

Explanation for Revisions of Earning Projections of FY2009



Pogo Gold Mine (Alaska,USA)

September 7th, 2009

Sumitomo Metal Mining Co., Ltd

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Comparison

(FY2009 forecast in September 2009 VS forecast in April)

Comparison of 1st Half 2009 (6 months)

(JPY 100M)

		Forecast in Sep.	Forecast in Apr.	Diff.
		①	②	①-②
A	Net Sales	3,240	2,340	900
	Operating income	230	20	210
	Recurring profit	280	30	250
	Net income	170	20	150
	Inventory impairment	89	17	72
	Cu (\$ /t)	4,951	4,000	951
	Ni (\$ /lb)	6.56	5.00	1.56
	Au (\$ /oz)	927.0	850.0	77.0
	Exchange Rate (¥/\$)	96.09	95.00	1.09

Price forecasted in Sep.		
Apr-Jul result	Aug forecast	Sep forecast
4,801	5,500	5,000
6.21	7.50	7.00
925.0	930.0	930.0
96.63	95.00	95.00

Comparison of FY2009 (one year)

(JPY 100M)

		Forecast in Sep.	Forecast in Apr.	Diff.
		①	②	①-②
B	Net Sales	6,650	4,930	1,720
	Operating income	440	140	300
	Recurring profit	540	110	430
	Net income	360	70	290
	Inventory impairment	100	45	55
	Cu (\$ /t)	4,976	4,000	976
	Ni (\$ /lb)	6.78	5.00	1.78
	Au (\$ /oz)	929.0	850.0	79.0
	Exchange Rate (¥/\$)	95.55	95.00	0.55

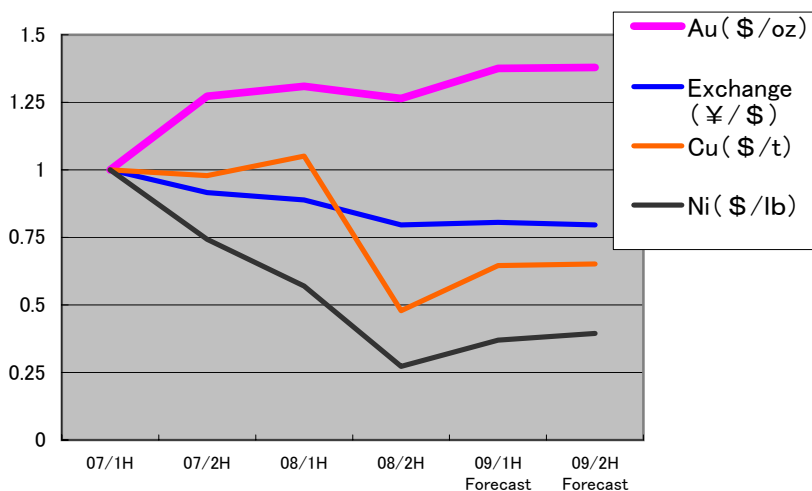
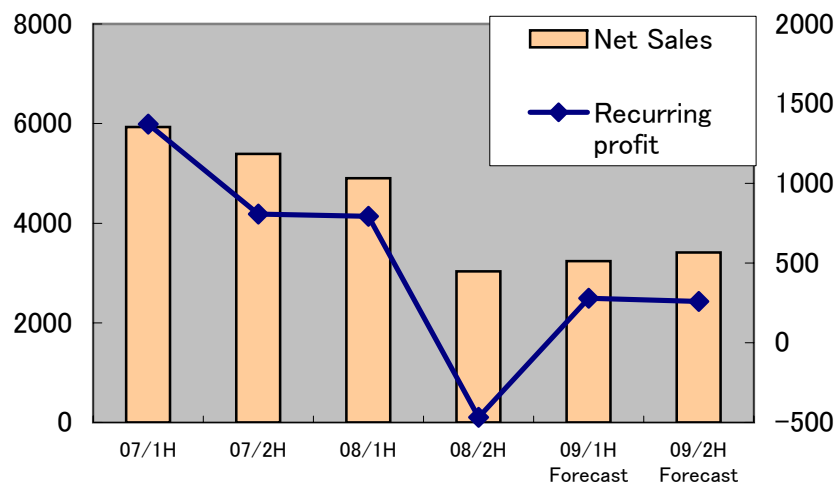
Oct09-Mar10 forecast
5,000
7.00
930.0
95.00

• Consolidated earnings forecasts have been revised upward in reflection of recovery in non-ferrous metal prices, increased orders in the Semiconductor and Advanced Materials segment, and improvement in inventory impairment.

Consolidated financial results and forecasts from FY2007 to FY2009

(JPY 100M)

	FY2007			FY2008			FY2009			2009/1H Forecast	
	1H	2H	Total	1H	2H	Total	1H Forecast Revised	2H Forecast Revised	Total Forecast Revised	1QResult	2QForecast
Net Sales	5,932	5,392	11,324	4,905	3,033	7,938	3,240	3,410	6,650	1,552	1,688
Operating income	1,005	549	1,554	472	△ 367	105	230	210	440	107	123
Recurring profit	1,371	808	2,179	794	△ 468	326	280	260	540	129	151
Net income	915	463	1,378	521	△ 301	220	170	190	360	66	104
Cu(\$/t)	7,667	7,501	7,584	8,061	3,667	5,864	4,951	5,000	4,976	4,663	5,239
Ni(\$/lb)	17.75	13.19	15.47	10.12	4.84	7.48	6.56	7.00	6.78	5.86	7.26
Au(\$/oz)	674.1	857.9	766.0	882.8	852.0	867.4	927.0	930.0	929.0	922.0	932.0
Exchange Rate(¥/\$)	119.33	109.25	114.29	106.11	94.96	100.54	96.09	95.00	95.55	97.33	94.85
Inventory impairment											
(Metals)	△ 13	△ 48	△ 61	△ 68	△ 205	△ 273	63	11	74	47	16
(Electronics&others)				△ 6	△ 37	△ 43	26	0	26	14	12
Total	△ 13	△ 48	△ 61	△ 74	△ 242	△ 316	89	11	100	61	28



Quarterly Operating Income / Equity in Earnings of Affiliated Companies

Operating Income

(JPY 100M)

Segment	FY2008				FY2009		
	1Q	2Q	3Q	4Q	1Q	2Q forecast	3Q-4Q forecast /2
Mineral resources	95	66	34	△ 18	73	67	59
Metals	190	98	△ 168	△ 96	57	49	39
subtotal:	285	164	△ 134	△ 114	130	116	97
Semiconductor and Advanced materials	29	△ 1	△ 56	△ 74	△ 13	0	4
Others	1	9	△ 12	8	△ 7	4	4
Total	315	172	△ 202	△ 180	110	120	105
Offset	0	△ 15	23	△ 8	△ 3	3	0
Grand Total	315	157	△ 179	△ 188	107	123	105

Equity in Earnings of Affiliated Companies

(JPY 100M)

		FY2008				FY 2009		
		1Q	2Q	3Q	4Q	1Q	2Q forecast	3Q-4Q forecast /2
Cu	Cerro Verde	80	65	43	△ 30	17	33	26
	Other Oversea mines(Cu)	54	42	30	△ 40	11	22	13
	Others	5	3	1	△ 9	3	6	3
	Subtotal : Cu	139	110	74	△ 79	31	61	42
Ni	PT Inco	34	35	22	△ 4	3	3	8
	Others	△ 3	△ 1	0	△ 14	△ 2	△ 10	△ 20
	Subtotal : Ni	31	34	22	△ 18	1	△ 7	△ 12
Others	N.E.Chemcat Corp.	7	7	2	△ 1	1	2	2
	Others	9	6	△ 22	△ 6	1	1	△ 2
	Subtotal : Others	16	13	△ 20	△ 7	2	3	0
Total		186	157	76	△ 104	34	57	30

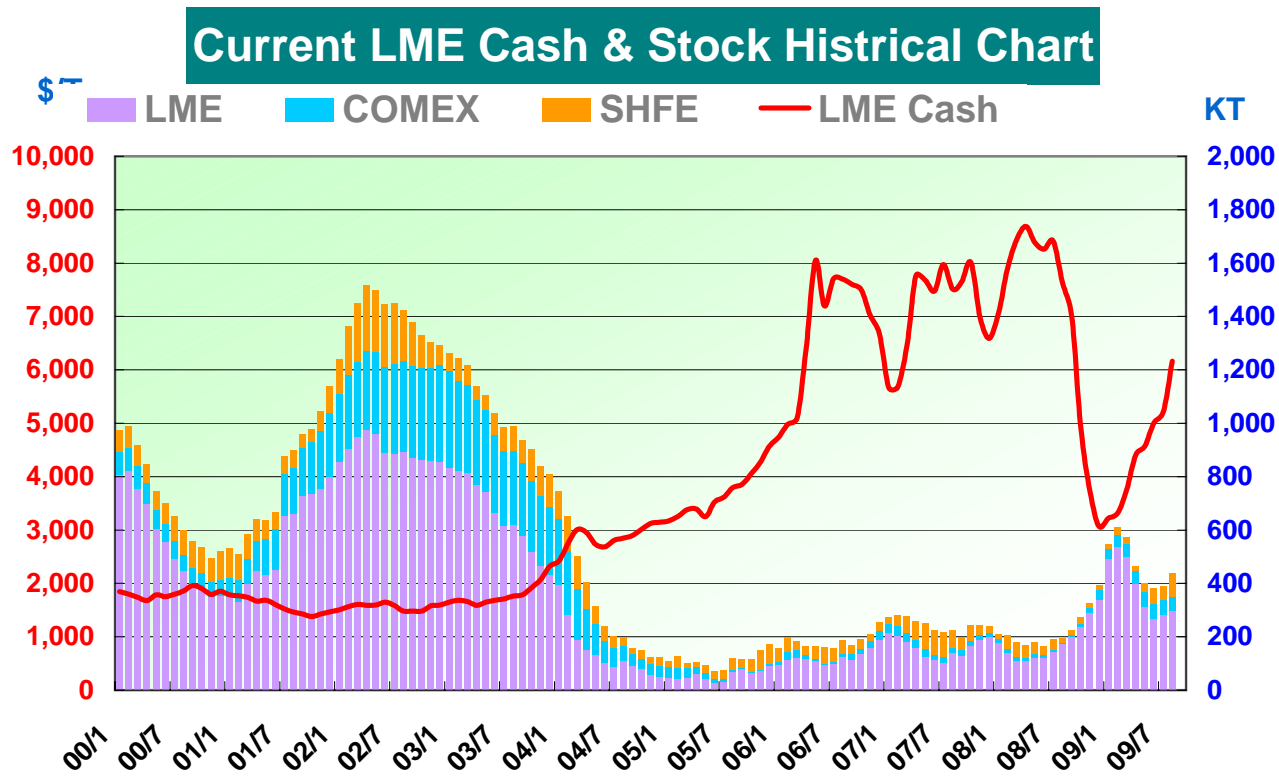
Metal price and Exchange rate

	Copper (\$/t)		Copper (¢/lb)		Nickel (\$/lb)		Gold (\$/oz)		Zinc (\$/t)		Exchange (¥/US\$)	
	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008
Apr	4,407	8,685	200	394	5.06	13.05	891.4	910.7	1,379	2,264	99.12	102.52
May	4,569	8,383	207	380	5.73	11.67	927.8	888.9	1,484	2,182	96.29	104.22
Jun	5,014	8,261	227	375	6.79	10.23	946.7	889.5	1,557	1,894	96.58	106.93
Average	4,663	8,443	212	383	5.86	11.65	922.0	896.4	1,473	2,113	97.33	104.56
Jul	5,216	8,414	237	382	7.25	9.14	934.3	940.5	1,579	1,852	94.52	106.84
Aug	6,165	7,635	280	346	8.43	8.59	949.4	839.7	1,822	1,723	94.91	109.34
Sep		6,991		317		8.07		827.4		1,735		106.83
Average	5,691	7,680	258	348	7.84	8.60	941.9	869.2	1,701	1,770	94.72	107.67
Oct		4,926		223		5.51		809.7		1,302		100.59
Nov		3,717		169		4.85		759.4		1,153		96.86
Dec		3,072		139		4.39		818.0		1,101		91.44
Average	-	3,905	-	177	-	4.92	-	795.7	-	1,185	-	96.30
Jan		3,221		146		5.13		858.2		1,187		90.44
Feb		3,315		150		4.72		941.5		1,112		92.44
Mar		3,750		170		4.40		925.1		1,217		97.99
Average	-	3,429	-	156	-	4.75	-	908.3	-	1,172	-	93.62
FY average	5,074	5,864	230	266	6.65	7.48	929.9	867.4	1,564	1,560	96.28	100.54

SMM's forecasts

FY2009	4,976		226		6.78		929.0		1,534		95.56	
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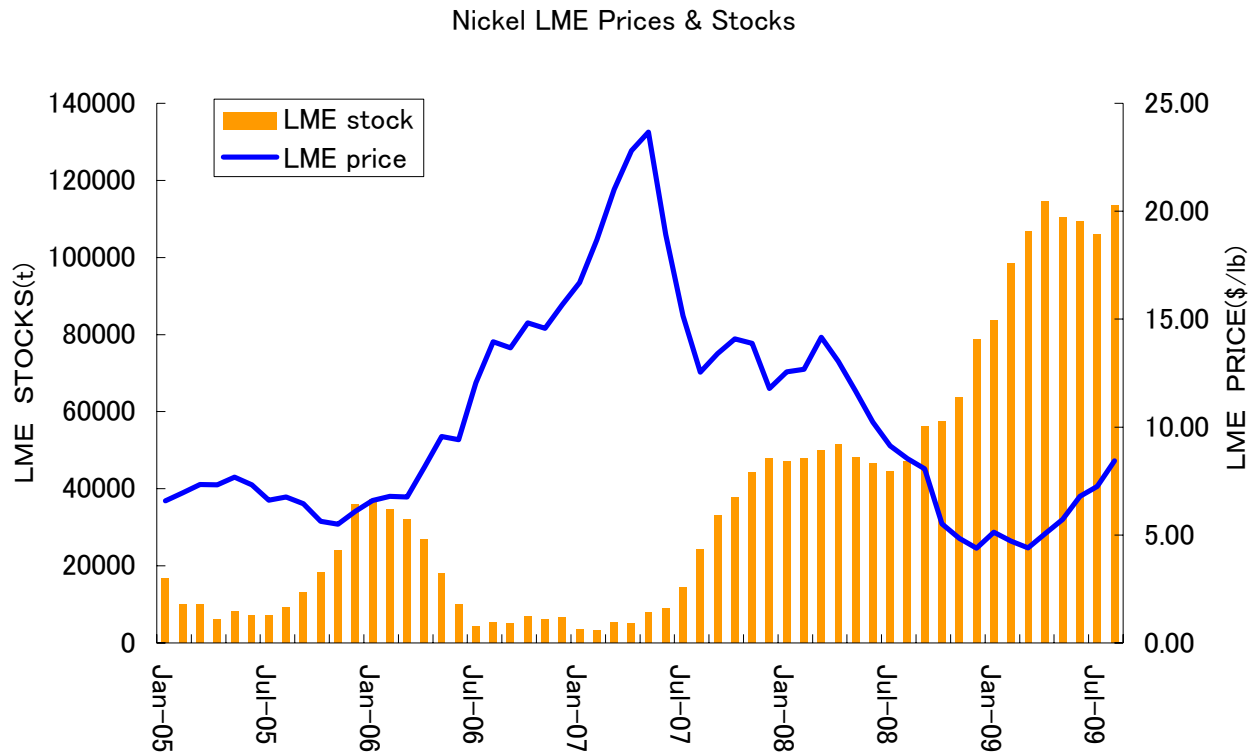
Cu Price Trend / Supply & Demand



Cu Forecast of Supply & Demand

	ICSG			ICSG	Macquarie
(kt)	2007	2008	2009	09/1-5	2009
Output	18,008	18,244	17,574	7,425	17,745
Consumption	17,722	17,995	17,230	7,575	17,000
Balance	286	249	344	△ 150	745
FY(\$/t)	7,584	5,864	—	—	4,288
CY(\$/t)	7,119	6,956	—	3,853	3,880
Estimated Timing	Result	2009.4		Result	2009.6

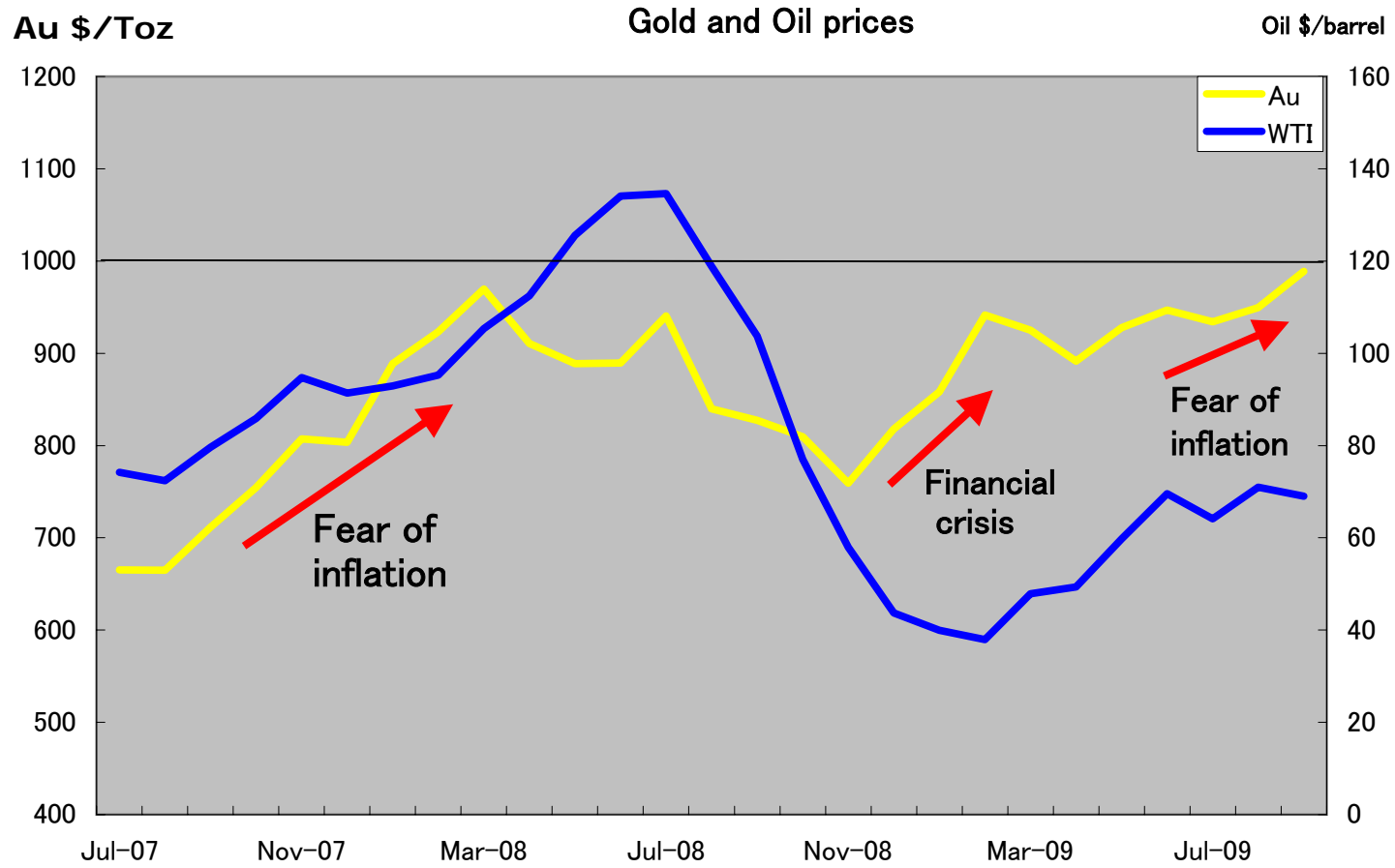
Ni Price Trend / Supply & Demand



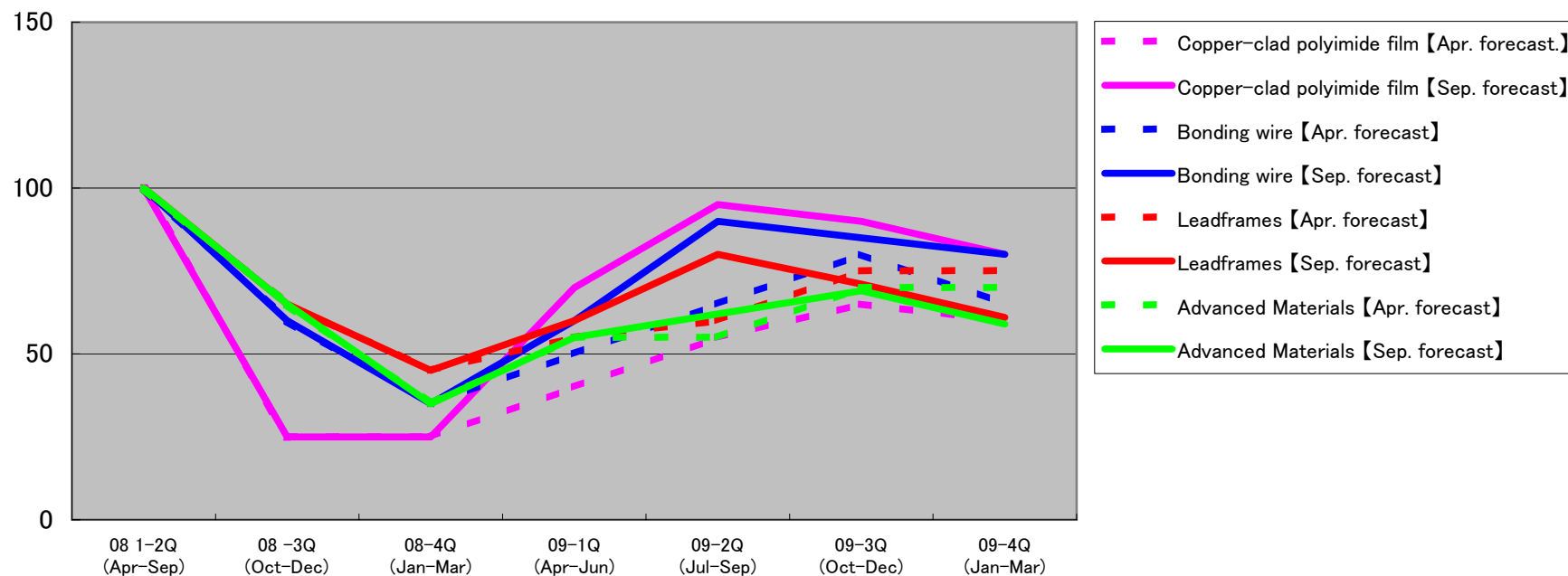
Ni Forecast of Supply & Demand

(Kt)	SMM			INSG			Macquarie
	2007	2008	2009	2007	2008	2009	2009
Output	1,395	1,363	1,272	1,420	1,390	1,260	1,227
Consumption	1,377	1,289	1,221	1,310	1,290	1,180	1,218
Balance	18	74	51	110	100	80	9
Estimated Timing	2009.6			2009.4			2009.6
Ni Pig Iron (Included)	85	71	65	—	—	—	
Stainless steel	28,525	25,913	22,500	—	—	—	23,113

Gold Price Trend



Sales Trend of Semiconductor Materials and Advanced Materials



Annual Net Sales by Product

(JPY 100M)

	Forecast in Sep.	Forecast in Apr.	Change
	①	②	①-②
Semiconductor (1): copper-clad polyimide film, COF, leadframes, bonding wire	1,010	709	301
Semiconductor (2): printed circuit boards, connectors, terminals, material recycling, etc.	300	346	△ 46
Advanced Materials (1): alloy preforms, electronics paste, thin-film materials, crystal materials	270	258	12
Advanced Materials (2): battery materials, etc	100	97	3
Total	1,680	1,410	270

- Revised earnings forecast for Semiconductor (1) reflects sales recovery from 2Q to near 80% of peak levels.
- Revised earnings forecast for Semiconductor (2) primarily reflects deterioration in recycling operations.

Sensitivity

JPY 100M Per Year

	Fluctuation	Forecast in Sep.	Forecast in Apr.	Diff.
Cu	±10 ¢ /lb	14 / 28	14 / 27	0 / +1
Ni	±10 ¢ /lb	7 / 8	7 / 8	0 / 0
Au	±10 \$ /Toz	5 / 5	4 / 4	+1 / +1
¥ / \$	±1 ¥/\$	7 / 7	7 / 7	0 / 0

(Remark)

Operating income/Recurring profit

USD/JPY translation applied to RC-related only.
(Overseas profit effects excluded).