Consolidated Financial Results for the Three Months Ended June 30, 2016 (Japanese Accounting Standards)

August 8, 2016

Name of Listed Company: Mitsubishi Materials Corporation — Listing: Tokyo Stock Exchange
Stock Code: 5711 — URL: http://www.mmc.co.jp/
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Scheduled filing date of Quarterly Report: August 9, 2016
Scheduled date of start of dividend payment: –
Supplementary materials for the quarterly financial results: Yes
Investor conference for the quarterly financial results: Yes (For Institutional Investors)

(Amounts of less than million yen are omitted.)

1. Results of the first three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)

(1) Results of Operations (cumulative)

(Figures in percentages denote the year-on-year change.)

	Net sales		Operating profit		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First three months ended June 30, 2016	298,828	-17.2	13,190	-19.5	12,066	-29.4	10,766	-63.6
First three months ended June 30, 2015	360,773	-1.7	16,387	16.9	17,102	-1.9	29,604	211.3

(Note) Comprehensive income: The first three months ended June 30, 2016: -13,538 million yen (-137.2%)
The first three months ended June 30, 2015: 36,434 million yen (677.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
First three months ended June 30, 2016	8.22	–
First three months ended June 30, 2015	22.60	–

(2) Financial Position

	Total assets	Net assets	Shareholders' Equity ratio
	Million yen	Million yen	%
As of June 30, 2016	1,767,133	623,061	30.5
As of March 31, 2016	1,793,375	645,017	31.0

(Reference) Shareholders' Equity: As of June 30, 2016: 539,187 million yen As of March 31, 2016: 555,227 million yen

2. Dividend Payments

	Dividends per share				
(Record date)	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	–	5.00	–	5.00	10.00
Year ending March 31, 2017	–				
Year ending March 31, 2017 (Forecast)		2.00	–	4.00	6.00

(Note) Revision of dividend forecast published most recently: No

3. Forecast (From April 1, 2016 to March 31, 2017)

(Figures in percentages denote the year-on-year change.)

	Net sales		Operating profit		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2016	630,000	-11.2	27,000	-25.4	23,000	-41.0	24,000	-47.6	18.32
Year ending March 31, 2017	1,330,000	-6.2	65,000	-7.7	64,000	-11.7	25,000	-59.2	19.08

(Note) Revision to forecast published most recently: Yes

* Notes

(1) Significant changes of subsidiaries during the term under review (changes in specific subsidiaries accompanied by a change in the scope of consolidation): None

(2) Application of specific accounting treatment: Yes

(Note) For details, please see “(1) Application of specific accounting treatment in the preparation of the quarterly consolidated financial statements” under “2. Matters Related to Summary Information (Notes)” on page 5

(3) Changes in accounting policies, changes of accounting estimates and restatement

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

(ii) Other changes in accounting policies: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(Note) For details, please see “(2) Changes in accounting policies, changes of accounting estimates and restatement” under “2. Matters Related to Summary Information (Notes)” on page 5

(4) Numbers of issued shares (common stock)

(i) Numbers of issued shares at end of terms (including treasury shares):

Three months ended June 30, 2016: 1,314,895,351 shares

Year ended March 31, 2016: 1,314,895,351 shares

(ii) Numbers of treasury shares at end of terms:

Three months ended June 30, 2016: 4,911,259 shares

Year ended March 31, 2016: 4,886,174 shares

(iii) Average number of shares issued during terms (quarterly cumulative period):

Three months ended June 30, 2016: 1,309,996,726 shares

Three months ended June 30, 2015: 1,310,187,321 shares

* Indication regarding the status of a quarterly review

This financial summary for the three months ended June 30, 2016 is not subject to a quarterly review under the Financial Instruments and Exchange Law. The review of the quarterly consolidated financial statements under the aforementioned act is in progress at the time of the announcement of this financial summary.

* Explanation about the proper use of financial forecasts and other special notes

(Notes concerning forward-looking statements, etc.)

The operating results forecasts and other forward-looking statements contained in this report are based on information currently available to the Company, as well as certain assumptions that the Company has judged to be reasonable. As such, they do not constitute an assurance that the Company promises to achieve these projected results. Therefore, readers are advised to note that the actual results may vary materially from the forecasts due to a variety of factors.

Please see “(3) Information on the consolidated earnings forecasts and other future forecasts” of “1. Qualitative Information on Financial Results for the First Quarter Ended June 30, 2016” on page 4 for the assumptions about consolidated earnings forecasts.

(Procedure for obtaining supplementary information on quarterly financial results and quarterly financial briefing)

Mitsubishi Materials Corporation plans to hold a quarterly financial briefing for institutional investors on Monday, August 8, 2016. The materials used at this briefing are disclosed on the TDnet and the Company’s web page at the time that the quarterly financial results are announced.

Contents

1. Qualitative Information on Financial Results for the First Quarter Ended June 30, 2016

(1) Details of operating results

1) Overview of operating results

During the first quarter of the consolidated fiscal year under review, the economy slowed down in China, but picked up in Thailand, Indonesia in Asia. In the United States, the economic growth slowed down.

The Japanese economy showed signs of improvement in the employment and income conditions. However, consumer spending grew at a sluggish pace, and the improvement in corporate earnings came to a temporary standstill.

Regarding the business environment for the Mitsubishi Materials Group, foreign exchange markets were characterized by year-on-year yen appreciation, and the Group was affected by such factors as a decrease in copper prices, as well as a fall in the overall demand for cement in Japan.

Under these circumstances, consolidated net sales for the first quarter under review totaled ¥298,828 million, down 17.2% year on year. Operating profit declined 19.5% year on year, to ¥13,190 million, and ordinary income decreased 29.4%, to ¥12,066 million. Net income attributable to owners of parent was ¥10,766 million, down 63.6% year on year.

2) Overview by segments

(Cement)

(Billion yen)

	FY 2016 Q1	FY 2017 Q1	Increase / Decrease (%)
Net sales	46.8	40.1	-6.7 (-14.3%)
Operating profit	3.8	2.8	-1.0 (-27.3%)
Ordinary income	3.4	2.5	-0.9 (-26.3%)

In the Cement business, the sales volume decreased in Japan because of a decline in demand throughout the market, chiefly reflecting a delay in construction work mainly due to labor shortages and sluggish growth in demand from public sector. In the United States, the sales volume of ready-mixed concrete declined, reflecting decreased demand for cement in Southern California due to the effect of bad weather. However, the sales volume of cement increased, because of strengthening sales to companies outside the Group. In China, the sales volume declined mainly due to a delay in the start of large construction work. In the overall Cement business, cement production amounted to 2.6 million tons, down 0.1 million tons from the first quarter of the previous fiscal year.

As a result, net sales and operating profit declined year on year for the entire Cement business. Ordinary income also decreased because of the decline in operating profit.

(Metals)

(Billion yen)

	FY 2016 Q1	FY 2017 Q1	Increase / Decrease (%)
Net sales	183.6	139.5	-44.0 (-24.0%)
Operating profit	6.4	4.5	-1.9 (-30.0%)
Ordinary income	5.4	4.3	-1.1 (-20.3%)

In the copper business, net sales and operating profit declined, primarily reflecting falling copper prices as well as production cutbacks by PT. Smelting in Indonesia due to lower copper content in copper concentrates. Copper cathode production for the entire Metals business amounted to 137 thousand tons, down 4 thousand

tons from the previous corresponding period.
In the gold and other valuable metals business, net sales and operating profit declined, mainly affected by a fall in palladium prices.
In the copper and copper alloy products business, both net sales and operating profit were down, due largely to falling copper prices, despite an increase in the sales of products for automobiles, semiconductors, and other use.
As a result, the entire Metals business posted year-on-year decreases in net sales and operating profit. Ordinary income for the segment also declined because of the decrease in operating profit.

(Advanced Materials & Tools)

(Billion yen)

	FY 2016 Q1	FY 2017 Q1	Increase / Decrease (%)
Net sales	39.1	36.4	-2.6 (-6.9%)
Operating profit	4.4	3.6	-0.8 (-18.2%)
Ordinary income	4.4	2.9	-1.5 (-35.2%)

In the cemented carbide products business, net sales and operating profit declined due to the deteriorating market conditions primarily attributable to the slowdown in the Chinese economy. Another contributing factor was the effect of the yen appreciation compared with the exchange rate in the first quarter of the previous fiscal year.
In the high-performance alloy products business, sales of products for automobiles remained firm in North America, but lower sales in Japan caused net sales and operating profit to decline.
As a result, the overall Advanced Materials & Tools business recorded year-on-year decreases in net sales and operating profit. Ordinary income declined due to the decrease in operating profit and recorded exchange losses.

(Electronic Materials & Components)

(Billion yen)

	FY 2016 Q1	FY 2017 Q1	Increase / Decrease (%)
Net sales	18.4	15.0	-3.4 (-18.6%)
Operating profit	0.8	0.2	-0.6 (-70.3%)
Ordinary income	2.0	0.2	-1.7 (-86.5%)

In the advanced materials and chemical products business, net sales declined while operating profit increased because sales of products for automotive glass and other items remained solid, although sales of the products for hybrid vehicles, etc. were down.
In the electronic components business, net sales and operating profit declined, reflecting a lower volume of sales of products for home appliances and telecommunications equipment.
The polycrystalline silicon business recorded a decline in net sales and operating profit.
As a result, the entire Electronic Materials & Components business registered year-on-year declines in net sales and operating profit. Ordinary income dropped as a result of decreases in operating profit and equity in earnings of affiliates.

(Aluminum)

(Billion yen)

	FY 2016 Q1	FY 2017 Q1	Increase / Decrease (%)
Net sales	41.6	40.2	-1.3 (-3.3%)
Operating profit	1.0	2.3	1.2 (120.4%)
Ordinary income	0.9	2.2	1.3 (144.0%)

In the aluminum cans business, demand for both of bottles cans and regular cans increased, and raw material costs declined.
In the rolled aluminum and processed aluminum products business, demand of products for solar cells declined, while demand of products for automobiles increased. While sales price declined due to falling market metal prices.
As a result, the entire Aluminum business posted a decrease in net sales and an increase in operating profit year on year. Ordinary income increased due to the rise in operating profit.

(Others)

(Billion yen)

	FY 2016 Q1	FY 2017 Q1	Increase / Decrease (%)
Net sales	52.8	45.4	-7.4 (-14.1%)
Operating profit	0.6	1.0	0.4 (66.3%)
Ordinary income	1.5	0.9	-0.6 (-40.9%)

In the energy-related business, net sales declined, but operating profit increased thanks to a rise in electricity sales volume because hydroelectric power plants, which was being renewed during the previous corresponding period, returned to ordinary operation, while sales of coal declined due to the weak market conditions.
In the "E-waste" (used electronics and electrical products) recycling business, net sales and operating profit declined, reflecting lower sales due to the falling unit price of valuables.
Orders received for nuclear energy and engineering-related services amounted to ¥20.6 billion, up ¥5.4 billion year on year. The order backlog at the end of the period was ¥30.1 billion, down ¥4.6 billion from a year earlier.

(2) Details of financial position

Total assets at the end of the first quarter of the consolidated fiscal year under review stood at ¥1,767.1 billion, down ¥26.2 billion from the end of the previous consolidated fiscal year. This result was mainly due to a decline in notes and accounts receivable - trade.
Total liabilities were ¥1,144.0 billion, a decrease of ¥4.2 billion from the end of the previous consolidated fiscal year. This decrease was chiefly attributable to a decline in provisions during the first quarter under review.

(3) Information on the consolidated earnings forecasts and other future forecasts

In our consolidated earnings forecasts for the first half and the full year of the fiscal year ending March 31, 2017, we have revised the previous forecasts (announced on May 12, 2016) for net sales, operating profit, and ordinary income as follows because exchange rate remains yen appreciation than expected. We have not changed the previous forecasts for net income attributable to owners of parent, because we have recorded a gain on the sales of assets which was not factored in, and tax expenses are expected to decline.

Revised Consolidated Earnings Forecasts for the First Half of the Fiscal Year Ending March 31, 2017
(April 1, 2016 to September 30, 2016)

(Billion yen)

	Previous forecast	Current forecast	Increase / Decrease (%)
Net sales	645.0	630.0	-2.3%
Operating profit	29.0	27.0	-6.9%
Ordinary income	25.0	23.0	-8.0%
Net income attributable to owners of parent	24.0	24.0	–

Revised Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2017
(April 1, 2016 to March 31, 2017)

(Billion yen)

	Previous forecast	Current forecast	Increase / Decrease (%)
Net sales	1,360.0	1,330.0	-2.2%
Operating profit	68.0	65.0	-4.4%
Ordinary income	68.0	64.0	-5.9%
Net income attributable to owners of parent	25.0	25.0	–

2. Matters Related to Summary Information (Notes)

(1) Application of special accounting treatment in the preparation of the quarterly consolidated financial statements

The Company calculates tax expenses by rationally assuming an effective tax rate after applying the tax effect accounting to income before income taxes for the consolidated fiscal year, including the first quarter under review, and multiplying income before income taxes for the first quarter by the estimated effective tax rate.

(2) Changes in accounting policies, changes of accounting estimates and restatement

Changes in accounting policies

(Application of Practical Solution on a Change in Depreciation Method due to Tax Reform 2016)

In association with the revision of the Corporation Tax Act, the Company has applied the "Practical Solution on a change in depreciation method due to Tax Reform 2016" (ASBJ Practical Issues Task Force (PITF) No. 32 dated June 17, 2016) from the first quarter of the consolidated fiscal year under review. It also changed the depreciation method for facilities attached to buildings and structures that were acquired on or after April 1, 2016, switching from the declining-balance method to the straight-line method.

The impact of this change on profits and losses for the first quarter of the consolidated fiscal year under review is minor.

(3) Additional information

(Provision for environmental measures)

In regards to expenses for specific countermeasure work to prevent mining-induced pollution and expenses for countermeasure work to stabilize collection sites in abandoned mines managed by the Group, we have recorded a provision for the expenses whose estimated amount has been fixed because the details of the construction work have been determined, and have included it in the "provision" under "non-current liabilities". However, there are some forms of countermeasure work for which the amount cannot be calculated reasonably because the details of construction work are undecided due to the fact that the most appropriate construction method for the landscape and existing equipment have yet to be selected, even though specific countermeasure work is necessary.

(Application of implementation guidance on recoverability of deferred tax assets)

The Company has applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26 dated March 28, 2016) from the first quarter of the consolidated fiscal year under review.

(Change of the number of unit shares and consolidation of shares)

At the 91st ordinary general meeting of shareholders held on June 29, 2016, the change in the number of unit shares (from 1,000 shares to 100 shares) of the Company and consolidation of shares at a 10:1 ratio with effective date of Oct. 1, 2016 were passed and approved. As a result, the total number of shares outstanding will be changed from 1,314,895,351 shares to 131,489,535 shares.

Impact on per-share information

The per-share information which assumes that this consolidation of shares was implemented on the commencement date of the previous consolidated fiscal year is as follows.

	FY 2016 Q1 (From April 1, 2015 to June 30, 2015)	FY 2017 Q1 (From April 1, 2016 to June 30, 2016)
Net income per share	225.95 yen	82.18 yen

(Note) Fully diluted net income per share is not stated because there are no dilutive shares.

(Transfer of important assets)

The Company resolved to transfer non-current assets at the meeting of the Board of Directors held on June 29, 2016 as described below. It concluded a transfer agreement on June 30, 2016.

1. Reason for the transfer

The Company has decided to transfer part of the land it owns for the purpose of effectively using its management resources.

2. Details of the asset to be transferred

(1) Type of asset: Land

(2) Location: 297-3 Kitabukuro-cho 1-chome, Omiya ward, Saitama city, Saitama prefecture and other locations

(3) Present state: Enforcement area of a land rezoning project

3. Overview of the transferee, etc.

The transferee is a business company in Japan. There are no capital, personnel, and business relationships between the Company and the transferee, and the transferee does not fall under the category of a related party.

4. Time of transfer

September 2016 (planned)

5. Impact on profits and losses

In association with the transfer, the Company will record extraordinary income of ¥12.7 billion as a gain on sales of non-current assets in the Second Quarter Ended September 30, 2016.

(4) Contingent liabilities

Previous consolidated fiscal year (As of March 31, 2016)

On December 30, 2014, PT. Smelting in Indonesia, a consolidated subsidiary of the Company (hereinafter the “Consolidated Subsidiary”), received a notice of reassessment in an amount of US$47 million (¥5,393 million based on the exchange rate at the end of the previous consolidated fiscal year) from the Indonesian National Tax Authority regarding the sales transaction pricing of the Consolidated Subsidiary for the year ended December 2009. On January 28, 2015, the Consolidated Subsidiary made a provisional deposit of US$14 million (¥1,577 million) as a part of the additional collection.

However, the Consolidated Subsidiary submitted a written objection to the Indonesian National Tax Authority on March 25, 2015, because this assessment, which claimed there was a sales shortage on the part of the Consolidated Subsidiary based on a comparison of the profit margin ratio with other companies selected by the Indonesian National Tax Authority, was highly unreasonable and found to be unacceptable by the Company and the Consolidated Subsidiary.

The written objection submitted by the Consolidated Subsidiary on March 25, 2015 was dismissed by the Indonesian National Tax Authority on March 16, 2016. Therefore, the Consolidated Subsidiary filed a complaint to the Tax Court in Indonesia on June 6, 2016 to present the fairness of the view of the Company and the Consolidated Subsidiary.

First quarter of the consolidated fiscal year under review (As of June 30, 2016)

On December 30, 2014, PT. Smelting in Indonesia, a consolidated subsidiary of the Company (hereinafter the “Consolidated Subsidiary”), received a notice of reassessment in an amount of US$47 million (¥4,926 million based on the exchange rate at the end of the first quarter of the consolidated fiscal year under review) from the

Indonesian National Tax Authority the regarding sales transaction pricing of the Consolidated Subsidiary for the year ended December 2009. On January 28, 2015, the Consolidated Subsidiary made a provisional deposit of US$14 million (¥1,440 million) as a part of the additional collection.
However, the Consolidated Subsidiary submitted a written objection to Indonesian National Tax Authority on March 25, 2015, because this assessment, which claimed there was a sales shortfall on the part of the Consolidated Subsidiary based on a comparison of the profit margin ratio with other companies selected by the Indonesian National Tax Authority, was highly unreasonable and found to be unacceptable by the Company and the Consolidated Subsidiary.
The written objection submitted by the Consolidated Subsidiary on March 25, 2015 was dismissed by the Indonesian National Tax Authority on March 16, 2016. Therefore, the Consolidated Subsidiary filed a complaint to the Tax Court in Indonesia on June 6, 2016 to present the fairness of the view of the Company and the Consolidated Subsidiary.

3. Consolidated Financial Statements

(1) Consolidated balance sheet

(Million yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	60,123	73,868
Notes and accounts receivable-trade	233,093	207,791
Merchandise and finished goods	85,082	83,757
Work in process	83,694	95,943
Raw materials and supplies	89,875	94,293
Others	232,817	233,244
Allowance for doubtful accounts	(2,155)	(2,109)
Total current assets	782,530	786,789
Non-current assets		
Property, plant and equipment		
Machinery and equipment, net	196,085	192,348
Land, net	268,634	263,102
Other, net	205,517	200,413
Total property, plant and equipment	670,237	655,864
Intangible assets		
Goodwill	48,986	45,696
Other	17,032	16,191
Total intangible assets	66,019	61,887
Investments and other assets		
Investment securities	212,606	201,941
Others	68,052	66,738
Allowance for doubtful accounts	(6,070)	(6,089)
Total investments and other assets	274,588	262,591
Total non-current assets	1,010,845	980,343
Total assets	1,793,375	1,767,133

(Million yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable-trade	110,596	111,288
Short-term loans payable	200,527	204,069
Current portion of bonds payable	25,100	40,100
Income taxes payable	7,037	5,458
Provision	13,740	6,733
Gold payable	231,667	228,795
Other	107,649	105,439
Total current liabilities	696,319	701,883
Non-current liabilities		
Bonds payable	40,000	25,000
Long-term loans payable	260,681	270,782
Provision	16,746	15,787
Net defined benefit liability	63,544	61,876
Other	71,066	68,741
Total non-current liabilities	452,038	442,188
Total liabilities	1,148,358	1,144,072
Net assets		
Shareholders' equity		
Capital stock	119,457	119,457
Capital surplus	92,266	92,423
Retained earnings	303,026	307,853
Treasury stock	(1,953)	(1,961)
Total shareholders' equity	512,797	517,773
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,645	16,221
Deferred gains or losses on hedges	(199)	1,277
Revaluation reserve for land	34,282	33,807
Foreign currency translation adjustment	3,647	(14,203)
Remeasurements of defined benefit plans	(16,946)	(15,689)
Total accumulated other comprehensive income	42,430	21,413
Non-controlling interests	89,789	83,874
Total net assets	645,017	623,061
Total liabilities and net assets	1,793,375	1,767,133

(2) Consolidated statement of income and consolidated statements of comprehensive income

Consolidated statement of income

Consolidated first three quarters (Million yen)

	Three Months Ended June 30, 2015 (Apr. 1, 2015–Jun. 30, 2015)	Three Months Ended June 30, 2016 (Apr. 1, 2016–Jun. 30, 2016)
Net sales	360,773	298,828
Cost of sales	308,319	249,788
Gross profit	52,453	49,040
Selling, general and administrative expenses	36,066	35,849
Operating profit	16,387	13,190
Non-operating profit		
Interest income	132	117
Dividend income	1,782	1,182
Equity in earnings of affiliates	1,496	714
Rent income on non-current assets	1,236	1,227
Other	603	531
Total non-operating profit	5,249	3,773
Non-operating expenses		
Interest expenses	1,834	1,335
Other	2,700	3,562
Total non-operating expenses	4,534	4,898
Ordinary income	17,102	12,066
Extraordinary income		
Gain on sales of non-current assets	435	3,209
Gain on sales of investment securities	19,182	600
Gain on change in equity	10,464	–
Gain on redemption of investment securities	1,234	–
Other	–	2
Total extraordinary income	31,316	3,812
Extraordinary losses		
Loss on valuation of investment securities	2	132
Provision for environmental measures	10,841	–
Other	345	17
Total extraordinary losses	11,190	150
Income before income taxes	37,229	15,728
Income taxes	6,724	4,033
Net income	30,504	11,695
Net income attributable to non-controlling interests	900	929
Net income attributable to owners of parent	29,604	10,766

Consolidated statements of comprehensive income

Consolidated first three quarters (Million yen)

	Three Months Ended June 30, 2015 (Apr. 1, 2015–Jun. 30, 2015)	Three Months Ended June 30, 2016 (Apr. 1, 2016–Jun. 30, 2016)
Net income	30,504	11,695
Other comprehensive income		
Valuation difference on available-for-sale securities	2,460	(5,380)
Deferred gains or losses on hedges	1,265	1,479
Foreign currency translation adjustment	2,346	(21,404)
Remeasurements of defined benefit plans	994	1,290
Equity in earnings of affiliates	(1,138)	(1,218)
Total other comprehensive income	5,929	(25,233)
Comprehensive income	36,434	(13,538)
(Breakdown)		
Comprehensive income attributable to owners of parent	34,551	(9,633)
Comprehensive income attributable to non-controlling interests	1,883	(3,905)

(3) Notes to consolidated quarterly financial statements

Notes on assumptions for a going concern

N/A

Segment information

[Segment Information]

I. For the three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)

1. Sales and income of reporting segments

(Million yen)

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Adjustment amount	Amount indicated in the consolidated quarterly statements of income
Net sales									
(1) Outside customers	46,116	181,222	34,249	14,405	41,253	43,526	360,773	–	360,773
(2) Within consolidated group	767	2,400	4,879	4,093	387	9,309	21,837	(21,837)	–
Total	46,884	183,622	39,128	18,499	41,640	52,835	382,610	(21,837)	360,773
Segment income	3,483	5,484	4,476	2,069	916	1,559	17,988	(885)	17,102

Notes: 1. "Others" includes nuclear energy-related services, environmental and recycling-related business, real estate business, and engineering-related services.

2. "Adjustment amount" of segment income of -¥885 million includes the elimination of intersegment transactions of ¥12 million and corporate expenses of -¥898 million which are not distributed to the reporting segments. Corporate expenses consist mainly of general and administrative expenses that do not belong to the reporting segments, basic experiment and research expenses, and financial revenue and expenses.

3. Segment income has been adjusted together with ordinary income on the consolidated quarterly statements of income.

II. For the three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

1. Sales and income of reporting segments

(Million yen)

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Adjustment amount	Amount indicated in the consolidated quarterly statements of income
Net sales									
(1) Outside customers	39,492	137,794	32,349	13,785	39,737	35,668	298,828	–	298,828
(2) Within consolidated group	681	1,776	4,084	1,282	532	9,736	18,093	(18,093)	–
Total	40,174	139,570	36,433	15,067	40,270	45,405	316,922	(18,093)	298,828
Segment income	2,566	4,369	2,900	278	2,235	921	13,272	(1,206)	12,066

Notes: 1. "Others" includes nuclear energy-related services, environmental and recycling-related business, real estate business, and engineering-related services.

2. "Adjustment amount" of segment income of -¥1,206 million includes the elimination of intersegment transactions of -¥37 million and corporate expenses of -¥1,168 million which are not distributed to the reporting segments. Corporate expenses consist mainly of general and administrative expenses that do not belong to the reporting segments, basic experiment and research expenses, and financial revenue and expenses.

3. Segment income has been adjusted together with ordinary income on the consolidated quarterly statements of income.

2. Matters relating to the change in the reporting segments, etc.
(Application of Practical Solution on a change in depreciation method due to Tax Reform 2016)
As stated in “Changes in accounting policies,” the Company has applied the “Practical Solution on a change in depreciation method due to Tax Reform 2016” from the first quarter of the consolidated fiscal year under review. It also changed the depreciation method for facilities attached to buildings and structures that were acquired on or after April 1, 2016, switching from the declining-balance method to the straight-line method.
The impact of this change on segment income for the first quarter of the consolidated fiscal year under review is minor.

Notes on significant changes in the amount of Shareholders' equity, if any

N/A