

FINANCIAL RESULTS BRIEFING

Mitsui Kinzoku Posted a 34.2% Increase in Net Income - April 26, 2007



MITSUI MINING & SMELTING CO.,LTD.
(Mitsui Kinzoku, TSE5706)
Gate City Osaki,1-11-1 Osaki,
Shinagawa-ku, Tokyo 141-8584 Japan

Contact: Public Relations
Telephone: 81-3-5437-8028
Facsimile: 81-3-5437-8029
E-mail: PR@mitsui-kinzoku.co.jp

1. Financial Highlights (*Consolidated*)

Mitsui Mining & Smelting Co., Ltd. (TSE5706) Years ended March 31	Millions of yen			Millions of U.S. dollars
	2007	2006	2007/2006	2007
Performance for the year:			%	
Net sales	¥591,518	¥503,370	117.5	\$5,009.0
Operating income	38,865	45,052	86.3	329.1
Net income	31,370	23,374	134.2	265.6
Diluted net income per share (JPY,\$)	¥54.77	¥40.52	135.2	\$0.46
Cash dividends applicable to the year (JPY,\$)	¥12.00	¥10.00	120.0	\$0.10
Net income to shareholders' equity	18.2%	15.9%		
Operating income to total assets	8.2%	10.4%		
Operating income to net sales	6.6%	9.0%		
Financial position at year-end:				
Total assets	¥483,397	¥460,225	105.0	\$4,093.5
Shareholders' equity	185,513	159,772	116.1	1,570.9
Equity ratio	38.4%	34.7%		
Equity per share (JPY,\$)	¥323.92	¥278.67	116.2	\$2.74
Outstanding shares (thousand shares)	572,714	572,749		
Cash flows for the year:				
Operating cash flow	¥34,077	¥44,800	76.1	\$288.57
Investing cash flow	(30,021)	(43,039)	69.8	(254.22)
Financing cash flow	(4,744)	(1,278)	371.2	(40.17)
Cash and equivalents at year-end	¥17,304	¥16,944	102.1	\$146.53

Note: All U.S. dollar figures are translated from Japanese yen amounts, for convenience only, at the rate of JPY118.09=US\$1.00, the rate prevailing at March 31, 2007.

2. Notes to Financial Statements

Mitsui Mining & Smelting Co., Ltd.

Basis of presenting financial statements

The accompanying financial statements of Mitsui Mining & Smelting Co., Ltd. (the "Company") have been prepared in accordance with accounting principles and practices generally accepted in Japan. The accounts of consolidated overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles and practices prevailing in the respective countries of domicile.

The accompanying financial statements have not been audited. In preparing them, all adjustments necessary for a fair representation of the Company's financial position and results of operations for the periods shown have been made.

Amounts less than one million yen have been rounded down in the presentation of the accompanying financial statements. As a result, the totals in yen shown herein do not necessarily agree with the sums of the individual amounts.

U.S. dollar amounts are shown solely for the convenience of the readers and are translated at the rate of JPY118.09 to US\$1.00, the exchange rate prevailing at March 31, 2007.

3. Balance Sheets (*Consolidated*)

(Unaudited)

Mitsui Mining & Smelting Co., Ltd. March 31	Millions of yen		Millions of U.S. dollars
	2007	2006	2007
Assets			
Current assets:			
Cash and time deposits	¥17,306	¥16,944	\$146.5
Notes and accounts receivable	92,828	83,496	786.1
Inventories	88,560	79,165	749.9
Other current assets	20,390	29,673	172.7
Less: Allowance for doubtful accounts	(649)	(525)	(5.5)
Total current assets	218,436	208,754	1,849.7
Investments and long-term receivables:			
Investment securities	51,781	32,425	438.5
Deferred tax assets	8,046	5,762	68.1
Others	7,546	11,066	63.9
Less: Allowance for doubtful accounts	(241)	(3,883)	(2.0)
	67,133	45,370	568.5
Property, plant and equipment:			
Property, plant and equipment	556,177	599,810	4,709.8
Less: Accumulated depreciation	(360,574)	(395,904)	(3,053.4)
	195,604	203,906	1,656.4
Other assets	2,222	2,194	18.8
	¥483,397	¥460,225	\$4,093.5

Liabilities and Shareholders' Equity

Current liabilities:			
Short-term bank loans and current portion of long-term debt	¥58,843	¥63,623	\$498.3
Current portion of bonds	1,000	-	8.5
Notes and accounts payable	48,064	46,896	407.0
Other current liabilities	52,938	51,651	448.3
Total current liabilities	160,847	162,170	1,362.1
Bonds	40,000	31,000	338.7
Long-term debt	43,376	57,210	367.3
Allowance for employees' retirement benefits	30,151	28,405	255.3
Other long-term liabilities	11,127	9,942	94.2

Minority interests	-	11,724	-
Shareholders' equity:			
Common stock, par value JPY50 per share:	-	42,129	-
Authorized	1,944,000,000 shares		
Issued	572,966,166 shares - 2007 & 2006		
Capital surplus	-	22,557	-
Retained earnings	-	91,275	-
Net unrealized gains on securities	-	5,914	-
Foreign currency translation adjustments	-	(2,011)	-
Less: Treasury stock	-	(93)	-
Total shareholders' equity	-	159,772	-
	-	¥460,225	-
Total net assets:			
Common stock, par value JPY50 per share:	42,129	-	356.8
Authorized	1,944,000,000 shares		
Issued	572,966,166 shares - 2007 & 2006		
Capital surplus	22,557	-	191.0
Retained earnings	117,181	-	992.3
Net unrealized gains on securities	5,081	-	43.0
Profit/Loss on deferred hedge	(1,160)	-	(9.8)
Foreign currency translation adjustments	(160)	-	(1.4)
Less: Treasury stock	(116)	-	(1.0)
Minority interests	¥12,377	-	\$104.8
Total net assets	¥197,890	-	\$1,675.8
	¥483,397	-	\$4,093.5

4. Statements of Income (*Consolidated*)

(Unaudited)

Mitsui Mining & Smelting Co., Ltd. Years ended March 31	Millions of yen		Millions of U.S. dollars
	2007	2006	2007
Net sales	¥591,518	¥503,370	\$5,009.0
Cost of sales	500,734	412,003	4,240.3
Gross profit	90,784	91,366	768.8
Selling, general and administrative expenses	51,918	46,314	439.6
Operating income	38,865	45,052	329.1
Other income (expenses):			
Interest and dividend income, net	219	(1,768)	1.9
Amortization of consolidation differences	2,991	2,963	25.3
Loss on sale and disposal of property, plant and equipment	(3,611)	(1,730)	(30.6)
Impairment charges on property, plant and equipment	(1,334)	(7,791)	(11.3)
Gain on sale of investment securities and investments	78	898	0.7
Write-off and write-down of investment securities and investments	(237)	(626)	(2.0)
Loss on liquidation of subsidiaries	(6,527)	(649)	(55.3)
Indemnity	(320)	(644)	(2.7)
Equity in gains (losses) of unconsolidated subsidiaries and affiliates	14,445	4,468	122.3
Gain on sale of business	11,519	-	97.5
Environmental expenditures	(3,511)	-	(29.7)
Other, net	(3,443)	(1,535)	(29.2)
	10,268	(6,415)	87.0
Income before income taxes	49,133	38,636	416.1
Income taxes:			
Current	14,753	13,397	124.9
Deferred	(183)	(227)	(1.5)
Minority interests	3,193	2,092	27.0
Net income	¥31,370	¥23,374	\$265.6

Amounts per share of common stock:	Yen		U.S. dollars
	Net income	¥54.77	¥40.52
Net income (diluted)	54.77	40.52	0.46
Cash dividends applicable to the year	12.00	10.00	0.10

5. Statements of Cash Flows (*Consolidated*)

(Unaudited)

Mitsui Mining & Smelting Co., Ltd. Years ended March 31	Millions of yen		Millions of U.S. dollars
	2007	2006	2007
Cash flows from operating activities:			
Income before income taxes and minority interests	¥49,133	¥38,636	\$416.06
Depreciation	28,608	27,650	242.3
Impairment charges on property, plant and equipment	1,334	7,791	11.3
Gain on sale of investment securities	(141)	(898)	(1.2)
Write-down of investment securities	237	626	2.0
Gain on sale of business	(11,519)	-	(97.5)
Loss (gain) on sale of securities of consolidated subsidiaries	6,590	649	55.8
Loss on sale and disposal of property, plant and equipment, net	3,611	1,731	30.6
Indemnity	320	644	2.7
Provision for (reversal of) environmental expenditures	3,074	-	26.0
Foreign exchange loss (gain)	(159)	(39)	(1.3)
Equity in losses (gain) of unconsolidated subsidiaries and affiliates	(14,445)	(4,468)	(122.3)
Amortization of goodwill	(2,991)	(2,963)	(25.3)
Provision for (reversal of) doubtful accounts	(41)	863	(0.3)
Increase (decrease) in allowance for retirement benefits	1,775	715	15.0
Interest and dividends income	(2,916)	(648)	(24.7)
Interest expense	2,696	2,416	22.8
Decrease (increase) in notes and accounts receivable	(11,221)	(5,345)	(95.0)
Decrease (increase) in inventories	(13,508)	(13,751)	(114.4)
Increase (decrease) in notes and accounts payable	2,460	9,567	20.8
Other, net	2,700	(2,766)	22.9
Subtotal	45,600	60,409	386.1
Interest and dividends received	7,143	2,699	60.5
Interest paid	(2,712)	(2,389)	(23.0)
Indemnity paid	(320)	(644)	(2.7)
Income taxes paid	(15,634)	(15,275)	(132.4)
Net cash provided by operating activities	34,077	44,800	288.6
Cash flows from investing activities:			
Purchases of investment securities	(13,717)	(2,165)	(116.2)
Sale of investment securities	242	1,571	2.0
Sale of securities of consolidated subsidiaries	232	285	2.0
Acquisition of property, plant and equipment and other assets	(39,421)	(41,922)	(333.8)
Sale of property, plant and equipment	2,046	2,402	17.3
Decrease (increase) in short-term loans receivable,	658	(181)	5.6
Disbursement for long-term loans receivable	(863)	(1,247)	(7.3)
Collection of long-term loans receivable	167	3	1.4
Sale of business	22,337	-	189.2
Other, net	(1,702)	(1,785)	(14.4)
Net cash used in investing activities	(30,021)	(43,039)	(254.2)
Cash flows from financing activities:			
Decrease in short-term bank loans, net	(6,915)	(2,285)	(58.6)
Proceeds from long-term debt	16,393	12,511	138.8
Repayment of long-term debt	(17,569)	(16,920)	(148.8)
Issuance of bonds	10,000	10,000	84.7
Redemption of bonds	-	(50)	-
Payment for cash dividends to the Company's shareholders	(5,727)	(4,009)	(48.5)
Payment for cash dividends to minority interests	(838)	(417)	(7.1)
Other, net	(87)	(107)	(0.7)
Net cash used in financing activities	(4,744)	(1,278)	(40.2)
Effect of exchange rate changes on cash and cash equivalents	529	319	4.5
Net increase in cash and cash equivalents	(159)	801	(1.3)
Cash and cash equivalents at beginning of year	16,944	16,143	143.5
Effect of additions of consolidated subsidiaries	520	-	4.4
Cash and cash equivalents at end of year	¥17,304	¥16,944	\$146.5

6. Industry Segment Information (*Consolidated*)

(Unaudited)

Mitsui Mining & Smelting Co., Ltd.

Millions of yen

Year ended March 31, 2007	Sales		Total	Operating income	Identifiable assets	Depreciation expense	Capital expenditures
	Outside	Intergroup					
Mining & Fundamental Materials	¥93,117	¥20,446	¥113,564	¥10,998	¥115,923	¥4,566	¥7,664
Intermediate Materials	225,242	24,045	249,287	18,336	206,043	16,878	25,141
Parts Manufacturing & Assembly	160,858	897	161,756	1,585	105,497	5,535	5,418
Environmental Engineering & Metals recycling	37,709	15,641	53,350	3,202	39,447	1,456	2,427
Engineering	23,752	22,463	46,215	2,848	25,181	223	307
Services	50,837	10,991	61,828	1,685	32,489	234	109
Elimination	-	(94,485)	(94,485)	209	(41,185)	(286)	(759)
Consolidated	¥591,518	-	¥591,518	¥38,865	¥483,397	¥28,608	¥40,309

Millions of yen

Year ended March 31, 2006	Sales		Total	Operating income	Identifiable assets	Depreciation expense	Capital expenditures
	Outside	Intergroup					
Mining & Fundamental Materials	¥81,350	¥12,399	¥93,750	¥4,549	¥118,551	¥6,117	¥9,613
Intermediate Materials	184,561	23,786	208,347	30,470	179,752	15,113	27,170
Parts Manufacturing & Assembly	158,239	1,071	159,311	2,883	109,876	4,817	6,978
Environmental Engineering & Metals recycling	22,300	16,542	38,843	2,170	32,336	1,341	2,092
Engineering	18,261	22,303	40,565	2,710	25,238	222	266
Services	38,656	8,117	46,773	1,719	35,604	246	21
Elimination	-	(84,221)	(84,221)	547	(41,134)	(209)	(966)
Consolidated	¥503,370	-	¥503,370	¥45,052	¥460,225	¥27,650	¥45,176

Millions of U.S. dollars

Year ended March 31, 2007	Sales		Total	Operating income	Identifiable assets	Depreciation expense	Capital expenditures
	Outside	Intergroup					
Mining & Fundamental Materials	\$788.5	\$173.1	\$961.7	\$93.1	\$981.6	\$38.7	\$64.9
Intermediate Materials	1,907.4	203.6	2,111.0	155.3	1,744.8	142.9	212.9
Parts Manufacturing & Assembly	1,362.2	7.6	1,369.8	13.4	893.4	46.9	45.9
Environmental Engineering & Metals recycling	319.3	132.4	451.8	27.1	334.0	12.3	20.6
Engineering	201.1	190.2	391.4	24.1	213.2	1.9	2.6
Services	430.5	93.1	523.6	14.3	275.1	2.0	0.9
Elimination	-	(800.1)	(800.1)	1.8	(348.8)	(2.4)	(6.4)
Consolidated	\$5,009.0	-	\$5,009.0	\$329.1	\$4,093.5	\$242.3	\$341.3