

June 28, 2017

Press Release

Sumitomo Metal Mining Co., Ltd.

Receipt of a Partial Transfer of Stock in GRANOPT

Sumitomo Metal Mining Co., Ltd. (SMM) reached an agreement with Mitsubishi Gas Chemical Company, Inc. (Headquarters: Chiyoda Ward, Tokyo; President and Representative Director: Toshikiyo Kurai; Mitsubishi Gas Chemical) for its receipt of a transfer of part of the outstanding stock held by Mitsubishi Gas Chemical in GRANOPT Co., Ltd. (Headquarters: Noshiro, Akita Prefecture; President and Representative Director: Eiji Yamaguchi; GRANOPT), and concluded a memorandum on the stock transfer contract and basic joint venture contract with Mitsubishi Gas Chemical on May 31, 2017. SMM received this stock transfer on June 23, 2017. As a result, the ratios of investment in GRANOPT are now 51% for SMM and 49% for Mitsubishi Chemical Gas. GRANOPT is a joint venture with Mitsubishi Chemical Gas, and is engaged in the manufacture and sale of rare-earth iron garnet single crystals (RIG).

In SMM's business in communication devices, GRANOPT manufactures and sells RIG, while SMM Precision Co., Ltd. (Headquarters: Noshiro, Akita Prefecture; President and Representative Director: Takio Sekino) manufactures and sells communications-use optic isolators. SMM is determined to continue further reinforcing its business in communication devices.

The impact of this transfer contract on SMM's results will be minor.

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[Reference]

Overview of GRANOPT

- 1) Name: GRANOPT Co., Ltd.
- 2) Headquarters and plant:
4-4 Aza-Ogibuchi, Ogida, Noshiro, Akita Prefecture, Japan
- 3) Capital: 150 million yen
- 4) Investment ratios: 51% (SMM), 49% (Mitsubishi Gas Chemical)
- 5) Representative: Eiji Yamaguchi (President and Representative Director)
- 6) Employees: 62 (as of March 31, 2017)
- 7) Business: manufacture and sale of RIG