidated control	2,783	3,506	(723)
Other long-term liabilities	27,843	27,621	221
TOTAL LONG-TERM LIABILITIES	572,071	509,187	62,883
TOTAL LIABILITIES	1,327,828	1,330,371	(2,543)
MINORITY INTERESTS	41,498	46,282	(4,783)
SHAREHOLDERS' EQUITY			
Paid-in capital	99,396	99,396	-
Capital reserve	68,573	68,573	-
Reserve for revaluation	44,014	9,201	34,812
Retained earnings	(4,266)	59,941	(64,207)
Net unrealized holding gains on securities	(3,474)	4,177	(7,652)
Foreign currency translation adjustments	2,195	(2,096)	4,291
Treasury stock, at cost	(24)	(3)	(21)
Parent company stock held by subsidiaries, at cost	(2)	-	(2)
TOTAL SHAREHOLDERS' EQUITY	206,412	239,190	(32,778)
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	¥1,575,739	¥1,615,844	(¥40,105)

**CONSOLIDATED PROFIT & LOSS STATEMENTS
FOR THE YEAR ENDED MARCH 31 2002**

(Millions of yen)

	2001	2000	Difference
Net Sales	¥1,046,807	¥1,144,067	(¥97,260)
Cost of Goods Sold	899,219	936,562	(37,342)
Selling, General & Administrative Expenses	136,715	141,677	(4,962)
Operating profit	10,871	65,827	(54,955)
Non-operating income			
Interest income	1,254	1,684	(430)
Dividend income	998	2,030	(1,032)
Profit on sale of marketable securities	-	397	(397)
Profit on investment	-	509	(509)
Other non-operating income	5,719	4,857	862
Non-operating expenses			
Interest expenses	23,549	28,574	(5,025)
Loss on investment	5,898	-	5,898
Other non-operating expenses	8,491	9,854	(1,363)
Ordinary income	(19,095)	36,877	(55,973)
Extraordinary profit			
Profit on sales of fixed assets	14,355	11,855	2,499
Profit on sales of investment stocks	1,369	5,271	(3,902)
Profit on setting up trust for employees' retirement	-	11,124	(11,124)
Other extraordinary profit	1,289	6,105	(4,815)
Extraordinary loss			
Write-off of buildings	29,461	-	29,461
Provision for loss on business of affiliates	21,095	-	21,095
Expenses for future employees' retirement	9,398	24,447	(15,048)
Provision for bad debt	6,462	2,743	3,718
Loss on disposal of fixed assets	4,802	5,042	(239)
Unrealized loss on evaluation of investment stocks	3,341	4,480	(1,138)
Writedown of inventories	2,242	-	2,242
Loss on sale of investments securities	1,576	1,586	(10)
Provision for loss on investments	1,257	687	569
Loss on disposal of business	-	8,704	(8,704)
Other extraordinary loss	10,643	5,154	5,488
Net income before tax	(92,362)	18,387	(110,749)
Corporate income taxes & business tax	8,104	13,274	(5,170)
Reversal of the previous period's income taxes	700	-	700
Income taxes adjustments	(31,317)	(2,925)	(28,392)
Minority interest adjustment	(7,132)	889	(8,021)
Net income for the current year	(¥61,316)	¥7,149	(¥68,465)

**CONSOLIDATED RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31 2002**

(Millions of yen)

	2001	2000	Difference
Balance at the beginning of year	¥59,941	¥55,000	¥4,940
Increase resulting from increase of consolidated subsidiaries	989	-	989
Increase resulting from reversal of reserve for land revaluation	1,024	-	1,024
Other increase	216	140	76
Increase total	2,231	140	2,091
Cash dividends paid	3,351	1,675	1,675
Bonus to directors and statutory auditors	136	132	3
Decrease resulting from increase of consolidated subsidiaries	1,543	-	1,543
Decrease resulting from increase of equity method affiliates	57	-	57
Decrease resulting from reversal of reserve for land revaluation	-	540	(540)
Other decrease	32	-	32
Decrease total	5,122	2,348	2,773
Net income for current year	(61,316)	7,149	(68,465)
Balance at the end of year	(¥4,266)	¥59,941	(¥64,207)

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31 2002**

(Millions of yen)

	2001	2000	Difference
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) income	(¥92,362)	¥18,387	(¥110,749)
Adjustment to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	78,711	78,983	(271)
Provisions	26,608	2,480	24,127
Interest income & dividend income	(2,252)	(3,715)	1,462
Interest expenses	23,549	28,574	(5,025)
Equity earnings of unconsolidated subsidiaries and affiliates	5,898	(509)	6,407
Sales or disposal of property, plant and equipment	(9,552)	381	(9,933)
Sales or evaluation of marketable securities and investments in securities	3,552	397	3,154
(Increase)Decrease in accounts receivables	31,963	(1,845)	33,808
(Increase)Decrease in inventories	13,216	(8,174)	21,390
(Increase)Decrease in other current assets	(18,126)	12,738	(30,865)
Increase(Decrease) in accounts payable	(34,346)	28,963	(63,310)
Others	46,129	5,496	40,632
Sub-total	72,988	162,159	(89,171)
Receipts for interest & dividend	5,928	5,094	834
Payments for interest	(23,805)	(28,634)	4,829
Payments for income taxes	(13,037)	(6,550)	(6,487)
Net cash provided by operating activities	42,073	132,068	(89,994)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of marketable securities and investments in securities	(14,587)	(4,949)	(9,638)
Proceeds from sales of marketable securities and investments in securities	4,336	22,986	(18,650)
Proceeds from sales of consolidated subsidiaries	(7,743)	-	(7,743)
Proceeds from sales of property, plant and equipment	20,589	32,182	(11,593)
Purchase of property, plant and equipment	(79,622)	(75,219)	(4,402)
Others	(25,821)	(13,729)	(12,091)
Net cash provided by investing activities	(102,848)	(38,728)	(64,119)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase(Decrease) in short-term bank loans	43,520	(109,199)	152,719
Proceeds from long-term debt	137,176	44,396	92,780
Repayments of long-term debt	(78,880)	(75,379)	(3,500)
Increase(Decrease) in commercial paper	11,000	20,000	(9,000)
Proceeds from issuance of bonds	30,000	-	30,000
Redemption of bonds	(45,000)	(29,929)	(15,071)
Dividend paid	(3,351)	(1,675)	(1,675)
Others	(70)	(163)	92
Net cash provided by financing activities	94,394	(151,950)	246,344
Adjustment	717	1,570	(853)
Net Increase in cash	34,337	(57,039)	91,377
Cash at beginning of year	16,594	74,171	(57,577)
Increase(Decrease) due to the change of scope of consolidation	1,220	(537)	1,757
Cash at end of year	52,152	16,594	35,557

Segment Information

(a) Business segment information

Millions of yen								
Year ended March 31, 2002	Nonferrous metals	Cement	Fabricated metal products	Silicon and advanced materials	Others	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥258,924	¥168,414	¥329,240	¥110,005	¥180,223	¥1,046,807		¥1,046,807
Intersegment	25,108	513	17,657	3,306	43,568	90,155	(90,155)	-
Total	284,033	168,927	346,897	113,311	223,791	1,136,962	(90,155)	1,046,807
Operating expenses	279,821	153,706	333,326	133,370	217,707	1,117,932	(81,996)	1,035,935
Operating profit	¥4,212	¥15,220	¥13,571	(¥20,058)	¥6,084	¥19,030	(¥8,158)	¥10,871
Identifiable assets	¥285,375	¥284,130	¥439,217	¥148,975	¥239,647	¥1,397,345	¥178,393	¥1,575,739
Depreciation	¥10,541	¥10,845	¥21,402	¥26,806	¥7,063	¥76,658	¥2,053	¥78,711
Capital expenditures	¥6,513	¥6,501	¥23,068	¥20,654	¥4,549	¥61,288	¥4,920	¥66,208

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 is 9,434 million yen for the current period and 5,436 million yen for the previous period.

3. An amount of corporate assets included in Elimination and corporate assets is 191,285 million yen for the current period and 164,823 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, 2002	Japan	U.S.A.	Europe	Asia	Other	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥872,977	¥79,585	¥8,669	¥83,092	¥2,482	¥1,046,807		¥1,046,807
Intersegment	45,352	3,281	2	26,748	-	75,385	(75,385)	-
Total	918,330	82,866	8,671	109,840	2,482	1,122,192	(75,385)	1,046,807
Operating expenses	890,669	93,126	8,680	108,641	1,943	1,103,060	(67,125)	1,035,935
Operating profit	¥27,660	(¥10,259)	(¥8)	¥1,199	¥539	¥19,131	(¥8,260)	¥10,871
Identifiable assets	¥1,219,626	¥102,665	¥21,757	¥125,592	¥3,061	¥1,472,703	¥103,035	¥1,575,739

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 is 9,434 million yen for the current period and 5,436 million yen for the previous period.

4. An amount of corporate assets included in Elimination and corporate assets is 191,285 million yen for the current period and 164,823 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

Year ended March 31, 2002	Millions of yen				
	U.S.A.	Europe	Asia	Other	Total
Overseas sales	¥74,130	¥14,486	¥105,269	¥2,157	¥196,043
Consolidated net sales					¥1,046,807
Percentage of overseas sales to consolidated net sales	7.1%	1.4%	10.1%	0.2%	18.7%

Year ended March 31, 2001	Millions of yen				
	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.