Consolidated Financial Results for the Six Months Ended September 30, 2007
Mitsubishi Materials Corporation
Tokyo, Japan

November 8, 2007

Stock code:	5711
Shares listed:	Tokyo and Osaka stock exchanges
For further information please contact:	Mr. Toru Suzuki, Deputy General Manager, Corporate Communications & IR Dept. TEL: +81-3-5252-5206
Scheduled date of filing of interim report:	December 21, 2007
Scheduled date of start of dividend payment:	December 7, 2007

1. Results of the six months ended September 30, 2007 (from April 1, 2007 to September 30, 2007)

(1) Results of operations:

(Millions of yen)

(Percentage changes relative to previous corresponding period.)

	Net sales	Change	Operating profit	Change	Ordinary income	Change	Net income	Change
		%		%		%		%
Six months ended Sep. 30, 2007	¥792,410	14.2	¥51,299	36.4	¥69,707	18.7	¥39,632	3.4
Six months ended Sep. 30, 2006	¥694,170	32.2	¥37,619	21.3	¥58,728	59.7	¥38,336	133.0
Year ended Mar. 31, 2007	¥1,452,108		¥78,758		¥107,188		¥71,382	

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2007	¥31.74	
Six months ended Sep. 30, 2006	¥33.50	¥30.71
Year ended Mar. 31, 2007	¥60.33	¥57.18

(Reference) Profit/(loss) on investment by the equity method of accounting

Six months ended Sep. 30, 2007: 22,355 million yen Year ended Mar. 31, 2007: 39,245 million yen

Six months ended Sep. 30, 2006: 25,791 million yen

(2) Financial position:

(Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share
			%	Yen
Six months ended Sep. 30, 2007	¥1,883,104	¥526,092	24.0	¥361.78
Six months ended Sep. 30, 2006	¥1,727,495	¥396,267	19.0	¥287.38
Year ended Mar. 31, 2007	¥1,773,899	¥481,970	23.2	¥329.35

(Reference) Shareholders' equity

Six months ended Sep. 30, 2007: 452,250 million yen Year ended Mar. 31, 2007: 411,165 million yen

Six months ended Sep. 30, 2006: 328,748 million yen

(3) Cash flows:

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Six months ended Sep. 30, 2007	¥21,198	(¥67,200)	¥31,984	¥54,870
Six months ended Sep. 30, 2006	¥6,742	(¥30,517)	¥42,650	¥43,971
Year ended Mar. 31, 2007	¥117,671	(¥74,753)	(¥3,428)	¥67,262

2. Dividend payments

	Dividends per share		
	Interim	Year-end	Annual
	Yen	Yen	Yen
Year ended Mar. 31, 2007	2.00	4.00	6.00
Year ended Mar. 31, 2008	4.00		8.00
Year ended Mar. 31, 2008 (Forecast)		4.00	

3. Forecast (From April 1, 2007 to March 31, 2008)

(Millions of yen)

(Percentage changes relative to previous corresponding period.)

	Net sales	Change	Operating profit	Change	Ordinary income	Change
		%		%		%
Year ending Mar. 31, 2008	¥1,594,000	9.8	¥92,000	16.8	¥120,000	12.0

	Net income	Change	Net income per share
		%	Yen
Year ending Mar. 31, 2008	¥60,000	-15.9	47.78

4. Others

(1) Significant changes of subsidiaries during the period (including changes in scope of consolidation): No

(2) Changes in accounting policies, procedures, and disclosures for consolidated financial statements for the six months ended September 30, 2007
(which should be stated in Changes of Significant Items for Basis of Preparation of Consolidated Financial Statements for the Six Months Ended September 30, 2007)

(i) Changes pursuant to revision of accounting policies: Yes
(ii) Other changes: No

Note: For details, please see "Significant Items for Basis of Preparation of Consolidated Financial Statements for the Six Months Ended September 30, 2007 (the section exists only in Japanese)."

(3) Number of issued shares (common stock)

(i) Number of issued shares at end of year

Six months ended Sep. 30, 2007:	1,252,092,486 shares (including treasury stock)
Six months ended Sep. 30, 2006:	1,147,917,921 shares (including treasury stock)
Year ended Mar. 31, 2007:	1,252,092,486 shares (including treasury stock)

(ii) Number of treasury shares at end of year

Six months ended Sep. 30, 2007:	2,038,528 shares
Six months ended Sep. 30, 2006:	3,985,434 shares
Year ended Mar. 31, 2007:	3,690,375 shares

Note: Please see "Information per share (the section exists only in Japanese)" related to the number of shares for basis of calculation of Net income per share for the six months ended September 30, 2007 (consolidated).

(Reference) Summary of non-consolidated financial results

1. Non-consolidated results of the six months ended September 30, 2007 (from April 1, 2007 to September 30, 2007)

(1) Non-consolidated results of operations:

(Millions of yen)
(Percentage changes relative to previous corresponding period.)

	Net sales	Change	Operating profit	Change	Ordinary income	Change
		%		%		%
Six months ended Sep. 30, 2007	¥453,083	19.8	¥16,380	35.7	¥21,632	26.0
Six months ended Sep. 30, 2006	¥378,285	30.4	¥12,073	47.1	¥17,165	111.6
Year ended Mar. 31, 2007	¥755,013		¥28,482		¥43,562	

	Net income	Change	Net income per share
		%	Yen
Six months ended Sep. 30, 2007	¥9,239	2.4	¥7.40
Six months ended Sep. 30, 2006	¥9,025	333.2	¥7.88
Year ended Mar. 31, 2007	¥12,830		¥10.84

(2) Non-consolidated Financial position: (Millions of yen)

	Total assets	Net assets	Equity ratio
			%
Six months ended Sep. 30, 2007	¥1,202,301	¥313,351	26.1
Six months ended Sep. 30, 2006	¥1,103,085	¥261,005	23.7
Year ended Mar. 31, 2007	¥1,124,059	¥308,130	27.4

	Net assets per share
	Yen
Six months ended Sep. 30, 2007	¥250.59
Six months ended Sep. 30, 2006	¥227.96
Year ended Mar. 31, 2007	¥246.74

(Reference) Shareholders' equity

Six months ended Sep. 30, 2007:	313,351 million yen
Six months ended Sep. 30, 2006:	261,005 million yen
Year ended Mar. 31 2007:	308,130 million yen

2. Non-consolidated performance forecasts for the year ending March 31, 2008 (from April 1, 2007 to March 31, 2008)

(Millions of yen)

(Percentage changes relative to previous corresponding period.)

	Net sales	Change	Operating profit	Change	Ordinary income	Change
		%		%		%
Year ending Mar. 31, 2008	¥815,000	7.9	¥27,000	-5.2	¥42,000	-3.6

	Net income	Change	Net income per share
		%	Yen
Year ending Mar. 31, 2008	¥19,000	48.1	¥15.12

Explanations about the Appropriate Use of the Performance Forecasts and Other Noteworthy Points
(Summaries for the Relevant Use of Forecasts)

1. The financial forecasts for the year ending March 31, 2008, have not been revised from those announced on September 18, 2007, in the "Notice of Revised Projections for Consolidated and Non-Consolidated Business Results."
2. These projected performance figures are based on information currently available to the Company's management and certain assumptions judged rational. Accordingly, there might be cases in which actual results materially differ from the forecasts in this report. For the assumptions used in our forecasts, please see "(iii) Outlook for the Consolidated Performance Forecasts for the Year Ending March 31, 2008" described at "1. Business Results (1) Analysis of Business Results" on page 4.
3. In the current fiscal 2008, the Company plans to make Mitsubishi Shindoh Co., Ltd., and Sambo Copper Alloy Co., Ltd., both of which are the Company's consolidated subsidiaries, wholly owned subsidiaries through share exchanges, and, therefore, takes into account the possible effects of these share exchanges in computing the net income per share values in the "Forecast (From April 4, 2007 to March 31, 2008)" and "(Reference) Summary of non-consolidated financial results: Non-consolidated performance forecasts for the year ending March 31, 2008 (from April 1, 2007 to March 31, 2008)." As for relevant matters related to these share exchanges, refer to "(VII) Subsequent Events" described at "4. Consolidated Financial Statements for the Six Months Ended September 30, 2007: (6) Caution on the Consolidated Financial Statements for the Six Months Ended September 30, 2007 (note that the section exists only in Japanese)."

1. Business Results

(1) Analysis of Business Results

(i) Results for the Six Months Ended September 30, 2007

In the first half of fiscal 2008, ended September 30, 2007, amid chronically high raw materials and fuel prices, the Japanese economy continued to sustain a gradual recovery undertone with increased capital investment on the strength of improved corporate earnings and steady personal consumption. However, the mood was cautious for a business recession, triggered by the spreading global crisis of subprime loans and higher-priced housing loans to people with tarnished credit or low incomes who are considered riskier borrowers in the United States.

Despite factors that negatively affected profitability such as a decline in demand for cement in the United States due to the lackluster U.S. housing market and consistently high raw materials prices, the Mitsubishi Materials Group continued to perform well on the whole, reflecting high prices for copper and other core metals and strong demand from customers in the automotive, information and electronics and silicon sectors.

In these circumstances, the Group implemented diverse measures including the reinforcement and expansion of the four core businesses-Cement, Metals, Advanced Materials and Tools, and Electronic Materials and Components-and concentrated investment in the three growth sectors-automotive, information and electronics, and environment and recycling-based on the New Medium-Term Management Plan (fiscal 2008-2010): Break-through 1000-Aiming to Become a Company with ¥100 Billion in Ordinary Income (released on March 29, 2007). The Group also strove to effectively reduce costs and raise profitability in response to the increased raw material and fuel prices and was active in conducting business restructuring for the purpose of improving the financial structure of its major business lines.

As a result of these efforts, consolidated net sales for the six-month period under review increased 14.2% from the corresponding six-month period to ¥792.4 billion. Consolidated operating profit increased 36.4% to ¥51.2 billion.

Consolidated ordinary income rose 18.7% to ¥69.7 billion, including dividend income from overseas copper mining operations and ¥22.3 billion in equity in earnings of affiliates from such affiliates as SUMCO Corp. and MM Netherlands Corp., down 13.3% year over year. The decline in equity in earnings of affiliates reflected the effect of deferred income taxes deferred tax assets posted by SUMCO Corp. for the previous corresponding first-half period.

Consolidated net income increased 3.4% to ¥39.6 billion, reflecting an increase in income taxes.

(ii) Review by Segment of Each Business Unit

(Cement)

(Billions of yen)

	Six months ended Sep. 30, 2006	Six months ended Sep. 30, 2007	Increase/decrease (%)	
Net sales	¥90.9	¥91.3	¥0.3	(0.4%)
Operating profit	¥6.6	¥6.3	(¥0.3)	(-4.7%)

Domestic demand was down, affected by the delayed commencement of construction works in association with the enforcement of the revised Building Standard Law. Overseas, although demand was brisk in Australia and Southeast Asia, demand fell in the United States due to the stagnant housing market, which pushed down sales and volumes of cement from the previous corresponding six-month period. Overall production of the cement segmer was flat year over year at 6 million tons.

Sales and volumes of aggregate also declined, mainly due to weak demand for the mainstay ready-mixed concrete.

Although sales of cement and aggregate decreased, segment sales advanced, mainly due to an increase in the number of consolidated subsidiaries.

Operating profit of the segment was down, primarily affected by a high rise in coal prices and lower sales in the U.S. market.

(Metals)

(Billions of yen)

	Six months ended Sep. 30, 2006	Six months ended Sep. 30, 2007	Increase/decrease (%)
Net sales	¥321.4	¥383.4	¥61.9 (19.3%)
Operating profit	¥16.8	¥23.7	¥6.8 (40.6%)

Sales of rolled copper increased from the previous corresponding six-month period as overseas sales expanded despite sluggish domestic sales of copper for electric wires and copper alloy products. PT. Smelting (PTS) increased its sales and volume, supported by efficient plant operation. Electrolytic copper production in the segment for the six-month period under review was 291,000 metric tons, up 2,000 metric tons.

Gold volume and sales were up compared with the previous corresponding first-half period as sales of gold increased due to higher prices and higher concentrations of ore.

The volume and sales of processed copper products improved, reflecting an increase in the number of consolidated subsidiaries as part of our initiative to reinforce the copper alloy business although demand for such products for use in electronic materials and semiconductor-related applications remained sluggish.

Operating profit of the segment was up, reflecting such factors as higher metal prices and an increase in volume at the PTS.

(Advanced Materials & Tools)

(Billions of yen)

	Six months ended Sep. 30, 2006	Six months ended Sep. 30, 2007	Increase/decrease (%)
Net sales	¥75.6	¥87.0	¥11.4 (15.1%)
Operating profit	¥7.4	¥9.6	¥2.2 (29.5%)

Despite a decline in domestic demand mainly related to capital investment, solid overseas demand continuing from the previous fiscal year and the favorable effect of the depreciated yen contributed to increases of sales and profits of cemented carbide products.

Sales and profits from powder metallurgy products increased due to steady automotive-related demand.

Sales and profits from high-performance alloy products increased, supported by favorable sales of relevant products for automotive and electronics applications.

Sales and profits from diamond tools decreased because sales of relevant products for IT and electronic devices declined.

(Aluminum)

(Billions of yen)

	Six months ended Sep. 30, 2006	Six months ended Sep. 30, 2007	Increase/decrease (%)
Net sales	¥84.7	¥85.7	¥1.0 (1.2%)
Operating profit	¥2.9	¥3.9	¥1.0 (36.3%)

Partial revisions to product prices to address a surge in raw material prices and increased demand for other alcoholic beverages led to a gain in sales of aluminum cans despite sluggish demand for beer cans. Operating profit of the segment also increased, largely due to cost-reduction efforts.

Sales of rolled and fabricated aluminum products exceeded those for the previous corresponding first-half period partly due to a rise in ingot prices despite weak sales for other applications excluding plate materials for beverage cans. However, profits decreased from the previous corresponding first-half period.

(Electronic Materials & Components)

(Billions of yen)

	Six months ended Sep. 30, 2006	Six months ended Sep. 30, 2007	Increase/decrease (%)
Net sales	¥43.7	¥49.5	¥5.7 (13.2%)
Operating profit	¥4.9	¥6.9	¥2.0 (42.1%)

Sales and profits of advanced materials increased, reflecting steady demand for silicon- and semiconductor-related products, especially those for 300-mm silicon wafers.

Sales of electronic devices advanced due to increased sales of digital terrestrial television broadcasting equipment and products for vehicle antennae, whereas lower sales prices shrank profits.

Sales and profits of polycrystalline silicon advanced mainly due to continued favorable demand for 300-mm silicon wafers.

(Others)

(Billions of yen)

	Six months ended Sep. 30, 2006	Six months ended Sep. 30, 2007	Increase/decrease (%)
Net sales	¥155.3	¥201.1	¥45.7 (29.4%)
Operating profit	¥0.1	¥2.4	¥2.3 (2,216.8%)

Energy sales and profits increased as sales of nuclear engineering projects and coal were favorable.

Although jewelry sales rose steadily, the volume of gold ingots for individuals decreased due to higher ingot prices. Consequently, sales increased but profits decreased.

Orders from our nuclear power, engineering and environment and recycling business fields increased ¥3.2 billion from the previous corresponding first-half period to ¥37.7 billion. The order backlog at the end of the first-half period was ¥38.7 billion, up ¥6.9 billion.

(iii) Outlook for the Consolidated Performance Forecasts for the Year Ending March 31, 2008

The Japanese economy is expected to continue gradual growth on the strength of favorable corporate earnings and a recovery of personal consumption supported by the improved employment situation. However, there are increasingly uncertain factors such as anticipated higher prices of several raw materials and fuels, in addition to rapid exchange rate fluctuations and concerns of a business downturn in the U.S. economy attributable to the crisis of subprime loans.

The business environment in which the Group operates will likely remain far from reassurance given the uncertain trend for major raw material prices that could affect the sales prices of our products and concerns of an adverse effect on the supply-demand relationship of products due to the business downturn in the U.S. economy.

Under these circumstances, the Group intends to reinforce its management foundation including the reorganization of the groupwide copper alloy business, which we released on October 26, 2007, and steadily execute diverse measures toward enhanced profitability based on the New Medium-Term Management Plan.

As a consequence, consolidated net sales, ordinary income and net income for the year ending March 31, 2008, are expected to be ¥1,594 billion, ¥120 billion and ¥60 billion, respectively.

(2) Analysis of Financial Position

Consolidated total assets at the end of the first-half period were ¥1,883.1 billion, up ¥109.2 billion from the end of the previous fiscal year. The influential factors were increases in inventories due to the price hike of major metals such as copper and investment securities.

Consolidated total liabilities amounted to ¥1,357 billion, up ¥65 billion from the end of the previous fiscal year. This rise was attributable to fund procurement for use in securing inventories and investment securities including corporate bonds and commercial paper.

Cash flows for the six-month period under review and the causes and factors for those cash flows were as follows:

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥21.1 billion, an increase of ¥14.4 billion. This reflected cash-increasing factors such as favorable business results and an increase in dividends received, which were offset by a rise in inventories primarily caused by the high rise of metal prices and others.

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled ¥67.2 billion, an increase of ¥36.6 billion, due to payments relative to purchases of marketable securities and capital investments.

(Cash Flows from Financing Activities)

Net cash provided by financing activities amounted to ¥31.9 billion, a decrease of ¥10.6 billion, reflecting cash procurements by issuing corporate bonds and commercial paper.

As a result, the balance of cash and cash equivalents at the end of the six-month period under review was ¥54.8 billion, down ¥12.3 billion from the end of the previous fiscal year.

The following chart summarizes the Group's cash flow trends.

	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007	Six months ended Sep. 30, 2007
	%	%	%	%	%
Equity ratio	12.8	13.9	18.9	23.2	24.0
Equity ratio on a market-value basis	20.0	20.4	44.7	39.3	47.4
Debt redemption	19.9	9.4	12.7	6.0	–
Interest coverage ratio	3.2	6.9	5.1	9.4	2.8

(Equity ratio: Net assets / Total assets

Equity ratio on a market value basis: Total market capitalization / Total assets

Debt redemption: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payment

Notes:

1. All of the above indicators are calculated for their respective financial values on a consolidated basis.
2. "Total market capitalization" is calculated by multiplying the closing stock price at the end of the period by the number of shares issued and outstanding at the end of the period (after deducting shares of treasury stock).
3. "Operating cash flow" is the value stated as "cash flows from operating activities" in the Consolidated Statements of Cash Flows.
4. "Interest-bearing debt" indicates the liabilities for which interest is paid on all the liabilities posted in the Consolidated Balance Sheets. "Interest payment" corresponds to the amount of "Interest paid" in the Consolidated Statements of Cash Flows.

(3) Basic Policy Concerning Profit Distribution and Dividend Payments for the Year Ending March 31, 2008

We have made the profit distribution to shareholders a significant priority, therefore we decided that certain comprehensive factors, such as income for a specific period, retained earnings and financial capabilities, should be taken into account for dividend payments.

According to the policy above, the Company determined the interim dividend of the current fiscal 2008 to be ¥4 per share pursuant to a resolution adopted at the Board of Directors meeting held on November 8, 2007. Consequently, the annual dividend payment for the current fiscal 2008, the year ending March 31, 2008, will be ¥8 per share, an increase of ¥2 per share from a year earlier, comprising a ¥4 per share interim dividend and a ¥4 per share year-end dividend.

3. Management Policies

(1) Basic Group Management Policies and (2) Targeted Management Indicators: Medium- and Long-Term Management Strategies and Challenges

The disclosure of relevant information is omitted because there is no significant change compared with the information described in the Company's "Consolidated Financial Results for the Year Ended March 31, 2007," released on May 10, 2007.

The financial results above are available by accessing the following Web site.
Mitsubishi Materials Corporation : http://www.mmc.co.jp

Web site of Tokyo Stock Exchange Group, Inc. (information search page for listed companies) :
http://www.tse.or.jp/listing/compsearch/index.html

4. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

September 30, 2007 and 2006 and March 31, 2007

(Millions of yen)

	March 31, 2007	September 30, 2007	Difference	September 30, 2006
ASSETS				
Current Assets:				
Cash and cash equivalents	¥67,556	¥55,162	(¥12,393)	¥44,269
Notes received and accounts receivable	263,548	255,747	(7,800)	254,242
Marketable securities	4	—	(4)	10
Inventories	234,919	311,950	77,031	256,031
Deferred income taxes	12,186	9,658	(2,527)	8,018
Other current assets	126,142	134,690	8,548	138,991
Allowance for doubtful accounts	(3,986)	(3,847)	138	(4,224)
Total Current Assets	**700,371**	**763,362**	**62,990**	**697,341**
Fixed Assets:				
Property, Plant and Equipment				
Buildings and structures	170,085	168,932	(1,152)	168,826
Machinery and equipment	219,973	225,787	5,813	209,366
Land	250,162	248,992	(1,170)	250,406
Construction in progress	28,195	27,132	(1,063)	30,553
Others	12,054	11,532	(522)	11,893
Net Property, Plant and Equipment	**680,472**	**682,376**	**1,904**	**671,045**
Intangible Assets				
Others	16,098	16,173	75	15,695
Total Intangible Assets	**16,098**	**16,173**	**75**	**15,695**
Investments and Long-Term Receivables				
Investments in securities	306,529	353,983	47,454	263,130
Long-term receivables	7,744	7,377	(367)	8,515
Long-term prepaid expenses	1,290	1,357	66	1,356
Deferred income taxes	12,367	12,192	(175)	23,461
Other	60,048	57,221	(2,827)	58,147
Reserve for loss on investments of affiliates	(460)	(669)	(209)	(25)
Allowance for doubtful accounts	(10,562)	(10,270)	292	(11,173)
Total Investment and Long-Term Receivables	**376,957**	**421,191**	**44,234**	**343,412**
Total Fixed Assets	**1,073,528**	**1,119,742**	**46,213**	**1,030,153**
Total Assets	**¥1,773,899**	**¥1,883,104**	**¥109,204**	**¥1,727,495**

(Millions of yen)

	March 31, 2007	September 30, 2007	Difference	September 30, 2006
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities:				
Notes payable and accounts payable	¥172,899	¥187,133	¥14,233	¥170,685
Short-term bank loans	322,118	307,848	(14,270)	357,782
Current portion of bonds	10,000	25,000	15,000	—
Commercial paper	28,000	40,000	12,000	35,000
Accrued income taxes	11,453	10,792	(660)	8,099
Deferred income taxes	2,496	2,638	141	1,648
Accrued bonuses	13,091	10,864	(2,226)	9,965
Gold payable	129,404	141,602	12,198	118,044
Other current liabilities	127,072	119,255	(7,816)	116,074
Total Current Liabilities	**816,535**	**845,135**	**28,599**	**817,301**
Long-Term Liabilities:				
Bonds	80,000	95,000	15,000	110,306
Long-term loans	245,068	250,178	5,109	256,840
Severance and pension benefits	48,853	47,255	(1,597)	49,019
Reserve for loss on subsidiaries and affiliates	367	364	(3)	215
Reserve for soil remediation losses	12,037	12,546	509	5,112
Other reserves	4,226	3,443	(783)	4,045
Deferred income taxes	18,265	24,387	6,122	21,646
Deferred income taxes on revaluation reserve for land	34,831	40,850	6,019	34,868
Others	31,742	37,849	6,106	31,871
Total Long-Term Liabilities	**475,393**	**511,876**	**36,483**	**513,926**
Total Liabilities	**1,291,929**	**1,357,012**	**65,083**	**¥1,331,227**
Net Assets:				
Shareholders' Equity				
Common stock	119,457	119,457	—	101,752
Capital surplus	88,580	89,167	586	70,885
Retained earnings	108,259	143,153	34,893	77,548
Treasury stock	(1,036)	(672)	363	(1,026)
Total Shareholders' Equity	**315,261**	**351,105**	**35,844**	**249,161**
Unrealized Gains/Losses and Exchange Rate Adjustments				
Net unrealized holding gains on securities	54,655	57,116	2,460	42,919
Deferred gains/losses on hedging instruments	(452)	1,850	2,302	1,302
Revaluation reserve for land	36,805	30,736	(6,069)	36,553
Foreign currency translation adjustments	4,894	11,441	6,547	(1,187)
Total Unrealized Gains/Losses and Exchange Rate Adjustments	**95,903**	**101,144**	**5,241**	**79,587**
Minority Interests	**70,805**	**73,841**	**3,036**	**67,519**
Total Net Assets	**481,970**	**526,092**	**44,121**	**396,267**
Total Liabilities and Net Assets	**¥1,773,899**	**¥1,883,104**	**¥109,204**	**¥1,727,495**

(2) Interim Consolidated Statements of Operations

For the six months ended September 30, 2007 and 2006 and the year ended March 31, 2007

(Millions of yen)

	September 30, 2006	September 30, 2007	Difference	March 31, 2007
Net Sales	**¥694,170**	**¥792,410**	**¥98,240**	**¥1,452,108**
Cost of Sales	**594,476**	**674,785**	**80,308**	**1,246,261**
Gross Profit	**99,693**	**117,625**	**17,931**	**205,847**
Selling, General and Administrative Expense	**62,073**	**66,326**	**4,252**	**127,088**
Operating Profit	**37,619**	**51,299**	**13,679**	**78,758**
Non Operating Income:	**35,359**	**32,627**	**(2,731)**	**58,925**
Interest income	1,416	979	(437)	2,518
Dividend income	3,317	3,783	465	8,084
Rent earned in undertaking	2,884	2,842	(41)	5,763
Equity in earnings of affiliates	25,791	22,355	(3,436)	39,245
Other	1,948	2,666	718	3,313
Non Operating Expenses:	**14,250**	**14,219**	**(30)**	**30,495**
Interest expenses	6,085	7,628	1,542	12,909
Expense for rent in undertaking	2,217	2,068	(149)	4,276
Loss on disposal of property, plant and equipment	2,377	1,915	(461)	5,723
Other	3,569	2,606	(962)	7,585
Ordinary Income	**58,728**	**69,707**	**10,978**	**107,188**
Extraordinary Income:	**1,438**	**2,548**	**1,110**	**19,141**
Gain on sales of marketable securities and investments in securities	691	1,420	729	1,755
Gain on sales of property, plant and equipment	151	575	424	748
Reversal of bad debt reserve	389	394	5	1,306
Dilution gain	42	22	(19)	13,925
Other	164	134	(29)	1,405
Extraordinary Loss:	**1,346**	**4,653**	**3,307**	**18,263**
Extraordinary depreciation of property, plant and equipment	—	1,372	1,372	—
Provision for losses on soil remediation	—	1,109	1,109	8,703
Provision for bad debt	—	467	467	—
Loss on impairment	334	322	(11)	2,486
Write-down of marketable securities and investments in securities	587	306	(280)	1,122
Loss on disposal of fixed assets	54	206	151	265
Other, net	370	869	499	5,685
Income before Income Taxes and Minority Interests	**58,821**	**67,602**	**8,781**	**108,067**
Corporate income taxes and business tax	13,044	16,770	3,725	28,087
Prior year's income taxes	—	(748)	(748)	—
Income taxes adjustments	3,277	6,099	2,822	1,298
Minority interests	4,163	5,847	1,684	7,298
Net Income	**¥38,336**	**¥39,632**	**¥1,296**	**¥71,382**

(3) Interim Consolidated Statement of Changes in Shareholders' Equity

For the six months ended September 30, 2006 (from April 1, 2006 to September 30, 2006)

(Millions of yen)

	Shareholders' Equity					Valuation, Currency Translation and Other Adjustments						
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Shareholders' Equity	Net Unrealized Holding Gains on Securities	Deferred Gains/Losses on Hedging Instruments	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Unrealized Gains/Losses and Exchange Rate Adjustments	Minority Interests	Total Net Assets
Balance as of March 31, 2006	¥101,752	¥70,882	¥43,453	(¥842)	¥215,245	¥50,571	－	¥37,318	¥424	¥88,314	¥54,462	¥358,023
Changes during interim period												
Cash dividends from retained earnings			(4,580)		(4,580)							(4,580)
Directors' and Statutory Auditors' Bonuses			(129)		(129)							(129)
Net income			38,336		38,336							38,336
Decrease from writedowns of land revaluation excess			216		216							216
Increase from merger			35		35							35
Increase from rise in number of consolidated subsidiaries			191		191							191
Translation of unrealized losses and earnings from the derivatives of overseas subsidiaries			26		26							26
Acquisition of treasury stock				(140)	(140)							(140)
Disposal of treasury stock		3		3	6							6
Increase from rise in equity ratios in affiliates				(47)	(47)							(47)
Net change in items other than shareholders' equity						(7,652)	1,302	(765)	(1,611)	(8,726)	13,056	4,329
Total change during interim period	－	3	34,059	(183)	33,915	(7,652)	1,302	(765)	(1,611)	(8,726)	13,056	38,244
Balance as of September 30, 2006	¥101,752	¥70,885	¥77,548	(¥1,026)	¥249,161	¥42,919	¥1,302	¥36,553	(¥1,187)	¥79,587	¥67,519	¥396,267

Interim Consolidated Statement of Changes in Shareholders' Equity

For the six months ended September 30, 2007 (from April 1, 2007 to September 30, 2007)

(Millions of yen)

	Shareholders' Equity					Valuation, Currency Translation and Other Adjustments						
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Shareholders' Equity	Net Unrealized Holding Gains on Securities	Deferred Gains/Losses on Hedging Instruments	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Unrealized Gains/Losses and Exchange Rate Adjustments	Minority Interests	Total Net Assets
Balance as of March 31, 2007	¥119,457	¥88,580	¥108,259	(¥1,036)	¥315,261	¥54,655	(452)	¥36,805	¥4,894	¥95,903	¥70,805	¥481,970
Changes during interim period												
Cash dividends from retained earnings			(4,995)		(4,995)							(4,995)
Net income			39,632		39,632							39,632
Decrease from writedowns of land revaluation excess			78		78							78
Increase from rise in number of consolidated subsidiaries			177		177							177
Acquisition of treasury stock				(338)	(338)							(338)
Disposal of treasury stock		586		702	1,289							1,289
Increase from rise in equity ratios in affiliates				0	0							0
Net change in items other than shareholders' equity						2,460	2,302	(6,069)	6,547	5,241	3,036	8,277
Total change during interim period	－	586	34,893	363	35,844	2,460	2,302	(6,069)	6,547	5,241	3,036	44,121
Balance as of September 30, 2007	¥119,457	¥89,167	¥143,153	(¥672)	¥351,105	¥57,116	¥1,850	¥30,736	¥11,441	¥101,144	¥73,841	¥526,092

Consolidated Statement of Changes in Shareholders' Equity

For the year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	Shareholders' Equity					Valuation, Currency Translation and Other Adjustments						
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Shareholders' Equity	Net Unrealized Holding Gains on Securities	Deferred Gains/Losses on Hedging Instruments	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Unrealized Gains/Losses and Exchange Rate Adjustments	Minority Interests	Total Net Assets
Balance as of March 31, 2006	¥101,752	¥70,882	¥43,453	(¥842)	¥215,245	¥50,571	－	¥37,318	¥424	¥88,314	¥54,462	¥358,023
Changes during the year												
Exercise of stock purchase warrants	17,705	17,600			35,306							35,306
Cash dividends from retained earnings			(6,870)		(6,870)							(6,870)
Directors' and Statutory Auditors' Bonuses			(129)		(129)							(129)
Net income			71,382		71,382							71,382
Decrease from writedowns of land revaluation excess			(35)		(35)							(35)
Increase from merger			346		346							346
Decrease from merger			(105)		(105)							(105)
Increase from rise in number of consolidated subsidiaries			191		191							191
Translation of unrealized losses and earnings from the derivatives of overseas subsidiaries			26		26							26
Acquisition of treasury stock				(299)	(299)							(299)
Disposal of treasury stock		97		153	250							250
Increase from rise in equity ratios in affiliates				(47)	(47)							(47)
Net change in items other than shareholders' equity						4,083	(452)	(512)	4,470	7,589	16,342	23,931
Total change during the year	17,705	17,698	64,806	(193)	100,015	4,083	(452)	(512)	4,470	7,589	16,342	123,947
Balance as of March 31, 2007	¥119,457	¥88,580	¥108,259	(¥1,036)	¥315,261	¥54,655	(¥452)	¥36,805	¥4,894	¥95,903	¥70,805	¥481,970

(4) Interim Consolidated Statements of Cash Flows
For the six months ended September 30, 2007 and 2006 and the year ended March 31, 2007

(Millions of yen)

	September 30, 2006	September 30, 2007	March 31, 2007
Ⅰ **Cash Flows from Operating Activities**			
1 Income before income taxes and minority interests	¥58,821	¥67,602	¥108,067
2 Depreciation and amortization	23,305	28,027	49,416
3 Increase (decrease) in allowance for doubtful accounts	(2,375)	(3,273)	7,177
4 Interest and dividend income	(4,734)	(4,763)	(10,602)
5 Interest expenses	6,085	7,628	12,909
6 Extraordinary depreciation of property, plant and equipment	―	1,372	―
7 Loss for sales or disposal of property, plant and equipment	2,280	1,484	5,241
8 Loss on impairment	334	322	2,486
9 Loss for sales or evaluation of marketable securities and investments in securities	(104)	(1,098)	45
10 Dilution gain	(42)	(22)	(13,925)
11 (Increase) decrease in notes and accounts receivable	(11,979)	7,253	(19,186)
12 (Increase) decrease in inventories	(34,755)	(73,538)	(12,854)
13 Proceeds from sales of gold bullion deposited from customers under consuming bailment My Gold Plan	18,679	31,432	46,605
14 Expenditure on gold ingot purchases	(12,138)	(18,804)	(26,740)
15 (Increase) decrease in current assets	1,761	(6,556)	3,300
16 Increase (decrease) in notes and accounts payable	614	11,903	(323)
17 Equity (earnings) losses of affiliates	(25,791)	(22,355)	(39,245)
18 Other, net	(1,934)	(4,956)	14,571
Subtotal	18,025	21,657	126,943
19 Interest and dividend received	12,174	24,037	32,426
20 Interest paid	(5,745)	(7,462)	(12,554)
21 Proceeds from erection insurance	2,258	―	2,259
22 Income taxes paid	(19,970)	(17,033)	(31,403)
Net Cash Provided by Operating Activities	**6,742**	**21,198**	**117,671**

	September 30, 2006	September 30, 2007	March 31, 2007
			(Millions of yen)
Ⅱ Cash Flows from Investing Activities			
1 Payments for purchases of marketable securities and investments in securities	(4,920)	(36,222)	(20,819)
2 Proceeds from sales of marketable securities and investments in securities	852	936	4,792
3 Payments for purchase of property, plant and equipment	(29,396)	(34,101)	(65,039)
4 Proceeds from sales of property, plant and equipment	909	2,954	2,103
5 Payments for additional purchases of consolidated subsidiaries' shares	(7)	(2,002)	(74)
6 Payments for purchases of consolidated subsidiaries' shares, net of cash owned by those subsidiaries	(3,588)	―	(3,588)
7 Proceeds from purchases of consolidated subsidiaries' shares, net of cash owned by those subsidiaries	1,593	―	1,593
8 Proceeds from sales of consolidated subsidiaries' shares, net of cash owned by those subsidiaries	849	432	849
9 Payments for purchases of business	(38)	―	(38)
10 Proceeds from transfer of business	247	―	249
11 Other, net	2,980	802	5,218
Net Cash Provided by (Used in) Investing Activities	**(30,517)**	**(67,200)**	**(74,753)**
Ⅲ Cash Flows from Financing Activities			
1 Increase (decrease) in short-term bank loans, net	22,225	(10,304)	4,022
2 Proceeds from long-term debt	30,040	35,978	52,938
3 Repayments of long-term debt	(27,931)	(35,145)	(83,119)
4 Increase (decrease) in commercial paper, net	28,000	12,000	21,000
5 Payments for redemption of bonds	(25,000)	―	(25,000)
6 Proceeds from issuance of bonds	20,000	30,000	35,000
7 Cash dividend paid	(4,580)	(4,995)	(6,870)
8 Proceeds from sale and installment back deals	―	8,371	―
9 Other, net	(103)	(3,919)	(1,398)
Net Cash (Used in) Provided by Financing Activities	**42,650**	**31,984**	**(3,428)**
Ⅳ Effect of Exchange Rate Fluctuation on Cash and Cash Equivalents	**(125)**	**1,830**	**1,715**
Ⅴ Net Increase (Decrease) in Cash and Cash Equivalents	**18,750**	**(12,186)**	**41,204**
Ⅵ Cash and Cash Equivalents at Beginning of Period	**24,994**	**67,262**	**24,994**
Ⅶ Effect of Changes in Consolidated Subsidiaries	**135**	**(205)**	**135**
Ⅷ Increase in Cash and Cash Equivalents from Mergers of Unconsolidated Subsidiaries	**91**	**―**	**928**
Ⅸ Cash and Cash Equivalents at End of Period	**¥43,971**	**¥54,870**	**¥67,262**

5. Segment Information

a) Business Segment Informatior

For the six months ended September 30, 2006 (from April 1, 2006 to September 30, 2006

(Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Aluminum	Electronic Materials & Components	Others	Total	Elimination and Corporate Assets or Expenses	Consolidated
Ⅰ Sales:									
(1) Unaffiliated customers	¥90,325	¥282,512	¥69,376	¥84,287	¥42,305	¥125,361	¥694,170		¥694,170
(2) Intersegment	655	38,936	6,230	448	1,485	30,033	77,790	(¥77,790)	―
Total	90,981	321,449	75,607	84,736	43,791	155,394	771,960	(77,790)	694,170
Operating expenses	84,355	304,557	68,123	81,820	38,865	155,287	733,008	(76,458)	656,550
Operating profit	¥6,626	¥16,892	¥7,483	¥2,916	¥4,925	¥107	¥38,952	(¥1,332)	¥37,619

For the six months ended September 30, 2007 (from April 1, 2007 to September 30, 2007

(Millions of yen

	Cement	Metals	Advanced Materials & Tools	Aluminum	Electronic Materials & Components	Others	Total	Elimination and Corporate Assets or Expenses	Consolidated
Ⅰ Sales:									
(1) Unaffiliated customers	¥90,396	¥325,083	¥77,139	¥85,071	¥47,907	¥166,812	¥792,410		¥792,410
(2) Intersegment	946	58,358	9,909	681	1,657	34,318	105,871	(¥105,871)	―
Total	91,343	383,442	87,048	85,752	49,564	201,130	898,282	(105,871)	792,410
Operating expenses	85,030	359,696	77,356	81,777	42,567	198,651	845,078	(103,966)	741,111
Operating profit	¥6,313	¥23,746	¥9,692	¥3,975	¥6,997	¥2,479	¥53,204	(¥1,904)	¥51,299

Difference

(Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Aluminum	Electronic Materials & Components	Others	Total	Elimination and Corporate Assets or Expenses	Consolidated
Sales	¥361	¥61,993	¥11,441	¥1,015	¥5,773	¥45,736	¥126,321	(¥28,081)	¥98,240
Operating profit	(¥313)	¥6,854	¥2,208	¥1,058	¥2,072	¥2,372	¥14,252	(¥572)	¥13,679

For the year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Aluminum	Electronic Materials & Components	Others	Total	Elimination and Corporate Assets or Expenses	Consolidated
Ⅰ Sales:									
(1) Unaffiliated customers	¥198,288	¥598,921	¥138,095	¥162,841	¥85,189	¥268,771	¥1,452,108		¥1,452,108
(2) Intersegment	1,581	81,516	14,925	1,234	3,185	61,996	164,439	(¥164,439)	―
Total	199,869	680,438	153,020	164,075	88,375	330,767	1,616,547	(164,439)	1,452,108
Operating expenses	181,533	647,043	136,906	161,225	77,986	326,033	1,530,729	(157,379)	1,373,349
Operating profit	¥18,335	¥33,395	¥16,114	¥2,849	¥10,388	¥4,733	¥85,818	(¥7,059)	¥78,758

For the six months ended September 30, 2006 (from April 1, 2006, to September 30, 2006)

Notes:

1. The Mitsubishi Materials Group's businesses are segmented according to sales aggregation, and the core products belonging to each segment are as follows:
   (1) Cement: Cement, Cement-related products, ready-mixed concrete and building materials;
   (2) Metals: Copper smelting and copper-related products;
   (3) Advanced Materials & Tools: Cemented carbide products, powder metallurgy products, high-performance alloy products and diamond tools;
   (4) Aluminum: Aluminum cans, rolled and fabricated aluminum products and processed aluminum products;
   (5) Electronic Materials & Components: Advanced materials, electronic components, polycrystalline silicon and chemical products; and
   (6) Others: Nuclear energy-related services, precious metals, environmental and recycle-related businesses, real estate business and engineering-related services.
2. "Eliminations and corporate assets or expenses" of operating expenses included unallocated operating expenses of ¥1,724 million for basic experimentation and research expenses, costs associated with the parent company's administrative departments and so on.
3. Change in accounting method for income from industrial waste treatment in the "Cement" business segment
   Although income from industrial waste treatment in the Cement segment was conventionally deducted from the cost of sales, the Company has changed the accounting method for this income and included it in net sales, effective from the six-month period ended September 30, 2006. This change in accounting method is intended to reflect the revenue structure of the Cement segment more appropriately as the income from industrial waste treatment has increased and become a stable and major revenue source of the Cement business.
   Consequently, sales, operating expenses and operating profit of the Cement segment for the six-month period under review increased ¥5,718 million, ¥5,461 million and ¥257 million, respectively, compared with the respective amounts that would have been reported under the previous accounting method.

4. Application of the "Accounting Standard for Measurement of Inventories"
   Effective from the six-month period ended September 30, 2006, the Company and the domestic consolidated subsidiaries have adopted the "Accounting Standard for Measurement of Inventories" (Statement No. 9 issued by the Accounting Standards Board of Japan on July 5, 2006).
   Consequently, increased or decreased amounts of operating expenses and operating profit of the respective segments for the six-month period under review were as shown below compared with the respective amounts that would have been reported under the previous accounting method

(Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Aluminum	Electronic Materials & Components	Others	Total	Elimination and Corporate Assets or Expenses	Consolidated
Operating expenses	¥178	¥50	¥1,385	¥501	¥158	¥403	¥2,677	―	¥2,677
Operating profit	(¥178)	(¥50)	(¥1,385)	(¥501)	(¥158)	(¥403)	(¥2,677)	―	(¥2,677)

5. Change in useful lives of equipment for the "Electronic Materials & Components" business segment
   The Company shortened the useful lives of equipment at the Sanda Factory (Sanda, Hyogo Prefecture) for the production of semiconductors from the previous 13 to 4 years, taking into account the high capacity utilization due to the increase in demand and the life cycle of products in recent years. Mitsubishi Polycrystalline Silicon America Corp. (Alabama), an overseas consolidated subsidiary, also shortened the useful lives of its machinery and equipment from the previous range of 5 to 30 years (21 years on average) to 3 to 20 years (17 years on average). This reduction in useful lives resulted from a review of residual operable years in view of the capacity utilization above the original design capacity limits since the previous fiscal year due to continuously higher demand for silicon wafers and the anticipated near-term operating conditions of the machinery and equipment.
   Consequently, the operating expenses of the Electronic Materials & Components segment for the six-month period under review increased ¥340 million, whereas operating profit decreased by the same amount, compared with the respective amounts that would have been reported under the previous accounting method.

For the six months ended September 30, 2006 (from April 1, 2006 to September 30, 2006)

Notes:

1. The Mitsubishi Materials Group's businesses are segmented according to sales aggregation, and the core products belonging to each segment are as follows:
   (1) Cement: Cement, Cement-related products, ready-mixed concrete and building materials;
   (2) Metals: Copper smelting and copper-related products;
   (3) Advanced Materials & Tools: Cemented carbide products, powder metallurgy products, high-performance alloy products and diamond tools;
   (4) Aluminum: Aluminum cans, rolled and fabricated aluminum products and processed aluminum products;
   (5) Electronic Materials & Components: Advanced materials, electronic components, polycrystalline silicon and chemical products; and
   (6) Others: Nuclear energy-related services, precious metals, environmental and recycle-related businesses, real estate business and engineering-related services.
2. "Eliminations and corporate assets or expenses" of operating expenses included unallocated operating expenses of ¥1,937 million for basic experimentation and research expenses, costs associated with the parent company's administrative departments and so on.
3. Change in depreciation method for property, plant and equipment pursuant to the revision to the Corporation Tax Law
   Pursuant to the revision to the Corporation Tax Law, effective from the six-month period ended September 30, 2007, the Company and major domestic consolidated subsidiaries have changed the depreciation method for property, plant and equipment acquired on and after April 1, 2007, to that in accordance with the revised Corporation Tax Law.
   Consequently, increased or decreased amounts of operating expenses and operating profit of the respective segments for the six-month period under review were as shown below compared with the respective amounts that would have been reported under the previous accounting method.

(Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Aluminum	Electronic Materials & Components	Others	Total	Elimination and Corporate Assets or Expenses	Consolidated
Operating expenses	¥75	¥14	¥81	¥15	¥23	¥27	¥238	¥12	¥251
Operating profit	(¥75)	(¥14)	(¥81)	(¥15)	(¥23)	(¥27)	(¥238)	(¥12)	(¥251)

Meanwhile, with regard to property, plant and equipment acquired on and before March 31, 2007, the Company and major domestic consolidated subsidiaries have included the value, which is equally depreciated for five years for the difference between the amount corresponding to 5% of the acquisition price and the memorandum price, in depreciation, from the following fiscal year after reaching 5% of the acquisition price, in accordance with the former Corporation Tax Law.

Consequently, increased or decreased amounts of operating expenses and operating profit of the respective segments for the six-month period under review were as shown below compared with the respective amounts that would have been reported under the previous accounting method.

	Cement	Metals	Advanced Materials & Tools	Aluminum	Electronic Materials & Components	Others	Total	Elimination and Corporate Assets or Expenses	Consolidated
Operating expenses	¥577	¥637	¥305	¥253	¥146	¥194	¥2,115	¥28	¥2,143
Operating profit	(¥577)	(¥637)	(¥305)	(¥253)	(¥146)	(¥194)	(¥2,115)	(¥28)	(¥2,143)

For the year ended March 31, 2007 (from April 1, 2006, to March 31, 2007)

Notes:
1. The Mitsubishi Materials Group's businesses are segmented according to sales aggregation, and the core products belonging to each segment are as follows:
   (1) Cement: Cement, Cement-related products, ready-mixed concrete and building materials;
   (2) Metals: Copper smelting and copper-related products;
   (3) Advanced Materials & Tools: Cemented carbide products, powder metallurgy products, high-performance alloy products and diamond tools;
   (4) Aluminum: Aluminum cans, rolled and fabricated aluminum products and processed aluminum products;
   (5) Electronic Materials & Components: Advanced materials, electronic components, polycrystalline silicon and chemical products; and
   (6) Others: Nuclear energy-related services, precious metals, environmental and recycle-related businesses, real estate business and engineering-related services.
2. "Eliminations and corporate assets or expenses" of operating expenses included unallocated operating expenses of ¥7,621 million for basic experimentation and research expenses, costs associated with the parent company's administrative departments and so on.
3. Change in accounting method for income from industrial waste treatment in the "Cement" business segment
   Although income from industrial waste treatment in the Cement segment was conventionally deducted from the cost of sales, the Company has changed the accounting method for this income and included it in net sales, effective from the year ended March 31, 2007. This change in accounting method is intended to reflect the revenue structure of the Cement segment more appropriately as the income from industrial waste treatment has increased and become a stable and major revenue source of the Cement business.
   Consequently, sales, operating expenses and operating profit of the Cement segment for the year under review increased ¥12,197 million, ¥11,917 million and ¥279 million, respectively, compared with the respective amounts that would have been reported under the previous accounting method.
4. Application of the "Accounting Standard for Measurement of Inventories"
   Effective from the year ended March 31, 2007, the Company and the domestic consolidated subsidiaries have adopted the "Accounting Standard for Measurement of Inventories" (Statement No. 9 issued by the Accounting Standards Board of Japan on July 5, 2006).
   Consequently, increased or decreased amounts of operating expenses and operating profit of the respective segments for the year under review were as shown below compared with the respective amounts that would have been reported under the previous accounting method.

(Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Aluminum	Electronic Materials & Components	Others	Total	Elimination and Corporate Assets or Expenses	Consolidated
Operating expenses	¥151	¥2,650	¥1,592	¥751	¥55	¥538	¥5,740	—	¥5,740
Operating profit	(¥151)	(¥2,650)	(¥1,592)	(¥751)	(¥55)	(¥538)	(¥5,740)	—	(¥5,740)

5. Change in useful lives of equipment for the "Electronic Materials & Components" business segment
   The Company shortened the useful lives of equipment at the Sanda Factory (Sanda, Hyogo Prefecture) for the production of semiconductors from the previous 13 to 4 years, taking into account the high capacity utilization due to the increase in demand and the life cycle of products in recent years. Mitsubishi Polycrystalline Silicon America Corp. (Alabama), an overseas consolidated subsidiary, also shortened the useful lives of its machinery and equipment from the previous range of 5 to 30 years (21 years on average) to 3 to 20 years (17 years on average). This reduction in useful lives resulted from a review of residual operable years in view of the capacity utilization above the original design capacity limits since the previous fiscal year due to continuously higher demand for silicon wafers and the anticipated near-term operating conditions of the machinery and equipment.
   Consequently, the operating expenses of the Electronic Materials & Components segment for the year under review increased ¥691 million, whereas operating profit decreased by the same amount, compared with the respective amounts that would have been reported under the previous accounting method.

b) Geographical Segment Information

For the six months ended September 30, 2006 (from April 1, 2006 to September 30, 2006)

(Millions of yen)

	Japan	United States	Europe	Asia	Other	Total	Elimination and Corporate Assets or Expenses	Consolidated
Ⅰ Sales:								
(1) Unaffiliated customers	¥576,015	¥45,085	¥8,508	¥62,422	¥2,137	¥694,170		¥694,170
(2) Intersegment	13,689	2,653	148	67,587	—	84,079	(¥84,079)	—
Total	589,704	47,739	8,657	130,010	2,137	778,250	(84,079)	694,170
Operating expenses	563,358	40,026	8,079	126,187	1,526	739,178	(82,628)	656,550
Operating profit	¥26,346	¥7,713	¥577	¥3,822	¥611	¥39,071	(¥1,451)	¥37,619

Notes:

1. Nations or regions have been classified in terms of their geographic proximity.
2. Main countries or regions that belong to the geographic segments other than Japan and U.S.A.
   (1) Europe: Germany, Spain, United Kingdom, France, the Netherlands
   (2) Asia: Indonesia, Malaysia, Singapore, China, Taiwan, Hong Kong, Thailand
   (3) Other: Australia
3. "Eliminations and corporate assets or expenses" of operating expenses included unallocated operating expenses of ¥1,724 million for basic experimentation and research expenses, costs associated with the parent company's administrative departments and so on.
4. Change in accounting method for income from industrial waste treatment in Japan
   Although income from industrial waste treatment in the Cement segment was conventionally deducted from the cost of sales, the Company has changed the accounting method for this income and included it in net sales, effective from the six-month period ended September 30, 2006. This change in accounting method is intended to reflect the revenue structure of the Cement segment more appropriately as the income from industrial waste treatment has increased and become a stable and major revenue source of the Cement business.
   Consequently, sales, operating expenses and operating profit of the Japan segment for the six-month period under review increased ¥5,718 million, ¥5,461 million and ¥257 million, respectively, compared with the respective amounts that would have been reported under the previous accounting method.
5. Application of the "Accounting Standard for Measurement of Inventories" in Japan
   Effective from the six-month period ended September 30, 2006, the Company and the domestic consolidated subsidiaries have adopted the "Accounting Standard for Measurement of Inventories" (Statement No. 9 issued by the Accounting Standards Board of Japan on July 5, 2006).
   Consequently, operating expenses of the Japan segment for the six-month period under review increased ¥2,677 million, whereas operating profit decreased by the same amount, compared with the respective amounts that would have been reported under the previous accounting method.
6. Change in useful lives of equipment in Japan and the United States
   The Company shortened the useful lives of equipment at the Sanda Factory (Sanda, Hyogo Prefecture) for the production of semiconductors from the previous 13 to 4 years, taking into account the high capacity utilization due to the increase in demand and the life cycle of products in recent years. Mitsubishi Polycrystalline Silicon America Corp. (Alabama), an overseas consolidated subsidiary, also shortened the useful lives of its machinery and equipment from the previous range of 5 to 30 years (21 years on average) to 3 to 20 years (17 years on average). This reduction in useful lives resulted from a review of residual operable years in view of the capacity utilization above the original design capacity limits since the previous fiscal year due to continuously higher demand for silicon wafers and the anticipated near-term operating conditions of the machinery and equipment.
   Consequently, the operating expenses of the Japan segment for the six-month period under review increased ¥72 million, whereas operating profit decreased by the same amount, and operating expenses of the U.S.A. segment increased ¥267 million, whereas operating profit decreased by the same amount, compared with the respective amounts that would have been reported under the previous accounting method.

For the six months ended September 30, 2007 (from April 1, 2007 to September 30, 2007)

(Millions of yen)

	Japan	United States	Europe	Asia	Other	Total	Elimination and Corporate Assets or Expenses	Consolidated
I Sales:								
(1) Unaffiliated customers	¥685,553	¥45,648	¥11,287	¥48,694	¥1,225	¥792,410		¥792,410
(2) Intersegment	15,308	5,034	107	127,518	—	147,968	(¥147,968)	—
Total	700,861	50,683	11,394	176,213	1,225	940,379	(147,968)	792,410
Operating expenses	665,854	42,429	10,212	167,679	1,115	887,291	(146,180)	741,111
Operating profit	¥35,006	¥8,254	¥1,182	¥8,533	¥110	¥53,088	(¥1,788)	¥51,299

Notes:

1. Nations or regions have been classified in terms of their geographic proximity.
2. Main countries or regions that belong to the geographic segments other than Japan and U.S.A.
   (1) Europe: Germany, Spain, United Kingdom, France, the Netherlands
   (2) Asia: Indonesia, Malaysia, Singapore, China, Taiwan, Hong Kong, Thailand
   (3) Other: Australia
3. "Eliminations and corporate assets or expenses" of operating expenses included unallocated operating expenses of ¥1,937 million for basic experimentation and research expenses, costs associated with the parent company's administrative departments and so on.
4. Change in depreciation method for property, plant and equipment pursuant to the revision to the Corporation Tax Law pursuant to the revision to the Corporation Tax Law, effective from the six-month period ended September 30, 2007, the Company and major domestic consolidated subsidiaries have changed the depreciation method for property, plant and equipment acquired on and after April 1, 2007, to that in accordance with the revised Corporation Tax Law.

   Consequently, the operating expenses of the Japan segment for the six-month period under review increased ¥238 million, whereas operating profit decreased by the same amount, and operating expenses of the "Eliminations and corporate assets or expenses" segment increased ¥12 million, whereas operating profit decreased by the same amount, compared with the respective amounts that would have been reported under the previous accounting method.

   Meanwhile, with regard to property, plant and equipment acquired on and before March 31, 2007, the Company and major domestic consolidated subsidiaries have included the value, which is equally depreciated for five years for the difference between the amount corresponding to 5% of the acquisition price and the memorandum price, in depreciation, from the following fiscal year after reaching 5% of the acquisition price, in accordance with the former Corporation Tax Law.

   Consequently, the operating expenses of the Japan segment for the six-month period under review increased ¥2,115 million, whereas operating profit decreased by the same amount, and operating expenses of the "Eliminations and corporate assets or expenses" segment increased ¥28 million, whereas operating profit decreased by the same amount, compared with the respective amounts that would have been reported under the previous accounting method.

For the year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	Japan	United States	Europe	Asia	Other	Total	Elimination and Corporate Assets or Expenses	Consolidated
Ⅰ Sales:								
(1) Unaffiliated customers	¥1,216,099	¥85,866	¥17,065	¥129,823	¥3,253	¥1,452,108		¥1,452,108
(2) Intersegment	27,782	6,383	293	109,315	—	143,774	(¥143,774)	—
Total	1,243,882	92,249	17,358	239,139	3,253	1,595,883	(143,774)	1,452,108
Operating expenses	1,180,955	78,707	16,260	231,548	2,390	1,509,862	(136,512)	1,373,349
Operating profit	¥62,926	¥13,542	¥1,097	¥7,590	¥863	¥86,021	(¥7,262)	¥78,758

Notes:

1. Nations or regions have been classified in terms of their geographic proximity.
2. Main countries or regions that belong to the geographic segments other than Japan and U.S.A.
   (1) Europe: Germany, Spain, United Kingdom, France, the Netherlands
   (2) Asia: Indonesia, Malaysia, Singapore, China, Taiwan, Hong Kong, Thailand
   (3) Other: Australia
3. "Eliminations and corporate assets or expenses" of operating expenses included unallocated operating expenses of ¥7,621 million for basic experimentation and research expenses, costs associated with the parent company's administrative departments and so on.
4. Change in accounting method for income from industrial waste treatment in Japan
   Although income from industrial waste treatment in the Cement segment was conventionally deducted from the cost of sales, the Company has changed the accounting method for this income and included it in net sales, effective from the year ended March 31, 2007. This change in accounting method is intended to reflect the revenue structure of the Cement segment more appropriately as the income from industrial waste treatment has increased and become a stable and major revenue source of the Cement business.
   Consequently, sales, operating expenses and operating profit of the Japan segment for the year under review increased ¥12,197 million, ¥11,917 million and ¥279 million, respectively, compared with the respective amounts that would have been reported under the previous accounting method.
5. Application of the "Accounting Standard for Measurement of Inventories" in Japan
   Effective from the year ended March 31, 2007, the Company and the domestic consolidated subsidiaries have adopted the "Accounting Standard for Measurement of Inventories" (Statement No. 9 issued by the Accounting Standards Board of Japan on July 5, 2006).
   Consequently, operating expenses of the Japan segment for the year under review increased ¥5,740 million, whereas operating profit decreased by the same amount, compared with the respective amounts that would have been reported under the previous accounting method.
6. Change in useful lives of equipment in Japan and the United States
   The Company shortened the useful lives of equipment at the Sanda Factory (Sanda, Hyogo Prefecture) for the production of semiconductors from the previous 13 to 4 years, taking into account the high capacity utilization due to the increase in demand and the life cycle of products in recent years. Mitsubishi Polycrystalline Silicon America Corp. (Alabama), an overseas consolidated subsidiary, also shortened the useful lives of its machinery and equipment from the previous range of 5 to 30 years (21 years on average) to 3 to 20 years (17 years on average).
   This reduction in useful lives resulted from a review of residual operable years in view of the capacity utilization above the original design capacity limits since the previous fiscal year due to continuously higher demand for silicon wafers and the anticipated near-term operating conditions of the machinery and equipment.
   Consequently, the operating expenses of the Japan segment for the year under review increased ¥158 million, whereas operating profit decreased by the same amount, and operating expenses of the U.S.A. segment increased ¥532 million, whereas operating profit decreased by the same amount, compared with the respective amounts that would have been reported under the previous accounting method.

c) Overseas Sales

For the six months ended September 30, 2006 (from April 1, 2006 to September 30, 2006)

(Millions of yen)

	United States	Europe	Asia	Other	Total
Overseas sales	¥53,223	¥28,959	¥94,799	¥3,517	¥180,500
Consolidated net sales					¥694,170
Percentage of overseas sales to consolidated net sales	7.7%	4.2%	13.7%	0.5%	26.0%

Notes:
1. Nations or regions have been classified in terms of their geographic proximity.
2. Main countries or regions that belong to the geographic segments other than "U.S.A."
   (1) Europe: Germany, United Kingdom, Spain, France
   (2) Asia: Indonesia, South Korea, Malaysia, Singapore, China, Taiwan, Hong Kong, Thailand
   (3) Other: Australia, Canada, Brazil
3. Overseas sales represent sales of Mitsubishi Materials Corporation and its consolidated subsidiaries recorded in countries and regions other than Japan.

For the six months ended September 30, 2007 (from April 1, 2007 to September 30, 2007)

(Millions of yen)

	United States	Europe	Asia	Other	Total
Overseas sales	¥51,777	¥13,733	¥200,338	¥3,679	¥269,528
Consolidated net sales					¥792,410
Percentage of overseas sales to consolidated net sales	6.5%	1.7%	25.3%	0.5%	34.0%

Notes:
1. Nations or regions have been classified in terms of their geographic proximity.
2. Main countries or regions that belong to the geographic segments other than "U.S.A."
   (1) Europe: Germany, United Kingdom, Spain, France
   (2) Asia: Indonesia, South Korea, Malaysia, Singapore, China, Taiwan, Hong Kong, Thailand
   (3) Other: Australia, Canada, Brazil
3. Overseas sales represent sales of Mitsubishi Materials Corporation and its consolidated subsidiaries recorded in countries and regions other than Japan.

For the year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	United States	Europe	Asia	Other	Total
Overseas sales	¥100,393	¥38,979	¥213,219	¥6,506	¥359,099
Consolidated net sales					¥1,452,108
Percentage of overseas sales to consolidated net sales	6.9%	2.7%	14.7%	0.4%	24.7%

Notes:
1. Nations or regions have been classified in terms of their geographic proximity.
2. Main countries or regions that belong to the geographic segments other than "U.S.A."
   (1) Europe: Germany, United Kingdom, Spain, France
   (2) Asia: Indonesia, South Korea, Malaysia, Singapore, China, Taiwan, Hong Kong, Thailand
   (3) Other: Australia, Canada, Brazil
3. Overseas sales represent sales of Mitsubishi Materials Corporation and its consolidated subsidiaries recorded in countries and regions other than Japan.