

Financial Results 1st Quarter FY2004

(three months ended June 30 2004)

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Nippon Mining Holdings, INC.

August 18, 2004

※Statements which are not an historical fact are future projections made based on certain assumptions and our management's judgment drawn from currently available information. Please note that actual performance may vary significantly from any particular projection, due to various factors.

Quarterly Results

1 . Operating Results(consolidated)

(Billions of Yen)

	FY2004	FY2003	Differences
	1 Q	1 Q	
Net Sales	5 5 6. 0	5 1 6. 1	(○) 3 9. 9
Operating Income	2 1. 0	1 0. 9	(○) 1 0. 1
Other Income	2. 8	0. 1	(○) 2. 8
Ordinary Income	2 3. 8	1 1. 0	(○) 1 2. 9
Special Profit (Loss)	2. 3	(5. 0)	(○) 7. 3
Income Taxes	9. 4	2. 9	(×) 6. 5
Minority Interest	2. 5	0. 6	(×) 1. 9
Net Income	1 4. 2	2. 5	(○) 1 1. 7

(1) Scope of Consolidation

- ① Consolidated subsidiaries 111 (9 additions, 1 reduction)
- ② Equity method affiliates 19 (1 reduction)

(2) Factors in the ordinary income ¥23.8 billion

① Operating Income ¥21.0bn

- Petroleum ¥13.1bn
- Resources & Non-ferrous Metals ¥4.0bn
- Electronic Materials ¥3.0bn
- Metal Fabrication ¥3.3bn
- Other Operations (¥2.4bn)

② Other Income(Expenses) ¥2.8bn

- Interest and dividend income ¥0.8bn
- Amortization of consolidation adjustment account ¥1.2bn
- Equity in income of non-consolidated subsidiary and affiliates ¥5.4bn
- Interest expenses (¥3.3bn)
- Others (¥1.3bn)

(3) Special Profit (Loss) ¥2.3 billion

- Gain on sales of investments in securities ¥2.0bn
- Gain on sales of fixed assets ¥1.4bn
- Loss on disposal of fixed assets (¥1.1bn)
- Reorganization and restructuring costs (¥0.4bn)
- Others ¥0.4bn

(4) Segment Information

(Billions of Yen)

		FY2004	FY2003	Differences
		1 Q	1 Q	
Petroleum (Japan Energy Group)	Net Sales	422.9	414.7	(○) 8.2
	Operating Income	13.1	10.7	(○) 2.3
	Ordinary Income	10.9	10.2	(○) 0.7
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	Net Sales	94.9	67.6	(○) 27.4
	Operating Income	4.0	0.3	(○) 3.7
	Ordinary Income	9.3	1.3	(○) 8.0
Electronic Materials (Nikko Materials Group)	Net Sales	22.9	16.2	(○) 6.7
	Operating Income	3.0	0.1	(○) 2.9
	Ordinary Income(Loss)	2.7	(0.6)	(○) 3.2
Metal Fabrication (Nikko Metal Manufacturing Group)	Net Sales	14.3	10.6	(○) 3.7
	Operating Income	3.3	1.6	(○) 1.7
	Ordinary Income	3.3	1.6	(○) 1.7
Other Operations (Independent Operating Companies & Functional Support Companies)	Net Sales	13.2	15.9	(×) 2.7
	Operating Income (Loss)	(2.4)	(1.8)	(×) 0.6
	Ordinary Income (Loss)	(2.3)	(1.5)	(×) 0.8
Eliminations	Net Sales	(12.3)	(8.9)	(×) 3.4
Total	Net Sales	556.0	516.1	(○) 39.9
	Operating Income	21.0	10.9	(○) 10.1
	Ordinary Income	23.8	11.0	(○) 12.9

※Segment sales include inter-Group sales.

※Operating loss and ordinary loss in the Other Operations include eliminations or corporate.

(5)Key Data

		FY2004	FY2003	Differences
		1 Q	1 Q	
Petroleum	Exchange Rate (¥/\$)	110	119	(-) 9
	Crude Oil FOB (\$/BL) (Dubai Spot Price)	33.3	24.5	(+) 8.8
	Market Price of Paraxylene (\$/t)	723	525	(+) 198
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	127	74	(+) 53
	Electrolytic Copper Sales (1000 tones)	157	159	(-) 2
Electronic Materials	Electrodeposited Copper Foil Sales (tones/month)	2,777	2,479	(+) 298
	Treated Rolled Copper Foil Sales (1000 meters/month)	4,077	2,535	(+) 1,542
	ITO Target Sales(tones/month)	19.4	10.3	(+) 9.1
Metal Fabrication	Wrought Copper Products Sales (1000tones)	10	9	(+) 1
	Special Steel Products Sales (1000tones)	3	3	—
	High Quality Products Ratio	32%	20%	(+) 12%

2 . Information by Segments

<1> Petroleum (Japan Energy Group)

(1) Operating Results

(Billions of Yen)

	FY2004	FY2003	Differences
	1 Q	1 Q	
Net Sales	4 2 2. 9	4 1 4. 7	(○) 8. 2
Operating Income	1 3. 1	1 0. 7	(○) 2. 3
Ordinary Income	1 0. 9	1 0. 2	(○) 0. 7

< Factors in ¥0.7bn increase in the ordinary income >

- Influence of inventories (○)¥9.3bn
(FY2003 1Q:△1.5bn → FY2004 1Q:+7.8bn)
- Medium-term management plan (○) ¥1.5bn
- Petrochemicals profit (○) ¥2.0bn
- Change in the petroleum margin due to time lag and others (×) ¥10.4bn
- Other income and expenses (×)¥1.7bn

(2) Sales volume and growth rate of fuel oil of Japan Energy

	Domestic sales volume (thousands of KL)			Growth rate
	FY2004	FY2003	Differences	
	1 Q	1 Q		
Gasoline	1, 568	1, 505	63	104. 2%
Naphtha	677	745	△68	90. 8%
Jet Fuel	167	169	△2	98. 7%
Kerosene	417	344	73	121. 3%
Gas Oil	1, 074	1, 062	12	101. 1%
A Heavy Fuel	604	469	135	128. 7%
C Heavy Fuel	415	785	△370	52. 8%
Total	4, 921	5, 079	△158	96. 9%
Gasoline & Middle Distillation	3, 663	3, 380	283	108. 4%

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

		FY2004	FY2003				
		1Q	1Q	2Q	3Q	4Q	Total
Group Total	Refining volume	6.30	7.07	6.45	6.91	7.38	27.81
	Operating ratio	74%	84%	76%	81%	88%	82%
	Comparison with the previous year	89%	121%	100%	99%	100%	105%
Mizushima	Refining volume	2.93	2.63	2.44	2.32	2.81	10.21
	Operating ratio	99%	91%	84%	79%	97%	88%
	Comparison with the previous year	111%	101%	97%	88%	100%	96%
Kashima	Refining volume	1.60	2.46	2.18	2.63	2.61	9.87
	Operating ratio	58%	89%	79%	95%	95%	89%
	Comparison with the previous year	65%	166%	96%	106%	101%	112%

☆Capacity of Japan Energy Group's Refinery

Japan Energy Mizushima Refinery : 200,200 Barrels/Day
(extended in May to 205,200Barrels/Day in order to cover the reduced output of Kashima Refinery)

Kashima Oil Kashima Refinery : 190,000 Barrels/Day

Fuji Oil Sodegaura Refinery : 192,000 Barrels/Day

<2> Resources & Non-ferrous Metals (Nippon Mining & Metals Group)

(1) Operating Results

(Billions of Yen)

	FY2004	FY2003	Differences
	1 Q	1 Q	
Net Sales	94.9	67.6	(○) 27.4
Operating Income	4.0	0.3	(○) 3.7
Ordinary Income	9.3	1.3	(○) 8.0

< Factors in ¥8.0bn increase in the ordinary income >

• Nippon Mining & Metals and consolidated subsidiaries ○¥3.6bn
(metals price up, copper premium improvement etc.)

• Equity in income of affiliates ○¥4.4bn

(Minera Los Perambres ○¥2.1bn(copper price up)
LG-nikko ○¥1.5bn(copper price up , foreign currency transaction))

(2) Price and Sales Volume

		FY2004	FY2003	Differences
		1 Q	1 Q	
Price	Copper (¢/lb)	127	74	(+) 53
	Zinc (\$/t)	1,027	774	(+) 253
	Gold (\$/TOZ)	393	347	(+) 46
	Platinum (\$/TOZ)	832	646	(+) 186
	Palladium (\$/TOZ)	256	169	(+) 87
Sales Volume (thousand tones)	Copper	157	159	(-) 2
	Zinc	21	21	—

<3> Electronic Materials (Nikko Materials Group)

(1) Operating Results

(Billions of Yen)

	FY2004	FY2003	Differences
	1 Q	1 Q	
Net Sales	2 2. 9	1 6. 2	(○) 6. 7
Operating Income	3. 0	0. 1	(○) 2. 9
Ordinary Income (Loss)	2. 7	(0. 6)	(○) 3. 2

< Factors in ¥3.2bn increase in the ordinary income >

①Operating Income (○)¥2.9bn

- Electro-deposited copper foil(○)¥0.3bn,
- Treated rolled copper foil (○)¥0.6bn,
- Sputtering target(○)¥1.6bn,
- Compound semiconductor materials and others(○)¥0.5bn,
- Expenses including development costs(×)¥0.1bn

②Other Income (○)¥0.3bn

- Pension liabilities amortization (○)¥0.2bn
- Foreign currency transaction (○)¥0.1bn

(2) Breakdown by products

(Billions of Yen)

		FY2004	FY2003	Differences
		1 Q	1 Q	
Electro-deposited Copper Foil	Net Sales	6. 5	5. 8	(○) 0. 7
	Operating Income(Loss)	(0. 6)	(0. 9)	(○) 0. 3
Treated Rolled Copper Foil and Target	Net Sales	1 3. 5	8. 1	(○) 5. 4
	Operating Income	4. 1	1. 9	(○) 2. 2
Compound Semiconductor Materials and Others	Net Sales	2. 9	2. 3	(○) 0. 6
	Operating Income(Loss)	(0. 5)	(0. 9)	(○) 0. 4
Total	Net Sales	2 2. 9	1 6. 2	(○) 6. 7
	Operating Income	3. 0	0. 1	(○) 2. 9

<4> Metal Fabrication (Nikko Metal Manufacturing Group)

(1) Operating Results

(Billions of Yen)

	FY2004	FY2003	Differences
	1 Q	1 Q	
Net Sales	1 4. 3	1 0. 6	(○) 3. 7
Operating Income	3. 3	1. 6	(○) 1. 7
Ordinary Income	3. 3	1. 6	(○) 1. 7

< Factors in ¥1.7bn increase in the ordinary income >

- Sales increase (○)¥1.3bn (copper foil (○)¥0.6bn, 7025 alloy (○)¥0.4bn)
- Copper price increase (○) ¥0.1bn
- Cost reduction (○)¥0.3bn

(2) Sales by products

(Billions of Yen)

		FY2004	FY2003	Differences
		1 Q	1 Q	
Wrought copper	Phosphor bronze	3. 5	2. 5	(○) 1. 0
	Brass	1. 3	1. 0	(○) 0. 3
	Copper foil	2. 1	1. 2	(○) 0. 9
	Others	2. 1	1. 3	(○) 0. 8
Special steel	Stainless steel	1. 1	0. 9	(○) 0. 2
	High-nickel alloy	1. 7	1. 5	(○) 0. 2
	Others	0. 2	0. 2	—
Others (precision manufacturing etc.)		2. 3	2. 0	(○) 0. 3
Total		1 4. 3	1 0. 6	(○) 3. 7

II Forecasts for the 1st half of FY2004

1. Comparison with the 1st half of FY2003

(1) Assumptions

		FY2004	FY2003	Differences
		1H(forecast)	1H(actual)	
Petroleum	Exchange Rate (¥/\$)	110	118	(-) 8
	Crude Oil FOB (\$/BL) (Dubai Spot Price)	33.9	25.5	(+) 8.4
	Market Price of Paraxylene (\$/t)	729	548	(+) 181
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	123	77	(+) 46
	Electrolytic Copper Sales (1000 tones)	305	301	(+) 4
Electronic Materials	Electrodeposited Copper Foil Sales (tones/month)	2,781	2,367	(+) 414
	Treated Rolled Copper Foil Sales (1000 meters/month)	4,168	2,743	(+) 1,425
	ITO Target Sales (tones/month)	19.9	11.7	(+) 8.2
Metal Fabrication	Wrought Copper Products Sales (1000tones)	20	18	(+) 2
	Special Steel Products Sales (1000tones)	6	5	(+) 1
	High Quality Products Ratio	32%	20%	(+) 12%

(2) Operating Forecasts(consolidated)

(Billions of Yen)

	FY2004	FY2003	Differences
	1H (forecast)	1H (actual)	
Net Sales	1 1 5 2. 0	1 0 5 2. 4	(○) 9 9. 6
Operating Income	4 3. 0	1 8. 5	(○) 2 4. 5
Ordinary Income	4 9. 0	1 9. 3	(○) 2 9. 7
Net Income	1 4. 5	4. 2	(○) 1 0. 3
Ordinary Margin (%)	4. 3 %	1. 8 %	(○) 2. 5 %
Earnings Per Share (yen)	1 7. 3 ※1	6. 1 (4. 9) ※2	((+) 1 2. 4)

※1 : divided by the figure including 160,166 thousand shares sold as treasury stock in August 2004

※2 : divided by the figure including treasury stock the Company holds

(3) Operating Forecasts by Segments

(Billions of Yen)

		FY2004 1H (forecast)	FY2003 1H (actual)	Differences
Petroleum (Japan Energy Group)	Net Sales	8 8 6 . 0	8 3 0 . 8	(○) 5 5 . 2
	Operating Income	2 7 . 5	1 5 . 4	(○) 1 2 . 1
	Ordinary Income	2 4 . 0	1 4 . 6	(○) 9 . 4
Resources & Non-ferrous Metals (Nippon Mining & Metals)	Net Sales	1 8 0 . 5	1 4 3 . 2	(○) 3 7 . 3
	Operating Income	6 . 4	1 . 1	(○) 5 . 3
	Ordinary Income	1 7 . 5	5 . 1	(○) 1 2 . 4
Electronic Materials (Nikko Materials Group)	Net Sales	4 7 . 5	3 7 . 1	(○) 1 0 . 4
	Operating Income (Loss)	6 . 3	(1 . 3)	(○) 7 . 6
	Ordinary Income (Loss)	5 . 5	(3 . 5)	(○) 9 . 0
Metal Fabrication (Nikko Metal Manufacturing Group)	Net Sales	3 0 . 0	2 2 . 2	(○) 7 . 8
	Operating Income	5 . 3	2 . 8	(○) 2 . 5
	Ordinary Income	5 . 2	2 . 7	(○) 2 . 5
Other Operations (Independent Operating Companies & Functional Support Companies)	Net Sales	3 0 . 0	3 6 . 7	(×) 6 . 7
	Operating Income (Loss)	(2 . 5)	0 . 5	(×) 3 . 0
	Ordinary Income (Loss)	(3 . 2)	0 . 5	(×) 3 . 7
Eliminations	Net Sales	(2 2 . 0)	(1 7 . 6)	(×) 4 . 4
Total	Net Sales	1 1 5 2 . 0	1 0 5 2 . 4	(○) 9 9 . 6
	Operating Income	4 3 . 0	1 8 . 5	(○) 2 4 . 5
	Ordinary Income	4 9 . 0	1 9 . 3	(○) 2 9 . 7

※Segment Sales include inter-Group sales.

(4) Ordinary Income (Loss) (FY2004 1H vs. FY2003 1H)

(Billions of Yen)

	FY2004 1H (forecast)	FY2003 1H (actual)	Differences	Notes
Petroleum (Japan Energy Group)	24.0	14.6	(○) 9.4	○ Influence of inventories, Petrochemicals improvement × Sales decrease of C heavy oil, Margin deterioration due to the time lag
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	17.5	5.1	(○) 12.4	<u>NMM and subsidiaries</u> (○)¥4.6bn ○ metals price up, copper premium improvement, change in valuation of inventories × yen appreciation, deteriorated T/C <u>Equity method affiliated companies</u> (○)7.8 Minera Los Perambres ○¥5.0bn (copper price up), LG-nikko ○¥0.8bn (copper price up, foreign currency transaction,) Income increase in other affiliates such as JECO
Electronic Materials (Nikko Materials Group)	5.5	(3.5)	(○) 9.0	Sales increase of copper foil (electrodeposited and treated rolled) and sputtering targets Change in valuation of inventories
Metal Fabrication (Nikko Metal Manufacturing Group)	5.2	2.7	(○) 2.5	Sales increase of high value added products and foils for IT related products
Other Operations (Independent Operating Companies & Functional Support Companies)	(3.2)	0.5	(×) 3.7	Decrease in income of am/pm Japan
Total	49.0	19.3	(○) 29.7	

2 . Information by Segments

<1> Petroleum (Japan Energy Group)

(1) Forecasts

(Billions of Yen)

	FY2004 1H (forecast)	FY2003 1H (actual)	Differences
Net Sales	8 8 6. 0	8 3 0. 8	(○) 5 5. 2
Operating Income	2 7. 5	1 5. 4	(○) 1 2. 1
Ordinary Income	2 4. 0	1 4. 6	(○) 9. 4

(2) Sales volume and growth rate of fuel oil of Japan Energy

	Domestic sales volume (thousands of KL)			Growth rate
	FY2004 1H (forecast)	FY2003 1H (actual)	Differences	
Gasoline	3, 2 9 6	3, 1 6 9	(+) 1 2 7	1 0 4. 0%
Naphtha	1, 5 0 3	1, 5 1 5	(-) 1 2	9 9. 2%
Jet Fuel	3 6 1	3 6 7	(-) 6	9 8. 4%
Kerosene	7 0 9	6 4 9	(+) 6 0	1 0 9. 4%
Gas Oil	2, 1 6 6	2, 1 6 5	(+) 1	1 0 0. 0%
A Heavy Fuel	1, 1 5 8	9 3 7	(+) 2 2 1	1 2 3. 6%
C Heavy Fuel	1, 0 6 1	1, 2 6 0	(-) 1 9 9	8 4. 2%
Total	1 0, 2 5 4	1 0, 0 6 2	(+) 1 9 2	1 0 1. 9%
Gasoline & Middle Distillation	7, 3 2 9	6, 9 2 0	(+) 4 0 9	1 0 5. 9%

(3) Number of JOMO Service Stations

	1998 Mar 31	1999 Mar 31	2000 Mar 31	2001 Mar 31	2002 Mar 31	2003 Mar 31	2004 Mar 31
Owned by Japan Energy (Self-SS)	1, 489	1, 406	1, 377	1, 328	1, 284 (105)	1, 229 (227)	1, 207 (264)
Owned by wholesalers and others (Self-SS)	4, 590	3, 811	3, 575	3, 318	3, 192 (59)	3, 067 (95)	2, 943 (121)
Total (Self-SS)	6, 079	5, 217	4, 952	4, 646	4, 476 (164)	4, 296 (322)	4, 150 (385)

(4) Petrochemicals Profit

(Billions of Yen)

FY2004 1H (forecast)	FY2003 1H (actual)	Differences
8. 5	3. 5	(○) 5. 0

<2> Resources & Non-ferrous Metals (Nippon Mining & Metals Group)

(1) Forecasts

(Billions of yen)

	FY2004 1H (forecast)	FY2003 1H (actual)	Differences
Net Sales	1 8 0. 5	1 4 3. 2	(○) 3 7. 3
Operating Income	6. 4	1. 1	(○) 5. 3
Ordinary Income	1 7. 5	5. 1	(○) 1 2. 4

(2) Price and Sales Volume

		FY2004 1H (forecast)	FY2003 1H (actual)	Differences
Price	Copper (¢/lb)	1 2 3	7 7	(+) 4 6
	Zinc (\$/t)	1, 0 1 4	7 9 7	(+) 2 1 7
	Gold (\$/TOZ)	3 9 2	3 5 5	(+) 3 7
	Platinum (\$/TOZ)	8 1 6	6 6 9	(+) 1 4 7
	Palladium (\$/TOZ)	2 3 8	1 7 9	(+) 5 9
Sales Volume (thousand tones)	Copper	3 0 5	3 0 1	(+) 4
	Zinc	4 3	4 1	(+) 2

<3> Electronic Materials (Nikko Materials Group)

(1) Forecasts

(Billions of Yen)

	FY2004 1H (forecast)	FY2003 1H (actual)	Differences
Net Sales	47.5	37.1	(○) 10.4
Operating Income (Loss)	6.3	(1.3)	(○) 7.6
Ordinary Income (Loss)	5.5	(3.5)	(○) 9.0

(2) Breakdown by products

(Billions of Yen)

		FY2004 1H (forecast)	FY2003 1H (actual)	Differences
Electro-deposit ed Copper Foil	Net Sales	13.7	* 13.4	(○) 0.3
	Operating Income (Loss)	(1.2)	*(3.5)	(○) 2.3
Treated Rolled Copper Foil and Target	Net Sales	28.4	18.0	(○) 10.4
	Operating Income	8.8	4.0	(○) 4.8
Compound Semiconductor Materials and Others	Net Sales	5.4	5.7	(×) 0.3
	Operating Income (Loss)	(1.3)	(1.8)	(○) 0.5
Total	Net Sales	47.5	37.1	(○) 10.4
	Operating Income	6.3	(1.3)	(○) 7.6

* including the results of GEI in the 1st half(9 months ended September 30 2003)

<4> Metal Fabrication (Nikko Metal Manufacturing Group)

(1) Forecasts

(Billions of Yen)

	FY2004 1H (forecast)	FY2003 1H (actual)	Differences
Net Sales	3 0 . 0	2 2 . 2	(○) 7 . 8
Operating Income	5 . 3	2 . 8	(○) 2 . 5
Ordinary Income	5 . 2	2 . 7	(○) 2 . 5

(2) Sales by products

(Billions of Yen)

		FY2004 1H (forecast)	FY2003 1H (actual)	Differences
Wrought copper	Phosphor bronze	6 . 8	5 . 3	(○) 1 . 5
	Brass	2 . 4	2 . 1	(○) 0 . 3
	Copper foil	4 . 0	2 . 6	(○) 1 . 4
	Others	4 . 4	2 . 7	(○) 1 . 7
Special steel	Stainless steel	2 . 3	1 . 8	(○) 0 . 5
	High-nickel alloy	3 . 3	2 . 8	(○) 0 . 5
	Others	0 . 2	0 . 2	—
Others (precision manufacturing etc.)		6 . 6	4 . 7	(○) 1 . 9
Total		3 0 . 0	2 2 . 2	(○) 7 . 8

2. Comparison with the previous forecasts

(1) Assumptions

		FY2004 1H		
		Amended forecasts	Previous forecasts	Differences
Petroleum	Exchange Rate (¥/\$)	1 1 0	1 0 8	(+) 2
	Crude Oil FOB (\$/BL) (Dubai Spot Price)	3 3. 9	3 2. 7	(+) 1. 2
	Market Price of Paraxylene (\$/t)	7 2 9	7 2 0	(+) 9
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	1 2 3	1 2 3	—
	Electrolytic Copper Sales (1000 tones)	3 0 5	3 0 5	—
Electronic Materials	Electrodeposited Copper Foil Sales (tones/month)	2, 7 8 1	2, 8 4 5	(-) 6 4
	Treated Rolled Copper Foil Sales (1000 meters/month)	4, 1 6 8	3, 9 8 0	(+) 1 8 8
	ITO Target Sales (tones/month)	1 9. 9	1 9. 5	(+) 0. 4
Metal Fabrication	Wrought Copper Products Sales (1000tones)	2 0	2 0	—
	Special Steel Products Sales (1000tones)	6	5	(+) 1
	High Quality Products Ratio	3 2%	3 2%	—

(2) Operating forecasts

(Billions of Yen)

	FY2004 1H		Differences
	Amended forecasts	Previous forecasts	
Net Sales	1 1 5 2. 0	1 1 2 7. 0	(○) 2 5. 0
Operating Income (Loss)	4 3. 0	3 4. 0	(○) 9. 0
Ordinary Income (Loss)	4 9. 0	3 9. 0	(○) 1 0. 0
Net Income (Loss)	1 4. 5	9. 0	(○) 5. 5
Ordinary Margin (%)	4. 3%	3. 5%	(○) 0. 8%
Earnings Per Share (yen) ※	1 7. 3	1 0. 7	(○) 6. 6

※ : divided by the figure including 160,166 thousand shares sold as treasury stock in August 2004

(3) Forecasts by Segments

(Billions of Yen)

		FY2004 1H Forecasts		
		Amended forecasts	Previous forecasts	Differences
Petroleum (Japan Energy Group)	Net Sales	886.0	865.0	(○) 21.0
	Operating Income	27.5	19.0	(○) 8.5
	Ordinary Income	24.0	15.0	(○) 9.0
Resources & Non-ferrous Metals (Nippon Mining & Metals)	Net Sales	180.5	173.5	(○) 7.0
	Operating Income	6.4	5.7	(○) 0.7
	Ordinary Income	17.5	16.0	(○) 1.5
Electronic Materials (Nikko Materials Group)	Net Sales	47.5	45.5	(○) 2.0
	Operating Income	6.3	4.3	(○) 2.0
	Ordinary Income	5.5	3.5	(○) 2.0
Metal Fabrication (Nikko Metal Manufacturing Group)	Net Sales	30.0	29.5	(○) 0.5
	Operating Income	5.3	5.1	(○) 0.2
	Ordinary Income	5.2	5.0	(○) 0.2
Other Operations (Independent Operating Companies & Functional Support Companies)	Net Sales	30.0	30.5	(×) 0.5
	Operating Income (Loss)	(2.5)	(0.2)	(×) 2.3
	Ordinary Income (Loss)	(3.2)	(0.5)	(×) 2.7
Eliminations	Net Sales	(22.0)	(17.0)	(×) 5.0
Total	Net Sales	1152.0	1127.0	(○) 25.0
	Operating Income	43.0	34.0	(○) 9.0
	Ordinary Income	49.0	39.0	(○) 10.0

※Segment Sales include inter-Group sales.

Comparison in the Ordinary Income (Loss) for FY2004 1H

(Billions of Yen)

	Amended forecasts	Previous forecasts	Differences	Notes
Petroleum (Japan Energy Group)	24.0	15.0	(○) 9.0	Margin improvement Influence of inventories Petrochemicals improvement, etc.
Resources & Non-ferrous Metals (Nippon Mining & Metals)	17.5	16.0	(○) 1.5	Gain on equity in income of affiliates Copper premium improvement, etc.
Electronic Materials (Nikko Materials Group)	5.5	3.5	(○) 2.0	Sales increase of treated rolled copper foil and sputtering target Margin improvement, etc.
Metal Fabrication (Nikko Metal Manufacturing Group)	5.2	5.0	(○) 0.2	Sales increase of high value added products and foils for IT related products
Other Operations (Independent Operating Companies & Functional Support Companies)	(3.2)	(0.5)	(×) 2.7	Increase in loss of ampm Japan, etc.
Total	49.0	39.0	(○) 10.0	

Others(Consolidated Balance Sheet, Cash Flows etc.)

1 . Consolidated Balance Sheet

(Billions of Yen)

	June 30 2004[A]	Mar 31 2004	Changes in FY2004 1Q	Sep 30 2004 (forecast) [B]	[B]-[A]
Current Assets	596.3	598.8	(-) 2.6	1565.0	(-) 7.5
Fixed Assets	995.6	973.7	(+) 21.9		
Total Assets	1591.9	1572.5	(+) 19.4	1565.0	(-) 7.5
Current Liabilities	751.6	751.3	(+) 0.3	1209.0	(-) 90.7
Fixed Liabilities	555.3	548.4	(+) 6.8		
Minority Interest	40.5	39.1	(+) 1.5	43.0	(+) 3.9
Total Shareholder's Equity	244.5	233.7	(+) 10.8	313.0	(+) 79.3
Shareholder's Equity Ratio	15.4%	14.9%	(+) 0.5%	20.0%	(+) 5.1%
BPS (Yen)	288.20	275.49	(+) 12.71	368.90	(+) 93.41
Interest Bearing Debt	816.0	754.0	(+) 62.0	716.0	(-) 38.0

※BPS is divided by the number of issued shares 848,462thousand.

①Factors in the change FY2004 1Q

(Billions of Yen)

Assets (+) 19.4	Cash and cash equivalents (-) 21.0, Trade receivables (-) 17.8, Inventories (+)42.8, Fixed assets (tangible and intangible) (+)26.6 [(Investments in equipment (+) 8.9, Depreciation and amortization (-) 11.7, Newly included consolidation (+)31.6 and others)] Investments and loans (+)4.3, Eliminations in investments and loans by newly included consolidation (-)9.0, Others (-) 6.5
Liabilities (+) 7.1	Interest bearing debt (+) 62.0 (newly included consolidation (+)26.4), Trade payables (-) 36.1 [influence of national holiday (-)15.6], Corporation tax payment(-)12.9, Others (-) 5.9
Minority Interest (+) 1.5	
Shareholder's Equity (+) 10.8	Net income (+) 14.2, Dividends(-)4.1, Others(+)0.7

②Factors in the change for FY2004 1H (Forecast)

Assets (-) 7.5	Cash and cash equivalents (-) 14.3, Trade receivables and inventories (+)48.5, Investments in equipment (+) 29.0, Depreciation and amortization (-) 24.0, Investments and loans (+)5.3, Others (-) 52.0 (Sales and disposal of fixed assets/investments and loans, change in consolidation, etc.)
Liabilities (-) 90.7	Interest bearing debt (-) 38.0, Trade payables (-) 15.1, Corporation tax payment (-)12.9, Others (-) 24.7 (change in consolidation etc.)
Minority Interest (+) 3.9	
Shareholder's Equity (+) 79.3	Net income (+) 14.5, Dividends(-)4.1, Treasury stock sale (+)71.3※ Unrealized gain on marketable securities and others (-)2.4

※Related to the public offering, 8 million existing shares may be additionally sold.

2 . Consolidated Cash Flows

(Billions of Yen)

	FY2003 (actual)	FY20041Q (actual)
Cash Flows from Operating Activities	(+) 106.2	(-) 46.7
Cash Flows from Investing Activities	(+) 4.5	(-) 6.1
Cash Flows from Financing Activities	(-) 115.8	(+) 29.0
Effect of Exchange Rate Changes	(-) 1.0	(-) 0.0
Net Decrease in Cash and Cash Equivalents	(-) 6.1	(-) 23.8

FY2004 1Q Breakdown

- ① Cash Flows from Operating Activities (-) 46.7
 Ordinary income (+) 23.8, Depreciation (+) 11.7,
 Equity in income of non-consolidated subsidiary and affiliates (-)5.4,
 Trade receivables, inventories and trade payables (-) 58.9,
 Corporation tax payment (-)12.9, Others (-) 5.0
- ② Cash Flows from Investing Activities (-) 6.1
 Investments in equipment (-) 10.1, Investments and loans (-)4.3,
 Sales of investments and collection of loans (+) 6.2, Others (+) 2.1
- ③ Cash Flows from Financing Activities (+) 29.0
 Interest bearing debt (+) 35.4,
 dividends (-) 4.1, Others (-) 2.3

3 . Dividends

FY2003(actual)				FY2004 (forecast)			
Interim	Final	Total	Payment amount	Interim	Final	Annual	Payment amount
----	¥6.00	¥6.00	¥ 4,079 million	----	¥8.00	¥8.00	¥ 6,720 million※

※include the payment increased due to the treasury stock sale (160,166 thousand shares) implemented in August 2004.

4 . Interest-bearing Debt

(Billions of Yen)

	March 31 2004	June 30 2004	Differences
Nippon Mining Holdings	60.4	58.5	(-) 1.9
Japan Energy	295.8	310.9	(+) 15.1
Kashima Oil	103.0	119.1	(+) 16.1
Nippon Mining & Metals	119.3	59.6	(-) 59.7
Nikko Materials	57.3	66.0	(+) 8.7
Nikko Metal Manufacturing	26.0	25.4	(-) 0.6
Others and eliminations	92.2	176.5	(+) 84.3
Total	754.0	816.0	(+) 62.0
Reduction from Mar31 2002 (¥892.8 billion)	(-) 138.8	(-) 76.8	

5 . Debt to Equity Ratio

(Billions of Yen)

	Mar. 31 2002 (A)	Mar. 31 2003	Mar. 31 2004	Jun. 30 2004 (B)	(B) - (A)	Sep. 30 2004 (forecast)
Interest-bearing Debt	892.8	876.4	754.0	816.0	(-) 76.8	716.0
Shareholder's Equity	181.5	204.9	233.7	244.5	(+) 63.0	313.0
Debt to Equity Ratio	4.92	4.28	3.23	3.34	(-) 1.58	2.29

6 . Capital Expenditure and Depreciation

(Billions of Yen)

	FY2003	FY2004 1Q
Capital expenditure	31.6	8.9
Depreciation	45.9	11.7
Differences	(-) 14.3	(-) 2.8

7 . Number of Employees

	Mar 31 2002	Mar 31 2003	Mar 31 2004
Petroleum (Japan Energy Group)	5,007	4,447	4,254
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	2,579	2,604	1,471
Electronic Materials (Nikko Materials Group)	1,765	1,574	1,622
Metal Fabrication (Nikko Metal Manufacturing Group)	{ Included in Resources & Non-ferrous Metals. }		1,149
Other Operations	1,563	1,758	1,362
Total	10,914	10,383	9,858

※ Others include Nippon Mining Holdings.