

# **mitsui mining & smelting co., ltd.**

Annual Report 2011



**mitsui  
kinzoku**

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### Cautionary Statement with Respect to Forward-Looking Statements

This annual report contains statements about Mitsui Kinzoku's future business plans, strategies, and beliefs. Statements regarding the Company's projected future business results are not based on historical facts and are subject to various risks and uncertainties. These risks and uncertainties relate to economic conditions in Mitsui Kinzoku's business environment, the state of private-sector and public sector capital investment, currency exchange rates, competitive pricing pressures in the marketplace, and Mitsui Kinzoku's ability to continue designing and developing products that will be accepted in markets. However, it should be noted that elements affecting performance are not limited to the previously mentioned factors. In this report, fiscal 2010 represents the year ended March 31, 2011.

## Profile

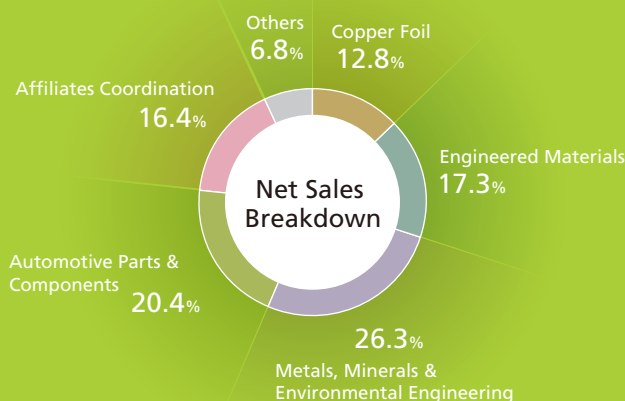
Mitsui Mining & Smelting Co., Ltd. (Mitsui Kinzoku), supplies nonferrous metal intermediates that play key roles in high-tech industries. Since its establishment in 1950, the Company has also been known as a leading supplier of such nonferrous metals as zinc and copper and one of the world's largest producers of zinc.

The Company has technological expertise in the production of such electronics-related materials as copper foil and semiconductor packaging tapes, which are presently indispensable for information-related and telecommunications devices. The Company maintains its technological leadership through aggressive R&D accompanied with its "material intelligence" obtained through its extensive background in smelting and refining operations in the nonferrous metals field. In addition, the Company is known as a producer of highly evaluated automobile door-related parts and systems.

Superior quality is the hallmark of Mitsui Kinzoku products and services. A team of nearly 10,000 talented employees strives to ensure this quality and, in doing so, has maintained the integrity of the Mitsui Kinzoku name and its longstanding reputation for innovation.

### Principal Businesses of the Mitsui Kinzoku Group

Copper foil	Electrodeposited copper foil
Engineered Materials	Battery materials (hydrogen storage alloy, battery-use zinc powder), functional metal powders (magnetite, metal powders), rare metal compounds (cerium oxide-based polishing powders, tantalum pentoxide, Niobium pentoxide), rare earths, PVD materials (sputtering targets), automotive catalysts, single crystals
Metals, Minerals & Environmental Engineering	Zinc, copper, lead, gold, silver, sulfuric acid, zinc alloy, zinc oxide, litharge, industrial waste material processing, perlite, (construction materials, wet-process filter aids, heat insulators, dry-process filter aids, soil improvement materials), artificial light weight aggregate, soil contamination surveys, geothermal steam
Automotive Parts & Components	Functional automotive parts
Affiliates Coordination	Marketing of ceramics products (liquid aluminum filtration equipment, alumina and silicon-carbon ceramics), zinc/aluminum/magnesium die-cast products, powdered metallurgical products, rolled copper products (copper sheets, copper strips, brass sheets, brass strips), zinc sheets (zinc sheets for printing, zinc sheets for anti-corrosion protection, zinc sheets for building materials applications), grinding wheels, nonferrous metal and electronic materials, etc.



# Financial Highlights

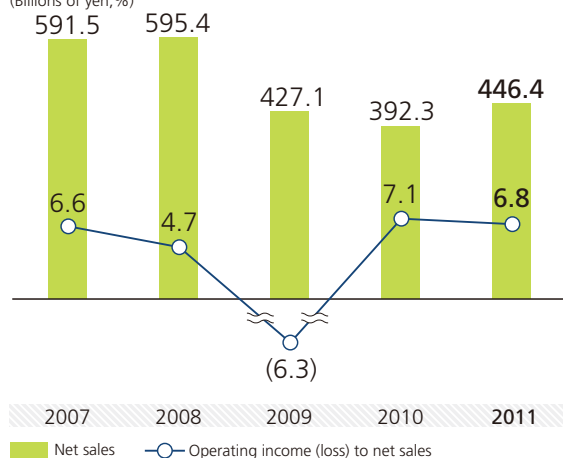
Mitsui Mining & Smelting Company, Limited and Consolidated Subsidiaries  
Years ended March 31

	Millions of yen (Note)			Thousands of U.S. dollars
	2011	2010	2009	2011
Consolidated Performance				
Net sales	¥446,487	¥392,364	¥427,191	\$5,369,657
Operating income (loss)	30,208	27,881	(27,031)	363,295
Ordinary income (loss)	34,010	25,639	(30,310)	409,019
Net income (loss)	21,160	13,899	(67,256)	254,479
Total assets	411,027	416,541	410,258	4,943,199
Net assets	134,452	121,300	104,631	1,616,981
Net income (loss) per share (¥, \$)	37.03	24.32	(117.66)	0.45
Cash dividends per share (¥, \$)	6.00	3.00	—	0.07

Note: All U.S. dollar figures are translated from Japanese yen amounts, for convenience only, at the rate of ¥83.15 to US\$1.00, the rate prevailing at March 31, 2011

## Net sales and operating income (loss) to net sales

(Billions of yen, %)



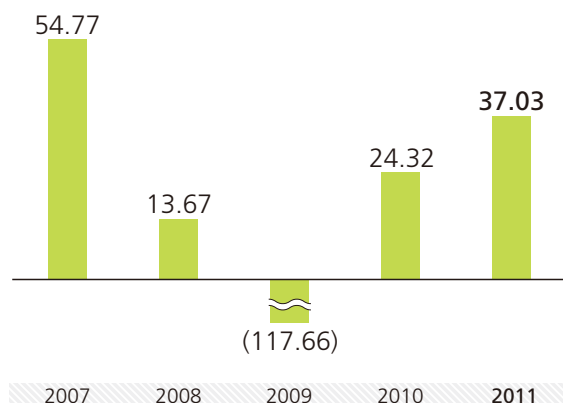
## Operating income (loss) and net income (loss)

(Billions of yen)



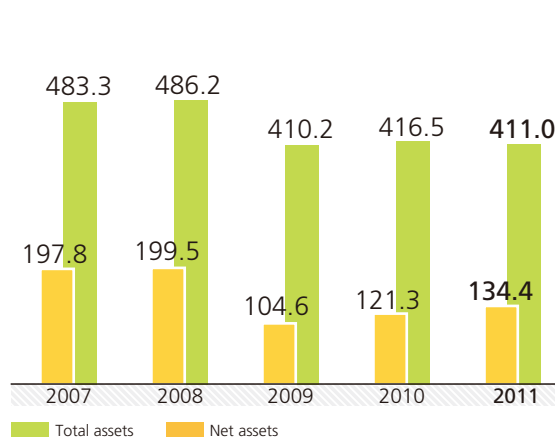
## Net income (loss) per share

(Yen)



## Total assets / Net assets

(Billions of yen)



## Message from the President

# Sadao Senda

*President and Representative Director,  
Chief Executive Officer*





## Milestones in 2010 and 2011

2010

October

- Develop silicon nitride ceramics that do deteriorate in strength even when subjected to extreme heat changes

2011

January

- Participate in joint zinc/lead exploration project in Canada
- Install production equipment for manganese cathode material for secondary lithium-ion batteries at Takehara Refinery (Takehara City, Hiroshima Prefecture)

## Fiscal 2010 Performance

In fiscal 2010, the Japanese economy was on a modest recovery path supported by exports to emerging countries and the effects of economic stimulus policies. However, the impact of the March 11 earthquake and tsunami caused an expected turn in events, and the country reached the fiscal year-end facing uncertain future economic conditions.

Despite these harsh circumstances, net sales increased ¥54.1 billion (13.8%), to ¥446.4 billion compared with the previous fiscal year. Negative factors such as the stronger yen and lower sales prices for LCD-related materials were outweighed by such positive factors as increased sales due to the effects of economic stimulus policies in Japan and abroad in the fields of electronic materials and functional automotive parts, and higher metal prices, especially for zinc and lead.

Under the circumstances, the Mitsui Kinzoku Group has worked hard to secure earnings and strengthen its management foundation by shifting to a leaner business structure. Specifically, we upgraded the Copper Foil and Engineered Materials businesses' facilities, increased the percentage of

raw material that is recycled developed mines in the Metals, Minerals & Environmental Engineering business, and spun off companies in the Automotive Parts & Components and Rolled Copper businesses. As a result, operating income increased by ¥2.3 billion (8.3%) year on year, to ¥30.2 billion, and ordinary income came to ¥34.0 billion, a year-on-year increase of ¥8.3 billion (32.6%), due to higher operating income and earnings from investments in equity-method affiliates. We recorded extraordinary gains including a gain on change in equity of ¥2.2 billion by spinning off the Rolled Copper business, as well as extraordinary losses including a disaster loss of ¥3.2 billion, which includes the estimated cost of recovery from the damage caused by the Great East Japan Earthquake, and an impairment loss of ¥1.3 billion. We also recorded tax expenses and minority interests. As a result, net income came to ¥21.1 billion, an increase of ¥7.2 billion (52.2%) compared with the previous fiscal year.

Regarding dividends, Mitsui Kinzoku paid a dividend of ¥6 per share, ¥3 higher than the previous year.



## Review by Segment

By key segments, sales in the Copper Foil business were driven by demand for copper foil for smart phones, automobiles, and communications infrastructure, and the market has fully recovered. Sales increased ¥14.3 billion from the previous year, to ¥60.0 billion, and ordinary income climbed ¥1.4 billion, to ¥7.2 billion.

In the Engineered Materials business, demand for electronic materials and catalysts for motorcycles increased. Sales jumped ¥21.5 billion from the previous year, to ¥84.1 billion, and ordinary income surged ¥3.5 billion to ¥10.6 billion.

In the Metals, Minerals & Environmental Engineering business, due to rising prices for major metals, sales increased ¥18.0 billion years on year, to ¥167.9 billion. Ordinary income edged up ¥0.4 billion, to ¥12.9 billion. Although there was an increase equivalent to the gain on the change in equity resulting from a change in the investment ratio in the Chilean copper mine, there was also a decline in “earnings due to inventory factors,” which was included in the previous year.

In the Automotive Parts & Components business, amid the effects of economic stimulus policies implemented by countries around the world, demand was solid. Sales increased ¥12.9 billion from the previous year, to ¥91.2

billion, and ordinary income came to ¥5.2 billion, a year-on-year increase of ¥5.5 billion.

In the Affiliates Coordination sector, sales decreased ¥2.0 billion years on year to ¥82.1 billion, and ordinary income decreased ¥0.3 billion to ¥3.9 billion. This was due in part to spinning off the rolled copper business to form a new company, which became an equity-method affiliate.

Please note that fiscal 2011 has been positioned as a year to prepare for formulating the Medium-Term Plan that begins from fiscal 2012. As part of this process, we will reorganize the business units as follows. The Metal Powders Division will be added to the Copper Foil Sector and renamed the Electronic Materials Sector. Some of the functional powders will be transferred to the Electronic Materials Sector from the Engineered Materials Sector (which will retain the same name). The PVD Materials Division will move to the Materials & Applications Sector. The Perlite Division will move from the Metals, Minerals & Environmental Engineering Sector to the Materials & Applications Sector. The PVD Materials, Perlite, and Instrumentation Systems divisions will be added to the Affiliates Coordination Sector and the sector renamed the Materials & Applications Sector.

## Outlook for 2011

The business environment surrounding the Mitsui Kinzoku Group is on a recovery path thanks to the effects of economic stimulus policies and strong overseas demand centered on emerging economies. However, domestic capital investment and individual consumption remain at low levels. Moreover, the outlook is very uncertain, with cut backs in production due to damage caused by the Great East Japan Earthquake and subsequent restrictions in electricity supply as well as supply chain disruptions. Against this backdrop, the Group will expand production and sales in the Engineered Materials and Electronic Materials businesses in order to meet increased overseas demand for copper foil and automotive catalysts,

and beef up production capacity for battery materials. Moreover, we will improve the recycled raw material ratio and develop mines in the Metals, Minerals & Environmental Engineering business, while accelerating the shift to Asia, with a focus on demand from emerging markets in the Automotive Parts & Components business, in order to restructure our growth strategy and strengthen the earnings foundation of the company as a whole.

Through these efforts we plan to achieve net sales of ¥467.0 billion, operating income of ¥29.0 billion, and net income of ¥17.5 billion in fiscal 2011. Please note that the dividends have not yet been determined.

## The New Medium-Term Plan

After the completion of the 2005 Medium-Term Plan ended in fiscal 2007, the Company shelved the 2009 Medium-Term Plan due to the global credit crunch, and has since focused its efforts on business reconstruction. As a result, we have ensured earnings growth, and now see a way back to a growth track. Because the impact of the Great East Japan Earthquake is thought to be limited in the medium- to long-term, we have decided to implement the three-year Medium-Term Plan beginning in fiscal 2012 as originally planned. To prepare for the plan's implementation, we initiated a major reorganization of the Company on June 29, 2011.

In the 2012 Medium-Term Plan, under the slogan of "Strengthening Our *Monozukuri* Capabilities," our goal is to become that can sustain growth in the materials business—a business that utilizes "knowledge of materials."

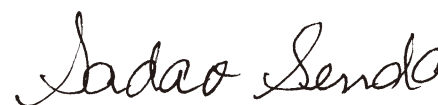
In order to achieve this goal, we will focus on materials businesses that utilize "knowledge of materials" and enhance selection and concentration while actively adopting methods such as mergers and acquisitions and business tie-ups.

Specifically, we will position the four markets of mineral resources, the environment, energy, and recycling, as target markets, and focus on the four businesses of "mineral resources," "battery materials," "catalysts," and "recycling." For this reason, we will make the three post-reorganization sectors, "Engineered Materials," "Metals and Minerals & Environmental Engineering," and "Electronic Materials," our three core sectors. The previous sectors were simply the aggregates of the divisions, but in the new sectors we will set up planning divisions and development centers within each business unit and strengthen marketing capabilities so that each of the business units can "look for and develop opportunities for growth themselves." In this way, we seek to ensure that we seriously consider the views of customers and respond to them with a multifaceted approach. Furthermore, our goal is to build an organization that can both "look for and develop opportunities for growth themselves" and while pursuing stronger company-wide unity.

In the Materials & Applications Sector, we will make each individual business more independent so each can maximize its earnings with their own unique business strategies. Furthermore, the Mitsui Kinzoku ACT Corporation, an automotive components manufacturer which previously belonged to the "Automotive Parts & Components Sector," will speed up management decision making and generate stable and sustained profits in order to cement its position as the world leader in the door lock business.

The development of new businesses is essential for achieving sustainable growth. There are new businesses that are already feasible now, including a catalysts business to clean exhaust gas from motorcycles and automobiles and silver-based catalysts for diesel engines in the catalysts field, lithium-ion battery materials and nickel hydride battery materials in the battery materials field, resources from new mines of the Company, and metals recycling in so-called urban mines. We will develop these businesses while searching for new future businesses. In this way, we will constantly update our business portfolio. We will also continue to pursue our existing strategy in order to boost the value of our existing strong businesses (copper foil for circuits, metal powders, etc.). Our existing businesses are expected to face commoditization in the years ahead, but we will strengthen our marketing capabilities so that we can successfully compete, even in that scenario.

By taking this path, we will pursue both growth and improved financial standing, and aim for net sales of ¥500.0 billion and ordinary income of ¥50.0 billion by the final fiscal year of the Medium-Term Plan (2014).



President and Representative Director, Chief Executive Officer

# Corporate Governance

## 1. Basic Approach

Mitsui Kinzoku's business philosophy is "Dedicated to creation and advancement, we contribute to society by providing products with value and aim for the constant development and growth of the Company's business."

Mitsui Kinzoku views corporate governance as the building of a business organizational structure and mechanism for turning its business philosophy into reality with the goal of continuous survival for the Company and increasing corporate value through contributions to society based on the creation of products with value. Mitsui Kinzoku regards this as one of its most important business challenges.

Specifically, Mitsui Kinzoku seeks to contribute to all stakeholders, and is implementing the four policies noted below throughout the entire business group.

1. Stable and continuous dividend payments and appropriate information disclosure to all shareholders
2. Supply of products with value to all customers
3. Harmonious and mutually prosperous relations with local communities
4. Achievement of a satisfying working environment and working conditions for all employees

As institutional support to enable business activities that are both fair and of value, the Company is implementing the following three policies.

1. Institution of internal rules and regulations including a code of ethics
2. Appointment of outside directors and auditors
3. Introduction of an internal audit system and notification system

## 2. Matters Pertaining to the Function of Business Execution, Audit/Oversight, Appointments, and Compensation Decisions

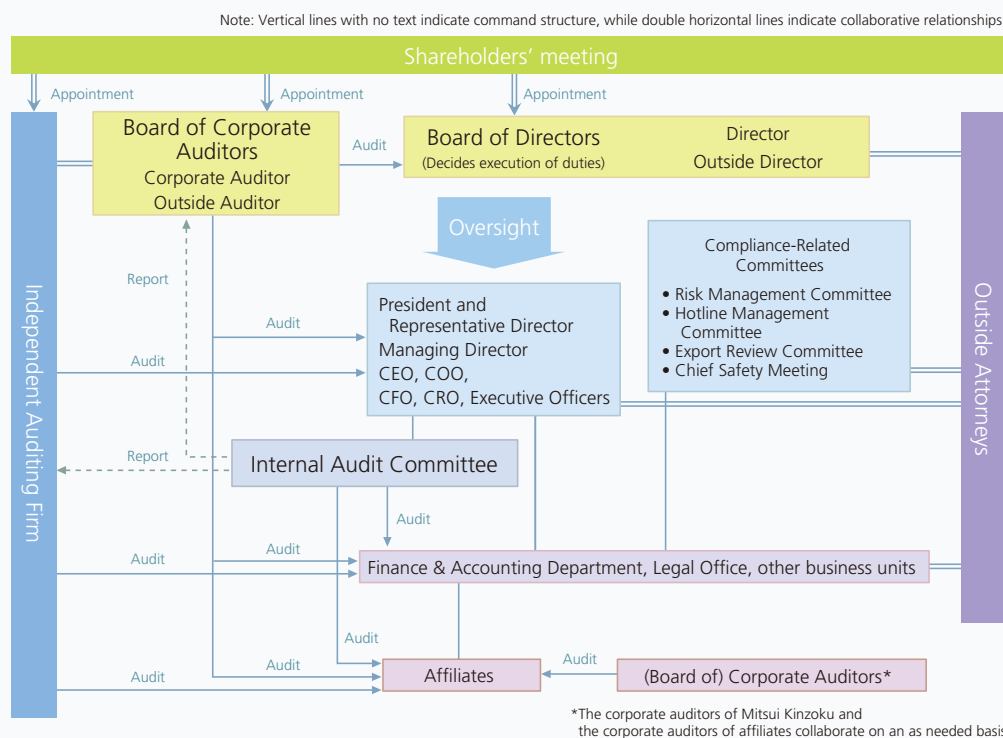
### *(Directors and Business Execution)*

Directors discuss important business matters at the Board of Directors' meeting (held once a month and thereafter as needed) and oversee the execution of business duties. To properly and efficiently fulfill the oversight function, the Board of Directors consists of directors that are knowledgeable of Company business in addition to outside directors.

Regarding the execution of the business affairs of the Company, an executive officer system has been introduced. Important matters regarding business execution are discussed in the Chief Executive Council (held twice a month and thereafter as needed), which consists of high-ranking executive officers. The business affairs of the Company are executed under the leadership of executive officers based on the results of these discussions.

Among executive officers, the Chief Executive Officer (CEO) and Chief Operating Officer (COO), as well as the Chief Financial Officer (CFO) and Chief Risk Management Officer (CRO), in supporting roles to the CEO and COO, have been appointed to the committee, thereby raising its level of expertise in the areas of finance and risk management. Based on the view that it is necessary to swiftly and thoroughly implement the Company's business strategy at the site where business is executed, as well as be familiar with actual business conditions when making business decisions, the CEO and the Managing Director at Mitsui Kinzoku serve concurrently as high-ranking executive officers who are in charge of the entire company, or more specifically, all business and functional divisions, and as members of the Chief Executive Council.





### (Corporate Auditor)

The Board of Corporate Auditors, which consists of half full-time corporate auditors with experience in the execution of business matters at Mitsui Kinzoku and half part-time outside auditors, ensures the soundness of business through its oversight of the execution of directors' duties based on a full understanding of the special nature of the Company's business.

Corporate auditors oversee the execution of directors' duties following an audit plan decided on by the Board of Corporate Auditors. The Independent Auditing Firm collaborates with corporate auditors by explaining the accounting audit plan and reporting the audit results.

The Board of Corporate Auditors meeting is held one or more times per month.

### (Independent Auditing Firm)

Mitsui Kinzoku has appointed the firm KPMG AZSA & Co. as its accounting audit firm. Two Certified Public Accountants (CPAs) who are designated employees and managing members of said firm perform accounting audits for Mitsui Kinzoku. Assisting the two CPAs in the accounting audit are 9 CPAs and 19 other assistants.

### (Compensation Decisions)

Mitsui Kinzoku set up the Compensation Committee to decide the compensation and bonus payments to each director based on their individual performance.

The Compensation Committee consists of the President, the director in charge of human resources, and one outside director, in addition to two outside directors as advisors.

# Review of Operations

## Copper Foil Segment

Profits increase full market recovery

### Operations

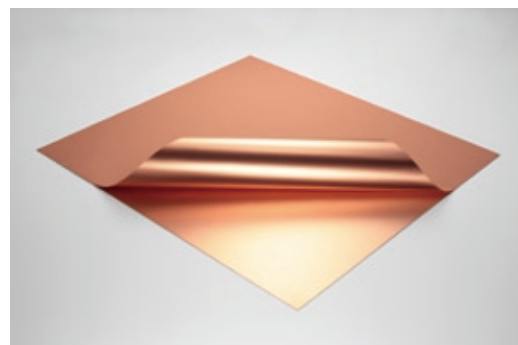
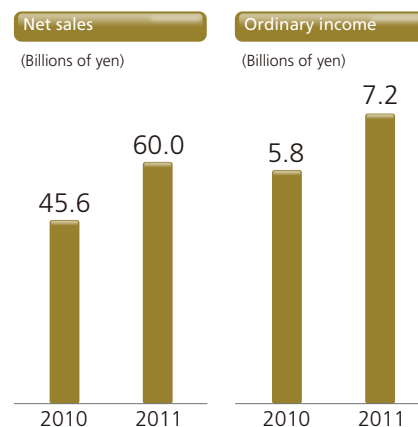
- Electrodeposited copper foil — This mainstay product is essential to printed circuit boards used in electronic equipment. Mitsui Kinzoku is world's leading manufacturer of this product in terms of technological superiority, production capabilities and market share.

### Business environment and strategies

Electrodeposited copper, a market driver for a whole range of products including smartphones, automobiles, and communications infrastructure, has fully recovered. Recently, copper foil demand as a whole has been growing, especially in emerging markets. Moreover, market demand for very thin copper foil is rising as a result of the miniaturization of electronic components, and demand for electrodeposited copper foil is expected to continue growing steadily for the foreseeable future. Mitsui Kinzoku will prepare to meet this demand trend through the stable supply of high-performance copper foil, the development of high-end copper foil and the expansion of production capacity in Malaysia, thereby solidifying its leading position in the global market.

### Fiscal 2010 business performance

Since the financial crisis of 2008, the market as a whole has been recovering steadily and has remained strong overseas. The market for ultra-thin copper foil for use in high-performance applications has increased substantially in size and profit margins have risen due to growth in the mobile phone market and in high-end applications.



Ultra-thin electrodeposited copper foil with carrier (MicroThin™)



Electrodeposited copper foil



## Engineered Materials Segment

Profits increase on growing demand in Asia

### Operations

- **Battery materials** — This division is involved in the manufacture of materials used in different kinds of batteries, including hydrogen storage alloys (MH alloys) for nickel hydride batteries which are primarily used in hybrid cars, and Lithium Manganese Oxide (LMO) for use in lithium-ion batteries.
- **Automotive exhaust catalysts** — From its four production facilities in India, Thailand, China and Japan, Mitsui Kinzoku manufactures exhaust catalysts for motorcycles and for light vehicles in Japan.
- **Other engineered materials** — This division produces various metallic powders, cerium polishing materials, sputtering targets, and single crystals for electronic components.

### Business environment and strategies

Sales volume of battery materials decreased due to weak automobile demand in Japan and North America. Sales of Lithium Manganese Oxide (LMO) have been growing as it has been adopted in for use in power tools. We are now constructing a new plant for electric car batteries, which is scheduled to begin operation in April 2012.

In addition to sales to Japanese automakers of catalysts for detoxifying vehicle exhaust emissions (mainly for use in minicars), demand from overseas makers of motorcycles is rising against the backdrop of increasingly strict emissions regulations. To serve these customers, Mitsui Kinzoku operates production facilities in India, Thailand, and southern China (Zhuhai). We have developed a silver-based catalyst for diesel-engine exhausts as a less expensive alternative to platinum-based catalysts, and the commercial launch of this product is planned in the near future.

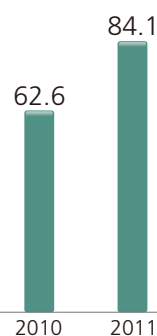
Other electronic materials including various metallic powders remained steady. We seek to increase earnings by maintaining a high market share in niche markets.

### Fiscal 2010 business performance

Profits increased thanks to continuing strong demand. Cerium polishing material profits rose substantially due to a sharp increase in rare metal prices.

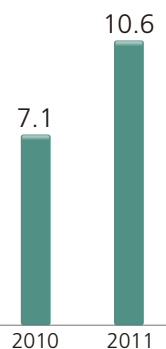
#### Net sales

(Billions of yen)

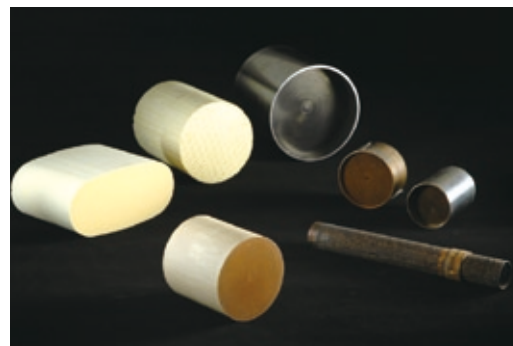


#### Ordinary income

(Billions of yen)



Hydrogen Storage Alloy (MH),  
Lithium Manganese Oxide (LMO)



Automotive catalysts



# Metals, Minerals & Environmental Engineering Segment

Profits in line with those of fiscal 2010

## Operations

- Nonferrous metal smelting — Mitsui Kinzoku is Japan's leading producer of zinc, producing 240,000 tons of zinc at its three smelting plants in Japan.
- Mining — Approximately 50% of the zinc ore that Mitsui Kinzoku requires for its smelting operations is purchased from overseas mining companies, while about 20% is obtained from the two mines that the Company operates in Peru, and around 30% from recycled materials in Japan.
- Environmental Engineering & Metals Recycling — We use smelting plants in Japan to recover precious metals from recyclable electronic equipment and components, lead from vehicle batteries, and zinc from steelmakers' electric arc furnace dust.

## Business environment and strategies

Zinc-plated steel sheet, which accounts for the largest proportion of zinc demand in Japan, recovered thanks in part to economic stimulus measures, and sales volume remained strong.

Zinc ore treatment charge (TC) contract terms are expected to become harsher as demand increases, especially in emerging countries.

For these reasons, the management of Mitsui Kinzoku has decided that the Company must raise its ratio of ore procurement from its own mines, and consequently, efforts will be centered on further exploiting the deeper levels of its mines in Peru. We also plan to raise the percentage of zinc oxide from zinc-containing metal scrap used for zinc production, which will help stabilize our raw materials supply and lower the break-even point.

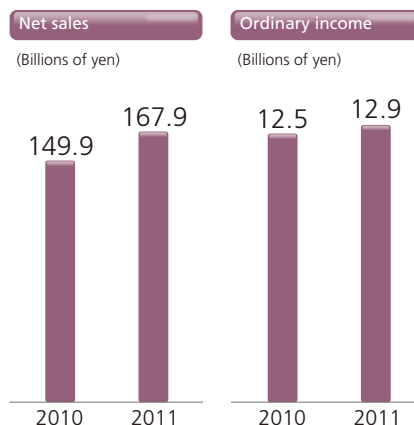
Mitsui Kinzoku has positioned the Environmental Engineering and Metals Recycling Group as a valuable extension of its metal smelting operations and a means of securing a stable supply of raw materials.

We intend to use our proprietary mining and smelting know-how to make a valuable contribution to the protection of the global environment.

## Fiscal 2010 business performance

Despite the absence of inventory valuation factors that existed in fiscal 2009, profits were largely in line with those of the previous fiscal year due to increased profit margins resulting from rising zinc market prices and increased equity in loss (earnings) of unconsolidated subsidiaries and affiliates.

Mitsui Kinzoku's copper smelting business is separately reported using the equity method.



Location of Pallca Mine



Smelting operations



## Automotive Parts & Components Segment

Supplying vital components for the automotive industry

### Operations

- High-performance vehicle components — Mitsui Kinzoku operates automotive component factories in five major vehicle-producing countries — Japan, the United States, Thailand, China, and the United Kingdom. Our factories principally manufacture door-related parts, including locks, for which the Company has a global market share of 20%. These products are supplied mainly to Japan-affiliated automakers.

### Business environment and strategies

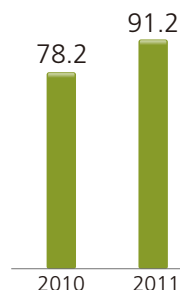
In the automotive market, over the medium-to-long term, growth is expected in newly emerging markets, including Asia. Amid these circumstances, we split the division in July 2010 and created a subsidiary company, Mitsui Kinzoku ACT Corporation, in order to build a structure better suited to rapid strategic response to changes in the business environment. We will consolidate our position as a leading maker of vehicle door locks, which are vital for safe driving.

### Fiscal 2010 business performance

Due to the success of the restructuring to date, including consolidation of a number of production facilities, a review of our product mix, and cost reductions through strict management of our global manufacturing operations, this segment returned to profitability for the previous fiscal year.

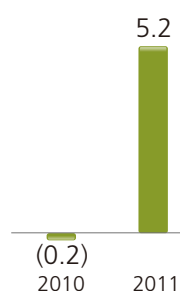
#### Net sales

(Billions of yen)



#### Ordinary income (loss)

(Billions of yen)



## Affiliates Coordination Segment

Rolled copper business integration creates equity-method affiliate

### Operations

- Rolled copper — This division produces various rolled copper and zinc products using copper and zinc and their alloys as materials.
- Ceramics — This division produces ceramic products including firing furnace material lining and liquid aluminum filtration materials.
- Die-casts — This division produces magnesium, aluminum and zinc die-cast products.

### Business environment and strategies

In July 2010, Mitsui's Rolled Copper Division was integrated into Sumitomo Metal Mining Co., Ltd., thereby establishing Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd. The new company is expanding business with the goal of becoming Asia's brass business leader.

Ceramics and die-casts have been highly rated in the marketplace and the business has produced stable profit.

### Fiscal 2010 business performance

Although earnings were steady, ordinary income decreased as a result of the rolled copper business becoming an equity affiliate.

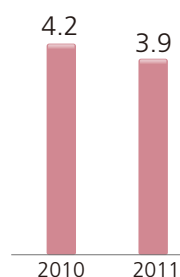
#### Net sales

(Billions of yen)



#### Ordinary income

(Billions of yen)





# Directors, Auditors, and Executive Officers (As of June 29, 2011)

## Board of Directors



**Sadao Senda**

*President and Representative Director,  
Chief Executive Officer,  
Chief Operating Officer*



**Mitsuhiko Hasuo**

*Representative Director, Senior Managing  
Executive Officer,  
Materials & Applications Sector*



**Osamu Higuchi**

*Representative Director, Senior Managing  
Executive Officer,  
Chief Risk Management Officer*



**Mitsuru Uekawa**

*Director, Senior Executive  
Officer,  
Metals, Minerals &  
Environmental Engineering  
Sector*



**Harufumi Sakai**

*Director, Senior Executive  
Officer,  
Mitsui Kinzoku ACT  
Corporation*



**Masahisa Morita**

*Director, Senior Executive  
Officer,  
Engineered Materials Sector*



**Takashi Sato**

*Director, Senior Executive  
Officer,  
Metals, Minerals &  
Environmental Engineering  
Sector*



**Keiji Nishida**

*Director, Senior Executive  
Officer,  
Chief Financial Officer*



**Hiromichi Shibata**

*Outside Director*

## Corporate Auditors

**Tatsuhiko Takai**

**Akira Osano**

**Junya Sato**  
*(Outside Auditor)*

**Ryuhei Wakasugi**  
*(Outside Auditor)*

## Senior Executive Officer

**Isshi Hisaoka**

*Electronic Materials Sector*

## Executive Officers

**Hajime Myoi**

**Kosuke Watanabe**

**Seiichi Harakawa**

**Kanji Sato**

**Masayuki Koyata**

**Toshiki Mori**

**Minoru Machida**

**Shinichi Azuma**

**Akira Yoshida**

**Atsushi Gomi**

**Hiroataka Jono**

**Shuji Chikujo**

**Katsuhiko Yoshimaru**

**Takashi Manabe**

# Financial Section

## Five-Year Summary

Mitsui Mining & Smelting Company, Limited and Consolidated Subsidiaries  
Years ended March 31

	Millions of yen				
	2011	2010	2009	2008	2007
For the year:					
Net sales	¥446,487	¥392,364	¥427,191	¥595,463	¥591,518
Cost of sales	376,155	325,492	405,253	510,085	500,734
Gross profit	70,332	66,871	21,937	85,378	90,784
Selling, general and administrative expenses	40,123	38,990	48,969	57,384	51,918
Operating income (loss)	30,208	27,881	(27,031)	27,993	38,865
Ordinary income (loss)	34,010	25,639	(30,310)	41,780	56,585
Income (loss) before income taxes and minority interests	29,771	21,555	(55,114)	22,655	49,133
Net income (loss)	21,160	13,899	(67,256)	7,830	31,370
Comprehensive income	17,353	—	—	—	—
At year-end:					
Total current assets	¥185,646	¥194,834	¥181,415	¥227,923	¥218,436
Total assets	411,027	416,541	410,258	486,238	483,397
Total current liabilities	136,503	145,565	152,542	154,782	160,847
Long-term liabilities	140,071	149,675	153,084	131,911	124,658
Net assets	134,452	121,300	104,631	199,545	197,890
Per share data:					
Net income (loss) (¥)	¥ 37.03	¥ 24.32	¥ (117.66)	¥ 13.67	¥ 54.77
Cash dividends applicable to the year (¥)	6.00	3.00	—	12.00	12.00
Number of employees	9,810	9,851	11,189	11,369	10,403

## Net sales

On a consolidated basis, the Company's net sales during fiscal 2010, ended March 31, 2011, registered a year-on-year increase of ¥54.1 billion (13.8%) to ¥446.4 billion.

Because of firm demand in the electronic materials field, net sales increase of ¥14.3 billion and ¥21.5 billion were recorded in the Copper Foil segment, and the Engineered Materials segment, respectively. Moreover, as a result of rising in nonferrous metal market prices, a net sales increase of ¥18.0 billion was recorded in the Metals, Minerals & Environmental Engineering segment. Furthermore, because of economic policies implemented by Japanese and other countries' government, a net sales increase of ¥12.9 billion was recorded in the Automotive Parts & Components segment.

Meanwhile, a net sales decrease of ¥2.0 billion was recorded in Affiliates Coordination segment, reflecting the impact of the absorption-type split of the copper and copper alloy fabricated business resulted to establish an equity-method affiliate.

## Selling, general and administrative expenses

Increases in labor costs, and research and development expenses caused SG&A expenses to increase by ¥1.1 billion from the previous year, to ¥40.1 billion.

## Operating income

Operating income increased by ¥2.3 billion to ¥30.2 billion.

This was because positive factors, such as increase in earnings that was supported by higher prices of nonferrous metals and firm net sales of electronic materials and functional automotive parts more than offset negative factors, such as rising a price of coke and other energy, falling the sales price of liquid-crystal-related components, and detaching temporary positive factors (hereinafter "inventory valuation factors") that raised inventory proceeds caused by

rising metal prices recorded for the previous year.

## Non-operating income (expenses)

A ¥6.0 billion increase in non-operating income reversed the previous year's non-operating expenses into non-operating income of ¥3.8 billion. This was mainly due to a ¥3.9 billion increase in investment gains on equity method, and a ¥1.2 billion increase in dividend income.

## Ordinary income

On a consolidated basis, the Company's ordinary income increased by ¥8.3 billion to ¥34.0 billion, as a result of a ¥2.3 billion increase in operating income and a ¥6.0 billion increase in non-operating income reversed the previous year's non-operating expenses into non-operating income.

Ordinary income increased by ¥1.4 billion in the Copper Foil segment due to increasing the volume of sales of electrodeposited copper foil, ¥3.5 billion in the Engineered Materials segment due to inventory valuation factors caused by rising prices of raw materials, ¥0.4 billion in the Metals, Minerals & Environmental Engineering segment due to gaining on change in equity of copper mine in Chile as a positive impact and detaching inventory valuation factors as a negative impact. Moreover, ordinary income improved by ¥5.5 billion reversing from ordinary loss recorded the previous year, in the Automotive Parts & Components segment due to increasing sales of automotive parts, mainly door locks, and reducing costs by consolidating production facilities.

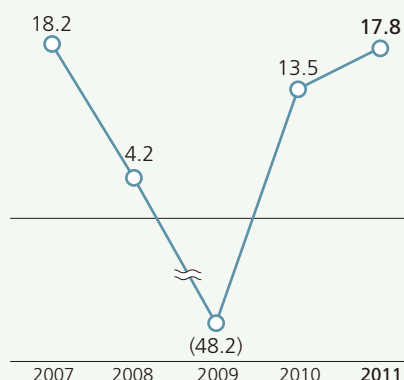
Meanwhile, ordinary income decreased by ¥0.3 billion in the Affiliates Coordination segment.

## Extraordinary profit (losses)

The Company posted extraordinary loss of ¥4.2 billion, representing an increase of ¥0.1 billion from previous year. Profits were attributable to a ¥2.2 billion and ¥0.6 billion

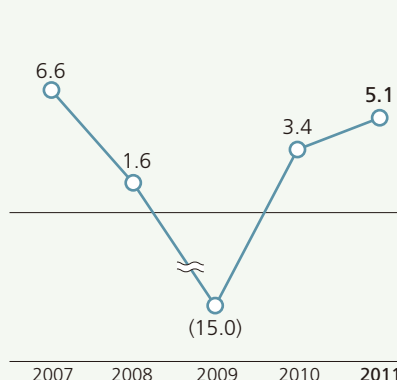
### ROE

(Net income (loss) to average owner's equity and valuation, translation adjustments, and others)  
(%)



### ROA

(Net income (loss) to average total assets)  
(%)





increase in investment gains on change in equity as a result of absorption-type split of the copper and copper alloy fabricated business and in reversal of provision for environmental countermeasures, respectively. Meanwhile, losses were attributable to a ¥3.2 billion and ¥0.7 billion increase in provision for loss on disaster such as recovering costs and others from the Great East Japan Earthquake and in loss on impairment of fixed assets, respectively.

### Income taxes

Even though the Company posted an increase in income taxes — current due to earnings recovery, total taxation expenses came to ¥7.2 billion approximately the same level as the previous year.

### Net income

As a result of a ¥8.3 billion increase in ordinary income, a ¥0.1 billion increase in extraordinary loss, and a ¥1.0 billion increase in loss on minority interests, net income increased by ¥7.2 billion to ¥21.1 billion.

## Financial position

### Total assets

Total assets on a consolidated basis decreased by ¥5.5 billion from the previous term-end, to ¥411.0 billion. Investment securities increased by ¥16.1 billion as a result of increase in investments securities caused by absorption-type split of the copper and copper alloy fabricated business, and gains on equity-method. Moreover, trade receivables and inventory assets increased by ¥7.8 billion and ¥3.0 billion, respectively due to rising in nonferrous metals prices and growth in demand. Meanwhile, property, plant and equipment decreased by ¥9.2 billion on the back of reduced capital expenditures, and cash and deposits diminished ¥17.9 billion.

### Net assets

Net assets increased by ¥13.1 billion to ¥134.4 billion mainly as a result of an increase in net income of ¥21.1 billion, a decrease in dividend payments of ¥1.7 billion, a decrease in foreign currency translation adjustment of ¥3.2 billion, and a decrease in minority interests of ¥1.4 billion. The Company's equity ratio consequently increased by 3.9 percentage points to 30.6%.

### Interest-bearing debt

The total (short- and long-term) interest-bearing debt came to ¥171.4 billion, a decrease of ¥20.0 billion over the previous term-end.

## Cash flows

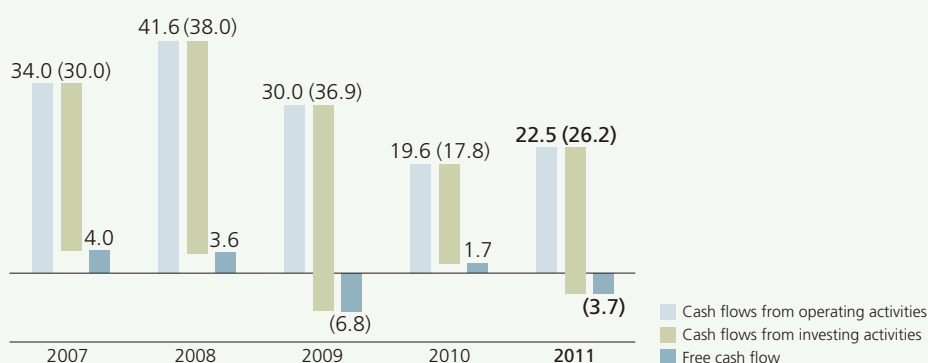
Net cash provided by operating activities increased by ¥2.9 billion from the previous term, to ¥22.5 billion. This was because inflow factors including ¥29.7 billion in income before income taxes and minority interests, ¥22.7 billion in depreciation and amortization, and a ¥9.1 billion increase in notes and accounts payable more than offset the outflow factors, including a ¥18.3 billion increase in notes and accounts receivable and a ¥11.6 billion increase in inventories.

Net cash used in investing activities amounted to ¥26.2 billion, an increase of ¥8.4 billion from the previous term. Expenditures mainly consisted of ¥19.7 billion for the acquisition of property, plant and equipment and ¥4.3 billion for purchase of securities.

Net cash used in financing activities amounted to ¥13.5 billion, an increase of ¥0.3 billion from the previous term. This was the result of a ¥10.1 billion and ¥1.7 billion decrease in short- and long-term borrowings as well as in the balance of straight bonds and commercial paper and payment for cash dividends, respectively.

### Cash flows

(Billions of yen)



# Consolidated Balance Sheets

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries  
March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
<b>Assets</b>			
<b>Current assets:</b>			
Cash and deposits (Note 5)	¥ 24,450	¥ 42,351	\$ 294,046
Notes and accounts receivable (Note 8):			
Trade	80,731	72,797	970,907
Unconsolidated subsidiaries and affiliates	445	499	5,351
Loans receivable:			
Unconsolidated subsidiaries and affiliates	1,830	1,544	22,008
Others	6	3	72
Inventories (Notes 3 and 8)	70,965	67,883	853,457
Deferred tax assets (Note 13)	674	1,211	8,105
Other current assets	7,485	9,415	90,018
Less: Allowance for doubtful accounts	(943)	(872)	(11,340)
Total current assets	185,646	194,834	2,232,663
<b>Investments and other assets:</b>			
Investment securities (Notes 4 and 8):			
Unconsolidated subsidiaries and affiliates	54,704	37,298	657,895
Others	10,381	11,627	124,846
Loans receivable:			
Unconsolidated subsidiaries and affiliates	64	177	769
Others	514	557	6,181
Deferred tax assets (Note 13)	3,009	6,064	36,187
Others	9,243	9,392	111,160
Less: Allowance for doubtful accounts	(327)	(417)	(3,932)
	77,590	64,699	933,132
<b>Property, plant and equipment (Note 8):</b>			
Land	33,941	34,115	408,190
Buildings and structures	145,168	148,508	1,745,856
Machinery and equipment	333,488	365,829	4,010,679
Lease assets	5,274	4,863	63,427
Construction in progress	10,629	7,361	127,829
	528,502	560,678	6,356,007
Less: Accumulated depreciation	(380,712)	(403,671)	(4,578,616)
	147,790	157,007	1,777,390
	¥411,027	¥416,541	\$4,943,199

See accompanying notes.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
<b>Liabilities and Net Assets</b>			
<b>Current liabilities:</b>			
Short-term borrowings (Note 7)	¥ 40,835	¥ 53,693	\$ 491,100
Current portion of long-term debt (Note 7)	22,562	25,491	271,340
Notes and accounts payable:			
Trade	43,122	35,942	518,604
Unconsolidated subsidiaries and affiliates	597	797	7,179
Others	7,527	9,037	90,523
Current portion of lease liability	929	1,010	11,172
Accrued income taxes	2,872	4,184	34,539
Accrued expenses	6,989	6,670	84,052
Deferred tax liabilities (Note 13)	74	238	889
Provision for product warranties	966	917	11,617
Provision for loss on disaster	2,408	—	28,959
Provision for improvement of business structure	32	1	384
Provision for loss on disposal of inventories	377	217	4,533
Derivative liabilities	635	293	7,636
Other current liabilities	6,570	7,068	79,013
Total current liabilities	136,503	145,565	1,641,647
Long-term debt (Note 7)	108,061	112,329	1,299,591
Lease liability	2,005	1,697	24,113
Employees' retirement benefits (Note 16)	21,383	23,539	257,161
Directors' and corporate auditors' retirement benefits	726	728	8,731
Deferred tax liabilities (Note 13)	3,081	5,224	37,053
Provision for environmental countermeasures	1,771	2,329	21,298
Provision for preventing environmental pollution in mineral, mining, and other operations	816	990	9,813
Asset retirement obligations (Note 20)	1,384	—	16,644
Other long-term liabilities	840	2,834	10,102
<b>Commitments and contingent liabilities (Note 10)</b>			
<b>Net Assets (Note 11):</b>			
Shareholders' equity:			
Common stock:			
Authorized — 1,944,000 thousand shares			
Issued — 572,966 thousand shares	42,129	42,129	506,662
Capital surplus	22,557	22,557	271,280
Retained earnings	76,640	57,195	921,707
Less: Treasury stock	(510)	(506)	(6,133)
Total shareholders' equity	140,817	121,375	1,693,529
Accumulated other comprehensive income			
Net unrealized gains on securities, net of tax	1,296	2,050	15,586
Unrealized gains (losses) on hedging derivatives, net of tax	(827)	16	(9,945)
Foreign currency translation adjustments	(15,340)	(12,100)	(184,485)
Total accumulated other comprehensive income	(14,870)	(10,033)	(178,833)
Minority interests in consolidated subsidiaries	8,505	9,958	102,285
Total net assets	134,452	121,300	1,616,981
	¥411,027	¥416,541	\$4,943,199

# Consolidated Statements of Income

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries  
Years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
<b>Net sales (Note 12)</b>	<b>¥446,487</b>	<b>¥392,364</b>	<b>\$5,369,657</b>
<b>Cost of sales (Note 9)</b>	<b>376,155</b>	<b>325,492</b>	<b>4,523,812</b>
Gross profit	70,332	66,871	845,844
<b>Selling, general and administrative expenses (Note 9)</b>	<b>40,123</b>	<b>38,990</b>	<b>482,537</b>
Operating income	30,208	27,881	363,295
<b>Non-operating income (expenses):</b>			
Interest and dividend income	1,690	408	20,324
Interest expense	(2,709)	(2,810)	(32,579)
Foreign exchange gain (loss)	(741)	(565)	(8,911)
Investment gains on equity method	5,561	1,609	66,879
Amortization of negative goodwill	16	96	192
Other, net	(15)	(980)	(180)
	3,801	(2,242)	45,712
Ordinary income (Note 12)	34,010	25,639	409,019
<b>Extraordinary profit (losses):</b>			
Loss on sale and disposal of property, plant and equipment, net	(817)	(610)	(9,825)
Write-down of marketable securities and investments	—	(912)	—
Indemnity	(657)	(114)	(7,901)
Loss on impairment of fixed assets (Note 18)	(1,388)	(674)	(16,692)
Gain on change in equity	2,213	—	26,614
Loss on disaster	(3,208)	(101)	(38,580)
Other, net	(379)	(1,671)	(4,558)
	(4,238)	(4,084)	(50,968)
<b>Income before income taxes and minority interests</b>	<b>29,771</b>	<b>21,555</b>	<b>358,039</b>
<b>Income taxes (Note 13):</b>			
Current	5,307	3,332	63,824
Prior periods	—	2,766	—
Deferred	1,917	1,190	23,054
	7,225	7,289	86,891
<b>Income before minority interests</b>	<b>22,546</b>	<b>—</b>	<b>271,148</b>
<b>Minority interests</b>	<b>1,385</b>	<b>365</b>	<b>16,656</b>
<b>Net income</b>	<b>¥ 21,160</b>	<b>¥ 13,899</b>	<b>\$ 254,479</b>

	Yen		U.S. dollars (Note 1)
<b>Amounts per share of common stock:</b>			
Net income (Note 17)	¥37.03	¥24.32	\$0.45
Cash dividends applicable to the year	6.00	3.00	0.07

See accompanying notes.

# Consolidated Statements of Comprehensive Income

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries  
Year ended March 31, 2011

	Millions of yen	Thousands of U.S. dollars (Note 1)
	2011	2011
<b>Income before minority interests</b>	<b>¥22,546</b>	<b>\$271,148</b>
Other comprehensive income		
Net unrealized gains (losses) on securities, net of tax	(752)	(9,043)
Unrealized gains (losses) on hedging derivatives, net of tax	(458)	(5,508)
Foreign currency translation adjustments	(2,575)	(30,968)
Share of other comprehensive income of associates accounted for using equity method	(1,406)	(16,909)
Total other comprehensive income (Note 22)	(5,192)	(62,441)
<b>Comprehensive income (Note 22)</b>	<b>¥17,353</b>	<b>\$208,695</b>
(Breakdown)		
Comprehensive income attributable to owners of the parent	¥16,323	\$196,307
Comprehensive income attributable to minority interests	1,029	12,375

# Consolidated Statements of Changes in Net Assets

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries  
Years ended March 31, 2011 and 2010

	(Thousands)	Millions of yen										
		Shareholders' equity					Accumulated other comprehensive income					
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings (Note 11)	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Unrealized gains (losses) on hedging derivatives, net of tax	Foreign currency translation adjustments	Total accumulated other comprehensive income	Minority interests in consolidated subsidiaries	Total net assets
Net assets at April 1, 2010	572,966	¥42,129	¥22,557	¥57,195	¥(506)	¥121,375	¥2,050	¥ 16	¥(12,100)	¥(10,033)	¥9,958	¥121,300
Cash dividends				(1,714)		(1,714)						(1,714)
Net income				21,160		21,160						21,160
Acquisition of treasury stock					(3)	(3)						(3)
Net changes during the year							(753)	(843)	(3,239)	(4,836)	(1,453)	(6,290)
Balance at March 31, 2011	572,966	¥42,129	¥22,557	¥76,640	¥(510)	¥140,817	¥1,296	¥(827)	¥(15,340)	¥(14,870)	¥8,505	¥134,452

	(Thousands)	Millions of yen										
		Shareholders' equity					Accumulated other comprehensive income					
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings (Note 11)	Treasury stock	Total shareholders' equity	Net unrealized gains on securities, net of tax	Unrealized gains (losses) on hedging derivatives, net of tax	Foreign currency translation adjustments	Total accumulated other comprehensive income	Minority interests in consolidated subsidiaries	Total net assets
Net assets at April 1, 2009	572,966	¥42,129	¥22,557	¥43,659	¥(503)	¥107,843	¥ 842	¥(4,370)	¥(10,169)	¥(13,697)	¥10,485	¥104,631
Net income				13,899		13,899						13,899
Acquisition of treasury stock					(3)	(3)						(3)
Decrease due to change in consolidated subsidiaries				(363)		(363)						(363)
Net changes during the year							1,207	4,387	(1,931)	3,663	(526)	3,136
Balance at March 31, 2010	572,966	¥42,129	¥22,557	¥57,195	¥(506)	¥121,375	¥2,050	¥ 16	¥(12,100)	¥(10,033)	¥ 9,958	¥121,300

	Thousands of U.S. dollars (Note 1)										
	Shareholders' equity					Accumulated other comprehensive income					
	Common stock	Capital surplus	Retained earnings (Note 11)	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Unrealized gains (losses) on hedging derivatives, net of tax	Foreign currency translation adjustments	Total accumulated other comprehensive income	Minority interests in consolidated subsidiaries	Total net assets
Net assets at April 1, 2010	\$506,662	\$271,280	\$687,853	\$(6,085)	\$1,459,711	\$24,654	\$ 192	\$(145,520)	\$(120,661)	\$119,759	\$1,458,809
Cash dividends			(20,613)		(20,613)						(20,613)
Net income			254,479		254,479						254,479
Acquisition of treasury stock				(36)	(36)						(36)
Net changes during the year						(9,055)	(10,138)	(38,953)	(58,159)	(17,474)	(75,646)
Balance at March 31, 2011	\$506,662	\$271,280	\$921,707	\$(6,133)	\$1,693,529	\$15,586	\$(9,945)	\$(184,485)	\$(178,833)	\$102,285	\$1,616,981

See accompanying notes.

# Consolidated Statements of Cash Flows

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries  
Years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	¥29,771	¥21,555	\$358,039
Depreciation and amortization	22,804	26,134	274,251
Loss on impairment of fixed assets (Note 18)	1,388	674	16,692
Loss on sale and disposal of property, plant and equipment, net	817	610	9,825
Indemnity	657	114	7,901
Loss on provision for environmental countermeasure	695	394	8,358
Foreign exchange loss (gain)	63	(110)	757
Investment losses (gains) on equity method	(5,561)	(1,609)	(66,879)
Increase (Decrease) in allowance for doubtful accounts	(1)	165	(12)
Increase (Decrease) in employees' retirement benefits	(1,465)	(5,125)	(17,618)
Interest and dividend income	(1,690)	(408)	(20,324)
Interest expense	2,709	2,810	32,579
Decrease (Increase) in notes and accounts receivable	(18,380)	(25,188)	(221,046)
Decrease (Increase) in inventories	(11,623)	(3,519)	(139,783)
Increase (Decrease) in notes and accounts payable	9,136	9,463	109,873
Loss on disaster	3,208	101	38,580
Gain on change in equity	(2,213)	—	(26,614)
Other, net	(297)	(3,388)	(3,571)
Subtotal	30,020	22,673	361,034
Interest and dividend received	3,154	726	37,931
Interest paid	(2,764)	(2,788)	(33,241)
Indemnity paid	(657)	(114)	(7,901)
Payments for extra retirement payments	—	(2,253)	—
Income taxes paid	(7,816)	(3,215)	(93,998)
Income taxes refund	611	4,605	7,348
Other, net	(1)	(22)	(12)
Net cash provided by operating activities	22,545	19,610	271,136
<b>Cash flows from investing activities:</b>			
Purchases of securities	(4,341)	(2,977)	(52,206)
Purchases of securities in subsidiaries	(1,569)	(677)	(18,869)
Acquisition of property, plant and equipment and other assets	(20,301)	(14,290)	(244,149)
Proceeds from sale of property, plant and equipment	278	730	3,343
Increase in short-term loans receivable, net	(331)	(477)	(3,980)
Disbursement for long-term loans receivable	(11)	(110)	(132)
Collection of long-term loans receivable	167	155	2,008
Other, net	(176)	(176)	(2,116)
Net cash used in investing activities	(26,286)	(17,823)	(316,127)
<b>Cash flows from financing activities:</b>			
Increase (Decrease) in short-term borrowings, net	(3,434)	(18,214)	(41,298)
Proceeds from long-term debt	8,397	17,046	100,986
Repayment of long-term debt	(15,131)	(10,787)	(181,972)
Repayment of lease liability	(1,092)	(1,168)	(13,132)
Issuance of bonds	10,000	10,000	120,264
Redemption of straight bonds	(10,000)	(10,000)	(120,264)
Payment for cash dividends to the Company's shareholders	(1,714)	—	(20,613)
Payment for cash dividends to minority interests	(1,394)	(111)	(16,764)
Other, net	800	47	9,621
Net cash used in financing activities	(13,569)	(13,188)	(163,187)
Effect of exchange rate changes on cash and cash equivalents	(579)	560	(6,963)
Net decrease in cash and cash equivalents	(17,890)	(10,840)	(215,153)
Cash and cash equivalents at beginning of year	42,348	52,915	509,296
Effect of addition of consolidated subsidiaries	—	280	—
Effect of exclusion of consolidated subsidiaries	(13)	(5)	(156)
Cash and cash equivalents at end of year (Note 5)	¥24,445	¥42,348	\$293,986

See accompanying notes.

# Notes to Consolidated Financial Statements

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries  
Years ended March 31, 2011 and 2010

## 1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. The accounts of consolidated overseas subsidiaries are prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles, with adjustments for the specified six items as applicable.

The accompanying consolidated financial statements have been restructured and translated into English (with some expanded descriptions) from the consolidated financial statements of Mitsui Mining and Smelting Company, Limited ("the Company") prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial

Instruments and Exchange Law. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

Amounts less than one million yen have been rounded down in the presentation of the accompanying consolidated financial statements. As a result, the totals in yen shown herein do not necessarily agree with the sums of the individual amounts.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2011, which was ¥83.15 to U.S. \$1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

## 2. Summary of Significant Accounting Policies

### (a) Consolidation

The consolidated financial statements include the accounts of the Company and its significant subsidiaries (the "Companies"). All significant intercompany transactions, accounts and unrealized profits among the Companies have been eliminated in consolidation. Investments in the unconsolidated subsidiaries and the significant affiliates, which the Company and its subsidiaries are able to influence, in a material degree, their financial and operating decision-making, are accounted for by the equity method after the elimination of unrealized intercompany profits. Investments in the remaining unconsolidated subsidiaries and affiliates are not accounted for by the equity method because of their immaterial effect on the consolidated financial statements. Such investments, therefore, are carried at cost, adjusted for any substantial and non-recoverable decline in value, and income from such unconsolidated subsidiaries and affiliates is recognized only when the Companies receive dividends.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are recorded based on the fair value at the time when the Company acquired control of the respective subsidiaries.

The consolidation difference between acquisition cost and net assets at the date of acquisition is shown as the goodwill and amortized mainly over five years.

### (b) Foreign currency translation

Revenues and expenses are translated at the rates of exchange prevailing when transactions are made. Monetary claims and liabilities denominated in foreign currencies are generally translated into each reporting currency at the rates of foreign exchange prevailing at the balance sheet dates and the resulting translation gains or losses are included in earnings.

All assets and liabilities of consolidated foreign subsidiaries are translated into Japanese yen at the rates prevailing at their balance sheet dates and revenues and expenses of consolidated foreign subsidiaries are translated into Japanese yen at the average exchange rates prevailing during the year. The resulting translation adjustments

are shown as "Foreign currency translation adjustments," a component of net assets.

### (c) Cash and cash equivalents

In the accompanying consolidated statements of cash flows, cash and cash equivalents include cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition which have high liquidity and negligible risk of price fluctuation.

### (d) Marketable securities, investment securities and investments in unconsolidated subsidiaries and affiliates other than those accounted for by the equity method

Securities owned by the Companies are classified into: (1) securities intended to be held to maturity (hereafter, "held-to-maturity securities"), (2) equity securities issued by subsidiaries and affiliated companies, or (3) all other securities that are not classified as trading securities or in any of the above categories (hereafter, "available-for-sale securities").

Held-to-maturity securities are stated at amortized cost. Equity securities issued by subsidiaries and affiliated companies which are not consolidated or accounted for using the equity method are mainly stated at average cost. Available-for-sale securities with fair market values are stated at fair market values, and the corresponding unrealized holding gains or losses, net of applicable income taxes, are reported as a component of net assets. Realized gains and losses on sale of such securities are computed using average cost or moving-average cost. Other available-for-sale securities with no available fair market value are mainly stated at average cost.

### (e) Derivative transactions and hedge accounting

The Companies generally state derivative financial instruments at fair value and recognize changes in the fair value as gains or losses unless they are used for hedging purposes and qualified for hedge accounting. Gains and losses on derivative financial instruments held by certain



consolidated foreign subsidiaries are still charged to profit and loss as settled.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Companies generally defer recognition of gains or losses resulting from changes in their fair value until the related gains or losses on the hedged items are recognized.

All of derivative contracts are based on actual demand and not for trading in the short term or for speculation.

For currency swap and option contracts, interest rate swap and option contracts and metal forward contracts, the Companies evaluate hedge effectiveness by comparing the cumulative changes in cash flows or the changes in fair value of the hedged items with the corresponding changes in the hedging derivative instruments.

The hedge effectiveness is skipped for currency forward contracts that are believed to have high hedge effectiveness, such as in cases where hedging instruments and hedged items share the same important characteristics.

#### (f) Inventories

Inventories are stated primarily at lower of cost or net selling value based on the following methods:

The Company:

Metals, Minerals & Environmental Engineering Sector (except for Perlite Division), Catalysts Division, Instrumentation System Division

Subsidiaries:

Mitsui Kinzoku ACT Corporation, Kamioka Mining & Smelting Co., Ltd. (except for the engineered metal powders factory), Hachinohe Smelting Co., Ltd. and others

: First-in, first-out method

The Company: Copper Foil Division

: Moving average method

The Company:

Engineered Materials Sector (except for Catalysts Division), Ceramics Division, Perlite Division

Subsidiaries:

The engineered metal powders factory of Kamioka Mining & Smelting Co., Ltd., Mitani Rolled Copper Co., Ltd. and others

: Average method

Overseas subsidiaries

: Lower of market or cost using average method or first-in, first-out method

#### (Changes in accounting policy)

Mitsui Kinzoku Components India Private Limited, such as a consolidated subsidiary, had applied, up to the fiscal year ended December 31, 2009, the moving average method to the valuation of inventories, changed the method, effective January 1, 2010, to the first-in, first-out method.

This change has been made in consideration to fully integrate the operations of Catalysts Division in line with the Division's long-term business strategy.

Moreover, Ohi Seisakusho Co., Ltd. (currently named Mitsui Kinzoku ACT Corporation) had applied, up to the fiscal year ended March 31, 2010, the average method to the valuation of inventories, changed the method, effective April 1, 2010, to the first-in, first-out method.

This change has been made in consideration to fully integrate the operations of the Company's Automotive Parts & Components Division because of absorption-type split scheduled on July 1, 2010.

This change had the minor effect for operating income, ordinary income, and income before income taxes and minority interests.

#### (g) Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is generally computed by the declining-balance method based on the estimated durable years of these depreciable assets, except the straight-line method is applied to: (1) buildings, excluding building fixtures, acquired after March 31, 1998, (2) certain plant facilities of the Company and (3) property, plant and equipment of certain consolidated subsidiaries. The durable years of these assets generally range from 7 to 50 years for buildings, 3 to 60 years for structures and 2 to 20 years for machinery and equipment.

Lease assets used under finance leases and capitalized, are depreciated over the lease terms of respective assets by the straight-line method.

#### (h) Allowance for doubtful accounts

The Company and consolidated subsidiaries provide an allowance for doubtful accounts in an amount sufficient to cover probable losses on collection by estimating individually uncollectible amounts and applying a percentage based on collection experience to the remaining accounts.

#### (i) Provision for product warranties

Reserve for product warranties is provided to accrue estimated costs of repairing products free of charge, based on individually estimated amounts which is reliably measurable or the amounts computed by the ratio of actual repair costs which is corresponding to net sales.

#### (j) Provision for improvement of business structure

Provision for improvement of business structure is provided to accrue estimated costs of improvement of business structure by consolidating production facilities and other measures.

#### (k) Provision for loss on disposal of inventories

Provision for loss on disposal inventories is provided to accrue estimated costs of disposal of inventories, such as by-products and other materials.

#### (l) Provision for loss on disaster

Provision for loss on disaster is provided to accrue estimated losses on disaster, such as recovering costs and others from the Great East Japan Earthquake.

#### (m) Employees' retirement benefits

The Companies provided employees' retirement benefits based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at the balance sheet date. The liabilities and expenses for employees' retirement benefits were determined based on the amounts actuarially calculated using certain assumptions.

Prior service costs are amortized by the straight-line method over periods of 1 to 5 years which are within the average remaining years of service of the employees.

Actuarial differences are amortized primarily from the year in which the actuarial differences are incurred by the straight-line method over periods of 1 to 3 years which are within the average remaining years of service of the employees.

#### **(Changes in accounting policy)**

Effective from the fiscal year ended March 31, 2010, the Company and consolidated domestic subsidiaries adopted the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (Accounting Standards Board of Japan ("ASBJ") Statement No.19 issued on July 31, 2008). The new accounting standard requires domestic companies to use the rate of return on long-term government or gilt-edged bonds as of the end of the fiscal year for calculating the projected benefit obligation of a defined-benefit plan. Previously, domestic companies were allowed to use a discount rate determined by taking into consideration fluctuations in the yield of long-term government or gilt-edged bonds over a certain period. This change had no material impact on the consolidated financial statements for the year ended March 31, 2010.

#### **(n) Directors' and corporate auditors' retirement benefits**

Directors and corporate auditors are generally entitled to receive retirement benefits based on the Companies' internal rules. Their retirement benefits are accrued at the amount required to pay in accordance with the internal rules if the directors and corporate auditors had retired at the balance sheet date.

The Company abolished directors' and corporate auditors' retirement benefits system as a result of the action by the Board of Directors held on April, 27, 2005. Consequently, the Company provided their retirement benefits corresponding to the tenure before June, 2005.

#### **(o) Provision for loss on business of subsidiaries and affiliates**

Provision for loss on business of subsidiaries and affiliates is provided to accrue estimated losses on business of unconsolidated subsidiaries and affiliates in view of their financial standing.

#### **(p) Provision for environmental countermeasure**

With enactment of the legislation about special measures concerning the proper treatment of PCB (polychlorinated biphenyl) waste, the Company and its domestic subsidiaries provide for environmental countermeasure to accrue estimated cost of disposal of PCB waste.

Furthermore, estimated cost of soil improvement and preventing environmental pollution is charged to this account.

#### **(q) Provision for preventing environmental pollution in mineral, mining, and other operations**

Provision for preventing environmental pollution in mineral, mining, and other operations is provided to accrue estimated cost of preventing the environmental pollution following the termination of use of mineral, mining, and other facilities.

#### **(r) Research and development expenses**

Research and development expenses are charged to expenses.

#### **(s) Recognition of revenues and related costs**

(1) Recognition of net sales and cost of sales of completed construction contracts

Construction contracts whose outcome can be estimated reliably:

Percentage-of-completion method

Other construction contracts:

Completed-contract method

#### **(Changes in accounting policy)**

Up to the fiscal year ended March 31, 2009, the revenue from construction contracts whose amount is ¥2,000 million or more and whose duration is of more than one year is recorded with the percentage-of-completion method, and the revenue from the other contracts is recorded with the completed-contract method.

Effective April 1, 2009, the Company and consolidated subsidiaries in Japan adopted the new accounting standard "Accounting Standard for Construction Contracts" (Statement No.15, issued by the ASBJ on December 27, 2007) and "Guidance on Accounting Standard for Construction Contracts" (Guidance No.18, issued by the ASBJ on December 27, 2007). The percentage-of-completion method has been applied for construction contracts whose outcome can be estimated reliably, and the completed-contract method was applied for all other contracts.

This change had effect of increasing net sales ¥751 million and increasing operating income and income before income taxes and minority interests ¥84 million, respectively.

#### **(t) Income taxes**

The Companies recognize tax effects of temporary differences between the financial statement basis and the tax basis of assets and liabilities. The provision for income taxes is computed based on the pretax income of each of the Companies, with certain adjustments required for consolidation and tax purposes.

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

#### **(u) Net income, diluted net income and cash dividends per share**

Net income per share is computed based on the weighted-average number of shares of common stock outstanding during the respective fiscal year.

Diluted net income per share is not presented as there were no shares with dilutive effects in 2011 and 2010.

Cash dividends per share represent the historical amount applicable to the respective year.

#### **(v) Accounting standard for asset retirement obligations**

##### **(Changes in accounting policy)**

Effective from the fiscal year ended March 31, 2011, the Company and consolidated domestic subsidiaries adopted the new accounting standard "Accounting Standard for Asset Retirement Obligations" (Statement No.18 issued by the ASBJ on March 31, 2008) and "Implementation Guidance on Accounting Standard for Asset Retirement Obligations" (Implementation Guidance No.21 issued by the ASBJ on March 31, 2008).

This change had effects of decreasing operating income and ordinary income ¥12 million (\$144 thousand), respectively, and decreasing income before income taxes and minority interests ¥240 million (\$2,886 thousand).

#### **(w) Accounting standard for business combination**

##### **(Changes in accounting policy)**

Effective from the fiscal year ended March 31, 2011, the Company and consolidated domestic subsidiaries adopted the new accounting standard "Accounting Standard for Business Combinations" (Statement

No.21 issued by the ASBJ on December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (Statement No.22 issued by the ASBJ on December 26, 2008), "Partial Amendments to Accounting Standard for Research and Development Expenses" (Statement No.23 issued by the ASBJ on December 26, 2008), "Accounting Standard for Business Divestitures" (Statement No.7 issued by the ASBJ on December 26, 2008), "Accounting Standard for Equity Method" (Statement No.16 issued by the ASBJ on December 26, 2008), and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (Implementation Guidance No.10, issued by the ASBJ on December 26, 2008).

#### (x) Reclassification

Certain prior year amounts have been reclassified to conform to the 2011 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

#### (y) Accounting of consumption tax

Consumption tax generally withheld upon sale, as well as that paid for purchases of goods or services, are recorded as a liability or an asset, and are excluded from the relevant revenue, costs or expenses.

#### (z) Changes in presentation

Effective from the fiscal year ended March 31, 2011, the Company adopted "Cabinet Office Ordinance Revising Some Portions of the Regulations for Financial Statements" (the Cabinet Office Ordinance No.5, dated on March 24, 2009), based on "Accounting Standard for Consolidated Financial Statements" (Statement No.22, issued by the ASBJ on December 26, 2008). As a result, "Income before minority interests" is presented in the consolidated statement of income for the year ended March 31, 2011.

### 3. Inventories

Inventories at March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Merchandise and finished goods	¥23,142	¥19,340	\$278,316
Work in process	22,204	24,915	267,035
Raw materials and supplies	25,618	23,626	308,093
Total	¥70,965	¥67,883	\$853,457

### 4. Securities

(a) Acquisition costs and book values of available-for-sale securities with fair value as of March 31, 2011 and 2010 were as follows:

Year ended March 31, 2011	Millions of yen		
	Book value	Acquisition cost	Difference
Securities whose book value exceeds acquisition cost:			
Stocks	¥4,896	¥2,307	¥2,589
Subtotal	4,896	2,307	2,589
Securities whose book value does not exceed acquisition cost:			
Stocks	578	769	(190)
Subtotal	578	769	(190)
Total	¥5,475	¥3,076	¥2,398

Year ended March 31, 2010	Millions of yen		
	Book value	Acquisition cost	Difference
Securities whose book value exceeds acquisition cost:			
Stocks	¥5,933	¥2,221	¥3,711
Bonds	81	25	55
Subtotal	6,014	2,247	3,767
Securities whose book value does not exceed acquisition cost:			
Stocks	671	864	(192)
Subtotal	671	864	(192)
Total	¥6,686	¥3,111	¥3,574

Year ended March 31, 2011	Thousands of U.S. dollars (Note 1)		
	Book value	Acquisition cost	Difference
Securities whose book value exceeds acquisition cost:			
Stocks	\$58,881	\$27,745	\$31,136
Subtotal	58,881	27,745	31,136
Securities whose book value does not exceed acquisition cost:			
Stocks	6,951	9,248	(2,285)
Subtotal	6,951	9,248	(2,285)
Total	\$65,844	\$36,993	\$28,839

(b) Available-for-sale securities sold for the year ended March 31, 2011 were as follows:

		Millions of yen	Thousands of U.S. dollars (Note 1)
Total sale amount	Stocks	¥114	\$1,371
Gains	Stocks	82	986
Losses	Stocks	0	0

(c) Securities written-down for the year ended March 31, 2010 were as follows:

Losses on write-downs of securities amounted to ¥902 million (¥902 million for stocks of available-for-sale securities) for the year ended March 31, 2010.

The Companies write down securities when their fair value declines from cost by 50% or more. In case that the decline ranges at least 30% but less than 50%, the Companies determine whether the decline is temporary. If such a decline is judged to be other than temporary, securities are written down to their fair value.

## 5. Amounts of Cash and Cash Equivalents

Amounts of cash and cash equivalents at March 31, 2011 and 2010 were reconciled with cash and deposits as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Cash and deposits	¥24,450	¥42,351	\$294,046
Time deposits with maturities exceeding three months from the date of deposit	(5)	(2)	(60)
Total: Cash and cash equivalents	¥24,445	¥42,348	\$293,986

## 6. Contents of Important Noncash Transaction

Details of succeeded assets and liabilities caused by absorption-type split of Copper and copper alloy fabricated business to Sumitomo Metal Mining Brass & Copper Co., Ltd. (currently named Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd.) for the fiscal year ended March 31, 2011 were as follows:

	Millions of yen	Thousands of U.S. dollars (Note 1)
Current assets	¥16,554	\$199,085
Long-term assets	3,360	40,408
Total assets	19,914	239,494
Current liabilities	10,379	124,822
Long-term liabilities	1,389	16,704
Total liabilities	11,769	141,539

## 7. Short-Term Borrowings and Long-Term Debt

Short-term borrowings at March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Short-term bank loans, generally represented by short-term notes and bank overdrafts, bore interest at annual rates ranging from 0.490% to 6.000% and from 0.615% to 6.000% at March 31, 2011 and 2010, respectively.	¥40,835	¥43,693	\$491,100
Commercial paper with interest at annual rates ranging from 0.130% to 0.131% at March 31, 2010.	—	10,000	—
	¥40,835	¥53,693	\$491,100

Long-term debt at March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
0.80% yen unsecured straight bonds due in 2015	¥ 10,000	¥ —	\$ 120,264
1.15% yen unsecured straight bonds due in 2014	10,000	10,000	120,264
1.61% yen unsecured straight bonds due in 2013	10,000	10,000	120,264
1.45% yen unsecured straight bonds due in 2012	10,000	10,000	120,264
1.71% yen unsecured straight bonds due in 2011	10,000	10,000	120,264
1.11% yen unsecured straight bonds due in 2010	—	10,000	—
Banks, insurance companies and other financial institutions, maturing through 2019 at interest rates ranging from 0.760% to 5.600% at March 31, 2011:			
Secured	1,412	1,433	16,981
Unsecured	72,205	79,525	868,370
Government-owned banks and government agencies, maturing through 2026 at interest rates ranging from 0.900% to 3.000% at March 31, 2011:			
Secured	7,005	6,863	84,245
Unsecured	—	—	—
	130,623	137,821	1,570,932
Less: Current portion	22,562	25,491	271,340
	¥108,061	¥112,329	\$1,299,591

The aggregate annual maturities of long-term debt at March 31, 2011 were as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars (Note 1)
2012	¥ 22,562	\$ 271,340
2013	28,841	346,855
2014	41,008	493,180
2015	20,239	243,403
2016	14,701	176,800
Thereafter	3,269	39,314
Total	¥130,623	\$1,570,932

The 1.71% yen unsecured straight bonds due in 2011 were issued on August 3, 2006 by the Company.

The 1.45% yen unsecured straight bonds due in 2012 were issued on May 22, 2007 by the Company.

The 1.61% yen unsecured straight bonds due in 2013 were issued on May 23, 2008 by the Company.

The 1.15% yen unsecured straight bonds due in 2014 were issued on December 17, 2009 by the Company.

The 0.80% yen unsecured straight bonds due in 2015 were issued on December 16, 2010 by the Company.

## 8. Pledged Assets

Assets pledged as collateral for short-term bank loans, long-term debt and third party loans at March 31, 2011 and 2010 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Notes and accounts receivable	¥ 1,405	¥ 1,921	\$ 16,897
Inventories	1,246	1,634	14,984
Investment securities	1,845	2,309	22,188
Property, plant and equipment, net book value	6,998	7,592	84,161
	¥11,495	¥13,458	\$138,244

## 9. Research and Development Expenses

Research and development expenses included in production cost and selling, general and administrative expenses amounted to ¥4,623 million (\$55,598 thousand) and ¥4,941 million for the years ended March 31, 2011 and 2010, respectively.

## 10. Contingent Liabilities

Contingent liabilities at March 31, 2011 and 2010 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Notes receivable discounted	¥ 477	¥ 353	\$ 5,736
Notes receivable securitized with recourse	879	1,458	10,571
Loans guaranteed			
Unconsolidated subsidiaries and affiliates	62,320	44,578	749,488
Others	951	1,234	11,437
	¥64,629	¥47,624	\$777,257

## 11. Net Assets

The Japanese Company Law provides that an amount equal to 10% of cash dividends and other cash appropriations of retained earnings must be set aside as a legal earnings reserve included in retained earnings until the total amount of capital surplus and the legal earnings reserve equals 25% of common stock.

The excess of the total amount of capital surplus and the legal earnings reserve over 25% of common stock can be transferred to

retained earnings by a resolution of the shareholders, which may be available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the unconsolidated financial statements of the Company in accordance with the Japanese Company Law.

## 12. Segment Information

The operations of the Companies for the years ended March 31, 2011 and 2010 were summarized as follows.

### (a) Overview of reportable segments

The reportable segments of the Company are those units for which separate financial statements can be obtained among the constituent units of the Company and which are regularly examined by the Board of Directors for decisions on the allocation of management resources and for assessing business performance.

The Company has business sectors categorized by products and services in head office, and each business sectors plans business strategies comprehensively and operates business activities domestically and internationally.

As a result, the Company reports five segments, such as Copper Foil, Engineered Materials, Metals, Minerals & Environmental Engineering, Automotive Parts & Components, and Affiliates Coordination based on business sectors categorized by products and services.

**(b) Basis for Calculating amounts of net sales, profit or loss, assets, and other items by reported segment**

Accounting procedure for reported segments is mostly the same as procedures indicated in 2. Summary of Significant Accounting Policies. Profit for reported segments is based on ordinary income. Sales for inter-segment are based on actual market prices.

**(c) Information on amounts of net sales, profit or loss, assets, and other items by reported segment**

Segment information as of and for the fiscal year ended March 31, 2011 was as follows:

	Millions of yen								
	Reported segments								
	Copper Foil	Engineered Materials	Metals, Minerals & Environmental Engineering	Automotive Parts & Components	Affiliates Coordination	Total	Others	Adjustment	Consolidated
Year ended March 31, 2011									
Sales:									
Outside customers	¥56,966	¥77,056	¥117,456	¥91,058	¥73,315	¥415,853	¥31,925	¥ (1,291)	¥446,487
Inter-segment	3,033	7,117	50,513	157	8,857	69,678	10,084	(79,763)	—
Total	60,000	84,173	167,969	91,216	82,172	485,532	42,010	(81,054)	446,487
Segment profit (loss)	¥ 7,299	¥10,675	¥ 12,967	¥ 5,286	¥ 3,908	¥ 40,137	¥ (658)	¥ (5,468)	¥ 34,010
Segment assets	¥51,172	¥68,350	¥148,207	¥40,990	¥61,683	¥370,403	¥24,881	¥15,742	¥411,027
Depreciation expense	3,182	3,303	8,581	3,445	2,466	20,980	403	1,322	22,707
Amortization of goodwill	34	—	—	0	0	35	—	(16)	18
Interest income	38	35	256	45	38	414	59	(340)	133
Interest expense	388	280	837	384	403	2,294	328	86	2,709
Investment gains on equity method	—	260	3,998	81	874	5,215	—	345	5,561
Investment for companies accounted for using the equity method	—	3,158	38,966	374	11,496	53,995	—	444	54,440
Increase in property, plant and equipment, and intangible assets	4,911	3,738	5,846	3,152	2,197	19,846	871	1,133	21,851

Notes:

(a) Others includes mainly TAB-COF tapes division and Engineering division that are excluded from reported segments.

(b) Amounts of adjustment are as follows.

(1) Adjustment to segment profit (loss), which amounted to ¥(5,468) million (\$65,760 thousand), consists mainly of ¥(145) million (\$1,743 thousand) for elimination of inter-segment transactions among reported segments, ¥(5,373) million (\$64,618 thousand) for company-wide costs that do not belong to any reportable segments.

Company-wide costs are mainly general and administrative expenses and research expenses that do not belong to any reportable segments.

(2) Adjustment to segment assets, which amounted to ¥15,742 million (\$189,320 thousand), consist of ¥(11,808) million (\$142,008 thousand) for offset of receivables to corporate administrative department, ¥47,159 million (\$567,155 thousand) for company-wide assets that do not belong to any reportable segments.

Company-wide assets are mainly assets in head office that do not belong to any reportable segments.

(c) Segment profit is adjusted to be consistent with ordinary income shown on the consolidated statements of income.

**Additional Information**

Effective from the fiscal year ended March 31, 2011, the Company adopted the new accounting standard "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (Statement No.17, issued by the ASBJ on March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (Implementation Guidance No.20, issued by the ASBJ on March 21, 2008).



Segment information as of and for the fiscal year ended March 31, 2010, which was restated in conformity with the requirements of the Standard, was as follows:

	Millions of yen								
	Reported segments					Total	Others	Adjustment	Consolidated
	Copper Foil	Engineered Materials	Metals, Minerals & Environmental Engineering	Automotive Parts & Components	Affiliates Coordination				
<b>Year ended March 31, 2010</b>									
Sales:									
Outside customers	¥44,260	¥57,778	¥101,380	¥78,108	¥77,980	¥359,508	¥32,619	¥ 236	¥392,364
Inter-segment	1,376	4,837	48,586	149	6,200	61,150	6,801	(67,952)	—
Total	45,636	62,616	149,966	78,257	84,180	420,658	39,421	(67,716)	392,364
Segment profit (loss)	¥ 5,871	¥ 7,141	¥ 12,537	¥ (275)	¥ 4,267	¥ 29,543	¥ 1,314	¥ (5,218)	¥ 25,639
Segment assets	¥44,720	¥55,596	¥143,814	¥44,683	¥65,968	¥354,783	¥24,251	¥37,506	¥416,541
Depreciation expense	3,491	3,682	9,239	3,657	3,682	23,754	422	1,942	26,119
Amortization of goodwill	26	—	—	—	0	26	—	(96)	(70)
Interest income	23	30	264	43	42	404	44	(301)	147
Interest expense	453	298	873	492	410	2,528	328	(47)	2,810
Investment gains on equity method	—	297	521	88	104	1,012	—	596	1,609
Investment for companies accounted for using the equity method	—	3,078	33,301	415	2,493	39,288	—	(2,132)	37,156
Increase in property, plant and equipment, and intangible assets	3,907	1,214	4,831	2,740	1,174	13,869	604	712	15,186

Notes:

(a) Others includes mainly TAB-COF tapes division and Engineering division that are excluded from reported segments.

(b) Amounts of adjustment are as follows.

(1) Adjustment to segment profit (loss), which amounted to ¥(5,218) million, consists mainly of ¥(175) million for elimination of inter-segment transactions among reported segments, ¥(4,999) million for company-wide costs that do not belong to any reportable segments.

Company-wide costs are mainly general and administrative expenses and research expenses that do not belong to any reportable segments.

(2) Adjustment to segment assets, which amounted to ¥37,506 million, consist of ¥(12,500) million for offset of receivables to corporate administrative department, ¥63,094 million for company-wide assets that do not belong to any reportable segments.

Company-wide assets are mainly assets in head office that do not belong to any reportable segments.

(c) Segment profit is adjusted to be consistent with ordinary income shown on the consolidated statements of income.

	Thousands of U.S. dollars (Note 1)								
	Reported segments					Total	Others	Adjustment	Consolidated
	Copper Foil	Engineered Materials	Metals, Minerals & Environmental Engineering	Automotive Parts & Components	Affiliates Coordination				
<b>Year ended March 31, 2011</b>									
Sales:									
Outside customers	\$685,099	\$ 926,710	\$1,412,579	\$1,095,105	\$881,719	\$5,001,238	\$383,944	\$ (15,526)	\$5,369,657
Inter-segment	36,476	85,592	607,492	1,888	106,518	837,979	121,274	(959,266)	—
Total	721,587	1,012,303	2,020,072	1,097,005	988,238	5,839,230	505,231	(974,792)	5,369,657
Segment profit (loss)	\$ 87,781	\$ 128,382	\$ 155,947	\$ 63,571	\$ 46,999	\$ 482,705	\$ (7,913)	\$ (65,760)	\$ 409,019
Segment assets	\$615,417	\$ 822,008	\$1,782,405	\$ 492,964	\$741,828	\$4,454,636	\$299,230	\$189,320	\$4,943,199
Depreciation expense	38,268	39,723	103,199	41,431	29,657	252,315	4,846	15,898	273,084
Amortization of goodwill	408	—	—	0	0	420	—	(192)	216
Interest income	457	420	3,078	541	457	4,978	709	(4,088)	1,599
Interest expense	4,666	3,367	10,066	4,618	4,846	27,588	3,944	1,034	32,579
Investment gains on equity method	—	3,126	48,081	974	10,511	62,717	—	4,149	66,879
Investment for companies accounted for using the equity method	—	37,979	468,622	4,497	138,256	649,368	—	5,339	654,720
Increase in property, plant and equipment, and intangible assets	59,061	44,954	70,306	37,907	26,422	238,677	10,475	13,625	262,790



**[Related information]**

Information by area

	Millions of yen				
	Japan	Asia	North America	Other Areas	Consolidated
<b>Year ended March 31, 2011</b>					
Sales	¥291,432	¥109,017	¥30,926	¥15,111	¥446,487
Property, plant and equipment	111,400	28,735	5,397	2,256	147,790

	Thousands of U.S. dollars (Note 1)				
	Japan	Asia	North America	Other Areas	Consolidated
<b>Year ended March 31, 2011</b>					
Sales	\$3,504,894	\$1,311,088	\$371,930	\$181,731	\$5,369,657
Property, plant and equipment	1,339,747	345,580	64,906	27,131	1,777,390

**[Information on loss on impairment of fixed assets by reported segment]**

	Millions of yen						
	Copper Foil	Engineered Materials	Metals, Minerals & Environmental Engineering	Automotive Parts & Components	Affiliates Coordination	Others	Elimination - Corporate
<b>Year ended March 31, 2011</b>							
Loss on impairment of fixed assets	¥—	¥—	¥5	¥—	¥—	¥744	¥637

	Thousands of U.S. dollars (Note 1)						
	Copper Foil	Engineered Materials	Metals, Minerals & Environmental Engineering	Automotive Parts & Components	Affiliates Coordination	Others	Elimination - Corporate
<b>Year ended March 31, 2011</b>							
Loss on impairment of fixed assets	\$—	\$—	\$60	\$—	\$—	\$8,947	\$7,660

Notes:

Others includes TAB-COF tapes division

**[Information on amortization of goodwill and amortized balance by reported segment]**

	Millions of yen						
	Copper Foil	Engineered Materials	Metals, Minerals & Environmental Engineering	Automotive Parts & Components	Affiliates Coordination	Others	Elimination - Corporate
<b>Year ended March 31, 2011</b>							
Amortization of goodwill	¥ 34	¥—	¥—	¥ 0	¥ 0	¥—	¥—
Balance at end of fiscal year	113	—	—	—	—	—	—

	Thousands of U.S. dollars (Note 1)						
	Copper Foil	Engineered Materials	Metals, Minerals & Environmental Engineering	Automotive Parts & Components	Affiliates Coordination	Others	Elimination - Corporate
<b>Year ended March 31, 2011</b>							
Amortization of goodwill	\$ 408	\$—	\$—	\$ 0	\$ 0	\$—	\$—
Balance at end of fiscal year	1,358	—	—	—	—	—	—

In addition, amortization of negative goodwill and amortized balance caused by mainly business combinations prior to April 1, 2010 were as follows:

	Millions of yen						
	Copper Foil	Engineered Materials	Metals, Minerals & Environmental Engineering	Automotive Parts & Components	Affiliates Coordination	Others	Elimination - Corporate
<b>Year ended March 31, 2011</b>							
Amortization of negative goodwill	¥—	¥—	¥16	¥—	¥—	¥—	¥—
Balance at end of fiscal year	—	—	—	—	—	—	—

	Thousands of U.S. dollars (Note 1)						
	Copper Foil	Engineered Materials	Metals, Minerals & Environmental Engineering	Automotive Parts & Components	Affiliates Coordination	Others	Elimination - Corporate
<b>Year ended March 31, 2011</b>							
Amortization of negative goodwill	\$—	\$—	\$192	\$—	\$—	\$—	\$—
Balance at end of fiscal year	—	—	—	—	—	—	—

[Information on gain on negative goodwill by reported segment]

Year ended March 31, 2011

Not applicable.

### 13. Income Taxes

The Company and its domestic subsidiaries are subject to a number of taxes based on income, which, in the aggregate, indicate statutory rates in Japan of approximately 40.4% for the fiscal years ended March 31, 2011 and 2010.

Significant components of the Companies' deferred tax assets and liabilities as of March 31, 2011 and 2010 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Deferred tax assets:			
Unrealized profits and losses	¥ 2,020	¥ 1,800	\$ 24,293
Operating loss carryforward for tax purposes	21,397	22,062	257,330
Retirement benefits	8,256	9,342	99,290
Excess bad debt expenses	344	358	4,137
Excess accrued bonuses to employees	1,709	1,618	20,553
Excess product warranties	231	308	2,778
Enterprise taxes accrued	218	165	2,621
Loss on impairment of fixed assets	8,973	10,063	107,913
Provision for environmental countermeasures	813	945	9,777
Net unrealized losses on securities	76	76	914
Unrealized loss on hedging derivatives	249	114	2,994
Other	8,229	6,881	98,965
Subtotal	52,520	53,736	631,629
Valuation allowance	(46,449)	(45,419)	(558,616)
Total deferred tax assets	¥ 6,070	¥ 8,316	\$ 73,000
Deferred tax liabilities:			
Net unrealized gains on securities	¥ (1,045)	¥ (1,499)	\$ (12,567)
Unrealized gain on hedging derivatives	(92)	(242)	(1,106)
Retained earnings of foreign subsidiaries	(1,802)	(2,021)	(21,671)
Deferral of capital gain related to certain sale of property, plant and equipment	(1,495)	(1,509)	(17,979)
Other	(1,107)	(1,232)	(13,313)
Total deferred tax liabilities	¥ (5,543)	¥ (6,504)	\$ (66,662)
Net deferred tax assets	¥ 527	¥ 1,812	\$ 6,337

The net deferred tax assets at March 31, 2011 and 2010 were contained in the consolidated balance sheets as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Deferred tax assets — current	¥ 674	¥ 1,211	\$ 8,105
Deferred tax assets — noncurrent	3,009	6,064	36,187
Deferred tax liabilities — current	(74)	(238)	(889)
Deferred tax liabilities — noncurrent	(3,081)	(5,224)	(37,053)

The following table summarizes the significant differences between the statutory effective tax rate and the tax rate calculated based on the Company's consolidated financial statements for the fiscal years ended March 31, 2011 and 2010.

	2011	2010
Statutory effective tax rate	40.4%	40.4%
Effect of elimination of intercompany dividends received	7.1	8.1
Permanent difference due to non-deductible expense	0.9	1.2
Investment gains on equity method	(7.6)	(3.0)
Permanent difference due to non-taxable income	(6.9)	(8.2)
Income taxes for prior periods	—	12.8
Valuation allowance	3.5	(20.1)
Others	(13.3)	2.6
Tax rate calculated based on the Company's consolidated financial statements	24.3%	33.8%

## 14. Financial Instruments

### (a) Qualitative information on financial instruments

#### 1. Policy of financial instruments management

The Companies raise funds primarily through bank loans and the issuance of commercial paper and bonds. The Companies manage surplus funds utilizing financial assets with high degrees of safety. The Companies use derivatives to reduce risk as described below and do not enter into speculative trading.

#### 2. Description of financial instruments and risk

Trade receivables-notes and accounts receivable are exposed to the credit risks of customers. As the Companies are expanding their business globally, certain foreign currency denominated trade receivables are exposed to foreign currency exchange rate fluctuation risk. For this risk, currency forward contracts are used on a certain portion of the amount of foreign currency denominated trade receivables less the amount of respective foreign currency denominated trade payable.

Investment securities are mainly stocks issued by companies that have relations on business, and are exposed to stock market fluctuation risk.

The majority of trade payables-notes and accounts payable have payment due dates of less than one year. A portion of foreign currency denominated trade payables-notes and accounts are denominated in foreign currencies in association with the import of raw materials and others are thus exposed to foreign currency exchange rate fluctuation risk. For this risk, currency forward contracts are used on a certain portion of the positions that are, as a general rule, net amount of trade payables denominated in the respective foreign currencies.

Short-term borrowings are raised mainly for operating activities while long-term debt (in principle within 5 years) are raised mainly for capital investments. Loans with floating interest are exposed to interest rate fluctuation risk, for those long-term debt with floating interest, derivative transactions (interest rate swap contracts) are used for certain long-term loans in each loan agreement in order to hedge the risk of fluctuating interest rate and to make interest expenses fixed.

Regarding derivative transactions, the Companies used currency forward contracts, swaps and options to hedge transactions, such as future sales of commodities (mainly basic metals) and future purchases of inventories (mainly imported materials) in foreign currencies, and to hedge their foreign currency denominated assets and liabilities against foreign currency exchange risk. For those transactions, the Companies apply the deferred hedge method or the matching treatment method as hedge accounting methods except for transactions held by certain foreign subsidiaries, and for certain transactions to hedge its assets and liabilities denominated in foreign currencies against foreign currency exchange risk.

The Companies also entered into interest rate swap contracts and options to hedge their loans payable against interest rate fluctuation risk. For those transactions, the Companies apply the deferred hedge method or the exceptional accrual method for interest rate swap as hedge accounting methods except for transactions held by certain foreign subsidiaries.

Further, the Companies utilized metal forward contracts to reduce the Companies' exposure to fluctuations in metal prices. For those transactions, the Companies apply the deferred hedge

method as hedge accounting methods except for transactions held by certain foreign subsidiaries.

With regard to hedging instruments, hedged items, hedging policies and evaluation of hedge effectiveness, please refer to "Notes to Consolidated Financial Statements — 2. Summary of Significant Accounting Policies — (e) Derivative transactions and hedge accounting."

Derivative transactions are exposed to market risks from fluctuations in fair value and to credit risks from breach of contract due to counter parties' insolvency or other reasons. Market risks of the Companies' currency forward and swap contracts, interest rate swap and option contracts and metal forward contracts refer to the risks from fluctuations in exchange rates, interest rates and metal prices.

#### 3. Description of risk management system for financial instruments Management system for credit risk

With regard to the credit risk for trade receivables-notes and accounts receivable, due dates and balances are managed for each customer and the credit status of major customers is kept track of on a semiannual basis.

In order to mitigate credit risk for derivative transactions, the Companies conduct business only with highly rated financial institutions and trading companies.

#### Management system for market risk

For foreign currency exchange rate risk from foreign currency denominated trade receivables, currency forward contracts are used on a certain portion of the positions that are, as a general rule, net amount of foreign currency denominated trade receivables.

For foreign currency exchange rate risk from foreign currency denominated trade payables, currency forward contracts are used on a certain portion of the positions that are, as a general rule, net amount of foreign currency denominated trade payables. Moreover, the Companies also entered into interest rate swaps and options to hedge their loans payable against interest rate risk.

For stock market fluctuation risk of investment securities, the Companies keep track of the market prices and investees' (business partners) financial condition and review continuously the possession situation of stocks in view of the relationship with business partners.

Derivative transactions entered into by the Companies are implemented and controlled based on the Company's internal policies.

#### Management system for liquidity risk of financing

The Company's Finance & Accounting Department manages the risk through the preparation of the Companies' financial plans with group financing.

#### 4. Supplementary explanation regarding fair value of financial instruments

The fair value of financial instruments is measured based on the market price, if available, or reasonably estimated value if a market price is not available. As reasonably estimated value is estimated based on certain assumptions, it might differ if different

assumptions are used. In addition, the contract amount of the derivative transactions described below in “Notes to Consolidated

Financial Statements — 15. Derivative Transactions” does not represent the market risk of the derivative transactions.

## (b) Fair value of financial instruments

The carrying amounts of book value, fair value, and differences as of March 31, 2011 and 2010 were as follows. In addition, financial instruments, of which it is extremely difficult to measure the fair value, are not included (Please refer to “Notes 2. Financial instruments whose fair value is extremely difficult to measure”).

	Millions of yen		
	Book value	Fair value	Difference
<b>Year ended March 31, 2011</b>			
Assets:			
(a) Cash and deposits	¥ 24,450	¥ 24,450	¥ —
(b) Notes and accounts receivable	81,176	81,176	—
(c) Investment securities	8,988	7,880	(1,108)
Total	114,615	113,507	(1,108)
Liabilities:			
(a) Notes and accounts payable	43,532	43,532	—
(b) Short-term borrowings	40,835	40,835	—
(c) Current portion of long-term debt	22,562	22,774	211
(d) Long-term debt	108,061	109,535	1,473
Total	214,991	216,677	1,685
Derivative transactions	¥ (597)	¥ (597)	¥ —

Note: Derivative assets and liabilities are on net basis. Items that are net liabilities are shown in parenthesis.

	Millions of yen		
	Book value	Fair value	Difference
<b>Year ended March 31, 2010</b>			
Assets:			
(a) Cash and deposits	¥ 42,351	¥ 42,351	¥ —
(b) Notes and accounts receivable	73,297	73,297	—
(c) Investment securities	10,010	8,923	(1,086)
Total	125,658	124,571	(1,086)
Liabilities:			
(a) Notes and accounts payable	36,437	36,437	—
(b) Short-term borrowings	53,693	53,693	—
(c) Current portion of long-term debt	25,491	25,549	58
(d) Long-term debt	112,329	113,572	1,243
Total	227,952	229,253	1,301
Derivative transactions	¥ 155	¥ 155	¥ —

Note: Derivative assets and liabilities are on net basis. Items that are net liabilities are shown in parenthesis.

	Thousands of U.S. dollars (Note 1)		
	Book value	Fair value	Difference
<b>Year ended March 31, 2011</b>			
Assets:			
(a) Cash and deposits	\$ 294,046	\$ 294,046	\$ —
(b) Notes and accounts receivable	976,259	976,259	—
(c) Investment securities	108,093	94,768	(13,325)
Total	1,378,412	1,365,087	(13,325)
Liabilities:			
(a) Notes and accounts payable	523,535	523,535	—
(b) Short-term borrowings	491,100	491,100	—
(c) Current portion of long-term debt	271,340	273,890	2,537
(d) Long-term debt	1,299,591	1,317,318	17,714
Total	2,585,580	2,605,856	20,264
Derivative transactions	\$ (7,179)	\$ (7,179)	\$ —

Note: Derivative assets and liabilities are on net basis. Items that are net liabilities are shown in parenthesis.

## Notes:

## 1. Method of estimating fair value of financial instruments

## Assets:

(a) Cash and deposits and (b) Notes and accounts receivable:

Regarding Cash and deposits and Notes and accounts receivable, book value is used as fair value.

Because these instruments have the short maturity so that fair value approximates book value.

(c) Investment securities:

Fair value of investment securities equals to quoted market price. Fair value of debt securities equals to quoted market price or provided price by financial institutions.

Situation from the point of view of holding purposes, please refer to "Notes to Consolidated Financial Statements — 4. Securities."

## Liabilities:

(a) Notes and accounts payable and (b) Short-term borrowings:

Regarding Notes and accounts payable and Short-term borrowings, book value is used as fair value.

Because these instruments have the short maturity so that fair value approximates book value.

(c) Current portion of long-term debt and (d) Long-term debt:

Fair value of long-term bank loans is based on the present value of future cash flows discounted using the current borrowing rate for similar debt of a comparable maturity. For certain long-term debt for which interest swap contracts are used to hedge the interest risk, fair value of derivative financial instrument is included in fair value of the long-term debt as hedged items. And the fair value of those long-term debt is based on the present value of future cash flows treated in combination with the respective interest swaps and discounted using the current borrowing rate for similar debt of a comparable maturity (Please refer to "Notes to Consolidated Financial Statements — 15. Derivative Transactions").

Fair value of corporate bonds is based on the present value of future cash flows discounted using the indicated rate in secondary market.

## Derivative transactions:

(a) Contract amount, fair value, unrealized gain or loss, and others are described in "Notes to Consolidated Financial Statements — 15. Derivative Transactions."

## 2. Financial instruments whose fair value is extremely difficult to measure

Classification	Consolidated balance sheet amount		
	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Unlisted equity securities	¥55,858	¥38,675	\$671,773
Nonpublic domestic bonds	240	240	2,886

Above are not included in "(c) Investment securities" because there is no market value and it is extremely difficult to measure the fair value.

## 3. The redemption schedule for money claim and held-to-maturity debt securities with maturity date subsequent to the consolidated balance sheets date

	Millions of yen			
	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2016	April 1, 2016 to March 31, 2021	April 1, 2021 and thereafter
<b>Year ended March 31, 2011</b>				
(a) Cash and deposits	¥ 24,450	¥—	¥—	¥ —
(b) Notes and accounts receivable	81,176	—	—	—
(c) Investment securities:				
Available-for-sale securities with maturity date				
Bonds (domestic government and municipal bonds)	—	—	—	240
<b>Total</b>	<b>¥105,627</b>	<b>¥—</b>	<b>¥—</b>	<b>¥240</b>

	Millions of yen			
	April 1, 2010 to March 31, 2011	April 1, 2011 to March 31, 2015	April 1, 2015 to March 31, 2020	April 1, 2020 and thereafter
<b>Year ended March 31, 2010</b>				
(a) Cash and deposits	¥ 42,351	¥—	¥—	¥ —
(b) Notes and accounts receivable	73,297	—	—	—
(c) Investment securities:				
Available-for-sale securities with maturity date				
Bonds (domestic government and municipal bonds)	—	—	—	240
<b>Total</b>	<b>¥115,648</b>	<b>¥—</b>	<b>¥—</b>	<b>¥240</b>

	Thousands of U.S. dollars (Note 1)			
	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2016	April 1, 2016 to March 31, 2021	April 1, 2021 and thereafter
<b>Year ended March 31, 2011</b>				
(a) Cash and deposits	\$ 294,046	\$—	\$—	\$ —
(b) Notes and accounts receivable	976,259	—	—	—
(c) Investment securities:				
Available-for-sale securities with maturity date				
Bonds (domestic government and municipal bonds)	—	—	—	2,886
<b>Total</b>	<b>\$1,270,318</b>	<b>\$—</b>	<b>\$—</b>	<b>\$2,886</b>

4. The redemption schedule for corporate bonds, long-term debt, and other interest bearing debt with maturity date subsequent to the consolidated balance sheets date

Please refer to "Notes to Consolidated Financial Statements — 7. Short-Term Borrowings and Long-Term Debt."

#### (Additional information)

Effective from the fiscal year ended March 31, 2010, the Companies adopted the new accounting standard, "Accounting Standard for Financial Instruments" (Statement No.10 issued by the ASBJ on March 10, 2008) and "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (the Financial Accounting Standard Implementation Guidance No.19 issued by ASBJ March 10, 2008).

## 15. Derivative Transactions

(a) Derivative transactions for which hedge accounting had not been applied as of March 31, 2011 and 2010 were as follows:

#### Currency-related derivatives

Type		Millions of yen		Thousands of U.S. dollars (Note 1)
		2011	2010	2011
Forward contracts:				
Selling:				
U.S. dollars:	Contract amounts	¥2,973	¥809	\$35,754
	Due over one year	—	—	—
	Fair value	(15)	(19)	(180)
	Net unrealized losses	(15)	(19)	(180)
Japanese yen:	Contract amounts	¥ 414	¥290	\$ 4,978
	Due over one year	—	—	—
	Fair value	(7)	11	(84)
	Net unrealized gains (losses)	(7)	11	(84)
Euros:	Contract amounts	¥ 69	¥ —	\$ 829
	Due over one year	—	—	—
	Fair value	(1)	—	(12)
	Net unrealized losses	(1)	—	(12)

Note: Fair values of currency forward contracts are based on future exchange rates or prices provided by financial institutions.

(b) Derivative transactions for which hedge accounting had been applied as of March 31, 2011 and 2010 were as follows:

### Currency-related derivatives

Currency-related derivatives				Thousands of U.S. dollars (Note 1)	
Type	Hedged items		Millions of yen		2011
			2011	2010	
Forward contracts:					
Selling:	Accounts receivable				
U.S. dollars:	Contract amounts		¥4,584	¥5,524	\$55,129
	Due over one year		—	—	—
	Fair value		(76)	(91)	(914)
Japanese yen:	Contract amounts		¥ 1	¥ —	\$ 12
	Due over one year		—	—	—
	Fair value		0	—	0
Euros:	Contract amounts		¥ 137	¥ —	\$ 1,647
	Due over one year		—	—	—
	Fair value		(2)	—	(24)
Singapore dollars:	Contract amounts		¥ —	¥ 110	\$ —
	Due over one year		—	—	—
	Fair value		—	(2)	—
Buying:	Accounts payable				
U.S. dollars:	Contract amounts		¥ 681	¥1,359	\$ 8,190
	Due over one year		—	—	—
	Fair value		11	48	132
Japanese yen:	Contract amounts		¥1,655	¥ 305	\$19,903
	Due over one year		—	—	—
	Fair value		83	(9)	998
Euros:	Contract amounts		¥ 6	¥ 113	\$ 72
	Due over one year		—	—	—
	Fair value		0	(6)	0
Swiss franc:	Contract amounts		¥ —	¥ 1	\$ —
	Due over one year		—	—	—
	Fair value		—	0	—
Thailand baht:	Contract amounts		¥ —	¥ 6	\$ —
	Due over one year		—	—	—
	Fair value		—	0	—
Swap contracts:					
	Long-term debt				
Receive U.S. dollars	Contract amounts		¥1,660	¥1,956	\$19,963
Pay Malaysia ringgit	Due over one year		1,476	1,956	17,751
	Fair value		(273)	(160)	(3,283)

Notes:

(a) The deferred hedge method is applied as hedge accounting methods.

(b) Fair values of currency forward contracts and currency swap contracts are based on future exchange rates or prices provided by financial institutions.

### Interest rate-related derivatives

Interest rate-related derivatives				Millions of yen		Thousands of U.S. dollars (Note 1)
Type	Hedged items			2011	2010	2011
Swap contracts:	Interest for long-term debt					
	Receive	Float	Contract amounts	¥50,373	¥58,996	\$605,808
	Pay	Fix	Due over one year	43,851	49,973	527,372
			Fair value	(Note c)	(Note c)	(Note c)

Notes:

(a) The exceptional accrual method for interest rate swap is applied as hedge accounting methods.

(b) Fair value of interest swap contracts is present value based on rates provided by financial institutions.

(c) For certain long-term debt for which interest swap contracts are used to hedge the interest risk, fair value of derivative financial instrument is included in fair value of the long-term debt as hedged items, because those interest swaps are treated in combination with the respective long-term debt with the exceptional accrual method for interest rate swap.

## Commodities-related derivatives

Type	Hedged items	Millions of yen		Thousands of U.S. dollars (Note 1)
		2011	2010	2011
Forward contracts:	Raw materials and finished goods			
Selling:				
Zinc:	Contract amounts	¥3,723	¥2,472	\$44,774
	Due over one year	—	—	—
	Fair value	94	28	1,130
Lead:	Contract amounts	¥2,641	¥1,217	\$31,761
	Due over one year	—	—	—
	Fair value	(114)	16	(1,371)
Gold:	Contract amounts	¥ 592	¥ 134	\$ 7,119
	Due over one year	—	—	—
	Fair value	(20)	(4)	(240)
Silver:	Contract amounts	¥1,013	¥1,273	\$12,182
	Due over one year	—	—	—
	Fair value	(360)	(30)	(4,329)
Buying:				
Zinc:	Contract amounts	¥3,737	¥5,116	\$44,942
	Due over one year	—	—	—
	Fair value	56	256	673
Lead:	Contract amounts	¥ 599	¥ 307	\$ 7,203
	Due over one year	—	—	—
	Fair value	27	(6)	324
Copper:	Contract amounts	¥ —	¥1,011	\$ —
	Due over one year	—	—	—
	Fair value	—	124	—

Notes:

(a) The deferred hedge method is applied as hedge accounting methods.

(b) Fair value of metal forward contracts is based on forward prices provided by trading companies.

## 16. Employees' Retirement Benefits

The Company and its consolidated domestic subsidiaries provide two retirement benefit plans for employees, an unfunded retirement plan and a funded retirement plan, under which all eligible employees are entitled to benefits based on their length of service and basic rate of

pay at the time of termination.

Employees' retirement benefits included in the liability section of the consolidated balance sheets as of March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Projected benefit obligation	¥33,375	¥34,922	\$401,383
Plan assets at fair value	12,053	11,156	144,954
Projected benefit obligation in excess of plan assets	21,322	23,766	256,428
Less: Unrecognized actuarial differences	(165)	(301)	(1,984)
Less: Unrecognized prior service costs	(229)	(23)	(2,754)
Prepaid pension cost	456	98	5,484
Employees' retirement benefits	¥21,383	¥23,539	\$257,161

The employees' retirement benefit costs for the fiscal years ended March 31, 2011 and 2010 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Service costs — benefits earned during the year	¥3,122	¥2,191	\$37,546
Interest cost on projected benefit obligation	665	688	7,997
Expected return on plan assets	(263)	(132)	(3,162)
Amortization of actuarial differences	972	496	11,689
Amortization of prior service costs	12	2	144
Additional retirement benefits	—	2,015	—
Employees' retirement benefit costs	¥4,510	¥5,261	\$54,239



The actuarial assumptions for calculating the projected benefit obligation for the fiscal years ended March 31, 2011 and 2010 were as follows:

	2011	2010
Attribution of benefits to periods of service	Benefit / years-of-service approach	Benefit / years-of-service approach
Discount rate used to determine the projected benefit obligation	1.7%-2.4%	1.7%-2.4%
Expected return on plan assets	Mainly 2.5%	Mainly 1.8%
Period to amortize prior service costs	1-5 years	1-5 years
Period to amortize the actuarial differences	1-3 years	1-3 years

## 17. Earnings per Share of Common Stock

Earnings per share of common stock at March 31, 2011 and 2010 were as follows:

	Net income (Millions of yen)	Weighted-average shares (Thousands)	Net income per share (Yen)	Net income per share (U.S. dollars (Note 1))
<b>Year ended March 31, 2011</b>				
Net income available to common shareholders	¥21,160	571,500	¥37.03	\$0.45
	Net income (Millions of yen)	Weighted-average shares (Thousands)	Net income (loss) per share (Yen)	
<b>Year ended March 31, 2010</b>				
Net income available to common shareholders	¥13,899	571,515	¥24.32	

## 18. Loss on Impairment of Fixed Assets

Loss on impairment of fixed assets for the fiscal years ended March 31, 2011 and 2010 consisted of the following.

### Year ended March 31, 2011

Location	Major use	Asset category	Millions of yen	Thousands of U.S. dollars (Note 1)
Shimonoseki City, Yamaguchi Prefecture, others	Production facilities	Buildings and structures	¥ 46	\$ 553
		Machinery	228	2,742
		Others	470	5,652
Kita-ku, Tokyo, others	Idle assets	Land	¥643	\$7,733

The Company and its consolidated subsidiaries have grouped assets used for business activities by the units of the factory distinction and of the product distinction based on management accounting. Idle assets and lease assets that have a sign of impairment are assessed on an individual basis.

As for production facilities, there were no future cash flows expected since the serious deterioration in the market conditions had

weakened profitability. Consequently, the book values of these assets were reduced to zero.

As for Idle assets, the book values of the assets were reduced to zero in case that sale of these assets was extremely improbable. The book value of salable lands was reduced to net realizable value based on the fair value, provided by a real estate appraiser.

### Year ended March 31, 2010

Location	Major use	Asset category	Millions of yen
Takehara City, Hiroshima Prefecture	Production facilities	Buildings and structures	¥ 3
		Machinery	29
		Others	0
Kita-ku, Tokyo, others	Idle assets	Buildings and structures	¥ 15
		Machinery	21
		Land	604
		Others	0

The Company and its consolidated subsidiaries have grouped assets used for business activities by the units of the factory distinction and of the product distinction based on management accounting. Idle assets and lease assets that have a sign of impairment are assessed

on an individual basis.

As for production facilities, there were no future cash flows expected since the serious deterioration in the market conditions had weakened profitability. Consequently, the book values of these assets

were reduced to zero.

As for Idle assets, the book values of the assets were reduced to zero in case that sale of these assets was extremely improbable. The

book value of salable lands was reduced to net realizable value based on the fair value, provided by a real estate appraiser.

## 19. Related Party Transactions

### (a) Related party transactions

1. The Company owns 34% of outstanding shares of Pan Pacific Copper Co., Ltd., which sells products related to copper refining and smelting business.

The transactions amount for the fiscal years ended March 31, 2011 and 2010, and account balances as of March 31, 2011 and 2010 with Pan Pacific Copper Co., Ltd. were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Guarantees of bank loans	¥56,420	¥35,951	\$678,532

2. Nikko Smelting and Refining Co., Ltd. is affiliate of Pan Pacific Copper Co., Ltd.

The transactions amount for the fiscal year ended March

31, 2010 and account balances as of March 31, 2010 with Nikko Smelting and Refining Co., Ltd. were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Guarantees of bank loans	¥—	¥6,186	\$—

3. The Company owns 50% of outstanding shares of MS Zinc Co., Ltd., which produces and sells products related to zinc refining and smelting business.

The transactions amount for the fiscal years ended March 31, 2011 and 2010, and account balances as of March 31, 2011 and 2010 with MS Zinc Co., Ltd. were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Cost of sales (Mainly purchasing of zinc metals)	¥17,034	¥16,438	\$204,858
Accounts payable	4,491	5,305	54,010

Terms of transactions:

Terms of purchase by MS Zinc Co., Ltd. are determined under general market conditions.

4. The Company owns 50% of outstanding shares of Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd., which produces and sells copper, copper alloy strips and sheets.

The transactions amount for the fiscal year ended March 31, 2011, and account balances as of March 31, 2011 with Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd. were as follows:

	Millions of yen	Thousands of U.S. dollars (Note 1)
	2011	2011
Absorption-type split		
Succeeded assets by absorption-type split	¥19,914	\$239,494
Succeeded liabilities by absorption-type split	11,769	141,539

**(b) Note about significant related party**

In the fiscal years ended March 31, 2011 and 2010, Pan Pacific Copper Co., Ltd., was recognized as significant related party and the summary of its financial statements were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Total current assets	¥223,738	¥168,533	\$2,690,775
Total fixed assets	101,398	64,314	1,219,458
Total current liabilities	201,778	143,577	2,426,674
Total long-term liabilities	14,002	4,775	168,394
Total net assets	109,356	84,494	1,315,165
Net sales	612,100	536,713	7,361,395
Income (loss) before income taxes and minority interests	15,664	(233)	188,382
Net income (loss)	14,614	(409)	175,754

**20. Asset Retirement Obligations****Year ended March 31, 2011****Asset retirement obligations that are recorded in the consolidated balance sheet****(a) Overview of asset retirement obligations**

- Obligation to restore a closed mine to its original state required by the Mine Closure Law in overseas
- Obligation to eliminate asbestos caused by dismantling a building (business asset) under the Act on Asbestos Health Damage Relief
- Obligation to restore a vacated office or other facility to its original state based on a real estate lease agreement

**(b) Basis for calculating amounts of the asset retirement obligations****(Mines)**

Compañía Minera Santa Luisa S.A. reasonably estimates mine closure expenses and records asset retirement obligations in accordance with International Financial Reporting Standards based on the mine closure plan (38 years as its average) stipulated by the Peruvian Mine Closure Law. The Company uses Peru government bond interest rate as of December 31, 2010, 1%, as a discount rate.

The Company has changed the discount rate used to estimate the mine closure expenses due to fluctuation of Peru government bond interest rate in the fiscal year ended March 31, 2011.

**(Asbestos)**

The expected periods of time before removal expenses at the time of dismantling is estimated between 15 and 30 years depending on each asset. The Company uses Japanese government bond interest rate as of March 31, 2010, such as between 2.16% and 2.3% as a discount rate to estimate the amount of asset retirement obligations.

**(Real estate lease agreements)**

The companies reasonably estimate the amount of lease deposits from real estate lease agreements that it cannot expect to finally recover, and record the portion of this amount allocated to the fiscal year ended March 31, 2011 as expenses, instead of recording them as asset retirement obligations under liabilities.

The companies use periods of time between 12 and 15 years from the date of occupancy to estimate the amount of the expenses.

The companies estimate the uncollectible amount of lease deposits as ¥74 million (\$889 thousand) in the fiscal year ended March 31, 2011.

**(c) Changes in the total amount of these asset retirement obligations in the fiscal year ended March 31, 2011**

	Millions of yen	Thousands of U.S. dollars (Note 1)
	2011	2011
Balance at the beginning of the fiscal year	¥1,468	\$17,654
Adjustments due to the passage of time	99	1,190
Decrease from execution of asset retirement obligations	(71)	(853)
Increase from changes of estimates	3	36
Impact of foreign currency translation	(114)	(1,371)
Balance at the end of the fiscal year	¥1,384	\$16,644

**Note:**

Asset retirement obligations was incurred at the beginning of the fiscal year with the application of the new accounting standard "Accounting Standard for Asset Retirement Obligations" (Statement No.18 issued by the ASBJ on March 31, 2008) and "Implementation Guidance on Accounting Standard for Asset Retirement Obligations" (Implementation Guidance No.21 issued by the ASBJ on March 31, 2008).

## 21. Business Combinations

Year ended March 31, 2011

### Formation of jointly controlled company

#### 1. Overview of transaction

The names and descriptions of the combining businesses:

The name of the business:

Copper and copper alloy fabricated business

The description of the business:

Manufacture and marketing of copper, copper alloy strips and sheets, zinc and other alloy processed products

The combination date:

July 1, 2010

Legal structure of the business combination:

Absorption-type split in which the Company is as splitting company, Sumitomo Metal Mining Brass & Copper Co., Ltd. as successor company.

Name of company after business combination:

MITSUI SUMITOMO METAL MINING BRASS & COPPER CO., LTD.

Description and purpose of transaction

Rolled Copper & Zinc Division of the Company built an integrated one-stop supply system for copper and copper alloys, from raw materials to rolled products, giving the Company the leading position in the brass business in Japan. Meanwhile, Sumitomo Metal Mining Co., Ltd. (hereinafter "Sumitomo") subsidiary Sumitomo Metal Mining Brass & Copper Co., Ltd. achieved high earnings by building an integrated one-stop supply system in the brass business and developing process technologies for rolled products including thin-rolling and plating process technologies.

However, demand for copper and copper alloy fabricated products has rapidly declined since around 2000, and competition within the industry has been intensifying each year. In this environment, the Company decided to sign an absorption-type split agreement with Sumitomo Metal Mining Brass & Copper Co., Ltd.

Through this business combination, the Company expects to generate synergies and enhance competitiveness by gaining efficiency in utilization of production facilities and in sales and administrative management, and by combining manufacturing technologies.

Reason that business combination was formed as a jointly controlled company

Upon the formation of this jointly controlled company, the Company and Sumitomo concluded the Shareholders Agreement under which MITSUI SUMITOMO METAL MINING BRASS & COPPER CO., LTD. will become the jointly controlled company of both companies. Consideration paid at the time of the business combination consisted entirely of shares with voting rights. Furthermore, no other specific facts indicate that a controlling relationship exists. It was therefore decided that the business combination was to be formed as a jointly controlled entity.

#### 2. Method of accounting for business combinations

The Company accounts this business combination as an establishment of a jointly controlled entity as based on the accounting standard "Accounting Standard for Business Combinations" (Statement No.21 issued by the ASBJ on December 26, 2008) and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (Implementation Guidance No.10, issued by the ASBJ on December 26, 2008).

## 22. Consolidated Statements of Comprehensive Income

Year ended March 31, 2011

### (a) Comprehensive income in the previous fiscal year

	Millions of yen
	2010
Comprehensive income attributable to owners of the parent	¥17,563
Comprehensive income attributable to minority interests	749
Total	¥18,313

### (b) Other comprehensive income in the previous fiscal year

	Millions of yen
	2010
Net unrealized gains (losses) on securities, net of tax	¥1,213
Unrealized gains (losses) on hedging derivatives, net of tax	477
Foreign currency translation adjustments	1,457
Share of other comprehensive income of associates accounted for using equity method	899
Total	¥4,047

#### (Additional Information)

Effective from the fiscal year ended March 31, 2011, the Company adopted the new accounting standard "Accounting Standard for Presentation of Comprehensive Income" (Statement No.25 issued by the ASBJ on June 30, 2010). The amounts of "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" for the previous fiscal year are the amounts of "Valuation, translation adjustments and others" and "Total valuation, translation adjustments and others" respectively for the previous fiscal year.

**To the Board of Directors of  
Mitsui Mining and Smelting Company, Limited:**

We have audited the accompanying consolidated balance sheets of Mitsui Mining and Smelting Company, Limited and consolidated subsidiaries as of March 31, 2011 and 2010, the related consolidated statements of income and comprehensive income for the year ended March 31, 2011, statement of income for the year ended March 31, 2010, and statements of changes in net assets and cash flows for each of the years then ended expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Mitsui Mining and Smelting Company, Limited and subsidiaries as of March 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

Without qualifying our opinion, we draw attention to the following.

- (1) As discussed in Note 2 to the consolidated financial statements, effective April 1, 2010, Mitsui Mining and Smelting Company, Limited and consolidated subsidiaries in Japan adopted the new accounting standards for Asset Retirement Obligations.
- (2) As discussed in Note 21 to the consolidated financial statements, Mitsui Mining and Smelting Company, Limited formed the jointly controlled company on copper and copper alloy fabricated business on July 1, 2010.
- (3) As discussed in Note 12 to the consolidated financial statements, effective April 1, 2010, Mitsui Mining and Smelting Company, Limited adopted the new accounting standards for Disclosures about Segments of an Enterprise and Related Information.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

Tokyo, Japan  
June 29, 2011

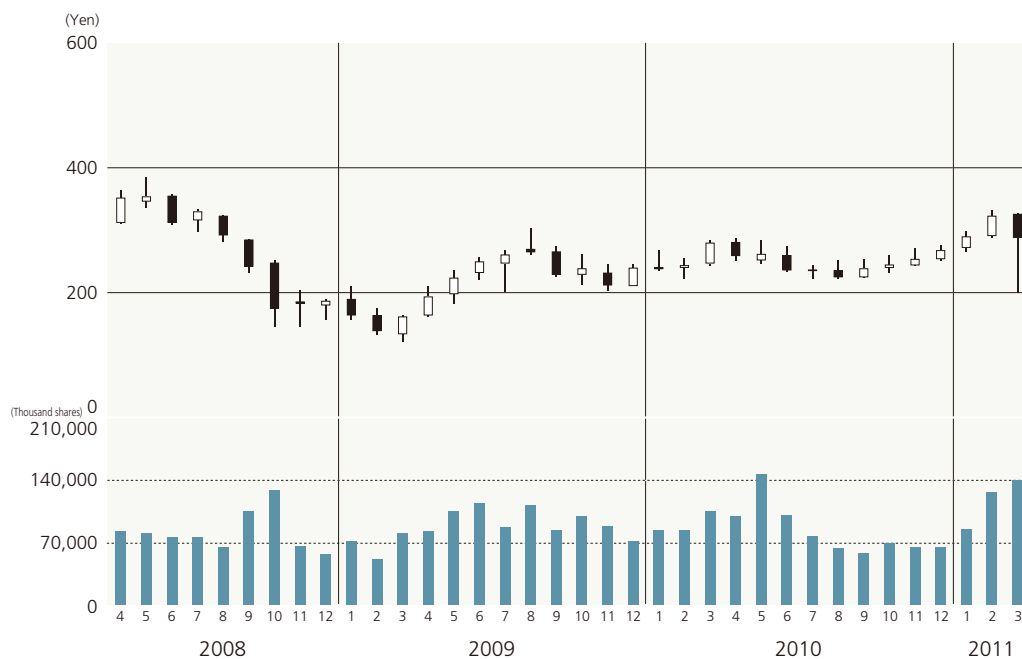
Number of shareholders: 58,520

## Major shareholders:

	Investment in the company	
	Number of shares held (Thousands)	Percentage of total shares issued (%)
Japan Trustee Services Bank, Ltd. (Held in trust account)	35,467	6.20
Japan Trustee Services Bank, Ltd. (Held in trust account 9)	26,986	4.72
The Master Trust Bank of Japan, Ltd. (Held in trust account)	24,349	4.26
National Mutual Insurance Federation of Agricultural Cooperatives	14,300	2.50
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	13,588	2.37
The Employees' Shareholding Association	9,173	1.60
State Street Bank West Client-Treaty	7,836	1.37
IRISOHYAMA Inc.	7,287	1.27
CBHK-Citibank London-F117	6,943	1.21
Mitsui Life Insurance Company, Limited	5,986	1.04

Notes: 1. Percentages of shares held are calculated based on the total number of shares issued outstanding (excluding 1,471,359 shares in treasury).  
2. Figures are rounded down to the nearest thousand shares.

## Stock price range:



**Established:** May 1, 1950

**Authorized capital:** 1,944 million shares

**Shares issued:** 572,966,166 shares

**Paid-in capital:** ¥42,129 million

**Stock listings:** Common stock is listed on the Tokyo Stock Exchange

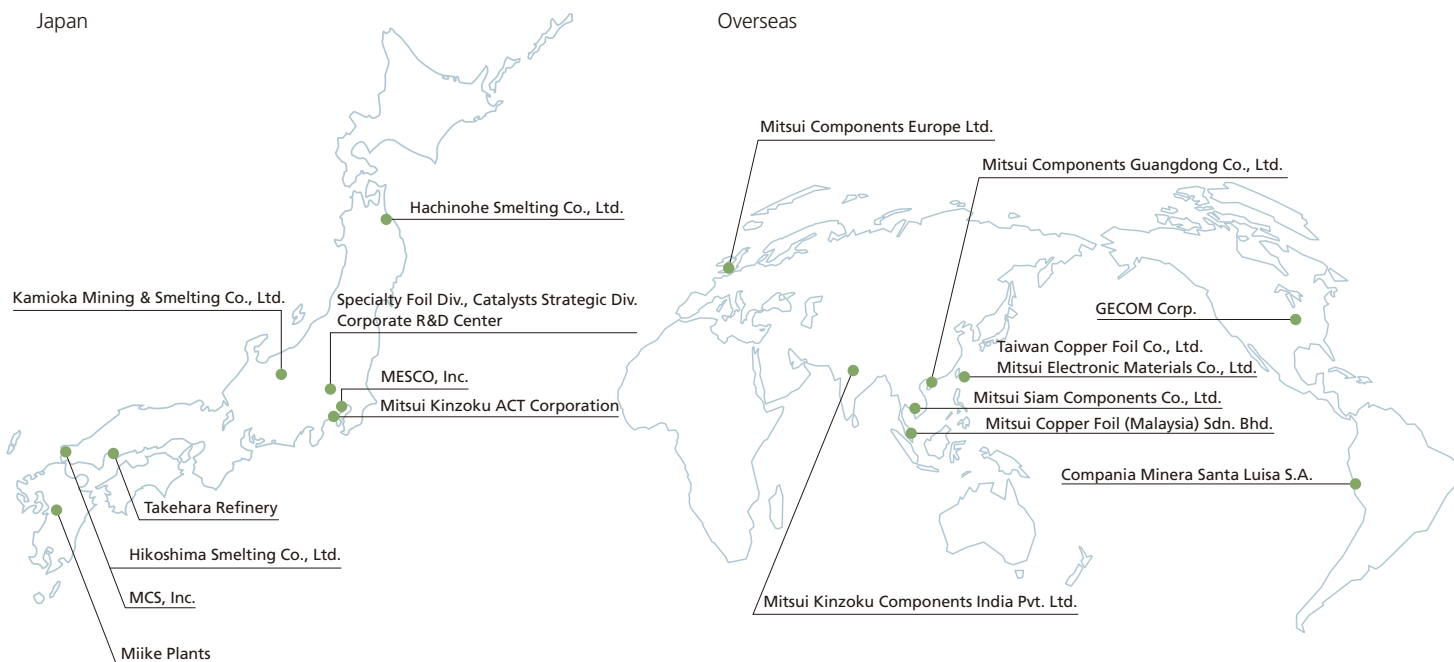
**Principal subsidiaries:**

	Paid-in capital (Millions)	Equity stake of the company (%)
Taiwan Copper Foil Co., Ltd.	NT\$800	95.0
Mitsui Copper Foil (Malaysia) Sdn. Bhd.	RM160	100.0
Mitsui Electronic Materials Co., Ltd.	NT\$600	100.0
Kamioka Mining & Smelting Co., Ltd.	¥4,600	100.0
Hachinohe Smelting Co., Ltd.	¥4,795	85.5
Hikoshima Smelting Co., Ltd.	¥460	100.0
Okuaizu Geothermal Co., Ltd.	¥100	100.0
Mitsui Kinzoku ACT Corporation	¥3,000	100.0
GECOM Corp.	US\$15.75	100.0
Mitsui Siam Components Co., Ltd.	Bh210	100.0
Mitsui Kinzoku Trading Co., Ltd.	¥240	100.0
MCS, Inc.	¥450	100.0
MESCO, Inc.	¥1,085	63.3

**Major plants and offices:**

**Japan**

**Overseas**





	Japan	Asia	Americas and Europe
Offices/ Laboratories	<b>Head Office</b> (Shinagawa, Tokyo) <b>Osaka Branch</b> (Osaka, Osaka) <b>Corporate R&amp;D Center</b> (Ageo, Saitama)	<b>Mitsui Kinzoku Trading (Shanghai) Co., Ltd.</b> (Shanghai, China) <b>Mitsui Kinzoku (Shanghai) Management Co., Ltd.</b> (Shanghai, China)	<b>Mitsui Mining &amp; Smelting Co., Ltd., Sucursal del Perú</b> (Lima, Peru) <b>Oak-Mitsui Technologies LLC</b> (New York, U.S.A.)
Copper Foil	<b>Ageo Copper Foil Plant</b> (Ageo, Saitama)	<b>Taiwan Copper Foil Co., Ltd.</b> (Nantou, Taiwan) <b>Mitsui Copper Foil (Malaysia) Sdn. Bhd.</b> (Selangor Darul Ehsan, Malaysia) <b>Mitsui Copper Foil (Hong Kong) Co., Ltd.</b> (Hong Kong, China) <b>Mitsui Copper Foil (Suzhou) Co., Ltd.</b> (Jiangsu, China) <b>Mitsui Copper Foil (Guangdong) Co., Ltd.</b> (Guangdong, China)	<b>Oak-Mitsui Inc.</b> (New York, U.S.A.)
Engineered Materials	<b>Miike Thin-film Materials Plant</b> (Omuta, Fukuoka) <b>Miike Rare Metals Plant</b> (Omuta, Fukuoka) <b>NIHON KESSHO KOUGAKU Co., Ltd.</b> (Tatebayashi, Gunma) <b>Kamioka Catalyst Plant</b> (Hida, Gifu)	<b>Mitsui Electronic Materials Co., Ltd.</b> (Taichung, Taiwan) <b>Mitsui Kinzoku Korea Co., Ltd.</b> (Pyeongtaek-si, Korea) <b>Mitsui Kinzoku Catalyst Zhuhai Co., Ltd.</b> (Guangdong, China)	<b>Mitsui Zinc Powder LLC</b> (Pennsylvania, U.S.A.)
Metals, Minerals & Environmental Engineering	<b>Takehara Refinery</b> (Takehara, Hiroshima) <b>Kamioka Mining &amp; Smelting Co., Ltd.</b> (Hida, Gifu) <b>Hachinohe Smelting Co., Ltd.</b> (Shinagawa, Tokyo) <b>Hikoshima Smelting Co., Ltd.</b> (Shimonoseki, Yamaguchi) <b>MS Zinc Co., Ltd.</b> (Minato, Tokyo) <b>Pan Pacific Copper Co., Ltd.</b> (Chiyoda, Tokyo) <b>Okuaizu Geothermal Co., Ltd.</b> (Yanaizu, Fukushima) <b>Kitakata Perlite Plant</b> (Kitakata, Fukushima) <b>Osaka Perlite Plant</b> (Kaizuka, Osaka)	<b>Shanghai Mitsui Xin Yun Precious and Rare Metal Recycle Co., Ltd.</b> (Shanghai, China)	<b>Compania Minera Santa Luisa S.A.</b> (Lima, Peru)
Automotive Parts & Components	<b>Mitsui Kinzoku ACT Corporation</b> (Yokohama, Kanagawa)	<b>Mitsui Siam Components Co., Ltd.</b> (Rayong, Thailand) <b>Mitsui-Huayang Automotive Components Co., Ltd.</b> (Guizhou, China) <b>Mitsui Components Guangdong Co., Ltd.</b> (Guangdong, China) <b>Wuxi Dachong Industry Co., Ltd.</b> (Jiangsu, China) <b>Mitsui Kinzoku Components India Pvt. Ltd.</b> (Haryana, India)	<b>GECOM Corp.</b> (Indiana, U.S.A.) <b>Mitsui Components Europe Ltd.</b> (Wales, U.K.)
Other	<b>Omuta Ceramics Plant</b> (Omuta, Fukuoka) <b>Nirasaki Parts &amp; Components Manufacturing Plant</b> (Nirasaki, Yamanaishi) <b>Mitsui Sumitomo Metal Mining Brass &amp; Copper Co., Ltd.</b> (Ageo, Saitama) <b>MESCO, Inc.</b> (Sumida, Tokyo) <b>MCS, Inc.</b> (Shimonoseki, Yamaguchi)	<b>Mitsui Grinding Technology (Thailand) Co., Ltd.</b> (Chonburi, Thailand) <b>Mitsui Micro Circuits Taiwan Co., Ltd.</b> (Taichung, Taiwan)	



**mitsui**  
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