



January 25, 2008

To whom it may concern,

Company name	Mitsubishi Materials Corporation
Representative's name	Akihiko Ide, President
	(Securities Code No.: 5711 First Section of the Tokyo Stock Exchange and the Osaka Securities Exchange)
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Regarding Merger of Mitsubishi Shindoh and Sambo Copper Alloy
—Consolidated Subsidiaries of Mitsubishi Materials

Mitsubishi Materials Corporation (hereinafter “Mitsubishi Materials” or “the Company”) resolved and signed share exchange agreements to make Mitsubishi Shindoh Co., Ltd. (hereinafter “Mitsubishi Shindoh”), and Sambo Copper Alloy Co., Ltd. (hereinafter “Sambo Copper Alloy”), wholly owned subsidiaries of Mitsubishi Materials at the Board of the Directors meeting held on October 26, 2007. Mitsubishi Materials also resolved to merge Mitsubishi Shindoh and Sambo Copper Alloy as of April 1, 2008, after making them wholly owned subsidiaries, which was announced along with the above share exchange agreements.

Mitsubishi Materials hereby announces that it has resolved the details of the merger between these two wholly owned companies (hereinafter “the merger”) as described below at the Board of Directors meeting held today, and is to seek approval of the shareholders at an extraordinary general meeting of shareholders to be held by each of these companies on February 20, 2008.

Note: With regard to Sambo Copper Alloy, a share exchange agreement with Mitsubishi Materials was approved by Sambo Copper Alloy’s shareholders at an extraordinary general meeting of shareholders held on November 21, 2007, and it became a wholly owned subsidiary of the Company as of December 28, 2007, the effective date of the share exchange agreement.

With regard to Mitsubishi Shindoh, a share exchange agreement with Mitsubishi Materials was approved by Mitsubishi Shindoh’s shareholders at an extraordinary general meeting of shareholders held on December 21, 2007, and it is scheduled to become a wholly owned subsidiary of the Company as of February 1, 2008, the effective date of the share exchange agreement. Pursuant to the share exchange, Mitsubishi Shindoh’s stock will be delisted from the First Section of the Tokyo Stock Exchange as of January 28, 2008.

1. Purpose of the Merger

We believe that the merger will create synergies as outlined below.

- 1) Enabling unified and swifter management-related decisions, as well as strengthening the vertical intra-group value chain;

- 2) Increasing earnings with efficient capital investments in local production bases in eastern and western Japan, and by establishing a more flexible, strategic and risk-responsive production system;
- 3) Reinforcing development capabilities by gathering development resources and enhancing marketing functions; and
- 4) Accelerating an overseas presence by gathering groupwide management resources.

The new corporation to be derived from Mitsubishi Shindoh and Sambo Copper Alloy (hereinafter “the new corporation”) will be Japan’s largest manufacturer of copper alloy products with a 17% share in the domestic copper alloy industry and a 25% share in the domestic copper strips industry. Furthermore, by fusing the development capabilities, technologies and human resources of Mitsubishi Materials with those of the new corporation, we will strive to become “the world’s top-rated copper processing company in development capabilities, quality and earnings capability” by harnessing our strengths mainly in high-performance copper alloy strips and *Eco Brass**.

**Eco Brass* is an epoch-making new lead-free copper alloy that ensures excellent cutting performance, having achieved global attention for use particularly in water supply devices. It excels in high strength and machining performance such as cutting and forging, and has resolved issues such as stress corrosion cracking and dezincification corrosion.

2. Outline of the Merger

(1) Schedule for the merger

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| 1. January 29, 2008 (tentative) | Resolution of the Board of Directors regarding the merger (Mitsubishi Shindoh and Sambo Copper Alloy) |
| 2. January 29, 2008 (tentative) | Signing of the merger agreement |
| 3. February 20, 2008 (tentative) | Reference date for an extraordinary general meeting of shareholders (Mitsubishi Shindoh and Sambo Copper Alloy) |
| 4. April 1, 2008 (tentative) | Due date for the proposed merger (effective date) |

(2) Type of merger

This is the merger with Mitsubishi Shindoh as a surviving company and Sambo Copper Alloy as a company that ceases to exist. There will be no new shares to be issued and/or capital to be increased by this merger.

3. Overview of Mitsubishi Shindoh and Sambo Copper Alloy

(1) Company name	Mitsubishi Shindoh (Surviving company) as of September 30, 2007	Sambo Copper Alloy (Company that ceases to exist) as of June 30, 2007
(2) Line of business	Manufacture and sales of copper and copper alloy products, fabricated products and thin-film products	Manufacture and sales of copper and copper alloy products, and fabricated products
(3) Date of establishment	May 20, 1925	May 16, 1935
(4) Location of head office	3, Nibancho, Chiyoda-ku, Tokyo	374, Sambo-cho 8-chome, Sakai-ku, Sakai-shi, Osaka
(5) Representative	Masahiro Nishida, President	Takao Hashida, President

(6) Capital	¥8,713 million	¥2,550 million
(7) Total number of shares issued	62,699,667shares	22,669,100 shares
(8) Net assets	¥19,179 million (consolidated)	¥14,205million (nonconsolidated)
(9) Total assets	¥51,824 million (consolidated)	¥57,942 million (nonconsolidated)
(10) Fiscal term-end	March 31	December 31
(11) Principal shareholders and shareholding ratios	Mitsubishi Materials Corporation 51.0% The Master Trust Bank of Japan, Ltd. 2.7% Japan Trustee Services Bank, Ltd. 1.4% Note: The ratio of February 1, 2008, is scheduled to be as shown below; Mitsubishi Materials Corporation 100%	Mitsubishi Materials Corporation 100% (as of December 31, 2007)

4. Company Information after the Merger

1. Company name: Mitsubishi Shindoh Co., Ltd.
2. Line of business: Manufacture and sales of copper and copper alloy products, fabricated products and thin-film products
3. Location of head office: 7F Gotenyama Trust Tower, 7-35, Kita-Shinagawa 4-chome, Shinagawa-ku, Tokyo
4. Capital: ¥8,713 million
5. Fiscal term-end: December 31
6. Impact of the merger on financial results

Because the merger is to occur between two wholly owned consolidated subsidiaries of Mitsubishi Materials, the effects of the merger on the consolidated financial results of the Mitsubishi Materials Group are considered to be insignificant.