

The following is an English translation of the Notice of Convocation of the 97th Ordinary General Meeting of Shareholders of Sumitomo Metal Mining Co., Ltd. (hereinafter referred to as the “Company”). The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise. The Japanese original is the sole official version and shall prevail in the event of any discrepancy between the Japanese original and this English translation.

Securities Code No. 5713

June 2, 2022

To our shareholders

11-3, Shimbashi 5-chome, Minato-ku, Tokyo
Sumitomo Metal Mining Co., Ltd.
Akira Nozaki, Representative Director and President

Convocation Notice of the 97th Ordinary General Meeting of Shareholders

Sumitomo Metal Mining Co., Ltd. (the “Company”) hereby gives notice of the 97th Ordinary General Meeting of Shareholders (the “Meeting”) as outlined below.

As a result of careful consideration given the recent spread of COVID-19, we will hold the Meeting while taking appropriate measures to prevent infection.

We kindly ask all shareholders to check the status of the pandemic and your own health condition as of the day of the Meeting when visiting the venue and to take care to prevent the spread of infection.

You may vote in writing or by an electromagnetic method (via the Internet, etc.), so we cordially request that you examine the attached Reference Documents for Shareholders Meeting and exercise your voting rights no later than 5:00pm (Japan Time) on Thursday, June 23, 2022 in accordance with Guide to Exercising Voting Rights on page 3.

1. Date and Time: June 24, 2022 (Friday) at 10:00am (Japan Time)

2. Place: Conrad Tokyo, Kazanami (Annex, 2F)
9-1, Higashishimbashi 1-chome Minato-ku, Tokyo, Japan
At the Meeting, the number of seats available are limited, as the seats are placed apart in order to prevent the infection. Therefore, even if you attend the Meeting on this day, there may be restrictions on admission. We appreciate your understanding.

3. Agenda:
Matters for Reporting Report on the contents of the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 97th business year (April 1, 2021 – March 31, 2022) and the results of audits of the Consolidated Financial Statements for the 97th business year by the Accounting Auditor and the Audit & Supervisory Board

Matters for Resolution	Proposal No.1: Appropriation of Surplus
	Proposal No.2: Amendment of the Articles of Incorporation
	Proposal No.3: Election of eight (8) Directors
	Proposal No.4: Election of one (1) Audit & Supervisory Board Member
	Proposal No.5: Election of one (1) substitute Audit & Supervisory Board Member
	Proposal No.6: Payment of bonuses to Directors

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- * Notes on the development of systems necessary to ensure the properness of operations, notes on basic policies related to the way a person is to control the decisions on the financial and business policies of the company, notes on the Consolidated Financial Statements and Notes on the Non-Consolidated Financial Statements are posted on the Company's website (<https://www.smm.co.jp/>) in accordance with the law and Article 16 of the Company's Articles of Incorporation.
 - * If any amendments to the Shareholders' Meeting Reference Documents, the Business Report, the Consolidated Financial Statements or Non-Consolidated Financial Statements are made, the notification of the details shall be provided on the Company's website (<https://www.smm.co.jp/>).

Guide to Exercising Voting Rights

1. Exercise of voting rights via the Internet

- (1) You may access the voting rights exercise site (<https://www.web54.net>), enter your voting rights exercise code and password appearing on the enclosed voting form or scan the 2d barcode on the enclosed voting form and follow the instructions to register your vote either for or against the proposals.
- (2) The deadline for the exercise of voting rights via the Internet is 5:00pm (Japan Time), Thursday, June 23, 2022.
- (3) Any connection fees to providers or telephone charges, etc. for accessing the voting rights exercise site shall be borne by the shareholders.

Please contact the direct number below if you have any questions concerning the exercise of voting rights via the Internet. Administrator of Shareholder Registry :

Securities Agent Web Support

Sumitomo Mitsui Trust Bank, Limited

0120-652-031 (toll-free within Japan only; open from 9:00am to 9:00pm (Japan Time))

2. Voting rights exercise platform for institutional investors

Institutional investors may use voting rights exercise platform operated by ICJ (Investor Communications Japan Inc.) for institutional investors if having made an application for its use in advance.

3. Matters concerning the exercise of voting rights

- (1) In the event of having voted multiple times electronically (via the Internet, etc.) or both by PC and by cell phone and the content of the vote, whether for or against, with respect to one proposal differs, the last vote exercised shall prevail.
- (2) In the event of having voted both in writing and electronically (via the Internet, etc.) and the content of the vote, whether for or against, with respect to one proposal differs, the vote exercised electronically shall prevail

Reference Documents for Shareholders Meeting

Proposals and Reference Matters

Proposal No.1: Appropriation of Surplus

The Company proposes that the appropriation of surplus be made in the following manner.

1. Matters regarding the year-end dividend

The appropriate return of profits to shareholders is one of the most important management issues of the Company.

Based on the Company's policy of aiming to achieve a consolidated dividend payout ratio of 35% or more, and in comprehensive consideration of factors such as future business development, financial soundness and financial performance in the 97th business year, the Company proposes to pay a year-end dividend of 188 yen per share as described below.

The impact on the financial results for the fiscal year ended March 31, 2022, arising from the assignment of equity interest in the Sierra Gorda copper mine (Chile) due to application of certain accounting standards relating to said equity interest, is excluded from the calculation of the amount of dividends.

(1) The kind of the Dividend Property

Cash

(2) The matters regarding the allotment of the Dividend Property to shareholders and the total amount thereof

188 yen per share of common stock of the Company

The total amount: 51,656,657,728 yen

(3) The day on which the distribution of dividend of surplus will take effect

June 27, 2022

2. Matters regarding appropriation of other surplus

In order to strengthen the foundation of business management to put the Company in good stead for aggressive business investment going forward, the Company proposes funding of general reserve.

(1) The item of surplus showing a decrease, and the amount thereof

Retained earnings brought forward: 200,000,000,000 yen

(2) The item of surplus showing an increase, and the amount thereof

General reserve: 200,000,000,000 yen

<Reference> The financial policy of the company and the changes in the dividend

As our financial strategy in the 2018 3-Year Business Plan targeted from FY2019 to FY2021, we have the policy of maintaining a consolidated equity ratio above 50% while also having a consolidated dividend payout ratio of at least 35% based on operating performance, in order to sustain our sound financial standing.

	94 th business year (Year ended March 31, 2019)	95 th business year (Year ended March 31, 2020)	96 th business year (Year ended March 31, 2021)	97 th business year (Year ended March 31, 2022)
Total dividend per share (Yen)	73	78	121	301 (tentative)
Total dividend amount (Millions of yen)	20,060	21,433	33,248	82,706 (tentative)
Consolidated dividend payout ratio (%)	30.0	35.4	35.1	29.4 (tentative)
Equity attributable to owners of parent ratio (%)	58.3	58.3	59.1	63.7

(Note) Total dividend per share, Total dividend amount and Consolidated dividend payout ratio of 97th business year shown in above table are calculated based on assumption that Proposal No.1 will be approved as proposed.

Proposal No.2: Amendment of the Articles of Incorporation

1. Reason for the amendments

In line with the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation as the system for providing informational materials for the general meeting of shareholders in electronic format will be introduced.

- (1) A new paragraph 1 of Article 16 (Measures, etc. for Providing Information in Electronic Format) in the Proposed Amendment will be established since there is a requirement to prescribe that measures will be taken for providing information that constitutes the content of reference documents for shareholders meetings in electronic format in the Articles of Incorporation.
- (2) A new paragraph 2 of Article 16 (Measures, etc. for Providing Information in Electronic Format) in the Proposed Amendment will be established to enable the Company to restrict the scope, among items for which the measures for providing information in electronic format will be taken, to items designated by the Ministry of Justice Order to scope of statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Once the system for providing informational materials for the general meeting of shareholders in electronic format is introduced, the provisions of Article 16 of the current Articles of Incorporation (Disclosure via the Internet of the reference documents for a general meeting of shareholders, etc., and the deemed provision of information) will no longer be required, so they will be deleted.
- (4) The Company will also establish supplementary provisions regarding the effective date of the aforementioned establishment and deletion of provisions. Furthermore, these supplementary provisions shall be deleted after the due date has passed.

2. Details of the amendments

The proposed amendments are as follows:

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendment
<u>(Disclosure via the Internet of the reference documents for a general meeting of shareholders, etc., and the deemed provision of information)</u>	(Deleted)

Current Articles of Incorporation	Proposed Amendment
<p data-bbox="196 286 790 795"><u>Article 16. The Company shall be deemed to have provided the shareholders with the necessary information with respect to the matters to be stated or indicated in the reference documents for the general meeting of shareholders, the business reports, the statutory reports and the consolidated statutory reports, by disclosing such information via the Internet in accordance with the ordinance of the Ministry of Justice.</u></p> <p data-bbox="363 1220 624 1254">(Newly established)</p>	<p data-bbox="804 813 1374 891"><u>(Measures, etc. for providing information in electronic format)</u></p> <p data-bbox="804 909 1385 1182"><u>Article 16. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p data-bbox="804 1200 1385 1659"><u>2. Among items for which the measures for providing information in electronic format will be taken, the Company shall not be required to include all or some of those items designated by the Ministry of Justice Order in statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendment
<p>(Newly established)</p>	<p><u>(Supplementary provisions)</u> <u>(Transitional measures for providing informational materials for the general meeting of shareholders in electronic format)</u> <u>Article 1. The amendment to Article 16 of the Articles of Incorporation by resolution of the 97th Ordinary General Meeting of Shareholders shall take effect on September 1, 2022.</u> <u>2. Notwithstanding the provision of the preceding paragraph, Article 16 of the current Articles of Incorporation before the amendment by resolution of the preceding paragraph shall remain effective regarding any general meeting of shareholders held on a date within six months from September 1, 2022.</u> <u>Article 2. The provisions in the preceding Article and this Article shall be deleted on the date when six (6) months have elapsed from September 1, 2022 or three (3) months have elapsed from the date of the general meeting of shareholders in paragraph 2 of the preceding Article, whichever is later.</u></p>

Proposal No.3: Election of eight (8) Directors

The terms of all Directors (eight (8) Directors) will expire at the close of the Meeting, therefore, the Company proposes the election of eight (8) Directors. When nominating the candidates for Directors, the Company received advice from the Governance Committee, which is comprised of the Chairman who is not an Executive Officer, and the Independent Outside Directors.

The candidates for Directors are as follows.

No.	Name	Gender	Current Position	Attribute of the Candidate	Attendance of the Board of Directors meetings for the fiscal year ended March 31, 2022	Number of years in office of the Company as Director
1	Yoshiaki Nakazato	Male	Representative Director Chairman	Reappointment	18 out of 18 (100%)	16 years
2	Akira Nozaki	Male	Representative Director Officer President	Reappointment	18 out of 18 (100%)	8 years
3	Toru Higo	Male	Director Managing Executive Officer	Reappointment	18 out of 18 (100%)	2 years
4	Nobuhiro Matsumoto	Male	Director Managing Executive Officer	Reappointment	18 out of 18 (100%)	3 years
5	Takahiro Kanayama	Male	Director Managing Executive Officer	Reappointment	14 out of 14 (100%)	1 year
6	Kazuhisa Nakano	Male	Independent Outside Director	Reappointment Outside Director Independent	17 out of 18 (94%)	6 years
7	Taeko Ishii	Female	Independent Outside Director	Reappointment Outside Director Independent	18 out of 18 (100%)	4 years
8	Manabu Kinoshita	Male	Independent Outside Director	Reappointment Outside Director Independent	18 out of 18 (100%)	2 years

No.		Yoshiaki Nakazato	Reappointment
1		Date of Birth (Age)	May 13, 1953 (69)
		Gender	Male
		Number of shares of the Company owned	28,200 Shares
		Number of years in office of the Company as Director	16 years
		Attendance of the Board of Directors meetings for the fiscal year ended March 31, 2022	18 out of 18 (100%)
Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations			
Apr. 1976	Joined the Company		
Jun. 2005	Executive Officer		
Jun. 2006	Director		
Jun. 2008	Managing Executive Officer General Manager of Advanced Materials Div.		
Oct. 2008	General Manager of Semiconductor Materials Div.		
Jun. 2009	Executive Officer General Manager of Advanced Materials Div.		
Jun. 2010	Managing Executive Officer		
Jun. 2012	Representative Director (Present Position) Senior Managing Executive Officer		
Jun. 2013	President and Representative Director		
Jun. 2018	Chairman (Present Position)		
Reasons for his candidacy as Director			
Mr. Yoshiaki Nakazato has served as President and Director for five years. Since June 2018, he has served as Chairman. He has been presented as a candidate for Director so that he may continue to utilize his knowledge and experience regarding the Company's entire business in strengthening the function of the Board of Directors.			

No.		Akira Nozaki	<u>Reappointment</u>
2		Date of Birth (Age)	Jun. 20, 1960 (61)
		Gender	Male
		Number of shares of the Company owned	18,500 Shares
		Number of years in office of the Company as Director	8 years
		Attendance of the Board of Directors meetings for the fiscal year ended March 31, 2022	18 out of 18 (100%)
Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations			
Apr. 1984	Joined the Company		
Jun. 2013	Executive Officer Senior Deputy General Manager of Non-Ferrous Metals Div.		
Jun. 2014	Director General Manager of Corporate Planning Dept.		
Jun. 2015	General Manager of Non-Ferrous Metals Div.		
Jun. 2016	Managing Executive Officer		
Jun. 2018	President and Representative Director (Present Position)		
Reasons for his candidacy as Director			
Since June 2018, Mr. Akira Nozaki has served as President and Director. He has been presented as a candidate for Director so that he may continue to utilize his knowledge and experience regarding the Company's entire business in strengthening the function of the Board of Directors.			

No.		Toru Higo	Reappointment
3		Date of Birth (Age)	Nov. 1, 1961 (60)
		Gender	Male
		Number of shares of the Company owned	5,400 Shares
		Number of years in office of the Company as Director	2 years
		Attendance of the Board of Directors meetings for the fiscal year ended March 31, 2022	18 out of 18 (100%)
Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations			
Apr. 1986	Joined the Company		
Jul. 2010	General Manager of Nickel Sales & Raw Materials Dept., Non-Ferrous Metals Div.		
Jul. 2014	General Manager of Copper & Precious Metals Raw Materials Dept., Non-Ferrous Metals Div.		
Jun. 2017	Sumitomo Metal Mining Philippine Holdings Corporation, Director and President		
Jun. 2019	Executive Officer Senior Deputy General Manager of Non-Ferrous Metals Div.		
Jun. 2020	Director (Present Position) General Manager of Corporate Planning Dept. (Present Position)		
Jun. 2021	Managing Executive Officer (Present Position)		
Reasons for his candidacy as Director			
<p>Mr. Toru Higo has knowledge of sales and corporate management, such as his abundant experience in sales and raw material procurement in Smelting & Refining Business as well as experience in managing as a director of an overseas company regarding natural resources business, as well as having served as General Manager of Corporate Planning Dept. He has been presented as a candidate for Director so that he may continue to utilize his experience and knowledge in strengthening the function of the Board of Directors.</p>			
Conclusion of indemnity agreement			
<p>The Company has concluded an indemnity agreement with Mr. Toru Higo regarding the performance of his duties as a company officer of an overseas listed company, which he performed as part of the Company's business. Under the agreement, the Company shall</p>			

indemnify for any expenses to deal with an action to pursue his liabilities, etc. or any loss for compensation of damages (including settlement payments) in the event that he is held liable for any such damages to the extent provided by laws and regulations, when he may incur them in connection with the performance of said his duties. It has been also established that the Company shall not assume obligation to compensate expenses, etc. for dealing with pursuing his liabilities incurred from any position other than his position as a company officer of the said overseas listed company (including his position as Director of the Company).

No.		Nobuhiro Matsumoto	Reappointment
4		Date of Birth (Age)	Feb. 24, 1963 (59)
		Gender	Male
		Number of shares of the Company owned	5,700 Shares
		Number of years in office of the Company as Director	3 years
		Attendance of the Board of Directors meetings for the fiscal year ended March 31, 2022	18 out of 18 (100%)
		Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations	
Apr. 1987	Joined the Company		
Apr. 2008	General Manager of Niihama Nickel Refinery, Non-Ferrous Metals Div.		
Jun. 2014	General Manager of Administration Dept., Non-Ferrous Metals Div.		
Jun. 2016	Executive Officer Senior Deputy General Manager of Non-Ferrous Metals Div.		
Jun. 2018	General Manager of Non-Ferrous Metals Div. (Present Position)		
Jun. 2019	Director (Present Position)		
Jun. 2020	Managing Executive Officer (Present Position)		
[Significant concurrent occupations or positions at other organizations]			
PT Vale Indonesia Tbk., Commissioner			
Reasons for his candidacy as Director			
Mr. Nobuhiro Matsumoto has abundant experience in Smelting & Refining Business as well as extensive knowledge regarding technology of Smelting & Refining Business. He has been presented as a candidate for Director so that he may continue to utilize his experience and knowledge in strengthening the function of the Board of Directors.			
Conclusion of indemnity agreement			
The Company has concluded an indemnity agreement with Mr. Nobuhiro Matsumoto regarding the performance of his duties as a company officer of an overseas listed company, which he performs as part of the Company's business. Under the agreement, the Company shall indemnify for any expenses to deal with an action to pursue his liabilities, etc. or any loss for			

compensation of damages (including settlement payments) in the event that he is held liable for any such damages to the extent provided by laws and regulations, when he may incur them in connection with the performance of his said duties. It has been also established that the Company shall not assume obligation to compensate expenses, etc. for dealing with pursuing his liabilities incurred from any position other than his position as a company officer of the said overseas listed company (including his position as Director of the Company).

No.		Takahiro Kanayama	<u>Reappointment</u>
5		Date of Birth (Age)	Jan. 23, 1963 (59)
		Gender	Male
		Number of shares of the Company owned	3,000 Shares
		Number of years in office of the Company as Director	1 year
		Attendance of the Board of Directors meetings for the fiscal year ended March 31, 2022	14 out of 14 (100%)
Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations			
Apr. 1986	Joined the Company		
Oct. 2015	General Manager of Personnel Dept.		
Jun. 2017	Executive Officer General Manager of Besshi - Niihama District Div.		
Jun. 2020	General Manager of Personnel Dept. (current Human Resources Dept.) (Present Position)		
Jun. 2021	Director (Present Position) Managing Executive Officer (Present Position)		
Reasons for his candidacy as Director			
<p>Mr. Takahiro Kanayama has experience of successively holding General Managers of Personnel Dept. (current Human Resources Dept.) and Besshi - Niihama District Div as well as extensive knowledge regarding corporate management such as Human Resources management and General Affairs. He has been presented as a candidate for Director so that he may continue to utilize his experience and knowledge in strengthening the function of the Board of Directors.</p>			

No.		Kazuhisa Nakano	Reappointment	
6			Outside Director	
			Independent	
			Date of Birth (Age)	Jan. 4, 1948 (74)
			Gender	Male
			Number of shares of the Company owned	2,500 Shares
			Number of years in office of the Company as Outside Director	6 years
			Attendance of the Board of Directors meetings for the fiscal year ended March 31, 2022	17 out of 18 (94%)
Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations				
Apr. 1971	Joined Idemitsu Kosan Co., Ltd.			
Apr. 2003	Executive Officer and General Manager of Personnel Department of Idemitsu Kosan Co., Ltd.			
Jun. 2004	Director of Idemitsu Kosan Co., Ltd.			
Jun. 2005	Managing Director of Idemitsu Kosan Co., Ltd.			
Jun. 2007	Executive Vice President and Representative Director of Idemitsu Kosan Co., Ltd.			
Jun. 2009	President and Representative Director of Idemitsu Kosan Co., Ltd.			
Jun. 2013	Chairman and Representative Director of Idemitsu Kosan Co., Ltd.			
Jun. 2015	Executive Advisor of Idemitsu Kosan Co., Ltd.			
Jun. 2016	Director of the Company (Present Position)			
Jun. 2017	Retired as Executive Advisor of Idemitsu Kosan Co., Ltd.			
Reasons for his candidacy as Outside Director / Overview of expected roles as Outside Director				
<p>Mr. Kazuhisa Nakano had served as President and Representative director of Idemitsu Kosan Co., Ltd. and has abundant knowledge and experience in managing a company and regarding resource business.</p> <p>Mr. Kazuhisa Nakano is expected to contribute to the improvement of quality of the Board decision-making by providing his advice regarding long-term projects, especially in the Mineral Resource business and Smelting & Refining business as well as the overall plan,</p>				

which is aimed toward the sustainable growth and mid- to long-term enhancement of the corporate value of the Company and its groups by utilizing his knowledge and experience. He is also expected to perform a check function on management by participating in decision-making at the Board of Directors from an independent and objective standpoint, and to oversee the management on behalf of shareholders and other stakeholders by being involved in decision making regarding nominations and remunerations of directors and executive officers as the member of the Governance Committee.

Mr. Kazuhisa Nakano is currently an Outside Director of the Company and the Chairman of the Governance Committee, and has been presented as a candidate for Outside Director because he is playing the roles shown above.

Independence/ Contract for Limitation of Liability

1. Mr. Kazuhisa Nakano is a candidate for Outside Director as set out in Article 2(3)(vii) of the Enforcement Regulations of the Companies Act of Japan.
2. During 97th business year (year ended March 31, 2022), the Company engaged in business with Idemitsu Kosan in such areas as the lease of real properties. The amount of sales of the Company to Idemitsu Kosan totaled ¥4 million, accounting for only 0.0% of the Company's non-consolidated net sales. The Company also engaged in business with Idemitsu Kosan with regard to the purchase of the Company's operating materials. The amount paid to Idemitsu Kosan by the Company amounted to ¥1,511 million, accounting for only 0.0% of Idemitsu Kosan's non-consolidated net sales.
3. The Company has appointed Mr. Kazuhisa Nakano as Independent Directors as specified by the Tokyo Stock Exchange and submitted notice of his appointment to the Exchange. He complies with the Company's criteria for independence set out on page 28.
4. The Company has entered into a Contract for Limitation of Liability with Mr. Kazuhisa Nakano limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher. The Company intends to extend the Contracts with him.

oversee the management on behalf of shareholders and other stakeholders by being involved in decision making regarding nominations and remunerations of directors and executive officers as a member of the Governance Committee.

Ms. Taeko Ishii is currently an Outside Director of the Company and a member of the Governance Committee, and has been presented as a candidate for Outside Director because she is playing the roles shown above. She has not participated in corporate management in any form other than as Outside Audit & Supervisory Board Member; however, for the above reasons, the Company determined that she is able to serve as Outside Director appropriately.

Independence/ Contract for Limitation of Liability

1. Ms. Taeko Ishii is a candidate for Outside Director as set out in Article 2(3)(vii) of the Enforcement Regulations of the Companies Act of Japan.
2. The Company has appointed Ms. Taeko Ishii as Independent Director as specified by the Tokyo Stock Exchange and submitted notice of her appointment to the Exchange. She complies with the Company's criteria for independence set out on page 28.
3. The Company has entered into a Contract for Limitation of Liability with Ms. Taeko Ishii limiting her maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher. The Company intends to extend the Contracts with her.

No.		Manabu Kinoshita	Reappointment	
8			Outside Director	
			Independent	
			Date of Birth (Age)	May 17, 1954 (68)
			Gender	Male
			Number of shares of the Company owned	0 Share
			Number of years in office of the Company as Outside Director	2 years
Attendance of the Board of Directors meetings for the fiscal year ended March 31, 2022	18 out of 18 (100%)			
Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations				
Apr. 1978	Joined NEC Corporation			
Apr. 2006	Executive General Manager, Distribution and Service Industries Solutions Operations Unit of NEC Corporation			
Apr. 2008	Associate Senior Vice President of NEC Corporation			
Apr. 2010	Senior Vice President of NEC Corporation			
Jun. 2010	Director of NEC Corporation			
Apr. 2016	Senior Executive Vice President of NEC Corporation			
Apr. 2018	Senior Officer of NEC Corporation			
Jun. 2020	Director of the Company (Present Position)			
Jun. 2021	Retired as Senior Officer of NEC Corporation			
[Significant concurrent occupations or positions at other organizations]				
Outside Director of Alfresa Holdings Corporation				

Reasons for his candidacy as Outside Director / Overview of expected roles as Outside Director

Mr. Manabu Kinoshita had served as Senior Executive Vice President of NEC Corporation and has abundant knowledge and experience in managing a company and regarding digital business.

Mr. Manabu Kinoshita is expected to contribute to the improvement of quality of the Board decision-making by providing his advice regarding material business and digital fields where the business environment is changing significantly, which is aimed toward the sustainable growth and mid- to long-term enhancement of the corporate value of the Company and its groups by utilizing his knowledge and experience. He is also expected to perform a check function on management by participating in decision-making at the Board of Directors from an independent and objective standpoint, and to oversee the management on behalf of shareholders and other stakeholders by being involved in decision making regarding nominations and remunerations of directors and executive officers as a member of the Governance Committee.

Mr. Manabu Kinoshita is currently an Outside Director of the Company and a member of the Governance Committee, and has been presented as a candidate for Outside Director because he is playing the roles shown above.

Independence/ Contract for Limitation of Liability

1. Mr. Manabu Kinoshita is a candidate for Outside Director as set out in Article 2(3)(vii) of the Enforcement Regulations of the Companies Act of Japan.
2. During 97th business year (year ended March 31, 2022), there is no sales of the Company to NEC Corporation. The Company engaged in business with NEC Corporation regarding the purchase of the NEC Corporation's equipment and software, and in such areas as maintenance and lease fees, etc. The amount paid to NEC Corporation by the Company amounted to ¥122 million, which accounted for 0.0% of the non-consolidated net sales of NEC Corporation. Furthermore, the Company sold all of its holdings of NEC Corporation shares by March 31, 2022. In addition, NEC Corporation also sold all of its holdings of the Company's shares.
3. The Company has appointed Mr. Manabu Kinoshita as Independent Director as specified by the Tokyo Stock Exchange and submitted notice of his appointment to the Exchange. He complies with the Company's criteria for independence set out on page 28.
4. The Company has entered into a Contract for Limitation of Liability with Mr. Manabu Kinoshita limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher. The Company intends to extend the Contracts with him.

Matters regarding candidates for directors

The Company has entered into a Directors and Officers liability insurance contract stipulated in the laws and regulations with an insurance company, under which directors, the Audit & Supervisory Board Members and executive officers of the Company are included in the insured. In the insurance contract, damages and legal costs will be compensated in a case where any of the insured becomes subject to a claim with regard to damages caused by their action or failure to act based on their position such as Directors or Officers of the Company. The Company bears all insurance premiums for the insured. If the appointment of the candidates for directors is approved, they will be included as an insured in the contract. The Company plans to renew the insurance contract with the same content during the term of office.

(Notes)

1. Information of the candidates such as age or career shown above in this proposal is as of Jun. 1, 2022.
2. Descriptions in units of million yen in this proposal have been rounded to the nearest million yen.

Proposal No.4: Election of one (1) Audit & Supervisory Board Member

With respect to Audit & Supervisory Board Member Mr. Yasuyuki Nakayama will have resigned at the close of the Meeting. Therefore, the Company proposes the election of one (1) Audit & Supervisory Board Member. The Company has obtained consent for this proposal from the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows.

	Tsuyoshi Nozawa	New
	Date of Birth (Age)	Dec. 3, 1964 (57)
	Gender	Male
	Number of shares of the Company owned	600 Shares
Career summary, position and significant concurrent occupations or positions at other organizations		
Apr. 1988	Joined the Company	
Jul. 2015	Public Relations & Investor Relations Dept.	
Apr. 2018	Finance & Accounting Dept. (Present Position)	
Reasons for his candidacy as Audit & Supervisory Board Member		
<p>Mr. Tsuyoshi Nozawa has for many years involved in tax accounting and financial accounting works, and has knowledge of accounting practice and accounting, etc. He also has experience in dialogue with stakeholders including shareholders and investors. He has been presented as a candidate for Audit & Supervisory Board Member because he is expected to perform his role as Audit & Supervisory Board Member by utilizing his experience and knowledge.</p>		
Directors and Officers liability insurance contract related to the candidate for Audit & Supervisory Board Member		
<p>The Company has entered into a Directors and Officers liability insurance contract stipulated in the laws and regulations with an insurance company, under which directors, the Audit & Supervisory Board Members and executive officers of the Company are included in the insured. In the insurance contract, damages and litigation expenses will be compensated in a case where any of the insured becomes subject to a claim with regard to damages caused by their action or failure to act based on their position such as Directors or Officers of the Company. The Company bear all insurance premiums for the insured. If the appointment of the candidate for Audit & Supervisory Board Member is approved, the candidate will be included as an insured in the contract. The Company plans to renew the insurance contract with the same content during the term of office.</p>		

(Note)

Information of the candidate such as age or career shown above in this proposal is as of Jun. 1, 2022.

Proposal No.5: Election of one (1) substitute Audit & Supervisory Board Member

In case the number of Audit & Supervisory Board Members falls below the number specified by laws and regulations or the Articles of Incorporation, the Company proposes the election of one (1) substitute Audit & Supervisory Board Member. The Company has obtained consent for this proposal from the Audit & Supervisory Board.

The candidate for substitute Audit & Supervisory Board Member is as follows.

	<p>Kazuhiro Mishina</p>	<p>Outside Audit & Supervisory Board Member Independent</p>
	<p>Date of Birth (Age)</p>	<p>Sep. 23, 1959 (62)</p>
	<p>Gender</p>	<p>Male</p>
	<p>Number of shares of the Company owned</p>	<p>0 Share</p>
<p>Career summary, position and significant concurrent occupations or positions at other organizations</p>		
<p>Sep. 1989</p>	<p>Assistant Professor of Harvard Business School</p>	
<p>Oct. 1995</p>	<p>Assistant Professor of the Center for Research and Investigation of Advanced Science and Technology of Japan Advanced Institute of Science and Technology</p>	
<p>Apr. 1997</p>	<p>Assistant Professor of the School of Knowledge Science of Japan Advanced Institute of Science and Technology</p>	
<p>Oct. 2002</p>	<p>Assistant Professor of the Graduate School of Business Administration of Kobe University</p>	
<p>Oct. 2004</p>	<p>Professor of Graduate School of Business Administration of Kobe University (Present Position)</p>	
<p>[Significant concurrent occupations or positions at other organizations]</p>		
<p>Professor of Graduate School of Business Administration of Kobe University</p>		
<p>Reasons for his candidacy as substitute for Outside Audit & Supervisory Board Member / Overview of expected roles as Outside Audit & Supervisory Board Member</p>		
<p>Mr. Kazuhiro Mishina has specialized knowledge as a researcher in the field of corporate strategy and business strategy.</p>		
<p>Mr. Kazuhiro Mishina is, if he assumes the office, expected to carry out effective audits based on his own knowledge and experience, especially utilizing his background as a university</p>		

professor, while fully coordinating with full-time Audit & Supervisory Board Members, which is aimed toward the ensuring of the soundness of the Group's management and mid- to long-term enhancement of the corporate value of the Company and its groups. In addition, as part of the audit process he is expected to participate in important meetings, including Board of Directors meetings, and during the decision-making process to actively express his frank opinions from an independent and objective standpoint, including not only the legality but also the appropriateness of proposals.

He has not participated in corporate management in any form other than as Outside Director; however, for the above reasons, the Company determined that he is able to serve as Outside Audit & Supervisory Board Member appropriately.

Independence/ Contract for Limitation of Liability

1. Mr. Kazuhiro Mishina is a candidate for Outside Audit & Supervisory Board Member as set out in Article 2(3)(viii) of the Enforcement Regulations of the Companies Act of Japan.
2. If Mr. Kazuhiro Mishina assumes the office of Outside Audit & Supervisory Board Member, the Company plans to appoint him as Independent Director as specified by the Tokyo Stock Exchange and submit notice of his appointment to the Exchange. He complies with the Company's criteria for independence set out on page 28.
3. If Mr. Kazuhiro Mishina assumes the office of Outside Audit & Supervisory Board Member, the Company plans to enter into a Contract for Limitation of Liability with him limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher.
4. The Company has entered into a Directors and Officers liability insurance contract stipulate in the laws and regulations with an insurance company, under which directors, the Audit & Supervisory Board Members and executive officers of the Company are included in the insured. In the insurance contract, damages and litigation expenses will be compensated in a case where any of the insured becomes subject to a claim with regard to damages caused by their action or failure to act based on their position such as Directors or Officers of the Company. The Company bear all insurance premiums for the insured. If Mr. Kazuhiro Mishina assumes the office of Outside Audit & Supervisory Board Member, he will be included as an insured in the contract.

(Note)

Information of the candidate such as age or career shown above in this proposal is as of Jun. 1, 2022.

<Reference>

1. Criteria for Independence

The Company will follow the requirements for externality prescribed in the Companies Act of Japan and the criteria for independence prescribed by the Tokyo Stock Exchange in judging the independence of Outside Directors and Outside Audit & Supervisory Board Members (collectively, "Outside Officers"). However, even if an Outside Officer belongs to a business partner of the Company or in other such situations, the Outside Officer will, in principle, be judged to be independent when falling under the following immateriality standards prescribed by the Company.

Business Partners and Banks	<ul style="list-style-type: none"> • In the most recent business year, sales of the Company (non-consolidated) to the business partner (non-consolidated) were less than 2% of the sales of the Company (non-consolidated). • In the most recent business year, sales of the business partner (non-consolidated) to the Company (non-consolidated) were less than 2% of the sales of the business partner (non-consolidated). • In the most recent business year, the outstanding balance of loans from the business partner to the Company (non-consolidated) was less than 2% of the total assets of the Company (non-consolidated).
Consultants, Experts, etc.	<ul style="list-style-type: none"> • Consultants, accounting experts, legal experts, or other such experts who received money or other such assets (if the recipient of such assets is a corporation, partnership, or other such organization, then any person belonging thereto), other than officer remunerations, of less than an annual amount of 10 million yen in the most recent business year from the Company (non-consolidated).
Contributions, etc.	<ul style="list-style-type: none"> • If the recipient is an individual Directors or Audit & Supervisory Board Members: The amount of money or other such assets received from the Company (non-consolidated) in the most recent business year is less than an annual amount of 1 million yen. • If the recipient is a corporation, etc. to which a Director or Audit & Supervisory Board Member belongs (in case of national university corporations, incorporated educational institutions, or the like, the department or post-graduate course to which the Director or Audit & Supervisory Board Member belongs will be deemed to a recipient): The amount of money or other such assets received from the Company (non-consolidated) in the most recent business year is less than an annual amount of 10 million yen.

2. Skills Matrix for Board of Directors

If Proposal No.3 (Election of eight (8) Directors) and Proposal No.4 (Election of one (1) Audit & Supervisory Board Member) are approved and adopted as proposed, the skills matrix for the Board of Directors will be as follows.

Category	Name	Knowledge, experience, ability, etc. possessed by Directors and Audit & Supervisory Board Members that they believe they can contribute significantly to the effectiveness of the Board of Directors.							
		General Corporate Management/Sustainability	Global Capability (International Experience)	Business/Marketing	R&D/Manufacturing/Engineering	Quality/Safety/Environment	Finance/Accounting	Human Resources	Legal/Compliance
Director	Yoshiaki Nakazato	○	○	○			○		
	Akira Nozaki	○	○	○			○		
	Toru Higo	○	○	○					○
	Nobuhiro Matsumoto	○	○	○	○	○			
	Takahiro Kanayama	○				○		○	
	Kazuhisa Nakano	○	○	○				○	
	Taeko Ishii							○	○
	Manabu Kinoshita	○		○				○	
Audit & Supervisory Board Member	Koji Imai								○
	Tsuyoshi Nozawa	○				○	○		
	Wataru Yoshida		○	○			○	○	
	Shoji Wakamatsu						○		

(Notes)

1. The Company has created the skill matrix for Directors and Audit & Supervisory Board Members, taking account of the “Reasons for adoption of present corporate governance system” set out on page 32
2. Fields in which Directors and Audit & Supervisory Board Members believes that they can make a particular contribution to the effectiveness of the Board of Directors are indicated with a “○”. Furthermore, the Company has established the guidelines for fulfillment. For the details, please refer to the Corporate Governance Report.

Proposal No.6: Payment of bonuses to Directors

The Company proposes the payment of a total of 243 million yen as bonuses to Five (5) Directors, excluding Outside Directors among the Eight (8) Directors who were in office as of the end of the 97th business year (year ended March 31, 2022) in order to reward their distinctive merits. The Directors' bonuses of the Company are calculated by considering the performance of the Company and reflecting the job performance of each Director based on the Policy on the remunerations of each Director. The summary of details of the policy are as set out on page 55.

The Directors' bonuses of the Company are calculated by considering the performance of the Company and reflecting the job performance of each Director based on the Policy on the remunerations of each Director.

<Reference> Corporate Governance of the Company

(1) Basic Approach to Corporate Governance

The Company views corporate governance as a disciplinary framework both for maximizing the corporate value of the Company Group and for ensuring sound management practices. As such, it is one of the most important management issues.

The Company has instituted the SMM Group Corporate Philosophy based on the Sumitomo's Basic Business Philosophy. Through striving to enhance our corporate governance, the Company will conduct efficient and sound business activities, make positive contributions to society, and fulfill our responsibilities to our shareholders and all other stakeholders in order to realize the SMM Group Corporate Philosophy.

Sumitomo's Basic Business Philosophy

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.

SMM Group Corporate Philosophy

- The Company, in accordance with the Sumitomo Business Spirit, shall, through the performance of sound corporate activities and the promotion of sustainable co-existence with society and 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.
- The Company shall, based on respect for all individuals and recognizing each person's dignity and value, seek to be a forward-minded and vibrant company.

* Details of Basic Approach to Corporate Governance of the Company are available on the website below.

https://www.smm.co.jp/en/ir/management/governance_policy/

(2) Governance Framework

① Organizational Structure

The Company has adopted Audit & Supervisory Board and Executive Officer systems to ensure effective execution, monitoring functions within management. The Company is managed by three organs, namely (i) the Board of Directors, in charge of major decisions and supervision, (ii) Representative Directors and Executive Officers, in charge of the execution of business, and (iii) the Audit & Supervisory Board Members and Accounting Auditor, in charge of auditing. In addition, the Company has established the Governance Committee to increase management transparency and strengthen corporate governance.

② Reasons for adoption of present corporate governance system

Positioning Mineral Resources, Smelting & Refining, and Materials as its three core businesses, the Company aims to realize its Long-term Vision of becoming a “World Leader in the Non-Ferrous Metals Industry.” Since all three businesses are related to non-ferrous metals, they have a mutual organic relationship and their business contents and scale are such that the Board of Directors can make decisions itself regarding diverse management issues. Furthermore, from the viewpoint of the stronger coordination currently being promoted among the three businesses, it will further stimulate the Company’s growth if the Board of Directors itself comprehensively makes decisions rather than giving strong independence to each business segment and permitting them to make their own decisions. To this end, we consider that in principle a management model would be appropriate for the Company’s governance, rather than a monitoring model that oversees overall business execution after the fact.

Furthermore, in view of the distinctive characteristics of the Sumitomo Metal Mining Group’s business operations, it is important to strengthen the management infrastructure (particularly regarding compliance, safety, and the environment) and therefore necessary to establish a system whereby auditors can point out issues to directors and executive officers without hesitation. From this viewpoint, we have adopted an organizational structure of a company with an Audit & Supervisory Board in which auditors with guaranteed independent authority can be expected to exercise their auditing functions stably over a period of four years. At present auditors do not have the right of convocation regarding decisions of the Board of Directors or the right to vote on the Board of Directors. The resulting inability of auditors to propose the removal of a director to the Board of Directors is an issue for companies with an Audit & Supervisory Board. We are striving to overcome this issue by appointing multiple outside directors (at least one third of members), have them become members of the Governance Committee, and deal with the appointment and dismissal of directors and executive officers in the Governance Committee.

(3) Policy on Reducing Cross-shareholdings

When advancing our business strategy, the Company may engage in strategic shareholdings with business partners or other companies if it is judged that doing so will contribute to strengthening our business base over the mid to long term. With regard to existing cross-shareholdings, the Board of Directors verifies aspects such as the objectives of holdings and whether the benefits therefrom cover the Company's cost of capital every year. As a result of this verification, with regard to shares whose holding is judged to have little significance, including shares considered no longer worth the cost of capital and shares judged to have become less relevant due to recent business changes, we will proceed with concrete consideration based on the premise of reduction. Furthermore, in cases where a company cross-holding the Company's shares expresses a desire to sell, we respond in a sincere manner with a view to proceeding with the sale.

With regard to the exercise of voting rights in cross-shareholdings, the Company determines whether to vote for or against each proposal after giving comprehensive consideration, based on the financial results and other aspects of the financial condition of each of the issuing companies, to matters such as whether each proposal will contribute to increasing the corporate value of that company over the medium to long term, and what impact it will have on the Company's corporate value. Decisions on voting are made particularly cautiously in circumstances such as cases of companies affected by major scandals or by persistent losses.

(4) Analysis and evaluation of the effectiveness of the board as a whole, and the results

The Board of Directors analyzes and evaluates the effectiveness of the Board of Directors from the perspective of making appropriate business execution decisions and improving monitoring function. In fiscal 2021, the Board of Directors analyzed and evaluated the effectiveness of the Board of Directors, with the following results:

① Process of analysis and evaluation

With the help of an external evaluator (law firm), the Board of Directors prepared and implemented questionnaires for the directors and Audit & Supervisory Board Members. The compilation and analysis of the questionnaire responses was entrusted to the external evaluator. The Board of Directors deliberated on the effectiveness of the Board of Directors at the ordinary meeting held in February 2022, based on the compiled questionnaire responses, the evaluation by the external evaluator, and the "what the Board of Directors should ideally be (aiming for a Board of Directors that emphasizes decision-making functions)" confirmed in fiscal 2016, and confirmed its evaluation and future actions.

② Overview of the analysis and evaluation results

a. Questionnaire responses and external evaluator's analysis and evaluation results

- a) Since most of the items related to the effectiveness of the Board of Directors were rated highly, in general, the Board of Directors can be evaluated as functioning effectively.
- b) In the open-ended response section of the questionnaire, many positive opinions were expressed about the current situation, and often when identifying matters, opinions were included on how the current situation could be improved.
- c) With respect to the role and function of the Board of Directors that the Company aims to achieve, given that a considerable number of responses expressed the need for change in this regard, it is desirable for the Board of Directors to consider this matter. Furthermore, it is desirable for the Board of Directors to continue to consider and implement initiatives aimed at improvement in the matters pointed out in fiscal years 2019 and 2020 (such as securing human resources).

b. Deliberations at Board of Directors meetings

Based on the advice from the external evaluator, the Board of Directors deliberated on the following matters.

- a) With respect to the opinion that changes are necessary in the role and function of the Board of Directors, the Board of Directors agreed that it was necessary to review the criteria for the matters for resolution and matters for reporting to be submitted to the Board of Directors in order to strengthen its monitoring function, and determined to conduct a review that would consider revising the monetary limit standards determining which matters for resolution are submitted, among other matters in order to enhance aspects of the monitoring function while continuing to adopt the management model in principle. In addition, the Company confirmed that the following reporting will continue to be implemented.
 - Reporting on non-financial information twice a year (from April 2022, reported by the Sustainability Committee).
 - Reporting from each division on its issues and corresponding courses of action, including marketing perspectives, approximately once a year.
- b) With respect to initiatives related to the matters pointed out in fiscal years 2019 and 2020 (especially securing human resources, etc.), the Board of Directors confirmed that it would wait for the executive side to consider and propose a solution before deliberation.
- c) As for other matters, the Board of Directors confirmed that it would request faster distribution of materials, provision of feedback concerning opinions on capital markets, and other topics.

③ Future actions

The Board of Directors confirmed that it will further enhance the effectiveness of the Board of Directors by continuing to address the above issues.

(5) Analysis and evaluation of the effectiveness of the audits and the Audit & Supervisory Board, and the results

① Purpose, etc. of the evaluation of the effectiveness of the Audit & Supervisory Board Members and the Audit & Supervisory Board

In order to ensure managerial soundness and increase the corporate value of the Company Group, at the Company, the Audit & Supervisory Board Members audit the execution of duties by directors and executive officers in accordance with the audit policies, audit plans, and other such matters prescribed by the Audit & Supervisory Board. To confirm and improve the effectiveness of these audits and the Audit & Supervisory Board, it was decided to begin an initiative to evaluate their effectiveness.

In fiscal year 2021, the first year of this initiative, it was decided to review the audits and activities of the Audit & Supervisory Board, consider the issues that needed to be improved and how to address them, and incorporate these findings in the next fiscal year's audit plan and day-to-day audit activities.

② Evaluation process and evaluation method

The process for the evaluation of the effectiveness was as follows. In order to carry out the evaluation from an independent and objective standpoint, we requested advice on analysis and evaluation from Deloitte Touche Tohmatsu LLC, a third-party organization. Based on the results, discussions were held at the Audit & Supervisory Board and self-evaluations were conducted.

The specific evaluation method was as follows. The third-party organization first checked the audits by the Audit & Supervisory Board Members and relevant materials pertaining to the Audit & Supervisory Board, and then conducted individual interviews with all Audit & Supervisory Board Members (two standing members and two outside members). The Audit & Supervisory Board Members conducted their effectiveness evaluation with reference to the advice of the third-party organization based on the results of the individual interviews and then exchanged a wide range of opinions on the audit activities, etc.

③ Overview of evaluation results

As a result of the discussions at the Audit & Supervisory Board, the following points were confirmed regarding the audits and activities of the Audit & Supervisory Board, and the audits and activities of the Audit & Supervisory Board were judged to be well-functioning and sufficiently effective.

- Through their attendance at Board of Directors meetings, discussions among Audit & Supervisory Board Members, and auditing activities by Audit & Supervisory Board Members, the Audit & Supervisory Board Members have conducted audits in an appropriate manner and made necessary representations of their opinions.

- The Audit & Supervisory Board Members, including Outside Audit & Supervisory Board Members, have attended Management Committee meetings, executive officer's meetings, CSR Committee (currently Sustainability Committee) meetings, Internal Control Committee meetings, and other important meetings and committees, and checked the status of business execution by directors and executive officers and whether the internal control system is properly maintained and operated. In addition, Audit & Supervisory Board Members have actively spoken at important meetings, etc., based on their experiences and knowledge.
- The Audit & Supervisory Board Members have continuously conducted interviews with executives, including representative directors, have established an atmosphere where it is possible to actively exchange opinions with management, and have made recommendations as necessary based on the information and impressions obtained through their audits.
- A full-time Audit & Supervisory Board Member and an Outside Audit & Supervisory Board Member have conducted on-site inspections in a pair at different sites, including affiliated companies (22 sites were visited in fiscal year 2021). Through these site visits, Audit & Supervisory Board Members have checked with their own eyes the status of business execution and whether the maintenance and operation of the internal control system is being carried out appropriately, and provided advice as necessary.
- At meetings of the Audit & Supervisory Board, the full-time Audit & Supervisory Board Members have shared information they collected through inspection of important approval and other such documents and reports from relevant divisions, as well as the results of their audit activities, with Outside Audit & Supervisory Board Members, and the Audit & Supervisory Board Members have held discussions among themselves.

④ Future actions

We have confirmed that we will continue to examine the issues identified in the process of evaluating the effectiveness, and strive for improvement by reflecting appropriately in next fiscal year's audit plans and audit activities. By aiming to improve the effectiveness of audit activities, we will continue to strive to contribute to strengthening the management infrastructure and improving the corporate value of the Company Group.

END

Business Report

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

1. Matters relating to the current status of the corporate group

(1) Business activities and results

In the Group's performance in the fiscal year ended March 31, 2022, consolidated net sales increased year on year mainly due to prices of copper and nickel being higher than in the previous fiscal year as well as increased sales of battery materials and powder materials for automobile batteries. Consolidated profit before taxes increased year on year due to factors including, apart from the increase in income and an upturn in share of profit (loss) of investments accounted for using equity method, the transfer of all the interests in Sierra Gorda Copper Mine (Chile). Profit attributable to owners of parent increased year on year due to the increase in consolidated profit before tax.

The economic environment and other factors during fiscal 2021 were as follows.

Overview of the world economy

Despite the prolonged spread of COVID-19 and its ongoing variants, the economic recovery trend was maintained mainly in Europe and the United States thanks to measures such as the vaccination rollout. However, due to Russia's invasion of Ukraine in late February 2022, uncertainty about energy supply, etc. increased, especially in Europe, and concerns about a slowdown in economic growth increased.

Environment surrounding the Group

Non-ferrous metals industry	The price of copper continued to rise from the previous fiscal year to the beginning of this fiscal year and has subsequently remained high. The nickel price is on an upward trend. The price of gold remained at a constant level during the fiscal year, and changed to an upward trend toward the end of the fiscal year.
Materials related industry	There is growing demand for battery materials for automobile batteries. The demand for materials for electronic parts is generally firm due mainly to the advance in electric components for automobiles, the expansion of the Fifth Generation Mobile Communication System (5G) and the recovery trend in the economy.

*Average rate of the U.S. dollar during the period
FY2021: \$1=¥112.39 FY2020: \$1=¥106.07

Consolidated net sales	Consolidated profit before tax	Profit attributable to owners of parent
¥1,259,091 million 36.0% increase year over year	¥357,434 million 189.7% increase year over year	¥281,037 million 197.1% increase year over year

Mineral Resources Segment

Net sales

¥157,315 million

23.8% increase year over year

Segment income

¥208,548 million

230.5% increase year over year

Main businesses

Exploration, development, production, and sales of non-ferrous metal resources in Japan and overseas

The Hishikari Mine (Kagoshima Prefecture) continued steady production as planned. We maintained our initiatives to ensure stable production and to extend the life of the mine.

Production volume at the Morenci Copper Mine (the United States) decreased year on year due to factors such as the implementation of measures to reduce the operating capacity for some of the ore crushers in light of the spread of COVID-19. Production volume at the Cerro Verde Copper Mine (Peru) increased compared to the previous fiscal year when the temporary care and maintenance operations were implemented, associated with the spread of COVID-19.

All interests held in Sierra Gorda Copper Mine (Chile) were transferred in February 2022.

Segment income increased year on year due mainly to the transfer of all interests in Sierra Gorda Copper Mine (Chile), in addition to the high price of copper compared to the previous year, despite the impact from the spread of COVID-19.

(Note) Sociedad Minera Cerro Verde S.A.A. is an associate accounted for by the equity method and is not included in net sales, but is included in segment income. All interests in Sierra Gorda S.C.M. were transferred on February 22, 2022. However, due to the conclusion of the transfer agreement in October 2021, the same processing is being carried out by the time the assets are transferred to assets held for sale.

Smelting & Refining Segment

Net sales

¥942,341 million

35.8% increase year over year

Segment income

¥114,753 million

116.4% increase year over year

Main businesses

Smelting and refining and sales of copper, nickel, ferronickel, gold, silver, etc.

Production volume of electrolytic copper decreased year on year due mainly to the scheduled furnace repairs at Toyo Smelter & Refinery (Ehime Prefecture), which handles copper smelting & refining. Sales volume also decreased year on year.

At Coral Bay Nickel Corporation (Philippines), where intermediate raw materials for nickel are manufactured, the production volume decreased year on year due mainly to the temporary reduction in operating capacity caused by the impact of COVID-19.

Similarly, at Taganito HPAL Nickel Corporation (Philippines), where intermediate raw materials for nickel are manufactured, production volume decreased year on year due mainly to equipment failures and the impact of typhoons. Production and sales volume of electrolytic nickel decreased year on year due mainly to a shortage of raw materials.

Segment income increased year on year, due mainly to an increase in non-ferrous metals prices.

Materials Segment

Net sales

¥277,962 million

31.4% increase year over year

Segment income

¥27,625 million

163.6% increase year over year

Main businesses

Manufacturing and sales of battery materials and advanced materials such as powder materials and crystal materials

With regard to battery materials for automobile batteries, the trend toward electrification of automobiles is accelerating against the backdrop of decarbonization compared to the previous fiscal year when demand was temporarily sluggish. As a result, demand continued to grow, and sales volume increased year on year.

With regard to powder materials, sales volume increased year on year due to continued strong demand against the backdrop of the progress of electrification of automobiles and the expansion of the fifth-generation (5G) mobile communications system.

Segment income increased year on year due mainly to increased income of powder materials and the growing demand for battery materials.

-
- Net sales and profit of each segment include intersegment transactions.
 - Figures for consolidated net sales are the sum of external net sales after eliminating intersegment transactions.
 - From fiscal 2021, the method of allocating general administrative expenses and finance income has changed in order to evaluate the performance of each segment more appropriately. The year on year rate of change shows the comparison with net sales and segment income calculated based on the same allocating method being used for fiscal 2021 and the previous fiscal year.

(2) Sales and production by segment

1) Sales results by segment

Reportable segment, etc.	Previous fiscal year (FY2020)		Current fiscal year (FY2021)	
	millions of yen	%	millions of yen	%
Mineral Resources	127,042	13.7	157,315	12.5
Smelting & Refining	693,758	74.9	942,341	74.8
Materials	211,533	22.8	277,962	22.1
Others	9,703	1.0	9,843	0.8
Adjustment	(115,914)	(12.4)	(128,370)	(10.2)
Total	926,122	100.0	1,259,091	100.0

(Note) Intersegment sales are included in the sales results of each segment and eliminated in the adjustment amount.

2) Production volume of major products (the Company)

Products	Unit	Previous fiscal year (FY2020)	Current fiscal year (FY2021)	Year-on-year change	Reportable segment
				%	
Copper	t	442,626	418,847	(5.4)	Smelting & Refining
Gold	kg	17,170	16,662	(3.0)	Smelting & Refining
Electrolytic nickel	t	55,861	52,450	(6.1)	Smelting & Refining
Ferronickel	t	13,023	12,330	(5.3)	Smelting & Refining
Gold and silver ore	t	147,517	137,358	(6.9)	Mineral Resources

(Notes) 1. Production volume includes commissioning and/or commissioned production.
2. Ferronickel is shown by amounts converted to a nickel content basis.

(3) Funding and capital expenditure

1) Funding

In fiscal 2021, the 29th and 30th series straight bonds were redeemed and funds were also raised through the issuance of the 33rd series straight bonds and bank loans. The balance of borrowing (including bonds and convertible bond-type bonds with share acquisition rights) as of the end of fiscal 2021 decreased year on year by ¥29,195 million to ¥331,232 million.

2) Capital expenditure

We carried out capital expenditure of ¥64,539 million in total during fiscal 2021. Capital expenditures in fiscal 2021 included the construction of the Côté Gold Project (Canada) and the Hishikari Mine lower orebody development in the Mineral Resources Segment and the additional investment in the cathode material used in secondary batteries in the Materials Segment.

(4) Significant corporate restructuring, etc.

As of February 22, 2022, the Company transferred all of its interests in SMM-SG Holding Inversiones SpA, its indirect holdings in SMM Sierra Gorda Inversiones Limitada and Sierra Gorda S.C.M., and its shares of SMM Holland B.V. to Australia-based South32 Limited through South32 Limited's subsidiary. With this, the Company transferred all of its interests related to the Sierra Gorda Copper Mine (Chile) to South32 Limited.

(5) Issues to be addressed and future outlook

Although the world economy is expected to grow to a certain extent due mainly to monetary and fiscal policies and the progress of vaccination measures across the globe in response to the spread of COVID-19, it could deteriorate rapidly in the event of developments such as a new wave of COVID-19 or a prolongation of the Russian invasion of Ukraine.

Regarding the business environment in which the Group operates, the supply-demand balance in fiscal 2022 for both copper and nickel in the non-ferrous metals industry is expected to be virtually even or to have a slight supply surplus. Prices for major non-ferrous metals have remained at high levels due to the inflow of funds into the market in anticipation of long-term demand growth and concerns about supply chain disruption and supply constraints due to the impact of Russia's invasion of Ukraine, but there is also a risk of a sharp fall in the future. In industries related to the materials business, continued demand growth is expected due to initiatives for accelerated decarbonization and responses to the fifth-generation (5G) mobile communications system and digital transformation (DX). However, the situation remains unpredictable due to the manifestation of the impact of shortages of semiconductors for automobiles.

Under these circumstances, the Group vigorously promote the growth strategy of each business towards the long-term vision of becoming "the world leader in the non-ferrous metals industry" by steadily implementing the "2021 3-Year Business Plan" covering the years from fiscal 2022 to fiscal 2024, announced in February 2022.

<Long-term vision>

**Become the world leader
in the non-ferrous metals industry**

<Target>

Nickel	Annual production volume
	150 kt

Copper	Annual production volume corresponding to interest
	300 kt

Gold	Participation in new mine operations through the acquisition of excellent interests
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Materials	Achievement of annual profit before tax of ¥25.0 billion through portfolio management
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Profit attributable to owners of parent	¥150.0 billion/year
--	----------------------------

<Vision for 2030>

Keeping in mind the new social issues and business challenges facing the Group, we have formulated “Vision for 2030” as a milestone toward the realization of our long-term vision. We evaluated our relationship with the SDGs and set the 12th SDG, “responsible consumption and production,” as our most important goal. We will strive to solve social issues through our business and maximize sustainable growth and corporate value by working toward the realization of “Vision for 2030.”

<2021 3-Year Business Plan>

We stated a long-term vision in the 2018 3-Year Business Plan of aiming to become “the world leader in the non-ferrous metals industry.” We have aimed for sustainable growth and improvement in corporate value through measures such as strengthening the business base of our core businesses in Mineral Resources, Smelting & Refining, and Materials, focused on large-scale projects. We set the theme of our 2021 3-Year Business Plan to “Renewed Challenge for Change,” and continue to strive for our long-term vision and target. We also strive to transform ourselves by boldly engaging in our key strategy of 4 Challenges: Increasing corporate value – Promotion of large-scale projects; Improving core business sustainability; Adapting to changes in the social environment; and Strengthening the foundation of business management, needed for an appropriate response to accelerating changes in the social environment including moves towards carbon neutral and digital transformation (DX).

4 Challenges

Challenge 1. Increasing corporate value - Promotion of large-scale projects	Challenge 2. Improving core business sustainability
<ul style="list-style-type: none">• Expanding production capacity for battery cathode materials• Pomalaa project (*)• Quebrada Blanca 2 (QB2) project• Côté gold mine development project	<ul style="list-style-type: none">• 3-biz collaboration to strengthen the value chain for Ni-batteries• Shifting Hishikari Mine to sustainability-oriented operation• Enhancing competitive edge in copper-smelting business• Strategy for advanced materials business expansion
Challenge 3. Adapting to changes in the social environment	Challenge 4. Strengthening the foundation of business management
<ul style="list-style-type: none">• Reducing greenhouse gas (GHG) emissions• Promoting the development of products, technologies, and processes that can help achieve carbon neutrality• Adaptation to digital transformation (DX)• Initiatives for securing, fostering, and utilizing human capital	<ul style="list-style-type: none">• Strengthening safety initiatives• Reorganizing and enhancing sustainability promotion framework• Corporate governance

(*) The Company has discontinued the study of the Pomalaa Project, but we continue to take initiatives to secure a supply of nickel ore.

[Challenge 1. Increasing corporate value - Promotion of large-scale projects]

In the Mineral Resource business, for copper, we have been working on the Quebrada Blanca Copper Mine Phase 2 Development (QB2) Project (Chile), with planned annual production of 70,000t in fiscal 2024 (the portion of the Company's interest). As a result, we forecast annual production interest of 270,000t for the Company overall. In addition, we are promoting Côté gold mine development project (Canada) and forecast production to commence in 2023.

In the Smelting & Refining business, we suspended the study of commercialization of the Pomalaa Project (Indonesia) in April 2022, but continue to take initiatives to secure a supply of nickel ore.

In the Materials business, we aim to increase production capacity of lithium nickel oxide (NCA), the cathode material used in secondary batteries, to address the growing demand for secondary batteries for automobiles associated with the advances in automobile electrification. We aim to build a monthly production structure of 15,000t during the 2027 3-Year Business Plan period (fiscal 2028 to fiscal 2030) mainly through the establishment of new plants and facility expansion and reinforcement.

[Challenge 2. Improving core business sustainability]

In addition to strengthening the value chain through collaboration among our three businesses to connect nickel resources to battery materials, we take segment-specific measures.

[Challenge 3. Adapting to changes in the social environment]

We work on the following issues to adapt to changes in the social environment.

In order to address the accelerating moves towards carbon neutrality, we develop a plan for reaching "net zero GHG emissions no later than 2050" and establish a system to drive progress. We are undertaking measures including executing business in line with the commitment of the International Council on Mining & Metals (ICMM), an international organization composed of worldwide non-ferrous metal companies, etc., operating with the expansion of an internal carbon pricing system, and considering the use of carbon credits. In addition, we plan to invest a total of ¥12.0 billion in capital expenditure for, and testing and research into, the reduction of GHG emissions during the 2021 3-Year Business Plan period. Apart from promoting products for direct reduction of GHG emissions, and the development of new technologies and processes, we aim to contribute to reducing the carbon footprint through new businesses such as battery recycling.

To adapt to DX, we establish a new unit tasked with DX promotion and have made plans such as investing a total of ¥15.0 billion during the 2021 3-Year Business Plan period in order to upgrade our infrastructure to accelerate company-wide DX.

In addition, we promote initiatives to secure, develop, and utilize human resources, and actively invest in our human resources.

[Challenge 4. Strengthening the foundation of business management]

We focus on the prevention of "serious accidents" (3 months or more of leave), and also focus on the prevention of "repeated accidents." Also, with an eye on attaining "Vision for 2030," in order to respond appropriately to social demands, we will establish an organization centered on the Sustainability Committee and promote sustainability measures.

In addition to the maintenance and management of the facility and the storage and management of low-level radioactive waste, JCO Co., Ltd. is taking various measures to promote dismantling and decontamination of the facility in preparation for

decommissioning of the facility. We continue to support the company so that it can implement these measures to the fullest extent possible.

We would like to ask for the continued understanding and support of our shareholders.

(6) Changes in assets and profits

International Financial Reporting Standards (IFRS)

	94th business year (Year ended March 31, 2019)	95th business year (Year ended March 31, 2020)	96th business year (Year ended March 31, 2021)	97th business year (Year ended March 31, 2022)
Net sales (Millions of yen)	912,208	872,615	926,122	1,259,091
Profit before tax (Millions of yen)	89,371	79,035	123,379	357,434
Profit attributable to owners of parent (Millions of yen)	66,790	60,600	94,604	281,037
Basic earnings per share (Yen)	243.06	220.54	344.29	1,022.80
Total assets (Millions of yen)	1,797,701	1,719,690	1,885,999	2,268,756
Total equity (Millions of yen)	1,151,280	1,110,860	1,222,983	1,557,418

(7) Main businesses, etc. (as of March 31, 2022)

Reportable segment, etc.	Major products, etc.
Mineral resources	Gold and silver ore, copper concentrates, copper, gold, geological surveys, civil engineering work, etc.
Smelting & Refining	Gold, silver, copper, nickel, ferronickel, chemical products, etc.
Materials	Battery materials (nickel hydroxide, NCA, etc.), powder materials (paste, nickel powder, magnet materials, thin film materials, etc.), ALC products (Siporex), crystal materials (lithium tantalate, etc.), package materials (tape materials, printed wiring boards, etc.), electronic components (connectors, etc.), and other materials
Others	Environmental protection equipment and machinery, real estate business, etc.

(8) Main offices and plants, etc. (as of March 31, 2022)

1) The Company

Head Office	11-3, Shimbashi 5-chome, Minato-ku, Tokyo
Main branch and other branches	Osaka Branch, Nagoya Branch, Besshi-Niihama District Div. (Niihama City, Ehime Prefecture)
Plants	Toyo Smelter & Refinery (Saijo City, Ehime Prefecture), Niihama Nickel Refinery (Niihama City, Ehime Prefecture), Harima Refinery (Harima Town, Kako-gun, Hyogo Prefecture), Ome District Div. (Ome City, Tokyo), Isoura Plant (Niihama City, Ehime Prefecture)
Mine	Hishikari Mine (Isa City, Kagoshima Prefecture)
Research laboratories	Niihama Research Laboratories (Niihama City, Ehime Prefecture), Battery Research Laboratories (Niihama City, Ehime Prefecture), Materials Laboratories (Ome City, Tokyo), Ichikawa Research Center (Ichikawa City, Chiba Prefecture)

2) Subsidiaries

Name	Location
Sumitomo Metal Mining America Inc.	Seattle Office: the United States
Sumitomo Metal Mining Arizona, Inc.	Morenci Copper Mine: the United States
SMM Morenci Inc.	Morenci Copper Mine: the United States
Sumitomo Metal Mining Oceania Pty. Ltd.	Northparkes copper mine: Australia
Hyuga Smelting Co., Ltd.	Main plant: Hyuga City, Miyazaki Prefecture
Coral Bay Nickel Corporation	Main plant: Philippines
Taganito HPAL Nickel Corporation	Main plant: Philippines
Ohkuchi Electronics Co., Ltd.	Main plant: Isa City, Kagoshima Prefecture
Shinko Co., Ltd.	Main plant: Minowa Town, Kamiina-gun, Nagano Prefecture Ina Plant: Ina City, Nagano Prefecture
Sumitomo Metal Mining Siporex Co., Ltd.	Head Office: Minato-ku, Tokyo Tochigi Plant: Nakagawa Town, Nasu-gun, Tochigi Prefecture Mie Plant: Kameyama City, Mie Prefecture

(9) Employees (as of March 31, 2022)

1) Status of employees of the corporate group

Reportable segment, etc.	Number of employees		Number of occasional employees	
	End of FY2021	Year-on-year change	FY2021	Year-on-year change
	Persons	Persons	Persons	Persons
Mineral Resources	385	11	59	(3)
Smelting & Refining	2,607	51	85	(11)
Materials	2,808	44	339	(5)
Others	538	(15)	119	18
Head Office and others (the Company)	864	39	124	5
Total	7,202	130	726	4

(Note) The number of occasional employees is the average for the period.

2) Status of employees of the Company

Number of employees		Average age	Average length of service	Number of occasional employees	
End of FY2021	Year-on-year change			FY2021	Year-on-year change
Persons	Persons	Age	Year	Persons	Persons
2,565	132	42.3	18.9	272	1

(Note) The number of occasional employees is the average for the period.

(10) Status of significant subsidiaries and associates, etc.

1) Subsidiaries

Name	Share capital	Voting rights ratio (%)	Main businesses
Sumitomo Metal Mining America Inc.	U.S. dollars 600	100.0	Exploration, and supervision of mineral resources business in North and South America, etc.
Sumitomo Metal Mining Arizona, Inc.	U.S. dollars 800	80.0 (80.0)	Production and sales of copper and copper concentrates
SMM Morenci Inc.	U.S. dollars 10,000	100.0 (100.0)	Production and sales of copper and copper concentrates
Sumitomo Metal Mining Oceania Pty Ltd	Thousands of Australian dollars 43,000	100.0 (89.0)	Production and sales of copper concentrates and exploration of non-ferrous minerals
Hyuga Smelting Co., Ltd.	Millions of yen 1,080	60.0	Manufacturing of ferronickel
Coral Bay Nickel Corporation	Thousands of Philippine pesos 587,500	90.0	Manufacturing and sales of nickel raw materials
Taganito HPAL Nickel Corporation	Thousands of Philippine pesos 4,095,000	75.0	Manufacturing and sales of nickel raw materials
Ohkuchi Electronics Co., Ltd.	Millions of yen 1,000	100.0	Manufacturing of advanced materials
Shinko Co., Ltd.	Millions of yen 738	100.0	Manufacturing and sales of printed wiring boards
Sumitomo Metal Mining Siporex Co., Ltd.	Millions of yen 5,000	100.0	Manufacturing and sales of ALC products (Siporex)
JCO Co., Ltd.	Millions of yen 10	100.0	—

(Notes) 1. Figures in parentheses in the voting rights ratio column indicate the percentage of voting rights held by the Company's subsidiaries.

2. The Company's investment in Sumitomo Metal Mining America Inc. is ¥11,358 million.

3. The Company's investment in Coral Bay Nickel Corporation is ¥28,493 million.

4. The Company's investment in Taganito HPAL Nickel Corporation is ¥28,032 million.

5. In addition to the maintenance and management of the facility and the storage and management of low-level radioactive waste, JCO Co., Ltd. is taking various measures to promote dismantling and decontamination of the facility in preparation for decommissioning of the facility.

2) Associates, etc.

Name	Share capital	Voting rights ratio (%)	Main businesses
Compania Contractual Minera Candelaria	Thousands of U.S. dollars 105,860	20.0 (20.0)	Production and sales of copper concentrates
Sociedad Minera Cerro Verde S.A.A.	Thousands of U.S. dollars 990,659	21.0 (21.0)	Production and sales of copper and copper concentrates
Quebrada Blanca Holdings SpA	Thousands of U.S. dollars 1,301,579	33.3 (33.3)	Interest ownership at the Quebrada Blanca Copper Mine (Chile)
Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd.	Millions of yen 4,250	50.0	Manufacturing and sales of copper alloy fabricated products
FIGESBAL SA	Thousands of CFP franc 543,213	25.5 (0.0)	Mining and retail wholesale of nickel ore
Nickel Asia Corporation	Thousands of Philippine pesos 6,849,836	26.5 (26.5)	Nickel mine business
N. E. Chemcat Corporation	Millions of yen 3,424	50.0	Manufacturing and sales of precious metal catalysts, etc.

(Note) Figures in parentheses in the voting rights ratio column indicate the percentage of voting rights held by the Company's subsidiaries.

In fiscal 2021, the Company completed the transfer of all interests in Sierra Gorda S.C.M., which had been held through SMM Sierra Gorda Inversiones Limitada. Accordingly, Sierra Gorda S.C.M. is excluded from the scope of application of the equity method.

There are 52 consolidated subsidiary companies, including the above 11 significant subsidiaries, and 13 equity-method affiliates, including the above seven significant associates.

(11) Major lenders and amounts of borrowings (as of March 31, 2022)

Companies with borrowings	Name of lenders	Balance of borrowings
		Millions of yen
The Company	Syndicated loan	88,515
	Japan Bank for International Cooperation	28,154
	Sumitomo Mitsui Banking Corporation	9,620
	The Norinchukin Bank	8,818
	Sumitomo Mitsui Trust Bank, Limited	4,140
Taganito HPAL Nickel Corporation	Japan Bank for International Cooperation	19,595
	MUFG Bank, Ltd.	9,142
	Mizuho Bank, Ltd.	8,530
	Sumitomo Mitsui Banking Corporation	6,121
	MITSUI & CO., LTD.	196
Sumitomo Metal Mining America Inc.	Japan Bank for International Cooperation	58,831

(Note) The syndicated loan is provided through a co-financing arrangement in which Sumitomo Mitsui Banking Corporation is the lead arranger and Sumitomo Mitsui Trust Bank, Limited is the co-lead arranger, as well as through a co-financing arrangement in which Sumitomo Mitsui Banking Corporation is the lead arranger.

2. Matters related to shares (as of March 31, 2022)**(1) Total number of authorized shares** 500,000,000 shares**(2) Total number of shares issued** 290,814,015 shares**(3) Number of shareholders** 46,283**(4) Major shareholder (top 10)**

Name of shareholders	Number of shares owned (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	49,394,700	17.98
Custody Bank of Japan, Ltd. (Trust Account)	19,479,500	7.09
Toyota Motor Corporation	11,058,000	4.02
STATE STREET BANK WEST CLIENT - TREATY 505234	4,701,815	1.71
Sumitomo Realty & Development Co., Ltd.	3,745,055	1.36
SUMITOMO LIFE INSURANCE COMPANY	3,737,000	1.36
JPMorgan Securities Japan Co., Ltd.	3,511,002	1.28
Sumitomo Corporation	3,500,000	1.27
SMBC Nikko Securities Inc.	3,412,859	1.24
THE BANK OF NEW YORK MELLON 140051	3,128,700	1.14

(Notes) 1. We own 16,044,559 shares of treasury shares.

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

3. Matters related to share acquisition rights, etc. (Other significant matters related to share acquisition rights, etc.)

Based on the resolution of the Board of Directors' meeting held on February 27, 2018, Euro-yen dominated convertible bond-type bonds with share acquisition rights subject to call with an aggregate face amount of ¥30.0 billion issued on March 15, 2018 (London time) (hereinafter the "Bonds with Share Acquisition Rights," of which only the bonds portion is referred to as the "Bonds" and only the share acquisition rights portion is referred to as the "Share Acquisition Rights"). The following is a summary of the Share Acquisition Rights attached to the Bonds with Share Acquisition Rights (as of March 31, 2022).

Name	Euro-yen dominated convertible bond-type bonds with share acquisition rights subject to call due 2023 issued by Sumitomo Metal Mining Co., Ltd.
Number of share acquisition rights	3,000
Type of shares for which share acquisition rights are issued	Common stock
Number of shares for which share acquisition rights are issued	Number obtained by dividing the total face value of the Bonds by the conversion price
Issue price of share acquisition rights	Free of charge
Conversion price	7,766 yen
Details of assets to be contributed upon exercise of share acquisition rights and their value	The Bonds shall be contributed and the value of such Bonds shall be equal to the face value of the Bonds.
Exercise period of share acquisition rights	From April 2, 2018 to March 1, 2023 (at the local time of the place where exercise requests are accepted)
Exercise conditions of share acquisition rights	<ol style="list-style-type: none"> 1) Partial exercise of the Share Acquisition Rights is not permitted. 2) Until December 15, 2022, only if the closing price of common stock of the Company, for 20 consecutive trading days ending on the last day of a given quarter, exceeds 130% of the conversion price applicable on such last trading day, holders of the Bonds with Share Acquisition Rights shall be entitled to exercise the Share Acquisition Rights from the first day through the last day of the following quarter. However, the exercise conditions above do not apply during certain periods, such as periods when the Company's long-term issuer rating is below BBB-.

4. Matters related to corporate officers

(1) Name of Directors and Audit & Supervisory Board Members (as of March 31, 2022)

	Position	Name	Significant concurrent occupations or positions at other organizations
*	Chairman of the Board of Directors	Yoshiaki Nakazato	
*	President and Director	Akira Nozaki	
	Director	Nobuhiro Matsumoto	PT Vale Indonesia Tbk, Commissioner
	Director	Toru Higo	Teck Resources Limited, Director
	Director	Takahiro Kanayama	
☆ ※	Director	Kazuhisa Nakano	
☆ ※	Director	Taeko Ishii	Lawyer of Ohta & Ishii Law Firm Outside Audit & Supervisory Board Member of NEC Corporation, DTS CORPORATION and Furusato Service Co., Ltd. Outside Audit & Supervisory Board Member of Dai Nippon Printing Co., Ltd. (Assumption of office on June 29, 2021)
☆ ※	Director	Manabu Kinoshita	Senior Officer of NEC Corporation (retired on June 30, 2021) Outside Director of Alfresa Holdings Corporation
	Senior Audit & Supervisory Board Member (Standing)	Yasuyuki Nakayama	
	Audit & Supervisory Board Member (Standing)	Koji Imai	
★ ※	Audit & Supervisory Board Member	Wataru Yoshida	
★ ※	Audit & Supervisory Board Member	Shoji Wakamatsu	Certified Public Accountant and Certified Public Tax Accountant of Wakamatsu Certified Public Accountant Firm Outside Audit & Supervisory Board Member of SUMIKEN MITSUI ROAD CO., LTD.

(Notes) 1. * indicates Representative Directors.

2. ☆ indicates Outside Directors as defined in Article 2, item (xv) of the Companies Act.
3. ★ indicates Outside Audit & Supervisory Board Members as defined in Article 2, item (xvi) of the Companies Act.
4. ※ indicates corporate officers who have been notified as Independent Officers who are unlikely to have any conflicts of interest with general investors as specified by Tokyo Stock Exchange, Inc.
5. Senior Audit & Supervisory Board Member (Standing) Kazushi Ino and Audit & Supervisory Board Member Yuichi Yamada resigned as Audit & Supervisory Board Members on June 25, 2021.
6. Mr. Shoji Wakamatsu, an Audit & Supervisory Board Member, is a certified public accountant and has considerable knowledge of finance and accounting.
7. There is no special relationship between the Company and significant concurrent occupations or positions at other organizations of the Outside Directors and Outside Audit & Supervisory Board Members.
8. Director Toru Higo retired as Director of Teck Resources Limited effective April 27, 2022.
9. Please refer to page 14 for an overview of the indemnity agreement that Director Nobuhiro Matsumoto has concluded with the Company.
10. Please refer to page 12 for an overview of the indemnity agreement that Director Toru Higo has concluded with the Company.

(2) Name, etc. of Executive Officer (as of March 31, 2022)

The Company has adopted an Executive Officer system in which executive officers are responsible for the execution of business. Names, positions, and areas of responsibility of executive officers are as follows.

	Position	Name	Area of responsibility
*	President	Akira Nozaki	
	Managing Executive Officer	Fumio Mizuno	General Manager of Engineering Div.
	Managing Executive Officer	Atsushi Kaikake	General Manager of Safety & Environment Control Dept., in charge of Quality Assurance Dept.
*	Managing Executive Officer	Nobuhiro Matsumoto	General Manager of Non-Ferrous Metals Div.
	Managing Executive Officer	Isao Abe	General Manager of Battery Materials Div.
*	Managing Executive Officer	Toru Higo	General Manager of Corporate Planning Dept., in charge of Legal Dept., Internal Audit Dept.
*	Managing Executive Officer	Takahiro Kanayama	General Manager of Human Resources Dept., in charge of General Affairs Dept., Public Relations & Investor Relations Dept., CSR Dept., Human Resources Development Dept. and Osaka Branch
	Managing Executive Officer	Ryoichi Sato	General Manager of Mineral Resources Div.
	Executive Officer	Kazunori Takizawa	General Manager of Advanced Materials Div.
	Executive Officer	Hiroshi Yoshida	Senior Deputy General Manager of Advanced Materials Div.
	Executive Officer	Hitofumi Okubo	Senior Deputy General Manager of Engineering Div.
	Executive Officer	Koji Sakamoto	Senior Deputy General Manager of Battery Materials Div.
	Executive Officer	Shuichi Ogasawara	General Manager of Technology Div.
	Executive Officer	Hiromasa Oba	General Manager of Besshi-Niihama District Div.
	Executive Officer	Katsuya Tanaka	Senior Deputy General Manager of Battery Materials Div.
	Executive Officer	Masaru Takebayashi	Senior Deputy General Manager of Non-Ferrous Metals Div.
	Executive Officer	Eiichi Fukuda	Senior Deputy General Manager of Mineral Resources Div.
	Executive Officer	Kunihiko Miyamoto	General Manager of Finance & Accounting Dept., in charge of Secretarial Dept., Purchasing Dept., Information System Dept.
	Executive Officer	Hideyuki Okamoto	Senior Deputy General Manager of Technology Div.

(Notes) 1. * indicates the officer is also serving concurrently as a Director.

2. Areas of responsibility for executive officers changed on April 1, 2022 as follows.

Position	Name	Area of responsibility
Managing Executive Officer	Takahiro Kanayama	General Manager of Human Resources Dept., in charge of General Affairs Dept., Public Relations & Investor Relations Dept., Sustainability Dept. and Osaka Branch

(3) Summary of details of Contract for Limitation of Liability

The Company has entered into a Contract for Limitation of Liability with Outside Directors Mr. Kazuhisa Nakano, Ms. Taeko Ishii, and Mr. Manabu Kinoshita, and Outside Audit & Supervisory Board Members Mr. Wataru Yoshida and Mr. Shoji Wakamatsu to limit their liability for damages under Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the same Act.

The maximum amount of liability for damages under such contract is 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher.

(4) Matters related to Directors and Officers liability insurance contract

The Company has entered into a Directors and Officers liability insurance contract with the insurance company.

1) Coverage of the insured under the Directors and Officers liability insurance contract

It covers Directors, Audit & Supervisory Board Members, and executive officers of the Company and all Directors and Audit & Supervisory Board Members of all of the Company's 52 consolidated subsidiary companies.

2) Summary of details of the Directors and Officers liability insurance contract

This insurance compensates for damages and legal costs incurred by the insured due to claims for damages arising out of acts (including omissions) committed by the insured in the course of his or her duties as a corporate officer, etc. of the company described in 1) above. However, measures are taken to ensure that the appropriateness of the execution of duties by corporate officers, etc. is not compromised by excluding from coverage criminal acts such as bribery, or damages caused by corporate officers themselves who intentionally commit illegal acts, and by providing a deductible of 200,000 yen per insured person or 1 million yen per series of claims, and not providing coverage for damages that do not reach the above amounts. The Company bears all insurance premiums for the insured.

(5) Matters related to outside officers

The main activities during fiscal 2021 were as follows.

Category	Name	Summary of attendance at meetings, statements made, and duties performed in relation to the role expected of an Outside Director
Outside Director	Kazuhisa Nakano	Mr. Kazuhisa Nakano attended 11 ordinary meetings and six extraordinary meetings of the 18 meetings of the Board of Directors (12 regular meetings, six extraordinary sessions) held in fiscal 2021. Backed by his experience as an executive, he expressed his opinions on the status of relationships with external stakeholders in businesses concerning natural resources and on the formulation of the 3-Year Business Plan, and performed check functions, thereby enhancing the quality of decision-making and, ultimately, contributing to the improvement of corporate value. In addition, as the Chairman of the Governance Committee, he attended all four Governance Committee meetings held during the current fiscal year, and exercised supervisory functions by providing advice on corporate governance, including decision making regarding nominations and remunerations of Directors and executive officers.
Outside Director	Taeko Ishii	Ms. Taeko Ishii attended all 18 meetings of the Board of Directors (12 regular meetings and six extraordinary sessions) held in fiscal 2021. Backed by her experience as a lawyer, she expressed her opinions on human resource systems, compliance, harassment prevention and internal reporting systems, etc. and performed check functions, thereby enhancing the quality of decision-making and, ultimately, contributing to the improvement of corporate value. In addition, as the member of the Governance Committee, she attended all four Governance Committee meetings held during the current fiscal year, and exercised a supervisory function by providing advice on corporate governance, including decision making regarding nominations and remunerations of Directors and executive officers.
Outside Director	Manabu Kinoshita	Mr. Manabu Kinoshita attended all 18 meetings of the Board of Directors (12 regular meetings and six extraordinary sessions) held in fiscal 2021. Backed by his experience as an executive, he expressed his opinions on business plan formulation, DX response, and the status of the information system, etc., and performed check functions, thereby enhancing the quality of decision-making and, ultimately, contributing to the improvement of corporate value. In addition, as the member of the Governance Committee, he attended all four Governance Committee meetings held during the current fiscal year, and exercised a supervisory function by providing advice on corporate governance, including decision making regarding nominations and remunerations of Directors and executive officers.

Category	Name	Summary of attendance, statements made, and duties performed in relation to the role expected of an Outside Audit & Supervisory Board Member
Outside Audit & Supervisory Board Members	Wataru Yoshida	Mr. Wataru Yoshida attended all 18 meetings of the Board of Directors (12 regular meetings and six extraordinary sessions) held in fiscal 2021 and also attended all 16 meetings of the Audit & Supervisory Board held in fiscal 2021. He conducted effective audits based on his extensive experience in financial institutions and knowledge about corporate management, in full coordination with the standing Audit & Supervisory Board Members. Furthermore, in addition to visiting domestic offices and facilities for audit, including those of the group companies, he participated in meetings of the Board of Directors and other important meetings as part of his auditing activities, and in the decision-making process, he expressed his opinions on taxation issues related to large resource projects, investment decision criteria, and other issues based on the legality and appropriateness of the proposals from an independent and objective standpoint.
Outside Audit & Supervisory Board Members	Shoji Wakamatsu	Since his appointment as an Outside Audit & Supervisory Board Member, Mr. Shoji Wakamatsu attended all 14 meetings of the Board of Directors (nine regular meetings and five extraordinary sessions) held in fiscal 2021 and also attended all 11 meetings of the Audit & Supervisory Board held in fiscal 2021. He conducted effective audits based on his expertise and experience as a certified public accountant, in full coordination with the standing Audit & Supervisory Board Members. Furthermore, in addition to visiting domestic offices and facilities for audit, including those of the group companies, he participated in meetings of the Board of Directors and other important meetings as part of his auditing activities, and in the decision-making process, he expressed his opinions on accounting and other issues based on the legality and appropriateness of the proposals from an independent and objective standpoint, and on social issues and the status of explanations in the Board of Directors from an Outside Audit & Supervisory Board Member's perspective.

5. Matters related to remunerations of corporate officers

(1) Total remunerations

Officer classification	Total remunerations	Basic remunerations, etc.			Number of officers
		Fixed remunerations	Performance-based remunerations, etc.	Non-monetary remunerations, etc.	
Directors (excluding Outside Directors)	515 million yen	208 million yen	307 million yen	–	6
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	66 million yen	66 million yen	–	–	3
Outside Directors	42 million yen	42 million yen	–	–	3
Outside Audit & Supervisory Board Members	24 million yen	24 million yen	–	–	3

(Notes) 1. The above total remunerations of Directors (excluding Outside Directors) includes Directors' bonuses of 243 million yen which will be resolved at the 97th Ordinary General Meeting of Shareholders.

2. In addition to the above, the Company paid 8 million yen as employee salaries to one Director who concurrently serves as an employee.

(2) Matters related to determination by resolution at the General Meeting of Shareholders

The amount of remunerations for Directors was approved by a resolution at the 81st Ordinary General Meeting of Shareholders held on June 29, 2006 not to exceed 40 million yen per month (not including employee salaries to Directors who concurrently serve as employees). The number of Directors related to the determination by said resolution is eight.

The amount of remunerations for Audit & Supervisory Board Members was approved by a resolution at the 80th Ordinary General Meeting of Shareholders held on June 29, 2005 not to exceed 9 million yen per month. The number of Audit & Supervisory Board Members related to the determination by said resolution is four.

(3) Policy on determining the details of remunerations for each Director

1) How the policy is determined

Pursuant to the provisions of the Companies Act, the Company resolved a policy for determining the details of remunerations, etc., for each Director (the "Policy for Determining Remunerations") at the Board of Directors meeting held on February 26, 2021. Prior to such resolution by the Board of Directors, the Company obtained the advice of the Governance Committee, which consists of the Chairman of the Board of Directors, who is not an executive officer, and three Independent Outside Directors.

2) Summary of details of the policy

a. Basic policy

Remunerations for Directors of the Company is linked to the business performance of the Company, and designed to motivate Directors to achieve mid to long-term goals, based on the business structure of the Company, so that it functions as a sufficient incentive to contribute to sustainable growth, increase the corporate value of the Group over the mid to long term, and to strengthen and maintain the management base. When determining the remunerations of individual Directors, the amount of remunerations is calculated using a predetermined formula in order to ensure fairness, and the Company maintains a

basic policy of setting remunerations at an appropriate level based on the responsibilities of each Director.

Specifically, the remunerations for Directors (excluding Outside Directors) shall consist of base remunerations and bonuses. Basic remunerations shall consist of fixed remunerations (remunerations which is neither performance-based nor non-monetary) and performance-based remunerations, etc., while bonuses shall be performance-based remunerations, etc. Outside Directors shall receive only basic remunerations and no bonuses.

Basic remunerations is calculated on an annual basis for each individual and paid each month in monthly installments, while bonuses are paid once annually after approval is obtained at the Ordinary General Meeting of Shareholders.

b. Basic remunerations

a) Policy on determination of remunerations, etc. for the President and Director

Basic remunerations for the President and Director is composed of fixed remunerations and performance-based remunerations.

The amount of fixed remunerations will be set at a specified standard amount, referencing the remunerations trends of domestic companies in the same industry and domestic manufacturing companies of the same size as the Company, and will be adjusted to a certain extent each year based on employee wage trends.

As an evaluation of corporate management performance, performance-based remunerations, etc., is paid as an amount calculated in accordance with the degree of achievement of targets for profit attributable to owners of the parent and safety during the previous fiscal year.

b) Policy on determination of remunerations, etc. for the Chairman of the Board

Basic remunerations for the Chairman of the Board shall be the base amount of the basic remunerations for the President and Director, multiplied by a predetermined position-specific coefficient.

c) Policy on determination of remunerations, etc. for Outside Directors

Basic remunerations for Outside Directors shall be the base amount of the basic remunerations for the President and Director, multiplied by a position-specific coefficient.

d) Policy on determination of remunerations, etc. for Directors who concurrently serve as Executive Officers with special titles (Executive Vice President, Senior Managing Executive Officers, Managing Executive Officers)

Basic remunerations for directors who concurrently serve as executive officers with special titles is determined based on the basic remunerations of the President and Director, and takes into account job responsibilities, departmental performance, and individual performance evaluations.

Representative Directors who concurrently serve as Vice President or Senior Managing Executive Officers and Directors who concurrently serve as Managing Executive Officers shall be paid fixed remunerations predetermined in consideration of their positions and responsibilities in addition to the basic remunerations above.

e) Policy on determination of remunerations, etc., for Directors who concurrently serve as Executive Officers (excluding Executive Officers with special titles)

Basic remunerations for Directors who concurrently serve as Executive Officers shall be composed entirely of fixed remunerations predetermined in consideration of their job responsibilities and other factors. However, the

basic remunerations for their role as an executive officer shall be paid separately as an employee salary.

c. Bonuses

Bonuses for Directors shall be paid to Directors, excluding Outside Directors, as a reward for their performance in the corresponding fiscal year, and shall be proposed and deliberated at the Ordinary General Meeting of Shareholders for the corresponding fiscal year in the case that profit attributable to owners of the parent exceeds a certain amount.

The bonus amount for the President and Director shall be calculated according to the degree of achievement of the target for profit attributable to owners of the parent for the corresponding fiscal year, and this shall represent the base amount. The bonus amount for the Chairman of the Board and the Directors who concurrently serve as Executive Officers shall be calculated by multiplying the base amount for the President and Director by a position-specific coefficient, etc., in the same manner as the base remunerations described in b. above, and this shall represent the total amount.

The specific amount paid to each individual will be determined by reflecting the individual performance evaluation of each Director.

d. Policy on determination of ratio of fixed remunerations and performance-based remunerations, etc.

The ratio of fixed remunerations and performance-based remunerations, etc. for each director is determined according to the calculation method for each of the above remunerations types. However, the ratio of remunerations is determined in a manner that provides an appropriate incentive to increase corporate value based on consultation and advice from the Governance Committee, which is composed of the Chairman of the Board, who does not concurrently serve as an Executive Officer, and Independent Outside Directors. In the case that profit attributable to owners of the parent does not reach the specified level, bonuses will not be paid.

e. Delegation of decisions regarding details of individual remunerations, etc. of Directors to third parties

The President and Representative Director will be delegated the authority to determine specific details of individual remunerations based on a corresponding resolution by the Board of Directors, and the authority granted shall be the determination of the amount of basic remunerations and bonuses for Directors. Regarding the specific procedure involved, the President and Representative Director, who has been delegated authority by the Board of Directors, shall determine the specific amount of remunerations for each director after consulting the Governance Committee and obtaining its advice. When finalizing remunerations, the Secretary Office shall prepare a request for approval, which shall be approved by the President and Representative Director.

Results are reviewed by the Chairman of the Board, who is a member of the Governance Committee, as well as by Audit & Supervisory Board Members.

3) Reasons why the Board of Directors has determined that each Director's remunerations for the corresponding fiscal year is consistent with such policy

The amount of basic remunerations and bonuses for each individual Director of the Company shall be determined by the President and Representative Director, who is delegated authority by the Board of Directors, with advice from the Governance Committee.

The Governance Committee received an explanation from the President and Representative Director regarding the amounts of basic remunerations and

bonuses, as well as the method for determining specific amounts, and as a result of its review, the Governance Committee confirmed that the content of such remunerations etc., was in line with the Policy for Determining Remunerations.

The Board of Directors received a report of confirmatory result that the summary of advice given by the Governance Committee and the details of remunerations, etc., are in accordance with the Policy for Determining Remunerations, and based on this report, the Board of Directors has determined that the individual remunerations, etc. for each Director for the current fiscal year is consistent with the Policy for Determining Remunerations.

(4) Matters related to performance-based remunerations, etc.

1) Details of the performance indicators selected as the basis for calculating the amount of performance-based remunerations, etc., and the reasons for their selection

The indicators employed by the Company to determine performance-based remunerations include consolidated results (profit attributable to owners of parent, profit before tax), division results (efficiency, (return on assets [ROA] for basic remunerations, return on capital employed [ROCE] for bonuses, free cash flows, and segment income), the degree of attainment of personal targets under medium-to long-term management strategies, and safety record (number of occupational accidents).

With regards to the reasons that these indicators have been selected, the Company's consolidated results (profit attributable to owners of parent, profit before tax) were chosen as the Company views these indicators as key measures of its corporate management performance, and has set profitability targets that it aims to achieve as part of its long-term vision. Performance indicators for division results were selected in order to evaluate the three criteria of efficiency, cash flows, and absolute value of profit in a balanced manner. Regarding the degree of attainment of personal targets under medium-to long-term management strategies, we believe that the steady implementation of plans with a medium-to long-term perspective is essential in order to increase our corporate value in a sustainable manner. Regarding the setting of safety record as a performance indicator, we believe that securing a safe workplace is our operating foundation as a company engaged in the mining and manufacturing industries, including the smelting and refining industry.

2) Method of calculating the amount or number of performance-based remunerations, etc.

The amount of performance-based remunerations, etc., is calculated by adding an amount reflecting individual performance to an amount of position-specific performance-based remunerations, etc.

a. Method of calculating the amount of position-specific performance-based remunerations, etc.

The amount of performance-based remunerations, etc., for each position is calculated by multiplying the amount of performance-based remunerations, etc., for the President and Director, which is calculated from profit attributable to owners of parent, by the position-specific coefficient. The amount of position-specific performance-based remunerations, etc. related to basic remunerations shall be calculated using profit attributable to owners of parent for the previous fiscal year, and the amount of position-specific performance-based remunerations, etc. related to bonuses shall be calculated using profit attributable to owners of parent for the current fiscal year.

Amount of position-specific performance-based remunerations, etc. related to basic remunerations = Profit attributable to owners of parent for the previous fiscal year x Position-specific coefficient x Certain coefficients not based on performance

Amount of position-specific performance-based remunerations, etc. related to bonuses = Profit attributable to owners of parent for the current fiscal year x Position-specific coefficient x Certain coefficients not based on performance

b. Method of calculating the amount reflecting individual performance

With respect to the amount reflecting individual performance related to the basic remunerations for the President and Director, the total score shall be calculated based on a 4:1 ratio of “achievement level of the published forecast of company-wide performance” and “achievement level of safety record” for the previous fiscal year. The individual performance evaluation coefficient is determined, in the range of 90% to 160%, based on the predetermined coefficient table according to the total score (in this table, profit before tax is taken into account), and the amount reflecting individual performance is calculated.

With respect to the amount reflecting individual performance related to the basic remunerations for Directors who concurrently serve as executive officers with special titles (Executive Vice President, Senior Managing Executive Officers, Managing Executive Officers), the total score shall, in principle, be calculated by scoring the “comparison of division results with the previous fiscal year,” “achievement level of the published forecast of division results,” “the degree of attainment of personal targets under medium-to long-term management strategies,” and “achievement level of safety record” each for the previous fiscal year, weighing them, and calculating in the same manner as above. However, in light of the severity of the impact of the COVID-19 pandemic in the previous fiscal year, in the current fiscal year, evaluations of division results only take into consideration “achievement level of the published forecast of division results,” which does not include “comparison of division results with the previous fiscal year,” and weighs each of them for the previous fiscal year based on the following ratio: “achievement level of the published forecast of division results: the degree of attainment of personal targets: achievement level of safety record = 6:4:1.”

With respect to the amount reflecting individual performance related to the bonus for the President and Director, the total score shall be calculated based on a 4:1 ratio of “achievement level of the published forecast of company-wide performance” and “achievement level of safety record” for the current fiscal year. With respect to the amount reflecting individual performance related to the bonus for Directors who concurrently serve as executive officers, the total score shall be calculated as follows: “comparison of division results with the previous fiscal year,” “achievement level of the published forecast of division results,” “the degree of attainment of personal targets” and “achievement level of safety record” each for the current fiscal year at a ratio of 2:4:4:1, and the amount reflecting individual performance is calculated in the same manner as above.

Amount reflecting individual performance related to the basic remunerations = Amount of basic remunerations for each position x Certain coefficients not based on performance x Individual performance evaluation coefficient

Amount reflecting individual performance related to the bonus = Amount of bonus for each position x Certain coefficients not based on performance x Individual performance evaluation coefficient

3) Details of performance indicators and figures

Details of performance indicators		Target in FY2020 (100 million yen) Published forecast in August 2020	Results in FY2020 (100 million yen)	Achievement (%)
Consolidated results (profit attributable to owners of parent)		320	946	296
Consolidated results (profit before tax)		480	1,234	257
Segment income	Mineral Resources	310	653	211
	Smelting & Refining	320	558	174
	Materials	20	113	565

- (Notes) 1. Performance-based remunerations, etc. (basic remunerations), for Directors for the current fiscal year is paid based on the performance of the previous fiscal year, therefore the actual performance results for the previous fiscal year are shown. Bonuses for Directors for the current fiscal year are calculated based on the performance of the current fiscal year and will be subject to resolution at the 97th Ordinary General Meeting of Shareholders.
2. The average achievement for each performance indicator for division results (return on assets [ROA], free cash flows, and segment income) for the previous fiscal year was 191% for Mineral resources, 210% for Smelting and refining, and 1,105% for Materials.

The target for safety record (number of occupational accidents of employees in Japan in calendar year 2020) was one injury that resulted in absence from work and no more than five accidents of all types, and the actual results were five injuries that resulted in absence from work and 15 accidents of all types.

(5) Matters related to delegation in determining the details of remunerations, etc.

The Board of Directors delegates to the President and Representative Director, Akira Nozaki, the determination of the amount of basic remunerations and bonuses for each individual Director. The reason for this delegation is that the amount of individual remunerations, etc. for Directors who concurrently serve as executive officers is linked to the Company's performance and the performance evaluation of each individual executive officer, and that the President and Representative Director meets with each executive officer to set individual targets for such performance evaluation and to evaluate the degree of achievement of these targets. The Company has therefore determined that it is appropriate for the President and Representative Director to determine the specific amount of remunerations. The reason also includes that the amount of remunerations, etc. for other Directors is determined based on the amount of remunerations, etc. for the President and Director.

Prior to the determination of the specific amount, the President and Representative Director will provide an explanation to and receive advice from the Governance Committee. Then, when determining the specific amount, the Secretarial Dept. shall prepare a request for approval, which shall be approved by the President and Representative Director. The results are confirmed by the Chairman of the Board of Directors, who is a member of the Governance Committee, and also by the Audit & Supervisory Board Members.

(6) Specific procedures for determining the amount of remunerations, etc. for Audit & Supervisory Board Members

The amount of basic remunerations for each Audit & Supervisory Board Member is determined by discussion among the Audit & Supervisory Board Members at a meeting of the Audit & Supervisory Board within the scope of the total amount of remunerations approved at the General Meeting of Shareholders.

6. Matters related to Accounting Auditor

(1) Name of Accounting Auditor of the Company

KPMG AZSA LLC

(2) Amount of remunerations, etc., for the Accounting Auditor for the current fiscal year and the reasons why the Audit & Supervisory Board agreed to such remunerations, etc.

1) Amount of remunerations, etc., for the Accounting Auditor for the current fiscal year

Category	Previous fiscal year (FY2020)		Current fiscal year (FY2021)	
	Remunerations, etc., based on audit certification work (Millions of yen)	Remunerations, etc., based on non-audit work (Millions of yen)	Remunerations, etc., based on audit certification work (Millions of yen)	Remunerations, etc., based on non-audit work (Millions of yen)
The Company	181	–	183	26
Subsidiaries	18	0	20	0
Total	199	0	203	26

(Note) The audit contract between the Company and the Accounting Auditor does not distinguish between the amount of remunerations for audits based on the Companies Act and the amount of remunerations for audits based on the Financial Instruments and Exchange Act, so the amount of remunerations, etc. based on audit certification work includes the amount of remunerations, etc., for audit based on the Financial Instruments and Exchange Act.

2) Reasons why the Audit & Supervisory Board agreed to the amount of remunerations, etc., for the Accounting Auditor for the current fiscal year

Based on the “Practical Guidelines for Cooperation with Accounting Auditors” published by the Japan Audit & Supervisory Board Members Association, the Audit & Supervisory Board has obtained the necessary materials, including the status of execution of duties during the previous fiscal year, and has examined the content of the Accounting Auditor’s audit plan, the basis for calculating the estimated amount of remunerations, and other factors to determine their appropriateness, and has given its consent under Article 399, paragraph (1) of the Companies Act with respect to their remunerations, etc. for the Company’s audit certification work.

(3) Services other than those stipulated in Article 2, paragraph (1) of the Certified Public Accountants Act (non-audit services)

The Company has entrusted the Accounting Auditor with financial due diligence, etc., which constitutes services other than those stipulated in Article 2, paragraph (1) of the Certified Public Accountants Act (non-audit services), and has paid remunerations for this (¥26 million in (2) 1) above).

(4) Policy on determining dismissal or non-reappointment

The Audit & Supervisory Board shall dismiss the Accounting Auditor with the unanimous consent of the Audit & Supervisory Board Members if the Accounting Auditor is deemed to fall under any of the circumstances described in each item of Article 340, paragraph (1) of the Companies Act. In addition, the Audit & Supervisory Board decides the content of the proposal for dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders, as necessary, in cases where the Accounting Auditor has violated relevant laws and regulations, or where it is deemed difficult for the Accounting Auditor to properly perform its duties.

(5) Amount of cash and other financial profit payable by the Company and its subsidiaries

229 million yen

(6) Audit status other than that by the Accounting Auditor of the Company

Of the Company's significant subsidiaries, Sumitomo Metal Mining America Inc., Sumitomo Metal Mining Arizona Inc., and four other subsidiaries are audited by auditing firms other than the Accounting Auditor of the Company.

(The units in this Business Report are rounded to the nearest unit.)

Consolidated Financial Statements

Consolidated Statement of Financial Position (as of March 31, 2022)

(Millions of yen)

Items	Amount	Items	Amount
Assets		Liabilities	
Current assets		Current liabilities	
Cash and cash equivalents	213,977	Trade and other payables	206,013
Trade and other receivables	187,310	Bonds and borrowings	120,983
Other financial assets	49,342	Other financial liabilities	7,027
Inventories	420,136	Income taxes payable	24,940
Other current assets	44,354	Provisions	6,101
Total current assets	915,119	Other current liabilities	19,727
Non-current assets		Total current liabilities	384,791
Property, plant and equipment	507,822	Non-current liabilities	
Intangible assets and goodwill	56,586	Bonds and borrowings	210,249
Investment property	3,477	Other financial liabilities	9,579
Investments accounted for using equity method	368,751	Provisions	25,107
Other financial assets	387,507	Retirement benefit liability	5,310
Deferred tax assets	1,645	Deferred tax liabilities	75,631
Other non-current assets	27,849	Other non-current liabilities	671
Total non-current assets	1,353,637	Total non-current liabilities	326,547
		Total liabilities	711,338
		Equity	
		Share capital	93,242
		Capital surplus	90,213
		Treasury shares	(38,056)
		Other components of equity	124,304
		Retained earnings	1,175,626
		Total equity attributable to owners of parent	1,445,329
		Non-controlling interests	112,089
		Total equity	1,557,418
Total assets	2,268,756	Total liabilities and equity	2,268,756

Consolidated Statement of Profit or Loss

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

(Millions of yen)

Items	Amount
Net sales	1,259,091
Cost of sales	(1,001,297)
Gross profit	257,794
Selling, general and administrative expenses	(52,711)
Finance income	31,884
Finance costs	(2,969)
Share of profit (loss) of investments accounted for using equity method	57,537
Other income	81,850
Other expenses	(15,951)
Profit before tax	357,434
Income tax expense	(58,903)
Profit	298,531
Profit attributable to:	
Owners of parent	281,037
Non-controlling interests	17,494
Profit	298,531

Consolidated Statement of Changes in Equity (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	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
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

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total		
	Remeasurement of defined benefit plans	Total				
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

Non-consolidated Financial Statements

Non-consolidated Balance Sheet (as of March 31, 2022)

(Millions of yen)

Items	Amount	Items	Amount
(Assets)	(1,580,324)	(Liabilities)	(576,008)
Current assets	816,053	Current liabilities	359,914
Cash and deposits	199,836	Accounts payable - trade	74,149
Notes receivable - trade	2,042	Short-term borrowings	26,690
Accounts receivable - trade	125,553	Current portion of long-term borrowings	19,288
Merchandise and finished goods	108,730	Convertible bond-type bonds with share acquisition rights	30,030
Work in process	124,756	Lease liabilities	9
Raw materials and supplies	58,943	Accounts payable - other	43,064
Advance payments to suppliers	33,987	Accrued expenses	9,864
Prepaid expenses	831	Income taxes payable	17,429
Short-term loans receivable	117,224	Advances received	70
Accounts receivable - other	25,628	Deposits received	410
Other	24,445	Deposits received from subsidiaries and associates	116,466
Allowance for doubtful accounts	(5,922)	Provision for bonuses	2,952
Fixed asset	764,271	Provision for bonuses for directors (and other officers)	243
Property, plant and equipment	126,409	Provision for furnace repair works	350
Buildings	29,112	Provision for loss on business restructuring	68
Structures	24,215	Provision for environmental measures	19
Machinery and equipment	39,392	Asset retirement obligation	53
Vehicles	295	Other	18,760
Tools, furniture and fixtures	1,822	Fixed liabilities	216,094
Mining sites	23	Bonds payable	30,000
General use site	18,356	Long-term borrowings	121,553
Construction in progress	13,194	Lease liabilities	145
Intangible assets	3,002	Deferred tax liabilities	55,790
Leasehold interests in land	84	Provision for retirement benefits	1,247
Mining rights	267	Provision for prevention of mining pollution in the metal mining and other activities	96
Software	1,530	Provision for loss on business restructuring	621
Other	1,121	Provision for loss on support to subsidiaries and associates	4,920
Investments and other assets	634,860	Provision for environmental measures	153
Investment securities	233,526	Asset retirement obligation	1,047
Shares of subsidiaries and associates	343,557	Other	522
Investments in capital	6	(Net assets)	(1,004,316)
Investments in capital of subsidiaries and associates	4,223	Shareholders' equity	896,706
Long-term loans receivable	37,262	Share capital	93,242
Distressed receivables	3	Capital surplus	86,070
Long-term prepaid expenses	682	Legal capital surplus	86,062
Prepaid pension costs	10,105	Other capital surplus	8
Other	5,693	Retained earnings	755,450
Allowance for doubtful accounts	(197)	Legal retained earnings	7,455
		Other retained earnings	747,995

Non-consolidated Balance Sheet (as of March 31, 2022)

(Millions of yen)

Items	Amount	Items	Amount
		Reserve for overseas investment loss	22,626
		Reserve for tax purpose reduction entry	3,602
		Reserve for mineral exploration	9,241
		General reserve	410,000
		Retained earnings brought forward	302,526
		Treasury shares	(38,056)
		Valuation and translation adjustments	107,610
		Valuation difference on available-for-sale securities	107,561
		Deferred gains or losses on hedges	49
Total assets	1,580,324	Total liabilities and net assets	1,580,324

Non-Consolidated Statement of Income

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

(Millions of yen)

Items	Amount
Net sales	1,082,341
Cost of sales	926,370
Gross profit	155,971
Selling, general and administrative expenses	37,010
Operating profit	118,961
Non-operating income	83,422
Interest income	1,457
Dividend income	57,920
Foreign exchange gains	11,668
Gain on valuation of derivatives	210
Guarantee commission received	1,431
Reversal of allowance for doubtful accounts	5,307
Other	5,429
Non-operating expenses	4,403
Interest expenses	1,409
Interest on bonds	56
Non-cost amortization	4
Maintenance expenses for closed mines	619
Dismantling and removal expenses	1,104
Other	1,211
Ordinary profit	197,980
Extraordinary income	68,441
Gain on sale of fixed assets	1,364
Gain on sale of investment securities	4,381
Gain on sale of shares of subsidiaries and associates	62,696
Extraordinary losses	6,277
Loss on sale of fixed assets	11
Loss on retirement of fixed assets	195
Loss on tax purpose reduction entry of non-current assets	156
Impairment losses	202
Loss on sale of investment securities	7
Loss on valuation of investment securities	90
Loss on sale of investments in capital of subsidiaries and associates	30
Loss on valuation of shares of subsidiaries and associates	1,808
Loss on valuation of investments in capital of subsidiaries and associates	179
Provision for loss on business restructuring	423
Loss on support to subsidiaries and associates	3,176
Profit before income taxes	260,144
Income taxes - current	26,683
Income taxes - deferred	1,528
Profit	231,933

Non-consolidated Statement of Changes in Equity (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total of capital surplus	Legal retained earnings	Other retained earnings		Total of retained earnings
					Reserves	Retained earnings brought forward		
As of April 1, 2021	93,242	86,062	8	86,070	7,455	442,379	131,976	581,810
Cumulative effect of accounting change							(41)	(41)
Restated balance as of April 1, 2021	93,242	86,062	8	86,070	7,455	442,379	131,935	581,769
Change in equity								
Provision of reserves						9,271	(9,271)	–
Reversal of reserves						(6,181)	6,181	–
Dividends of surplus							(58,252)	(58,252)
Profit							231,933	231,933
Purchase of treasury shares								
Disposal of treasury shares			0	0				
Change in equity of items other than shareholders' equity (net)								
Total change in equity	–	–	0	0	–	3,090	170,591	173,681
As of March 31, 2022	93,242	86,062	8	86,070	7,455	445,469	302,526	755,450

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
As of April 1, 2021	(38,027)	723,095	80,599	1,235	81,834	804,929
Cumulative effect of accounting change		(41)				(41)
Restated balance as of April 1, 2021	(38,027)	723,054	80,599	1,235	81,834	804,888
Change in equity						
Provision of reserves		–				–
Reversal of reserves		–				–
Dividends of surplus		(58,252)				(58,252)
Profit		231,933				231,933
Purchase of treasury shares	(29)	(29)				(29)
Disposal of treasury shares	0	0				0
Change in equity of items other than shareholders' equity (net)			26,962	(1,186)	25,776	25,776
Total change in equity	(29)	173,652	26,962	(1,186)	25,776	199,428
As of March 31, 2022	(38,056)	896,706	107,561	49	107,610	1,004,316

Audit Reports

Accounting auditor's report on consolidated financial statements

Independent Auditor's Report

May 16, 2022

To the Board of Directors of Sumitomo Metal Mining Co., Ltd.:

KPMG AZSA LLC
Tokyo Office, Japan

Kensuke Sodekawa
Designated Limited Liability Partner

Engagement Partner
Certified Public Accountant

Takahiro Akiyama
Designated Limited Liability Partner

Engagement Partner
Certified Public Accountant

Yukihiro Kase
Designated Limited Liability Partner

Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the related notes of Sumitomo Metal Mining Co., Ltd. (the "Company") and its consolidated subsidiaries (collectively referred to as the "Group"), as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 444, paragraph (4) of the Companies Act.

In our opinion, the consolidated financial statements referred to above have been prepared in accordance with the accounting standard that omits some disclosure items required under International Financial Reporting Standards pursuant to the provisions of the latter part of Article 120, paragraph (1) of the Regulations on Corporate Accounting, and present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled

our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting standard that omits some the disclosure items required under International Financial Reporting Standards pursuant to the provisions of the latter part of Article 120, paragraph (1) of the Regulations on Corporate Accounting. This includes the establishment and operation of such internal control as management determines is necessary to enable the preparation and appropriate disclosure of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, unless management intends to cease production or operations or there are no other realistic alternative, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the accounting standard that omits some disclosure items required under International Financial Reporting Standards pursuant to the provisions of the latter part of Article 120, paragraph (1) of the Regulations on Corporate Accounting.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties including the design and implementation of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

We are responsible for obtaining reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, based on the audit performed by us, and for expressing an opinion on the consolidated financial statements from an independent standpoint in the auditor's report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We shall exercise professional judgment throughout the audit process in accordance with

auditing standards generally accepted in Japan, and shall maintain professional skepticism and do the followings:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, where the selection and application of audit procedures shall be at the discretion of the auditor, and additionally obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, while the objective of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies and methods of application thereof adopted by management and the reasonableness of accounting estimates made by management and the adequacy of the related notes.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists regarding the entity's ability to continue as a going concern, we are required to draw attention in our auditor's report to the related notes in the consolidated financial statements or, if the notes to the consolidated financial statements are not appropriate with respect to the material uncertainty, to express an opinion with qualifications on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and notes in the consolidated financial statements are in accordance with the accounting standard that omits some disclosure items required under International Financial Reporting Standards pursuant to the provisions of the latter part of Article 120, paragraph (1) of the Regulations on Corporate Accounting, the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiary companies to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the provisions of our country's professional ethics regarding independence, as well as any matters that we reasonably believe affect auditor's independence and, where applicable, any safeguards put in place to remove or mitigate disincentives.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company and its consolidated subsidiary companies

which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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Accounting auditor's report on non-consolidated financial statements

Independent Auditor's Report

May 16, 2022

To the Board of Directors of Sumitomo Metal Mining Co., Ltd.:

KPMG AZSA LLC
Tokyo Office, Japan

Kensuke Sodekawa
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Takahiro Akiyama
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yukihiro Kase
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the non-consolidated financial statements for the 97th business year, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity and the related notes, and the supplementary schedules (the "non-consolidated financial statements and others") of Sumitomo Metal Mining Co., Ltd. (the "Company"), as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 436, paragraph (2), item (i) of the Companies Act.

In our opinion, the non-consolidated financial statements and others referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the said non-consolidated financial statements and others were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the non-consolidated financial statements and others does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements and others, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements and others or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements and Others

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and others in accordance with accounting principles generally accepted in Japan. This includes the establishment and operation of such internal control as management determines is necessary to enable the preparation and appropriate disclosure of non-consolidated financial statements and others that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements and others, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties including the design and implementation of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

We are responsible for obtaining reasonable assurance about whether the non-consolidated financial statements and others as a whole are free from material misstatement, whether due to fraud or error, based on the audit performed by us, and for expressing an opinion on the non-consolidated financial statements and others from an independent standpoint in the auditor's report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the non-consolidated financial statements and others.

We shall exercise professional judgment throughout the audit process in accordance with auditing standards generally accepted in Japan, and shall maintain professional skepticism and do the followings:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements and others, whether due to fraud or error, design and perform audit procedures responsive to those risks, where the selection and application of audit procedures shall be at the discretion of the auditor, and additionally obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, while the objective of the audit of the non-consolidated financial statements and others is not to express an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies and methods of application thereof adopted by management and the reasonableness of accounting estimates made by management and the adequacy of the related notes.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in the non-consolidated financial statements and others and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists regarding the entity's ability to continue as a going concern, we are required to draw attention in our auditor's report to the related notes in the non-consolidated financial statements or, if the notes to the non-consolidated financial statements and others are not appropriate with respect to the material uncertainty, to express an opinion with qualifications on the non-consolidated financial statements and others. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and notes in the non-consolidated financial statements and others are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements and others, including the notes, and whether the non-consolidated financial statements and others represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the provisions of our country's professional ethics regarding independence, as well as any matters that we reasonably believe affect auditor's independence and, where applicable, any safeguards put in place to remove or mitigate disincentives.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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Report of the Audit & Supervisory Board

Audit Report

The Audit & Supervisory Board has prepared the following report based on the audit reports prepared by individual Audit & Supervisory Board Members related to the Directors' execution of their duties during the 97th business year, the period from April 1, 2021 to March 31, 2022, after due deliberations and consultations among the Audit & Supervisory Board Members.

1. Methods used in audits by the individual Audit & Supervisory Board Member and by the Audit & Supervisory Board and content of audits
 - (1) The Audit & Supervisory Board determined the audit policies and audit plan, etc., and received reports from each Audit & Supervisory Board Member regarding the status and results of the audits, as well as reports from the Directors and Accounting Auditor on the execution of their duties, and requested explanations of those reports when necessary.
 - (2) Each Audit & Supervisory Board Member, in accordance with the audit policies and audit plan, etc. established by the Audit & Supervisory Board endeavored to communicate with the Directors, Internal Audit Section and other employees, etc. to collect information and create an audit environment, and conducted audits in the following manner.
 - 1) Each Audit & Supervisory Board Member attends meetings of the Board of Directors and other important meetings, received reports from Directors and employees, etc. on the status of execution of their duties, requested explanations as necessary, perused important approval documents, etc., and inspected the status of operations and assets at the head office and principal business offices. With respect to subsidiaries, each Audit & Supervisory Board Member communicated and exchanged information with Directors and Audit & Supervisory Board Members, etc. of subsidiaries, and visited subsidiaries as necessary to examine their operations and financial conditions.
 - 2) With respect to the contents of a resolution by the Board of Directors of the Company concerning the development of a system stipulated in Article 100, paragraphs (1) and (3) of the Regulations for Enforcement of the Companies Act and the system established based on such resolution (internal control system), as the necessary system to ensure appropriate execution of Directors' duties in conformity with laws and regulations and the Articles of Incorporation and to ensure appropriate business operations of the corporate group consisting of the stock company and its subsidiaries, which is included in the Business Report, the Audit & Supervisory Board members received reports regularly from Directors and other employees regarding the status of the establishment and implementation of the systems, sought additional explanations as necessary, and expressed opinions thereon. Regarding internal control over financial reporting, the Audit & Supervisory Board received reports from Directors, etc. and KPMG AZSA LLC concerning the evaluation of such internal control and the status of audit, and sought additional explanations as necessary.

- 3) The Audit & Supervisory Board Members examined the contents of the basic policies related to the way a person is to control the decisions on the financial and business policies of the Company included in the Business Report and matters stipulated in Article 118, item (iii) of the Regulations for Enforcement of the Companies Act as each initiative, based on deliberations by the Board of Directors and other parties.
- 4) In addition to monitoring and verifying whether the Accounting Auditor maintained their independence and conducted appropriate audits, the Audit & Supervisory Board members received reports from the Accounting Auditor on the execution of their duties, and requested explanation as necessary. Furthermore, the Audit & Supervisory Board received notice from the Accounting Auditor that it maintains a well-developed quality control system for audit work in accordance with laws and regulations and standards issued by the Business Accounting Council and other organizations with respect to “matters related to the performance of duties of financial auditor” stipulated in Article 131 of the Regulations on Corporate Accounting, and sought explanations as necessary.

Based on the above method, the Audit & Supervisory Board have examined the Business Report and its supporting schedules, non-consolidated financial statements (balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, and notes on the non-consolidated financial statements) and its supporting schedules, as well as the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity, and notes on the consolidated financial statements) for the current fiscal year, which have been prepared, with some omissions of disclosure items required under International Financial Reporting Standards, in accordance with the latter part of Article 120, paragraph (1) of the Regulations on Corporate Accounting.

2. Results of the Audit

(1) Results of audit of the Business Report, etc.

- 1) In our opinion, the Business Report and the supplementary schedules present the situation of the Company fairly, in compliance with the provisions of applicable laws and regulations and the Articles of Incorporation.
- 2) In our opinion, there are no wrongful acts or material violations of applicable laws and regulations or the Articles of Incorporation in the execution of their duties by the Directors.
- 3) In our opinion, the content of the resolution by the Board of Directors regarding internal control systems is appropriate. Furthermore, with regard to such internal control system, operational aspects have been continuously enhanced, and there are no matters to be pointed out concerning the contents of the Business Report and the execution of duties by Directors, including the internal control over financial reporting.
- 4) In our opinion, there are no matters to be pointed out with regard to the basic policies related to the way a person is to control the decisions on the financial and business policies of the Company included in the Business Report. The Audit & Supervisory Board also confirms that each of such initiatives is in line with such basic policy, is not detrimental to the common interests of the Company's shareholders, and is not intended to maintain the status of the Company's corporate officers.

(2) Results of the audit of non-consolidated financial statements and the supplementary schedules

In our opinion, the auditing methods used by KPMG AZSA LLC, the Accounting Auditor, and the results of its audit are appropriate.

(3) Results of the audit of consolidated financial statements

In our opinion, the auditing methods used by KPMG AZSA LLC, the Accounting Auditor, and the results of its audit are appropriate.

May 23, 2022

Audit & Supervisory Board, Sumitomo Metal Mining Co., Ltd.
Yasuyuki Nakayama (Seal), Senior Audit & Supervisory Board Member (Standing)
Koji Imai (Seal), Audit & Supervisory Board Member (Standing)
Wataru Yoshida (Seal), Audit & Supervisory Board Member
Shoji Wakamatsu (Seal), Audit & Supervisory Board Member

Note: Mr. Wataru Yoshida and Mr. Shoji Wakamatsu are Outside Audit & Supervisory Board Members as defined in Article 2, item (xvi) of the Companies Act.

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