

## **Supplementary Explanation for Financial Summary**

# **1st Quarter FY2018 【IFRS】**

**August 8th, 2018**



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

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# Comparison

## FY2018/1Q Result vs FY2017/1Q Result

JPY100M

	FY2018/1Q ①Result	FY2017/1Q ②Result	Diff. ①-②
Net sales	2,420	2,114	+306
Gross profit	401	355	+46
Profit before tax	379	323	+56
Net income (loss) *1	289	233	+56
(Inventory evaluation P&L)	-4	-13	+9
(Other exchange gain / loss *2)	21	4	+17
Cu (\$/t)	6,872	5,663	+1,209
Ni (\$/lb)	6.56	4.20	+2.36
Au (\$/toz)	1,307	1,257	+50
Co (\$/lb)	42.45	25.15	+17.30
Exchange (¥/\$)	109.08	111.11	-2.03

Exchange	18/6E	18/3E	17/12E	17/9E	17/6E
(¥/\$)	110.45	106.25	113.00	112.74	111.96

【Diff. of FY2018/1Q Result vs FY2017/1Q Result ①-②】

Profit before tax +56

Metal Price/ Exchange +180 ((Metal Price +197 (Cu+46, Ni+105, Co+39 etc.), Exchange -18, Inventory evaluation +1), Quantity -32, Other exchange gain & loss +17,

Cost@ -111(\*), Material Business +18, others

(\*)Cost@ -111 reflects lower copper production at our copper mines.

## New and Old Forecast of FY2018/1H (in Aug. vs in May)

JPY100M

	FY2018/1Q Result	FY2018/2Q Forecast(in Aug.)	FY2018/1H ①Forecast(in Aug.)	FY2018/1H ②Forecast(in May)	Diff. ①-②
Net sales	2,420	2,350	4,770	4,650	+120
Gross profit	401	359	760	800	-40
Profit before tax	379	261	650	610	+40
Net income (loss) *1	289	221	510	470	+40
(Inventory evaluation P&L)	-4	-26	-30	-82	+52
(Other exchange gain / loss *2)	21	-2	19	0	+19
Cu (\$/t)	6,872	6,500	6,686	6,500	+186
Ni (\$/lb)	6.56	6.00	6.28	6.00	+0.28
Au (\$/toz)	1,307	1,200	1,253	1,300	-47
Co (\$/lb)	42.45	35.00	38.72	35.00	+3.72
Exchange (¥/\$)	109.08	110.00	109.54	105.00	+4.54

【Diff. of FY2018/1H Forecast in Aug. vs Forecast in May ①-②】

Profit before tax +30

Metal Price/ Exchange +153 (Metal Price +114(Cu+54, Ni+49, Co+19 etc.), Exchange +36, Inventory evaluation +3), Quantity -42, Other exchange gain & loss +19, Cost@ -97,

Material Business +30, Increase of income tax at overseas copper mines -10, others

\*1: Net income (loss)=Profit (loss) attributable to owners of parent

\*2: Other exchange gain / loss: Exchange gain or loss included in Finance income (or cost) and Other income (or expenses).

## Metal price and Exchange rate

	Copper (\$/t)			Copper (¢/lb)			Nickel (\$/lb)		
	FY2016	FY2017	FY2018	FY2016	FY2017	FY2018	FY2016	FY2017	FY2018
Apr	4,851	5,698	6,839	220	258	310	4.02	4.39	6.32
May	4,708	5,592	6,822	214	254	309	3.94	4.15	6.51
Jun	4,631	5,699	6,955	210	259	316	4.04	4.05	6.85
<b>1QAve.</b>	<b>4,730</b>	<b>5,663</b>	<b>6,872</b>	<b>215</b>	<b>257</b>	<b>312</b>	<b>4.00</b>	<b>4.20</b>	<b>6.56</b>
Jul	4,856	5,979		220	271		4.65	4.30	
Aug	4,758	6,478		216	294		4.70	4.92	
Sep	4,707	6,583		214	299		4.62	5.10	
<b>2QAve.</b>	<b>4,774</b>	<b>6,347</b>		<b>217</b>	<b>288</b>		<b>4.66</b>	<b>4.77</b>	
Oct	4,732	6,797		215	308		4.66	5.14	
Nov	5,443	6,826		247	310		5.05	5.44	
Dec	5,666	6,801		257	309		5.00	5.18	
<b>3QAve.</b>	<b>5,280</b>	<b>6,808</b>		<b>240</b>	<b>309</b>		<b>4.90</b>	<b>5.25</b>	
Jan	5,737	7,080		260	321		4.53	5.84	
Feb	5,942	7,002		270	318		4.82	6.16	
Mar	5,822	6,796		264	308		4.64	6.08	
<b>4QAve.</b>	<b>5,834</b>	<b>6,959</b>		<b>265</b>	<b>316</b>		<b>4.66</b>	<b>6.03</b>	
<b>FY Ave.</b>	<b>5,154</b>	<b>6,444</b>		<b>234</b>	<b>292</b>		<b>4.56</b>	<b>5.06</b>	
<b>Jan-Dec Ave.</b>	<b>4,863</b>	<b>6,163</b>		<b>221</b>	<b>280</b>		<b>4.35</b>	<b>4.72</b>	
FY2018/2Q(FCST in Aug.)			<b>6,500</b>			<b>295</b>			<b>6.00</b>
FY2018(FCST in May)			<b>6,500</b>			<b>295</b>			<b>6.00</b>

	Cobalt (\$/lb)(LMB Low-Low)			Gold (\$/toz)			Exchange (¥/US\$)		
	FY2016	FY2017	FY2018	FY2016	FY2017	FY2018	FY2016	FY2017	FY2018
Apr	10.51	24.82	43.45	1,242	1,266	1,335	109.84	110.13	107.45
May	10.58	24.28	43.03	1,260	1,245	1,303	109.13	112.26	109.76
Jun	10.54	26.33	40.86	1,275	1,261	1,282	105.55	110.94	110.04
<b>1QAve.</b>	<b>10.54</b>	<b>25.14</b>	<b>42.45</b>	<b>1,259</b>	<b>1,257</b>	<b>1,307</b>	<b>108.17</b>	<b>111.11</b>	<b>109.08</b>
Jul	11.03	27.68		1,337	1,236		103.99	112.44	
Aug	11.94	28.18		1,341	1,282		101.34	109.94	
Sep	12.20	28.60		1,326	1,316		101.99	110.76	
<b>2QAve.</b>	<b>11.72</b>	<b>28.15</b>		<b>1,335</b>	<b>1,278</b>		<b>102.44</b>	<b>111.05</b>	
Oct	12.56	29.32		1,268	1,280		103.82	112.96	
Nov	13.10	29.94		1,238	1,283		108.17	112.96	
Dec	13.92	33.52		1,152	1,264		115.99	113.03	
<b>3QAve.</b>	<b>13.19</b>	<b>30.93</b>		<b>1,219</b>	<b>1,276</b>		<b>109.33</b>	<b>112.98</b>	
Jan	15.30	36.26		1,193	1,332		114.78	110.87	
Feb	18.88	37.84		1,234	1,333		113.11	107.97	
Mar	23.54	40.86		1,231	1,325		113.05	106.08	
<b>4QAve.</b>	<b>19.24</b>	<b>38.32</b>		<b>1,219</b>	<b>1,330</b>		<b>113.65</b>	<b>108.31</b>	
<b>FY Ave.</b>	<b>13.67</b>	<b>30.64</b>		<b>1,258</b>	<b>1,285</b>		<b>108.40</b>	<b>110.86</b>	
<b>Jan-Dec Ave.</b>	<b>11.41</b>	<b>25.87</b>		<b>1,248</b>	<b>1,258</b>		<b>108.86</b>	<b>112.20</b>	
FY2018/2Q(FCST in Aug.)			<b>35.00</b>			<b>1,200</b>			<b>110.00</b>
FY2018(FCST in May)			<b>35.00</b>			<b>1,300</b>			<b>105.00</b>

LME Price		18/1Q		18/2Q (F)
E-Ni applied	Mar-May	6.30	Jun-Aug	6.28
Fe-Ni applied	Jan-Mar	6.03	Apr-Jun	6.56

Exchange		18/1Q		18/2Q (F)
E-Ni applied	Mar-May	107.76	Jun-Aug	110.01
Fe-Ni applied	Jan-Mar	108.31	Apr-Jun	109.08

## Comparison

### (2018/1Q Result vs 2017/1Q Result)

JPY100M

Gross Profit			
	2018/1Q	2017/1Q	Diff.
	①	②	①-②
Mineral Resources	158	172	-14
Smelting & Refining	189	115	+74
Materials	99	75	+24
Others	5	5	0
Diff. Adjustment	-50	-12	-38
<b>Gross Profit</b>	<b>401</b>	<b>355</b>	<b>+46</b>

JPY100M

Segment Profit (loss)			
	2018/1Q	2017/1Q	Diff.
	③	④	③-④
Mineral Resources	152	175	-23
Smelting & Refining	163	89	+74
Materials	66	48	+18
Others	-1	-2	+1
Diff. Adjustment	-1	13	-14
<b>Profit before tax</b>	<b>379</b>	<b>323</b>	<b>+56</b>

### <<Explanation of Diff.>>

#### 1. Mineral Resources

JPY100M

	Diff.	Quantity	Price	Exchange	Cost@	Others
Hishikari (Au)	-21	-17	+2	-1	-4	-1
Pogo (Au)	-5	-1	+3	0	-6	-1
Morenci/NP (Cu)	+14					
Others	-2					
<b>Total</b>	<b>-14</b>					

Au Sales (t)	2018/1Q	2017/1Q	Diff.
Hishikari	1.5	2.0	-0.5
Pogo(100%)	1.9	2.1	-0.2

#### 2. Smelting & Refining

JPY100M

	Diff.	Quantity	Price	Cost@	Inventory	Others
Copper	-28	+3	0	-2	-10	-19
Nickel	+123	-2	+137	-20	+9	-1
Others	-21				+2	-23
<b>Total</b>	<b>+74</b>	<b>+1</b>	<b>+137</b>	<b>-22</b>	<b>+1</b>	<b>-43</b>

\*Others consists mainly the eliminations of transactions within the segment.

#### • Inventory evaluation P&L

	Total	Cu	Ni	Others
2018/1Q	-12	-20	7	1
2017/1Q	-13	-10	-2	-1

## Comparison

(2018/1Q Result vs 2017/1Q Result)

### 3. Materials

【Net Sales, by products】

JPY100M

	2018/1Q ①	2017/1Q ②	Diff. ①-②
Battery Materials (NCA, Nickel Hydroxide, etc.)	275	145	+130
Applied Powder Materials (Thick Film, Thin Film, Magnet, Alloy, Ink, etc.)	84	74	+10
Package Materials (Leadframes, CuPI, PWB, etc.)	44	80	-36
Crystal Material, Construction Materials, Connector, Others	139	133	+6
<b>Total</b>	<b>542</b>	<b>432</b>	<b>+110</b>

## Equity in earnings of affiliated companies

JPY100M

		2018/1Q ①	2017/1Q ②	Diff. ①-②
Cu	Cerro Verde	30	35	-5
	Candelaria/Ojos	9	16	-7
	Sierra Gorda	-21	-24	+3
	Acids/Jinlong/MSMMBC	8	10	-2
	<b>Total</b>	<b>26</b>	<b>37</b>	<b>-11</b>
Ni	PT Vale Indonesia/Figesbal/NAC	2	1	+1
	NECC/NK/MSZ/others	8	11	-3
<b>Total</b>		<b>36</b>	<b>49</b>	<b>-13</b>
Segment	Mineral Resources	18	27	-9
	Smelting & Refining	10	11	-1
	Materials/Others	8	11	-3
<b>Total</b>		<b>36</b>	<b>49</b>	<b>-13</b>

## Comparison

### (FY2018 Forecast in Aug. vs Forecast in May)

2018/1H Gross Profit				2018/1H Segment Profit (loss)			
	FCST in Aug.	FCST in May	Diff.		FCST in Aug.	FCST in May	Diff.
	①	②	①-②		③	④	③-④
Mineral Resources	310	300	+10	Mineral Resources	310	260	+50
Smelting & Refining	350	380	-30	Smelting & Refining	290	310	-20
Materials	170	150	+20	Materials	100	70	+30
Others	10	10	0	Others	0	-10	+10
Diff. Adjustment	-80	-40	-40	Diff. Adjustment	-60	-20	-40
<b>Gross Profit</b>	<b>760</b>	<b>800</b>	<b>-40</b>	<b>Profit before tax</b>	<b>640</b>	<b>610</b>	<b>+30</b>

### <<Explanation of Diff.>>

#### 1. Mineral Resources

JPY100M

	Diff.	Quantity	Price	Exchange	Cost@	Others
Hishikari (Au)	-2	0	-2	+6	-2	-4
Pogo (Au)	-15	-3	-2	0	-10	0
Morenci/NP (Cu)	+25					
Others	+2					
<b>Total</b>	<b>+10</b>					

Au Sales (t)	FCST in Aug.	FCST in May	Diff.
Hishikari	3.0	3.0	0.0
Pogo(100%)	3.6	4.1	-0.5

#### 2. Smelting & Refining

JPY100M

	Diff.	Quantity	Price	Cost@	Inventory	Others
Copper	+43	+3	-2	+5	+22	+15
Nickel	-38	-32	+51	-51	-19	+13
Others	-35					-35
<b>Total</b>	<b>-30</b>	<b>-29</b>	<b>+49</b>	<b>-46</b>	<b>+3</b>	<b>-7</b>

\*Others consists mainly the eliminations of transactions within the segment.

#### •Inventory evaluation P&L

JPY100M

	Total	Cu	Ni	Others
FCST in Aug.	-38	-29	-9	0
FCST in May	-41	-51	10	0

## Comparison

(FY2018 Forecast in Aug. vs Forecast in May)

### 3. Materials

【Net Sales, by products】

JPY100M

	FCST in Aug. ①	FCST in May ②	Diff. ①-②
Battery Materials (NCA, Nickel Hydroxide, etc.)	570	570	0
Applied Powder Materials (Thick Film, Thin Film, Magnet, Alloy, Ink, etc. )	170	160	+10
Package Materials (Leadframes, CuPI, PWB, etc.)	90	90	0
Crystal Material, Construction Materials, Connector, Others	280	290	-10
<b>Total</b>	<b>1,110</b>	<b>1,110</b>	<b>0</b>

## Equity in earnings of affiliated companies

JPY100M

		FCST in Aug. ①	FCST in May ②	Diff. ①-②
Cu	Cerro Verde	75	70	+5
	Candelaria/Ojos	20	10	+10
	Sierra Gorda	-60	-70	+10
	Acids/Jinlong/MSMMBC	15	10	+5
	<b>Total</b>	<b>50</b>	<b>20</b>	<b>+30</b>
Ni	PT Vale Indonesia/Figesbal/NAC	10	10	0
	NECC/NK/MSZ/others	15	15	0
<b>Total</b>		<b>75</b>	<b>45</b>	<b>+30</b>
Segment	Mineral Resources	35	10	+25
	Smelting & Refining	25	20	+5
	Materials/Others	15	15	0
<b>Total</b>		<b>75</b>	<b>45</b>	<b>+30</b>

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

		FY2016					FY2017					FY2018		
		Results					Results					Results	Forecast	Plan (in May)
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	
<b>【Gold Mine】 (t)</b>														
Hishikari	Production	1.8	1.2	1.4	1.9	6.3	1.9	1.2	0.9	2.0	6.0	1.2	1.8	6.0
	Sales	1.9	1.3	1.3	1.5	6.0	2.0	0.9	1.1	2.0	6.0	1.5	1.5	6.0
Pogo	Production	2.1	2.1	1.9	2.3	8.4	2.2	2.2	2.1	1.7	8.2	2.0	1.7	8.2
	Sales	2.2	2.2	1.9	2.1	8.4	2.1	2.2	2.3	1.7	8.3	1.9	1.7	8.2
<b>【Copper Mine】 (kt)</b>														
Morenci	Production	124	125	127	120	496	114	118	117	115	464	106	115	446
	Sales	101	133	140	134	508	118	102	134	103	457	110	114	454
Cerro Verde	Production	123	126	120	133	502	119	118	129	116	482	111	117	472
	Sales	116	122	123	140	501	121	111	132	119	483	109	115	474
Sierra Gorda	Production	27	22	21	24	94	26	24	23	24	97	22	23	102
	Sales	23	21	25	26	95	27	24	23	18	92	23	20	103
La Candelaria	Production	34	29	31	41	135	32	44	40	34	150	25	26	100
	Sales	35	29	33	37	134	36	39	46	31	152	27	27	103
Ojos Del Salado	Production	6	7	7	5	25	6	7	7	7	27	6	7	28
	Sales	6	7	7	5	25	6	7	7	7	27	6	7	28
North Parkes	Production	13	11	11	11	46	12	11	10	11	44	11	10	40
	Sales	13	9	13	10	45	11	12	11	10	44	6	14	40
Batu Hijau	Production	51	52	61										
	Sales	64	42	51										
<b>【Smelting &amp; Refining in Japan】 (kt)</b>														
E-Cu	Production	111.9	115.3	113.0	111.3	451.5	112.5	111.4	98.2	110.1	432.2	116.0	114.2	452.0
	Sales	112.1	118.4	117.6	111.9	459.9	113.6	115.5	112.3	106.3	447.7	114.2	113.9	451.5
E-Ni	Production	15.5	16.1	14.4	16.2	62.2	14.5	16.4	14.2	15.2	60.3	13.8	14.7	64.9
	Sales	16.3	16.8	14.0	15.5	62.6	14.5	16.9	15.3	14.8	61.5	13.6	15.6	64.0
Nickel Sulfate (Product Qty)	Production	10.5	11.4	15.5	18.6	56.0	16.3	21.2	17.5	18.8	73.8	16.4	19.3	73.0
	Sales	10.4	10.7	15.2	18.4	54.7	16.9	19.6	18.7	19.7	75.0	16.6	19.0	73.2
FeNi (Ni content)	Production	3.6	3.0	4.2	3.2	14.0	3.5	2.8	3.7	3.0	13.0	3.5	2.9	12.4
	Sales	3.5	3.6	4.2	3.9	15.2	3.3	3.6	2.9	3.2	13.0	3.3	3.1	12.3
<b>【Smelting &amp; Refining overseas】 (kt)</b>														
CBNC MS (Ni content)	Production	4.7	5.5	4.9	6.1	21.2	4.4	5.6	4.8	6.1	20.9	4.7	4.1	21.5
	Sales	5.5	4.0	5.7	5.8	21.0	4.8	5.7	4.4	6.4	21.3	4.4	4.1	21.5
THPAL MS (Ni content)	Production	4.1	7.1	9.2	6.9	27.3	9.5	7.0	6.2	6.2	28.9	7.5	6.4	36.0
	Sales	3.9	7.8	9.1	7.2	28.0	7.9	8.6	6.2	5.8	28.5	7.8	6.4	36.0
PT Vale Matte (Ni content)	Production	16.9	19.4	21.0	21.6	78.9	17.2	20.1	20.1	19.4	76.8	17.1	19.4	77.5
	Sales	16.4	20.2	21.4	19.6	77.6	17.5	19.6	20.6	19.9	77.6	17.2	19.4	77.5



## 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】

End of FY	J-GAAP					JPY100M IFRS	
	FY2014	FY2015	FY2016	FY2017	15 3-Yr 2018	FY2017	2018/1Q
Net assets	17,402	16,308	16,850	16,990	19,310	17,323	17,061
Shareholder's equity	10,512	9,829	9,617	10,364	12,540	10,294	10,214
Shareholder's Equity Ratio	60.4%	60.3%	57.1%	61.0%	65.0%	59.4%	59.9%

## 【D/E Ratio】

End of FY	J-GAAP					JPY100M IFRS	
	FY2014	FY2015	FY2016	FY2017	15 3-Yr 2018	FY2017	2018/1Q
Interest-bearing debt	3,941	4,006	4,955	3,924	4,130	3,618	3,505
Shareholder's equity	10,512	9,829	9,617	10,364	12,540	10,294	10,214
D/E ratio	0.37	0.41	0.52	0.38	0.33	0.35	0.34

## 【Dividend payout ratio】

	J-GAAP					IFRS	
	FY2014	FY2015	FY2016	FY2017	15 3-Yr 2018	FY2017	FY2018(F)
Dividend / share (JPY)	48.0	31.0	11.00	100.0	-	100.0	103.0
Net Income(loss) / share (JPY)	165.11	-0.56	-33.61	332.42	-	327.26	342.07
Dividend payout ratio	29.1%	-	-	30.1%	30%+	30.6%	30.1%

## 【Cash Flows】

	J-GAAP					JPY100M IFRS	
	FY2014	FY2015	FY2016	FY2017	15 3-Yr 2018	FY2017	2018/1Q
Cash and cash equivalents at beginning of period	2,026	1,777	1,978	1,703	-	1,729	1,373
Net cash provided by (used in) operating activities	1,200	1,197	438	794	1,260	785	253
Net cash provided by (used in) investing activities	-1,050	-929	-1,432	-230	-600	-225	-100
Free cash flows	150	268	-994	564	660	560	153
Net cash provided by (used in) financing activities	-390	-40	704	-901	-600	-901	-245
Net increase (decrease) in cash and cash equivalents	-240	228	-290	-337	60	-341	-92
Effect of exchange rate change on cash and cash equivalents	-9	-27	15	-16	-	-15	-10
Cash and cash equivalents at end of period	1,777	1,978	1,703	1,350	-	1,373	1,271

## Consolidated companies (60\*) / Equity-method affiliated companies (15)

\*Including the money held in trust which is deemed one of consolidated companies.

### 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	Mar.	Investment in Pogo Mine
SMM Resources Inc.	100	Canada	Mar.	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 CV Holding B.V.	100	Netherlands	Dec.	Investment in a subsidiary in the Netherlands
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.	40	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	Mar.	Sales of SMM and SMM group company products in China
Taihei Metal Industry Co., Ltd.	100	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.	99	Japan	Mar.	Design, manufacture, and sale of printed circuit boards
Taiwan Sumiko Materials Co., Ltd.	100	Taiwan	Mar.	Manufacture of thin film materials
Sumiko Tec 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.
Sumiko Tec (Thailand) Co., Ltd.	100	Thailand	Dec.	Procurement and Sales of terminals, connectors and components
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.	100	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 Co., 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 materials
SMM Holland B.V.	100	Netherlands	Dec.	Investment in nickel and copper development businesses

## 【Reference】

### 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

\*Profit attributable to owners of parent

## 【Reference】

### Operating income / Segment Profit (loss)

JPY100M

		FY2016					FY2017				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Operating income	Mineral Resources	96	78	90	126	390	133	101	140	152	526
	Smelting & Refining	-13	40	146	109	282	75	97	158	135	465
	Materials	11	15	26	27	79	30	14	38	32	114
	Others	3	1	4	4	12	2	2	4	2	10
Diff. Adjustment		-17	5	-5	18	1	-22	15	-3	-3	-13
<b>Operating income Total</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				
		2013	2014	2015	2016	2017
Operating income	Mineral Resources	452	432	338	390	526
	Smelting & Refining	306	718	228	282	465
	Materials	108	82	29	79	114
	Others	17	10	0	12	10
Diff. Adjustment		-129	16	2	1	-13
<b>Operating income Total</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

		FY2016					FY2017				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Segment Profit (loss)	Mineral Resources	76	47	-749	90	-536	167	9	194	190	560
	Smelting & Refining	-16	52	170	127	333	85	97	170	163	515
	Materials	17	20	40	44	121	41	24	49	39	153
	Others	3	0	2	-6	-1	-1	2	1	-8	-6
Diff. Adjustment		-77	-5	165	-16	67	8	31	33	-45	27
<b>Recurring Profit Total</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>

### Equity in earnings of affiliated companies

PY100M

		FY2016					FY2017				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Cu	Cerro Verde	21	17	6	25	69	36	-60	46	51	73
	Candelaria/Ojos	11	3	7	4	25	17	13	32	18	80
	Sierra Gorda	-54	-58	-851	-70	-1,033	-24	-45	-23	-34	-126
	Acids/Jinlong/MSMMBC	5	6	6	9	26	10	8	16	5	39
	<b>Total</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>
Ni	PT Vale Indonesia/Figesbal/NAC	-7	0	11	13	17	0	3	7	6	16
NECC/NK/MSZ/others		7	8	9	12	36	10	5	9	8	32
<b>Total</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>

		Results				
		2013	2014	2015	2016	2017
Cu	Cerro Verde	122	78	4	69	73
	Candelaria/Ojos	106	54	33	25	80
	Sierra Gorda		-39	-827	-1,033	-126
	Acids/Jinlong/MSMMBC	2	11	-2	26	39
	<b>Total</b>	<b>230</b>	<b>104</b>	<b>-792</b>	<b>-913</b>	<b>66</b>
Ni	PT Vale Indonesia/Figesbal/NAC/VNC	22	99	31	17	16
	<b>Total</b>					
NECC/NK/MSZ/others		46	36	29	36	32
<b>Total</b>		<b>298</b>	<b>239</b>	<b>-732</b>	<b>-860</b>	<b>114</b>