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Company name: Mitsubishi Materials Corporation
 Representative's name: Akihiko Ide, President
 Securities Code No.: 5711
 Contact: First Section of the Tokyo Stock Exchange,
 First Section of Osaka Securities Exchange
 Nobuyuki Suzuki, Manager,
 Corporate Communications & IR Dept.
 Tel: +81-3-5252-5206

Notice Regarding Revision of Performance Forecasts and Reversal of Deferred Tax Assets

In light of its recent business results, the Company has revised its performance forecasts for the fiscal year ended March 31, 2010 (previous forecasts were announced on November 5, 2009). The new forecasts are summarized below.

Also in the year ended March 31, 2010, the Company plans to implement a reversal of its deferred tax assets.

1. Revision of Forecast for the Fiscal Year Ended March 31, 2010 (April 1, 2009-March 31, 2010)

(Consolidated)

(¥ millions, except per-share figures)

	Net sales	Operating income	Ordinary income	Net income	Net income per share(¥)
Previous forecast (A)	1,050,000	4,000	(27,000)	(60,000)	(47.31)
Revised forecast (B)	1,085,000	8,500	(15,000)	(72,000)	(56.62)
Amount change (B-A)	35,000	4,500	12,000	(12,000)	—
Percentage change (%)	3.3%	112.5%	44.4%	(20.0)%	—
(Reference) Result for Year ended March, 2009	1,424,114	35,134	40,046	6,106	4.81

(Nonconsolidated)

(¥ millions, except per-share figures)

	Net sales	Operating income	Ordinary income	Net income	Net income per share(¥)
Previous forecast (A)	586,000	(13,000)	(6,000)	(30,000)	(23.65)
Revised forecast (B)	600,000	(11,000)	(3,000)	(48,000)	(37.75)
Amount change (B-A)	14,000	2,000	3,000	(18,000)	—
Percentage change (%)	2.4%	15.4%	50.0%	(60.0)%	—
(Reference) Result for Year ended March, 2009	712,758	6,042	35,657	15,033	11.84

2. Reasons for Revision

Looking at the business environment surrounding the Mitsubishi Materials Group, copper prices have risen to higher levels than expected, while demand from the automobile and semiconductor sectors are in a recovery trend. These factors have led to an increase in net sales, in both consolidated and nonconsolidated terms, and we also anticipate improvements in operating income and ordinary income. Due to the impact of a reversal of deferred tax assets, however, tax expenses will increase, leading to a higher net loss for the period.

Assumptions

	Previous Forecast	Revised Forecast
Copper price	244 ¢ / lb	273 ¢ / lb
Exchange rate	¥92.70 / USD	¥92.50 / USD

3. Reversal of Deferred Tax Assets

Given the uncertainty of the current business environment, the Company undertook a serious assessment of the recoverability of its deferred tax assets. As a result, we decided to implement a ¥26.5 billion reversal of such assets.

4. Future Strategies

In the wake of the worldwide recession since the latter half of 2008, the Group adopted emergency cost-related measures, concentrated its business resources, and implemented various measures aimed at transforming itself into a low-cost operation. These actions were based on its “Comprehensive Management Measures” and additional measures that more deeply entrench the “Comprehensive Management Measures.” While such actions are producing steady results, the impact of recession on the Group’s business performance has been particularly strong in the year ended March 31, 2010. Due also to the year-end reversal of deferred tax assets, the Group will incur a net loss greater than originally expected.

With respect to its forecasts for the year ending March 31, 2011, the Group is currently analyzing figures and plans to make an announcement on May 12, 2010. While we expect difficult challenges to remain in some businesses, we are confident of returning all income items (operating income, ordinary income, and net income) to profitability, in both consolidated and nonconsolidated terms. Due to recovery of demand in the automobile and semiconductor sectors and various measures we have implemented, since the third quarter of the fiscal year just ended March 31, 2010, we have noted a significant improvement in earnings and expect this trend to continue into the current fiscal year. The Group will continue working to implement structural business and cost reforms and various other actions based on its “Comprehensive Management Measures.” At the same time, we will strive to reinforce our business foundation and generate steady profits. We will devote our entire energies to achieving sustained growth into the future.

Note: The above forecasts were prepared based on information, available at the time of this document’s release, pertaining to such factors as economic conditions and market trends. Due to unforeseen circumstances, however, actual results may differ from such forecasts.