

TRANSLATION OF JAPANESE LANGUAGE PRESS RELEASE

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Nippon Mining Holdings Group
Nippon Mining & Metals Co., Ltd.

Progress Update on the Hitachi Area Renewal Plan

1. Nippon Mining & Metals Co., Ltd. (Head Office: Toranomom 2-Chome, Minato-ku, Tokyo; President: Masanori Okada; hereafter, the “Company”) conducts broadly-based operations and research and development in the Hitachi area, including the copper electrolysis refining business, the environmental recycling business, the copper foil business and the precision plating business. On occasion of the celebration of 100 years of operations in this area, the Company has been promoting the “Hitachi Area Renewal Plan,” which is aimed at creating a business base for the next 100 years through a program of enhancing the efficiency, expanding the respective operations, strengthening research and development capabilities. In addition, buildings and facilities in the area as a whole are being scrapped, rebuilt, re-located and expanded with the aim further enhancing the infrastructure within the area as part of the renewal plan.

2. Presently, while the buildings and facilities within the Hitachi area are organized by business operation, the layout is not the most conducive for operations and distribution, and portions of the plant buildings have become aged. On the other hand, with the merger of the Nippon Mining Holdings Group’s three metals-related companies in April of this year, the Company started to study ways to increase the efficiency and flexibility of operations for the respective businesses concentrated within this area. As a result, the Company integrated support operations for the Hitachi and Shirogane Works on October 1 of this year and formulated the “Hitachi Area Renewal Plan” as outlined below.

3. Overview of the Hitachi Area Renewal Plan
 - (1) Plan Goals and Overview of Implementation
 - (i) Area Layout

The Hitachi Area will be divided into the following three areas in order to concentrate

buildings and facilities to enhance the efficiency and flexibility of operations for each business.

Daioin Area: Environmental Recycling Business Area

Shibauchi-Nishi Area: Copper Electrolytic Refining Business Area

Shirogane/Shibauchi-Higashi Area: High Tech/Technology Development Area

(Copper Foil/ MAQINAS[®] and other Circuit Materials Businesses)

(Precision Plating Business)

(Technology Development Center)

(ii) Strengthened Functionality Through Capacity Expansion

Initiation of HMC Plan in the Environmental Recycling Business

Plating line expansion in the Precision Plating Business

Expansion of respective research areas in the Technology Development Center

(iii) Area Facilities

In addition to improving the work environment and making the plant interior more attractive, area infrastructure will also be enhanced to cope with future capacity expansion.

Establishment of distribution infrastructure within the area

Rebuilding of integrated offices and welfare facilities

Scraping and relocation of unneeded buildings and facilities

(Note)

“MAQINAS”: A dual-layer plating material for semiconductor surface mounting film (chip on film) used in liquid crystal display equipment.

Sample production and shipment has begun at the Company’s Shirogane Plant in preparation for full-scale commercialization.

“HMC”: An acronym for “Hitachi Metal Recycling Complex,” a new environmental recycling business the Company is planning to launch in the future. New copper recovery furnace and wet processing facilities will be newly built within the Hitachi Plant which, along with the Nikko Environmental Services Co., Ltd.’s recycle furnace and Clean Z furnaces, will recover gold, silver and copper from low quality scrap, and will recover intermediate products such as antimony, bismuth and tin that are

produced as part of the refining process at Nikko Smelting & Refining Co., Ltd.'s Saganoseki Smelter & Refinery.

(2) Total Capital Expenditures: ¥11.0 billion (excluding investments to expand production capacity)

(3) Entire Period of the Plan: Construction to begin in the second-half of fiscal 2006, with completion scheduled for the end of fiscal 2009 (approximately 3.5 years).

4. With the implementation of this renewal plan, the Company aims to build a structure that will not only improve short-term business performance, but also respond to future business growth, mainly through a review of the layout of the Hitachi Area, facility expansion and infrastructure enhancements within the area.

【Inquiries】

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