Consolidated Financial Results for the First Quarter Ended June 30, 2009
Mitsubishi Materials Corporation
Tokyo, Japan

August 3, 2009

Stock code:	5711
Shares listed:	Tokyo Stock Exchange and Osaka Securities Exchange
URL:	http://www.mmc.co.jp
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Filing date of Quarterly Report:	August 10, 2009
Scheduled date of start of dividend payment:	—

1. Results of the three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009)

(1) Results of operations: (cumulative)

(Millions of yen)

(Percentage changes relative to previous corresponding period)

	Net sales		Operating income		Ordinary income	
Three months ended Jun. 30, 2009	¥232,046	-37.5 (%)	¥(7,428)	—	¥(17,812)	—
Three months ended Jun. 30, 2008	¥371,553	—	¥19,364	—	¥23,841	—

	Net income		Net income per share	Diluted net income per share
Three months ended Jun. 30, 2009	¥(15,853)	—	¥(12.50) (yen)	—
Three months ended Jun. 30, 2008	¥15,934	—	¥12.53 (yen)	—

(2) Financial position:

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Three months ended Jun. 30, 2009	¥1,720,624	¥444,102	22.3 (%)	¥302.70 (yen)
Year ended Mar. 31, 2009	¥1,732,003	¥421,934	21.0 (%)	¥287.44 (yen)

(Reference) Shareholders' equity Three months ended Jun. 30, 2009: 383,920 million yen
Year ended Mar. 31, 2009: 364,578 million yen

2. Dividend payments

	Dividends per share				
(Record date)	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
Year ended Mar. 31, 2009	—	¥4.00 (yen)	—	¥0.00 (yen)	¥4.00 (yen)
Year ending Mar. 31, 2010	—				
Year ending Mar. 31, 2010 (Forecast)		¥0.00 (yen)	—	—	—

Note: Revisions to dividend forecast in the current period: Yes

The amount of dividends for the year ending March 31, 2010 is to be determined.

3. Forecast (From April 1, 2009 to March 31, 2010) (Millions of yen)

(Percentage changes relative to the previous corresponding period for full year and for six months ending September 30, 2009, respectively.)

	Net sales		Operating income	
Six months ending Sep. 30, 2009	¥497,000	-36.6 (%)	¥(10,000)	—
Year ending Mar. 31, 2010	¥1,060,000	-25.6 (%)	¥11,000	-68.7 (%)

	Ordinary income		Net income		Net income per share
Six months ending Sep. 30, 2009	¥(34,000)	—	¥(39,000)	—	(30.75) (yen)
Year ending Mar. 31, 2010	¥(21,000)	—	¥(50,000)	—	(39.42) (yen)

Note: Revisions to forecast in the current period: Yes

Revisions are made to the forecast for the second quarter.

Revisions are not made to the forecast for the full year.

4. Others

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

(2) Use of simple accounting methods and specific accounting methods to preparation of quarterly consolidated financial statements: Yes

Note: For details, please see "4. Other Information" described at Qualitative Information and Financial Statements.

(3) Changes in accounting policies, procedures, and disclosures for quarterly consolidated financial statements, which should be stated in Changes of Significant Items for Basis of Preparation of Quarterly Consolidated Financial Statements

(i) Changes pursuant to revision of accounting policies: Yes

(ii) Other changes: Yes

Note: For details, please see "4. Other Information" described at Qualitative Information and Financial Statements.

(4) Number of issued shares (common stock)

(i) Number of issued shares at end of year

Three months ended June 30, 2009:	1,278,955,330 shares (including treasury stock)
Year ended March 31, 2009:	1,278,955,330 shares (including treasury stock)

(ii) Number of treasury shares at end of year

Three months ended June 30, 2009:	10,651,161 shares
Year ended March 31, 2009:	10,584,877 shares

(iii) Averaged number of shares during the period (quarterly cumulative period)

Three months ended June 30, 2009:	1,268,336,234 shares
Three months ended June 30, 2008:	1,271,781,301 shares

* Summaries for relevant use of forecasts and other specific affairs

1. The consolidated financial forecasts, announced on May 11, 2009, have been revised on figures for the current second quarter on this report.

2. These forecast 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 forecasts of this report. To use assumptions for forecasts and to refer to specific revisions on consolidated financial forecasts, see "3. Qualitative Information on the Consolidated Performance Forecasts" described at Qualitative Information and Financial Statements.

[Qualitative Information and Financial Statements]

1. Qualitative Information on the Consolidated Business Performance

(1) Overview of the period under review

With respect to the world economy in the first quarter, the global recession has brought adverse effects upon corporate profits, the employment environment and consumer spending, and while some improvement has been observed as a result of governmental economic measures, the economic downturn continued and as a whole it remained in a critical condition.

The Japanese economy showed a sign of a slowdown of declines in a part of exports and production, but corporate profits decreased significantly, in addition to capital investment and consumer spending, which also remained stagnant.

The business environment surrounding the Group was subject to the impact of global and national recession and experienced a severe and unprecedented condition due to a reduction in demand and inventory adjustment in the automobile/semiconductor segments, reduction in cement demand, appreciating yen and the fall of metal prices.

Under these circumstances, the Group committed to the agile recreation of the corporate system to secure stable income in conditions of severe demand stagnation such as those experienced under the ongoing global recession. The Group also promoted measures for concentrating management resources and promoting low-cost production, in addition to emergency cost measures, based on the "Comprehensive Management Measures" devised in December 2008, and thus to establish a business structure that can carry business forward in a recovering economy.

However, due to the impact of the deterioration of the business environment surrounding the Group, the first quarter recorded consolidated net sales of ¥232,046 million (down 37.5% from the previous fiscal year), consolidated operating loss of ¥7,428 million (previous fiscal year recorded an operating income of ¥19,364 million), consolidated ordinary loss of ¥17,812 million (previous fiscal year recorded an ordinary income of ¥23,841 million), and consolidated net loss of ¥15,853 million (previous fiscal year recorded a net income of ¥15,934 million).

(2) Review by Segment

(Cement)

(Billions of yen)

	FY 2009 Q1	FY 2010 Q1	Increase/decrease (%)	
Net sales	¥37.6	¥37.0	¥(0.5)	-1.5%
Operating income (loss)	¥(0)	¥0.1	¥0.1	– %

In the cement business, the demand fell due to a significant decline in domestic private capital investments. In overseas markets, an overall decline in demand, particularly in residential construction, is still ongoing in the U.S. and demand also fell in China, Australia and Southeast Asia. The Unit production volume of whole Cement was 2.5 million tons (down by 0.4 million tons from the previous fiscal year).

Looking at the segment as a whole, even with the contribution of Robertson's Ready Mix, Ltd., consolidated from the end of FY2009 Q1, the sales were overwhelmed by the reduced demand in both domestic and overseas markets; therefore sales decreased but profits increased compared with the previous fiscal year.

(Metals)

(Billions of yen)

	FY 2009 Q1	FY 2010 Q1	Increase/decrease (%)	
Net sales	¥179.1	¥89.7	¥(89.3)	-49.9%
Operating income (loss)	¥9.1	¥(3.6)	¥(12.7)	– %

Sales and profits in the copper business decreased, despite the cost reduction effects, as the prices of copper and related products went down in addition to the decrease in production and distribution due to operational problems in refineries in Japan. Manufactured volume of electrolytic copper for the whole business unit increased to 136 thousand tons, down 6 thousand tons from the previous fiscal year.

Both sales and profits of gold increased due to the increased gold content in the raw material mineral ore.

Both sales and profits of processed copper products decreased as a result of a significant decline in distribution targeting automobile and electronic materials and components markets.

Consequently, we recorded the decrease in sales and profits for the whole business unit compared with the previous fiscal year.

(Advanced Materials & Tools)

(Billions of yen)

	FY 2009 Q1	FY 2010 Q1	Increase/decrease (%)	
Net sales	¥43.7	¥20.1	¥(23.5)	-53.9%
Operating income (loss)	¥5.3	¥(2.6)	¥(8.0)	– %

While cost reduction measures were effective in the cemented carbide products business, both domestic and overseas sales dropped due to a significant decrease caused by production adjustments in wide-ranging markets including our major clients in automobile and related businesses and the inventory adjustments in the distribution stage. As a result, both sales and profits decreased.

In high-performance alloy products, sales and profits decreased due to a significantly reduced order resulting from inventory adjustments in automotive components and gas turbine markets and the delay in mass production at the aircraft manufacturer.

As a result, sales and profits decreased as a whole business unit compared with the previous fiscal year.

(Electronic Materials & Components)

(Billions of yen)

	FY 2009 Q1	FY 2010 Q1	Increase/decrease (%)	
Net sales	¥20.2	¥13.2	¥(7.0)	-34.8%
Operating income (loss)	¥3.7	¥(0.5)	¥(4.3)	– %

Sales and profits were down in advanced materials as a result of the reduction in sale of semiconductor-related products, despite steady sales in precision device components for semiconductors in the Chinese household appliance market.

In electronics devices, although products for household appliances is on a steady recovery, sales and profits decreased due to a decrease in sales of products for PC, mobile phones and automobiles.

As for polycrystalline silicon and related products, their sales and profits decreased owing to reduced demand in the semiconductor market, particularly related to 300mm silicon wafers, being in an inventory adjustment phase, despite the increase of sales in products for solar batteries.

As a result, we recorded the decrease in sales and profits for the whole business unit compared with the previous fiscal year.

(Aluminum)

(Billions of yen)

	FY 2009 Q1	FY 2010 Q1	Increase/decrease (%)	
Net sales	¥44.8	¥32.7	¥(12.1)	-27.0%
Operating income (loss)	¥1.4	¥0.6	¥(0.7)	-55.0%

In aluminum cans, sales decreased but profits increased due to the effects of cost reduction measures.

Sales and profits of rolled aluminum and processed aluminum products decreased on account of the continued drop in demands, particularly from automobile-related markets despite the contribution of cost reduction measures.

As a result, sales and profits decreased as a whole business unit compared with the previous fiscal year.

(Others)

(Billions of yen)

	FY 2009 Q1	FY 2010 Q1	Increase/decrease (%)	
Net sales	¥85.9	¥78.5	¥(7.3)	-8.6%
Operating income (loss)	¥0.7	¥0.0	¥(0.7)	-98.7%

In energy-related products, in addition to the drop in fuel prices, Mitsubishi Nuclear Fuel Co., Ltd., a former consolidated subsidiary, became an equity method affiliate in connection with the reconstruction of the nuclear fuel member business as of April 1, 2009; this together caused decrease in sales and profits.

For precious metals, sales and profits increased due to favorable sales of gold ingots despite a decrease in the sale of jewelry due to reduced consumer spending.

Amount of orders of nuclear and engineering related businesses, along with resources environmental operations and related businesses was ¥13.2 billion, down ¥7.1 billion from the previous fiscal year, and backlog of the orders was ¥29.0 billion, down ¥15.2 billion.

2. Qualitative Information on the Consolidated Financial Position

Total assets at the end of the first quarter of the consolidated fiscal year ending March 2010 were ¥1,720.6 billion, down ¥11.3 billion compared with the end of the previous consolidated fiscal year. This was due to Mitsubishi Nuclear Fuel Co., Ltd. becoming an equity method affiliate instead of a consolidated subsidiary from the first quarter of this consolidated fiscal year.

Liabilities amounted to ¥1,276.5 billion, down ¥33.5 billion compared with the end of the previous consolidated fiscal year. This also owes to Mitsubishi Nuclear Fuel Co., Ltd. becoming an equity method affiliate instead of a consolidated subsidiary from the first quarter of this consolidated fiscal year.

Cash flows for the first quarter of consolidated fiscal 2010 and the causes and factors for those cash flows were as follows:

(Cash Flows from Operating Activities)

In the first quarter of consolidated fiscal 2010, net cash used in operating activities recorded ¥3.9 billion due to an increase in inventories and a decrease in accounts payable.

(Cash Flows from Investing Activities)

In the first quarter of consolidated fiscal 2010, net cash used in investing activities was ¥26.3 billion owing to expenditures related to capital investments.

(Cash Flows from Financing Activities)

As a result of the operating activities and investment activities, there was a net cash outflow of ¥30.2 billion that was financed by loans. Consequently, net cash provided by financing activities in the first quarter of consolidated fiscal 2010 was ¥3.1 billion.

As a result, the balance of cash and cash equivalents at the end of the first quarter of consolidated fiscal 2010 was ¥70.3 billion, down ¥27.4 billion compared with the end of the previous consolidated fiscal year.

3. Qualitative Information on the Consolidated Performance Forecasts

Although it is expected that the economy will eventually recover, there is still a concern over the possibility of a prolonged recession caused by a chain of a downturn in the real economy and financial shrinkage.

We expect, considering the business environment surrounding us, that reduced demand in automobile/semiconductor industries and cement will persist, requiring more time for recovery.

Although the economic prospects are unforeseeable, in consideration of the performance for this first quarter and the harsh business environment we are exposed to, we have revised the forecast for second quarter of the consolidated fiscal year ending March 2010 announced on May 11, 2009 as follows:

(Billions of yen)

	FY2010 2Q (Previously announced on May 11, 2009)	FY2010 2Q	Increase/decrease (%)
Net sales	¥515.0	¥497.0	-3.5%
Operating income (loss)	4.0	(10.0)	–
Ordinary income (loss)	(15.0)	(34.0)	–
Net income (loss)	¥(25.0)	¥(39.0)	–

In consideration of the downward revision in the projections for business results, we regret to inform you that we will not distribute a quarter-end dividend for the second quarter of the consolidated fiscal year ending March 2010. Furthermore, the distribution of the year-end dividend is undecided as of the release of this document.

We take this situation of having to perform a significant downward revision on the performance for the early half of the consolidated fiscal year ending March 2010 seriously. Given this circumstance we are committed to furthering our "Comprehensive Management Measures" with improved cost reduction including the compression of capital investment plans. By carefully observing the future situation, we will develop necessary, additional emergency measures and implement them accordingly.

Towards the future, we will, with indomitable, concerted efforts, promote these measures and dedicate ourselves to reinforcing the management base and an early recovery of performance.

4. Other Information

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

(2) Use of simple accounting method and application of accounting that is unique to the quarterly consolidated financial statements:

Accounting that is unique to the quarterly consolidated financial statements

We rationally assume an effective tax rate after applying the tax effect accounting to income before income taxes of the consolidated fiscal year including this first quarter of the consolidated fiscal year ending March 2010, and multiply such effective tax rate by quarterly income before income taxes to have the tax expense.

Income taxes adjustment is included in income taxes.

(3) Changes in accounting principle, procedures, and method of indication related to the production of quarterly consolidated financial statements

(i) Changes in accounting standards for construction revenue and cost of completed work

With regard to the accounting standards for recording profit concerning contracted construction, we have conventionally applied the percentage of completion basis primarily on construction work that totals ¥100 million or more with a duration of 1 year or longer and applied the completed contract basis for any other construction work. However, starting from this first quarter of the consolidated fiscal year ending March 2010, we applied the “Accounting Standard for Construction Contracts” (ASBJ Statement No.15 enacted Dec. 27, 2007) and the “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No.18 enacted Dec. 27, 2007) on all construction contracts embarked on during this first quarter. The percentage of completion basis was applied to construction works where there was certainty in completing the planned work by the end of this first quarter (Percentage of completed work is estimated using the cost proportion method), and the completed contract basis was applied to other construction work.

The impact on profits and losses from the above procedures is very minor.

(ii) Changes in evaluation method for other marketable securities that have market value

Conventionally, we have used the market value method based on market prices of the consolidated quarterly settlement date on shares and funds with market value out of other marketable securities. However, from this quarter we have applied the market value method based on the average of market prices for the one month preceding the consolidated quarterly settlement date.

This change eliminates the impact of short-term fluctuations in market conditions on net assets and thus presents our financial state more appropriately.

By applying this change, investment securities, valuation difference on available-for-sale securities, long-term deferred tax liabilities (noncurrent liabilities), and minority interests have decreased by ¥1,068 million, ¥645 million, ¥15 million and ¥23 million respectively, while long-term deferred tax assets (investments and other assets) increased by ¥383 million.

The impact on profits and losses from the above procedures is very minor.

With regard to the calculation of impairment for the quarter-end consolidated accounting period concerning the shares and funds for which the market prices dropped significantly, we have conventionally used the quarterly cost-or-market method, but have changed to quarterly reversal cost conversion method starting from the first quarter of the consolidated fiscal year ending March 2010.

This change was implemented to eliminate the influence of fluctuations in quarterly market conditions and thus provide a more appropriate presentation of management performance in the year-end consolidating accounting.

There is no impact on profits and losses from the above procedures.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	At the end of the first quarter of consolidated fiscal 2010 (As of June 30, 2009)	Summarized consolidated balance sheets in the previous consolidated fiscal year (As of March 31, 2009)
ASSETS		
Current Assets:		
Cash and deposits	¥71,036	¥98,497
Notes and accounts receivable–trade	156,415	168,857
Merchandise and finished goods	63,359	66,157
Work in process	79,815	72,349
Raw materials and supplies	70,195	64,026
Other	175,863	185,046
Allowance for doubtful accounts	(2,540)	(2,978)
Total Current Assets	614,144	651,956
Noncurrent Assets:		
Property, Plant and Equipment		
Machinery and equipment, net	203,356	211,590
Land	272,945	272,294
Other	232,684	226,172
Total Property, Plant and Equipment	708,986	710,058
Intangible Assets:		
Goodwill	52,244	49,495
Other	10,078	10,101
Total Intangible Assets	62,322	59,597
Investments and Other Assets:		
Investment securities	288,348	253,127
Other	54,264	66,815
Allowance for investment loss	(624)	(640)
Allowance for doubtful accounts	(6,816)	(8,910)
Total Investments and Other Assets	335,171	310,391
Total Noncurrent Assets	1,106,480	1,080,046
Total Assets	¥1,720,624	¥1,732,003

(Millions of yen)

	At the end of the first quarter of consolidated fiscal 2010 (As of June 30, 2009)	Summarized consolidated balance sheets in the previous consolidated fiscal year (As of March 31, 2009)
LIABILITIES		
Current Liabilities:		
Notes and accounts payable–trade	¥96,995	¥103,784
Short-term loans payable	301,285	283,932
Commercial papers	7,000	26,000
Income taxes payable	3,241	4,708
Provision	5,650	9,980
Other	279,668	307,143
Total Current Liabilities	693,840	735,549
Noncurrent Liabilities:		
Bonds payable	95,000	95,000
Long-term loans payable	311,227	301,080
Provision for retirement benefits	49,973	50,376
Other provision	14,385	16,496
Other	112,095	111,565
Total Noncurrent Liabilities	582,681	574,518
Total Liabilities	1,276,522	1,310,068
NET ASSETS		
Shareholders' Equity:		
Capital stock	119,457	119,457
Capital surplus	108,286	108,287
Retained earnings	144,091	158,542
Treasury stock	(5,390)	(5,371)
Total Shareholders' Equity	366,445	380,915
Valuation and Translation Adjustments:		
Valuation difference on available-for-sale securities	19,702	2,120
Deferred gains or losses on hedges	(4,068)	(9,256)
Revaluation reserve for land	30,659	30,459
Foreign currency translation adjustment	(28,818)	(39,660)
Total Valuation and Translation Adjustments	17,474	(16,337)
Minority Interests	60,182	57,356
Total Net Assets	444,102	421,934
Total Liabilities and Net Assets	¥1,720,624	¥1,732,003

(2) Consolidated Statements of Operations

[For the three months ended June 30, 2009]

(Millions of yen)

	Three months ended June 30, 2008 (From April 1, 2008 to June 30, 2008)	Three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009)
Net Sales	¥371,553	¥232,046
Cost of Sales	320,074	207,902
Gross Profit	51,479	24,143
Selling, General and Administrative Expenses	32,115	31,572
Operating Income (Loss)	19,364	(7,428)
Non-operating Income:		
Interest income	446	151
Dividends income	2,936	1,536
Rent income on noncurrent assets	1,440	1,341
Equity in earnings of affiliates	4,680	–
Other	2,493	784
Total Non-operating Income	11,997	3,814
Non-operating Expenses:		
Interest expenses	4,571	3,509
Equity in losses of affiliates	–	7,672
Other	2,949	3,015
Total Non-operating Expenses	7,520	14,197
Ordinary Income (Loss)	23,841	(17,812)
Extraordinary Income:		
Gain on change in equity	1,290	1,375
Gain on sales of noncurrent assets	639	237
Other	170	416
Total Extraordinary Income	2,100	2,029
Extraordinary Loss:		
Provision for environmental measures	–	645
Loss on liquidation of business	–	550
Loss on valuation of investment securities	351	357
Environmental expenses	459	–
Other	22	79
Total Extraordinary Loss	833	1,632
Income (Loss) Before Income Taxes	25,109	(17,415)
Income taxes	7,182	(1,843)
Minority interests in income	1,992	282
Net Income (Loss)	¥15,934	¥(15,853)

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2008 (From April 1, 2008 to June 30, 2008)	Three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009)
Net Cash Provided by (Used in) Operating Activities:		
Income (loss) before income taxes	¥25,109	¥(17,415)
Depreciation and amortization	15,407	16,198
Increase (decrease) in provision	(6,865)	(5,878)
Interest and dividends income	(3,383)	(1,688)
Interest expenses	4,571	3,509
Equity in (earnings) losses of affiliates	(4,680)	7,672
Loss (gain) on change in equity	(1,290)	(1,375)
Loss (gain) on sales of property, plant and equipment	(640)	(288)
Decrease (increase) in notes and accounts receivable–trade	3,279	12,718
Decrease (increase) in inventories	(38,630)	(14,204)
Increase (decrease) in notes and accounts payable–trade	(16,182)	(9,805)
Other, net	(10,909)	10,085
Subtotal	(34,214)	(472)
Interest and dividends income received	5,502	2,908
Interest expenses paid	(3,790)	(2,860)
Income taxes paid	(17,542)	(3,505)
Net Cash Provided by (Used in) Operating Activities	(50,045)	(3,929)
Net Cash Provided by (Used in) Investing Activities:		
Purchase of property, plant and equipment	(11,978)	(16,908)
Proceeds from sales of property, plant and equipment	3,201	476
Purchase of investment securities	(2,175)	(639)
Proceeds from sales of investment securities	8	33
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(31,144)	(7,528)
Other, net	138	(1,777)
Net Cash Provided by (Used in) Investing Activities	(41,949)	(26,343)
Net Cash Provided by (Used in) Financing Activities:		
Net increase (decrease) in short-term loans payable	85,219	21,681
Proceeds from long-term loans payable	5,840	18,880
Repayment of long-term loans payable	(5,131)	(15,420)
Increase (decrease) in commercial papers	5,000	(19,000)
Purchase of treasury stock	(5,047)	(21)
Cash dividends paid	(5,112)	–
Cash dividends paid to minority shareholders	(3,445)	(2,347)
Other, net	(547)	(612)
Net Cash Provided by (Used in) Financing Activities	76,775	3,160
Effect of Exchange Rate Change on Cash and Cash Equivalents	(9,972)	3,294

Net Increase (Decrease) in Cash and Cash Equivalents	(25,191)	(23,818)
Cash and Cash Equivalents at Beginning of Period	109,360	97,780
Increase (Decrease) in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation	4,582	(3,654)
Increase in Cash and Cash Equivalents Resulting from Merger	–	67
Cash and Cash Equivalents at End of Period	¥88,751	¥70,374

(4) Notes on Assumptions for Going Concern: N/A

(5) Segment Information

[Business segment information]

For the three months ended June 30, 2008 (From April 1, 2008 to June 30, 2008)

(Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Elimination and Corporate Expenses	Consolidated
Net sales	¥37,609	¥179,127	¥43,733	¥20,268	¥44,883	¥85,916	¥411,538	¥(39,985)	¥371,553
Operating income (loss)	¥(51)	¥9,132	¥5,375	¥3,781	¥1,419	¥767	¥20,425	¥(1,060)	¥19,364

For the three months ended June 30, 2009 (From April 1, 2009 to June 20, 2009)

(Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Elimination and Corporate Expenses	Consolidated
Net sales	¥37,040	¥89,793	¥20,165	¥13,211	¥32,760	¥78,524	¥271,495	¥(39,448)	¥232,046
Operating income (loss)	¥104	¥(3,652)	¥(2,638)	¥(563)	¥638	¥10	¥(6,102)	¥(1,326)	¥(7,428)

Notes: Business segment has been classified in terms of sales. Main products of each business segment are as follows;

(1) Cement: Cement, cement-related products, ready-mixed concrete and building materials

(2) Metals: Copper smelting (copper ingots, gold, silver, sulfuric, etc) and copper related products

(3) Advanced Materials & Tools: Cemented carbide products, high-performance alloy products and diamond tools

(4) Electronic Materials & Components: Electronic materials, electronic components, polycrystalline silicon and chemical products

(5) Aluminum: Aluminum cans, aluminum rolled and fabricated products

(6) Others: Nuclear energy-related services, precious metals, environmental and recycle related businesses, real estate business and engineering related services

[Geographical segment information]

For the three months ended June 30, 2008 (From April 1, 2008 to June 30, 2008)

(Millions of yen)

	Japan	United States	Europe	Asia	Others	Total	Elimination and Corporate Expenses	Consolidated
Net sales	¥317,520	¥18,713	¥6,366	¥73,879	¥659	¥417,138	¥(45,584)	¥371,553
Operating income (loss)	¥13,880	¥1,783	¥708	¥4,044	¥142	¥20,558	¥(1,193)	¥19,364

For the three month ended June 30, 2009 (From April 1, 2009 to June 30, 2009)

(Millions of yen)

	Japan	United States	Europe	Asia	Others	Total	Elimination and Corporate Expenses	Consolidated
Net sales	¥207,828	¥18,314	¥3,017	¥40,940	¥692	¥270,793	¥(38,747)	¥232,046
Operating income (loss)	¥(10,002)	¥1,350	¥37	¥985	¥296	¥(7,331)	¥(97)	¥(7,428)

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 the United States.

(1) Europe: Germany, Spain, United Kingdom, France, the Netherlands

(2) Asia: Indonesia, Malaysia, Singapore, China, Hong Kong, Thailand

(3) Other: Australia

[Overseas sales]

For the three months ended June 30, 2008 (From April 1, 2008 to June 30, 2008)

(Millions of yen)

	United States	Europe	Asia	Others	Total
Overseas sales	¥17,319	¥10,633	¥77,902	¥2,516	¥108,371
Consolidated net sales					¥371,553
Percentage of overseas sales to consolidated net sales	4.7%	2.9%	21.0%	0.7%	29.2%

For the three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009)

(Millions of yen)

	United States	Europe	Asia	Others	Total
Overseas sales	¥16,472	¥7,442	¥32,569	¥1,568	¥58,053
Consolidated net sales					¥232,046
Percentage of overseas sales to consolidated net sales	7.1%	3.2%	14.0%	0.7%	25.0%

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 Japan and the United States.
   (1) Europe: Germany, Spain, United Kingdom, France
   (2) Asia: Indonesia, South Korea, Malaysia, Singapore, China, Taiwan, Hong Kong, Thailand
   (3) Other: Australia, Canada, Brazil
3. Overseas sales represent sales of the Company and its consolidated subsidiaries recorded in countries and regions other than Japan.

(6) Notes in case significant changes were made to the amount of shareholders' equity: N/A

6. Other Information

(Important subsequent events)

Concluding of Important Contracts

We have agreed and entered into contract with Copper Mountain Mining Corporation (Canada; the "Copper Mountain Co.") as of July 31, 2009 concerning a joint redevelopment of the Similco mines (the "Project"). The agreements entered into are: Shareholders' Agreement, Stock Subscription Agreement, Copper Concentrate Sales Agreement, and Secondment Agreement. As such, we have decided to participate in the Project through our 100% subsidiary founded in British Columbia, Canada.

Details of the Contracts

We will, through our subsidiary, underwrite a capital increase through third-party allotment of ¥2,385 million*1 for Similco Mines Ltd. ("Similco"), a 100% subsidiary of Copper Mountain Co. that owns the rights to Similco mines, and acquire 25% of Similco's shares. We will also arrange for an investment of ¥20,743 million*1 as a part of the finance for the Project.

Furthermore, we will purchase in full, an annual amount of approximately 150 thousand tons of copper concentrate, which is the expected yield after the operation at Similco mines is resumed.

Detail of the Project (Similco mines)

Production volume:	Approximately 150 thousand tons of copper concentrate per year
	670 thousand tons of copper, 14 tons of gold and 140 tons of silver
	(Expected total amount over a 17-year operation period)
Start-up expenses*1:	¥38,166 million
Start of operation:	Mid-2011 projected

Details of Similco

Business name:	Similco Mines Ltd.
Business activities:	Management and redevelopment of Similco mines, Canada
Head office:	Vancouver, British Columbia
Incorporated:	November 1, 2006
President/CEO:	Jim O'Rourke
Total assets*1:	¥3,242 million (as of end of December 2008)

(*1: Yen-converted amount based on the exchange rate at the end of June 2009)