



Consolidated Financial Results for the First Quarter Ended June 30, 2013 [J-GAAP]

August 7, 2013

Listed Company Name: Sumitomo Metal Mining Co., Ltd.
 Code: 5713
 Listings: Tokyo Stock Exchange
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 Scheduled Date to Submit Quarterly Report: August 13, 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, 2013, to June 30, 2013)

(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, 2013	210,503	2.9	20,220	-1.2	31,501	49.5	23,271	36.9
Three months ended June 30, 2012	204,635	-3.9	20,456	-27.3	21,065	-44.1	17,004	-36.0

(Note) Comprehensive income

Three months ended June 30, 2013: ¥68,209 million (94.1%); Three months ended June 30, 2012: ¥35,142 million (-3.6%)

	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
Three months ended June 30, 2013	42.14	37.58
Three months ended June 30, 2012	30.26	27.83

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2013	1,416,719	903,266	57.8
As of March 31, 2013	1,351,153	844,547	56.9

(Reference) Shareholders' equity

As of June 30, 2013: ¥819,402million; As of March 31, 2013: ¥769,250 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, 2013	—	14.00	—	20.00	34.00
Year ending March 31, 2014	—				
Year ending March 31, 2014 (Forecast)		17.00	—	17.00	34.00

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

**3. Forecast of Consolidated Operating Results for the Year Ending March 31, 2014
(From April 1, 2013, to March 31, 2014)**

(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)	398,000	-0.1	31,000	-22.0	47,000	19.9	36,000	32.4	65.19
Full year	872,000	7.8	81,000	-15.4	106,000	-7.9	74,000	-14.6	134.01

(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 (Notes)” on page 3.
- (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, 2013
 - 581,628,031 shares at March 31, 2013
 - 2) Number of shares of treasury stock as of end of period
 - 29,424,012 shares at June 30, 2013
 - 29,410,627 shares at March 31, 2013
 - 3) Average number of shares during the period
 - 552,208,308 shares for three months ended June 30, 2013
 - 561,952,050 shares for three months ended June 30, 2012

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 of the year ending March 31, 2014, disclosed on May 10, 2013, 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 Wednesday, August 7, 2013.

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1. Qualitative Information on Quarterly Financial Results

(1) Business Performance

The overall global economy during the first three months of fiscal 2013, the year ending March 31, 2014, has maintained positive growth mainly due to a recovery trend in the U.S., despite prolonged stagnation in the European economy and sluggish growth in major emerging economies. Meanwhile, the Japanese economy showed steady improvements, mainly supported by improvements in export environments resulting from the yen depreciation and robust personal consumption.

In the nonferrous metals industry, nonferrous metal prices declined throughout the first three months of fiscal 2013 due to stagnated demand in China. In the electronics sector, a part of sectors such as high-performance mobile devices performed favorably whereas demands for flat-panel televisions and others were sluggish.

Under these circumstances, net sales in the first three months of fiscal 2013 increased ¥5,868 million from the same period in the previous fiscal year to ¥210,503 million, mainly due to the yen depreciation. Operating income amounted to ¥20,220 million, a year-over-year decrease of ¥236 million, owing to declination of metal prices and other factors. Ordinary income increased ¥10,436 million from the same period of the previous fiscal year to ¥31,501 million, mainly reflecting favorable results in equity in earnings of affiliates and foreign exchange gains/losses. Net income for the period under review rose ¥6,267 million year over year to ¥23,271 million.

Operating results by segment are as follows.

The method used to calculate income or loss by the reported segments has been changed effective from the first three months of fiscal 2013. With regard to the following year-over-year comparison, the figures are compared with the figures of the same period of the previous fiscal year which reflect the changes in the reported segments. For details of changes in the calculation method of the reported segments, see "3. Matters relating to Changes in the Reported Segments" on page 10.

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 exceeded volume from the same period of the previous fiscal year, but sales volume was on a par year over year. Nonetheless, segment income decreased year over year due to a drop in copper prices, a decrease in production in some overseas copper mines, and other factors.

Net sales increased ¥3,427 million year over year to ¥31,816 million, while segment income decreased ¥663 million to ¥19,183 million.

2) Smelting & Refining segment

As for nickel and copper, sales volume declined year over year and prices were lower compared with the same period a year earlier. Segment income increased year over year due primarily to the yen depreciation and favorable results in equity in earnings of affiliates, although the effect of the yen depreciation was diluted due to fallen metal prices.

Net sales decreased ¥6,300 million year over year to ¥163,029 million, and segment income increased ¥4,711 million to ¥5,874 million.

3) Materials segment

Net sales declined substantially year over year because of the exit from the bonding wire business. However, segment loss improved from the same period in the previous fiscal year, supported by increases in revenues primarily resulting from steady demands in the respective areas of battery materials mainly for hybrid cars and lead frames for LEDs and others.

Net sales fell ¥11,358 million year over year to ¥35,260 million, while segment loss improved by ¥2,347 million, leading to a segment income of ¥1,953 million.

(2) Financial Position

Total assets at the end of the period under review increased ¥65,600 million from the previous consolidated fiscal year-end to ¥1,416,700 million, reflecting an increase in construction in progress regarding the Taganito Project, as well as an increase in investment securities, etc.

Total liabilities increased ¥6,800 million from the previous consolidated fiscal year-end to ¥513,500 million mainly due to an increase in loans payable for the Taganito Project despite decreases in income taxes payable and inhabitants' taxes, etc.

Total net assets increased ¥58,700 million from the previous consolidated fiscal year-end to ¥903,300 million, and the equity ratio recovered from 56.9% to 57.8%.

(3) Forward-Looking Information Including Forecast of Consolidated Operating Results and Other

While the global economy has maintained a positive growth undertone throughout the year, the European economy remains in prolonged stagnation and the growth of emerging economies including China has been showing an evident slowdown. The U.S. economy continues its recovery, but the speed of recovery is expected to be moderate due to fiscal austerity. In addition, concerns toward a scale back of monetary easing in the U.S. may possibly further deteriorate emerging economies, and the outlook remains uncertain. The Japanese economy shows signs of recovery from deflation owing to large-scale monetary easing, and this sign of recovery is becoming even clearer by the improvements in export environments due to the yen depreciation as well as steady personal consumption. However, concerns remain that the downward shift in overseas economies would restrain Japan's economic recovery.

In the nonferrous metals industry, metal prices had been dropping mainly resulting from a fall-off in demand in emerging

economies including China, but 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 first six months of fiscal 2013, are expected to decrease by 2.0%–23.0% compared with the previous forecasts released on May 10, 2013.

The forecasts for net sales and segment income by reported segment for the first six months of fiscal 2013, and the full year ending March 31, 2014, 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 six months ending September 30, 2013 (revised)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments	Total
Net sales	59,000	299,000	74,000	432,000	8,000	(42,000)	398,000
Segment income	33,000	7,000	4,000	44,000	1,000	2,000	47,000

(Reference)

Forecast of consolidated operating results for the full year ending March 31, 2014 (No change from the previous forecast)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments	Total
Net sales	116,000	671,000	159,000	946,000	19,000	(93,000)	872,000
Segment income	65,000	37,000	6,000	108,000	1,000	(3,000)	106,000

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, 2014 including the first quarter under review, that are reasonably estimated upon the adoption of tax-effect accounting.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2012 (as of March 31, 2013)	First Quarter of FY2013 (as of June 30, 2013)
Assets		
Current assets		
Cash and deposits	82,791	91,490
Notes and accounts receivable—trade	92,127	80,487
Short-term investment securities	158,000	144,400
Merchandise and finished goods	62,469	65,720
Work in process	40,299	40,452
Raw materials and supplies	40,194	36,781
Other	74,624	67,884
Allowance for doubtful accounts	(252)	(287)
Total current assets	550,252	526,927
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	88,663	91,968
Machinery, equipment and vehicles, net	90,837	92,549
Tools, furniture and fixtures, net	4,375	4,193
Land	26,459	26,616
Construction in progress	131,733	150,842
Total property, plant and equipment	342,067	366,168
Intangible assets		
Mining right	7,013	7,276
Other	3,368	3,410
Total intangible assets	10,381	10,686
Investments and other assets		
Investment securities	396,223	447,584
Other	52,446	65,569
Allowance for doubtful accounts	(210)	(209)
Allowance for investment loss	(6)	(6)
Total investments and other assets	448,453	512,938
Total noncurrent assets	800,901	889,792
Total assets	1,351,153	1,416,719

(Millions of yen)

	FY2012 (as of March 31, 2013)	First Quarter of FY2013 (as of June 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	35,212	37,188
Short-term loans payable	67,750	72,913
Income taxes payable	20,279	3,899
Provision for bonuses	3,546	1,779
Provision for furnace repair works	758	885
Provision for loss on business restructuring	8	9
Provision for environmental measures	66	11
Other provision	346	158
Other	83,421	76,969
Total current liabilities	211,386	193,811
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	212,323	232,278
Provision for retirement benefits	5,701	5,633
Provision for directors' retirement benefits	27	23
Provision for loss on business restructuring	37	—
Provision for environmental measures	52	46
Other provision	238	244
Asset retirement obligations	5,337	5,818
Other	21,505	25,600
Total noncurrent liabilities	295,220	319,642
Total liabilities	506,606	513,453
Net assets		
Shareholders' equity		
Capital stock	93,242	93,242
Capital surplus	86,062	86,062
Retained earnings	644,642	658,485
Treasury stock	(31,895)	(31,914)
Total shareholders' equity	792,051	805,875
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24,645	31,773
Deferred gains or losses on hedges	(1,856)	(1,192)
Foreign currency translation adjustment	(45,590)	(17,054)
Total accumulated other comprehensive income	(22,801)	13,527
Minority interests	75,297	83,864
Total net assets	844,547	903,266
Total liabilities and net assets	1,351,153	1,416,719

(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 of FY2012 (from April 1, 2012, to June 30, 2012)	First Quarter of FY2013 (from April 1, 2013, to June 30, 2013)
Net sales	204,635	210,503
Cost of sales	173,145	178,712
Gross profit	31,490	31,791
Selling, general and administrative expenses		
Sales, transportation and sundry expenses	1,987	1,882
Salaries and allowances	2,544	2,744
Provision for bonuses	232	249
Retirement benefit expenses	189	154
Provision for directors' retirement benefits	—	1
Research and development expenses	1,414	1,700
Other	4,668	4,841
Total selling, general and administrative expenses	11,034	11,571
Operating income	20,456	20,220
Non-operating income		
Interest income	264	727
Dividends income	714	923
Gain on valuation of derivatives	—	918
Foreign exchange gains	—	3,264
Equity in earnings of affiliates	3,455	6,556
Other	304	199
Total non-operating income	4,737	12,587
Non-operating expenses		
Interest expenses	853	728
Loss on valuation of derivatives	273	—
Foreign exchange losses	2,475	—
Other	527	578
Total non-operating expenses	4,128	1,306
Ordinary income	21,065	31,501
Extraordinary income		
Gain on sales of noncurrent assets	2	99
Gain on sales of investment securities	152	—
Total extraordinary income	154	99
Extraordinary loss		
Loss on sales of noncurrent assets	—	7
Loss on retirement of noncurrent assets	130	242
Loss on valuation of investment securities	22	—
Loss on disaster	4	1
Total extraordinary losses	156	250

(Millions of yen)

	First Quarter of FY2012 (from April 1, 2012, to June 30, 2012)	First Quarter of FY2013 (from April 1, 2013, to June 30, 2013)
Income before income taxes	21,063	31,350
Income taxes—current	2,956	5,341
Income taxes—deferred	627	1,112
Total income taxes	3,583	6,453
Income before minority interests	17,480	24,897
Minority interests in income	476	1,626
Net income	17,004	23,271

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

(Millions of yen)

	First Quarter of FY2012 (from April 1, 2012, to June 30, 2012)	First Quarter of FY2013 (from April 1, 2013, to June 30, 2013)
Income before minority interests	17,480	24,897
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,483)	7,119
Deferred gains or losses on hedges	108	720
Foreign currency translation adjustment	8,658	16,409
Share of other comprehensive income of associates accounted for using equity method	12,379	19,064
Total other comprehensive income	17,662	43,312
Comprehensive income	35,142	68,209
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	30,579	59,599
Comprehensive income attributable to minority interests	4,563	8,610

(3) Notes Relating to Consolidated Financial Statements

(Note Relating to the Going Concern Assumption)

There are no pertinent items.

(Significant Changes in Shareholders' Equity)

There are no pertinent items.

(Segment Information and Others)

Segment Information

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

Three months ended June 30, 2012 (from April 1, 2012, to June 30, 2012)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments ¹	Amounts Reported in the Consolidated Statements of Income ²
Net sales:							
Outside customers	16,980	145,263	41,853	204,096	539	—	204,635
Intersegment	11,409	24,066	4,765	40,240	2,149	(42,389)	—
Total	28,389	169,329	46,618	244,336	2,688	(42,389)	204,635
Segment income (loss)	19,846	1,163	(394)	20,615	253	197	21,065

Three months ended June 30, 2013 (from April 1, 2013, to June 30, 2013)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments ¹	Amounts Reported in the Consolidated Statements of Income ²
Net sales:							
Outside customers	19,210	158,532	31,753	209,495	1,008	—	210,503
Intersegment	12,606	4,497	3,507	20,610	3,382	(23,992)	—
Total	31,816	163,029	35,260	230,105	4,390	(23,992)	210,503
Segment income	19,183	5,874	1,953	27,010	512	3,979	31,501

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

(Millions of yen)

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2013
Head Office expenses not allocated to each reported segment ^a	4	(578)
Interest on internal loans to be borne by each reported segment ^b	256	146
Eliminations of inter-segment transactions among the reported segments	2,113	785
Non-operating income (expenses) not allocated to each reported segment ^c	(2,176)	3,626
Total	197	3,979

- *a The Head Office expenses not allocated to each reported segment consist mainly of expenses which are not attributable to the reported segments, and the balance resulting from the allocation of the amount corresponding to general and administrative expenses to each reported segment.
- *b Interest on internal loans refers to an interest rate burden (in calculating segment income for internal administration purposes) to be borne by each business segment of the parent company, which does not financially assume interest expenses, in proportion to its internal loans as calculated in the balance sheets under management of each segment. Interest on internal loans is obtained by multiplying the internal loans held by each segment of the parent company by “internal interest rate.”
Internal interest rate is set in view of the actual market interest rate.
The same amount as a total of the interest on internal loans reported by each segment is reported as a negative value in “Adjustments.” The interest on internal loans is offset in the total for all segments companywide. The interest on internal loans 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 (loss) 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. 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 method for measurement of income or loss at business segments)

From the first quarter of fiscal 2013, the measurement method has been changed for more accurate management of operating results at each segment, and the amount corresponding to the common general and administrative expenses is allocated to each reported segment by using certain allocation rates.

In addition, while each reported segment had been previously bearing the “cost of capital” as calculated by multiplying the assets held by each segment by internal interest rate, this method has been changed for more accurate management of operating results, and now each segment bears the amount corresponding to the interest on internal loans as determined in the balance sheets of each segment.

Segment Information for the three months ended June 30, 2012 has been prepared in accordance with the method for measurement of income or loss after the aforementioned change, and is stated in “1. Information on Net Sales and Income (Loss) by Reported Segment.”

4. Supplementary Information

(1) Overseas Market Prices and Foreign Exchange Rate

	Unit	FY2013 First Three Months Results (April 1, 2013, to June 30, 2013)	FY2013 Forecasts (April 1, 2013, to March 31, 2014)
Copper	\$/t	7,146	7,000
Gold	\$/TOZ	1,414.5	1,450.0
Nickel	\$/lb	6.78	7.00
Zinc	\$/t	1,840	1,900
Exchange rate (TTM)	¥/\$	98.76	98.00

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

Reported Segment	Product	Unit	FY2013 First Three Months (Results) (April 1, 2013, to June 30, 2013)
Mineral Resources	Gold and silver ores (Gold content)	t	38,630
		¥Thousand/DMT	195
		¥Million	7,520
		(kg)	(1,876)
Smelting & Refining	Copper	t	106,361
		¥Thousand/t	716
		¥Million	76,172
	Gold	kg	6,824
		¥/g	4,474
		¥Million	30,533
	Silver	kg	47,587
		¥Thousand/kg	75
		¥Million	3,586
	Nickel	t	14,660
		¥Thousand/t	1,592
		¥Million	23,334
	Zinc	t	7,996
		¥Thousand/t	190
¥Million		1,520	
	(Including commissioned zinc)	(t)	(20,746)
Materials	Semiconductor materials and advanced materials	¥Million	16,337

(Notes)

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

(3) Output by Product (the Company)

Product	Unit	FY2013 First Three Months (April 1, 2013, to June 30, 2013)
Copper	t	102,568
Gold	kg	5,323
Electrolytic nickel	t	10,243
Ferronickel	t	4,676
Zinc	t	12,750
Gold and silver ore	t	38,812
(Gold content)	(kg)	(1,715)
Zinc (Commissioning portion)	t	7,471

(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.