



## Consolidated Financial Results for the First Quarter Ended June 30, 2020 [IFRS]

August 7, 2020

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Listed Company Name: Sumitomo Metal Mining Co., Ltd.  
 Code: 5713  
 Listings: Tokyo Stock Exchange  
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 Scheduled Date to Submit Quarterly Report: August 13, 2020  
 Scheduled Date to Start Dividend Payment: —  
 Preparation of Supplementary Explanation Materials for Quarterly Financial Results: Yes  
 Briefing on Quarterly Account Settlement: Yes (for institutional investors)

(Amounts less than one million yen are rounded off)

### 1. Consolidated Financial Results (From April 1, 2020, to June 30, 2020)

#### (1) Consolidated Operating Results

(% figures show year-on-year change)

	Net sales		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2020	196,870	-4.9	3,543	-80.2	236	-98.5	171	-98.8	-1,182	—
Three months ended June 30, 2019	207,049	-14.4	17,900	-52.7	15,388	-52.9	14,261	-50.7	6,586	-48.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	0.62	0.62
Three months ended June 30, 2019	51.90	51.90

#### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent ratio
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2020	1,719,115	1,100,677	990,816	57.6
As of March 31, 2020	1,719,690	1,110,860	1,001,946	58.3

### 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, 2020	—	39.00	—	39.00	78.00
Year ending March 31, 2021	—				
Year ending March 31, 2021 (Forecast)		10.00	—	31.00	41.00

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

**3. Forecast of Consolidated Operating Results for the Year Ending March 31, 2021  
(From April 1, 2020, to March 31, 2021)**

(% figures show year-on-year change)	Net sales		Profit before tax		Profit attributable to owners of parent		Basic earnings per share Yen
	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Second quarter (cumulative)	400,000	-5.3	14,000	-61.5	8,000	-72.8	29.11
Full year	835,000	-4.3	48,000	-39.3	32,000	-47.2	116.46

(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) Changes in Accounting Policies or Estimates
  - 1) Changes in accounting policies required by IFRS: None
  - 2) Changes in accounting policies other than item 1) above: None
  - 3) Change in accounting estimates: None
- (3) Number of Outstanding Shares (Common stock)
  - 1) Number of shares issued as of end of period (including treasury stock)
    - 290,814,015 shares at June 30, 2020
    - 290,814,015 shares at March 31, 2020
  - 2) Number of shares of treasury stock as of end of period
    - 16,032,914 shares at June 30, 2020
    - 16,032,485 shares at March 31, 2020
  - 3) Average number of shares during the period
    - 274,781,354 shares for three months ended June 30, 2020
    - 274,786,961 shares for three months ended June 30, 2019

The consolidated financial results presented herein are not subject to the quarterly review by certified public accountants or audit corporations.

Explanation regarding appropriate use of operating results forecast and other special notes

The forward-looking statements, including business results forecast, contained in this report are based on information available to the Company and on certain assumptions deemed to be reasonable as of the date of release of this report 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 for the Period)

The Supplementary Explanation Materials will be posted on the Company's website on Friday, August 7, 2020.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Business Performance

		(Millions of yen)	
	Net sales	Profit before tax	Profit attributable to owners of parent
Three months ended June 30, 2020	196,870	3,543	171
Three months ended June 30, 2019	207,049	17,900	14,261
Increase/decrease [Rate of change: %]	-10,179 [-4.9]	-14,357 [-80.2]	-14,090 [-98.8]

### (Overseas market prices and foreign exchange rates)

	Unit	Three months ended June 30, 2019	Three months ended June 30, 2020	Increase/decrease
Copper	\$/t	6,114	5,341	-773
Gold	\$/TOZ	1,309.8	1,710.2	400.4
Nickel	\$/lb	5.56	5.53	-0.03
Exchange rate (TTM)	¥/\$	109.91	107.62	-2.29

The global economy was on a declining trend during the first three months of fiscal 2020, the year ending March 31, 2021, against a backdrop of the ongoing spread of the COVID-19, among other factors.

As for exchange rates, while economic activity resumed in China, Europe, the United States, Japan, and other countries, there was a slight trend toward appreciation of the yen and depreciation of the dollar, amid concerns regarding a second wave in the spread of the COVID-19 in these countries, among other reasons. Although the yen appreciated while the dollar depreciated during the same period of the previous fiscal year as well, the average exchange rate was stronger year over year due to the weakness of the yen at the beginning of the previous fiscal year, mainly as a result of the interest rate differential between Japan and the United States.

Regarding the prices of major non-ferrous metals, while copper and nickel prices declined toward the end of the previous fiscal year due to the spread of the COVID-19, prices headed toward a recovery during the first three months of fiscal 2020, due to the resumption of economic activity in China, Europe, and the United States. Gold prices were on an upward trend in response to uncertainty regarding the future of the global economy due to the impact of the COVID-19. As a result, during the first three months of fiscal 2020, despite copper and nickel prices being on a trend toward recovery, average prices fell year over year, while gold prices rose year over year.

In industries related to the Materials business, due to the stagnation of economic activity as a result of the spread of the COVID-19, sales of the Company's automobile battery components were sluggish owing to weak demand. Growth of the smartphone market has plateaued due to increased adoption and maturation of the market, and with the effects from the spread of the COVID-19, inventory adjustments were made for some components.

Under these circumstances, consolidated net sales in the first three months of fiscal 2020 decreased by ¥10,179 million year over year to ¥196,870 million, due mainly to falling year over year copper and nickel prices.

Consolidated profit before tax decreased by ¥14,357 million year over year to ¥3,543 million, due to a deterioration in the share of profit (loss) of investments accounted for using equity method, primarily as a result of falling copper prices, in addition to a decrease in income.

Profit attributable to owners of parent decreased by ¥14,090 million year over year to ¥171 million, due mainly to the decrease in consolidated profit before tax.

Operating results by segment are as follows.

(Mineral Resources segment)			(Millions of yen)	
	Three months ended June 30, 2019	Three months ended June 30, 2020	Increase/decrease	Rate of change (%)
Net sales	26,026	30,450	4,424	17.0
Segment income	13,340	3,795	-9,545	-71.6

Segment income decreased from the same period of the previous fiscal year, due mainly to a fall in copper prices.

The statuses of our main mines are as follows.

Mining operations at the Hishikari Mine remained steady in line with the planned annual sales volume of 6 t, and the sales volume of gold was 1.9 t.

Production levels at the Morenci Copper Mine (United States) (of which the Company holds a 25.0% interest, excluding non-controlling interest) increased from the same period of the previous fiscal year to 109,000 t, due mainly to an increase in throughput.

Production levels at the Cerro Verde Copper Mine (Peru) (of which the Company holds a 16.8% interest, excluding non-controlling interest) fell from the same period of the previous fiscal year to 92,000 t, due mainly to the impact of its operation being temporarily transitioned to a care and maintenance status from the middle of March, in response to the declaration of national state of emergency accompanying the spread of the COVID-19.

Production levels at the Sierra Gorda Copper Mine (Chile) (of which the Company holds a 31.5% interest, excluding non-controlling interest) rose from the same period of the previous fiscal year to 34,000 t, due mainly to an increase in throughput.

(Smelting & Refining segment)			(Millions of yen)	
	Three months ended June 30, 2019	Three months ended June 30, 2020	Increase/decrease	Rate of change (%)
Net sales	147,122	136,092	-11,030	-7.5
Segment income	5,738	4,155	-1,583	-27.6

(Output by the Company's major product)

Product	Unit	Three months ended June 30, 2019	Three months ended June 30, 2020	Increase/decrease
Copper	t	100,943	106,123	5,180
Gold	kg	4,676	3,860	-816
Electrolytic nickel	t	12,005	13,344	1,339
Ferronickel	t	3,557	3,192	-365

Note: Output includes the portions of commissioning and/or commissioned production.

Segment income decreased from the same period of the previous fiscal year, despite a rise in gold prices, due mainly to a fall in prices of other non-ferrous metals.

Although the production levels of electrolytic copper and electrolytic nickel increased from the same period of the previous fiscal year, sales volumes remained unchanged from the same period of the previous fiscal year.

Although the production level at Coral Bay Nickel Corporation increased from the same period of the previous fiscal year, as the impact of the spread of the COVID-19 was minimal, the production level at Taganito HPAL Nickel Corporation decreased from the same period of the previous fiscal year due mainly to the fact that part of the planned suspension period was extended as a result of the spread of the COVID-19.

(Materials segment)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020	Increase/decrease	Rate of change (%)
Net sales	50,914	54,510	3,596	7.1
Segment income (loss)	701	(217)	-918	—

Segment income (loss) decreased from the same period of the previous fiscal year, owing mainly to a negative impact of inventory valuation of battery materials, despite an increased sales volume of powder and other materials compared to the same period of the previous year, which was affected by inventory adjustments.

## (2) Financial Position

## 1) Financial Position

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020	Increase/decrease
Total assets	1,719,690	1,719,115	-575
Total liabilities	608,830	618,438	9,608
Total equity	1,110,860	1,100,677	-10,183

Total assets as of June 30, 2020 were at the same level as of March 31, 2020. Although inventories and time deposits included in other financial assets (current) increased, trade and other receivables decreased. Moreover, investments accounted for using equity method decreased due to a recording of the share of loss of investments accounted for using equity method. A portion of investments accounted for using equity method has been transferred to assets held for sale, as of June 30, 2020.

Total liabilities as of June 30, 2020 increased from those as of March 31, 2020. Despite a decrease in provisions, trade and other payables increased.

Total equity as of June 30, 2020 decreased from those as of March 31, 2020. Although there was an increase in financial assets measured at fair value through other comprehensive income, due to an increase in the prices of stocks held, retained earnings decreased due to the implementation of dividends, and the exchange differences on translation of foreign operations included in other components of equity decreased due to appreciation of the yen.

## 2) Cash Flows

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020	Increase/decrease
Net cash provided by operating activities	25,744	41,059	15,315
Net cash used in investing activities	(6,796)	(27,349)	-20,553
Net cash used in financing activities	(10,433)	(12,193)	-1,760
Effect of exchange rate changes on cash and cash equivalents	(1,274)	(1,535)	-261
Cash and cash equivalents at beginning of period	81,261	155,530	74,269
Cash and cash equivalents at end of period	88,502	155,512	67,010

Net cash provided by operating activities during the first three months of fiscal 2020 increased from the same period of the previous fiscal year, due mainly to an increase in trade and other payables, despite a decrease in profit before tax and an increase in inventories.

Net cash used in investing activities increased from the same period of the previous fiscal year, due mainly to increases in time deposits and purchase of property, plant and equipment.

Net cash used in financing activities increased from the same period of the previous fiscal year, due mainly to an increase in dividends paid.

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

(Millions of yen)

	Net sales	Profit before tax	Profit attributable to owners of parent
Year ending March 31, 2021 (Forecasts)	835,000	48,000	32,000
Year ended March 31, 2020 (Results)	872,615	79,035	60,600
Increase/decrease [Rate of change: %]	-37,615 [-4.3]	-31,035 [-39.3]	-28,600 [-47.2]

## (Overseas market prices and foreign exchange rates)

	Unit	FY2020 First Three Months Results (April 1, 2020 to June 30, 2020)	FY2020 Second Quarter Forecasts (July 1, 2020 to September 30, 2020)	FY2020 First Six Months Forecasts (April 1, 2020 to September 30, 2020)	FY2020 Forecasts (April 1, 2020 to March 31, 2021)
Copper	\$/t	5,341	6,000	5,671	5,835
Gold	\$/TOZ	1,710.2	1,800.0	1,755.1	1,777.6
Nickel	\$/lb	5.53	6.00	5.77	5.88
Exchange rate (TTM)	¥/\$	107.62	107.00	107.31	107.16

The outlook for the global economy remains uncertain due to the spread of the COVID-19, and is expected to show negative growth.

For non-ferrous metals, both copper and nickel are expected to be slightly over-supplied, as the decline in demand more than offsets the decrease in supply. However, due to the spread of the COVID-19, it is difficult to forecast when demand will recover and the decrease in supply will come to an end. For the full year, prices are expected to be 5,835 \$/t for copper (2Q-4Q: 6,000 \$/t) and 5.88 \$/lb for nickel (2Q-4Q: 6.00 \$/lb).

In industries related to the Materials business, although 5G infrastructure and PC-related demands are firm, sales for smartphones and automobiles are experiencing tough circumstances, and a recovery is not expected.

The forecast of consolidated operating results for the fiscal year ending March 31, 2021 was left undetermined, as the outlook for the economic environment was unpredictable due to the spread of the COVID-19. However, assuming a reasonable range based on the information available at the present time, the Company has set the prices of major non-ferrous metals in consideration of current levels, and planned the production levels and sales volumes of major products based on current results. As a result, net sales are expected to reach ¥835.0 billion, profit before tax of ¥48.0 billion, and profit attributable to owners of parent of ¥32.0 billion on a consolidated basis.

## Forecast of consolidated operating results for the full year of the fiscal year ending March 31, 2021

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total	Other Businesses	Adjustments	Total
Net sales	119,000	586,000	223,000	928,000	10,000	(103,000)	835,000
Segment income (loss)	31,000	32,000	2,000	65,000	(2,000)	(15,000)	48,000

## 2. Condensed Quarterly Consolidated Financial Statements and Primary Notes

### (1) Condensed Quarterly Consolidated Statement of Financial Position

	FY2019 (As of March 31, 2020)	First Quarter of FY2020 (As of June 30, 2020)
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	155,530	155,512
Trade and other receivables	123,393	109,319
Other financial assets	8,959	20,371
Inventories	252,799	265,846
Other current assets	20,541	17,592
Subtotal	561,222	568,640
Assets held for sale	—	10,481
Total current assets	561,222	579,121
Non-current assets		
Property, plant and equipment	463,405	459,012
Intangible assets and goodwill	58,338	57,266
Investment property	3,428	3,477
Investments accounted for using equity method	365,090	347,398
Other financial assets	241,957	247,364
Deferred tax assets	8,466	8,241
Other non-current assets	17,784	17,236
Total non-current assets	1,158,468	1,139,994
Total assets	1,719,690	1,719,115

	FY2019 (As of March 31, 2020)	First Quarter of FY2020 (As of June 30, 2020)
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	104,803	115,690
Bonds and borrowings	80,656	87,335
Other financial liabilities	5,019	6,158
Income taxes payable	4,687	2,105
Provisions	4,392	2,662
Other current liabilities	6,753	9,115
Total current liabilities	206,310	223,065
Non-current liabilities		
Bonds and borrowings	316,847	307,494
Other financial liabilities	11,705	12,959
Provisions	21,708	19,447
Retirement benefit liability	14,024	13,933
Deferred tax liabilities	37,394	40,745
Other non-current liabilities	842	795
Total non-current liabilities	402,520	395,373
Total liabilities	608,830	618,438
Equity		
Share capital	93,242	93,242
Capital surplus	87,598	87,598
Treasury shares	(38,002)	(38,004)
Other components of equity	(94)	(677)
Retained earnings	859,202	848,657
Total equity attributable to owners of parent	1,001,946	990,816
Non-controlling interests	108,914	109,861
Total equity	1,110,860	1,100,677
Total liabilities and equity	1,719,690	1,719,115

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income  
(Condensed Quarterly Consolidated Statement of Profit or Loss)

	Three months ended June 30, 2019 (From April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (From April 1, 2020 to June 30, 2020)
	Millions of yen	Millions of yen
Net sales	207,049	196,870
Cost of sales	(184,059)	(178,198)
Gross profit	22,990	18,672
Selling, general and administrative expenses	(12,251)	(10,807)
Finance income	4,620	3,953
Finance costs	(3,689)	(3,420)
Share of profit (loss) of investments accounted for using equity method	4,813	(3,566)
Other income	2,492	571
Other expenses	(1,075)	(1,860)
Profit before tax	17,900	3,543
Income tax expense	(2,512)	(3,307)
Profit	15,388	236
Profit attributable to:		
Owners of parent	14,261	171
Non-controlling interests	1,127	65
Profit	15,388	236
Earnings per share		
Basic earnings per share (Yen)	51.90	0.62
Diluted earnings per share (Yen)	51.90	0.62

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

	Three months ended June 30, 2019 (From April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (From April 1, 2020 to June 30, 2020)
	Millions of yen	Millions of yen
Profit	15,388	236
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	(5,409)	5,948
Share of other comprehensive income of investments accounted for using equity method	18	(35)
Total of items that will not be reclassified to profit or loss	(5,391)	5,913
Items that may be reclassified to profit or loss:		
Cash flow hedges	(462)	(905)
Exchange differences on translation of foreign operations	(2,850)	(4,211)
Share of other comprehensive income of investments accounted for using equity method	(99)	(2,215)
Total of items that may be reclassified to profit or loss	(3,411)	(7,331)
Other comprehensive income, net of tax	(8,802)	(1,418)
Comprehensive income	6,586	(1,182)
Comprehensive income attributable to:		
Owners of parent	6,586	(412)
Non-controlling interests	0	(770)
Comprehensive income	6,586	(1,182)

(3) Condensed Quarterly Consolidated Statement of Changes in Equity  
For the three months ended June 30, 2019 (From April 1, 2019 to June 30, 2019)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
As of April 1, 2019	93,242	87,598	(37,983)	(18,573)	631	43,698
Cumulative effect of accounting change	—	—	—	(1,045)	—	—
Restated balance as of April 1, 2019	93,242	87,598	(37,983)	(19,618)	631	43,698
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	(1,836)	(448)	(5,391)
Total comprehensive income	—	—	—	(1,836)	(448)	(5,391)
Purchase of treasury shares	—	—	(3)	—	—	—
Dividends	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transactions with owners - total	—	—	(3)	—	—	—
As of June 30, 2019	93,242	87,598	(37,986)	(21,454)	183	38,307

	Equity attributable to owners of parent					
	Other components of equity				Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Total	Retained earnings	Total		
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
As of April 1, 2019	—	25,756	878,948	1,047,561	103,719	1,151,280
Cumulative effect of accounting change	—	(1,045)	(56,330)	(57,375)	—	(57,375)
Restated balance as of April 1, 2019	—	24,711	822,618	990,186	103,719	1,093,905
Profit	—	—	14,261	14,261	1,127	15,388
Other comprehensive income	—	(7,675)	—	(7,675)	(1,127)	(8,802)
Total comprehensive income	—	(7,675)	14,261	6,586	0	6,586
Purchase of treasury shares	—	—	—	(3)	—	(3)
Dividends	—	—	(6,045)	(6,045)	(2,038)	(8,083)
Changes in ownership interest in subsidiaries	—	—	—	—	1,019	1,019
Transactions with owners - total	—	—	(6,045)	(6,048)	(1,019)	(7,067)
As of June 30, 2019	—	17,036	830,834	990,724	102,700	1,093,424

For the three months ended June 30, 2020 (From April 1, 2020 to June 30, 2020)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
As of April 1, 2020	93,242	87,598	(38,002)	(26,376)	(916)	27,198
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	(5,471)	(1,025)	5,913
Total comprehensive income	—	—	—	(5,471)	(1,025)	5,913
Purchase of treasury shares	—	—	(2)	—	—	—
Disposal of treasury shares	—	0	0	—	—	—
Dividends	—	—	—	—	—	—
Obtaining of control of subsidiaries	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transactions with owners - total	—	0	(2)	—	—	—
As of June 30, 2020	93,242	87,598	(38,004)	(31,847)	(1,941)	33,111

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Total	Retained earnings			
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
As of April 1, 2020	—	(94)	859,202	1,001,946	108,914	1,110,860
Profit	—	—	171	171	65	236
Other comprehensive income	—	(583)	—	(583)	(835)	(1,418)
Total comprehensive income	—	(583)	171	(412)	(770)	(1,182)
Purchase of treasury shares	—	—	—	(2)	—	(2)
Disposal of treasury shares	—	—	—	0	—	0
Dividends	—	—	(10,716)	(10,716)	(234)	(10,950)
Obtaining of control of subsidiaries	—	—	—	—	28	28
Changes in ownership interest in subsidiaries	—	—	—	—	1,923	1,923
Transactions with owners - total	—	—	(10,716)	(10,718)	1,717	(9,001)
As of June 30, 2020	—	(677)	848,657	990,816	109,861	1,100,677

#### (4) Condensed Quarterly Consolidated Statement of Cash Flows

	Three months ended June 30, 2019 (From April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (From April 1, 2020 to June 30, 2020)
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	17,900	3,543
Depreciation and amortization	11,414	11,522
Share of loss (profit) of investments accounted for using equity method	(4,813)	3,566
Increase or decrease in retirement benefit asset or liability	694	(36)
Increase (decrease) in provisions	(2,552)	(4,432)
Finance income	(4,620)	(3,953)
Finance costs	3,689	3,420
Decrease (increase) in trade and other receivables	24,193	13,631
Decrease (increase) in inventories	7,499	(13,173)
Increase (decrease) in trade and other payables	(33,082)	15,920
Decrease (increase) in advance payments to suppliers	(547)	4,305
Increase (decrease) in accrued consumption taxes	2,013	335
Other	1,733	7,176
Subtotal	23,521	41,824
Interest received	533	310
Dividends received	6,196	3,602
Interest paid	(900)	(766)
Income taxes paid	(3,606)	(3,915)
Income taxes refund	—	4
Net cash provided by (used in) operating activities	25,744	41,059
Cash flows from investing activities		
Payments into time deposits	(611)	(16,643)
Proceeds from withdrawal of time deposits	4,162	3,229
Purchase of property, plant and equipment	(11,367)	(13,496)
Purchase of intangible assets	(624)	(126)
Purchase of shares of subsidiaries and associates	(459)	—
Collection of short-term loans receivable	139	138
Collection of long-term loans receivable	1,531	3
Payments for acquisition of interests in subsidiaries resulting in change in scope of consolidation	—	(419)
Other	433	(35)
Net cash provided by (used in) investing activities	(6,796)	(27,349)
Cash flows from financing activities		
Proceeds from short-term borrowings	40,078	72,290
Repayments of short-term borrowings	(39,413)	(70,039)
Repayments of long-term borrowings	(4,516)	(4,998)

	Three months ended June 30, 2019 (From April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (From April 1, 2020 to June 30, 2020)
	Millions of yen	Millions of yen
Proceeds from share issuance to non-controlling shareholders	1,019	1,949
Dividends paid	(6,045)	(10,716)
Dividends paid to non-controlling interests	(1,032)	(234)
Other	(524)	(445)
Net cash provided by (used in) financing activities	(10,433)	(12,193)
Net increase (decrease) in cash and cash equivalents	8,515	1,517
Cash and cash equivalents at beginning of period	81,261	155,530
Effect of exchange rate changes on cash and cash equivalents	(1,274)	(1,535)
Cash and cash equivalents at end of period	88,502	155,512

## (5) Notes Relating to the Condensed Quarterly Consolidated Financial Statements

### (Note Relating to the Going Concern Assumption)

There are no pertinent items.

### (Changes in Presentation Method)

#### (Condensed Quarterly Consolidated Statement of Cash Flows)

“Increase (decrease) in provisions” and “Decrease (increase) in advance payments to suppliers,” which had been included in “Other” under “Cash flows from operating activities” in the first three months of fiscal 2019, have been presented separately due to their increasing materiality. In order to reflect this change in the presentation method, the Condensed Quarterly Consolidated Statement of Cash Flows for the first three months of fiscal 2019 has been restated.

As a result, in the Condensed Quarterly Consolidated Statement of Cash Flows for the first three months of fiscal 2019, ¥(1,366) million in “Other” under “Cash flows from operating activities” has been reclassified as ¥(2,552) million in “Increase (decrease) in provisions,” ¥(547) million in “Decrease (increase) in advance payments to suppliers” and ¥1,733 million in “Other.”

“Payments for short-term loans receivable,” which had been presented separately under “Cash flows from investing activities” in the first three months of fiscal 2019 has been included in “Other” under “Cash flows from investing activities” due to its decreasing materiality. In order to reflect this change in the presentation method, the Condensed Quarterly Consolidated Statement of Cash Flows for the first three months of fiscal 2019 has been restated.

As a result, in the Condensed Quarterly Consolidated Statement of Cash Flows for the first three months of fiscal 2019, ¥(1) million in “Payments for short-term loans receivable” under “Cash flows from investing activities” has been reclassified as “Other.”

### (Operating Segments)

#### (1) Summary of reportable segments

##### 1) Decision method of the reportable segments

The reportable segments of the Company refer to constitutional units, for which separate financial information is available and that are subject to periodic reviews by the Board of Directors as the supreme, managerial decision-making organ to determine the allocation of management resources and assess their respective operating results.

The Company currently has four business divisions—Mineral Resources Div., Non-Ferrous Metals Div., Battery Materials Div. and Advanced Materials Div.—in the pursuit of effective business operations by products and services. Each of these business divisions plans its own comprehensive strategies to be carried out in Japan and overseas for its own product and service lines and engages in diverse business activities within the Company and through the consolidated subsidiaries and equity-method associates over which it holds jurisdiction. Furthermore, the Company has integrated the operating segments of the Battery Materials Div. and the Advanced Materials Div., as they have similar business characteristics and similar economic characteristics in terms of their customers, etc., and are recognized to be similar in all aspects including product/service characteristics. The Company has classified these operating segments into three core reportable segments of Mineral Resources, Smelting & Refining, and Materials by classifying the mineral resource businesses into Mineral Resources, the metals businesses into Smelting & Refining, and the battery materials businesses and the advanced materials businesses into Materials.

##### 2) Types of products and services that belong to each reportable segment

In the Mineral Resources segment, the SMM Group mainly engages in the exploration, development and production of non-ferrous metal resources in Japan and overseas, as well as sales of ores and products.

In the Smelting & Refining segment, the SMM Group mainly engages in smelting and sales of copper, nickel, ferronickel and zinc, as well as smelting and sales of precious metals such as gold, silver, platinum and palladium.

In the Materials segment, the Company mainly engages in manufacturing, processing and sales of battery materials (e.g., nickel hydroxide, lithium nickel oxide), pastes, powder materials (e.g., nickel powder), crystal materials (e.g., lithium tantalate substrates, lithium niobate substrates) and tape materials; and manufacturing and sales of automotive exhaust processing catalysts, chemical catalysts, petroleum refinery and desulfurization catalysts and autoclaved lightweight concrete (ALC) products.

#### (2) Calculation methods of net sales and income (loss) by reportable segments

The accounting methods employed for the reported operating segments are almost the same as the accounting policies for the creation of Condensed Quarterly Consolidated Financial Statements, with the exception of the recording by each operating segment of amounts corresponding to interest on internal loans, as determined in

the statement of financial position of each segment.

The inter-segment net sales are calculated based on arm's length transaction prices.

Three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(Millions of yen)

	Reportable Segments				Other Businesses <sup>1</sup>	Total	Adjustments <sup>2</sup>	Consolidated Statement of Profit or Loss
	Mineral Resources	Smelting & Refining	Materials	Total				
Net sales:								
Outside customers	19,495	140,148	46,409	206,052	997	207,049	—	207,049
Inter-segment	6,531	6,974	4,505	18,010	1,158	19,168	(19,168)	—
Total	26,026	147,122	50,914	224,062	2,155	226,217	(19,168)	207,049
Segment income	13,340	5,738	701	19,779	0	19,779	(1,879)	17,900

Notes:

1. The Other Businesses segment refers to other income-seeking business activities that are under the control of the Head Office divisions/departments and are engaged in by business segments other than those included in the reportable segments. Other Businesses include real estate and technical engineering businesses.
2. The adjustments for segment income of ¥(1,879) million consist primarily of eliminations of inter-segment transactions and finance income and costs, which are not attributable to the reportable segments.
3. Segment income is adjusted against the profit before tax on the Condensed Quarterly Consolidated Statement of Profit or Loss.

Three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(Millions of yen)

	Reportable Segments				Other Businesses <sup>1</sup>	Total	Adjustments <sup>2</sup>	Consolidated Statement of Profit or Loss
	Mineral Resources	Smelting & Refining	Materials	Total				
Net sales:								
Outside customers	17,168	128,689	50,040	195,897	973	196,870	—	196,870
Inter-segment	13,282	7,403	4,470	25,155	1,297	26,452	(26,452)	—
Total	30,450	136,092	54,510	221,052	2,270	223,322	(26,452)	196,870
Segment income (loss)	3,795	4,155	(217)	7,733	(9)	7,724	(4,181)	3,543

Notes:

1. The Other Businesses segment refers to other income-seeking business activities that are under the control of the Head Office divisions/departments and are engaged in by business segments other than those included in the reportable segments. Other Businesses include real estate and technical engineering businesses.
2. The adjustments for segment income (loss) of ¥(4,181) million consist primarily of eliminations of inter-segment transactions and finance income and costs, which are not attributable to the reportable segments.
3. Segment income (loss) is adjusted against the profit before tax on the Condensed Quarterly Consolidated Statement of Profit or Loss.
4. Due to organizational changes, the reportable segment of SMM Holland B.V., which had previously been included in Adjustments, has been changed to Mineral Resources starting from the fourth quarter of fiscal 2019. Segment information for the three months ended June 30, 2019 has been prepared and disclosed based on the reportable segments of the three months ended June 30, 2020.

### 3. Supplementary Information

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

Segment	Product	Unit	FY2020 First Three Months Results (April 1, 2020 to June 30, 2020)
Mineral Resources	Gold and silver ores  (Gold content)	t	36,219
		¥1,000/DMT	297
		¥million	10,756
		(kg)	(-1,887)
Smelting & Refining	Copper	t	108,741
		¥1,000/t	583
		¥million	63,415
	Gold	kg	4,235
		¥/g	5,922
		¥million	25,079
	Silver	kg	49,344
		¥1,000/kg	56
¥million		2,781	
Nickel	t	15,560	
	¥1,000/t	1,348	
	¥million	20,972	
Materials	Advanced materials, etc.	¥million	37,699

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.