

January 15, 2013

Press Release

Sumitomo Metal Mining Co., Ltd.  
Sumitomo Corporation

## Participation in the Production Increase Project at Morenci Copper Mine

Sumitomo Metal Mining Co., Ltd. (“SMM”, Headquarters: Minato-ku, Tokyo, President and Representative Director: Nobumasa Kemori) and Sumitomo Corporation (“SC”, Headquarters: Chuo-ku, President and CEO: Kuniharu Nakamura) (hereinafter jointly referred to as “Sumitomo”) hold a 15% equity interest in the Morenci Copper mine (Arizona, USA) operated by the world's largest publicly traded copper company Freeport-McMoRan Copper & Gold Inc. (“FCX”, Headquarters: Phoenix, Arizona), and have made the decision to participate in a new project that is to be implemented to increase annual production at this mine from 280,000 tonnes to 400,000 tonnes (“this project”).

Since 1986, Sumitomo has held an equity interest in the Morenci Copper mine operated by FCX (then Phelps Dodge Corporation) of 15% through Sumitomo Metal Mining Arizona Inc. (Headquarters: Seattle, Washington) with an investment ratio of 8:2 between SMM and SC respectively.

A proposal was made by FCX for a project at the Morenci Copper mine to increase production from the current annual copper production of 280,000 tonnes to 400,000 tonnes through an increase in daily extraction volume from 635,000 tonnes to 815,000 tonnes as well as an increase in daily volume of concentration processing from 50,000 tonnes to 115,000 tonnes. After considering this project, Sumitomo concluded that there is a high potential for profitability as the project is an expansion of an existing mine. Given that it is a development based on established technology and the risk of participation is lower than a new project, the decision was made to participate in the project with the current equity interest of 15%.

The total cost of this production increase project is USD1.7 billion, of which Sumitomo shall bear the USD260 million that is equal to its 15% equity interest. The SMM and SC investment ratio shall remain at 8:2. Work to increase production is scheduled to be completed in the second quarter of 2014, and full production is scheduled to begin in the third quarter of the same year.

With participation in this project, the copper production volume held by Sumitomo shall increase by approximately 18,000 tonnes per year to a total of approximately 60,000 tonnes per year in line

with its equity interest.

As a long-term vision, SMM aims to achieve an annual production volume of 300,000 tonnes with its equity shares in copper, and participation in this project is expected to contribute towards the realization of this vision.

While continuing to enhance and build up its non-ferrous metal assets, SC aims to increase the value of its existing copper assets through participation in this project.

(Reference: Morenci Copper Mine)

1. Location: Arizona, USA (approx. 250km east of state capital Phoenix)
2. Stakeholders: Freeport-McMoRan Copper & Gold Inc.: 85%  
Sumitomo Metal Mining Arizona Inc. (joint venture company of the Morenci Copper mine owned 80% by SMM and 20% by SC):15%
3. Products: Copper concentrates, electrolytic copper, molybdenum

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