



## Consolidated Financial Results for the Six Months Ended September 30, 2024 [IFRS]

November 12, 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 Date to Submit Semi-Annual Securities Report: November 12, 2024  
 Scheduled Date to Start Dividend Payment: December 9, 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, 2024, to September 30, 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	%
Six months ended September 30, 2024	800,125	11.6	72,991	35.7	47,742	19.6	46,503	22.9	209,217	10.8
Six months ended September 30, 2023	717,145	0.9	53,779	-68.2	39,917	-68.2	37,852	-68.2	188,865	-29.9

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	169.25	169.25
Six months ended September 30, 2023	137.76	137.76

#### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent ratio
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2024	3,260,216	2,169,062	1,957,258	60.0
As of March 31, 2024	3,027,714	1,973,380	1,785,104	59.0

### 2. Dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	—	35.00	—	63.00	98.00
Year ending March 31, 2025	—	49.00			
Year ending March 31, 2025 (Forecast)			—	50.00	99.00

(Note) Revision of dividend forecast that has been disclosed lastly: None

**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	1,555,000	7.6	96,000	0.2	72,000	18.4	67,000	14.3	243.85

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

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

Notes

(1) Significant Changes in the Scope of Consolidation during the Period: 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 September 30, 2024

290,814,015 shares at March 31, 2024

2) Number of shares of treasury stock as of end of period

16,056,574 shares at September 30, 2024

16,054,245 shares at March 31, 2024

3) Average number of shares during the period

274,758,342 shares for six months ended September 30, 2024

274,763,381 shares for six months ended September 30, 2023

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

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

(Caution Regarding Forward-Looking Statements)

The forecast of consolidated operating results for the year ending March 31, 2025, disclosed on August 7, 2024, has been revised in this report. The forward-looking statements, including business results forecast, contained in this report are based on information available to the Company and on certain assumptions deemed to be reasonable as of the date of release of this report and they are not meant to be a commitment by the Company. Also, actual business results may differ substantially due to a number of factors.

(Supplementary Explanation Materials for Financial Results)

The Supplementary Explanation Materials will be posted on the Company’s website on Tuesday, November 12, 2024.

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## 1. Qualitative Information on Semi-Annual Financial Results

### (1) Business Performance

	(Millions of yen)		
	Net sales	Profit before tax	Profit attributable to owners of parent
Six months ended September 30, 2024	800,125	72,991	46,503
Six months ended September 30, 2023	717,145	53,779	37,852
Increase/decrease [Rate of change: %]	82,980 [11.6]	19,212 [35.7]	8,651 [22.9]

### (Market prices and foreign exchange rates)

	Unit	Six months ended September 30, 2023	Six months ended September 30, 2024	Increase/decrease
Copper	\$/t	8,417	9,477	1,060
Nickel	\$/lb	9.69	7.86	-1.83
Gold	\$/TOZ	1,953.7	2,406.9	453.2
Exchange rate (TTM)	¥/\$	141.00	152.63	11.63

The global economy during the first six months of fiscal 2024, the year ending March 31, 2025, saw a gradual recovery on the whole, despite a slowdown in growth in China due to the sluggish real estate market and other factors. In the United States, thanks to a favorable employment situation and income environment, personal consumption remained resilient. In Europe, personal consumption picked up due to an increase in real wages.

Regarding the prices of major non-ferrous metals, although copper prices were on a temporary downward trend due to concerns for a global economic slowdown, they began to rise toward the end of the period under review, and average prices increased year over year. For nickel prices, average prices fell year over year due to the sustained supply glut, such as an increase in LME (London Metal Exchange) stock. Gold prices have been on an upward trend throughout the period on the back of heightened geopolitical risks in the Middle East, predicted interest rate cuts in the United States, among other factors, resulting in an increase in average prices year over year.

As for exchange rates, although the yen appreciated from the latter half of the period under review owing to a narrower interest rate differential between Japan and the United States, due to the impact of a progressively weak yen until the middle of the period, the average exchange rate for the yen depreciated year over year.

In industries related to the Materials business, although there were different levels of demand for electric and hybrid vehicles depending on the country, region, etc., demand for our automobile battery materials remained strong. Demand for components for electronic parts began to recover due to progress with inventory adjustments and other factors.

Under these circumstances, consolidated net sales for the first six months of fiscal 2024 increased by ¥82,980 million year over year to ¥800,125 million, due mainly to the Group's production at mines and smelters generally progressing according to plan, the average price of copper and gold increasing year over year, and yen depreciation.

Consolidated profit before tax increased ¥19,212 million year over year to ¥72,991 million, due mainly to an improvement in finance income owing to higher interest income and an improvement in other income and other expenses due to reduced impact from exchange losses and temporary negative factors, which more than offset deterioration in share of loss (profit) of investments accounted for using equity method.

Profit attributable to owners of parent increased ¥8,651 million year over year to ¥46,503 million, due mainly to an increase in consolidated profit before tax.

Operating results by reportable segment are as follows.

(Segment income is calculated based on profit before tax in the condensed semi-annual consolidated statement of profit or loss.)

(Mineral Resources segment)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Increase/decrease	Rate of change (%)
Net sales	83,203	91,271	8,068	9.7
Segment income	31,478	43,659	12,181	38.7

Segment income increased year over year due mainly to increases in copper and gold prices and reduced impact from temporary negative factors, despite a deterioration in production costs at some mines.

The statuses of the main mines are as follows.

Mining operations at the Hishikari Mine continued as planned in line with the planned annual sales volume of 4.0 tonnes, and the sales volume of gold in the first six months of fiscal 2024 was 1.9 tonnes.

Production levels at the Morenci Copper Mine (United States) (of which the Company holds a 25.0% interest, excluding non-controlling interest) was 161 thousand tonnes, lower than the same period of the previous fiscal year due mainly to a decline in mining volume arising from worker shortage and a decrease in ore grade.

Production levels at the Cerro Verde Copper Mine (Peru) (of which the Company holds a 16.8% interest, excluding non-controlling interest) was 213 thousand tonnes, lower than the same period of the previous fiscal year due mainly to a decrease in ore grade.

Production levels at the Quebrada Blanca Copper Mine (Chile) (of which the Company holds a 25.0% interest, excluding non-controlling interest) was 91 thousand tonnes.

Production levels at the Cote Gold Mine (Canada) (of which the Company holds a 39.7% interest, excluding non-controlling interest) was 1.1 tonnes.

(Smelting & Refining segment)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Increase/decrease	Rate of change (%)
Net sales	524,763	628,060	103,297	19.7
Segment income	31,765	27,630	-4,135	-13.0

(Output by the Company's major product)

Product	Unit	Six months ended September 30, 2023	Six months ended September 30, 2024	Increase/decrease
Copper	t	187,484	221,593	34,109
Gold	kg	9,140	9,767	627
Electrolytic nickel	t	28,526	31,086	2,560
Ferronickel	t	2,945	1,679	-1,266

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

Segment income decreased year over year due to a decrease in temporary positive factors caused by a depreciation of the yen compared to the same period of the previous fiscal year, despite higher copper prices.

The production levels and sales volume of electrolytic copper and electrolytic nickel increased from the same period of the previous fiscal year. The production level and sales volume of ferronickel decreased year over year.

The production levels at Coral Bay Nickel Corporation (Philippines) and Taganito HPAL Nickel Corporation (Philippines) decreased from the same period of the previous fiscal year.

(Materials segment)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Increase/decrease	Rate of change (%)
Net sales	173,523	151,247	-22,276	-12.8
Segment income	2,810	1,459	-1,351	-48.1

Segment income decreased year over year mainly due to the impact of falling prices of non-ferrous metals, which pushed down profits for automobile battery materials, despite an increase in sales from a recovery in demand for components for electronic parts.

## (2) Financial Position

1) Financial Position			(Millions of yen)
	As of March 31, 2024	As of September 30, 2024	Increase/decrease
Total assets	3,027,714	3,260,216	232,502
Total liabilities	1,054,334	1,091,154	36,820
Total equity	1,973,380	2,169,062	195,682

Total assets as of September 30, 2024 increased from those as of March 31, 2024. This was mainly due to increases in inventories, property, plant and equipment, investments accounted for using equity method, and other financial assets under non-current assets, mainly long-term loans receivable. Of which, the increase in inventories was attributable to a rise in prices of non-ferrous metals and other factors, while the increase in investments accounted for using equity method was attributable to yen depreciation and other factors.

Total liabilities increased from those as of March 31, 2024. This was mainly due to increases in bonds and borrowings under current liabilities owing to the issuance of short-term bonds, despite decreases in trade and other payables and in bonds and borrowings under non-current liabilities.

Total equity increased from that as of March 31, 2024. Under other components of equity, the exchange differences on transition of foreign operations increased due to the depreciation of the yen.

2) Cash Flows			(Millions of yen)
	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024	Increase/decrease
Net cash provided by operating activities	97,363	80,358	-17,005
Net cash used in investing activities	(142,826)	(104,617)	38,209
Net cash provided by financing activities	41,245	43,468	2,223
Effect of exchange rate changes on cash and cash equivalents	16,967	1,232	-15,735
Cash and cash equivalents at beginning of period	215,007	151,022	-63,985
Cash and cash equivalents at end of period	227,756	169,998	-57,758

Net cash provided by operating activities during the first six months of fiscal 2024 decreased from the same period of the previous fiscal year, due mainly to an increase in inventories, despite an increase in profit before tax and a smaller decrease in trade and other payables compared to the same period of the previous fiscal year.

Net cash used in investing activities decreased from the same period of the previous fiscal year, due mainly to an increase in proceeds from sale of investment securities and a decrease in payments for long-term loans receivable, despite an increase in purchase of property, plant and equipment.

Net cash provided by financing activities increased from the same period of the previous fiscal year, due mainly to a decrease in repayments of short-term borrowings as well as an increase in proceeds from issuance of bonds, despite decreases in proceeds from short-term borrowings and proceeds from long-term borrowings.

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

(Millions of yen)

	Net sales	Profit before tax	Profit	Profit attributable to owners of parent
Year ending March 31, 2025 (Forecast)	1,555,000	96,000	72,000	67,000
Year ended March 31, 2024 (Results)	1,445,388	95,795	60,803	58,601
Increase/decrease [Rate of change: %]	109,612 [7.6]	205 [0.2]	11,197 [18.4]	8,399 [14.3]

(Market prices and foreign exchange rates)

	Unit	A FY2024 First Six Months Results	B FY2024 Third and Fourth Quarter Forecast	(A+B/2) FY2024 Forecast (April 1, 2024 to March 31, 2025)
Copper	\$/t	9,477	9,300	9,389
Nickel	\$/lb	7.86	7.50	7.68
Gold	\$/TOZ	2,406.9	2,400.0	2,403.5
Exchange rate (TTM)	¥/\$	152.63	140.00	146.32

In the business environment surrounding the SMM Group, in the non-ferrous metals industry, although we expect increase in smelting capacity of copper metal owing to the new smelter construction and expansion, the supply-demand balance for copper is expected to remain level as the supply of copper concentrates, the raw material of copper, continues to present a concern following the suspension of operations at some mines. On the other hand, we expect the supply-demand balance for nickel to remain in oversupply due mainly to the growth in supply volumes exceeding growth in demand, despite a decrease in production among some producers.

As for industries related to the Materials business, we anticipate demand for electric and hybrid vehicles remaining firm on the whole, although demand levels will likely vary by country, region, and model. For components for electronic parts, although inventory adjustments progressed, we expect low levels of demand due to future uncertainty.

With regard to the forecast of consolidated operating results for fiscal 2024, we have revised our estimate from the previous forecast (announced on August 7, 2024) for major non-ferrous metal prices by predicting the future supply-demand balance with consideration given to current levels, as well as factoring in current progress with the production and sales plans of each business. We have revised our forecast for foreign exchange rates in consideration of the narrowing interest rate differential between Japan and the United States as well as the level of the period under review. As a result, net sales are expected to reach ¥1,555.0 billion, profit before tax of ¥96.0 billion, profit of ¥72.0 billion, and profit attributable to owners of parent of ¥67.0 billion on a consolidated basis.

Forecast of consolidated operating results for fiscal 2024 (Revised)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total	Other Businesses	Adjustments	Total
Net sales	211,000	1,173,000	308,000	1,692,000	11,000	(148,000)	1,555,000
Segment income	106,000	7,000	(2,000)	111,000	(2,000)	(13,000)	96,000

Reference: Forecast of consolidated operating results for fiscal 2024 (Figures announced on August 7)

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total	Other Businesses	Adjustments	Total
Net sales	205,000	1,173,000	309,000	1,687,000	11,000	(145,000)	1,553,000
Segment income	92,000	33,000	1,000	126,000	(2,000)	(13,000)	111,000

## 2. Condensed Semi-Annual Consolidated Financial Statements and Primary Notes

### (1) Condensed Semi-Annual Consolidated Statement of Financial Position

	FY2023 (As of March 31, 2024)	First Six Months of FY2024 (As of September 30, 2024)
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	151,022	169,998
Trade and other receivables	185,238	175,265
Other financial assets	9,054	6,967
Inventories	516,014	557,256
Other current assets	43,611	46,450
Subtotal	904,939	955,936
Assets held for sale	19,482	10,435
Total current assets	924,421	966,371
Non-current assets		
Property, plant and equipment	759,484	814,827
Intangible assets and goodwill	72,468	80,635
Investment property	3,477	3,477
Investments accounted for using equity method	499,097	555,407
Other financial assets	722,250	792,709
Deferred tax assets	1,828	2,129
Other non-current assets	44,689	44,661
Total non-current assets	2,103,293	2,293,845
Total assets	3,027,714	3,260,216

	FY2023 (As of March 31, 2024)	First Six Months of FY2024 (As of September 30, 2024)
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	263,054	231,801
Bonds and borrowings	133,610	216,182
Other financial liabilities	16,961	15,032
Income taxes payable	11,168	17,505
Provisions	8,387	7,570
Other current liabilities	26,015	33,102
Subtotal	459,195	521,192
Liabilities directly associated with assets held for sale	4,415	4,382
Total current liabilities	463,610	525,574
Non-current liabilities		
Bonds and borrowings	396,679	367,087
Other financial liabilities	14,354	15,543
Provisions	42,997	47,159
Retirement benefit liability	3,223	2,855
Deferred tax liabilities	128,808	131,789
Other non-current liabilities	4,663	1,147
Total non-current liabilities	590,724	565,580
Total liabilities	1,054,334	1,091,154
Equity		
Share capital	93,242	93,242
Capital surplus	89,800	89,800
Treasury shares	(38,099)	(38,110)
Other components of equity	344,241	479,618
Retained earnings	1,295,920	1,332,708
Total equity attributable to owners of parent	1,785,104	1,957,258
Non-controlling interests	188,276	211,804
Total equity	1,973,380	2,169,062
Total liabilities and equity	3,027,714	3,260,216

(2) Condensed Semi-Annual Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income  
(Condensed Semi-Annual Consolidated Statement of Profit or Loss)

	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)
	Millions of yen	Millions of yen
Net sales	717,145	800,125
Cost of sales	(628,561)	(717,671)
Gross profit	88,584	82,454
Selling, general and administrative expenses	(33,676)	(35,479)
Finance income	12,155	29,754
Finance costs	(7,604)	(16,767)
Share of profit (loss) of investments accounted for using equity method	16,185	5,849
Other income	1,197	10,044
Other expenses	(23,062)	(2,864)
Profit before tax	53,779	72,991
Income tax expense	(13,862)	(25,249)
Profit	39,917	47,742
Profit attributable to:		
Owners of parent	37,852	46,503
Non-controlling interests	2,065	1,239
Profit	39,917	47,742
Earnings per share		
Basic earnings per share (Yen)	137.76	169.25
Diluted earnings per share (Yen)	137.76	169.25

(Condensed Semi-Annual Consolidated Statement of Comprehensive Income)

	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)
	Millions of yen	Millions of yen
Profit	39,917	47,742
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	37,433	(10,084)
Share of other comprehensive income of investments accounted for using equity method	5	5
Total of items that will not be reclassified to profit or loss	37,438	(10,079)
Items that will be reclassified to profit or loss:		
Cash flow hedges	4,191	(470)
Exchange differences on transition of foreign operations	70,521	115,421
Share of other comprehensive income of investments accounted for using equity method	36,798	56,603
Total of items that will be reclassified to profit or loss	111,510	171,554
Other comprehensive income, net of tax	148,948	161,475
Comprehensive income	188,865	209,217
Comprehensive income attributable to:		
Owners of parent	171,201	189,475
Non-controlling interests	17,664	19,742
Comprehensive income	188,865	209,217

(3) Condensed Semi-Annual Consolidated Statement of Changes in Equity  
For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 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, 2023	93,242	89,800	(38,076)	105,602	725	114,056
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	91,827	4,084	37,438
Total comprehensive income	—	—	—	91,827	4,084	37,438
Purchase of treasury shares	—	—	(13)	—	—	—
Disposal of treasury shares	—	0	0	—	—	—
Dividends	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	(2,597)
Transactions with owners - total	—	0	(13)	—	—	(2,597)
As of September 30, 2023	93,242	89,800	(38,089)	197,429	4,809	148,897

	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	—	—	37,852	37,852	2,065	39,917
Other comprehensive income	—	133,349	—	133,349	15,599	148,948
Total comprehensive income	—	133,349	37,852	171,201	17,664	188,865
Purchase of treasury shares	—	—	—	(13)	—	(13)
Disposal of treasury shares	—	—	—	0	—	0
Dividends	—	—	(31,598)	(31,598)	(3,664)	(35,262)
Changes in ownership interest in subsidiaries	—	—	—	—	13,772	13,772
Transfer to retained earnings	—	(2,597)	2,597	—	—	—
Transactions with owners - total	—	(2,597)	(29,001)	(31,611)	10,108	(21,503)
As of September 30, 2023	—	351,135	1,275,173	1,771,261	185,397	1,956,658

For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 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, 2024	93,242	89,800	(38,099)	170,900	(107)	173,448
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	153,449	(398)	(10,079)
Total comprehensive income	—	—	—	153,449	(398)	(10,079)
Purchase of treasury shares	—	—	(11)	—	—	—
Dividends	—	—	—	—	—	—
Establishment of subsidiary with non-controlling interest	—	—	—	—	—	—
Changes arising from the loss of control of subsidiaries	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	(7,595)
Transactions with owners - total	—	—	(11)	—	—	(7,595)
As of September 30, 2024	93,242	89,800	(38,110)	324,349	(505)	155,774

	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, 2024	—	344,241	1,295,920	1,785,104	188,276	1,973,380
Profit	—	—	46,503	46,503	1,239	47,742
Other comprehensive income	—	142,972	—	142,972	18,503	161,475
Total comprehensive income	—	142,972	46,503	189,475	19,742	209,217
Purchase of treasury shares	—	—	—	(11)	—	(11)
Dividends	—	—	(17,310)	(17,310)	(3,645)	(20,955)
Establishment of subsidiary with non-controlling interest	—	—	—	—	396	396
Changes arising from the loss of control of subsidiaries	—	—	—	—	(180)	(180)
Changes in ownership interest in subsidiaries	—	—	—	—	7,215	7,215
Transfer to retained earnings	—	(7,595)	7,595	—	—	—
Transactions with owners - total	—	(7,595)	(9,715)	(17,321)	3,786	(13,535)
As of September 30, 2024	—	479,618	1,332,708	1,957,258	211,804	2,169,062

#### (4) Condensed Semi-Annual Consolidated Statement of Cash Flows

	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	53,779	72,991
Depreciation and amortization expense	26,701	32,413
Share of loss (profit) of investments accounted for using equity method	(16,185)	(5,849)
Increase or decrease in retirement benefit asset or liability	(62)	444
Increase (decrease) in provisions	451	(835)
Finance income	(12,155)	(29,754)
Finance costs	7,604	16,767
Decrease (increase) in trade and other receivables	15,606	13,950
Decrease (increase) in inventories	62,165	(38,156)
Increase (decrease) in trade and other payables	(68,202)	(20,176)
Decrease (increase) in advance payments to suppliers	4,512	(3,746)
Increase (decrease) in accrued consumption taxes	14,672	2,804
Other	10,041	21,791
Subtotal	98,927	62,644
Interest received	13,248	21,296
Dividends received	23,189	25,992
Interest paid	(8,401)	(9,123)
Income taxes paid	(29,600)	(20,451)
Net cash provided by (used in) operating activities	97,363	80,358
Cash flows from investing activities		
Purchase of property, plant and equipment	(55,741)	(67,596)
Proceeds from sale of property, plant and equipment	875	277
Purchase of intangible assets	(1,391)	(492)
Purchase of investment securities	—	(1,783)
Proceeds from sale of investment securities	5,964	18,512
Purchase of shares of subsidiaries and associates	(23,146)	(13,170)
Payments for long-term loans receivable	(69,485)	(39,700)
Other	98	(665)
Net cash provided by (used in) investing activities	(142,826)	(104,617)

	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)
	Millions of yen	Millions of yen
Cash flows from financing activities		
Proceeds from short-term borrowings	246,580	129,781
Repayments of short-term borrowings	(257,855)	(98,293)
Proceeds from long-term borrowings	77,490	—
Repayments of long-term borrowings	(32,367)	(23,241)
Proceeds from issuance of bonds	59,945	104,881
Redemption of bonds	(30,000)	(54,979)
Proceeds from share issuance to non-controlling shareholders	13,772	7,611
Dividends paid	(31,598)	(17,310)
Dividends paid to non-controlling interests	(3,664)	(3,645)
Other	(1,058)	(1,337)
Net cash provided by (used in) financing activities	41,245	43,468
Net increase (decrease) in cash and cash equivalents	(4,218)	19,209
Net increase (decrease) in cash and cash equivalents due to transfer to assets held for sale	—	(1,465)
Cash and cash equivalents at beginning of period	215,007	151,022
Effect of exchange rate changes on cash and cash equivalents	16,967	1,232
Cash and cash equivalents at end of period	227,756	169,998

## (5) Notes Relating to the Condensed Semi-Annual Consolidated Financial Statements

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

There are no pertinent items.

### (Changes in Presentation Method)

(Condensed Semi-Annual Consolidated Statement of Cash Flows)

“Payments into time deposits,” “proceeds from withdrawal of time deposits,” and “collection of short-term loans receivable,” which were presented separately under “cash flows from investing activities” in the first six months ended September 30, 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 condensed semi-annual consolidated financial statements for the first six months ended September 30, 2023.

As a result, “payments into time deposits” of ¥(276) million, “proceeds from withdrawal of time deposits” of ¥34 million, “collection of short-term loans receivable” of ¥220 million, and “other” of ¥120 million, which were presented under “cash flows from investing activities” in the condensed semi-annual consolidated statement of cash flows for the first six months ended September 30, 2023, have been reclassified as “other” of ¥98 million.

### (Segment Information)

#### (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 and income (loss) by reportable segments

The accounting methods employed for the reportable segments are almost the same as the accounting policies for the creation of the condensed semi-annual 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.

Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(Millions of yen)

	Reportable Segments				Other Businesses <sup>1</sup>	Total	Adjustments <sup>2</sup>	Consolidated Statement of Profit or Loss
	Mineral Resources	Smelting & Refining	Materials	Total				
Net sales:								
Outside customers	55,689	496,597	163,141	715,427	1,718	717,145	—	717,145
Inter-segment	27,514	28,166	10,382	66,062	3,237	69,299	(69,299)	—
Total	83,203	524,763	173,523	781,489	4,955	786,444	(69,299)	717,145
Segment income <sup>3</sup>	31,478	31,765	2,810	66,053	(270)	65,783	(12,004)	53,779

(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 for segment income of ¥(12,004) million consist primarily of eliminations of inter-segment transactions, general administrative expenses and finance income and costs, which are not attributable to the reportable segments.
3. Segment income is adjusted against the profit before tax on the condensed semi-annual consolidated statement of profit or loss.

Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Millions of yen)

	Reportable Segments				Other Businesses <sup>1</sup>	Total	Adjustments <sup>2</sup>	Consolidated Statement of Profit or Loss
	Mineral Resources	Smelting & Refining	Materials	Total				
Net sales:								
Outside customers	59,997	601,049	137,419	798,465	1,660	800,125	—	800,125
Inter-segment	31,274	27,011	13,828	72,113	3,488	75,601	(75,601)	—
Total	91,271	628,060	151,247	870,578	5,148	875,726	(75,601)	800,125
Segment income <sup>3</sup>	43,659	27,630	1,459	72,748	257	73,005	(14)	72,991

(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 for segment income of ¥(14) million consist primarily of eliminations of inter-segment transactions, general administrative expenses and finance income and costs, which are not attributable to the reportable segments.
3. Segment income is adjusted against the profit before tax on the condensed semi-annual consolidated statement of profit or loss.

### 3. Supplementary Information

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

Segment	Product	Unit	FY2024 First Six Months Results	FY2024 Forecast
Mineral Resources	Gold and silver ores  (Gold content)	t	66,452	140,617
		¥1,000/DMT	321	303
		¥million	21,343	42,627
		(kg)	(1,852)	(4,000)
Smelting & Refining	Copper	t	221,310	450,276
		¥1,000/t	1,462	1,387
		¥million	323,538	624,713
	Gold	kg	9,677	18,440
		¥/g	11,118	11,006
		¥million	107,593	202,948
	Silver	kg	95,977	188,759
		¥1,000/kg	143	137
		¥million	13,765	25,917
	Nickel	t	32,586	66,699
		¥1,000/t	2,734	2,548
¥million		89,086	169,966	
Materials	Battery materials, etc.	¥million	110,819	234,744

(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.