

March 30, 2010

Mitsui Mining & Smelting Co., Ltd.
Sumitomo Metal Mining Co., Ltd.

Concerning the consolidation of the copper and copper alloy fabricated businesses of Mitsui Mining & Smelting Co., Ltd. and Sumitomo Metal Mining Co., Ltd. (by absorption-type split agreement)

Mitsui Mining & Smelting Co., Ltd. (headquartered in Shinagawa-ku, Tokyo; President: Sadao Senda; hereinafter “Mitsui”) and Sumitomo Metal Mining Co., Ltd. (headquartered in Minato-ku, Tokyo; President: Nobumasa Kemori; hereinafter “Sumitomo”) have today decided to fold the copper and copper alloy fabricated business of Mitsui’s Rolled Copper & Zinc Division into the operations of wholly-owned Sumitomo subsidiary Sumitomo Metal Mining Brass & Copper Co., Ltd. (hereinafter “SMMBC”); and have today signed an absorption-type split agreement to that effect.

1. Purposes of the consolidation

Mitsui’s integrated one-stop supply system for copper and copper alloys, from raw materials to rolled products, has given it a leading position in brass production in Japan. Meanwhile, integrated production of brass products, supported by thin-rolling and plating process technologies, has driven high earnings at Sumitomo subsidiary SMMBC.

However, demand for copper and copper alloy fabricated products has rapidly declined since around 2000, and competition within the industry has been intensifying every year. To prosper in this environment, Mitsui and Sumitomo have decided to integrate their copper and copper alloy businesses to restructure their operations and strengthen their fundamentals. Through this consolidation, both companies expect to:

(1) Generate synergies and enhance competitiveness through efficiency gains in production facilities and in sales and administrative management, and by combining manufacturing technologies so they complement each other;

- (2) Create a stable supply system for high-quality rolled copper and copper alloy products that responds quickly to demand, establish overwhelming primacy in the brass business in the Japanese market, and aggressively develop other Asian markets leveraging increased scale of operations; and
- (3) Assuming a ¥1 billion gain in reduced costs from the above, maximize the benefits of consolidation to further increase scale and become the leader in Asia in the brass business.

2. General outline of the new company

Integrated company to be launched July 1 2010:

- Name: MITSUI SUMITOMO METAL MINING BRASS & COPPER CO.,LTD.
- Capital: ¥4,250 million
- Shareholdings: Mitsui 50%, Sumitomo 50%
- Nature of business: Manufacture and marketing of copper and copper alloy products (copper strip and sheet, brass strip and sheet, and rolled copper foil); and manufacture and marketing of zinc processed products
- Expected sales: Approximately ¥50 billion
- Number of employees: Approximately 450
- Production capacity: 6,000 t/month
- Representative: Seiichi Harakawa, President (currently Executive Officer and Division Manager of Rolled Copper & Zinc Div., Mitsui);
Toru Nakasatomi, Vice President (currently President of SMMBC)

3. Effective Date of Consolidation

July 1, 2010

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Brass strips



Plants of the two companies:



Inabe, Mie Prefecture (SMMBC)



Ageo, Saitama Prefecture (Mitsui)