

News Release

July 2, 2003

Nippon Mining&Metals announced its metal fabrication business would be split off from the company

Nippon Mining & Metals, a core operating company of Nippon Mining Holdings Group, has announced that its metal fabrication business will be split off from the Company and transferred to “Nikko Metal Manufacturing Co., Ltd.”, a company to be incorporated by way of a corporate split (*kaisha-bunkatsu* under the Commercial Code of Japan). Nikko Metal Manufacturing will be a wholly owned company of Nippon Mining Holdings, Inc., and will function as a core operating company of the Group, after the reorganization which will be effective October 1, 2003.

Nippon Mining & Metals is currently running two main businesses ; Resources & Metals, which is promoting business alliances with other companies, both Japanese and foreign, building on its world-class cost competitiveness and productivity, and Metal Fabrication, which is aiming at consolidating its presence in the Chinese market while pushing ahead with its orientation towards high-performance and value-added products.

The two businesses, although pursuing the same global expansion, differ in business nature and have different competitive markets. In order for these businesses to win the world competition, each business needs to be given greater specialization, concentration of resources, and an organizational structure that will be responsible for its own profitability under flexible management.

Accordingly, Nippon Mining & Metals has decided to split off the metal fabrication from its business and transfer it to Nikko Metal Manufacturing. Nippon Mining & Metals believes that the competitiveness of the metal fabrication business will be further enhanced with the new company independently managing the business.

After the reorganization, Nippon Mining & Metals thus will be specialized in the resources & metals business including resources development, smelting and refining of copper and zinc.

Outlines of these two companies as of October 1, 2003 are set out on a separate sheet.

As a result of this split-up, Nippon Mining Holdings Group will be reorganized to include four core business groups: Japan Energy Group(petroleum), Nippon Mining & Metals Group(resources & metals), Nikko Metal Manufacturing Group(metal fabrication) and Nikko Materials Group(electronic materials), each of which will be seeking to streamline its operations for greater profit performance based on its business structure that best fits its specific business area.

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1.Outline of Nikko Metal Manufacturing Co., Ltd.(As of 1 October, 2003 (expected))

- (1) Name: Nikko Metal Manufacturing Co.,Ltd.**
- (2) Head Office: Kurami, Samukawa-cho, Kouza-gun, Kanagawa**
- (3) Capital: Yen 8billion**
- (4) Representative: President and Representative Director: Yoshimasa Adachi**
- (5) Number of Employees: About 530**
- (6) Consolidated Sales: About Yen 45billion**
- (7) Main Business: Metal and Special Alloy Fabrication**
- (8) Operating Unit: Kurami Works**
- (9) Offices: Osaka Office, Nagoya Office**

2.Outline of Nippon Mining & Metals Co.,Ltd. (As of 1 October,2003 (expected))

- (1) Name: Nippon Mining & Metals Co.,Ltd.**
- (2) Head Office: 10-1,Toranomon 2-chome, Minatoku,Tokyo**
- (3) Capital: Yen 27billion**
- (4) Representative: President and Representative Director: Kazuo Oki**
- (5) Number of Employees: About 900**
- (6) Consolidated Sales: About Yen 300billion**
- (7) Main Business: Resources Development, Smelting, Refining of Nonferrous Metals**
- (8) Operating Units: Hitachi Works, Saganoseki Smelter & Refinery**
- (9) Domestic Offices: Osaka Office, Nagoya Office**
- (10) Overseas Offices: Shanghai Office, Australia Office, Chile Office**