

FINANCIAL RESULTS BRIEFING



MITSUI MINING & SMELTING CO.,LTD.
(Mitsui Kinzoku, TSE5706)
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1. Financial Highlights (*Consolidated*)

Mitsui Mining & Smelting Co., Ltd. (TSE5706) Years ended March 31	Millions of yen			Millions of U.S. dollars
	2008	2007	2008/2007	2008
Performance for the year:			%	
Net sales	¥595,463	¥591,518	100.7	\$5,943.3
Operating income	27,993	38,865	72.0	279.4
Net income	7,830	31,370	25.0	78.2
Diluted net income per share (JPY,\$)	¥13.67	¥54.77	25.0	\$0.14
Cash dividends applicable to the year (JPY,\$)	¥12.00	¥12.00	100.0	\$0.12
Net income to shareholders' equity	4.2%	18.2%		
Operating income to total assets	5.8%	8.2%		
Operating income to net sales	4.7%	6.6%		
Financial position at year-end:				
Total assets	¥486,238	¥483,397	100.6	\$4,853.2
Net assets (excl. minority interests)	184,995	185,513	99.7	1,846.4
Equity ratio	38.0%	38.4%		
Shareholders' Equity per share (JPY,\$)	¥323.03	¥323.92	99.7	\$3.22
Outstanding shares (thousand shares)	572,684	572,714		
Cash flows for the year:				
Operating cash flow	¥41,657	¥34,077	122.2	\$415.78
Investing cash flow	(38,049)	(30,021)	126.7	(379.77)
Financing cash flow	(744)	(4,744)	15.7	(7.43)
Cash and equivalents at year-end	¥20,645	¥17,304	119.3	\$206.06

Note: All U.S. dollar figures are translated from Japanese yen amounts, for convenience only, at the rate of JPY100.19=US\$1.00, the rate prevailing at March 31, 2008.

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 JPY100.19 to US\$1.00, the exchange rate prevailing at March 31, 2008.

3. Balance Sheets (*Consolidated*)

(Unaudited)

Mitsui Mining & Smelting Co., Ltd.	Millions of yen		Millions of U.S. dollars
March 31	2008	2007	2008
Assets			
Current assets:			
Cash and time deposits	¥20,645	¥17,306	\$206.1
Notes and accounts receivable	98,149	92,828	979.6
Inventories	92,719	88,560	925.4
Other current assets	17,049	20,390	170.2
Less: Allowance for doubtful accounts	(640)	(649)	(6.4)
Total current assets	227,923	218,436	2,274.9
Investments and long-term receivables:			
Investment securities	55,653	51,781	555.5
Deferred tax assets	8,490	8,046	84.7
Others	7,176	7,546	71.6
Less: Allowance for doubtful accounts	(188)	(241)	(1.9)
	71,132	67,133	710.0
Property, plant and equipment:			
Property, plant and equipment	561,127	556,177	5,600.6
Less: Accumulated depreciation	(376,957)	(360,574)	(3,762.4)
	184,168	195,604	1,838.2
Other assets			
	3,014	2,222	30.1
	¥486,238	¥483,397	\$4,853.2
Liabilities and Shareholders' Equity			
Current liabilities:			
Short-term bank loans and current portion of long-term debt	¥52,172	¥58,843	\$520.7
Current portion of bonds	10,000	1,000	99.8
Notes and accounts payable	52,436	48,064	523.4
Other current liabilities	40,170	52,938	400.9
Total current liabilities	154,782	160,847	1,544.9
Bonds	40,000	40,000	399.2
Long-term debt	49,750	43,376	496.6
Allowance for employees' retirement benefits	33,382	30,151	333.2
Other long-term liabilities	8,774	11,127	87.6
Minority interests	-	-	-
Total net assets:			
Common stock, par value JPY50 per share:	42,129	42,129	420.5
Authorized 1,944,000,000 shares			
Issued 572,966,166 shares - 2008 & 2007			
Capital surplus	22,557	22,557	225.1
Retained earnings	117,548	117,181	1,173.3
Net unrealized gains on securities	2,743	5,081	27.4
Profit/Loss on deferred hedge	2,354	(1,160)	23.5
Foreign currency translation adjustments	(2,206)	(160)	(22.0)
Less: Treasury stock	(131)	(116)	(1.3)
Minority interests	¥14,550	12,377	\$145.2
Total net assets	¥199,545	197,890	\$1,991.7
	¥486,238	483,397	\$4,853.2

4. Statements of Income (*Consolidated*)

(Unaudited)

Mitsui Mining & Smelting Co., Ltd. Years ended March 31	Millions of yen		Millions of U.S. dollars
	2008	2007	2008
Net sales	¥595,463	¥591,518	\$5,943.3
Cost of sales	510,085	500,734	5,091.2
Gross profit	85,378	90,784	852.2
Selling, general and administrative expenses	57,384	51,918	572.8
Operating income	27,993	38,865	279.4
Other income (expenses):			
Interest and dividend income, net	(1,092)	219	(10.9)
Amortization of the consolidation differences	2,971	2,991	29.7
Loss on sale and disposal of property, plant and equipment	(1,713)	(3,611)	(17.1)
Impairment charges on property, plant and equipment	(18,514)	(1,334)	(184.8)
Gain on sale of investment securities and investments	274	77	2.7
Write-off and write-down of investment securities and investments	(17)	(237)	(0.2)
Loss on liquidation of subsidiaries		(6,527)	-
Indemnity	(150)	(320)	(1.5)
Equity in gains (losses) of unconsolidated subsidiaries and affiliates	11,601	14,445	115.8
Gain on sale of business		11,519	-
Gain on sale of mining rights	3,660		36.5
Environmental expenditures		(3,511)	-
Other, net	(2,357)	(3,441)	(23.5)
	(5,338)	10,268	(53.3)
Income before income taxes	22,655	49,133	226.1
Income taxes:			
Current	10,114	14,753	100.9
Deferred	1,927	(183)	19.2
Minority interests	2,783	3,193	27.8
Net income	¥7,830	¥31,370	\$78.2
Amounts per share of common stock:			
		Yen	U.S. dollars
Net income	¥13.67	¥54.77	\$0.14
Net income (diluted)	13.67	54.77	0.14
Cash dividends applicable to the year	12.00	12.00	0.12

5. Statements of Cash Flows (*Consolidated*)

(Unaudited)

Mitsui Mining & Smelting Co., Ltd. Years ended March 31	Millions of yen		Millions of U.S. dollars
	2008	2007	2008
Cash flows from operating activities:			
Income before income taxes and minority interests	¥22,655	¥49,133	\$226.12
Depreciation	30,333	28,608	302.8
Impairment charges on property, plant and equipment	18,514	1,334	184.8
Gain on sale of investment securities	(274)	(141)	(2.7)
Write-down of investment securities	17	237	0.2
Gain on sale of business		(11,519)	-
Gain on sale of mining rights	(3,660)		(36.5)
Loss (gain) on sale of securities of consolidated subsidiaries		6,590	-
Loss on sale and disposal of property, plant and equipment, net	1,713	3,611	17.1
Indemnity	150	320	1.5
Provision for (reversal of) environmental expenditures	156	3,074	1.6
Foreign exchange loss (gain)	59	(159)	0.6
Equity in losses (gain) of unconsolidated subsidiaries and affiliates	(11,601)	(14,445)	(115.8)
Amortization of goodwill	(2,971)	(2,991)	(29.7)
Provision for (reversal of) doubtful accounts	(22)	(41)	(0.2)
Increase (decrease) in allowance for retirement benefits	3,279	1,775	32.7
Interest and dividends income	(1,961)	(2,916)	(19.6)
Interest expense	3,053	2,696	30.5
Decrease (increase) in notes and accounts receivable	(6,210)	(11,221)	(62.0)
Decrease (increase) in inventories	(4,479)	(13,508)	(44.7)
Increase (decrease) in notes and accounts payable	1,128	2,460	11.3
Other, net	1,930	2,700	19.3
Subtotal	51,811	45,600	517.1
Interest and dividends received	6,476	7,143	64.6
Interest paid	(2,946)	(2,712)	(29.4)
Indemnity paid	(150)	(320)	(1.5)
Income taxes paid	(13,533)	(15,634)	(135.1)
Net cash provided by operating activities	41,657	34,077	415.8
Cash flows from investing activities:			
Purchases of investment securities	(1,760)	(13,717)	(17.6)
Sale of investment securities	372	242	3.7
Sale of securities of consolidated subsidiaries		232	-
Acquisition of property, plant and equipment and other assets	(39,984)	(39,421)	(399.1)
Sale of property, plant and equipment	1,640	2,046	16.4
Sale of mining rights	3,936		39.3
Decrease (increase) in short-term loans receivable, net	(674)	658	(6.7)
Disbursement for long-term loans receivable	(462)	(863)	(4.6)
Collection of long-term loans receivable	159	167	1.6
Sale of business		22,337	-
Other, net	(1,276)	(1,702)	(12.7)
Net cash used in investing activities	(38,049)	(30,021)	(379.8)
Cash flows from financing activities:			
Decrease in short-term bank loans, net	4,751	(6,915)	47.4
Proceeds from long-term debt	17,414	16,393	173.8
Repayment of long-term debt	(23,543)	(17,569)	(235.0)
Issuance of bonds	10,000	10,000	99.8
Redemption of bonds	(1,000)	-	(10.0)
Payment for cash dividends to the Company's shareholders	(6,872)	(5,727)	(68.6)
Payment for cash dividends to minority interests	(1,344)	(838)	(13.4)
Other, net	(150)	(87)	(1.5)
Net cash used in financing activities	(744)	(4,744)	(7.4)
Effect of exchange rate changes on cash and cash equivalents	149	529	1.5
Net increase in cash and cash equivalents	3,012	(159)	30.1
Cash and cash equivalents at beginning of year	17,304	16,944	172.7
Effect of additions of consolidated subsidiaries	328	520	3.3
Cash and cash equivalents at end of year	¥20,645	¥17,304	\$206.1

6. Industry Segment Information (*Consolidated*)

(Unaudited)

Mitsui Mining & Smelting Co., Ltd.

Millions of yen

Year ended March 31, 2008	Sales			Operating income	Identifiable assets	Depreciation expense	Capital expenditures
	Outside	Intergroup	Total				
Mining & Fundamental Materials	¥109,657	¥32,462	¥142,120	¥12,582	¥139,698	¥6,068	¥10,216
Intermediate Materials	223,511	20,261	243,772	6,090	180,762	17,095	18,771
Parts Manufacturing & Assembly	150,211	3,610	153,821	73	111,518	6,113	6,834
Environmental Engineering & Metals recycling	47,895	21,197	69,092	4,939	41,199	1,844	3,323
Engineering	14,002	13,592	27,594	1,293	19,714	147	96
Services	50,185	10,494	60,680	1,939	27,568	225	11
Elimination	-	(101,618)	(101,618)	1,073	(34,224)	(1,161)	(5)
Consolidated	¥595,463	-	¥595,463	¥27,993	¥486,238	¥30,333	¥39,248

Millions of yen

Year ended March 31, 2007	Sales			Operating income	Identifiable assets	Depreciation expense	Capital expenditures
	Outside	Intergroup	Total				
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 U.S. dollars

Year ended March 31, 2008	Sales			Operating income	Identifiable assets	Depreciation expense	Capital expenditures
	Outside	Intergroup	Total				
Mining & Fundamental Materials	\$1,094.5	\$324.0	\$1,418.5	\$125.6	\$1,394.3	\$60.6	\$102.0
Intermediate Materials	2,230.9	202.2	2,433.1	60.8	1,804.2	170.6	187.4
Parts Manufacturing & Assembly	1,499.3	36.0	1,535.3	0.7	1,113.1	61.0	68.2
Environmental Engineering & Metals recycling	478.0	211.6	689.6	49.3	411.2	18.4	33.2
Engineering	139.8	135.7	275.4	12.9	196.8	1.5	1.0
Services	500.9	104.7	605.6	19.4	275.2	2.2	0.1
Elimination	-	(1,014.3)	(1,014.3)	10.7	(341.6)	(11.6)	(0.0)
Consolidated	\$5,943.3	-	\$5,943.3	\$279.4	\$4,853.2	\$302.8	\$391.7