



Consolidated Financial Results for the Nine Months Ended December 31, 2013

Mitsubishi Materials Corporation

Tokyo, Japan

February 12, 2014

Stock code:	5711
Shares listed:	Tokyo Stock Exchange
URL:	http://www.mmc.co.jp/
Representative:	Mr. Hiroshi Yao, President
For further information please contact:	Mr. Naoya Sasaki, Manager, Corporate Communications & IR Dept. Tel: +81-3-5252-5206
Filing date of Quarterly Report:	February 13, 2014
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, 2013 (From April 1, 2013 to December 31, 2013)

(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, 2013	¥1,050,319	9.8(%)	¥51,041	28.6(%)	¥58,433	6.0(%)	¥40,634	32.8(%)
Nine months ended Dec.31, 2012	¥956,898	-12.1(%)	¥39,684	-9.2(%)	¥55,100	2.0(%)	¥30,591	15.6(%)

(Note) Comprehensive income
 Nine months ended Dec. 31, 2013: 67,719 million yen (55.6%)
 Nine months ended Dec. 31, 2012: 43,524 million yen (145.9%)

(Yen)

	Net income per share	Diluted net income per share
Nine months ended Dec.31, 2013	¥31.00	—
Nine months ended Dec.31, 2012	¥23.33	—

(2) Financial position:

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
As of December 31, 2013	¥1,809,919	¥523,574	25.2(%)
As of March 31, 2013	¥1,811,767	¥466,231	22.4(%)

(Reference) Shareholders' equity
 As of Dec. 31, 2013: 456,957 million yen
 As of Mar. 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	—	¥2.00	—	—	—
Year ending March 31, 2014 (Forecast)	—	—	—	¥4.00	¥6.00

(Note) Revisions to dividend forecast in the current period: None

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
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: None

* 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)

Nine months ended December 31, 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

Nine months ended December 31, 2013: 4,398,856 shares

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

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

Nine months ended December 31, 2013: 1,310,607,391 shares

Nine months ended December 31, 2012: 1,310,990,121 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 promise that the forecasts in this report will be achieved. 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 three quarters financial results briefing)

Mitsubishi Materials Corporation is scheduled to hold a first three quarters financial results briefing for institutional investors on February 12, 2014 (Wednesday). 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, 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 nine months ended December 31, 2013, world economy on the whole started on the path of improvement. In addition to the United States, where the economic recovery trend is continuing, China showed signs of stabilization in economic expansion pace.

Conditions of the Japanese economy have gradually improved driven by an increase in public investment and housing construction on the one hand and a steady personal consumption supported by improvements in the employment and income conditions on the other.

Regarding the operating environment for the Mitsubishi Materials Group, while copper price continued on the lower levels than it was in the corresponding period of last year, demand for cement continued strong due to reasons including an increase in housing construction and restoration work required in areas, which fell victim to earthquakes and other disasters. Also, our entire business was impacted by the influence of correction of the 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 ¥1,050,319 million, up 9.8% from the previous corresponding period. Operating profit increased 28.6%, to ¥51,041 million, and ordinary income increased 6.0%, to ¥58,433 million. Net income for the period increased 32.8%, to ¥40,634 million.

2) Overview of Segment (Cement)

(Billions of yen)

	FY 2013 Q1-Q3	FY 2014 Q1-Q3	Increase/decrease (%)	
Net sales	¥122.6	¥139.0	¥16.4	(13.4%)
Operating profit	11.1	14.3	3.2	(29.6%)
Ordinary income	¥10.4	¥14.1	¥3.6	(35.0%)

In the domestic Cement business, sales volume increased due to such factors as reconstruction demand for following the earthquake on the one hand and a stable demand across the country in other disaster relief work, redevelopment construction, housing construction such as condominium buildings. Overseas, sales volume increased due to strong United States demand for private-sector capital spending and housing-related, as well as increased China demand due to the reopening of high-speed rail construction in Shandong and the construction of the new airport. Total cement production for the period was 9.3 million tons, up 0.4 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-Q3	FY 2014 Q1-Q3	Increase/decrease (%)	
Net sales	¥459.6	¥510.5	¥50.9	(11.1%)
Operating profit	12.2	17.9	5.6	(46.1%)
Ordinary income	¥29.4	¥26.6	¥(2.7)	(-9.5%)

In the copper business, the overseas copper market prices decreased, but there was also impact from correction of yen appreciation. Additionally, the business of PT Smelting in Indonesia was also impacted by the operation trouble at mines supplying ore to the company. However, in the nine months ended December 31, 2013, 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 398 thousand tons, up 3 thousand tons from the previous corresponding period.

Gold and other metals experienced decreased production due to a decrease in the amount of metals 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.

Despite an increase in operating profit, ordinary income decreased from the previous corresponding period due to a decrease in dividend income.

(Advanced Materials & Tools)

(Billions of yen)

	FY 2013 Q1-Q3	FY 2014 Q1-Q3	Increase/decrease (%)	
Net sales	¥103.2	¥110.2	¥7.0	(6.8%)
Operating profit	8.2	10.8	2.6	(31.9%)
Ordinary income	¥7.4	¥10.6	¥3.1	(42.2%)

In cemented carbide products business, as a result of sales promotion measures implemented by our overseas subsidiaries and also correction of yen appreciation, there was an increase in sales resulting in an increase both in net sales and operating profit.

In the high-performance alloy products business, there was an increase in net sales but a decrease in operating profit as although there was an increase in demand for the aircraft-related market and in sales of products for automobile sector, as a result of correction of yen appreciation, purchase costs increased.

As a result, the entire Advanced Materials & Tools business posted year-on-year increases in both net sales and 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-Q3	FY 2014 Q1-Q3	Increase/decrease (%)	
Net sales	¥50.9	¥52.8	¥1.8	(3.5%)
Operating profit	3.8	3.3	(0.5)	(-14.4%)
Ordinary income	¥2.1	¥1.8	¥(0.2)	(-13.4%)

Although sales of products for smartphone displays were steady, as demand in the semiconductor-related markets was low, the advanced materials business recorded a decrease in both net sales and operating profit.

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 the nine months ended December 31, 2012 were posted as operating expenses in the corresponding period under review.

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

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

(Aluminum)

(Billions of yen)

	FY 2013 Q1-Q3	FY 2014 Q1-Q3	Increase/decrease (%)	
Net sales	¥113.2	¥114.8	¥1.5	(1.4%)
Operating profit	6.0	5.4	(0.6)	(-11.1%)
Ordinary income	¥5.6	¥4.8	¥(0.8)	(-14.2%)

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

In rolled aluminum and processed aluminum products, in addition to the influence of correction of yen appreciation, product demand for solar battery sector was increased due to the influence of feed-in tariff for renewable energy, however, product demand for the automobile sector was decreased due to the termination of Eco-car subsidy.

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

Ordinary income declined due to a decrease in operating profit from the previous corresponding period.

(Others)

(Billions of yen)

	FY 2013 Q1-Q3	FY 2014 Q1-Q3	Increase/decrease (%)	
Net sales	¥250.1	¥286.3	¥36.2	(14.5%)
Operating profit	3.5	4.3	0.8	(22.7%)
Ordinary income	¥6.3	¥5.6	¥(0.7)	(-11.0%)

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.

The e-waste (used electronics and electrical products) recycling business posted increases in both net sales and operating profit, since although the amount of throughput was the same level as the same period of the previous year, the amount of collection of valuable resources increased and cost reduction had a positive influence.

The precious metal business posted increases in both net sales and operating profit since, although the jewelry-related sales decreased, the trading volume of gold bullion increased due to large fluctuation in overseas gold market.

Orders for nuclear energy and engineering services amounted to ¥44.4 billion, up ¥1.3 billion from the previous corresponding period. The order backlog at the end of the period was ¥27.7 billion, up ¥4.7 billion from a year earlier.

(2) Explanation of Financial Position

As of December 31, 2013, the Group's consolidated total assets stood at ¥1,809.9 billion, down ¥1.8 billion from March 31, 2013. This was mainly due to a decrease in machinery and equipment, net.

Total liabilities decreased ¥59.1 billion, to ¥1,286.3 billion, due primarily to a decrease in gold payable owing to a falling gold price.

(3) Explanation of Forecast and Other Future Predictions

Regarding business environment surrounding the Group, domestic economy is in a recovery trend and demand for cement is continued to be promising due to reasons including increase of housing construction and full swing demand for reconstruction from the earthquake disaster. On the other hand, an explosion and a fire occurred at our Yokkaichi Plant on January 9, 2014, and we have voluntarily suspended the plant operation in order to ensure safety. The timing for the recommencement of operation remains to be determined and will be decided in consideration with the guidance from the relevant authorities.

Under these circumstances, for the consolidated earnings forecast of the full fiscal year ending March, 2014, although the Group does at present expect a decrease in production and sales, which shall be inevitable if the Yokkaichi Plant operation is suspended until the end of this term, taking into account such factors as the earnings performance of other businesses and the correction of yen appreciation, it was decided that no changes are necessary to the figures announced in the earnings summary released 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

[December 31, 2013 and March 31, 2013]

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
ASSETS		
Current Assets:		
Cash and deposits	¥64,416	¥54,702
Notes and accounts receivable-trade	211,748	243,751
Merchandise and finished goods	79,941	89,047
Work in process	98,948	112,463
Raw materials and supplies	103,463	108,835
Other	222,342	192,349
Allowance for doubtful accounts	(1,929)	(2,257)
Total Current Assets	778,931	798,891
Noncurrent Assets:		
Property, Plant and Equipment:		
Machinery and equipment, net	190,682	172,725
Land, net	271,517	272,678
Other, net	196,774	199,478
Total Property, Plant and Equipment	658,974	644,882
Intangible Assets:		
Goodwill	38,760	40,832
Other	9,520	9,140
Total Intangible Assets	48,281	49,972
Investments and Other Assets:		
Investment securities	271,754	258,084
Other	61,245	65,148
Allowance for investment loss	(1,748)	(1,168)
Allowance for doubtful accounts	(5,672)	(5,890)
Total Investments and Other Assets	325,579	316,173
Total Noncurrent Assets	1,032,835	1,011,028
Total Assets	¥1,811,767	¥1,809,919

(Millions of yen)

As of March 31, 2013 As of December 31, 2013

LIABILITIES**Current Liabilities:**

Notes and accounts payable-trade	¥105,889	¥112,156
Short-term loans payable	287,942	282,702
Current portion of bonds payable	-	30,000
Commercial papers	26,000	-
Income taxes payable	6,653	11,011
Provision	13,654	7,689
Gold payable	232,002	203,098
Other	124,194	110,935
Total Current Liabilities	796,337	757,594

Noncurrent Liabilities:

Bonds payable	110,040	95,140
Long-term loans payable	268,998	281,473
Provision for retirement benefits	59,601	39,425
Other provision	7,745	7,637
Other	102,813	105,075
Total Noncurrent Liabilities	549,198	528,751

Total Liabilities**1,345,535** **1,286,345****NET ASSETS****Shareholders' Equity:**

Capital stock	119,457	119,457
Capital surplus	92,272	92,272
Retained earnings	158,456	195,078
Treasury stock	(1,692)	(1,765)
Total Shareholders' Equity	368,495	405,043

Accumulated Other Comprehensive Income:

Valuation difference on securities available for sale	40,516	37,817
Deferred gains or losses on hedges	(1,189)	(2,516)
Revaluation reserve for land	34,830	33,266
Foreign currency translation adjustment	(37,422)	(16,653)
Total Accumulated Other Comprehensive Income	36,735	51,914

Minority interests**61,001** **66,616****Total Net Assets****466,231** **523,574****Total Liabilities and Net Assets****¥1,811,767** **¥1,809,919**

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

Consolidated Statement of Operations

[For the Nine Months Ended December 31, 2012 and 2013]

(Millions of yen)

	Nine months ended Dec. 31, 2012 (Apr. 1, 2012—Dec. 31, 2012)	Nine months ended Dec. 31, 2013 (Apr. 1, 2013—Dec. 31, 2013)
Net Sales	¥956,898	¥1,050,319
Cost of sales	815,796	892,648
Gross Profit	141,101	157,670
Selling, General and Administrative Expenses	101,416	106,629
Operating Profit	39,684	51,041
Non-Operating Profit:		
Interest income	421	369
Dividends income	23,464	14,099
Equity in earnings of affiliates	1,984	3,254
Rent income on noncurrent assets	3,550	3,484
Other	2,086	1,948
Total Non-Operating Profit	31,507	23,156
Non-Operating Expenses:		
Interest expenses	7,903	7,424
Other	8,189	8,339
Total Non-Operating Expenses	16,092	15,764
Ordinary Income	55,100	58,433
Extraordinary Income:		
Gain on sales of investment securities	1,956	27,335
Gain on contribution of securities to retirement benefit trust	-	10,949
Other	4,370	5,447
Total Extraordinary Income	6,326	43,733
Extraordinary Losses:		
Loss on impairment	719	27,260
Loss on valuation of investment securities	5,356	12
Other	5,045	3,317
Total Extraordinary Loss	11,121	30,590
Income before Income Taxes	50,305	71,576
Income taxes	12,096	26,985
Income before minority interests	38,208	44,590
Minority interests in income	7,617	3,955
Net Income	¥30,591	¥40,634

Consolidated Statement of Comprehensive Income

[For the Nine Months Ended December 31, 2012 and 2013]

(Millions of yen)

	Nine months ended Dec. 31, 2012 (Apr. 1, 2012—Dec. 31, 2012)	Nine months ended Dec. 31, 2013 (Apr. 1, 2013—Dec. 31, 2013)
Income before minority interests	¥38,208	¥44,590
Other comprehensive income		
Valuation difference on securities available for sale	(5,477)	(2,641)
Deferred gains or losses on hedges	(1,881)	(2,421)
Foreign currency translation adjustment	12,023	24,238
Equity in earnings of affiliates	651	3,953
Total other comprehensive income	5,315	23,128
Comprehensive income	43,524	67,719
(Breakdown)		
Comprehensive income attributable to owners of the parent company	33,610	57,753
Comprehensive income for attributable to minority interests	9,913	9,966

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

Segment Information

[Segment Information]

I. For the nine months ended December 31, 2012 (From April 1, 2012 to December 31, 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 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.

II. For the nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)

1. 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 operations
Net sales									
(1)Outside Customers	¥136,375	¥425,487	¥87,943	¥36,191	¥114,081	¥250,239	¥1,050,319	—	¥1,050,319
(2)Within Consolidated Group	2,694	85,089	22,340	16,611	746	36,130	163,612	(163,612)	—
Total	139,070	510,576	110,283	52,803	114,828	286,370	1,213,931	(163,612)	1,050,319
Segment income	¥14,102	¥26,620	¥10,614	¥1,879	¥4,829	¥5,659	¥63,705	¥(5,272)	¥58,433

Notes:

- “Others” includes nuclear energy-related services, precious metals, environmental and recycling-related business, real estate business, and engineering-related services.
- Included in the segment income adjustment amounted (-¥5,272 million) are segment eliminations (¥683 million) and corporate expenses that cannot be allocated to specific segments (-¥5,956 million). Corporate expenses consist mainly of management-related costs, basic and experimental research costs, and financial income/expenses.
- Segment income has been adjusted together with ordinary income on the consolidated quarterly statements of operations.

2. Information Related to Loss on Impairment for Noncurrent Assets and Goodwill by Reporting Segment (Significant loss on impairment relating to noncurrent assets)

In the Electronic Materials & Components Business, following an aggravation of business conditions of the polycrystalline silicon business, the book value of the assets of our Yokkaichi Plant was reduced to the collectable amount and the decrease was posted as loss on impairment among extraordinary losses. The amount of the loss on impairment posted in the first three quarters under review is ¥27,179 million.

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

Important Subsequent Events

An explosion and a fire occurred at our Yokkaichi Plant on January 9, 2014, and the operation of the Plant's production facility is suspended in order to ensure safe operation. Timing for the recommencement of operations will be decided in consideration with the guidance from the relevant authorities and remains to be determined. The impact of the said event on the Company's consolidated financial position and business performance has not been determined.

The operating results of the Plant for the first three quarters under review are as follows.

Net sales	¥12,541 million
Operating profit	¥608 million
Polycrystalline silicon production quantity	1,370 tons