

Supplementary Explanation for Financial Summary

1st Quarter FY2010



Coralbay Nickel Corporation

August 6th, 2010

Sumitomo Metal Mining Co., Ltd.

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Comparison

10/1Q Result vs 09/1Q Result · 09/4Q Result

JPY100M

| | 10/1Q Result | 09/1Q Result | Diff. - | 09/4Q Result | Diff. - |
|----------------------------|-----------------|-----------------|------------|-----------------|------------|
| Net sales | 2,190 | 1,552 | 638 | 2,070 | 120 |
| Operating income | 294 | 107 | 187 | 250 | 44 |
| Recurring profit | 299 | 129 | 170 | 342 | 43 |
| Net income | 202 | 66 | 136 | 202 | 0 |
| (Inventory evaluation P&L) | 41 | 61 | 20 | 29 | 12 |
| (Exchange gain & loss) | 29 | 6 | 23 | 2 | 31 |
| Cu (\$ / t) | 7,027 | 4,663 | 2,364 | 7,232 | 205 |
| Ni (\$ / lb) | 10.19 | 5.86 | 4.33 | 9.05 | 1.14 |
| Au (\$ / oz) | 1,195.4 | 922.0 | 273.4 | 1,109.6 | 85.8 |
| Exchange (¥ / \$) | 92.02 | 97.33 | 5.31 | 90.71 | 1.31 |

| Exchange | 10/6End | 10/3End | 09/12End | 09/6End | 09/3End | 08/12End |
|------------|---------|---------|----------|---------|---------|----------|
| (¥ / \$) | 88.52 | 93.05 | 92.10 | 96.01 | 98.23 | 91.04 |

[Diff. Of 10/1Q & 09/1Q]

- Due to metal price rise, improvement of materials segment and equity in earnings of affiliated companies, 10/1Q profit improved although less margin and more exchange loss by strong JPY incurred.

[Diff. Of 10/1Q & 09/4Q]

- Due to metal price rise except Cu, weaker JPY and improvement of materials segment, operating income increased.
- Due to less profit of equity in earnings of affiliated companies and more exchange loss by strong JPY, recurring profit decreased.

FY2010 (1Q+2Q) forecast in August vs forecast in May

JPY100M

| | Aug.6 Forecast | May.11 Forecast | Diff. - |
|----------------------------|-------------------|--------------------|------------|
| Net sales | 4,190 | 3,760 | 430 |
| Operating income | 460 | 380 | 80 |
| Recurring profit | 480 | 460 | 20 |
| Net income | 360 | 340 | 20 |
| (Inventory evaluation P&L) | 9 | 4 | 13 |
| (Exchange gain & loss) | 28 | 0 | 28 |
| Cu (\$ / t) | 6,764 | 6,500 | 264 |
| Ni (\$ / lb) | 9.60 | 9.00 | 0.60 |
| Au (\$ / oz) | 1,197.7 | 1,050.0 | 147.7 |
| Exchange (¥ / \$) | 89.51 | 90.00 | 0.49 |

[Diff. Of Aug.6 & May.11]

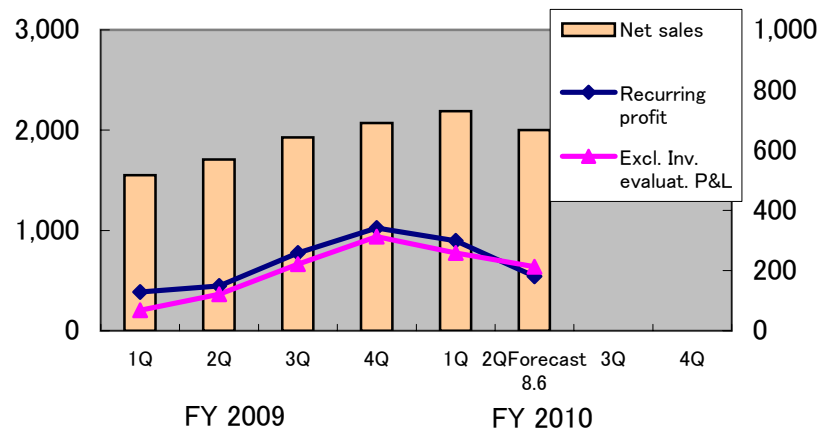
- Due to metal price rise, improvement of materials segment, performance of Aug.6 forecast improved, although more exchange loss and less profit from equity in earnings of affiliated companies.

Quarterly consolidated financial results of FY2009 and FY2010

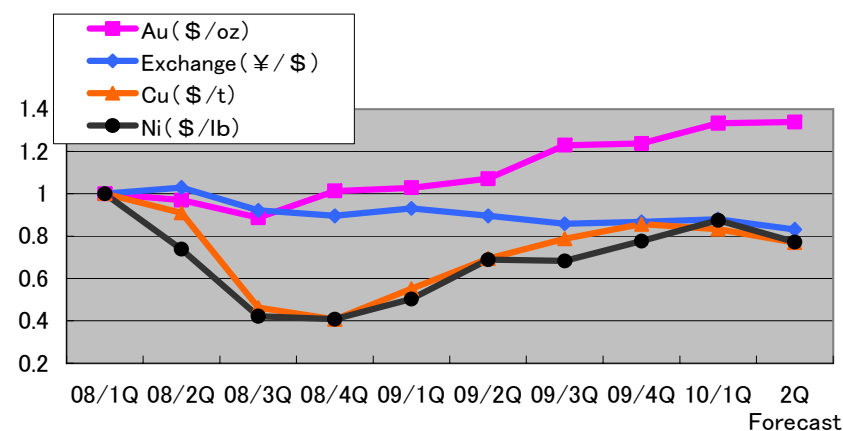
JPY100M

| | FY2009 | | | | | FY2010 | | | | | Annual |
|--------------------------|--------|-------|---------|---------|---------|---------|-------------------|----|----|---------------------|-------------------|
| | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2QForecast 8.6 | 3Q | 4Q | 1H Forecast 8.6. | Forecast 5.11. |
| Net sales | 1,552 | 1,707 | 1,929 | 2,070 | 7,258 | 2,190 | 2,000 | | | 4,190 | 7,400 |
| Operating income | 107 | 126 | 180 | 250 | 663 | 294 | 166 | | | 460 | 790 |
| Recurring profit | 129 | 149 | 258 | 342 | 878 | 299 | 181 | | | 480 | 960 |
| Net income | 66 | 103 | 169 | 202 | 540 | 202 | 158 | | | 360 | 670 |
| Cu (\$/t) | 4,663 | 5,859 | 6,648 | 7,232 | 6,101 | 7,027 | 6,500 | | | 6,764 | 6,500 |
| Ni (\$/lb) | 5.86 | 8.02 | 7.95 | 9.05 | 7.72 | 10.19 | 9.00 | | | 9.60 | 9.00 |
| Au (\$/oz) | 922.0 | 960.1 | 1,101.6 | 1,109.6 | 1,023.3 | 1,195.4 | 1,200.0 | | | 1,197.7 | 1,050.0 |
| Exchange (¥/\$) | 97.33 | 93.66 | 89.72 | 90.71 | 92.86 | 92.02 | 87.00 | | | 89.51 | 90.00 |
| Inventory evaluation P&L | | | | | | | | | | | |
| (Metals) Lower cost | 25 | △ 5 | 8 | 4 | 32 | △ 17 | 14 | | | △ 3 | △ 8 |
| (Metals) QP Diff etc. | 22 | 21 | 27 | 21 | 91 | 61 | △ 45 | | | 16 | |
| (Metals) Total | 47 | 16 | 35 | 25 | 123 | 44 | △ 31 | | | 13 | △ 8 |
| (Materials&others) | 14 | 12 | 2 | 4 | 32 | △ 3 | △ 1 | | | △ 4 | |
| Grand Total | 61 | 28 | 37 | 29 | 155 | 41 | △ 32 | | | 9 | △ 8 |
| Excl. Inv. evaluat. P&L | 68 | 121 | 221 | 313 | 723 | 258 | 213 | | | 471 | 968 |

Net Sales(JPY100M)



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



Segment Operating profit

JPY100M

| Segment | FY2009 | | | | FY2010 | | | | Result | | | | | FY2010 Contribution Margin | | | |
|--------------------|--------|------|------|------|--------|--------|----|----|--------|-------|-------|-------|------|----------------------------|--------|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q/Est | 3Q | 4Q | 2006 | 2007 | 2008 | 2009 | 2010 | 1Q | 2Q/Est | 3Q | 4Q |
| Mineral Resources | 74 | 67 | 72 | 96 | 113 | 94 | | | 337 | 383 | 179 | 309 | | 169 | 116 | | |
| Smelting&Refining | 74 | 79 | 119 | 145 | 180 | 65 | | | 1,181 | 1,174 | 107 | 417 | | 124 | 27 | | |
| Materials | △ 9 | 13 | 15 | 26 | 39 | 28 | | | 152 | 98 | △ 87 | 45 | | 32 | 21 | | |
| Others | △ 8 | 3 | △ 1 | 5 | △ 3 | 3 | | | 63 | 37 | 6 | △ 1 | | 2 | 1 | | |
| Sub-Total | 131 | 162 | 205 | 272 | 329 | 190 | | | 1,733 | 1,692 | 205 | 770 | | ↓ Diff.Adjustment | | | |
| Diff. Adjustment | △ 24 | △ 36 | △ 25 | △ 22 | △ 35 | △ 24 | | | △ 107 | △ 138 | △ 100 | △ 107 | | △ 28 | 16 | | |
| Total | 107 | 126 | 180 | 250 | 294 | 166 | | | 1,626 | 1,554 | 105 | 663 | | 299 | 181 | | |
| ↑ Recurring Profit | | | | | | | | | | | | | | | | | |

Equity in earnings of affiliated companies

JPY100M

| | | FY2009 | | | | FY2010 | | | | Result | | | | |
|--------|-------------------|--------|-----|------|-----|--------|--------|----|----|--------|------|------|------|------|
| | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q/Est | 3Q | 4Q | 2006 | 2007 | 2008 | 2009 | 2010 |
| Cu | Cerro Verde | 17 | 30 | 33 | 49 | 39 | 24 | | | 107 | 180 | 158 | 129 | |
| | Candelaria/Ojos | 11 | 21 | 20 | 26 | 17 | 12 | | | 143 | 168 | 86 | 77 | |
| | Acids/Jinlong | 3 | 6 | 4 | 0 | 2 | 1 | | | 29 | 22 | 0 | 13 | |
| | Total | 31 | 57 | 57 | 75 | 58 | 37 | | | 279 | 370 | 244 | 219 | |
| Ni | PT Inco | 4 | 3 | 13 | 11 | 15 | 22 | | | 113 | 274 | 87 | 31 | |
| | Figesbal/NAC/Goro | △ 3 | △ 9 | △ 12 | △ 1 | △ 35 | △ 38 | | | 8 | 11 | △ 18 | △ 25 | |
| | Total | 1 | △ 6 | 1 | 10 | △ 20 | △ 16 | | | 121 | 285 | 69 | 6 | |
| Others | NECC/NK/MSZ/etc. | 2 | 9 | 14 | 11 | 3 | 4 | | | 67 | 85 | 2 | 36 | |
| Total | | 34 | 60 | 72 | 96 | 41 | 25 | | | 467 | 740 | 315 | 261 | |

Metal price and Exchange rate

| | Copper (\$/t) | | Copper (¢/lb) | | Nickel (\$/lb) | | Gold (\$/oz) | | Zinc (\$/t) | | Exchange (¥/US\$) | |
|------------------------|---------------|--------------|---------------|------------|----------------|-------------|----------------|----------------|--------------|--------------|-------------------|--------------|
| | FY2010 | FY2009 | FY2010 | FY2009 | FY2010 | FY2009 | FY2010 | FY2009 | FY2010 | FY2009 | FY2010 | FY2009 |
| Apr | 7,745 | 4,407 | 351 | 200 | 11.81 | 5.06 | 1,148.6 | 891.4 | 2,367 | 1,379 | 93.42 | 99.12 |
| May | 6,838 | 4,569 | 310 | 207 | 9.98 | 5.73 | 1,204.9 | 927.8 | 1,968 | 1,484 | 91.71 | 96.29 |
| Jun | 6,499 | 5,014 | 295 | 227 | 8.79 | 6.79 | 1,232.7 | 946.7 | 1,743 | 1,557 | 90.93 | 96.58 |
| Average | 7,027 | 4,663 | 319 | 212 | 10.19 | 5.86 | 1,195.4 | 922.0 | 2,026 | 1,473 | 92.02 | 97.33 |
| Jul | | 5,216 | | 237 | | 7.25 | | 934.3 | | 1,579 | | 94.52 |
| Aug | | 6,165 | | 280 | | 8.91 | | 949.4 | | 1,822 | | 94.92 |
| Sep | | 6,196 | | 281 | | 7.93 | | 996.5 | | 1,884 | | 91.55 |
| Average | | 5,859 | | 266 | | 8.02 | | 960.1 | | 1,761 | | 93.66 |
| Oct | | 6,288 | | 285 | | 8.40 | | 1,043.3 | | 2,072 | | 90.37 |
| Nov | | 6,676 | | 303 | | 7.71 | | 1,126.6 | | 2,193 | | 89.22 |
| Dec | | 6,982 | | 317 | | 7.74 | | 1,134.9 | | 2,376 | | 89.58 |
| Average | | 6,648 | | 302 | | 7.95 | | 1,101.6 | | 2,214 | | 89.72 |
| Jan | | 7,386 | | 335 | | 8.36 | | 1,118.8 | | 2,434 | | 91.22 |
| Feb | | 6,848 | | 311 | | 8.61 | | 1,095.6 | | 2,157 | | 90.38 |
| Mar | | 7,463 | | 339 | | 10.19 | | 1,114.5 | | 2,275 | | 90.54 |
| Average | | 7,232 | | 328 | | 9.05 | | 1,109.6 | | 2,289 | | 90.71 |
| FY average | 7,027 | 6,101 | | 277 | | 7.72 | 1,195.4 | 1,023.3 | 2,026 | 1,934 | 92.02 | 92.86 |
| | CY2010 | CY2009 | CY2010 | CY2009 | CY2010 | CY2009 | CY2010 | CY2009 | CY2010 | CY2009 | CY2010 | CY2009 |
| Jan-Dec average | 7,130 | 5,150 | 324 | 234 | 9.62 | 6.65 | 1,152.5 | 973.0 | 2,158 | 1,665 | 91.37 | 93.59 |

SMM Forecast

| | | | | | | | | | | | | |
|----------------------|--------------|--|------------|--|-------------|--|---------------|--|--------------|--|--------------|--|
| July-Sep 2010 | 6,500 | | 295 | | 9.00 | | 1200.0 | | 1,800 | | 87.00 | |
|----------------------|--------------|--|------------|--|-------------|--|---------------|--|--------------|--|--------------|--|

| LME Price | 10/2QEst | 10/1Q | 09/4Q | 09/1Q |
|---------------|----------|-------|-------|-------|
| E-Ni applied | 8.93 | 10.66 | 8.24 | 5.06 |
| Fe-Ni applied | 10.19 | 9.05 | 7.95 | 4.75 |

| ¥/US\$ | 10/2QEst | 10/1Q | 09/4Q | 09/1Q |
|---------------|----------|-------|-------|-------|
| E-Ni applied | 88.31 | 91.89 | 90.39 | 97.80 |
| Fe-Ni applied | 92.02 | 90.71 | 89.72 | 93.62 |

Comparison 【2010/1Q vs 2009/1Q】

Operating income before allocations of HQ expenses etc.,by segment

JPY100M

| | 2010/1Q ① | 2009/1Q ② | Diff. ①-② |
|----------------------|--------------|--------------|--------------|
| Mineral Resources | 113 | 74 | 39 |
| Smelting&Refining | 180 | 74 | 106 |
| Materials | 39 | △ 10 | 49 |
| Others | △ 3 | △ 7 | 4 |
| Sub-Total | 329 | 131 | 198 |
| Headquarter Exp.etc. | △ 35 | △ 24 | △ 11 |
| Total | 294 | 107 | 187 |

<<Explanation of Diff.>>

1. Mineral Resources

JPY100M

| Division | Diff. | Quantity | Price | Ex.Rate | Cost@ | Others |
|-----------------|-----------|---------------|-------|---------|-------|------------|
| Hishikari (Au) | △ 11 | △ 24 | 16 | △ 3 | △ 2 | 2 |
| Pogo (Au) | 22 | Au output (t) | | 10/1Q | 2.9t | 09/1Q 2.8t |
| Morenci/NP (Cu) | 27 | | | | | |
| Others | 1 | | | | | |
| Total | 39 | | | | | |

2. Smelting & Refining

JPY100M

| Segment | Diff. | Quantity | Price | Cost@ | Inventory | Others |
|--------------|------------|-----------|-----------|-----------|------------|-----------|
| Copper | 6 | △ 1 | | 3 | △ 12 | 16 |
| Nickel | 126 | 21 | 56 | 20 | 14 | 15 |
| Zinc/Lead | △ 10 | | | △ 4 | △ 5 | △ 1 |
| Others | △ 16 | | | | | △ 16 |
| Total | 106 | 20 | 56 | 19 | △ 3 | 14 |

(Remarks)

- Inventory evaluation P&L

| | |
|---------|--------------|
| 2010/1Q | 44 (JPY100M) |
| 2009/1Q | 47 (JPY100M) |

Comparison 【2010/1Q vs 2009/1Q】

3. Materials

【Sales】

JPY100M

| | 2010/1Q ① | 2009/1Q ② | Diff. ①-② |
|---|--------------|--------------|--------------|
| Semiconductor①CuPI•COF•LF•FW | 340 | 236 | 104 |
| Semiconductor②PWB•Solder Platg•CN•Terminals•Recycle | 100 | 79 | 21 |
| Advanced①Alloy•Film materials•Crystals | 100 | 63 | 37 |
| Advanced②Battery•Magnet•Ink•Rear metals | 27 | 14 | 13 |
| Total | 567 | 392 | 175 |

4. Others

Equity in earnings of affiliated companies

JPY100M

| | | 2010/1Q ① | 2009/1Q ② | Diff. ①-② |
|--------|-------------------|--------------|--------------|--------------|
| Cu | Cerro Verde | 39 | 17 | 22 |
| | Candelaria/Ojos | 17 | 11 | 6 |
| | Acids/Jinlong | 2 | 3 | △ 1 |
| | Total | 58 | 31 | 27 |
| Ni | PT Inco | 15 | 3 | 12 |
| | Figesbal/NAC/Goro | △ 35 | △ 2 | △ 33 |
| | Total | △ 20 | 1 | △ 21 |
| Others | NECC/NK/MSZ/etc. | 3 | 2 | 1 |
| Total | | 41 | 34 | 7 |

Comparison 【2010/1Q vs 2009/4Q】

3. Materials

【Sales】

JPY100M

| | 2010/1Q ① | 2009/4Q ② | Diff. ①-② |
|---|--------------|--------------|--------------|
| Semiconductor①CuPI•COF•LF•FW | 340 | 306 | 34 |
| Semiconductor②PWB•Solder Platg•CN•Terminals•Recycle | 100 | 96 | 4 |
| Advanced①Alloy•Film materials•Crystals | 100 | 84 | 16 |
| Advanced②Battery•Magnet•Ink•Rear metals | 27 | 29 | △ 2 |
| Total | 567 | 515 | 52 |

4. Others

Equity in earnings of affiliated companies

JPY100M

| | | 2010/1Q ① | 2009/4Q ② | Diff. ①-② |
|--------|-------------------|--------------|--------------|--------------|
| Cu | Cerro Verde | 39 | 49 | △ 10 |
| | Candelaria/Ojos | 17 | 26 | △ 9 |
| | Acids/Jinlong | 2 | 0 | 2 |
| | Total | 58 | 75 | △ 17 |
| Ni | PT Inco | 15 | 11 | 4 |
| | Figesbal/NAC/Goro | △ 35 | △ 1 | △ 34 |
| | Total | △ 20 | 10 | △ 30 |
| Others | NECC/NK/MSZ etc. | 3 | 11 | △ 8 |
| Total | | 41 | 96 | △ 55 |

Comparison 【Forecast on 8.6 vs Forecast on 5.11】

Operating income before allocations of HQ expenses etc.,by segment

JPY100M

| Segment | 8.6 ① | 5.11 ② | Diff. ①-② |
|----------------------|------------|------------|--------------|
| Mineral Resources | 207 | 153 | 54 |
| Smelting&Refining | 245 | 235 | 10 |
| Materials | 67 | 50 | 17 |
| Others | 0 | △ 3 | 3 |
| Sub-Total | 519 | 435 | 84 |
| Headquarter Exp.etc. | △ 59 | △ 55 | △ 4 |
| Total | 460 | 380 | 80 |

<<Explanation of Diff.>>

1. Mineral Resources

JPY100M

| Division | Diff. | Quantity | Price | Ex.Rate | Cost@ | Others |
|-----------------|-----------|---------------|-------|---------|-------|------------|
| Hishikari (Au) | 32 | 9 | 17 | △ 2 | 2 | 6 |
| Pogo (Au) | 14 | Au output (t) | | 10/1Q | 5.3t | 09/1Q 6.0t |
| Morenci/NP (Cu) | 6 | | | | | |
| Others | 2 | | | | | |
| Total | 54 | | | | | |

2. Smelting & Refining

JPY100M

| Segment | Diff. | Quantity | Price | Ex.Rate | Inventory | Others |
|--------------|-----------|-------------|-------------|-------------|-----------|-----------|
| Copper | 13 | 2 | △ 10 | | △ 14 | 35 |
| Nickel | △ 9 | △ 22 | △ 7 | △ 18 | 32 | 6 |
| Zinc/Lead | △ 11 | △ 1 | | △ 5 | △ 1 | △ 4 |
| Others | 17 | | | | | 17 |
| Total | 10 | △ 21 | △ 17 | △ 23 | 17 | 54 |

(Remarks)

- Inventory evaluation P&L Aug.6 13 (JPY100M)
- May.11 △ 4 (JPY100M)

Comparison 【Forecast on 8.6 vs Forecast on 5.11】

3. Materials

【Sales】

JPY100M

| | 8.6 ① | 5.11 ② | Diff. ①-② |
|---|----------|-----------|--------------|
| Semiconductor①CuPI・COF・LF・FW | 687 | 599 | 88 |
| Semiconductor②PWB・Solder Platg・CN・Terminals・Recycle | 200 | 184 | 16 |
| Advanced①Alloy・Film materials・Crystals | 205 | 166 | 39 |
| Advanced②Battery・Magnet・Ink・Rear metals | 56 | 62 | △ 6 |
| Total | 1,148 | 1,011 | 137 |

4. Others

Equity in earnings of affiliated companies

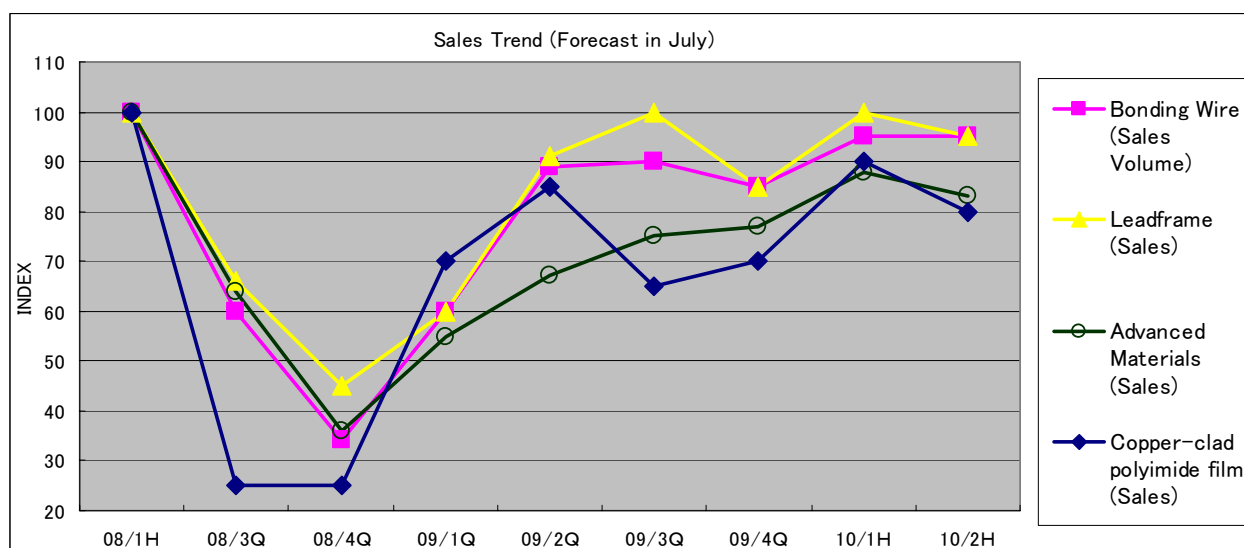
JPY100M

| | | 8.6 ① | 5.11 ② | Diff. ①-② |
|--------|-------------------|----------|-----------|--------------|
| Cu | Cerro Verde | 63 | 62 | 1 |
| | Candelaria/Ojos | 29 | 24 | 5 |
| | Acids/Jinlong | 3 | 2 | 1 |
| | Total | 95 | 88 | 7 |
| Ni | PT Inco | 37 | 33 | 4 |
| | Figesbal/NAC/Goro | △ 73 | △ 28 | △ 45 |
| | Total | △ 36 | 5 | △ 41 |
| Others | NECC/NK/MSZ etc. | 7 | 7 | 0 |
| Total | | 66 | 100 | △ 34 |

Sales Trend of Semiconductor Materials and Advanced Materials

(Index FY2008/1H=100)

| | FY2008 (Result) | | | FY2009 (Result) | | | | FY2010 (Forecast) | |
|------------------------------------|-----------------|-------|-------|-----------------|-------|----------------|-------|-------------------|-------|
| | 08/1H | 08/3Q | 08/4Q | 09/1Q | 09/2Q | 09/3Q | 09/4Q | 10/1H | 10/2H |
| Copper-clad polyimide film (Sales) | 100 | 25 | 25 | 70 | 85 | 65 | 70 | 85 | 80 |
| | | | | | | Rev. in 2010/7 | | 90 | 80 |
| Bonding Wire (Sales Volume) | 100 | 60 | 35 | 60 | 90 | 90 | 85 | 90 | 95 |
| | | | | | | Rev. in 2010/7 | | 95 | 95 |
| Leadframe (Sales) | 100 | 65 | 45 | 60 | 90 | 100 | 85 | 90 | 95 |
| | | | | | | Rev. in 2010/7 | | 100 | 95 |
| Advanced Materials (Sales) | 100 | 65 | 35 | 55 | 67 | 75 | 77 | 76 | 82 |
| | | | | | | Rev. in 2010/7 | | 88 | 83 |



Sensitivity

JPY 100M Per Year

| | Fluctuation | FY2010 Profit up/down |
|--------|-------------|--------------------------|
| Cu | ±100 \$ /t | 5 / 11 |
| Ni | ±10 ¢ /lb | 8 / 10 |
| Au | ±10 \$ /Toz | 5 / 5 |
| ¥ / \$ | ±1 ¥/\$ | 9 / 9 |

Remarks

Operating income / Recurring profit

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

Application of New Segment Accounting Standards

1. Reported Segments

The reported segments are identical in content to earlier business divisions.

| Segment name | Products and services | |
|---|---|-----------------------------------|
| Mineral Resources Div. | Gold/silver mining, gold/copper refining, electrolytic copper, geological surveys, etc. | Reported as "Mineral Resources" |
| Non-Ferrous Metals Div. | Electrolytic copper, gold, nickel, copper & brass products, etc. | Reported as "Smelting & Refining" |
| Semiconductor Materials Div. | Semiconductor materials, advanced materials, electronic components | } Reported as "Materials" |
| Advanced Materials Div. | | |
| Energy, Catalysts & Construction Materials Div. | "Other" operations not included in reported segments | |
| Taganito Project Div. | Incorporated into and reported as "Smelting & Refining" | |

2. Profit from Reported Segments

- Based on the purport of SMM's management approach, from FY2010 "contribution margin", which is determined in line with the company's computational management system used in-house for performance management, is disclosed as segment profit.
- Contribution margin is calculated by Recurring profit minus Capital cost. Total of Contribution margin and Difference adjustment are equivalent as consolidated recurring profit.
- FY2010 and FY2009 are compared by calculating their respective pre-allocation operating income, as shown below.

| 【Through FY2009】 | | 【From FY2010】 | |
|--|------------|--|--|
| Sales | | Sales | |
| Cost of sales · SGA | | Cost of sales · SGA | |
| Head office expenses and other allocations | | (Head office exp. is not allocated and in) | |
| Operating income (disclosed) | | | |
| Operating income before allocations = + | Comparison | Operating income before allocation = - - + | |
| | | Equity-method investment profit/loss of segment | |
| | | Other non-operating profit/loss of segment | |
| | | Capital costs (1) | |
| | | Contribution margin (disclosed) | |
| | | Diff. adjustment (Head office exp. Offset capital costs eliminations) | |
| | | Recurring profit (disclosed) = + | |

(1) What is Capital costs

- Capital cost is set to get contribution margin for internal management purpose and calculated as interest bearing cost for segment total assets those do not bear interest.
- Capital cost is calculated by segment total assets times in-house interest.
- In-house interest is similar to WACC (Weighted Average Cost of Capital) and calculated by the weighted average of SMM's capital cost and debt cost.
- Total amount of segments capital costs are offset in difference adjustment and finally do not affect consolidated recurring profit.

Consolidated companies (59) / Equity-method affiliated companies (13)
at June 30, 2010
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 | Investment in local company in Chile operating Candelaria Mine |
| Sumitomo Metal Mining Canada Ltd. | 100 | Canada | Exploration, Consulting |
| Sumitomo Metal Mining Oceania | 100 | Australia | Resource surveys, mine development and related operations in Oceania |
| Sumitomo Metal Mining Pogo LLC | 100 | USA | Investment in Pogo Mine Project |
| SMM Resources | 100 | Canada | Mineral Resources Business |
| SMM Cerro Verde Netherlands B.V. | 80 | Netherlands | Investments in local Peruvian companies engaged in the Cerro Verde Mine operation |
| SMM Exploration Corporation | 100 | USA | Mineral Resources Business |
| SMM Solomon Limited | 70 | 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 |
| Sumiko Solomon Exploration Co., Ltd. | 70 | Japan | Exploration in Solomons Islands |
| SUMAC MINES LTD. | 100 | Canada | Exploration |
| Stone Boy Inc. | 80 | USA | Exploration |
| 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 |
| Taganito HPAL Nickel Corporation | 100 | Philippines | Taganito Project |
| Sumiko Business Consulting(Shanghai) Co., Ltd. | 100 | China | Business consulting |
| 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 |
| Nickel Asia Corporation | 25 | Philippines | Nickel ore mining |
| 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 |
| Mitsui Sumitomo Metal Mining Brass & Copper Co.,Ltd | 50 | Japan | Manufacture and sale of copper and brass products and processed copper and brass products |

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 |
| 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 |
| SMM KOREA Co.,Ltd. | 100 | Korea | Sales support for advanced materials and business operations |
| Taiwan Sumiko Materials Co., Ltd | 70 | Taiwan | Manufacture of bonding wire |
| SMM Precision Co., Ltd. | 100 | Japan | Manufacture and sale of optical communications components |
| Equity-method affiliated company | | | |
| 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 |
| 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 |
| Japan Irradiation Service Co., Ltd. | 100 | Japan | Irradiation sterilization service for pharmaceutical products, medical instruments, and pharmaceutical containers,etc., /Modification of various industrial materials |
| SMM Holland B.V. | 100 | Netherlands | Investment in nickel and cobalt development businesses |
| Equity-method affiliated companies | | | |
| N. E. Chemcat Corporation | 50 | Japan | Manufacture of precious metal catalysts and surface treatment chemicals; Recovery and refining of precious metals |
| Nippon Ketjen Co., Ltd. | 50 | Japan | Manufacture and sale of desulphurization catalysts for petroleum processing |