

February 25, 2013

To whom it may concern:

Company name: Sumitomo Metal Mining Co., Ltd.  
(Code: 5713 First Sections of the Tokyo Stock  
Exchange and the Osaka Securities Exchange)  
Representative name: Nobumasa Kemori, Representative Director and  
President  
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Notice concerning Issuance of the Series 2 Stock Acquisition Rights by way of Third-Party Allotment in connection with the Loan with Series 2 Stock Acquisition Rights (with conditions on exercise price adjustments), Lump-Sum Repayment of the Loan with Series 1 Stock Acquisition Rights and Extinguishment of the Series 1 Stock Acquisition Rights (with conditions on exercise price adjustments)

Sumitomo Metal Mining Co., Ltd. (the “Company”) hereby announces that it has passed a resolution as follows at the meeting of its board of directors held on February 25, 2013 to issue the Series 2 stock acquisition rights (the “Stock Acquisition Rights”, and the holder of the Stock Acquisition Rights are referred to as the “Stock Acquisition Rights Holder”) by way of third-party allotment and to execute a loan agreement (the “Loan Agreement,” and the principal receivables pertaining to the Loan Agreement are referred to as the “Loan Principal Receivables”) for the purpose of procuring funds (the “Fund Procurement”) through a loan with the Series 2 stock acquisition rights (the “Loan with Stock Acquisition Rights”), and, through the Fund Procurement, the Company will repay in a lump sum the loan with stock acquisition rights drawn down on February 15, 2008 (the “Loan with Series 1 Stock Acquisition Rights” and the stock acquisition rights in connection with the Loan with Series 1 Stock Acquisition Rights are referred to as the “Series 1 Stock Acquisition Rights”) and as a result, all of the Series 1 Stock Acquisition Rights will be extinguished.

## 1. Purpose of and Reasons for the Fund Procurement

### (1) Purpose of the Loan with Stock Acquisition Rights

The Company procured funds in the amount of 100 billion yen in total through the Loan with Series 1 Stock Acquisition Rights on February 15, 2008. Although a period has been set during which the Company may request the stock acquisition rights holders to exercise their stock acquisition rights if certain conditions are fulfilled under the Loan with Series 1 Stock Acquisition Rights, the conditions for requesting the exercise of the stock acquisition rights were not fulfilled during that period and it is no longer possible for the Company to require the stock acquisition rights holders to exercise their stock acquisition rights. For this reason, the Company determined that the best option for the Company is to procure and maintain

opportunities for the Company to request the exercise of the stock acquisition rights and decided to carry out refinancing through a scheme involving a loan with stock acquisition rights that is basically the same as the previous scheme.

The Loan with Series 1 Stock Acquisition Rights will be repaid at one time on March 15, 2013 by the Fund Procurement, and, as a result, the Series 1 Stock Acquisition Rights will extinguish. (Please see “10. Outline of Stock Acquisition Rights to be Extinguished” for the outline of the Series 1 Stock Acquisition Rights.)

## (2) Reasons for Selecting this Scheme

The Company has formulated its new long-term vision to be “a world leader in the non-ferrous metals industry and an excellent company of Japan” and its “2012 3-Year Business Plan” (the “2012 3-Year Business Plan”) related to three fiscal years, fiscal 2012 through 2015, aimed to achieve the long-term vision.

While the global economy has faced a turning point for decreased uncertainty in future global economic conditions and exchange rate fluctuations, regarding resources superior resources have become scarce and resource nationalism has continued to develop, and domestically the environment and energy businesses have been attracting more attention given the occurrence of the Great East Japan Earthquake, the business environment surrounding the Company has significantly changed. In light of these changes in the environment, the Company aims to become “a world leader in the non-ferrous metals industry” by (i) establishing a nickel production capability of 150,000 tons per year, (ii) producing 300,000 tons of copper per year and 30 tons of gold per year as equity interest production, and (iii) achieving a recurring profit of 5 billion yen per year from new materials products by 2021, through sustained growth of its three core businesses: Mineral Resources; Smelting & Refining; and Materials. In addition, the Company will move ahead with its growth strategies, aiming to achieve consolidated sales of 1 trillion yen and consolidated current net income of 100 billion yen, in order to become “an excellent company of Japan.”

Since the implementation of the 2003 3-Year Business Plan, the Company has unrolled various measures based on the basic strategy of expanding and strengthening core businesses and developing new products. As finishing touches on these measures, under the 2009 3-Year Business Plan the Company focused its managerial resources on large-scale projects such as the Sierra Gorda Project and the Taganito Project by promoting its growth strategy through the transformation of business structures. Under the 2012 3-Year Business Plan, the Company considers the three fiscal years subject to the 2012 3-Year Business Plan, fiscal 2012 through 2015, as the years during which profits will be achieved from the investments in the large-scale projects that were carried out under the previous mid-term business plans. The Company will therefore push forward with its efforts to increase its interests in resources including expansion of existing mines, to acquire interests for the Company in further additional projects, and to bolster the capacity of the Sierra Gorda Project in the Mineral Resources Business, while aiming to establish a nickel production capability of 100,000 tons per year and to further strengthen its competitiveness by making progress in high pressure acid leach (HPAL) technologies in the Smelting & Refining Business. In the Materials

Business, the Company will proceed with business structure reforms, focus its managerial resources on growing businesses, and promote investments in battery materials and the like in the environment and energy related areas. Under the 2012 3-Year Business Plan, the Company plans to make investment of 170 billion yen in three years up to fiscal 2015 in order to move ahead with these growth strategies, but the Company will also actively promote investments in large-scale projects based on its long-term vision, such as the Solomon Project and the starting up of majority-owned mines for the purpose of increasing its interests in copper and gold, in addition to the current prospective investments.

In the course of these growth strategies, the funds procured by the Company through the Loan with Series 1 Stock Acquisition Rights were used as long-term stable funds as the Company initially planned, namely as funds for investment in and financing for large-scale projects such as the Goro Nickel Project, funds for repayment of existing borrowings, funds for redemption of corporate bonds, working capital and for other purposes, and contributed to the expansion of the Company's business scale. Due to the period having expired during which the Company may request the stock acquisition rights holders to exercise their stock acquisition rights under the Loan with Series 1 Stock Acquisition Rights, the Company has considered refinancing and the like of the Loan with Series 1 Stock Acquisition Rights. Then, the Company determined that the best way to carry out refinancing is through the Loan with Stock Acquisition Rights because it is a method that (a) enables recapitalization that responds to future changes in the business management environment by being designed so that a request for exercise is made when the Company determines it necessary in order to maintain sound financial standing in cases such as where projects for investment in resource interests or other large-scale projects come up during or after the last fiscal year subject to the 2012 3-Year Business Plan, and (b) enables fund procurement on a long-term stable basis with generally favorable terms by making the Loan Principal Receivables and the Stock Acquisition Rights indivisible, from the perspective that the Company will actively promote investments with the aim to be "a world leader in the non-ferrous metals industry and an excellent company of Japan."

The Loan with Stock Acquisition Rights is a scheme that is basically the same as the Loan with Series 1 Stock Acquisition Rights. Specifically, the same product design as typical convertible bonds with stock acquisition rights is used, including restricting the property to be contributed upon exercise of the Stock Acquisition Rights to the Loan Principal Receivables, which makes the Stock Acquisition Rights a part of, and indivisible from, the Loan Principal Receivables. In addition, it enables recapitalization that responds to future changes in the business management environment by being designed so that a request for exercise is made when the Company determines it necessary in order to maintain sound financial standing in cases such as where projects for investment in resource interests or other large-scale projects come up during or after the last fiscal year subject to the 2012 3-Year Business Plan, because it contains (a) exercise restriction provisions based on which the exercise of the Stock Acquisition Rights is conditioned on the satisfaction of certain conditions, such as if the Company gives notification to the effect that it is possible to exercise the Stock Acquisition Rights (please see the section <Exercise Restriction Provisions> in "(3) Merchantability of the Loan with Stock Acquisition Rights" under "1. Purpose of and Reasons for the Fund Procurement"; these provisions are hereinafter referred to as the "Exercise Restriction

Provisions”), and (b) exercise commitment provisions based on which the Company can request under certain conditions that the Stock Acquisition Rights Holder exercise the Stock Acquisition Rights (please see the section <Exercise Commitment Provisions> in “(3) Merchantability of the Loan with Stock Acquisition Rights” under “1. Purpose of and Reasons for the Fund Procurement”; these provisions are hereinafter referred to as the “Exercise Commitment Provisions”). Further, it is different from the Loan with Series 1 Stock Acquisition Rights in that it is designed to allow more increased flexibility of recapitalization at the option of the Company, such as by setting two periods during which the Company may request the exercise of the Stock Acquisition Rights in accordance with the Exercise Commitment Provisions.

It is also designed to take into consideration dilution of issued shares, (a) by containing these Exercise Restriction Provisions and Exercise Commitment Provisions that make it possible for the Company to control the exercise of the Stock Acquisition Rights as a general rule, and (b) by setting the minimum exercise price of the Stock Acquisition Rights by reference to the net asset value per share 1,249 yen as at the end of the third quarter of the 88th fiscal year (as of December 31, 2012) and the share closing price on the day immediately preceding the day of the resolution to issue the Stock Acquisition Rights, thereby allowing a structure in which no exercise will be effected with a share price lower than 100% of the share closing price on the day immediately preceding the day of the resolution to issue the Stock Acquisition Rights (1,436 yen).

The Company believes that it is necessary to continue to establish a system that allows for recapitalization that responds to future changes in the business management environment because it is important to prepare for factors such as risk of metal price changes and exchange rate fluctuations in connection with the expansion of its business size, as well as increased personnel expenses, development costs and increased country risks in order to realize its aim to be “a world leader in the non-ferrous metals industry and an excellent company of Japan” by preparing and nurturing large-scale projects with a long-term vision. Further, even after the 2012 3-Year Business Plan is complete, it is expected large investments and other outlays will be necessary as the existing large-scale projects proceed. The Company believes that the Fund Procurement will enhance the corporate value of the Company, and, in turn, bring about increased shareholder value, by the Company continuing a scheme that enables recapitalization that responds to future changes in the business management environment, further strengthening its operating base without passing up any promising investment opportunities in the midst of intensifying competition with major non-ferrous metal players and developing non-ferrous metal companies, and moving ahead with the Company’s management strategies toward its long-term vision that focuses on balance with sound financial standing.

### (3) Merchantability of the Loan with Stock Acquisition Rights

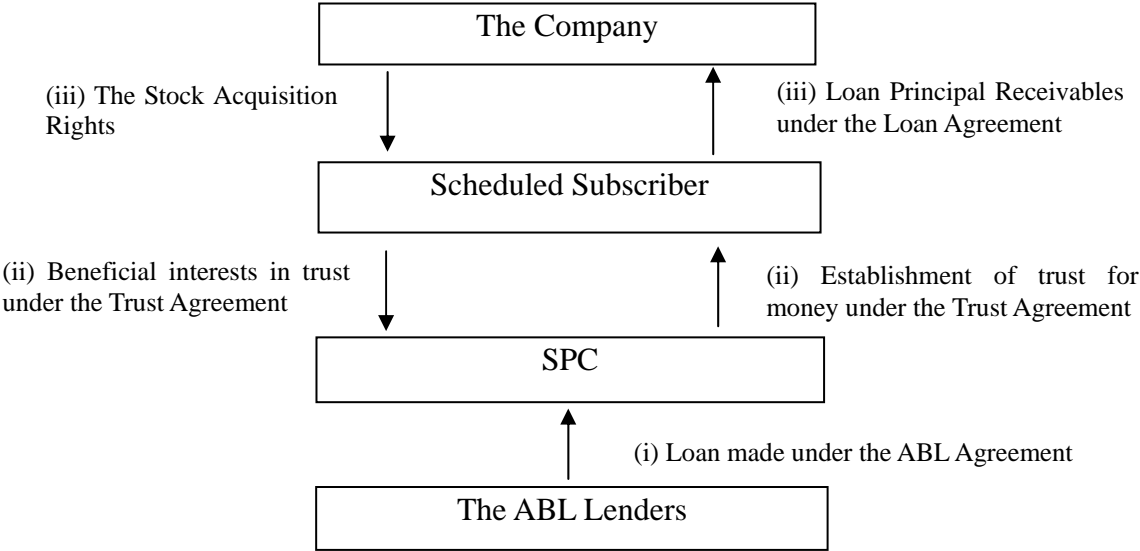
#### <Outline of the Loan with Stock Acquisition Rights>

The Company will issue the Stock Acquisition Rights to Sumitomo Mitsui Banking Corporation (Trust Account) (the “Scheduled Subscriber”, including any party that assumes,

in accordance with the stock acquisition rights allotment agreement (the “Stock Acquisition Rights Allotment Agreement”), the status of a subscribing company under that agreement, scheduled to be executed between the Company and the Scheduled Subscriber on or after the effective date of the securities registration statement) and will enter into the Loan Agreement with the Scheduled Subscriber. The Scheduled Subscriber is the trustee under the Fund Trust Agreement (the “Trust Agreement”) executed with SMM CL2 Corporation Ippan Shadan Hojin (“SPC”), and the borrowed funds drawn down under the loan agreements (the “ABL Agreements”) separately executed between Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Iyo Bank, Ltd., Joyo Bank, Ltd., Nanto Bank, Ltd. and The Hyakujushi Bank, Ltd. as the lenders (correctively referred to as the “ABL Lenders”) and SPC are scheduled to be entrusted from SPC, as the settlor, to the Scheduled Subscriber and loaned to the Company. Further, it is expected that, in line with this, the beneficial interests in trust under the Trust Agreement that are held by SPC will be provided to the ABL Lenders as security.

This type of scheme is adopted for reasons such as that holding loan receivables is a favorable form of rights holding for the ABL Lenders.

<Scheme of the Loan with Stock Acquisition Rights>



- (i) SPC executes the ABL Agreements with ABL Lenders and borrows a total amount of 100,000 million yen from ABL Lenders.
- (ii) SPC executes the Trust Agreement with the Scheduled Subscriber and establishes a trust for 100,000 million yen borrowed from ABL Lenders and obtains beneficial interests in trust.

(iii) The Company executes the Loan Agreement with the Scheduled Subscriber, conducts a fund procurement of 100,000 million yen and issues the Stock Acquisition Rights to the Scheduled Subscriber.

\* If the Exercise Restriction Provisions of the Stock Acquisition Rights are lifted (including the cases where the Exercise Commitment Provisions have been applied), such beneficial interests in trust will be delivered to the ABL Lenders as accord and satisfaction of loan obligations under the ABL Agreements, and the Loan with Stock Acquisition Rights will be delivered to the ABL Lenders as a delivery of trust assets to the beneficiaries under the Trust Agreement.

#### <Characteristics of the Loan with Stock Acquisition Rights>

As set out below, the Loan with Stock Acquisition Rights has the characteristic that the Stock Acquisition Rights and the Loan Agreement are inseparable, in the same way as convertible bonds with stock acquisition rights. In addition, the Loan with Stock Acquisition Rights is designed to be able to control the exercise or non-exercise of the Stock Acquisition Rights, the number of the Stock Acquisition Rights to be exercised and the timing of exercise of the Stock Acquisition Rights through the Exercise Restriction Provisions, and to be able to conduct recapitalization that responds to future changes in the business management environment through the Exercise Commitment Provisions. Further, in comparison to the Loan with Series 1 Stock Acquisition Rights, the flexibility of recapitalization at the Company's option is enhanced through the Loan with Stock Acquisition Rights by setting two periods during which exercise of the Stock Acquisition Rights may be requested under the Exercise Commitment Provisions.

- The property to be contributed upon exercise of the Stock Acquisition Rights is the Loan Principal Receivables. The Company will therefore be able to conduct recapitalization at its option under certain conditions together with the Exercise Restriction Provisions and the Exercise Commitment Provisions since its liabilities under the Loan Agreement will be converted into an equivalent amount of capital at the time of the exercise of the Stock Acquisition Rights.
- The Company can repay all or part of the Loan Principal Receivables at any time at its option. If all or part of the Loan Principal Receivables are repaid, the exercise of the Stock Acquisition Rights pertaining to the Loan Principal Receivables to be repaid will be prohibited and the Stock Acquisition Rights will automatically extinguish, thus the Loan Principal Receivables and the Stock Acquisition Rights cannot exist independently.
- If the funds are not drawn down under the Loan Agreement, it will not be possible to exercise the Stock Acquisition Rights and the Stock Acquisition Rights will be extinguished immediately.
- An approval by resolution of the board of directors of the Company is required for any transfer of the Stock Acquisition Rights and it has been agreed in the Loan Agreement that the Loan Principal Receivables must be transferred together with the Stock Acquisition Rights. Thus a contractual allowance has been made that the Stock Acquisition Rights will accompany the Loan Principal Receivables and the Stock

Acquisition Rights and the Loan Principal Receivables will not be held by different parties.

<Revision of the Exercise Price and Effect of Dilution Control>

The exercise price of the Stock Acquisition Rights will be revised as follows. However, by setting the minimum exercise price by reference to the net asset value per share of 1,249 yen as at the end of the third quarter of the 88th fiscal year (as of December 31, 2012) and the share closing price on the day immediately preceding the day of the resolution to issue the Stock Acquisition Rights as follows, the Stock Acquisition Rights have a structure that prevents dilution of the share price to a price lower than 100% (1,436 yen) of the share closing price on the day immediately preceding the day of the resolution to issue the Stock Acquisition Rights (but note that the minimum exercise price might be adjusted in certain cases).

The exercise price of the Stock Acquisition Rights will be revised to (i) 100% of the average of the volume weighted average price (the “VWAP Average”) for 20 consecutive trading days up to and including the day immediately preceding the effective day of the exercise with respect to the period from the day following the allotment date until September 14, 2014, (ii) 98% of the VWAP Average for 20 consecutive trading days up to and including the day immediately preceding the effective day of the exercise with respect to the period on or after September 15, 2014 (excluding cases where item (iii) below applies), and (iii) if the Exercise Commitment Provisions have been applied, 95% of the VWAP Average for 3 consecutive trading days up to and including the day immediately preceding the effective day of the exercise with respect to the Exercise Obligation Period set out below (details on the application of the Exercise Commitment Provisions is set out below).

<Exercise Restriction Provisions>

The following is an outline of the provisions relating to the conditions for the exercise of the Stock Acquisition Rights set out in the Stock Acquisition Rights Allotment Agreement. The Company is able to conduct recapitalization that responds to future changes in the business management environment because, in principle, the Exercise Restriction Provisions and the Exercise Commitment Provisions enable the Company to control the exercise of the rights of the Stock Acquisition Rights Holder.

The Stock Acquisition Rights can only be exercised during the following periods set out in items (a) through (g), depending on the type of exercise as set out below in items (a) through (g).

- (a) If there is a public announcement for a merger, corporate split, share exchange, or share transfer that results in the delisting of the common stock of the Company (the “Reorganization”)

The period starting from such public announcement and until either the effective date of the Reorganization or a public announcement that the Reorganization will not take place

- (b) If there is a public notice for the commencement of a tender offer for the Company (meaning a public notice as provided in Article 27-3(1) of the Financial Instruments and Exchange Law)  
The period starting from such public notice until the tender offer pertaining to such public notice is complete or there is a public announcement that such tender offer has been suspended
- (c) If the common stock of the Company is designated as delisting stock in a financial instruments exchange market (meaning a financial instruments exchange market as provided in Article 2(17) of the Financial Instruments and Exchange Act)  
The period starting from such designation until such designation is removed
- (d) If the Company's written notification to allow the Scheduled Subscriber to exercise its Stock Acquisition Rights, which has been sent upon request of such Subscriber, is received or is deemed to have been received by such Scheduled Subscriber  
On and after the date on which such notification is received or is deemed to have been received by the Scheduled Subscriber (or, if any period is set out in such notice, the extent of that period)
- (e) If the Company's written notification to allow the Scheduled Subscriber to exercise its Stock Acquisition Rights, which has been sent at the discretion of the Company, is received or is deemed to have been received by all of the Scheduled Subscribers  
On and after the date on which such notification is received or is deemed to have been received by the Scheduled Subscriber (or, if any period is set out in such notice, the extent of that period)
- (f) If the Exercise Request Notification (meaning a written document prepared by the Company in accordance with the provisions of the Stock Acquisition Rights Allotment Agreement) is received or is deemed to have been received by all of the Scheduled Subscribers in accordance with the Stock Acquisition Rights Allotment Agreement  
On or after March 15, 2017 if the notice is given in the form of the Exercise Request Notification during the period from February 15, 2017 to March 14, 2017 and on or after March 15, 2018 if the notice is given in the form of the Exercise Request Notification during the period from February 15, 2018 to March 14, 2018 (provided, however, that if the deadline for sending the Exercise Request Notification is extended in accordance with the Stock Acquisition Rights Allotment Agreement, the corresponding day of March 15, 2018 after such period extended from March 15, 2018)
- (g) If the Company has violated the financial covenant provision set out in the Loan Agreement or the Company has lost the benefit of the term pursuant to the Loan Agreement, and if any Scheduled Subscriber's written notification pursuant to the Stock Acquisition Rights Allotment Agreement to make it possible to exercise the Stock Acquisition Rights is received or is deemed to have been received by the Company  
On and after the date on which such notification is received or is deemed to have been received by the Company



The Stock Acquisition Rights Allotment Agreement provides that, in the case of item (d) through (f) above, the Company may specify the number of Stock Acquisition Rights that it is entitled to exercise and other matters.

<Exercise Commitment Provisions>

The following is a summary of the provisions relating to the exercise obligations of the Stock Acquisition Rights set out in the Stock Acquisition Rights Allotment Agreement.

Provided that the following conditions are met, the Company may, by giving notice in the form of the Exercise Request Notification, make a request to the Scheduled Subscriber to exercise a specified number of the Stock Acquisition Rights during the Exercise Obligation Period set out below, and, in principle, the Scheduled Subscriber will be obliged to exercise the number of Stock Acquisition Rights after equal proration of the number of Stock Acquisition Rights in each Specified Exercise Obligation Period (meaning the monthly periods by which the Exercise Obligation Period is divided starting from the commencement date) during the Exercise Obligation Period. The maximum number of the Stock Acquisition Rights which the Company may request the Scheduled Subscriber to exercise is set out below.

- (a) The Company does not issue any convertible bonds with stock acquisition rights the conversion price of which will be adjusted at a frequency of more than once every six-months in conjunction with the share price (“MSCBs,” as provided for in “Regulations concerning Handling of Allocation of New Shares to a Third Party, etc.” stipulated by the Japan Securities Dealers Association on May 29, 2007) other than the Stock Acquisition Rights at the time when it dispatches the Exercise Request Notification
- (b) The Company is not aware of any material fact which is not announced at the time when it dispatches the Exercise Request Notification
- (c) The VWAP Average of the Company’s common stock for 3 consecutive trading days during a period from February 15, 2017 to March 14, 2017 or February 15, 2018 to March 14, 2018 exceeds the minimum exercise price at least one time

*Exercise Obligation Period*

- (a) If the notice is given in the form of the first Exercise Request Notification during the exercise request period from February 15, 2017 to March 14, 2017 (the first exercise request period):  
The period from March 15, 2017 to March 14, 2019
- (b) If the notice is given in the form of the second Exercise Request Notification during the exercise request period from February 15, 2018 to March 14, 2018 (the second exercise request period):

The period from March 15, 2018 to March 13, 2020

*Maximum number of exercise requested Stock Acquisition Rights*

The maximum number of exercise requested Stock Acquisition Rights is the number obtained by dividing the total amount of Loan Principal Receivables remaining at the time when the Exercise Request Notification is received or is deemed to have been received by all of the Scheduled Subscribers by 5,000,000 yen (however, if the notice is given in the form of the Exercise Request Notification during the first exercise request period, such number obtained by dividing the total amount of the Loan Principal Receivables remaining at the time when the first Exercise Request Notification is received or is deemed to have been received by all of the Scheduled Subscribers (after subtracting the total amount of (i) an amount calculated by multiplying the number of the first exercise requested Stock Acquisition Rights by 5,000,000 yen, (ii) the prepayment amount of the Loan Principal Receivables on or after the time when the first Exercise Request Notification is received or is deemed to have been received, and (iii) an amount calculated by multiplying the number of Stock Acquisition Rights exercised in accordance with the type of exercise set out in items (a) through (g) (excluding (f)) of <Exercise Restriction Provisions> above by 5,000,000 yen ) by 5,000,000 yen.).

The second exercise request period is designed so that it may be extended under the Stock Acquisition Rights Allotment Agreement and the opportunity for the application of the Exercise Commitment Provisions maintained. The unit of any extension periods (the “Number of Months Extended”) is one month (meaning the period from the commencement date to the day immediately preceding the day corresponding to one month after the commencement date), and the maximum number of Stock Acquisition Rights for which exercise is requested in the second Exercise Request Notification in the case where the second exercise request period is extended is the maximum number of the second exercise requested Stock Acquisition Rights in the case where the second exercise request period is not extended (March 14, 2018 will be deemed as the time when the second Exercise Request Notification is received or is deemed to have been received by all of the subscribing companies and the maximum number is calculated as described above) multiplied by “1 minus the fraction of the Number of Months Extended divided by 24,” and the commencement date for the second Exercise Obligation Period in the case where the second exercise request period is extended will be deferred in accordance with the Number of Months Extended. Through this, the Company intends to alleviate the dilution of shares caused by exercising a large number of the Stock Acquisition Rights in a short period and the downward pressure of the share price accompanying the deterioration of supply and demand.

If the following events occur during each Specified Exercise Obligation Period during the Exercise Obligation Period, the exercise obligation of Stock Acquisition Rights during the Specified Exercise Obligation Period will be extinguished. However, even if the exercise obligation is extinguished, the Scheduled Subscriber may exercise Stock Acquisition Rights at its own discretion.

- (a) If, during the Specified Exercise Obligation Period, at least one day exists on which the price equal to the VWAP Average for 3 consecutive trading days of the Company’s

common stock up to and including the trading day before the exercising day multiplied by 95% is less than the minimum exercise price.

- (b) If, during the Specified Exercise Obligation Period, at least one day exists on which the total amount of trade volume for immediate 30 consecutive trading days of the Company's common stock in Tokyo Stock Exchange, Inc. is less than 51,600,000 shares.
- (c) If at least one day exists that is subject to the Specified Exercise Obligation Period during the period from the time when the public announcement stating that the Company's Reorganization will take place is made to the time when the Reorganization takes place or public announcement stating that the Reorganization will not take place is made.
- (d) If at least one day exists that is subject to the Specified Exercise Obligation Period during the period from the time when the Company's common stock is designated as supervised stock or delisting stock to the time when the designation is removed.
- (e) If the common stock of the Company is delisted in any of the financial instruments exchanges in Japan (except, however, for the case where the common stock is delisted in Osaka Securities Exchange Co., Ltd. in accordance with the Company's delisting request in a situation that is not and is not likely to conflict with the delisting standards or in the case where the common stock is delisted due to the integration of financial instruments exchanges).
- (f) If, during the Specified Exercise Obligation Period, at least one trading day exists on which additional ownership and disposal of the Company's common stock by the Scheduled Subscriber are restricted under laws and ordinances (including the case where the Scheduled Subscriber is aware of material facts and the material facts are not publicly announced).
- (g) If, during the Specified Exercise Obligation Period, at least one day exists on which trading or dealing of the common stock of the Company is not made in Tokyo Stock Exchange, Inc. due to a natural disaster, a man-made disaster, a material change in economic situation or the like.

#### (4) Reason for Selecting the Scheme

After considering the following merits and demerits and after comparing and considering other fund raising methods, the Company determined that the scheme pertaining to the Fund Procurement (the "Scheme") is the optimum option for the Company.

#### Merits

- (a) By using basically the same fund procurement scheme as the Loan with Series 1 Stock Acquisition Rights, it will be possible to maintain the same purpose and superior

qualities as the scheme pertaining to the Loan with Series 1 Stock Acquisition Rights in terms of maintaining a scheme that enables the Company to conduct recapitalization that responds to future changes in the business management environment, and in terms of moving ahead with the Company's management strategies toward its long-term vision that focuses on balance with sound financial standing.

- (b) The Scheme meets the needs of the Company to conduct recapitalization that responds to future changes in the business environment in order to prepare for risks accompanying expansion of the business size, such as fluctuations in profits due to the price of metals or exchange rates, or increase in country risk.
- (c) The Scheme has advanced flexibility in the application of the Exercise Commitment Provisions in comparison with the Loan with Series 1 Stock Acquisition Rights.
- (d) By attaching the Stock Acquisition Rights to the Loan Agreement, it will be possible to procure long-term and stable funds with generally favorable terms.
- (e) By conducting a transaction with an experienced business partner in terms of the Company's characteristics such as its financial policy, credit standing, business model and operating environment, the Company is able to efficiently consider schemes that suit the above needs of the Company and negotiate the terms and conditions.
- (f) Because the property to be contributed upon exercise of the Stock Acquisition Rights is the Loan Principal Receivables and the liabilities pertaining to the Loan Principal Receivables will be extinguished and converted into capital upon exercise of the Stock Acquisition Rights, it will be possible to appropriately strengthen the Company's financial base as necessary.
- (g) Because notification made in accordance with the Company's intention is, in principle, required to make it possible to lift the Exercise Restriction Provisions and to exercise the Stock Acquisition Rights, it is basically possible to control the timing of when the exercise of the Stock Acquisition Rights begins and, consequently, it is possible to conduct recapitalization that responds to future changes in the business management environment.
- (h) Because under the Exercise Commitment Provisions the Company can make a request under certain conditions to the Scheduled Subscriber to exercise a required number of the Stock Acquisition Rights, it will be possible to have more definitive recapitalization by making that request when the Company determines that the request is necessary to maintain sound financial standing in the case where a large-scale investment such as an investment in interests comes up during or after the last fiscal year subject to the 2012 3-Year Business Plan.
- (i) By setting the minimum exercise price by reference to the net asset value per share of 1,249 yen as at the end of the third quarter of the 88th fiscal year and the share closing price on the day immediately preceding the day of the resolution to issue the Stock

Acquisition Rights, thereby allowing a structure in which no exercise will be effected with a share price lower than 100% of the share closing price on the day immediately preceding the day of the resolution to issue the Stock Acquisition Rights (1,436 yen) and by setting the exercise price on or before September 14, 2014 at 100% of the market price of common stock of the Company at the time of exercise, dilution of the Company's shares will be reasonably controlled.

- (j) By revising the exercise price if the share price increases in the future, dilution of the Company's shares will be reasonably controlled.

#### Demerits

- (a) If the Stock Acquisition Rights are exercised and the common stock of the Company is delivered, the dilution of shares and a downward pressure on the share price might arise.
- (b) In the case of (a) above, since it is possible to sell the common stock of the Company in accordance with the determination of the ABL Lenders, such sale might be a cause of the share price falling from the perspective of supply and demand.
- (c) The number of shares of common stock of the Company to be delivered will not be finalized until March 13, 2020 which is the last day of the period during which the Stock Acquisition Rights may be exercised, because the number of shares of common stock of the Company to be delivered by exercising the Stock Acquisition Rights will change in accordance with the revision of the exercise price.

#### Comparison with Other Fund Procurement Method

- (a) It is desirable to use methods such as the Fund Procurement that allow for the dilution of shares to be controlled because, by procuring funds through the new issue of common stock of the Company and through the disposal of treasury stock, it becomes temporarily possible to procure long-term funds; however, at the same time, profits per share will be diluted.
- (b) Procuring funds through issuance of straight bonds or borrowing from banks including commitment line is considered to be insufficient for the purpose of this fund procurement from the perspective of recapitalization that responds to future changes in the business management environment even though profits per share will not be diluted by using such fund procurement.
- (c) Although the Company is not able to control the exercise of the Stock Acquisition Rights as a general rule in fund procurement through use of convertible bonds with stock acquisition rights, in the Loan with Stock Acquisition Rights the Company is able to control the exercise of the Stock Acquisition Rights as a general rule in accordance with the Exercise Restriction Provisions and the Exercise Commitment Provisions, and in this way the Company is able to set up schemes and conditions that suit its needs.

\* The Company believes issuance of the Stock Acquisition Rights does not fall under a takeover defense measure as defined in Article 2, item 80 of the Tokyo Stock Exchange's "Securities Listing Regulations." The takeover defense measure stipulated in Article 2, item 80 of the Tokyo Stock Exchange's "Securities Listing Regulations" is defined as " a measure which makes the realization of acquisition (meaning an act to acquire enough shares that influence may be exerted on the company; the same shall apply hereinafter) of a listed company difficult by issuing new shares or stock acquisition right, etc., where the main purpose of such a company is not the business purpose such as fundraising, etc., and which is introduced prior to the commencement of an acquisition by an entity who is not desirable to the managers."

## 2. Outline of Solicitation

### <Outline of the Stock Acquisition Rights>

(1) Name	The Series 2 Stock Acquisition Rights of Sumitomo Metal Mining Co., Ltd.
(2) Number of issued stock acquisition rights	20,000
(3) Issue price	0 yen
(4) Allotment date	March 15, 2013
(5) Number of residual securities resulting from the Issuance	The exercise price of the Stock Acquisition Rights is subject to upward or downward revision in connection with the market value of the common stock of the Company; however, such exercise price will not be a price lower than the minimum exercise price (1,436 yen). The possible maximum number of shares is 69,637,880 if the Stock Acquisition Rights are exercised at the minimum exercise price.
(6) Amount of fund procurement (amount of assets contributed upon the exercise of the stock acquisition rights)	0 yen * Although the total issue amount of the Stock Acquisition Rights is 0 yen, the Loan Principal Receivables (100,000 million yen) are contributed in-kind upon exercise of the Stock Acquisition Rights, and there are no funds that will be newly paid in.
(7) Exercise price and condition for the revision of exercise price	Initial exercise price 1,867 yen (minimum exercise price 1,436 yen)  The exercise price will be revised to (i) 100% of the VWAP Average for 20 consecutive trading days up to and including the day

	<p>immediately preceding the effective day of the exercise with respect to the period from the day following the allotment date until September 14, 2014, (ii) 98% of the VWAP Average for 20 consecutive trading days up to and including the day immediately preceding the effective day of the exercise with respect to the period on or after September 15, 2014 (excluding cases where item (iii) below applies), and (iii) if the Exercise Commitment Provisions have been applied, 95% of the VWAP Average for 3 consecutive trading days up to and including the day immediately preceding the effective day of the exercise with respect to the Exercise Obligation Period. However, if the revised exercise price is lower than the minimum exercise price (1,436 yen), the exercise price is the minimum exercise price (provided, however, that the minimum exercise price might be adjusted in certain cases).</p>
(8) Method of solicitation or allotment (Scheduled Subscriber)	All of the Stock Acquisition Rights will be allocated to Sumitomo Mitsui Banking Corporation (Trust Account) by way of third-party allotment.
(9) Others	<p>The Company will execute the Stock Acquisition Rights Allotment Agreement, in which the restrictions on transfer and the restrictions on the volume of exercise below are set out, with Sumitomo Mitsui Banking Corporation (Trust Account) after the notification made under Financial Instruments and Exchange Act becomes effective.</p> <p><i>Restrictions on transfer</i></p> <p>The Stock Acquisition Rights allotted in accordance with the Stock Acquisition Rights Allotment Agreement may not be transferred to a third party without obtaining approval of the board of directors of the Company.</p> <p><i>Restrictions on the volume of exercise</i></p> <p>In principle, if the number of shares of</p>

	<p>common stock of the Company that are to be acquired through the exercise of the Stock Acquisition Rights in a calendar month that includes the day on which the exercise of such Stock Acquisition Rights is desired (means the period starting from the first day of the month and ending on the last day of the month) exceeds 10% of the number of listed shares of the Company at the time of the allotment date of the Stock Acquisition Rights, it will not be possible to exercise the Stock Acquisition Rights that pertain to the shares that exceed 10% of the listed shares pursuant to Article 434(1) of the Securities Listing Regulations and Paragraphs (1) through (5) of Article 436 of the Securities Listing Regulations Enforcement Regulations established by the Tokyo Stock Exchange, Inc.</p> <p>See the attachment “Sumitomo Metal Mining Co., Ltd. Terms and Conditions of the Issue of the Series 2 Stock Acquisition Rights” for details about the Stock Acquisition Rights.</p>
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<Outline of the Loan Agreement>

It is expected the Loan Agreement will be executed and drawn down in accordance with the following summary.

(1) Borrower	Sumitomo Metal Mining Co., Ltd.
(2) Lender	Sumitomo Mitsui Banking Corporation (Trust Account)
(3) Amount	100,000 million yen
(4) Execution Date	March 8, 2013
(5) Drawdown Date	March 15, 2013
(6) Maturity Date	March 15, 2020 Provided, however, that the all or part of the Loan Principal Receivables may be repaid at the date which the Company will specify.
(7) Interest Payment Date	(i) The first interest payment date will be September 15, 2013, and (ii) the subsequent interest payment dates up to and including March of 2018 (March of 2017 if the request for exercise is made under the Exercise Commitment Provisions



	<p>during the period from February 15, 2017 to March 14, 2017) will be the 15<sup>th</sup> day of March and September every year and (iii) afterward, the interest payment date will be the 15<sup>th</sup> day of every month (however, the last interest payment date is the day on which the Loan Principal Receivables is fully repaid). If an interest payment date determined in the case of (i) through (iii) above is not a business day, the interest payment date will be the immediately following business day, and if the immediately following business day falls on the following calendar month, the immediately preceding business day.</p>
(8) Applicable Interest Rate	<p>(a) The period on and after the drawdown date up to and not including the interest payment date that falls on March of 2018 (the interest payment date that falls on March of 2017 if the request for exercise is made under the Exercise Commitment Provisions during the period from February 15, 2017 to March 14, 2017): Six months Japanese Yen TIBOR + 0.305 %</p> <p>(b) On and after the interest payment date that falls on March of 2018 (the interest payment date that falls on March of 2017 if the request for exercise is made under the Exercise Commitment Provisions during the period from February 15, 2017 to March 14, 2017): One month Japanese Yen TIBOR + 0.305 %</p> <p>* Note that applicable interest rate includes expenses relating to maintaining scheme for Sumitomo Mitsui Banking Corporation (Trust Account) and SPC.</p>
(9) Exercise of the Stock Acquisition Rights	<p>If the Stock Acquisition Rights are exercised and the Loan Principal Receivables are contributed, the Loan Principal Receivables pertaining to such exercised Stock Acquisition Rights will be considered due and payable and will have been granted to the borrower.</p>
(10) Security Interests	<p>No security or guarantee</p>
(11) Purpose of the Funding	<p>See Section 3(2) below</p>

### 3. Amount, Purpose of Use and Scheduled Expenditure Period of Funds Procured

#### (1) Amount of Funds Procured

Total amount to be paid	Estimated amounts of the issuance expenses	Estimated proceeds after deduction of costs
-	-	-

- \* Because the total issue amount of the Stock Acquisition Rights is 0 yen and the Loan Principal Receivables are contributed in-kind upon exercise of the Stock Acquisition Rights, there are no funds that will be newly paid in.
- \* The Company will, upon issuance of the Stock Acquisition Rights, procure a total of 100,000 million yen pursuant to the Loan Agreement.
- \* The estimated amounts of expenses for the Fund Procurement is 1,341 million yen of financial advisory fees, 5 million yen of legal advisory fees and 3 million yen of expenses for calculations of the value.

(2) Specific Purpose of Use and Scheduled Expenditure Period of Funds Procured

Because the total issue amount of the Stock Acquisition Rights is 0 yen and the Loan Principal Receivables are contributed in-kind upon exercise of the Stock Acquisition Rights, there are no funds that will be newly paid in. The Company will, upon issuance of the Stock Acquisition Rights, procure a total of 100,000 million yen pursuant to the Loan Agreement, and the Company intends, on the same day as the borrowings drawdown date under the Loan Agreement (March 15, 2013), to appropriate such funds procured to the repayment of the principal obligations under the loan agreement that the Company has executed with Sumitomo Mitsui Banking Corporation (Trust Account) on February 8, 2008 (the “Loan Agreement with Series 1 Stock Acquisition Rights”).

4. Views on Reasonableness of Purpose of Use of Funds

All of the 100,000 million yen to be borrowed under the Loan Agreement is scheduled to be used for refinancing the Loan with Series 1 Stock Acquisition Rights. As described in “1. Purpose of and Reasons for the Fund Procurement,” by conducting refinancing through the Loan with Stock Acquisition Rights, it will be possible to have a capital policy that allows recapitalization according future environmental changes, to further strengthen its operating base without passing up any promising investment opportunities in the midst of intensifying competition with major non-ferrous metal players and developing non-ferrous metal companies and to move ahead with the Company’s management strategies toward its long-term vision that focuses on balance with maintaining sound financial standing. In this way, the Company will be able to contribute to increasing its shareholder value.

5. Reasonableness of Terms and Conditions of Issue

(1) Basis for determining terms and conditions of issuance are reasonable, and specific details

The Company, upon the determination of the paid amount, deemed it necessary to obtain objective and quantitative calculations for the value of the Loan with Stock Acquisition Rights

in order to ensure fairness, and thus requested Akasaka International Accounting Co., Ltd., an independent third party calculation agent, to calculate the value of the Loan with Stock Acquisition Rights, and obtained therefrom an appraisal report of the Loan with Stock Acquisition Rights. In the appraisal report, the value is calculated using a binomial lattice model, which is a popular pricing model and, in addition to the various terms and conditions of the issuance of the Stock Acquisition Rights, the value was calculated on the premise of the values for the current interest rates, the market price at the time of calculation of the Company's common stock, and the volatility, dividend yield and the like that are considered to have an effect on the theoretical value and the like of the Loan with Stock Acquisition Rights. With respect to the values for the current interest rates that have a material effect on a theoretical value of the Loan with Stock Acquisition Rights, the credit risk of the Company is considered in accordance with the period up to the maturity date of the Loan with Stock Acquisition Rights. In addition, with respect to the volatility, historical volatility is employed in accordance with the period up to the maturity date of the Loan with Stock Acquisition Rights. With respect to the Exercise Commitment Provisions and the Exercise Restriction Provisions in the Scheme, certain prerequisites will be imposed on the Company's conduct in connection with a request for exercise made under the Exercise Commitment Provisions, and the value is appraised on the assumption that the approval of exercise that cancel the Exercise Restriction Provisions will occur uniformly and dispersedly during the Exercise Period after discussion of the Company's capital requirements or the like has taken place. As a result of the calculation made based on these premises, a theoretical value of the Loan with Stock Acquisition Rights of 99,981 million yen has been deemed as generally balanced with each other the paid in amount of the Loan Principal Receivables of 100,000 million yen., because (i) the theoretical fair value of the Stock Acquisition Rights and (ii) the actual value of the Stock Acquisition Rights (effect of interest reduction) are generally in balance with each other.

The Company has determined that, upon confirming that the preconditions and the calculation method pertaining to the calculation of the value of the Loan with Stock Acquisition Rights in the appraisal report is proper, referring to the appraisal report and comprehensively taking into account the following matters, it is not a particularly favorable term or condition for the Scheduled Subscriber to not require payment of any money in exchange for the Stock Acquisition Rights.

- (a) That the property to be contributed upon exercise of the Stock Acquisition Rights is restricted to the Loan Principal Receivables; that if the Loan Agreement is not drawn down then the Stock Acquisition Rights cannot be exercised and will be immediately extinguished; that it is agreed that the Stock Acquisition Rights and the Loan Principal Receivables will not be transferred separately; and even if the Loan Principal Receivables are extinguished upon, for example, the repayment of the loan, the exercise of the Stock Acquisition Rights will be extinguished, the Stock Acquisition Rights and the Loan Agreement are inseparable, and the Stock Acquisition Rights and the Loan Principal Receivables, which is the property to be contributed upon exercise of the Stock Acquisition Rights are closely intertwined.

- (b) That by attaching the Stock Acquisition Rights to the Loan Agreement, it will be possible to procure long-term funds on generally more favorable terms than an ordinary loan.

All of auditors of the Company also determine that, upon confirming that the precondition and the calculation method pertaining to the calculation of the value of the Loan with Stock Acquisition Rights in the appraisal report is proper, referring to the appraisal report and comprehensively taking into account the above matters, it is not a particularly favorable term or condition for the Scheduled Subscriber to not require payment of any money in exchange for the Stock Acquisition Rights.

- (2) Basis for determining that the number of shares to be issued and the scale of dilution of the shares are reasonable

Since the number of shares of the common stock of the Company to be delivered upon exercise of the Stock Acquisition Rights changes in accordance with the revision of the exercise price, the number of shares of the common stock of the Company to be delivered upon exercise of the Stock Acquisition Rights is not fixed at this moment. The exercise price of the Stock Acquisition Rights will be determined in accordance with the future share price of the common stock of the Company, and the Stock Acquisition Rights will not be exercised at the exercise price that is less than the minimum exercise price. If all of the Stock Acquisition Rights are exercised at the minimum exercise price, the ratio of the number of residual shares (69,637,880 shares) and outstanding voting rights (69,634 voting rights) to be exercised to the total number of currently outstanding shares of the Company's common stock (581,628,031 shares) and the total number of voting rights (548,942 voting rights) as at December 31, 2012 is 12.0 % and 12.7 % respectively.

Therefore, as described above, shares will be diluted if shares of the common stock of the Company are delivered upon exercise of the Stock Acquisition Rights, but the Company determines as follows that the number of the Stock Acquisition Rights to be issued and the scale of dilution of the shares are reasonable level for shareholders of the Company.

- (a) The Fund Procurement will contribute to increasing the Company's shareholder value as described in "1. Purpose of and Reasons for the Fund Procurement."
- (b) The opportunity to exercise the Stock Acquisition Rights and to deliver shares of the common stock of the Company is limited since the Exercise Restriction Provisions are attached to the Stock Acquisition Rights.
- (c) The scale of dilution of the shares is limited since the minimum exercise price of the Stock Acquisition Rights is set as the price not less than the share closing price on the day immediately preceding the day of the resolution to issue the Stock Acquisition Rights.
- (d) If the Stock Acquisition Rights are exercised through the application of the Exercise

Commitment Provisions, a certain consideration is taken in order to avoid rapid dilution of shares by the scheme being designed so that the exercise obligation may be incrementally performed over a period of two years.

- (e) The Exercise Commitment Provisions contains a provision to alleviate the dilution of shares and the downward pressure of share price accompanying the deterioration of supply and demand, stipulating that if the liquidity of the common stock of the Company is considerably reduced in each Specified Exercise Obligation Period during the Exercise Obligation Period, the exercise obligation of the Stock Acquisition Rights during the Specified Exercise Obligation Period will be extinguished.
- (f) The Company has agreed with the Scheduled Subscriber that, in the Stock Acquisition Rights Allotment Agreement, in principle, the exercise of the Stock Acquisition Rights will be restricted if the number of shares of the Company to be acquired exceeds 10% of the number of outstanding shares of the Company as at the allotment date in a calendar month that includes the day on which the exercise of such Stock Acquisition Rights is desired pursuant to Article 434(1) of the Securities Listing Regulations and Paragraphs (1) through (5) of Article 436 of the Securities Listing Regulations Enforcement Regulations established by the Tokyo Stock Exchange, Inc; therefore, if the Stock Acquisition Rights are exercised, such exercise will not have an excessive effect on the market, and the effect on shareholders will be limited.
- (g) The Company holds an appropriate number of own shares since the Company is repurchasing own shares as a part of shareholder returns (29,398,027 shares which is 5.1 % of the number of outstanding shares as of December 31, 2012), and even if the Stock Acquisition Rights are exercised, it will be possible to control any issuance of new shares and increase in the number of residual shares by delivering such own shares.

## 6. Reasons for Selecting the Scheduled Subscriber

### (1) Outline of the Scheduled Subscriber

#### <Outline of the Scheduled Subscriber>

(1) Name	Sumitomo Mitsui Banking Corporation (Trust Account)	
(2) Location	1-1-2 Marunouchi, Chiyoda-ku, Tokyo, Japan	
(3) Position and Name of Representative	Takeshi Kunibe, President	
(4) Business Details	Banking business	
(5) Capital Stock	1,770,996,000,000 (as of September 30, 2012)	
(6) Date of Incorporation	June 6, 1996	
(7) Outstanding Shares	106,248,400 common shares; 70,001 preferred shares (as of September 30, 2012)	
(8) End of Fiscal Year	March 31	
(9) Number of Employees	48,501 (as of September 30, 2012)	
(10) Main Customers	General customers (including individuals and corporations)	
(11) Major Shareholders and Shareholding Ratios	Sumitomo Mitsui Financial Group: 100.00%	
(12) Relationship with the Company	Capital Relationship	Number of shares of common stock of the Company held by Sumitomo Mitsui Banking Corporation: 7,650,491 shares (as of September 30, 2012) (see notes 1 and 2)

	Personnel Relationship	There is no personnel relationship that needs to be noted between Sumitomo Mitsui Banking Corporation and the Company. There is no personnel relationship between individuals or companies related to Sumitomo Mitsui Banking Corporation and those related to the Company that needs special mention.		
	Business Relationship	Deposits, lending, etc.		
	Applicable Status with Related Parties	Sumitomo Mitsui Banking Corporation does not constitute a related party of the Company. Individuals, and companies related to Sumitomo Mitsui Banking Corporation also do not constitute related parties of the Company.		
<b>(13) Business Results and Financial Conditions over the Past 3 Years (Unit: JPY 1 million, except as specified)</b>				
Fiscal Year	Ended March 2010	Ended March 2011	Ended March 2012	
Net assets (consolidated)	6,894,564	6,983,132	7,276,706	
Total assets (consolidated)	120,041,369	132,715,674	138,251,602	
Net assets (consolidated) per share (yen)	49,036.12	50,344.52	53,960.98	
Operating income (consolidated)	2,579,933	2,711,380	2,687,911	
Ordinary income (consolidated)	557,781	751,208	857,919	
Current net earnings (consolidated)	332,497	450,832	533,816	
Current net earnings (consolidated) per share (yen)	4,240.20	4,184.89	5,024.23	
Dividends per share (yen)	1,620 (common stock) 88,500 (First Series Type 6 Preferred Stock)	1,388 (common stock) 88,500 (First Series Type 6 Preferred Stock)	1,485 (common stock)	

Notes:

1. Although Sumitomo Mitsui Banking Corporation (Trust Account) holds 20,000 Series 1 Stock Acquisition Rights of Sumitomo Metal Mining Co., Ltd. that were issued by the Company on February 15, 2008, the Company intends, on the same day as the borrowings drawdown date under the Loan Agreement (March 15, 2013), to allot the borrowings under the Loan Agreement to the repayment of the principal obligations under the Loan Agreement with Series 1 Stock Acquisition Rights, and so the stock acquisition rights will be extinguished without being exercised due to such repayment.
2. The Company holds 831,691 shares of common stock of Sumitomo Mitsui Financial Group, which is the parent company of Sumitomo Mitsui Banking Corporation (as of September 30, 2012).

<Outline of SPC>

(1) Name	SMM CL2 Corporation Ippan Shadan Hojin
(2) Location	Tokyo Kyodo Accounting Office, 3-1-1 Marunouchi, Chiyoda-ku, Tokyo, Japan
(3) Position and Name of Representative	Yohei Sekiguchi, Representative Manager
(4) Business Details	<ul style="list-style-type: none"> <li>- Acquisition, holding, and disposition of stock acquisition rights, loan receivables, and other claims</li> <li>- Acquisition, holding, and disposition of beneficial interests in securities in trust, bond trusts, specified monetary trusts, money trusts, or comprehensive trusts that are combinations thereof</li> <li>- Any other business incidental to or related to the above-mentioned businesses</li> </ul>

(5)	Fund	3,500,000 (as of February 25, 2013)	
(6)	Date of Incorporation	January 28, 2013	
(7)	End of Fiscal Year	December 31	
(8)	Relationship with the Company	Capital Relationship	The Company has contributed all funds of SPC.
		Personnel Relationship	There is no personnel relationship that needs to be noted between SPC and the Company. There is no personnel relationship between individuals or companies related to SPC and those related to the Company that needs special mention.
		Business Relationship	SPC was established for the implementation of the Fund Procurement.
		Applicable Status with Related Parties	SPC does not constitute a related party of the Company.

<Outline of ABL Lenders>

(a) Sumitomo Mitsui Banking Corporation

(1)	Name	Sumitomo Mitsui Banking Corporation		
(2)	Scheduled Loan Amount under ABL Agreement	60,500,000,000 yen		
(3)	Location	1-1-2 Marunouchi, Chiyoda-ku, Tokyo, Japan		
(4)	Position and Name of Representative	Takeshi Kunibe, President		
(5)	Business Details	Banking business		
(6)	Capital Stock	1,770,996,000,000 (as of September 30, 2012)		
(7)	Date of Incorporation	June 6, 1996		
(8)	Outstanding Shares	106,248,400 shares of common stock; 70,001 shares of preferred stock (as of September 30, 2012)		
(9)	End of Fiscal Year	March 31		
(10)	Number of Employees	48,501 (as of September 30, 2012)		
(11)	Main Customers	General customers (including individuals and corporations)		
(12)	Major Shareholders and Shareholding Ratios	Sumitomo Mitsui Financial Group: 100.00%		
(13)	Relationship with the Company	Capital Relationship	Number of shares of common stock of the Company held by Sumitomo Mitsui Banking Corporation: 7,650,491 shares (as of September 30, 2012) (see notes 1 and 2)	
		Personnel Relationship	There is no personnel relationship that needs to be noted between Sumitomo Mitsui Banking Corporation and the Company. There is no personnel relationship between individuals or companies related to Sumitomo Mitsui Banking Corporation and those related to the Company that needs special mention.	
		Business Relationship	Deposits, lending, etc.	
		Applicable Status with Related Parties	Sumitomo Mitsui Banking Corporation does not constitute a related party of the Company. Individuals, and companies related to Sumitomo Mitsui Banking Corporation also do not constitute related parties of the Company.	
(14)	Business Results and Financial Conditions over the Past 3 Years (Unit: JPY 1 million, except as specified)			
	Fiscal Year	Ended March 2010	Ended March 2011	Ended March 2012
	Net assets (consolidated)	6,894,564	6,983,132	7,276,706
	Total assets (consolidated)	120,041,369	132,715,674	138,251,602

Net assets (consolidated) per share (yen)	49,036.12	50,344.52	53,960.98
Operating income (consolidated)	2,579,933	2,711,380	2,687,911
Ordinary income (consolidated)	557,781	751,208	857,919
Current net earnings (consolidated)	332,497	450,832	533,816
Current net earnings (consolidated) per share (yen)	4,240.20	4,184.89	5,024.23
Dividends per share (yen)	1,620 (common stock) 88,500 (First Series Type 6 Preferred Stock)	1,388 (common stock) 88,500 (First Series Type 6 Preferred Stock)	1,485 (common stock)

Notes:

1. Although Sumitomo Mitsui Banking Corporation (Trust Account) holds 20,000 Series 1 Stock Acquisition Rights of Sumitomo Metal Mining Co., Ltd. that were issued by the Company on February 15, 2008, the Company intends, on the same day as the borrowings drawdown date under the Loan Agreement (March 15, 2013), to appropriate the borrowings under the Loan Agreement to the repayment of the principal obligations under the Loan Agreement with Series 1 Stock Acquisition Rights, and so the stock acquisition rights will be extinguished without being exercised due to such repayment.
2. The Company holds 831,691 shares of common stock of Sumitomo Mitsui Financial Group, which is the parent company of Sumitomo Mitsui Banking Corporation (as of September 30, 2012).

(b) Sumitomo Mitsui Trust Bank

(1) Name	Sumitomo Mitsui Trust Bank, Limited	
(2) Scheduled Loan Amount under ABL Agreement	30,000,000,000 yen	
(3) Location	1-4-1 Marunouchi, Chiyoda-ku, Tokyo, Japan	
(4) Position and Name of Representative	Hitoshi Tsunekage, President	
(5) Business Details	Banking business	
(6) Capital Stock	342,037,000,000 (as of September 30, 2012)	
(7) Date of Incorporation	July 28, 1925	
(8) Outstanding Shares	1,674,537,008 shares of common stock; 109,000,000 shares of Type 2 Preferred Stock (as of September 30, 2012)	
(9) End of Fiscal Year	March 31	
(10) Number of Employees	19,164 (as of September 30, 2012)	
(11) Main Customers	General customers (including individuals and corporations)	
(12) Major Shareholders and Shareholding Ratios	Sumitomo Mitsui Trust Holdings, Inc.: 100.00%	
(13) Relationship with the Company	Capital Relationship	Number of shares of the Company held by Sumitomo Mitsui Trust Bank, Limited: 866,000 shares (as of September 30, 2012) (see notes 1 and 2)
	Personnel Relationship	There is no personnel relationship that needs to be noted between Sumitomo Mitsui Trust Bank, Limited and the Company. There is no personnel relationship between individuals or companies related to Sumitomo Mitsui Trust Bank, Limited and those related to the Company that needs special mention.
	Business Relationship	Deposits, lending, delegation of shareholder registry administrator services, etc.



	Applicable Status with Related Parties	Sumitomo Mitsui Trust Bank, Limited does not constitute a related party of the Company. Individuals, and companies related to Sumitomo Mitsui Trust Bank, Limited also do not constitute related parties of the Company.	
(14) Business Results and Financial Conditions over the Past 3 Years (Unit: JPY 1 million, except as specified)			
Fiscal Year	Ended March 2010	Ended March 2011	Ended March 2012
Net assets (consolidated)	1,449,945	1,507,095	1,544,342
Total assets (consolidated)	20,551,049	20,926,094	21,438,505
Net assets (consolidated) per share (yen)	619.15	651.72	673.00
Operating income (consolidated)	859,610	829,365	967,663
Ordinary income (consolidated)	148,147	100,765	145,146
Current net earnings (consolidated)	53,180	83,509	59,068
Current net earnings (consolidated) per share (yen)	30.17	47.11	32.52
Dividends per share (yen)	10.00 (common stock) 24.28 (Type 2 Preferred Stock)	14.00 (common stock) 42.30 (Type 2 Preferred Stock)	45.85 (common stock) 42.30 (Type 2 Preferred Stock)

Notes:

1. Although the Company was notified by the Holding Change Report regarding the Large-Scale Holding Report filed by Sumitomo Mitsui Trust Bank, Limited and the other two joint holders on August 21, 2012 that Sumitomo Mitsui Trust Bank, Limited holds 48,056,700 shares of common stock of the Company as of August 15, 2012 (the date on which reporting obligations accrue), the actual number of shares held by Sumitomo Mitsui Trust Bank, Limited has not yet been confirmed as of September 30, 2012.
2. The Company holds 9,712,408 shares of common stock and 5,000,000 shares of First Series Type 7 Preferred Stock of Sumitomo Mitsui Trust Holdings, Inc., which is the parent company of Sumitomo Mitsui Trust Bank, Limited (as of September 30, 2012).

(c) Iyo Bank

(1) Name	The Iyo Bank, Ltd.	
(2) Scheduled Loan Amount under ABL Agreement	5,000,000,000 yen	
(3) Location	1 Minamihoribata-cho, Matsuyama-shi, Ehime, Japan	
(4) Position and Name of Representative	Iwao Otsuka, President	
(5) Business Details	Banking business	
(6) Capital Stock	20,948,000,000 (as of September 30, 2012)	
(7) Date of Incorporation	September 1, 1941	
(8) Outstanding Shares	323,775,366 shares (as of September 30, 2012)	
(9) End of Fiscal Year	March 31	
(10) Number of Employees	2,954 (as of September 30, 2012)	
(11) Main Customers	General customers (including individuals and corporations)	
(12) Major Shareholders and Shareholding Ratios	Japan Trustee Services Bank, Ltd.: 11.39%	
(13) Relationship with the Company	Capital Relationship	Number of shares of common stock of the Company held by The Iyo Bank, Ltd.: 2,379,684 shares (as of September 30, 2012) Number of shares of The Iyo Bank, Ltd. held by the Company: 1,926,603 (as of September 30, 2012)

	Personnel Relationship	There is no personnel relationship that needs to be noted between The Iyo Bank, Ltd. and the Company. There is no personnel relationship between individuals or companies related to The Iyo Bank, Ltd. and those related to the Company that needs special mention.		
	Business Relationship	Deposits, lending, etc.		
	Applicable Status with Related Parties	The Iyo Bank, Ltd. does not constitute a related party of the Company. Individuals, and companies related to The Iyo Bank, Ltd. also do not constitute related parties of the Company.		
<b>(14) Business Results and Financial Conditions over the Past 3 Years (Unit: JPY 1 million, except as specified)</b>				
Fiscal Year	Ended March 2010	Ended March 2011	Ended March 2012	
Net assets (consolidated)	375,273	377,976	414,428	
Total assets (consolidated)	5,210,401	5,365,448	5,672,541	
Net assets (consolidated) per share (yen)	1,129.47	1,134.33	1,246.79	
Operating income (consolidated)	115,954	114,857	124,486	
Ordinary income (consolidated)	20,798	26,648	35,516	
Current net earnings (consolidated)	13,272	15,076	18,413	
Current net earnings (consolidated) per share (yen)	41.58	47.24	57.71	
Dividends per share (yen)	8.00	8.00	9.00	

**(d) Joyo Bank**

(1) Name	Joyo Bank, Ltd.		
(2) Scheduled Loan Amount under ABL Agreement	2,500,000,000 yen		
(3) Location	2-5-5 Minami-machi, Mito-shi, Ibaraki, Japan		
(4) Position and Name of Representative	Kazuyoshi Terakado, President		
(5) Business Details	Banking business		
(6) Capital Stock	85,113,000,000 (as of September 30, 2012)		
(7) Date of Incorporation	July 30, 1935		
(8) Outstanding Shares	799,231,875 shares (as of September 30, 2012)		
(9) End of Fiscal Year	March 31		
(10) Number of Employees	3,855 (as of September 30, 2012)		
(11) Main Customers	General customers (including individuals and corporations)		
(12) Major Shareholders and Shareholding Ratios	Northern Trust Company Sub-Account: 5.08%		
(13) Relationship with the Company	Capital Relationship	Number of shares of common stock of the Company held by Joyo Bank, Ltd.: 2,958,000 shares (as of September 30, 2012) Number of shares of Joyo Bank, Ltd. held by the Company: 1,517,825 shares (as of September 30, 2012)	
	Personnel Relationship	There is no personnel relationship that needs to be noted between Joyo Bank, Ltd. and the Company. There is no personnel relationship between individuals or companies related to Joyo Bank, Ltd. and those related to the Company that needs special mention.	
	Business Relationship	Deposits, lending, etc.	
	Applicable Status with Related Parties	Joyo Bank, Ltd. does not constitute a related party of the Company. Individuals, and companies related to Joyo Bank, Ltd. also do not constitute related parties of the Company.	

(14) Business Results and Financial Conditions over the Past 3 Years (Unit: JPY 1 million, except as specified)			
Fiscal Year	Ended March 2010	Ended March 2011	Ended March 2012
Net assets (consolidated)	428,101	424,997	446,615
Total assets (consolidated)	7,416,708	7,438,307	8,005,275
Net assets (consolidated) per share (yen)	551.79	551.72	583.98
Operating income (consolidated)	161,359	154,402	153,673
Ordinary income (consolidated)	20,308	20,791	33,822
Current net earnings (consolidated)	14,051	13,990	18,134
Current net earnings (consolidated) per share (yen)	18.17	18.14	23.66
Dividends per share (yen)	8.00	8.00	8.00

(e) Nanto Bank

(1) Name	The Nanto Bank, Ltd.		
(2) Scheduled Loan Amount under ABL Agreement	1,000,000,000 yen		
(2) Location	16 Hashimoto-cho, Nara-shi, Nara, Japan		
(3) Position and Name of Representative	Yasuo Ueno, President		
(4) Business Details	Banking business		
(5) Capital Stock	29,249,000,000 (as of September 30, 2012)		
(6) Date of Incorporation	June 1, 1934		
(7) Outstanding Shares	281,756,564 shares (as of September 30, 2012)		
(8) End of Fiscal Year	March 31		
(9) Number of Employees	2,984 (as of September 30, 2012)		
(10) Main Customers	General customers (including individuals and corporations)		
(11) Major Shareholders and Shareholding Ratios	Japan Trustee Services Bank, Ltd. (Trust Account): 3.76%		
(12) Relationship with the Company	Capital Relationship	Number of shares of common stock of the Company held by The Nanto Bank, Ltd.: 2,536,671 shares (as of September 30, 2012) Number of shares of The Nanto Bank, Ltd. held by the Company: 942,858 shares (as of September 30, 2012)	
	Personnel Relationship	There is no personnel relationship that needs to be noted between The Nanto Bank, Ltd. and the Company. There is no personnel relationship between individuals or companies related to The Nanto Bank, Ltd. and those related to the Company that needs special mention.	
	Business Relationship	Deposits, lending, etc.	
	Applicable Status with Related Parties	The Nanto Bank, Ltd. does not constitute a related party of the Company. Individuals, and companies related to The Nanto Bank, Ltd. also do not constitute related parties of the Company.	
(13) Business Results and Financial Conditions over the Past 3 Years (Unit: JPY 1 million, except as specified)			
Fiscal Year	Ended March 2010	Ended March 2011	Ended March 2012
Net assets (consolidated)	207,095	207,175	212,241
Total assets (consolidated)	4,568,768	4,608,561	4,809,575
Net assets (consolidated) per share (yen)	661.81	660.24	675.42
Operating income (consolidated)	93,932	90,981	90,075
Ordinary income (consolidated)	10,928	12,781	11,676
Current net earnings (consolidated)	7,293	6,584	3,467
Current net earnings (consolidated) per share (yen)	26.45	23.88	12.57

Dividends per share (yen)	6.00	6.00	6.00
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(f) Hyakujushi Bank

(1) Name	The Hyakujushi Bank, Ltd.		
(2) Scheduled Loan Amount under ABL Agreement	1,000,000,000 yen		
(3) Location	5-1 Kamei-cho, Takamatsu-shi, Kagawa, Japan		
(4) Position and Name of Representative	Tomoki Watanabe, President		
(5) Business Details	Banking business		
(6) Capital Stock	37,322,000,000 (as of September 30, 2012)		
(7) Date of Incorporation	March 30, 1924		
(8) Outstanding Shares	310,076,069 shares (as of September 30, 2012)		
(9) End of Fiscal Year	March 31		
(10) Number of Employees	2,603 (as of September 30, 2012)		
(11) Main Customers	General customers (including individuals and corporations)		
(12) Major Shareholders and Shareholding Ratios	Japan Trustee Services Bank, Ltd. (Trust Account): 6.20%		
(13) Relationship with the Company	Capital Relationship	Number of shares of common stock of the Company held by The Hyakujushi Bank, Ltd.: 2,000,268 shares (as of September 30, 2012) Number of shares of The Hyakujushi Bank, Ltd. held by the Company: 1,859,128 shares (as of September 30, 2012)	
	Personnel Relationship	There is no personnel relationship that needs to be noted between The Hyakujushi Bank, Ltd. and the Company. There is no personnel relationship between individuals or companies related to The Hyakujushi Bank, Ltd. and those related to the Company that needs special mention.	
	Business Relationship	Deposits, lending, etc.	
	Applicable Status with Related Parties	The Hyakujushi Bank, Ltd. does not constitute a related party of the Company. Individuals, and companies related to The Hyakujushi Bank, Ltd. also do not constitute related parties of the Company.	
(14) Business Results and Financial Conditions over the Past 3 Years (Unit: JPY 1 million, except as specified)			
Fiscal Year	Ended March 2010	Ended March 2011	Ended March 2012
Net assets (consolidated)	225,432	220,402	227,854
Total assets (consolidated)	3,844,792	3,862,071	4,018,896
Net assets (consolidated) per share (yen)	684.40	666.04	700.36
Operating income (consolidated)	83,459	78,740	76,945
Ordinary income (consolidated)	9,346	8,171	14,075
Current net earnings (consolidated)	5,371	5,209	5,813
Current net earnings (consolidated) per share (yen)	17.44	16.91	18.92
Dividends per share (yen)	7.00	7.00	7.00

\*The Company concluded that, of the Scheduled Subscriber and the ABL Lenders, (a) Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited were trading participants engaging in government bond futures trading on the Tokyo Stock Exchange and as indicated by the "Corporate Governance Report" filed with Tokyo Stock Exchange, Inc. by their parent companies, those companies had no connection with antisocial forces and (b) other companies were listed on the First Section of the Tokyo Stock Exchange and as indicated by the "Corporate Governance Report" filed with Tokyo Stock Exchange, Inc., those companies had no connection with antisocial forces. With

regard to SPC, the Company concluded by having searched the Internet, etc. for information on SPC, that SPC had no connection with antisocial forces and filed a written confirmation with Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. However, because Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited are trading participants engaging in government bond futures trading on the Tokyo Stock Exchange, such written confirmation is not required to be filed with Tokyo Stock Exchange, Inc. or Osaka Securities Exchange Co., Ltd.

## (2) Reasons for Selecting the Scheduled Subscriber

The ABL Lenders including Sumitomo Mitsui Banking Corporation, which are the fund providers for the Fund Procurement, are financial institutions that have been doing business with the Company for many years, and they are familiar with the Company's characteristics such as its financial policy, credit standing, business model, and operating environment. Further, as a result of consultations with SMBC Nikko Securities Inc., which arranged the Fund Procurement, and the ABL Lenders, the Company decided to adopt the Scheme in the Fund Procurement described above and made Sumitomo Mitsui Banking Corporation (Trust Account) the Scheduled Subscriber of the Stock Acquisition Rights.

Further, as stated above, it is expected that the beneficiary interests in trusts under the Trust Agreement will be held by SPC and will be provided to the ABL Lenders as a security over the loan to SPC.

Note: The Fund Procurement is to be carried out based on the advice of SMBC Nikko Securities Inc., a member of the Japan Securities Dealers Association, and will be carried out with consideration for the "Regulations concerning Handling of Allocation of New Shares to a Third Party, etc." established by the Japan Securities Dealers Association.

## (3) Holding Policy and Conversion (Exercise) Restriction Measures of the Scheduled Subscriber

The Stock Acquisition Rights Holder may not transfer the Stock Acquisition Rights without the approval of the board of directors of the Company (provided, however, that the transfer of the Stock Acquisition Rights will be approved as soon as a request is received by the board of directors of the Company if the principal and interest receivables under the Loan Agreement are delivered to a beneficiary as a delivery of trust assets under the Trust Agreement). The Scheduled Subscriber has not committed to hold long term the shares of common stock of the Company that will be delivered to the Scheduled Subscriber upon exercise of the Stock Acquisition Rights. The shares of common stock of the Company that will be delivered to the Stock Acquisition Rights Holders upon exercise of the Stock Acquisition Rights may be sold to a third party at the discretion of the holder of those shares.

The Company has agreed with the Scheduled Subscriber under the Stock Acquisition Rights Allotment Agreement, and has taken any other necessary measures, that if the number of shares of common stock of the Company that are to be acquired through the exercise of the Stock Acquisition Rights in a calendar month in which the day on which the exercise of such Stock Acquisition Rights is desired exceeds 10% of the number of listed shares of the Company at the time of the allotment of the Stock Acquisition Rights, it will not be possible to exercise the Stock Acquisition Rights that pertain to the shares that exceed 10% of the listed shares pursuant to Rule 434 (1) of the Securities Listing Regulations and Paragraphs (1) through (5) of Rule 436 of the Enforcement Rules for Securities Listing Regulations established by Tokyo Stock Exchange, Inc., Article 4 (1) of the Regulations concerning the Corporate Behavior Guidelines and Sections 2 (1) through (6) of the Handling of the Regulations concerning the Corporate Behavior Guidelines established by the Osaka Securities Exchange Co., Ltd., and the provisions of “Regulations concerning Handling of Allocation of New Shares to a Third Party, etc.” established by the Japan Securities Dealers Association.

#### (4) Details Confirmed as to Existence of Properties Required for Payment by Scheduled Subscriber

Because the total issue amount of the Stock Acquisition Rights is 0 yen and the Loan Principal Receivables are contributed in-kind upon exercise of the Stock Acquisition Rights, there are no funds that will be required to be paid upon issuance and exercise of the Stock Acquisition Rights.

The loan to the Company by the Scheduled Subscriber under the Loan Agreement uses as its capital the borrowed funds drawn down by the ABL Lenders under the ABL Agreement. The Company has confirmed in the Loan Agreement that the ABL Lenders bear various obligations specified in the ABL Agreement including obligations to make a loan in accordance with the ABL Agreement, and confirmed by the latest annual securities reports, interim reports, and quarterly securities reports disclosed by the ABL Lenders that the ABL Lenders hold sufficient cash reserves for the loan under the ABL Agreement.

#### (5) Agreement on Share Loans

There is no plan to execute an agreement or similar instrument between any director or major shareholder of the Company and Sumitomo Mitsui Banking Corporation (Trust Account), which is the Scheduled Subscriber, concerning the lending of the Company shares in connection with the Fund Procurement.

Further, the Company has agreed with the Scheduled Subscriber that, in the Stock Acquisition Rights Allotment Agreement, the Scheduled Subscriber will not borrow any of the same class of shares as the shares to be acquired as a result of the exercise of the Stock Acquisition Rights as a trustee under the Trust Agreement executed with SPC for

the purpose of short selling other than, among others, selling such shares within the scope of the number of such shares.

## 7. Major Shareholders and Shareholding Ratios

Before Allotment (as of September 30, 2012)	
Japan Trustee Service Bank, Ltd. (Trust Account)	8.30%
The Master Trust Bank of Japan, Ltd. (Trust Account)	6.20%
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	2.24%
NT RE GOVT OF SPORE INVT CORP P.LTD	1.87%
Japan Trustee Service Bank, Ltd. (Trust Account 9)	1.65%
NIPPON STEEL & SUMITOMO METAL CORPORATION	1.49%
Sumitomo Mitsui Banking Corporation	1.31%
Sumitomo Life Insurance Company	1.28%
Sumitomo Corporation	1.20%
TOYOTA MOTOR CORPORATION	1.20%

\*Because the Scheduled Subscriber has not committed to hold long term the shares of common stock of the Company that will be delivered to the Scheduled Subscriber upon exercise of the Stock Acquisition Rights, the information for “Major Shareholders and Shareholding Ratios after Solicitation,” which reflects the number of residual shares pertaining to the Stock Acquisition Rights, is not shown. If any of the ABL Lenders receives delivery of the beneficiary interests in trust under the Trust Agreement due to accord and satisfaction or enforcement of a security interest and the Trust Agreement is terminated, the ABL Lender will become a Stock Acquisition Rights Holder, in which case its maximum shareholding ratio reflected in the residual shares pertaining to all of the Stock Acquisition Rights will be 7.6% by Sumitomo Mitsui Banking Corporation, 3.3% by Sumitomo Mitsui Trust Bank, Limited, 0.9% by The Iyo Bank, Ltd., 0.7% by Joyo Bank, Ltd., 0.5% by The Nanto Bank, Ltd., and 0.4% by The Hyakujushi Bank, Ltd. However, the ABL Lenders are subject to limitations, which are imposed by regulations under Article 16-3 of the Banking Act, on the holding of voting rights that exceed 5% of all the voting rights and therefore, if at the time of intending to exercise the Stock Acquisition Rights, the percentage calculated from the sum of the number of the Company’s voting rights to be held upon exercise of the Stock Acquisition Rights and the number of the Company’s voting rights held by each of the ABL Lenders at the time of exercise of the Stock Acquisition Rights exceeds 5% of the total voting rights of the Company, it will not be possible to exercise the Stock Acquisition Rights that pertain to the voting rights that exceed 5% of the total voting rights.

## 8. Future Outlook

This procurement of funds will have a minor impact on our performance and will not affect the forecasts for our future performance for the fiscal year ending on March 2013.

## 9. Matters regarding Procedures under Corporate Behavior Guidelines

Because (a) the dilution ratio is less than 25% and (b) changes in controlling shareholders are not involved (that is, even if all of the Stock Acquisition Rights are exercised, any change in controlling shareholders is not likely to be made), the issuance of the Stock Acquisition Rights is not required to take any of the following procedures specified in Rule 432 of the Securities Listing Regulations established by Tokyo Stock Exchange, Inc. or Article 2 of the Regulations concerning the Corporate Behavior Guidelines established by Osaka Securities Exchange Co., Ltd.: obtaining advice from an independent third party and confirming the relevant shareholders' intention.

## 10. Outline of Stock Acquisition Rights to be Extinguished

(1) Name	Sumitomo Metal Mining Co., Ltd. Series 1 Stock Acquisition Rights
(2) Number of Stock Acquisition Rights to be Issued	20,000
(3) Issue Amount	0 yen
(4) Scheduled Date of Extinguishment	March 15, 2013 (scheduled drawdown date under Loan Agreement)

## 11. Results Over Last 3 Years and Status of Equity Finance

### (1) Results Over Last 3 Years (consolidated)

	FY ended 2010	March	FY ended 2011	March	FY ended 2012	March
Sales (consolidated) (million yen)		725,827		864,077		847,897
Operating income (consolidated) (million yen)		66,265		96,038		88,498
Ordinary income (consolidated) (million yen)		87,791		123,701		108,750
Current net income (consolidated) (million yen)		53,952		83,962		65,219
Current net income (consolidated) per share (yen)		96.26		149.38		116.05
Dividend per share (yen)		20.0		32.0		28.0
Net assets (consolidated) per share (yen)		1,043.50		1,121.19		1,173.13

### (2) Number of Shares Currently Issued and Status of Residual Securities (as of September 30, 2012)

	Number of Shares	Percentage to Number of
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		Outstanding Shares
Number of outstanding shares	581,628,031 shares	100%
Number of residual securities at current conversion price / exercise price	57,175,528 shares	9.8%
Number of residual securities at minimum conversion price / exercise price	57,175,528 shares	9.8%

\*The number of residual securities is shown on the hypothetical assumption that as of today the Stock Acquisition Rights have been exercised and the exercise price has been revised.

### (3) Status of Recent Share Price

#### (a) Status over last 3 years

	FY ended March 2010	FY ended March 2011	FY ended March 2012
Open	953 yen	1,400 yen	1,436 yen
High	1,626 yen	1,593 yen	1,482 yen
Low	951 yen	1,031 yen	936 yen
Close	1,391 yen	1,431 yen	1,163 yen

#### (b) Status over last 6 months

	August	September	October	November	December	January
Open	831 yen	812 yen	977 yen	1,046 yen	1,132 yen	1,298 yen
High	905 yen	1,062 yen	1,081 yen	1,134 yen	1,233 yen	1,428 yen
Low	805 yen	785 yen	967 yen	1,007 yen	1,104 yen	1,205 yen
Close	808 yen	985 yen	1,051 yen	1,129 yen	1,208 yen	1,423 yen

#### (c) Share price on business day immediately preceding date of resolution to issue Stock Acquisition Rights

	February 22, 2013
Open	1,421 yen
High	1,454 yen
Low	1,414 yen
Close	1,436 yen

### (4) Status of Equity Finance over Last 3 Years

Not applicable.

### 12. Terms and Conditions

See Attachment.

-End-

(Attachment)

**Sumitomo Metal Mining Co., Ltd.**  
**Terms and Conditions of the Issue of the Series 2 Stock Acquisition Rights**

1. Name of the Stock Acquisition Rights

Sumitomo Metal Mining Co., Ltd. Series 2 Stock Acquisition Rights (the “Stock Acquisition Rights”)

2. Subscription Price of the Stock Acquisition Rights

There is no requirement for monies to be paid in exchange for the Stock Acquisition Rights

3. Application Period

March 15, 2013

4. Stock Acquisition Rights Allotment Date

March 15, 2013

5. Class and Number of Shares underlying the Stock Acquisition Rights

The class of shares underlying the Stock Acquisition Rights is common stock of the Company, and the number of shares of common stock of the Company to be newly issued upon exercise of one Stock Acquisition Right or the number of shares of common stock of the Company held by the Company to be disposed instead of such issuance (such issuance and disposition of shares of common stock of the Company is referred to as “Delivery”) is the maximum integer calculated by dividing 5,000,000 yen (the “Contributed Amount”) by the Exercise Price (defined in Section 8(2)) effective at that time (provided, however, that any fraction of less than one share will be rounded off and no adjustment by cash will be made). If a holder of the Stock Acquisition Rights (the “Stock Acquisition Rights Holder”) exercises multiple Stock Acquisition Rights simultaneously, the number of shares of common stock of the Company subject to be Delivery by the Company will be the maximum integer calculated by multiplying the number of the Stock Acquisition Rights exercised by such Stock Acquisition Rights Holder by the Contribution Amount, and dividing the product thereof by the Exercise Price described above (provided, however, that any fraction of less than one share will be rounded off and no adjustment by cash will be made).

6. Total Number of the Stock Acquisition Rights	20,000 units
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7. Stock Acquisition Rights Certificates

No certificates representing the Stock Acquisition Rights will be issued.

8. Description and Value of Property to be Contributed upon Exercise of the Stock Acquisition Rights

- (1) The property to be contributed upon the exercise of the Stock Acquisition Rights is the loan principle receivables (the “Loan Principle Receivables”) under the Loan Agreement Certificate (the “Loan Agreement”) dated March 8, 2013 executed by and between Sumitomo Mitsui Banking Corporation (Trust Account) and the Company, and the value thereof is 5,000,000 yen for each of the Stock Acquisition Rights. The Loan Principle Receivables to be contributed upon the exercise of the Stock Acquisition Rights will, at the same time as such contribution, be deemed to become due and payable and will be extinguished due to commingling.
- (2) When the Company Delivers shares of common stock upon the exercise of the Stock Acquisition Rights, the value per share of common stock of the Company (the “Exercise Price”) of the Loan Principle Receivables to be contributed upon exercise of the Stock Acquisition Rights will initially be 1,867 yen. The Exercise Price will be revised in accordance with Sections 9 and 10.

9. Revision of the Exercise Price

- (1) (i) On and after the day following the Allotment Date of the Stock Acquisition Rights, the Exercise Price will be revised to an amount that is equivalent to a value calculated by multiplying the average of the volume weighted average price (the volume weighted average price of whole day as of the close of afternoon trading (in case of a half-day, morning trading); the “Base Price”) of shares of common stock of the Company announced by the Tokyo Stock Exchange, Inc. on each trading day during the Market Value Calculation Period (defined in Item (2) below) with respect to the effective date of each exercise of the Stock Acquisition Rights (the “Revision Date”) set out in Section 15(2) with the ratio set out in Item (3) below (any fraction of a yen will be rounded off to the nearest whole yen). If any Base Price Adjustment Event set out in Item (4) occurs during the Market Value Calculation Period, the Base Price of each trading day during the Market Value Calculation Period will be adjusted to a price that the Company deems appropriate in a similar way to Section 10.
  - (ii) If the Exercise Price falls below 1,436 yen (the “Minimum Exercise Price”; to be adjusted in accordance with Section 10) as a result of calculating the Exercise Price under Sub-Item (i) above, the Exercise Price will be the Minimum Exercise Price.
- (2) The “Market Value Calculation Period” set out in Item (1) above means the period described in either (i) or (ii) below.
  - (i) If the Exercise Request Notification (meaning the Exercise Request Notification as set out in Article 10.1 of the Sumitomo Metal Mining Series 2 Stock Acquisition Rights Allotment Agreement Certificate (the “Stock Acquisition Rights Allotment Agreement”)

dated March 13, 2013 executed by and between Sumitomo Mitsui Banking Corporation (Trust Account) and the Company, hereinafter the same) is delivered or is deemed to have been delivered to, in accordance with the Stock Acquisition Rights Allotment Agreement, all of the Subscribing Companies set out in the Stock Acquisition Rights Allotment Agreement (including any party that assumes the rights and obligations of the Subscribing Company under the Stock Acquisition Rights Allotment Agreement subject thereto; “Subscribing Company”), and if the Revision Date is on or after the commencement date of the Exercise Obligation Period (meaning the Exercise Obligation Period provided for in Article 10.1 of the Stock Acquisition Rights Allotment Agreement; hereinafter the same) that is relevant to that Exercise Request Notification:

Three consecutive trading days up to and including the day immediately preceding the Revision Date, provided, however, that any day on which the weighted average purchase price of shares of common stock of the Company is not available on Tokyo Stock Exchange, Inc. is excluded, and if the day immediately preceding the Revision Date is not a trading day, then three consecutive trading days up to and including the immediately preceding trading day of such preceding day on which the volume weighted average price is available.

(ii) In any situation other than that set out in (i) above:

Twenty consecutive trading days up to and including the day immediately preceding the Revision Date; provided, however, that any day on which the weighted average purchase price of shares of common stock of the Company is not available on the Tokyo Stock Exchange, Inc. is excluded, and if the day immediately preceding the Revision Date is not a trading day, twenty consecutive trading days up to and including the immediately preceding trading day of such preceding day on which the volume weighted average price is available.

(3) “Ratio” mentioned in Item (1) above means the applicable ratio described in either of the following items.

(i) When the Revision Date is on or after the day following the Allotment Date of the Stock Acquisition Rights until September 14, 2014 (inclusive):

100%

(ii) When the Revision Date is on or after September 15, 2014 (excluding cases where (iii) below applies):

98%

(iii) When the Exercise Request Notification is delivered or is deemed to have been delivered to, in accordance with the Stock Acquisition Rights Allotment Agreement, all of the Subscribing Companies, and when the Revision Date is on or after the commencement date of the Exercise Obligation Period that is relevant to that Exercise Request

Notification:

95%

(4) “Base Price Adjustment Event” mentioned in Item (1) above means any of the following events.

- (i) If shares of common stock of the Company are Delivered at a Subscription Price that falls below the market value set out in Section 10(3)(ii) (provided, however, that this does not apply if shares of common stock of the Company are Delivered by the acquisition, conversion or exercise of any securities that provide for Delivery of shares of common stock of the Company, or stock acquisition rights (including those attached to bonds with stock acquisition rights) or any other securities or rights that allow a request for Delivery of shares of common stock of the Company) and either:
  - (A) when the payment date or the day immediately preceding the last day of the payment period falls within the Market Value Calculation Period (excluding cases where the Company grants rights to its shareholders to be allotted shares of common stock of the Company in the offering), or
  - (B) when the Company grants rights to its shareholders to be allotted shares of common stock of the Company in the offering and the Company determines the record date to determine shareholders to be granted such rights, and also the ex-rights date (the “Ex-Rights Date”) determined by the Tokyo Stock Exchange, Inc. with respect to the record date falls within the Market Value Calculation Period.
- (ii) If there is any share split or gratis allotment of shares of common stock of the Company (“Share Split”) and the Company determines the record date to determine shareholders to acquire shares through such Share Split, and also the Ex-Rights Date with respect to such record date falls within the Market Value Calculation Period.
- (iii) If any securities or rights that provide for Delivery of shares of common stock of the Company at a price that falls below the market value set out in Section 10(3)(ii) or stock acquisition rights (including those attached to bonds with stock acquisition rights) or other securities or rights that provide for Delivery of shares of common stock of the Company at a price that falls below the market value set out in Section 10(3)(ii) are Delivered (including any gratis allotment) and:
  - (A) when the payment date or the day immediately preceding the last day of the payment period falls within the Market Value Calculation Period (excluding cases where the Company grants rights to its shareholders to be allotted such securities or rights in the offering); or
  - (B) when the Company grants rights to its shareholders to be allotted such securities or rights in the offering and determines the record date to determine shareholders to be granted such rights, and the also Ex-Rights Date falls within the Market Value

Calculation Period.

- (iv) It is necessary to adjust the Base Price due to a share consolidation, merger, corporate split, share transfer, or share exchange.
- (v) It is necessary to adjust the Base Price due to an event which causes any change or potential change to the number of the outstanding shares of common stock of the Company other than events described in Sub-Items (i) through (iv) above.

10. Adjustment of the Minimum Exercise Price

- (1) After the Allotment Date of the Stock Acquisition Rights, the Company will adjust the Minimum Exercise Price using the following formula (the “Minimum Exercise Price Adjustment Formula”) if any event set out in Item (2) below occurs and the number of the outstanding shares of common stock of the Company changes or is likely to change.

$$\begin{array}{r}
 \text{Minimum} \\
 \text{Exercise Price} \\
 \text{after} \\
 \text{adjustment}
 \end{array}
 =
 \begin{array}{r}
 \text{Minimum} \\
 \text{Exercise Price} \\
 \text{before adjustment}
 \end{array}
 \times
 \frac{\begin{array}{r} \text{Number of} \\ \text{Outstanding Shares} + \end{array} \frac{\begin{array}{r} \text{Number of Shares to be Delivered} \\ \times \text{ Subscription Price per Share} \end{array}}{\text{Market Value}}
 }{\begin{array}{r} \text{Number of Outstanding Shares} + \text{Number of Shares to be Delivered} \end{array}}$$

- (2) The cases in which the Minimum Exercise Price is to be adjusted by the Minimum Exercise Price Adjustment Formula and the applicable period of the Minimum Exercise Price after adjustment will be as follows.
  - (i) When Delivering shares of common stock of the Company at a Subscription Price that falls below the market value set out in Item (3)(ii) below (provided, however, that this does not apply if the Company delivers shares of common stock of the Company by the acquisition, conversion or exercise of any securities that provide for Delivery of shares of common stock of the Company, or any stock acquisition rights (including those attached to bonds with stock acquisition rights) or any other securities or rights that allow a request for Delivery of shares of common stock of the Company).

The Minimum Exercise Price after adjustment will become applicable on and after the day following the payment date or the last day of the payment period, or if the Company grants to its shareholders rights to be allotted shares of common stock of the Company in the offering, the day following the record date to determine shareholders to be granted such rights (if a record date is not determined, the payment date).

(ii) If there is a Share Split of shares of common stock of the Company

The Minimum Exercise Price after adjustment will become applicable on and after the day following the record date to determine shareholders to acquire shares as a result of such Share Split (if a record date is not determined, the effective date).

(iii) If any securities or rights that provide for Delivery of shares of common stock of the Company at a price that falls below the market value set out in Item (3)(ii) below or stock acquisition rights (including those attached to bonds with stock acquisition rights) or other securities or rights that allow a request for Delivery of common stock of the Company at a price that falls below the market value set out in Item (3)(ii) below is Delivered (including any gratis allotment):

Minimum Exercise Price after adjustment will be calculated by applying *mutatis mutandis* the Minimum Exercise Price Adjustment Formula as deeming that the shares of common stock of the Company were Delivered upon acquisition, conversion or exercise of all the securities or rights to be delivered under the initial conditions, and the Minimum Exercise Price after adjustment will become applicable (a) on and after the day following the payment date or the last day of the payment period (in case of gratis allotment, the effective date) regarding the securities or rights, or (b) if the Company grants rights to its shareholders to be allotted such securities or rights in the offering, on and after the day following the record date to determine shareholders to be granted such rights (if the record date is not determined, the effective date).

(3) (i) When calculating in accordance with the Minimum Exercise Price Adjustment Formula, any fraction of a yen will be rounded off to the nearest whole yen.

(ii) The market value to be used in the Minimum Exercise Price Adjustment Formula is the average closing price of shares of common stock of the Company in regular trading on the Tokyo Stock Exchange, Inc. for a period of 30 trading days (excluding days on which there is no closing price) commencing 45 trading days prior to the day on which the Minimum Exercise Price after adjustment becomes applicable.

When calculating the average price in this case, any fraction of a yen will be rounded off to the nearest whole yen.

(iii) The Minimum Exercise Price before adjustment used in the Minimum Exercise Price Adjustment Formula will be the Minimum Exercise Price effective as of the day immediately preceding the day on which the Minimum Exercise Price after adjustment becomes applicable, and the number of outstanding shares used in the Minimum Exercise Price Adjustment Formula will be (a) the number of outstanding shares of common stock of the Company as of either the record date to determine the shareholders to be granted the right to be allotted shares in the offering (or the effective date if the record date is not determined) in case the Company grants its shareholders rights to be allotted shares of common stock of the Company in the offering or, in any other case, one month prior to the date on which the Minimum Exercise Price after adjustment becomes applicable less (b)

the number of shares of common stock of the Company held by the Company as of the date thereof. If the shares of common stock of the Company are subject to a share split, the number of shares to be Delivered which is used in the Minimum Exercise Price Adjustment Formula does not include the number of shares of common stock of the Company to be allotted to the shares of common stock of the Company held by the Company as of the record date.

(iv) If the difference between the Minimum Exercise Price after adjustment, which is calculated by the Minimum Exercise Price Adjustment Formula, and the Minimum Exercise Price before adjustment is less than one yen, the Minimum Exercise Price will not be adjusted. However, if any event requiring adjustment of the Minimum Exercise Price subsequently occurs and the Company adjusts the Minimum Exercise Price, the Company will use the Minimum Exercise Price before adjustment less such difference in the Minimum Exercise Price Adjustment Formula instead of the Minimum Exercise Price before adjustment.

(4) In addition to the events set out in Item (2) above, the Company shall adjust the Minimum Exercise Price as required in the event of any of the following:

(i) if an adjustment of the Minimum Exercise Price is required due to a share consolidation, merger, corporate split, share transfer, or share exchange

(ii) if, other than (i) above, an adjustment of the Minimum Exercise Price is required due to an event which causes any change or potential change to the number of outstanding shares of common stock of the Company

(iii) if two or more events requiring an adjustment of the Minimum Exercise Price coincide and it is necessary to consider the effect of one of these events with respect to the market value to be used in calculating the Minimum Exercise Price after adjustment based on the other event

(5) When revising the Exercise Price or adjusting the Minimum Exercise Price under Section 9 or any of the above items, the Company shall give each Stock Acquisition Rights Holder advance written notice of such revision or adjustment and the reason therefor, the Exercise Price before revision or the Minimum Exercise Price before adjustment, the Exercise Price after revision or the Minimum Exercise Price after adjustment, the applicable day thereof, and any other required matter. If it is impossible for the Company to give such notice by the day before the applicable day, it shall give notice promptly on or after the applicable day.

## 11. Exercise Period of the Stock Acquisition Rights

The Stock Acquisition Rights may be exercised during following period (the "Exercise Period"): from March 15, 2013 until the close of banking hours on March 13, 2020 (the "Expiration Date"). If the Expiration Date of the Exercise Period is not a bank business day, the Expiration Date will be the immediately preceding bank business day. Notwithstanding the above, if it is necessary to suspend the exercise of Stock Acquisition Rights in order to conduct the Reorganization set out in



Section 17 (only if the Assumed Stock Acquisition Rights set out in Section 17 are delivered subject to the provisions of Section 17), the Stock Acquisition Rights may not be exercised during a period designated by the Company that is no more than 30 days and commences prior to a day that is within 14 days from the effective date of the Reorganization. In this case, the Company shall notify of the exercise suspension period and any other required matter no later than one month before the commencement of such suspension period.

## 12. Conditions of Exercise of the Stock Acquisition Rights

- (1) Each Stock Acquisition Right may not be partially exercised.
- (2) If all of the Loan Principle Receivables are extinguished due to repayment of the loan or any other reason, the Stock Acquisition Rights may not be exercised on and after the date of the extinguishment of all of the Loan Principal Receivables.
- (3) If the Loan under the Loan Agreement is not drawn down on the drawdown date set out in the Loan Agreement, the Stock Acquisition Rights may not be exercised.
- (4) If any of Sub-Items (i) through (vi) below apply, the Stock Acquisition Rights may be exercised only during the period set out in the corresponding item.

- (i) If there is a public announcement for a merger, corporate split, share exchange, or share transfer that results in the delisting of the common stock of the Company (in this Sub-Item (i), “Merger”)

The period starting from such public announcement and until either the effective date of the Merger or a public announcement that the Merger will not take place

- (ii) If there is a public notice for the commencement of a tender offer for the Company (meaning a public notice as provided in Article 27-3(1) of the Financial Instruments and Exchange Law)

The period starting from such public notice until the tender offer pertaining to such public notice is complete or there is a public announcement that such tender offer has been suspended

- (iii) If the common stock of the Company is designated as a delisting stock in a financial instruments exchange market (meaning a financial instruments exchange market as provided in Article 2(17) of the Financial Instruments and Exchange Law)

The period starting from such designation until such designation is removed

- (iv) If, pursuant to the Stock Acquisition Rights Allotment Agreement, the Company’s written notification to accept the Subscribing Company to exercise its Stock Acquisition Rights, which has been sent upon request of such Subscribing Company, is received or is deemed to have been received by such Subscribing Company upon request of such Subscribing Company, or the Company’s written notification to allow the Subscribing Company to

exercise its Stock Acquisition Rights, which has been sent at the discretion of the Company, is received or is deemed to have been received by all of the Subscribing Companies

On and after the date on which such notification is received or is deemed to have been received by the Subscribing Company (or, if any period is set out in such notice, within that period)

- (v) If the Exercise Request Notification is received or is deemed to have been received by all of the Subscribing Companies in accordance with the Stock Acquisition Rights Allotment Agreement

If the Exercise Request Notification is received or is deemed to have been received by all of the Subscribing Companies during the period starting from February 15, 2017 and ending on March 14, 2017: on or after March 15, 2017

If the Exercise Request Notification is received or is deemed to have been received by all of the Subscribing Companies during the period starting from February 15, 2018 and ending on March 14, 2018: on or after March 15, 2018 (provided, however, that if the deadline for sending the Exercise Request Notification is extended in accordance with the Stock Acquisition Rights Allotment Agreement, the corresponding day of March 15, 2018 after such extended period)

- (vi) If the Company has violated the financial covenant provision set out in Article 6(3) of the Loan Agreement or the Company has lost the benefit of the term pursuant to Article 10 of the Loan Agreement, and if any Subscribing Company's written notification pursuant to the Stock Acquisition Rights Allotment Agreement to make it possible to exercise the Stock Acquisition Rights is received or is deemed to have been received by the Company

On and after the date on which such notification is received or is deemed to have been received by the Company

- (5) The Company shall immediately notify each Stock Acquisition Rights Holder of the period set out in Sub-Item (iv) above if Sub-Item (iv) applies, and that Sub-Item (v) or (vi) applies if it does apply.
- (6) No exercise of the Stock Acquisition Rights will be permitted, regardless of the holders of the Stock Acquisition Rights, on or after the day on which the Company acquires all or a part of the Stock Acquisition Rights.

### 13. Matters regarding Capital and Capital Reserves that will be Increased in case where Shares will be Issued as a Result of the Exercise of the Stock Acquisition Rights

- (1) The amount of capital that will be increased in case where shares will be issued as a result of the exercise of the Stock Acquisition Rights equals half of the Maximum Capital Increase Amount that is calculated in accordance with Article 17(1) of the Corporation Calculation

Regulations (with any fraction of a yen being rounded up to the nearest whole yen).

- (2) The amount of capital reserves that will be increased in case where shares will be issued as a result of the exercise of the Stock Acquisition Rights equals the Maximum Capital Increase Amount set out in Item (1) above less the amount of capital to be increased under Item (1) above.

#### 14. Restrictions on Acquisition of the Stock Acquisition Rights by Transfer

Any acquisition of the Stock Acquisition Rights by transfer requires the approval of the Company by a resolution of board of directors of the Company.

#### 15. Method of Exercising the Stock Acquisition Rights

- (1) If a Stock Acquisition Rights Holder wishes to exercise the Stock Acquisition Rights, it shall submit to the Location for Submitting Exercise Requests set out in Section 20 during the Exercise Period set out in Section 11 a written exercise request in a form designated by the Company that includes matters such as the terms and the number of the Stock Acquisition Rights subject to such exercise and the date of the exercise of the Stock Acquisition Rights after affixing its signature and seal to such written exercise request.
- (2) An exercise of the Stock Acquisition Rights will become effective when all of the necessary documents for the exercise are received at the Location for Submitting Exercise Requests set out in Section 20.

#### 16. Method of Delivering Shares

The Company shall, after the exercise of the Stock Acquisition Rights becomes effective, deliver shares to the Stock Acquisition Rights Holder that exercised the Stock Acquisition Rights in question by making a record of increase in book-entry shares in the holding section of the registry of book-entry account maintained at the book-entry institution or account management institution designated by that Stock Acquisition Rights Holder.

#### 17. Matters Regarding Delivery of Stock Acquisition Rights Due to Reorganization

If the Company conducts a merger (only if the Company is resolved due to such merger), absorption-type corporate split (only if the obligations pertaining to the Loan Principle Receivables are assumed in the absorption-type corporate split), incorporation-type corporate split (only if the obligations pertaining to the Loan Principle Receivables are assumed in the incorporation-type corporate split), share exchange (only if the Company becomes a wholly-owned subsidiary of another company), or share transfer (only if the Company becomes a wholly-owned subsidiary of another company) (collectively, the “Reorganization”), the Stock Acquisition Rights Holders of the remaining Stock Acquisition Rights immediately preceding the effective date of the Reorganization, shall, in each case, be delivered stock acquisition rights (the “Assumed Stock Acquisition Rights”) of a company (the “Assigning Company”) set out in Items (a) through (e) of Article 236(1)(viii) of the Corporate Code with terms and conditions set out in

Items (1) through (7) of this Section 17, in exchange for the Stock Acquisition Rights held by such Stock Acquisition Rights Holder. In this case, when the Reorganization becomes effective, the Stock Acquisition Rights will be extinguished and the Stock Acquisition Rights Holder will become a right holder of the Assumed Stock Acquisition Rights, and the provisions pertaining to the Stock Acquisition Rights under these Terms and Conditions will apply to the Assumed Stock Acquisition Rights *mutatis mutandis*; provided, however, that in case of a absorption-type corporate split or incorporation-type corporate split, this only applies if the plan for the absorption-type corporate split or incorporation-type corporate split provides for delivery of the Assumed Stock Acquisition Rights of the Assigning Company in exchange for the Stock Acquisition Rights to the Stock Acquisition Rights Holders of the remaining Stock Acquisition Rights as of immediately preceding the effective date thereof, subject to the following conditions.

(1) Number of Assumed Stock Acquisition Rights of the Assigning Company to be delivered

A number equivalent to that of the Stock Acquisition Rights held by the Stock Acquisition Rights Holders of the remaining Stock Acquisition Rights as of immediately preceding the effective date of the Reorganization will be delivered to each Stock Acquisition Rights Holder.

(2) Class of shares of the Assigning Company underlying the Assumed Stock Acquisition Rights

Shares of common stock of the Assigning Company

(3) Number of shares of the Assigning Company underlying the Assumed Stock Acquisition Rights

To be determined in accordance with Section 5 taking into account matters such as the terms and conditions of the Reorganization.

(4) Description and value of property to be contributed upon exercise of the Assumed Stock Acquisition Rights

Property to be contributed upon the exercise of the Assumed Stock Acquisition Rights is the Loan Principle Receivables, and will be determined in accordance with Section 8. The Exercise Price and Minimum Exercise Price of the Assumed Stock Acquisition Rights will be determined in accordance with the Exercise Price and Minimum Exercise Price of the Stock Acquisition Rights effective as of immediately preceding the effective date of the Reorganization, and will be revised or adjusted in accordance with Section 9 or Section 10.

(5) Period during which the Assumed Stock Acquisition Rights may be exercised

The exercise period will be from the effective date of the Reorganization to the expiration date of the Exercise Period set out in Section 11.

(6) Conditions of exercise of the Assumed Stock Acquisition Rights

Section 12 will apply *mutatis mutandis*.

- (7) Matters regarding capital and capital reserves that will be increased in case where shares will be issued as a result of the exercise of Assumed Stock Acquisition Rights

Section 13 will apply *mutatis mutandis*.

#### 18. Method of Offering the Stock Acquisition Rights

All of the Stock Acquisition Rights will be allotted to Sumitomo Mitsui Banking Corporation (Trust Account) by way of third-party allotment.

#### 19. Reason for the Calculation of the Subscription Price of the Stock Acquisition Rights and the Value of Property to be Contributed upon the Exercise of the Stock Acquisition Rights

The Company decided that there is no requirement for monies to be paid in exchange for the Stock Acquisition Rights, (a) considering that the Stock acquisition Rights and the Loan Agreement are indivisible and the Stock Acquisition Rights and the Loan Principle Receivables as the property to be contributed upon the exercise of the Stock Acquisition Rights are closely related as these Terms and Conditions, the Stock Acquisition Rights Allotment Agreement, and the Loan Agreement provide, for example, that (i) the property to be contributed upon the exercise of the Stock Acquisition Rights is limited to the Loan Principle Receivables, (ii) if the Loan Agreement is not drawn down, the Stock Acquisition Rights may not be exercised and will be extinguished immediately subject to Section 12(3), (iii) it is agreed that the Stock Acquisition Rights and the Loan Principle Receivables may not be transferred separately, and (iv) if the Loan Principle Receivables are extinguished due to repayment of the loan or a similar event, the Stock Acquisition Rights will also be extinguished; and (b) generally taking into account the fair value of the Stock Acquisition Rights calculated by a binomial lattice model, which is a popular pricing model, and the financial value that the Company may obtain upon attaching the Stock Acquisition Rights to the Loan Agreement, specifically, long-term financing will be available under more favorable conditions than those of a normal loan as a result of attaching the Stock Acquisition Rights to the Loan Agreement.

The value of property to be contributed upon the exercise of the Stock Acquisition Rights is as set out in Section 8, and the Minimum Exercise Price was set by reference to the net asset value per share 1,249 yen as at the end of the third quarter of the 88th fiscal year (as of December 31, 2012) and the share closing price on the day immediately preceding the day of the resolution to issue the Stock Acquisition Rights, thereby allowing a structure in which no exercise will be effected with a share price lower than 100% of the share closing price on the day immediately preceding the day of the resolution to issue the Stock Acquisition Rights (1,436 yen).

#### 20. Location to Submit Exercise Requests

Accounting Department, Sumitomo Metal Mining Co., Ltd.

## 21. Method of Notifying the Stock Acquisition Rights Holders

Unless otherwise provided by law or ordinance, the Company shall make any notice to a Stock Acquisition Rights Holder as prescribed in the Articles of Incorporation of the Company by an electronic public notice and prompt notification to each Stock Acquisition Rights Holder of such electronic public notice. If it is impossible to make a public notice by an electronic public notice due to an unavoidable event, the Company shall publish such notice in a newspaper prescribed in the Articles of Incorporation of the Company and promptly notify each Stock Acquisition Rights Holders of such publication. Instead of the abovementioned method, unless otherwise provided by law or ordinance, the Company may give the direct notice (including a notice delivered in person, or sent by registered mail, courier, facsimile, or email) to the Stock Acquisition Rights Holders. Any direct notice sent by facsimile or email will be deemed to be made to the Stock Acquisition Rights Holder upon confirmation of the transmission, and any direct notice delivered by another method will be deemed to be made when the Stock Acquisition Rights Holder actually receives it.

## 22. Measures to be Taken upon Abolition of Provisions Relating to the Number of Shares per Unit

If, after the Allotment Date of the Stock Acquisition Rights, it becomes necessary to read certain provisions of these Terms and Conditions differently or take any other measures as a result of the abolishment of provisions relating to the number of shares per unit or a similar event, the Company shall take such necessary measures.

## 23. Measures to be Taken upon Amendment to the Corporate Code or any other Law or Ordinance, or Regulation

If, after the Allotment Date of the Stock Acquisition Rights, any provisions relating to the issuance of share certificates or stock acquisition rights in the Corporate Code or any other law or ordinance, or regulation of Japan are amended, the Company may take necessary measures with respect to handling related matters subject to such provisions of the amended Corporate Code or other law or ordinance, or regulation of Japan and the purpose of these Terms and Conditions in a manner considered appropriate by the Company.

## 24. Other Matters

- (1) Each of the above Sections is conditioned on an effective application under the Financial Instruments and Exchange Law.
- (2) In addition to the above matters, the Company will leave decisions necessary to issue the Stock Acquisition Rights to the discretion of the representative director and president of the Company.

--- End ---