

September 30, 2015

News Release

6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo
Pan Pacific Copper Co., Ltd.

Announcement Concerning Cause of Fire at Our Subsidiary and Countermeasures

We wish to express our sincere apologies to the local community, the relevant authorities and all others affected by the fire that occurred on Wednesday, September 9 at the Tamano Smelter of Hibi Kyodo Smelting Co., Ltd., a subsidiary of Pan Pacific Copper Co., Ltd. We regret the trouble and concern caused by this incident.

Reported below are details of our internal investigation as to the causes of the fire and the measures being taken, etc. Under guidance of the relevant authorities, we will take all necessary initiatives to prevent a recurrence.

1. Location of fire

Inside Tamano Smelter, Hibi Kyodo Smelting Co., Ltd., 6-1-1 Hibi, Tamano City, Okayama Prefecture

2. Timeline of fire outbreak and extinction

On Wednesday September 9 at around 00:30 a.m., molten material leaked from the bottom of a converter furnace and flowed out onto the plant floor. The heat from the outflowing material ignited combustible material near the flash furnace control room, resulting in a fire. The fire was extinguished by 2:07 p.m. that same day.

3. Damage situation

The fire burned the flash furnace control room and flash furnace control system, but there was no personal injury. No impact on the surrounding environment was confirmed.

4. Cause of the fire (estimated)

It is estimated that molten material flowed from the bottom of the converter furnace due to erosion of the furnace itself as the refractory lining near the bottom had become thinner.

5. Countermeasures

- (1) The pace of upgrades to refractory lining of the converter furnace will be stepped up.
- (2) The leakage barriers around the pit of each furnace will be augmented to prevent the outflow of molten material beyond the control area, and combustible materials inside the smelter will be relocated.

6. Impact on production

Once the burned equipment has been restored, operation is expected to resume around October 20. A loss in production of approximately 30,000 tons of refined copper is foreseen as a result of the fire.