

Daiwa Investment Conference Tokyo 2016

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-

March 2016



SUMITOMO METAL MINING CO., LTD.

Yoshiaki Nakazato
President and Representative Director

SUMITOMO METAL MINING CO., LTD.

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I. Business Overview

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Business Overview

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Sumitomo Metal Mining Co., Ltd.

Founded	1590
Incorporated	1950
Paid-In Capital	¥93.2 billion
Net Sales	¥921.3 billion (FY2014)
Recurring Profit	¥174.2 billion (FY2014)
Number of Employees	8,776 (consolidated) (FY2014)
Operations	Mining, smelting and refining, manufacturing of semiconductor and advanced materials, and other operations

(As of March 31, 2015)

Founded in 1590

Our roots date back to Soga Riemon's copper smelting and smithing business.

Nanban-buki

The establishment of the advanced smelting technology "nanban-buki" that separated silver from crude copper, using knowhow acquired from abroad, was attributed to Soga Riemon.



Copper Wire Bars

Copper wire bars, known as "Japan Copper," were refined and cast in Osaka and exported from Nagasaki.



2)Business Overview: Timeline(2)

1590

Soga Riemon opened a copper smelting and smithing business in Kyoto



1500s

1600s

1700s

1800s

1691

Operation of Besshi Copper Mine started



The Besshi Copper Mine underpinned Sumitomo's operations for 280 years.

2)Business Overview: Timeline(3)

1905

New copper smelter established on Shisaka Island to ease air pollution

1939

Electrolytic nickel production started

1952

Renamed to Sumitomo Metal Mining Co., Ltd.

1960

Expanded into electronic materials industry

1971

Toyo Smelter & Refinery completed

1973

Besshi Copper Mine closed

1985

Hishikari Mine (gold) opened

1986

Capital investment in Morenci Copper Mine (USA)

1900s

2000s

2005

Capital investment in Cerro Verde Copper Mine (Peru)

2005

Production began at Coral Bay Nickel Corporation (Philippines)

2006

Operations began at Pogo Gold Mine (USA)

2013

Production began at Taganito HPAL Nickel Corporation (Philippines)

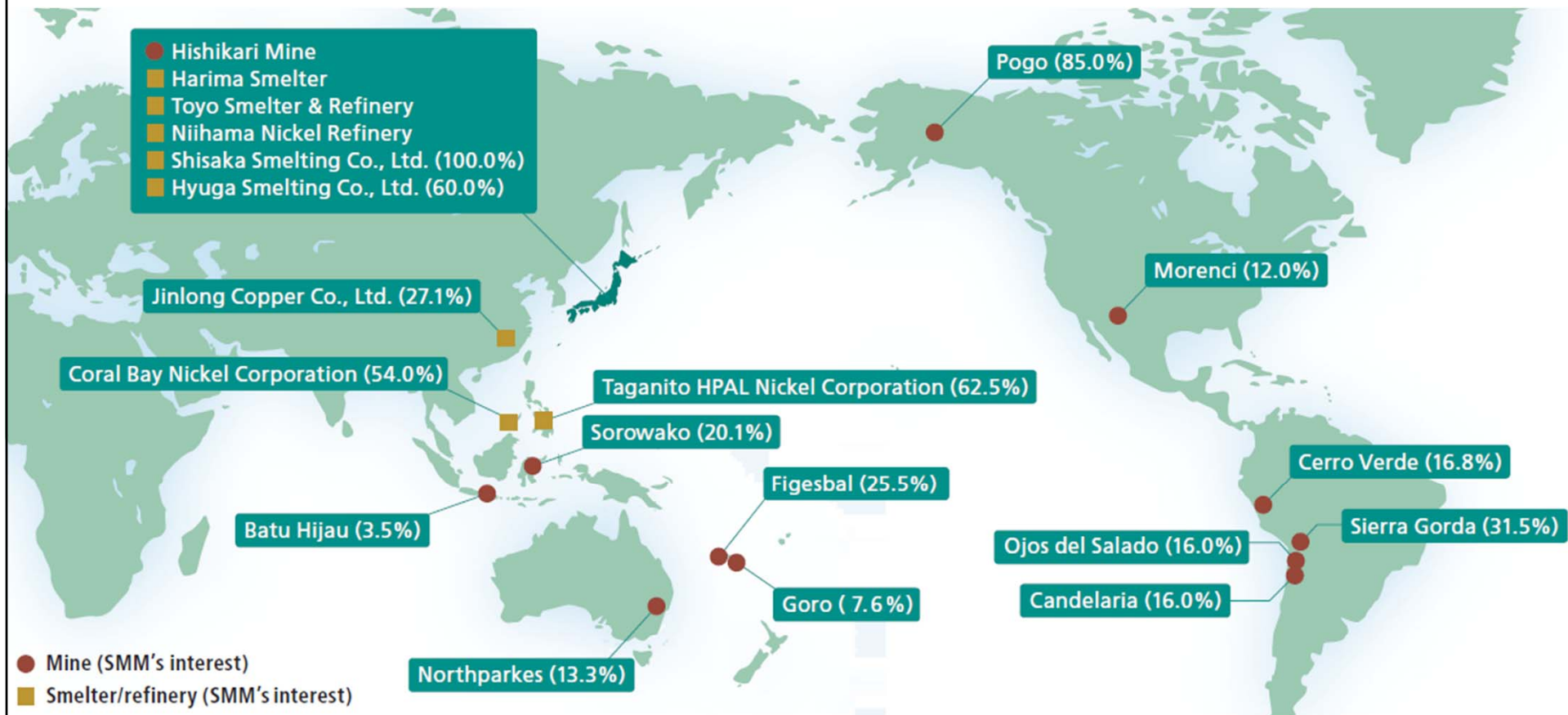
2014

Production began at Sierra Gorda Copper Mine (Chile)



Taganito HPAL Nickel Corporation (THPAL), Philippines

3) SMM's Mines and Smelters / Refineries



As of January 2016

4)Business Strategy: Business Model—3 Core Businesses

Mineral Resources Business

Developing and mining resources



Sierra Gorda Mine (Chile; Copper)



Hishikari Mine (Kagoshima, Japan; Gold)



Copper ore



Gold ore

Smelting & Refining Business

Extracting metals from ore



Taganito HPAL Nickel Corporation (Philippines; Nickel)



Toyo Smelter & Refinery (Ehime, Japan; Copper)



Electrolytic nickel



Electrolytic copper



Gold

Materials Business

Producing cutting-edge electronic and functional materials



Isoura Plant (Ehime, Japan)



Ome District Division (Tokyo, Japan)

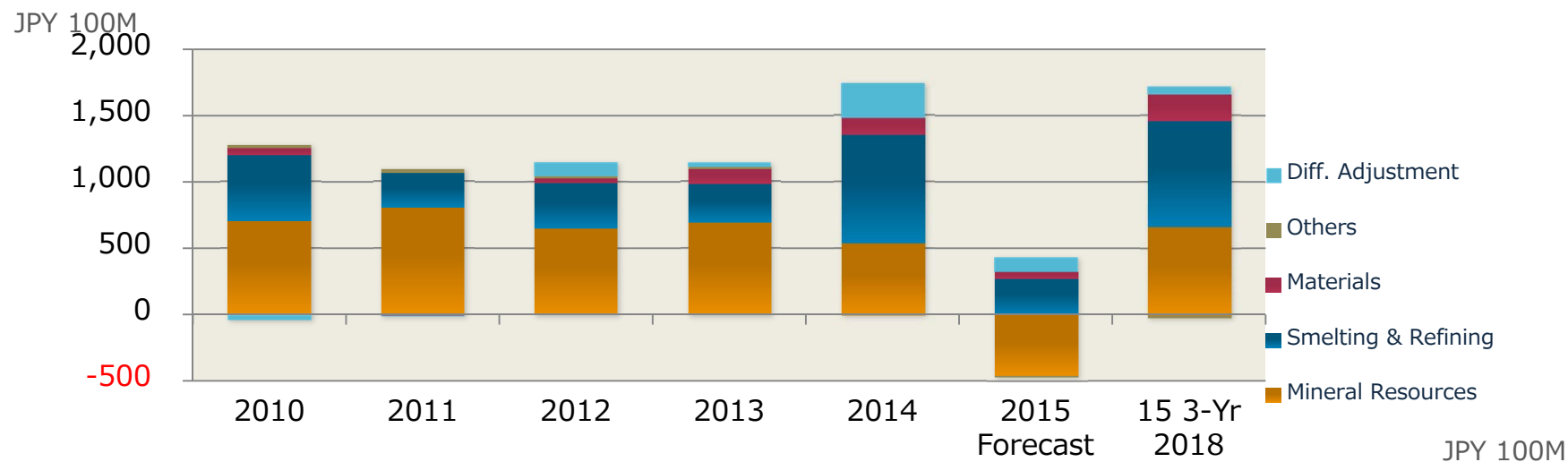


Lithium nickel oxide (for battery materials)



Thick film paste (for capacitors, etc.)

5) Segment Profit



		2010	2011	2012	2013	2014	2015 (F)	15 3-Yr 2018	Net Sales	
									2015 (F)	15 3-Yr 2018
Segment Profit	Mineral Resources	704	806	652	691	538	-460	660	1,140	1,800
	Smelting & Refining	495	256	339	291	813	280	800	6,410	7,000
	Materials	54	-3	38	111	129	50	200	1,720	2,800
	Others	23	34	16	16	-1	-10	-20	150	100
Diff. Adjustment		-39	-5	105	35	263	100	60	-870	-1,100
Total (Recurring Profit / Net Sales)		1,237	1,088	1,150	1,144	1,742	-40	1,700	8,550	10,600

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

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Management issues

Changes in Business Environment

- End of commodity supercycle
- Slump in metal prices
- Condition of Mineral Resource development projects become more difficult

Metal Prices

In the mid to long term trend is estimated to be stable

- Demand grows together with GDP growth
- Demand and supply is balancing

Top priorities in 3 core businesses

Mineral Resources and Smelting & Refining Business

- Strengthened cost competitiveness, improve operability and productivity
- Prepare for long-term growth strategy

Materials Business

- Profit contribution from expanded project
- Change into stable profit structure

2) Long-Term Vision

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

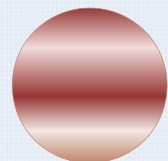
Targets

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

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

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

Long-Term Vision

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

FY2016-2018
2015 3-Yr Business Plan

Respond to changes in
business environment

FY2013-2015
12 3-Yr Business Plan

Strengthen global
competitiveness

Execute a continuous
growth strategy

FY2010-2012
09 3-Yr Business Plan

FY2004-2009
03 & 06 3-Yr
Business Plans

Strengthen platform for global competition

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

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

			~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

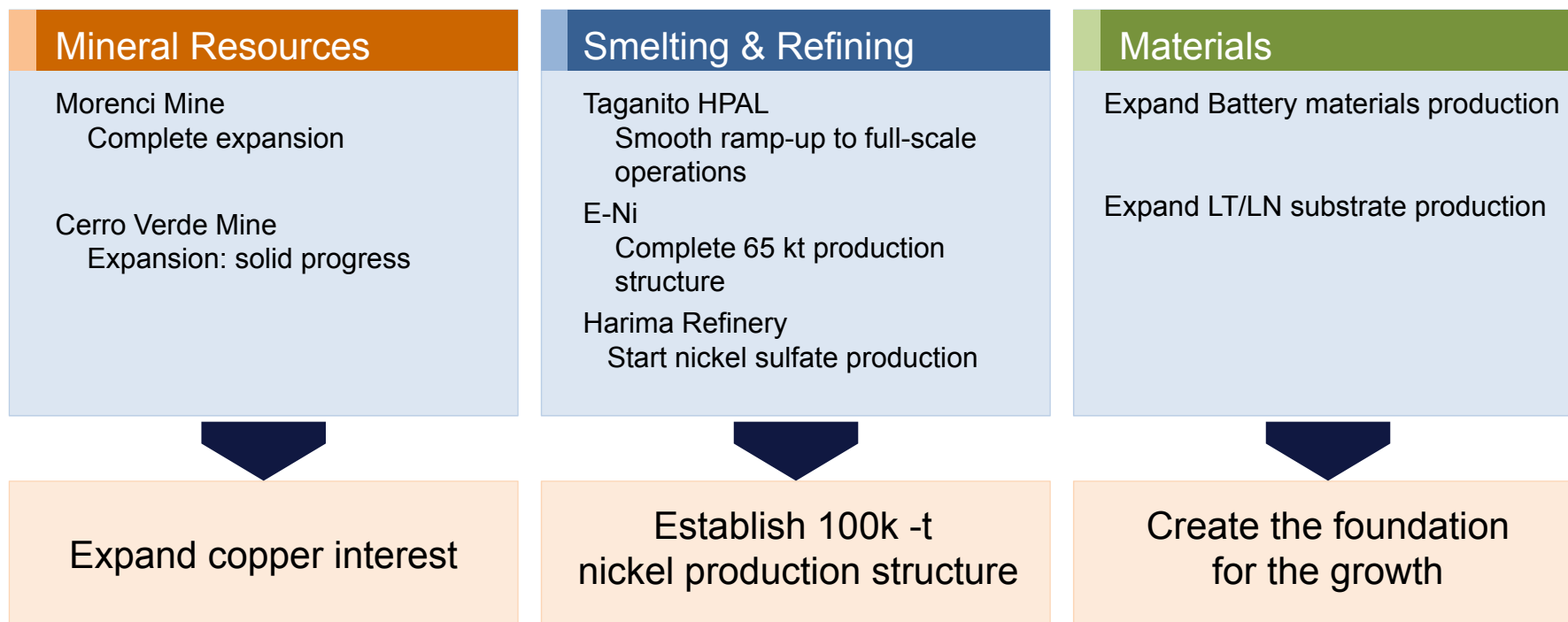
4) Major Projects in 03–12 3-Yr Business Plans (2)



LTV & Basic Strategy
of 15 3-Yr Business Plan

2012 3-Yr Business Plan Review

2012 3-Yr Business Plan Priorities

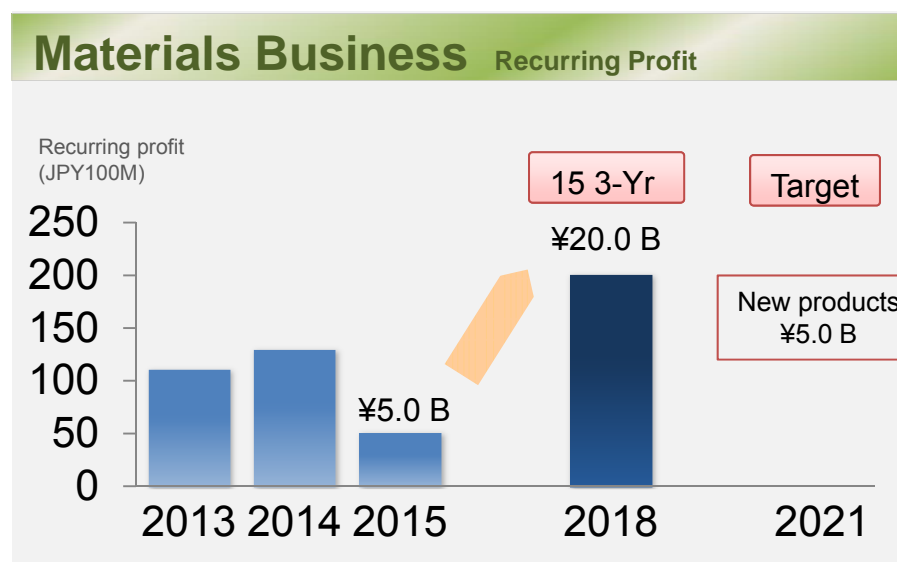
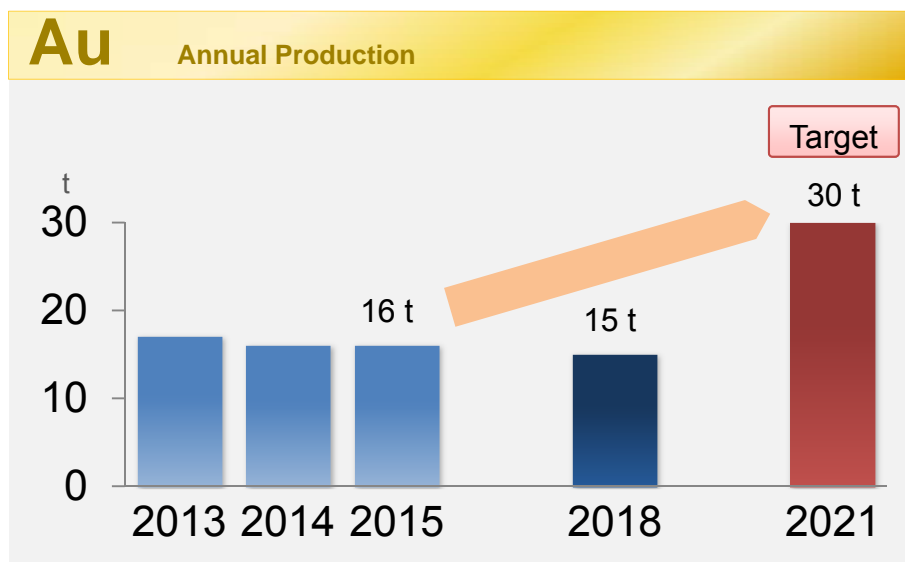
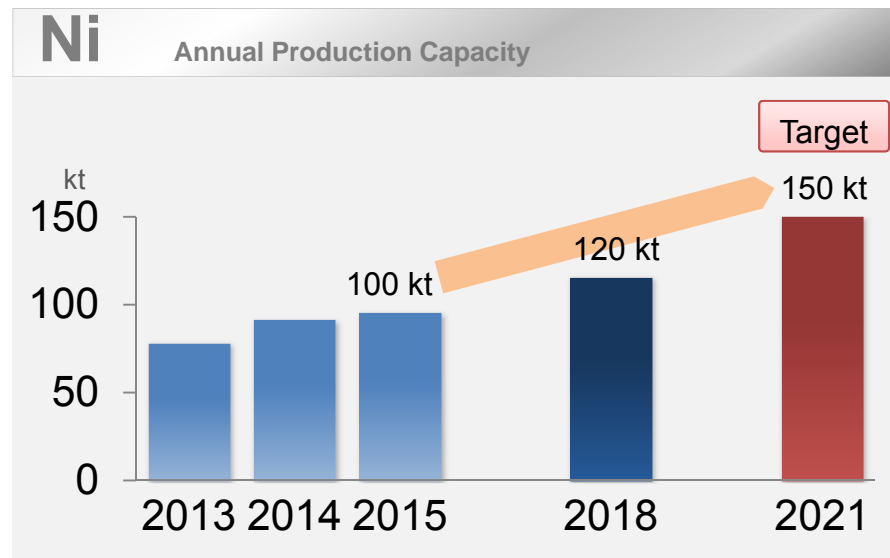
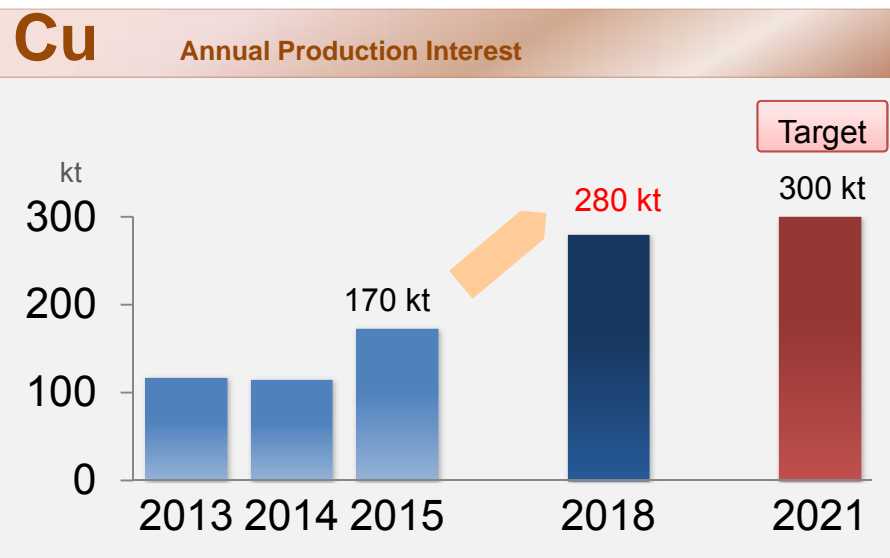


2012 3-Yr Business Plan goals unmet

Delay of Launch Sierra Gorda Mine
(Delay to involve as an active partner)

Withdraw from sapphire substrates
(Cost reduction targets not achieved)

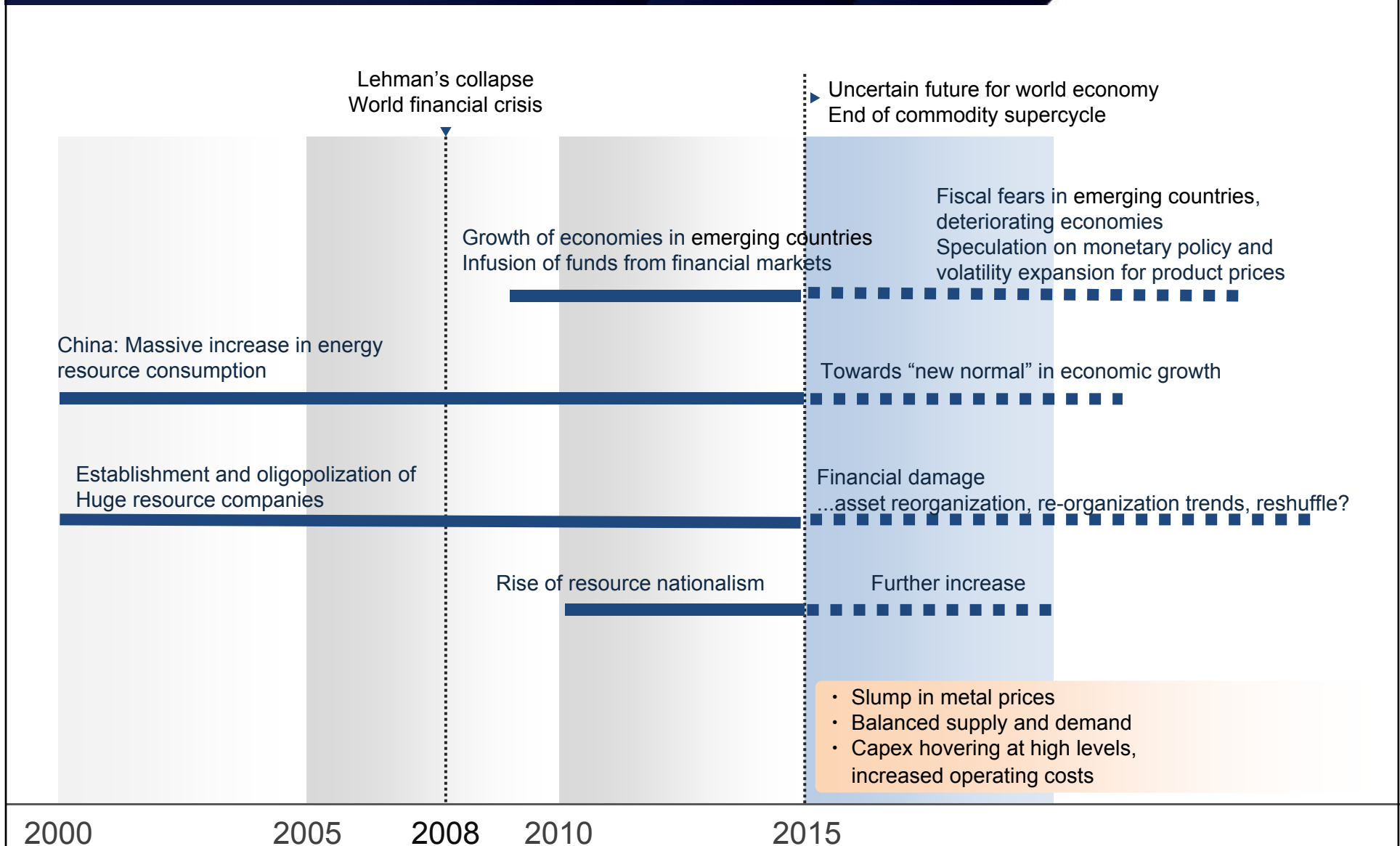
5) Initiatives Towards Long-Term Vision



6) Business Environment (1)



LTV & Basic Strategy
of 15 3-Yr Business Plan



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

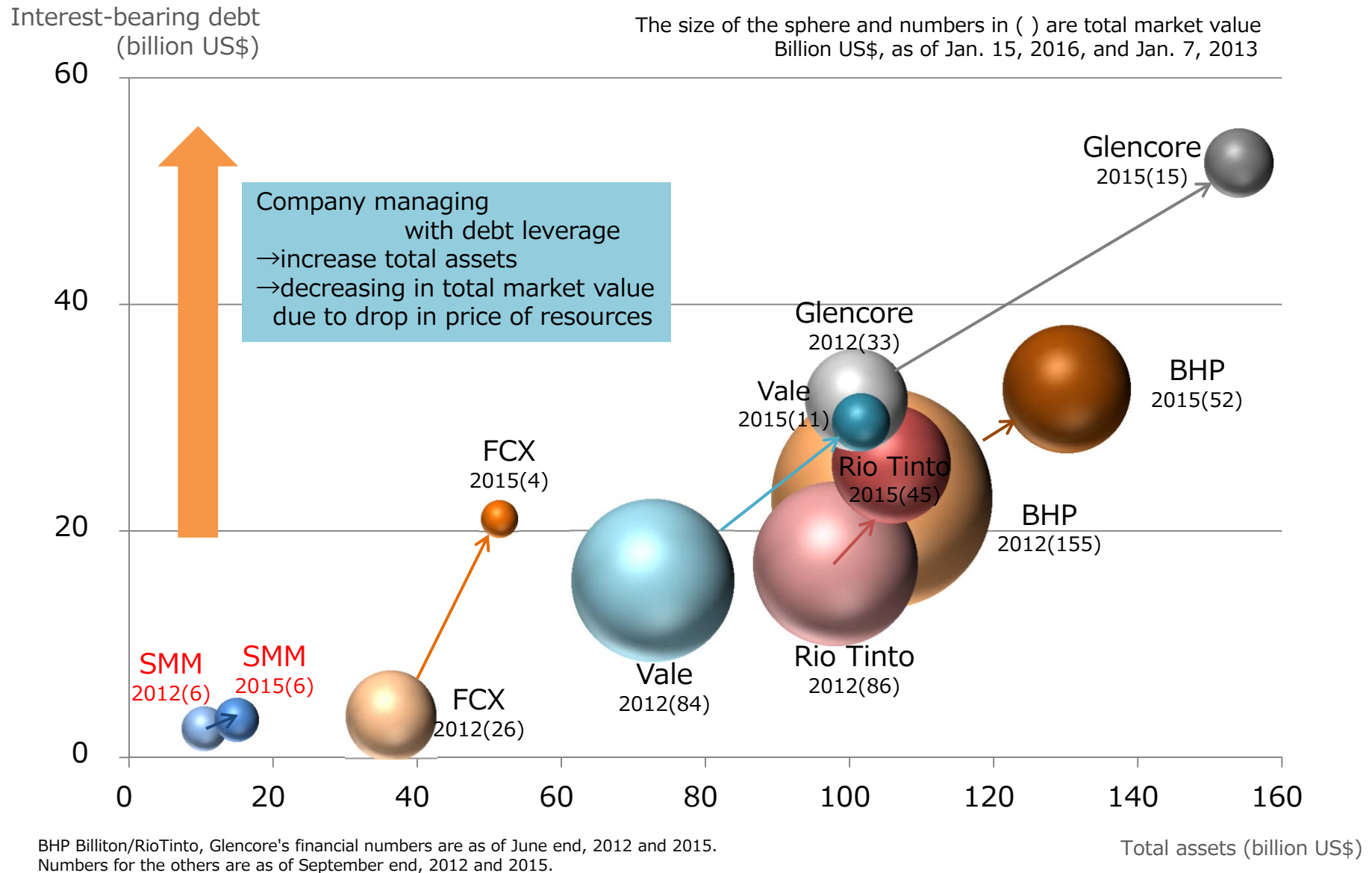
Fierce global competition continues in the electrical/electronic parts industries

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

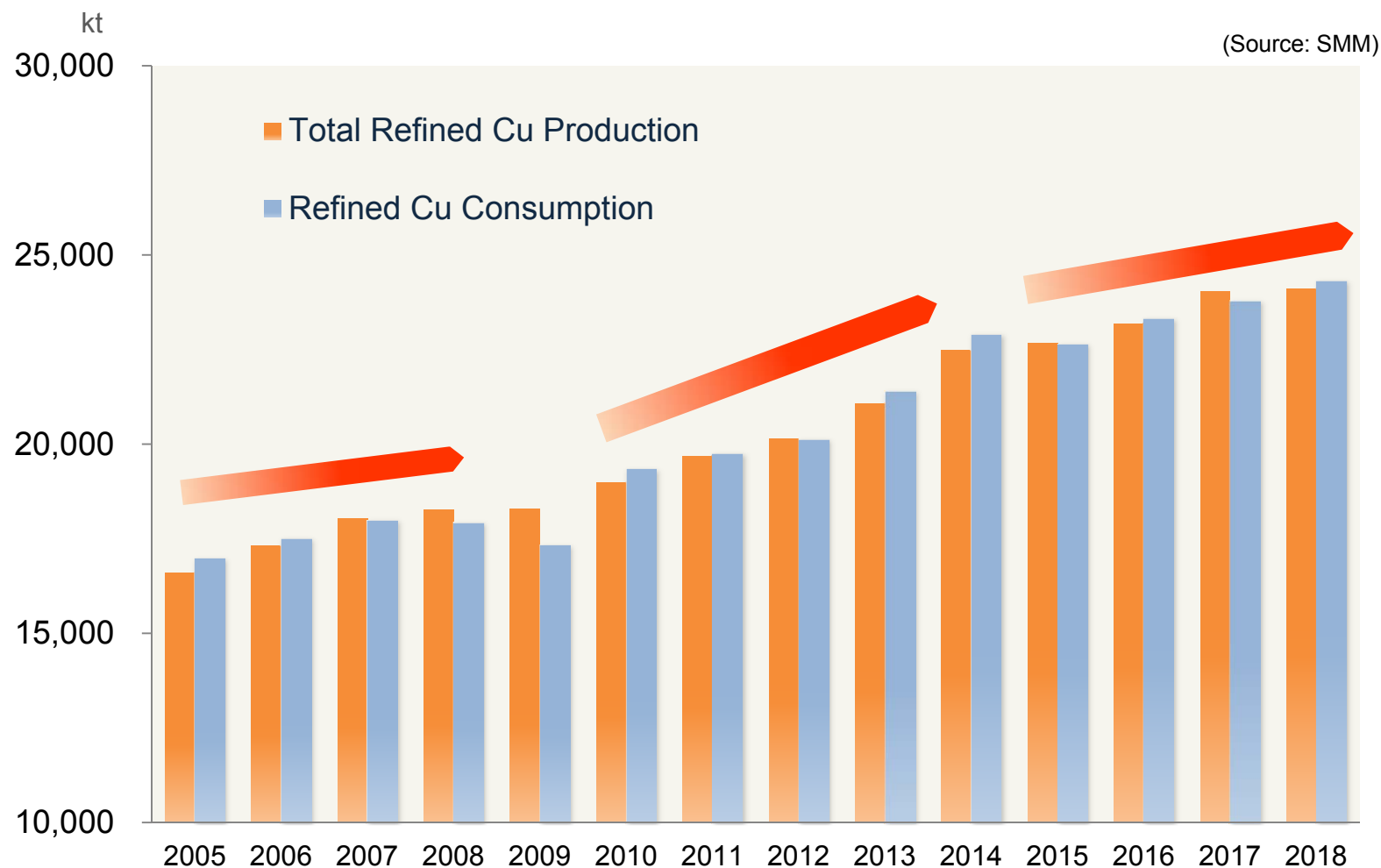


Companies' capital policy being discussed more in the reflection of
the Corporate Governance Code and Stewardship Code of Japan

7) Financial Situation of Resource Producers

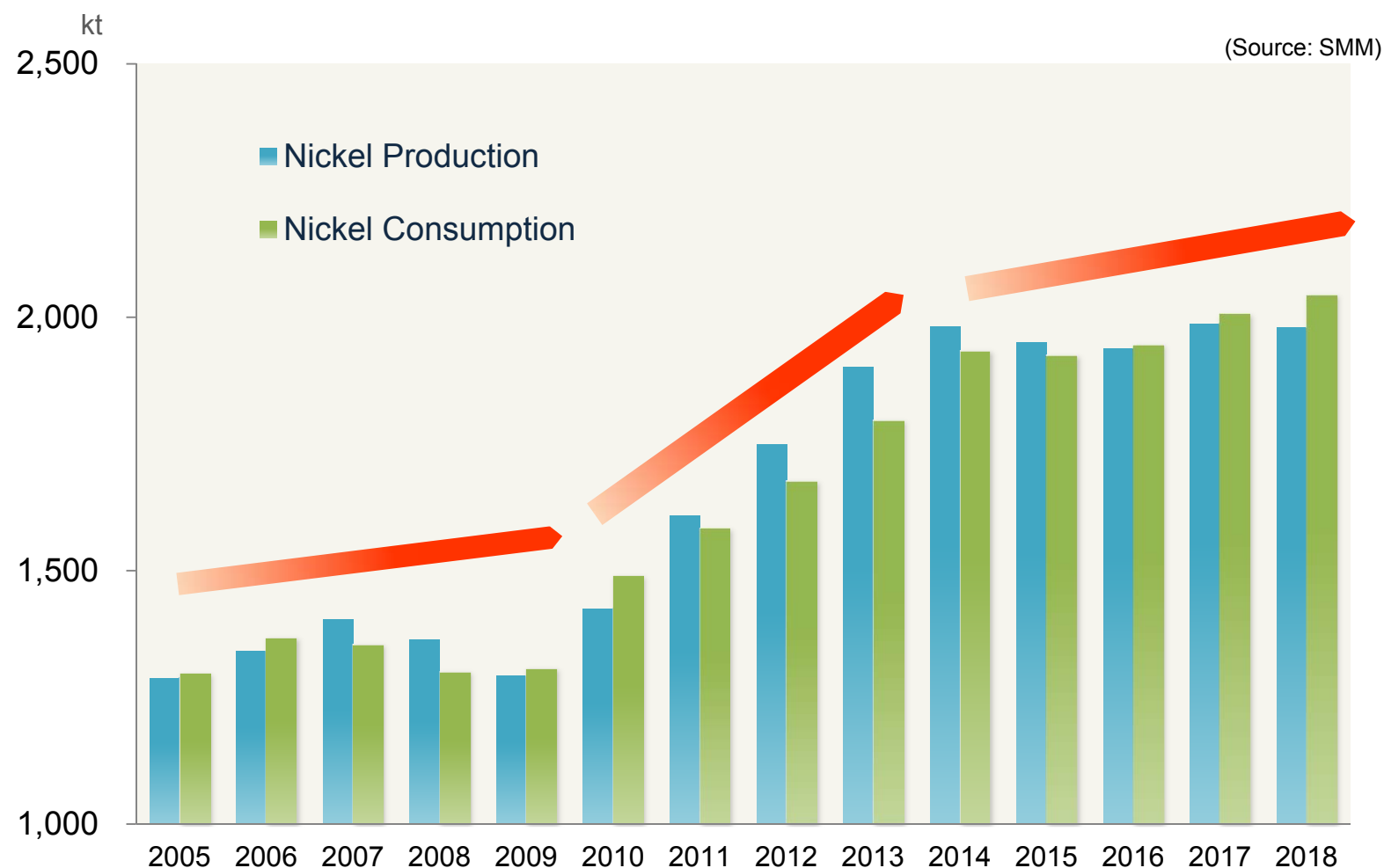


8) Cu Supply & Demand Balance



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.

9) Ni Supply & Demand Balance



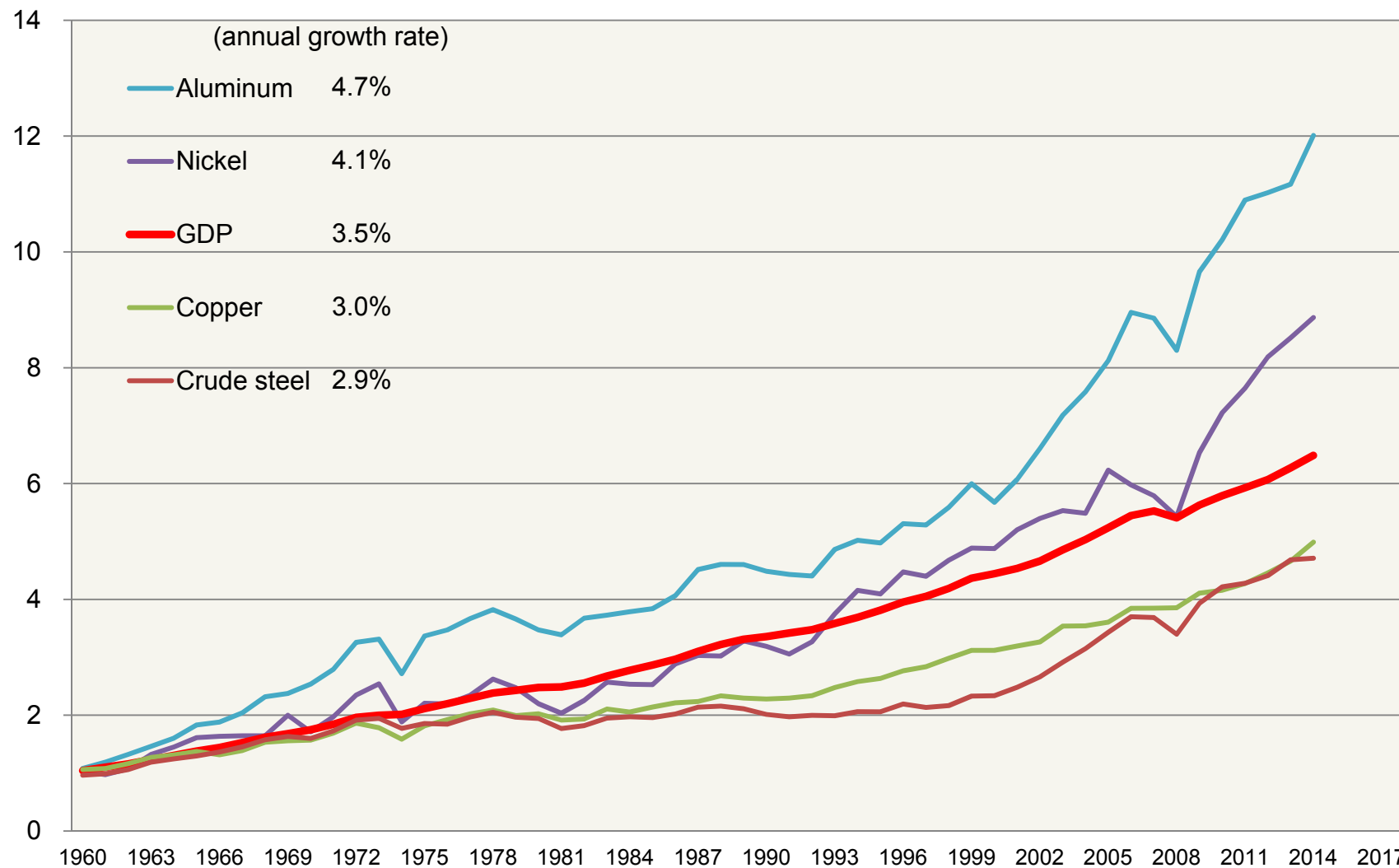
Surges in production caused rapid inventory increases.
Demand likely to increase at a slow pace.

10) Economic Growth Rates and Metal Product Demand Growth

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

INDEX 1960=1.0

(Source: SMM)



11) Positioning of the 15 3-Yr Business Plan



LTV & Basic Strategy
of 15 3-Yr Business Plan

Long-Term Vision

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

.....

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

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

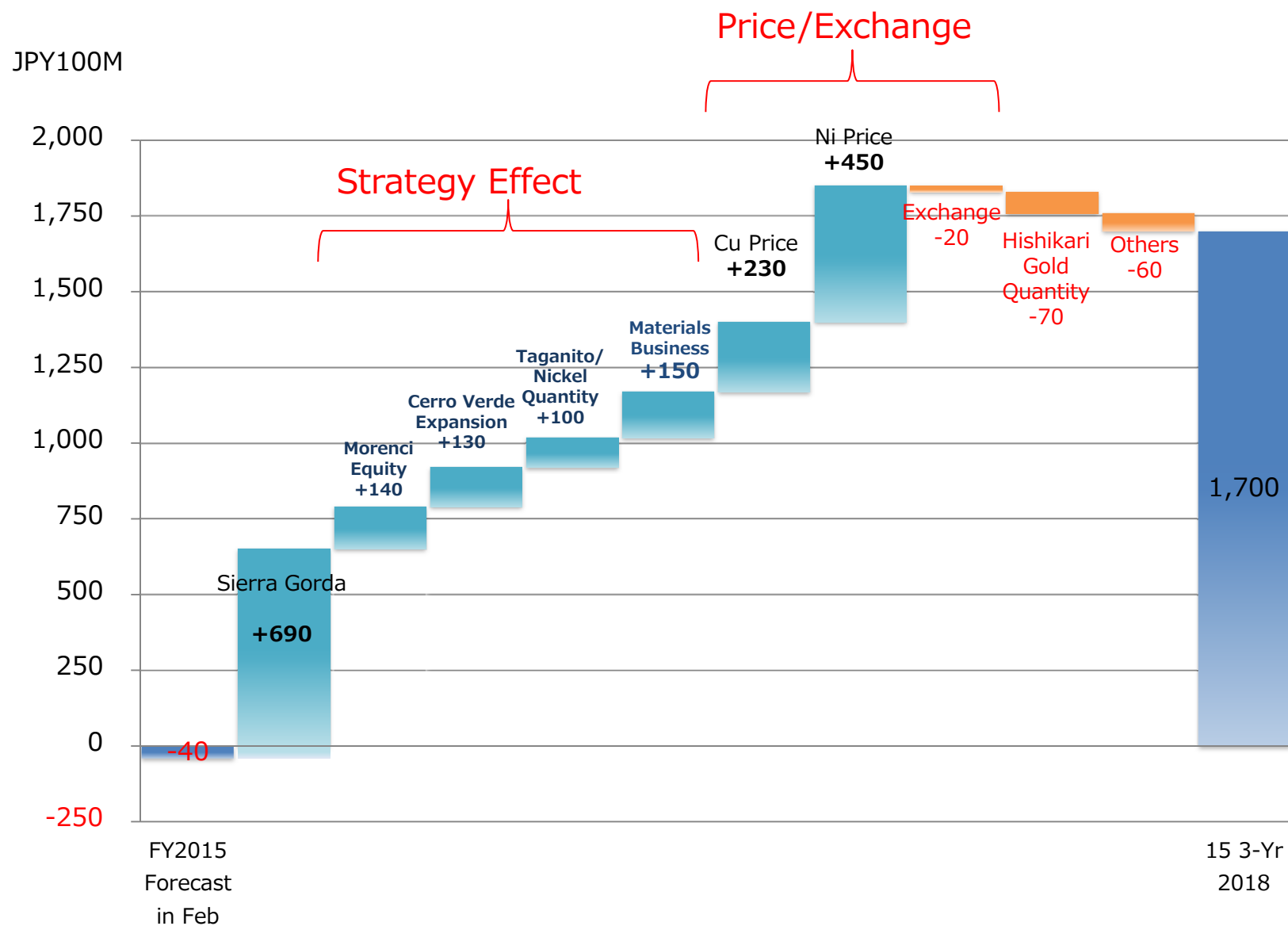
15 3-Yr Plan

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

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



LTV & Basic Strategy
of 15 3-Yr Business Plan



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



LTV & Basic Strategy
of 15 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

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



LTV & Basic Strategy
of 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

15) Major Projects in 2015 3-Yr Business Plan

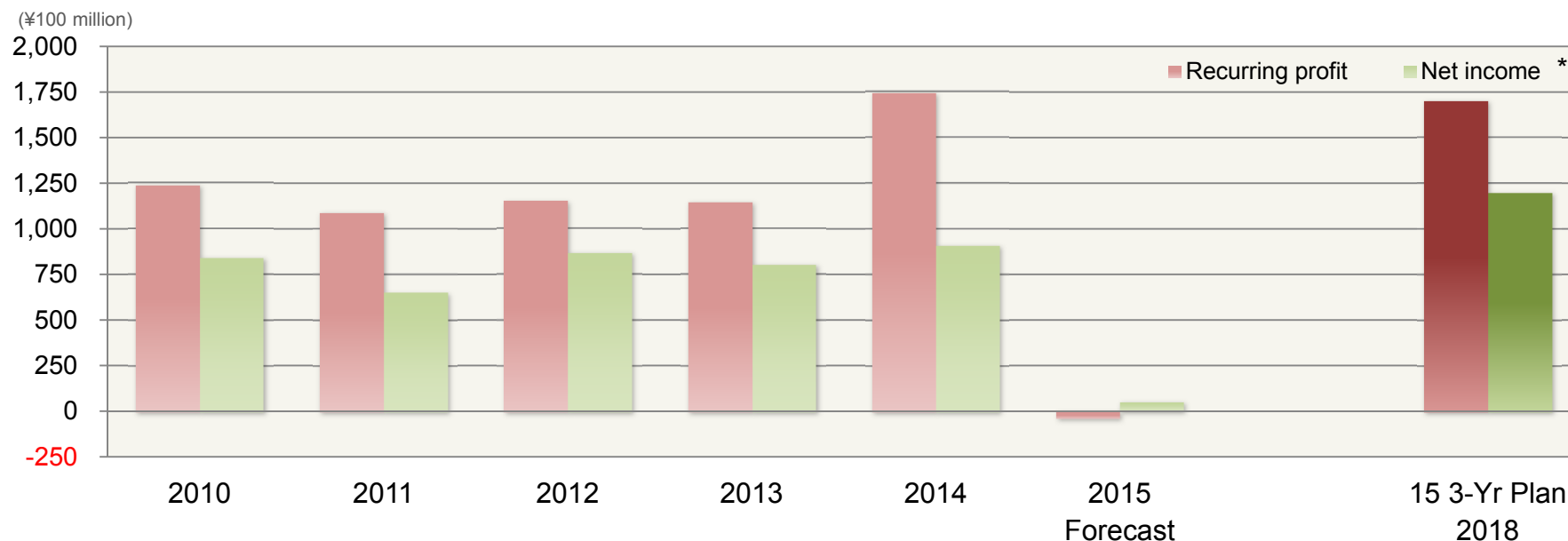
II LTV & Basic Strategy
of 15 3-Yr Business Plan

		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

16) Consolidated Recurring Profit

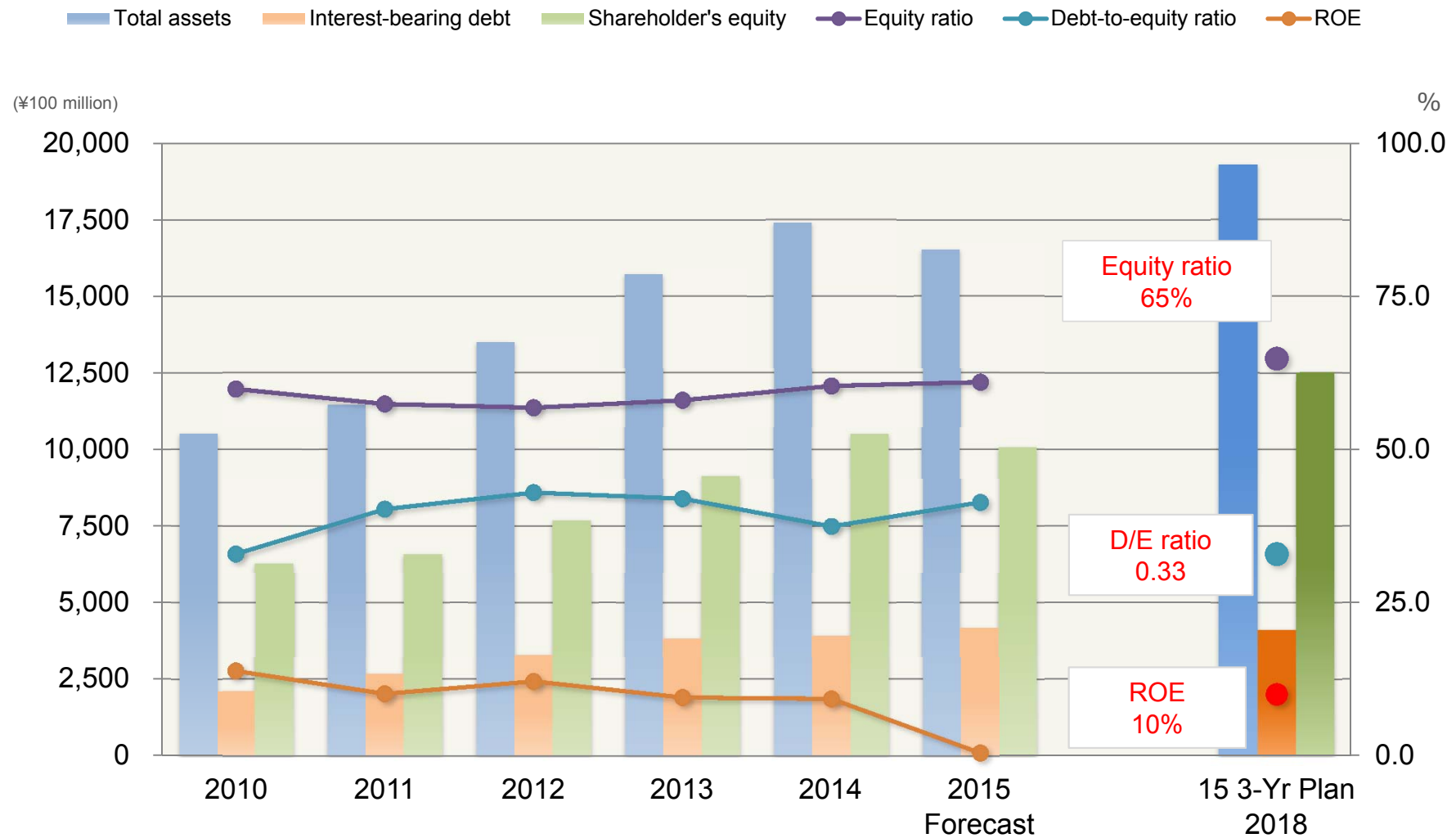


LTV & Basic Strategy
of 15 3-Yr Business Plan



	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) *Profit attributable to owners of parent	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

17) 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 \Rightarrow 30% or higher

Financial Structure

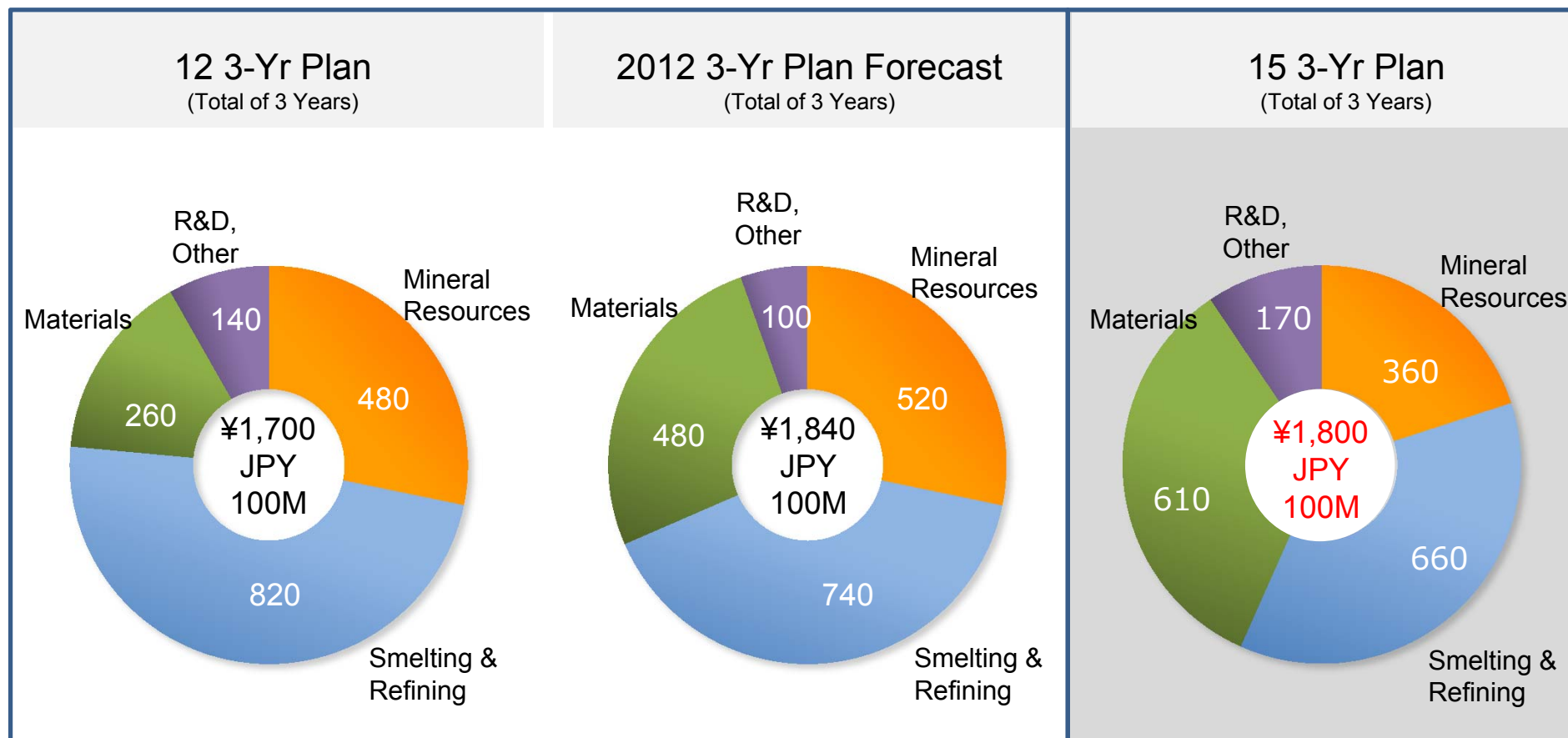
Prepare for large-scale projects or M&A by maintaining sound financial standing

Maintain an equity ratio of 50% or higher

Focus on efficiency with investments for improved ROA / ROE

19) Capital Expenditure

(¥100 million)



+

Acquisition of overseas interest

+

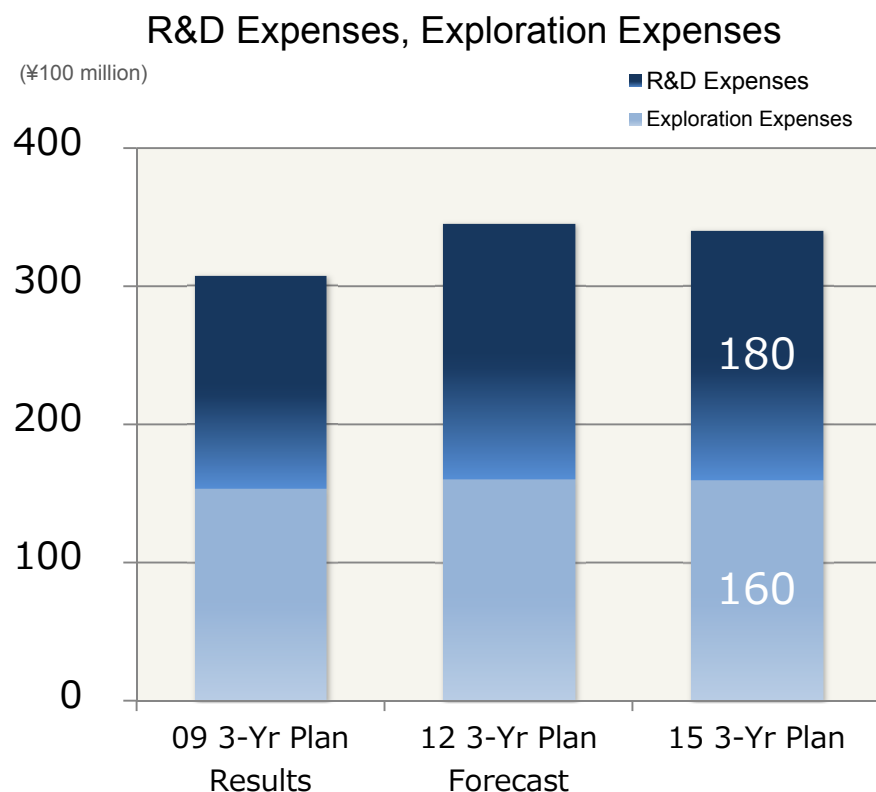
Acquisition of overseas interest

(Morenci, 1,200 (JPY100M))

20) R&D Expenses, Exploration Expenses



LTV & Basic Strategy
of 15 3-Yr Business Plan



R&D

Accelerate new product development in
Materials Business

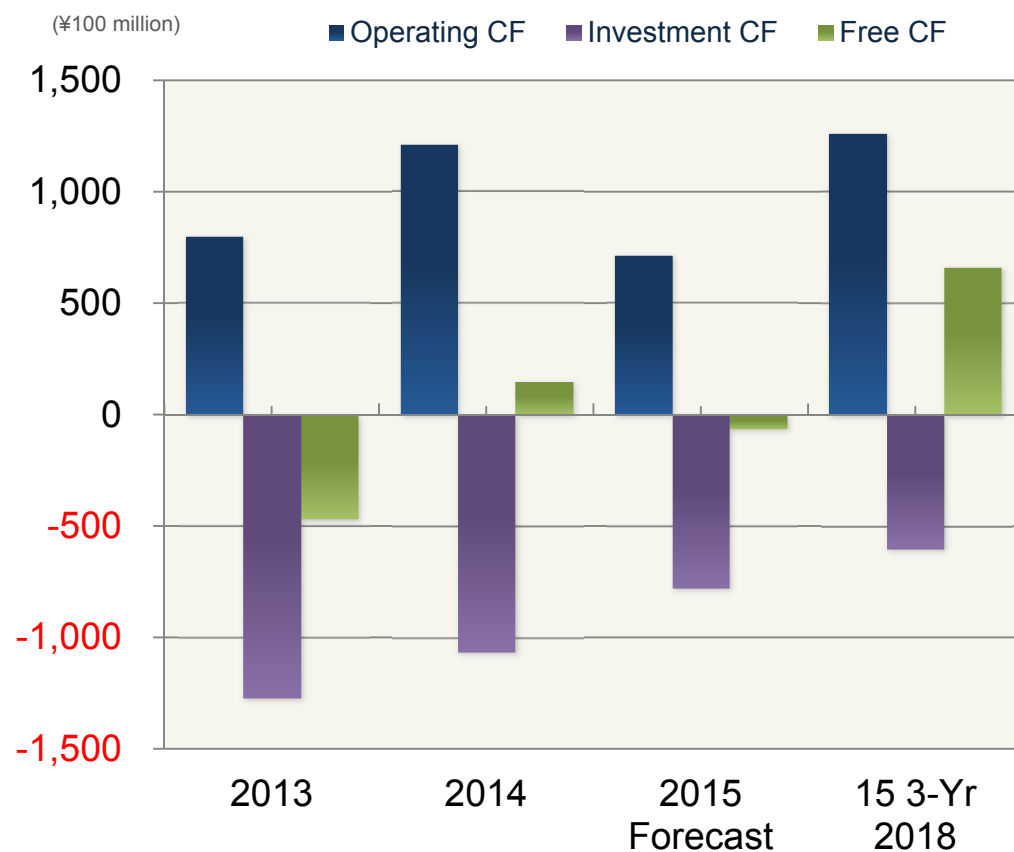
Technological innovations in
Mineral Resources and Smelting & Refining
Promotion of process development

Exploration

Targeting regions for each metal (Au & Cu)

Acquisition of advance-stage exploration
projects

21) 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

III. Core Business Growth Strategies

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1) Mineral Resources

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



Core Business
Growth Strategies

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

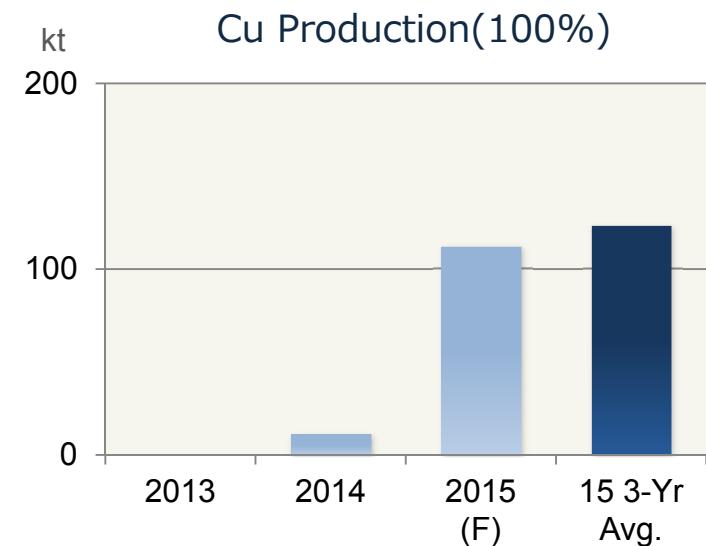
Promote mutual understanding among shareholders and take part in local management
--> Achieve capacity (recovery rate and operation rate)
Aggressively reduce costs

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



Core Business
Growth Strategies

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

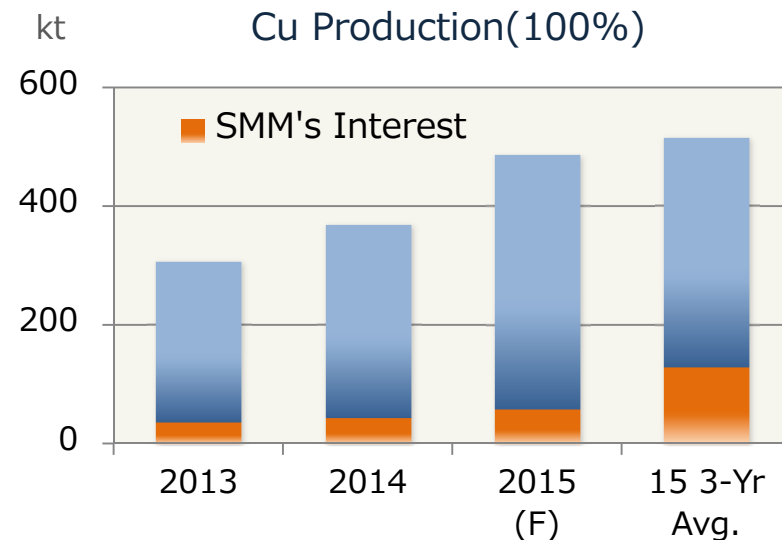
Feb 2016

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



Core Business
Growth Strategies

Cerro Verde Mine Expansion Project (Peru)

Equity
interest
ratio

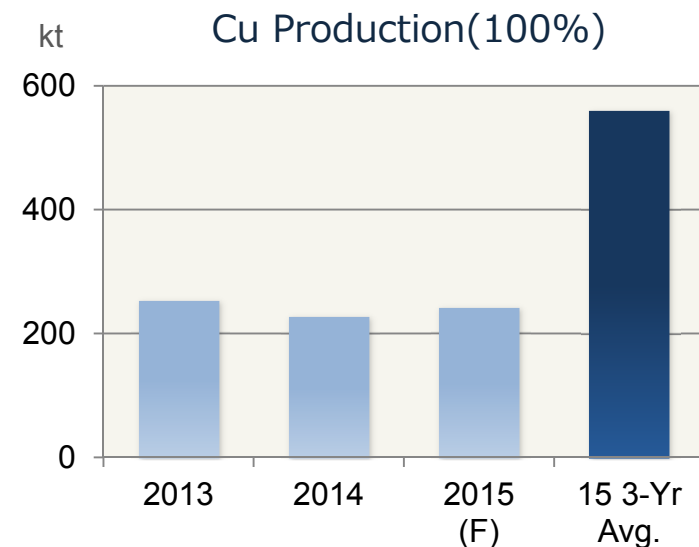
FCX	53.56%	Total investment \$4.6B
SMM	16.80%	
Sumitomo Corp.	4.20%	
Other	25.44%	



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



Core Business
Growth Strategies

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

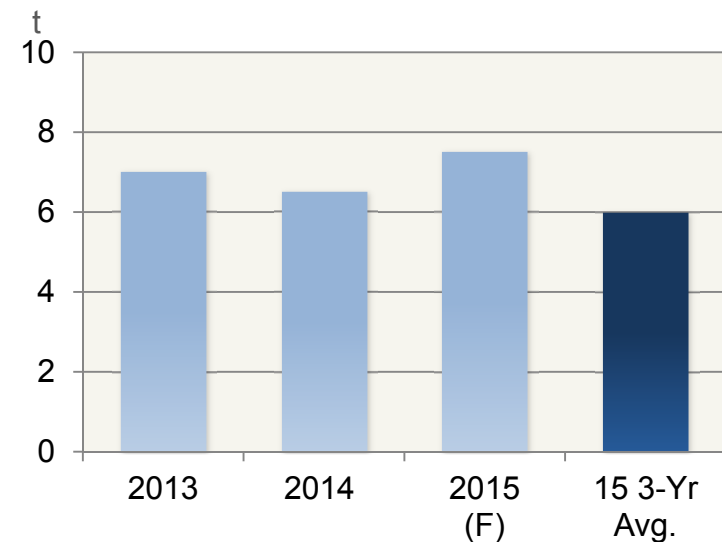
Explore poorly explored areas and undeveloped veins

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



Core Business
Growth Strategies

Pogo Gold Mine (Alaska, US)

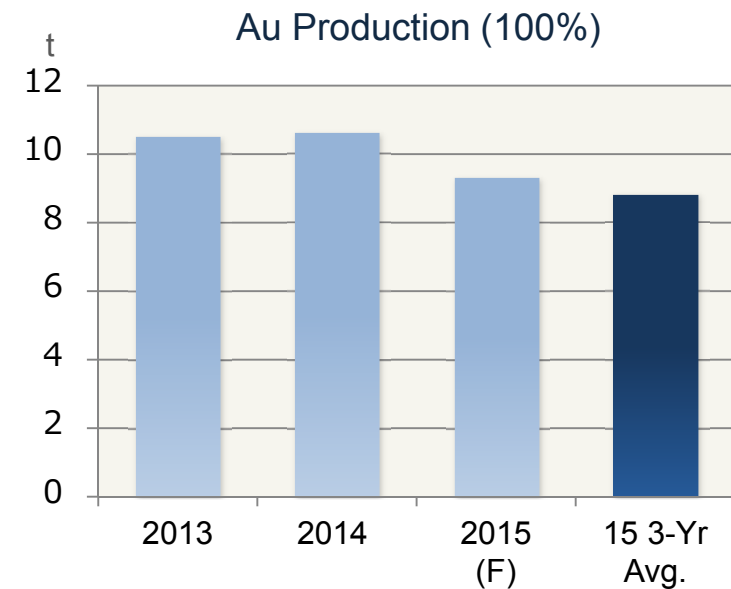
Equity
interest
ratio

SMM	85%
Sumitomo Corp.	15%

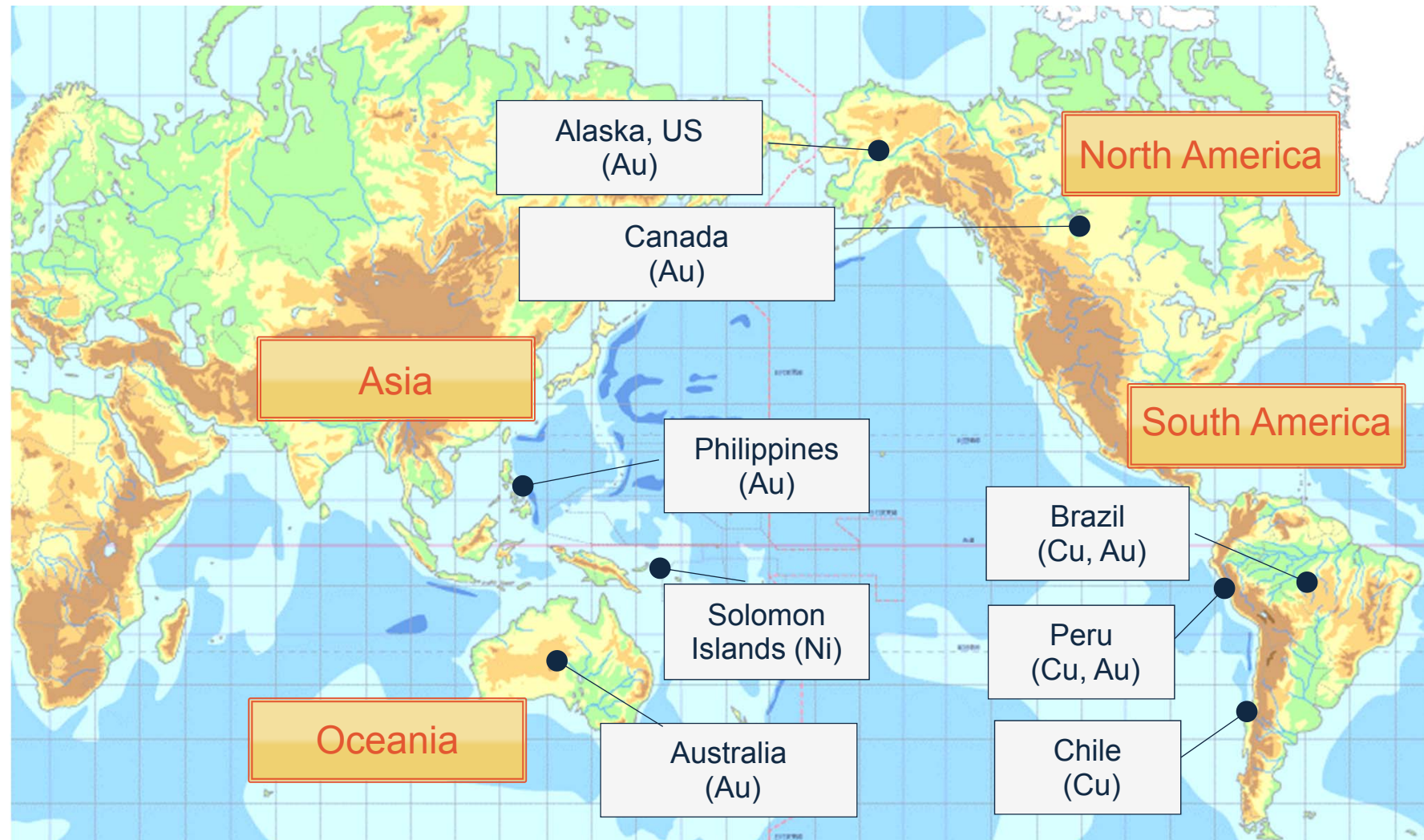
- To extend mine life, continually explore peripheral areas
- Start planning for the end of mining in the future

Mining plan

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



FY 2016–2018 exploration plan



2) Smelting & Refining

(1) SMM's Nickel Products

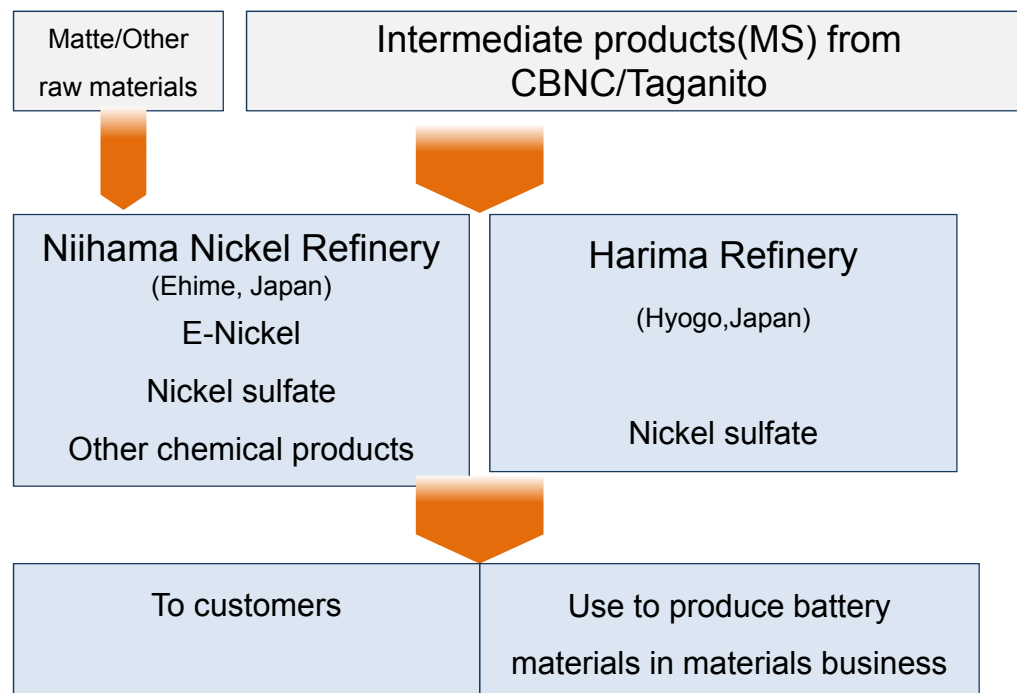


Core Business
Growth Strategies

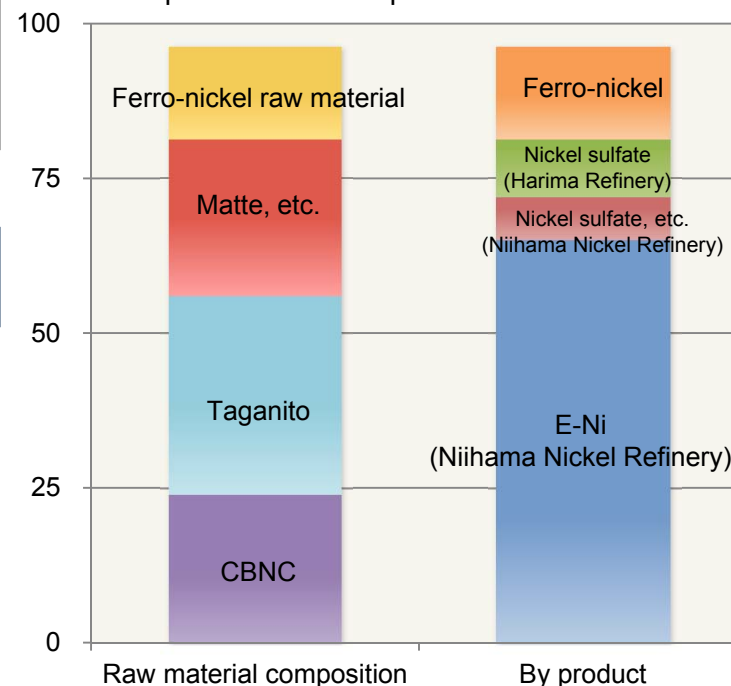
Creating nickel products from HPAL raw materials

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

(2) Taganito/CBNC 60 kt HPAL structure



Core Business
Growth Strategies

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

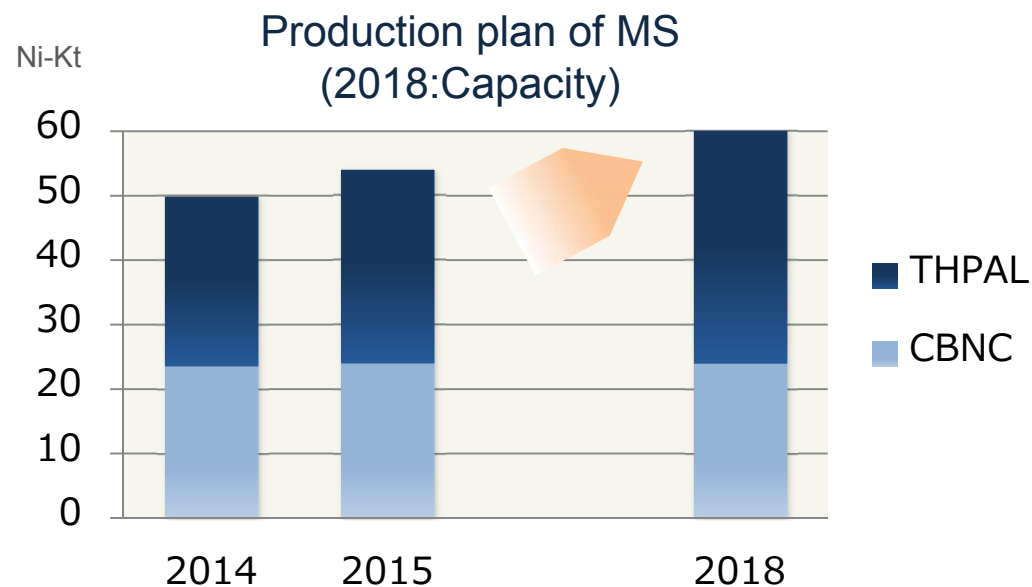
Increase production to
36 kt/year at Taganito
starting in 2018 2H

Investment to increase
production
¥300 million



Philippines
2 HPAL
60 kt structure

Taganito 36kt
CBNC 24kt



2) Smelting & Refining

(3) Recover rare earth in HPAL process



Core Business
Growth Strategies

Scandium

Extract Scandium in Taganito HPAL Plant

2016 — Start of construction

2017 — Completion of construction, Commissioning

2018 — Commercial Production

¥4 billion
investment

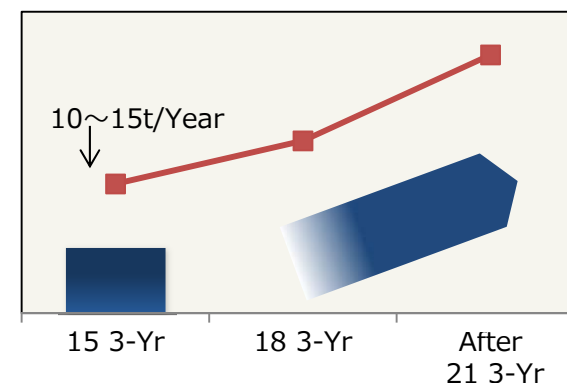
Main use of Scandia (scandium oxide)

- 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) 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



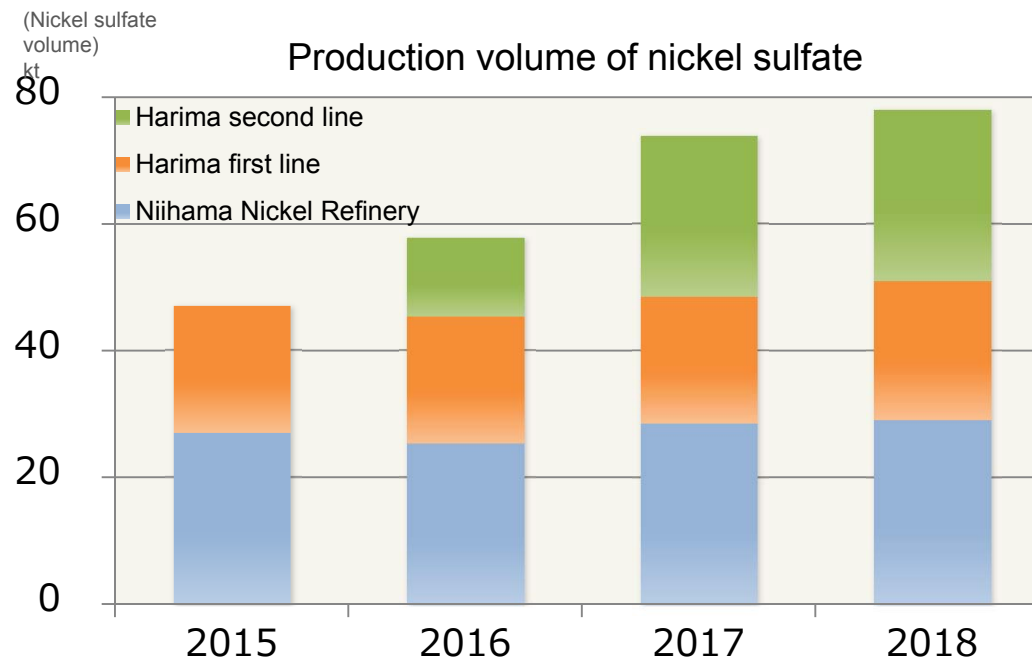
2) Smelting & Refining

(5) Expand the Ni Sulfate capacity



Core Business
Growth Strategies

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

(6) Strengthening Competitiveness in Copper Smelting (1)

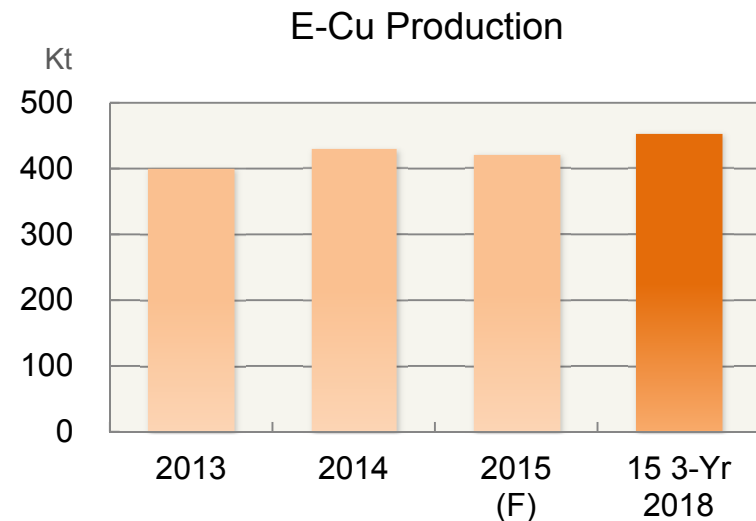
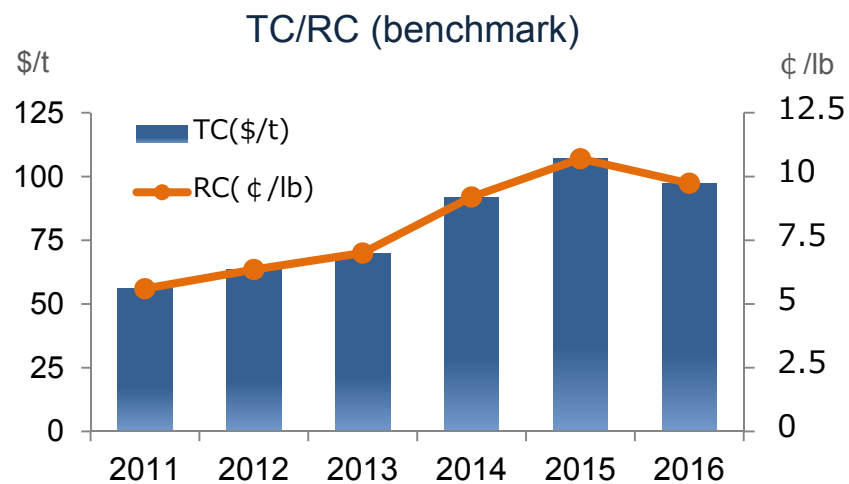


Core Business
Growth Strategies

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

(6) Strengthening Competitiveness in Copper Smelting (2)



Core Business
Growth Strategies

Strengthening Toyo Smelter & Refinery cost competitiveness

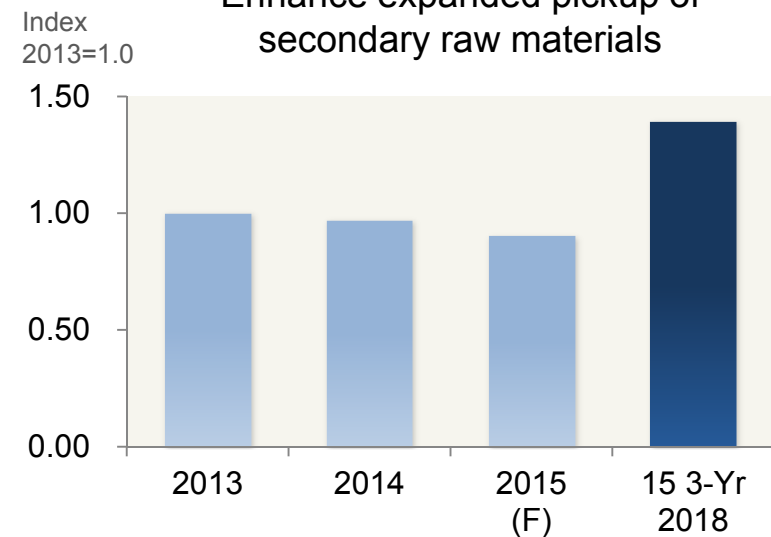
Further improve operational technology
Strengthen impurity-handling capability
Enhance secondary raw material pickup



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

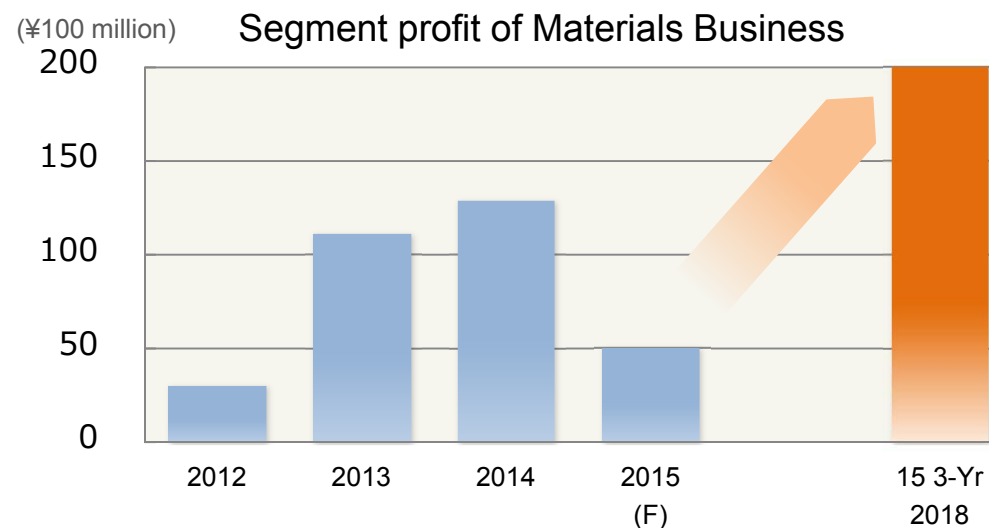
Aggressive investment in growth strategies
Fields of in-vehicle devices, environment, and
information and communications

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

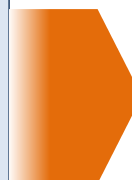
FY2018 Segment profit target: ¥20 billion



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

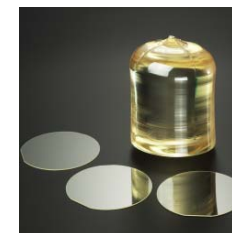
Decision to expand from 210K to 300K substrates/month
to worldwide top share

**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

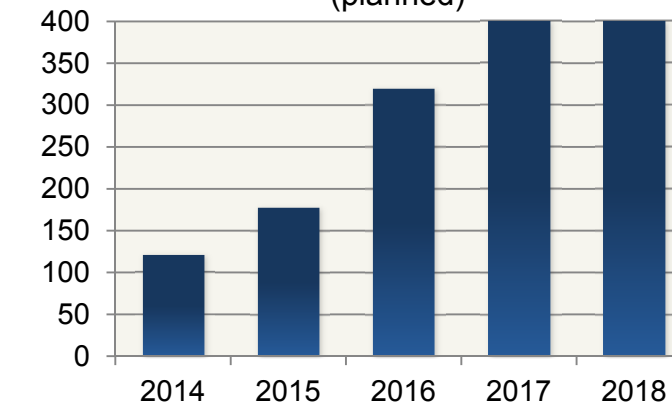


SAW filter

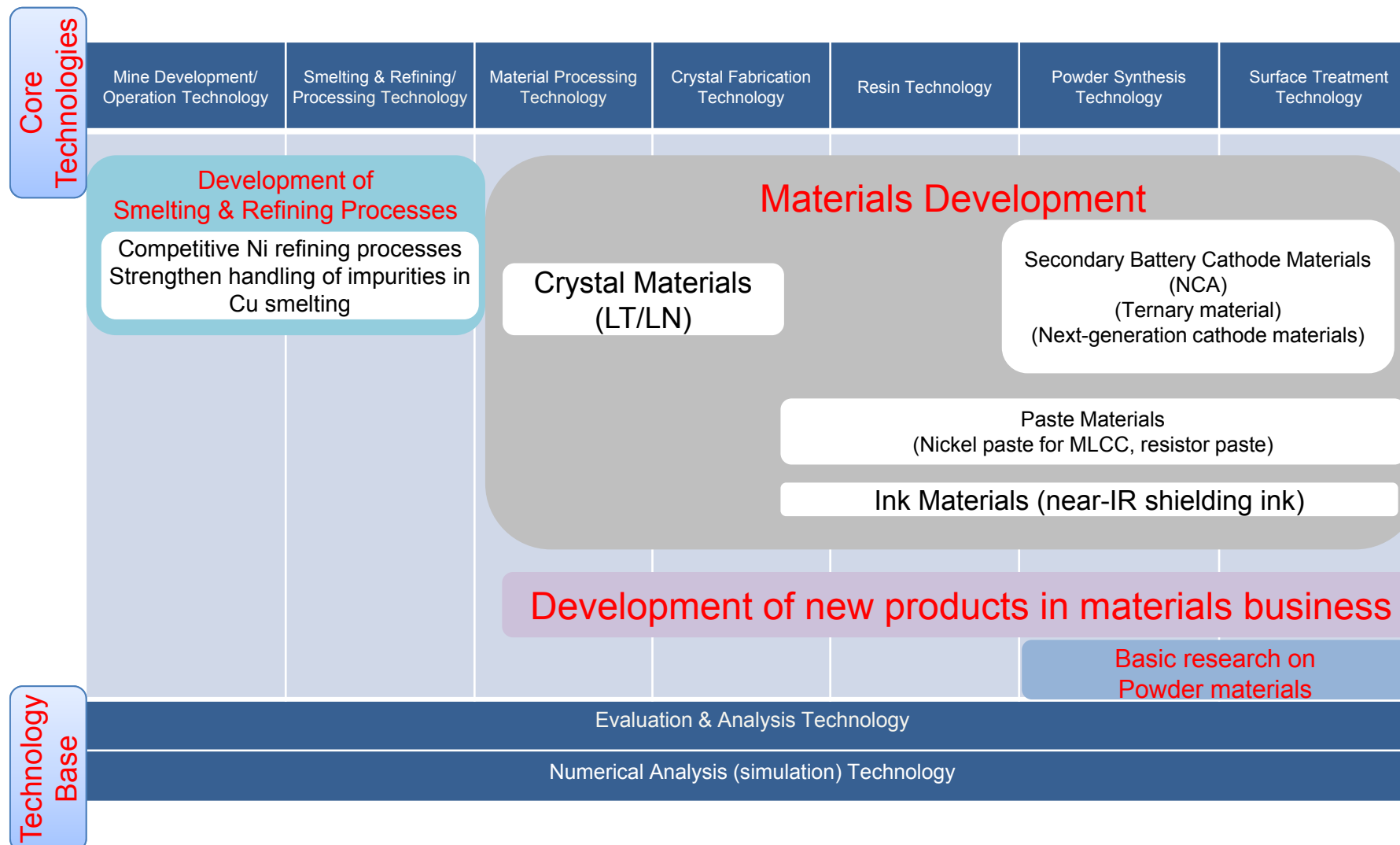
(photo : MURATA MANUFACTURING CO., LTD)



Production capacity
(planned)



Concentrate R&D in Strategic Growth Areas



IV. Supplemental Materials

I

Business Overview

II

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

III

Core Business Growth Strategies

IV

Supplemental 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

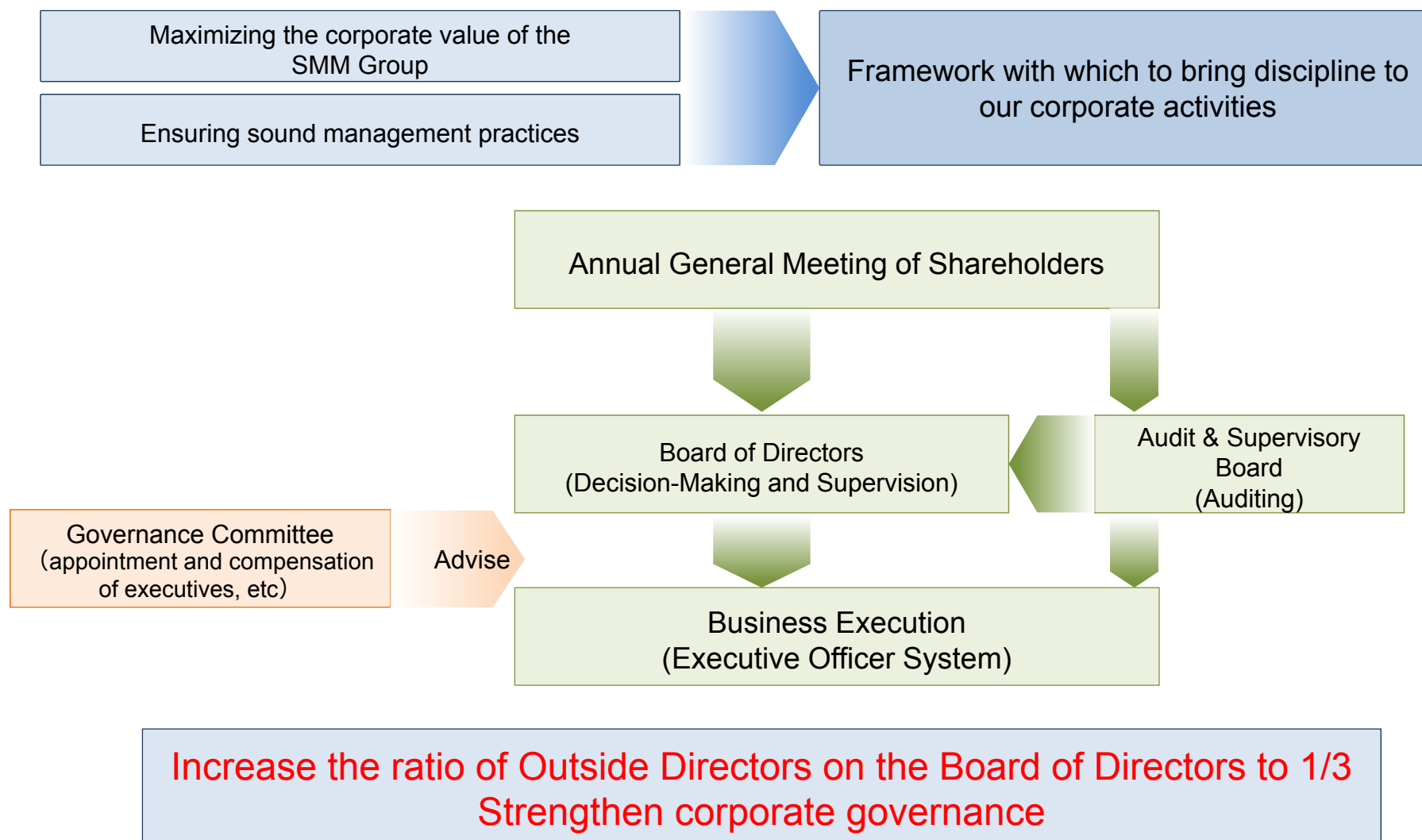
SMM Group Management Vision

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



Corporate Governance Guideline

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

Basic Concept

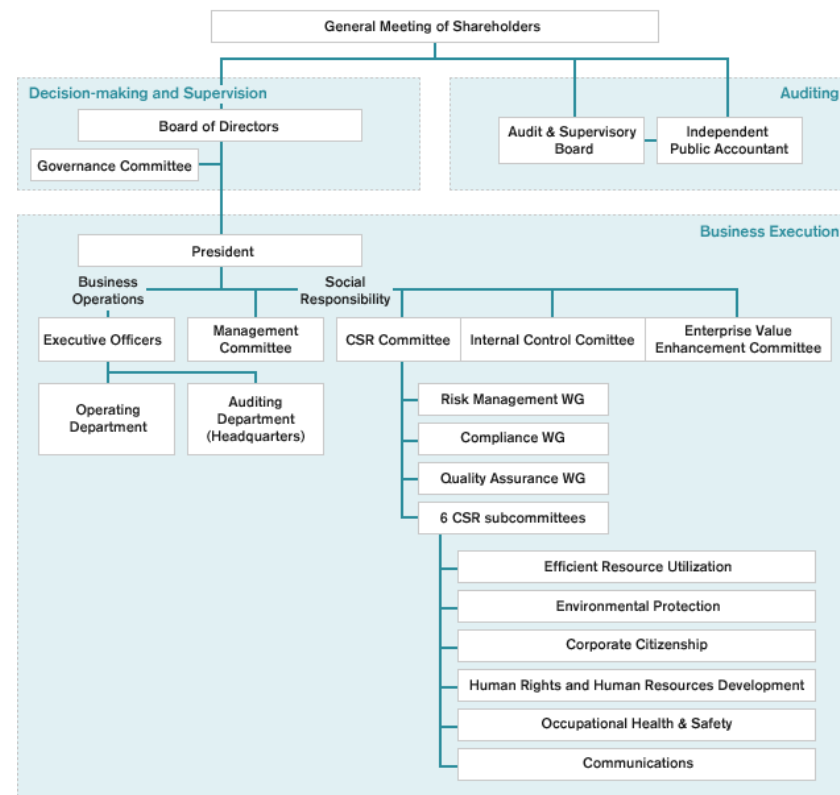
- Corporate governance structure is to achieve SMM Group Corporate Philosophy
- Fulfill responsibility to stakeholders

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

Goal: Sustainable co-existence
with society and the global
environment

Solve social issues through our core business

Communication with Stakeholders

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.

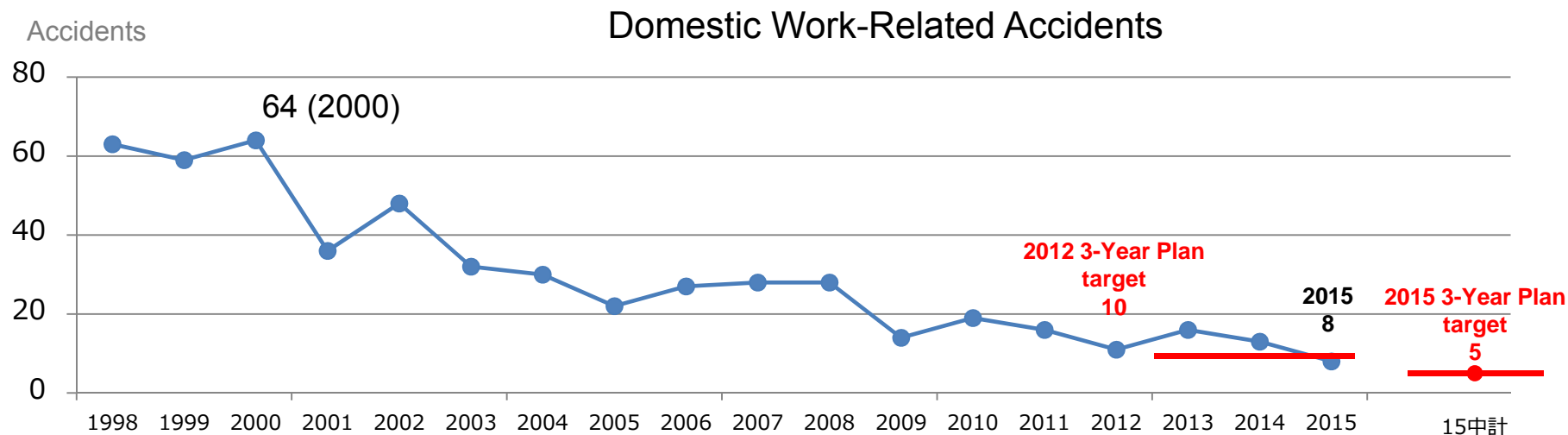
Practice good communication to improve safety awareness among all employees and conduct proper line management to ensure safety.

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

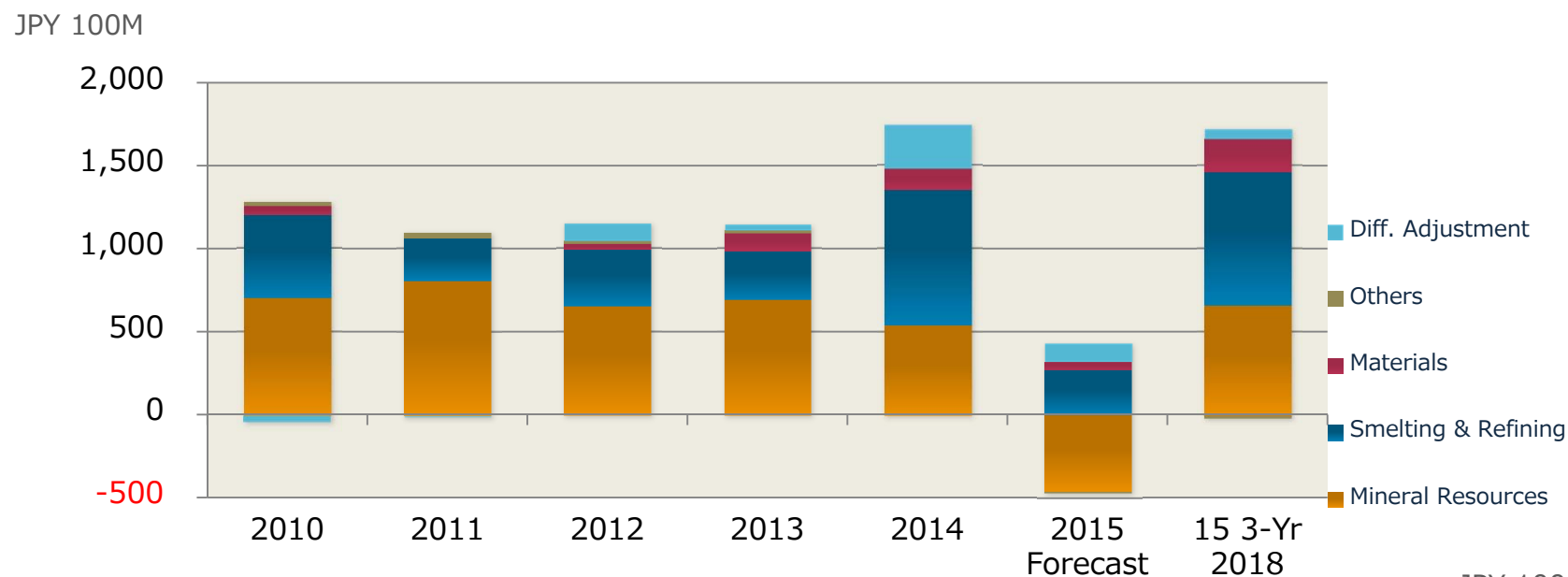
Human Resources Development Policy

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

7) 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	4.7	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

8) Segment Profit



		2010	2011	2012	2013	2014	2015 Forecast	15 3-Yr 2018
Segment Profit	Mineral Resources	704	806	652	691	538	-460	660
	Smelting & Refining	495	256	339	291	813	280	800
	Materials	54	-3	38	111	129	50	200
	Others	23	34	16	16	-1	-10	-20
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

9) 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

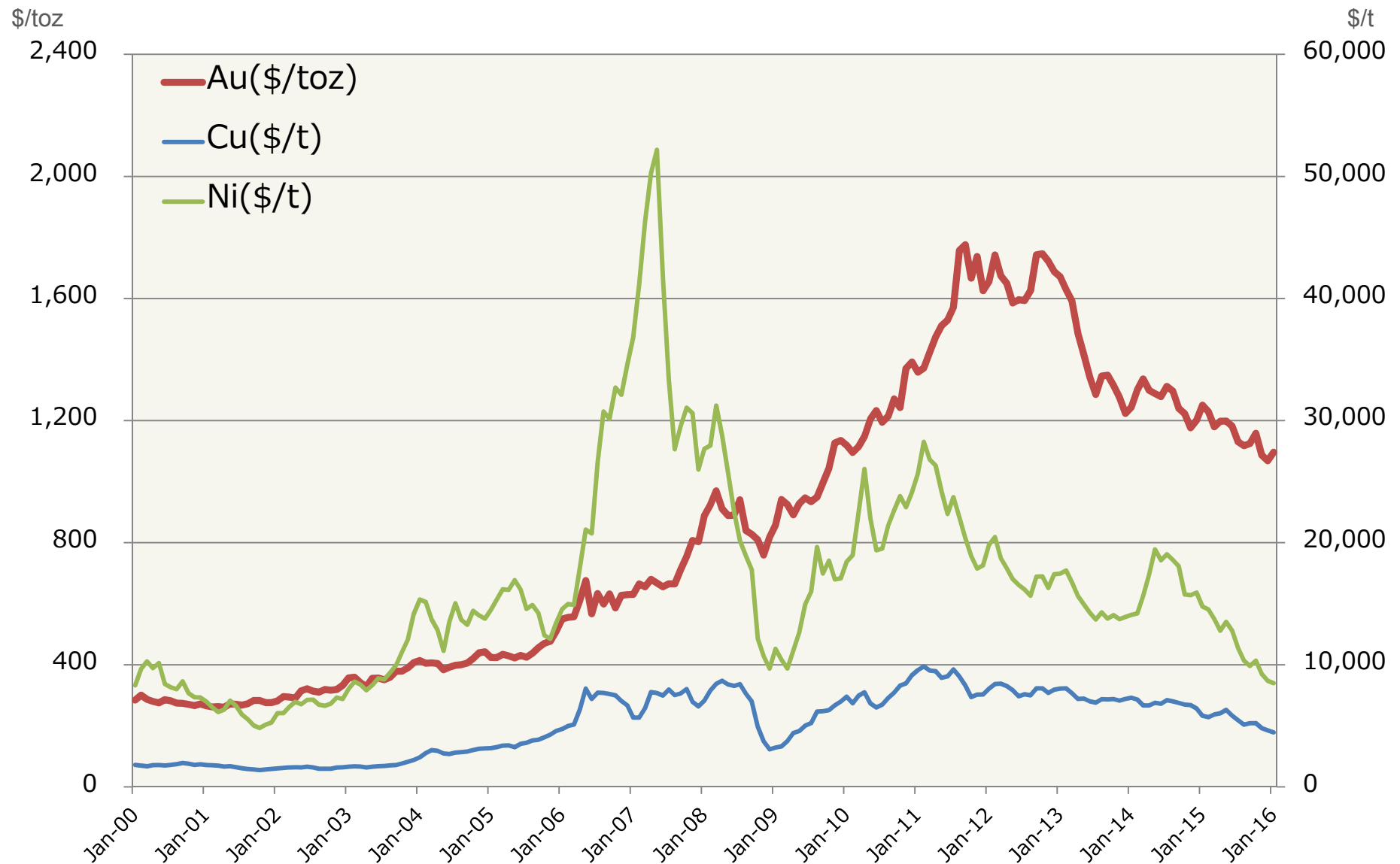
10) Sensitivity

JPY100M

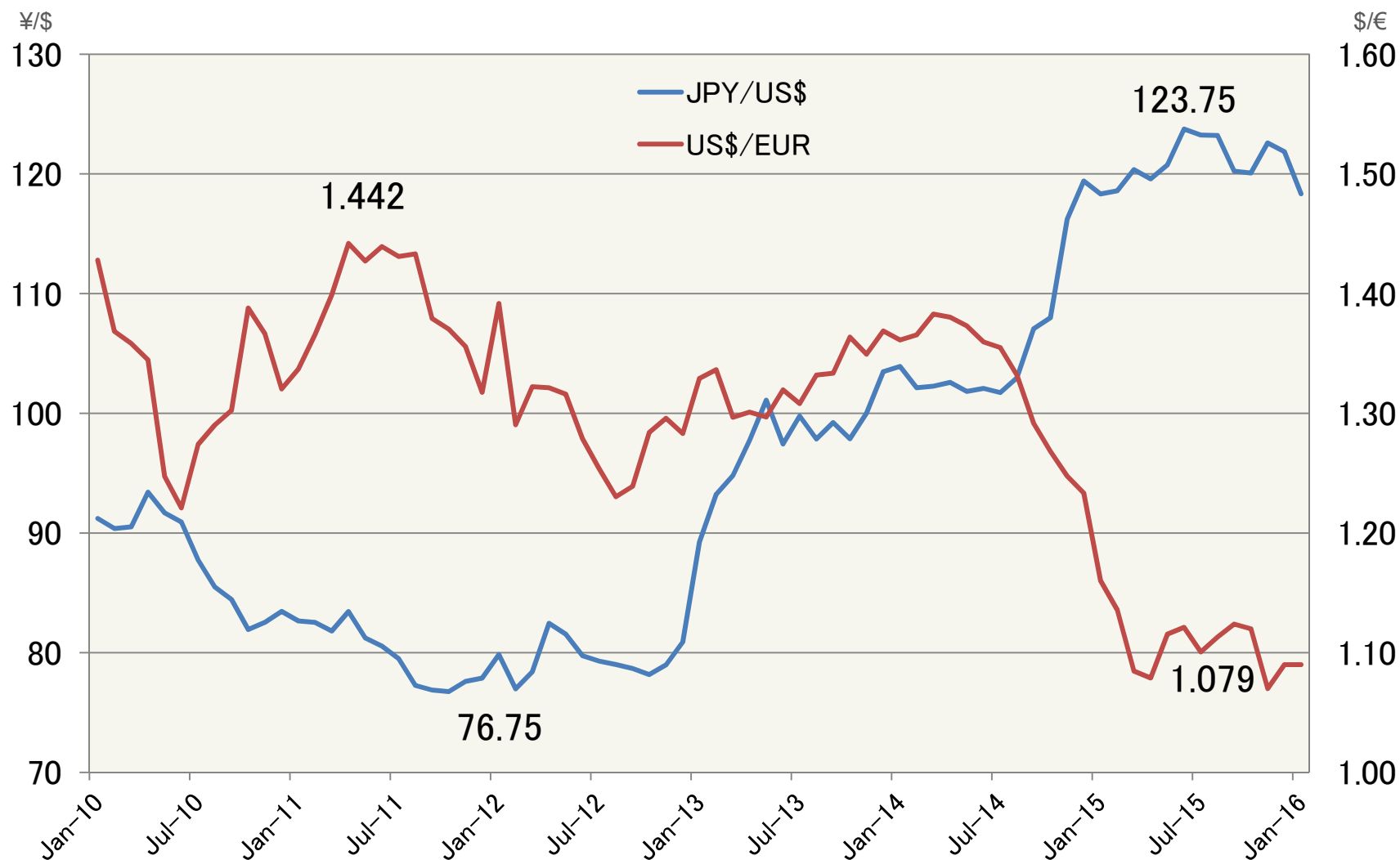
Element	Degree of variation	Operating income/ Recurring profit
Cu	±100\$/t	19/36
Ni	±10 ¢ /lb	19/22
Au	±10\$/toz	5/5
JP¥ / \$	±¥1/\$	13/15

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

11) Prices of Metals



12) Forex Trends



Note

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