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To whom it may concern:

Company Name: Sumitomo Metal Mining Co., Ltd.

Representative: Akira Nozaki, President & Representative Director

(Code Number: 5713; Listing: First Section of Tokyo Stock Exchange)

Contact: Hideaki Kusanagi, Manager, PR & IR Dept.

(TEL. 03-3436-7705)

## Formulation of 2021 3-Year Business Plan - Renewed Challenge for Change -

Sumitomo Metal Mining Co., Ltd. (hereinafter “SMM”; Head office: Minato-ku, Tokyo; President & Representative Director: Akira Nozaki) hereby announces that SMM has formulated a “2021 3-Year Business Plan” (hereinafter “21 3-Year Plan”) covering the period from FY2022 to FY2024.

### 1. Positioning of 21 3-Year Plan in long-term vision & basic policy

Championing the long-term vision of “Becoming a World Leader in the Non-ferrous Metals Industry” under the “2018 3-Year Business Plan” (“18 3-Year Plan”), we have striven to achieve sustained growth and improve corporate value through such initiatives as enhancement of business infrastructure of our three core businesses—Mineral resources, Smelting & Refining, and Materials—centering on large-scale projects. In the 21 3-Year Plan, we will continue to push ahead toward achieving the long-term vision and targets, based on the theme of “Renewed Challenge for Change.” At the same time, we will respond adequately to changes in the social environment, including accelerating moves toward carbon neutral and digital transformation. The 21 3-Year Plan has wrapped up these initiatives as “4 Challenges.” Deeming the term of the 21 3-Year Plan as important three years for a further leap in the future, SMM will achieve innovative changes through the “4 Challenges” implementing aggressively.

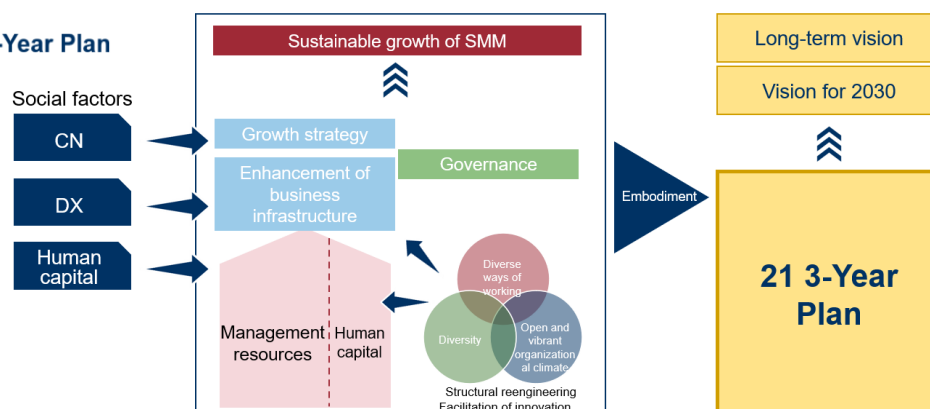


**Become the world leader  
in the non-ferrous metals industry**



Nickel	Annual production capacity of 150,000 tons
Copper	Annual production interest of 300,000 tons per year
Gold	Participation in new mine operations through the acquisition of interests in superior interests
Materials	Achievement of annual profit before tax of ¥25.0 billion through portfolio management
Profit	Annual profit ¥150.0 billion

### Positioning of 21 3-Year Plan



## 2. Key strategies under 21 3-Year Plan: “4 Challenges”



Details of the strategies are as follows:

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

- Expand production capacity of battery materials (positive-electrode materials), build a structure of 15,000-ton/month output in the 27 3-Year Plan period (FY2028-FY2030) through new plant construction and equipment enhancement, and retain a leading share in the nickel-based positive-electrode material market.
- Seeking to make an investment decision on the Pomalaa project (Indonesia) as early as possible. Production launch is planned in the latter half of the 2020s. As HPAL project calling for an annual output of 40,000 tons (in nickel), it is aimed at meeting an expected increase in demand for nickel for xEV use.
- Production launch in the Quebrada Blanca 2 (QB2) project (Chile) is set for the second half of 2022. Annual copper production of 71,000 tons (SMM’s interest) is planned in FY2024, and it is expected to reach 270,000 tons in copper output interest thanks to the contribution to the QB2 project.
- In the **Côté** gold mine development project (Canada), production is scheduled to begin in the first half of 2023. Further improvement in project value is eyed by prospecting in surrounding areas.

### Challenge 2. Improving core businesses sustainability

- Secure nickel resources and strengthen collaboration among three projects. Besides promotion of the Pomalaa project, we will strive to secure ore volume in the Philippine HPAL project, prospect for new nickel resources, and promote the recycling of batteries, including nickel, cobalt and lithium for reuse.
- Shifting to sustainability-oriented operations toward extension of life of the Hishikari Mine, acquire additional ore volume by promoting mining in deep-lying pits through the launch of commercial operation of new dewatering facilities, and reduce costs by restructuring the operational framework based on the newest technological expertise such as digital transformation.

- Ensuring stable operation for electrolytic copper production of 450,000 tons a year, and strengthen production capacity through the improvement of various facilities with an eye on the establishment of an annual 460,000 tons production system.
- Establish a system of mass production of 10,000 SiC (silicon carbide) sheets per month in FY2025, expand sales of high-quality nickel powder, and explore new markets for functional ink.

### **Challenge 3. Adapting to changes in the social environment**

- Have in place a framework for promoting initiatives to reach “net zero GHG emissions no later than 2050.” These initiatives include execution of ICMM commitments, expanded employment of our internal carbon pricing system, and the use of a carbon credit system.
- Investments totaling 12 billion yen planned to reduce GHG emissions during the 21 3-Year Plan.
- Promote the development of new technologies and processes for direct GHG emission reductions, and contribute to reducing carbon footprint through new businesses such as battery recycling.
- Set up a unit tasked with DX promotion in FY2022 to build infrastructure for company-wide DX acceleration. Scheduled to take measures totaling 15 billion yen, including DX-related investment, during 21 3-Year Plan, among other measures.
- Promote various initiatives for employment, training and utilization of human capital, making a proactive investment in this field.

### **Challenge 4. Strengthening of the foundation of business management**

- The emphasis on safety initiatives placed on prevention of “serious accidents” (absence from work for 3 months or more). Moreover, efforts focused on the prevention of “recurring accidents.”
- Sustainability promotion framework revised and strengthened to address 11 “Material Issues” in achieving “Vision for 2030.” Reorganized into an organization focused on the “Sustainability Committee” to adequately meet social needs.
- Formulate Basic Policy on business portfolio.

For details of the “21 3-Year Plan,” please refer to the presentation materials listed on our website.

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