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(Code Number 5016)
June 2, 2009

Nippon Mining Holdings, Inc.
10-1 Toranomon 2-chome, Minato-ku, Tokyo 105-0001
Mitsunori Takahagi,
President and Chief Executive Officer

Notice of the 7th Annual General Meeting of Shareholders

Dear shareholder of Nippon Mining Holdings, Inc. (the "Company"):

I am pleased to invite you to join the 7th Annual General Meeting of Shareholders of the Company to be held as scheduled below:

If you are unable to attend the Meeting, you can exercise your voting rights by means of either of the following methods, and are kindly requested to exercise your voting rights on or before 5 p.m., Wednesday, June 24, 2009, after examining the attachements.

【Voting by mail】
Please indicate your approval or disapproval of each of the proposals in the enclosed Voting Card and return it by mail so that it will be received by the Company on or before the deadline as stated above.

【Voting by web】
Please access the web site specified by the Company for the purpose of exercising your voting rights, and follow the guidance on the site to enter your approval or disapproval of each of the proposals. You are kindly advised to read "Guidance for the Exercise of Voting Rights by web" on page 53 hereof before exercising your voting rights by web.

1. Date and time 10 a.m., Thursday, June 25, 2009

2. Venue Nissho Hall, 2nd floor, Nippon Shobo Kaikan
9-16, Toranomon 2-chome, Minato-ku, Tokyo

3. Meeting Agenda

TO BE REPORTED:

The business report, non-consolidated financial statements, consolidated financial statements, and reports from the accounting audit firm and the Board of Auditors on the results of their audit of the consolidated financial statements.

TO BE RESOLVED:

Item 1: Amendment of the Articles of Incorporation.

Item 2: Election of ten (10) Directors

4. Matters Determined by the Board of Directors in relation to the Annual General Meeting of Shareholders

(1) In case a vote is exercised both by mail and by web, only the vote exercised by web shall be recognized as valid. In case a vote is exercised by web more than once, the last vote shall be recognized as valid.

(2) A shareholder who chooses to split his/her vote on any of the proposals is requested to notify the Company in writing of his/her intention to cast a split vote and the reason by Sunday, June 21, 2009.

1. If you attend the meeting in person, please submit the enclosed Voting Card at the reception.
2. Corrections, if any, to the business report, non-consolidated financial statements, consolidated financial statements, or the Reference Materials for the General Meeting of Shareholders shall be posted on the Company's website (http://www.shinnikko-hd.co.jp/).

(Attachments)

Business Report
(for the fiscal year ended March 31, 2009)

1. Current Status of the Nippon Mining Group

(1) Business Activities and Results

(a) Group Overview

The Nippon Mining Group ("the Group") has long endeavored to contribute to social and economic development by stably supplying resources, basic materials, and energy; mainly petroleum products and copper. The Group is headed by Nippon Mining Holdings, Inc. ("the Company"), a holding company. Its two core businesses are petroleum by Japan Energy Corporation and metals, by Nippon Mining & Metals Co., Ltd.. The Group aims to enhance corporate value by achieving industry-leading competitiveness and profitability through optimal allocation of enterprise resources and operational efficiency on a group-wide basis.

With harder competition and the business environment undergoing unprecedentedly tumultuous change, the Company reached a basic agreement in December 2008 to merge with Nippon Oil Corporation in the aim of further solidifying its operational foundation and accelerating growth. The Company and Nippon Oil Corporation are currently negotiating the conditions of the merger.

(b) Overview of Group Operations

General

In the fiscal year ended March 31, 2009, the Japanese economy slowed in the first half of the year under the weight of soaring raw material costs and the affects of the subprime loan crisis in the United States. In the second half, the Japanese economy declined further as the financial crisis focused on the United States and Europe rippled throughout the global economy following the mid-September bankruptcy of a major U.S. investment bank.

In the foreign exchange market, the yen initially weakened against the U.S. dollar, from ¥100 per U.S. dollar at the start of the fiscal year to beyond ¥110 in August. Subsequently, however, the slowdown in the U.S. economy saw the yen rapidly appreciate against the dollar, briefly spiking beyond ¥88 per U.S. dollar before backing off to end the fiscal year at ¥98. The average exchange rate for the period under review was ¥101 per U.S. dollar, compared with ¥114 during the previous fiscal year.

In the crude oil market, the price of Dubai crude rose from $94 per barrel at the start of the period to a record high of over $140 per barrel in July, driven largely by an expansion of geopolitical risks and the influx of speculative money into the crude oil market as global oil demand steadily grew. Crude oil prices, however, subsequently fell as the global economy stalled amid the global financial crisis. Dubai crude fell below $37 per barrel in December before rebounding to end the fiscal year at $47 per barrel. The average price of Dubai crude rose from $77 per barrel in the previous fiscal year to $88 per barrel in the fiscal period under review.

In the first half of the fiscal year, copper prices were buoyed by demand growth in the BRICs economies, most notably China. The copper price on the London Metal Exchange (LME) rose to 378 cents per pound at the start of the period to as high as 408 cents per pound in July. Subsequently, however, the global slowdown saw the price fall as low as 126 cents per pound for a brief time in December 2008, before the price recovered to 183 cents per pound at the end of the period. The average copper price for the period was 266 cents per pound, compared with 344 cents per pound during the previous period.

In this operating environment, on a consolidated basis, the Group’s net sales were ¥4,065.1 billion , a decrease of 6.3% compared with the previous fiscal year; it incurred a loss before special items of ¥67.4 billion, compared with income before special items of ¥192.0 billion in the previous fiscal year, and a net loss of ¥40.8 billion, compared with net income of ¥99.3 billion in the previous fiscal year. The losses were predominantly attributable to the impact of inventory valuation on the cost of sales, arising from the decline of crude oil prices in the second half of the fiscal year. Excluding this inventory valuation factor, however, the Company Group would have earned ¥92.1 billion in income before special items, down 35.6% from ¥143.2 billion in the previous fiscal year.

In response to these losses, the Company has regrettably reduced its fiscal year-end dividend per share by ¥2 to ¥6 (¥14 for fiscal 2008 as a whole, including interim dividend).

Petroleum (Japan Energy Group)

Domestic fuel oil sales declined year on year in unit terms as a result of aggressive fuel switching in response to soaring crude oil prices in the first half of the fiscal year and a retraction in demand for petroleum products in response to the global economic deterioration in the second half. Crude oil prices plummeted from September after rising sharply in the first half of the year under review, but nonetheless rose year on year on an annual average basis. Petrochemical product prices and unit sales also declined, particularly in the case of aromatic products (aromatic type hydrocarbons), in the wake of a falloff in demand for synthetic fibers and resins. LP gas prices and unit sales likewise both declined. Lubricating oil unit sales fell but its prices rose.

Overall, the Petroleum business recorded a 2.4% year-on-year decrease in net sales, to ¥3,116.1 billion, and loss before special items of ¥105.2 billion, compared with income before special items of ¥67.8 billion in the previous fiscal year. Despite improved margins on fuel oil, the swing from profit to loss in the Petroleum business was largely attributable to erosion of profitability on petrochemical products and increased cost of sales stemming from the decline of crude oil prices on inventory valuation.

In exploration and development operations, the Japan Energy Group pursued development of petroleum and natural gas resources both domestically and in the Middle East, China, Southeast Asia, and Oceania. As a result of efforts to identify new exploration and development projects, the Japan Energy Group acquired and commenced exploration of Malaysian and Australian offshore concessions in April and June 2008, respectively.

In refining operations, the Japan Energy Group proactively implemented environmental mitigation (e.g., energy-saving) measures at its refineries in Mizushima (Okayama Prefecture), Chita (Aichi Prefecture), and Kashima (Ibaraki Prefecture) in response to environmental concerns. As part of these efforts, the Japan Energy Group upgraded the energy efficiency of the Chita Oil Refinery's petrochemical production facilities in June 2008. In April 2008, the Kashima Oil Refinery temporarily shut down its petrochemical production operations due to a fire in one of its paraxylene units, but it resumed petrochemical production in June after implementing recurrence prevention measures. In April 2008, the Japan Energy Group and Idemitsu Kosan Co., Ltd., agreed to supply hydrogen and fuel to each other's refineries as part of a joint initiative to strengthen operational ties in the Chukyo area.

In sales operations, the Japan Energy Group is endeavoring to provide products and services that ensure customer satisfaction through its 3,344 JOMO stations (as of March 31st, 2009) throughout Japan. At the same time, theJapan Energy Group is pursuing a number of initiatives to strengthen JOMO stations' cost-competitiveness and sales capacity as all-round automotive service facilities. Japan Energy Group is also pursuing a management focus on customer satisfaction throughout its entire workforce, from JOMO station attendants up to top managements. The Japan Energy Group has endeavored to ensure that JOMO stations provide distinctive value, place priority on communication with all customers, and are favorably perceived by customers as reliable service stations that impart peace of mind. To build a more efficient sales network, the Japan Energy Group consolidated 14 subsidiaries (13 petroleum product sales subsidiaries and their administrative support company) into a single new company, JOMO-NET Co., Ltd., in July 2008. In November 2008, the Japan Energy Group switched to updating itssales prices on a weekly basis and linked to market prices , fairer and more transparent: previously, theJapan Energy Group updated its prices monthly based on its crude oil costs. Self-service stations numbered 729 at March 31, 2009.

In Japan, taxes on gasoline and gas oil sales have historically comprised a permanent tax rate and a temporary tax surcharge with a statutory expiration date. The temporary tax expired without being renewed on March 31, 2008, but was reimposed from May 1, 2008.

In petrochemical operations, the Japan Energy Group substantially expanded its aromatic product (e.g., benzene, paraxylene) production capacity by commissioning new facilities at the Kashima Oil Refinery, but petrochemical operations' profitability was extremely hard-hit by margin erosion from soaring feedstock prices and a steep drop in demand for synthetic fibers and resins. The Japan Energy Group also focused on boosting sales of industrial cleansers and environmentally friendly solvents and popularizing its proprietary eCOJOULE® latent coldness storage material that helps to reduce greenhouse gas emissions.

In LP gas operations, the Japan Energy Group entered into talks with Osaka Gas Co., Ltd., Nissho Petroleum Gas Corporation, Itochu Corporation, and Itochu Enex Co., Ltd., in February 2008 in the aim of entirely consolidating their respective Liquefied Petroleum Gas (LPG) operations from overseas sourcing through retail sales. As an initial step in this direction, the Group, Nissho Petroleum Gas Corporation, and Itochu Enex Co., Ltd., jointly established Japan Gas Energy Corporation in April 2009 to consolidate and integrate their respective LPG operations from procurement through wholesales. In lubricating oil operations, the Japan Energy Group pursued development and expansion of domestic sales of highly functional, environmentally friendly lubricating oil products while also endeavoring to expand its lubricating oil operations in China. The Japan Energy Group debuted two new lubricating oil products: JOMO Slidus HP in July 2008 and JOMO Bio Dritus in November 2008. The former is a high-flash-point specialty oil for sliding surfaces; the latter is an environment friendly, biodegradable oil for jackhammers.

In terms of business development, the Japan Energy Group is developing hydrogen and fuel cell technologies. The Japan Energy Group also actively participated in a large-scale government-sponsored program to study the feasibility of stationary fuel cells. The Japan Energy Group is also operating mobile hydrogen refueling stations based at the Funabashi tank farm as part of a fuel cell vehicle demonstration project. In July 2008, the Japan Energy Group advanced the waste plastic recycling technology it has been developing to the commercialization stage, becoming the first domestic oil company to commercialize such a technology.

Metals (Nippon Mining & Metals Group)

In the metals business, unit sales of electrolytic copper declined year on year due to decreased demand for both copper wire and other fabricated copper products. Product prices also fell year on year as a result of the yen’s appreciation and a slowdown in international markets in the second half of the fiscal year. Additionally, contractual terms on copper ore purchases worsened, reflecting that the terms were renegotiated when the supply-demand balance was tight.

Recycling and environmental services operations benefited from rising metal prices in the first half of the fiscal year. In the second half, however, metal prices and unit volumes both declined in the wake of the global economy’s steep downturn and its earnings consequently fell sharply.

In the electronic materials business, unit sales generally declined in response to a sharp decline in demand from digital and IT-related products for copper foil, thin-film forming materials (such as sputtering targets used in semiconductor and flat-panel display (FPD) production) and fabricated copper products (such as phosphor bronze, Corson alloys and titanium copper alloys) in the second half of the fiscal year. Product prices were generally flat, except for a decline in prices of sputtering targets for FPDs as a result of a decline in the price of indium, a key raw material.

Amid such an environment, the Metals business's net sales declined 19.4% year on year to ¥902,127 million. Income before special items fell 74.9% year on year, to ¥28,512 million, largely as a result of decreased unit sales of major products.

Copper mining operations continue to run smoothly at the three Chilean copper mines part-owned by Nippon Mining & Metals Co., Ltd.—Los Pelambres Mine, Collahuasi Mine, and Escondida Mine. Pan Pacific Copper Co., Ltd. (PPC), a joint venture between Nippon Mining & Metals Co., Ltd., and Mitsui Mining & Smelting Co., Ltd., has completed a pre-feasibility study on the Caserones Copper Deposit in Chile, concluding that there is the potential for development. PPC is proceeding with a feasibility study, which will provide the basis for a final decision on whether it will proceed with development. PPC is also conducting a pre-feasibility study of the Quechua Copper Deposit in Peru in the aim of advancing the project to commercial production. Production operations are running smoothly at Saganoseki Smelter & Refinery (Oita Prefecture) and Hitachi Works (Ibaraki Prefecture) of Nikko Smelting & Refining Co., Ltd., the Tamano Smelter (Okayama Prefecture) of Hibi Kyodo Smelting Co., Ltd., LS-Nikko Copper Inc. (a South Korean subsidiary) and Changzhou Jinyuan Copper Co., Ltd. (a Chinese subsidiary).

The Group is completing construction and gradually commencing operation of Hitachi Metal Recycling Complex (HMC) Works (Ibaraki Prefecture), which recovers rare metals, platinum group metals, and other precious metals from recycled raw materials collected from the greater Tokyo area. Operations continue to run smoothly at Nikko Environmental Services Co., Ltd. (Ibaraki Prefecture) and three other subsidiaries in the business of industrial waste treatment and preprocessing of recycled raw materials. In October 2008, Nikko Environmental Services Co., Ltd., was issued a cease and desist order by the Japan Fair Trade Commission for violating the Antimonopoly Law by essentially limiting competition in bidding for molten metals sold by local authorities. In compliance with the order, Nikko Environmental Services Co., Ltd., has implemented safeguards to prevent recurrence.

Among the electronic materials operations, Shirogane Works (Ibaraki Prefecture), which produces copper foil, Isohara Works (Ibaraki Prefecture), which produces thin-film materials, Kurami Works (Kanagawa Prefecture), which produces precision rolled products, and subsidiary Nikko Fuji Electronics Co., Ltd., which produces precision fabricated products, have been adjusting their output in response to demand since last December through such means as temporarily idling some of their capacity. The Nippon Mining & Metals Group has suspended development and production of MAQUINAS, a dual-layer CCL material used for film substrates for semiconductor packages (chip-on-film) in response to demand slump.

In the Hitachi area of Ibaraki Prefecture, Nippon Mining & Metals Group is proceeding with the Hitachi Area Renewal Plan in the aim of expanding the production capacity and improving the operating efficiency of its electrolytic copper refining, recycling, environmental services, copper foil, and precision plating operations located in the area. The Plan is also intended to set the stage for future business expansion.

Other Operations (Independent Operating Companies and Functional Support Companies)

Net sales from Other Operations increased 10.7% year on year, to ¥84.7 billion, while income before special items fell 14.1% year on year, to ¥9.6 billion.

Nichiyo Engineering Corporation (engineering business) and other independent operating companies worked to expand their operational foundations and enhance profitability. Functional support companies such as Nippon Mining Finance Co., Ltd. are efficiently conducting operations in support of Groupwide activities, including finance, administrative services, environmental management, market research and consulting, materials procurement and IT planning and management.

Toho Titanium Co., Ltd. (titanium business), previously an equity-method affiliate, became a consolidated subsidiary in June 2008 to further enhance corporate value through the realization of additional synergies between the two companies.

Former consolidated subsidiary, Central Computer Services Co., Ltd. (IT services business), became an equity-method affiliate and was renamed NTT Data CCS Corporation when the Company transferred 60% of the issued and outstanding shares to NTT Data Corporation in April 2008.

The Company, Toho Titanium and Chisso Corporation had previously been working to validate a proprietary zinc-reduction technology for manufacturing polycrystalline silicon feedstock for solar cells. Given the results of these efforts, a new operating company, Japan Solar Silicon Co., Ltd., was jointly established in June 2008, and work commenced on the construction of a plant for commercial mass production in March 2009. Additionally, the polycrystalline silicon for solar cells business was transferred from Other Operations to the Metals business effective April 2009.

Segment Information Summarized by Product Group

Fiscal 2008 (April 1, 2008 – March 31, 2009)

(Millions of yen)

	Petroleum	Metals	Other Operations	Total	Eliminations or corporate	Consolidated
Sales	3,116,129	902,127	84,710	4,102,966	(37,907)	4,065,059
Operating income	(104,974)	(5,386)	8,004	(102,356)	689	(101,667)
Income before special items	(105,150)	28,512	9,666	(66,972)	(461)	(67,433)

Note: The Company previously reported operating results for the Metals segment (Nippon Mining & Metals Group) broken down into three company groups: Resources and Metals, Electronics Materials, and Metal Manufacturing. From April 2008, it has ceased reporting operating results by company group in conjunction with a switch from a company-based to an operating-division-based organizational structure.

The main products and services of each group appear in the following table.

Petroleum	Resource development, gasoline, naphtha, kerosene, gas oil, heavy fuel oil, petrochemicals, liquefied petroleum gas, lubricating oil
Metals	Resource development, copper, gold, silver, sulfuric acid, recycling and environmental services, copper foils, thin film materials, precision rolled products, precision fabricated products
Other Operations	Titanium, engineering, electric wires, land transport, information services

Fiscal 2007 (April 1, 2007 – March 31, 2008)

(Millions of yen)

	Petroleum	Metals	Other Operations	Total	Eliminations or corporate	Consolidated
Sales	3,193,934	1,119,645	76,538	4,390,117	(50,645)	4,339,472
Operating income	62,462	34,897	5,837	103,196	(10)	103,186
Income before special items	67,847	113,395	11,254	192,496	(470)	192,026

(2) Management Issues to be Addressed

In May 2008, the Company formulated a "Long-Term Vision Toward 2015," a plan to enhance the Group's stability and growth potential, even amid a tumultuous operating environment, by a target date of fiscal 2015. With this Long-Term Vision, the Group aims to expand high-value-added operations with favorable prospects for market growth while boosting its bottom-of-cycle earnings and reducing overall earnings sensitivity to commodity prices. The Vision revolves around two basic strategies. The first is to relentlessly strengthen cost-competitiveness in petroleum refining and marketing and copper smelting and refining. The second is investment in high-priority operations, including upstream resource development projects with favorable prospects for high investment returns; downstream petrochemical, electronic materials, and recycling and environmental services where the Group has a competitive advantage; and businesses that the Company intends to cultivate into third-generation core businesses, including titanium and polycrystalline silicon for solar cells.

The Company considers its pending merger with Nippon Oil Corporation to be conducive to execution of these strategies by strengthening its operational foundation in anticipation of structural change in the operating environment. That is, the merger will give rise to industry-leading competitiveness in petroleum refining and marketing. By virtue of this competitive advantage, the Group will thoroughly rationalize its petroleum operations through such means as renewed cost-cutting, which had reached the point of diminishing returns on a premerger basis. The Company also intends to increase its fund-raising capacity and financial flexibility, partly by expanding its scale and boosting its earnings power, to meet the substantial funding requirements of developing and expanding new businesses and growth businesses.

Since last autumn, global financial turmoil initially triggered by the subprime loan crisis in the United States has had major repercussions on the real economy, resulting in reduced industrial activity across a broad swath of sectors and a steep decline in resource and energy prices also. Amid this unprecedented global economic crisis, the Company aims to boost its earnings power, further improve its financial condition, and strengthen its earnings foundation in response to the current adverse operating environment and also to expeditiously and effectively accomplish operational integration with Nippon Oil Corporation.

Through these measures, the Group will improve management soundness and transparency by implementing internal control systems while also proactively addressing environmental issues and improving compliance and safety management. The Group will contribute broadly to society's advancement by endeavoring to efficiently and stably supply resources, basic materials, and energy.

Priorities by core business are as follows.

Petroleum (Japan Energy Group)

Due to the global recession, global petroleum demand is projected to decline year on year again in 2009. Domestically, the oil industry faces a structural decline in demand, a structural shift in demand from heavy to lighter grades of fuel oil, increasingly stringent environmental safety regulations, and an anticipated intensification of demands for further action in response to global warming. Amid such an environment, the Japan Energy Group will endeavor to strengthen its foundations and pursue future earnings growth while fulfilling its societal responsibilities as a corporate citizen.

In refining operations, the Japan Energy Group will promptly formulate a detailed action plan based on analysis of last year's comprehensive assessment of facilities management and operational controls. Based on this plan, the Japan Energy Group will expeditiously implement measures to improve refinery operations' stability while also continuing to improve their energy efficiency over the medium to long term.

In sales operations, the Japan Energy Group will proceed with implementation of its new pricing system to make its wholesale pricing fairer and more transparent and improve earnings by passing through crude oil prices increase more rapidly. To ensure that the new pricing system is effectively implemented, the Japan Energy Group will also functionally restructure its sales organization. Additionally, the Japan Energy Group aims to boost the competitiveness of JOMO-NET Co., Ltd., and other sales subsidiaries.

In petrochemical operations, the Japan Energy Group aims to optimize every facet of its operations from feedstock sourcing through sales to better respond to fluctuations in crude oil and product prices. The Japan Energy Group also aims to optimize its production operations by maximally capitalizing on cooperative ties among the Mizushima, Chita, and Kashima Oil Refineries.

In terms of business development and other operations, the Japan Energy Group will place priority on energy and the environment. In addition to continuing to develop fuel cell technologies, the Japan Energy Group will actively conduct demonstration projects also. The Japan Energy Group will also further develop its environmental services operations, including new ventures. The Japan Energy Group will endeavor to increase earnings from the cell culture media business (cell-culture-related products), which is entering a growth stage.

Lastly, the Japan Energy Group will formulate the medium-to-long term action plan for environmental issues, most notably global warming prevention, from the standpoint of corporate social responsibility. The Japan Energy Group will pursue various initiatives to reduce its environmental impact, including developing environmentally friendly products and steadily proceeding with activities to improve the energy efficiency of its operations.

Metals (Nippon Mining & Metals Group)

In the Metals business, the Nippon Mining & Metals Group will implement various measures in pursuit of balanced growth across its entire operations from upstream (resource development) through midstream (copper smelting and refining) and downstream (electronic materials, recycling and environmental services), as a global nonferrous metal resources and materials company.

In copper business, the Nippon Mining & Metals Group will build a world-class group of copper producers, both qualitatively and quantitatively, in cooperation with Mitsui Mining & Smelting Co., Ltd. and LS-Nikko Copper Inc. The Nippon Mining & Metals Group will also continue to expand globally and endeavor to establish a business model that integrates all operations from mine development through production and sales. In terms of resource development, the Nippon Mining & Metals Group is aggressively moving forward with mine development projects, mainly in South America, and also investing and financing in promising mining projects in the aim of earning investment returns and procuring stable supplies of copper concentrates for its smelting operations. As one such initiative, the Nippon Mining & Metals Group is diligently conducting a determinative feasibility study of the Caserones Copper Deposit in Chile in the aim of soon making a final determination of whether to proceed with development of the project, having already made a pre-feasibility study. The Nippon Mining & Metals Group is also conducting a pre-feasibility study of the Quechua Copper Deposit in Peru and will decide whether to proceed with a full feasibility study. In copper smelting and refining operations, the Nippon Mining & Metals Group will endeavor to negotiate better concentrates procurement terms through integration of smelting and refining operations by PPC. The Nippon Mining & Metals Group will also strengthen the competitiveness of its affiliated copper smelters and refiners. In terms of technological development, the Nippon Mining & Metals Group aims to soon commercialize a new smelting process based on a hydro-metallurgical process that is currently being tested as a pilot project. Additionally, the Nippon Mining & Metals Group will continue to actively advance development of a bio-mining technology that utilizes microorganisms, in collaboration with Codelco (a Chilean state-owned copper company).

In recycling and environmental services, the Nippon Mining & Metals Group intends to strengthen and expand its operational foundations by steadily proceeding with plans to recover precious and rare metals at HMC Works. The Nippon Mining & Metals Group also aims to increase its intake of scrap precious metals by utilizing a collection site for recycled raw materials in Taiwan that is preparing to commence operations.

In electronic materials operations, the Nippon Mining & Metals Group will endeavor to establish an efficient operational model that adapts to demand trends and achieve profitability by reducing costs and cultivating new customers.

In terms of new product development, the Nippon Mining & Metals Group is building a production facility for cathode materials for automotive lithium-ion batteries and ramping up operations of a UBM (Under Bump Metallurgy) formation service for semiconductor wafers, using an electroless plating process.

In the polycrystalline silicon for solar cells business, the Group will build a volume production facility, construction of which commenced in March 2009, and endeavor to soon establish a solid operational foundation.

(3) Fund Raising

In June 2008, the Company issued ¥10 billion in unsecured straight bonds maturing in five years and ¥10 billion in unsecured straight bonds maturing in 10 years. In addition to this bond issuance, the Group met its funding needs during fiscal 2008 with internally retained cash, bank borrowings, and commercial paper issuance.

The Company meets group companies' major funding needs by borrowing directly and allocating the proceeds to group companies (including itself) through Nippon Mining Finance Co., Ltd.

(4) Capital Expenditures

(Millions of yen)

	Petroleum	Metals	Other Operations	Total	Eliminations or corporate	Consolidated
Capital expenditures	32,035	42,303	22,990	97,328	143	97,471

In the Petroleum business (Japan Energy Group), capital expenditures were mainly for replacing refinery facilities and replacing and renovating gas station facilities.

In the Metals business (Nippon Mining & Metals Group), capital expenditures were mainly directed at strengthening Nikko Smelting & Refining Co., Ltd., and Hibi Kyodo Smelting Co., Ltd.'s competitiveness and strengthening the foundation of recycling and environmental services.
In Other Operations (independent and functional support companies), capital expenditures were mainly allocated to construction of Toho Titanium Co., Ltd.'s Wakamatsu Plant.

(5) Operating Results and Financial Condition

	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008
Sales (¥mn)	3,026,262	3,802,447	4,339,472	4,065,059
Income (loss) before special items (¥mn)	188,722	224,236	192,026	(67,433)
Net income (loss) (¥mn)	96,905	106,430	99,299	(40,794)
Net income (loss) per share (¥)	113.87	117.98	107.14	(44.02)
Total assets (¥mn)	1,859,583	2,056,407	2,251,208	1,886,083

(6) Major Subsidiaries and Affiliated Companies (as of March 31, 2009)

a) Major Subsidiaries

Name of company	Capital	Percentage of voting rights	Main businesses
Japan Energy Corporation	¥48,000 million	100%	Production and sale of petroleum products
Nippon Mining & Metals Co., Ltd.	¥24,500 million	100%	Production and sale of non-ferrous metal products and electronic materials
Kashima Oil Co., Ltd.	¥20,000 million	70.7%	Production and sale of petroleum products
Kashima Aromatics Co., Ltd.	¥10,005 million	80.0%	Production and sale of petroleum products
JOMO-NET Co., Ltd.	¥100 million	100%	Sale of petroleum products
Japan Energy Development Co., Ltd.	¥4,980 million	100%	Exploration, production and sale of petroleum and natural gas
Pan Pacific Copper Co., Ltd.	¥28,450 million	66.0%	Production and sale of non-ferrous metal products
Nikko Smelting & Refining Co., Ltd.	¥1,000 million	100%	Smelting and refining of copper
Hibi Kyodo Smelting Co., Ltd.	¥4,700 million	63.5%	Smelting and refining of copper
Nippon Mining of Netherlands B.V.	EUR 10,117,000	100%	Investment in Collahuasi Mine and Los Pelambres Mine
Nikko Shoji Co., Ltd.	¥390 million	100%	Sale of non-ferrous metal and other products
Nikko Metals Philippines, Inc.	US$4,000,000	100%	Production and sale of copper foils

Nikko Fuji Electronics Co., Ltd.	¥300 million	100%	Production and sale of surface-treated products such as gold plating
Toho Titanium Co., Ltd.	¥4,812 million	42.6%	Production and sale of titanium metals and other products
Nichiyo Engineering Corporation	¥300 million	100%	Planning, practice, supervision and maintenance activities related to machinery, electric works, and civil engineering, and construction

Notes:

1. The percentage of voting rights held includes voting rights indirectly controlled through subsidiaries.
2. In July 2008, petroleum product sales subsidiaries and a subsidiary that performs administrative support functions for them were merged into JOMO-NET Minamikanto Co., Ltd., which was renamed JOMO-NET Co., Ltd.
3. In January 2009, Pan Pacific Copper Co., Ltd., increased its paid-in capital by ¥3,500 million to ¥28,450 million through equity issuance.
4. In April 2008, Nikko Materials Philippines, Inc., changed its business name to Nikko Metals Philippines, Inc.
5. Toho Titanium Co., Ltd., which was previously an equity-method affiliate, became a consolidated subsidiary as a result of a majority of the seats on its Board of Directors being occupied by representatives of the Group as of its June 2008 annual general shareholders' meeting.

b) Major Affiliated Companies

Name of company	Capital	Percentage of voting rights	Main businesses
Tatsuta Electric Wire and Cable Co., Ltd.	¥6,676 million	35.2%	Production and sale of electric wires and cables
Maruwn Corporation	¥3,559 million	38.8%	Land transportation
Minera Los Pelambres*	US$373,000,000	25.0%	Copper mining
LS-Nikko Copper Inc.*	Won 283.2 billion	49.9%	Smelting, refining and sales of copper
NTT Data CCS Corporation	¥270 million	40.0%	Development of software, information processing, and sales of systems

Notes:

1. The percentage of voting rights held includes voting rights indirectly controlled through subsidiaries.
2. Central Computer Services Co., Ltd., which was previously a consolidated subsidiary, became an equity-method affiliate and was renamed NTT Data CCS Corporation when the Company sold a 60% stake in it to NTT Data Corporation in April 2008.
3. Percentages of equity ownership in the affiliates marked with an asterisk (*) above are as follows:

   Minera Los Pelambres 15.0%
   LS-Nikko Copper Inc. 39.9%

(7) Main Offices and Plants of the Group Companies (as of March 31, 2009)

Nippon Mining Holdings, Inc.	Head Office: 10-1, Toranomon 2-chome, Minato-ku, Tokyo
Petroleum (Japan Energy Group)	Japan Energy Corporation Head Office (Minato-ku, Tokyo), Mizushima Oil Refinery (Kurashiki-shi, Okayama), Chita Oil Refinery (Chita-shi, Aichi), Funakawa Works (Oga-shi, Akita), Sodegaura Lubricants Plant (Sodegaura-shi, Chiba), Petroleum Refining Research & Technology Center, Lubricants Research & Development Center, Bio Research Center (Toda-shi, Saitama), Hokkaido Branch Office (Sapporo-shi, Hokkaido), Tohoku Branch Office (Sendai-shi, Miyagi), Kitakanto Branch Office (Taito-ku, Tokyo), Tokyo Branch Office (Chiyoda-ku, Tokyo), Minamikanto Branch Office (Yokohama-shi, Kanagawa), Chubu Branch Office (Nagoya-shi, Aichi), Kinki Branch Office (Toyonaka-shi, Osaka), Chushikoku Branch Office (Hiroshima-shi, Hiroshima), Kyushu Branch Office (Fukuoka-shi, Fukuoka), Beijing Office (China) Kashima Oil Co., Ltd. Head Office (Minato-ku, Tokyo), Kashima Oil Refinery (Kamisu-shi, Ibaraki) Kashima Aromatics Co.,Ltd. Head Office (Minato-ku, Tokyo), Kashima Factory (Kamisu-shi, Ibaraki) Japan Energy Development Co., Ltd. Head Office (Minato-ku, Tokyo), Nakajo Plant (Tainai-shi, Niigata)
Metals (Nippon Mining & Metals Group)	Nippon Mining & Metals Co., Ltd. Head Office (Minato-ku, Tokyo), Hitachi Area Coordination Center, Technology Development Center, HMC Works (Hitachi-shi, Ibaraki), Isohara Works (Kitaibaraki-shi, Ibaraki), Shirogane Works (Hitachi-shi, Ibaraki), Toda Works (Toda-shi, Saitama), Kurami Works (Koza-gun, Kanagawa), Kurami Works, Kawasaki Plant (Kawasaki-shi, Kanagawa), Chile Office (Chile) Pan Pacific Copper Co., Ltd. Head Office (Minato-ku, Tokyo), Osaka Branch (Osaka-shi, Osaka), Nagoya Branch (Nagoya-shi, Aichi), Fukuoka Branch (Fukuoka-shi, Fukuoka), Chile Office (Chile), Hibi Smelter (Tamano-shi, Okayama) Nikko Smelting & Refining Co., Ltd. Head Office (Minato-ku, Tokyo), Saganoseki Smelter & Refinery (Oita-shi, Oita), Hitachi Works (Hitachi-shi, Ibaraki) Hibi Kyodo Smelting Co., Ltd. Head Office (Minato-ku, Tokyo), Tamano Smelter (Tamano-shi, Okayama) Nikko Metals Philippines, Inc. (Philippines) Head Office and Plant (Philippines) Nikko Fuji Electronics Co., Ltd. Head Office, Isohara Plant (Kitaibaraki-shi, Ibaraki), Hitachi Plant (Hitachi-shi, Ibaraki)
Other Operations (Independent Operating Companies and Functional Support Companies)	Toho Titanium Co., Ltd. Head Office, Chigasaki Plant (Chigasaki-shi, Kanagawa), Hitachi Plant (Hitachi-shi, Ibaraki) Yahata Plant (Kitakyushu-shi, Fukuoka) Kurobe Plant (Kurobe-shi, Toyama)

Notes:

1. In April 2008, the Hitachi Works operated by Nippon Mining & Metals Co., Ltd., was renamed the Hitachi Area Coordination Center.
2. In April 2008, HMC Works opened as a major recycling and environmental services facility of Nippon Mining & Metals Co., Ltd.

3. Nippon Mining & Metals Co., Ltd., closed its Shanghai office in November 2008.
4. In April 2008, Nikko Materials Philippines, Inc., changed its business name to Nikko Metals Philippines, Inc.
5. Toho Titanium Co., Ltd., became a consolidated subsidiary in June 2008.

(8) Status Group Companies' Workforces (as of March 31, 2009)

Segment	Number of Employees	Comparison with the end of Fiscal 2007
Petroleum (Japan Energy Group)	4,277	(+) 81
Metals (Nippon Mining & Metals Group)	4,975	(+)124
Other Operations (Independent Operating Companies and Functional Support Companies)	1,477	(+)208
Total	10,729	(+)413

Notes:
1. The Company's employees are included in "Other Operations (Independent Operating Companies and Functional Support Companies)".
2. The increase in the number of employees of "Other Operations (Independent Operating companies and Functional Support Companies)" is largely attributable to Toho Titanium Co., Ltd., becoming a consolidated subsidiary.
3. Contract and temporary employees are not included in the number of employees listed above.

(9) Main Lenders (as of March 31, 2009)

(Millions of yen)

Name of lender	Amount of borrowings
Mizuho Corporate Bank, Ltd.	49,660
Sumitomo Mitsui Banking Corporation	18,940
The Chuo Mitsui Trust Banking Co., Ltd.	17,400
Development Bank of Japan	16,000
Mitsubishi UFJ Trust & Banking Corporation	14,800
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,600
The Sumitomo Trust & Banking Co., Ltd.	8,900
Nippon Life Insurance Company	7,500
Shinkin Central Bank	6,400
The Nanto Bank, Ltd.	6,300

2. Stock Information (as of March 31, 2009)

1) Number of authorized shares: 3 billion shares

2) Total number of shares issued: 928,462,002 shares
(including 1,437,084 shares in treasury stock)

3) Total number of shareholders: 80,726 shareholders

4) Major shareholders

Name of shareholder	Number of shares held (shares)	Percentage of ownership of total issued shares (%)
Japan Trustee Services Bank, Ltd. (held in trust account)	122,116,500	13.2
The Master Trust Bank of Japan, Ltd. (held in trust account)	72,428,000	7.8
Japan Trustee Services Bank, Ltd. (held in trust account 4G)	71,356,500	7.7
Mizuho Corporate Bank, Ltd.	22,172,398	2.4
Trust & Custody Services Bank, Ltd. (held in securities investment trust account)	16,765,500	1.8
Sumitomo Mitsui Banking Corporation	14,842,362	1.6
INPEX Corporation	14,477,993	1.6
Sompo Japan Insurance Inc.	13,982,400	1.5
Mellon Bank NA as Agent for Its Client Melon Omnibus US Pension	11,964,507	1.3
Japan Trustee Services Bank, Ltd. (held in trust account 4)	11,550,500	1.2

Note: Major shareholders' ownership stakes were calculated based on shares outstanding net of treasury stock holdings (1,437,084 shares).

3. Stock Acquisition Rights

1) Stock acquisition rights held by Directors and Statutory Auditors as of the end of the fiscal year ended March 31, 2009

Issue date	July 1, 2005	July 26, 2006	August 9, 2007	August 14, 2008
Number of holders				
Directors (excl. Outside Directors)	8	8	8	8
Outside Directors	0	0	1	2
Auditors	2	1	0	0
Type of underlying shares	Common stock of the Company			
Number of underlying shares (500 shares per stock acquisition right)	93,000	58,000	53,000	83,000
Payment (selling price) per right	Awarded at no cost	¥430,000 (¥860 per share)	¥463,000 (¥926 per share)	¥260,500 (¥521 per share)
Exercise price per right	¥500 (¥1 per share)			
Exercise period of the stock acquisition rights	July 2, 2005– June 30, 2025	July 27, 2006– June 30, 2026	August 10, 2007– June 30, 2027	August 15, 2008– June 30, 2028
Main conditions for the exercise of stock acquisition rights	A holder of stock acquisition rights is entitled to exercise such rights within three years starting from the day immediately following the date of termination of his/her service as either Director, Senior Officer, or Auditor of the Company or as Director, Executive Officer, Corporate Officer, Senior Manager or Auditor of Japan Energy Corporation, Nippon Mining & Metals Co., Ltd., or other subsidiaries designated by the Company's Board of Directors.			

Notes:
1. Stock acquisition rights held by Auditors were issued during their terms as Director of the Company or its subsidiaries.
2. In accord with the enforcement of the Companies Act (May 1, 2006), stock acquisition rights issued as stock options to Directors of the Company is regarded as part of Director remuneration. Additionally, pursuant to the Accounting Standards Board of Japan (ASBJ) Statement No. 8, "Accounting Standard for Share-based Payment", issued by ASBJ on December 27, 2005, the fair value of stock options issued during the period were recorded as expenses. Of the stock acquisition rights listed above, those granted on July 1, 2005, were issued under the former Commercial Law, and those granted on July 26, 2006, August 9, 2007 and August 14, 2008 were issued under the Companies Law.

2) Stock acquisition rights issued to employees of the Company, and directors and employees of subsidiaries of the Company during the fiscal year ended March 31, 2009

Issue date	August 14, 2008
Number of holders Employees of the Company (excluding those acting concurrently as Directors or Statutory Auditors of the Company) Directors and employees of subsidiaries of the Company (excluding those acting concurrently as Directors or Statutory Auditors of the Company)	 3 35
Type of underlying shares	Common stock of the Company
Number of underlying shares (500 shares a unit of stock acquisition right)	256,500 shares
Payment per right	¥260,500 (¥521 per share)
Exercise price per right	¥500 (¥1 per share)
Exercise period	August 15, 2008 – June 30, 2028
Main conditions on the exercise of stock acquisition rights	A holder of stock acquisition rights is entitled to exercise such rights within three years starting from the day immediately following the date of termination of his/her service as either Director, Senior Officer, or Auditor of the Company or as Director, Executive Officer, Senior Manager or Auditor of Japan Energy Corporation, Nippon Mining & Metals Co., Ltd., or other subsidiaries designated by the Company's Board of Directors.

4. Directors and Statutory Auditors

1) Name of Directors and Statutory Auditors (as of March 31, 2009)

Name	Position and responsibilities	Representative positions at other companies etc.
Yasuyuki Shimizu	Chairman and Representative Director	
Mitsunori Takahagi	President and Chief Executive Officer	
Kazuo Oki	Director (Senior Managing Director) (in charge of technology and development, Technology and Development Group)	
Fumio Ito	Director (Managing Director) (in charge of audit, Auditing Group) (in charge of legal affairs, General Administration Group) (in charge of Internal Control Promotion Department)	
Kiyonobu Sugiuchi	Director (Managing Director) (In charge of finance, Financial Group) (In charge of management and IR, Planning and Management Group) (In charge of Internal Control Promotion Department)	
Nobuyuki Yamaki	Director (In charge of General Affairs, General Administration Group) (Secretary-General, Nippon Mining Management College)	
Isao Matsushita	Director	President and Representative Director, Japan Energy Corporation Representative Director, Japan Energy Development Co., Ltd.
Masanori Okada	Director	President and Representative Director, Nippon Mining & Metals Co., Ltd.
Etsuhiko Shoyama	Director	Chairman of the Board, Hitachi Ltd.
Juichi Takamura*	Director	Emeritus professor, Musashino University
Koichi Seno	Full-time Statutory Auditor	
Isao Yamanashi	Full-time Statutory Auditor	
Hiroyasu Watanabe	Statutory Auditor	Professor, Accounting and Law, Waseda University Graduate School of Finance Visiting Professor, Graduate School for Law and Politics The University of Tokyo
Toshinori Kanemoto*	Statutory Auditor	Lawyer
Mitsudo Urano*	Statutory Auditor	Chairman and Representative Director, Nichirei Corporation

Notes:
1. Asterisks (*) indicate Directors or Auditors newly elected and appointed at the Company's 6th Annual General Meeting of Shareholders, held on June 26, 2008.
2. Etsuhiko Shoyama and Juichi Takamura are Outside Directors.
3. Hiroyasu Watanabe, Toshinori Kanemoto and Mitsudo Urano are Outside Auditors.
4. Auditor Hiroyasu Watanabe was formerly Commissioner of the National Tax Agency and filled various posts at Japan's Ministry of Finance. He is presently a professor at the Waseda University Graduate School of Finance, Accounting and Law and a visiting professor at the University of Tokyo Graduate School for Law and Politics, and he has a strong knowledge of finance and accounting.
5. Auditor Isao Yamanashi was engaged in duties related to accounting at a Group company and has a strong knowledge of finance and accounting.
6. The following director's status as a representative of another corporation changed as follows effective April 1, 2009.

Name	Representative positions at other companies etc.
Etsuhiko Shoyama	Board Director (Chairman), Hitachi Ltd.

7. Shinji Ono retired from his former position as an auditor at the conclusion of the Company's 6th Annual General Meeting of Shareholders.

2) Compensation Paid to Directors and Auditors

Position	Number of Directors / Statutory Auditors	Total compensation paid
Director	10	¥278 million
Auditor	6	¥85 million
Total	16	¥363 million

Note: Of compensation paid to offset directors' obligations to make payments for stock acquisition rights granted as stock options to 10 directors during the fiscal year ended March 31, 2009, the above compensation includes ¥43 million paid in consideration for execution of duties during the fiscal year ended March 31, 2009.

3) Policy Regarding Compensation of Directors and Auditors

The Company pays compensation to its Directors in three forms: fixed remuneration, performance-based bonuses and stock acquisition rights as stock options. The Company sets the amount of compensation within the limits approved by shareholders at the General Meeting of Shareholders. Of the three types of compensation, the Company determines fixed remuneration by fair process of examination and deliberation by the Board of Directors based on each Director's performance and competency with consideration for general average levels of compensation and other matters. Apart from fixed remuneration, the Company has introduced performance-based bonuses that are affected by the Company's business results for each fiscal year. The Company discontinued Directors' retirement benefits after the 3rd Annual General Meeting of Shareholders and reallocated part of the amount equivalent to those retirement benefits to stock acquisition rights as stock options. As such, the Company's basic policy is to make Directors' compensation more sensitive to and reflective of the Company's stock price and consolidated business results.

For the fiscal year ended March 31, 2009, the Company reduced directors' fixed remuneration and discontinued payment of performance-based bonuses to directors from January 2009 on account of deterioration in its earnings.

Because their responsibilities are independent of the management of the Company, the Company pays its Auditors fixed remuneration. Such remuneration is set at an appropriate amount through discussions among Auditors and set to be within the limits approved by shareholders at the General Meeting of Shareholders.

4) Outside Directors / Statutory Auditors

a) Material positions at other companies

Position	Name	Names of other companies	Position at other companies
Outside Director	Etsuhiko Shoyama	Hitachi, Ltd	Chairman of the Board
		Hitachi Chemical Company, Ltd.	Chairman of the Board Outside Director
	Juichi Takamura	—	—
Outside Auditor	Hiroyasu Watanabe	Ishida Co., Ltd.	Outside Director
		Nomura Co., Ltd.	Outside Auditor
		Takara Standard Co., Ltd.	Outside Auditor
	Toshinori Kanemoto	Kameda Seika Co., Ltd.	Outside Auditor
	Mitsudo Urano	Nichirei Corporation	Chairman and Representative Director

b) Summary of activities performed by Outside Directors and Outside Statutory Auditors

Position	Name	Summary of activities performed
Outside Director	Etsuhiko Shoyama	Attended 12 out of 14 meetings of the Board of Directors held during the fiscal year ended March 31, 2009, and made remarks pursuant to knowledge on business management.
	Juichi Takamura	After being elected in June last year, attended all of the 11 meetings of the Board of Directors held during the fiscal year ended March 31, 2009, and made remarks pursuant to knowledge on business management.
Outside Auditor	Hiroyasu Watanabe	Attended all of the 14 meetings of the Board of Directors and 13 meetings of the Board of Statutory Auditors held during the fiscal year ended March 31, 2009, and made remarks pursuant to knowledge on business management.
	Toshinori kanemoto	After being elected in June last year, attended all of the 11 meetings of the Board of Directors and 10 meetings of the Board of Statutory Auditors held during the fiscal year ended March 31, 2009, and made remarks pursuant to knowledge on business management.

	Mitsudo Urano	After being elected in June last year, attended 10 out of 11 meetings of the Board of Directors and all of the 10 meetings of the Board of Statutory Auditors held during the fiscal year ended March 31, 2009, and made remarks pursuant to knowledge on business management.

c) Outline of Liability Limitation Agreement

The Company's Articles of Incorporation set out provisions regarding liability limitation agreements with Outside Directors and Outside Auditors, under which the Company enters into a liability limitation agreement with each Outside Director and Outside Auditor to limit his/her liability to the Company to the greater of five (5) million yen or the minimum amount of limited liability specified by laws and regulations.

d) Compensation Paid to Outside Directors and Outside Auditors

Position	Number of Outside Directors / Outside Auditors	Total compensation paid
Outside Director	2	¥18 million
Outside Auditor	4	¥32 million
Total	6	¥50 million

Note: Total compensation paid to the two Outside Directors above to offset the payment for stock acquisition rights issued as stock options during the fiscal year ended March 31, 2009, includes ¥1 million in consideration of execution of duties during the fiscal year.

5. Accounting Auditor

1) Names of Accounting Auditor (as of March 31, 2009)

Ernst & Young ShinNihon LLC

Note: In July 2008, Ernst & Young ShinNihon LLC changed its name from Ernst & Young ShinNihon in conjunction with a change in its auditor classification.

2) Fees Paid

a) Amount of compensation payable as consideration for accounting audit services for the Company in the fiscal year ended March 31, 2009	¥48 million
b) Total amount of financial benefits to be paid by the Company and its subsidiaries	¥474 million

Notes:

1. The amount of audit fees payable under the audit engagement contract between the Company and the audit firms includes both fees payable for audit conducted pursuant to the provisions of the Companies Law, and audit conducted pursuant to the provisions of the Securities and Exchange Law. As these fees are not separately identified and are practically indivisible, a combined amount comprising the two fees is shown in a) above.
2. The Company and its subsidiaries have hired and paid Ernst & Young ShinNihon LLC to provide advice on internal controls related to financial reporting. Said advice is a service not named in Article 2, Paragraph 1 of the Certified Public Accountants Law.
3. The Company received consulting services from Ernst &Young ShinNihon LLC on the business merger with Nippon Oil Corporation. Those consulting services were services other than those specified in Article 2, Paragraph 1 of the Certified Public Accountants Law, and the Company accordingly paid compensation to Ernst &Young ShinNihon LLC for these services.
4. Among the Company’s material subsidiaries, Nippon Mining of Netherlands B.V. and Nikko Materials Philippines, Inc., are audited by accounting audit firms other than the Accounting Auditors of the Company.

3) Policy Regarding Dismissal or Non-reappointment of Accounting Auditors

The Company’s Board of Auditors dismisses Accounting Auditors pursuant to Article 340 of the Companies Law. Further, if the Company determines that Accounting Auditors may not be able to appropriately conduct audits due to factors arising that may adversely affect Accounting Auditors' suitability or independence, the Company submits proposals regarding dismissal or non-reappointment of Accounting Auditors to the General Meeting of Shareholders, subject to the consent of or pursuant to requests made by the Board of Auditors.

6. Systems and Policies of the Company

1) Systems to Ensure Conformity in Directors' Execution of Duties according to Laws and Regulations and Articles of Incorporation and Systems to Ensure Appropriateness of Other Operations

The framework of systems for ensuring appropriateness of operations of the Company is as follows: With the Internal Control Promotion Department as the administrative center, the Company works to establish appropriate systems and fully implement internal controls, while the Nippon Mining Holdings Group's Internal Control Committee deliberates and lays out specific policies on the Group's overall internal controls.

a) System to ensure conformity of Directors' and employees' execution of duties according to laws and regulations and Articles of Incorporation

The Company continuously works to strengthen and reinforce compliance, and it has accordingly established and administers compliance standards to be observed by Directors and employees, the Nippon Mining Holdings Group Compliance Committee, and other systems and standards, and it has also established and operates a reporting system and internal audit system to effectively audit Directors' and employees' compliance with laws and regulations and Articles of Incorporation.

b) System for safekeeping and management of information relating to Directors' execution of duties

Pursuant to the Board of Directors Rules, Management Committee Rules, Basic Rules on Protection of Personal Information, and other internal rules, the Company records, keeps, and manages information appropriately, and the Company also verifies the effectiveness of and reviews these rules as necessary.

c) Rules and other systems for managing risk

With regard to risks that may damage the corporate value of Nippon Mining Holdings Group, the Company works to improve risk management by formulating appropriate measures to avoid risk, establishing emergency systems, and taking other pertinent measures. To this end, the Company takes measures to strengthen the Group's overall risk management by taking into consideration specific standards of risk management and actual implementation of systems that are established and operated by individual Group companies.

d) System to ensure efficient execution of duties by Directors

To improve corporate value through effective management and optimal allocation of enterprise resources across the Nippon Mining Holdings Group, the Company administers the Group pursuant to a basic agreement regarding administration of the Group with core subsidiaries while respecting each subsidiary's independence in business operation. The Company thus seeks to ensure efficient control over business of the Group and transparency of management.

The majority of the Company's Directors are full-time Directors of the holding company and manage/supervise the Group's business independently of the operation of those business. However, to facilitate the reporting of the status of core businesses to the Company's Board of Directors and Management Committee, Presidents of core subsidiaries, who are in charge of the operation of each of the Group's core businesses, concurrently act as Directors of the Company.

e) System to ensure appropriate business operation in the Nippon Mining Holdings Group

Under the administration structure of the Nippon Mining Holdings Group as described in d) above, each Group company pursues efficient business operation suited to its business characteristics while seeking to strengthen internal controls through thorough compliance and risk management efforts.

f) Matters regarding employees who are assigned at the request of Statutory Auditors to assist in their duties

The Company has set up a team of staff to assist Statutory Auditors by assisting in the duties of the Auditors. Staff employed specifically for this purpose assist Statutory Auditors in performing their duties.

g) Matters regarding independence of staff who assist Auditors from Directors

Duties performed by staff who assist Auditors are not subject to instructions and/or orders given by Directors. To ensure the independence of such staff from Directors, Directors consult in advance with the Auditors about the hiring and evaluation of staff who will assist Auditors.

h) System for reporting by Directors and employees to Auditors and other systems regarding reporting to Auditors

Directors regularly report to Auditors regarding the status of their duties.
Directors also immediately report to Auditors any actual or potential violations of laws, regulations, and/or Articles of Incorporation.
Employees submit to visiting audits as requested by Auditors and immediately report to Auditors any actual or potential violations of laws, regulations, and/or Articles of Incorporation.

i) Other systems to ensure effective audits conducted by Auditors

Auditors monitor Directors' duties by attending the Board of Directors meetings and Management Committee meetings. In addition, Auditors conduct efficient audits by working closely with Accounting Auditors and internal auditing groups and by taking advantage of audits conducted by Accounting Auditors. In addition, Auditors and Directors exchange information and views through regular discussions and other interaction. Some Auditors concurrently assume the office of Auditor at core subsidiaries as well, thereby ensuring efficient audits of the entire Group.

2) Basic Policy Regarding Control of the Company

The Nippon Mining Holdings Group employs a holding-company structure. The Group's two core businesses are Japan Energy Corporation (petroleum business) and Nippon Mining & Metals Co., Ltd. (metals business). The Nippon Mining Holdings Group seeks to further improve its corporate value by establishing top-class competitiveness and profitability in each industry through efficient administration of the entire Group and optimal allocation of enterprise resources as well as by resolving the management issues to be addressed described above in 1(2).

The Company will not reject, as a matter of course, attempts to purchase its shares that may involve the transfer of control of the Company, provided that the prospective buyer understands the Company's policies and that the prospective purchase may benefit the Group's corporate value and shareholders' common interests. However, the Company asserts that those who attempt to purchase its shares with objectives or using methods that may significantly damage its corporate value and shareholders' common interests are not appropriate as persons who may control decision-making on policies on finance and business of the Company.

With that recognition, the Company constantly monitors its capital composition and events that affect it, including changes in major shareholders, and has put internal systems in place to respond to potentially harmful acquisition attempts.

If such a buyer makes an attempt to purchase the Company's shares, the Company will take measures that are considered appropriate within the scope permitted by laws and regulations and these Articles of Incorporation.

3) Policy regarding Determination of Dividend

The Company's policy is to set shareholders' dividends in light of business results and the operating environment and in consideration of its retained earnings and its objective of maintaining a steady dividend payout. In doing so, the Company considers all of these elements together. The Company intends to pay a year-end dividend of ¥6 per share, a decrease of ¥2 per share. This will result in a total annual dividend of ¥14 per share. The Company will strive to further improve its financial strength and to raise dividends in the future.

Numerical values presented in this report are formatted as follows:

Monetary amounts (other than those relating to consolidated financial results)	Rounded down
Monetary amounts relating to consolidated financial results, ratios, and other numerical values	Rounded to the nearest unit

Consolidated Balance Sheets

(As of March 31, 2009)

(Millions of yen)

Assets		Liabilities and Net assets	
Account title	**Amount**	**Account title**	**Amount**
Assets	**1,886,083**	**Liabilities**	**1,226,145**
Current assets	792,082	Current liabilities	758,450
Cash and time deposits	118,840	Notes and accounts payable, trade	186,455
Notes and accounts receivable, trade	233,130	Short-term borrowings	361,942
Inventories	339,367	Accounts payable, other	113,569
Deferred tax assets	21,843	Accrued income taxes	4,309
Other current assets	80,404	Other current liabilities	92,175
Less: Allowance for doubtful accounts	(1,502)		
Fixed assets	1,094,001	Long-term liabilities	467,695
Property, plant and equipment	734,802	Bonds	35,000
Buildings and structures	445,621	Long-term debt	302,632
Accumulated depreciation	(294,510)	Lease obligations	4,361
Buildings and structures, net	151,111	Deferred tax liabilities	29,313
Machinery and equipment, other	878,962	Allowance for retirement benefits	59,427
Accumulated depreciation	(634,942)	Accrued retirement benefits for corporate directors and auditors	986
Machinery and equipment, other, net	244,020	Allowance for periodic repair works	15,890
Tools, furniture and fixtures	42,417	Negative goodwill	439
Accumulated depreciation	(30,842)	Other long-term liabilities	19,647
Tools, furniture and fixtures, net	11,575	**Net assets**	**659,938**
Land	283,184	Shareholders' equity	606,772
Lease assets	3,779	Common stock	73,920
Accumulated depreciation	(332)	Capital surplus	226,748
Lease assets, net	3,447	Retained earnings	306,987
Construction in progress	41,465	Less: Treasury stock, at cost	(883)
Intangible assets	78,228	Valuation and translation adjustment	(39,425)
Goodwill	9,924	Unrealized gain on marketable securities	10,008
Other	68,304	Deferred hedge gain (loss)	(8,328)
Investments and other long-term assets	280,971	Surplus from land revaluation	(3,091)
Investments in securities	189,284	Accumulated translation adjustment	(38,014)
Long-term loans	4,871	Stock acquisition rights	499
Deferred tax assets	59,287	Minority interests in consolidated subsidiaries	92,092
Other	29,138		
Less: Allowance for doubtful accounts	(1,609)		
Total assets	1,886,083	**Total liabilities and net assets**	**1,886,083**

(Amounts rounded to the neareset million yen)

Consolidated Statements of Income

(from April 1, 2008 to March 31, 2009)

（Millions of yen）

Account title	Amount
Net sales	4,065,059
Cost of sales	3,969,468
Gross profit	95,591
Selling, general and administrative expenses	197,258
Operating income (loss)	(101,667)
Other income	60,446
Interest income	1,554
Dividend income	2,576
Exchange gain	—
Amortization of negative goodwill	912
Equity in income of non-consolidated subsidiaries and affiliates	48,897
Other	6,507
Other expenses	26,212
Interest expenses	12,527
Foreign exchange losses	3,639
Other	10,046
Income (loss) before special items	(67,433)
Special profit	4,611
Gain on sales of property, plant and equipment	1,676
Gain on sales of investments in securities, net	204
Gain on sales of investments in subsidiary	1,075
Reversal of reserve for loss on business liquidation	—
Compensation income for expropriation	—
Other	1,656
Special loss	23,014
Loss on sales of property, plant and equipment	705
Loss on disposal of property, plant and equipment	7,401
Impairment losses	7,539
Loss on write-down of investments in securities	1,969
Provision for allowance for environmental remediation	343
Provision for allowance for costs of disposal of unutilized property, plant and equipment	29
Provision for allowance for restoration and rehabilitation costs of a closed mining	—
Restructuring loss	1,490
Loss on business withdrawal	1,075
Loss due to fire accident	878
Other	1,585
Income (loss) before income taxes and minority interests	(85,836)
Income taxes	(57,636)
Income taxes-current	18,663
Income taxes-deferred	(76,299)
Minority interests in earnings of consolidated subsidiaries	12,594
Net income (loss)	(40,794)

(Amounts rounded to the neareset million yen)

Consolidated Statements of Changes in Net Assets

(from April 1, 2008 to March 31, 2009)

(Millions of yen)

	Shareholders' equity					Valuation and translation adjustment				Stock acquisition rights	Minority interests in consolidated subsidiaries	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Unrealized gain on marketable securities	Deferred hedge gain (loss)	Surplus from land revaluation	Accumulated translation adjustment			
Balance as of March 31,2008	73,920	226,759	362,360	(717)	662,322	23,241	16	(3,088)	(1,080)	361	83,492	765,264
Effect of changes in accounting policies applied to foreign subsidiaries for unification of their accounting policies			16		16						317	333
Changes of items during the period												
Cash dividends paid			(14,840)		(14,840)							(14,840)
Net loss			(40,794)		(40,794)							(40,794)
Acquisition of treasury stock				(265)	(265)							(265)
Disposition of treasury stock		(8)		57	49							49
Grant of treasury stock with exercise of stock acquisition rights		(3)		42	39							39
Reclassification with surplus from land revaluation			1		1							1
Change of scope of consolidation			244		244							244
Net changes of net assets other than shareholders' equity						(13,233)	(8,344)	(3)	(36,934)	138	8,283	(50,093)
Total changes of items during the period	－	(11)	(55,389)	(166)	(55,566)	(13,233)	(8,344)	(3)	(36,934)	138	8,283	(105,659)
Balance as of March 31, 2009	73,920	226,748	306,987	(883)	606,772	10,008	(8,328)	(3,091)	(38,014)	499	92,092	659,938

（Amounts rounded to the nearest million yen）

Notes to Consolidated Financial Statements

1. Significant Information Regarding the Preparation of Consolidated Financial Statements

(1) Scope of consolidation

(a) Number of consolidated subsidiaries: 109

Names of major consolidated subsidiaries

Japan Energy Corporation, Nippon Mining & Metals Co., Ltd., Kashima Oil Co., Ltd., Kashima Aromatics Co., Ltd., JOMO-NET Co., Ltd., Japan Energy Development Co., Ltd., Pan Pacific Copper Co., Ltd., Nikko Smelting & Refining Co., Ltd., Hibi Kyodo Smelting Co., Ltd., Nippon Mining of Netherlands B.V., Nikko Shoji Co., Ltd., Nikko Metals Philippines, Inc., Nikko Fuji Electronics Co., Ltd., Toho Titanium Co., Ltd., Nichiyo Engineering Corporation

(b) Name of major non-consolidated subsidiary Japan Energy Analytical Research Center Co., Ltd.

(Reason for excluding from consolidation)

The subsidiaries excluded from consolidated accounting are all small in size whose total assets, net sales, net income/loss (the portion proportionate to the Company's equity interest) and retained earnings (the portion proportionate to the Company's equity interest) are insignificant respectively in all and do not have material impact on the Company's consolidated financial statements.

(c) Changes in scope of consolidation

Kyobishi Co., Ltd., Ishikawa Oil Co., Ltd., JOMO-Net Outsourcing Co., Ltd., Nikko Metals Hong Kong Ltd., Materials Service Complex Malaysia Sdn. Bhd, and two other companies were included due to expansion of their business and increased importance to the Company's results. Asia Shoji Co., Ltd. was included because it was newly established. JOMO-NET Sapporo Co., Ltd., JOMO-NET Tohoku Co., Ltd., JOMO-NET Kita Kanto Co., Ltd., JOMO-NET Higashi Tokyo Co., Ltd., JOMO-NET Nishi Tokyo Co., Ltd., JOMO-NET Tokai Co., Ltd., JOMO-NET Kansai Co., Ltd., JOMO-NET Sanyo Co., Ltd., JOMO-NET Kyushu Co., Ltd., Ishikawa Oil Co., Ltd., and JOMO-NET Outsourcing Co., Ltd. were excluded from consolidation due to their merger with JOMO-NET Minami Kanto Co., Ltd. Nikko Materials Taiwan Co., Ltd., and Nippon Mining Taiwan Co., Ltd., were excluded from consolidation due to their merger with Nikko Shoji Taiwan Co., Ltd. Pan Pacific Copper Taiwan Co., Ltd. was liquidated and thus excluded. JOMO-Net Minami-Kanto Co., Ltd. was renamed JOMO-NET Co., Ltd., and Nikko Shoji Taiwan Co., Ltd. was renamed Nikko Metals Taiwan Co., Ltd.

Toho Titanium Co., Ltd., an equity-method affiliate until the previous fiscal year, became a consolidated subsidiary because more than half of its directors were from the Group. Central Computer Services Co., Ltd., a consolidated subsidiary until the previous fiscal year, became an equity-method affiliate because the Company sold part of its stake in said company.

(2) Application of equity method

(a) Number of affiliates accounted for by equity method: 13

Names of major affiliates accounted for by equity method:

Tatsuta Electric Wire and Cable Co., Ltd., Maruwn Corporation, Minera Los Pelambres, LS-Nikko Copper Inc. NTT Data CCS Corporation

(b) Name of major non-consolidated subsidiary not applied for by equity method

Japan Energy Analytical Research Center Co., Ltd.

(c) Name of major affiliate not applied for by equity method:

TOSHIN YUSOSEN CO., LTD.

(Reason for non-application of equity method)

The non-consolidated subsidiary and affiliates not applied for by equity method are all small in size whose net income/loss (the portion proportionate to the Company’s equity interest) and retained earnings (the portion proportionate to of the Company’s equity interest) and do not have material impact on the Company’s consolidated financial statements.

(d) Change in the application of equity method

am/pm JAPAN Co., Ltd., was excluded from an equity-method affiliate because it acquired its own all shares of a class through a class-wide call. Industrial Finance Ltd. was excluded from an equity-method affiliate because it was liquidated. Central Computer Services Co., Ltd., a consolidated subsidiary until the previous fiscal year, became an equity- method affiliate because the Company sold part of its stake in said company.
Central Computer Services Co., Ltd., was renamed NTT Data CCS Corporation. Toho Titanium Co., Ltd., an equity- method affiliate until the previous fiscal year, became a consolidated subsidiary because more than half of its directors were from the Group.

(3) Fiscal year ends of consolidated subsidiaries

The following consolidated subsidiaries have different fiscal year ends from the consolidation:

Fiscal year end	Name of Company
December 31st	Japan Energy (Singapore) Pte., Ltd.
	Nippon Mining of Netherlands B.V. and 27 other companies
June 30th	Irvine Scientific Sales Co., Inc.

Financial statements of the consolidated subsidiaries listed above as of their book closing date were used for the consolidation purpose, with the exception of Irvine Scientific Sales Co., Inc., whose financial statements used for consolidated accounting were prepared as of December 31st for the purpose of provisional settlement of accounts.
Adjustments were made for significant transactions taking place in the intervening period.

(4) Accounting standards

(a) Valuation basis and valuation method for significant assets

i) Investment Securities

Other securities

With readily determinable market values:	stated at market values as of each respective balance sheet date, and associated unrealized gains and losses, net of taxes, are reported as a separate component of net assets. Acquisition costs, which form the basis for calculations, are determined by the moving average method.
Without readily determinable market values:	stated at cost mainly based on the moving average method.

ii) Inventories

(Domestic consolidated subsidiaries)

Petroleum inventories are stated at the lower of cost or market using the average cost method, and metals inventories are stated at the lower of cost or market using the first-in first-out method.

(Foreign consolidated subsidiaries)

Inventories held by the Company's foreign consolidated subsidiaries are primarily stated at the lower of cost or market using the first-in, first-out method.

(b) Depreciation method for fixed assets

Depreciation of property, plant and equipment (excluding leased assets) is primarily calculated based on the straight-line method.

(Additional information)

Effective for the fiscal year ended March 31st, 2009, the Company and its domestic consolidated subsidiaries applied the depreciation in the revised Corporate Tax Law in line with the 2008 Tax Reform, in which useful lives for depreciation of property, plant and equipment, mainly machinery and equipment, were revised based on the number of years of acute use, as well as the classification of assets.

As a result of this application, depreciation-increased by 5,435 million yen, operating loss increased by 4,803 million yen, loss before special items increased by 4,820 million yen and loss before income taxes and minority interests increased by 4,914 million yen.

Amortization of intangible assets-is primarily computed using the straight-line method

Leased assets for financing lease transactions whose ownership are not transferred: depreciation of lease assets is calculated based on the straight-line method over the leased term of the leased assets assuming no residual value.

(c) Allowances

i) Allowance for doubtful dccounts

For the domestic consolidated subsidiaries, allowance for doubtful accounts is calculated based on the aggregate amount of individually estimated credit losses for doubtful receivables plus an amount calculated using historical write-off experience over a certain period for receivables other than doubtful receivables.

Overseas consolidated subsidiaries calculate the amount of allowance for doubtful accounts based on individual assessment of unrecoverable amount.

ii) Allowance for retirement benefits

The reserve for employee retirement benefits, which is provided for future pension and severance paid at retirement, is recorded as the amount that has accrued at the end of the fiscal year, which is computed based on the projected benefit obligationand the estimated fair value of pension plan assets at the end of the fiscal year.

Unrecognized net obligation at the date of initial application of the accounting standard for retirement benefits has been amortized on a straight-line basis over a period of ten years.

Unrecognized actuarial gains or losses and unrecognized prior service cost are recognized as income or expenses for the fiscal year of occurrence, except for certain consolidated subsidiaries which have elected to amortize them over the average remaining service period of participating employees.

iii) Allowance for periodic repair works

The Company Group has an allowance for periodic repair works in an amount equal to the estimated cost of periodically required repairs for oil tanks and machinery and equipment of oil refineries, which is accrued evenly over a period to the next scheduled repairs.

(d) Other material information

i) Translations of foreign currency transactions and accounts

Receivables and payables denominated in foreign currencies are generally translated using the foreign exchange rates prevailing at the respective balance sheets dates. Foreign exchange gains and losses are charged to income.

Assets and liabilities owned by foreign subsidiaries and affiliates are translated at the foreign exchange rates prevailing at the respective balance sheet dates.

Revenues and expenses of foreign consolidated subsidiaries are translated into Japanese Yen using the average exchange rates for the period. Foreign exchange gains and losses are included in accumulated translation adjustment in net assets, and minority interests in consolidated subsidiaries

ii) Hedge accounting

The Company Group adopts deferred hedge accounting in principle. When cash flows of assets and liabilities denominated in foreign currencies are fixed by forward currency contracts, etc., they are translated at the corresponding contract rates.

When interest rate swaps that meet certain required conditions have critical terms matching exactly with those of financial assets or liabilities that are being hedged, such interest rate swaps are not recognized in the balance sheet, and net interest paid or received on the swaps is recognized as adjustment to the interest income or expense on the financial assets or liabilities that are being hedged.

iii) Transactions subject to consumption taxes and local consumption taxes are recorded in amounts exclusive of consumption taxes.

iv) The Company adopts the consolidated taxation system.

v) Sales and cost of sales are recognized on receipt of lease incomes in finance lease transactions.

(5) Valuation of assets and liabilities of consolidated subsidiaries

The assets and liabilities of consolidated subsidiaries are marked to fair value at the time.

(6) Amortization of goodwill and negative goodwill

Goodwill and negative goodwill are generally amortized over 5 years.

(7) Change in accounting policies pertaining to preparation of consolidated financial statements

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

Effective the fiscal year ended March 31, 2009, the Company adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ Practical Issues Task Force Report No. 18, May 17, 2006) and applied to its consolidated foreign subsidiaries. As a result of this application, operating loss increased by 1,052 million yen, loss before special items increased by 997 million yen and loss before income taxes and minority interests increased by 912 million yen, respectively.

(Accounting Standard for Lease Transactions)

Effective for the fiscal year ended March 31, 2009, the Company and its subsidiaries adopted "Accounting Standard for Lease Transactions" (ASBJ Statement No.13, revised on March 30, 2007) and "Guidance on Accounting Standards for Lease Transactions (ASBJ Guidance No.16, revised on March 30, 2007) for the lease transactions, entered into a contract on and after April 1, 2008, other than the lease transactions which deem to transfer ownership of the leased assets to the lessee. As a result of this adoption, the effect on operating loss, loss before special items, and loss before income taxes and minority interests for the fiscal year ended March 31, 2009 was immaterial. These lease transactions are accounted for as finance leases, while they were accounted for in the same manner as operating leases before adoption. On the other hand, the lease transactions entered into a contract on and before March 31, 2008, are still accounted for in the same manner as operating leases.

2. Notes to Consolidated Balance Sheets

(1) Assets pledged as collateral and obligations related to collateral

(a) Assets pledged as collateral

Property, plant and equipment:	346,902	million yen
Investments in securities:	8,669	million yen
Cash and time deposits (time deposits):	930	million yen
Other:	366	million yen

Besides the assets stated above, the stock of a consolidated subsidiary (amount before consolidation elimination: 3,593 million yen) are pledged.

(b) Obligations related to collateral

Long-term debt (including current portion of long-term debt):	45,627	million yen
Accounts payable, other (deposits for deferred payment of gasoline excise tax and local road tax.):	46,405	million yen
Short-term borrowings:	426	million yen

Assets pledged as collateral stated above include obligations listed above as well as borrowings associated with a certain project invested by the Company’s consolidated subsidiary.

(2) Accumulated depreciation of property, plant and equipment:	960,626	million yen

(3) Commitments and contingent liabilities

Guarantee for bank borrowings and trade transaction made by companies other than consolidated subsidiaries	3,866	million yen
Guarantee for mortgage loans made to employees	1,967	million yen
Total	5,833	million yen

(4) Land revaluation

Pursuant to the Law for Land Revaluation, the Company and several domestic companies of group revalued their land used for business activities. The resultant adjustment was reflected, net of taxes, in “Surplus from land revaluation” in net assets of the accompanying consolidated balance sheet.

Date of revaluation:	March 31, 2000
Method of revaluation :	notice of the Commissioner of National Tax Agency in accordance with Article 2, Paragraph 4 of the Enforcement Ordinance Concerning Land Revaluation, with reasonable adjustments to the market price made by the Company Group. The revaluation is permitted only one time.

Maruwn Corporation, an affiliate accounted for by the equity method, revalued its land for business activities, and a portion of the amount of the difference resulting from the revaluation proportionate to the Company's equity holding in Maruwn, is included in the Company's net assets. Of the difference between the market value of the land as of the end of the fiscal year ended March 31, 2009 and its post-revaluation book value, the amount proportionate to the Company's equity holding in Maruwn was 703 million yen.

3. Notes to Consolidated Statement of Changes in Net Assets

(1) Type and total number of shares issued: common stock: 928,462,002 shares

(2) Dividend of a surplus

(a) The amount of dividends paid

Resolution	Type of stock	Total dividends paid (millions of yen)	Cash dividend per share (yen)	Cut-off date	Commencement date of dividend payment
The Company's Board of Directors held on May 14, 2008	Common stock	7,420	8	March 31, 2008	June 4, 2008
The Company's Board of Directors held on October 31, 2008	Common stock	7,420	8	September 30, 2008	December 5, 2008
Total		14,840			

(b) Dividend whose cut-off date belongs to the year ended March 31, 2009 and commencement date belongs to the following year

Scheduled date of Resolution	Type of stock	Dividend source	Total dividend paid (millions of yen)	Cash dividend per share (yen)	Cut-off date	Commencement date of dividend payment
The Company's Board of Directors held on May 15, 2009	Common stock	Retained earnings	5,562	6	March 31, 2009	June 3, 2009

(3) Type and number of underlying shares of stock acquisition rights as of March 31, 2009

Common stocks 968,500 shares

4. Per-share Information

Net assets per share: 612.44 yen

Net income per share: 44.02 yen

(Amounts are rounded to the nearest million yen)

Report of Independent Auditors on the Consolidated Financial Statements
(COPY)

Report of Independent Auditors on the Consolidated Financial Statements

May 11, 2009

To the Board of Directors of
Nippon Mining Holdings, Inc.

Ernst & Young ShinNihon LLC

Takehiko Nagasaki
Representative and Engagement Partner
Certified Public Accountant

Shunji Iizuka
Representative and Engagement Partner
Certified Public Accountant

Tatsuhiko Atsumi
Representative and Engagement Partner
Certified Public Accountant

Kazuhiko Yamazaki
Representative and Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements of Nippon Mining Holdings, Inc. for the fiscal year ended March 31, 2009 (April 1, 2008 through March 31, 2009), that included Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Net Assets, and Notes to Consolidated Financial Statements, pursuant to the provisions set forth in Paragraph 4, Article 444 of the Companies Law. The consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audits as independent auditors.

We conducted our audits in accord with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. Audits are conducted on a test basis and involve assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Group comprised of Nippon Mining Holdings, Inc. and its consolidated subsidiaries, and are in conformity with accounting principles generally accepted in Japan.

Our firms and their engagement partners have no interest in the Company which should be disclosed pursuant to the provisions set forth in the Certified Public Accountants Law.

Non-Consolidated Balance Sheets

(As of March 31, 2009)

（Millions of yen）

Assets		Liabilities and Net assets	
Account title	**Amount**	**Account title**	**Amount**
Assets	**628,818**	**Liabilities**	**276,934**
Current assets	**38,201**	**Current liabilities**	**19,128**
Cash and time deposits	7	Accounts payable, trade	29
Accounts receivable, trade	23	Short-term borrowings	8,000
Prepaid expenses	206	Accounts payable, other	7,976
Deferred tax assets	686	Accrued expenses	1,236
Short-term loans	26,749	Accrued income taxes	38
Accounts receivable, other	10,514	Deposits received	189
Other	14	Unearned income	100
		Allowance for employee bonuses	68
		Allowance for environmental remediation	1,489
Fixed assets	**590,616**	**Long-term liabilities**	**257,805**
Property, plant and equipment	**3,417**	Bonds	35,000
Buildings	953	Long-term debt	219,100
Structures	176	Accrued retirement benefits for corporate directors	61
Machinery and equipment	61	Allowance for environmental remediation	1,832
Tools, furnitures and fixtures	139	Other	1,811
Land	2,049		
Construction in progress	37		
		Net assets	**351,883**
Intangible assets	**44**	**Shareholders' equity**	**354,378**
Software	44	**Common stock**	**73,920**
Other	0	**Capital surplus**	**255,826**
Investments and other long-term assets	**587,154**	Capital reserve	175,625
Investments in securities	13,784	Other capital surplus	80,201
Investments in subsidiaries and affiliates	326,022	**Retained earnings**	**25,326**
Other investments	5	Other retained earnings	25,326
Long-term loans	109	Carried forward retained earnings	25,326
Long-term loans to subsidiary	244,100	**Less: Treasury stock, at cost**	**(695)**
Deferred tax assets	147	**Valuation and translation adjustment**	**2,993**
Guarantee deposits	2,917	**Unrealized gain on marketable securities**	**2,879**
Other	67	**Surplus from land revaluation**	**(5,873)**
		Stock acquisition rights	**498**
Total assets	628,818	**Total liabilities and net assets**	**628,818**

（Amounts rounded down to the nearest million yen）

Non-Consolidated Statements of Operations

(from April 1, 2008 to March 31, 2009)

(Millions of yen)

Account title	Amount
Operating revenue	**17,291**
Dividend income	10,859
Management fee income	6,432
General and administrative expenses	**7,174**
Operating income	**10,117**
Other income	**6,665**
Interest income	3,853
Dividend income	2,684
Other	127
Other expenses	**3,933**
Interest expenses	2,580
Interest expenses on bonds	527
Interest expenses on commercial paper	717
Bonds issuance expenses	107
Other	1
Income before special items	**12,849**
Special profit	**1,706**
Gain on sales of investment in affiliate	1,493
Reversal of allowance for costs of disposal of unutilized property, plant and equipment	207
Reversal of allowance for environmental remediation	5
Special loss	**228**
Loss on disposal of property, plant and equipment	7
Impairment losses	185
Loss on write-down of investments in securities	4
Provision for allowance for environmental remediation	30
Income before income taxes	14,327
Income taxes	149
Deferred income taxes	(348)
Net income	**14,525**

(Amounts rounded down to the nearest million yen)

Non-Consolidated Statements of Changes in Net Assets

(from April 1, 2008 to March 31, 2009)

(Millions of yen)

	Shareholders' equity						Valuation and translation adjustment		Stock acquisition rights	Total net assets
		Capital surplus		Retained earnings						
	Common stock	Capital reserve	Other capital surplus	Other retained earnings Carried forward retained earnings	Treasury stock	Total	Unrealized gain on marketable securities	Surplus from land revaluation		
Balance as of March 31,2008	73,920	175,625	80,211	25,640	(527)	354,870	7,176	(5,873)	361	356,535
Changes during the period										
Cash dividends paid				(14,839)		(14,839)				(14,839)
Net loss				14,525		14,525				14,525
Acquisition of treasury stock					(265)	(265)				(265)
Disposition of treasury stock			(7)		55	47				47
Grant of treasury stock with exercise of stock acquisition rights			(2)		42	39				39
Net changes of net assets other than shareholders' equity							(4,296)		137	(4,159)
Total changes	—	—	(10)	(313)	(167)	(491)	(4,296)	—	137	(4,651)
Balance as of March 31, 2009	73,920	175,625	80,201	25,326	(695)	354,378	2,879	(5,873)	498	351,883

(Amounts rounded down to the nearest million yen)

Notes to Non-consolidated Financial Statements

1. Significant Accounting Policies

(1) Valuation basis and valuation method for assets

Securities

Investment securities in subsidiaries and affiliates Carried at cost based on the moving average method

Other securities

Securities with readily determinable market valu Carried at market values as of the balance sheet date (Unrealized gains and losses, net of taxes, are reported as a separate component of net assets. Acquisition costs, which form the basis for calculations, are determined by the moving average method.)

Securities without readily determinable market values: Carried at cost based on the moving average methoc

(2) Depreciation methods for fixed assets

Property, plant and equipment: Straight-line method

(Additional Information)

Effective for the fiscal year ended March 31st, 2009, the Company applied the depreciation in the revised Corporate Tax Law in line with the 2008 Tax Reform, in which useful lives for depreciation of property, plant and equipment, mainly machinery and equipment, were revised based on the number of years of acute use, as well as the classification of assets. The effect of this change on operating income, income before special items, and income before income taxes

Intangible assets: Straight-line method
Software is amortized over its expected useful life as defined by the Company (5 years).

(3) Allowances

(a) Allowance for employee bonuses

The allowance for employee bonuses is provided for based on estimated amounts of future payment attributable to employee services that have been rendered to the date of the balance sheet.

(b) Accrued retirement benefits for corporate directors

Accrued retirement benefits for corporate directors were provided for based on the amounts that had been accrued as at the balance sheet date, which were calculated based on the Company's internal policy. In June 2005, the Company abolished its retirement benefit program for the directors and officers of the Company and core subsidiaries of the Nippon Mining Holdings Group, and replaced it with a stock option program. Accordingly, no provision is made for the related retirement allowance account thereafter.

(c) Allowance for environmental remediation

The allowance for environmental remediation is provided for based on reasonable estimated amounts of future payment for environmental remediation work associated with past operations.

(4) Other significant accounting policies

(a) Deferred assets

Bonds issuance expenses are expensed at payment.

(b) Hedge accounting

The Company adopts deferred hedge accounting in principle. When interest rate swaps that meet certain required conditions have critical terms matching exactly with those of financial assets or liabilities that are being hedged such interest rate swaps are not recognized in the balance sheet, and net interest paid or received on the swaps is recognized as adjustment to interest income or expense on the financial assets or liabilities that are being hedged.

(c) Consumption taxes and local consumption taxes.

Transactions subject to consumption taxes and local consumption taxes are recorded in amounts exclusive of consumption taxes.

(d) Consolidated taxation system

The Company adopts the consolidated taxation system.

(5) Significant changes in accounting policies

(Adoption of accounting standard for lease transactions)

Effective for the fiscal year ended March 31, 2009, the Company and its subsidiaries adopted "Accounting Standard for Lease Transactions" (ASBJ Statement No.13, revised on March 30, 2007) and "Guidance on Accounting Standards for Lease Transactions (ASBJ Guidance No.16, revised on March 30, 2007) for the lease transactions, entered into a contract on and after April 1, 2008, other than the lease transactions which deem to transfer ownership of the leased assets to the lessee. As a result of this adoption, the effect on operating loss, loss before special items, and loss before income taxes and minority interests for the fiscal year ended March 31, 2009 was immaterial. These lease transactions

are accounted for as finance leases, while they were accounted for in the same manner as operating leases before adoption. On the other hand, the lease transactions entered into a contract on and before March 31, 2008, are still accounted for in the same manner as operating leases. There is no effect of this change on operating income, income before special items, and income before income taxes.
Among finance leases for which ownership of the leased assets does not transfers to lessees, lease transactions entered into on or before March 31, 2008, are accounted for in the same manner as operating leases.

2. Notes to Non-consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment: 2,453 million yen

(2) Debt guarantees

Guarantees for borrowings	230,640	million yen
Guarantees for business transactions	9,823	million yen
Total	240,463	million yen

(3) Monetary receivables and payables of subsidiaries and affiliates (excluding receivables and payables separately presented)

Short-term due from subsidiaries and affiliates:	28,866	million yen
Long-term due from subsidiaries and affiliates:	0	million yen
Short-term due to subsidiaries and affiliates:	8,073	million yen
Long-term due to subsidiaries and affiliates:	-	million yen

(4) Land revaluation

Pursuant to the Law for Land Revaluation, the Company revalued the land used for business activities.
The resultant adjustment is reflected in “Surplus from land revaluation” in net assets of the accompanying balance sheet.

Date of revaluation: March 31, 2000
Method of revaluation: The land value for the revaluation was determined based on the market prices in the official notice of the Commissioner of National Tax Agency in accordance with Article 2, Paragraph 4 of the Enforcement Ordinance Concerning Land Revaluation, with reasonable adjustments taking into account of the distance of the property from the benchmark location where the related market price is established.

3. Notes to the Non-consolidated Statement of Operations

Transactions with subsidiaries and affiliates

Operating revenues:	17,291	million yen
Operating expenses:	1,466	million yen
Transactions other than operating transactions:	6,265	million yen

4. Notes to Non-consolidated Statement of Changes in Net Assets

Type and number of treasury stock at the end of fiscal year, March 31, 2009:
Common stock: 1,437,084 shares

5. Tax Effect Accounting

Major components of deferred tax assets and liabilities (millions of yen):

(Deferred tax assets)	
Allowance for employee bonuses	27
Accrued retirement benefits for corporate directors	24
Allowance for environmental remediation	1,351
Stock acquisition rights	202
Depreciation of fixed assets in excess of the amount deductible for tax purposes	393
Investments in securities	122
Investments in affiliates	2,059
Net operating loss carry forward	4,915
Land	3,425
Adjustment of book value of investment in subsidiaries under the consolidated taxation system	220
Other	387
Sub total	13,132
Valuation allowance	(10,286)
Total deferred tax assets	2,845

(Deferred tax liabilities)	
Unrealized gain on marketable securities	(1,886)
Adjustment of inter-company transactions under the consolidated taxation system	(126)
Total deferred tax liabilities	(2,012)
Net deferred tax assets	833

6. Leases

Among finance leases for which ownership of leased assets does not transfer to the lessees, lease transactions entered into before the commencement of the fiscal year in which the Company adopted the Accounting Standard for Lease Transaction (ASBJ Statement No.13) are as follows.

(1) Estimated purchase cost, estimated accumulated depreciation and estimated book value of the leased assets

(Millions of yen)

Type of assets	Estimated purchase cost	Estimated accumulated depreciation	Estimated book value
Vehicles and transportation equipment	19	14	4
Total	19	14	4

Note: Estimated purchase cost includes related interest expenses.

(2) Lease payments due under the finance lease

Due within one year	3 million yen
Due after one year	0 million yen
Total	4 million yen

Note: Lease payments due include related interest expenses.

(3) Lease expenses and estimated depreciation expenses

Lease expenses:	6 million yen
Estimated depreciation expenses:	6 million yen

(4) Method of estimation of depreciation expenses

Depreciation expenses of the leased assets are estimated based on straight-line method over the lease term of the leased assets assuming no residual value.

7. Related Party Transactions

(Millions of yen)

Category	Name of company	Ownership of voting rights	Relationship with related party	Description of transactions	Amount of transaction	Account	Ending balance
Subsidiary	Japan Energy Corporation	Direct 100%	Management	Receipt of management fees (Note 1)	4,020	Accounts receivable, trade	23
				Transaction guarantee (Note 2)	9,823	―	―
Subsidiary	Nippon Mining & Metals Co., Ltd.	Direct 100%	Management	Receipt of management fees (Note 1)	2,412	Accounts payable, trade	29
				Debt guarantee (Note 3)	7,950	―	―
Subsidiary	Nippon Mining Finance Co., Ltd.	Direct 100%	Outsourcing of Financing	Debt guarantee (Note 4)	222,600	―	―

Notes: Policy on transaction, policy on deciding terms of transaction, etc.

1. Expenses necessary for the operation of Nippon Mining Holdings, Inc. are assumed by core subsidiaries (Japan Energy Corporation and Nippon Mining & Metals Co., Ltd.) as management fees in accordance with the scale of each subsidiary’s busi
   Management fees are settled in March in amounts based on actual expenses.
   The amount of the ending balance includes consumption taxes.
2. Transaction guarantee for purchase of crude oil made by Japan Energy Corporation. No fees were received for the guarantee.
3. Debt guarantee for borrowings made by Nippon Mining & Metals Co., Ltd. No fees were received for the guarantee.
4. Debt guarantee for borrowings made by Nippon Mining Finance Co., Ltd. No fees were received for the guarantee.

8. Per-share Information

Net assets per share:	¥379.05
Net income per share:	¥15.66

(Amounts are rounded down to the nearest million yen)

Report of Independent Auditors on the Non-consolidated Financial Statements
(COPY)

Report of Independent Auditors on the Non-consolidated Financial Statements

May 11, 2009

To the Board of Directors of
Nippon Mining Holdings, Inc.

Ernst & Young ShinNihon LLC

Takehiko Nagasaki
Representative and Engagement Partner
Certified Public Accountant

Shunji Iizuka
Representative and Engagement Partner
Certified Public Accountant

Tatsuhiko Atsumi
Representative and Engagement Partner
Certified Public Accountant

Kazuhiko Yamazaki
Representative and Engagement Partner
Certified Public Accountant

We have audited the financial statements of Nippon Mining Holdings, Inc. for the seventh fiscal year ended March 31, 2009 (April 1, 2008 through March 31, 2009), that included the Balance Sheet, the Statement of Operations, the Statement of Changes in Net Assets, Notes to Non-consolidated Financial Statements, and supporting schedules, pursuant to the provisions set forth in Paragraph 2.1, Article 436 of the Companies Law. The financial statements and supporting schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and supporting schedules based on our audits as independent auditors.

We conducted our audits in accord with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and supporting schedules are free of material misstatement. An audit is conducted on a test basis and involves assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of financial statements and supporting schedules. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and supporting schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Nippon Mining Holdings, Inc., for the period covered by the financial statements and supporting schedules, and are in conformity with accounting principles generally accepted in Japan.

Our firms and engagement partners have no interest in the Company that should be disclosed pursuant to the provisions set forth in the Certified Public Accountants Law.

Audit Report

We, Board of Auditors, following reviews and discussions of the audit reports from each Auditor concerning the execution of Directors on their duties during the Company's seventh fiscal year, April 1st, 2008 through March 31st, 2009, concluded this Report and hereby report as follows:

1. Methods and contents of auditing by each Auditor and Board of Auditors

Board of Auditors determined the audit policy, audit plans, each Aduditor's assignment and others for this fiscal year. The Board of Auditors received reports from each Auditor on the progress and results of his audit, and reports from Directors of the Company and the Accounting Auditor on their duties, and requested them more explanation when necessary.

In accordance with the Audit Guidelines by the Board of Auditors, and in accordance with the audit policy and audit plans for this fiscal year, each Auditor discussed with Directors, the internal audit division members, and other employees of the Company to collect information and make it sure to communicate. In addition, each Auditor attended the meetings of Board of Directors and other important meetings of the Company, received the reports from Directors and employees on their duties, requested them more explanations when necessary, reviewed documents on important management decisions, so each of Auditors investigated the Company's operations and financial conditions. Each of Auditors also examined and confirmed the state of the internal control system; discussions of Board of Directors regarding the establishment of the system, pursuant to Article 100 (1), (3) of the Ordinance for Enforcement of the Companies Law, since the internal control system is necessary to ensure that execution by Directors of their duties is in conformity with laws and regulations and Articles of Incorporation and to ensure appropriateness of operations at stock companies. With regard to internal control over financial reports as required by the Financial Instruments and Exchange Law, each of Auditors requested explanations when necessary after receiving reports on the evaluation and status of audit of internal control over financial reports from Directors and Ernst & Young ShinNihon LLC. With regard to the basic policy set forth in Article 118 (iii) of the Ordinance for Enforcement of the Companies Law, described in the Business Report, each of Auditors evaluated their contents while taking into consideration discussions in the Board of Directors and other deliberations. Also, when necessary, each of Auditors visited subsidiaries and exchanged information with directors and auditors of the subsidiaries, and received reports on operational and financial conditions of the subsidiaries. Based on the methods stated above, each of Auditors examined the Business Report and supporting schedules for this fiscal year.

Moreover, each of Auditors monitored and verified whether the Accounting Audit had maintained independent and had conducted appropriate audits as professionals, received reports, and, to the extent necessary, requested explanation from the Accounting Audit. Also, each of Auditors obtained a report from the Accounting Audit stating that they have established a "system for ensuring the appropriate execution of duties" (provisions set forth in Article 131 of the Corporate Accounting Regulations) in accordance with the *Quality Control Standard for Auditing* (Business Accounting Council, October 28, 2005) and other requirements. Based on the methods stated above, each of Auditors examined financial statements (Balance Sheet, Statement of Operations, Statement of Changes in Net Assets, and Notes to Non-consolidated Financial Statements) and supporting schedules, as well as consolidated financial statements (Consolidated Balance Sheets, Consolidated Statements of Operations, Consolidated Statement of Changes in Net Assets, and Notes to Consolidated Financial Statements) for this fiscal year.

2. Results of the Audit

(1) Results of audit of Business Report and supporting schedules

Board of Auditors finds:

(a) that the Business Report and supporting schedules present fairly the conditions of the Company in conformity with relevant laws, regulations, and the Articles of Incorporation, and that there is no objection to the basic policy, set forth in Article 118 (iii) of the Ordinance for Enforcement of the Companies Law, as described in the Business Report;

(b) that, regarding the execution by Directors of their duties, there is no material misconduct nor violation of the laws, regulations, or the Articles of Incorporation; and

(c) that, the resolutions by the Board of Directors concerning the internal control system are appropriate and that there is no exceptions to be cited herein concerning the execution by Directors of their duties with respect to the internal control systems. As of the date of this report, Board of Auditors had received from Directors and Ernst & Young ShinNihon LLC that as of March 31, 2009, there is no material error in the internal control over financial reports as required by the Financial Instruments and Exchange Law.

(2) Results of Audit of Financial Statements and Supporting Schedules

Board of Auditors finds that the methods and results of the audit by Ernst & Young ShinNihon, Accounting Audit, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

Board of Auditors finds that the methods and results of the audit by Ernst & Young ShinNihon, the Accounting Audit, are appropriate.

May 13, 2009

Board of Auditors of Nippon Mining Holdings, Inc.
Koichi Seno, Auditor (Full-time)
Isao Yamanashi, Auditor (Full-time)
Hiroyasu Watanabe, Auditor
Toshinori Kanemoto, Auditor
Mitsudo Urano, Auditor

Note:

Hiroyasu Watanabe, Toshinori Kanemoto, and Mitsudo Urano are outside company auditors defined in Article 2 (xvi) of Companies Law.

Reference Materials for the General Meeting of Shareholders

Agenda and supplementary information:

Item 1: Amendments of the Articles of Incorporation

1. Reasons for Amendments

The trading of publicly listed shares moved entirely to a share transfer system, completing the digitization of share certificates, after the *Law Amending the Law on Book-entry Transfer of Corporate Bonds etc. to Streamline Settlement of Trades of Equity Shares etc*. (Act No. 88 of 2004; hereafter "*Settlement Streamlining Law"*) came into effect on January 1st, 2009.

Accordingly, the Company proposes the following amendments to its Articles of Incorporation.

(1) Article 7 (Issuance of Share Certificates) will be deleted because Article 6(1), of the *Settlement Streamlining Law* invalidated it. The numbering of subsequent articles will be adjusted accordingly.

(2) Due to the digitization of share certificates, provisions in the Articles of Incorporation related to share certificates, beneficial shareholders, and the register of beneficial shareholders will be deleted.

(3) The register of lost share certificates must be maintained until one year has passed counting from the date on which the *Settlement Streamlining Law* came into effect. Relevant provisions will thus be established in a supplementary provisions section.

2. Amendments

Details of the proposed amendments are as follows:

(proposed changes are underlined)

Current Articles of Incorporation	Proposed amendments
<u>*(Issuance of Share Certificates)*</u>	[Deleted]
<u>**Article 7** The Company shall issue share certificates representing the shares subscribed by its shareholders.</u>	
(Number of Shares of One Unit; Shareholders' Right to Demand Sale of Fractional Shares<u>, etc.</u>)	*(Number of Shares of One Unit; Shareholders' Right to Demand Sale of Fractional Shares)*
Article <u>8</u> The number of shares of a unit of shares of the Company shall be five hundred (500).	**Article <u>7</u>** [Unchanged]
<u>2. Notwithstanding the provisions of the preceding article, the Company shall not issue share certificates for a fraction of the number of shares of one unit.</u>	[Deleted]
<u>3</u>. Pursuant to the provisions set forth in the Company's Share Handling Rules, shareholders <u>(including beneficial shareholders hereinafter)</u> may request the Company to sell fractional shares which, if added to the fractional shares already held by the shareholder, will equal the number of shares constituting one unit of shares.	<u>2</u>. Pursuant to the provisions set forth in the Company's Share Handling Rules, shareholders may request the Company to sell fractional shares that, if added to the fractional shares already held by the shareholder, will equal the number of shares constituting one unit of shares.

(Administrator of the register of shareholders)	*(Administrator of the register of shareholders)*
Article <u>9</u> The Company shall have an administrator of the register of shareholders.	**Article <u>8</u>** [Unchanged]
2. The administrator of the register of shareholders and its business office shall be determined by a resolution of the Board of Directors and notified publicly.	2. [Unchanged]
3. Compilation and keeping of the register of shareholders <u>(including the register of beneficial shareholders; the same applies hereinafter),</u> the register of stock acquisition rights<u> and the register of lost share certificates of the Company,</u> and other clerical processing related to the register of shareholders<u>,</u> the register of stock acquisition rights<u> and the register of lost share certificates</u> shall be handled by the administrator of the register of shareholders and not by the Company.	3. Compilation and keeping of the register of shareholders and the register of stock acquisition rights and other clerical processing related to the register of shareholders <u>and</u> the register of stock acquisition rights shall be handled by the administrator of the register of shareholders and not by the Company.
(Share Handling Rules)	*(Share Handling Rules)*
Article <u>10</u> <u>Denominations of share certificates, and h</u>andling of execution of shareholder rights, the Company's stock and stock acquisition rights, and commissions shall be governed by the Share Handling Rules prescribed by the Board of Directors.	**Article <u>9</u>** Handling of execution of shareholder rights, the Company's stock and stock acquisition rights, and commissions shall be governed by the Share Handling Rules prescribed by the Board of Directors.
Article <u>11</u> – Article <u>41</u> [Omitted]	**Article <u>10</u> – Article <u>40</u>** [Provisions unchanged]
	<u>Supplementary Provisions</u>
(Added)	<u>**Article 1** Compilation and keeping of the register of lost share certificates of the Company, and other clerical processing related to the register of lost share certificates shall be handled by the administrator of the register of shareholders and not by the Company.</u>
(Added)	<u>**Article 2** This and the preceding article will be effective until January 5th, 2010, when they will be deleted.</u>

Item 2: Election of ten (10) Directors

The term of office of all of the ten (10) Directors is to expire at the close of this general meeting of shareholders. Accordingly, the Company proposes election of ten (10) Directors, effective at the close of this general meeting of shareholders. The candidates for the Directors are listed below. Etsuhiko Shoyama and Juichi Takamura are candidates for outside Directors:

No.	Name (Date of birth)	Personal history, positions, assignments and representative positions at other companies		Number of shares held
1	Yasuyuki Shimizu (November 24th, 1938)	April 1961 June 1989 June 1995 June 1996 April 1999 April 2000 June 2002 September 2002 June 2003 June 2006	Joined Nippon Mining Co., Ltd Director (Left June 1995) Managing Director, Nippon Mining & Metals Co., Ltd. Senior Managing Director, Nippon Mining & Metals Co., Ltd Vice President and Representative Director, Nippon Mining & Metals Co., Ltd. Director, Nippon Mining & Metals Co., Ltd. (Left June 2001) President and Representative Director, Toho Titanium Co., Ltd. (Left June 2002) Vice Chairman and Representative Director, Nippon Mining & Metals Co., Ltd. Chairman and Representative Director, Nippon Mining & Metals Co., Ltd. (Left June 2003) President and Chief Executive Officer, Nippon Mining Holdings, Inc. Chairman and Representative Director (to date)	80,780 shares
2	Mitsunori Takahagi (December 3rd, 1940)	April 1964 June 1994 June 1998 June 1999 April 2001 June 2001 April 2002 September 2002 April 2003 June 2006	Joined Nippon Mining Co., Ltd. Director Managing Director Director and Executive Corporate Officer, Group General Manager, Managerial Staff Group, and Advisor to Chief Officer, Corporate Principles Headquarters Deputy Chief Officer, Corporate Principles Headquarters Senior Executive Corporate Officer President and Representative Director Director, Nippon Mining Holdings, Inc. President and Representative Director, Japan Energy Corporation (Left June 2006) President and Chief Executive Officer, Nippon Mining Holdings, Inc.(to date)	77,770 shares
3	Fumio Ito (January 5th, 1949)	July 1971 April 1997 June 1999 April 2002 June 2002 September 2002 April 2006 June 2006 June 2007	Joined Nippon Mining Co., Ltd. General Manager, Legal Department Associate Director Deputy General Manager, General Administration & Human Resources Dept. Executive Officer (Left September 2002) Director, Nippon Mining Holdings, Inc. In charge of legal affairs, General Administration Group (to date) In charge of Internal Control Promotion Department (to date) In charge of audit, Auditing Group (to date) Director (Managing Director) (to date)	26,270 shares

No.	Name (Date of birth)	Personal history, positions, assignments and representative positions at other companies	Number of shares held
4	Kiyonobu Sugiuchi (May 16th, 1949)	April 1973 Joined Nippon Mining Co., Ltd. June 1999 General Manager, Control Department, Managerial Staff Group April 2001 Associate Director (Left March 2003) September 2002 Senior Officer, Nippon Mining Holdings, Inc. In charge of management, Planning & Management Group In charge of audit, Auditing Group April 2004 In charge of finance, Financial Group (to date) June 2004 Director April 2006 In charge of Internal Control Promotion Department (to date) April 2007 In charge of management and IR, Planning & Management Group (to date) June 2007 Director (Managing Director) (to date)	20,770 shares
5	Kazuo Kagami (December 4th, 1951)	April 1975 Joined Nippon Mining Co., Ltd. April 1994 Transferred to Nippon Mining & Metals Co., Ltd. April 1998 Deputy General Manager (in charge of labor control), Corporate Support Division, Nippon Mining & Metals Co., Ltd. April 2001 Executive Officer, Nippon Mining & Metals Co., Ltd. May 2001 In charge of Corporate Team, Executive Office, Nippon Mining & Metals Co., Ltd. April 2002 Deputy director of Saganoseki Smelter & Refinery, Nippon Mining & Metals Co., Ltd. April 2005 In charge of general affairs, General Administration Group, Nippon Mining & Metals Co., Ltd. April 2006 Director (Left June 2007), Executive Officer, Nippon Mining & Metals Co., Ltd. In charge of General Administration Group, and Planning & Coordination Dept. (General Affairs), Nippon Mining & Metals Co., Ltd.	12,205 shares
6	Tomoyuki Urabe (February 20th, 1953)	April 1976 Joined The Industrial Bank of Japan, Limited June 1997 Sub Manager of Singapore Branch, The Industrial Bank of Japan, Limited (Left April 2000) May 2000 Joined Nippon Mining & Metals Co., Ltd. Deputy General Manager, Corporate Management Division, Nippon Mining & Metals Co., Ltd. September 2002 On loan to Nippon Mining Holdings, Inc. (Senior manager, Financial Group) January 2004 Deputy General Manager, Temporary Construction Promotion Group, Nikko Metal Manufacturing Co., Ltd. President, Nikko Woojin Precision Manufacturing (Suzhou) Co. Ltd. (Left March 2006) April 2004 Executive Officer, Nikko Metal Manufacturing Co., Ltd. (Left March 2006) June 2004 Director, Nikko Metal Manufacturing Co., Ltd. (Left March 2006) April 2006 Senior Officer, Nippon Mining Holdings, Inc. (to date) In charge of planning , Planning and Management Group (to date) June 2006 In charge of affiliated companies, Planning and Management Group (to date) December 2006 In charge of IT, Planning and Management Group (to date)	4,270 shares

No.	Name (Date of birth)	Personal history, positions, assignments and representative positions at other companies	Number of shares held
7	Isao Matsushita (April 3rd, 1947)	April 1970 Joined Nippon Mining Co., Ltd. June 1998 Associate Director General Manager, Finance Department April 2001 Corporate Officer (Left September 2002) Deputy General Manager, Managerial Staff Group September 2002 Director, Nippon Mining Holdings, Inc. In charge of finance, Financial Group June 2003 Managing Director April 2004 Director. (Left June 2004) Executive Corporate Officer, Japan Energy Corporation In supervision of Supply Coordination Department, Logistics Department, Crude Oil and Products Acquisition Department, Japan Energy Corporation June 2004 Director, Japan Energy Corporation April 2005 Senior Executive Corporate Officer, Japan Energy Corporation In supervision of Marketing Planning Department, Sales Department, Commercial Sales Department, Petroleum Retail Marketing Department and LP Gas Department, Japan Energy Corporation June 2006 President and Representative Director, Japan Energy Corporation (to date) Director, Nippon Mining Holdings, Inc. (to date) (Representative positions at other companies) President and Representative Director, Japan Energy Corporation Representative Director, Japan Energy Development Co., Ltd.	30,500 shares
8	Masanori Okada (September 27th, 1946)	April 1970 Joined Nippon Mining Co., Ltd. June 1998 Associate Director June 1999 General Manager in charge of Control & Coordination, Electronic Materials Group April 2001 Corporate Officer, Group General Manager, Electronic Materials Group and Advisor to Chief Officer, Corporate Principles Headquarters June 2002 President and Representative Director, Nikko Materials Co., Ltd. (Left June 2005) September 2002 Director, Japan Energy Corporation Director, Nippon Mining Holdings, Inc. (to date) June 2005 President and Representative Director, Nippon Mining & Metals Co., Ltd. April 2006 President and Representative Director, Nippon Mining & Metals Co., Ltd. (to date) (Representative positions at other companies) President and Representative Director, Nippon Mining & Metals Co., Ltd.	43,000 shares
9	Etsuhiko Shoyama (March 9th, 1936)	April 1959 Joined Hitachi, Ltd. June 1991 Director, Hitachi, Ltd. June 1993 Executive Managing Director, Hitachi, Ltd. June 1995 Senior Executive Managing Director, Hitachi, Ltd. June 1997 Executive Vice-President and Representative Director, Hitachi, Ltd. April 1999 President and Representative Director, Hitachi, Ltd. June 2003 Representative Executive Officer, President & CEO, and Director, Hitachi, Ltd. April 2006 Representative Executive Officer, Chairman, and Director, Hitachi, Ltd. April 2007 Chairman of the Board, Hitachi, Ltd. June 2007 Outside Director, Nippon Mining Holdings, Inc. (to date) April 2009 Chairman of the Board of Directors, Hitachi, Ltd. (to date)	3,500 shares

No.	Name (Date of birth)	Personal history, positions, assignments and representative positions at other companies		Number of shares held
10	Juichi Takamura (January 24th, 1938)	May 1961 May 1998 April 2005 May 2008 June 2008	Joined Nikkei Inc. (Left January 1998) Professor, Faculty of Contemporary Society, Musashino Women's University (currently Musashino University) Trustee and Vice president, Musashino University Emeritus professor, Musashino University (to date) Outside Director, Nippon Mining Holdings, Inc. (to date)	7,000 shares

Notes:

1. None of the candidates has potential conflicts with the Company's interests.

2. Matters relating to the candidates for outside Directors:

(1) Reason for proposing the following persons as candidates for outside Directors:

(a) Etsuhiko Shoyama has long been in charge of management of Hitachi, Ltd. and has deep insight, a wealth of experience and established track record in corporate management. The Company recommends him as a candidate for an outside Director since his insight, experience and track record have been appropriately reflected in the execution of his duties to date as outside Director.

(b) Juichi Takamura has filled various posts such as an officer and editorial writer at Nikkei Inc. and has high degree of expertise and deep insight in corporate management. After left Nikkei Inc., he held a teaching position at Musashino Women's University (currently Musashino University) while serving as a member of a textile committee and a carbon committee of the Industrial Structure Council, a consultative body of the Minister for Economy, Trade and Industry.
The Company recommends him as a candidate for outside Director since his knowledge and insight have been appropriately reflected in the execution of his duties to date as outside Director.
He has never been involved in corporate management as a director. Nevertheless, as explained above, the Company believes he has the capabilities to appropriately execute duties as outside Director.

(2) Improper business conduct etc. at other corporations where the candidates for outside Directors have served as directors etc.

In September 2006, Hitachi, Ltd., was ordered by the Fair Trade Commission to pay a surcharge for a violation of the Antitrust Law in connection with the bid for a ventilation facility construction project on the Shinjuku route of the Metropolitan Expressway, which Hitachi, Ltd., received a contract for in 2004 when Etsuhiko Shoyama, who currently serves as Chairman of the Board, was Representative Executive Officer, President, Chief Executive Officer and Director of Hitachi, Ltd. In October last year, Hitachi, Ltd., received a cease and desist order from and was ordered by the Fair Trade Commission to pay a surcharge for violations of the Antitrust Law in connection with the bid for electrical equipment works at a water processing facility in Sapporo city. The violations took place between 2003 and 2005, when Etsuhiko Shoyama was President & CEO or Representative Executive Officer, President, Chief Executive Officer and Director. In response to this, Etsuhiko Shoyama strived to further enhance awareness for compliance within Hitachi, Ltd., by confirming and implementing the basic policy that embraces full compliance with laws and regulations and commitment to fair and free competition.

(3) Number of years served as outside Director or outside Statutory Auditor of the Company (through the close of this ordinary general meeting of shareholders)

Etsuhiko Shoyama (outside Director): 2 year
Juichi Takamura (outside Director): 1 year

(4) Outline of the liability limitation agreement

The Company has entered into liability limitation agreements with Etsuhiko Shoyama and Juichi Takamura in order to limit their liabilities to the Company to the greater of five (5) million yen or the minimum amount of limited liability specified by laws and regulations.

3. Nippon Mining Co., Ltd. changed its corporate name to “Nikko Kyodo Co., Ltd.” in December 1992, to “Japan Energy Corporation” in December 1993, and to “Japan Energy Electronic Materials, Inc.” in April, 2003.
   In April, 2003, Japan Energy Electronic Materials Inc. (former corporate name: Japan Energy Corporation) created and spun off a division engaging mainly in petroleum related businesses, which was succeeded by a newly established subsidiary “Japan Energy Corporation”. Japan Energy Electronic Materials, Inc. merged with the Company in October 2003 before being dissolved.
   In April 2006, Nippon Mining & Metals Co., Ltd. was merged by the Company after it spun off its copper, environmental recycling and technological development businesses to be succeeded by Nikko Materials Co., Ltd., and Nikko Materials Co., Ltd. merged Nikko Metal Manufacturing Co., Ltd. and changed its name to Nippon Mining & Metals Co., Ltd.

Guidance for Exercise of Voting Rights by Web

Ⅰ Guidance for the Exercise of Voting Rights via Internet (for Individual Shareholders)

It is possible to exercise your voting rights via the Internet by using the website designated by the Company (http://www.web54.net).
When exercising your voting rights via Internet, please access the site and follow the guidance on the page to enter your “voting code” and “password” provided on the top right of the Voting Card, and enter a new password, which will lead to the voting instruction page for entering your approval or disapproval of each of the proposals.
The website is not accessible through cellular phone as a terminal device.
You are kindly advised to acknowledge the following matters before exercising your voting rights via Internet:

1. Password

(1) As the password is the sole means to identify you as the shareholder, please be sure to keep your password in a safe place until the conclusion of the 7th Annual General Meeting of Shareholders. Please be advised that the Company will not inform the original password nor issue another password to you even if you have lost your password.

(2) If a wrong password is entered in a certain number of times, the system will be locked and make the Internet page unusable, in which case please follow the instruction on such page.

(3) The password shall be valid only for the purpose of the 7th Annual General Meeting of Shareholders to be held on Thursday June 25, 2009. New password will be issued for any forthcoming General Meetings of Shareholders.

2. System Requirements

(1) To view and use the website for the exercise of voting rights, you are required to have the following system environment:
- (i) Availability of Internet access and the use of SVGA monitor with 800x600 or higher resolution.
- (ii) You will need to have Microsoft® Internet Explorer Ver.5.01 SP2 and later versions installed.
- (iii) You will need to have Adobe® Acrobat® Reader™ Ver.4.0 and later versions, or Adobe® Reader® Ver.6.0 and later versions installed to view the Notice of the 7th Annual General Meeting of Shareholders and the Reference Materials for the General Meeting of Shareholders.

(2) Internet service fees charged by Internet service providers and line connection fees charged by telecommunication carriers, etc. and any other related charges for using the website for the exercise of your voting rights shall be paid by you.

(3) When accessing the site from corporations, etc., communication via Internet may be restricted due to the local firewall setting at the corporations, etc. In such cases, please ask the system administrator responsible for the setting.

3. Contact

(1) For enquiries about PC related and other procedures regarding the exercise of voting rights via Internet, please contact:
Transfer Agent Web Support, The Chuo Mitsui Trust and Banking Company, Limited
[Telephone] 0120-65-2031 (Toll free number)
[Hours of operation] 9 a.m. – 9 p.m. (Except weekends and public holidays)

(2) For other enquiries such as registered postal address and the number of shares owned, etc., please contact:
Transfer Agent Business Center, The Chuo Mitsui Trust and Banking Company, Limited
[Telephone] 0120-78-2031 (Toll free number)
[Hours of operation] 9 a.m. – 5 p.m. (Except weekends and public holidays)

Ⅱ Guidance for for using ICJ Platform for Institutional Investors

Institutional investors who are the Company's shareholders are also able to use the "Platform for Institutional Investors" operated by ICJ, Inc.

Ⅲ Exercise of Voting Rights

1. Voting rights shall be exercised by 5:00pm, on Wednesday, June 24, 2009.

2. In case a vote is exercised both by mail and by web, only the vote exercised by web shall be recognized as valid.
3. In case a vote is exercised by web more than once, the last vote shall be recognized as valid.

【Reference】

Consolidated Statement of Cash Flows

(April 1, 2008 through March 31,2009)

(in progress) (Millions of yen)

Account title	**Amout**
Cash flows from operating activities	275,068
Cash flows from investing activities	(93,775)
Cash flows from financing activities	(124,280)
Effect of exchange rate changes on cash and cash equivalents	(3,958)
Net increase in cash and cash equivalents	53,055
Cash and cash equivalents at beginning of period	62,621
Increase in cash and cash equivalents related to subsidiaries newly included consolidation	1,310
Cash and cash equivalents at end of period	116,986

（Amounts rounded to the nearest million yen)