



Consolidated Financial Results for the Year Ended March 31, 2022 [IFRS]

May 10, 2022

[Full version of English translation released on May 27, 2022]

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 24, 2022
 Scheduled Date to Start Dividend Payment: June 27, 2022
 Scheduled Date to Submit Securities Report: June 24, 2022
 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, 2021, to March 31, 2022)

(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, 2022	1,259,091	36.0	357,434	189.7	298,531	202.4	281,037	197.1	415,295	219.6
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

	Basic earnings per share	Diluted earnings per share	Return on equity	Profit before tax to total assets
	Yen	Yen	%	%
Year ended March 31, 2022	1,022.80	1,022.80	22.0	17.2
Year ended March 31, 2021	344.29	344.29	8.9	6.8

(Reference) Equity in earnings (loss) of affiliates

Year ended March 31, 2022: ¥57,537 million;

Year ended March 31, 2021: ¥8,719 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, 2022	2,268,756	1,557,418	1,445,329	63.7	5,260.15
As of March 31, 2021	1,885,999	1,222,983	1,113,923	59.1	4,053.94

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash provided by (used in) investing activities	Net cash 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, 2022	159,489	9,796	(129,618)	213,977
Year ended March 31, 2021	91,522	(32,393)	(55,758)	158,373

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, 2021	—	22.00	—	99.00	121.00	33,248	35.1	3.1
Year ended March 31, 2022	—	113.00	—	188.00	301.00	82,706	29.4	6.5
Year ending March 31, 2023 (Forecast)	—	87.00	—	88.00	175.00		35.1	

3. Forecast of Consolidated Operating Results for the Year Ending March 31, 2023 (From April 1, 2022, to March 31, 2023)

(% 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)	659,000	10.2	94,000	-22.7	76,000	-36.8	68,000	-40.3	247.48
Full year	1,331,000	5.7	194,000	-45.7	155,000	-48.1	137,000	-51.3	498.60

Notes

- (1) Change in Important Subsidiaries during the Period under Review (Change in specific subsidiaries that will accompany a change in scope of consolidation): Yes
Excluded: Three companies (SMM Sierra Gorda Inversiones LTDA., SMM-SG Holding Inversiones SpA, and SMM Holland B.V.)
- (2) Changes in Accounting Policies or Estimates
 - 1) Changes in accounting policies required by IFRS: None
 - 2) Changes in accounting policies other than item 1) above: None
 - 3) Change in accounting estimates: None
- (3) Number of Outstanding Shares (Common stock)
 - 1) Number of shares issued as of end of period (including treasury stock)
 - 290,814,015 shares at March 31, 2022
 - 290,814,015 shares at March 31, 2021
 - 2) Number of shares of treasury stock as of end of period
 - 16,044,559 shares at March 31, 2022
 - 16,038,719 shares at March 31, 2021
 - 3) Average number of shares during the period
 - 274,772,358 shares for the year ended March 31, 2022
 - 274,778,995 shares for the year ended March 31, 2021

(Reference) Summary of Non-Consolidated Financial Results
 Non-Consolidated Financial Results (From April 1, 2021, to March 31, 2022)

(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, 2022	1,082,341	31.8	118,961	82.3	197,980	162.9	231,933	331.9
Year ended March 31, 2021	821,176	10.5	65,251	50.4	75,303	-31.8	53,702	-38.9

	Profit per share (Basic)	Profit per share (Diluted)
	Yen	Yen
Year ended March 31, 2022	844.09	844.09
Year ended March 31, 2021	195.44	195.44

(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, 2022	1,580,324	1,004,316	63.6	3,655.12
As of March 31, 2021	1,300,541	804,929	61.9	2,929.41

(Reference) Shareholders' equity

As of March 31, 2022: ¥1,004,316 million;

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

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 Tuesday, May 10, 2022.

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1. Overview of Business Performance, etc.

(1) Overview of Business Performance in Fiscal 2021

1) General overview

(Millions of yen)

	Net sales	Profit before tax	Profit attributable to owners of parent
Year ended March 31, 2022	1,259,091	357,434	281,037
Year ended March 31, 2021	926,122	123,379	94,604
Increase/decrease [Rate of change: %]	332,969 [36.0]	234,055 [189.7]	186,433 [197.1]

(Overseas market prices and foreign exchange rates)

	Unit	Year ended March 31, 2021	Year ended March 31, 2022	Increase/decrease
Copper	\$/t	6,879	9,691	2,812
Gold	\$/TOZ	1,824.1	1,818.4	-5.7
Nickel	\$/lb	6.80	9.35	2.55
Exchange rate (TTM)	¥/\$	106.07	112.39	6.32

The global economy during the fiscal year ended March 31, 2022 was on a recovery trend, especially in Europe, the United States and elsewhere, due mainly to the rollout of the COVID-19 vaccines, despite the prolongation of the pandemic by COVID-19 variants. However, Russia's invasion of Ukraine in late February 2022 has increased concerns over economic slowdowns due to growing uncertainty over energy supply and other factors, especially in Europe.

As for exchange rates, the trend of the yen to depreciate against the dollar became more pronounced toward the end of the fiscal year due to shifts in monetary policy, including a tapering of quantitative monetary easing and the lifting of the zero-interest rate policy to curb rapid inflation in the United States. As a result, the average exchange rate for the yen was weaker year over year.

Regarding the prices of major non-ferrous metals, copper prices continued to rise from the previous fiscal year to the beginning of the current fiscal year and subsequently remained at a high level, supported by firm demand despite the impact of the spread of COVID-19. Nickel prices were on a recovery trend overall due to the ongoing recovery trend of the global economy. Gold prices were generally stable throughout the fiscal year, shifting to an upward trend toward the end of the fiscal year. Additionally, prices of non-ferrous metals rose sharply for a time following Russia's invasion of Ukraine. As a result, prices of both copper and nickel rose year over year, while gold prices were nearly flat year over year.

In industries related to the Materials business, demand for automobile battery components continues to grow, due to a trend of accelerated electrification of automobiles aimed at achieving decarbonization. With regard to components for electronic parts, demand also generally remained robust, due primarily to progress in the electrification of automobiles and rollout of fifth-generation mobile communications system (5G), as well as the economic recovery trend.

Under these circumstances, consolidated net sales in the fiscal year ended March 31, 2022 increased by ¥332,969 million year over year to ¥1,259,091 million, due mainly to year-over-year increases in the prices of copper and nickel, and increased sales of automobile battery materials and powder materials, supported by strong demand.

Consolidated profit before tax increased by ¥234,055 million year over year to ¥357,434 million, due mainly to an increase in sales, an upturn in the share of profit of investments accounted for using equity method, and the transfer of all the Company's interests in the Sierra Gorda Copper Mine (Chile).

Profit attributable to owners of parent increased by ¥186,433 million year over year to ¥281,037 million, mainly due to the increase in consolidated profit before tax.

2) Reportable segments

(a) Mineral Resources segment

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022	Increase/decrease	Rate of change (%)
Net sales	127,042	157,315	30,273	23.8
Segment income	63,110	208,548	145,438	230.5

Segment income increased year over year due to a year-over-year increase in copper prices, as well as a gain on sale of ¥74,374 million from the transfer of all of the Company's interests in the Sierra Gorda Copper Mine, despite the impact from the spread of COVID-19.

The statuses of our main mines are as follows.

Mining operations at the Hishikari Mine remained steady, and the sales volume of gold was unchanged from the previous fiscal year at 6 tonnes.

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 397,000 tonnes, due mainly to the implementation of measures to decrease the operating rates of some mills (ore crushers), due to the spread of COVID-19.

Production levels at the Cerro Verde Copper Mine (Peru) (of which the Company holds a 16.8% interest, excluding non-controlling interest) stood at 402,000 tonnes, an increase from the previous fiscal year, in which operations were temporarily transitioned to a care and maintenance status in response to the spread of COVID-19.

(b) Smelting & Refining segment

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022	Increase/decrease	Rate of change (%)
Net sales	693,758	942,341	248,583	35.8
Segment income	53,038	114,753	61,715	116.4

(Output by the Company's major product)

Product	Unit	Year ended March 31, 2021	Year ended March 31, 2022	Increase/decrease
Copper	t	442,626	418,847	-23,779
Gold	kg	17,170	16,662	-508
Electrolytic nickel	t	55,861	52,450	-3,411
Ferronickel	t	13,023	12,330	-693

(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.

The production level and sales volume of electrolytic copper decreased from the previous fiscal year, due mainly to scheduled furnace maintenances (large-scale suspension) at the Toyo Smelter & Refinery. The production level and sales volume of electrolytic nickel declined year over year, due primarily to a shortage of raw materials.

The production level at Coral Bay Nickel Corporation (Philippines) decreased year over year, due mainly to a temporary decline in operating rates due to the effects of COVID-19. The production level at Taganito HPAL Nickel Corporation (Philippines) fell from the previous fiscal year, due mainly to equipment issues and the effects of a typhoon.

(c) Materials segment

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022	Increase/decrease	Rate of change (%)
Net sales	211,533	277,962	66,429	31.4
Segment income	10,481	27,625	17,144	163.6

Segment income increased year over year, due mainly to an increase in sales from battery materials due to increased demand against a backdrop of stronger demand for decarbonization than the previous fiscal year (when demand temporarily fell), as well as an increase in sales from powder materials, for which demand remained strong.

(2) Overview of Financial Position in Fiscal 2021

Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022	Increase/decrease
Total assets	1,885,999	2,268,756	382,757
Total liabilities	663,016	711,338	48,322
Total equity	1,222,983	1,557,418	334,435

Total assets as of March 31, 2022 increased from those as of March 31, 2021. Inventories and trade and other receivables increased due mainly to a rise in prices of non-ferrous metals, and shares of subsidiaries and associates increased due mainly to the recording of share of profit of investments accounted for using equity method.

Total liabilities increased from those as of March 31, 2021. Trade and other payables increased due mainly to the rise in prices of non-ferrous metals.

Total equity increased from those as of March 31, 2021. Retained earnings increased due to the recording of profit, and the exchange differences on translation of foreign operations in other components of equity increased due to the depreciation of the yen.

Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022	Increase/decrease
Net cash provided by operating activities	91,522	159,489	67,967
Net cash provided by (used in) investing activities	(32,393)	9,796	42,189
Net cash used in financing activities	(55,758)	(129,618)	-73,860
Effect of exchange rate changes on cash and cash equivalents	(528)	15,937	16,465
Cash and cash equivalents at beginning of period	155,530	158,373	2,843
Cash and cash equivalents at end of period	158,373	213,977	55,604

Net cash provided by operating activities during the fiscal year ended March 31, 2022 increased from the previous fiscal year, due mainly to a year-over-year increase in profit before tax, despite increases in inventories and advance payments to suppliers due mainly to higher prices of non-ferrous metals.

Net cash provided by investing activities increased from the previous fiscal year, due mainly to the proceeds from the transfer of all the Company's interests in the Sierra Gorda Copper Mine, despite an increase in the purchase of property, plant and equipment.

Net cash used in financing activities increased from the previous fiscal year, due mainly to an increase in dividends paid, purchase of additional shares in such subsidiaries as Coral Bay Nickel Corporation, and redemption of bonds exceeding the amount issued, despite a year-over-year decrease in repayments of short-term borrowings.

Cash flow indicators

	Mar. 31, 2018	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022
Equity attributable to owners of parent ratio (%)	59.4	58.3	58.3	59.1	63.7
Equity attributable to owners of parent ratio based on market capitalization (%)	71.1	50.0	35.4	69.6	74.6
Cash flows/Interest-bearing debt ratio (times)	4.6	3.1	2.7	3.7	2.0
Interest coverage ratio (times)	12.9	17.0	20.5	23.9	65.9

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.

(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, 2023 (Forecast)	1,331,000	194,000	155,000	137,000
Year ended March 31, 2022 (Results)	1,259,091	357,434	298,531	281,037
Increase/decrease [Rate of change: %]	71,909 [5.7]	-163,434 [-45.7]	-143,531 [-48.1]	-144,037 [-51.3]

(Overseas market prices and foreign exchange rates)

	Unit	Year ended March 31, 2022 Results	Year ending March 31, 2023 Forecast	Increase/decrease
Copper	\$/t	9,691	9,000	-691
Gold	\$/TOZ	1,818.4	1,750.0	-68.4
Nickel	\$/lb	9.35	9.50	0.15
Exchange rate (TTM)	¥/\$	112.39	120.00	7.61

Although the global economy is expected to grow to a certain extent due to monetary and fiscal policies of various countries and progress in vaccination in response to the spread of COVID-19, it may deteriorate rapidly due to the resurgence of COVID-19 and a prolongation of Russia’s invasion of Ukraine.

As for the supply of non-ferrous metals, supply and demand of copper and nickel is expected to be nearly balanced or exhibit a slight surplus in supply. Prices of major non-ferrous metals have remained high due to the inflow of funds into the market in anticipation of long-term growth in demand, as well as concerns over supply chain disruptions and supply constraints due to Russia’s invasion of Ukraine, but the risk of a sharp decline in the future is anticipated. The prices for the fiscal year ending March 31, 2023 are forecast to be \$9,000 per tonne for copper (\$9,691 per tonne for the fiscal year ended March 31, 2022), and \$9.50 per pound for nickel (\$9.35 per pound for the fiscal year ended March 31, 2022).

As for industries related to the Materials business, although demand is expected to continue to grow due to accelerated efforts toward decarbonization and support for 5G and digital transformation (DX), the

situation remains unpredictable due mainly to the apparent shortage of semiconductors for automobiles.

With regard to the forecast for consolidated operating results for the fiscal year ending March 31, 2023, our forecast for major non-ferrous metals prices was set based on 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 ¥1,331.0 billion, profit before tax of ¥194.0 billion, profit of ¥155.0 billion, and profit attributable to owners of parent of ¥137.0 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	174,000	954,000	320,000	1,448,000	10,000	(127,000)	1,331,000
Segment income	99,000	86,000	10,000	195,000	(2,000)	1,000	194,000

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

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	158,373	213,977
Trade and other receivables	153,645	187,310
Other financial assets	3,995	49,342
Inventories	323,229	420,136
Other current assets	34,494	44,354
Total current assets	673,736	915,119
Non-current assets		
Property, plant and equipment	457,662	507,822
Intangible assets and goodwill	53,180	56,586
Investment property	3,477	3,477
Investments accounted for using equity method	311,768	368,751
Other financial assets	354,465	387,507
Deferred tax assets	8,693	1,645
Other non-current assets	23,018	27,849
Total non-current assets	1,212,263	1,353,637
Total assets	1,885,999	2,268,756

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	151,128	206,013
Bonds and borrowings	120,725	120,983
Other financial liabilities	6,794	7,027
Income taxes payable	22,544	24,940
Provisions	4,952	6,101
Other current liabilities	19,179	19,727
Total current liabilities	325,322	384,791
Non-current liabilities		
Bonds and borrowings	239,702	210,249
Other financial liabilities	11,499	9,579
Provisions	22,650	25,107
Retirement benefit liability	5,851	5,310
Deferred tax liabilities	57,041	75,631
Other non-current liabilities	951	671
Total non-current liabilities	337,694	326,547
Total liabilities	663,016	711,338
Equity		
Share capital	93,242	93,242
Capital surplus	87,604	90,213
Treasury shares	(38,027)	(38,056)
Other components of equity	25,148	124,304
Retained earnings	945,956	1,175,626
Total equity attributable to owners of parent	1,113,923	1,445,329
Non-controlling interests	109,060	112,089
Total equity	1,222,983	1,557,418
Total liabilities and equity	1,885,999	2,268,756

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

	FY2020 (From April 1, 2020 to March 31, 2021)	FY2021 (From April 1, 2021 to March 31, 2022)
	Millions of yen	Millions of yen
Net sales	926,122	1,259,091
Cost of sales	(775,246)	(1,001,297)
Gross profit	150,876	257,794
Selling, general and administrative expenses	(46,297)	(52,711)
Finance income	22,955	31,884
Finance costs	(4,757)	(2,969)
Share of profit of investments accounted for using equity method	8,719	57,537
Other income	5,757	81,850
Other expenses	(13,874)	(15,951)
Profit before tax	123,379	357,434
Income tax expense	(24,670)	(58,903)
Profit	98,709	298,531
Profit attributable to:		
Owners of parent	94,604	281,037
Non-controlling interests	4,105	17,494
Profit	98,709	298,531
Earnings per share		
Basic earnings per share (Yen)	344.29	1,022.80
Diluted earnings per share (Yen)	344.29	1,022.80

(Consolidated Statement of Comprehensive Income)

	FY2020 (From April 1, 2020 to March 31, 2021)	FY2021 (From April 1, 2021 to March 31, 2022)
	Millions of yen	Millions of yen
Profit	98,709	298,531
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	44,921	39,748
Remeasurements of defined benefit plans	8,639	3,660
Share of other comprehensive income of investments accounted for using equity method	304	137
Total of items that will not be reclassified to profit or loss	53,864	43,545
Items that will be reclassified to profit or loss:		
Cash flow hedges	(1,005)	1,167
Exchange differences on transition of foreign operations	(14,539)	46,922
Share of other comprehensive income of investments accounted for using equity method	(7,080)	25,130
Total of items that will be reclassified to profit or loss	(22,624)	73,219
Other comprehensive income, net of tax	31,240	116,764
Comprehensive income	129,949	415,295
Comprehensive income attributable to:		
Owners of parent	128,758	387,078
Non-controlling interests	1,191	28,217
Comprehensive income	129,949	415,295

(3) Consolidated Statement of Changes in Equity
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				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, 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

FY2021 (From April 1, 2021 to March 31, 2022)

	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, 2021	93,242	87,604	(38,027)	(45,083)	(1,987)	72,218
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	61,489	1,043	39,737
Total comprehensive income	—	—	—	61,489	1,043	39,737
Purchase of treasury shares	—	—	(29)	—	—	—
Disposal of treasury shares	—	0	0	—	—	—
Dividends	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	2,609	—	—	—	—
Loss of control of subsidiaries	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	(3,113)
Transactions with owners - total	—	2,609	(29)	—	—	(3,113)
As of March 31, 2022	93,242	90,213	(38,056)	16,406	(944)	108,842

	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, 2021	—	25,148	945,956	1,113,923	109,060	1,222,983
Profit	—	—	281,037	281,037	17,494	298,531
Other comprehensive income	3,772	106,041	—	106,041	10,723	116,764
Total comprehensive income	3,772	106,041	281,037	387,078	28,217	415,295
Purchase of treasury shares	—	—	—	(29)	—	(29)
Disposal of treasury shares	—	—	—	0	—	0
Dividends	—	—	(58,252)	(58,252)	(12,053)	(70,305)
Changes in ownership interest in subsidiaries	—	—	—	2,609	(13,119)	(10,510)
Loss of control of subsidiaries	—	—	—	—	(16)	(16)
Transfer to retained earnings	(3,772)	(6,885)	6,885	—	—	—
Transactions with owners - total	(3,772)	(6,885)	(51,367)	(55,672)	(25,188)	(80,860)
As of March 31, 2022	—	124,304	1,175,626	1,445,329	112,089	1,557,418

(4) Consolidated Statement of Cash Flows

	FY2020 (From April 1, 2020 to March 31, 2021)	FY2021 (From April 1, 2021 to March 31, 2022)
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	123,379	357,434
Depreciation and amortization expense	45,729	46,455
Loss (gain) on sale of property, plant and equipment	(174)	(1,364)
Impairment losses	262	269
Share of loss (profit) of investments accounted for using equity method	(8,719)	(57,537)
Loss (gain) on sale of subsidiaries	—	(74,374)
Increase or decrease in retirement benefit asset or liability	(14,646)	(5,100)
Increase (decrease) in provisions	(2,392)	(56)
Finance income	(22,955)	(31,884)
Finance costs	4,757	2,969
Decrease (increase) in trade and other receivables	(30,489)	(28,260)
Decrease (increase) in inventories	(70,653)	(92,717)
Increase (decrease) in trade and other payables	52,133	44,663
Decrease (increase) in advance payments to suppliers	3,144	(9,401)
Increase (decrease) in accrued consumption taxes	(187)	904
Other	8,587	15,787
Subtotal	87,776	167,788
Interest received	4,034	3,483
Dividends received	11,931	33,248
Interest paid	(3,834)	(2,419)
Income taxes paid	(8,463)	(42,632)
Income taxes refund	78	21
Net cash provided by (used in) operating activities	91,522	159,489
Cash flows from investing activities		
Payments into time deposits	(21,401)	(43,185)
Proceeds from withdrawal of time deposits	24,736	83
Purchase of property, plant and equipment	(39,267)	(55,408)
Proceeds from sale of property, plant and equipment	375	1,647
Purchase of intangible assets	(1,203)	(1,162)
Proceeds from sale of investment securities	821	7,483
Purchase of shares of subsidiaries and associates	(4,566)	(9,777)
Proceeds from sale of shares of subsidiaries and associates	9,943	25
Collection of short-term loans receivable	253	278
Payments for long-term loans receivable	(3,424)	(29,144)
Collection of long-term loans receivable	1,596	26,419
Proceeds from sale of interests in subsidiaries resulting in change in scope of consolidation	—	113,002

	FY2020 (From April 1, 2020 to March 31, 2021)	FY2021 (From April 1, 2021 to March 31, 2022)
	Millions of yen	Millions of yen
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(249)	—
Other	(7)	(465)
Net cash provided by (used in) investing activities	(32,393)	9,796
Cash flows from financing activities		
Proceeds from short-term borrowings	252,439	190,212
Repayments of short-term borrowings	(256,969)	(184,833)
Proceeds from long-term borrowings	1,350	15,412
Repayments of long-term borrowings	(32,908)	(47,688)
Proceeds from issuance of bonds	—	64,007
Redemption of bonds	—	(84,007)
Proceeds from share issuance to non-controlling shareholders	2,158	8,865
Purchase of treasury shares	(25)	(29)
Dividends paid	(16,762)	(58,252)
Dividends paid to non-controlling interests	(3,224)	(12,053)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(19,374)
Other	(1,817)	(1,878)
Net cash provided by (used in) financing activities	(55,758)	(129,618)
Net increase (decrease) in cash and cash equivalents	3,371	39,667
Cash and cash equivalents at beginning of period	155,530	158,373
Effect of exchange rate changes on cash and cash equivalents	(528)	15,937
Cash and cash equivalents at end of period	158,373	213,977

(5) Notes Relating to the Consolidated Financial Statements

(Note Relating to the Going Concern Assumption)

There are no pertinent items.

(Operating Segments)

(1) Summary of reportable segments

1) Decision method of the reportable segments

The 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 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 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, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable Segments				Other Businesses ¹	Adjustments ²	Consolidated Statement of Profit or Loss
	Mineral Resources	Smelting & Refining	Materials	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] ³	63,110	53,038	10,481	126,629	(2,758)	(492)	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 ³	16,939	(72)	34	16,901	—	6,054	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

Year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable Segments				Other Businesses ¹	Adjustments ²	Consolidated Statement of Profit or Loss
	Mineral Resources	Smelting & Refining	Materials	Total			
Net sales:							
Outside customers	109,710	892,627	253,167	1,255,504	3,587	—	1,259,091
Inter-segment	47,605	49,714	24,795	122,114	6,256	(128,370)	—
Total	157,315	942,341	277,962	1,377,618	9,843	(128,370)	1,259,091
Segment income [Profit (loss) before tax] ³	208,548	114,753	27,625	350,926	(949)	7,457	357,434
Segmental assets	774,826	872,515	284,873	1,932,214	25,934	310,608	2,268,756
Other information:							
Depreciation and amortization expense	(12,205)	(21,173)	(10,095)	(43,473)	(561)	(2,421)	(46,455)
Finance income ³	8,648	841	322	9,811	1	22,072	31,884
Finance costs	(1,592)	(1,264)	(320)	(3,176)	(25)	232	(2,969)
Share of profit (loss) of entities accounted for using equity method	44,524	10,825	2,827	58,176	—	(639)	57,537
Impairment losses on non-financial assets	—	(166)	(64)	(230)	(39)	—	(269)
Other profit (loss)	78,686	(883)	563	78,366	(2,456)	(10,011)	65,899
Capital expenditures	30,952	22,901	6,659	60,512	658	3,369	64,539
Investments accounted for using equity method	267,069	70,404	27,270	364,743	—	4,008	368,751

(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)

	FY2020 (from April 1, 2020, to March 31, 2021)	FY2021 (from April 1, 2021, to March 31, 2022)
Head Office expenses not allocated to each reportable segment ^a	(1,399)	(1,954)
Internal interest rate	867	1,056
Eliminations of inter-segmental transactions among the reportable segments	48	(3,780)
Income/expenses not allocated to each reportable segment ^b	(8)	12,135
Adjustments for segment income (loss)	(492)	7,457

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)

	FY2020 (from April 1, 2020, to March 31, 2021)	FY2021 (from April 1, 2021, to March 31, 2022)
Corporate assets not allocated to each reportable segment*	651,693	764,534
Offsets and eliminations, etc. of inter-segmental receivables among the reportable segments, including those toward Head Office divisions/departments	(418,381)	(453,926)
Adjustments for segmental assets	233,312	310,608

* 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 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.

3. Starting from the fiscal year ended March 31, 2022, the method of allocating general administrative expenses and finance income and costs has changed, in order to evaluate the performance of each segment more appropriately. Segment income and finance income and costs for the fiscal year ended March 31, 2021 are presented as amounts that reflect this change.

(Per Share Information)

	FY2020 (from April 1, 2020, to March 31, 2021)	FY2021 (from April 1, 2021, to March 31, 2022)
Profit attributable to owners of parent (Millions of yen)	94,604	281,037
Adjustments for profit (Millions of yen)	—	—
Profit used to calculate diluted earnings per share (Millions of yen)	94,604	281,037
Weighted average number of ordinary shares outstanding (Thousands of shares)	274,779	274,772
Increase in shares of common stock (Thousands of shares)	—	—
Weighted average number of diluted common stock (Thousands of shares)	274,779	274,772
Basic earnings per share (Yen)	344.29	1,022.80
Diluted earnings per share (Yen)	344.29	1,022.80

(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
			FY2020	FY2021	Increase/decrease
Mineral Resources	Gold and silver ores (Gold content)	t	146,198	143,333	-2,865
		¥1,000/DMT	241	259	18
		¥million	35,178	37,052	1,874
		(kg)	(6,000)	(5,950)	(-50)
Smelting & Refining	Copper	t	442,992	421,744	-21,248
		¥1,000/t	736	1,089	353
		¥million	325,941	459,426	133,485
	Gold	kg	17,784	16,833	-951
		¥/g	6,227	6,531	304
		¥million	110,742	109,928	-814
	Silver	kg	206,104	229,889	23,785
		¥1,000/kg	78	89	11
		¥million	16,076	20,550	4,474
	Nickel	t	69,558	64,221	-5,337
		¥1,000/t	1,599	2,263	664
		¥million	111,191	145,318	34,127
Materials	Advanced materials, etc.	¥million	160,661	192,977	32,316

(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.