

**Supplementary Explanation for Financial Summary**  
**3rd Quarter FY2019**  
**【IFRS】**

**February 7th, 2020**



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

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## Comparison

### FY2019/1-3Q Result vs FY2018/1-3Q Result

JPY100M

	19/1-3Q ①Result	18/1-3Q ②Result	Diff. ①-②
Net sales	6,448	7,035	-587
Gross profit	871	1,052	-181
Profit before tax	675	867	-192
Net income (loss) *1	515	669	-154
(Inventory evaluation P&L)	14	-29	+43
(Other exchange gain / loss *2)	-9	30	-39
Cu (\$/t)	5,933	6,381	-448
Ni (\$/lb)	6.54	5.92	+0.62
Au (\$/toz)	1,422	1,249	+173
Co (\$/lb)	15.53	36.26	-20.73
Exchange (¥/\$)	108.68	111.15	-2.47

Exchange	19/12E	19/9E	19/6E	19/3E	18/12E
(¥/\$)	109.54	107.93	107.75	111.00	111.02

【Diff of FY2019/3Q vs FY2018/3Q Results ①-②】

Profit before tax -192

Metal Price/Exchange -145 (Metal Price -173 (Cu -117, Ni +50, Co -131, Au +24, etc.), Exchange -5, Inventory evaluation +33), Quantity -66, Other exchange gain & loss -39, Cost@ +11, Material business -101, Profit on sales of Pogo -95, Gain on sale of fixed assets +90, Cerro Verde royalty +88, Other by-product credit etc +65

### New and Old Forecast of FY2019 (in Feb. vs in Nov.)

JPY100M

	19/1Q+2Q ①Result	19/3Q ②Result	19/4Q ③Forecast	FY2019 ④Forecast in Feb.	FY2019 ⑤Forecast in Nov.	Diff. ④-⑤
Net sales	4,224	2,224	2,312	8,760	8,570	+190
Gross profit	548	323	229	1,100	1,160	-60
Profit before tax	364	311	15	690	790	-100
Net income (loss) *1	294	221	15	530	600	-70
(Inventory evaluation P&L)	-17	31	-28	-14	-6	-8
(Other exchange gain / loss *2)	-6	-3	-2	-11	2	-13
Cu ( \$/t)	5,956	5,888	6,000	5,950	5,828	+122
Ni ( \$/lb)	6.32	6.97	6.00	6.41	6.91	-0.50
Au ( \$/toz)	1,392	1,481	1,450	1,429	1,459	-30
Co (\$/lb)	15.02	16.56	15.00	15.40	15.01	+0.39
Exchange (¥/\$)	108.63	108.77	108.00	108.51	106.82	+1.69

【Diff of FY2019 Forecast in Feb. vs Forecast in Nov. ④-⑤】

Profit before tax -100

Metal Price/ Exchange -33 (Metal price -37 (Cu +40, Ni -80, Co +10, Au -7, etc.), Exchange +15, Inventory evaluation -11), Other exchange gain & loss -13, Cost@ -11, Temporary special factor (estimate) +10 \*3, Temporary special factor (estimate) at overseas copper mines -30, etc.

\*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).

\*3: Temporary special factor (estimate) -40 was included in difference adjustment of segment profit in November forecast, but now -30 is included in February forecast. (segment breakdown of -30: Materials -20, Diff. adjustment -10)

## Metal price and Exchange rate

	Copper (\$/t)			Copper (¢/lb)			Nickel (\$/lb)		
	FY2017	FY2018	FY2019	FY2017	FY2018	FY2019	FY2017	FY2018	FY2019
Apr	5,698	6,839	6,445	258	310	292	4.39	6.32	5.81
May	5,592	6,822	6,028	254	309	273	4.15	6.51	5.44
Jun	5,699	6,955	5,868	259	316	266	4.05	6.85	5.43
<b>1QAve.</b>	<b>5,663</b>	<b>6,872</b>	<b>6,114</b>	<b>257</b>	<b>312</b>	<b>277</b>	<b>4.20</b>	<b>6.56</b>	<b>5.56</b>
Jul	5,979	6,248	5,940	271	283	269	4.30	6.25	6.11
Aug	6,478	6,040	5,708	294	274	259	4.92	6.09	7.11
Sep	6,583	6,020	5,745	299	273	261	5.10	5.68	8.02
<b>2QAve.</b>	<b>6,347</b>	<b>6,103</b>	<b>5,798</b>	<b>288</b>	<b>277</b>	<b>263</b>	<b>4.77</b>	<b>6.01</b>	<b>7.08</b>
Oct	6,797	6,216	5,743	308	282	261	5.14	5.59	7.76
Nov	6,826	6,193	5,860	310	281	266	5.44	5.10	6.89
Dec	6,801	6,094	6,062	309	276	275	5.18	4.92	6.26
<b>3QAve.</b>	<b>6,808</b>	<b>6,168</b>	<b>5,888</b>	<b>309</b>	<b>280</b>	<b>267</b>	<b>5.25</b>	<b>5.20</b>	<b>6.97</b>
Jan	7,080	5,932		321	269		5.84	5.20	
Feb	7,002	6,278		318	285		6.16	5.74	
Mar	6,796	6,451		308	293		6.08	5.92	
<b>4QAve.</b>	<b>6,959</b>	<b>6,220</b>		<b>316</b>	<b>282</b>		<b>6.03</b>	<b>5.62</b>	
<b>FY Ave.</b>	<b>6,444</b>	<b>6,341</b>		<b>292</b>	<b>288</b>		<b>5.06</b>	<b>5.85</b>	
<b>Jan-Dec Ave.</b>	<b>6,163</b>	<b>6,525</b>		<b>280</b>	<b>296</b>		<b>4.72</b>	<b>5.95</b>	
Jan.-Mar.(FCST in Feb.)			<b>6,000</b>			<b>272</b>			<b>6.00</b>
FY2019(FCST in Feb.)			<b>5,950</b>			<b>270</b>			<b>6.41</b>
FY2019(FCST in Nov.)			<b>5,828</b>			<b>265</b>			<b>6.91</b>

	Cobalt (\$/lb)(LMB Low-Low)			Gold (\$/toz)			Exchange (¥/US\$)		
	FY2017	FY2018	FY2019	FY2017	FY2018	FY2019	FY2017	FY2018	FY2019
Apr	24.82	43.45	15.36	1,266	1,335	1,287	110.13	107.45	111.73
May	24.28	43.03	16.07	1,245	1,303	1,284	112.26	109.76	109.87
Jun	26.33	40.86	14.23	1,261	1,282	1,359	110.94	110.01	108.12
<b>1QAve.</b>	<b>25.14</b>	<b>42.45</b>	<b>15.22</b>	<b>1,257</b>	<b>1,307</b>	<b>1,310</b>	<b>111.11</b>	<b>109.08</b>	<b>109.91</b>
Jul	27.68	37.06	12.61	1,236	1,238	1,414	112.44	111.39	108.28
Aug	28.18	33.51	14.69	1,282	1,202	1,498	109.94	111.09	106.33
Sep	28.60	33.38	17.16	1,316	1,199	1,511	110.76	111.92	107.45
<b>2QAve.</b>	<b>28.15</b>	<b>34.65</b>	<b>14.82</b>	<b>1,278</b>	<b>1,213</b>	<b>1,474</b>	<b>111.05</b>	<b>111.47</b>	<b>107.35</b>
Oct	29.32	33.50	17.67	1,280	1,215	1,495	112.96	112.83	108.15
Nov	29.94	33.13	16.67	1,283	1,221	1,471	112.96	113.38	108.90
Dec	33.52	28.43	15.34	1,264	1,249	1,478	113.03	112.53	109.25
<b>3QAve.</b>	<b>30.93</b>	<b>31.69</b>	<b>16.56</b>	<b>1,276</b>	<b>1,228</b>	<b>1,481</b>	<b>112.98</b>	<b>112.91</b>	<b>108.77</b>
Jan	36.26	22.31		1,332	1,292		110.87	108.99	
Feb	37.84	16.97		1,333	1,320		107.97	110.39	
Mar	40.86	14.04		1,325	1,302		106.08	111.24	
<b>4QAve.</b>	<b>38.32</b>	<b>17.77</b>		<b>1,330</b>	<b>1,304</b>		<b>108.31</b>	<b>110.21</b>	
<b>FY Ave.</b>	<b>30.64</b>	<b>31.64</b>		<b>1,285</b>	<b>1,263</b>		<b>110.86</b>	<b>110.92</b>	
<b>Jan-Dec Ave.</b>	<b>25.87</b>	<b>36.78</b>		<b>1,258</b>	<b>1,269</b>		<b>112.20</b>	<b>110.44</b>	
Jan.-Mar.(FCST in Feb.)			<b>15.00</b>			<b>1,450</b>			<b>108.00</b>
FY2019(FCST in Feb.)			<b>15.40</b>			<b>1,429</b>			<b>108.51</b>
FY2019(FCST in Nov.)			<b>15.01</b>			<b>1,459</b>			<b>106.82</b>

LME Price		19/1Q		19/2Q		19/3Q		19/4Q(F)
E-Ni applied	Mar-May	5.72	Jun-Aug	6.22	Sep-Nov	7.56	Dec-Feb	6.09
Fe-Ni applied	Jan-Mar	5.62	Apr-Jun	5.56	Jul-Sep	7.08	Oct-Dec	6.97

Exchange		19/1Q		19/2Q		19/3Q		19/4Q(F)
E-Ni applied	Mar-May	110.95	Jun-Aug	107.58	Sep-Nov	108.17	Dec-Feb	108.42
Fe-Ni applied	Jan-Mar	110.21	Apr-Jun	109.91	Jul-Sep	107.35	Oct-Dec	108.77

## Comparison

### (FY2019/1-3Q Result vs FY2018/1-3Q Result)

JPY100M				JPY100M			
Gross Profit				Segment Profit (loss)			
	19/1-3Q	18/1-3Q	Diff.		19/1-3Q	18/1-3Q	Diff.
	①	②	①-②		③	④	③-④
Mineral Resources	282	411	-129	Mineral Resources	205	327	-122
Smelting & Refining	423	435	-12	Smelting & Refining	413	363	+50
Materials	167	260	-93	Materials	57	158	-101
Others	13	11	+2	Others	2	-10	+12
Diff. Adjustment	-14	-65	+51	Diff. Adjustment	-2	29	-31
<b>Gross Profit</b>	<b>871</b>	<b>1,052</b>	<b>-181</b>	<b>Profit before tax</b>	<b>675</b>	<b>867</b>	<b>-192</b>

### <<Explanation of Diff.>>

#### 1. Mineral Resources

JPY100M

	Diff.	Quantity	Price	Exchange	Cost@	Others
Hishikari (Au)	0	-17	+24	-4	-4	+1
Pogo (Au)	-10					-10
Morenci/NP (Cu)	-122	+1	-59	-1	-55	-8
Others	+3					
<b>Total</b>	<b>-129</b>					

Au Sales (t)	19/1-3Q	18/1-3Q	Diff.
Hishikari (Au)	3.9	4.4	-0.5
Pogo(100%)*	-	3.3	-3.3

\*Pogo is consolidated until August 2018.

#### 2. Smelting & Refining

JPY100M

	Diff	Quantity	Price	Cost@	Inventory	Others
Copper	-7	-22	-6	-10	-1	+32
Nickel	+1	+13	-74	+15	+34	+13
Others*	-6					-6
<b>Total</b>	<b>-12</b>	<b>-9</b>	<b>-80</b>	<b>+5</b>	<b>+33</b>	<b>+39</b>

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

• Inventory evaluation P&L

	Total	Cu	Ni	Others
19/1-3Q	1	-34	35	0
18/1-3Q	-32	-33	1	0

## Comparison

(FY2019/1-3Q Result vs FY2018/1-3Q Result)

### 3. Materials (Net sales)

JPY100M

	19/1-3Q ①	18/1-3Q ②	Diff. ①-②
Battery Materials (NCA, Nickel Hydroxide, etc.)	912	846	+66
Applied Powder Materials (Thick Film, Thin Film, Magnet, Alloy, Ink, etc.)	207	263	-56
Package Materials (Leadframes, CuPI, PWB, etc.)	133	139	-6
Crystal Material, Construction Materials, Connector, Othe	408	412	-4
<b>Total</b>	<b>1,660</b>	<b>1,660</b>	<b>0</b>

## Equity in earnings of affiliated companies

JPY100M

		19/1-3Q ①	18/1-3Q ②	Diff. ①-②
Cu	Cerro Verde	75	12	+63
	Candelaria/Ojos	19	22	-3
	Sierra Gorda	-81	-125	+44
	Acids/Jinlong/MSMMBC	17	23	-6
	<b>Total</b>	<b>30</b>	<b>-68</b>	<b>+98</b>
Ni	PT Vale Indonesia/Figesbal/NAC	10	30	-20
	NECC/NK/MSZ/others	15	26	-11
<b>Total</b>		<b>55</b>	<b>-12</b>	<b>+67</b>
Segment	Mineral Resources	4	-91	+95
	Smelting & Refining	27	53	-26
	Materials/Others	24	26	-2
<b>Total</b>		<b>55</b>	<b>-12</b>	<b>+67</b>

## Main changes in financial income/cost and other income/cost

(amount displayed in profit and loss) JPY100M

	19/1-3Q ①	18/1-3Q ②	Diff. ①-②
Finance income/cost (exchange gain/loss from valuation of financial assets and liabilities)	-10	32	-42
Other income/cost (exchange gain/loss from settlement of other assets and liabilities)	1	-2	+3
Other income (Gain on sale of subsidiaries (SMM Pogo))	0	95	-95
Other income (Gain on sale of fixed assets (Taihei Metal Industry Co., Ltd.))	90	0	+90

## Comparison

### (FY2019 Forecast in Feb. vs Forecast in Nov.)

JPY 100M				JPY 100M			
Gross Profit				Segment Profit (loss)			
	FCST in Feb.	FCST in Nov.	Diff.		FCST in Feb.	FCST in Nov.	Diff.
	①	②	①-②		③	④	③-④
Mineral Resources	400	390	10	Mineral Resources	250	290	-40
Smelting & Refining	530	580	-50	Smelting & Refining	480	540	-60
Materials	210	230	-20	Materials	50	70	-20
Others	20	20	0	Others	-10	0	-10
Diff. Adjustment	-60	-60	0	Diff. Adjustment	-80	-110	30
<b>Gross Profit</b>	<b>1,100</b>	<b>1,160</b>	<b>-60</b>	<b>Profit before tax</b>	<b>690</b>	<b>790</b>	<b>-100</b>

### <<Explanation of Diff.>>

#### 1. Mineral Resources

JPY 100M

	Diff.	Quantity	Price	Exchange	Cost@	Others
Hishikari (Au)	-1	0	-7	+5	+2	-1
Morenci/NP (Cu)	+16	+1	+11	+2	+4	-2
Others	-5					
<b>Total</b>	<b>+10</b>					

Au Sales (t)	FCST in Feb.	FCST in Nov.	Diff.
Hishikari (Au)	6.0	6.0	0.0

#### 2. Smelting & Refining

JPY 100M

	Diff	Quantity	Price	Cost@	Inventory	Others
Copper	+39	+3	0	-8	+21	+23
Nickel	-98	-4	-70	+4	-32	+4
Others*	+9					+9
<b>Total</b>	<b>-50</b>	<b>-1</b>	<b>-70</b>	<b>-4</b>	<b>-11</b>	<b>+36</b>

\*Others consists mainly the eliminations of transactions within the segme

#### • Inventory evaluation P&L

JPY 100M

	Total	Cu	Ni	Others
FCST in Feb.	-31	-58	27	0
FCST in Nov.	-20	-79	59	0

## Comparison

(FY2019 Forecast in Feb. vs Forecast in Nov.)

### 3. Materials (Net sales)

JPY100M

	FCST in Feb. ①	FCST in Nov. ②	Diff. ①-②
Battery Materials (NCA, Nickel Hydroxide, etc.)	1,260	1,260	0
Applied Powder Materials (Thick Film, Thin Film, Magnet, Alloy, Ink, etc.)	290	280	+10
Package Materials (Leadframes, CuPI, PWB, etc.)	180	180	0
Crystal Material, Construction Materials, Connector, Others	550	550	0
<b>合計</b>	<b>2,280</b>	<b>2,270</b>	<b>+10</b>

## Equity in earnings of affiliated companies

JPY100M

		FCST in Feb. ①	FCST in Nov. ②	Diff. ①-②
Cu	Cerro Verde	100	110	-10
	Candelaria/Ojos	20	20	0
	Sierra Gorda	-120	-115	-5
	Acids/Jinlong/MSMMBC	15	15	0
	<b>Total</b>	<b>15</b>	<b>30</b>	<b>-15</b>
Ni	PT Vale Indonesia/Figesbal/NAC	35	30	+5
	NECC/NK/MSZ/others	-25	5	-30
	<b>Total</b>	<b>25</b>	<b>65</b>	<b>-40</b>
Segment	Mineral Resources	-50	-5	-45
	Smelting & Refining	50	45	+5
	Materials/Others	25	25	0
	<b>Total</b>	<b>25</b>	<b>65</b>	<b>-40</b>

## Main changes in financial income/cost and other income/cost

(amount displayed in profit and loss) JPY100M

	FCST in Feb. ①	FCST in Nov. ②	Diff. ①-②
Finance income/cost (exchange gain/loss from valuation of financial assets and liabilities)	-17	-36	+19
Other income/cost (exchange gain/loss from settlement of other assets and liabilities)	6	38	-32
Temporary special factor (estimate)	-10	-40	+30

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

		FY2017					FY2018					FY2019							
		Results					Results					Results				Forecast		Forecast in Nov.	Diff.
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total ①	Total ②	①-②	
<b>【Gold Mine】 (t)</b>																			
Hishikari	Production	1.9	1.2	0.9	2.0	6.0	1.2	1.6	1.3	1.9	6.0	1.6	1.0	1.4	2.0	6.0	6.0	0.0	
	Sales	2.0	0.9	1.1	2.0	6.0	1.5	1.5	1.4	1.6	6.0	1.3	1.4	1.2	2.1	6.0	6.0	0.0	
Pogo	Production	2.2	2.2	2.1	1.7	8.2	2.0	1.2	/	/	3.2	/	/	/	/	/	/	/	
	Sales	2.1	2.2	2.3	1.7	8.3	1.9	1.4	/	/	3.3	/	/	/	/	/	/	/	
<b>【Copper Mine】 (kt)</b>																			
↑ Pogo: included until Aug. 2018																			
Morenci	Production	114	118	117	115	464	106	115	107	102	430	105	114	126	116	461	440	21	
	Sales	118	102	134	103	457	107	114	105	112	438	96	114	120	107	437	434	3	
Cerro Verde	Production	119	118	129	116	482	111	118	127	120	476	118	108	107	123	456	460	-4	
	Sales	121	111	132	119	483	109	118	127	122	476	116	109	98	134	457	459	-2	
Sierra Gorda	Production	26	24	23	24	97	22	23	25	28	97	27	26	28	27	108	108	-0	
	Sales	27	24	23	18	92	23	18	25	28	95	26	29	29	27	111	112	-1	
La Candelaria	Production	32	44	40	34	150	25	26	26	25	102	24	25	32	30	111	120	-9	
	Sales	36	39	46	31	152	27	28	25	24	104	24	24	35	26	109	119	-10	
Ojos Del Salado	Production	6	7	7	7	27	6	7	8	8	28	8	7	7	8	30	29	1	
	Sales	6	7	7	7	27	6	7	8	8	28	7	7	8	8	30	29	1	
North Parkes	Production	12	11	10	11	44	11	10	9	10	40	9	9	9	9	36	36	0	
	Sales	11	12	11	10	44	6	14	10	9	40	9	9	6	12	37	36	1	
<b>【Smelting &amp; Refining in Japan】 (kt)</b>																			
E-Cu	Production	112.5	111.4	98.2	110.1	432.2	116.0	114.6	113.3	110.3	454.2	100.9	95.5	89.1	114.8	400.3	400.3	0.0	
	Sales	113.6	115.5	112.3	106.3	447.7	114.2	113.9	124.8	107.8	460.7	108.7	104.5	101.4	116.2	430.8	424.8	6.0	
E-Ni	Production	14.5	16.4	14.2	15.2	60.3	13.8	14.4	14.2	14.3	56.7	12.0	17.0	15.5	16.7	61.2	61.4	-0.2	
	Sales	14.5	16.9	15.3	14.8	61.5	13.6	13.8	13.8	14.4	55.6	12.8	13.2	15.2	17.8	59.0	61.1	-2.1	
Nickel Sulfate (Product Qty)	Production	16.3	21.2	17.5	18.8	73.8	16.4	17.7	16.2	17.5	67.8	16.9	20.2	18.0	19.3	74.4	75.1	-0.7	
	Sales	16.9	19.6	18.7	19.7	75.0	16.6	17.7	16.6	17.2	68.1	16.9	20.0	18.3	19.0	74.2	75.2	-1.0	
FeNi (Ni content)	Production	3.5	2.8	3.7	3.0	13.0	3.5	2.7	3.8	2.9	12.9	3.6	2.9	4.0	3.1	13.6	13.6	0.0	
	Sales	3.3	3.6	2.9	3.2	13.0	3.3	3.0	3.3	2.8	12.4	2.9	3.5	3.6	3.7	13.7	14.0	-0.3	
<b>【Smelting &amp; Refining overseas】 (kt)</b>																			
CBNC MS (Ni content)	Production	4.4	5.6	4.8	6.1	20.9	4.7	6.0	5.4	5.6	21.7	4.6	5.3	4.0	5.7	19.6	20.7	-1.1	
	Sales	4.8	5.7	4.4	6.4	21.3	4.4	6.2	5.1	5.8	21.5	4.9	5.0	4.0	5.7	19.6	19.4	0.2	
THPAL MS (Ni content)	Production	9.5	7.0	6.2	6.2	28.9	7.5	5.4	7.5	7.0	27.4	9.1	6.8	8.5	7.8	32.2	33.9	-1.7	
	Sales	7.9	8.6	6.2	5.8	28.5	7.8	5.4	6.4	8.4	28.0	7.6	7.0	8.9	9.0	32.5	30.9	1.6	
PT Vale Matte (Ni content)	Production	17.2	20.1	20.1	19.4	76.8	17.1	18.9	18.2	20.8	75.0	13.1	17.6	19.9	20.1	70.7	70.7	0.0	
	Sales	17.5	19.6	20.6	19.9	77.6	17.2	18.8	18.6	21.3	75.9	13.9	16.9	20.1	20.8	71.7	71.7	0.0	



## Sensitivity

JPY100M / Year

	Change	Profit Up · Down of FY2019 Profit before tax
Cu	±100 \$/t	27
Ni	±10 ¢/lb	16
Au	±10 \$/toz	2
¥/\$	±1 ¥/\$	11

(Note. 1) USD/JPY translation including TC/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	
	FY2016	FY2017
Net assets	16,850	16,990
Shareholder's equity	9,617	10,364
Shareholder's Equity Ratio	57.1%	61.0%

IFRS			
FY2017	FY2018	2019/3Q	18 3-Yr 2021
17,323	17,977	17,525	20,900
10,294	10,476	10,110	12,660
59.4%	58.3%	57.7%	60.6%

## 【D/E Ratio】

JPY100M

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

IFRS			
FY2017	FY2018	2019/3Q	18 3-Yr 2021
3,618	3,498	3,710	4,700
10,294	10,476	10,110	12,660
0.35	0.33	0.37	0.37

## 【Dividend payout ratio】

JPY100M

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

IFRS			
FY2017	FY2018	FY2019(F)	18 3-Yr 2021
100.0	73.0	68.0	-
(327.26)	243.06	192.88	-
(30.6%)	30.0%	35.3%	35%+

## 【Cash Flows】

JPY100M

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

IFRS			
FY2017	FY2018	2019/3Q	18 3-Yr Total
1,729	1,373	813	600
786	1,147	778	3,800
-228	-1,424	-600	-4,900
558	-277	178	-1,100
-898	-290	135	1,200
-340	-567	313	100
-16	7	-14	0
1,373	813	1,112	700

## Consolidated companies (58\*) / Equity-method affiliated companies (16)

as of December 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
SMM 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
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 Salade 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
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
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

	FY2017 (J-GAAP)					FY2017 (IFRS)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net sales	2,145	2,276	2,437	2,477	9,335	2,114	2,289	2,447	2,447	9,297
Gross profit						355	339	451	345	1,490
Operating income	218	229	337	318	1,102					
Recurring profit①	300	163	447	339	1,249					
Profit before tax②						323	159	438	163	1,083
Net income	221	130	299	266	916	233	74	291	304	902
Cu (\$/t)	5,663	6,347	6,808	6,959	6,444	5,663	6,347	6,808	6,959	6,444
Ni (\$/lb)	4.20	4.77	5.25	6.03	5.06	4.20	4.77	5.25	6.03	5.06
Au (\$/toz)	1,257	1,278	1,276	1,330	1,285	1,257	1,278	1,276	1,330	1,285
Co (\$/lb)	25.15	28.15	30.93	38.32	30.64	25.15	28.15	30.93	38.32	30.64
Exchange (¥/\$)	111.11	111.05	112.98	108.31	110.86	111.11	111.05	112.98	108.31	110.86
<b>Inventory impairment</b>										
(Smelting) Impairment	-2	-13	+20	-13	-8	-5	+4	+5	-13	-9
(Smelting) QP Diff etc.	-11	-31	+10	-49	-81	-8	-30	+12	-28	-54
(Smelting) Total	-13	-44	+30	-62	-89	-13	-26	+17	-41	-63
(Materials & others)	0	-27	+28	-9	-8	0	-27	+28	-7	-6
③Total	-13	-71	+58	-71	-97	-13	-53	+45	-48	-69
①-③	313	234	389	410	1,346					
②-③						336	212	393	211	1,152

	FY2018 (IFRS)					FY2019 (IFRS)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q (F)	Total (F)
Net sales	2,420	2,247	2,368	2,087	9,122	2,070	2,154	2,224	2,312	8,760
Gross profit	401	326	325	214	1,266	230	318	323	229	1,100
Profit before tax①	379	353	135	27	894	179	185	311	15	690
Net income	289	292	88	-1	668	143	151	221	15	530
Cu (\$/t)	6,872	6,103	6,168	6,220	6,341	6,114	5,798	5,888	6,000	5,950
Ni (\$/lb)	6.56	6.01	5.20	5.47	5.85	5.56	7.08	6.97	6.00	6.41
Au (\$/TOZ)	1,307	1,213	1,228	1,304	1,263	1,310	1,474	1,481	1,450	1,429
Co (\$/lb)	42.45	34.65	31.69	17.77	31.64	15.22	14.82	16.56	15.00	15.40
Exchange (¥/\$)	109.08	111.47	112.91	110.21	110.92	109.91	107.35	108.77	108.00	108.51
<b>Inventory impairment</b>										
(Smelting) Impairment	+11	-5	-10	+16	+12	-14	+11	-7	+11	+1
(Smelting) QP Diff etc.	-23	+3	-8	-51	-79	-12	-14	+37	-43	-32
(Smelting) Total	-12	-2	-18	-35	-67	-26	-3	+30	-32	-31
(Materials & others)	-2	0	+5	-16	-13	+4	+8	+1	+4	+17
②Total	-14	-2	-13	-51	-80	-22	+5	+31	-28	-14
①-②	393	355	148	78	974	201	180	280	43	704

## 【Reference】

### Profit by business segments (Operating income / Profit before tax / Gross profit)

JPY100M

		Results (J-GAAP)			
		2014	2015	2016	2017
Operating income	Mineral Resources	432	338	390	526
	Smelting & Refining	718	228	282	465
	Materials	82	29	79	114
	Others	10	0	12	10
Diff. Adjustment		16	2	1	-13
<b>Operating income in Total</b>		<b>1,258</b>	<b>597</b>	<b>764</b>	<b>1,102</b>

JPY100M

		Results (IFRS)		
		2017	2018	2019(F)
Gross Profit (loss)	Mineral Resources	657	519	400
	Smelting & Refining	603	541	530
	Materials	203	271	210
	Others	18	15	20
Diff. Adjustment		9	-80	-60
<b>Gross Profit in Total</b>		<b>1,490</b>	<b>1,266</b>	<b>1,100</b>

JPY100M

		FY2018 (IFRS)					FY2019 (IFRS)				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q(F)	Total (F)
Gross Profit (loss)	Mineral Resources	158	146	107	108	519	96	97	89	118	400
	Smelting & Refining	189	125	121	106	541	87	159	177	107	530
	Materials	99	81	80	11	271	47	57	63	43	210
	Others	5	2	4	4	15	3	5	5	7	20
Diff. Adjustment		-50	-28	13	-15	-80	-3	0	-11	-46	-60
<b>Gross Profit in Total</b>		<b>401</b>	<b>326</b>	<b>325</b>	<b>214</b>	<b>1,266</b>	<b>230</b>	<b>318</b>	<b>323</b>	<b>229</b>	<b>1,100</b>

JPY100M

		FY2018 (IFRS)					FY2019 (IFRS)				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q(F)	Total (F)
Segment Profit (loss)	Mineral Resources	152	220	-45	38	365	119	46	40	45	250
	Smelting & Refining	163	95	105	46	409	57	120	236	67	480
	Materials	66	48	44	-20	138	7	21	29	-7	50
	Others	-1	-6	-3	-10	-20	0	1	1	-12	-10
Diff. Adjustment		-1	-4	34	-27	2	-4	-3	5	-78	-80
<b>Profit before tax in total</b>		<b>379</b>	<b>353</b>	<b>135</b>	<b>27</b>	<b>894</b>	<b>179</b>	<b>185</b>	<b>311</b>	<b>15</b>	<b>690</b>

### Equity in earnings of affiliated companies

JPY100M

		FY2018					FY2019				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q (F)	Total (F)
Cu	Cerro Verde	30	45	-63	15	27	41	20	14	25	100
	Candelaria/Ojos	9	9	4	-5	17	8	4	7	1	20
	Sierra Gorda	-21	-39	-65	-60	-185	-14	-32	-35	-39	-120
	Acids/Jinlong/MSMMBC	8	7	8	9	32	8	2	7	-2	15
	Total	26	22	-116	-41	-109	43	-6	-7	-15	15
Ni	PT Vale Indonesia/ Figesbal/NAC	2	10	18	-2	28	-4	1	13	25	35
NECC/NK/MSZ/others		8	9	9	6	32	9	2	4	-40	-25
<b>Total</b>		<b>36</b>	<b>41</b>	<b>-89</b>	<b>-37</b>	<b>-49</b>	<b>48</b>	<b>-3</b>	<b>10</b>	<b>-30</b>	<b>25</b>

JPY100M

		Results					
		(J-GAAP)			(IFRS)		
		2015	2016	2017	2017	2018	2019 (F)
Cu	Cerro Verde	4	69	73	79	27	100
	Candelaria/Ojos	33	25	80	80	17	20
	Sierra Gorda	-827	-1,033	-126	-127	-185	-120
	Acids/Jinlong/MSMMBC	-2	26	39	39	32	15
	Total	-792	-913	66	71	-109	15
Ni	PT Vale Indonesia/ Figesbal/NAC total	31	17	16	21	28	35
NECC/NK/MSZ/others		29	36	32	31	32	-25
<b>Total</b>		<b>-732</b>	<b>-860</b>	<b>114</b>	<b>123</b>	<b>-49</b>	<b>25</b>