Consolidated Financial Results for the Three Months Ended June 30, 2014
Mitsubishi Materials Corporation

Tokyo, Japan

August 7, 2014

Stock code:	5711
Shares listed:	Tokyo Stock Exchange
URL:	http://www.mmc.co.jp/
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Filing date of Quarterly Report:	August 8, 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 three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)

(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, 2014	¥366,932	2.2 (%)	¥14,013	-17.6 (%)	¥17,439	3.9 (%)	¥9,509	-46.4 (%)
Three months ended June 30, 2013	¥359,130	16.0 (%)	¥17,002	50.9 (%)	¥16,790	-1.7 (%)	¥17,334	228.5 (%)

(Note) Comprehensive income Three months ended Jun 30, 2014: 4,688 million yen (-84.4%)
Three months ended Jun 30, 2013: 30,134 million yen (3,975.3%)

(Yen)

	Net income per share	Diluted net income per share
Three months ended June 30, 2014	¥7.26	―
Three months ended June 30, 2013	¥13.53	―

(2) Financial Position:

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
As of June 30, 2014	¥1,802,769	¥520,659	25.1(%)
As of March 31, 2014	¥1,778,505	¥525,707	25.7(%)

(Reference) Shareholders' equity As of June 30, 2014: 452,947 million yen
As of March 31, 2014: 456,749 million yen

2. Dividend payments

(Yen)

	Dividends per share				
(Record date)	First quarter	Second quarter	Third quarter	Year-end	Annual
Year ended March 31, 2014	―	¥2.00	―	¥4.00	¥6.00
Year ending March 31, 2015	―				
Year ending March 31, 2015 (Forecast)		¥3.00	―	¥5.00	¥8.00

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

3. Forecast (From April 1, 2014 to March 31, 2015)

(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, 2014	¥760,000	8.0 (%)	¥33,000	-1.0 (%)	¥34,000	-4.2 (%)	¥17,000	-41.9 (%)	¥12.97 (yen)
Year ending March 31, 2015	¥1,500,000	6.0 (%)	¥74,000	11.6 (%)	¥84,000	9.2 (%)	¥50,000	-4.9 (%)	¥38.15 (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: 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)
Three months ended June 30, 2014: 1,314,895,351 shares
Year ended March 31, 2014: 1,314,895,351 shares

(ii) Number of treasury shares at end of year
Three months ended June 30, 2014: 4,496,885 shares
Year ended March 31, 2014: 4,449,074 shares

(iii) Average number of shares during the period (quarterly cumulative period)
Three months ended June 30, 2014: 1,310,427,052 shares
Three months ended June 30, 2013: 1,310,675,352 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, 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 7, 2014 (Thursday). Supplementary information to the quarterly financial results to be used in this briefing is being released on TDnet and the Company's website with the announcement of the consolidated financial results for the three months ended June 30, 2014.

Contents

1. Qualitative Information Regarding the Consolidated Performance

(1) Explanation of Business Performance

1) Overview of period under review

During the consolidated cumulative first quarter under review, the overall global economy headed toward modest recovery thanks to signs showing that the U.S. and European economies were on the course of recovery, while there was a continuing slowdown in the economies of China, India, and other Asian countries.

In spite of negative impact of the last minute demand after the increase in the consumption tax rate, the Japanese economy also continued to improve gradually thanks to increased corporate earnings, and improved employment and income conditions.

Regarding the operating environment for the Mitsubishi Materials Group, while public investment hovered at a steady level, we suffered from some negative factors such as fall of copper prices in the overseas markets and rise of raw material, fuel and electricity prices.

Under these circumstances, consolidated net sales for the period totaled ¥366,932 million, up 2.2% from the previous corresponding period. Operating profit decreased 17.6% to ¥14,013 million while ordinary income increased 3.9%, to ¥17,439 million. Net income for the period decreased 46.4%, to ¥9,509 million.

2) Overview of Segment

The Mitsubishi Materials Group has revised the reporting segments since the first quarter accounting period under review. Detailed information about this revision is described in "(3) Notes on Consolidated Financial Statement (Segment Information)." Please take note that the comparison with the corresponding period of the previous year in the following segments was made based on the figures after the said revision of the segments was made.

(Cement)

(Billions of yen)

	FY 2014 Q1	FY 2015 Q1	Increase/decrease (%)	
Net sales	¥42.3	¥43.6	¥1.2	(3.0%)
Operating profit	3.3	2.3	(0.9)	(-30.1%)
Ordinary income	¥3.2	¥1.9	¥(1.3)	(-41.1%)

In the Cement segment, although there were unsuccessful bids for and delays of public works in the Tohoku region and the Tokyo metropolitan area, Japanese gross domestic demand hovered at the same level with the corresponding period of the last year and sales volumes also remained almost in line with the corresponding period of the previous year, thanks to steady progress of redevelopment construction in the areas surrounding railway stations and housing construction for condominiums in the Kinki and Tokai regions. In the United States, although some construction works were delayed due to negative impact of bad weather in Southern California, sales volumes stayed in line with the corresponding period of the previous year. In China, while demand increased, thanks to the high-speed rail construction in Shandong and the new airport construction, sales volumes decreased due to negative impact of bad weather. In the overall Cement business, cement production amounted to 2.8 million tons, down 0.1 million tons from the previous corresponding period.

We saw a sales increase in the United States as the price of cement and ready-mixed concrete was revised. Also operating cost increased.

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

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

(Metals)

(Billions of yen)

	FY 2014 Q1	FY 2015 Q1	Increase/decrease (%)	
Net sales	¥192.8	¥200.4	¥7.6	(4.0%)
Operating profit	6.6	4.6	(1.9)	(-29.2%)
Ordinary income	¥6.8	¥6.1	¥(0.6)	(-10.3%)

In the copper business, although production increased because of stable operation of PT Smelting in Indonesia, the price of copper fell in overseas market and operating cost such as electricity cost at domestic smelters and refineries rose. As the result, net sales of the business increased, but operating profit decreased. In the entire Metals business, copper cathode production amounted to 143 thousand tons, up 10 thousand tons from the previous corresponding period.

In the gold and other valuable metals business, both net sales and operating profit decreased due to smaller sales volume of gold bullions caused by price fluctuations within a narrow range.

In the copper and copper alloy products business, net sales increased, but operating profit decreased, because a sales decrease of products for nuclear power stations offset a sale increase in the automobile sector.

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

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

(Advanced Materials & Tools)

(Billions of yen)

	FY 2014 Q1	FY 2015 Q1	Increase/decrease (%)	
Net sales	¥36.0	¥36.4	¥0.3	(1.0%)
Operating profit	3.6	4.4	0.7	(19.3%)
Ordinary income	¥3.6	¥4.3	¥0.7	(19.2%)

In cemented carbide products business, both net sales and operating profit increased, thanks to demand increase in Japan and other overseas countries, especially in the countries in Europe and Southeast Asia, as well as aggressive sales promotion efforts.

In the high-performance alloy products business, although sales of products for the aircraft-related market and automobile sector hovered at a steady level, both net sales and operating profit decreased as the cost for expansion of our production capacity increased, and the Mitsubishi Materials C.M.I. Corporation was excluded from Mitsubishi Materials Group’s subsidiaries in January 2014.

As a result, the overall Advanced Materials & Tools business recorded a year-on-year increase 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 2014 Q1	FY 2015 Q1	Increase/decrease (%)	
Net sales	¥17.7	¥13.6	¥(4.0)	(-23.0%)
Operating profit	1.1	0.7	(0.3)	(-33.6%)
Ordinary income	¥0.7	¥1.1	¥0.3	(40.7%)

In the advanced materials business, both net sales and operating profit decreased due to a decrease in sales of LSI products for smartphones.

The electronic components business posted an increase in both net sales and operating profit due to increased sales of products for household appliances.

The polycrystalline silicon and chemical products business posted a decrease in both net sales and operating profit, as sales of polycrystalline silicon decreased as a result of suspension of operation at the Yokkaichi Plant after an explosion and fire.

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

Ordinary income increased from the previous corresponding period due to an increase in equity in earnings of affiliates.

(Aluminum)

(Billions of yen)

	FY 2014 Q1	FY 2015 Q1	Increase/decrease (%)	
Net sales	¥39.6	¥39.8	¥0.2	(0.5%)
Operating profit	2.5	1.8	(0.6)	(-27.1%)
Ordinary income	¥2.4	¥1.7	¥(0.7)	(-29.8%)

In the aluminum cans business, demand for both regular cans and bottle cans hovered at the same level with the corresponding period of the previous year.

Demand for rolled aluminum and processed aluminum products increased, driven by strong demand from the automobile sector.

The aluminum segment saw an overall upturn in energy cost and material cost.

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

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

(Others)

(Billions of yen)

	FY 2014 Q1	FY 2015 Q1	Increase/decrease (%)	
Net sales	¥56.8	¥53.6	¥(3.1)	(-5.5%)
Operating profit	0.8	0.9	0.0	(9.8%)
Ordinary income	¥1.0	¥2.9	¥1.9	(193.4%)

In the energy-related business, both net sales and operating profit decreased due to a decrease of coal sales and sales for nuclear-related decontamination business in Fukushima.

Both net sales and operating profit of "e-waste" (used electronics and electrical products) recycling business hovered at the same level with the corresponding period of the previous year.

Orders for nuclear energy and engineering services amounted to ¥21.2 billion, up ¥7.8 billion from the previous corresponding period. The order backlog at the end of the period was ¥37.7 billion, up ¥17.2 billion from a year earlier.

(2) Explanation of Financial Position

As of June 30, 2014, the Group’s consolidated total assets stood at ¥1,802.7 billion, up ¥24.2 billion from March 31, 2014. This was mainly due to an increase in inventories during the period.

Total liabilities increased ¥29.3 billion, to ¥1,282.1 billion, due primarily to an increase notes and accounts payable-trade during the period.

(3) Explanation of Forecast and Other Future Predictions

Although business performance of the Group may be largely affected by some variable factors such as currency exchange rates and electricity cost, we do not change our consolidated earnings forecasts for the six-month period ending September 30, 2014 and for the full-year period ending March 31, 2015 announced in the earnings summary released on May 12, 2014, considering the performance during the consolidated cumulative first quarter under review and our projection for the future business environment.

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

Changes in Accounting Policies

(Adoption of Accounting Standard for Retirement Benefits)

We have adopted “Accounting Standard for Retirement Benefits” (Corporate Accounting Standards No. 26 of May 17, 2012, hereinafter referred to as “Retirement Benefits Accounting Standards”) and “Implementation Guidance on Accounting Standard for Retirement Benefits” (Corporate Accounting Standards No. 25 of May 17, 2012, hereinafter referred to as “Implementation Guidance on Retirement Benefits”) in the consolidated first quarter under the provisions stipulated in the texts of the Section 35 of the Retirement Benefits Accounting Standards and of the Section 67 of the Implementation Guidance on Retirement Benefits: we have revised the accounting method for retirement benefit obligations and service cost, and have changed our method of attributing projected retirement benefits from a straight-line basis to a benefit formula basis along with changing the method of discount determination to a method that uses single-weighted average discount rate reflecting the estimated timing and amounts, either than the discount rate based on the average remaining years of service.

To apply the Retirement Benefits Accounting Standards, we comply with the transitional handling stipulated in the Section 37 of Retirement Benefits Accounting Standards, and effect of the revision of the method for calculation of retirement benefit obligations and service cost, financial effects are added to or subtracted from retained earnings at the beginning of this consolidated first quarter.

As the result, net defined benefit liability increased by ¥4,617 million while retained earnings decreased by ¥3,611 million as of the beginning of this consolidated first quarter. Please take note that the expected effect this change has on our operating profit, ordinary income and income before income taxes during the first consolidated quarter under review is negligible.

(Change in Method for Calculation of Depreciation of Property, Plant and Equipment)

The Company and its Japanese domestic subsidiaries have adopted the straight-line method for depreciation of manufacturing facilities of cemented carbide products in domestic consolidated subsidiaries in the first consolidated quarter under review, instead of the declining-balance method that had been mainly used. This change of the depreciation method was decided when we increased productive capacity of the Tsukuba Plant by introducing the manufacturing facilities for increased production of cemented carbide products and developed the medium-term management plan (for FY 2015 through 2017); we estimated that, according to the forecast for the global demand of cemented carbide products in the future, the facilities would be used consistently and that the investment would be returned more steadily than before, without being exposed to the risk of technological obsolescence. For the above reason, we decided that to employ the straight-line method was more rational.

In comparison with the method used before, operating profit, ordinary income and income before income taxes during the first consolidated quarter under review respectively increased by ¥302 million.

In addition, the Group has adopted the straight-line method for depreciation of manufacturing facilities of aluminum cans in domestic consolidated subsidiaries in the first consolidated quarter under review, instead of the declining-balance method that had been mainly used. This change of the depreciation method was decided when we developed the medium-term management plan (for FY 2015 through 2017); we estimated that, according to the expected demand of aluminum cans in the future, the facilities would be used consistently and that the investment would be returned more steadily than before, without being exposed to the risk of technological obsolescence. For the above reason, we decided that adopting the straight-line method was more rational.

In comparison with the method used before, operating profit, ordinary income and income before income taxes during the first consolidated quarter under review increased by ¥215 million respectively.

(3) Changes in Representation

(Consolidated Income Statement)

Although some U.S. consolidated subsidiaries in the Cement business have been using the representation titled “selling, general and administrative expenses” to show the cost associated with transportation of ready-mixed concrete, we have replaced such representation with “cost of sales” starting from the first consolidated quarter under review.

We made this change to properly represent cost of sales and selling, general and administrative expenses respectively, alongside with reexamining the correspondence between earnings and behavior of costs generated over transportation of ready-mixed concrete. Said reexamination was due to forecast that earnings of the ready-mixed concrete business in the U.S. would increase in the medium-term management plan (fiscal years 2015 through 2017) having this first consolidated quarter as the base point.

In order to reflect this change in representation, we have reclassified the quarterly consolidated income statements of the consolidated cumulative first quarter of the previous year.

Please take note that ¥3,241 million represented as “selling, general and administrative expenses” in the quarterly consolidated financial statements of the consolidated cumulative first quarter of the previous year was reclassified as “cost of sales.”

3. Consolidated Financial Statement

(1) Consolidated Balance Sheets

[June 30, 2014 and March 31, 2014]

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
ASSETS		
Current Assets:		
Cash and deposits	63,486	63,700
Notes and accounts receivable-trade	219,016	239,895
Merchandise and finished goods	81,516	87,340
Work in process	100,280	113,369
Raw materials and supplies	103,155	107,262
Other	208,853	196,602
Allowance for doubtful accounts	(1,843)	(1,873)
Total Current Assets	**774,465**	**806,297**
Noncurrent Assets:		
Property, Plant and Equipment:		
Machinery and equipment, net	178,296	179,927
Land, net	273,048	272,551
Other, net	199,226	193,552
Total Property, Plant and Equipment	**650,571**	**646,030**
Intangible Assets:		
Goodwill	38,816	37,220
Other	9,410	9,421
Total Intangible Assets	**48,226**	**46,641**
Investments and Other Assets:		
Investment securities	250,576	249,656
Other	61,630	61,162
Allowance for investment loss	(1,168)	(1,168)
Allowance for doubtful accounts	(5,797)	(5,850)
Total Investments and Other Assets	**305,241**	**303,799**
Total Noncurrent Assets	**1,004,039**	**996,471**
Total Assets	**1,778,505**	**1,802,769**

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	106,656	129,697
Short-term loans payable	256,098	246,768
Current portion of bonds payable	40,000	60,000
Commercial papers	—	10,000
Income taxes payable	9,576	3,370
Provision	12,899	7,312
Gold payable	212,760	213,830
Other	100,526	102,740
Total Current Liabilities	**738,518**	**773,720**
Noncurrent Liabilities:		
Bonds payable	85,140	65,140
Long-term loans payable	268,605	280,497
Other provision	7,556	8,646
Net defined benefit liability	52,787	56,259
Other	100,190	97,846
Total Noncurrent Liabilities	**514,279**	**508,389**
Total Liabilities	**1,252,797**	**1,282,110**
NET ASSETS		
Shareholders' Equity:		
Capital stock	119,457	119,457
Capital surplus	92,272	92,272
Retained earnings	207,354	208,423
Treasury stock	(1,782)	(1,797)
Total Shareholders' Equity	**417,302**	**418,356**
Accumulated Other Comprehensive Income:		
Valuation difference on securities available for sale	31,972	31,569
Deferred gains or losses on hedges	218	70
Revaluation reserve for land	32,907	32,773
Foreign currency translation adjustment	(12,348)	(16,807)
Remeasurements of defined benefit plans	(13,302)	(13,014)
Total Accumulated Other Comprehensive Income	**39,447**	**34,590**
Minority interests	**68,957**	**67,711**
Total Net Assets	**525,707**	**520,659**
Total Liabilities and Net Assets	**1,778,505**	**1,802,769**

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

Consolidated Statement of Operations

[For the Three Months Ended June 30, 2013 and 2014]

(Millions of yen)

	Three Months Ended Jun. 30, 2013 (Apr. 1, 2013—Jun. 30, 2013)	Three Months Ended Jun. 30, 2014 (Apr. 1, 2014—Jun. 30, 2014)
Net Sales	**359,130**	**366,932**
Cost of sales	**309,721**	**320,000**
Gross Profit	**49,409**	**46,931**
Selling, General and Administrative Expenses	**32,406**	**32,918**
Operating Profit	**17,002**	**14,013**
Non-Operating Profit:		
Interest income	113	152
Dividends income	2,270	3,820
Equity in earnings of affiliates	866	2,567
Rent income on noncurrent assets	1,146	1,142
Other	743	564
Total Non-Operating Profit	**5,140**	**8,248**
Non-Operating Expenses:		
Interest expenses	2,515	2,255
Other	2,836	2,566
Total Non-Operating Expenses	**5,352**	**4,822**
Ordinary Income	**16,790**	**17,439**
Extraordinary Income:		
Gain on sales of investment securities	1,360	115
Gain on sales of noncurrent assets	4,016	63
Other	—	30
Total Extraordinary Income	**5,376**	**209**
Extraordinary Losses:		
Provision for environmental measures	—	1,300
Loss on suspension of operations	—	1,043
Loss on valuation of investment securities	122	67
Other	659	271
Total Extraordinary Loss	**781**	**2,682**
Income before Income Taxes	**21,385**	**14,966**
Income taxes	2,901	4,531
Income before minority interests	18,483	10,434
Minority interests in income	749	925
Net Income	**17,734**	**9,509**

Consolidated Statement of Comprehensive Income

[For the Three Months Ended June 30, 2013 and 2014]

(Millions of yen)

	Three Months Ended Jun. 30, 2013 (Apr. 1, 2013—Jun. 30, 2013)	Three Months Ended Jun. 30, 2014 (Apr. 1, 2014—Jun. 30, 2014)
Income before minority interests	**18,483**	**10,434**
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,033)	(401)
Deferred gains or losses on hedges	678	(321)
Foreign currency translation adjustment	12,205	(4,298)
Remeasurements of defined benefit plans	—	545
Equity in earnings of affiliates	1,801	(1,270)
Total other comprehensive income	11,651	(5,746)
Comprehensive income	**30,134**	**4,688**
(Breakdown)		
Comprehensive income attributable to owners of the parent company	26,219	4,785
Comprehensive income for attributable to minority interests	3,915	(97)

(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, 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	190,005	28,794	12,070	39,372	47,341	359,130	—	359,130
(2)Within Consolidated Group	810	2,800	7,278	5,636	242	9,479	26,247	(26,247)	—
Total	42,356	192,806	36,072	17,706	39,614	56,820	385,377	(26,247)	359,130
Segment income	3,296	6,802	3,659	782	2,428	1,015	17,984	(1,194)	16,790

Notes:

1. "Others" includes nuclear energy-related services, environmental and recycling-related business, real estate business, and engineering-related services.
2. Included in the segment income adjustment (-¥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.

II. For the three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)
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 income
Net sales									
(1)Outside Customers	42,795	198,328	29,478	12,590	39,297	44,442	366,932	—	366,932
(2)Within Consolidated Group	825	2,130	6,941	1,047	533	9,230	20,709	(20,709)	—
Total	43,620	200,459	36,420	13,638	39,831	53,672	387,642	(20,709)	366,932
Segment income	1,942	6,103	4,362	1,100	1,703	2,980	18,193	(753)	17,439

Notes:

1. "Others" includes nuclear energy-related services, environmental and recycling-related business, real estate business, and engineering-related services.
2. Included in the segment income adjustment (-¥753 million) are segment eliminations (¥100 million) and corporate expenses that cannot be allocated to specific segments (-¥853 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.

2. Notes on Change in Reporting Segment

As of April 1, 2014, we reclassified the business handling precious metals bullions into the “Metals” segment, instead of the “Others” segment into which the business has been classified before.

Please take note that we disclose the segments reported in the three months ended June 30, 2013 on the basis of the reporting segments after the modification.

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