


More than

430

years of history


The second longest history of Japan's listed companies



Net Sales
(consolidated)

¥1,423


billion



Profit before Tax
(consolidated)

¥229.9


billion



Equity Ratio

60.3%


Due to the nature of our business, we aim to maintain an equity ratio of 50% or more as a sound financial position that can withstand temporary cash outflows.



Total Assets


¥2,700

billion




Dividend Payout Ratio

35.1%




Employees
(consolidated)

7,330



Our business countries and regions

14




Manufacturing Bases

7 Mines

8 Smelters and Refineries

20 Materials Plants



Japan's only operating gold mine


Cumulative amount of gold produced from Hishikari Mine

264

tons,

No. 1 in Japan


(As of March 31, 2023)



Global Class 1 nickel interest production

NO. 5

* Source: Research by SMM



Nickel-based cathode materials for secondary batteries

Top class global share

* Source: Research by SMM


Three Core Businesses

Mineral Resources Business P.54-59

Leveraging over 300 years of mine development and operational experience and technologies, we operate the Hishikari Mine, Japan's largest gold mine, with a focus on sustainability. We participate in the operation of overseas mines in which we hold interests to produce copper, gold, and other resources to provide materials and in order to secure mineral resources. We are also working to acquire and develop new superior mines.

Main Products

Gold and Silver Ore, Copper Concentrates, Copper, Gold, Molybdenum




Smelting & Refining Business P.60-65

For over 430 years since the start of our copper smelting and refining business in 1590, we have stably supplied a variety of metal materials to a wide range of industries. We engage in business on the strength of our advanced smelting and refining technology, which was the first in the world to achieve the successful recovery of nickel from low-grade nickel oxide ore using the High Pressure Acid Leach (HPAL) method on a commercial basis.

Main Products

Copper, Gold, Silver, Electrolytic Nickel, Electrolytic Cobalt, Ferronickel, Palladium, Chemical Products




Materials Business P.68-73

We develop and produce highly advanced materials used in wide-ranging fields including automobiles, energy, environment, communications and information, and home appliances, along with products that contribute to carbon neutrality.

Main Products

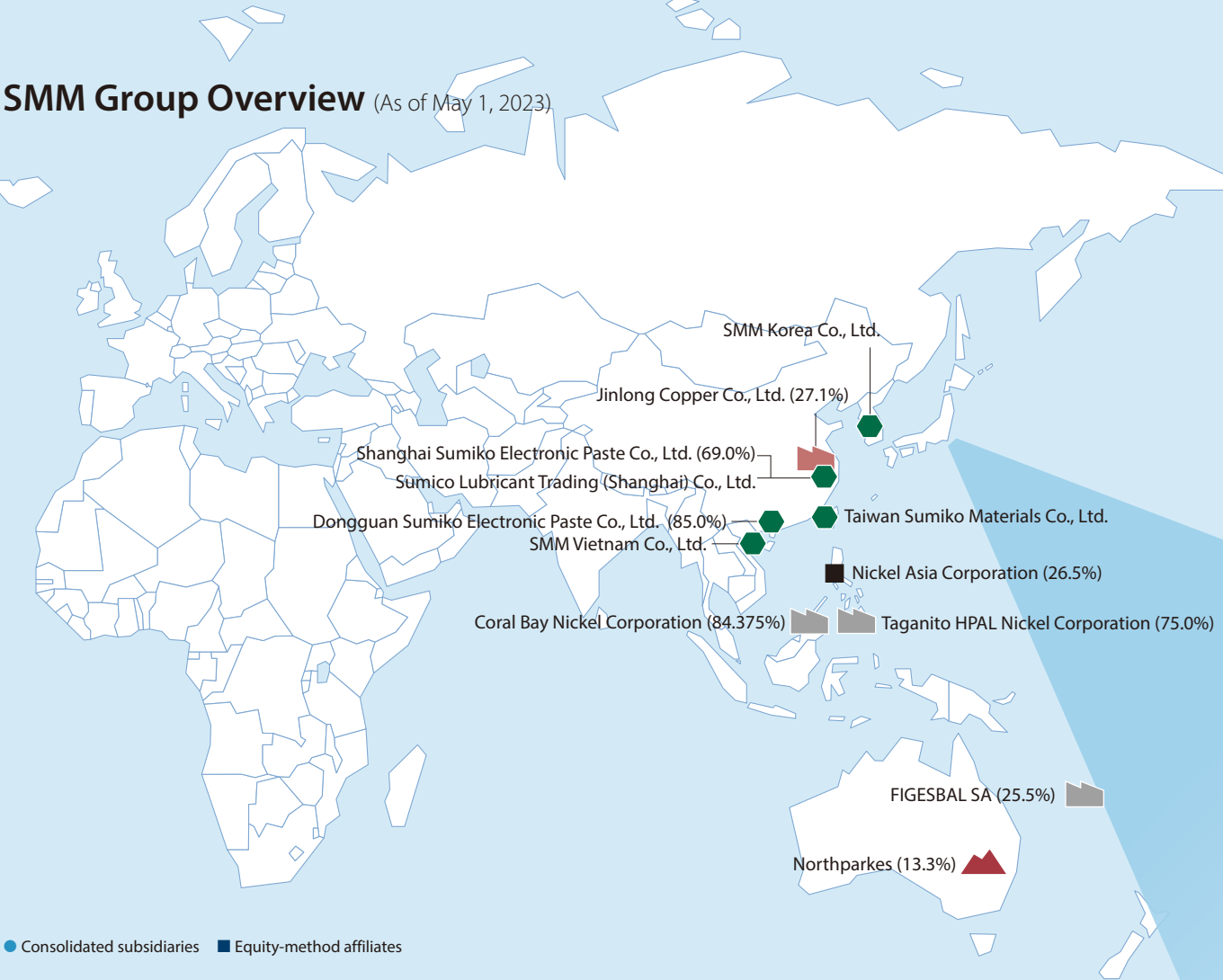
Battery Materials, Thick Film Paste, Powder Materials, Crystal Materials, Thin Film Materials, Magnetic Materials, Package Materials, Oil Refining Catalysts, Automotive Catalysts, Autoclaved Lightweight Concrete, Lubricants



SUMITOMO METAL MINING CO., LTD. Integrated Report 2023

1

SMM Group Overview (As of May 1, 2023)



● Consolidated subsidiaries ■ Equity-method affiliates

Japan
Sumitomo Metal Mining Co., Ltd.

Mineral Resources

- Sumiko Resources Exploration & Development Co., Ltd.

Smelting & Refining

- Acids Co., Ltd.
- MS Zinc Co., Ltd.
- Shisaka Smelting Co., Ltd.
- Sumiko Logistics Co., Ltd.
- Hyuga Smelting Co., Ltd.
- Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd.

Materials

- SMM Precision Co., Ltd.
- N.E. Chemcat Corporation
- Ohkuchi Electronics Co., Ltd.
- Ohkuchi Materials Co., Ltd.
- GRANOPT CO., LTD.
- Sicoxs Corporation
- Shinko Co., Ltd.
- Sumiko Energy Materials Co., Ltd.
- Sumiko Kunitomi Electronics Co., Ltd.
- Sumico Lubricant Co., Ltd.
- Sumitomo Metal Mining Siporex Co., Ltd.
- Niihama Electronics Co., Ltd.
- Nippon Ketjen Co., Ltd.

Other

- Igeta Heim Co., Ltd.
- JCO Co., Ltd.

- Sumiko Technical Service Co., Ltd.
- Sumiko Techno-Research Co., Ltd.
- Sumitomo Metal Mining Engineering Co., Ltd.
- Japan Irradiation Service Co., Ltd.

Asia

Mineral Resources

- Cordillera Exploration Company Inc. (Philippines)

Smelting & Refining

- Jinlong Copper Co., Ltd. (China)
- Sumitomo Metal Mining Management (Shanghai) Co., Ltd. (China)
- Sumitomo Metal Mining (Hong Kong) Co., Ltd. (China)

- Coral Bay Nickel Corporation (Philippines)

- Nickel Asia Corporation (Philippines)

- Taganito HPAL Nickel Corporation (Philippines)

- Sumitomo Metal Mining Philippine Holdings Corporation (Philippines)

Materials

- Dongguan Sumiko Electronic Paste Co., Ltd. (China)
- Shanghai Sumiko Electronic Paste Co., Ltd. (China)
- Sumico Lubricant Trading (Shanghai) Co., Ltd. (China)
- Granopt Optics Trading (Shenzhen) Co., Ltd. (China)
- Shinko Trading (Zhong Shan) Co.,Ltd. (China)
- Taiwan Sumiko Materials Co., Ltd. (Taiwan)
- SMM Korea Co., Ltd. (South Korea)
- SMM Vietnam Co., Ltd. (Vietnam)

North America

Mineral Resources

- SMMA Candelaria Inc. (U.S.A.)
- SMM Exploration Corporation (U.S.A.)
- Sumitomo Metal Mining America Inc. (U.S.A.)
- Sumitomo Metal Mining Arizona Inc. (U.S.A.)
- SMM Morenci Inc. (U.S.A.)
- SMM Gold Cote Inc. (Canada)
- Sumitomo Metal Mining Canada Ltd. (Canada)
- SMM Resources Inc. (Canada)

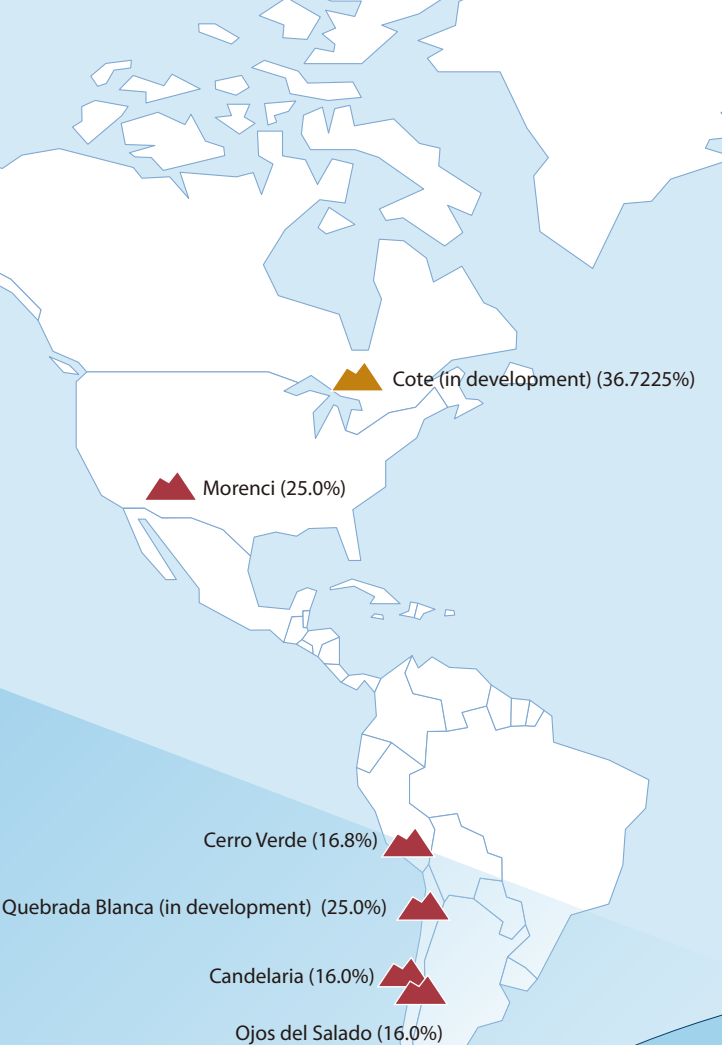
Other Regions

Mineral Resources

- Compania Contractual Minera Candelaria (Chile)
- Compania Contractual Minera Ojos del Salado (Chile)
- Sumitomo Metal Mining Chile LTDA. (Chile)
- SMMQB Holding SpA (Chile)
- SMM Quebrada Blanca SpA (Chile)
- Quebrada Blanca Holdings SpA (Chile)
- Sumitomo Metal Mining Peru S.A. (Peru)
- Sociedad Minera Cerro Verde S.A.A. (Peru)
- Sumitomo Metal Mining do Brasil LTDA. (Brazil)
- Sumitomo Metal Mining Oceania Pty. Ltd. (Australia)
- SMM Cerro Verde Netherlands B.V. (Netherlands)
- SMMCV Holding B.V. (Netherlands)

Smelting & Refining

- FIGESBAL SA (New Caledonia)



Cerro Verde (16.8%)

Quebrada Blanca (in development) (25.0%)

Candelaria (16.0%)

Ojos del Salado (16.0%)

- Besshi-Niihama District Division
- Toyo Smelter & Refinery
- Niihama Nickel Refinery
- Shisaka Smelting Co., Ltd.
- Isoura Plant
- Niihama Electronics Co., Ltd.
- Niiham Research Laboratories
- Battery Research Laboratories

Sumiko Kunitomi Electronics Co., Ltd.

SMM Precision Co., Ltd.
GRANOPT CO., LTD. (51%)

Sumiko Energy Materials Co., Ltd.

Shinko Co., Ltd.

Harima Refinery

Nagoya Branch

Osaka Branch

Hyuga Smelting Co., Ltd. (60%)

- ▲ Hishikari Mine
- Ohkuchi Electronics Co., Ltd.
- Ohkuchi Materials Co., Ltd. (95%)

Ome District Division
■ Materials Laboratories

Head Office

- Sumico Lubricant Co., Ltd.
- N.E. Chemcat Corporation (50%)
- Nippon Ketjen Co., Ltd. (50%)
- Sumitomo Metal Mining Siporex Co., Ltd.
- Sicoxs Corporation



Group Companies

Consolidated Subsidiaries 52

Equity-method Affiliates 13

Mineral Resources Segment

- ▲ Copper
- ▲ Gold

Smelting & Refining Segment

- Copper
- Nickel
- Other

Materials Segment

- Major Sites of Materials Business

- Other Major Site / Group Company

Figures in parentheses indicate percentage interest.
Companies with no percentage written are 100% owned.

* The location of the head office is shown for each group company in Japan.

SMM takes on change and challenges

Our 2021 3-Year Business Plan focuses on measures to be taken to respond to, and resolve, the three major issues impacting our business operations in recent years: the accelerating transition to carbon neutrality, adaptation to digital transformation (DX), and increasing difficulty of securing human capital. These are all material issues that cannot be resolved merely by continuing earlier means of response. Moreover, if we were to “stumble” in the early stages, failing to live up to the expectations held of us by our stakeholders, we could suffer a loss of competitiveness and eventually be shunned by the market. The central theme of our 2021 3-Year Business Plan is “Renewed Challenge for Change.” Here, we view “change” not as modification in the sense of making modest changes to mechanisms long in place but rather as something altogether new: total reform, under which our challenge begins.

This publication brings together “Special Feature” pages that address the three issues of carbon neutrality, DX, and human capital strategy.

Special Feature 1: Digital Transformation (DX) at the SMM Group ▶ P.78

Accelerating DX

We are accelerating Group-wide DX through means including the establishment of a Digital Transformation Committee in April 2021 and the launch of a Digital Transformation Department in July 2022 as an organization dedicated to implementing DX-related measures. Through these, we will integrate the separate DX-related initiatives that have been carried out in different areas of the Group, improving our Group-wide DX infrastructure and strengthening competitiveness.



Special Feature 2: Initiatives of the Carbon Neutrality Committee ▶ P.99

Addressing carbon neutrality

To strengthen our ability to take action against climate change and to accelerate our initiatives aimed at reducing greenhouse gas (GHG) emissions, in 2022 we launched the Carbon Neutrality Committee.



Special Feature 3: Human Resources Strategy Transformation and Tradition – Preservation through Transformation – ▶ P.128

Human capital strategy

Securing, developing and utilizing human capital have become extremely critical issues for ensuring corporate survival. Today we are undertaking a variety of measures with a focus on intangible aspects to resolve these issues: for example, we are reviewing our personnel systems, raising employee awareness, and enhancing our educational programs.



Contents

At a Glance	
1	Three Core Businesses
2	SMM Group Overview
■ Introduction	
4	Special Features
6	Contents
■ Vision for the SMM Group	
8	The Sumitomo Business Spirit and the SMM Group Corporate Philosophy
9	Long-Term Vision
10	Vision for 2030
12	Vision for 2030 – Formulation Approach
13	Message from the President
■ The SMM Group's System for Value Creation	
20	Our History of Value Creation
24	The Global Non-Ferrous Metal Industry and the SMM Group
28	Value Creation Process
30	Value Creation Process (Business Model) Explanation
32	The SMM Group's Capital: Seven Competitive Strengths Cultivated by the Sumitomo Business Spirit
34	Risks and Opportunities
36	Financial and Non-Financial Highlights
■ Medium- to Long-Term Strategy for Value Creation	
40	Review of Past 3-Year Business Plans
42	Strategy and Resource Allocation
54	Mineral Resources Business
60	Smelting & Refining Business
66	Technological Changes at the Toyo Smelter & Refinery
68	Materials Business
74	Research & Development
77	Battery Recycling
78	Special Feature 1 Digital Transformation (DX) at the SMM Group
82	Sustainability Management at the Sumitomo Metal Mining Group
86	Vision for 2030, Material Issues, KPIs (Indicators and Goals)
88	① Effective Use of Non-Ferrous Metal Resources
89	② Climate Change
92	③ Significant Environmental Accidents
	④ Biodiversity
93	⑤ Employees' Occupational Health and Safety
94	⑥ Diverse Human Resources
	⑦ Development and Participation of Human Resources
95	⑧ Engagement with Stakeholders
96	⑨ Co-Existence and Mutual Prosperity with Local Communities
97	⑩ Rights of Indigenous Peoples
98	⑪ Human Rights in the Supply Chain
99	Special Feature 2 Initiatives of the Carbon Neutrality Committee

■ Continuing to Support Value Creation	
100	Corporate Governance
112	Round-Table Discussion with Outside Directors We asked our outside directors what their role is in creating an open and vibrant organizational climate and securing, fostering, and utilizing powerful human capital.
114	Tax Governance
116	Compliance
120	Risk Management
123	Quality Assurance
128	Special Feature 3 Human Resources Strategy Transformation and Tradition –PreservationthroughTransformation–
134	Directors and Audit & Supervisory Board Members
■ Data Section	
136	FAQ
138	Glossary
142	Eleven-Year Financial Summary
144	Consolidated Statements of Financial Position/ Consolidated Statements of Profit or Loss/ Consolidated Statements of Comprehensive Income
148	Consolidated Statements of Changes in Equity
151	Consolidated Statements of Cash Flows
153	Corporate Data and Investor Information
154	Attestation of Validity

Disclaimer
The forward-looking statements in this integrated report, including business result forecasts, are based on information available to the Company and on certain assumptions deemed to be reasonable as of the date of release of this report. Actual business results may differ substantially due to a number of factors.

* This document is the English version of the Japanese original.

Integrated Report 2023 Concepts

Emphasizes explanations of the initiatives in the first year of the 2021 3-Year Business Plan which has the theme of Renewed Challenge for Change

The Integrated Report 2023 is composed of five chapters: “Vision for the SMM Group,” “The SMM Group’s System for Value Creation,” “Medium- to Long-term Strategy for Value Creation,” “Continuing to Support Value Creation,” and “Data Section.” We have strived to make the content more comprehensive yet easy-to-read for our stakeholders, and we have enhanced the information to take into account the perspectives of investment decisions regarding our stock.

In the special feature, we introduce Renewed Challenge for Change, focusing on the three material issues of the 2021 3-Year Business Plan: carbon neutrality, digital transformation (DX), and human capital strategy.

To provide stakeholders with a better understanding of our human capital initiatives, we have included a more detailed description in the special feature on our human capital strategy, which has been a topic of growing interest among our stakeholders in recent years, as well as a roundtable discussion with our outside directors.

In addition, up to now copper refining technology has not been covered very much, so we have put together information on this in the column Technological Changes at the Toyo Smelter & Refinery, which focuses on the Toyo Smelter & Refinery’s efforts to increase production volume through the accumulation of technology.

Moreover, we have clarified the division of roles of reports by disclosing detailed sustainability-related data in a Sustainability Report to be issued from this year. For this Integrated Report, we included material sustainable information and further improved the report’s readability.

(Sustainability Report 2023 (https://www.smm.co.jp/en/sustainability/library/sustainability_report/))

Throughout, the report expresses the Group’s high goals and commitment to value creation and our long-term vision of becoming the world leader in the non-ferrous metals industry. And along with showing our medium- to long-term strategy to create value, the report also shows SMM’s commitment to sustainability.

Editorial Policy

While interest in social and environmental issues has been growing in recent years, with the SDGs garnering attention, companies are expected not only to create economic value but also to work to resolve these social and environmental issues.

Since 2016, we have published these integrated reports to serve as a tool for dialogue with stakeholders inside and outside the Group and to help stakeholders attain a deeper understanding of the SMM Group’s initiatives toward sustainable growth and maximization of corporate value.

In editing this Sumitomo Metal Mining Integrated Report 2023, the eighth edition of our Integrated Report, we have reviewed the articles that have been accumulated so far focusing on priority and, in conjunction with the publication of the Sustainability Report, we have carefully selected particularly important information on sustainability to be disclosed.

We have also included three special feature articles on the three material issues of the 2021 3-Year Business Plan that are of great interest to our stakeholders: carbon neutrality, digital transformation (DX), and human capital strategy. We hope these articles will help you understand our efforts to address each of these issues.

In this report, CBNC and THPAL are acronyms for Coral Bay Nickel Corporation and Taganito HPAL Nickel Corporation, respectively.

Also, unless otherwise stated, the term “ton” refers to a metric ton.

Referenced Guidelines

In compiling this Report, we have referred to the International Integrated Reporting Framework¹ and the Guidance for Collaborative Value Creation² to provide an easy-to-understand explanation of the capital and business model used in the value creation process, and the value provided to stakeholders.

1. An international corporate reporting framework from the International Financial Reporting Standards Foundation (IFRS) that tells a company’s short-, medium-, and long-term value creation story.

2. Guidance compiled by the Ministry of Economy, Trade and Industry (METI) to help companies and investors deepen mutual understanding through information disclosure and dialogue, and to encourage action toward value co-creation.

Scope of the Report

Sumitomo Metal Mining Co., Ltd. (SMM)

The Sumitomo Metal Mining Group SMM and consolidated subsidiaries

Economic and Environmental Topics SMM, consolidated subsidiaries and equity-method affiliates

Social Topics SMM and consolidated subsidiaries

Publication Date

September 2023 Next scheduled publication: November 2024 (Previous publication: November 2022)

Period Covered

(Some activities before or after the following periods have also been included)

Japan: April 1, 2022–March 31, 2023

Overseas: January 1, 2022–December 31, 2022

Inquiries

Public Relations & Investor Relations Department, Sumitomo Metal Mining Co., Ltd.
11-3, Shimbashi 5-chome, Minato-ku, Tokyo 105-8716, Japan
Tel: +81-3-3436-7705 Fax: +81-3-3434-2215