

Supplementary Explanation of Semiannual Results FY2002

Semiannual Results FY2002

(Japan Energy and Nippon Mining & Metals)

Annual Forecasts FY2002

(Nippon Mining Holdings)

Information by Segments

Others(Consolidated Balance Sheet, Cash Flows etc.)

NIPPON MINING HOLDINGS, INC.

November 20,2002

I Semiannual Results of FY2002

1. Japan Energy's Results (Consolidated)

(Billions of Yen)

	FY2002 Apr. -Sep.	FY2001 Apr. -Sep.	Difference	
Net Sales	1010.7	1047.8	(x)	37.1
Operating Income (Loss)	12.2	18.3	(x)	6.1
Other Income (Expenses)	0.9	0	(x)	0.9
Income (Loss) before Special Items	11.3	18.3	(x)	7.0
Special Profit (Loss)	3.8	3.3	(x)	0.5
Income Taxes	1.6	3.5	(O)	1.9
Minority Interest	3.6	4.1	()	0.5
Net Income (Loss)	2.3	7.4	(x)	5.1

(1) Scope of Consolidation

Consolidated subsidiaries 9 4 (18 additions , 0 reduction)

Equity method affiliates 2 0 (10 additions , 1 reduction)

(2) Factors in ¥7.0 billion decrease in the income before special items

Operating Income (x) ¥6.1bn

• Parent company () ¥1.2bn

• Consolidated subsidiaries and others (x) ¥7.3bn

Other Income(Expenses) (x) ¥0.9bn

• Parent company (x) ¥1.8bn

• Equity in Earnings of Unconsolidated Subsidiaries and Affiliates () ¥0.8bn

• Consolidated subsidiaries and others () ¥0.1bn

【Operating Income by Segments】

(Billions of Yen)

	FY2002 Apr. -Sep.	FY2001 Apr. -Sep.	Difference	
Petroleum(Japan Energy Group)	7.3	9.8	(x)	2.5
Non-ferrous Metals (Nippon Mining & Metals Group)	4.7	5.9	(x)	1.2
Electronic Materials (Nikko Materials Group)	1.4	1.1	(x)	2.5
Others	1.6	1.5	()	0.1
Total	12.2	18.3	(x)	6.1

【Income before Special Items by Segments】

(Billions of Yen)

	FY2002 Apr. -Sep.	FY2001 Apr. -Sep.	Difference	
Petroleum(Japan Energy Group)	3.4	8.6	(x)	5.2
Non-ferrous Metals (Nippon Mining & Metals Group)	8.8	7.8	(O)	1.0
Electronic Materials (Nikko Materials Group)	2.7	0.4	(x)	3.1
Others	1.8	1.5	(O)	0.3
Total	11.3	18.3	(x)	7.0

(3) Special Profit (Loss)

<u>Special Profit</u>	¥2.1bn	
• Gain on sales of investments in securities		¥0.3bn
• Gain on sales of business	¥1.1bn	
• Others	¥0.7bn	
<u>Special Loss</u>	¥5.9bn	
• Loss on disposals of fixed assets	¥3.1bn	
• Loss on write-down of investments in securities		¥2.0bn
• Others	¥0.8bn	

2. Japan Energy's Results Non-consolidated)

(Billions of Yen)

	FY2002 Apr.-Sep.	FY2001 Apr.-Sep.	Difference
Net Sales	754.0	780.3	(x) 26.3
Gross Profit	44.8	43.7	() 1.1
Selling, General and Administrative Expenses	37.1	37.2	() 0.1
Operating Income (Loss)	7.7	6.5	() 1.2
Other Income (Expenses)	3.9	2.1	(x) 1.8
Income (Loss) before Special Items	3.8	4.4	(x) 0.6
Special Profit (Loss)	3.5	0.3	(x) 3.8
Income Taxes	0.1	1.3	() 1.2
Net Income (Loss)	0.2	3.4	(x) 3.2

(1) Factors in ¥26.3bn decrease in the net sales

Petroleum Products (x) ¥31.8bn

- Sales price (down ¥913 円/KL) (x) ¥15.2bn
- Sales volume (down 976 thousand KL·T) (x) ¥25.8bn
- Gasoline tax and others () ¥9.2bn

Others () ¥5.5bn (petrochemical products, electronic materials, real estate)

(2) Factors in ¥0.6bn decrease in the income before special items

Factors in ¥1.2bn increase in the operating income(loss)

- Inventory valuation method () ¥5.7bn
- Mid-term Management Reform Program () ¥4.0bn
- Decline of real estate sales (x) ¥1.0bn
- Decreased margin of petroleum products due to the stagnant market and others (x) ¥7.5bn

Factors in ¥1.8bn decrease in the other income(expenses)

- Decrease in dividends (x) ¥1.2bn
- Foreign currency transaction loss (x) ¥0.4bn
- Others (x) ¥0.2bn

(3) Special Profit (Loss)

Special Profit ¥1.5bn

- Gain on sales of securities ¥0.2bn
- Gain on sales of business ¥1.1bn
- Reversal of bad debt reserve ¥0.2bn

Special Loss ¥5.0bn

- Loss on sales of fixed assets ¥0.2bn
- Loss on disposals of fixed assets ¥1.5bn
- Loss on write-down of investments in securities ¥3.2bn

3. Nippon Mining & Metal's Results (Consolidated)

(Billions of Yen)

	FY2002 Apr.-Sep.	FY2001 Apr.-Sep.	Difference
Net Sales	150.5	145.3	(○) 5.2
Operating Income (Loss)	4.9	6.1	(×) 1.2
Other Income (Expenses)	3.5	1.6	(○) 2.0
(Equity in Earnings of Unconsolidated subsidiaries and affiliates)	(4.6)	(2.8)	((○) 1.9)
Income (Loss) before Special Items	8.4	7.6	(○) 0.8
Special Profit (Loss)	1.1	0.1	(×) 1.3
Income Taxes	2.0	2.8	(○) 0.8
Minority Interests	1.2	0.7	(×) 0.5
Net Income (Loss)	4.1	4.3	(×) 0.2

(1) Scope of Consolidation

Consolidated subsidiaries 3 2 (2 additions , 0 reduction)
Equity method affiliates 1 5 (0 addition , 1 reduction)

(2) Factors in ¥5.2bn increase in the net sales

Metal production (×) ¥2.9bn
(decrease in copper sales volume and zinc/palladium price)
Metal fabrication (○) ¥8.1bn (sales volume increase)
Recycling & environmental services (○) ¥0.3bn
Engineering (×) ¥0.2bn
Others (×) ¥0.1bn

(3) Factors in ¥0.8bn increase in the income before special items

Metal production ×¥2.1bn
[equity in earnings (○) 1.9 (LG-Nikko○1.5 , Minera Los Pelambres○0.5)
Nippon Mining & Metals and consolidated subsidiaries ×4.0
Metal fabrication ○¥2.7bn (sales volume increase : Nippon Mining & Metals ○1.9,
Fuji Electronics○0.6, sales companies○0.2)
Recycling & environmental services --
Engineering ○¥0.2bn Others ○¥0.1bn

(4) Industry Segment

(Billions of Yen)

		FY2002 Apr.-Sep.	FY2001 Apr.-Sep.	Difference
Metal Production	Net Sales	107.6	110.5	(×) 2.9
	Operating Income	1.4	5.4	(×) 4.1
	Income before Special Items	5.2	7.3	(×) 2.1
Metal Fabrication	Net Sales	25.7	17.5	(○) 8.1
	Operating Income	3.3	0.5	(○) 2.7
	Income before Special Items	3.0	0.3	(○) 2.7
Recycling & Environmental Services	Net Sales	3.3	3.0	(○) 0.3
	Operating Income	0.2	0.2	(×) 0.1
	Income before Special Items	0.1	0.1	-
Engineering & Consulting	Net Sales	5.4	5.5	(×) 0.2
	Operating Income	0.1	0.2	(○) 0.1
	Income before Special Items	0	0.2	(○) 0.2
Others	Net Sales	8.5	8.7	(×) 0.1
	Operating Income	0.2	0.1	(○) 0.1
	Income before Special Items	0.2	0.1	(○) 0.1
Total	Net Sales	150.5	145.3	(○) 5.2
	Operating Income	4.9	6.1	(×) 1.2
	Income before Special Items	8.4	7.6	(○) 0.8

(5) Special Profit (Loss)

<u>Special Profit</u>	<u>0.6bn</u>
• Gain on sales of fixed assets	0.1bn
• Compensation for moving of facilities	0.3bn
• Others	0.2bn
<u>Special Loss</u>	<u>1.7bn</u>
• Loss on disposals of fixed assets	0.9bn
• Retirement benefit cost	0.6bn
• Loss on write-down of other investments	0.1bn
• Others	0.1bn

4. Nippon Mining & Metals 's Results (Non-consolidated)

(Billions of Yen)

	FY2002 Apr.-Sep.	FY2001 Apr.-Sep.	Difference
Net Sales	97.5	98.5	(x) 1.0
Gross Profit	8.1	11.1	(x) 3.0
Selling, General and Administrative Expenses	3.8	3.9	() 0.1
Operating Income (Loss)	4.2	7.2	(x) 2.9
Other Income (Expenses)	0.1	0.6	() 0.4
Income (Loss) before Special Items	4.1	6.6	(x) 2.5
Special Profit (Loss)	0	0.1	(x) 0.1
Income Taxes	1.5	2.8	() 1.3
Net Income (Loss)	2.6	4.0	(x) 1.4

(1) Factors in ¥1.0bn decrease in the net sales

- Copper refining (x) ¥4.8bn (decrease in copper sales volume and palladium price)
- Zinc refining (x) ¥0.9bn (price decrease)
- Metal fabrication (O) ¥6.3bn (sales volume increase)
- Precision processing (x) ¥0.9bn 【business transferred】
- Recycling & environmental services (x) ¥14.4bn 【business transferred】
- Others (O) ¥13.7bn 【business transferred】

(2) Factors in ¥2.5bn decrease in the income before special items

Factors in ¥2.9bn decrease in the operating income (loss)

- Copper refining x ¥4.0bn (decrease in copper/palladium sales volume and palladium price)
- Zinc refining x ¥0.6bn (price decrease)
- Metal fabrication O ¥1.9bn (sales volume increase)
- Precision processing O ¥0.1bn 【business transferred】
- Recycling & Environmental Services x ¥0.3bn 【business transferred】

Factors in ¥0.4bn increase in the other income (expenses)

- Reduction of interest payment O ¥0.3bn
- Others O ¥0.1bn

(3) Special Profit (Loss)

Special Profit ¥0.8bn

- Gain on sales of securities ¥0.5bn
- Gain on transfer of goodwill ¥0.3bn

Special Loss ¥0.8bn

- Loss on disposals of fixed assets ¥0.2bn
- Retirement benefit cost ¥0.5bn
- Loss on write-down of other investments ¥0.1bn

II. Annual Consolidated Financial Forecasts FY2002

1 . Key Data

Segments		FY2002			FY2001		
		Apr. - Sept.	Oct. - Mar.	Apr. - Mar.	Apr. - Sept.	Oct. - Mar.	Apr. - Mar.
Petroleum	Exchange Rate (¥ / \$)	123	120	122	122	128	125
	Dubai Spot Price (\$ / BBL)	25.0	24.5	24.7	24.6	19.3	21.9
	Market Price of Paraxylene (\$ / t)	427	430	429	439	356	399
Non-ferrous M e t a l s	Market Price of Copper (¢ / lb)	71	70	70	71	68	69
	Sales Amounts of Copper (thousand tones)	287	287	574	303	282	584
	Sales Amounts of Metal Fabrication (thousand tones)	30	29	58	21	23	45
Electronic M a t e r i a l s	Sales Amounts of Electrolytic Copper Foil (tones / month)	2,082	2,212	2,147	2,166	1,550	1,858

2 . Results and Forecast (consolidated)

(Billions of Yen)

	FY2002			FY2001			Differences
	Apr-Sep	Oct-Mar	Apr-Mar	Apr-Sep	Oct-Mar	Apr-Mar	
Net Sales	1010.7	1109.3	2120.0	1047.8	1035.6	2083.4	(○) 36.6
Operating Income (Loss)	12.2	16.8	29.0	18.3	9.4	27.7	(○) 1.3
Other Income (Expenses)	0.9	4.2	5.0	0	2.3	2.3	(×) 2.7
Income (Loss) before Special Items	11.3	12.6	24.0	18.3	7.1	25.4	(×) 1.4
Special Profit (Loss)	3.8	12.2	16.0	3.2	13.4	16.6	(○) 0.6
Income Taxes	1.6	0.2	1.8	3.5	1.0	2.5	(○) 0.7
Minority Interest	3.6	0.6	4.2	4.1	1.9	6.0	(○) 1.8
Net Income (Loss)	2.3	0.3	2.0	7.4	7.1	0.3	(○) 1.7

Special Profit (Loss) in FY2002 includes approximately 10 billion yen loss on write-down of investments in securities.

3 . Segments Information

(Billions of Yen)

		FY2002			FY2001		
		Apr-Sep	Oct-Mar	Apr-Mar	Apr-Sep	Oct-Mar	Apr-Mar
Petroleum (Japan Energy Group)	Net Sales	804.8	890.2	1695.0	842.5	842.3	1684.8
	Operating Income (Loss)	7.3	13.2	20.5	9.8	9.1	18.9
	Income (Loss) before Special Items	3.4	7.6	11.0	8.6	5.1	13.7
Non-ferrous Metals (Nippon Mininig & Metals)	Net Sales	150.2	161.8	312.0	141.4	138.6	280.0
	Operating Income (Loss)	4.7	3.9	8.6	5.9	2.9	8.8
	Income (Loss) before Special Items	8.8	5.9	14.7	7.8	4.6	12.4
Electronic Materials (Nikko Materials Group)	Net Sales	30.7	29.3	60.0	35.7	24.6	60.3
	Operating Income (Loss)	1.4	2.6	4.0	1.1	4.4	3.3
	Income (Loss) before Special Items	2.7	3.6	6.3	0.4	4.8	4.4
Others (Independent Operating Companies & Functional Support Companies)	Net Sales	34.3	36.7	71.0	37.9	36.5	74.4
	Operating Income (Loss)	1.6	2.3	3.9	1.5	1.8	3.3
	Income (Loss) before Special Items	1.8	2.7	4.6	1.5	2.2	3.7
Eliminations	Net Sales	9.3	8.7	18.0	9.7	6.4	16.1
Total	Net Sales	1010.7	1109.3	2120.0	1047.8	1035.6	2083.4
	Operating Income (Loss)	12.2	16.8	29.0	18.3	9.4	27.7
	Income (Loss) before Special Items	11.3	12.6	24.0	18.3	7.1	25.4

Net Sales by segments include inter-segment sales.

Information by Segments

1. Petroleum(Japan Energy Group)

(1) Forecasts

(Billions of Yen)

	FY2002	FY2001	Differences
Net Sales	1695.0	1684.8	() 10.2
Operating Income (Loss)	20.5	18.9	() 1.6
Income(Loss) before Special Items	11.0	13.7	(x) 2.7

< Factors in ¥2.7bn decrease in the income before special items >

Operating Income (Loss) (○) ¥1.6bn

- Influence of inventory () ¥21.2bn(FY2001: ¥13.5bn FY2002: + 7.7bn)
- Mid-term management program(FY2002-2004) () ¥8.0bn
- Decline of real estate sales (x) ¥2.5bn
- Decreased margin of petroleum products and others (x) ¥25.1bn

Other Income (Expenses) (x) ¥4.3bn

- Dividends income (x) ¥2.4bn
- Equity in earnings of unconsolidated subsidiaries and affiliates (x) ¥0.9bn
- Foreign currency transaction loss and others (x) ¥1.0bn

(2) Domestic sales volume, growth rate and Japan Energy's market share of fuel oil (thousand of KL·T)

	Domestic sales volume		Growth rate Apr-Sep 2002		Japan Energy's market share		Apr 2002-Mar 2003		
	Apr-Sep 2002	Apr-Sep 2001	JOMO	Nation-wide	Apr-Sep 2002	Apr-Sep 2001	Sales Volume	Growth Rate	Nation-wide
Gasoline	3,271	3,150	103.8%	102.5%	10.7%	10.5%	6,341	102.4%	101.4%
Naphtha	1,466	2,012	72.9%	95.8%	9.0%	11.8%	2,790	82.7%	96.4%
Jet Fuel	335	328	102.2%	99.9%	13.1%	12.8%	689	102.7%	100.9%
Kerosene	706	700	100.8%	99.1%	9.3%	9.1%	2,849	100.6%	100.9%
Gas Oil	2,249	2,329	96.6%	97.6%	11.5%	11.6%	4,539	97.2%	97.8%
A Heavy Fuel	1,020	1,023	99.7%	102.2%	8.0%	8.2%	2,239	94.9%	100.0%
C Heavy Fuel	811	852	95.1%	83.9%	7.3%	6.4%	1,895	120.6%	97.1%
Total	9,858	10,394	94.8%	97.7%	9.8%	10.1%	21,342	98.5%	99.2%
Gasoline & Middle Distillation	7,246	7,201	100.6%	100.6%	10.3%	10.3%	15,968	99.5%	100.2%

(3) Refining volume of crude oil and utilization rate of crude oil distillation units
(millions of KL)

	FY2002			FY2001			FY2002/FY2001		
	total	Mizushima	Kashima	total	Mizushima	Kashima	total	Mizushima	Kashima
Apr-Jun	5.83 (70%)	2.61 (90%)	1.48 (57%)	6.09 (63%)	1.84 (63%)	2.08 (80%)	96%	142%	71%
Jul-Sep	6.45 (77%)	2.53 (86%)	2.28 (86%)	6.67 (80%)	2.68 (91%)	2.28 (87%)	97%	94%	100%
Sub-total	12.27 (74%)	5.14 (88%)	3.76 (72%)	12.76 (70%)	4.51 (78%)	4.36 (83%)	96%	114%	86%
Oct-Dec	6.92 (83%)	2.68 (92%)	2.42 (92%)	6.92 (83%)	2.81 (96%)	2.30 (87%)	100%	95%	105%
Jan-Mar	6.94 (85%)	2.62 (91%)	2.44 (95%)	6.96 (85%)	2.70 (94%)	2.30 (89%)	100%	97%	106%
Sub-total	13.86 (84%)	5.30 (92%)	4.86 (93%)	13.88 (84%)	5.51 (95%)	4.60 (88%)	100%	96%	106%
Total	26.13 (79%)	10.44 (90%)	8.62 (83%)	26.64 (77%)	10.02 (86%)	8.96 (86%)	98%	104%	96%

Capacity of Japan Energy Group's Refinery

Japan Energy Mizushima Refinery : 200,200 Barrels/Day

Kashima Oil Kashima Refinery : 180,000 Barrels/Day

Fuji Oil Sodegaura Refinery : 192,000 Barrels/Day

(4) Number of Service Stations

	1997 Mar 31	1998 Mar 31	1999 Mar 31	2000 Mar 31	2001 Mar 31	2002 Mar 31	2002 Sep 30
Owned by Japan Energy (Self-SS)	1,546	1,489	1,406	1,377	1,328	1,284 (105)	1,280 (157)
Owned by wholesalers and others (Self-SS)	4,686	4,590	3,811	3,575	3,318	3,192 (59)	3,139 (78)
Total (Self-SS)	6,232	6,079	5,217	4,952	4,646	4,476 (164)	4,419 (235)

(5) Japan Energy Group's forecasts

【Japan Energy (non-consolidated)】

(Billions of Yen)

	FY2002	FY2001
Net sales	1580.0	1556.0
Operating Income	16.5	13.5
Income before special items	9.0	7.5

	Apr-Sep 2002	Apr-Sep 2001
Net sales	754.0	780.3
Operating Income	7.7	6.5
Income before special items	3.8	4.4

【Kashima Oil】

(Billions of Yen)

	FY2002	FY2001
Net sales	299.8	282.8
Income before special items	2.4	1.0

	Apr-Sep 2002	Apr-Sep 2001
Net sales	131.6	139.2
Income before special items	1.0	1.7

2. Non-ferrous Metal (Nippon Mining & Metals Group)

(1) Forecasts

(Billions of Yen)

	FY2002	FY2001	Differences
Net Sales	312.0	280.0	(○) 32.0
Operating Income (Loss)	8.6	8.8	(×) 0.2
Income (Loss) before Special Items	14.7	12.4	(○) 2.3

< Factors in ¥2.3bn increase in the income before special items >

Metal Production ×¥2.6bn

Equity in Earnings ○¥1.9bn (LG-nikko ○¥1.1, Minera Los Perambres ○¥0.9)
 Nippon Mining & Metals and consolidated subsidiaries ×¥4.5bn
 (decrease in copper/palladium sales volume and zinc/palladium price)

Metal Fabrication ○¥4.6bn (sales volume increase: Nippon Mining & Metals
 ○¥3.7bn, Fuji Electronics ○¥0.7, Sales Companies ○¥0.2)

Others ○ ¥0.3bn (Engineering, Consulting etc.)

(2) Industry Segments

(Billions of Yen)

		FY2002	FY2001	Differences
Metal Production	Net Sales	226.2	226.9	(×) 0.7
	Operating Income	2.1	6.7	(×) 4.6
	Income before Special Items	8.0	10.6	(×) 2.6
Metal Fabrication	Net Sales	50.1	36.9	(○) 13.2
	Operating Income	5.7	1.4	(○) 4.3
	Income before Special Items	5.6	1.0	(○) 4.6
Recycling & Environmental Services	Net Sales	6.6	3.9	(○) 2.7
	Operating Income	0.4	0.6	(×) 0.2
	Income before Special Items	0.5	0.7	(×) 0.2
Engineering & Consulting	Net Sales	13.0	14.2	(×) 1.2
	Operating Income	0.2	0.1	(○) 0.1
	Income before Special Items	0.2	0.1	(○) 0.1
Others	Net Sales	16.1	15.3	(○) 0.8
	Operating Income	0.4	0.2	(○) 0.2
	Income before Special Items	0.3	0.2	(○) 0.1
Adjustments	Net Sales	-	17.2	(○) 17.2
	Operating Income	0.2	0.2	-
	Income before Special Items	-	0.2	(○) 0.2
Total	Net Sales	312.0	280.0	(○) 32.0
	Operating Income	8.6	8.8	(×) 0.2
	Income before Special Items	14.7	12.4	(○) 2.3

(3) Price and Sales Volume

		FY2002			FY2001		
		Apr-Sep	Oct-Mar		Apr-Sep	Oct-Mar	
Price	Copper (¢ / lb)	71	70	70	71	68	69
	Zinc (\$ / t)	774	750	762	880	779	830
	Gold (\$ / TOZ)	314	300	307	271	284	278
	Platinum (\$ / TOZ)	543	500	522	538	463	500
	Palladium (\$ / TOZ)	339	300	320	565	370	468
Sales Volume	Copper (thousand tones)	287	287	574	303	281	584
	Zinc (thousand tones)	47	46	93	48	50	98
	Rolled Copper (thousand tones)	22	22	44	15	17	32
	Special Steel (thousand tones)	7	7	14	6	6	12

(4) Nippon Mining & Metals Group's forecasts

【Nippon Mining & Metals (non-consolidated)】

(Billions of Yen)

	FY2002	FY2001	Apr-Sep 2002	Apr-Sep 2001
Net Sales	190.0	194.0	97.5	98.5
Operating Income	8.0	10.6	4.2	7.2
Income before Special Items	7.5	10.1	4.1	6.6

【LG-Nikko Copper】

	FY2002	FY2001	FY2000	Apr-Sep 2002
Exchange Rate (W / \$) 【Average through the term】	1,251	1,291	1,130	1,295
Exchange Rate (W / ¥) 【as of the end of the term】	10.00	10.09	11.02	10.05
Copper Price (¢ / lb)	70.1	71.64	82.3	71.8
Production of Electrolytic Copper (thousand tones)	497	474	468	235
Net Sales (Billions of won)	1404.2	1428.7	1323.3	722.1
Income before Special Items (Billions of won)	85.8	52.3	1.1	64.7

【Company Mines in Chile】

	Escondida		Los Pelambres		Collahuasi	
	2002	2001	2002	2001	2002	2001
Volume of processed ore (thousand tones)	46,260	43,042	40,003	38,228	25,696	24,734
Sales volume of concentrate (thousand tones)	1,761	1,646	799	856	994	987
Sales volume of copper (thousand tones)	611	663	332	376	370	389
Sales volume of cathode (thousand tones)	150	151	-	-	60	60
Net Sales (millions of dollar)	1,174	1,220	581	564	659	674
Income before special items (millions of dollar)	156	244	146	102	127	90

3. Electronic Materials (Nikko Materials Group)

(1) Forecasts

(Billions of Yen)

	FY2002	FY2001	Differences
Net Sales	60.0	60.3	(x) 0.3
Operating Income (Loss)	4.0	3.3	(x) 0.7
Income(Loss) before Special Items	6.3	4.4	(x) 1.9

< Factors in ¥1.9bn decrease in the income before special items >

Operating Income (Loss) (x)¥0.7bn

- Copper foil(○)¥0.4bn ,Target(○)¥1.8bn ,Compound semiconductor materials and others(x)¥2.2bn , Cost including development cost(x)¥0.7bn

Other Income (Expenses) (x)¥1.2bn

- Foreign currency transaction loss and others (x)¥0.8bn

(2) Breakdown by products

(Billions of Yen)

		FY2002	FY2001	Apr-Sep 2002	Apr-Sep 2001
Copper foil	Net Sales	28.5	28.5	14.8	16.9
	Operating Income	3.1	3.5	1.0	0.3
Target	Net Sales	20.8	16.0	10.4	8.7
	Operating Income	3.5	1.7	1.6	1.2
Others (joint cost e.g. development cost)	Net Sales	10.7	15.8	5.5	10.1
	Operating Income	4.4 (3.3)	1.5 (2.6)	2.0 (1.5)	0.2 (1.2)

(3) Nikko Materials Group's Forecasts

【Nikko Materials (non-consolidated)】

(Billions of Yen)

	FY2002	FY2001	Apr-Sep 2002	Apr-Sep 2001
Net Sales	37.2	31.7	18.7	17.5
Operating Income	2.7	1.0	1.3	1.2
Income before Special Items	1.7	0.6	0.7	0.9

【Gould Electronics】

(Millions of dollar)

	FY2002	FY2001	Apr-Sep 2002	Apr-Sep 2001
Net Sales	102	162	57	110
Income before Special Items	57	39	21	6

4. Others (Independent Operating Companies and Functional Support Companies)

(1) Forecasts

(Billions of Yen)

	FY2002	FY2001	Differences
Net Sales	71.0	74.4	(×) 3.4
Operating Income (Loss)	3.9	3.3	() 0.6
Income (Loss) before Special Items	4.6	3.7	() 0.9

(2) Independent operating companies

(Billions of Yen)

		FY2002	FY2001	Apr-Sep 2002	Apr-Sep 2001
a m / p m	Net Sales	36.4	33.7	17.8	16.2
	Income(Loss) before Special Items	2.2	2.0	1.0	1.0
JAPAREN	Net Sales	15.2	15.5	7.8	8.1
	Income(Loss) before Special Items	0.1	0.1	0.1	0.1
C C S	Net Sales	16.8	16.1	7.0	7.9
	Income(Loss) before Special Items	0.8	0.7	0.1	0.2

(3) Number of a m / p m convenience stores and store sales

	Number of a m / p m stores	Store sales (Billions of Yen)
March 31 1999	1 , 0 8 7	1 5 9 . 3
March 31 2000	1 , 1 9 2	1 7 7 . 4
March 31 2001	1 , 2 7 4	1 9 2 . 9
March 31 2002	1 , 3 3 7	2 0 9 . 1
September 30 2002	1 , 3 3 4	1 1 0 . 2
March 31 2003 (forecast)	1 , 4 1 6	2 2 1 . 2

Others(Consolidated Balance Sheet, Cash Flows etc.)

1. Consolidated Balance Sheet

				(Billions of Yen)	
	Sep 30 2002	Mar 31 2002 [A]	Differences	Mar 31 2003 (forecast) [B]	[B] - [A]
Current Assets	550.5	614.0	(-) 63.5	1586.3	(-) 109.6
Fixed Assets	1060.3	1081.9	(-) 21.6	1586.3	(-) 109.6
Total Assets	1610.8	1695.9	(-) 85.1	1586.3	(-) 109.6
Current Liabilities	736.8	746.6	(-) 9.8	1346.5	(-) 102.0
Fixed Liabilities	631.2	701.9	(-) 70.7	1346.5	(-) 102.0
Minority Interest	68.0	65.9	(+) 2.1	31.7	(-) 34.2
Total Shareholder's Equity	174.8	181.5	(-) 6.7	208.1	(+) 26.6
Shareholder's Equity Ratio	10.9%	10.7%	(+) 0.2%	13.1%	(+) 2.4%
BPS	¥161.01	¥162.91	(-) ¥1.90	¥305.90	(+) ¥142.90
Interest Bearing Debt	882.2	892.8	(-) 10.6	862.5	(-) 30.3

Number of Issued Shares :

1,114million(as of Mar 31 2002), 1,086million (as of Sep 30 2002),
680million (as of Mar 31 2003, treasury stock (168million) excluded)

Factors in Increase/Decrease

Assets (-) 109.6	Cash and cash equivalents (-) 43.8 (increase of added consolidation (+) 5.2), Trade receivables (-) 23.1, Investments in equipment (+) 39.0, Depreciation (-) 49.0, Sales and disposals of property • Exchange rate (-) 16.8, Write-down of securities (-) 10.0, Others (-) 5.9
Liabilities (-) 102.0	Trade payables (-) 59.4 ((-)34.6:excise tax * Mar.31 2002 fell on B/K holiday.) Interest bearing debt repayment and redemption (-) 30.3 (cash base (-) 25.6, exchange rate and others (-) 4.7), Others (-) 12.3
Minority Interest (-) 34.2	Minority Interest in Nippon Mining & Metals (-) 36.3 (57.9% 100%)
Shareholder's Equity (+) 26.6	Minority Interest in Nippon Mining & Metals (+) 36.3, Net income (+) 2.0, Dividends (-) 6.0, Translation adjustments and others (-) 5.7

2. Consolidated Cash Flows

	(Billions of Yen)	
	Apr-Sep 2002	FY2002 (forecast)
Cash Flows from Operating Activities	(-) 2 2 . 4	(+) 1 4 . 9 *
Cash Flows from Investing Activities	(-) 1 5 . 5	(-) 2 9 . 5
Cash Flows from Financing Activities	(-) 1 0 . 0	(-) 3 3 . 3
Effect of Exchange Rate Changes	(-) 1 . 1	(-) 1 . 1
Net Decrease in Cash and Cash Equivalents	(-) 4 9 . 0	(-) 4 9 . 0

*Actual Cash Flows from Operating Activities (+) 4 9 . 5
(Influenced by the excise tax for the reason that March 31 2002 fell on bank holiday.)

(Breakdown)

Cash Flows from Operating Activities (+) 1 4 . 9
Income before income taxes (+) 8.0, Depreciation (+) 49.0, Trade receivables and trade payables (-) 36.3, Others (-) 5.8

Cash Flows from Investing Activities (-) 2 9 . 5
Investments in equipment (-) 39.0, Investment and financing expenditure (-) 7.4, Income in investment (+) 17.5, Others (-) 0.6

Cash Flows from Financing Activities (-) 3 3 . 3
Interest bearing debt repayment and redemption (-) 25.6, dividends (-) 6.0, Others (-) 1.7

3. Interest-bearing Debt

(Billions of Yen)

	Mar31 2000	Mar31 2001	Mar31 2002	Sep30 2002
Japan Energy	605.9	454.0	411.1	410.6
Kashima Oil	175.3	152.3	115.7	123.4
Nippon Mining & Metals	142.8	134.0	134.1	133.6
Japan Energy Finance	206.1	189.5	155.2	143.0
Others	108.4	93.4	76.7	71.6
Total	1238.5	1023.2	892.8	882.2
Reduction from Mar31 2000	-	(-)215.3	(-)345.7	(-)356.3

4. Debt to Equity Ratio

(Billions of Yen)

	Mar.31 2000	Mar.31 2001	Mar.31 2002	Sep.30 2002	Mar.31 2003(forecast)
Interest-bearing Debt	1238.5	1023.2	892.8	882.2	862.5
Shareholder's Equity	115.4	181.2	181.5	174.8	208.1
Debt to Equity Ratio (%)	10.73	5.65	4.92	5.05	4.14

5. Capital Expenditure and Depreciation

(Billions of Yen)

	FY2000	FY2001	FY2002(forecast)
Capital expenditure	42.2	44.4	39.0
Depreciation	59.7	51.3	49.0
Difference	17.5	6.9	10.0

Capital expenditure by segments

(Billions of Yen)

	Apr-Sep 2002	Apr-Sep 2001
Petroleum (Japan Energy Group)	7.3	7.7
Non-ferrous Metal (Nippon Mining & Metals Group)	3.4	4.4
Electronic Materials (Nikko Materials Group)	2.7	7.1
Others	2.3	2.9
Total	15.7	22.1

Depreciation by segments

(Billions of Yen)

	Apr-Sep 2002	Apr-Sep 2001
Petroleum (Japan Energy Group)	14.5	15.5
Non-ferrous Metal (Nippon Mining & Metals Group)	5.1	4.7
Electronic Materials (Nikko Materials Group)	3.0	3.3
Others	1.9	1.8
Total	24.5	25.3

6. CFROA

FY1999	FY2000	FY2001	Apr-Sep 2002	FY2002 (forecast)	FY2000-2002 Average
3.0%	8.1%	6.8%	0.8%	3.1%	6.0%

Target rate of CFROA is 6%-plus in FY2002, and 5.5%-plus on the average FY2000-2002. CFROA is calculated by dividing free cash flows(cash flows from operating activities, plus interest paid, minus investment required to maintain business operations) by adjusted total assets (total assets minus operating liabilities).

7. Number of Employees

	Petroleum (Japan Energy Group)	Non-ferrous Metal (Nippon Mining & Metals Group)	Electronic Materials (Nikko Materials Group)	Others	Total
Mar.31 2000	4,736	2,218	3,709	2,631	13,294
Mar.31 2001	4,312	2,657	2,178	2,570	11,717
Mar.31 2002	4,118	2,528	1,765	2,503	10,914
Oct.1 2002	4,672	2,752	1,555	1,790	10,769

Segmentation changed from Oct.1 2002, due to the set-up of the holding company.