



Consolidated Financial Results for the Second Quarter Ended September 30, 2013 [J-GAAP]

November 8, 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: November 14, 2013
 Scheduled Date to Start Dividend Payment: December 5, 2013
 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 September 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	%
Six months ended September 30, 2013	416,014	4.4	40,702	2.4	56,538	44.2	40,024	47.1
Six months ended September 30, 2012	398,452	-8.2	39,742	-11.9	39,208	-36.3	27,200	-27.6

(Note) Comprehensive income

Six months ended September 30, 2013: ¥113,743 million (270.2%);

Six months ended September 30, 2012: ¥30,723 million (-15.9%)

	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
Six months ended September 30, 2013	72.48	64.69
Six months ended September 30, 2012	48.44	44.70

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2013	1,491,788	953,870	57.5
As of March 31, 2013	1,351,153	844,547	56.9

(Reference) Shareholders' equity

As of September 30, 2013: ¥857,607 million; 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	—	17.00			
Year ending March 31, 2014 (Forecast)			—	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)**

(% 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	812,000	0.4	71,000	-25.9	103,000	-10.5	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 September 30, 2013
581,628,031 shares at March 31, 2013
 - 2) Number of shares of treasury stock as of end of period
29,436,513 shares at September 30, 2013
29,410,627 shares at March 31, 2013
 - 3) Average number of shares during the period
552,202,345 shares for six months ended September 30, 2013
561,513,428 shares for six months ended September 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 full 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 Friday, November 8, 2013.

Contents of the Attachment

1. Qualitative Information on Quarterly Financial Results	2
(1) Business Performance.....	2
(2) Financial Position	2
(3) Forward-Looking Information Including Forecast of Consolidated Operating Results and Other	3
2. Summary Information (Notes)	3
(1) Application of Accounting Procedures Specific to Quarterly Consolidated Financial Statements	3
3. Consolidated Financial Statements	4
(1) Consolidated Balance Sheets	4
(2) Consolidated Statements of Income and Comprehensive Income.....	6
Consolidated Statements of Income (For 2nd Quarter of Cumulative Consolidated Fiscal Period)	6
Consolidated Statements of Comprehensive Income (For 2nd Quarter of Cumulative Consolidated Fiscal Period)	8
(3) Consolidated Statements of Cash Flows.	9
(4) Notes Relating to Consolidated Financial Statements (Note Relating to the Going Concern Assumption)	11
(Significant Changes in Shareholders' Equity)	11
(Segment Information and Others).....	11
4. Supplementary Information	13
(1) Overseas Market Prices and Foreign Exchange Rate.....	13
(2) Sales Volume, Unit Price and Net Sales for Major Products (the Company)	13
(3) Output by Product (the Company)	14

1. Qualitative Information on Quarterly Financial Results

(1) Business Performance

The overall global economy during the first six months of fiscal 2013, the year ending March 31, 2014 has generally maintained positive growth, due to the European economy having bottomed out, in addition to the stabilized pace of growth in the major emerging economies and the moderate recovery trend in the U.S. Meanwhile, the Japanese economy showed steady improvements, mainly supported by recovery in export environments resulting from the yen depreciation and robust personal consumption.

In the nonferrous metals industry, nonferrous metal prices, despite their continuing decline, once showed signs of bottoming out during the first six months of fiscal 2013. In the electronics sector, there were strong demands for high-performance mobile devices and home electrical appliances whereas demand for flat-panel televisions remained sluggish.

Under these circumstances, net sales in the first six months of fiscal 2013 increased ¥17,562 million from the same period in the previous fiscal year to ¥416,014 million, mainly due to the yen depreciation. Operating income amounted to ¥40,702 million, a year-over-year increase of ¥960 million, owing to the positive effect of the yen depreciation and other factors, which offset declination of metal prices. Ordinary income increased ¥17,330 million from the same period of the previous fiscal year to ¥56,538 million, mainly reflecting favorable results in equity in earnings of affiliates and foreign exchange gains/losses. Net income for the period under review rose ¥12,824 million year over year to ¥40,024 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 12.

1) Mineral Resources segment

Production continued as planned at the Hishikari mine. The gold output at the Pogo gold mine exceeded levels of the same period of the previous fiscal year. Production levels and sales volume at the Morenci copper mine increased from the same period of the previous fiscal 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 ¥5,277 million year over year to ¥57,345 million, while segment income decreased ¥259 million to ¥34,380 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. Nonetheless, segment income increased year over year due primarily to the yen depreciation and favorable results in equity in earnings of affiliates.

Net sales increased ¥4,277 million year over year to ¥317,338 million, and segment income increased ¥9,633 million to ¥15,566 million.

3) Materials segment

Net sales declined substantially year over year because of the exit from the bonding wire business. However, segment income increased year over year supported by increases in revenues primarily resulting from steady demands for high-performance mobile devices, automobile batteries, and lead frames for home electrical appliances and others.

Net sales decreased ¥12,602 million year over year to ¥74,951 million, while segment income increased ¥5,135 million to ¥5,487 million.

(2) Financial Position

1) Status of financial position

Total assets at the end of the period under review increased ¥140,600 million from the previous consolidated fiscal year-end to ¥1,491,800 million, reflecting an increase in construction in progress regarding the Taganito Project, as well as an increase in investment securities, etc.

Total liabilities increased ¥31,300 million from the previous consolidated fiscal year-end to ¥537,900 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 ¥109,300 million from the previous consolidated fiscal year-end to ¥953,900 million, and the equity ratio recovered from 56.9% to 57.5%.

2) Status of cash flows

The cash and cash equivalents at the end of the period under review decreased ¥15,487 million from the previous consolidated fiscal year-end to ¥224,204 million.

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

Cash flows from operating activities

Net cash provided by operating activities decreased ¥26,254 million year over year to ¥37,786 million mainly due to an increase in inventories and income taxes paid, despite an increase of income before income taxes by ¥22,148 million year

over year to ¥55,995 million.

Cash flows from investing activities

Net cash used in investing activities increased ¥31,669 million year over year to ¥72,211 million mainly as a result of an increase in expenditures for the capital investment to increase nickel production and for the purchase of investment securities.

Cash flows from financing activities

Net cash provided by financing activities increased ¥3,303 million year over year to ¥12,041 million during the first six months of fiscal 2013, despite a decrease in proceeds from long-term loans payable for the Taganito Project, as a result of a decrease in expenditures due mainly to the lack of payments made to trust account for purchase of treasury stock that was made in the same period of the previous fiscal year.

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

In terms of the global economy, while a moderate recovery trend is expected to continue thanks to the stabilizing growth of the emerging economies and signs of recovery in Europe, the outlook remains uncertain, as concerns toward the government's debt ceiling and a scale back of monetary easing in the U.S. may possibly deteriorate the economy. The Japanese economy shows steady improvements driven by the recovery in export environments due to the yen depreciation. However, concerns remain that the Japanese economy could be adversely impacted by the overseas economies.

In the nonferrous metals industry, demand for nonferrous metals is expected to be strong and metal prices are expected to remain firm in the long-term, due to the highly anticipated growth of emerging economies including China. However, price movements are expected to remain within a narrow range in line with the fluctuations of the economy for the time being.

Under these circumstances, consolidated operating income and ordinary income for the full year ending March 31, 2014, are expected to decrease by 2.0%–13.0% compared with the previous forecasts released on May 10, 2013.

The forecasts for net sales and segment income by reported segment for 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 full year ending March 31, 2014 (revised)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments	Total
Net sales	110,000	619,000	149,000	878,000	21,000	(87,000)	812,000
Segment income	67,000	28,000	8,000	103,000	1,000	(1,000)	103,000

(Reference)

Forecast of consolidated operating results for the full year ending March 31, 2014 (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 second 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)	Second Quarter of FY2013 (as of September 30, 2013)
Assets		
Current assets		
Cash and deposits	82,791	83,369
Notes and accounts receivable—trade	92,127	81,798
Short-term investment securities	158,000	141,400
Merchandise and finished goods	62,469	73,413
Work in process	40,299	42,624
Raw materials and supplies	40,194	43,172
Other	74,624	73,055
Allowance for doubtful accounts	(252)	(286)
Total current assets	550,252	538,545
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	88,663	93,009
Machinery, equipment and vehicles, net	90,837	97,048
Tools, furniture and fixtures, net	4,375	4,337
Land	26,459	26,774
Construction in progress	131,733	164,530
Total property, plant and equipment	342,067	385,698
Intangible assets		
Mining right	7,013	7,259
Other	3,368	3,630
Total intangible assets	10,381	10,889
Investments and other assets		
Investment securities	396,223	478,197
Other	52,446	78,674
Allowance for doubtful accounts	(210)	(209)
Allowance for investment loss	(6)	(6)
Total investments and other assets	448,453	556,656
Total noncurrent assets	800,901	953,243
Total assets	1,351,153	1,491,788

(Millions of yen)

	FY2012 (as of March 31, 2013)	Second Quarter of FY2013 (as of September 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	35,212	40,355
Short-term loans payable	67,750	81,916
Income taxes payable	20,279	9,423
Provision for bonuses	3,546	3,578
Provision for furnace repair works	758	1,011
Provision for loss on business restructuring	8	9
Provision for environmental measures	66	13
Other provision	346	133
Other	83,421	71,355
Total current liabilities	211,386	207,793
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	212,323	240,915
Provision for retirement benefits	5,701	5,581
Provision for directors' retirement benefits	27	24
Provision for loss on business restructuring	37	—
Provision for environmental measures	52	44
Other provision	238	248
Asset retirement obligations	5,337	6,014
Other	21,505	27,299
Total noncurrent liabilities	295,220	330,125
Total liabilities	506,606	537,918
Net assets		
Shareholders' equity		
Capital stock	93,242	93,242
Capital surplus	86,062	86,062
Retained earnings	644,642	674,844
Treasury stock	(31,895)	(31,930)
Total shareholders' equity	792,051	822,218
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24,645	34,986
Deferred gains or losses on hedges	(1,856)	17
Foreign currency translation adjustment	(45,590)	386
Total accumulated other comprehensive income	(22,801)	35,389
Minority interests	75,297	96,263
Total net assets	844,547	953,870
Total liabilities and net assets	1,351,153	1,491,788

(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 of FY2012 (from April 1, 2012, to September 30, 2012)	Second Quarter of FY2013 (from April 1, 2013, to September 30, 2013)
Net sales	398,452	416,014
Cost of sales	336,266	352,128
Gross profit	62,186	63,886
Selling, general and administrative expenses		
Sales, transportation and sundry expenses	4,173	4,014
Salaries and allowances	5,047	5,375
Provision for bonuses	456	508
Retirement benefit expenses	390	309
Provision for directors' retirement benefits	1	2
Research and development expenses	2,978	3,226
Other	9,399	9,750
Total selling, general and administrative expenses	22,444	23,184
Operating income	39,742	40,702
Non-operating income		
Interest income	609	1,673
Dividends income	855	1,179
Foreign exchange gains	—	3,201
Gain on valuation of derivatives	—	677
Equity in earnings of affiliates	3,982	10,912
Other	771	719
Total non-operating income	6,217	18,361
Non-operating expenses		
Interest expenses	1,683	1,510
Foreign exchange losses	3,720	—
Other	1,348	1,015
Total non-operating expenses	6,751	2,525
Ordinary income	39,208	56,538
Extraordinary income		
Gain on sales of noncurrent assets	36	119
Gain on sales of investment securities	154	—
Total extraordinary income	190	119

(Millions of yen)

	Second Quarter of FY2012 (from April 1, 2012, to September 30, 2012)	Second Quarter of FY2013 (from April 1, 2013, to September 30, 2013)
Extraordinary loss		
Loss on sales of noncurrent assets	1	35
Loss on retirement of noncurrent assets	304	340
Loss on valuation of investment securities	5,145	3
Loss on business restructuring	82	—
Provision for environmental measures	8	2
Loss on change in equity	—	101
Loss on sales of stocks of subsidiaries and affiliates	—	180
Loss on disaster	11	1
Total extraordinary losses	5,551	662
Income before income taxes	33,847	55,995
Income taxes—current	5,336	12,640
Income taxes—deferred	1,436	668
Total income taxes	6,772	13,308
Income before minority interests	27,075	42,687
Minority interests in income (loss)	(125)	2,663
Net income	27,200	40,024

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

(Millions of yen)

	Second Quarter of FY2012 (from April 1, 2012, to September 30, 2012)	Second Quarter of FY2013 (from April 1, 2013, to September 30, 2013)
Income before minority interests	27,075	42,687
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,277)	10,331
Deferred gains or losses on hedges	1,141	2,092
Foreign currency translation adjustment	1,681	28,766
Share of other comprehensive income of associates accounted for using equity method	4,103	29,867
Total other comprehensive income	3,648	71,056
Comprehensive income	30,723	113,743
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	30,037	98,214
Comprehensive income attributable to minority interests	686	15,529

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Second Quarter of FY2012 (from April 1, 2012, to September 30, 2012)	Second Quarter of FY2013 (from April 1, 2013, to September 30, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	33,847	55,995
Depreciation and amortization	13,543	15,938
Loss (gain) on sales of noncurrent assets	(35)	(84)
Loss on retirement of noncurrent assets	304	340
Loss (gain) on sales of investment securities	(154)	—
Loss (gain) on sales of stocks of subsidiaries and affiliates	—	180
Loss (gain) on valuation of investment securities	5,145	3
Loss (gain) on valuation of derivatives	480	(677)
Increase (decrease) in allowance for doubtful accounts	14	33
Increase (decrease) in provision for bonuses	(84)	(33)
Increase (decrease) in provision for directors' bonuses	(51)	(90)
Increase (decrease) in provision for furnace repair works	252	253
Increase (decrease) in provision for retirement benefits	(398)	13
Increase (decrease) in provision for directors' retirement benefits	(20)	(3)
Increase (decrease) in provision for loss on business restructuring	(646)	—
Increase (decrease) in provision for environmental measures	6	(61)
Increase (decrease) in provision for loss on disaster	(34)	—
Increase (decrease) in other provision	10	(199)
Interest and dividends income	(1,464)	(2,852)
Interest expenses	1,683	1,510
Foreign exchange losses (gains)	1,202	(1,586)
Equity in (earnings) losses of affiliates	(3,982)	(10,912)
Suspended business management expense	258	268
Loss (gain) on change in equity	—	101
Loss on business restructuring	82	—
Loss on disaster	11	1
Decrease (increase) in notes and accounts receivable—trade	12,778	12,407
Decrease (increase) in inventories	14,544	(12,896)
Increase (decrease) in notes and accounts payable—trade	(7,287)	1,410
Increase (decrease) in accrued consumption taxes	1,936	(287)
Other, net	(6,543)	(736)
Subtotal	65,397	58,036
Interest and dividends income received	7,805	5,012
Interest expenses paid	(1,683)	(1,477)
Suspended business management expense paid	(258)	(268)
Disaster recovery expense paid	(11)	(1)
Income taxes paid	(7,210)	(23,516)
Net cash provided by operating activities	64,040	37,786

(Millions of yen)

	Second Quarter of FY2012 (from April 1, 2012, to September 30, 2012)	Second Quarter of FY2013 (from April 1, 2013, to September 30, 2013)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(24,737)	(36,571)
Proceeds from sales of property, plant and equipment	273	154
Purchase of intangible assets	(560)	(164)
Purchase of investment securities	(6,509)	(18,100)
Proceeds from sales of investment securities	205	5
Payments into time deposits	(135)	(500)
Proceeds from withdrawal of time deposits	23	1,144
Payments of short-term loans receivable	(3,299)	(3,074)
Collection of short-term loans receivable	20	66
Payments of long-term loans receivable	(5,949)	(15,460)
Collection of long-term loans receivable	126	106
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	183
Net cash used in investing activities	(40,542)	(72,211)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(872)	709
Proceeds from long-term loans payable	27,924	23,484
Repayment of long-term loans payable	(1,027)	(1,107)
Proceeds from stock issuance to minority shareholders	25	40
Payments made to trust account for purchase of treasury stock	(7,272)	—
Decrease (increase) in treasury stock	(2,752)	(41)
Cash dividends paid	(6,730)	(11,044)
Cash dividends paid to minority shareholders	(558)	—
Net cash provided by (used in) financing activities	8,738	12,041
Effect of exchange rate change on cash and cash equivalents	344	6,878
Net increase (decrease) in cash and cash equivalents	32,580	(15,506)
Cash and cash equivalents at beginning of period	185,708	239,691
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	19
Cash and cash equivalents at end of period	218,288	224,204

(4) 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 by Reported Segment

Six months ended September 30, 2012 (from April 1, 2012, to September 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	33,005	285,293	78,830	397,128	1,324	—	398,452
Intersegment	19,063	27,768	8,723	55,554	4,145	(59,699)	—
Total	52,068	313,061	87,553	452,682	5,469	(59,699)	398,452
Segment income	34,639	5,933	352	40,924	443	(2,159)	39,208

Six months ended September 30, 2013 (from April 1, 2013, to September 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	38,240	308,442	67,742	414,424	1,590	—	416,014
Intersegment	19,105	8,896	7,209	35,210	7,648	(42,858)	—
Total	57,345	317,338	74,951	449,634	9,238	(42,858)	416,014
Segment income	34,380	15,566	5,487	55,433	337	768	56,538

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

(Millions of yen)

	Six Months Ended September 30, 2012	Six Months Ended September 30, 2013
Head Office expenses not allocated to each reported segment ^a	(592)	(1,201)
Interest on internal loans to be borne by each reported segment ^b	393	307
Eliminations of inter-segment transactions among the reported segments	2,653	(359)
Non-operating income (expenses) not allocated to each reported segment ^c	(4,613)	2,021
Total	(2,159)	768

- *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 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 nickel, copper 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 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 six months ended September 30, 2012 has been prepared in accordance with the method for measurement of income after the aforementioned change, and is stated in “1. Information on Net Sales and Income by Reported Segment.”

4. Supplementary Information

(1) Overseas Market Prices and Foreign Exchange Rate

		A	B	(A+B)/2	C	A-C
	Unit	FY2013 First Six Months Results (April 1, 2013, to September 30, 2013)	FY2013 Third and Fourth Quarters Forecasts (October 1, 2013, to March 31, 2014)	FY2013 Forecasts (April 1, 2013, to March 31, 2014)	FY2012 First Six Months Results (April 1, 2012, to September 30, 2012)	Year-Over-Year Increase (Decrease)
Copper	\$/t	7,112	7,000	7,056	7,792	-680
Gold	\$/TOZ	1,370.6	1,300.0	1,335.3	1,632.2	-261.6
Nickel	\$/lb	6.55	6.30	6.42	7.60	-1.05
Zinc	\$/t	1,849	1,850	1,850	1,908	-59
Exchange rate (TTM)	¥/\$	98.86	98.00	98.43	79.42	19.44

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

Reported Segment	Product	Unit	FY2013 First Six Months (Results) (April 1, 2013, to September 30, 2013)	FY2013 Third and Fourth Quarters (Forecasts) (October 1, 2013, to March 31, 2014)	FY2013 (Forecasts) (April 1, 2013, to March 31, 2014)
Mineral Resources	Gold and silver ores (Gold content)	t	76,959	71,684	148,643
		¥Thousand/DMT	186	178	182
		¥Million	14,347	12,733	27,080
		(kg)	(3,611)	(3,389)	(7,000)
Smelting & Refining	Copper	t	211,550	212,070	423,620
		¥Thousand/t	713	696	705
		¥Million	150,853	147,692	298,545
	Gold	kg	12,343	11,836	24,179
		¥/g	4,367	4,102	4,237
		¥Million	53,900	48,552	102,452
	Silver	kg	94,667	93,000	187,667
		¥Thousand/kg	72	67	69
		¥Million	6,821	6,188	13,009
	Nickel	t	31,477	39,842	71,319
		¥Thousand/t	1,518	1,397	1,451
		¥Million	47,793	55,657	103,450
	Zinc	t	13,551	40,864	54,415
		¥Thousand/t	195	190	191
¥Million		2,642	7,778	10,420	
	(Including commissioned zinc)	(t)	(38,461)	(40,864)	(79,325)
Materials	Semiconductor materials and advanced materials	¥Million	31,067	27,651	58,718

(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 Six Months (April 1, 2013, to September 30, 2013)
Copper	t	200,403
Gold	kg	10,203
Electrolytic nickel	t	23,146
Ferronickel	t	9,782
Zinc	t	24,910
Gold and silver ore	t	78,750
(Gold content)	(kg)	(3,636)
Zinc (Commissioning portion)	t	12,571

(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.