

December 5, 2005

## Integration of 3 metal-related subsidiaries of Nippon Mining Group

Nippon Mining Holdings (Head Office: Minato-ku, Tokyo, President: Yasuyuki Shimizu) announced today that it decided to integrate its 3 subsidiaries (Nippon Mining & Metals, Nikko Materials and Nikko Metal Manufacturing) into one company, effective on April 1, 2006.

“Nippon Mining & Metals”, the integrated company, will engage in business activities ranging from resources development to smelting & refining, metal fabrication and electronic materials, aiming to be an international excellent company with strong competitiveness both in the upstream and downstream.

The outline of the integration is as follows.

### 1. Method of integration

(1) Nikko Materials, the surviving company in the integration, will absorb copper business, recycling & environmental services, and R&D of Nippon Mining & Metals. Subsequently Nippon Mining & Metals will be merged into Nippon Mining Holdings and dissolved.

(2) Nikko Materials will change its name to Nippon Mining & Metals, and Nikko Metal Manufacturing will be merged into Nikko Material (since renamed, Nippon Mining & Metals) and dissolved.

### 2. Date of integration

April 1, 2006

### 3. Outline of new company

(1) Name: Nippon Mining & Metals Co., Ltd.

(2) Head Office: 2-10-1 Toranomom Minato-ku Tokyo

(3) Organization:

(a) The new company will comprise Operation Division, Corporate Division and Technology Development Division.

(b) The Operation Division will have 3 company units, “Resources & Non-ferrous Metals Company”, “Electronic Materials Company”, and “Metal

Fabrication Company”, which succeed to the current businesses of Nippon Mining & Metals, Nikko Materials, and Nikko Metal Manufacturing, respectively.

- (4) Paid in capital: 65.0 billion yen
- (5) Business field: Resource & non-ferrous metals, electronic materials, and metal fabrication
- (6) Sales: Approximately 540 billion yen (forecast for the fiscal year ending March 2006)
- (7) Representative: To be determined
- (8) Number of employees: Approximately 4200

The integration will enable Nippon Mining Holdings Group to 1) roll out more dynamic business strategies on a global scale, 2) maximize synergy in various aspects of its operations including technology and marketing, 3) recruit and develop highly-qualified staff through integrated human resource management, and 4) further streamline its organization and human resource allocation particularly in administrative divisions.

Nippon Mining Holdings Group, placing the petroleum business of Japan Energy and the metal business of newly established Nippon Mining & Metals as its core businesses, will accelerate its move toward efficient use of management resources and aggressive implementation of growth strategies.

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