

TRANSLATION OF JAPANESE LANGUAGE PRESS RELEASE

May 10, 2006

Nippon Mining Holdings, Inc.

Japan Energy Corporation

Nippon Mining & Metals Co., Ltd.

Adoption of a New Organizational Structure by Core Subsidiaries

The Boards of Directors of Japan Energy Corporation (“Japan Energy”; Head Office: 2, Toranomon, Minato-ku, Tokyo; President: Mitsunori Takahagi) and Nippon Mining & Metals Co., Ltd. (“Nippon Mining & Metals”; Head Office: 2, Toranomon, Minato-ku, Tokyo; President: Masanori Okada), the core subsidiaries of Nippon Mining Holdings, Inc. (the “Company”; Head office: 2, Toranomon, Minato-ku, Tokyo; President: Yasuyuki Shimizu”), met today respectively and resolved to adopt a new organizational structure as detailed below.

1. Background of adopting a new organizational design

Under the new Company Law of Japan, which took effect on May 1, 2006, “*large companies*”, defined as joint stock corporations with capital of ¥500 million or more or total liabilities of ¥20 billion or more, are not required to have in place a board of directors or board of auditors if they are “*private companies*” defined as joint-stock corporations whose articles of incorporation restricts transfer of issued shares without prior consent of the issuer. Japan Energy and Nippon Mining & Metals, the core subsidiaries of the Nippon Mining Holdings Group, intend to facilitate speedy decision making and streamline managerial structure and thereby enhance overall management efficiency by adopting the aforementioned provision of the new Company Law.

2. Process of adopting the new organizational structure

- (1) Japan Energy and Nippon Mining & Metals will become *private companies*, after which they will abolish the Board of Directors, Board of Auditors and Executive Committee respectively.
- (2) Matters that are currently required to be resolved by the Board of Directors of respective companies will be categorized into matters to be referred to the annual general meeting of shareholders and matters to be reported to and decided by President. The Executive Officers’ Meeting will be newly established for the purpose of preliminary deliberation and reporting.

3. Timing of adopting the new organizational structure

Since amendments to the Articles of Incorporation is required to adopt the new organizational structure, each subsidiary will propose related amendments to their annual general meeting of shareholders scheduled on June 26, 2006, and if approved, will adopt the new organizational structure effective June 28, 2006.

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