Consolidated Financial Results for the First Quarter Ended June 30, 2010
Mitsubishi Materials Corporation

Tokyo, Japan

August 9, 2010

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 11, 2010
Scheduled date of start of dividend payment:	—

Supplementary materials for the quarterly financial results: Yes
Investor conference for the quarterly financial results: Yes (For Corporate Investors)

1. Results of the three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)
(1) Results of operations (cumulative):

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

	Net sales		Operating Income		Ordinary Income		Net Income	
Three Months Ended Jun.30, 2010	¥335,217	44.5(%)	¥14,529	―	¥11,071	―	¥4,083	―
Three Months Ended Jun.30, 2009	¥232,046	-37.5(%)	¥(7,428)	―	¥(17,812)	―	¥(15,853)	―

	Net Income per Share	Diluted Net Income per Share
Three Months Ended Jun.30, 2010	¥3.11 (yen)	―
Three Months Ended Jun.30, 2009	¥(12.50) (yen)	―

(2) Financial Position:

(Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Shareholders' Equity per Share
As of June 30, 2010	¥1,817,050	¥407,118	18.9(%)	¥262.37 (yen)
As of March 31, 2010	¥1,826,420	¥399,095	18.7(%)	¥259.93 (yen)

(Reference) Shareholders' equity As of June 30, 2010: 344,256 million yen
As of March 31, 2010: 341,067million yen

2. Dividend payments

	Dividends per Share				
(Record date)	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
Year Ended March 31, 2010	―	¥0.00 (yen)	―	¥0.00 (yen)	¥0.00 (yen)
Year Ending March 31, 2011	―				
Year Ending March 31, 2011 (Forecast)		¥0.00 (yen)	―	―	―

(Note) Revisions to dividend forecast in the current period: No
Currently the amount of dividends for the year ending March 31, 2011 is to be determined.

3. Forecast (From April 1, 2010 to March 31, 2011)

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

	Net sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
Six Months Ending Sep. 30, 2010	¥670,000	36.7 (%)	¥26,000	―	¥24,000	―	¥6,000	―	¥4.57 (yen)
Year Ending March 31, 2011	¥1,280,000	14.3 (%)	¥33,000	160.2 (%)	¥30,000	―	¥5,000	―	¥3.81 (yen)

(Note) Revisions to forecast in the current period: Yes
The Company has revised its forecasts for the six-month period ending September 30, 2010. However, it has not revised its forecasts for the full-year period ending March 31, 2011.

4. Other (For details, please see “ Other information” on page 5 of “Appendix.”)

(1) Changes in important subsidiaries during the period: No

Newly included: －companies (Company name: －), Removed: －companies (Company name: －)

(Note) Whether or not specified subsidiaries were changed resulting in the changes in scope of consolidation during the period.

(2) Application of simple accounting methods and specific accounting methods: Yes

(Note) Whether or not the simplified accounting methods or the accounting methods specific for producing quarterly consolidated financial statements was applied.

(3) Changes in accounting policies, procedures, and disclosures method.

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

(ii) Other changes: Yes

(Note) Whether or not accounting policies, procedures and disclosures associated with producing of quarterly consolidated financial statements were changed. These are indicated in Changes of Significant Items for Basis of Preparation of Quarterly Consolidated Financial Statements.

(4) Number of issued shares (common stock)

(i) Number of issued shares at end of year

Three months ended June 30, 2010: 1,314,895,351 shares (including treasury stock)

Year ended March 31, 2010: 1,314,895,351 shares (including treasury stock)

(ii) Number of treasury shares at end of year

Three months ended June 30, 2010: 2,787,125 shares

Year ended March 31, 2010: 2,759,589 shares

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

Three months ended June 30, 2010: 1,312,118,760 shares

Three months ended June 30, 2009: 1,268,336,234 shares

*Indication regarding the situation of quarterly review procedures

This financial results is not subject to the quarterly review procedures pursuant to the Financial Instruments and Exchange Act. As of the disclosure of this financial results, the procedures for reviewing quarterly financial statements pursuant to the Financial Instruments and Exchange Act are in progress.

* Summaries for relevant use of forecasts and other specific affairs

1. The Company has revised its performance forecasts for the six-month period ending September 30, 2010. (Those forecasts were announced on May 12, 2010.)
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 Regarding the Consolidated Performance for the Current Quarter, etc.

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1. Qualitative Information Regarding the Consolidated Performance for the Current Quarter, etc

(1) Qualitative Information on the Consolidated Business Performance

1) Overview of period under review

In the first quarter period under review (three months ended June 30, 2010), the world economy showed moderate recovery, benefiting from increased internal demand in such emerging nations as China and India, as well as economic stimulus measures taken by various governments. This was despite heightened unemployment rates in the United States and Europe, which had a restraining effect on the world economy.

Conditions in Japan remained difficult as the unemployment rate continued at high levels. However, a foundation for a self-sustaining recovery has been established, thanks to improved corporate earnings accompanying higher exports and production, as well as a turnaround in personal consumption.

Despite weak demand for cement, the Mitsubishi Materials Group enjoyed healthy business conditions as copper prices rose to levels beyond its expectations. Demand also recovered, especially in the automobile and semiconductor-related markets.

In this environment, the Group sought to reinforce and entrench its Comprehensive Management Measures, which it had been pursuing. To this end, we stepped up efforts to reform our business structure and transform ourselves into a low-cost operation. With respect to targeting low-cost operation, we worked to adopt a production system capable of flexibly addressing demand trends, while shrinking personnel and other fixed costs and reducing variable costs, including for raw materials and outsourced processing. We also sought to optimize our product sales prices. All of these initiatives were aimed at enabling us to generate steady earnings in all sorts of business conditions.

As a result, consolidated net sales for the period totaled ¥335,217 million, up 44.5% from the previous corresponding period. Operating income amounted to ¥14,529 million (operating loss of ¥7,428 million in the previous corresponding period), and ordinary income was ¥11,071 million (ordinary loss of ¥17,812 million in the previous corresponding period). Net income for the period totaled ¥4,083 million (net loss of ¥15,853 million in the previous corresponding period).

2) Overview of Segment

(Cement)

(Billions of yen)

	FY 2010 Q1 (Reference)	FY 2011 Q1	Increase/decrease (%)	
Net Sales	¥37.5	¥34.3	¥(3.2)	-8.6%
Operating income	0.5	0.1	(0.3)	-67.1%
Ordinary income (loss)	¥(0.0)	¥(0.0)	¥(0.0)	−%

Note: Contaminated soil generated internally by the Group is treated by the Cement business. With respect to this, the method of calculating the Cement business's sales has been changed, effective the first quarter under review. This change would lead to an increase in sales of the Division but would have no impact on the Group's consolidated results. Figures for the previous corresponding period in the above table have been reclassified using the same method, announced August 3, 2010.

In the period under review, the Cement business faced weak demand in Japan, due to a decline in public-sector spending. This was despite recoveries in housing construction and private-sector capital expenditures. Overseas, meanwhile, conditions were mixed. Although demand in China rose on the back of government economic stimulus measures, our performance in the United States was affected by languishing construction investments, due partly to the impact of instable weather conditions in southern California. Total cement production for the period was 2.5 million tons, mostly unchanged from the previous corresponding period.

As a result, the Cement business posted year-on-year declines in sales and operating income.

Although the segment posted an improved financial income/expense situation, the ordinary loss for the period increased from previous corresponding period due to the decline in operating income.

(Metals)

(Billions of yen)

	FY 2010 Q1 (Reference)	FY 2011 Q1	Increase/decrease (%)	
Net Sales	¥89.7	¥184.3	¥94.5	105.3%
Operating income (loss)	(3.6)	7.4	11.0	−%
Ordinary income (loss)	¥(5.2)	¥5.4	¥10.6	−%

The copper business reported year-on-year growth in revenue and earnings owing to increased production by PT Smelting in Indonesia on top of rising copper prices. Total production of electrolytic copper was 157 thousand tons, up 21 thousand tons from the previous corresponding period.

In gold, revenue and earnings increased year-on-year thanks to prices remaining at high levels.

Processed copper products generated higher revenue and earnings due to Mitsubishi Cable Industries becoming a consolidated subsidiary on March 12, 2010, as well as increases in sales for automobile products and electric materials stemming from market recovery.

Accordingly, the entire Metals business segment posted a year-on-year increase in sales and also returned to positive operating income.

In the period under review, it posted positive ordinary income, reflecting the positive operating income figure, which contrasted with a weaker performance in financial income/expenses.

(Advanced Materials & Tools)

(Billions of yen)

	FY 2010 Q1 (Reference)	FY 2011 Q1	Increase/decrease (%)	
Net Sales	¥20.1	¥35.4	¥15.2	75.8%
Operating income (loss)	(2.6)	3.7	6.3	－%
Ordinary income (loss)	¥(3.7)	¥3.5	¥7.2	－%

The cemented carbide products business reported year-on-year increases in revenue and earnings. For the period, sales increased owing to flourishing demand in emerging nations, centering on China, as well as a recovery in demand in Japan, the United States and Europe. Improved capacity utilization of manufacturing facilities and cost-cutting efforts provided a further boost to profits in this business.

In high-performance alloy products, sales increased thanks to recovery in demand in automobile-related markets, as well as a turnaround in demand in aircraft-related markets. On December 1, 2009, three companies involved in the manufacture and sale of sintered parts—DIAMET, DIAMET Klang (Malaysia), and PM Techno—were upgraded from equity-method affiliates to consolidated subsidiaries. This, together with cost-cutting efforts, helped boost revenue and earnings.

As a result, the Advanced Materials & Tools business segment posted a year-on-year increase in sales and a return to operating profitability.

In the period under review, it posted positive ordinary income, reflecting a decline in loss on equity in affiliates, as well as the positive operating income figure.

(Electronic Materials & Components)

(Billions of yen)

	FY 2010 Q1 (Reference)	FY 2011 Q1	Increase/decrease (%)	
Net Sales	¥13.2	¥14.6	¥1.4	11.0%
Operating income (loss)	(0.5)	1.8	2.4	－%
Ordinary income (loss)	¥(8.9)	¥(0.1)	¥8.7	－%

In advanced materials, the Group recorded increases in revenue and earnings owing to growth in sales stemming from a recovery in semiconductor-related markets centering on Taiwan.

In electronic devices, we posted growth in revenue and earnings thanks to increased sales, which benefited from healthy demand, especially in emerging nations, as well as a general recovery in worldwide demand.

In polycrystalline silicon and related products, revenue declined due to decline of sales steaming from suspension of operations at the Yokkaichi plant. Higher sales of related products, however, led to an increase in earnings.

Accordingly, the Electronic Materials & Components business segment posted a year-on-year increase in sales and a return to operating profitability.

In the period under review, ordinary loss decreased from the previous corresponding period, reflecting a decline in loss in equity in affiliates, as well as the positive operating income figure.

(Aluminum)

(Billions of yen)

	FY 2010 Q1 (Reference)	FY 2011 Q1	Increase/decrease (%)	
Net Sales	¥32.7	¥34.9	¥2.1	6.6%
Operating income	0.6	1.8	1.1	186.6%
Ordinary income	¥0.4	¥1.6	¥1.2	280.3%

In aluminum cans, the Group posted year-on-year declines in both revenue and earnings. This was due to a fall in sales stemming from unstable weather conditions, we well as rising prices of aluminum.

In rolled aluminum and processed aluminum products, revenue and earnings increased thanks to higher sales of products for the automobile and electric materials sectors stemming from a recovery in demand.

As a result, the Group's Aluminum business segment posted year-on-year growth in sales and operating income.

Ordinary income also increased, thanks to the rise in operating income, as well as improved financial income/expenses.

(Others)

(Billions of yen)

	FY 2010 Q1 (Reference)	FY 2011 Q1	Increase/decrease (%)	
Net Sales	¥78.5	¥71.9	¥(6.6)	-8.4%
Operating income	0.0	0.7	0.7	－%
Ordinary income	¥1.1	¥1.3	¥0.2	23.1%

In energy-related products, sales declined in the wake of consolidated subsidiary Mitsubishi Materials Energy Corp. transferred its oil and gas sales business in the previous fiscal year. Although revenue decreased, earnings improved thanks to healthy sales of coal.

In precious metals, we reported increases in revenue and earnings. Here, our performance benefited from cost-cutting and other measures.

Combined orders for nuclear energy and engineering services amounted to ¥12.1 billion over the period, down ¥1.1 billion from the previous corresponding period. The order backlog at the end of the period was ¥18.8 billion, down ¥10.1 billion.

(2) Qualitative Information on Consolidated Financial Position

At June 30, 2010, total assets amounted to ¥1,817.0 billion, down ¥9.3 billion from March 31, 2010. The decline stemmed mainly from a loss on valuation of investment securities.

Total liabilities declined ¥17.3 billion, to ¥1,409.9 billion. This was due mainly to a decrease in notes and accounts payable—trade.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥13.7 billion, owing mainly to the Group's improved business performance. This contrasted with an increase in inventories, which had a downward impact on cash flows.

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled ¥29.2 billion. This primarily reflected outflows related to capital expenditures.

(Cash Flows from Financing Activities)

Together, operating activities and investing activities produced a net outflow of ¥15.4 billion, which was mainly financed through bank borrowings. Accordingly, net cash provided by financing activities was ¥13.3 billion.

As a result of the above, cash and cash equivalents at June 30, 2010, stood at ¥75.1 billion, down ¥1.1 billion from March 31, 2010.

(3) Qualitative Information on Consolidated Performance Forecasts

With respect to the economic outlook, we expect recovery to continue thanks to further improvements in corporate earnings and growing demand in emerging nations. This is despite various causes for concern, such as a worsening employment situation, prolonged strength in the yen, the impact of deflation, and the negative effect of economic stagnation overseas, centering on Europe.

In this environment, the Mitsubishi Materials Group looks forward to healthy sales, especially of automobile- and semiconductor-related products. This is despite the potential impact on earnings of various uncertain factors, such as prices of non-ferrous metals, raw materials, fuel, and other resources.

In light of its performance in the first quarter ended June 2010 and its business environment, the Group has revised its forecasts for the six-month period ending September 30, 2010 (previous forecasts announced May 12, 2010), as shown below.

The Group has not changed its forecasts for the full-year period ending March 31, 2011, because factors that may affect earning are still unclear, as explained earlier.

(Billions of yen)

	Previous forecasts	Revised forecasts	Increase/decrease (%)
Net Sales	¥620.0	¥670.0	8.1%
Operating income	12.0	26.0	116.7%
Ordinary income	8.0	24.0	200.0%
Net income	¥1.0	¥6.0	500.0%

Going forward, the Group will step up efforts to strengthen its earnings foundation by reinforcing and entrenching its Comprehensive Management Measures. At the same time, we will promote efforts aimed at sustained future growth and expansion of earnings in ways that are not dependent on the timing for economic recovery. These include aggressively advancing our business in emerging nations.

2. Other Information

(1) Outline of use of simple accounting method and specific accounting procedures:

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 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.

(2) Outline of changes in accounting policies, procedures, and disclosures method

1) Application of "Accounting Standard for Equity Method of Accounting for Investments" and "Practical Solution of Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method"

"Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, March 10, 2008) and "Practical Solution of Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (PITF No. 24, March 10, 2008) are applied from the period under review.

There is no effect on the income and loss due to this.

2) Application of Accounting Standard for Asset Retirement Obligations

"Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standards for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008) are applied from first quarter of the year under review.

Operating income and ordinary income each decreased ¥4 million, while income before income taxes decreased ¥357 million due to this.

3) Application of Accounting Standard for Valuation of Inventories

Effective the period under review, the Company has applied Accounting Standard for Valuation of Inventories (ASBJ Statement No. 9, September 26, 2008). Accordingly, the last-in, first-out (LIFO) method of valuing inventories, adopted by some consolidated subsidiaries, will mostly be changed to the first-in, first-out (FIFO) method or the gross average method.

As a result of this change, operating income and ordinary income each increased ¥363 million, while income before income taxes rose ¥4,465 million. With respect to the inventories of some consolidated subsidiaries in the aluminum business, the difference between the book prices and repurchase cost (average unit price over period under review) of paid-for inventories has been deducted in calculation.

4) Depreciation Method and Useful Lives of Major Depreciable Assets

Previously, the Company applied the declining-balance method for depreciating polycrystalline silicon manufacturing facilities at its Yokkaichi factory. Effective the period under review, however, this has been changed to the straight-line method. Taking advantage of the commission of the No. 2 plant, scheduled for the current fiscal year, the Company studied appropriate methods for depreciating its polycrystalline silicon manufacturing facilities. In light of estimated future demand for polycrystalline silicon, the straight-line method is deemed more rational because it facilitates stable usage and allows the benefits of investments to be uniform without the risk of technology becoming outdated.

(Supplementary Information) Change in Estimate Useful Lives of Machinery and Equipment

Previously, the Company and its domestic consolidated subsidiaries mainly applied the same standard for estimated useful lives of machinery and equipment as specified by the Corporation Tax Act. Recently, however, the Company made large-scale equipment investments in some businesses and used this opportunity to reassess the estimated useful lives of existing, similar equipment. This reassessment was done after comprehensive consideration of physical useful life, as well as economic useful life, which incorporates such factors as product life cycle and risk of manufacturing methods becoming outdated.

Changes in estimated useful life	Previous	New
Copper smelting equipment (partial)	7 years	16 years
Copper processing equipment (partial)	7 years	12 years
Polycrystalline silicon manufacturing equipment	7 years	13 years
Aluminum product manufacturing equipment (partial)	7 years	12 years

Specifically, copper smelting business in the copper business, taking advantage of increased electrolytic copper production facilities by a domestic consolidated subsidiary, the Company and that consolidated subsidiary undertook a reassessment of useful life of equipment. Similarly, taking advantage of increased rolled copper manufacturing facilities by a domestic consolidated subsidiary, that subsidiary undertook a reassessment of useful life of its copper processing equipment. In addition, with respect to polycrystalline silicon manufacturing equipment in the electric materials business, taking advantage of the commissioning of the No. 2 plant at the Yokkaichi factory, scheduled for the current fiscal year, the Company undertook a reassessment of its Yokkaichi factory. Also, with respect to aluminum product manufacturing equipment in the aluminum business, a domestic consolidated subsidiary took advantage of construction of new-model roller copper facilities to undertake its own reassessment of useful equipment life.

As a result of the above, operating income, ordinary income, and income before income taxes each increased ¥1,176 million compared with the previous method.

5. Consolidated Financial Statement

(1) Consolidated Balance Sheets

(Millions of yen)

	At the end of the first quarter of consolidated fiscal 2011 (As of June 30, 2010)	Summarized consolidated balance sheets in the previous consolidated fiscal year (As of March 31, 2010)
ASSETS		
Current Assets:		
Cash and deposits	¥75,728	¥76,989
Notes and accounts receivable-trade	209,634	214,118
Merchandise and finished goods	70,580	61,599
Work in process	101,213	101,687
Raw materials and supplies	82,209	75,768
Other	183,732	182,707
Allowance for doubtful accounts	(3,240)	(3,313)
Total Current Assets	**719,859**	**709,556**
Noncurrent Assets:		
Property, Plant and Equipment:		
Machinery and equipment, net	196,072	197,150
Land, net	285,755	285,565
Other, net	238,386	243,599
Total Property, Plant and Equipment	**720,214**	**726,315**
Intangible Assets:		
Goodwill	52,196	52,749
Other	9,290	9,360
Total Intangible Assets	**61,487**	**62,110**
Investments and Other Assets:		
Investment securities	268,892	280,916
Other	55,449	56,433
Allowance for investment loss	(2,820)	(2,820)
Allowance for doubtful accounts	(6,033)	(6,092)
Total Investments and Other Assets	**315,488**	**328,437**
Total Noncurrent Assets	**1,097,190**	**1,116,863**
Total Assets	**¥1,817,050**	**¥1,826,420**

(Millions of yen)

	At the end of the first quarter of consolidated fiscal 2011 (As of June 30, 2010)	Summarized consolidated balance sheets in the previous consolidated fiscal year (As of March 31, 2010)
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	¥116,995	¥128,986
Short-term loans payable	305,298	294,866
Current portion of bonds payable	20,000	20,000
Commercial papers	—	9,000
Income taxes payable	5,983	4,188
Provision	8,313	11,377
Other	284,039	296,475
Total Current Liabilities	**740,631**	**764,894**
Noncurrent Liabilities:		
Bonds payable	100,000	100,000
Long-term loans payable	385,433	372,183
Provision for retirement benefits	61,768	61,455
Other provision	10,740	12,226
Other	111,357	116,564
Total Noncurrent Liabilities	**669,299**	**662,430**
Total Liabilities	**1,409,931**	**1,427,325**
NET ASSETS		
Shareholders' Equity:		
Capital stock	119,457	119,457
Capital surplus	113,710	113,408
Retained earnings	98,974	92,802
Treasury stock	(1,386)	(1,384)
Total Shareholders' Equity	**330,755**	**324,283**
Valuation and Translation Adjustments:		
Valuation difference on securities available for sale	17,473	23,313
Deferred gains or losses on hedges	1,128	339
Revaluation reserve for land	31,338	31,433
Foreign currency translation adjustment	(36,438)	(38,301)
Total Valuation and Translation Adjustments	**13,501**	**16,784**
Minority interests	**62,862**	**58,027**
Total Net Assets	**407,118**	**399,095**
Total Liabilities and Net Assets	**¥1,817,050**	**¥1,826,420**

(2) Consolidated Statements of Operations

[For the Three Months Ended June 30, 2010]

(Millions of yen)

	Three months ended Jun. 30, 2009 (From April 1, 2009 to Jun. 30, 2009)	Three months ended Jun. 30, 2010 (From April 1, 2010 to Jun. 30, 2010)
Net Sales	**¥232,046**	**¥335,217**
Cost of sales	**207,902**	**287,744**
Gross Profit	**24,143**	**47,472**
Selling, General and Administrative Expenses	**31,572**	**32,942**
Operating Income (Loss)	**(7,428)**	**14,529**
Non-Operating Income:		
Interest income	151	363
Dividends income	1,536	1,763
Rent income on noncurrent assets	1,341	1,401
Other	784	628
Total Non-Operating Income	**3,814**	**4,156**
Non-Operating Expenses:		
Interest expenses	3,509	3,452
Equity in losses of affiliates	7,672	720
Other	3,015	3,441
Total Non-Operating Expenses	**14,197**	**7,614**
Ordinary Income (Loss)	**(17,812)**	**11,071**
Extraordinary Income:		
Effect of application of accounting standard for inventories	—	4,101
Gain on sales of noncurrent assets	237	41
Gain on change in equity	1,375	—
Other	416	405
Total Extraordinary Income	**2,029**	**4,548**
Extraordinary Losses:		
Loss on valuation of investment securities	357	5,704
Provision for environmental measures	645	—
Loss on liquidation of business	550	—
Other	79	1,150
Total Extraordinary Loss	**1,632**	**6,854**
Income (Loss) before Income Taxes	**(17,415)**	**8,765**
Income taxes	(1,843)	2,906
Net income (loss) before minority interests	(15,571)	5,858
Minority interests in income	282	1,775
Net Income (Loss)	**¥ (15,853)**	**¥4,083**

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended Jun. 30, 2009 (From April 1, 2009 to Jun. 30, 2009)	Three months ended Jun. 30, 2010 (From April 1, 2010 to Jun. 30, 2010)
Net Cash Provided by (Used in) Operating Activities:		
Income (loss) before income taxes	¥(17,415)	¥8,765
Depreciation and amortization	16,198	15,059
Increase (decrease) in provision	(5,878)	(4,835)
Interest and dividends income	(1,688)	(2,126)
Interest expenses	3,509	3,452
Equity in (earnings) losses of affiliates	7,672	720
Loss (gain) on change in equity	(1,375)	—
Loss (gain) on sales of property, plant and equipment	(288)	(40)
Decrease (increase) in notes and accounts receivables-trade	12,718	3,390
Decrease (increase) in inventories	(14,204)	(14,638)
Increase (decrease) in notes and accounts payable-trade	(9,805)	(12,045)
Other, net	10,085	19,902
Subtotal	**(472)**	**17,603**
Interest and dividends income received	2,908	2,367
Interest expenses paid	(2,860)	(4,575)
Income taxes refund (paid)	(3,505)	(1,605)
Net Cash Provided by (Used in) Operating Activities	**(3,929)**	**13,791**
Net Cash Provided by (Used in) Investing Activities:		
Purchase of property, plant and equipment	(16,908)	(11,992)
Proceeds from sales of property, plant and equipment	476	135
Purchase of investment securities	(639)	(3,591)
Proceeds from sales of investment securities	33	2,177
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(7,528)	(17,783)
Other, net	(1,777)	1,786
Net Cash Provided by (Used in) Investing Activities	**(26,343)**	**(29,267)**
Net Cash Provided by (Used in) Financing Activities:		
Net increase (decreases) in short-term loans payable	21,681	6,324
Proceeds from long-term loans payable	18,880	27,715
Repayment of long-term loans payable	(15,420)	(11,006)
Increase (decrease) in commercial papers	(19,000)	(9,000)
Purchase of treasury stock	(21)	(14)
Cash dividends paid to minority shareholders	(2,347)	(11)
Other, net	(612)	(669)
Net Cash Provided by (Used in) Financing Activities	**3,160**	**13,338**
Effect of Exchange Rate Change on Cash and Cash Equivalents	**3,294**	**818**
Net Increase (Decrease) in Cash and Cash Equivalents	**(23,818)**	**(1,319)**
Cash and Cash Equivalents at Beginning of Period	**97,780**	**76,309**
Increase (Decrease) in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation	**(3,654)**	**167**
Increase in Cash and Cash Equivalents Resulting from Merger	**67**	**—**
Cash and Cash Equivalents at End of Period	**¥70,374**	**¥75,157**

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

(5) Segment Information

[Business segment information]

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

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 & Tools: 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 three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009) (Millions of yen)

	Japan	Unites 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 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 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%

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.

[Segment Information]

1. Overview of Reporting Segment

(1) Method of Deciding Business Segments for Reporting Purposes

The Company's reporting segments are composed of those individual business units for which separate information is available, about which the Board of Directors makes decisions regarding the allocation of management resources and for which operating performance can be evaluated, allowing them to be evaluated quantitatively.

The Company adopts a system of in-house companies. Each company and business department formulates comprehensive domestic and overseas strategies for its own products and services and advances its business accordingly. Consequently, the in-house companies are classified into segments along basic product and service lines. There are five segments: Cement, Metals, Advanced Materials & Tools, and Electronic Materials & Components, as well as Aluminum, which has high importance within the Company's business departments.

(2) Products and Services Belong to Each Reporting Segments

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:	Advanced materials, electronic components, polycrystalline silicon and chemical products
(5) Aluminum:	Aluminum cans, aluminum rolled and fabricated products

2. Sales and Income or Loss of Reporting Segments

For the three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010) (Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Adjustment Amount	Amount Indicated in the Statements of Income
Net sales									
(1)Outside Customers	¥33,619	¥161,354	¥29,611	¥12,671	¥34,371	¥63,589	¥335,217	—	¥335,217
(2)Within Consolidated Group	690	22,984	5,848	1,987	561	8,318	40,390	¥(40,390)	—
Total	34,310	184,339	35,459	14,658	34,932	71,907	375,607	(40,390)	335,217
Segment income (loss)	¥(94)	¥5,424	¥3,532	¥(147)	¥1,663	¥1,355	¥11,732	¥(661)	¥11,071

Notes:

1. "Others" includes nuclear energy-related services, precious metals, environmental and recycling-related business, real estate business, and engineering-related services.
2. Included in the segment income/loss adjustment amounted (–¥661 million) are segment eliminations (–¥299 million) and corporate expenses that cannot be allocated to specific segments (–¥362 million). Corporate expenses consist mainly of management-related costs, basic and experimental research costs, and financial income/expenses.
3. Segment income/loss has been adjusted together with ordinary income on the consolidated quarterly statements of income.

(Supplemental Information)

1. Change in estimated useful lives and depreciation method of machinery and equipment

Effective the period under review, taking advantage of large-scale investments in some businesses, the Company has reassessed the estimated useful lives and changed the depreciation method for similar existing equipment.

For more details, please refer to "Outline of changes in accounting policies, procedures, disclosure methods" on page 5.

The above changes led to an increase in income in each segment compared with previous method, as shown below.

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Adjustment Amount	Amount Indicated in the Statements of Income
Segment income	—	¥626	—	¥291	¥259	—	¥1,176	—	¥1,176

2. Application of Financial Standard for Disclosure of Segment Information
As of the period under review, we are applying "Accounting Standards Concerning Disclosure of Segment Information" (Corporate Accounting Standards, No. 17, March 27, 2009) and "Application Guide for Accounting Standards Concerning Disclosure of Segment Information" (Corporate Accounting Standards Application Guide, No. 20, March 21, 2008).

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