



Consolidated Financial Results for the First Quarter Ended June 30, 2011

Mitsubishi Materials Corporation

Tokyo, Japan

August 9, 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:	August 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 three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)

(1) Results of operations (cumulative):

(Millions of yen)

(Percentage changes relative to previous corresponding period)

	Net sales		Operating Profit		Ordinary Income		Net Income	
Three Months Ended Jun.30, 2011	¥353,474	5.4(%)	¥14,839	2.1(%)	¥12,638	14.2(%)	¥5,505	34.8(%)
Three Months Ended Jun.30, 2010	¥335,217	44.5(%)	¥14,529	—	¥11,071	—	¥4,083	—

(Note) Comprehensive income Three months ended June 30, 2011: 7,410 million yen (128.6%)
Three months ended June 30, 2010: 3,241 million yen (—%)

	Net Income per Share	Diluted Net Income per Share
Three Months Ended Jun.30, 2011	¥4.20 (yen)	—
Three Months Ended Jun.30, 2010	¥3.11 (yen)	—

(2) Financial Position:

(Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio
As of June 30, 2011	¥1,803,801	¥405,317	19.3(%)
As of March 31, 2011	¥1,837,405	¥402,868	18.7(%)

(Reference) Shareholders' equity As of June 30, 2011: 348,577 million yen
As of March 31, 2011: 344,233 million yen

2. Dividend Payments

(yen)

	Dividends per Share				
	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
Year Ended March 31, 2011	—	¥0.00	—	¥2.00	¥2.00
Year Ending March 31, 2012	—				
Year Ending March 31, 2012 (Forecast)		¥0.00	—	¥3.00	¥3.00

(Note) Revisions to dividend forecast in the current period: No

3. Forecast (From April 1, 2011 to March 31, 2012)

(Millions of yen)

(Percentage changes relative to the previous corresponding period)

	Net sales	Operating Profit	Ordinary Income	Net Income	Net Income per Share
Six Months Ending September 30, 2011 (cumulative)	¥720,000 6.9(%)	¥26,000 -9.5(%)	¥34,000 2.6(%)	¥14,000 -12.4(%)	¥10.67(yen)
Year Ending March 31, 2012	¥1,380,000 3.4(%)	¥45,000 -21.5(%)	¥60,000 6.3(%)	¥22,000 54.1(%)	¥16.77(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): None

(2) Application of specific accounting treatment :Yes

(Note) For details, please see “2. Summary (Other) Information” on page 6.

(3) Changes in accounting policies; changes in accounting estimates; restatements

(i) Changes in accounting policies due to amendment of accounting standards: None

(ii) Other changes in accounting policies: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(4) Number of issued shares (common stock)

(i) Number of shares issued at end of year

Three months ended June 30, 2011: 1,314,895,351 shares (including treasury stock)

Year ended March 31, 2011: 1,314,895,351 shares (including treasury stock)

(ii) Number of treasury shares at end of year

Three months ended June 30, 2011: 2,955,608 shares

Year ended March 31, 2011: 2,933,251 shares

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

Three months ended June 30, 2011: 1,311,952,594 shares

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

* Implementation status of quarterly review procedures

These financial results are not subject to the quarterly review procedures pursuant to the Financial Instruments and Exchange Act. At the time of disclosure of these financial results, the procedures for reviewing quarterly financial statements pursuant to the Financial Instruments and Exchange Act are in progress.

* Appropriate use of business forecasts and other special items

(Notes regarding descriptions of earning forecasts and other forward-looking statements, etc.)

1. Earning forecasts and other forward-looking statements in this document are based on information currently available to the Company's management and certain assumptions judged rational. Accordingly, there might be cases in which actual results materially differ from forecasts of this report. To use assumptions for forecasts and to refer to specific revisions on consolidated financial forecasts, see “1. Business Results (3) Consolidated Performance Forecasts” on page 5.

(Method of obtaining supplementary information to the financial results for the first quarter and contents of the first quarter financial results briefing)

Mitsubishi Materials Corporation is scheduled to hold a first quarter financial results briefing for institutional investors on August 10, 2011 (Wednesday). Supplementary information to the financial results for the first quarter to be used in this briefing is being released on TDnet and on the Company's website with the announcement of the financial results for the first quarter.

1. Business Results

(1) Analysis of Business Results

1) Results for the First Quarter Ended June 30, 2011

In the period under review, the world economy recovered moderately, buoyed by ongoing expansion of internal demand in newly emerging nations, such as China and India. This was despite peak unemployment rates in the United States and uncertainty about financial direction in some European countries, as well as signs that inflationary concerns in China may put downward pressure on the economic situation.

Although conditions remained difficult due to the impact of the Great East Japan Earthquake, the domestic economy benefited from progress in post-disaster reconstruction of supply chains, as well as signs of a turnaround in production and exports.

The operating environment for the Mitsubishi Materials Group was healthy thanks to high prices of copper and other major metals. This was despite temporary stagnation in production in automobile-related markets as a result of the earthquake.

Under these conditions, the Group worked to swiftly restore its operations in the aftermath of the disaster. At the same time, we strove to establish a system enabling us to maintain production activities at pre-disaster levels, including by formulating operational plans that take into account chronic electric power shortages. In addition, we embarked on a new medium-term management plan, entitled “Materials Premium 2013—For the Creation of New value” Covering the three-year period from April 2011 to March 2014, the plan embraces the basic concept of “Simultaneously implementing growth strategies and financial improvements,” with two initiatives stated as growth strategies: “Business advancement in overseas markets, especially newly emerging nations” and “Generation of distinctive synergies as an integrated business entity.” We regard these strategies as important management priorities not to speak of the impact of the earthquake. Based on this recognition, we have continued to implement various measures already before the plan started.

As a result, consolidated net sales for the quarter amounted to ¥353,474 million, up 5.4% from the previous corresponding period. Operating profit increased 2.1%, to ¥14,839 million, and ordinary income rose 14.2%, to ¥12,638 million. Net income jumped 34.8%, to ¥5,505 million.

2) Overview by Segment (Cement)

	(Billions of yen)		
	FY 2011 Q1 (Cumulative)	FY 2012 Q1 (Cumulative)	Increase/decrease (%)
Net Sales	¥34.3	¥34.4	¥0.1 0.5%
Operating profit	0.1	0.3	0.1 68.3%
Ordinary loss	¥(0.0)	¥(0.3)	¥(0.2) —%

Despite a decline in demand in Japan’s Tohoku District due to the earthquake, overall demand for the Cement business remained mostly unchanged year-on-year owing to healthy housing investments in the Kanto District. Overseas, we enjoyed an increase in demand thanks to continued brisk construction of infrastructure and other projects in China, as well as ongoing recovery in private-sector capital spending and solid public-sector investments in the United States. Total cement production for the quarter was 2.7 million tons, up 200,000 tons from the previous corresponding quarter.

As a result, the entire Cement business posted year-on-year increases in both net sales and operating profit. It also reported an increase in the ordinary loss, due to equity in losses of affiliates.

(Metals)

	(Billions of yen)		
	FY 2011 Q1 (Cumulative)	FY 2012 Q1 (Cumulative)	Increase/decrease (%)
Net Sales	¥184.3	¥194.9	¥10.5 5.7%
Operating profit (loss)	7.4	6.3	(1.1) -14.9%
Ordinary income	¥5.4	¥5.5	¥0.1 3.2%

The copper business enjoyed high copper prices and growth in sales by PT Smelting in Indonesia. However, the earthquake led to suspension of operations at the Onahama Smelter & Refinery (operated by Onahama Smelting and Refining Co., Ltd.). Accordingly, the copper business reported an increase in revenue but a decrease in earnings. Total production of electrolytic copper for the quarter was 133 thousand tons, down 24 thousand tons from the previous corresponding quarter.

The gold and other valuable metals posted year-on-year increases in revenue and earnings thanks mainly

to higher gold price and increased palladium sales.

The processed copper products business was affected by a decline in sales stemming from reorganization of the automobile harness business of Mitsubishi Cable Industries, Ltd. Owing to high copper prices and steady operations at the Sakai Plant, however, the processed copper products business posted increases in both revenue and earnings.

As a result, the entire Metals business reported a year-on-year rise in net sales but a decline in operating profit. Ordinary income increased thanks to higher equity in earnings of affiliates.

(Advanced Materials & Tools)

(Billions of yen)

	FY 2011 Q1 (Cumulative)	FY 2012 Q1 (Cumulative)	Increase/decrease (%)	
Net Sales	¥35.4	¥36.3	¥0.8	2.4%
Operating profit	3.7	4.3	0.6	17.8%
Ordinary income	¥3.5	¥4.2	¥0.7	19.9%

The cemented carbide products business experienced a decline in domestic sales due to partial damage sustained to buildings and equipment at the Tsukuba Plant due to the earthquake. However, overseas consolidated subsidiaries, such as MMC Hartmetall GmbH (of Germany) and Mitsubishi Materials U.S.A. Corp., enjoyed healthy sales. Accordingly, the cemented carbide products business posted increases in revenue and earnings.

The high-performance alloy products business reported an increase in revenue and a decrease in earnings. Although rising metals prices helped boost sales, there was a decline in demand in automobile-related markets due to the earthquake.

Consequently, the entire Advanced Materials & Tools business posted year-on-year increases in both net sales and operating profit. It also reported a rise in ordinary income thanks to higher operating profit.

(Electronic Materials & Components)

(Billions of yen)

	FY 2011 Q1 (Cumulative)	FY 2012 Q1 (Cumulative)	Increase/decrease (%)	
Net Sales	¥14.6	¥18.6	¥4.0	27.4%
Operating profit	1.8	1.7	(0.1)	-6.9%
Ordinary income (loss)	¥(0.1)	¥0.4	¥0.5	—%

The advanced materials business enjoyed year-on-year increases in both revenue and earnings. Although there was a decline in sales of automobile-related products due to the earthquake, this was offset by healthy demand for semiconductor-related products and products for solar cells.

The electronic devices business posted declines in both revenue and earnings as solid worldwide demand was outweighed by the yen's appreciation.

The polycrystalline silicon and related products business enjoyed an increase in sales thanks to resumption of operations at the Yokkaichi Plant, where operations were suspended in the previous corresponding quarter. However, there was an increase in repair costs incurred by periodical repair work, as well as a decline in sales of related products stemming from the earthquake. Accordingly, this business category reported an increase in revenue and a decrease in earnings.

As a result, the entire Electronic Materials & Components business reported a year-on-year increase in net sales but a decline in operating profit. Thanks to a decrease in equity in losses of affiliates, the segment recorded positive ordinary income (following an ordinary loss in the previous corresponding quarter).

(Aluminum)

(Billions of yen)

	FY 2011 Q1 (Cumulative)	FY 2012 Q1 (Cumulative)	Increase/decrease (%)	
Net Sales	¥34.9	¥38.8	¥3.9	11.2%
Operating profit	1.8	2.2	0.4	23.5%
Ordinary income	¥1.6	¥2.0	¥0.3	23.2%

The aluminum cans business benefited from a supply shortage and an increase in demand for bottle-type cans and other products due to reduced production by some aluminum can manufacturers following the earthquake.

In the rolled aluminum and processed aluminum products business, there was a decline in demand for

products for the automobile sector due to the earthquake. This was despite healthy demand from the electronic materials sector. On April 1, 2011, three non-consolidated subsidiaries became consolidated subsidiaries: MALC-Thai Co., Ltd., Thermalex, Inc., and Ma China Extrusion (Suzhou) Co., Ltd.

As a result, the entire Aluminum business posted year-on-year increases in both net sales and operating profit. Ordinary income also increased thanks to the rise in operating profit.

(Others)

(Billions of yen)

	FY 2011 Q1 (Cumulative)	FY 2012 Q1 (Cumulative)	Increase/decrease (%)	
Net Sales	¥71.9	¥83.5	¥11.6	16.1%
Operating profit	0.7	0.8	0.1	15.2%
Ordinary income	¥1.3	¥1.6	¥0.2	19.0%

The energy-related products business reported declines in both revenue and earnings due to a fall in sales of coal, as well as a decrease in orders for development projects related to nuclear power.

In the “e-waste” (used electronics and electrical products) recycling business, both revenue and earnings increased thanks to a rise in processing volume and high prices of iron and nonferrous scrap metal.

In the precious metals business, sales were up but earnings were down. Here, our performance benefited from high sales gold bullion thanks to rising prices, which contrasted with a decrease in sales of jewelry-related items.

Orders for nuclear energy and engineering services amounted to ¥12.5 billion, up ¥0.4 billion from the previous corresponding quarter. The order backlog at the end of the quarter was ¥17.8 billion, down ¥0.9 billion from a year earlier.

(2) Analysis of Financial Position

As of June 30, 2011, the Group’s consolidated total assets stood at ¥1,803.8 billion, down ¥33.6 billion from March 31, 2011. This was mainly due to a decline in cash and deposits during the period.

Total liabilities decreased ¥36.0 billion, to ¥1,398.4 billion, due primarily to decrease in notes and accounts payables during the period.

(3) Consolidated Performance Forecasts

In the year ending March 2012, business conditions surrounding the Group are expected to benefit from various factors. These include progress in rebuilding supply chains, recovery in production activities, and an economic turnaround boosted by moderate recovery in overseas economies. However, the situation will continue to defy optimism due to the presence of risks that could cause a downturn. In Japan, such risks include restrictions on electric power supply, the nuclear power plant accident, and concerns about the yen’s prolonged appreciation. Overseas, meanwhile, commodity prices are rising in emerging nations, and some European countries face an uncertain financial future.

In the first quarter under review, the Group posted a healthy performance for several reasons, such as high prices of copper and other major metals. At the Tsukuba Plant, meanwhile, we swiftly repaired buildings and equipment damaged by the earthquake, which enabled us to resume production earlier than anticipated. Accordingly, we have revised our forecasts for the two-quarter period ending September 30, 2011 (initial forecasts announced on May 12, 2011), as follows.

As for the full-year forecast, no revision has been made since the previous announcement mainly due to the effects such as the restriction on electric power supply and the yen’s prolonged appreciation described above as well as concerns about resource prices trend including nonferrous metals and other materials and fuels that might affect our performance.

(Billions of yen)

	Previous forecasts	Current forecasts	Increase/decrease (%)	
Net Sales	¥675.0	¥720.0		6.7%
Operating income	16.0	26.0		62.5%
Ordinary income	20.0	34.0		70.0%
Net income	¥5.0	¥14.0		180.0%

The Group has embarked on a new medium-term management plan, entitled “Materials Premium 2013—For the Creation of New value” Under the plan, which covers the three-year period from April 2011 to March 2014, we will target business advancement in overseas markets, especially newly emerging

nations, and generation of distinctive synergies (“Materials Premium”) as an integrated business entity, while simultaneously implementing growth strategies and financial improvements. In the process, we will seek to become the strongest integrated business entity in this resource-recycling society.

2. Summary (Other) Information

(1) Application of Specific Accounting Treatment

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) Changes in Accounting Policies; Changes in Accounting Estimates; Restatements

Following the beginning of the period under review, the Company made accounting changes and/or corrections of past errors. For this reason, it has applied Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24, December 4, 2009) and Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, December 4, 2009).

3. Consolidated Financial Statement for the Current Quarter

(1) Consolidated Balance Sheets for the Current Quarter

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
ASSETS		
Current Assets:		
Cash and deposits	¥112,930	¥69,543
Notes and accounts receivable-trade	221,480	218,914
Securities	570	999
Merchandise and finished goods	70,193	84,834
Work in process	103,561	110,941
Raw materials and supplies	88,076	85,588
Other	194,536	197,549
Allowance for doubtful accounts	(2,878)	(2,932)
Total Current Assets	788,471	765,439
Noncurrent Assets:		
Property, Plant and Equipment:		
Machinery and equipment, net	202,642	199,570
Land, net	280,062	280,189
Other, net	204,897	204,666
Total Property, Plant and Equipment	687,602	684,426
Intangible Assets:		
Goodwill	44,570	44,674
Other	8,675	8,769
Total Intangible Assets	53,246	53,444
Investments and Other Assets:		
Investment securities	265,655	260,228
Other	50,556	48,379
Allowance for investment loss	(2,236)	(2,236)
Allowance for doubtful accounts	(5,891)	(5,880)
Total Investments and Other Assets	308,084	300,490
Total Noncurrent Assets	1,048,933	1,038,362
Total Assets	¥1,837,405	¥1,803,801

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	¥136,749	¥121,009
Short-term loans payable	330,791	349,586
Current portion of bonds payable	20,000	—
Commercial papers	48,000	43,000
Income taxes payable	6,183	5,101
Allowance	17,044	10,951
Gold payable	189,795	193,006
Other	113,649	112,765
Total Current Liabilities	862,214	835,420
Noncurrent Liabilities:		
Bonds payable	80,000	80,000
Long-term loans payable	305,974	299,080
Provision for retirement benefits	62,478	62,632
Other allowance	9,318	8,811
Other	114,551	112,538
Total Noncurrent Liabilities	572,321	563,063
Total Liabilities	1,434,536	1,398,484
NET ASSETS		
Shareholders' Equity:		
Capital stock	119,457	119,457
Capital surplus	113,570	113,568
Retained earnings	108,887	112,115
Treasury stock	(1,421)	(1,425)
Total Shareholders' Equity	340,493	343,716
Accumulated Other Comprehensive Income:		
Valuation difference on available-for-sale securities	28,157	26,237
Deferred gains or losses on hedges	95	251
Revaluation reserve for land	31,616	31,625
Foreign currency translation adjustment	(56,129)	(53,254)
Total Accumulated Other Comprehensive Income	3,739	4,860
Minority interests	58,635	56,740
Total Net Assets	402,868	405,317
Total Liabilities and Net Assets	¥1,837,405	¥1,803,801

(2) Consolidated Statement of Operations and Consolidated Statement of Comprehensive Income for the Current Quarter
(Consolidated Statement of Income for the Current Quarter)

(Millions of yen)

	Three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)	Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)
Net Sales	¥335,217	¥353,474
Cost of sales	287,744	305,614
Gross Profit	47,472	47,860
Selling, General and Administrative Expenses	32,942	33,020
Operating Profit	14,529	14,839
Non-Operating Profit:		
Interest income	363	125
Dividends income	1,763	1,469
Equity in earnings of affiliates	—	159
Rent income on noncurrent assets	1,401	1,290
Other	628	504
Total Non-Operating Profit	4,156	3,549
Non-Operating Expenses:		
Interest expenses	3,452	2,995
Equity in losses of affiliates	720	—
Other	3,441	2,754
Total Non-Operating Expenses	7,614	5,750
Ordinary Income	11,071	12,638
Extraordinary Income:		
Gain on sales of investment securities	0	79
Gain on sales of noncurrent assets	41	63
Effect of application of accounting standard for inventories	4,101	—
Other	405	41
Total Extraordinary Income	4,548	185
Extraordinary Losses:		
Loss on disaster	—	3,246
Loss on valuation of investment securities	5,704	227
Other	1,150	139
Total Extraordinary Loss	6,854	3,614
Income before Income Taxes	8,765	9,209
Income taxes	2,906	4,319
Income before minority interests	5,858	4,890
Minority interests in income (loss)	1,775	(615)
Net Income	¥ 4,083	¥5,505

(Consolidated Statement of Comprehensive Income for the Current Quarter)

(Millions of yen)

	Three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)	Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)
Income before minority interests	¥5,858	¥4,890
Other comprehensive income		
Valuation difference on securities available for sale	(5,941)	(1,863)
Deferred gains or losses on hedges	1,392	203
Foreign currency translation adjustment	2,074	3,909
Equity in earnings of affiliates	(142)	270
Total other comprehensive income	(2,617)	2,519
Comprehensive income	3,241	7,410
(Breakdown)		
Comprehensive income attributable to owners of the parent company	894	7,075
Comprehensive income for attributable to minority interests	2,346	334

(3) Note on Assumptions for Going Concern: N/A**(4) Segment Information**

[Business segment information]

I For the three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)

Sales and Income or Loss of Reporting Segments

(Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Adjustment	Consolidated
Net sales									
(1) Unaffiliated Customers	¥33,619	¥161,354	¥29,611	¥12,671	¥34,371	¥63,589	¥335,217	—	¥335,217
(2) Intersegment	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 general and administrative costs (not belonging to specific business segments), basic 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.

II For the three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)

Sales and Income or Loss of Reporting Segments

(Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Adjustment	Consolidated
Net sales									
(1) Unaffiliated Customers	¥33,878	¥163,024	¥28,928	¥16,728	¥38,417	¥72,498	¥353,474	—	¥353,474
(2) Intersegment	603	31,908	7,394	1,942	425	11,016	53,291	¥(53,291)	—
Total	34,481	194,932	36,322	18,670	38,842	83,514	406,766	(53,291)	353,474
Segment income (loss)	¥(340)	¥5,598	¥4,235	¥441	¥2,049	¥1,612	13,597	¥(958)	¥12,638

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 (–¥958 million) are segment eliminations (–¥137 million) and corporate expenses that cannot be allocated to specific segments (–¥1,096 million). Corporate expenses consist mainly of general and administrative costs (not belonging to specific business segments), basic 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.

(5) Note in Event of Significant Changes in Shareholders' Equity: N/A