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Status of Progress of Medium-Term Management Plan "Break-through 1000" (fiscal 2008-2010) and Future Forecast

Mitsubishi Materials Group (the "Group") started its medium-term management plan (fiscal 2008-2010; the "Breakthrough 1000") in April of last year, and has been putting into practice full-bore operational management centered on four core businesses with different business models. In fiscal 2008, the first year of the period, each of these businesses was favorably on track, and the collective efforts of the Group bore fruit as results for consolidated ordinary income achieved an all-time-high. This year and hereafter as well, the Group will work to achieve "Break-Through 1000" through strategic investment and the reinforcement and expansion of drivers of growth in each business to improve our corporate value, oriented to "Advancement and Change."

Based on our current situation, we reexamined our numerical targets for fiscal 2010, and we hereby notify you of our present status of progress.

1. About "Break-Through 1000"

During "Break-through 1000," such management policies as "take a Decisive Lead in Our Core Business," "Value Professionalism Highly," and "Share of Sense of Achievements" will be pursued, and in the meantime, we will achieve "Advancement and Change" through the reinforcement of our intrinsic strength, to pursue sustainable earnings in the following years at a level of more than ¥100 billion.

2. Status of Progress in fiscal 2008 through 2009

In fiscal 2008, the price of copper stayed high, and in addition, our four core businesses grew in the three growth fields of "automobiles, IT and recycling," and, as a result our consolidated ordinary income reached an all-time-high.

In fiscal 2009, deterioration of the business environment is predicted, including price increases for coal, deterioration of conditions of copper ore trade and concern about a slowdown of the world economy originating in the US Subprime mortgage loan crisis. However, through efforts at sustainable growth of each business such as domestic price increases for the cement business, and for the copper business through reinforcement of the downstream copper processing business, we will aim at achievement of ¥100 billion in consolidated ordinary income.

(Companywide Targets)

	FY 2008	FY 2009	[Publicly announced target in March 2007] FY 2010
Consolidated ordinary income	135.9 billion	100.0 billion	More than 100.0 billion
ROA (ratio of ordinary income to total assets)	7.5%	5.3%	Greater than 5%
Debt-to-equity ratio	1.5 times	1.5 times	1.4 times

3. Future outlook

In fiscal 2008, as a strategic move for medium-to-long term business growth of the four core businesses, the Group has decided on capital investments for expansion and reinforcement of the growth drivers in each business, such as converting Robertson Lady Mix into a consolidated subsidiary for reinforcement of the US cement business, converting two copper alloy companies into wholly-owned subsidiaries and the new establishment of Mitsubishi Shindoh Co, Ltd., investment for reinforcement of the business infrastructure of the carbide insert business and a 1000 ton increase in production of polycrystalline silicon. Since we accelerated investment for medium-to-long term growth, the total invested over the three years of “Break-Through 1000” will increase from ¥250 billion to ¥410 billion. Because of this, although a part of the business environment is predicted to worsen, concerning the goal of consolidated ordinary income of greater than ¥100 billion, it is now predicted that we will achieve a profit level of over ¥110 billion. Meanwhile, as to the debt-to-equity ratio, as large scale investment opportunities arose simultaneously, we will modify the goal for fiscal 2010 from 1.4 times to 1.5 times, and through reexamination of the business portfolio, etc., we will continue to strive for improvement of our financial strength.

	[Publicly announced target in March 2007] FY 2010	→	[Target after reexamination] Modified target for FY 2010
Consolidated ordinary income	More than 100.0 billion		More than 110.0 billion
ROA (ratio of ordinary income to total assets)	Greater than 5%		Greater than 5%
Debt-to-equity ratio	1.4 times		1.5 times