

# **Supplementary Explanation for Financial Summary 2nd Quarter FY2016**

**November 11th, 2016**



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## Comparison

### FY2016/1H Result vs FY2015/1H Result / FY2016/1H Forecast in Aug.

JPY100M

|                            | 16/1H<br>①Result | 15/1H<br>②Result | Diff.<br>①-② | ③ 16/1H<br>Forecast in Aug. | Diff.<br>①-③ |
|----------------------------|------------------|------------------|--------------|-----------------------------|--------------|
| Net sales                  | 3,665            | 4,592            | -927         | 3,590                       | +75          |
| Operating income           | 219              | 515              | -296         | 160                         | +59          |
| Recurring profit           | 117              | 646              | -529         | 50                          | +67          |
| Net income                 | 33               | 538              | -505         | -30                         | +63          |
| (Inventory evaluation P&L) | -83              | -49              | -34          | -91                         | +8           |
| (Exchange gain & loss)     | -110             | +5               | -115         | -114                        | +4           |
| Cu ( \$ /t)                | 4,752            | 5,653            | -901         | 4,765                       | -13          |
| Ni ( \$ /lb)               | 4.33             | 5.35             | -1.02        | 4.25                        | +0.08        |
| Au ( \$ /oz)               | 1,297            | 1,159            | +138         | 1,304                       | -7           |
| Exchange ( ¥ / \$ )        | 105.31           | 121.80           | -16.49       | 104.90                      | +0.41        |

| Exchange<br>( ¥ / \$ ) | 16/9E  | 16/6E  | 16/3E  | 15/12E | 15/9E  |
|------------------------|--------|--------|--------|--------|--------|
|                        | 101.05 | 102.96 | 112.62 | 120.53 | 119.92 |

#### 【Diff of FY2016/1H Result vs FY2015/1H Result ①-②】

Recurring Profit -529

Metal Price/ Exchange -370 (Metal Price -263, Exchange -66, Inventory evaluation -41), Exchange gain & loss -115, Quantity +1, Cost +136, Morenci +4, Sierra Gorda -112, Material Business +4, Unrealized Profit -37, etc.

#### 【Diff of FY2016/1H Result vs Forecast in Aug. ①-③】

Recurring Profit +67

Metal Price/ Exchange +42 (Metal Price +29, Exchange +2, Inventory evaluation +10), Cost +7, Exchange gain & loss +5

### New and Old Forecast of FY2016 (in Nov. vs in May) / 1H Result vs 2H Forecast

JPY100M

|                            | 16/1H<br>①Result | 16/2H<br>②Forecast in Nov. | FY2016<br>③Forecast in Nov. | FY2016<br>④Forecast in May | Diff.<br>③-④ | Diff.<br>②-① |
|----------------------------|------------------|----------------------------|-----------------------------|----------------------------|--------------|--------------|
| Net sales                  | 3,665            | 3,475                      | 7,140                       | 7,330                      | -190         | -190         |
| Operating income           | 219              | 261                        | 480                         | 460                        | +20          | +42          |
| Recurring profit           | 117              | 213                        | 330                         | 410                        | -80          | +96          |
| Net income                 | 33               | 157                        | 190                         | 230                        | -40          | +124         |
| (Inventory evaluation P&L) | -83              | -43                        | -126                        | -112                       | -14          | +40          |
| (Exchange gain & loss)     | -110             | -10                        | -120                        | -2                         | -118         | +100         |
| Cu ( \$ /t)                | 4,752            | 4,700                      | 4,726                       | 5,000                      | -274         | -52          |
| Ni ( \$ /lb)               | 4.33             | 4.75                       | 4.54                        | 3.75                       | +0.79        | +0.42        |
| Au ( \$ /oz)               | 1,297            | 1,250                      | 1,273                       | 1,200                      | +73          | -47          |
| Exchange ( ¥ / \$ )        | 105.31           | 100.00                     | 102.66                      | 110.00                     | -7.34        | -5.31        |

#### 【Diff of FY2016 Forecast in Nov. vs Forecast in May ③-④】

Recurring Profit -80

Metal Price/ Exchange -40 (Metal Price +60, Inventory evaluation -48, Exchange -52), Exchange gain & loss -120, Quantity +20, Cost +40, Material Business -10, Selling, general and administrative expenses +10, etc.

#### 【Diff. of FY2016 2H Forecast vs 1H Result ②-①】

Recurring Profit +96

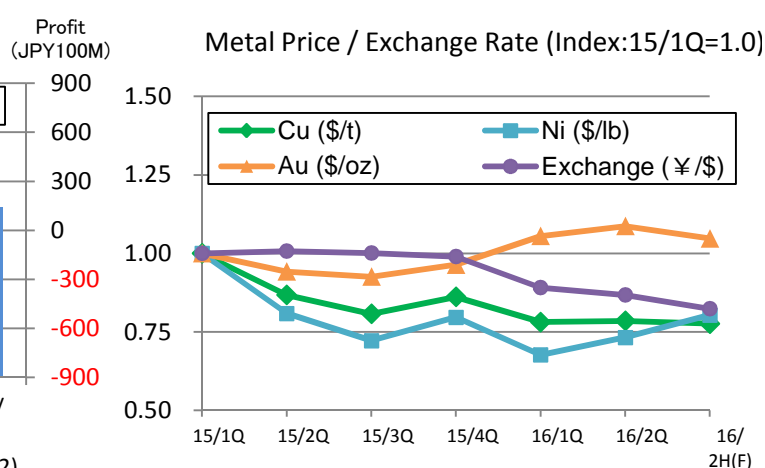
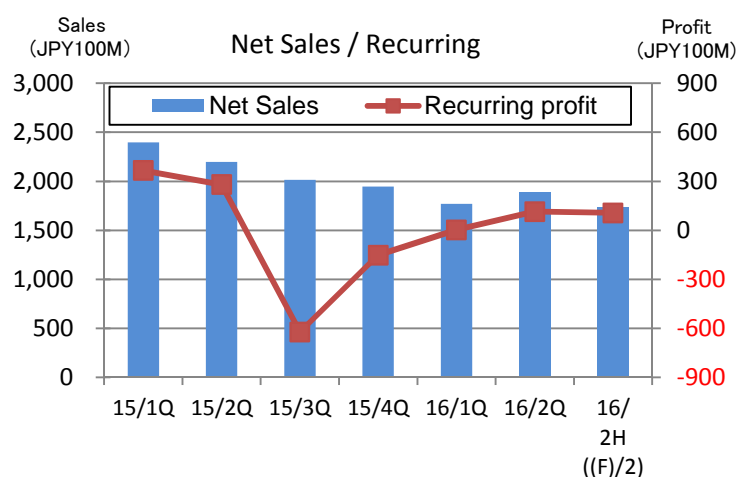
Quantity -20, Cost -25, Exchange gain & loss +100, Material Business +25, Morenci +20, etc.

# Quarterly Financial Results

JPY100M

|                             | FY2013 |       |        |        |        | FY2014 |        |        |        |        |
|-----------------------------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
|                             | 1Q     | 2Q    | 3Q     | 4Q     | Total  | 1Q     | 2Q     | 3Q     | 4Q     | Total  |
| Net sales                   | 2,105  | 2,055 | 1,957  | 2,188  | 8,305  | 2,094  | 2,361  | 2,354  | 2,404  | 9,213  |
| Operating income            | 202    | 205   | 157    | 190    | 754    | 208    | 345    | 385    | 320    | 1,258  |
| Recurring profit            | 315    | 250   | 302    | 277    | 1,144  | 269    | 530    | 603    | 340    | 1,742  |
| Net income                  | 233    | 167   | 210    | 193    | 803    | 185    | 370    | 406    | -50    | 911    |
| Cu (\$/t)                   | 7,146  | 7,079 | 7,153  | 7,038  | 7,104  | 6,787  | 6,993  | 6,621  | 5,815  | 6,554  |
| Ni (\$/lb)                  | 6.78   | 6.32  | 6.31   | 6.64   | 6.51   | 8.37   | 8.42   | 7.16   | 6.51   | 7.62   |
| Au (\$/oz)                  | 1,415  | 1,327 | 1,271  | 1,293  | 1,327  | 1,289  | 1,283  | 1,200  | 1,220  | 1,248  |
| Exchange (¥/\$)             | 98.76  | 98.95 | 100.45 | 102.78 | 100.24 | 102.16 | 104.16 | 114.54 | 119.10 | 109.93 |
| <b>Inventory impairment</b> |        |       |        |        |        |        |        |        |        |        |
| (Smelting) Impairment       | -36    | +35   | +1     | -2     | -2     | -1     | -1     | +2     | -5     | -5     |
| (Smelting) QP Diff etc.     | +4     | -35   | -6     | +10    | -27    | -8     | +18    | +68    | +11    | +89    |
| (Smelting) Total            | -32    | 0     | -5     | +8     | -29    | -9     | +17    | +70    | +6     | +84    |
| (Materials & others)        | -3     | +2    | -2     | +1     | -2     | +1     | 0      | +3     | -5     | -1     |
| ② Total                     | -35    | +2    | -7     | +9     | -31    | -8     | +17    | +73    | +1     | +83    |
| ① - ②                       | 350    | 248   | 309    | 268    | 1,175  | 277    | 513    | 530    | 339    | 1,659  |

|                             | FY2015 |        |        |        |        | FY2016 |        |           |        |           |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|-----------|--------|-----------|
|                             | 1Q     | 2Q     | 3Q     | 4Q     | Total  | 1Q     | 2Q     | 1H Result | 2H(F)  | Total (F) |
| Net sales                   | 2,396  | 2,196  | 2,016  | 1,946  | 8,554  | 1,770  | 1,895  | 3,665     | 3,475  | 7,140     |
| Operating income            | 261    | 254    | 80     | 2      | 597    | 80     | 139    | 219       | 261    | 480       |
| Recurring profit            | 366    | 280    | -622   | -152   | -128   | 3      | 114    | 117       | 213    | 330       |
| Net income                  | 263    | 275    | -431   | -110   | -3     | -69    | 102    | 33        | 157    | 190       |
| Cu (\$/t)                   | 6,054  | 5,252  | 4,887  | 4,669  | 5,215  | 4,730  | 4,774  | 4,752     | 4,700  | 4,726     |
| Ni (\$/lb)                  | 5.91   | 4.78   | 4.27   | 3.86   | 4.71   | 4.00   | 4.66   | 4.33      | 4.75   | 4.54      |
| Au (\$/oz)                  | 1,193  | 1,124  | 1,104  | 1,180  | 1,150  | 1,259  | 1,335  | 1,297     | 1,250  | 1,273     |
| Exchange (¥/\$)             | 121.37 | 122.24 | 121.51 | 115.48 | 120.15 | 108.17 | 102.44 | 105.31    | 100.00 | 102.66    |
| <b>Inventory impairment</b> |        |        |        |        |        |        |        |           |        |           |
| (Smelting) Impairment       | 4      | -21    | 4      | 15     | 2      | -6     | 0      | -6        | 0      | -6        |
| (Smelting) QP Diff etc.     | -7     | -23    | -44    | -65    | -139   | -42    | -40    | -82       | -38    | -120      |
| (Smelting) Total            | -3     | -44    | -40    | -50    | -137   | -48    | -40    | -88       | -38    | -126      |
| (Materials & others)        | 1      | -3     | -7     | 6      | -3     | +3     | +2     | +5        | -5     | 0         |
| ② Total                     | -2     | -47    | -47    | -44    | -140   | -45    | -38    | -83       | -43    | -126      |
| ① - ②                       | 368    | 327    | -575   | -108   | 12     | 48     | 152    | 200       | 256    | 456       |



## Operating income / Segment Profit

(JPY100M)

|                               |                     | FY2014     |            |            |            |              | FY2015     |            |           |          |            | FY2016    |            |            |            |
|-------------------------------|---------------------|------------|------------|------------|------------|--------------|------------|------------|-----------|----------|------------|-----------|------------|------------|------------|
|                               |                     | 1Q         | 2Q         | 3Q         | 4Q         | Total        | 1Q         | 2Q         | 3Q        | 4Q       | Total      | 1Q        | 2Q         | 3Q+4Q(F)   | Total(F)   |
| Operating income              | Mineral Resources   | 91         | 116        | 108        | 117        | 432          | 98         | 117        | 65        | 58       | 338        | 96        | 78         | 166        | 340        |
|                               | Smelting & Refining | 109        | 205        | 229        | 175        | 718          | 182        | 89         | 30        | -73      | 228        | -13       | 40         | 53         | 80         |
|                               | Materials           | 24         | 24         | 23         | 11         | 82           | 10         | 9          | 0         | 10       | 29         | 11        | 15         | 44         | 70         |
|                               | Others              | 1          | -1         | 5          | 5          | 10           | 2          | 1          | -12       | 9        | 0          | 3         | 1          | 6          | 10         |
| Diff. Adjustment              |                     | -17        | 1          | 20         | 12         | 16           | -31        | 38         | -3        | -2       | 2          | -17       | 5          | -8         | -20        |
| <b>Operating income Total</b> |                     | <b>208</b> | <b>345</b> | <b>385</b> | <b>320</b> | <b>1,258</b> | <b>261</b> | <b>254</b> | <b>80</b> | <b>2</b> | <b>597</b> | <b>80</b> | <b>139</b> | <b>261</b> | <b>480</b> |

|                               |                     | Result     |            |            |              |            | 2016<br>(F) |
|-------------------------------|---------------------|------------|------------|------------|--------------|------------|-------------|
|                               |                     | 2011       | 2012       | 2013       | 2014         | 2015       |             |
| Operating income              | Mineral Resources   | 528        | 490        | 452        | 432          | 338        | 340         |
|                               | Smelting & Refining | 480        | 479        | 306        | 718          | 228        | 80          |
|                               | Materials           | 10         | 45         | 108        | 82           | 29         | 70          |
|                               | Others              | 14         | 16         | 17         | 10           | 0          | 10          |
| Diff. Adjustment              |                     | -146       | -72        | -129       | 16           | 2          | -20         |
| <b>Operating income Total</b> |                     | <b>886</b> | <b>958</b> | <b>754</b> | <b>1,258</b> | <b>597</b> | <b>480</b>  |

After FY2014, "Operating income" shows "Operating income (after allocation)."

|                               |                     | FY2014     |            |            |            |              | FY2015     |            |             |             |             | FY2016   |            |            |            |
|-------------------------------|---------------------|------------|------------|------------|------------|--------------|------------|------------|-------------|-------------|-------------|----------|------------|------------|------------|
|                               |                     | 1Q         | 2Q         | 3Q         | 4Q         | Total        | 1Q         | 2Q         | 3Q          | 4Q          | Total       | 1Q       | 2Q         | 3Q+4Q(F)   | Total(F)   |
| Segment Profit                | Mineral Resources   | 132        | 167        | 131        | 108        | 538          | 127        | 133        | -693        | -10         | -443        | 76       | 47         | 67         | 190        |
|                               | Smelting & Refining | 112        | 230        | 271        | 200        | 813          | 196        | 112        | 40          | -95         | 253         | -16      | 52         | 74         | 110        |
|                               | Materials           | 35         | 41         | 36         | 17         | 129          | 19         | 14         | 6           | 21          | 60          | 17       | 20         | 63         | 100        |
|                               | Others              | 1          | -2         | 3          | -3         | -1           | 1          | -1         | -14         | 6           | -8          | 3        | 0          | -13        | -10        |
| Diff. Adjustment              |                     | -11        | 94         | 162        | 18         | 263          | 23         | 22         | 39          | -74         | 10          | -77      | -5         | 22         | -60        |
| <b>Operating income Total</b> |                     | <b>269</b> | <b>530</b> | <b>603</b> | <b>340</b> | <b>1,742</b> | <b>366</b> | <b>280</b> | <b>-622</b> | <b>-152</b> | <b>-128</b> | <b>3</b> | <b>114</b> | <b>213</b> | <b>330</b> |

## Equity in earnings of affiliated companies

(JPY100M)

|                         |                                | FY2014    |           |           |            |            | FY2015    |           |             |            |             | FY2016     |            |             |             |
|-------------------------|--------------------------------|-----------|-----------|-----------|------------|------------|-----------|-----------|-------------|------------|-------------|------------|------------|-------------|-------------|
|                         |                                | 1Q        | 2Q        | 3Q        | 4Q         | Total      | 1Q        | 2Q        | 3Q          | 4Q         | Total       | 1Q         | 2Q         | 3Q+4Q(F)    | Total(F)    |
| Cu                      | Cerro Verde                    | 20        | 29        | 16        | 13         | 78         | 12        | -3        | 2           | -7         | 4           | 21         | 17         | 22          | 60          |
|                         | Candelaria/Ojos                | 22        | 19        | 6         | 7          | 54         | 20        | 14        | 4           | -5         | 33          | 11         | 3          | 1           | 15          |
|                         | Sierra Gorda                   |           |           |           |            | -39        |           |           |             |            | -763        | -54        | -58        | -128        | -240        |
|                         | Acids/Jinlong/MSMMBC           | -2        | 2         | 7         | 4          | 11         | 4         | 5         | 0           | -11        | -2          | 5          | 6          | 4           | 15          |
|                         | <b>Total</b>                   | <b>40</b> | <b>50</b> | <b>29</b> | <b>-15</b> | <b>104</b> | <b>36</b> | <b>16</b> | <b>-757</b> | <b>-87</b> | <b>-792</b> | <b>-17</b> | <b>-32</b> | <b>-101</b> | <b>-150</b> |
| Ni                      | PT Vale Indonesia/Figesbal/NAC | 7         | 27        | 44        | 21         | 99         | 10        | 13        | 9           | -1         | 31          | -7         | 0          | 7           | 0           |
| NECC/NK/MSZ/SHCP/others |                                | 8         | 11        | 12        | 5          | 36         | 8         | 5         | 7           | 9          | 29          | 7          | 8          | 10          | 25          |
| <b>Total</b>            |                                | <b>55</b> | <b>88</b> | <b>85</b> | <b>11</b>  | <b>239</b> | <b>54</b> | <b>34</b> | <b>-741</b> | <b>-79</b> | <b>-732</b> | <b>-17</b> | <b>-24</b> | <b>-84</b>  | <b>-125</b> |

|                         |                      | Result     |            |            |            |             | 2016<br>(F) |
|-------------------------|----------------------|------------|------------|------------|------------|-------------|-------------|
|                         |                      | 2011       | 2012       | 2013       | 2014       | 2015        |             |
| Cu                      | Cerro Verde          | 179        | 124        | 122        | 78         | 4           | 60          |
|                         | Candelaria/Ojos      | 118        | 61         | 106        | 54         | 33          | 15          |
|                         | Sierra Gorda         |            |            |            | -39        | -827        | -240        |
|                         | Acids/Jinlong/MSMMBC | 4          | -1         | 2          | 11         | -2          | 15          |
|                         | <b>Total</b>         | <b>301</b> | <b>184</b> | <b>230</b> | <b>104</b> | <b>-792</b> | <b>-150</b> |
| Ni                      | PT Vale Indonesia    | 55         | 10         |            |            |             |             |
|                         | Figesbal/NAC/VNC     | -142       | -48        | 22         | 99         | 31          | 0           |
|                         | <b>Total</b>         | <b>-87</b> | <b>-38</b> |            |            |             |             |
| NECC/NK/MSZ/SHCP/others |                      | 18         | 25         | 46         | 36         | 29          | 25          |
| <b>Total</b>            |                      | <b>232</b> | <b>171</b> | <b>298</b> | <b>239</b> | <b>-732</b> | <b>-125</b> |

## Metal price and Exchange rate

|                        | Copper (\$/t) |              |              | Copper (¢/lb) |            |            | Nickel (\$/lb) |             |             |
|------------------------|---------------|--------------|--------------|---------------|------------|------------|----------------|-------------|-------------|
|                        | FY2014        | FY2015       | FY2016       | FY2014        | FY2015     | FY2016     | FY2014         | FY2015      | FY2016      |
| Apr                    | 6,671         | 6,028        | 4,851        | 303           | 273        | 220        | 7.88           | 5.80        | 4.02        |
| May                    | 6,884         | 6,301        | 4,708        | 312           | 286        | 214        | 8.82           | 6.13        | 3.94        |
| Jun                    | 6,806         | 5,834        | 4,631        | 309           | 265        | 210        | 8.42           | 5.80        | 4.04        |
| <b>Average</b>         | <b>6,787</b>  | <b>6,054</b> | <b>4,730</b> | <b>308</b>    | <b>275</b> | <b>215</b> | <b>8.37</b>    | <b>5.91</b> | <b>4.00</b> |
| Jul                    | 7,105         | 5,457        | 4,856        | 322           | 248        | 220        | 8.64           | 5.16        | 4.65        |
| Aug                    | 7,001         | 5,089        | 4,758        | 318           | 231        | 216        | 8.43           | 4.69        | 4.70        |
| Sep                    | 6,872         | 5,209        | 4,707        | 312           | 236        | 214        | 8.20           | 4.49        | 4.62        |
| <b>Average</b>         | <b>6,993</b>  | <b>5,252</b> | <b>4,774</b> | <b>317</b>    | <b>238</b> | <b>217</b> | <b>8.42</b>    | <b>4.78</b> | <b>4.66</b> |
| Oct                    | 6,739         | 5,223        |              | 306           | 237        |            | 7.15           | 4.69        |             |
| Nov                    | 6,701         | 4,808        |              | 304           | 218        |            | 7.12           | 4.19        |             |
| Dec                    | 6,423         | 4,629        |              | 291           | 210        |            | 7.22           | 3.94        |             |
| <b>Average</b>         | <b>6,621</b>  | <b>4,887</b> |              | <b>300</b>    | <b>222</b> |            | <b>7.16</b>    | <b>4.27</b> |             |
| Jan                    | 5,816         | 4,463        |              | 264           | 202        |            | 6.70           | 3.85        |             |
| Feb                    | 5,702         | 4,595        |              | 259           | 208        |            | 6.59           | 3.77        |             |
| Mar                    | 5,926         | 4,948        |              | 269           | 224        |            | 6.23           | 3.95        |             |
| <b>Average</b>         | <b>5,815</b>  | <b>4,669</b> |              | <b>264</b>    | <b>212</b> |            | <b>6.51</b>    | <b>3.86</b> |             |
| <b>FY average</b>      | <b>6,554</b>  | <b>5,216</b> |              | <b>297</b>    | <b>237</b> |            | <b>7.62</b>    | <b>4.71</b> |             |
| <b>Jan-Dec average</b> | <b>6,860</b>  | <b>5,502</b> |              | <b>311</b>    | <b>250</b> |            | <b>7.65</b>    | <b>5.37</b> |             |
| Oct.-Mar.(FCST in Nov) |               |              | <b>4,700</b> |               |            | <b>213</b> |                |             | <b>4.75</b> |
| FY2016(FCST in Nov.)   |               |              | <b>4,726</b> |               |            | <b>214</b> |                |             | <b>4.54</b> |
| FY2016(FCST in May)    |               |              | <b>5,000</b> |               |            | <b>227</b> |                |             | <b>3.75</b> |

|                        | Gold (\$/oz) |              |              | Exchange (¥/US\$) |               |               |
|------------------------|--------------|--------------|--------------|-------------------|---------------|---------------|
|                        | FY2014       | FY2015       | FY2016       | FY2014            | FY2015        | FY2016        |
| Apr                    | 1,299        | 1,198        | 1,242        | 102.58            | 119.58        | 109.84        |
| May                    | 1,288        | 1,198        | 1,260        | 101.83            | 120.76        | 109.13        |
| Jun                    | 1,279        | 1,182        | 1,275        | 102.08            | 123.77        | 105.55        |
| <b>Average</b>         | <b>1,289</b> | <b>1,193</b> | <b>1,259</b> | <b>102.16</b>     | <b>121.37</b> | <b>108.17</b> |
| Jul                    | 1,312        | 1,131        | 1,337        | 101.73            | 123.26        | 103.99        |
| Aug                    | 1,297        | 1,118        | 1,341        | 102.97            | 123.21        | 101.34        |
| Sep                    | 1,240        | 1,125        | 1,326        | 107.78            | 120.24        | 101.99        |
| <b>Average</b>         | <b>1,283</b> | <b>1,124</b> | <b>1,335</b> | <b>104.16</b>     | <b>122.24</b> | <b>102.44</b> |
| Oct                    | 1,223        | 1,158        |              | 108.00            | 120.08        |               |
| Nov                    | 1,176        | 1,087        |              | 116.22            | 122.59        |               |
| Dec                    | 1,201        | 1,068        |              | 119.41            | 121.86        |               |
| <b>Average</b>         | <b>1,200</b> | <b>1,104</b> |              | <b>114.54</b>     | <b>121.51</b> |               |
| Jan                    | 1,251        | 1,097        |              | 118.33            | 118.34        |               |
| Feb                    | 1,229        | 1,197        |              | 118.59            | 115.08        |               |
| Mar                    | 1,180        | 1,246        |              | 120.37            | 113.03        |               |
| <b>Average</b>         | <b>1,220</b> | <b>1,180</b> |              | <b>119.10</b>     | <b>115.48</b> |               |
| <b>FY average</b>      | <b>1,248</b> | <b>1,150</b> |              | <b>109.93</b>     | <b>120.15</b> |               |
| <b>Jan-Dec average</b> | <b>1,266</b> | <b>1,160</b> |              | <b>105.91</b>     | <b>121.05</b> |               |
| Oct.-Mar.(FCST in Nov) |              |              | <b>1,250</b> |                   |               | <b>100.00</b> |
| FY2016(FCST in Nov.)   |              |              | <b>1,273</b> |                   |               | <b>102.66</b> |
| FY2016(FCST in May)    |              |              | <b>1,200</b> |                   |               | <b>110.00</b> |

| LME Price     |         | 16/1Q |         | 16/2Q |         | 16/2H(F) |
|---------------|---------|-------|---------|-------|---------|----------|
| E-Ni applied  | Mar-May | 3.97  | Jun-Aug | 4.46  | Sep-Feb | 4.73     |
| Fe-Ni applied | Jan-Mar | 3.86  | Apr-Jun | 4.00  | Jul-Dec | 4.70     |

| Exchange      |         | 16/1Q  |         | 16/2Q  |         | 16/2H(F) |
|---------------|---------|--------|---------|--------|---------|----------|
| E-Ni applied  | Mar-May | 110.67 | Jun-Aug | 103.63 | Sep-Feb | 100.33   |
| Fe-Ni applied | Jan-Mar | 115.48 | Apr-Jun | 108.17 | Jul-Dec | 101.22   |

## Comparison

(2016/1H Result vs 2015/1H Result)

JPY100M

| Operating income        |            |            |              | Segment Profit          |            |            |              |
|-------------------------|------------|------------|--------------|-------------------------|------------|------------|--------------|
|                         | 16/1H<br>① | 15/1H<br>② | Diff.<br>①-② |                         | 16/1H<br>③ | 15/1H<br>④ | Diff.<br>③-④ |
| Mineral Resources       | 174        | 215        | -41          | Mineral Resources       | 123        | 260        | -137         |
| Smelting & Refining     | 27         | 271        | -244         | Smelting & Refining     | 36         | 308        | -272         |
| Materials               | 26         | 19         | +7           | Materials               | 37         | 33         | +4           |
| Others                  | 4          | 3          | +1           | Others                  | 3          | 0          | +3           |
| Diff. Adjustment        | -12        | 7          | -19          | Diff. Adjustment        | -82        | 45         | -127         |
| <b>Op. income Total</b> | <b>219</b> | <b>515</b> | <b>-296</b>  | <b>Recurring Profit</b> | <b>117</b> | <b>646</b> | <b>-529</b>  |

### <<Explanation of Diff.>>

#### 1. Mineral Resources

JPY100M

|                         | Diff.      | Quantity | Price | Exchange | Cost@ | Others |
|-------------------------|------------|----------|-------|----------|-------|--------|
| Hishikari (Au)          | -41        | -36      | +14   | -19      | -5    | +5     |
| Pogo (Au)               | -1         | -1       | +1    | -2       | -1    | +2     |
| Morenci/NP (Cu)         | -3         |          |       |          |       |        |
| Others                  | +4         |          |       |          |       |        |
| <b>Op. income Total</b> | <b>-41</b> |          |       |          |       |        |

| Au Sales (t) | 16/1H | 15/1H | Diff. |
|--------------|-------|-------|-------|
| Hishikari    | 3.2   | 4.1   | -0.9  |
| Pogo(100%)   | 4.4   | 4.5   | -0.1  |

#### 2. Smelting & Refining

JPY100M

|                         | Diff.       | Quantity  | Price       | Cost@      | Inventory  | Others     |
|-------------------------|-------------|-----------|-------------|------------|------------|------------|
| Copper                  | -139        | +5        | -19         | -3         | -56        | -66        |
| Nickel                  | -81         | -8        | -109        | +29        | +13        | -6         |
| Others                  | -24         |           |             |            | +2         | -26        |
| <b>Op. income Total</b> | <b>-244</b> | <b>-3</b> | <b>-128</b> | <b>+26</b> | <b>-41</b> | <b>-98</b> |

\*Inventory evaluation P&L

|       | Total | Cu  | Ni  | Others |
|-------|-------|-----|-----|--------|
| 16/1H | -88   | -75 | -13 | 0      |
| 15/1H | -47   | -19 | -26 | -2     |

## Comparison

(2016/1H Result vs 2015/1H Result)

### 3. Materials

【Net Sales, by products】

JPY100M

|   | 16/1H<br>① | 15/1H<br>② | Diff.<br>①-② |
|---|------------|------------|--------------|
| Advanced Materials                                |            |            |              |
| Film materials/Crystals/Battery/Magnet/Alloy/Ink  | 402        | 394        | 8            |
| Semiconductor Materials                           |            |            |              |
| Leadframes/CuPI/PWB/Connector                     | 285        | 323        | -38          |
| Energy, Catalysts, Construction materials, Others | 154        | 166        | -12          |
| <b>Total</b>                                      | <b>841</b> | <b>883</b> | <b>-42</b>   |

## Equity in earnings of affiliated companies

JPY100M

|         |                                | 16/1H<br>① | 15/1H<br>② | Diff.<br>①-② |
|---------|--------------------------------|------------|------------|--------------|
| Cu      | Cerro Verde                    | 38         | 9          | +29          |
|         | Candelaria/Ojos                | 14         | 34         | -20          |
|         | Sierra Gorda                   | -112       |            |              |
|         | Acids/Jinlong/MSMMBC           | 11         | 9          | +2           |
|         | <b>Total</b>                   | <b>-49</b> | <b>52</b>  | <b>-101</b>  |
| Ni      | PT Vale Indonesia/Figesbal/NAC | -7         | 23         | -30          |
|         | NECC/NK/MSZ/SHCP/Others        | 15         | 13         | +2           |
|         | <b>Total</b>                   | <b>-41</b> | <b>88</b>  | <b>-129</b>  |
| Segment | Mineral Resources              | -60        | 43         | -103         |
|         | Smelting & Refining            | 4          | 33         | -29          |
|         | Materials/Others               | 15         | 12         | +3           |
|         | <b>Total</b>                   | <b>-41</b> | <b>88</b>  | <b>-129</b>  |

## Comparison

(FY2016 Forecast in Nov. vs Forecast in May.)

JPY100M

| Operating income        |                   |                  |              | Segment Profit          |                   |                  |              |
|-------------------------|-------------------|------------------|--------------|-------------------------|-------------------|------------------|--------------|
|                         | FCST in Nov.<br>① | FCST in May<br>② | Diff.<br>①-② |                         | FCST in Nov.<br>③ | FCST in May<br>④ | Diff.<br>③-④ |
| Mineral Resources       | 340               | 340              | 0            | Mineral Resources       | 190               | 180              | +10          |
| Smelting & Refining     | 80                | 20               | +60          | Smelting & Refining     | 110               | 40               | +70          |
| Materials               | 70                | 80               | -10          | Materials               | 100               | 110              | -10          |
| Others                  | 10                | 0                | +10          | Others                  | -10               | -10              | 0            |
| Diff. Adjustment        | -20               | 20               | -40          | Diff. Adjustment        | -60               | 90               | -150         |
| <b>Op. income Total</b> | <b>480</b>        | <b>460</b>       | <b>+20</b>   | <b>Recurring Profit</b> | <b>330</b>        | <b>410</b>       | <b>-80</b>   |

### <<Explanation of Diff.>>

#### 1. Mineral Resources

JPY100M

|                         | Diff.    | Quantity | Price | Exchange | Cost@ | Others |
|-------------------------|----------|----------|-------|----------|-------|--------|
| Hishikari (Au)          | +4       | 0        | +15   | -16      | 0     | +5     |
| Pogo (Au)               | +13      | -2       | +13   | -2       | +4    | 0      |
| Morenci/NP (Cu)         | +5       |          |       |          |       |        |
| Others                  | -22      |          |       |          |       |        |
| <b>Op. income Total</b> | <b>0</b> |          |       |          |       |        |

| Au Sales (t) | FCST in Nov. | FCST in May | Diff. |
|--------------|--------------|-------------|-------|
| Hishikari    | 6.0          | 6.0         | 0.0   |
| Pogo(100%)   | 8.4          | 8.7         | -0.3  |

#### 2. Smelting & Refining

JPY100M

|              | Diff.      | Quantity   | Price       | Cost@      | Inventory  | Others     |
|--------------|------------|------------|-------------|------------|------------|------------|
| Copper       | -91        | +4         | -19         | +3         | -32        | -47        |
| Nickel       | +141       | +12        | +119        | +12        | +18        | -20        |
| Others       | +10        |            |             |            |            | +10        |
| <b>Total</b> | <b>+60</b> | <b>+16</b> | <b>+100</b> | <b>+15</b> | <b>-14</b> | <b>-57</b> |

•Inventory evaluation P&L

JPY100M

|              | Total | Cu   | Ni  |
|--------------|-------|------|-----|
| FCST in Nov. | -126  | -124 | -2  |
| FCST in May  | -112  | -92  | -20 |



## Comparison

(FY2016 Forecast in Nov. vs Forecast in May.)

### 3. Materials

【Net Sales, by products】

JPY100M

|  | FCST in Nov.<br>① | FCST in May<br>② | Diff.<br>①-② |
|--|-------------------|------------------|--------------|
| Advanced Materials<br>Film materials/Crystals/Battery/Magnet/Alloy/Ink | 900               | 900              | 0            |
| Semiconductor Materials<br>Leadframes/CuPI/PWB/Connector               | 580               | 650              | -70          |
| Energy, Catalysts, Construction materials, Others                      | 270               | 350              | -80          |
| <b>Total</b>   | <b>1,750</b>      | <b>1,900</b>     | <b>-150</b>  |

### Equity in earnings of affiliated companies

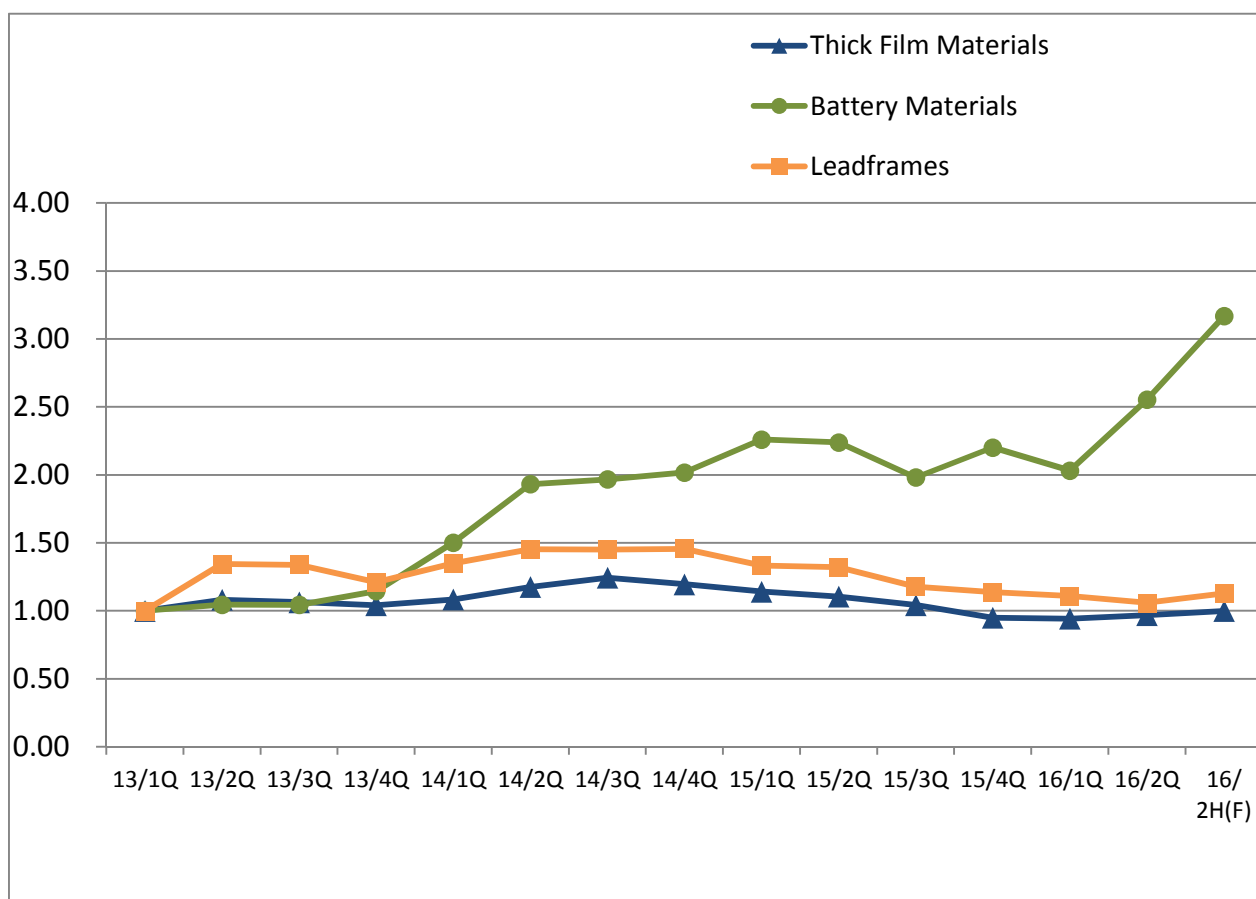
JPY100M

|         |                                | FCST in Nov.<br>① | FCST in May<br>② | Diff.<br>①-② |
|---------|--------------------------------|-------------------|------------------|--------------|
| Cu      | Cerro Verde                    | 60                | 60               | 0            |
|         | Candelaria/Ojos                | 15                | 10               | +5           |
|         | Sierra Gorda                   | -240              | -250             | +10          |
|         | Acids/Jinlong/MSMMBC           | 15                | 20               | -5           |
|         | <b>Total</b>                   | <b>-150</b>       | <b>-160</b>      | <b>+10</b>   |
| Ni      | PT Vale Indonesia/Figesbal/NAC | 0                 | 0                | 0            |
|         | NECC/NK/MSZ/SHCP/Others        | 25                | 30               | -5           |
|         | <b>Total</b>                   | <b>-125</b>       | <b>-130</b>      | <b>+5</b>    |
| Segment | Mineral Resources              | -165              | -180             | +15          |
|         | Smelting & Refining            | 15                | 20               | -5           |
|         | Materials/Others               | 25                | 30               | -5           |
|         | <b>Total</b>                   | <b>-125</b>       | <b>-130</b>      | <b>+5</b>    |

## Sales trend of Semiconductor Materials and Advanced Materials

(Index FY2013/1Q=1.00)

|                      | FY2013 |      |      |      | FY2014 |      |      |      | FY2015 |      |      |      | FY2016 |      |        |
|----------------------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|--------|
|                      | 1Q     | 2Q   | 3Q   | 4Q   | 1Q     | 2Q   | 3Q   | 4Q   | 1Q     | 2Q   | 3Q   | 4Q   | 1Q     | 2Q   | 2H (F) |
| Thick Film Materials | 1.00   | 1.08 | 1.06 | 1.04 | 1.08   | 1.18 | 1.24 | 1.20 | 1.14   | 1.10 | 1.54 | 0.95 | 0.94   | 0.97 | 1.00   |
| Battery Materials    | 1.00   | 1.04 | 1.04 | 1.15 | 1.50   | 1.93 | 1.97 | 2.02 | 2.26   | 2.24 | 2.97 | 2.20 | 2.03   | 2.55 | 3.17   |
| Leadframes           | 1.00   | 1.34 | 1.34 | 1.21 | 1.35   | 1.45 | 1.45 | 1.46 | 1.33   | 1.32 | 1.18 | 1.14 | 1.11   | 1.06 | 1.13   |



# Production/Sales trend of Mineral Resources / Smelting & Refining Segment

|  |            | FY2014 |       |       |       |       | FY2015 |       |       |       |       | FY2016 |       |          |         |             |       |
|--|------------|--------|-------|-------|-------|-------|--------|-------|-------|-------|-------|--------|-------|----------|---------|-------------|-------|
|  |            | Result |       |       |       |       | Result |       |       |       |       | Result |       | Forecast |         | Plan in May | Diff. |
|  |            | 1Q     | 2Q    | 3Q    | 4Q    | Total | 1Q     | 2Q    | 3Q    | 4Q    | Total | 1Q     | 2Q    | 2H       | ① Total | ② Total     | ①-②   |
| <b>【Gold Mine】 (t)</b>                         |            |        |       |       |       |       |        |       |       |       |       |        |       |          |         |             |       |
| Hishikari                                      | Production | 1.4    | 2.0   | 1.5   | 2.0   | 6.9   | 2.0    | 1.9   | 1.4   | 1.6   | 6.9   | 1.8    | 1.2   | 3.0      | 6.0     | 6.0         | 0.0   |
|  | Sales      | 1.6    | 1.8   | 1.5   | 1.6   | 6.5   | 2.2    | 1.9   | 1.6   | 1.8   | 7.5   | 1.9    | 1.3   | 2.8      | 6.0     | 6.0         | 0.0   |
| Pogo   | Production | 2.5    | 2.6   | 2.9   | 2.6   | 10.6  | 2.1    | 2.1   | 2.3   | 2.3   | 8.8   | 2.1    | 2.1   | 4.2      | 8.4     | 8.7         | -0.3  |
|  | Sales      | 2.2    | 2.8   | 2.8   | 2.6   | 10.4  | 2.5    | 2.0   | 2.1   | 2.4   | 9.0   | 2.2    | 2.2   | 4.0      | 8.4     | 8.7         | -0.3  |
| <b>【Copper Mine】 (kt)</b>                      |            |        |       |       |       |       |        |       |       |       |       |        |       |          |         |             |       |
| Morenci  | Production | 79     | 82    | 96    | 110   | 367   | 109    | 119   | 124   | 131   | 483   | 124    | 125   | 248      | 497     | 487         | 10    |
|  | Sales      | 84     | 81    | 88    | 114   | 367   | 84     | 143   | 131   | 132   | 490   | 101    | 133   | 272      | 506     | 481         | 25    |
| Cerro Verde                                    | Production | 61     | 56    | 53    | 57    | 227   | 49     | 47    | 56    | 95    | 247   | 123    | 126   | 244      | 493     | 527         | -34   |
|  | Sales      | 56     | 62    | 54    | 55    | 227   | 50     | 44    | 58    | 95    | 247   | 116    | 122   | 255      | 493     | 524         | -31   |
| Sierra Gorda                                   | Production |        |       | 1     | 10    | 11    | 18     | 22    | 23    | 23    | 86    | 27     | 22    | 44       | 92      | 97          | -5    |
|  | Sales      |        |       | 0     | 7     | 7     | 19     | 15    | 26    | 27    | 87    | 23     | 21    | 49       | 93      | 96          | -3    |
| La Candelaria                                  | Production | 34     | 31    | 30    | 40    | 135   | 42     | 39    | 37    | 32    | 150   | 34     | 29    | 71       | 134     | 135         | -1    |
|  | Sales      | 37     | 30    | 24    | 43    | 134   | 45     | 38    | 36    | 32    | 151   | 35     | 29    | 70       | 134     | 131         | 3     |
| Ojos Del Salado                                | Production | 6      | 6     | 5     | 5     | 22    | 6      | 6     | 7     | 6     | 25    | 6      | 7     | 14       | 27      | 27          | 0     |
|  | Sales      | 6      | 6     | 4     | 6     | 22    | 6      | 6     | 8     | 5     | 25    | 6      | 7     | 14       | 27      | 26          | 1     |
| North Parkes                                   | Production | 14     | 14    | 14    | 15    | 57    | 13     | 13    | 12    | 14    | 52    | 13     | 11    | 25       | 49      | 49          | 0     |
|  | Sales      | 10     | 17    | 10    | 17    | 54    | 10     | 14    | 13    | 13    | 50    | 13     | 9     | 24       | 46      | 50          | -4    |
| Batu Hijau                                     | Production | 22     | 16    | 3     | 32    | 73    | 51     | 59    | 69    | 53    | 232   | 51     | 52    | 102      | 205     | 186         | 19    |
|  | Sales      | 9      | 9     | 11    | 43    | 72    | 50     | 52    | 63    | 51    | 216   | 64     | 42    | 107      | 213     | 179         | 34    |
| <b>【Smelting &amp; Refining in Japan】 (kt)</b> |            |        |       |       |       |       |        |       |       |       |       |        |       |          |         |             |       |
| E-Cu   | Production | 112.5  | 101.4 | 111.4 | 103.5 | 428.7 | 103.0  | 102.8 | 107.0 | 107.1 | 419.9 | 111.9  | 115.3 | 224.0    | 451.2   | 445.2       | 6.0   |
|  | Sales      | 110.7  | 118.0 | 110.2 | 105.4 | 444.3 | 116.3  | 108.6 | 112.2 | 111.0 | 448.1 | 112.1  | 118.4 | 226.7    | 457.2   | 451.5       | 5.7   |
| E-Ni   | Production | 13.2   | 14.6  | 13.8  | 15.6  | 57.2  | 15.4   | 16.4  | 16.8  | 17.0  | 65.5  | 15.5   | 16.1  | 31.2     | 62.8    | 65.1        | -2.3  |
|  | Sales      | 13.9   | 13.8  | 13.9  | 16.3  | 58.0  | 15.8   | 16.5  | 16.2  | 17.3  | 65.8  | 16.3   | 16.8  | 28.8     | 61.9    | 64.0        | -2.1  |
| FeNi   | Production | 4.7    | 6.3   | 6.1   | 6.2   | 23.3  | 5.4    | 5.3   | 5.4   | 4.3   | 20.5  | 3.6    | 3.0   | 7.4      | 14.0    | 14.2        | -0.2  |
|  | Sales      | 3.8    | 5.4   | 6.3   | 6.4   | 21.9  | 5.2    | 5.3   | 5.8   | 4.1   | 20.3  | 3.5    | 3.6   | 7.9      | 15.0    | 15.2        | -0.2  |
| <b>【Smelting &amp; Refining overseas】 (kt)</b> |            |        |       |       |       |       |        |       |       |       |       |        |       |          |         |             |       |
| CBNC MS (Ni content)                           | Production | 6.4    | 5.6   | 6.5   | 5.5   | 24.0  | 6.4    | 5.2   | 6.5   | 5.5   | 23.6  | 5.6    | 5.5   | 9.0      | 20.1    | 24.0        | -3.9  |
|  | Sales      | 6.4    | 5.6   | 6.3   | 5.8   | 24.1  | 5.6    | 6.2   | 6.3   | 5.8   | 23.9  | 5.5    | 4.0   | 10.9     | 20.4    | 24.0        | -3.6  |
| THPAL MS (Ni content)                          | Production | 5.2    | 6.6   | 5.8   | 8.7   | 26.3  | 7.8    | 5.7   | 5.9   | 8.7   | 28.1  | 4.1    | 7.1   | 16.9     | 28.1    | 26.0        | 2.1   |
|  | Sales      | 5.7    | 6.1   | 6.6   | 7.5   | 25.9  | 8.7    | 6.4   | 5.9   | 8.5   | 29.5  | 3.9    | 7.8   | 15.0     | 26.7    | 26.0        | 0.7   |
| PT Vale Matte (Ni content)                     | Production | 19.6   | 19.7  | 18.8  | 20.6  | 78.7  | 17.8   | 18.9  | 22.2  | 22.2  | 81.1  | 16.9   | 19.4  | 43.7     | 80.0    | 80.0        | 0.0   |
|  | Sales      | 19.4   | 19.7  | 19.8  | 20.6  | 79.5  | 18.0   | 19.0  | 22.8  | 23.1  | 82.9  | 16.4   | 20.2  | -        | -       | 81.4        | -     |

※In FY2015, financial results of CBNC and THPAL covers 15 months.

## Sensitivity

JPY100M / Year

|        | Change     | Profit Up · Down<br>Operating / Recurring Profit |
|--------|------------|--|
| Cu     | ±100 \$/t  | 14/28  |
| Ni     | ±10 ¢/lb   | 16/18  |
| Au     | ±10 \$/Toz | 5/5  |
| ¥ / \$ | ±1 ¥/\$    | 7/5  |

(Remark)

USD/JPY translation include RC-related and

Conversion rate of overseas consolidated / equity-method affiliate companies' pro

## Financial Position

### 【Shareholder's Equity Ratio】

JPY100M

| End of FY                  | FY2012 | FY2013 | FY2014 | FY2015 | 2016/2Q | 15 3-Yr<br>2018 |
|----------------------------|--------|--------|--------|--------|---------|-----------------|
| Net assets                 | 13,512 | 15,724 | 17,402 | 16,308 | 15,945  | 19,310          |
| Shareholder's equity       | 7,693  | 9,132  | 10,512 | 9,829  | 9,106   | 12,540          |
| Shareholder's Equity Ratio | 56.9%  | 58.1%  | 60.4%  | 60.3%  | 57.1%   | 65%             |

### 【D/E Ratio】

JPY100M

| End of FY             | FY2012 | FY2013 | FY2014 | FY2015 | 2016/2Q | 15 3-Yr<br>2018 |
|-----------------------|--------|--------|--------|--------|---------|-----------------|
| Interest-bearing debt | 3,300  | 3,836  | 3,941  | 4,006  | 4,631   | 4,130           |
| Shareholder's equity  | 7,693  | 9,132  | 10,512 | 9,829  | 9,106   | 12,540          |
| D/E ratio             | 0.43   | 0.42   | 0.37   | 0.41   | 0.51    | 0.33            |

### 【Dividend payout ratio】

|                          | FY2012 | FY2013 | FY2014 | FY2015 | FY2016<br>(Forecast<br>in Nov.) | 15 3-Yr<br>2018 |
|--------------------------|--------|--------|--------|--------|---------------------------------|-----------------|
| Dividend / share (JPY)   | 34.0   | 37.0   | 48.0   | 31.0   | 11.0                            | -               |
| Net Income / share (JPY) | 155.58 | 145.35 | 165.11 | -0.56  | 34.44                           | -               |
| Dividend payout ratio    | 21.9%  | 25.5%  | 29.1%  | -      | 31.9%                           | 30%+            |

**Consolidated companies (67) / Equity-method affiliated companies (16)**

at September 30, 2016

**Mineral Resources**

|   | Voting Shares | Location        | Operations  |
|---|---------------|-----------------|---|
| <b>Consolidated companies</b>                       |               |                 |   |
| Sumiko Resources Exploration & Development Co., Ltd | 100           | Japan           | Geological survey of resources; Test boring                                       |
| Sumitomo Metal Mining America Inc.                  | 100           | USA             | Exploration; Management of mining subsidiaries in USA.                            |
| Sumitomo Metal Mining Arizona Inc.                  | 80            | USA             | Mining and related operations   |
| SMM Morenci Inc.                                    | 100           | 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 Pty. Ltd.             | 100           | Australia       | Resource surveys, mine development and related operations in Oceania              |
| Sumitomo Metal Mining Pogo LLC                      | 100           | USA             | Investment in Pogo Mine   |
| SMM Resources Inc.                                  | 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                                 | 100           | Solomon Islands | Exploration in Solomon 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 Solomon Islands  |
| SUMAC MINES LTD.                                    | 100           | Canada          | Exploration   |
| Stone Boy Inc.                                      | 80            | USA             | Exploration   |
| SMM Sierra Gorda Inversiones Ltda.                  | 70            | Chile           | Investment in Sierra Gorda Project  |
| SMM-SG Holding Inversiones Ltda.                    | 100           | Chile           | Investment in Sierra Gorda Project  |
| Sumitomo Metal Mining do Brasil LTDA.               | 100           | Brazil          | Exploration in Brazil   |
| <b>Equity-method affiliated companies</b>           |               |                 |   |
| 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  |
| Sierra Gorda SCM                                    | 45            | Chile           | Sierra Gorda Mine   |
| Cordillera Exploration Co., Inc.                    | 25            | Philippines     | Exploration in Philippines  |

**Smelting & Refining**

|  | Voting Shares | Location      | Operations  |
|--|---------------|---------------|---|
| <b>Consolidated companies</b>                          |               |               |   |
| Hyuga Smelting Co., Ltd                                | 60            | Japan         | Ferro-nickel smelting   |
| Shisaka Smelting Co., Ltd.                             | 100           | Japan         | Manufacture of crude zinc oxide   |
| 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                       | 62.5          | Philippines   | Manufacture of nickel and cobalt  |
| Sumitomo Metal Mining Philippine Holdings Corporation  | 100           | Philippines   | Regional headquarters for the nickel business   |
| Sumitomo Metal Mining Management (Shanghai) Co., Ltd.  | 100           | China         | Sales of SMM and SMM group company products in China, Provision of management business service for Chinese group companies, Business consulting |
| Sumitomo Metal Mining Management (Hong Kong) Co., Ltd. | 100           | China         | Sales of SMM and SMM group company products in China  |
| Taihei Metal Industry Co., Ltd.                        | 97            | Japan         | Manufacture of heat-, corrosion- and friction-resistant steel castings and precision castings   |
| <b>Equity-method affiliated companies</b>              |               |               |   |
| 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  |
| PT Vale Indonesia Tbk                                  | 20            | Indonesia     | Nickel ore mining; Nickel smelting  |
| Nickel Asia Corporation                                | 25            | Philippines   | Nickel ore mining   |
| FIGESBAL   | 26            | New Caledonia | Nickel ore mining; Harbor transportation  |
| 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   |

## Materials

|   | Voting Shares | Location  | Operations  |
|---|---------------|-----------|---|
| <b>Consolidated companies</b>                 |               |           |   |
| SH Materials Co., Ltd.                        | 51            | Japan     | Manufacture and sale of leadframes  |
| Okuchi Electronics Co., Ltd.                  | 100           | Japan     | Recovery and recycling of non-ferrous metals /Manufacture of functional inks  |
| Okuchi Materials Co., Ltd.                    | 100           | Japan     | Manufacture of leadframes   |
| Nihama Electronics Co., Ltd.                  | 100           | Japan     | Manufacture of flexible circuit materials   |
| Nihama Materials Co., Ltd.                    | 100           | Japan     | Manufacture of leadframes   |
| SH Precision Co., Ltd.                        | 100           | Japan     | Manufacture of leadframes   |
| Shinko Co., Ltd.                              | 97            | Japan     | Design, manufacture, and sale of printed circuit boards   |
| SH Asia Pacific Pte. Ltd.                     | 100           | Singapore | Regional headquarters for international lead frame operations   |
| Sumiko Tape Materials Singapore Pte.Ltd.      | 100           | Singapore | Regional headquarters for international tape materials operations   |
| Malaysian SH Electronics Sdn.Bhd.             | 100           | Malaysia  | Manufacture and sale of leadframes  |
| Malaysian SH Precision Sdn.Bhd.               | 100           | Malaysia  | Manufacture and sale of leadframes  |
| SH Electronics Taiwan Co., Ltd.               | 70            | Taiwan    | Manufacture and sale of leadframes  |
| Taiwan Sumiko Materials Co., Ltd              | 100           | Taiwan    | Manufacture of thin film materials  |
| Sumiko Leadframe Chengdu Co., Ltd.            | 70            | 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 leadframes  |
| SH Electronics Suzhou Co., Ltd.               | 100           | China     | Manufacture of leadframes   |
| 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  |
| Sumiko Energy Materials Co., Ltd.             | 100           | Japan     | Manufacture of Battery Materials  |
| Shanghai Sumiko Electronic Paste Co., Ltd.    | 69            | China     | Manufacture and sale of thick-film paste  |
| Dongguan Sumiko Electronic Paste Co., Ltd.    | 85            | China     | Manufacture and sale of thick-film paste  |
| SMM KOREA Co., Ltd..                          | 100           | Korea     | Sales support for advanced materials and business operations  |
| SMM Precision Co., Ltd.                       | 100           | Japan     | Manufacture and sale of optical communications components   |
| 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  |
| <b>Equity-method affiliated company</b>       |               |           |   |
| SH Copper Products Co., Ltd.                  | 50            | Japan     | Manufacture and sale of copper strips, copper bars, rods, and fabricated parts  |
| N. E. Chemcat Corporation                     | 50            | Japan     | Manufacture of precious metal catalysts; Recovery and refining of precious metals   |
| Nippon Ketjen Co., Ltd.                       | 50            | Japan     | Manufacture and sale of desulphurization catalysts for petroleum processing   |
| Granopt Ltd.                                  | 50            | Japan     | Manufacture and sale of rare earth iron garnet (RIG)  |

## Others

|   | Voting Shares | Location    | Operations  |
|---|---------------|-------------|---|
| <b>Consolidated companies</b>               |               |             |   |
| Sumiko Techno-Research Co., Ltd.            | 100           | Japan       | Environmental measurement verification operations such as water quality, air, soil, noise and vibration, etc.<br>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/<br>Personnel agency business  |
| Sumitomo Metal Mining Engineering Co., Ltd. | 100           | Japan       | 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. /<br>Installation of machinery & equipment and piping work /<br>Steel structure work       |
| 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   |
| 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  |