

Consolidated Financial Results for the Year Ended March 31, 2025 [IFRS]

May 9, 2025

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Listed Company Name: Sumitomo Metal Mining Co., Ltd.
 Code: 5713
 Listings: Tokyo Stock Exchange
 URL: <https://www.smm.co.jp/>
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 Scheduled Ordinary General Meeting of Shareholders: June 26, 2025
 Scheduled Date to Start Dividend Payment: June 27, 2025
 Scheduled Date to Submit Securities Report: June 25, 2025
 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 March 31, 2025)

(1) Consolidated Operating Results

(% figures show year-on-year change)

	Net sales		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	1,593,348	10.2	31,383	-67.2	11,777	-80.6	16,487	-71.9	105,640	-49.5
Year ended March 31, 2024	1,445,388	1.6	95,795	-58.3	60,803	-64.3	58,601	-63.5	209,335	-27.1

	Basic earnings per share	Diluted earnings per share	Return on equity	Profit before tax to total assets
	Yen	Yen	%	%
Year ended March 31, 2025	59.99	59.99	0.9	1.0
Year ended March 31, 2024	213.28	213.28	3.4	3.3

(Reference) Equity in earnings (loss) of affiliates

Year ended March 31, 2025: ¥8,705 million;

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

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent ratio	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	3,068,622	2,049,386	1,845,737	60.1	6,711.27
As of March 31, 2024	3,027,714	1,973,380	1,785,104	59.0	6,496.96

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2025	149,644	(138,884)	(6,180)	159,712
Year ended March 31, 2024	210,675	(298,887)	7,090	151,022

2. Dividends

	Dividend per share					Total dividend amount (Annual)	Dividend payout ratio (Consolidated)	Dividend payout ratio to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2024	—	35.00	—	63.00	98.00	26,927	45.9	1.6
Year ended March 31, 2025	—	49.00	—	55.00	104.00	28,589	173.4	1.6
Year ending March 31, 2026 (Forecast)	—	65.00	—	66.00	131.00		62.1	

3. Forecast of Consolidated Operating Results for the Year Ending March 31, 2026 (From April 1, 2025, to March 31, 2026)

(% 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	1,538,000	-3.5	100,000	218.6	68,000	477.4	58,000	251.8	210.89

Notes

(1) Significant Changes in the Scope of Consolidation during the Period under Review: None

(2) Changes in Accounting Policies or Estimates

1) Changes in accounting policies required by IFRS:

None

2) Changes in accounting policies other than item 1) above:

None

3) Changes in accounting estimates:

None

(3) Number of Outstanding Shares (Common stock)

1) Number of shares issued as of end of period (including treasury stock)

290,814,015 shares at March 31, 2025

290,814,015 shares at March 31, 2024

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

15,793,676 shares at March 31, 2025

16,054,245 shares at March 31, 2024

3) Average number of shares during the period

274,845,090 shares for the year ended March 31, 2025

274,762,204 shares for the year ended March 31, 2024

(Reference) Summary of Non-Consolidated Financial Results (J-GAAP)
 Non-Consolidated Financial Results (From April 1, 2024, to March 31, 2025)

(1) Non-Consolidated Operating Results

(% figures show year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	1,403,514	9.7	77,675	-9.3	119,350	13.4	36,627	-55.1
Year ended March 31, 2024	1,279,284	3.1	85,670	-25.8	105,272	-36.6	81,583	-32.7

	Profit per share (Basic)	Profit per share (Diluted)
	Yen	Yen
Year ended March 31, 2025	133.26	133.26
Year ended March 31, 2024	296.92	296.92

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	2,026,038	1,083,321	53.5	3,939.06
As of March 31, 2024	2,080,263	1,134,145	54.5	4,127.77

(Reference) Shareholders' equity

As of March 31, 2025: ¥1,083,321 million;

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

<Reasons for differences between the non-consolidated financial results for the year ended March 31, 2025 and the actual results for the previous year>

Ordinary profit increased year over year due mainly to an increase in gold prices, recovery in demand for materials for electronic parts, and recording of foreign exchange gain during the year ended March 31, 2025.

Profit decreased year over year due to the recording of impairment losses in the battery materials businesses.

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

Explanation regarding appropriate use of operating results forecast and other special notes
 (Caution Regarding Forward-Looking Statements)

The forward-looking statements, including business results forecast, contained in this report are based on information available to the Company and on certain assumptions deemed to be reasonable as of the date of release of this report and they are not meant to be a commitment by the Company. Also, actual business results may differ substantially due to a number of factors.

(Supplementary Explanation Materials for Financial Results)

The Supplementary Explanation Materials will be posted on the Company's website on Friday, May 9, 2025.

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1. Overview of Business Performance, etc.

(1) Overview of Business Performance in Fiscal 2024

1) General overview

(Millions of yen)

	Net sales	Profit before tax	Profit attributable to owners of parent
Year ended March 31, 2025	1,593,348	31,383	16,487
Year ended March 31, 2024	1,445,388	95,795	58,601
Increase/decrease [Rate of change: %]	147,960 [10.2]	-64,412 [-67.2]	-42,114 [-71.9]

(Market prices and foreign exchange rates)

	Unit	Year ended March 31, 2024	Year ended March 31, 2025	Increase/decrease
Copper	\$/t	8,362	9,370	1,008
Nickel	\$/lb	8.68	7.51	-1.17
Gold	\$/TOZ	1,989.0	2,584.7	595.7
Exchange rate (TTM)	¥/\$	144.63	152.58	7.95

The global economy during the fiscal year ended March 31, 2025 recovered moderately overall despite disparities among countries, regions, and industries. In the United States, personal consumption grew due to the strong employment and income environment, and the economy steadily expanded. In Europe, the economy was on a moderate recovery trend as high prices have subsided on the whole, although the manufacturing sector was stagnant in some countries. In China, there was a moderate recovery as a result of economic stimulus measures driven by government subsidies toward the end of the fiscal year. However, internal demand remained stagnant due to the real estate downturn, and throughout the period, the economy failed to make a major recovery.

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 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 a significant increase in average prices year over year.

As for exchange rates, although there was a phase of yen appreciation at the middle of the period owing to a growing prediction for a narrower interest rate differential between Japan and the United States, the yen depreciated again toward the end of the year because of the factors such as a rise in long-term interest rates in the United States due to concerns for a resurgence of inflation. The yen appreciated again due to rising concerns for a potential economic downturn in the United States as a result of factors such as the protectionist trade policies of the new administration, but the average exchange rate for the yen depreciated year over year.

In industries related to the Materials business, the electric vehicle market has grown steadily, boosted by the carbon neutrality targets set by various countries for the year 2050, but during the fiscal year under review, there was a rising shift toward making adjustments, although the degree varied depending on the country, region, etc. This had an impact on demand forecasts for the automobile battery materials manufactured by the Company, and competition intensified as moves were made to replace of product types, etc. On the other hand, demand for components for electronic parts recovered overall due to progress with inventory adjustments, the growth of the generative AI market, and other factors.

Under these circumstances, consolidated net sales for the fiscal year ended March 31, 2025 increased by ¥147,960 million year over year to ¥1,593,348 million, due mainly to the average price of copper and gold increasing year over year and yen depreciation.

Consolidated profit before tax decreased by ¥64,412 million year over year to ¥31,383 million, due mainly to the recording of impairment losses by Coral Bay Nickel Corporation (Philippines), an overseas nickel smelting subsidiary, and by the battery materials businesses, despite an increase in profit through the steady opening of newly developed mines.

Profit attributable to owners of parent decreased by ¥42,114 million year over year to ¥16,487 million, due mainly to a decrease in consolidated profit before tax.

2) Reportable segments

(a) Mineral Resources segment

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025	Increase/decrease	Rate of change (%)
Net sales	166,006	210,716	44,710	26.9
Segment income	52,845	101,836	48,991	92.7

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

The statuses of the main mines are as follows.

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

Production levels at the Morenci Copper Mine (United States) (of which the Company holds a 25.0% interest, excluding non-controlling interest) was 317 thousand tonnes, lower than the previous fiscal year due mainly to a decline 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 431 thousand tonnes, lower than 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 200 thousand tonnes.

Production levels at the Cote Gold Mine (of which the Company holds a 30.0% interest, excluding non-controlling interest) was 6.2 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%.

(b) Smelting & Refining segment

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025	Increase/decrease	Rate of change (%)
Net sales	1,067,863	1,230,694	162,831	15.2
Segment income (loss)	62,199	(7,147)	-69,346	—

(Output by the Company's major product)

Product	Unit	Year ended March 31, 2024	Year ended March 31, 2025	Increase/decrease
Copper	t	374,504	442,960	68,456
Gold	kg	18,026	18,709	683
Electrolytic nickel	t	59,313	60,108	795
Ferronickel	t	4,793	3,317	-1,476

(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 decline in nickel prices and the recording of impairment losses of ¥51,222 million by Coral Bay Nickel Corporation, although copper and nickel sales rose.

The production level and sales volume of electrolytic copper increased from the previous fiscal year due to no scheduled renovations (large-scale scheduled shutdown) at Toyo Smelter & Refinery. The production level and sales volume of electrolytic nickel increased from the previous fiscal year. The production level and sales volume of gold increased from the previous fiscal year. The production level and sales volume of ferronickel decreased year over year due to the production adjustment.

The production levels both at Coral Bay Nickel Corporation and at Taganito HPAL Nickel Corporation (Philippines) decreased year over year.

(c) Materials segment

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025	Increase/decrease	Rate of change (%)
Net sales	335,791	296,513	-39,278	-11.7
Segment income (loss)	(7,203)	(54,231)	-47,028	—

Segment income decreased year over year due to the recording of ¥57,286 million in impairment losses as a result of a predicted production capacity decline resulting from an anticipated replacements of product types going forward in the battery materials businesses, despite the fact that the recovery in demand for electronic parts materials increased profits for the advanced materials businesses, and kept the sales volume of automobile battery materials in line with those of the previous fiscal year.

(2) Overview of Financial Position in Fiscal 2024

Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025	Increase/decrease
Total assets	3,027,714	3,068,622	40,908
Total liabilities	1,054,334	1,019,236	-35,098
Total equity	1,973,380	2,049,386	76,006

Total assets as of March 31, 2025 increased from those as of March 31, 2024. This was mainly due to increases in inventories, investments accounted for using equity method, and financial assets measured at fair value through other comprehensive income under non-current assets, despite a decrease in property, plant and equipment due to impairment by the Company and consolidated overseas subsidiaries, etc., and the exercise of interest repurchase options related to the overseas gold mine, among other items.

Total liabilities decreased from those as of March 31, 2024. This was mainly due to decreases in trade and other payables, bonds and borrowings under non-current liabilities, and deferred tax liabilities, despite an increase in bonds and borrowings under current liabilities.

Total equity increased from that as of March 31, 2024. This was mainly because under other components of equity, the exchange differences on transition of foreign operations increased due to the depreciation of the yen, although financial assets measured at fair value through other comprehensive income decreased due to a decrease in the price of stock holdings.

Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025	Increase/decrease
Net cash provided by operating activities	210,675	149,644	-61,031
Net cash used in investing activities	(298,887)	(138,884)	160,003
Net cash provided by (used in) financing activities	7,090	(6,180)	-13,270
Effect of exchange rate changes on cash and cash equivalents	17,137	4,110	-13,027
Cash and cash equivalents at beginning of period	215,007	151,022	-63,985
Cash and cash equivalents at end of period	151,022	159,712	8,690

Net cash provided by operating activities during the fiscal year ended March 31, 2025 decreased from the previous fiscal year, due mainly to an increase in inventories, an increase in trade and other receivables, and a decrease in trade and other payables, despite increases in interest and dividends received.

Net cash used in investing activities decreased from the previous fiscal year. This was mainly because although purchase of property, plant and equipment was on par with the previous fiscal year, payments for long-term loans receivable and purchase of shares of subsidiaries and associates decreased, while proceeds from transfer of interests and proceeds from sale of investment securities rose.

Net cash provided by financing activities became negative due to factors such as an increase in redemption of bonds and a decrease in proceeds from long-term borrowings, despite an increase in proceeds from issuance of bonds.

Cash flow indicators

	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Mar. 31, 2025
Equity attributable to owners of parent ratio (%)	59.1	63.7	60.3	59.0	60.1
Equity attributable to owners of parent ratio based on market capitalization (%)	69.6	74.6	51.2	41.6	29.1
Cash flows/Interest-bearing debt ratio (times)	3.7	2.0	3.9	2.6	3.9
Interest coverage ratio (times)	23.9	65.9	20.3	11.3	8.5

Notes:

- Equity attributable to owners of parent ratio: $\text{Equity attributable to owners of parent} / \text{Total assets}$
Equity attributable to owners of parent ratio based on market capitalization: $\text{Market capitalization} / \text{Total assets}$
Cash flows/Interest-bearing debt ratio: $\text{Interest-bearing debt} / \text{Cash flows}$
Interest coverage ratio: $\text{Cash flows} / \text{Interest payment}$
- All of the above indicators are calculated for their respective values on a consolidated basis.
- Market capitalization is calculated based on the number of shares issued at the end of the fiscal year after deducting treasury shares.
- Cash flows employs “Net cash provided by (used in) operating activities” in the Consolidated Statement of Cash Flows.
- Interest-bearing debt indicates the liabilities for which interest is paid on all the liabilities posted in the Consolidated Statement of Financial Position. Interest payment corresponds to the amount of “Interest paid” in the Consolidated Statement of Cash Flows.

(3) Future Outlook

1) General overview

(Millions of yen)

	Net sales	Profit before tax	Profit	Profit attributable to owners of parent
Year ending March 31, 2026 (Forecast)	1,538,000	100,000	68,000	58,000
Year ended March 31, 2025 (Results)	1,593,348	31,383	11,777	16,487
Increase/decrease [Rate of change: %]	-55,348 [-3.5]	68,617 [218.6]	56,223 [477.4]	41,513 [251.8]

(Market prices and foreign exchange rates)

	Unit	Year ended March 31, 2025 Results	Year ending March 31, 2026 Forecast	Increase/decrease
Copper	\$/t	9,370	9,400	30
Nickel	\$/lb	7.51	7.25	-0.26
Gold	\$/TOZ	2,584.7	2,800.0	215.3
Exchange rate (TTM)	¥/\$	152.58	150.00	-2.58

There are concerns of various factors having a negative impact on the global economy. These include the sluggish economy in China caused by the country’s real estate recession, prolonged geopolitical risk, international trade friction such as that caused by the United States tariff policies, and the risk of a resumption in inflation due to financial market adjustments in various countries and regions.

As for the supply and demand of copper, while production capacity will be expanded, primarily in China, demand will also increase due to new applications, primarily renewable energy and AI, and supply is expected to slightly exceed demand. As for the supply and demand of nickel, on the other hand, we estimate a continued oversupply because of increased production in Indonesia. As for non-ferrous metals, demand is expected to grow over the medium to long term due to growing infrastructure demand, primarily in developing countries, and demand for electric vehicle, renewable energy, and generative AI applications.

As for industries related to Materials business, although demand for automobile battery materials has

slowed recently in some countries and regions, it is expected that China, Europe, and India will lead the market and create continued demand growth. The electronic parts market is expected to grow due to a recovery in demand for AI, appliances, and industrial machinery.

However, recently, the United States tariff policies have become an unpredictable factor affecting the global economy, and the assumptions underlying predictions may change significantly. Furthermore, with respect to their impact on the SMM Group's businesses, although the direct impact is expected to be limited, the SMM Group's businesses may also be indirectly affected by the overall contraction of the global economy, so we will continue to keep a close eye on the situation.

With regard to the forecast for consolidated operating results for the fiscal year ending March 31, 2026, our estimate for overseas non-ferrous metals prices was set by considering the current level and predicting the future supply-demand balance. The exchange rate was set based on the current trend of yen depreciation for the fiscal year and the monetary policies both in the United States and Japan at the time of forecasting. Our forecast for production levels and sales volumes of major products was planned based on current results and other factors. As a result, net sales are expected to reach ¥1,538.0 billion, profit before tax of ¥100.0 billion, profit of ¥68.0 billion, and profit attributable to owners of parent of ¥58.0 billion on a consolidated basis.

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

2) Reportable segments

(Millions of yen)

	Mineral Resources	Smelting & Refining	Materials	Total	Other Businesses	Adjustments	Amount recorded on Consolidated Financial Statements
Net sales	240,000	1,132,000	295,000	1,667,000	12,000	(141,000)	1,538,000
Segment income	97,000	(5,000)	2,000	94,000	(4,000)	10,000	100,000

2. Basic Concept Behind the Selection of Accounting Standards

The Company has voluntarily applied IFRS from the first quarter of the fiscal year ended March 31, 2019 as part of its efforts to enhance management foundations and respond to globalization.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statement of Financial Position

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	151,022	159,712
Trade and other receivables	185,238	196,035
Other financial assets	9,054	4,305
Inventories	516,014	567,800
Other current assets	43,611	48,442
Subtotal	904,939	976,294
Assets held for sale	19,482	—
Total current assets	924,421	976,294
Non-current assets		
Property, plant and equipment	759,484	675,459
Intangible assets and goodwill	72,468	70,434
Investment property	3,477	3,477
Investments accounted for using equity method	499,097	538,197
Other financial assets	722,250	760,057
Deferred tax assets	1,828	288
Other non-current assets	44,689	44,416
Total non-current assets	2,103,293	2,092,328
Total assets	3,027,714	3,068,622

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	263,054	246,428
Bonds and borrowings	133,610	193,045
Other financial liabilities	16,961	15,232
Income taxes payable	11,168	18,942
Provisions	8,387	10,312
Other current liabilities	26,015	19,676
Subtotal	459,195	503,635
Liabilities directly associated with assets held for sale	4,415	—
Total current liabilities	463,610	503,635
Non-current liabilities		
Bonds and borrowings	396,679	367,258
Other financial liabilities	14,354	12,694
Provisions	42,997	41,001
Retirement benefit liability	3,223	3,546
Deferred tax liabilities	128,808	90,004
Other non-current liabilities	4,663	1,098
Total non-current liabilities	590,724	515,601
Total liabilities	1,054,334	1,019,236
Equity		
Share capital	93,242	93,242
Capital surplus	89,800	87,518
Treasury shares	(38,099)	(37,489)
Other components of equity	344,241	413,613
Retained earnings	1,295,920	1,288,853
Total equity attributable to owners of parent	1,785,104	1,845,737
Non-controlling interests	188,276	203,649
Total equity	1,973,380	2,049,386
Total liabilities and equity	3,027,714	3,068,622

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

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)
	Millions of yen	Millions of yen
Net sales	1,445,388	1,593,348
Cost of sales	(1,279,255)	(1,534,843)
Gross profit	166,133	58,505
Selling, general and administrative expenses	(67,647)	(74,394)
Finance income	18,819	56,088
Finance costs	(18,295)	(18,046)
Share of profit of investments accounted for using equity method	33,117	8,705
Other income	3,575	13,653
Other expenses	(39,907)	(13,128)
Profit before tax	95,795	31,383
Income tax expense	(34,992)	(19,606)
Profit	60,803	11,777
Profit attributable to:		
Owners of parent	58,601	16,487
Non-controlling interests	2,202	(4,710)
Profit	60,803	11,777
Earnings per share		
Basic earnings per share (Yen)	213.28	59.99
Diluted earnings per share (Yen)	213.28	59.99

(Consolidated Statement of Comprehensive Income)

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)
	Millions of yen	Millions of yen
Profit	60,803	11,777
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	63,162	(49,148)
Remeasurements of defined benefit plans	7,948	(267)
Share of other comprehensive income of investments accounted for using equity method	471	403
Total of items that will not be reclassified to profit or loss	71,581	(49,012)
Items that will be reclassified to profit or loss:		
Cash flow hedges	(837)	(2,754)
Exchange differences on transition of foreign operations	50,185	96,976
Share of other comprehensive income of investments accounted for using equity method	27,603	48,653
Total of items that will be reclassified to profit or loss	76,951	142,875
Other comprehensive income, net of tax	148,532	93,863
Comprehensive income	209,335	105,640
Comprehensive income attributable to:		
Owners of parent	194,671	93,078
Non-controlling interests	14,664	12,562
Comprehensive income	209,335	105,640

(3) Consolidated Statement of Changes in Equity
FY2023 (From April 1, 2023 to March 31, 2024)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on transition of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
As of April 1, 2023	93,242	89,800	(38,076)	105,602	725	114,056
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	65,298	(832)	63,187
Total comprehensive income	—	—	—	65,298	(832)	63,187
Purchase of treasury shares	—	—	(23)	—	—	—
Disposal of treasury shares	—	0	0	—	—	—
Dividends	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	(3,795)
Transactions with owners - total	—	0	(23)	—	—	(3,795)
As of March 31, 2024	93,242	89,800	(38,099)	170,900	(107)	173,448

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

FY2024 (From April 1, 2024 to March 31, 2025)

	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	—	—	—	128,294	(2,686)	(49,123)
Total comprehensive income	—	—	—	128,294	(2,686)	(49,123)
Purchase of treasury shares	—	—	(20)	—	—	—
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	—	(3,074)	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	(7,112)
Transactions with owners - total	—	(2,282)	610	—	—	(7,113)
As of March 31, 2025	93,242	87,518	(37,489)	299,194	(2,793)	117,212

	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	—	—	16,487	16,487	(4,710)	11,777
Other comprehensive income	106	76,591	—	76,591	17,272	93,863
Total comprehensive income	106	76,591	16,487	93,078	12,562	105,640
Purchase of treasury shares	—	—	—	(20)	—	(20)
Disposal of treasury shares	—	—	—	1,422	—	1,422
Dividends	—	—	(30,773)	(30,773)	(8,410)	(39,183)
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	—	—	—	(3,074)	10,822	7,748
Transfer to retained earnings	(106)	(7,218)	7,218	—	—	—
Transactions with owners - total	(106)	(7,219)	(23,554)	(32,445)	2,811	(29,634)
As of March 31, 2025	—	413,613	1,288,853	1,845,737	203,649	2,049,386

(4) Consolidated Statement of Cash Flows

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	95,795	31,383
Depreciation and amortization expense	56,224	67,074
Loss (gain) on sale of fixed assets	(1,162)	(227)
Impairment losses	761	112,671
Impairment losses on assets held for sale	6,417	—
Share of loss (profit) of investments accounted for using equity method	(33,117)	(8,705)
Loss (gain) on transfer of interests	—	(6,693)
Increase or decrease in retirement benefit asset or liability	(11,861)	558
Increase (decrease) in provisions	1,877	1,904
Finance income	(18,819)	(56,088)
Finance costs	18,295	18,046
Decrease (increase) in trade and other receivables	(3,698)	(8,767)
Decrease (increase) in inventories	43,851	(51,997)
Increase (decrease) in trade and other payables	1,538	(2,749)
Decrease (increase) in advance payments to suppliers	2,433	488
Increase (decrease) in accrued consumption taxes	14,197	(14,115)
Other	27,062	22,148
Subtotal	199,793	104,931
Interest received	31,927	44,367
Dividends received	36,447	52,899
Interest paid	(18,601)	(17,630)
Income taxes paid	(39,541)	(35,479)
Income taxes refund	650	556
Net cash provided by (used in) operating activities	210,675	149,644

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)
	Millions of yen	Millions of yen
Cash flows from investing activities		
Purchase of property, plant and equipment	(125,275)	(117,141)
Proceeds from sale of property, plant and equipment	3,097	467
Purchase of intangible assets	(2,803)	(5,015)
Purchase of investment securities	(1,860)	(1,785)
Proceeds from sale of investment securities	8,689	18,629
Purchase of shares of subsidiaries and associates	(45,396)	(23,994)
Collection of short-term loans receivable	395	4,001
Payments for long-term loans receivable	(136,317)	(72,161)
Proceeds from sale of interests, etc. in subsidiaries resulting in change in scope of consolidation	—	(465)
Proceeds from transfer of interests	—	56,390
Other	583	2,190
Net cash provided by (used in) investing activities	(298,887)	(138,884)
Cash flows from financing activities		
Proceeds from short-term borrowings	415,905	385,965
Repayments of short-term borrowings	(485,070)	(366,796)
Proceeds from long-term borrowings	130,668	29,935
Repayments of long-term borrowings	(52,065)	(57,453)
Proceeds from issuance of bonds	99,938	242,739
Redemption of bonds	(74,999)	(207,810)
Proceeds from share issuance to non-controlling shareholders	22,235	13,157
Dividends paid	(41,215)	(30,773)
Dividends paid to non-controlling interests	(6,248)	(8,410)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(4,830)
Other	(2,059)	(1,904)
Net cash provided by (used in) financing activities	7,090	(6,180)
Net increase (decrease) in cash and cash equivalents	(81,122)	4,580
Cash and cash equivalents at beginning of period	215,007	151,022
Effect of exchange rate changes on cash and cash equivalents	17,137	4,110
Cash and cash equivalents at end of period	151,022	159,712

(5) Notes Relating to the Consolidated Financial Statements

(Note Relating to the Going Concern Assumption)

There are no pertinent items.

(Changes in Accounting Policies)

There are no pertinent items.

(Changes in Presentation Method)

(Consolidated Statement of Cash Flows)

“Payments into time deposits” and “proceeds from withdrawal of time deposits,” which were presented separately under “cash flows from investing activities” in the fiscal year ended March 31, 2024, are included in “other” under “cash flows from investing activities” due to their decreased materiality. To reflect this change in the presentation method, a reclassification has been made to the consolidated financial statements for the fiscal year ended March 31, 2024.

As a result, “payments into time deposits” of ¥(281) million, “proceeds from withdrawal of time deposits” of ¥313 million, and “other” of ¥551 million, which were presented under “cash flows from investing activities” in the consolidated statement of cash flows for the fiscal year ended March 31, 2024, have been reclassified as “other” of ¥583 million.

(Operating Segments)

(1) Summary of reportable segments

1) Decision method of the reportable segments

The operating segments of the Company refer to constitutional units, for which separate financial information is available and that are subject to periodic reviews by the Board of Directors as the supreme, managerial decision-making organ to determine the allocation of management resources and assess their respective operating results.

The Company currently has four business divisions—Mineral Resources Div., Non-Ferrous Metals Div., Battery Materials Div. and Advanced Materials Div.—in the pursuit of effective business operations by products and services. Each of these business divisions plans its own comprehensive strategies to be carried out in Japan and overseas for its own product and service lines and engages in diverse business activities within the Company and through the consolidated subsidiaries and equity-method associates over which it holds jurisdiction. Furthermore, the Company has integrated the operating segments of the Battery Materials Div. and the Advanced Materials Div., as they have similar business characteristics and similar economic characteristics in terms of their customers, etc., and are recognized to be similar in all aspects including product/service characteristics. The Company has classified these operating segments into three core reportable segments of Mineral Resources, Smelting & Refining, and Materials by classifying the mineral resource businesses into Mineral Resources, the metals businesses into Smelting & Refining, and the battery materials businesses and the advanced materials businesses into Materials.

2) Types of products and services that belong to each reportable segment

In the Mineral Resources segment, the SMM Group mainly engages in the exploration, development and production of non-ferrous metal resources in Japan and overseas, as well as sales of ores and products.

In the Smelting & Refining segment, the SMM Group mainly engages in smelting and sales of copper, nickel, ferronickel, zinc, etc., as well as smelting and sales of precious metals such as gold, silver, platinum and palladium.

In the Materials segment, the Company mainly engages in manufacturing, processing and sales of battery materials (e.g., nickel hydroxide, lithium nickel oxide), powder materials (e.g., pastes, nickel powder, NIR absorbing materials, magnetic materials), crystal materials (e.g., lithium tantalate substrates, lithium niobate substrates), and tape materials; and manufacturing and sales of automotive exhaust processing catalysts, chemical catalysts, and petroleum refinery and desulfurization catalysts.

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

The accounting methods employed for the reportable segments are almost the same as the accounting policies for the creation of the consolidated financial statements, with the exception of the recording by each operating segment of amounts corresponding to interest on internal loans, as determined in the statement of financial position of each segment.

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

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

(Millions of yen)

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

Year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segments				Other Businesses ¹	Adjustments ²	Consolidated Statement of Profit or Loss
	Mineral Resources	Smelting & Refining	Materials	Total			
Net sales:							
Outside customers	141,140	1,180,248	268,037	1,589,425	3,923	—	1,593,348
Inter-segment	69,576	50,446	28,476	148,498	7,241	(155,739)	—
Total	210,716	1,230,694	296,513	1,737,923	11,164	(155,739)	1,593,348
Segment income (loss)							
[Profit (loss) before tax]	101,836	(7,147)	(54,231)	40,458	(1,221)	(7,854)	31,383
Segmental assets	1,511,831	1,032,212	272,920	2,816,963	23,568	228,091	3,068,622
Other information:							
Depreciation and amortization expense	(25,974)	(27,650)	(10,088)	(63,712)	(607)	(2,755)	(67,074)
Finance income	52,613	2,229	50	54,892	2	1,194	56,088
Finance costs	(12,581)	(11,528)	762	(23,347)	(28)	5,329	(18,046)
Share of profit (loss) of investments accounted for using equity method	2,547	5,784	2,859	11,190	—	(2,485)	8,705
Impairment losses on non-financial assets	—	(55,385)	(57,286)	(112,671)	—	—	(112,671)
Other profit (loss)	6,290	(3,439)	(1,923)	928	(2,784)	2,381	525
Capital expenditures	42,596	23,269	46,744	112,609	1,356	3,413	117,378
Investments accounted for using equity method	299,849	80,151	30,301	410,301	—	127,896	538,197

(Notes)

1. The Other Businesses segment refers to operating segments and other income-seeking business activities that are under the control of the Head Office divisions/departments and are engaged in by business segments other than those included in the reportable segments. Other Businesses include real estate and technical engineering businesses.

2. The adjustments are as follows:

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

(Millions of yen)

	FY2023 (from April 1, 2023, to March 31, 2024)	FY2024 (from April 1, 2024, to March 31, 2025)
Head Office expenses not allocated to each reportable segment ^a	(2,385)	(4,618)
Internal interest rate	1,823	4,332
Eliminations of inter-segmental transactions among the reportable segments	2,628	(11,817)
Income/expenses not allocated to each reportable segment ^b	(12,582)	4,249
Adjustments for segment income (loss)	(10,516)	(7,854)

a. The Head Office expenses not allocated to each reportable segment consist of general administrative expenses not attributable to the reportable segments.

b. Income/expenses not allocated to each reportable segment consist of other profit or loss, etc. not attributable to reportable segments.

2) The adjustments for segmental assets are as follows:

(Millions of yen)

	FY2023 (from April 1, 2023, to March 31, 2024)	FY2024 (from April 1, 2024, to March 31, 2025)
Corporate assets not allocated to each reportable segment*	1,265,994	1,250,605
Offsets and eliminations, etc. of inter-segmental receivables among the reportable segments, including those toward Head Office divisions/departments	(986,083)	(1,022,514)
Adjustments for segmental assets	279,911	228,091

* The corporate assets not allocated to each reportable segment refer to the assets under the control of the Head Office divisions/departments, which are not attributable to the reportable segments.

3) The adjustments for depreciation and amortization expense refer to depreciation and amortization expense at the Head Office divisions/departments, which are not allocated to the reportable segments.

4) The adjustments for finance income and costs refer to interest income and interest expenses at the Head Office divisions/departments, which are not allocated to the reportable segments, and eliminations of transactions among the reportable segments.

5) The adjustments for share of profit (loss) of investments accounted for using equity method refer to the deduction of unrealized income relating to the inter-segmental transactions among the reportable segments.

6) The adjustments for other profit or loss refer to other profit and other expenses at the Head Office divisions/departments, which are not allocated to the reportable segments, and eliminations of transactions among the reportable segments.

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

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

(Per Share Information)

	FY2023 (from April 1, 2023, to March 31, 2024)	FY2024 (from April 1, 2024, to March 31, 2025)
Profit attributable to owners of parent (Millions of yen)	58,601	16,487
Adjustments for profit (Millions of yen)	—	—
Profit used to calculate diluted earnings per share (Millions of yen)	58,601	16,487
Weighted average number of ordinary shares outstanding (Thousands of shares)	274,762	274,845
Increase in shares of common stock (Thousands of shares)	—	—
Weighted average number of diluted common stock (Thousands of shares)	274,762	274,845
Basic earnings per share (Yen)	213.28	59.99
Diluted earnings per share (Yen)	213.28	59.99

(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 consolidated statement of profit or loss.

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)
	Millions of yen	Millions of yen
Smelting & Refining segment	623	55,385
Materials segment	137	57,286
Other Businesses segment	1	—
Total	761	112,671

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

During the fiscal year ended March 31, 2024, the SMM Group’s impairment losses on non-financial assets amounted to ¥761 million. Impairment losses are recorded as cost of sales in the consolidated statement of profit or loss.

In the Smelting & Refining segment, we recorded impairment losses of ¥623 million. This was primarily due to the book value of equipment falling to its recoverable value as a result of a decline in the profitability of the ferronickel business since the previous fiscal year. Recoverable value was measured based on fair value after deducting disposal costs and amounted to ¥1,855 million. Fair value after deducting disposal costs was determined using real estate appraisal amounts determined by third parties primarily using a market approach. Fair value hierarchy level 3 (fair value calculated using evaluation methods that include unobservable inputs) was used.

Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

During the fiscal year ended March 31, 2025, the SMM Group’s impairment losses on non-financial assets amounted to ¥112,671 million. Impairment losses are recorded as cost of sales in the consolidated statement of profit or loss.

In the Smelting & Refining segment, we recorded impairment losses of ¥55,385 million. This was primarily due to the recording of ¥51,222 million in book value for property, plant and equipment as an impairment loss, determined by performing an overall economic assessment and calculation of recoverable value, taking into consideration the slump in nickel and cobalt prices, rising production costs, and changes to future production volumes caused by declines in ore quality for Coral Bay Nickel Corporation, a consolidated subsidiary. Recoverable value was measured based on usage value.

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

Furthermore, we recorded impairment losses of ¥750 million for consolidated subsidiaries. This was primarily due to the book value of equipment falling to its recoverable value as a result of a decline in the profitability of the ferronickel business since the previous fiscal year. Recoverable value was measured based on fair value after deducting disposal costs and amounted to ¥1,632 million. Fair value after deducting disposal costs was determined using real estate appraisal amounts determined by third parties primarily using a market approach. Fair value hierarchy level 3 (fair value calculated using evaluation methods that include unobservable inputs) was used.

In the Materials segment, we recorded impairment losses of ¥57,286 million. This was due to impairment loss testing being performed for the battery materials businesses, which was recognized as showing potential signs of impairment losses for the fiscal year ended March 31, 2025, and an expected decline in production capacity in conjunction with the replacements of product types that is planned for the future, resulting in the ¥76,602 million book value of property, plant and equipment falling to a recoverable amount of ¥19,316 million. Recoverable value was measured based on fair value after deducting disposal costs. Fair value after deducting disposal costs was determined using real estate appraisal amounts determined by third parties primarily using a market approach. Fair value hierarchy level 3 (fair value calculated using evaluation methods that include unobservable inputs) was used.

(Significant Subsequent Event)

There are no pertinent items.

4. Others

Sales

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

Segment	Product	Unit	A	B	B-A
			FY2023	FY2024	Increase/decrease
Mineral Resources	Gold and silver ores (Gold content)	t	130,894	137,983	7,089
		¥1,000/DMT	271	364	93
		¥million	35,417	50,275	14,858
		(kg)	(4,000)	(4,015)	(15)
Smelting & Refining	Copper	t	433,359	448,948	15,589
		¥1,000/t	1,224	1,442	218
		¥million	530,238	647,429	117,191
		kg	18,333	18,612	279
	Gold	¥/g	9,090	11,969	2,879
		¥million	166,641	222,774	56,133
		kg	219,645	188,377	-31,268
	Silver	¥1,000/kg	110	149	39
		¥million	24,146	28,111	3,965
		t	63,200	65,509	2,309
	Nickel	¥1,000/t	2,890	2,612	-278
		¥million	182,624	171,140	-11,484
Materials	Battery materials, advanced materials, etc.	¥million	265,503	222,246	-43,257

(Notes)

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