

# Consolidated Financial Results for the Six Months Ended September 30, 2024 (Japanese Accounting Standards)

November 8, 2024

Name of Listed Company: Mitsubishi Materials Corporation      Listing: Tokyo Stock Exchange  
 Stock Code: 5711      URL: <https://www.mmc.co.jp/>  
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 Scheduled date of Quarterly Report: November 8, 2024  
 Scheduled date of start of dividend payment: December 10, 2024  
 Supplementary materials for the financial results: Yes  
 Investor conference for the financial results: Yes (For Institutional Investors)

(Amounts of less than one million yen are omitted)

## 1. Results of the Six Months Ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

### (1) Consolidated Results of Operations (Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
The six months ended September 30, 2024	989,592	38.2	27,581	130.8	24,915	35.3	24,669	121.9
The six months ended September 30, 2023	716,199	-13.9	11,950	-59.6	18,418	-20.0	11,120	-52.9

(Note) Comprehensive income: The six months ended September 30, 2024: ¥14,218 million (-64.6%)  
 The six months ended September 30, 2023: ¥40,220 million (-33.6%)

	Profit per share	Diluted profit per share
	Yen	Yen
The six months ended September 30, 2024	188.83	—
The six months ended September 30, 2023	85.12	—

### (2) Consolidated Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	2,246,879	674,055	29.4
As of March 31, 2024	2,167,628	685,623	30.2

(Reference) Shareholders' equity: As of September 30, 2024: ¥660,360 million  
 As of March 31, 2024: ¥653,642 million

## 2. Dividend Payments

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
(Record date)	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	—	47.00	—	47.00	94.00
Year ending March 31, 2025	—	50.00			
Year ending March 31, 2025 (Forecast)			—	50.00	100.00

(Note) Revision of dividend forecast published most recently: None

## 3. Consolidated Earnings Forecast (From April 1, 2024 to March 31, 2025)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2025	1,950,000	26.6	41,000	76.1	63,000	16.4	45,000	51.0	344.42

(Note) Revision to forecast published most recently: None

Notes:

- (1) Significant changes of subsidiaries during the first half of the current fiscal year (changes in specific subsidiaries accompanying a change in the scope of consolidation): Yes  
New: - (Company name: - )  
Exempt: 1 (Company name: PT. Smelting)  
(Note) For details, please refer to “(4) Key notes on consolidated quarterly financial statements, Significant changes in scope of consolidation during the current interim period” under “2. Consolidated Financial Statements and Key Notes” on page 15.
- (2) Application of special accounting treatment in the preparation of the quarterly consolidated financial statements: Yes  
(Note) For details, please see “(4) Key notes on consolidated quarterly financial statements, Notes on accounting methods specific to preparation of quarterly consolidated financial statements” under “2. Consolidated Financial Statements and Key Notes” on page 14.
- (3) Changes in accounting policies, changes of accounting estimates and restatement
- |   |      |
|---|------|
| (i) Changes in accounting policies due to amendments to accounting standards: | Yes  |
| (ii) Other changes in accounting policies:                                    | None |
| (iii) Changes in accounting estimates:  | None |
| (iv) Restatements:  | None |
- (4) Numbers of outstanding shares (common stock)
- |   |                    |
|---|--------------------|
| (i) Numbers of outstanding shares at the end of period (including treasury shares):     |                    |
| Six months ended September 30, 2024:  | 131,489,535 shares |
| Year ended March 31, 2024:  | 131,489,535 shares |
| (ii) Numbers of treasury shares at the end of period:                                   |                    |
| Six months ended September 30, 2024:  | 829,446 shares     |
| Year ended March 31, 2024:  | 859,157 shares     |
| (iii) Average number of outstanding shares during period (quarterly cumulative period): |                    |
| Six months ended September 30, 2024:  | 130,647,384 shares |
| Six months ended September 30, 2023:  | 130,634,098 shares |

\* This financial results is not subject to an audit by certified public accountants or audit firms.

\* Explanation about the proper use of financial forecasts and other special notes.

(Notes concerning forward-looking statements, etc.)

The operating results forecasts and other forward-looking statements contained in this report are based on information currently available to Mitsubishi Materials Corporation (“the Company”), as well as certain assumptions that the Company has judged to be reasonable. As such, they do not constitute an assurance that the Company promises to achieve these projected results. Therefore, readers are advised to note that the actual results may vary materially from the forecasts due to a variety of factors.

Please see “(3) Forecasts of consolidated financial results and other forward-looking statements” under “1. Overview of Operating Results and Financial Position” on page 6 for the assumptions about consolidated earnings forecasts.

(Procedure for obtaining supplementary information on annual financial results and annual financial briefing)

The Company plans to hold an annual financial briefing for institutional investors on Friday, November 8, 2024. The materials used at this briefing are disclosed on the TDnet and the Company's website at the time that the annual financial results are announced.

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## 1. Overview of Operating Results and Financial Position

### (1) Overview of operating results

#### 1) Summary of business performance

During the first half of the current fiscal year, the global economy saw policy interest rates cut in the United States, Europe, and other countries. As monetary tightening moved toward monetary easing, the economy continued to pick up, particularly in the United States.

The Japanese economy was on a moderate recovery trend, with signs of recovery in industrial production, despite a slowdown in personal consumption.

In terms of the business environment surrounding the Group, there were signs of recovery in semiconductor-related demand, although automotive-related demand remained sluggish. In addition, compared to the same period of the previous year, there were also effects of rising copper prices and the depreciation of the yen.

Under these circumstances, in the first half of the current fiscal year, net sales and operating profit increased year-on-year in the Metals business, the Metalworking Solutions business, and the Renewable Energy business. As a result, in the first half of the current fiscal year, consolidated net sales were ¥989,592 million (up 38.2% year-on-year) and operating profit was ¥27,581 million (up 130.8% year-on-year). Consolidated ordinary profit was ¥24,915 million (up 35.3% year-on-year) mainly due to an increase in equity-method investment profit. Net profit attributable to owners of the parent was ¥24,669 million (up 121.9% year-on-year), mainly due to the recording of a gain on change in equity resulting from the shift of PT. Smelting to an equity-method affiliate.

#### 2) Segment Overview

### Metals Business

(Billions of yen)

	FYE March 2024 H1	FYE March 2025 H1	Change (%)	
Net sales	476.8	732.4	255.6	(53.6%)
Operating profit	7.1	22.4	15.2	(214.0%)
Ordinary profit	8.4	18.0	9.5	(112.8%)

In the Metals business, net sales and operating profit grew year-on-year due to factors such as the impact of the yen's depreciation trend and the significant rise in copper and gold prices. Ordinary profit increased mainly due to higher operating profit.

### Advanced Products Business

(Billions of yen)

	FYE March 2024 H1	FYE March 2025 H1	Change (%)	
Net sales	242.9	261.1	18.2	(7.5%)
Operating profit	0.8	-1.0	-1.8	(-%)
Ordinary profit	0.1	-2.3	-2.4	(-%)

In the Advanced Products business, Copper & Copper Alloy business was affected by fluctuations in copper prices and foreign exchange rates. The Electronic Materials & Components business saw signs of demand recovery for some semiconductor-related products.

As a result of the above factors, net sales increased, while operating profit decreased year-on-year. Ordinary profit fell mainly due to a decline in operating profit.

## Metalworking Solutions Business

(Billions of yen)

	FYE March 2024 H1	FYE March 2025 H1	Change (%)	
Net sales	69.8	74.6	4.8	(6.9%)
Operating profit	5.2	6.8	1.6	(30.5%)
Ordinary profit	6.3	6.3	-0.0	(-0.3%)

In the Metalworking Solutions business, net sales and operating profit rose year-on-year due to the impact of the yen's depreciation and price hikes, although demand for cemented carbide products, our main product, was sluggish for automobiles. Ordinary profit was on a par due to foreign exchange losses caused by foreign exchange fluctuations.

## Renewable Energy Business

(Billions of yen)

	FYE March 2024 H1	FYE March 2025 H1	Change (%)	
Net sales	2.2	4.5	2.2	(99.2%)
Operating profit	0.2	1.6	1.4	(517.6%)
Ordinary profit	0.3	1.8	1.5	(492.4%)

In the Renewable Energy business, net sales and operating profit increased year-on-year because Appi Geothermal Energy Corporation became a consolidated subsidiary in April 2024. Ordinary profit grew driven by increased operating profit and improved equity-method investment profit.

## Other Businesses

(Billions of yen)

	FYE March 2024 H1	FYE March 2025 H1	Change (%)	
Net sales	72.5	72.7	0.2	(0.3%)
Operating profit	1.5	2.1	0.6	(39.5%)
Ordinary profit	8.2	8.9	0.7	(8.8%)

In Other businesses, net sales were flat and operating profit rose year-on-year. Ordinary profit grew due to improved operating profit and higher equity-method investment profit of Mitsubishi UBE Cement Corporation.

## (2) Overview of financial position

Total assets at the end of the first half of the current fiscal year amounted to ¥2,246.8 billion, an increase of ¥79.2 billion from the end of the previous fiscal year. This was primarily due to an increase in inventories.

Liabilities were ¥1,572.8 billion, an increase of ¥90.8 billion from the end of the previous fiscal year. This was mainly due to a rise in interest-bearing liabilities and deposited gold bullion.

The status of cash flows and their factors for the first half of the current fiscal year are as follows.

### (Cash flows from operating activities)

During the first half of the current fiscal year, net cash generated from operating activities amounted to ¥80.6 billion, an increase of ¥63.7 billion year-on-year, primarily due to higher inventories despite recording income before income taxes and minority interests.

### (Cash flows from investing activities)

During the first half of the current fiscal year, net cash provided by investing activities reached ¥23.4 billion, a decrease of ¥37.7 billion year-on-year, mainly due to the purchase of property, plant and equipment.

### (Cash flows from financing activities)

During the first half of the current fiscal year, net cash generated from financing activities amounted to ¥71.3 billion, an increase of ¥48.4 billion year-on-year, primarily due to the procurement of corporate bonds and commercial paper.

After reflecting the effect of exchange rate changes, the balance of cash and cash equivalents at the end of the first half of the current fiscal year amounted to ¥86.1 billion, a drop of ¥44.9 billion from the end of the previous fiscal year.

**(3) Forecasts of consolidated financial results and other forward-looking statements**

The Group's business performance is significantly affected by fluctuations in foreign exchange rates, metal prices and energy prices. However, taking account of the results of the first half of current fiscal year and the outlook for the future business environment, we have not changed our consolidated earnings forecast for the fiscal year ending March 2025 from the previous announcement (May 14, 2024).

(Note) The above forecasts are based on economic conditions, market trends, and other factors that can be assumed as of the date of the announcement, and may differ from the forecasts due to various factors in the future.

**2. Consolidated Financial Statements and Key Notes**  
**(1) Consolidated balance sheet**

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	134,923	87,188
Notes receivable – trade	26,255	26,077
Accounts receivable – trade	180,540	158,300
Merchandise and finished goods	135,991	147,678
Work in process	126,297	161,129
Raw materials and supplies	166,212	182,174
Leased gold bullion	290,614	349,496
Others	222,831	290,720
Allowance for doubtful accounts	(636)	(542)
<b>Total current assets</b>	<b>1,283,029</b>	<b>1,402,224</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Machinery and equipment, net	191,424	142,027
Land, net	88,559	88,489
Other, net	192,113	179,282
Total property, plant and equipment, net	472,096	409,799
Intangible assets		
Goodwill	8,029	7,548
Others	21,319	20,975
Total intangible assets	29,349	28,523
Investments and other assets		
Investment securities	286,714	307,979
Others	97,205	98,119
Allowance for doubtful accounts	(766)	(767)
Total investments and other assets	383,153	405,331
<b>Total non-current assets</b>	<b>884,599</b>	<b>843,654</b>
<b>Deferred assets</b>		
Opening expenses	-	1,000
<b>Total deferred assets</b>	<b>-</b>	<b>1,000</b>
<b>Total assets</b>	<b>2,167,628</b>	<b>2,246,879</b>

(Millions of yen)

As of March 31, 2024

As of September 30, 2024

<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable – trade	94,745	94,087
Short-term borrowings	182,772	196,690
Current portion of bonds payable	10,000	-
Commercial papers	15,000	92,000
Income taxes payable	5,643	5,598
Provisions	12,432	11,740
Deposited gold bullion	567,047	631,544
Other	106,478	100,081
<b>Total current liabilities</b>	<b>994,119</b>	<b>1,131,742</b>
<b>Non-current liabilities</b>		
Bonds payable	80,000	100,000
Long-term borrowings	315,391	272,742
Provision for environmental measures	12,123	11,096
Other provisions	1,060	936
Retirement benefit liability	19,227	17,791
Others	60,082	38,514
<b>Total non-current liabilities</b>	<b>487,885</b>	<b>441,081</b>
<b>Total liabilities</b>	<b>1,482,005</b>	<b>1,572,824</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	119,457	119,457
Capital surplus	81,745	81,745
Retained earnings	358,569	376,474
Treasury shares	(2,898)	(2,826)
<b>Total shareholders' equity</b>	<b>556,875</b>	<b>574,852</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	9,751	8,366
Deferred gains or losses on hedges	3,262	(255)
Revaluation reserve for land	16,063	16,073
Foreign currency translation adjustment	57,567	51,483
Remeasurements of defined benefit plans	10,123	9,840
<b>Total accumulated other comprehensive income</b>	<b>96,766</b>	<b>85,508</b>
<b>Non-controlling interests</b>	<b>31,981</b>	<b>13,694</b>
<b>Total net assets</b>	<b>685,623</b>	<b>674,055</b>
<b>Total liabilities and net assets</b>	<b>2,167,628</b>	<b>2,246,879</b>



(2) Consolidated statement of profit or loss and consolidated statement of comprehensive income  
Consolidated statement of profit or loss

(Millions of yen)

	Six Months Ended September 30, 2023 (Apr. 1, 2023 – Sept. 30, 2023)	Six Months Ended September 30, 2024 (Apr. 1, 2024 – Sept. 30, 2024)
<b>Net sales</b>	716,199	989,592
<b>Cost of sales</b>	642,702	896,151
<b>Gross profit</b>	73,496	93,440
<b>Selling, general and administrative expenses</b>	61,545	65,859
<b>Operating profit</b>	11,950	27,581
<b>Non-operating income</b>		
Interest income	1,632	2,178
Dividend income	1,168	1,168
Share of profit of entities accounted for using equity method	4,511	7,631
Rental income from non-current assets	2,104	1,869
Foreign exchange gains	4,568	-
Others	1,529	1,041
<b>Total non-operating income</b>	15,513	13,888
<b>Non-operating expenses</b>		
Interest expenses	3,244	4,754
foreign exchange loss	-	5,183
Expense for the maintenance and management of abandoned mines	2,131	2,345
Others	3,670	4,270
<b>Total non-operating expenses</b>	9,045	16,554
<b>Ordinary profit</b>	18,418	24,915
<b>Extraordinary income</b>		
Gain on change in equity	-	7,581
Gain on sales of investment securities	659	1,458
Others	22	208
<b>Total extraordinary income</b>	682	9,249
<b>Extraordinary losses</b>		
Compensation paid	-	743
Loss on business withdrawal	-	560
Special retirement allowance	382	444
Related company liquidation	271	86
Others	128	242
<b>Total extraordinary losses</b>	781	2,078
<b>Profit before income taxes</b>	18,319	32,086
<b>Income taxes</b>	6,277	6,448
<b>Profit</b>	12,042	25,638
<b>Profit attributable to non-controlling interests</b>	922	968
<b>Profit attributable to owners of parent</b>	11,120	24,669

**Consolidated statement of comprehensive income**

(millions of yen)

	Six Months Ended September 30, 2023 (Apr. 1, 2023 – Sep. 30, 2023)	Six Months Ended September 30, 2024 (Apr. 1, 2024 – Sep. 30, 2024)
<b>Profit</b>	12,042	25,638
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,200	(663)
Deferred gains or losses on hedges	(3,151)	(3,360)
Foreign currency translation adjustment	16,568	(5,369)
Retirement benefit adjustments	989	(132)
Share of other comprehensive income of entities accounted for using equity method	10,571	(1,892)
<b>Total other comprehensive income</b>	28,177	(11,419)
<b>Comprehensive income</b>	40,220	14,218
(Break down)		
Interim comprehensive income attributable to owners of the parent	36,079	13,401
Interim comprehensive income attributable to non-controlling interests	4,141	817

**(3) Consolidated statement of cash flows**

(Millions of yen)

	Six Months Ended September 30, 2023 (Apr. 1, 2023 – Sep. 30, 2023)	Six Months Ended September 30, 2024 (Apr. 1, 2024 – Sep. 30, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	18,319	32,086
Depreciation	22,561	23,638
Amortization of goodwill	846	898
Increase (decrease) in provision for environmental measures	(1,292)	(1,026)
Increase (decrease) in allowances	(436)	(770)
Increase (decrease) in retirement benefits and directors' retirement benefits	(297)	(1,312)
Interest and dividend income	(2,800)	(3,346)
Interest expenses	3,244	4,754
Share of loss (profit) of entities accounted for using equity method	(4,511)	(7,631)
Gain (loss) on changes in equity	-	(7,581)
Gain (loss) on sales of property, plant and equipment	(30)	(29)
Loss (gain) on sales of investment securities	(659)	(1,448)
Loss (gain) on valuation of investment securities	1	-
Decrease (increase) in notes and accounts receivable – trade	(7,735)	18,266
Increase (decrease) in inventories	(60,672)	(69,432)
Proceeds from sales of gold bullion	82,371	82,379
Payment for purchase of gold bullion	(52,218)	(82,165)
Increase (decrease) in other current assets	(1,958)	(66,368)
Increase (decrease) in notes and accounts payable – trade	(4,504)	3,040
Others	(2,515)	(2,453)
<b>Sub-total</b>	<b>(12,288)</b>	<b>(78,503)</b>
Interest and dividend received	4,123	5,000
Interest paid	(3,243)	(4,755)
Income taxes (paid) refund	(5,574)	(2,426)
<b>Net cash provided by (used in) operating activities</b>	<b>(16,983)</b>	<b>(80,685)</b>
<b>Cash flows from investing activities</b>		
Payment for purchase of property, plant and equipment	(48,476)	(26,669)
Proceeds from sales of property, plant and equipment	188	76
Purchase of investment securities	(2,552)	(868)
Proceeds from sales of investment securities	968	10,013
Proceeds from acquisition of shares of subsidiaries resulting in a change in the scope of consolidation	-	(1,631)
Proceeds from sales of subsidiaries' shares resulting in change in scope of consolidation	-	1,903
Payment for loans	(10,946)	(3,354)
Proceeds from collection of loans	3,266	178
Others	(3,664)	(3,097)
<b>Net cash provided by (used in) investing activities</b>	<b>(61,216)</b>	<b>(23,449)</b>

(Millions of yen)

	Six Months Ended September 30, 2023 (Apr. 1, 2023 – Sep. 30, 2023)	Six Months Ended September 30, 2024 (Apr. 1, 2024 – Sep. 30, 2024)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	10,636	7,027
Proceeds from long-term borrowings	17,516	1,190
Repayment of long-term borrowings	(23,432)	(13,036)
Proceeds from issuance of bonds	-	20,000
Payment for redemption of bonds	-	(10,000)
Net increase (decrease) in commercial papers	30,000	77,000
Payment for purchase of treasury shares	(79)	(13)
Cash dividends paid	(3,271)	(6,149)
Cash dividends paid to non-controlling interests	(7,261)	(3,442)
Others	(1,162)	(1,213)
<b>Net cash provided by (used in) financing activities</b>	<b>22,946</b>	<b>71,362</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>7,672</b>	<b>(1,107)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(47,580)</b>	<b>(33,880)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>141,079</b>	<b>131,143</b>
<b>Increase in cash and cash equivalents due to consolidation of non-consolidated subsidiaries</b>	<b>10</b>	<b>2,688</b>
<b>Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation</b>	<b>-</b>	<b>(13,767)</b>
<b>Cash and cash equivalents at the end of period</b>	<b>93,509</b>	<b>86,184</b>

#### **(4) Key notes on consolidated quarterly financial statements**

##### **Notes on changes in accounting policies**

(Application of “Accounting Standards for Corporation Tax, Inhabitants Tax and Enterprise Tax,” etc.)

The Company has applied the “Accounting Standards for Corporation Tax, Inhabitants Tax and Enterprise Tax,” etc. (ASBJ Statement No. 27, October 28, 2022. Hereinafter referred to as “Revised Accounting Standard 2022.”) from the beginning of the current interim consolidated accounting period.

Amendments regarding the classification of income taxes (taxation of other comprehensive income) have been made in accordance with the transitional treatment set forth in the proviso of Paragraph -3 of Article 20 of the Revised Accounting Standards 2022 and the transitional treatment set forth in the proviso of Paragraph 65, Item - 2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (Guidance on Accounting Standards No. 28 issued on October 28, 2022. Hereinafter referred to as the “Revised Application Guidelines 2022”). This has no impact on the interim consolidated financial statements.

In addition, effective from the beginning of the current interim consolidated accounting period, the Revised Application Guidelines 2022 has been applied to the revision of the treatment in the consolidated financial statements in the case of deferral for tax purposes of gain or loss on sale of shares of subsidiaries, etc. between consolidated companies. The change in accounting policy has been retroactively applied, and the interim consolidated financial statements and the full-year consolidated financial statements for the last fiscal year have been retroactively applied. This has no impact on the interim consolidated financial statements and the full-year consolidated financial statements for the last fiscal year.

##### **Notes on accounting methods specific to preparation of quarterly consolidated financial statements**

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to net income before income taxes for the consolidated fiscal year including the current interim consolidated accounting period and multiplying interim net income before income taxes by the estimated effective tax rate.

**Notes on segment information, etc.**

I. For the first six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

1. Information on net sales and income of each reporting segment

(Millions of yen)

	Reporting segment				Other businesses	Total	Adjustment	Amounts in consolidated financial statements
	Metals business	Advanced Products business	Metalworking Solutions business	Renewable Energy business				
Net sales								
(1) Outside customers	359,704	235,379	67,478	2,265	51,370	716,199	-	716,199
(2) Within consolidated group	117,152	7,610	2,329	0	21,133	148,226	(148,226)	-
Total	476,857	242,990	69,807	2,266	72,504	864,425	(148,226)	716,199
Segment income (loss)	8,490	150	6,362	308	8,232	23,544	(5,125)	18,418

(Notes)

1. "Other businesses" include cement-related and engineering-related businesses.
2. "Adjustment" in segment income of ¥(5,125) million includes the amount of elimination of intersegment transactions of ¥40 million and corporate expenses of ¥(5,165) million which are not allocated to the reporting segments. Corporate expenses consist mainly of general and administrative expenses, basic experiment and research expenses, and financial income and expenses that do not belong to the reporting segments.
3. Segment income is adjusted for ordinary profit in the quarterly consolidated statements of income.

II. For the first six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Information on net sales and profit of each reported segment

(Millions of yen)

	Reporting segment				Other Businesses	Total	Adjustment	Amount in quarterly consolidated statement of profit or loss
	Metals business	Advanced Products business	Metalworking Solutions business	Renewable Energy business				
Net sales								
(1) Outside customers	602,650	251,819	72,285	4,514	58,322	989,592	-	989,592
(2) Within consolidated group	129,837	9,380	2,352	0	14,385	155,956	(155,956)	-
Total	732,488	261,199	74,638	4,514	72,708	1,145,549	(155,956)	989,592
Segment income (loss)	18,065	(2,302)	6,340	1,827	8,955	32,885	(7,969)	24,915

(Notes)

1. "Other businesses" include cement-related and engineering-related businesses.
2. "Adjustment" in segment income (loss) of ¥(7,969) million includes the amount of elimination of intersegment transactions of ¥(1,731) million and corporate expenses of ¥(6,237) million which are not allocated to the reporting segments. Corporate expenses consist mainly of general and administrative expenses, basic experiment and research expenses, and financial income and expenses that do not belong to the reporting segments.
3. Segment income (loss) is adjusted for ordinary profit in the quarterly consolidated statements of income.

**Notes on the significant changes in the amount of shareholders' equity, if any**

Not applicable.

**Notes on significant changes in the amount of shareholders' equity**

Not applicable.

**Notes on going concern assumptions**

Not applicable.

**Significant changes in scope of consolidation during the current interim period**

In the first quarter of the consolidated accounting period, PT. Smelting, a consolidated subsidiary of our company, has been excluded from the scope of consolidation and included in the scope of equity method application because its equity ratio in our company decreased due to the capital increase through third-party allotment.

**Additional information**

Stock-based compensation system

**1. Overview of the transactions**

The Company has introduced a share-based compensation plan (“Plan”) for its executive officers (excluding non-domestic residents).

The Plan adopts a structure called Board Incentive Plan Trust (“BIP Trust”). The Plan is to issue and grant the executive officers the Company’s shares and the amount equivalent to the disposal value of the Company’s shares, according to the executive officers’ positions or other conditions. 2. The Company’s shares remaining in BIP Trust.

**2. The Company’s shares remaining in BIP Trust**

The Company’s shares remaining in BIP Trust are recorded as the treasury shares in the net assets of the balance sheet, with their carrying amount in BIP Trust (excluding the amount of ancillary expenses). The carrying amount and the number of the Company’s treasury shares are ¥546 million and 220 thousand shares respectively at the end of the previous consolidated fiscal year. The carrying amount and the number of the Company’s treasury shares are ¥462 million and 185 thousand shares respectively at the end of the first half of the current fiscal year.