

February 7, 2013

Company Name: Sumitomo Metal Mining Co.,
Ltd.

Representative: Nobumasa Kemori,
President & Representative
Director

(Code Number: 5713; Listing: First Sections of
Tokyo Stock Exchange and
Osaka Securities Exchange)

Contact: Kunihiko Miyamoto,
Manager of PR & IR
Department

Telephone: +81-3-3436-7705

Formulation of the 2012 3-Year Business Plan

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

Sumitomo Metal Mining Co., Ltd. (SMM, Headquarters: Minato-ku, Tokyo; President Nobumasa Kemori) has formulated its 2012 3-Year Business Plan (hereafter, the 12 3-Yr Plan), which outlines its long-term vision and strategies for the period FY2013 to FY2015.

In its 2009 3-Year Business Plan (hereafter, the 09 3-Yr Plan), SMM established a basic approach that involved promoting a new growth strategy for achieving its long-term vision, through the implementation of structural reforms, and developed policies for improving its corporate value.

In Mineral Resources and Smelting & Refining, we are participating in the Sierra Gorda Copper Mine Development Project, promoting the Taganito Project and increasing the production of electrolytic nickel to 65,000 tons annually, which aims at establishing an annual nickel capacity of 100,000 tons, and striving for the acquisition of new mining output at the Hishikari and Pogo gold mines. In Materials, we are implementing structural reforms, moving out of businesses that lack a solid growth strategy, such as bonding wire, and investing our management resources instead in energy and environmental (E&E) applications, in such products as battery materials and

sapphire substrates.

In the 12 3-Yr Plan, we have formulated business strategies to bring out results from the large-scale projects that were undertaken as part of the 09 3-Yr Plan, and to continuously improve our corporate value by laying the groundwork for strategic projects for the next 3-year plan period and beyond.

The business environment facing us is complex. With the global economy at a turning point in terms of decreasing uncertainty regarding the global business climate and exchange rate fluctuations, in the mineral resources sector, resources in good condition are becoming rarer and resource nationalism is continuing to evolve. Within Japan, major changes are taking place, as the importance of the E&E sector has become highlighted in the wake of the Great East Japan Earthquake. Given these changes in the business environment, we are aiming to become "a world leader in the non-ferrous metals industry and an excellent company of Japan" by achieving continuous growth in our three core businesses, Mineral Resources, Smelting and Refining, and Materials. We are therefore promoting a growth strategy aimed at achieving an annual nickel capacity of 150,000 tons, annual production output from our interests of 300,000 tons of copper and 30 tons of gold, recurring profit in our new materials products of ¥5 billion/year, consolidated sales of ¥1 trillion/year, and consolidated net income of ¥100 billion/year.

SMM started out in the copper smelting business. In our operations, we do not just secure interests of resources, but also believe that we can contribute to society and improve our corporate value by smelting and processing those resources and supplying high quality metals and materials to the market. We recognize that this is what it really means to be "a world leader in the non-ferrous metals industry" and we are striving to achieve further growth toward that end.

Also, in order to become "an excellent company of Japan," to reach a size and level of profitability that reflects net sales of ¥1 trillion/year and net income of ¥100 billion/year, we will maintain a solid business philosophy and business vision, and bolster our corporate governance and corporate social responsibility (CSR) efforts accordingly. It is by building on these strong foundations that we are striving to continuously develop and realize our growth strategies.

We have separated the execution of each of the large-scale projects that form the pillars of our growth strategy into the stages of sowing, planting, nurturing, and harvesting, and in the period covered by the 12 3-Yr Plan, as well as the periods of every 3-year plan thereafter, there will be large project proposals in our three core

businesses resting in one of those four stages. We plan to execute our continuous growth strategy by adopting the PDCA management model for moving these projects forward.

In Mineral Resources, we are promoting our own exploration and working to launch the Sierra Gorda Project. In Smelting and Refining, we are establishing an annual nickel capacity of 100,000 tons and are further strengthening our competitiveness through the development of high pressure acid leach (HPAL) technologies. In Materials, we are promoting structural reforms, concentrating our management resources in growth businesses, and expanding our work on products including battery materials for E&E applications.

Strategic Outline for Each Core Business

1) Mineral Resources

As part of our long-term vision, we are promoting participation in exploration and development projects aimed at achieving annual production output from our interests of 300,000 tons of copper and 30 tons of gold by 2021. At the Sierra Gorda Project, we are promoting development aimed at launching operations in 2014. Also, at the Hishikari and Pogo gold mines, we are promoting the development of new deposits in an effort to extend the life of those mines, and we are continuing to promote the exploration of nickel under the Solomon Project.

In addition, we are gradually achieving expansion plans at our already operating overseas mines, and are further strengthening our profitability in the mining business.

2) Smelting and Refining

With regards to nickel, both the Taganito Project and the increase in production capacity of electrolytic nickel to 65,000 tons/year will reach completion in 2013, and our production capacity reaches to the 100,000 tons/year. Moreover, as part of our long-term vision, we have developed a blueprint for raising this amount to 150,000 tons/year by procuring raw materials from the Solomon Islands and the Philippines in addition to increasing our nickel production capacity. Given this, in order to further strengthen our competitiveness, we are working to achieve technological innovations in matte chlorine leach electrowinning (MCLE) and HPAL at the Resource & Hydrometallurgy Process Center (RHPC) to be completed in FY 2013.

In copper smelting, we are facing tough business conditions due to deteriorating TC/RCs and rising energy costs, but we are striving to further bolster our

competitiveness by performing additional processing of secondary materials and reducing our fixed costs.

3) Materials

We are completing the structural reforms we promoted in the 09 3-Yr Plan, strengthening our business structure, and expanding our operations in the E&E sector where new growth is projected by focusing on cathode materials for secondary batteries and sapphire substrates for use in white LEDs. In terms of research and development, we are diligently striving toward the commercialization of new products in the E&E sector at our Materials Research & Development Center that was established in 2012.

We are striving to fully realize these new growth strategies and to further improve our corporate value.

Details of the 12 3-Yr Plan can be found in our presentation materials.

Reference Materials

SMM's profit structure is affected by price fluctuations in non-ferrous metals. In the 12 3-Yr Plan, profit has been calculated, with strategy effects incorporated, based on the assumptions below regarding FY 2015 non-ferrous metal prices and exchange rates.

The results for FY 2015 indicate a consolidated recurring profit of ¥150 billion and a net income of ¥100 billion.

Conditions / Profit and Loss Calculations

		12 3-Year Plan 2015 projection	2012 forecast	Increase/Decrease
Net sales (¥100 million)		9,100	7,790	1,310
Operating income (¥100 million)		1,200	800	400
Recurring profit (¥100 million)	Mineral Resources Segment	760	640	120
	Smelting and Refining Segment	570	230	340
	Materials Segment	140	30	110
	Other / Adjustments	30	50	-20
	Total	1,500	950	550
Equity method profit (¥100 million)		360	160	200
Net income (¥100 million)		1,000	730	270
ROA (%)		7	6	1
ROE (%)		12	10	2
Forecast dividend per share (¥)		N/A	28	-
Copper (\$/T)		7,500	7,873	-373
Nickel (\$/lb)		9.0	7.7	1.3
Gold (\$/Toz)		1,550	1,658	-108
Zinc (\$/T)		1,800	1,942	-142
Forex (¥/\$)		80.0	81.3	-1.3

Capital Investment Plan

We plan to make capital investments valued at ¥170 billion in total, with a focus on expanding and strengthening nickel projects, such as the Taganito Project.

"Investments in the acquisition of overseas interests," which are an important part of our strategy, are not included in this ¥170 billion figure. In practical terms, investments related to the acquisition of overseas interests will be calculated separately.

	Amount (¥100 million)	Notes
Mineral Resources	480	Excludes portion for acquired interests
Smelting and Refining	820	Of which, ¥70 billion is for nickel
Materials	260	
Other	140	
Total	1,700	