

Mitsubishi Materials Corporation

Supplementary Explanation
for the fiscal year ended March 31, 2011

May 12, 2011

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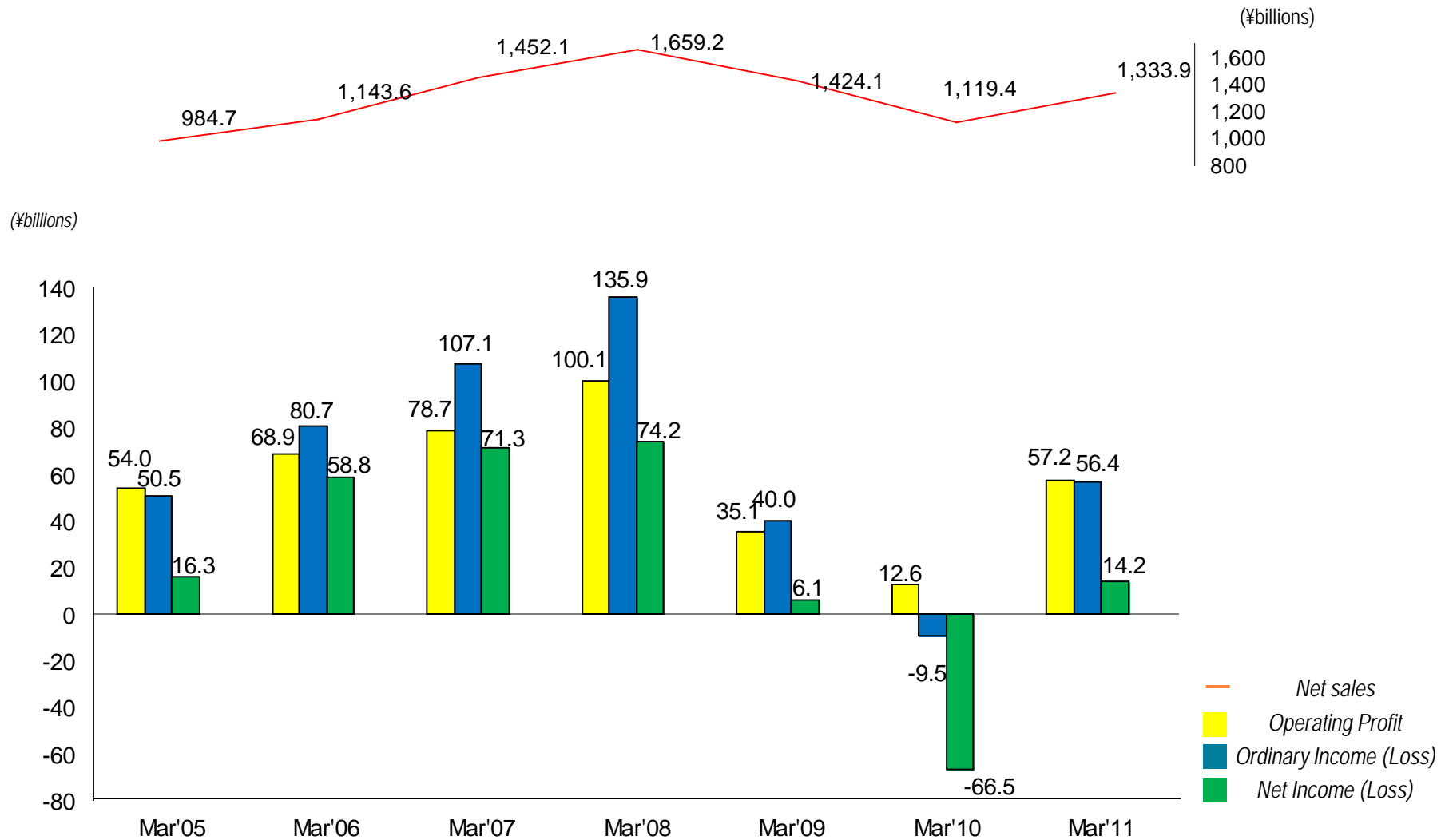
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Performance Overview



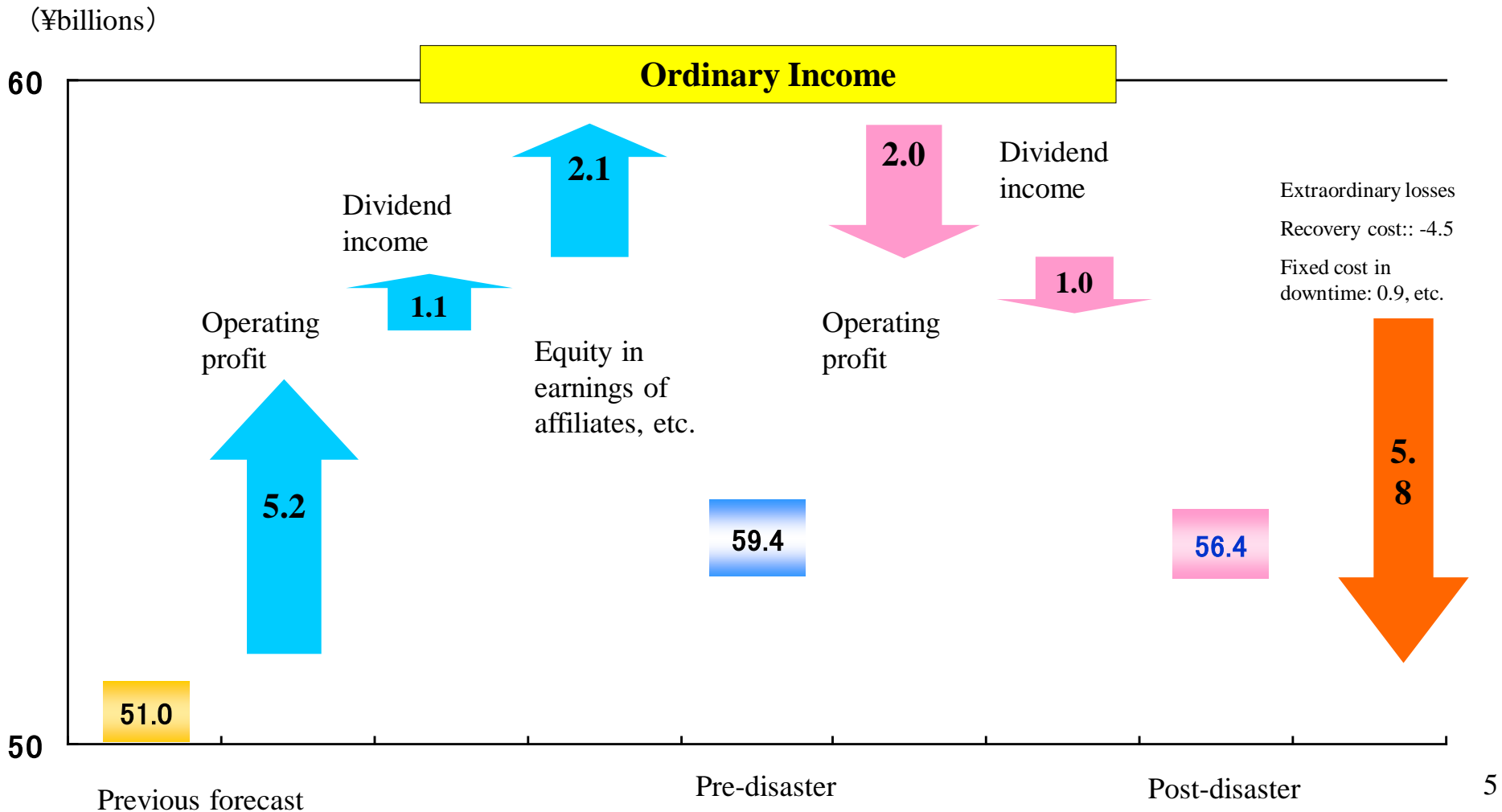
Consolidated Statements of Operations (Mar'11)

Major increases in revenue and earnings thanks to recovery in core business and improvements in non-operating items

(¥billions)	Mar'10 Result (a)	Mar'11 Result (b)	Difference (b)-(a)	Reason
Net sales	1,119.4	1,333.9	214.5	Mitsubishi Cable Group +78.6, Diamet Group +20.3
Operating profit	12.6	57.2	44.6	Mitsubishi Cable Group +3.1, Diamet Group +1.6 Change in estimated useful lives +4.7
Net interest and dividend income	9.7	22.2	12.4	Dividend income +11.7 (+22.3⇒+34.1)
Earnings in equity of affiliates	-28.4	-16.3	12.0	SUMCO +9.6 (-28.2⇒-18.5)
Other/Non-operating profit	-3.5	-6.6	-3.1	
Ordinary income	-9.5	56.4	65.9	
Extraordinary income	-14.7	-18.9	-4.1	Loss on liquidation of business -7.0 Loss on Impairment -6.6 etc. ↓ Loss on valuation of investment securities -10.2 Loss on disaster -5.8 etc.
Income taxes	-36.4	-14.5	21.9	Previous: Reversal of differed tax assets -26.5
Minority interests in income	-5.8	-8.7	-2.9	
Net income	-66.5	14.2	80.8	

Differences between Forecasts and Results (Year to March 2011)

- Upward revision, mainly in Metals business, based on pre-disaster assumption
- Losses incurred by earthquake, mainly at Onahama Smelting & Refining and Tsukuba Plant



Previous forecast

(Feb. 8)

Pre-disaster

Post-disaster

Factor analysis of Net Sales, Operating Profit, and Ordinary Income by Segment

Major improvements, especially in Metals and Advanced Materials & Tools businesses

(¥billions)

		Mar'10 (a)	Mar'11 (b)	Difference (b-a)	Exchange rates and price differences	Quantity variation	Special factors	Earthquake	Dividends received	Earnings in equity of affiliates	Other
Cement	Net sales	166.1	153.2	-12.8	-10.0	-2.3		-0.5			0.0
	Operating profit	10.6	7.4	-3.1	-6.4	-0.6		-0.1			4.0
	Ordinary income	9.8	5.2	-4.5				-0.2		-0.5	3.2
Metals	Net sales	506.0	707.9	201.8	98.9	25.9	78.6	-1.6			0.0
	Operating profit	5.8	25.9	20.0	8.2	8.4	6.9	-0.2			-3.3
	Ordinary income	10.7	43.2	32.4			4.5	-0.2	14.7	2.2	-5.4
Advanced Materials & Tools	Net sales	101.0	143.0	42.0	-4.1	29.0	19.7	-2.6			0.0
	Operating profit	-5.2	16.0	21.2	-1.2	19.5	2.1	-0.8			1.6
	Ordinary income	-7.2	15.1	22.4				-0.8		0.8	2.0
Electronic Materials & Components	Net sales	62.7	64.7	1.9	-2.4	10.5	-5.9	-0.3			0.0
	Operating profit	2.6	4.7	2.1	-1.7	4.5	-0.6	-0.2			0.1
	Ordinary income	-25.3	-11.5	13.7				-0.2	1.3	9.8	0.6
Aluminum	Net sales	128.4	136.0	7.5	-0.2	11.9	-2.7	-1.5			0.0
	Operating profit	3.0	4.9	1.9	-1.7	5.4	0.5	-0.5			-1.8
	Ordinary Income	1.9	3.8	1.8				-0.5			-1.9
Other	Net sales	314.6	338.0	23.3	24.2	7.4	-7.0	-1.3			0.0
	Operating profit	4.8	5.6	0.7	-0.2	-1.7	1.1	-0.3			1.8
	Ordinary Income	11.8	7.9	-3.9				-1.1	-4.4	-0.2	2.6
Elimination, etc.	Net sales	-159.7	-209.1	-49.4	-21.1	-28.3					0.0
	Operating profit	-9.1	-7.5	1.6							1.6
	Ordinary Income	-11.2	-7.4	3.8							3.8
Total	Net sales	1,119.4	1,333.9	214.5	85.2	54.4	82.6	-7.7			0.0
	Operating profit	12.6	57.2	44.6	-2.9	35.7	10.0	-2.0			3.8
	Ordinary Income	-9.5	56.4	65.9			7.6	-3.0	11.7	12.0	4.8

Consolidated Balance Sheets: Assets

(¥billions)		Mar'10 (a)	Mar'11 (b)	Difference (b-a)
Current Assets	Cash and deposits	76.9	112.9	35.9
	Notes and accounts receivable-trade	214.1	221.4	7.3
	Inventories	239.0	261.8	22.7
	Other	179.3	192.2	12.8
Sub total		709.5	788.4	78.9
Noncurrent Assets	Property, plant and equipment and intangible assets	788.4	740.8	-47.5
	Investments and other assets	328.4	308.0	-20.3
	Sub total	1,116.8	1,048.9	-67.9
Total		1,826.4	1,837.4	10.9

Consolidated Balance Sheets: Liabilities and Net Assets

(¥billions)		Mar'10 (a)	Mar'11 (b)	Difference (b-a)
Liabilities	Notes and accounts payable-trade	128.9	136.7	7.7
	Short-term loans payable, bonds payable, and CP	(43%) 796.0	(43%) 784.7	-11.2
	Other liabilities	502.2	513.0	10.7
	Sub total	1,427.3	1,434.5	7.2
Net Assets	Capital stock	119.4	119.4	—
	Capital surplus and treasury stock	112.0	112.1	0.1
	Retained earnings	92.8	108.8	16.0
	Other Comprehensive Income	16.7	3.7	-13.0
	Minority interests	58.0	58.6	0.6
	Sub total	(22%) 399.0	(22%) 402.8	3.7
	Total	1,826.4	1,837.4	10.9

Equity Ratio: (Mar'10) 19% → (Mar'11) 19%

Assumptions / Sensitivity (Mar'12) (1)

Assumptions	Mar'10 Result	Mar'11 Result(a)	Mar'12 1st Half	Mar'12 2nd Half	Mar'12 Forecasts(b)	Difference (b-a)
Average TTM rate (yen/\$)	93	86	83	83	83	-3
Average TTM rate (yen/€)	131	113	110	110	110	-3
Total demand for cement in Japan (million tons)	42.73	41.61	19.00	21.00	40.00	-1.61
Cement sales volumes for MMC (million tons)	8.92	8.95	4.67	4.66	9.33	0.38
(Exports)	2.41	2.44	1.51	1.35	2.86	0.42
Total demand for cement in U.S. (million tons)	68.40	68.51	—	—	69.84	1.33
Cement sales volumes in the U.S. (million short tons)	1.28	1.23	0.61	0.69	1.30	0.07
Copper price LME (¢/lb)	277	369	380	380	380	11
Effective copper price (¢/lb)	240	344	380	380	380	36
Sales of cathodes(MMC) (thousand tons)	314	302	135	159	294	-8
Sales of cathodes(PTS) (thousand tons)	287	275	149	140	289	14
Sales volumes for processed copper products (thousand tons)	97	137	69	78	146	9
Dividends from copper mine(¥billions)	10.0	24.5	—	—	22.0	-2.5

Assumptions / Sensitivity (Mar'12) (2)

Assumptions	Mar'10 Result	Mar'11 Result(a)	Mar'12 1st Half	Mar'12 2nd Half	Mar'12 Forecasts(b)	Difference (b-a)
Sales of cemented carbide products (¥billions)	61	81	40	46	86	5
Polycrystalline silicon sales volumes (tons)	3,287	3,306	2,064	2,318	4,382	1,076
Net income for SUMCO (¥billions)	-100	-66	-4	9	5	71
Sales of aluminum cans (Regular cans) (billion cans)	3.9	3.8	2.2	1.5	3.7	-0.1
Sales of bottle cans (billion cans)	0.7	0.8	0.5	0.4	0.9	0.1
Sales of aluminum sheet products (kilotons)	103	99	51	51	102	3
Sales of aluminum extrusion products (kilotons)	19	22	9	11	20	-2

Sensitivity

Exchange rate (yen/US\$) yen rise negative
Exchange rate (yen/€) yen rise negative
Copper price (LME): operating profit: 10¢/1b
Dividends received: 10¢/1b

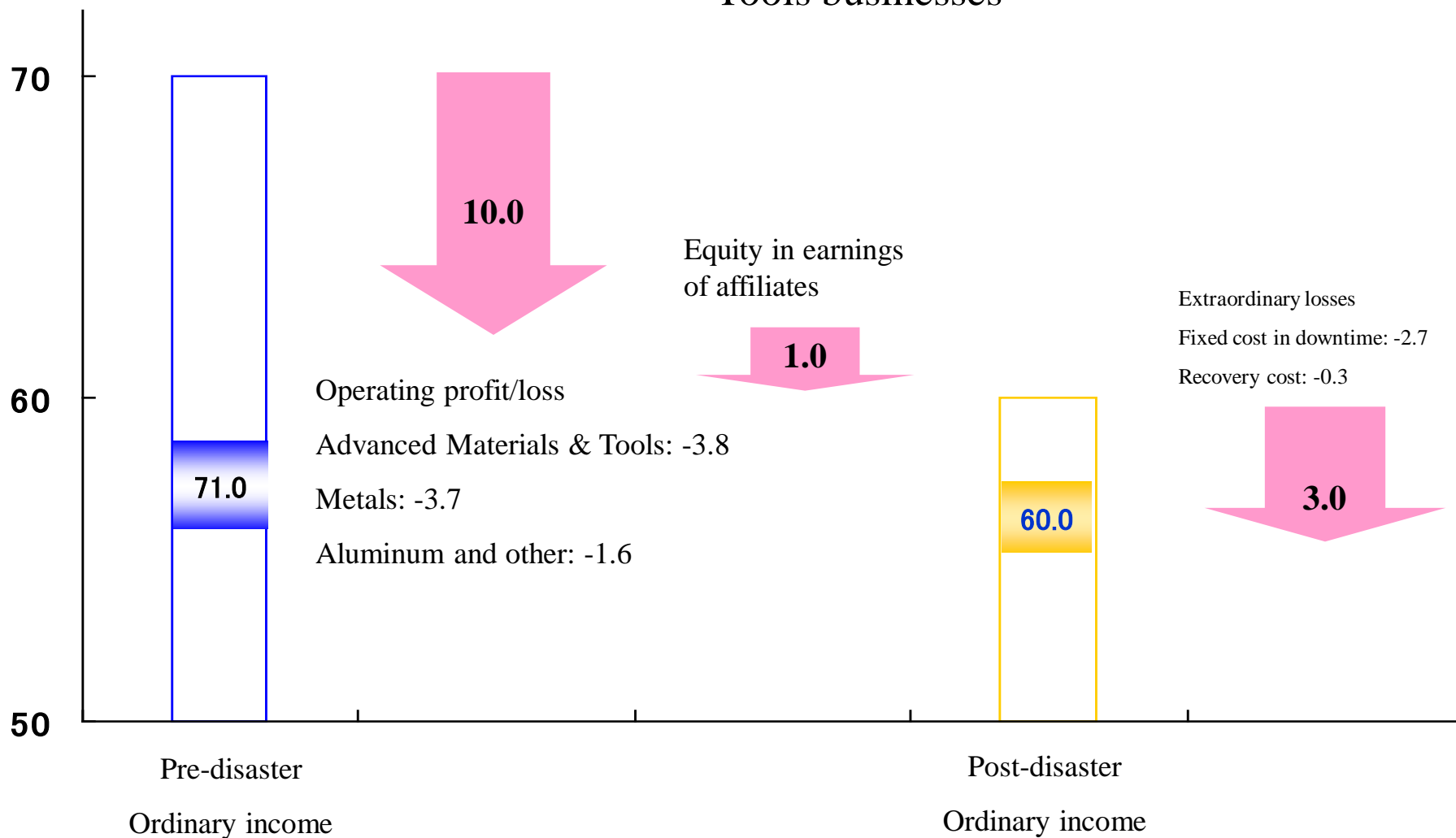
500 million
80 million
400 million
700 million

Consolidated Statements of Operations (Mar'12 Forecast)

(¥billions)	Mar '11 Full Year Result (a)	Mar '12 1 st Half Forecast	Mar '12 2 nd Half Forecast	Mar '12 Full Year Forecast (b)	Difference (b)-(a)	Reason
Net sales	1,333.9	675.0	705.0	1,380.0	46.0	
Operating profit	57.2	16.0	29.0	45.0	-12.2	
Net interest and dividend income	22.2	7.0	10.0	17.0	-5.2	Dividends from Copper Mine -4.6 (34.1⇒29.5)
Earnings in equity of affiliates	-16.3	0	5.0	5.0	21.3	SUMCO +20.0 (-18.5⇒+1.4)
Other/Non-operating profit	-6.6	-3.0	-4.0	-7.0	-0.3	
Ordinary income	56.4	20.0	40.0	60.0	3.5	
Extraordinary income	-18.9	-5.0	-10.0	-15.0	3.9	
Income taxes	-14.5	-8.0	-8.0	-16.0	-1.4	
Minority interests in income	-8.7	-2.0	-5.0	-7.0	1.7	
Net income	14.2	5.0	17.0	22.0	7.7	
Dividend Payment (¥)	2	-	3	3	1	

Expected Impact of Disaster (Year to Mar' 12)

(¥billions) Losses expected in first half, mainly in Metals and Advanced Materials & Tools businesses



Semi-Annual Forecasts by Segment (Mar'12)

(¥billions)

		Mar12 1st Half	Mar12 2nd Half	Mar'12 Annual	Disaster impact in 1st half		2nd Half
Cement	Net sales	75	80	155		Extraordinary loss	Japan: Recovery demand not included USA: Price rises expected
	Operating profit	3	7	10	-0	-0.1	
	Ordinary income	1	6	7	-0		
Metals	Net sales	345	365	710	-29	Extraordinary loss	
	Operating profit	7	8	15	-4	-2.5	
	Ordinary income	16	17	33	-4		
Advanced Materials & Tools	Net sales	68	77	145	-7	Extraordinary loss	Cemented carbide: Increased production at Tsukuba Plant
	Operating profit	4	9	13	-4	-0.3	
	Ordinary income	4	8	12	-4		
Electronic Materials & Components	Net sales	38	42	80	-1	Extraordinary loss	Silicon: Effect of routine maintenance at Yokkaichi Plant in first half Increased production in second half (vs first half)
	Operating profit	2	3	5	-0	-0.3	
	Ordinary income	0	7	7	-1		
Aluminum	Net sales	80	70	150	-3		Aluminum cans: Decreased production in off-peak demand period
	Operating profit	3	2	5	-2		
	Ordinary Income	2	2	4	-2		
Other	Net sales	155	170	325	-5		
	Operating profit	2	3	5	-0		
	Ordinary Income	2	6	8	-1		
Elimination, etc.	Net sales	-86	-99	-185			
	Operating profit	-5	-3	-8			
	Ordinary Income	-5	-6	-11			
Total	Net sales	675	705	1,380	-44	Extraordinary loss	
	Operating profit	16	29	45	-10	-3.0	
	Ordinary Income	20	40	60	-11		

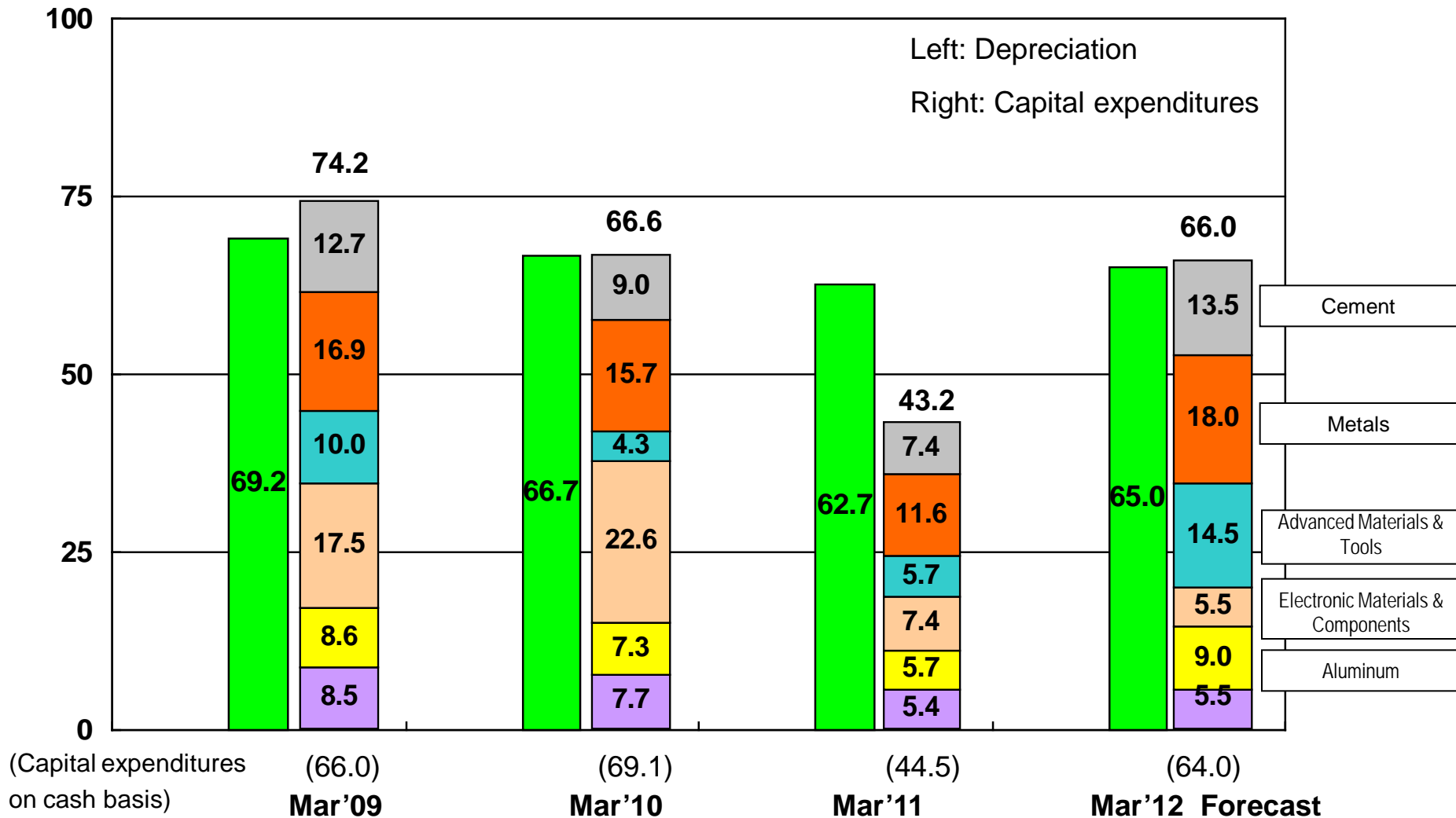
Factor analysis of Net Sales, Operating Profit, and Ordinary Income by Segment

(¥billions)

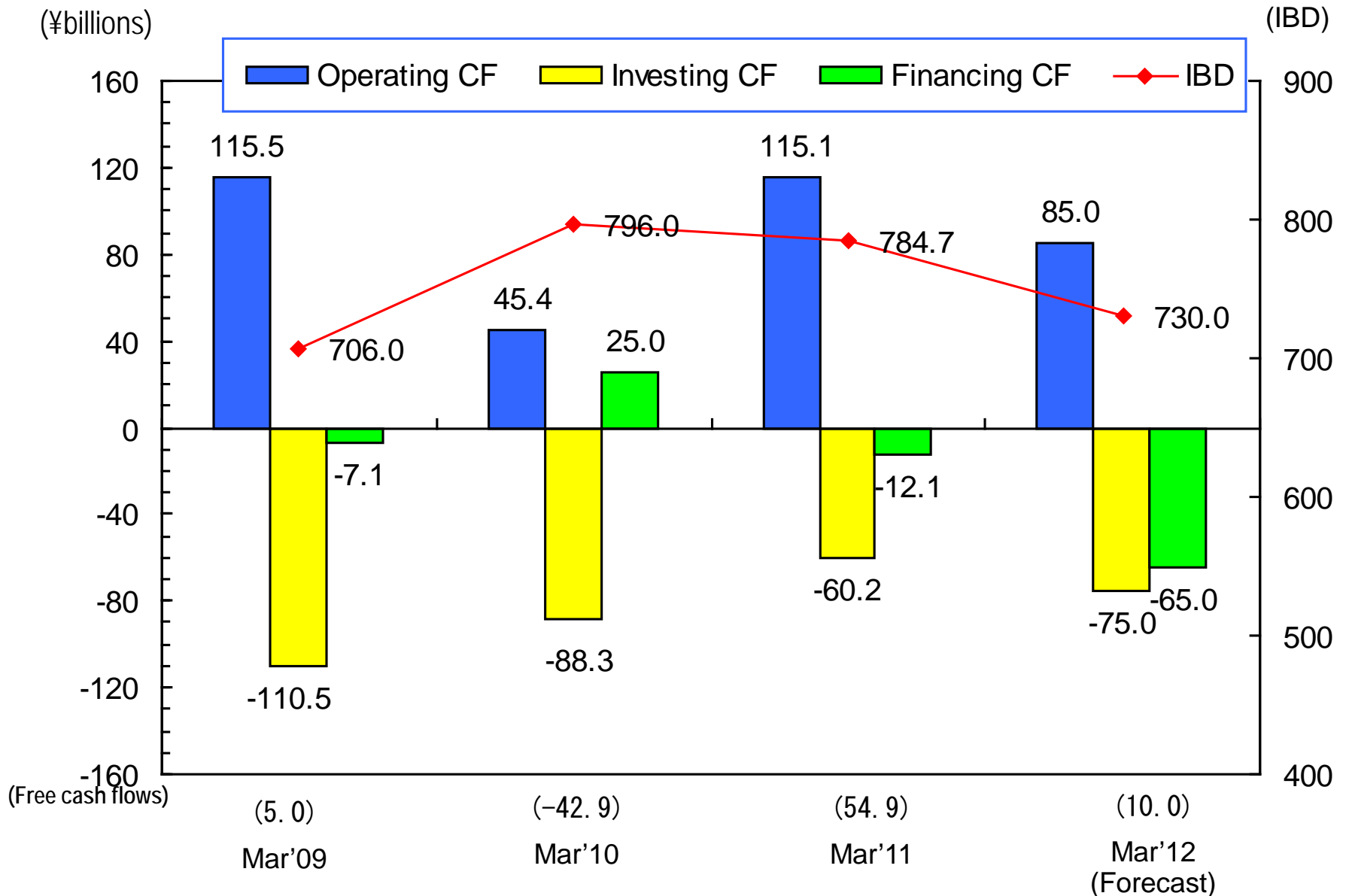
		Mar'11 (a)	Mar'12 (b)	Difference (b-a)	Exchange rates and price differences	Quantity variation	Special factors	Earthquake	Dividends received	Earnings in equity of affiliates	Other
Cement	Net sales	153.2	155.0	1.8	-0.4	1.7		0.5			0.0
	Operating profit	7.4	10.0	2.6							0.7
	Ordinary income	5.2	7.0	1.8	1.1	0.8		-0.1			0.0
Metals	Net sales	707.9	710.0	2.1	20.1	17.5	-8.1	-27.4			0.0
	Operating profit	25.9	15.0	-10.9			-1.4	-3.5			0.6
	Ordinary income	43.2	33.0	-10.2	-8.6	2.0	1.0	-3.5	-3.0	1.7	0.2
Advanced Materials & Tools	Net sales	143.0	145.0	2.0	-2.4	8.6		-4.2			0.0
	Operating profit	16.0	13.0	-3.0				-3.0			-1.3
	Ordinary income	15.1	12.0	-3.1	-2.7	4.5	-0.5	-3.0	-0.4		-1.0
Electronic Materials & Components	Net sales	64.7	80.0	15.3	-3.5	13.7	5.9	-0.8			0.0
	Operating profit	4.7	5.0	0.3				-0.2			-2.0
	Ordinary income	-11.5	7.0	18.5	-2.9	3.7	1.7	-0.5	-1.8	20.0	-1.7
Aluminum	Net sales	136.0	150.0	14.0	2.0	0.5	12.5	-1.0			0.0
	Operating profit	4.9	5.0	0.1				-1.2			-0.3
	Ordinary Income	3.8	4.0	0.2	0.5	-0.4	1.5	-1.2		0.1	-0.3
Other	Net sales	338.0	325.0	-13.0	4.3	-13.7		-3.6			0.0
	Operating profit	5.6	5.0	-0.6							-0.2
	Ordinary Income	7.9	8.0	0.1	-0.3	-0.1		0.3	0.6	-0.3	-0.1
Elimination, etc.	Net sales	-209.1	-185.0	24.1		24.1					0.0
	Operating profit	-7.5	-8.0	-0.5							-0.5
	Ordinary Income	-7.4	-11.0	-3.6							-3.6
Total	Net sales	1,333.9	1,380.0	46.0	20.0	52.2	10.3	-36.5			0.0
	Operating profit	57.2	45.0	-12.2	-12.7	10.5	1.3	-8.0			-3.3
	Ordinary Income	56.4	60.0	3.5			3.7	-8.0	-4.6	21.3	-6.7

Depreciation and Amortization

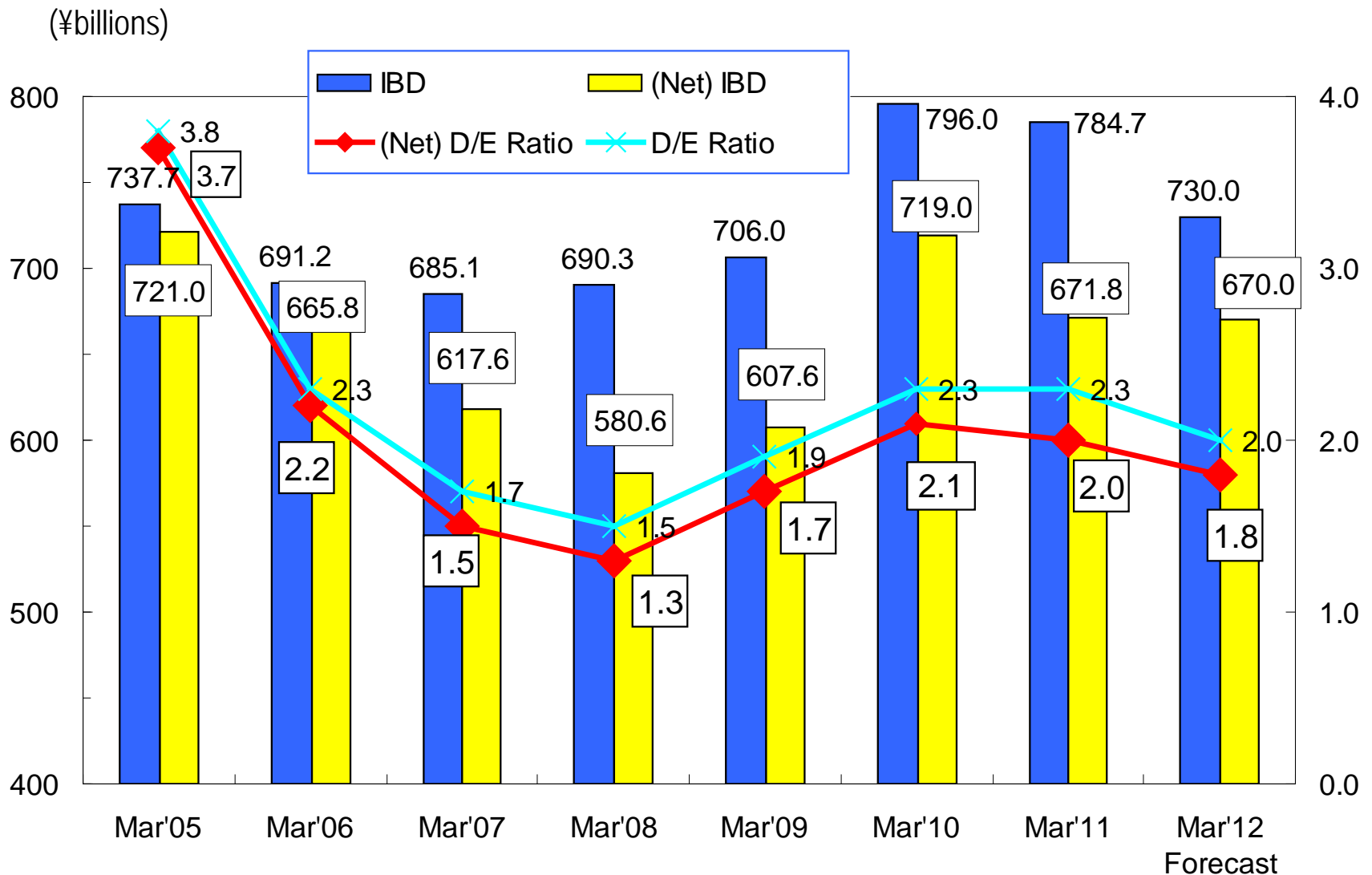
(¥billions)



Cash Flows



Interest-Bearing Debt & D/E Ratio



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