

November 9, 2017

Press Release

Sumitomo Metal Mining Co., Ltd.

Notification of Business Withdrawal of a Consolidated Subsidiary

Sumitomo Metal Mining Co., Ltd. (SMM) has made the decision that its consolidated subsidiary Taihei Metal Industry Co., Ltd. shall withdraw from its business including the design, manufacture, assembly, and sale of special alloy cast products due to a vast decline in order quantities and other changes in the business environment as well as future growth prospects.

Taihei Metal Industry Co., Ltd. has worked to take forward its business, but since the global financial crisis after the Bankruptcy of Lehman Brothers in September 2008, investment in plant construction and other facilities has declined and Taihei Metal Industry Co., Ltd has experienced great decline in both order quantity and contract amount. Furthermore, competition with cheaper products from overseas has intensified and the domestic environment surrounding the steel casting industry has become exceedingly harsh, meaning that future profit improvement and growth is not expected to be likely, so the decision has been made to withdraw from the business by around the end of June 2018.

Dismantling work shall then be performed for the company's facilities, and a decision to dissolve the businesses will be made in FY2019.

At this time SMM expected the losses associated with this withdrawal to be about 3billion yen, since it is uncertain at the present time, details will be reviewed in the future.

(Reference)

Taihei Metal Industry Co., Ltd. Overview

1. Name: Taihei Metal Industry Co., Ltd.
2. Location of head office:
3-7-1 Chuorinkan-nishi, Yamato-shi, Kanagawa Prefecture, Japan
3. Name/position of representative: Nobuhito Matsumoto, President
4. Business details:
Design, manufacture, assembly, sale of special alloy cast products, etc.
5. Capital: 400,000,000 yen
6. Founded on: June 6, 1940
7. Shareholding ratio: 100% subsidiary of Sumitomo Metal Mining Co., Ltd.
8. Number of employees: 106

Address inquiries concerning this Press Release to:

Sumitomo Metal Mining Co., Ltd.

Hidenobu Tasaki, Public Relations & Investor Relations Department

TEL: +81-3-3436-7705

FAX: +81-3-3434-2215