

## SMM announces the closing of Divestment Transaction

Sumitomo Metal Mining Co., Ltd. (Head Office: Minato-ku Tokyo, President & CEO: Akira Nozaki) has agreed to sell off a portion of the shares we hold in the Republic of Indonesia's PT Vale Indonesia Tbk. (Head Office: Jakarta, hereinafter, "PTVI") along with our holding in Vale Canada Limited (Head Office: Toronto, hereinafter "VCL") to the Republic of Indonesia's PT Indonesia Asahan Aluminium (Persero)<sup>1</sup> (Head Office: Jakarta, hereinafter, "INALUM"). We had made progress with the process after entering into the stock purchase and sale agreement on June 19th, 2020, and the sale and transfer has been completed at October 7th.

In October of 2014, PTVI agreed to revise the mining business contract it had entered in 1996 with the Indonesian government. This contract is scheduled to expire in December of 2025, and it is necessary for PTVI to obtain permission to conduct mining business to be able to continue operating after 2025. One of the requirements necessary to receive permission is that 40% of the investments into PTVI be with Indonesian capital, and this transaction satisfies that requirement.

Moreover, while the amount transferred was around 9.9 billion yen, we estimate that the overall effect on our business results will be minor due to things like the evaluated book value of shares.

1 Recently renamed MIND ID.

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