

May 24, 2017

Press Release

Company: Sumitomo Metal Mining Co., Ltd.

Representative: Yoshiaki Nakazato, President and Representative Director
(Code No. 5713, First Section of the Tokyo Stock Exchange)

Contact: Hideki Motoki, Deputy General Manager, PR & IR Dept.
(TEL: +81-3-3436-7705)

**Notice Regarding Change in Number of Shares Constituting One Unit,
Consolidation of Shares, and Partial Amendment to the Articles of
Incorporation**

At a meeting of board members held on May 24, 2017, Sumitomo Metal Mining Co., Ltd. (SMM) issued a resolution concerning a change to the number of shares constituting one unit and a partial amendment to the Articles of Incorporation. At the same time, SMM resolved to propose a consolidation of shares at the 92nd Ordinary General Meeting of Shareholders (hereafter "the General Meeting of Shareholders") to be held on June 27, 2017.

Details

1. Change in number of shares constituting one unit

(1) Reason for the change

Acting under a plan to aggregate sales units for stock trading, stock exchanges nationwide are undertaking efforts to consolidate the unit of trading (number of shares constituting one unit) of ordinary shares of domestic companies listed on national stock exchanges to 100 shares. These stock exchanges have decided to set the deadline for transitioning to a trading unit of 100 shares as October 1, 2018.

In response, as a company listed on the Tokyo Stock Exchange, Inc., SMM has decided to change its number of shares constituting one unit from 1,000 shares to 100 shares.

(2) Details of the change

The number of shares constituting one unit will be changed from 1,000 shares to 100 shares.

(3) Conditions for the change

The change will take effect on October 1, 2017, on the condition that the proposal for consolidation of shares in 2. below is approved as written at the General Meeting of Shareholders.

2. Consolidation of shares

(1) Purpose of consolidation

In changing the number of shares constituting one unit from 1,000 shares to 100 shares, SMM has decided to implement a consolidation of 2 shares of the Company's stock into 1 share, effective October 1, 2017, for the purpose of adjusting the number of shares constituting one unit (the purchase amount per number of shares constituting one unit) to an appropriate level.

(2) Details of the consolidation

- ① Type of shares to be consolidated: Common stock
- ② Consolidation ratio: Shares will be consolidated at a ratio of 1 share per 2 shares held by shareholders who are recorded in the final Register of Shareholders on September 30 (effectively September 29), 2017, with October 1, 2017 as the effective date of the consolidation.
- ③ Total number of authorized shares to be issued following consolidation: 500 million shares (prior to consolidation: 1 billion shares)
The provisions of the Articles of Incorporation that stipulate the total number of authorized shares to be issued will be deemed as having been amended as above, as of the effective date of the consolidation (October 1, 2017).
- ④ Number of shares decreased due to consolidation

Total number of issued shares prior to consolidation (March 31, 2017)	581,628,031 shares
Number of shares decreased due to the consolidation	290,814,016 shares
Total number of issued shares following consolidation	290,814,015 shares

Note: The "number of shares decreased due to the consolidation" and "total number of issued shares following consolidation" are theoretical values calculated from the "total number of issued shares

prior to consolidation" under the share consolidation ratio.

(3) Number of shareholders decreased due to the consolidation

The composition of shareholders based on the Register of Shareholders as of March 31, 2017, is as follows.

	Number of shareholders (percentage)	Number of shares held (percentage)
Total number of shareholders	36,916 (100.00%)	581,628,031 (100.00%)
Fewer than 2 shares	229 (0.62%)	229 (0.00%)
2 shares or more	36,687 (99.38%)	581,627,802 (100.00%)

In the event that the share consolidation is performed, the 229 shareholders holding fewer than 2 shares (holding a total of 229 shares, as of March 31, 2017) will lose status as shareholders.

(4) Handling of fractions of less than 1 share

When the consolidation results in a fraction of a share, SMM will dispose of the fractional shares in bulk in accordance with the provisions of Article 235 of the Companies Act, and will pay the proceeds of the sale to shareholders in proportion to the fractions held.

(5) Adjustment of the Minimum Exercise Price of the Series 2 stock acquisition rights

The Minimum Exercise Price of the Series 2 stock acquisition rights will be adjusted from 1,436 yen to 2,872 yen on and after October 1, 2017 due to the consolidation.

(6) Conditions for the consolidation

The consolidation will take effect on October 1, 2017, on the condition that the proposal for consolidation of shares is approved as written at the General Meeting of Shareholders.

3. Partial amendment to the Articles of Incorporation

The Articles of Incorporation of SMM will be amended, effective October 1, 2017, on the condition that the proposal for the consolidation of shares in 2. above is approved as written at the General Meeting of Shareholders.

(The underlined portions indicate amended items.)

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">Chapter II. Shares</p> <p>(Total number of shares authorized to be issued) Article 5. The total number of shares authorized to be issued by the Company shall be <u>one billion (1,000,000,000)</u> shares.</p> <p style="text-align: center;">(Article 6 omitted)</p> <p>(Number of shares constituting one unit) Article 7. The number of shares constituting one unit of shares of the Company shall be <u>one thousand (1,000)</u> shares.</p>	<p style="text-align: center;">Chapter II. Shares</p> <p>(Total number of shares authorized to be issued) Article 5. The total number of shares authorized to be issued by the Company shall be <u>five hundred million (500,000,000)</u> shares.</p> <p style="text-align: center;">(Article 6 unchanged)</p> <p>(Number of shares constituting one unit) Article 7. The number of shares constituting one unit of shares of the Company shall be <u>one hundred (100)</u> shares.</p>

4. Schedule

May 24, 2017	Meeting of the Board of Directors
June 27, 2017	92nd Ordinary General Meeting of Shareholders
October 1, 2017 (tentative)	Effective date of change in number of shares constituting one unit, consolidation of shares, and partial amendment to the articles of incorporation

Note: As above, the effective date of the consolidation of shares and the change in number of shares constituting one unit is October 1, 2017. However, for

reasons concerning share transfer procedures, the day on which the trading unit on the Tokyo Stock Exchange transitions from 1,000 shares to 100 shares will be September 27, 2017.

Reference materials: "Q&A Concerning Change to Number of Shares
Constituting One Unit and Consolidation of Shares"

Reference: Q&A Concerning Change to Number of Shares Constituting One Unit and Consolidation of Shares

Q1. What changes are being made to the number of shares constituting one unit and the consolidation of shares?


A1. Change to the number of shares constituting one unit refers to a change in the number of shares that constitute a unit of voting rights in a General Meeting of Shareholders and a trading unit on stock exchanges. SMM will change its number of shares constituting one unit from 1,000 shares to 100 shares.

Consolidation of shares refers to the conversion of a number of shares into a smaller number of shares. SMM will consolidate 2 shares into 1 share.

Q2. What will happen to the number of shares held and to the number of voting rights?

A2. The number of shares held by a shareholder following consolidation of shares will be the number of shares listed or recorded in the final Register of Shareholders on September 30, 2017, times one-half (with any remaining fraction of a share rounded down). Number of voting rights will be 1 per 100 shares held following consolidation.

Specifically, the number of shares held and the number of voting rights prior to and following the effective date (October 1, 2017 (tentative)) of the change to the number of shares constituting one unit and the consolidation of shares will be as follows.

	Prior to effective date			Following effective date		
	Number of shares held	Number of voting rights		Number of shares held	Number of voting rights	Fractional shares
Ex. 1	1,000 shares	1		500 shares	5	none
Ex. 2	1,500 shares	1		750 shares	7	none
Ex. 3	555 shares	none		277 shares	2	0.5 shares
Ex. 4	1 share	none		none	none	0.5 shares

When the consolidation results in a fraction of a share (as in Ex. 3 above), SMM will dispose of all fractional shares in bulk and will pay the total amount of proceeds of the sale to shareholders in proportion to the fractions held. Notification of the amount paid by SMM will be sent after the effective date of the consolidation.

In the event that 1 share is held prior to the effective date (as in Ex. 4 above), all held shares will result in a fractional share following the consolidation of shares, and the holders of these will accordingly lose status as shareholders.

Q3. The number of shares held will decrease as a result of the consolidation of shares. Will this affect asset value?

A3. Even if the consolidation of shares is performed, there will be no change in the assets or capital of SMM. Accordingly, stock market fluctuations and other factors notwithstanding, there will be no effect on the asset value of SMM shares held by shareholders. The number of shares held by shareholders will be halved from the number prior to consolidation of shares; conversely, the net asset value per share will double. The share price, too, will in theory be double that prior to the consolidation.

Q4. Will cash dividends received be affected?

A4. The number of shares held by shareholders will be halved by the consolidation of shares. However, following the entry into force of the consolidation of shares, the company intends to set the cash dividend per share with the consolidation ratio taken into account. Accordingly, there will be no change in the total value of cash dividends received, which will be attributable to the consolidation of shares.

Q5. Is there a way to prevent fractional shares from occurring after the consolidation?

A5. By increasing or purchasing shares constituting less than one unit prior to the consolidation of shares, it is possible to prevent fractional shares from occurring. Please contact your securities firm or the Registrar of Shareholders below regarding specific procedures.

Q6. What is the specific schedule for the above?

A6. The schedule is as follows.

June 29, 2017	92nd Ordinary General Meeting of Shareholders
September 26, 2017*	Final date for trading of units of 1,000 shares
September 27, 2017*	Starting date for trading of units of 100 shares
October 1, 2017*	Effective date of change in number of shares constituting one unit, consolidation of shares, and partial amendment to the Articles of Incorporation
November 2017*	Sending of notification of consolidation ratio to shareholders
December 2017*	Start of payment of proceeds from disposal of fractional shares

*Schedule assuming approval of the proposal for consolidation of shares as written at the 92nd Ordinary General Meeting of Shareholders on June 27, 2017.

Q7. Are there any procedures that must be taken by shareholders?

A7. No special procedures are necessary.

Inquiries

Please contact your securities firm or the Registrar of Shareholders below regarding any unclear points concerning the change in number of shares constituting one unit and the consolidation of shares.

Registrar of Shareholders

Stock Transfer Agency Business Planning Department

Sumitomo Mitsui Trust Bank, Limited

1-4-1 Marunouchi, Chiyoda-ku, Tokyo

Telephone: 0120-782-031 (toll free)

Hours: 9:00 am - 5:00 pm (excluding Saturdays, Sundays, and holidays)