

2015 3-Year Business Plan

Aiming to be a World Leader in the Non-Ferrous Metals Industry
and an Excellent Company of Japan

-Stage 2-

February 2016

 **SUMITOMO METAL MINING CO., LTD.**

Yoshiaki Nakazato
President and Representative Director

SUMITOMO METAL MINING CO., LTD.

Contents

I

Long-Term Vision (LTV) &
Basic Strategy of 2015 3-Yr Business Plan

II

Business Environment

III

Core Business Growth Strategies

IV

Platform Reinforcement

V

Financial Information and
Supplementary Materials

I. Long-Term Vision (LTV) & Basic Strategy of 15 3-Yr Business Plan

I

Long-Term Vision (LTV) &
Basic Strategy of 2015 3-Yr Business Plan

II

Business Environment

III

Core Business Growth Strategies

IV

Platform Reinforcement

V

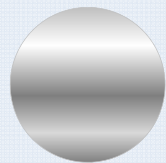
Financial Information and
Supplementary Materials

Aiming to be a World Leader in the Non-Ferrous Metals Industry
and an Excellent Company of Japan

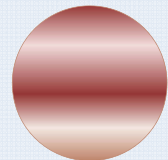
Targets

World Leader in the Non-Ferrous Metals Industry

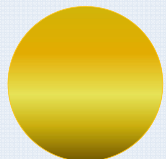
FY2021



Nickel
150 kt



Copper interests
300 kt



Gold
30 t



New materials
Recurring profit
¥5 billion

Excellent Company of Japan

Net Sales ¥1 trillion

Net Income* ¥100 billion
(Recurring profit ¥150 billion)

- Grow steadily to achieve on our Long-Term Vision
- Reconsideration of strategy based on external business environment changes

* Profit attributable to owners of parent

2) Positioning of the 3-Yr Plans in the Long-Term Vision

I LTV & Basic Strategy
of 15 3-Yr Business Plan

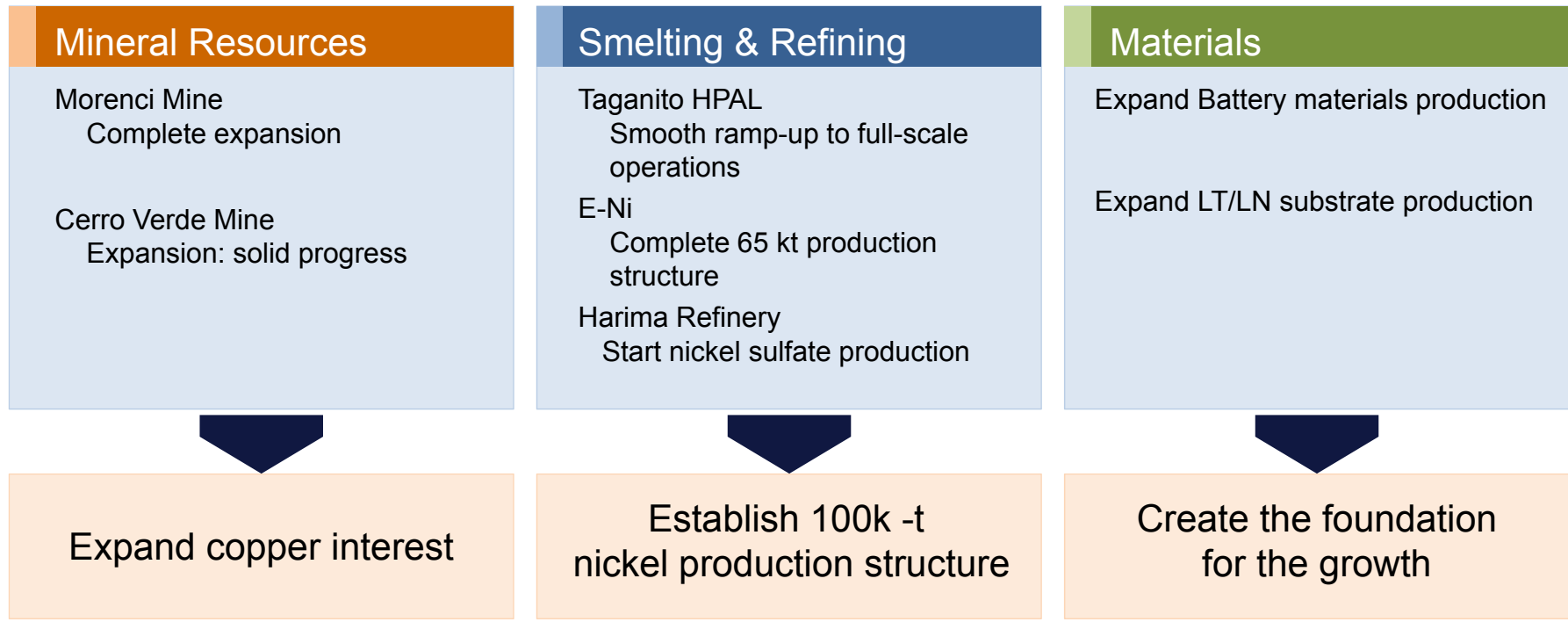


3) Major Projects in 03~12 3-Yr Business Plans (1)

		~03 3-Yr Plan	06 3-Yr Business Plan			09 3-Yr Business Plan			12 3-Yr Business Plan		
		-2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Mineral Resources	Cu	Sierra Gorda Mine					● Decision to participate				● Start commercial production
	Cu	Morenci Mine					● Decision to expand project				● Start full production
	Cu	Cerro Verde Mine	● 2004 Decision to participate	● Start production					● Decision to expand project		
	Au	Pogo Gold Mine	● 2006 Start production			● Acquire additional interest					
Smelting & Refining	Ni	E-Ni 65 kt				● Decision on investment			● 65kt Production structure completed		
	Ni	Coral Bay Nickel	● 2005 Start first line production			● Start second line production					
	Ni	Taganito HPAL		● F/S contract concluded		● Decision on project				● Start full-scale operations	
	Ni	Goro	● 2005 Decision to participate								
	Ni	Harima Refinery Nickel sulfate							● Start nickel sulfate production		
	Cu	Toyo Smelter & Refinery 450 kt		● Completion of production structure							
Materials	Materials Business		● Copper-clad polyimide film					● Sapphire Start mass production	● NCA850t Production structure completed	● LT/LN Decision to expand production	● Withdraw from sapphire business

2012 3-Yr Business Plan Review

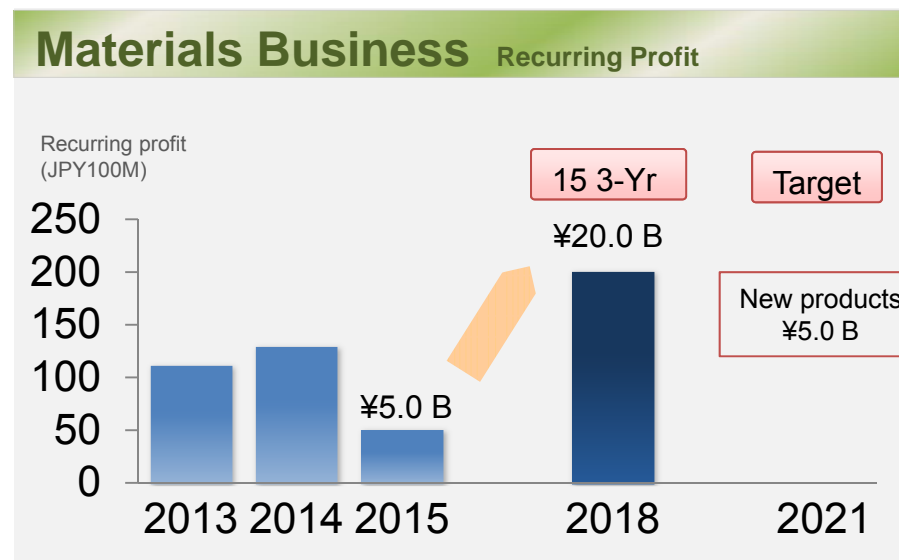
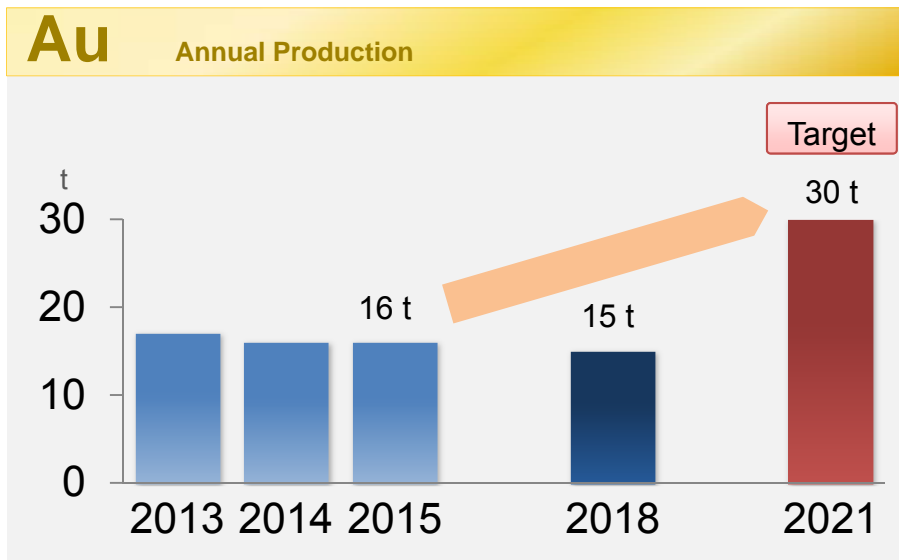
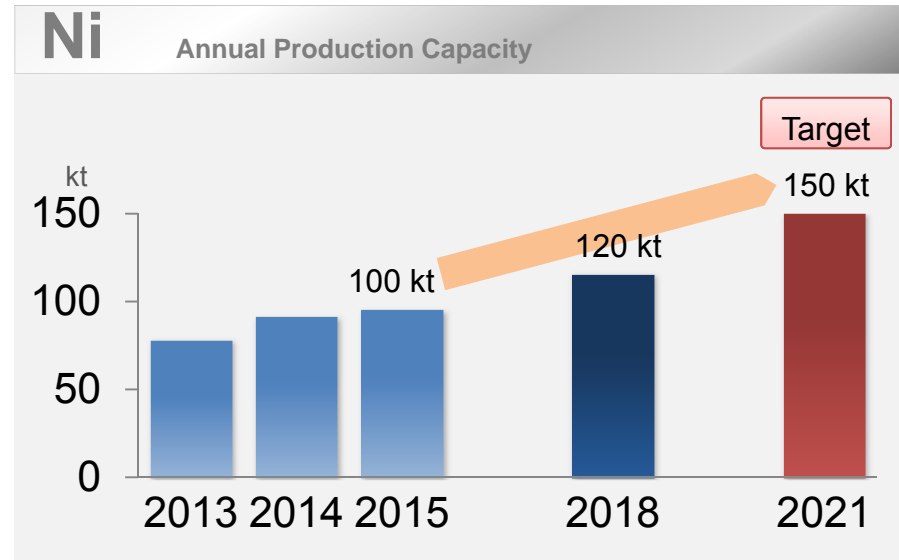
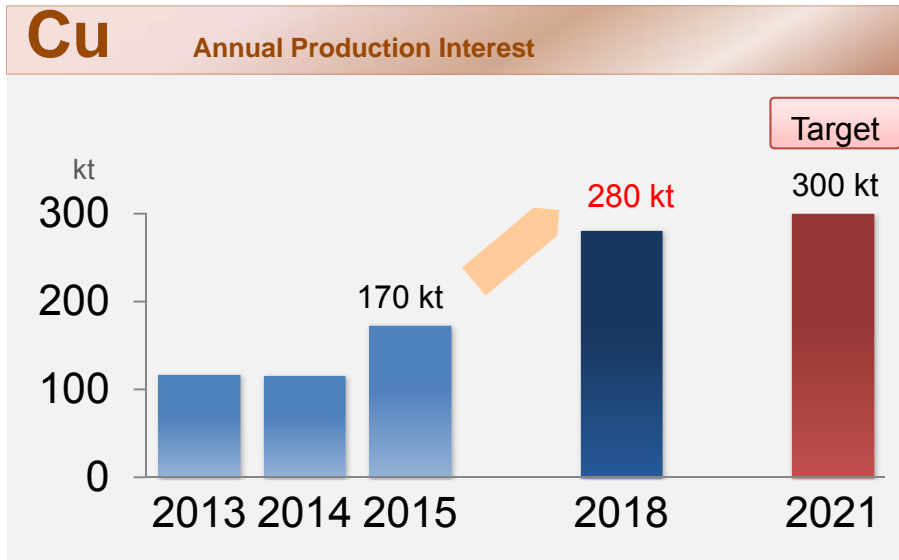
2012 3-Yr Business Plan Priorities



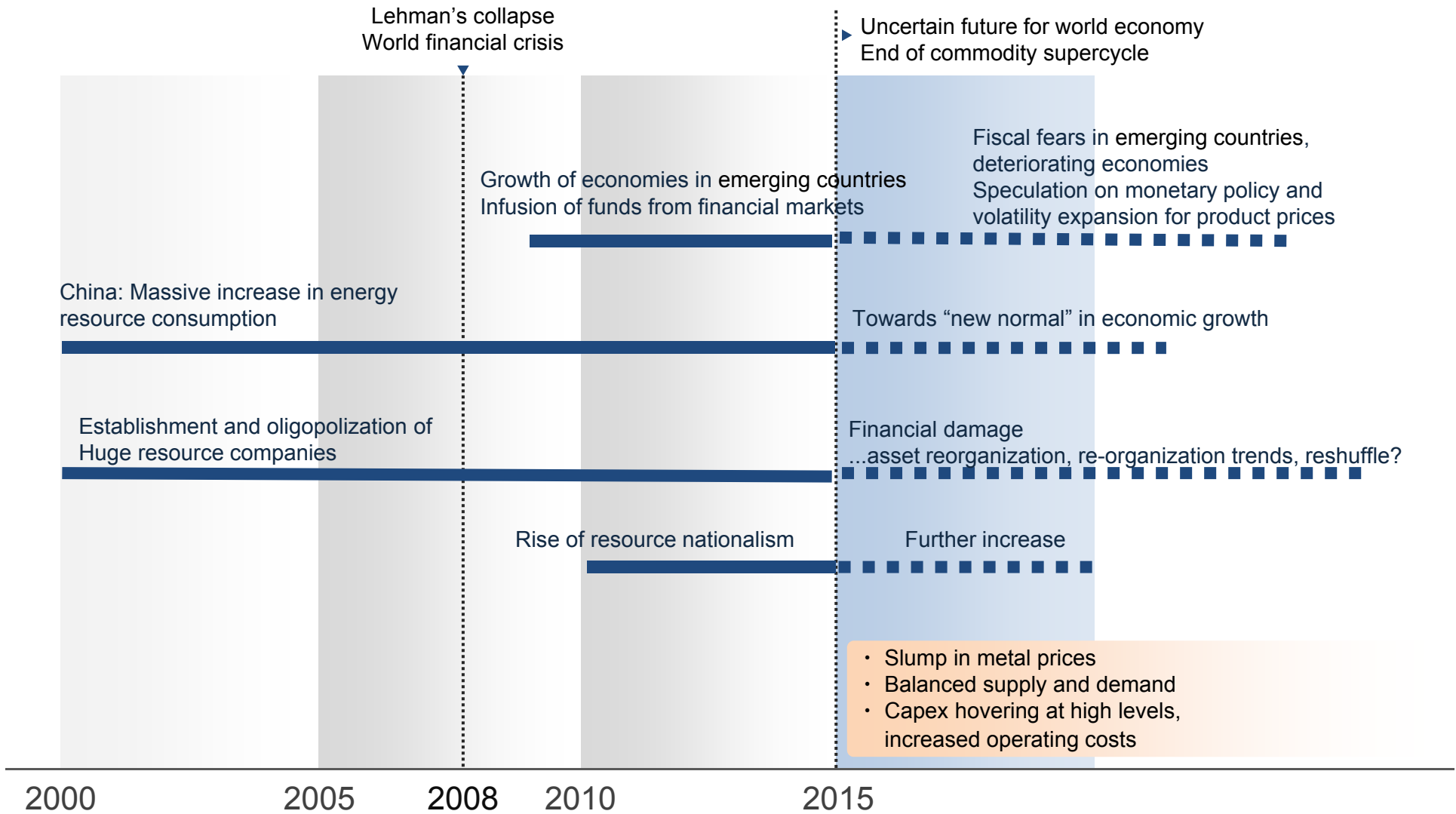
2012 3-Yr Business Plan goals unmet

Delay of Launch Sierra Gorda Mine (Delay to involve as an active partner) Withdraw from sapphire substrates (Cost reduction targets not achieved)

4) Initiatives Towards Long-Term Vision



5) Business Environment (1)



Slowing growth rate in emerging countries

Social landscape regarding metal resources

- Metal prices dropping
- Acquisition of resources by China
- Progression of resource nationalism

Landscape regarding resource development/mining operations

- Operations becoming more difficult due to location (higher, more remote locations)
- Decreasing ore grade of operating & new mines
- Intensifying environmental regulations; resource development receiving more scrutiny



Investment costs increasing; greater initial CAPEX
Operating costs increasing

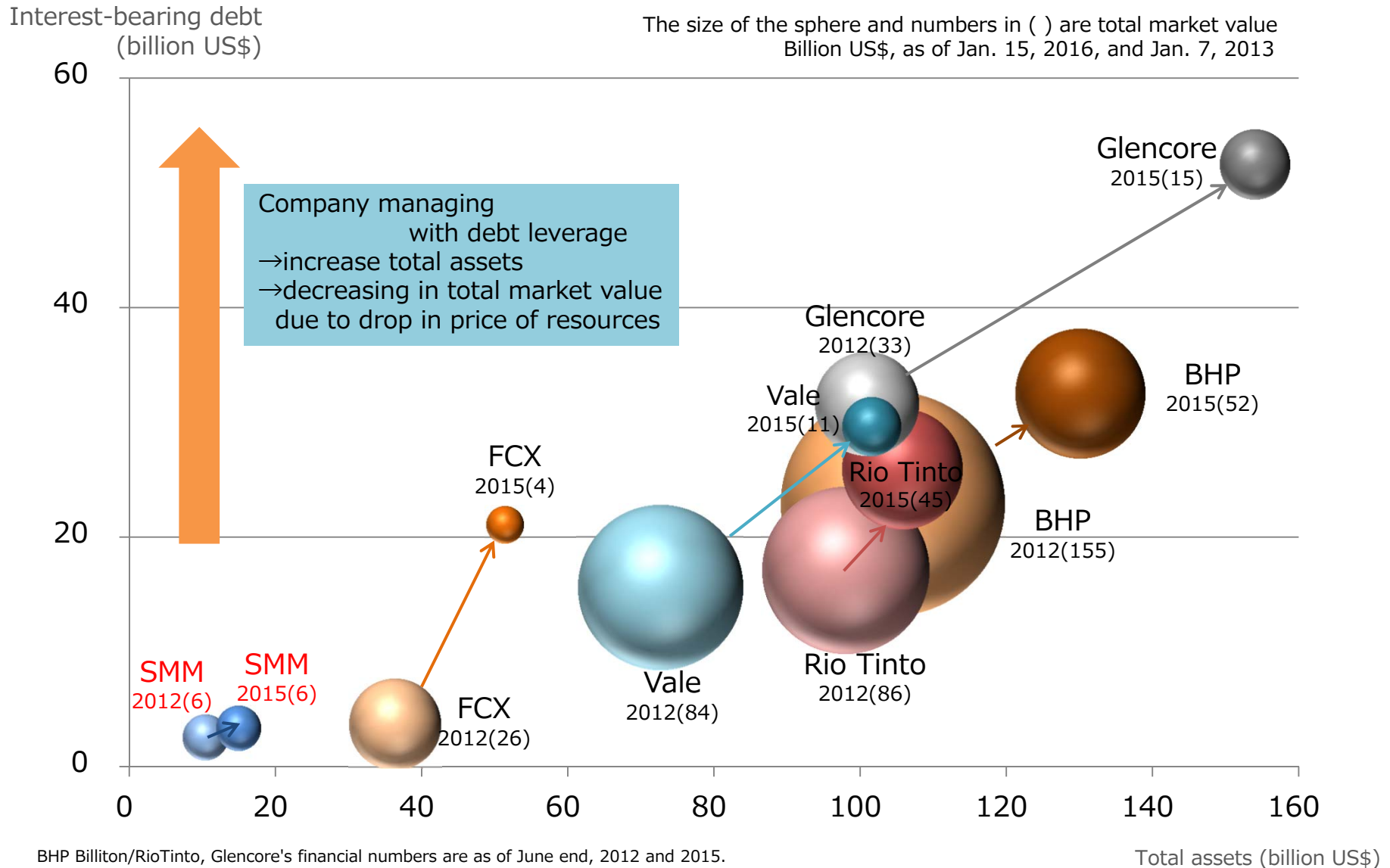
Fierce global competition continues in the electrical/electronic parts industries

- Smartphones requiring more parts to accommodate more functions and communication speed
- Energy, IoT, and communications infrastructure greatly influencing next-generation tech trends



Companies' capital policy being discussed more in the reflection of the Corporate Governance Code and Stewardship Code of Japan

6) Financial Situation of Resource Producers



BHP Billiton/RioTinto, Glencore's financial numbers are as of June end, 2012 and 2015.
Numbers for the others are as of September end, 2012 and 2015.

7) Positioning of the 15 3-Yr Business Plan

Positioning of the 15 3-Yr Business Plan towards long-term vision achievement
Large Scale Mineral Resources/Smelting & Refining projects mostly completed in 2012 3-Yr Business Plan



Sowing seeds and planting towards further growth in the 15 3-Yr Business Plan

Long-Term Vision

Become a World Leader in the Non-Ferrous Metals Industry and an Excellent Company of Japan



- 3rd HPAL
- Sierra Gorda
- Phase 2/ oxide ore development
- New interest in gold mine
- Exploration activities
- Expanded production of battery materials
- New materials products

Changes in the external business environment

03 & 06 3-Yr Plans
Move toward growth strategies
Become major player in non-ferrous metals industry
Achieve world top share in each of material business product

09 & 12 3-Yr Plans
Promote Long-Term Vision-oriented growth strategies in the three core businesses

15 3-Yr Plan
Respond to external environment changes (Promote strategies focused on cost/investment benefit)
Prepare for future growth
Grow materials business as core business

8) Positioning of Businesses in the 2015 3-Yr Business Plan

Mineral Resources

Smelting & Refining

up to
12 3-Yr Plan

Make great leap forward with large overseas projects

15 3-Yr Plan

- Effective operation of existing mines and smelters/refineries
Cut costs to secure profits
- Sowing seeds and planting towards the next 3-Yr Business Plan and beyond

Materials

up to
12 3-Yr Plan

- Increased production of battery and crystal materials
--> Complete business structure change through selection and concentration

15 3-Yr Plan

- Harvesting of 2012 3-Yr Business Plan investments
- Continually create next-generation products that satisfy customer needs

The 2015 3-Yr Business Plan is a period of extensive growth to become authentic core business

9) Top Priorities in the 15 3-Yr Business Plan

Mineral Resources

- Full-scale production at the Sierra Gorda Copper Mine
- Acquire new Gold mine interests

Materials

- Profit contribution from expanded battery material and LT/LN production
- Continuously create and adapt next-generation products

Smelting & Refining

- Expand Taganito HPAL
- Advance growth strategies using HPAL peripheral technologies
- Enhance competitiveness of Copper Smelting business

R&D

- Develop new products and processes

Platform Reinforcement

Corporate Governance

- Action for Japan's Corporate Governance Code
Corporate Governance Guideline
Corporate Governance Report
- More Outside Director to strengthen governance
- Publish integrated report (FY2016)
Continually improve engagement

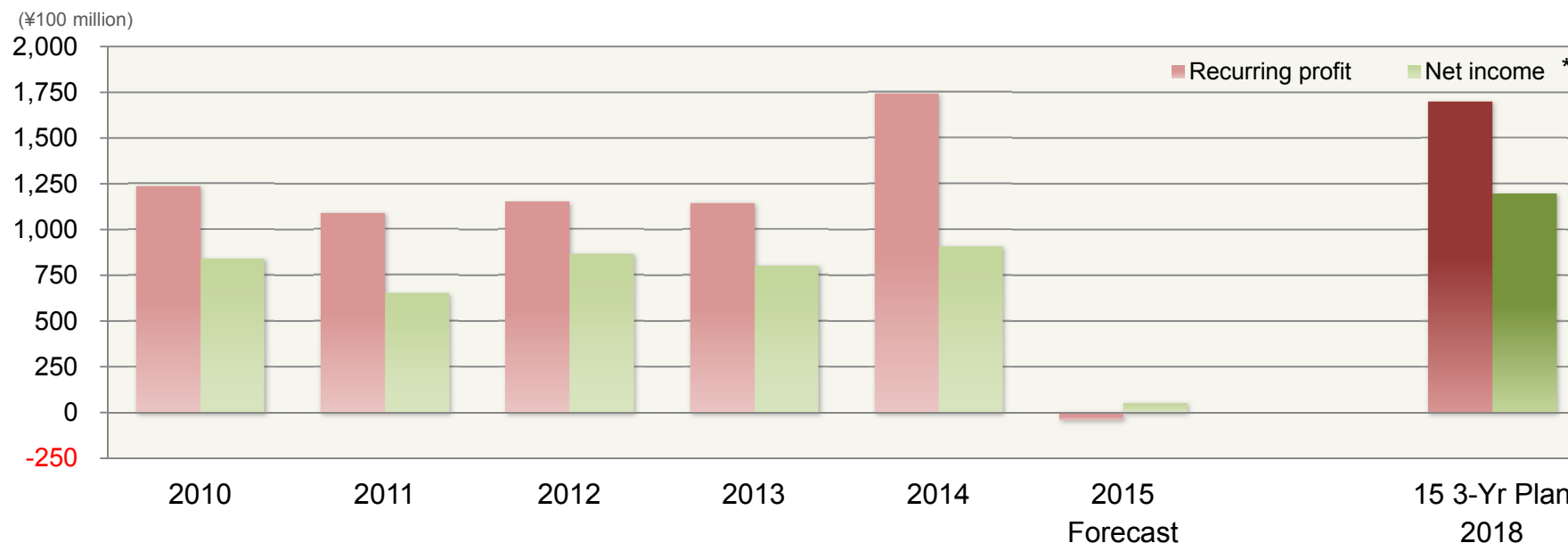
Globalization Measures

- Develop global staff
and improve diversity in human resources
- Consider transitioning to IFRS
(plan to implement during the 15 3-Yr Business Plan Period)
- Build a global management IT system

10) Major Projects in 2015 3-Yr Business Plan

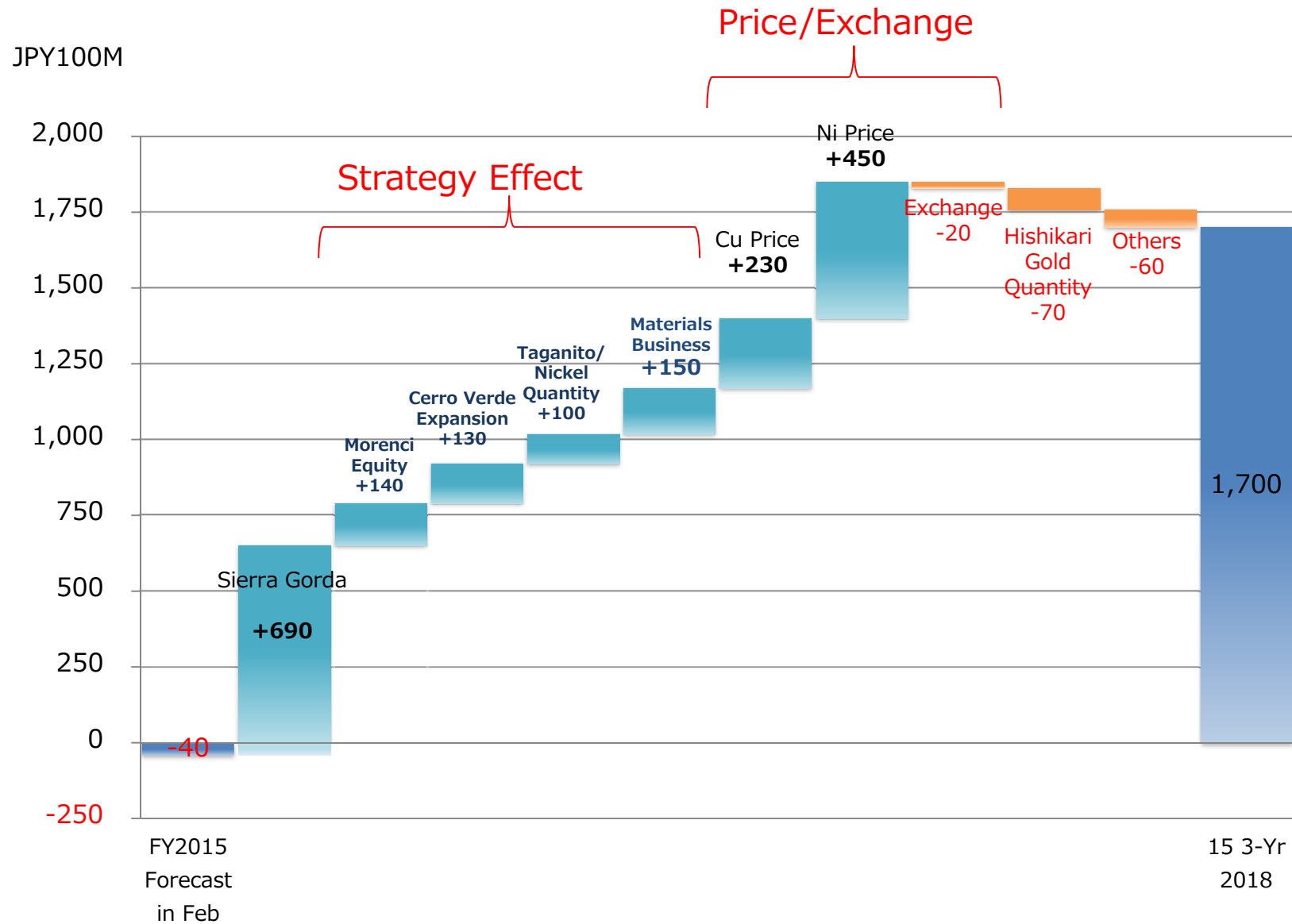
	Project name	FY2013	FY2014	FY2015	15 3-Yr Business Plan	18 3-Yr Business Plan and later
Mineral Resources	Cu	Sierra Gorda Mine		Start commercial production	110 kt production structure	Phase 2: project to increase production
	Cu	Morenci Mine	Start expanded full-scale production	Additional Interest acquired		
	Cu	Expansion of Cerro Verde Mine			2016 Start full-scale operations	
	Ni	Solomon				2018 Start operation
Smelting & Refining	Ni	Taganito HPAL	Opening ceremony	Start full operation	2018 36 kt production structure	
	Ni	Pomalaa Project			Conduct FS	Decision on investment
	Ni	Harima Refinery Nickel sulfate		Start first line production	2016 Second line launch	
Materials	Battery materials		Completion of NCA 850 t structure	NCA 1,850 t structure	2017 NCA 2,550 t structure	2018 Ternary type Increase production
	Crystal materials (LT/LN)			Decision on production increase	2016 300k pieces production structure	2017 400k pieces production structure

11) Consolidated Recurring Profit

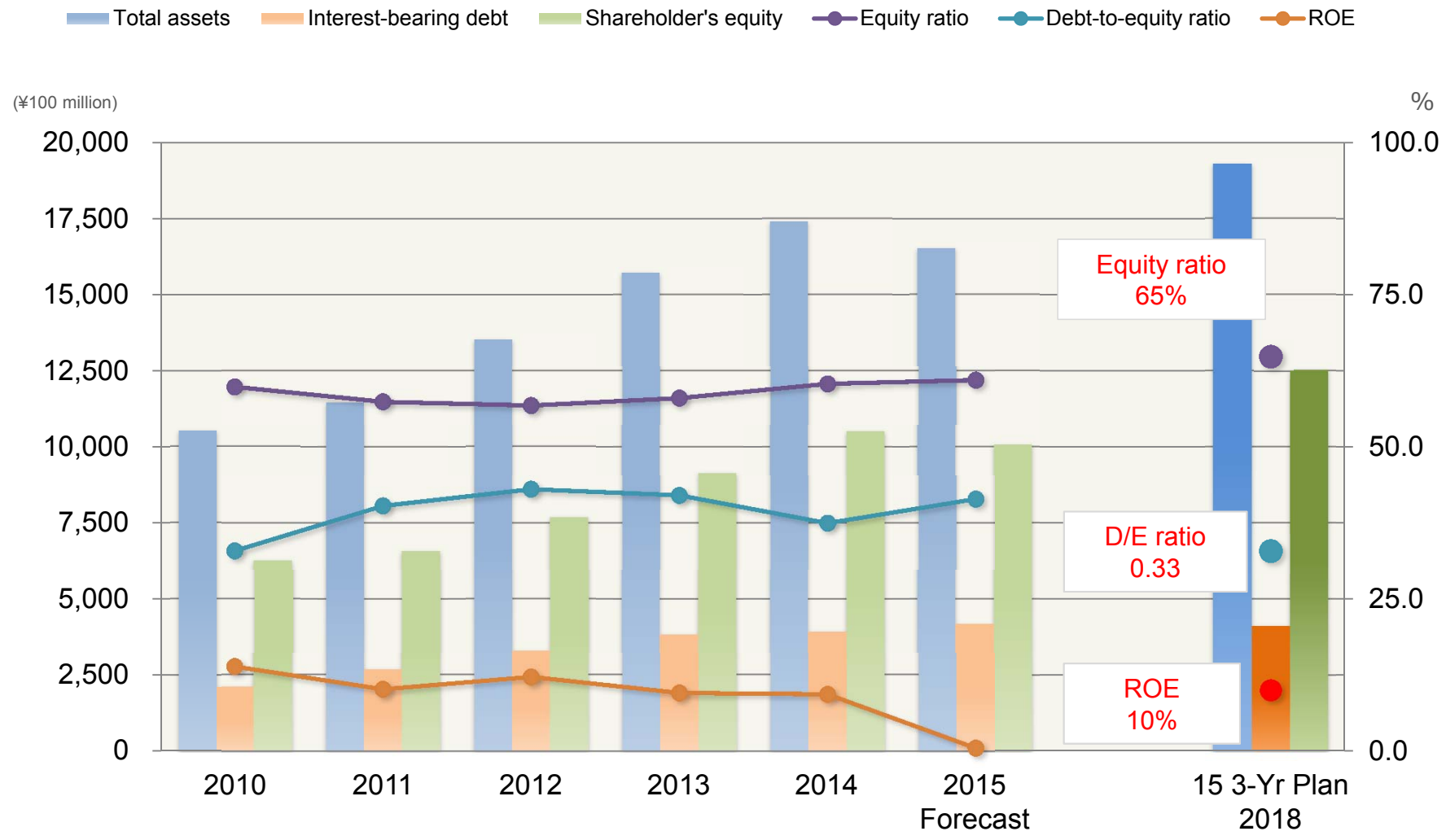


	2010	2011	2012	2013	2014	2015 Forecast	15 3-Yr Plan 2018
Recurring profit (¥100 million)	1,238	1,088	1,150	1,144	1,742	-40	1,700
Net income* (¥100 million) <small>*Profit attributable to owners of parent</small>	841	653	866	803	911	50	1,200
Cu price (\$/T)	8,140	8,485	7,855	7,104	6,554	5,174	6,000
Ni price (\$/lb)	10.7	9.6	7.7	6.5	7.6	4.7	7.0
Au price (\$/toz)	1,294	1,646	1,654	1,327	1,248	1,124	1,150
Forex (¥/\$)	85.7	79.1	83.1	100.2	109.9	121.3	120.0

12) Recurring Profit Analysis 15 3Year 2018 vs FY2015 Forecast (Feb)



13) Maintenance of a Sound Financial Structure



Financial Policy for 2015 3-Yr Business Plan Period

Dividend Policy

Policy on return to shareholders focused on continuing performance linked dividends

Consolidated dividend payout ratio raised from 25% or higher ⇒ 30% or higher

Financial Structure

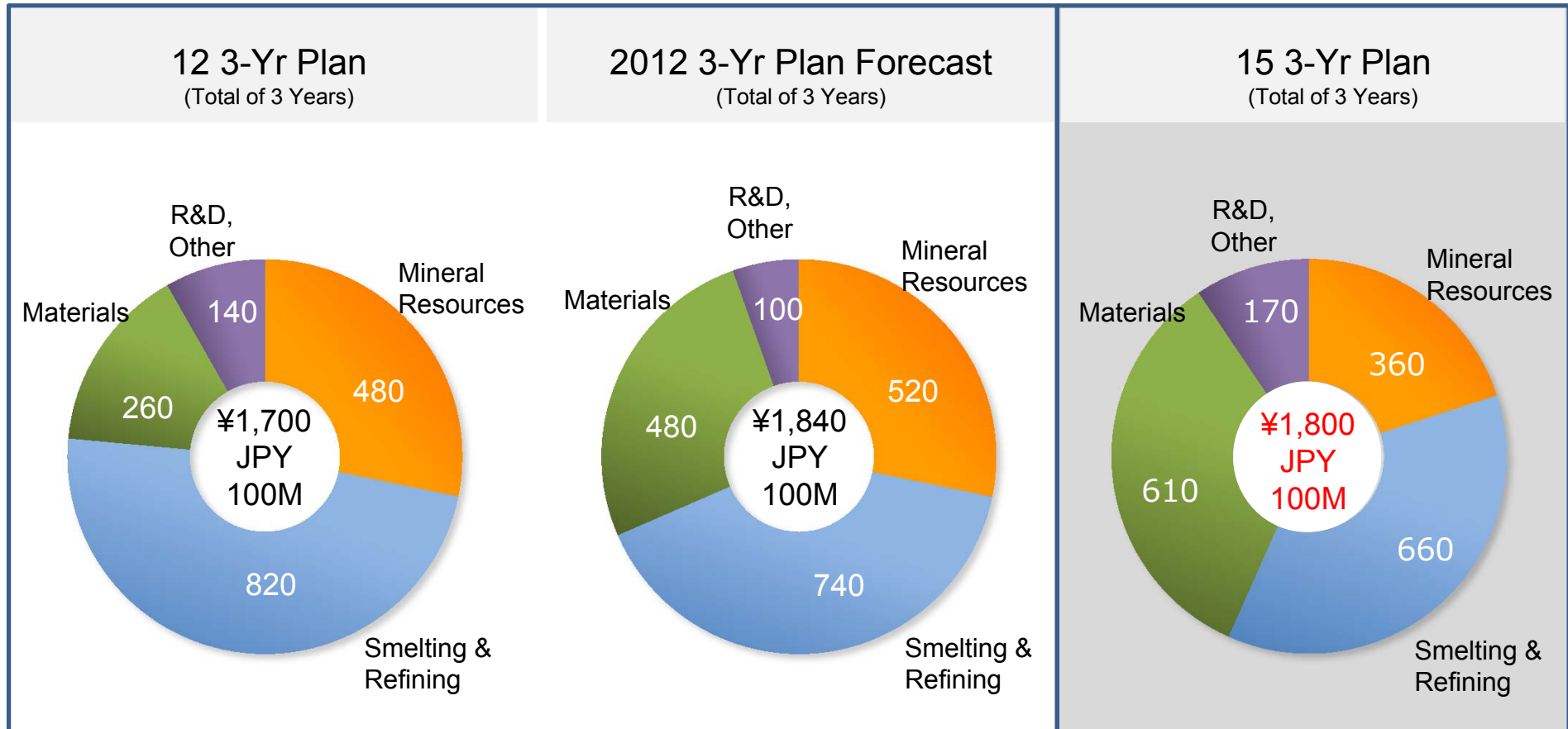
Prepare for large-scale projects or M&A by maintaining sound financial standing

Maintain an equity ratio of 50% or higher

Focus on efficiency with investments for improved ROA / ROE

15) Capital Expenditure

(¥100 million)



+

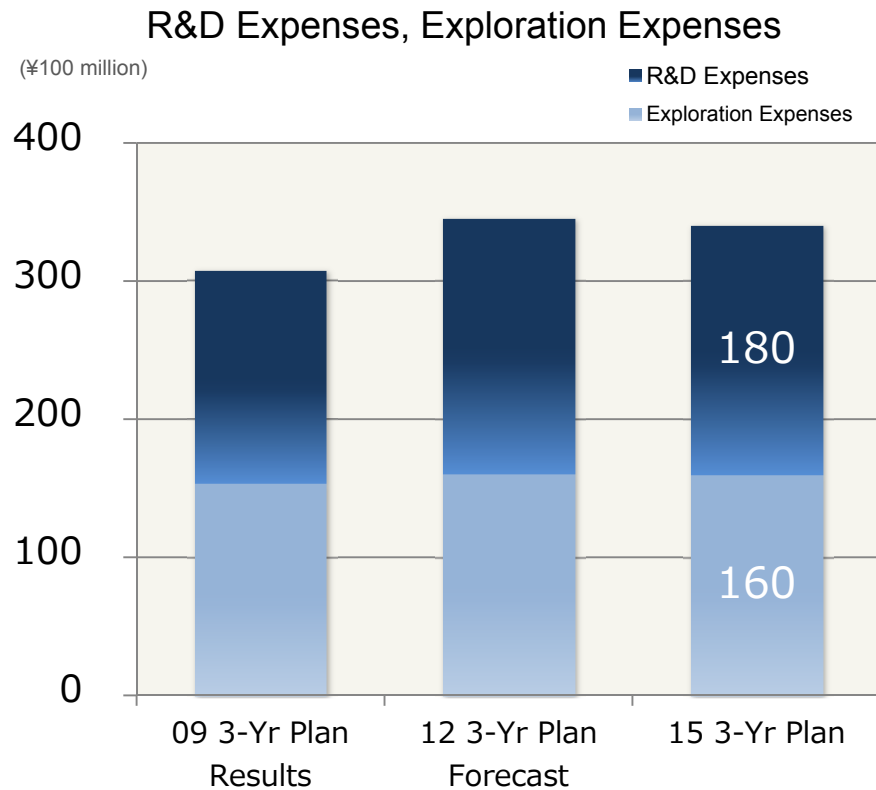
Acquisition of overseas interest

+

Acquisition of overseas interest

(Morenci, 1,200 (JPY100M))

16) R&D Expenses, Exploration Expenses



R&D

Accelerate new product development in Materials Business

Technological innovations in Mineral Resources and Smelting & Refining

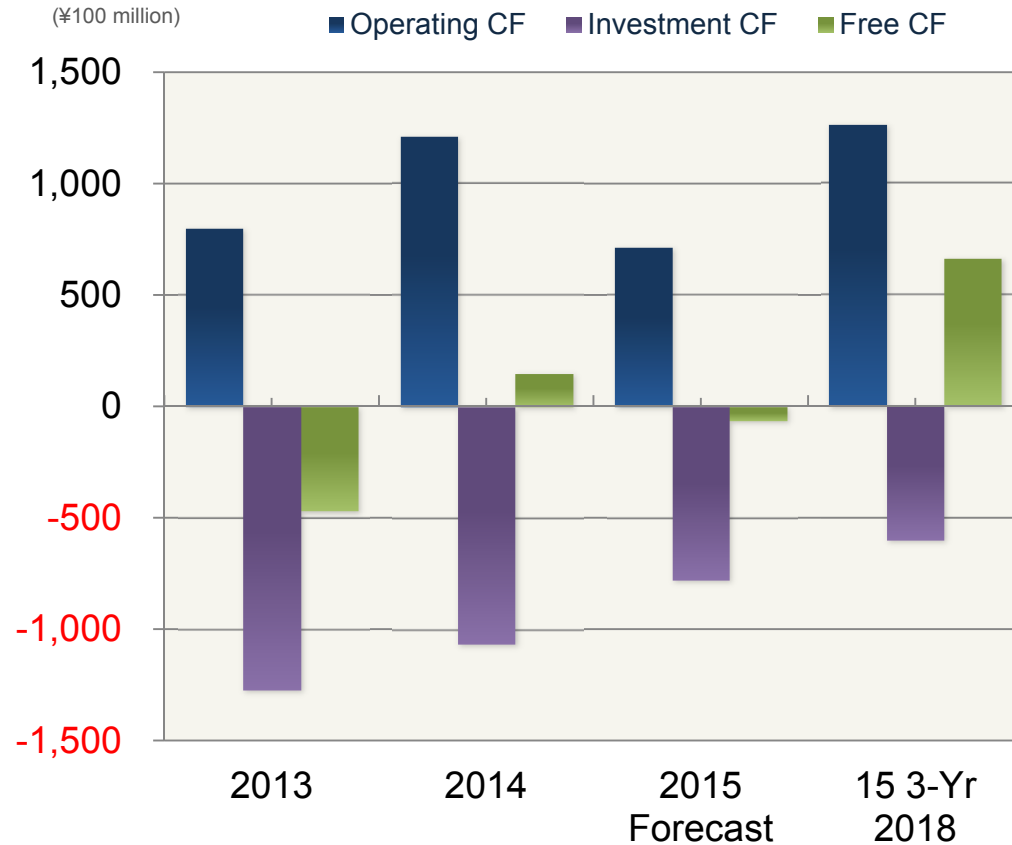
Promotion of process development

Exploration

Targeting regions for each metal (Au & Cu)

Acquisition of advance-stage exploration projects

17) Cash Flow



Cash Flow Projection

(15 3-Yr Plan 3 year Totals)

(¥100 million)

	3-Year Total
Profit before tax	4,600
Depreciation	1,700
Working capital/ equity method profit/loss/ debt/tax/dividend	-4,100
Investment and financing	-3,000
Total Cash flow	-800

Expect minus total cash flow due to acquisition of overseas mining interests and aggressive investment in growth businesses

18) Cost Reduction Measures

12 3-Yr Business Plan

Plan cost reduction measures

--> Use FY2012 as base year and target ¥10 billion/year reduction by FY2015

Almost achieved ¥10 billion goal in FY2014, one year early

--> Work towards target of ¥13 billion/year in FY2015

15 3-Yr Business Plan

FY2016

Target : further reduce costs by ¥10 billion/year compared to FY2015

II. Business Environment

I

Long-Term Vision (LTV) &
Basic Strategy of 2015 3-Yr Business Plan

II

Business Environment

III

Core Business Growth Strategies

IV

Platform Reinforcement

V

Financial Information and
Supplementary Materials

1) General Conditions

Many unclear factors, but projections point to modest growth

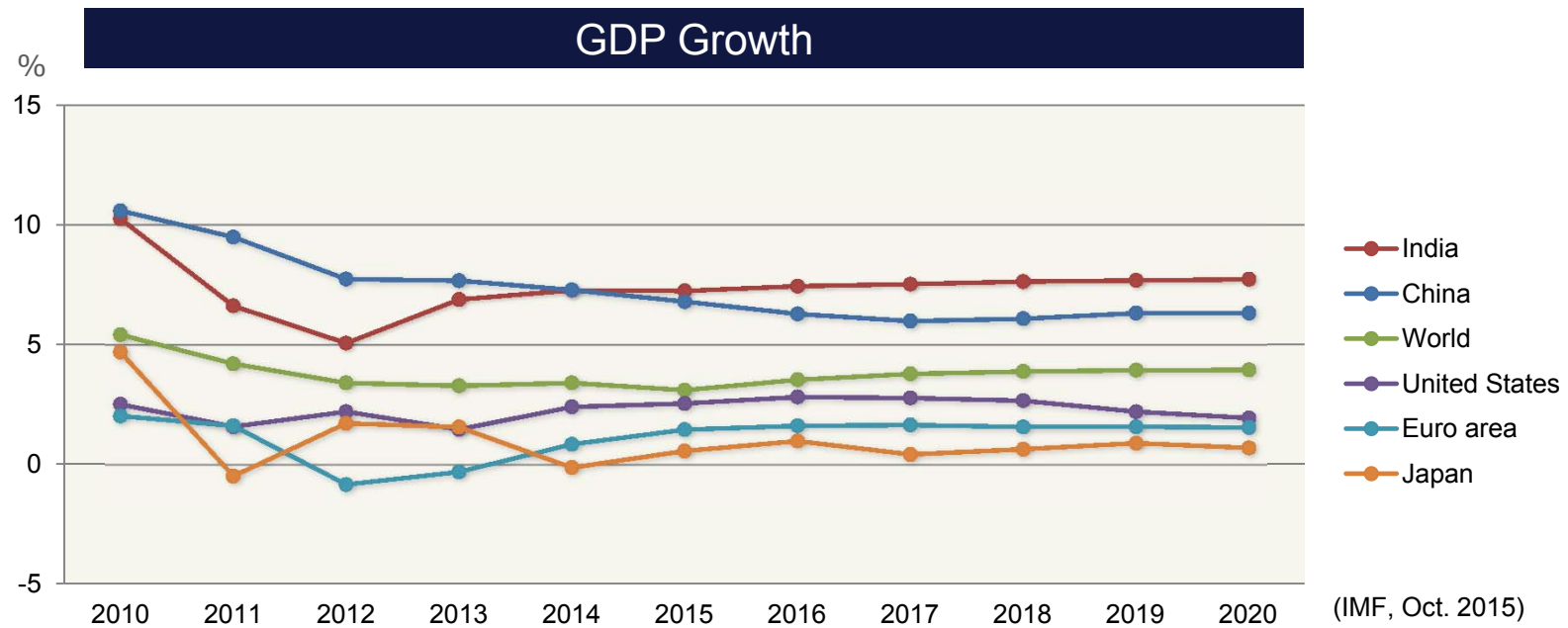
Financial problems in Europe and continued anemic growth

U.S. economy recovery and pending interest rate increase

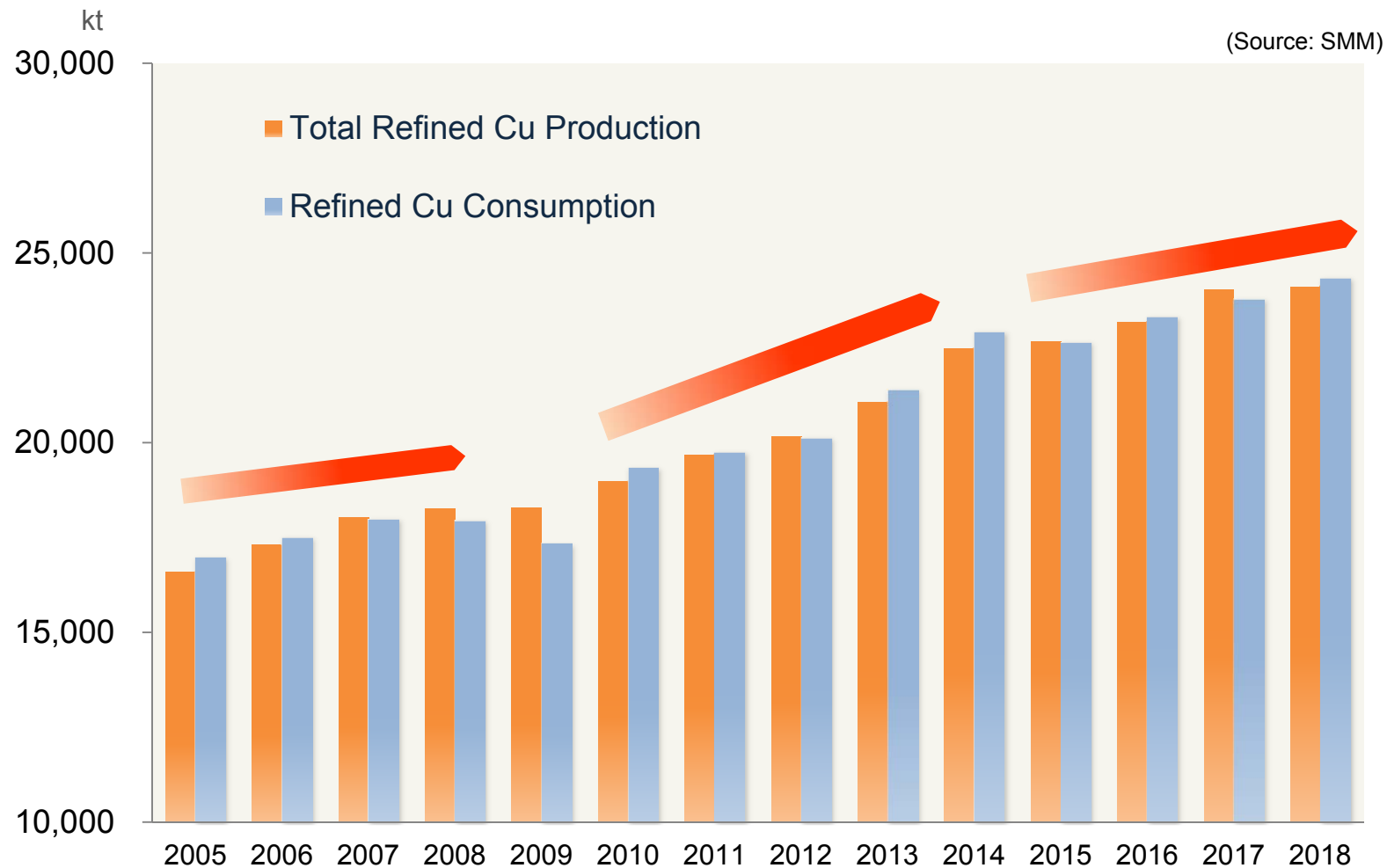
Chinese economy slow down

Japanese economy growth is low, fears of disinflation

Rising geopolitical risk

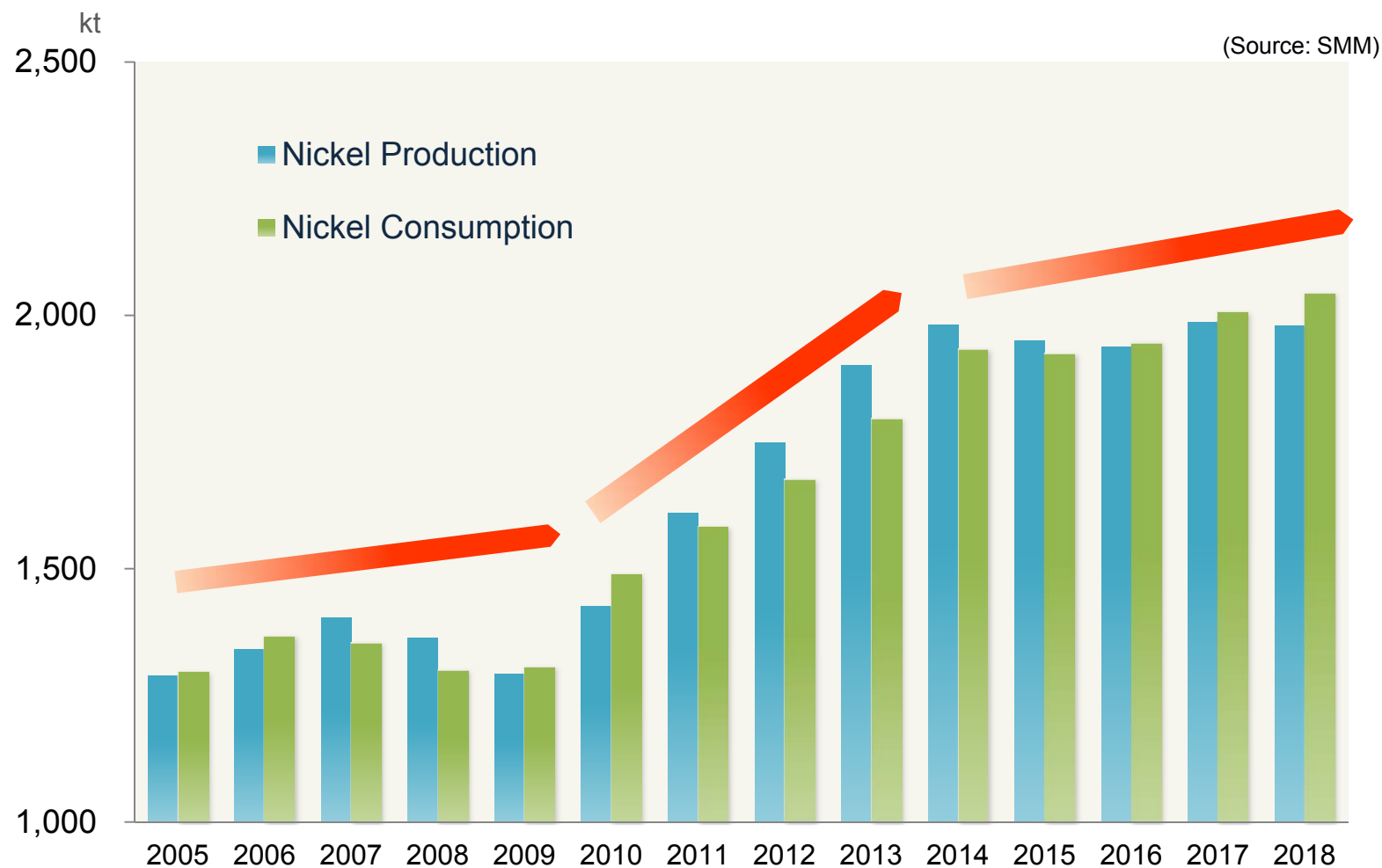


2) Cu Supply & Demand Balance



Although the time of rapid growth is done, demand is likely to rise with economic growth. Supply and demand are in balance. Worsening of ore grade and increases in high altitude operations will drive costs up.

3) Ni Supply & Demand Balance

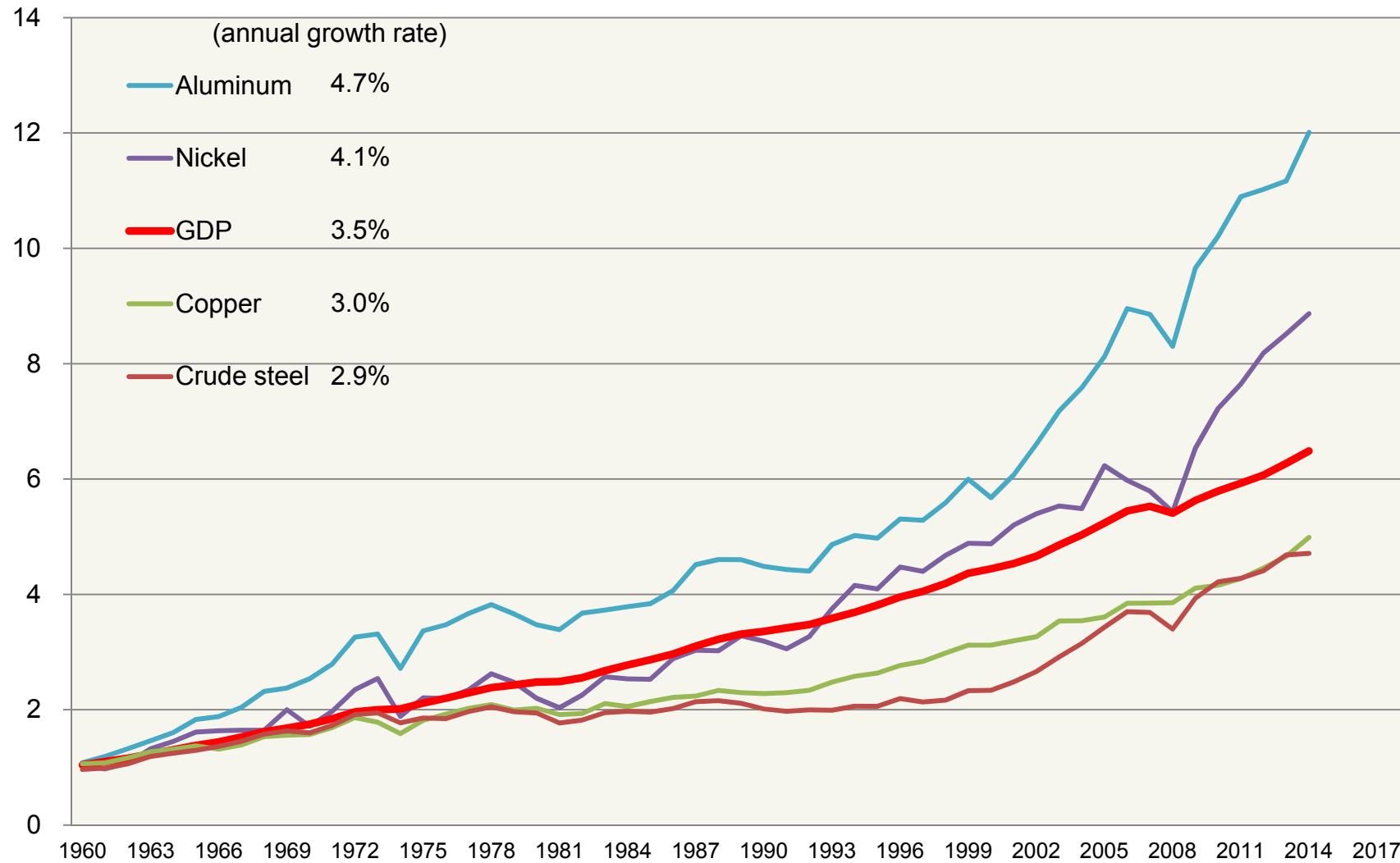


Surges in production caused rapid inventory increases.
Demand likely to increase at a slow pace.

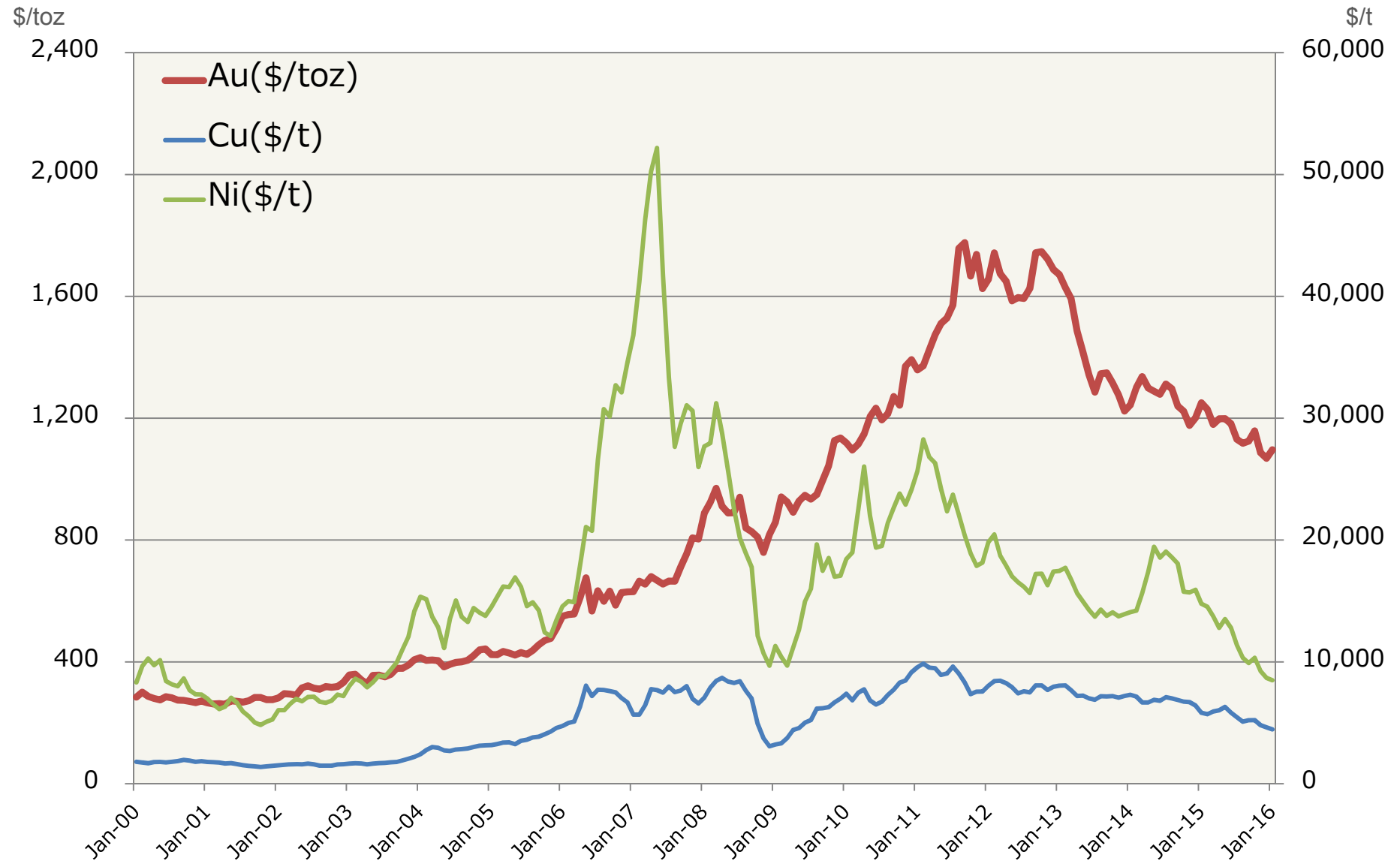
4) Economic Growth Rates and Metal Product Demand Growth

INDEX 1960=1.0

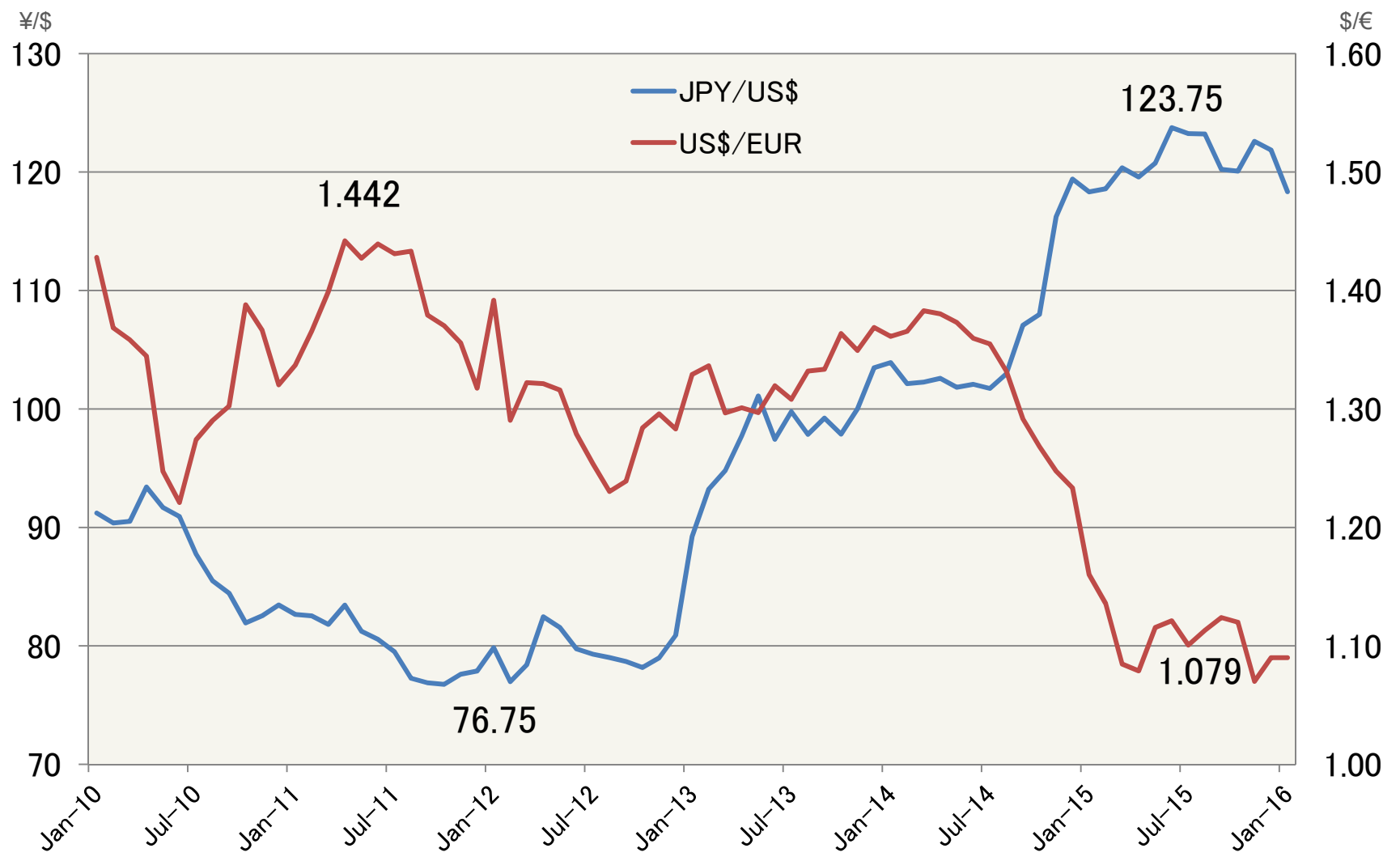
(Source: SMM)



5) Prices of Metals



6) Forex Trends



III. Business-Specific Strategies in the 2015 3-Year Business Plan

I

Long-Term Vision (LTV) &
Basic Strategy of 2015 3-Yr Business Plan

II

Business Environment

III

Core Business Growth Strategies

IV

Platform Reinforcement

V

Financial Information and
Supplementary Materials

1) Mineral Resources

(1) Cu: Development Project Completion: Sierra Gorda Mine



Sierra Gorda Mine (Chile)

Equity interest ratio	KGHM	55%
	SMM	31.5%
	Sumitomo Corp.	13.5%



2015 3-Year Business Plan Initiatives

Establish stable operations for Phase I

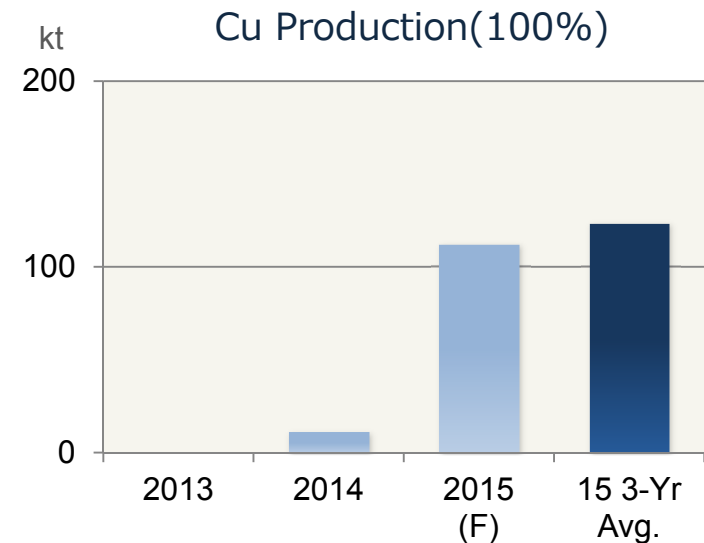
Promote mutual understanding among shareholders and take part in local management
--> Achieve capacity (recovery rate and operation rate)
Aggressively reduce costs

Draft Phase II plan

After completing Basic Engineering, continue to try CAPEX reduction
--> Implementation in or after the 2018 3-Yr Business Plan period

Draft Oxide Ore Project plan

Resolve technical issues



1) Mineral Resources

(2) Cu : Stable Operation of Existing Mine : Morenci

Morenci Mine (Arizona, US)

Feb 2016
Contract of Acquisition of additional Interest

Investment :US\$1.0B

Interest ratio

FCX	85%→72%
SMM	12%→25%
Sumitomo Corp.	3% → 3%



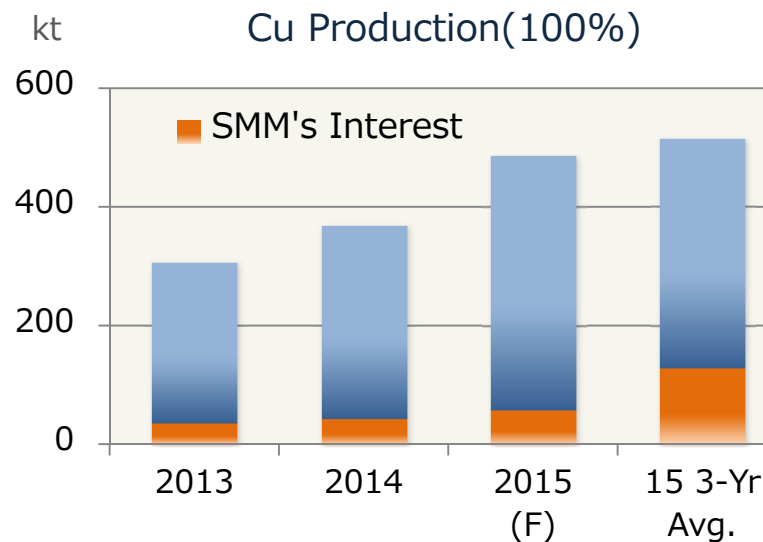
Schedule

Feb 2016
Contract of acquisition of additional interest

Middle of 2016

Expected to be closing and
 completing transfer of interest

**Expected to contributing to profit
 from the middle of FY2016**



1) Mineral Resources

(3)Cu : Expansion Project : Cerro Verde



Cerro Verde Mine Expansion Project (Peru)

Equity
interest
ratio

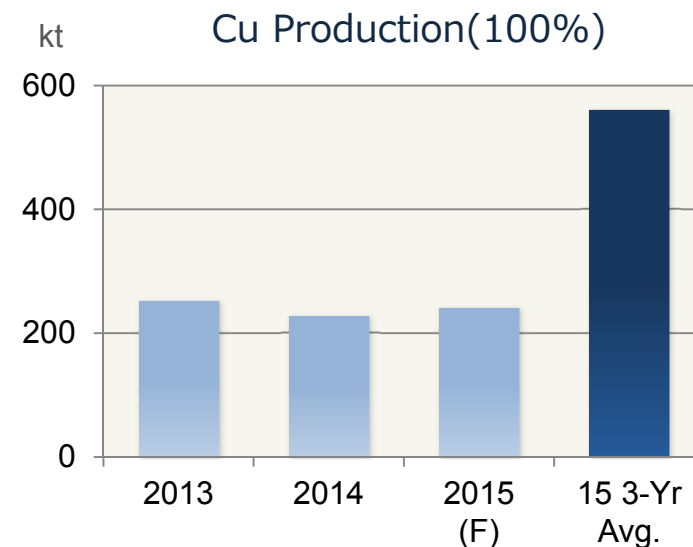
FCX	53.56%	Total investment \$4.6B
SMM	16.80%	
Sumitomo Corp.	4.20%	
Other	25.44%	



Expansion details/production

- Construction of new mill
- Construction of new tailings dam
- Expansion of electrical, water intake, and ancillary equipment

Full production to be achieved in 2016 1Q
500 kt/year Production



1) Mineral Resources

(4) Au : Stable Operation of Existing Mine : Hishikari



Hishikari Mine (Kagoshima, Japan)

Equity interest ratio	SMM	100%
-----------------------------	-----	------

Develop lower ore bodies

Construction of dewatering facilities at -80ML
(30 t in gold reserves)
Production to be started in FY2019

Continue active exploration

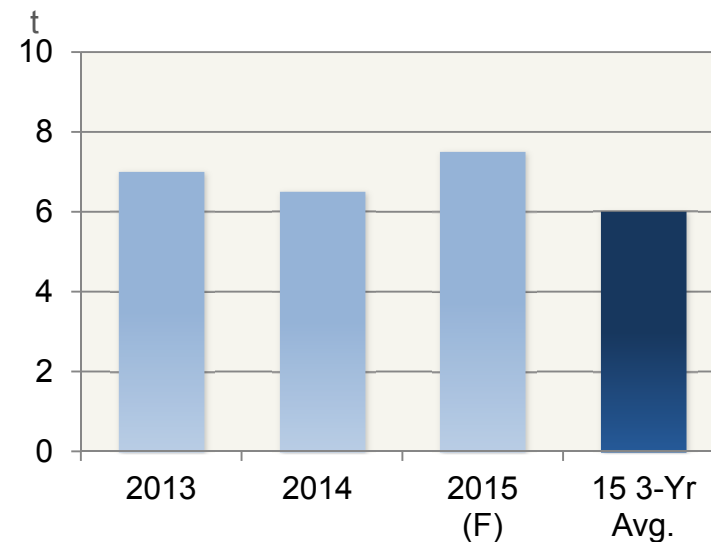
Explore upper limit of ore bodies and below the water level
Explore poorly explored areas and undeveloped veins

Mining Plan (maximizing mine life)

Plan for annual production of 6 tonnes for the 2015
3-Year Business Plan period



Au Production



1) Mineral Resources

(5) Au : Stable Operation of Existing Mine : Pogo Gold Mine



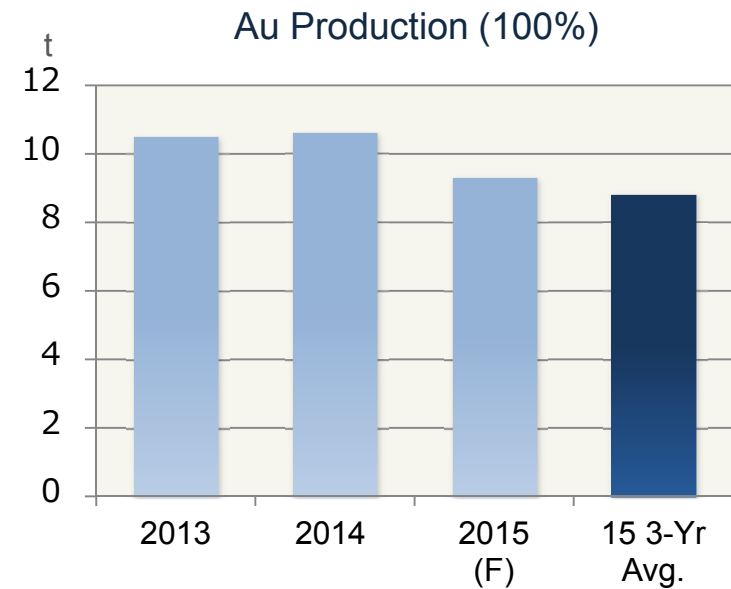
Pogo Gold Mine (Alaska, US)

Equity interest ratio	SMM	85%
	Sumitomo Corp.	15%

- To extend mine life, continually explore peripheral areas
- Start planning for the end of mining in the future

Mining plan

Plan for annual average production of 9 tonnes for the 2015 3-Year Business Plan period



Main target of exploration : gold

Consider acquisition of projects at the PFS/FS stage, not just early stage exploration

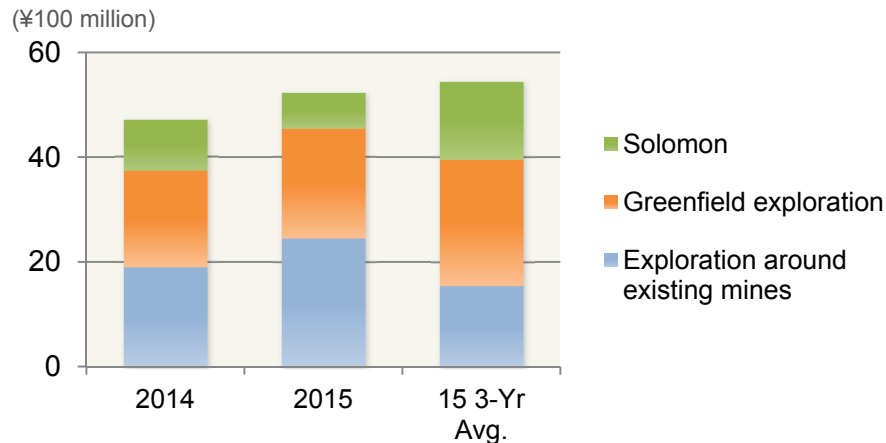
Aggressive approach to the owners of the promising projects, data collection and evaluation

Strengthen coordination with major and JV partners

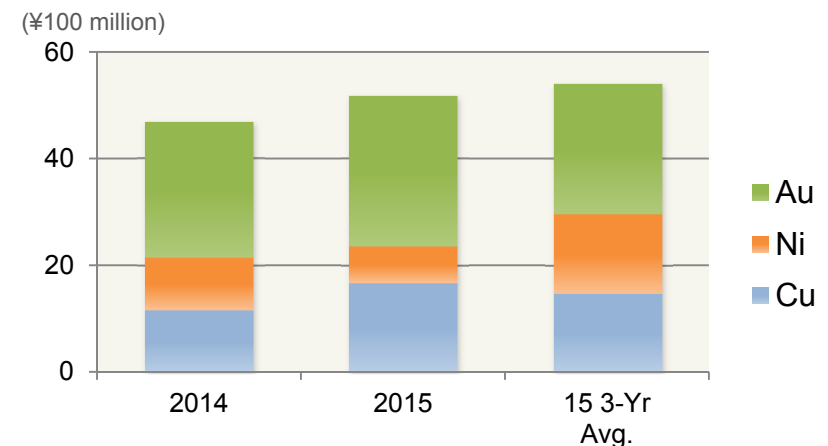
Consider M&A as well as JV business

Exploration Expenses

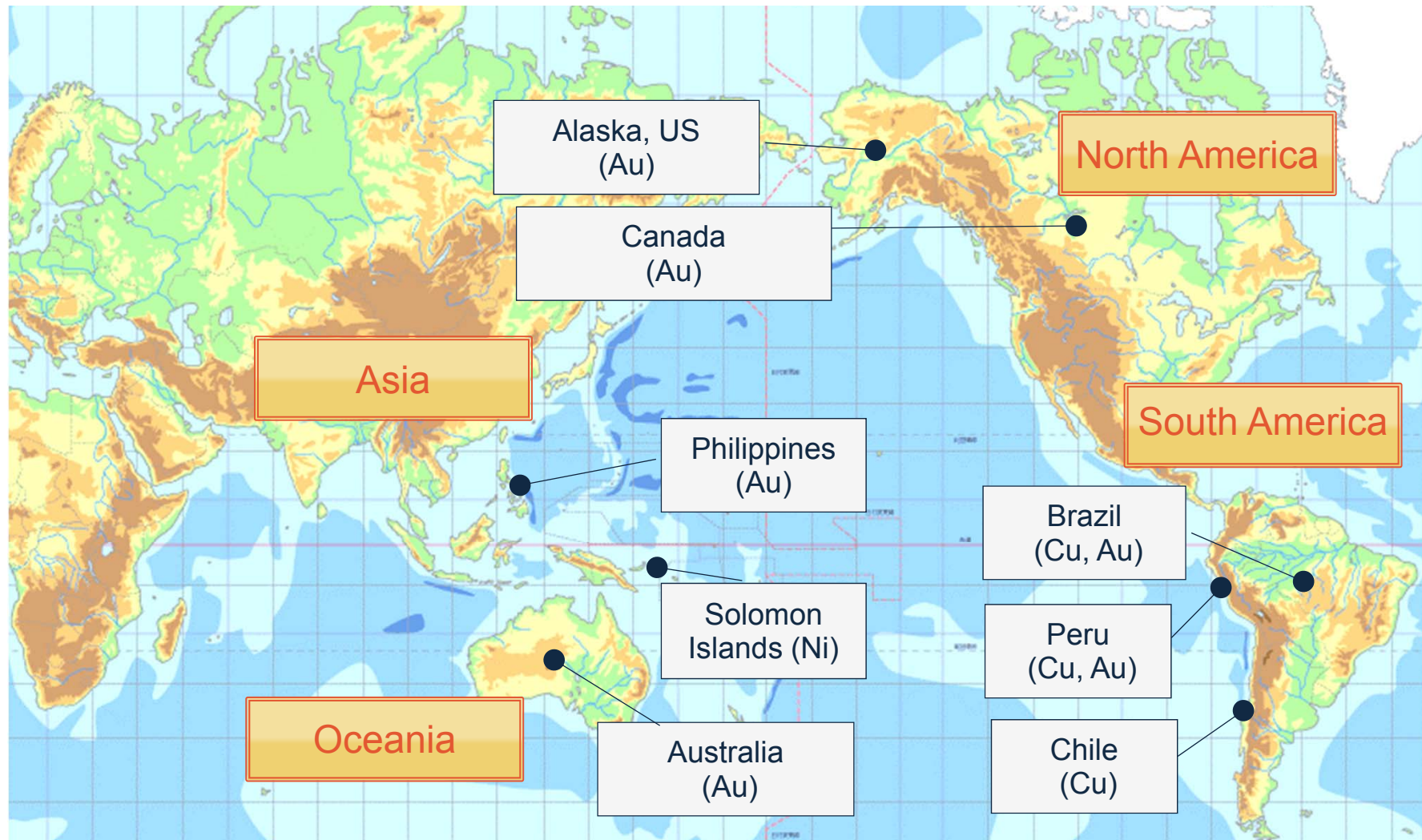
By stages



By metals



FY 2016–2018 exploration plan



Solomon Project

Conduct exploration, environmental research, and Pre/FS in Isabel Area
2010 - Successfully bid for 3 mining blocks in Isabel Area in international tender placed by Solomon Islands
→2011 - Government of Solomon unilaterally revoked successful bids and granted prospecting license to Axiom KB Limited
→In same year, SMM sued government and Axiom KB Limited
October 2013 - High Court trial started
September 2014 – SMM's claim dismissed by High Court
October 2014 - SMM appealed to the Court of Appeal
May 2015 – Hearing held at the Court of Appeal

2015 3-Yr Plan period

- Intend to start drilling and move to F/S in the tender areas
- Consider beginning the development of own mining areas first
Seeks to ship the ore in 2018 after successful feasibility study.

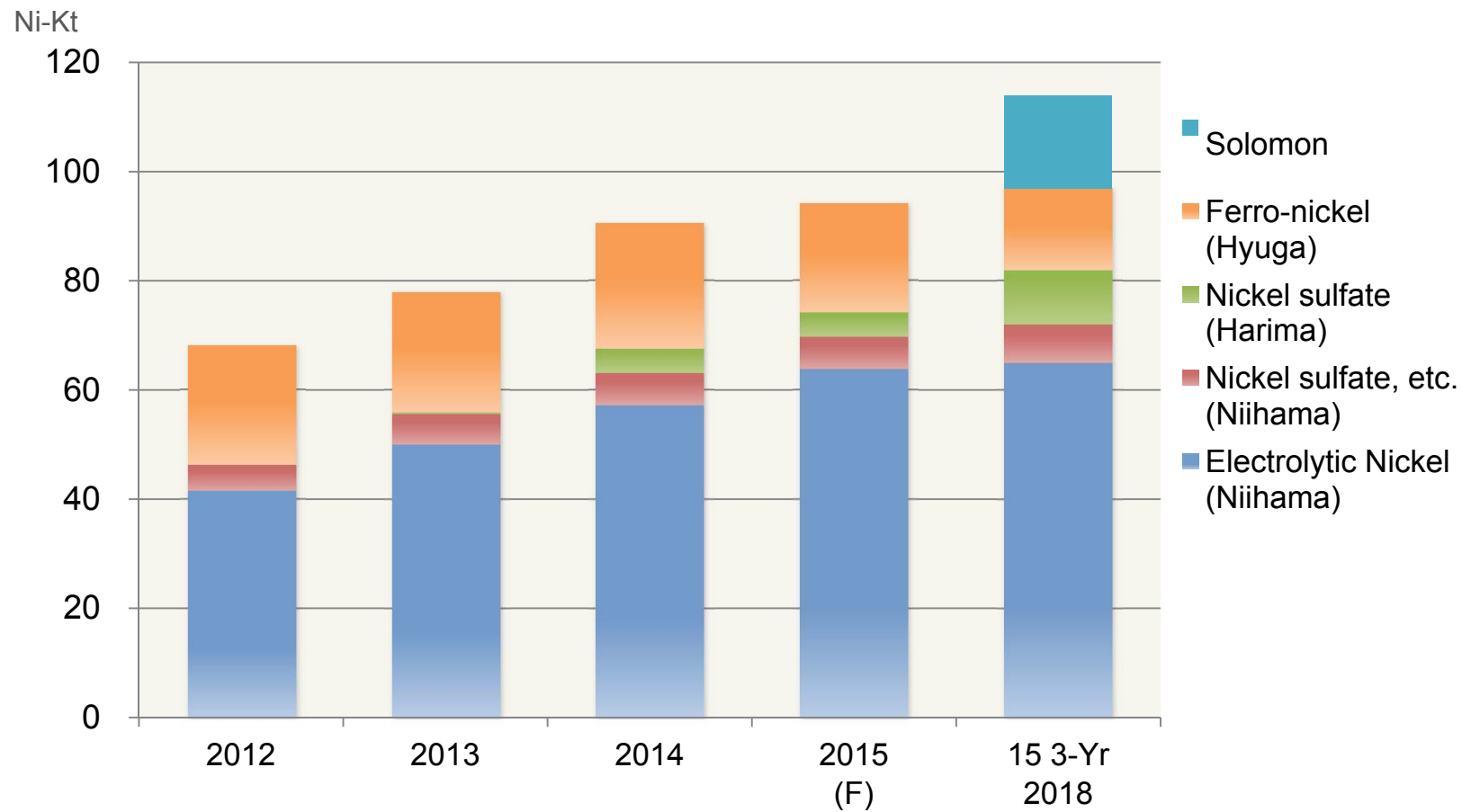


2) Smelting & Refining

(1) Stable operation of a 100 kt nickel production capacity structure



100 kt Nickel production structure

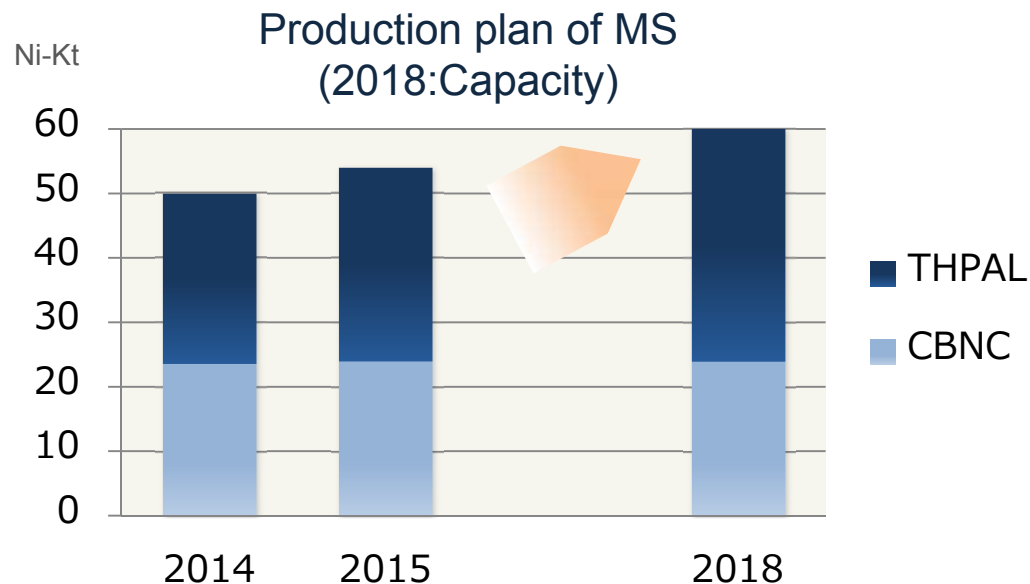
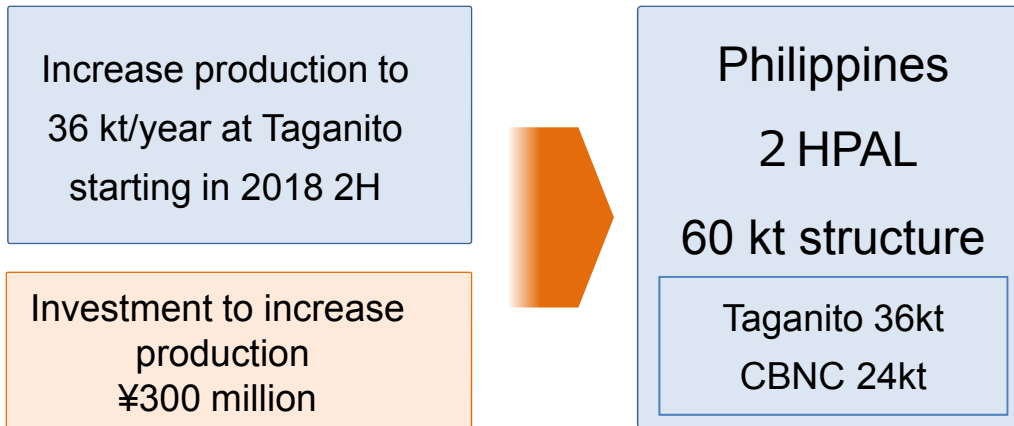


2) Smelting & Refining

(2) Taganito/CBNC 60 kt HPAL structure



Build a production structure for increasing capacity by 20% at Taganito



2) Smelting & Refining

(3) Recover rare earth in HPAL process



Scandium

Extract Scandium in Taganito HPAL Plant

2016 — Start of construction

2017 — Completion of construction, Commissioning

2018 — Commercial Production

¥4 billion
investment

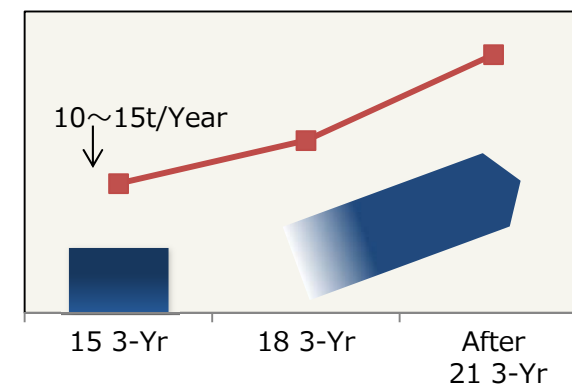
Main use of Scandia (scandium oxide)

- Solid Oxide Fuel Cells (SOFCs)
High efficiency and cleaner energy
Steady increase of demand is expected.
- Aluminum-Scandium Alloys
Enhance strength, corrosion resistance, heat resistance and give weldability
Aerospace/ Automobile application expected
- Others: Create new usage and develop the market

Current world demand is 10–15 t/year (scandia equivalent)

Production plan

- Production of SMM
- World Demand(SMM estimate)



2) Smelting & Refining

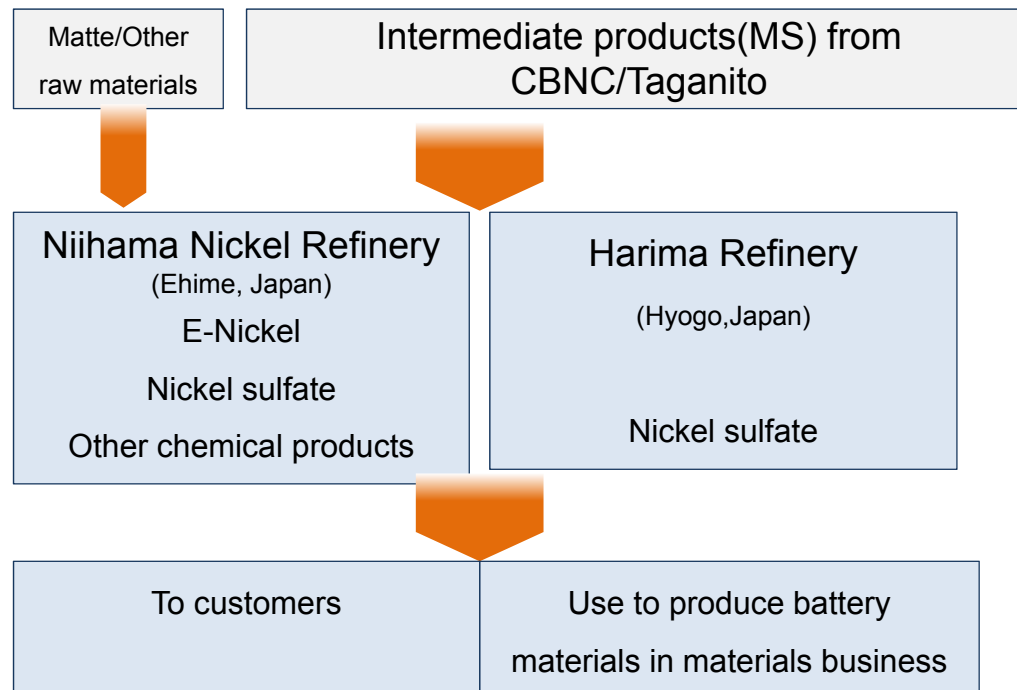
(4) SMM's Nickel Products



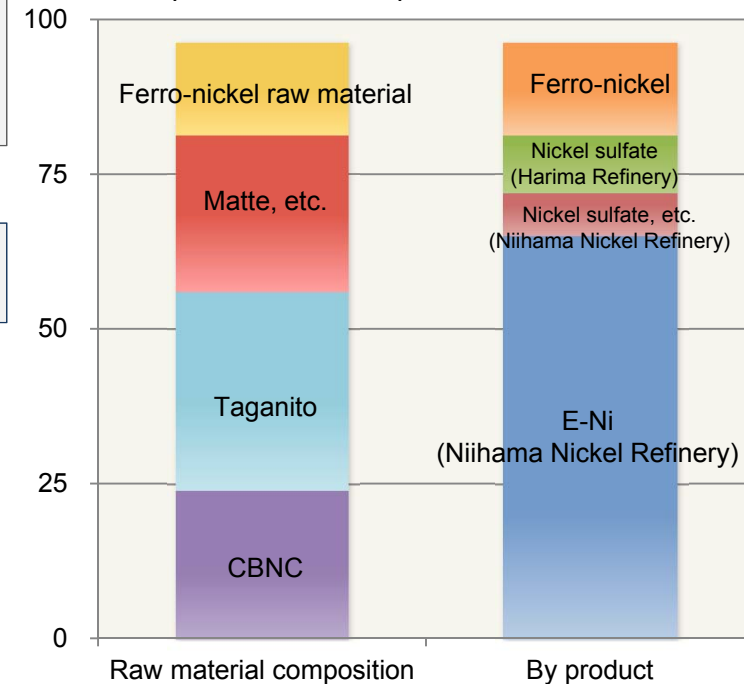
Creating nickel products from HPAL raw materials

HPAL Process (High Pressure Acid Leach)

- Technology to retrieve Ni and Co from low-grade nickel oxide ores
- CBNC first in the world to succeed at large-scale commercial production
Production started in 2005 Current annual production: 24 kt
- Taganito began operations in 2013 as second production facility
Current annual production: 30 kt



2015 3-Yr Business Plan
Ni-Kt Composition of nickel products and raw materials



2) Smelting & Refining (5) Toward a 150 kt Nickel Production Structure



Core Business
Growth Strategies

Pomalaa Project (Indonesia)

Schedule

2015 — Investigation plant location
2017 — Conduct DFS
Begin construction during 2018 3-Yr Business Plan period

Plan to conduct MS production by HPAL

2015 3-Year Business Plan period is the seed sowing stage
Advance discussion in next Business Plan period

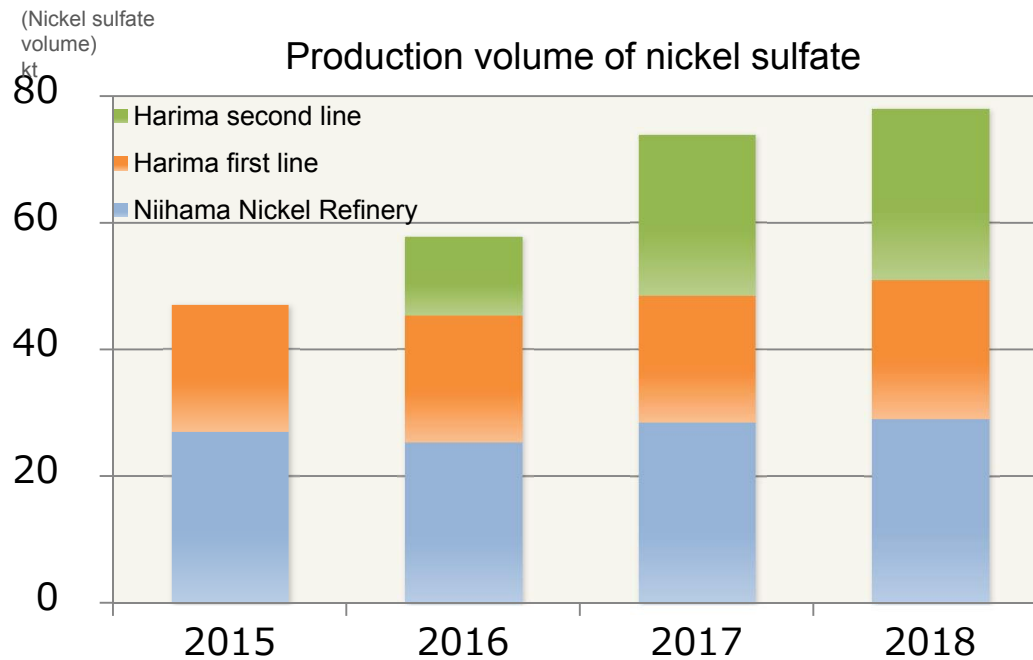


2) Smelting & Refining

(6) Expand the Ni Sulfate capacity



Harima Refinery – Increasing production of nickel sulfate



2016

Begin second line production at Harima (2H)
Achieve 45 kt/year at Harima

2017

Full-scale production at second line plant
Invest towards achieving 49 kt/year structure at Harima
Consider precursor for battery materials

2018

49 kt/year structure at Harima

(Nickel sulfate volume)

2) Smelting & Refining

(7) Ferro-nickel Optimal Production Structure



Core Business
Growth Strategies

Hyuga Smelting Co., Ltd. Ferro-nickel production plan

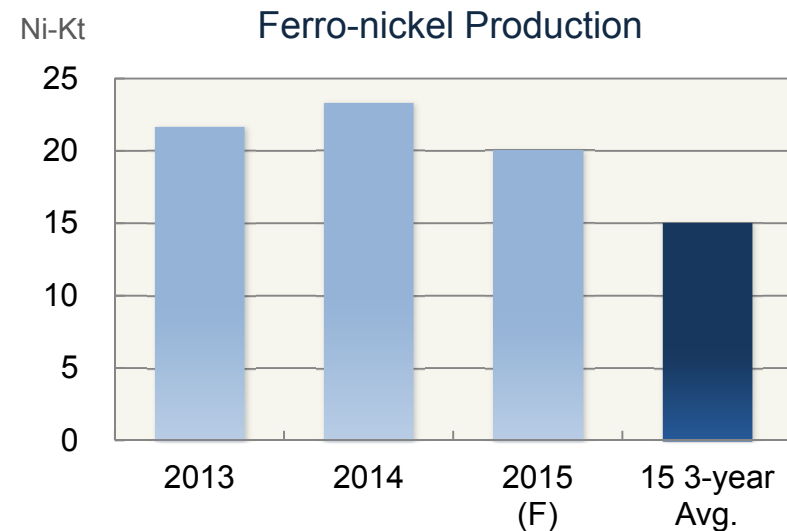
Considerable increase in ore prices
due to enforcement of Indonesian new Mining Law
Increase of ore processing volume due to declining
in ore grade



2015 3-Yr Business Plan period
Optimal Operation :15 kt/year

Transition from 2 kiln 2 electric furnace operation to
2 kiln 1 electric furnace operation
Shut down one electric furnace, ensuring it can be
restarted

Ensure profits by cutting costs and stabilizing
operations



2) Smelting & Refining

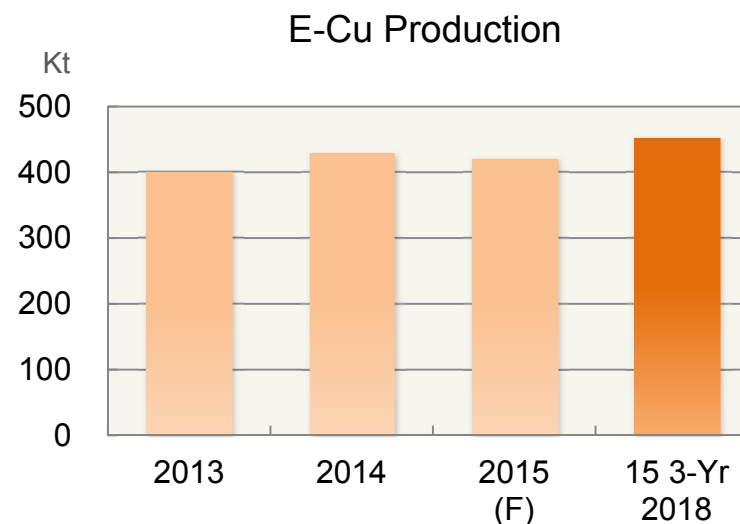
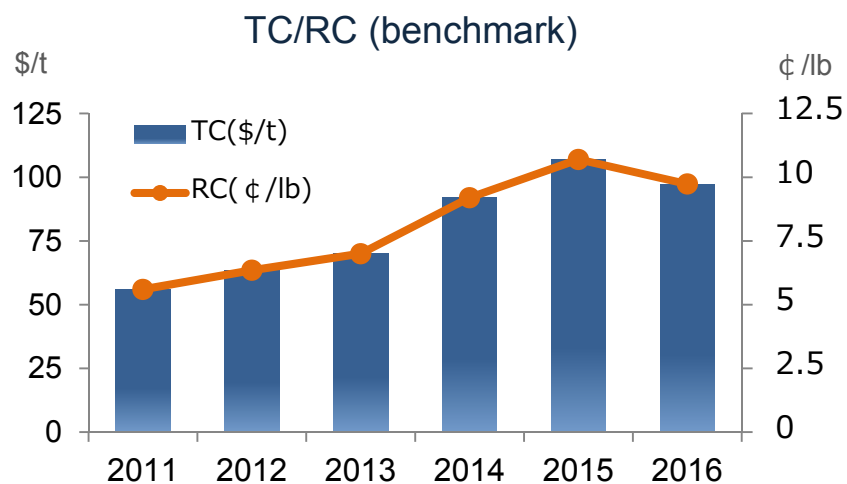
(8) Strengthening Competitiveness in Copper Smelting (1)



Toyo Smelter & Refinery production plan

Metal prices are falling but TC/RC is on the rise

Benefit from TC/RC increase through full, and stable production under 450 kt structure



2) Smelting & Refining

(8) Strengthening Competitiveness in Copper Smelting (2)



Strengthening Toyo Smelter & Refinery cost competitiveness

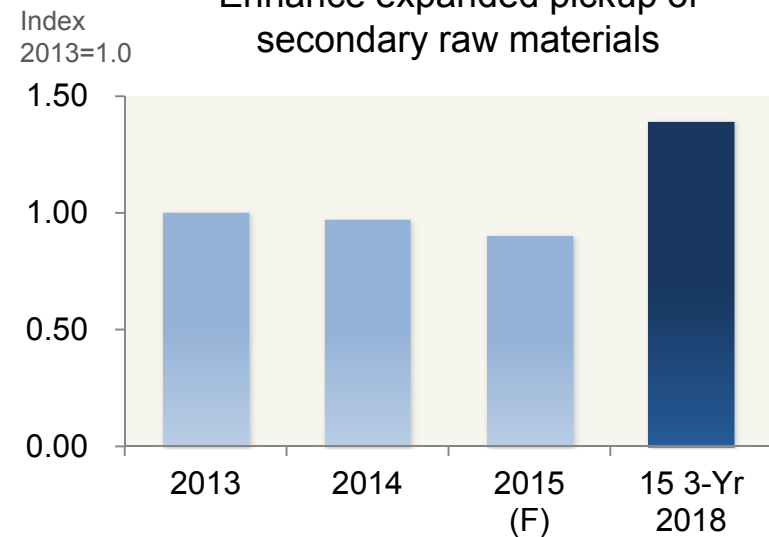
Further improve operational technology
Strengthen impurity-handling capability
Enhance secondary raw material pickup



Increase processing of profitable raw
materials and cut costs
to further improve profitability
as world-leading Copper Smelter



Enhance expanded pickup of
secondary raw materials



Business strategies in the 2015 3-Yr Business Plan

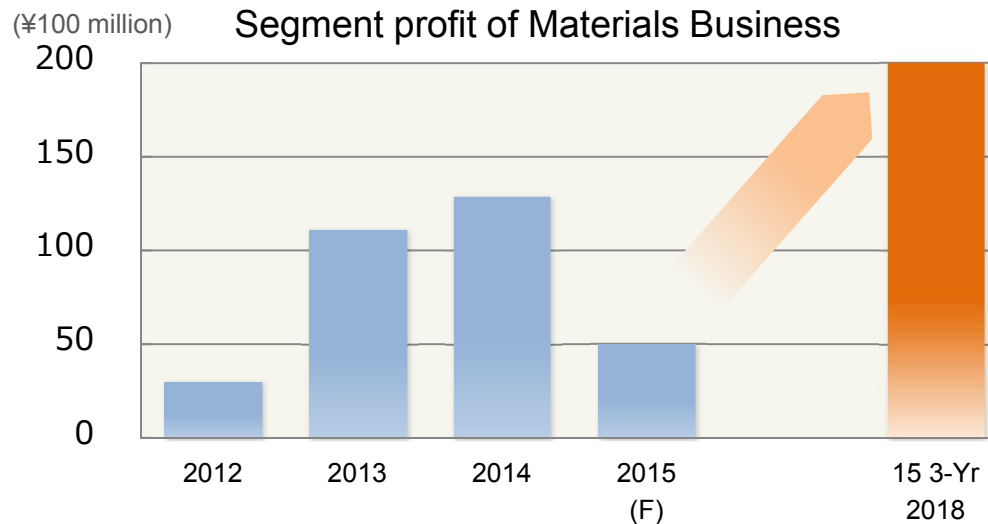
Aggressive investment in growth strategies
Fields of in-vehicle devices, environment, and information and communications

Achieve smooth transition to next-generation products through selection and concentration

Strengthen relationships with customers as partner
Collaborate from the development stage to new products

Bolster new business development capability
Build systems for creating new products

FY2018 Segment profit target: ¥20 billion



Expand Production capacity to the 2018 3-Yr Business Plan

Environmental changes concerning battery materials

Nickel cathode materials usage growing for EV increase
Change occurred in vertically integrated structure of automobile and battery manufacturers
Importance of stable supply in light of growing cobalt usage



SMM strengths

The only refiner of E-nickel and cobalt in Japan
Produce nickel and cobalt from Philippines-sourced HPAL raw materials
Can supply diverse product types, from products that are very nearly raw materials to high added value products

15 3-Yr Business Plan Initiatives

- Further boost production of NCA for EV
Expand from 1,850 t/month 2,550 t/month
- Expand production of ternary type for rapidly growing demand

SMM Battery Materials (cathode material) Usage

- NCA:
Tesla Motors, Inc.
Used in electric vehicle lithium-ion batteries
- Nickel Hydroxide:
TOYOTA Motor Corporation, used in hybrid vehicle
- Ternary Material:
TOYOTA Motor Corporation
Used in the new Prius lithium-ion battery



(Photo : TOYOTA Motor Cop.)

Build an expanded production system for crystal materials

LT/LN crystal substrates for SAW filters

Demand booming due to growth of multiband, high-speed communications

December, 2014

Decision to expand from 120K to 210K substrates/month

March, 2015

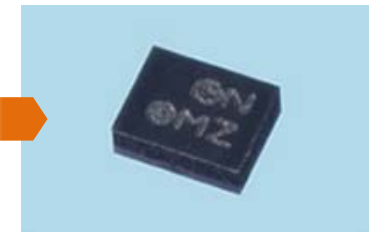
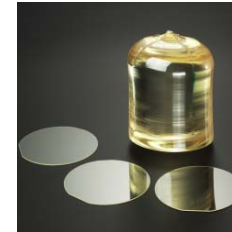
Decision to expand from 210K to 300K substrates/month to worldwide top share

2015 3-Year Business Plan period

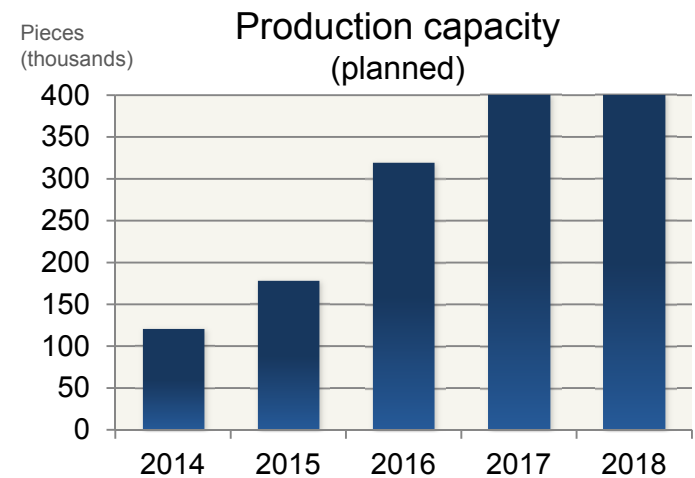
Will further expand to accommodate 400K substrates/month
More share in worldwide

Strengthen competitiveness
by improving recovery rate and reducing costs

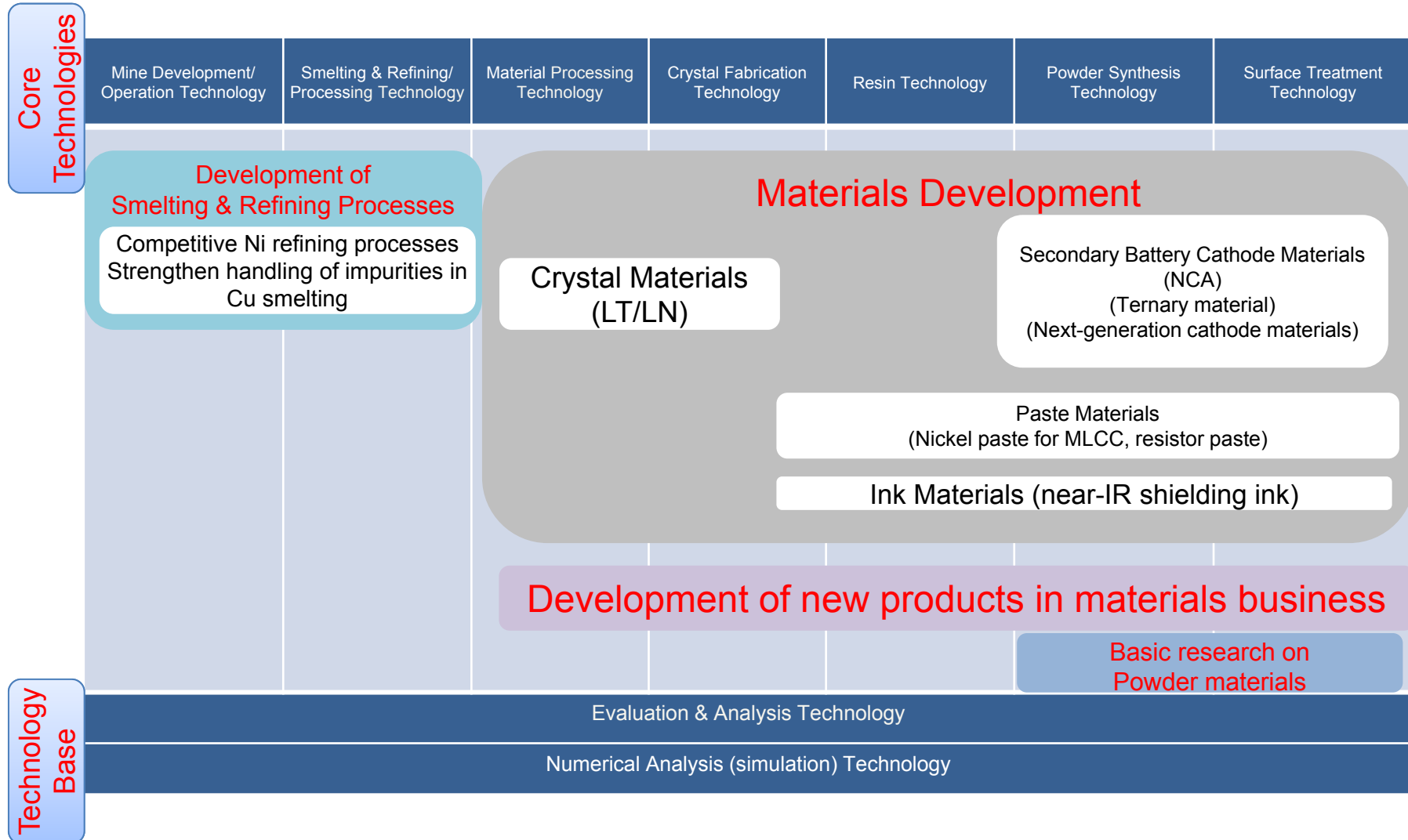
Grow together with customers as partner



SAW filter
(photo : MURATA MANUFACTURING CO., LTD)



Concentrate R&D in Strategic Growth Areas



IV. Platform Reinforcement

I

Long-Term Vision (LTV) &
Basic Strategy of 2015 3-Yr Business Plan

II

Business Environment

III

Core Business Growth Strategies

IV

Platform Reinforcement

V

Financial Information and
Supplementary Materials

The Sumitomo Business Spirit

Article 1

Sumitomo shall achieve strength and prosperity **by placing prime importance on integrity and sound management** in the conduct of its business.

Article 2

Sumitomo shall manage its activities with foresight and flexibility **in order to cope effectively with the changing times**. Under no circumstances, however, shall it pursue easy gains or act imprudently.

SMM Group Corporate Philosophy

Sumitomo Metal Mining Co., Ltd. (SMM), in accordance with the Sumitomo Business Spirit, shall, through the performance of sound corporate activities and the promotion of sustainable co-existence with the global environment, seek to make positive contributions to society and to fulfill its responsibilities to its stakeholders, in order to win ever greater trust.

SMM shall, based on respect for all individuals and recognizing each person's dignity and value, seek to be a forward-minded and vibrant company

SMM Group Management Vision

By developing and employing innovative technology, we shall fulfill our social responsibilities as a manufacturing enterprise.

Based on the principles of compliance, environmental protection and operational safety, the Sumitomo Metal Mining Group shall pursue maximum corporate value through the provision, via its global network, of high-quality materials such as non-ferrous metals and electronics and advanced materials.

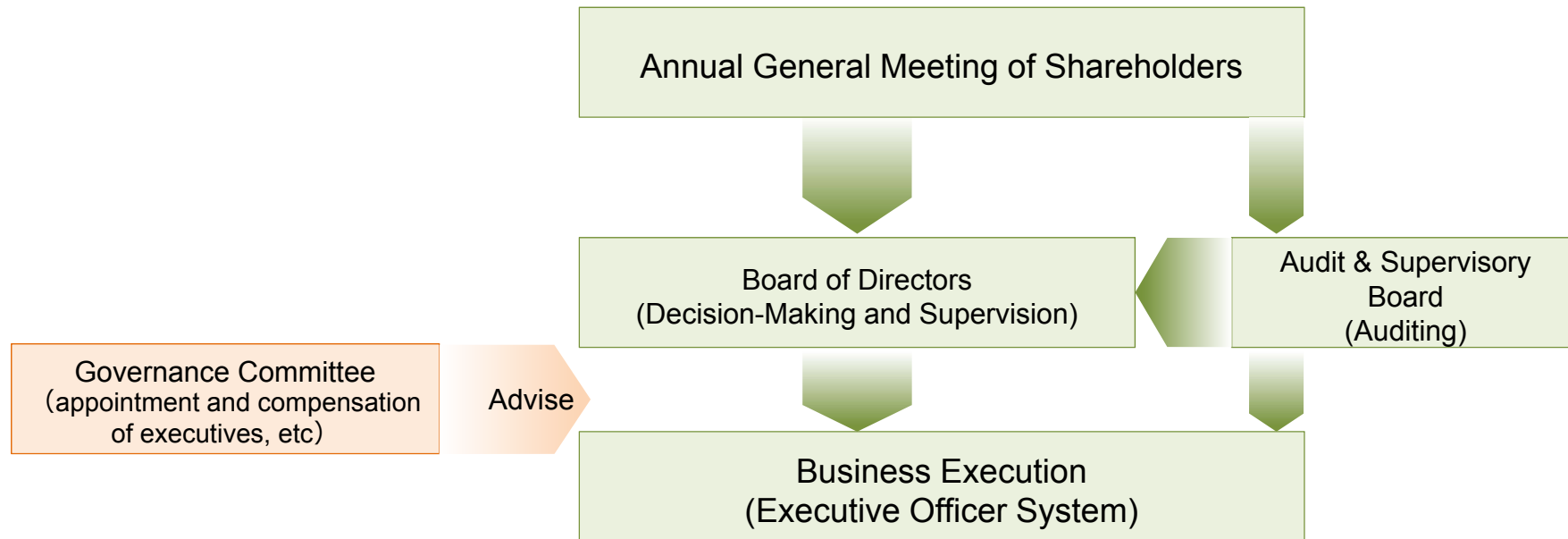
2) Corporate Governance (1) Governance System

SMM's Corporate Governance

Maximizing the corporate value of the SMM Group

Ensuring sound management practices

Framework with which to bring discipline to our corporate activities



**Increase the ratio of Outside Directors on the Board of Directors to 1/3
Strengthen corporate governance**

Corporate Governance Guideline

Establish new policies regarding the basic framework for views based on our corporate governance

Basic Concept

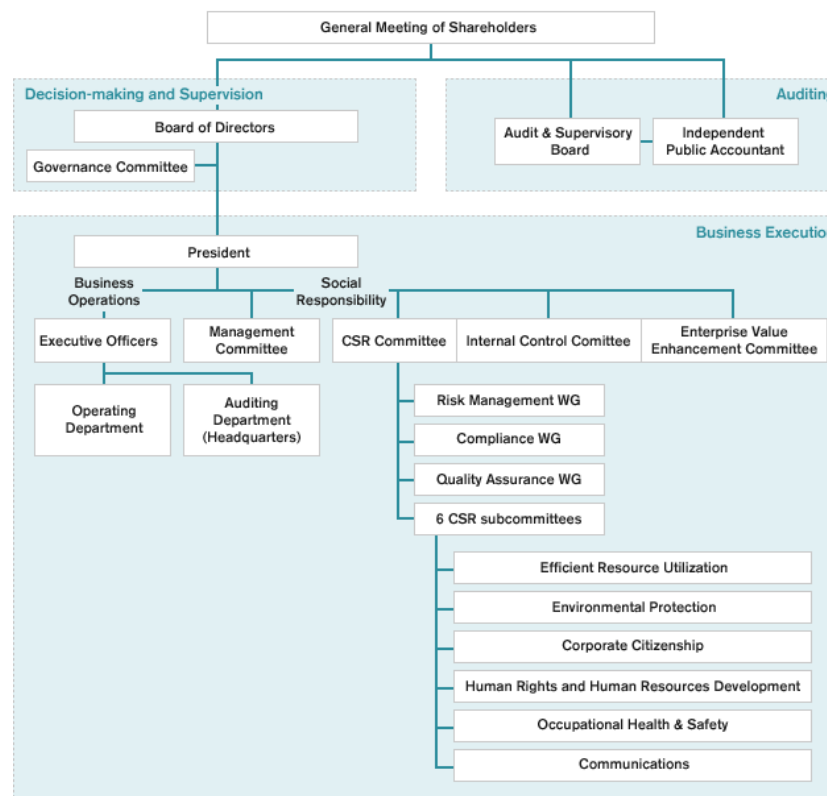
- Corporate governance structure is to achieve SMM Group Corporate Philosophy
- Fulfill responsibility to stakeholders

Major Items

- Secure shareholder's rights
- Policy of communication and openness with shareholders
- Corporate governance structure
- Clearly state the independence guideline of Outside Directors and auditors
- Expand support structure for Outside Directors and auditors

Corporate Governance Framework

Corporate Governance System



Work to bring corporate governance to a higher level to increase corporate value

Renewal of our takeover defense measures

- ▶ Introduced at 2007 Annual General Meeting of Shareholders (AGM)
- ▶ Renewed at 2010 and 2013 AGMs
- ▶ A proposal for renewal is expected to be submitted at the 2016 AGM

Ensure the necessary time and information is made available for shareholders

Necessity

If a large-scale acquisition of shares of the company harms its corporate value or the common interests of its shareholders

Need to ensure the corporate value or the common interests of its shareholders by taking the necessary and reasonable countermeasures against such a large-scale acquisition

Actions and Governance

To improve transparency and clarity, the BOD will, as general rule, convene a meeting of shareholders and confirm the intents of its shareholders before making a resolution

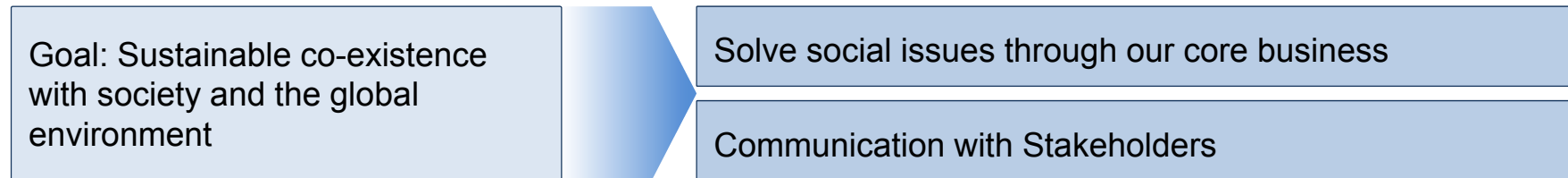
Strengthening Corporate Governance

Increase the number of independent outside directors to three (3), the ratio of the board of directors more than 1/3

Form an independent committee composed of the outside directors

Have cleared all the recommended standards of the large voting advisory organizations

SMM CSR



CSR Policy

1	SMM shall work to combat global warming by promoting recycling and effective resource utilization while also targeting technological innovation and continuous improvements in energy efficiency.
2	SMM shall promote sustainable co-existence with society by respecting the needs of local communities in which we operate around the world.
3	To continue sound business activities, SMM shall respect human rights and shall try to be a company in which diverse human resources take active parts .
4	According safety the highest priority , SMM shall provide safe, comfortable working environments and seek to eliminate occupational accidents .
5	SMM shall strengthen communications with all stakeholders to build healthy, trust-based relationships.

Six Key CSR Areas and Vision for 2020

Effective Use of Resources	A company that generates resources using innovative technology
Environmental Preservation	A company that uses advanced technologies to reduce environmental impacts and contributes to preserving the global environment
Contribution to Society and Local Communities	A company that earns trust and contributes to regional development through our business and social contribution activities rooted in each region
Respect for People and Human Rights	<p>A company where diverse human resources exercise their ability sufficiently and take a vibrant and active part in each field</p> <p>A company that works with its stakeholders to strive for a society that actively respects human rights</p>
Occupational Health and Safety	A company that accords safety the highest priority and provides comfortable working environments
Stakeholder Communication	A company that works to communicate transparently with all worldwide stakeholders to deepen mutual understanding

Safety — To achieve by FY2018

Use top-down approach to conduct effective safety activities at business sites and reduce major risks through appropriate equipment improvements.

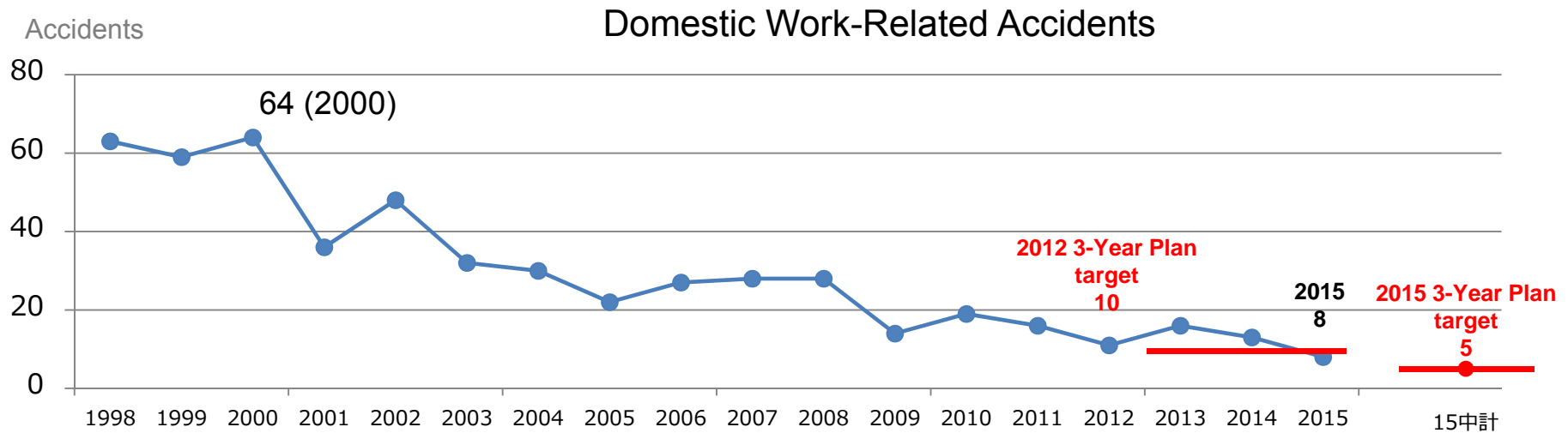
Practice good communication to improve safety awareness among all employees and conduct proper line management to ensure safety.

2015 3-Yr Plan period

Targets

Limit domestic work-related accidents to **5** or less

Limit overseas work-related accidents to **9** or less



SMM Group Policy on Human Rights (key elements)

1. Compliance with domestic laws and ordinances, as well as international standards in regards to human rights
2. No discrimination
3. Prevention of child labor and forced labor
4. Establishment of appropriate measures and procedures for responding to human rights problems if they should occur
5. Ongoing implementation of human rights awareness and outreach activities

Human Resources Development Policy

1. Develop and train the human resources necessary to ensure growth strategy success
2. Build systems that allow diverse human resources to exercise their potential
3. Develop organizations and a corporate culture that are proactive, collaborative, and self-driven

V. Financial Information and Supplementary Materials

I

Long-Term Vision (LTV) &
Basic Strategy of 2015 3-Yr Business Plan

II

Business Environment

III

Core Business Growth Strategies

IV

Platform Reinforcement

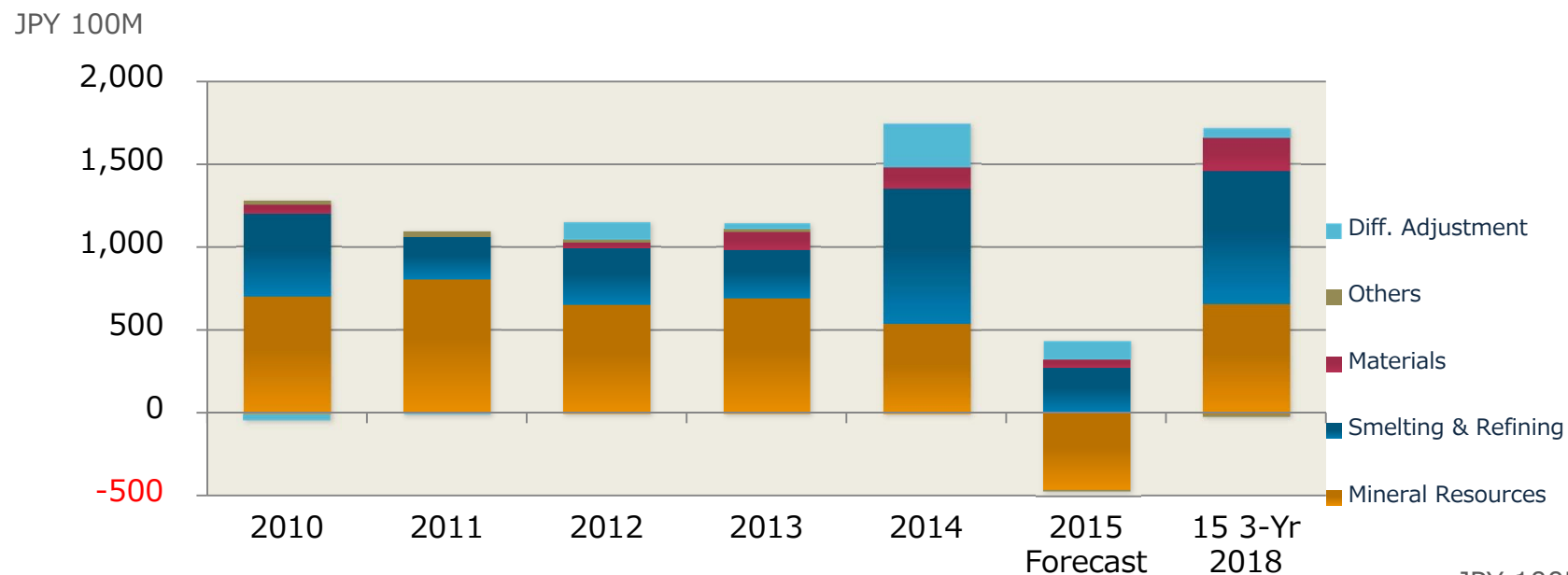
V

Financial Information and
Supplementary Materials

1) Performance Trends

	2010	2011	2012	2013	2014	2015 Forecast	15 3-Yr 2018
Net Sales	8,641	8,479	8,085	8,305	9,213	8,550	10,600
Operating Income	960	886	958	754	1,258	620	1,400
Recurring Profit	1,237	1,088	1,150	1,144	1,742	-40	1,700
Equity Method profit	348	232	171	298	239	-750	270
Net Income (Profit attributable to owners of parent)	840	653	866	803	911	50	1,200
ROA (%)	8.3	5.9	6.9	5.5	5.5	0.3	6
ROE (%)	13.8	10.1	12.1	9.5	9.3	0.5	10
Dividend Per Share(¥)	32.0	28.0	34.0	37.0	48.0	31.0	N/A
Copper (\$/t)	8,140	8,485	7,855	7,104	6,554	5,174	6,000
Nickel (\$/lb)	10.7	9.6	7.7	6.5	7.6	4.74	7.0
Gold (\$/Toz)	1,294	1,646	1,654	1,327	1,248	1,124	1,150
Exchange(¥/\$)	85.7	79.1	83.1	100.2	109.9	121.3	120.0

2) Segment Profit



JPY 100M

	2010	2011	2012	2013	2014	2015 Forecast	15 3-Yr 2018
Segment Profit	Mineral Resources	704	806	652	691	-460	660
	Smelting & Refining	495	256	339	291	280	800
	Materials	54	-3	38	111	129	200
	Others	23	34	16	16	-1	-10
Diff. Adjustment	-39	-5	105	35	263	100	60
Recurring Profit Total	1,237	1,088	1,150	1,144	1,742	-40	1,700

3) Balance Sheet

Balance Sheet (Projections)

JPY100M

	2019/3 Projection	2016/3 Forecast	Diff
Current Assets	4,970	4,700	+270
Fixed Assets	14,340	11,830	+2,510
Total Assets	19,310	16,530	+2,780
Interest-bearing debt	4,130	4,180	-50
Other liabilities	1,520	1,330	+190
Total Liabilities	5,650	5,510	+140
Total Net Assets	13,660	11,020	+2,640
Total Liabilities & Net Assets	19,310	16,530	+2,780
Equity Ratio(%)	65%	61%	+4%
D/E Ratio	0.33	0.41	-0.08
Shareholder's equity	12,540	10,090	+2,450

4) Sensitivity

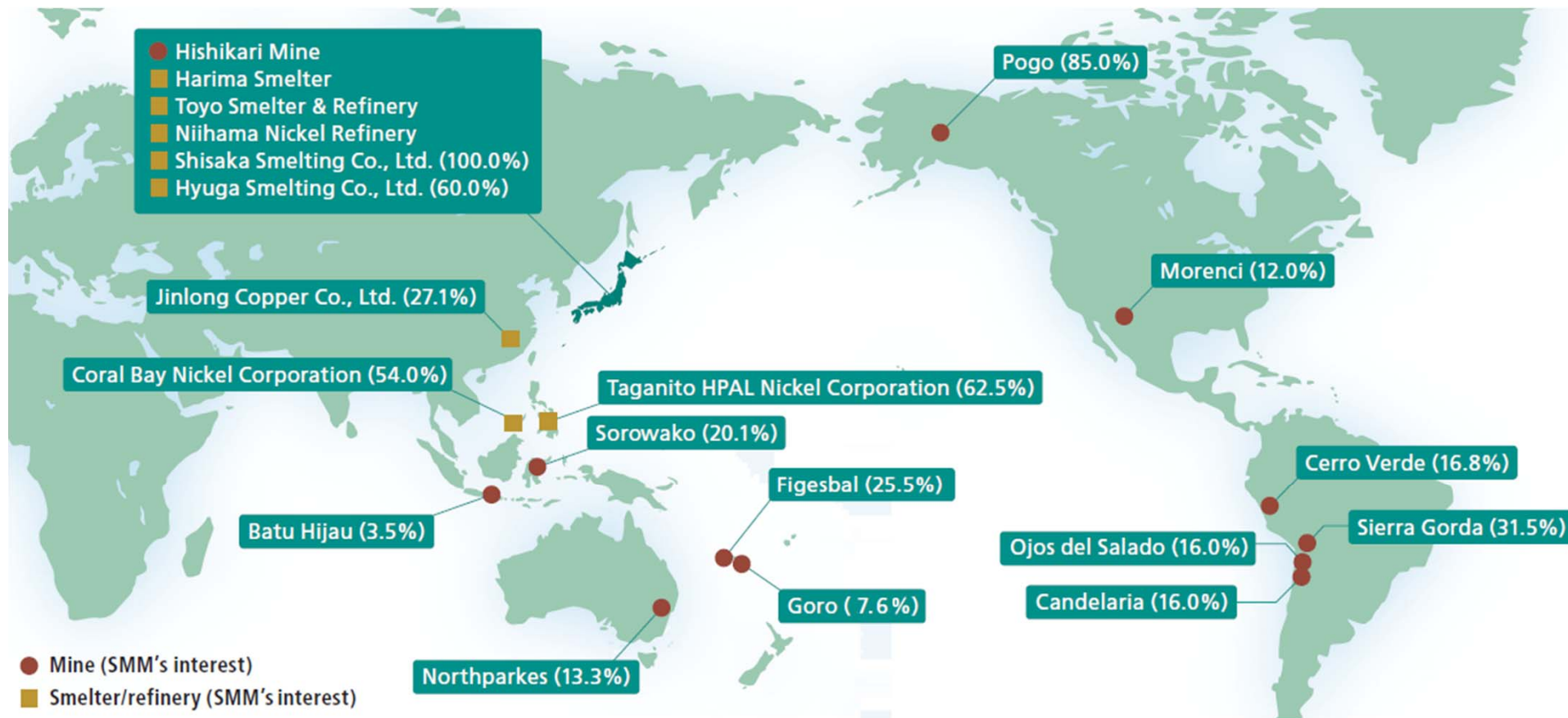


JPY100M

Element	Degree of variation	Operating income/ Recurring profit
Cu	±100\$/t	19/36
Ni	±10 ¢ /lb	19/22
Au	±10\$/toz	5/5
JP¥ / \$	±¥1/\$	13/15

(Remark) USD/JPY translation include RC-related and Conversion rate of overseas consolidated / equity-method affiliate companies' profit.

5) SMM's Mines and Smelters / Refineries



As of January 2016

Note

The materials provided herein are not intended as disclosure under the Securities Law, and no warranty is made as to their completeness or accuracy.

Any projections included in these materials are based solely on information available at the time of this briefing, and are subject to change based on market conditions, competitive conditions, and a number of other factors.

Therefore, we ask that you refrain from making any investment decisions based on these materials alone. The Company cannot be held responsible in any way for any losses that may occur as a result of the use of these materials.

All copyrights, trademarks, and intellectual property rights attaching to the materials herein are the sole property of Sumitomo Metal Mining Co., Ltd.

Sumitomo Metal Mining Co., Ltd.