



Consolidated Financial Results for the First Quarter Ended June 30, 2024 [IFRS]

August 7, 2024

[Full version of English translation released on August 30, 2024]

Listed Company Name: Sumitomo Metal Mining Co., Ltd.
 Code: 5713
 Listings: Tokyo Stock Exchange
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 Scheduled Date to Start Dividend Payment: —
 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 June 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	%
Three months ended June 30, 2024	410,297	11.1	30,688	13.1	21,469	-6.9	22,075	6.5	106,400	93.2
Three months ended June 30, 2023	369,190	3.2	27,133	-73.9	23,050	-71.7	20,732	-72.9	55,073	-56.9

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	80.34	80.34
Three months ended June 30, 2023	75.45	75.45

(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 June 30, 2024	3,223,531	2,068,600	1,862,877	57.8
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	—				
Year ending March 31, 2025 (Forecast)		49.00	—	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	1,553,000	7.4	111,000	15.9	78,000	28.3	73,000	24.6	265.69

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

For further details, please refer to “1. Overview of Business Performance, etc., (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 June 30, 2024

290,814,015 shares at March 31, 2024

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

16,055,427 shares at June 30, 2024

16,054,245 shares at March 31, 2024

3) Average number of shares during the period

274,758,944 shares for three months ended June 30, 2024

274,764,017 shares for three months ended June 30, 2023

Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or audit corporations: Yes (voluntary)

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

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 Wednesday, August 7, 2024.

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1. Overview of Business Performance, etc.

(1) Overview of Business Performance for the Three Months Ended June 30, 2024

	(Millions of yen)		
	Net sales	Profit before tax	Profit attributable to owners of parent
Three months ended June 30, 2024	410,297	30,688	22,075
Three months ended June 30, 2023	369,190	27,133	20,732
Increase/decrease [Rate of change: %]	41,107 [11.1]	3,555 [13.1]	1,343 [6.5]

(Overseas market prices and foreign exchange rates)

	Unit	Three months ended June 30, 2023	Three months ended June 30, 2024	Increase/decrease
Copper	\$/t	8,478	9,751	1,273
Nickel	\$/lb	10.16	8.34	-1.82
Gold	\$/TOZ	1,978.1	2,337.7	359.6
Exchange rate (TTM)	¥/\$	137.37	155.89	18.52

The global economy during the first three months of fiscal 2024, the year ending March 31, 2025, saw a gradual recovery. In the United States, despite continued upward pressure on prices, the economy remained resilient on the back of strong consumption and production. In Europe, the economy recovered moderately as personal consumption picked up due to an increase in real wages, although the effects of monetary tightening policy lingered. In China, personal consumption remained stagnant amid the sluggish real estate market, but the recovery in exports helped bolster the economy.

Regarding the prices of major non-ferrous metals, copper prices have been on an upward trend since the end of the previous fiscal year due to expectations for medium- to long-term demand growth outweighing supply concerns stemming from the suspension of operation at some overseas mines, resulting in average prices increasing year over year. Although Nickel prices briefly increased amid supply concerns caused by factors such as uncertainty in New Caledonia, average prices fell year over year due to the sustained supply glut, such as an increase in LME stock. Gold prices rose from the end of the previous fiscal year on the back of heightened geopolitical risks in the Middle East and then plateaued, which resulted in an increase in average prices year over year.

As for exchange rates, the average exchange rate for the yen depreciated sharply year over year due to the interest rate differential between Japan and the United States, reflecting the Fed cautiously steering toward the potential commencement of interest rate cuts in the United States amid favorable economic trends, while Japan maintained its monetary easing policy.

In industries related to the Materials business, demand for automobile battery materials remained strong thanks to increased demand for electric and hybrid vehicles. Demand for components for electronic parts began to recover due to progress with inventory adjustments and other factors.

Under these circumstances, consolidated net sales in the first three months of fiscal 2024 increased by ¥41,107 million year over year to ¥410,297 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 by ¥3,555 million year over year to ¥30,688 million, due mainly to top-line growth and an improvement in finance income owing to higher interest income, which more than offset deterioration in share of loss (profit) of investments accounted for using equity method.

Profit attributable to owners of parent increased by ¥1,343 million year over year to ¥22,075 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 quarterly consolidated statement of profit or loss.)

(Mineral Resources segment)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024	Increase/decrease	Rate of change (%)
Net sales	38,489	42,724	4,235	11.0
Segment income	27,718	10,413	-17,305	-62.4

Segment income decreased year over year mainly due to the increase in production costs.

The statuses of the main mines are as follows.

Mining operations at the Hishikari Mine remained steady in line with the planned annual sales volume of 4.0 tonnes, and the sales volume of gold in the first three months of fiscal 2024 was 0.8 tonnes.

Production levels at the Morenci Copper Mine (United States) (of which the Company holds a 25.0% interest, excluding non-controlling interest) was 81 thousand tonnes, lower than the same period of the previous fiscal year due mainly to 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 103 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 42 thousand tonnes.

(Smelting & Refining segment)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024	Increase/decrease	Rate of change (%)
Net sales	267,074	326,629	59,555	22.3
Segment income	6,090	27,787	21,697	356.3

(Output by the Company's major product)

Product	Unit	Three months ended June 30, 2023	Three months ended June 30, 2024	Increase/decrease
Copper	t	96,779	111,136	14,357
Gold	kg	5,079	4,731	-348
Electrolytic nickel	t	13,915	14,455	540
Ferronickel	t	1,949	1,018	-931

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

Segment income increased year over year, due mainly to higher copper prices and yen depreciation.

The production level of electrolytic copper increased from the same period of the previous fiscal year, while the sales volume remained on par with the same period of the previous fiscal year. The production level and sales volume of electrolytic nickel increased year over year. The production level and sales volume of ferronickel decreased year over year.

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

(Materials segment)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024	Increase/decrease	Rate of change (%)
Net sales	91,099	76,631	-14,468	-15.9
Segment income	1,382	3,076	1,694	122.6

Segment income increased mainly due to a recovery in demand for components for electronic parts, despite lower sales of automobile battery materials impacted by falling prices of non-ferrous metals and other factors.

(2) Overview of Financial Position for the Three Months Ended June 30, 2024

1) Financial Position

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024	Increase/decrease
Total assets	3,027,714	3,223,531	195,817
Total liabilities	1,054,334	1,154,931	100,597
Total equity	1,973,380	2,068,600	95,220

Total assets as of June 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, and in bonds and borrowings under non-current liabilities, mainly long-term borrowings owing to the impact of foreign exchange rates.

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)

	Three months ended June 30, 2023	Three months ended June 30, 2024	Increase/decrease
Net cash used in operating activities	(4,964)	(19,757)	-14,793
Net cash used in investing activities	(56,032)	(38,089)	17,943
Net cash provided by financing activities	44,751	62,681	17,930
Effect of exchange rate changes on cash and cash equivalents	7,003	6,398	-605
Cash and cash equivalents at beginning of period	215,007	151,022	-63,985
Cash and cash equivalents at end of period	205,765	162,255	-43,510

Net cash used in operating activities during the first three months of fiscal 2024 increased from the same period of the previous fiscal year, due mainly to an increase in inventories, despite an increase in trade and other payables.

Net cash used in investing activities decreased from the same period of the previous fiscal year. This was mainly because although purchase of property, plant and equipment increased, payments for long-term loans receivable decreased.

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

(3) Forward-Looking Information Including Forecast of Consolidated Operating Results and Other
(Overseas market prices and foreign exchange rates)

	Unit	FY2024 First Three Months Results	FY2024 Second to Fourth Quarter Forecast	Year ending March 31, 2025 Full Year Forecast
Copper	\$/t	9,751	9,200	9,338
Nickel	\$/lb	8.34	7.50	7.71
Gold	\$/TOZ	2,337.7	2,100.0	2,159.4
Exchange rate (TTM)	¥/\$	155.89	150.00	151.47

In the business environment surrounding the SMM Group, in the non-ferrous metals industry, given factors such as supply concerns following the suspension of operations at some overseas mines in addition to expectations for a steady increase in demand, we estimate the supply-demand balance for copper remaining in short supply. On the other hand, we estimate the supply-demand balance for nickel to remain in oversupply due mainly to the continued expansion of production in Indonesia.

As for industries related to the Materials business, we estimate demand for electric and hybrid vehicles remaining robust on the whole, although demand levels will likely vary by manufacturer and model. For components for electronic parts, we estimate demand remaining on a gradual recovery trend for the time being.

With regard to the forecast of consolidated operating results for fiscal 2024, in light of consolidated results for the first three months of fiscal 2024, we have revised our estimate for major non-ferrous metal prices for the second quarter onward 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. Our forecast for foreign exchange rates remains unchanged from the previous forecast. As a result, net sales are expected to reach ¥1,553.0 billion, profit before tax of ¥111.0 billion, profit of ¥78.0 billion, and profit attributable to owners of parent of ¥73.0 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	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 Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

	FY2023 (As of March 31, 2024)	First Quarter of FY2024 (As of June 30, 2024)
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	151,022	162,255
Trade and other receivables	185,238	199,421
Other financial assets	9,054	22,032
Inventories	516,014	559,721
Other current assets	43,611	50,089
Subtotal	904,939	993,518
Assets held for sale	19,482	9,921
Total current assets	924,421	1,003,439
Non-current assets		
Property, plant and equipment	759,484	812,441
Intangible assets and goodwill	72,468	76,320
Investment property	3,477	3,477
Investments accounted for using equity method	499,097	522,942
Other financial assets	722,250	757,857
Deferred tax assets	1,828	2,050
Other non-current assets	44,689	45,005
Total non-current assets	2,103,293	2,220,092
Total assets	3,027,714	3,223,531

	FY2023 (As of March 31, 2024)	First Quarter of FY2024 (As of June 30, 2024)
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	263,054	263,289
Bonds and borrowings	133,610	214,344
Other financial liabilities	16,961	20,439
Income taxes payable	11,168	11,927
Provisions	8,387	6,396
Other current liabilities	26,015	28,928
Subtotal	459,195	545,323
Liabilities directly associated with assets held for sale	4,415	4,078
Total current liabilities	463,610	549,401
Non-current liabilities		
Bonds and borrowings	396,679	409,877
Other financial liabilities	14,354	13,598
Provisions	42,997	45,621
Retirement benefit liability	3,223	3,382
Deferred tax liabilities	128,808	126,857
Other non-current liabilities	4,663	6,195
Total non-current liabilities	590,724	605,530
Total liabilities	1,054,334	1,154,931
Equity		
Share capital	93,242	93,242
Capital surplus	89,800	89,800
Treasury shares	(38,099)	(38,104)
Other components of equity	344,241	414,958
Retained earnings	1,295,920	1,302,981
Total equity attributable to owners of parent	1,785,104	1,862,877
Non-controlling interests	188,276	205,723
Total equity	1,973,380	2,068,600
Total liabilities and equity	3,027,714	3,223,531

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

	Three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
	Millions of yen	Millions of yen
Net sales	369,190	410,297
Cost of sales	(332,849)	(363,011)
Gross profit	36,341	47,286
Selling, general and administrative expenses	(16,558)	(17,305)
Finance income	7,965	23,372
Finance costs	(3,477)	(7,314)
Share of profit (loss) of investments accounted for using equity method	13,944	(2,261)
Other income	310	735
Other expenses	(11,392)	(13,825)
Profit before tax	27,133	30,688
Income tax expense	(4,083)	(9,219)
Profit	23,050	21,469
Profit attributable to:		
Owners of parent	20,732	22,075
Non-controlling interests	2,318	(606)
Profit	23,050	21,469
Earnings per share		
Basic earnings per share (Yen)	75.45	80.34
Diluted earnings per share (Yen)	75.45	80.34

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

	Three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
	Millions of yen	Millions of yen
Profit	23,050	21,469
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	16,208	(1,486)
Share of other comprehensive income of investments accounted for using equity method	—	(9)
Total of items that will not be reclassified to profit or loss	16,208	(1,495)
Items that will be reclassified to profit or loss:		
Cash flow hedges	2,816	1,504
Exchange differences on transition of foreign operations	9,110	56,479
Share of other comprehensive income of investments accounted for using equity method	3,889	28,443
Total of items that will be reclassified to profit or loss	15,815	86,426
Other comprehensive income, net of tax	32,023	84,931
Comprehensive income	55,073	106,400
Comprehensive income attributable to:		
Owners of parent	49,289	95,088
Non-controlling interests	5,784	11,312
Comprehensive income	55,073	106,400

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
For the three months ended June 30, 2023 (From April 1, 2023 to June 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	—	—	—	9,471	2,878	16,208
Total comprehensive income	—	—	—	9,471	2,878	16,208
Purchase of treasury shares	—	—	(7)	—	—	—
Disposal of treasury shares	—	0	0	—	—	—
Dividends	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	1
Transactions with owners - total	—	0	(7)	—	—	1
As of June 30, 2023	93,242	89,800	(38,083)	115,073	3,603	130,265

	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	—	—	20,732	20,732	2,318	23,050
Other comprehensive income	—	28,557	—	28,557	3,466	32,023
Total comprehensive income	—	28,557	20,732	49,289	5,784	55,073
Purchase of treasury shares	—	—	—	(7)	—	(7)
Disposal of treasury shares	—	—	—	0	—	0
Dividends	—	—	(31,598)	(31,598)	(2,265)	(33,863)
Changes in ownership interest in subsidiaries	—	—	—	—	8,853	8,853
Transfer to retained earnings	—	1	(1)	—	—	—
Transactions with owners - total	—	1	(31,599)	(31,605)	6,588	(25,017)
As of June 30, 2023	—	248,941	1,255,455	1,649,355	169,997	1,819,352

For the three months ended June 30, 2024 (From April 1, 2024 to June 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	—	—	—	72,655	1,853	(1,495)
Total comprehensive income	—	—	—	72,655	1,853	(1,495)
Purchase of treasury shares	—	—	(5)	—	—	—
Disposal of treasury shares	—	—	—	—	—	—
Dividends	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	(2,296)
Transactions with owners - total	—	—	(5)	—	—	(2,296)
As of June 30, 2024	93,242	89,800	(38,104)	243,555	1,746	169,657

	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, 2024	—	344,241	1,295,920	1,785,104	188,276	1,973,380
Profit	—	—	22,075	22,075	(606)	21,469
Other comprehensive income	—	73,013	—	73,013	11,918	84,931
Total comprehensive income	—	73,013	22,075	95,088	11,312	106,400
Purchase of treasury shares	—	—	—	(5)	—	(5)
Disposal of treasury shares	—	—	—	—	—	—
Dividends	—	—	(17,310)	(17,310)	(1,080)	(18,390)
Changes in ownership interest in subsidiaries	—	—	—	—	7,215	7,215
Transfer to retained earnings	—	(2,296)	2,296	—	—	—
Transactions with owners - total	—	(2,296)	(15,014)	(17,315)	6,135	(11,180)
As of June 30, 2024	—	414,958	1,302,981	1,862,877	205,723	2,068,600

(4) Condensed Quarterly Consolidated Statement of Cash Flows

	Three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	27,133	30,688
Depreciation and amortization expense	13,118	16,707
Share of loss (profit) of investments accounted for using equity method	(13,944)	2,261
Increase or decrease in retirement benefit asset or liability	86	194
Increase (decrease) in provisions	(1,624)	(1,674)
Finance income	(7,965)	(23,372)
Finance costs	3,477	7,314
Decrease (increase) in trade and other receivables	(2,078)	(13,861)
Decrease (increase) in inventories	31,645	(39,433)
Increase (decrease) in trade and other payables	(49,587)	(129)
Decrease (increase) in advance payments to suppliers	2,357	(4,241)
Increase (decrease) in accrued consumption taxes	5,496	1,703
Other	(642)	5,553
Subtotal	7,472	(18,290)
Interest received	1,035	1,044
Dividends received	13,731	11,091
Interest paid	(1,085)	(1,440)
Income taxes paid	(26,117)	(12,162)
Net cash provided by (used in) operating activities	(4,964)	(19,757)

	Three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
	Millions of yen	Millions of yen
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,066)	(32,787)
Proceeds from sale of property, plant and equipment	683	134
Purchase of intangible assets	(87)	(183)
Purchase of investment securities	—	(967)
Proceeds from sale of investment securities	—	8,440
Purchase of shares of subsidiaries and associates	(10,150)	(3,158)
Payments for long-term loans receivable	(30,490)	(9,650)
Other	78	82
Net cash provided by (used in) investing activities	(56,032)	(38,089)
Cash flows from financing activities		
Proceeds from short-term borrowings	114,011	52,681
Repayments of short-term borrowings	(99,825)	(51,237)
Proceeds from long-term borrowings	21,766	—
Repayments of long-term borrowings	(10,665)	(1,912)
Proceeds from issuance of bonds	49,999	89,905
Redemption of bonds	(5,000)	(14,993)
Proceeds from share issuance to non-controlling shareholders	8,853	7,215
Dividends paid	(31,598)	(17,310)
Dividends paid to non-controlling interests	(2,265)	(1,080)
Other	(525)	(588)
Net cash provided by (used in) financing activities	44,751	62,681
Net increase (decrease) in cash and cash equivalents	(16,245)	4,835
Cash and cash equivalents at beginning of period	215,007	151,022
Effect of exchange rate changes on cash and cash equivalents	7,003	6,398
Cash and cash equivalents at end of period	205,765	162,255

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

(Note Relating to the Going Concern Assumption)

There are no pertinent items.

(Applicable Financial Reporting Framework)

Condensed quarterly consolidated financial statements (condensed quarterly consolidated statement of financial position, condensed quarterly consolidated statement of profit or loss, condensed quarterly consolidated statement of comprehensive income, condensed quarterly consolidated statement of changes in equity, condensed quarterly consolidated statement of cash flows and notes) are prepared in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. (provided, however, that the omissions prescribed in Article 5, Paragraph 5 of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied), and some of the disclosure items and notes required under IAS 34 Interim Financial Reporting have been omitted.

(Changes in Presentation Method)

(Condensed Quarterly 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 three months ended June 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 quarterly consolidated financial statements for the first three months ended June 30, 2023.

As a result, “payments into time deposits” of ¥(267) million, “proceeds from withdrawal of time deposits” of ¥33 million, “collection of short-term loans receivable” of ¥201 million, and “other” of ¥111 million, which were presented under “cash flows from investing activities” in the condensed quarterly consolidated statement of cash flows for the first three months ended June 30, 2023, have been reclassified as “other” of ¥78 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 quarterly consolidated financial statements, with the exception of the recording by each operating segment of amounts corresponding to interest on internal loans, as determined in the statement of financial position of each segment.

The inter-segment net sales are calculated based on arm's length transaction prices.

Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(Millions of yen)

	Reportable Segments				Other Businesses ¹	Total	Adjustments ²	Consolidated Statement of Profit or Loss
	Mineral Resources	Smelting & Refining	Materials	Total				
Net sales:								
Outside customers	29,509	252,783	85,963	368,255	935	369,190	—	369,190
Inter-segment	8,980	14,291	5,136	28,407	1,638	30,045	(30,045)	—
Total	38,489	267,074	91,099	396,662	2,573	399,235	(30,045)	369,190
Segment income ³	27,718	6,090	1,382	35,190	(233)	34,957	(7,824)	27,133

(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 ¥(7,824) 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 quarterly consolidated statement of profit or loss.

Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(Millions of yen)

	Reportable Segments				Other Businesses ¹	Total	Adjustments ²	Consolidated Statement of Profit or Loss
	Mineral Resources	Smelting & Refining	Materials	Total				
Net sales:								
Outside customers	25,407	313,761	70,140	409,308	989	410,297	—	410,297
Inter-segment	17,317	12,868	6,491	36,676	1,907	38,583	(38,583)	—
Total	42,724	326,629	76,631	445,984	2,896	448,880	(38,583)	410,297
Segment income ³	10,413	27,787	3,076	41,276	135	41,411	(10,723)	30,688

(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 ¥(10,723) 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 quarterly 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 Three Months Results
Mineral Resources	Gold and silver ores (Gold content)	t	31,082
		¥1,000/DMT	309
		¥million	9,593
		(kg)	(812)
Smelting & Refining	Copper	t	112,103
		¥1,000/t	1,538
		¥million	172,409
	Gold	kg	4,678
		¥/g	11,004
		¥million	51,473
	Silver	kg	47,792
		¥1,000/kg	144
¥million		6,862	
Nickel	t	15,879	
	¥1,000/t	2,927	
	¥million	46,477	
Materials	Battery materials, etc.	¥million	57,460

(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.

(Translation)

Independent Auditor's Report
on the Interim Review of Quarterly Consolidated Financial Statements

August 7, 2024

To the Board of Directors of
Sumitomo Metal Mining Co., Ltd.

KPMG AZSA LLC
Tokyo Office, Japan

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant:

Tomoyasu Sugizaki

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant:

Kenya Yakuwa

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant:

Kenichi Tejima

Conclusion

We have audited the condensed quarterly consolidated financial statements of Sumitomo Metal Mining Co., Ltd. listed in the "Attachment," namely, the condensed quarterly consolidated statement of financial position, the condensed quarterly consolidated statement of profit or loss, the condensed quarterly consolidated statement of comprehensive income, the condensed quarterly consolidated statement of changes in equity, and the condensed quarterly consolidated statement of cash flows, as well as their notes, for the first quarter (April 1, 2024 to June 30, 2024) and the first three months (April 1, 2024 to June 30, 2024) of the consolidated fiscal year from April 1, 2024 to March 31, 2025.

As a result of conducting our interim review, there were no matters that cause us to believe that the condensed quarterly consolidated financial statements referred to above are not prepared in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. (provided, however, that the omissions prescribed in Article 5, Paragraph 5 of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied), in all material respects.

Basis for the Conclusion

We conducted an interim review in accordance with interim review standards generally accepted in Japan. Our responsibilities under the interim review standards are described in the "Auditor's Responsibility in the Interim Review of the Condensed Quarterly Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics requirements in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Condensed Quarterly Consolidated Financial Statements

Management is responsible for the preparation of the condensed quarterly consolidated financial statements in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. (provided, however, that the omissions prescribed in Article 5, Paragraph 5 of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied), and for designing and

operating such internal control as management determines is necessary to enable the preparation of the condensed quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed quarterly consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the condensed quarterly consolidated financial statements in accordance with the going concern assumption, and for disclosing matters relating to going concern when it is required to do so in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. (provided, however, that the omissions prescribed in Article 5, Paragraph 5 of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied).

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by Directors in designing and operating a financial reporting process.

Auditor's Responsibility in the Interim Review of the Condensed Quarterly Consolidated Financial Statements

Our responsibility is to give a conclusion on the condensed quarterly consolidated financial statements from an independent standpoint in an interim review report based on our interim review.

We exercise professional judgment in the interim review process in accordance with the interim review standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Ask questions primarily to management and persons responsible for financial and accounting matters, perform analytical procedures and other interim review procedures. Interim review procedures are more limited procedures than audits of annual financial statements performed in accordance with auditing standards generally accepted in Japan.
- If we determine that there is significant uncertainty in regard to events or conditions that may cast significant doubt on the going concern assumption, we conclude, based on the evidence obtained, whether there are any matters that cause us to believe that the condensed quarterly consolidated financial statements have not been prepared in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. (provided, however, that the omissions prescribed in Article 5, Paragraph 5 of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied). In addition, if there is significant uncertainty concerning the going concern assumption, the auditor is required to call attention to the notes to the condensed quarterly consolidated financial statements in the interim review report, or if the notes to the condensed quarterly consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified conclusion or a negative conclusion on the condensed quarterly consolidated financial statements. While the conclusions of the auditor are based on the evidence obtained up to the date of the interim review report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Evaluate whether there are any matters that cause us to believe that the presentation of and notes to the condensed quarterly consolidated financial statements have not been prepared in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. (provided, however, that the omissions prescribed in Article 5, Paragraph 5 of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied).
- Obtain evidence regarding the financial statements of the Company and its consolidated subsidiaries that forms the basis for giving a conclusion on the condensed quarterly consolidated financial statements. We are responsible for direction, supervision, and inspections relating to the interim review of the condensed quarterly consolidated financial statements, and are solely responsible for our audit conclusion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of the planned interim review and material interim review findings.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures that have been taken to eliminate obstacles or safeguards that have been put in place to reduce these obstacles to an acceptable level.

Interest

Our firm and the engagement partners do not have any interest in the Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

(Notes)

1. The original copy of the Interim Review Report in above, is kept separately by the Company (the company disclosing quarterly financial results).
2. XBRL data and HTML data are not included in the scope of the interim review.

Note:

The English version of the financial statements consists of an English translation of the reviewed Japanese financial statements. The actual text of the English translation of the financial statements was not covered by our review. Consequently, for the auditors' review report of the English financial statements, the Japanese original is the official text, and the English version is a translation of that text. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.