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Notice Regarding Discrepancies between Second-Quarter Performance Forecast and Actual Results, Revision of Full-Year Forecast, and Revision of Year-End Dividend Forecast

Discrepancies have appeared between the Group's performance forecast for the second-quarter period ended September 30, 2009 (forecast announced on August 3, 2009), and its actual results for the same period. Details are shown below.

In consideration of its recent performance and other factors, moreover, the Group has revised its full-year performance forecast and its year-end dividend forecast for the fiscal year ending March 31, 2010, which was published on May 11, 2009.

1. Discrepancies between Second-Quarter Performance Forecast and Actual Results (April 1, 2009–September 30, 2009)

(1) Details of Discrepancies

(¥ millions, except per-share figures)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previous forecast (August 3, 2009) (A)	497,000	(10,000)	(34,000)	(39,000)	(30.75)
Result for Second- Quarter ended September, 2009 (B)	490,179	(6,054)	(27,165)	(32,504)	(25.63)
Amount change (B-A)	(6,821)	3,946	6,835	6,496	—
Percentage change (%)	(1.4)	39.5	20.1	16.7	—
(Reference) Result for Second- Quarter ended September, 2008	784,402	36,349	48,224	20,250	15.94

(2) Reasons for Discrepancies

In the second-quarter period ended September 30, 2009, net sales fell below the previous forecast due to sluggish sales of rolled copper, rolled aluminum, and processed aluminum products. However, operating income, ordinary income, and net income showed improvements over the previous forecast due to several factors. These included copper prices, which moved above the Company's initial projection, as well as demand from the automobile and semiconductor sectors, which did not contract as much as originally expected.

2. Revision of Full-Year Forecast (April 1, 2009–March 31, 2010)

(1) Details of Revision of Consolidated Performance Forecast

(¥ millions, except per-share figures)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previous forecast (May 11, 2009) (A)	1,060,000	11,000	(21,000)	(50,000)	(39.42)
Revised forecast (B)	1,050,000	4,000	(27,000)	(60,000)	(47.31)
Amount change (B-A)	(10,000)	(7,000)	(6,000)	(10,000)	—
Percentage change (%)	(0.9)	(63.6)	(28.6)	(20.0)	—
(Reference) Result for Year ended March, 2008	1,424,114	35,134	40,046	6,106	4.81

(2) Details of Revision of Non-Consolidated Performance Forecast

(¥ millions, except per-share figures)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previous forecast (May 11, 2009) (A)	525,000	0	2,000	(27,000)	(21.29)
Revised forecast (B)	586,000	(13,000)	(6,000)	(30,000)	(23.65)
Amount change (B-A)	61,000	(13,000)	(8,000)	(3,000)	—
Percentage change (%)	11.6	—	—	(11.1)	—
(Reference) Result for Year ended March, 2008	712,758	6,042	35,657	15,033	11.84

(3) Reasons for Revision

The business environment surrounding the Mitsubishi Materials Group will benefit from the continuing trend of copper prices above initial projections. However, demand from the automobile and semiconductor sectors and demand related to domestic and overseas capital expenditures are expected to remain stagnant for some time. The Group will work hard to improve earnings, including by stepping up cost-cutting measures. However, its consolidated performance will be impacted by harsh business conditions, leading to expectations that operating income, ordinary income, and net income will fall below initial full-year forecasts. On a non-consolidated basis, net sales in the second-quarter period increased year-on-year thanks to buoyant copper prices. However, full-year figures for operating income, ordinary income, and net income are expected to fall below previous forecasts.

Assumptions

	Previous Forecast	Revised Forecast
Copper price	160¢/lb	244¢/lb
Exchange rate	¥95.00/USD	¥92.70/USD

3. Revision of Year-End Cash Dividend

In its previous forecast, the Group did not state a specific figure for the year-end cash dividend. In consideration of our unavoidable downward revision to the full-year performance forecast, however, regrettably we will forego the year-end dividend for the current fiscal year.

Term-end	Cash Dividends per Share (Yen)				
	1Q	2Q	3Q	Year-End	Full-Year
Previous Forecast	—	0.00	—	(TBD)	(TBD)
Revised Forecast	—	—	—	0.00	0.00
Result for year ended March, 2009	—	0.00	—	—	—
Result for year ended March, 2008	—	4.00	—	0.00	4.00

4. Future Strategies

In addition to adopting emergency cost-related measures, the Mitsubishi Materials Group has worked in unison to implement strategies aimed at concentrating its business resources and transforming itself into a low-cost operation. These actions are based on our “Comprehensive Management Measures.” However, our business performance has been impacted severely by the prolonged economic recession. For this reason, we have been forced to make a significant downward revision to our full-year forecast, a matter that we take very seriously.

The Group remains steadfastly committed to implementing its “Comprehensive Management Measures” and adopting additional actions aimed at their further entrenchment. In the process, we will transform the Group into a low-cost operation and build a firm business foundation, with the aim of returning to profitability in the year ending March 2011 and achieving major progress thereafter. To address current business conditions, which are worse than originally expected, we will consider taking drastic actions, including improvement of our operational base and restructuring of our businesses.

Going forward, the Group stands united in its relentless pursuit of the aforementioned measures. We are dedicated to reinforcing our business foundation and achieving an early performance recovery.

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.