

September 30, 2016

Press Release

Sumitomo Metal Mining Co., Ltd.

**Cooperation of Chang Wah Electromaterials in Rebuilding of
Lead Frame Business**

Sumitomo Metal Mining Co., Ltd. (SMM) has decided to conduct an investigation with a view to drastically reforming its lead frame business, and has reached an agreement with Chang Wah Electromaterials Inc. (Chang Wah Electromaterials, Headquarters: Kaohsiung, Taiwan) to have a letter of intent (LOI) signed between Chang Wah Electromaterials and our subsidiary SH Materials Co., Ltd. (SH Materials, Headquarters: Minato-ku, Tokyo, President and Representative Director: Naoka Inoue) for the cooperation of Chang Wah Electromaterials in the investigation.

SMM's lead frame business is currently managed by the holding of shares through SH Materials in domestic and overseas companies that produce and sell products on the basis of a cooperative framework established in July 2013 with Hitachi Metals, Ltd. (Hitachi Metals, Headquarters: Minato-ku, Tokyo, President and CEO: Hideaki Takahashi) via integration of the lead frame and copper product businesses. However, upon the commencement of the aforementioned rebuilding, both companies have agreed to dissolve this integration. Accordingly, SMM will take over the lead frame business and through SH Materials will make decisions concerning the business in a more timely fashion.

SMM shall provide further information as soon as any decisions are made regarding specific details through discussions between SH Materials and Chang Wah Electromaterials, including any formal agreements. Further information shall also be provided regarding the impact of the measures to be implemented for the rebuilding of the lead frame business on SMM's results as soon as any decisions regarding specific details are made.

[Reference]

Overview of Chang Wah Electromaterials Inc.

Location	Nanzih Export Processing Zone, Kaohsiung, Taiwan
Established	May 1989
Capital	\$639 million TWD
President	Canon Huang
Employees	80 approx. (not including subsidiaries, etc.)
Business	Manufacture and sale of IC package materials and crystal materials

Address inquiries concerning this Press Release to:

Sumitomo Metal Mining Co., Ltd.

Hideki Motoki, Public Relations & Investor Relations Department

TEL: +81-3-3436-7705

FAX: +81-3-3434-2215