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### **Difference between Forecast for Consolidated Operating Results and Actual Results for the First Six Months of FY2016**

Sumitomo Metal Mining Co., Ltd. (SMM) announces a difference between the forecast for consolidated operating results announced on August 10, 2016 and actual results released today for the first six months of FY2016 (April 1, 2016 – September 30, 2016).

1. Difference between forecast for consolidated operating results and actual results for the first six months of FY2016 (April 1, 2016 – September 30, 2016)

(units: million yen, yen, %)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecast (A)	359,000	16,000	5,000	-3,000	-5.44
Actual result (B)	366,492	21,920	11,696	3,272	5.93
Difference (B-A)	7,492	5,920	6,696	6,272	
Rate of difference (%)	2.1	37.0	133.9	-	
Reference: Results for previous period (Q2, FY2015)	459,215	51,469	64,586	53,758	97.45

#### 2. Reasons behind difference

Nickel prices have trended somewhat stronger than forecast previously (August 10, 2016) for reasons including strong demand for stainless steel and reduced production by nickel producers due to the slump in nickel prices. In addition, operating income and ordinary income increased compared with the previous forecast for reasons including the yen trending more weakly than the assumed JPY100/US\$ exchange rate. Furthermore, net income attributable to owners of parent improved for reasons including the increase in ordinary income, as well as recovery of securities valuation during the first

six months of the fiscal year that led to the company not posting an expected loss on valuation of investment securities.