1. Complementary and Mutually Beneficial Relationship

- Refined Copper by Country

Source: WBMS
1. Complementary and Mutually Beneficial Relationship ②
- Mined Copper by Country

- '08 Mine Production 15,590kTCu
  - Chile: 34%
  - Peru: 8%
  - China: 6%
  - USA: 9%
  - Others: 43%

- '08 World Concentrate Import 4,770kTCu in conc.
  - Japan: 26%
  - China: 27%
  - India: 8%
  - S.Korea: 8%
  - Others: 29%

Source: WBMS

1. Complementary and Mutually Beneficial Relationship ③
- Export/Import of Copper Concentrate

- '08 Export from Chile 2,014kTCu in conc.
  - Japan: 30%
  - Chile: 47%
  - S.Korea: 8%
  - India: 12%
  - China: 23%
  - Others: 27%

- '08 Import to Japan 1,321kTCu in conc.
  - Peru: 15%
  - Indonesia: 14%
  - Canada: 8%
  - Others: 16%
  - Chile: 47%

Source: WBMS
2. Japanese Copper Companies’ Investment in Chile ①—History

- Japanese copper smelting producers (JSP), originating from mining companies, today have environmentally excellent and forefront smelting and processing technologies.
- JSP expanded their capacity to meet the increase of domestic demand in 1960s/70s. On the other hand, most of copper mines in Japan were depleted and closed by 1970s.
- Therefore, JSP had to seek for their raw materials outside Japan and, in order to secure them, JSP have been positively financing to and investing in mines overseas.
- Since 1980s JSP together with Japanese trading companies accelerated their financing and investment in the oversea mine developments, supported by Japanese government’s instruments such as JEXIM/JBIC. From the beginning, Chile has been their major target.

2. Japanese Copper Companies’ Investment in Chile ②—Projects

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<tr>
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<tbody>
<tr>
<td>Escondida</td>
<td>1991</td>
<td>992</td>
<td>258</td>
<td>1,250</td>
<td>10% 879</td>
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<tr>
<td>Candelaria</td>
<td>1994</td>
<td>180</td>
<td>0</td>
<td>180</td>
<td>20% 296</td>
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<tr>
<td>Collahuasi</td>
<td>1998</td>
<td>415</td>
<td>49</td>
<td>464</td>
<td>12% 375</td>
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<tr>
<td>Los Pelambres</td>
<td>1999</td>
<td>351</td>
<td>0</td>
<td>351</td>
<td>40% 614</td>
</tr>
<tr>
<td>El Bronce(Atacama)</td>
<td>2002</td>
<td>20</td>
<td>0</td>
<td>20</td>
<td>60% 101</td>
</tr>
<tr>
<td>Esperanza</td>
<td>2010(f)</td>
<td>(180)</td>
<td>(0)</td>
<td>(180)</td>
<td>30% 1,900</td>
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<tr>
<td>Caserones</td>
<td>2012(f)</td>
<td>(130)</td>
<td>(20)</td>
<td>(150)</td>
<td>100% under FS PPC</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1,958</td>
<td>307</td>
<td>2,265</td>
<td>4,165</td>
</tr>
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2. Japanese Copper Companies’ Investment in Chile ③—Advantages

• Generally Favorable Investment Environment
  - Abundant Mineral Reserves etc.
  - Political Stability
  - Advantageous Location facing to Pacific Ocean
  - Excellent Human Resources

• Concern on Stable Supply of Water and Power (leads to Investment Cost Increase)
  ⇒ Proactive actions by the Chilean government towards water and power supply are expected.

• Difficulty to Develop Projects in Frontier Region
  ⇒ Prudent political solution at the state level is essential

• Continued stable application and implementation of mine-related tax system is expected.

2. Japanese Copper Companies’ Investment in Chile ④—Issues
3. Mutually Beneficial Relationship through EPA

- Chile is one of the most important investment targets for JSP.
- We count on, through EPA:
  - Further improvement and facilitation in the investment environment (such as National Treatment, MFN Treatment etc.) in Chile
  - Stable supply of mineral resources from Chile
  - Strengthening mutually beneficial trade and economic relationship in medium/long term

4. Japanese Copper Companies’ Future Commitment to Chile

- JSP will continue investing in mines overseas to do their duty as stable copper metal suppliers and thus to bring about sound development of copper industry in the world.
- In this regard, they will positively consider investing in Chile as a promising copper raw material supplier.
- Japanese government supports their activities through enhancing instruments of JOGMEC and JBIC.
5. Conclusion

- Mines are depleting asset and we need constant investment on mine developments.

- Despite current uneasy economical situation, JSP are positive on investments in mines and would like to develop Chilean mines in cooperation with Chilean side.

- We expect the support of the government of Chile to further improve its investment environment for mining sector, especially infrastructure development (power and water supply) and stable application of mine-related tax system.

Thank you very much for your attention!