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**Announcing the “MM Renaissance”
– the Mitsui Mining Group’s Medium-term Business Plan –
and the Revised Earnings Forecast**

The Mitsui Mining Company has announced its “MM Renaissance” corporate revitalization plan - the Mitsui Mining Group’s Medium-term Business Plan covering the four-year period from FY2005 to 2008.

Moreover, the earnings forecast for the fiscal year ending March 2006 as announced on August 12, 2005 has been revised.

I. Medium-term Business Plan

1. Background

Since October 2003, when the Industrial Revitalization Corporation of Japan announced its decision to provide assistance to the Mitsui Mining Company, Limited, the company has been implementing various restructuring measures based on the corporate revitalization plan including reorganization, shrinking-to-grow selective concentration on areas with growth potential to develop the framework to revitalize the company.

Thanks to the boom in the raw material market in addition to the effect of the company’s

restructuring business is currently growing at a pace exceeding the corporate revitalization plan.

Moreover, the company's business environment has changed significantly since the corporate revitalization plan was formulated, including large-scale capital investment outside the scope of the Revitalization Plan such as reactivating the currently inactive coking furnace, as well as setting aside additional funds for Mitsui Coal Mining Co., Ltd. and recording an extraordinary loss due to the adoption of fixed-assets impairment accounting, etc. Therefore, in order to provide a medium-term outlook both to those inside and those outside the company, Mitsui Mining has decided to formulate and announce its Medium-term Business Plan.

2. Forecast Plan

(1) Consolidated Figures

(Unit: 100 million yen)

	FY2005	FY2006	FY2007	FY2008
Sales	1,918	1,970	1,989	2,055
Ordinary income	106	49	64	107
Current net income	9	77	46	99
Borrowing	738	837	757	625
Shareholders' equity	251	328	374	454

(2) Non-consolidated Figures

(Unit: 100 million yen)

	FY2005	FY2006	FY2007	FY2008
Sales	1,544	1,599	1,608	1,659
Ordinary income	90	30	44	87
Current net income	14	64	32	85
Borrowing	630	735	658	541
Shareholders' equity	236	300	331	398

(Reference Data) Non-consolidated figures as compared to the corporate revitalization plan

(Unit: 100 million yen)

	FY2005		FY2006	
	Corporate Revitalization Plan	Medium-term Business Plan	Corporate Revitalization Plan	Medium-term Business Plan
Sales	1,269	1,544	1,298	1,599
Ordinary income	11	90	13	30
Current net income	9	14	11	64
Borrowing	615	630	570	735
Shareholders' equity	143	236	154	300

Note: The corporate revitalization plan is a non-consolidated business plan only and it covers only the period up to FY2006.

3. Outline of the Plan

< Corporate Philosophy >

- Mitsui Mining strives to contribute to the constant advance of humankind by providing the world with a stable supply of the resources, raw materials and related value-added technologies essential for the varied activities of humankind. In this way, as a corporate group of lasting and sustainable value, Mitsui Mining Company, Limited proactively assists in the creation of a better infrastructure.

< Overall Strategy >

- Mitsui Mining Company, Limited strives to supply the world with resources, raw materials and related value-added technologies centering on the energy sector.
- Relying on its proprietary corporate resources coupled with the strength of its unique technologies, infrastructure and trademarks/licences, Mitsui Mining is expanding its solution business globally, backed by its outstanding propensity to formulate plans and proposals.
- Mitsui Mining seeks to maximize the Group's corporate value through integrated management (including the affiliates).

(1) Business Restructuring Strategy

Concentration of the corporate resources in the core businesses (coal & coke) and maximizing the synergies with the company's backers (Daiwa Securities SMBC Principal Investments Co. Ltd., Nippon Steel Corporation and Sumitomo Corporation)

1) Concentrating corporate resources

- Increasing the production capacity by 500,000 tons/year (1.6 million tons/year → 2.1 million tons/year) by reactivating the currently inactive coking furnace (1A Furnace) (activation scheduled for FY2006 with investment value of approx. 13 billion yen).
- Supplying Nippon Steel Corporation with the increased coke production over an extended period of 10 years from FY2006.
- Drastic cost reduction by introduction of the coke dry quencher (CDQ), the generating equipment and the coal moisture controller (CMC) (operation scheduled in the second half

of FY2005 with a total investment valued at approx. 6.4 billion yen).

- Focus on investment in the coking plant for environmental improvement as well as replacement of aging facilities.

- Increasing the coal sales volume (6.4 million tons/year → 8.5 million tons/year) by enhancing the solution business through optimum leveraging of various functions of the coal chain from its initial phase (resource development) through to the final phase (recycling).

2) Further shrinking to grow

- Shift to highly profitable businesses by further pursuing shrink-to-grow strategies among other businesses.

3) Early commercialization of new products & new businesses

- Moving into new fields and expanding to P.R. China, Taiwan and other parts of Asia by taking advantage of our brand and technological strength based on the company's longstanding sales record in the chemical engineering machinery sector (powder and granule related equipment).

- Early commercialization of nanostructured alumina (NSA), which has considerable potential as an environmental purification catalyst, etc. (plant operation scheduled in FY2006).

(2) Finance Strategy

Set the target debt to operating cash flow ratio of 4.0x in order to provide return for the company's shareholders.

1) Reducing borrowing

- Reducing the overall Group borrowing by 10 billion yen during the term of the Plan (reduction by 20 billion yen excluding the investment to reactivate the currently inactive coking furnace).

- Intensifying the efforts to dispose of idle assets (planning to sell 7.9 billion worth of land in total for the entire Group during the term of the Plan).

2) Restoring financial soundness

- Refinancing credits from the Industrial Revitalization Corporation of Japan.

- Eliminating the lingering potential risk from past coal mining activities by liquidating Mitsui Coal Mining Co. Ltd.

3) Providing Returns on profit

- Planning to resume dividend payment and start preferred stock redemption hopefully in FY2008 (cash base).

II. Revision of Earnings Forecast for the Year Ending March 2006

1. Revision of consolidated six-months earnings forecast for the year ending March 2006 (from April 1, 2005 to September 30, 2005)

(Unit: million yen)

	Sales	Ordinary income	Current net income
Forecast previously announced (A)	94,000	5,300	4,300
Revised forecast (B)	94,000	5,300	(2,800)
Change (B-A)	-	-	(7,100)
% Change	-	-	-
Actual for the previous six-months period (Year ended March 2005)	94,920	5,787	5,001

2. Revision of consolidated annual earnings forecast for the year ending March 2006
(from April 1, 2005 to March 31, 2006)

(Unit: million yen)

	Sales	Ordinary income	Current net income
Forecast previously announced (A)	195,000	10,500	8,500
Revised forecast (B)	191,800	10,600	900
Change (B-A)	(3,200)	100	(7,600)
% Change	(1.6)	1.0	(89.4)
Actual for the previous year (Year ended March 2005)	194,584	13,206	11,302

3. Revision of non-consolidated six-months earnings forecast for the year ending March 2006
(from April 1, 2005 to September 30, 2005)

(Unit: million yen)

	Sales	Ordinary income	Current net income
Forecast previously announced (A)	73,000	5,000	4,000
Revised forecast (B)	73,700	5,000	(1,000)
Change (B-A)	700	-	(5,000)
% Change	1.0	-	-
Actual for the previous six-months period (Year ended March 2005)	68,919	4,969	3,864

4. Revision of non-consolidated annual earnings forecast for the year ending March 2006
(from April 1, 2005 to March 31, 2006)

(Unit: million yen)

	Sales	Ordinary income	Current net income
Forecast previously announced (A)	150,000	9,000	7,500
Revised forecast (B)	154,400	9,000	1,400
Change (B-A)	4,400	-	(6,100)
% Change	2.9	-	(81.3)
Actual for the previous year (Year ended March 2005)	143,133	10,746	8,513

5. Reasons

In conjunction with the formulation of the Medium-term Business Plan, Mitsui Mining Company, Limited have reevaluated the assets and reviewed the business risks, etc. in order to eliminate any foreseeable potential risks to the greatest extent possible. As a result, the company plans to record an extraordinary loss of 10.6 billion yen (net of any extraordinary gain from reversal of allowance for bad debt, etc.) within the current six-months period (consolidated). Major components of the extraordinary loss are as follows:

- 1) In conjunction with the liquidation of Mitsui Coal Mining Co. Ltd. within the term of the Medium-term Business Plan, the company plans to set aside additional reserves for bad debts of 4.7 billion yen for its receivables from the company, corresponding to the company's liquidation loss (loss on retirement, demolition cost, property tax, etc. of the facilities attached to the power plant, company-owned residential buildings, etc.) anticipated at this point.
- 2) Due to adoption of fixed-assets impairment accounting, the company plans to record an extraordinary loss of 4.2 billion yen on the Group's fixed assets.
- 3) As Mitsui Mining Company, Limited announced on 18th August 2005, the generating facility of Miike Thermal Power Co. Ltd., one of its consolidated subsidiaries, is shutdown due to a ruptured boiler tube on 15th July 2005. The company is currently investigating the causes of the incident, but since the whole facility is aging, it is conducting a comprehensive inspection of the entire facility concurrently. Consequently, it seems difficult to resume operation within this fiscal year, and therefore, the company plans to record a loss of 2.7 billion yen (non-consolidated figure of 3.6 billion) for fixed costs for the duration of the non-operational period and the impairment of fixed assets, etc.

Description of Revised Earnings Forecast for FY2005

September 16, 2005
Mitsui Mining Co. Ltd.

I. Consolidated Figures

1. Consolidated profit/loss

(Unit: 100 million yen)

Item	Previous Forecast (8/12/2005)		Current Forecast	
	First half	Full year	First half	Full year
Sales	940	1,950	940	1,918
Cost of sales / selling, general and administrative expenses	880	1,830	880	1,796
Operating income	60	120	60	122
Non-operating profit/loss	(7)	(15)	(7)	(16)
Ordinary income	53	105	53	106
Extraordinary gain/loss	(8)	(15)	(106)	(119)
Current income before tax	45	90	(53)	(13)
Corporate taxes and adjustments	(2)	(5)	25	22
Current net income	43	85	(28)	9

2. Divisional sales and operating income (consolidated)

(Unit: 100 million yen)

Item	Previous Forecast (8/12/2005)		Current Forecast	
	Sales	Operating income	Sales	Operating income
Coal Chain Division	1,158	140	1,131	141
Material Service Business Division	510	4	523	4
General Engineering Division	142	10	142	10
Other divisions and administrative expenses	140	(14)	122	(13)
Amortization of goodwill		(20)		(20)
Total	1,950	120	1,918	122

3. Revision of extraordinary gain/loss: Breakdown

(Unit: 100 million yen)

	Previous annual forecast	Current annual forecast
Allowance for outstanding bad debts of Mitsui Coal Mining	-	(47)
Loss from impairment of fixed assets	-	(42)
Loss related to Miike Thermal Power	-	(27)
Reversal of allowance for bad debts for affiliated companies	-	8
Loss on retirement of fixed assets, etc.	(15)	(11)
Total	(15)	(119)

I. Non-consolidated Figures

2. Non-consolidated profit/loss

(Unit: 100 million yen)

Item	Previous Forecast (8/12/2005)		Current Forecast	
	First half	Full year	First half	Full year
Sales	730	1,500	737	1,544
Cost of sales / selling, general and administrative expenses	673	1,397	680	1,441
Operating income	57	103	57	103
Non-operating profit/loss	(7)	(13)	(7)	(13)
Ordinary income	50	90	50	90
Extraordinary gain/loss	(10)	(15)	(87)	(103)
Current income before tax	40	75	(37)	(13)
Corporate taxes and adjustments	0	0	27	27
Current net income	40	75	(10)	14

2. Divisional sales and operating income (non-consolidated)

(Unit: 100 million yen)

Item	Previous Forecast (8/12/2005)		Current Forecast	
	Sales	Operating income	Sales	Operating income
Coal Chain Division	1,070	131	1,090	131
Material Service Business Division	346	3	370	3
General Engineering Division	69	5	69	5
Other divisions and administrative expenses	15	(16)	15	(16)
Amortization of goodwill		(20)		(20)
Total	1,500	103	1,544	103

3. Revision of extraordinary gain/loss: Breakdown

(Unit: 100 million yen)

	Previous annual forecast	Current annual forecast
Allowance for outstanding bad debts of Mitsui Coal Mining	-	(47)
Loss from impairment of fixed assets	-	(42)
Loss related to Miike Thermal Power	-	(36)
Reversal of allowance for bad debts for affiliated companies	-	35
Loss on retirement of fixed assets, etc.	(15)	(13)
Total	(15)	(103)