

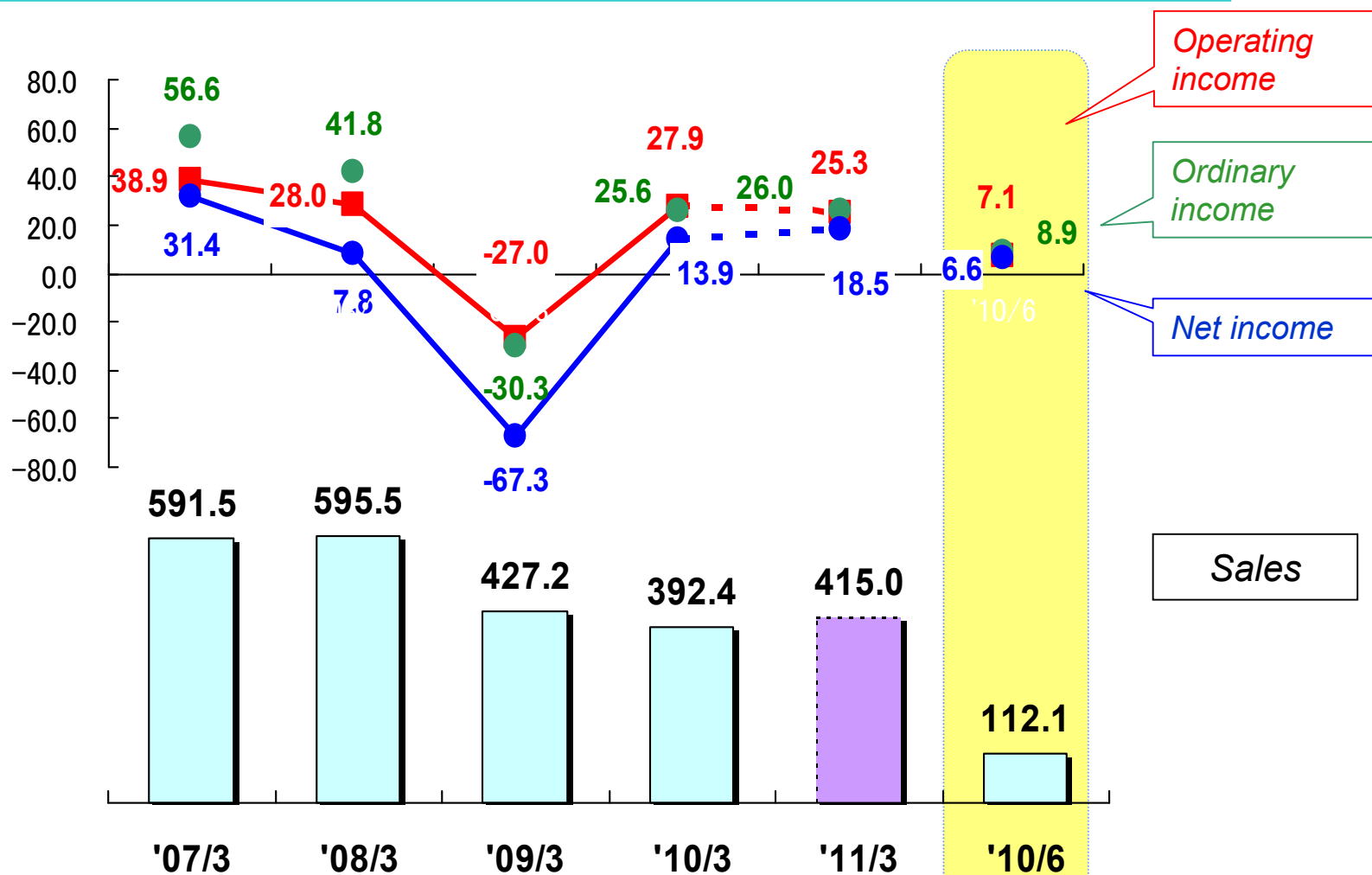


MITSUI KINZOKU
(Mitsui Mining & Smelting Co., Ltd. TSE5706)

FY2010 Q1 Results & Q2 Forecast

August 4, 2010

Sales and Earnings (billion yen)



Dividend per share	12	12	0	3	4	
Dividend payout ratio	21.9%	87.8%	-	12.3%	12.4%	
						Forecast as of May. 6, 2010

Business Overview

■ Fiscal 2010 Q1 results (vs. FY 2009 Q1)

- Sales increased in all segments (+53% year on year), associated with steady demand for copper foil, engineered materials and automotive parts & components, rising zinc prices, and other factors. Operating income, ordinary income, and quarterly net income moved clearly into the black.
- As a temporary factor, a gain on the change in equity attributable to the change of the investment ratio for the Chilean copper mine (¥1.9 billion [other income]) was recorded.

■ Fiscal 2010 1st half forecasts (vs. previous forecast)

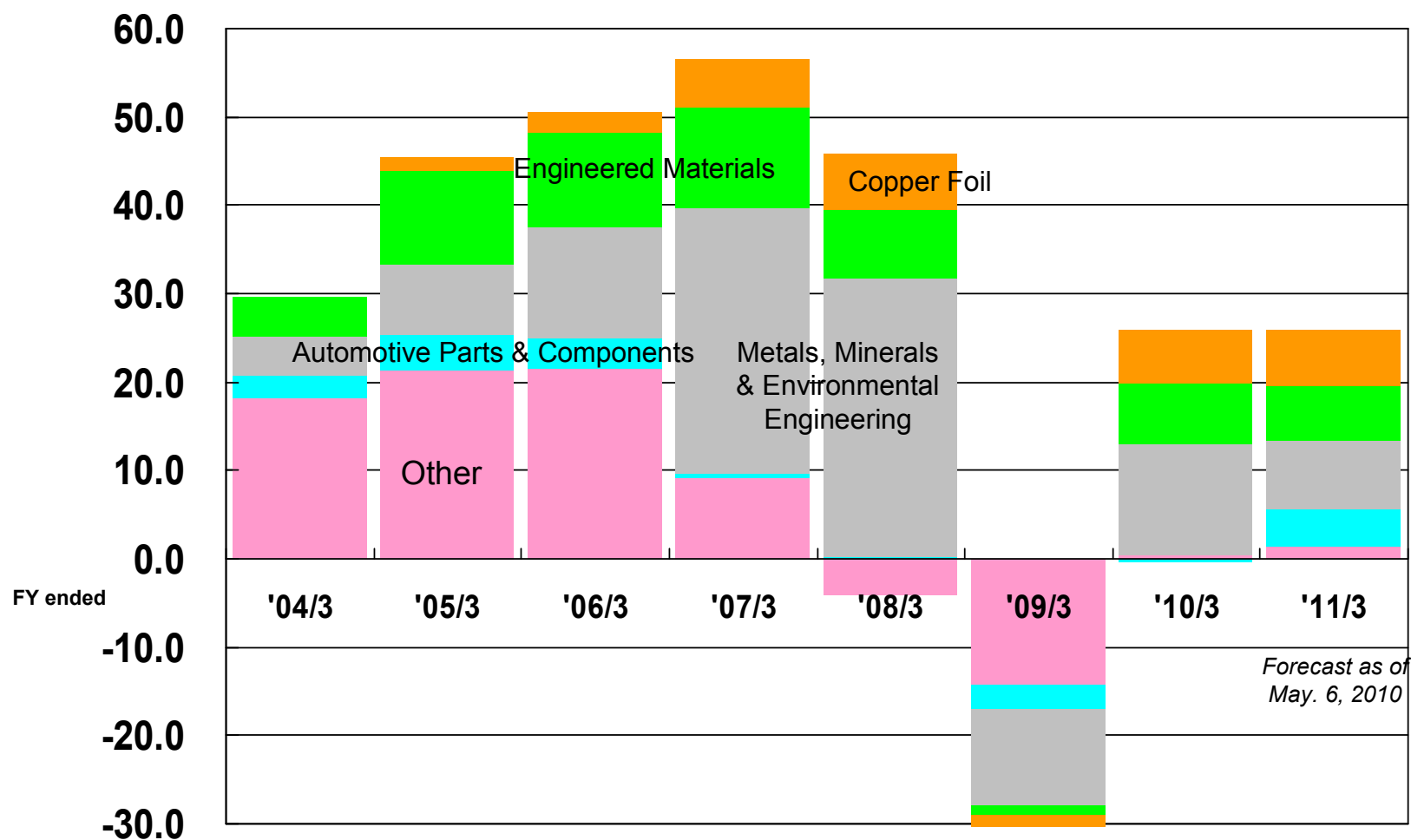
- Supported by the demand from China and other developing nations, both sales and earnings generally surpassed the plan for copper foil, engineered materials, automotive parts & components, etc.
- On the other hand, ordinary income in the metal and environmental segments is set to fall short of the initial plan by 49% since the metal prices, especially zinc prices were lower than the forecast.

Others: The spinoff of the automotive parts business into a separate company and the consolidation of the rolled copper business were completed on July 1. The rolled copper business is treated as equity in the earnings of affiliates from the second quarter.

Statements of Income (billion yen)

	Q1 Results			1st half Forecast				
	'10/Q1	'09/Q1	Change	'10/Q1-2	'09/Q1-2	Change	'10/Q1-2	Change
Net sales	112.1	73.2	38.9 <i>53.1%</i>	217.0	171.7	45.3 <i>26.3%</i>	200.0	17.0 <i>8.5%</i>
Cost of sales	95.0	64.1	30.9 <i>48.1%</i>	-	145.8	-	-	-
Gross profit	17.1	9.1	8.0 <i>88.0%</i>	-	26.0	-	-	-
SG&A expenses	10.1	9.6	0.5 <i>5.0%</i>	-	19.1	-	-	-
Operating income	7.1	-0.5	7.5 <i>-</i>	12.0	6.9	5.1 <i>73.3%</i>	10.0	2.0 <i>20.0%</i>
Non-operating income/ expenses - net	1.8	-1.1	2.9	1.0	-2.1	3.1	2.0	-1.0
Recurring income	8.9	-1.6	10.5 <i>-</i>	13.0	4.9	8.1 <i>167.7%</i>	12.0	1.0 <i>8.3%</i>
Extraordinary profit/losses - net	-0.9	-1.2	0.3	1.1	-2.3	3.4	2.5	-1.4
Net income before income taxes	8.0	-2.8	10.8 <i>-</i>	14.1	2.6	11.5 <i>443.4%</i>	14.5	-0.4 <i>-2.8%</i>
Income taxes and minority interests	1.5	-0.1	1.6	3.6	1.1	2.5	4.0	-0.4
Net income	6.6	-2.7	9.2 <i>-</i>	10.5	1.5	9.0 <i>582.3%</i>	10.5	0.0 <i>0.0%</i>

Historical Ordinary Income by New Segment (billion yen)



Note : Figures for the past several years of the new segments are for reference only, and have not been audited by an audit corporation.

Segment Information by Business (billion yen)

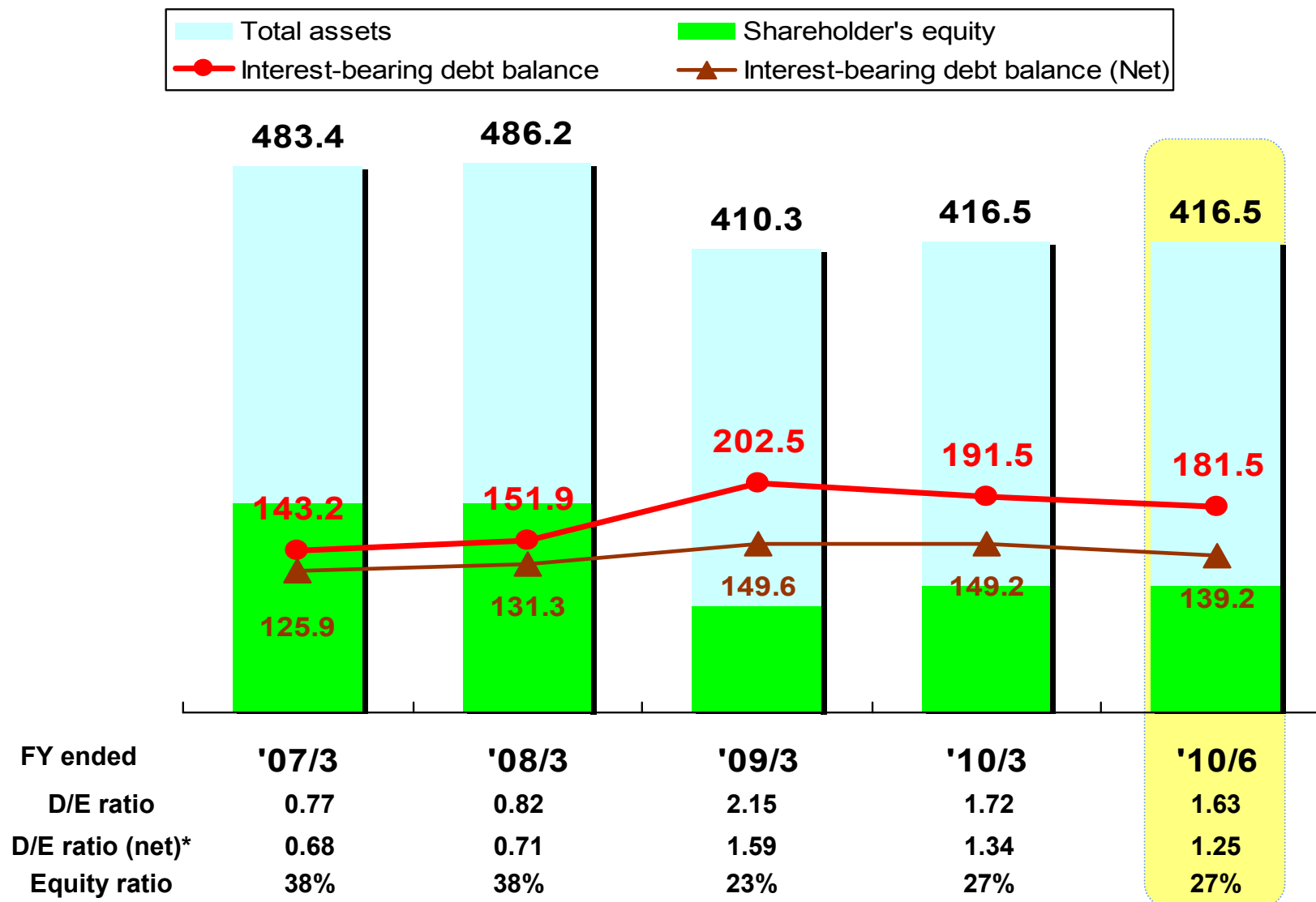
	Q1 Results			1st half Forecast				
	'10/Q1	'09/Q1	Change	'10/Q1-2	'09/Q1-2	Change	'10/Q1-2 as of May 6	Change
■ Sales								
Copper Foil	15.1	9.7	5.3 54.8%	30.4	21.8	8.6 39.4%	27.5	2.9 10.5%
Engineered Materials	19.4	12.6	6.7 53.3%	37.7	28.1	9.6 34.1%	34.3	3.4 9.9%
Metals, Minerals and Environmental Engineering	39.2	28.1	11.1 39.6%	76.2	65.4	10.8 16.4%	74.5	1.7 2.3%
Automotive Parts and Components	21.3	14.0	7.3 52.6%	44.2	32.5	11.7 35.9%	39.6	4.6 11.6%
Other	34.1	21.5	12.6 58.7%	60.9	52.2	8.7 16.6%	56.1	4.8 8.6%
Adjustment	-16.9	-12.6	-4.3	-32.4	-28.4	-4.0	-32.0	-0.4
Consolidated	112.1	73.2	38.9 53.1%	217.0	171.7	45.3 26.3%	200.0	17.0 8.5%
■ Ordinary income	'10/Q1	'09/Q1	Change	'10/Q1-2	'09/Q1-2	Change	'10/Q1-2	Change
Copper Foil	2.5	1.1	1.4 129.7%	4.6	2.9	1.7 58.5%	3.4	1.2 35.3%
Engineered Materials	2.8	0.0	2.7 137450.0%	4.5	1.3	3.2 234.6%	2.9	1.6 55.2%
Metals, Minerals and Environmental Engineering	2.1	0.9	1.3 149.8%	2.9	4.2	-1.3 -30.2%	5.7	-2.8 -49.1%
Automotive Parts and Components	0.8	-1.6	2.4	1.6	-1.9	3.5	1.0	0.6 60.0%
Other	1.2	-0.1	1.3	1.9	1.1	0.8 77.4%	0.5	1.4 280.0%
Adjustment	-0.4	-1.8	1.4	-2.5	-2.7	0.2	-1.5	-1.0
Consolidated	8.9	-1.6	10.5	13.0	4.9	8.1 167.7%	12.0	1.0 8.3%

Note : Figures for the past several years of the new segments are for reference only, and have not been audited by an audit corporation.

Non-operating income/expenses and Extraordinary gains/losses (billion yen)

(billion yen)	Results			1st half forecast				
	'10/Q1	'09/Q1	Change	'10/Q1-2	'09/Q1-2	Change	'10/Q1-2 Previous	Change
Interest income - net	-0.7	-0.7	-0.0	-1.6	-1.4	-0.2	-1.6	0.0
Dividend income -net	0.7	0.2	0.5	0.7	0.2	0.5	0.6	0.1
Equity in gains/losses	2.1	-0.2	2.3	2.3	0.1	2.1	3.6	-1.3
Cu price (¢ /lb)	(319 ¢)	(212 ¢)	(107 ¢)	(300 ¢)	(239 ¢)	(61 ¢)	(280 ¢)	(20 ¢)
Zn price (\$/t)	(\$2,026)	(\$1,473)	(\$553)	(\$2,013)	(\$1,617)	(\$396)	(\$2,300)	(-\$287)
Other	-0.2	-0.4	0.2	-0.4	-1.0	0.7	-0.6	0.2
Non-operating income/expenses - net	1.8	-1.1	2.9	1.0	-2.1	3.1	2.0	-1.0
Write-down of marketable securities & investments	-0.1	-0.9	0.8	-0.1	-0.9	0.9		-0.1
Indemnity	-0.0	-0.0	0.0	-0.0	-0.1	0.0	-0.0	0.0
Loss on sale & disposal of P. P. E.	-0.1	-0.0	-0.1	-0.5	-0.2	-0.3	-0.6	0.0
Impairment charges on P.P.E.	-0.3	-0.0	-0.3	-0.3	-0.1	-0.2		-0.3
Write-down of inventories			0.0			0.0		0.0
Reserve for loss on inventories		1.8	-1.8		1.8	-1.8		0.0
Gain on change in equity			0.0	2.2		2.2	4.1	-1.9
Restructuring charges	-0.0	-1.9	1.9	-0.0	-2.7	2.7	-0.0	0.0
Other	-0.4	-0.1	-0.3	-0.1	0.0	-0.1	-1.0	0.8
Extraordinary profit/losses - net	-0.9	-1.2	0.3	1.1	-2.3	3.4	2.5	-1.4

Financial Position at Term End (billion yen)



* Net Interest-bearing debt balance/Shareholder's equity

Cash Flows (billion yen)

	'09/Q1	'09/Q2	'09/Q3	'09/Q4	'10/Q1	YoY	QoQ
■ Operating CF	-5.6	3.8	1.4	20.0	3.3	8.9	-16.7
■ Investing CF	-4.3	-3.1	-3.1	-7.4	-4.6	-0.4	2.7
■ Free CF	-9.9	0.8	-1.7	12.6	-1.4	8.5	-14.0

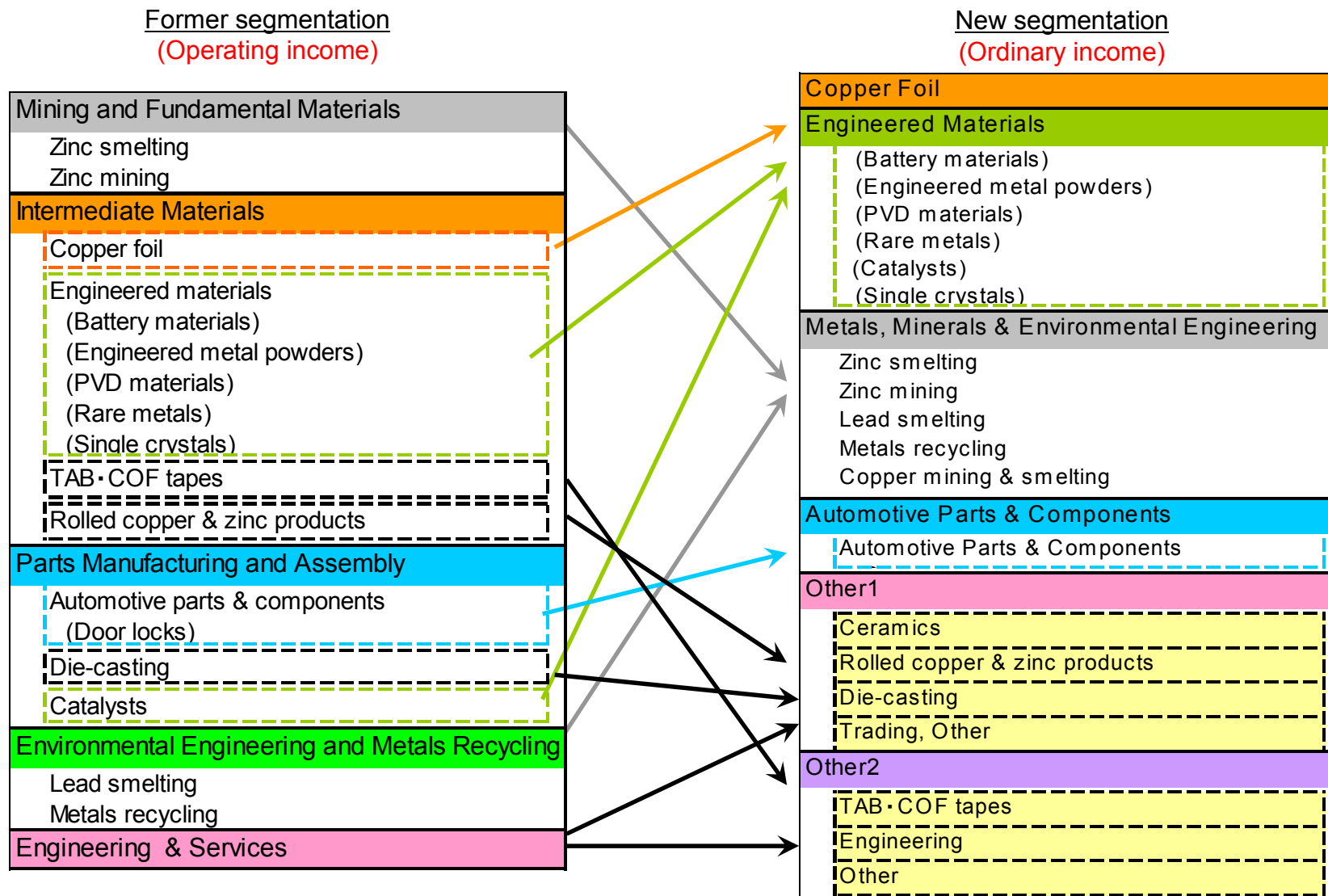
Quarterly sales and incomes (billion yen)

	'09/Q1	'09/Q2	'09/Q3	'09/Q4	'10/Q1	'10/Q2 (Frcast)	Q1 (YoY)	Q1 (QoQ)	Q2 (YoY)	Q2 (QoQ)	'09/Q1-2	10/Q1-2 (Frcast)	YoY
■ Sales													
Copper Foil	9.7	12.1	11.3	12.5	15.1	15.3	5.3	2.5	3.3	0.3	21.8	30.4	8.6
Engineered Materials	12.6	15.5	16.3	18.2	19.4	18.3	6.7	1.1	2.8	-1.1	28.1	37.7	9.6
Metals, Minerals	28.1	37.4	41.3	43.2	39.2	37.0	11.1	-4.1	-0.4	-2.1	65.4	76.2	10.8
Automotive Parts	14.0	18.6	22.1	23.7	21.3	22.9	7.3	-2.4	4.3	1.6	32.5	44.2	11.7
Other	21.5	30.8	32.7	38.7	34.1	26.8	12.6	-4.6	-3.9	-7.2	52.2	60.9	8.7
Adjustment	-12.6	-15.7	-18.1	-21.3	-16.9	-15.5	-4.3	4.4	0.2	1.4	-28.4	-32.4	-4.0
Consolidated	73.2	98.5	105.6	115.1	112.1	104.9	38.9	-3.0	6.4	-7.2	171.7	217.0	45.3
■ Operating income													
(Of which amounts impacted by inventory valuation gains [b])	-0.5 (1.4)	7.4 (3.6)	9.7 (5.0)	11.3 (1.8)	7.1 (-1.2)	4.9 (0.0)	7.5 (-2.6)	-4.2 (-3.0)	-2.5 (-3.6)	-2.1 (1.2)	6.9 (5.0)	12.0 (-1.2)	5.1 (-6.2)
[a] - [b]	(-1.9)	(3.8)	(4.7)	(9.5)	(8.3)	(4.9)	(10.1)	(-1.2)	(1.1)	(-3.3)	(1.9)	(13.2)	(11.3)
■ Ordinary income													
Copper Foil	1.1	1.8	1.3	1.7	2.5	2.1	1.4	0.8	0.3	-0.3	2.9	4.6	1.7
Engineered Materials	0.0	1.3	3.0	2.8	2.8	1.7	2.7	-0.1	0.4	-1.0	1.3	4.5	3.2
Metals, Minerals	0.9	3.3	4.5	3.9	2.1	0.8	1.3	-1.8	-2.5	-1.3	4.2	2.9	-1.3
Automotive Parts	-1.6	-0.3	0.8	0.9	0.8	0.8	2.4	-0.1	1.1	-0.0	-1.9	1.6	3.5
Other	-0.1	1.2	1.9	2.6	1.2	0.7	1.3	-1.5	-0.5	-0.4	1.1	1.9	0.8
Adjustment	-1.8	-0.9	-1.7	-1.0	-0.4	-2.1	1.4	0.5	-1.2	-1.7	-2.7	-2.5	0.2
Consolidated	-1.6	6.4	9.8	11.0	8.9	4.1	10.5	-2.1	-2.3	-4.8	4.9	13.0	8.1
■ Net income													
	-2.7	4.2	6.1	6.2	6.6	3.9	9.2	0.3	-0.3	-2.6	1.5	10.5	9.0

Note : Figures for the past several years of the new segments are for reference only, and have not been audited by an audit corporation.

Changes in segmentation Disclosure under “Management Approach” policy

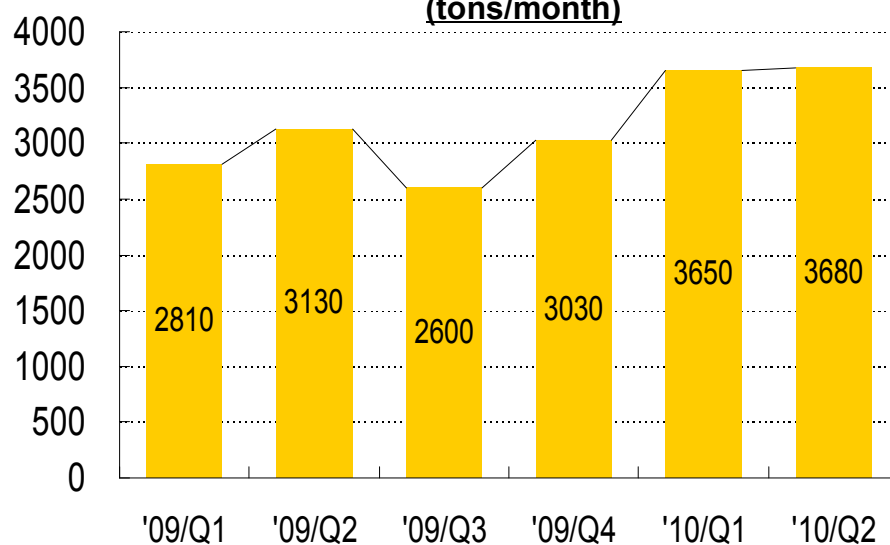
From FY2010, in line with command lines within the Company, segment disclosures have been changed as follows to show ordinary income.



Performance by Segment (1) Copper Foil (billion yen)

	'09/Q1	'10/Q1	YoY	'09/Q-2	'10/Q2 (Forecst)	YoY	'09/Q1-2	'10/Q1-2 (Forecst)	YoY	'10/Q1-2 (Previous)	YoY
■ Sales	9.7	15.1	5.3	12.1	15.3	3.3	21.8	30.4	8.6	27.5	2.9
■ Ordinary income	1.1	2.5	1.4	1.8	2.1	0.3	2.9	4.6	1.7	3.4	1.2
Ordinary income to net sales	11%	16%	5%	15%	14%	-1%	13%	15%	2%	12%	3%

Sales volume for copper foil
(tons/month)



(Estimate as of August 4)

Factors influencing Ordinary Income

['09/Q1 → '10/Q1 +¥1.4bn]



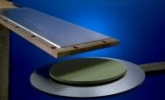


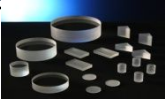
- Demand recovered in earnest, mainly in the Chinese market and for high-performance cell phones.

['10/Q1-2 Previous forecast → revised +¥1.2bn]

- Steady demand boosted sales.

Performance by Segment **(2) Engineered Materials (billion yen)**

	'09/Q1	'10/Q1	YoY	'09/Q-2	'10/Q2 (Forecst)	YoY	'09/Q1-2	'10/Q1-2 (Forecst)	YoY	'10/Q1-2 (Previous)	YoY
■ Sales	12.6	19.4	6.7	15.5	18.3	2.8	28.1	37.7	9.6	34.3	3.4
■ Ordinary income	0.0	2.8	2.8	1.3	1.7	0.4	1.3	4.5	3.2	2.9	1.6
Ordinary income to net sales	0%	14%	14%	9%	10%	1%	5%	12%	7%	8%	3%

(Engineered material products)	(Main applications)
Battery materials 	<ul style="list-style-type: none"> • Nickel-hydrogen batteries for hybrid cars • Lithium-ion batteries for household and commercial applications
Engineered metal powders 	<ul style="list-style-type: none"> • Wide range of electronic components
PVD materials 	<ul style="list-style-type: none"> • Flat panel displays
Rare metals 	<ul style="list-style-type: none"> • Flat panels, hard-disk grinding • Digital camera lenses
Catalysts for detoxifying vehicle exhaust emissions 	<ul style="list-style-type: none"> • For motorcycles
Single crystals 	<ul style="list-style-type: none"> • Semiconductor manufacturing equipment

Factors influencing Ordinary Income
['09/Q1 → '10/Q1 +¥2.8bn]

- Demand for electronics recovered in Japan and Asia.

['10/Q1-2 Previous forecast → revised +¥1.6bn]

- Sales of each product rose, but prices of raw materials were also climbing.

Performance by Segment **(3) Metals, Minerals & Environmental Engineering**

(billion yen)

	'09/Q1	'10/Q1	YoY	'09/Q-2	'10/Q2 (Forecast)	YoY	'09/Q1-2	'10/Q1-2 (Forecast)	YoY	'10/Q1-2 (Previous)	YoY
■ Sales	28.1	39.2	11.1	37.4	37.0	-0.4	65.4	76.2	10.8	74.5	1.7
■ Ordinary income	0.9	2.1	1.3	3.3	0.8	-2.5	4.2	2.9	-1.3	5.7	-2.8
Ordinary income to net sales	3%	5%	2%	9%	2%	-7%	6%	4%	-3%	8%	-4%

Metal prices and Yen/\$ exchange rate

	'09/Q1	'09/Q2	'09/Q3	'09/Q4	'10/Q1	'10/Q2
Zn(LME) \$/t	1,473	1,761	2,214	2,289	2,026	2,000
Zn(After hedging) \$/t	1,430	1,680	1,900	2,310	2,120	2,050
Pb(LME) \$/t	1,499	1,928	2,293	2,221	1,950	2,000
Cu(LME) ¢ /lb	212	266	302	328	319	280
US\$(yen/\$)	97	94	90	91	92	90

Factors influencing Ordinary Income

	['09/Q1 vs. '10/Q1]	['10/Q1-2 forecast May 6 vs. Aug.
LME (Zn), Exchange	1.7	-0.5
T/C (Zn)		-0.1
Inventory valuation factors	-2.7	-1.9
Coke price	-0.1	-0.2
Gain on change in equity	1.9	-0.5
Other	0.5	0.4
Total	1.3	-2.8

Performance by Segment **(4) Automotive Parts & Components** (billion yen)

	'09/Q1	'10/Q1	YoY	'09/Q-2	'10/Q2 (Forecst)	YoY	'09/Q1-2	'10/Q1-2 (Forecst)	YoY	'10/Q1-2 (Previous)	YoY
■ Sales	14.0	21.3	7.3	18.6	22.9	4.3	32.5	44.2	11.7	39.6	4.6
■ Ordinary income	-1.6	0.8	2.4	-0.3	0.8	1.1	-1.9	1.6	3.5	1.0	0.6
Ordinary income to net sales	-11%	4%	15%	-2%	3%	5%	-6%	4%	10%	3%	1%

Factors influencing Ordinary Income

['09/Q1 → '10/Q1 +¥2.4]

- Sales increased with the recovery in the automotive market.

['10/Q1-2 Previous forecast → revised +¥0.6]

- Increased sales at all bases, except in EU
- Create new subsidiary on July 1. Aim to become globally leading manufacturer of automotive parts and components through prompt and flexible responses

Caution Concerning Forward-looking Statements

Statements contained in these materials regarding forecasts of future events are qualified by various risks, both existing and unknown, and uncertainties, which may have a material impact on the actual business conditions and operational activities. Consequently, please be aware that actual performance may differ substantially from forecasts and business plans indicated herein because of various unforeseeable factors.

Mitsui Mining & Smelting Co., Ltd. cannot guarantee the validity of the targets, assumptions, expectations, predictions, plans, assessments and other information contained in this material, and the Company also cannot guarantee that its actual business performance will be consistent with the forecasts presented within.

Regarding latent risks which might impact forecast results and other uncertainties, some items are included in the “Business and Other Risks” section of our financial statements or our website. However, please recognize that these are just a summary rather than a comprehensive list of all possible items relating to latent risks and uncertainties.

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