



Consolidated Financial Results for the Third Quarter Ended December 31, 2016 [J-GAAP]

February 7, 2017

[Full version of English translation released on February 24 2017]

Listed Company Name: Sumitomo Metal Mining Co., Ltd.
 Code: 5713
 Listings: Tokyo Stock Exchange
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 Scheduled Date to Submit Quarterly Report: February 14, 2017
 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, 2016, to December 31, 2016)

(1) Consolidated Operating Results

(% figures show year-on-year change)

	Net sales		Operating income		Ordinary income (loss)		Profit (loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2016	564,460	-14.6	47,998	-19.4	(25,478)	—	(32,829)	—
Nine months ended December 31, 2015	660,832	-3.0	59,530	-36.5	2,352	-98.3	10,719	-88.8

(Note) Comprehensive income

Nine months ended December 31, 2016: -¥108,518 million (—%);

Nine months ended December 31, 2015: -¥25,002 million (—%)

	Profit (loss) per share (Basic)	Profit per share (Diluted)
	Yen	Yen
Nine months ended December 31, 2016	(59.51)	—
Nine months ended December 31, 2015	19.43	17.94

(Note) Profit per share (diluted) is not disclosed as loss per share (basic) for the nine months ended December 31, 2016 was recorded even though there are potentially dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	1,617,409	954,895	54.8
As of March 31, 2016	1,630,800	1,075,995	60.3

(Reference) Shareholders' equity

As of December 31, 2016: ¥885,545 million;

As of March 31, 2016: ¥982,958 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, 2016	—	21.00	—	10.00	31.00
Year ending March 31, 2017	—	5.00	—		
Year ending March 31, 2017 (Forecast)				6.00	11.00

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

**3. Forecast of Consolidated Operating Results for the Year Ending March 31, 2017
(From April 1, 2016, to March 31, 2017)**

(% figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Loss attributable to owners of parent		Loss per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	775,000	-9.4	76,000	27.3	1,000	—	(15,000)	—	(27.19)

(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: 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 December 31, 2016
 - 581,628,031 shares at March 31, 2016
 - 2) Number of shares of treasury stock as of end of period
 - 30,016,165 shares at December 31, 2016
 - 29,996,055 shares at March 31, 2016
 - 3) Average number of shares during the period
 - 551,624,034 shares for nine months ended December 31, 2016
 - 551,658,593 shares for nine months ended December 31, 2015

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, 2017, disclosed on November 11, 2016, 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, February 7, 2017.

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1. Qualitative Information on Quarterly Financial Results

(1) Business Performance

The overall global economy during the first nine months of fiscal 2016, the year ending March 31, 2017, continued its gradual recovery without any significant slowdowns. That was despite the results of the United States presidential election adding even more uncertainty to the unstable outlook caused by factors such as the move by the UK to exit the EU. In China, although there were concerns about a slowdown amid progress in economic structural reform, policies managed to prop up the economy. The situation in Europe remained stagnant due to a decrease in exports to emerging nations such as China, but personal consumption showed signs of improvement. In the United States, personal consumption remained firm against a backdrop of fundamentally strong employment. The Japanese economy saw a continued recovery of employee income backed by improvement in the employment situation, and personal consumption and housing investment showed signs of recovery. As for exchange rates, the yen depreciated during the third quarter of fiscal 2016, declining sharply toward the end of the third quarter of fiscal 2016. However, during the first nine months of fiscal 2016, the yen appreciated year over year, due to the yen appreciation from the beginning of the year after the depreciation trends in the previous year.

In the nonferrous metals industry, the prices of nickel and copper fell year over year in the first nine months of fiscal 2016, due to such factors as concerns over the slowing Chinese economy. Although nickel prices rose slightly at the beginning of the year, they have remained flat since. Copper prices rose toward the end of the third quarter of fiscal 2016, after remaining flat at the beginning of the year.

In industries related to the materials business, the demand for automobile battery components increased and the selling environment for components such as those for smartphones remained firm overall. Meanwhile, demand for components for PCs and LCD televisions declined.

Under these circumstances, consolidated net sales in the first nine months of fiscal 2016 decreased by ¥96,372 million from the same period in the previous fiscal year to ¥564,460 million, due to the drops in the prices of nickel and copper and yen appreciation. Consolidated operating income amounted to ¥47,998 million, a year-over-year decrease of ¥11,532 million, due to the drop in the prices of nickel and copper and yen appreciation. Consolidated ordinary income decreased by ¥27,830 million year over year to become consolidated ordinary loss of ¥25,478 million, mainly due to the decline in consolidated operating income and an increase in share of loss of entities accounted for using equity method, resulting from the posting of impairment loss in the Sierra Gorda S.C.M. again in the first nine months of fiscal 2016 which more than offset an increase in foreign exchange gains from the yen's rapid depreciation toward the end of the third quarter of fiscal 2016. Profit attributable to owners of parent fell by ¥43,548 million year over year to become loss attributable to owners of parent of ¥32,829 million. This was due to the decline in consolidated ordinary income and the posting of a provision of allowance for decommissioning preparations under extraordinary losses at our domestic consolidated subsidiary JCO Co., Ltd., in order to prepare for the decommissioning of its facilities, as well as a lack of gain on reversal of allowance for investment loss, which was posted in the same period in the previous fiscal year. These factors more than offset a gain on liquidation of investment securities resulting from the dissolution of Nusa Tenggara Mining Corporation, which held interests in the Batu Hijau mine, under extraordinary income.

Operating results by segment are as follows.

1) Mineral Resources segment

Production continued steadily at the Hishikari mine. Gold production levels, however, are planned to fall short compared to the results of the previous fiscal year. Production levels and sales volume at the Pogo gold mine were nearly unchanged from the same period in the previous fiscal year. Production levels and sales volume at the Morenci copper mine were both up from the same period in the previous fiscal year. Our interests in the Morenci copper mine increased to 28% from additional acquisitions. Segment loss was recorded due primarily to lower copper prices in addition to an increase in share of loss of entities accounted for using equity method, resulting from the posting of larger impairment loss year over year in the Sierra Gorda S.C.M.

Net sales decreased ¥3,739 million year over year to ¥87,171 million, and segment loss increased ¥19,365 million year over year to ¥62,629 million.

2) Smelting & Refining segment

Production levels and sales volume of copper increased year over year. However, production levels and sales volume of nickel (including ferronickel) and gold declined year over year. The prices of nickel and copper fell year over year, and the yen appreciated year over year, resulting in smaller segment income year over year.

Net sales decreased ¥95,403 million year over year to ¥405,369 million, and segment income decreased ¥14,208 million year over year to ¥20,575 million.

3) Materials segment

The Company invested in expanded production of battery materials and crystal materials to meet increased demand for materials for automobile batteries, smartphones and others, resulting in year-over-year increases in production levels and sales volume. Sales volume of package materials fell due to sluggish demand for components for PCs and LCD televisions. The effects of our investment in expanded production increased segment income year over year.

Net sales decreased ¥3,104 million year over year to ¥126,148 million, and segment income increased ¥3,820 million year over year to ¥7,747 million.

(2) Financial Position

Total assets as of December 31, 2016 decreased ¥13,400 million from the previous fiscal year-end to ¥1,617,400 million, due to decreases in securities and investment securities and others, despite increases in cash and deposits, mining right and others.

Total liabilities increased ¥107,700 million from the previous fiscal year-end to ¥662,500 million, due to increases in long-term loans payable and others, despite reductions in bonds payable and others.

Total net assets decreased ¥121,100 million from the previous fiscal year-end to ¥954,900 million, and the equity ratio decreased from 60.3% to 54.8%.

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

The overall global economy is expected to continue its gradual growth, despite downward pressures from such factors as the UK's decision to exit from the EU and China's slowdown.

In the nonferrous metals industry, the supply and demand of copper are expected to remain in a near state of equilibrium for the fiscal year under review. However, a supply shortage is expected to continue for nickel due to robust demand for stainless steel in China, even though the trend toward falling production by producers due to stagnant prices has run its course. Copper and nickel prices are expected to recover to an appropriate level over the medium to long term as supply and demand improve. Still, significant increases cannot be expected for the time being because the roughly 10-year super-cycle driven by demand from China has finished. As for industries related to the materials business, the areas of automotive applications and communications are expected to remain strong overall, even if there is a temporary adjustment phase. Turning to exchange rates, the yen is expected to remain at its current level. A risk avoidance stance may continue amid uncertainty over the global economic outlook, despite rising long-term interest rates in the United States backed by hopes that U.S. economic policies will generate further growth.

Under these circumstances, we have revised the previous forecast for the full year ending March 31, 2017 released on November 11, 2016, for major nonferrous metals prices and exchange rates in reference to the current rates. As a result, consolidated operating income is expected to increase by 58.3%, but consolidated ordinary income is expected to fall significantly, and profit attributable to owners of parent is expected to turn to a net loss, mainly due to the posting of share of loss of entities accounted for using equity method, resulting from the posting of impairment loss in the Sierra Gorda S.C.M. in the third quarter of fiscal 2016. (Reference: Segment income is adjusted to match ordinary income in the Consolidated Statement of Income.)

Forecast of consolidated operating results for the full year ending March 31, 2017 (revised)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments	Total
Net sales	120,000	551,000	175,000	846,000	10,000	(81,000)	775,000
Segment income (loss)	(54,000)	35,000	11,000	(8,000)	(1,000)	10,000	1,000

(Reference)

Forecast of consolidated operating results for the full year ending March 31, 2017 (previous forecast)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total of the Reported Segments	Other Businesses	Adjustments	Total
Net sales	113,000	499,000	175,000	787,000	10,000	(83,000)	714,000
Segment income (loss)	19,000	11,000	10,000	40,000	(1,000)	(6,000)	33,000

2. Summary Information (Notes)

(1) Changes in Important Subsidiaries during the Quarter under Review

There are no pertinent items.

Although this does not count as a change in a specific subsidiary, SMM Morenci Inc. has been included in the scope of consolidation from the first quarter of fiscal 2016 due to its increased importance.

Sumiko Advanced Materials (Suzhou) Co., Ltd. was liquidated in the first quarter of fiscal 2016, and as a result, has been excluded from the scope of consolidation as of June 30, 2016.

Sumiko Leadframe (Thailand) Co., Ltd. was liquidated in the second quarter of fiscal 2016, and as a result, has been excluded from the scope of consolidation as of September 30, 2016.

Sumiko Tec (Dongguan) Co., Ltd. has been included in the scope of consolidation from the third quarter of fiscal 2016 due to its increased importance.

(2) Application of Accounting Procedures Specific to Quarterly Consolidated Financial Statements

The tax expenses for consolidated subsidiaries are calculated by multiplying profit before income taxes for the period under review by the effective tax rates on profit before income taxes for the fiscal year ending March 31, 2017 including the third quarter of fiscal 2016, that are reasonably estimated upon the adoption of tax-effect accounting.

(3) Additional Information

(Application of the Implementation Guidance on Recoverability of Deferred Tax Assets)

Effective from the first quarter of fiscal 2016, the Company has adopted the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, March 28, 2016).

(The Expense for Preparations for the Decommissioning of Facilities Owned by JCO Co., Ltd.)

JCO Co., Ltd., a consolidated subsidiary of the Company, is preparing for the decommissioning by dismantlement and decontamination of its facilities. As regards this plan, in the first nine months of fiscal 2016, for the losses to be incurred in the future for which a reasonable estimate can be made, we have posted a provision of allowance for decommissioning preparations under extraordinary losses at the amount of ¥9,957 million, while posting an allowance for decommissioning preparations under non-current liabilities at the amount of ¥9,690 million.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	FY2015 (as of March 31, 2016)	Third Quarter of FY2016 (as of December 31, 2016)
Assets		
Current assets		
Cash and deposits	63,374	124,045
Notes and accounts receivable-trade	98,904	109,479
Securities	139,500	61,000
Merchandise and finished goods	47,648	56,530
Work in process	60,197	88,690
Raw materials and supplies	54,129	57,760
Other	75,925	76,004
Allowance for doubtful accounts	(598)	(642)
Total current assets	539,079	572,866
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	156,689	178,072
Machinery, equipment and vehicles, net	231,689	256,653
Tools, furniture and fixtures, net	4,284	3,970
Land	26,630	26,627
Construction in progress	34,242	27,936
Total property, plant and equipment	453,534	493,258
Intangible assets		
Mining right	5,371	38,875
Other	4,011	3,464
Total intangible assets	9,382	42,339
Investments and other assets		
Investment securities	448,729	389,729
Other	180,276	119,416
Allowance for doubtful accounts	(200)	(199)
Total investments and other assets	628,805	508,946
Total non-current assets	1,091,721	1,044,543
Total assets	1,630,800	1,617,409

(Millions of yen)

	FY2015 (as of March 31, 2016)	Third Quarter of FY2016 (as of December 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	45,433	53,227
Short-term loans payable	102,523	98,641
Current portion of bonds	10,000	—
Income taxes payable	3,840	9,478
Provision for bonuses	3,541	1,883
Provision for furnace repair works	250	908
Provision for loss on business restructuring	417	94
Provision for environmental measures	338	236
Other provision	191	93
Other	58,734	47,716
Total current liabilities	225,267	212,276
Non-current liabilities		
Bonds payable	40,000	40,000
Long-term loans payable	248,036	353,665
Provision for directors' retirement benefits	31	21
Provision for loss on business restructuring	904	883
Allowance for decommissioning preparations	—	9,690
Provision for environmental measures	325	376
Other provision	226	94
Net defined benefit liability	14,128	14,764
Asset retirement obligations	7,831	8,109
Other	18,057	22,636
Total non-current liabilities	329,538	450,238
Total liabilities	554,805	662,514
Net assets		
Shareholders' equity		
Capital stock	93,242	93,242
Capital surplus	86,067	85,859
Retained earnings	744,886	703,618
Treasury shares	(32,827)	(32,855)
Total shareholders' equity	891,368	849,864
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,225	36,741
Deferred gains or losses on hedges	(1,587)	(233)
Foreign currency translation adjustment	77,274	3,068
Remeasurements of defined benefit plans	(4,322)	(3,895)
Total accumulated other comprehensive income	91,590	35,681
Non-controlling interests	93,037	69,350
Total net assets	1,075,995	954,895
Total liabilities and net assets	1,630,800	1,617,409

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income
(For the Nine Months Ended December 31, 2015 and 2016)

(Millions of yen)

	Nine Months of FY2015 (from April 1, 2015, to December 31, 2015)	Nine Months of FY2016 (from April 1, 2016, to December 31, 2016)
Net sales	660,832	564,460
Cost of sales	562,358	482,121
Gross profit	98,474	82,339
Selling, general and administrative expenses		
Sales, transportation and sundry expenses	7,261	6,195
Salaries and allowances	8,534	8,275
Provision for bonuses	889	783
Retirement benefit expenses	371	800
Provision for directors' retirement benefits	1	1
Research and development expenses	4,292	4,103
Other	17,596	14,184
Total selling, general and administrative expenses	38,944	34,341
Operating income	59,530	47,998
Non-operating income		
Interest income	7,680	9,583
Dividend income	2,920	2,745
Gain on valuation of derivatives	61	28
Foreign exchange gains	1,014	4,267
Other	1,506	1,496
Total non-operating income	13,181	18,119
Non-operating expenses		
Interest expenses	3,302	3,590
Share of loss of entities accounted for using equity method	65,343	85,275
Other	1,714	2,730
Total non-operating expenses	70,359	91,595
Ordinary income (loss)	2,352	(25,478)
Extraordinary income		
Gain on sales of non-current assets	212	166
Gain on sales of investment securities	—	1,111
Gain on liquidation of investment securities	—	5,866
Reversal of provision for environmental measures	215	—
Provision for loss on business restructuring	65	—
Reversal of allowance for investment loss	16,334	—
Gain on liquidation of subsidiaries and associates	—	190
Total extraordinary income	16,826	7,333
Extraordinary losses		
Loss on sales of non-current assets	9	28
Loss on retirement of non-current assets	323	217
Loss on reduction of non-current assets	—	47
Impairment loss	259	—
Loss on valuation of investment securities	278	—
Provision of allowance for decommissioning preparations	—	9,957
Provision for environmental measures	—	65
Restructuring loss	40	—
Loss on disaster	115	47
Loss on liquidation of subsidiaries and associates	—	5
Total extraordinary losses	1,024	10,366
Profit (loss) before income taxes	18,154	(28,511)

(Millions of yen)

	Nine Months of FY2015 (from April 1, 2015, to December 31, 2015)	Nine Months of FY2016 (from April 1, 2016, to December 31, 2016)
Income taxes - current	16,776	16,744
Income taxes - deferred	2,504	(2,310)
Total income taxes	19,280	14,434
Loss	(1,126)	(42,945)
Loss attributable to non-controlling interests	(11,845)	(10,116)
Profit (loss) attributable to owners of parent	10,719	(32,829)

Consolidated Statement of Comprehensive Income
(For the Nine Months Ended December 31, 2015 and 2016)

(Millions of yen)

	Nine Months of FY2015 (from April 1, 2015, to December 31, 2015)	Nine Months of FY2016 (from April 1, 2016, to December 31, 2016)
Loss	(1,126)	(42,945)
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,115)	16,408
Deferred gains or losses on hedges	(1,651)	1,303
Foreign currency translation adjustment	(7,285)	(12,136)
Remeasurements of defined benefit plans, net of tax	11	408
Share of other comprehensive income of entities accounted for using equity method	(3,836)	(71,556)
Total other comprehensive income	(23,876)	(65,573)
Comprehensive income	(25,002)	(108,518)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(12,078)	(88,738)
Comprehensive income attributable to non-controlling interests	(12,924)	(19,780)

(3) Notes Relating to the 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]

I. Nine Months Ended December 31, 2015 (from April 1, 2015, to December 31, 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 ¹	Adjustments ²	Amounts Reported in the Consolidated Statements of Income ³
Net sales:							
Outside customers	53,267	485,777	119,027	658,071	2,761	—	660,832
Inter-segment	37,643	14,995	10,225	62,863	4,671	(67,534)	—
Total	90,910	500,772	129,252	720,934	7,432	(67,534)	660,832
Segment income (loss)	(43,264)	34,783	3,927	(4,554)	(1,386)	8,292	2,352

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. ¥8,292 million of adjustments for segment income (loss) are as follows:

(Millions of yen)

	Amount
Head Office expenses not allocated to each reported segment ^a	(380)
Interest on internal loans to be borne by each reported segment ^b	443
Eliminations of inter-segmental transactions among the reported segments	722
Non-operating income/expenses not allocated to each reported segment ^c	7,507
Total	8,292

- 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. Nine Months Ended December 31, 2016 (from April 1, 2016, to December 31, 2016)

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 ¹	Adjustments ²	Amounts Reported in the Consolidated Statements of Income ³
Net sales:							
Outside customers	53,809	391,012	116,308	561,129	3,331	—	564,460
Inter-segment	33,362	14,357	9,840	57,559	3,765	(61,324)	—
Total	87,171	405,369	126,148	618,688	7,096	(61,324)	564,460
Segment income (loss)	(62,629)	20,575	7,747	(34,307)	463	8,366	(25,478)

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.
- ¥8,366 million of adjustments for segment income (loss) are as follows:

(Millions of yen)

	Amount
Head Office expenses not allocated to each reported segment ^a	(633)
Interest on internal loans to be borne by each reported segment ^b	189
Eliminations of inter-segmental transactions among the reported segments	(45)
Non-operating income/expenses not allocated to each reported segment ^c	8,855
Total	8,366

- 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 (loss) is adjusted with ordinary loss in the Consolidated Statement of Income.

4. Supplementary Information

(1) Overseas Market Prices and Foreign Exchange Rates

		A	B	(Ax3+Bx1)/4	C	A-C
	Unit	FY2016 First Nine Months Results (April 1, 2016, to December 31, 2016)	FY2016 Fourth Quarter Forecasts (January 1, 2017, to March 31, 2017)	FY2016 Forecasts (April 1, 2016, to March 31, 2017)	FY2015 First Nine Months Results (April 1, 2015, to December 31, 2015)	Year-Over-Year Increase (Decrease)
Copper	\$/t	4,928	5,400	5,046	5,397	-469
Gold	\$/TOZ	1,271.0	1,150.0	1,240.8	1,140.5	130.5
Nickel	\$/lb	4.52	5.00	4.64	4.99	-0.47
Exchange rate (TTM)	¥/\$	106.65	115.00	108.74	121.71	-15.06

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

Segment	Product	Unit	FY2016 First Nine Months Results (April 1, 2016, to December 31, 2016)	FY2016 Fourth Quarter Forecasts (January 1, 2017, to March 31, 2017)	FY2016 Forecasts (April 1, 2016, to March 31, 2017)
Mineral Resources	Gold and silver ores (Gold content)	t	110,532	33,502	144,034
		¥1,000/DMT	164	170	166
		¥million (kg)	18,166 (4,536)	5,709 (1,464)	23,875 (6,000)
Smelting & Refining	Copper	t	348,026	109,943	457,969
		¥1,000/t	539	623	559
		¥million	187,659	68,482	256,141
	Gold	kg	15,933	4,776	20,709
		¥/g	4,353	4,254	4,330
		¥million	69,363	20,315	89,678
	Silver	kg	157,207	48,651	205,858
		¥1,000/kg	61	61	61
Nickel	¥million	9,630	2,986	12,616	
	t	58,345	19,457	77,802	
Materials	Semiconductor materials and advanced materials	¥1,000/t	1,079	1,299	1,134
		¥million	62,933	25,284	88,217
		¥million	59,582	23,504	83,086

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	FY2016 First Nine Months Results (April 1, 2016, to December 31, 2016)
Copper	t	340,167
Gold	kg	15,561
Electrolytic nickel	t	46,068
Ferronickel	t	10,796
Gold and silver ore	t	106,926
(Gold content)	(kg)	(4,393)

Note:

1. Output includes the portions of commissioning production.