

April 7, 2004

Nippon Mining Holdings, Inc.

Re: Development of Medium-Term Business Plan for FY2004 through FY2006

Since its establishment, Nippon Mining Holdings, Inc. (headquartered in Toranomon 2-chome, Minato-ku, Tokyo, headed by Yasuyuki Shimizu, president) has focused on putting "quality over quantity" and an "emphasis on profitability" in its group operations. It has been moving forward with enthusiastic structural reforms that aim to improve its profitability and financial health based on medium-term business plans.

The company has recently developed a new medium-term business plan for FY2004 through FY2006 as described below. The company is committed to steadily implementing this plan and further enhancing its corporate value.

1. Overview of FY2003

FY2003 provided the basis for this medium-term business plan.

- (a) Both operating income and net income are expected to exceed the previous year's levels by a wide margin as a result of structural improvement efforts made by our subsidiaries in addition to the upturn in the business environment lead by the rapid recovery of IT and materials industries.
- (b) We moved forward with various measures for loss disposition in order to improve our financial health as well as inventory reduction and sales of unutilized assets. This resulted in a significant reduction of interest-bearing liabilities, which has been one of our major challenges, by 13% (approximately 110 billion+ yen) over the previous year, far ahead of our initial projection.
- (c) In light of such earnings recovery, we will raise year-end dividends by two yen over last year to six yen per share.

2. Outline of the Medium-Term Business Plan for FY2004-FY2006

(1) Basic policies

- (a) We will accelerate our reform initiatives with an aim to increasing profitability in all business segments and drastically improve our corporate financial health. With a keen eye towards improving our corporate financial health, we will complete all necessary loss disposition measures by the end of FY2004 while complying with all new accounting standards.
- (b) We will maximize our profitability potential and enhance our revenue base.

- (c) We will actively seek profit-earning opportunities as well as business opportunities that have the potentials for synergy among group companies.

(2) Views on the current business environment

- (a) The Chinese economy is expected to achieve a high level of growth well into the foreseeable future and join the US as a world economic leader.
- (b) With the recovery of the IT and materials industries, there have been favorable changes in the corporate mindset and the overall domestic economy is expected to see an upturn.
- (c) Prices of basic materials such as metals and petrochemicals are rising due to the tight global supply/demand.
- (d) With growing demand in China, crude oil prices will remain at a high level.
- (e) The stock market remains strong, with less of a concern over drastic declines.
- (f) Due to the continued US "twin deficits," the dollar exchange rate will remain weak

3. Medium- and Long-term Business Objectives

Last year Nippon Mining Holdings Group set the following medium- and long-term business objectives based on its overall management resources and potential capabilities:

- (a) Consolidated operating income-to-sales ratio of 5% (operating income of 100 billion yen)
- (b) Consolidated equity ratio of 25% (equity of 380 billion yen)
- (c) Reduction of consolidated interest-bearing liabilities by 300 billion yen (in comparison with March 31, 2003)

Nippon Mining Holdings Group will implement improvement measures worked into this medium-term business plan and successfully reach its final goals set for fiscal 2006. This will create a strong foothold for achieving the plan's objectives.