Consolidated Financial Results for the Third Quarter Ended December 31, 2010
Mitsubishi Materials Corporation

Tokyo, Japan

February 8, 2011

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:	February 10, 2011
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 nine months ended December 31, 2010 (From April 1, 2010 to December 31, 2010)

(1) Results of operations (cumulative):

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

	Net sales		Operating Income		Ordinary Income		Net Income	
Nine Months Ended Dec.31, 2010	¥989,158	28.6(%)	¥45,048	—	¥46,278	—	¥20,784	—
Nine Months Ended Dec.31, 2009	¥769,369	-33.3(%)	¥1,983	-95.8(%)	¥(20,321)	—	¥(31,675)	—

	Net Income per Share	Diluted Net Income per Share
Nine Months Ended Dec.31, 2010	¥15.84 (yen)	—
Nine Months Ended Dec.31, 2009	¥(24.97) (yen)	—

(2) Financial Position:

(Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Shareholders' Equity per Share
As of December 31, 2010	¥1,818,263	¥409,690	19.2(%)	¥266.62 (yen)
As of March 31, 2010	¥1,826,420	¥399,095	18.7(%)	¥259.93 (yen)

(Reference) Shareholders' equity As of December 31, 2010: 349,812 million yen
As of March 31, 2010: 341,067 million 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	—	¥0.00 (yen)			
Year Ending March 31, 2011 (Forecast)			—	¥2.00 (yen)	¥2.00 (yen)

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

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
Year Ending March 31, 2011	¥1,330,000	18.8 (%)	¥54,000	325.9 (%)	¥51,000	—	¥10,000	—	¥7.62(yen)

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

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

(1) Changes in important subsidiaries during the current quarter: 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 methods.

(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

Nine months ended December 31, 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

Nine months ended December 31, 2010:	2,891,298 shares
Year ended March 31, 2010:	2,759,589 shares

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

Nine months ended December 31, 2010:	1,312,084,446 shares
Nine months ended December 31, 2009:	1,268,294,015 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 fiscal year ending March 31, 2011. (Those forecasts were announced on November 8, 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 page 5 “ (3).Qualitative Information on 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 three-quarter period under review (April 1–December 31, 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, together with financial instability in Europe, which had a restraining effect on the world economy.

Conditions in Japan remained difficult as the unemployment rate continued at high levels, a situation that was compounded by the strong yen, deflation, and other factors. However, signs of a self-sustaining recovery began to appear, thanks to improved corporate earnings stemming from demand growth among emerging nations, as well as a turnaround in personal consumption.

Despite weak demand for cement, the Mitsubishi Materials Group enjoyed healthy business conditions as the prices of copper and other major metals reached high levels. 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 embraced a medium-to-long-term perspective as we worked to adopt a production system capable of flexibly addressing demand trends. At the same time, we sought to lower personnel and other fixed costs while reducing variable costs, including for raw materials and outsourced processing. We also strove 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. On July 1, 2010, meanwhile, we commenced operations at a new company, Mitsubishi Materials (Shanghai) Co., Ltd., which we established in China as part of our plan to expand business in newly emerging nations slated for future growth. The new company will undertake coordinated management of Group companies in China. It will also target cost reductions through unification of procurement operations, while at the same time marketing and selling the Group's products in that nation.

As a result, consolidated net sales for the period totaled ¥989,158 million, up 28.6% from the previous corresponding period. Operating income surged 2,171.0%, to ¥45,048 million, and ordinary income was ¥46,278 million (ordinary loss of ¥20,321 million in the previous corresponding period). Net income for the period totaled ¥20,784 million (net loss of ¥31,675 million in the previous corresponding period).

2) Overview of Segment

(Cement)

(Billions of yen)

	FY 2010 Q1-Q3 (Reference)	FY 2011 Q1-Q3	Increase/decrease (%)	
Net Sales	¥124.3	¥113.3	¥(10.9)	-8.8%
Operating income	8.9	5.5	(3.3)	-37.4%
Ordinary income	¥9.0	¥4.2	¥(4.8)	-53.3%

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 February 8, 2010.

In the period under review, the Cement business faced declining demand in Japan, due to a significant decrease in public sector demand stemming from cuts in public spending. This was despite signs that housing construction investments and other areas of private sector demand had bottomed. Overseas, meanwhile, conditions were mixed. Although demand in the United States declined due to unpredictable weather at the beginning of the period, demand in China rose on the back of brisk investments in construction of condominiums and other residential properties. Total cement production for the period was 8.6 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.

The Cement business also reported a decrease in ordinary income, due to the fall in operating income, as well as a decline in equity in earnings of affiliates.

(Metals)

(Billions of yen)

	FY 2010 Q1-Q3 (Reference)	FY 2011 Q1-Q3	Increase/decrease (%)	
Net Sales	¥334.9	¥514.2	¥179.2	53.5%
Operating income (loss)	(0.4)	18.4	18.8	－%
Ordinary income (loss)	¥(4.4)	¥28.8	¥33.2	－%

The copper business reported year-on-year growth in revenue and earnings owing to the smooth operation of smelting facilities in Japan, as well as rising copper prices. This was despite the impact of repairs to furnaces operated by PT Smelting in Indonesia, in addition to declining copper grade among raw ore materials. Total production of electrolytic copper was 443 thousand tons, up 6 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 increases in sales for automobile products and electric materials stemming from a recovery in demand. Another factor was the upgrading of Mitsubishi Cable Industries, Ltd. from an equity-method affiliate to a consolidated subsidiary on March 12, 2010.

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 together with an increase in dividend income.

(Advanced Materials & Tools)

(Billions of yen)

	FY 2010 Q1-Q3 (Reference)	FY 2011 Q1-Q3	Increase/decrease (%)	
Net Sales	¥67.7	¥106.7	¥38.9	57.5%
Operating income (loss)	(6.2)	12.2	18.4	－%
Ordinary income (loss)	¥(8.1)	¥11.5	¥19.7	－%

The cemented carbide products business reported year-on-year increases in revenue and earnings, 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, both revenue and earnings increased year-on-year. This business benefited from a recovery in demand in automobile-related markets, as well as healthy demand in aircraft-related markets. On December 1, 2009, three companies involved in the manufacture and sale of sintered parts—DIAMET Corporation, DIAMET Klang (Malaysia) Sdn., Bhd., and PM Techno Corporation—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 the positive operating income figure together with earnings on equity in affiliates.

(Electronic Materials & Components)

(Billions of yen)

	FY 2010 Q1-Q3 (Reference)	FY 2011 Q1-Q3	Increase/decrease (%)	
Net Sales	¥44.5	¥45.7	¥1.2	2.7%
Operating income	0.4	3.4	3.0	663.6%
Ordinary loss	¥(21.0)	¥(6.0)	¥15.0	－%

In advanced materials, the Group recorded increases in revenue and earnings owing to solid demand in semiconductor-related markets, as well as higher sales in Taiwan.

In electronic devices, we posted growth in revenue and earnings thanks to healthy demand, especially in emerging nations, together with a general recovery in worldwide demand.

In polycrystalline silicon and related products, revenue declined due to a fall in sales stemming 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 year-on-year increases in sales and operating income.

In the period under review, this segment reported a decline in operating loss, owing to the increase in operating income and a decrease in loss on equity in affiliates.

(Aluminum)

(Billions of yen)

	FY 2010 Q1-Q3 (Reference)	FY 2011 Q1-Q3	Increase/decrease (%)	
Net Sales	¥97.6	¥106.1	¥8.4	8.7%
Operating income	2.8	5.3	2.5	88.4%
Ordinary income	¥2.1	¥4.5	¥2.4	113.9%

In aluminum cans, the Group posted year-on-year growth in revenue but a decline in earnings. Revenue benefited from increased sales due to record-breaking summer heat, but high prices of aluminum impacted profits.

In rolled aluminum and processed aluminum products, revenue and earnings increased thanks to higher sales of products for the automobile and electric materials sectors, as well cost-cutting efforts.

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. This was despite an increase in loss on retirement of noncurrent assets.

(Others)

(Billions of yen)

	FY 2010 Q1-Q3 (Reference)	FY 2011 Q1-Q3	Increase/decrease (%)	
Net Sales	¥235.8	¥228.9	¥(6.9)	-2.9%
Operating income	3.1	4.3	1.2	39.2%
Ordinary income	¥9.9	¥6.8	¥(3.0)	-30.7%

In energy-related products, sales declined due to the transfer of the oil and gas sales business of consolidated subsidiary Materials Energy Co.,Ltd.. in the previous fiscal year. However, earnings improved thanks to an increase in orders related to nuclear energy.

In precious metals, we reported a decline in revenue and an increase in earnings. Here, our performance benefited from cost-cutting efforts, which contrasted with a decrease in sales of gold bullion and jewelry-related items.

Combined orders for nuclear energy and engineering services amounted to ¥39.5 billion over the period, up ¥4.8 billion from the previous corresponding period. The order backlog at the end of the period was ¥20.0 billion, down ¥1.2 billion.

(2) Qualitative Information on Consolidated Financial Position

As of December 31, 2010, total assets amounted to ¥1,818.2 billion, down ¥8.1 billion from March 31, 2010. The decline stemmed largely from foreign exchange factors.

Total liabilities declined ¥18.7 billion, to ¥1,408.5 billion. This was due mainly to a decrease in loans payable.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥62.1 billion, owing mainly to a significant improvement in the Group's improved business performance, as well as dividends received.

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled ¥49.5 billion. This primarily reflected outflows related to capital expenditures.

(Cash Flows from Financing Activities)

Together, operating activities and investing activities produced a net inflow of ¥12.6 billion. During the period, the Group used these funds to redeem bonds payable and repay loans. Accordingly, net cash used in financing activities was ¥8.6 billion.

As a result of the above, cash and cash equivalents at December 31, 2010, stood at ¥75.0 billion, down ¥1.3 billion from March 31, 2010.

(3) Qualitative Information on Consolidated Performance Forecasts

Looking ahead, the Mitsubishi Materials Group expects the world economy to recover moderately, driven mainly by demand growth among emerging nations. However, the business environment of the Group will continue to belie optimism, due to uncertainty about factors affecting earnings, such as prolonged strength in the yen and unstable prices for nonferrous metals, fuels, and other resources. Overseas, there is the possibility of inflation in newly emerging nations and stunted economic recovery in the United States. In Japan, meanwhile, there are concerns that economic slowdown in newly emerging nations will lead to lower production and exports for corporations, placing downward pressure on the domestic economy.

In light of our performance in the three-quarter period under review and conditions surrounding the Group, we have revised our forecasts for the fiscal year ending March 31, 2011 (previous forecasts announced November 8, 2010).

(Billions of yen)

	Previous forecasts	Revised forecasts	Increase/decrease (%)
Net Sales	¥1,290.0	¥1,330.0	3.1%
Operating income	45.0	54.0	20.0%
Ordinary income	50.0	51.0	2.0%
Net income	¥18.0	¥10.0	-44.4%

Due to steady improvements in its non-consolidated performance, the Company has decided on plans to announce a year-end cash dividend of ¥2.00 per share. Previously, the cash dividend forecast was undecided.

Going forward, the Group will step up efforts to strengthen its earnings foundation and aggressively advance its business in emerging nations. To ensure sustained future growth and expansion of earnings, moreover, we are formulating a new medium-term business plan, to be launched in April 2011. Under the plan, we will pursue initiatives aimed at further reinforcing our operating foundation.

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 methods

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 first quarter of the year 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.

In the three-quarter period under review, operating income and ordinary income each decreased ¥46 million, while income before income taxes decreased ¥398 million due to this.

3) Application of Accounting Standard for Valuation of Inventories

Effective the first quarter of the year 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 declined ¥529 million, while income before income taxes rose ¥2,908 million in the three-quarter period under review. 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) Application of Accounting Standard for Business Combinations, etc.

Effective the second quarter period under review, the Company has applied the following: "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), "Partial Amendments to Accounting Standard for R&D Expenses, etc." (ASBJ Statement No. 23, December 26, 2008), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, December 26, 2008), "Accounting Standard for Application of Equity Method" (ASBJ Statement No. 16, announced December 26, 2008), and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008).

5) 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 plant. Effective the first quarter 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, the 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 opportunity of the operation start of the No. 2 plant at the Yokkaichi plant during the current fiscal year, the Company undertook a reassessment of its Yokkaichi plant. 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 in the three-quarter period under review each increased ¥3,524 million compared with the previous method.

3. Consolidated Financial Statement

(1) Consolidated Balance Sheets

(Millions of yen)

	At the end of the third quarter of consolidated fiscal 2011 (As of December 31, 2010)	Summarized consolidated balance sheets in the previous consolidated fiscal year (As of March 31, 2010)
ASSETS		
Current Assets:		
Cash and deposits	¥75,531	¥76,989
Notes and accounts receivable-trade	227,706	214,118
Merchandise and finished goods	77,458	61,599
Work in process	94,809	101,687
Raw materials and supplies	90,248	75,768
Other	189,694	182,707
Allowance for doubtful accounts	(3,210)	(3,313)
Total Current Assets	**752,238**	**709,556**
Noncurrent Assets:		
Property, Plant and Equipment:		
Machinery and equipment, net	206,655	197,150
Land, net	281,091	285,565
Other, net	206,925	243,599
Total Property, Plant and Equipment	**694,673**	**726,315**
Intangible Assets:		
Goodwill	46,386	52,749
Other	8,901	9,360
Total Intangible Assets	**55,288**	**62,110**
Investments and Other Assets:		
Investment securities	270,372	280,916
Other	54,506	56,433
Allowance for investment loss	(2,658)	(2,820)
Allowance for doubtful accounts	(6,157)	(6,092)
Total Investments and Other Assets	**316,063**	**328,437**
Total Noncurrent Assets	**1,066,024**	**1,116,863**
Total Assets	**¥1,818,263**	**¥1,826,420**

(Millions of yen)

	At the end of the third quarter of consolidated fiscal 2011 (As of December 31, 2010)	Summarized consolidated balance sheets in the previous consolidated fiscal year (As of March 31, 2010)
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	¥128,715	¥128,986
Short-term loans payable	319,331	294,866
Current portion of bonds payable	20,000	20,000
Commercial papers	43,000	9,000
Income taxes payable	8,660	4,188
Provision	7,835	11,377
Gold payable	184,946	168,908
Other	105,937	127,566
Total Current Liabilities	**818,427**	**764,894**
Noncurrent Liabilities:		
Bonds payable	80,000	100,000
Long-term loans payable	324,837	372,183
Provision for retirement benefits	62,722	61,455
Other provision	9,851	12,226
Other	112,734	116,564
Total Noncurrent Liabilities	**590,145**	**662,430**
Total Liabilities	**1,408,572**	**1,427,325**
NET ASSETS		
Shareholders' Equity:		
Capital stock	119,457	119,457
Capital surplus	113,703	113,408
Retained earnings	115,388	92,802
Treasury stock	(1,410)	(1,384)
Total Shareholders' Equity	**347,139**	**324,283**
Valuation and Translation Adjustments:		
Valuation difference on securities available for sale	23,139	23,313
Deferred gains or losses on hedges	182	339
Revaluation reserve for land	31,624	31,433
Foreign currency translation adjustment	(52,274)	(38,301)
Total Valuation and Translation Adjustments	**2,673**	**16,784**
Minority interests	**59,878**	**58,027**
Total Net Assets	**409,690**	**399,095**
Total Liabilities and Net Assets	**¥1,818,263**	**¥1,826,420**

(2) Consolidated Statements of Operations

[For the Nine Months Ended December 31, 2010]

(Millions of yen)

	Nine Months Ended Dec. 31, 2009 (From Apr. 1, 2009 to Dec. 31, 2009)	Nine Months Ended Dec. 31, 2010 (From Apr. 1, 2010 to Dec. 31, 2010)
Net Sales	**¥769,369**	**¥989,158**
Cost of sales	**676,668**	**845,905**
Gross Profit	**92,700**	**143,252**
Selling, General and Administrative Expenses	**90,717**	**98,203**
Operating Income	**1,983**	**45,048**
Non-Operating Income:		
Interest income	653	579
Dividends income	9,342	21,284
Rent income on noncurrent assets	4,203	4,121
Other	2,506	1,781
Total Non-Operating Income	**16,705**	**27,767**
Non-Operating Expenses:		
Interest expenses	9,986	9,808
Equity in losses of affiliates	20,640	7,781
Other	8,384	8,948
Total Non-Operating Expenses	**39,011**	**26,537**
Ordinary Income (Loss)	**(20,321)**	**46,278**
Extraordinary Income:		
Effect of application of accounting standard for inventories	—	3,438
Gain on sales of noncurrent assets	1,443	282
Gain on change in equity	2,361	—
Other	838	1,314
Total Extraordinary Income	**4,643**	**5,034**
Extraordinary Losses:		
Loss on valuation of investment securities	3,344	5,884
Loss on liquidation of business	5,520	971
Head office moving expenses	2,588	—
Other	1,424	3,499
Total Extraordinary Loss	**12,877**	**10,355**
Income (Loss) before Income Taxes	**(28,555)**	**40,957**
Income taxes	(138)	13,003
Net income (loss) before minority interests	(28,417)	27,954
Minority interests in income	3,258	7,170
Net Income (Loss)	**¥(31,675)**	**¥20,784**

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine Months Ended Dec. 31, 2009 (From Apr. 1, 2009 to Dec. 31, 2009)	Nine Months Ended Dec. 31, 2010 (From Apr. 1, 2010 to Dec. 31, 2010)
Net Cash Provided by (Used in) Operating Activities:		
Income (loss) before income taxes	¥(28,555)	¥40,957
Depreciation and amortization	49,488	46,445
Increase (decrease) in provision	(4,507)	(4,388)
Interest and dividends income	(9,995)	(21,864)
Interest expenses	9,986	9,808
Equity in (earnings) losses of affiliates	20,640	7,781
Loss (gain) on change in equity	(2,361)	—
Loss (gain) on sales of property, plant and equipment	(1,466)	(248)
Loss (gain) on valuation of investment securities	3,344	5,884
Decrease (increase) in notes and accounts receivables-trade	(12,656)	(17,827)
Decrease (increase) in inventories	(53,681)	(29,122)
Increase (decrease) in notes and accounts payable-trade	16,864	2,938
Other, net	16,057	18,516
Subtotal	**3,157**	**58,881**
Interest and dividends income received	11,561	22,181
Interest expenses paid	(9,790)	(10,893)
Income taxes refund (paid)	(2,027)	(7,995)
Net Cash Provided by (Used in) Operating Activities	**2,901**	**62,173**
Net Cash Provided by (Used in) Investing Activities:		
Purchase of property, plant and equipment	(51,478)	(31,754)
Proceeds from sales of property, plant and equipment	4,102	1,511
Purchase of investment securities	(8,775)	(4,150)
Proceeds from sales of investment securities	2,143	2,839
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(25,269)	(17,556)
Other, net	(890)	(394)
Net Cash Provided by (Used in) Investing Activities	**(80,167)**	**(49,504)**
Net Cash Provided by (Used in) Financing Activities:		
Net increase (decreases) in short-term loans payable	20,399	(17,638)
Proceeds from long-term loans payable	82,259	33,108
Repayment of long-term loans payable	(45,314)	(33,090)
Redemption of bonds	—	(20,000)
Increase (decrease) in commercial papers	(4,000)	34,000
Purchase of treasury stock	(39)	(42)
Cash dividends paid to minority shareholders	(3,573)	(2,986)
Other, net	(1,926)	(2,036)
Net Cash Provided by (Used in) Financing Activities	**47,804**	**(8,686)**
Effect of Exchange Rate Change on Cash and Cash Equivalents	**(663)**	**(5,449)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(30,125)**	**(1,467)**
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	**¥64,067**	**¥75,009**

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

(5) Segment Information

[Business segment information]

For the nine months ended December 31, 2009 (From April 1, 2009 to December 31, 2009) (Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Elimination and Corporate Expenses	Consolidated
Net sales	¥122,964	¥334,970	¥67,783	¥44,589	¥97,621	¥235,845	¥903,775	¥(134,406)	¥769,369
Operating income (loss)	¥7,572	¥(465)	¥(6,238)	¥453	¥2,832	¥3,105	¥7,261	¥(5,277)	¥1,983

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 nine months ended December 31, 2009 (From April 1, 2009 to December 31, 2009) (Millions of yen)

	Japan	Unites States	Europe	Asia	Others	Total	Elimination and Corporate Expenses	Consolidated
Net sales	¥683,879	¥56,902	¥8,633	¥167,606	¥1,985	¥919,008	¥(149,638)	¥769,369
Operating income (loss)	¥(2,995)	¥4,551	¥52	¥4,042	¥676	¥6,327	¥(4,343)	¥1,983

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 nine months ended December 31, 2010 (From April 1, 2010 to December 31, 2010) (Millions of yen)

	United States	Europe	Asia	Others	Total
Overseas sales	¥52,386	¥44,419	¥165,220	¥5,516	¥267,543
Consolidated net sales					¥769,369
Percentage of overseas sales to consolidated net sales	6.8%	5.8%	21.5%	0.7%	34.8%

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 nine months ended December 31, 2010 (From April 1, 2010 to December 31, 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	¥111,604	¥448,995	¥87,336	¥40,038	¥104,544	¥196,639	¥989,158	—	¥989,158
(2)Within Consolidated Group	1,764	65,251	19,427	5,754	1,569	32,270	126,037	¥(126,037)	—
Total	113,368	514,247	106,763	45,792	106,113	228,910	1,115,196	(126,037)	989,158
Segment income (loss)	¥4,246	¥28,859	¥11,571	¥(6,033)	¥4,544	¥6,899	¥50,087	¥(3,809)	¥46,278

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 (–¥3,809 million) are segment eliminations (–¥1,031 million) and corporate expenses that cannot be allocated to specific segments (–¥2,777 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 first quarter of the year 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.

(Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Adjustment Amount	Amount Indicated in the Statements of Income
Segment income	—	¥1,876	—	¥869	¥778	—	¥3,524	—	¥3,524

2. Application of Financial Standard for Disclosure of Segment Information

As of the first quarter of the year 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

(7) Important Subsequent Event

Seeking to reduce its break-even point and build a more robust operating foundation, SUMCO CORPORATION (January 31 fiscal year-end), an equity-method affiliate of MMC, made several resolutions at its Board of Directors meeting held on December 7, 2010. These included reassessing its 300mm (wafer) production business, reorganizing and centralizing its 200mm-or-less business in its domestic and overseas bases, and reorganizing its key personnel, including by adopting an early retirement incentive program.

The implementation of such measures will result in SUMCO CORPORATION posting losses. Accordingly, MMC expects to report an equity in losses of affiliates.