



Consolidated Financial Results for the Third Quarter Ended December 31, 2020 [IFRS]

February 8, 2021

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Listed Company Name: Sumitomo Metal Mining Co., Ltd.
 Code: 5713
 Listings: Tokyo Stock Exchange
 URL: <https://www.smm.co.jp/>
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 Scheduled Date to Submit Quarterly Report: February 10, 2021
 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 December 31, 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	%
Nine months ended December 31, 2020	672,132	4.2	64,582	-4.3	46,934	-12.0	45,402	-11.8	64,492	73.1
Nine months ended December 31, 2019	644,767	-8.3	67,473	-22.2	53,336	-24.0	51,456	-23.0	37,251	-42.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	165.23	165.23
Nine months ended December 31, 2019	187.26	187.26

(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 December 31, 2020	1,775,717	1,159,520	1,052,382	59.3
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	—	22.00	—		
Year ending March 31, 2021 (Forecast)				78.00	100.00

(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		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	904,000	3.6	103,000	30.3	81,000	33.3	78,000	28.7	283.86

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

For further details, please refer to “1. Qualitative Information on Quarterly Financial Results, (3) Forward-Looking Information Including Forecast of Consolidated Operating Results and Other” on page 5.

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 December 31, 2020
 - 290,814,015 shares at March 31, 2020
 - 2) Number of shares of treasury stock as of end of period
 - 16,036,509 shares at December 31, 2020
 - 16,032,485 shares at March 31, 2020
 - 3) Average number of shares during the period
 - 274,779,885 shares for nine months ended December 31, 2020
 - 274,785,486 shares for nine months ended December 31, 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

(Caution Regarding Forward-Looking Statements)

The forecast of consolidated operating results for the year ending March 31, 2021, disclosed on November 9, 2020, has been revised in this report. 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 Quarterly Financial Results)

The Supplementary Explanation Materials will be posted on the Company’s website on Monday, February 8, 2021.

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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
Nine months ended December 31, 2020	672,132	64,582	45,402
Nine months ended December 31, 2019	644,767	67,473	51,456
Increase/decrease	27,365	-2,891	-6,054
[Rate of change: %]	[4.2]	[-4.3]	[-11.8]

(Overseas market prices and foreign exchange rates)

	Unit	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Increase/decrease
Copper	\$/t	5,933	6,345	412
Gold	\$/TOZ	1,421.7	1,832.2	410.5
Nickel	\$/lb	6.54	6.41	-0.13
Exchange rate (TTM)	¥/\$	108.68	106.12	-2.56

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

As for exchange rates, in addition to the re-emergence of COVID-19 in Europe, the United States and elsewhere, the yen tended to appreciate against the dollar due to a relaxation of the dollar supply and demand by lowering long-term interest rates and monetary easing measures in the United States. Accordingly, the average exchange rate for the yen was stronger year over year.

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 COVID-19, prices were on an upward trend, due in part to recovery of the Chinese economy. Gold prices were on an upward trend, reaching their peak in the second quarter of fiscal 2020, in response to uncertainty regarding the future of the global economy due to the impact of COVID-19. As a result, during the first nine months of fiscal 2020, copper and gold prices rose year over year, while average nickel prices fell year over year despite its prices being on a trend toward recovery.

In industries related to the Materials business, due to the stagnation of economic activity as a result of the spread of COVID-19, demand for the Company's automobile battery components was temporarily weak and sales were sluggish. In the smartphone market, although inventory adjustments were made for some components due to the spread of COVID-19, there were signs of a recovery in demand due to progress in fifth-generation mobile communications system (5G), along with other factors.

Under these circumstances, consolidated net sales in the first nine months of fiscal 2020 increased by ¥27,365 million year over year to ¥672,132 million, due mainly to rising year over year copper and gold prices, despite falling year over year nickel prices and reduced sales resulting from a temporary production adjustment in the battery materials business.

Consolidated profit before tax decreased by ¥2,891 million year over year to ¥64,582 million, due mainly to a deterioration in the share of profit (loss) of investments accounted for using equity method, primarily as a result of the impact of the spread of COVID-19 at overseas copper mines, a deterioration in other income resulting from a recording of temporary profit from the sale of land and buildings in the third quarter of fiscal 2019, and an increase in finance costs owing to fluctuations in foreign exchange gains and losses due to the appreciation of the yen, despite an increase in income.

Profit attributable to owners of parent decreased by ¥6,054 million year over year to ¥45,402 million, due mainly to the decrease in consolidated profit before tax.

Operating results by segment are as follows.

(Mineral Resources segment)			(Millions of yen)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Increase/decrease	Rate of change (%)
Net sales	80,471	96,284	15,813	19.7
Segment income	24,983	35,693	10,710	42.9

Segment income increased from the same period of the previous fiscal year, due mainly to the increase in gold prices, despite a decline in sales volumes due to the impact of the spread of COVID-19 and a deterioration in the share of profit (loss) of investments accounted for using equity method, resulting from a recording of expenses during suspension of construction at the Quebrada Blanca Copper Mine (Chile).

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 5 t.

Production levels at the Morenci Copper Mine (United States) (of which the Company holds a 25.0% interest, excluding non-controlling interest) nearly unchanged from the same period of the previous fiscal year at 343,000 t.

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 272,000 t, due mainly to the impact of its operation being temporarily transitioned to a care and maintenance status, in response to the declaration of national state of emergency accompanying the spread of 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 109,000 t, due mainly to an increase in throughput.

(Smelting & Refining segment)			(Millions of yen)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Increase/decrease	Rate of change (%)
Net sales	455,177	488,566	33,389	7.3
Segment income	41,348	34,734	-6,614	-16.0

(Output by the Company's major product)

Product	Unit	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Increase/decrease
Copper	t	285,573	331,566	45,993
Gold	kg	12,627	12,540	-87
Electrolytic nickel	t	44,499	41,054	-3,445
Ferronickel	t	10,477	10,127	-350

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 copper and gold prices, due mainly to a recording of temporary gain on sale of land and buildings in the same period of the previous fiscal year.

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

The production level at Coral Bay Nickel Corporation remained unchanged from the same period of the previous fiscal year as the impact of the spread of COVID-19 was minimal. Meanwhile, the planned suspension period at Taganito HPAL Nickel Corporation was partially extended as a result of the spread of COVID-19. Following the suspension, operations were largely in line with the plan; however, the production level decreased from the same period of the previous fiscal year.

(Materials segment)			(Millions of yen)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Increase/decrease	Rate of change (%)
Net sales	166,049	167,670	1,621	1.0
Segment income	5,663	6,151	488	8.6

Segment income increased from the same period of the previous fiscal year, due mainly to an increase in the sales volume of powder and other materials compared to the same period of the previous year, despite a decrease in the sales volume of battery materials as a result of a temporary production adjustment.

(2) Financial Position

1) Financial Position

(Millions of yen)			
	As of March 31, 2020	As of December 31, 2020	Increase/decrease
Total assets	1,719,690	1,775,717	56,027
Total liabilities	608,830	616,197	7,367
Total equity	1,110,860	1,159,520	48,660

Total assets as of December 31, 2020 increased from those as of March 31, 2020. Although investments accounted for using equity method decreased due to the removal of PT Vale Indonesia Tbk (the Company's affiliate, Smelting & Refining segment, located in the Republic of Indonesia) from affiliates accounted for using equity method as a result of a partial sale of its shares, other financial assets increased, due mainly to the transfer of PT Vale Indonesia Tbk's shares to other financial assets, and an increase in the prices of stocks held.

Total liabilities as of December 31, 2020 increased from those as of March 31, 2020. Although bonds and borrowings decreased due to repayments of borrowings, deferred tax liabilities increased due to the year-end mark-to-market valuation after the transfer of shares of PT Vale Indonesia Tbk to other financial assets. In addition, trade and other payables increased.

Total equity as of December 31, 2020 increased from those as of March 31, 2020. Although there was a decrease in the exchange differences on translation of foreign operations included in other components of equity due to the appreciation of the yen, financial assets measured at fair value through other comprehensive income increased, due to an increase in the prices of stocks held. Additionally, retained earnings increased due to the recording of profit.

2) Cash Flows (Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Increase/decrease
Net cash provided by operating activities	77,832	54,213	-23,619
Net cash used in investing activities	(60,044)	(29,044)	31,000
Net cash provided by (used in) financing activities	13,534	(41,642)	-55,176
Effect of exchange rate changes on cash and cash equivalents	(1,340)	(4,625)	-3,285
Cash and cash equivalents at beginning of period	81,261	155,530	74,269
Cash and cash equivalents at end of period	111,243	134,432	23,189

Net cash provided by operating activities during the first nine months of fiscal 2020 decreased from the same period of the previous fiscal year, due to an increase in trade and other receivables, and an increase in inventories being more than that of the same period of the previous fiscal year, despite an increase in trade and other payables.

Net cash used in investing activities decreased from the same period of the previous fiscal year, due mainly to a decrease in purchase of shares of subsidiaries and associates, accompanied by entry into the Quebrada Blanca Copper Mine (Chile) in the same period of the previous fiscal year, and an increase in proceeds from sale of shares of subsidiaries and associates owing to the partial sale of shares of PT Vale

Indonesia Tbk, despite a decrease in proceeds from sale of property, plant and equipment.

Net cash was used in financing activities in the first nine months of fiscal 2020, due mainly to the absence of proceeds from long-term borrowings and proceeds from issuance of bonds, which were recorded in the same period of the previous fiscal year, and an increase in repayments of long-term borrowings.

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

(Millions of yen)

	Net sales	Profit before tax	Profit	Profit attributable to owners of parent
Year ending March 31, 2021 (Forecasts)	904,000	103,000	81,000	78,000
Year ended March 31, 2020 (Results)	872,615	79,035	60,752	60,600
Increase/decrease [Rate of change: %]	31,385 [3.6]	23,965 [30.3]	21,248 [33.3]	17,400 [28.7]

(Overseas market prices and foreign exchange rates)

		A	B	(Ax3+Bx1)/4
	Unit	FY2020 First Nine Months Results	FY2020 Fourth Quarter Forecasts	FY2020 Forecasts (April 1, 2020 to March 31, 2021)
Copper	\$/t	6,345	7,500	6,634
Gold	\$/TOZ	1,832.2	1,850.0	1,836.6
Nickel	\$/lb	6.41	7.25	6.62
Exchange rate (TTM)	¥/\$	106.12	104.00	105.59

In the business environment surrounding the SMM Group, a slight oversupply of copper and nickel is expected in the non-ferrous metals industry, as the recovery from the contraction in demand due to COVID-19 is expected to be slower than supply. Both copper and nickel prices are expected to remain at appropriate levels in accordance with the balance of supply and demand.

As for industries related to the Materials business, the contraction of demand due to COVID-19 in both areas of automotive applications and communications has bottomed out and demand is expected to remain strong over the medium to long term, despite temporary adjustments in some components.

Despite the lingering uncertainty about the future of the economic environment due to the spread of COVID-19, the forecast of consolidated operating results for fiscal 2020 has been revised based on assumptions in the scope that are currently considered reasonable, revising our forecast for major non-ferrous metals prices by considering the current level and predicting the future supply-demand balance, as well as our forecast for exchange rates based on the current trend. Furthermore, our forecast for production levels and sales volumes of major products has been revised based on current results. Copper and nickel prices are expected to maintain levels above our previous forecast (on November 9, 2020), although gold prices are expected to fall below the previous forecast. As a result, net sales are expected to reach ¥904.0 billion, profit before tax of ¥103.0 billion, profit of ¥81.0 billion, and profit attributable to owners of parent of ¥78.0 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	127,000	649,000	232,000	1,008,000	10,000	(114,000)	904,000
Segment income	65,000	45,000	9,000	119,000	(3,000)	(13,000)	103,000

Reference: Forecast of consolidated operating results for the full year of the fiscal year ending March 31, 2021 (Figures announced on November 9)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total	Other Businesses	Adjustments	Total
Net sales	125,000	607,000	228,000	960,000	10,000	(112,000)	858,000
Segment income	43,000	34,000	5,000	82,000	(2,000)	(13,000)	67,000

2. Condensed Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

	FY2019 (As of March 31, 2020)	Third Quarter of FY2020 (As of December 31, 2020)
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	155,530	134,432
Trade and other receivables	123,393	144,071
Other financial assets	8,959	7,386
Inventories	252,799	302,187
Other current assets	20,541	21,200
Total current assets	561,222	609,276
Non-current assets		
Property, plant and equipment	463,405	443,132
Intangible assets and goodwill	58,338	54,941
Investment property	3,428	3,477
Investments accounted for using equity method	365,090	310,692
Other financial assets	241,957	331,051
Deferred tax assets	8,466	8,143
Other non-current assets	17,784	15,005
Total non-current assets	1,158,468	1,166,441
Total assets	1,719,690	1,775,717

	FY2019 (As of March 31, 2020)	Third Quarter of FY2020 (As of December 31, 2020)
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	104,803	118,659
Bonds and borrowings	80,656	109,724
Other financial liabilities	5,019	7,387
Income taxes payable	4,687	14,478
Provisions	4,392	2,669
Other current liabilities	6,753	10,951
Total current liabilities	206,310	263,868
Non-current liabilities		
Bonds and borrowings	316,847	257,029
Other financial liabilities	11,705	12,367
Provisions	21,708	19,706
Retirement benefit liability	14,024	11,168
Deferred tax liabilities	37,394	51,420
Other non-current liabilities	842	639
Total non-current liabilities	402,520	352,329
Total liabilities	608,830	616,197
Equity		
Share capital	93,242	93,242
Capital surplus	87,598	87,692
Treasury shares	(38,002)	(38,016)
Other components of equity	(94)	21,652
Retained earnings	859,202	887,812
Total equity attributable to owners of parent	1,001,946	1,052,382
Non-controlling interests	108,914	107,138
Total equity	1,110,860	1,159,520
Total liabilities and equity	1,719,690	1,775,717

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

	Nine months ended December 31, 2019 (From April 1, 2019 to December 31, 2019)	Nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)
	Millions of yen	Millions of yen
Net sales	644,767	672,132
Cost of sales	(557,708)	(571,899)
Gross profit	87,059	100,233
Selling, general and administrative expenses	(36,179)	(33,652)
Finance income	10,444	10,257
Finance costs	(6,545)	(10,906)
Share of profit (loss) of investments accounted for using equity method	5,456	(341)
Other income	11,341	4,197
Other expenses	(4,103)	(5,206)
Profit before tax	67,473	64,582
Income tax expense	(14,137)	(17,648)
Profit	53,336	46,934
Profit attributable to:		
Owners of parent	51,456	45,402
Non-controlling interests	1,880	1,532
Profit	53,336	46,934
Earnings per share		
Basic earnings per share (Yen)	187.26	165.23
Diluted earnings per share (Yen)	187.26	165.23

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

	Nine months ended December 31, 2019 (From April 1, 2019 to December 31, 2019)	Nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)
	Millions of yen	Millions of yen
Profit	53,336	46,934
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	1,738	36,818
Share of other comprehensive income of investments accounted for using equity method	65	11
Total of items that will not be reclassified to profit or loss	1,803	36,829
Items that may be reclassified to profit or loss:		
Cash flow hedges	(976)	(881)
Exchange differences on translation of foreign operations	(8,692)	(14,575)
Share of other comprehensive income of investments accounted for using equity method	(8,220)	(3,815)
Total of items that may be reclassified to profit or loss	(17,888)	(19,271)
Other comprehensive income, net of tax	(16,085)	17,558
Comprehensive income	37,251	64,492
Comprehensive income attributable to:		
Owners of parent	37,551	67,118
Non-controlling interests	(300)	(2,626)
Comprehensive income	37,251	64,492

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
For the nine months ended December 31, 2019 (From April 1, 2019 to December 31, 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	—	—	—	(14,743)	(965)	1,803
Total comprehensive income	—	—	—	(14,743)	(965)	1,803
Purchase of treasury shares	—	—	(14)	—	—	—
Disposal of treasury shares	—	0	0	—	—	—
Dividends	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	(9)
Transactions with owners - total	—	0	(14)	—	—	(9)
As of December 31, 2019	93,242	87,598	(37,997)	(34,361)	(334)	45,492

	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, 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	—	—	51,456	51,456	1,880	53,336
Other comprehensive income	—	(13,905)	—	(13,905)	(2,180)	(16,085)
Total comprehensive income	—	(13,905)	51,456	37,551	(300)	37,251
Purchase of treasury shares	—	—	—	(14)	—	(14)
Disposal of treasury shares	—	—	—	0	—	0
Dividends	—	—	(16,762)	(16,762)	(2,795)	(19,557)
Changes in ownership interest in subsidiaries	—	—	—	—	9,597	9,597
Transfer to retained earnings	—	(9)	9	—	—	—
Transactions with owners - total	—	(9)	(16,753)	(16,776)	6,802	(9,974)
As of December 31, 2019	—	10,797	857,321	1,010,961	110,221	1,121,182

For the nine months ended December 31, 2020 (From April 1, 2020 to December 31, 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	—	—	—	(14,101)	(1,012)	36,829
Total comprehensive income	—	—	—	(14,101)	(1,012)	36,829
Purchase of treasury shares	—	—	(15)	—	—	—
Disposal of treasury shares	—	0	1	—	—	—
Dividends	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Obtaining of control of subsidiaries	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	30
Other	—	94	—	—	—	—
Transactions with owners - total	—	94	(14)	—	—	30
As of December 31, 2020	93,242	87,692	(38,016)	(40,477)	(1,928)	64,057

	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	—	—	45,402	45,402	1,532	46,934
Other comprehensive income	—	21,716	—	21,716	(4,158)	17,558
Total comprehensive income	—	21,716	45,402	67,118	(2,626)	64,492
Purchase of treasury shares	—	—	—	(15)	—	(15)
Disposal of treasury shares	—	—	—	1	—	1
Dividends	—	—	(16,762)	(16,762)	(1,094)	(17,856)
Changes in ownership interest in subsidiaries	—	—	—	—	1,916	1,916
Obtaining of control of subsidiaries	—	—	—	—	28	28
Transfer to retained earnings	—	30	(30)	—	—	—
Other	—	—	—	94	—	94
Transactions with owners - total	—	30	(16,792)	(16,682)	850	(15,832)
As of December 31, 2020	—	21,652	887,812	1,052,382	107,138	1,159,520

(4) Condensed Quarterly Consolidated Statement of Cash Flows

	Nine months ended December 31, 2019 (From April 1, 2019 to December 31, 2019)	Nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	67,473	64,582
Depreciation and amortization	33,137	34,430
Loss (gain) on sale of property, plant and equipment	(9,150)	(84)
Share of loss (profit) of investments accounted for using equity method	(5,456)	341
Increase or decrease in retirement benefit asset or liability	(844)	(1,016)
Increase (decrease) in provisions	(2,757)	(4,160)
Finance income	(10,444)	(10,257)
Finance costs	6,545	10,906
Decrease (increase) in trade and other receivables	17,958	(21,405)
Decrease (increase) in inventories	(11,855)	(50,628)
Increase (decrease) in trade and other payables	(16,612)	22,464
Decrease (increase) in advance payments to suppliers	(1,583)	3,141
Increase (decrease) in accrued consumption taxes	707	591
Other	6,071	2,293
Subtotal	73,190	51,198
Interest received	2,597	2,566
Dividends received	11,449	11,097
Interest paid	(4,531)	(2,877)
Income taxes paid	(6,419)	(7,849)
Income taxes refund	1,546	78
Net cash provided by (used in) operating activities	77,832	54,213
Cash flows from investing activities		
Payments into time deposits	(6,533)	(21,400)
Proceeds from withdrawal of time deposits	6,816	21,085
Purchase of property, plant and equipment	(34,031)	(31,937)
Proceeds from sale of property, plant and equipment	10,769	265
Purchase of intangible assets	(517)	(620)
Purchase of shares of subsidiaries and associates	(37,440)	(4,600)
Proceeds from sale of shares of subsidiaries and associates	—	9,943
Collection of short-term loans receivable	258	249
Payments for long-term loans receivable	(1,135)	(2,034)
Collection of long-term loans receivable	1,534	33
Payments for acquisition of interests in subsidiaries resulting in change in scope of consolidation	—	(249)
Other	235	221
Net cash provided by (used in) investing activities	(60,044)	(29,044)

	Nine months ended December 31, 2019 (From April 1, 2019 to December 31, 2019)	Nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)
	Millions of yen	Millions of yen
Cash flows from financing activities		
Proceeds from short-term borrowings	145,558	208,656
Repayments of short-term borrowings	(149,960)	(210,934)
Proceeds from long-term borrowings	27,479	—
Repayments of long-term borrowings	(18,119)	(22,060)
Proceeds from issuance of bonds	19,884	—
Proceeds from share issuance to non-controlling shareholders	9,598	1,916
Dividends paid	(16,762)	(16,762)
Dividends paid to non-controlling interests	(2,795)	(1,094)
Other	(1,349)	(1,364)
Net cash provided by (used in) financing activities	13,534	(41,642)
Net increase (decrease) in cash and cash equivalents	31,322	(16,473)
Cash and cash equivalents at beginning of period	81,261	155,530
Effect of exchange rate changes on cash and cash equivalents	(1,340)	(4,625)
Cash and cash equivalents at end of period	111,243	134,432

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

(Note Relating to the Going Concern Assumption)

There are no pertinent items.

(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.

Nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

(Millions of yen)

	Reportable Segments				Other Businesses ¹	Total	Adjustments ²	Consolidated Statement of Profit or Loss
	Mineral Resources	Smelting & Refining	Materials	Total				
Net sales:								
Outside customers	60,735	429,544	151,465	641,744	3,023	644,767	—	644,767
Inter-segment	19,736	25,633	14,584	59,953	4,046	63,999	(63,999)	—
Total	80,471	455,177	166,049	701,697	7,069	708,766	(63,999)	644,767
Segment income	24,983	41,348	5,663	71,994	219	72,213	(4,740)	67,473

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 ¥(4,740) 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.

Nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

(Millions of yen)

	Reportable Segments				Other Businesses ¹	Total	Adjustments ²	Consolidated Statement of Profit or Loss
	Mineral Resources	Smelting & Refining	Materials	Total				
Net sales:								
Outside customers	54,222	462,517	152,368	669,107	3,025	672,132	—	672,132
Inter-segment	42,062	26,049	15,302	83,413	4,103	87,516	(87,516)	—
Total	96,284	488,566	167,670	752,520	7,128	759,648	(87,516)	672,132
Segment income	35,693	34,734	6,151	76,578	(426)	76,152	(11,570)	64,582

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 ¥(11,570) 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.
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 nine months ended December 31, 2019 has been prepared and disclosed based on the reportable segments of the nine months ended December 31, 2020.

3. Supplementary Information

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

Segment	Product	Unit	FY2020 First Nine Months Results	FY2020 Forecasts
Mineral Resources	Gold and silver ores (Gold content)	t	109,034	147,053
		¥1,000/DMT	273	239
		¥million	29,786	35,272
		(kg)	(5,032)	(6,000)
Smelting & Refining	Copper	t	337,686	437,386
		¥1,000/t	687	711
		¥million	232,067	310,977
		kg	13,126	17,501
	Gold	¥/g	6,265	6,245
		¥million	82,232	109,296
	Silver	kg	151,157	201,257
		¥1,000/kg	74	76
		¥million	11,156	15,365
		Nickel	t	52,562
	¥1,000/t		1,506	1,553
	¥million		79,166	105,877
Materials	Advanced materials, etc.		¥million	113,545

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.