Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Japanese Accounting Standards)

February 9, 2017

Name of Listed Company: Mitsubishi Materials Corporation　Listing: Tokyo Stock Exchange
Stock Code: 5711　URL: http://www.mmc.co.jp/
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Scheduled filing date of Quarterly Report: February 9, 2017
Scheduled date of start of dividend payment: —
Supplementary materials for the quarterly financial results: Yes
Investor conference for the quarterly financial results: Yes (For Institutional Investors)

(Amounts of less than million yen are omitted.)

1. Results of the first nine months ended December 31, 2016 (From April 1, 2016 to December 31, 2016)

(1) Results of Operations (cumulative)　(Figures in percentages denote the year-on-year change.)

	Net sales		Operating profit		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First nine months ended December 31, 2016	956,344	-9.4	43,892	-15.9	52,977	-4.5	49,393	-12.7
First nine months ended December 31, 2015	1,055,860	-6.7	52,220	-0.8	55,471	-16.1	56,553	40.5

(Note) Comprehensive income: Nine months ended December 31, 2016: 46,787 million yen (-3.9%)
Nine months ended December 31, 2015: 48,682 million yen (-33.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
First nine months ended December 31, 2016	377.06	–
First nine months ended December 31, 2015	431.67	–

* The Company consolidated its shares at a 10:1 ratio of its common stock, with an effective date of October 1, 2016. Accordingly, net income per share is calculated on the assumption that the consolidation of its shares was conducted at the beginning of the previous consolidated fiscal year.

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of December 31, 2016	1,837,743	678,047	32.2
As of March 31, 2016	1,793,375	645,017	31.0

(Reference) Shareholders' Equity: As of December 31, 2016: 592,360 million yen　As of March 31, 2016: 555,227 million yen

2. Dividend Payments

	Dividends per share				
(Record date)	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	–	5.00	–	5.00	10.00
Year ending March 31, 2017	–	2.00	–		
Year ending March 31, 2017 (Forecast)				40.00	–

(Note) Revision of dividend forecast published most recently: None

* The Company consolidated its shares at a 10:1 ratio of its common stock, with an effective date of October 1, 2016. For the amount of dividends at the end of the second quarter of the fiscal year ended March 31, 2017, the amount prior to the consolidation of shares is stated because the dividends were paid based on the number of shares before the consolidation of shares.
For the year-end dividend per share in the fiscal year ending March 31, 2017 (forecast), the amount after the consolidation of shares is stated and a hyphen is written for the annual dividend because it cannot be simply combined.

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

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

	Net sales		Operating profit		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending March 31, 2017	1,300,000	-8.3	59,000	-16.2	64,000	-11.7	24,000	-60.9	183.24

(Note) Revision to forecast published most recently: Yes

* The Company consolidated its shares at a 10:1 ratio of its common stock, with an effective date of October 1, 2016. Accordingly, net income per share is calculated on the assumption that the consolidation of its shares was conducted at the beginning of the current consolidated fiscal year.

* Notes

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

(2) Application of specific accounting treatment: Yes

(Note) For details, please see “(1) Application of special accounting treatment in the preparation of the quarterly consolidated financial statements” under “2. Matters Related to Summary Information (Notes)” on page 6.

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

- (i) Changes in accounting policies due to amendments to accounting standards: Yes
- (ii) Other changes in accounting policies: None
- (iii) Changes in accounting estimates: None
- (iv) Restatements: None

(Note) For details, please see “(2) Changes in accounting policies, changes of accounting estimates and restatement” under “2. Matters Related to Summary Information (Notes)” on page 6.

(4) Numbers of issued shares (common stock)

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

Nine months ended December 31, 2016:	131,489,535 shares
Year ended March 31, 2016:	131,489,535 shares

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

Nine months ended December 31, 2016:	502,567 shares
Year ended March 31, 2016:	488,618 shares

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

Nine months ended December 31, 2016:	130,995,924 shares
Nine months ended December 31, 2015:	131,012,715 shares

* The Company consolidated its shares at a rate of one share for every 10 shares of its common stock, with October 1, 2016 as the effective date. Subsequently, the number of issued shares at the end of the term, the number of treasury shares at the end of the term, and the average number of shares issued during the term are calculated based on the assumption that the consolidation of shares was conducted at the beginning of the previous consolidated fiscal year.

* Indication regarding the status of a quarterly review

This financial summary for the nine months ended December 31, 2016 is not subject to a quarterly review under the Financial Instruments and Exchange Law. The review of the quarterly consolidated financial statements under the aforementioned act is in progress at the time of the announcement of this financial summary.

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

(Notes concerning forward-looking statements, etc.)

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

Please see “(3) Information on the consolidated earnings forecasts and other future forecasts” of “1. Qualitative Information on Financial Results for the Nine Months Ended December 31, 2016” on page 4 for the assumptions about consolidated earnings forecasts.

(Operating Results Forecast after the Consolidation of Shares)

The consolidation of shares and the revisions in the number of shares constituting one share unit of the Company were passed and approved at the 91st Ordinary General Meeting of Shareholders held on June 29, 2016, and the Company consolidated the shares at a 10:1 ratio of its common stock and changed the number of shares constituting one share unit from 1,000 to 100 shares with effective date of October 1, 2016. Accordingly, net income per share is calculated on the assumption that the consolidation of its shares was conducted at the beginning of the current consolidated fiscal year.

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

Mitsubishi Materials Corporation plans to hold a quarterly financial briefing for institutional investors on Thursday, February 9, 2017. The materials used at this briefing are disclosed on the TDnet and the Company’s web page at the time that the quarterly financial results are announced.

Contents

1. Qualitative Information on Financial Results for the Nine Months Ended December 31, 2016

(1) Details of operating results

1) Overview of operating results

During the first nine months of the consolidated fiscal year under review, there was an economic slowdown in China, Thailand and Indonesia, among other countries in Asia. In the United States, while the economy continued to grow moderately, the pace of growth tended to slow.

In the Japanese economy, employment and income conditions were on the road to recovery. However, public investments grew at a sluggish pace, and the improvement in capital expenditure and corporate earnings came to a temporary standstill.

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

Under these circumstances, consolidated net sales for the first nine months of the year under review totaled ¥956,344 million, down 9.4% year on year. Operating profit declined 15.9% year on year, to ¥43,892 million, and ordinary income decreased 4.5%, to ¥52,977 million. Net income attributable to owners of parent was ¥49,393 million, down 12.7% year on year.

2) Overview by segments

(Cement)

(Billion yen)

	FY 2016 Q1-Q3	FY 2017 Q1-Q3	Increase / Decrease (%)
Net sales	147.2	132.3	-14.9 (-10.1%)
Operating profit	16.0	16.4	0.4 (2.5%)
Ordinary income	15.7	16.3	0.5 (3.7%)

In the Cement business, the sales volume decreased in Japan because of a decline in demand throughout the market, chiefly reflecting a delay in construction work mainly due to labor shortages and sluggish growth in demand in the public and the private sectors. In the United States, the sales volume of ready-mixed concrete increased, reflecting strong sales related to housing and commercial properties. The sales volume of cement also increased, thanks to the rise in sales volume of ready-mixed concrete. In China, the sales volume declined due to restrictions on production activities at cement factory, etc. as a countermeasure against severe air pollution. In the overall Cement business, cement production amounted to 8.8 million tons, unchanged from the level a year ago.

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

(Metals)

(Billion yen)

	FY 2016 Q1-Q3	FY 2017 Q1-Q3	Increase / Decrease (%)
Net sales	511.8	459.6	-52.1 (-10.2%)
Operating profit	17.4	12.4	-4.9 (-28.4%)
Ordinary income	19.0	22.9	3.9 (20.6%)

In the copper business, net sales and operating profit declined, primarily reflecting a fall in copper prices, despite the return to ordinary operations at PT. Smelting in Indonesia, which was temporarily suspended during the same period as the previous fiscal year due to equipment issues. Copper cathode production for the entire Metals business amounted to 426 thousand tons, up 55 thousand tons from the previous corresponding period.

In the gold and other valuable metals business, both net sales and operating profit increased, mainly thanks to the production hike, reflecting a rise in the contained amount in ore.

In the copper and copper alloy products business, net sales declined while operating profit increased mainly due to a fall in copper prices, despite an increase in the sales of products for automobiles, semiconductors, and other uses.

As a result, the entire Metals business posted year-on-year decreases in net sales and operating profit. Ordinary income for the segment increased because of the increases in dividend income and equity in earnings of affiliates.

(Advanced Materials & Tools)

(Billion yen)

	FY 2016 Q1-Q3	FY 2017 Q1-Q3	Increase / Decrease (%)
Net sales	115.3	106.1	-9.1 (-8.0%)
Operating profit	12.8	8.2	-4.5 (-35.4%)
Ordinary income	12.2	7.2	-4.9 (-40.6%)

In the cemented carbide products business, net sales and operating profit declined due to the deteriorating market conditions primarily attributable to the slowdown in the Chinese economy. Another contributing factor was the effect of the yen appreciation compared with the exchange rate in the same period of the previous fiscal year.

In the high-performance alloy products business, sales of products for automobiles remained firm in North America, but lower sales in Japan caused net sales and operating profit to decline.

As a result, the overall Advanced Materials & Tools business recorded year-on-year decreases in net sales and operating profit. Ordinary income declined due to the decrease in operating profit and recorded exchange losses.

(Electronic Materials & Components)

(Billion yen)

	FY 2016 Q1-Q3	FY 2017 Q1-Q3	Increase / Decrease (%)
Net sales	52.9	46.4	-6.5 (-12.3%)
Operating profit	2.5	1.3	-1.1 (-46.7%)
Ordinary income	5.2	1.4	-3.7 (-72.2%)

In the advanced materials and chemical products business, net sales decreased while operating profit increased because sales of products related to semiconductor manufacturing equipment and chemical products for hybrid vehicles remained strong, although sales of products for LSIs for smartphones and power modules were down.

In the electronic components business, net sales increased while operating profit declined, reflecting a lower volume of sales of products for information and telecommunications equipment, as well as the yen appreciation compared with the same period of the previous fiscal year, despite a solid performance sales of products for home appliances and optical communication related equipment.

The polycrystalline silicon business recorded a decline in net sales and operating profit due to a fall in sales.

As a result, the entire Electronic Materials & Components business registered year-on-year declines in net sales and operating profit. Ordinary income dropped as a result of decreases in operating profit and equity in earnings of affiliates.

(Aluminum)

(Billion yen)

	FY 2016 Q1-Q3	FY 2017 Q1-Q3	Increase / Decrease (%)
Net sales	122.4	120.4	-1.9 (-1.6%)
Operating profit	4.1	7.6	3.5 (83.7%)
Ordinary income	3.7	7.6	3.8 (103.3%)

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

(Others)

(Billion yen)

	FY 2016 Q1-Q3	FY 2017 Q1-Q3	Increase / Decrease (%)
Net sales	172.6	148.7	-23.9 (-13.8%)
Operating profit	4.8	4.8	-0.0 (-0.5%)
Ordinary income	5.5	4.6	-0.8 (-15.8%)

In the energy-related business, net sales declined, but operating profit increased thanks to a rise in electricity sales volume because hydroelectric power plants, which were being renewed during the previous corresponding period, returned to ordinary operation, while sales of coal declined.
In the “E-waste” (used electronics and electrical products) recycling business, net sales and operating profit declined, reflecting lower sales due to the falling unit price of valuables.
Orders received for nuclear energy and engineering-related services amounted to ¥62.0 billion, up ¥17.1 billion year on year. The order backlog at the end of the period was ¥46.6 billion, up ¥12.3 billion from a year earlier.

(2) Details of financial position

Total assets at the end of the third quarter of the consolidated fiscal year under review stood at ¥1,837.7 billion, up ¥44.3 billion from the end of the previous consolidated fiscal year. This result was mainly due to an increase in inventory.
Total liabilities were ¥1,159.6 billion, an increase of ¥11.3 billion from the end of the previous consolidated fiscal year. This was mainly due to an increase in notes and accounts receivable-trade.

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

We have revised the figures in our consolidated earnings forecasts for the fiscal year ending March 31, 2017, which were previously announced (on November 9, 2016).

In the consolidated earnings forecasts for the fiscal year ending March 31, 2017, net sales are expected to exceed the previous forecast, while operating income is set to be lower than the previous forecast, given that the operation of PT. Smelting in Indonesia has been temporarily suspended and the sales volume of cemented carbide products remains lower than planned in the Advanced Materials & Tools business, while copper prices continue to rise. Both ordinary income and net income attributable to owners of parent are likely to exceed the previous forecasts, primarily because the increase in dividend income was greater than expected.

(Billion yen)

	Previous forecast	Current forecast	Increase / Decrease (%)
Net sales	1,280.0	1,300.0	1.5%
Operating profit	61.0	59.0	-3.2%
Ordinary income	61.0	64.0	4.9%
Net income attributable to owners of parent	22.0	24.0	9.0%

2. Matters Related to Summary Information (Notes)

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

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

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

Changes in accounting policies

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

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

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

(3) Additional information

(Provision for environmental measures)

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

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

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

(Business Combination by Acquisition Method)

The Company signed a share transfer agreement dated September 28, 2016, with Luvata Espoo Oy and its two subsidiaries, for the acquisition of the Special Products Division ("Luvata SP") of the Luvata Group through equity acquisition and business transfer.

Overview of the business combination

(i) The acquired company and the description and size of its business
   Acquired company: 14 companies belonging to Luvata SP
   Business: Manufacture and sale of copper processed products
   Net Sales: Approximately 78.0 billion yen (approximate amount of consolidated net sales recorded by Luvata SP in the fiscal year ended December 31, 2015)

(ii) Main reason for the business combination

The purpose of the business combination is to accelerate the global expansion of the Copper & Copper Alloy Products business of the Company by pursuing various synergies though the business and customer bases of the Special Products Division of Luvata and to lead it to the establishment of a high-profitable business structure

(iii) Date of the business combination

This transaction will be implemented without delay upon the completion of acquisition, etc. of approval and authorization pursuant to the laws and regulations required for its implementation, which is scheduled for the period between the fourth quarter of fiscal year 2017 and the first quarter of fiscal year 2018.

(iv) Legal form of the business combination

Acquisition of shares and business transfer in exchange for cash and deposits.

(v) Name of the companies after the business combination

No change

(vi) Percentage of voting rights to acquire

100%

(4) Contingent liabilities

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

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

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

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

Third quarter of the consolidated fiscal year under review (As of December 31, 2016)

On December 30, 2014, PT. Smelting in Indonesia, a consolidated subsidiary of the Company (hereinafter the "Consolidated Subsidiary"), received a notice of reassessment in an amount of US$47 million (¥5,576 million based on the exchange rate at the end of the third quarter of the consolidated fiscal year under review) from the Indonesian National Tax Authority regarding the sales transaction pricing of the Consolidated Subsidiary for the year ended December 2009. On January 28, 2015, the Consolidated Subsidiary made a provisional deposit of US$14 million (¥1,630 million) as a part of the additional collection.

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

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

On December 22, 2016, the Consolidated Subsidiary also received a notice of reassessment in an amount of US$34 million (¥3,988 million) from the Indonesian National Tax Authority regarding its posting of raw material costs for the fiscal year ended December 31, 2011.

However, this assessment from the Indonesian National Tax Authority is based on its view of unilaterally negating the basis for recording raw material costs, etc. of the Consolidated Subsidiary and found to be unacceptable by the Company and the Consolidated Subsidiary. Therefore, the Consolidated Subsidiary has decided to submit a written objection to the Authority in the future.

3. Consolidated Financial Statements

(1) Consolidated balance sheet

(Million yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	60,123	89,401
Notes and accounts receivable-trade	233,093	223,254
Merchandise and finished goods	85,082	85,730
Work in process	83,694	116,185
Raw materials and supplies	89,875	98,549
Others	232,817	232,440
Allowance for doubtful accounts	(2,155)	(2,561)
Total current assets	782,530	843,001
Non-current assets		
Property, plant and equipment		
Machinery and equipment, net	196,085	196,484
Land, net	268,634	257,325
Other, net	205,517	203,614
Total property, plant and equipment	670,237	657,424
Intangible assets		
Goodwill	48,986	39,917
Other	17,032	15,860
Total intangible assets	66,019	55,777
Investments and other assets		
Investment securities	212,606	224,106
Others	68,052	63,032
Allowance for doubtful accounts	(6,070)	(5,599)
Total investments and other assets	274,588	281,539
Total non-current assets	1,010,845	994,742
Total assets	1,793,375	1,837,743

(Million yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable-trade	110,596	132,652
Short-term loans payable	200,527	193,480
Current portion of bonds payable	25,100	15,000
Income taxes payable	7,037	12,030
Provision	13,740	7,513
Gold payable	231,667	234,637
Other	107,649	103,172
Total current liabilities	696,319	698,487
Non-current liabilities		
Bonds payable	40,000	55,000
Long-term loans payable	260,681	261,850
Provision	16,746	12,178
Net defined benefit liability	63,544	61,130
Other	71,066	71,049
Total non-current liabilities	452,038	461,208
Total liabilities	1,148,358	1,159,696
Net assets		
Shareholders' equity		
Capital stock	119,457	119,457
Capital surplus	92,266	92,422
Retained earnings	303,026	345,489
Treasury stock	(1,953)	(1,997)
Total shareholders' equity	512,797	555,372
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,645	35,083
Deferred gains or losses on hedges	(199)	(4,490)
Revaluation reserve for land	34,282	32,184
Foreign currency translation adjustment	3,647	(11,438)
Remeasurements of defined benefit plans	(16,946)	(14,351)
Total accumulated other comprehensive income	42,430	36,987
Non-controlling interests	89,789	85,686
Total net assets	645,017	678,047
Total liabilities and net assets	1,793,375	1,837,743

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

Consolidated statement of income

Consolidated first nine months (Million yen)

	Nine Months Ended December 31, 2015 (Apr. 1, 2015–Dec 31, 2015)	Nine Months Ended December 31, 2016 (Apr. 1, 2016–Dec. 31, 2016)
Net sales	1,055,860	956,344
Cost of sales	896,143	807,859
Gross profit	159,717	148,484
Selling, general and administrative expenses	107,496	104,591
Operating profit	52,220	43,892
Non-operating profit		
Interest income	443	405
Dividend income	7,046	14,368
Equity in earnings of affiliates	4,157	1,867
Rent income on non-current assets	3,770	3,661
Other	3,432	1,577
Total non-operating profit	18,850	21,879
Non-operating expenses		
Interest expenses	5,184	3,812
Other	10,416	8,981
Total non-operating expenses	15,600	12,793
Ordinary income	55,471	52,977
Extraordinary income		
Gain on sales of non-current assets	6,281	16,039
Gain on sales of investment securities	19,187	3,169
Gain on change in equity	10,464	–
Gain on redemption of investment securities	1,234	–
Other	4,210	470
Total extraordinary income	41,378	19,680
Extraordinary losses		
Loss on valuation of investment securities	2	109
Subsidiary transfer cost	–	107
Provision for environmental measures	10,841	–
Loss on suspension of operations	2,661	–
Other	2,684	295
Total extraordinary losses	16,191	512
Income before income taxes	80,657	72,145
Income taxes	20,999	17,454
Net income	59,658	54,690
Net income attributable to non-controlling interests	3,104	5,296
Net income attributable to owners of parent	56,553	49,393

Consolidated statements of comprehensive income

Consolidated first nine months (Million yen)

	Nine Months Ended December 31, 2015 (Apr. 1, 2015–Dec 31, 2015)	Nine Months Ended December 31, 2016 (Apr. 1, 2016–Dec. 31, 2016)
Net income	59,658	54,690
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,217)	13,472
Deferred gains or losses on hedges	2,046	(4,941)
Revaluation reserve for land	59	–
Foreign currency translation adjustment	(2,696)	(15,752)
Remeasurements of defined benefit plans	1,124	2,618
Equity in earnings of affiliates	(3,292)	(3,299)
Total other comprehensive income	(10,975)	(7,902)
Comprehensive income	48,682	46,787
(Breakdown)		
Comprehensive income attributable to owners of parent	45,661	46,191
Comprehensive income attributable to non-controlling interests	3,021	596

(3) Notes to consolidated quarterly financial statements

Notes on assumptions for a going concern

N/A

Segment information

[Segment Information]

I. For the nine months ended December 31, 2015 (from April 1, 2015 to December 31, 2015)

1. Sales and income of reporting segments

(Million yen)

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Adjustment amount	Amount indicated in the consolidated quarterly statements of income
Net sales									
(1) Outside customers	144,652	505,467	101,240	42,554	121,123	140,822	1,055,860	–	1,055,860
(2) Within consolidated group	2,573	6,344	14,101	10,373	1,280	31,790	66,463	(66,463)	–
Total	147,225	511,811	115,341	52,927	122,404	172,613	1,122,323	(66,463)	1,055,860
Segment income	15,792	19,015	12,215	5,243	3,748	5,550	61,566	(6,095)	55,471

Notes: 1. "Others" includes nuclear energy-related services, environmental and recycling-related business, real estate business, and engineering-related services.
2. "Adjustment amount" of segment income of -¥6,095 million includes the elimination of intersegment transactions of -¥13 million and corporate expenses of -¥6,081 million which are not distributed to the reporting segments. Corporate expenses consist mainly of general and administrative expenses that do not belong to the reporting segments, basic experiment and research expenses, and financial revenue and expenses.
3. Segment income has been adjusted together with ordinary income on the consolidated quarterly statements of income.

II. For the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

1. Sales and income of reporting segments

(Million yen)

	Cement	Metals	Advanced Materials & Tools	Electronic Materials & Components	Aluminum	Others	Total	Adjustment amount	Amount indicated in the consolidated quarterly statements of income
Net sales									
(1) Outside customers	129,989	453,958	94,395	41,727	118,805	117,467	956,344	–	956,344
(2) Within consolidated group	2,334	5,695	11,747	4,673	1,621	31,242	57,315	(57,315)	–
Total	132,323	459,654	106,143	46,400	120,427	148,709	1,013,659	(57,315)	956,344
Segment income	16,380	22,938	7,259	1,459	7,619	4,674	60,332	(7,354)	52,977

Notes: 1. "Others" includes nuclear energy-related services, environmental and recycling-related business, real estate business, and engineering-related services.
2. "Adjustment amount" of segment income of -¥7,354 million includes the elimination of intersegment transactions of ¥21 million and corporate expenses of -¥7,376 million which are not distributed to the reporting segments. Corporate expenses consist mainly of general and administrative expenses that do not belong to the reporting segments, basic experiment and research expenses, and financial revenue and expenses.
3. Segment income has been adjusted together with ordinary income on the consolidated quarterly statements of income.

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

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