



**mitsui kinzoku**  
(Mitsui Mining & Smelting Co., Ltd. TSE5706)

*FY2009 Q3 Results & Forecasts*

February 1st, 2010

# Business Overview

---

## ■ Fiscal 2009 Q1-3 results (vs. Fiscal 2008 Q1-3):

- In the third quarter, the rebound in demand and rise in metal prices continued from the first half, but revenues overall for the nine-month period were still down year on year. However, earnings recovered strongly, on a ¥10 billion gain on inventory valuation and progress in business reforms.

Mining and Fundamental Materials : Earnings improved significantly due to a fall in coke prices and gains on inventory valuation.

Intermediate Materials: Revenues fell despite a rebound in demand for electronics materials. Earnings soared due to business process reforms and gains on inventory valuation.

Parts Manufacturing and Assembly: Revenues slipped as recovery in demand is not yet solid. In the third quarter, earnings finally turned positive.

Environmental Engineering & Metals Recycling : Earnings increased on rising metal prices and gains on inventory valuation.

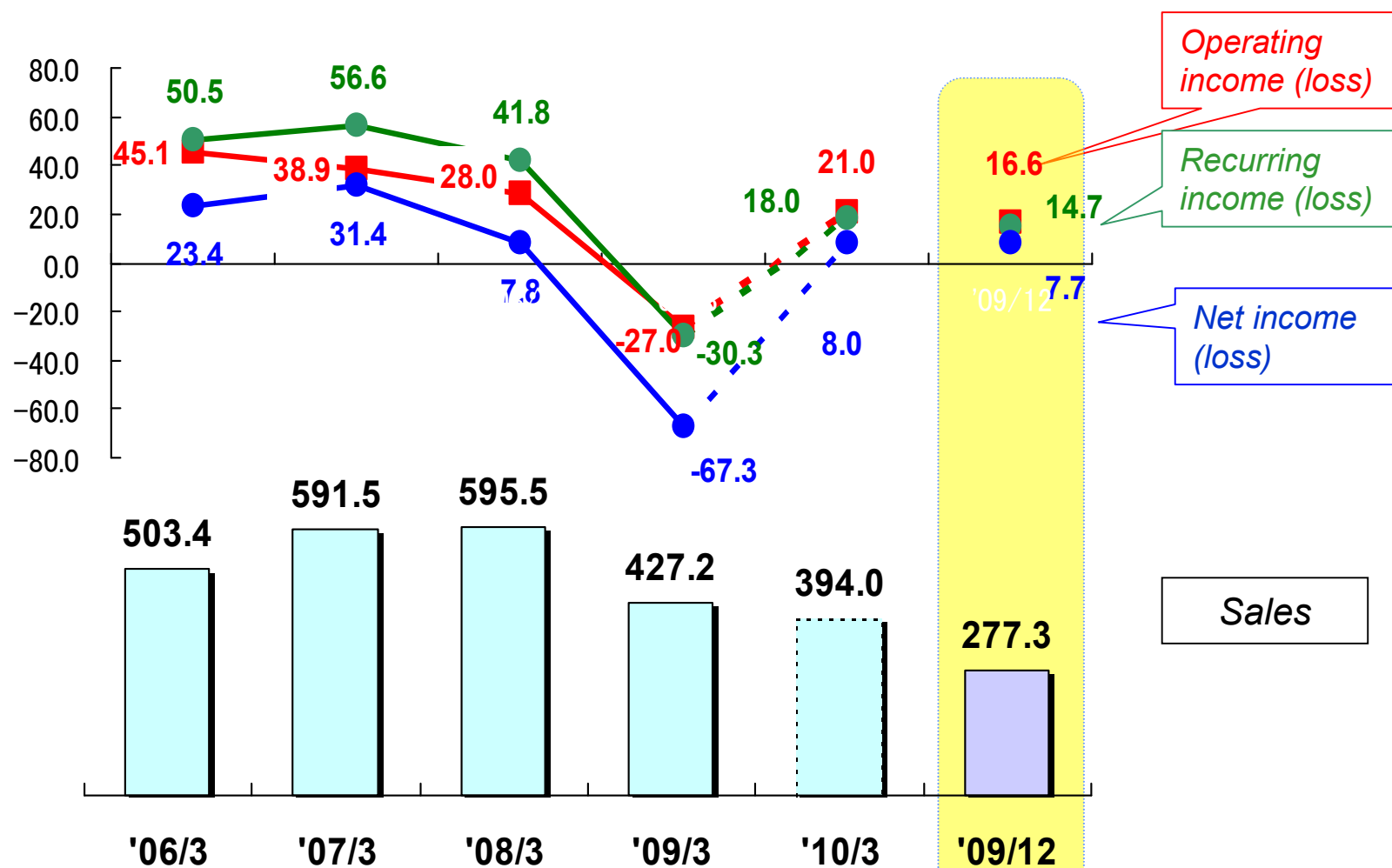
Non-operating income/expenses: Earnings improved on equity-method investments, driven by rising metal prices.

Extraordinary profit/losses: Structural improvement expenses of ¥2.8 billion were posted, including additional amount for voluntary employee retirement plan.

## ■ Fiscal 2009 full-year outlook (vs. previous forecast):

- We forecast higher earnings on a greater-than-expected rise in metal prices and increased sales of intermediate materials.

## Sales and Profits (billion yen)



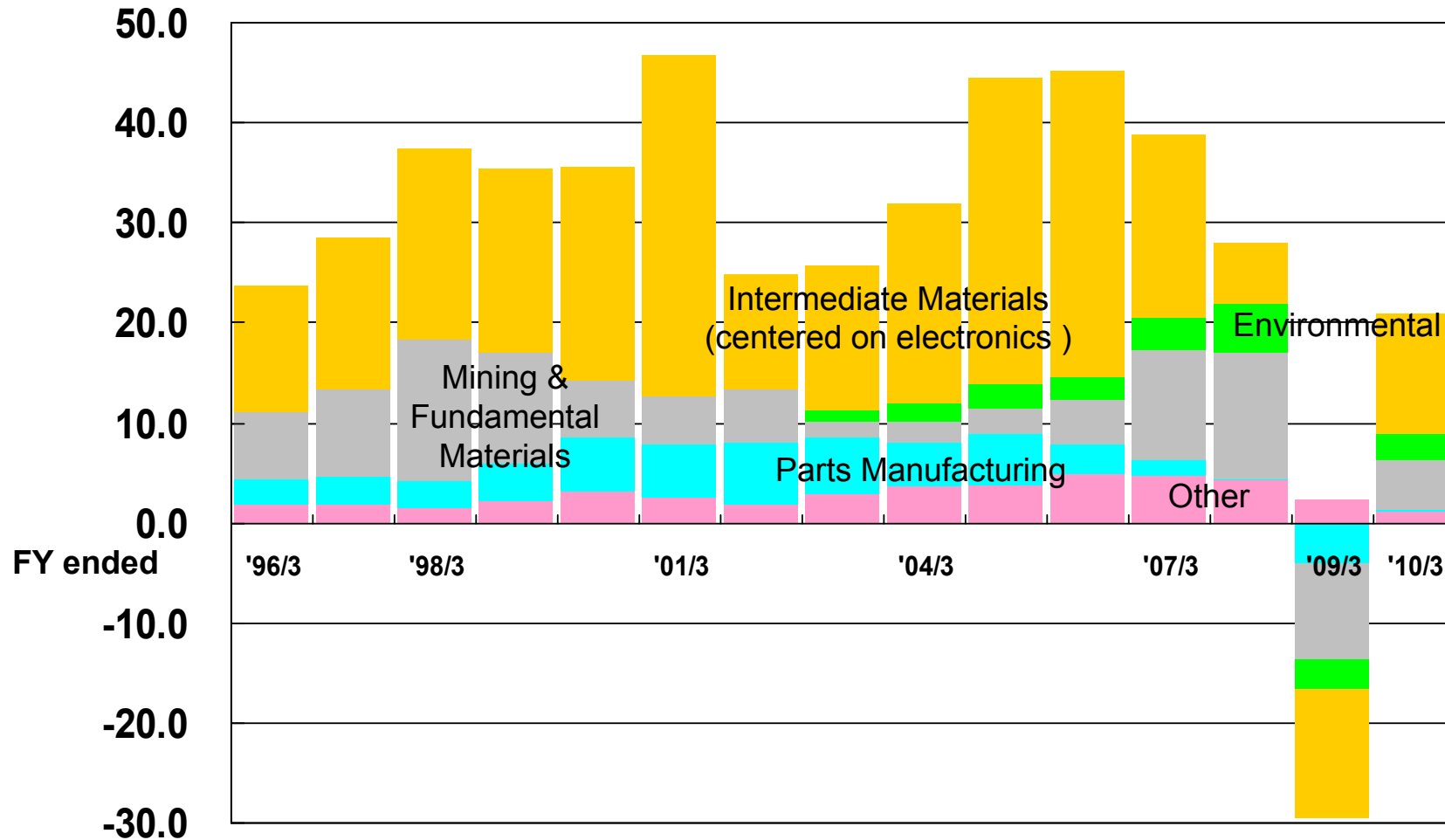
Dividend per share	10.0	12.0	12.0	0.0	0.0
Dividend payout ratio	24.5%	21.9%	87.8%	-	-

Forecast as of  
Feb. 1, 2010

## Statements of Income (billion yen)

	Q3 Results			Full-year				
	'09/Q1-3	'08/Q1-3	Change	'10/3 Forecast	'09/3	Change	'10/3 as of Nov. 6	Change
<b>Net sales</b>	<b>277.3</b>	358.4	-81.1 <i>-22.6%</i>	<b>394.0</b>	427.2	-33.2 <i>-7.8%</i>	365.0	29.0 <i>7.9%</i>
Cost of sales	<b>231.8</b>	332.5	-100.7 <i>-30.3%</i>	-	405.3	-	-	-
<b>Gross profit</b>	<b>45.5</b>	25.9	19.6 <i>76.0%</i>	-	21.9	-	-	-
SG&A expenses	<b>28.9</b>	38.1	-9.2 <i>-24.1%</i>	-	49.0	-	-	-
<b>Operating income</b>	<b>16.6</b>	-12.2	28.8 -	<b>21.0</b>	-27.0	48.0 -	16.2	4.8 <i>29.6%</i>
Non-operating income/ expenses - net	<b>-1.9</b>	-2.1	0.2	<b>-3.0</b>	-3.3	0.3	-5.2	2.2
<b>Recurring income</b>	<b>14.7</b>	-14.4	29.0 -	<b>18.0</b>	-30.3	48.3 -	11.0	7.0 <i>63.6%</i>
Extraordinary profit/losses - net	<b>-3.1</b>	-10.9	7.8	<b>-3.7</b>	-24.8	21.1	-3.7	-0.0
<b>Net income before income taxes</b>	<b>11.5</b>	-25.3	36.8 -	<b>14.3</b>	-55.1	69.4 -	7.3	7.0 <i>95.4%</i>
Income taxes and minority interests	<b>3.9</b>	-5.3	9.1	<b>6.3</b>	12.1	-5.8	4.9	1.4
<b>Net income</b>	<b>7.7</b>	-20.0	27.7 -	<b>8.0</b>	-67.3	75.3 -	2.4	5.6 <i>233.3%</i>

# Historical Operating Income by Segment (billion yen)



Forecast as of  
Feb 1, 2010

## Segment Information by Business (billion yen)

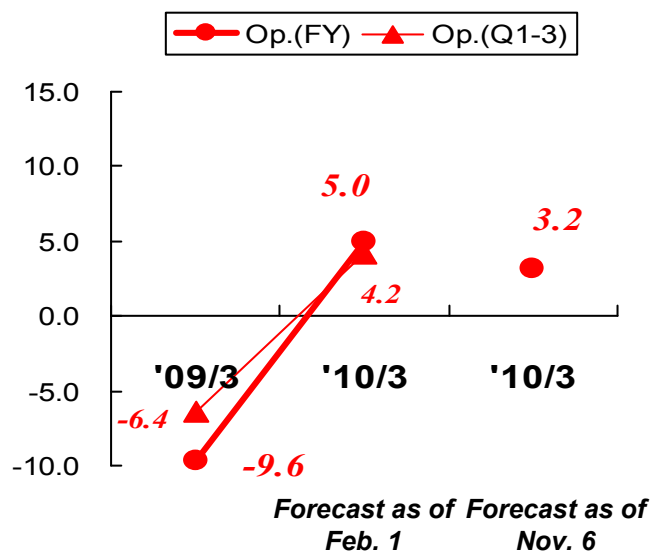
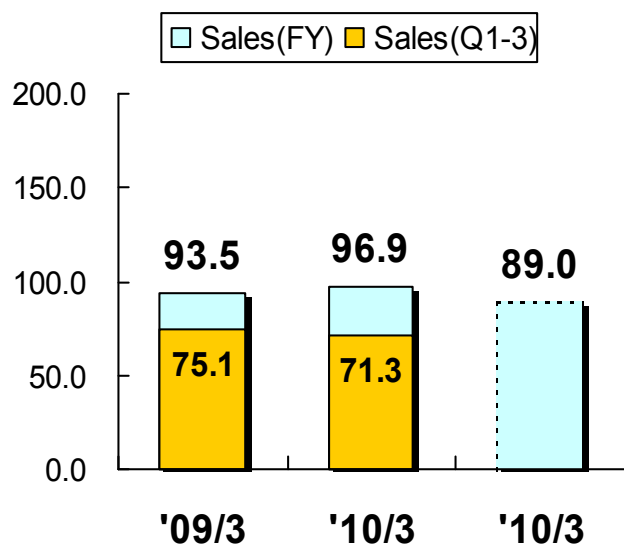


	Q3 Results			Full-Year 09				
	'09/Q1-3	'08/Q1-3	Change	Forecast	'09/3	Change	Forecast	Change
<b>■ Sales</b>								
Mining and Fundamental Materials	71.3	75.1	-3.8 -5.1%	96.9	93.5	3.4 3.6%	89.0	7.9 8.9%
Intermediate Materials	109.9	155.0	-45.1 -29.1%	148.0	174.8	-26.8 -15.4%	140.0	8.0 5.7%
Parts Manufacturing and Assembly	72.8	100.0	-27.3 -27.3%	101.9	119.5	-17.6 -14.8%	93.0	8.9 9.6%
Environmental Engineering and Metals Recycling	36.8	40.6	-3.8 -9.4%	50.2	51.3	-1.1 -2.2%	46.0	4.2 9.1%
Engineering	10.3	15.8	-5.4 -34.5%	20.3	24.8	-4.5 -18.1%	21.0	-0.7 -3.3%
Services	30.4	37.0	-6.6 -17.9%	40.8	45.6	-4.8 -10.4%	38.0	2.8 7.4%
Elimination	-54.1	-65.1	11.0	-64.1	-82.4	18.3	-62.0	-2.1
Consolidated	277.3	358.4	-81.1 -22.6%	394.0	427.2	-33.2 -7.8%	365.0	29.0 7.9%
<b>■ Operating income</b>				'10/3	'09/3	Change	'10/3	Change
Mining and Fundamental Materials	4.2	-6.4	10.6	5.0	-9.6	14.6	3.2	1.8 56.3%
Intermediate Materials	10.0	-2.1	12.1	12.2	-12.9	25.1	10.0	2.2 22.0%
Parts Manufacturing and Assembly	-0.8	-1.3	0.5	0.1	-4.0	4.1	-0.2	0.3
Environmental Engineering and Metals Recycling	2.3	-3.8	6.1	2.5	-2.9	5.4	1.8	0.7 38.9%
Engineering	-0.3	0.2	-0.6	0.1	0.6	-0.5 -84.2%	0.3	-0.2 -66.7%
Services	1.0	1.2	-0.1 -12.3%	1.1	1.6	-0.5 -29.9%	1.1	0.0 0.0%
Elimination	0.2	-0.0	0.2	0.0	0.2	-0.2	0.0	0.0
Consolidated	16.6	-12.2	28.8	21.0	-27.0	48.0	16.2	4.8 29.6%

## Quarterly sales and incomes (billion yen)

	'08/Q1	'08/Q2	'08/Q3	'08/Q4	'09/Q1	'09/Q2	'09/Q3	'09/Q4 (Forecast)	Q3 (YoY)	Q3 (QoQ)	Q4 (YoY)	Q4 (QoQ)
<b>■ Sales</b>												
Mining and Fundamental	28.9	27.6	18.6	18.5	19.6	25.3	<b>26.3</b>	25.7	7.7	0.9	7.2	-0.6
Intermediate Materials	60.7	59.3	35.0	19.8	30.5	39.5	<b>39.9</b>	38.1	4.8	0.3	18.3	-1.7
Parts Manufacturing	36.7	35.5	27.8	19.5	18.9	25.2	<b>28.6</b>	29.1	0.9	3.4	9.7	0.5
Environmental & Recycling	14.9	16.0	9.8	10.7	10.0	12.3	<b>14.5</b>	13.4	4.7	2.2	2.7	-1.1
Engineering	3.7	6.3	5.7	9.0	2.1	4.0	<b>4.2</b>	10.0	-1.5	0.3	1.0	5.7
Services	13.8	13.4	9.8	8.6	7.8	10.9	<b>11.7</b>	10.4	1.9	0.8	1.8	-1.3
Consolidated	135.4	133.7	89.3	68.8	73.2	98.5	<b>105.6</b>	116.7	16.3	7.0	47.9	11.1
<b>■ Operating income</b>												
Mining and Fundamental	0.8	-0.6	-6.7	-3.2	0.0	2.5	<b>1.7</b>	0.8	8.3	-0.8	4.0	-0.9
Intermediate Materials	6.5	2.2	-10.9	-10.8	1.4	4.0	<b>4.6</b>	2.2	15.5	0.6	13.0	-2.4
Parts Manufacturing	0.7	0.0	-2.0	-2.7	-2.0	-0.1	<b>1.3</b>	0.9	3.2	1.3	3.7	-0.4
Environmental & Recycling	1.7	0.1	-5.6	0.9	0.2	0.7	<b>1.4</b>	0.2	6.9	0.7	-0.7	-1.2
Engineering	-0.1	0.1	0.2	0.4	-0.4	-0.1	<b>0.2</b>	0.4	-0.0	0.3	0.0	0.3
Services	0.4	0.4	0.3	0.4	0.2	0.3	<b>0.5</b>	0.1	0.2	0.2	-0.3	-0.4
Consolidated [a]	10.0	2.3	-24.5	-14.8	-0.5	7.4	<b>9.7</b>	4.4	34.1	2.3	19.2	-5.2
(Of which amounts impacted by inventory valuation gains [b])	(2.8)	(-2.8)	(-17.0)	(1.0)	(1.4)	(3.6)	<b>(5.0)</b>	(0.0)	(22.0)	(1.4)	(-1.0)	(-5.0)
[a] - [b]	(7.2)	(5.1)	(-7.5)	(-15.8)	(-1.9)	(3.8)	<b>(4.7)</b>	(4.4)	(12.1)	(0.9)	(20.2)	(-0.2)
<b>■ Recurring income</b>	11.8	3.2	-29.4	-15.9	-1.6	6.4	<b>9.8</b>	3.3	39.2	3.4	19.3	-6.5
<b>■ Net income</b>	3.6	0.7	-24.3	-47.2	-2.7	4.2	<b>6.1</b>	0.3	30.4	1.9	47.6	-5.8

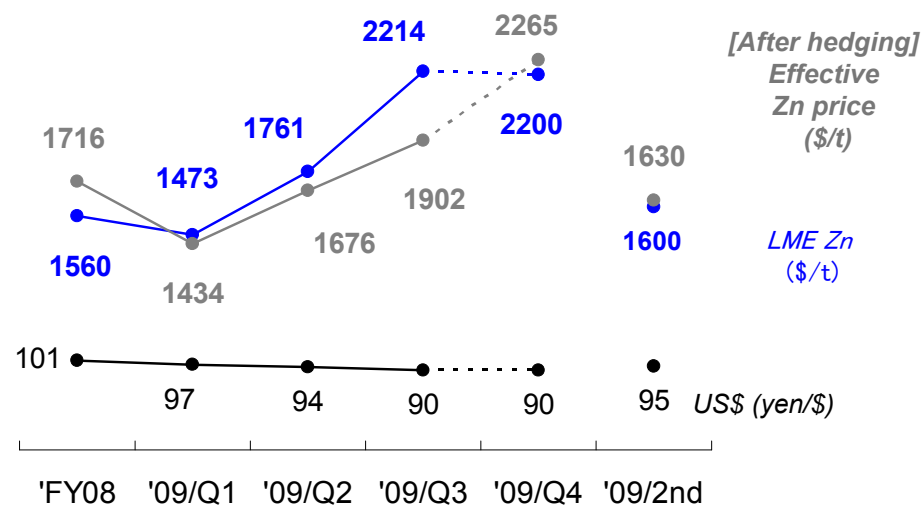
Performance by Segment (1) Mining and Fundamental Materials (billion yen)



Operating Income variance (billion yen)

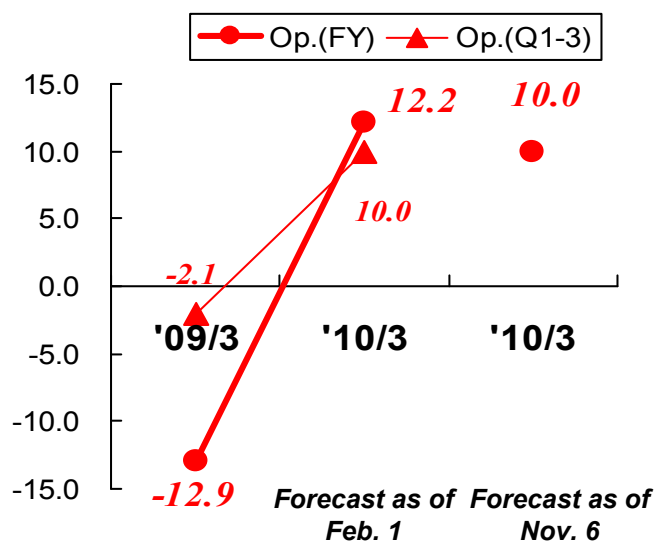
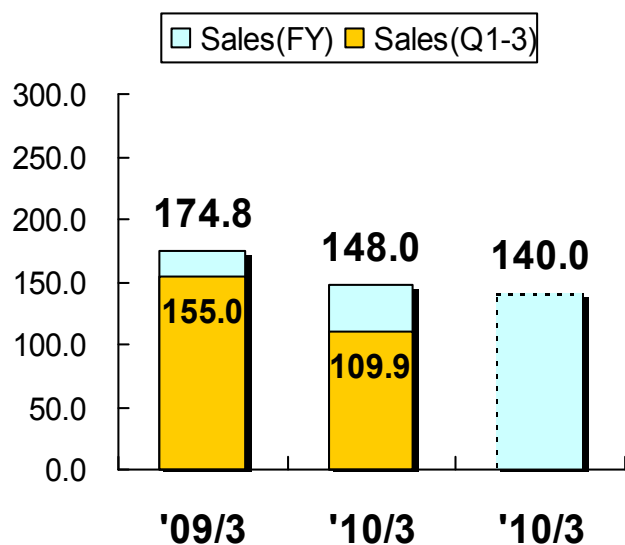
	('08/Q1-3 vs. '09/Q1-3)	(FY09 forecast Nov.6 vs. Feb.1)
Ex. Rate	-1.2	-0.5
LME (Zn)	-1.6	2.0
T/C (Zn)	0.1	-
Inventory valuation change	11.7	1.7
Coke price	2.6	0.3
Other	-1.0	-1.7
<b>Total</b>	<b>10.6</b>	<b>1.8</b>

Zn Prices and Rates



(Previous As of Feb. 1)      (Previous forecast)

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



### Operating Income variance (billion yen)

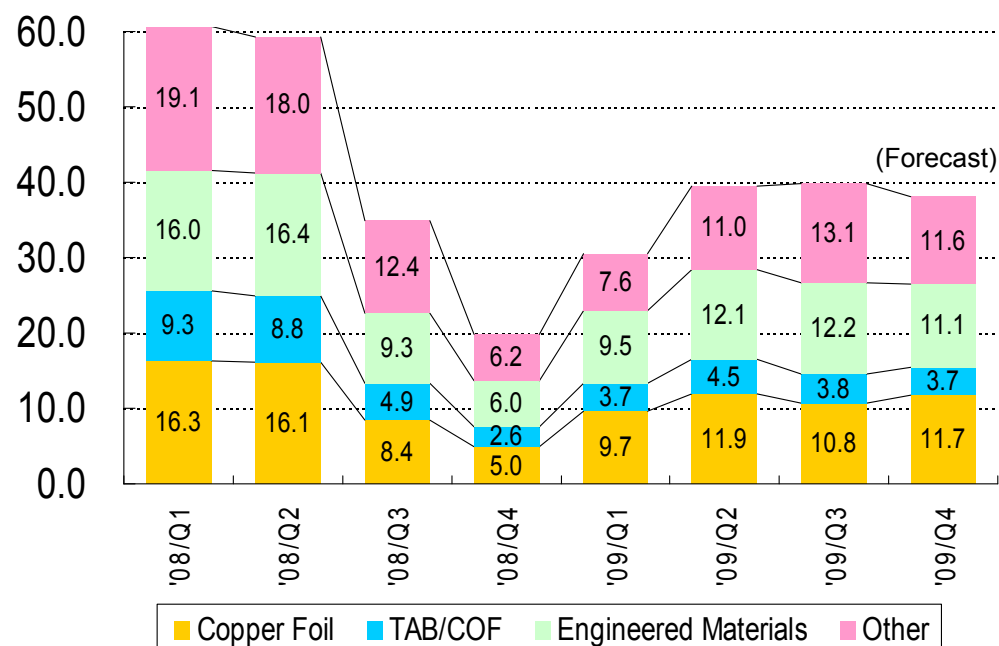
['08/Q1-3 vs. '09/Q1-3 + 12.1]

- ¥11.2 billion increase due to inventory asset factors.
- Sales increased year on year from third quarter.

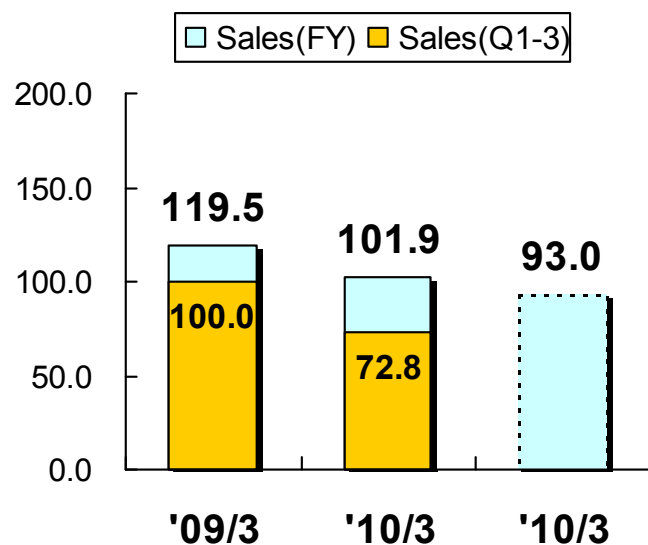
[FY09 forecast (vs. Nov.6) + 2.2]

- Overall demand recovered despite adjustments to copper foil volumes.
- Earnings increased on inventory asset factors.

### Divisional Sales Breakdown (billion yen)



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



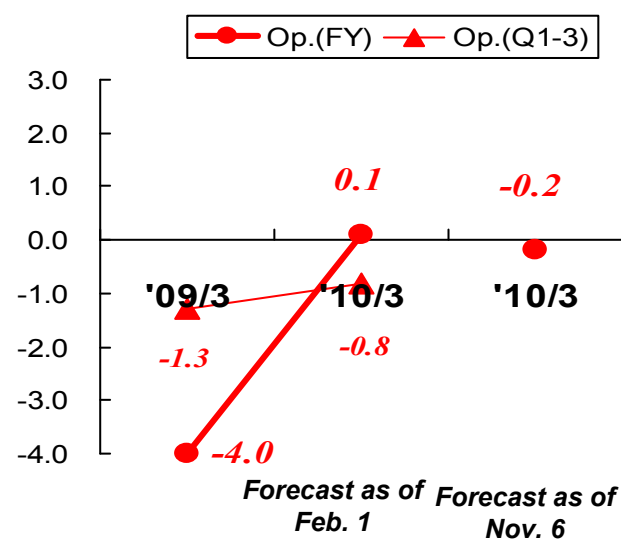
Operating Income variance (billion yen)

[ '08/Q1-3 vs. '09/Q1-3 + 0.5 ]

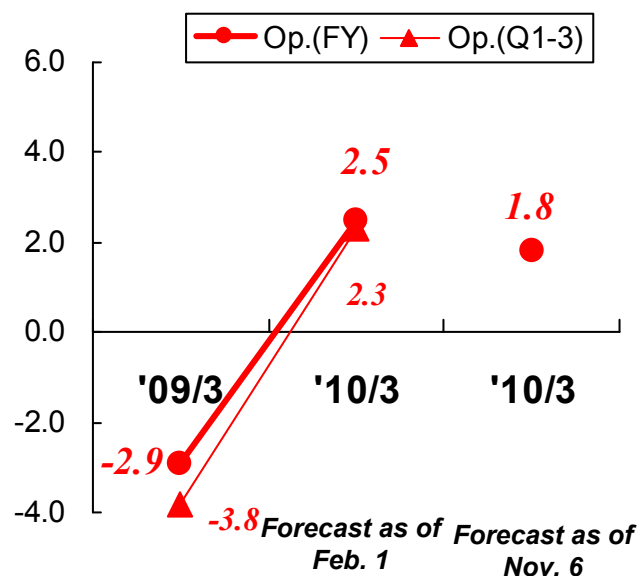
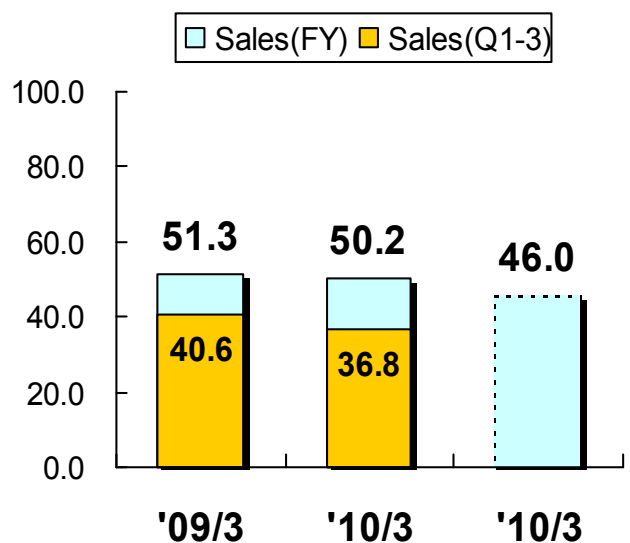
- Market recovery to 80% of former levels, earnings likely to turn positive in third quarter.

[ FY09 forecast (vs. Nov.6) + 0.3 ]

- In line with forecasts due to recovery in sales and improved earnings.



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



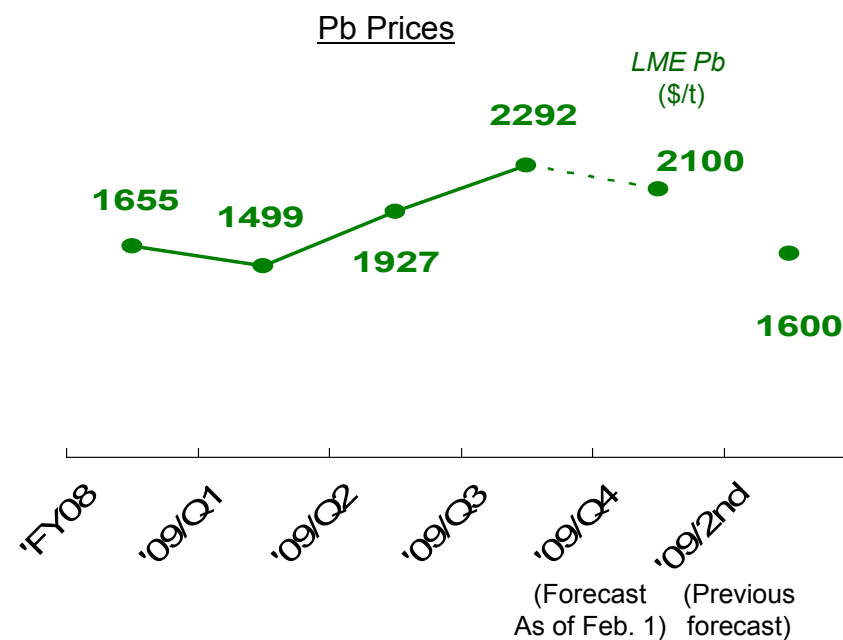
Operating Income variance (billion yen)

[ '08/Q1-3 vs. '09/Q1-3 + 6.1 ]

- Higher earnings due to rising metal prices and inventory asset factors.

[ FY09 forecast (vs. Nov.6) + 0.7 ]

- Higher earnings due to rising metal prices and inventory asset factors.

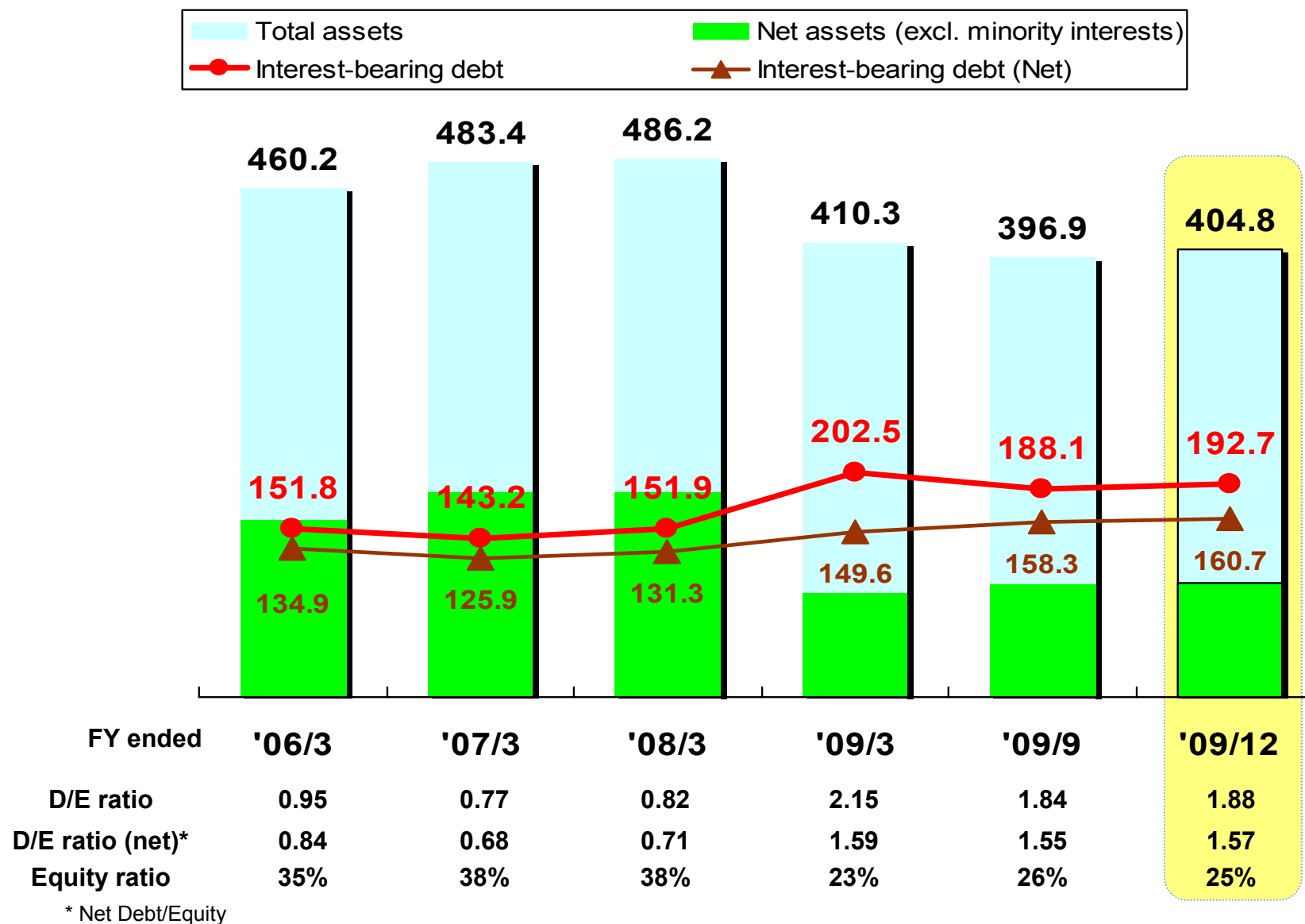


Non-operating income/expenses and Extraordinary profit/losses  
(billion yen)

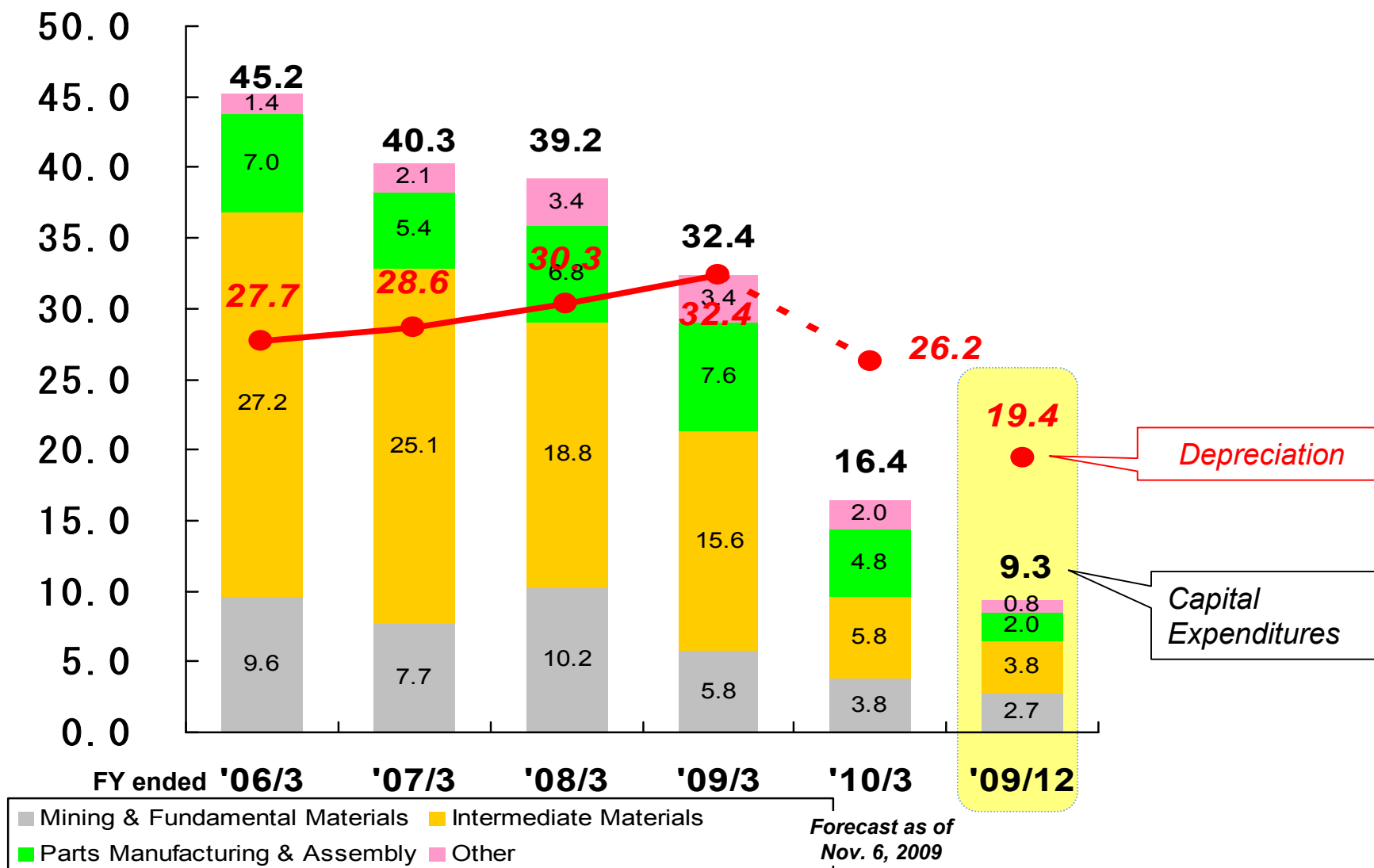


(billion yen)	Results			Full-year				
	'09/Q1-3	'08/Q1-3	Change	'10/3 Forecast	'09/3	Change	'10/3 Previous	Change
Interest income - net	-2.1	-2.0	-0.0	-2.9	-2.7	-0.2	-3.1	0.2
Dividend income -net	0.3	1.7	-1.4	0.3	1.7	-1.5	0.3	0.0
Equity in gains/losses	1.2	-0.6	1.7	0.7	-1.3	2.0	-0.7	1.4
Cu price( ¢ /lb)	(260 ¢)	(303 ¢)	(-43 ¢)	(265 ¢)	(266 ¢)	(-1 ¢)	(230 ¢)	(35 ¢)
Zn price (\$/t)	(\$1,816)	(\$1,690)	(\$126)	(\$1,912)	(\$1,560)	(\$352)	(\$1,609)	(\$303)
Other	-1.3	-1.2	-0.1	-1.0	-1.0	-0.0	-1.6	0.6
<b>Non-operating income/expenses - net</b>	<b>-1.9</b>	<b>-2.1</b>	<b>0.2</b>	<b>-3.0</b>	<b>-3.3</b>	<b>0.3</b>	<b>-5.2</b>	<b>2.2</b>
Write-down of marketable securities & investments	-0.9		-0.9	-0.9		-0.9	-0.9	-0.0
Indemnity	-0.1	-0.1	0.0	-0.1	-0.2	0.0	-0.1	0.0
Loss on sale & disposal of P.	-0.3	-0.3	0.0	-0.5	-0.6	0.1	-0.5	0.0
Impairment charges on P.P.E	-0.5	-0.3	-0.2	-0.5	-11.8	11.3	-0.7	0.2
Write-down of inventories		-4.7	4.7		-4.7	4.7		0.0
Reserve for loss on inventories	1.8	-3.4	5.1	1.8	-2.5	4.3	1.8	-0.0
Restructuring charges	-2.8		-2.8	-2.8	-1.8	-1.0	-2.8	0.0
Other	-0.3	-2.1	1.8	-0.5	-3.1	2.6	-0.3	-0.2
<b>Extraordinary profit/losses - net</b>	<b>-3.1</b>	<b>-10.9</b>	<b>7.8</b>	<b>-3.7</b>	<b>-24.8</b>	<b>21.1</b>	<b>-3.7</b>	<b>-0.0</b>

## Financial Position at Term Ends (billion yen)



## CAPEX and Depreciation (billion yen)



## Cash Flows (billion yen)

	'08/Q1	'08/Q2	'08/Q3	'08/Q4	'09/Q1	'09/Q2	<b>09/Q3</b>	YoY	QoQ	'08/Q1-3	<b>09/Q1-3</b>	YoY
■ Operating CF	2.8	10.3	0.5	16.5	-5.6	3.8	<b>1.4</b>	0.9	-2.4	13.6	<b>-0.4</b>	-13.9
■ Investing CF	-11.0	-8.1	-7.9	-9.9	-4.3	-3.1	<b>-3.1</b>	4.8	-0.1	-27.0	<b>-10.5</b>	16.6
■ Free CF	-8.2	2.1	-7.4	6.6	-9.9	0.8	<b>-1.7</b>	5.7	-2.5	-13.5	<b>-10.8</b>	2.6

## Caution Concerning Forward-looking Statements

---

Statements contained in these materials regarding forecasts of future events are qualified by various risks, both existing and unknown, and uncertainties, which may have a material impact on the actual business conditions and operational activities. Consequently, please be aware that actual performance may differ substantially from forecasts and business plans indicated herein because of various unforeseeable factors.

Mitsui Mining & Smelting Co., Ltd. cannot guarantee the validity of the targets, assumptions, expectations, predictions, plans, assessments and other information contained in this material, and the Company also cannot guarantee that its actual business performance will be consistent with the forecasts presented within.

Regarding latent risks which might impact forecast results and other uncertainties, some items are included in the “Business and Other Risks” section of our financial statements or our website. However, please recognize that these are just a summary rather than a comprehensive list of all possible items relating to latent risks and uncertainties.

This material was compiled with the aim of furthering the understanding of our shareholders and other investors with regard to the Company’s management policy and other details. This material is not for the purpose of soliciting investment through the purchase or sale of stocks. Accordingly, you are advised not to make your investment decision solely on the basis of the material presented herein.