



## Consolidated Financial Results for the Year Ended March 31, 2024 [IFRS]

May 9, 2024

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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 Ordinary General Meeting of Shareholders: June 26, 2024  
 Scheduled Date to Start Dividend Payment: June 27, 2024  
 Scheduled Date to Submit Securities Report: June 26, 2024  
 Preparation of Supplementary Explanation Materials for Financial Results: Yes  
 Briefing on Account Settlement: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded off)

### 1. Consolidated Financial Results (From April 1, 2023, to March 31, 2024)

#### (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, 2024	1,445,388	1.6	95,795	-58.3	60,803	-64.3	58,601	-63.5	209,335	-27.1
Year ended March 31, 2023	1,422,989	13.0	229,910	-35.7	170,441	-42.9	160,585	-42.9	287,148	-30.9

	Basic earnings per share	Diluted earnings per share	Return on equity	Profit before tax to total assets
	Yen	Yen	%	%
Year ended March 31, 2024	213.28	213.28	3.4	3.3
Year ended March 31, 2023	584.44	584.44	10.4	9.2

(Reference) Equity in earnings (loss) of affiliates

Year ended March 31, 2024: ¥33,117 million;

Year ended March 31, 2023: ¥36,536 million

#### (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, 2024	3,027,714	1,973,380	1,785,104	59.0	6,496.96
As of March 31, 2023	2,707,899	1,789,296	1,631,671	60.3	5,938.42

#### (3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by 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, 2024	210,675	(298,887)	7,090	151,022
Year ended March 31, 2023	120,382	(185,503)	49,336	215,007

## 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, 2023	—	90.00	—	115.00	205.00	56,327	35.1	3.7
Year ended March 31, 2024	—	35.00	—	63.00	98.00	26,927	45.9	1.6
Year ending March 31, 2025 (Forecast)	—	49.00	—	50.00	99.00		48.6	

## 3. Forecast of Consolidated Operating Results for the Year Ending March 31, 2025 (From April 1, 2024, to March 31, 2025)

(% 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	1,492,000	3.2	91,000	-5.0	62,000	2.0	56,000	-4.4	203.81

### 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) Changes 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, 2024
    - 290,814,015 shares at March 31, 2023
  - 2) Number of shares of treasury stock as of end of period
    - 16,054,245 shares at March 31, 2024
    - 16,049,021 shares at March 31, 2023
  - 3) Average number of shares during the period
    - 274,762,204 shares for the year ended March 31, 2024
    - 274,767,003 shares for the year ended March 31, 2023

(Reference) Summary of Non-Consolidated Financial Results (J-GAAP)  
 Non-Consolidated Financial Results (From April 1, 2023, to March 31, 2024)

(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, 2024	1,279,284	3.1	85,670	-25.8	105,272	-36.6	81,583	-32.7
Year ended March 31, 2023	1,241,086	14.7	115,408	-3.0	166,054	-16.1	121,149	-47.8

	Profit per share (Basic)	Profit per share (Diluted)
	Yen	Yen
Year ended March 31, 2024	296.92	296.92
Year ended March 31, 2023	440.92	440.92

(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, 2024	2,080,263	1,134,145	54.5	4,127.77
As of March 31, 2023	1,826,337	1,044,948	57.2	3,803.06

(Reference) Shareholders' equity

As of March 31, 2024: ¥1,134,145 million;

As of March 31, 2023: ¥1,044,948 million

<Reasons for differences between the non-consolidated financial results for the year ended March 31, 2024 and the actual results for the previous year>

Ordinary profit decreased year over year due mainly to the decline in nickel prices, as well as the decrease in temporary positive factors during the year ended March 31, 2024, such as foreign exchange gain resulting from the rapid depreciation of the yen in the previous year.

Profit also decreased year over year for the same reasons as for ordinary profit mentioned above.

The consolidated financial results presented herein are not subject to audits 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 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)

The Supplementary Explanation Materials will be posted on the Company's website on Thursday, May 9, 2024.

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## 1. Overview of Business Performance, etc.

### (1) Overview of Business Performance in Fiscal 2023

#### 1) General overview

(Millions of yen)

	Net sales	Profit before tax	Profit attributable to owners of parent
Year ended March 31, 2024	1,445,388	95,795	58,601
Year ended March 31, 2023	1,422,989	229,910	160,585
Increase/decrease [Rate of change: %]	22,399 [1.6]	-134,115 [-58.3]	-101,984 [-63.5]

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

	Unit	Year ended March 31, 2023	Year ended March 31, 2024	Increase/decrease
Copper	\$/t	8,551	8,362	-189
Gold	\$/TOZ	1,804.8	1,989.0	184.2
Nickel	\$/lb	11.63	8.68	-2.95
Exchange rate (TTM)	¥/\$	135.48	144.63	9.15

The global economy during the fiscal year ended March 31, 2024 saw a gradual slowdown in growth. In the United States, despite the effects of prolonged monetary tightening, the economy remained resilient with a strong employment environment, and the inflation rate remained high. In Europe, on the other hand, due mainly to high prices owing to Russia's invasion of Ukraine and the prolonged monetary tightening as a countermeasure, domestic demand was weakened. Although China once experienced an economic recovery from the end of the previous fiscal year to the beginning of the fiscal year due partly to the rebound from its zero-COVID policy, a prolonged downturn in the real estate market and a slump in personal consumption stemming from a weak employment of younger workers put downward pressure on economic growth.

As for exchange rates, the rapid depreciation of the yen progressed from the beginning of the fiscal year. Although there was a trend for the yen to temporarily appreciate, the average exchange rate for the yen declined significantly year over year.

Regarding the prices of major non-ferrous metals, copper prices declined until the middle of the fiscal year due mainly to concerns over declining demand caused by slowing growth of the Chinese economy and economies of other countries, as well as the continued appreciation of the US dollar, and then rose moderately. However, average prices fell slightly year over year. Nickel prices were in a declining trend throughout the fiscal year due to factors including a slowdown in global economic growth, an increase in supply, and the appreciation of the US dollar, and average prices fell year over year. Gold prices, on the other hand, increased for the second half of the previous fiscal year due mainly to financial uncertainties, and then prices declined due to reasons such as successive interest rate hikes in the United States for the fiscal year. However, the rise of geopolitical tensions in the Middle East and the expectation for a cut in interest rates led to a price increase, which resulted in an increase in average prices year over year.

In industries related to the Materials business, although there were signs of slowdown in the growing electric vehicle market, demand for automobile battery materials manufactured by the Company remained strong. On the other hand, regarding components for electronic parts, some markets, including the automobile market, saw a recovery due to the end of semiconductor shortages; however, the sluggish economic recovery in China and stagnant shipments of smartphones and computers have led to generally depressed demand, preventing a full-scale recovery in demand.

Under these circumstances, consolidated net sales in the fiscal year ended March 31, 2024 increased by ¥22,399 million year over year to ¥1,445,388 million, due mainly to increased sales of automobile battery materials.

Consolidated profit before tax decreased by ¥134,115 million year over year to ¥95,795 million, due mainly to a decline in copper and nickel prices and a decrease in temporary positive factors such as foreign exchange gain resulting from the rapid depreciation of the yen in the previous fiscal year.

Profit attributable to owners of parent decreased by ¥101,984 million year over year to ¥58,601 million, due mainly to a decrease in consolidated profit before tax.

2) Reportable segments

(a) Mineral Resources segment

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024	Increase/decrease	Rate of change (%)
Net sales	172,427	166,006	-6,421	-3.7
Segment income	76,443	52,845	-23,598	-30.9

Segment income decreased year over year due to the decrease in copper prices and the increase in production costs stemming mainly from global inflation.

The statuses of the main mines are as follows.

Mining operations at the Hishikari Mine remained steady, and the sales volume of gold was 4.0 tonnes as planned.

Production levels at the Morenci Copper Mine (United States) (of which the Company holds a 25.0% interest, excluding non-controlling interest) was 362 thousand tonnes, lower than the previous fiscal year due mainly to a decline in mining volume.

Production levels at the Cerro Verde Copper Mine (Peru) (of which the Company holds a 16.8% interest, excluding non-controlling interest) rose from the previous fiscal year to 447 thousand tonnes, due mainly to an increase in the amount handled and an increase in ore grade.

(b) Smelting & Refining segment

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024	Increase/decrease	Rate of change (%)
Net sales	1,073,038	1,067,863	-5,175	-0.5
Segment income	117,866	62,199	-55,667	-47.2

(Output by the Company's major product)

Product	Unit	Year ended March 31, 2023	Year ended March 31, 2024	Increase/decrease
Copper	t	447,163	374,504	-72,659
Gold	kg	17,869	18,026	157
Electrolytic nickel	t	52,817	59,313	6,496
Ferronickel	t	10,143	4,793	-5,350

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

Segment income decreased year over year, due mainly to the decline in nickel prices and the decrease in temporary positive factors such as foreign exchange gain resulting from the rapid depreciation of the yen in the previous fiscal year.

Although the production level and sales volume of electrolytic nickel increased from the previous fiscal year, the production level of electrolytic copper decreased from the previous fiscal year due to the scheduled renovations (large-scale scheduled shutdown) at Toyo Smelter & Refinery, while sales volume also decreased year over year. The production level of ferronickel also decreased year over year due to the production adjustment.

The production levels both at Coral Bay Nickel Corporation (Philippines) and at Taganito HPAL Nickel Corporation (Philippines) generally remained on par with the previous fiscal year.

(c) Materials segment

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024	Increase/decrease	Rate of change (%)
Net sales	317,425	335,791	18,366	5.8
Segment income (loss)	17,323	(7,203)	-24,526	—

Segment income decreased, impacted by falling prices of non-ferrous metals and other factors, despite higher sales of automobile battery materials. This was also due mainly to sluggish demand for components for electronic parts stemming mainly from stagnant shipments of smartphones and computers, as well as accounting treatment related to an execution of a share transfer contract of a subsidiary, Sumitomo Metal Mining Siporex Co., Ltd. As a result, segment income decreased to a year-on-year loss.

## (2) Overview of Financial Position in Fiscal 2023

	As of March 31, 2023	As of March 31, 2024	Increase/decrease
Total assets	2,707,899	3,027,714	319,815
Total liabilities	918,603	1,054,334	135,731
Total equity	1,789,296	1,973,380	184,084

Total assets as of March 31, 2024 increased from those as of March 31, 2023. Although cash and cash equivalents and inventories decreased, property, plant and equipment, investments accounted for using equity method, and other financial assets under non-current assets, mainly investment securities and long-term loans receivable, increased.

Total liabilities increased from those as of March 31, 2023. This was mainly because although bonds and borrowings under current liabilities and income taxes payable, etc., decreased, trade and other payables, bonds and borrowings under non-current liabilities, and deferred tax liabilities increased, respectively.

Total equity increased from that as of March 31, 2023. Under other components of equity, the exchange differences on transition of foreign operations increased due to the depreciation of the yen, and financial assets measured at fair value through other comprehensive income increased due to an increase in the price of stock holdings.

	Year ended March 31, 2023	Year ended March 31, 2024	Increase/decrease
Net cash provided by operating activities	120,382	210,675	90,293
Net cash used in investing activities	(185,503)	(298,887)	-113,384
Net cash provided by financing activities	49,336	7,090	-42,246
Effect of exchange rate changes on cash and cash equivalents	16,815	17,137	322
Cash and cash equivalents at beginning of period	213,977	215,007	1,030
Cash and cash equivalents at end of period	215,007	151,022	-63,985

Net cash provided by operating activities during the fiscal year ended March 31, 2024 increased from the previous fiscal year, due mainly to a decrease in inventories, despite a decrease in profit before tax and a smaller increase in trade and other payables.

Net cash used in investing activities increased from the previous fiscal year. This was mainly because although purchase of property, plant and equipment was on par with the previous fiscal year, proceeds from withdrawal of time deposits decreased and payments for long-term loans receivable and purchase of shares of subsidiaries and associates increased.

Net cash provided by financing activities decreased from the previous fiscal year, due mainly to increases in repayments of short-term borrowings and long-term borrowings, despite decreases in dividends paid and redemption of bonds as well as increases in proceeds from long-term borrowings and issuance of bonds.

### Cash flow indicators

	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024
Equity attributable to owners of parent ratio (%)	58.3	59.1	63.7	60.3	59.0
Equity attributable to owners of parent ratio based on market capitalization (%)	35.4	69.6	74.6	51.2	41.6
Cash flows/Interest-bearing debt ratio (times)	2.7	3.7	2.0	3.9	2.6
Interest coverage ratio (times)	20.5	23.9	65.9	20.3	11.3

#### Notes:

- Equity attributable to owners of parent ratio:  $\text{Equity attributable to owners of parent} / \text{Total assets}$   
Equity attributable to owners of parent ratio based on market capitalization:  $\text{Market capitalization} / \text{Total assets}$   
Cash flows/Interest-bearing debt ratio:  $\text{Interest-bearing debt} / \text{Cash flows}$   
Interest coverage ratio:  $\text{Cash flows} / \text{Interest payment}$
- 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.

### (3) Future Outlook

#### 1) General overview

(Millions of yen)

	Net sales	Profit before tax	Profit	Profit attributable to owners of parent
Year ending March 31, 2025 (Forecast)	1,492,000	91,000	62,000	56,000
Year ended March 31, 2024 (Results)	1,445,388	95,795	60,803	58,601
Increase/decrease [Rate of change: %]	46,612 [3.2]	-4,795 [-5.0]	1,197 [2.0]	-2,601 [-4.4]

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

	Unit	Year ended March 31, 2024 Results	Year ending March 31, 2025 Forecast	Increase/decrease
Copper	\$/t	8,362	9,000	638
Gold	\$/TOZ	1,989.0	2,000.0	11.0
Nickel	\$/lb	8.68	8.00	-0.68
Exchange rate (TTM)	¥/\$	144.63	150.00	5.37

The global economy is facing continued uncertainty due to downside factors such as the sluggish economy in China caused by a prolonged real estate recession, and the continuing high inflation rate, as well as higher geopolitical and global economic fragmentation risks.

As for the supply and demand of copper, temporary supply shortages are expected because of the cessation of operation and production adjustments at some copper mines overseas. As for the supply and demand of nickel, on the other hand, we estimate the continued oversupply because of increased production in China and Indonesia. However, as for the supply and demand of non-ferrous metals, demand is expected to increase in the medium to long term, mainly for electronic vehicles and renewable energy.

As for industries related to the Materials business, although demand is expected to continue to grow due to support for the shift toward decarbonization and digital transformation (DX), the situation remains unpredictable due to a risk of slowdown in market growth because of the uncertain outlook for the global economy, mainly in China, and other factors.



With regard to the forecast for consolidated operating results for the fiscal year ending March 31, 2025, our estimate for major non-ferrous metals prices was set by considering the current level and predicting the future supply-demand balance. The prices are \$9,000 per tonne for copper (\$8,362 per tonne for the fiscal year ended March 31, 2024) and \$8.00 per pound for nickel (\$8.68 per pound for the fiscal year ended March 31, 2024) respectively. The exchange rate was set based on the current trend of yen depreciation for the fiscal year and the monetary policies both in the United States and Japan at the time of forecasting, which is forecast to be ¥150.00 against the dollar (¥144.63 against the dollar for the fiscal year ended March 31, 2024). Our forecast for production levels and sales volumes of major products was planned based on current results and other factors. As a result, net sales are expected to reach ¥1,492.0 billion, profit before tax of ¥91.0 billion, profit of ¥62.0 billion, and profit attributable to owners of parent of ¥56.0 billion on a consolidated basis.

As for segment income, please refer to “2) Reportable segments” below.

2) Reportable segments

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total	Other Businesses	Adjustments	Amount recorded on Consolidated Financial Statements
Net sales	199,000	1,106,000	312,000	1,617,000	11,000	(136,000)	1,492,000
Segment income	84,000	18,000	(4,000)	98,000	(3,000)	(4,000)	91,000

**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

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	215,007	151,022
Trade and other receivables	189,199	185,238
Other financial assets	6,273	9,054
Inventories	555,941	516,014
Other current assets	56,423	43,611
Subtotal	1,022,843	904,939
Assets held for sale	—	19,482
Total current assets	1,022,843	924,421
Non-current assets		
Property, plant and equipment	629,451	759,484
Intangible assets and goodwill	68,217	72,468
Investment property	3,477	3,477
Investments accounted for using equity method	450,512	499,097
Other financial assets	497,496	722,250
Deferred tax assets	1,822	1,828
Other non-current assets	34,081	44,689
Total non-current assets	1,685,056	2,103,293
Total assets	2,707,899	3,027,714

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	251,696	263,054
Bonds and borrowings	158,409	133,610
Other financial liabilities	10,337	16,961
Income taxes payable	24,968	11,168
Provisions	8,663	8,387
Other current liabilities	17,190	26,015
Subtotal	471,263	459,195
Liabilities directly associated with assets held for sale	—	4,415
Total current liabilities	471,263	463,610
Non-current liabilities		
Bonds and borrowings	298,848	396,679
Other financial liabilities	8,816	14,354
Provisions	40,361	42,997
Retirement benefit liability	4,396	3,223
Deferred tax liabilities	94,041	128,808
Other non-current liabilities	878	4,663
Total non-current liabilities	447,340	590,724
Total liabilities	918,603	1,054,334
Equity		
Share capital	93,242	93,242
Capital surplus	89,800	89,800
Treasury shares	(38,076)	(38,099)
Other components of equity	220,383	344,241
Retained earnings	1,266,322	1,295,920
Total equity attributable to owners of parent	1,631,671	1,785,104
Non-controlling interests	157,625	188,276
Total equity	1,789,296	1,973,380
Total liabilities and equity	2,707,899	3,027,714

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

	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)
	Millions of yen	Millions of yen
Net sales	1,422,989	1,445,388
Cost of sales	(1,172,883)	(1,279,255)
Gross profit	250,106	166,133
Selling, general and administrative expenses	(63,997)	(67,647)
Finance income	29,389	18,819
Finance costs	(8,596)	(18,295)
Share of profit of investments accounted for using equity method	36,536	33,117
Other income	4,672	3,575
Other expenses	(18,200)	(39,907)
Profit before tax	229,910	95,795
Income tax expense	(59,469)	(34,992)
Profit	170,441	60,803
Profit attributable to:		
Owners of parent	160,585	58,601
Non-controlling interests	9,856	2,202
Profit	170,441	60,803
Earnings per share		
Basic earnings per share (Yen)	584.44	213.28
Diluted earnings per share (Yen)	584.44	213.28

(Consolidated Statement of Comprehensive Income)

	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)
	Millions of yen	Millions of yen
Profit	170,441	60,803
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	8,810	63,162
Remeasurements of defined benefit plans	2,852	7,948
Share of other comprehensive income of investments accounted for using equity method	75	471
Total of items that will not be reclassified to profit or loss	11,737	71,581
Items that will be reclassified to profit or loss:		
Cash flow hedges	1,662	(837)
Exchange differences on transition of foreign operations	58,729	50,185
Share of other comprehensive income of investments accounted for using equity method	44,579	27,603
Total of items that will be reclassified to profit or loss	104,970	76,951
Other comprehensive income, net of tax	116,707	148,532
Comprehensive income	287,148	209,335
Comprehensive income attributable to:		
Owners of parent	263,161	194,671
Non-controlling interests	23,987	14,664
Comprehensive income	287,148	209,335

(3) Consolidated Statement of Changes in Equity  
FY2022 (From April 1, 2022 to March 31, 2023)

	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, 2022	93,242	90,213	(38,056)	16,406	(944)	108,842
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	89,196	1,669	8,812
Total comprehensive income	—	—	—	89,196	1,669	8,812
Purchase of treasury shares	—	—	(21)	—	—	—
Disposal of treasury shares	—	0	1	—	—	—
Dividends	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	(413)	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	(3,598)
Transactions with owners - total	—	(413)	(20)	—	—	(3,598)
As of March 31, 2023	93,242	89,800	(38,076)	105,602	725	114,056

	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, 2022	—	124,304	1,175,626	1,445,329	112,089	1,557,418
Profit	—	—	160,585	160,585	9,856	170,441
Other comprehensive income	2,899	102,576	—	102,576	14,131	116,707
Total comprehensive income	2,899	102,576	160,585	263,161	23,987	287,148
Purchase of treasury shares	—	—	—	(21)	—	(21)
Disposal of treasury shares	—	—	—	1	—	1
Dividends	—	—	(76,386)	(76,386)	(7,155)	(83,541)
Changes in ownership interest in subsidiaries	—	—	—	(413)	28,704	28,291
Transfer to retained earnings	(2,899)	(6,497)	6,497	—	—	—
Transactions with owners - total	(2,899)	(6,497)	(69,889)	(76,819)	21,549	(55,270)
As of March 31, 2023	—	220,383	1,266,322	1,631,671	157,625	1,789,296

FY2023 (From April 1, 2023 to March 31, 2024)

	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, 2023	93,242	89,800	(38,076)	105,602	725	114,056
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	65,298	(832)	63,187
Total comprehensive income	—	—	—	65,298	(832)	63,187
Purchase of treasury shares	—	—	(23)	—	—	—
Disposal of treasury shares	—	0	0	—	—	—
Dividends	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	(3,795)
Transactions with owners - total	—	0	(23)	—	—	(3,795)
As of March 31, 2024	93,242	89,800	(38,099)	170,900	(107)	173,448

	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, 2023	—	220,383	1,266,322	1,631,671	157,625	1,789,296
Profit	—	—	58,601	58,601	2,202	60,803
Other comprehensive income	8,417	136,070	—	136,070	12,462	148,532
Total comprehensive income	8,417	136,070	58,601	194,671	14,664	209,335
Purchase of treasury shares	—	—	—	(23)	—	(23)
Disposal of treasury shares	—	—	—	0	—	0
Dividends	—	—	(41,215)	(41,215)	(6,248)	(47,463)
Changes in ownership interest in subsidiaries	—	—	—	—	22,235	22,235
Transfer to retained earnings	(8,417)	(12,212)	12,212	—	—	—
Transactions with owners - total	(8,417)	(12,212)	(29,003)	(41,238)	15,987	(25,251)
As of March 31, 2024	—	344,241	1,295,920	1,785,104	188,276	1,973,380

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

	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	229,910	95,795
Depreciation and amortization expense	53,310	56,224
Loss (gain) on sale of fixed assets	(1,428)	(1,162)
Impairment losses	3,444	761
Impairment losses on assets held for sale	2,249	6,417
Share of loss (profit) of investments accounted for using equity method	(36,536)	(33,117)
Increase or decrease in retirement benefit asset or liability	(4,642)	(11,861)
Increase (decrease) in provisions	4,257	1,877
Finance income	(29,389)	(18,819)
Finance costs	8,596	18,295
Decrease (increase) in trade and other receivables	113	(3,698)
Decrease (increase) in inventories	(133,712)	43,851
Increase (decrease) in trade and other payables	38,689	1,538
Decrease (increase) in advance payments to suppliers	1,861	2,433
Increase (decrease) in accrued consumption taxes	(11,154)	14,197
Other	11,546	27,062
Subtotal	137,114	199,793
Interest received	11,056	31,927
Dividends received	28,657	36,447
Interest paid	(5,927)	(18,601)
Income taxes paid	(50,662)	(39,541)
Income taxes refund	144	650
Net cash provided by (used in) operating activities	120,382	210,675



	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)
	Millions of yen	Millions of yen
Cash flows from investing activities		
Payments into time deposits	(387)	(281)
Proceeds from withdrawal of time deposits	50,848	313
Purchase of securities	(6,279)	—
Proceeds from redemption of securities	6,911	—
Purchase of property, plant and equipment	(123,823)	(125,275)
Proceeds from sale of property, plant and equipment	565	3,097
Purchase of intangible assets	(7,087)	(2,803)
Purchase of investment securities	(81)	(1,860)
Proceeds from sale of investment securities	10,053	8,689
Purchase of shares of subsidiaries and associates	(30,403)	(45,396)
Collection of short-term loans receivable	3,033	395
Payments for long-term loans receivable	(90,983)	(136,317)
Proceeds from sale of interests, etc. in subsidiaries resulting in change in scope of consolidation	1,592	—
Other	538	551
Net cash provided by (used in) investing activities	(185,503)	(298,887)
Cash flows from financing activities		
Proceeds from short-term borrowings	406,013	415,905
Repayments of short-term borrowings	(351,158)	(485,070)
Proceeds from long-term borrowings	110,061	130,668
Repayments of long-term borrowings	(42,928)	(52,065)
Proceeds from issuance of bonds	89,925	99,938
Redemption of bonds	(105,000)	(74,999)
Proceeds from share issuance to non-controlling shareholders	24,073	22,235
Dividends paid	(76,386)	(41,215)
Dividends paid to non-controlling interests	(7,155)	(6,248)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	3,746	—
Other	(1,855)	(2,059)
Net cash provided by (used in) financing activities	49,336	7,090
Net increase (decrease) in cash and cash equivalents	(15,785)	(81,122)
Cash and cash equivalents at beginning of period	213,977	215,007
Effect of exchange rate changes on cash and cash equivalents	16,815	17,137
Cash and cash equivalents at end of period	215,007	151,022

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

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

There are no pertinent items.

### (Changes in Accounting Policies)

There are no pertinent items.

### (Changes in Presentation Method)

#### (Consolidated Statement of Cash Flows)

“Impairment losses on assets held for sale,” which was included in “other” under “cash flows from operating activities” in the fiscal year ended March 31, 2023, is presented separately due to its increased materiality. In addition, “loss (gain) on sale of subsidiaries,” which was presented separately under “cash flows from operating activities” in the fiscal year ended March 31, 2023, is included in “other” under “cash flows from operating activities” due to its decreased materiality. To reflect this change in the presentation method, a reclassification has been made to the consolidated financial statements for the fiscal year ended March 31, 2023.

As a result, “loss (gain) on sale of subsidiaries” of ¥25 million and “other” of ¥13,770 million, which were presented under “cash flows from operating activities” in the consolidated statement of cash flows for the fiscal year ended March 31, 2023, have been reclassified as “impairment losses on assets held for sale” of ¥2,249 million and “other” of ¥11,546 million.

“Purchase of investment securities,” which was included in “other” under “cash flows from investing activities” in the fiscal year ended March 31, 2023, is presented separately due to its increased materiality. “Proceeds from sale of shares of subsidiaries and associates” and “collection of long-term loans receivable,” which were presented separately under “cash flows from investing activities” in the fiscal year ended March 31, 2023, are included in “other” under “cash flows from investing activities” due to their decreased materiality. To reflect this change in the presentation method, a reclassification has been made to the consolidated financial statements for the fiscal year ended March 31, 2023.

As a result, “proceeds from sale of shares of subsidiaries and associates” of ¥0 million, “collection of long-term loans receivable” of ¥103 million, and “other” of ¥354 million, which were presented under “cash flows from investing activities” in the consolidated statement of cash flows for the fiscal year ended March 31, 2023, have been reclassified as “purchase of investment securities” of ¥(81) million and “other” of ¥538 million.

(Operating Segments)

(1) Summary of reportable segments

1) Decision method of the reportable segments

The operating 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, zinc, etc., 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), powder materials (e.g., pastes, nickel powder, NIR absorbing materials, magnetic materials), crystal materials (e.g., lithium tantalate substrates, lithium niobate substrates), and tape materials; and manufacturing and sales of autoclaved lightweight concrete (ALC) products, automotive exhaust processing catalysts, chemical catalysts, and petroleum refinery and desulfurization catalysts.

(2) Information on the amounts of net sales, income (loss), assets and other items by reportable segments

The accounting methods employed for the reportable segments are almost the same as the accounting policies for the creation of the 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, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable Segments				Other Businesses <sup>1</sup>	Adjustments <sup>2</sup>	Consolidated Statement of Profit or Loss
	Mineral Resources	Smelting & Refining	Materials	Total			
Net sales:							
Outside customers	118,017	1,007,426	293,331	1,418,774	4,215	—	1,422,989
Inter-segment	54,410	65,612	24,094	144,116	5,996	(150,112)	—
Total	172,427	1,073,038	317,425	1,562,890	10,211	(150,112)	1,422,989
Segment income [Profit (loss) before tax]	76,443	117,866	17,323	211,632	(2,974)	21,252	229,910
Segmental assets	1,123,996	980,937	340,933	2,445,866	26,647	235,386	2,707,899
Other information:							
Depreciation and amortization expense	(15,038)	(25,567)	(9,518)	(50,123)	(556)	(2,631)	(53,310)
Finance income	3,233	1,415	45	4,693	(9)	24,705	29,389
Finance costs	(4,073)	(6,313)	(370)	(10,756)	(26)	2,186	(8,596)
Share of profit (loss) of investments accounted for using equity method	23,093	11,175	3,359	37,627	—	(1,091)	36,536
Impairment losses on non-financial assets	—	(2,091)	(1,353)	(3,444)	—	—	(3,444)
Other profit (loss)	(3,329)	(3,062)	(1,914)	(8,305)	(4,055)	(1,168)	(13,528)
Capital expenditures	91,155	24,752	18,241	134,148	997	5,700	140,845
Investments accounted for using equity method	298,150	74,421	29,077	401,648	—	48,864	450,512

Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segments				Other Businesses <sup>1</sup>	Adjustments <sup>2</sup>	Consolidated Statement of Profit or Loss
	Mineral Resources	Smelting & Refining	Materials	Total			
Net sales:							
Outside customers	113,415	1,013,664	314,920	1,441,999	3,389	—	1,445,388
Inter-segment	52,591	54,199	20,871	127,661	6,830	(134,491)	—
Total	166,006	1,067,863	335,791	1,569,660	10,219	(134,491)	1,445,388
Segment income (loss) [Profit (loss) before tax]	52,845	62,199	(7,203)	107,841	(1,530)	(10,516)	95,795
Segmental assets	1,383,110	1,023,254	314,984	2,721,348	26,455	279,911	3,027,714
Other information:							
Depreciation and amortization expense	(16,260)	(28,556)	(8,043)	(52,859)	(589)	(2,776)	(56,224)
Finance income	11,229	3,965	41	15,235	(19)	3,603	18,819
Finance costs	(8,508)	(13,650)	12	(22,146)	(26)	3,877	(18,295)
Share of profit (loss) of investments accounted for using equity method	19,786	8,709	2,438	30,933	—	2,184	33,117
Impairment losses on non-financial assets	—	(623)	(137)	(760)	(1)	—	(761)
Other profit (loss)	(7,678)	(1,794)	(6,602)	(16,074)	(2,803)	(17,455)	(36,332)
Capital expenditures	74,173	42,092	29,335	145,600	569	3,754	149,923
Investments accounted for using equity method	313,062	78,025	30,349	421,436	—	77,661	499,097

(Notes)

1. 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.

2. The adjustments are as follows:

1) The adjustments for segment income (loss) are as follows:

(Millions of yen)

	FY2022 (from April 1, 2022, to March 31, 2023)	FY2023 (from April 1, 2023, to March 31, 2024)
Head Office expenses not allocated to each reportable segment <sup>a</sup>	(2,071)	(2,385)
Internal interest rate	1,301	1,823
Eliminations of inter-segmental transactions among the reportable segments	(3,296)	2,628
Income/expenses not allocated to each reportable segment <sup>b</sup>	25,318	(12,582)
Adjustments for segment income (loss)	21,252	(10,516)

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 other profit or loss, etc. not attributable to reportable segments.

2) The adjustments for segmental assets are as follows:

(Millions of yen)

	FY2022 (from April 1, 2022, to March 31, 2023)	FY2023 (from April 1, 2023, to March 31, 2024)
Corporate assets not allocated to each reportable segment*	1,019,571	1,265,994
Offsets and eliminations, etc. of inter-segmental receivables among the reportable segments, including those toward Head Office divisions/departments	(784,185)	(986,083)
Adjustments for segmental assets	235,386	279,911

\* 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, etc. 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 investments 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 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.

7) The adjustments for capital expenditures refer to increases at the Head Office divisions/departments, which are not allocated to the reportable segments.

8) The adjustments for investments accounted for using equity method refer to exchange differences on transition of foreign operations.

(Per Share Information)

	FY2022 (from April 1, 2022, to March 31, 2023)	FY2023 (from April 1, 2023, to March 31, 2024)
Profit attributable to owners of parent (Millions of yen)	160,585	58,601
Adjustments for profit (Millions of yen)	—	—
Profit used to calculate diluted earnings per share (Millions of yen)	160,585	58,601
Weighted average number of ordinary shares outstanding (Thousands of shares)	274,767	274,762
Increase in shares of common stock (Thousands of shares)	—	—
Weighted average number of diluted common stock (Thousands of shares)	274,767	274,762
Basic earnings per share (Yen)	584.44	213.28
Diluted earnings per share (Yen)	584.44	213.28

(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
			FY2022	FY2023	Increase/decrease
Mineral Resources	Gold and silver ores  (Gold content)	t	146,799	130,894	-15,905
		¥1,000/DMT	222	271	49
		¥million	32,577	35,417	2,840
		(kg)	(4,400)	(4,000)	(-400)
Smelting & Refining	Copper	t	435,538	433,359	-2,179
		¥1,000/t	1,168	1,224	56
		¥million	508,535	530,238	21,703
	Gold	kg	18,159	18,333	174
		¥/g	7,899	9,090	1,191
		¥million	143,441	166,641	23,200
	Silver	kg	229,675	219,645	-10,030
		¥1,000/kg	94	110	16
		¥million	21,500	24,146	2,646
	Nickel	t	62,430	63,200	770
		¥1,000/t	3,481	2,890	-591
		¥million	217,303	182,624	-34,679
Materials	Battery materials, advanced materials, etc.	¥million	237,448	265,503	28,055

(Notes)

1. The Company mainly engages in project production for these major products because the ratio of build-to-order production is low.
2. Nickel above includes ferronickel.
3. The sales volume of copper excludes that related to location swaps.