

# Supplementary Explanation for Financial Summary

## 3rd Quarter FY2022 【IFRS】

February 8th, 2023



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## Comparison

### FY2022/1-3Q Result vs FY2021/1-3Q Result

JPY 100M

	22/1-3Q ①Result	21/1-3Q ②Result	Diff. ①-②
Net sales	10,757	9,225	+1,532
Gross profit	2,262	1,809	+453
Profit before tax	2,186	1,954	+232
Net income *1	1,528	1,701	-173
(Inventory evaluation P&L)	456	80	+376
(Other exchange gain / loss *2)	201	23	+178
Cu (\$/t)	8,425	9,593	-1,168
Ni (\$/lb)	11.56	8.51	+3.05
Au (\$/toz)	1,777	1,800	-23
Co (\$/lb)	28.64	24.78	+3.86
Exchange (¥/\$)	136.52	111.11	+25.41

Exchange	22/12E	22/9E	22/6E	22/3E	21/12E
(¥/\$)	132.71	144.81	136.64	122.41	115.01

#### [Diff of FY2022/1-3Q Result vs FY2021/1-3Q Result ①-②]

《Profit before tax +232》

Metal Price/Exchange +711 (Metal Price +24 (Cu -165, Ni +220, Co -19, Au -8 etc.)、Exchange +265、Inventory evaluation +422)、Quantity -38、Cost@ -381、Profit of Sierra Gorda (of FY2021) -82、Interest received -49、SG&A expenses (Mainly Transportation costs, etc.) -15、Other exchange gain / loss +178、Others -92

### New and Old Forecast of FY2022 (in Feb. vs in Nov.)

#### / FY2022 2H Forecast (in Feb.) vs 1H Result

JPY 100M

	FY2022						Diff. ⑤-⑥	Diff. ④-①
	1H Result ①	3Q Result ②	4Q Forecast in Feb. ③	2H Forecast in Feb. ④	FY2022 Forecast in Feb. ⑤	FY2022 Forecast in Nov. ⑥		
Net sales	7,106	3,651	3,293	6,944	14,050	13,770	+280	-162
Gross profit	1,688	574	268	842	2,530	2,370	+160	-846
Profit before tax	1,691	495	94	589	2,280	2,010	+270	-1,102
Net income *1	1,191	337	52	389	1,580	1,370	+210	-802
(Inventory evaluation P&L)	380	76	-95	-19	361	412	-51	-399
(Other exchange gain / loss *2)	178	23	4	27	205	182	+23	-151
Cu (\$/t)	8,634	8,006	7,800	7,903	8,269	8,067	+202	-731
Ni (\$/lb)	11.59	11.50	11.00	11.25	11.42	10.55	+0.87	-0.34
Au (\$/toz)	1,801	1,729	1,750	1,739	1,770	1,713	+57	-62
Co (\$/lb)	31.79	22.33	18.00	20.17	25.98	26.90	-0.92	-11.63
Exchange (¥/\$)	133.98	141.60	135.00	138.30	136.14	136.99	-0.85	+4.32

#### [Diff. of FY2022 Forecast in feb. vs Forecast in Nov. ⑤ - ⑥]

《Profit before tax +270》

Metal Price/Exchange +205 (Metal Price +232 (Cu +128, Ni +118, Co -21, Au +9 etc.)、Exchange +5、Inventory evaluation -32)、Quantity -24、Cost@ -50、Materials Business +50、Other exchange gain / loss +23、Others +66

#### [Diff. of FY2022 2H Forecast in feb. vs 1H Result ④-①]

《Profit before tax -1,102》

Metal Price/Exchange -465 (Metal Price -159 (Cu -183, Ni +77, Co -40, Au -10 etc.)、Exchange +136、Inventory evaluation -442)、Quantity -15、Cost@ -94、Materials Business -184、Byproducts -72、Interest Paid -36、Other exchange gain / loss -151、Others -85

\*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)		
	FY2020	FY2021	FY2022	FY2020	FY2021	FY2022	FY2020	FY2021	FY2022
Apr	5,048	9,336	10,183	229	423	462	5.33	7.48	15.10
May	5,234	10,184	9,363	237	462	425	5.50	7.99	12.68
Jun	5,742	9,612	9,033	260	436	410	5.76	8.14	11.72
<b>1QAve.</b>	<b>5,341</b>	<b>9,711</b>	<b>9,526</b>	<b>242</b>	<b>440</b>	<b>432</b>	<b>5.53</b>	<b>7.87</b>	<b>13.17</b>
Jul	6,354	9,434	7,530	288	428	342	6.05	8.54	9.74
Aug	6,497	9,357	7,961	295	424	361	6.57	8.69	9.98
Sep	6,712	9,324	7,735	304	423	351	6.74	8.80	10.29
<b>2QAve.</b>	<b>6,521</b>	<b>9,372</b>	<b>7,742</b>	<b>296</b>	<b>425</b>	<b>351</b>	<b>6.45</b>	<b>8.68</b>	<b>10.00</b>
Oct	6,703	9,779	7,621	304	444	346	6.90	8.81	9.95
Nov	7,063	9,765	8,030	320	443	364	7.16	9.06	11.46
Dec	7,755	9,550	8,367	352	433	380	7.62	9.10	13.09
<b>3QAve.</b>	<b>7,174</b>	<b>9,698</b>	<b>8,006</b>	<b>325</b>	<b>440</b>	<b>363</b>	<b>7.23</b>	<b>8.99</b>	<b>11.50</b>
Jan	7,971	9,776		362	443		8.10	10.13	
Feb	8,460	9,941		384	451		8.42	10.97	
Mar	9,005	10,238		408	464		7.47	14.45	
<b>4QAve.</b>	<b>8,479</b>	<b>9,985</b>		<b>385</b>	<b>453</b>		<b>8.00</b>	<b>11.85</b>	
<b>FY Ave.</b>	<b>6,879</b>	<b>9,691</b>		<b>312</b>	<b>440</b>		<b>6.80</b>	<b>9.35</b>	
<b>Jan-Dec Ave.</b>	<b>6,169</b>	<b>9,315</b>	<b>8,815</b>	<b>280</b>	<b>423</b>	<b>400</b>	<b>6.25</b>	<b>8.38</b>	<b>11.63</b>
Jan.-Mar.(FCST in Feb.)			<b>7,800</b>			<b>354</b>			<b>11.00</b>
FY2022(FCST in Feb.)			<b>8,269</b>			<b>375</b>			<b>11.42</b>
FY2022(FCST in Nov.)			<b>8,067</b>			<b>366</b>			<b>10.55</b>

	Cobalt (\$/lb)(Standard-Low)			Gold (\$/toz)			Exchange (¥/US\$)		
	FY2020	FY2021	FY2022	FY2020	FY2021	FY2022	FY2020	FY2021	FY2022
Apr	15.55	21.48	39.40	1,681	1,760	1,934	107.96	109.15	125.98
May	14.91	20.03	39.42	1,716	1,850	1,850	107.35	109.20	128.82
Jun	14.45	20.50	34.70	1,733	1,835	1,835	107.56	110.14	133.93
<b>1QAve.</b>	<b>14.97</b>	<b>20.67</b>	<b>37.84</b>	<b>1,710</b>	<b>1,815</b>	<b>1,873</b>	<b>107.62</b>	<b>109.50</b>	<b>129.58</b>
Jul	13.82	24.20	27.90	1,842	1,807	1,738	106.84	110.31	136.79
Aug	14.97	23.97	24.01	1,970	1,784	1,766	106.05	109.85	135.27
Sep	15.36	24.40	25.34	1,923	1,779	1,684	105.77	110.18	143.11
<b>2QAve.</b>	<b>14.72</b>	<b>24.19</b>	<b>25.75</b>	<b>1,912</b>	<b>1,790</b>	<b>1,729</b>	<b>106.22</b>	<b>110.11</b>	<b>138.39</b>
Oct	15.56	26.50	25.30	1,901	1,776	1,665	105.27	113.12	147.20
Nov	15.51	29.13	22.08	1,866	1,820	1,726	104.42	114.15	142.49
Dec	15.45	32.79	19.60	1,855	1,788	1,796	103.85	113.89	135.11
<b>3QAve.</b>	<b>15.50</b>	<b>29.47</b>	<b>22.33</b>	<b>1,874</b>	<b>1,795</b>	<b>1,729</b>	<b>104.51</b>	<b>113.72</b>	<b>141.60</b>
Jan	17.31	34.01		1,868	1,817		103.70	114.86	
Feb	22.38	34.70		1,811	1,857		105.38	115.23	
Mar	24.17	37.84		1,720	1,948		108.64	118.54	
<b>4QAve.</b>	<b>21.29</b>	<b>35.51</b>		<b>1,800</b>	<b>1,874</b>		<b>105.91</b>	<b>116.21</b>	
<b>FY Ave.</b>	<b>16.62</b>	<b>27.46</b>		<b>1,824</b>	<b>1,818</b>		<b>106.07</b>	<b>112.39</b>	
<b>Jan-Dec Ave.</b>	<b>15.40</b>	<b>23.90</b>	<b>30.36</b>	<b>1,770</b>	<b>1,800</b>	<b>1,801</b>	<b>106.82</b>	<b>109.81</b>	<b>131.44</b>
Jan.-Mar.(FCST in Feb.)			<b>18.00</b>			<b>1,750</b>			<b>135.00</b>
FY2022(FCST in Feb.)			<b>25.98</b>			<b>1,770</b>			<b>136.14</b>
FY2022(FCST in Nov.)			<b>26.90</b>			<b>1,713</b>			<b>136.99</b>

LME Price		22/1Q		22/2Q		22/3Q		22/4Q(F)
E-Ni applied	Mar-May	14.08	Jun-Aug	10.48	Sep-Nov	10.57	Dec-Feb	11.70
Fe-Ni applied	Jan-Mar	11.85	Apr-Jun	13.17	Jul-Sep	10.00	Oct-Dec	11.50

Exchange		22/1Q		22/2Q		22/3Q		22/4Q(F)
E-Ni applied	Mar-May	124.45	Jun-Aug	135.33	Sep-Nov	144.27	Dec-Feb	135.04
Fe-Ni applied	Jan-Mar	116.21	Apr-Jun	129.58	Jul-Sep	138.39	Oct-Dec	141.60

## Comparison

### (2022/1-3Q Result vs 2021/1-3Q Result)

JPY100M				JPY100M			
Gross Profit				Segment Profit (loss)			
	22/1-3Q	21/1-3Q	Diff.		22/1-3Q	21/1-3Q	Diff.
Mineral Resources	557	677	-120	Mineral Resources	571	965	-394
Smelting & Refining	1,338	817	+521	Smelting & Refining	1,180	751	+429
Materials	356	318	+38	Materials	203	203	0
Others	14	18	-4	Others	-12	6	-18
Diff. Adjustment	-3	-21	+18	Diff. Adjustment	244	29	+215
<b>Gross Profit</b>	<b>2,262</b>	<b>1,809</b>	<b>+453</b>	<b>Gross Profit</b>	<b>2,186</b>	<b>1,954</b>	<b>+232</b>

### <<Explanation of Diff.>>

#### 1. Mineral Resources

JPY100M

	Diff.	Quantity	Price	Exchange	Cost@	Others
Hishikari (Au)	-41	-69	-4	+52	-15	-5
Morenci / NP (Cu)	-72	+6	-31	+53	-104	+4
Others	-7					
<b>Total</b>	<b>-120</b>					

Au Sales (t)	2022/1-3Q	2021/1-3Q	Diff.
Hishikari (Au)	3.4	4.7	-1.3

#### 2. Smelting & Refining

JPY100M

	Diff.	Quantity	Price	Cost@	Inventory	Others
Copper	+274	+12	-4	-66	+322	+10
Nickel	+159	-13	+201	-194	+100	+65
Others*	+88				0	+88
<b>Total</b>	<b>+521</b>	<b>-1</b>	<b>+197</b>	<b>-260</b>	<b>+422</b>	<b>+163</b>

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

·Inventory evaluation P&L

	Total	Cu	Ni	Others
2022/1-3Q	498	362	136	0
2021/1-3Q	76	40	36	0

## Comparison

(2022/1-3Q Result vs 2021/1-3Q Result)

### 3. Materials (Net sales)

JPY100M

	22/1-3Q	21/1-3Q	Diff.
Battery Materials (NCA, NMC, Nickel Hydroxide, etc.)	1,490	964	+526
Applied Powder Materials (Thick Film, Thin Film, Magnet, Alloy, Ink, etc. )	314	398	-84
Package Materials (CuPI, PWB, etc.)	150	164	-14
Crystal Material, Construction Materials, Connector, Others	462	511	-49
<b>Total</b>	<b>2,416</b>	<b>2,037</b>	<b>+379</b>

## Equity in earnings of affiliated companies

JPY100M

		22/1-3Q	21/1-3Q	Diff.
Cu	Cerro Verde	170	186	-16
	Candelaria/Ojos	49	57	-8
	Sierra Gorda	-	82	-82
	Acids/Jinlong/MSMMBC	34	45	-11
	<b>Total</b>	<b>253</b>	<b>370</b>	<b>-117</b>
Ni	Figesbal/NAC	43	37	+6
	NECC/NK/MSZ/others	-48	3	-51
<b>Total</b>		<b>248</b>	<b>410</b>	<b>-162</b>
Segment	Mineral Resources	140	312	-172
	Smelting & Refining	78	82	-4
	Materials/Others	30	16	+14
<b>Total</b>		<b>248</b>	<b>410</b>	<b>-162</b>

Sierra Gorda is excluded from 21/3Q

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

(amount displayed in profit and loss)

JPY100M

	22/1-3Q	21/1-3Q	Diff.
Finance income/cost (exchange gain/loss from valuation of financial assets and liabilities)	202	41	+161
Other income/cost (exchange gain/loss from settlement of other assets and liabilities)	-1	-18	+17

## Comparison

### (FY2022 Forecast in Feb. vs Forecast in Nov.)

JPY100M				JPY100M			
Gross Profit				Segment Profit (loss)			
	FY2022 FCST in Feb.	FY2022 FCST in Nov.	Diff.		FY2022 FCST in Feb.	FY2022 FCST in Nov.	Diff.
Mineral Resources	740	680	+60	Mineral Resources	770	670	+100
Smelting & Refining	1,470	1,440	+30	Smelting & Refining	1,230	1,170	+60
Materials	380	350	+30	Materials	170	120	+50
Others	20	20	0	Others	-40	-40	0
Diff. Adjustment	-80	-120	+40	Diff. Adjustment	150	90	+60
<b>Gross Profit</b>	<b>2,530</b>	<b>2,370</b>	<b>+160</b>	<b>Profit before tax</b>	<b>2,280</b>	<b>2,010</b>	<b>+270</b>

### <<Explanation of Diff.>>

#### 1. Mineral Resources

JPY100M

	Diff.	Quantity	Price	Exchange	Cost@	Others
Hishikari (Au)	+8	0	+9	-1	-1	+1
Morenci / NP (Cu)	+49	-20	+38	+1	+23	+7
Others	+3					
<b>Total</b>	<b>+60</b>					

Au Sales (t)	FCST in Feb.	FCST in Nov.	Diff.
Hishikari (Au)	4.4	4.4	0.0

#### 2. Smelting & Refining

JPY100M

	Diff.	Quantity	Price	Cost@	Inventory	Others
Copper	-54	-3	-2	-7	-44	+2
Nickel	+105	0	+97	-12	+13	+7
Others*	-21				-1	-20
<b>Total</b>	<b>+30</b>	<b>-3</b>	<b>+95</b>	<b>-19</b>	<b>-32</b>	<b>-11</b>

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

#### ·Inventory evaluation P&L

JPY100M

	Total	Cu	Ni	Others
FCST in Feb.	390	283	108	-1
FCST in Nov.	422	327	95	0

## Comparison

(FY2022 Forecast in Feb. vs Forecast in Nov.)

### 3. Materials (Net sales)

JPY100M

	FY2022 FCST in Feb.	FY2022 FCST in Nov.	Diff.
Battery Materials (NCA, NMC, Nickel Hydroxide, etc.)	2,000	1,930	+70
Applied Powder Materials (Thick Film, Thin Film, Magnet, Alloy, Ink, etc. )	400	410	-10
Package Materials (CuPI, PWB, etc.)	190	190	0
Crystal Material, Construction Materials, Connector, Others	600	620	-20
<b>Total</b>	<b>3,190</b>	<b>3,150</b>	<b>+40</b>

## Equity in earnings of affiliated companies

JPY100M

		FY2022 FCST in Feb.	FY2022 FCST in Nov.	Diff.
Cu	Cerro Verde	255	220	+35
	Candelaria/Ojos	35	45	-10
	Acids/Jinlong/MSMMBC	40	35	+5
	<b>Total</b>	<b>330</b>	<b>300</b>	<b>+30</b>
Ni	Figesbal/NAC	50	30	+20
	NECC/NK/MSZ/others	-55	-65	+10
<b>Total</b>		<b>325</b>	<b>265</b>	<b>+60</b>
Segment	Mineral Resources	220	180	+40
	Smelting & Refining	85	65	+20
	Materials/Others	20	20	0
<b>Total</b>		<b>325</b>	<b>265</b>	<b>+60</b>

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

(amount displayed in profit and loss)

JPY100M

	FY2022 FCST in Feb.	FY2022 FCST in Nov.	Diff.
Finance income/cost (exchange gain/loss from valuation of financial assets and liabilities)	224	273	-49
Other income/cost (exchange gain/loss from settlement of other assets and liabilities)	-19	-91	+72

**Production and sales trend of Mineral Resources / Smelting & Refining segment (100% base)**

		FY2020					FY2021							FY2022								
		Result					Result							Result				FCST in Feb.		FCST in Nov.	Diff.	
		1Q	2Q	3Q	4Q	Total	1Q	2Q	1H	3Q	4Q	2H	Total	1Q	2Q	1H	3Q	4Q	3QResult	Result	Result	①-②
												FCST	FCST	FCST	FCST	FCST	+4Q FCST	①	②			
<b>[Gold Mine] (t)</b>																						
Hishikari	Production	1.8	1.3	1.9	1.1	6.1	1.8	1.7	3.5	1.2	1.4	2.6	6.1	1.1	1.0	2.1	1.0	1.0	2.0	4.1	4.1	0.0
	Sales	1.9	1.2	1.9	1.0	6.0	1.9	1.8	3.7	1.0	1.3	2.3	6.0	1.4	1.0	2.4	1.0	1.0	2.0	4.4	4.4	0.0
<b>[Copper Mine] (kt)</b>																						
Morenci	Production	105	117	118	102	446	97	98	195	101	101	202	397	97	107	204	100	97	197	401	410	-9
	Sales	116	111	118	113	458	104	90	194	109	93	202	396	107	105	212	104	100	204	416	427	-11
Cerro Verde	Production	92	81	99	100	372	98	94	192	102	108	210	402	107	110	217	109	112	221	439	437	2
	Sales	95	80	98	102	375	96	86	182	113	107	220	402	104	113	217	104	109	213	430	434	-4
La Candelaria	Production	28	27	27	13	95	26	27	53	28	38	66	119	32	34	66	31	29	60	126	130	-4
	Sales	31	28	27	9	95	29	28	57	27	36	63	120	32	34	66	31	30	61	127	121	6
Ojos Del Salado	Production	7	7	8	6	28	7	8	15	7	6	13	28	6	6	12	4	4	8	20	23	-3
	Sales	7	7	8	6	28	7	8	15	7	6	13	28	6	6	12	4	4	8	20	22	-2
North Parkes	Production	9	9	8	8	34	7	8	15	7	7	14	29	6	8	14	7	7	14	28	29	-1
	Sales	6	11	7	10	34	6	5	11	8	10	18	29	5	7	12	5	11	16	28	29	-1
Sierra Gorda	Production	34	37	38	40	149	42	51	/	/	/	/	93	/	/	/	/	/	/	/	/	/
	Sales	27	42	34	45	148	39	49	/	/	/	/	89	/	/	/	/	/	/	/	/	/
<b>[Smelting &amp; Refining in Japan] (kt)</b> <span style="float:right">↑ Sierra Gorda is excluded from 21/3Q</span>																						
E-Cu	Production	106.1	112.9	112.6	111.0	442.6	104.9	102.2	207.1	105.3	106.4	211.7	418.8	111.0	112.2	223.2	112.4	111.3	223.8	447.0	447.5	-0.5
	Sales	108.7	110.1	118.9	105.3	443.0	103.3	108.7	212.0	103.6	106.1	209.7	421.7	110.8	113.4	224.2	113.2	96.8	210.0	434.2	442.4	-8.2
E-Ni	Production	13.3	15.2	12.5	14.9	55.9	13.4	13.2	26.6	13.6	12.3	25.9	52.5	12.9	12.5	25.4	12.0	16.0	28.0	53.4	52.1	1.3
	Sales	12.4	13.2	16.3	14.3	56.2	13.7	13.4	27.1	13.1	12.3	25.4	52.5	11.3	12.7	24.0	12.8	17.0	29.8	53.8	52.2	1.6
Nickel Sulfate (Product Qty)	Production	17.1	20.8	20.7	20.5	79.1	18.6	21.7	40.3	19.4	18.4	37.8	78.1	15.5	22.2	37.7	18.8	20.1	38.9	76.6	77.6	-1.0
	Sales	17.6	20.4	20.9	20.2	79.1	18.9	21.3	40.2	19.5	18.0	37.5	77.7	15.9	22.0	37.9	18.9	19.6	38.6	76.4	77.5	-1.0
FeNi (Ni content)	Production	3.2	2.7	4.2	2.9	13.0	2.6	3.4	6.0	3.7	2.6	6.3	12.3	3.2	0.9	4.0	3.9	3.0	6.9	10.9	11.1	-0.1
	Sales	3.2	3.5	4.0	2.7	13.4	2.7	3.2	5.9	3.2	2.6	5.8	11.7	2.8	2.1	4.9	2.9	3.4	6.3	11.2	11.1	0.1
<b>[Smelting &amp; Refining overseas] (kt)</b>																						
CBNC MS (Ni content)	Production	5.3	4.7	3.9	5.2	19.1	4.8	4.6	9.4	3.8	4.9	8.7	18.1	4.3	5.0	9.3	3.8	5.3	9.1	18.5	19.3	-0.8
	Sales	4.5	4.5	3.3	6.2	18.5	4.8	4.2	9.0	3.6	5.1	8.7	17.7	4.2	5.1	9.3	2.9	6.4	9.3	18.6	18.6	0.0
THPAL MS (Ni content)	Production	7.0	9.7	6.0	6.7	29.4	6.1	7.4	13.5	5.0	6.3	11.3	24.8	7.9	6.3	14.2	8.6	7.9	16.5	30.7	31.1	-0.4
	Sales	5.9	9.2	7.1	8.0	30.2	7.8	2.9	10.7	7.8	8.2	16.0	26.7	7.0	7.2	14.2	4.5	9.3	13.8	27.9	30.7	-2.8
PT Vale Matte (Ni content)	Production	17.6	18.7	/	/	36.3	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
	Sales	16.7	19.9	/	/	36.6	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
↑ PTVI is consolidated only until 20/2Q since it is excluded from equity earnings due to partial divestment.																						



## Sensitivity for FY2022 Forecast (in Feb.)

JPY100M / Year

	Change	Up / Down of Profit before tax for FY2022
Cu	±100 \$/t	26
Ni	±10 ¢ / l b	17
Au	±10 \$/TOZ	2
¥ / \$	± 1 ¥/\$	17

(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	FY2019	FY2020	FY2021	2022/3Q	21 3-Yr 2024
Net assets	17,197	18,860	22,688	26,800	24,600
Shareholder's equity	10,019	11,139	14,453	16,813	14,416
Shareholder's Equity Ratio	58.3%	59.1%	63.7%	62.7%	58.6%

## 【D/E Ratio】

JPY100M

End of FY	FY2019	FY2020	FY2021	2022/3Q	21 3-Yr 2024
Interest-bearing debt	3,679	3,307	3,014	3,675	5,000
Shareholder's equity	10,019	11,139	14,453	16,813	14,416
D/E ratio	0.37	0.30	0.21	0.22	0.35

## 【Dividend Payout Ratio】

JPY100M

	FY2019	FY2020	FY2021	FY2022 FCST in Feb.	21 3-Yr 2024
Dividend / share (JPY)	78.0	121.0	301.0	202.0	-
Net Income(loss) / share (JPY)	220.54	344.29	1,022.80	575.03	-
Dividend payout ratio	35.4%	35.1%	35.1% (※)	35.1%	35% or more in principle

\*The consolidated financial results for the year ended March 31, 2021 (FY2021) includes the profit on sale of all interest held in the Sierra Gorda Copper Mine in the Republic of Chile. However, the profit on sale of the Sierra Gorda includes an amount equal to a reversal of the allowance for bad debt for loans and other receivables for Sierra Gorda S.C.M., which was adjusted in the opening balance of retained earnings in FY2019 as a cumulative effect (Revised IAS 28 "Investments in Associates and Joint Ventures"), and this effect caused by the application of accounting procedures is omitted from the above dividend forecast calculation. Therefore, the profit attributable to owners of parent per share excluding the effect caused by the application of accounting procedures is to be ¥857.47.

For the details, please refer to the news titled "Revision of FY2021 (97th Term) Dividend Forecast" released on May 10, 2022.

## 【キャッシュフロー】

JPY100M

	FY2019	FY2020	FY2021	2022/3Q	21-3Yr Total
Cash and cash equivalents at beginning of period	813	1,555	1,584	2,140	-
Net cash provided by (used in) operating activities	1,365	915	1,595	748	4,500
Net cash provided by (used in) investing activities	-703	-324	98	-856	-6,000
Free cash flows	662	591	1,693	-108	-1,500
Net cash provided by (used in) financing activities	91	-558	-1,296	-181	-
Net increase (decrease) in cash and cash equivalents	753	33	397	-288	-
Net increase (decrease) in cash and cash equivalents resulting from reclassification of assets held for sale	0	0	0	0	-
Effect of exchange rate change on cash and cash equivalents	-11	-4	159	247	-
Cash and cash equivalents at end of period	1,555	1,584	2,140	2,099	-

## Consolidated companies (52\*) / Equity-method affiliated companies (13)

as of December 31, 2022

### 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
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
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
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	84.375	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
<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
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.	
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>				
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.	100	Japan	Mar.	Design, manufacture, and sale of printed circuit boards
Shinko Trading (Zhong Shan) Co.,Ltd	100	China	Dec.	Sales of printed circuit boards
Ohkuchi Materials Co., Ltd.	95	Japan	Mar.	Manufacture of leadframes
Taiwan Sumiko Materials Co., Ltd	100	Taiwan	Mar.	Manufacture of thin film materials
Sumiko Kunitomi Electronics 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 Co., Ltd.	51	Japan	Mar.	Manufacture and sales of rare earth iron garnet (RIG)
Granopt Optics Trading (Shenzhen) Co., Ltd	51	China	Dec.	Sales of rare earth iron garnet (RIG)
SICOXS CORPORATION	100	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.	Sales 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
SMM Vietnam Co.,Ltd.	100	Vietnam	Dec.	Manufacture and sale of cathode materials for lithium-ion batteries
<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

	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
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
Tohoku property Co., Ltd.	100	Japan	Mar.	Real estate management
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

## 【Reference】

### Quarterly Financial Results

JPY100M

	FY2020					FY2021				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net sales	1,908	2,159	2,485	2,709	9,261	2,943	3,036	3,246	3,366	12,591
Gross profit	187	375	440	507	1,509	556	591	662	769	2,578
Profit before tax①	35	224	387	588	1,234	599	618	737	1,620	3,574
Net income	2	173	279	492	946	431	707	563	1,109	2,810
Cu (\$/t)	5,341	6,521	7,174	8,479	6,879	9,711	9,372	9,698	9,985	9,691
Ni (\$/lb)	5.53	6.46	7.23	7.99	6.80	7.87	8.68	8.99	11.85	9.35
Au (\$/TOZ)	1,710	1,912	1,874	1,800	1,824	1,815	1,790	1,795	1,874	1,818
Co (\$/lb)	14.97	14.72	15.50	21.29	16.62	20.67	24.19	29.47	35.51	27.46
Exchange (¥/\$)	107.62	106.22	104.51	105.91	106.07	109.50	110.12	113.72	116.21	112.39
<b>Inventory evaluation P&amp;L</b>										
(Smelting) lower of cost or net realizable value	+28	-1	-5	0	+22	-2	-16	+19	+2	+3
(Smelting) QP Diff etc.	-49	+16	-3	-10	-46	+36	+19	+20	+55	+130
(Smelting) Total	-21	+15	-8	-10	-24	+34	+3	+39	+57	+133
(Materials & others)	-10	+22	+3	+3	+18	0	+2	+2	+1	+5
②Total	-31	+37	-5	-7	-6	+34	+5	+41	+58	+138
①-②	66	187	392	595	1,240	565	613	696	1,562	3,436

	FY2022				
	1Q	2Q	3Q	4Q(F)	Total(F)
Net sales	3,577	3,529	3,651	3,293	14,050
Gross profit	945	743	574	268	2,530
Profit before tax①	1,040	651	495	94	2,280
Net income	765	426	337	52	1,580
Cu (\$/t)	9,526	7,742	8,006	7,800	8,269
Ni (\$/lb)	13.17	10.00	11.50	11.00	11.42
Au (\$/TOZ)	1,873	1,729	1,729	1,750	1,770
Co (\$/lb)	37.84	25.75	22.33	18.00	25.98
Exchange (¥/\$)	129.58	138.39	141.60	135.00	136.14
<b>Inventory evaluation P&amp;L</b>					
(Smelting) lower of cost or net realizable value	-35	+1	+10	-4	-28
(Smelting) QP Diff etc.	+313	+137	+72	-104	+418
(Smelting) Total	+278	+138	+82	-108	+390
(Materials & others)	-13	-23	-6	+13	-29
②Total	+265	+115	+76	-95	+361
①-②	775	536	419	189	1,919

(Note) Due to retrospective application in accordance with changes in accounting policies for non-free supplied materials, sales of FY2019/1Q to FY2020/3Q were modified from numbers disclosed in the past.

## 【Reference】

### Quarterly Financial Results

JPY100M

		FY2021					FY2022				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q(F)	Total(F)
Gross Profit	Mineral Resources	228	230	219	237	914	250	175	132	183	740
	Smelting & Refining	250	303	264	430	1,247	634	376	328	132	1,470
	Materials	103	105	110	107	425	128	149	79	24	380
	Others	6	5	7	6	24	4	5	5	6	20
Diff. Adjustment		-31	-52	62	-11	-32	-71	38	30	-77	-80
<b>Gross Profit in Total</b>		<b>556</b>	<b>591</b>	<b>662</b>	<b>769</b>	<b>2,578</b>	<b>945</b>	<b>743</b>	<b>574</b>	<b>268</b>	<b>2,530</b>

		FY2021					FY2022				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q(F)	Total(F)
Segment Profit (loss)	Mineral Resources	336	338	291	1,120	2,085	345	128	98	199	770
	Smelting & Refining	227	275	249	397	1,148	564	330	286	50	1,230
	Materials	67	63	73	73	276	96	81	26	-33	170
	Others	0	0	6	-15	-9	-9	-1	-2	-28	-40
Diff. Adjustment		-31	-58	118	45	74	44	113	87	-94	150
<b>Segment Profit in Total</b>		<b>599</b>	<b>618</b>	<b>737</b>	<b>1,620</b>	<b>3,574</b>	<b>1,040</b>	<b>651</b>	<b>495</b>	<b>94</b>	<b>2,280</b>

### Equity in earnings of affiliated companies

		FY2021					FY2022				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q(F)	Total(F)
C u	Cerro Verde	51	66	69	80	266	102	36	32	85	255
	Candelaria/Ojos	8	26	23	47	104	24	13	12	-14	35
	Sierra Gorda	29	32	21	-	82	-	-	-	-	-
	Acids/Jinlong/MSMMBC	13	12	20	13	58	13	12	9	6	40
	Total	101	136	133	140	510	139	61	53	77	330
N i	Figesbal/NAC	3	10	24	13	50	3	18	22	7	50
NECC/NK/MSZ/others		-	-6	9	12	15	-19	-5	-24	-7	-55
<b>Total</b>		<b>104</b>	<b>140</b>	<b>166</b>	<b>165</b>	<b>575</b>	<b>123</b>	<b>74</b>	<b>51</b>	<b>77</b>	<b>325</b>

↑ Sierra Gorda will be excluded since 21/3Q

【Côte Gold Project (Jan. 2023)】



【New Plant of Battery Materials in Japan (Under Construction)(Jan. 2023)】





**MINING THE FUTURE**