



Consolidated Financial Results for the Three Months Ended June 30, 2013

Mitsubishi Materials Corporation

Tokyo, Japan

August 8, 2013

Stock code: 5711
 Shares listed: Tokyo Stock Exchange
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 Supplementary materials for the quarterly financial results: Yes
 Investor conference for the quarterly financial results: Yes (For Corporate Investors)

1. Results of the three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013)

(1) Results of operations (cumulative):

(Millions of yen)

(Percentage changes relative to previous corresponding period)

	Net sales		Operating profit		Ordinary income		Net income	
Three Months Ended June 30, 2013	¥359,130	16.0(%)	¥17,002	50.9(%)	¥16,790	-1.7(%)	¥17,734	228.5(%)
Three Months Ended June 30, 2012	¥309,674	-12.4(%)	¥11,268	-24.1(%)	¥17,072	35.1(%)	¥5,398	-1.9(%)

(Note) Comprehensive income Three months ended Jun 30, 2013: 30,134 million yen (3,975.3%)
 Three months ended Jun 30, 2012: 739 million yen (-90.0%)

(Yen)

	Net income per share	Diluted net income per share
Three Months Ended June 30, 2013	¥13.53	—
Three Months Ended June 30, 2012	¥4.12	—

(2) Financial Position:

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
As of June 30, 2013	¥1,792,675	¥491,117	23.8(%)
As of March 31, 2013	¥1,811,767	¥466,231	22.4(%)

(Reference) Shareholders' equity As of June 30, 2013: 427,537 million yen
 As of March 31, 2013: 405,230 million yen

2. Dividend payments

(Yen)

(Record date)	Dividends per Share				
	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
Year Ended March 31, 2013	—	¥0.00	—	¥4.00	¥4.00
Year Ending March 31, 2014	—	—	—	—	—
Year Ending March 31, 2014 (Forecast)	—	¥2.00	—	¥4.00	¥6.00

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

3. Forecast (From April 1, 2013 to March 31, 2014)

(Millions of yen)

(Percentage changes relative to previous corresponding period)

	Net sales		Operating profit		Ordinary income		Net income		Net income per share
Six Months Ending September 30, 2013	¥710,000	11.7 (%)	¥31,000	17.1 (%)	¥31,000	-11.3 (%)	¥25,000	53.6 (%)	¥19.07 (yen)
Year Ending March 31, 2014	¥1,480,000	15.0 (%)	¥72,000	37.1 (%)	¥80,000	7.5 (%)	¥45,000	21.8 (%)	¥34.33 (yen)

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

* 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: None

(ii) Other changes in accounting policies: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(4) Number of issued shares (common stock)

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

Three months ended June 30, 2013: 1,314,895,351 shares

Year ended March 31, 2013: 1,314,895,351 shares

(ii) Number of treasury shares at end of year

Three months ended June 30, 2013: 4,252,051 shares

Year ended March 31, 2013: 4,193,557 shares

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

Three months ended June 30, 2013: 1,310,675,352 shares

Three months ended June 30, 2012: 1,311,332,940 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 we do not make any warranties with respect to the accuracy, etc. 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) Explanation of Forecast and Other Future Predictions (page 5) under “1. Qualitative Information Regarding the Consolidated Performance”.

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

Mitsubishi Materials Corporation is scheduled to hold a first quarter financial results briefing for institutional investors on August 8, 2013 (Thursday). Supplementary information to the quarterly financial results to be used in this briefing is being released on the Company's website with the announcement of the consolidated financial results for the three months ended June 30, 2013.

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1. Qualitative Information Regarding the Consolidated Performance

(1) Explanation of Business Performance

1) Overview of period under review

In the first quarter period under review, there was a continued slowdown in the pace of economic expansion in emerging economies such as China and India. However, the United States economy showed signs of an upswing and overall economic conditions are headed towards recovery.

The Japanese economy showed signs of recovery due to heightened demand caused by increased public investment, etc., as well as an improved export environment caused by correction of yen appreciation.

Despite a decline in copper prices, the operating environment for the Mitsubishi Materials Group enjoyed strong demand for cement due to full-scale demand generated by reconstruction efforts from the earthquake. Furthermore, all of the Group's businesses were impacted by correction of yen appreciation.

In this environment, we embarked on the medium-term management plan (FY2012-2014), entitled "Materials Premium 2013—Aiming for New Value Creation". 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 emerging markets" and "Generation of distinctive synergies as an integrated business entity." In order to promote this recognition, we have continued to implement various measures.

As a result, consolidated net sales for the period totaled ¥359,130 million, up 16.0% from the previous corresponding period. Operating profit increased 50.9%, to ¥17,002 million, and ordinary income decreased 1.7%, to ¥16,790 million. Net income for the period increased 228.5%, to ¥17,734 million.

2) Overview of Segment (Cement)

(Billions of yen)

	FY 2013 Q1	FY 2014 Q1	Increase/decrease (%)
Net sales	¥37.3	¥42.3	¥5.0 (13.5%)
Operating profit	1.3	3.3	1.9 (152.3%)
Ordinary income	¥0.7	¥3.2	¥2.5 (352.7%)

In the Cement business, the sales volume increased due to strong demand caused by reconstruction following the earthquake, as well as road-related construction and housing construction such as condominium buildings in the Tokyo metropolitan area. Overseas, sales volume increased due to strong United States demand focused on private-sector capital spending, as well as increased China demand due to the reopening of high-speed rail construction in Shandong and a shortening of the construction period for the new airport. Total cement production for the period was 3.0 million tons, up 0.2 million tons from the previous corresponding period.

As a result, the entire Cement business posted year-on-year increases in both net sales and operating profit. Ordinary income rose from the previous corresponding period due to an increase of operating profit.

(Metals)

(Billions of yen)

	FY 2013 Q1	FY 2014 Q1	Increase/decrease (%)	
Net sales	¥149.4	¥170.0	¥20.6	(13.8%)
Operating profit	3.6	6.3	2.7	(75.5%)
Ordinary income	¥10.0	¥6.3	¥(3.7)	(-37.1%)

In the copper business, the overseas copper market prices decreased, but there was also impact from correction of yen appreciation. Additionally, the business was also impacted by the operation trouble at mines supplying ore to PT Smelting in Indonesia. However, in the first quarter period under review, there was no operation shutdown associated with periodic furnace repairs. This resulted in increased production, which in turn led to an increase in net sales and operating profit. Total production of copper cathode for the period was 133 thousand tons, up 16 thousand tons from the previous corresponding period.

Gold and other metals experienced decreased production due to a decrease in the amount of gold contained in the raw material ore. However, there was also impact from the correction of yen appreciation. As a result, there was a decrease in net sales and an increase in operating profit.

In the processed copper products business, sales of products for the automobile sector increased, and there was an increase in net sales and operating profit.

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

Ordinary income decreased from the previous corresponding period due to a decrease in dividend income but an increase in operating profit.

(Advanced Materials & Tools)

(Billions of yen)

	FY 2013 Q1	FY 2014 Q1	Increase/decrease (%)	
Net sales	¥36.6	¥36.0	¥(0.6)	(-1.7%)
Operating profit	3.2	3.6	0.4	(15.1%)
Ordinary income	¥2.8	¥3.6	¥0.7	(26.9%)

In the cemented carbide products business, sales increased due to the impact from correction of yen appreciation. As a result, there was an increase in net sales and operating profit.

In the high-performance alloy products business, sales of products for automobiles decreased due to the end of eco-car subsidies. Overall, the business posted a decrease in net sales and an increase in operating profit due to strong demand in the aircraft-related market and the result of cost reductions.

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

Ordinary income increased from the previous corresponding period due to an increase in operating profit.

(Electronic Materials & Components)

(Billions of yen)

	FY 2013 Q1	FY 2014 Q1	Increase/decrease (%)	
Net sales	¥17.2	¥17.7	¥0.4	(2.4%)
Operating profit	1.0	1.1	0.0	(4.4%)
Ordinary income	¥1.0	¥0.7	¥(0.2)	(-27.7%)

Despite healthy sales of products for smartphones, the advanced materials business decreased in both net sales and operating profit because of stagnant demand in other semiconductor-related markets.

The electronic devices business posted increases in both net sales and operating profit due to increased sales of products for household appliances, results of cost reductions, and impact from correction of yen appreciation.

Polycrystalline silicon and chemical products recorded an increase in net sales and a decrease in operating profit. This was due to increased sales of polycrystalline silicon and decreased sales of chemical products. Furthermore, regarding the suspended operation of some production lines at Yokkaichi Plant from April 2012 to March 2013, an amount equivalent to fixed costs associated with the suspended production lines which had been allocated to extraordinary losses in last year's first quarter period were posted as operating expenses in the first quarter period under review.

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

Ordinary income for the entire business decreased on a year-over-year basis in spite of an increase in operating profit due to a decrease in equity in earnings of affiliates.

(Aluminum)

(Billions of yen)

	FY 2013 Q1	FY 2014 Q1	Increase/decrease (%)	
Net sales	¥38.6	¥39.6	¥0.9	(2.5%)
Operating profit	2.3	2.5	0.2	(9.1%)
Ordinary income	¥2.1	¥2.4	¥0.2	(11.8%)

In the aluminum cans business, demand decreased for bottle cans for black coffee and tea-based beverages, but demand increased for regular cans mainly for beer or beer-like beverages.

In rolled aluminum and processed aluminum products, demand decreased for products for automobiles due to the end of eco-car subsidies, but demand increased for products for solar batteries due to the impact of feed-in tariffs for renewable energy.

As a result, the entire Aluminum business posted a year-on-year increases in both net sales and operating profit.

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

(Others)

(Billions of yen)

	FY 2013 Q1	FY 2014 Q1	Increase/decrease (%)	
Net sales	¥83.8	¥110.8	¥26.9	(32.1%)
Operating profit	0.7	1.1	0.4	(64.6%)
Ordinary income	¥1.2	¥1.5	¥0.2	(21.9%)

In the energy-related business, both net sales and operating profit increased due to increased sales of coal and increased sales of decontamination business related to nuclear power.

Despite a slight decrease in the amount processed, the e-waste (used electronics and electrical products) recycling business posted net sales and operating profits similar to the previous year due to the result of cost reductions.

Despite a decrease in the sales of jewelry-related items, the precious metal business posted increases in both net sales and operating profit due to increased sales volume for gold bullion due to the impact of falling overseas market prices.

Orders for nuclear energy and engineering services amounted to ¥13.4 billion, down ¥1.2 billion from the previous corresponding period. The order backlog at the end of the period was ¥20.4 billion, down ¥0.4 billion from a year earlier.

(2) Explanation of Financial Position

As of June 30, 2013, the Group's consolidated total assets stood at ¥1,792.6 billion, down ¥19.0 billion from March 31, 2013. This was mainly due to a decline in other current assets during the period.

Total liabilities decreased ¥43.9 billion, to ¥1,301.5 billion, due primarily to a decrease in gold payable during the period.

(3) Explanation of Forecast and Other Future Predictions

Regarding the business environment surrounding the Group, there continues to be demand for cement due to recovery of the domestic economy. Furthermore, the automobile industry is expected to recover. However, performance continues to be significantly influenced by factors such as metal prices and electricity costs, as well as trends in the overseas economy.

Under these circumstances, there is no change in forecasts for the six-month period ending September 30, 2013 and for the full-year period ending March 31, 2014. (Those forecasts were announced on May 10, 2013.)

In the medium-term management plan, the Group 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.

3. Consolidated Financial Statement

(1) Consolidated Balance Sheets

[June 30, 2013 and March 31, 2013]

(Millions of yen)

	As of March 31, 2013	As of June 30, 2013
ASSETS		
Current Assets:		
Cash and deposits	¥64,416	¥69,912
Notes and accounts receivable-trade	211,748	229,372
Merchandise and finished goods	79,941	83,411
Work in process	98,948	98,475
Raw materials and supplies	103,463	85,214
Other	222,342	191,290
Allowance for doubtful accounts	(1,929)	(2,067)
Total Current Assets	778,931	755,609
Noncurrent Assets:		
Property, Plant and Equipment:		
Machinery and equipment, net	190,682	191,218
Land, net	271,517	273,245
Other, net	196,774	203,596
Total Property, Plant and Equipment	658,974	668,060
Intangible Assets:		
Goodwill	38,760	40,972
Other	9,520	9,579
Total Intangible Assets	48,281	50,552
Investments and Other Assets:		
Investment securities	271,754	262,352
Other	61,245	63,561
Allowance for investment loss	(1,748)	(1,748)
Allowance for doubtful accounts	(5,672)	(5,712)
Total Investments and Other Assets	325,579	318,452
Total Noncurrent Assets	1,032,835	1,037,065
Total Assets	¥1,811,767	¥1,792,675

(Millions of yen)

	As of March 31, 2013	As of June 30, 2013
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	¥105,889	¥101,772
Short-term loans payable	287,942	328,571
Commercial papers	26,000	5,000
Income taxes payable	6,653	3,768
Provision	13,654	7,361
Gold payable	232,002	186,035
Other	124,194	109,364
Total Current Liabilities	796,337	741,873
Noncurrent Liabilities:		
Bonds payable	110,040	125,040
Long-term loans payable	268,998	265,845
Provision for retirement benefits	59,601	59,440
Other provision	7,745	7,733
Other	102,813	101,623
Total Noncurrent Liabilities	549,198	559,683
Total Liabilities	1,345,535	1,301,557
NET ASSETS		
Shareholders' Equity:		
Capital stock	119,457	119,457
Capital surplus	92,272	92,272
Retained earnings	158,456	173,809
Treasury stock	(1,692)	(1,710)
Total Shareholders' Equity	368,495	383,828
Accumulated Other Comprehensive Income:		
Valuation difference on securities available for sale	40,516	37,437
Deferred gains or losses on hedges	(1,189)	(730)
Revaluation reserve for land	34,830	33,683
Foreign currency translation adjustment	(37,422)	(26,681)
Total Accumulated Other Comprehensive Income	36,735	43,709
Minority interests	61,001	63,579
Total Net Assets	466,231	491,117
Total Liabilities and Net Assets	¥1,811,767	¥1,792,675

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

[For the Three Months Ended June 30, 2012 and 2013]

(Millions of yen)

	Three Months Ended Jun. 30, 2012 (Apr. 1, 2012—Jun. 30, 2012)	Three Months Ended Jun. 30, 2013 (Apr. 1, 2013—Jun. 30, 2013)
Net Sales	¥309,674	¥359,130
Cost of sales	265,191	306,479
Gross Profit	44,483	52,650
Selling, General and Administrative Expenses	33,214	35,648
Operating Profit	11,268	17,002
Non-Operating Profit:		
Interest income	166	113
Dividends income	8,778	2,270
Equity in earnings of affiliates	799	866
Rent income on noncurrent assets	1,175	1,146
Other	794	743
Total Non-Operating Profit	11,713	5,140
Non-Operating Expenses:		
Interest expenses	2,745	2,515
Other	3,164	2,836
Total Non-Operating Expenses	5,910	5,352
Ordinary Income	17,072	16,790
Extraordinary Income:		
Gain on sales of noncurrent assets	30	4,016
Gain on sales of investment securities	—	1,360
Total Extraordinary Income	30	5,376
Extraordinary Losses:		
Loss on valuation of investment securities	3,835	122
Other	2,090	659
Total Extraordinary Loss	5,925	781
Income before Income Taxes	11,176	21,385
Income taxes	3,320	2,901
Income before minority interests	7,856	18,483
Minority interests in income	2,457	749
Net Income	¥5,398	¥17,734

Consolidated Statement of Comprehensive Income

[For the Three Months Ended June 30, 2012 and 2013]

(Millions of yen)

	Three Months Ended Jun. 30, 2012 (Apr. 1, 2012—Jun. 30, 2012)	Three Months Ended Jun. 30, 2013 (Apr. 1, 2013—Jun. 30, 2013)
Income before minority interests	¥7,856	¥18,483
Other comprehensive income		
Valuation difference on available-for-sale securities	(15,793)	(3,033)
Deferred gains or losses on hedges	1,482	678
Foreign currency translation adjustment	5,779	12,205
Equity in earnings of affiliates	1,414	1,801
Total other comprehensive income	(7,116)	11,651
Comprehensive income	739	30,134
(Breakdown)		
Comprehensive income attributable to owners of the parent company	(3,406)	26,219
Comprehensive income for attributable to minority interests	4,145	3,915

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

Segment Information

[Segment Information]

I. For the three months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)
Sales and Income 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 Income
Net sales									
(1)Outside Customers	¥36,667	¥115,213	¥29,303	¥15,779	¥38,303	¥74,407	¥309,674	—	¥309,674
(2)Within Consolidated Group	656	34,228	7,374	1,509	356	9,469	53,595	(53,595)	—
Total	37,324	149,441	36,678	17,289	38,660	83,876	363,269	(53,595)	309,674
Segment income	¥728	¥10,018	¥2,884	¥1,081	¥2,171	¥1,243	¥18,126	¥(1,054)	¥17,072

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 (-¥1,054 million) are segment eliminations (¥113 million) and corporate expenses that cannot be allocated to specific segments (-¥1,167 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 income.

II. For the three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013)
Sales and Income 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 Income
Net sales									
(1)Outside Customers	¥41,546	¥137,887	¥28,794	¥12,070	¥39,372	¥99,459	¥359,130	—	¥359,130
(2)Within Consolidated Group	810	32,186	7,278	5,636	242	11,360	57,513	(57,513)	—
Total	42,356	170,074	36,072	17,706	39,614	110,819	416,644	(57,513)	359,130
Segment income	¥3,296	¥6,302	¥3,659	¥782	¥2,428	¥1,515	¥17,984	¥(1,194)	¥16,790

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 (-¥1,194 million) are segment eliminations (¥365 million) and corporate expenses that cannot be allocated to specific segments (-¥1,559 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 income.

Notes in Event of Significant Changes in Shareholders’ Equity: N/A