

## Supplementary Explanation for Financial Summary

# FY2018 【IFRS】

May 9th, 2019



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

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## Comparison

### FY2018 Result vs FY2017 Result / FY2018 Forecast in Feb.

JPY100M

	FY2018 ①Result	FY2017 ②Result	Diff. ①-②	FY2018 ③Forecast in Feb.	Diff. ①-③
Net sales	9,122	9,297	-175	9,090	+32
Gross profit	1,266	1,490	-224	1,250	+16
Profit before tax	894	1,083	-189	860	+34
Net income (loss) *1	668	902	-234	640	+28
(Inventory evaluation P&L)	-67	-63	-4	-65	-2
(Other exchange gain / loss *2)	28	-24	+52	34	-6
Cu (\$/t)	6,341	6,444	-103	6,311	+30
Ni (\$/lb)	5.85	5.06	+0.79	5.69	+0.16
Au (\$/toz)	1,263	1,285	-22	1,244	+19
Co (\$/lb)	31.64	30.64	+1.00	33.45	-1.81
Exchange (V\$)	110.92	110.86	+0.06	110.86	+0.06
Exchange	19/3E	18/12E	18/9E	18/6E	18/3E
(V\$)	111.00	111.02	113.58	110.45	106.25

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

Profit before tax -189

Metal Price/ Exchange -3 (Metal Price +18(Cu -81, Ni +154, Co -60 etc.)、Exchange -17、  
Inventory evaluation -4)、Quantity -94、Other exchange gain & loss +52、

Cost@ -285(reflecting lower production)、Material business +67、Profit on sale of Pogo +95、others

#### 【Diff of FY2018 Result vs FY2018 Forecast in Feb. ①-③】

Profit before tax +34億円

Metal Price/Exchange +22 (Metal Price +24(Cu +16, Ni +43, Co -40 etc.)、Inventory evaluation -2)、

Quantity +7、Other exchange gain & loss -6、Cost@ -20(reflecting lower production)、Material business -12、

### FY2019 Forecast vs FY2018 Result

JPY100M

	FY2019 ①Result	FY2018 ②Result	Diff. ①-②
Net sales	8,680	9,122	-442
Gross profit	1,240	1,266	-26
Profit before tax	740	894	-154
Net income (loss) *1	640	668	-28
(Inventory evaluation P&L)	-73	-67	-6
(Other exchange gain / loss *2)	0	28	-28
Cu (\$/t)	6,300	6,341	-41
Ni (\$/lb)	6.00	5.85	0.15
Au (\$/toz)	1,275	1,263	12
Co (\$/lb)	18.00	31.64	-13.64
Exchange (V\$)	110.00	110.92	-0.92

#### 【Diff of FY2019 Forecast vs FY2018 Result ①-②】

Profit before tax -154

Metal Price/Exchange -186(Metal Price -155(Cu -78, Ni +28, Co -110 etc.)、Exchange -25、

Inventory evaluation -6)、Quantity +8、Cost@ +209、Profit on sale of Pogo -95、Material business -38、othe

\*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	6,248	220	271	283	4.65	4.30	6.25
Aug	4,758	6,478	6,040	216	294	274	4.70	4.92	6.09
Sep	4,707	6,583	6,020	214	299	273	4.62	5.10	5.68
<b>2QAve.</b>	<b>4,774</b>	<b>6,347</b>	<b>6,103</b>	<b>217</b>	<b>288</b>	<b>277</b>	<b>4.66</b>	<b>4.77</b>	<b>6.01</b>
Oct	4,732	6,797	6,216	215	308	282	4.66	5.14	5.59
Nov	5,443	6,826	6,193	247	310	281	5.05	5.44	5.10
Dec	5,666	6,801	6,094	257	309	276	5.00	5.18	4.92
<b>3QAve.</b>	<b>5,280</b>	<b>6,808</b>	<b>6,168</b>	<b>240</b>	<b>309</b>	<b>280</b>	<b>4.90</b>	<b>5.25</b>	<b>5.20</b>
Jan	5,737	7,080	5,932	260	321	269	4.53	5.84	5.20
Feb	5,942	7,002	6,278	270	318	285	4.82	6.16	5.74
Mar	5,822	6,796	6,451	264	308	293	4.64	6.08	5.92
<b>4QAve.</b>	<b>5,834</b>	<b>6,959</b>	<b>6,220</b>	<b>265</b>	<b>316</b>	<b>282</b>	<b>4.66</b>	<b>6.03</b>	<b>5.62</b>
<b>FY Ave.</b>	<b>5,154</b>	<b>6,444</b>	<b>6,341</b>	<b>234</b>	<b>292</b>	<b>288</b>	<b>4.56</b>	<b>5.06</b>	<b>5.85</b>
<b>Jan-Dec Ave.</b>	<b>4,863</b>	<b>6,163</b>	<b>6,525</b>	<b>221</b>	<b>280</b>	<b>296</b>	<b>4.35</b>	<b>4.72</b>	<b>5.95</b>
<b>FY2019Forecast</b>			<b>6,300</b>			<b>286</b>			<b>6.00</b>

	Cobalt (\$/lb)(LMB Low-Low)			Gold (\$/toz)			Exchange (VUS\$)		
	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	37.06	1,337	1,236	1,238	103.99	112.44	111.39
Aug	11.94	28.18	33.51	1,341	1,282	1,202	101.34	109.94	111.09
Sep	12.20	28.60	33.38	1,326	1,316	1,199	101.99	110.76	111.92
<b>2QAve.</b>	<b>11.72</b>	<b>28.15</b>	<b>34.65</b>	<b>1,335</b>	<b>1,278</b>	<b>1,213</b>	<b>102.44</b>	<b>111.05</b>	<b>111.47</b>
Oct	12.56	29.32	33.50	1,268	1,280	1,215	103.82	112.96	112.83
Nov	13.10	29.94	33.13	1,238	1,283	1,221	108.17	112.96	113.38
Dec	13.92	33.52	28.43	1,152	1,264	1,249	115.99	113.03	112.53
<b>3QAve.</b>	<b>13.19</b>	<b>30.93</b>	<b>31.69</b>	<b>1,219</b>	<b>1,276</b>	<b>1,228</b>	<b>109.33</b>	<b>112.98</b>	<b>112.91</b>
Jan	15.30	36.26	22.31	1,193	1,332	1,292	114.78	110.87	108.99
Feb	18.88	37.84	16.97	1,234	1,333	1,320	113.11	107.97	110.39
Mar	23.54	40.86	14.04	1,231	1,325	1,302	113.05	106.08	111.24
<b>4QAve.</b>	<b>19.24</b>	<b>38.32</b>	<b>17.77</b>	<b>1,219</b>	<b>1,330</b>	<b>1,304</b>	<b>113.65</b>	<b>108.31</b>	<b>110.21</b>
<b>FY Ave.</b>	<b>13.67</b>	<b>30.64</b>	<b>31.64</b>	<b>1,258</b>	<b>1,285</b>	<b>1,263</b>	<b>108.40</b>	<b>110.86</b>	<b>110.92</b>
<b>Jan-Dec Ave.</b>	<b>11.41</b>	<b>25.87</b>	<b>36.78</b>	<b>1,248</b>	<b>1,258</b>	<b>1,269</b>	<b>108.86</b>	<b>112.20</b>	<b>110.44</b>
<b>FY2019Forecast</b>			<b>18.00</b>			<b>1,275</b>			<b>110.00</b>

LME Price		18/1Q		18/2Q		18/3Q		18/4Q
E-Ni applied	Mar-May	6.30	Jun-Aug	6.40	Sep-Nov	5.46	Dec-Feb	5.29
Fe-Ni applied	Jan-Mar	6.03	Apr-Jun	6.56	Jul-Sep	6.01	Oct-Dec	5.20

Exchange		18/1Q		18/2Q		18/3Q		18/4Q
E-Ni applied	Mar-May	107.76	Jun-Aug	110.84	Sep-Nov	112.71	Dec-Feb	110.64
Fe-Ni applied	Jan-Mar	108.31	Apr-Jun	109.08	Jul-Sep	111.47	Oct-Dec	112.91

# Comparison

## (FY2018 Result vs FY2017 Result)

JPY100M

JPY100M

Gross Profit			
	FY2018 ①	FY2017 ②	Diff. ①-②
Mineral Resources	519	657	-138
Smelting & Refining	541	603	-62
Materials	271	203	+68
Others	15	18	-3
Diff. Adjustment	-80	9	-89
<b>Gross Profit</b>	<b>1,266</b>	<b>1,490</b>	<b>-224</b>

Segment Profit (loss)			
	FY2018 ③	FY2017 ④	Diff. ③-④
Mineral Resources	365	580	-215
Smelting & Refining	409	478	-69
Materials	138	71	+67
Others	-20	-74	+54
Diff. Adjustment	2	28	-26
<b>Profit before tax</b>	<b>894</b>	<b>1,083</b>	<b>-189</b>

### <<Explanation of Diff. of Gross Profit>>

#### 1. Mineral Resources

JPY100M

	Diff.	Quantity	Price	Exchange	Cost@	Others
Hishikari (Au)	-7	0	-6	+1	-3	+1
Pogo (Au)	-47	-36	+2	0	-17	+4
Morenci/NP (Cu)	-80	-22	+20	-5	-68	-5
Others	-4					
<b>Total</b>	<b>-138</b>					

Au Sales (t)	FY2018	FY2017	Diff.
Hishikari (Au)	6.0	6.0	0.0
Pogo(100%)*	3.3	8.7	-5.4

\*Pogo is consolidated until August 2018.

#### 2. Smelting & Refining

JPY100M

	Diff	Quantity	Price	Cost@	Inventory	Others
Copper	+17	+19	-3	+17	+28	-44
Nickel	-72	-32	+57	-70	-34	+7
Others*	-7				+2	-9
<b>Total</b>	<b>-62</b>	<b>-13</b>	<b>+54</b>	<b>-53</b>	<b>-4</b>	<b>-46</b>

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

• Inventory evaluation P&L

	Total	Cu	Ni	Others
FY2018	-67	-47	-22	2
FY2017	-63	-75	12	0

## Comparison

(FY2018 Result vs FY2017 Result)

### 3. Materials (Net sales)

JPY100M

	FY2018 ①	FY2017 ②	Diff. ①-②
Battery Materials (NCA, Nickel Hydroxide, etc.)	1,135	727	+408
Applied Powder Materials (Thick Film, Thin Film, Magnet, Alloy, Ink, etc.)	332	319	+13
Package Materials (Leadframes, CuPI, PWB, etc.)	182	228	-46
Crystal Material, Construction Materials, Connector, Others	545	574	-29
<b>Total</b>	<b>2,194</b>	<b>1,848</b>	<b>+346</b>

## Equity in earnings of affiliated companies

JPY100M

		FY2018 ①	FY2017 ②	Diff. ①-②
Cu	Cerro Verde	27	79	-52
	Candelaria/Ojos	17	80	-63
	Sierra Gorda	-185	-127	-58
	Acids/Jinlong/MSMMBC	32	39	-7
	<b>Total</b>	<b>-109</b>	<b>71</b>	<b>-180</b>
Ni	PT Vale Indonesia/Figesbal/NAC	28	21	+7
	NECC/NK/MSZ/others	32	31	+1
	<b>Total</b>	<b>-49</b>	<b>123</b>	<b>-172</b>
Segment	Mineral Resources	-141	32	-173
	Smelting & Refining	60	60	0
	Materials/Others	32	31	+1
	<b>Total</b>	<b>-49</b>	<b>123</b>	<b>-172</b>

## Financial income/cost, Other main increase/decrease in income/cost

(amount displayed in profit and loss) JPY100M

	FY2018 ①	FY2017 ②	Diff. ①-②
Financial income (exchange gain/loss from valuation of financial assets and liabilities)	28	-57	+85
Other income/cost (exchange gain/loss from settlement of other assets and liabilities)	0	33	-33
Other income (gain on sales of the affiliate company (SMM Pogo))	95	0	+95

## Comparison

### (FY2019 Forecast vs FY2018 Result)

JPY100M				JPY100M			
Gross Profit				Segment Profit (loss)			
	FY2019 Forecast①	FY2018 Result②	Diff. ①-②		FY2019 Forecast③	FY2018 Result④	Diff. ③-④
Mineral Resources	430	519	-89	Mineral Resources	290	365	-75
Smelting & Refining	560	541	19	Smelting & Refining	390	409	-19
Materials	260	271	-11	Materials	100	138	-38
Others	20	15	5	Others	-30	-20	-10
Diff. Adjustment	-30	-80	50	Diff. Adjustment	-10	2	-12
<b>Gross Profit</b>	<b>1,240</b>	<b>1,266</b>	<b>-26</b>	<b>Profit before tax</b>	<b>740</b>	<b>894</b>	<b>-154</b>

### <<Explanation of Diff. of Profit before tax>>

#### 1. Mineral Resources

JPY100M

	Diff.	Quantity	Price	Exchange	Cost@	Others
Hishikari (Au)	-1	0	+3	-3	-3	+2
Pogo (Au)	0					
Morenci/NP (Cu)	-66	-16	-28	-1	-7	-14
Others	-8	including equity-method affiliated companies				
<b>Total</b>	<b>-75</b>					

Au Sales (t)	FY2019(F)	FY2018	Diff.
Hishikari (Au)	6.0	6.0	0.0
Pogo(100%)*	0.0	3.3	-3.3

\*Pogo is consolidated until August 2018.

#### 2. Smelting & Refining

JPY100M

	Diff	Quantity	Price	Cost@	Inventory	Others
Copper	-42	-11	-3	-1	-11	-16
Nickel	+42	+54	-82	+62	+5	+3
Others*	-19					-19
<b>Total</b>	<b>-19</b>	<b>+43</b>	<b>-85</b>	<b>+61</b>	<b>-6</b>	<b>-32</b>

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

#### •Inventory evaluation P&L

JPY100M

	Total	Cu	Ni	Others
FY2019(F)	-73	-58	-17	2
FY2018	-67	-47	-22	2

## Comparison

(FY2019 Forecast vs FY2018 Result)

### 3. Materials (Net sales)

JPY100M

	FY2019 ①	FY2018 ②	Diff. ①-②
Battery Materials (NCA, Nickel Hydroxide, etc.)	1,310	1,135	+175
Applied Powder Materials (Thick Film, Thin Film, Magnet, Alloy, Ink, etc.)	330	332	-2
Package Materials (Leadframes, CuPI, PWB, etc.)	180	182	-2
Crystal Material, Construction Materials, Connector, Others	560	545	+15
<b>Total</b>	<b>2,380</b>	<b>2,194</b>	<b>+186</b>

## Equity in earnings of affiliated companies

JPY100M

		FY2019 ①	FY2018 ②	Diff. ①-②
Cu	Cerro Verde	145	27	+118
	Candelaria/Ojos	35	17	+18
	Sierra Gorda	-160	-185	+25
	Acids/Jinlong/MSMMBC	25	32	-7
	<b>Total</b>	<b>45</b>	<b>-109</b>	<b>+154</b>
Ni	PT Vale Indonesia/Figesbal/NAC	30	28	+2
	NECC/NK/MSZ/others	-5	32	-37
	<b>Total</b>	<b>70</b>	<b>-49</b>	<b>+119</b>
Segment	Mineral Resources	-10	-141	+131
	Smelting & Refining	55	60	-5
	Materials/Others	25	32	-7
	<b>Total</b>	<b>70</b>	<b>-49</b>	<b>+119</b>

## Financial income/cost, Other main increase/decrease in income/cost

(amount displayed in profit and loss) JPY100M

	FY2019 ①	FY2018 ②	Diff. ①-②
Financial income (exchange gain/loss from valuation of financial assets and liabilities)	0	28	-28
Other income/cost (exchange gain/loss from settlement of other assets and liabilities)	0	0	0
Other income (gain on sales of the affiliate company (SMM Pogo))	0	95	-95

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

		FY2016					FY2017					FY2018					FY2019	
		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	1.8	1.2	1.4	1.9	6.3	1.9	1.2	0.9	2.0	6.0	1.2	1.6	1.3	1.9	6.0	6.0	0.0
	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	1.4	1.6	6.0	6.0	0.0
Pogo	Production	2.1	2.1	1.9	2.3	8.4	2.2	2.2	2.1	1.7	8.2	2.0	1.2	/	/	3.2	/	/
	Sales	2.2	2.2	1.9	2.1	8.4	2.1	2.2	2.3	1.7	8.3	1.9	1.4	/	/	3.3	/	/
<b>【Copper Mine】 (kt)</b> <span style="float: right; color: red;">↑ Pogo: included untl Aug. 2018</span>																		
Morenci	Production	124	125	127	120	496	114	118	117	115	464	106	115	107	102	430	401	-29
	Sales	101	133	140	134	508	118	102	134	103	457	107	114	105	112	438	404	-34
Cerro Verde	Production	123	126	120	133	502	119	118	129	116	482	111	118	127	120	476	482	6
	Sales	116	122	123	140	501	121	111	132	119	483	109	118	127	122	476	481	5
Sierra Gorda	Production	27	22	21	24	94	26	24	23	24	97	22	23	25	28	97	104	7
	Sales	23	21	25	26	95	27	24	23	18	92	23	18	25	28	95	106	11
La Candelaria	Production	34	29	31	41	135	32	44	40	34	150	25	26	26	25	102	120	18
	Sales	35	29	33	37	134	36	39	46	31	152	27	28	29	24	104	120	16
Ojos Del Salado	Production	6	7	7	5	25	6	7	7	7	27	6	7	8	8	28	30	2
	Sales	6	7	7	5	25	6	7	7	7	27	6	7	8	8	28	29	1
North Parkes	Production	13	11	11	11	46	12	11	10	11	44	11	10	9	10	40	38	-2
	Sales	13	9	13	10	45	11	12	11	10	44	6	14	10	9	40	38	-2
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	114.6	113.3	110.3	454.2	420.0	-34.2
	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	124.9	107.8	460.7	438.5	-22.2
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	14.4	14.2	14.3	56.7	62.6	5.9
	Sales	16.3	16.8	14.0	15.5	62.6	14.5	16.9	15.3	14.8	61.5	13.6	13.8	13.8	14.4	55.6	62.2	6.6
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	17.7	16.2	17.5	67.8	78.0	10.2
	Sales	10.4	10.7	15.2	18.4	54.7	16.9	19.6	18.7	19.7	75.0	16.6	17.7	16.6	17.2	68.1	78.0	9.9
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	2.7	3.8	2.9	12.9	13.3	0.4
	Sales	3.5	3.6	4.2	3.9	15.2	3.3	3.6	2.9	3.2	13.0	3.3	3.0	3.3	2.8	12.4	13.2	0.8
<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	6.0	5.4	5.6	21.7	21.5	-0.2
	Sales	5.5	4.0	5.7	5.8	21.0	4.8	5.7	4.4	6.4	21.3	4.4	6.2	5.1	5.8	21.5	21.5	0.0
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	5.4	7.5	7.0	27.4	36.0	8.6
	Sales	3.9	7.8	9.1	7.2	28.0	7.9	8.6	6.2	5.8	28.5	7.8	5.4	6.4	8.4	28.0	36.0	8.0
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	18.9	18.2	20.8	75.0	77.5	2.5
	Sales	16.4	20.2	21.4	19.6	77.6	17.5	19.6	20.6	19.9	77.6	17.2	18.8	18.6	21.3	75.9	77.5	1.6



## Sensitivity

JPY100M / Year

	Change	Profit Up · Down of FY2019 Profit before tax
Cu	±100 \$/t	25
Ni	±10 ¢ /lb	18
Au	±10 \$/TOZ	2
¥ / \$	± 1 ¥ / \$	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	J-GAAP		
	FY2015	FY2016	FY2017
Net assets	16,308	16,850	16,990
Shareholder's equity	9,829	9,617	10,364
Shareholder's Equity Ratio	60.3%	57.1%	61.0%

IFRS		
FY2017	FY2018	18 3-Yr 2021
17,323	17,977	20,900
10,294	10,476	12,660
59.4%	58.3%	60.6%

## 【D/E Ratio】

JPY100M

End of FY	J-GAAP		
	FY2015	FY2016	FY2017
Interest-bearing debt	4,006	4,955	3,924
Shareholder's equity	9,829	9,617	10,364
D/E ratio	0.41	0.52	0.38

IFRS		
FY2017	FY2018	18 3-Yr 2021
3,618	3,498	4,700
10,294	10,476	12,660
0.35	0.33	0.37

## 【Dividend payout ratio】

JPY100M

	J-GAAP		
	FY2015	FY2016	FY2017
Dividend / share (JPY)	31.0	11.00	100.0
Net Income(loss) / share (JPY)	-0.56	-33.61	332.42
Dividend payout ratio	-	-	30.1%

IFRS		
FY2017	FY2018	18 3-Yr 2021
100.0	73.0	-
(327.26)	243.06	-
(30.6%)	30.0%	35%+

## 【Cash Flows】

JPY100M

	J-GAAP		
	FY2015	FY2016	FY2017
Cash and cash equivalents at beginning of period	1,777	1,978	1,703
Net cash provided by (used in) operating activities	1,197	438	794
Net cash provided by (used in) investing activities	-929	-1,432	-230
Free cash flows	268	-994	564
Net cash provided by (used in) financing activities	-40	704	-901
Net increase (decrease) in cash and cash equivalents	228	-290	-337
Effect of exchange rate change on cash and cash equivalents	-27	15	-16
Cash and cash equivalents at end of period	1,978	1,703	1,350

IFRS		
FY2017	FY2018	18 3-Yr Total
1,729	1,373	600
786	1,147	3,800
-228	-1,424	-4,900
558	-277	-1,100
-898	-290	1,200
-340	-567	100
-16	7	0
1,373	813	700

## Consolidated companies (61\*) / Equity-method affiliated companies (16)

as of March 31, 2019

### Mineral Resources

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

	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
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
SMMQB Holding SpA	100	Chile	Dec.	Investment in Quebrada Blanca
SMM Quebrada Blanca SpA	83	Chile	Dec.	Investment in Quebrada Blanca
<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.	40	Philippines	Dec.	Exploration in Philippines
Quebrada Blanca Holdings SpA	33	Chile	Dec.	Quebrada Blanca Mine

### 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

	FY2016(J-GAAP)					FY2017(J-GAAP)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net sales	1,770	1,895	1,980	2,216	7,861	2,145	2,276	2,437	2,477	9,335
Operating income	80	139	261	284	764	218	229	337	318	1,102
①Recurring profit	3	114	-372	239	-16	300	163	447	339	1,249
Net income	-69	102	-361	143	-185	221	130	299	266	916
Cu (\$/t)	4,730	4,774	5,280	5,834	5,154	5,663	6,347	6,808	6,959	6,444
Ni (\$/lb)	4.00	4.66	4.90	4.66	4.56	4.20	4.77	5.25	6.03	5.06
Au (\$/TOZ)	1,259	1,335	1,219	1,219	1,258	1,257	1,278	1,276	1,330	1,285
Co (\$/lb)	10.54	11.72	13.19	19.24	13.67	25.15	28.15	30.93	38.32	30.64
Exchange (V\$)	108.17	102.44	109.33	113.65	108.40	111.11	111.05	112.98	108.31	110.86
<b>Inventory impairment</b>										
(Smelting) Impairment	-6	0	+9	0	+3	-2	-13	+20	-13	-8
(Smelting) QP Diff etc.	-42	-40	+33	+31	-18	-11	-31	+10	-49	-81
(Smelting) Total	-48	-40	+42	+31	-15	-13	-44	+30	-62	-89
(Materials & others)	+3	+2	0	0	+5	0	-27	+28	-9	-8
②Total	-45	-38	+42	+31	-10	-13	-71	+58	-71	-97
①-②	48	152	-414	208	-6	312	234	389	410	1,345

	FY2017(IFRS)					FY2018(IFRS)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net sales	2,114	2,289	2,447	2,447	9,297	2,420	2,247	2,368	2,087	9,122
Gross profit	355	339	451	345	1,490	401	326	325	214	1,266
①Profit before tax	323	159	438	163	1,083	379	353	135	27	894
Net income (loss)	233	74	291	304	902	289	292	88	-1	668
Cu (\$/t)	5,663	6,347	6,808	6,959	6,444	6,872	6,103	6,168	6,220	6,341
Ni (\$/lb)	4.20	4.77	5.25	6.03	5.06	6.56	6.01	5.20	5.47	5.85
Au (\$/TOZ)	1,257	1,278	1,276	1,330	1,285	1,307	1,213	1,228	1,304	1,263
Co (\$/lb)	25.15	28.15	30.93	38.32	30.64	42.45	34.65	31.69	17.77	31.64
Exchange (V\$)	111.11	111.05	112.98	108.31	110.86	109.08	111.47	112.91	110.21	110.92
<b>Inventory impairment</b>										
(Smelting) Impairment	+10	-12	+7	-14	-9	+8	-2	-9	+15	+12
(Smelting) QP Diff etc.	-23	-14	+10	-27	-54	-20	0	-9	-50	-79
(Smelting) Total	-13	-26	+17	-41	-63	-12	-2	-18	-35	-67
(Materials & others)	0	-27	+28	-7	-6	-2	0	+5	-16	-13
②Total	-13	-53	+45	-48	-69	-14	-2	-13	-51	-80
①-②	336	212	393	211	1,152	393	355	148	78	974

## 【Reference】

### Operating income / Profit before tax / Segment Profit (loss)

JPY100M

		FY2017(J-GAAP)					Results(J-GAAP)				
		1Q	2Q	3Q	4Q	Total	2013	2014	2015	2016	2017
Operating income	Mineral Resources	133	101	140	152	526	452	432	338	390	526
	Smelting & Refining	75	97	158	135	465	306	718	228	282	465
	Materials	30	14	38	32	114	108	82	29	79	114
	Others	2	2	4	2	10	17	10	0	12	10
Diff. Adjustment		-22	15	-3	-3	-13	-129	16	2	1	-13
<b>Operating income Total</b>		<b>218</b>	<b>229</b>	<b>337</b>	<b>318</b>	<b>1,102</b>	<b>754</b>	<b>1,258</b>	<b>597</b>	<b>764</b>	<b>1,102</b>

JPY100M

		FY2017(IFRS)					FY2018(IFRS)				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Gross profit	Mineral Resources	172	123	178	184	657	158	146	107	108	519
	Smelting & Refining	115	129	183	176	603	189	125	121	106	541
	Materials	75	58	84	-14	203	99	81	80	11	271
	Others	5	4	6	3	18	5	2	4	4	15
Diff. Adjustment		-12	25	-1	-3	9	-50	-28	13	-15	-80
<b>Gross profit Total</b>		<b>355</b>	<b>339</b>	<b>450</b>	<b>346</b>	<b>1,490</b>	<b>401</b>	<b>326</b>	<b>325</b>	<b>214</b>	<b>1,266</b>

JPY100M

		FY2017 (IFRS)					FY2018 (IFRS)				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Segment Profit (loss)	Mineral Resources	175	6	206	193	580	152	220	-45	38	365
	Smelting & Refining	89	92	157	140	478	163	95	105	46	409
	Materials	48	23	49	-49	71	66	48	44	-20	138
	Others	-2	-2	-5	-65	-74	-1	-6	-3	-10	-20
Diff. Adjustment		13	41	31	-57	28	-1	-4	34	-27	2
<b>Profit before tax Total</b>		<b>323</b>	<b>160</b>	<b>438</b>	<b>162</b>	<b>1,083</b>	<b>379</b>	<b>353</b>	<b>135</b>	<b>27</b>	<b>894</b>

### Equity in earnings of affiliated companies

JPY100M

		FY2017					FY2018				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Cu	Cerro Verde	35	-60	46	58	79	30	45	-63	15	27
	Candelaria/Ojos	16	13	32	19	80	9	9	4	-5	17
	Sierra Gorda	-24	-45	-23	-35	-127	-21	-39	-65	-60	-185
	Acids/Jinlong/MSMMBC	10	8	16	5	39	8	7	8	9	32
	Total	37	-84	71	47	71	26	22	-116	-41	-109
Ni	PT Vale Indonesia/ Figesbal/NAC	1	3	7	10	21	2	10	18	-2	28
NECC/NK/MSZ/others		11	5	9	6	31	8	9	9	6	32
<b>Total</b>		<b>49</b>	<b>-76</b>	<b>87</b>	<b>63</b>	<b>123</b>	<b>36</b>	<b>41</b>	<b>-89</b>	<b>-37</b>	<b>-49</b>

		Results			
		2015	2016	2017	2018
Cu	Cerro Verde	4	69	79	27
	Candelaria/Ojos	33	25	80	17
	Sierra Gorda	-827	-1,033	-127	-185
	Acids/Jinlong/MSMMBC	-2	26	39	32
	Total	-792	-913	71	-109
Ni	PT Vale Indonesia Figesbal/NAC/VNC	31	17	21	28
NECC/NK/MSZ/others		29	36	31	32
<b>Total</b>		<b>-732</b>	<b>-860</b>	<b>123</b>	<b>-49</b>

FY2013, "Operating income" shows "Operating income (before allocation)."