

Supplementary Explanation for Financial Summary

1st Quarter FY2009



Coral Bay Nickel Corporation (Philippines)

July 29th, 2009

Sumitomo Metal Mining Co., Ltd

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2009.7.29.

Comparison with FY2009 1Q result

FY2009/1Q vs FY2008/4Q, 1Q

(JPY 100M)

		2009/1Q	2008/4Q	Diff.	2008/1Q	Diff.
		① Result	② Result	①-②	③Result	①-③
A	Net Sales	1,552	1,374	178	2,441	△ 889
	Operating income	107	△ 188	295	315	△ 208
	Recurring profit	129	△ 256	385	494	△ 365
	Net income	66	△ 170	236	305	△ 239
	Inventory impairment	61	△ 27	88	△ 4	65
	Cu(\$/t)	4,663	3,429	1,234	8,443	△ 3,780
	Ni(\$/lb)	5.86	4.75	1.11	11.65	△ 5.79
	Au(\$/oz)	922.0	908.3	13.7	896.4	25.6
	Exchange Rate(¥/ \$)	97.33	93.62	3.71	104.56	△ 7.23

・09/1Qvs08/4Q: Sales and profit increased due to metal price, exchange rate and recovery of electronics materials.

・09/1Qvs08/1Q: Sales and profit decreased due to metal price, exchange rate and decrease of sales in all divisions.

FY2009/1Q vs 1/4 of FY2009 Annual Forecast

JPY100M

		2009/1Q	FY09 Annual Forecast / 4	Diff.
		①Result	④Forecast	①-④
B	Net Sales	1,552	1,233	319
	Operating income	107	35	72
	Recurring profit	129	28	101
	Net income	66	18	48
	Inventory impairment	61	9	52
	Cu(\$/t)	4,663	4,000	663
	Ni(\$/lb)	5.86	5.00	0.86
	Au(\$/oz)	922.0	850.0	72.0
	Exchange Rate(¥/ \$)	97.33	95.00	2.33

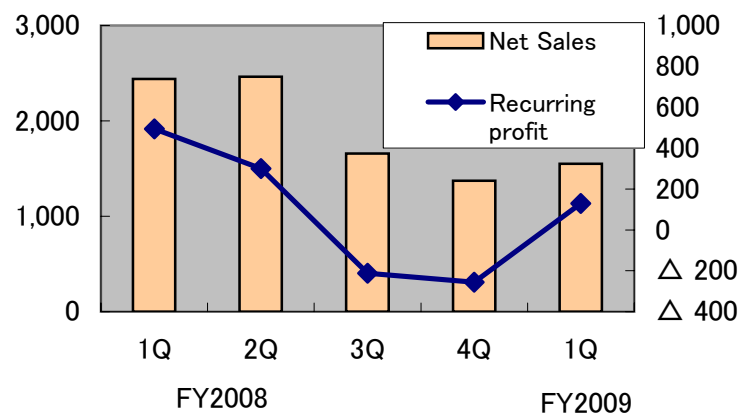
・Due to inventory impairment, increase of metal prices, the result of 1Q was better than 1/4 of FY2009 Annual Forecast.

Quarterly consolidated financial results of FY2008 and FY2009

(JPY100M)

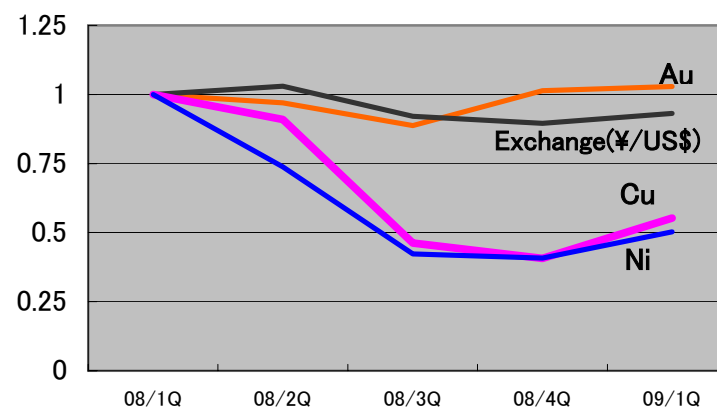
	FY2008					FY2009				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net Sales	2,441	2,464	1,659	1,374	7,938	1,552				1,552
Operating income	315	157	△ 179	△ 188	105	107				107
Recurring profit	494	300	△ 212	△ 256	326	129				129
Net income	305	216	△ 131	△ 170	220	66				66
Cu(\$/t)	8,443	7,680	3,905	3,429	5,864	4,663				4,663
Ni(\$/lb)	11.65	8.60	4.92	4.75	7.48	5.86				5.86
Au(\$/oz)	896.4	869.2	795.7	908.3	867.4	922.0				922.0
Exchange Rate(¥/\$)	104.56	107.67	96.30	93.62	100.54	97.33				#REF!
Inventory impairment										
(Metals) Impairment	△ 9	△ 32	△ 4	13	△ 32	25				
(Metals) QP Diff etc.	7	△ 34	△ 173	△ 41	△ 241	22				
(Metals) Total	△ 2	△ 66	△ 177	△ 28	△ 273	47				
(Electronics&others)	△ 2	△ 4	△ 38	1	△ 43	14				
Grand Total	△ 4	△ 70	△ 215	△ 27	△ 316	61				

Net Sales (JPY 100M)



Recurring profit (JPY 100M)

Metal Price / Exchange Rate (INDEX:08/1Q=1.0)



Quarterly Operating income / Equity in earnings of affiliated companies

Operating income

(JPY 100M)

Segment	FY2008				2009	Diff.	Diff.
	1Q	2Q	3Q	4Q	1Q	09/1Q-08/4Q	09/1Q-08/1Q
Mineral resources	95	66	34	△ 18	73	91	△ 22
Metals	190	98	△ 168	△ 96	57	153	△ 133
subtotal:	285	164	△ 134	△ 114	130	244	△ 155
Semiconductor and Advanced materials	29	△ 1	△ 56	△ 74	△ 13	61	△ 42
Others	1	9	△ 12	8	△ 7	△ 15	△ 8
Total	315	172	△ 202	△ 180	110	290	△ 205
Offset	0	△ 15	23	△ 8	△ 3	5	△ 3
Grand Total	315	157	△ 179	△ 188	107	295	△ 208

Equity in earnings of affiliated companies

JPY 100M

	Companies	FY2008				FY2009	Diff.	Diff.
		1Q	2Q	3Q	4Q	1Q	09/1Q-08/4Q	09/1Q-08/1Q
Cu	Cerro Verde	80	65	43	△ 30	17	47	△ 63
	Other Oversea mines(Cu)	54	42	30	△ 40	11	51	△ 43
	Others	5	3	1	△ 9	3	12	△ 2
	Subtotal : Cu	139	110	74	△ 79	31	110	△ 108
Ni	PT Inco	34	35	22	△ 4	3	7	△ 31
	Others	△ 3	△ 1	0	△ 14	△ 2	12	1
	Subtotal : Ni	31	34	22	△ 18	1	19	△ 30
Others	N.E.Chemcat Corp.	7	7	2	△ 1	1	2	△ 6
	Others	9	6	△ 22	△ 6	1	7	△ 8
	Subtotal : Others	16	13	△ 20	△ 7	2	9	△ 14
Total		186	157	76	△ 104	34	138	△ 152

Metal price and Exchange rate

	Copper (\$/t)		Copper (¢/lb)		Nickel (\$/lb)		Gold (\$/oz)		Zinc (\$/t)		Exchange (¥/US\$)	
	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008
Apr	4,407	8,685	200	394	5.06	13.05	891.4	910.7	1,379	2,264	99.12	102.52
May	4,569	8,383	207	380	5.73	11.67	927.8	888.9	1,484	2,182	96.29	104.22
Jun	5,014	8,261	227	375	6.79	10.23	946.7	889.5	1,557	1,894	96.58	106.93
Average	4,663	8,443	212	383	5.86	11.65	922.0	896.4	1,473	2,113	97.33	104.56
Jul		8,414		382		9.14		940.5		1,852		106.84
Aug		7,635		346		8.59		839.7		1,723		109.34
Sep		6,991		317		8.07		827.4		1,735		106.83
Average	-	7,680	-	348	-	8.60	-	869.2	-	1,770	-	107.67
Oct		4,926		223		5.51		940.5		1,302		100.59
Nov		3,717		169		4.85		759.4		1,153		96.86
Dec		3,072		139		4.39		818.0		1,101		91.44
Average	-	3,905	-	177	-	4.92	-	839.3	-	1,185	-	96.30
Jan		3,221		146		5.13		858.2		1,187		90.44
Feb		3,315		150		4.72		941.5		1,112		92.44
Mar		3,750		170		4.40		925.1		1,217		97.99
Average	-	3,429	-	156	-	4.75	-	908.3	-	1,172	-	93.62
FY average	4,663	5,864	212	266	5.86	7.48	922.0	878.3	1,473	1,560	97.33	100.54

SMM's forecasts

FY2009	4,000		181		5.00		850.0		1,300		95.00	
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Comparison

(FY2009/1Q result VS FY2008/4Q result)

Operating income

JPY 100M

Segment	09/1Q ①	08/4Q ②	Diff ①-②
Mineral resources	73	△ 18	91
Metals	57	△ 96	153
subtotal:	130	△ 114	244
Semiconductor and Advanced Materials	△ 13	△ 74	61
Others	△ 7	8	△ 15
Total	110	△ 180	290
Offset	△ 3	△ 8	5
Grand Total	107	△ 188	295

(Explanation of differences)

1. Mineral resources

JPY 100M

Division	Diff.	Quantity	Price	Ex. Rate	Cost	Others
Hishikari (Au)	41	24	1	3	4	9
Pogo (Au)	4	Au Products (t)(100%)		09/1Q:	2.8	08/4Q: 2.7
Oversea Copper Mines (Cu)	45	exploration cost, etc.				
Others	1					
Total operating income	91					

- Hishikari increased income due to 3.0t Au sales (increased by 1.0t) But annual Au sales 7.5t will be remained .
- Pogo Mine increased income due to increased gold price.
- Oversea Copper Mines increased income due to mainly cost reduction of SMM Arizona.

2. Metals

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Division	Diff.	Quantity	Price	Ex. Rate	Cost	Inventory	Others
Copper	44	4	8	△ 1	4	6	23
Nickel	74	16	△ 14	△ 6	5	65	8
Zinc/Lead/Others	7	△ 1			6	4	△ 2
Others	28	-	-	-	-	-	28
Total operating income	153	19	△ 6	△ 7	15	75	57

- Inventory impairment

09/1Q Result	47 (JPY100M)
08/4Q Result	△ 28 (JPY100M)

Comparison

(FY2009/1Q result VS FY2008/1Q result)

Operating income

Segment	09/1Q ①	08/1Q ②	Diff ①-②
Mineral resources	73	95	△ 22
Metals	57	190	△ 133
subtotal:	130	285	△ 155
Semiconductor and Advanced Materials	△ 13	29	△ 42
Others	△ 7	1	△ 8
Total	110	315	△ 205
Offset	△ 3	0	△ 3
Grand Total	107	315	△ 208

(Explanation of differences)

1. Mineral resources

Division	Diff.	Quantity	Price	Ex. Rate	Cost	Others
Hishikari (Au)	19	22	2	△ 6	0	1
Pogo (Au)	△ 1	Au Products (t)(100%)		09/1Q:	2.8	08/1Q: 2.7
Oversea Copper Mines (Cu)	△ 40	exploration cost, etc.				
Others	0					
Total operating income	△ 22					

- Hishikari increased income due to 3.0t Au sales (increased by 0.8t) But annual Au sales 7.5t will be remained .
- Pogo Mine's income was almost the same.
- Oversea Copper Mines decreased income due to Cu price down and less sales volume of SMM Arizona.

2. Metals

Division	Diff.	Quantity	Price	Ex. Rate	Cost	Inventory	Others
Copper	9	13	△ 18	△ 2	9	38	△ 31
Nickel	△ 141	△ 3	△ 134	△ 2	△ 10	6	2
Zinc/Lead/Others	4				2	5	△ 3
Others	△ 5	-	-	-	-	-	△ 5
Total operating income	△ 133	10	△ 152	△ 4	1	49	△ 37

- Inventory impairment

09/1Q Result	47 (JPY 100M)
08/1Q Result	△ 2 (JPY 100M)
- Decrease of "Others" in copper division was mainly decrease of by-product income (Acids, etc).

Comparison

(FY2009/1Q result VS FY2008/1Q result)

3. Semiconductor and advanced materials

- Decrease of sales and earnings in all segment.

【Net Sales by product】

JPY 100M

	09/1Q ①	08/1Q ②	Diff. ①-②	% ①/②
Semiconductor ① : Copper-clad polyimide film, COF, Leadframe, Bonding Wire	236	377	△ 141	63%
Semiconductor ② : Printed Circuit Board, Connector, Terminal, Material Recycle, etc..	79	122	△ 43	65%
Advanced materials ① : Alloy Preform, Electronics Paste, Thin film materials, Crystal materials	50	86	△ 36	58%
Advanced materials ② : Battery materials, etc..	27	63	△ 36	43%
Total	392	648	△ 256	60%

※Remark : Due to the organization change on Oct.1, 2008, Sumiko Lubricant Co., Ltd. moved from "Advanced materials" segment to "Others" segment that is not shown in the above table.

"Advanced materials" sales of FY08 and FY09 did not include sales of Sumiko Lubricant Co., Ltd..

4.Others

- Earning in catalyst business was decreased due to price down of rare metals.

Equity in earnings of affiliated companies

JPY 100M

	Companies	09/1Q ①	08/1Q ②	Diff. ①-②
Cu	Cerro Verde	17	80	△ 63
	Other Oversea mines(Cu)	11	54	△ 43
	Others	3	5	△ 2
	Subtotal : Cu	31	139	△ 108
Ni	PT Inco	3	34	△ 31
	Others	△ 2	△ 3	1
	Subtotal : Ni	1	31	△ 30
Others	N.E.Chemcat Corp.	1	7	△ 6
	Others※	1	9	△ 8
	Subtotal : Others	2	16	△ 14
Total		34	186	△ 152

- Earnings of overseas copper mines was decreased by 106 (JPY100M) due to the price down of copper.
- Earnings of PT Inco was decreased by 31(JPY 100M) due to the price down of nickel
- Earnings of MS Zince※ decreased due to the price down of zinc and lead.

Comparison with FY2009 Annual Forecast

(FY09/1Q Result VS FY09 Annual Forecast/4)

Operating income

Segment	JPY 100M		
	09/1Q ①	09Forecast/4 ②	Diff. ①-②
Mineral resources	73	37	36
Metals	57	11	46
subtotal:	130	48	82
Semiconductor and Advanced Materials	△ 13	△ 16	3
Others	△ 7	3	△ 10
Total	110	35	75
Offset	△ 3	0	△ 3
Grand Total	107	35	72

(Explanation of differences)

1. Mineral resources

Division	Diff.	JPY 100M				
		Quantity	Price	Ex. Rate	Cost	Others
Hishikari (Au)	36	21	8	2	5	
Pogo (Au)	1	Au Products (t)(100%)		09 forecast	11.1t	09/1Q: 2.8t
Oversea Copper Mines (Cu)	△ 2					
Others	1					
Total operating income	36					

• Hishikari's gold sales quantity was 3.0t. But annual sales 7.5t will be remained.

2. Metals

Division	Diff.	JPY 100M					
		Quantity	Price	Ex. Rate	Cost	Inventory	Others
Copper	34	4	△ 4	1	0	25	8
Nickel	8	5	12	0	△ 13	10	△ 6
Zinc/Lead/Others	1		1		△ 2	2	
Others	3					1	2
Total operating income	46	9	9	1	△ 15	38	4

- Inventory impairment

09/1Q Result	47 (JPY 100M)
09 Annual Forecast × 1/4	9 (JPY 100M)
- Increase of "Others" in copper division was mainly increase of by-product income (Ag etc).
- Decrease of "Others" in nickel division was mainly decrease of by-product income .

Comparison with FY2009 Annual Forecast

(FY09/1Q Result VS FY09 Annual Forecast/4)

3. Semiconductor and advanced materials

(Remarks)

Sales of Semiconductor①(Copper-clad polyimide film,COF,L/F,B/W) recovered upto 70% of peak sales.

【Net Sales by product】

JPY 100M

	09/1Q ①	09Forecast/4 ②	Diff. ①-②
Semiconductor ① : Copper-clad polyimide film, COF, Leadframe, Bonding Wire	236	177	59
Semiconductor ② : Printed Circuit Board, Connector, Terminal, Material Recycle, etc..	79	87	△ 8
Advanced materials ① : Alloy Preform, Electronics Paste, Thin film materials, Crystal materials	50	64	△ 14
Advanced materials ② : Battery materials, etc..	27	24	3
Total	392	352	40

4.Others

Construction materials and catalyst business decreased income.

Equity in earnings of affiliated companies

(JPY 100M)

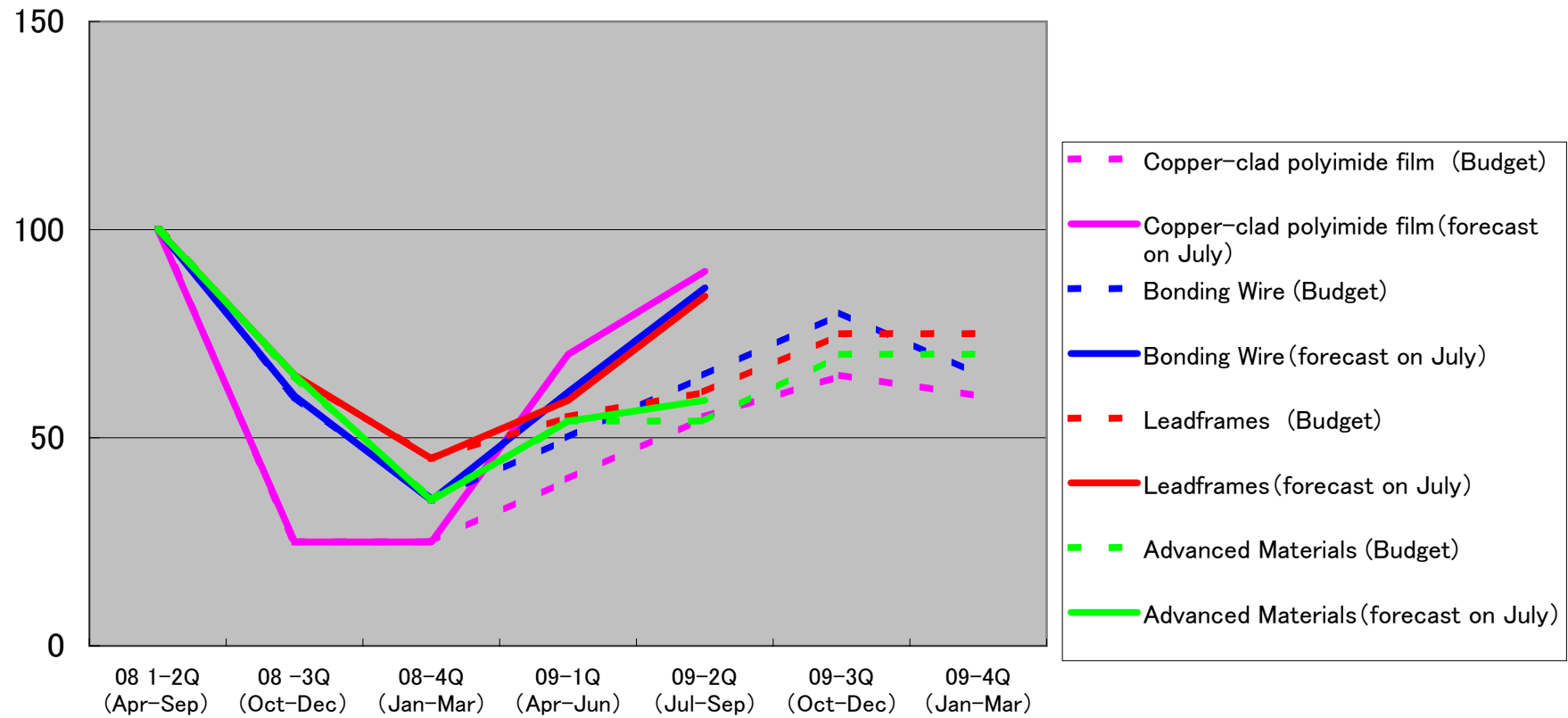
	Companies	09/1Q ①	09Forecast/4 ②	Diff. ①-②
Cu	Cerro Verde	17	14	3
	Other Oversea mines(Cu)	11	9	2
	Others	3	3	0
	Subtotal : Cu	31	26	5
Ni	PT Inco	3	△ 4	7
	Others	△ 2	△ 21	19
	Subtotal : Ni	1	△ 25	26
Others	N.E.Chemcat Corp.	1	1	0
	Others	1	△ 1	2
	Subtotal : Others	2	0	2
Total		34	1	33

(特記事項)

- Production volumes of Oversea Copper Mines were almost the same as the plan.
- PT Inco improved due to cost reduction.
- Others in Ni division improved due to less loss of Vale Inco New Caledonia (production did not start).

Sales Trend of Semiconductor Materials and Advanced Materials

(2008/1Q-2Q = 100)



【No change】

Sensitivity

JPY 100M Per Year

	Fluctuation	FY09
Cu	±10 ¢ /lb	14/27
Ni	±10 ¢ /lb	7/8
Au	±10 \$/Toz	4/4
¥/\$	±1 ¥/\$	7/7

(Remark)

Operating income/Recurring profit

USD/JPY translation applied to RC-related only. (Oversea profit effects excluded).

Consolidated companies(52 companies) / Equity-method affiliated companies(12 companies)
at June 30 2009

Mineral Resources

	Voting Shares	Location	Operations
(Consolidated companies)			
Sumiko Consultants Co., Ltd	100	Japan	Geological survey of resources and civil engineering; Test boring
Sumitomo Metal Mining America	100	USA	Exploration; Management of mining subsidiaries in USA.
Sumitomo Metal Mining Arizona	80	USA	Mining and related operations
SMMA Candelaria Inc.	100	USA	Subsidiary engaged in investment in local corporation located in Chile operating Candelaria Mine
Sumitomo Metal Mining Canada	100	Canada	Exploration, Consulting
Sumitomo Metal Mining Oceania	100	Australia	Resource Surveys, mine development and related operations in Oceania
SMM Pogo LLC	100	USA	Investment in Pogo Mine Project
SMM Cerro Verde Netherlands B.V.	80	Netherlands	Investments in local Peruvian companies engaged in the Cerro Verde Mine operation
SMM Solomon Limited	100	Solomon Islands	Exploration in Solomons Islands
Sumitomo Metal Mining Peru S.A	100	Peru	Exploration in South America
Sumitomo Metal Mining Chile LTDA.	100	Chile	Exploration in South America
SMM Exploration Corporation	100	USA	Mineral Resources Business
SMM Resources	100	Canada	Mineral Resources Business
(Equity-method affiliated companies)			
Sociedad Minera Cerro Verde S.A.A	21	Peru	Cerro Verde Mine
Compania Contractual Minera Candelaria	20	Chile	Candelaria Mine
Compania Contractual Minera Ojos del Salado	20	Chile	Ojos del Salade Mine

Metals

	Voting Shares	Location	Operations
(Consolidated companies)			
Hyuga Smelting Co., Ltd	60	Japan	Ferro-nickel Smelting
Sumiko Logistics Co., Ltd.	100	Japan	Maritime trading; Harbor transportation and services; Land Transportation
SUMIC Nickel Netherlands b.v.	52	Netherlands	Investment in nickel and cobalt development businesses; Sale of nickel and cobalt
Coral Bay Nickel Corporation	54	Philippines	Manufacture of nickel and cobalt
Sumiko Business Consulting(Shanghai) Co., Ltd.	100	China	Business consulting
Sumitomo Metal Mining Brass & Copper Co.,Ltd	100	Japan	Manufacture and sale of copper and brass products and processed copper and brass products
Taihei Metal Industry Co., Ltd.	97	Japan	Manufacture of heat-, corrosion- and friction-resistant steel castings and precision castings
(Equity-method affiliated companies)			
Jinlong Copper Co., Ltd.	27	China	Manufacture and sale of electrolytic copper and sulfuric acid
Acids Co., Ltd.	50	Japan	Manufacture and sale of sulfuric acid and related products
P.T.International Nickel Indonesia	20	Indonesia	Nickel ore mining; Nickel Smelting
FIGESBAL	26	New Caledonia	Nickel ore mining; Harbor transportation
Vale Inco New-Caledonia S.A.S.	21	France	Goro Mine
MS Zinc Co., Ltd.	50	Japan	Manufacture and sale of zinc and related operations

Semiconductor and Advanced Materials

(Consolidated companies)			
Okuchi Electronics Co., Ltd.	100	Japan	Lead frame etching and plating/ Manufacture of Bonding wire and functional inks/Recovery and recycling of non-ferrous metals
Ajimu Electronics Co., Ltd.	100	Japan	IC package plating
Niihama Electronics Co., Ltd.	100	Japan	Manufacture of semiconductor leadframes and flexible circuit materials
Shinko Co., Ltd.	94	Japan	Design, manufacture, and sale of printed circuit boards
Sumitomo Metal Mining Asia Pacific Pte.Ltd.	100	Singapore	Regional headquarters for international lead frame operations
Malaysian Electronics Materials SDN. BHD.	100	Malaysia	Manufacture and sale of bonding wire and thick-film paste
M-SMM Electronics SDN.BHD	100	Malaysia	Manufacture and sale of leadframes
Sumiko Electronics Taiwan Co.,Ltd.	70	Taiwan	Manufacture and sale of leadframes and tape materials
Sumiko Leadframe (Thailand) Co.,Ltd.	100	Thailand	Manufacture and sale of leadframes
Sumiko Leadframe Chengdu Co., Ltd.	85	China	Manufacture and sale of leadframes
Sumiko Precision Chengdu Co., Ltd	70	China	Manufacture of leadframes
Sumiko Electronics Suzhou Co., Ltd.	100	China	Manufacture and sale of semiconductor package materials
Sumitomo Metal Mining Electronics Materials(Shanghai) Co., Ltd.	100	China	Manufacture and sale of bonding wire
SumikoTec Co., Ltd.	100	Japan	Terminals and connectors for electronic and electric equipment/Components, electric wire, power cords and pressure bonding machines relating to the above and their maintenance/Manufacture and sale of formed products for optical equipment, etc.
Nittosha Co., Ltd.	100	Japan	Plating of metal products, surface treatment processing and distribution / Electromagnetic shielding processing to electronics resin products through a dry plating method
Sumiko Kunitomi Denshi Co., Ltd.	100	Japan	Manufacture of Crystal Products and Magnetic Materials
Shanghai Sumiko Electronic Paste Co., Ltd.	51	China	Manufacture and sale of thick-film paste
Dongguan Sumiko Electronic Paste Co., Ltd.	76	China	Manufacture and sale of thick-film paste
(Equity-method affiliated companies)			
Granopt Ltd.	50	Japan	Manufacture and sale of rare earth iron garnet (RIG)

Others

(Consolidated companies)			
Sumico Lubricant Co., Ltd.	100	Japan	Manufacture and sale of various lubricants
Sumico Lubricant Trading (Shanghai) Co.,Ltd	100	China	Sale of various lubricants
Sumitomo Metal Mining Siporex Co., Ltd.	100	Japan	Manufacture and sale of ALC (Autoclaved Lightweight aerated Concrete) and other construction materials
JCO Co., Ltd.	100	Japan	Management of facilities using uranium and related wastes
Nippon Catalyst Cycle Co., Ltd.	100	Japan	Recovery of valuable metals
Igeta Heim Co., Ltd.	100	Japan	Construction of steel frame and reinforced concrete apartments and condominiums
Sumiko Techno-Research Co., Ltd.	100	Japan	Environmental measurement verification operations such as water quality, air, soil, noise and vibration, etc. Data collection, adjustment and product evolution as well as technological development
Sumiko Technical Service Co., Ltd	100	Japan	Commission-based work in area of nonferrous smelting/ Personnel agency business
Sumitomo Metal Mining Engineering Co., Ltd.	100	Japan	Nonferrous metal smelting, Chemicals business, Environment sector machinery & equipment, Plant surveys, etc. design, manufacturing and repair & maintenance
Sumiko Plantech Co., Ltd.	100	Japan	Manufacture of machinery & equipment and repair work for nonferrous metal smelting and chemical plants, etc. / Installation of machinery & equipment and piping work / Steel structure work
SMM Holland B.V.	100	Netherlands	Investment in nickel and cobalt development businesses
(Equity-method affiliated companies)			
N. E. Chemcat Corporation	42	Japan	Manufacture of precious metal catalyst and surface treatment chemicals; Recovery and refining of precious metals
Nippon Ketjen Co., Ltd.	50	Japan	Manufacture and sale of desulphurization catalyst for petroleum processing