



Consolidated Financial Results for the Six Months Ended September 30, 2012

Mitsubishi Materials Corporation

Tokyo, Japan

November 7, 2012

Stock code:	5711
Shares listed:	Tokyo Stock Exchange and Osaka Securities Exchange
URL:	http://www.mmc.co.jp/
Representative:	Mr. Hiroshi Yao, President
For further information please contact:	Mr. Hisato Matsubara, Manager, Corporate Communications & IR Dept. Tel: +81-3-5252-5206
Filing date of Quarterly Report:	November 9, 2012
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 six months ended September 30, 2012 (From April 1, 2012 to September 30, 2012)

(1) Results of operations (cumulative):

(Millions of yen)

(Percentage changes relative to previous corresponding period)

	Net sales	Operating profit	Ordinary income	Net income
Six Months Ended Sep.30, 2012	¥635,636 -14.0(%)	¥26,465 -14.9(%)	¥34,949 -13.5(%)	¥16,278 -26.9(%)
Six Months Ended Sep.30, 2011	¥739,264 9.7(%)	¥31,110 8.3(%)	¥40,400 22.0(%)	¥22,263 39.4(%)

(Note) Comprehensive income Six months ended Sep. 30, 2012: 11,171 million yen (-19.4%)
Six months ended Sep. 30, 2011: 13,858 million yen (85.6%)

(Yen)

	Net income per share	Diluted net income per share
Six Months Ended Sep.30, 2012	¥12.42	—
Six Months Ended Sep.30, 2011	¥16.97	—

(2) Financial position:

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
As of September 30, 2012	¥1,723,889	¥418,807	20.8(%)
As of March 31, 2012	¥1,751,870	¥409,074	20.0(%)

(Reference) Shareholders' equity As of Sep. 30, 2012: 359,343 million yen
As of Mar. 31, 2012: 351,083 million yen

2. Dividend payments

(Yen)

(Record date)	Dividends per Share				
	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
Year ended March 31, 2012	—	¥0.00	—	¥2.00	¥2.00
Year ending March 31, 2013	—	¥0.00	—	—	—
Year ending March 31, 2013 (Forecast)	—	—	—	¥4.00	¥4.00

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

3. Forecast (From April 1, 2012 to March 31, 2013)

(Millions of yen)

(Percentage changes relative to previous corresponding period)

	Net sales	Operating profit	Ordinary income	Net income	Net income per share
Year ending March 31, 2013	¥1,300,000 -9.8 (%)	¥62,000 18.6 (%)	¥70,000 64.7 (%)	¥30,000 213.6 (%)	¥22.87 (yen)

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

* Notes

(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 “(1) Application of Specific Accounting Treatment” under “2. Summary Information (Notes)” on page 5.

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

(i) Changes in accounting policies due to amendment of accounting standards: Yes

(ii) Other changes in accounting policies: Yes

(iii) Changes in accounting estimates: Yes

(iv) Restatements: None

(Note) For details, please see “(2) Changes in Accounting Policies; Changes in Accounting Estimates; Restatements” under “2. Summary Information (Notes)” on page 5.

(4) Number of issued shares (common stock)

(i) Number of issued shares at end of year (including treasury shares)

Six months ended September 30, 2012: 1,314,895,351 shares

Year ended March 31, 2012: 1,314,895,351 shares

(ii) Number of treasury shares at end of year

Six months ended September 30, 2012: 4,129,493 shares

Year ended March 31, 2012: 3,039,965 shares

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

Six months ended September 30, 2012: 1,311,095,096 shares

Six months ended September 30, 2011: 1,311,934,557 shares

*Indication regarding the situation of quarterly review procedures

These financial results are not subject to the quarterly review procedures pursuant to the Financial Instruments and Exchange Act. As of the 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 earnings forecasts and other forward-looking statements, etc.)

Earnings 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, and the Company does not promise the realization of the forecasts in this report. 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 Consolidated Performance Forecasts (page 5) under “1. Qualitative Information Regarding the Consolidated Performance”.

(Method of obtaining supplementary information to and contents of the first two quarters financial results briefing)

Mitsubishi Materials Corporation is scheduled to hold a first two quarters financial results briefing for institutional investors on November 9, 2012 (Friday). Supplementary information to the quarterly financial results to be used in this briefing is being released on TDnet and on the Company's website with the announcement of the consolidated financial results for the six months ended September 30, 2012.

Contents

1. Qualitative Information Regarding the Consolidated Performance	P2
(1) Qualitative Information on the Consolidated Business Performance	P2
(2) Qualitative Information on Consolidated Financial Position	P4
(3) Qualitative Information on Consolidated Performance Forecasts	P5
2. Summary Information (Notes)	P5
(1) Application of Specific Accounting Treatment	P5
(2) Changes in Accounting Policies; Changes in Accounting Estimates; Restatements	P5
3. Consolidated Financial Statement	P7
(1) Consolidated Balance Sheets	P7
(2) Consolidated Statement of Operations and Consolidated Statement of Comprehensive Income	
Consolidated Statement of Operations	P9
Consolidated Statement of Comprehensive Income	P10
(3) Consolidated Statement of Cash Flows	P11
(4) Notes on Assumptions for Going Concern	P12
(5) Segment Information	P12
(6) Notes in Event of Significant Changes in Shareholders' Equity	P13

1. Qualitative Information Regarding the Consolidated Performance

(1) Qualitative Information on the Consolidated Business Performance

1) Overview of period under review

In the six months ended September 30, 2012, the world economy overall slowed further due in part to the influence of the European sovereign debt crisis in addition to a slowdown in the pace of economic expansion in countries such as China and India.

The economy of Japan showed signs of recovery driven by continuing reconstruction demand, but due to the adverse effects of the slowdown in the global economy and some other factors, the process of normalization of business conditions has come to a standstill.

The operating environment for the Mitsubishi Materials Group remained in the balance due in part to the drop in copper prices and stagnant demand in semiconductor-related markets despite robust demand in automobile-related markets from the “Eco-car subsidy” policy as well as demand for reconstruction following the earthquake.

In this environment, we embarked on the medium-term management plan (FY2012-2014), entitled “Materials Premium 2013—For the Creation of New value”. 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.” Based on this recognition, we have continued to implement various measures.

As a result, consolidated net sales for the period totaled ¥635,636 million, down 14.0% from the previous corresponding period. Operating profit decreased 14.9%, to ¥26,465 million, and ordinary income decreased 13.5%, to ¥34,949 million. Net income for the period decreased 26.9%, to ¥16,278 million.

2) Overview of Segment (Cement)

(Billions of yen)

	FY 2012 Q1-Q2	FY 2013 Q1-Q2	Increase/decrease (%)	
Net sales	¥74.1	¥78.7	¥4.6	(6.2%)
Operating profit	¥2.5	¥5.1	¥2.5	(98.8%)
Ordinary income	¥1.6	¥4.2	¥2.6	(156.8%)

In the domestic Cement business, the sales volume increased since in addition to reconstruction demand, there was also steady demand in the Kanto area, where there has been a large amount of construction work related to roads and condominiums conducted during the period. Overseas, demand decreased in China firstly due to a decrease of investment in housing construction such as condominium buildings, and secondly due to the influence of delay with resumption of high-speed rail construction and with progress with the new airport being constructed in Shandong, however, the recovery trend in demand continued in United States mainly for private-sector capital spending, and as a result, the sales volume increased. Total cement production for the period was 5.8 million tons (equivalent to the same period of the previous year).

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 income, due to an increase of operating profit from the previous corresponding period.

(Metals)

(Billions of yen)

	FY 2012 Q1-Q2	FY 2013 Q1-Q2	Increase/decrease (%)	
Net sales	¥396.9	¥306.4	¥(90.5)	(-22.8%)
Operating profit	¥13.5	¥8.4	¥(5.0)	(-37.4%)
Ordinary income	¥24.8	¥18.9	¥(5.9)	(-23.9%)

In the copper business, the Onahama Smelter & Refinery (operated by Onahama Smelting and Refining Co., Ltd., based in Fukushima Pref.), which suspended operations until the end of June 2011 due to the earthquake, returned to normal operation. However, in addition to the production decrease in PT Smelting in Indonesia due to furnace repairs and decrease in copper content in copper concentrates, factors such as a drop in copper prices led to a decrease in net sales and operating profit. Total production of electrolytic copper for the period was 258 thousand tons, down 18 thousand tons from the previous corresponding period.

Gold and other valuable metals posted year-on-year decreases in net sales and operating profit due mainly to decreased palladium price.

In the processed copper products business, sales of products for the automobile sector increased, however, partly due to a drop of copper price and also to sluggish sales of products for construction sector, there was a decrease in both net sales and operating profit.

As a result, the entire Metals business reported year-on-year decreases in both net sales and operating profit.

In addition, ordinary income decreased from the previous corresponding period due to a decrease in operating profit as well as a decrease in dividend income.

(Advanced Materials & Tools)

(Billions of yen)

	FY 2012 Q1-Q2	FY 2013 Q1-Q2	Increase/decrease (%)	
Net sales	¥73.4	¥70.5	¥(2.9)	(-4.1%)
Operating profit	¥8.4	¥6.3	¥(2.0)	(-24.8%)
Ordinary income	¥7.8	¥5.6	¥(2.2)	(-28.4%)

In the cemented carbide products business, sales decreased due to the impact of the floods in Thailand. In addition, sales of tool materials decreased, and the cemented carbide products business ended with a decrease in net sales and operating profit.

In the high-performance alloy products business, there was a decrease in net sales but an increase in operating profit since although sales of motor products decreased as a result of a decrease in sales of two-wheeled vehicles in Southeast Asia, demand in the aircraft-related market remained strong.

As a result, the entire Advanced Materials & Tools business posted a year-on-year decrease in both net sales and operating profit.

It also reported a decline in ordinary income from the previous corresponding period due to a decrease in operating profit.

(Electronic Materials & Components)

(Billions of yen)

	FY 2012 Q1-Q2	FY 2013 Q1-Q2	Increase/decrease (%)	
Net sales	¥36.7	¥33.7	¥(2.9)	(-8.1%)
Operating profit	¥2.2	¥2.0	¥(0.1)	(-7.9%)
Ordinary income	¥1.8	¥2.4	¥0.5	(28.9%)

The advanced materials business decreased in both net sales and operating profit despite healthy demand for products for the smartphone sector and products for the automobile sector partly because of a decrease in the sales of products for solar battery sector.

The electronic devices business posted declines in both net sales and operating profit as demand in electronic devices-related markets such as flat-screen TVs and personal computers stagnated.

Sales of polycrystalline silicon and related products decreased due to a downturn in the market trend in semiconductor-related markets and solar battery-related markets, but due to the efforts made to increase the efficiency such as suspending operations of some production lines at the Yokkaichi Plant, there was a decrease in net sales but an increase in operating profit. The amount equivalent to the fixed costs related to the production lines the operations have been suspended at was recorded as extraordinary loss.

As a result, the entire Electronic Materials & Components business reported year-on-year decreases in both net sales and operating profit.

Moreover, ordinary income for the entire business increased on a year-over-year basis in spite of a decrease in operating profit as well as a decrease in dividend income due in part to the influence of recording the equity in earnings of affiliates.

(Aluminum)

(Billions of yen)

	FY 2012 Q1-Q2	FY 2013 Q1-Q2	Increase/decrease (%)	
Net sales	¥77.7	¥76.1	¥(1.6)	(-2.1%)
Operating profit	¥4.3	¥4.5	¥0.2	(5.4%)
Ordinary income	¥3.8	¥4.3	¥0.4	(11.6%)

In the aluminum cans business, although the demand for beer or beer-like beverages decreased, demand for bottle cans for black coffee, tea, and other similar drinks increased.

In rolled aluminum and processed aluminum products, although demand for products for the automobile sector increased due to the influence of the Eco-car subsidy, demand for products for the electric materials sector including products for the solar battery sector fell.

As a result, the entire Aluminum business posted a year-on-year decrease in net sales but an increase in operating profit.

Ordinary income also increased thanks to the rise in operating profit from the previous corresponding period.

(Others)

(Billions of yen)

	FY 2012 Q1-Q2	FY 2013 Q1-Q2	Increase/decrease (%)	
Net sales	¥201.8	168.7	¥(33.1)	(-16.4%)
Operating profit	¥3.1	¥2.4	¥(0.7)	(-23.1%)
Ordinary income	¥4.2	¥3.0	¥(1.2)	(-28.9%)

In the energy-related products business, the sales of coal increased, however, in addition to a decrease in nuclear fuel reprocessing facility-related sales in nuclear energy-related business, the sales of vapor and electricity decreased in geothermal heat/electricity-related business, as a result, energy-related products posted an increase in net sales and a decrease in operating profit.

E-waste (used electronics and electrical products) recycling business posted a decrease in both net sales and operating profit due to the termination of the eco-point system for household appliances and the completion of the transition to digital terrestrial transmission.

In the precious metal business, there was a decrease in both net sales and operating profit since the trading volume of gold bullion decreased due to the small change in gold prices, and also due to a decrease in the jewelry-related sales.

Orders for nuclear energy and engineering services amounted to ¥29.1 billion, up ¥2.5 billion from the previous corresponding period. The order backlog at the end of the period was ¥20.2 billion, up ¥3.0 billion from a year earlier.

(2) Qualitative Information on Consolidated Financial Position

As of September 30, 2012, the Group's consolidated total assets stood at ¥1,723.8 billion, down ¥27.9 billion from March 31, 2012. This was mainly due to a decline in other current assets.

Total liabilities decreased ¥37.7 billion, to ¥1,305.0 billion, due primarily to a decrease in other current liabilities.

For the six months ended September 30, 2012 (From April 1, 2012 to September 30, 2012), status and variable factors of each cash flow are as follows:

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥49.6 billion, due mainly to the stable performance despite a decrease in notes and accounts payable-trade.

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled ¥ 39.8 billion, due mainly to capital expenditures.

(Cash Flows from Financing Activities)

Net cash used in financing activities totaled ¥19.6 billion due mainly to repayment of debt.

As a result of the above, cash and cash equivalents at September 30, 2012, stood at ¥67.3 billion, down ¥2.1 billion from March 31, 2012.

(3) Qualitative Information on Consolidated Performance Forecasts

Business environment surrounding the Group remains unclear since while reconstruction demand is continually manifesting itself, there is still uncertainty with the current slowdown of the world economy and some other factors such as fluctuations of prices for major metals and fluctuations of exchange rates, which affect business results. In addition, there are concerns that with the end of “Eco-car subsidy”, there will be a decrease of demand in the automobile-related market.

Under these circumstances and the consolidated net sales for the period under review, the Company has revised the forecast for net sales in consolidated forecast for the full-year period ending March, 2013 from ¥1,400 billion, as announced in financial results of May 11, 2012, to net sales of ¥1,300 billion.

The forecasts for operating profit, ordinary income and net income for the full consolidated fiscal year are unchanged from the previous forecast. The reasons are continuing expansion in operations where demand is on a firm trend and income-boosting measures such as ongoing cost reductions.

(Billions of yen)

	Previously announced value	Presently announced value	Rate of change
Net sales	1,400	1,300	(7.1%)
Operating profit	62	62	0.0%
Ordinary income	70	70	0.0%
Net income	30	30	0.0%

In the medium-term management plan, the Group will seek to become the strongest integrated business entity in this resource-recycling society by advancing overseas markets, especially newly emerging markets, and generating distinctive synergies as an integrated business entity (“Materials Premium”) simultaneously implementing growth strategies and financial improvements.

2. Summary Information (Notes)

(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.

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

(Change in Depreciation Method)

The Company and domestic consolidated subsidiaries changed to the depreciation method based on the amended Corporation Tax Act due to amendments to the Corporation Tax Act for tangible fixed assets acquired on and after April 1, 2012 from the first quarter period. The influence of this change is minimal.

(Change in Depreciation Method and Estimate Useful Lives of Tangible Fixed Assets)

In the past, mainly the declining-balance method was applied in the depreciation method for cement-related business facilities of the Company and its domestic consolidated subsidiaries, however, from the first quarter period, this has been changed to the straight-line method except for items in accordance with the productive-output method. Taking advantage of the establishment of the new medium-term management plan (FY2012-2014), the Company studied appropriate depreciation methods for cement-related business facilities. As a result, an investment effect is expected on average since the stable use of facilities is expected from reasoning such as forecasts in the demand of cement and risk of technological obsolescence is small, therefore, the straight-line method was judged rational.

In addition, the Company and its domestic consolidated subsidiaries mainly applied the same standard for estimated useful lives of machinery and equipment in the cement-related business as specified by the Corporation Tax Act. However, taking advantage of the change in depreciation method, the estimated useful lives for the following facilities were reassessed from the first quarter period. This reassessment was determined based on a comprehensive consideration of physical useful lives as well as economic lifetime of the corresponding facilities such as the useful lives of products and risks of production method obsolescence.

Changes in estimated useful lives	Previous	New
Cement/ready-mixed concrete manufacturing facility	9 years	13 years
Limestone digging facility	6 years	13 years

As a result of the above, compared with the values reached based on the conventional methods, operating profit, ordinary income, and income before income taxes for the second consolidated quarterly cumulative period have all increased by ¥ 714 million.

3. Consolidated Financial Statement

(1) Consolidated Balance Sheets

[September 30, 2012 and March 31, 2012]

(Millions of yen)

	As of March 31, 2012	As of September 30, 2012
ASSETS		
Current Assets:		
Cash and deposits	¥70,923	¥68,685
Notes and accounts receivable-trade	223,977	229,332
Merchandise and finished goods	71,793	77,508
Work in process	99,114	93,795
Raw materials and supplies	86,710	84,897
Other	211,399	191,046
Allowance for doubtful accounts	(2,584)	(2,114)
Total Current Assets	761,333	743,151
Noncurrent Assets:		
Property, Plant and Equipment:		
Machinery and equipment, net	189,412	191,917
Land, net	272,409	271,904
Other, net	201,012	195,284
Total Property, Plant and Equipment	662,834	659,106
Intangible Assets:		
Goodwill	39,285	37,799
Other	8,507	8,589
Total Intangible Assets	47,792	46,389
Investments and Other Assets:		
Investment securities	239,926	235,491
Other	47,964	47,580
Allowance for investment loss	(2,221)	(2,221)
Allowance for doubtful accounts	(5,760)	(5,607)
Total Investments and Other Assets	279,910	275,242
Total Noncurrent Assets	990,537	980,738
Total Assets	¥1,751,870	¥1,723,889

(Millions of yen)

As of March 31, 2012 As of September 30, 2012

LIABILITIES**Current Liabilities:**

Notes and accounts payable-trade	¥115,582	¥104,356
Short-term loans payable	275,248	260,507
Current portion of bonds payable	40,000	30,000
Commercial papers	2,000	16,000
Income taxes payable	5,864	5,069
Provision	12,406	12,011
Gold payable	210,308	215,752
Other	115,842	98,483
Total Current Liabilities	777,253	742,181

Noncurrent Liabilities:

Bonds payable	75,000	110,000
Long-term loans payable	316,629	287,064
Provision for retirement benefits	61,809	60,760
Other provision	8,185	7,951
Other	103,918	97,124
Total Noncurrent Liabilities	565,542	562,900

Total Liabilities**1,342,795** **1,305,082****NET ASSETS****Shareholders' Equity:**

Capital stock	119,457	119,457
Capital surplus	113,566	113,565
Retained earnings	116,890	136,599
Treasury stock	(1,443)	(1,675)
Total Shareholders' Equity	348,471	367,948

Accumulated Other Comprehensive Income:

Valuation difference on securities available for sale	31,316	19,085
Deferred gains or losses on hedges	(768)	454
Revaluation reserve for land	36,008	36,025
Foreign currency translation adjustment	(63,945)	(64,169)
Total Accumulated Other Comprehensive Income	2,611	(8,604)

(Minority interests)**57,991** **59,463****Total Net Assets****409,074** **418,807****Total Liabilities and Net Assets****¥1,751,870** **¥1,723,889**

(2) Consolidated Statement of Operations and Consolidated Statement of Comprehensive Income**Consolidated Statement of Operations**

[For the Six Months Ended September 30, 2011 and 2012]

(Millions of yen)

	Six months ended Sep. 30, 2011 (Apr. 1, 2011—Sep. 30, 2011)	Six months ended Sep. 30, 2012 (Apr. 1, 2012—Sep. 30, 2012)
Net Sales	¥739,264	¥635,636
Cost of sales	641,055	542,022
Gross Profit	98,209	93,614
Selling, General and Administrative Expenses	67,099	67,148
Operating Profit	31,110	26,465
Non-Operating Profit:		
Interest income	311	329
Dividends income	16,298	13,906
Equity in earnings of affiliates	1,494	2,261
Rent income on noncurrent assets	2,560	2,385
Other	1,191	1,723
Total Non-Operating Profit	21,856	20,605
Non-Operating Expenses:		
Interest expenses	5,913	5,397
Other	6,653	6,725
Total Non-Operating Expenses	12,566	12,122
Ordinary Income	40,400	34,949
Extraordinary Income:		
Insurance income	—	3,114
Other	391	620
Total Extraordinary Income	391	3,734
Extraordinary Losses:		
Loss on valuation of investment securities	475	6,515
Loss on disaster	3,755	200
Other	430	3,600
Total Extraordinary Loss	4,662	10,316
Income before Income Taxes	36,129	28,366
Income taxes	10,330	7,474
Income before minority interests	25,798	20,892
Minority interests in income	3,535	4,613
Net Income	¥22,263	¥16,278

Consolidated Statement of Comprehensive Income

[For the Six Months Ended September 30, 2011 and 2012]

(Millions of yen)

	Six months ended Sep. 30, 2011 (Apr. 1, 2011—Sep. 30, 2011)	Six months ended Sep. 30, 2012 (Apr. 1, 2012—Sep. 30, 2012)
Income before minority interests	¥25,798	¥20,892
Other comprehensive income		
Valuation difference on securities available for sale	(10,070)	(12,215)
Deferred gains or losses on hedges	1,460	1,020
Foreign currency translation adjustment	(1,385)	920
Equity in earnings of affiliates	(1,944)	553
Total other comprehensive income	(11,940)	(9,720)
Comprehensive income	13,858	11,171
(Breakdown)		
Comprehensive income attributable to owners of the parent company	10,572	6,077
Comprehensive income for attributable to minority interests	3,286	5,093

(3) Consolidated Statement of Cash Flows

[For the Six Months Ended September 30, 2011 and 2012]

(Millions of yen)

	Six months ended Sep. 30, 2011 (Apr. 1, 2011—Sep. 30, 2011)	Six months ended Sep. 30, 2012 (Apr. 1, 2012—Sep. 30, 2012)
Net Cash Provided by (Used in) Operating Activities:		
Income (loss) before income taxes	¥36,129	¥28,366
Depreciation and amortization	30,370	27,760
Increase (decrease) in provision	(4,510)	(2,391)
Interest and dividends income	(16,610)	(14,235)
Interest expenses	5,913	5,397
Equity in (earnings) losses of affiliates	(1,494)	(2,261)
Loss (gain) on sales of property, plant and equipment	(126)	(53)
Loss (gain) on valuation of investment securities	476	6,515
Decrease (increase) in notes and accounts receivables-trade	(4,305)	5,530
Decrease (increase) in inventories	(12,313)	4,285
Increase (decrease) in notes and accounts payable-trade	(8,826)	(22,117)
Other, net	(13,402)	12,344
Subtotal	11,299	49,140
Interest and dividends income received	17,979	14,608
Interest expenses paid	(5,463)	(5,392)
Income taxes refund (paid)	(9,380)	(8,680)
Net Cash Provided by (Used in) Operating Activities	14,434	49,675
Net Cash Provided by (Used in) Investing Activities:		
Purchase of property, plant and equipment	(23,607)	(24,548)
Proceeds from sales of property, plant and equipment	793	665
Purchase of investment securities	(2,539)	(15,447)
Proceeds from sales of investment securities	87	15
Other, net	1,080	(498)
Net Cash Provided by (Used in) Investing Activities	(24,184)	(39,813)
Net Cash Provided by (Used in) Financing Activities:		
Net increase (decreases) in short-term loans payable	(11,780)	(3,817)
Proceeds from long-term loans payable	43,168	7,262
Repayment of long-term loans payable	(39,151)	(55,068)
Proceeds from issuance of bond	25,000	35,000
Redemption of bonds	(20,000)	(10,000)
Increase (decrease) in commercial papers	(25,000)	14,000
Purchase of treasury stock	(18)	(233)
Payment of cash dividends	(2,623)	(2,623)
Cash dividends paid to minority shareholders	(5,920)	(2,833)
Other, net	(1,301)	(1,342)
Net Cash Provided by (Used in) Financing Activities	(37,628)	(19,657)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(199)	(2,352)
Net Increase (Decrease) in Cash and Cash Equivalents	(47,577)	(12,148)
Cash and Cash Equivalents at Beginning of Period	112,226	69,499
Increase (Decrease) in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation	504	1,434
Increase in Cash and Cash Equivalents Resulting from Merger	70	106
Increase (Decrease) in Cash and Cash Equivalents Resulting from Change of Fiscal Term of Subsidiaries	—	8,484
Cash and Cash Equivalents at End of Period	¥65,224	¥67,376

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

(5) Segment Information

[Segment Information]

I. For the six months ended September 30, 2011 (From April 1, 2011 to September 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 amount	Amount indicated in the statements of operations
Net sales									
(1)Outside Customers	¥72,716	¥321,561	¥58,513	¥32,836	¥77,039	¥176,598	¥739,264	—	¥739,264
(2)Within Consolidated Group	1,412	75,371	14,985	3,906	723	25,234	121,634	¥(121,634)	—
Total	74,129	396,933	73,498	36,742	77,762	201,832	860,899	(121,634)	739,264
Segment income	¥1,662	¥24,845	¥7,869	¥1,865	¥3,856	¥4,269	¥44,368	¥(3,968)	¥40,400

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 adjustment amounted (-¥3,968 million) are segment eliminations (¥133 million) and corporate expenses that cannot be allocated to specific segments (-¥4,102 million). Corporate expenses consist mainly of management-related costs, basic experimental research costs, and financial income/expenses.
3. Segment income has been adjusted together with ordinary income on the consolidated quarterly statements of operations.

II. For the six months ended September 30, 2012 (From April 1, 2012 to September 30, 2012) Sales and Income or Loss of Reporting Segments

(Millions of yen)

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Adjustment amount	Amount indicated in the statements of operations
Net sales									
(1)Outside Customers	¥77,445	¥247,409	¥56,266	¥30,820	¥75,566	¥148,129	¥635,636	—	¥635,636
(2)Within Consolidated Group	1,300	58,990	14,254	2,957	560	20,586	98,650	(98,650)	—
Total	78,745	306,400	70,520	33,778	76,126	168,715	734,286	(98,650)	635,636
Segment income	¥4,269	¥18,913	¥5,634	¥2,404	¥4,302	¥3,035	¥38,558	¥(3,609)	¥34,949

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 adjustment amounted (-¥3,609 million) are segment eliminations (¥267 million) and corporate expenses that cannot be allocated to specific segments (-¥3,877 million). Corporate expenses consist mainly of management-related costs, basic and experimental research costs, and financial income/expenses.
3. Segment income has been adjusted together with ordinary income on the consolidated quarterly statements of operations.

(Additional Information)

1. Change in Depreciation Method and Estimate Useful Lives of Tangible Fixed Assets

From the first quarter period, at the same time as the Company formulated the medium-term management plan (FY2012-2014) for its Cement Business, the Company has revised the useful lives and changed depreciation method for the equipment used by the Cement Business.

More details are shown on (2) Changes in Accounting Policies; Changes in Accounting Estimates; Restatements (Change in Depreciation Method and Estimate Useful Lives of Tangible Fixed Assets) under “2. Summary Information (Notes).”

As a result, as compared with the income calculated according to the former methods, the segment income for the second consolidated quarterly cumulative period of the Cement Business increased by 714 million yen.

(6) Notes in Event of Significant Changes in Shareholders' Equity: N/A