

March 28, 2014

Press Release

Sumitomo Metal Mining Co., Ltd.
Nippon Piston Ring Co., Ltd.

Agreement Concluded on Transfer of Metal Injection Molding Operations

Sumitomo Metal Mining Co., Ltd. (SMM) and Nippon Piston Ring Co., Ltd. (NPR) concluded an agreement today under which SMM will sell its operations in metal injection molding to NPR.

SMM launched business operations in metal injection molding in the 1980s. Production is performed at the Materials Div. Sagami Plant in Yamato City, Kanagawa Prefecture, and the company's products in this segment – especially parts used in automobiles, industrial machinery and locks – have achieved respectable shares of their respective markets. Under its current 2012 3-Year Business Plan, however, as a major point of focus SMM is implementing structural reforms and pursuing stable profitability in its Materials business. From the standpoint of concentrating on core competencies, the company decided to withdraw from operations in metal injection molding and to sell off this area of business to NPR.

NPR engages primarily in the manufacture and marketing of functional parts used in automobile engines, including some metal injection-molded items. The company decided to acquire this business from SMM in a quest to expand business in metal injection-molded products for non-automotive applications.

Under the newly concluded agreement, the transfer of operations will formally take effect on May 31, 2014. All related assets, including production facilities, are to be transferred from SMM to NPR by no later than September 30, 2015.

No capital, personnel or business relationships currently exist between the two companies. The effect of this business shift on SMM and NPR's bottom lines will be negligible.

Profile of Sumitomo Metal Mining Co., Ltd. (SMM)

Head office: 11-3, Shimbashi 5-chome, Minato-ku, Tokyo
President: Yoshiaki Nakazato
Business scope: Mineral resources development, non-ferrous metals, semiconductor materials, advanced materials, etc.
Capitalization: 93.2 billion yen
Establishment: March 1, 1950
Net assets: 844.5 billion yen (FY2012, consolidated basis)
Total assets: 1,351.1 billion yen (FY2012, consolidated basis)

Profile of Nippon Piston Ring Co., Ltd. (NPR)

Head office: 5-12-10, Honmachi-Higashi, Chuo-ku, Saitama City, Saitama
President: Akira Yamamoto
Business scope: Manufacture and sale of automotive parts, marine products, etc.
Capitalization: 9,839 million yen
Establishment: December 20, 1934
Net assets: 22.7 billion yen (FY2012, consolidated basis)
Total assets: 61.2 billion yen (FY2012, consolidated basis)

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