Consolidated Financial Results for the Nine Months Ended December 31, 2012

Mitsubishi Materials Corporation

Tokyo, Japan

February 12, 2013

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:	February 13, 2013
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, 2012 (From April 1, 2012 to December 31, 2012)

(1) Results of operations (cumulative):

(Millions of yen)

(Percentage changes relative to previous corresponding period)

	Net sales	Operating profit	Ordinary income	Net income
Nine Months Ended Dec.31, 2012	¥956,898 -12.1(%)	¥39,684 -9.2(%)	¥55,100 2.0(%)	¥30,591 15.6(%)
Nine Months Ended Dec.31, 2011	¥1,088,931 10.1(%)	¥43,704 -3.0(%)	¥54,031 16.8(%)	¥26,457 27.3(%)

(Note) Comprehensive income Nine months ended Dec. 31, 2012: 43,524 million yen (145.9%)
Nine months ended Dec. 31, 2011: 17,700 million yen (86.1%)

(Yen)

	Net income per share	Diluted net income per share
Nine Months Ended Dec.31, 2012	¥23.33	－
Nine Months Ended Dec.31, 2011	¥20.17	－

(2) Financial position:

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
As of December 31, 2012	¥1,760,883	¥447,924	22.0(%)
As of March 31, 2012	¥1,751,870	¥409,074	20.0(%)

(Reference) Shareholders' equity As of Dec. 31, 2012: 386,869 million yen
As of Mar. 31, 2012: 351,083 million yen

2. Dividend payments

(Yen)

	Dividends per Share				
(Record date)	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: None

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 (%)	¥54,000 3.3 (%)	¥70,000 64.7 (%)	¥32,000 234.5 (%)	¥24.41 (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)

Nine months ended December 31, 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

Nine months ended December 31, 2012:	4,160,043 shares
Year ended March 31, 2012:	3,039,965 shares

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

Nine months ended December 31, 2012:	1,310,990,121 shares
Nine months ended December 31, 2011:	1,311,921,356 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 three quarters financial results briefing for institutional investors on February 12, 2013 (Tuesday). 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 nine months ended December 31, 2012.

Contents

1. Qualitative Information Regarding the Consolidated Performance

(1) Qualitative Information on the Consolidated Business Performance

1) Overview of period under review

In the nine months ended December 31, 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 saturated “Eco-car subsidy” policy effect in addition to the drop in copper prices and stagnant demand in semiconductor-related markets despite the 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 ¥956,898 million, down 12.1% from the previous corresponding period. Operating profit decreased 9.2%, to ¥39,684 million, and ordinary income increased 2.0%, to ¥55,100 million. Net income for the period increased 15.6%, to ¥30,591 million.

2) Overview of Segment

(Cement)

(Billions of yen)

	FY 2012 Q1-Q3	FY 2013 Q1-Q3	Increase/decrease (%)	
Net sales	¥116.5	¥122.6	¥6.0	(5.2%)
Operating profit	¥7.3	¥11.1	¥3.7	(50.2%)
Ordinary income	¥5.9	¥10.4	¥4.4	(74.6%)

In the domestic Cement business, the sales volume increased since in addition to the reconstruction demand due to earthquake, there was also steady demand mainly for redevelopment construction and road related construction in Tokyo metropolitan area. 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 8.9 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-Q3	FY 2013 Q1-Q3	Increase/decrease (%)	
Net sales	¥578.6	¥459.6	¥(119.0)	(-20.6%)
Operating profit	¥16.1	¥12.2	¥(3.8)	(-24.1%)
Ordinary income	¥29.2	¥29.4	¥0.1	(0.5%)

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 394 thousand tons, down 28 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 increased from the previous corresponding period due to an increase in dividend income despite of a decrease in operating profit.

(Advanced Materials & Tools)

(Billions of yen)

	FY 2012 Q1-Q3	FY 2013 Q1-Q3	Increase/decrease (%)	
Net sales	¥110.8	¥103.2	¥(7.5)	(-6.8%)
Operating profit	¥11.3	¥8.2	¥(3.1)	(-27.5%)
Ordinary income	¥10.4	¥7.4	¥(3.0)	(-28.8%)

In cemented carbide products business, sales decreased due to the impact of the floods in Thailand and deterioration in the market conditions. In addition, inventory valuation losses due to the declining raw material prices were posted, 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-Q3	FY 2013 Q1-Q3	Increase/decrease (%)	
Net sales	¥55.6	¥50.9	¥(4.6)	(-8.4%)
Operating profit	¥3.4	¥3.8	¥0.4	(12.7%)
Ordinary income	¥2.1	¥2.1	¥(0)	(-0.9%)

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.

In the electronic devices businesses, while demand in electronic devices-related markets such as flat-screen TVs and personal computers stagnated, due to increase in sales for white goods, an overall increase in revenues and profit was achieved.

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 corresponding to fixed costs related to the production lines the operations that have been suspended has been transferred to extraordinary losses.

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

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

(Aluminum)

(Billions of yen)

	FY 2012 Q1-Q3	FY 2013 Q1-Q3	Increase/decrease (%)	
Net sales	¥115.4	¥113.2	¥(2.1)	(-1.9%)
Operating profit	¥5.7	¥6.0	¥0.3	(5.5%)
Ordinary income	¥4.9	¥5.6	¥0.6	(13.2%)

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, in addition to demand for products for the automobile sector remained flat from the corresponding period of the previous year, demand for products for can business increased, however, demand for the electronic materials sector including products for the solar battery sector declined.

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-Q3	FY 2013 Q1-Q3	Increase/decrease (%)	
Net sales	¥299.0	¥250.1	¥(48.9)	(-16.4%)
Operating profit	¥4.3	¥3.5	¥(0.8)	(-18.8%)
Ordinary income	¥7.0	¥6.3	¥(0.7)	(-10.0%)

In the energy-related products business, the sales of coal and nuclear related business increased, however, due to declines in sales of steam and electricity in geo-thermal and electrical power related sectors, while the sales increased the operating profits remained flat from the same period of the previous year.

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 ¥43.0 billion, up ¥5.4 billion from the previous corresponding period. The order backlog at the end of the period was ¥22.9 billion, up ¥5.5 billion from a year earlier.

(2) Qualitative Information on Consolidated Financial Position

Total assets as of the close of the consolidated 3rd quarter under review was ¥1,760.8 billion, an increase of ¥9 billion from the previous consolidated accounting year closing. This is due to increases in merchandise and finished goods.

Liabilities totaled ¥1,312.9 billion, a decline of ¥29.8 billion from the previous consolidated accounting year closing. This is due primarily to a reduction in the long-term loans payable.

(3) Qualitative Information on Consolidated Performance Forecasts

Regarding the business environment surrounding the Group, while reconstruction demand continues to arise, and there is expectations for the economy to head toward recovery supported by the government's economic policies, etc. there is trend toward decline in sales of main products for automobile and electronic industry, etc. at this point.

Under these circumstances, the Company has revised the forecast for consolidated performance forecast for the full-year period ending March, 2013, from as previously announced forecasts in November 7, 2012 as follows.

Due to the decrease in sales described above, the operating profit listed in the consolidated earnings forecast for the financial year has been revised from the previous forecast of 62 billion yen to 54 billion yen. On the other hand, net sales remain unchanged from the previous forecast due to the result of correction for a rising yen. Ordinary profit remains unchanged from the previous forecast due mainly to an anticipated increase in dividends income. Current net income has been revised from the previous forecast of 30 billion yen to 32 billion due to an anticipated decrease in extraordinary losses as the result of reversal for loss on valuation of investment securities

(Billions of yen)

	Previous forecasts	Revised forecasts	Increase/decrease (%)
Net sales	1,300	1,300	(0.0%)
Operating profit	62	54	(-12.9%)
Ordinary income	70	70	(0.0%)
Net income	30	32	(6.7%)

On the medium-term management plan, we will seek to become the strongest integrated business entity in this resource-recycling society by developing overseas markets, especially newly emerging markets, and exploiting synergy created from the distinct features of an integrated management structure ("Materials Premium") while focusing on both our growth strategy and enhancement of our financial position.

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 third consolidated quarterly cumulative period have all increased by ¥ 1,287 million.

3. Consolidated Financial Statement

(1) Consolidated Balance Sheets

[December 31, 2012 and March 31, 2012]

(Millions of yen)

	As of March 31, 2012	As of December 31, 2012
ASSETS		
Current Assets:		
Cash and deposits	¥70,923	¥61,350
Notes and accounts receivable-trade	223,977	231,484
Merchandise and finished goods	71,793	82,102
Work in process	99,114	100,233
Raw materials and supplies	86,710	95,418
Other	211,399	203,800
Allowance for doubtful accounts	(2,584)	(2,132)
Total Current Assets	**761,333**	**772,257**
Noncurrent Assets:		
Property, Plant and Equipment:		
Machinery and equipment, net	189,412	190,746
Land, net	272,409	271,008
Other, net	201,012	195,706
Total Property, Plant and Equipment	**662,834**	**657,461**
Intangible Assets:		
Goodwill	39,285	36,152
Other	8,507	8,930
Total Intangible Assets	**47,792**	**45,083**
Investments and Other Assets:		
Investment securities	239,926	245,934
Other	47,964	47,999
Allowance for investment loss	(2,221)	(2,221)
Allowance for doubtful accounts	(5,760)	(5,632)
Total Investments and Other Assets	**279,910**	**286,080**
Total Noncurrent Assets	**990,537**	**988,625**
Total Assets	**¥1,751,870**	**¥1,760,883**

(Millions of yen)

	As of March 31, 2012	As of December 31, 2012
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	¥115,582	¥101,981
Short-term loans payable	275,248	278,050
Current portion of bonds payable	40,000	30,000
Commercial papers	2,000	10,000
Income taxes payable	5,864	4,272
Provision	12,406	8,226
Gold payable	210,308	224,076
Other	115,842	105,020
Total Current Liabilities	**777,253**	**761,627**
Noncurrent Liabilities:		
Bonds payable	75,000	110,000
Long-term loans payable	316,629	273,808
Provision for retirement benefits	61,809	60,299
Other provision	8,185	8,018
Other	103,918	99,205
Total Noncurrent Liabilities	**565,542**	**551,331**
Total Liabilities	**1,342,795**	**1,312,959**
NET ASSETS		
Shareholders' Equity:		
Capital stock	119,457	119,457
Capital surplus	113,566	113,565
Retained earnings	116,890	150,921
Treasury stock	(1,443)	(1,682)
Total Shareholders' Equity	**348,471**	**382,262**
Accumulated Other Comprehensive Income:		
Valuation difference on securities available for sale	31,316	25,794
Deferred gains or losses on hedges	(768)	(2,558)
Revaluation reserve for land	36,008	36,016
Foreign currency translation adjustment	(63,945)	(54,645)
Total Accumulated Other Comprehensive Income	**2,611**	**4,606**
Minority interests	**57,991**	**61,054**
Total Net Assets	**409,074**	**447,924**
Total Liabilities and Net Assets	**¥1,751,870**	**¥1,760,883**

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

Consolidated Statement of Operations

[For the Nine Months Ended December 31, 2011 and 2012]

(Millions of yen)

	Nine months ended Dec. 31, 2011 (Apr. 1, 2011—Dec. 31, 2011)	Nine months ended Dec. 31, 2012 (Apr. 1, 2012—Dec. 31, 2012)
Net Sales	**¥1,088,931**	**¥956,898**
Cost of sales	**944,484**	**815,796**
Gross Profit	**144,446**	**141,101**
Selling, General and Administrative Expenses	**100,742**	**101,416**
Operating Profit	**43,704**	**39,684**
Non-Operating Profit:		
Interest income	625	421
Dividends income	22,156	23,464
Equity in earnings of affiliates	927	1,984
Rent income on noncurrent assets	3,830	3,550
Other	1,627	2,086
Total Non-Operating Profit	**29,166**	**31,507**
Non-Operating Expenses:		
Interest expenses	8,764	7,903
Other	10,075	8,189
Total Non-Operating Expenses	**18,839**	**16,092**
Ordinary Income	**54,031**	**55,100**
Extraordinary Income:		
Insurance income	—	3,159
Gains on sales of investment securities	113	1,956
Other	457	1,211
Total Extraordinary Income	**571**	**6,326**
Extraordinary Losses:		
Loss on valuation of investment securities	4,195	5,356
Loss on termination of operations	—	2,303
Loss on disaster	4,198	217
Other	1,191	3,243
Total Extraordinary Loss	**9,585**	**11,121**
Income before Income Taxes	**45,017**	**50,305**
Income taxes	14,129	12,096
Income before minority interests	30,887	38,208
Minority interests in income	4,430	7,617
Net Income	**¥26,457**	**¥30,591**

Consolidated Statement of Comprehensive Income

[For the Nine Months Ended December 31, 2011 and 2012]

(Millions of yen)

	Nine months ended Dec. 31, 2011 (Apr. 1, 2011—Dec. 31, 2011)	Nine months ended Dec. 31, 2012 (Apr. 1, 2012—Dec. 31, 2012)
Income before minority interests	**¥30,887**	**¥38,208**
Other comprehensive income		
Valuation difference on securities available for sale	(4,851)	(5,477)
Deferred gains or losses on hedges	262	(1,881)
Revaluation reserve for land	4,938	—
Foreign currency translation adjustment	(10,932)	12,023
Equity in earnings of affiliates	(2,602)	651
Total other comprehensive income	**(13,186)**	**5,315**
Comprehensive income	**17,700**	**43,524**
(Breakdown)		
Comprehensive income attributable to owners of the parent company	15,731	33,610
Comprehensive income for attributable to minority interests	1,969	9,913

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

(4) Segment Information

[Segment Information]

I. For the nine months ended December 31, 2011 (From April 1, 2011 to December 31, 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	¥114,379	¥459,765	¥88,759	¥49,928	¥114,444	¥261,655	¥1,088,931	—	¥1,088,931
(2)Within Consolidated Group	2,189	118,885	22,056	5,744	1,036	37,440	187,353	(187,353)	—
Total	116,568	578,651	110,815	55,672	115,480	299,095	1,276,285	(187,353)	1,088,931
Segment income	¥5,982	¥29,279	¥10,488	¥2,190	¥4,974	¥7,067	¥59,982	¥ (5,950)	¥54,031

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 (-¥5,950 million) are segment eliminations (¥348 million) and corporate expenses that cannot be allocated to specific segments (-¥6,299 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 nine months ended December 31, 2012 (From April 1, 2012 to December 31, 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	¥120,592	¥376,297	¥81,995	¥46,742	¥112,533	¥218,735	¥956,898	—	¥956,898
(2)Within Consolidated Group	2,072	83,345	21,264	4,250	760	31,401	143,094	(143,094)	—
Total	122,664	459,642	103,260	50,993	113,294	250,137	1,099,992	(143,094)	956,898
Segment income	¥10,448	¥29,415	¥7,463	¥2,170	¥5,631	¥6,359	¥61,489	¥(6,388)	¥55,100

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 (-¥6,388 million) are segment eliminations (¥242 million) and corporate expenses that cannot be allocated to specific segments (-¥6,631 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 third consolidated quarterly cumulative period of the Cement Business increased by 1,287 million yen.

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

(6)Important subsequent events

At the Board of Directors Meeting held on December 21st, 2012, our company decided to make our consolidated subsidiary Robertson's Ready Mix, Ltd., for which our consolidated subsidiary MCC Development Corporation owns 70% of the equity interest, and 3 other companies (hereinafter referred to as "Robertson's, etc."), the wholly-owned subsidiaries of MCC Development Corporation. MCC Development Corporation acquired all equity in Robertson's, etc. and acquired the companies as wholly-owned subsidiaries on December 31st, 2012, after the settlement date (September 30th, 2012) for the 3rd quarter of MCC Development Corporation.

U.S. Accounting Standards are followed for MCC Development Corporation and changes in non-controlling interest after acquiring control are accounted for as capital transactions. Therefore, we forecast that our company's total shareholders' equity will decrease by approximately 30 billion yen during settlement for the year ending March 31, 2013.

The forecasted amount may change in the future because the year-end settlement (December 31st, 2012) for MCC Development Corporation has not been finalized.