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SMC's Efforts Against Conflict Minerals

In accordance with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA), SMC Corporation is committed to investigating our supply chain for smelters located in the Democratic Republic of the Congo (DRC) and the surrounding nations that procure the minerals designated in the act as Conflict Minerals.

SMC has been working to satisfy our Corporate Social Responsibility (CSR).

We have been collecting information concerning conflict minerals from the database for customers using the Conflict Mineral Reporting Template (CMRT).

After extensive research, SMC verifies if due diligence is being executed in determining the information on the CMRT.

SMC cooperates with our partner suppliers in order to provide information required for all customers, respecting the basic spirit of the DFA.

SMC is working with our suppliers so that raw materials, sub-assemblies, and materials containing conflict minerals which profit DRC and armed forces in surrounding countries are not purchased.

- Minimize conflict mineral business which profits the DRC and the armed forces in surrounding countries.
- By including regional legitimate minerals, we will support the economy of the Congo and the communities that depend on these exports.

SMC is planning to encourage our suppliers to change to Conflict Free Smelters (CFS).

We hope this paper explains SMC's Conflict Mineral Policy.

Please let us know if there are any comments or suggestions.

Sincerely yours,

Yoshiki Takada

Executive Vice President and Senior General Manager of Sales Headquarters

SMC Corporation