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For Immediate Release

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### **Notice of Changes in Specified Subsidiaries in relation to the transfer of Interests in the Sierra Gorda Copper Mine in Chile**

Sumitomo Corporation announced that it has resolved to transfer the entirety of its interest in Sierra Gorda S.C.M. (Head Office: Santiago, Chile, hereinafter referred to as the "Operating Company"), which is located in the Republic of Chile and is currently jointly owned by Sumitomo Corporation, Sumitomo Metal Mining Co., Ltd. (Head Office: Minato-ku, Tokyo, "SMM") and KGHM Polska Miedź S.A. ("KGHM") last night and that it has entered into an agreement to transfer it to South32 Limited ("South32"). South32 is an Australian incorporated diversified metals and mining company that is listed on the Australian Securities Exchange, the Johannesburg Stock Exchange and the London Stock Exchange and has a market capitalization of approximately US\$12 billion.

Sumitomo Corporation initially participated in the Operating Company at the time of the commencement of mine construction in 2011, and its operation started in 2014, with Sumitomo Corporation investing via its wholly owned subsidiary, Inversiones SC Sierra Gorda Limitada (Head Office: Santiago, Chile, "Holding Company"), which acquired a 30% stake in a joint venture company established with SMM—SMM Sierra Gorda Inversiones Limitada (Head Office: Santiago, Chile, "Joint Venture Company")—which in turn acquired a 45% stake in the Operating Company (the Sumitomo Corporation Group's indirect equity in the Operating Company is 13.5%). In addition, the Operating Company has been provided with shareholder financing via SC Sierra Gorda Finance B.V. (Head Office: Amsterdam, the Netherlands, "Financing Company"), a wholly-owned subsidiary of Sumitomo Corporation, and, with this transfer of business, Sumitomo Corporation will also be transferring all of its holdings in the Financing Company.

As a result of this transfer, the Holding Company will be removed as a specified subsidiary of Sumitomo Corporation, and notice is hereby given of the following.

The transaction consideration for Sumitomo Corporation's 13.5% interest in the Operating Company will be approximately US\$510 million upfront cash consideration, subject to certain adjustments. In addition to the upfront cash consideration, up to US\$150 million in contingent consideration will be payable if certain copper price and production thresholds are met during the period through to the end of 2025. The transaction is expected to close by March 2022 subject to satisfaction of certain customary closing conditions and anti-trust approvals.

## 1. Reason for transaction

Sumitomo Corporation's original investment in the Operating Company was focused on the stable operation and management of the Operating Company in the Republic of Chile. As part of the strategic review undertaken by Sumitomo Corporation in keeping with its management policies, it has decided to sell the entirety of its stake in the Operating Company. Sumitomo Corporation's investment in the Operating Company was made through the Holding Company, which invested in the Operating Company jointly with a subsidiary of SMM through the Joint Venture Company. Accordingly, Sumitomo Corporation's disposal of its interest in the Operating Company includes the disposition of all if its interest in the Holding Company and the Financing Company to South32.

## 2. Overview of the subsidiaries to be transferred

### ① Inversiones SC Sierra Gorda Limitada (specified subsidiary)

(1)	Name	Inversiones SC Sierra Gorda Limitada		
(2)	Address	Orinoco 90, Office 2002, Las Condes, Santiago, Chile		
(3)	Name and title of representative	Legal Representative, Gastón Ignacio Rodríguez Vásquez		
(4)	Description of business	Investment in, and lending to, the mining project operating company at the Sierra Gorda Copper Mine in Chile		
(5)	Capital	US\$482,429,000 (approximately 46 billion yen; as of June 30, 2021)		
(6)	Date established	July 11, 2011		
(7)	Major shareholders and shareholding ratios	Sumitomo Corporation: 99.97% Sumitomo Corporation Chile Limitada (Santiago Head Office): 0.03%		
(8)	Relations between Listed Company and this company	Capital ties	Sumitomo Corporation has a 100% direct and indirect stake in this company.	
		Personnel relations	Sumitomo Corporation dispatches officers to this company.	
		Business relations	Sumitomo Corporation and this company have business relations.	
(9)	This company's operating results and financial position for the three most recent years			
	Fiscal year (FY)	FY ended 2018	FY ended 2019	FY ended 2020
	Net assets	-US\$809,000	-US\$2,294,000	-US\$1,369,000
	Total assets	US\$5,803,000	US\$3,016,000	US\$2,746,000
	Net sales	US\$0,000	US\$US\$0,000	US\$0,000
	Operating income	-US\$612,000	-US\$383,000	-US\$245,000
	Pre-tax income	-US\$45,119,000	-US\$28,028,000	-US\$11,009,000
	Net income attributable to owners of the parent company	-US\$45,119,000	-US\$28,028,000	-US\$11,009,000

② SC Sierra Gorda Finance B.V.

(1)	Name	SC Sierra Gorda Finance B.V.		
(2)	Address	Strawinskylaan 917, Amsterdam, 1077, Netherlands		
(3)	Name and title of representative	Managing Director, Sosuke Takubo		
(4)	Description of business	Financing for the mining project operating company at the Sierra Gorda Copper Mine, Chile		
(5)	Capital	US\$27,000 (approximately 2.574,000 yen; as of June 30, 2021)		
(6)	Date established	September 30, 2011		
(7)	Major shareholders and shareholding ratios	Sumitomo Corporation: 100%		
(8)	Relation between Listed Company and this company	Capital ties	Sumitomo Corporation has a 100% direct and indirect stake in this company.	
		Personnel relations	Sumitomo Corporation dispatches officers to this company.	
		Business relations	Sumitomo Corporation and this company have business relations.	
(9)	This company's operating results and financial position for the three most recent years			
	Fiscal year (FY)	FY ended 2018	FY ended 2019	FY ended 2020
	Net assets	US\$148,413,000	US\$215,089,000	US\$279,257,000
	Total assets	US\$357,344,000	US\$380,851,000	US\$392,924,000
	Net sales	US\$0,000	US\$US\$0,000	US\$0,000
	Operating income	US\$17,906,000	US\$18,029,000	US\$21,168,000
	Pre-tax income	US\$17,906,000	US\$18,029,000	US\$21,168,000
	Net income attributable to owners of the parent company	US\$17,906,000	US\$26,376,000	US\$21,168,000

### 3. Overview of transferee

(1)	Name	South32 Limited	
(2)	Address	Perth, Western Australia, Australia	
(3)	Name and title of representative	Chief Executive Officer, Graham Kerr	
(4)	Description of business	Production of bauxite, alumina, aluminium, metallurgical coal, manganese, nickel, silver, lead and zinc	
(5)	Capital	US\$13,597 million (as of the end of June 2021)	
(6)	Date established	May 25th, 2015	
(7)	Net assets	US\$8,954 million (as of the end of June 2021)	
(8)	Total assets	US\$13,242 million (as of the end of June 2021)	
(9)	Major shareholders and shareholding ratios	HSBC Custody Nominees (Australia) Limited(28.74%) J.P. Morgan Nominees Australia Pty Limited (18.29%) Citicorp Nominees Pty Ltd (9.09%) Etc.	
(10)	Relations between Listed Company and this company	Capital ties	No relationship between Sumitomo Corporation and South32
		Personnel relations	No relationship between Sumitomo Corporation and South32
		Business relations	No relationship between Sumitomo Corporation and South32

(\*) South32 has established a special purpose company for purposes of acquiring Sumitomo Corporation's interest in the Operating Company.

### 4. Percentage of Sumitomo Corporation Group's equity interests before and after the transfer and the transfer price

(1)	Percentage of shares owned before transfer	① Inversiones SC Sierra Gorda Limitada: 100.00% ② SC Sierra Gorda Finance B.V.: 100.00%
(2)	Percentage of shares owned after transfer	① Inversiones SC Sierra Gorda Limitada: 0% ② SC Sierra Gorda Finance B.V. : 0%
(3)	Transfer price	Approximately US\$510 million (*1, 2)

(\*1) The transfer price is the sum total for the Inversiones SC Sierra Gorda Limitada shares and the SC Sierra Gorda Finance B.V. shares.

(\*2) The transfer price is based on the enterprise value of the Operating Company as of the date agreed with South32 and is subject to certain adjustments to be made on the closing date as agreed with South32. In addition to the transfer price, copper price-linked contingent payments of up to US\$150 million may be payable to Sumitomo Corporation.

### 5. Transfer schedule

(1)	Agreement date	October 14, 2021
(2)	Share transfer execution date	Expected by March 2022 (*)

(\*) The closing date may change depending on the satisfactory of certain customary closing conditions and anti-trust approvals.

## 6. Future outlook

The impact of this transfer on Sumitomo Corporation's consolidated business results has been partially incorporated in the full-year consolidated financial forecast announced on August 4, 2021.

The full-year consolidated financial forecast for the Company as a whole will be examined in preparation for the announcement of second quarter results.

(Reference) Full-year consolidated earnings forecast for the fiscal year ending March 2022 (announced on August 4, 2021) and consolidated results for the previous fiscal year

	Net income or loss attributable to owners of the parent company	Basic net income per share
Unit	million yen	yen
Forecast for the current fiscal year (ending March 2022)	290,000	232.01
Results for the previous fiscal year (ended March 2021)	-153,067	-122.42

### (Note) Cautionary Statement Concerning Forward-Looking Statements

This report includes forward-looking statements relating to our future plans, forecasts, objectives, expectations and intentions. The forward-looking statements reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. Sumitomo Corporation is under no obligation—and expressly disclaims any such obligation—to update or alter its forward-looking statements.

## 7. Advisers

RBC Capital Markets acted as the exclusive financial adviser and Sullivan & Cromwell LLP acted as the legal advisers to Sumitomo Corporation and SMM in connection with the transactions.

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