

Relationship between the Long-Term Vision and the Vision for 2020

The SMM Group has established the Long-Term Vision and the Vision for 2020 (which states "The Kind of Company that We Would Like to be in 2020") to indicate our approach to creating value. The activities to attain these twin goals are inseparable for sustainable growth and maximization of corporate value, and we are proceeding on them as a single Vision.

Long-Term Vision

Our Long-Term Vision is a goal to execute a continuous growth strategy aimed at a stable supply of materials and products over the long term.

In order to attain the Long-Term Vision, which has a target year of 2021, we set out a medium-term business plan every three years as a mid-term strategic goal.

FY2015 was the final year for the 12 3-Yr Business Plan, so we formulated the 15 3-Yr Business Plan based on the results of the 12 3-Yr Business Plan.

Long-Term Vision

Become a World Leader in the Non-Ferrous Metals Industry & an Excellent Company of Japan

Long-Term Vision Targets

Become a World Leader in the Non-Ferrous Metals Industry

Copper	Nickel	Gold	New Materials
Annual production interest	Annual production capacity	Annual production interest	Recurring profit
300 kt	150 kt	30 t	¥5 billion
SMM is pursuing investment in overseas mining projects. In 2011, we acquired an interest in Chile's Sierra Gorda Project. We currently hold interests in copper mines located in the US, Chile, Peru, Australia and other countries. Going forward, we will seek to participate in new development projects, expand production at existing mines, and take other steps to raise our annual copper production interest to 300,000 tons.	Production at the Taganito Project started in the second half of 2013, broadening our annual nickel production structure to 100,000 tons. Our goal is to further expand our capacity to 150,000 tons, with a focus on development initiatives suitable for application of our HPAL technology.	SMM owns the Hishikari Mine, the only commercially operated metal mine in Japan. We also operate the Pogo Gold Mine in Alaska, USA. Using our accumulated expertise in mine operation, we are seeking to raise our annual gold production interest to 30 tons, principally through new mine development.	Through collaboration between the Materials Division and the Research Development Division, we aim to accelerate new materials development and raise profitability.

An Excellent Company of Japan

Net sales **¥1 trillion** Net income **¥100 billion**

Sustainable Growth and Maximization of Corporate Value

Vision for 2020

— and the Six CSR Areas of High Priority —

The Vision for 2020 is our goal for the SMM Group's coexistence with the global environment and society aimed at sustainable growth. As the SMM Group's business activities involve large-scale developments, such as mining developments, there is a significant impact on the surrounding areas, the scope of which extends to the economy, the environment, human rights, and the local communities.

Therefore, the SMM Group believes that in running our business it is essential to obtain a Social License to Operate that cannot be achieved in the absence of trust-based relationships with the local communities, in addition to a legal operating permit. In 2015, the SMM Group revised its Vision for 2020 as it applies to its Six CSR Areas of High Priority in view of business globalization and

other changes in social conditions. In tandem with this revision, we identified material issues that the Group needs to address from among a large number of sustainability issues with the primary focus on evaluating impacts on the Social License to Operate, opportunities for future earnings, and the sources of our competitiveness (see p. 59-61 for process to identify material issues).

Effective Use of Resources

A company that generates resources using innovative technology

KPI
Develop and implement technologies to efficiently recover resources (low-grade/hard-to-process ores)
Develop new and effective uses for by-products
Promote recycling

Environmental Preservation

A company that uses advanced technologies to reduce environmental impacts and contributes to preserving the global environment

KPI
Advance biodiversity preservation initiatives
Maintain our record of zero significant environmental accidents

Contribution to Society and Local Communities

A company that earns trust and contributes to regional development through our business and social contribution activities rooted in each region

KPI
1. Communicate with local communities to recognize social issues in regions where we do business, and implement programs to support solutions to those issues.
2. Provide support for the improvement of educational infrastructure and the maintenance and development of academic activities, culture, tradition, and art in countries where we do business.
3. Provide support for recovery and reconstruction after large-scale disasters.
Allocate financial resources for initiatives 1 to 3 above.

Respect for People and Human Rights

A company where diverse human resources exercise their ability sufficiently and take a vibrant and active part in each field

A company that works with its stakeholders to strive for a society that actively respects human rights

KPI
A company where employees can take a vibrant and active part
Respect diversity
Develop human resources
Prevent major human rights infringements

Occupational Health and Safety

A company that accords safety the highest priority and provides comfortable working environments

KPI
Ensure safety
Provide comfortable working environments

Stakeholder Communication

A company that works to communicate transparently with all worldwide stakeholders to deepen mutual understanding

KPI
Encourage deeper mutual understanding with employees
Encourage mutual understanding with local communities and citizen groups
Encourage mutual understanding with shareholders and investors
Encourage mutual understanding with other stakeholders

CSR Policy

- SMM shall work to combat global warming by promoting recycling and effective resource utilization while also targeting technological innovation and continuous improvements in energy efficiency.
- SMM shall promote sustainable co-existence with society by respecting the needs of local communities in which we operate around the world.
- To continue sound business activities, SMM shall respect human rights and shall try to be a company in which diverse human resources take active parts.
- Accordinging safety the highest priority, SMM shall provide safe, comfortable working environments and seek to eliminate occupational accidents.
- SMM shall strengthen communications with all stakeholders to build healthy, trust-based relationships.