

June 3, 2011

## To our shareholders

11-3, Shimbashi 5-chome, Minato-ku, Tokyo

### Sumitomo Metal Mining Co., Ltd.

Nobumasa Kemori, Representative Director and President

#### Convocation Notice of the 86<sup>th</sup> Ordinary General Meeting of Shareholders

We would like to express our deepest sympathies to those who have been affected by the Great East Japan Earthquake, and sincerely wish the earliest possible recovery of the affected areas.

Sumitomo Metal Mining Co., Ltd. hereby gives notice of the 86<sup>th</sup> Ordinary General Meeting of Shareholders as outlined below and requests your attendance.

If you are unable to attend the meeting in person, you are entitled to vote by mail or electronically. In this regard, we cordially request that you study the attached Reference Document for the Ordinary General Meeting of Shareholders and exercise your voting rights.

#### [Exercise of voting rights in writing]

Please indicate whether for or against the proposals on the enclosed voting form and send it to us by 5:40pm (Japan Time) on Friday, June 24, 2011.

#### [Exercise of voting rights electronically]

Please follow the instructions on page 3 to register your vote either for or against the proposals by 5:40pm (Japan Time) on Friday, June 24, 2011.

1. Date and time: June 27, 2011 (Monday) at 10:00am

2. Location: Shinagawa Prince Hotel, Prince Hall (Annex Tower, 5F)  
10-30, Takanawa 4-chome, Minato-ku, Tokyo

Please note the location is different from that used last year.

#### 3. Agenda

Matters to be reported Reporting of the business report, consolidated financial statements and non-consolidated financial statements for the 86<sup>th</sup> business year (April 1, 2010 – March 31, 2011) and the results of audits of the consolidated financial statements for the 86<sup>th</sup> business year (April 1, 2010 – March 31, 2011) by the accounting auditor and the Board of Corporate Auditors

Matters to be resolved

Proposal No.1: Appropriation of surplus

Proposal No.2: Election of eight (8) directors

Proposal No.3: Election of one (1) corporate auditor

Proposal No.4: Election of one (1) substitute corporate auditor

Proposal No.5: Payment of bonuses to directors

4. Matters concerning the exercise of voting rights

- (1) In the event of having voted multiple times electronically (via the Internet, etc.) or both by PC and by cell phone and the content of the vote, whether for or against, with respect to one proposal differs, the last vote exercised shall prevail.
- (2) In the event of having voted both in writing and electronically (via the Internet, etc.) and the content of the vote, whether for or against, with respect to one proposal differs, the vote exercised electronically shall prevail.

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\* When you attend the meeting, you are kindly requested to present the enclosed voting form to the receptionist.

\* If any amendments to the Shareholders' Meeting Reference Documents, the business report, the consolidated financial statements or non-consolidated financial statements are made, notification of the details shall be provided on the Company's website (<http://www.smm.co.jp/>).

## **Instructions for Exercising Voting Rights**

### **1. Exercise of voting rights electronically**

#### **(1) Exercise of voting rights via the Internet**

- (i) Please access the voting rights exercise site (<http://webdk.net>), enter your voting rights exercise code and password appearing on the enclosed voting form and follow the instructions to register your vote either for or against the proposals. The voting rights exercise site can also be accessed on the Internet from a cell phone.
  - (ii) The deadline for the exercise of voting rights via the Internet is 5:40pm (Japan Time), Friday, June 24, 2011.
  - (iii) Any connection fees to providers or telephone charges, etc. for accessing the voting rights exercise site shall be borne by the shareholders.
  - (iv) The following system environments are necessary to access the voting rights exercise site.
    - a. The Internet browser software necessary to access the voting rights exercise site using a PC is Microsoft® Internet Explorer version 6.0 or newer.
    - b. In order to ensure security when accessing the voting rights exercise site using a cell phone, a model enabling 128 bit SSL encrypted communication is necessary. You may also exercise your voting rights using the full browser function of cell phones, including smartphones; however, please understand that depending on the model of your cell phone, in some cases this method may not work.
- (Microsoft® is a registered trademark of Microsoft Corporation used in the United States and other countries.)

Please contact the direct number below if you have any questions concerning the exercise of voting rights via the Internet.

Registrar of Shareholders :

Transfer Agent Department

Sumitomo Trust and Banking Company, Ltd.

0120-186-417 (toll-free within Japan only; open from 9:00am to 9:00pm [Japan Time])

### **2. Voting rights exercise platform for institutional investors**

Institutional investors may use voting rights exercise platform operated by ICJ (Investor Communications Japan Inc.) for institutional investors if having made an application for its use in advance.

## Shareholders' Meeting Reference Documents

### Proposals and Reference Matters

#### Proposal No.1: Appropriation of surplus

The Company proposes that the appropriation of surplus be made in the following manner.

1. Matters regarding year-end dividend

The Company considers the appropriate return of profits to shareholders as one of the most important management issues.

Regarding the year-end dividend of surplus for the business year under review, based on the Company's policy of aiming to achieve a consolidated dividend payout ratio of 20% or more, and in comprehensive consideration of future business development, financial soundness, and financial performance in the business year, the Company proposes to pay a year-end dividend of 20 yen per share as described below. As a result, the total dividend for the business year under review, including an interim dividend of 12 yen, will amount to 32 yen per share.

(1) The kind of the dividend property

Cash

(2) The matters regarding the allotment of the dividend property to shareholders and the total amount thereof

20 yen per share of common stock of the Company

Total amount: 11,240,130,820 yen

(3) The day on which the distribution of dividend of surplus will take affect

June 28, 2011

2. Matters regarding appropriation of other surplus

The company proposes provision of general reserve for future business deployment as indicated below.

(1) The item of surplus showing a decrease, and the amount thereof

Retained earnings brought forward: 40,000,000,000 yen

(2) The item of surplus showing an increase, and the amount thereof

General reserve: 40,000,000,000 yen

**Proposal No.2: Election of eight (8) directors**

All directors (eight directors) will have finished their term of office at the conclusion of this Meeting. Therefore, the Company proposes the election of eight (8) directors.

The candidates for director are as follows.

| Candidate No. | Name<br>D.O.B.                    | Brief history, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Shareholding in the Company |
|---------------|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 1             | Nobumasa Kemori<br>April 12, 1951 | <p>September 1980<br/>Joined the Company</p> <p>June 2004<br/>Executive Officer<br/>Senior Deputy General Manager of Non-Ferrous Metals Div.</p> <p>June 2006<br/>Director<br/>Managing Executive Officer<br/>General Manager of Non-Ferrous Metals Div.</p> <p>June 2007<br/>Representative Director<br/>President and Director<br/>President</p> <p>As of June 1, 2011<br/>Representative Director<br/>President and Director<br/>President</p>                                                                                                                                                  | 22,000 shares               |
| 2             | Ichiro Abe<br>January 18, 1948    | <p>April 1970<br/>Joined the Company</p> <p>June 2003<br/>Executive Officer</p> <p>February 2004<br/>General Manager of Mineral Resources Div.</p> <p>June 2005<br/>Managing Executive Officer</p> <p>June 2007<br/>Director<br/>Senior Managing Executive Officer</p> <p>April 2010<br/>General Manager of Mineral Resources Div.</p> <p>As of June 1, 2011<br/>Director<br/>Senior Managing Executive Officer<br/>General Manager of Mineral Resources Div.</p> <p>Significant concurrent occupations or positions at other organizations<br/>Director of Sociedad Minera Cerro Verde S.A.A.</p> | 22,000 shares               |

| Candidate No. | Name<br>D.O.B.                  | Brief history, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                   | Shareholding in the Company |
|---------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 3             | Masashi Koike<br>August 7, 1948 | <p>April 1972<br/>Joined the Company</p> <p>June 2002<br/>Executive Officer</p> <p>October 2002<br/>General Manager of General Affairs Dept.</p> <p>June 2003<br/>Director</p> <p>June 2005<br/>Managing Executive Officer</p> <p>June 2007<br/>Senior Managing Executive Officer</p> <p>June 2008<br/>Representative Director</p> <p>October 2009<br/>General Manager of Taganito Project Div.</p> <p>As of June 1, 2011<br/>Representative Director<br/>Senior Managing Executive Officer</p> | 24,000 shares               |
| 4             | Kozo Baba<br>April 25, 1949     | <p>April 1975<br/>Joined the Company</p> <p>June 2004<br/>Executive Officer<br/>Senior Deputy General Manager of Technology Div.</p> <p>June 2007<br/>Managing Executive Officer<br/>General Manager of Technology Div.</p> <p>June 2008<br/>Director</p> <p>As of June 1, 2011<br/>Director<br/>Managing Executive Officer<br/>General Manager of Technology Div.</p>                                                                                                                          | 12,000 shares               |

| Candidate No. | Name<br>D.O.B.                    | Brief history, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Shareholding in the Company |
|---------------|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 5             | Yoshiaki Nakazato<br>May 13, 1953 | <p>April 1976<br/>Joined the Company</p> <p>June 2004<br/>General Manager of Corporate Planning Dept.</p> <p>June 2005<br/>Executive Officer</p> <p>June 2006<br/>Director</p> <p>June 2007<br/>General Manager of Affiliated Business Administration Dept.</p> <p>June 2008<br/>Managing Executive Officer<br/>General Manager of Advanced Materials Div.</p> <p>October 2008<br/>General Manager of Semiconductor Materials Div.</p> <p>June 2009<br/>Executive Officer<br/>General Manager of Advanced Materials Div.</p> <p>June 2010<br/>Managing Executive Officer</p> <p>As of June 1, 2011<br/>Director<br/>Managing Executive Officer<br/>General Manager of Advanced Materials Div.</p>                                                                                                                          | 13,000 shares               |
| 6             | Takeshi Kubota<br>August 26, 1954 | <p>April 1977<br/>Joined the Company</p> <p>October 2005<br/>General Manager of Nickel Sales &amp; Raw Materials Dept. of Non-Ferrous Metals Div.</p> <p>June 2006<br/>Executive Officer<br/>Senior Deputy General Manager of Non-Ferrous Metals Div.</p> <p>June 2007<br/>General Manager of Non-Ferrous Metals Div.</p> <p>June 2009<br/>Managing Executive Officer</p> <p>June 2010<br/>Director</p> <p>As of June 1, 2011<br/>Director<br/>Managing Executive Officer<br/>General Manager of Non-Ferrous Metals Div.</p> <p>Significant concurrent occupations or positions at other organizations</p> <p>Director of P.T. International Nickel Indonesia Tbk.<br/>Director of NICKEL ASIA CORPORATION<br/>Director of MS Zinc Co., Ltd.<br/>Director of Mitsui Sumitomo Metal Mining Brass &amp; Copper Co., Ltd.</p> | 8,000 shares                |

| Candidate No. | Name<br>D.O.B.                    | Brief history, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Shareholding in the Company |
|---------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 7             | Takashi Ito<br>January 29, 1953   | <p>April 1975<br/>Joined the Company</p> <p>June 2005<br/>Representative Director and President of Sumitomo Metal Mining Siporex Co., Ltd.</p> <p>June 2008<br/>Executive Officer of the Company<br/>General Manager of Finance &amp; Accounting Dept.<br/>General Manager of Management Service Center</p> <p>June 2010<br/>Director<br/>General Manager of Corporate Planning Dept.</p> <p>As of June 1, 2011<br/>Director<br/>Executive Officer<br/>General Manager of Corporate Planning Dept.</p> <p>Significant concurrent occupations or positions at other organizations<br/>Director of N.E. CHEMCAT Corporation</p>                                                             | 8,000 shares                |
| 8             | Tsutomu Ushijima<br>July 16, 1950 | <p>April 1976<br/>Registered as a lawyer</p> <p>April 1982<br/>Established Ushijima Law and Tax Accountant Firm</p> <p>June 1982<br/>Registered as a Certified Public Tax Accountant</p> <p>January 1994<br/>Established Ushijima Teramae Law Firm (current Ushijima, Teramae &amp; Wada Law Firm)</p> <p>June 2003<br/>Corporate Auditor of the Company</p> <p>June 2007<br/>Director of the Company</p> <p>As of June 1, 2011<br/>Lawyer and Certified Public Tax Accountant of Ushijima, Teramae &amp; Wada Law Firm<br/>Director of the Company</p> <p>Significant concurrent occupations or positions at other organizations<br/>Outside Corporate Auditor of Kobunsha Co., Ltd.</p> | 0 shares                    |

(Notes) 1. Mr. Tsutomu Ushijima is a candidate for outside director as set out in Article 2.3 (7) of the Enforcement Regulations of the Company Law of Japan.

2. The following are items pertaining to the candidate for outside director.

(1) Reasons for his candidacy as outside director

Mr. Tsutomu Ushijima has special knowledge and a wealth of experience as a lawyer and a Certified Public Tax Accountant. He has been presented as a candidate for outside director because he is expected to strengthen corporate governance by providing suggestions on overall management of the Company particularly from the perspective of compliance based on his knowledge and experience.

He has not participated in corporate management in any form other than as outside director or outside corporate auditor; however, for the above reasons, we determined that he is able to appropriately serve as outside director.



- (2) Number of years since assuming the position of outside director  
Mr. Tsutomu Ushijima is currently an outside director of the Company and will have served as outside director for four (4) years at the conclusion of this Meeting.
- (3) Limited liability agreement with outside director  
The Company has entered into a limited liability agreement with Mr. Tsutomu Ushijima limiting his maximum liability to ¥10 million or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher. If this proposal is approved in its original version, the Company shall continue the agreement with him.
- (4) Notification of appointment as an independent director  
The Company has appointed Mr. Tsutomu Ushijima as an independent director who is unlikely to have a conflict of interest with general shareholders as specified by the Tokyo Stock Exchange and the Osaka Securities Exchange and submitted notification of his appointment to the Exchanges.

### Proposal No. 3: Election of one (1) corporate auditor

Corporate auditor Katsumi Maeda will have finished his term of office at the conclusion of this Meeting. Therefore, the Company proposes the election of one (1) corporate auditor.

The Company has obtained consent for this proposal from the Board of Corporate Auditors.

The candidate for corporate auditor is as follows.

| Name<br>D.O.B.                 | Brief history, position at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Shareholding in the Company |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Hikoyuki Miwa<br>July 28, 1946 | November 1975<br>Registered as a certified public accountant<br>August 1996<br>Appointed Partner of ASAHI & Co. (current KPMG AZSA LLC)<br>June 2001<br>Appointed Board Member of ASAHI & Co.<br>June 2003<br>Appointed Senior Executive Partner of ASAHI & Co.<br>June 2006<br>Appointed Deputy Managing Partner of KPMG AZSA & Co. (current KPMG AZSA LLC)<br>June 2009<br>Resigned from a position of Partner of KPMG AZSA & Co.<br>July 2009<br>Established Miwa Certified Public Accountant Firm<br>As of June 1, 2011<br>Certified Public Accountant of Miwa Certified Public Accountant Firm<br>Significant concurrent occupations or positions at other organizations<br>Outside Corporate Auditor of NOMURA Co., Ltd.<br>Auditor of Agricultural and Fishery Cooperative Savings Insurance Corporation<br>Auditor of Saitama Medical University, Educational Corporation | 0 shares                    |

- (Notes)
1. Mr. Hikoyuki Miwa is a candidate for outside corporate auditor as set out in Article 2.3 (8) of the Enforcement Regulations of the Company Law of Japan.
  2. The following are items pertaining to the candidate for outside corporate auditor.
    - (1) Reasons for his candidacy as outside corporate auditor  
Mr. Hikoyuki Miwa has a wealth of auditing experience accumulated over many years at audit firms as well as extensive knowledge in accounting. He has been presented as a candidate for outside corporate auditor because he is expected to fulfill his role based on his experience and knowledge, especially from the standpoint of a specialist in accounting.  
He has not participated in corporate management in any form other than as outside corporate auditor; however, he has been involved in the management of audit firms. Therefore, for this and above mentioned reasons, we determined that he is able to appropriately serve as outside corporate auditor.
    - (2) Limited liability agreement with the outside corporate auditor  
If this proposal is approved in its original version, the Company shall execute a limited liability agreement with Mr. Hikoyuki Miwa limiting his maximum liability to ¥10 million or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher.
    - (3) Notification of appointment as an independent director  
The Company intends to appoint Mr. Hikoyuki Miwa as an independent corporate auditor who is unlikely to have a conflict of interest with general shareholders as specified by the Tokyo Stock Exchange and the Osaka Securities Exchange and submit notification of his appointment to the Exchanges.

**Proposal No. 4: Election of one (1) substitute corporate auditor**

In case the number of corporate auditors falls below the number specified by laws and regulations or the Articles of Incorporation, the Company proposes the election of one (1) substitute corporate auditor as a substitute for Mr. Takayuki Kurata, who is an outside corporate auditor, and Mr. Hikoyuki Miwa, who would be elected as an outside corporate auditor if the Proposal No. 3 is approved in its original version.

The Company has obtained consent for this proposal from the Board of Corporate Auditors.

The candidate for substitute corporate auditor is as follows.

| Name<br>D.O.B.                    | Brief history, position at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Shareholding in the Company |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Norihiko Fukatsu<br>July 13, 1947 | April 1974<br>Teaching Fellow at the Faculty of Engineering of Osaka University<br>October 1981<br>Lecturer at Faculty of Engineering of Nagoya Institute of Technology<br>June 1989<br>Associate Professor of Faculty of Engineering of Nagoya Institute of Technology<br>April 2003<br>Professor of Graduate School of Engineering of Nagoya Institute of Technology<br>March 2011<br>Retired from Nagoya Institute of Technology<br>April 2011<br>Appointed Project Professor of Nagoya Institute of Technology<br>As of June 1, 2011<br>Project Professor of Nagoya Institute of Technology | 0 shares                    |

- (Notes)
1. Mr. Norihiko Fukatsu is a candidate for outside corporate auditor as set out in Article 2.3 (8) of the Enforcement Regulations of the Company Law of Japan.
  2. Mr. Norihiko Fukatsu has specialized knowledge as a researcher in the field of metallurgical engineering. He has been presented as a candidate for substitute outside corporate auditor because he is expected to perform his role as outside corporate auditor by utilizing his knowledge and backed by his learning as a university professor. He has not participated in corporate management; however, for the above reasons, we determined that he is able to appropriately serve as outside corporate auditor.

**Proposal No.5: Payment of bonuses to directors**

The Company proposes the payment of a total of ¥70 million as bonuses to seven (7) directors, excluding outside director Mr. Tsutomu Ushijima, among the eight (8) directors who were in office as of the end of the business year under review in order to reward their distinctive merits. The directors' bonuses of the Company are calculated by considering the performance of the Company and reflecting the job performance of each director.