
Mitsubishi Materials Corporation

Supplementary Explanation
for the Third Quarter ended December 31, 2010

February 8, 2011

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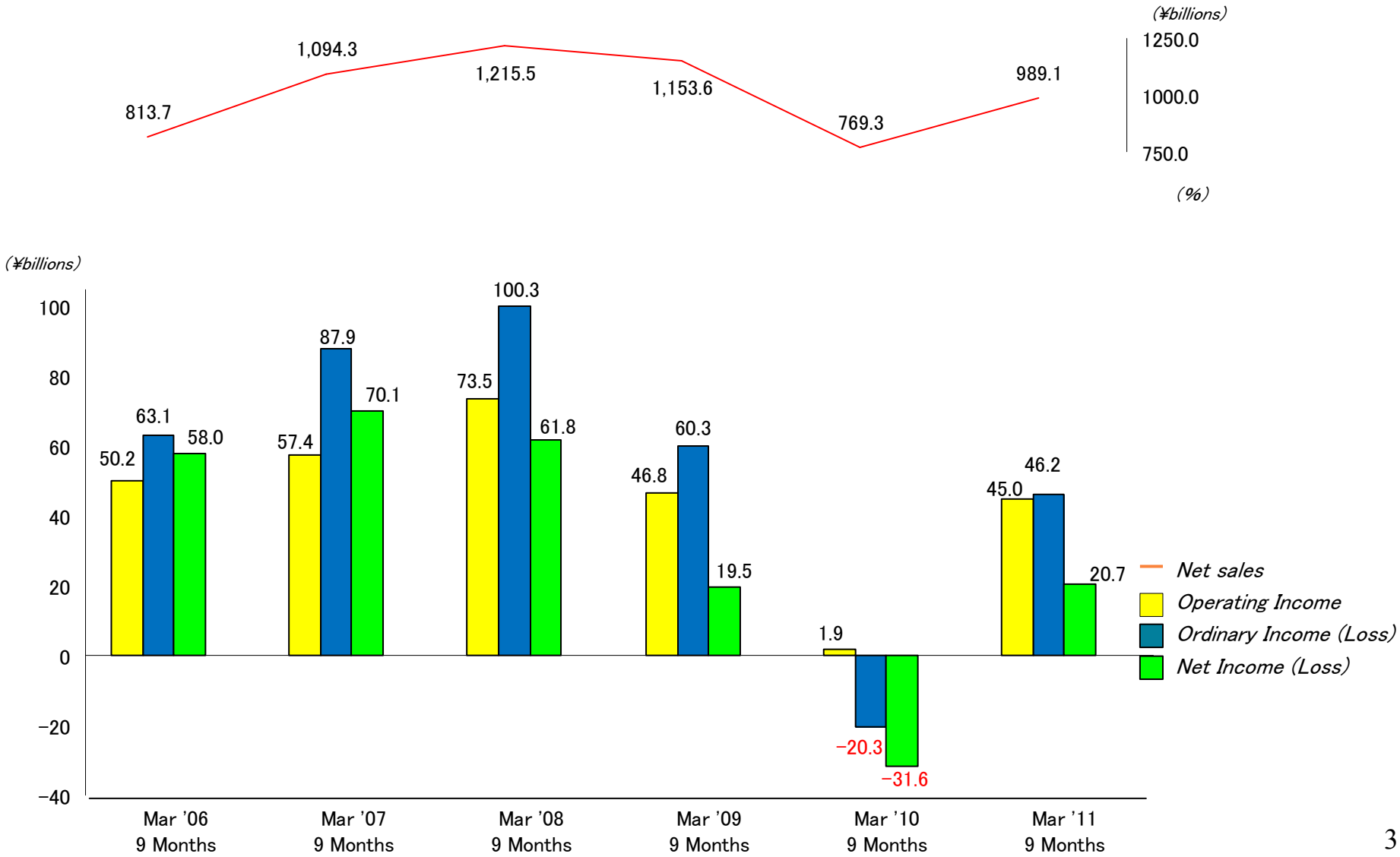
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Performance Overview (Nine Months Results)



Consolidated Statements of Operations (Year-on-Year Comparison)

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

(¥billions)	Mar '10 9 Months Result (a)	Mar '11 9 Month Result (b)	Difference (b)-(a)	Reason
Net sales	769.3	989.1	219.7	Mitsubishi Cable Group +58.3, Diamet Group +18.9
Operating income	1.9	45.0	43.0	Mitsubishi Cable Group +2.1, Diamet Group +1.4 Change in estimated useful lives +3.5
Net interest and dividend income	0	12.0	12.0	Dividend income +11.9 (+9.3⇒+21.2)
Earnings in equity of affiliates	-20.6	-7.7	12.8	SUMCO +10.4 (-20.1⇒-9.6)
Other/Non-operating income	-1.6	-3.0	-1.3	Exchange gain and loss -18 (+6⇒-12)
Ordinary income	-20.3	46.2	66.5	
Extraordinary income	-8.2	-5.3	2.9	Loss on liquidation of business -5.5, Loss on valuation of investment securities -3.3, Gain on change in equity +2.3 ↓ Loss on valuation of investment securities -5.8 Temporary suspension of Yokkaichi plant -1.6 Effect of application of accounting standard for inventories +3.4
Income taxes	0.1	-13.0	-13.1	
Minority interests in income	-3.2	-7.1	-3.9	
Net income	-31.6	20.7	52.4	

Net Sales, Operating Income, and Ordinary Income by Segment (Year-on-Year Comparison)

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

(¥billions)

		Mar'10 9 Months (a)	Mar'11 9 Months(b)	Difference (b-a)
Cement	Net sales	124.3	113.3	-10.9
	Operating income	8.9	5.5	-3.3
	Non-operating income	0.1	-1.3	-1.5
	Ordinary income	9.0	4.2	-4.8
Metals	Net sales	334.9	514.2	179.2
	Operating income	-0.4	18.4	18.8
	Non-operating income	-3.9	10.4	14.4
	Ordinary income	-4.4	28.8	33.2
Advanced Materials & Tools	Net sales	67.7	106.6	38.8
	Operating income	-6.2	12.2	18.4
	Non-operating income	-1.8	-0.6	1.2
	Ordinary income	-8.1	11.5	19.7
Electronic Materials & Components	Net sales	44.5	45.7	1.2
	Operating income	0.4	3.4	3.0
	Non-operating income	-21.5	-9.4	12.0
	Ordinary income	-21.0	-6.0	15.0
Aluminum	Net sales	97.6	106.1	8.4
	Operating income	2.8	5.3	2.5
	Non-operating income	-0.7	-0.7	-0.0
	Ordinary income	2.1	4.5	2.4

		Mar'10 9 Months (a)	Mar'11 9 Months(b)	Difference (b-a)
Other	Net sales	100.0	102.9	2.8
	Operating income	-3.5	0.0	3.5
	Non-operating income	5.6	3.0	-2.5
	Ordinary income	2.1	3.0	0.9
Total	Net sales	769.3	989.1	219.7
	Operating income	1.9	45.0	43.0
	Non-operating income	-22.3	1.2	23.5
	Ordinary income	-20.3	46.2	66.5

Consolidated Balance Sheets: Assets

Increase in working capital thanks to high copper prices

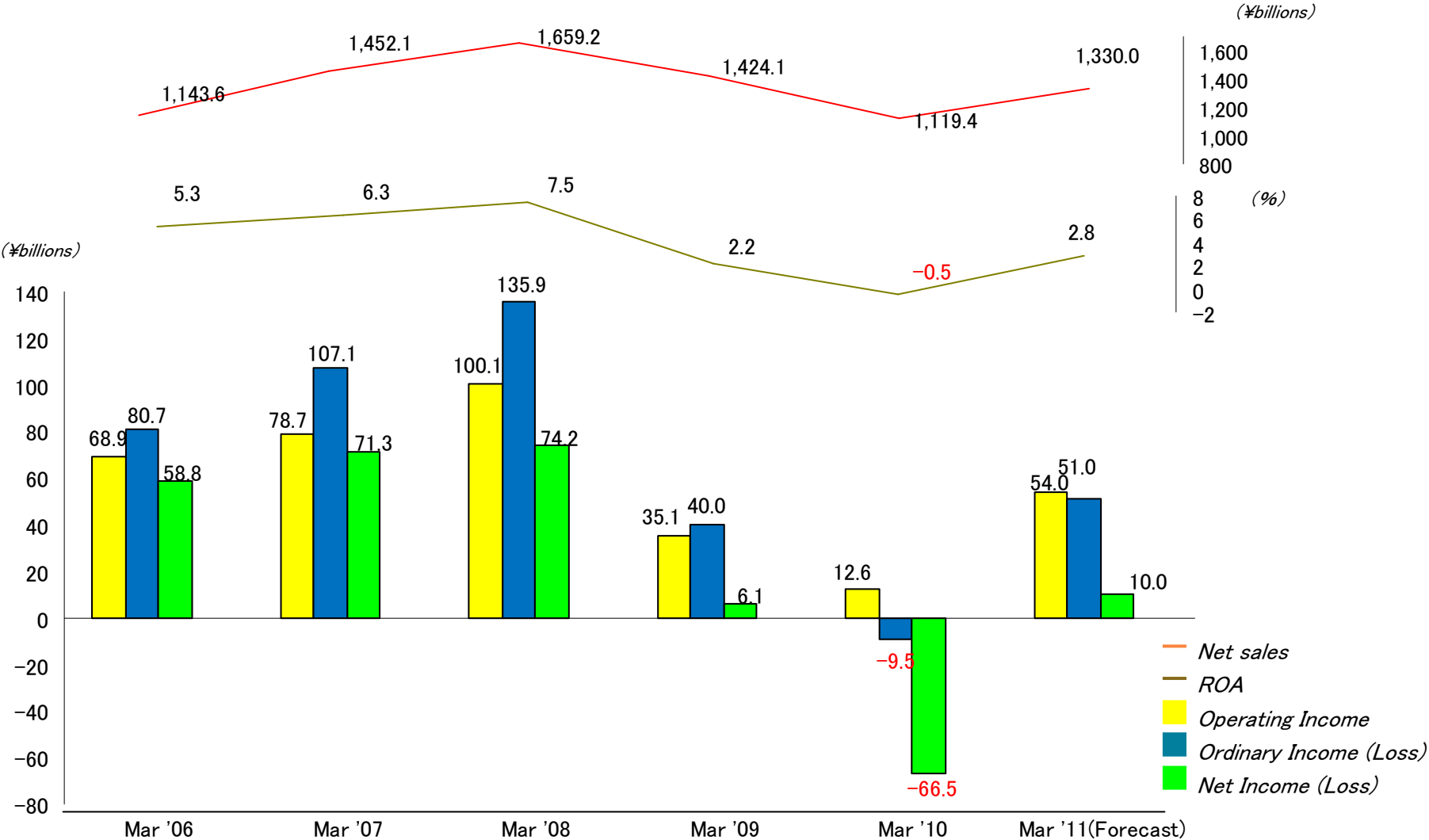
(¥billions)		Mar'10 (a)	Dec'10 (b)	Difference (b-a)
Current Assets	Cash and deposits	76.9	75.5	-1.4
	Notes and accounts receivable-trade	214.1	227.7	13.5
	Inventories	239.0	262.5	23.4
	Other	179.3	186.4	7.0
Sub total		709.5	752.2	42.6
Noncurrent Assets	Property, plant and equipment and intangible assets	788.4	749.9	-38.4
	Investments and other assets	328.4	316.0	-12.3
	Sub total	1,116.8	1,066.0	-50.8
Total		1,826.4	1,818.2	-8.1

Consolidated Balance Sheets: Liabilities and Net Assets

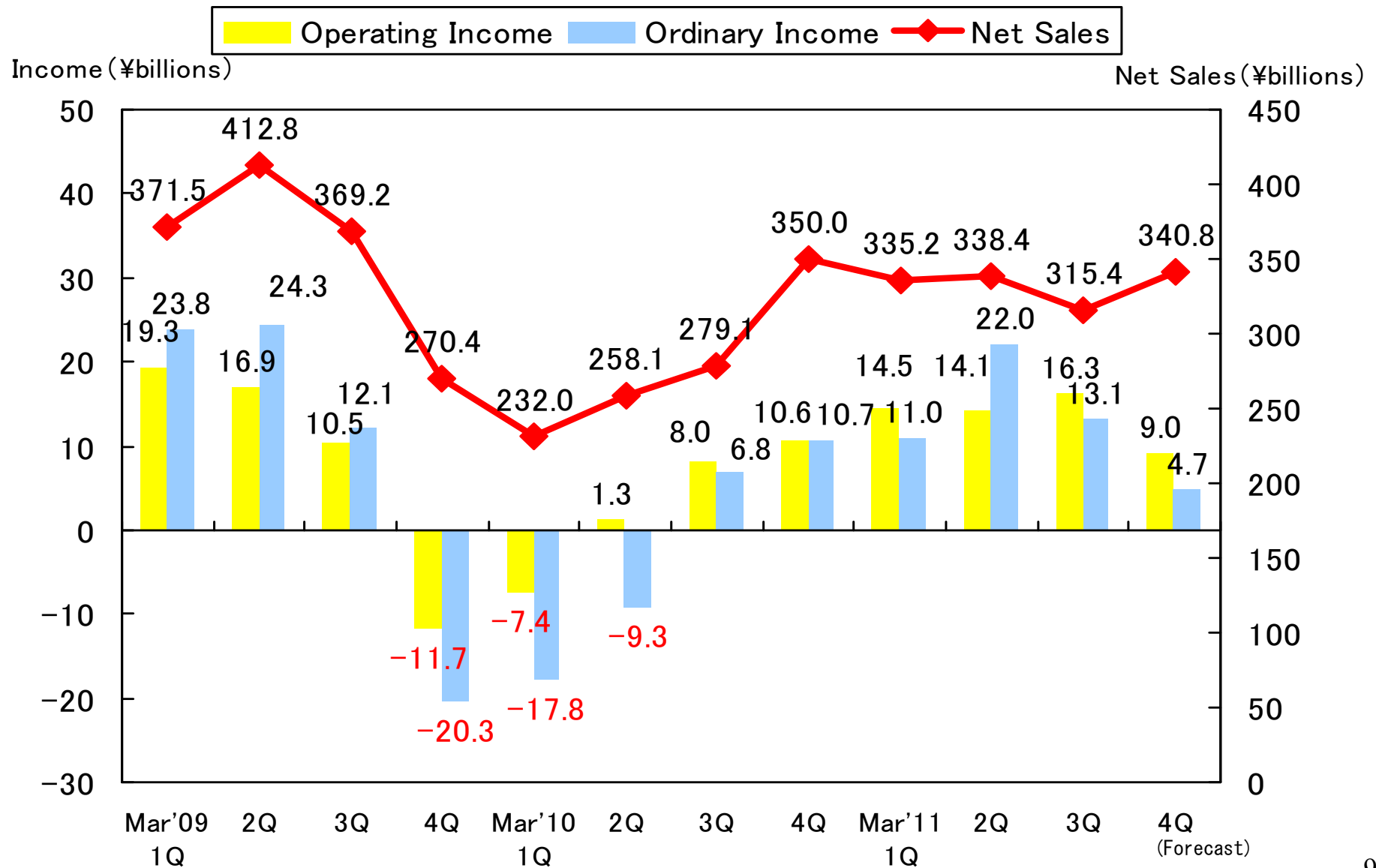
(¥billions)		Mar'10 (a)	Dec'10 (b)	Difference (b-a)
Liabilities	Notes and accounts payable-trade	128.9	128.7	-0.2
	Short-term loans payable, bonds payable, and CP	(43%) 796.0	(43%) 787.1	-8.8
	Other liabilities	502.2	492.6	-9.6
	Sub total	1,427.3	1,408.5	-18.7
Net Assets	Capital stock	119.4	119.4	—
	Capital surplus and treasury stock	112.0	112.2	0.2
	Retained earnings	92.8	115.3	22.5
	Foreign currency translation adjustment	-38.3	-52.2	-13.9
	Other Valuation and translation adjustments	55.0	54.9	-0.0
	Minority interests	58.0	59.8	1.8
Sub total	(22%) 399.0	(23%) 409.6	10.5	
Total		1,826.4	1,818.2	-8.1

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

Performance Overview (Full Year)



Revenues and Earnings by Quarter



Consolidated Statements of Operations (Compared to Previous Forecasts)

(¥billions)	Mar '10 Full Year Result	Mar '11 Full Year (* Previous Forecast (a))	Mar '11 Full Year New Forecast (b)	Differen ce (b)-(a)	Reason
Net sales	1,119.4	1,290.0	1,330.0	40.0	
Operating income	12.6	45.0	54.0	9.0	Cements +1.5, Metals +5.0, Advanced Materials & Tools +2.5, Electronic Materials & Components -5, Aluminum +0.5
Net interest and dividend income	9.7	9.5	19.3	9.8	Dividends from Copper Mine +9.0 (15.0⇒24.0)
Earnings in equity of affiliates	-28.4	-1.5	-17.0	-15.5	SUMCO -15.0 (-3.7⇒-18.7)
Other/Non-operating income	-3.5	-3.0	-5.3	-2.3	
Ordinary income	-9.5	50.0	51.0	1.0	
Extraordinary income	-14.7	-13.0	-14.0	-1.0	
Income taxes	-36.4	-11.8	-16.5	-4.7	
Minority interests in income	-5.8	-7.2	-10.5	-3.3	
Net income	-66.5	18.0	10.0	-8.0	
Dividend Payment (¥)	0	-	2	-	

(* Previous Forecast was announced on Nov. 8th, 2010

Changes in Quarterly Financial Results by Segment (Cement)

(¥billions)

Mar'2011	1Q	2Q	3Q	4Q (Forecast)	New annual Forecast(a)	Previous annual Forecast(b)	Difference (a)-(b)
Net sales	34.3	38.6	40.3	41.8	155.0	150.0	5.0
Operating income	0.1	1.8	3.5	2.6	8.0	6.5	1.5
Non-operating income	-0.2	-0.5	-0.5	-1.3	-2.5	-1.5	-1.0
Ordinary income	-0.0	1.3	2.9	1.3	5.5	5.0	0.5

Total demand for cement in Japan (million tons)	9.60	10.22	11.87	9.81	41.50	39.82	1.68
Cement sales volumes for MMC (million tons)	2.03	2.24	2.39	2.30	8.96	8.92	0.04
(Exports)	(0.63)	(0.59)	(0.55)	(0.73)	(2.50)	(2.73)	(-0.23)
Cement sales volumes in the U.S. (million short tons)	0.27	0.33	0.35	0.28	1.23	1.26	-0.03
Revenue from industrial waste processing (¥billions)	3.6	3.7	3.8	3.7	14.8	14.8	0.0

【Unconsolidated】

- Domestic demand higher than MMC's full-year forecast (down 3% year-on-year).
- Ongoing negotiations aimed at raising price by ¥500/ton.

【Consolidated】

- USA business: Nevada still depressed but California finally showing signs of volume recovery; however, 4th quarter weak due to heavy rain.

Changes in Quarterly Financial Results by Segment (Metals)

(¥billions)

Mar'2011	1Q	2Q	3Q	4Q (Forecast)	New annual Forecast(a)	Previous annual Forecast(b)	Difference (a)-(b)
Net sales	184.3	173.8	156.0	175.9	690.0	670.0	20.0
Operating income	7.4	4.2	6.7	3.7	22.0	17.0	5.0
Non-operating income	-1.9	8.4	3.9	6.6	17.0	9.0	8.0
Ordinary income	5.4	12.7	10.6	10.3	39.0	26.0	13.0

Sales of cathodes (MMC) (thousand tons)	80	79	71	70	300	299	1
(Exports)	(24)	(21)	(11)	(16)	(72)	(77)	(-5)
Sales at PTS (thousand tons)	75	59	66	75	275	274	1
Average TTM rate (yen/\$)	92	86	83	83	86	84	2
Copper price LME (¢/lb)	319	329	392	400	360	312	48

【Copper smelting】

- Lower production in 4th quarter due to furnace repairs in Naoshima.
- Earnings boosted by healthy markets for copper and copper byproducts.

【Copper processing】

- 2nd half: Some weakness expected in semiconductors and automobile sectors.

Changes in Quarterly Financial Results by Segment (Advanced Materials & Tools)

(¥billions)

Mar'2011	1Q	2Q	3Q	4Q (Forecast)	New annual Forecast(a)	Previous annual Forecast(b)	Difference (a)-(b)
Net sales	35.4	35.7	35.4	33.5	140.0	140.0	0.0
Operating income	3.7	4.3	4.1	3.4	15.5	13.0	2.5
Non-operating income	-0.1	-0.2	-0.2	-0.5	-1.0	-1.0	0.0
Ordinary income	3.5	4.1	3.9	3.0	14.5	12.0	2.5

Sales of cemented carbide products (¥billions)	20.2	20.9	20.2	19.5	80.8	81.8	-1.0
(Exports by MMC)	7.9	8.3	8.4	8.0	32.6	32.3	0.3

【Cemented carbide products】

- Impact of decline in domestic automobile production still limited.
- Shanghai sales control company started operation in July 2010.
- Thai sales subsidiary started operation in September 2010.
- Demand for insert is strong, and an increase in production is under construction at Tsukuba Plant and a Thai production subsidiary.

Changes in Quarterly Financial Results by Segment (Electronic Materials & Components)

(¥billions)

Mar'2011	1Q	2Q	3Q	4Q (Forecast)	New annual Forecast(a)	Previous annual Forecast(b)	Difference (a)-(b)
Net sales	14.6	14.2	16.8	19.4	65.0	65.0	0.0
Operating income	1.8	0.9	0.5	1.8	5.0	5.5	-0.5
Non-operating income	-2.0	0.5	-7.9	-7.1	-16.5	-2.5	-14.0
Ordinary income	-0.1	1.5	-7.3	-5.6	-11.5	3.0	-14.5

Net income for SUMCO (¥billions) -4.8 -3.5 -25.4 -32.3 -66.0 -12.0 -54.0

【Polycrystalline silicon】

- Yokkaichi plant up and running smoothly; operating at predetermined capacity (sales base) from February.
- MIPSAs: Production decline in 4th quarter due to regular maintenance.

【Advanced materials and electronic devices】

- Advanced materials performing well for tablet PCs and smartphones; electronic devices facing a market correction.

Changes in Quarterly Financial Results by Segment (Aluminum)

(¥billions)

Mar'2011	1Q	2Q	3Q	4Q (Forecast)	New annual Forecast(a)	Previous annual Forecast(b)	Difference (a)-(b)
Net sales	34.9	37.6	33.5	33.0	139.0	140.0	-1.0
Operating income	1.8	2.4	1.0	-0.2	5.0	4.5	0.5
Non-operating income	-0.1	-0.2	-0.3	-0.4	-1.0	-1.5	0.5
Ordinary income	1.6	2.1	0.7	-0.4	4.0	3.0	1.0

Sales of aluminum sheet products (kilotons)	25	26	24	25	100	101	-1
Sales of aluminum extrusion products (kilotons)	5	6	6	6	22	21	1
Sales of aluminum cans (Regular cans) (billion cans)	1.00	1.20	0.90	0.70	3.80	3.90	-0.10
Sales of bottle cans (billion cans)	0.20	0.25	0.20	0.20	0.85	0.75	0.10
Aluminum LME (\$/t)	2,096	2,090	2,343	2,300	2,207	2,197	10

【Rolled and processed products】

- Extruded products for automobiles remain healthy, but overall sales down due to weakness mainly in aluminum sheets for use in cans.

【Aluminum cans】

- Earnings tend to decline due to rising aluminum prices.

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