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August 29, 2008

Electrodeposited Copper Foil Plant in Malaysia to Significantly Enhance Production Capacity
A New Plant to Be Constructed Adjacent to the Current Malaysian Plant Is Scheduled to Commence Operations at the Start of 2010.

Mitsui Mining & Smelting Co., Ltd. (President: Yoshihiko Takebayashi; the “Company”) has decided to build a new plant at a Malaysian site adjacent to Mitsui Copper Foil (Malaysia) SDN. BHD (“MCF”), its base for the mass production of electrodeposited copper foil in Asia, to substantially expand its production capacity. The Company estimates that investment in the construction of this new plant will total ¥15 billion. The Company plans to eventually equip the plant with the capacity to produce 1,200 tons of electrodeposited copper foil per month.

Construction of the new plant
The new plant is scheduled for construction at a site adjacent to the existing plant of MCF, the Company’s mass production base in Malaysia. (Refer to the “Profile of Affiliated Company” below.) The Company plans to focus production at the new plant on 12-micrometer and other thin electrodeposited copper foil, which is expected to find steadily growing demand in Asia. The Company will place a particular emphasis on introducing facilities suited for the mass production of ultra-thin electrodeposited copper foil 12 micrometers or less thick, in an attempt to stabilize their supply to a market predicted to experience rapid demand expansion.

Construction of the new plant is scheduled to commence by the end of 2008. The Company plans to complete the first phase of construction and start monthly production of 700 tons of electrodeposited copper foil at the plant at the beginning of 2010. Following this, the second phase of construction will begin for the additional
production of 500 tons of copper foil a month. The planned final output capacity of the new plant is 1,200 tons per month. (A decision has yet to be made as to when this capacity will be achieved.) MCF’s output capacity, including the capacity of the new plant, will rise to 2,800 tons when the second phase of construction is completed. The capacity for producing electrodeposited copper foil will total 5,500 tons a month for the entire Company at that point, including the capacities of other bases (500 tons in Japan, 450 tons in the United States and 1,700 tons in Taiwan).

The Company estimates its investments in the project to total ¥15 billion, including those for the first and second construction phases.

Background for Capacity Enhancement

MCF, the affiliate to expand production capacity with the construction of the new plant, is mainly producing electrodeposited copper foil for Asian customers along with Taiwan Copper Foil Co., Ltd. (“TCF”), the Company’s base in Taiwan. MCF and TCF took steps for building up their facilities simultaneously in April 2008, and raised their combined capacity for producing 12-micrometer foil to more than 600 tons per month. As a result, the two affiliates presently have the combined capacity to produce 3,300 tons of electrodeposited copper foil per month.

Nonetheless, the Company decided to substantially enhance the facilities of MCF through this project, in anticipation of a continued, steady expansion of demand for products centering on thin electrodeposited copper foil in Asia.

The Company is concentrating on thin electrodeposited copper foil, and currently boasts a share in excess of 50% of the Asian market for 12-micrometer foil. With the construction of the new plant, the Company aims to double its capacity for producing thin electrodeposited copper foil that are 12 micrometers or less thick, and to maintain and solidify its leading position in the market. Through the operation of the new plant, the Company also intends to respond to the requests of customers for high-quality and high-function electrodeposited copper foil in the Asian market for printed circuit boards (PCBs), which is set to continue to expand in the future.

Trends in Product Demand

Electrodeposited copper foil is a laminating material used in PCBs for electronic devices. In most PCBs, electrodeposited copper foil 12 micrometers to 70 micrometers thick is used. Until recently, 12-micrometer electrodeposited copper foil had been used primarily in IC packages that require precision circuits. However, this foil is beginning to find application in the motherboards of mobile phones and portable music players, as a result of the downsizing of mobile equipment and density growth. In particular, high-density, build-up multilayer boards have been used in a growing number of cases in recent years, in step with miniaturization and
functional advances in electronic devices used in products, including mobile phones and portable music players. Under these circumstances, demand is growing rapidly for 12-micrometer electrodeposited copper foil, which offers superior workability with precision circuits.

Demand for thin electrodeposited copper foil is also set to expand at particularly rapid pace in countries where stricter environmental regulations are being enforced, including China, because the use of thin electrodeposited copper foil permits a substantial reduction in copper etching waste that results from PCB processing.

[Profile of Affiliated Company]
1. Name: Mitsui Copper Foil (Malaysia) SDN. BHD.
2. Location: Shah Alam, Selangor, Malaysia
3. Capital stock: 50 million Malaysia Ringgit (90% owned by Mitsui Mining & Smelting)
4. Representative: Masayuki Misawa, President and Managing Director
5. Workforce: 446 workers (including four Japanese directors and employees)
7. Business description: manufacture and sales of electrodeposited copper foil

【Reference】

1. Manufacturing Processes for Electrodeposited Copper Foil

[Diagram showing manufacturing processes: Dissolving process, Electrolytic process, Surface treatment process, Cutting process, Slitting process]
2. Examples of the Application of Electrodeposited Copper Foil

*Each type of electrodeposited copper foil is used as the wiring material on the printed wiring board.

3. View of New plant