



Consolidated Financial Results for the Six Months Ended September 30, 2015

Mitsubishi Materials Corporation

Tokyo, Japan

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 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 six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)

(1) Results of operations (cumulative):

(Millions of yen)						
(Percentage changes relative to previous corresponding period)						
	Net sales		Operating profit		Ordinary income	
	Net income attributable to owners of the parent					
Six Months ended Sept. 30, 2015	¥709,564	-5.5(%)	¥36,195	6.3(%)	¥38,976	-2.7(%)
Six Months ended Sept. 30, 2014	¥751,194	6.8(%)	¥34,034	2.1 (%)	¥40,079	12.9(%)
	¥23,238	-20.5(%)				

(Note) Comprehensive income Six Months ended Sept. 30, 2015: 36,407 million yen (19.0%)
 Six Months ended Sept. 30, 2014: 30,604 million yen (-46.2%)

(Yen)		
	Net income per share	Diluted net income per share
Six Months ended Sept. 30, 2015	¥34.93	-
Six Months ended Sept. 30, 2014	¥17.73	-

(2) Financial Position:

(Millions of yen)			
	Total assets	Net assets	Shareholders' equity ratio
As of September 30, 2015	¥1,832,213	¥667,854	31.6 (%)
As of March 31, 2015	¥1,898,157	¥629,514	29.0 (%)

(Reference) Shareholders' equity As of Sept. 30, 2015: 579,506 million yen
 As of Mar. 31, 2015: 550,762 million yen

2. Dividend payments

(Yen)					
(Record date)	Dividends per Share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
Year ended March 31, 2015	-	¥3.00	-	¥5.00	¥8.00
Year ending March 31, 2016	-	¥5.00			
Year ending March 31, 2016 (Forecast)			-	¥5.00	¥10.00

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

3. Forecast (From April 1, 2015 to March 31, 2016)

(Millions of yen)						
(Percentage changes relative to previous corresponding period)						
	Net sales		Operating profit		Ordinary income	
	Net income attributable to owners of the parent		Net income per share			
Year ending March 31, 2016	¥1,480,000	-2.5(%)	¥83,000	15.5(%)	¥88,000	8.5(%)
					¥65,000	15.8(%)
						¥49.61 (yen)

(Note) Revisions to forecast in the current period: Yes

* Notes

(1) Significant changes of subsidiaries during the period (including changes in scope of consolidation): None

(2) Application of specific accounting treatment: Yes

(Note) For details, please see “(1) Application of Specific Accounting Treatment” under “2. Summary Information (Notes)” on page 6.

(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: None

(iii) Changes in accounting estimates: None

(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 6.

(4) Number of issued shares (common stock)

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

Six months ended September 30, 2015: 1,314,895,351 shares

Year ended March 31, 2015: 1,314,895,351 shares

(ii) Number of treasury stock at end of year

Six months ended September 30, 2015: 4,800,214 shares

Year ended March 31, 2015: 4,677,305 shares

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

Six months ended September 30, 2015: 1,310,153,573 shares

Six months ended September 30, 2014: 1,310,397,480 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 under “1. Qualitative Information Regarding the Consolidated Performance” on page 5.

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

Mitsubishi Materials Corporation is scheduled to hold a first two quarters financial results briefing for institutional investors on November 12, 2015 (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 six months ended September 30, 2015.

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1. Qualitative Information Regarding the Consolidated Performance

(1) Explanation of Business Performance

1) Overview of period under review

During the consolidated cumulative second quarter under review, the overall global economy headed toward modest recovery thanks to signs showing that the U.S. and some other economies continued to recover, while there was a slowdown in the economies of China and other countries in Asia.

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, copper prices fell, but overall business benefited from exchange rates generally characterized by yen depreciation.

Under these circumstances, consolidated net sales for the period totaled ¥709,564 million, down 5.5% from the previous corresponding period. Operating profit increased 6.3% to ¥36,195 million, while ordinary income decreased 2.7%, to ¥38,976 million. Net income attributable to owners of the parent increased 96.9%, to ¥45,766 million.

2) Overview of Segment (Cement)

(Billions of yen)

	FY2015 Q1-Q2	FY2016 Q1-Q2	Increase/decrease (%)
Net sales	¥90.6	¥96.9	¥6.3 (7.0%)
Operating profit	6.4	9.4	2.9 (46.6%)
Ordinary income	¥6.0	¥8.9	¥2.8 (47.5%)

In Japan, the Cement segment was affected by a decline in overall demand due to construction delays stemming from labor shortages in the construction industry, bad weather and other factors. In addition, sales volumes decreased, led by sales declines in the Kanto and other regions. Also, a fall in coal prices caused operating costs to decrease. In the United States, with cement demand continuing on a recovery trend in Southern California, sales volumes increased. In China, sales volumes decreased substantially due to falling demand for real estate investment in Shandong. In the overall Cement business, cement production amounted to 5.7 million tons, down 0.2 million tons year on year.

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

(Metals)

(Billions of yen)

	FY2015 Q1-Q2	FY2016 Q1-Q2	Increase/decrease (%)
Net sales	¥410.0	¥345.3	¥(64.7) (-15.8%)
Operating profit	12.4	12.2	(0.2) (-1.8%)
Ordinary income	¥16.8	¥14.1	¥(2.6) (-15.5%)

In the copper business, net sales fell but operating profit rose. The business was affected by lower copper prices and a decrease in sales of purchased items, as well as a temporary suspension of operations at PT. Smelting in Indonesia from mid-June to early September due to equipment trouble. However, operating costs fell and production in Japan increased. In the entire Metals business, copper cathode production amounted to 235 thousand tons, down 60 thousand tons from the previous corresponding period.

In the gold and other valuable metals business, net sales increased but operating profit fell due to higher ore grades, which led to increased production, but the business was affected by lower palladium prices and other factors.

In the copper and copper alloy products business, both net sales and operating profit decreased, because sales of products for automobiles and others fell.

As a result, the entire Metals business posted year-on-year decreases in both net sales and operating profit. Ordinary income for the overall segment was down year on year, due to lower dividend income and equity in earnings of affiliates.

(Advanced Materials & Tools)

(Billions of yen)

	FY2015 Q1-Q2	FY2016 Q1-Q2	Increase/decrease (%)
Net sales	¥68.0	¥77.7	¥9.6 (14.2%)
Operating profit	8.3	9.0	0.6 (8.0%)
Ordinary income	¥8.1	¥8.7	¥0.5 (6.9%)

In the cemented carbide products business, demand was robust in Japan and overseas, particularly in Europe and the United States. Against this backdrop, we conducted proactive sales promotions. These factors, plus the addition of Mitsubishi Hitachi Tool Engineering, Ltd. (formerly Hitachi Tool Engineering, Ltd.) as a consolidated subsidiary in April 2015, led to increases in net sales and operating profit.

In the high-performance alloy products business, although sales of products for the automobile sector hovered at a steady level in North America, both net sales and operating profit decreased as sales volumes in Japan and Southeast Asia declined. Among other factors, Hitachi Metals MMC Superalloy, Ltd. (formerly MMC Superalloy Corporation) transitioned to an equity-method affiliate of the Group from a consolidated subsidiary in July 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 due to an increase in operating profit.

(Electronic Materials & Components)

(Billions of yen)

	FY2015 Q1-Q2	FY2016 Q1-Q2	Increase/decrease (%)	
Net sales	¥30.5	¥35.3	¥4.8	(15.9%)
Operating profit	2.0	1.5	(0.5)	(-24.8%)
Ordinary income	¥3.3	¥3.7	¥0.4	(12.4%)

In the advanced materials and chemical products business, despite the steady progress in sales of semiconductor manufacturing equipment-related products, sales of LSI products for smartphones and products for hybrid automobiles decreased, causing both net sales and operating profit to fall.

In the electronic components business, sales of products for household appliances were solid, and sales of products for telecommunications equipment expanded. However, costs rose due to investments in new products. As a result, net sales were up but operating profit fell.

In the polycrystalline silicon business, operations were temporarily suspended at the Yokkaichi Plant from early January to late-June of 2014. In the second quarter under review, however, the plant continued with normal operations, leading to an increase in sales. As a result, both net sales and operating profit rose.

As a result, the entire Electronic Materials & Components business reported an increase in net sales, while operating profit decreased. Ordinary income increased due to an increase in equity in earnings of affiliates.

(Aluminum)

(Billions of yen)

	FY2015 Q1-Q2	FY2016 Q1-Q2	Increase/decrease (%)	
Net sales	¥80.9	¥82.5	¥1.6	(2.0%)
Operating profit	3.9	2.9	(1.0)	(-26.4%)
Ordinary income	¥3.6	¥2.6	¥(0.9)	(-26.9%)

In the aluminum cans business, demand for both regular cans and bottle cans increased. However, material costs rose.

In the rolled aluminum and processed aluminum products business, demand was down for products for automobiles and products used in solar cells.

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

(Others)

(Billions of yen)

	FY2015 Q1-Q2	FY2016 Q1-Q2	Increase/decrease (%)	
Net sales	¥114.7	¥115.4	¥0.7	(0.6%)
Operating profit	3.0	3.3	0.2	(8.6%)
Ordinary income	¥4.9	¥3.9	¥(1.0)	(-20.4%)

In the energy-related business, both net sales and operating profit decreased as stagnant market conditions caused coal sales to fall, and electric power sales volume declined as a result of ongoing construction projects to upgrade hydroelectric power plants.

In the “E-waste” (used electronics and electrical products) recycling business, net sales and operating profit were down, due to a reduction in the handling volume owing to the lack of impact from last-minute demand after the increase in the consumption tax rate.

In total, both net sales and operating profit increased for businesses other than energy-related and E-waste recycling.

Orders for nuclear energy and engineering services amounted to ¥29.4 billion, down ¥9.9 billion from the previous corresponding period. The order backlog at the end of the period was ¥32.9 billion, down ¥7.1 billion from a year earlier.

(2) Explanation of Financial Position

As of September 30, 2015, the Group's consolidated total assets stood at ¥1,832.2 billion, down ¥65.9 billion from March 31, 2015. This was mainly due to a decline in cash and deposits.

Total liabilities stood at ¥1,164.3 billion, down ¥10.4 billion from March 31, 2015. This was mainly due to a decrease in notes and accounts payable-trade.

For the consolidated six months ended September 30, 2015 (from April 1, 2015 to September 30, 2015), status and variable factors of each cash flow are as follows:

(Cash Flows from Operating Activities)

Net cash provided by operating activities totaled ¥25.2 billion (an increase of ¥12.7 billion from the same period of previous year), due mainly to the stable performance.

(Cash Flows from Investing Activities)

Net cash provided by investing activities totaled ¥21.5 billion (a decrease of ¥42.9 billion from the same period of previous year), due mainly to proceeds from sales of investment securities.

(Cash Flows from Financing Activities)

Net cash provided by both operating and investing activities totaled ¥46.7 billion, while net cash used in financing activities was ¥70.5 billion (an increase of ¥74.0 billion from the same period of previous year), due mainly to the use of funds provided by operating and investing activities to repay borrowings.

As a result of the above, cash and cash equivalents at September 30, 2015, stood at ¥68.9 billion, down ¥23.1 billion from March 31, 2015.

(3) Explanation of Forecast and Other Future Predictions

In our consolidated earnings forecast, we have revised the net sales, operating profit and ordinary income figures for the full fiscal year ending March 31, 2016, from the forecast announced on August 6, 2015, due to such considerations as the temporary suspension of operations at PT. Smelting in Indonesia, an expected decrease in sales volumes, particularly cement, and an expected worsening of equity in earnings of affiliates. As tax expense is expected to decrease, net income attributable to owners of the parent has not been revised from the previously announced figure.

Revised Consolidated Earnings Forecast for the Full Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(Billions of yen)			
	Previous forecast	Current forecast	Increase/Decrease (%)
Net sales	1,580.0	1,480.0	-6.3%
Operating profit	85.0	83.0	-2.4%
Ordinary income	92.0	88.0	-4.3%
Net income attributable to owners of the parent	65.0	65.0	—

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 Business Combinations)

The Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013) and the “Accounting Standard for Business Divestures” (ASBJ Statement No. 7, September 13, 2013) from the first three months of the year ending March 31, 2016, causing differences resulting from changes in the Company’s ownership of subsidiaries of which ownership continues to be recorded in capital surplus and changing the method of recording acquisition-related expenses in the fiscal year in which such expenses are incurred. Also, for corporate combinations occurring after the beginning of the first three months of the year ending March 31, 2016, the allocation of acquisition costs as determined after review of provisional accounting treatment is reflected in the consolidated quarterly financial statements for the consolidated quarterly financial period to which the business combination date belongs. Furthermore, the presentation of quarterly net income has been changed, and the presentation of minority interests has been changed to non-controlling interests. The consolidated quarterly financial statements for the first six months of the preceding fiscal year and the consolidated financial statements for the previous fiscal year have been revised to reflect these changes in presentation.

In the consolidated cash flow statements for the first six months of the fiscal year ending March 31, 2016, cash flows related to the expenses for purchase of shares of subsidiaries that result in changes in the scope of consolidation are stated in “net cash provided by (used in) operating activities.”

With regard to application of the Accounting Standard for Business Combinations, etc., as Clause 58-2 (4) of the Accounting Standard for Business Combinations, Clause 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Clause 57-4 (4) of the Accounting Standard for Business Divestures stipulate transitional treatment, these standards will be applied going forward from the beginning of the first three months of the year ending March 31, 2016.

As a result, operating profit, ordinary income and income before income taxes each decreased ¥296 million during the first six months of the year ending March 31, 2016. Also, the capital surplus decreased ¥6 million as of September 30, 2015.

(3) Additional Information

(Reserve for Environmental Measures)

The Company has recorded estimated amounts for losses related to waste processing and losses due to treatment of contaminated soil in the Kazuno region of Akita Prefecture. In addition, with regard to abandoned mines managed by the Company, the Company has recorded estimated expenses related to a specific countermeasure work for preventing mining-induced pollution and expenses for the countermeasure work to stabilize a collection site.

Construction expenses for these specific measures related to abandoned mines are for executing countermeasures to stabilize a large-scale collection site as well as to avoid hazards at such sites accompanying the revised technical guidelines of the Mining Safety Act. In response to recent changes in the natural environment, these also include drastic measures to control mine-induced pollution, mainly increasing water treatment capacity to prevent runoff of untreated water. During the first three months of the year ending March 31, 2016, the content of construction and estimates were determined. Accordingly, the Company recorded extraordinary losses of ¥10,841 million as a provision for environmental measures.

This reserve is included within “other provision” under noncurrent liabilities.

(4) Contingent Liabilities

First six months of the fiscal year ending March 31, 2016 (As of September 30, 2015)

Our consolidated subsidiary, PT. Smelting in Indonesia (hereafter “the Consolidated Subsidiary”) received a notice of correction dated December 30, 2014, from the Indonesian taxation authorities concerning sales transaction amounts, etc., of the Consolidated Subsidiary for the fiscal term ended December 31, 2009, assessing an additional US\$47 million (¥5,742 million at the exchange rate as of September 30, 2015). On January 28, 2015, the Consolidated Subsidiary made a provisional payment of US\$14 million (¥1,679 million at the same exchange rate) as part of the tax penalty.

However, the matter pointed out by the Indonesian taxation authorities, that the amount of reported sales has been underestimated based on a comparison of profit margins with a company identified by the said authorities, is deemed extremely irrational. As the subsequent order for a correction is considered totally unacceptable, on March 25, 2015, the Company and its Consolidated Subsidiary submitted a written opposition to the Indonesian taxation authorities.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
ASSETS		
Current Assets:		
Cash and deposits	93,152	55,162
Notes and accounts receivable-trade	230,874	230,590
Available-for-sale securities	-	15,000
Merchandise and finished goods	85,100	88,931
Work in process	107,093	112,755
Raw materials and supplies	104,539	100,367
Other	249,772	213,107
Allowance for doubtful accounts	(2,129)	(2,120)
Total Current Assets	868,403	813,794
Noncurrent Assets:		
Property, Plant and Equipment:		
Machinery and equipment, net	185,119	185,018
Land, net	273,589	271,677
Other, net	196,326	202,759
Total Property, Plant and Equipment	655,034	659,455
Intangible Assets:		
Goodwill	41,249	51,832
Other	11,686	18,002
Total Intangible Assets	52,936	69,835
Investments and Other Assets:		
Investment securities	265,052	229,181
Other	63,706	67,214
Allowance for investment loss	(1,168)	(1,168)
Allowance for doubtful accounts	(5,807)	(6,100)
Total Investments and Other Assets	321,783	289,126
Total Noncurrent Assets	1,029,753	1,018,418
Total Assets	1,898,157	1,832,213

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	128,375	99,973
Short-term loans payable	252,197	244,406
Current portion of bonds payable	20,040	15,140
Commercial papers	5,000	-
Income taxes payable	9,545	12,924
Provision	13,206	13,527
Gold payable	227,505	221,371
Other	121,946	100,754
Total Current Liabilities	777,817	708,097
Noncurrent Liabilities:		
Bonds payable	65,100	50,000
Long-term loans payable	288,534	260,895
Other provision	7,763	17,870
Net defined benefit liability	39,662	41,736
Other	89,764	85,758
Total Noncurrent Liabilities	490,825	456,261
Total Liabilities	1,268,643	1,164,358
NET ASSETS		
Shareholder's Equity:		
Capital stock	119,457	119,457
Capital surplus	92,272	92,265
Retained earnings	252,858	293,980
Treasury stock	(1,865)	(1,920)
Total Shareholder's Equity	462,723	503,783
Accumulated Other Comprehensive Income:		
Valuation difference on securities available for sale	42,717	29,348
Deferred gains or losses on hedges	(1,025)	1,235
Revaluation reserve for land	33,856	33,160
Foreign currency translation adjustment	15,746	14,095
Remeasurements of defined benefit plans	(3,256)	(2,117)
Total Accumulated Other Comprehensive Income	88,039	75,722
Non-controlling interests	78,751	88,348
Total Net Assets	629,514	667,854
Total Liabilities and Net Assets	1,898,157	1,832,213

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

[For the Six Months Ended September 30, 2014 and 2015]

(Millions of yen)

	Six Months Ended Sept. 30, 2014 (Apr. 1, 2014 - Sept. 30, 2014)	Six Months Ended Sept. 30, 2015 (Apr. 1, 2015 - Sept. 30, 2015)
Net sales	751,194	709,564
Cost of sales	651,914	601,691
Gross Profit	99,279	107,872
Selling, General and Administrative Expenses	65,245	71,677
Operating Profit	34,034	36,195
Non-operating Profit:		
Interest income	283	273
Dividends income	7,631	5,791
Equity in earnings of affiliates	4,893	3,477
Rent income on noncurrent assets	2,455	2,533
Other	1,027	2,885
Total Non-operating Profit	16,291	14,961
Non-operating Expenses:		
Interest expenses	4,334	3,575
Other	5,912	8,604
Total Non-operating Expenses	10,246	12,179
Ordinary income	40,079	38,976
Extraordinary Income:		
Gain on sales of investment securities	296	19,182
Gain on change in equity	64	10,464
Gain on sales of noncurrent assets	130	5,861
Gain on redemption of investment securities	-	1,234
Other	218	1,768
Total Extraordinary Income	710	38,511
Extraordinary Losses:		
Provision for environmental measures	1,300	10,841
Loss on suspension of operations	1,101	2,587
Other	1,996	2,271
Total Extraordinary Loss	4,398	15,700
Income before Income Taxes	36,391	61,787
Income taxes	10,497	14,398
Net Income	25,893	47,389
Net Income Attributable to Non-Controlling Interests	2,654	1,623
Net Income Attributable to Owners of the Parent	23,238	45,766

Consolidated Statements of Comprehensive Income

[For the Six Months Ended September 30, 2014 and 2015]

(Millions of yen)

	Six Months Ended Sept. 30, 2014 (Apr. 1, 2014 - Sept. 30, 2014)	Six Months Ended Sept. 30, 2015 (Apr. 1, 2015 - Sept. 30, 2015)
Net Income	25,893	47,389
Other comprehensive income		
Valuation difference on securities available for sale	4,230	(13,408)
Deferred gains or losses on hedges	(3,039)	2,595
Revaluation reserve for land	-	59
Foreign currency translation adjustment	4,117	(527)
Remeasurements of defined benefit plans	883	1,007
Equity in earnings of affiliates	(1,481)	(708)
Total other comprehensive income	4,710	(10,982)
Comprehensive income	30,604	36,407
(Breakdown)		
Comprehensive income attributable to owners of the parent company	27,264	34,175
Comprehensive income for attributable to non-controlling interests	3,339	2,231

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six Months Ended Sept. 30, 2014 (Apr. 1, 2014 - Sept. 30, 2014)	Six Months Ended Sept. 30, 2015 (Apr. 1, 2015 - Sept. 30, 2015)
Net Cash Provided by (Used in) Operating Activities:		
Income before income taxes	36,391	61,787
Depreciation and amortization	26,426	28,007
Increase (decrease) in provision	(1,847)	9,876
Increase (decrease) in net defined benefit liability	(580)	(677)
Interest and dividends income	(7,914)	(6,065)
Interest expenses	4,334	3,575
Equity in (earnings) losses of affiliates	(4,893)	(3,477)
Loss (gain) on sales of property, plant and equipment	(102)	(5,444)
Loss (gain) on sales of investments securities	(296)	(19,182)
Loss (gain) on valuation of investment securities	799	2
Loss (gain) on change in equity	(64)	(10,464)
Loss (gain) on redemption of investment securities	-	(1,234)
Decrease (increase) in notes and accounts receivables-trade	(27,305)	4,295
Decrease (increase) in inventories	(34,995)	534
Increase (decrease) in notes and accounts payable-trade	27,609	(31,133)
Other, net	(897)	1,761
Subtotal	16,662	32,162
Interest and dividends income received	8,385	7,478
Interest expenses paid	(4,383)	(4,027)
Income taxes refund (paid)	(8,114)	(10,346)
Net Cash Provided by (Used in) Operating Activities:	12,549	25,267
Net Cash Provided by (Used in) Investing Activities		
Purchase of property, plant and equipment	(25,168)	(29,526)
Proceeds from sales of property, plant and equipment	591	18,217
Purchase of investment securities	(1,117)	(522)
Proceeds from sales of investment securities	272	32,843
Proceeds from redemption of investment securities	-	18,000
Purchase of shares of subsidiaries resulting in changes in the scope of consolidation	-	(15,572)
Other, net	3,963	(1,910)
Net Cash Provided by (Used in) Investing Activities	(21,458)	21,528
Net Cash Provided by (Used in) Financing Activities		
Net increase (decrease) in short-term loans payable	39,122	(7,521)
Proceeds from long-term loans payable	34,765	13,166
Repayment of long-term loans payable	(71,655)	(40,868)
Redemption of bonds	(30,000)	(20,000)
Increase (decrease) in commercial papers	40,000	(5,000)
Purchase of treasury stock	(37)	(90)
Payment of cash dividends	(5,241)	(6,551)
Dividends paid to non-controlling interests	(1,873)	(1,847)
Other, net	(1,581)	(1,793)
Net Cash Provided by (Used in) Financing Activities	3,497	(70,506)
Effect of Exchange Rate Change on Cash and Cash Equivalents	1,797	(439)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,614)	(24,150)
Cash and Cash Equivalents at Beginning of Period	62,078	92,079
Increase (Decrease) in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation	732	980
Cash and Cash Equivalents at End of Period	¥59,196	68,910

(4) Notes on Consolidated Financial Statements

Notes on Assumptions for Going Concern: N/A

Segment Information

[Segment Information]

I. For the Six Months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)

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	88,913	405,578	56,394	26,480	79,945	93,881	751,194	-	751,194
(2)Within Consolidated Group	1,693	4,459	11,701	4,048	972	20,871	43,747	(43,747)	—
Total	90,606	410,038	68,095	30,529	80,918	114,752	794,941	(43,747)	751,194
Segment income	6,046	16,805	8,150	3,330	3,613	4,942	42,888	(2,809)	40,079

(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 (-¥2,809 million) are segment eliminations (¥152 million) and corporate expenses (-¥2,962 million) that cannot be allocated to any specific segment. Corporate expenses consist mainly of management-related costs, basic experimental research costs, and financial income/expenses.
3. Segment income has been adjusted together with ordinary income on the consolidated quarterly statements of income.

II. For the Six Months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)

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	95,296	340,884	68,307	28,549	81,902	94,622	709,564	-	709,564
(2)Within Consolidated Group	1,653	4,437	9,456	6,833	647	20,873	43,901	(43,901)	-
Total	96,950	345,322	77,763	35,382	82,550	115,495	753,465	(43,901)	709,564
Segment income	8,915	14,193	8,710	3,742	2,640	3,931	42,134	(3,157)	38,976

(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 (-¥3,157 million) are segment eliminations (¥-12 million) and corporate expenses (-¥3,144 million) that cannot be allocated to any specific segment. Corporate expenses consist mainly of management-related costs, basic experimental research costs, and financial income/expenses.
3. Segment income has been adjusted together with ordinary income on the consolidated quarterly statements of income.

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