

[Translation: Please note that the following purports to be an excerpt translation from the Japanese original Notice of Convocation of the 86th Ordinary General Meeting of Shareholders of Mitsubishi Materials Corporation prepared for the convenience of shareholders outside Japan with voting rights. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.]

Stock Code: 5711
June 1, 2011

To Our Shareholders:

Hiroshi Yao, President and Director
MITSUBISHI MATERIALS CORPORATION
3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo

NOTICE OF THE 86TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 86th Ordinary General Meeting of Shareholders of Mitsubishi Materials Corporation (the “Company”) to be held as described below.

<Note: Shareholders outside Japan shall vote through their standing proxies except as specifically described below.>

If you are unable to attend the meeting, after reviewing the following documents entitled “Reference Materials for the General Meeting of Shareholders,” please exercise your voting rights by either procedure described below.

[Exercise of voting rights in writing]

Please indicate your vote of approval or disapproval on the enclosed Voting Card and return the card to the Company by 6:00pm, June 28 (Tuesday). (Please use the enclosed “Voting Card/Registration Security Sticker.”)

[Exercise of voting rights by electromagnetic method (through the Internet)]

<Note: Voting via Internet other than ICJ platform is only available for registered shareholders in Japan with Japanese language only. The ICJ platform is an electronic voting platform for institutional investors via ProxyEdge® system of Broadridge. For further details, please consult with your custodian(s), nominee(s) and/or broker(s).>

Yours truly,

If you are able to attend, please submit the enclosed Voting Card to the reception desk on the day of the meeting.

Thank you for your cooperation.

Details

1. Date and Time: 10:00 am June 29, 2011 (Wednesday)

2. Place: La Rose
Dai-ichi Hotel Tokyo 5th floor
2-6, Shinbashi 1-chome, Minato-ku, Tokyo

3. Meeting Agenda:

Matters to be Reported:

- (1) Reports on the business reports, consolidated financial statements and audit results of the consolidated financial statements by the Accounting Auditors and the Board of Corporate Auditors for the 86th fiscal year (April 1, 2010 to March 31, 2011).
- (2) Reports on the financial statements for the 86th fiscal year (April 1, 2010 to March 31, 2011).

Matters to be Resolved:

- First Item of Business:** Partial Amendment to the Articles of Incorporation
Second Item of Business: Election of Nine (9) Directors
Third Item of Business: Election of One (1) Corporate Auditor

4. Matters Concerning Exercise of Voting Rights

- (1) If there is no indication of approval or disapproval of any of the Items on the Voting Card, the Company will deem such Item as approved.
- (2) If you exercise your voting rights both by Voting Card and through the Internet, the Company will deem such through the Internet as valid.
- (3) If you exercise your voting rights more than once through the Internet, the Company will deem the last exercise valid.
- (4) If you wish to exercise your voting rights by proxy on the day of the meeting, you may appoint another single shareholder who has voting rights as your proxy. In such case, please submit a letter of proxy to the Company that certifies the authority of the shareholder acting as your proxy.
- (5) If you wish to split the exercise of your voting rights (only shareholders who hold shares for the benefit of others, such as share trust, are entitled to do so), please notify the Company accordingly together with such reasons in writing.

5. Items Posted on the Company's Website

- (1) Notes on the consolidated financial statements and separate notes on the financial statements are posted on the Company's website shown below in accordance with the law and the Company's Articles of Incorporation. They are not included in the attached materials.
- (2) If any amendment to the business reports, consolidated financial statements, financial statements, or to the Reference Materials for the General Meeting of Shareholders is required, the Company will give such notice by posting it on the Company's website below:
<http://www.mmc.co.jp/corporate/ja/03/04/04-index.html> (Japanese language only)

Business Report

(For the Period from April 1, 2010 through March 31, 2011)

1. Particulars Concerning the State of the Group

(1) Business Developments

[Despite the impact of the Great East Japan Earthquake, Mitsubishi Materials Corporation (the Company) and the Mitsubishi Materials Group (the Group) enjoyed a healthy business environment in the fiscal year under review, thanks to high prices for major metals and a recovery in demand in the automobile and semiconductor markets. The performance of the Group improved significantly on the back of improved business conditions and the success of the Group's Comprehensive Management Measures and supplementary measures.]

During the fiscal year under review, the world economy showed clear signs of recovery, driven by growth in demand in emerging economies, such as China and India, as well as economic stimulus measures taken by various governments. In the United States and Europe, however, unemployment rates continued at high levels, and in oil-producing countries in the Middle East and North Africa, political instability put downward pressure on the economic situation.

In Japan, signs of recovery appeared, thanks to improved corporate earnings owing to moderate increases in exports and production accompanying a recovery in capital expenditures, although the unemployment rate remained at a high level. It was against this backdrop that the Great East Japan Earthquake occurred in March 2011. The disaster has seriously affected both corporate activities and personal consumption due to the catastrophic damage that occurred over a wide area along the Pacific coast of northeastern Japan, as well as electricity shortages caused by the accident at a nuclear power plant.

In the year under review, the business environment in which the Group operates improved steadily on the back of a recovery in demand in the automobile and semiconductor sectors, coupled with high prices for copper and other major metals. However, the disaster has fuelled uncertainties due to its impact on production activities.

In this environment, the Group stepped up efforts to reform its business structure and transform itself into a low-cost operation. We based these efforts on the Comprehensive Management Measures formulated in December 2008, and the supplementary measures drawn up in August 2009 to reinforce and entrench the Comprehensive Management Measures.

The Great East Japan Earthquake affected the Group's operations in the Tohoku and Kanto regions. Not only did the disaster cause direct damage, but facilities were immediately affected by power and industrial water shortages along with difficulties in procuring raw materials and fuel. As a result, there was no choice but to suspend some production activities at affected sites. The Group posted an extraordinary loss of ¥5,846 million as a result of the disaster.

As a result, consolidated net sales for the fiscal year amounted to ¥1,333,992 million, up 19.2% from the previous fiscal year. Operating profit surged 351.8%, to ¥57,290 million, and ordinary income totaled ¥56,425 million, compared with an ordinary loss of ¥9,541 million in the previous fiscal year. Net income amounted to ¥14,274 million, due mainly to a loss on valuation of investments securities and an extraordinary loss stemming from the aforementioned earthquake. In the previous fiscal year, the Group reported a net loss of ¥66,555 million.

On a non-consolidated basis, net sales increased 9.9%, to ¥723,413 million. Operating profit amounted to ¥14,782 million, compared with an operating loss of ¥9,942 million in the previous fiscal year, and ordinary income totaled ¥33,991 million, from an ordinary loss of ¥1,344 million in the previous fiscal year. Net income was ¥19,794 million, compared with a net loss of ¥45,883 million in the previous fiscal year.

At the 81st Ordinary General Meeting of Shareholders held on June 29, 2006, the Company amended its Articles of Incorporation to stipulate that payment of dividends shall be decided by resolution of the Board of Directors. As the Company regards distribution of surplus to shareholders as one of its central management objectives, the Company has a policy to decide distribution of profits based on comprehensive consideration of various factors related to overall management, such as income over the relevant period,

internal reserves and financial position. In accordance with this policy, the Company decided by resolution at a meeting of the Board of Directors held on May 12, 2011 to pay a year-end dividend of ¥2.00 per share. Because the Company did not pay an interim dividend, this brings total annual dividends to ¥2.00 per share. (The Company did not pay dividends for the previous fiscal year.)

The Company has reduced monthly remuneration to the Directors since January 2009 and further reduced this in April 2010. In addition, no bonuses to the Directors for the fiscal year under review are planned for payment in the following fiscal year, as the Company continued its policy for not paying Directors' bonuses for the year ended March 31, 2008 to be paid in the following fiscal year.

Since the earthquake, the Mitsubishi Materials Group has directed its entire efforts toward the swift restoration of its production system, with the aim of fulfilling its mission as a corporate group engaged in the manufacturing business. At the same time, we have sought to ensure the safety and life of the Group employees living in the affected regions. Committed to meeting our corporate social responsibilities, we have been providing material support and financial donations, which though modest we hope will help people in disaster-stricken areas.

We hereby express our heartfelt thanks to all shareholders and others who have offered their condolences and warm encouragement.

Below is a report of the Group's performance, by business segment.

● Cement

[Despite an increase in demand in China accompanying rejuvenated housing construction investments in the nation, the Group posted a decline in overall sales due to public spending cuts in Japan and lower demand in the United States stemming from unstable weather conditions. Accordingly, operating profit of the segment declined year-on-year.]

In the year under review, the Cement business continued to face declining demand in Japan due to falling public sector demand stemming from cuts in government spending. This was despite an upturn in housing construction investments and other aspects of private-sector demand. Overseas, meanwhile, conditions were mixed. Although demand in the United States declined due to unstable weather conditions during winter in southern California, demand in China rose on the back of brisk investments in construction of condominiums and other residential properties and infrastructure, including high-speed rail lines.

Due to the decrease in sales, the Cement business posted year-on-year declines in net sales and operating profit. It also reported a decrease in ordinary income, due to the fall in operating profit, as well as a decline in equity in earnings of affiliates.

Consolidated net sales in the Cement business amounted to ¥153,287 million, down 7.7% from the previous fiscal year. Operating profit declined 30.0%, to ¥7,463 million, and ordinary income fell 46.4%, to ¥5,278 million.

● Metals

[The copper business reported year-on-year growth in operating profit owing to rising copper prices. The processed copper products business also enjoyed increased operating profit thanks to higher sales of automobiles and electronic related products, as well as the upgrading of Mitsubishi Cable Industries, Ltd. to a consolidated subsidiary.]

The copper business reported year-on-year growth in revenue and earnings owing to rising copper prices and the smooth operation of smelters in Japan. This was despite the impact of furnace repairing at a smelter operated by PT Smelting in Indonesia and declining copper content in concentrates.

In the gold business, revenue and earnings increased year-on-year thanks to prices remaining at high levels, although the content of gold in copper concentrates declined.

The processed copper products business generated higher revenue and earnings due to increases in sales for automobile products and electronic materials stemming from a recovery in demand. Another factor was the upgrading of Mitsubishi Cable Industries, Ltd. from an equity-method affiliate to a consolidated subsidiary on March 12, 2010.

Accordingly, the entire Metals business segment posted a year-on-year increase in net sales and operating profit. In the period under review, ordinary income also rose, reflecting the increase in operating profit together with an increase in dividend income.

Consolidated net sales in the Metals business amounted to ¥707,911 million, up 39.9% from the previous fiscal year. Operating profit surged 342.9%, to ¥25,960 million, and ordinary income jumped 302.2%, to ¥43,234 million.

● Advanced Materials & Tools

[The cemented carbide products business reported a year-on-year increase in operating profit owing to recovery in demand in automobile-related markets and higher demand in emerging nations. The high-performance alloy products business also generated higher operating profit thanks to cost-cutting benefits.]

The cemented carbide products business reported year-on-year increases in revenue and earnings, owing to recovery in demand in automobile-related markets and flourishing demand in emerging nations, centering on China, as well as a recovery in demand in Japan, the United States, and Europe. Improved capacity utilization of manufacturing facilities and cost-cutting efforts provided a further boost to profits in this business.

In the high-performance alloy products business, both revenue and earnings increased year-on-year. In addition to cost-cutting efforts, this business benefited from a recovery in demand in automobile-related markets and healthy demand in aircraft-related markets. On December 1, 2009, three companies involved in the manufacture and sale of powder metallurgical products —DIAMET Corporation, DIAMET Klang (Malaysia) Sdn., Bhd., and PM Techno Corporation—were upgraded from equity-method affiliates to consolidated subsidiaries. This also helped boost revenue and earnings.

As a result, the entire Advanced Materials & Tools business segment posted a year-on-year increase in net sales and a return to operating profitability. It also posted positive ordinary income, reflecting the positive operating profit figure together with improved income from equity in earnings of affiliates.

Consolidated net sales in the Advanced Materials & Tools business amounted to ¥143,092 million, up 41.6% from the previous fiscal year. Operating profit amounted to ¥16,026 million (compared with an operating loss of ¥5,211 million in the previous fiscal year), and ordinary income totaled ¥15,139 million (from an ordinary loss of ¥7,287 million in the previous fiscal year).

● Electronic Materials & Components

[The advanced materials business posted an increase in operating profit thanks to healthy demand in semiconductor-related markets. The electronic devices business reported higher operating profit owing to a general recovery in worldwide demand, especially in emerging nations. The polycrystalline silicon and related products business generated an increase in operating profit due to higher sales of related products.]

In the advanced materials business, both revenue and earnings increased owing to solid demand in semiconductor-related markets, as well as higher sales in Taiwan and elsewhere.

In the electronic devices business, growth in revenue and earnings were posted thanks to healthy demand, especially in emerging nations, together with a general recovery in worldwide demand.

In the polycrystalline silicon and related products business, revenue declined due to a fall in sales stemming from suspension of operations at the Yokkaichi Plant in Mie Prefecture. Higher sales of related products, however, led to an increase in revenue and earnings.

Accordingly, the entire Electronic Materials & Components business segment posted a year-on-year increase in net sales and operating profit. This segment reported a decline in ordinary loss, owing to the increase in operating profit and a decrease in loss on equity in earnings of affiliates.

Consolidated net sales in the Electronic Materials & Components business amounted to ¥64,756 million, up 3.1% from the previous fiscal year. Operating profit surged 83.9%, to ¥4,797 million. The segment posted an ordinary loss of ¥11,597 million, compared with ¥25,382 million loss in the previous fiscal year.

- **Aluminum**

[The aluminum cans business reported lower operating profit due to high prices of aluminum. The rolled aluminum and processed aluminum products business enjoyed higher operating profit owing to a recovery in demand, especially for products for the automobile and electric materials sectors.]

The aluminum cans business posted a year-on-year decline in revenue due to the transfer of the steel beverage can ends business of consolidated subsidiary Universal Can Corporation during the previous fiscal year. It also posted a decrease in earnings due to high prices of aluminum material.

In the rolled aluminum and processed aluminum products business, revenue and earnings increased thanks to higher sales of products for the automobile and electric materials sectors and increased sales of solar battery back-sheets.

As a result, the entire Aluminum business segment posted a year-on-year increase in net sales and operating profit. Ordinary income also increased, thanks to the rise in operating profit.

Consolidated net sales in the Aluminum business amounted to ¥136,007 million, up 5.9% from the previous fiscal year. Operating profit jumped 62.4%, to ¥4,950 million, and ordinary income surged 98.9%, to ¥3,802 million.

- **Others**

[The energy-related products and precious metals businesses generated year-on-year increases in operating profit.]

In the energy-related products business, revenue declined due to the transfer of the oil and gas sales business of consolidated subsidiary Materials Energy Co., Ltd. in the previous fiscal year. However, earnings improved thanks to an increase in orders related to development in the field of nuclear energy.

In the precious metals business, both revenue and earnings increased. Here, our performance benefited from higher sales of gold bullion and silver bullion and cost-cutting efforts, which contrasted with a decrease in sales of jewelry-related items.

Accordingly, the entire Others business segment posted year-on-year increases in net sales and operating profit. However, it posted a decline in ordinary income due to a decrease in dividend income.

Consolidated net sales in the Others business segment amounted to ¥338,060 million, up 7.4% from the previous fiscal year. Operating profit rose 15.9%, to ¥5,632 million, and ordinary income declined 32.9%, to ¥7,972 million.

Sales, operating profit and ordinary income (figures in parentheses represent negative figures) for each business segment of the Group were as follows:

Business Segment	Item	85th Period (April 2009 – March 2010)		86th Period (April 2010– March 2011)		YOY Change (%)
		Amount (¥ Millions)	% of Total	Amount (¥ Millions)	% of Total	
Cement ¹⁾	Net Sales	166,160	14.8	153,287	11.5	(7.7)
	Operating Profit	10,656	84.0	7,463	13.0	(30.0)
	Ordinary Income	9,843	-	5,278	9.4	(46.4)
Metals	Net Sales	506,035	45.2	707,911	53.1	39.9
	Operating Profit	5,860	46.2	25,960	45.3	342.9
	Ordinary Income	10,749	-	43,234	76.6	302.2
Advanced Materials & Tools	Net Sales	101,070	9.0	143,092	10.7	41.6
	Operating Profit	(5,211)	(41.1)	16,026	28.0	-
	Ordinary Income	(7,287)	-	15,139	26.8	-
Electronic Materials & Components	Net Sales	62,786	5.6	64,756	4.9	3.1
	Operating Profit	2,608	20.6	4,797	8.4	83.9
	Ordinary Income	(25,382)	-	(11,597)	(20.6)	-
Aluminum	Net Sales	128,475	11.5	136,007	10.2	5.9
	Operating Profit	3,048	24.0	4,950	8.6	62.4
	Ordinary Income	1,911	-	3,802	6.7	98.9
Others	Net Sales	314,692	28.1	338,060	25.3	7.4
	Operating Profit	4,859	38.3	5,632	9.8	15.9
	Ordinary Income	11,873	-	7,972	14.1	(32.9)
Elimination and Corporate Assets or Expenses ²⁾	Net Sales	(159,772)	(14.2)	(209,123)	(15.7)	30.9
	Operating Profit	(9,141)	(72.0)	(7,538)	(13.1)	(17.5)
	Ordinary Income	(11,250)	-	(7,405)	(13.0)	(34.2)
Total	Net Sales	1,119,448	100.0	1,333,992	100.0	19.2
	Operating Profit	12,680	100.0	57,290	100.0	351.8
	Ordinary Income	(9,541)	-	56,425	100.0	-

Note 1: Contaminated soil created within the Group's operations is treated by the Cement Business Division. In this regard, effective from the fiscal year under review, the method of calculating net sales of that division has been changed. As a result, net sales of the Cement Business Division increased, but there was no effect on consolidated results. Figures in the above table for the Cement Business Division in the previous fiscal year have been restated to reflect the new calculation method.

Note 2: Net sales, operating profit and ordinary income resulting from transactions among the Business divisions have been deducted in the "Elimination and Corporate Assets or Expenses" items.

(2) Status of Group Financing

In the fiscal year under review, the Company financed its business through issuance of commercial paper and borrowings from financial institutions. Borrowings at the end of the fiscal year (including corporate bonds and commercial paper) amounted to ¥784,765 million, down ¥11,284 million from a year earlier.

(3) Status of Group Capital Expenditures

The Group determines its capital expenditures by carefully selecting investment cases in the fields where future profit and growth are expected while working to reduce interest-bearing debt.

In the fiscal year under review, total capital expenditures amounted to ¥43,213 million, which consisted mainly of maintenance and repairs of existing facilities in each business, as well as reinforcement and streamlining of production facilities and modification of equipment.

Capital expenditures by business segment in the fiscal year under review were as follows:

● **Cement**

This Group carried out development work related to limestone mine in Japan, and conducted maintenance and repairs on existing facilities mainly in Japan and the United States.

Capital expenditures in the Cement business amounted to ¥7,439 million.

● **Metals**

The Group carried out reinforcement work on copper processing facilities in Japan and conducted maintenance and repair work at existing facilities.

Capital expenditures in the Metals business totaled ¥11,604 million.

● **Advanced Materials & Tools**

The Group carried out reinforcement and streamlining work, in order to meet the increasing demand in automobile-related sector, and also carried out maintenance and repair work at existing facilities.

Capital expenditures in this business amounted to ¥5,783 million.

● **Electronic Materials & Components**

The Group carried out reinforcement work and modification work to satisfy requirements regarding high pressure gas on production facilities for polycrystalline silicon in Japan and maintenance and repair work at existing facilities.

Capital expenditures in this business totaled ¥7,484 million.

● **Aluminum**

The Group carried out maintenance and repair work at existing facilities for aluminum beverage cans and rolled aluminum products.

Capital expenditures in the Aluminum business amounted to ¥5,795 million.

● **Others**

The Group carried out maintenance and repair work at existing facilities.

Capital expenditures in this business segment totaled ¥5,105 million.

(4) Trends of Assets and Profit and Loss Accounts

1. The Group's Trends of Assets and Profit and Loss Accounts (Consolidated)

(¥ millions, except per share data)	83rd Period (April 2007 – March 2008)	84th Period (April 2008 – March 2009)	85th Period (April 2009 – March 2010)	86th Period (April 2010 – March 2011)
Net Sales	1,659,286	1,424,114	1,119,448	1,333,992
Operating Profit	100,146	35,134	12,680	57,290
Ordinary Income (Loss)	135,984	40,046	(9,541)	56,425
Net Income (Loss)	74,268	6,106	(66,555)	14,274
Net Income (Loss) per Share	59.14	4.81	(52.34)	10.88
Net Assets	520,289	421,934	399,095	402,868
Net Assets per Share	362.45	287.44	259.93	262.38
Total Assets	1,856,276	1,732,003	1,826,420	1,837,405

2. The Company's Trends of Assets and Profit and Loss Accounts (Non-consolidated)

(¥ millions, except per share data)	83rd Period (April 2007 – March 2008)	84th Period (April 2008 – March 2009)	85th Period (April 2009 – March 2010)	86th Period (April 2010 – March 2011)
Net Sales	922,546	712,758	657,982	723,413
Operating Profit (Loss)	34,413	6,042	(9,942)	14,782
Ordinary Income (Loss)	53,609	35,657	(1,344)	34,991
Net Income (Loss)	26,814	15,033	(45,883)	19,794
Net Income (Loss) per Share	21.35	11.84	(36.08)	15.09
Net Assets	320,390	288,047	275,894	300,936
Net Assets per Share	250.67	227.10	210.26	229.37
Total Assets	1,227,138	1,135,928	1,179,558	1,229,417

(5) Priorities for the Group

1. Group Priorities

[Despite concerns regarding the effects of the Great East Japan Earthquake, the Group shall act swiftly to return operations to pre-disaster levels. Meanwhile, the Group will pursue growth strategies targeting expansion in emerging markets while introducing appropriate measures to deal with power shortages that are expected to continue for some time.]

With respect to the outlook for the global economy, there are concerns about soaring raw materials and crude oil prices, the high level of unemployment in the United States and both public and private financial instability in Europe. Nevertheless, the global economy is expected to continue improving, driven by demand growth in emerging markets, such as China and India.

The Japanese economy, meanwhile, is expected to slow down temporarily due to the likelihood that it will take some time before the power shortage situation is solved and supply chains re-established, as well as a mood of voluntary restraint resulting from the Great East Japan Earthquake. Nonetheless, the longer-term outlook for Japan's economy is positive, thanks to an increase in exports sustained by a recovering global economy and demand generated by reconstruction efforts in the wake of the disaster.

The Group faces a business environment that will continue to belie optimism. Causes for concern that may affect the Group's performance include: production adjustments in automobile-related industries stemming from difficulties in procuring parts; the impact that electricity consumption restraints scheduled for the coming summer will have on production activities; soaring raw materials and crude oil prices; and fluctuations in major metals prices and exchange rates.

In light of this situation, the Group will continue establishing systems that will enable it to maintain production at pre-disaster levels. To this end, as well as completing repair work as soon as possible, we will devise various measures, including an operation plan based on the assumption of continuous power shortages. Furthermore, as a member of society, the Group will fulfill its corporate responsibilities by providing

ongoing assistance for restoration efforts in regions where its facilities also sustained damage.

Preparations for the next medium-term management plan, scheduled to commence in April 2011, were at an advanced stage when the Great East Japan Earthquake occurred. Due to the disaster, however, it has become necessary to scrutinize the preconditions and earnings forecasts contained in the plan. Consequently, we postponed the release of the plan originally scheduled for March. We will announce the plan as soon as possible once we have determined the impact of measures taken in response to the disaster and restraints on power consumption.

Despite the impact of the disaster, recognizing that the basic concepts of the next plan are management priorities, we will continue to implement the measures outlined below until the launch of the next medium-term management plan. These pertain to a “joint focus on growth strategies and improvement of financial position” (the basic concept of the next medium-term plan), “advancement into overseas markets, especially emerging nations” and “creation of distinctive synergies as an integrated business entity” (both stated as growth strategies in the plan).

1) Reinforcement of financial position

We will endeavor to implement measures to improve and reinforce our financial position as soon as possible. To this end, we will continue adopting strict investment criteria while reduce investment amounts and decreasing assets via reassessment of our business portfolio.

2) Advancement into overseas markets, especially emerging nations

On April 1, 2011, the Group established an Overseas Business Strategy Department within the Corporate Strategy Division and a Corporate Marketing Department in the Corporate Marketing Division. With these two offices playing a key role, we will proactively and swiftly propose and implement growth strategies laterally across divisions in emerging Asian countries. We will strive to forge close links with Mitsubishi Materials (Shanghai) Corporation, responsible for coordinating the Group’s operations in China, and the Southeast Asian Business Support Center in Bangkok.

3) Creation of distinctive synergies as an integrated business entity

As an integrated business entity, we will aim to create distinctive synergies unique to the Mitsubishi Materials Group, by further strengthening collaboration between the Company’s business divisions and between Group companies. On April 1, 2011 we took one step toward establishing this structure with the formation of the Mineral Resources & Recycling Business Unit. This new unit will consolidate internal resource businesses and their human resources and the environmental recycling business, which functions as an urban mining business.

2. Priorities in the Four Core Businesses

● Cement

In the domestic cement business, although we had forecast a further decline in public-sector demand, the disaster has altered the business environment significantly. In short term, we expect demand to slump due to the disaster, but the ensuing start of full-scale reconstruction work in affected regions will see an increase in demand. The Group will therefore make every effort to establish a production structure capable of fulfilling its obligation to supply cement, a key reconstruction material.

In the U.S. cement business, we are expecting a moderate increase in demand. Therefore, we will strengthen profitability by revising sales prices while focusing on further cost reductions.

In the Chinese cement business, we forecast strong demand for some time, centering on the development of infrastructure in Shandong Province, such as high-speed railway, airport, and port projects. Consequently, we expect to see an improvement in earnings owing to ongoing cost reductions and increases in sale prices.

● Metals

The supply-demand situation of copper concentrates will remain tight for some time due to a shortfall in supply capacity on the mining side to meet growing demand in China and India. Market prices of copper have reached all-time highs, although the future outlook remains unclear as a result of wildly fluctuating prices. We will therefore keep a close watch on these price movements together with foreign exchange rates and stock prices.

Demand for processed copper products is expected to remain stable. However, we anticipate a short-term fall in demand for processed copper products due to delays in recovery of production in the automobile and electronic sectors.

Amid such circumstances, the Metals division will continue striving to establish a robust foundation immune to market conditions, by lowering the breakeven point through ongoing efforts to reduce energy and fixed costs. In copper smelting, we will make an all-out effort to repair the damage caused by the disaster to the Onahama Smelter & Refinery in Iwaki City, Fukushima Prefecture, owned by Onahama Smelting & Refining Co., Ltd. At the same time, we will work hard to stabilize operations at other domestic and overseas smelting facilities. We expect the operation of Onahama Copper Smelter to partially resume in mid-July 2011, which is subject to restoration of public port facilities. We will improve earnings by increasing revenues from treating waste materials, which our competitors find difficult to treat, through expansion of the recycling business. In copper processing, we will continue strengthening profitability by enhancing sales competitiveness through accelerated development of alloys, drawing on our technological and development capabilities.

● Advanced Materials & Tools

In cemented carbide products, demand in the United States and Europe is recovering and we forecast ongoing growth in demand in the emerging markets of China, India, and Brazil. In Japan, however, we will feel the impact of a decline in production in the automobile sector as a result of the disaster.

In high-performance alloy products, we expect sales to decline year-on-year due to a fall in production in the automobile sector.

Faced with these circumstances, in cemented carbide products, we will make every effort to see a return to full production as soon as possible at the Tsukuba Plant in Joso city, Ibaraki Prefecture, where the disaster damaged some buildings and facilities. In addition, we will build a structure to handle increased production to meet the anticipated growth in demand for these products. On the sales side, we will create a sales structure to meet demand and developments in emerging markets by utilizing subsidiaries established last year in China and Thailand. We will also continue proactive measures, centering on building earnings pillars to complement the automobile sector, by targeting initiatives in the aircraft, energy, infrastructure, and medical treatment markets. In high-performance alloy products, we will enhance profitability through further cost reductions, including investments to streamline.

● Electronic Materials and Components

In advanced materials, the outlook for demand in the semiconductor sector is unclear. However, we will further strengthen both marketing and technical capabilities by expanding sales of products used in solar batteries and introducing new offerings.

The outlook for demand for electronic devices is also uncertain due to the ongoing impact of inventory adjustments by customers, as well as the appreciation of the yen. Therefore, we will reinforce our earnings base by increasing sales of new products, boosting sales in growth markets in emerging nations and continuing cost-reduction efforts.

In polycrystalline silicon and related products, we will reap the benefits of large-scale investment by stabilizing operations, including the new facility at the Yokkaichi Plant in Mie Prefecture.

We ask for the ongoing support and cooperation of shareholders as we implement these measures with the aim of consolidating the collective potential of the Mitsubishi Materials Group and creating value as an integrated business entity.

(6) Major Business Activities of the Group (as of March 31, 2011)

The major business activities of the Group are production and sales of cement and secondary cement products; refining, production and sales of copper, gold, silver and other metals; production and sales of cemented carbide tools and other products; production and sales of electronic materials and components; and production and sales of aluminum beverage cans and other aluminum products, including rolled and processed products. The major products and services of each business are as follows:

Business Division	Major Products
Cement	Ordinary Portland cement and various other types of cements, cement-based solidification materials, cement processed products, aggregate, ready-mixed concrete, etc.
Metals	Copper, gold, silver, lead, tin, zinc alloy, sulfuric acid, copper cakes, billets, copper alloy products, wire rods, etc.
Advanced Materials & Tools	Cemented carbide tools, cement carbide alloy, corrosion-resistant alloy, heat-resistant alloy, special copper alloy, precision forging products, diamond cutting tools, powder metallurgical products, electric contact, small motors, etc.
Electronic Materials & Components	Fine materials for assembly, sputtering targets, precision silicon products, advanced materials including heat-conductive insulating substrates, electronic components including surge absorbers and temperature sensors, fluorine chemical products, conductive coatings and other chemical products; polycrystalline silicon, columnar crystal silicon, silane gas, etc.
Aluminum	Bodies and ends of aluminum beverage cans, rolled aluminum products, processed aluminum products, etc.
Others	Coal, geothermal and water power generation, survey, research, design and operations in the area of nuclear fuel cycling; precious metal products, jewelry, engineering, geological surveys, resource exploration, recycling of home appliances, real estate leasing and development, forestry, consulting, etc.

(7) The Group's Major Plants and Business Offices (as of March 31, 2011)

1. The Company

Head Office	1-3-2, Otemachi, Chiyoda-ku, Tokyo	
Plants and others	Cement	Aomori Plant, Iwate Plant, Yokoze Plant (Saitama), Higashitani Mine (Fukuoka), Kyushu Plant (Fukuoka)
	Metals	Akita Refinery, Naoshima Smelter & Refinery (Kagawa), Ikuno Plant (Hyogo), Sakai Plant (Osaka)
	Advanced Materials & Tools ¹⁾	Tsukuba Plant (Ibaraki), Gifu Plant, Akashi Plant (Hyogo), Iwaki Plant (Fukushima)
	Electronic Materials & Components	Sanda Plant (Hyogo), Ceramics Plant (Saitama), Yokkaichi Plant (Mie)
	Others ^{2) 3)}	Human Resources Development Center (Saitama), Omiya Environmental Management Center (Saitama), Geothermal & Electric Power Center (Saitama), Energy Project & Technology Center (Saitama)
Branch (office)	Sapporo Branch, Tohoku Branch (Miyagi), Nagoya Branch, Osaka Regional Head Office, Kyushu Branch (Fukuoka)	
R&D Centers	Central Research Institute (Ibaraki)	
Offices	Vancouver (Canada), Santiago (Chile), Shanghai (China), Bangkok (Thailand), London (U.K.), Sydney (Australia), Taipei (Taiwan), Suva (Fiji)	

Note 1: The Okegawa Plant ceased to exist on June 30, 2010. Since July 1, 2010, its business operations have been assumed by newly formed MMC Superalloy Corporation by incorporation-type company split.

Note 2: On April 1, 2010, the Preparatory Office of the Human Resources Development Center was reorganized and its name changed to the Human Resources Development Center.

Note 3: On April 1, 2011, the Geothermal & Electric Power Center was organized within the head office.

2. Major Subsidiaries

Business Division	Name of Subsidiaries <small>(Note)</small>
Cement	MCC Development Corp. (U.S.), Robertson's Ready Mix, Ltd. (U.S.), Ryoko Lime Industry Co., Ltd. (Tokyo)
Metals	PT Smelting (Indonesia), Mitsubishi Shindoh Co. Ltd., (Tokyo), Onahama Smelting & Refining Co. Ltd. (Tokyo), Mitsubishi Cable Industries, Ltd. (Tokyo)
Advanced Materials & Tools	DIAMET Corporation (Niigata), Mitsubishi Materials Tools Co., Ltd. (Tokyo), Japan New Metals Co., Ltd. (Osaka)
Electronic Materials & Components	Mitsubishi Polycrystalline Silicon America Corp. (U.S.), Mitsubishi Materials Electronic Chemicals Co., Ltd. (Akita), MMC Electronics (THAILAND) Ltd. (Thailand)
Aluminum	Universal Can Corporation (Tokyo), Mitsubishi Aluminum Co., Ltd. (Tokyo), MA Packaging Co, Ltd. (Tokyo)
Others	Ryoko Sangyo Corporation (Tokyo), Mitsubishi Materials Techno Corp. (Tokyo), Dia Consultants Co., Ltd. (Tokyo), Mitsubishi Materials Real Estate Corporation (Tokyo), Materials' Finance Co., Ltd. (Tokyo)

Note: Words within parentheses in the table denote the locations of each company's head office.

(8) The Status of Employees (as of March 31, 2011)**1. Status of Employees of the Group (Consolidated)**

Business Division	Number of Employees ¹⁾
Cement	4,043 (decreased by 282)
Metals	4,637 (decreased by 66)
Advanced Materials & Tools	5,400 (increased by 422)
Electronic Materials & Components	1,618 (increased by 6)
Aluminum	2,507 (decreased by 18)
Others	2,890 (increased by 127)
All Companies (for the whole Group) ²⁾	667 (decreased by 68)
Total	21,762 (increased by 121)

Note 1: Employee numbers within parentheses denote the change from the previous fiscal year-end.

Note 2: Employees stated for all Companies (for the whole Group) are attached to administrative divisions that cannot be demarcated within a specific business division.

2. Status of Employees of the Company (Non-consolidated)

Number of Employees	YOY Change (persons)	Average Age (years)	Average Years of Employment
4,361	Decreased by 369	40.7	18.0

(9) The State of Major Subsidiaries and Affiliates (as of March 31, 2011)**1. The State of Major Subsidiaries**

Name of the Company	Paid-in Capital	Percentage of Ownership (including indirect ownership) (%)	Line of Business
PT Smelting	326 million U.S. dollars ¹⁾	60.5	Production and sales of electrolytic copper in Indonesia
Onahama Smelting & Refining Co. Ltd.	6,999 million yen	53.7	Production and sales of electrolytic copper
DIAMET Corporation	1,500 million yen	100.0	Production and sales of powder metallurgical products
MCC Development Corp.	498 million U.S. dollars ¹⁾	70.0	Investment in ready-mixed concrete businesses in the U.S.
Mitsubishi Polycrystalline Silicon America Corp.	328 million U.S. dollars ¹⁾	100.0	Production and sales of polycrystalline silicon for semiconductors in the U.S.
Materials' Finance Co., Ltd.	30 million yen	100.0	Financing the Company and its affiliates
Mitsubishi Aluminum Co., Ltd.	8,196 million yen	87.7	Production and sales of rolled and processed aluminum products
Mitsubishi Shindoh Co., Ltd.	8,713 million yen	100.0	Processing and sales of copper and copper alloy
Mitsubishi Cable Industries Ltd.	21,815 million yen ²⁾	100.0	Production and sales of optical and electronic components, cables for electricity and communication
Mitsubishi Materials Tools Co., Ltd.	100 million yen	100.0	Sales of cemented carbide tools
Mitsubishi Materials Techno Corp.	1,042 million yen	100.0	Technical construction and civil engineering; production and sales of industrial machinery
Mitsubishi Materials Real Estate Corporation	4,500 million yen	100.0	Sales and leasing of real estate
Universal Can Corporation	8,000 million yen	80.0	Production and sales of aluminum beverage cans
Ryoko Sangyo Corporation	393 million yen	100.0	Sales of the Company's products and other non-ferrous metal products
Robertson's Ready Mix, Ltd.	32 million U.S. dollars ¹⁾	70.0	Production and sales of ready-mixed concrete and aggregate in the south-west area of the U.S.

Note 1: Paid-up capital is shown.

Note 2: On April 20, 2010, the paid-up capital of Mitsubishi Cable Industries Ltd. increased from ¥19,278 million to ¥21,815 million, due to the third-party allocation of new shares, which were purchased by the Company.

2. The State of Major Affiliates

Name of the Company	Paid-in Capital (Million Yen)	Percentage of Ownership (including indirect ownership) (%)	Line of Business
Ube-Mitsubishi Cement Corporation	8,000	50.0	Sales of cement and cement related products
NM Cement Co., Ltd	7,001	30.0	Investment in construction and management of Nghi Son Cement Corporation (Vietnam)
Kobelco & Materials Copper Tube, Ltd.	6,000	45.0	Production and sales of copper tubes and fabricated copper tubes
SUMCO Corporation	114,107	27.8	Production and sales of silicon wafers for semiconductors
P.S. Mitsubishi Construction Co. Ltd	4,218	41.4	Pre-stressed concrete works, civil engineering and sales of concrete products
Mitsubishi Nuclear Fuel Co., Ltd.	11,400	30.0	Production and sales of nuclear fuels
Ryoku Resort Kaihatsu Co., Ltd. ^(Note)	90	50.0	Management and operation of golf course

Note: On June 30, 2011, the Company plans to sell all of its shares in Ryoku Resort Kaihatsu Co., Ltd.

(10) Status of Incorporation-Type Company Split

At its meeting held on March 26, 2010, the Board of Directors resolved to implement an incorporation-type company split (spin off) and integrate several business operations into a new company that was established on July 1, 2010. These businesses are such conducted at the Okegawa Plant, in Saitama Prefecture, of the Advanced Materials & Tools Company, the Sales & Marketing Department of the High-Performance Alloy Products Division, and the following businesses handled by the Non-ferrous Alloys Research & Technology Laboratory of the High-Performance Alloy Products Division: businesses related to manufacture, R&D and sales of special heat-resistant, corrosion-resistant alloys, special copper alloys and other non-ferrous metals, as well as associated businesses (except those businesses related to precision-forged products and foam metal products). The new company is called MMC Superalloy Corporation.

(11) The Group's Major Lenders (as of March 31, 2011)

Major Lenders	Borrowed Amount (Million Yen)	Company Shares held by the Lender	
		Number of Shares Held (Thousand)	Percentage of Shareholding (%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	160,670	39,392	3.0
Mitsubishi UFJ Trust and Banking Corporation	96,218	17,964	1.4
Mizuho Corporate Bank, Ltd.	51,776	1,570	0.1
Development Bank of Japan Inc.	49,220	-	-
The Hachijuni Bank, Ltd.	19,036	2,238	0.2

Note: Percentages of shareholding were calculated after deducting treasury stock (2,908,838 shares).

2. Articles Concerning Stock (as of March 31, 2011)

(1) Total number of shares authorized: 3,400,000,000 (no change from the previous fiscal year-end)

(2) Total number of shares issued: 1,314,895,351 (no change from the previous fiscal year-end)

(3) Number of shareholders: 154,333 (decreased by 10,731 from the previous fiscal year-end)

This includes 111,895 shareholders with voting rights (decrease by 9,243 from the previous fiscal year-end).

(4) Major Shareholders

Name of Shareholders	Investment in the Company	
	Number of Shares Held (Thousand)	Percentage of Shareholding (%)
Japan Trustee Services Bank, Ltd. (Trust account)	79,962	6.1
The Master Trust Bank of Japan, Ltd. (Trust account)	65,050	5.0
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	39,392	3.0
Meiji Yasuda Life Insurance Company	31,018	2.4
Japan Trustee Services Bank, Ltd. (Trust account 9)	24,785	1.9
SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS	22,835	1.7
Nippon Life Insurance Company	19,688	1.5
Mitsubishi Heavy Industries, Ltd.	19,209	1.5
Mitsubishi UFJ Trust and Banking Corporation	17,964	1.4
Mitsubishi Estate Co., Ltd.	17,397	1.3

Note: Percentages of shareholding were calculated after deducting treasury stock (2,908,838 shares).

3. Articles Concerning the Company's Executives

(1) Directors and Corporate Auditors (as of March 31, 2011)

Title	Name	Position and Responsibilities	Important Positions of Other Organizations
Representative Director Chairman	Akihiko Ide		Director, Sakai Chemical Industry Co., Ltd.
Representative Director President	Hiroshi Yao	<u>responsible for:</u> General Operations of the Company	
Representative Director Managing Director	Mayuki Hashimoto 1)	Assistant to the President President, Electronic Materials & Components Company <u>responsible for:</u> Corporate Production Engineering; Corporate Technology & Development; Corporate Marketing	Outside Director, SUMCO Corporation
Representative Director Managing Director	Toshinori Kato	Assistant to the President President, Metals Company <u>responsible for:</u> Corporate Strategy; Procurement & Logistics; Resources Business	
Representative Director Managing Director	Makoto Miki	Assistant to the President <u>responsible for:</u> CSR; Human Resource & Corporate Support; Head Office Innovation; Precious Metals Business; Aluminum Business	President, Material Business Support Corporation
Representative Director Managing Director	Akira Takeuchi 2)	Assistant to the President <u>responsible for:</u> Legal & General Affairs; Corporate Communications & IR; Environment Management; Overseas Business; Affiliated Corporations Business	
Representative Director Managing Director	Keisuke Yamanobe	Assistant to the President <u>responsible for:</u> Business Portfolio Strategy; Internal Audit; Finance & Accounting	President, Materials' Finance Co., Ltd.; Outside Corporate Auditor, SUMCO Corporation

Representative Director Managing Director	Toshimichi Fujii	Assistant to the President President, Cement Company <u>responsible for:</u> Civil Engineering & Construction Business; Information Systems	Vice President, NM Cement Co., Ltd.; Outside Director, P.S. Mitsubishi Construction Co., Ltd.
Director	Yukio Okamoto 3) 13)		Representative Director, Okamoto Associates, Inc. ⁴⁾ ; Outside Director, Nippon Yusen Kabushiki Kaisha (NYK LINE) ⁵⁾ ; Outside Corporate Auditor, Mitsubishi Motors Corporation ⁶⁾
Corporate Auditor (Standing)	Takao Wada 7) 8) 13)		Outside Corporate Auditor, Sanyo Shokai Ltd. ⁹⁾
Corporate Auditor (Standing)	Fumio Shimada		
Corporate Auditor (Standing)	Hiroshi Kanemoto 10)		
Corporate Auditor	Akio Utsumi 7) 11) 13)		Outside Corporate Auditor, Mitsubishi Estate Co., Ltd. ¹²⁾

Note 1: On April 1, 2011, the responsibilities of Director Mayuki Hashimoto were partially changed. He is now Assistant to the President; President, Electronic Materials & Components Company; responsible for Corporate Production Engineering; Corporate Technology & Development.

Note 2: On April 1, 2011, the responsibilities of Director Akira Takeuchi were partially changed. He is now Assistant to the President; responsible for Legal & General Affairs; Corporate Communications & IR; Environment Management; Affiliated Corporations Business.

Note 3: Mr. Yukio Okamoto is an Outside Director as defined in the Corporation Law, Article 2, Item 15.

Note 4: There is no business relationship between the Company and Okamoto Associates, Inc.

Note 5: There is a business relationship for the transportation of coal, etc., between the Company and NYK Line.

Note 6: There is a business relationship for the sale and purchase of goods between the Company and Mitsubishi Motors Corporation.

Note 7: Mr. Takao Wada and Mr. Akio Utsumi are Outside Corporate Auditors as defined in the Corporation Law, Article 2, Item 16.

Note 8: Corporate Auditor Mr. Takao Wada has experience in bank management and therefore has extensive knowledge of finance and accounting.

Note 9: There is no business relationship between the Company and Sanyo Shokai Ltd.

Note 10: Corporate Auditor Hiroshi Kanemoto has experience as Director of the Company, responsible for accounting and finance, and therefore has extensive knowledge of finance and accounting.

Note 11: Corporate Auditor Mr. Akio Utsumi has experience in bank management and therefore has extensive knowledge of finance and accounting.

Note 12: There is a business relationship for real estate rental and leasing between the Company and Mitsubishi Estate Co., Ltd.

Note 13: The Company has notified Tokyo Stock Exchange Inc. and Osaka Securities Exchange Co., Ltd. that Director Mr. Yukio Okamoto and Corporate Auditors Mr. Takao Wada and Mr. Akio Utsumi are independent officers (Outside Director or Outside Auditor with no conflict of interest with general shareholders) in accordance with their regulations, respectively.

(Reference) The following Executive Officers had assumed office as of April 1, 2011:

Title	Name	Position and Responsibilities
Senior Executive Officer	Masatoshi Hanzawa	Member of Corporate Strategy Committee; General Manager, Mineral Resources & Recycling Business Unit; responsible for Sustainable Development
Senior Executive Officer	Kimball McCloud	President, Mitsubishi Cement Corp. President, MCC Development Corp. Vice President, Cement Company
Senior Executive Officer	Takeshi Itaba	President, Mitsubishi Materials (Shanghai) Corporation General Manager, Shanghai Representative Office
Senior Executive Officer	Toshikazu Murai	President, Advanced Materials & Tools Company
Senior Executive Officer	Akio Hamaji	General Manager, Corporate Strategy Div.; General Manager, Corporate Marketing Div.
Executive Officer	Naoki Uchiyama	Vice President, Electronic Materials & Components Company
Executive Officer	Masayuki Minagawa	General Manager, Corporate Support Div. Assistant to the Director responsible for Head Office Innovation
Executive Officer	Takashi Shimizu	Vice President, Metals Company
Executive Officer	Tetsuo Kasukawa	Deputy General Manager, Mineral Resources & Recycling Business Unit
Executive Officer	Makoto Yano	General Manager, Kyushu Plant
Executive Officer	Mikio Ioka	General Manager, Business Ethics Div.
Executive Officer	Teruhiko Masuda	Vice President, Advanced Materials & Tools Company
Executive Officer	Satoshi Terashita	General Manager, Precious Metals Div.
Executive Officer	Isao Iwano	General Manager, Affiliated Corporations Div.; General Manager, Aluminum Div.
Executive Officer	Masaharu Unno	General Manager, Tohoku Branch
Executive Officer	Yoshihiro Nonogaki	General Manager, High-Performance Alloy Products Business Div., Advanced Materials & Tools Company
Executive Officer	Masami Koshimura	General Manager, Corporate Research & Development Div.
Executive Officer	Ryoji Okamoto	General Manager, Corporate Production Engineering Div.
Executive Officer	Isaku Kesen	Vice President, Cement Company
Executive Officer	Kyosuke Shiba	General Manager, Osaka Regional Head Office
Executive Officer	Kazumasa Hori	Vice President, Metals Company
Executive Officer	Yasuhiko Noguchi	Deputy General Manager, Mineral Resources & Recycling Business Unit, Assistant to the Director responsible for Sustainable Development Business
Executive Officer	Eiichi Naito	General Manager, Administration, Cement Company

(2) Directors and Corporate Auditors' Remuneration

Position	Number of Directors/ Corporate Auditors	Remuneration ¹⁾
Directors (of which Outside Directors)	12 Directors (1 Outside Director)	324 million yen (17 million yen) ²⁾
Corporate Auditors (of which Outside Corporate Auditors)	5 Corporate Auditors (2 Outside Corporate Auditors)	100 million yen (40 million yen) ³⁾

Note 1: Although the remuneration amounts shown in the table should be the sums of remuneration for the fiscal year under review and bonuses to be paid in the following fiscal year (excluding Outside Directors and Corporate Auditors), no bonuses are planned for payment in the following fiscal year. Also, amounts paid to three Directors and one Corporate Auditor whose terms of office ended at the close of the 85th Ordinary General Meeting of Shareholders held on June 29, 2010 are included.

Note 2: It was resolved at the 82nd Ordinary General Meeting of Shareholders held on June 28, 2007 that the amount of remuneration to Directors should not exceed ¥49 million per month (excluding salaries as employee paid to who are both Director and employee), including remuneration not exceeding ¥4 million for Outside Directors.

Note 3: It was resolved at the 82nd Ordinary General Meeting of Shareholders held on June 28, 2007 that the amount of remuneration to Corporate Auditors should not exceed ¥17 million per month.

Note 4: It was resolved at the 81st Ordinary General Meeting of Shareholders held on June 29, 2006 that the annual remuneration (bonuses) for Directors other than Outside Directors should not exceed ¥170 million. The actual amount paid is calculated on the basis of consolidated net income and consolidated ordinary income for each fiscal year after the end of the fiscal year.

(3) Major Activities of Outside Directors and Auditors

Status Classification	Name	Major Activities
Outside Director	Yukio Okamoto	Mr. Yukio Okamoto participated in 14 of the 16 Meetings of the Board of Directors held during the fiscal year in review. Mr. Okamoto provides well-informed opinions concerning general management as a Director and well-informed opinions on international affairs as an informed specialist on such fields, when necessary.
Outside Corporate Auditor	Takao Wada	Mr. Takao Wada participated in all 16 meetings of the Board of Directors and all 14 meetings of the Board of Corporate Auditors held during the fiscal year in review. Mr. Wada provides well-informed opinions as a Corporate Auditor, based on abundant experience as a manager and Corporate Auditor in a financial institution and extensive knowledge concerning business management, when necessary.
Outside Corporate Auditor	Akio Utsumi	Mr. Akio Utsumi participated in all 16 meetings of the Board of Directors and all 14 meetings of the Board of Corporate Auditors held during the fiscal year in review. Mr. Utsumi provides well-informed opinions as a Corporate Auditor, based on abundant experience as a manager in a financial institution and extensive knowledge concerning business management, when necessary.

Note: At the Yokkaichi Plant, which produces polycrystalline silicon, the Company received an order from Mie Prefecture on April 28, 2010 to stop the use of certain facilities that were producing high pressure gas without obtaining the required permits in accordance with the High Pressure Gas Safety Act. In response, the Company took immediate action and temporarily suspended operations at those facilities. The Outside Director and Auditors were not involved in this matter and had expressed their views regularly and properly from the viewpoint of legal compliance. With respect to this matter, the Company took countermeasures, including establishment of an Industrial Safety Dept., dedicated to device countermeasures and reinforce control systems concerning industrial safety regulations, including the High Pressure Gas Safety Act. From August 3, 2010, the Company incrementally resumed operations at the Yokkaichi Plant, having received permission from Mie Prefecture and other relevant agencies following modifications to facilities. Also, the outside company officers confirmed the details of the Company's actions to prevent recurrence and are focusing their efforts on strengthening the legal compliance system. In addition, Mr. Yukio Okamoto, an outside director, closely monitored the progress status of facility modification and other matters and otherwise strove to swiftly restart operations at the plant.

(4) Outline of the Content of Limited Liability Agreement

For the purpose of bringing on the Board of Directors or Corporate Auditors competent, talented persons, provisions of the Articles of Incorporation allow the Company to execute with Outside Directors and Outside Corporate Auditors agreements limiting liability for damages in accordance with Article 427, Item 1 of the Corporation Law. In accordance with the provisions, the Company has concluded Limited Liability Agreements with one Outside Director and two Outside Corporate Auditors. The outline of the Agreements is as follows:

1. Limited Liability Agreement with the Outside Director

Concerning liabilities under the Corporation Law, Article 423, Item 1, in the event that the Outside Director has performed his/her duties in good faith and without gross negligence, the Outside Director shall bear the minimum liability for damages amount as stipulated in the Corporation Law, Article 425, Item 1. Concerning the amount that may exceed this liability for damage, the Company shall indemnify the concerned Outside Director for the excess amount.

2. Limited Liability Agreement with the Outside Corporate Auditors

Concerning liabilities under the Corporation Law, Article 423, Item 1, in the event that the Outside Corporate Auditors have performed their duties in good faith and without gross negligence, the Outside Corporate Auditors shall bear the minimum liability amount as stipulated in the Corporation Law, Article 425, Item 1. Concerning the amount that may exceed this liability for damage, the Company shall indemnify the concerned Outside Corporate Auditor for the excess amount.

4. Articles Concerning Accounting Auditor

(1) Name of the Accounting Auditor: KPMG AZSA LLC

As of July 1, 2010, the Accounting Auditor has changed from KPMA AZSA & Co. to KPMG AZSA LLC, a limited liability company.

(2) Remuneration of Accounting Auditor for the Year Ended March 31, 2011

Content of the Remuneration	Amount
(a) Remuneration that the Company should pay to Accounting Auditors	154 million yen
(b) Total amount of monetary and other property benefits that the Company and its subsidiaries should pay (including the above-mentioned)	398 million yen

Note 1: The Company has not subdivided the amount of remuneration for auditing based on the Financial Instruments and Exchange Law and the amount of remuneration for auditing based on the Corporation Law. In the Auditing Agreement entered with the Accounting Auditor it is not possible to substantially subdivide the two. The amount in (a) thus includes auditing remuneration based on the Financial Instruments and Exchange Law.

Note 2: Among the major subsidiaries of the Company, PT Smelting, MCC Development Corp., Mitsubishi Polycrystalline Silicon America Corp., and Robertson's Ready Mix, Ltd. use the services of auditing corporations (including auditors who have the appropriate auditing qualifications abroad) other than the services of KPMG AZSA & Co., to audit accounting related documents (in accordance with the Corporation Law and the Financial Instruments and Exchange Law and the applicable laws of the concerned foreign countries' own legislations).

(3) Content of Non-Auditing Duties

The Company subcontracts "Advisory Services Related to Introduction of International Financial Reporting Standards" and other duties (non-auditing duties) to the Accounting Auditor that are other than the duties of the Certified Accountant Law, Article 2, Item 1.

(4) Policy on Dismissal or Non-reappointment of the Accounting Auditor

The Company, as a general rule, other than dismissals of Accounting Auditor by with the Board of Corporate Auditors as stipulated in the Corporation Law Article 340, shall place on the agenda an item concerning the decision not to reappoint or to dismiss the Accounting Auditor to the General Meeting of Shareholders based on the agreement or the request of the Board of Corporate Auditors in the event it is recognized that it is difficult for the Accounting Auditor to execute its duties suitably.

5. Systems to ensure Compliance with Laws and the Articles of Incorporation in the Execution of Duties by Directors, and Other Systems to Secure Appropriate Business Operations

(1) Systems to Ensure Execution of Duties by Directors and Employees in Conformity with Laws and Articles of Incorporation

1. The Company shall determine the Code of Conduct and internal regulations that should be observed by the directors and employees and establish corporate ethics and a compliance system.
2. The Company shall determine execution of duties through the Board of Directors, Corporate Strategy Committee and other committees in accordance with laws, Articles of Incorporation, and internal regulations and others. In addition, the legal department and the relative department shall carry out the preliminary review of specific significant matters.
3. The Company shall determine the general policies and plans, etc., concerning compliance at the Meetings of the Board of Directors. In addition, the Company shall appoint a Director in charge of compliance and establish a committee related to CSR (corporate social responsibility) and a division responsible for compliance. The Company shall also enforce cross-divisional compliance promotion activities (including internal education) for the whole Company.
4. The Company shall establish a reporting desk to deal with particulars related to problems that may arise over compliance.
5. The Company shall enforce periodical auditing concerning the state of compliance in each division by the division in charge of internal audits.
6. In accordance with its Code of Conduct, the Company shall establish internal structures to ensure appropriate actions under its policy of resolutely rejecting any involvement whatsoever with anti-social forces.

(2) Systems for Preservation and Management of Information Related to the Execution of Duties of Directors

The Company shall properly preserve and manage the minutes of the Meetings of Board of Directors, meetings of Corporate Strategy Committee and other significant information, based on legislation, Articles of Incorporation and internal regulations and policies.

(3) Regulations and Other Systems Concerning Risk Management

1. The Company shall enforce strict management of significant matters through the Board of Directors, Corporate Strategy Committee, and other decision-making bodies based on legislations, Articles of Incorporation, internal regulations and others. In addition, the Company shall carry out preliminary review of significant matters by legal and other related departments based on the internal regulations and others in order to identify risks and prevent risk elicitation and manifestation.
2. The Company shall determine the general regulations, policies, and plans related to risk management at the Meetings of the Board of Directors. In addition, the Company shall appoint the Director in charge of risk management and establish a committee related to CSR and a division responsible for risk management, and shall enforce cross-divisional risk management promotion activities for the whole Company.

3. The Company shall determine the various internal regulations and others and enforce suitable management concerning individual risks, including financial transaction risk, credit transaction risk and information leakage risk.
4. The Company shall enforce suitable management based on the legislation and ordinances concerning work-related accidents.
5. The Company shall build a communication system with the aim of preventing damage from accidents on a massive scale, natural disasters or terrorism, and establish an organization to respond to such events.
6. The Company shall enforce periodical auditing concerning the state of risk management in each division by the division in charge of internal audits.

(4) Systems to Ensure Efficient Execution of Duties by Directors

1. The Company shall determine rationally the areas of responsibility of each of the Directors and let the Executive Officers assist the Directors in their execution of duties in accordance with the executive officers system. In addition, the Company shall determine the areas of responsibility and authority of each body and division in accordance with the internal regulations and others.
2. The Company shall determine the management plan, allocate suitable management resources and authority among the various divisions to achieve the plan, and require those divisions to formulate their own specific plans. In addition, the Directors shall suitably verify the progress state of the plan of each division and take appropriate measures when necessary.
3. The Company shall enforce periodic inspection concerning the efficiency of the execution of duties of each division by the division in charge of internal audit.

(5) Systems to Ensure Appropriate Operations of the Group consisting of the Company and its Parent Company and Subsidiaries

1. The Company shall aim to establish corporate ethics and build a compliance system and risk management system of the Group (including an internal education system) by letting each subsidiary formulate a Code of Conduct and internal regulations identical to those of the Company.
2. Concerning each subsidiary, the Company shall aim to improve the soundness and efficiency of management of the subsidiary, and by extension the whole Group, by determining a response liaison division within the Company. The concerned division shall consult and exchange information with the subsidiary concerning specific significant matters.
3. Concerning subsidiaries listed on the Stock Exchange, the Company shall exchange the necessary information with such subsidiaries in order to ensure the efficiency of consolidated management of the Group. The Company shall also establish an internal control system while respecting the autonomy and independence of the subsidiaries.
4. The Company shall establish various regulations related to internal controls concerning financial reporting. The Company shall also establish assessment mechanisms for those internal controls and build a system to ensure the accuracy of the Group's financial reports.
5. In addition to the above-mentioned 1, 2, 3 and 4, the Company shall enforce periodic inspection concerning compliance, risk management and the efficiency of management of subsidiaries by the division in charge of internal audit of the Company.

(6) Particulars Concerning Employees assigned to assist Corporate Auditors and such Employees' Independence from Directors

The Company shall establish a division and assign full-time employees to support the operations of the Corporate Auditors. In addition, the Company shall obtain the consent of the Board of Auditors concerning transfer of such employees and consult with the Board of Auditors concerning assessment and evaluation of them.

(7) Systems for Directors' and Employees' Reporting to Corporate Auditors

The Directors and employees shall swiftly report appropriate information to the Corporate Auditors or to the Board of Corporate Auditors in accordance with the method stipulated in legislations and the internal regulations of the Company, in the case where there is considerable damage to the Company's operations in areas for which they are responsible or the possibility of significant impact on the Company. In addition, the same shall apply in the event that Corporate Auditors request a report about business operations.

(8) Other Systems to Ensure Effective Auditing by Corporate Auditors

1. Corporate Auditors and Representative Directors shall exchange their opinions periodically and when deemed necessary.
2. Corporate Auditors shall be provided with the opportunity to attend Board of Directors Meetings and other significant meetings of the Company.

6. Fundamental Policy Concerning the Control of the Company

(1) Fundamental Policy on Parties in Control of Decisions Concerning the Company's Finance and Operating Policies

As a general rule, the Company believes that its shareholders should be decided through free market transactions in Company stocks on the Stock Exchanges, since the Company's shares are publicly listed. The Board of Directors would not categorically deny an acquisition of shares, even in the case of a unilaterally large acquisition without due discussion with the Board or following agreements and other processes, as long as the acquiring party does not clearly harm the Company's corporate value and the common interests of the shareholders. As a matter of course, the Company believes that the decision to accept or decline a proposal for a Large-Scale Acquisition of shares should be ultimately left to the individual shareholders of the Company.

However, there are some Large-Scale Acquisitions that do not contribute to the corporate value of a target company or the common interests of the shareholders, including those that obviously harm the corporate value and the common interests of the shareholders and those that essentially force shareholders to sell their shares. In addition, unless the party carrying out a Large-Scale Acquisition of the Company's shares is properly aware of the Company's management environment, understands the sources of its corporate value, and aims to ensure and enhance these factors in the medium and long terms, the Company's corporate value and the common interests of the shareholders may possibly be harmed.

According to this assessment, the Company believes that parties undertaking Large-Scale Acquisitions that may possibly harm its corporate value and the common interests of shareholders as outlined above as not suitable to be in control of decisions about the Company's financial and operating policies. Therefore, the Company believes that it is necessary to maintain a framework to secure the necessary time and information for its shareholders to assess whether or not the acquisition is appropriate, in order to deter acquisitions that conflict with the Company's corporate value and the common interests of shareholders. Such an arrangement will enable the management to negotiate with potential Acquirers on behalf of the shareholders.

(2) Overview of Special Measures to Ensure the Implementation of the Fundamental Policy

The Company has been developing its various businesses by utilizing technologies accumulated through its origin, metal and coal mining operations, to form an integrated business entity involved in four core businesses—Cement, Metals, Advanced Materials & Tools, and Electronic Materials & Components—as well as the Mineral Resources & Recycling, Aluminum and Precious Metals businesses. The Company has a fundamental corporate philosophy of contribution to society through its various business activities, and has made consistent efforts to create an affluent society, not only through the supply of basic materials indispensable to people’s lives as a comprehensive basic materials manufacturer, but also by helping reduce environmental impact and establishing a resource-recycling social system. Moreover, the Company will continue striving to underpin and enhance corporate value and the common interests of shareholders. In addition to advancing its business activities, the Company will achieve this by earning the further trust of all stakeholders—including shareholders, employees, customers, local communities, suppliers and many other related parties—while maintaining a harmonious coexistence with society.

In this environment, the Mitsubishi Materials Group has been pursuing business structural reforms and a switch to a low-cost structure, based on its “Comprehensive Management Measures” and additional measures being implemented for some time. Due to the Great East Japan Earthquake, the Group has postponed the announcement of its next medium-term business plan, scheduled for March 2011. In the meantime, however, the Group will continue implementing various strategies according to issues it deems important from the business operational perspective, regardless of the impact of the disaster. These strategies pertain to “joint focus on growth strategies and improvement of financial position” (the basic concept of the next medium-term plan), “advancement into overseas markets, especially emerging nations” (a growth strategy stated in the plan), and “creation of distinctive synergies as an integrated business entity” (also a growth strategy stated in the plan).

(3) Overview of Efforts to Prevent Inappropriate Parties from Assuming Control of Decisions Relating to the Company’s Financial and Operating Policies

The Company, in conformity with its corporate philosophy and various policies outlined in (2) above, shall continue pursuing maximization of corporate value and the common interests of the shareholders in the future. At the same time, however, it may not be possible to ignore the potential of Large-Scale Acquisitions by third parties that may harm corporate value and the common interests of shareholders, as described in (1) above. Therefore, at its meeting held on May 12, 2010, the Board of Directors passed a resolution entitled “Countermeasures to Large-Scale Acquisition of the Company’s Shares (Takeover Defense Measures),” (hereinafter called the “Plan”), which is a modified version of a plan previously in place. The Plan received approval at the 85th Ordinary General Meeting of Shareholders held on June 29, 2010.

An outline of the Plan is given below. For more details, please refer to the May 12, 2010 press release entitled “Countermeasures to Large-Scale Acquisition of the Company’s Shares (Takeover Defense Measures)” posted on the Company’s website (Japanese language only):
<http://www.mmc.co.jp/corporate/ja/01/01/10-0512c.pdf>

1. Fundamental Policy of the Plan

For the purpose of preserving and enhancing its corporate value and the common interests of shareholders, the Company has set out takeover defense measures incorporating procedures to be observed by a party carrying out or who plans to carry out a Large-Scale Acquisition of the Company’s shares. The Company shall warn such parties in advance that there are procedures with which they will be required to comply, and that the Company may, in certain circumstances, take protective measures against the acquisition.

2. Plan Details

(i) Targeted Large-Scale Acquisitions

The Plan shall apply in cases where there is an acquisition of share certificates, or the like of the Company that falls under a. or b. below or any similar action (hereinafter referred to as a “Large-Scale Acquisition”). Any party carrying out or proposing a Large-Scale Acquisition (the “Acquirer”) must comply with procedures predetermined in the Plan.

- a. An acquisition that would result in the holding ratio of share certificates, etc., of a holder amounting to 20% of more of the share certificates, etc., issued by the Company
- b. A tender offer that would result in the ownership ratio of share certificates, etc., of the share certificate relating to the tender offer, and the owning ratio of share certificates, etc., of a person having a special relationship totaling at least 20% of the share certificates, etc., issued by the Company.

(ii) Prior Submission of Letter of Intent to the Company

Before effecting a Large-Scale Acquisition, the Company shall require any Acquirer conducting a Large-Scale Acquisition to submit to the Board of Directors a written undertaking in the Japanese language in the form prescribed by the Company that the Acquirer will, upon the Large-Scale Acquisition, comply with the procedures set out in the Plan (the “Letter of Intent”).

(iii) Provision of Information

When the Acquirer submits the Letter of Intent, the Company shall require the Acquirer to also submit information that complies with the Information List sent by the Company to the Acquirer specifying the information to be submitted in the first instance that is necessary and appropriate for the Company’s shareholders to consider the Large-Scale Acquisition in accordance with procedures predetermined by the Company.

The Board of Directors shall require the Acquirer to submit the information within the period set by the Board (the “Information Provision Requirement Period”), which is 60 days following the sending of the above-mentioned Information List, and the Board of Directors’ Evaluation Period as described in (iv) below shall commence immediately upon the expiration of the Information Provision Requirement Period. However, if a request for an extension based on a plausible reason is received from the Acquirer, the Information Provision Requirement Period may be extended as needed up to a maximum of 30 days. Alternatively, if the Board of Directors determines objectively that the provision of information has been completed for the reason that the information submitted by the Acquirer is sufficient, then the Information Provision Requirement Period will be ended forthwith and the Board of Directors’ Evaluation Period as described in (iv) below will commence, even if it is before the expiration of the Information Provision Requirement Period.

(iv) Establishment of Board of Directors’ Evaluation Period

Following the completion of the provision of information, or the expiration of the Information Provision Requirement Period, the Board of Directors shall set a period of a maximum of 60 days, or a maximum of 90 days, depending on the form of the Large-Scale Acquisition, for the Board of Directors to evaluate, examine, negotiate, form opinions, and prepare an alternative plan.

However, the said period may be extended by a maximum of 30 days when deemed necessary by the Board of Directors, or when recommended by an Independent Committee.

(v) Recommendation by Independent Committee Concerning the Invocation of Countermeasures

With regard to the invocation of countermeasures, under the Plan an Independent Committee comprising only of persons who are independent from the Company’s management responsible for business execution will be established to eliminate arbitrary judgments by the Board of Directors.

If, on the appearance of an Acquirer, the Independent Committee is consulted by the Board of Directors as to whether it should invoke countermeasures or not, the Independent Committee shall make a recommendation to the Board of Directors on whether or not to invoke countermeasures.

(vi) Resolution by the Board of Directors

If the Acquirer does not comply with the procedures stipulated in the Plan, or if a Large-Scale Acquisition is judged to seriously harm the Company's corporate value or the common interests of shareholders, and it is therefore deemed appropriate to invoke countermeasures, the Board of Directors may resolve to invoke the countermeasures while granting utmost respect for the recommendation of the Independent Committee.

(vii) Holding a Shareholders Meeting to Confirm Their Intent

When the Independent Committee makes a recommendation concerning the invocation of countermeasures that is conditional upon receiving prior approval at a general meeting of shareholders, or the Board of Directors deems that it is appropriate to confirm the intent of all shareholders, a general meeting of shareholders shall be held at which an item will be submitted concerning the invocation of countermeasures (the "Shareholders Meeting to Confirm Their Intent"). The Board of Directors shall pass a resolution either to invoke countermeasures or not invoke countermeasures in compliance with the resolution passed at the Shareholders Meeting to Confirm their Intent.

(viii) Outline of Countermeasure

As a countermeasure invoked in accordance with the Plan, the Company shall, in principle, exercise the gratis allotment of stock acquisition rights. Such stock acquisition rights shall be allotted to shareholders as of the allotment date. One right will be allotted per common stock of the Company. Under the Plan, the Company intends to attach conditions that the Acquirer or other ineligible parties that meet criteria specified separately may not exercise the stock acquisition rights. Further, the Company plans to attach conditions that enable the Company to acquire the stock acquisition rights allotted to persons other than ineligible parties and, in exchange, issue one common stock of the Company per such stock acquisition right.

(ix) Effective Period, Abolition, or Amendment of the Plan

The Plan shall be effective until the closing of the 88th Ordinary General Meeting of Shareholders of the Company, to be held in June 2013.

However, even before the expiration of the effective period, the plan shall be abolished immediately if (a) a general meeting of shareholders of the Company passes a resolution to abolish the Plan, or (b) the Board of Directors passes a resolution to abolish the Plan.

(4) Determination by the Board of Directors, and the Reasons thereof, that the Measures in (2) above are in Accordance with the Basic Policy in (1) above and as such do not Harm the Common Interests of Shareholders or Aim to Maintain the Status of the Company's Officers

The Board of Directors has determined that the measures in (2) above are in accordance with the basic policy in (1) above. Such reason is that, by securing and enhancing the Company's corporate value and the common interests of shareholders through the measures in (2) above, and appropriately reflecting it in the value of the Company's shares, it will become difficult to conduct a Large-Scale Acquisition that adversely affects the Company's corporate value and the common interests of shareholders.

Accordingly, the Board of Directors has determined that the measures in (2) above do not harm the common interests of the Company's shareholders and are not aimed to maintain the status of the Company's officers.

(5) Determination by the Board of Directors, and the Reasons thereof, that the Measures in (3) above are in Accordance with the Basic Policy in (1) above and as such do not Harm the Common Interests of Shareholders or Aim to Maintain the Status of the Company's Officers

The measures in (3) above prevent inappropriate parties, in the context of the basic policy in (1) above, from controlling decisions on policies relating to the Company's finances and operations. Such reason is that, by enabling the Company to invoke countermeasures against an Acquirer who does not provide sufficient information or does not accede to a request for securing a sufficient period for their examination etc., the Company may prevent a Large-Scale Acquisition that will significantly harm the Company's corporate value and the common interests of shareholders. Additionally, the measures in (3) above are implemented with the objective of securing and enhancing the Company's corporate value and the common interests of shareholders, and in line with such objective, to have the Acquirer provide the necessary information beforehand concerning the Large-Scale Acquisition that said Acquirer intends to make so that the required period of time is secured for evaluating and examining, etc., the details thereof. Furthermore, a variety of systems and procedures are in place to ensure the reasonableness and fairness of the measures in (3) above for the reason that these measures contain a procedure for confirming the intent of all shareholders, establish an Independent Committee comprising highly independent members, give utmost respect to the Committee's recommendation, establish reasonable and objective criteria for the invocation of countermeasures, and eliminate arbitrary judgments by the Board of Directors by basing the invocation of countermeasures on a resolution passed at a Shareholders Meeting to Confirm Their Intent.

Accordingly, the Board of Directors determines that the measures in (3) above are in accordance with the basic policy in (1) above, and do not harm the common interests of the Company's shareholders and are not aimed at maintaining the status of the Company's officers.

In this Business Report, the figures for financial amounts and number of shares are rounded down to the nearest stated unit. Figures for ratios have been rounded up or down to the nearest stated decimal place.

Consolidated Balance Sheets

[As of March 31, 2011]

(Millions of yen)

Item	Amount	Item	Amount
[ASSETS]		[LIABILITIES]	
Current Assets:	788,471	Current Liabilities:	862,214
Cash and deposits	112,930	Notes and accounts payable-trade	136,749
Notes and accounts receivable-trade	221,480	Short-term loans payable	330,791
Securities	570	Current portion of bonds payable	20,000
Merchandise and finished goods	70,193	Commercial papers	48,000
Work in process	103,561	Income taxes payable	6,183
Raw materials and supplies	88,076	Deferred income taxes	1,759
Deferred income taxes	9,688	Accrued bonuses	10,711
Other	184,848	Gold payable	189,795
Allowance for doubtful accounts	(2,878)	Allowance for loss on disaster	4,364
Noncurrent Assets:	1,048,933	Allowance for loss on disposal of inventories	1,968
Property, Plant and Equipment:	687,602	Other	111,890
Building and structures, net	166,585	Noncurrent Liabilities:	572,321
Machinery and equipment, net	211,642	Bonds payable	80,000
Land, net	280,062	Long-term loans payable	305,974
Construction in progress	16,818	Provision for retirement benefits	62,478
Other, net	12,493	Reserve for directors' retirement benefits	1,450
Intangible Assets:	53,246	Reserve for loss on subsidiaries and affiliates	2,632
Goodwill	44,570	Reserve for environmental measures	5,235
Other	8,675	Deferred income taxes	37,630
Investments and Other Assets:	308,084	Deferred income taxes on revaluation reserve for land	39,791
Investment securities	265,655	Other	37,128
Long-term loans receivable	5,575	Total Liabilities	1,434,536
Deferred income taxes	16,706	[NET ASSETS]	
Other	28,274	Shareholders' Equity:	340,493
Allowance for investment loss	(2,236)	Capital stock	119,457
Allowance for doubtful accounts	(5,891)	Capital surplus	113,570
		Retained earnings	108,887
		Treasury stock	(1,421)
		Accumulated Other Comprehensive Income:	3,739
		Valuation difference on available for sale securities	28,157
		Deferred gains or losses on hedges	95
		Revaluation reserve for land	31,616
		Foreign currency translation adjustment	(56,129)
		Minority Interests	58,635
		Total Net Assets	402,868
Total Assets	1,837,405	Total Liabilities and Net Assets	1,837,405

Note: All amounts less than one million yen are rounded down.

Consolidated Statements of Operations

[For the year ended March 31, 2011]

(Millions of yen)

Item	Amount
Net Sales	1,333,992
Cost of sales	1,141,094
Gross Profit	192,898
Selling, General and Administrative Expenses	135,607
Operating Profit	57,290
Non-Operating Profit:	43,499
Interest income	919
Dividends income	34,141
Rent income on noncurrent assets	5,399
Other	3,039
Non-Operating Expenses:	44,364
Interest expenses	12,848
Expenses for rent in undertaking	4,145
Loss on disposal of property, plant and equipment	3,172
Equity in losses of affiliates	16,378
Other	7,819
Ordinary Income	56,425
Extraordinary Income:	6,731
Effect of application of accounting standard for inventories	3,461
Gain on sales of marketable securities and investments in securities	816
Gain on sales of noncurrent assets	581
Reversal of allowance for doubtful accounts	313
Other	1,558
Extraordinary Losses:	25,649
Loss on valuation of investment securities	10,280
Loss on disaster	5,846
Loss on impairment	2,909
Loss on liquidation of business	1,810
Loss on sales of property, plant and equipment	127
Other	4,674
Income before Income Taxes	37,507
Corporate income taxes and business tax	14,235
Corporate income taxes in previous period	(1,562)
Income taxes adjustments	1,849
Income before Minority interests	22,984
Minority interests in income	8,710
Net Income	14,274

Note: All amounts less than one million yen are rounded down.

Statement of Changes in Consolidated Shareholders' Equity
[Year ended March 31, 2011(From April 1, 2010 to March 31, 2011)]

(Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2010	119,457	113,408	92,802	(1,384)	324,283
Change during the fiscal year					
Net income			14,274		14,274
Decrease from write-downs of land revaluation excess			(183)		(183)
Increase from rise in number of consolidated subsidiaries			587		587
Increase from rise in number of equity method affiliates			1,412		1,412
Decrease from exclusion of subsidiaries from consolidation			(5)		(5)
Increase from sale of subsidiaries' shares		171			171
Acquisition of treasury stock				(55)	(55)
Disposal of treasury stock		(8)		18	9
Net change in items other than shareholders' equity					
Total change during the fiscal year	—	162	16,085	(37)	16,210
Balance as of March 31, 2011	119,457	113,570	108,887	(1,421)	340,493

	Other Comprehensive Income					Minority Interests	Total Net Assets
	Valuation difference on available for sale securities	Deferred gains or losses on hedge	Revaluation reserve for land	Foreign currency translation adjustments	Total other comprehensive income		
Balance as of March 31, 2010	23,313	339	31,433	(38,301)	16,784	58,027	399,095
Change during the fiscal year							
Net income							14,274
Decrease from write-downs of land revaluation excess							(183)
Increase from rise in number of consolidated subsidiaries							587
Increase from rise in number of equity method affiliates							1,412
Decrease from exclusion of subsidiaries from consolidation							(5)
Increase from sale of subsidiaries' shares							171
Acquisition of treasury stock							(55)
Disposal of treasury stock							9
Net change in items other than shareholders' equity	4,843	(244)	183	(17,827)	(13,044)	608	(12,436)
Total change during the fiscal year	4,843	(244)	183	(17,827)	(13,044)	608	3,773
Balance as of March 31, 2011	28,157	95	31,616	(56,129)	3,739	58,635	402,868

Note: All amounts less than one million yen are rounded down.

Balance Sheets
[As of March 31, 2011]

(Millions of yen)

Item	Amount	Item	Amount
[ASSETS]		[LIABILITIES]	
Current Assets:	395,640	Current Liabilities:	524,998
Cash and deposits	39,430	Notes payable	727
Notes receivable	3,928	Accounts payable	35,020
Accounts receivable	81,610	Short-term loans payable	163,551
Merchandise and finished goods	28,451	Commercial papers	48,000
Work in process	38,908	Current portion of bonds payable	20,000
Raw materials and supplies	32,647	Lease obligation	343
Advanced payment	14,455	Other payables	2,765
Prepaid expenses	875	Accrued expenses	26,821
Short-term loans receivables	1,059	Income taxes payable	496
Other receivables	9,832	Advance received	7,426
Refundable income tax	1,390	Progress payment received	166
Gold bullion loaned	79,311	Unearned income	78
Deferred income taxes	3,245	Accrued bonuses	4,712
Other	61,543	Allowance for loss on disaster	929
Allowance for doubtful accounts	(1,050)	Employee deposits	8,426
Noncurrent Assets:	833,777	Facilities related notes payable	1,980
Property, Plant and Equipment:	332,552	Other facilities related payables	8,755
Buildings	65,981	Gold payable	189,795
Structures	24,332	Other	5,002
Machinery and equipment	82,961	Noncurrent Liabilities:	403,482
Vessels	25	Bonds payable	80,000
Vehicles and delivery equipment	62	Long-term loans payable	220,571
Tools, furniture and fixtures	1,349	Lease obligation	1,353
Land	147,116	Deferred income taxes	19,366
Lease assets	1,146	Deferred income taxes on revaluation reserve for land	34,399
Construction in progress	8,457	Provision for retirement benefits	27,344
Timber	1,118	Reserve for loss on subsidiaries and affiliates	2,860
Intangible Assets:	1,576	Reserve for environmental measures	5,235
Mining rights	531	Guarantee deposits received	4,432
Software	594	Other	7,919
Lease assets	40	Total Liabilities	928,481
Other	409	[NET ASSETS]	
Investments and Other Assets:	499,648	Shareholders' Equity:	246,055
Investment securities	132,264	Capital stock	119,457
Securities of affiliates	350,410	Capital surplus	113,170
Bonds of affiliates	4	Capital reserve	85,654
Investments	91	Other capital surplus	27,516
Investments in affiliates	6,796	Retained earnings	14,841
Long-term loans receivable	84	Other Retained earnings	14,841
Long-term loans to affiliates	7,965	Earned surplus carried forward	14,841
Other	7,478	Treasury stock	(1,414)
Allowance for investment loss	(906)	Valuation and Translation Adjustments:	54,880
Allowance for doubtful accounts	(4,540)	Valuation difference on available for sale securities	28,825
		Deferred gains or losses on hedges	(205)
		Revaluation reserve for land	26,260
		Total Net Assets	300,936
Total Assets	1,229,417	Total Liabilities and Net Assets	1,229,417

Note: All amounts less than one million yen are rounded down.

Statements of Operations
[For the year ended March 31, 2011]

(Millions of yen)

Item	Amount
Net Sales	723,413
Cost of sales	662,907
Gross Profit	60,506
Selling, General and Administrative Expenses	45,723
Operating Profit	14,782
Non-Operating Profit:	36,557
Interest income	353
Dividends income	29,935
Rent income on noncurrent assets	5,052
Other	1,215
Non-Operating Expenses:	17,348
Interest expenses	7,444
Expenses for rent in undertaking	4,038
Loss on disposal of property, plant and equipment	1,820
Mine liquidation expense	1,720
Other	2,324
Ordinary Income	33,991
Extraordinary Income:	2,378
Gain on recovery of wright-offs	1,690
Gain on sales of marketable securities and investments in securities	297
Gain on sales of noncurrent assets	234
Reversal of allowance for doubtful accounts	37
Other	118
Extraordinary Losses:	16,968
Loss on valuation of investment securities	10,120
Loss on impairment	1,818
Loss on sales of property, plant and equipment	110
Other	4,918
Income before Income Taxes	19,402
Corporate income taxes and business tax	1,284
Corporate income taxes in previous period	465
Income taxes adjustments	(2,141)
Net Income	19,794

Note: All amounts less than one million yen are rounded down.

Statement of Changes in Shareholders' Equity
 [Year ended March 31, 2011(From April 1, 2010 to March 31, 2011)]

(Millions of yen)

	Shareholders' Equity					Total shareholders' equity
	Capital stock	Capital surplus		Retained earnings	Treasury stock	
		Capital reserve	Other capital surplus	Other Retained earnings Earned surplus carried forward		
Balance as of March 31, 2010	119,457	85,654	27,525	(4,692)	(1,376)	226,567
Change during the year						
Net income				19,794		19,794
Decrease from write-downs of land revaluation excess				(260)		(260)
Acquisition of treasury stock					(55)	(55)
Disposal of treasury stock			(8)		18	9
Net change in items other than shareholders' equity						
Total change during the year	-	-	(8)	19,534	(37)	19,488
Balance as of March 31, 2011	119,457	85,654	27,516	14,841	(1,414)	246,055

Note: All amounts less than one million yen are rounded down.

(Millions of yen)

	Valuation and Translation Adjustments				Total Net Assets
	Valuation difference on available for sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance as of March 31, 2010	23,605	(278)	26,000	49,327	275,894
Change during the year					
Net income					19,794
Decrease from write-downs of land revaluation excess					(260)
Acquisition of treasury stock					(55)
Disposal of treasury stock					9
Net change in items other than shareholders' equity	5,219	73	260	5,553	5,553
Total change during the year	5,219	73	260	5,553	25,041
Balance as of March 31, 2011	28,825	(205)	26,260	54,880	300,936

Note: All amounts less than one million yen are rounded down.

Reference Materials for the General Meeting of Shareholders

Items of Business and Reference Information

First Item of Business: Partial Amendment to the Articles of Incorporation

1. Reason for Amendment

In light of the widespread use of the Internet and in the interests of improving notification and streamlining the procedure, it is proposed that the method of public notice stipulated in Article 4 (Method of Public Notice) in the current Articles of Incorporation shall be amended to the electronic public notice, and also the Article shall stipulate the alternative method in case the Company is unable to give public notice due to unavoidable reason.

2. Details of Amendment

The details of amendments are as follows:

(Underlining denotes amended parts.)

Current Articles of Incorporation	Proposed Amendment
(Method of Public Notice) Article 4 Public notices of the Company shall be given in the “Nihon Keizai Shimbun” <u>published in Tokyo.</u>	(Method of Public Notice) Article 4 <u>The Company’s method of public notice shall be electronic public notice. However, if an electronic public notice is not possible due to an accident or other unavoidable circumstances, the notice shall be given in the “Nihon Keizai Shimbun.”</u>

Second Item of Business: Election of Nine (9) Directors

The term of office of all nine (9) Directors will expire at the close of this Ordinary General Meeting of Shareholders. It is hereby proposed that nine Directors be elected.

The candidates for Directors are as follows:

Name (Date of birth)		Personal history, Title and Position at the Company; Important positions in other organizations concurrently assumed	Number of Company shares held
1	Akihiko Ide (October 24, 1941)	Apr. 1965 Joined the Company Jun. 1997 Director; General Manager, General Affairs Dept. Jun. 2000 Managing Director Jun. 2002 Executive Vice President Jun. 2004 President Jun. 2010 Chairman (to present) <u>Important position of other organization(s) concurrently assumed:</u> Director, Sakai Chemical Industry Co., Ltd.	245,000
2	Hiroshi Yao (August 2, 1946)	Apr. 1969 Joined the Company Apr. 2004 Managing Director Jun. 2006 Executive Vice President; President Universal Can Corporation Apr. 2008 President Mitsubishi Aluminum Co., Ltd. Jun. 2010 President of the Company (to present) <u>Responsible for:</u> General operation of the Company	87,000
3	Mayuki Hashimoto (January 10, 1951)	Apr. 1976 Joined the Company Jun. 2005 Executive Officer; General Manager, Corporate Strategy Dept. Jun. 2006 Senior Executive Officer; President, Electronic & Materials Components Company Jun. 2007 Managing Director; President, Electronic & Materials Components Company (to present) <u>Position:</u> Assistant to the President <u>Responsible for:</u> Corporate Production Engineering; Corporate Technology & Development <u>Important position of other organization(s) concurrently assumed:</u> Outside Director, SUMCO Corporation	87,000
4	Toshinori Kato (November 5, 1950)	Apr. 1974 Joined the Company Jun. 2004 Executive Officer; Vice President, Metals Company Apr. 2006 Senior Executive Officer; President, Metals Company Jun. 2008 Managing Director; President, Metals Company (to present) <u>Position:</u> Assistant to the President <u>Responsible for:</u> Corporate Strategy; Procurement & Logistics; Resources Business	59,000
5	Akira Takeuchi (December 4, 1954)	Apr. 1977 Joined the Company Dec. 2004 General Manager, General Affairs Div. Jun. 2006 Executive Officer; General Manager, Legal & General Affairs Div. Apr. 2009 Senior Executive Officer; General Manager, Legal & General Affairs Div. Jun. 2009 Managing Director (to present) <u>Position:</u> Assistant to the President <u>Responsible for:</u> Legal & General Affairs; Corporate Communications & IR; Environment Management; Affiliated Corporations Div.	41,000

Name (Date of birth)		Personal history, Title and Position at the Company; Important positions in other organizations concurrently assumed	Number of Company shares held
6	Keisuke Yamanobe (November 5, 1951)	<p>Apr. 1975 Joined Mitsubishi Mining & Cement Co., Ltd. Oct. 2005 General Manager, Finance Dept., Finance & Accounting Div. of the Company Apr. 2006 Managing Director, Sambo Copper Alloy Co., Ltd. (currently Mitsubishi Shindoh Co., Ltd.) Apr. 2008 General Manager, Finance & Accounting Div. of the Company Jun. 2008 Executive Officer; General Manager, Finance & Accounting Div. Jun. 2010 Managing Director (to present)</p> <p><u>Position:</u> Assistant to the President, General Manager, Business Portfolio Strategy Div. <u>Responsible for:</u> Auditing; Accounting; Finance <u>Important position of other organization(s) concurrently assumed:</u> President, Materials' Finance Co., Ltd. Outside Corporate Auditor, SUMCO Corporation</p>	32,000
7	Toshimichi Fujii (March 4, 1954)	<p>Apr. 1977 Joined Mitsubishi Mining & Cement Co., Ltd. Jun. 2003 General Manager, Production Control Dept., Cement Company Jun. 2007 Manager of Kyushu Plant Jun. 2009 Executive Officer; General Manager, Company Technology Div., Cement Company Jun. 2010 Managing Director, President, Cement Company (to present)</p> <p><u>Position:</u> Assistant to the President <u>Responsible for:</u> Civil Engineering and Construction Business; Information Systems <u>Important position of other organization(s) concurrently assumed:</u> Executive Vice President, N.M. Cement Co., Ltd. Outside Director, P.S. Mitsubishi Construction Co., Ltd.</p>	24,000
8	Yukio Okamoto (November 23, 1945)	<p>Apr. 1968 Joined the Ministry of Foreign Affairs of Japan (MOFA) Jan. 1991 Resigned from MOFA Mar. 1991 Representative Director, Okamoto Associates, Inc. (to present) Jun. 2000 Director of the Company (to present)</p> <p><u>Important position of other organization(s) concurrently assumed:</u> Representative Director, Okamoto Associates, Inc. Outside Director, Nippon Yusen Kabushiki Kaisha (NYK Line) Outside Corporate Auditor, Mitsubishi Motors Corporation</p>	97,000
9 *	Masatoshi Hanzawa (May 21, 1950)	<p>Apr. 1983 Joined the Company Apr. 2005 General Manager, Business Incubation Dept., Corporate Technology & Development Div. Jun. 2006 General Manager, Corporate Technology & Business Planning Dept., Corporate Technology & Development Div. Jun. 2007 Executive Officer; General Manager, Energy Business Div. Jun. 2008 Executive Officer; General Manager, Corporate Technology & Development Div. Jun. 2009 Senior Executive Officer; General Manager, Corporate R&D and Marketing Div. Apr. 2011 Senior Executive Officer; General Manager, Mineral Resources & Recycling Business Unit (to present)</p>	36,000

Note 1: The person with an asterisk (*) is a candidate for a new appointment as a Director.

Note 2: There are no special interests between any of the candidates and the Company.

Note 3: Yukio Okamoto is a candidate for appointment as an Outside Director. The Company has notified the Tokyo Stock Exchange, Inc., and the Osaka Securities Exchange Co., Ltd. that Mr. Okamoto is an Independent Officer (an Outside Director with no conflict of interest with general shareholders) in accordance with their respective regulations.

Note 4: Special notes concerning the candidate for Outside Director are as follows:

(1) Reasons for nominating Mr. Okamoto as a candidate for Outside Director and his term of office

Mr. Okamoto is a specialist in international affairs and also has extensive knowledge in general management. The Company believes that he will be a competent Outside Director, and thus endorses his election to the position. At the close of this Ordinary General Meeting of Shareholders, Mr. Okamoto's term of office will be 11 years.

(2) Violation of laws or the Articles of Incorporation or other improper conduct at another company in which the candidate has held office as a director, executive officer, or corporate auditor in the past five years

In March 2011, it was revealed that the Mizushima and Powertrain plants of Mitsubishi Motor Corporation, of which Mr. Okamoto is an Outside Auditor, had been using certain facilities without filing the notifications required under environment-related legislation and regulations. Mr. Okamoto was not involved in this matter, and has routinely advised that attention be paid to compliance with laws and regulations. Furthermore, since this matter came to light, Mr. Okamoto has worked hard to further reinforce that company's legal compliance system, including issuing instructions for conducting a thorough investigation and preventing a recurrence.

(3) Limited Liability Agreement

For the purposes of facilitating the appointment of valuable human resources, a provision of the Articles of Incorporation allows the Company to execute with Outside Directors agreements limiting liability for damages in accordance with Article 427, Paragraph 1 of the Corporation Law. In accordance with the provision, the Company has executed a limited liability agreement with Mr. Yukio Okamoto as described below. If this item of business is approved and resolved and Mr. Okamoto assumes the position of Outside Director, such limited liability agreement will continue to be effective.

With respect to liability as described in Article 423, Paragraph 1 of the Corporation Law, if the Outside Director performs his duty in good faith and without gross negligence, the Outside Director shall be liable to the Company for damages only to the extent of minimum liability as set out in Article 425, Paragraph 1 of the Corporation Law. The Company shall indemnify the Outside Director for damages in excess of the amount of liability.

Third Item of Business: Election of One (1) Corporate Auditor

The term of office of the Corporate Auditor, Mr. Takao Wada, will expire at the close of this Ordinary General Meeting of Shareholders. It is hereby proposed that one (1) Corporate Auditor be elected.

The Company has obtained the consent of the Board of Corporate Auditors on this Item of Business.

The candidate for Corporate Auditor is as follows:

Name (Date of Birth)	Personal history Title and Position at the Company; Important positions in other organizations concurrently assumed	Number of Company Shares Held
Takao Wada (January 1, 1947)	Apr. 1969 Joined the Mitsubishi Bank, Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Jun. 1997 Director; General Manager, Marunouchi Branch, Mitsubishi Bank, Ltd. Jun. 2000 Corporate Auditor (standing), Mitsubishi Bank, Ltd. Jun. 2003 President, Diamond Capital Co., Ltd. (currently Mitsubishi UFJ Capital Co., Ltd.) Oct. 2005 Chairman, Mitsubishi UFJ Capital Co., Ltd. Jun. 2007 Outside Corporate Auditor (standing) of the Company (to present) <u>Important position of other organization(s) concurrently assumed:</u> Outside Corporate Auditor, Sanyo Shokai Ltd.	14,000

Note 1: There are no special interests between Mr. Takao Wada and the Company

Note 2: Mr. Wada is a candidate for the position of Outside Corporate Auditor. The Company has notified the Tokyo Stock Exchange, Inc., and the Osaka Securities Exchange Co., Ltd. that Mr. Wada is an Independent Officer (an Outside Corporate Auditor with no conflict of interests with general shareholders) in accordance with their respective regulations.

Note 3: Special notes concerning the candidate for Outside Corporate Auditor are as follows:

- (1) Reasons for nominating Mr. Wada as a candidate for Outside Corporate Auditor and his term of office
Mr. Wada has extensive and high-level expertise and experience spanning many years in the management of financial organizations and auditing. The Company believes that he will properly supervise the Company's management and provide appropriate advice as an Outside Corporate Auditor, and thus endorses his election to the position. At the close of this Ordinary General Meeting of Shareholders, Mr. Wada's term of office will be four years.
- (2) Violation of laws or the Articles of Incorporation or other improper conduct during the candidate's term of office
In October 17, 2008, the Company received a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission for violating the Antimonopoly Act with respect to purchases of molten metals and the like that the Company made from local governments over the period from March 2004 through July 2007.
On April 28, 2010, the Company received an order from Mie Prefecture to stop the use of certain facilities at the Yokkaichi Plant, which produces polycrystalline silicon, that were producing high pressure gas without obtaining the required permits in accordance with the High Pressure Gas Safety Act.
Mr. Wada was not involved in these matters, and has routinely expressed his opinions on compliance with laws and regulations. Furthermore, since this matter came to light, Mr. Wada has worked hard to further reinforce the Company's legal compliance system, including checking the particulars of the Company's initiatives directed at preventing a recurrence.
- (3) Limited Liability Agreement
For the purposes of facilitating the appointment of valuable human resources, a provision of the Articles of Incorporation allows the Company to execute with Outside Corporate Auditors agreements limiting liability for damages in accordance with Article 427, Paragraph 1 of the Corporation Law. In accordance with the provision, the Company has executed a limited liability agreement with Mr. Wada as described below. If this item of business is approved and resolved and Mr. Wada assumes the position of Outside Corporate Auditor, such limited liability agreement will continue to be effective.
With respect to liability as described in Article 423, Paragraph 1 of the Corporation Law, if the Outside Corporate Auditor performs his duty in good faith and without gross negligence, the Outside Corporate Auditor shall be liable to the Company for damages only to the extent of minimum liability as set out in Article 425, Paragraph 1 of the Corporation Law. The Company shall indemnify the Outside Corporate Auditor for damages in excess of the amount of liability.

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