MITSUI KINZOKU

MITSUI MINING & SMELTING CO., LTD.

Annual Report 2013

Contents

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.

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 2012 represents the year ended March 31, 2013.

Financial Highlights

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

	2012	2013	
Net Sales	¥431.0 billion	¥417.2 billion	(3.2)%
Operating Income	¥20.9 billion	¥16.5 billion	(20.8)%
Net Income	¥11.5 billion	¥9.9 billion	(14.1)%
Net Assets	¥140.1 billion	¥155.0 billion	10.6%
Interest-bearing Debt	¥169.2 billion	¥180.3 billion	6.6%
Shareholders' Equity Ratio	31.9%	33.4%	1.5point
Net Income per Share	¥20.1	¥17.3	–

Financial Summary

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

	2004	2005	2006	2007
Net sales	¥393,928	¥438,143	¥503,370	¥591,518
Operating income (loss)	32,035	44,515	45,052	38,865
Net income (loss)	11,452	20,780	23,374	31,370
Research & developments expenses	4,975	6,502	6,351	7,359
Depreciation and amortization	21,954	22,345	24,686	25,617
EBITDA	42,034	64,425	65,738	77,446
Total assets	392,545	409,019	460,225	483,397
Total shareholder's equity (Note 2)	115,398	133,963	159,772	185,513
Interest-bearing debt	158,342	147,125	151,834	143,220
Shareholder's equity ratio (%)	29.4	32.8	34.7	38.4
Net cash from operating activities	49,787	44,016	44,800	34,077
Net cash from investing activities	(14,716)	(25,792)	(43,039)	(30,021)
Net cash from financing activities	(32,989)	(14,947)	(1,278)	(4,744)
Operating income to total assets (%) (Note 3)	8.4	11.1	10.4	8.2
Net income to total shareholder's equity (%) (Note 3)	10.5	16.7	15.9	18.2
Operating income to net sales (%)	8.1	10.2	9.0	6.6
Net income per share (¥)	19.8	36.0	40.5	54.7
Cash dividends per share (¥)	5.0	7.0	10.0	12.0

Notes: 1. All U.S. dollar figures are translated from Japanese yen amounts, for convenience only, at the rate of ¥94.01 to US$1.00, the rate prevailing at March 31, 2013.
2. Total net assets - minority interests from 2007.
3. Total assets and total shareholder's equity are average of beginning and end of the year.

Millions of yen						Thousands of U.S. dollars (Note 1)
2008	2009	2010	2011	2012	2013	2013
¥595,463	¥427,191	¥392,364	¥446,487	¥431,058	¥417,219	$4,438,027
27,993	(27,031)	27,881	30,208	20,903	16,557	176,119
7,830	(67,256)	13,899	21,160	11,531	9,910	105,414
8,616	8,232	5,105	4,942	5,247	5,867	62,408
27,361	32,281	26,023	22,690	22,781	23,952	254,781
53,069	(19,801)	50,388	55,170	41,699	40,866	434,698
486,238	410,258	416,541	411,027	413,106	438,072	4,659,844
184,995	94,145	111,341	125,947	131,717	146,535	1,558,717
151,924	202,468	191,515	171,460	169,263	180,372	1,918,647
38.0	22.9	26.7	30.6	31.9	33.4	33.4
41,657	30,038	19,610	22,545	30,992	38,058	404,829
(38,049)	(36,922)	(17,823)	(26,286)	(31,039)	(47,208)	(502,159)
(744)	42,367	(13,188)	(13,569)	(6,969)	4,829	51,366
5.8	(6.0)	6.7	7.3	5.1	3.9	
4.2	(48.2)	13.5	17.8	9.0	7.1	
4.7	(6.3)	7.1	6.8	4.8	4.0	
13.6	(117.6)	24.3	37.0	20.1	17.3	0.18
12.0	—	3.0	6.0	3.0	3.0	0.03

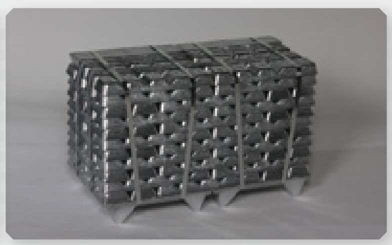
Mitsui Kinzoku Group at a Glance

Business segment	Major products

Engineered Materials

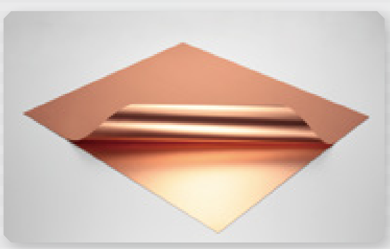

- Battery materials
- Catalysts
- Engineered powders
- Rare metals
- Single crystals

Metals, Minerals & Environmental Engineering

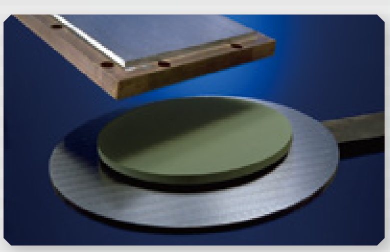
- Zinc smelting
- Zinc mining
- Lead smelting
- Metals recycling
- Copper mining and smelting

Electronic Materials



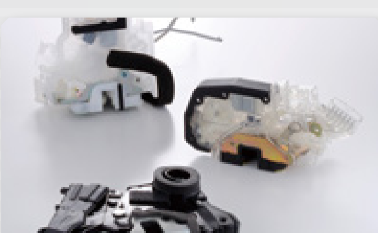
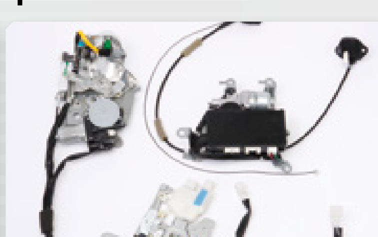

- Copper foil
- Metal powders

Materials & Applications




- PVD materials
- Perlite
- Ceramics
- Die-casting
- Rolled copper and zinc products
- Trading
- Engineering

Automotive Parts & Components

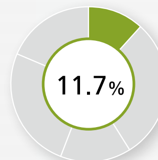



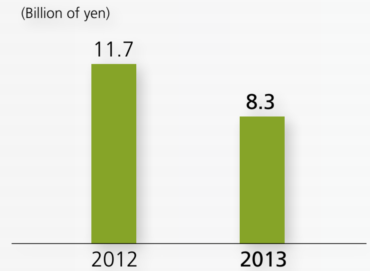
- Automotive parts and components

(Main applications) | Net sales breakdown | Ordinary income

(dry batteries, hybrid powered vehicles)
(exhaust gas detoxifiers)
(electronics, toner for copiers)
(electronics, glass polishing, optical lenses)
(scintillators, optical lenses)

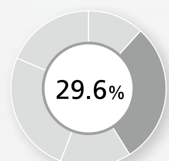
¥56.6 billion

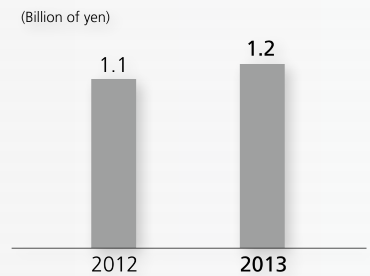




(galvanized steel, die-casting)
(galvanized steel, die-casting)
(car batteries, inorganic chemicals)

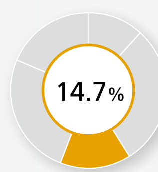
¥142.9 billion

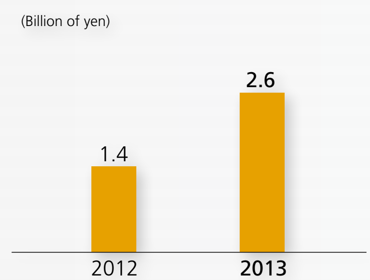




(printed wiring boards)
(electronics, toner for copiers)

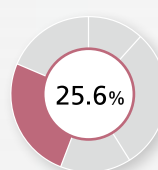
¥71.1 billion

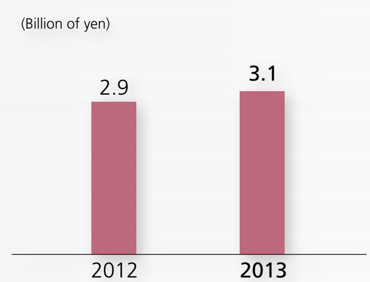




(flat panel displays, magnetic data storage)
(construction, liquid filtration)
(furnace refractory, melted metal filtration)
(automobiles, machines, home electronics)
(electric parts, electrodes, roofs of buildings)

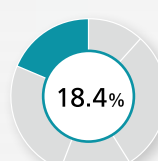
¥124.1 billion

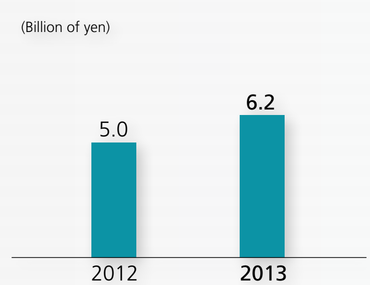




(door latches, power slide door systems)

¥88.8 billion





Message from the President

Sadao Senda

President and Representative Director, Chief Executive Officer

Fiscal 2012 Performance

The economic environment in fiscal 2012 remained difficult. Although the U.S. economy staged a gradual recovery, the difficult situation was brought about by such factors as the prolonged sovereign debt crisis in Europe and slower growth in emerging countries, including China. In Japan, economic conditions also remained harsh due to such factors as persistent yen appreciation and energy problems. In contrast here, moves toward a bottoming out could be seen early in 2013 due to the sense of expectation in the new administration's economic policies, corrections to the high yen, and share price recovery.

In this economic environment, the business environment surrounding the Mitsui Kinzoku Group in the first half of fiscal 2012 was one of strong demand in our automotive parts and components sector due to such factors as the boost from a subsidy scheme for environment-friendly vehicles. In addition to the high yen and a downturn in metal prices, demand was generally weak in our electronic materials sector. Early in the second half, in addition to moves to correct metal market prices and exchange rates, our electronic materials sector experienced an increase in demand for high-performance copper foil used in smartphones. Our automotive parts and components sector, however, suffered from a significant drop in sales of Japanese products in China, resulting in conditions remaining harsh overall.

Under these circumstances, the Group was able to display its strengths, continued its approaches in areas linked to growth, such as mineral resources, the environment, energy, and recycling, and worked to improve its business

Milestones in 2012 and 2013

2012

January ● Established a new automotive exhaust catalyst company in Indonesia

May ● Completed working on expanding lithium manganese oxide production facilities at Takehara Refinery

2013

January ● Established a new automotive exhaust gas detoxification catalyst production and sales base in Vietnam

July ● Commenced full-scale production at a new automotive parts and components plant in Mexico

foundation. Specifically, we gave added impetus to investment in mining, expanded our catalyst business in emerging countries, made facility improvements in our battery materials business, and strengthened our recycling business. We also implemented a raft of measures designed to ensure growth, including the integration of our automotive parts and components sector bases in Japan and the expansion of our global production system.

As a result of these factors, net sales in fiscal 2012 were ¥417.2 billion, down 3.2% year on year. Despite steady demand for battery materials and increased sales of metals and resources, this result was due to sales declines in our electronic materials, materials and applications and automotive parts and components sectors. Profit increased as a result of strong sales of battery materials, high-performance copper foil, and automotive parts and components as well as due to the effect of cost-saving measures. Nevertheless, operating income declined 20.8% year on year, to ¥16.5 billion, due to profit declines brought about by such factors as the drop in sales caused by the downturn in the electronic materials market and rare metal inventory factors that caused profits to tumble. Net income of ¥9.9 billion was recorded, down 14.1% year on year for the same reasons.

Review by Segment

Engineered Materials

Sales of hydrogen storage alloy battery materials were up thanks to ongoing strong sales of hybrid cars underpinned by increased environmental awareness on a global level. Having newly found a market for lithium manganese oxide (LMO) in electric vehicle batteries, we commenced its volume production in the second half of fiscal 2012. The sales volume of automotive exhaust catalysts, particularly those fitted to motorcycles, was down. Although the trend of expanding demand continued unabated, against a backdrop of more stringent emission controls in emerging countries, demand was sluggish due to such factors as loan regulations in emerging countries. As a result, segment sales decreased 8.0% year on year to ¥56.6 billion, while ordinary income fell 29.4% to ¥8.3 billion.

Metals, Minerals & Environmental Engineering

Although demand for zinc grew steadily centered on zinc-plated steel sheet for automobiles, sales decreased due to significant falls in zinc prices on the London Metal Exchange

(LME) when the European sovereign debt crisis flared up again in the middle of fiscal 2012. On the international markets gold prices remained on par with fiscal 2011 and silver remained sluggish, but in terms of their sales volumes gold decreased, and silver increased. As a result of these factors, sales increased 2.6% year on year to ¥142.9 billion. Although such factors as rising energy costs and the high yen caused a decline in profits, ordinary income rose 2.7% to ¥1.2 billion thanks to inventory factors brought about by metal price fluctuations and corrections to the high yen.

Electronic Materials

In keeping with the growing market for mobile devices such as smartphones, there was robust demand for the ultra-thin copper foil used in high-performance applications. In contrast, demand remained weak for electrodeposited copper foil and resin-coated copper foil due in both cases to sluggish markets. As a result, sales declined 13.7% year on year to ¥71.1 billion, while ordinary income increased 87.4% to ¥2.6 billion due to improvements made to the product mix.

Materials & Applications

Sales volume of indium tin oxide (ITO), a core PVD material, was up due to burgeoning demand for mobile devices such as tablet PCs and a boom in the market for flat-panel TVs in China. Demand was also strong for aluminum die-cast products for automobiles, but there was only sluggish demand for magnesium die-cast products due to such factors as inventory adjustments carried out by customers. As a result of these factors, sales decreased 8.4% year on year to ¥124.1 billion, while ordinary income increased 6.0% year on year to ¥3.1 billion.

Automotive Parts & Components

Although there was increased demand for functional automotive parts such as door locks due to the subsidy scheme for environment-friendly vehicles, the segment also had to contend with sluggish demand due to the slower growth in emerging countries and reduced sales of Japanese automobiles in China. As a result, sales decreased 3.5% year on year, to ¥88.8 billion. Ordinary income increased 22.1% to ¥6.2 billion due to the contributions made by reorganizing the production system in Japan and the setting up of an optimized production system in Asia.

Toward Sustainable Growth: 2013 Medium-Term Management Plan

In May 2013, the Mitsui Kinzoku Group formulated a new medium-term management plan to target new growth. Running through to the end of fiscal 2015, the new plan holds up the vision of how Mitsui Kinzoku would like to see itself: as “a Company that is capable of sustaining growth in material businesses that utilize ‘Material Intelligence’.” The Group has positioned the fields of mineral resources, the environment, energy, and recycling as the four sustainable growth areas to be targeted “to utilize Material Intelligence.”

The fiscal 2015 management objectives under the plan are ordinary income of ¥45.0 billion and an equity capital ratio of 38%. For growth strategy investment, the Group is planning a cumulative total over fiscal years 2013–2015 of ¥67.0 billion, including ¥37.0 billion in metals, minerals, and environmental materials, and ¥10.0 billion in engineered materials. When combined with ¥47.0 billion for existing facilities, this makes a planned total investment of ¥114.0 billion.

Under the plan, a special focus will be maintained on four businesses in which expansion can be expected: mineral resources, catalysts, battery materials, and recycling. The main initiatives under each business are set out below.

In the mineral resources business, the plan is to commence copper concentrate production at the Caserones copper mine in Chile between October and December 2013. Exploration will continue at the Huanzala mining complex in Peru and at Ruddock Creek in Canada.

In the catalysts business, we plan to strengthen our manufacturing capabilities in Asia by setting up manufacturing bases in Indonesia and Vietnam and make progress with the adding of development functions to our bases in China and India to address increasing demand for catalysts in emerging countries. We will also promote the development of new catalytic materials, including those that save precious metals.

In anticipation of expansion in the electric vehicle (EV) market, the battery materials business will focus its efforts on materials for positive-electrode materials for automotive use in lithium-ion batteries and on industrial applications. We will also promote development with a view to launching new, high-capacity materials in fiscal 2014. Under the key words high energy density and high output density we will add impetus to the development of next-generation fuel cell materials.

Having commenced the full-scale operation of its melting kiln at the Takehara Refinery in Hiroshima Prefecture in October 2012, the recycling business is planning to collect waste electronic circuit boards and expand the feed through-put. In addition to Takehara, the business is also planning to collect new feed materials and increase their throughput at its recycling bases at the Kamioka Mining & Smelting in Japan and Shanghai Mitsui Xin Yun Precious and Rare metal Recycle Co., Ltd. in Shanghai, China.

Outlook for Fiscal 2013

In fiscal 2013, the economic environment is expected to trend toward recovery. Factors are the advances made toward a weaker yen from early 2013, improved business confidence in light of a share price recovery, expectations of a ripple effect in export industries, and improvements in employment conditions and personal consumption. On the other hand, it is expected that the future will remain clouded by uncertainty due to such factors as the lingering concerns over a global economic slowdown triggered by the prolonged European sovereign crisis and the geopolitical risk in East Asia.

In its engineered materials sector, The Mitsui Kinzoku Group will increase sales of battery materials and ramp up production and sales in response to increased demand in emerging countries for automotive exhaust catalysts. In our electronic materials sector, plans will also be made to increase sales in response to burgeoning demand for high-performance mobile terminals such as smartphones. The metals and mineral resources business will improve the ratio of recycled materials, advance mining development, and accelerate the deployment of a global production system for automotive parts and components. The Group will also promote its companywide growth strategies and work to strengthen its earnings base.

Based on these initiatives, we plan to achieve net sales of ¥406.2 billion, operating income of ¥18.2 billion, ordinary income of ¥17.5 billion, and net income of ¥10.7 billion in fiscal 2013.

We would like to thank our stakeholders for their continued understanding and support.

Sadao Senda

President and Representative Director, Chief Executive Officer

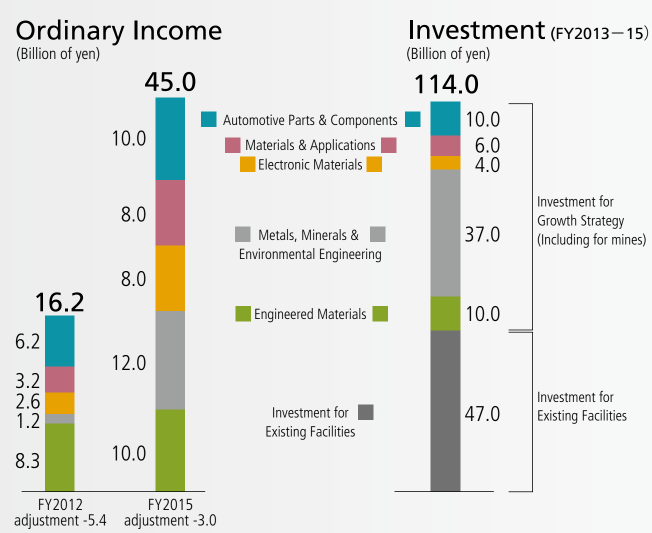
2013 Medium-Term Management Plan

The Mitsui Kinzoku Group formulated a new three-year medium-term management plan, 2013 Medium-Term Management Plan from fiscal 2013 through to the end of fiscal 2015. We adopt both offensive and defensive measures to ensure sustainable growth amid harsh economic conditions.

Key Performance Indicator

			FY2012	FY2015
Sales		(billion yen)	417.2	470.0
Ordinary Income		(billion yen)	16.2	45.0
Equity Capital Ratio		(%)	33.4	38.0
Net Debt / Equity Ratio			1.13	0.88
Interest-Bearing Debt Balance		(billion yen)	165.2	169.0
Main Assumptions	Zn LME	($/t)	1,950	2,000
	Cu LME	(¢/lb)	356	360
	Exchange Rate	(yen/$)	82.6	90.0

Ordinary Income and Investment by Segment



Well-Modulated Defense

Accurate feasibility judgment

Concerning businesses that may lose their business value, we will take countermeasures by accurately making judgments for establishing the right directions, including downsizing and withdrawal

Making the structure even leaner

Emphasis on cash flow

- Reducing inventory, etc.
- Careful selection of investment plans and strengthening their progress management
- Comprehensive reviews of expenditures

Cost reduction

- Improving "Monodukuri" (manufacturing capabilities) and comprehensive improvement of technical coefficient
- Increasing the amount of recycled materials and profit-able raw materials that we collect and process
- Front-loading (reducing costs at the development and test production phases)

Vision for the Future

A Company that is capable of sustainable growth in material businesses that utilize "Material Intelligence"

Areas to be targeted

Mineral Resources | The Environment | Energy | Recycling

Well-Modulated Attack

Resource Development

- CHILE: (Cu) Caserones Mine Start Up
- Peru: (Zn) Huanzala Mining Complex Development
- Canada: (Zn) Ruddock Creek Exploration

[Chile: Caserones Mine]

- MMS Equity 25.5%
- Cathode: Start Up in March 2013 (30kmt p.a.)
- Cu Conc.: Scheduled Start Up in 4Q 2013 (150kmt-Cu p.a.)

[Peru: Huanzala Mining Complex Development]

- MMS Equity 100%
- Huanzala deep ore Zone / Atalaya mining area exploration

[Canada: Ruddock Creek Exploration]

- MMS Equity 30%
- After further exploration, entering into F/S stage

Catalysts

- Responding to expanding demand for catalysts in emerging countries
- Development of new catalyst materials

Responding to expanding demand for catalysts in emerging countries

Reinforcing manufacturing bases in Asia

- Indonesia (mass production started in April 2013)
- Vietnam (mass production to start in April 2014)
- Giving development functions to our bases in China and India
- Implementing other measures flexibly as appropriate for local needs

Development of new catalyst materials

- Development of new catalyst materials (catalysts that save precious metals, etc.)

Battery Materials

- Increasing sales of LMO for LIB, development of new materials
- Research & Development of materials for fuel cell

Operating the business in anticipation of the expansion of EV market

Cathode materials for LIB

- Focusing efforts on materials for automotive use and industrial use
- Launch of new high-capacity materials (FY2014)

Material development for next-generation batteries

New Product & Process Development Center

- Development of materials of next-generation batteries focused on high energy density and high output density

Corporate R&D Center

- Research and development of new materials for fuel cell

Recycling

- Takehara: Melting Kiln (More feeding wasted electronic circuit board and secondary materials)
- Takehara, Kamioka, Shanghai etc.: (More collecting and feeding fresh raw materials)

[Takehara Refinery: Melting Kiln]

- Commercial Production: October 2012
- More feeding wasted electronic circuit boards and secondary materials: 12kt p.a (FY2013) ⇨15kt p.a. (FY2015)

[Takehara Refinery • Kamioka Mining & Smelting Co., Ltd.]

- More collecting and feeding smelting process residues: approx. 10kt p.a.

[Shanghai Mitsui Xin Yun Precious and Rare Metal Recycle Co., Ltd.]

- More collecting and feeding fresh raw materials

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**

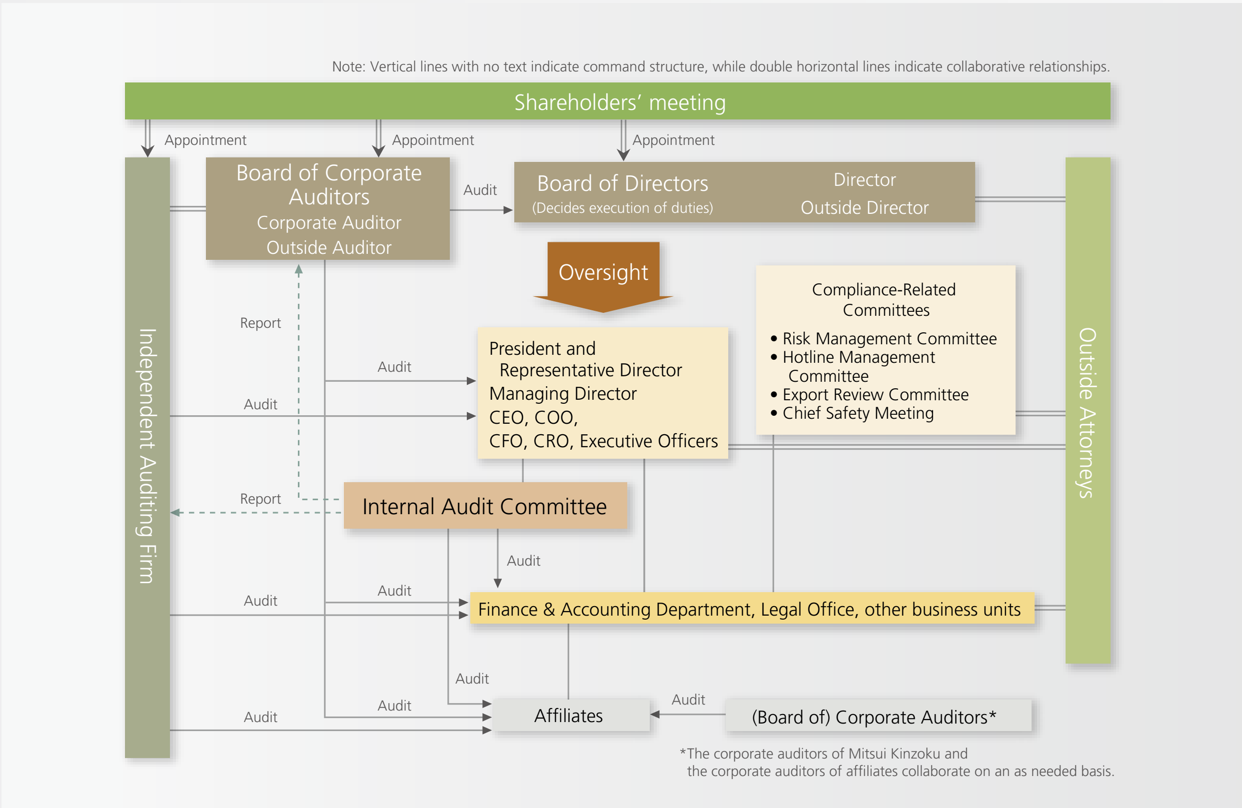
2. Matters Pertaining to the Function of Business Execution, Audit/Oversight, Appointments, and Compensation Decisions

(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.

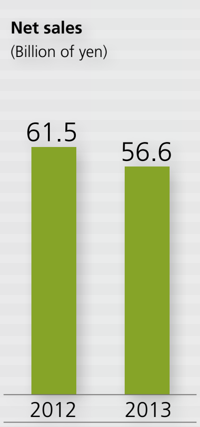
The Compensation Committee consists of the President, the director in charge of human resources, and one outside director, in addition to two outside directors as advisors.

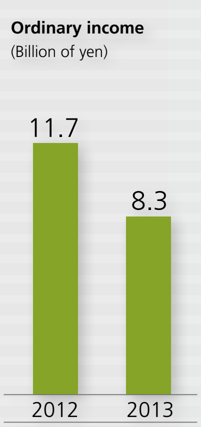
Engineered Materials Segment

Growth based on energy and the environment expected

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

Automotive exhaust detoxifying catalysts





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 detoxifying catalysts — From its five production facilities in India, Indonesia, Thailand, China and Japan, Mitsui Kinzoku manufactures exhaust catalysts mainly for motorcycles and for light vehicles in Japan.
- Other engineered materials — This division produces cerium polishing materials and single crystals for electronic components.

Business environment and strategies

The sales volume of battery materials was high due to strong sales of hybrid cars. As for lithium manganese oxide (LMO), although we started operating a new plant in 2012, sales of electric vehicles were poor so the plant is operating at less than full capacity. Going forward we will continue our preparations for the market launch of materials with higher capacities.

Demand for catalysts for detoxifying automotive exhaust emissions in motorcycles is rising against the backdrop of increasingly strict overseas emissions regulations. To serve these customers, Mitsui Kinzoku has opened a new plant in Indonesia. We are also preparing a new plant at which we plan to commence volume production in Vietnam from the next fiscal year.

We seek to increase earnings for other products by maintaining a high market share in niche markets.

Fiscal 2012 business performance

Although the business environment continued to be strong for all of our products, profits decreased due to the absence of the temporary profits resulting from the rise in rare metal prices that we recorded the previous fiscal year.

Metals, Minerals & Environmental Engineering Segment

Ensuring stable profits through expansion of mining interests and improvement of materials composition

Operations

- Nonferrous metal smelting — Mitsui Kinzoku is Japan's leading producer of zinc, producing approximately 240,000 tons of zinc per year at its three smelting plants in Japan.
- Mining — Approximately 10% of the zinc ore that Mitsui Kinzoku requires for its smelting operations is obtained from the zinc mines that the Company operates in Peru, while about 30% is obtained from recycled materials in Japan, and the remainder is purchased from overseas mining companies.
- Environmental Engineering & Metals Recycling — We use smelting plants in Japan to recover precious metals from the substrates of recyclable electronic equipment and components, lead from vehicle batteries, and zinc from steelmakers' electric arc furnace dust.

Huanzala mine

Smelting operations

Business environment and strategies

In zinc smelting operations, sales were brisk, with zinc-plated steel sheets for automobiles performing particularly well.

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

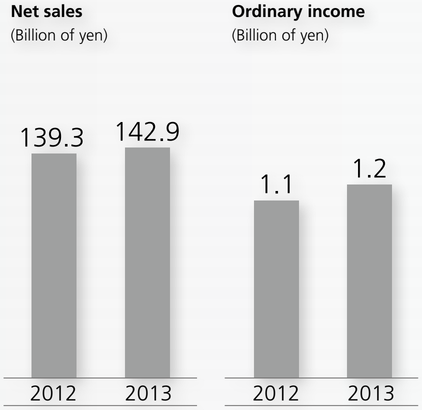
For these reasons, the management of Mitsui Kinzoku has decided that the Company must raise its ratio of ore procurement from its own mines, and consequently, efforts will be centered on further exploiting the deeper levels of its mines, in particular the mines in Peru. We also plan to raise the percentage of zinc oxide (raw material recycled from steel dust, etc.), 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.
Going forward we intend to continue making a valuable contribution to the protection of the global environment through our recycling business in which we apply our proprietary mining and smelting technologies.

Fiscal 2012 business performance

Although inventory factors made a positive contribution, ordinary income was at about the same level as the previous fiscal year due to the impact of strike at the mines in Peru, increasing energy costs, and other factors.

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



Electronic Materials Segment

Solidifying our position as the world's leading manufacturer of high-end copper foil

Electrodeposited copper foil

Metal powders

Operations

- Electrodeposited copper foil — This mainstay product is essential to printed circuit boards used in electronic equipment. Mitsui Kinzoku is the world's leading manufacturer of this product in terms of technological superiority, production capabilities and market share.
- Metal powders — Mitsui Kinzoku manufactures atomized powders (copper/zinc), super-fine powders (copper/nickel/silver) and other powders that are used in a wide range of electronics devices.

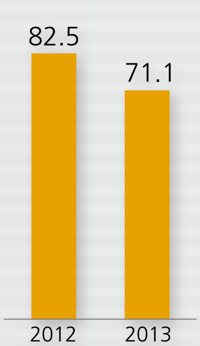
Business environment and strategies

In electrodeposited copper foil, amid growing demand for thinner copper foil accompanying the spread of smartphones and tablet devices, sales of high-performance products such as ultra-thin copper foil with carrier (MicroThin™) are increasing. On the other hand, demand for general-purpose copper foil used in PCs and other products is continuing to decline. Going forward Mitsui Kinzoku will solidify its leading position in the global market for high-end copper foil by increasing the overseas production ratio of high-performance copper foil, expanding sales of MicroThin™ and developing more high-end copper foil.

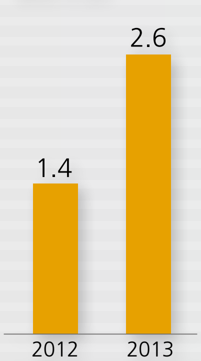
Fiscal 2012 business performance

Although sales of general-purpose copper foil in Asia were weak, earnings from high-performance copper foil and metal powders used in smartphones and other products were brisk, and as a result profits improved from the previous fiscal year.

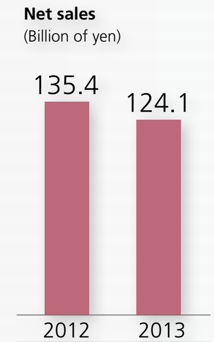
Net sales
(Billion of yen)

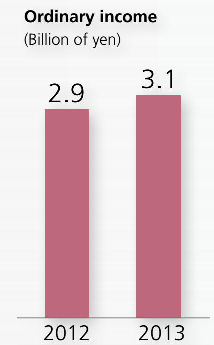


Ordinary income
(Billion of yen)



Materials & Applications Segment





Operations

- PVD materials — This division produces target materials including indium tin oxide (ITO), a material for transparent conductive film for use on LCD panels.
- 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

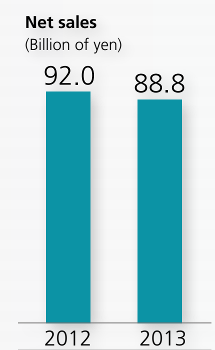
The sales volume of PVD materials was high due to the effect of our development of new markets and other factors. In ceramics, in order to respond to growing demand in the Chinese market, a new plant is under construction with a scheduled operation date of October 2013.

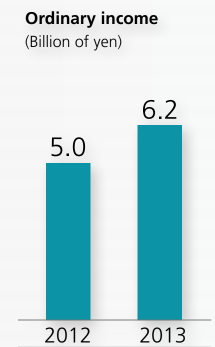
Fiscal 2012 business performance

In PVD materials, there was a fall in profits due to inventory factors that were caused by a fall in indium prices, but we managed to stage a recovery by increasing our sales volume, among other measures, and as a result our earnings were slightly higher than the previous fiscal year.

Automotive Parts & Components Segment

Supplying vital components to the automotive market





Operations

- High-performance automotive 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, particularly Asia. Under these conditions we will take the following steps, 1) consolidate our bases in Japan, 2) win emerging market demand in Asia by setting up a production system centered on China and Thailand and, 3) supply competitive products. In addition, as further growth is expected in North America and Central America, a new factory is now under construction in Mexico and is scheduled to begin operation in July 2013. We will continue to further enhance our position as the leading maker of vehicle door locks, which are one of the vital components for safe driving.

Fiscal 2012 business performance

Sales were brisk in the first half of the fiscal year due to the rebound from the decline in production caused by the floods in Thailand in the previous fiscal year. In the second half the campaigns in China to boycott Japanese products had some effect but our profits increased due to cost-cutting effects, and other factors.

Directors, Auditors, and Executive Officers (As of June 27, 2013)

Board of Directors

Sadao Senda
President and Representative Director,
Chief Executive Officer,
Chief Operating Officer

Mitsuhiko Hasuo
Representative Director,
Senior Managing Executive Officer,
Metals, Minerals & Environmental Engineering Sector,
Materials & Applications Sector

Harufumi Sakai
Director, Senior Executive Officer,
Mitsui Kinzoku ACT Corporation

Masahisa Morita
Director, Senior Executive Officer,
Engineered Materials Sector

Keiji Nishida
Director, Senior Executive Officer,
Chief Financial Officer

Isshi Hisaoka
Director, Senior Executive Officer,
Electronic Materials Sector

Toshiki Mori
Director, Senior Executive Officer,
Chief Risk Management Officer

Yutaka Hirabayashi
Director, Senior Executive Officer,
Metals, Minerals & Environmental Engineering Sector

Hiromichi Shibata
Outside Director

Junya Sato
Outside Director

Corporate Auditors

Akira Osano

Tatsuhiko Takai

Ryuhei Wakasugi
(Outside Auditor)

Masaharu Miura
(Outside Auditor)

Executive Officers

Seiichi Harakawa

Minoru Machida

Shinichi Azuma

Akira Yoshida

Atsushi Gomi

Hirotaka Jono

Shuji Chikujo

Katsuhiko Yoshimaru

Takashi Manabe

Jyunichi Araki

Takashi Oshima

Satoshi Tsunoda

Financial Section

Five-Year Summary

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

	Millions of yen				
	2013	2012	2011	2010	2009
For the year:					
Net sales	¥417,219	¥431,058	¥446,487	¥392,364	¥427,191
Cost of sales	357,294	369,715	376,155	325,492	405,253
Gross profit	59,925	61,342	70,332	66,871	21,937
Selling, general and administrative expenses	43,367	40,439	40,123	38,990	48,969
Operating income (loss)	16,557	20,903	30,208	27,881	(27,031)
Ordinary income (loss)	16,194	19,168	34,010	25,639	(30,310)
Income (loss) before income taxes and minority interests	14,606	16,207	29,771	21,555	(55,114)
Net income (loss)	9,910	11,531	21,160	13,899	(67,256)
Comprehensive income	20,639	11,070	17,353	—	—
At year-end:					
Total current assets	¥179,263	¥184,462	¥185,646	¥194,834	¥181,415
Total assets	438,072	413,106	411,027	416,541	410,258
Total current liabilities	160,661	143,210	136,503	145,565	152,542
Long-term liabilities	122,361	129,719	140,071	149,675	153,084
Net assets	155,049	140,175	134,452	121,300	104,631
Per share data:					
Net income (loss) (¥)	¥ 17.35	¥ 20.18	¥ 37.03	¥ 24.32	¥ (117.66)
Cash dividends applicable to the year (¥)	3.00	3.00	6.00	3.00	—
Number of employees	10,154	10,113	9,810	9,851	11,189

Financial Review

References to the future reflect the Company's expectations as of March 31, 2013.

Net sales

On a consolidated basis, the Company's net sales during fiscal 2012, ended March 31, 2013, declined ¥13.8 billion (3.2%) year on year to ¥417.2 billion.

In the Engineered Materials segment, net sales decreased ¥4.9 billion due to lower sales of such products as exhaust catalysts for motorcycles and despite firm demand for battery materials. In the Metals, Minerals & Environmental Engineering segment, net sales increased ¥3.6 billion owing mainly to a rebound in nonferrous metal market prices and lower yen rates. In the Electronic Materials segment, net sales dropped ¥11.3 billion amid decreasing demand for copper foil in Asia. In the Materials & Applications segment, net sales fell ¥11.3 billion. In the Automotive Parts & Components segment, net sales decreased ¥3.1 billion largely because of lower sales in China.

Selling, general and administrative expenses

SG&A expenses increased ¥2.9 billion from the previous fiscal year to ¥43.3 billion primarily due to higher retirement benefit and research and development expenses.

Operating income

Operating income decreased ¥4.3 billion to ¥16.5 billion.

This decline was mainly attributable to lower sales accompanying sluggish electronic materials markets; a fall in income due to inventory asset effects stemming from fluctuating rare metal prices (hereinafter "inventory valuation factors"); and higher retirement benefit expenses following a drop in government bond interest rates. This result occurred despite positive factors including strong sales of battery materials, high-performance copper foil, and functional automotive parts; effective cost reductions; and inventory valuation factors caused by fluctuating metal prices.

Non-operating income (expenses)

Non-operating expenses improved ¥1.3 billion year on year to ¥0.3 billion. This was due mainly to the recording of ¥0.4 billion in investment gains on equity method, ¥0.6 billion in dividend income and ¥0.5 billion in foreign exchange gains.

Ordinary income

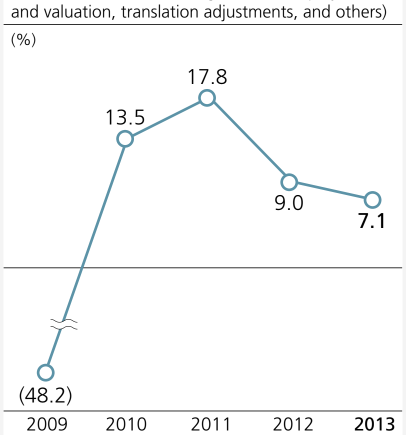
On a consolidated basis, the Company's ordinary income decreased ¥2.9 billion year on year to ¥16.1 billion because of the ¥4.3 billion decrease in operating income and despite the ¥1.3 billion improvement in non-operating expenses.

In the Engineered Materials segment, despite brisk sales of battery materials, ordinary income decreased ¥3.4 billion due to weak rare metal compound sales prices and lower sales of exhaust catalysts for motorcycles. In the Metals, Minerals & Environmental Engineering segment, ordinary income increased slightly thanks largely to inventory valuation factors reflecting metal price fluctuations as well as lower yen rates from the beginning of 2013 onward. This result occurred despite higher energy costs and lower earnings primarily caused by previously high yen rates. In the Electronic Materials segment, ordinary income increased ¥1.2 billion owing to improvements in product mix and other factors. In the Materials & Applications segment, ordinary income rose ¥0.1 billion. In the Automotive Parts & Components segment, ordinary income climbed ¥1.1 billion largely due to the restructuring of the domestic production system and the establishment of an optimal production system in Asia.

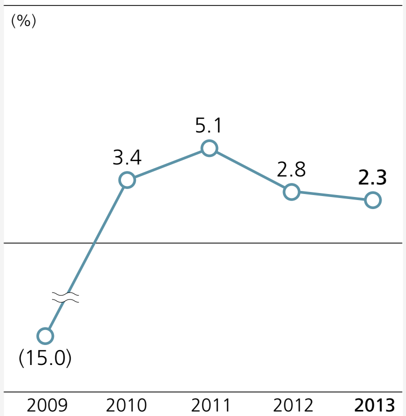
Extraordinary profit (loss)

The Company posted an extraordinary loss of ¥1.5 billion, an improvement of ¥1.3 billion from the previous fiscal year. This was primarily attributable to an increase in gain on sales of property, plant and equipment, a decrease in disaster

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



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



losses recorded under extraordinary loss and a fall in loss on impairment of fixed assets.

Income taxes

Taxation expenses amounted to ¥3.6 billion, up ¥0.7 billion year on year, due to the absence of a refund of income taxes recorded in the previous fiscal year. This result occurred despite lower income taxes—current.

Net income

Net income decreased ¥1.6 billion to ¥9.9 billion, reflecting the ¥2.9 billion decrease in ordinary income, ¥1.3 billion improvement in extraordinary loss, ¥0.7 billion rise in taxation expenses, and ¥0.6 billion decrease in profit on minority interests.

Financial position

Total assets

Total assets on a consolidated basis increased ¥24.9 billion from the previous fiscal year-end to ¥438.0 billion.

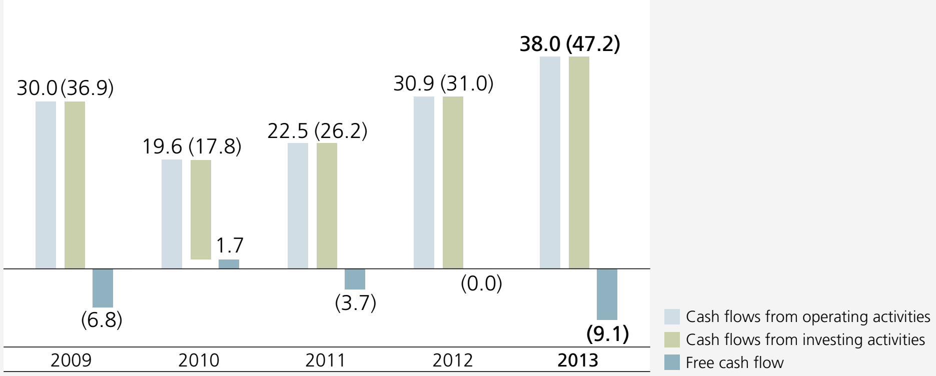
Despite decreases in notes and accounts receivable and cash and deposits, this increase reflects a ¥27.9 billion rise in investment securities mainly used to finance the development of the Caserones Copper Mine in Chile.

Net assets

Net assets increased ¥14.8 billion to ¥155.0 billion primarily due to the posting of net income totaling ¥9.9 billion as well as increases in foreign currency translation adjustment and minority interests. This result occurred despite decreases due to the change of scope of consolidation and dividend payments. As a result, the Company's equity ratio increased 1.6 percentage points to 33.5%.

Cash flows

(Billion of yen)



Interest-bearing debt

The total (short- and long-term) interest-bearing debt amounted to ¥180.3 billion, an increase of ¥11.1 billion from the previous fiscal year-end.

Cash flows

Net cash provided by operating activities was ¥38.0 billion, an increase of ¥7.0 billion from the previous fiscal year. This was attributable to inflows including ¥14.6 billion in income before income taxes and minority interests and ¥23.9 billion in depreciation and amortization as well as decreases in trade receivables and inventories totaling ¥5.6 billion and ¥3.0 billion, respectively. These inflows more than offset outflows including the payment of ¥6.5 billion in income taxes, a ¥4.7 billion decrease in trade payables and ¥2.3 billion in interest expenses paid.

Net cash used in investing activities amounted to ¥47.2 billion, an increase of ¥16.1 billion from the previous fiscal year. Expenditures mainly consisted of ¥22.4 billion for the acquisition of property, plant and equipment and ¥26.3 billion for the purchase of securities.

Net cash provided by financing activities totaled ¥4.8 billion, a turnaround from net cash used in financing activities of ¥6.9 billion in the previous fiscal year. Despite a 1.7 billion payment of cash dividends, this change is mainly attributable to a ¥9.1 billion increase in short- and long-term borrowings, straight bonds and commercial paper.

Consolidated Balance Sheets

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries
March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
Assets			
Current assets:			
Cash and deposits (Note 5)	**¥ 15,202**	¥ 17,676	**$ 161,706**
Notes and accounts receivable:			
Trade	**71,980**	75,253	**765,663**
Unconsolidated subsidiaries and affiliates	**5,957**	5,035	**63,365**
Inventories (Note 3)	**72,571**	73,505	**771,949**
Deferred tax assets (Note 12)	**2,319**	2,020	**24,667**
Derivatives	**814**	282	**8,658**
Other current assets	**10,594**	11,332	**112,690**
Less: Allowance for doubtful accounts	**(177)**	(644)	**(1,882)**
Total current assets	**179,263**	184,462	**1,906,850**
Investments and other assets:			
Investment securities (Notes 4 and 7):			
Unconsolidated subsidiaries and affiliates	**84,345**	56,357	**897,191**
Others	**9,065**	9,082	**96,425**
Loans receivable:			
Unconsolidated subsidiaries and affiliates	**14**	30	**148**
Others	**472**	497	**5,020**
Deferred tax assets (Note 12)	**1,760**	1,857	**18,721**
Others	**11,281**	9,982	**119,997**
Less: Allowance for doubtful accounts	**(157)**	(160)	**(1,670)**
	106,781	77,647	**1,135,847**
Property, plant and equipment (Note 7):			
Land	**33,973**	33,569	**361,376**
Buildings and structures	**150,486**	148,971	**1,600,744**
Machinery and equipment	**295,515**	298,314	**3,143,442**
Lease assets	**4,675**	5,180	**49,728**
Construction in progress	**6,578**	10,434	**69,971**
Others	**44,643**	46,441	**474,875**
	535,873	542,911	**5,700,170**
Less: Accumulated depreciation	**(383,846)**	(391,914)	**(4,083,033)**
	152,027	150,996	**1,617,136**
	¥438,072	¥413,106	**$4,659,844**

See accompanying notes.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Liabilities and Net Assets			
Current liabilities:			
Short-term borrowings (Note 6)	¥ 48,200	¥ 40,628	$ 512,711
Current portion of long-term debt (Note 6)	42,262	28,848	449,547
Notes and accounts payable:			
Trade	28,327	33,142	301,319
Unconsolidated subsidiaries and affiliates	9,839	9,054	104,659
Others	11,939	11,498	126,997
Current portion of lease liability	584	695	6,212
Accrued income taxes	1,338	2,341	14,232
Accrued expenses	7,462	7,485	79,374
Deferred tax liabilities (Note 12)	0	0	5
Provision for product warranties	1,188	810	12,636
Provision for improvement of business structure	—	1,000	—
Provision for loss on disposal of inventories	319	418	3,393
Derivative liabilities	365	209	3,882
Other current liabilities	8,832	7,076	93,947
Total current liabilities	160,661	143,210	1,708,977
Long-term liabilities:			
Long-term debt (Note 6)	89,909	99,786	956,376
Lease liability	1,644	1,509	17,487
Employees' retirement benefits (Note 15)	22,086	21,122	234,932
Directors' and corporate auditors' retirement benefits	538	561	5,722
Deferred tax liabilities (Note 12)	2,572	1,845	27,358
Provision for environmental countermeasures	1,319	1,500	14,030
Provision for preventing environmental pollution in mineral, mining, and other operations	820	832	8,722
Asset retirement obligations (Note 19)	2,458	1,445	26,146
Other long-term liabilities	1,010	1,115	10,743
Commitments and contingent liabilities (Note 9)			
Net Assets (Note 10):			
Shareholders' equity:			
Common stock:			
Authorized — 1,944,000 thousand shares			
Issued — 572,966 thousand shares	42,129	42,129	448,133
Capital surplus	22,557	22,557	239,942
Retained earnings	90,302	84,743	960,557
Less: Treasury stock	(592)	(590)	(6,297)
Total shareholders' equity	154,397	148,840	1,642,346
Accumulated other comprehensive income			
Net unrealized gains on securities, net of tax	767	524	8,158
Deferred gains (losses) on hedges, net of tax	219	(313)	2,329
Foreign currency translation adjustments	(8,849)	(17,334)	(94,128)
Total accumulated other comprehensive income	(7,861)	(17,122)	(83,618)
Minority interests in consolidated subsidiaries	8,514	8,458	90,564
Total net assets	155,049	140,175	1,649,281
	¥438,072	¥413,106	$4,659,844

Consolidated Income Statements

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Net sales (Note 11)	¥417,219	¥431,058	$4,438,027
Cost of sales (Note 8)	357,294	369,715	3,800,595
Gross profit	59,925	61,342	637,432
Selling, general and administrative expenses (Note 8)	43,367	40,439	461,301
Operating income	16,557	20,903	176,119
Non-operating income (expenses):			
Interest and dividend income	803	1,510	8,541
Interest expense	(2,307)	(2,710)	(24,539)
Foreign exchange gains (losses)	532	(10)	5,658
Investment gains (losses) on equity method	422	(509)	4,488
Real estate rent	970	868	10,318
Other, net	(784)	(882)	(8,339)
	(363)	(1,734)	(3,861)
Ordinary income (Note 11)	16,194	19,168	172,258
Extraordinary profit (loss):			
Gain on sale of securities	49	153	521
Gain on sale of property, plant and equipment	1,330	227	14,147
Loss on sale and disposal of property, plant and equipment	(1,159)	(1,175)	(12,328)
Loss on impairment of fixed assets (Note 17)	(168)	(215)	(1,787)
Reversal of allowance for doubtful accounts	6	119	63
Reversal of employees' retirement benefits (Note 15)	—	194	—
Reversal of provision for loss on disaster	—	142	—
Business structure improvement expenses	(724)	(753)	(7,701)
Compensation income	202	—	2,148
Provision for product warranties	(430)	—	(4,573)
Other, net	(695)	(1,653)	(7,392)
	(1,587)	(2,960)	(16,881)
Income before income taxes and minority interests	14,606	16,207	155,366
Income taxes (Note 12):			
Current	3,285	4,878	34,943
Refund of income taxes	—	(744)	—
Deferred	374	(1,177)	3,978
	3,660	2,956	38,932
Income before minority interests	10,945	13,251	116,423
Minority interests	1,035	1,719	11,009
Net income	¥ 9,910	¥ 11,531	$ 105,414

	Yen		U.S. dollars (Note 1)
Amounts per share of common stock:			
Net income (Note 16)	¥17.35	¥20.18	$0.18
Cash dividends applicable to the year	3.00	3.00	0.03

See accompanying notes.

Consolidated Statements of Comprehensive Income

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Income before minority interests	**¥10,945**	¥13,251	**$116,423**
Other comprehensive income			
Net unrealized gains (losses) on securities, net of tax	**273**	(780)	**2,903**
Deferred gains on hedges, net of tax	**195**	351	**2,074**
Foreign currency translation adjustments	**6,305**	(1,197)	**67,067**
Share of other comprehensive income of associates accounted for using equity method	**2,918**	(554)	**31,039**
Total other comprehensive income (Note 20)	**9,693**	(2,180)	**103,106**
Comprehensive income	**¥20,639**	¥11,070	**$219,540**
(Breakdown)			
Comprehensive income attributable to owners of the parent	**¥19,136**	¥ 9,279	**$203,552**
Comprehensive income attributable to minority interests	**1,502**	1,791	**15,977**

See accompanying notes.

Consolidated Statements of Changes in Net Assets

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	(Thousands)	Millions of yen										
		Shareholders' equity					Accumulated other comprehensive income					
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings (Note 10)	Treasury stock	Total shareholders' equity	Net unrealized gains on securities, net of tax	Deferred gains (losses) on hedges, 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, 2012	572,966	¥42,129	¥22,557	¥84,743	¥(590)	¥148,840	¥524	¥(313)	¥(17,334)	¥(17,122)	¥8,458	¥140,175
Cash dividends				(1,713)		(1,713)						(1,713)
Net income				9,910		9,910						9,910
Acquisition of treasury stock					(1)	(1)						(1)
Change of scope of consolidation				(2,637)		(2,637)						(2,637)
Net changes of items other than shareholders' equity							242	533	8,485	9,260	55	9,316
Balance at March 31, 2013	572,966	¥42,129	¥22,557	¥90,302	¥(592)	¥154,397	¥767	¥ 219	¥ (8,849)	¥ (7,861)	¥8,514	¥155,049

	(Thousands)	Millions of yen										
		Shareholders' equity					Accumulated other comprehensive income					
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings (Note 10)	Treasury stock	Total shareholders' equity	Net unrealized gains on securities, net of tax	Deferred losses on hedges, 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, 2011	572,966	¥42,129	¥22,557	¥76,640	¥(510)	¥140,817	¥1,296	¥(827)	¥(15,340)	¥(14,870)	¥8,505	¥134,452
Cash dividends				(3,428)		(3,428)						(3,428)
Net income				11,531		11,531						11,531
Acquisition of treasury stock					(80)	(80)						(80)
Change of scope of consolidation				—		—						—
Net changes of items other than shareholders' equity							(772)	513	(1,994)	(2,252)	(46)	(2,299)
Balance at March 31, 2012	572,966	¥42,129	¥22,557	¥84,743	¥(590)	¥148,840	¥ 524	¥(313)	¥(17,334)	¥(17,122)	¥8,458	¥140,175

	Thousands of U.S. dollars (Note 1)										
	Shareholders' equity					Accumulated other comprehensive income					
	Common stock	Capital surplus	Retained earnings (Note 10)	Treasury stock	Total shareholders' equity	Net unrealized gains on securities, net of tax	Deferred gains (losses) on hedges, 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, 2012	$448,133	$239,942	$901,425	$(6,275)	$1,583,235	$5,573	$(3,329)	$(184,384)	$(182,129)	$89,969	$1,491,064
Cash dividends			(18,221)		(18,221)						(18,221)
Net income			105,414		105,414						105,414
Acquisition of treasury stock				(10)	(10)						(10)
Change of scope of consolidation			(28,050)		(28,050)						(28,050)
Net changes of items other than shareholders' equity						2,574	5,669	90,256	98,500	585	99,095
Balance at March 31, 2013	$448,133	$239,942	$960,557	$(6,297)	$1,642,346	$8,158	$ 2,329	$ (94,128)	$ (83,618)	$90,564	$1,649,281

See accompanying notes.

Consolidated Statements of Cash Flows

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Cash flows from operating activities:			
Income before income taxes and minority interests	¥14,606	¥16,207	$155,366
Depreciation and amortization	24,070	22,902	256,036
Loss on impairment of fixed assets (Note 17)	168	215	1,787
Gain on sale of property, plant and equipment, net	(1,285)	(187)	(13,668)
Loss on disposal of property, plant and equipment	1,113	1,135	11,839
Foreign exchange loss (gain)	(706)	12	(7,509)
Investment losses (gains) on equity method	(422)	509	(4,488)
Decrease in allowance for doubtful accounts	(491)	(461)	(5,222)
Increase (Decrease) in employees' retirement benefits	852	(249)	9,062
Interest and dividend income	(803)	(1,510)	(8,541)
Interest expense	2,307	2,710	24,539
Decrease (Increase) in notes and accounts receivable	5,699	(33)	60,621
Decrease (Increase) in inventories	3,037	(2,954)	32,305
Increase (Decrease) in notes and accounts payable	(4,737)	263	(50,388)
Other, net	(1,187)	(1,604)	(12,626)
Subtotal	42,222	36,956	449,122
Interest and dividend received	1,631	2,430	17,349
Interest paid	(2,317)	(2,601)	(24,646)
Income taxes paid	(6,554)	(6,928)	(69,715)
Income taxes refund	2,513	1,229	26,731
Other, net	562	(94)	5,978
Net cash provided by operating activities	38,058	30,992	404,829
Cash flows from investing activities:			
Purchases of securities	(26,334)	(3,801)	(280,119)
Purchases of securities in subsidiaries	(1,023)	(211)	(10,881)
Acquisition of property, plant and equipment and other assets	(22,432)	(27,426)	(238,612)
Proceeds from sale of property, plant and equipment	1,300	372	13,828
Decrease in short-term loans receivable, net	994	254	10,573
Disbursement for long-term loans receivable	(1)	(6)	(10)
Collection of long-term loans receivable	43	57	457
Other, net	244	(277)	2,595
Net cash used in investing activities	(47,208)	(31,039)	(502,159)
Cash flows from financing activities:			
Increase (Decrease) in short-term borrowings, net	6,346	(247)	67,503
Proceeds from long-term debt	21,705	10,482	230,879
Repayment of long-term debt	(18,892)	(12,286)	(200,957)
Repayment of lease liability	(780)	(972)	(8,296)
Issuance of bonds	10,000	10,000	106,371
Redemption of straight bonds	(10,000)	(10,000)	(106,371)
Payment for cash dividends to the Company's shareholders	(1,713)	(3,428)	(18,221)
Payment for cash dividends to minority interests	(1,789)	(460)	(19,029)
Other, net	(47)	(55)	(499)
Net cash provided by (used in) financing activities	4,829	(6,969)	51,366
Effect of exchange rate changes on cash and cash equivalents	908	240	9,658
Net decrease in cash and cash equivalents	(3,410)	(6,774)	(36,272)
Cash and cash equivalents at beginning of year	17,670	24,445	187,958
Effect of addition of consolidated subsidiaries	944	—	10,041
Effect of exclusion of consolidated subsidiaries	(1)	—	(10)
Cash and cash equivalents at end of year (Note 5)	¥15,202	¥17,670	$161,706

See accompanying notes.

Notes to Consolidated Financial Statements

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

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 five 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, 2013, which was ¥94.01 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 contracts, interest rate swap 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, Catalysts Strategic Division, Die-Casting Division

Subsidiaries:

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

: First-in, first-out method

The Company:

Electronic Materials Sector (except for Metal Powders Division)

: Moving average method

The Company:

Engineered Materials Sector (except for Catalysts Strategic Division), Materials & Applications Sector (except for Die-Casting Division), Metal Powders Division

Subsidiaries:

The metal powders factory of Kamioka Mining & Smelting Co., Ltd., Nippon Yttrium 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

(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.

<Change in accounting policies with amendment of respective law or regulation that are not distinguishable from change in accounting estimates>

From the year ending March 31, 2013, in accordance with the amendment in corporate tax law, the Company and its domestic subsidiaries have changed its depreciation method for property, plant and equipments. Assets acquired on or after April 1, 2012 are depreciated using the method prescribed in amended corporate tax law. This change had the minor effect for operating income, ordinary income, and income before income taxes.

(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) 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 are 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.

<Accounting standards not yet applied>

- Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012)
- Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012)

(1) Summary

The Accounting Standards for Retirement Benefits has been revised from the viewpoint of improvements to financial reporting and international convergence, mainly focusing on how actuarial gains and losses and past service costs should be accounted for, how retirement benefit obligations and current service costs should be determined and enhancement of disclosures.

(2) Effective dates

Effective for the end of annual periods ending on or after March 31, 2014. Amendments relating to determination of retirement benefit obligations and current service costs are effective from the beginning of annual periods ending on or after March 31, 2015.

(3) Effect of application of the standard

The Company and its consolidated domestic subsidiaries are currently in the process of determining the effects of these new standards on the consolidated financial statements.

(m) 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 have retired at the balance sheet date.

(n) 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.

(o) 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.

(p) Research and development expenses

Research and development expenses are charged to expenses.

(q) 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

(r) 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.

The Company has adopted the consolidated tax return system for the calculation of income taxes. Under the consolidated tax return system, the Company consolidates all wholly owned domestic subsidiaries based on the Japanese tax regulations.

(s) 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 2013 and 2012.

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

(t) Reclassification

Certain prior year amounts have been reclassified to conform to the 2013 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

(u) 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.

3. Inventories

Inventories at March 31, 2013 and 2012 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Merchandise and finished goods	¥22,129	¥19,973	$235,389
Work in process	25,696	23,948	273,332
Raw materials and supplies	24,745	29,583	263,216
Total	¥72,571	¥73,505	$771,949

4. Securities

(a) Acquisition costs and book values of available-for-sale securities with fair value as of March 31, 2013 and 2012 were as follows:

	Millions of yen		
Year ended March 31, 2013	Book value	Acquisition cost	Difference
Securities whose book value exceeds acquisition cost:			
Stocks	¥3,810	¥2,041	¥1,768
Subtotal	3,810	2,041	1,768
Securities whose book value does not exceed acquisition cost:			
Stocks	478	635	(156)
Subtotal	478	635	(156)
Total	¥4,288	¥2,676	¥1,612

	Millions of yen		
Year ended March 31, 2012	Book value	Acquisition cost	Difference
Securities whose book value exceeds acquisition cost:			
Stocks	¥3,592	¥1,913	¥1,678
Subtotal	3,592	1,913	1,678
Securities whose book value does not exceed acquisition cost:			
Stocks	871	1,106	(234)
Subtotal	871	1,106	(234)
Total	¥4,464	¥3,019	¥1,444

	Thousands of U.S. dollars (Note 1)		
Year ended March 31, 2013	Book value	Acquisition cost	Difference
Securities whose book value exceeds acquisition cost:			
Stocks	$40,527	$21,710	$18,806
Subtotal	40,527	21,710	18,806
Securities whose book value does not exceed acquisition cost:			
Stocks	5,084	6,754	(1,659)
Subtotal	5,084	6,754	(1,659)
Total	$45,612	$28,465	$17,147

(b) Available-for-sale securities sold for the years ended March 31, 2013 and 2012 were as follows:

		Millions of yen		Thousands of U.S. dollars (Note 1)
		2013	2012	2013
Total sale amount	Stocks	¥358	¥171	$3,808
Gains	Stocks	49	153	521
Losses	Stocks	41	—	436

5. Amounts of Cash and Cash Equivalents

Amounts of cash and cash equivalents at March 31, 2013 and 2012 were reconciled with cash and deposits as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Cash and deposits	¥15,202	¥17,676	$161,706
Time deposits with maturities exceeding three months from the date of deposit	—	(5)	—
Total: Cash and cash equivalents	¥15,202	¥17,670	$161,706

6. Short-Term Borrowings and Long-Term Debt

Short-term borrowings at March 31, 2013 and 2012 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Short-term bank loans, generally represented by short-term notes and bank overdrafts, bore interest at annual rates ranging from 0.460% to 6.750% and from 0.470% to 8.650% at March 31, 2013 and 2012, respectively.	¥38,200	¥39,628	$406,339
Commercial paper with interest at annual rates ranging from 0.105% to 0.111% and of 0.115% at March 31, 2013 and 2012, respectively.	10,000	1,000	106,371
	¥48,200	¥40,628	$512,711

Long-term debt at March 31, 2013 and 2012 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
0.74 % yen unsecured straight bonds due in 2017	¥ 10,000	¥ —	$ 106,371
0.76 % yen unsecured straight bonds due in 2016	10,000	10,000	106,371
0.80 % yen unsecured straight bonds due in 2015	10,000	10,000	106,371
1.15 % yen unsecured straight bonds due in 2014	10,000	10,000	106,371
1.61 % yen unsecured straight bonds due in 2013	10,000	10,000	106,371
1.45 % yen unsecured straight bonds due in 2012	—	10,000	—
Banks, insurance companies and other financial institutions, maturing through 2018 at interest rates ranging from 0.650% to 6.000% at March 31, 2013:			
Secured	1,009	1,014	10,732
Unsecured	75,509	71,246	803,201
Government-owned banks and government agencies, maturing through 2027 at interest rates ranging from 0.700% to 2.500% at March 31, 2013:			
Secured	5,653	6,373	60,131
Unsecured	—	—	—
	132,172	128,634	1,405,935
Less: Current portion	42,262	28,848	449,547
	¥ 89,909	¥ 99,786	$ 956,376

The aggregate annual maturities of long-term debt at March 31, 2013 were as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars (Note 1)
2014	¥ 42,262	$ 449,547
2015	23,690	251,994
2016	19,101	203,180
2017	17,394	185,022
2018	27,923	297,021
Thereafter	1,800	19,146
Total	¥132,172	$1,405,935

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.
The 0.76% yen unsecured straight bonds due in 2016 were issued on November 29, 2011 by the Company.
The 0.74% yen unsecured straight bonds due in 2017 were issued on November 29, 2012 by the Company.

7. Pledged Assets

Assets pledged as collateral for short-term bank loans, long-term debt and third party loans at March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
Investment securities	**¥ 1,445**	¥1,482	**$ 15,370**
Property, plant and equipment, net book value	**14,653**	6,483	**155,866**
	¥16,099	¥7,966	**$171,247**

8. Research and Development Expenses

Research and development expenses included in production cost and selling, general and administrative expenses amounted to ¥5,867 million ($62,408 thousand) and ¥4,967 million for the years ended March 31, 2013 and 2012, respectively.

9. Contingent Liabilities

Contingent liabilities at March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
Notes receivable discounted	**¥ 422**	¥ 488	**$ 4,488**
Notes receivable endorsed	**115**	293	**1,223**
Notes receivable securitized with recourse	**607**	705	**6,456**
Loans guaranteed			
Unconsolidated subsidiaries and affiliates	**99,125**	78,742	**1,054,409**
Others	**672**	859	**7,148**
	¥100,943	¥81,090	**$1,073,747**

10. 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.

11. Segment Information

The operations of the Companies for the years ended March 31, 2013 and 2012 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 sector plans business strategies comprehensively and operates business activities domestically and internationally.

As a result, the Company reports five segments, such as Engineered Materials, Metals, Minerals & Environmental Engineering, Electronic Materials, Materials & Applications, and Automotive Parts & Components 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 segments

Accounting procedure for reported segments, excluding the handling treatment for converting the income, expenses and assets of overseas subsidiaries into Japanese currency, is mostly the same as procedures indicated in 2. Summary of Significant Accounting Policies. The handling treatment for converting the income, expenses and assets of overseas subsidiaries into Japanese currency is mainly based on anticipated exchange rates at the time budgets were formulated. 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 segments

Segment information as of and for the fiscal year ended March 31, 2013 was as follows:

	Millions of yen							
	Reported segments							
	Engineered Materials	Metals, Minerals & Environmental Engineering	Electronic Materials	Materials & Applications	Automotive Parts & Components	Total	Adjustment	Consolidated
Year ended March 31, 2013								
Sales:								
Outside customers	¥54,107	¥101,180	¥67,599	¥103,884	¥88,742	¥415,513	¥ 1,705	¥417,219
Inter-segment	2,523	41,805	3,581	20,281	153	68,344	(68,344)	—
Total	56,630	142,985	71,181	124,165	88,895	483,858	(66,638)	417,219
Segment profit	¥ 8,302	¥ 1,215	¥ 2,647	¥ 3,178	¥ 6,213	¥ 21,557	¥ (5,363)	¥ 16,194
Segment assets	¥42,532	¥171,772	¥52,966	¥105,981	¥38,172	¥411,425	¥26,647	¥438,072
Depreciation expense	2,636	7,436	4,574	4,006	3,236	21,890	2,061	23,952
Amortization of goodwill and negative goodwill	—	17	34	(0)	—	52	0	53
Interest income	65	250	29	105	22	472	(344)	128
Interest expense	268	1,052	552	513	64	2,452	(144)	2,307
Investment gains (losses) on equity method	177	(48)	—	708	29	866	(444)	422
Investment for companies accounted for using the equity method	2,232	53,091	—	11,960	431	67,715	(435)	67,279
Increase in property, plant and equipment, and intangible assets	3,540	6,233	3,436	3,821	3,197	20,229	2,371	22,601

Notes:

(a) Amounts of adjustment are as follows.

(1) Adjustment to segment profit, which amounted to ¥(5,363) million ($(57,047) thousand), consists mainly of ¥(4,906) million ($(52,185) 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 ¥26,647 million ($283,448 thousand), consist of ¥(9,758) million ($(103,797) thousand) for offset of receivables to corporate administrative department and ¥38,899 million ($413,775 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.

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

Segment information as of and for the fiscal year ended March 31, 2012, which was restated in conformity with reorganization, was as follows:

	Millions of yen							
	Reported segments							
	Engineered Materials	Metals, Minerals & Environmental Engineering	Electronic Materials	Materials & Applications	Automotive Parts & Components	Total	Adjustment	Consolidated
Year ended March 31, 2012								
Sales:								
Outside customers	¥58,149	¥ 99,077	¥78,339	¥109,591	¥91,949	¥437,107	¥ (6,048)	¥431,058
Inter-segment	3,391	40,292	4,169	25,890	130	73,875	(73,875)	—
Total	61,541	139,369	82,509	135,482	92,080	510,983	(79,924)	431,058
Segment profit	¥11,756	¥ 1,184	¥ 1,412	¥ 2,999	¥ 5,089	¥ 22,443	¥ (3,274)	¥ 19,168
Segment assets	¥50,379	¥142,126	¥56,546	¥112,614	¥39,362	¥401,029	¥12,076	¥413,106
Depreciation expense	1,885	7,513	4,491	4,359	3,279	21,529	1,252	22,781
Amortization of goodwill and negative goodwill	—	4	34	0	—	39	—	39
Interest income	11	296	37	108	74	529	(335)	193
Interest expense	158	920	647	871	364	2,963	(252)	2,710
Investment gains (losses) on equity method	323	(861)	—	387	70	(80)	(429)	(509)
Investment for companies accounted for using the equity method	3,418	40,135	—	11,427	396	55,378	40	55,419
Increase in property, plant and equipment, and intangible assets	6,902	9,121	4,121	4,224	3,367	27,737	1,489	29,226

Notes:

(a) Amounts of adjustment are as follows.

(1) Adjustment to segment profit, which amounted to ¥(3,274) million ($(39,863) thousand), consists mainly of ¥(3,513) million ($(42,773) 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 ¥12,076 million ($147,035 thousand), consist of ¥(15,817) million ($(192,584) thousand) for offset of receivables to corporate administrative department and ¥46,573 million ($567,064 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.

(b) 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							
	Engineered Materials	Metals, Minerals & Environmental Engineering	Electronic Materials	Materials & Applications	Automotive Parts & Components	Total	Adjustment	Consolidated
Year ended March 31, 2013								
Sales:								
Outside customers	**$575,545**	**$1,076,268**	**$719,061**	**$1,105,031**	**$943,963**	**$4,419,880**	**$ 18,136**	**$4,438,027**
Inter-segment	**26,837**	**444,686**	**38,091**	**215,732**	**1,627**	**726,986**	**(726,986)**	**—**
Total	**602,382**	**1,520,955**	**757,164**	**1,320,763**	**945,590**	**5,146,877**	**(708,839)**	**4,438,027**
Segment profit	**$ 88,309**	**$ 12,924**	**$ 28,156**	**$ 33,804**	**$ 66,088**	**$ 229,305**	**$ (57,047)**	**$ 172,258**
Segment assets	**$452,419**	**$1,827,167**	**$563,408**	**$1,127,337**	**$406,041**	**$4,376,396**	**$283,448**	**$4,659,844**
Depreciation expense	**28,039**	**79,097**	**48,654**	**42,612**	**34,421**	**232,847**	**21,923**	**254,781**
Amortization of goodwill and negative goodwill	**—**	**180**	**361**	**(0)**	**—**	**553**	**0**	**563**
Interest income	**691**	**2,659**	**308**	**1,116**	**234**	**5,020**	**(3,659)**	**1,361**
Interest expense	**2,850**	**11,190**	**5,871**	**5,456**	**680**	**26,082**	**(1,531)**	**24,539**
Investment gains (losses) on equity method	**1,882**	**(510)**	**—**	**7,531**	**308**	**9,211**	**(4,722)**	**4,488**
Investment for companies accounted for using the equity method	**23,742**	**564,737**	**—**	**127,220**	**4,584**	**720,295**	**(4,627)**	**715,657**
Increase in property, plant and equipment, and intangible assets	**37,655**	**66,301**	**36,549**	**40,644**	**34,007**	**215,179**	**25,220**	**240,410**

[Related information]

Information by area

	Millions of yen				
	Japan	Asia	North America	Other Areas	Consolidated
Year ended March 31, 2013					
Sales	¥264,782	¥108,190	¥31,010	¥13,236	¥417,219
Property, plant and equipment	110,709	33,216	4,665	3,436	152,027

	Millions of yen				
	Japan	Asia	North America	Other Areas	Consolidated
Year ended March 31, 2012					
Sales	¥278,449	¥108,456	¥29,277	¥14,875	¥431,058
Property, plant and equipment	115,105	28,678	4,734	2,478	150,996

	Thousands of U.S. dollars (Note 1)				
	Japan	Asia	North America	Other Areas	Consolidated
Year ended March 31, 2013					
Sales	$2,816,530	$1,150,835	$329,858	$140,793	$4,438,027
Property, plant and equipment	1,177,630	353,324	49,622	36,549	1,617,136

[Information on loss on impairment of fixed assets by reported segments]

	Millions of yen						
	Engineered Materials	Metals, Minerals & Environmental Engineering	Electronic Materials	Materials & Applications	Automotive Parts & Components	Elimination · Corporate	Consolidated
Year ended March 31, 2013							
Loss on impairment of fixed assets	¥—	¥34	¥—	¥130	¥—	¥3	¥168

	Millions of yen						
	Engineered Materials	Metals, Minerals & Environmental Engineering	Electronic Materials	Materials & Applications	Automotive Parts & Components	Elimination · Corporate	Consolidated
Year ended March 31, 2012							
Loss on impairment of fixed assets	¥—	¥17	¥—	¥138	¥47	¥11	¥215

	Thousands of U.S. dollars (Note 1)						
	Engineered Materials	Metals, Minerals & Environmental Engineering	Electronic Materials	Materials & Applications	Automotive Parts & Components	Elimination · Corporate	Consolidated
Year ended March 31, 2013							
Loss on impairment of fixed assets	$—	$361	$—	$1,382	$—	$31	$1,787

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

	Millions of yen						
	Engineered Materials	Metals, Minerals & Environmental Engineering	Electronic Materials	Materials & Applications	Automotive Parts & Components	Elimination · Corporate	Consolidated
Year ended March 31, 2013							
Amortization of goodwill	¥—	¥18	¥34	¥ 0	¥—	¥—	¥ 53
Balance at end of fiscal year	—	95	43	—	—	—	139

	Millions of yen						
	Engineered Materials	Metals, Minerals & Environmental Engineering	Electronic Materials	Materials & Applications	Automotive Parts & Components	Elimination · Corporate	Consolidated
Year ended March 31, 2012							
Amortization of goodwill	¥—	¥ 4	¥34	¥ 0	¥—	¥—	¥ 39
Balance at end of fiscal year	—	33	78	—	—	—	111

	Thousands of U.S. dollars (Note 1)						
	Engineered Materials	Metals, Minerals & Environmental Engineering	Electronic Materials	Materials & Applications	Automotive Parts & Components	Elimination · Corporate	Consolidated
Year ended March 31, 2013							
Amortization of goodwill	$—	$ 191	$361	$ 0	$—	$—	$ 563
Balance at end of fiscal year	—	1,010	457	—	—	—	1,478

[Information on gain on negative goodwill by reported segment]
Year ended March 31, 2013
Not applicable.

Year ended March 31, 2012
Not applicable.

12. 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 37.7% and 40.4% for the fiscal years ended March 31, 2013 and 2012, respectively.

1. Significant components of the Companies' deferred tax assets and liabilities as of March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Deferred tax assets:			
Excess bad debt expenses	¥ 73	¥ 236	$ 776
Excess accrued bonuses to employees	1,488	1,548	15,828
Excess product warranties	348	181	3,701
Retirement benefits	7,674	7,526	81,629
Provision for environmental countermeasures	550	614	5,850
Loss on impairment of fixed assets	3,243	6,886	34,496
Enterprise taxes accrued	184	266	1,957
Unrealized profits and losses	1,933	1,942	20,561
Operating loss carryforward for tax purposes	10,585	19,691	112,594
Net unrealized losses on securities	120	254	1,276
Deferred losses on hedges	110	57	1,170
Other	4,773	6,707	50,771
Subtotal	31,087	45,914	330,677
Valuation allowance	(23,435)	(38,503)	(249,281)
Total deferred tax assets	¥ 7,652	¥ 7,411	$ 81,395
Deferred tax liabilities:			
Net unrealized gains on securities	¥ (617)	¥ (591)	$ (6,563)
Deferred gains on hedges	(306)	(105)	(3,254)
Retained earnings of foreign subsidiaries	(2,410)	(2,107)	(25,635)
Deferral of capital gain related to certain sale of property, plant and equipment	(1,165)	(1,130)	(12,392)
Other	(1,644)	(1,443)	(17,487)
Total deferred tax liabilities	¥ (6,144)	¥ (5,378)	$ (65,354)
Net deferred tax assets	¥ 1,507	¥ 2,032	$ 16,030

The net deferred tax assets at March 31, 2013 and 2012 were contained in the consolidated balance sheets as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Deferred tax assets — current	¥2,319	¥2,020	$24,667
Deferred tax assets — noncurrent	1,760	1,857	18,721
Deferred tax liabilities — current	(0)	(0)	(5)
Deferred tax liabilities — noncurrent	(2,572)	(1,845)	(27,358)

2. 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, 2013 and 2012.

	2013	2012
Statutory effective tax rate	37.7%	40.4%
Permanent difference due to non-deductible expense	4.0	54.1
Permanent difference due to non-taxable income	(20.8)	(68.6)
Effect of elimination of intercompany dividends received	20.5	22.6
Investment gains on equity method	(1.1)	1.2
Income taxes for prior periods	4.7	—
Valuation allowance	(13.5)	(31.6)
Downward adjustment of deferred tax assets at end of year due to tax rate change	—	(1.1)
Others	(6.4)	1.2
Tax rate calculated based on the Companies' consolidated financial statements	25.1%	18.2%

13. 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 and swaps 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 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 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 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 — 14. 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, 2013 and 2012 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
Year ended March 31, 2013			
Assets:			
(a) Cash and deposits	¥ 15,202	¥ 15,202	¥ —
(b) Notes and accounts receivable	77,937	77,937	—
(c) Investment securities	8,244	6,923	(1,321)
Total	101,385	100,064	(1,321)
Liabilities:			
(a) Notes and accounts payable	37,547	37,547	—
(b) Short-term borrowings	48,200	48,200	—
(c) Current portion of long-term debt	42,262	42,611	348
(d) Long-term debt	89,909	90,595	686
Total	217,920	218,954	1,034
Derivative transactions	¥ 260	¥ 260	¥ —

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
Year ended March 31, 2012			
Assets:			
(a) Cash and deposits	¥ 17,676	¥ 17,676	¥ —
(b) Notes and accounts receivable	80,289	80,289	—
(c) Investment securities	8,180	6,906	(1,274)
Total	106,146	104,871	(1,274)
Liabilities:			
(a) Notes and accounts payable	41,746	41,746	—
(b) Short-term borrowings	40,628	40,628	—
(c) Current portion of long-term debt	28,848	28,984	136
(d) Long-term debt	99,786	101,379	1,593
Total	211,010	212,739	1,729
Derivative transactions	¥ (187)	¥ (187)	¥ —

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
Year ended March 31, 2013			
Assets:			
(a) Cash and deposits	$ 161,706	$ 161,706	$ —
(b) Notes and accounts receivable	829,028	829,028	—
(c) Investment securities	87,692	73,641	(14,051)
Total	1,078,449	1,064,397	(14,051)
Liabilities:			
(a) Notes and accounts payable	399,393	399,393	—
(b) Short-term borrowings	512,711	512,711	—
(c) Current portion of long-term debt	449,547	453,260	3,701
(d) Long-term debt	956,376	963,674	7,297
Total	2,318,051	2,329,050	10,998
Derivative transactions	$ 2,765	$ 2,765	$ —

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 — 14. 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 — 14. Derivative Transactions."

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

	Consolidated balance sheet amount		
	Millions of yen		Thousands of U.S. dollars (Note 1)
Classification	2013	2012	2013
Unlisted equity securities	¥69,295	¥57,019	$737,102
Investments in other securities of subsidiaries and affiliates	15,630	—	166,258
Nonpublic domestic bonds	240	240	2,552

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, 2013 to March 31, 2014	April 1, 2014 to March 31, 2018	April 1, 2018 to March 31, 2023	April 1, 2023 and thereafter
Year ended March 31, 2013				
(a) Cash and deposits	¥15,202	¥—	¥—	¥ —
(b) Notes and accounts receivable	77,937	—	—	—
(c) Investment securities:				
Available-for-sale securities with maturity date				
Bonds (domestic government and municipal bonds)	—	—	—	240
Total	¥93,140	¥—	¥—	¥240

	Millions of yen			
	April 1, 2012 to March 31, 2013	April 1, 2013 to March 31, 2017	April 1, 2017 to March 31, 2022	April 1, 2022 and thereafter
Year ended March 31, 2012				
(a) Cash and deposits	¥17,676	¥—	¥—	¥ —
(b) Notes and accounts receivable	80,289	—	—	—
(c) Investment securities:				
Available-for-sale securities with maturity date				
Bonds (domestic government and municipal bonds)	—	—	—	240
Total	¥97,965	¥—	¥—	¥240

	Thousands of U.S. dollars (Note 1)			
	April 1, 2013 to March 31, 2014	April 1, 2014 to March 31, 2018	April 1, 2018 to March 31, 2023	April 1, 2023 and thereafter
Year ended March 31, 2013				
(a) Cash and deposits	$161,706	$—	$—	$ —
(b) Notes and accounts receivable	829,028	—	—	—
(c) Investment securities:				
Available-for-sale securities with maturity date				
Bonds (domestic government and municipal bonds)	—	—	—	2,552
Total	$990,745	$—	$—	$2,552

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 — 6. Short-Term Borrowings and Long-Term Debt."

14. Derivative Transactions

(a) Derivative transactions for which hedge accounting had not been applied as of March 31, 2013 and 2012 were as follows:

Currency-related derivatives

Type			Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars (Note 1) 2013
Forward contracts:					
Selling:					
	U.S. dollars:	Contract amounts	¥2,447	¥1,371	$26,029
		Due over one year	—	—	—
		Fair value	(62)	(59)	(659)
		Net unrealized losses	(62)	(59)	(659)
	Japanese yen:	Contract amounts	¥ —	¥ 475	$ —
		Due over one year	—	—	—
		Fair value	—	3	—
		Net unrealized gains (losses)	—	3	—
Buying:					
	Japanese yen:	Contract amounts	¥ 155	¥ —	$ 1,648
		Due over one year	—	—	—
		Fair value	(3)	—	(31)
		Net unrealized losses	(3)	—	(31)

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, 2013 and 2012 were as follows:

Currency-related derivatives

Type		Hedged items		Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars (Note 1) 2013
Forward contracts:						
Selling:		Accounts receivable				
	U.S. dollars:		Contract amounts	¥10,393	¥5,812	$110,552
			Due over one year	—	—	—
			Fair value	4	(3)	42
	Euros:		Contract amounts	¥ —	¥ 129	$ —
			Due over one year	—	—	—
			Fair value	—	(2)	—
Buying:		Accounts payable				
	U.S. dollars:		Contract amounts	¥ 653	¥ 672	$ 6,946
			Due over one year	—	—	—
			Fair value	73	22	776
	Euros:		Contract amounts	¥ 23	¥ —	$ 244
			Due over one year	—	—	—
			Fair value	0	—	0
	Swiss franc:		Contract amounts	¥ 1	¥ —	$ 10
			Due over one year	—	—	—
			Fair value	(0)	—	(0)
	Malaysia ringgit:		Contract amounts	¥ 107	¥ —	$ 1,138
			Due over one year	—	—	—
			Fair value	(3)	—	(31)
Swap contracts:		Long-term debt				
	Receive U.S. dollars		Contract amounts	¥ 3,673	¥3,651	$ 39,070
	Pay Malaysia ringgit		Due over one year	2,326	3,243	24,742
			Fair value	(163)	(261)	(1,733)

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 for which hedge accounting had been applied

Type			Hedged items		Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars (Note 1) 2013
Swap contracts:			Interest for long-term debt				
	Receive	Float		Contract amounts	¥1,874	¥—	$19,934
	Pay	Fix		Due over one year	1,874	—	19,934
				Fair value	(32)	—	(340)

Notes:
(a) The deferred hedge method is applied as hedge accounting methods.
(b) Fair value of interest swap contracts is present value based on rates provided by financial institutions.

Interest rate-related derivatives for which exceptional accrual method had been applied

Type			Hedged items		Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars (Note 1) 2013
Swap contracts:			Interest for long-term debt				
	Receive	Float		Contract amounts	¥32,290	¥42,353	$343,474
	Pay	Fix		Due over one year	6,203	34,853	65,982
				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 2013	Millions of yen 2012	Thousands of U.S. dollars (Note 1) 2013
Forward contracts:		Raw materials and finished goods				
Selling:						
	Zinc:		Contract amounts	¥6,459	¥2,553	$68,705
			Due over one year	—	—	—
			Fair value	509	55	5,414
	Lead:		Contract amounts	¥1,412	¥ 749	$15,019
			Due over one year	—	—	—
			Fair value	84	5	893
	Gold:		Contract amounts	¥ 84	¥ —	$ 893
			Due over one year	—	—	—
			Fair value	(3)	—	(31)
	Silver:		Contract amounts	¥1,178	¥1,173	$12,530
			Due over one year	—	—	—
			Fair value	40	(28)	425
	Copper:		Contract amounts	¥ 20	¥ —	$ 212
			Due over one year	—	—	—
			Fair value	(0)	—	(0)
Buying:						
	Zinc:		Contract amounts	¥3,886	¥3,810	$41,336
			Due over one year	—	—	—
			Fair value	(183)	82	(1,946)
	Lead:		Contract amounts	¥ 10	¥ 170	$ 106
			Due over one year	—	—	—
			Fair value	(0)	(3)	(0)
	Copper:		Contract amounts	¥ 7	¥ —	$ 74
			Due over one year	—	—	—
			Fair value	(0)	—	(0)

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.

15. 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, 2013 and 2012 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Projected benefit obligation	¥36,450	¥33,813	$387,724
Plan assets at fair value	15,720	13,479	167,216
Projected benefit obligation in excess of plan assets	20,729	20,333	220,497
Less: Unrecognized actuarial differences	(285)	(73)	(3,031)
Less: Unrecognized prior service costs	(24)	230	(255)
Prepaid pension cost	1,668	632	17,742
Employees' retirement benefits	¥22,086	¥21,122	$234,932

The employees' retirement benefit costs for the fiscal years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Service costs — benefits earned during the year	¥1,868	¥1,943	$19,870
Interest cost on projected benefit obligation	612	587	6,509
Expected return on plan assets	(0)	(41)	(1)
Amortization of actuarial differences	2,621	1,055	27,880
Amortization of prior service costs	(103)	(17)	(1,095)
Additional retirement benefits	—	471	—
Employees' retirement benefit costs	4,998	3,999	53,164
Reversal of employees' retirement benefits	¥ —	¥ (194)	$ —

The actuarial assumptions for calculating the projected benefit obligation for the fiscal years ended March 31, 2013 and 2012 were as follows:

	2013	2012
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	1.0%-2.3%	1.7%-2.4%
Expected return on plan assets	Mainly 0.0%	Mainly 0.0%
Period to amortize prior service costs	1-5 years	1-5 years
Period to amortize the actuarial differences	1-3 years	1-3 years

16. Earnings per Share of Common Stock

Earnings per share of common stock at March 31, 2013 and 2012 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))
Year ended March 31, 2013				
Net income available to common shareholders	¥9,910	571,157	¥17.35	$0.18

	Net income (Millions of yen)	Weighted-average shares (Thousands)	Net income per share (Yen)
Year ended March 31, 2012			
Net income available to common shareholders	¥11,531	571,464	¥20.18

17. Loss on Impairment of Fixed Assets

Loss on impairment of fixed assets for the fiscal years ended March 31, 2013 and 2012 consisted of the following.

Year ended March 31, 2013

Location	Major use	Asset category	Millions of yen	Thousands of U.S. dollars (Note 1)
Shimonoseki City, Yamaguchi Prefecture, others	Production facilities	Machinery	¥20	$212
		Others	28	297
Kita-ku, Tokyo, others	Idle assets	Machinery	¥70	$744
		Land	34	361
		Others	14	148

Grouping of assets used for business purposes is based on plant- and product-specific units based on management accounting classifications.

Lease assets and idle assets that show signs of impairment are assessed on an individual asset basis for the purposes of impairment recognition.

As for production facilities, in cases where no future cash inflows are expected due to serious deterioration in market conditions undermining profitability, asset book values are reduced to zero. For production facilities with changed uses as a result of production system restructuring, if net selling prices reasonably estimated using the cost approach are exceeded by book values, the shortfalls are recorded as extraordinary losses (loss on impairment of fixed assets).

For idle assets with very low sale potentiality, book values have been reduced to zero and impairment losses duly recognized. In the case of idle assets with some prospect of sale, when net salable prices reasonably estimated by real estate appraisers are exceeded by book values, the shortfalls are recorded as extraordinary losses (loss on impairment of fixed assets).

Year ended March 31, 2012

Location	Major use	Asset category	Millions of yen
Shimonoseki City, Yamaguchi Prefecture, others	Production facilities	Machinery	¥ 52
		Others	133
Kita-ku, Tokyo, others	Idle assets	Machinery	¥ 17
		Land	12
		Others	0

Grouping of assets used for business purposes is based on plant- and product-specific units based on management accounting classifications.

Lease assets and idle assets that show signs of impairment are assessed on an individual asset basis for the purposes of impairment recognition.

As for production facilities, in cases where no future cash inflows are expected due to serious deterioration in market conditions undermining profitability, asset book values are reduced to zero.

For idle assets with very low sale potential, book values have been reduced to zero and impairment losses duly recognized. In the case of idle assets with some prospect of sale, when net salable prices reasonably estimated by real estate appraisers are exceeded by book values, the shortfalls are recorded as extraordinary losses (loss on impairment of fixed assets).

18. Related Party Transactions

(a) Related party transactions

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

The transaction amount for the fiscal years ended March 31, 2013 and 2012 with Pan Pacific Copper Co., Ltd. was as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Guarantees of bank loans	¥54,779	¥50,721	$582,693
Underwriting of capital increase	10,697	—	113,785

2. 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 transaction amount for the fiscal years ended March 31, 2013 and 2012, and account balance as of March 31, 2013 and 2012 with MS Zinc Co., Ltd. were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Cost of sales (Mainly purchasing of zinc metals)	¥12,594	¥14,281	$133,964
Accounts payable	4,625	4,381	49,196

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

3. The company holds a stake of 34% in MFN Investment LLC, which invests in a Netherlands corporation set up for the purpose of financing SCM Minera Lumina Copper Chile, which operates the Caserones mine in Chile.
   The transaction amount for the fiscal year ended March 31, 2013 with MFN Investment LLC was as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Underwriting of investment	¥15,630	¥—	$166,258

4. SCM Minera Lumina Copper Chile is an affiliate of Pan Pacific Copper Co., Ltd.
   The transaction amount for the fiscal years ended March 31, 2013 and 2012 with SCM Minera Lumina Copper Chile was as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Guarantees of bank loans	¥35,372	¥16,319	$376,257

5. Caserones Finance Netherlands B.V. is an affiliate of Pan Pacific Copper Co., Ltd.
   The transaction amount for the fiscal years ended March 31, 2013 and 2012 with Caserones Finance Netherlands B.V. was as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Guarantees of bank loans	¥7,191	¥6,282	$76,491

(b) Note about significant related party

In the fiscal year ended March 31, 2013, Pan Pacific Copper Co., Ltd., was recognized as significant related party and the summary of its financial statements was as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Total current assets	¥205,183	¥195,195	$2,182,565
Total fixed assets	144,027	113,756	1,532,039
Total current liabilities	190,612	177,475	2,027,571
Total long-term liabilities	5,923	10,416	63,003
Total net assets	152,674	121,059	1,624,018
Net sales	591,508	626,670	6,291,968
Income before income taxes and minority interests	2,575	5,038	27,390
Net income	1,496	3,377	15,913

19. Asset Retirement Obligations

Year ended March 31, 2013 and 2012

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)

Compania Minera Santa Luisa S.A. has recognized asset retirement obligations in accordance with International Financial Reporting Standards, by estimating closure costs based on mine closure plans under mine closure legislation and regulations in Peru. With regard to estimation of asset retirement obligations, a discount rate of 1.9% is used, and the estimated period up to payment is based on number of recoverable years from launch of operations (average of 37 years).

In addition, during the fiscal year ended March 31, 2013, in accordance with mine closure legislation and regulations, the company revised its estimate of mine closure costs, no longer using the number of recoverable years from launch of operations (average of 34 years) or the 1% discount rate used in the previous fiscal year. As a result, ¥702 million were added to the balance of asset retirement obligations compared with before the change.

(Asbestos)

The expected periods of time before removal expenses at the time of dismantling is estimated between 15 and 32 years depending on each asset. The companies use rates between 1.33% and 2.30% 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, 2013 as expenses, instead of recording them as asset retirement obligations under liabilities.

The companies use periods of time between 12 and 21 years from the date of occupancy to estimate the amount of the expenses.

The companies estimate the uncollectible amount of lease deposits as ¥82 million ($872 thousand) in the fiscal year ended March 31, 2013.

(c) Changes in the total amount of these asset retirement obligations in the fiscal year ended March 31, 2013 and March 31, 2012

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
Balance at the beginning of the fiscal year	**¥1,445**	¥1,384	**$15,370**
Adjustments due to the passage of time	**41**	102	**436**
Decrease from execution of asset retirement obligations	**(35)**	(33)	**(372)**
Increase from changes of estimates	**702**	—	**7,467**
Impact of foreign currency translation	**304**	(8)	**3,233**
Balance at the end of the fiscal year	**¥2,458**	¥1,445	**$26,146**

20. Consolidated Statements of Comprehensive Income

Year ended March 31, 2013 and 2012

Amounts reclassified to net income in the current period that were recognized in other comprehensive income in the current or previous periods and tax effects for each component of other comprehensive income were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2013	**2013**
Net unrealized gains (losses) on securities:			
Increase (decrease) during the year	**¥ 329**	¥(1,136)	**$ 3,499**
Reclassification adjustments	**(8)**	(103)	**(85)**
Sub-total, before tax	**321**	(1,239)	**3,414**
Tax (expense) or benefit	**(47)**	458	**(499)**
Sub-total, net of tax	**273**	(780)	**2,903**
Deferred gains (losses) on hedges:			
Increase (decrease) during the year	**(408)**	475	**(4,339)**
Reclassification adjustments	**810**	(104)	**8,616**
Sub-total, before tax	**401**	370	**4,265**
Tax (expense) or benefit	**(206)**	(19)	**(2,191)**
Sub-total, net of tax	**195**	351	**2,074**
Foreign currency translation adjustments:			
Increase (decrease) during the year	**6,305**	(1,197)	**67,067**
Sub-total, net of tax	**6,305**	(1,197)	**67,067**
Share of other comprehensive income of associates accounted for using equity method:			
Increase (decrease) during the year	**(841)**	(946)	**(8,945)**
Reclassification adjustments	**3,760**	392	**39,995**
Sub-total, net of tax	**2,918**	(554)	**31,039**
Total other comprehensive income	**¥9,693**	¥(2,180)	**$103,106**

Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of Mitsui Mining and Smelting Company, Limited and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2013 and 2012, and the consolidated income statements, statements of comprehensive income, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to 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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Mitsui Mining and Smelting Company, Limited and its consolidated subsidiaries as at March 31, 2013 and 2012, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2013 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

June 27, 2013
Tokyo, Japan

Investor Information (As of March 31, 2013)

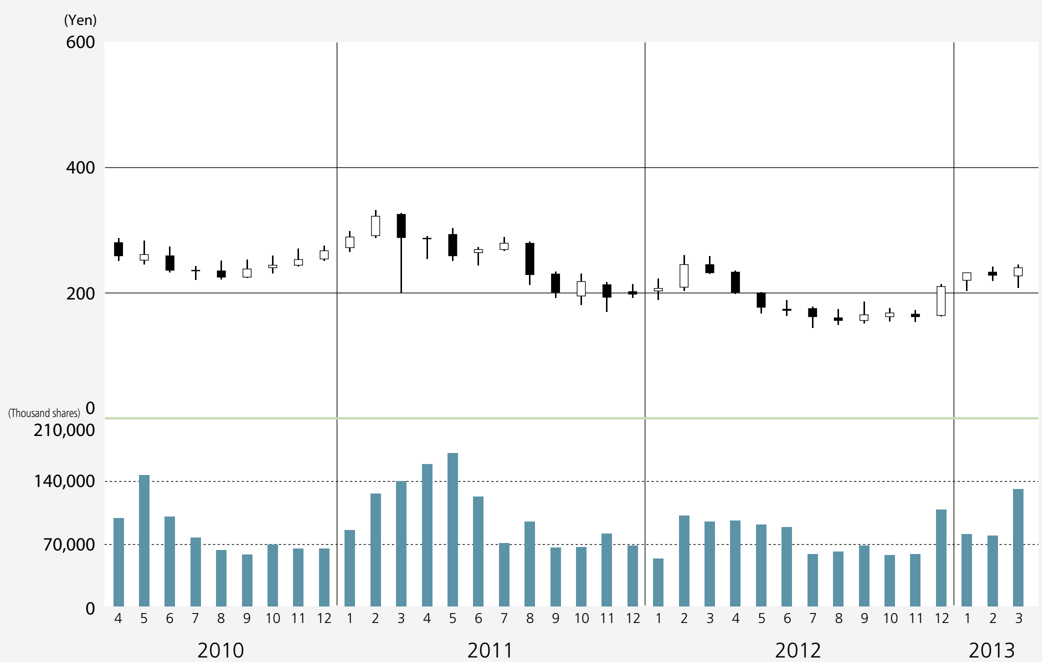
Number of shareholders: 53,651

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)	42,482	7.43
Japan Trustee Services Bank, Ltd. (Held in trust account 9)	38,346	6.71
The Master Trust Bank of Japan, Ltd. (Held in trust account)	34,574	6.05
National Mutual Insurance Federation of Agricultural Cooperatives	23,291	4.07
CBNY – ORBIS SICAV	16,618	2.90
The Employees' Shareholding Association	11,744	2.05
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS	6,525	1.14
Mitsui Life Insurance Company, Limited	5,986	1.04
Trust & Custody Services Bank, Ltd. (Held in securities investment trust account)	5,470	0.95
The Clients' Shareholding Association	5,463	0.95

Notes: 1. Percentages of shares held are calculated based on the total number of shares issued and outstanding (excluding 1,813,745 shares in treasury).
2. Figures are rounded down to the nearest thousand shares.

Stock price range:



Corporate Data (As of March 31, 2013)

Established: May 1, 1950

Authorized capital: 1,944 million shares

Shares issued: 572,966,166 shares

Paid-in capital: ¥42,129 million

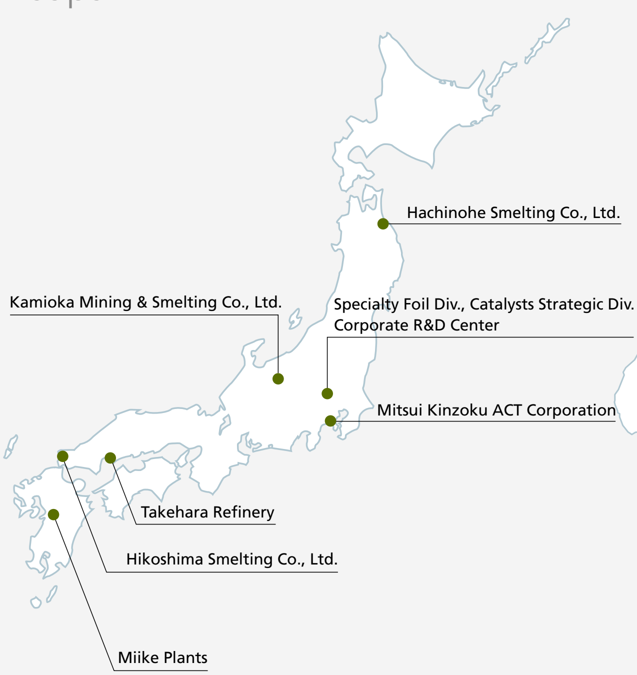
Stock listings: Common stock is listed on the Tokyo Stock Exchange

Principal subsidiaries:

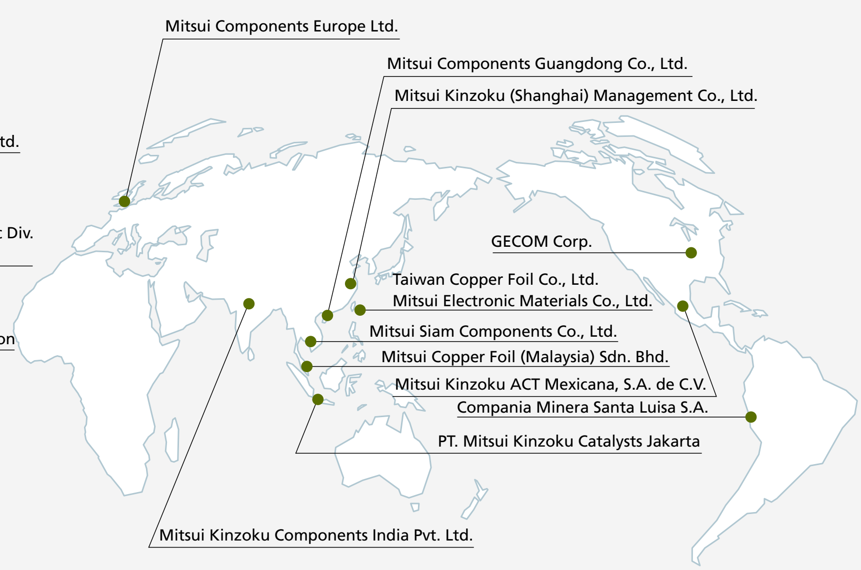
	Paid-in capital (Millions)	Equity stake of the company (%)
Kamioka Mining & Smelting Co., Ltd.	¥4,600	100.0
Hachinohe Smelting Co., Ltd.	¥4,795	85.5
Hikoshima Smelting Co., Ltd.	¥460	100.0
Okuaizu Geothermal Co., Ltd.	¥100	100.0
Taiwan Copper Foil Co., Ltd.	NT$800	95.0
Mitsui Copper Foil (Malaysia) Sdn.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

Major plants and offices:

Japan



Overseas



Worldwide Operations (As of March 31, 2013)

	Japan	Asia	Americas and Europe
Offices/ Laboratories	Head Office (Shinagawa, Tokyo) Osaka Branch (Osaka, Osaka) Corporate R&D Center (Ageo, Saitama)	Mitsui Kinzoku Trading (Shanghai) Co., Ltd. (Shanghai, China) Mitsui Kinzoku (Shanghai) Management Co., Ltd. (Shanghai, China)	Mitsui Mining & Smelting Co., Ltd., Sucursal del Perú (Lima, Peru) Oak-Mitsui Technologies LLC (New York, U.S.A.)
Engineered Materials	Takehara Battery Materials Plant (Takehara, Hiroshima) Kamioka Catalyst Plant (Hida, Gifu) Miike Rare Matals Plant (Omuta, Fukuoka) NIHON KESSHO KOUGAKU Co., Ltd. (Tatebayashi, Gunma)	Mitsui Kinzoku Components India Pvt. Ltd. (Haryana, India) Mitsui Kinzoku Catalyst Zhuhai Co., Ltd. (Guangdong, China) PT. Mitsui Kinzoku Catalysts Jakarta (Jawa Barat, Indonesia) Mitsui Kinzoku Catalysts (Thailand) Co., Ltd. (Rayong, Thailand) Mitsui Kinzoku Catalysts Vietnam Co., Ltd. (Hanoi, Vietnam)	
Metals, Minerals & Environmental Engineering	Takehara Refinery (Takehara, Hiroshima) Kamioka Mining & Smelting Co., Ltd. (Hida, Gifu) Hachinohe Smelting Co., Ltd. (Shinagawa, Tokyo) Hikoshima Smelting Co., Ltd. (Shimonoseki, Yamaguchi) MS Zinc Co., Ltd. (Minato, Tokyo) Pan Pacific Copper Co., Ltd. (Chiyoda, Tokyo) Okuaizu Geothermal Co., Ltd. (Yanaizu, Fukushima)	Shanghai Mitsui Xin Yun Precious and Rare Metal Recycle Co., Ltd. (Shanghai, China)	Compania Minera Santa Luisa S.A. (Lima, Peru)
Electronic Materials	Ageo Copper Foil Plant (Ageo, Saitama)	Taiwan Copper Foil Co., Ltd. (Nantou, Taiwan) Mitsui Copper Foil (Malaysia) Sdn. Bhd. (Selangor Darul Ehsan, Malaysia) Mitsui Copper Foil (Hong Kong) Co., Ltd. (Hong Kong, China) Mitsui Copper Foil (Suzhou) Co., Ltd. (Jiangsu, China) Mitsui Copper Foil (Guangdong) Co., Ltd. (Guangdong, China)	Oak-Mitsui Inc. (New York, U.S.A.)
Materials & Applications	Miike PVD Materials Plant (Omuta, Fukuoka) Omuta Ceramics Plant (Omuta, Fukuoka) Nirasaki Die-Casting Plant (Nirasaki, Yamanashi) Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd. (Ageo, Saitama) MESCO, Inc. (Sumida, Tokyo)	Mitsui Electronic Materials Co., Ltd. (Taichung, Taiwan) Mitsui Kinzoku Korea Co., Ltd. (Pyeongtaek-si, Korea) Mitsui Grinding Technology (Thailand) Co., Ltd. (Chonburi, Thailand) Mitsui Kinzoku Advanced Ceramics (Suzhou) Co., Ltd (Jiangsu, China)	
Automotive Parts & Components	Mitsui Kinzoku ACT Corporation (Yokohama, Kanagawa) Monodukuri Technical Center (Nirasaki, Yamanashi) Kyushu Plant (Miyako, Fukuoka)	Mitsui Siam Components Co., Ltd. (Rayong, Thailand) Mitsui-Huayang Automotive Components Co., Ltd. (Guizhou, China) Mitsui Components Guangdong Co., Ltd. (Guangdong, China) Wuxi Dachong Industry Co., Ltd. (Jiangsu, China)	GECOM Corp. (Indiana, U.S.A.) Mitsui Kinzoku ACT Mexicana, S.A. de C.V. (Guanajuato, Mexico) Mitsui Components Europe Ltd. (Wales, U.K.)

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