



MITSUMI KINZOKU

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



FY2007 Results & FY2008 Forecast

April 30, 2008

(Notes)

1. This document is created based on consolidated figures.
2. The document is used to explain financial results and forecasts that have been announced.
3. Actual business results may differ materially from the forecasts as a result of changes in situation.

Business Overview



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- **Fiscal 2007 results:** Revenues increased thanks to rising metals prices, but profits declined substantially given the poor performance of LCD-related materials and the posting of impairment losses
 - Mining and Fundamental Materials: Operating income increased with the rise in the effective price of zinc.
 - Intermediate Materials: Copper foils remained firm. TAB and COF tapes deteriorated significantly.
 - Parts Manufacturing and Assembly: Automobile door locks bottomed out. Die-cast products struggled.
 - Non-operating income/expenses: Equity in net income of unconsolidated subsidiaries and affiliates declined due to deteriorating terms for purchasing copper ore.
 - Extraordinary profit/losses: Impairment loss of 17.7 billion yen in the TAB and COF business

- **Fiscal 2008 forecasts:** We expect operating income to remain flat and recurring income to fall. Net income is set to increase thanks to a decline in extraordinary losses.

Mitsui Kinzoku has embarked on Company-wide cost reduction activities to reconstruct its earnings base.

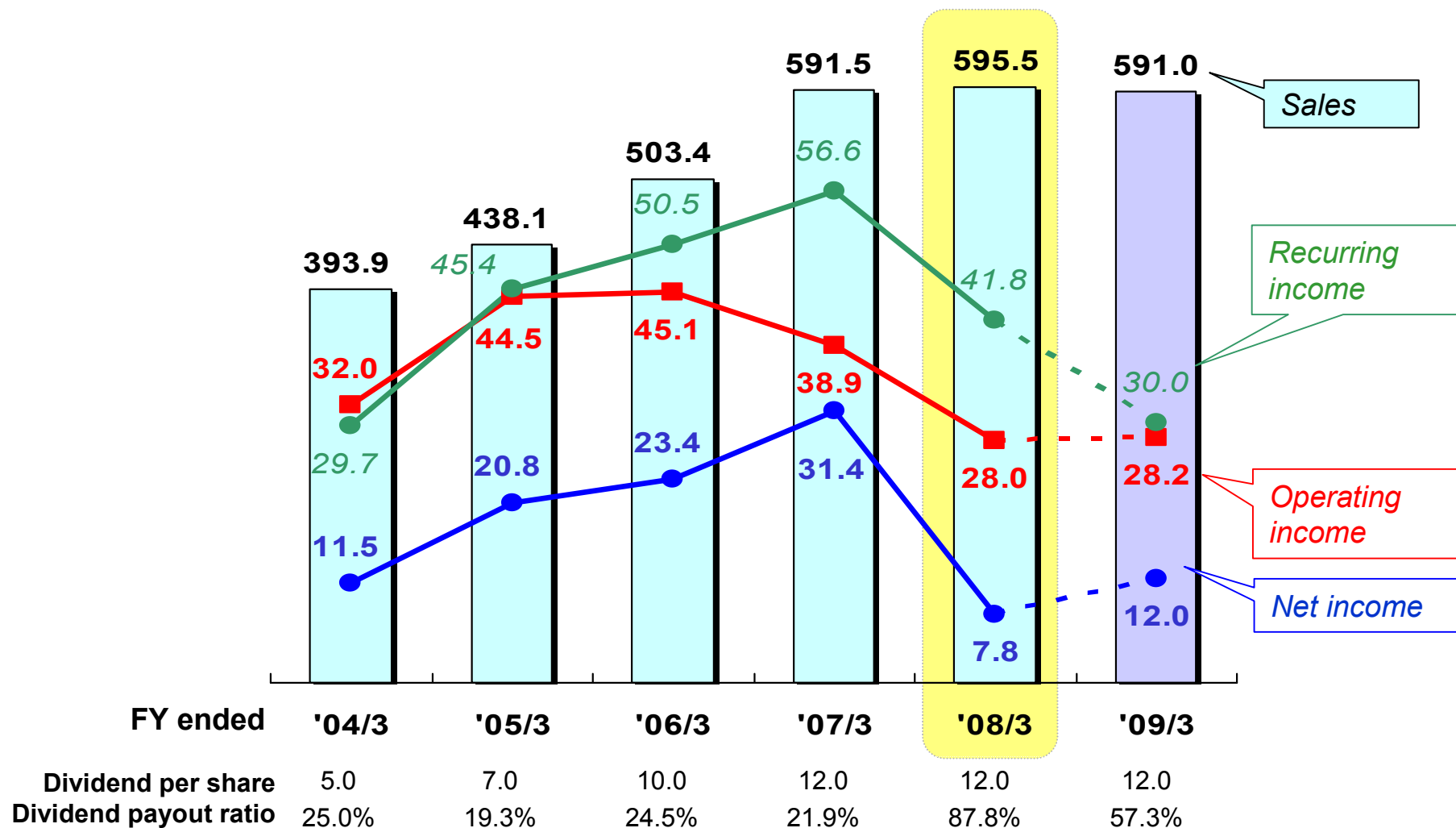
 - Profit is expected to decline on negatives such as the expected softening of metals prices, the stronger yen, and an increase in energy costs and depreciation.
 - Demand for copper foil and engineered materials will increase, but the TAB and COF business will continue to be severe even after impairment losses, due to the price fall.
 - A steady improvement in margins is targeted in Parts Manufacturing and Assembly.
 - For non-operating income/expenses, deteriorated terms for purchasing copper ore and the elimination of negative goodwill amortization will have an adverse effect.
 - A loss on the devaluation of inventory will be recorded under extraordinary losses at the beginning of the period, reflecting changes in accounting standards.

- **Shareholders' Return**
 - Notwithstanding the challenging operating environment, Mitsui Kinzoku will maintain a 12 yen dividend per share.

Sales and Profit (billion yen)



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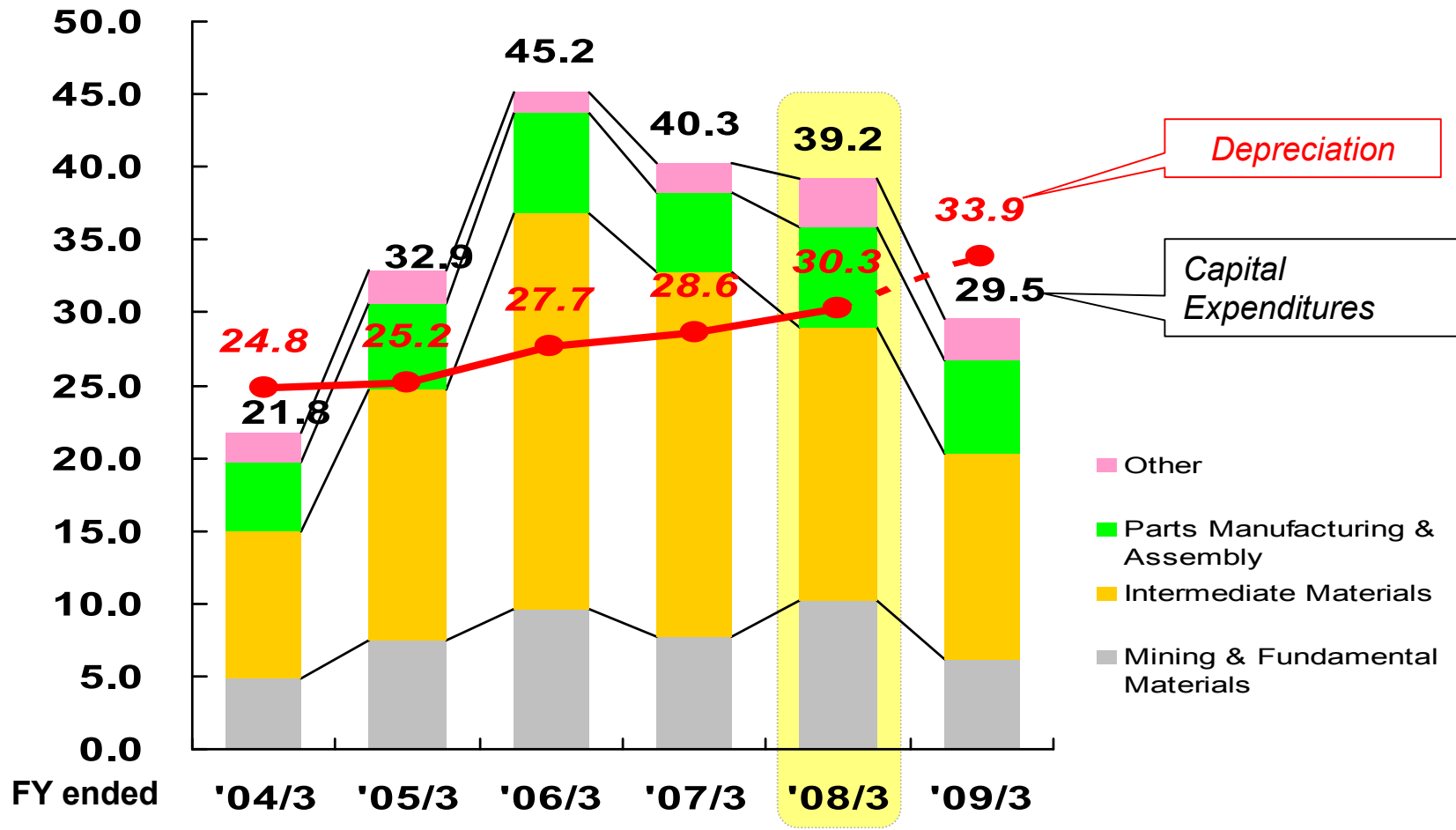


forecast as of
Apr. 28, 2008

CAPEX and Depreciation (billion yen)



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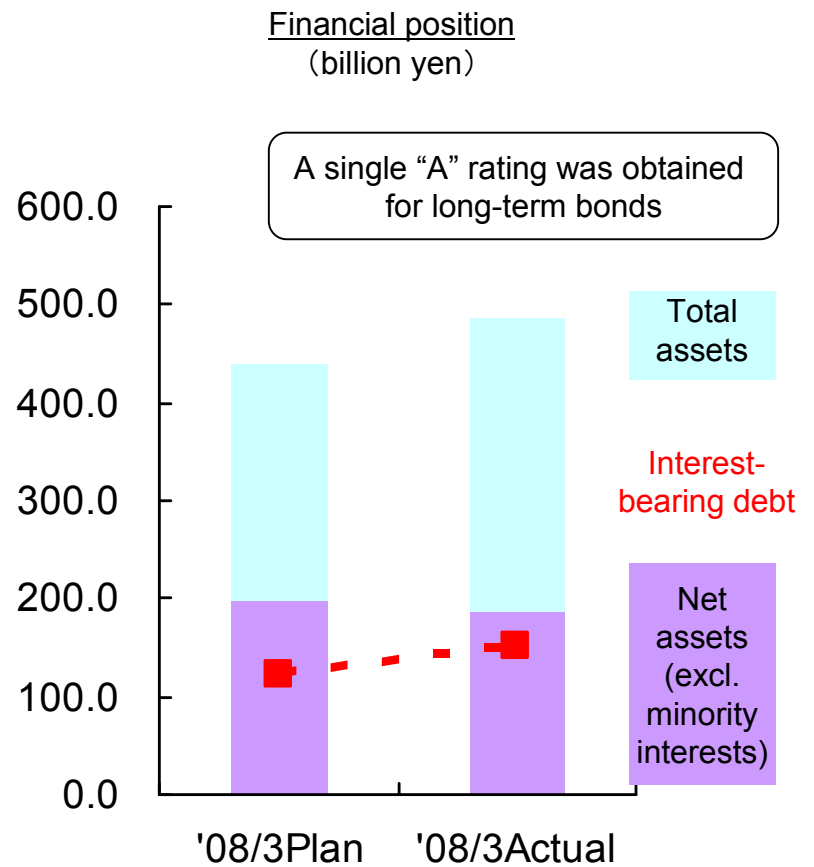
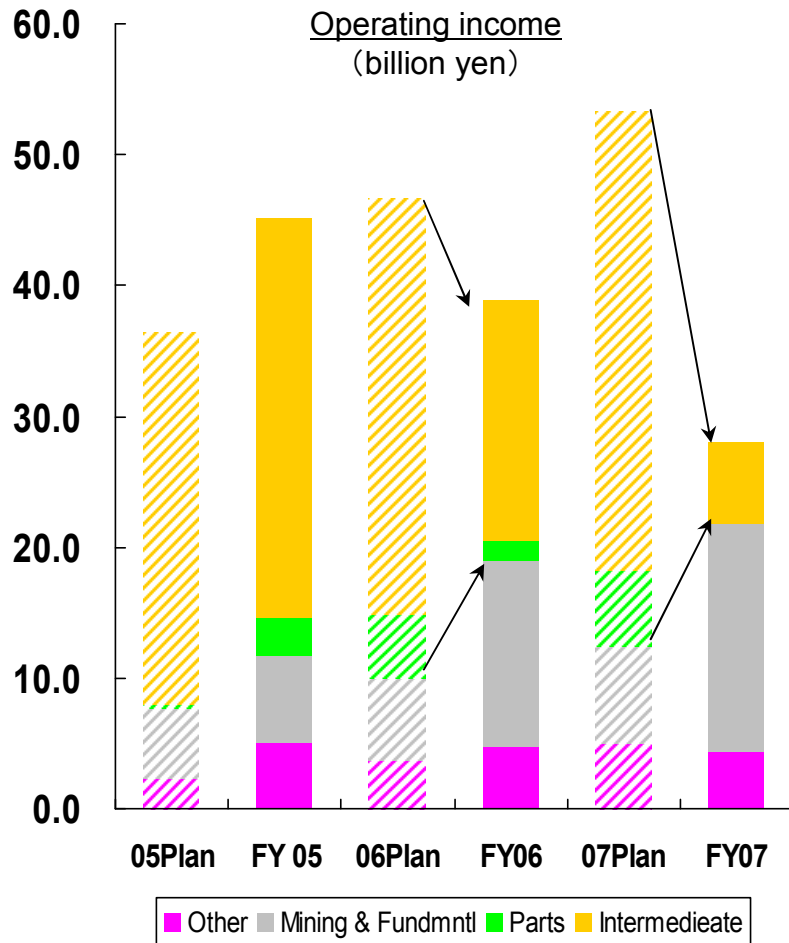
forecast as of
Apr. 28, 2008

Summary of 2005 Medium-Term Business Plan I




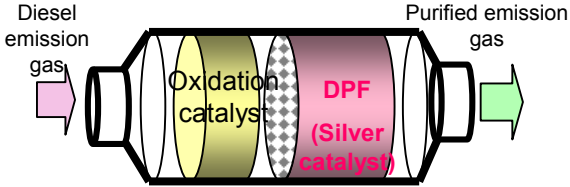
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Although rising metals prices helped, the Intermediate Materials and the Parts Manufacturing and Assembly segments fell far short of targets starting FY06.



Equity ratio	45%	38%
D/E ratio	0.6	0.82

Achievements of CTO projects and R&D

	Innovation of existing technology	New products development
2006 achievements (total 12 themes)	4 completed (Dual Flat Foil, New-etching COF, 2 manufacturing technology improvements)	1 completed (Urea sensor module)
2007 achievements (total 10 themes)	6 completed (COF, Solder powder, ITO, Door locks etc. related themes) 1 ongoing	1 completed, 2 ongoing <ul style="list-style-type: none"> • New silicon-based negative electrode for Li-ion batteries 
R&D in the Catalysts division (released on April 24, 2008)		<ul style="list-style-type: none"> • New silver catalyst for diesel-fueled vehicles  <p>※DPF: Diesel particulate filter</p>

2009 Medium-Term Business Plan



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Executing the 2009 Medium-Term Business Plan

Pursuing the vision for Mitsui Kinzoku

“A company that continues to lead the world in providing products and services in step with the times to applications and customers that grow globally by connecting materials and functions with technologies.”



Pursue the “growth picture” in 2015

Further growth in world-leading products, focus on the development of growth-phase products, and the creation of new products targeting the next growth applications



Pulling it back to the Medium-Term Business Plan for 2009 through 2011

Provide new value to customers, primarily in information and communications, energy and the environment, and automobiles by blending the core technologies of the Company.

To achieve these objectives, we will develop a reform plan for fiscal 2008.

Statements of Income (billion yen)



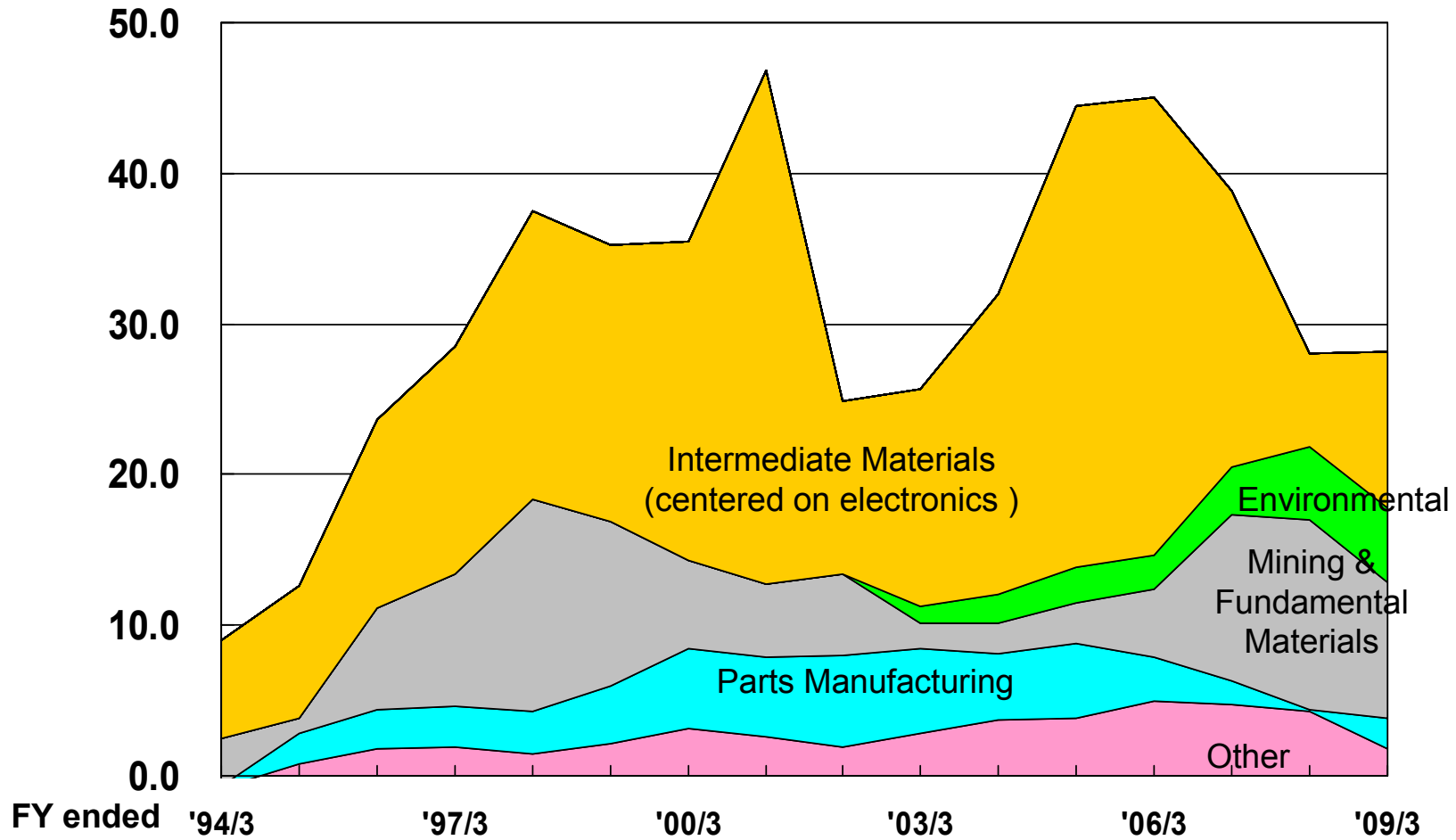
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	Results			Forecast			
	'07/3	'08/3	change	'09/3	change	1st h	2nd h
Net sales	591.5	595.5	3.9 0.7%	591.0	-4.5 -0.7%	286.0	305.0
Cost of sales	500.7	510.1	9.4 1.9%	-	-	-	-
Gross profit	90.8	85.4	-5.4 -6.0%	-	-	-	-
SG&A expenses	51.9	57.4	5.5 10.5%	-	-	-	-
Operating income	38.9	28.0	-10.9 -28.0%	28.2	0.2 0.7%	14.0	14.2
Non-operating income/expe	17.7	13.8	-3.9	1.8	-12.0	1.5	0.3
Recurring income	56.6	41.8	-14.8 -26.2%	30.0	-11.8 -28.2%	15.5	14.5
Extraordinary profit/losses	-7.5	-19.1	-11.7	-7.9	11.2	-6.5	-1.4
Net income before	49.1	22.7	-26.5 -53.9%	22.1	-0.6 -2.4%	9.0	13.1
Income taxes and minority	17.8	14.8	-2.9	10.1	-4.7	4.1	6.0
Net income	31.4	7.8	-23.5 -75.0%	12.0	4.2 53.3%	4.9	7.1

Historical Operating Income by Segment (billion yen)



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forecast as of
Apr. 28, 2008

Segment Information by Business (billion yen)



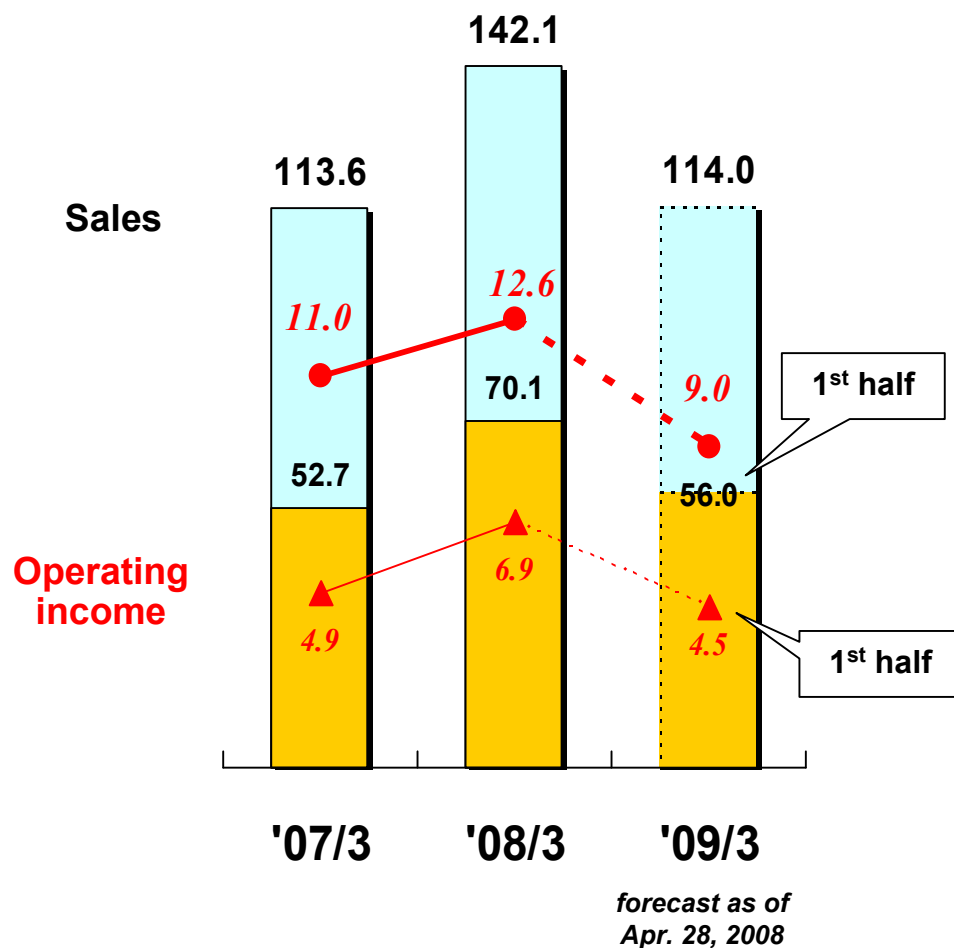
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	Results			Forecast			
	'07/3	'08/3	Change	'09/3	Change	1st h 08	2nd h 08
■ Sales							
Mining and Fundamental Materials	113.6	142.1	28.6 25.1%	114.0	-28.1 -19.8%	56.0	58.0
Intermediate Materials	249.3	243.8	-5.5 -2.2%	232.0	-11.8 -4.8%	116.0	116.0
Parts Manufacturing and Assembly	161.8	153.8	-7.9 -4.9%	149.5	-4.3 -2.8%	73.5	76.0
Environmental Engineering and Metals Recycling Engineering	53.4	69.1	15.7 29.5%	61.0	-8.1 -11.7%	30.0	31.0
Engineering	46.2	27.6	-18.6 -40.3%	29.0	1.4 5.1%	9.0	20.0
Services	61.8	60.7	-1.1 -1.9%	53.0	-7.7 -12.7%	26.0	27.0
Elimination	-94.5	-101.6	-7.1	-47.5	54.1	-24.5	-23.0
Consolidated	591.5	595.5	3.9 0.7%	591.0	-4.5 -0.7%	286.0	305.0
■ Operating income							
Mining and Fundamental Materials	11.0	12.6	1.6 14.4%	9.0	-3.6 -28.5%	4.5	4.5
Intermediate Materials	18.3	6.1	-12.2 -66.8%	10.4	4.3 70.7%	5.1	5.3
Parts Manufacturing and Assembly	1.6	0.1	-1.5 -95.3%	2.0	1.9 2602.7%	0.6	1.4
Environmental Engineering and Metals Recycling Engineering	3.2	4.9	1.7 54.3%	5.0	0.1 1.2%	3.5	1.5
Engineering	2.8	1.3	-1.6 -54.6%	1.0	-0.3 -22.7%	-0.1	1.1
Services	1.7	1.9	0.3 15.1%	1.2	-0.7 -38.1%	0.6	0.6
Elimination	0.2	1.1	0.9	-0.4	-1.5	-0.2	-0.2
Consolidated	38.9	28.0	-10.9 -28.0%	28.2	0.2 0.7%	14.0	14.2

Performance by Segment (1) Mining and Fundamental Materials (billion yen)



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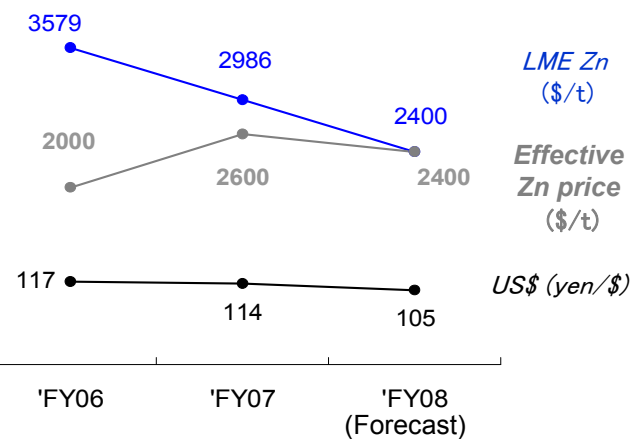
Operating Income variance (billion yen)

	[07/3→08/3]	[08/3→09/3]
Ex. Rate	0.1	-2.0
LME (Zn)	3.0	-1.8
T/C (Zn)		1.1
Inventory Effect	1.9	-1.2
Depreciation	-1.5	-2.1
Others	-1.9	2.4
Total	1.6	-3.6

Sensitivity to Op. (for FY 2008)

Zn \$100/t	± 0.9 billion yen
1US\$/JPY	± 0.2 billion yen

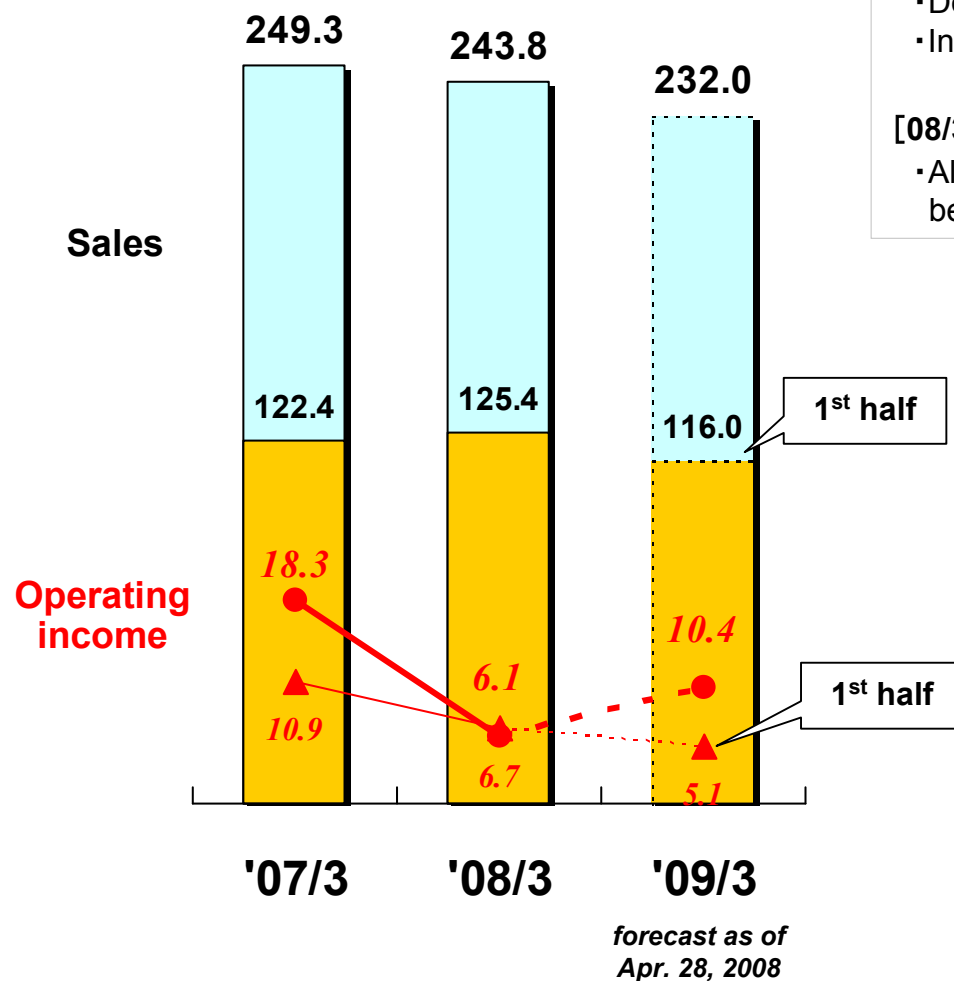
Market Zn Prices and Rates





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Performance by Segment (2) Intermediate Materials (billion yen)



Operating income variance (billion yen)

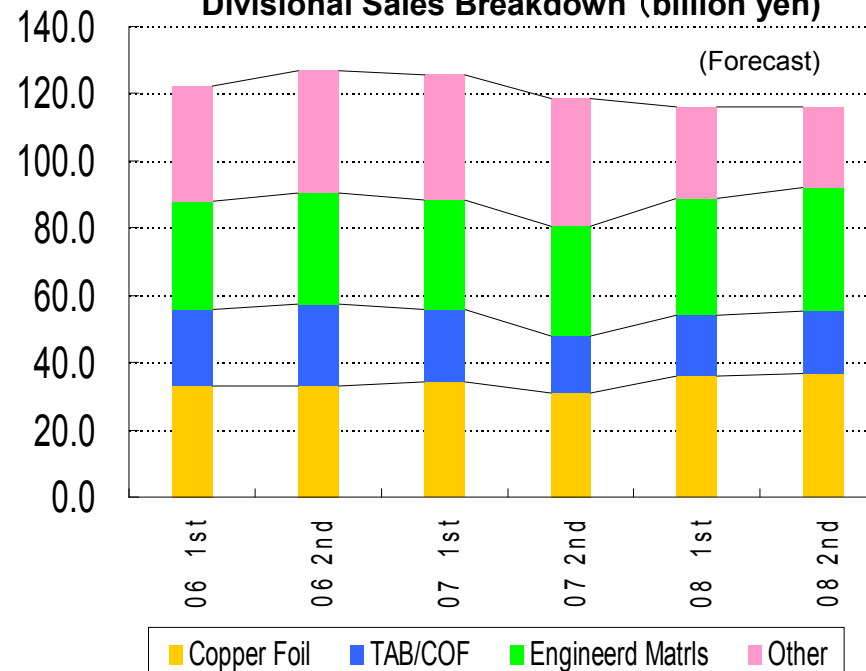
[07/3 → 08/3 - 12.2]

- Decline in margins for TAB and engineered materials - 10.5
- Increase in head-office expenses allocation - 1.3

[08/3 → 09/3 + 4.3]

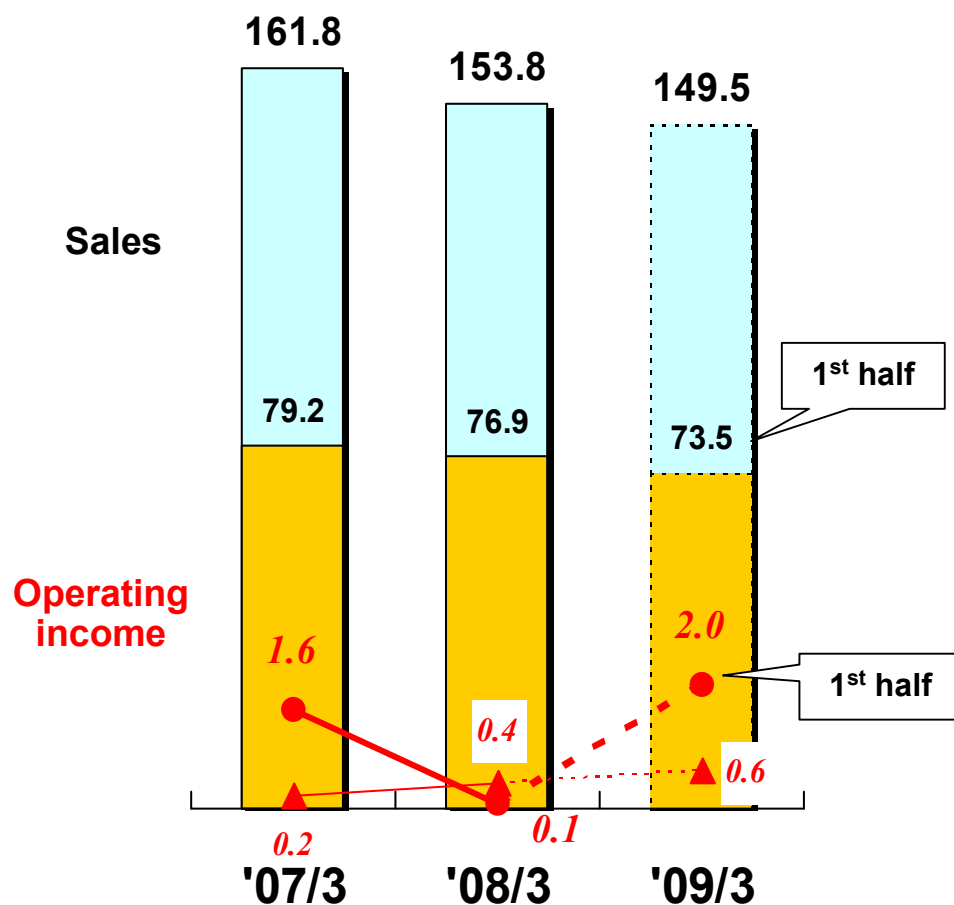
- Although the price fall continues to be significant in TAB, this will be offset by copper foil and engineered materials

Divisional Sales Breakdown (billion yen)





Performance by Segment (3) Parts Manufacturing and Assembly (billion yen)



forecast as of Apr. 28, 2008

Operating Income variance (billion yen)

[07/3 → 08/3 - 1.5]

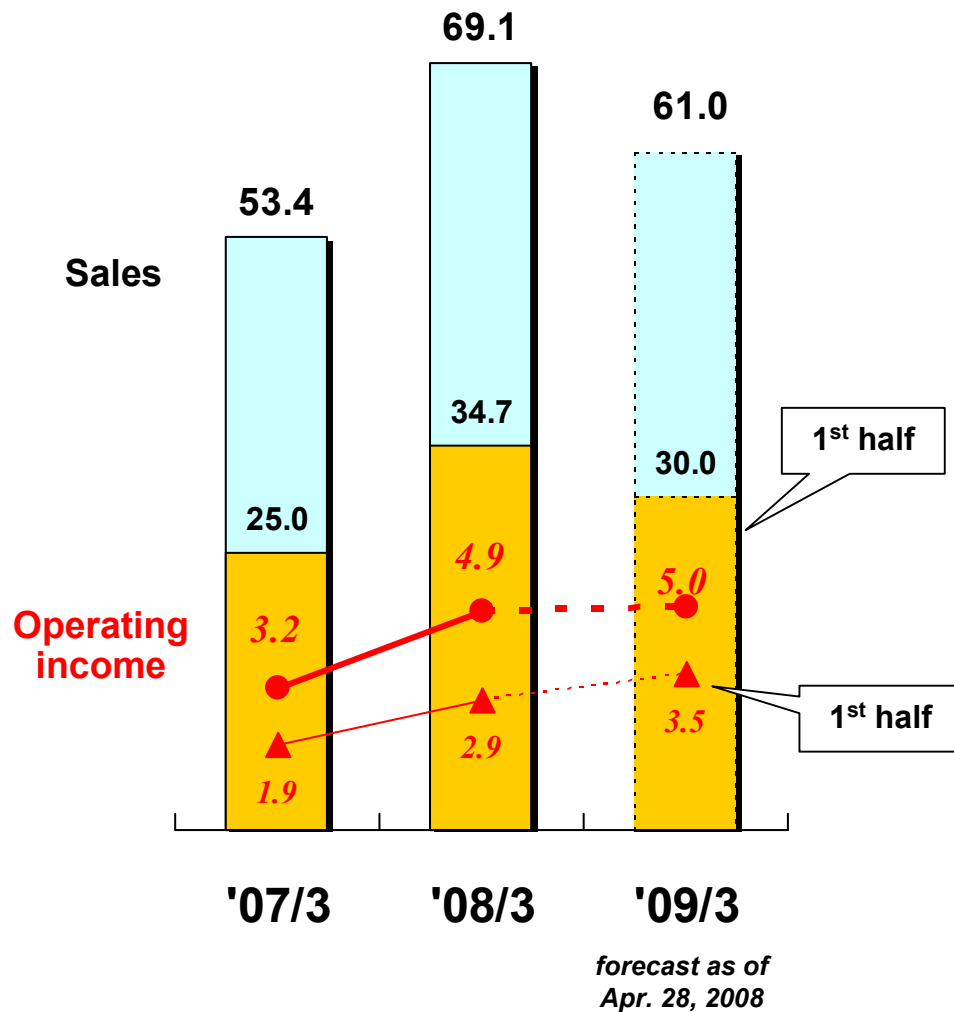
- Profit improved, except for die-cast products, and profit for door locks bottomed out
- Deteriorated (-2.3) given the increase in headquarter expenses (-0.6) and the effect of consolidation adjustment*.

* Differences in the exchange rate for intercompany eliminations between those companies ending their fiscal years in December and those ending in March, among other factors

[08/3 → 09/3 + 1.9]

- Negatives such as lower sales of door locks and higher raw material costs will be offset by a rise in sales of catalysts and improved productivity.

Performance by Segment (4) Environmental Engineering and Metals Recycling (billion yen)



Operating income variance (billion yen)

[07/3→08/3 + 1.7]

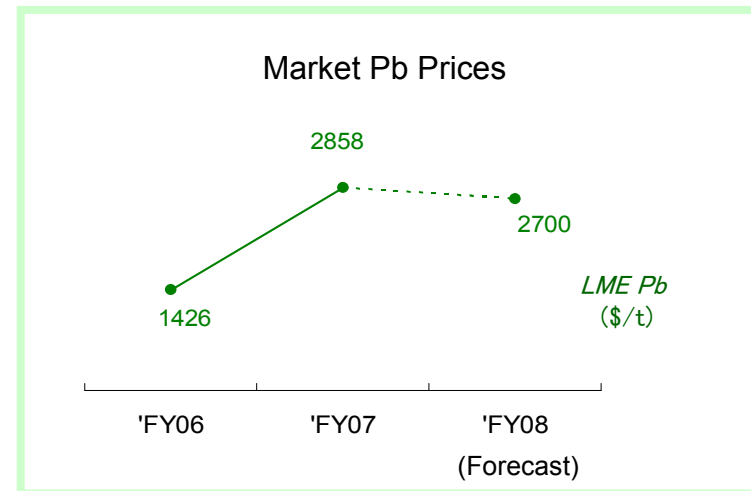
- Demand for battery materials was robust and metal prices rose

[08/3→09/3 Flattening]

- Metal prices will remain high

Sensitivity to Op.(for FY 2008)

Pb \$100/t	± 0.1billion yen
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Non-operating income/expenses and Extraordinary profit/losses (billion yen)

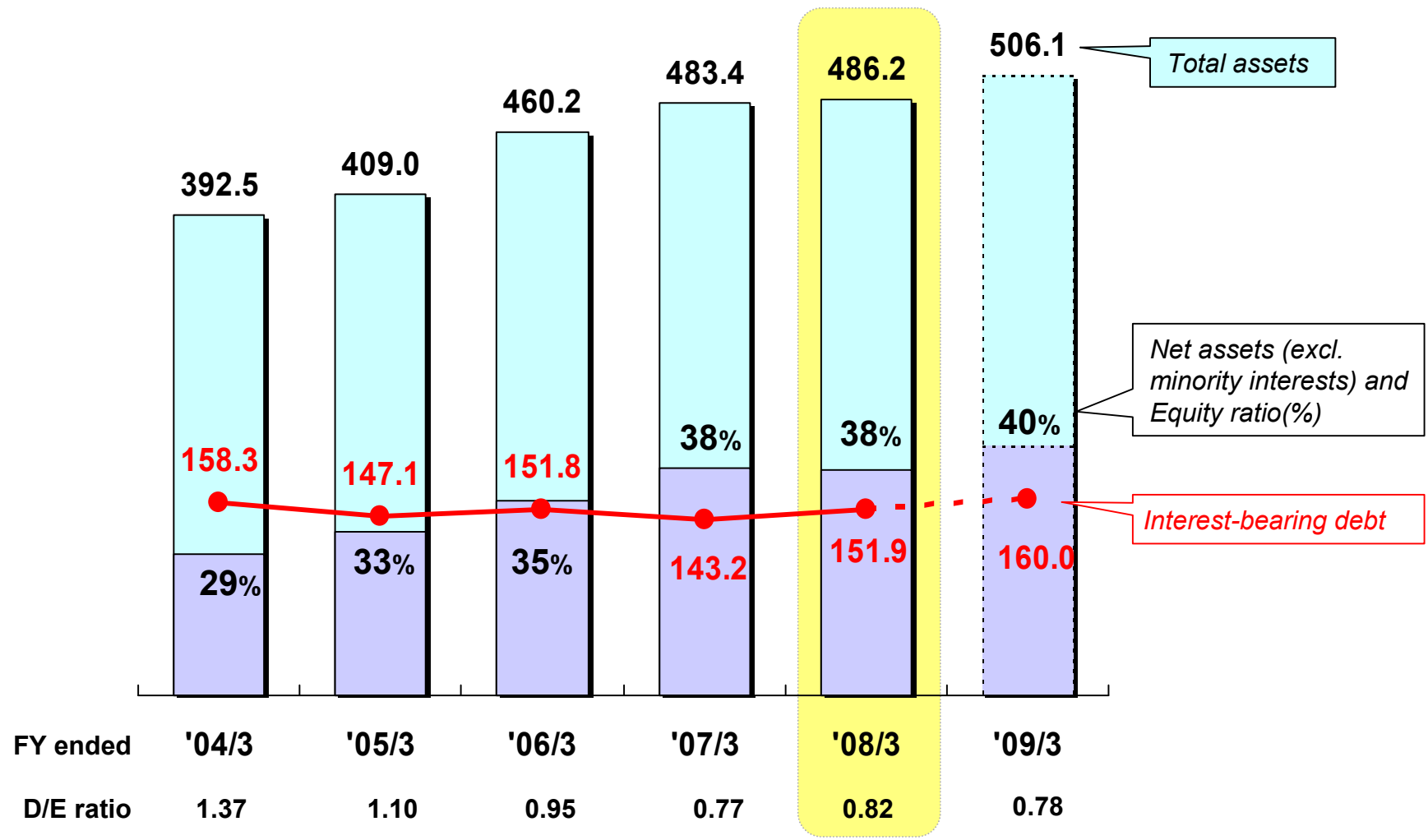


	Results			Forecast	
	'07/3	'08/3	Change	'09/3	Change
Interest income - net	-2.3	-2.7	-0.3	-3.1	-0.4
Dividend income -net	2.5	1.6	-1.0	1.2	-0.4
Amortization of consolidation differences	3.0	3.0	-0.0	0.1	-2.8
Equity in gains/losses	14.4	11.6	-2.8	5.0	-6.6
Cu price(¢ /lb)	(316 ¢)	(344 ¢)	(28 ¢)	(330 ¢)	(-14 ¢)
Other	0.0	0.3	0.3	-1.4	-1.7
Non-operating income/expenses - net	17.7	13.8	-3.9	1.8	-12.0
Gain on sale of business	11.5		-11.5		0.0
Gain on sale of mining rights		3.7	3.7		-3.7
Indemnity	-0.3	-0.2	0.2	-0.2	-0.1
Loss on sale & disposal of P. P. E.	-3.6	-1.7	1.9	-1.3	0.4
Impairment charges on P.P.E.	-1.3	-18.5	-17.2	-0.2	18.3
Write-down of inventories			0.0	-4.7	-4.7
Loss on liquidation of subsidiaries	-6.5		6.5		0.0
Environmental expenditures	-3.5		3.5		0.0
Other	-3.8	-2.4	1.3	-1.5	0.9
Extraordinary profit/losses - net	-7.5	-19.1	-11.7	-7.9	11.2

Financial Position at Term Ends (billion yen)

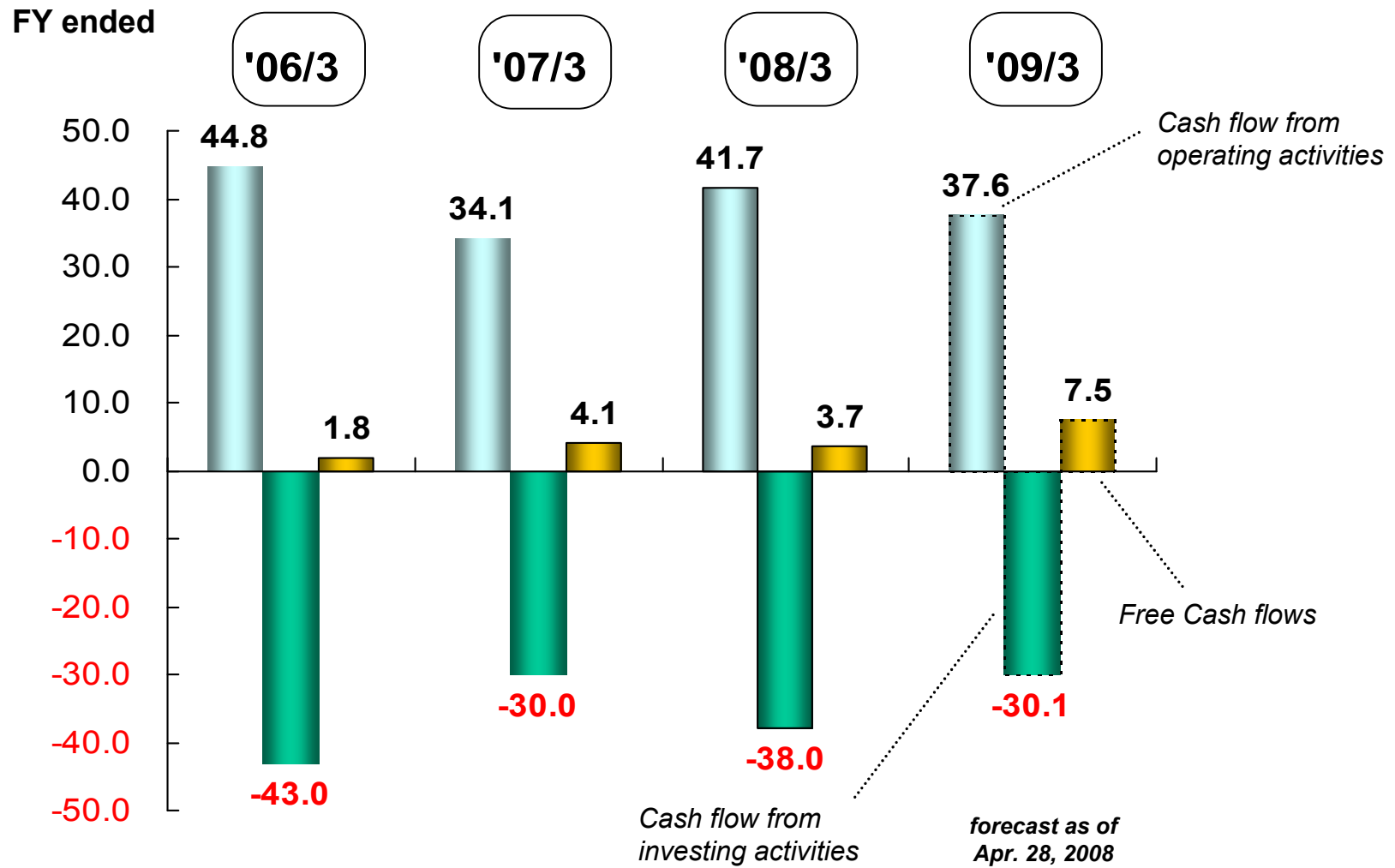


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Cash Flows (billion yen)



Profitability Indexes

