



Consolidated Financial Results for the Third Quarter Ended December 31, 2024 [IFRS]

February 12, 2025

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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 December 31, 2024)

(1) Consolidated Operating Results

(% figures show year-on-year change)

	Net sales		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	1,192,801	9.9	48,139	-44.9	23,774	-60.9	29,615	-49.2	24,559	-89.1
Nine months ended December 31, 2023	1,085,039	0.9	87,359	-60.0	60,841	-62.2	58,326	-61.8	226,297	-34.5

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	107.77	107.77
Nine months ended December 31, 2023	212.28	212.28

(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 December 31, 2024	3,029,895	1,974,213	1,784,787	58.9
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)				55.00	104.00

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

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	1,573,000	8.8	58,000	-39.5	25,000	-58.9	31,000	-47.1	112.79

(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 December 31, 2024

290,814,015 shares at March 31, 2024

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

15,792,620 shares at December 31, 2024

16,054,245 shares at March 31, 2024

3) Average number of shares during the period

274,787,648 shares for nine months ended December 31, 2024

274,762,796 shares for nine months ended December 31, 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

(Caution Regarding Forward-Looking Statements)

The forecast of consolidated operating results for the year ending March 31, 2025, disclosed on November 12, 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 Wednesday, February 12, 2025.

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1. Overview of Business Performance, etc.

(1) Overview of Business Performance for the Nine Months Ended December 31, 2024

	(Millions of yen)		
	Net sales	Profit before tax	Profit attributable to owners of parent
Nine months ended December 31, 2024	1,192,801	48,139	29,615
Nine months ended December 31, 2023	1,085,039	87,359	58,326
Increase/decrease [Rate of change: %]	107,762 [9.9]	-39,220 [-44.9]	-28,711 [-49.2]

(Market prices and foreign exchange rates)

	Unit	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Increase/decrease
Copper	\$/t	8,334	9,378	1,044
Nickel	\$/lb	9.06	7.66	-1.40
Gold	\$/TOZ	1,961.2	2,492.1	530.9
Exchange rate (TTM)	¥/\$	143.30	152.57	9.27

The global economy during the first nine months of fiscal 2024, the year ending March 31, 2025, maintained its trend of overall growth, despite disparities among countries, regions, and industries. In the United States, personal consumption grew due to an increase in real wages, and the economy expanded. In Europe, the economy recovered moderately as high prices have subsided, although the manufacturing sector was weak in some countries. Meanwhile, in China, despite an increase in exports, the economy remained sluggish as the internal demand has been stagnant due to the real estate downturn.

Regarding the prices of major non-ferrous metals, although copper prices were volatile due to fluctuations in the supply-demand balance and global economic forecasts, demand remained strong backed by factors such as an increase in data communications related to generative AI and the construction of data centers to accommodate it, 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 production in Indonesia. Gold prices have generally been on an upward trend throughout the period on the back of geopolitical risks in the Middle East, 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 there was a phase of yen appreciation owing to a growing prediction for a narrower interest rate differential between Japan and the United States, the yen depreciated again due to factors such as a rise in long-term interest rates in the United States due to concerns for a resurgence of inflation, and the average exchange rate for the yen depreciated year over year.

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

Under these circumstances, consolidated net sales for the first nine months of fiscal 2024 increased by ¥107,762 million year over year to ¥1,192,801 million, due mainly to the average price of copper and gold increasing year over year and yen depreciation.

Consolidated profit before tax decreased by ¥39,220 million year over year to ¥48,139 million, due mainly to the recording of impairment losses by Coral Bay Nickel Corporation (Philippines), an overseas nickel smelting subsidiary, despite an increase in profit through the steady opening of newly developed mines.

Profit attributable to owners of parent decreased ¥28,711 million year over year to ¥29,615 million, due mainly to a decrease 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)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Increase/decrease	Rate of change (%)
Net sales	118,936	158,586	39,650	33.3
Segment income	44,955	79,611	34,656	77.1

Segment income increased year over year due mainly to increases in copper and gold prices and the steady opening of the newly developed mines, Cote Gold Mine (Canada) and Quebrada Blanca Copper Mine (Chile), despite rising production costs in some mines.

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 nine months of fiscal 2024 was 3.0 tonnes.

Production levels at the Morenci Copper Mine (United States) (of which the Company holds a 25.0% interest, excluding non-controlling interest) was 240 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 325 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 (of which the Company holds a 25.0% interest, excluding non-controlling interest) was 142 thousand tonnes.

Production levels at the Cote Gold Mine (of which the Company holds a 39.7% interest, excluding non-controlling interest) was 5.1 tonnes. On November 30, 2024, IAMGOLD Corporation (Canada), which is jointly operating the mine with a consolidated subsidiary, SMM Gold Cote Inc. (Canada), exercised its right to repurchase its interest in the mine. Accordingly, the Company's interest fell from 39.7% to 30.0%. The Company recognizes this as an "important transaction or event," and is coordinating accordingly.

(Smelting & Refining segment)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Increase/decrease	Rate of change (%)
Net sales	790,659	921,246	130,587	16.5
Segment income (loss)	43,208	(21,395)	-64,603	—

(Output by the Company's major product)

Product	Unit	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Increase/decrease
Copper	t	269,900	330,993	61,093
Gold	kg	13,157	14,037	880
Electrolytic nickel	t	42,580	45,071	2,491
Ferronickel	t	4,166	2,244	-1,922

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

Segment income decreased year over year, falling into a loss, due to factors such as the recording of impairment losses of ¥50,060 million by Coral Bay Nickel Corporation during the period under review, although copper and gold prices remained high after the first nine months of fiscal 2024.

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 and Taganito HPAL Nickel Corporation (Philippines) decreased from the same period of the previous fiscal year.

(Materials segment)			(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Increase/decrease	Rate of change (%)
Net sales	263,129	223,096	-40,033	-15.2
Segment income	1,398	2,390	992	71.0

Segment income increased year over year mainly due to a general recovery in demand for components for electronic parts, despite the impacts such as falling prices of non-ferrous metals in automobile battery materials.

(2) Overview of Financial Position for the Nine Months Ended December 31, 2024

1) Financial Position			(Millions of yen)	
	As of March 31, 2024	As of December 31, 2024	Increase/decrease	
Total assets	3,027,714	3,029,895	2,181	
Total liabilities	1,054,334	1,055,682	1,348	
Total equity	1,973,380	1,974,213	833	

Total assets as of December 31, 2024 increased from those as of March 31, 2024. This was mainly due to increases in cash and cash equivalents, inventories, and other financial assets, despite a decrease in property, plant and equipment due to impairment and the exercise of interest repurchase options, as well as decreases in trade and other receivables, among other items.

Total liabilities increased from those as of March 31, 2024. This was mainly due to increases in bonds and borrowings, despite decreases in trade and other payables, among other items.

Total equity increased from that as of March 31, 2024. Under other components of equity, while the valuation of securities decreased, the exchange differences on transition of foreign operations, retained earnings, and other items increased.

2) Cash Flows			(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Increase/decrease	
Net cash provided by operating activities	204,954	67,127	-137,827	
Net cash used in investing activities	(215,672)	(88,558)	127,114	
Net cash provided by financing activities	54,136	49,926	-4,210	
Effect of exchange rate changes on cash and cash equivalents	16,059	6,233	-9,826	
Cash and cash equivalents at beginning of period	215,007	151,022	-63,985	
Cash and cash equivalents at end of period	274,484	185,750	-88,734	

Net cash provided by operating activities during the first nine months of fiscal 2024 decreased from the same period of the previous fiscal year, due mainly to an increase in inventories year over year and a decrease in profit before tax, despite increases in interest and dividends received, impairment losses, which are non-cash profit and loss items, among other items.

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

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

(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)	1,573,000	58,000	25,000	31,000
Year ended March 31, 2024 (Results)	1,445,388	95,795	60,803	58,601
Increase/decrease [Rate of change: %]	127,612 [8.8]	-37,795 [-39.5]	-35,803 [-58.9]	-27,601 [-47.1]

(Market prices and foreign exchange rates)

		A	B	(A+B/2)
	Unit	FY2024 First Nine Months Results	FY2024 Fourth Quarter Forecast	FY2024 Forecast (April 1, 2024 to March 31, 2025)
Copper	\$/t	9,378	9,100	9,308
Nickel	\$/lb	7.66	7.25	7.56
Gold	\$/TOZ	2,492.1	2,500.0	2,494.1
Exchange rate (TTM)	¥/\$	152.57	155.00	153.18

In the business environment surrounding the SMM Group, in the non-ferrous metals industry, although internal demand in China is sluggish, the supply-demand balance for copper is expected to remain level due to high demand related to renewable energy and generative AI, among other factors. On the other hand, we expect the supply-demand balance for nickel to remain in oversupply due to supply volume from areas such as Indonesia exceeding demand volume.

As for industries related to the Materials business, although we still anticipate demand for electric and hybrid vehicles remaining firm over the long term, in the short term, we expect increased uncertainty mainly due to policy changes in various countries. For components for electronic parts, while generative AI-related demand is growing, the outlook for some materials remains uncertain, and we expect to see a gradual recovery in demand on the whole.

With regard to the forecast of consolidated operating results for fiscal 2024, we have revised our estimate from the previous forecast (announced on November 12, 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 of each business with the production and sales plans. We have revised our forecast for foreign exchange rates in consideration of factors such as the level at the end of the period under review as well as financial policies in Japan and the United States. Given our recording of impairment losses during the period under review, net sales are expected to reach ¥1,573.0 billion, profit before tax of ¥58.0 billion, profit of ¥25.0 billion, and profit attributable to owners of parent of ¥31.0 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	215,000	1,214,000	292,000	1,721,000	11,000	(159,000)	1,573,000
Segment income (loss)	97,000	(13,000)	0	84,000	(2,000)	(24,000)	58,000

Reference: Forecast of consolidated operating results for fiscal 2024 (Figures announced on November 12)

(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 (loss)	106,000	7,000	(2,000)	111,000	(2,000)	(13,000)	96,000

2. Condensed Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

	FY2023 (As of March 31, 2024)	Third Quarter of FY2024 (As of December 31, 2024)
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	151,022	185,750
Trade and other receivables	185,238	178,138
Other financial assets	9,054	18,952
Inventories	516,014	533,523
Other current assets	43,611	44,097
Subtotal	904,939	960,460
Assets held for sale	19,482	—
Total current assets	924,421	960,460
Non-current assets		
Property, plant and equipment	759,484	723,084
Intangible assets and goodwill	72,468	66,459
Investment property	3,477	3,477
Investments accounted for using equity method	499,097	496,166
Other financial assets	722,250	735,026
Deferred tax assets	1,828	2,003
Other non-current assets	44,689	43,220
Total non-current assets	2,103,293	2,069,435
Total assets	3,027,714	3,029,895

	FY2023 (As of March 31, 2024)	Third Quarter of FY2024 (As of December 31, 2024)
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	263,054	209,246
Bonds and borrowings	133,610	217,171
Other financial liabilities	16,961	10,129
Income taxes payable	11,168	9,247
Provisions	8,387	5,761
Other current liabilities	26,015	21,051
Subtotal	459,195	472,605
Liabilities directly associated with assets held for sale	4,415	—
Total current liabilities	463,610	472,605
Non-current liabilities		
Bonds and borrowings	396,679	400,760
Other financial liabilities	14,354	12,440
Provisions	42,997	43,552
Retirement benefit liability	3,223	2,780
Deferred tax liabilities	128,808	122,482
Other non-current liabilities	4,663	1,063
Total non-current liabilities	590,724	583,077
Total liabilities	1,054,334	1,055,682
Equity		
Share capital	93,242	93,242
Capital surplus	89,800	90,592
Treasury shares	(38,099)	(37,485)
Other components of equity	344,241	336,467
Retained earnings	1,295,920	1,301,971
Total equity attributable to owners of parent	1,785,104	1,784,787
Non-controlling interests	188,276	189,426
Total equity	1,973,380	1,974,213
Total liabilities and equity	3,027,714	3,029,895

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

	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
	Millions of yen	Millions of yen
Net sales	1,085,039	1,192,801
Cost of sales	(963,666)	(1,130,522)
Gross profit	121,373	62,279
Selling, general and administrative expenses	(50,015)	(55,087)
Finance income	10,083	51,366
Finance costs	(11,544)	(14,152)
Share of profit (loss) of investments accounted for using equity method	31,484	11,563
Other income	1,904	9,003
Other expenses	(15,926)	(16,833)
Profit before tax	87,359	48,139
Income tax expense	(26,518)	(24,365)
Profit	60,841	23,774
Profit attributable to:		
Owners of parent	58,326	29,615
Non-controlling interests	2,515	(5,841)
Profit	60,841	23,774
Earnings per share		
Basic earnings per share (Yen)	212.28	107.77
Diluted earnings per share (Yen)	212.28	107.77

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
	Millions of yen	Millions of yen
Profit	60,841	23,774
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	21,460	(18,320)
Share of other comprehensive income of investments accounted for using equity method	3	46
Total of items that will not be reclassified to profit or loss	21,463	(18,274)
Items that will be reclassified to profit or loss:		
Cash flow hedges	1,145	2,199
Exchange differences on transition of foreign operations	92,913	12,068
Share of other comprehensive income of investments accounted for using equity method	49,935	4,792
Total of items that will be reclassified to profit or loss	143,993	19,059
Other comprehensive income, net of tax	165,456	785
Comprehensive income	226,297	24,559
Comprehensive income attributable to:		
Owners of parent	205,417	29,050
Non-controlling interests	20,880	(4,491)
Comprehensive income	226,297	24,559

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on transition of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
As of April 1, 2023	93,242	89,800	(38,076)	105,602	725	114,056
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	124,464	1,164	21,463
Total comprehensive income	—	—	—	124,464	1,164	21,463
Purchase of treasury shares	—	—	(16)	—	—	—
Disposal of treasury shares	—	0	0	—	—	—
Dividends	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	(3,164)
Transactions with owners - total	—	0	(16)	—	—	(3,164)
As of December 31, 2023	93,242	89,800	(38,092)	230,066	1,889	132,355

	Equity attributable to owners of parent					
	Other components of equity				Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Total	Retained earnings	Total		
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
As of April 1, 2023	—	220,383	1,266,322	1,631,671	157,625	1,789,296
Profit	—	—	58,326	58,326	2,515	60,841
Other comprehensive income	—	147,091	—	147,091	18,365	165,456
Total comprehensive income	—	147,091	58,326	205,417	20,880	226,297
Purchase of treasury shares	—	—	—	(16)	—	(16)
Disposal of treasury shares	—	—	—	0	—	0
Dividends	—	—	(41,215)	(41,215)	(5,923)	(47,138)
Changes in ownership interest in subsidiaries	—	—	—	—	22,235	22,235
Transfer to retained earnings	—	(3,164)	3,164	—	—	—
Transactions with owners - total	—	(3,164)	(38,051)	(41,231)	16,312	(24,919)
As of December 31, 2023	—	364,310	1,286,597	1,795,857	194,817	1,990,674

For the nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on transition of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
As of April 1, 2024	93,242	89,800	(38,099)	170,900	(107)	173,448
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	14,764	2,945	(18,274)
Total comprehensive income	—	—	—	14,764	2,945	(18,274)
Purchase of treasury shares	—	—	(16)	—	—	—
Disposal of treasury shares	—	792	630	—	—	—
Dividends	—	—	—	—	—	—
Establishment of subsidiary with non-controlling interest	—	—	—	—	—	—
Changes arising from the loss of control of subsidiaries	—	—	—	—	—	(1)
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	(7,208)
Transactions with owners - total	—	792	614	—	—	(7,209)
As of December 31, 2024	93,242	90,592	(37,485)	185,664	2,838	147,965

	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	—	—	29,615	29,615	(5,841)	23,774
Other comprehensive income	—	(565)	—	(565)	1,350	785
Total comprehensive income	—	(565)	29,615	29,050	(4,491)	24,559
Purchase of treasury shares	—	—	—	(16)	—	(16)
Disposal of treasury shares	—	—	—	1,422	—	1,422
Dividends	—	—	(30,773)	(30,773)	(7,003)	(37,776)
Establishment of subsidiary with non-controlling interest	—	—	—	—	579	579
Changes arising from the loss of control of subsidiaries	—	(1)	1	—	(180)	(180)
Changes in ownership interest in subsidiaries	—	—	—	—	12,245	12,245
Transfer to retained earnings	—	(7,208)	7,208	—	—	—
Transactions with owners - total	—	(7,209)	(23,564)	(29,367)	5,641	(23,726)
As of December 31, 2024	—	336,467	1,301,971	1,784,787	189,426	1,974,213

(4) Condensed Quarterly Consolidated Statement of Cash Flows

	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	87,359	48,139
Depreciation and amortization expense	40,828	52,483
Loss (gain) on sale of fixed assets	(5)	(206)
Impairment losses	1	53,473
Share of loss (profit) of investments accounted for using equity method	(31,484)	(11,563)
Loss (gain) on transfer of interests	—	(6,684)
Increase or decrease in retirement benefit asset or liability	233	722
Increase (decrease) in provisions	(2,188)	(2,230)
Finance income	(10,083)	(51,366)
Finance costs	11,544	14,152
Decrease (increase) in trade and other receivables	13,421	5,355
Decrease (increase) in inventories	80,454	(18,618)
Increase (decrease) in trade and other payables	(17,079)	(32,635)
Decrease (increase) in advance payments to suppliers	(634)	117
Increase (decrease) in accrued consumption taxes	11,150	(5,260)
Other	21,036	(2,950)
Subtotal	204,553	42,929
Interest received	14,375	22,403
Dividends received	33,036	44,524
Interest paid	(10,421)	(10,320)
Income taxes paid	(37,227)	(32,966)
Income taxes refund	638	557
Net cash provided by (used in) operating activities	204,954	67,127
Cash flows from investing activities		
Purchase of property, plant and equipment	(88,385)	(100,024)
Proceeds from sale of property, plant and equipment	1,088	390
Purchase of intangible assets	(1,583)	(4,216)
Purchase of investment securities	(1,860)	(1,790)
Proceeds from sale of investment securities	7,256	18,629
Purchase of shares of subsidiaries and associates	(33,172)	(15,744)
Collection of short-term loans receivable	384	3,998
Payments for long-term loans receivable	(99,601)	(47,428)
Payment from transfer of interests, etc. in subsidiaries resulting in change in scope of consolidation	—	(465)
Proceeds from transfer of interests	—	56,021
Other	201	2,071
Net cash provided by (used in) investing activities	(215,672)	(88,558)

	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
	Millions of yen	Millions of yen
Cash flows from financing activities		
Proceeds from short-term borrowings	363,083	251,446
Repayments of short-term borrowings	(396,823)	(223,698)
Proceeds from long-term borrowings	128,072	18,437
Repayments of long-term borrowings	(33,647)	(25,106)
Proceeds from issuance of bonds	59,945	162,836
Redemption of bonds	(40,000)	(107,935)
Proceeds from share issuance to non-controlling shareholders	22,235	12,824
Dividends paid	(41,215)	(30,773)
Dividends paid to non-controlling interests	(5,923)	(7,003)
Other	(1,591)	(1,102)
Net cash provided by (used in) financing activities	<u>54,136</u>	<u>49,926</u>
Net increase (decrease) in cash and cash equivalents	43,418	28,495
Cash and cash equivalents at beginning of period	215,007	151,022
Effect of exchange rate changes on cash and cash equivalents	16,059	6,233
Cash and cash equivalents at end of period	<u><u>274,484</u></u>	<u><u>185,750</u></u>

(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)

“Impairment losses,” which was included in “other” under “cash flows from operating activities” in the first nine months ended December 31, 2023, is presented separately due to its increased materiality. To reflect this change in the presentation method, a reclassification has been made to the condensed quarterly consolidated financial statements for the first nine months ended December 31, 2023.

As a result, “other” of ¥21,037 million, which was presented under “cash flows from operating activities” in the condensed quarterly consolidated statement of cash flows for the first nine months ended December 31, 2023, has been reclassified as “impairment losses” of ¥1 million and “other” of ¥21,036 million.

“Payments into time deposits” and “proceeds from withdrawal of time deposits,” which were presented separately under “cash flows from investing activities” in the first nine months ended December 31, 2023, are included in “other” under “cash flows from investing activities” due to their decreased materiality. To reflect this change in the presentation method, a reclassification has been made to the condensed quarterly consolidated financial statements for the first nine months ended December 31, 2023.

As a result, “payments into time deposits” of ¥(279) million, “proceeds from withdrawal of time deposits” of ¥311 million, and “other” of ¥169 million, which were presented under “cash flows from investing activities” in the condensed quarterly consolidated statement of cash flows for the first nine months ended December 31, 2023, have been reclassified as “other” of ¥201 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.

Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	85,234	749,494	247,585	1,082,313	2,726	1,085,039	—	1,085,039
Inter-segment	33,702	41,165	15,544	90,411	5,077	95,488	(95,488)	—
Total	118,936	790,659	263,129	1,172,724	7,803	1,180,527	(95,488)	1,085,039
Segment income ³	44,955	43,208	1,398	89,561	15	89,576	(2,217)	87,359

(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 ¥(2,217) 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.

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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	105,583	881,662	202,725	1,189,970	2,831	1,192,801	—	1,192,801
Inter-segment	53,003	39,584	20,371	112,958	5,028	117,986	(117,986)	—
Total	158,586	921,246	223,096	1,302,928	7,859	1,310,787	(117,986)	1,192,801
Segment income (loss) ³	79,611	(21,395)	2,390	60,606	79	60,685	(12,546)	48,139

(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 (loss) of ¥(12,546) 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 (loss) is adjusted against the profit before tax on the condensed quarterly consolidated statement of profit or loss.

(Impairment of Non-Financial Assets)

In calculating impairment losses, the SMM Group performs grouping based on the smallest unit of asset groups that are identified as generating generally independent cash inflows.

Impairment losses are recorded as “cost of sales” in the condensed quarterly consolidated statement of profit or loss.

	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
	Millions of yen	Millions of yen
Smelting & Refining segment	—	53,473
Other Businesses segment	1	—
Total	1	53,473

Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

There were no significant impairment losses in the first nine months ended December 31, 2023.

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

In the Smelting & Refining segment, we recorded impairment losses of ¥53,473 million.

Coral Bay Nickel Corporation, a consolidated subsidiary, recorded impairment losses of ¥50,060 million. This was due to the book value of fixed assets falling to their recoverable value as a result of a decline in profitability resulting from changes in the business environment such as a slump in nickel and cobalt prices, rising production costs, and changes to future production volumes caused by declines in ore quality. Recoverable value was measured based on usage value.

In the nickel business, we recorded impairment losses of ¥3,413 million. This was due to smelting process testing ending and the equipment used in the testing being removed without being reused for other applications. Recoverable value was measured based on usage value.

3. Supplementary Information

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

Segment	Product	Unit	FY2024 First Nine Months Results	FY2024 Forecast
Mineral Resources	Gold and silver ores (Gold content)	t	105,078	140,909
		¥1,000/DMT	345	340
		¥million	36,225	47,922
		(kg)	(2,992)	(4,000)
Smelting & Refining	Copper	t	335,159	450,457
		¥1,000/t	1,445	1,439
		¥million	484,340	648,025
		kg	13,843	18,208
	Gold	¥/g	11,447	11,733
		¥million	158,459	213,631
	Silver	kg	142,895	187,368
		¥1,000/kg	147	145
¥million		20,979	27,206	
Nickel	t	49,469	64,886	
	¥1,000/t	2,664	2,630	
	¥million	131,765	170,657	
Materials	Battery materials, advanced materials, etc.	¥million	165,679	218,795

(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

February 12, 2025

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 third quarter (October 1, 2024 to December 31, 2024) and the first nine months (April 1, 2024 to December 31, 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.