



# Integrated Report 2025

 SUMITOMO METAL MINING



MINING THE FUTURE

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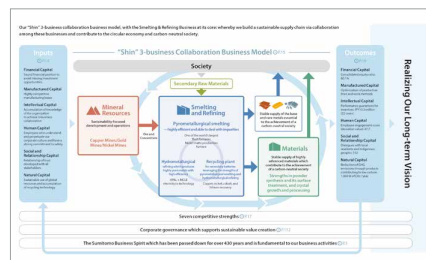
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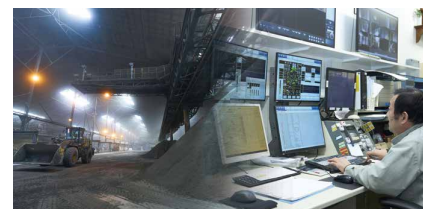


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# Editorial Policy

## Concepts of the Integrated Report 2025

In this Integrated Report 2025, we introduce our value creation mechanisms and strategies and explain our path to become the world leader in the non-ferrous metals industry, our long-term vision. We aimed to make the content comprehensive for all stakeholders while also keeping it readable. We also enhanced information that takes into account the perspective of investment decisions regarding the Company's stock.

In particular, we intend for this publication to help readers understand the strategies of our 3-Year Business Plan 2027, which begins in FY2025, and our "Shin" 3-business collaboration business model, which is centered on the Smelting & Refining Business. Under this model, three businesses will collaborate to build sustainable supply chains and contribute to creating a circular economy and carbon-neutral society. We also explain our Vision for 2030, whose material issues were reviewed in March 2025 to

reflect changes in social conditions, the business environment, and other factors as well as our KPIs and targets revised in conjunction with the update.

It is our hope that this report will help stakeholders gain a better understanding of the Group's efforts for achieving sustainable growth and achieving a sustainable society.

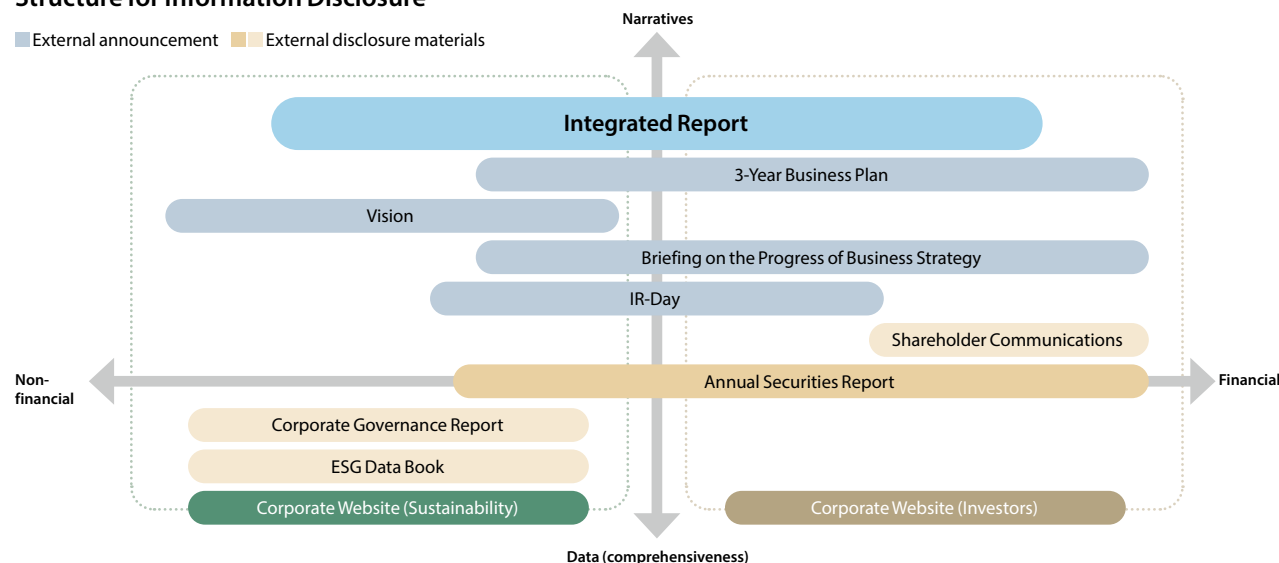
## Reporting Guidelines

- IFRS Foundation: International *Integrated Reporting Framework*
- ISO 26000: *Guidance on social responsibility*
- Ministry of Economy, Trade and Industry: *Guidance for Collaborative Value Creation*
- Global Reporting Initiative (GRI), *GRI Standards* (compliant)
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- Corporate Sustainability Reporting Directive (CSRD)

## Caution regarding Forward-Looking Information

This Integrated Report discloses various management targets and other future forecasts regarding the Company's 3-Year Business Plan and other plans. These management targets and other future forecasts are based on current assumptions and expectations regarding future events as well as information currently available to the Company. As a result, they are subject to change due to subsequent circumstances and other factors, and there is no guarantee that these targets, forecasts, or future performance will be achieved. Accordingly, we request that you refrain from relying solely on this information and recognize that the Company does not assume any obligation to revise this information on an ongoing basis.

## Structure for Information Disclosure



## Reporting Boundary

Sumitomo Metal Mining Co., Ltd. (SMM)

The Sumitomo Metal Mining Group (SMM and consolidated subsidiaries)\*

The Sumitomo Metal Mining Group in Japan (SMM and consolidated subsidiaries in Japan)\*

\* Our environmental and occupational health and safety reporting covers our consolidated subsidiaries as well as business sites that have been determined to present major impacts.

## Period Covered

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

Japan: April 1, 2024–March 31, 2025

Overseas: January 1, 2024–December 31, 2024

## Publication Date

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# Corporate Philosophy

The origin of the Sumitomo Metal Mining Group dates back to Soga Riemon (1572-1636), who developed a copper smelting technique known as nanban-buki. As the successor of this business, Sumitomo has evolved and expanded through such enterprises as copper smelting and mining.

Also, Sumitomo Masatomo (1585–1652) wrote and left as his legacy Monjuin Shiigaki, which describes how a merchant should

conduct business. The precepts set down in this document deepened into the Sumitomo Business Spirit, which is now the spiritual backbone of the Sumitomo Metal Mining Group.

Our predecessors have put this business spirit into practice for over 430 years and have developed the Sumitomo Metal Mining Group under it. Fully recognizing the importance of the values and ethics retained in “the Sumitomo Business Spirit,”

which our predecessor have fostered, Sumitomo Metal Mining Group will continue to make efforts to consolidate its businesses and to strengthen the social trust in its businesses.

In addition, we formulated the SMM Group Corporate Philosophy based on the Sumitomo Business Spirit and set forth the SMM Group Management Vision to clarify the ideals that we should pursue.

## The Sumitomo Business Spirit

### Article 1

Sumitomo shall achieve strength and prosperity by placing prime importance on integrity and sound management in the conduct of its business.

### Article 2

Sumitomo shall manage its activities with foresight and flexibility in order to cope effectively with the changing times. Under no circumstances, however, shall it pursue easy gains or act imprudently.

(Quoted from the Sumitomo Goshi Kaisha Administrative Regulations, named “Summary of Business Operations”, formulated in 1928)

## SMM Group Corporate Philosophy

- Sumitomo Metal Mining Co., Ltd. (SMM), in accordance with the Sumitomo Business Spirit, shall, through the performance of sound corporate activities and the promotion of sustainable co-existence with the global environment, seek to make positive contributions to society and to fulfill its responsibilities to its stakeholders, in order to win ever greater trust.
- SMM shall, based on respect for all individuals and recognizing each person’s dignity and value, seek to be a forward-minded and vibrant company.

## SMM Group Management Vision

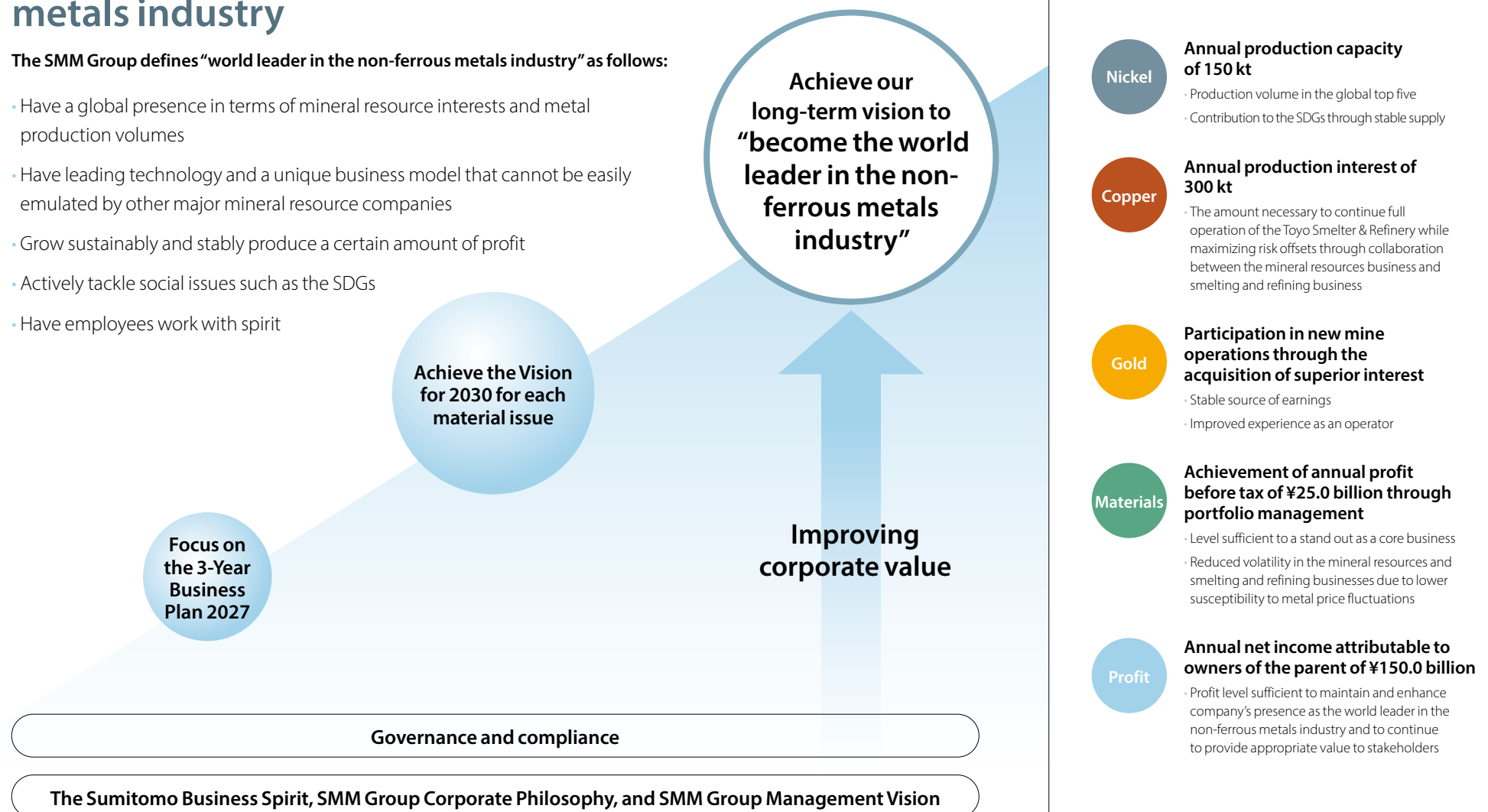
- By improving technical capabilities, we shall fulfill our social responsibilities as a manufacturing enterprise.
- Based on the principles of compliance, environmental protection and operational safety, SMM Group shall pursue maximum corporate value through the securing of resources and the provision of high-quality materials such as non-ferrous metals and advanced materials via its global network.

# Long-Term Vision

## The world leader in the non-ferrous metals industry

The SMM Group defines “world leader in the non-ferrous metals industry” as follows:

- Have a global presence in terms of mineral resource interests and metal production volumes
- Have leading technology and a unique business model that cannot be easily emulated by other major mineral resource companies
- Grow sustainably and stably produce a certain amount of profit
- Actively tackle social issues such as the SDGs
- Have employees work with spirit



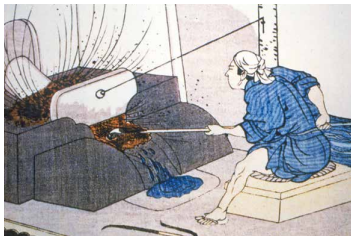
# Our History of Value Creation

Through a history of over 430 years, we have provided society with the non-ferrous metals that are indispensable to people's lives. In this environment, the SMM Group has been keenly aware of major changes in the business environment and has generated new value.

Based on our long-cultivated technologies for handling metals and our spirit of co-existence with the global environment and society, we will recognize changes in increasingly diversifying and sophisticating social demands as business opportunities and continue renewed challenges for change.

## Nanban-buki

In Japan at this time, there was no technology for removing the silver from copper ore, so copper was sold and exported at copper prices while it still included silver. Soga Riemon, developed a smelting and refining technology for separating copper and silver, known as Nanban-buki. He shared this widely with others in the same business in Osaka, preventing the loss of wealth.



Nanban-Buki from Kodo Zuroku, Courtesy of the Sumitomo Historical Archives

1500

1600

1700

1800

1900

## Smelting & Refining Business

### Copper smelting and refining

1590

#### Started the copper smelting and refining business

In 1590, the Sumitomo copper business began in Kyoto as a copper smelting and decorative copperwork operation. By being the first in Japan to perfect a smelting technique known as Nanban-buki for the separation of copper from silver, Sumitomo solidified its business foundation.

1905

#### Relocated copper smelting and refining from the Niihama coast to the Shisaka Island

## Mineral Resources Business

### Copper mines

1691

#### Opened the Besshi Copper Mine

The Besshi Copper Mine operated continuously for 283 years from its opening in 1691 and made a huge contribution to Sumitomo's development. The opening of the mine presented an opportunity to expand the company's business to include mineral resources business in addition to copper smelting and refining. The mining technology cultivated at the Besshi Copper Mine continues to be inherited by SMM's Mineral Resources Business as it expands across the globe.



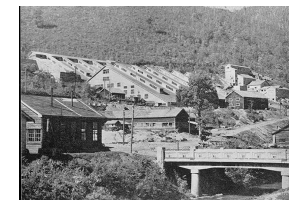
Besshi Copper Mine in the Meiji Period

### Gold mines

1917

#### Started the gold mine business

At a time when the importance of gold as a resource was growing, we acquired the management rights for the Kounomai Mine in Hokkaido in 1917.



Kounomai Mine

## Materials Business

## Management and Sustainability

Around 1650

### Monjuin Shiigaki

The Sumitomo Business Spirit, which continues to this day, has its origins in the Monjuin Shiigaki, written by the founder of the Sumitomo family, Sumitomo Masatomo (1585–1652), in his later years to explain the merchant's frame of mind.

1894

### Large-scale reforestation operations

Large-scale reforestation operations started after Iba Teigo, the second Director-General, became manager of the Besshi Copper Mine. At peak, more than two million trees were being planted annually and Mt. Besshi once again overflowed with greenery.



The Besshi Copper Mine in the past  
Courtesy of the Sumitomo Historical Archives



Today  
Image courtesy of Sumitomo Forestry Co., Ltd.

## Our History of Value Creation

### Copper smelting and refining

**1971**  
Started production at the Toyo Smelter & Refinery

**1991**  
Completed 30,000-ton berth (sites where vessels reach shore to load and unload cargo)

### Nickel smelting and refining

**1939**  
**Started the nickel smelting and refining business**  
Beginning in 1939, SMM pioneered and commercialized the smelting and refining of nickel in Japan, which had hitherto relied on imports as nickel could not be smelted domestically.

**1993**  
**Conversion of nickel refining process to MCLE technology**  
Matte chlorine leach electrowinning (MCLE) technology is a manufacturing process where matte and mixed nickel-cobalt sulfides (MS) are dissolved in chlorine at high temperature, then electrolysis is used to produce high-purity nickel. MCLE was more competitive than other methods in terms of cost, but it posed significant operational challenges, and only a few other producers outside of SMM had commercialized similar technology.

### Copper mines

**1973**  
Closed the Besshi Copper Mine

**1979**  
Closed the Sazare Mine

### Gold mines

**1973**  
Closed the Kounomai Mine

**1985**  
**Started operation at the Hishikari Mine**  
With the closure of the Sazare Mine in 1979, the curtain closed for a time on SMM's long heritage of mining technology. However, in 1985, operations began at the Hishikari Mine and SMM Group's technology began to chart a new history in a new area. The mine boasted a rich gold content ratio, even to date and has become a primary source of profit for the Group, and it also played a role in passing down our mining technology.

### Overseas copper mines

**1961**  
**Investment and financing contract signed for the Bethlehem Copper Mine**  
The downsizing of mines in Japan meant that smelting and refining businesses had to switch to resources procured from overseas. In 1961, SMM signed an investment and financing contract with Bethlehem Copper Mine, beginning the company's involvement with overseas mines and creating a foothold for the acquisition of mining interests that continues to this day.

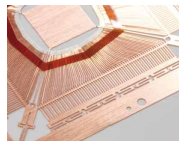
**1986**  
**Acquired interest in the Morenci Copper Mine**  
Full-scale investment in overseas mines

**1992**  
**Capital participation in the Candelaria Copper Mine**

### Materials

**1960**  
**Entered into the materials business**  
In 1960, the electronic materials business was being watched as a new market, and SMM began production of germanium dioxide for use in transistors. Since then, we have continued to provide the market with various electronic materials.

**1966**  
**Started lead frame business**



### Management and Sustainability

**1939**  
**Overcoming smoke pollution at Shisaka Island**  
We realized zero emissions of sulfur dioxide gas, which was a root cause of the smoke damage, becoming the first in the world to solve the problem of smoke damage that was afflicting copper smelters all over the globe.

**1999**  
**The JCO criticality accident**  
On September 30, 1999, a criticality accident occurred at SMM subsidiary, JCO Co., Ltd., which manufactured fuel for nuclear power generation. This was a turning point in the management of the SMM Group, whereupon it reflected and in 2000 formulated the Corporate Reform Plan. We have thoroughly fostered and instilled compliance and a culture of safety, and even though more than 20 years have passed since the accident, we will not forget and will pass the lessons learnt on to younger generations.



## Our History of Value Creation

2000

### Copper smelting and refining

**2004**  
Began No.2 tank house operation  
Began operation of new precious metals refining plant (PMEX)

**2016**  
Achieved electrolytic copper production  
volume of 450,000 tons/year (451,472 tons)

### Nickel smelting and refining

**2005**  
Started production at Coral Bay Nickel  
Corporation (CBNC)

**2013**  
Started production at Taganito HPAL (THPAL)

CBNC and THPAL use a technique known as the HPAL (High Pressure Acid Leach) method, which utilizes technology that enables the recovery of nickel from nickel oxide ores that had been conventionally difficult to process. The SMM Group was the first company in the world to successfully apply this technology on a commercial scale. In addition to contributing to the realization of in-house procurement and the effective use of nickel resources, we also carried out activities that contribute to society in the Philippines, where the operations are based.

### Gold mines

**2006**  
Started production at the Pogo Gold Mine

### Overseas copper mines

**2006**  
Started production at the Cerro Verde Copper Mine

**2015**  
Started production at the Sierra  
Gorda Copper Mine

**2016**  
Acquired additional interest in the  
Morenci Copper Mine

### Materials

**2001**  
Started production of cathode materials  
for automobile batteries

**2014**  
Established Sumiko Energy Materials  
Co., Ltd., increased production of battery  
materials and SAW filter LT/LN

**2016**  
Decided to withdraw from the lead frame business  
Management resources were reallocated to expand and  
strengthen battery materials and other products that are  
expected to grow in the future.

### Management and Sustainability

**2002**  
Return to core business  
Since FY2002, following the Corporate Reform Plan, in order to improve our profitability, we have been further promoting business selection and concentration to reform the business and cost structure of the SMM Group to build a corporate structure strong enough to withstand international competition even in a severe business environment.

**2004**  
Promoting the growth strategy  
We have steered our course toward the growth strategy by promoting large-scale projects, and concentrating management resources in growth areas to expand and strengthen our core businesses.

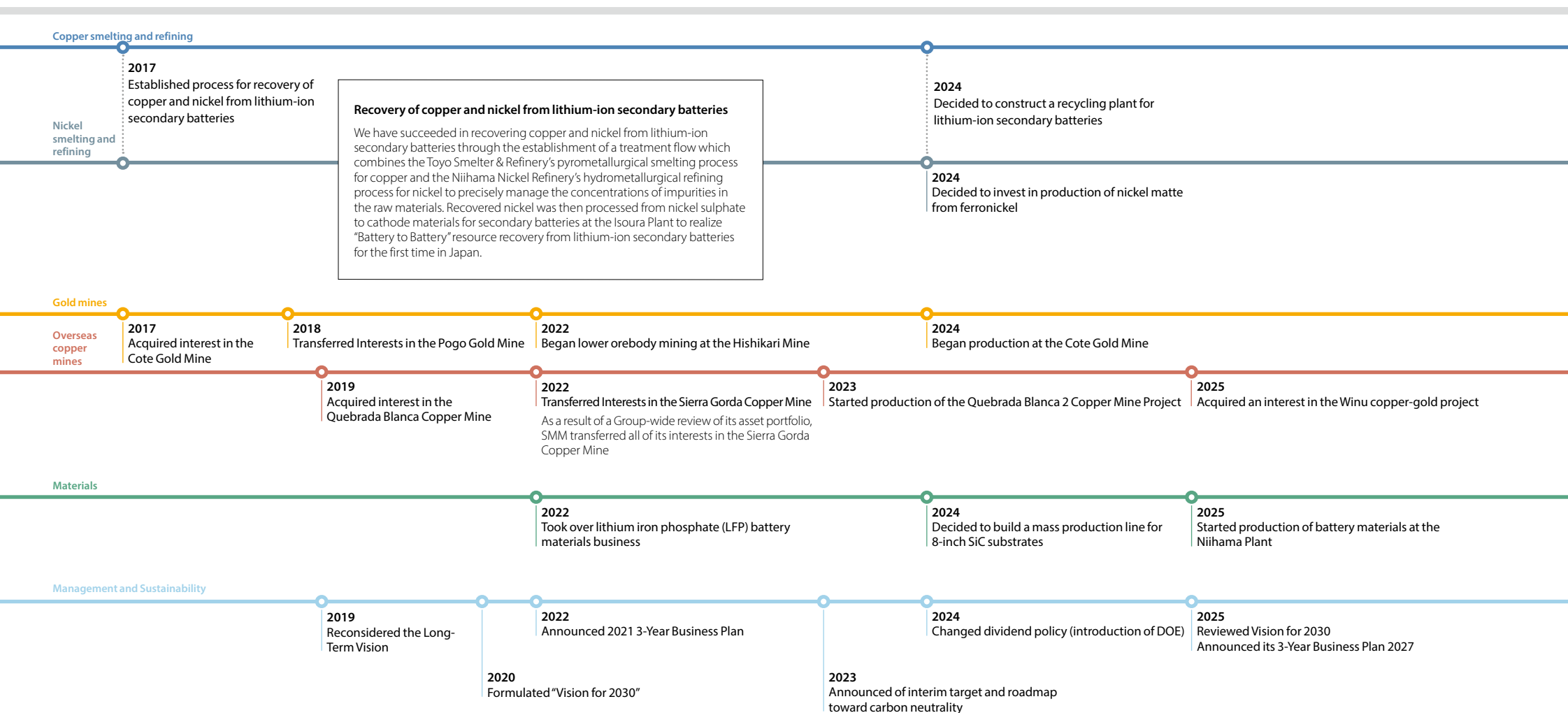
**2010**  
Switched to three core businesses  
–Mineral Resources, Smelting &  
Refining and Materials  
We shifted our business model to three core businesses: Mineral Resources, Smelting & Refining, and Materials. We have continued to implement our growth strategy to enhance our corporate value and competitiveness.

**2008**  
Formulated "Vision for 2020"

**2015**  
Reviewed "Vision for 2020"

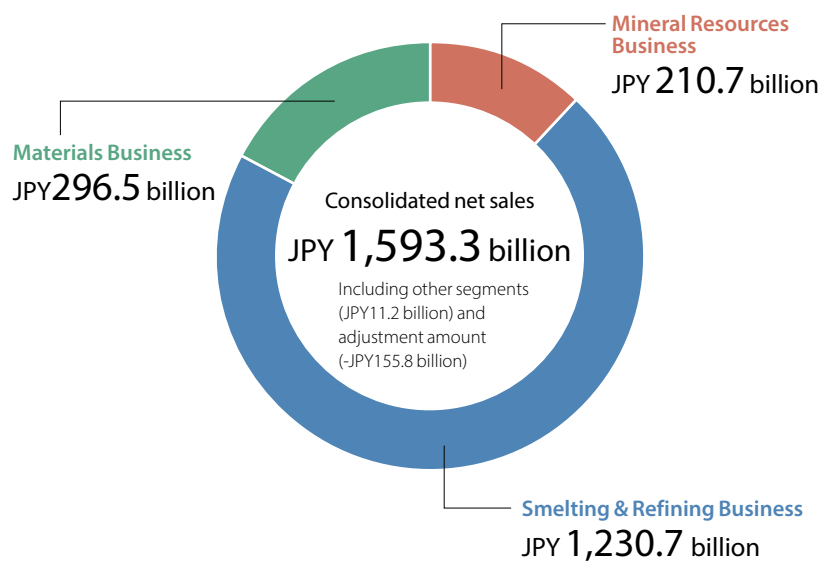


## Our History of Value Creation



# At a Glance (FY2024 Results)

## Net sales by business segment



Founded in  
**1590**

The second longest history of Japan's listed companies



Employees (consolidated)  
**7,402**



Consolidated equity ratio  
**60.1%**



Our business countries and regions  
**14**



Operational mines  
**9 mines**



Plants of Smelting  
& Refining Business  
**8 plants**



Plants of Materials  
Business  
**17 plants**

## Main Products

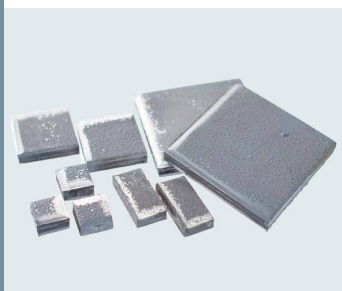
### Electrolytic copper



### Gold



### Electrolytic nickel



### Electrolytic cobalt



### Material Products



Battery materials

Advanced materials

# Our Three Core Businesses

## Mineral Resources Business

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, and Others



Cumulative amount of gold produced from Hishikari Mine

**272.6 tons, No. 1 in Japan** (As of March 31, 2025)

## Smelting & Refining Business

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 boast world-leading productivity in copper smelting and refining. In nickel smelting and refining, we were 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, and are engaging in business on the strength of advanced smelting and refining technology such as this.

### Main Products

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



Dissolving capacity of a single flash furnace

**A world-leading production capacity of 450kt/year**

## Materials Business

We are contributing to the realization of a carbon-neutral society through the development and provision of highly advanced materials such as battery and advanced materials, which are deployed in wide-ranging fields including automobiles, energy, environment, communications and information, and home appliances.

### Main Products

Battery Materials, Powder Materials, Crystal Materials, Package Materials, Oil Refining Catalysts, Automotive Catalysts, Lubricants, and Others

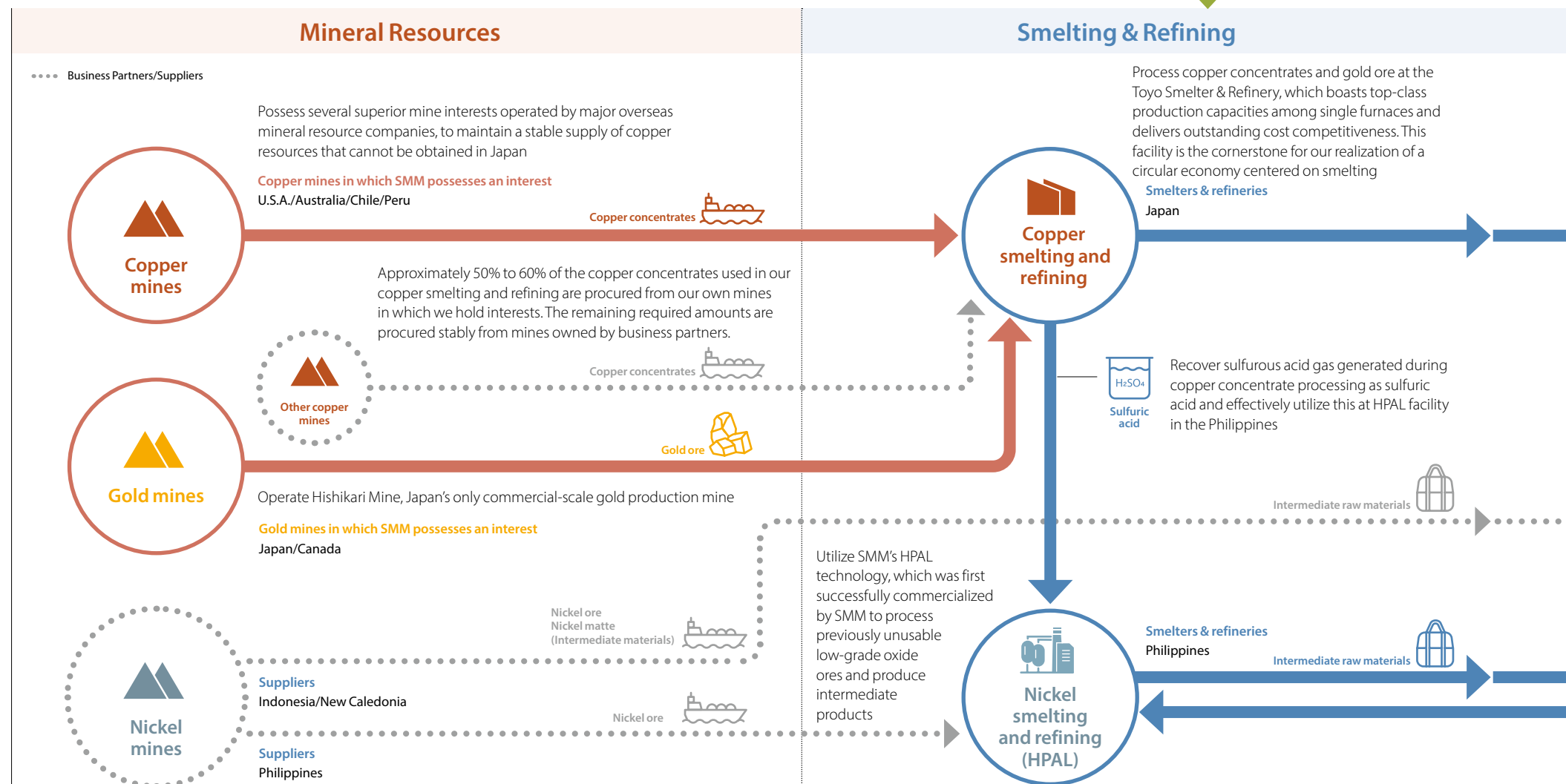


Fine nickel powder

**0.2-micrometer class fine powder**

# Material Flows

Our business model integrates the three businesses of “Mineral Resources,” “Smelting & Refining,” and “Materials,” to handle everything from securing ore through to manufacturing products that contribute to a low carbon society and recycling. This diagram illustrates the flow of materials within our business model.



## Material Flows

