

This is an unofficial translation of the Japanese language original.

Securities Code No. 5713

May 31, 2013

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 88th Ordinary General Meeting of Shareholders

Sumitomo Metal Mining Co., Ltd. (the "Company") hereby gives notice of the 88th Ordinary General Meeting of Shareholders (the "Meeting") as outlined below and requests your attendance.

If you are unable to attend the Meeting, you may vote in writing or by an electromagnetic method (via the Internet, etc.). In that case, we cordially request that you examine the attached Reference Documents for Shareholders Meeting 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 to arrive no later than 5:40pm (Japan Time) on Friday, June 21, 2013.

[Exercise of voting rights by an electromagnetic method (via the Internet, etc.)]

Please follow the instructions on page 34 to register your vote either for or against the proposals by 5:40pm (Japan Time) on Friday, June 21, 2013.

1. Date and time: June 24, 2013 (Monday) at 10:00am (Japan Time)
2. Place: Shinagawa Prince Hotel, Prince Hall (Annex Tower, 5F)
10-30, Takanawa 4-chome, Minato-ku, Tokyo
3. Agenda:
Matters for Reporting Report on the contents of the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 88th business year (April 1, 2012 – March 31, 2013) and the results of audits of the Consolidated Financial Statements for the 88th business year by the Accounting Auditor and the Audit & Supervisory Board

Matters for Resolution

Proposal No.1: Appropriation of surplus

Proposal No.2: Election of Eight (8) Directors

Proposal No.3: Election of One (1) substitute Audit & Supervisory Board Member

Proposal No.4: Renewal of Countermeasures to Large-Scale Acquisitions of Sumitomo Metal Mining Co., Ltd.
Shares (Takeover Defense Measures)

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. Shareholders may attend the meeting by proxy; provided, however, the proxy is just one person who is another shareholder with voting rights. When a proxy votes on behalf of a shareholder, the proxy must submit a document evidencing the authority of proxy together with the voting form of the shareholder voting by proxy.

\* If any amendments to the Shareholders' Meeting Reference Documents, the Business Report, the Consolidated Financial Statements or Non-Consolidated Financial Statements are made, the notification of the details shall be provided on the Company's website (<http://www.smm.co.jp>).

## Reference Documents for Shareholders Meeting

### 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 the year-end dividends

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

Regarding the year-end dividends of surplus for the 88<sup>th</sup> business year, 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 88<sup>th</sup> 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 88<sup>th</sup> business year under review, including an interim dividend of 14 yen, will amount to 34 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

The Total amount: 11,044,348,080 yen

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

June 25, 2013

2. Matters regarding appropriation of other surplus

The Company proposes funding 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: 45,000,000,000 yen

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

General reserve: 45,000,000,000 yen

## Proposal No.2: Election of Eight (8) Directors

The terms of all Directors (Eight (8) Directors) will expire at the close of the Meeting. Therefore, the Company proposes the election of Eight (8) Directors.

The candidates for Director are as follows.

| Candidate No. | Name<br>Date of Birth             | Career summary, 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>July 1998<br/>General Manager of Nickel Refinery, Besshi-Niihama District Div.</p> <p>July 2002<br/>General Manager of Nickel Business Unit, Non-Ferrous Metals Div.</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 (Present Position)<br/>President and Director (Present Position)<br/>President (Present Position)</p>                                                                                                                                                                                                  | 38,000 shares               |
| 2             | Yoshiaki Nakazato<br>May 13, 1953 | <p>April 1976<br/>Joined the Company</p> <p>December 1997<br/>General Manager of Administration Dept., Electronics Div.</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>June 2012<br/>Representative Director (Present Position)<br/>Senior Managing Executive Officer (Present Position)</p> | 16,000 shares               |

| Candidate No. | Name<br>Date of Birth             | Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Shareholding in the Company |
|---------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 3             | Yukio Kawaguchi<br>August 8, 1951 | <p>April 1975<br/>Entered Ministry of International Trade and Industry</p> <p>July 2002<br/>Director-General, Business Support Department of Small and Medium Enterprise Agency</p> <p>August 2003<br/>Joined the Company</p> <p>April 2004<br/>General Manager of Engineering Dept., Mineral Resources Div.</p> <p>June 2005<br/>Executive Officer<br/>Senior Deputy General Manager of Mineral Resources Div.</p> <p>June 2007<br/>Director and President of Sumitomo Metal Mining America Inc.</p> <p>June 2009<br/>Managing Executive Officer</p> <p>April 2010<br/>Senior Deputy General Manager of Mineral Resources Div.</p> <p>June 2011<br/>General Manager of Mineral Resources Div. (Present Position)</p> <p>June 2012<br/>Director (Present Position)<br/>Senior Managing Executive Officer (Present Position)</p> <p>Significant concurrent occupations or positions at other organizations<br/>Director of SOCIEDAD MINERA CERRO VERDE S.A.A.</p> | 11,000 shares               |
| 4             | Takeshi Kubota<br>August 26, 1954 | <p>April 1977<br/>Joined the Company</p> <p>June 2004<br/>General Manager of Nickel Business Unit, Non-Ferrous Metal Div.</p> <p>October 2005<br/>General Manager of Nickel Sales &amp; Raw Materials Dept., 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 (Present Position)</p> <p>June 2012<br/>Senior Managing Executive Officer (Present Position)</p> <p>Significant concurrent occupations or positions at other organizations<br/>Director of NICKEL ASIA CORPORATION<br/>Director of Teck Resources Limited</p>                                                                                                                                                                                                             | 11,000 shares               |

| Candidate No. | Name<br>Date of Birth                | Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Shareholding in the Company |
|---------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 5             | Naoyuki Tsuchida<br>December 6, 1954 | <p>August 1985<br/>Joined the Company</p> <p>April 2004<br/>Director and Executive Vice-President of Coral Bay Nickel Corporation</p> <p>June 2006<br/>General Manager of Overseas Projects Dept., Non-Ferrous Metals Div.</p> <p>June 2007<br/>Executive Officer<br/>Senior Deputy General Manager of Non-Ferrous Metals Div.</p> <p>October 2009<br/>Senior Deputy General Manager of Taganito Project Div.</p> <p>June 2010<br/>Managing Executive Officer (Present Position)<br/>General Manager of Taganito Project Div. (Present Position)</p> <p>June 2012<br/>Director (Present Position)</p> <p>April 2013<br/>General Manager of Sierra Gorda Project Div. (Present Position)</p>          | 9,000 shares                |
| 6             | Mikinobu Ogata<br>July 8, 1954       | <p>April 1978<br/>Joined the Company</p> <p>October 2005<br/>General Manager of Copper Sales &amp; Raw Materials Dept., Non-Ferrous Metals Div.</p> <p>April 2006<br/>General Manager of Copper &amp; Precious Metals Sales Dept., Non-Ferrous Metals Div.</p> <p>June 2008<br/>Executive Officer<br/>Senior Deputy General Manager of Non-Ferrous Metals Div.</p> <p>June 2012<br/>Director (Present Position)<br/>Managing Executive Officer (Present Position)<br/>General Manager of Non-Ferrous Metals Div. (Present Position)</p> <p>Significant concurrent occupations or positions at other organizations</p> <p>Commissioner of PT Vale Indonesia Tbk<br/>Director of MS Zinc Co., Ltd.</p> | 6,000 shares                |

| Candidate No. | Name<br>Date of Birth             | Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Shareholding in the Company |
|---------------|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 7             | Hajime Sato<br>May 11, 1955       | <p>April 1979<br/>Joined the Company</p> <p>June 2006<br/>General Manager of Administration Dept., Electronics Div.</p> <p>August 2008<br/>Deputy General Manager of Corporate Planning Dept.</p> <p>June 2010<br/>General Manager of Public Relations &amp; Investor Relations Dept.</p> <p>June 2012<br/>Director (Present Position)<br/>Executive Officer (Present Position)<br/>General Manager of Corporate Planning Dept. (Present Position)</p>                                                                                                                                                                                                                                       | 11,000 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/>Audit &amp; Supervisory Board Member of the Company</p> <p>June 2007<br/>Director of the Company (Present Position)</p> <p>Significant concurrent occupations or positions at other organizations<br/>Lawyer and Certified Public Tax Accountant of Ushijima, Teramae &amp; Wada Law Firm<br/>Outside Audit &amp; Supervisory Board Member 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 Companies Act.
  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 has achieved adequate role 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 Audit & Supervisory Board Member; 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 Six (6) years at the conclusion of this Meeting.
    - (3) Contract for Limitation of Liability  
The Company has entered into a Contract for Limitation of Liability with Mr. Tsutomu Ushijima limiting his maximum liability to 10 million yen 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 intends to extend the agreement with him.

(4) Independent Director/Auditor Notification

The Company has appointed Mr. Tsutomu Ushijima as an Independent Director who is unlikely to have any conflicts of interest with general investors 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) substitute Audit & Supervisory Board Member

In case the number of Audit & Supervisory Board Members falls below the number specified by laws and regulations or the Articles of Incorporation, the Company proposes the election of One (1) substitute Audit & Supervisory Board Member as a substitute for Mr. Hikoyuki Miwa, who is an Outside Audit & Supervisory Board Member, and Mr. Shigeru Nozaki, who is an Outside Audit & Supervisory Board Member.

The Company has obtained consent for this proposal from the Audit & Supervisory Board.

The candidate for substitute Audit & Supervisory Board Member is as follows.

| Name<br>Date of Birth                 | Career summary, position at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Shareholding<br>in the<br>Company |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Hitoshi Taimatsu<br>November 20, 1951 | April 1979<br>Research Associate of the Mining College of Akita University<br>October 1988<br>Lecturer of the Mining College of Akita University<br>April 1990<br>Associate Professor of the Mining College of Akita University<br>April 1994<br>Professor of the Mining College of Akita University<br>April 1998<br>Professor of the Faculty of Engineering and Resource Science of Akita University<br>April 2006<br>Director of the Radioisotope Research Center of Akita University<br>April 2008<br>Member of the Education and Research Council of Akita University<br>Vice Dean of the Faculty of Engineering and Resource Science of Akita University<br>April 2010<br>Professor of the Graduate School of Engineering and Resource Science of Akita University (Present Position)<br>Vice Dean of the Graduate School of Engineering and Resource Science of Akita University | 0 shares                          |

- (Notes)
1. Mr. Hitoshi Taimatsu is a candidate for Outside Audit & Supervisory Board Member as set out in Article 2.3 (8) of the Enforcement Regulations of the Companies Act.
  2. Mr. Hitoshi Taimatsu has specialized knowledge as a researcher in the field of materials science and engineering, which is an essential discipline for the metals industry. He has been presented as a candidate for substitute Outside Audit & Supervisory Board Member because he is expected to perform his role as Outside Audit & Supervisory Board Member 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 Audit & Supervisory Board Member.
  3. If Mr. Hitoshi Taimatsu assumes the office of Outside Audit & Supervisory Board Member, the Company plans to enter into a Contract for Limitation of Liability with him limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher.

**Proposal No.4: Renewal of Countermeasures to Large-Scale Acquisitions of Sumitomo Metal Mining Co., Ltd. Shares (Takeover Defense Measures)**

The effective period of the plan for countermeasures to large-scale acquisitions of the shares in the Company (the "Former Plan") approved at the ordinary general meeting of shareholders held on June 25, 2010 for the 85th fiscal year expires at the conclusion of the Meeting.

The Company's board of Directors determined at its meeting held on February 7, 2013 to partially revise the basic policy regarding the persons who control decisions on the Company's financial and business policies (as provided in Article 118, Item 3 of the Enforcement Regulations of the Companies Act; the "Basic Policy") and to partially revise the Former Plan and introduce a renewed plan (the introduction is to be referred to as the "Renewal," and the renewed plan is to be referred to as the "Plan") as a measure to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate (Article 118, Item 3(b)(ii) of the Enforcement Regulations of the Companies Act) under the Basic Policy after the revision. The Renewal will be subject to the approval of shareholders at the Ordinary General Meeting of Shareholders.

Therefore, the Company is seeking the shareholders' approval for the Plan at the Ordinary General Meeting of Shareholders.

Major amendments to the Former Plan are as follows, and other necessary amendments have been made, but there is no material amendment to the substantive content of the Former Plan:

- (i) revisions of the details of the Acquirer's Statement and the Essential Information;
- (ii) clarification of the provisions regarding the Independent Committee Consideration Period and its extension; and
- (iii) revisions of the requirements for convening the Shareholders Meeting.

1. Reason for Proposal

(1) Details of Basic Policy

The Company develops its business in mineral resources such as non-ferrous metals (mainly copper, nickel and gold), and engages in smelting & refining of those mineral resources for its customers under its principal operations, Mineral Resources and Smelting & Refining. The Company continues to promote its growth strategy with its three core businesses, namely, Mineral Resources and Smelting & Refining described above as well as Materials, which is a business in the downstream sector, and consequently has become one of the few Japanese companies to hold a position as a non-ferrous metal company that owns and operates multiple mines and refineries both in Japan and overseas while continuing to increase interests in mineral resources overseas.

Japan is one of the major producers and consumers of non-ferrous metals in the world. However, it is difficult to domestically procure metal resources and the Company believes that the Company's social responsibility is to secure interests in non-ferrous metal resources overseas and continue to supply non-ferrous metals both domestically and internationally.

On the other hand, in the worldwide non-ferrous metal business, super major resource companies have emerged due to large-scale mergers and acquisitions so that global resources have been in an oligopoly. Moreover, emerging countries are rather remarkably actively obtaining resources, and the so-called “competition for securing mineral resources” has intensified. The rise of resource nationalism in countries that possess resources has also driven up competition, and it is conceivable that these trends will also continue in the future. Taking into consideration these worldwide trends and activities involving “resources,” we cannot deny that there is a possibility that unilateral large-scale acquisitions of shares in the Company will be implemented.

The Company believes that the persons who control decisions on the Company’s financial and business policies need to be persons who understand the source of the Company’s corporate value and who will make it possible to continually and steadily ensure and enhance the Company’s corporate value and, in turn, the common interests of its shareholders.

The Company will not unconditionally reject a large-scale acquisition of the shares from the outset if it will contribute to the corporate value of the Company and, in turn, the common interests of its shareholders. The Company also believes that any decision on a proposed acquisition that would involve a change of control of the Company must ultimately be made by its shareholders as a whole.

Nonetheless, there are some forms of corporate acquisition that benefit neither the corporate value of the target company nor the common interests of its shareholders including those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders, those with the potential to substantially coerce shareholders into selling their shares, those that do not provide sufficient time or information for the target company’s Board of Directors and shareholders to consider the details of the large-scale acquisition or for the target company’s Board of Directors to make an alternative proposal, and those that require the target company to negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

The Company believes that, in order to ensure and enhance the corporate value of the Company and, in turn, the common interests of its shareholders, it is necessary to ensure and enhance the source of the corporate value of the Company, mainly including those matters described below, over the medium to long term.

- (i) The business model under which the Company consistently conducts smelting & refining and then supplies downstream materials, while owning non-ferrous mineral resources;
- (ii) The capacity for mine development and mineral resource interests on a global scale;
- (iii) Original and advanced creative smelting & refining technology and know-how;
- (iv) The business model under which the Company applies its technological capabilities developed in the Mineral Resources and Smelting & Refining business to the downstream Materials Business;
- (v) Sound financial position such as a high level of equity ratio; and

- (vi) The relationship of trust with shareholders as well as employees, business partners and stakeholders in the local communities of the production base where mineral resources are located and smelter & refineries take place.

Unless an acquirer who makes a large-scale acquisition of the shares in the Company ensures and enhances the source of the corporate value of the Company over the medium to long term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed.

The Company believes that persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become a person who would control decisions on the Company's financial and business policies. The Company also believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against a large-scale acquisition by such persons.

## (2) Purpose of the Plan

The Plan is in line with the Basic Policy set out in Section 1. (1) above for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders.

As set out in the Basic Policy, the Company's Board of Directors believes that persons who would propose a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company's financial and business policies. The purpose of the Plan is to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate, to deter large-scale acquisitions that are detrimental to the corporate value of the Company and the common interests of its shareholders, and on the occasion that it receives a large-scale acquisition proposal from an acquirer, to enable the Company's Board of Directors to present an alternative proposal to the shareholders or ensure necessary time and information for the shareholders to decide whether or not to accept the large-scale acquisition proposal, and to enable the Board of Directors to negotiate for the benefit of the shareholders.

## 2. Details of Proposal

### (1) Plan Outline

The Plan sets out procedures necessary to achieve the purpose stated above, including requirements for acquirers to provide information in advance in the case that the acquirer intends to make an acquisition of 20% or more of the Company's share certificates or other equity securities.

The acquirer must not effect a large-scale acquisition of the shares in the Company until and unless the Company's Board of Directors determines not to trigger the Plan in accordance with the procedures for the Plan.

In the event that an acquirer does not follow the procedures set out in the Plan, or a large-scale acquisition of shares in the Company could harm the corporate value of the Company and the common interests of its shareholders, and if the acquisition satisfies the triggering requirements set out in the Plan, the Company will allot stock acquisition rights (*shinkabu yoyakuken mushou wariate*) with (a) an exercise condition that does not allow the acquirer to exercise the rights as a general rule, and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for shares in the Company from persons other than the acquirer, by means of a gratis allotment of stock acquisition rights to all shareholders, except the Company, at that time. If a gratis allotment of stock acquisition rights were to take place in accordance with the Plan and all shareholders other than the acquirer received shares in the Company as a result of those shareholders exercising or the Company acquiring those stock acquisition rights, shares in the Company will be issued in the range of one-half to one share per stock acquisition right, as a general rule. Therefore, the ratio of voting rights in the Company held by the acquirer may be diluted by up to a maximum of approximately 50%.

In order to eliminate arbitrary decisions by Directors, the Company will, in accordance with the Rules of the Independent Committee (outlined in Note 1), establish the Independent Committee, which is solely composed of members who are independent from the management of the Company such as Outside Directors of the Company (the expected members of the Independent Committee at the time of the Renewal are as described in Attachment 'Profiles of the Members of the Independent Committee') to make objective decisions with respect to matters such as the implementation or non-implementation of the gratis allotment of stock acquisition rights or the acquisition of stock acquisition rights under the Plan. In addition, the Company's Board of Directors may, if set out in the Plan, convene a meeting of shareholders and confirm the intent of the Company's shareholders.

Transparency with respect to the course of those procedures will be ensured by timely disclosure to all of the Company's shareholders.

## (2) Plan Details

### 1) Procedures for Triggering the Plan

#### (a) Targeted Acquisitions

The Plan will be applied in cases where any purchase or other acquisition of share certificates, etc. of the Company that falls under (i) or (ii) below or any similar action, or a proposal (Note 2) for such action (except for such action as the Company's Board of Directors separately determines not to be subject to the Plan; the "Acquisition") takes place.

- (i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariai*) (Note 3) of a holder (*hoyuusha*) (Note 4) totaling at least 20% of the share certificates, etc. (*kabuken tou*) (Note 5) issued by the Company; or

- (ii) A tender offer (*koukai kaitsuke*) (Note 6) that would result in the party conducting the tender offer's ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariai*) (Note 7) and the ownership ratio of share certificates, etc. of a person having a special relationship (*tokubetsu kankei-sha*) (Note 8) totaling at least 20% of the share certificates, etc. (*kabuken tou*) (Note 9) issued by the Company.

The party intending to make the Acquisition (the "Acquirer") shall comply with the procedures prescribed in the Plan, and the Acquirer must not effect the Acquisition until and unless the Company's Board of Directors resolves not to implement the gratis allotment of Stock Acquisition Rights in accordance with the Plan.

(b) Submission of Acquirer's Statement

The Company will request the Acquirer to submit to the Company in the form separately prescribed by the Company a legally binding document that includes an undertaking that the Acquirer will comply with the procedures set out in the Plan (signed by or affixed with the name and seal of the representative of the Acquirer and to which no conditions or reservations are attached) and a qualification certificate of the person who signed or affixed its name and seal to that document (collectively, "Acquirer's Statement") before commencing or effecting the Acquisition. The Acquirer's Statement must include the name, address or location of headquarters, location of offices, the governing law for establishment, name of the representative, contact information in Japan for the Acquirer and an outline of the intended Acquisition. The Acquirer's Statement and the Acquisition Document set out in (c) below and other materials submitted by the Acquirer to the Company or the Independent Committee must be written in Japanese.

(c) Request to the Acquirer for the Provision of Information

The Company will provide the Acquirer the format for the Acquisition Document (defined below), including a list of information that the Acquirer should provide to the Company, no later than 10 business days after receiving the Acquirer's Statement. The Acquirer must provide the Company's Board of Directors with the document in the form provided by the Company (the "Acquisition Document"), which includes the information described in each item of the list below ("Essential Information").

If the Company's Board of Directors receives the Acquisition Document, it will promptly send it to the Independent Committee (standards for appointing members, requirements for resolutions, resolution matters, and other matters concerning the Independent Committee are as described in Note 1 and business backgrounds and other matters of members of the Independent Committee at the time of the Renewal will be as described in Attachment 'Profiles of the Members of the Independent Committee'). If the Company's Board of Directors and the Independent Committee determine that the Acquisition Document does not contain sufficient Essential Information, it may set a reply period and request that the Acquirer provide additional information. In such case, the Acquirer should provide the additional

information within the set time limit. The Company's Board of Directors and the Independent Committee may repeatedly request the Acquirer provide additional Essential Information until the Acquirer provides the necessary and sufficient Essential Information; however, such information should be provided, as a general rule, no later than 60 days from the receipt of the Acquisition Document (the "Final Response Deadline") even if it is not determined that necessary and sufficient information has been provided. (The Final Response Deadline may be extended to the extent necessary, if the Acquirer so requests.)

- (i) Details (including name, capital relationship, financial position, operation results, details of violation of laws or ordinances in the past (if any), and terms of previous transactions by the Acquirer similar to the Acquisition) of the Acquirer and its group (including joint holders, (Note 10) persons having a special relationship and persons having a special relationship with a person in relation to whom the Acquirer is the controlled corporation (Note 11)). (Note 12)
  - (ii) The purpose, method and specific terms of the Acquisition (including the amount and type of consideration, the timeframe, the scheme of any related transactions, the legality of the Acquisition method, and the feasibility of the Acquisition).
  - (iii) The amount and basis for the calculation of the purchase price of the Acquisition.
  - (iv) Information relating to any agreement between the Acquirer and a third party regarding the share certificates, etc. of the Company and any previous acquisition of share certificates, etc. of the Company by the Acquirer.
  - (v) Financial support for the Acquisition (specifically including the names of providers of funds for the Acquisition (including all indirect providers of funds), financing methods and the terms of any related transactions).
  - (vi) Post-Acquisition management policy, business plan, capital and dividend policies for the Company and the Company group.
  - (vii) Policies for the Company's shareholders (other than the Acquirer), employees of the Company group, business partners, and stakeholders in the local communities of the production base where mineral resources are located and smelter & refineries take place.
  - (viii) Specific measures to avoid any conflict of interest with other shareholders in the Company.
  - (ix) Information regarding any relationship with an anti-social force
  - (x) Any other information that the Independent Committee reasonably considers necessary.
- (d) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal

(i) Request to the Company's Board of Directors for the Provision of Information

If the Acquirer submits the Acquisition Document and any additional information that the Independent Committee requests or the Final Response Deadline arrives, the Independent Committee may set a reply period (the "Board Consideration Period") considering the time required for the Company's Board of Directors to collect information and consider company value, and request that the Company's Board of Directors present an opinion (including an opinion to refrain from giving such opinion; hereinafter the same) on the Acquirer's Acquisition terms, materials supporting such opinion, an alternative proposal (if any), and any other information that the Independent Committee considers necessary.

(ii) Independent Committee Consideration

The Independent Committee should conduct its consideration of the Acquisition terms, collection of information such as the management plans and business plans of the Acquirer and the Company's Board of Directors and comparison thereof, and consideration of any alternative plan presented by the Company's Board of Directors, and the like for the maximum period of 90 days (including the Board Consideration Period; hereinafter referred to as "Independent Committee Consideration Period") after the day immediately after the earlier of (i) the date on which the Independent Committee receives the Acquisition Document from the Acquirer and any information that the Independent Committee requests the Company's Board of Directors provide or (ii) the Final Response Deadline. If it is necessary in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent Committee will directly or indirectly discuss and negotiate with the Acquirer. The Independent Committee may, to the extent that it is reasonably necessary for actions such as consideration of the terms of the Acquirer's Acquisition, consideration of an alternative proposal and discussion and negotiation with the Acquirer, extend the Independent Committee Consideration Period up to 30 days. In order to ensure that the Independent Committee's decision contributes to the Company's corporate value and, in turn, the common interests of its shareholders, the Independent Committee may at the cost of the Company obtain advice from independent third parties (including financial advisers, certified public accountants, attorneys, tax accountants, consultants or any other experts). If the Independent Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to such request.

(e) Recommendation by the Independent Committee

Based on the abovementioned procedures, if the Independent Committee determines that an Acquisition does not fall under any of the trigger events set out below in 2), 'Requirements for the Gratis Allotment of Stock Acquisition Rights' (collectively, "Trigger Events"), the Independent Committee will recommend that the Company's Board of Directors should not implement the gratis allotment of stock acquisition rights (as detailed in 3) 'Outline of the Gratis Allotment of Stock Acquisition Rights'; the relevant stock acquisition

rights hereinafter referred to as “Stock Acquisition Rights”) regardless of whether the Independent Committee Consideration Period has ended or not. Notwithstanding the foregoing, even after the Independent Committee has already made a recommendation for the non-implementation of the gratis allotment of Stock Acquisition Rights, if a Trigger Event arises because of reasons such as a change in the facts on which the recommendation decision was made, the Independent Committee may make a new recommendation that the Company should implement the gratis allotment of Stock Acquisition Rights.

On the other hand, if the Independent Committee determines that an Acquisition falls under a Trigger Event, the Independent Committee will recommend that the Company's Board of Directors should implement the gratis allotment of Stock Acquisition Rights except in any specific case where further provision of information by the Acquirer or discussion or negotiation with the Acquirer is necessary. If it is concerned that an Acquisition may fall under the second Trigger Event (“Trigger Event (2)”), the Independent Committee may recommend implementation of the gratis allotment of Stock Acquisition Rights subject to confirming the intent of shareholders regarding the implementation in advance. Notwithstanding the foregoing, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Stock Acquisition Rights, if the Independent Committee determines that the situation corresponds to either of the cases where (i) the Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation, or (ii) there is no longer any Trigger Events due to a change in the facts on which the recommendation decision was made or the like, it may make a new recommendation that (i) (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights) the Company should suspend the gratis allotment of Stock Acquisition Rights, or (ii) (from the effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the commencement date of the exercise period of the Stock Acquisition Rights) the Company should acquire the Stock Acquisition Rights for no consideration.

In addition to the foregoing, if there is a possibility that the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed by the Acquisition, the Independent Committee may recommend convocation of a meeting of shareholders to confirm the intent of the shareholders regarding the Acquisition by the Acquirer or make other recommendations, along with the reasons therefore.

(f) Resolutions by the Board of Directors

The Company's Board of Directors, in exercising their role under the Companies Act, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights respecting to the maximum extent any recommendation of the Independent Committee described above. If the meeting of shareholders is convened in accordance with (g) below, the Company's Board of

Directors will make a resolution in accordance with the resolution at the shareholders meeting.

(g) Convocation of the Shareholders Meeting

The Company's Board of Directors may convene a meeting of shareholders (the "Shareholders Meeting") and confirm the intent of the Company's shareholders if (i) the Independent Committee recommends implementation of the gratis allotment of Stock Acquisition Rights subject to obtaining approval at the shareholders meeting in accordance with (e) above or recommends confirmation of the intent of shareholders regarding the Acquisition by the Acquirer, or (ii) the applicability of Trigger Event (2) becomes an issue about the Acquisition and the Company's Board of Directors determines it appropriate to confirm the intent of shareholders taking into consideration the time required to convene a general meeting of shareholders or other matters pursuant to the duty of care of a Director.

(h) Information Disclosure

When operating the Plan, the Company will disclose, in a timely manner, information on matters that the Independent Committee or the Company's Board of Directors considers appropriate including the progress of each procedure set out in the Plan (including the fact that the Acquirer's Statement and Acquisition Document have been submitted, the fact of whether the Acquirer has provided information, the fact that an Acquirer who intends to effect the Acquisition without submitting the Acquirer's Statement and Acquisition Document emerges, the fact the Independent Committee Consideration Period has commenced, and the fact that the Independent Committee Consideration Period has been extended, as well as the extended period and the reason for the extension), an outline of recommendations made by the Independent Committee, an outline of resolutions by the Board of Directors and an outline of resolutions by the Shareholders Meeting, in accordance with the relevant laws and ordinances or the regulations and rules of the financial instruments exchange.

2) Requirements for the Gratis Allotment of Stock Acquisition Rights

The requirements to trigger the Plan to implement gratis allotment of Stock Acquisition Rights are as follows. As described above at (e) of 1), 'Procedures for Triggering the Plan,' the Company's Board of Directors will make a determination as to whether any of the following requirements applies to an Acquisition for which the recommendation by the Independent Committee has been obtained.

Trigger Event (1)

The Acquisition is not in compliance with the procedures prescribed in the Plan (including cases where reasonable time and information necessary to consider the details of the Acquisition is not offered) and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

Trigger Event (2)

The Acquisition falls under any of the items below and it is reasonable to implement the gratis allotment of Stock

## Acquisition Rights.

- (a) An Acquisition that threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through any of the following actions:
  - (i) A buyout of share certificates to require such share certificates to be compulsorily purchased by the Company's affiliates at a high price.
  - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company group's material assets.
  - (iii) Diversion of the Company group's assets to secure or repay debts of the Acquirer or its group company.
  - (iv) Temporary control of the Company's management to bring about the disposal of high-value assets that have no current relevance to the Company group's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (b) Certain Acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable or unclear).
- (c) Acquisitions to which consideration and other terms of the Acquisition (including amount and type of consideration, the timeframe, the legality of the Acquisition method, the feasibility of the Acquisition being effected, and post-Acquisition policies dealing with stakeholders such as the Company's other shareholders) are inadequate or inappropriate in light of the Company's intrinsic value.
- (d) Acquisitions that materially threaten to oppose the corporate value of the Company and, in turn, the common interests of shareholders, by destroying relationships with the Company's shareholders, employees, business partners, and the local communities of the production base where mineral resources are located and smelter & refineries take place (Note 13), which are indispensable to the generation of the Company's corporate value.

### 3) Outline of the Gratis Allotment of Stock Acquisition Rights

An outline of the gratis allotment of Stock Acquisition Rights scheduled to be implemented under the Plan is described below.

(a) Number of Stock Acquisition Rights

The maximum number of Stock Acquisition Rights to be allotted upon implementation of a gratis allotment of Stock Acquisition Rights is the most recent total number of issued shares in the Company (excluding the number of shares in the Company held by the Company at that time) on a certain date (the "Allotment Date") that is separately determined in a resolution by the Company's Board of Directors relating to the gratis allotment of Stock Acquisition Rights (the "Gratis Allotment Resolution").

(b) Shareholders Eligible for Allotment

The Company will allot the Stock Acquisition Rights to those shareholders, other than the Company, who are recorded in the Company's final register of shareholders on the Allotment Date (the "Entitled Shareholders"), at a ratio of one Stock Acquisition Right for each share in the Company held.

(c) Effective Date of Gratis Allotment of Stock Acquisition Rights

The effective date of the gratis allotment of Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

(d) Number of Shares to be Acquired upon Exercise of the Stock Acquisition Rights

The number of shares to be acquired upon exercise of the Stock Acquisition Rights shall, in principle, be the number of Stock Acquisition Rights multiplied by the number separately determined in the Gratis Allotment Resolution by the Company's Board of Directors in the range of one-half to one share. The number of shares to be acquired upon exercise of each Stock Acquisition Right (Note 14) (the "Applicable Number of Shares") shall, in principle, (Note 15) be the number separately determined in the Gratis Allotment Resolution by the Company's Board of Directors in the range of one-half to one share (Note 16). If there are any resulting fractional shares in the number of shares to be delivered to the Stock Acquisition Right holders who exercise the Stock Acquisition Rights, the Company will dispose of the fractional shares in accordance with the applicable laws and ordinances.

(e) Amount to be Contributed upon Exercise of Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Stock Acquisition Rights will be an amount separately determined in the Gratis Allotment Resolution within the range of a minimum of one yen and a maximum of the amount equivalent to one-half of the fair market value of one share in the Company. "Fair market value" means an amount equivalent to the average closing price (including quotations) for regular transactions of the common stock of the Company on the Tokyo Stock Exchange on each day during the 90 day period prior to the Gratis Allotment Resolution (excluding the days on which trades are not made), with any fraction less than one yen after such calculation to be rounded up to the nearest whole yen.

(f) Exercise Period of the Stock Acquisition Rights

The commencement date will be a date separately determined in the Gratis Allotment Resolution (this commencement date of the exercise period shall be referred to as the “Exercise Period Commencement Date”), and the period will, in principle, be a period from one month to six months long as separately determined in the Gratis Allotment Resolution; provided, however, that the Exercise Period for the Stock Acquisition Rights acquired by the Company in accordance with (ii) of paragraph (i) below (Acquisition of the Stock Acquisition Rights by the Company) ends on the business day immediately prior to the acquisition date. If the last day of the Exercise Period falls on holiday for the place handling cash payments, the Exercise Period will end on the business day immediately prior to that date.

(g) Conditions for Exercise of Stock Acquisition Rights

Except where any exceptional event (Note 17) occurs, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (I) through (VI) below shall collectively be referred to as “Non-Qualified Parties”):

- (I) Specified Large Holders;(Note 18)
- (II) Joint Holders of Specified Large Holders;
- (III) Specified Large Purchasers;(Note 19)
- (IV) Persons having a Special Relationship with Specified Large Purchasers;
- (V) Any transferee of, or successor to, the Stock Acquisition Rights of any party falling under (I) through (IV) without the approval of the Company’s Board of Directors; or
- (VI) Any Affiliated Party (Note 20) of any party falling under (I) through (V).

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Stock Acquisition Rights may not as a general rule exercise the Stock Acquisition Rights (provided, however, that the Stock Acquisition Rights held by nonresidents will be subject to acquisition by the Company in exchange for shares, etc. in the Company as set out in (ii) of paragraph (i) below (Acquisition of the Stock Acquisition Rights by the Company) subject to compliance with applicable laws and ordinances). In addition, anyone who fails to submit a written undertaking, in the form prescribed by the Company and containing representations and warranties regarding matters such as the fact that he or she satisfies the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants, may not exercise the Stock Acquisition Rights.

(h) Assignment of Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights by assignment requires the approval of the Company’s Board of Directors.

(i) Acquisition of Stock Acquisition Rights by the Company

- (i) At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Company's Board of Directors deems that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may, on a day that falls on a date separately determined by the Company's Board of Directors, acquire all of the Stock Acquisition Rights for no consideration.
- (ii) On a date separately determined by the Company's Board of Directors, the Company may acquire all of the Stock Acquisition Rights that have not been exercised before or on the day immediately prior to such date determined by the Company's Board of Directors, that are held by parties other than Non-Qualified Parties (if any) and, in exchange, deliver shares, etc. (Note 21) in the Company in the number equivalent to the Applicable Number of Shares (Note 22) for each Stock Acquisition Right.

Further, if, on or after the date upon which the acquisition takes place, the Company's Board of Directors recognizes the existence of any party holding Stock Acquisition Rights other than Non-Qualified Parties, the Company may, on a date determined by the Company's Board of Directors that falls after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by that party that have not been exercised by or on the day immediately prior to such date determined by the Company's Board of Directors (if any) and, in exchange, deliver shares, etc. in the Company in the number equivalent to the number of the Applicable Number of Shares for each Stock Acquisition Right. The same will apply thereafter.

(j) Delivery of Stock Acquisition Rights in Case of Merger, Absorption-type Demerger (*kyushu bunkatsu*), Incorporation-type Demerger (*shinsetsu bunkatsu*), Share Exchange (*kabushiki koukan*), and Share Transfer (*kabushiki iten*)

These matters will be separately determined in the Gratis Allotment Resolution.

(k) Issuance of Certificates Representing the Stock Acquisition Rights

Certificates representing the Stock Acquisition Rights will not be issued.

(l) Other

In addition, the details of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

#### 4) Procedures for the Renewal of the Plan

The Company will renew the Plan subject to shareholder approval at the Ordinary General Meeting of Shareholders of the agenda item regarding the Renewal.

#### 5) Effective Period, Abolition and Amendment of the Plan

The effective period of the Plan (the "Effective Period") will be the period until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years after the conclusion of the Ordinary General Meeting of Shareholders.

However, if, before the expiration of the Effective Period, the Company's Board of Directors resolves to abolish the Plan, the Plan will be abolished in accordance with the resolution.

Further, the Company's Board of Directors may revise or amend the Plan even during the Effective Period of the Plan, in cases where any law, ordinance, or regulation or rule of a financial instruments exchange or the like concerning the Plan is established, amended or abolished, or cases where it is appropriate to revise the wording because of typographical errors and omissions, subject to the approval of the Independent Committee.

If the Plan is abolished, revised or amended, the Company will promptly disclose the fact that such abolition, revision or amendment has taken place, and (in the event of a revision or amendment) the details of the revision, amendment and any other matters.

#### 6) Revision Due to Amendment to Laws and Ordinances

The provisions of laws and ordinances referred to under the Plan are subject to the prevailing provisions as of February 7, 2013. If it becomes necessary after such date to revise the terms and conditions or definitions of terms set out in the paragraphs above due to the establishment, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above will be read accordingly as required to a reasonable extent, taking into consideration the purposes of such formulation, amendment or abolishment.

Note 1: The outline of the Rules of the Independent Committee is as follows;

- There will be no less than three members in the Independent Committee, and the Company's Board of Directors shall elect the members from (i) Outside Directors of the Company, and (ii) Outside Audit & Supervisory Board Members of the Company, or (iii) experts, in each case who is independent from the management involved in the execution of the businesses. Such experts must be experienced corporate managers, parties with knowledge of the investment banking industry, parties with knowledge of the Company's business, lawyers, certified public accountants, researchers whose research focuses on the Companies Act or the like, or parties of similar qualifications, and must have executed with the Company an agreement separately specified by the Company's Board of Directors that contains a provision obligating the experts to exercise their duty of care to the Company or a similar provision.
- Unless otherwise determined in a resolution by the Company's Board of Directors, the term of office of members of the Independent Committee will be until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years of the Ordinary General Meeting of Shareholders. However, the term

of office of any member of the Independent Committee who is an Outside Director or Outside Audit & Supervisory Board Member will end simultaneously in the event that they cease to be a Director or Audit & Supervisory Board Member (except in the case of their re-appointment).

- The Independent Committee may make decisions on the matters, including without limitation, the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights, the cancellation of the gratis allotment of Stock Acquisition Rights or the gratis acquisition of Stock Acquisition Rights, or any other matters that the Company's Board of Directors separately consulted with the Independent Committee about and make recommendations to the Company's Board of Directors containing the details of and reasons for the decisions.
- The Independent Committee may, at the Company's expense, obtain advice from an independent third party (including financial advisers, certified public accountants, lawyers, tax accountants, consultants and other experts) or conduct similar actions.
- Any member of the Independent Committee may convene a meeting of the Independent Committee, and as a general rule, resolutions of meetings of the Independent Committee will pass with a majority vote when at least two-thirds of the members of the Independent Committee are in attendance (including attendance via video conference or telephone conference).

Note 2: "Proposal" includes solicitation of a third party.

Note 3: Defined in Article 27-23(4) of the Financial Instruments and Exchange Act. This definition is applied throughout this proposal.

Note 4: Including persons described as a holder under Article 27-23(3) of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors of the Company). The same is applied throughout this proposal.

Note 5: Defined in Article 27-23(1) of the Financial Instruments and Exchange Act. The same is applied throughout this proposal unless otherwise provided for.

Note 6: Defined in Article 27-2(6) of the Financial Instruments and Exchange Act. The same is applied throughout this proposal.

Note 7: Defined in Article 27-2(8) of the Financial Instruments and Exchange Act. The same is applied throughout this proposal.

Note 8: Defined in Article 27-2(7) of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors of the Company); provided, however, that persons provided for in Article 3(2) of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2(7)(i) of the Financial Instruments and Exchange Act. The same is applied throughout this proposal.

Note 9: Defined in Article 27-2(1) of the Financial Instruments and Exchange Act.

Note 10: Defined in Article 27-23(5) of the Financial Instruments and Exchange Act, including persons regarded as a joint holder under Article 27-23(6) of the Financial Instruments and Exchange Act (including persons who are deemed a joint holder by the Company's Board of Directors). The same is applied throughout this proposal.

Note 11: Defined in Article 9(5) of the Order for Enforcement of the Financial Instruments and Exchange Act.

Note 12: If an Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members is required.

Note 13: In particular, the development and operation, etc. of mines usually requires a long period of time in the order of several

decades, so it is very important to gain an understanding of local communities by making efforts, such as communication with the local communities and preservation of the environment to secure a livable environment for the coming generations.

Note 14: Even if the Company becomes a company issuing class shares (Article 2, Item 13 of the Companies Act) in the future, both (i) the shares in the Company to be delivered upon exercise of Stock Acquisition Rights and (ii) the shares to be delivered in exchange for acquisition of Stock Acquisition Rights are the same class of shares of common stock that have been issued at the time of the Ordinary General Meeting of Shareholders.

Note 15: In case of a stock split, etc., the Company will adjust the Applicable Number of Shares as necessary.

Note 16: At the time of the Renewal, the number of issuable shares of the Company is 1,000,000,000 shares, and the total number of issued shares is 581,628,031 shares (as of March 31, 2013). Therefore the Company may have to increase the number of issuable shares by amending its Articles of Incorporation before the commencement date of the Exercise Period of the Stock Acquisition Rights, depending on the Applicable Number of Shares.

Note 17: Specifically, the Company intends to set out that an "exceptional event" means when (x) the Acquirer cancels or revokes the Acquisition, or promises that it will not conduct any subsequent Acquisition, after the Gratis Allotment Resolution and the Acquirer or other Non-Qualified Parties dispose of their shares in the Company through a securities firm appointed and authorized by the Company to do so, and (y) the Acquirer's shareholding ratio determined by the Company's Board of Directors (when calculating the shareholding ratio, Non-Qualified Parties other than the Acquirer and its Joint Holders are deemed to be Acquirer's Joint Holders, and Stock Acquisition Rights held by Non-Qualified Parties, the conditions of which have not been satisfied, are excluded) (the "Non-Qualified Parties' Shareholding Ratio") falls below the lower of (i) the Non-Qualified Parties' Shareholding Ratio before the Acquisition, or (ii) 20%, the Acquirer or other Non-Qualified Parties making the disposal may exercise Stock Acquisition Rights to the extent that the number of shares to be issued or delivered upon exercise of the Stock Acquisition Rights is up to the number of shares disposed of and to the extent of the ratio under either (i) or (ii) above. Detailed conditions and procedures for exercise of Stock Acquisition Rights by Non-Qualified Parties will be determined separately by the Company's Board of Directors.

Note 18: "Specified Large Holder" means, in principle, a party who is a holder of share certificates, etc., issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is at least 20% (including any party who is deemed applicable to the above by the Company's Board of Directors); provided, however, that a party that the Company's Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders or a certain other party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Holder. The same is applied throughout this proposal.

Note 19: "Specified Large Purchaser" means, in principle, a person who makes a public announcement of purchase, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Act; the same is applied throughout this Note 19) of share certificates, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Act; the same is applied throughout this Note 19) issued by the Company through a tender offer and whose ratio of ownership of share certificates, etc., in respect of such share certificates, etc., owned by such person after such purchase, etc., (including similar ownership as prescribed in Article 7(1) of the Order for Enforcement of the Financial Instruments and Exchange Act) is at least 20% when combined with the ratio of ownership of share certificates, etc., of a person having a special relationship

(including any party who is deemed to fall under the above by the Company's Board of Directors); provided, however, that a party that the Company's Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders or certain other party that the Company's Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Purchaser. The same is applied throughout this proposal.

Note 20: An "Affiliated Party" of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Company's Board of Directors), or a party deemed by the Company's Board of Directors to act in concert with such given party. "Control" means to "control the determination of the financial and business policies" (as defined in Article 3(3) of the Enforcement Regulations of the Companies Act) of other corporations or entities.

Note 21: For the purpose of the Plan, shares in the Company are to be delivered, in principle, as consideration for acquiring the Stock Acquisition Rights. As stated in (d) of 2.(2) 3) above, under this Plan, fractions in the Applicable Number of Shares may result, in which case, property other than shares in the Company may be delivered to the extent necessary to dispose of the fraction.

Note 22: The Company intends to properly dispose of any fraction in the Applicable Number of Shares in accordance with applicable laws and ordinances. In that case, the number of shares, etc. in the Company to be delivered for each Stock Acquisition Right may differ from the Applicable Number of Shares.

## Attachment

### Profiles of the Members of the Independent Committee

The following three persons are scheduled to be the initial members of the Independent Committee upon the Renewal.

#### **Tsutomu Ushijima**

Career Summary:

|              |                                                                                   |
|--------------|-----------------------------------------------------------------------------------|
| July 1950    | Born                                                                              |
| April 1976   | Registered as a lawyer                                                            |
| April 1982   | Established Ushijima Law and Tax Accountant Firm                                  |
| June 1982    | Registered as a Certified Public Tax Accountant                                   |
| January 1994 | Established Ushijima Teramae Law Firm (current Ushijima, Teramae & Wada Law Firm) |
| June 2003    | Appointed Audit & Supervisory Board Member of the Company                         |
| June 2007    | Appointed Director of the Company                                                 |

As of May 31, 2013

Lawyer

Certified Public Tax Accountant

Director of the Company

Outside Audit & Supervisory Board Member of Kobunsha Co., Ltd.

As proposed in the Proposal No.2, Mr. Tsutomu Ushijima is a candidate for the Outside Director of the Company who satisfies the requirements of an Outside Director set out in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Companies Act and is scheduled to assume the office of Outside Director of the Company after he is elected as such by the Meeting. He is currently an Outside Director of the Company as set out in Article 2, Item 15 of the Companies Act.

He does not have any special interests in or business relationship with the Company.

The Company has appointed him as an Independent Director who is unlikely to have any conflicts of interest with general investors as specified by the Tokyo Stock Exchange and the Osaka Securities Exchange and submitted notification of his appointment to the Exchanges.

## **Hikoyuki Miwa**

### Career Summary:

July 1946 Born

November 1975 Registered as a Certified Public Accountant

August 1996 Appointed Partner of ASAHI & Co. (current KPMG AZSA LLC)

June 2001 Appointed Board Member of ASAHI & Co.

June 2003 Appointed Senior Executive Partner of ASAHI & Co.

June 2006 Appointed Deputy Managing Partner of KPMG AZSA & Co. (current KPMG AZSA LLC)

June 2009 Resigned from a position of Partner of KPMG AZSA & Co.

July 2009 Established Miwa Certified Public Accountant Firm

June 2011 Appointed Audit & Supervisory Board Member of the Company

As of May 31, 2013

Certified Public Accountant

Audit & Supervisory Board Member of the Company

Outside Audit & Supervisory Board Member of NOMURA Co., Ltd.

Outside Audit & Supervisory Board Member of SHOWA CORPORATION

Auditor of Agricultural and Fishery Cooperative Savings Insurance Corporation

Auditor of Saitama Medical University, Educational Corporation

Mr. Hikoyuki Miwa is an Outside Audit & Supervisory Board Member of the Company, as set out in Article 2, Item 16 of the Companies Act.

He does not have any special interests in or business relationship with the Company.

The Company has appointed him as an Independent Auditor who is unlikely to have any conflicts of interest with general investors as specified by the Tokyo Stock Exchange and the Osaka Securities Exchange and submitted notification of his appointment to the Exchanges.

## **Shigeru Nozaki**

### Career Summary:

|              |                                                                                                                                                                                                                                      |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| August 1948  | Born                                                                                                                                                                                                                                 |
| April 1972   | Joined Export-Import Bank of Japan                                                                                                                                                                                                   |
| January 1998 | Director General, Planning Office of Export-Import Bank of Japan                                                                                                                                                                     |
| June 1999    | Director General, Loan Department IV of Export-Import Bank of Japan                                                                                                                                                                  |
| October 1999 | Director General, Energy and Natural Resources Finance Department of Japan Bank for International Cooperation (JBIC)<br><br>(Merger between former Export-Import Bank of Japan and former Overseas Economic Cooperation Fund, Japan) |
| October 2000 | Director General, International Finance Policy Department of JBIC                                                                                                                                                                    |
| May 2002     | Resident Executive Director, Osaka Branch of JBIC                                                                                                                                                                                    |
| October 2003 | Senior Executive Director of JBIC                                                                                                                                                                                                    |
| March 2007   | Retired as Senior Executive Director of JBIC                                                                                                                                                                                         |
| July 2007    | Appointed Corporate Advisor, Mitsubishi Corporation                                                                                                                                                                                  |
| June 2012    | Appointed Audit & Supervisory Board Member of the Company<br><br>Resigned from a position of Corporate Advisor, Mitsubishi Corporation                                                                                               |

As of May 31 2013

Audit & Supervisory Board Member of the Company

Director of the Economic Research Institute for Northeast Asia

Mr. Shigeru Nozaki is an Outside Audit & Supervisory Board Member of the Company, as set out in Article 2, Item 16 of the Companies Act.

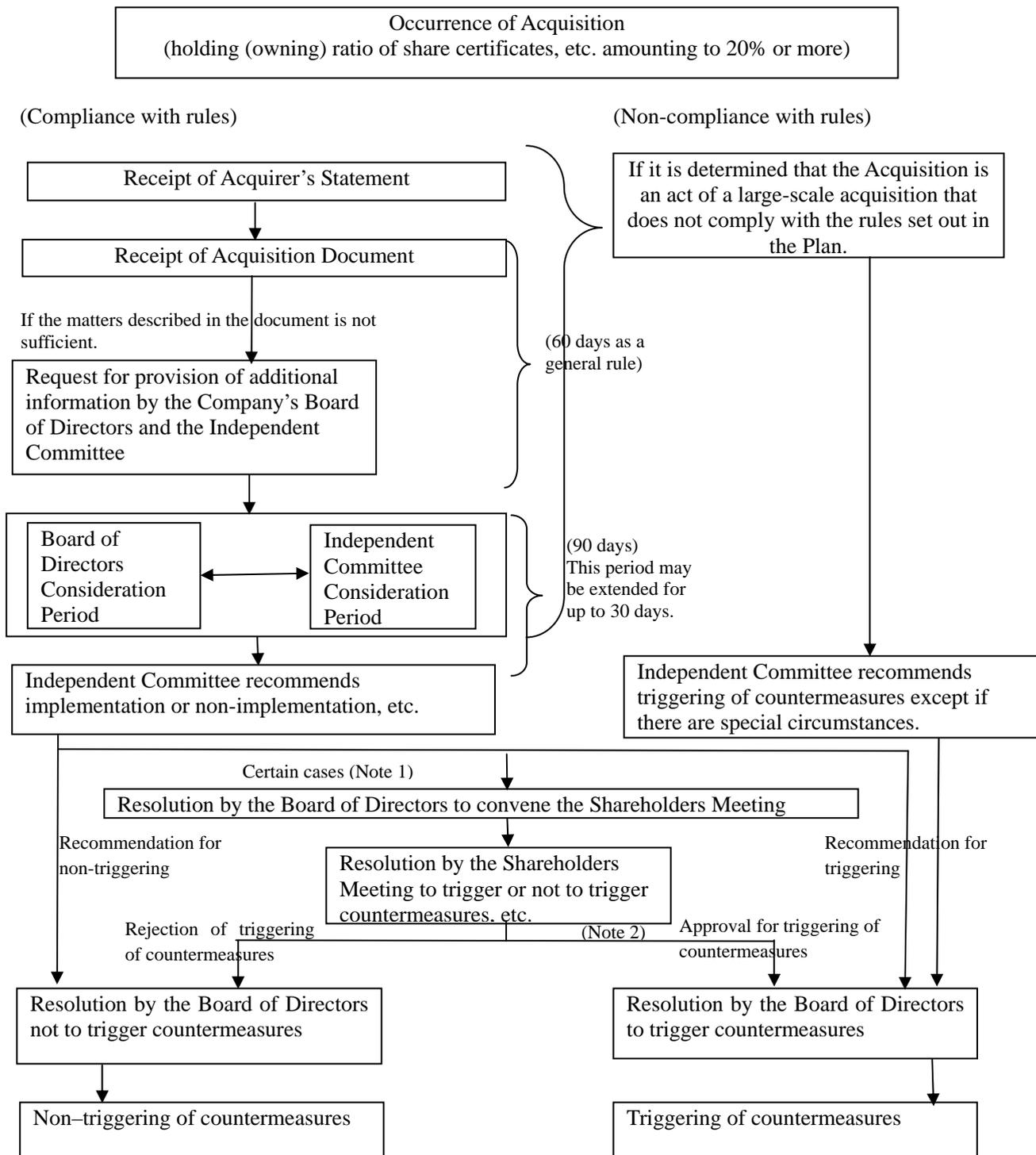
He does not have any special interests in or business relationship with the Company.

The Company has appointed him as an Independent Auditor who is unlikely to have any conflicts of interest with general investors as specified by the Tokyo Stock Exchange and the Osaka Securities Exchange and submitted notification of his appointment to the Exchanges.

|                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| With regard to the summary of Proposal No.4, please refer to the "For Reference (Renewal of Countermeasures to Large-Scale Acquisitions of Sumitomo Metal Mining Co., Ltd. Shares (Takeover Defense Measures))". |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Reference Material 1

Flow Chart of Countermeasures to Large-scale Acquisition of Shares of the Company



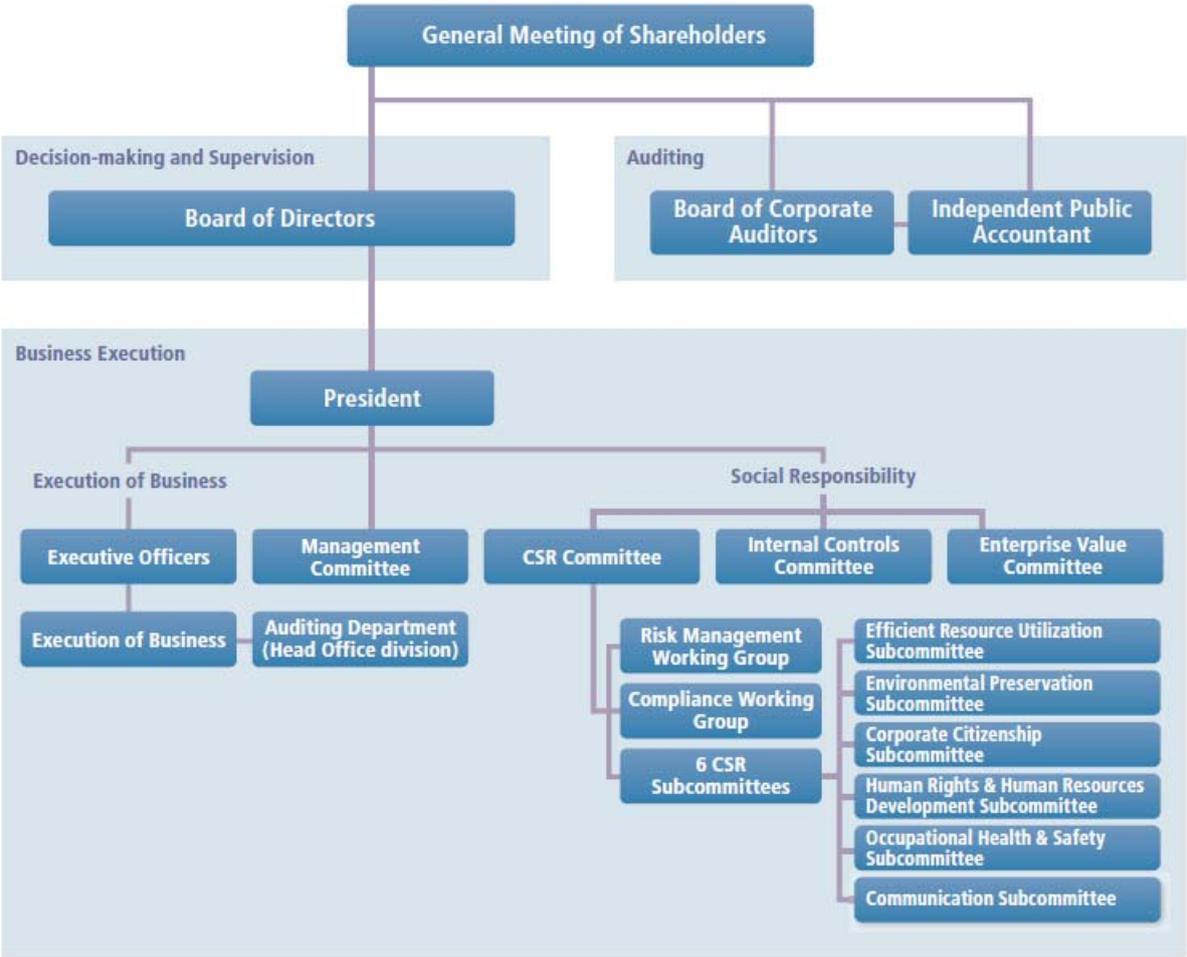
Note 1: Cases where (i) the Independent Committee recommends implementation of the gratis allotment of Stock Acquisition Rights subject to obtaining approval at the shareholders meeting or recommends confirmation of the intent of shareholders regarding the Acquisition by the Acquirer, or (ii) the applicability of Trigger Event (2) becomes an issue with respect to the Acquisition and the Company's Board of Directors determines it appropriate to confirm the intent of shareholders taking into consideration the time required to convene a shareholders meeting or other matters pursuant to the duty of care of a Director.

Note 2: In addition to the cases expressly indicated in this flow chart, if the Independent Committee recommends confirmation of the intent of shareholders regarding the Acquisition by the Acquirer when there is a possibility that the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed by the Acquisition, the Company's Board of Directors may take measures respecting such recommendation to the maximum extent.

Note 3: This flow chart is an outline provided to contribute to your understanding of the procedures under the Proposal No.4 without detailed explanation.

**Reference Material 2**

Corporate Governance Framework



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

The Company proposes the payment of a total of 90 million yen 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 88<sup>th</sup> business year 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.

## **Instructions for Exercising Voting Rights by an electromagnetic method**

### **1. Exercise of voting rights via the Internet**

- (1) Please access the voting rights exercise site (<http://web54.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.
- (2) The deadline for the exercise of voting rights via the Internet is 5:40pm (Japan Time), Friday, June 21, 2013.
- (3) Any connection fees to providers or telephone charges, etc. for accessing the voting rights exercise site shall be borne by the shareholders.
- (4) 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 5.01 SP2 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 smartphones or the full browser function of cell phones; however, please understand that depending on the model of your cell phone, in some cases this method may not work.(Microsoft and Internet Explorer is a registered trademark of Microsoft Corporation used in the United States, Japan and other countries.)

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

Administrator of Shareholder Registry :

Securities Agent Web Support

Sumitomo Mitsui Trust Bank, Limited

0120-652-031 (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.