Consolidated Financial Results for the Second Quarter Ended September 30, 2009
Mitsubishi Materials Corporation

Tokyo, Japan

November 5, 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:	November 9, 2009
Scheduled date of start of dividend payment:	—

1. Results of the six months ended September 30, 2009 (From April 1, 2009 to September 30, 2009)

(1) Results of operations: (cumulative)

(Millions of yen)

(Percentage changes relative to previous corresponding period)

	Net sales		Operating Income		Ordinary Income		Net Income	
Six Months Ended Sep.30, 2009	¥490,179	-37.5(%)	¥(6,054)	—	¥(27,165)	—	¥(32,504)	—
Six Months Ended Sep.30, 2008	¥784,402	—	¥36,349	—	¥48,224	—	¥20,250	—

	Net Income per Share	Diluted Net Income per Share
Six Months Ended Sep. 30, 2009	¥(25.63) (yen)	—
Six Months Ended Sep. 30, 2008	¥15.94 (yen)	—

(2) Financial Position:

(Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
Six months ended Sep. 30, 2009	¥1,732,760	¥432,869	21.5 (%)	¥293.43 (yen)
Year ended March 31, 2009	¥1,732,003	¥421,934	21.0 (%)	¥287.44 (yen)

(Reference) Shareholders' equity Six months ended September 30, 2009: 372,143 million yen
Year ended March 31, 2009: 364,578million yen

2. Dividend payments

	Dividends per Share				
(Record date)	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
Year Ended March 31, 2009	—	¥4.00 (yen)	—	¥0.00 (yen)	¥4.00 (yen)
Year Ending March 31, 2010	—	¥0.00 (yen)			
Year Ending March 31, 2010 (Forecast)			—	¥0.00 (yen)	¥0.00 (yen)

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

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

(Millions of yen)

(Percentage changes relative to the previous corresponding period for full year)

	Net sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
Year Ending March 31, 2010	¥1,050,000	-26.3(%)	¥4,000	-88.6(%)	¥(27,000)	—	¥(60,000)	—	(47.31)(yen)

(Note) Revisions to forecast in the current period: Yes

4. Other

(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

Six months ended September 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

Six months ended September 30, 2009:	10,690,217 shares
Year ended March 31, 2009:	10,584,877shares

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

Six months ended September 30, 2009:	1,268,310,938 shares
Six months ended September 30, 2008:	1,270,149,749 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 full year on this report.
2. These forecast performance figures are based on the 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 period under review

In the second-quarter period under review (six months ended September 30, 2009), the world economy remained in a critical condition amid continued overall global recession. This was despite indications of recovery in some areas, notably China and other emerging nations.

Conditions in the Japanese economy remained generally difficult as capital expenditures and personal consumption continued to languish due to concerns about the economic outlook. On a bright note, however, production showed signs of a turnaround, boosted by a recovery in exports and completion of inventory adjustments.

The Mitsubishi Materials Group faced an extremely challenging business environment. In the wake of recession in the world and domestic economies, the Group suffered from declining demand and inventory adjustments in the automobile and semiconductor industries, as well as falling demand for cement, the appreciation of the yen, and plummeting copper prices.

Under these circumstances, the Group sought to concentrate business resources and powerfully implement various measures aimed at transforming itself into a low-cost operation, in addition to adopting emergency cost-related measures. These actions were based on the Group's "Comprehensive Management Measures," devised in December 2008. To enable us to address business conditions that worsen beyond our expectations, we formulated additional measures that more deeply entrench the "Comprehensive Management Measures." These new measures entailed a renewed emphasis on implementing a low-cost corporate structure, including contraction of our capital expenditure plan, and are aimed at strengthening our business foundation and ensuring a swift performance recovery.

Although the aforementioned measures began to bear fruit, the Group's performance was profoundly impacted by the prolonged economic recession. In the period under review, consolidated net sales amounted to ¥490,179 million, down 37.5% from the previous corresponding period. The Group posted an operating loss of ¥6,054 million (operating income of ¥36,349 million in the previous corresponding period), an ordinary loss of ¥27,165 million (ordinary income of ¥48,224 million in the previous corresponding period), and a net loss of ¥32,504 million (net income of ¥20,250 million in the previous corresponding period).

(2) Review by Segment

(Cement)

(Billions of yen)

	FY 2009 Q1-Q2	FY 2010 Q1-Q2	Increase/decrease (%)	
Net Sales	¥94.6	¥79.9	¥(14.7)	-15.6%
Operating income (loss)	¥4.2	¥2.6	¥(1.6)	-38.0%

The Cement business posted year-on-year declines in both sales and operating income.

During the period, domestic demand weakened amid a significant drop in private-sector capital expenditures. Overseas, we enjoyed relatively healthy demand in India and elsewhere, while demand in China also showed signs of recovery. However, in the United States, where economic recession continued, demand was generally depressed, especially in the housing construction sector. Total cement production for the period was 5.5 million tons (down 0.8 million tons from the previous corresponding period).

(Metals)

(Billions of yen)

	FY 2009 Q1-Q2	FY 2010 Q1-Q2	Increase/decrease (%)	
Net Sales	¥350.5	¥203.9	¥(146.5)	-41.8%
Operating income (loss)	¥12.8	¥(2.1)	¥(15.0)	−%

The Metals business posted declines in sales and operating income compared with the previous corresponding period.

Despite increased production at PT Smelting in Indonesia and the benefits of cost-cutting efforts, the copper business reported year-on-year declines in revenue and earnings for several reasons. These included falling prices of copper and copper byproducts, as well as a drop in production stemming from problems at a domestic refinery. Total production of electrolytic copper for the period was 286 thousand tons (up 10 thousand tons from the previous corresponding period).

In gold, revenue and earnings increased, buoyed by a rise in gold content in raw material mineral ore.

Sales and earnings from processed copper products declined due to a major drop in sales to the automobile and electronic materials and components markets.

(Advanced Materials & Tools)

(Billions of yen)

	FY 2009 Q1-Q2	FY 2010 Q1-Q2	Increase/decrease (%)	
Net Sales	¥88.3	¥43.0	¥(45.2)	-51.3%
Operating income (loss)	¥9.4	¥(5.3)	¥(14.8)	－%

The Advanced Materials & Tools business reported year-on-year declines in sales and operating income.

Despite the positive benefits of cost-cutting measures, the cemented carbide products business posted declines in revenue and earnings. This was due to significant decreases in orders, both domestic and overseas, stemming from production adjustments in automobile-related markets—home to major clients—as well as inventory adjustments in the distribution stage.

In high-performance alloy products, revenue and earnings declined due to a considerable drop in orders in the wake of inventory adjustments by automobile-related companies and delays in mass production by aircraft manufacturers.

(Electronic Materials & Components)

(Billions of yen)

	FY 2009 Q1-Q2	FY 2010 Q1-Q2	Increase/decrease (%)	
Net Sales	¥39.3	¥28.6	¥(10.6)	-27.2%
Operating income (loss)	¥6.4	¥(0.5)	¥(6.9)	－%

The Electronic Materials & Components business posted decreases in sales and operating income compared with the previous corresponding period.

In advanced materials, the Group recorded declines in revenue and earnings despite healthy sales of semiconductor precision mounting materials stemming from special demand in the Chinese home appliance market. The decline stemmed from falling sales of other semiconductor-related products.

In electronic devices, we posted declines in revenue and earnings due to a drop in sales of products for use in personal computers and mobile phones. This was despite a moderate recovery trend in sales for home appliances.

In polycrystalline silicon and related products, revenue and earnings decreased due to falling demand as companies in the semiconductor market undertook inventory adjustments, centered on 300mm silicon wafers.

(Aluminum)

(Billions of yen)

	FY 2009 Q1-Q2	FY 2010 Q1-Q2	Increase/decrease (%)	
Net Sales	¥88.8	¥65.9	¥(22.8)	-25.7%
Operating income (loss)	¥1.9	¥1.8	¥(0.1)	-7.3%

The Group's Aluminum business reported declines in sales and operating income.

In aluminum cans, we posted a decline in revenue but an increase in earnings. This was attributable to cost-cutting benefits, which helped compensate for a decline in sales stemming from unstable weather conditions from July.

In rolled aluminum and processed aluminum products, revenue and earnings declined due to continued weakness in demand, especially from automobile-related sectors, which outweighed the benefits of cost-cutting measures.

(Others)

(Billions of yen)

	FY 2009 Q1-Q2	FY 2010 Q1-Q2	Increase/decrease (%)	
Net Sales	¥201.9	¥157.3	¥(44.6)	-22.1%
Operating income (loss)	¥3.9	¥1.6	¥(2.3)	-57.9%

The Others business recorded year-on-year declines in sales and operating income.

In energy-related products, consolidated subsidiary Mitsubishi Nuclear Fuel Co., Ltd. became an equity-method affiliate on April 1, 2009, in connection with the reorganization of the Group's nuclear fuel operations. This, together with a drop in fuel prices, caused year-on-year revenue and earnings to decline.

In precious metals, we reported a decline in revenue due to falling sales of jewelry and ingots amid languishing personal consumption. Thanks to cost-cutting measures, however, earnings in this category increased. Combined orders for nuclear energy and engineering services, together with environment- and recycling-related services, amounted to ¥24.1 billion over the period, down ¥24 billion from the previous corresponding period. The order backlog at the end of the term was ¥22.4 billion, down ¥30.8 billion.

2. Qualitative Information on the Consolidated Financial Position

At September 30, 2009, total assets amounted to ¥1,732.7 billion, up ¥0.7 billion from March 31, 2009.

During the period under review, total liabilities declined ¥10.1 billion, to ¥1,299.8 billion. This was mainly due to the change in status of Mitsubishi Nuclear Fuel Co., Ltd. from consolidated subsidiary to equity-method affiliate in the first quarter.

(Cash Flows from Operating Activities)
Net cash used in operating activities amounted to ¥0.9 billion. The net outflow stemmed mainly from an increase in inventories during the period.

(Cash Flows from Investing Activities)
Net cash used in operating activities totaled ¥58.4 billion, influenced primarily by outlays related to capital expenditures.

(Cash Flows from Financing Activities)
To compensate for net cash outflows from operating and investing activities, which together amounted to ¥59.3 billion, the Group raised funds through borrowings during the period. Accordingly, net cash provided by financing activities was ¥32.8 billion.

As a result, the balance of cash and cash equivalents at September 30, 2009, stood at ¥69.6 billion, down ¥28.1 billion from March 31, 2009.

3. Qualitative Information on the Consolidated Performance Forecasts

Although the economy is expected to recover eventually, there is concern that it will enter a period of extreme instability, given the risk of a prolonged recession caused by the serial effect of real economic downturn and financial contraction. Considering this unclear economic outlook, the Mitsubishi Materials Group believes that more time will be required until full-scale economic recovery takes shape. This is because of declining demand and inventory adjustments in the automobile/semiconductor industries, falling demand for cement, and the prolonged appreciation of the yen.

While the outlook remains difficult to predict, the Group has revised its full-year forecasts (announced on May 11, 2009) for the year ending March 31, 2010, in light of its performance during the second-quarter period under review. The revised forecasts are summarized below.

(Billions of yen)

	FY 2010 (Previously announced on May 11, 2009)	FY 2010 (Currently revised on November 5, 2009)	Increase/decrease (%)
Net sales	¥1,060.0	¥1,050.0	-0.9%
Operating income (loss)	11.0	4.0	-63.6%
Ordinary income (loss)	(21.0)	(27.0)	—
Net income (loss)	¥(50.0)	¥(60.0)	—

In consideration of the aforementioned downward revision of forecasts, we regret to announce that we will not declare a year-end dividend for the current fiscal period. As announced on August 3, 2009, we will also forgo a dividend for the second-quarter period under review.

The Group remains steadfastly committed to implementing its "Comprehensive Management Measures" and adopting additional actions aimed at their further entrenchment. In the process, we will transform the Group into a low-cost operation and build a firm business foundation, with the aim of returning to profitability in the year ending March 2011 and achieving major progress thereafter. To address current business conditions, which are worse than originally expected, we will consider taking drastic actions, including improvement of our operational base and restructuring of our businesses.

Going forward, the Group stands united in its relentless pursuit of the aforementioned measures. We are dedicated to reinforcing our business foundation and achieving an early performance recovery.

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 procedures unique to quarterly consolidated financial statements:
Accounting procedures unique to quarterly consolidated financial statements
The Group rationally assumes an effective tax rate after applying tax-effect accounting to income before income taxes for the consolidated fiscal year, including the second-quarter period under review, and multiplies such effective tax rate by quarterly income before income taxes to arrive at the tax expense.
Income tax adjustment is included in income taxes.

(3) Changes in accounting principles, procedures, and disclosure methods related to the preparation of quarterly consolidated financial statements

(i) Changes in accounting standards for construction revenue and cost of completed work
With regard to accounting standards for recording income from contracted construction, we have conventionally applied the percentage of completion basis primarily on construction work totaling ¥100 million or more with a duration of one year or longer, and applied the completed contract basis for any other construction work. Effective the first quarter of the current fiscal year, however, we have applied “Accounting Standard for Construction Contracts” (ASBJ Statement No. 15, enacted December 27, 2007) and the “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No. 18, enacted December 27, 2007) on all construction contracts commenced during the first quarter. The percentage of completion basis has been applied to construction work where there is certainty that the project will be completed by the end of the second quarter of the fiscal year (percentage of completed work is estimated using the cost proportion method), and the completed contract basis has been applied to other construction work.
The impact of this change on the Group’s earnings is minimal.

(ii) Changes in valuation method for other marketable securities that have market value
When evaluating shares and investment trusts (included in “Other marketable securities”), conventionally the Group has applied the market value method based on market prices at the settlement date of each business quarter. Effective the first quarter of the current fiscal year, however, the Group has applied market value method based on average market prices over the final month of each business quarter.
This change eliminates the impact of short-term fluctuations in market conditions on net assets and thus presents our financial state more appropriately.
As a result of this change, deferred tax assets (included in “Investments and other assets”) and minority interests declined ¥963 million and ¥23 million, respectively. By contrast, investment securities, valuation difference on other marketable securities, and deferred tax liabilities (included in “Noncurrent liabilities”) increased ¥2,539 million, ¥1,310 million, and ¥169 million, respectively.
The impact of this change on the Group’s earnings is minimal.
With regard to quarter-end impairment accounting for shares and investment trusts affected by sharp falls in market prices, conventionally the Group has applied the quarterly cost-or-market method. Effective the first quarter of the current fiscal year, however, the Group has changed to the quarterly reversal cost conversion method.
This change was implemented to eliminate the influence of fluctuations in quarterly market conditions and thus provide a more appropriate presentation of business performance and financial position in year-end consolidated accounting.
The impact of this change on the Group’s earnings is minimal.

5. Consolidated Financial Statement

(1) Consolidated Balance Sheets

(Millions of yen)

	At the end of the second quarter of consolidated fiscal 2010 (As of September 30, 2009)	Summarized consolidated balance sheets in the previous consolidated fiscal year (As of March 31, 2009)
ASSETS		
Current Assets:		
Cash and deposits	¥70,653	¥98,497
Notes and accounts receivable-trade	156,026	168,857
Merchandise and finished goods	67,662	66,157
Work in process	89,407	72,349
Raw materials and supplies	77,608	64,026
Other	175,151	185,046
Allowance for doubtful accounts	(2,554)	(2,978)
Total Current Assets	**633,955**	**651,956**
Noncurrent Assets:		
Property, Plant and Equipment:		
Machinery and equipment, net	197,357	211,590
Land, net	271,200	272,294
Other, net	235,256	226,172
Total Property, Plant and Equipment	**703,814**	**710,058**
Intangible Assets:		
Goodwill	50,219	49,495
Other	9,789	10,101
Total Intangible Assets	**60,008**	**59,597**
Investments and Other Assets:		
Investment securities	289,071	253,127
Other	53,376	66,815
Allowance for investment loss	(624)	(640)
Allowance for doubtful accounts	(6,841)	(8,910)
Total Investments and Other Assets	**334,982**	**310,391**
Total Noncurrent Assets	**1,098,805**	**1,080,046**
Total Assets	**¥1,732,760**	**¥1,732,003**

(Millions of yen)

	At the end of the second quarter of consolidated fiscal 2010 (As of September 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	¥109,602	¥103,784
Short-term loans payable	278,779	283,932
Current portion of bonds payable	20,000	—
Commercial papers	25,000	26,000
Income taxes payable	4,555	4,708
Provision	9,163	9,980
Other	274,049	307,143
Total Current Liabilities	**721,151**	**735,549**
Noncurrent Liabilities:		
Bonds payable	75,000	95,000
Long-term loans payable	346,201	301,080
Provision for retirement benefits	49,662	50,376
Other provision	17,461	16,496
Other	90,413	111,565
Total Noncurrent Liabilities	**578,740**	**574,518**
Total Liabilities	**1,299,891**	**1,310,068**
NET ASSETS		
Shareholder's Equity:		
Capital stock	119,457	119,457
Capital surplus	108,285	108,287
Retained earnings	127,431	158,542
Treasury stock	(5,400)	(5,371)
Total Shareholders' Equity	**349,774**	**380,915**
Valuation and Translation Adjustments:		
Valuation difference on available for sale securities	24,735	2,120
Deferred gains or losses on hedges	(943)	(9,256)
Revaluation reserve for land	30,658	30,459
Foreign currency translation adjustment	(32,081)	(39,660)
Total Valuation and Translation Adjustments	**22,369**	**(16,337)**
Minority interests	**60,725**	**57,356**
Total Net Assets	**432,869**	**421,934**
Total Liabilities and Net Assets	**¥1,732,760**	**¥1,732,003**

(2) Consolidated Statements of Operations

[For the Six Months Ended September 30, 2009]

(Millions of yen)

	Six months ended Sep. 30, 2008 (From April 1, 2008 to Sep. 30, 2008)	Six months ended Sep.30, 2009 (From April 1, 2009 to Sept. 30, 2009)
Net Sales	**¥784,402**	**¥490,179**
Cost of sales	682,217	434,089
Gross Profit	**102,184**	**56,090**
Selling, General and Administrative Expenses	65,835	62,145
Operating Income (Loss)	**36,349**	**(6,054)**
Non-Operating Income:		
Interest income	848	442
Dividends income	12,605	1,688
Rent income on noncurrent assets	2,890	2,749
Equity in earning of affiliates	8,273	—
Other	3,150	1,480
Total Non-Operating Income	**27,767**	**6,360**
Non-Operating Expenses:		
Interest expenses	9,162	6,835
Equity in losses of affiliates	—	14,632
Other	6,730	6,003
Total Non-Operating Expenses	**15,892**	**27,471**
Ordinary Income (Loss)	**48,224**	**(27,165)**
Extraordinary Income:		
Gain on change in equity	1,290	1,375
Gain on sales of noncurrent assets	801	1,346
Other	264	871
Total Extraordinary Income	**2,357**	**3,593**
Extraordinary Losses:		
Loss on liquidation of business	—	5,204
Head office moving expenses	—	2,588
Loss on valuation of investment securities	8,399	253
Other	1,207	1,357
Total Extraordinary Loss	**9,607**	**9,404**
Income (Loss) before Income Taxes	**40,974**	**(32,976)**
Income taxes	**15,192**	**(2,916)**
Minority interests in income (loss)	**5,530**	**2,445**
Net Income (Loss)	**¥20,250**	**¥(32,504)**

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended Sep.30, 2008 (From April 1, 2008 to Sep. 30, 2008)	Six months ended Sep.30, 2009 (From April 1, 2009 to Sep. 30, 2009)
Net Cash Provided by (Used in) Operating Activities:		
Income (loss) before income taxes	¥40,974	¥(32,976)
Depreciation and amortization	32,948	32,869
Increase (decrease) in provision	(3,339)	3,737
Interest and dividends income	(13,454)	(2,131)
Interest expenses	9,162	6,835
Equity in (earnings) losses of affiliates	(8,273)	14,632
Loss (gain) on change in equity	(1,290)	(1,375)
Loss (gain) on sales of property, plant and equipment	(765)	(1,410)
Loss (gain) on valuation of investment securities	8,399	253
Decrease (increase) in notes and accounts receivables-trade	20,140	12,430
Decrease (increase) in inventories	(31,240)	(36,546)
Increase (decrease) in notes and accounts payable-trade	(33,357)	4,531
Other, net	(8,456)	1,717
Subtotal	**11,446**	**2,567**
Interest and dividends income received	15,569	3,734
Interest expenses paid	(8,156)	(7,428)
Income taxes refund (paid)	(25,278)	203
Net Cash Provided by (Used in) Operating Activities	**(6,419)**	**(923)**
Net Cash Provided by (Used in) Investing Activities		
Purchase of property, plant and equipment	(29,349)	(34,166)
Proceeds from sales of property, plant and equipment	3.496	2,340
Purchase of investment securities	(2,213)	(4,050)
Proceeds from sales of investment securities	88	1,895
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(43,914)	(22,994)
Other, net	165	(1,473)
Net Cash Provided by (Used in) Investing Activities	**(71,726)**	**(58,449)**
Net Cash Provided by (Used in) Financing Activities:		
Net increase (decreases) in short-term loans payable	26,341	9,408
Proceeds from long-term loans payable	34,682	68,644
Repayment of long-term loans payable	(32,448)	(40,062)
Payments for redemption of bonds payable	(15,000)	—
Increase (decrease) in commercial papers	20,000	(1,000)
Purchase of treasury stock	(5,123)	(33)
Cash dividends paid	(5,112)	—
Cash dividends paid to minority shareholders	(6,027)	(2,983)
Proceeds from stock issuance to minority shareholders	13,867	—
Other, net	(1,116)	(1,117)
Net Cash Provided by (Used in) Financing Activities	**30,062**	**32,854**
Effect of Exchange Rate Change on Cash and Cash Equivalents	**(5,559)**	**1,953**
Net Increase (Decrease) in Cash and Cash Equivalents	**(53,643)**	**(24,564)**
Cash and Cash Equivalents at Beginning of Period	**109,390**	**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	**¥60,298**	**¥69,628**

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

(5) Segment Information

[Business segment information]

For the six months ended September 30, 2008 (From April 1, 2008 to September 30, 2008) (Millions of yen)

	Cement	Metals	Advanced Materials & Tolls	Electronic Materials & Components	Aluminum	Others	Total	Elimination and Corporate Expenses	Consolidated
Net sales	¥94,696	¥350,552	¥88,314	¥39,320	¥88,814	¥201,986	¥863,685	¥(79,282)	¥784,402
Operating income	¥4,269	¥12,848	¥9,481	¥6,438	¥1,985	¥3,976	¥38,999	¥(2,650)	¥36,349

For the six months ended September 30, 2009 (April 1, 2009 to September 30, 2009) (Millions of yen)

	Cement	Metals	Advanced Materials & Tolls	Electronic Materials & Components	Aluminum	Others	Total	Elimination and Corporate Expenses	Consolidated
Net sales	¥79,919	¥203,976	¥43,014	¥28,634	¥65,996	¥157,327	¥578,869	¥(88,689)	¥490,179
Operating income (loss)	¥2,645	¥(2,174)	¥(5,387)	¥(504)	¥1,841	¥1,676	¥(1,903)	¥(4,150)	¥(6,054)

Note: Business segment has been classified in term 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 & Tolls: Cemented carbide products, high-performance alloy products and diamond tools
(4) Electronic Materials & Components: Advanced 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 business, real estate business and engineering related services, etc

[Geographical segment information]

For the six months ended September 30, 2008 (April 1, 2008 to September 30, 2008) (Millions of yen)

	Japan	Unites States	Europe	Asia	Others	Total	Elimination and Corporate Expenses	Consolidated
Net sales	¥668,153	¥52,994	¥13,175	¥136,332	¥1,437	¥872,092	¥(87,689)	¥784,402
Operating income	¥26,565	¥6,380	¥1,456	¥4,405	¥308	¥39,116	¥(2,767)	¥36,349

For the six months ended September 30, 2009 (April 1, 2009 to September 30, 2009) (Millions of yen)

	Japan	Unites States	Europe	Asia	Others	Total	Elimination and Corporate Expenses	Consolidated
Net sales	¥435,240	¥38,211	¥5,817	¥97,752	¥1,357	¥578,378	¥ (88,199)	¥490,179
Operating income (loss)	¥(8,228)	¥3,079	¥ (14)	¥2,557	¥484	¥ (2,121)	¥ (3,932)	¥ (6,054)

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 and Netherlands
(2) Asia: Indonesia, Malaysia, Singapore, China, Hong Kong and Thailand
(3) Others: Australia

[Overseas Sales]

For the six months ended September 30, 2008 (April 1, 2008 to September 30, 2008) (Millions of yen)

	United States	Europe	Asia	Others	Total
Overseas sales	¥50,622	¥28,714	¥157,856	¥4,745	¥241,939
Consolidated net sales					¥784,402
Percentage of overseas sales to consolidated net sales	6.5%	3.7%	20.1%	0.6%	30.8%

For the six months ended September 30, 2009 (April 1, 2009 to September 30, 2009) (Millions of yen)

	United States	Europe	Asia	Others	Total
Overseas sales	¥34,658	¥15,165	¥101,937	¥3,606	¥155,368
Consolidated net sales					¥490,179
Percentage of overseas sales to consolidated net sales	7.1%	3.1%	20.8%	0.7%	31.7%

Note:

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, United Kingdom, Spain and France
   (2) Asia: Indonesia, South Korea, Malaysia, Singapore, China, Taiwan, Hong Kong and Thailand
   (3) Others Australia, Canada and Brazil
3. Overseas sales refer to sales in countries or regions outside of Japan reported by the Company and its consolidated subsidiaries.

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