



Consolidated Financial Results for the Year Ended March 31, 2021 [IFRS]

May 10, 2021

[Full version of English translation released on June 1, 2021]

Listed Company Name: Sumitomo Metal Mining Co., Ltd.
 Code: 5713
 Listings: Tokyo Stock Exchange
 URL: <https://www.smm.co.jp/>
 Representative: Akira Nozaki, President and Representative Director
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 Scheduled Ordinary General Meeting of Shareholders: June 25, 2021
 Scheduled Date to Start Dividend Payment: June 28, 2021
 Scheduled Date to Submit Securities Report: June 25, 2021
 Preparation of Supplementary Explanation Materials for Financial Results: Yes
 Briefing on Account Settlement: Yes (for institutional investors)

(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results (From April 1, 2020, to March 31, 2021)

(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 | % |
| Year ended March 31, 2021 | 926,122 | 8.7 | 123,379 | 56.1 | 98,709 | 62.5 | 94,604 | 56.1 | 129,949 | 376.7 |
| Year ended March 31, 2020 | 851,946 | - | 79,035 | -11.6 | 60,752 | -9.7 | 60,600 | -9.3 | 27,259 | -47.2 |

| | Basic earnings per share | Diluted earnings per share | Return on equity | Profit before tax to total assets |
|---------------------------|--------------------------|----------------------------|------------------|-----------------------------------|
| | Yen | Yen | % | % |
| Year ended March 31, 2021 | 344.29 | 344.29 | 8.9 | 6.8 |
| Year ended March 31, 2020 | 220.54 | 220.54 | 5.9 | 4.5 |

(Reference) Equity in earnings (loss) of affiliates

Year ended March 31, 2021: ¥8,719 million;

Year ended March 31, 2020: ¥6,178 million

(Note) Due to retrospective application in accordance with changes in accounting policies for non-free supplied materials, the figures for the fiscal year ended March 31, 2020 have been retrospectively applied and year-on-year change in net sales has been omitted.

(2) Consolidated Financial Position

| | Total assets | Total equity | Equity attributable to owners of parent | Equity attributable to owners of parent ratio | Equity attributable to owners of parent per share |
|----------------------|-----------------|-----------------|---|---|---|
| | Millions of yen | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2021 | 1,885,999 | 1,222,983 | 1,113,923 | 59.1 | 4,053.94 |
| As of March 31, 2020 | 1,719,690 | 1,110,860 | 1,001,946 | 58.3 | 3,646.34 |

(3) Consolidated Cash Flows

| | Net cash provided by operating activities | Net cash used in investing activities | Net cash provided by (used in) financing activities | Cash and cash equivalents at end of period |
|---------------------------|---|---------------------------------------|---|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Year ended March 31, 2021 | 91,522 | (32,393) | (55,758) | 158,373 |
| Year ended March 31, 2020 | 136,545 | (70,334) | 9,149 | 155,530 |

2. Dividends

| | Dividend per share | | | | | Total dividend amount (Annual) | Dividend payout ratio (Consolidated) | Dividend payout ratio to equity attributable to owners of parent (Consolidated) |
|---------------------------------------|--------------------|--------------------|-------------------|----------|--------|--------------------------------|--------------------------------------|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Year ended March 31, 2020 | — | 39.00 | — | 39.00 | 78.00 | 21,433 | 35.4 | 2.1 |
| Year ended March 31, 2021 | — | 22.00 | — | 99.00 | 121.00 | 33,248 | 35.1 | 3.1 |
| Year ending March 31, 2022 (Forecast) | — | 71.00 | — | 62.00 | 133.00 | | 35.1 | |

3. Forecast of Consolidated Operating Results for the Year Ending March 31, 2022 (From April 1, 2021, to March 31, 2022)

(% 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 |
| Second quarter (cumulative) | 522,000 | 24.5 | 73,000 | 182.0 | 61,000 | 252.7 | 56,000 | 220.5 | 203.80 |
| Full year | 1,047,000 | 13.1 | 138,000 | 11.9 | 114,000 | 15.5 | 104,000 | 9.9 | 378.49 |

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: Yes
 - 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 March 31, 2021
 - 290,814,015 shares at March 31, 2020
 - 2) Number of shares of treasury stock as of end of period
 - 16,038,719 shares at March 31, 2021
 - 16,032,485 shares at March 31, 2020
 - 3) Average number of shares during the period
 - 274,778,995 shares for the year ended March 31, 2021
 - 274,784,607 shares for the year ended March 31, 2020

(Reference) Summary of Non-Consolidated Financial Results
 Non-Consolidated Financial Results (From April 1, 2020, to March 31, 2021)

(1) Non-Consolidated Operating Results

(% figures show year-on-year change)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|------------------------------|-----------------|------|------------------|------|-----------------|-------|-----------------|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Year ended March 31, 2021 | 821,176 | 10.5 | 65,251 | 50.4 | 75,303 | -31.8 | 53,702 | -38.9 |
| Year ended March 31, 2020 | 743,418 | -2.0 | 43,371 | 17.2 | 110,491 | 42.3 | 87,940 | 76.9 |

| | Profit per share (Basic) | Profit per share (Diluted) |
|------------------------------|-----------------------------|-------------------------------|
| | Yen | Yen |
| Year ended March 31, 2021 | 195.44 | 195.44 |
| Year ended March 31, 2020 | 320.03 | 320.03 |

(2) Non-Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2021 | 1,300,541 | 804,929 | 61.9 | 2,929.41 |
| As of March 31, 2020 | 1,103,689 | 706,782 | 64.0 | 2,572.16 |

(Reference) Shareholders' equity

As of March 31, 2021: ¥804,929 million;

As of March 31, 2020: ¥706,782 million

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

(Supplementary Explanation Materials for Financial Results)

The Supplementary Explanation Materials will be posted on the Company's website on Monday, May 10, 2021.

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1. Overview of Business Performance, etc.

(1) Overview of Business Performance in Fiscal 2020

1) General overview

(Millions of yen)

| | Net sales | Profit before tax | Profit attributable to owners of parent |
|--|-----------------|-------------------|---|
| Year ended March 31, 2021 | 926,122 | 123,379 | 94,604 |
| Year ended March 31, 2020 | 851,946 | 79,035 | 60,600 |
| Increase/decrease [Rate of change: %] | 74,176 [8.7] | 44,344 [56.1] | 34,004 [56.1] |

(Overseas market prices and foreign exchange rates)

| | Unit | Year ended March 31, 2020 | Year ended March 31, 2021 | Increase/decrease |
|---------------------|--------|---------------------------|---------------------------|-------------------|
| Copper | \$/t | 5,860 | 6,879 | 1,019 |
| Gold | \$/TOZ | 1,462.3 | 1,824.1 | 361.8 |
| Nickel | \$/lb | 6.35 | 6.80 | 0.45 |
| Exchange rate (TTM) | ¥/\$ | 108.74 | 106.07 | -2.67 |

The global economy during the fiscal year ended March 31, 2021 was on a declining trend, against a backdrop of the ongoing spread of COVID-19, among other factors. However, signs of economic recovery were seen in regions such as China and the United States.

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. However, the yen began to weaken against the dollar in the fourth quarter of the fiscal year ended March 31, 2021, due to rising expectations of an economic recovery in the United States. 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 the fiscal year ended March 31, 2021, in response to uncertainty regarding the future of the global economy due to the impact of COVID-19. As a result, during the fiscal year ended March 31, 2021, copper, nickel, and gold prices all 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 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 was a trend toward 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 fiscal year ended March 31, 2021 increased by ¥74,176 million year over year to ¥926,122 million, due mainly to rising year over year copper, nickel, and gold prices, despite reduced sales resulting from a temporary production adjustment in the battery materials business. Effective from the fiscal year ended March 31, 2021, the Company has changed its accounting policy for non-free supplied materials received from customers. This change in accounting policy was applied retrospectively to the previous fiscal year, and net sales are presented accordingly.

Consolidated profit before tax increased by ¥44,344 million year over year to ¥123,379 million, due mainly to an increase in income and an upturn in share of profit of investments accounted for using equity method.

Profit attributable to owners of parent increased by ¥34,004 million year over year to ¥94,604 million, due mainly to the increase in consolidated profit before tax.

2) Reportable segments

(a) Mineral Resources segment

(Millions of yen)

| | Year ended March 31, 2020 | Year ended March 31, 2021 | Increase/decrease | Rate of change (%) |
|----------------|------------------------------|------------------------------|-------------------|--------------------|
| Net sales | 114,861 | 127,042 | 12,181 | 10.6 |
| Segment income | 37,956 | 65,290 | 27,334 | 72.0 |

Segment income increased year over year, due mainly to increases in gold and copper prices, despite a decline in sales volumes due to the impact of the spread of COVID-19 and a deterioration owing to the 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, and the sales volume of gold was in line with the planned amount, nearly unchanged from the previous fiscal year at 6 tons.

Production levels at the Morenci Copper Mine (United States) (of which the Company holds a 25.0% interest, excluding non-controlling interest) fell from the previous fiscal year to 446,000 tons, due mainly to a decrease 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 previous fiscal year to 372,000 tons, 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 149,000 tons, due mainly to an increase in throughput.

(b) Smelting & Refining segment

(Millions of yen)

| | Year ended March 31, 2020 | Year ended March 31, 2021 | Increase/decrease | Rate of change (%) |
|----------------|------------------------------|------------------------------|-------------------|--------------------|
| Net sales | 614,031 | 693,758 | 79,727 | 13.0 |
| Segment income | 48,257 | 55,816 | 7,559 | 15.7 |

(Output by the Company's major product)

| Product | Unit | Year ended March 31, 2020 | Year ended March 31, 2021 | Increase/decrease |
|---------------------|------|------------------------------|------------------------------|-------------------|
| Copper | t | 399,399 | 442,626 | 43,227 |
| Gold | kg | 17,933 | 17,170 | -763 |
| Electrolytic nickel | t | 58,813 | 55,861 | -2,952 |
| Ferronickel | t | 13,539 | 13,023 | -516 |

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

Segment income increased year over year, due mainly to an increase in non-ferrous metals prices.

Although production levels and sales volumes of electrolytic copper increased from the previous fiscal year, production levels and sales volumes of electrolytic nickel decreased from the previous fiscal year.

The production level at Coral Bay Nickel Corporation (Philippines) remained unchanged from 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 (Philippines) 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 previous fiscal year, partly due to the impact of heavy rainfall.

(c) Materials segment (Millions of yen)

| | Year ended March 31, 2020 | Year ended March 31, 2021 | Increase/decrease | Rate of change (%) |
|----------------|---------------------------|---------------------------|-------------------|--------------------|
| Net sales | 207,966 | 211,533 | 3,567 | 1.7 |
| Segment income | 5,274 | 11,326 | 6,052 | 114.8 |

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

(2) Overview of Financial Position in Fiscal 2020

Consolidated Statement of Financial Position (Millions of yen)

| | As of March 31, 2020 | As of March 31, 2021 | Increase/decrease |
|-------------------|----------------------|----------------------|-------------------|
| Total assets | 1,719,690 | 1,885,999 | 166,309 |
| Total liabilities | 608,830 | 663,016 | 54,186 |
| Total equity | 1,110,860 | 1,222,983 | 112,123 |

Total assets as of March 31, 2021 increased from those as of March 31, 2020. The main changes are described below. Although investments accounted for using equity method decreased due mainly to the removal of PT Vale Indonesia Tbk (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. Inventories and trade and other receivables also increased, due mainly to a rise in non-ferrous metals prices.

Total liabilities increased from those as of March 31, 2020. The main changes are described below. Although bonds and borrowings decreased due to repayments of borrowings, trade and other payables, as well as deferred tax liabilities for the valuation difference on shares held increased.

Total equity increased from those as of March 31, 2020. The main changes are described below. 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.

Consolidated Statement of Cash Flows (Millions of yen)

| | Year ended March 31, 2020 | Year ended March 31, 2021 | Increase/decrease |
|--|---------------------------|---------------------------|-------------------|
| Net cash provided by operating activities | 136,545 | 91,522 | -45,023 |
| Net cash used in investing activities | (70,334) | (32,393) | 37,941 |
| Net cash provided by (used in) financing activities | 9,149 | (55,758) | -64,907 |
| Effect of exchange rate changes on cash and cash equivalents | (1,091) | (528) | 563 |
| Cash and cash equivalents at beginning of period | 81,261 | 155,530 | 74,269 |
| Cash and cash equivalents at end of period | 155,530 | 158,373 | 2,843 |

Net cash provided by operating activities during the fiscal year ended March 31, 2021 decreased from the previous fiscal year, due mainly to increases in inventories and trade and other receivables, despite an increase in profit before tax from the previous fiscal year, and an increase in trade and other payables.

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

Net cash was used in financing activities, due mainly to a decrease in proceeds from long-term

borrowings from the previous fiscal year, as well as the absence of proceeds from issuance of bonds, and increases in repayments of short-term borrowings and repayments of long-term borrowings.

Cash flow indicators

| | Mar. 31, 2018 | Mar. 31, 2019 | Mar. 31, 2020 | Mar. 31, 2021 |
|--|------------------|------------------|------------------|------------------|
| Equity attributable to owners of parent ratio (%) | 59.4 | 58.3 | 58.3 | 59.1 |
| Equity attributable to owners of parent ratio based on market capitalization (%) | 71.1 | 50.0 | 35.4 | 69.6 |
| Cash flows/Interest-bearing debt ratio (times) | 4.6 | 3.1 | 2.7 | 3.7 |
| Interest coverage ratio (times) | 12.9 | 17.0 | 20.5 | 23.9 |

Notes:

- Equity attributable to owners of parent ratio: Equity attributable to owners of parent / Total assets
Equity attributable to owners of parent ratio based on market capitalization: Market capitalization / Total assets
Cash flows/Interest-bearing debt ratio: Interest-bearing debt / Cash flows
Interest coverage ratio: Cash flows / Interest payment
- All of the above indicators are calculated for their respective values on a consolidated basis.
- Market capitalization is calculated based on the number of shares issued at the end of the fiscal year after deducting treasury shares.
- Cash flows employs “Net cash provided by (used in) operating activities” in the Consolidated Statement of Cash Flows.
- Interest-bearing debt indicates the liabilities for which interest is paid on all the liabilities posted in the Consolidated Statement of Financial Position. Interest payment corresponds to the amount of “Interest paid” in the Consolidated Statement of Cash Flows.
- Cash flow indicators before the fiscal year ended March 31, 2018 are not disclosed as the transition date to IFRS was April 1, 2017 and IFRS has been applied from the fiscal year ended March 31, 2019.

(3) Future Outlook

(a) General overview

(Millions of yen)

| | Net sales | Profit before tax | Profit | Profit attributable to owners of parent |
|--|-------------------|-------------------|------------------|---|
| Year ending March 31, 2022 (Forecast) | 1,047,000 | 138,000 | 114,000 | 104,000 |
| Year ended March 31, 2021 (Results) | 926,122 | 123,379 | 98,709 | 94,604 |
| Increase/decrease [Rate of change: %] | 120,878 [13.1] | 14,621 [11.9] | 15,291 [15.5] | 9,396 [9.9] |

(Overseas market prices and foreign exchange rates)

| | Unit | Year ended March 31, 2021 Results | Year ending March 31, 2022 Forecast | Increase/decrease |
|---------------------|--------|---|---|-------------------|
| Copper | \$/t | 6,879 | 7,800 | 921 |
| Gold | \$/TOZ | 1,824.1 | 1,700.0 | -124.1 |
| Nickel | \$/lb | 6.80 | 7.00 | 0.20 |
| Exchange rate (TTM) | ¥/\$ | 106.07 | 107.00 | 0.93 |

Although the global economy is expected to recover to a certain extent due to an expansion of the monetary and fiscal policies of various countries in response to the spread of the COVID-19, as well as the spread of vaccines, the economy could deteriorate rapidly, depending on the COVID-19 situation. While non-ferrous metals prices have remained high due to expectations of an upturn in the economic climate and the inflow of surplus funds into the commodities market, there is a risk of a sharp decline, as the prices are regarded to be at a level that deviates from the supply and demand environment. Against this backdrop, supply and demand for non-ferrous metals of copper and nickel is expected to be nearly

balanced or exhibit a slight surplus in supply, and the prices for the next fiscal year are forecast to be \$7,800 per ton for copper (\$6,879 per ton for the fiscal year ended March 31, 2021) and \$7.00 per pound for nickel (\$6.80 per pound for the fiscal year ended March 31, 2021).

As for industries related to the materials business, although demand is expected to continue to grow due to accelerated efforts to become carbon neutral and support digital transformation, the situation remains unpredictable due to concerns regarding the impact of a shortage of semiconductors for automobiles.

With regard to the forecast for consolidated operating results for the fiscal year ending March 31, 2022, our forecast for major non-ferrous metals prices was set by considering the current level and predicting the future supply-demand balance, and our forecast for production levels and sales volumes of major products was planned based on current results. As a result, net sales are expected to reach ¥1,047.0 billion, profit before tax of ¥138.0 billion, profit of ¥114.0 billion, and profit attributable to owners of parent of ¥104.0 billion on a consolidated basis.

As for segment income, please refer to “(b) Reportable segments” below.

| (b) Reportable segments | | | | | | | (Millions of yen) |
|-------------------------|-------------------|---------------------|-----------|-----------|------------------|-------------|--|
| | Mineral Resources | Smelting & Refining | Materials | Total | Other Businesses | Adjustments | Amount recorded on Consolidated Financial Statements |
| Net sales | 130,000 | 724,000 | 252,000 | 1,106,000 | 10,000 | (69,000) | 1,047,000 |
| Segment income | 89,000 | 37,000 | 11,000 | 137,000 | (2,000) | 3,000 | 138,000 |

2. Basic Concept Behind the Selection of Accounting Standards

The Company has voluntarily applied IFRS from the first quarter of the fiscal year ended March 31, 2019 as part of its efforts to enhance management foundations and respond to globalization.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statement of Financial Position

| | FY2019 (As of March 31, 2020) | FY2020 (As of March 31, 2021) |
|---|----------------------------------|----------------------------------|
| | Millions of yen | Millions of yen |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 155,530 | 158,373 |
| Trade and other receivables | 123,393 | 153,645 |
| Other financial assets | 8,959 | 3,995 |
| Inventories | 249,884 | 323,229 |
| Other current assets | 23,456 | 34,494 |
| Total current assets | 561,222 | 673,736 |
| Non-current assets | | |
| Property, plant and equipment | 463,405 | 457,662 |
| Intangible assets and goodwill | 58,338 | 53,180 |
| Investment property | 3,428 | 3,477 |
| Investments accounted for using equity method | 365,090 | 311,768 |
| Other financial assets | 241,957 | 354,465 |
| Deferred tax assets | 8,466 | 8,693 |
| Other non-current assets | 17,784 | 23,018 |
| Total non-current assets | 1,158,468 | 1,212,263 |
| Total assets | 1,719,690 | 1,885,999 |

| | FY2019 (As of March 31, 2020) | FY2020 (As of March 31, 2021) |
|---|----------------------------------|----------------------------------|
| | Millions of yen | Millions of yen |
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 104,803 | 151,128 |
| Bonds and borrowings | 80,656 | 120,725 |
| Other financial liabilities | 5,019 | 6,794 |
| Income taxes payable | 4,687 | 22,544 |
| Provisions | 4,392 | 4,952 |
| Other current liabilities | 6,753 | 19,179 |
| Total current liabilities | 206,310 | 325,322 |
| Non-current liabilities | | |
| Bonds and borrowings | 316,847 | 239,702 |
| Other financial liabilities | 11,705 | 11,499 |
| Provisions | 21,708 | 22,650 |
| Retirement benefit liability | 14,024 | 5,851 |
| Deferred tax liabilities | 37,394 | 57,041 |
| Other non-current liabilities | 842 | 951 |
| Total non-current liabilities | 402,520 | 337,694 |
| Total liabilities | 608,830 | 663,016 |
| Equity | | |
| Share capital | 93,242 | 93,242 |
| Capital surplus | 87,598 | 87,604 |
| Treasury shares | (38,002) | (38,027) |
| Other components of equity | (94) | 25,148 |
| Retained earnings | 859,202 | 945,956 |
| Total equity attributable to owners of parent | 1,001,946 | 1,113,923 |
| Non-controlling interests | 108,914 | 109,060 |
| Total equity | 1,110,860 | 1,222,983 |
| Total liabilities and equity | 1,719,690 | 1,885,999 |

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

| | FY2019 (From April 1, 2019 to March 31, 2020) | FY2020 (From April 1, 2020 to March 31, 2021) |
|--|---|---|
| | Millions of yen | Millions of yen |
| Net sales | 851,946 | 926,122 |
| Cost of sales | (742,475) | (775,246) |
| Gross profit | 109,471 | 150,876 |
| Selling, general and administrative expenses | (49,098) | (46,297) |
| Finance income | 15,390 | 22,955 |
| Finance costs | (7,858) | (4,757) |
| Share of profit of investments accounted for using equity method | 6,178 | 8,719 |
| Other income | 12,855 | 5,757 |
| Other expenses | (7,903) | (13,874) |
| Profit before tax | 79,035 | 123,379 |
| Income tax expense | (18,283) | (24,670) |
| Profit | 60,752 | 98,709 |
| Profit attributable to: | | |
| Owners of parent | 60,600 | 94,604 |
| Non-controlling interests | 152 | 4,105 |
| Profit | 60,752 | 98,709 |
| Earnings per share | | |
| Basic earnings per share (Yen) | 220.54 | 344.29 |
| Diluted earnings per share (Yen) | 220.54 | 344.29 |

(Consolidated Statement of Comprehensive Income)

| | FY2019 (From April 1, 2019 to March 31, 2020) | FY2020 (From April 1, 2020 to March 31, 2021) |
|--|---|---|
| | Millions of yen | Millions of yen |
| Profit | 60,752 | 98,709 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss: | | |
| Financial assets measured at fair value through other comprehensive income | (21,126) | 44,921 |
| Remeasurements of defined benefit plans | (2,520) | 8,639 |
| Share of other comprehensive income of investments accounted for using equity method | (115) | 304 |
| Total of items that will not be reclassified to profit or loss | (23,761) | 53,864 |
| Items that will be reclassified to profit or loss: | | |
| Cash flow hedges | (1,645) | (1,005) |
| Exchange differences on transition of foreign operations | (5,108) | (14,539) |
| Share of other comprehensive income of investments accounted for using equity method | (2,979) | (7,080) |
| Total of items that will be reclassified to profit or loss | (9,732) | (22,624) |
| Other comprehensive income, net of tax | (33,493) | 31,240 |
| Comprehensive income | 27,259 | 129,949 |
| Comprehensive income attributable to: | | |
| Owners of parent | 28,541 | 128,758 |
| Non-controlling interests | (1,282) | 1,191 |
| Comprehensive income | 27,259 | 129,949 |

(3) Consolidated Statement of Changes in Equity
FY2019 (From April 1, 2019 to March 31, 2020)

| | Equity attributable to owners of parent | | | | | |
|---|---|-----------------|-----------------|--|------------------|--|
| | Share capital | Capital surplus | Treasury shares | Other components of equity | | |
| | | | | Exchange differences on transition 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 | — | — | — | (6,758) | (1,547) | (21,039) |
| Total comprehensive income | — | — | — | (6,758) | (1,547) | (21,039) |
| Purchase of treasury shares | — | — | (19) | — | — | — |
| Disposal of treasury shares | — | 0 | 0 | — | — | — |
| Dividends | — | — | — | — | — | — |
| Changes in ownership interest in subsidiaries | — | — | — | — | — | — |
| Transfer to retained earnings | — | — | — | — | — | 4,539 |
| Transactions with owners - total | — | 0 | (19) | — | — | 4,539 |
| As of March 31, 2020 | 93,242 | 87,598 | (38,002) | (26,376) | (916) | 27,198 |

| | 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 | — | — | 60,600 | 60,600 | 152 | 60,752 |
| Other comprehensive income | (2,715) | (32,059) | — | (32,059) | (1,434) | (33,493) |
| Total comprehensive income | (2,715) | (32,059) | 60,600 | 28,541 | (1,282) | 27,259 |
| Purchase of treasury shares | — | — | — | (19) | — | (19) |
| Disposal of treasury shares | — | — | — | 0 | — | 0 |
| Dividends | — | — | (16,762) | (16,762) | (3,121) | (19,883) |
| Changes in ownership interest in subsidiaries | — | — | — | — | 9,598 | 9,598 |
| Transfer to retained earnings | 2,715 | 7,254 | (7,254) | — | — | — |
| Transactions with owners - total | 2,715 | 7,254 | (24,016) | (16,781) | 6,477 | (10,304) |
| As of March 31, 2020 | — | (94) | 859,202 | 1,001,946 | 108,914 | 1,110,860 |

FY2020 (From April 1, 2020 to March 31, 2021)

| | Equity attributable to owners of parent | | | | | |
|---|---|-----------------|-----------------|--|------------------|--|
| | Share capital | Capital surplus | Treasury shares | Other components of equity | | |
| | | | | Exchange differences on transition 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 | — | — | — | (18,707) | (1,071) | 44,946 |
| Total comprehensive income | — | — | — | (18,707) | (1,071) | 44,946 |
| Purchase of treasury shares | — | — | (25) | — | — | — |
| Disposal of treasury shares | — | 1 | 0 | — | — | — |
| Dividends | — | — | — | — | — | — |
| Changes in ownership interest in subsidiaries | — | 5 | — | — | — | — |
| Obtaining of control of subsidiaries | — | — | — | — | — | — |
| Transfer to retained earnings | — | — | — | — | — | 74 |
| Transactions with owners - total | — | 6 | (25) | — | — | 74 |
| As of March 31, 2021 | 93,242 | 87,604 | (38,027) | (45,083) | (1,987) | 72,218 |

| | 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 | — | — | 94,604 | 94,604 | 4,105 | 98,709 |
| Other comprehensive income | 8,986 | 34,154 | — | 34,154 | (2,914) | 31,240 |
| Total comprehensive income | 8,986 | 34,154 | 94,604 | 128,758 | 1,191 | 129,949 |
| Purchase of treasury shares | — | — | — | (25) | — | (25) |
| Disposal of treasury shares | — | — | — | 1 | — | 1 |
| Dividends | — | — | (16,762) | (16,762) | (3,224) | (19,986) |
| Changes in ownership interest in subsidiaries | — | — | — | 5 | 2,151 | 2,156 |
| Obtaining of control of subsidiaries | — | — | — | — | 28 | 28 |
| Transfer to retained earnings | (8,986) | (8,912) | 8,912 | — | — | — |
| Transactions with owners - total | (8,986) | (8,912) | (7,850) | (16,781) | (1,045) | (17,826) |
| As of March 31, 2021 | — | 25,148 | 945,956 | 1,113,923 | 109,060 | 1,222,983 |

(4) Consolidated Statement of Cash Flows

| | FY2019 (From April 1, 2019 to March 31, 2020) | FY2020 (From April 1, 2020 to March 31, 2021) |
|---|---|---|
| | Millions of yen | Millions of yen |
| Cash flows from operating activities | | |
| Profit before tax | 79,035 | 123,379 |
| Depreciation and amortization expense | 45,355 | 45,729 |
| Loss (gain) on sale of property, plant and equipment | (8,616) | (174) |
| Impairment losses | 1,506 | 262 |
| Share of loss (profit) of investments accounted for using equity method | (6,178) | (8,719) |
| Loss (gain) on sale of subsidiaries | 488 | — |
| Increase or decrease in retirement benefit asset or liability | 892 | (14,646) |
| Increase (decrease) in provisions | (1,635) | (2,392) |
| Finance income | (15,390) | (22,955) |
| Finance costs | 7,858 | 4,757 |
| Decrease (increase) in trade and other receivables | 26,820 | (30,489) |
| Decrease (increase) in inventories | 36,842 | (70,653) |
| Increase (decrease) in trade and other payables | (28,825) | 52,133 |
| Decrease (increase) in advance payments to suppliers | (3,788) | 3,144 |
| Increase (decrease) in accrued consumption taxes | 553 | (187) |
| Other | 235 | 8,587 |
| Subtotal | 135,152 | 87,776 |
| Interest received | 5,112 | 4,034 |
| Dividends received | 11,991 | 11,991 |
| Interest paid | (6,669) | (3,834) |
| Income taxes paid | (10,587) | (8,463) |
| Income taxes refund | 1,546 | 78 |
| Net cash provided by (used in) operating activities | 136,545 | 91,522 |
| Cash flows from investing activities | | |
| Payments into time deposits | (9,272) | (21,401) |
| Proceeds from withdrawal of time deposits | 10,652 | 24,736 |
| Purchase of property, plant and equipment | (45,778) | (39,267) |
| Proceeds from sale of property, plant and equipment | 10,849 | 375 |
| Purchase of intangible assets | (695) | (1,203) |
| Proceeds from sale of investment securities | 6,307 | 821 |
| Purchase of shares of subsidiaries and associates | (43,657) | (4,566) |
| Proceeds from sale of shares of subsidiaries and associates | — | 9,943 |
| Collection of short-term loans receivable | 260 | 253 |
| Payments for long-term loans receivable | (3,246) | (3,424) |
| Collection of long-term loans receivable | 3,138 | 1,596 |

| | FY2019 (From April 1, 2019 to March 31, 2020) | FY2020 (From April 1, 2020 to March 31, 2021) |
|---|---|---|
| | Millions of yen | Millions of yen |
| Proceeds from sale of interests in subsidiaries resulting in change in scope of consolidation | 885 | — |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | — | (249) |
| Other | 223 | (7) |
| Net cash provided by (used in) investing activities | (70,334) | (32,393) |
| Cash flows from financing activities | | |
| Proceeds from short-term borrowings | 188,223 | 252,439 |
| Repayments of short-term borrowings | (185,585) | (256,969) |
| Proceeds from long-term borrowings | 28,629 | 1,350 |
| Repayments of long-term borrowings | (29,891) | (32,908) |
| Proceeds from issuance of bonds | 19,884 | — |
| Proceeds from share issuance to non-controlling shareholders | 9,598 | 2,158 |
| Purchase of treasury shares | (19) | (25) |
| Dividends paid | (16,762) | (16,762) |
| Dividends paid to non-controlling interests | (3,121) | (3,224) |
| Other | (1,807) | (1,817) |
| Net cash provided by (used in) financing activities | 9,149 | (55,758) |
| Net increase (decrease) in cash and cash equivalents | 75,360 | 3,371 |
| Cash and cash equivalents at beginning of period | 81,261 | 155,530 |
| Effect of exchange rate changes on cash and cash equivalents | (1,091) | (528) |
| Cash and cash equivalents at end of period | 155,530 | 158,373 |

(5) Notes Relating to the Consolidated Financial Statements

(Note Relating to the Going Concern Assumption)

There are no pertinent items.

(Changes in Accounting Policies)

(Changes in the Accounting Policy for Non-free Supplied Materials)

The SMM Group had previously posted amounts relating to non-free supplied materials received from customers under inventories and reported them as net sales and cost of sales at the time of delivery. However, from the fiscal year ended March 31, 2021, the SMM Group has adopted the policy of reporting such amounts under other current assets, instead of reporting them as net sales and cost of sales at the time of delivery. This change was due to a review of the criteria for determining whether the SMM Group had control over the non-free supplied materials, after which it was determined that control over such non-free supplied materials had not been obtained.

This change in accounting policy was applied retrospectively, and the consolidated financial statements of the fiscal year ended March 31, 2020 represent the amounts after such retrospective application.

As a result, compared to the amounts before the retrospective application of this accounting policy, in the fiscal year ended March 31, 2020, “inventories” decreased by ¥2,915 million and “other current assets” increased by ¥2,915 million, while “net sales” and “cost of sales” decreased by ¥20,669 million, respectively. However, there was no effect on profit before tax. In addition, under cash flows from operating activities in the Consolidated Statement of Cash Flows, “decrease (increase) in inventories” increased by ¥1,511 million and “other” decreased by ¥1,511 million.

There was no effect on basic earnings per share and diluted earnings per share for the fiscal year ended March 31, 2020.

In the fiscal year ended March 31, 2021, compared to the amounts based on the previous accounting method, “inventories” decreased by ¥2,615 million and “other current assets” increased by ¥2,615 million, while “net sales” and “cost of sales” decreased by ¥22,060 million, respectively. However, there was no effect on profit before tax. In addition, under cash flows from operating activities in the Consolidated Statement of Cash Flows, “decrease (increase) in inventories” decreased by ¥300 million and “other” increased by ¥300 million.

There was no effect on basic earnings per share and diluted earnings per share for the fiscal year ended March 31, 2021.

The effect on segment information has been stated in the relevant sections.

(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) Information on the amounts of net sales, income (loss), assets and other items by reportable segment
The accounting methods employed for the reported operating segments are almost the same as the accounting policies for the creation of 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.

Year Ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Millions of yen)

| | Reportable Segments | | | | Other Businesses ² | Adjustments ³ | Consolidated Statement of Profit or Loss |
|--|---------------------|---------------------|------------------------|-----------|-------------------------------|--------------------------|--|
| | Mineral Resources | Smelting & Refining | Materials ¹ | Total | | | |
| Net sales: | | | | | | | |
| Outside customers | 79,951 | 578,999 | 188,782 | 847,732 | 4,214 | — | 851,946 |
| Inter-segment | 34,910 | 35,032 | 19,184 | 89,126 | 5,806 | (94,932) | — |
| Total | 114,861 | 614,031 | 207,966 | 936,858 | 10,020 | (94,932) | 851,946 |
| Segment income [Profit (loss) before tax] | 37,956 | 48,257 | 5,274 | 91,487 | (911) | (11,541) | 79,035 |
| Segmental assets | 609,805 | 661,437 | 224,893 | 1,496,135 | 27,774 | 195,781 | 1,719,690 |
| Other information: | | | | | | | |
| Depreciation and amortization expense | (12,841) | (20,581) | (9,360) | (42,782) | (582) | (1,991) | (45,355) |
| Finance income | 12,143 | 5,480 | 1,565 | 19,188 | 1 | (3,799) | 15,390 |
| Finance costs | (3,550) | (4,156) | (386) | (8,092) | (34) | 268 | (7,858) |
| Share of profit (loss) of entities accounted for using equity method | (2,240) | 4,668 | 2,820 | 5,248 | — | 930 | 6,178 |
| Impairment losses on non-financial assets | (657) | — | (783) | (1,440) | — | (66) | (1,506) |
| Other profit (loss) | 685 | 6,968 | (268) | 7,385 | (2,078) | (355) | 4,952 |
| Capital expenditures | 14,551 | 24,305 | 8,245 | 47,101 | 636 | 2,952 | 50,689 |
| Investments accounted for using equity method | 240,262 | 104,216 | 24,124 | 368,602 | — | (3,512) | 365,090 |

Year Ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

| | Reportable Segments | | | | Other Businesses ² | Adjustments ³ | Consolidated Statement of Profit or Loss |
|--|---------------------|---------------------|------------------------|-----------|-------------------------------|--------------------------|--|
| | Mineral Resources | Smelting & Refining | Materials ¹ | Total | | | |
| Net sales: | | | | | | | |
| Outside customers | 75,688 | 656,536 | 190,039 | 922,263 | 3,859 | — | 926,122 |
| Inter-segment | 51,354 | 37,222 | 21,494 | 110,070 | 5,844 | (115,914) | — |
| Total | 127,042 | 693,758 | 211,533 | 1,032,333 | 9,703 | (115,914) | 926,122 |
| Segment income [Profit (loss) before tax] | 65,290 | 55,816 | 11,326 | 132,432 | (2,758) | (6,295) | 123,379 |
| Segmental assets | 641,960 | 738,079 | 246,408 | 1,626,447 | 26,240 | 233,312 | 1,885,999 |
| Other information: | | | | | | | |
| Depreciation and amortization expense | (12,323) | (20,622) | (10,166) | (43,111) | (636) | (1,982) | (45,729) |
| Finance income | 18,208 | 2,234 | 1,079 | 21,521 | — | 1,434 | 22,955 |
| Finance costs | (2,258) | (2,082) | (347) | (4,687) | (26) | (44) | (4,757) |
| Share of profit (loss) of entities accounted for using equity method | 612 | 6,000 | 3,170 | 9,782 | — | (1,063) | 8,719 |
| Impairment losses on non-financial assets | — | — | (262) | (262) | — | — | (262) |
| Other profit (loss) | 1,172 | (419) | 333 | 1,086 | (3,628) | (5,575) | (8,117) |
| Capital expenditures | 10,236 | 16,071 | 6,365 | 32,672 | 764 | 1,623 | 35,059 |
| Investments accounted for using equity method | 247,517 | 63,553 | 25,735 | 336,805 | — | (25,037) | 311,768 |

Notes:

- As stated in (Changes in Accounting Policies), starting from the fiscal year ended March 31, 2021, the accounting policy for non-free supplied materials has been changed, and accordingly, the method for measurement of the net sales of the operating segments has also been changed. As a result of this change, compared to the amounts before the retrospective application of this accounting policy, in the fiscal year ended March 31, 2020, net sales to outside customers in the Materials segment decreased by ¥20,669 million, although there was no effect on segment income. In addition, in the fiscal year ended March 31,

2021, compared to the amounts based on the previous accounting method, net sales to outside customers decreased by ¥22,060 million, although there was no effect on segment income.

2. The Other Businesses segment refers to operating segments and 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.
3. The adjustments are as follows:
 - 1) The adjustments for segment income (loss) are as follows:

(Millions of yen)

| | FY2019 (from April 1, 2019, to March 31, 2020) | FY2020 (from April 1, 2020, to March 31, 2021) |
|--|--|--|
| Head Office expenses not allocated to each reportable segment ^a | (3,903) | (2,582) |
| Internal interest rate | 890 | 867 |
| Eliminations of inter-segmental transactions among the reportable segments | (2,861) | 48 |
| Income/expenses not allocated to each reportable segment ^b | (5,667) | (4,628) |
| Adjustments for segment income (loss) | (11,541) | (6,295) |

- a. The Head Office expenses not allocated to each reportable segment consist of general administrative expenses not attributable to the reportable segments.
- b. Income/expenses not allocated to each reportable segment consist of finance income and costs, etc. not attributable to reportable segments.

- 2) The adjustments for segmental assets are as follows:

(Millions of yen)

| | FY2019 (from April 1, 2019, to March 31, 2020) | FY2020 (from April 1, 2020, to March 31, 2021) |
|---|--|--|
| Corporate assets not allocated to each reportable segment* | 490,561 | 651,693 |
| Offsets and eliminations, etc. of inter-segmental receivables among the reportable segments, including those toward Head Office divisions/departments | (294,780) | (418,381) |
| Adjustments for segmental assets | 195,781 | 233,312 |

* The corporate assets not allocated to each reportable segment refer to the assets under the control of the Head Office divisions/departments, which are not attributable to the reportable segments.

- 3) The adjustments for depreciation and amortization expense refer to depreciation and amortization expense at the Head Office divisions/departments, which are not allocated to the reportable segments.
- 4) The adjustments for finance income and costs refer to interest income and interest expenses at the Head Office divisions/departments, which are not allocated to the reportable segments, and eliminations of transactions among the reportable segments.
- 5) The adjustments for share of profit (loss) of entities accounted for using equity method refer to the deduction of unrealized income relating to the inter-segmental transactions among the reportable segments.
- 6) The adjustments for impairment losses on non-financial assets refer to impairment losses at the Head Office divisions/departments, which are not allocated to the reportable segments.
- 7) The adjustments for other profit or loss refer to other profit and other expenses at the Head Office divisions/departments, which are not allocated to the reportable segments, and eliminations of transactions among the reportable segments.
- 8) The adjustments for capital expenditures refer to increases at the Head Office divisions/departments, which are not allocated to the reportable segments.
- 9) The adjustments for investments accounted for using equity method refer to exchange differences on transition of foreign operations.

(Per Share Information)

| | FY2019 (from April 1, 2019, to March 31, 2020) | FY2020 (from April 1, 2020, to March 31, 2021) |
|--|--|--|
| Profit attributable to owners of parent (Millions of yen) | 60,600 | 94,604 |
| Adjustments for profit (Millions of yen) | — | — |
| Profit used to calculate diluted earnings per share (Millions of yen) | 60,600 | 94,604 |
| Weighted average number of ordinary shares outstanding (Thousands of shares) | 274,785 | 274,779 |
| Increase in shares of common stock (Thousands of shares) | — | — |
| Weighted average number of diluted common stock (Thousands of shares) | 274,785 | 274,779 |
| Basic earnings per share (Yen) | 220.54 | 344.29 |
| Diluted earnings per share (Yen) | 220.54 | 344.29 |

(Significant Subsequent Event)

There are no pertinent items.

4. Others

Sales

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

| Segment | Product | Unit | A | B | B-A |
|---------------------|--|------------|---------|---------|-------------------|
| | | | FY2019 | FY2020 | Increase/decrease |
| Mineral Resources | Gold and silver ores (Gold content) | t | 145,096 | 146,198 | 1,102 |
| | | ¥1,000/DMT | 199 | 241 | 42 |
| | | ¥million | 28,921 | 35,178 | 6,257 |
| | | (kg) | (5,950) | (6,000) | (50) |
| Smelting & Refining | Copper | t | 429,841 | 442,992 | 13,151 |
| | | ¥1,000/t | 646 | 736 | 90 |
| | | ¥million | 277,569 | 325,941 | 48,372 |
| | Gold | kg | 18,432 | 17,784 | -648 |
| | | ¥/g | 5,121 | 6,227 | 1,106 |
| | | ¥million | 94,389 | 110,742 | 16,353 |
| | Silver | kg | 212,701 | 206,104 | -6,597 |
| | | ¥1,000/kg | 58 | 78 | 20 |
| | | ¥million | 12,411 | 16,076 | 3,665 |
| | Nickel | t | 71,118 | 69,558 | -1,560 |
| | | ¥1,000/t | 1,592 | 1,599 | 7 |
| | | ¥million | 113,244 | 111,191 | -2,053 |
| Materials | Advanced materials, etc. | ¥million | 163,381 | 160,661 | -2,720 |

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.