



Consolidated Financial Results for the Second Quarter Ended September 30, 2011 [J-GAAP]

November 8, 2011

Listed Company Name: Sumitomo Metal Mining Co., Ltd.
 Code: 5713
 Listings: Tokyo Stock Exchange and Osaka Securities Exchange
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 Scheduled Date to Submit Quarterly Report: November 14, 2011
 Scheduled Date to Start Dividend Payment: December 6, 2011
 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 September 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	%
Six months ended September 30, 2011	434,261	1.1	45,071	-0.2	61,505	29.8	37,519	5.6
Six months ended September 30, 2010	429,698	31.8	45,140	94.1	47,388	70.2	35,542	110.0

(Note) Comprehensive income

Six months ended September 30, 2011: ¥ 36,506 million (376.3 %) Six months ended September 30, 2010: ¥ 7,664 million (—%)

	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
Six months ended September 30, 2011	66.76	61.30
Six months ended September 30, 2010	63.23	58.09

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2011	1,128,589	715,772	57.6
As of March 31, 2011	1,052,353	684,103	59.9

(Reference) Shareholders' equity As of September 30, 2011: ¥650,466 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	—	16.00			
Year ending March 31, 2012 (Forecast)			—	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)

	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
Full year	815,000	-5.7	80,000	-16.7	104,000	-15.9	67,000	-20.2	119.22

(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): Yes

Companies included in consolidation:

1 (Company name: SMM Sierra Gorda Inversiones Limitada)

Companies excluded from consolidation:

—

(Note) For further details, please refer to “2. Summary Information (Others).”

(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 September 30, 2011

581,628,031 shares at March 31, 2011

2) Number of shares of treasury stock as of end of period

19,644,537 shares at September 30, 2011

19,621,490 shares at March 31, 2011

3) Average number of shares during the period

561,993,710 shares for six months ended September 30, 2011

562,100,061 shares for six months ended September 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 full year ending March 31, 2012, 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

The overall global economy during the first six months of fiscal 2011, the year ending March 31, 2012, was on a moderate recovery path, but the sovereign risk of Europe and the slowing growth of emerging nations, including China, strengthened the decelerating trend of the economy. Meanwhile, Japan's economy showed signs of favorable turn due to the quick restoration of supply chains after the Great East Japan Earthquake, but business conditions remained severe, affected by the slowdown of overseas economies and the continuing high yen appreciation.

In the nonferrous metals industry, nickel prices during the period under review started at a higher level than a year earlier, but gradually declined throughout the period. Copper prices were initially high but declined from August until the end of the period under review. Gold prices continued to rise, reaching a record high in early September 2011. In the 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 six months of fiscal 2011 increased ¥4,563 million from the same period of the previous fiscal year to ¥434,261 million, reflecting the favorable performance of the Mineral Resources and Smelting & Refining segments owing to a rise in metal prices, which more than offset the decreased sales in the Materials segment due to a deteriorated selling environment. Operating income declined ¥69 million to ¥45,071 million, mainly due to the decreased sales of semiconductor materials and the deteriorated inventory valuation for nickel, although the year-over-year rise of copper and gold prices increased earnings. Ordinary income advanced ¥14,117 million to ¥61,505 million, reflecting an increase in equity in earnings of affiliates. Net income for the period under review grew ¥1,977 million to ¥37,519 million.

Operating results by segment are as follows.

1) Mineral Resources segment

Operations at the Hishikari mine continued to be favorable in general. The gold output at the Pogo gold mine was almost unchanged from a year earlier. 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 ¥8,119 million year over year to ¥52,550 million, and segment income grew ¥16,257 million to ¥47,271 million.

2) Smelting & Refining segment

The price of nickel was higher than the level of the same period of the previous fiscal year and sales volume also exceeded the level of a year earlier. Copper prices were above the level of the same period of the previous year, whereas sales volume fell below the level of a year earlier. Despite the negative impact of nickel inventory valuation, business results surpassed those of the same period of the previous fiscal year, owing to an increase in equity in earnings of affiliates.

Net sales rose ¥12,715 million year over year to ¥351,337 million, and segment income grew ¥4,687 million to ¥17,462 million.

3) Materials segment

Sluggish demand from the semiconductor- and liquid-crystal-related industries and continued inventory adjustments by users caused the deterioration of the segment's operating performance year over year.

Net sales fell ¥12,117 million year over year to ¥98,159 million, and segment income plunged ¥4,330 million to ¥628 million.

(2) Qualitative Information on the Consolidated Financial Position

1) Status of financial position

Total assets at the end of the period under review increased ¥76,236 million from the previous consolidated fiscal year-end to ¥1,128,589 million, reflecting an increase in investment securities mainly due to the investment in Sierra Gorda S.C.M., an increase in construction in progress regarding the Taganito Project and an increase in short-term investment securities, which are negotiable certificates of deposit.

Total net assets increased ¥31,669 million from the previous consolidated fiscal year-end to ¥715,772 million, and the equity ratio deteriorated from 59.9% to 57.6%.

2) Status of cash flows

The cash and cash equivalents at the end of the period under review amounted to ¥142,934 million, or an increase of ¥14,623 million from the previous consolidated fiscal year-end.

Status of cash flows and their major factors during the period under review are as follows.

Cash flows from operating activities

Income before income taxes remained almost unchanged at ¥49,427 million, whereas the payment of income taxes, an increase in inventories and a decrease in notes and accounts payable—trade largely contributed to reducing the inflow of cash by ¥26,004 million from a year earlier. As a result, net cash provided by operating activities amounted to ¥33,887 million.

Cash flows from investing activities

Chiefly due to the investment in overseas resource development projects, including a project by Sierra Gorda S.C.M., and the purchase of noncurrent assets regarding the Taganito Project, the outflow of cash increased ¥36,541 million from a year earlier, resulting in net cash used in investing activities of ¥66,169 million.

Cash flows from financing activities

Despite the payment of cash dividends, the repayment of long-term loans payable and other factors that cause the outflow of cash, the inflow of cash increased ¥57,693 million mostly due to proceeds from the issuance of bonds, resulting in net cash provided by financing activities of ¥46,263 million.

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

As the deceleration of overseas economies is increasingly obvious, the projected demand decline is expected to lower nonferrous metal prices. This, combined with prospects for prolonged yen appreciation, has made us revise the full-year forecast of consolidated operating results for the year ending March 31, 2012. Operating income, ordinary income and net income have been revised downward by 15%–21% compared with the previous forecast released on May 12, 2011.

The full-year forecasts for net sales and segment income by reported segment are as follows. (Reference: Segment income is adjusted to match ordinary income in the consolidated statements of income.)

No revision has been made to the forecast for dividends.

Forecast of consolidated operating results for the full year ending March 31, 2012 (revised)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments	Total
Net sales	104,000	633,000	196,000	933,000	35,000	(153,000)	815,000
Segment income	81,000	26,000	(2,000)	105,000	1,000	(2,000)	104,000

(Reference) Forecast of consolidated operating results for the full year ending March 31, 2012 (previous)

(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
Segment 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

One (1) specified subsidiary has been newly consolidated.

Newly established SMM Sierra Gorda Inversiones Limitada was consolidated as of the end of the period under review, because its significance increased due to capital increase.

(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 second quarter under review, that are reasonably estimated upon the adoption of tax-effect accounting.

(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)	Second Quarter FY2011 (as of September 30, 2011)
Assets		
Current assets		
Cash and deposits	92,024	54,475
Notes and accounts receivable—trade	104,324	97,794
Short-term investment securities	36,500	88,500
Merchandise and finished goods	80,271	99,439
Work in process	50,526	37,064
Raw materials and supplies	39,449	37,802
Other	69,706	85,213
Allowance for doubtful accounts	(242)	(237)
Total current assets	472,558	500,050
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	81,053	81,105
Machinery, equipment and vehicles, net	107,762	96,084
Tools, furniture and fixtures, net	4,823	4,318
Land	26,509	26,511
Construction in progress	44,942	69,585
Total property, plant and equipment	265,089	277,603
Intangible assets		
Mining right	8,824	8,126
Other	3,456	3,336
Total intangible assets	12,280	11,462
Investments and other assets		
Investment securities	282,317	316,381
Other	20,337	23,318
Allowance for doubtful accounts	(222)	(219)
Allowance for investment loss	(6)	(6)
Total investments and other assets	302,426	339,474
Total noncurrent assets	579,795	628,539
Total assets	1,052,353	1,128,589

(Millions of yen)

	Previous Fiscal Year (as of March 31, 2011)	Second Quarter FY2011 (as of September 30, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	42,593	34,990
Short-term loans payable	65,841	68,817
Current portion of bonds	10,000	10,000
Income taxes payable	15,520	4,214
Provision for bonuses	3,254	3,601
Provision for furnace repair works	970	1,260
Provision for loss on business restructuring	189	189
Provision for loss on liquidation of subsidiaries and affiliates	5	4
Provision for environmental measures	106	212
Provision for loss on disaster	387	281
Other provision	191	141
Other	66,430	75,561
Total current liabilities	205,486	199,270
Noncurrent liabilities		
Bonds payable	—	50,000
Long-term loans payable	135,128	135,808
Provision for retirement benefits	7,158	6,930
Provision for directors' retirement benefits	58	51
Provision for loss on business restructuring	1,032	933
Accrued indemnification loss on damages	0	0
Provision for environmental measures	26	55
Other provision	204	213
Asset retirement obligations	4,268	4,376
Other	14,890	15,181
Total noncurrent liabilities	162,764	213,547
Total liabilities	368,250	412,817
Net assets		
Shareholders' equity		
Capital stock	93,242	93,242
Capital surplus	86,063	86,063
Retained earnings	524,978	553,324
Treasury stock	(21,788)	(21,818)
Total shareholders' equity	682,495	710,811
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	17,738	11,537
Deferred gains or losses on hedges	(4,636)	(7,882)
Foreign currency translation adjustment	(65,481)	(64,000)
Total valuation and translation adjustments	(52,379)	(60,345)
Minority interests	53,987	65,306
Total net assets	684,103	715,772
Total liabilities and net assets	1,052,353	1,128,589

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

(Millions of yen)

	Second Quarter FY2010 (from April 1, 2010, to September 30, 2010)	Second Quarter FY2011 (from April 1, 2011, to September 30, 2011)
Net sales	429,698	434,261
Cost of sales	364,063	368,098
Gross profit	65,635	66,163
Selling, general and administrative expenses		
Sales, transportation and sundry expenses	4,393	4,246
Salaries and allowances	4,600	4,789
Provision for bonuses	430	518
Retirement benefit expenses	522	472
Provision for directors' retirement benefits	6	3
Research and development expenses	2,448	2,540
Other	8,096	8,524
Total selling, general and administrative expenses	20,495	21,092
Operating income	45,140	45,071
Non-operating income		
Interest income	270	400
Dividends income	844	886
Equity in earnings of affiliates	7,773	22,660
Other	825	344
Total non-operating income	9,712	24,290
Non-operating expenses		
Interest expenses	1,262	1,637
Foreign exchange losses	4,615	4,228
Loss on valuation of borrowed gold bullion	622	195
Other	965	1,796
Total non-operating expenses	7,464	7,856
Ordinary income	47,388	61,505
Extraordinary income		
Gain on sales of noncurrent assets	114	46
Gain on sales of investment securities	85	60
Reversal of provision for loss on business restructuring	8	—
Reversal of allowance for doubtful accounts	10	—
Gain on change in equity	2,309	—
Total extraordinary income	2,526	106

(Millions of yen)

	Second Quarter FY2010 (from April 1, 2010, to September 30, 2010)	Second Quarter FY2011 (from April 1, 2011, to September 30, 2011)
Extraordinary loss		
Loss on sales of noncurrent assets	28	12
Loss on retirement of noncurrent assets	288	101
Impairment loss	—	5,477
Loss on sales of investment securities	96	—
Loss on valuation of investment securities	34	6,144
Provision for loss on business restructuring	141	—
Provision for environmental measures	—	139
Loss on disaster	—	311
Loss on adjustment for changes of accounting standard for asset retirement obligations	361	—
Total extraordinary losses	948	12,184
Income before income taxes	48,966	49,427
Income taxes—current	11,408	8,395
Income taxes—deferred	1,005	(2,095)
Total income taxes	12,413	6,300
Income before minority interests	36,553	43,127
Minority interests in income	1,011	5,608
Net income	35,542	37,519

Consolidated Statements of Comprehensive Income
(For 2nd Quarter of Cumulative Consolidated Fiscal Period)

(Millions of yen)

	Second Quarter FY2010 (from April 1, 2010, to September 30, 2010)	Second Quarter FY2011 (from April 1, 2011, to September 30, 2011)
Income before minority interests	36,553	43,127
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,693)	(6,195)
Deferred gains or losses on hedges	(1,789)	(3,133)
Foreign currency translation adjustment	(10,430)	3,778
Share of other comprehensive income of associates accounted for using equity method	(7,977)	(1,071)
Total other comprehensive income	(28,889)	(6,621)
Comprehensive income	7,664	36,506
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	11,156	29,553
Comprehensive income attributable to minority interests	(3,492)	6,953

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Second Quarter FY2010 (from April 1, 2010, to September 30, 2010)	Second Quarter FY2011 (from April 1, 2011, to September 30, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes	48,966	49,427
Depreciation and amortization	18,089	16,088
Impairment loss	—	5,477
Loss (gain) on sales of noncurrent assets	(86)	(34)
Loss on retirement of noncurrent assets	288	101
Loss (gain) on sales of investment securities	11	(60)
Loss (gain) on valuation of investment securities	—	6,144
Loss (gain) on valuation of derivatives	149	709
Loss on adjustment for changes of accounting standard for asset retirement obligations	361	—
Increase (decrease) in allowance for doubtful accounts	(26)	(8)
Increase (decrease) in allowance for investment loss	(64)	—
Increase (decrease) in provision for bonuses	230	347
Increase (decrease) in provision for directors' bonuses	(65)	(70)
Increase (decrease) in provision for furnace repair works	(174)	290
Increase (decrease) in provision for retirement benefits	(59)	16
Increase (decrease) in provision for directors' retirement benefits	(144)	(7)
Increase (decrease) in provision for loss on business restructuring	(178)	(99)
Increase (decrease) in provision for loss on liquidation of subsidiaries and affiliates	—	(1)
Increase (decrease) in provision for environmental measures	(254)	135
Increase (decrease) in provision for loss on disaster	—	(106)
Increase (decrease) in other provision	(3,006)	29
Interest and dividends income	(1,114)	(1,286)
Interest expenses	1,262	1,637
Foreign exchange losses (gains)	682	308
Equity in (earnings) losses of affiliates	(7,773)	(22,660)
Suspended business management expense	261	278
Loss (gain) on change in equity	(2,309)	—
Loss on disaster	—	311
Decrease (increase) in notes and accounts receivable—trade	(8,390)	11,195
Decrease (increase) in inventories	2,114	(4,643)
Increase (decrease) in notes and accounts payable—trade	10,236	(3,354)
Increase (decrease) in accrued consumption taxes	4,829	(453)
Other, net	5,689	(15,442)
Subtotal	69,525	44,269
Interest and dividends income received	9,427	11,334
Interest expenses paid	(1,347)	(1,597)
Suspended business management expense paid	(261)	(278)
Disaster recovery expense paid	—	(368)
Income taxes paid	(17,453)	(19,473)
Net cash provided by operating activities	59,891	33,887

(Millions of yen)

	Second Quarter FY2010 (from April 1, 2010, to September 30, 2010)	Second Quarter FY2011 (from April 1, 2011, to September 30, 2011)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(22,923)	(34,899)
Proceeds from sales of property, plant and equipment	169	553
Purchase of intangible assets	(236)	(226)
Purchase of investment securities	(781)	(1,004)
Proceeds from sales of investment securities	183	150
Purchase of stocks of subsidiaries and affiliates	(7,663)	(30,031)
Payments into time deposits	(36)	—
Proceeds from withdrawal of time deposits	28	177
Payments of short-term loans receivable	(30)	(24)
Collection of short-term loans receivable	1,976	67
Payments of long-term loans receivable	(365)	(944)
Collection of long-term loans receivable	50	40
Other, net	—	(28)
Net cash used in investing activities	(29,628)	(66,169)
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	960	3,819
Proceeds from long-term loans payable	—	2,452
Repayment of long-term loans payable	(2,895)	(2,376)
Proceeds from issuance of bonds	—	49,736
Proceeds from stock issuance to minority shareholders	—	8,870
Decrease (increase) in treasury stock	(46)	(30)
Cash dividends paid	(7,308)	(11,240)
Cash dividends paid to minority shareholders	(2,141)	(4,968)
Net cash provided by (used in) financing activities	(11,430)	46,263
Effect of exchange rate change on cash and cash equivalents	(1,038)	642
Net increase (decrease) in cash and cash equivalents	17,795	14,623
Cash and cash equivalents at beginning of period	100,452	128,311
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(3,060)	—
Cash and cash equivalents at end of period	115,187	142,934

(4) Note Relating to the Going Concern Assumption

There are no pertinent items.

(5) Segment Information and Others

(Segment Information)

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

Six months ended September 30, 2010 (from April 1, 2010, to September 30, 2010)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments ¹	Amounts Reported in the Consolidated Financial Statements ²
Net sales:							
Outside customers	29,171	286,618	102,295	418,084	11,614	—	429,698
Intersegment	15,260	52,004	7,981	75,245	2,614	(77,859)	—
Total	44,431	338,622	110,276	493,329	14,228	(77,859)	429,698
Segment income	31,014	12,775	4,958	48,747	925	(2,284)	47,388

Six months ended September 30, 2011 (from April 1, 2011, to September 30, 2011)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments ¹	Amounts Reported in the Consolidated Financial Statements ²
Net sales:							
Outside customers	32,067	305,212	86,362	423,641	10,620	—	434,261
Intersegment	20,483	46,125	11,797	78,405	2,702	(81,107)	—
Total	52,550	351,337	98,159	502,046	13,322	(81,107)	434,261
Segment income	47,271	17,462	628	65,361	473	(4,329)	61,505

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

(Millions of yen)

	Six Months Ended September 30, 2010	Six Months Ended September 30, 2011
Head office expenses not allocated to each reported segment ^a	(4,974)	(4,886)
Cost of capital to be borne by each reported segment ^b	7,435	7,978
Eliminations of inter-segment transactions among the reported segments	53	(2,506)
Non-operating income (expenses) not allocated to each reported segment ^c	(5,042)	(5,168)
Other adjustments	244	253
Total	(2,284)	(4,329)

- *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 segment 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. Segment income is adjusted to match with ordinary income in the consolidated statements 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

3. Information on Impairment Loss of Noncurrent Assets, Goodwill, etc., by Reported Segment (Significant Impairment Loss of Noncurrent Assets)

In the Smelting & Refining segment, the book value of an asset group for zinc and lead that is deemed to no longer produce earnings is reduced to its recoverable amount and the amount of reduction is posted as an impairment loss under the Extraordinary loss. Such impairment loss during the six months ended September 30, 2011, amounted to ¥5,477 million.

(6) Significant Changes in Shareholders’ Equity

There are no pertinent items.

4. Supplementary Information

(1) Overseas Market Prices and Foreign Exchange Rate

		A	B	(A + B) / 2	C	A - C
	Unit	FY2011 First Six Months Results (April 1, 2011, to September 30, 2011)	FY2011 Third and Fourth Quarters Forecasts (October 1, 2011, to March 31, 2012)	FY2011 Forecasts (April 1, 2011, to March 31, 2012)	FY2010 First Six Months Results (April 1, 2010, to September 30, 2010)	Year-Over-Year Increase (Decrease)
Copper	\$/t	9,072	8,000	8,536	7,135	1,937
Gold	\$/TOZ	1,603.1	1,650.0	1,626.5	1,211.1	392.0
Nickel	\$/lb	10.52	9.00	9.76	9.90	0.62
Zinc	\$/t	2,240	2,000	2,120	2,020	220
Exchange rate (TTM)	¥/\$	79.82	75.00	77.41	88.96	(9.14)

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

Reported Segment	Product	Unit	FY2011 First Six Months (Results) (April 1, 2011, to September 30, 2011)	FY2011 Third and Fourth Quarters (Forecasts) (October 1, 2011, to March 31, 2012)	FY2011 (Forecasts) (April 1, 2011, to March 31, 2012)
Mineral Resources	Gold and silver ores (Gold content)	t	65,248	65,086	130,334
		¥Thousand/DMT	263	180	221
		¥Million	17,142	11,706	28,848
		(kg)	(4,323)	(3,177)	(7,500)
Smelting & Refining	Copper	t	193,674	203,926	397,600
		¥Thousand/t	735	609	671
		¥Million	142,443	124,155	266,598
	Gold	kg	19,940	14,100	34,040
		¥/g	4,114	3,985	4,060
		¥Million	82,035	56,183	138,218
	Silver	kg	109,241	109,326	218,567
		¥Thousand/kg	100	97	99
		¥Million	10,922	10,626	21,548
	Nickel	t	32,401	33,680	66,081
		¥Thousand/t	2,003	1,572	1,783
		¥Million	64,893	52,937	117,830
	Zinc	t	10,907	10,907	21,814
¥Thousand/t		187	187	187	
¥Million		2,043	2,043	4,086	
	(Including commissioned zinc)	(t)	(47,848)	(47,848)	(95,696)
Materials	Semiconductor materials and advanced materials	¥Million	61,687	58,843	120,530

(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	FY2011 First Six Months (April 1, 2011, to September 30, 2011)
Copper	t	158,327
Gold	kg	15,359
Electrolytic nickel	t	19,905
Ferronickel	t	10,140
Zinc	t	36,941
Gold and silver ore	t	66,463
(Gold content)	(kg)	(5,148)
Zinc (Commissioning portion)	t	10,126

(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.