



## Consolidated Financial Results for the Second Quarter Ended September 30, 2015 [J-GAAP]

November 10, 2015

Listed Company Name: Sumitomo Metal Mining Co., Ltd.  
 Code: 5713  
 Listings: Tokyo Stock Exchange  
 URL: <http://www.smm.co.jp/>  
 Representative: Yoshiaki Nakazato, President and Representative Director  
 Contact: Tsuyoshi Nozawa, Deputy General Manager, PR & IR Dept. TEL: +81-3-3436-7705  
 Scheduled Date to Submit Quarterly Report: November 13, 2015  
 Scheduled Date to Start Dividend Payment: December 4, 2015  
 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, 2015, to September 30, 2015)

#### (1) Consolidated Operating Results

(% figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2015	459,215	3.1	51,469	-6.9	64,586	-19.1	53,758	-3.1
Six months ended September 30, 2014	445,470	7.1	55,287	35.8	79,857	41.2	55,452	38.5

(Note) Comprehensive income

Six months ended September 30, 2015: ¥ 56,129 million (63.9%);

Six months ended September 30, 2014: ¥ 34,242 million (-69.9%)

	Profit per share (Basic)	Profit per share (Diluted)
	Yen	Yen
Six months ended September 30, 2015	97.45	88.48
Six months ended September 30, 2014	100.46	89.52

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2015	1,745,042	1,203,687	61.9
As of March 31, 2015	1,740,246	1,158,945	60.4

(Reference) Shareholders' equity

As of September 30, 2015: ¥1,080,436 million;

As of March 31, 2015: ¥1,051,224 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, 2015	—	24.00	—	24.00	48.00
Year ending March 31, 2016	—	21.00			
Year ending March 31, 2016 (Forecast)			—	10.00	31.00

(Note) Revision of dividend forecast that has been disclosed lastly: Yes

**3. Forecast of Consolidated Operating Results for the Year Ending March 31, 2016  
(From April 1, 2015, to March 31, 2016)**

(% figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	865,000	-6.1	74,000	-41.2	85,000	-51.2	68,000	-25.4	123.26

(Note) Revision of operating results forecast 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 4.
- (3) Changes in Accounting Policies or Estimates and Retrospective Restatements
  - 1) Changes in accounting policies in accordance with revision of accounting standards: Yes
  - 2) Changes in accounting policies other than item 1) above: None
  - 3) Change in accounting estimates: None
  - 4) Retrospective restatements: None
 (Note) For further details, please refer to “2. Summary Information (Notes)” 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 September 30, 2015
    - 581,628,031 shares at March 31, 2015
  - 2) Number of shares of treasury stock as of end of period
    - 29,973,010 shares at September 30, 2015
    - 29,948,647 shares at March 31, 2015
  - 3) Average number of shares during the period
    - 551,664,148 shares for six months ended September 30, 2015
    - 552,000,831 shares for six months ended September 30, 2014

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

The forecast of consolidated operating results for the year ending March 31, 2016, disclosed on May 12, 2015, has been 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 for Financial Results)

The Supplementary Explanation Materials will be posted on the Company’s website on Tuesday, November 10, 2015.

## Contents of the Attachment

<b>1. Qualitative Information on Quarterly Financial Results .....</b>	<b>2</b>
(1) Business Performance.....	2
(2) Financial Position .....	2
(3) Forward-Looking Information Including Forecast of Consolidated Operating Results and Other .....	3
<b>2. Summary Information (Notes).....</b>	<b>3</b>
(1) Application of Accounting Procedures Specific to Quarterly Consolidated Financial Statements .....	3
(2) Changes in Accounting Policies or Estimates and Retrospective Restatements.....	3
<b>3. Consolidated Financial Statements .....</b>	<b>5</b>
(1) Consolidated Balance Sheet .....	5
(2) Consolidated Statements of Income and Comprehensive Income.....	7
Consolidated Statement of Income	
(For the Six Months Ended September 30, 2014 and 2015) .....	7
Consolidated Statement of Comprehensive Income	
(For the Six Months Ended September 30, 2014 and 2015) .....	8
(3) Consolidated Statement of Cash Flows .....	9
(4) Notes Relating to the Consolidated Financial Statements .....	11
(Notes Relating to the Going Concern Assumption) .....	11
(Significant Changes in Shareholders' Equity).....	11
(Segment Information and Others).....	11
<b>4. Supplementary Information .....</b>	<b>13</b>
(1) Overseas Market Prices and Foreign Exchange Rates.....	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 2015, the year ending March 31, 2016, generally continued on a gradual recovery path. In China, the growth rate slowed amid progress in economic structural reform. The situation in Europe remained stagnant due to a decrease in exports to China and emerging nations. The United States saw growth in domestic demand including personal consumption and housing investment, although the most recent numbers for new hires showed a sluggish increase. The Japanese economy remained weak amid concerns over an economic slowdown due to sluggish capital investment and exports, although there were signs of a pickup in personal consumption backed by improvement in the employment situation.

In the nonferrous metals industry, while nickel prices had seen temporary rapid growth in the previous fiscal year due to concerns over a supply shortage of unprocessed ores, they later started to decline, and the downward trend continued during the first six months of fiscal 2015. Copper prices were generally on a downward trend during the first six months of fiscal 2015. Gold prices were on a downward trend, while price fluctuations continued within a narrow range.

As for industries related to the materials business, although signs of inventory adjustments started to appear due to stagnant demand in PCs and tablets and other products, demand for automobile battery components increased, and the selling environment for components such as those for smartphones remained firm.

Under these circumstances, net sales in the first six months of fiscal 2015 increased ¥13,745 million from the same period in the previous fiscal year to ¥459,215 million, mainly due to the impact of yen depreciation, in addition to increased sales volume for nickel and gold, despite the decline in metal prices. Operating income amounted to ¥51,469 million, a year-over-year decrease of ¥3,818 million, due mainly to falling metal prices, despite upturn factors resulting from yen depreciation and increased sales volume. Ordinary income decreased ¥15,271 million year over year to ¥64,586 million, owing mainly to declines in foreign exchange gains and share of profit of entities accounted for using equity method as well as the decrease in operating income. Profit attributable to owners of parent decreased ¥1,694 million year over year to ¥53,758 million, due to factors including the posting of gain on reversal of allowance for investment loss with respect to the investments in Vale Nouvelle-Calédonie S.A.S.

Operating results by segment are as follows.

#### 1) Mineral Resources segment

Production continued according to plan at the Hishikari mine. Production levels and sales volume at the Pogo gold mine were down from the same period in the previous fiscal year due to a lower grade of gold ore. Production levels and sales volume at the Morenci copper mine were both up from the same period in the previous fiscal year. Segment income decreased year over year due primarily to falling copper and gold prices.

Net sales increased ¥11,242 million year over year to ¥64,376 million, whereas segment income decreased ¥3,857 million year over year to ¥26,022 million.

#### 2) Smelting & Refining segment

With regard to nickel, although sales volume increased from the same period in the previous fiscal year, revenue decreased mainly due to falling nickel prices. As for gold, sales volume was up year over year, and revenue increased. Despite an upturn resulting from yen depreciation, segment income declined from the same period in the previous fiscal year mainly due to the drop in nickel prices.

Net sales increased ¥8,278 million year over year to ¥351,412 million, whereas segment income decreased ¥3,412 million year over year to ¥30,783 million.

#### 3) Materials segment

Strong demand for materials for automobile batteries and smartphones led to a year-over-year increase in sales volume for battery materials and crystal materials. However, segment income declined from the same period in the previous fiscal year due to an increase in expenses related to creating an expanded production system, in addition to a decline in sales volume of other products.

Net sales increased ¥2,915 million year over year to ¥88,304 million, whereas segment income decreased ¥4,317 million year over year to ¥3,320 million.

### (2) Financial Position

#### 1) Status of financial position

Total assets as of September 30, 2015 increased ¥4,800 million from the previous fiscal year-end to ¥1,745,000 million, mainly due to an increase in cash and deposits and a decrease in allowance for investment loss, despite a decrease in securities (negotiable certificates of deposit), among others.

Total liabilities decreased ¥39,900 million from the previous fiscal year-end to ¥541,400 million, mainly due to decreases in notes and accounts payable-trade and income taxes payable.

Total net assets increased ¥44,700 million from the previous fiscal year-end to ¥1,203,700 million, and the equity ratio increased from 60.4% to 61.9%.

#### 2) Status of cash flows

The cash and cash equivalents at the end of the period under review increased ¥150 million from the previous fiscal year-end to ¥177,870 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 increased ¥5,021 million year over year to ¥48,529 million mainly due to an increase in proceeds resulting from decreases in notes and accounts receivable-trade and inventories, despite an increase in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities decreased ¥15,774 million year over year to ¥35,204 million mainly due to a decrease in payments of long-term loans receivable, despite an increase in purchase of shares of subsidiaries and associates.

Cash flows from financing activities

Net cash used in financing activities decreased ¥1,271 million year over year to ¥13,579 million mainly due to an increase in proceeds from long-term loans payable, despite an increase in repayments of short-term and long-term loans payable as well as an increase in cash dividends paid.

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

The overall global economy is expected to experience an even more gradual recovery due to the impact of the economic slowdown in China and emerging nations.

In the nonferrous metals industry, although signs of reduction of production are emerging in some areas on the supply front, the current price levels are expected to continue for the time being amid concerns over an economic downturn in China, which is the primary consumer of nonferrous metals, and expectations that the dollar will remain strong due to the U.S. aiming to raise interest rates. As for industries related to the materials business, the trend toward inventory adjustments is expected to intensify generally, except for some areas such as use in automobiles, amid a growing trend toward a slowdown in the global economy.

Under these circumstances, consolidated operating income, ordinary income, and profit attributable to owners of parent for the full year ending March 31, 2016 are expected to decrease by 34.6%–42.6% compared with the previous forecast released on May 12, 2015, after taking into account nickel and copper prices that are expected to fall significantly below initial forecasts, in addition to the impact of the delayed start in commercial production at the Sierra Gorda copper mine, although the foreign exchange rate is expected to remain at the same level.

The forecasts for net sales and segment income by reported segment for the full year ending March 31, 2016 are as follows. (Reference: Segment income is adjusted to match ordinary income in the Consolidated Statement of Income.)

Furthermore, with regard to the dividend forecast, in light of the downward revision of the results forecast, and considering the basic policy on distribution of earnings among other factors, the annual dividend forecast has been revised to ¥31 per share, a reduction of ¥17 compared with the previous forecast. As a result, the interim dividend has been revised to ¥21 per share, and the year-end dividend forecast has been revised to ¥10 per share.

Forecast of consolidated operating results for the full year ending March 31, 2016 (revised)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments	Total
Net sales	122,000	645,000	175,000	942,000	15,000	(92,000)	865,000
Segment income	33,000	39,000	7,000	79,000	(1,000)	7,000	85,000

(Reference)

Forecast of consolidated operating results for the full year ending March 31, 2016 (previous forecast)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments	Total
Net sales	136,000	701,000	196,000	1,033,000	17,000	(100,000)	950,000
Segment income	65,000	68,000	13,000	146,000	0	2,000	148,000

## 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, 2016 including the second quarter of fiscal 2015, that are reasonably estimated upon the adoption of tax-effect accounting.

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

#### Changes in Accounting Policies

(Application of the Accounting Standard for Business Combinations, etc.)

Effective from the first quarter of fiscal 2015, the Company has adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013, hereinafter, “Business Combinations Standard”), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013, hereinafter, “Consolidated Financial Statements Standard”) and the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013, hereinafter, “Business Divestitures Standard”) and others. Accordingly, the Company’s accounting policies have been changed; the difference arising from a change in the Company’s equity in a subsidiary over which the Company continues to have control is recorded as capital surplus and acquisition-related costs are expensed in the fiscal year when they are incurred. In addition, for business combinations to be performed at and after the beginning of the first quarter of fiscal 2015, a method was changed to recognize an adjustment to the provisional amount arising from the finalization of the tentative accounting treatment relating to the allocation of acquisition cost in the consolidated financial statements for the quarter where the date of business combination belongs. In addition, the Company has changed the presentation of net income and other related items, and the presentation of “minority interests” to “non-controlling interests.” To reflect this change in presentation, the reclassification of accounts has been made to the consolidated financial statements for the six months ended September 30, 2014 and the fiscal year ended March 31, 2015.

The Business Combinations Standard and others were adopted in accordance with transitional treatments stipulated in Paragraph 58-2 (4) of the Business Combinations Standard, Paragraph 44-5 (4) of the Consolidated Financial Statements Standard and Paragraph 57-4 (4) of the Business Divestitures Standard, and they have been prospectively adopted from the beginning of the first quarter of fiscal 2015.

These changes have no impact on the Company’s gains and losses.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

(Millions of yen)

	FY2014 (as of March 31, 2015)	Second Quarter of FY2015 (as of September 30, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	69,264	96,443
Notes and accounts receivable-trade	116,218	107,957
Securities	113,400	86,400
Merchandise and finished goods	75,188	76,994
Work in process	57,962	61,001
Raw materials and supplies	68,273	53,808
Other	45,952	46,908
Allowance for doubtful accounts	(396)	(455)
<b>Total current assets</b>	<b>545,861</b>	<b>529,056</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	156,646	157,424
Machinery, equipment and vehicles, net	241,044	237,711
Tools, furniture and fixtures, net	4,795	4,253
Land	26,632	26,596
Construction in progress	40,256	47,288
<b>Total property, plant and equipment</b>	<b>469,373</b>	<b>473,272</b>
Intangible assets		
Mining right	6,413	5,994
Other	4,352	4,216
<b>Total intangible assets</b>	<b>10,765</b>	<b>10,210</b>
Investments and other assets		
Investment securities	582,053	574,990
Other	183,078	192,659
Allowance for doubtful accounts	(201)	(201)
Allowance for investment loss	(50,683)	(34,944)
<b>Total investments and other assets</b>	<b>714,247</b>	<b>732,504</b>
<b>Total non-current assets</b>	<b>1,194,385</b>	<b>1,215,986</b>
<b>Total assets</b>	<b>1,740,246</b>	<b>1,745,042</b>

(Millions of yen)

	FY2014 (as of March 31, 2015)	Second Quarter of FY2015 (as of September 30, 2015)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	36,767	25,563
Short-term loans payable	99,094	102,455
Current portion of bonds	—	10,000
Income taxes payable	30,729	12,262
Provision for bonuses	4,063	4,040
Provision for furnace repair works	743	993
Provision for loss on business restructuring	1,236	921
Provision for environmental measures	4,243	4,250
Other provision	239	120
Other	61,311	55,278
<b>Total current liabilities</b>	<b>238,425</b>	<b>215,882</b>
Non-current liabilities		
Bonds payable	50,000	40,000
Long-term loans payable	245,000	242,117
Provision for directors' retirement benefits	32	34
Provision for loss on business restructuring	1,220	1,220
Provision for environmental measures	534	563
Other provision	219	230
Net defined benefit liability	7,763	7,748
Asset retirement obligations	7,525	7,689
Other	30,583	25,872
<b>Total non-current liabilities</b>	<b>342,876</b>	<b>325,473</b>
<b>Total liabilities</b>	<b>581,301</b>	<b>541,355</b>
Net assets		
Shareholders' equity		
Capital stock	93,242	93,242
Capital surplus	86,066	86,067
Retained earnings	770,020	810,538
Treasury shares	(32,753)	(32,797)
<b>Total shareholders' equity</b>	<b>916,575</b>	<b>957,050</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	46,679	31,092
Deferred gains or losses on hedges	247	(1,163)
Foreign currency translation adjustment	87,288	93,032
Remeasurements of defined benefit plans	435	425
<b>Total accumulated other comprehensive income</b>	<b>134,649</b>	<b>123,386</b>
Non-controlling interests	107,721	123,251
<b>Total net assets</b>	<b>1,158,945</b>	<b>1,203,687</b>
<b>Total liabilities and net assets</b>	<b>1,740,246</b>	<b>1,745,042</b>

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statement of Income  
(For the Six Months Ended September 30, 2014 and 2015)

(Millions of yen)

	Six Months of FY2014 (from April 1, 2014, to September 30, 2014)	Six Months of FY2015 (from April 1, 2015, to September 30, 2015)
Net sales	445,470	459,215
Cost of sales	367,088	382,618
Gross profit	78,382	76,597
Selling, general and administrative expenses		
Sales, transportation and sundry expenses	4,289	4,940
Salaries and allowances	5,287	5,636
Provision for bonuses	574	568
Retirement benefit expenses	296	237
Provision for directors' retirement benefits	1	1
Research and development expenses	2,857	2,871
Other	9,791	10,875
Total selling, general and administrative expenses	23,095	25,128
Operating income	55,287	51,469
Non-operating income		
Interest income	3,435	4,174
Dividend income	1,628	1,647
Foreign exchange gains	7,238	502
Gain on valuation of derivatives	28	34
Share of profit of entities accounted for using equity method	14,312	8,821
Other	1,019	1,152
Total non-operating income	27,660	16,330
Non-operating expenses		
Interest expenses	2,034	1,896
Other	1,056	1,317
Total non-operating expenses	3,090	3,213
Ordinary income	79,857	64,586
Extraordinary income		
Gain on sales of non-current assets	54	93
Provision for loss on business restructuring	—	65
Reversal of allowance for investment loss	—	16,242
Total extraordinary income	54	16,400
Extraordinary losses		
Loss on sales of non-current assets	6	—
Loss on retirement of non-current assets	86	184
Impairment loss	—	233
Loss on valuation of investment securities	—	278
Provision for environmental measures	139	35
Restructuring loss	—	41
Loss on disaster	8	73
Total extraordinary losses	239	844
Income before income taxes and minority interests	79,672	80,142
Income taxes - current	19,989	13,917
Income taxes - deferred	(727)	1,201
Total income taxes	19,262	15,118
Profit	60,410	65,024
Profit attributable to non-controlling interests	4,958	11,266

Profit attributable to owners of parent
-----------------------------------------

55,452
--------

53,758
--------

Consolidated Statement of Comprehensive Income  
(For the Six Months Ended September 30, 2014 and 2015)

(Millions of yen)

	Six Months of FY2014 (from April 1, 2014, to September 30, 2014)	Six Months of FY2015 (from April 1, 2015, to September 30, 2015)
Profit	60,410	65,024
Other comprehensive income		
Valuation difference on available-for-sale securities	2,687	(15,571)
Deferred gains or losses on hedges	374	(1,370)
Foreign currency translation adjustment	(18,079)	3,954
Remeasurements of defined benefit plans, net of tax	91	3
Share of other comprehensive income of entities accounted for using equity method	(11,241)	4,089
Total other comprehensive income	(26,168)	(8,895)
Comprehensive income	34,242	56,129
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	36,572	42,495
Comprehensive income attributable to non-controlling interests	(2,330)	13,634

## (3) Consolidated Statement of Cash Flows

(Millions of yen)

	Six Months of FY2014 (from April 1, 2014, to September 30, 2014)	Six Months of FY2015 (from April 1, 2015, to September 30, 2015)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	79,672	80,142
Depreciation	18,420	20,918
Impairment loss	—	233
Loss (gain) on sales of non-current assets	(48)	(93)
Loss on retirement of non-current assets	86	184
Loss (gain) on valuation of investment securities	—	278
Loss (gain) on valuation of derivatives	(28)	(34)
Increase (decrease) in allowance for doubtful accounts	89	59
Increase (decrease) in provision for bonuses	(11)	(23)
Increase (decrease) in provision for directors' bonuses	(76)	(110)
Increase (decrease) in provision for furnace repair works	267	250
Increase (decrease) in provision for directors' retirement benefits	3	2
Increase (decrease) in provision for loss on business restructuring	—	(315)
Increase (decrease) in allowance for investment loss	—	(16,242)
Increase (decrease) in provision for environmental measures	139	36
Increase (decrease) in other provision	(90)	2
Increase (decrease) in net defined benefit liability	146	(22)
Interest and dividend income	(5,063)	(5,821)
Interest expenses	2,034	1,896
Foreign exchange losses (gains)	(12,276)	(471)
Share of (profit) loss of entities accounted for using equity method	(14,312)	(8,821)
Suspended business management expense	271	293
Loss on disaster	8	73
Loss on business restructuring	—	41
Decrease (increase) in notes and accounts receivable-trade	(19,572)	8,360
Decrease (increase) in inventories	(16,611)	10,021
Increase (decrease) in notes and accounts payable-trade	(8,260)	(8,306)
Increase (decrease) in accrued consumption taxes	7,696	(2,774)
Other, net	7,348	(9,148)
<b>Subtotal</b>	<b>39,832</b>	<b>70,608</b>
Interest and dividend income received	19,109	12,856
Interest expenses paid	(1,610)	(2,173)
Suspended business management expense paid	(271)	(293)
Disaster recovery expense paid	(8)	(73)
Income taxes paid	(13,544)	(32,396)
<b>Net cash provided by (used in) operating activities</b>	<b>43,508</b>	<b>48,529</b>

(Millions of yen)

	Six Months of FY2014 (from April 1, 2014, to September 30, 2014)	Six Months of FY2015 (from April 1, 2015, to September 30, 2015)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(28,718)	(24,071)
Proceeds from sales of property, plant and equipment	352	319
Purchase of intangible assets	(216)	(196)
Proceeds from sales of intangible assets	3	13
Purchase of investment securities	(1,003)	(702)
Purchase of shares of subsidiaries and associates	—	(10,150)
Payments into time deposits	(2,475)	(223)
Proceeds from withdrawal of time deposits	48	242
Payments of short-term loans receivable	(5,086)	(59)
Collection of short-term loans receivable	100	2
Payments of long-term loans receivable	(14,056)	(556)
Collection of long-term loans receivable	73	177
Net cash provided by (used in) investing activities	(50,978)	(35,204)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	5,433	3,188
Proceeds from long-term loans payable	—	4,071
Repayments of long-term loans payable	(8,478)	(9,484)
Proceeds from share issuance to non-controlling shareholders	—	4,193
Decrease (increase) in treasury shares	(715)	(43)
Cash dividends paid	(11,043)	(13,240)
Dividends paid to non-controlling interests	(47)	(2,264)
Net cash provided by (used in) financing activities	(14,850)	(13,579)
Effect of exchange rate change on cash and cash equivalents	(1,337)	404
Net increase (decrease) in cash and cash equivalents	(23,657)	150
Cash and cash equivalents at beginning of period	202,583	177,720
Cash and cash equivalents at end of period	178,926	177,870

#### (4) Notes Relating to the Consolidated Financial Statements

(Notes 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]

I. Six Months Ended September 30, 2014 (from April 1, 2014, to September 30, 2014)

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

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses <sup>1</sup>	Adjustments <sup>2</sup>	Amounts Reported in the Consolidated Statement of Income <sup>3</sup>
Net sales:							
Outside customers	34,559	330,251	79,256	444,066	1,404	—	445,470
Inter-segment	18,575	12,883	6,133	37,591	4,296	(41,887)	—
Total	53,134	343,134	85,389	481,657	5,700	(41,887)	445,470
Segment income (loss)	29,879	34,195	7,637	71,711	(113)	8,259	79,857

Notes:

1. The Other Businesses segment refers to other profit-seeking business activities that are under the control of the Head Office divisions/departments other than those included in the reported segments. Other Businesses include real estate and technical engineering businesses.
2. The adjustments for segment income (loss) (¥8,259 million) are as follows:

(Millions of yen)

	Amount
Head Office expenses not allocated to each reported segment <sup>a</sup>	(497)
Interest on internal loans to be borne by each reported segment <sup>b</sup>	208
Eliminations of inter-segment transactions among the reported segments	(1,590)
Non-operating income/expenses not allocated to each reported segment <sup>c</sup>	10,138
Total	8,259

- 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 sheet 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. The non-operating income/expenses not allocated to each reported segment mainly consist of foreign exchange gains/losses and interest expenses, which are not attributable to the reported segments.
3. Segment income (loss) is adjusted with ordinary income in the Consolidated Statement of Income.

II. Six Months Ended September 30, 2015 (from April 1, 2015, to September 30, 2015)

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

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses <sup>1</sup>	Adjustments <sup>2</sup>	Amounts Reported in the Consolidated Statement of Income <sup>3</sup>
Net sales:							
Outside customers	35,625	340,583	81,173	457,381	1,834	—	459,215
Inter-segment	28,751	10,829	7,131	46,711	2,903	(49,614)	—
Total	64,376	351,412	88,304	504,092	4,737	(49,614)	459,215
Segment income	26,022	30,783	3,320	60,125	43	4,418	64,586

Notes:

- The Other Businesses segment refers to other profit-seeking business activities that are under the control of the Head Office divisions/departments other than those included in the reported segments. Other Businesses include real estate and technical engineering businesses.
- The adjustments for segment income (¥4,418 million) are as follows:

(Millions of yen)

	Amount
Head Office expenses not allocated to each reported segment <sup>a</sup>	(421)
Interest on internal loans to be borne by each reported segment <sup>b</sup>	308
Eliminations of inter-segment transactions among the reported segments	117
Non-operating income/expenses not allocated to each reported segment <sup>c</sup>	4,414
Total	4,418

- 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.
  - 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 sheet 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.
  - The non-operating income/expenses not allocated to each reported segment mainly consist of foreign exchange gains/losses and interest expenses, which are not attributable to the reported segments.
- Segment income is adjusted with ordinary income in the Consolidated Statement of Income.

#### 4. Supplementary Information

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

		A	B	(A+B)/2	C	A-C
	Unit	FY2015 First Six Months Results (April 1, 2015, to September 30, 2015)	FY2015 Third and Fourth Quarters Forecasts (October 1, 2015, to March 31, 2016)	FY2015 Forecasts (April 1, 2015, to March 31, 2016)	FY2014 First Six Months Results (April 1, 2014, to September 30, 2014)	Year-Over-Year Increase (Decrease)
Copper	\$/t	5,653	5,200	5,427	6,890	-1,237
Gold	\$/TOZ	1,158.6	1,100.0	1,129.3	1,285.7	-127.1
Nickel	\$/lb	5.35	4.50	4.93	8.40	-3.05
Zinc	\$/t	2,018	1,800	1,909	2,191	-173
Exchange rate (TTM)	¥/\$	121.80	120.00	120.90	103.05	18.75

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

Segment	Product	Unit	FY2015 First Six Months Results (April 1, 2015, to September 30, 2015)	FY2015 Forecasts (April 1, 2015, to March 31, 2016)
Mineral Resources	Gold and silver ores	t	77,618	152,760
		¥1,000/DMT	227	200
		¥million	17,595	30,517
	(Gold content)	(kg)	(4,182)	(7,500)
Smelting & Refining	Copper	t	224,836	444,426
		¥1,000/t	704	671
		¥million	158,356	298,322
	Gold	kg	11,868	21,468
		¥/g	4,543	4,410
		¥million	53,912	94,667
	Silver	kg	101,753	195,179
		¥1,000/kg	62	59
		¥million	6,328	11,590
	Nickel	t	43,106	85,274
¥1,000/t		1,529	1,380	
¥million		65,919	117,679	
Zinc	t	36,228	64,104	
	¥1,000/t	258	246	
	¥million	9,337	15,741	
Materials	Semiconductor materials and advanced materials	¥million	38,268	76,061

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	FY2015 First Six Months Results (April 1, 2015, to September 30, 2015)
Copper	t	205,806
Gold	kg	11,588
Electrolytic nickel	t	31,724
Ferronickel	t	10,754
Zinc	t	25,268
Gold and silver ore (Gold content)	t (kg)	71,567 (3,645)
Zinc (Commissioning portion)	t	12,594

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.