



FOR IMMEDIATE RELEASE

Mitsui Mining & Smelting Co., Ltd.
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January 20, 2009

Rationalization of Business Operations

At a meeting held on January 20, 2009, the Board of Directors of Mitsui Mining and Smelting Co., Ltd. (Mitsui Kinzoku) approved a plan for the rationalization of the Company's business operations, including workforce downsizing. Details are given below.

1. Reasons for rationalization

As announced in "Notification Concerning Revisions of Business Performance Forecasts," released today (Jan. 20) on this website, Mitsui Kinzoku expects to post a significant net loss for the business term ending March 31, 2009. The management recognizes the necessity of responding proactively to these circumstances by taking immediate steps to build a new business model for the Company so as to create a strong future earnings base. Accordingly, we have decided to thoroughly restructure and streamline business operations. As part of this strategy, we hereby announce reductions in compensation for directors and executive officers, and in salaries for employees, in addition to measures to reduce the Company's workforce.

2. Reductions in Compensation for Directors and Executive Officers

To send a clear signal that the management of Mitsui Kinzoku accepts responsibility for the Company's poor business performance in line with our policy of management accountability, we have already been implementing reductions of 5-10% in the monthly compensation of all directors and executive officers with effect from payments for October 2008 (from April 2008 in the case of certain directors). As a follow-up measure, and in accordance with our stated plans for the rationalization of all business operations, we hereby

announce further salary cuts up to a maximum of 50%, to take effect from payments for April 2009. These reductions in compensation amounts will remain in place until such time as a recovery in the Company's business performance is clearly in sight.

3. Reductions in Employee Compensation, and Workforce Downsizing

Mitsui Kinzoku plans to implement the following measures to reduce personnel expenses so as to lower production costs and SG&A expenses at the parent company, as well as at major Group companies incorporated in Japan.

We will be following a policy of leaving unfilled those vacancies arising from natural workforce attrition such as fixed-age retirement, while transferring staff within the Group so as to maintain operational integrity. To supplement these steps, we will be inviting employees to take advantage of voluntary early retirement incentives, and will not be renewing employment contracts for fixed-term contract staff. The total workforce of the Mitsui Kinzoku Group currently stands at 18,800 (including overseas workers). Through these measures, we aim to effect a reduction of 4,000 employees by the end of September 2009.

(1) Reductions in compensation and voluntary early retirement for management staff below the level of executive officer (applies to Mitsui Mining and Smelting Co., Ltd. and its major Group companies incorporated in Japan, hereinafter referred to as "Mitsui Kinzoku Group Companies")

a. Reductions in compensation for management staff

Mitsui Kinzoku Group Companies are already implementing a reduction of 5% in monthly salaries with effect from payments for October 2008. Further reductions in monthly salaries and bonuses will be implemented with effect from April 2009, and will remain in force for the one-year period until March 2010.

b. Invitations to management staff to take voluntary early retirement

1. Targeted number of staff: Approximately 15% of all staff in management positions below the level of executive officer
2. Period of availability of early retirement plans: January 9 to March 31, 2009

3. Retirement date: March 31, 2009
4. Retirement plan incentives: A special lump-sum retirement payment to be made in addition to the existing one-time retirement benefit

(2) Reductions in compensation and voluntary early retirement for employees of Mitsui Kinzoku Group Companies belonging to the Federation of Mitsui Kinzoku Labor Unions

The Company made this proposal to representatives of the above-named labor union federation today (January 20), and the measures set out below will be implemented when the two sides have reached an agreement.

a. Reductions in compensation for union-member employees

Reductions in compensation (monthly salaries and bonuses) will be implemented for the one-year period from April 2009 to March 2010.

b. Invitations to union-member employees to take voluntary early retirement

1. Targeted number of employees: Approximately 10% of all employees who belong to the Company's labor union
2. Period of availability of early retirement plans: not yet decided
3. Retirement date: June 30, 2009
4. Retirement plan incentives: A special lump-sum retirement payment to be made in addition to the existing one-time retirement benefit

4. Future Prospects

In the "Notification Concerning Revisions of Business Performance Forecasts," released today (Jan. 20) on this website, the Company has made provisions in the amount of ¥1,500 million in preparation for the payment of retirement benefits in connection with the offer of an early retirement plan for management staff, and this amount will be recognized as extraordinary losses for the reporting period.

We are currently in the process of estimating the probable impact on the Company's business performance of the rationalization initiatives described above (assuming implementation according to schedule), and these estimates will be released as soon as our calculations are completed, together with the results of the above-described voluntary early retirement plans.