

SMM signs definitive agreements with Inalum for the sale of a minority equity stake in PTVI

Sumitomo Metal Mining Co., Ltd. ("SMM") informs that SMM has signed, together with Vale Canada Limited ("VCL"), the definitive agreements ("Agreements") for the sale of a 20% stake of PTVI Indonesia Tbk ("PTVI") to PT Indonesia Asahan Aluminium (Persero)¹ ("Inalum") on June 19, 2020.

In October 2014, PTVI signed the amendment to its 1996 Contract of Work with the Government of the Republic of Indonesia, which is set to expire in December 2025. In order for PTVI to be entitled with the extension of its license to operate extension beyond 2025, certain requirements need to be fulfilled, including the divestment of 20% of PTVI shares to Indonesian participants.

After the closing of the transaction, Inalum will have acquired 20% of PTVI shares, being 5.1% from SMM and 14.9% from VCL. SMM and Vale will then have a stake of 15.0% and 44.3%² in PTVI. The amount received by SMM for the sale of these shares is approximately 10.6Billion yen. It shall have slight impact on SMM's financial performance.

1 Recently renamed MIND ID.

2 The 44.3% stake Vale will have in PTVI after this transaction includes the participation through VCL (43.8%) and Vale Japan Limited (0.5%).

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