



Striving for Sustainable Growth

Reinforcing management bases for further growth

MITSUI MINING & SMELTING CO., LTD.

Numerical objectives

Ordinary income fell short of the Plan. Even so, business remains profitable if special factors are excluded.

	Objectives for FY2015	Results for FY2015
Ordinary income	45 billion yen	- 11.3 billion yen
(Impairment loss due to operations in Caserones)		(- 19.3 billion yen)
(Inventory factors)		(- 15.6 billion yen)
(Retirement benefit obligations)		(- 3.4 billion yen)
Ordinary income (excl. special factors)	45 billion yen	27.0 billion yen
Equity capital ratio	38%	35%

<Metal Prices & Forex>

Zn LME (\$/t)	2,000	1,831
Cu LME (¢ /lb)	360	237
Forex (Yen/US\$)	90	110

Ordinary income by segment (excl. special factors)

(billion yen)

	Objectives for FY2015	Results for FY2015	Differences	Main Factors
Engineered Materials	20.0	12.7	- 7.3	<ul style="list-style-type: none"> - Engineered Powder, Battery Material fell short of Sales Plan - R&D Expense
Metals	12.0	5.7	- 6.3	<ul style="list-style-type: none"> - Caserones unprofitable due to operation delay
Automotive Parts & Components	10.0	5.4	- 4.6	<ul style="list-style-type: none"> - Short of Sales plan - Mexico plant unprofitable
Affiliates Coordination	5.0	3.9	- 1.1	<ul style="list-style-type: none"> - Rolled copper less profit.
Adjustments	- 2.0	- 0.7	+ 1.3	
Total	45.0	27.0	- 18.0	

Achievements in 2013 Mid-Term Management Plan

The following measures have been implemented in the 2013 Plan and are expected to contribute to achieving the 2016 Plan.

Measures implemented in the 2013 Mid-Term Management Plan

Engineered Materials	<p>[Catalysts]</p> <ul style="list-style-type: none"> - Launch of materials for Automotive - New operation bases in Asia and in North America - Development of less precious metal catalysts <p>[Copper foils]</p> <ul style="list-style-type: none"> - Sales expansion of MicroThin™ - Reshaping of Asia bases <p>[Sputtering Targets]</p> <ul style="list-style-type: none"> - Sales expansion of IGZO and cylindrical type
Metals	<ul style="list-style-type: none"> ▪ Structural change to refinery networks ▪ More collecting and feeding raw materials for recycling
Automotive Parts & Components	<ul style="list-style-type: none"> ▪ Expansion of sales to the U.S. ▪ Establishment of overseas production bases
Affiliates Coordination	<ul style="list-style-type: none"> ▪ Improvements in profitability of restructuring businesses

Lessons from the results of 2013 Mid-Term Management Plan

The lessons learned from the unachieved projects in the 2013 Plan will be applied to the 2016 Plan.

	Underachieved projects	Lessons
Engineered Materials	<ul style="list-style-type: none"> • Lack of new product and new business beyond existing businesses 	<ul style="list-style-type: none"> • Strengthen function of New Business Development • Reorganize and reinforce Research and Development
Metals	<ul style="list-style-type: none"> • Profitability of the Caserones Mine in Chile 	<ul style="list-style-type: none"> • Cope with the risk of large-scale investment
Automotive Parts & Components	<ul style="list-style-type: none"> • Underachievement of new overseas plants in terms of profitability objectives • Underachievement of cost improvements 	<ul style="list-style-type: none"> • Need to establish a support system according to the local situations • Establish a scheme for continuous cost improvements

Lessons learned will be reflected in the 2016 Mid-Term Management Plan

Vision in Ten Years

The company that continues to create growth products and businesses and enhance value based on the three core businesses: engineered materials, metals and automotive parts and components.

Positioning of 2016 Mid-Term Management Plan



Basic Policy for the 2016 Mid-Term Management Plan

Establishment of a structure that will continue to create growth products and businesses based on the three core businesses: engineered materials, metals and automotive parts and components

Slogan for 2016 Mid-Term Management Plan

Striving for Sustainable Growth

Reinforcement of management
bases for further growth

2016 Plan Management Objectives

Objectives for FY2018

Ordinary income	35.0 billion yen
Equity Capital Ratio	37%

Metal Prices & Forex

Zn LME (\$/t)	2,200
Cu LME (¢ /lb)	250
Forex (Yen/US\$)	110

Basic Strategy for Mid-Term Management Plan

Strengthening the planning departments and reviewing the research and development system to facilitate (i) the creation of growth products and businesses and (ii) the maximization of revenue in existing businesses.

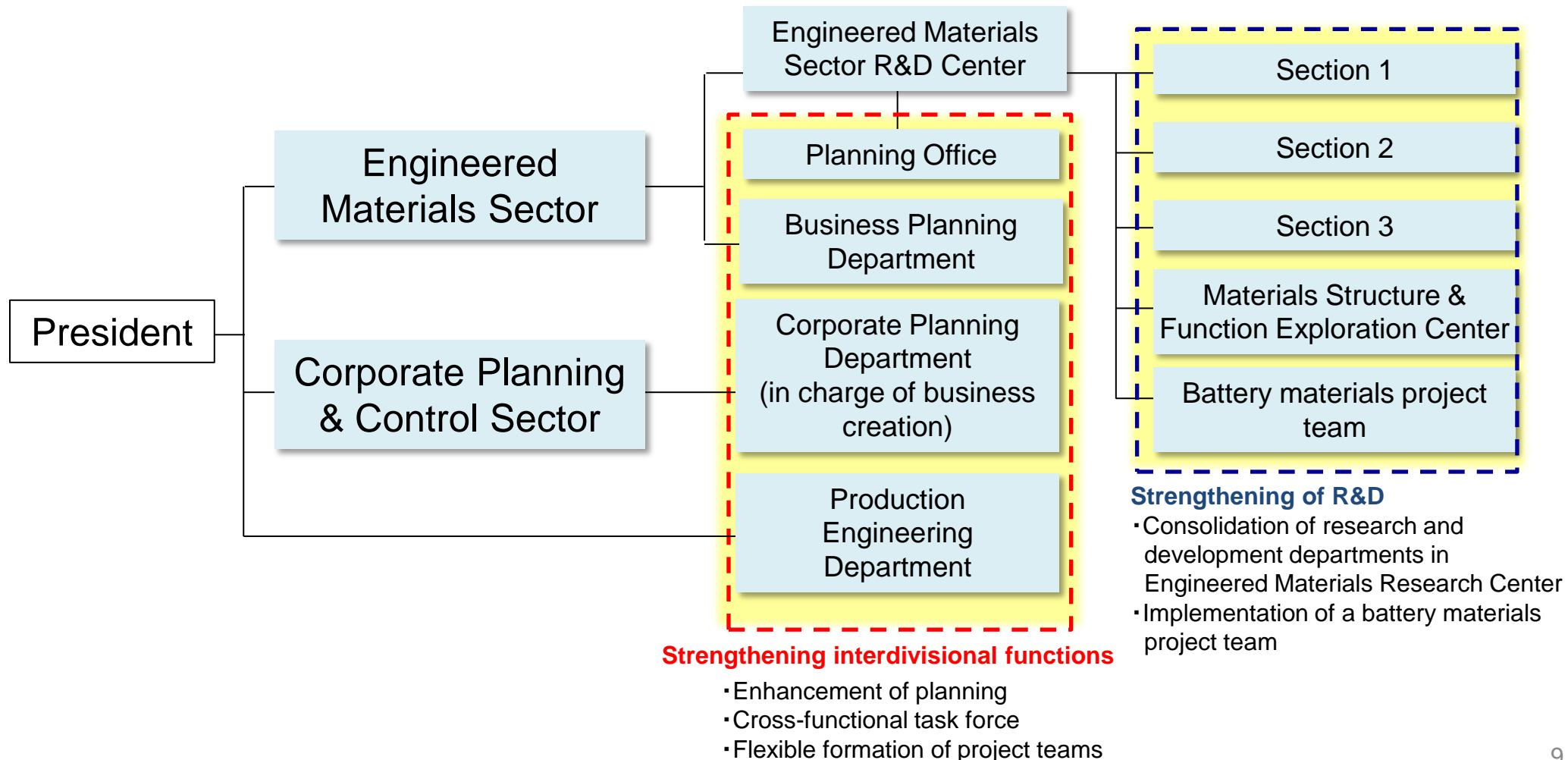
Initiatives to be implemented in Mid-Term Management Plan

Focusing efforts on catalysts and copper foils specifically in the existing businesses.

Producing results for the measures implemented in the 2013 Plan	Reinforcing the basic structure of the existing businesses	Taking strategic steps for the future
<p>[Catalysts]</p> <ul style="list-style-type: none"> - New production base for Automotive and development of new customers <p>[Copper foils]</p> <ul style="list-style-type: none"> - Expand sales of ultra-thin copper foils <p>[Other]</p> <ul style="list-style-type: none"> - Expand sales of IGZO and cylindrical type sputtering target 	<p>[Catalysts]</p> <ul style="list-style-type: none"> - Maintaining market share in Motorcycle market <p>[Copper foils]</p> <ul style="list-style-type: none"> - Maintain top share of ultra-thin copper foils in package market <p>[Other]</p> <ul style="list-style-type: none"> - Tantalum oxide - Product innovation of ITO sputtering target - Expanding overseas sales of Metallo filter 	<p>[Catalysts]</p> <ul style="list-style-type: none"> - Development of new catalyst materials for Automotive <p>[Copper foils]</p> <ul style="list-style-type: none"> - Development of next-generation products <p>[Strengthening efforts to create new products and new businesses]</p> <ul style="list-style-type: none"> - Environment and Energy area - Electronics area - Next-generation battery materials

Creation of growth products and businesses (Strengthening of interdivisional functions and research structure)

Using management resources and adopting a new structure to create growth products and businesses



Initiatives to be implemented in Mid-Term Management Plan

- | | |
|---------------|--|
| (Motorcycle) | Maintain product profitability
(Global share of 50% or more) |
| (Automotive) | Expand production bases and develop new customers |
| (Development) | Develop co-catalyst materials for outstanding catalyst performance |

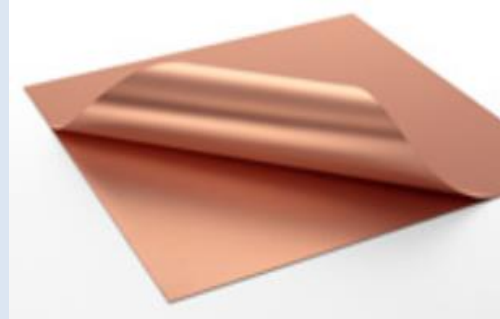


Operation bases of catalysts and reinforced manufacturing bases of materials for automotives



Initiatives to be implemented in Mid-Term Management Plan

- Maintain competitive advantage of ultra-thin copper foils (MicroThin™) and expand sales
- Expand sales of high-end copper foils in overseas sites
- Develop next-generation products



Main operation bases of copper foils and key strategies

TCF (Nantou, Taiwan)

- Expand sales of copper foils for HDI and HSD market
- Expand sales of high-end commodity foils

MCF (Selangor, Malaysia)

- Expand sales of MicroThin™
- Expand sales of copper foils for Flexible PCB



ACF & R&D dept. (Ageo, Saitama)

- Develop next-generation products
- Maintain advantage of MicroThin™ for PKG market

(Supplementary notes)

Micro Thin™ .. Ultra-thin copper foil with carrier film

PKG .. Semiconductor Package (IC Package PCB)

HDI .. High Density Interconnect (High density built-up multi-layered PCB)

HSD .. High Speed Digital (PCB for high frequency applications)

Basic Strategy for Mid-Term Management Plan

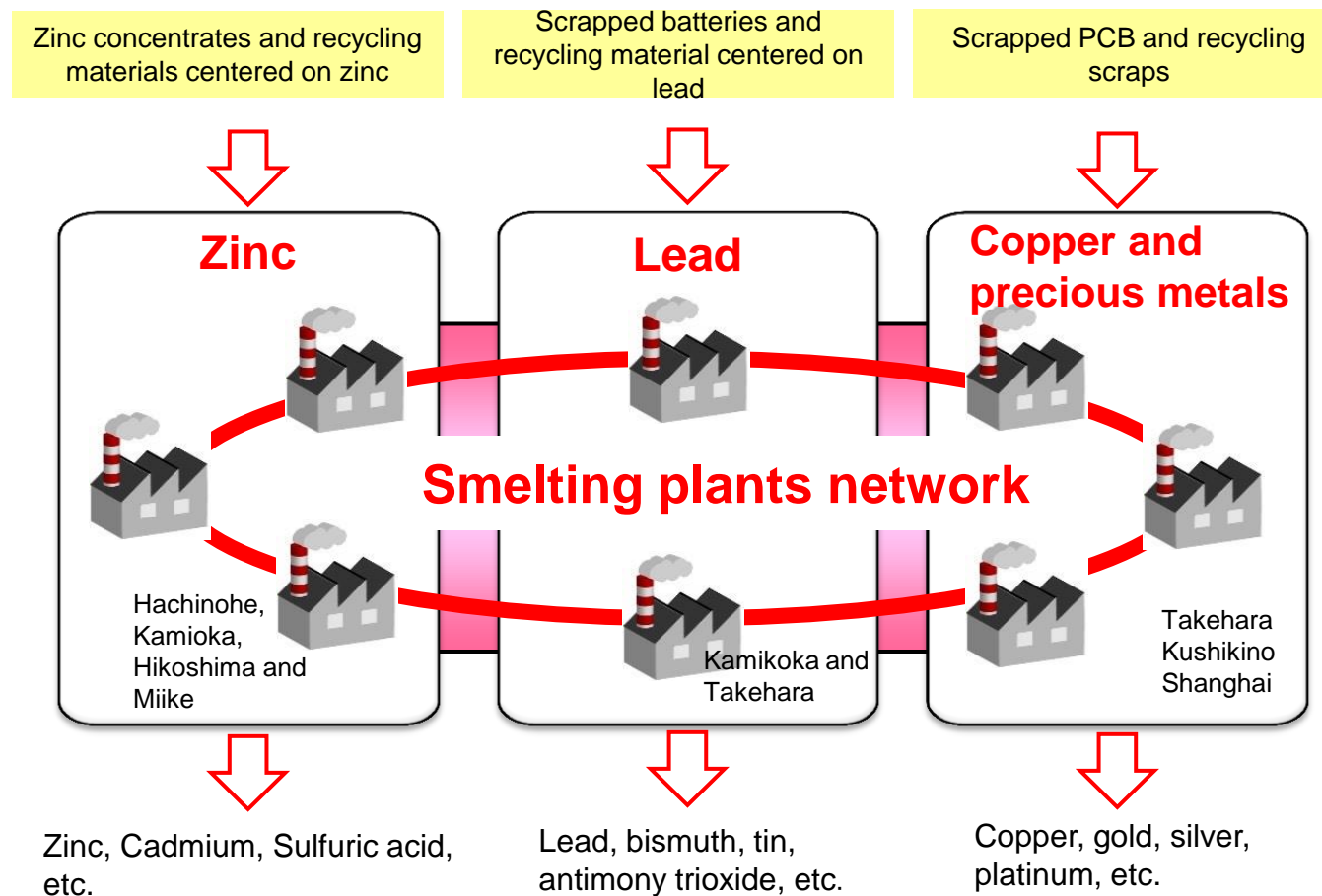
Accelerating business and structural transformation to enhance the smelting business for recycling.

Initiatives to be implemented in Mid-Term Management Plan

Producing results for the measures implemented in the 2013 Plan	Reinforcing the basic structure of the existing businesses	Taking strategic steps for the future
<ul style="list-style-type: none"> • More collecting and feeding raw materials for recycling • Overseas expansion of the collection of raw materials for recycling 	<ul style="list-style-type: none"> • Establishment of the network of smelting plants in earnest <ul style="list-style-type: none"> - Collection of valuable metals - Improvement of the capability to treat impurities • Operation of Caserones Mine at full capacity 	<ul style="list-style-type: none"> • Development of a smelting process for recycling • Investment in hydroelectric power generation business in Kamioka

Network of smelting plants for recycling

Realizing the function for more feeding of varieties of raw materials and collecting of valuable metals by connecting existing smelting plants organically as a network.



Initiatives to be implemented in Mid-Term Management Plan

- Allocating human resources to make operation system stable.
- Strengthening the monitoring to establish operation system at full capacity through PPC

PPC ... Pan Pacific Copper Co., Ltd.

Situation in Caserones

- The operation rate has steadily risen, even higher in March.
- Cope with the maintenance of stable operation system and the cost reduction to improve profitability.



Basic Strategy for Mid-Term Management Plan

Improving and reinforcing business bases and profit-raising capability to realize the vision in ten years, with sectors and business units working together.

Initiatives to be implemented in Mid-Term Management Plan

Producing results for the measures implemented in the 2013 Plan	Reinforcing the basic structure of the existing businesses	Taking strategic steps for the future
<ul style="list-style-type: none"> Development of overseas bases <ul style="list-style-type: none"> Making new overseas plants operate stably Increasing production capacity in China Expanding sales to the U.S. 	<ul style="list-style-type: none"> Making the Mexico plant a main manufacturing base Promotion of automated operations Improvement profitability of operations in Japan 	<ul style="list-style-type: none"> Expanding sales to the Big Three in the United States Expanding sales to Chinese automakers Development of next-generation products Development of production technology

Production bases of Mitsui Kinzoku ACT



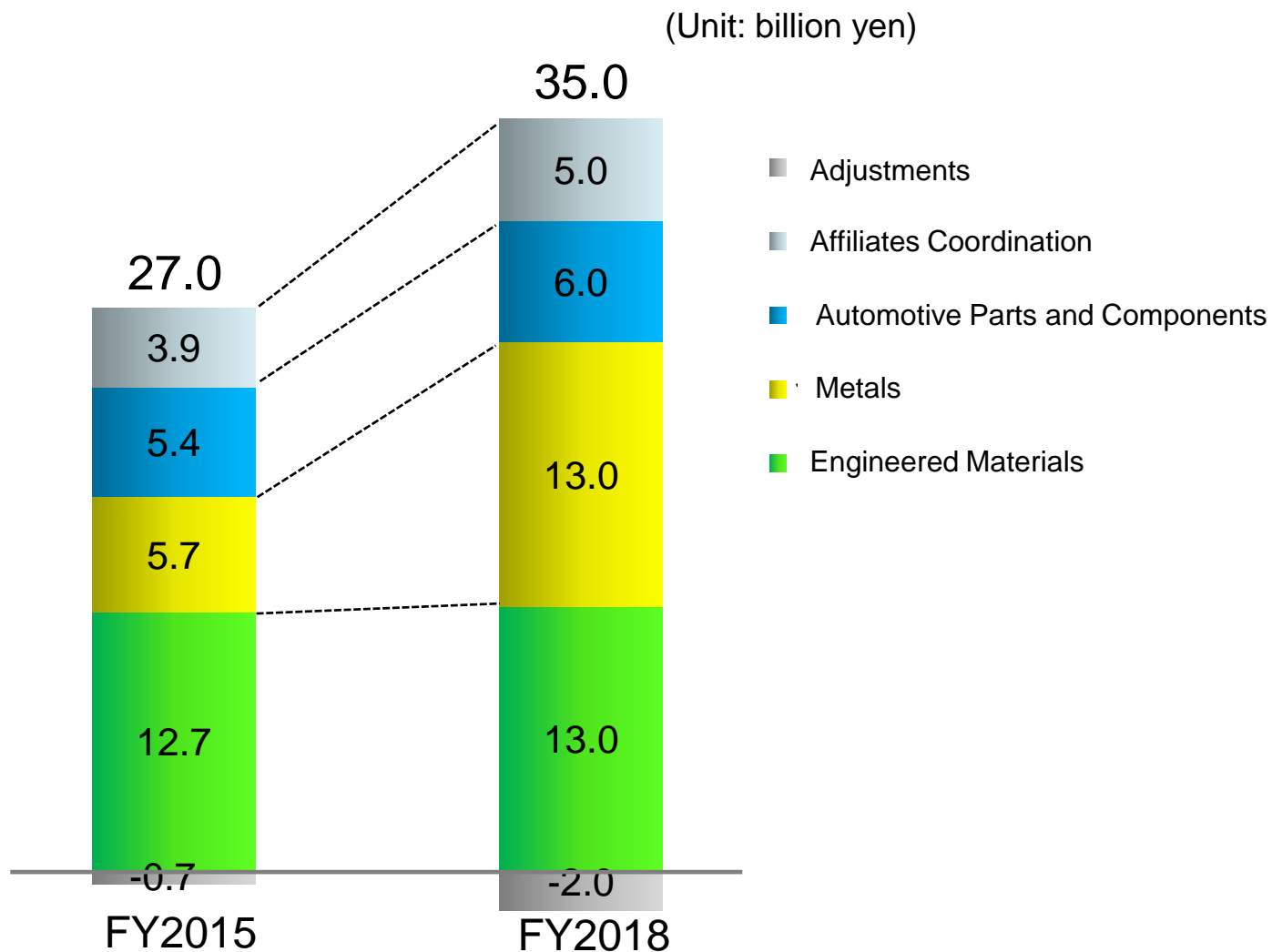
● Production bases



Mitsui Kinzoku ACT Mexicana

Ordinary Income by Segment (excluding special factors)

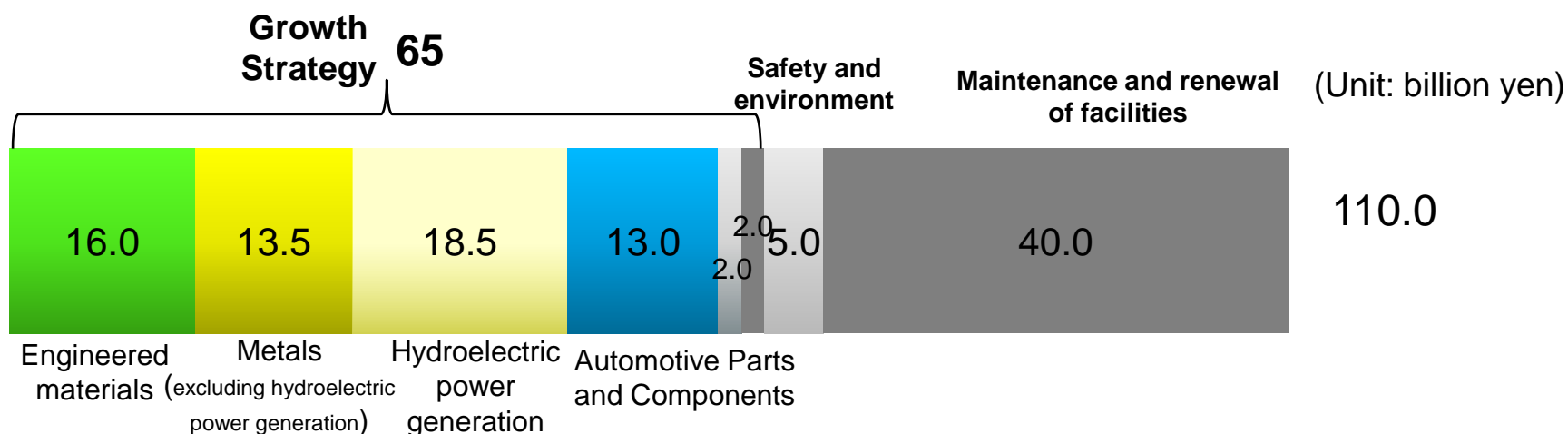
Excluding the impairment of Caserones and inventory factors



Capital Expenditure for the Mid-Term Management Plan

Total of 110 billion yen for three years

Investing 65 billion yen for three years to implement growth strategies with a focus on the three core businesses



Main capital expenditure to implement growth strategies

Engineered materials

- Catalyst business for Automotive
- MicroThin™
- Tantalum oxide, etc.

Metals

- Measures for more feeding of materials
- Measures for collection of valuable metals
- Strengthening the capability to handle impurities, etc.
- Hydroelectric power generation business in Kamioka

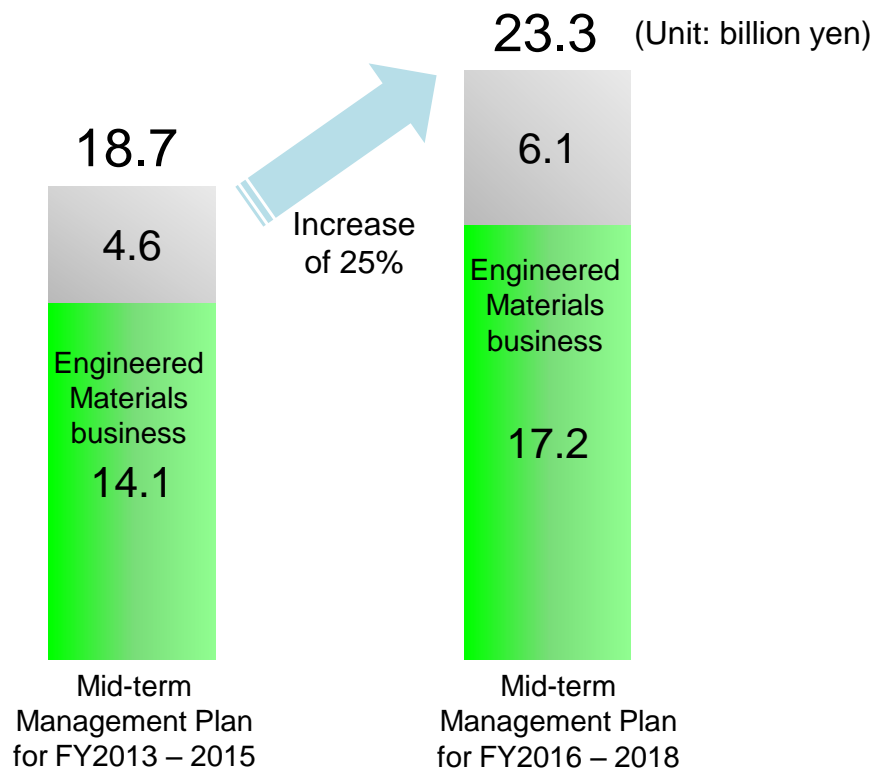
Automotive Parts and Components

- Preparation for sales expansion
- Investment for taking various cost reduction measures
- Promotion of automated operations, etc.

Research and development for the Mid-Term Management Plan

Spending on research and development

- Spending 25% more during the three-year period of the 2016 Mid-Term Management Plan than during the three-year period from FY2013 to FY2015.
- Especially, investing management resource in the engineered materials business.



Engineered materials R&D center

R&D Center(Section 1, 2 and 3)

[Environment and energy]

- Materials for next-generation fuel cells
- Materials for purification of gas engine exhaust gas

[Electronics]

- Next-generation circuit materials
- Next-generation semiconductor interconnect materials

Better materials project

- Next-generation high energy density electrode materials
- High ionic conductive solid electrolytes

Evaluation and analysis technology center

- Structural analysis and chemical form analysis
- Expected evaluation analysis

Dividend policy in the Mid-Term Management Plan

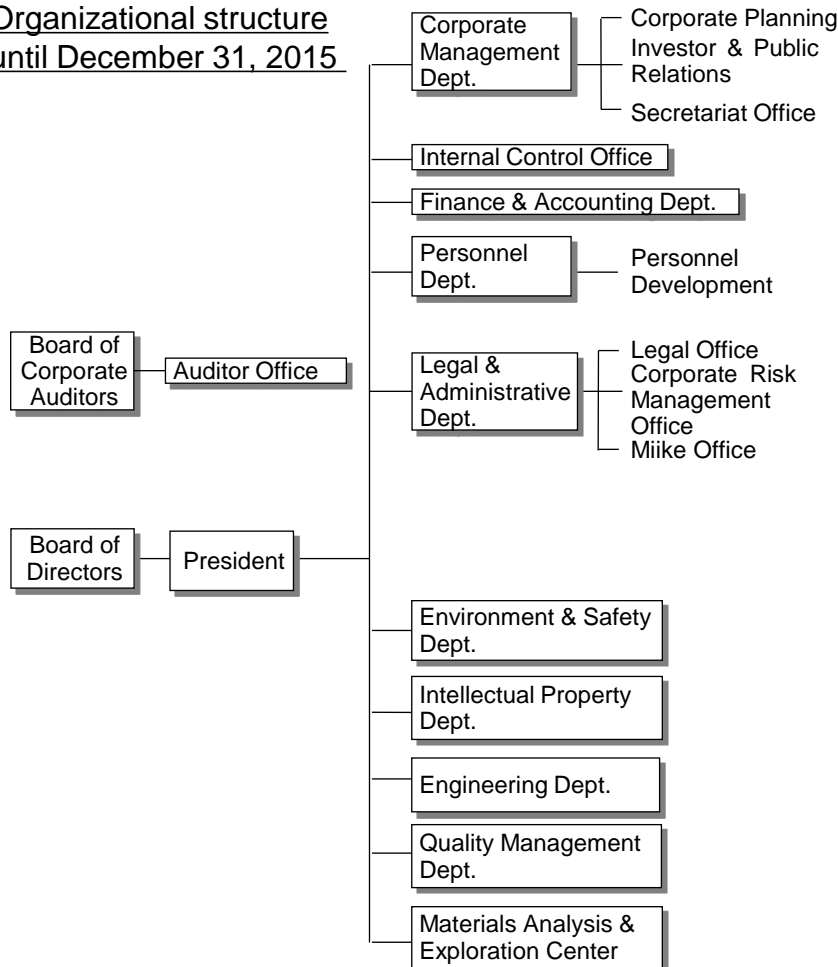
Our basic policy is to distribute profits appropriately according to business results, while at the same time securing the retained earnings necessary for developing future businesses and strengthening the corporate structure.

We will continue to determine the dividends to be set forth in the Mid-Term Management Plan based on this basic policy from a comprehensive perspective.

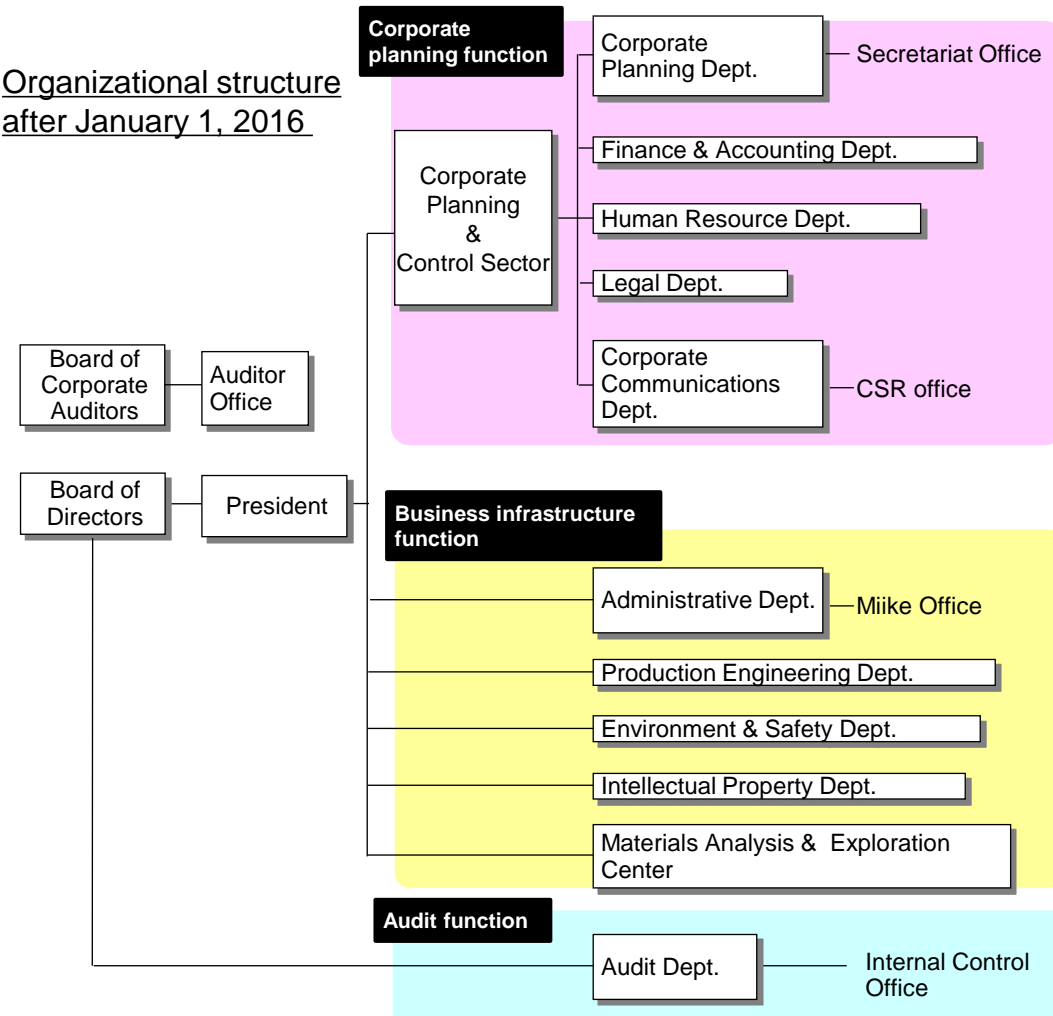
Corporate organization for Mid-Term Management Plan

Promoting the action of Mid-Term Management Plan by integrating the Corporate planning function, Business infrastructure function and Audit function into one organization.

Organizational structure until December 31, 2015

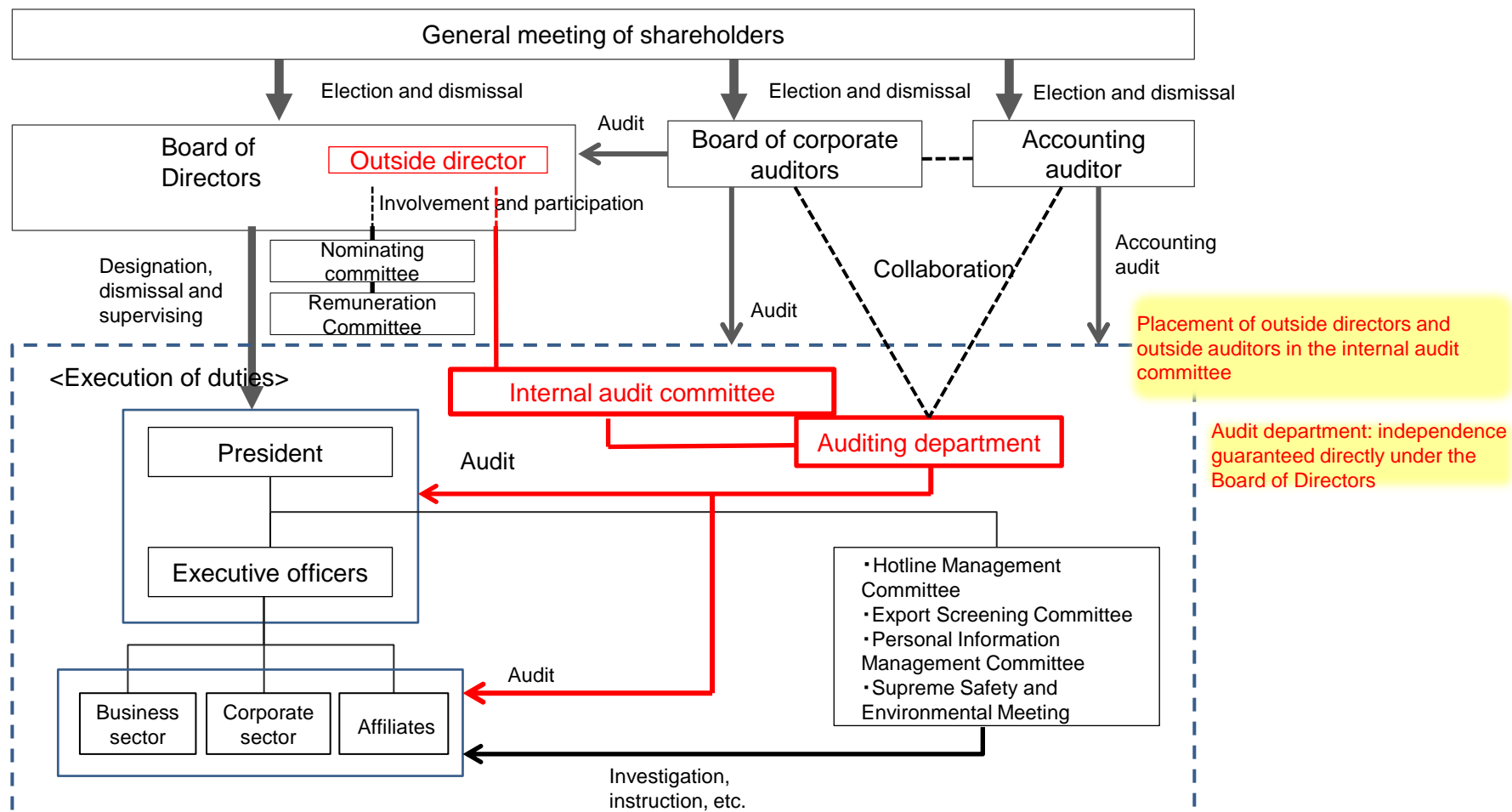


Organizational structure after January 1, 2016



Corporate governance structure

Strengthening corporate governance by establishing an auditing department, whose independence is guaranteed, directly under the Board of Directors and by operating internal audit committee in which outside auditors are placed.



Performance Indicator of the Mid-Term Management Plan (Reference)

	FY2015 Results	FY2018 Plan
Net sales	450.6 billion yen	500 billion yen
Operating income	11.1 billion yen	30 billion yen
Ordinary income	-11.3 billion yen	35 billion yen
Net income	- 20.9 billion yen	24 billion yen
Free cash flows (three-year total)		8 billion yen
Capital expenditure (three-year total)		110 billion yen
Equity capital ratio	35%	37%
ROE	-11.4%	13.2%
D/E ratio	1.0	0.9

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

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