

November 18, 2021



FY2021 2nd Quarter Progress of Business Strategy

President and Representative Director
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MINING THE FUTURE



住友金属鉱山

SUMITOMO METAL MINING

Briefing contents

- I. Summary**
- II. FY2021 financial forecast**
- III. Topics of each business segment**
- IV. Promotion of activities aimed at realization of “Vision for 2030”**
- V. Next 3-Year Business Plan**
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Summary ① FY2021 review of 1H (production / sales / projects)

[Production / sales]

- Generally strong sales environment on the back of economic recovery following the progress in vaccination rollouts
- No material impact of the COVID-19 pandemic on production thanks to the measures taken to stop the spread of infections and the efforts to continue operating in each plant
- Year-on-year revenue growth continues helped by high metal prices

[Large projects]

- Sierra Gorda: Decided to sell all our equity interests
- Côte: Initial construction project costs rose 25% although construction is progressing smoothly
- QB2: Construction staff recovered to the pre-COVID level (over 10,000)
- Pomalaa: External factors affecting the progress in project consideration
- Battery materials: Decided to enhancement including the construction of new plants

Summary ② FY2021 review of 1H (capital expenditure / financial forecast)

[Capital expenditure]

CAPEX plans have generally been pushed back due to COVID-19; however, there is no change to the promotion of the growth strategy announced in the 2018 3-Year Business Plan

[Financial forecast]

- The impact of the transfer of our equity stake in the Sierra Gorda copper mine is estimated at approx. ¥70 billion on a pre-tax profit basis (on the premise that the sale will be completed in March 2022).
- Despite negative factors such as smaller output in some overseas copper mines and the resulting cost increase, a significant profit growth is forecasted compared to the May forecast due to factors such as the maintenance of stable operations during the COVID-19 pandemic, a profit growth in the materials business, positive market factors, and the impact of the sale of the equity stake in Sierra Gorda.
FY2021 consolidated pre-tax profit is forecast to be a record high at ¥266 billion.

Summary ③ Recent management themes (1)

[Response to social issues]

- 1) Carbon neutrality (Risk of not being selected, technological development / application difficulties)
 - ⇒
 - Promote introduction of renewable energy; seek energy efficiency
 - Develop/supply products that help reduce GHG emissions
 - Internal carbon pricing system
- 2) Digital transformation (Risk of losing competitive edge, security risk)
 - ⇒
 - DX Promotion Committee (launched in Apr. 2021; chaired by President)
 - Improve data analysis accuracy in the existing plants
 - ⇒ reduce losses and raise yields
- 3) Human resource strategy (Securing / fostering / utilization of human resources)
(Risk of decline in business vitality)
 - ⇒
 - Brand communication focusing on securing human resources
 - Promote the “*Shikinen Kaikaku Project*”(The fixed period Reform Project)
 - Overhaul of HR/remuneration systems • Head office renovation

Summary ③ Current management themes (2)

[Enhancing management foundation]

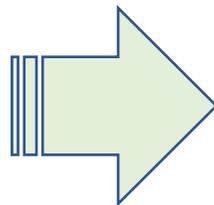
- ✓ Employees' safety and health (← Failed to reach the targets set in the 2018 3-Year Business Plan)
- ✓ Environment
- ✓ Compliance
- ✓ Corporate governance

[Promoting growth strategy]

- ✓ Three major projects in the 2018 3-Year Business Plan (QB2, Pomalaa, battery materials) → Address the business environment and resource nationalism
- ✓ Pathways to further growth (→ 2021 3-Year Business Plan)

“7 competitiveness”

nurtured by Sumitomo's business spirit
(page 28, Integrated Report 2021)



Realize
“Vision for 2030”

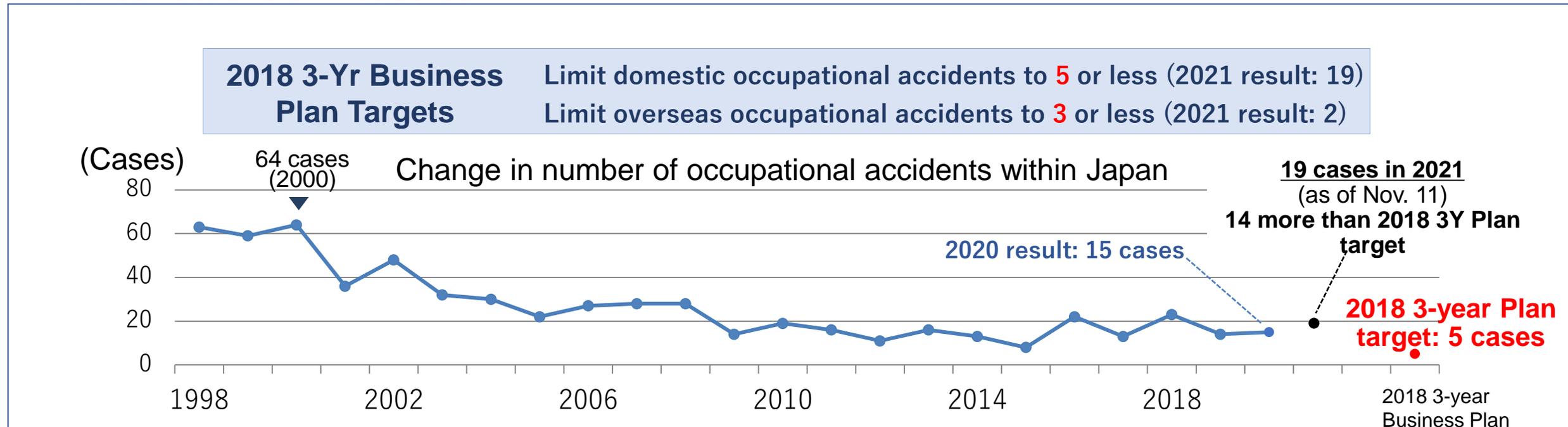
Summary ④ Safety initiatives

<Domestic occupational accidents>

2018 3Y Plan was to limit accidents to **5 or less** ⇒ **2021 result: 19** (as of Nov. 11)

A fatal forklift accident occurred in June 2021 in a domestic subsidiary

- Go back to the basics and ensure compliance with rules and practicing of basic actions
- Further promote safety improvement and enhancement of facilities through effective risk assessment
- Observation of operations will give insight into on-site realities, and it will be possible to move forward with corrections or measures.



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1) Change in financial results (FY2015 - FY2021 forecast)

(Billions of yen)		Japanese Standards [J-GAAP]			International Financial Reporting Standards [IFRS]				
		2015	2016	2017	2017	2018	2019	2020	2021 Forecast (Nov)
Net sales		855.4	786.1	933.5	929.7	912.2	851.9 (*2)	926.1	1,175
Operating profit		59.7	76.4	110.2	—	—	—	—	—
Recurring profit/loss		-12.8	-1.6	124.9	—	—	—	—	—
Profit/loss before tax		0.6	-6	105.8	108.3	89.4	79	123.4	266
Equity method profit/loss		-73.2	-86	11.4	12.3	-4.9	6.2	8.7	46
Segment Profit (*3)	Mineral resources	-44.3	-53.6	56	58	47.3	37.9	63.1	184
	Smelting & refining	25.3	33.3	51.5	47.8	40.9	48.2	53.0	73
	Materials	6	12.1	15.3	7.1	13.8	5.3	10.5	18
	Other	-0.8	-0.1	0.2	-7.4	-2	-0.9	-2.8	-2
	Diff. Adjustment	1	6.7	1.9	2.8	-10.6	-11.5	-0.4	-7
Net profit/loss (*1)		-0.3	-18.5	91.6	90.2	66.8	60.6	94.6	214
Copper (USD/t)		5,215	5,154	6,444	6,444	6,341	5,860	6,879	9,071
Nickel (USD/lb)		4.71	4.56	5.06	5.06	5.85	6.35	6.80	8.14
Gold (USD/Toz)		1,150	1,258	1,285	1,285	1,263	1,462	1,824	1,751
Cobalt (USD/lb)		11.73	13.67	30.64	30.64	31.64	15.76	16.62	21.21
Exchange (JPY/USD)		120.15	108.40	110.86	110.86	110.92	108.74	106.07	109.90

(*1) Profit attributable to owners of parent. (*2) Changes in accounting policies regarding materials supplied for a fee were retroactively applied.

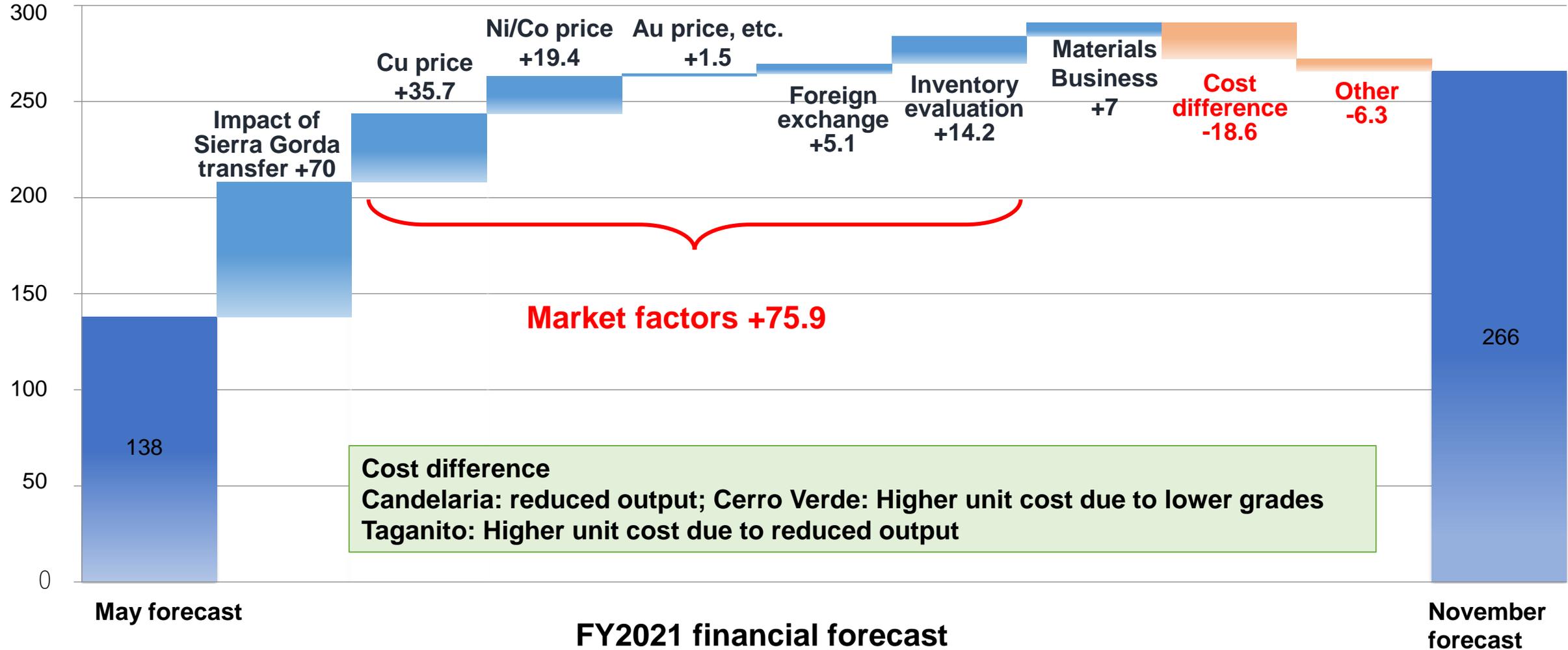
(*3) Changes in allocation of "Diff. Adjustment" applied in FY2021 were also retroactively applied to segment profit of FY2020.

2) FY2021 financial forecast (November forecast vs May forecast)

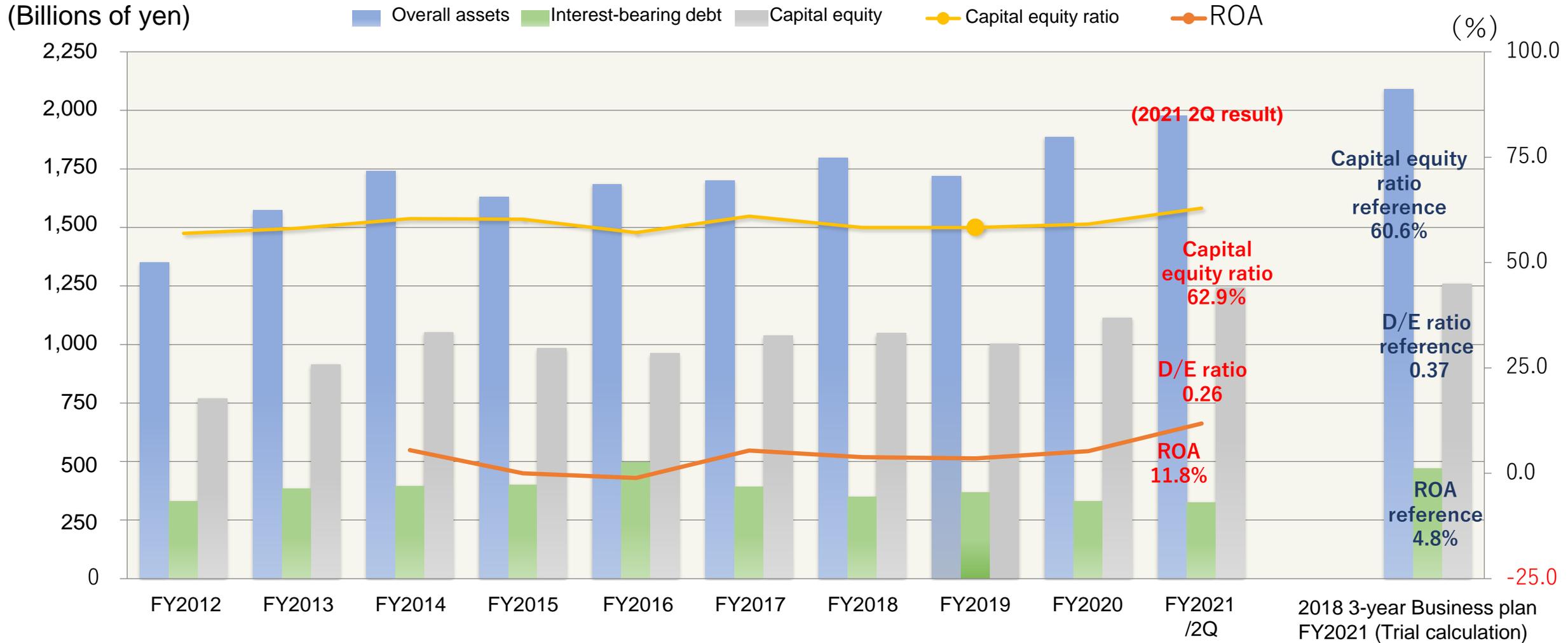
(Billions of yen)		2021 1H Results	2021 2H Forecast	FY2021 Forecast (Nov.)	FY2021 Forecast (May)	Difference
Net sales		597.9	577.1	1175	1047	+128
Sales total profit		114.7	83.3	198	150	+48
Profit/loss before tax		121.7	144.3	266	138	+128
Equity method profit/loss		24.4	21.6	46	40.5	+5.5
Segment Profit	Mineral resources	67.4	116.6	184	89	+95
	Smelting & refining	50.2	22.8	73	37	+36
	Materials	13	5	18	11	+7
	Other	0	-2	-2	-2	0
	Diff. Adjustment	-8.9	1.9	-7	3	-10
Net income attributable to owners of parent		113.8	100.2	214	104	+110
Copper (USD/t)		9,541	8,600	9,071	7,800	+1,271
Nickel (USD/lb)		8.27	8.00	8.14	7.00	+1.14
Gold (USD/Toz)		1,803	1,700	1,751	1,700	+51
Cobalt (USD/lb)		22.43	20.00	21.21	15.00	+6.21
Exchange (JPY/USD)		109.8	110.0	109.9	107.0	+2.9

3) Profit before tax analysis FY2021 November forecast vs May forecast

(Billions of yen)

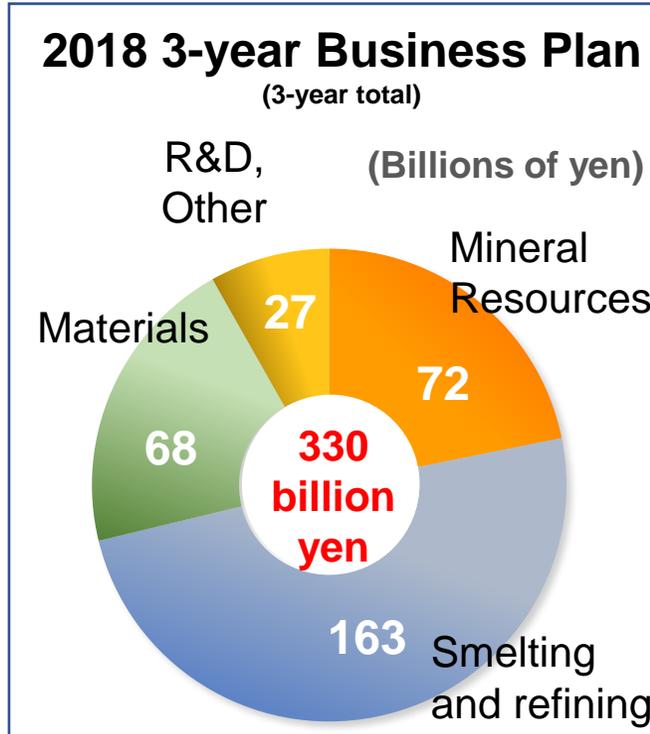


4) Trend of Financial Position



Note: Based on Japanese Standards up to FY2017 and IFRS from FY2018.

5) Capital expenditure plan (FY2021)



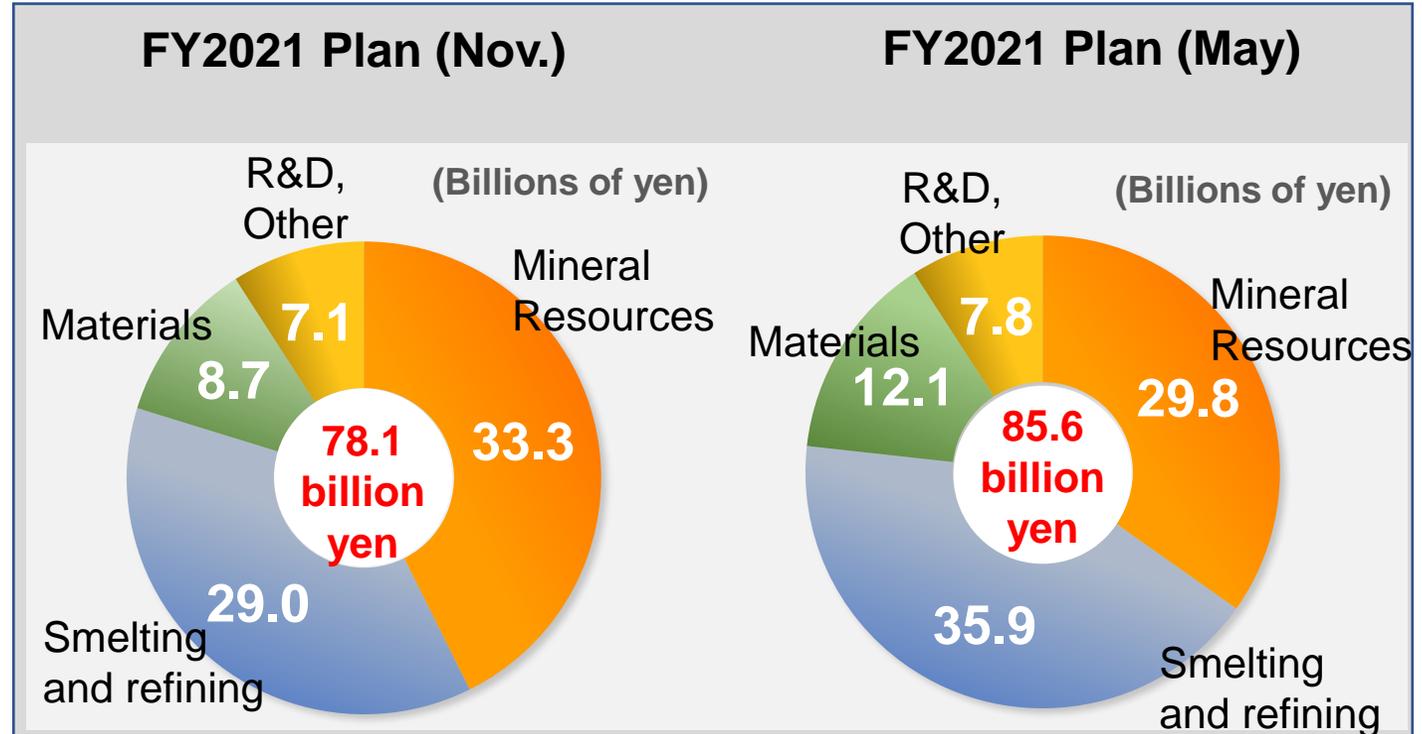
+

Investment and financing

(QB2, etc. 160 billion yen)

Main projects

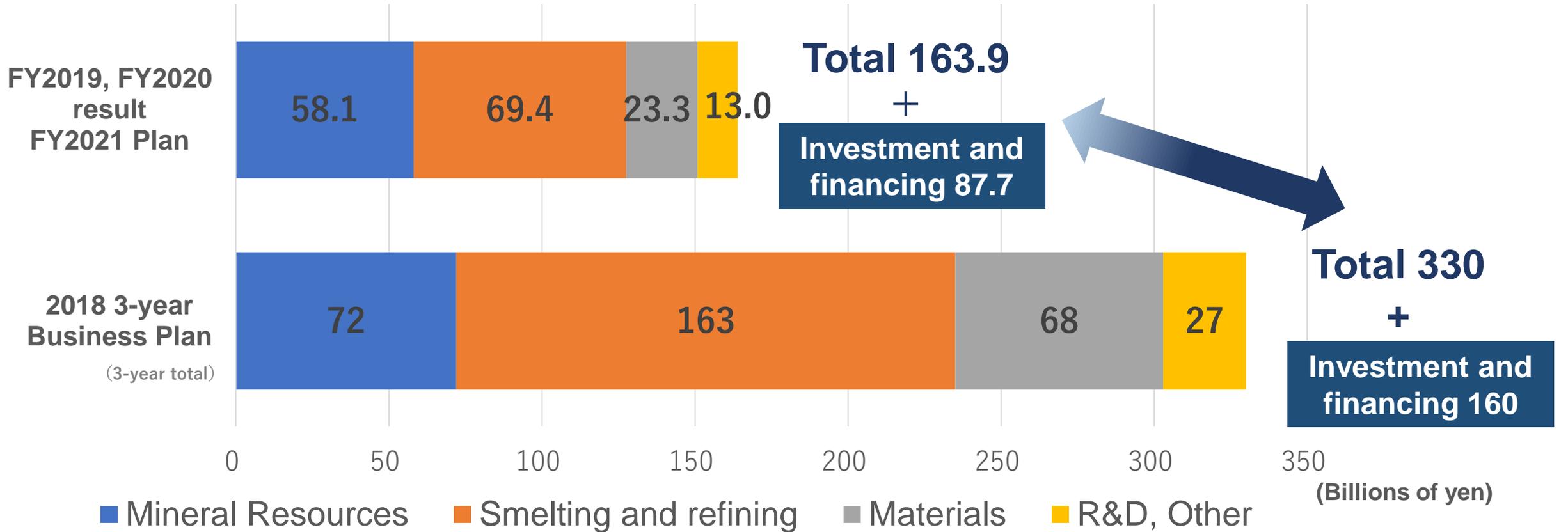
(Values in parentheses are planned total amounts)



- Cote Gold Project 20.4 billion yen (Total amount USD536 million)
 - Increased production of cathode materials for vehicles (Besshi district + Harima Refinery) 500 million yen (total amount 47.0 billion yen)
 - Expansion and improvement of Battery Research Laboratories 1.4 billion yen (1.6 billion yen)
 - Besshi-Niihama District Div. newly established company dormitory 1.0 billion yen (4.7 billion yen)
 - Development of lower orebodies at Hishikari Mine 400 million yen (Total amount 3.7 billion yen)
 - Switch to LNG boilers *200 million yen (800 million yen)
- *Internal carbon pricing applicable project

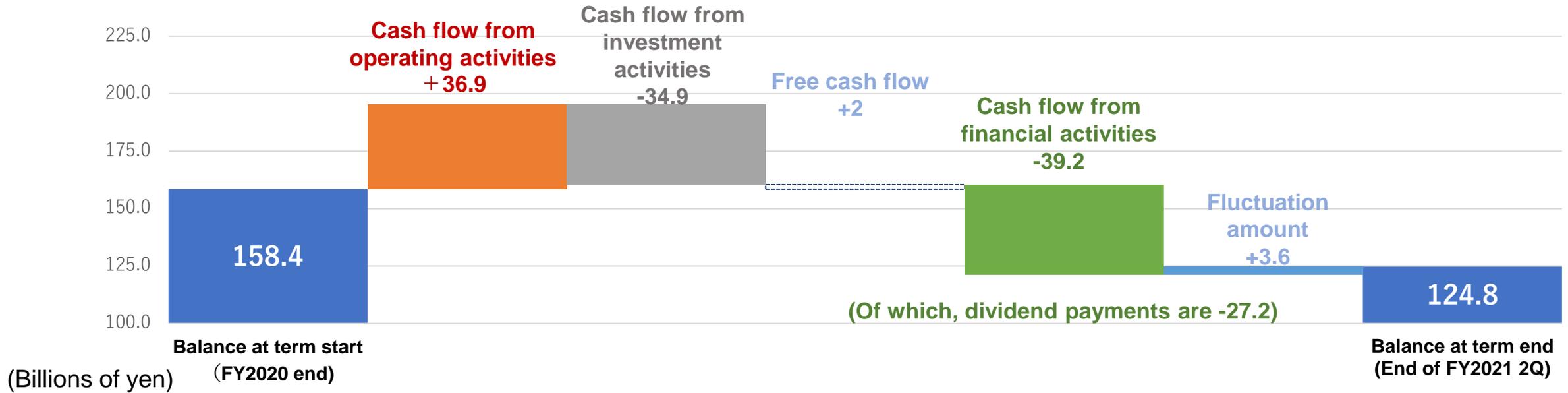
Disclosures related to the Pomalaa project will be made individually as our company has reached a judgement on the investment decision.

6) Capital expenditure / Investment and financing plan (comparison with 2018 3-year Business Plan)



The effect of postponing investment periods due to COVID-19 (Pomalaa, condensing investments, etc.) and the utilization of project finance in the QB2 project led to a rate of progress of approx. 50%

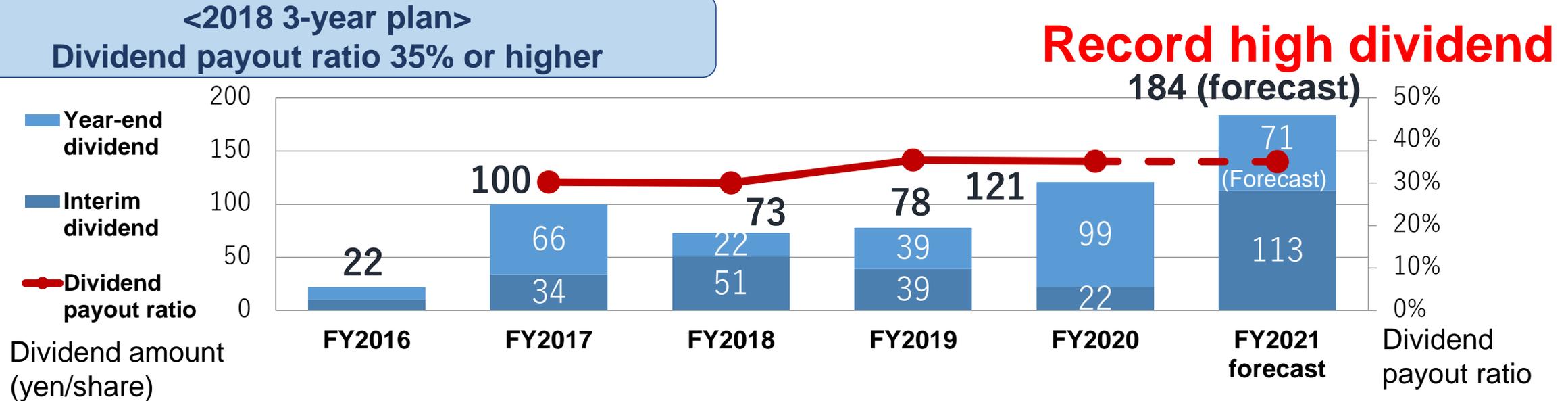
7) Cashflow (FY2021 1H results)



Cash outflows preceded profit recovery as metal prices rose

We will continue promoting the growth strategy set out in the 2018 3-Year Business Plan and will execute spending that has been postponed

8) Shareholder return (dividend forecast: FY2021)



Note: Due to a reverse stock split (in 2-1 ratio) executed on October 1, 2017, the dividend per share before that date is calculated and presented based on the standard after the reverse stock split.

<FY2021 dividend forecast>

- The schedule for the sale of SMM's equity stake in Sierra Gorda (SG) has not been fixed. The sale may not be executed until FY2022. The projected annual dividend (184 yen) is therefore calculated excluding the 70-billion-yen impact of the sale (payout ratio: 35.1%).
- The impact of the sale of SMM's stake in SG includes an amount equivalent to the gain on the reversal of the loan loss provision arising from the application of the revised IAS No. 28. This was posted as an adjustment at beginning of period when the provision was recognized and was not processed through the income statement. As a result, the dividend to be disclosed after the determination of the sale date will maintain the consolidated payout ratio of 35% or over when excluding this amount.
- Of the 70-billion-yen impact, the amount equivalent to the reversal gain is currently estimated at around 40-50 billion yen.

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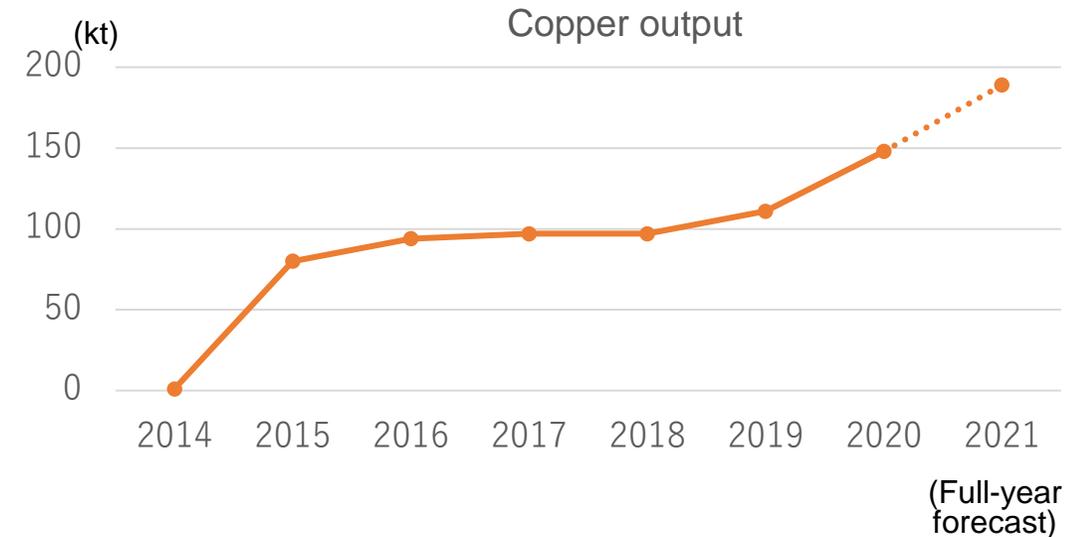
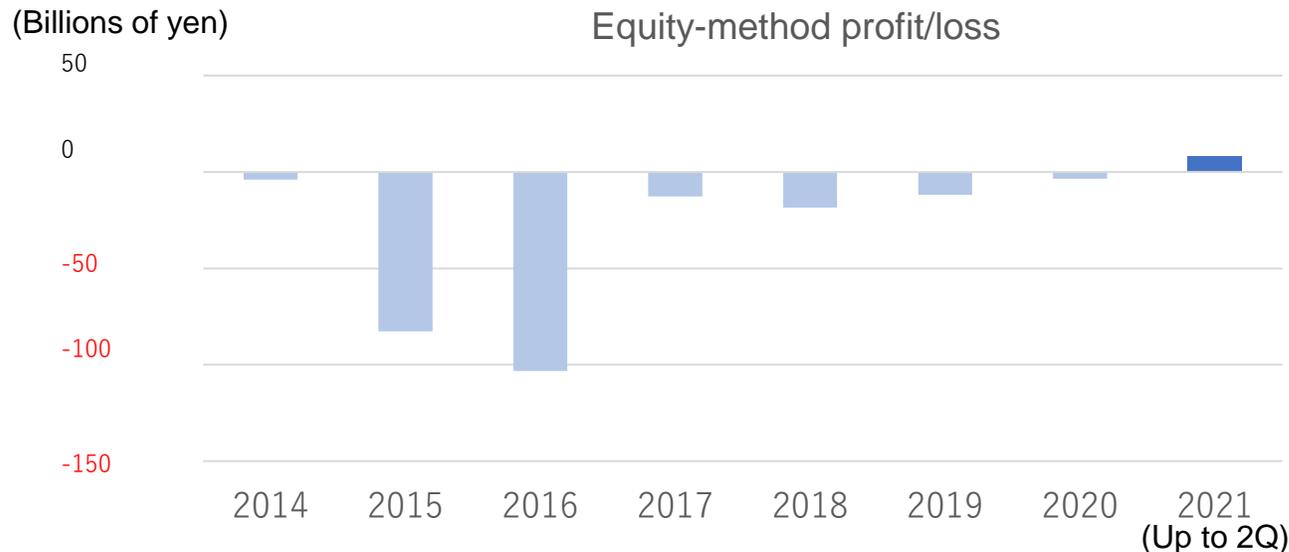
1) Mineral resources ① Sierra Gorda Copper Mine

- ◆ On October 14, we announced the transfer of our equity stake to South32 Ltd.

Estimated impact: +70 billion yen (pre-tax profit)

(On the assumption that the sale will be completed before March 31, 2022)

- Improved operation, turned around results, increased the mine's attraction ⇒ Agreed on an appropriate sale price (USD1,190M)
- Part of a company-wide portfolio review



1) Mineral resources ② QB2 Project (progress / schedule moving forward)

- ◆ Construction continues accelerating toward the production commencement in the second half of 2022 (over 65% of progress)
 - Over 10,000 workers are currently mobilized
 - Continuing stringent COVID-19 measures
- ◆ No change to initial construction costs of USD5.2 billion; added USD600M as the cost of COVID-19 influence



Conveyor installation



Mill

1) Mineral resources ③ Cote Gold Project (progress / schedule moving forward)

- ◆ Initial construction costs rose from USD1.42 billion to USD1.79 billion due to changes in construction specification details, changing economic environment, etc.
- ◆ Confirmed additional resources in the nearby Gosselin zone (157 t)*
- ◆ Continue working toward production commencement in 2023



*Total of indicated and inferred mineral resources



1) Mineral resources ④ Hishikari Mine

◆ Operations

- As laid out in the 2018 3-year Business Plan, yearly production of 6.0 t is being stably maintained.
Currently achieving steady output.
- The reserve at the end of 2020 was 159 t.

◆ Lower orebody development

- To drop hot water about 30 m (-32 ML to 10 ML above sea level), a new hot water extraction room is being constructed at -80 ML.
Boring to extract hot water began in January 2021.



Boring to extract hot water

1) Mineral resources ⑤ Overseas copper mines (Morenci, Cerro Verde, Candelera)

◆ Morenci

- FY2021 output forecast: 401 kt/year (May plan: 368 kt/year)
- Began measures to increase output incl. the partial resumption of a mill and additional output in response to the reduced impact of COVID-19

◆ Cerro Verde

- FY2021 output forecast: 393 kt/year (May plan: 409 kt/year)
- Increasing processing volume to make up for the lower grades of iron ore

◆ Candelera

- FY2021 output forecast: 135 kt/year* (May plan: 175 kt/year)
- Due to concerns over the stability of some mining spots

*Combined with output of Ojos del Salado

2) Smelting and refining ① Pomalaa project (Investigation / Initiatives moving forward)

Continuing procedures/discussions for prompt investment decision-making

Our third HPAL project following CBNC and THPAL in the Philippines

- Production estimated at 40 kt-Ni/year.
- 150 kt laid out as a milestone in the long-term vision. Supply of raw materials for Class 1 nickel smelting and refining, which is anticipated to expand due to demand for xEV.
- It is taking some time to obtain the necessary permits and consult with partners due to the impact of COVID-19.
- LNG power generation being considered as a means of reducing GHGs.



2) Smelting and refining ② Domestic smelters

- Toyo Smelter & Refinery:
 - Began a scheduled one-month shut-down from October
 - Planned output of 424 kt of electrolytic copper in FY2021
- Niihama Nickel Refinery: Planned output of 54.0 kt of electrolytic nickel in FY2021
- Harima Refinery/Niihama Nickel Refinery:
 - Continue producing nickel sulfate at full capacity in response to the growing demand for batteries
 - Plan a record output of 79.7 kt in FY2021
- Hyuga Smelting Co., Ltd.: Planned output of 13.0 kt of ferronickel in FY2021



2) Smelting and refining ③ CBNC/THPAL



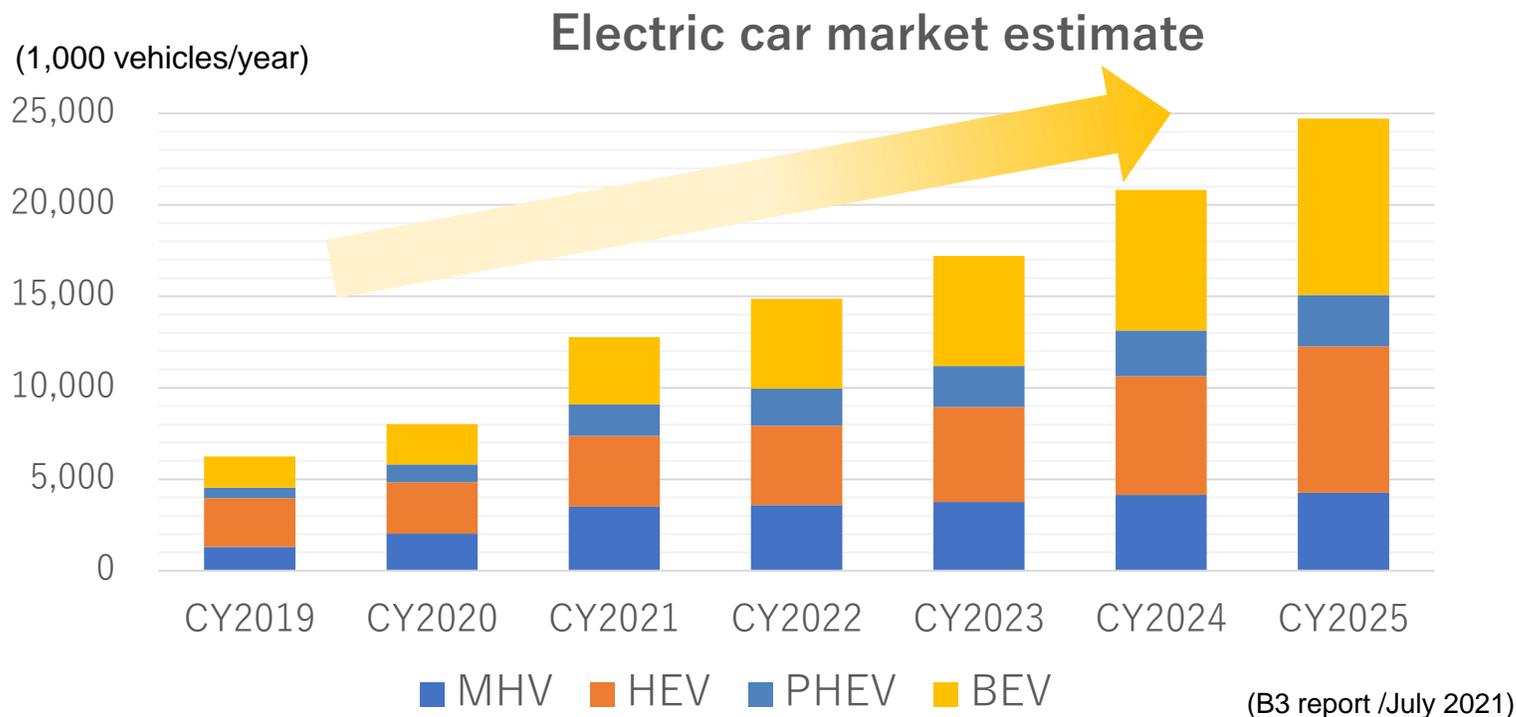
<CBNC>

- Planned output of 19.4 kt in FY2021
- Temporarily reducing the operation level due to the impact of COVID-19

<THPAL>

- Planned output of 29.6 kt in FY2021; the output is reduced due to the impact of a boiler facility trouble
- Start chromite sales (as a material for stainless steel) in FY2021

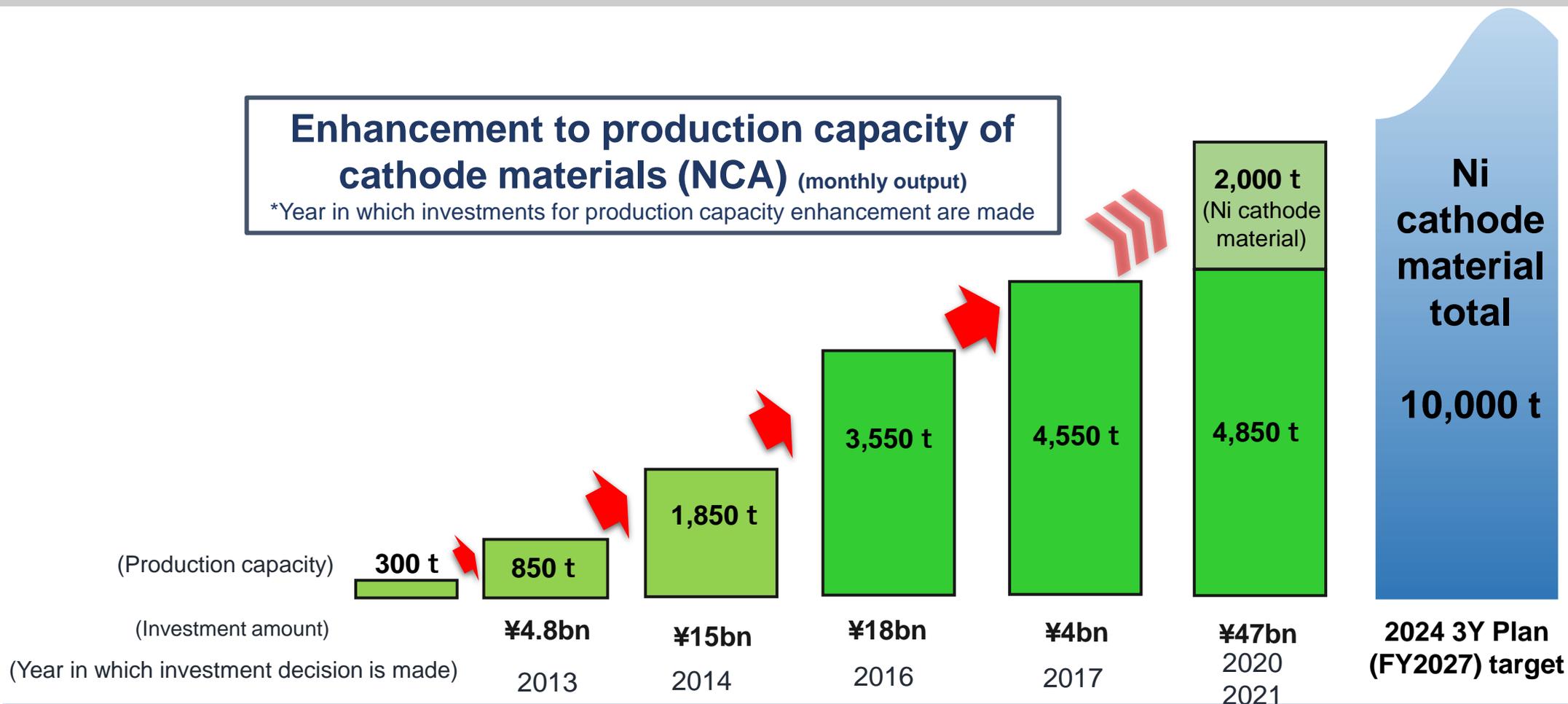
3) Materials: Battery materials ① Market trends / Effect on our company, etc.



Ternary cathode material (NMC)

The entire electric vehicle market is recovering strongly in FY2021. Sales of battery electric vehicles (BEV) is especially robust in China and Europe.

3) Materials: Battery materials ② Enhancing production capacity (Current status and outlook)

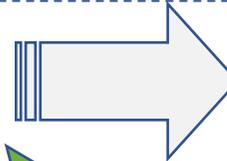


- In July 2021, SMM decided to **make an investment for increasing production capacity by 2,000 t** in the Niihama district (Ehime Pref.) ⇒ Will consider capacity increase in the next term examining issues such as locations and product types in line with the next 3-Year Business Plan.
- The expansion and upgrading of the Battery Research Laboratory are scheduled to be completed in July 2022.

3) Materials: Advanced materials ① Market trends

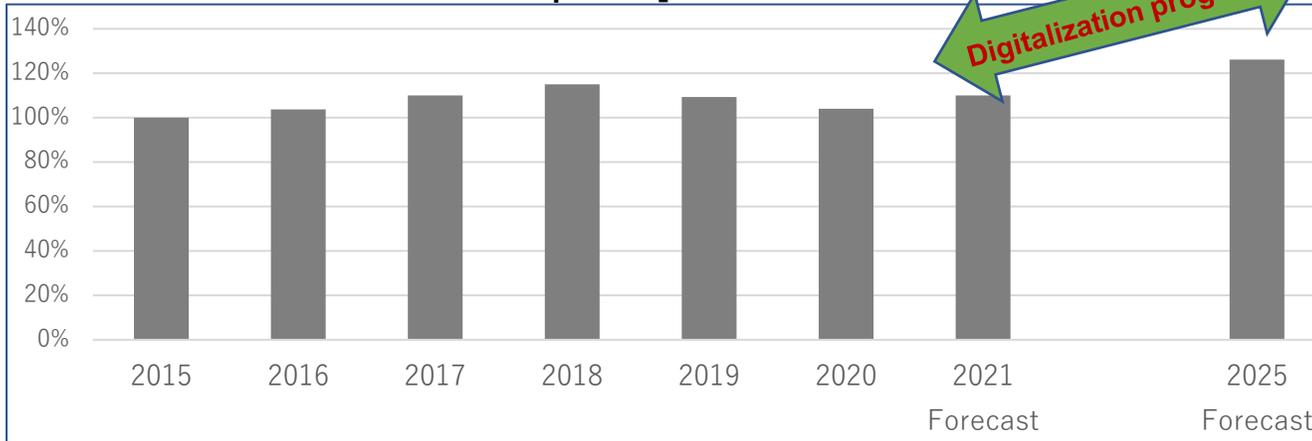
- ✓ **FY2021 1H:** Although smartphone and car sales were smaller than expected due to semiconductor shortages and COVID-19's impact, sales of advanced material rose year-on-year thanks to factors such as an increase in 5G smartphones, progress in digitalization, and recovery in capital investment.
- ✓ **2H / medium- and long-term outlook:** Demand for all products is expected to increase on the back of the progress and upgrading in digitalization, albeit there will be a temporary phase of inventory adjustments.

◆ Progress/upgrading in digitalization



Growing demand for advanced materials

[Global demand for electronic parts] *Benchmarked to 2015 as 100



Source: Prepared and estimated by SMM referring to data compiled by research institutes and others

3) Materials: Advanced materials ② Advanced ink (NIR absorbing material)

◆ CWO® (Cesium tungsten oxide)

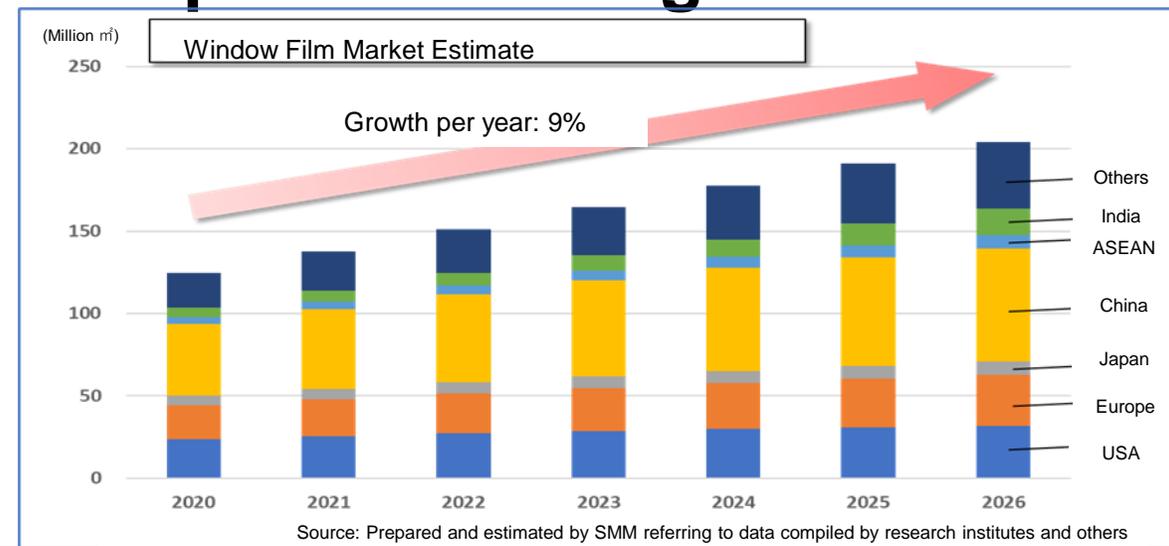
- ✓ Has a superior weather resistance with a combination of high permeability of visible light and strong absorption capacity of near infrared rays (NIR)
- ✓ New chemical substance for which SMM has a patent



➤ Major car window film maker is using CWO®

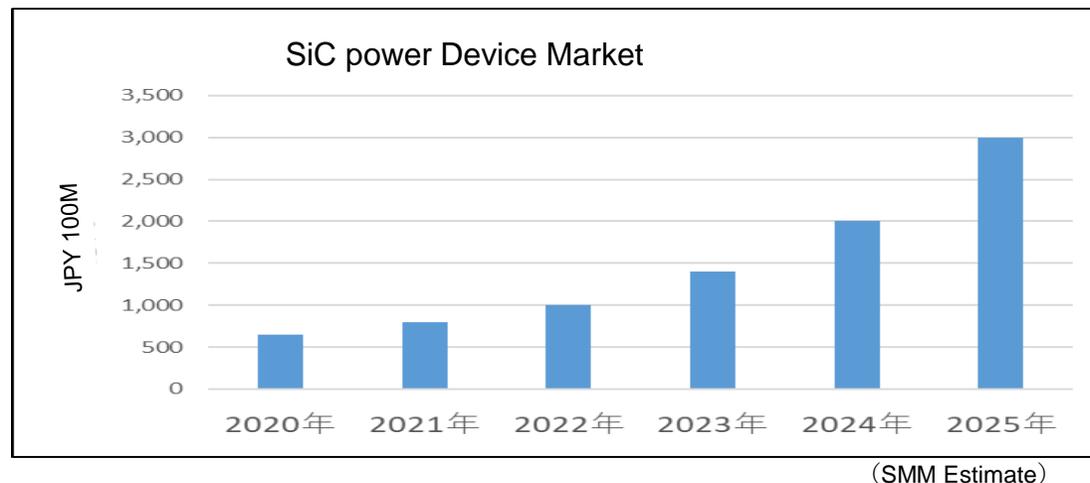
➤ New market cultivation: Supply samples to leading makers

- Clothing (heat generating fabric)
- Agriculture (light adjusting net for green houses)
- 3D printer (optical catalyst)
- Security printing (IR recognition)



3) Materials: Advanced materials ③ SiC substrate development

- ◆ **SiC (silicon carbide):** Semiconductor material used in power semiconductors. Shows superior attributes in the high temperature, high frequency, and high voltage environment.
- ◆ **Bonded SiC substrates produced by Sicoxs Corporation**
 - Lower cost than single-crystal SiC due to the use of cheaper support substrates.
 - Reduced resistance and increased strength of overall substrates while maintaining the attributes of single-crystal SiC.
- ◆ **Scheduled to begin commercial production in FY2021 with the aim of producing 10,000 SiC wafers a month (if 6 inches in diameter).**



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1) Efforts after expressing support for TCFD (Task Force on Climate-related Financial Disclosures)

Scenario	Category	Drivers	Anticipated situation (2050)	Impact on business	Risk and opportunity (medium- to long-term)	SMM Group approach: Initiatives for realizing Vision 2030
1.5°C	Climate change policy	Carbon pricing (carbon taxes, emissions trading, etc.)	• Overall monetary amounts have risen (depending on nation or region)	Increased tax burden, etc. Increases in R&D costs and investment in low-carbon facilities and equipment	Risk Large Short- to long-term, large	• Climate Change: Reduce GHG emissions See p.71-74 • Climate Change: Reduce GHG emissions See p.71-74 • Effective Use of Non-Ferrous Metal Resources: Improve productivity by introducing new technology, Advance nickel ore projects and improve productivity See p.68-70
	Climate change policy	Tightening of vehicle regulations, policy to promote LEVs ⁷	• Fuel consumption regulations have been tightened and restrictions on movement introduced • Policy is supportive of EVs and LEVs • Internal combustion-based vehicles have been replaced by LEVs	• Increase in sales due to growing demand for batteries and nickel accompanying the spread of EVs • Increase in sales of nickel oxide powder and lithium batteries accompanying the development of a hydrogen society and the spread of FCVs • Increase in sales of other products contributing to a low-carbon society	Opportunity Large	• Climate Change: Reduce GHG emissions See p.71-74 • Effective Use of Non-Ferrous Metal Resources: Advance nickel ore projects and improve productivity, Develop technology to create value from unused non-ferrous metal resources, Leverage our strengths to create new products and new businesses that contribute to society, Hold raw materials in-house for favorable and stable procurement, Expand sales of low-cost battery cathode materials through favorable, stable procurement of our own nickel raw materials See p.68-70
	Society and infrastructure	Progress of digital transformation related to vehicles, changes in values	• Self-driving vehicles, MaaS ⁷ , and car-sharing are common • Fewer households own cars			
	Technology	Development of hydrogen technology, fuel cells	• Fuel cell vehicles (FCV) are common • EVs and plug-in hybrid EVs (PHEV) are common			
	Climate change policy	Shift to electrical energy	• Electricity occupies a higher proportion of final energy consumption	• Increase in demand for copper accompanying the strengthening of electrical grids (although there is competition from aluminum, etc.)	Opportunity Large	• Effective Use of Non-Ferrous Metal Resources: Advance copper mine projects, Acquire new superior copper and gold resources See p.68-70
	Technology	Technological shift in automobile storage batteries	• There has been a shift in the market share of automobile storage batteries	• Rise in the proportion of nickel used in batteries and increased sales of nickel accompanying efforts to move away from cobalt • Solid state batteries that leverage SMM technology as next-generation batteries • Spread of iron and manganese-based batteries accompanying efforts to move away from cobalt • Spread of new batteries that do not leverage SMM technology as next-generation batteries	Opportunity Medium Risk Medium	• Climate Change: Reduce GHG emissions See p.71-74 • Effective Use of Non-Ferrous Metal Resources: Advance nickel ore projects and improve productivity, Develop technology to create value from unused non-ferrous metal resources, Leverage our strengths to create new products and new businesses that contribute to society, Hold raw materials in-house for favorable and stable procurement, Expand sales of low-cost battery cathode materials through favorable, stable procurement of our own nickel raw materials See p.68-70
Society and infrastructure	Interest in matters such as responsible sourcing, environmental footprint, and the social impact of businesses	• There is greater awareness regarding sustainability • ESG investment is mainstream • There are more possible applications for alternative materials and recycled metals	• Limits on raw materials sourcing, increase in materials and manufacturing costs, greater advantages due to owning our own mines • Expansion of the automobile secondary battery recycling business • Impact of ESG investment on financing • Reputational risk if SMM's efforts are evaluated as insufficient	Opportunity Medium Risk Medium to large	• Effective Use of Non-Ferrous Metal Resources: Advance copper mine projects, Acquire new superior copper and gold resources, Advance nickel ore projects and improve productivity, Hold raw materials in-house for favorable and stable procurement, Demonstrate and commercialize automobile secondary battery recycling technology See p.68-70 • Human Rights in the Supply Chain: Promote responsible sourcing, particularly responsible mineral sourcing See p.92-93 • Rights of Indigenous Peoples: Understand indigenous peoples and their traditions and culture, Support initiatives that lead to respect for the traditions and cultures of indigenous peoples See p.91	
4°C	Temperatures and rainfall	Rises in average temperature, sea surface temperature, and sea levels Increase in abnormal climate events, such as heat waves, flooding, and water shortages	• Sea levels have risen • Storm surges are more frequent	Decline in port functionality, greater risk of storm surges, possibility of facility-based countermeasures needing to be taken at some coastal business sites	Risk Large	• Significant Environmental Accidents and Biodiversity: Zero significant environmental accidents See p.75-79
			• Heavy rains and typhoons are more frequent • Increased risk of flooding and water shortages depending on region	Increase in risk of flooding or water shortages at business sites in certain regions, possibility of facility-based countermeasures needing to be taken	Risk Large	• Significant Environmental Accidents and Biodiversity: Zero significant environmental accidents See p.75-79
				Decline in operations at key suppliers, decline in plant operations due to interruptions to procurement and shipping routes Possibility of facility-based countermeasures needing to be taken due to the increased risk of damage to tailing dams	Risk Large Risk Large	• Significant Environmental Accidents and Biodiversity: Zero significant environmental accidents, Reduce emissions of hazardous substances See p.75-79 • Significant Environmental Accidents: Zero significant environmental accidents See p.75-79

⁷ An abbreviation for LEVs (Low-Emission Vehicles)

Page 72, 2021 Integrated Report

Disclosed the results of a climate change scenario analysis in Integrated Report 2021

- Conducted a scenario analysis for 1.5- and 4-degree Celsius rises in the average world temperature; identified risks and opportunities
- ICMM commitment
Support the ICMM's commitment to "build clear pathways by 2023 to achieving net zero GHG emissions by 2050 or sooner" ⇒ It is important to accelerate our actions to achieve carbon neutral

2) Progress of other key measures and future schedule

Vision for 2030

A company that understands and respects the traditions and culture of indigenous peoples

Promote an understanding of indigenous people

- **July 2021: Created and distributed an educational video to officers and employees of the SMM Group**

(Over 4,000 people in the Group have watched the video in Japan and overseas as of November 2021.)

⇒ Endeavor to promote an understanding in the Company



Vision for 2030

A company that undertakes responsible sourcing across the supply chain

March 2021: Completed a third-party audit of refineries producing cobalt (Niihama Nickel Refinery, Harima Refinery)

- **Rise in customer inquiries regarding “responsible mineral sourcing” and “CSR sourcing”**

⇒ Continue providing responses speedily and accurately



Electrolytic cobalt

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- VI. Supplementary materials

V. Next 3-Year Business Plan (2021 3-Year Business Plan)

Period covered: FY2022 – FY2024 (three years)

Release time: Mid-February 2022 (scheduled)

- **Continue the Long-Term Vision of the 2018 3-Year Plan**
- **Develop strategies for further growth in the core businesses of *Mineral resources, Smelting & Refining, and Materials***
- **Effective responses and measures for (recent and future) management challenges**

Briefing contents

- I. Summary
- II. FY2021 financial forecast
- III. Topics of each business segment
- IV. Promotion of activities aimed at realization of “Vision for 2030”
- V. Next 3-Year Business Plan
- VI. Supplementary materials**

1) Trends in supply and demand (copper and nickel)

Copper

[ISCG forecast of April 2021]

(kt)

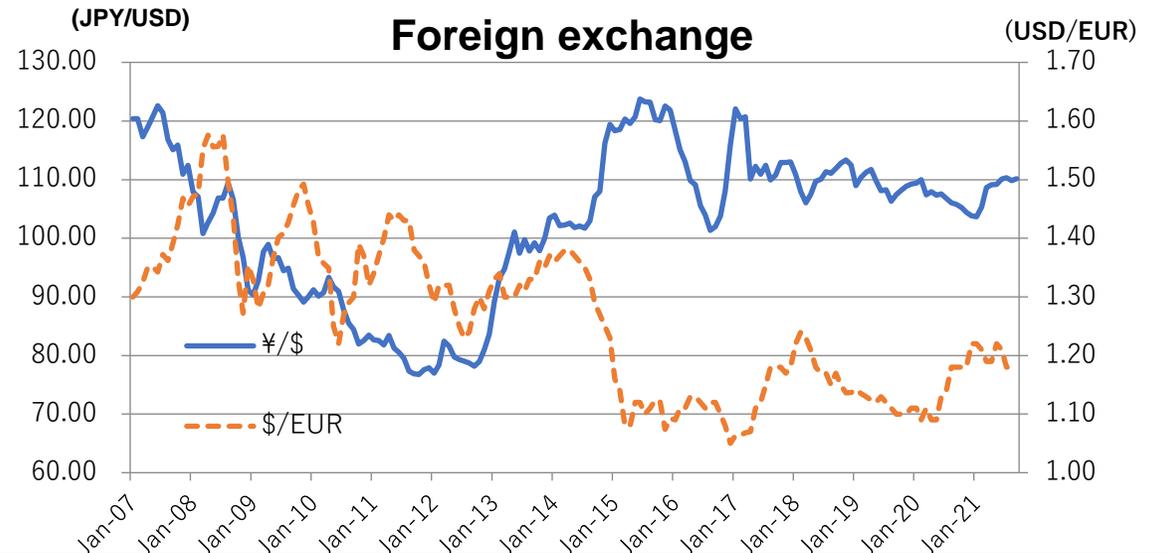
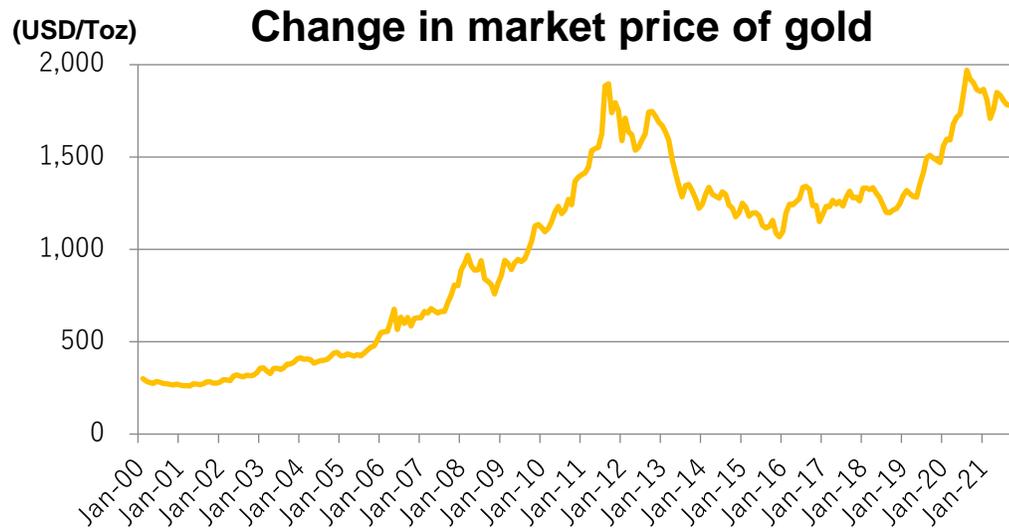
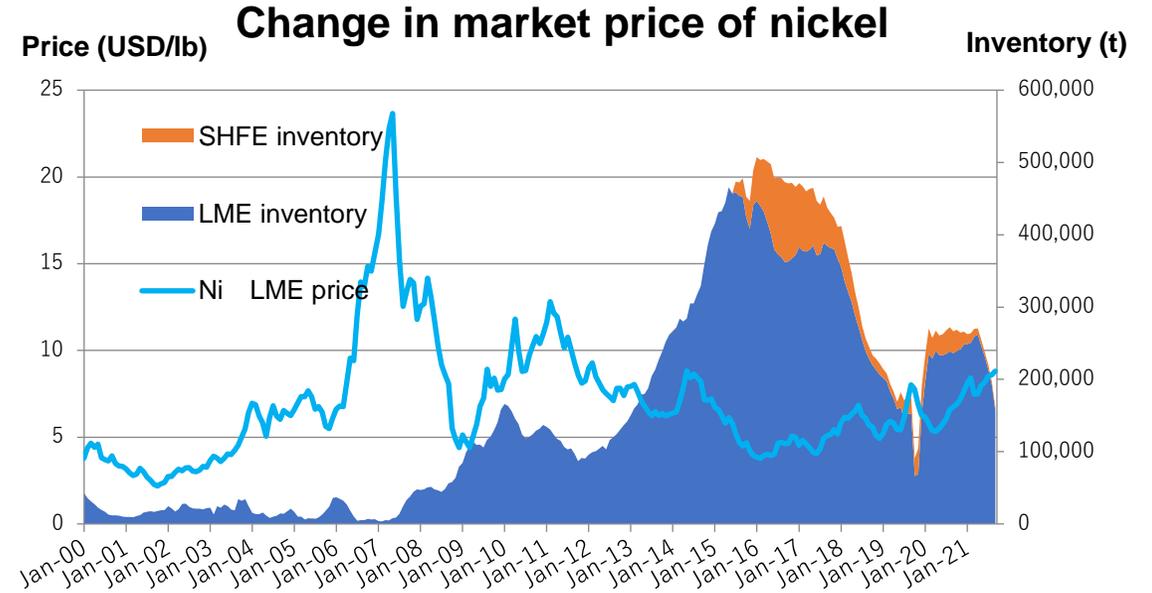
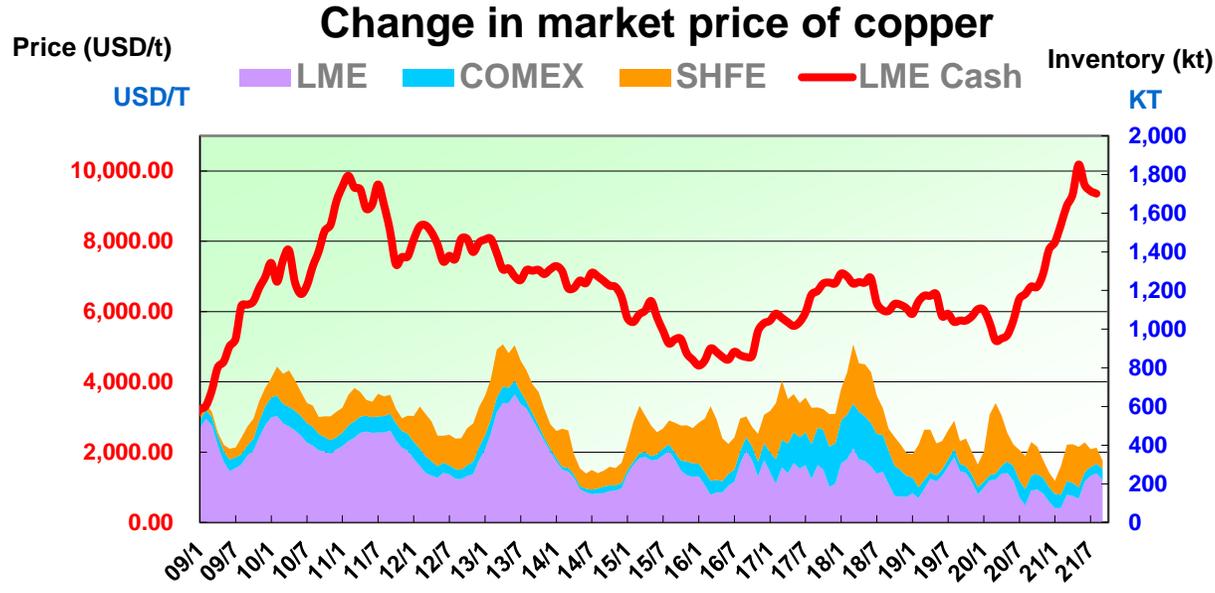
	2020	2021 (forecast)	2022 (forecast)
Production	24,510	24,920	25,886
Usage	24,989	24,963	25,558
Balance	-479	-42	+328

Nickel

(kt)

	INSG forecast in October 2021			SMM forecast in August 2021		
	2020	2021 (forecast)	2022 (forecast)	2020	2021 (forecast)	2022 (forecast)
Production	2,491	2,639	3,120	2,507	2,682	3,016
Usage	2,384	2,773	3,044	2,379	2,776	2,978
Balance	+107	-134	+76	+128	-94	+38

2) Metal price and foreign exchange



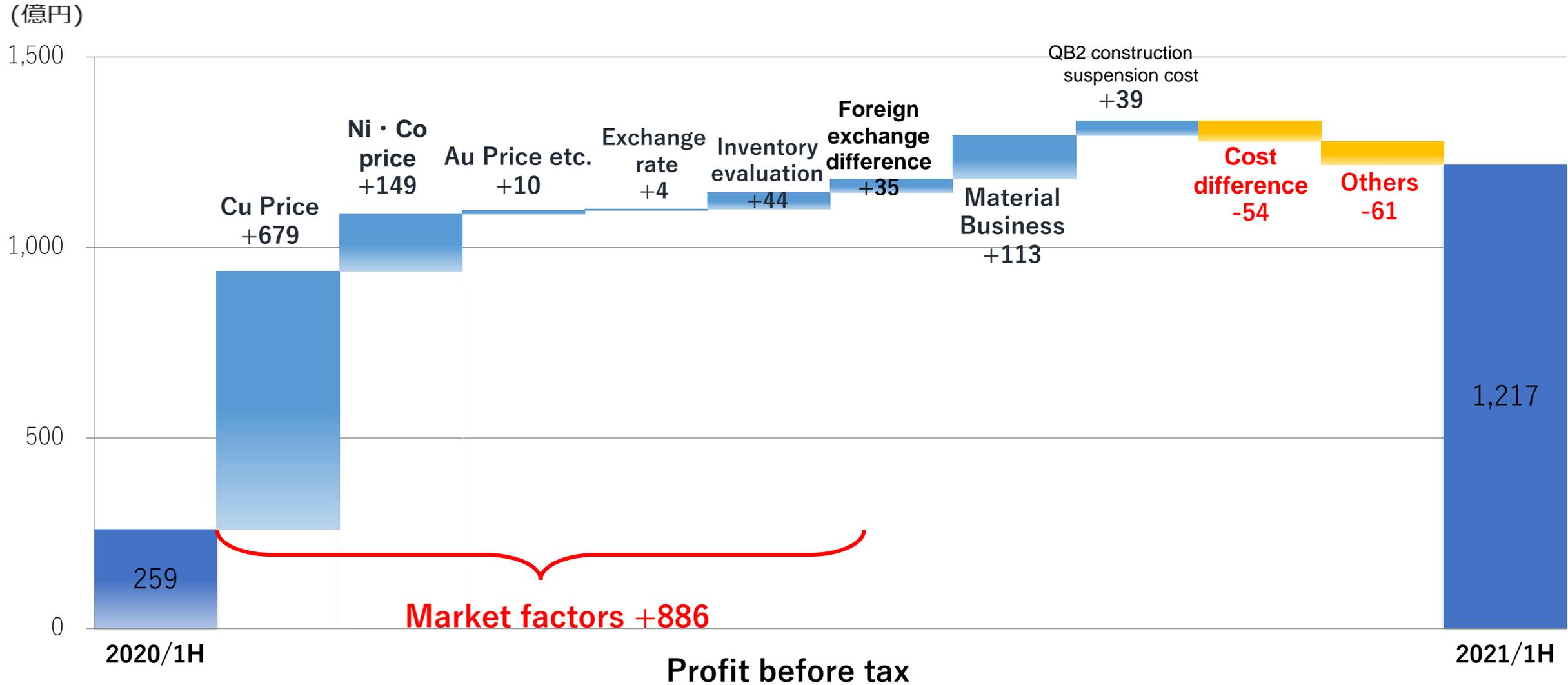
3) 2Q FY2021 financial highlights (YoY change)①

(Billions of yen)		2021/2Q Cumulative (A) [IFRS]	2020/2Q Cumulative (B) [IFRS]	Difference (A) - (B)
Net sales		597.9	*1 406.7	+191.2
Sales total profit		114.7	56.2	+58.5
Profit/loss before tax		121.7	25.9	+95.8
Equity method profit/loss		24.4	-4.4	+28.8
Segment Profit *2	Mineral resources	67.4	12.1	+55.3
	Smelting & refining	50.2	15.2	+35
	Materials	13	1.7	+11.3
	Other	0	-0.3	+0.3
	Diff. Adjustment	-8.9	-2.8	-6.1
Net income attributable to owners of parent		113.8	17.5	+96.3
Copper (USD/t)		9,541	5,931	+3,610
Nickel (USD/lb)		8.27	5.99	+2.28
Gold (USD/Toz)		1,803	1,811	-8
Cobalt (USD/lb)		22.43	14.84	+7.59
Exchange (USD/JPY)		109.81	106.92	+2.89

*1: Changes in accounting policies regarding materials supplied for a fee were retroactively applied.

*2: Changes in allocation of "Diff. Adjustment" applied in FY2021 were also retroactively applied to segment profit of FY2020.

3) 2Q FY2021 financial highlights (YoY change) ② Profit/loss before tax analysis



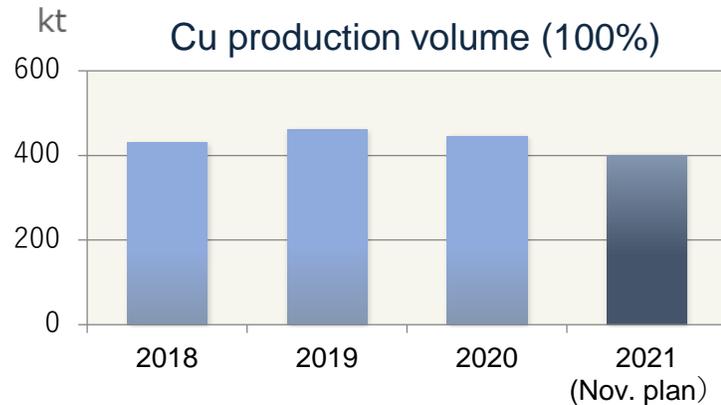
4) Individual business overview Mineral Resource ① Copper (oversea copper mines)

Morenci Copper Mine (US)

Ratio of interests	FCX	72%
	SMM	25%
	Sumitomo Corporation	3%



- Production volume
FY2020 446 kt (results)
FY2021 401 kt (plan)

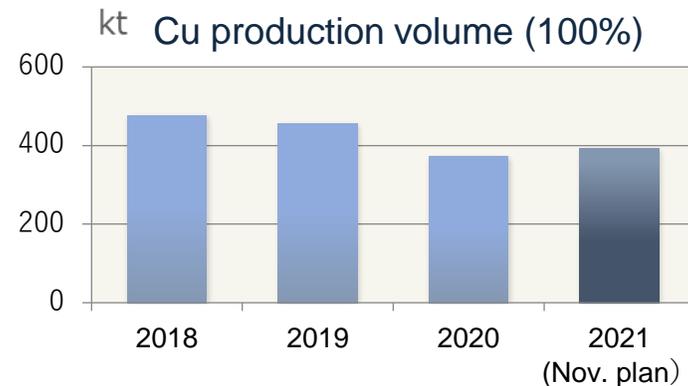


Cerro Verde Copper Mine (Peru)

Ratio of interests	FCX	53.56%
	SMM	16.80%
	Sumitomo Corporation	4.20%
	Other	25.44%



- Production volume
FY2020 372 kt (results)
FY2021 393 kt (plan)

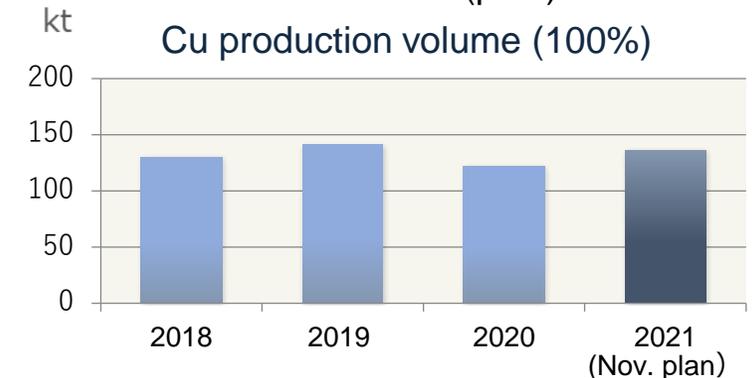


Candelaria Copper Mine (Chile)

Ratio of interests	Lundin	80%
	SMM	16%
	Sumitomo Corporation	4%



- Production volume
FY2020 123 kt (results)
FY2021 135 kt (plan)



*Production volume reflects the total combined with that of Ojos del Salado

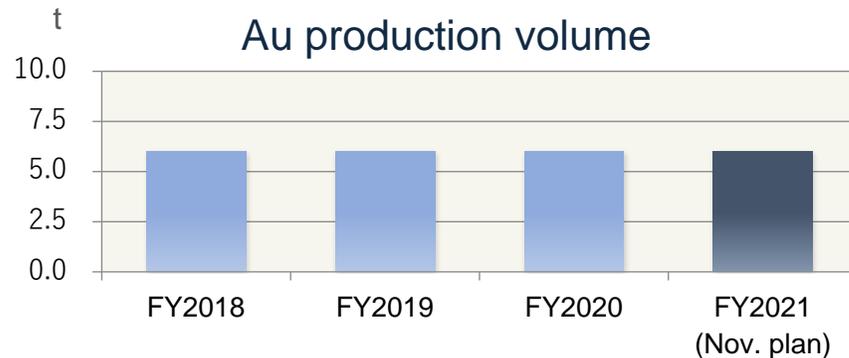
4) Individual business overview Mineral Resource ② Gold (Hishikari / Cote)

Hishikari Mine (Kagoshima Prefecture)

Ratio of interests SMM 100%



- Lower orebody development: Continued with safety-first policy
- Reserve: 159 t (based on JIS) at the end of 2020
- Production volume FY2021 6.0 t (Nov plan)



Cote Gold Development Project (Canada)

Ratio of interests
 IAMGOLD 64.75%
 SMM 27.75%
 Other 7.50%

Acquisition amount: USD195 million (approx. 21.5 billion yen)
 Location: Ontario

- F/S completed in November 2018
- Construction started August 2020
- Production start scheduled from 2023



Initial construction project costs	USD1,785M
Mine life	18 years
Overall gold production volume	205 t
Reserve	233 Mt
Reserve grade	0.96 g/t

(Initial construction project costs are quoted from a press release issued on Nov. 8, 2021. Other figures are quoted from a press release issued on July 21, 2020.)

4) Individual business overview Smelting and refining ① Copper (Toyo Smelter & Refinery)

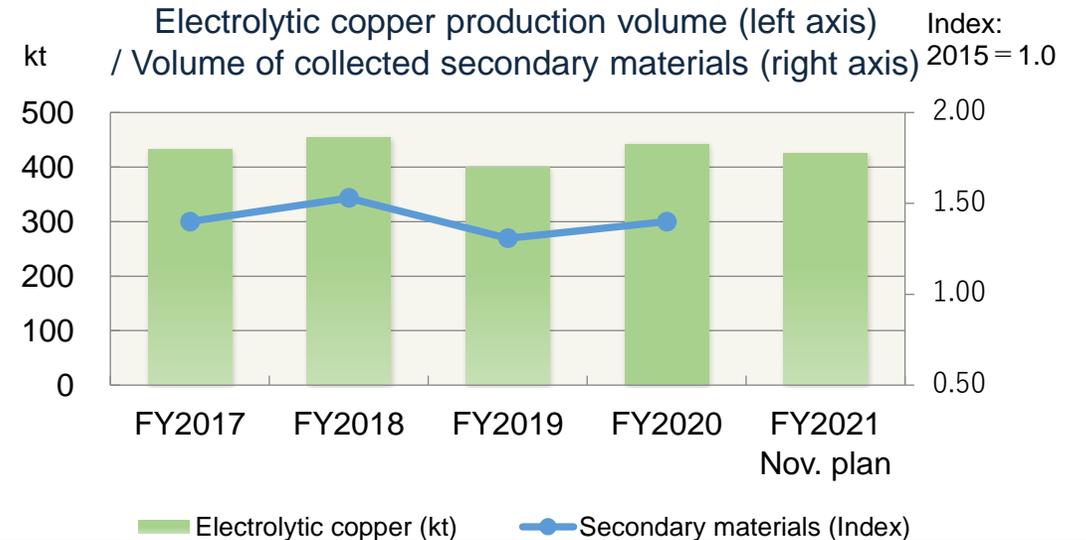
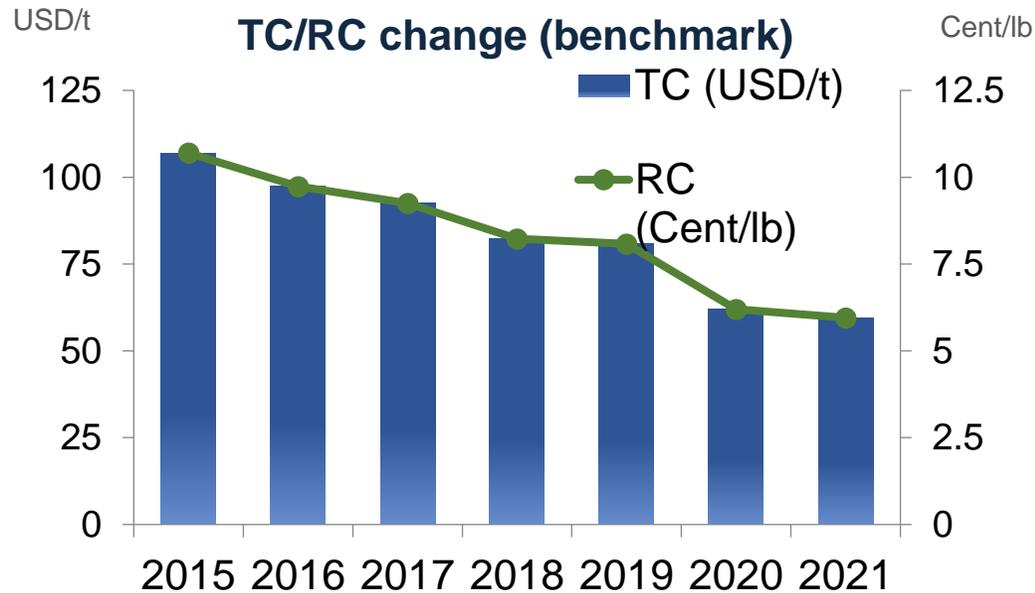
Toyo Smelter & Refinery

Production volume of electrolytic copper

FY2020 443 kt (results)

FY2021 421 kt (Nov. plan)

*Regular maintenance and repair work scheduled in FY2021



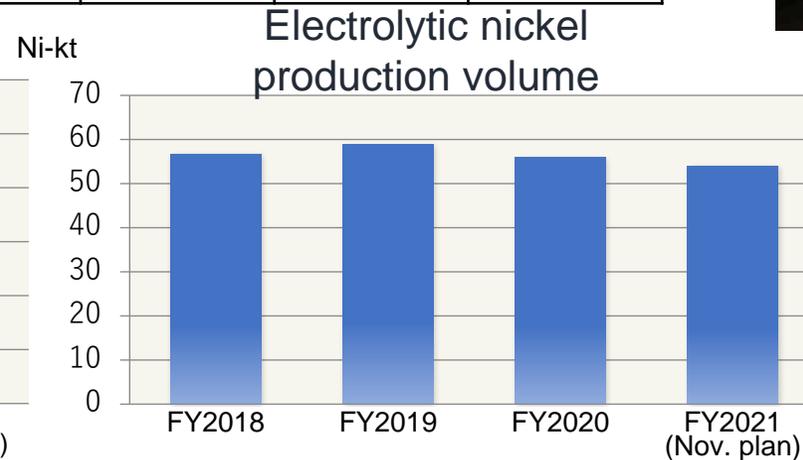
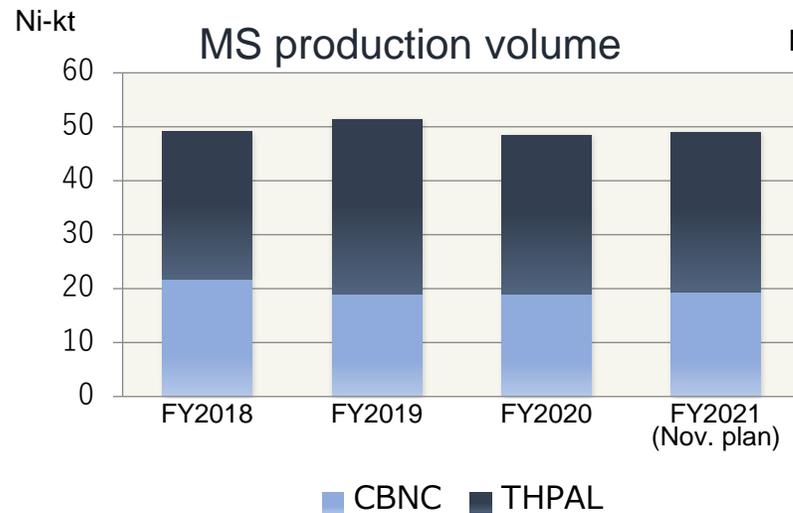
4) Individual business overview Smelting and refining ②Nickel

(CBNC, THPAL, Niihama Nickel Refinery)

CBNC, THPAL, Niihama Nickel Refinery

Production volume

Unit Ni-kt	FY2021 (Nov. plan)	FY2020	Difference	FY2021 (May plan)	Difference
CBNC	19.4	19.1	+0.3	20.0	-0.6
THPAL	29.6	29.4	+0.2	33.0	-3.4
Electrolytic nickel (Niihama Nickel Refinery)	54.0	55.9	-1.9	57.0	-3.0



Maximize HPAL by product recovery

Scandium oxide:

Started commercial production from January 2019

Chromite:

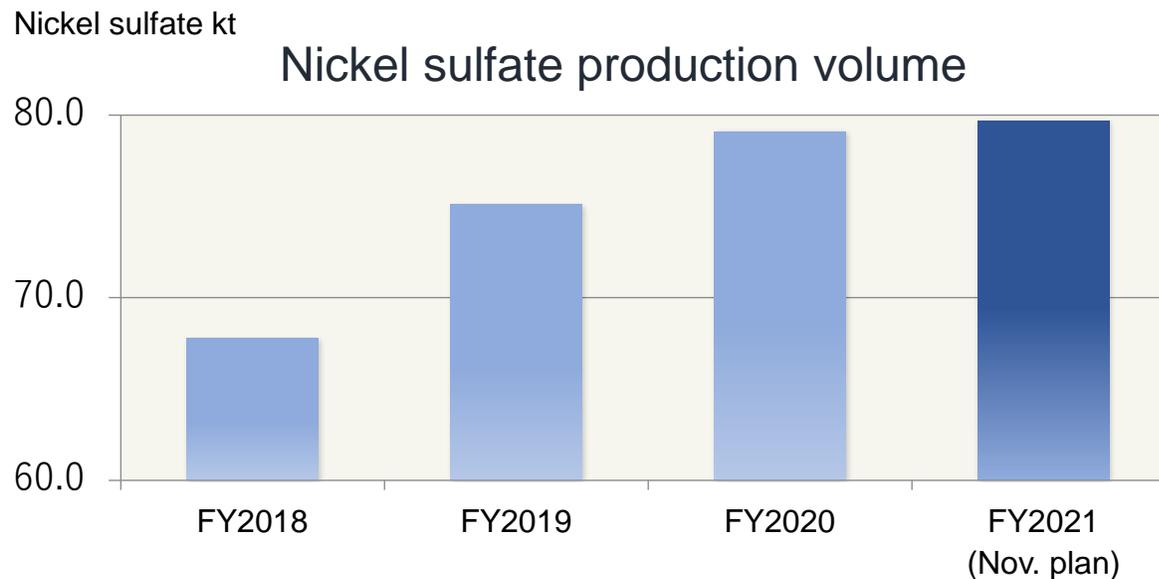
Sales planned to start in FY2021

4) Individual business overview Smelting and refining ③ Nickel sulfate (Niihama Nickel Refinery, Harima Refinery)

Niihama Nickel Refinery, Harima Refinery

Production volume of nickel sulfate (Total of Niihama Nickel Refinery and Harima Refinery)

FY2020	79.1 kt (result) a record high
FY2021	79.7 kt (Nov. plan)



4) Individual business overview Smelting and refining ④ Ferronickel

(Hyuga Smelting Co., Ltd.)

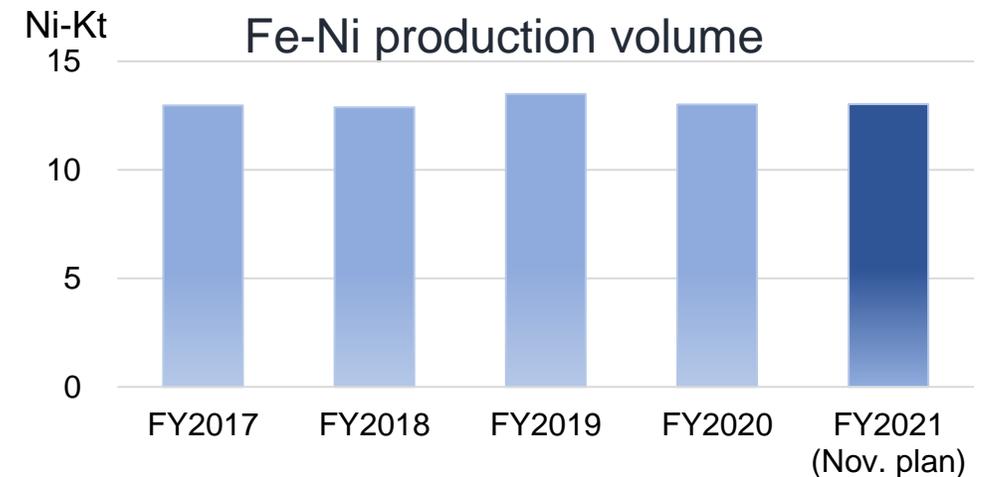
Hyuga Smelting Co., Ltd.

Production volume

FY2020 13.0 Ni-kt (results)

FY2021 13.0 Ni-kt (Nov. plan)

- Aim to maximize production volume using system of 2 kilns, 1 electric furnace
- Strive for cost reduction through stable production and efficient operation, and secure profits



4) Individual business overview **Materials**

Battery materials

FY2021 1H results: Strong sales continued.

FY2021 2H forecast: Strong sales are likely to continue with a favorable market.

Crystal materials

FY2021 1H results: Strong sales continued from the previous term.

FY2021 2H forecast: Demand is expected to sustain due to the growing 5G smartphone market.

Powder Materials

FY2021 1H results: Strong sales continued on the back of solid demand.

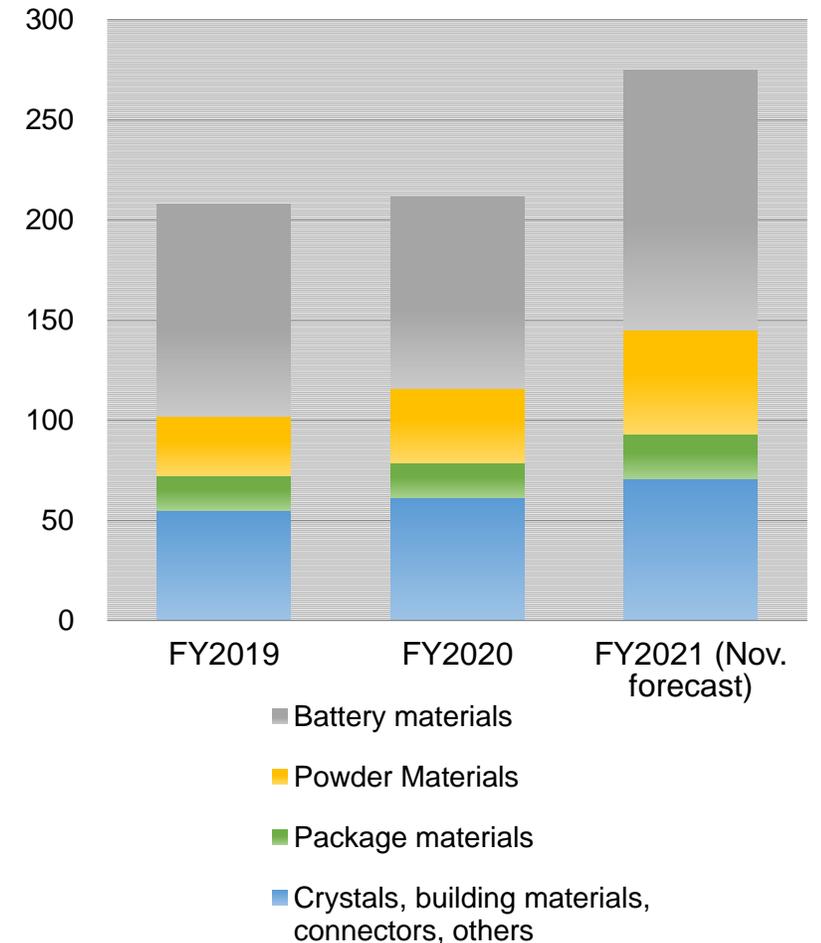
FY2021 2H forecast: Solid sales are expected especially for commercial use; there is a sense of uncertainty about some products.

Package Materials

FY2021 1H results: Strong sales continued for smartphones, televisions, etc.

FY2021 2H forecast: Solid demand is likely to continue.

**Shift in sales
for materials business**
(Billions of yen)

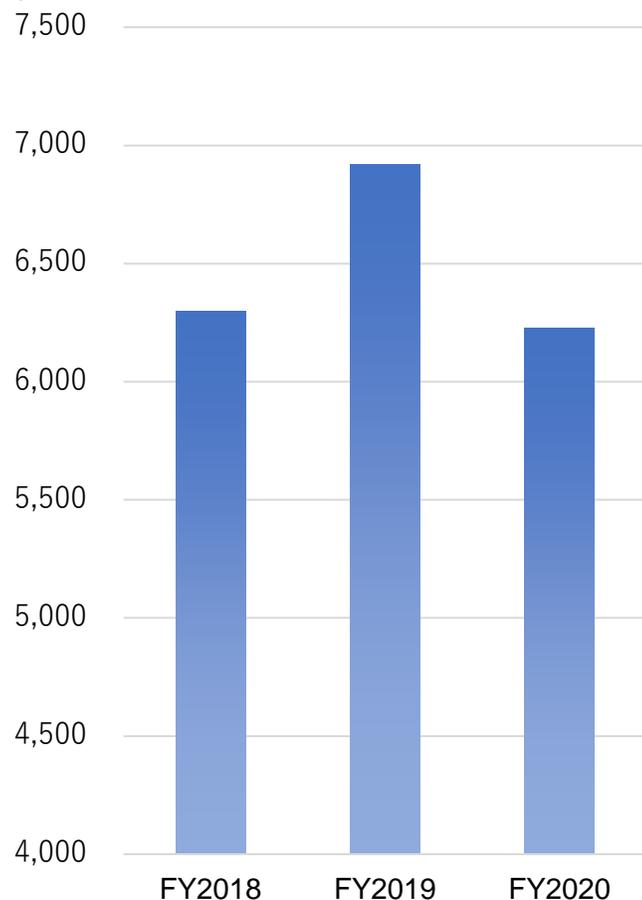


*Sales of battery materials are calculated by retrospectively applying the revised accounting policies regarding materials supplied for a fee.

4) Individual business overview Research & development ① Results

Change in research and development expenses

(Millions of yen)



Material Business (material development)

[Battery materials]

- Research & development of higher performance battery cathode materials
- Customizing for solid state batteries

[Crystal materials]

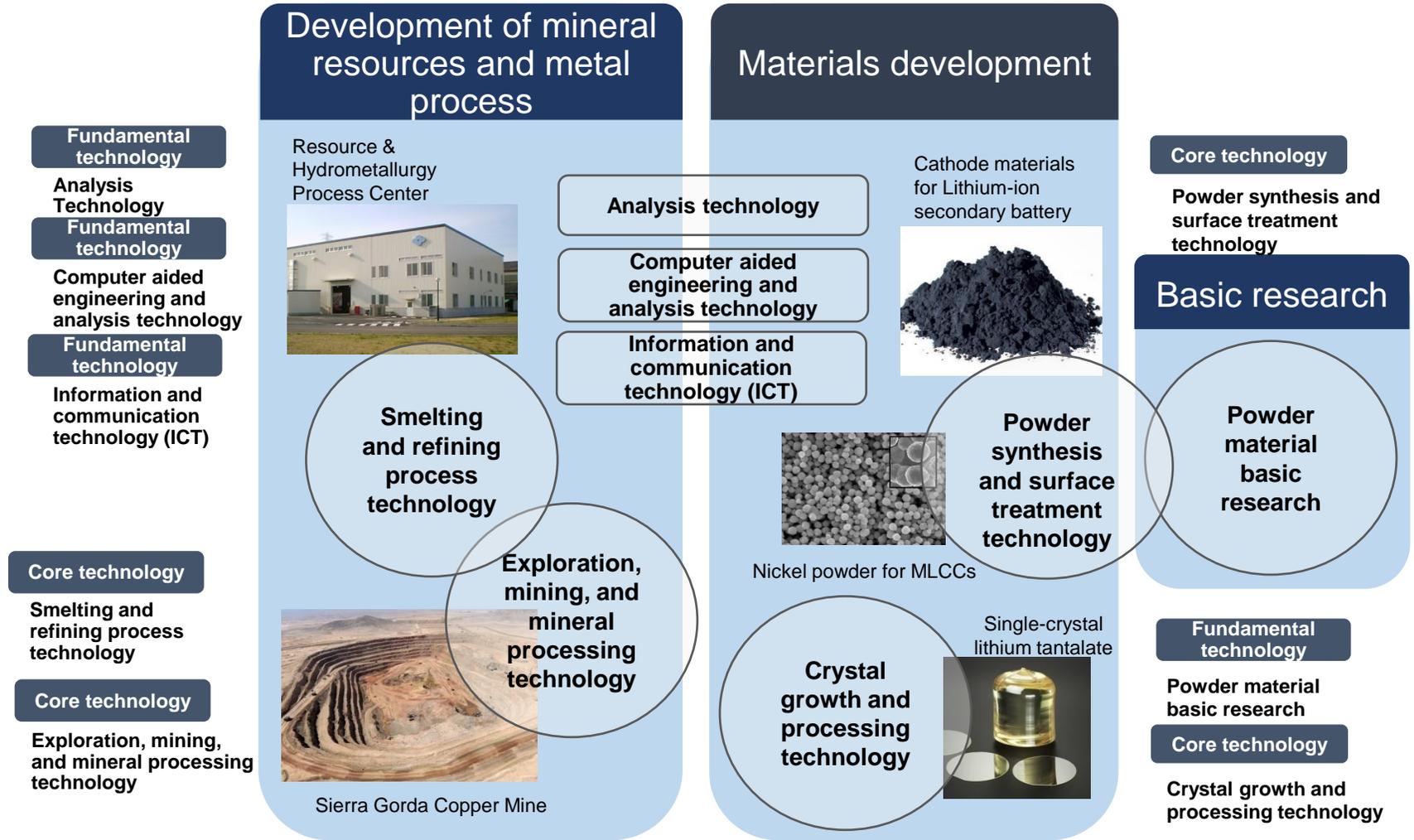
- Cost reduction ahead of commodification
Achievement of improved productivity through crystal lengthening, larger bore, and improved crystal growing/production yield, etc.
- Meeting new user needs
Large bore LT crystal growth technology established, now in user work

Smelting & Refining Business (process development)

[Lithium ion battery recycling]

- Succeeded in the PoC of a secondary battery recycling technology, which included the recovery of cobalt.
Established a world-first, new recycling process incorporating the production of soluble slags from which lithium can be recovered.

4) Individual business overview Research & development ② Area/field



Concentration on growth strategy fields, search for “seeds” of next-generation business

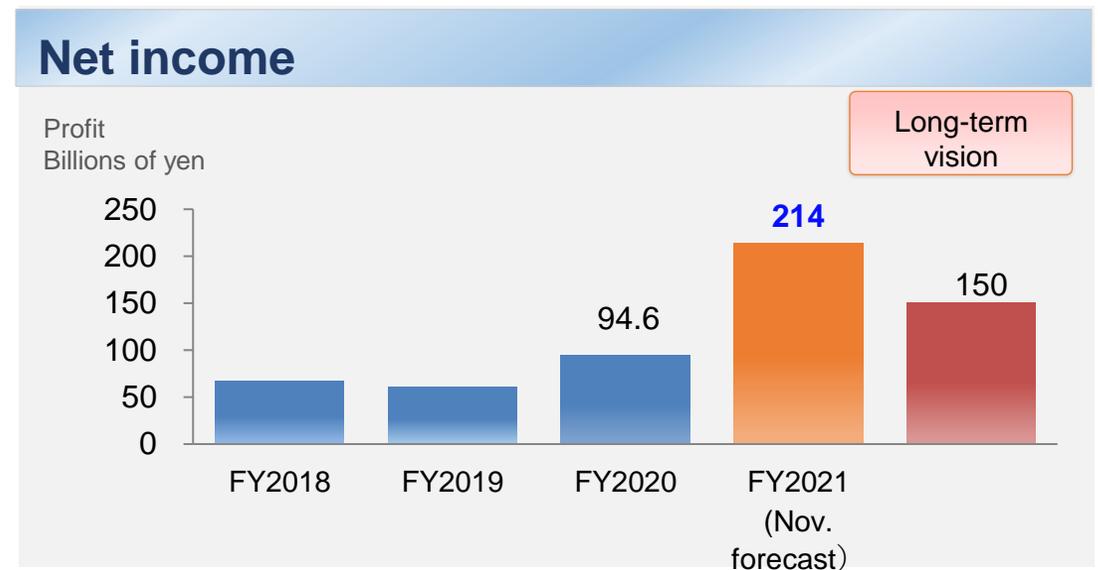
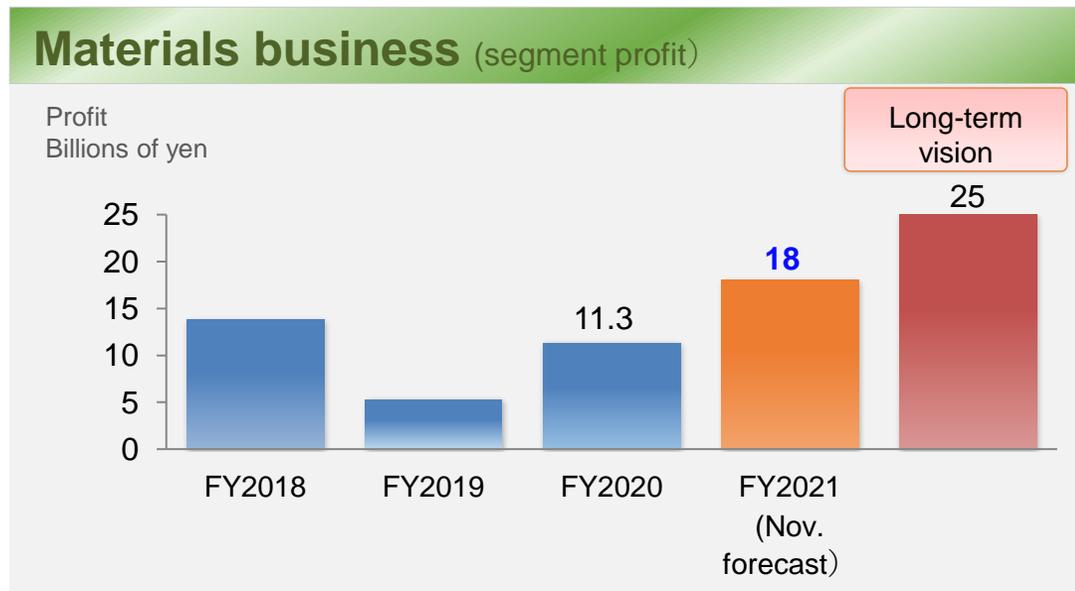
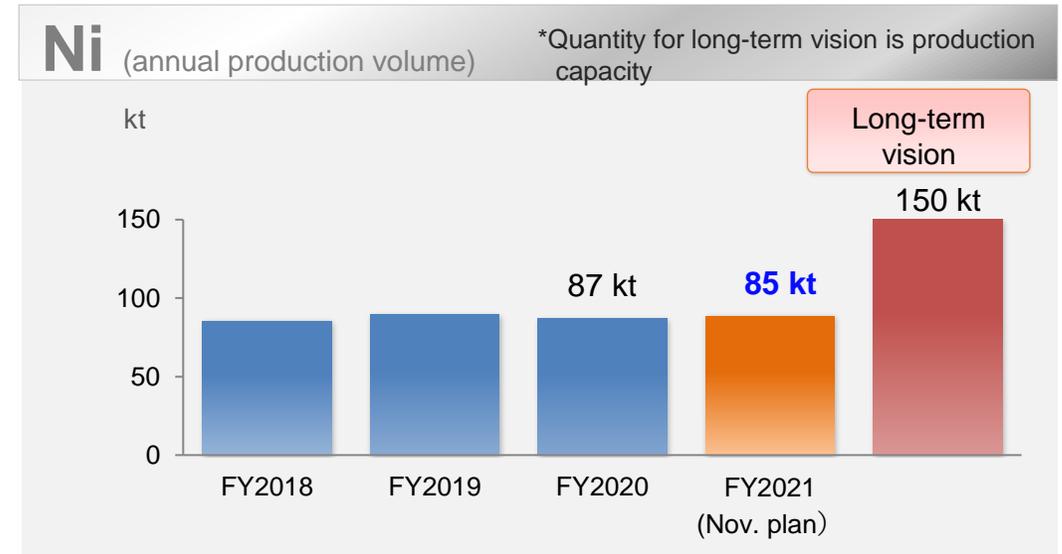
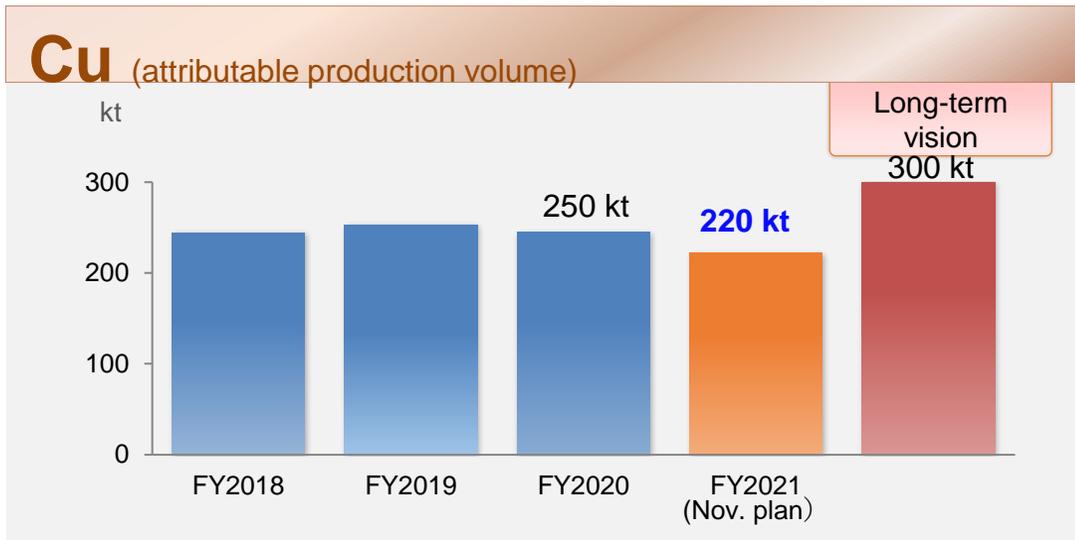
5) Sensitivity

(Billions of yen)

Element	Margin of change	Up/Down of profit before tax for FY2021
Cu	± 100USD/t	2.4
Ni	± 10Cent/lb	1.4
Au	± 10USD/toz	0.2
JPY/USD	± 1JPY/\$	2.2

Note: USD/JPY translation includes RC-related and conversion rate of overseas consolidated/equity-method affiliate companies' profit.

6) Targets and achievement of long-term vision



Caution

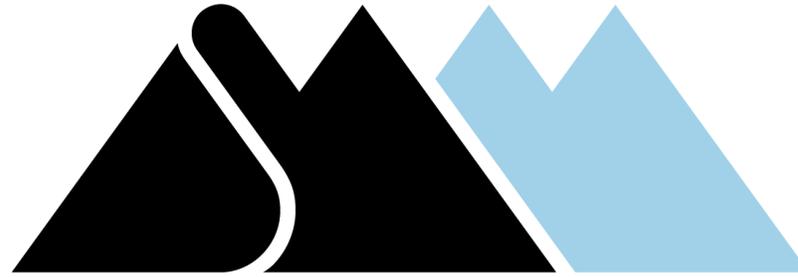
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