



## Consolidated Financial Results for the First Quarter Ended June 30, 2011 [J-GAAP]

August 5, 2011

Listed Company Name: Sumitomo Metal Mining Co., Ltd.  
 Code: 5713  
 Listings: Tokyo Stock Exchange and Osaka Securities Exchange  
 URL: <http://www.smm.co.jp/>  
 Representative: Nobumasa Kemori, President and Representative Director  
 Contact: Masashi Takahashi, General Manager, PR & IR Dept. TEL: +81-3-3436-7705  
 Scheduled Date to Submit Quarterly Report: August 15, 2011  
 Scheduled Date to Start Dividend Payment: —  
 Preparation of Supplementary Explanation Materials for Quarterly Financial Results: Yes  
 Briefing on Quarterly Settlement: Yes (for institutional investors)

(Amounts less than one million yen are rounded off)

### 1. Consolidated Financial Results (From April 1, 2011, to June 30, 2011)

#### (1) Consolidated Operating Results

(% figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2011	212,907	-2.8	28,111	-4.4	37,635	26.0	26,341	30.6
Three months ended June 30, 2010	219,014	41.1	29,406	174.3	29,871	131.3	20,166	205.3

(Note) Comprehensive income

Three months ended June 30, 2011: ¥ 36,221 million (83.0 %)      Three months ended June 30, 2010: ¥ 19,793 million (—%)

	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
Three months ended June 30, 2011	46.87	42.89
Three months ended June 30, 2010	35.88	32.91

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2011	1,060,963	707,884	61.3
As of March 31, 2011	1,052,353	684,103	59.9

(Reference) Shareholders' equity      As of June 30, 2011: ¥650,508 million      As of March 31, 2010: ¥630,116 million

### 2. Dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2011	—	12.00	—	20.00	32.00
Year ending March 31, 2012	—				
Year ending March 31, 2012 (Forecast)		16.00	—	16.00	32.00

(Note) Revision of dividend projection that has been disclosed lastly: None

**3. Forecast of Consolidated Operating Results for the Year Ending March 31, 2012  
(From April 1, 2011, to March 31, 2012)**

(Percentages indicate changes from the previous fiscal year for full year and from the corresponding period of the previous year for second quarter)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter (cumulative)	428,000	-0.4	47,000	4.1	64,000	35.1	46,000	29.4	81.85
Full year	809,000	-6.4	94,000	-2.1	124,000	0.2	85,000	1.2	151.24

(Note) Revision of operating results projection that has been disclosed lastly: Yes

**4. Others**

(1) Change in Important Subsidiaries during the Period under Review (Change in specific subsidiaries that will accompany a change in scope of consolidation): None

(2) Application of Accounting Procedures Specific to Quarterly Consolidated Financial Statements: Yes  
(Note) For further details, please refer to "2. Summary Information (others) ."

(3) Change in Accounting Policies or Estimates and Retrospective Restatements

- 1) Changes in accounting policies in accordance with revision of accounting standards: None
- 2) Changes in accounting policies other than item 1) above: None
- 3) Change in accounting estimates: None
- 4) Retrospective restatements: None

(4) Number of Outstanding Shares (Common stock)

- 1) Number of shares issued as of end of period (including treasury stock)
  - 581,628,031 shares at June 30, 2011
  - 581,628,031 shares at March 31, 2011
- 2) Number of shares of treasury stock as of end of period
  - 19,628,799 shares at June 30, 2011
  - 19,621,490 shares at March 31, 2011
- 3) Average number of shares during the period
  - 562,001,106 shares for three months ended June 30, 2011
  - 562,111,185 shares for three months ended June 30, 2010

Presentation regarding status of quarterly review procedure

The consolidated financial results presented herein are not subject to the quarterly review procedure specified by the Financial Instruments and Exchange Act. The review procedure for quarterly consolidated financial statements specified by the Financial Instruments and Exchange Act has not been completed at the time of the disclosure of these financial results.

Explanation regarding appropriate use of operating results forecast and other special notes

Forecast of consolidated operating results for the second quarter ending September 30, 2011, disclosed on May 12, 2011, is revised in this report. The forward-looking statements, including business results forecast, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable as of the date of release of this document. Actual business results may differ substantially due to a number of factors.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Qualitative Information on Consolidated Operating Results

Looking at the global economy during the first quarter of fiscal 2011, the year ending March 31, 2012, emerging nations, including China, maintained high growth rates, whereas economies of the United States and Europe saw modest recovery on fears of sovereign risk. Meanwhile, the condition of Japan's economy remained severe, partly owing to declines in production and consumption due to the Great East Japan Earthquake, as well as to the established tendency toward yen appreciation.

In the nonferrous metals industry, nickel and copper prices were on the rise in the previous fiscal year, while they gradually declined during the period under review until they bottomed out at the end of the period. Meanwhile, the continued high level of gold prices became even higher throughout the period under review. In foreign exchange markets, the yen continued to appreciate toward the end of the period under review. In the electronics sector, inventory adjustments by users continued.

Under these circumstances, net sales in the first quarter of fiscal 2011 decreased ¥6,107 million from the same period of the previous fiscal year to ¥212,907 million, reflecting the decreased sales in the Materials segment due to a deteriorated selling environment. Operating income declined ¥1,295 million to ¥28,111 million, because an increase in earnings from the year-over-year rise of copper and gold prices was more than offset by the drop in inventory valuation for nickel and decreased sales of semiconductor materials. Ordinary income amounted to ¥37,635 million, a year-over-year increase of ¥7,764 million, owing to an increase of ¥9,059 million in net non-operating income, reflecting an increase in equity in earnings of affiliates and a decrease in foreign exchange losses. Net income for the period under review grew ¥6,175 million to ¥26,341 million.

Operating results by segment are as follows.

#### 1) Mineral Resources segment

Operations proceeded favorably at the Hishikari mine, which produced the projected amount of gold, while the gold output at the Pogo gold mine fell just short of its target. The Morenci and other overseas copper mines contributed to favorable business results, due to higher copper prices compared with the same period of the previous fiscal year.

Net sales increased ¥3,854 million year over year to ¥26,600 million and segmental income grew ¥6,376 million to ¥23,286 million.

#### 2) Smelting & Refining segment

The price of nickel was higher compared with the same period of the previous fiscal year, while the sales volume of nickel remained almost unchanged from a year earlier. The sales volume of copper was below the level of the same period of the previous fiscal year. Despite the negative impact of inventory valuation, business results surpassed those of the same period of the previous fiscal year, owing to improved earnings of associates accounted for using the equity method.

Net sales declined ¥1,321 million year over year to ¥173,942 million, while segmental income rose ¥2,453 million to ¥14,892 million.

#### 3) Materials segment

The Materials segment enjoyed favorable order receipts due to brisk demand from the semiconductor- and liquid-crystal-related industries during the same period of the previous fiscal year. In the period under review, however, continued inventory adjustments by users led to the deterioration of the segment's operating performance year over year.

Net sales fell ¥7,424 million year over year to ¥49,264 million, and segmental income decreased ¥1,910 million to ¥1,262 million.

### (2) Qualitative Information on the Consolidated Financial Position

Total assets at the end of the period under review increased ¥8,610 million from the previous consolidated fiscal year-end to ¥1,060,963 million, reflecting an increase in inventories in preparation for a rise in nonferrous metal prices and furnace repair work, as well as an increase in construction in progress regarding the Taganito Project.

Total net assets increased ¥23,781 million from the previous consolidated fiscal year-end to ¥707,884 million, and the equity ratio improved from 59.9% to 61.3%.

### (3) Qualitative Information on the Forecast of Consolidated Operating Results

The economic situations at home and abroad remains unpredictable. However, because the demand in emerging nations is expected to remain steady and nonferrous metal prices are likely to remain at high levels, consolidated net sales, operating income, ordinary income and net income for the six-month period from April 1, 2011, to September 30, 2011, are expected to increase by 7%–15% compared with the respective forecasts released on May 12, 2011. Meanwhile, the corresponding full-year forecasts for the fiscal year ending March 31, 2012, have not been revised.

The forecasts for net sales and segmental income for the six months ending September 30, 2011, and the full year ending March 31, 2012, are as follows. (Reference information: Segmental income is adjusted to match ordinary income in the consolidated statements of income.)

#### 1) Forecast of consolidated operating results for the six months ending September 30, 2011 (revised)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments	Total
Net sales	49,000	342,000	99,000	490,000	14,000	(76,000)	428,000
Segmental income	42,000	21,000	2,000	65,000	0	(1,000)	64,000

2) Forecast of consolidated operating results for the full year ending March 31, 2012 (unchanged from the previous forecast)  
(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments	Total
Net sales	98,000	619,000	204,000	921,000	35,000	(147,000)	809,000
Segmental income	73,000	39,000	7,000	119,000	1,000	4,000	124,000

## **2. Summary Information (Others)**

(1) Change in important subsidiaries during the period under review: None

(2) Application of accounting procedures specific to quarterly consolidated financial statements

The tax expenses for consolidated subsidiaries are calculated by multiplying income before income taxes for the period under review by the effective tax rates on income before income taxes for the fiscal year ending March 31, 2012 including the first quarter under review, that are reasonably estimated upon the adoption of tax-effect accounting.

Income taxes—deferred are included in “income taxes—current”.

(3) Changes in accounting policies or estimates and retrospective restatements: None

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year (as of March 31, 2011)	First Quarter FY2011 (as of June 30, 2011)
<b>Assets</b>		
Current assets		
Cash and deposits	92,024	94,282
Notes and accounts receivable—trade	104,324	95,553
Short-term investment securities	36,500	14,500
Merchandise and finished goods	80,271	100,167
Work in process	50,526	44,306
Raw materials and supplies	39,449	44,551
Other	69,706	67,158
Allowance for doubtful accounts	(242)	(216)
Total current assets	472,558	460,301
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	81,053	84,406
Machinery, equipment and vehicles, net	107,762	106,422
Tools, furniture and fixtures, net	4,823	4,694
Land	26,509	26,566
Construction in progress	44,942	52,990
Total property, plant and equipment	265,089	275,078
Intangible assets		
Mining right	8,824	8,672
Other	3,456	3,515
Total intangible assets	12,280	12,187
Investments and other assets		
Investment securities	282,317	293,165
Other	20,337	20,458
Allowance for doubtful accounts	(222)	(220)
Allowance for investment loss	(6)	(6)
Total investments and other assets	302,426	313,397
Total noncurrent assets	579,795	600,662
<b>Total assets</b>	<b>1,052,353</b>	<b>1,060,963</b>

(Millions of yen)

	Previous Fiscal Year (as of March 31, 2011)	First Quarter FY2011 (as of June 30, 2011)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	42,593	30,487
Short-term loans payable	65,841	67,651
Current portion of bonds	10,000	10,000
Income taxes payable	15,520	5,652
Provision for bonuses	3,254	1,862
Provision for furnace repair works	970	1,112
Provision for loss on business restructuring	189	189
Provision for loss on liquidation of subsidiaries and affiliates	5	5
Provision for environmental measures	106	106
Provision for loss on disaster	387	343
Other provision	191	95
Other	66,430	74,970
<b>Total current liabilities</b>	<b>205,486</b>	<b>192,472</b>
Noncurrent liabilities		
Long-term loans payable	135,128	133,693
Provision for retirement benefits	7,158	6,978
Provision for directors' retirement benefits	58	49
Provision for loss on business restructuring	1,032	976
Accrued indemnification loss on damages	0	0
Provision for environmental measures	26	26
Other provision	204	200
Asset retirement obligations	4,268	4,407
Other	14,890	14,278
<b>Total noncurrent liabilities</b>	<b>162,764</b>	<b>160,607</b>
<b>Total liabilities</b>	<b>368,250</b>	<b>353,079</b>
Net assets		
Shareholders' equity		
Capital stock	93,242	93,242
Capital surplus	86,063	86,063
Retained earnings	524,978	542,146
Treasury stock	(21,788)	(21,798)
<b>Total shareholders' equity</b>	<b>682,495</b>	<b>699,653</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	17,738	14,091
Deferred gains or losses on hedges	(4,636)	(5,147)
Foreign currency translation adjustment	(65,481)	(58,089)
<b>Total valuation and translation adjustments</b>	<b>(52,379)</b>	<b>(49,145)</b>
Minority interests	53,987	57,376
<b>Total net assets</b>	<b>684,103</b>	<b>707,884</b>
<b>Total liabilities and net assets</b>	<b>1,052,353</b>	<b>1,060,963</b>

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income  
(For 1st Quarter of Cumulative Consolidated Fiscal Period)

(Millions of yen)

	First Quarter FY2010 (from April 1, 2010, to June 30, 2010)	First Quarter FY2011 (from April 1, 2011, to June 30, 2011)
Net sales	219,014	212,907
Cost of sales	179,792	174,435
Gross profit	39,222	38,472
Selling, general and administrative expenses		
Sales, transportation and sundry expenses	2,054	2,109
Salaries and allowances	2,339	2,393
Provision for bonuses	217	277
Retirement benefit expenses	281	265
Provision for directors' retirement benefits	5	3
Research and development expenses	1,183	1,290
Other	3,737	4,024
Total selling, general and administrative expenses	9,816	10,361
Operating income	29,406	28,111
Non-operating income		
Interest income	125	174
Dividends income	652	704
Equity in earnings of affiliates	4,070	11,493
Other	185	250
Total non-operating income	5,032	12,621
Non-operating expenses		
Interest expenses	641	673
Loss on valuation of derivatives	666	723
Foreign exchange losses	2,858	1,305
Loss on valuation of borrowed gold bullion	65	61
Other	337	335
Total non-operating expenses	4,567	3,097
Ordinary income	29,871	37,635
Extraordinary income		
Gain on sales of noncurrent assets	38	36
Gain on sales of investment securities	—	60
Reversal of allowance for doubtful accounts	8	—
Total extraordinary income	46	96
Extraordinary loss		
Loss on retirement of noncurrent assets	49	25
Loss on sales of investment securities	96	—
Loss on disaster	—	16
Loss on adjustment for changes of accounting standard for asset retirement obligations	361	—
Total extraordinary losses	506	41

(Millions of yen)

	First Quarter FY2010 (from April 1, 2010, to June 30, 2010)	First Quarter FY2011 (from April 1, 2011, to June 30, 2011)
Income before income taxes	29,411	37,690
Income taxes—current	7,105	7,673
Income taxes—deferred	345	(206)
Total income taxes	7,450	7,467
Income before minority interests	21,961	30,223
Minority interests in income	1,795	3,882
Net income	20,166	26,341

Consolidated Statements of Comprehensive Income  
(For 1st Quarter of Cumulative Consolidated Fiscal Period)

(Millions of yen)

	First Quarter FY2010 (from April 1, 2010, to June 30, 2010)	First Quarter FY2011 (from April 1, 2011, to June 30, 2011)
Income before minority interests	21,961	30,223
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,894)	(3,642)
Deferred gains or losses on hedges	(281)	(556)
Foreign currency translation adjustment	(299)	5,981
Share of other comprehensive income of associates accounted for using equity method	1,306	4,215
Total other comprehensive income	(2,168)	5,998
Comprehensive income	19,793	36,221
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	17,880	29,575
Comprehensive income attributable to minority interests	1,913	6,646

(3) Note Relating to the Going Concern Assumption

There are no pertinent items.

(4) Segment Information and Others

(Segment Information)

1. Information on Net Sales and Income (Loss) by Reported Segment

Three months ended June 30, 2010 (from April 1, 2010, to June 30, 2010)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments <sup>1</sup>	Amounts Reported in the Consolidated Financial Statements <sup>2</sup>
Net sales:							
Outside customers	14,261	146,682	52,426	213,369	5,645	—	219,014
Intersegment	8,485	28,581	4,262	41,328	1,215	(42,543)	—
Total	22,746	175,263	56,688	254,697	6,860	(42,543)	219,014
Segment income	16,910	12,439	3,172	32,521	226	(2,876)	29,871

Three months ended June 30, 2011 (from April 1, 2011, to June 30, 2011)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments <sup>1</sup>	Amounts Reported in the Consolidated Financial Statements <sup>2</sup>
Net sales:							
Outside customers	15,386	149,899	42,617	207,902	5,005	—	212,907
Intersegment	11,214	24,043	6,647	41,904	1,283	(43,187)	—
Total	26,600	173,942	49,264	249,806	6,288	(43,187)	212,907
Segment income	23,286	14,892	1,262	39,440	(96)	(1,709)	37,635

(Note) 1. The adjustments for segment income are as follows:

(Millions of yen)

	First Quarter FY2010	First Quarter FY2011
Head office expenses not allocated to each reported segment <sup>a</sup>	(2,367)	(2,437)
Cost of capital to be borne by each reported segment <sup>b</sup>	3,737	4,026
Eliminations of inter-segmental transactions among the reported segments	(1,640)	(2,283)
Non-operating income (expenses) not allocated to each reported segment <sup>c</sup>	(2,729)	(1,137)
Other adjustments	123	122
Total	(2,876)	(1,709)

- \*a The head office expenses not allocated to each reported segment mainly consist of general administrative expenses and research and development expenses which are not attributable to the reported segments.
- \*b Cost of capital refers to an interest rate burden to be borne by each business segment of the parent company, which does not financially assume interest expenses, in proportion to its holding assets in calculating segmental income for internal administration purposes. The cost of capital is obtained by multiplying the total assets held by each segment of the parent company by the “internal interest rate.” An amount that corresponds to the weighted average of the parent company’s cost of capital and cost of liability is used as the internal interest rate. The same amount as a total of the cost of capital reported by each segment is reported as a negative value in “Adjustments.” The cost of capital is offset in the total for all segments companywide and therefore has no effect on the consolidated financial statements.
- \*c Non-operating income and expenses not allocated to each reported segment mainly consist of foreign exchange gains and losses and interest expenses, which are not attributable to the reported segments.

(Note) 2. Segmental income is adjusted to match with ordinary income in the consolidated statement of income.

## 2. Types of Products and Services That Belong to Each Reported Segment

Segment	Major Products and Services
Mineral Resources	Exploration, development and production of nonferrous metal resources in Japan and overseas, as well as sales of ores and products
Smelting & Refining	Smelting and sales of copper, nickel, ferronickel, zinc and lead, as well as smelting and sales of precious metals such as gold, silver and platinum
Materials	Manufacturing, processing and sales of semiconductor materials, including lead frames, tape materials—such as copper-clad polyimide film and chip-on-film (COF) substrates (electronic packaging materials used to make LCD panel integrated circuits)—and bonding wires Manufacturing, processing and sales of advanced materials, including pastes, powder materials (e.g., nickel powder), battery materials (e.g., nickel hydroxide) and crystalline materials
Other Businesses	Manufacturing and sales of automotive exhaust processing catalysts, chemical catalysts, petroleum refinery and desulfurization catalysts and autoclaved lightweight concrete (ALC) products, as well as technical engineering and real estate businesses

## (5) Significant Changes in Shareholders’ Equity

There are no pertinent items.

#### 4. Supplementary Information

##### (1) Overseas Market Prices and Foreign Exchange Rate

	Unit	First Quarter FY2011 (results) (from April 1, 2011, to June 30, 2011)	FY2011 (forecasts) (from April 1, 2011, to March 31, 2012)
Copper	\$/t	9,152	8,500
Gold	\$/TOZ	1,504.7	1,400.0
Nickel	\$/lb	11.02	11.00
Zinc	\$/t	2,254	2,200
Exchange rate (TTM)	¥/\$	81.75	80.00

##### (2) Sales Volume, Unit Price and Net Sales for Major Products (the Company)

Reported Segment	Product	Unit	First Quarter FY2011 (results) (from April 1, 2011, to June 30, 2011)
Mineral Resources	Gold and silver ores  (Gold content)	t	36,381
		¥Thousand/DMT	202
		¥Million	7,351
		(kg)	(1,967)
Smelting & Refining	Copper	t	99,612
		¥ Thousand/t	760
		¥Million	75,657
	Gold	kg	9,981
		¥/g	3,960
		¥Million	39,521
	Silver	kg	57,892
		¥ Thousand/kg	102
		¥Million	5,888
	Nickel	t	15,153
		¥ Thousand/t	2,148
		¥Million	32,545
	Zinc	t	6,155
		¥ Thousand/t	187
¥Million		1,150	
	(Including commissioned zinc)	(t)	(25,290)
Materials	Semiconductor materials and advanced materials	¥Million	31,668

(Notes)

1. The Company mainly engaged in make-to-stock production for these major products because the ratio of make-to-order production is low.
2. Nickel above includes ferronickel.

(3) Output by Product (the Company)

Product	Unit	First Quarter FY2011 (results) (from April 1, 2011, to June 30, 2011)
Copper	t	85,508
Gold	kg	7,872
Electrolytic nickel	t	9,424
Ferronickel	t	4,793
Zinc	t	19,135
Gold and silver ore	t	36,427
(Gold content)	(kg)	(1,975)
Zinc (Commissioning portion)	t	5,652

(Notes)

1. Output includes the portions of commissioning and/or commissioned production.
2. The commissioning portion of zinc is separately presented from "Zinc" as shown in the above table.