

## Medium-Term Management Plan: “Break-through 1000”

### Towards Four-Wheel-Drive Management

Capital Investment Aimed at Medium-Term Business Growth from Our Four Core Businesses

#### Revising our Medium-Term Management Plan and numerical targets

We have increased our projected total capital investment over the three-year period of our Break-through 1000 Medium-Term Management Plan (fiscal 2008-2010) from ¥250 billion to ¥410 billion for the purposes of large-scale investment to give us a stronger competitive edge in the future. In spite of a temporary lull in terms of progress with our financial improvement measures, we will continue to focus on strengthening our financial position as one of top priorities alongside profit growth.

■ Management Targets (Consolidated)

Fiscal 2010 (Targets)	
Ordinary income	More than ¥110 billion
ROA (Calculated using ordinary income)	More than 5%
Debt-to-equity ratio	1.5 times

#### Cement



#### Robertson’s Ready Mix Ltd. acquired as consolidated subsidiary to strengthen US cement operations

In an effort to become a major player in the Pacific Rim cement industry, we have continued to operate a basic strategy of harnessing our strengths in the US, in terms of handling every part of the process from manufacturing, importing and selling cement through to ready-mixed concrete and aggregate operations, focusing particularly on

expanding downstream operations. As part of this strategy, Mitsubishi Materials subsidiary MCC Development Corp. has invested approximately ¥90 billion in Robertson’s Ready Mix Ltd., increasing its share in the California-based company by 36.7% to 70%.

#### Metals



#### Two copper alloy companies merged to create new 100% subsidiary Mitsubishi Shindoh Co. Ltd.

In the metals sector, we have vertically enhanced the value of our operations from smelting to copper and copper alloy processing in an effort to stabilize our profits. In terms of smelting, we have stepped up our recycling operations, capitalizing on the strengths offered by the Mitsubishi sequenced copper smelting method. In terms of processing, we made Mitsubishi Shindoh Co. Ltd. and Sambo Copper

Alloy Co. Ltd. 100% subsidiaries and merged them together to create a new company under the name Mitsubishi Shindoh Co. Ltd. on April 1, 2008. The new company is now the largest copper and copper alloy manufacturer in Japan, boasting a 17% share of domestic production of copper and copper alloy products and a 25% share of domestic production of copper strip products.

#### Advanced Materials and Tools



#### Investing in measures to strengthen the foundations of our cemented carbide products business

Our aim in the advanced materials and tools sector is to become a global value supplier to the automotive, aircraft and information industries. To fulfill this mission, we have invested a total of ¥13.3 billion into the cemented carbide business, which is our major growth driver, and are working to improve our insert product manufacturing and sales capabilities. In an effort to

reinforce operations at every stage, from raw material supplies to production, we are building a tungsten powder plant at Japan New Metals Co. Ltd. (consolidated subsidiary) and a new factory block at our Tsukuba Plant. We also intend to establish a domestic Technology Center equipped with processing technology think-tank capabilities before the end of fiscal 2010.

#### Electronic Materials and Components



#### Increasing polycrystalline silicon production by 1,000 tons

In the electronic materials and components sector, we have invested a total of ¥33.5 billion in improving the production capacity of our Yokkaichi Plant in order to increase production of polycrystalline silicon in line with anticipated growth in demand for use in semiconductors and solar batteries. As the first phase, we have decided

to extend our facilities to increase production by 1,000 tons a year, with construction due to be completed in January 2010. We will also be proceeding with infrastructure development work aimed at increasing production even further as a form of preemptive investment in order to maintain and enhance our competitive edge in the future.

## Reinforcing Intellectual Capital in the Interests of Growth

### Human resource-oriented management activities

One of the fundamental areas on which we are focusing as part of our growth strategy is that of reinforcing intellectual capacity in the interests of growth, with the aim of achieving the goals set out under our Break-through 1000 Medium-Term Management Plan.

This forms the basis of our people-oriented approach to management, designed to create a corporate climate that enables all of our employees to actively and boldly take on new challenges, remain happy and motivated and work towards shared dreams. This includes measures aimed at nurturing dynamic human resources, such as efforts to improve onsite capabilities so as to pass on the essential technology and skills that underpin our manufacturing and staff development activities, measures to reinforce internal control and other aspects of governance and measures to enhance CSR activities based on our Medium-Term CSR Direction.

### Establishing Group Training Centers as bases for human resource development

We have decided to establish a Group Training Center (tentative name) equipped with accommodation and welfare facilities on the grounds of our premises in Saitama (Saitama prefecture) as a base for groupwide staff development and manufacturing training activities. Preparations are currently underway, with the center scheduled for completion in April 2010. (Related article: P47)



Artist's impression of the Group Training Center (tentative name)

### Promoting the Companywide Zero

### Accident Project

Given that Mitsubishi Materials employees operate manufacturing

### Philosophical Scheme of the Mitsubishi Materials Group



machinery on the shop floor and work in the vicinity of high-temperature furnaces, we launched a Companywide Zero Accident Project in 2008 in recognition of the fact that safety is a key issue in the context of CSR. (Related article: P49)

### Holding Stakeholder Meetings for Employees

As part the Medium-Term CSR Direction that we set out in 2006, this year we held a Stakeholder Meeting for employees for the first time. (Related article: P53)

The aim of people-oriented management activities such as these is to grow into a dignified company that continues to be trusted by the general public.



Stakeholder Meeting

### Promoting the Companywide Zero Accident Project

## New Medium-Term Management Plan (fiscal 2008–2010)<sup>1</sup> "Break-through 1000"

Aiming to Become a Corporate Group with the High Social Status Appropriate for Our ¥100 Billion Earning Capability that is Continuously Trusted by Society



1. Visit our Web site for the detailed information on the New Medium-Term Management Plan URL <http://www.mmc.co.jp/corporate/en/news/news20070329.html>