

Independent Assurance Report



Independent Assurance Report

To the President and Representative Director of Sumitomo Metal Mining Co., Ltd.

We were engaged by Sumitomo Metal Mining Co., Ltd. (the “Company”) to undertake a limited assurance engagement of the environmental, social and economic performance indicators marked with ☑ (the “Indicators”) for the period from April 1, 2021 to March 31, 2022 included in its ESG Data Book 2022 (the “ESG Data Book”) for the fiscal year ended March 31, 2022; the alignment of the Company’s policies to the International Council on Mining and Metals (“ICMM”)’s 10 Principles, the relevant Corporate-level Performance Expectations (CPEs) and the applicable mandatory requirements set out in ICMM position statements; the Company’s prioritization process for selecting assets for the validation of Asset-level Performance Expectations (APEs); the Company’s identification and prioritization of material issues and the Company’s approach and management of its material issues included in its Integrated Report 2022 (the “Report”).

The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”) as described in the ESG Data Book; reporting on the alignment of the Company’s policies to the ICMM’s 10 Principles, the relevant CPEs and the applicable mandatory requirements set out in ICMM position statements; reporting on the Company’s prioritization process for selecting assets for the validation of APEs; reporting on the Company’s identification and prioritization of material issues and reporting on the Company’s approach and management of its material issues.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Visiting the Company’s Toyo Smelter & Refinery selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.
- Assessing the alignment of the Company’s policies to the ICMM’s 10 Principles, the relevant CPEs and the applicable mandatory requirements set out in ICMM position statements through documentation reviews and interviews.
- Assessing the Company’s prioritization process for selecting assets for the validation of APEs through documentation reviews and interviews.
- Interviewing the Company’s responsible personnel and reviewing documents with respect to the Company’s process of identifying and prioritizing its material issues and its approach to and management of its material issues.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that:

- the Indicators in the ESG Data Book are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the ESG Data Book;
- the Company’s policies are not aligned to the ICMM’s 10 Principles and the applicable mandatory requirements set out in ICMM position statements as described on page 112 of the Report and page 24 of the ESG Data Book;
- the Company’s self-assessment of the relevant CPEs is not as described on page 112 of the Report;



- the Company’s prioritization process for selecting assets for the validation of APEs is not as described on page 112 of the Report;
- the Company has not identified and prioritized its material issues as described on page 10 of the Report and the Company has not approached and managed its material issues as described on pages 74 to 89 of the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Kazuhiko Saito, Partner, Representative Director
KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
November 7, 2022

Glossary

Term	Explanation	Pages
Copper concentrates	A raw material used in copper smelting, consisting of about 30% copper content with sulfur and iron as most of the remainder. Copper concentrates are produced mainly from sulfide ores. At present, ores extracted from overseas mines generally have a grade of about 1%. The ores are then "dressed" at the mine to enhance the grade and produce concentrate. The raw materials imported by copper smelting and refining plants in Japan are primarily copper concentrates.	1, 26, 28, 71, 90, 100
Coral Bay Nickel Corporation (CBNC)	The SMM Group's first HPAL plant. Located in the Province of Palawan in the Philippines, CBNC produces mixed nickel-cobalt sulfides (MS) using HPAL technology for export to the Group's Niihama Nickel Refinery and Harima Refinery.	2, 20, 41, 44, 55-57, 76, 80, 87, 96-99, 101, 111, 112-114
Electrolytic copper (electrolytic nickel and cobalt)	A high-purity copper material produced through electrolytic refining in a solution (electrolysis). At our Group's Toyo Smelter & Refinery, we dissolve copper concentrate in a flash furnace, pass it through a converter and a refining furnace, cast anodes in plate form, and produce electrolytic copper through electrolytic refining. Electrolytic nickel and electrolytic cobalt are also produced through electrolytic refining.	26, 38-39, 41, 44, 55-56, 94, 101
GRI	An acronym for Global Reporting Initiative. An organization that creates and promotes international guidelines and standards for sustainability reports. It issued its first guidelines in 2000, and has transitioned to issuing standards from 2016.	5, 10, 112
HPAL	An acronym for High Pressure Acid Leach. This technology enables the recovery of nickel from low-grade nickel oxide ores that had been conventionally difficult to process. The SMM Group was the first company in the world to apply it successfully on a commercial scale. HPAL causes low-grade nickel oxide ores to react stably with sulfuric acid under high-temperature and high-pressure conditions, to produce a high-grade nickel raw material.	1, 15, 21, 26, 30, 32-33, 38, 54-55, 57, 90
Human rights due diligence	An approach to human rights protection based on the United Nations Guiding Principles on Business and Human Rights approved by the United Nations Human Rights Council in 2011, this is a series of processes for performing preventive investigations to avoid and mitigate the negative effects that organizations have on human rights, and for taking appropriate corrective action based on the findings. The SMM Group built a system for human rights due diligence in FY2014 and has followed it since then.	9, 13, 102-103
Hydrometallurgical refining	A refining method in which metals and impurities are dissolved in a solution, and chemical reactions are used to separate them. The method is stable and enables continuous processing, but incurs the costs of chemical reagents.	67

Term	Explanation	Pages
ICMM	An acronym for International Council on Mining and Metals. This is an organization composed of worldwide metal and mining companies and related industry bodies. Its mission is "In collaboration with others, we will strengthen the social and environmental performance of the mining and metals industry and build recognition of its contribution to local communities and society at large."	10, 45, 91, 96, 105, 112
Internal carbon pricing (ICP)	A framework for encouraging investment that leads to decarbonization. Internal carbon pricing uniquely attaches prices to carbon emissions within a company, attaches monetary values to GHG emission reductions, and incorporates these into investment cost-effectiveness.	13, 16, 41, 45, 79
IoT	An acronym for "Internet of Things," referring to communication among objects via the Internet. Communication devices such as smartphones and PCs, and even items such as home appliances, are becoming connected to the Internet, creating expectations for a future society in which all things are connected to networks.	10, 68, 74, 76, 106
LT/LN	Lithium Tantalate (LT) and Lithium Niobate (LN). These are used in chips for information and communication terminal SAW filters.	21, 38, 60
Lithium Iron Phosphate (LFP)	LFP is a cathode material for lithium-ion batteries, like nickel-based cathode materials (NCA, NMC), which are battery materials. While nickel-based cathode materials are made from metals such as nickel, manganese, and cobalt, LFP is made from relatively inexpensive lithium, iron, and phosphorus. It is mainly produced in China.	15, 21, 33, 38, 60, 158
MCLE	An acronym for Matte Chlorine Leach Electrowinning. This is a manufacturing process adopted at the SMM Group's Niihama Nickel Refinery. Matte and mixed nickel-cobalt sulfides (MS) are dissolved in chlorine at high temperature, then electrolysis is used to produce high-purity nickel. MCLE is more competitive than other methods in terms of cost, but poses significant operational challenges, and only two other producers outside of SMM have commercialized it using similar technology.	20, 26
MLCC	An acronym for Multi-Layer Ceramic Capacitor. These are capacitors made of multiple layers of ceramic dielectric bodies for greater capacity. In addition to consumer applications, in recent years they are being used often in electric automobiles so demand is expected to increase. The nickel paste produced by our Group is used in the internal electrodes of MLCCs.	63, 65
MS	An acronym for Mixed Sulfides of nickel and cobalt. CBNC and THPAL produce a mixed nickel-cobalt sulfide intermediate containing about 55-60% nickel by weight. It is used as a raw material in the production of electrolytic nickel, nickel sulfate, and other products.	20, 55, 57
Matte	A term for metal sulfides. Niihama Nickel Refinery produces electrolytic nickel using nickel matte (of about 75-80% purity) sourced from P.T. Vale Indonesia.	20, 57, 100

Glossary

Term	Explanation	Pages
NCA	An acronym for a type of secondary battery cathode material composed primarily of N (nickel), C (cobalt), and A (aluminum).	59, 63
NMC	An acronym for a type of secondary battery cathode material composed primarily of N (nickel), M (manganese), and C (cobalt).	63
Nanban-buki	A smelting and refining method that uses lead to remove silver and impurities contained in crude copper. Developed by Soga Riemon around 1600. An alloy made by melting and rapidly cooling lead and crude copper containing silver is heated, and silver-containing lead, which melts out at a melting point below that of copper, is heated atop ash. The lead is absorbed by the ash and only the silver remains. This allows the collection of silver while obtaining high-purity refined copper.	18, 30
NiO (nickel oxide) for fuel cells	Fuel cells are a clean and highly efficient method for generating electricity and heat through the chemical reaction of hydrogen and oxygen. Plans for increased use of fuel cells in a wide range of applications, from homes to factories, are being formulated in countries around the world. Nickel oxide powder for fuel cells is used in the electrodes of solid oxide fuel cells (SOFC), which deliver the highest power generation efficiency.	74, 78
Nickel oxide ores (laterite ore)	While predominantly higher-grade sulfide ores are used in nickel refining, nickel oxide ores are more prevalent than nickel sulfides. High refining costs and technical issues have limited the use of oxide ores in nickel refining to date, but the SMM Group has succeeded in mass producing nickel from low-grade oxide ores based on HPAL technology.	1, 21, 25-26, 54, 57, 60, 100
OJT	An acronym for On-the-Job Training, this is a method of training for the acquisition of knowledge and skills through the performance of actual work in the workplace under the guidance of superiors or senior colleagues. Its aim is the fast acquisition of work execution capabilities.	26-27, 45, 52, 84
Off-JT	A method of training conducted away from the workplace or separate from normal work. Its aim is the acquisition of advanced work capabilities or other knowledge and skills not directly connected to normal work based on systematic knowledge and theory.	27, 84, 109
Pyrometallurgical smelting	A smelting method in which raw ore is melted in a high-temperature furnace and the metal is separated in the molten state. While it is possible to treat a large amount at one time, it requires periodic repair of heat-resistant equipment.	55, 67
SDGs	Listed in the 2030 Agenda for Sustainable Development and adopted at the UN Sustainable Development Summit in September 2015, the Sustainable Development Goals (SDGs) are a set of international goals for creating a sustainable and better world by 2030. They are composed of 17 goals and 169 targets, and pledge to "leave no one behind."	7-8, 10, 87, 105, 113

Term	Explanation	Pages
Secondary battery cathode materials	Materials used in the cathodes of batteries (secondary batteries) that can be charged and reused. The constituent components of secondary batteries break down roughly into cathode material, anode material, a separator, and electrolytic solution. The SMM Group produces the cathode materials used in electric and hybrid automobiles, as well as lithium-ion secondary battery cathode materials.	14, 21, 40, 60, 63, 65, 67
Smelting & Refining	This refers to the extraction of valuable metals from ore and other raw materials, and is mainly divided into pyrometallurgical smelting and hydrometallurgical refining. The SMM Group's Toyo Smelter & Refinery in Saijo, Ehime Prefecture uses pyrometallurgical smelting in its upstream processes (treatment processes), while Niihama Nickel Refinery in Niihama, Ehime Prefecture uses only hydrometallurgical refining throughout.	1-3, 9, 14, 17-20, 26-32, 38, 40-44, 46-47, 53-57, 64-67, 71-75, 77, 87, 89-90, 94, 97-100, 103, 111-112, 115-116, 120, 123-124, 138, 157
Sustainable procurement	Sustainable procurement ensures that there is no complicity in negative effects such as infringement on human rights, environmental destruction, or corruption in the procurement of parts, services, etc. It affirms that companies in the supply chain do not cause such negative effects, requests corrections when necessary, and enhances transparency in the supply chain.	9, 27, 33, 75, 89, 93, 102, 116-117, 134
TC/RC	An acronym for Treatment Charge and Refining Charge. These are costs that make up a part of the terms of purchase of metal raw materials (copper concentrate, nickel ore, etc.). As an example, (LME price at a given point in time) – (TC/RC used in the transaction) + (other terms) is used as the purchase price of copper concentrates.	53
TCFD	An acronym for the Task Force on Climate-related Financial Disclosures. Established by the Financial Stability Board (FSB) to examine the disclosure of climate-related information and how financial institutions should respond. It recommends the disclosure of information concerning governance, strategy, risk management, and metrics and targets concerning climate change-related risks and opportunities.	13, 92-93
Taganito HPAL Nickel Corporation (THPAL)	The SMM Group's second HPAL plant. Located in the Province of Surigao del Norte in the Philippines, THPAL produces mixed nickel-cobalt sulfides (MS) using HPAL technology for export to the Group's Niihama Nickel Refinery and Harima Refinery.	2, 21, 38, 41, 44, 54-57, 71, 76, 80, 90, 96, 98-99, 101, 111, 114-115
xEV	Electric vehicles. Types of electrification are diverse, differing by method of supplying electricity. Types include BEVs that carry batteries, plug-in hybrids (PHEVs), hybrids (HEVs/MHVs), and fuel cell electric vehicles (FCEVs/FCVs).	25, 158

Eleven-Year Financial Summary

SUMITOMO METAL MINING CO., LTD. AND CONSOLIDATED SUBSIDIARIES

IFRS					
Years ended March 31	2022	2021	2020	2019	2018
Results for the year:					
Net sales*3	¥1,259,091	¥ 926,122	¥ 851,946	¥ 912,208	¥ 929,746
Gross profit	257,794	150,876	109,471	126,637	149,015
Profit before tax	357,434	123,379	79,035	89,371	108,286
Profit attributable to owners of parent	281,037	94,604	60,600	66,790	90,227
Capital expenditures	64,539	35,059	50,689	47,445	74,675
Depreciation	46,455	45,729	45,355	43,541	46,762
Net cash provided by (used in) operating activities	159,489	91,522	136,545	114,744	78,552
Net cash provided by (used in) investing activities	9,796	(32,393)	(70,334)	(142,354)	(22,787)
Net cash provided by (used in) financing activities	(129,618)	(55,758)	9,149	(29,047)	(89,797)
Free cash flows	169,285	59,129	66,211	(27,610)	55,765
Financial position at year-end:					
Total assets	¥2,268,756	¥1,885,999	¥1,719,690	¥1,797,701	¥1,732,333
Equity	1,557,418	1,222,983	1,110,860	1,151,280	1,113,349
Non-current liabilities	326,547	337,694	402,520	388,943	378,438
Interest-bearing liabilities	301,355	330,678	367,882	349,798	361,775
Amounts per share (Yen)*2:					
Equity attributable to owners of parent per share	¥ 5,260	¥ 4,054	¥ 3,646	¥ 3,812	¥ 3,746
Basic earnings per share	1,023	344	221	243	327
Diluted earnings per share	1,023	344	221	243	295
Dividends	301	121	78	73	100
Key ratios:					
ROA (%)	13.5	5.3	3.5	3.8	5.2
ROE (%)	22.0	8.9	5.9	6.4	9.1
Equity ratio (%)	63.7	59.1	58.3	58.3	59.4
Interest-bearing liabilities to total asset ratio (%)	13.3	17.5	21.4	19.5	20.9
Debt-to-equity ratio (times)	0.21	0.30	0.37	0.33	0.35
Current ratio (times)	2.4	2.1	2.7	2.1	2.6

*1 Shareholders' equity is defined by the following equation.

Shareholders' equity = Total shareholders' equity + Accumulated other comprehensive income

*2 The Company consolidated its shares at a rate of one share for every two shares of its common stock with October 1, 2017 as the effective date.

*Amounts per share" is calculated on the assumption that the consolidation of its shares was conducted at the beginning of the current year at the beginning of the year ended March 31, 2018.

*3 Effective from the fiscal year ended March 31, 2021, the Company has changed its accounting policy for non-free supplied materials received from customers.

This change in accounting policy was applied retrospectively to the figure for the fiscal year ended March 31, 2020.

J-GAAP								Millions of yen (except per share amounts and key ratios)							
Years ended March 31	2018	2017	2016	2015	2014	2013	2012								
Results for the year:															
Net sales	¥ 933,517	¥ 786,146	¥ 855,407	¥ 921,334	¥ 830,546	¥ 808,540	¥ 847,897								
Gross profit	157,089	122,296	113,862	174,257	124,822	140,650	132,421								
Operating income	110,203	76,390	59,720	125,779	75,418	95,785	88,577								
Other income (expenses)	124,853	(1,565)	(12,764)	174,226	114,352	115,034	108,829								
Profit (loss) before income taxes	105,795	(5,999)	559	123,261	111,006	122,455	87,962								
Profit (loss) attributable to owners of parent	91,648	(18,540)	(309)	91,113	80,258	86,640	65,286								
Capital expenditures	74,589	125,950	51,013	55,232	66,441	59,291	73,143								
Depreciation	46,865	44,232	46,141	38,125	32,426	27,578	31,132								
Financial revenue (expenses)	10,804	10,546	8,927	6,250	3,530	(144)	663								
Net cash provided by (used in) operating activities	79,405	43,796	119,704	120,003	80,014	114,665	144,999								
Net cash provided by (used in) investing activities	(22,994)	(143,219)	(92,876)	(105,024)	(126,937)	(88,745)	(135,932)								
Net cash provided by (used in) financing activities	(90,095)	70,392	(4,003)	(39,047)	81	21,549	50,314								
Free cash flows	56,411	(99,423)	26,828	14,979	(46,923)	25,920	9,067								
Financial position at year-end:															
Total assets	¥1,699,037	¥1,685,018	¥1,630,800	¥1,740,246	¥1,572,367	¥1,351,153	¥1,146,759								
Net assets	1,120,008	1,024,121	1,075,995	1,158,945	1,019,053	844,547	726,039								
Long-term loans payable after one year	257,409	358,564	248,036	245,000	243,130	212,323	157,119								
Interest-bearing liabilities	362,297	495,504	400,559	394,094	383,580	330,073	265,951								
Working capital	369,668	382,810	313,812	307,436	314,198	338,866	312,542								
Amounts per share (Yen)*2:															
Net income (loss)															
—Basic	¥ 332.42	¥ (33.61)	¥ (0.56)	¥ 165.11	¥ 145.35	¥ 155.58	¥ 116.17								
—Diluted	299.94	—	—	149.44	129.71	142.40	106.84								
Shareholders' equity*1	3,771.69	1,743.46	1,781.91	1,905.50	1,653.83	1,393.02	1,173.97								
Cash dividends	100.0	11.0	31.0	48.0	37.0	34.0	28.0								
Key ratios:															
ROA (%)	5.42	(1.12)	(0.02)	5.50	5.49	6.94	5.94								
ROE (%)*1	9.17	(1.93)	(0.03)	9.28	9.54	12.13	10.12								
Equity ratio (%)*1	61.0	57.1	60.3	60.4	58.1	56.9	57.5								
Interest-bearing debt to total asset ratio (%)	21.3	29.4	24.6	22.6	24.4	24.4	23.2								
Debt-to-equity ratio (times)*1	0.35	0.52	0.41	0.37	0.42	0.43	0.40								
Current ratio (times)	2.70	2.82	2.39	2.29	2.40	2.60	2.67								

1 Consolidated Financial Statements

(1) Consolidated Financial Statements

1) Consolidated Statement of Financial Position

	Notes	FY2020	FY2021		Notes	FY2020	FY2021	
		(As of March 31, 2021)	(As of March 31, 2022)			(As of March 31, 2021)	(As of March 31, 2022)	
		Millions of yen	Millions of yen	Thousands of U.S. dollars		Millions of yen	Millions of yen	Thousands of U.S. dollars
Assets					Liabilities and equity			
Current assets					Liabilities			
Cash and cash equivalents	8	158,373	213,977	1,748,035	Current liabilities			
Trade and other receivables	9, 34	153,645	187,310	1,530,185	Trade and other payables	19, 34	151,128	206,013
Other financial assets	16, 34	3,995	49,342	403,088	Bonds and borrowings	20, 34	120,725	120,983
Inventories	10	323,229	420,136	3,432,203	Other financial liabilities	20, 21, 34	6,794	7,027
Other current assets	17	34,494	44,354	362,340	Income taxes payable		22,544	24,940
Total current assets		673,736	915,119	7,475,852	Provisions	22	4,952	6,101
Non-current assets					Other current liabilities	24	19,179	19,727
Property, plant and equipment	11	457,662	507,822	4,148,534	Total current liabilities		325,322	384,791
Intangible assets and goodwill	12	53,180	56,586	462,266	Non-current liabilities			
Investment property	14	3,477	3,477	28,405	Bonds and borrowings	20, 34	239,702	210,249
Investments accounted for using equity method	15	311,768	368,751	3,012,425	Other financial liabilities	20, 21, 34	11,499	9,579
Other financial assets	16, 34	354,465	387,507	3,165,648	Provisions	22	22,650	25,107
Deferred tax assets	18	8,693	1,645	13,438	Retirement benefit liability	23	5,851	5,310
Other non-current assets	17, 23	23,018	27,849	227,506	Deferred tax liabilities	18	57,041	75,631
Total non-current assets		1,212,263	1,353,637	11,058,222	Other non-current liabilities	24	951	671
Total assets	6	1,885,999	2,268,756	18,534,074	Total non-current liabilities		337,694	326,547
					Total liabilities		663,016	711,338
					Equity			
					Share capital	25	93,242	93,242
					Capital surplus	7, 25	87,604	90,213
					Treasury shares	25	(38,027)	(38,056)
					Other components of equity		25,148	124,304
					Retained earnings	25	945,956	1,175,626
					Total equity attributable to owners of parent		1,113,923	1,445,329
					Non-controlling interests		109,060	112,089
					Total equity		1,222,983	1,557,418
					Total liabilities and equity		1,885,999	2,268,756
								18,534,074

2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income
Consolidated Statement of Profit or Loss

	Notes	FY2020	FY2021	
		(From April 1, 2020 to March 31, 2021)	(From April 1, 2021 to March 31, 2022)	Thousands of U.S. dollars
		Millions of yen	Millions of yen	Thousands of U.S. dollars
Net sales	27	926,122	1,259,091	10,285,851
Cost of sales	28	(775,246)	(1,001,297)	(8,179,863)
Gross profit		150,876	257,794	2,105,988
Selling, general and administrative expenses	28	(46,297)	(52,711)	(430,610)
Finance income	29	22,955	31,884	260,469
Finance costs	29	(4,757)	(2,969)	(24,255)
Share of profit of investments accounted for using equity method	15	8,719	57,537	470,035
Other income	30	5,757	81,850	668,655
Other expenses	30	(13,874)	(15,951)	(130,308)
Profit before tax	6	123,379	357,434	2,919,974
Income tax expense	18	(24,670)	(58,903)	(481,194)
Profit		98,709	298,531	2,438,780
Profit attributable to:				
Owners of parent		94,604	281,037	2,295,866
Non-controlling interests		4,105	17,494	142,913
Profit		98,709	298,531	2,438,780
Earnings per share		Yen	Yen	U.S. dollars
Basic earnings per share	32	344.29	1,022.80	8.36
Diluted earnings per share	32	344.29	1,022.80	8.36

Consolidated Statement of Comprehensive Income

	Notes	FY2020	FY2021	
		(From April 1, 2020 to March 31, 2021)	(From April 1, 2021 to March 31, 2022)	Thousands of U.S. dollars
		Millions of yen	Millions of yen	Thousands of U.S. dollars
Profit		98,709	298,531	2,438,780
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Financial assets measured at fair value through other comprehensive income	31	44,921	39,748	324,712
Remeasurements of defined benefit plans	31	8,639	3,660	29,900
Share of other comprehensive income of investments accounted for using equity method	15, 31	304	137	1,119
Total of items that will not be reclassified to profit or loss		53,864	43,545	355,731
Items that will be reclassified to profit or loss:				
Cash flow hedges	31	(1,005)	1,167	9,534
Exchange differences on translation of foreign operations	31	(14,539)	46,922	383,318
Share of other comprehensive income of investments accounted for using equity method	15, 31	(7,080)	25,130	205,294
Total of items that will be reclassified to profit or loss		(22,624)	73,219	598,146
Other comprehensive income, net of tax		31,240	116,764	953,876
Comprehensive income		129,949	415,295	3,392,656
Comprehensive income attributable to:				
Owners of parent		128,758	387,078	3,162,144
Non-controlling interests		1,191	28,217	230,512
Comprehensive income		129,949	415,295	3,392,656

3) Consolidated Statement of Changes in Equity
FY2020 (From April 1, 2020 to March 31, 2021)

Notes	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
As of April 1, 2020	93,242	87,598	(38,002)	(26,376)	(916)	27,198
Profit	-	-	-	-	-	-
Other comprehensive income	-	-	-	(18,707)	(1,071)	44,946
Total comprehensive income	-	-	-	(18,707)	(1,071)	44,946
Purchase of treasury shares	-	-	(25)	-	-	-
Disposal of treasury shares	-	1	0	-	-	-
Dividends	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	5	-	-	-	-
Obtaining of control of subsidiaries	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	74
Transactions with owners - total	-	6	(25)	-	-	74
As of March 31, 2021	93,242	87,604	(38,027)	(45,083)	(1,987)	72,218

Notes	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Total	Retained earnings			
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
As of April 1, 2020	-	(94)	859,202	1,001,946	108,914	1,110,860
Profit	-	-	94,604	94,604	4,105	98,709
Other comprehensive income	8,986	34,154	-	34,154	(2,914)	31,240
Total comprehensive income	8,986	34,154	94,604	128,758	1,191	129,949
Purchase of treasury shares	-	-	-	(25)	-	(25)
Disposal of treasury shares	-	-	-	1	-	1
Dividends	-	-	(16,762)	(16,762)	(3,224)	(19,986)
Changes in ownership interest in subsidiaries	-	-	-	5	2,151	2,156
Obtaining of control of subsidiaries	-	-	-	-	28	28
Transfer to retained earnings	(8,986)	(8,912)	8,912	-	-	-
Transactions with owners - total	(8,986)	(8,912)	(7,850)	(16,781)	(1,045)	(17,826)
As of March 31, 2021	-	25,148	945,956	1,113,923	109,060	1,222,983

FY2021 (From April 1, 2021 to March 31, 2022)

Notes	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
As of April 1, 2021	93,242	87,604	(38,027)	(45,083)	(1,987)	72,218
Profit	-	-	-	-	-	-
Other comprehensive income	-	-	-	61,489	1,043	39,737
Total comprehensive income	-	-	-	61,489	1,043	39,737
Purchase of treasury shares	-	-	(29)	-	-	-
Disposal of treasury shares	-	0	0	-	-	-
Dividends	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	2,609	-	-	-	-
Loss of control of subsidiaries	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	(3,113)
Transactions with owners - total	-	2,609	(29)	-	-	(3,113)
As of March 31, 2022	93,242	90,213	(38,056)	16,406	(944)	108,842

Notes	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Total	Retained earnings			
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
As of April 1, 2021	-	25,148	945,956	1,113,923	109,060	1,222,983
Profit	-	-	281,037	281,037	17,494	298,531
Other comprehensive income	3,772	106,041	-	106,041	10,723	116,764
Total comprehensive income	3,772	106,041	281,037	387,078	28,217	415,295
Purchase of treasury shares	-	-	-	(29)	-	(29)
Disposal of treasury shares	-	-	-	0	-	0
Dividends	-	-	(58,252)	(58,252)	(12,053)	(70,305)
Changes in ownership interest in subsidiaries	-	-	-	2,609	(13,119)	(10,510)
Loss of control of subsidiaries	-	-	-	-	(16)	(16)
Transfer to retained earnings	(3,772)	(6,885)	6,885	-	-	-
Transactions with owners - total	(3,772)	(6,885)	(51,367)	(55,672)	(25,188)	(80,860)
As of March 31, 2022	-	124,304	1,175,626	1,445,329	112,089	1,557,418

Equity attributable to owners of parent						
Notes	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
As of April 1, 2021	761,719	715,660	(310,653)	(368,295)	(16,232)	589,968
Profit	-	-	-	-	-	-
Other comprehensive income	-	-	-	502,320	8,521	324,622
Total comprehensive income	-	-	-	502,320	8,521	324,622
Purchase of treasury shares	-	-	(237)	-	-	-
Disposal of treasury shares	-	0	0	-	-	-
Dividends	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	21,314	-	-	-	-
Loss of control of subsidiaries	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	(25,431)
Transactions with owners - total	-	21,314	(237)	-	-	(25,431)
As of March 31, 2022	761,719	736,974	(310,890)	134,025	(7,712)	889,159

Equity attributable to owners of parent						
Notes	Remeasurements of defined benefit plans		Retained earnings	Total	Non-controlling interests	Total equity
	Thousands of U.S. dollars	Thousands of U.S. dollars				
As of April 1, 2021	-	205,441	7,727,767	9,099,935	890,940	9,990,875
Profit	-	-	2,295,866	2,295,866	142,913	2,438,780
Other comprehensive income	30,814	866,277	-	866,277	87,599	953,876
Total comprehensive income	30,814	866,277	2,295,866	3,162,144	230,512	3,392,656
Purchase of treasury shares	-	-	-	(237)	-	(237)
Disposal of treasury shares	-	-	-	0	-	0
Dividends	-	-	(475,876)	(475,876)	(98,464)	(574,340)
Changes in ownership interest in subsidiaries	-	-	-	21,314	(107,173)	(85,859)
Loss of control of subsidiaries	-	-	-	-	(131)	(131)
Transfer to retained earnings	(30,814)	(56,245)	56,245	-	-	-
Transactions with owners - total	(30,814)	(56,245)	(419,631)	(454,799)	(205,768)	(660,567)
As of March 31, 2022	-	1,015,473	9,604,003	11,807,279	915,685	12,722,964

4) Consolidated Statement of Cash Flows

Notes	FY2020	FY2021	
	(From April 1, 2020 to March 31, 2021)	(From April 1, 2021 to March 31, 2022)	Thousands of U.S. dollars
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Cash flows from operating activities			
Profit before tax	123,379	357,434	2,919,974
Depreciation and amortization	45,729	46,455	379,503
Loss (gain) on sale of property, plant and equipment	(174)	(1,364)	(11,143)
Impairment losses	262	269	2,198
Share of loss (profit) of investments accounted for using equity method	(8,719)	(57,537)	(470,035)
Loss (gain) on sale of subsidiaries	-	(74,374)	(607,581)
Increase or decrease in retirement benefit asset or liability	(14,646)	(5,100)	(41,663)
Increase (decrease) in provisions	(2,392)	(56)	(457)
Finance income	(22,955)	(31,884)	(260,469)
Finance costs	4,757	2,969	24,255
Decrease (increase) in trade and other receivables	(30,489)	(28,260)	(230,863)
Decrease (increase) in inventories	(70,653)	(92,717)	(757,430)
Increase (decrease) in trade and other payables	52,133	44,663	364,864
Decrease (increase) in advance payments to suppliers	3,144	(9,401)	(76,799)
Increase (decrease) in accrued consumption taxes	(187)	904	7,385
Other	8,587	15,787	128,968
Subtotal	87,776	167,788	1,370,705
Interest received	4,034	3,483	28,454
Dividends received	11,931	33,248	271,612
Interest paid	(3,834)	(2,419)	(19,761)
Income taxes paid	(8,463)	(42,632)	(348,272)
Income taxes refund	78	21	172
Net cash provided by (used in) operating activities	91,522	159,489	1,302,908
Cash flows from investing activities			
Payments into time deposits	(21,401)	(43,185)	(352,790)
Proceeds from withdrawal of time deposits	24,736	83	678
Purchase of property, plant and equipment	(39,267)	(55,408)	(452,643)
Proceeds from sale of property, plant and equipment	375	1,647	13,455
Purchase of intangible assets	(1,203)	(1,162)	(9,493)
Proceeds from sale of investment securities	821	7,483	61,131
Purchase of shares of subsidiaries and associates	(4,566)	(9,777)	(79,871)
Proceeds from sale of shares of subsidiaries and associates	9,943	25	204
Collection of short-term loans receivable	253	278	2,271
Payments for long-term loans receivable	(3,424)	(29,144)	(238,085)
Collection of long-term loans receivable	1,596	26,419	215,824
Proceeds from sale of interests in subsidiaries resulting in change in scope of consolidation	-	113,002	923,144

Corporate Data and Investor Information (As of March 31, 2022)

Notes	FY2020	FY2021	
	(From April 1, 2020 to March 31, 2021)	(From April 1, 2021 to March 31, 2022)	Thousands of U.S. dollars
	Millions of yen	Millions of yen	
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(249)	–	–
Other	(7)	(465)	(3,799)
Net cash provided by (used in) investing activities	(32,393)	9,796	80,026
Cash flows from financing activities			
Proceeds from short-term borrowings	33 252,439	190,212	1,553,893
Repayments of short-term borrowings	33 (256,969)	(184,833)	(1,509,950)
Proceeds from long-term borrowings	33 1,350	15,412	125,905
Repayments of long-term borrowings	33 (32,908)	(47,688)	(389,576)
Proceeds from issuance of bonds	33 –	64,007	522,890
Redemption of bonds	33 –	(84,007)	(686,276)
Proceeds from share issuance to non-controlling shareholders	2,158	8,865	72,421
Purchase of treasury shares	(25)	(29)	(237)
Dividends paid	26 (16,762)	(58,252)	(475,876)
Dividends paid to non-controlling shareholders	(3,224)	(12,053)	(98,464)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	7 –	(19,374)	(158,271)
Other	33 (1,817)	(1,878)	(15,342)
Net cash provided by (used in) financing activities	(55,758)	(129,618)	(1,058,884)
Net increase (decrease) in cash and cash equivalents	3,371	39,667	324,050
Cash and cash equivalents at beginning of period	8 155,530	158,373	1,293,791
Effect of exchange rate changes on cash and cash equivalents	(528)	15,937	130,194
Cash and cash equivalents at end of period	8 158,373	213,977	1,748,035

Corporate Data

Company name	Sumitomo Metal Mining Co., Ltd.
President & Representative Director	Akira Nozaki
Founded	1590
Incorporated	1950
Capital	¥93.2 billion
Listing	Prime Market
No. of subsidiaries (consolidated)	52 (including the money held in trust which is deemed to be a consolidated company)
No. of equity-method affiliates	13
Net sales (consolidated)	¥1,259.1 billion (for the year ended March 31, 2022)
Profit before tax (consolidated)	¥357.4 billion (for the year ended March 31, 2022)

Number of Employees	7,202 (Consolidated)
Head Office	11-3, Shimbashi 5-chome, Minato-ku, Tokyo 105-8716, Japan
Main Branch	Osaka Branch
Branch	Nagoya Branch
Research centers	Niihama Research Laboratories (Ehime Prefecture) Battery Research Laboratories (Ehime Prefecture) Materials Laboratories (Tokyo) Ichikawa Research Center (Chiba Prefecture)

Contact Information

Public Relations & Investor Relations Department
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Phone: +81-3-3436-7705
Facsimile: +81-3-3434-2215
URL <https://www.smm.co.jp/en/>

Investor Information

Closing Date	March 31
Ordinary General Meeting of Shareholders	June
Common Stock	Number of authorized shares 500,000,000 Number of issued and outstanding shares 290,814,015 Number of shareholders 46,283 Listing of shares Tokyo Stock transaction unit 100 shares

Note: SMM consolidated its common stock at a rate of one share for every two shares with October 1, 2017 as the effective date.

Registrar of Shareholders

Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan
Stock Transfer Agency Department:
Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan

Method of Public Notice

Electronic notification (However, if electronic notification is not available due to unavoidable circumstances, notice will be published in the Nihon Keizai Shimbun newspaper.)

Independent Public Accountant

KPMG AZSA LLC 1-2, Tsukudo-cho, Shinjuku-ku, Tokyo

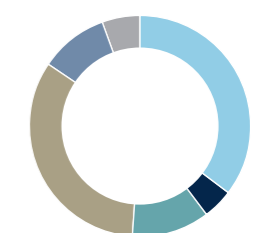
Major Shareholders

	Number of shares held (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	49,395	17.98
Custody Bank of Japan, Ltd. (Trust Account)	19,480	7.09
Toyota Motor Corporation	11,058	4.02
STATE STREET BANK WEST CLIENT-TREATY 505234	4,702	1.71
Sumitomo Realty & Development Co., Ltd.	3,745	1.36
Sumitomo Life Insurance Company	3,737	1.36
JPMorgan Securities Japan Co., Ltd.	3,511	1.28
Sumitomo Corporation	3,500	1.27
SMBC Nikko Securities Inc.	3,413	1.24
THE BANK OF NEW YORK MELLON 140051	3,129	1.14

Notes: 1. We own 16,045 million shares of treasury stock.

2. The shareholding ratios were calculated based on the total number of issued shares less treasury stock.

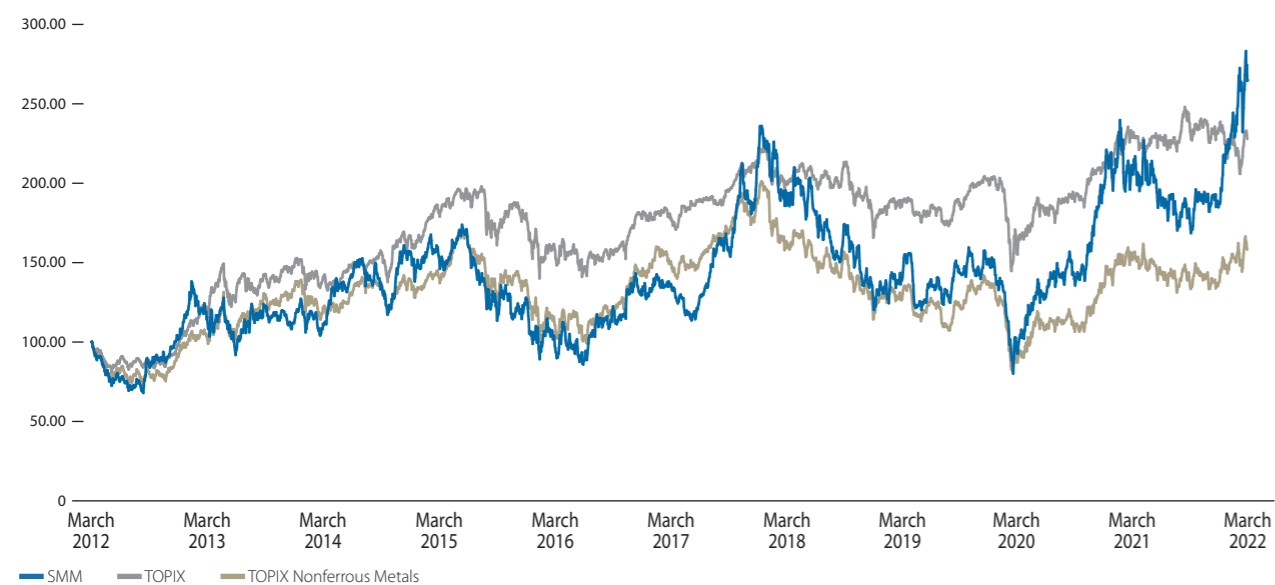
Breakdown of Shareholders



	(Thousands of shares)	
Financial Institutions	102,707	35.32%
Securities Companies	13,305	4.57%
Other Domestic Entities	32,653	11.23%
Foreign Entities	97,233	33.43%
Individuals and Others	28,870	9.93%
Treasury Stock	16,045	5.52%

Corporate Data and Investor Information (As of March 31, 2022)

Share Price (Share prices calculated with share price at the end of March 31, 2012 set to 100)



Share Price Performance (TSR)

Investment period	1 year	3 years		5 years		10 years	
	Cumulative and Annualized	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized
SMM	35.3%	103.8%	26.8%	115.9%	16.6%	207.7%	11.9%
TOPIX	1.8%	29.6%	9.0%	41.0%	7.1%	164.4%	10.2%
TOPIX Nonferrous Metals	7.2%	33.9%	10.2%	17.8%	3.3%	89.4%	6.6%

Source: Bloomberg

• TSR (Total Shareholder Return): Calculated using $[\text{share price at the end of the fiscal year ended March 31, 2022}] - [\text{share price at the end of the fiscal year X years previous to the fiscal year ended March 31, 2022}] + [\text{total cash dividend per share for the relevant period}] \div [\text{share price at the end of the fiscal year X years previous to the fiscal year ended March 31, 2022}]$.
 • Annual cash dividend per share for TOPIX and TOPIX Nonferrous Metals: Calculated using the weighted average of the cash dividend per share value for each stock over the 12 months previous to the base date and the formula used by TOPIX itself (Calculated using Bloomberg values).

Share Price by Fiscal Year

FY	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Annual high (yen)	3,214	2,974	3,898	4,044	3,333	5,491	4,882	3,711	5,578	6,588
Annual low (yen)	1,580	2,136	2,568	2,074	1,997	2,642	2,796	1,864	2,155	3,920
Year-end (yen)	2,686	2,592	3,517	2,235	3,167	4,480	3,270	2,218	4,779	6,163
Volatility	33.5%	32.8%	31.1%	40.9%	35.7%	33.7%	36.4%	47.4%	43.3%	32.2%

Source: Capital IQ

• Volatility is calculated by annualizing the standard deviation of weekly closing prices for the 52 weeks of the year.

Investor FAQ

1 I have heard that non-ferrous metals have a promising future. Why is this and what are their growth areas?

Non-ferrous metals such as copper and nickel are important materials that support social infrastructure, and their use continues to increase steadily along with the growth of the global economy. In addition, the rapid digitalization of society in recent years, the technological innovation, and energy transition toward creating a decarbonized society are major trends that are greatly expanding opportunities for non-ferrous metals.

Take the electrification of automobiles, for example. Electric vehicles are said to use about four times as much copper as conventional gasoline-powered vehicles, and demand for nickel is expected to increase for use as a cathode material in automobile batteries.

2 Why not increase mining and production when metal prices are high?

Some mines contain dense (high-grade) and some contain light (low-grade) metals. If only the high-grade areas are mined when metal prices are high, short-term performance will improve, but the low-grade areas will remain. As a result, there is a risk of leaving some areas unprofitable, depending on metal prices. We believe that rather than pursuing only a short-term contribution to business performance, we should give full consideration to environmental concerns and local communities, emphasize sustainable development, and strive for long-term stable operations, which will lead to the maximization of benefits for SMM and our stakeholders.

3 Why is production at the Hishikari Mine being reduced from FY2022 onwards?

The Hishikari Mine is a gold mine that boasts high earning capacity and cost competitiveness, with the most significant feature being its world-class ore grade (approximately 20 grams per ton), and has produced 260 tons of gold (as of March 31, 2022) since mining began in 1985. Our mission at this mine is to completely mine out the 157 tons of recoverable reserves as of December 31, 2021. In the 2021 3-Year Business Plan, we have shifted to a sustainability-oriented operation based on average-grade ore mining. In order to extend the mine life, we plan to produce 4.4 tons in FY2022, down from 6 tons in the previous fiscal year. We will continue to work on the development of the lower orebody of the mine and will also review our cost structure through a variety of innovative means, such as DX.

4 What are the strengths of the Sumitomo Metal Mining Group's 3-business collaboration model?

In its more than 400 years of handling metals, the SMM Group has continued to hone not only its mining, smelting, and refining technologies, but also its analysis, quality and equipment management, research & development, and other technologies. These knowledge and technologies related to metals are used in the three businesses of Mineral Resources, Smelting & Refining, and Materials, and the combined efforts of these businesses contribute to the expansion of our earnings. A typical example of the collaboration among these three businesses is our proprietary, integrated nickel supply chain that spans the securing of nickel ore to the production of battery materials, and achieves traceability in the securing of raw materials, stable supply, quality, and other factors. Another strength of ours is the supply and demand outlook for non-ferrous metal resources in areas close to final consumer goods, obtained from customers for our battery materials and advanced materials. This is an important source of information for our medium- to long-term growth investments in the resource field and the smelting and refining field. Our Group seeks to achieve further growth by combining the knowledge gained from our three businesses, including technologies in wide-ranging fields, experience and achievements in numerous projects, and market forecasting.

5 What are your financial targets and shareholder return policies?

Because the SMM Group deals in resources that become depleted, we must always prepare to participate in large-scale projects, M&As, and other measures in order to acquire new resource interests. Accordingly, it is important to maintain a sound financial position that can withstand large temporary cash outflows. As a foundation for our financial strategy, we set a consolidated equity ratio of over 50% as an indicator of financial soundness.

Our dividend policy is performance-based, and our 2021 3-Year Business Plan calls for a consolidated payout ratio of 35% or more in principle. However, there is a possibility that SMM may exceptionally propose a dividend payout ratio of less than 35% if special circumstances arise, especially in connection to carbon neutrality, such as when a best available technology (BAT) is developed through technological innovation, and SMM invests a large amount of money to introduce such technology. For more information on our financial strategy, please refer to p. 46-47.

Investor FAQ

6 What are your plans for increasing production of battery materials needed for xEV, which are expected to grow in the future?

In July 2021, we announced a 2,000 tons per month production increase for nickel-based cathode material, including the construction of a new plant in Niihama, aiming for a production capacity of 7,000 tons/month by FY2025. We will continue to aggressively expand our production capacity to reach 10,000 tons/month by FY2027 and 15,000 tons/month by FY2030. In addition, the lithium iron phosphate (LFP) battery materials business was newly added to our Battery Materials Division in May 2022, after taking over the LFP battery materials business of Sumitomo Osaka Cement Co., Ltd. We will also meet a wider range of customer needs by expanding our product lineup as well as our existing nickel-based cathode materials.

7 What is the life expectancy of a copper or gold mine?

The length of mine life varies depending on the size of the mine and the results of exploration activities, but most are said to be between a decade and several decades, as mine development involves a large investment. Mine resources are finite and are diminished with each dig. In order to fulfill our responsibility to supply non-ferrous metal materials over the long term and achieve increased corporate value, we need to conduct dynamic business development, such as replacing assets by acquiring new mining interests.

8 What are the future prospects for battery recycling?

We and Kanto Denka Kogyo Co., Ltd. have jointly developed a world-first horizontal recycling process that recovers lithium from used lithium-ion batteries (LIBs) as a high-purity compound for battery materials. We will continue our efforts to achieve "battery to battery" recycling and contribute to the formation of a sustainable, circular economy and to addressing global resource depletion through the promotion of resource recycling. For details, please refer to p. 67.

9 What types of products contribute to a low-carbon society and to the reduction of GHG emissions?

Examples include battery materials and functional inks (near-infrared absorbing materials). One of the battery mate-

rials that support electrification in the automotive industry, such as hybrid and electric vehicles, is cathode materials. Cathode materials are materials used for the positive electrodes of batteries, and SMM mainly produces cathode materials for batteries used in automobiles. While cathode materials with high nickel content, which are our main products, have high capacity, it is difficult to ensure stable quality. We maintain a high market share worldwide thanks to our technical capabilities and quality control system that enable us to mass produce such cathode materials with stable quality. Functional inks (near-infrared absorbing materials) are materials that combine high transmittance of visible light with strong absorption capacity against near-infrared rays. When applied to window materials, for example, it can efficiently block out the energy of near-infrared rays contained in sunlight, thereby significantly suppressing the rise in indoor temperatures while maintaining brightness.

10 What is your approach to business and human rights?

Based on the Sumitomo Metal Mining Group Policy on Human Rights, which is in line with the UN's Guiding Principles on Business and Human Rights, SMM is working to implement due diligence and establish a grievance mechanism that external stakeholders can also use. In practice, SMM places particular emphasis on the three areas of employees, local communities and indigenous peoples, and the supply chain, based on the material issues of our Vision for 2030, namely: Diverse Human Resources, Development and Participation of Human Resources, Co-Existence and Mutual Prosperity with Local Communities, Rights of Indigenous Peoples, Human Rights in the Supply Chain, etc. We also promote comprehensive initiatives based on dialogue and consultation with relevant stakeholders. These initiatives are regularly reported to the Sustainability Committee, which is overseen by the Board of Directors and chaired by the President. For details, please refer to p. 102-105.

Attestation of Validity

On the issuance of the Sumitomo Metal Mining Co., Ltd. Integrated Report 2022

Since 2016, we have published these integrated reports to serve as a tool for dialogue with stakeholders inside and outside the Group.

The Sumitomo Metal Mining Co., Ltd. Integrated Report 2022, our seventh integrated report, describes value creation by our Group as we further integrate business with sustainability, with a particular focus on the 2021 3-Year Business Plan, of which 2022 is the first fiscal year.

As the officer ultimately responsible for the production of this report, I attest that the process of preparing the report is legitimate and that its content described is accurate.

I hope that this integrated report will help our diverse stakeholders, including shareholders and investors, understand our Group's efforts toward sustainable growth and the realization of a sustainable society. We will continue to strive to appropriately disclose information.

Takahiro Kanayama

Director
Managing Executive Officer
In charge of Public Relations &
Investor Relations Department