



## Consolidated Financial Results for the Third Quarter Ended December 31, 2012 [J-GAAP]

February 7, 2013

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: Kunihiro Miyamoto, Manager, PR & IR Dept. TEL: +81-3-3436-7705  
 Scheduled Date to Submit Quarterly Report: February 14, 2013  
 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, 2012, to December 31, 2012)

#### (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	%
Nine months ended December 31, 2012	586,259	-8.7	60,550	-2.6	70,983	-13.3	55,564	18.0
Nine months ended December 31, 2011	642,089	-0.2	62,140	—	81,909	—	47,078	—

(Note) Comprehensive income

Nine months ended December 31, 2012: ¥55,618 million (213.6%); Nine months ended December 31, 2011: ¥17,734 million (—%)

	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
Nine months ended December 31, 2012	99.50	91.37
Nine months ended December 31, 2011	83.77	77.09

(Note) Percentage figures of year-on-year change for the nine months ended December 31, 2011 are not presented due to the retrospective adjustment for the change in accounting policy.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2012	1,209,023	755,202	57.1
As of March 31, 2012	1,146,759	726,039	57.5

(Reference) Shareholders' equity

As of December 31, 2012: ¥689,834 million; As of March 31, 2012: ¥659,720 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, 2012	—	16.00	—	12.00	28.00
Year ending March 31, 2013	—	14.00	—		
Year ending March 31, 2013 (Forecast)				14.00	28.00

(Note) Revision of dividend projection that has been disclosed lastly: No

**3. Forecast of Consolidated Operating Results for the Year Ending March 31, 2013  
(From April 1, 2012, to March 31, 2013)**

(% figures show year-on-year change)

	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	779,000	-8.1	80,000	-9.7	95,000	-12.7	73,000	11.8	131.09

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

Notes

- (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)” on page 4.
- (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: Yes
  - 3) Change in accounting estimates: None
  - 4) Retrospective restatements: None
- (Note) For further details, please refer to “2. Summary Information (Others)” on page 4.
- (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 December 31, 2012
    - 581,628,031 shares at March 31, 2012
  - 2) Number of shares of treasury stock as of end of period
    - 29,398,027 shares at December 31, 2012
    - 19,671,522 shares at March 31, 2012
  - 3) Average number of shares during the period
    - 558,409,009 shares for nine months ended December 31, 2012
    - 561,987,210 shares for nine months ended December 31, 2011

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, 2013, disclosed on November 6, 2012, 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 and they are not meant to be a commitment by the Company. Also, actual business results may differ substantially due to a number of factors.

(Supplementary Explanation Materials)

The Supplementary Explanation Materials will be posted on the Company’s website on Thursday, February 7, 2013.

## Contents of the Attachment

<b>1. Qualitative Information on Quarterly Financial Results</b> .....	<b>2</b>
(1) Qualitative Information on Consolidated Operating Results .....	2
(2) Qualitative Information on the Consolidated Financial Position .....	2
(3) Qualitative Information on the Forecast of Consolidated Operating Results .....	2
<b>2. Summary Information (Notes)</b> .....	<b>4</b>
(1) Application of Accounting Procedures Specific to Quarterly Consolidated Financial Statements .....	4
(2) Changes in Accounting Policies or Estimates and Retrospective Restatements .....	4
<b>3. Consolidated Financial Statements</b> .....	<b>5</b>
(1) Consolidated Balance Sheets .....	5
(2) Consolidated Statements of Income and Comprehensive Income .....	7
Consolidated Statements of Income	
(For 3rd Quarter of Cumulative Consolidated Fiscal Period) .....	7
Consolidated Statements of Comprehensive Income	
(For 3rd Quarter of Cumulative Consolidated Fiscal Period) .....	9
(3) Note Relating to the Going Concern Assumption .....	10
(4) Significant Changes in Shareholders' Equity .....	10
(5) Segment Information and Others .....	10
<b>4. Supplementary Information</b> .....	<b>12</b>
(1) Overseas Market Prices and Foreign Exchange Rate .....	12
(2) Sales Volume, Unit Price and Net Sales for Major Products (the Company) .....	12
(3) Output by Product (the Company) .....	13

## 1. Qualitative Information on Quarterly Financial Results

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

The overall global economy during the first nine months of fiscal 2012, the year ending March 31, 2013, showed a moderate recovery trend due to strong employment and robust consumption including housing markets in the U.S., despite stagnation in the European economy and a slowdown in emerging economies. Meanwhile, Japan's economy showed signs of recovery overall, mainly supported by domestic demand related to reconstruction after the Great East Japan Earthquake and personal consumption, factors that offset a conspicuous decline in exporting industries.

In the nonferrous metals industry, nonferrous metal prices had been on the decline since the first half of 2011. Although the slide halted in the second quarter of fiscal 2012, the range of movement was narrow. In the electronics sector, demand was weak overall, mainly reflecting the fact that sales of electronics components for high-performance mobile phones—which had been favorable—entered into the inventory adjustment phase.

Under these circumstances, net sales in the first nine months of fiscal 2012 decreased ¥55,830 million from the same period in the previous fiscal year to ¥586,259 million, reflecting the decreased sales in the Smelting & Refining segment mainly due to the fallen prices of major metals as well as decreased sales in the Materials segment due to the exit from the bonding wire business. Operating income amounted to ¥60,550 million, a year-over-year decrease of ¥1,590 million, owing to the decreased income in the Mineral Resources and Smelting & Refining segments. Ordinary income decreased ¥10,926 million from the same period of the previous fiscal year to ¥70,983 million, mainly reflecting a decline in equity in the earnings of affiliates. Net income for the period under review rose ¥8,486 million to ¥55,564 million, as a result of factors including the posting of a gain on change in equity.

Operating results by segment are as follows.

#### 1) Mineral Resources segment

Production continued favorably at the Hishikari mine. The gold output at the Pogo gold mine was almost unchanged from the same period of the previous fiscal year. Production levels at the Morenci copper mine were also on a par with the same period of the previous fiscal year, but sales volume grew year over year. Nonetheless, segment income decreased year over year due to a drop in copper prices, rising production costs, and a decrease in production at other overseas copper mines.

Net sales increased ¥2,945 million year over year to ¥80,795 million, while segment income decreased ¥12,535 million to ¥50,367 million.

#### 2) Smelting & Refining segment

As for nickel, its sales volume was at the same level of the same period of the previous fiscal year, whereas its price was lower compared with the same period a year earlier. Regarding copper, its sales volume increased from the level of the same period of the previous fiscal year, while its price was lower compared with the same period a year earlier. Segment income decreased year over year, due to the decreased sales affected by the fallen metal prices and the deteriorated equity in the earnings of affiliates.

Net sales decreased ¥62,715 million year over year to ¥456,556 million, and segment income declined ¥6,014 million to ¥12,233 million.

#### 3) Materials segment

Although the sales volume of battery materials increased year over year supported by the increased sales of hybrid cars, demand for LCD panel materials was sluggish. Net sales declined substantially because of the exit from the bonding wire business. However, segment income was up year over year thanks to efforts to restructure the businesses.

Net sales fell ¥31,482 million year over year to ¥122,514 million, while segment loss improved by ¥2,044 million, leading to a segment income of ¥1,957 million.

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

Total assets at the end of the period under review increased ¥62,300 million from the previous consolidated fiscal year-end to ¥1,209,000 million, reflecting an increase in construction in progress regarding the Taganito Project, as well as increases in short-term investment securities (negotiable certificates of deposit) and investment securities, etc.

Total liabilities increased ¥33,100 million year over year to ¥453,800 million mainly due to an increase in loans payable for the Taganito Project despite a decrease in notes and accounts payable-trade.

Total net assets increased ¥29,200 million from the previous consolidated fiscal year-end to ¥755,200 million, and the equity ratio deteriorated from 57.5% to 57.1%.

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

While the global economy has maintained a positive growth undertone throughout the year and extreme pessimism has been receding, the European economy remains fragile, and resolution of the fiscal crisis in the U.S. has been late in coming. The forecast is thus for a moderate recovery that carries risks for the future. As for the Japanese economy, sales continue to stagnate in the electronics related sectors and in domestic automobile sales after tax breaks for Eco-Car purchases came to an end, and recovery remains precarious owing to the need to keep a close eye on economic movements overseas and the effects of economic policies, among other factors. At this point, however, it is predicted that positive effects on the real economy, such as improvements in export profitability, can be expected as excessive yen appreciation is corrected.

In the nonferrous metals industry, metal prices showed some signs of improvement from a drop in prices that resulted from a fall-off in demand, reflecting the expectation of a moderate recovery in the economy. However, uncertainty lingers with regard to the economic outlook, and price movements are expected to remain within a narrow range for the time being.

Under these circumstances, consolidated operating income, ordinary income and net income for the full year ending March 31, 2013, are expected to increase by 9.0%–26.0% compared with the respective forecasts released on November 6, 2012.

The forecasts for net sales by reported segment and segment income for the full year ending March 31, 2013, 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, 2013 (revised)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments	Total
Net sales	104,000	611,000	155,000	870,000	17,000	(108,000)	779,000
Segment income	64,000	23,000	3,000	90,000	2,000	3,000	95,000

(Reference) Forecast of consolidated operating results for the full year ending March 31, 2013 (previous)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments	Total
Net sales	110,000	588,000	158,000	856,000	18,000	(110,000)	764,000
Segment income	67,000	10,000	3,000	80,000	2,000	—	82,000

(Note)

The reported segments have been changed effective from the first quarter ended June 30, 2012. According to this change, net sales by segment and segment income have been adjusted. For details of changes in the reported segments, see “3. Matters relating to Changes in the Reported Segments (Change in the reported segments under organizational reform)” on page 11.

## 2. Summary Information (Notes)

### (1) 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, 2013 including the third quarter under review, that are reasonably estimated upon the adoption of tax-effect accounting.

### (2) Changes in Accounting Policies or Estimates and Retrospective Restatements

Change in the accounting policy to report a part of tunnel cut expenses as noncurrent assets

Previously, the Company's expenses for cutting new tunnels for the purpose of prospecting in the domestic mining business were reported under cost of sales or selling, general and administrative expenses as incurred on an accrual basis. Effective from the first quarter ended June 30, 2012, the expenses for cutting new tunnels regarding tunnels that concurrently serve as pathways for transporting mined ores after being cut have come to be reported as "structures (tunnels for the mining business)."

New tunnels for the Hishikari mine in Japan have been cut mainly for the purpose of prospecting since its start of mining. In recent years, however, the focus of the mining operation has been shifted to more efficient and systematic mining by using the cut tunnels, of which the initial purpose was prospecting, as the pathways for transporting mined ores based on relevant data on mineral deposits and/or ore veins known through the prospecting activity.

Taking into account these circumstances, the policy on new tunnel cutting plans has been changed to set the major purpose for cutting to be the transportation of ores effective from the first quarter of the fiscal year ending March 31, 2013.

In line with this change in policy, the accounting procedures also have been changed for the purpose of getting a grip on more appropriate costs and expenses in response to the revenue from mining.

As the Company had stipulated that the storage period for its accounting vouchers was seven (7) years, the treatment of relevant vouchers under this principle relating to retrospective application is practically impossible. The Company, therefore, has reported the expenses for the tunnels cut since April 1, 2005, for which the cutting purpose is also the transportation of ores, as structures.

As a result, compared with the previous method before the above change in accounting policy is retrospectively applied, operating income, ordinary income and income before income taxes for the nine months ended December 31, 2011 each increased by ¥69 million. The restated balance at the beginning of the previous fiscal year in retained earnings increased by ¥407 million because of the cumulative effect of the change in accounting policies reflected on the amount of net assets at the beginning of the previous fiscal year.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year (as of March 31, 2012)	Third Quarter FY2012 (as of December 31, 2012)
<b>Assets</b>		
Current assets		
Cash and deposits	76,245	70,203
Notes and accounts receivable—trade	99,499	81,405
Short-term investment securities	109,500	143,500
Merchandise and finished goods	69,960	65,279
Work in process	45,964	39,840
Raw materials and supplies	35,144	33,764
Other	63,425	76,938
Allowance for doubtful accounts	(242)	(255)
Total current assets	499,495	510,674
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	80,595	82,721
Machinery, equipment and vehicles, net	90,113	82,475
Tools, furniture and fixtures, net	3,761	4,066
Land	26,484	26,456
Construction in progress	90,269	113,231
Total property, plant and equipment	291,222	308,949
Intangible assets		
Mining right	7,245	6,512
Other	3,166	3,090
Total intangible assets	10,411	9,602
Investments and other assets		
Investment securities	325,947	347,770
Other	19,914	32,265
Allowance for doubtful accounts	(224)	(231)
Allowance for investment loss	(6)	(6)
Total investments and other assets	345,631	379,798
Total noncurrent assets	647,264	698,349
<b>Total assets</b>	<b>1,146,759</b>	<b>1,209,023</b>

(Millions of yen)

	Previous Fiscal Year (as of March 31, 2012)	Third Quarter FY2012 (as of December 31, 2012)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	43,426	33,132
Short-term loans payable	58,832	60,561
Income taxes payable	4,132	9,155
Provision for bonuses	3,531	1,820
Provision for furnace repair works	253	632
Provision for loss on business restructuring	1,764	650
Provision for environmental measures	109	104
Provision for loss on disaster	34	—
Other provision	163	166
Other	74,709	74,805
Total current liabilities	186,953	181,025
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	157,119	193,729
Provision for retirement benefits	6,973	6,161
Provision for directors' retirement benefits	54	34
Provision for loss on business restructuring	21	—
Accrued indemnification loss on damages	0	—
Provision for environmental measures	39	55
Other provision	214	230
Asset retirement obligations	4,317	4,880
Other	15,030	17,707
Total noncurrent liabilities	233,767	272,796
Total liabilities	420,720	453,821
<b>Net assets</b>		
Shareholders' equity		
Capital stock	93,242	93,242
Capital surplus	86,063	86,062
Retained earnings	572,576	613,566
Treasury stock	(21,845)	(31,878)
Total shareholders' equity	730,036	760,992
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,986	12,951
Deferred gains or losses on hedges	(4,854)	(4,378)
Foreign currency translation adjustment	(76,448)	(79,731)
Total accumulated other comprehensive income	(70,316)	(71,158)
Minority interests	66,319	65,368
Total net assets	726,039	755,202
Total liabilities and net assets	1,146,759	1,209,023

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income  
(For 3rd Quarter of Cumulative Consolidated Fiscal Period)

(Millions of yen)

	Third Quarter FY2011 (from April 1, 2011, to December 31, 2011)	Third Quarter FY2012 (from April 1, 2012, to December 31, 2012)
Net sales	642,089	586,259
Cost of sales	547,674	491,408
Gross profit	94,415	94,851
Selling, general and administrative expenses		
Sales, transportation and sundry expenses	6,375	6,454
Salaries and allowances	7,583	7,643
Provision for bonuses	454	680
Retirement benefit expenses	772	556
Provision for directors' retirement benefits	5	2
Research and development expenses	3,854	4,350
Other	13,232	14,616
Total selling, general and administrative expenses	32,275	34,301
Operating income	62,140	60,550
Non-operating income		
Interest income	558	1,068
Dividends income	1,453	1,440
Foreign exchange gains	—	1,176
Equity in earnings of affiliates	26,167	9,857
Other	638	1,628
Total non-operating income	28,816	15,169
Non-operating expenses		
Interest expenses	2,523	2,540
Foreign exchange losses	3,687	—
Loss on valuation of borrowed gold bullion	556	—
Other	2,281	2,196
Total non-operating expenses	9,047	4,736
Ordinary income	81,909	70,983
Extraordinary income		
Gain on sales of noncurrent assets	98	379
Gain on sales of investment securities	240	154
Gain on change in equity	—	8,435
Total extraordinary income	338	8,968

(Millions of yen)

	Third Quarter FY2011 (from April 1, 2011, to December 31, 2011)	Third Quarter FY2012 (from April 1, 2012, to December 31, 2012)
Extraordinary loss		
Loss on sales of noncurrent assets	12	31
Loss on retirement of noncurrent assets	154	367
Impairment loss	8,226	—
Loss on valuation of investment securities	6,852	1,278
Loss on business restructuring	881	113
Provision for loss on business restructuring	251	—
Provision for environmental measures	139	14
Loss on disaster	442	12
Total extraordinary losses	16,957	1,815
Income before income taxes	65,290	78,136
Income taxes—current	8,825	15,182
Income taxes—deferred	2,922	2,334
Total income taxes	11,747	17,516
Income before minority interests	53,543	60,620
Minority interests in income	6,465	5,056
Net income	47,078	55,564

Consolidated Statements of Comprehensive Income  
(For 3rd Quarter of Cumulative Consolidated Fiscal Period)

(Millions of yen)

	Third Quarter FY2011 (from April 1, 2011, to December 31, 2011)	Third Quarter FY2012 (from April 1, 2012, to December 31, 2012)
Income before minority interests	53,543	60,620
Other comprehensive income		
Valuation difference on available-for-sale securities	(14,723)	1,952
Deferred gains or losses on hedges	(3,614)	785
Foreign currency translation adjustment	(5,631)	(1,057)
Share of other comprehensive income of associates accounted for using equity method	(11,841)	(6,682)
Total other comprehensive income	(35,809)	(5,002)
Comprehensive income	17,734	55,618
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	14,715	49,240
Comprehensive income attributable to minority interests	3,019	6,378

(3) Note Relating to the Going Concern Assumption

There are no pertinent items.

(4) Significant Changes in Shareholders' Equity

There are no pertinent items.

(5) Segment Information and Others

(Segment Information)

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

Nine months ended December 31, 2011 (from April 1, 2011, to December 31, 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 Statements of Income <sup>2</sup>
Net sales:							
Outside customers	48,106	453,543	137,336	638,985	3,104	—	642,089
Intersegment	29,744	65,728	16,660	112,132	5,458	(117,590)	—
Total	77,850	519,271	153,996	751,117	8,562	(117,590)	642,089
Segment income (loss)	62,902	18,247	(87)	81,062	910	(63)	81,909

Nine months ended December 31, 2012 (from April 1, 2012, to December 31, 2012)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments <sup>1</sup>	Amounts Reported in the Consolidated Statements of Income <sup>2</sup>
Net sales:							
Outside customers	49,172	424,886	109,960	584,018	2,241	—	586,259
Intersegment	31,623	31,670	12,554	75,847	7,200	(83,047)	—
Total	80,795	456,556	122,514	659,865	9,441	(83,047)	586,259
Segment income	50,367	12,233	1,957	64,557	1,003	5,423	70,983

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

(Millions of yen)

	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012
Head office expenses not allocated to each reported segment <sup>a</sup>	(7,461)	(8,312)
Cost of capital to be borne by each reported segment <sup>b</sup>	12,006	10,753
Eliminations of inter-segment transactions among the reported segments	592	976
Non-operating income (expenses) not allocated to each reported segment <sup>c</sup>	(5,200)	2,006
Total	(63)	5,423

- \*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 and zinc, as well as smelting and sales of precious metals such as gold, silver and platinum
Materials	Manufacturing, processing and sales of advanced materials, including pastes, powder materials (e.g., nickel powder), battery materials (e.g., nickel hydroxide) and crystalline 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 and sales of automotive exhaust processing catalysts, chemical catalysts, petroleum refinery and desulfurization catalysts and autoclaved lightweight concrete (ALC) products
Other Businesses	Technical engineering and real estate businesses

## 3. Matters relating to Changes in the Reported Segments

(Change in the reported segments under organizational reform)

The Company resolved, at its Board of Directors meeting held on June 29, 2012, to conduct an organizational reform, under which three existing divisions (Semiconductor Materials Div., Advanced Materials Div. and Energy, Catalysts & Construction Materials Div.) would be integrated into the “Materials Division,” which was newly established as of July 1, 2012, for the purpose of reinforcing businesses in the Materials segment.

The Company currently has three reported segments for its major businesses: Mineral Resources, Smelting & Refining and Materials, and the semiconductor materials and advanced materials businesses were previously integrated into Materials. Effective from the first quarter ended June 30, 2012, the energy, catalysts & construction materials business was added to the Materials segment as a result of the aforementioned organizational reform.

“Information on Net Sales and Income (Loss) by Reported Segment” for the nine months ended December 31, 2011, on which the organizational reform and the change in the reported segments under organizational reform are reflected, is as stated in the table above.

(Calculation of segment income due to the change in accounting policies)

As described in the “Change in the accounting policy to report a part of tunnel cut expenses as noncurrent assets,” the change in the accounting policy above during the first quarter ended June 30, 2012 is retrospectively applied and the segment income for the nine months ended December 31, 2011 represents the restated amount after such retrospective application.

As a result, compared with the previous method before the above change in accounting policy is retrospectively applied, segment income for the nine months ended December 31, 2011 in the Mineral Resources segment increased by ¥69 million.

#### 4. Supplementary Information

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

		A	B	(A x 3 + B x 1) / 4*	C	A - C
	Unit	FY2012 First Nine Months Results (April 1, 2012, to December 31, 2012)	FY2012 Fourth Quarter Forecasts (January 1, 2013, to March 31, 2013)	FY2012 Forecasts (April 1, 2012, to March 31, 2013)	FY2011 First Nine Months Results (April 1, 2011, to December 31, 2011)	Year-Over-Year Increase (Decrease)
Copper	\$/t	7,831	8,000	7,873	8,544	(713)
Gold	\$/TOZ	1,661.2	1,650.0	1,658.4	1,630.6	30.6
Nickel	\$/lb	7.63	8.00	7.72	9.78	(2.15)
Zinc	\$/t	1,922	2,000	1,942	2,126	(204)
Exchange rate (TTM)	¥/\$	80.01	85.00	81.26	79.02	0.99

\*Weighted Average

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

Reported Segment	Product	Unit	FY2012 First Nine Months (Results) (April 1, 2012, to December 31, 2012)	FY2012 Fourth Quarter (Forecasts) (January 1, 2013, to March 31, 2013)	FY2012 (Forecasts) (April 1, 2012, to March 31, 2013)
Mineral Resources	Gold and silver ores	t	110,390	37,393	147,783
		¥Thousand/DMT	207	195	204
		¥Million	22,809	7,298	30,107
		(Gold content)	(kg)	(5,756)	(1,744)
Smelting & Refining	Copper	t	333,110	112,354	445,464
		¥Thousand/t	637	686	649
		¥Million	212,096	77,131	289,227
	Gold	kg	23,463	5,853	29,316
		¥/g	4,255	4,410	4,286
		¥Million	99,830	25,810	125,640
	Silver	kg	172,773	43,200	215,973
		¥Thousand/kg	79	79	79
		¥Million	13,612	3,434	17,046
	Nickel	t	48,782	16,926	65,708
		¥Thousand/t	1,418	1,498	1,439
		¥Million	69,180	25,357	94,537
	Zinc	t	20,762	7,241	28,003
		¥Thousand/t	162	178	166
¥Million		3,361	1,290	4,651	
	(Including commissioned zinc)	(t)	(55,370)	(23,387)	(78,757)
Materials	Semiconductor materials and advanced materials	¥Million	65,315	13,745	79,060

(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	FY2012 First Nine Months (April 1, 2012, to December 31, 2012)
Copper	t	327,836
Gold	kg	19,444
Electrolytic nickel	t	30,571
Ferronickel	t	15,984
Zinc	t	34,608
Gold and silver ore	t	106,879
(Gold content)	(kg)	(5,564)
Zinc (Commissioning portion)	t	18,905

(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.