

## **Supplementary Explanation for Financial Summary**

# **2nd Quarter FY2017**

**November 9th, 2017**



**SUMITOMO METAL MINING CO., LTD.**

The materials provided herein are not intended as disclosure under the Securities Law, and no warranty is made as to their completeness or accuracy. Any projections included in these materials are based solely on information available at the time of this briefing, and are subject to change based on market conditions, competitive conditions, and a number of other factors. Therefore, we ask that you refrain from making any investment decisions based on these materials alone. The Company cannot be held responsible in any way for any losses that may occur as a result of the use of these materials.

All copyrights, trademarks, and intellectual property rights attaching to the materials herein are the sole property of Sumitomo Metal Mining Co., Ltd..

## Comparison

### FY2017/1H Result vs FY2016/1H Result / FY2017/1H Forecast in Aug.

JPY100M

	17/1H ①Result	16/1H ②Result	Diff. ①-②	③ 17/1H Forecast in Aug.	Diff. ①-③
Net sales	4,421	3,665	+756	4,240	+181
Operating income	447	219	+228	430	+17
Recurring profit	463	117	+346	530	-67
Net income※	351	33	+318	370	-19
(Inventory evaluation P&L)	-83	-83	0	-61	-22
(Exchange gain & loss)	+7	-110	+117	-6	+13
Cu(\$/t)	6,005	4,752	+1,253	5,632	+373
Ni(\$/lb)	4.49	4.33	+0.16	4.23	+0.26
Au(\$/Toz)	1,268	1,297	-29	1,254	+14
Exchange ( ¥/\$)	111.08	105.31	+5.77	110.56	+0.52

Exchange ( ¥/\$)	17/9E	17/6E	17/3E	16/12E	16/9E
	112.74	111.96	112.19	116.49	101.05

#### 【Diff of FY2017/1H Result vs FY2016/1H Result ①-②】

Recurring Profit +346

Metal price/ Exchange +339(Metal price +293, Exchange +15, Inventory evaluation +31), Exchange gain & loss +117,

Quantity +3, Cost -42, Material business +28, Cerro Verde royalty dispute -89, others

#### 【Diff of FY2017/1H Result vs Forecast in Aug. ①-③】

Recurring Profit -67

Metal price/ Exchange +68 (Metal price +62, Exchange +1, Inventory evaluation +5), Quantity -3, Cost +2,

Exchange gain&loss +13, Cerro Verde royalty dispute -89, Inventories unrealized profit -28, others

### New and Old Forecast of FY2017 (in Nov. vs in May) / 1H Result vs 2H Forecast

JPY100M

	17/1H ①Result	17/2H ②Forecast in Nov.	FY2017 ③Forecast in Nov.	FY2017 ④Forecast in May	Diff. ③-④	Diff. ②-①
Net sales	4,421	4,609	9,030	8,550	+480	+188
Operating income	447	443	890	750	+140	-4
Recurring profit	463	507	970	900	+70	+44
Net income※	351	329	680	630	+50	-22
(Inventory evaluation P&L)	-83	-2	-85	-82	-3	+81
(Exchange gain & loss)	+7	-16	-9	0	-9	-23
Cu(\$/t)	6,005	6,300	6,153	5,800	+353	+295
Ni(\$/lb)	4.49	4.75	4.62	4.75	-0.13	+0.26
Au(\$/Toz)	1,268	1,250	1,259	1,200	+59	-18
Exchange ( ¥/\$)	111.08	110.00	110.54	110.00	+0.54	-1.08

#### 【Diff of FY2017 Forecast in Nov. vs Forecast in May ③-④】

Metal Price/ Exchange +70

Metal Price/ Exchange +273(Metal Price +261, Inventory evaluation 0, Exchange +12), Exchange gain & loss -9,

Quantity -11, Cost -67, Materials business -10, Cerro Verde royalty dispute -89, others

#### 【Diff. of FY2017 2H Forecast vs 1H Result ②-①】

Recurring Profit +44

Metal Price/ Exchange +124(Metal Price +105, Inventory evaluation +32, Exchange -13), Exchange gain & loss -19,

Quantity +25, Cost -110, Materials Business -20, Selling, general and administrative expenses -30,

Cerro Verde royalty dispute +89, others

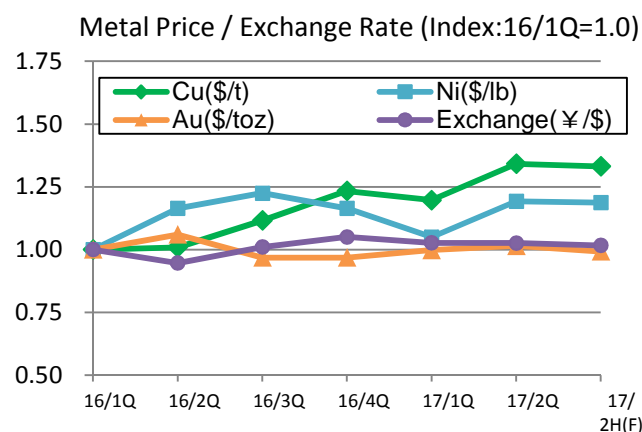
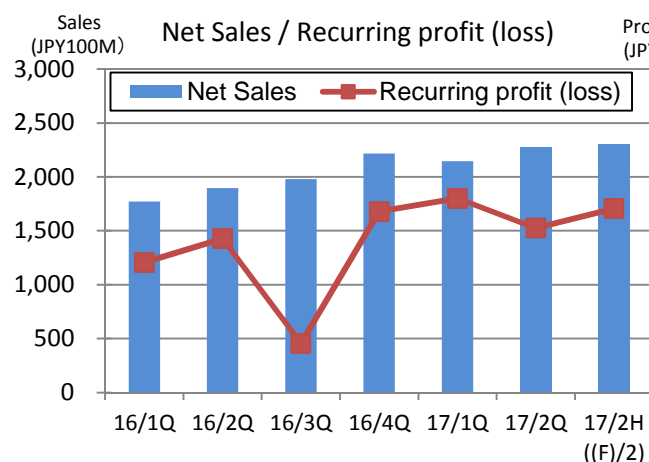
※Profit (loss) attributable to owners of parent

# Quarterly Financial Results

JPY100M

	FY2014					FY2015				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net sales	2,094	2,361	2,354	2,404	9,213	2,396	2,196	2,016	1,946	8,554
Operating income	208	345	385	320	1,258	261	254	80	2	597
Recurring profit	269	530	603	340	1,742	366	280	-622	-152	-128
Net income※	185	370	406	-50	911	263	275	-431	-110	-3
Cu (\$/t)	6,787	6,993	6,621	5,815	6,554	6,054	5,252	4,887	4,669	5,215
Ni (\$/lb)	8.37	8.42	7.16	6.51	7.62	5.91	4.78	4.27	3.86	4.71
Au (\$/Toz)	1,289	1,283	1,200	1,220	1,248	1,193	1,124	1,104	1,180	1,150
Exchange (¥/\$)	102.16	104.16	114.54	119.10	109.93	121.37	122.24	121.51	115.48	120.15
<b>Inventory impairment</b>										
(Smelting) Impairment	-1	-1	+2	-5	-5	+4	-21	+4	+15	+2
(Smelting) QP Diff etc.	-8	+18	+68	+11	+89	-7	-23	-44	-65	-139
(Smelting) Total	-9	+17	+70	+6	+84	-3	-44	-40	-50	-137
(Materials & others)	+1	0	+3	-5	-1	+1	-3	-7	+6	-3
② Total	-8	+17	+73	+1	+83	-2	-47	-47	-44	-140
① - ②	277	513	530	339	1,659	368	327	-575	-108	12

	FY2016					FY2017				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	1H Result	2H(F)	Total
Net sales	1,770	1,895	1,980	2,216	7,861	2,145	2,276	4,421	4,609	9,030
Operating income	80	139	261	284	764	218	229	447	443	890
Recurring profit	3	114	-372	239	-16	300	163	463	507	970
Net income※	-69	102	-361	143	-185	221	130	351	329	680
Cu (\$/t)	4,730	4,774	5,280	5,834	5,154	5,663	6,347	6,005	6,300	6,153
Ni (\$/lb)	4.00	4.66	4.90	4.66	4.56	4.20	4.77	4.49	4.75	4.62
Au (\$/Toz)	1,259	1,335	1,219	1,219	1,258	1,257	1,278	1,268	1,250	1,259
Exchange (¥/\$)	108.17	102.44	109.33	113.65	108.40	111.11	111.05	111.08	110.00	110.54
<b>Inventory impairment</b>										
(Smelting) Impairment	-6	0	+9	0	+3	-2	-13	-15	+15	0
(Smelting) QP Diff etc.	-42	-40	+33	+31	-18	-11	-31	-42	-40	-82
(Smelting) Total	-48	-40	+42	+31	-15	-13	-44	-57	-25	-82
(Materials & others)	+3	+2	0	0	5	+1	-27	-26	+23	-3
② Total	-45	-38	+42	+31	-10	-12	-71	-83	-2	-85
① - ②	48	152	-414	208	-6	312	234	546	509	1,055



## Operating income / Segment Profit (loss)

JPY100M

		FY2015					FY2016					FY2017			
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q+4Q(F)	Total(F)
Operating income	Mineral Resources	98	117	65	58	338	96	78	90	126	390	133	101	286	520
	Smelting & Refining	182	89	30	-73	228	-13	40	146	109	282	75	97	128	300
	Materials	10	9	0	10	29	11	15	26	27	79	30	14	26	70
	Others	2	1	-12	9	0	3	1	4	4	12	2	2	6	10
Diff. Adjustment		-31	38	-3	-2	2	-17	5	-5	18	1	-22	15	-3	-10
<b>Operating income Total</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>284</b>	<b>764</b>	<b>218</b>	<b>229</b>	<b>443</b>	<b>890</b>

		Result					2017 (F)
		2012	2013	2014	2015	2016	
Operating income	Mineral Resources	490	452	432	338	390	520
	Smelting & Refining	479	306	718	228	282	300
	Materials	45	108	82	29	79	70
	Others	16	17	10	0	12	10
Diff. Adjustment		-72	-129	16	2	1	-10
<b>Operating income Total</b>		<b>958</b>	<b>754</b>	<b>1,258</b>	<b>597</b>	<b>764</b>	<b>890</b>

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

		FY2015					FY2016					FY2017			
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q+4Q(F)	Total(F)
Segment Profit (loss)	Mineral Resources	127	133	-693	-10	-443	76	47	-749	90	-536	167	9	344	520
	Smelting & Refining	196	112	40	-95	253	-16	52	170	127	333	85	97	138	320
	Materials	19	14	6	21	60	17	20	40	44	121	41	24	45	110
	Others	1	-1	-14	6	-8	3	0	2	-6	-1	-1	2	-11	-10
Diff. Adjustment		23	22	39	-74	10	-77	-5	165	-16	67	8	31	-9	30
<b>Recurring Profit (loss) Total</b>		<b>366</b>	<b>280</b>	<b>-622</b>	<b>-152</b>	<b>-128</b>	<b>3</b>	<b>114</b>	<b>-372</b>	<b>239</b>	<b>-16</b>	<b>300</b>	<b>163</b>	<b>507</b>	<b>970</b>

## Equity in earnings of affiliated companies

JPY100M

		FY2015					FY2016					FY2017			
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q+4Q(F)	Total(F)
Cu	Cerro Verde	12	-3	2	-7	4	21	17	6	25	69	36	-60	84	60
	Candelaria/Ojos	20	14	4	-5	33	11	3	7	4	25	17	13	40	70
	Sierra Gorda			-763	-64	-827	-54	-58	-851	-70	-1,033	-24	-45	-71	-140
	Acids/Jinlong/MSMMBC	4	5	0	-11	-2	5	6	6	9	26	10	8	2	20
	Total	36	16	-757	-87	-792	-17	-32	-832	-32	-913	39	-84	55	10
Ni	PT Vale Indonesia/ Figesbal/NAC	10	13	9	-1	31	-7	0	11	13	17	0	3	7	10
NECC/NK/MSZ/others		8	5	7	9	29	7	8	9	12	36	10	5	5	20
<b>Total</b>		<b>54</b>	<b>34</b>	<b>-741</b>	<b>-79</b>	<b>-732</b>	<b>-17</b>	<b>-24</b>	<b>-812</b>	<b>-7</b>	<b>-860</b>	<b>49</b>	<b>-76</b>	<b>67</b>	<b>40</b>

		Result					2017 (F)
		2012	2013	2014	2015	2016	
Cu	Cerro Verde	124	122	78	4	69	60
	Candelaria/Ojos	61	106	54	33	25	70
	Sierra Gorda			-39	-827	-1,033	-140
	Acids/Jinlong/MSMMBC	-1	2	11	-2	26	20
	Total	184	230	104	-792	-913	10
Ni	PT Vale Indonesia	10					
	Figesbal/NAC/VNC	-48	22	99	31	17	10
	Total	-38					
NECC/NK/MSZ/others		25	46	36	29	36	20
<b>Total</b>		<b>171</b>	<b>298</b>	<b>239</b>	<b>-732</b>	<b>-860</b>	<b>40</b>

## Metal price and Exchange rate

	Copper (\$/t)			Copper (¢/lb)			Nickel (\$/lb)		
	FY2015	FY2016	FY2017	FY2015	FY2016	FY2017	FY2015	FY2016	FY2017
Apr	6,028	4,851	5,698	273	220	258	5.80	4.02	4.39
May	6,301	4,708	5,592	286	214	254	6.13	3.94	4.15
Jun	5,834	4,631	5,699	265	210	259	5.80	4.04	4.05
<b>1QAve.</b>	<b>6,054</b>	<b>4,730</b>	<b>5,663</b>	<b>275</b>	<b>215</b>	<b>257</b>	<b>5.91</b>	<b>4.00</b>	<b>4.20</b>
Jul	5,457	4,856	5,979	248	220	271	5.16	4.65	4.30
Aug	5,089	4,758	6,478	231	216	294	4.69	4.70	4.92
Sep	5,209	4,707	6,583	236	214	299	4.49	4.62	5.10
<b>2QAve.</b>	<b>5,252</b>	<b>4,774</b>	<b>6,347</b>	<b>238</b>	<b>217</b>	<b>288</b>	<b>4.78</b>	<b>4.66</b>	<b>4.77</b>
Oct	5,223	4,732		237	215		4.69	4.66	
Nov	4,808	5,443		218	247		4.19	5.05	
Dec	4,629	5,666		210	257		3.94	5.00	
<b>3QAve.</b>	<b>4,887</b>	<b>5,280</b>		<b>222</b>	<b>240</b>		<b>4.27</b>	<b>4.90</b>	
Jan	4,463	5,737		202	260		3.85	4.53	
Feb	4,595	5,942		208	270		3.77	4.82	
Mar	4,948	5,822		224	264		3.95	4.64	
<b>4QAve.</b>	<b>4,669</b>	<b>5,834</b>		<b>212</b>	<b>265</b>		<b>3.86</b>	<b>4.66</b>	
<b>FY Ave.</b>	<b>5,215</b>	<b>5,154</b>		<b>237</b>	<b>234</b>		<b>4.71</b>	<b>4.56</b>	
<b>Jan-Dec Ave.</b>	<b>5,502</b>	<b>4,863</b>		<b>250</b>	<b>221</b>		<b>5.37</b>	<b>4.35</b>	
Oct-Mar (FCST in Nov)			<b>6,300</b>			<b>286</b>			<b>4.75</b>
FY2017 (FCST in Nov.)			<b>6,153</b>			<b>279</b>			<b>4.62</b>
FY2017 (FCST in May)			<b>5,800</b>			<b>263</b>			<b>4.75</b>

	Gold (\$/toz)			Exchange (¥/US\$)		
	FY2015	FY2016	FY2017	FY2015	FY2016	FY2017
Apr	1,198	1,242	1,266	119.58	109.84	110.13
May	1,198	1,260	1,245	120.76	109.13	112.26
Jun	1,182	1,275	1,261	123.77	105.55	110.94
<b>1QAve.</b>	<b>1,193</b>	<b>1,259</b>	<b>1,257</b>	<b>121.37</b>	<b>108.17</b>	<b>111.11</b>
Jul	1,131	1,337	1,236	123.26	103.99	112.44
Aug	1,118	1,341	1,282	123.21	101.34	109.94
Sep	1,125	1,326	1,316	120.24	101.99	110.76
<b>2QAve.</b>	<b>1,124</b>	<b>1,335</b>	<b>1,278</b>	<b>122.24</b>	<b>102.44</b>	<b>111.05</b>
Oct	1,158	1,268		120.08	103.82	
Nov	1,087	1,238		122.59	108.17	
Dec	1,068	1,152		121.86	115.99	
<b>3QAve.</b>	<b>1,104</b>	<b>1,219</b>		<b>121.51</b>	<b>109.33</b>	
Jan	1,097	1,193		118.34	114.78	
Feb	1,197	1,234		115.08	113.11	
Mar	1,246	1,231		113.03	113.05	
<b>4QAve.</b>	<b>1,180</b>	<b>1,219</b>		<b>115.48</b>	<b>113.65</b>	
<b>FY Ave.</b>	<b>1,150</b>	<b>1,258</b>		<b>120.15</b>	<b>108.40</b>	
<b>Jan-Dec Ave.</b>	<b>1,160</b>	<b>1,248</b>		<b>121.05</b>	<b>108.86</b>	
Oct-Mar (FCST in Nov)			<b>1,250</b>			<b>110.00</b>
FY2017 (FCST in Nov.)			<b>1,259</b>			<b>110.54</b>
FY2017 (FCST in May)			<b>1,200</b>			<b>110.00</b>

LME Price		17/1Q		17/2Q		17/2H(F)
E-Ni applied	Mar-May	4.39	Jun-Aug	4.42	Sep-Feb	4.81
Fe-Ni applied	Jan-Mar	4.66	Apr-Jun	4.20	Jul-Dec	4.76

Exchange		17/1Q		17/2Q		17/2H(F)
E-Ni applied	Mar-May	111.81	Jun-Aug	111.11	Sep-Feb	110.13
Fe-Ni applied	Jan-Mar	113.65	Apr-Jun	111.11	Jul-Dec	110.52

# Comparison

## (2017/1H Result vs 2016/1H Result)

JPY100M

Operating income				Segment Profit			
	17/1H ①	16/1H ②	Diff. ①-②		17/1H ③	16/1H ④	Diff. ③-④
Mineral Resources	234	174	+60	Mineral Resources	176	123	+53
Smelting & Refining	172	27	+145	Smelting & Refining	182	36	+146
Materials	44	26	+18	Materials	65	37	+28
Others	5	4	+1	Others	1	3	-2
Diff. Adjustment	-8	-12	+4	Diff. Adjustment	39	-82	+121
<b>Op. income Total</b>	<b>447</b>	<b>219</b>	<b>+228</b>	<b>Recurring Profit</b>	<b>463</b>	<b>117</b>	<b>+346</b>

### <<Explanation of Diff.>>

#### 1. Mineral Resources

JPY100M

	Diff.	Quantity	Price	Exchange	Cost@	Others
Hishikari (Au)	-4	-10	-2	+6	+1	+1
Pogo (Au)	-5	-2	+3	0	-7	+1
Morenci/NP (Cu)	+73					
Others	-4					
<b>Op. income Total</b>	<b>+60</b>					

Au Sales (t)	17/1H	16/1H	Diff.
Hishikari	2.9	3.2	-0.3
Pogo(100%)	4.2	4.4	-0.2

#### 2. Smelting & Refining

JPY100M

	Diff.	Quantity	Price	Cost@	Inventory	Others
Copper	+42	+1	-7	+1	+44	+3
Nickel	+117	-1	+112	+9	-13	+10
Others	-14					-14
<b>Op. income Total</b>	<b>+145</b>	<b>0</b>	<b>+105</b>	<b>+10</b>	<b>+31</b>	<b>-1</b>

•Inventory evaluation P&L

	Total	Cu	Ni
17/1H	-57	-31	-26
16/1H	-88	-75	-13

## Comparison

(2017/1H Result vs 2016/1H Result)

### 3. Materials

【Net Sales, by products】

JPY100M

	17/1H ①	16/1H ②	Diff. ①-②
Battery Materials (NCA, Nickel Hydroxide, etc.)	297	194	+103
Applied Powder Materials (Thick Film, Thin Film, Magnet, Alloy, Ink, etc.)	156	134	+22
Package Materials (Leadframes, CuPI, PWB, etc.)	141	236	-95
Crystal Material, Construction Materials, Connector, Others	277	277	0
<b>Total</b>	<b>871</b>	<b>841</b>	<b>+30</b>

## Equity in earnings of affiliated companies

JPY100M

		17/1H ①	16/1H ②	Diff. ①-②
Cu	Cerro Verde	-24	38	-62
	Candelaria/Ojos	30	14	+16
	Sierra Gorda	-68	-112	+44
	Acids/Jinlong/MSMMBC	18	11	+7
	<b>Total</b>	<b>-44</b>	<b>-49</b>	<b>+5</b>
Ni	PT Vale Indonesia/Figesbal/NAC	3	-7	+10
	NECC/NK/MSZ/others	14	15	-1
	<b>Total</b>	<b>-27</b>	<b>-41</b>	<b>+14</b>
Segment	Mineral Resources	-62	-60	-2
	Smelting & Refining	21	4	+17
	Materials/others	14	15	-1
	<b>Total</b>	<b>-27</b>	<b>-41</b>	<b>+14</b>

# Comparison

(FY2017 Forecast in Nov. vs Forecast in May.)

JPY100M

Operating income				Segment Profit			
	FCST in Nov. ①	FCST in May ②	Diff. ①-②		FCST in Nov. ③	FCST in May ④	Diff. ③-④
Mineral Resources	520	450	+70	Mineral Resources	520	490	+30
Smelting & Refining	300	220	+80	Smelting & Refining	320	260	+60
Materials	70	90	-20	Materials	110	120	-10
Others	10	10	0	Others	-10	-10	0
Diff. Adjustment	-10	-20	+10	Diff. Adjustment	30	40	-10
<b>Op. income Total</b>	<b>890</b>	<b>750</b>	<b>+140</b>	<b>Recurring Profit</b>	<b>970</b>	<b>900</b>	<b>+70</b>

## <<Explanation of Diff.>>

### 1. Mineral Resources

JPY100M

	Diff.	Quantity	Price	Exchange	Cost@	Others
Hishikari (Au)	+15	-1	+12	+1	+3	0
Pogo (Au)	+8	-2	+12	0	-1	-1
Morenci/NP (Cu)	+41					
Others	+6					
<b>Op. income Total</b>	<b>+70</b>					

Au Sales (t)	FCST in Nov.	FCST in May	Diff.
Hishikari	6.0	6.0	0.0
Pogo(100%)	8.3	8.7	-0.4

### 2. Smelting & Refining

JPY100M

	Diff.	Quantity	Price	Cost@	Inventory	Others
Copper	-1	-3	+1	+2	0	-1
Nickel	+83	0	+112	-33	0	+4
Others	-2					-2
<b>Total</b>	<b>+80</b>	<b>-3</b>	<b>+113</b>	<b>-31</b>	<b>0</b>	<b>+1</b>

• Inventory evaluation P&L

JPY100M

	Total	Cu	Ni
FCST in Nov.	-82	-78	-4
FCST in May	-82	-78	-4



## Comparison

(FY2017 Forecast in Nov. vs Forecast in May.)

### 3. Materials

【Net Sales, by products】

JPY100M

	FCST in Nov. ①	FCST in May ②	Diff. ①-②
Battery Materials (NCA, Nickel Hydroxide, etc.)	750	690	+60
Applied Powder Materials (Thick Film, Thin Film, Magnet, Alloy, Ink, etc. )	310	280	+30
Package Materials (Leadframes, CuPI, PWB, etc.)	250	260	-10
Crystal Material, Construction Materials, Connector, Others	590	620	-30
<b>Total</b>	<b>1,900</b>	<b>1,850</b>	<b>+50</b>

## Equity in earnings of affiliated companies

JPY100M

		FCST in Nov. ①	FCST in May ②	Diff. ①-②
Cu	Cerro Verde	60	130	-70
	Candelaria/Ojos	70	60	+10
	Sierra Gorda	-140	-150	+10
	Acids/Jinlong/MSMMBC	20	20	0
	<b>Total</b>	<b>10</b>	<b>60</b>	<b>-50</b>
Ni	PT Vale Indonesia/Figesbal/NAC	10	20	-10
	NECC/NK/MSZ/others	20	20	0
<b>Total</b>		<b>40</b>	<b>100</b>	<b>-60</b>
Segment	Mineral Resources	-10	40	-50
	Smelting & Refining	30	40	-10
	Materials/others	20	20	0
<b>Total</b>		<b>40</b>	<b>100</b>	<b>-60</b>

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

		FY2015					FY2016					FY2017						
		Results					Results					Results		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	2.0	1.9	1.4	1.6		<b>6.9</b>	1.8	1.2	1.4	1.9	<b>6.3</b>	1.9	1.2	2.9	<b>6.0</b>	6.0	0.0
	Sales	2.2	1.9	1.6	1.8		<b>7.5</b>	1.9	1.3	1.3	1.5	<b>6.0</b>	2.0	0.9	3.1	<b>6.0</b>	6.0	0.0
Pogo	Production	2.1	2.1	2.3	2.3		<b>8.8</b>	2.1	2.1	1.9	2.3	<b>8.4</b>	1.9	2.2	4.3	<b>8.4</b>	8.7	-0.3
	Sales	2.5	2.0	2.1	2.4		<b>9.0</b>	2.2	2.2	1.9	2.1	<b>8.4</b>	2.1	2.1	4.1	<b>8.3</b>	8.7	-0.4
<b>【Copper Mine】 (kt)</b>																		
Morenci	Production	109	119	124	131		<b>483</b>	124	125	127	120	<b>496</b>	114	118	231	<b>463</b>	464	-1
	Sales	84	143	131	132		<b>490</b>	101	133	140	134	<b>508</b>	118	102	238	<b>458</b>	458	0
Cerro Verde	Production	49	47	56	95		<b>247</b>	123	126	120	133	<b>502</b>	119	118	267	<b>504</b>	522	-18
	Sales	50	44	58	95		<b>247</b>	116	122	123	140	<b>501</b>	121	111	272	<b>504</b>	522	-18
Sierra Gorda	Production	18	22	23	23		<b>86</b>	27	22	21	24	<b>94</b>	26	24	51	<b>101</b>	100	1
	Sales	19	15	26	27		<b>87</b>	23	21	25	26	<b>95</b>	27	24	48	<b>99</b>	99	0
La Candelaria	Production	42	39	37	32		<b>150</b>	34	29	31	41	<b>135</b>	32	44	79	<b>155</b>	153	2
	Sales	45	38	36	32		<b>151</b>	35	29	33	37	<b>134</b>	36	39	81	<b>156</b>	147	9
Ojos Del Salado	Production	6	6	7	6		<b>25</b>	6	7	7	5	<b>25</b>	6	7	14	<b>27</b>	28	-1
	Sales	6	6	8	5		<b>25</b>	6	7	7	5	<b>25</b>	6	7	14	<b>27</b>	28	-1
North Parkes	Production	13	13	12	14		<b>52</b>	13	11	11	11	<b>46</b>	12	11	22	<b>45</b>	42	3
	Sales	10	14	13	13		<b>50</b>	13	9	13	10	<b>45</b>	11	12	20	<b>43</b>	43	0
Batu Hijau	Production	51	59	69	53		<b>232</b>	51	52	61								
	Sales	50	52	63	51		<b>216</b>	64	42	51								
<b>【Smelting &amp; Refining in Japan】 (kt)</b>																		
E-Cu	Production	103.0	102.8	107.0	107.1		<b>419.9</b>	111.9	115.3	113.0	111.3	<b>451.5</b>	112.5	111.4	226.1	<b>450.0</b>	450.0	0.0
	Sales	116.3	108.6	112.2	111.0		<b>448.1</b>	112.1	118.4	117.6	111.9	<b>459.9</b>	113.6	115.5	222.4	<b>451.5</b>	457.5	-6.0
E-Ni	Production	15.4	16.4	16.8	17.0		<b>65.5</b>	15.5	16.1	14.4	16.2	<b>62.2</b>	14.5	16.4	31.9	<b>62.8</b>	62.8	0.0
	Sales	15.8	16.5	16.2	17.3		<b>65.8</b>	16.3	16.8	14.0	15.5	<b>62.6</b>	14.5	16.9	31.5	<b>62.9</b>	63.0	-0.1
FeNi	Production	5.4	5.3	5.4	4.3		<b>20.5</b>	3.6	3.0	4.2	3.2	<b>14.0</b>	3.5	2.8	6.9	<b>13.2</b>	14.1	-0.9
	Sales	5.2	5.3	5.8	4.1		<b>20.3</b>	3.5	3.6	4.2	3.9	<b>15.2</b>	3.3	3.6	6.5	<b>13.4</b>	13.9	-0.5
<b>【Smelting &amp; Refining overseas】 (kt)</b>																		
					※ 2016 Jan- Mar	15/1-12 12mth total												
CBNC MS (Ni content)	Production	6.4	5.2	6.5	5.5	<b>5.8</b>	<b>23.6</b>	4.7	5.5	4.9	6.1	<b>21.2</b>	4.4	5.6	11.1	<b>21.1</b>	21.5	-0.4
	Sales	5.6	6.2	6.3	5.8	<b>5.5</b>	<b>23.9</b>	5.5	4.0	5.7	5.8	<b>21.0</b>	4.8	5.7	10.9	<b>21.4</b>	21.5	-0.1
THPAL MS (Ni content)	Production	7.8	5.7	5.9	8.7	<b>6.9</b>	<b>28.1</b>	4.1	7.1	9.2	6.9	<b>27.3</b>	9.5	7.0	17.5	<b>34.0</b>	34.2	-0.2
	Sales	8.7	6.4	5.9	8.5	<b>6.8</b>	<b>29.5</b>	3.9	7.8	9.1	7.2	<b>28.0</b>	7.9	8.6	16.2	<b>32.7</b>	34.2	-1.5
PT Vale Matte (Ni content)	Production	17.8	18.9	22.2	22.2		<b>81.1</b>	16.9	19.4	21.0	21.6	<b>78.9</b>	17.2	20.1	42.1	<b>79.4</b>	82.3	-2.9
	Sales	18.0	19.0	22.8	23.1		<b>82.9</b>	16.4	20.2	21.4	19.6	<b>77.6</b>	17.5	19.6	43.8	<b>80.9</b>	83.7	-2.8

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

## Sensitivity

JPY100M / Year

	Change	Profit Up · Down Operating / Recurring Profit (loss)
Cu	±100\$/t	16/29
Ni	±10 ¢ /lb	16/18
Au	±10 \$/toz	5/5
¥ / \$	±1 ¥/\$	10/10

(Note. 1) USD/JPY translation include RC-related and Conversion rate of overseas consolidated / equity-method affiliate companies' profit.

(Note. 2) Inventory evaluation is not included.

# Financial Position

## 【Shareholder's Equity Ratio】

JPY100M

End of FY	FY2013	FY2014	FY2015	FY2016	2017/2Q	15 3-Yr 2018
Net assets	15,724	17,402	16,308	16,850	16,839	19,310
Shareholder's equity	9,132	10,512	9,829	9,617	9,851	12,540
Shareholder's Equity Ratio	58.1%	60.4%	60.3%	57.1%	58.5%	65.0%

## 【D/E Ratio】

JPY100M

End of FY	FY2013	FY2014	FY2015	FY2016	2017/2Q	15 3-Yr 2018
Interest-bearing debt	3,836	3,941	4,006	4,955	4,402	4,130
Shareholder's equity	9,132	10,512	9,829	9,617	9,851	12,540
D/E ratio	0.42	0.37	0.41	0.52	0.45	0.33

## 【Dividend payout ratio】

	FY2013	FY2014	FY2015	FY2016	FY2017 (Forecast in Nov.)	15 3-Yr 2018
Dividend / share (JPY)	37.0	48.0	31.0	11.0	37.0	-
Net Income / share (JPY)	145.35	165.11	-0.56	-33.61	246.56	-
Dividend payout ratio	25.5%	29.1%	-	-	30.0%	30%+

### <Remarks 1>

The Company carried out the consolidation of shares at the ratio of 2 shares to 1 share on October 1, 2017.

1) Notation in Consolidated Financial Results for the Second Quarter Ended September 30, 2017

(second quarter-end dividend)+(year-end dividend)=(total dividend)

17 yen per share + 40 yen per share = NA

Reflecting the consolidation of shares, year-end dividend per share is 40 yen as doubled value of 20 yen in the financial results. Total dividend cannot be calculated and is show blank since the standards for second quarter-end dividend and year-end dividend are different.

2) Without consideration of the consolidation of shares,

(second quarter-end dividend)+(year-end dividend)=(total dividend)

17 yen per share + 20 yen per share = 37 yen per share

3) In the financial results release in May 2017(forecasts)

(second quarter-end dividend)+(year-end dividend)=(total dividend)

17 yen per share + 18 yen per share = 35 yen per share

### <Remarks 2>

Profit (loss) per share is calculated assuming that the consolidation of shares was carried out at the beginning of this fiscal year.

**Consolidated companies (60) / Equity-method affiliated companies (14)**  
**at September 30, 2017**

**Mineral Resources**

	Voting Shares	Location	FY (consolidated)	Operations
<b>Consolidated companies</b>				
Sumiko Resources Exploration & Development Co., Ltd	100	Japan	Mar.	Geological survey of resources; Test boring
Sumitomo Metal Mining America Inc.	100	USA	Dec.	Exploration; Management of mining subsidiaries in USA.
Sumitomo Metal Mining Arizona Inc.	80	USA	Dec.	Mining and related operations
SMM Morenci Inc.	100	USA	Dec.	Mining and related operations
SMMA Candelaria Inc.	100	USA	Dec.	Investment in local company in Chile operating Candelaria Mine
Sumitomo Metal Mining Canada Ltd.	100	Canada	Dec.	Exploration, Consulting
Sumitomo Metal Mining Oceania Pty. Ltd.	100	Australia	Dec.	Resource surveys, mine development and related operations in Oceania
Sumitomo Metal Mining Pogo LLC	100	USA	Dec.	Investment in Pogo Mine
SMM Resources Inc.	100	Canada	Dec.	Mineral Resources Business
SMM Cerro Verde Netherlands B.V.	80	Netherlands	Dec.	Investments in local Peruvian companies engaged in the Cerro Verde Mine operation.
SMM Exploration Corporation	100	USA	Dec.	Mineral Resources Business
SMM Solomon Limited	100	Solomon Islands	Dec.	Exploration in Solomon Islands
Sumitomo Metal Mining Peru S.A.	100	Peru	Dec.	Exploration in South America
Sumitomo Metal Mining Chile LTDA.	100	Chile	Dec.	Exploration in South America
Sumiko Solomon Exploration Co., Ltd.	70	Japan	Mar.	Exploration in Solomon Islands
SUMAC MINES LTD.	100	Canada	Dec.	Exploration
Stone Boy Inc.	80	USA	Dec.	Exploration
SMM Sierra Gorda Inversiones Ltda.	70	Chile	Dec.	Investment in Sierra Gorda Project
SMM-SG Holding Inversiones Ltda.	100	Chile	Dec.	Investment in Sierra Gorda Project
Sumitomo Metal Mining do Brasil LTDA.	100	Brazil	Dec.	Exploration in Brazil
SMM Gold Cote Inc.	100	Canada	Dec.	Investment in Cote Gold Project
<b>Equity-method affiliated companies</b>				
Sociedad Minera Cerro Verde S.A.A.	21	Peru	Dec.	Cerro Verde Mine
Compania Contractual Minera Candelaria	20	Chile	Dec.	Candelaria Mine
Compania Contractual Minera Ojos del Salado	20	Chile	Dec.	Ojos del Salado Mine
Sierra Gorda S.C.M.	45	Chile	Dec.	Sierra Gorda Mine
Cordillera Exploration Co., Inc.	25	Philippines	Dec.	Exploration in Philippines

**Smelting & Refining**

	Voting Shares	Location	FY (consolidated)	Operations
<b>Consolidated companies</b>				
Hyuga Smelting Co., Ltd	60	Japan	Mar.	Ferro-nickel smelting
Shisaka Smelting Co., Ltd.	100	Japan	Mar.	Manufacture of crude zinc oxide
Sumiko Logistics Co., Ltd.	100	Japan	Mar.	Maritime trading; Harbor transportation and services;
SUMIC Nickel Netherlands b.v.	52	Netherlands	Dec.	Investment in nickel and cobalt development businesses; Sale of nickel and cobalt
Coral Bay Nickel Corporation	54	Philippines	Mar.	Manufacture of nickel and cobalt
Taganito HPAL Nickel Corporation	75	Philippines	Mar.	Manufacture of nickel and cobalt
Sumitomo Metal Mining Philippine Holdings Corporation	100	Philippines	Dec.	Regional headquarters for the nickel business
Sumitomo Metal Mining Management (Shanghai) Co., Ltd.	100	China	Dec.	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	100	China	Dec.	Sales of SMM and SMM group company products in China
Taihei Metal Industry Co., Ltd.	97	Japan	Mar.	Manufacture of heat-, corrosion- and friction-resistant steel castings and precision castings
<b>Equity-method affiliated companies</b>				
Jinlong Copper Co., Ltd.	27	China	Dec.	Manufacture and sale of electrolytic copper and sulfuric acid
Acids Co., Ltd.	50	Japan	Mar.	Manufacture and sale of sulfuric acid and related products
PT Vale Indonesia Tbk	20	Indonesia	Dec.	Nickel ore mining; Nickel smelting
Nickel Asia Corporation	26	Philippines	Dec.	Nickel ore mining
FIGESBAL	26	New Caledonia	Dec.	Nickel ore mining; Harbor transportation
MS Zinc Co., Ltd.	50	Japan	Mar.	Manufacture and sale of zinc and related operations
Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd	50	Japan	Mar.	Manufacture and sale of copper and brass products and processed copper and brass products

## Materials

	Voting Shares	Location	FY (consolidated)	Operations
<b>Consolidated companies</b>				
SH Materials Co., Ltd.	100	Japan	Mar.	Manufacture and sale of leadframes
Ohkuchi Electronics Co., Ltd.	100	Japan	Mar.	Recovery and recycling of non-ferrous metals /Manufacture of functional inks
Ohkuchi Materials Co., Ltd.	100	Japan	Mar.	Manufacture of leadframes
Niihama Electronics Co., Ltd.	100	Japan	Mar.	Manufacture of flexible circuit materials
Niihama Materials Co., Ltd.	100	Japan	Mar.	Manufacture of leadframes
Shinko Co., Ltd.	97	Japan	Mar.	Design, manufacture, and sale of printed circuit boards
Sumiko Tape Materials Singapore Pte.Ltd.	100	Singapore	Mar.	Regional headquarters for international tape materials operations
Taiwan Sumiko Materials Co., Ltd	100	Taiwan	Mar.	Manufacture of thin film materials
SumikoTec Co., Ltd.	100	Japan	Mar.	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.
Sumiko Tec (Dongguan) Co., Ltd.	100	China	Dec.	Sales, quality service and export management service of terminals, connectors and electronic circuit board, also related jig for these products.
Nittosha Co., Ltd.	100	Japan	Mar.	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	Mar.	Manufacture of crystal products and magnetic materials
Sumiko Energy Materials Co., Ltd.	100	Japan	Mar.	Manufacture of Battery Materials
Shanghai Sumiko Electronic Paste Co., Ltd.	69	China	Dec.	Manufacture and sale of thick-film paste
Dongguan Sumiko Electronic Paste Co., Ltd.	85	China	Dec.	Manufacture and sale of thick-film paste
SMM KOREA Co., Ltd..	100	Korea	Dec.	Sales support for advanced materials and business operations
SMM Precision Co., Ltd.	100	Japan	Mar.	Manufacture and sale of optical communications components
GRANOPT Ltd.	51	Japan	Mar.	Manufacture and sale of rare earth iron garnet (RIG)
Sumico Lubricant Co., Ltd.	100	Japan	Mar.	Manufacture and sale of various lubricants
Sumico Lubricant Trading (Shanghai) Co., Ltd.	100	China	Dec.	Sale of various lubricants
Sumitomo Metal Mining Siporex Co., Ltd.	100	Japan	Mar.	Manufacture and sale of ALC (Autoclaved Lightweight aerated Concrete) and other construction materials
<b>Equity-method affiliated company</b>				
N. E. Chemcat Corporation	50	Japan	Mar.	Manufacture of precious metal catalysts; Recovery and refining of precious metals
Nippon Ketjen Co., Ltd.	50	Japan	Dec.	Manufacture and sale of desulphurization catalysts for petroleum processing

## Others

	Voting Shares	Location	FY (consolidated)	Operations
<b>Consolidated companies</b>				
Sumiko Techno-Research Co., Ltd.	100	Japan	Mar.	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	Mar.	Commission-based work in area of nonferrous smelting/ Personnel agency business
Sumitomo Metal Mining Engineering Co., Ltd.	100	Japan	Mar.	Environment sector machinery & equipment, Plant surveys, etc. design, manufacturing and repair & maintenance
Sumiko Plantech Co., Ltd.	100	Japan	Mar.	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
JCO Co., Ltd.	100	Japan	Mar.	Management of facilities using uranium and related wastes
Igeta Heim Co., Ltd.	100	Japan	Mar.	Construction of steel frame and reinforced concrete apartments and condominiums
Japan Irradiation Service Co., Ltd.	100	Japan	Mar.	Irradiation sterilization service for pharmaceutical products, medical instruments, and pharmaceutical containers, etc. /Modification of various industrial materials
SMM Holland B.V.	100	Netherlands	Dec.	Investment in nickel and cobalt development businesses