

## **Supplementary Explanation for Financial Summary**

# **FY2017**

## **May 10th, 2018**



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

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# Comparison

## FY2017 Result vs FY2016 Result / FY2017 Forecast in Feb.

JPY100M

	FY2017 ①Result	FY2016 ②Result	Diff. ①-②	FY2017 ③Forecast in Feb.	Diff. ①-③
Net sales	9,335	7,861	+1,474	9,190	+145
Operating income	1,102	764	+338	1,030	+72
Recurring profit	1,249	-16	+1,265	1,180	+69
Net income*	916	-185	+1,101	850	+66
(Inventory evaluation P&L)	-96	-10	-86	-75	-21
(Exchange gain & loss)	-36	-3	-33	-2	-34
Cu (\$/t)	6,444	5,154	+1,290	6,330	+114
Ni (\$/lb)	5.06	4.56	+0.50	4.87	+0.19
Au (\$/TOZ)	1,285	1,258	+27	1,265	+20
Co (\$/lb)	30.64	13.67	+16.97	27.93	+2.71
Exchange (¥/\$)	110.86	108.40	+2.46	111.28	-0.42

Exchange	18/3E	17/12E	17/9E	17/6E	17/3E
(¥/\$)	106.25	113.00	112.74	111.96	112.19

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

Recurring Profit +1,265

Metal Price/ Exchange +698(Metal Price +718(Cu +440, Ni +60, Co +190 etc.),  
Materials Segment +32, Exchange +54, Inventory evaluation -74), Exchange gain & loss -33, Quantity +19,  
Cost@ -184(\*), Impairment loss of Sierra Gorda +801, Cerro Verde royalty dispute -93, etc.

(\*)Cost@ -184 reflects lower copper production at our copper mines.

### 【Diff of FY2017 Result vs FY2017 Forecast in Feb. ①-③】

Recurring Profit +69

Metal Price/ Exchange +111(Metal Price +136(Cu +50, Ni +30, Co +60 etc.), Exchange -1, Inventory evaluation -24),  
Exchange gain & loss -34, Quantity +3, Cost@ -41(\*), Materials Segment +15, etc.

(\*)Cost@ -41 reflects lower copper production at our copper mines.

## FY2018 Forecast vs FY2017 Result

JPY100M

	F2018 ①Forecast	FY2017 ②Result	Diff. ①-②
Net sales	9,300	9,335	-35
Profit before tax	1,210	1,058	+152
Net income*	940	916	+24
(Inventory evaluation P&L)	-83	-96	+13
(Exchange gain & loss)	0	-36	+36
Cu (\$/t)	6,500	6,444	+56
Ni (\$/lb)	6.00	5.06	+0.94
Au (\$/TOZ)	1,300	1,285	+15
Co (\$/lb)	35.00	30.64	+4.36
Exchange (¥/\$)	105.00	110.86	-5.86

(Notes)

SMM has decided to adopt the International Financial Reporting Standards (IFRS) in replacement of the Japanese accounting standards (J-GAAP) beginning with the consolidated financial results for the first quarter of FY2018. Thus, FY2018 forecast is based on IFRS.

### 【Diff of FY2018 Forecast vs FY2017 Result ①-②】

Profit before tax +152

Metal Price/ Exchange +213(Metal Price +303(Cu +100, Ni +140, Co +50 etc.), Exchange -96, Inventory evaluation +6,  
Quantity +19, Cost@ -110(\*), Materials Segment +78, etc.

(\*)Cost@ -110 reflects lower copper production at our copper mines.

\*Net income = Profit attributable to owners of parent

# Quarterly Financial Results

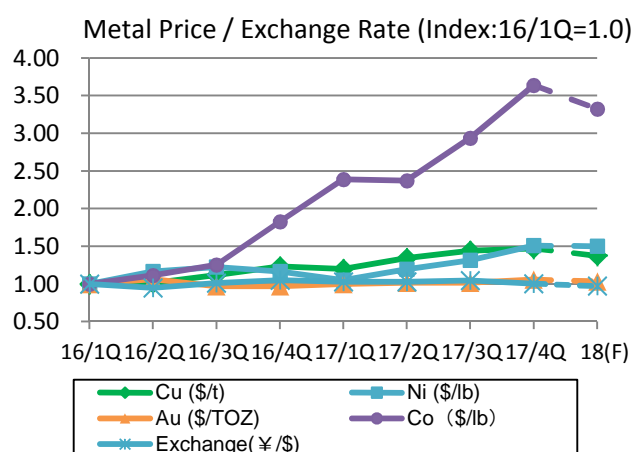
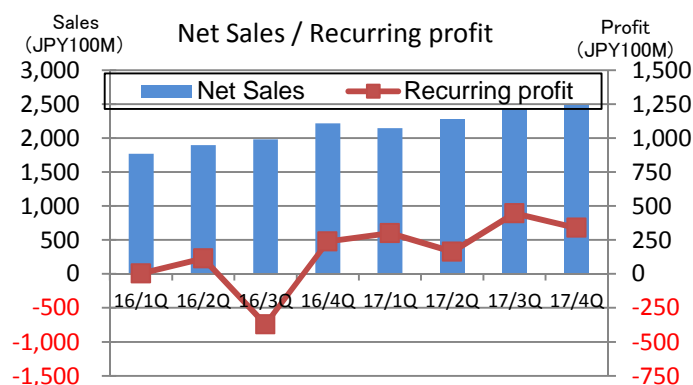
JPY100M

	FY2015					FY2016				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net sales	2,396	2,196	2,016	1,946	8,554	1,770	1,895	1,980	2,216	7,861
Operating income	261	254	80	2	597	80	139	261	284	764
①Recurring profit	366	280	-622	-152	-128	3	114	-372	239	-16
Net income*	263	275	-431	-110	-3	-69	102	-361	143	-185
Cu (\$/t)	6,054	5,252	4,887	4,669	5,215	4,730	4,774	5,280	5,834	5,154
Ni (\$/lb)	5.91	4.78	4.27	3.86	4.71	4.00	4.66	4.90	4.66	4.56
Au (\$/TOZ)	1,193	1,124	1,104	1,180	1,150	1,259	1,335	1,219	1,219	1,258
Co (\$/lb)	13.18	12.90	10.67	10.16	11.73	10.54	11.72	13.19	19.24	13.67
Exchange (¥/\$)	121.37	122.24	121.51	115.48	120.15	108.17	102.44	109.33	113.65	108.40
<b>Inventory impairment</b>										
(Smelting) Impairment	+4	-21	+4	+15	+2	-6	0	+9	0	+3
(Smelting) QP Diff etc.	-7	-23	-44	-65	-139	-42	-40	+33	+31	-18
(Smelting) Total	-3	-44	-40	-50	-137	-48	-40	+42	+31	-15
(Materials & others)	+1	-3	-7	+6	-3	+3	+2	0	0	+5
② Total	-2	-47	-47	-44	-140	-45	-38	+42	+31	-10
① - ②	368	327	-575	-108	12	48	152	-414	208	-6

	FY2017				
	1Q	2Q	3Q	4Q	Total
Net sales	2,145	2,276	2,437	2,477	9,335
Operating income	218	229	337	318	1,102
①Recurring profit	300	163	447	339	1,249
Net income*	221	130	299	266	916
Cu (\$/t)	5,663	6,347	6,808	6,959	6,444
Ni (\$/lb)	4.20	4.77	5.25	6.03	5.06
Au (\$/TOZ)	1,257	1,278	1,276	1,330	1,285
Co (\$/lb)	25.15	28.15	30.93	38.32	30.64
Exchange (¥/\$)	111.11	111.05	112.98	108.31	110.86
<b>Inventory impairment</b>					
(Smelting) Impairment	-2	-13	+20	-13	-8
(Smelting) QP Diff etc.	-11	-31	+10	-49	-81
(Smelting) Total	-13	-44	+30	-62	-89
(Materials & others)	+1	-27	28	-9	-7
② Total	-12	-71	+58	-71	-96
① - ②	312	234	389	410	1,345

	FY2018 Forecast
Net sales	9,300
Profit before tax	1,210
Net income*	940
Cu (\$/t)	6,500
Ni (\$/lb)	6.00
Au (\$/TOZ)	1,300
Co (\$/lb)	35.00
Exchange (¥/\$)	105.00
<b>Inventory impairment</b>	
(Smelting) Impairment	0
(Smelting) QP Diff etc.	-83
(Smelting) Total	-83
(Materials & others)	0
② Total	-83
① - ②	1,293

\*Profit attributable to owners of parent



## Operating income / Segment Profit (loss)

JPY100M

		FY2015					FY2016					FY2017				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Operating income	Mineral Resources	98	117	65	58	338	96	78	90	126	390	133	101	140	152	526
	Smelting & Refining	182	89	30	-73	228	-13	40	146	109	282	75	97	158	135	465
	Materials	10	9	0	10	29	11	15	26	27	79	30	14	38	32	114
	Others	2	1	-12	9	0	3	1	4	4	12	2	2	4	2	10
Diff. Adjustment		-31	38	-3	-2	2	-17	5	-5	18	1	-22	15	-3	-3	-13
<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>337</b>	<b>318</b>	<b>1,102</b>

		Results					
		2012	2013	2014	2015	2016	2017
Operating income	Mineral Resources	490	452	432	338	390	526
	Smelting & Refining	479	306	718	228	282	465
	Materials	45	108	82	29	79	114
	Others	16	17	10	0	12	10
Diff. Adjustment		-72	-129	16	2	1	-13
<b>Operating income Total</b>		<b>958</b>	<b>754</b>	<b>1,258</b>	<b>597</b>	<b>764</b>	<b>1,102</b>

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

JPY100M

		FY2015					FY2016					FY2017					2018
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	Forecast
Segment Profit (loss)	Mineral Resources	127	133	-693	-10	-443	76	47	-749	90	-536	167	9	194	190	560	510
	Smelting & Refining	196	112	40	-95	253	-16	52	170	127	333	85	97	170	163	515	610
	Materials	19	14	6	21	60	17	20	40	44	121	41	24	49	39	153	150
	Others	1	-1	-14	6	-8	3	0	2	-6	-1	-1	2	1	-8	-6	-20
Diff. Adjustment		23	22	39	-74	10	-77	-5	165	-16	67	8	31	33	-45	27	-40
<b>Recurring Profit 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>447</b>	<b>339</b>	<b>1,249</b>	<b>1,210</b>

After FY2018, "Segment Profit (Loss)" is based on 税前損益.

## Equity in earnings of affiliated companies

JPY100M

		FY2015					FY2016					FY2017					2018
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	Forecast
Cu	Cerro Verde	12	-3	2	-7	4	21	17	6	25	69	36	-60	46	51	73	140
	Candelaria/Ojos	20	14	4	-5	33	11	3	7	4	25	17	13	32	18	80	20
	Sierra Gorda			-763	-64	-827	-54	-58	-851	-70	-1,033	-24	-45	-23	-34	-126	-140
	Acids/Jinlong/MSMMBC	4	5	0	-11	-2	5	6	6	9	26	10	8	16	5	39	20
	<b>Total</b>	<b>36</b>	<b>16</b>	<b>-757</b>	<b>-87</b>	<b>-792</b>	<b>-17</b>	<b>-32</b>	<b>-832</b>	<b>-32</b>	<b>-913</b>	<b>39</b>	<b>-84</b>	<b>71</b>	<b>40</b>	<b>66</b>	<b>40</b>
Ni	PT Vale Indonesia/Figesbal/NAC	10	13	9	-1	31	-7	0	11	13	17	0	3	7	6	16	20
NECC/NK/MSZ/others		8	5	7	9	29	7	8	9	12	36	10	5	9	8	32	30
<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>87</b>	<b>54</b>	<b>114</b>	<b>90</b>

		Results						2018
		2012	2013	2014	2015	2016	2017	(F)
Cu	Cerro Verde	124	122	78	4	69	73	140
	Candelaria/Ojos	61	106	54	33	25	80	20
	Sierra Gorda			-39	-827	-1,033	-126	-140
	Acids/Jinlong/MSMMBC	-1	2	11	-2	26	39	20
	<b>Total</b>	<b>184</b>	<b>230</b>	<b>104</b>	<b>-792</b>	<b>-913</b>	<b>66</b>	<b>40</b>
Ni	PT Vale Indonesia/Figesbal/NAC/VNC	10	22	99	31	17	16	20
<b>Total</b>		<b>-38</b>						
NECC/NK/MSZ/others		25	46	36	29	36	32	30
<b>Total</b>		<b>171</b>	<b>298</b>	<b>239</b>	<b>-732</b>	<b>-860</b>	<b>114</b>	<b>90</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	6,797	237	215	308	4.69	4.66	5.14
Nov	4,808	5,443	6,826	218	247	310	4.19	5.05	5.44
Dec	4,629	5,666	6,801	210	257	309	3.94	5.00	5.18
<b>3QAve.</b>	<b>4,887</b>	<b>5,280</b>	<b>6,808</b>	<b>222</b>	<b>240</b>	<b>309</b>	<b>4.27</b>	<b>4.90</b>	<b>5.25</b>
Jan	4,463	5,737	7,080	202	260	321	3.85	4.53	5.84
Feb	4,595	5,942	7,002	208	270	318	3.77	4.82	6.16
Mar	4,948	5,822	6,796	224	264	308	3.95	4.64	6.08
<b>4QAve.</b>	<b>4,669</b>	<b>5,834</b>	<b>6,959</b>	<b>212</b>	<b>265</b>	<b>316</b>	<b>3.86</b>	<b>4.66</b>	<b>6.03</b>
<b>FY Ave.</b>	<b>5,215</b>	<b>5,154</b>	<b>6,444</b>	<b>237</b>	<b>234</b>	<b>292</b>	<b>4.71</b>	<b>4.56</b>	<b>5.06</b>
<b>Jan-Dec Ave.</b>	<b>5,502</b>	<b>4,863</b>	<b>6,163</b>	<b>250</b>	<b>221</b>	<b>280</b>	<b>5.37</b>	<b>4.35</b>	<b>4.72</b>
<b>FY2018 Forecast</b>			<b>6,500</b>			<b>295</b>			<b>6.00</b>

	Cobalt (\$/lb)(LMB Low-Low)			Gold (\$/TOZ)			Exchange (¥/US\$)		
	FY2015	FY2016	FY2017	FY2015	FY2016	FY2017	FY2015	FY2016	FY2017
Apr	12.72	10.51	24.82	1,198	1,242	1,266	119.58	109.84	110.13
May	13.33	10.58	24.28	1,198	1,260	1,245	120.76	109.13	112.26
Jun	13.50	10.54	26.33	1,182	1,275	1,261	123.77	105.55	110.94
<b>1QAve.</b>	<b>13.18</b>	<b>10.54</b>	<b>25.15</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	13.46	11.03	27.68	1,131	1,337	1,236	123.26	103.99	112.44
Aug	12.97	11.94	28.18	1,118	1,341	1,282	123.21	101.34	109.94
Sep	12.27	12.20	28.60	1,125	1,326	1,316	120.24	101.99	110.76
<b>2QAve.</b>	<b>12.90</b>	<b>11.72</b>	<b>28.15</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	12.07	12.56	29.32	1,158	1,268	1,280	120.08	103.82	112.96
Nov	10.70	13.10	29.94	1,087	1,238	1,283	122.59	108.17	112.96
Dec	9.24	13.92	33.52	1,068	1,152	1,264	121.86	115.99	113.03
<b>3QAve.</b>	<b>10.67</b>	<b>13.19</b>	<b>30.93</b>	<b>1,104</b>	<b>1,219</b>	<b>1,276</b>	<b>121.51</b>	<b>109.33</b>	<b>112.98</b>
Jan	9.98	15.30	36.26	1,097	1,193	1,332	118.34	114.78	110.87
Feb	10.20	18.88	37.84	1,197	1,234	1,333	115.08	113.11	107.97
Mar	10.31	23.54	40.86	1,246	1,231	1,325	113.03	113.05	106.08
<b>4QAve.</b>	<b>10.16</b>	<b>19.24</b>	<b>38.32</b>	<b>1,180</b>	<b>1,219</b>	<b>1,330</b>	<b>115.48</b>	<b>113.65</b>	<b>108.31</b>
<b>FY Ave.</b>	<b>11.73</b>	<b>13.67</b>	<b>30.64</b>	<b>1,150</b>	<b>1,258</b>	<b>1,285</b>	<b>120.15</b>	<b>108.40</b>	<b>110.86</b>
<b>Jan-Dec Ave.</b>	<b>12.55</b>	<b>11.41</b>	<b>25.87</b>	<b>1,160</b>	<b>1,248</b>	<b>1,258</b>	<b>121.05</b>	<b>108.86</b>	<b>112.20</b>
<b>FY2018 Forecast</b>			<b>35.00</b>			<b>1,300</b>			<b>105.00</b>

LME Price		17/1Q		17/2Q		17/3Q		17/4Q
E-Ni applied	Mar-May	4.39	Jun-Aug	4.42	Sep-Nov	5.23	Dec-Feb	5.73
Fe-Ni applied	Jan-Mar	4.66	Apr-Jun	4.20	Jul-Sep	4.77	Oct-Dec	5.25

Exchange		17/1Q		17/2Q		17/3Q		17/4Q
E-Ni applied	Mar-May	111.81	Jun-Aug	111.11	Sep-Nov	112.23	Dec-Feb	110.62
Fe-Ni applied	Jan-Mar	113.65	Apr-Jun	111.11	Jul-Sep	111.05	Oct-Dec	112.98

# Comparison

(FY2017 Result vs FY2016 Result)

JPY100M

Operating income				Segment Profit (loss)			
	FY2017 ①	FY2016 ②	Diff. ①-②		FY2017 ③	FY2016 ④	Diff. ③-④
Mineral Resources	526	390	136	Mineral Resources	560	-536	1,096
Smelting & Refining	465	282	183	Smelting & Refining	515	333	182
Materials	114	79	35	Materials	153	121	32
Others	10	12	-2	Others	-6	-1	-5
Diff. Adjustment	-13	1	-14	Diff. Adjustment	27	67	-40
<b>Op. income Total</b>	<b>1,102</b>	<b>764</b>	<b>338</b>	<b>Recurring Profit</b>	<b>1,249</b>	<b>-16</b>	<b>1,265</b>

## <<Explanation of Diff.>>

### 1. Mineral Resources

JPY100M

	Diff.	Quantity	Price	Exchange	Cost@	Others
Hishikari (Au)	+9	0	+8	+4	+1	-4
Pogo (Au)	-5	+3	+3	+1	-13	+1
Morenci/NP (Cu)	+138					
Others	-6					
<b>Op. income Total</b>	<b>+136</b>					

Au Sales (t)	FY2017	FY2016	Diff.
Hishikari	6.0	6.0	0.0
Pogo(100%)	8.7	8.4	+0.3

### 2. Smelting & Refining

JPY100M

	Diff.	Quantity	Price	Cost@	Inventory	Others
Copper	-33	-8	-43	-16	-61	+95
Nickel	+220	+9	+253	-41	-13	+12
Others	-4					-4
<b>Op. income Total</b>	<b>+183</b>	<b>+1</b>	<b>+210</b>	<b>-57</b>	<b>-74</b>	<b>+103</b>

・Inventory evaluation P&L

JPY100M

	Total	Cu	Ni
FY2017	-89	-80	-9
FY2016	-15	-19	+4

## Comparison

(FY2017 Result vs FY2016 Result)

### 3. Materials

【Net Sales, by products】

JPY100M

	FY2017 ①	FY2016 ②	Diff. ①-②
Battery Materials (NCA, Nickel Hydroxide, etc.)	727	427	+300
Applied Powder Materials (Thick Film, Thin Film, Magnet, Alloy, Ink, etc.)	321	276	+45
Package Materials (Leadframes, CuPI, PWB, etc.)	229	485	-256
Crystal Material, Construction Materials, Connector, Others	577	553	+24
<b>Total</b>	<b>1,854</b>	<b>1,741</b>	<b>+113</b>

## Equity in earnings of affiliated companies

JPY100M

		FY2017 ①	FY2016 ②	Diff. ①-②
Cu	Cerro Verde	73	69	+4
	Candelaria/Ojos	80	25	+55
	Sierra Gorda	-126	-1,033	+907
	Acids/Jinlong/MSMMBC	39	26	+13
	<b>Total</b>	<b>66</b>	<b>-913</b>	<b>+979</b>
Ni	PT Vale Indonesia/Figesbal/NAC	16	17	-1
	NECC/NK/MSZ/others	32	36	-4
<b>Total</b>		<b>114</b>	<b>-860</b>	<b>+974</b>
Segment	Mineral Resources	27	-939	+966
	Smelting & Refining	55	43	+12
	Materials/Others	32	36	-4
<b>Total</b>		<b>114</b>	<b>-860</b>	<b>+974</b>

Note) Sierra Gorda of FY2016 includes an impairment loss of -801.

## Comparison

### (FY2018 Forecast vs FY2017 Result)

JPY100M

Segment Profit (loss) *based on profit before tax			
	FY2018 Forecast③	FY2017 Result④	Diff. ③-④
Mineral Resources	510	558	-48
Smelting & Refining	610	480	+130
Materials	150	72	+78
Others	-20	-44	+24
Diff. Adjustment	-40	-8	-32
<b>Profit before tax</b>	<b>1,210</b>	<b>1,058</b>	<b>+152</b>

#### (Notes)

FY2018 forecast is based on IFRS whereas FY2017 result is based on J-GAAP. Simple comparison may not be adequate. From the first quarter of FY2018, financial results will be announced based on IFRS including the result comparison of YoY.

### <<Explanation of Diff.>>

#### 1. Mineral Resources

JPY100M

	Diff.	Quantity	Price	Exchange	Cost@	Others
Hishikari (Au)	-12	0	+2	-13	-2	+1
Pogo (Au)	-16	-3	+11	-2	-24	+2
Morenci/NP (Cu)	-11					
Others	-9					
<b>Total</b>	<b>-48</b>					

Au Sales (t)	FY2018	FY2017	Diff.
Hishikari	6.0	6.0	0.0
Pogo(100%)	8.2	8.7	-0.5

#### 2. Smelting & Refining

JPY100M

	Diff.	Quantity	Price	Cost@	Inventory	Others
Copper	-71	+5	-18	+3	-25	-36
Nickel	+199	+25	+193	-4	+31	-46
Others	+2					+2
<b>Total</b>	<b>+130</b>	<b>+30</b>	<b>+175</b>	<b>-1</b>	<b>+6</b>	<b>-80</b>

\*Inventory evaluation P&L

JPY100M

	Total	Cu	Ni
FY2018	-83	-105	+22
FY2017	-89	-80	-9



## Comparison

### (FY2018 Forecast vs FY2017 Result)

#### 3. Materials

【Net Sales, by products】

JPY100M

	FY2018 Forecast ①	FY2017 Result ②	Diff. ①-②
Battery Materials (NCA, Nickel Hydroxide, etc.)	1,150	727	+423
Applied Powder Materials (Thick Film, Thin Film, Magnet, Alloy, Ink, etc. )	320	321	-1
Package Materials (Leadframes, CuPI, PWB, etc.)	180	229	-49
Crystal Material, Construction Materials, Connector, Others	620	577	+43
<b>Total</b>	<b>2,270</b>	<b>1,854</b>	<b>+416</b>

### Equity in earnings of affiliated companies

JPY100M

	FY2018 Forecast ①	FY2017 Result ②	Diff. ①-②	
Cu	Cerro Verde	140	73	+67
	Candelaria/Ojos	20	80	-60
	Sierra Gorda	-140	-126	-14
	Acids/Jinlong/MSMMBC	20	39	-19
	<b>Total</b>	<b>40</b>	<b>66</b>	<b>-26</b>
Ni	PT Vale Indonesia/Figesbal/NAC	20	16	+4
	NECC/NK/MSZ/others	30	32	-2
<b>Total</b>	<b>90</b>	<b>114</b>	<b>-24</b>	
Segment	Mineral Resources	20	27	-7
	Smelting & Refining	40	55	-15
	Materials/Others	30	32	-2
<b>Total</b>	<b>90</b>	<b>114</b>	<b>-24</b>	

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

		FY2015					FY2016					FY2017					FY2018		
		Results					Results					Results					Plan	Diff.	
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total ①	Total ②	②-①	
<b>【Gold Mine】 (t)</b>																			
Hishikari	Production	2.0	1.9	1.4	1.6	6.9	1.8	1.2	1.4	1.9	6.3	1.9	1.2	0.9	2.0	6.0	6.0	0.0	
	Sales	2.2	1.9	1.6	1.8	7.5	1.9	1.3	1.3	1.5	6.0	2.0	0.9	1.1	2.0	6.0	6.0	0.0	
Pogo	Production	2.1	2.1	2.3	2.3	8.8	2.1	2.1	1.9	2.3	8.4	1.9	2.2	2.2	2.1	8.4	8.2	-0.2	
	Sales	2.5	2.0	2.1	2.4	9.0	2.2	2.2	1.9	2.1	8.4	2.1	2.1	2.2	2.3	8.7	8.2	-0.5	
<b>【Copper Mine】 (kt)</b>																			
Morenci	Production	109	119	124	131	483	124	125	127	120	496	114	118	117	115	464	446	-18.0	
	Sales	84	143	131	132	490	101	133	140	134	508	118	102	134	103	457	454	-3.0	
Cerro Verde	Production	49	47	56	95	247	123	126	120	133	502	119	118	129	116	482	472	-10.0	
	Sales	50	44	58	95	247	116	122	123	140	501	121	111	132	119	483	472	-11.0	
Sierra Gorda	Production	18	22	23	23	86	27	22	21	24	94	26	24	23	24	97	101	4.0	
	Sales	19	15	26	27	87	23	21	25	26	95	27	24	23	18	92	109	17.0	
La Candelaria	Production	42	39	37	32	150	34	29	31	41	135	32	44	40	34	150	100	-50.0	
	Sales	45	38	36	32	151	35	29	33	37	134	36	39	46	31	152	103	-49.0	
Ojos Del Salado	Production	6	6	7	6	25	6	7	7	5	25	6	7	7	7	27	28	1.0	
	Sales	6	6	8	5	25	6	7	7	5	25	6	7	7	7	27	28	1.0	
North Parkes	Production	13	13	12	14	52	13	11	11	11	46	12	11	10	11	44	40	-4.0	
	Sales	10	14	13	13	50	13	9	13	10	45	11	12	11	10	44	40	-4.0	
Batu Hijau	Production	51	59	69	53	232	51	52	61	/	/	/	/	/	/	/	/	/	
	Sales	50	52	63	51	216	64	42	51	/	/	/	/	/	/	/	/	/	
<b>【Smelting &amp; Refining in Japan】 (kt)</b>																			
E-Cu	Production	103.0	102.8	107.0	107.1	419.9	111.9	115.3	113.0	111.3	451.5	112.5	111.4	98.2	110.1	432.2	452.0	19.8	
	Sales	116.3	108.6	112.2	111.0	448.1	112.1	118.4	117.6	111.9	459.9	113.6	115.5	112.3	106.3	447.7	451.5	3.8	
E-Ni	Production	15.4	16.4	16.8	17.0	65.5	15.5	16.1	14.4	16.2	62.2	14.5	16.4	14.2	15.2	60.3	64.9	4.6	
	Sales	15.8	16.5	16.2	17.3	65.8	16.3	16.8	14.0	15.5	62.6	14.5	16.9	15.3	14.8	61.5	64.0	2.5	
FeNi	Production	5.4	5.3	5.4	4.3	20.5	3.6	3.0	4.2	3.2	14.0	3.5	2.8	3.7	3.0	13.0	12.4	-0.6	
	Sales	5.2	5.3	5.8	4.1	20.3	3.5	3.6	4.2	3.9	15.2	3.3	3.6	2.9	3.2	13.0	12.3	-0.7	
<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	5.8	23.6	4.7	5.5	4.9	6.1	21.2	4.4	5.6	4.8	6.1	20.9	21.5	0.6
	Sales	5.6	6.2	6.3	5.8	5.5	23.9	5.5	4.0	5.7	5.8	21.0	4.8	5.7	4.4	6.4	21.3	21.5	0.2
THPAL MS (Ni content)	Production	7.8	5.7	5.9	8.7	6.9	28.1	4.1	7.1	9.2	6.9	27.3	9.5	7.0	6.2	6.2	28.9	36.0	7.1
	Sales	8.7	6.4	5.9	8.5	6.8	29.5	3.9	7.8	9.1	7.2	28.0	7.9	8.6	6.2	5.8	28.5	36.0	7.5
PT Vale Matte (Ni content)	Production	17.8	18.9	22.2	22.2		81.1	16.9	19.4	21.0	21.6	78.9	17.2	20.1	20.1	19.4	76.8	77.5	0.7
	Sales	18.0	19.0	22.8	23.1		82.9	16.4	20.2	21.4	19.6	77.6	17.5	19.6	20.6	19.9	77.6	77.5	-0.1

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

## Sensitivity

JPY100M / Year

	Change	Profit Up · Down of FY2018 Profit before tax
Cu	±100 \$/t	27
Ni	±10 ¢ /lb	17
Au	±10 \$/TOZ	4
¥ / \$	±1 ¥/\$	15

(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	FY2017	15 3-Yr 2018
Net assets	15,724	17,402	16,308	16,850	16,990	19,310
Shareholder's equity	9,132	10,512	9,829	9,617	10,364	12,540
Shareholder's Equity Ratio	58.1%	60.4%	60.3%	57.1%	61.0%	65.0%

## 【D/E Ratio】

JPY100M

End of FY	FY2013	FY2014	FY2015	FY2016	FY2017	15 3-Yr 2018
Interest-bearing debt	3,836	3,941	4,006	4,955	3,924	4,130
Shareholder's equity	9,132	10,512	9,829	9,617	10,364	12,540
D/E ratio	0.42	0.37	0.41	0.52	0.38	0.33

## 【Dividend payout ratio】

(\*1)(\*2)

	FY2013	FY2014	FY2015	FY2016	FY2017	15 3-Yr 2018
Dividend / share (JPY)	37.0	48.0	31.0	11.0	100.0	-
Net Income(loss) / share (JPY)	145.35	165.11	-0.56	-33.61	332.42	-
Dividend payout ratio	25.5%	29.1%	-	-	30.1%	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 the Year Ended March 31, 2018

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

17 yen per share + 66 yen per share = NA

Total dividend cannot be calculated and is shown in blank since the standards for second quarter-end dividend and year-end dividend are different.

#### 2) Based on the standard of the consolidation of shares,

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

34 yen per share + 66 yen per share = 100 yen per share

#### 3) In the financial results release in November 2017 (forecasts)

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

17 yen per share + 40 yen per share = NA

#### 4) In the financial results release in February 2018 (forecasts)

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

17 yen per share + 59 yen per share = NA

### <Remarks 2>

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

## Consolidated companies (57) / Equity-method affiliated companies (15)

as of March 31, 2018

### 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
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 Salade 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; Land Transportation
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 (Hong Kong) Co., Ltd.	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
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
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)
SICOXS CORPORATION	51	Japan	Mar.	Development, Manufacture, Sales, of SiC substrate for power semiconductor
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
Ohkuchi Materials Co., Ltd.	51	Japan	Mar.	Manufacture of leadframes

## 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
SMM Holland B.V.	100	Netherlands	Dec.	Investment in nickel and cobalt development businesses