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

FY2008 Q3 Results & Forecast

February 6, 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

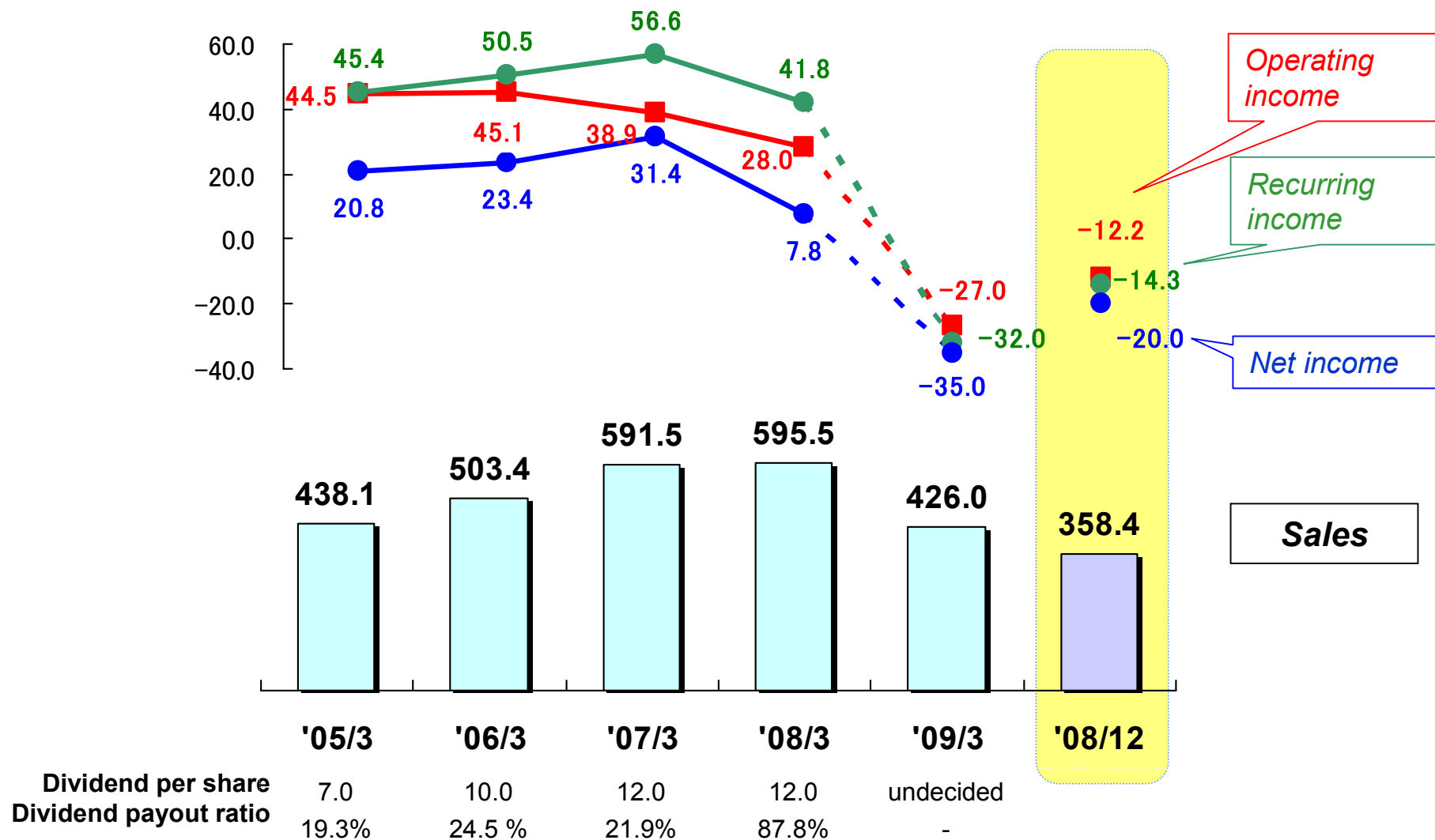
■ 2008/Q1-3 results

- The volume of sales plummeted in almost all operations. A revaluation loss on inventory of 17 billion yen was incurred in association with sharp falls in metals prices in the third quarter. As a result, a substantial operating loss was posted.
 - Mining & Fundamental Materials and Metals Recycling: A large net loss was recorded, reflecting the appreciation of the yen, falling prices of metals, rising coke prices, and a loss on the revaluation of inventory.
 - Intermediate Materials: A revaluation loss on inventory was posted. In addition, sales fell significantly in all product categories, including copper foil, TAB/COF, engineered materials, and rolled copper & zinc.
 - Parts Manufacturing & Assembly: Sales fell significantly, reflecting the shrinking of the auto parts market.
 - Non-operating income/expenses: Income declined because of a fall in the gain from equity-method investments in the copper and zinc business and the termination of the write-down of negative goodwill.
 - Extraordinary profit/losses: A revaluation loss on inventory and a reserve for loss on inventory totaling 8 billion yen was posted.

■ Fiscal 2008 full-year outlook

- A revaluation loss will amount to an 18.5 billion yen item posted as an operating loss in the full year. We do not expect sales to recover in the fourth quarter. To bolster the revenue base, we will comprehensively streamline personnel, assets, and debts.
 - In association with the streamlining of personnel, we expect to post related retirement costs of 1.5 billion yen for the current fiscal year.
 - We will take radical action in relation to the TAB/COF business, to minimize the chance of posting an operating loss in the next fiscal year.
 - (The outlook does not incorporate any extraordinary loss incurred in association with the action.)
 - The company suspended forecast of the year-end dividend. We plan to announce it in mid-March after completing the above-mentioned action plan.
 - Based on the current financial situation, we plan to accelerate fund raising and secure liquidity on hand.

Sales and Profit (billion yen)

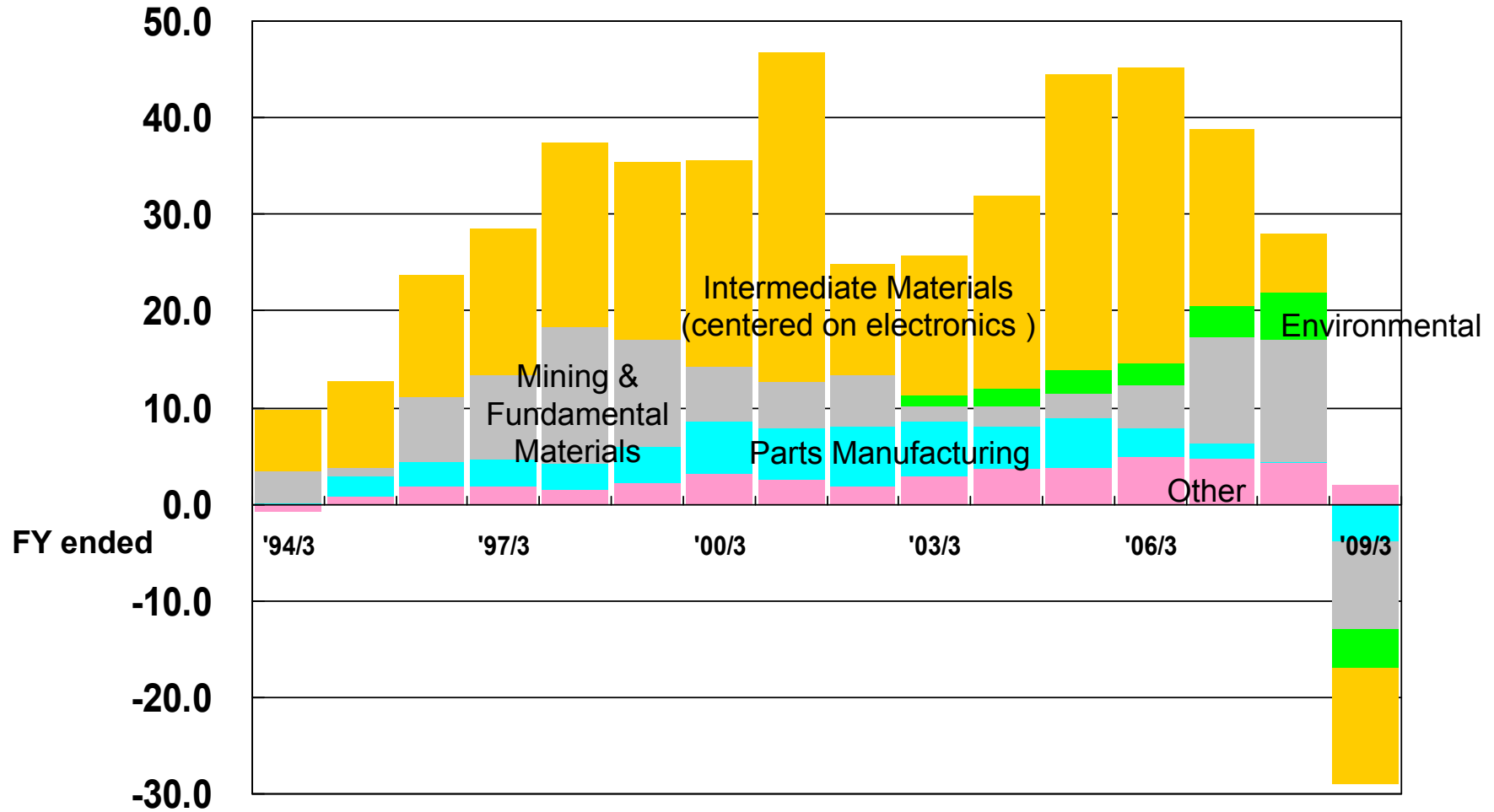


Forecast as of
Feb. 6, 2008

Statements of Income (billion yen)

	Q3 Results			Full-Year				
	'08/Q1-3	'07/Q1-3	Change	'09/3 Forecast	'08/3	Change	'09/3 Forecast (Nov.4)	Change
Net sales	358.4	454.2	-95.8 <i>-21.1%</i>	426.0	595.5	-169.5 <i>-28.5%</i>	554.0	-128.0 <i>-23.1%</i>
Cost of sales	332.5	388.3	-55.8 <i>-14.4%</i>	-	510.1	-	-	-
Gross profit	25.9	65.9	-40.1 <i>-60.8%</i>	-	85.4	-	-	-
SG&A expenses	38.1	39.9	-1.8 <i>-4.6%</i>	-	57.4	-	-	-
Operating income	-12.2	26.0	-38.2 -	-27.0	28.0	-55.0 -	19.7	-46.7 -
Non-operating income/ expenses - net	-2.1	10.5	-12.6	-5.0	13.8	-18.8	0.3	-5.3
Recurring income	-14.4	36.5	-50.8 -	-32.0	41.8	-73.8 -	20.0	-52.0 -
Extraordinary profit/losses - net	-10.9	-3.2	-7.7	-14.8	-19.1	4.3	-7.9	-7.0
Net income before income taxes	-25.3	33.2	-58.5 -	-46.8	22.7	-69.5 -	12.2	-59.0 -
Income taxes and minority interests	-5.3	9.9	-15.2	-11.8	14.8	-26.6	7.2	-19.0
Net income	-20.0	23.3	-43.4 -	-35.0	7.8	-42.8 -	5.0	-40.0 -

Historical Operating Income by Segment (billion yen)



Forecast as of
Feb 6, 2008

Segment Information by Business (billion yen)



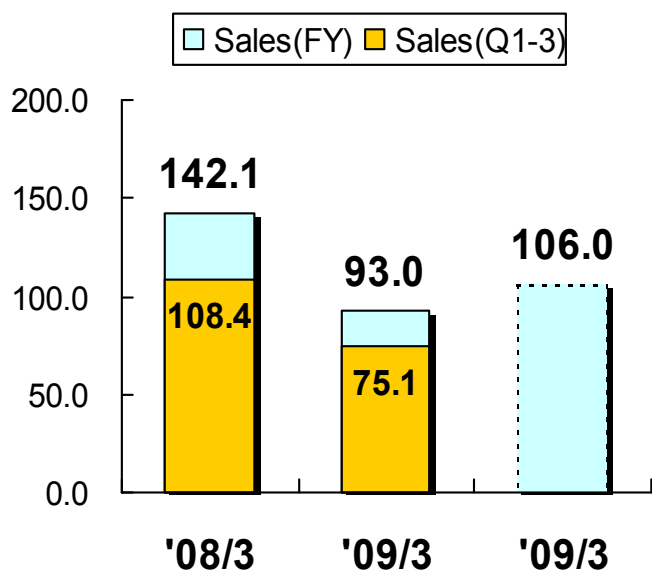
	Q3 Results			Full-Year				
	'08/12 Q1-Q3	'07/12 Q1-Q3	Change	'09/3 Forecast	'08/3	Change	'09/3 Forecast(Nov.4)	Change
■ Sales								
Mining and Fundamental Materials	75.1	108.4	-33.3 -30.7%	93.0	142.1	-49.1 -34.6%	106.0	-13.0 -12.3%
Intermediate Materials	155.0	189.3	-34.3 -18.1%	179.0	243.8	-64.8 -26.6%	233.0	-54.0 -23.2%
Parts Manufacturing and Assembly	100.0	116.2	-16.2 -13.9%	124.0	153.8	-29.8 -19.4%	144.0	-20.0 -13.9%
Environmental Engineering and Metals Recycling	40.6	53.0	-12.4 -23.3%	53.0	69.1	-16.1 -23.3%	61.0	-8.0 -13.1%
Engineering	15.8	15.0	0.8 5.1%	26.0	27.6	-1.6 -5.8%	27.0	-1.0 -3.7%
Services	37.0	46.8	-9.9 -21.1%	47.0	60.7	-13.7 -22.5%	55.0	-8.0 -14.5%
Elimination	-65.1	-74.5	9.4	-96.0	-101.6	5.6	-72.0	-24.0
Consolidated	358.4	454.2	-95.8 -21.1%	426.0	595.5	-169.5 -28.5%	554.0	-128.0 -23.1%
■ Operating income								
Mining and Fundamental Materials	-6.4	11.2	-17.6	-9.1	12.6	-21.7	0.1	-9.2
Intermediate Materials	-2.1	9.0	-11.1	-12.1	6.1	-18.2	12.0	-24.1
Parts Manufacturing and Assembly	-1.3	0.6	-1.9	-3.9	0.1	-4.0	2.6	-6.5
Environmental Engineering and Metals Recycling	-3.8	3.6	-7.4	-3.9	4.9	-8.8	2.7	-6.6
Engineering	0.2	0.2	0.0 25.4%	0.5	1.3	-0.8 -61.3%	0.9	-0.4 -44.4%
Services	1.2	1.1	0.1 6.0%	1.3	1.9	-0.6 -32.9%	1.3	0.0 0.0%
Elimination	-0.0	0.3	-0.3	0.2	1.1	-0.9	0.1	0.1
Consolidated	-12.2	26.0	-38.2	-27.0	28.0	-55.0	19.7	-46.7

Quarterly sales and incomes (billion yen)



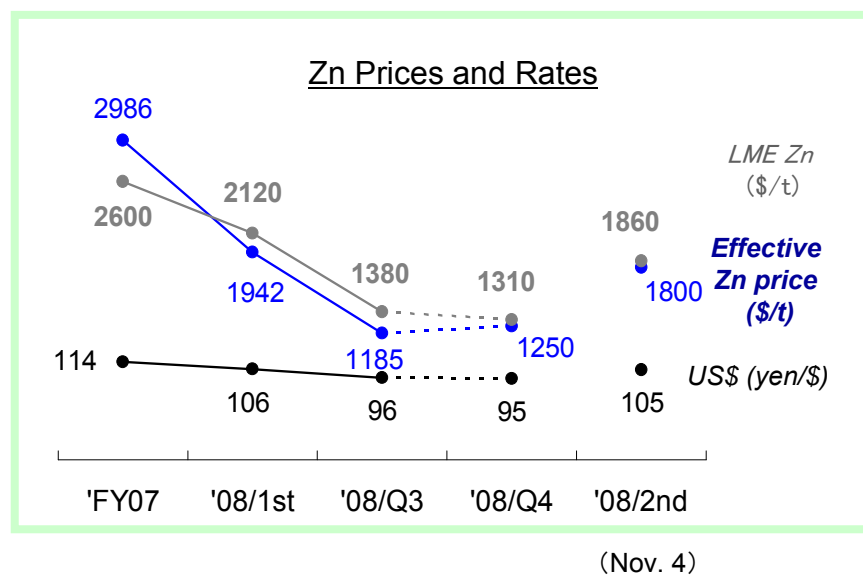
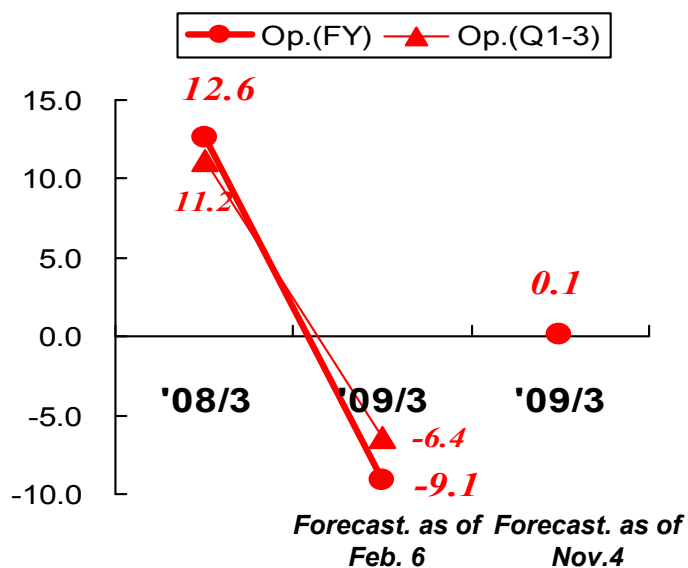
	07/Q1	07/Q2	07/Q3	07/Q4	08/Q1	08/Q2	08/Q3	08/Q4
■ Sales								(Forecast)
Mining and Fundamental	34.4	35.7	38.3	33.7	28.9	27.6	18.6	17.9
Intermediate Materials	62.3	63.1	63.9	54.5	60.7	59.3	35.0	24.0
Parts Manufacturing	41.1	35.9	39.3	37.6	36.7	35.5	27.8	24.0
Environmental & Recycling	17.3	17.4	18.3	16.1	14.9	16.0	9.8	12.4
Engineering	4.0	7.2	3.8	12.6	3.7	6.3	5.7	10.2
Services	15.5	15.3	16.0	13.9	13.8	13.4	9.8	10.0
Consolidated	150.8	148.4	155.1	141.3	135.4	133.7	89.3	67.6
■ Operating income								
Mining and Fundamental	1.3	5.6	4.3	1.4	0.8	-0.6	-6.7	-2.7
Intermediate Materials	2.3	4.4	2.3	-2.9	6.5	2.2	-10.9	-10.0
Parts Manufacturing	-0.0	0.4	0.2	-0.5	0.7	0.0	-2.0	-2.6
Environmental & Recycling	1.0	1.9	0.7	1.3	1.7	0.1	-5.6	-0.1
Engineering	-0.2	0.3	0.0	1.1	-0.1	0.1	0.2	0.3
Services	0.4	0.6	0.1	0.8	0.4	0.4	0.3	0.1
Consolidated	5.0	13.4	7.6	2.0	10.0	2.3	-24.5	-14.8
■ Recurring income	8.3	17.5	10.6	5.3	11.8	3.2	-29.4	-17.6
■ Net income	5.2	11.1	7.1	-15.5	3.6	0.7	-24.3	-15.0

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

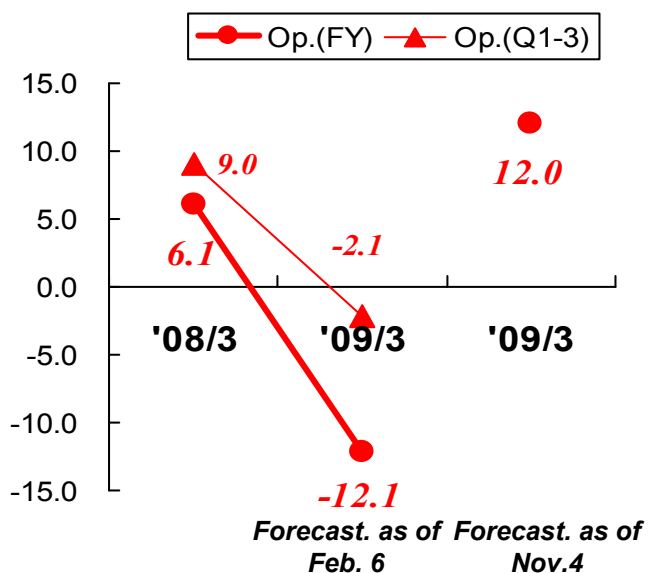
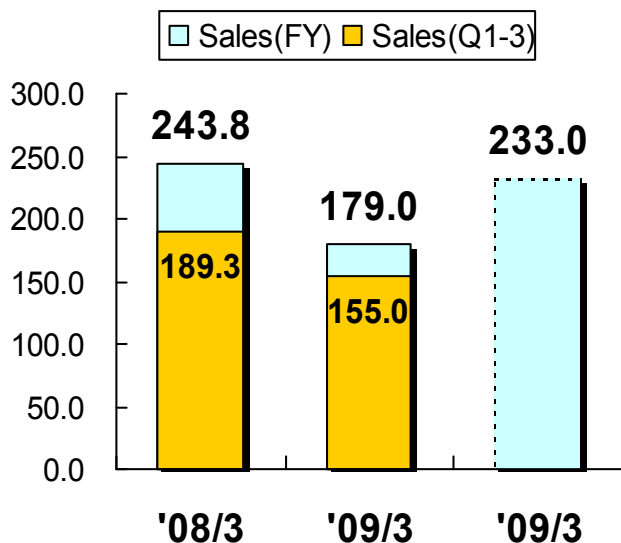


Operating Income variance (billion yen)

	('07/Q1-3 vs. '08/Q1-3)	(FY08 forecast Nov.4 vs. Feb.6)
Ex. Rate	-1.4	-0.7
LME	-6.7	-3.8
T/C	1.6	-
Inventory valuation change	-7.2	-3.8
Coke price	-2.9	-
Other	-1.0	-0.9
Total	-17.6	-9.2



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



Operating Income variance (billion yen)

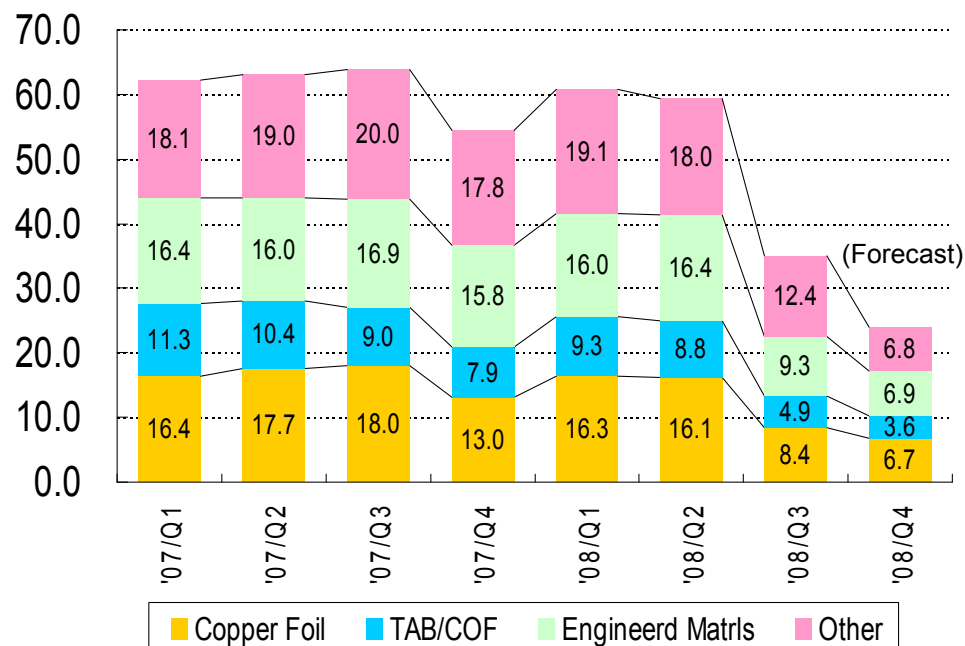
[2007 Q1-3 vs. 2008 Q1-3 - 11.1]

- Sales decline by plunge in demand
- Falls in TAB/COF prices etc.

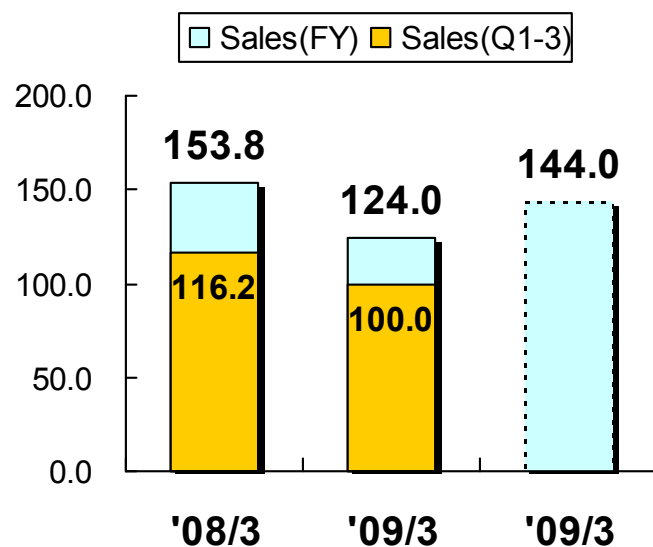
[FY2008 Nov. 4 forecast vs. Feb. 6 - 24.1]

- A loss on the revaluation of the inventory (-10.7bn)
- Sales decline by plunge in demand

Divisional Sales Breakdown (billion yen)



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



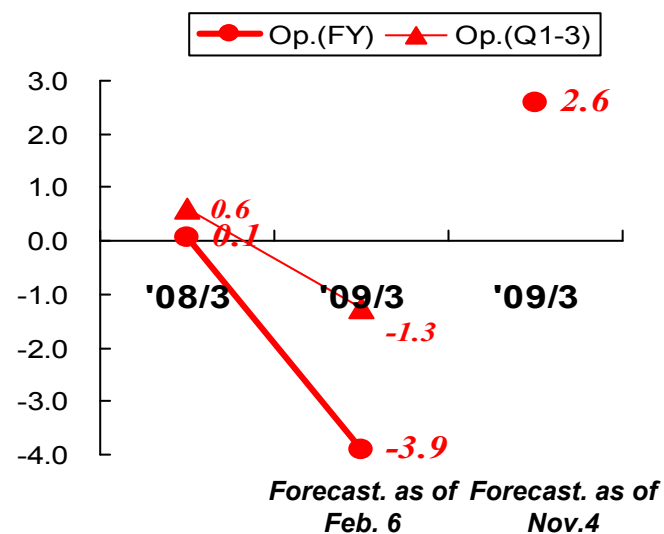
Operating Income variance (billion yen)

[2007 Q1-3 vs. 2008 Q1-3 - 1.9]

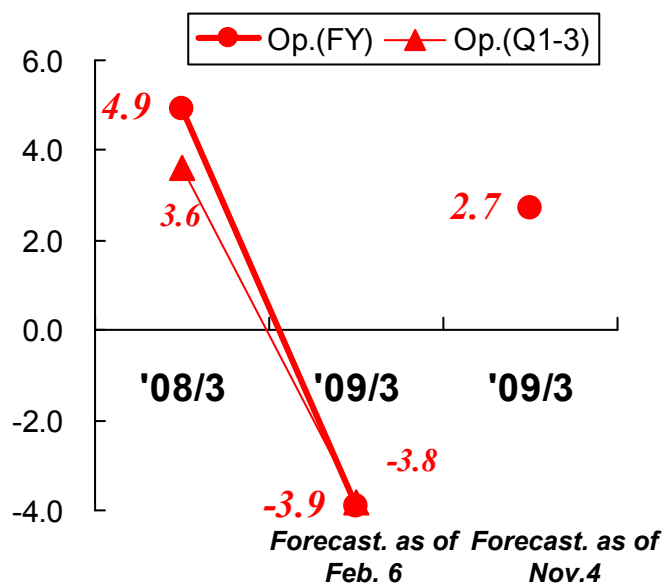
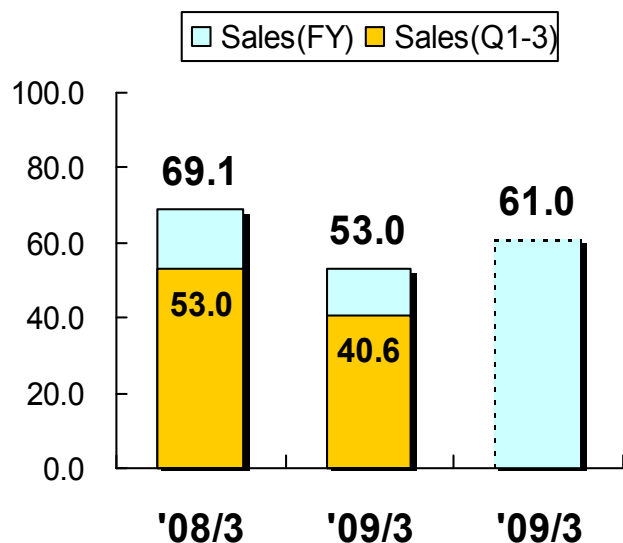
- Sales decline by plunge in demand

[FY2008 Nov. 4 forecast vs. Feb.6 - 6.5]

- Sales decline by plunge in demand



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



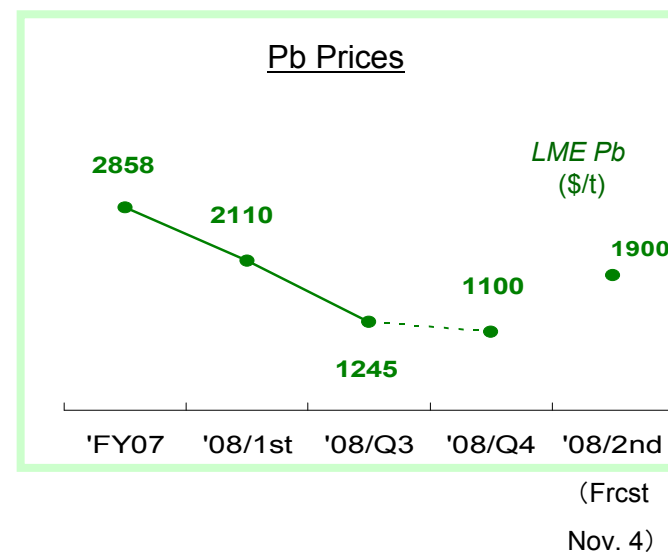
Operating income variance (billion yen)

[2007 Q1-3 vs. 2008 Q1-3 - 7.4]

- The inventory assets valuation (- 2.3bn).
- The metal prices fell; energy costs rose.

[FY2008 Nov. 4 forecast vs. Feb. 6 - 6.6]

- The inventory assets valuation (- 3.5bn).
- The metal prices will fall.



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



	Q3 Results			Full-year				
	'08/Q1-3	'07/Q1-3	Change	'09/3 Forecast	'08/3	Change	'09/3 Frcst. (Nov. 4)	Change
Interest income - net	-2.0	-2.1	0.0	-2.8	-2.7	-0.1	-3.1	0.3
Dividend income -net	1.7	1.5	0.2	1.7	1.6	0.1	1.8	-0.1
Amortization of cosolidation differences	0.1	2.2	-2.2	0.1	3.0	-2.9	0.1	-0.0
Equity in gains/losses	-0.6	9.0	-9.6	-3.1	11.6	-14.7	2.2	-5.3
Cu price (¢ /lb)	(303 ¢)	(341 ¢)	(-38 ¢)	(262 ¢)	(344 ¢)	(-82 ¢)	(330 ¢)	(-68 ¢)
Zn price (\$/t)	(\$1,690)	(\$3,171)	(-\$1,481)	(\$1,580)	(\$2,986)	(-\$1,406)	(\$1,871)	(-\$291)
Other	-1.3	-0.3	-1.1	-0.9	0.3	-1.2	-0.7	-0.2
Non-operating income/expenses - net	-2.1	10.5	-12.6	-5.0	13.8	-18.8	0.3	-5.3
Gain on sale of mining rights			0.0		3.7	-3.7		0.0
Indemnity	-0.1	-0.1	-0.0	-0.2	-0.2	-0.0	-0.2	0.0
Loss on sale & disposal of P. P. E.	-0.3	-0.9	0.6	-0.9	-1.7	0.8	-0.6	-0.3
Impairment charges on P.P.E.	-0.3	-0.0	-0.3	-0.4	-18.5	18.1	-0.3	-0.1
Write-down of inventories	-4.7		-4.7	-4.7		-4.7	-4.7	0.0
Reserve for loss on inventories	-3.4		-3.4	-3.5		-3.5		-3.5
Additional retirement benefits			0.0	-1.5		-1.5		-1.5
Other	-2.1	-2.2	0.1	-3.6	-2.4	-1.2	-2.0	-1.6
Extraordinary profit/losses - net	-10.9	-3.2	-7.7	-14.8	-19.1	4.3	-7.9	-7.0

Financial Position at Term Ends (billion yen)

