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



FY2008 Q1 Results & Q2 Forecast

August 7, 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



■ 2008/Q1 results (vs. 2007/Q1)

- Sales fell on declining prices of zinc and weak sales of auto parts in the North American market. A change of inventory assets valuation method contributed to the rise in operating income(+¥3.6bn).
 - Mining & Fundamental Materials: Profit fell with the appreciation of the yen, falling prices of zinc, and rising energy costs.
 - Intermediate Materials: Income was boosted by strong sales of copper foil and thin-film materials, and profit on the valuation of inventory.
 - Parts Manufacturing & Assembly: Although sales of door locks fell in North America, the profit margin improved. Consequently, income rose.
 - Non-operating income/expenses: Income declined because of a fall in gain from investments in the copper business by the equity method and the termination of the write-down of negative goodwill.
 - Extraordinary profit/losses: A revaluation loss on inventory of 4.7 billion yen was posted as a result of a change in accounting standards.

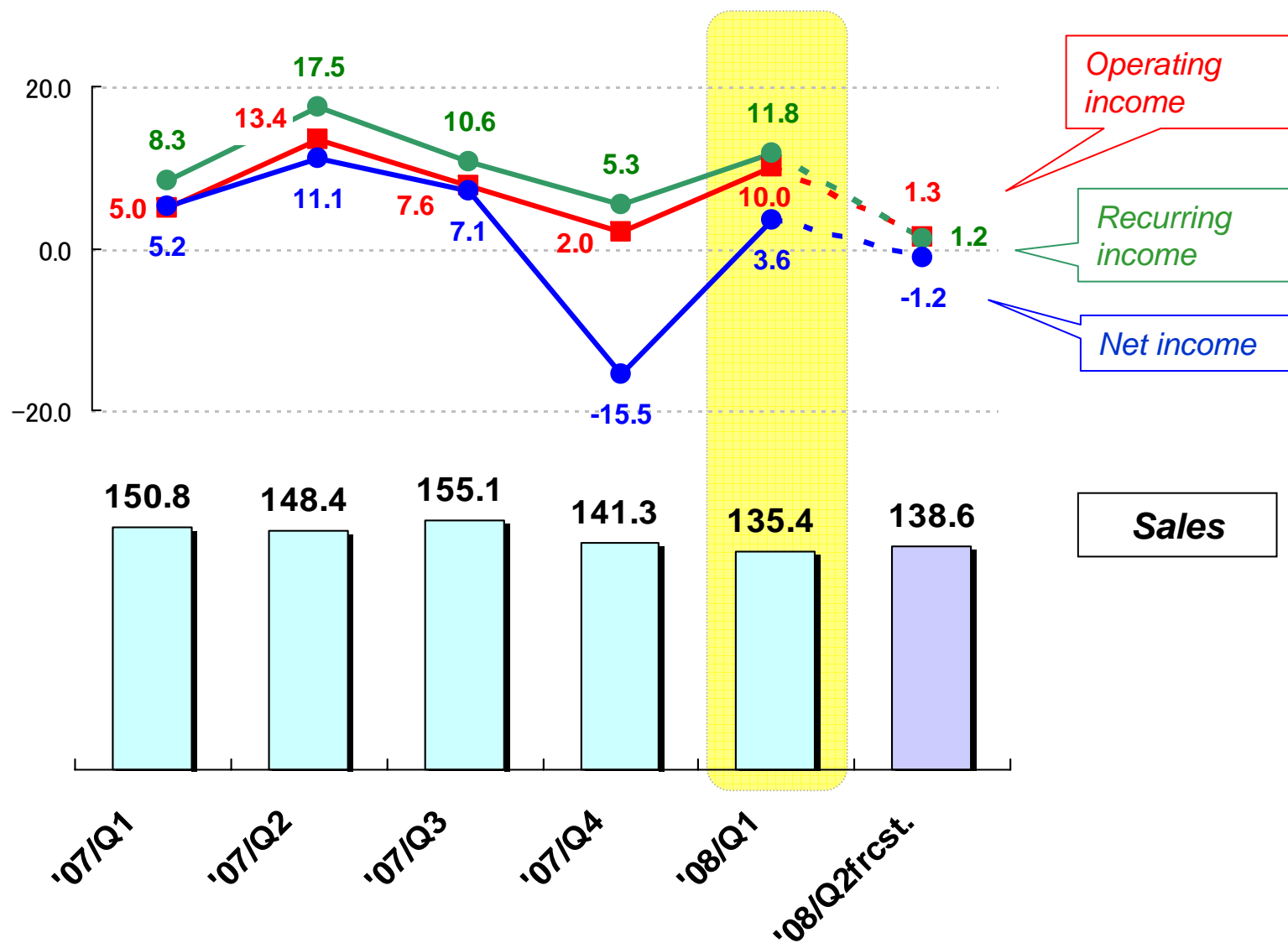
■ Forecast for the first six months (vs. previous forecast)

- Results will be far below the target income because of unexpectedly significant falls in zinc and lead prices and rises in energy costs.
 - Profit in the Mining and Fundamental Materials Business will deteriorate due to falling zinc prices, and rises in the coke price.
 - The business environment for TAB/COF remains harsh. However, falls in prices will be within our expectations, given a shift to high-value-added products.
 - Profit on the valuation of inventory will be recorded in relation to thin-film materials, a reflection of soaring indium prices.
 - Performance in the Parts Manufacturing and Assembly Business is expected to deteriorate for North America. But we aim to improve the profit ratio across the business segment.
 - Income in the Environmental Engineering and Metals Recycling Business will fall, reflecting declining metal prices.

Sales and Profit (billion yen)



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Statements of Income (billion yen)



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	Q1 Results			Q1 and Q2 Forecast				
	'08/Q1	'07/Q1	Change	'08/Q1-2 Forecast	'07/Q1-2	Change	'08/Q1-2 Prev. Frcst.	Change
Net sales	135.4	150.8	-15.4 -10.2%	274.0	299.1	-25.1 -8.4%	286.0	-12.0 -4.2%
Cost of sales	112.2	132.3	-20.1 -15.2%	-	254.2	-	-	-
Gross profit	23.2	18.4	4.7 25.6%	-	44.9	-	-	-
SG&A expenses	13.2	13.5	-0.3 -2.1%	-	26.6	-	-	-
Operating income	10.0	5.0	5.0 101.3%	11.3	18.4	-7.1 -38.5%	14.0	-2.7 -19.3%
Non-operating income/expe	1.8	3.3	-1.5	1.7	7.5	-5.8	1.5	0.2
Recurring income	11.8	8.3	3.5 41.9%	13.0	25.8	-12.8 -49.7%	15.5	-2.5 -16.1%
Extraordinary profit/losses	-5.4	-0.2	-5.2	-6.8	-2.9	-3.9	-6.5	-0.3
Net income before	6.4	8.1	-1.7 -20.9%	6.2	22.9	-16.7 -73.1%	9.0	-2.8 -31.3%
Income taxes and minority	2.8	2.9	-0.1	3.8	6.7	-2.9	4.1	-0.3
Net income	3.6	5.2	-1.6 -30.7%	2.4	16.3	-13.9 -85.2%	4.9	-2.5 -51.0%

Segment Information by Business (billion yen)

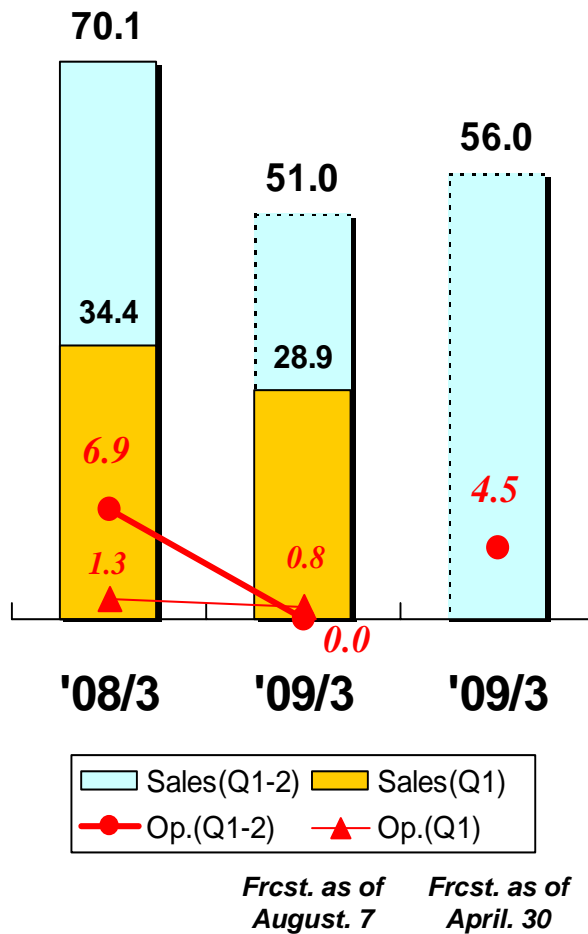


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	Q1 Results			Q1 and Q2 Forecast				
	08/Q1	07/Q1	Change	08/Q1-2 Forecast	07/Q1-2	Change	08/Q1-2 Prev. Frcst.	Change
■ Sales								
Mining and Fundamental Materials	28.9	34.4	-5.5 -16.0%	51.0	70.1	-19.1 -27.2%	56.0	-5.0 -8.9%
Intermediate Materials	60.7	62.3	-1.5 -2.5%	118.0	125.4	-7.4 -5.9%	116.0	2.0 1.7%
Parts Manufacturing and Assembly	36.7	41.1	-4.3 -10.6%	74.0	76.9	-2.9 -3.8%	73.5	0.5 0.7%
Environmental Engineering and Metals Recycling	14.9	17.3	-2.4 -13.9%	29.0	34.7	-5.7 -16.4%	30.0	-1.0 -3.3%
Engineering	3.7	4.0	-0.2 -6.1%	9.0	11.2	-2.2 -19.7%	9.0	0.0 0.0%
Services	13.8	15.5	-1.8 -11.5%	26.0	30.8	-4.8 -15.6%	26.0	0.0 0.0%
Elimination	-23.3	-23.7	0.4	-33.0	-50.0	17.0	-24.5	-8.5
Consolidated	135.4	150.8	-15.4 -10.2%	274.0	299.1	-25.1 -8.4%	286.0	-12.0 -4.2%
■ Operating income								
Mining and Fundamental Materials	0.8	1.3	-0.5 -36.4%	0.0	6.9	-6.9 -100.0%	4.5	-4.5 -100.0%
Intermediate Materials	6.5	2.3	4.2 178.4%	8.2	6.7	1.5 21.6%	5.1	3.1 60.8%
Parts Manufacturing and Assembly	0.7	-0.0	0.7	0.8	0.4	0.4 81.8%	0.6	0.2 33.3%
Environmental Engineering and Metals Recycling	1.7	1.0	0.6 58.8%	2.0	2.9	-0.9 -31.9%	3.5	-1.5 -42.9%
Engineering	-0.1	-0.2	0.1	-0.1	0.2	-0.3 -160.6%	-0.1	0.0
Services	0.4	0.4	-0.0 -2.4%	0.6	1.0	-0.4 -38.6%	0.6	0.0 0.0%
Elimination	0.0	0.1	-0.1	-0.2	0.2	-0.4	-0.2	0.0
Consolidated	10.0	5.0	5.0 101.3%	11.3	18.4	-7.1 -38.5%	14.0	-2.7 -19.3%

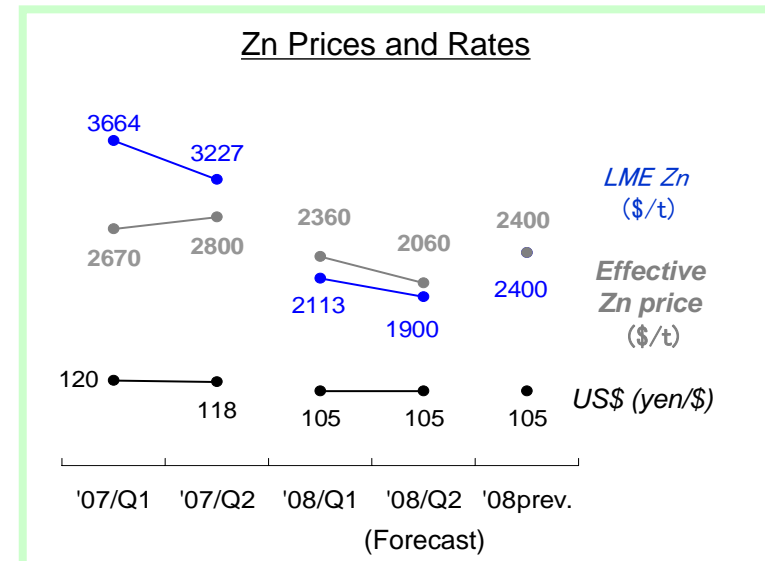
FY2008 Q1 summary, Mitsui Kinzoku

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

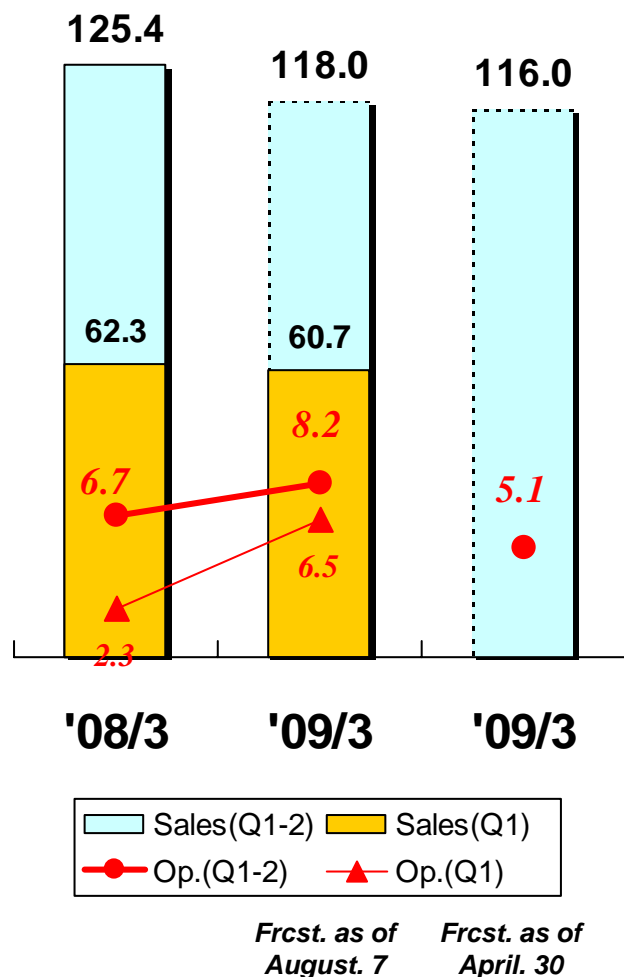


Operating Income variance (billion yen)

	[07/Q1 vs. 08/Q1]	[08/Q1-2 forecast Apr.30 vs. Aug.7]
Ex. Rate	-0.7	
LME (Zn)	-0.6	-1.4
T/C (Zn)	1.0	
Inventory valuation change	-1.2	-1.4
Coke price	-1.0	-1.6
Other	2.0	-0.1
Total	-0.5	-4.5



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



Operating Income variance (billion yen)

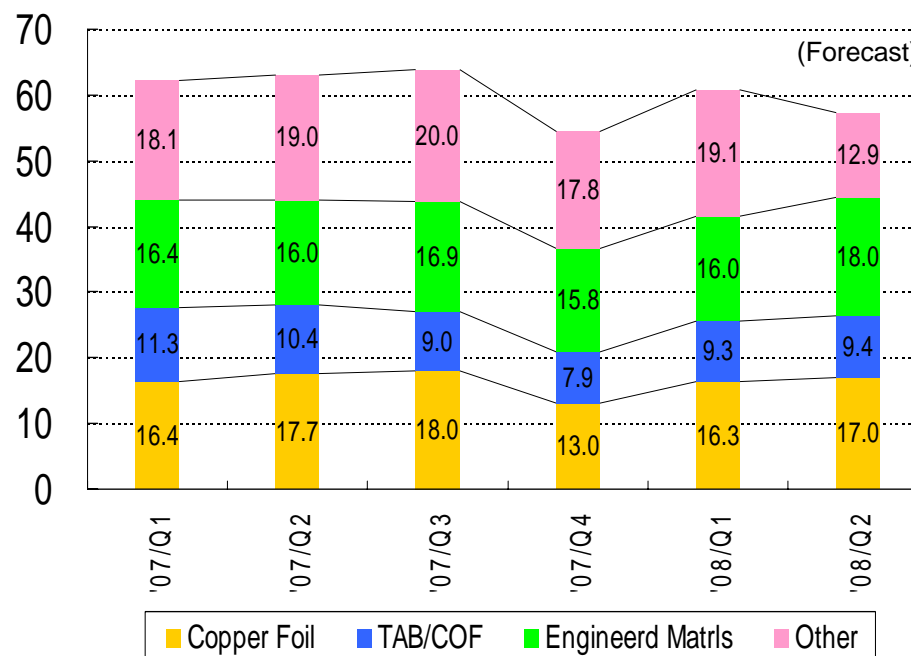
[2007 Q1 vs. 2008 Q1 + 4.2]

- The inventory assets valuation method changed (+¥3.1bn). A profit on the valuation of the inventory of thin-film materials was recorded.

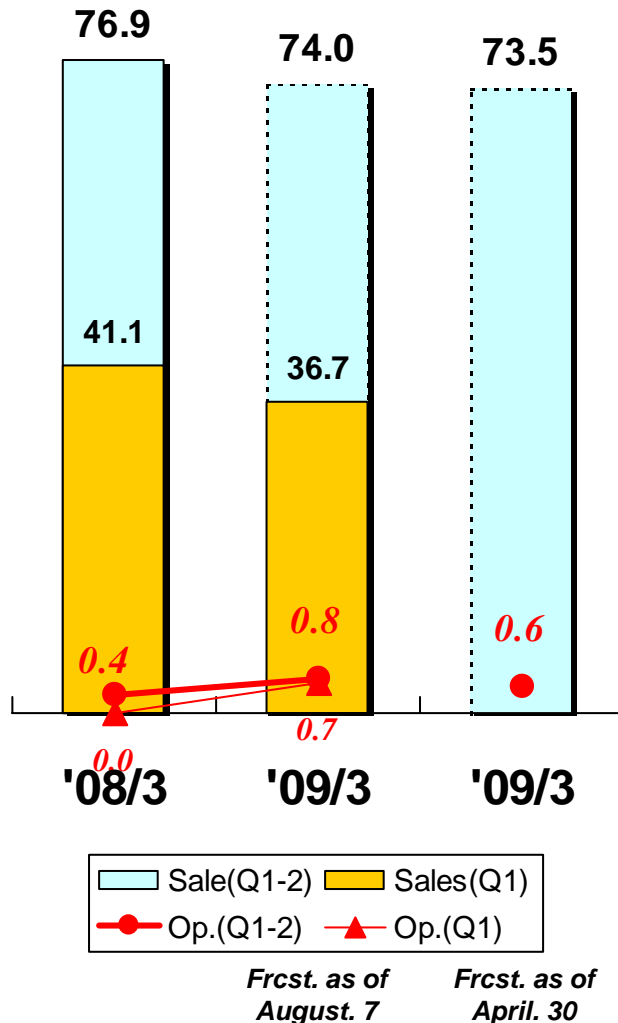
[2008 Q1 and Q2: Previous forecast vs. revised forecast +3.1]

- A profit from on valuation of the inventory of thin-film materials will be recorded. Falls in TAB/COF prices will be within our expectations.

Divisional Sales Breakdown (billion yen)



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



Operating Income variance (billion yen)

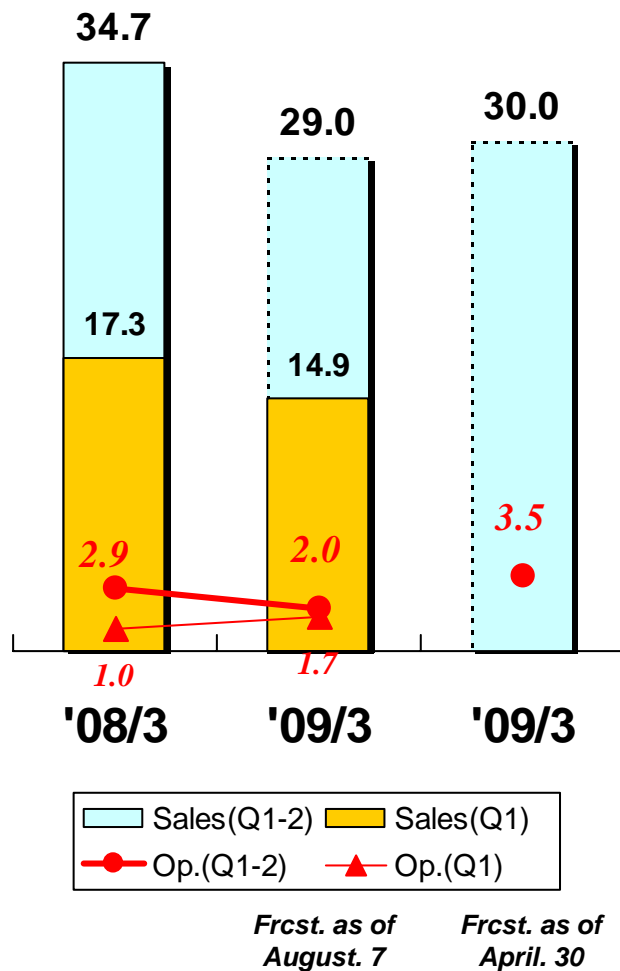
[2007 Q1 vs. 2008 Q1 + 0.7]

- Profit margins on auto door locks improved.
- The inventory asset valuation method changed (+¥0.2bn).

[2008 Q1 and Q2: Previous forecast vs. revised forecast + 0.2]

- There is concern about a fall in sales in North America. But we will offset the potential fall by improving productivity.

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

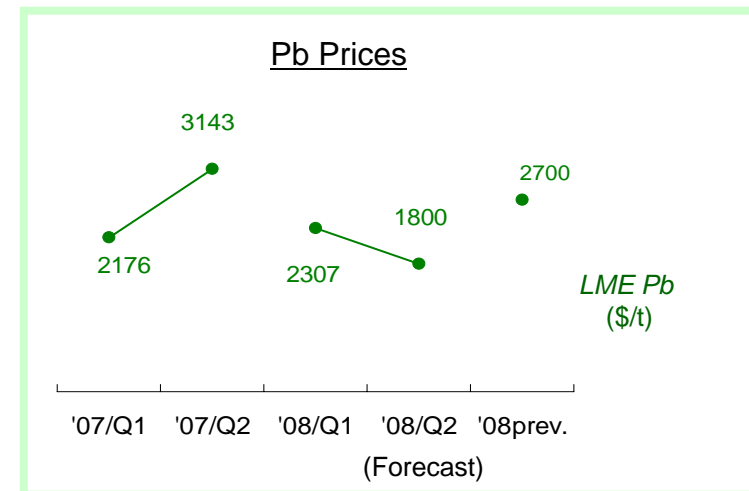


Operating income variance (billion yen)
 [2007 Q1 vs. 2008 Q1 +0.7]

- The inventory assets valuation method changed (+¥1.5bn).
- The metal prices fell; energy costs rose.

[2008 Q1 and Q2: Previous forecast vs. revised forecast -1.5]

- The metal prices will fall; energy costs will rise.



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



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	Q1 Results			Q1 and Q2 Forecast				
	08/Q1	07/Q1	Change	08/Q1-2	07/Q1-2	Change	08/Q1-2 Prev. Frcst.	Change
Interest income - net	-0.6	-0.7	0.1	-1.2	-1.3	0.1	-1.5	0.2
Dividend income -net	0.9	0.5	0.4	1.5	0.8	0.7	0.7	0.8
Amortization of consolidation differences	0.0	0.7	-0.7	0.0	1.5	-1.5	0.1	-0.0
Equity in gains/losses	1.5	2.4	-0.9	2.3	6.8	-4.5	3.0	-0.8
Cu price(¢ /lb)	(383 ¢)	(347 ¢)	(36 ¢)	(366 ¢)	(348 ¢)	(18 ¢)	(330 ¢)	(36 ¢)
Zn price (\$/t)	(\$2,360)	(\$3,664)	(-\$1,304)	(\$2,130)	(\$3,445)	(-\$1,315)	(\$2,400)	(-\$270)
Other	-0.0	0.4	-0.4	-0.9	-0.3	-0.6	-0.8	-0.0
Non-operating income/expenses - net	1.8	3.3	-1.5	1.7	7.5	-5.8	1.5	0.2
Indemnity	-0.0	-0.0	-0.0	-0.1	-0.1	0.0	-0.1	0.0
Loss on sale & disposal of P. P. E.	-0.0	-0.2	0.1	-0.5	-0.7	0.2	-0.6	0.1
Impairment charges on P.P.E.			0.0	-0.1	-0.0	-0.1	-0.1	0.0
Write-down of inventories	-4.7		-4.7	-4.7		-4.7	-4.7	-0.1
Other	-0.6	-0.0	-0.6	-1.4	-2.1	0.7	-1.1	-0.3
Extraordinary profit/losses - net	-5.4	-0.2	-5.2	-6.8	-2.9	-3.9	-6.5	-0.3

Financial Position at Term Ends (billion yen)

