

Consolidated Financial Results for the six months ended September 30, 2002**Mitsubishi Materials Corporation**

Tokyo, Japan

Code : 5711

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

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1. Results of the six months ended September 30, 2002**(1) Results of operations :**

	Millions of yen							
	Net Sales	Change	Operating Profit	Change	Ordinary Income	Change	Net Income	Change
Six months ended Sep.30,2002	¥462,573	(12.8)%	¥14,098	48.9%	¥2,121	-	(¥6,516)	-
Six months ended Sep.30,2001	¥530,657	(3.4)	¥9,467	(67.4)	(¥5,841)	-	(¥10,416)	-
Year ended Mar.31,2002	¥1,046,807	(8.5)	¥10,871	(83.5)	(¥19,095)	-	(¥61,316)	-

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep.30,2001	(¥5.82)	-
Six months ended Sep.30,2000	(¥9.32)	-
Year ended Mar.31,2001	(¥54.88)	-

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

Six months ended Sep.30,2002 : (4,068)million yen Year ended Mar.31,2002 : (5,898)million yen

Six months ended Sep.30,2001 : (3,704)million yen

2.Number of averaged shares in the period

Six months ended Sep.30,2002 : 1,120,408,511share Year ended Mar.31,2002 : 1,117,228,707share

Six months ended Sep.30,2001 : 1,117,265,231share

3.Changes in the accounting method Rent earned in undertaking

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
Six months ended Sep.30,2002	¥1,502,031	¥191,536	12.8%	¥169.30
Six months ended Sep.30,2001	¥1,596,250	¥213,274	13.4%	¥190.88
Year ended Mar.31,2002	¥1,575,739	¥206,412	13.1%	¥184.76

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

Six months ended Sep.30,2002 : 1,131,364,912share Year ended Mar.31,2002 : 1,117,192,333share

Six months ended Sep.30,2001 : 1,117,265,382share

(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.30,2002	¥18,263	(¥25,955)	(¥14,888)	¥28,973
Six months ended Sep.30,2001	¥28,497	(¥51,453)	¥37,646	¥32,015
Year ended Mar.31,2002	¥42,073	(¥102,848)	¥94,394	¥52,152

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

Number of consolidated subsidiaries : 113

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

Number of affiliates to which the equity method accounting is applied : 22

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

Number of consolidated companies ; New : 2 Excluded : 3

Number of companies to which the equity method of accounting is applied ; New : - Excluded : 2

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

	Millions of yen		
	Net Sales	Ordinary Income	Net Income
Year ending Mar.31,2003	¥960,000	¥16,000	¥1,000
Anticipated net income per share for the year ending March 31, 2003:		¥0.89	

An Overview of Company Results (Consolidated)

1. Results for the six months period ended September 30 2002

Net sales results JPY 462.5 billion, decreased JPY 68.0 billion. Operating profit results JPY 14.0 billion, increased JPY 4.6 billion. These figures are in influence of excluding the consolidated company of silicon wafers. Under the influence, sales JPY 35.3 billion decreased, operating profit JPY 5.0 billion improved.

As of Non-operating profit and loss, due to the low interest rate, net interest loss results JPY 6.4 billion, JPY 3.6 billion improved including the influence of excluding the consolidated company of silicon wafers JPY 2.3 billion. And investment loss in the equity method results JPY 4.0 billion, JPY 0.3 billion worse, including the loss of Sumitomo Mitsubishi Silicon JPY 5.6 billion and other companies JPY 5.3 billion improved.

As result, the ordinary profit and loss became JPY 2.1 billion, JPY 7.9 billion improved. The net loss results JPY 6.5 billion, JPY 3.8 billion improved, after deduct of extraordinary expenses such as amortization of past service liabilities.

Operation Review

Nonferrous Metals

Sales JPY 119.3 billion, decreased JPY 18.0 billion

Operating profit JPY 0.8 billion, increased JPY 0.8 billion

Sales volume and amount of copper decreased due to both weak demand for electrical power company, telecommunication, and construction, and decline in export.

Also sales volume and amount of gold decreased due to decline in the demand for individuals and weak demand for commercial-scale utility customers.

At consolidated subsidiaries, PT.Smelting, Indonesian copper smelter, decreased profit due to the repair works of furnaces, which was planned.

Cement

Sales JPY 77.1 billion, decreased JPY 1.9 billion

Operating profit JPY 6.1 billion, increased JPY 1.0 billion

Domestic sales were weak. On the other hand, export volume increased due to the strong demand for the Peoples' Republic of China.

At consolidated subsidiaries, domestic construction related operations were weak due to recession, although the US operations have been brisk.

Fabricated Metal Products

Sales JPY 178.7, decreased JPY 5.6 billion

Operating profit JPY 10.1 billion, decreased JPY 0.6 billion

Despite a modest recovery in IT related industries and increase of machine parts for automobile, sales were still weak, especially in United States of America.

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 JPY 33.4 billion, decreased JPY 28.9 billion, including the influence of excluding consolidated company of silicon wafers 39.6 billion

Operating profit JPY 0.3 billion, increased JPY 5.2 billion, including the influence of excluding consolidated company of silicon wafers 5.0 billion

IT related business come out of depression in last year. Sales of silicon wafers also recovered until this summer, but now the demand has peaked out because of uncertain business circumstances in abroad, especially in United States of America. And products related to mobile telecommunications such as chip thermistors and semiconductor related products also recovered in this term, the future market trend of these products is not certain.

Others

Sales JPY 89.9 billion, decreased JPY 22.6 billion

Operating profit JPY 0.7 billion, decreased JPY 2.1 billion

2. Forecast for fiscal 2003

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

Sales: JPY 96.0 billion,

Ordinary income: JPY 16.0 billion, and

Net income: JPY 1.0 billion.

CONSOLIDATED BALANCE SHEET (1 / 2)
AS OF SEPTEMBER 30 2002

(Millions of yen)

	30/9/2002	31/3/2002	Difference	30/9/2001
ASSETS				
CURRENT ASSETS				
Cash & Cash equivalent	¥29,629	¥49,851	(¥20,222)	¥33,458
Notes received & Accounts receivable - Trade	179,028	192,954	(13,926)	195,590
Marketable securities	8	3,000	(2,992)	546
Inventories	157,283	158,610	(1,327)	186,950
Future income tax benefit	7,413	6,899	513	9,481
Other current assets	95,461	111,474	(16,013)	109,886
Allowance for doubtful accounts	(3,469)	(3,700)	231	(7,180)
TOTAL CURRENT ASSETS	465,354	519,090	(53,736)	528,732
NON-CURRENT ASSETS				
TANGIBLE ASSETS				
Buildings & Structures	186,497	189,445	(2,947)	268,729
Machinery & Equipment	242,286	254,896	(12,610)	293,100
Land	245,026	240,599	4,427	185,119
Construction in progress	16,831	21,608	(4,776)	43,086
Other tangible assets	13,454	14,150	(696)	15,984
TOTAL TANGIBLE ASSETS	704,097	720,700	(16,603)	806,020
INTANGIBLE ASSETS				
Other intangible assets	20,059	21,056	(996)	22,382
TOTAL INTANGIBLE ASSETS	20,059	21,056	(996)	22,382
INVESTMENT & LONG-TERM RECEIVABLES				
Investments securities	206,026	207,187	(1,161)	144,145
Long-term loans receivable	25,634	26,479	(844)	31,194
Advance payments	1,622	1,652	(29)	1,954
Future income tax benefit	51,839	47,635	4,204	25,519
Investment other	52,846	49,071	3,774	50,431
Reserve for loss on consolidated subsidiaries	(9,086)	(1,301)	(7,784)	(44)
Allowance for doubtful accounts	(16,363)	(15,832)	(531)	(14,086)
TOTAL INVESTMENT & LONG-TERM RECEIVABLES	312,520	314,891	(2,371)	239,114
TOTAL NON-CURRENT ASSETS	1,036,677	1,056,648	(19,970)	1,067,517
TOTAL ASSETS	¥1,502,031	¥1,575,739	(¥73,707)	¥1,596,250

CONSOLIDATED BALANCE SHEET(2 / 2)
AS OF SEPTEMBER 30 2002

(Millions of yen)

	30/9/2002	31/3/2002	Difference	30/9/2001
LIABILITIES				
CURRENT LIABILITIES				
Notes payable & Accounts payable - Trade	¥99,018	¥123,738	(¥24,719)	¥134,701
Short-term bank loans	399,314	393,510	5,803	446,908
Bonds payable	40,000	40,000	-	55,000
Commercial paper	33,000	31,000	2,000	18,000
Income taxes payable	2,815	3,363	(547)	4,792
Provision for deferred income tax	832	182	649	441
Reserve for bonus	10,328	11,743	(1,415)	12,648
Other current liabilities	152,370	152,218	151	154,893
TOTAL CURRENT LIABILITIES	737,679	755,757	(18,077)	827,386
LONG-TERM LIABILITIES				
Bonds payable	114,798	124,799	(10,001)	154,799
Long-term loans payable	286,144	309,198	(23,053)	262,104
Severance and pension benefits of employees	36,307	33,233	3,073	33,665
Reserve for loss on business of affiliates	15,572	21,235	(5,663)	-
Other provisions	4,530	4,959	(428)	6,014
Provision for deferred income tax	15,533	16,157	(623)	18,921
Provision for deferred income tax in relation to revaluation	32,234	31,860	374	6,686
Consolidated control	3,143	2,783	359	3,581
Other non-current liabilities	25,385	27,843	(2,458)	26,272
TOTAL LONG-TERM LIABILITIES	533,649	572,071	(38,421)	512,044
TOTAL LIABILITIES	1,271,329	1,327,828	(56,498)	1,339,430
MINORITY INTERESTS	39,165	41,498	(2,332)	43,545
SHAREHOLDERS' EQUITY				
Paid-in capital	-	99,396	(99,396)	99,396
Capital reserve	-	68,573	(68,573)	68,573
Reserve for revaluation	-	44,014	(44,014)	8,437
Retained earnings	-	(4,266)	4,266	46,324
Net unrealized holding gains on securities	-	(3,474)	3,474	(4,034)
Foreign currency translation adjustments	-	2,195	(2,195)	(5,419)
Treasury stock, at cost	-	(24)	24	(3)
Parent company stock held by subsidiaries, at cost	-	(2)	2	-
TOTAL SHAREHOLDERS' EQUITY	0	206,412	(206,412)	213,274
Paid-in capital	99,396	-	99,396	-
Capital Surplus	69,123	-	69,123	-
Retained Surplus	(12,696)	-	(12,696)	-
Reserve for land revaluation	45,822	-	45,822	-
Net unrealized holding gains on securities	(6,678)	-	(6,678)	-
Foreign currency translation adjustments	(2,769)	-	(2,769)	-
Treasury stock, at cost	(662)	-	(662)	-
TOTAL SHAREHOLDERS' EQUITY	191,536	0	191,536	0
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	¥1,502,031	¥1,575,739	(¥73,707)	¥1,596,250

**CONSOLIDATED PROFIT & LOSS STATEMENTS
FOR SIX MONTHS ENDED SEPTEMBER 30 2002**

(Millions of yen)

	6 months to 30/9/2002	6 months to 30/9/2001	Difference	12 months to 31/3/2002
Net Sales	¥462,573	¥530,657	(¥68,084)	¥1,046,807
Cost of Goods Sold	386,471	450,489	(64,017)	899,219
Selling, General & Administrative Expenses	62,003	70,700	(8,697)	136,715
Operating profit	14,098	9,467	4,630	10,871
Non-operating income				
Interest income	397	701	(303)	1,254
Dividend income	1,064	1,044	20	998
Profit on sale of marketable securities	3	15	(11)	-
Other non-operating income	4,144	2,260	1,884	5,719
Non-operating expenses				
Interest expenses	7,893	11,855	(3,962)	23,549
Loss on investment	4,068	3,704	363	5,898
Other non-operating expenses	5,626	3,770	1,856	8,491
Ordinary income	2,121	(5,841)	7,963	(19,095)
Extraordinary profit				
Profit on sales of fixed assets	588	7,060	(6,472)	14,355
Profit on sales of investment stocks	971	277	694	1,369
Other extraordinary profit	918	576	342	1,289
Extraordinary loss				
Expenses for future employees' retirement	4,690	4,453	236	9,398
Loss on disposal of fixed assets	1,424	1,801	(377)	4,802
Provision for loss on business of affiliates	1,380	-	1,380	21,095
Allowance for bad debt	332	2,684	(2,351)	6,462
Unrealized loss on evaluation of investment stocks	300	2,216	(1,915)	3,341
Loss on sales of investments securities	12	201	(188)	1,576
Write-off of buildings	-	-	-	29,461
Writedown of inventories	-	-	-	2,242
Provision for loss on investments	-	-	-	1,257
Other extraordinary loss	2,553	1,827	725	10,643
Net income before tax	(6,093)	(11,113)	5,019	(92,362)
Corporate income taxes & business tax	3,608	4,539	(930)	8,104
Paid back income taxes for previous period	439	-	439	-
Reversal of the previous period's income taxes	-	700	(700)	700
Income taxes adjustments	(2,418)	(3,433)	1,014	(31,317)
Minority interest adjustment	(326)	(1,102)	776	(7,132)
Net income for the current year	(¥6,516)	(¥10,416)	¥3,899	(¥61,316)

**CONSOLIDATED RETAINED EARNINGS
FOR SIX MONTHS ENDED SEPTEMBER 30 2002**

(Millions of yen)

	6 months to 30/9/2002	6 months to 30/9/2001	Difference	12 months to 31/3/2002
Balance at the beginning of year	-	¥59,941	(¥59,941)	¥59,941
Increase resulting from increase of consolidated subsidiaries	-	989	(989)	989
Increase resulting from reversal of reserve for land revaluation	-	762	(762)	1,024
Other increase	-	78	(78)	216
Increase total	-	1,831	(1,831)	2,231
Cash dividends paid	-	3,351	(3,351)	3,351
Bonus to directors and statutory auditors	-	136	(136)	136
Decrease resulting from increase of consolidated subsidiaries	-	1,543	(1,543)	1,543
Decrease resulting from increase of equity method affiliates	-	-	-	57
Other decrease	-	-	-	32
Decrease total	-	5,031	(5,031)	5,122
Net income for current year	-	(10,416)	10,416	(61,316)
Balance at the end of year	-	¥46,324	(¥46,324)	(¥4,266)
(Capital Surplus)				
Balance at the beginning of year	¥68,573	-	¥68,573	-
Increase from stock exchange	548	-	548	-
Profit from treasury stock	2	-	2	-
Increase total	550	-	550	-
Balance at the end of year	¥69,123	-	¥69,123	-
(Capital Surplus)				
Balance at the beginning of year	(¥4,266)	-	(¥4,266)	-
Increase resulting from increase of equity method affiliates	710	-	710	-
Increase due to reversal of reserve for land revaluation	41	-	41	-
Increase resulting from increase of consolidated subsidiaries	2	-	2	-
Increase total	754	-	754	-
Bonus to directors and statutory auditors	107	-	107	-
Decrease due to reversal of reserve for land revaluation	2,376	-	2,376	-
Decrease due to merger	139	-	139	-
Decrease resulting from increase of consolidated subsidiaries	27	-	27	-
Net loss for current year	6,516	-	6,516	-
Other decrease	16	-	16	-
Decrease total	9,184	-	9,184	-
Balance at the end of year	(¥12,696)	-	(¥12,696)	-

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

(Millions of yen)

	6 months to 30/9/2002	6 months to 30/9/2001	Difference	12 months to 31/3/2002
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss) income before tax	(¥6,093)	(¥11,113)	¥5,019	(¥92,362)
Adjustment to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	27,063	37,454	(10,390)	78,711
Provisions	3,031	3,009	22	27,392
Interest income & dividend income	(1,462)	(1,746)	283	(2,252)
Interest expenses	7,893	11,855	(3,962)	23,549
Sales or disposal of property, plant and equipment	836	(5,492)	6,328	(9,552)
Sales or evaluation of marketable securities and investments in securities	(661)	2,125	(2,787)	3,549
Increase(Decrease) in accounts receivables	13,224	37,907	(24,683)	31,963
(Increase)Decrease in inventories	(255)	(889)	634	13,216
(Increase)Decrease in other current assets	(3,279)	(8,710)	5,431	(18,126)
(Increase)Decrease in accounts payable	(22,894)	(34,670)	11,776	(34,346)
Equity earnings of unconsolidated subsidiaries and affiliates	4,068	3,704	363	5,898
Others	4,330	11,717	(7,387)	45,347
Sub-total	25,800	45,152	(19,351)	72,986
Receipts for interest & dividend	3,124	3,225	(101)	5,928
Payments for interest	(7,868)	(11,916)	4,048	(23,805)
Payments for income taxes	(2,793)	(7,963)	5,169	(13,037)
Net cash provided by operating activities	18,263	28,497	(10,234)	42,073
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of marketable securities and investments in securities	(17,524)	(678)	(16,846)	(14,587)
Proceeds from sales of marketable securities and investments in securities	2,855	513	2,342	4,336
Proceeds from sales of consolidated subsidiaries	-	-	-	(7,743)
Proceeds from sales of property, plant and equipment	1,526	11,585	(10,059)	20,586
Purchase of property, plant and equipment	(26,055)	(48,948)	22,893	(79,622)
Others	13,242	(13,925)	27,168	(25,818)
Net cash provided by investing activities	(25,955)	(51,453)	25,498	(102,848)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase(Decrease) in short-term bank loans	5,192	38,102	(32,909)	43,520
Proceeds from long-term debt	21,992	8,274	13,718	137,176
Repayments of long-term debt	(34,101)	(33,157)	(944)	(78,880)
Increase(Decrease) in commercial paper	2,000	(2,000)	4,000	11,000
Proceeds from issuance of bonds	-	30,000	(30,000)	30,000
Redemption of bonds	(10,000)	-	(10,000)	(45,000)
Dividend paid	-	(3,351)	3,351	(3,351)
Others	28	(220)	249	(70)
Net cash provided by financing activities	(14,888)	37,646	(52,535)	94,394
Adjustment	(797)	(477)	(319)	717
Net Increase(Decrease) in cash	(23,378)	14,212	(37,590)	34,337
Cash at beginning of year	52,152	16,594	35,558	16,594
Increase(Decrease) due to the change of scope of consolidation	89	1,208	(1,119)	1,220
Increase due to the merging the non-consolidation company	109	-	109	-
Cash at end of year	28,973	32,015	(3,042)	52,152

Segment Information

(a) Business segment information

Millions of yen

Six months ended September 30, 2002	Nonferrous metals	Cement	Fabricated metal products	Silicon and advanced materials	Others	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥103,559	¥76,831	¥171,759	¥32,770	¥77,653	¥462,573		¥462,573
Intersegment	15,801	337	7,039	634	12,298	36,111	(36,111)	-
Total	119,360	77,168	178,798	33,405	89,952	498,684	(36,111)	462,573
Operating expenses	118,506	71,065	168,627	33,095	89,194	480,489	(32,015)	448,474
Operating profit	¥853	¥6,102	¥10,170	¥309	¥757	¥18,194	(¥4,096)	¥14,098
Identifiable assets	¥274,384	¥267,944	¥416,704	¥142,362	¥187,891	¥1,289,287	¥212,744	¥1,502,031
Depreciation	¥4,962	¥5,162	¥10,510	¥2,661	¥2,113	¥25,411	¥1,652	¥27,063
Capital expenditures	¥1,076	¥2,299	¥7,791	¥1,891	¥4,541	¥17,601	¥5,107	¥22,708

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

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

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, 2002	¥4,565 million
Six months ended September 30, 2001	¥4,789 million
Year ended March 31, 2002	¥9,434 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, 2002	¥212,727 million
Six months ended September 30, 2001	¥145,735 million
Year ended March 31, 2002	¥191,285 million

4. Due to the changing for accounting method, both income and cost for undertaking rent earned, which presented as Net Sales and Cost of Goods Sold, are presented as Non-operating income and No-operating expenses from this financial term. According to this change, the amount of Sales, Operating expenses, and Operating profit in 'Others' decrease following amount comparing to the method as before;

Sales	¥2,097 million
Operating expenses	¥1,690 million
Operating profit	¥407 million

(b) Segment information by geographic area

Millions of yen

Six months ended September 30, 2002	Japan	U.S.A.	Europe	Asia	Other	Total	Elimination and corporate assets or expenses	Consolidated
Sales :								
Unaffiliated customers	¥397,930	¥27,945	¥4,963	¥30,730	¥1,003	¥462,573		¥462,573
Intersegment	20,296	420	1	9,631	-	30,349	(30,349)	-
Total	418,227	28,365	4,964	40,361	1,003	492,923	(30,349)	462,573
Operating expenses	400,820	26,652	4,989	41,847	879	475,189	(26,715)	448,474
Operating profit	¥17,406	¥1,713	(¥25)	(¥1,485)	¥124	¥17,733	(¥3,634)	¥14,098
Identifiable assets	¥1,136,149	¥96,079	¥21,712	¥109,154	¥2,773	¥1,365,870	¥136,161	¥1,502,031

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

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

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, 2002	¥4,565 million
Six months ended September 30, 2001	¥4,789 million
Year ended March 31, 2002	¥9,434 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, 2002	¥212,727 million
Six months ended September 30, 2001	¥145,735 million
Year ended March 31, 2002	¥191,285 million

5. Due to the changing for accounting method, both income and cost for undertaking rent earned, which presented as Net Sales and Cost of Goods Sold, are presented as Non-operating income and No-operating expenses from this financial term. According to this change, the amount of Sales, Operating expenses, and Operating profit in 'Japan' decrease following amount comparing to the method as before;

Sales	¥2,097 million
Operation expenses	¥1,690 million
Operation profit	¥407 million

(c) Overseas sales by geographic area

	Millions of yen				
Six months ended September 30, 2002	U.S.A.	Europe	Asia	Other	Total
Overseas sales	¥32,188	¥7,992	¥43,344	¥889	¥84,415
Consolidated net sales					¥462,573
Percentage of overseas sales to consolidated net sales	7.0%	1.7%	9.4%	0.2%	18.2%
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%
Year ended March 31, 2002	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%

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.