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Sumitomo Metal Mining Formulates the 3-Year Business Plan 2027

Sumitomo Metal Mining Co., Ltd. (TSE: 5713) announces that it has formulated its 3-Year Business Plan 2027 (3-Year Plan 2027) covering FY2025 to FY2027 (April 2025 to March 2028). Under the 3-Year Plan 2027, Sumitomo Metal Mining will take initiatives to enhance its corporate value from a long-term perspective while overcoming current issues. In doing so, the company will aim to achieve its Long-Term Vision to become the world leader in the non-ferrous metals industry.

1. Main Initiatives Under the 3-Year Business Plan 2027

1) Cope with Changes in the Business Environment

Enhancement of productivity of the Quebrada Blanca Copper Mine and Cote Gold Mine; rebuilding the Battery Materials Business; strengthening the competitiveness of the Smelting & Refining Business; and business portfolio management (promotion of ROCE management)

2) Prepare for Future Growth

Promotion and expansion of Nickel, copper, and gold development projects; lithium-ion secondary battery recycling business; bonded SiC substrates; and near-infrared absorbing materials

3) Utilize Assets, Technology, and Human Resources to Support Sustainable Growth

Strengthening *MONOZUKURI-RYOKU* by utilizing superior mining assets, leading technologies, digital transformation (DX) foundation, and human resources that support growth strategies

4) Maintain and Strengthen the Management Base

Sustainability initiatives, such as efforts to help build a circular economy and a carbon-neutral society; promoting management with an awareness of capital costs and stock prices; reviewing its corporate governance system; etc.

2. Main Quantitative Targets and Measures for Shareholder Returns in 3-Year Plan 2027

1) Main Quantitative Targets

Profit before tax (FY2027): 140 billion yen (an increase of 108.6 billion yen compared to FY2024)
Capital expenditures, investment and financing (three-year cumulative total): 437 billion yen

2) Measures for Shareholder Returns

Dividends from surplus: Among existing policies, raise the minimum indicator of DOE to 2.5%*
Acquisition of own shares: Consider flexible acquisition of own shares

For more details, please refer to the presentation materials available on the below webpage.

<https://www.smm.co.jp/en/ir/management/plan/>

* DOE (dividend on equity ratio) = Annual total dividends / Shareholders' equity

As the announcement of "Notice regarding Changes to the Policy for Dividends" on May 9, 2025, the Company's dividend policy of "dividends from surplus shall be paid out with a consolidated payout ratio to be 35% or more and a minimum indicator to be DOE of 1.5% in principle," has been changed to "dividends from surplus shall be paid out with a consolidated payout ratio to be 35% or more and a minimum indicator to be DOE of 2.5% in principle" from FY2025. In addition, the formula for calculating DOE has been changed from "Annual total dividends / consolidated net assets attributable to owners of the parent at the end of the relevant fiscal year" to "Annual total dividends / (consolidated net assets attributable to owners of the parent at the end of the previous fiscal year - other components of equity at the end of the previous fiscal year)."