

Financial Results for the Third Quarter of the FY2004

I Financial Results for 3Q FY2004

1. Operating Results(consolidated)
2. Information by Segments
 - <1> Petroleum (Japan Energy Group)
 - <2> Resources & Non-ferrous Metals (Nippon Mining & Metals Group)
 - <3> Electronic Materials (Nikko Materials Group)
 - <4> Metal Fabrication (Nikko Metal Manufacturing Group)
 - <5> Other

II Annual Forecasts FY2004

1. Comparison with FY2003
 - <1> Petroleum (Japan Energy Group)
 - <2> Resources & Non-ferrous Metals (Nippon Mining & Metals Group)
 - <3> Electronic Materials (Nikko Materials Group)
 - <4> Metal Fabrication (Nikko Metal Manufacturing Group)
 - <5> Other
2. Comparison with the previous forecasts
3. Quarterly Review

III Balance Sheet, Cash Flows etc.

1. Consolidated Balance Sheet
2. Consolidated Cash Flows
3. Dividends
4. Interest-bearing Debt
5. Debt to Equity Ratio
6. Capital Expenditure and Depreciation
7. Number of Employees

Nippon Mining Holdings, INC.

February 10, 2005

※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.

Financial Results for 3Q FY2004

1 . Operating Results(consolidated)

(Billions of Yen)

	FY2004			FY2003			Defferences	
	1H	3Q (3months)	Total	1H	3Q (3months)	Total	3Q (3months)	Total
Net Sales	1,170.1	668.9	1,839.0	1,052.4	562.8	1,615.1	○106.1	○223.9
Operating Income	47.2	40.6	87.8	18.5	13.6	32.1	○27.0	○55.6
Other Income	7.2	8.5	15.7	0.8	1.7	2.5	○ 6.8	○13.2
Ordinary Income	54.4	49.1	103.5	19.3	15.3	34.7	○33.8	○68.9
Special Profit (Loss)	(13.7)	(10.1)	(23.7)	(21.0)	(2.2)	(23.2)	× 7.9	×0.6
Income Taxes	17.7	14.2	31.9	(7.7)	5.8	(1.9)	× 8.4	×33.8
Minority Interest	5.0	3.4	8.4	1.9	1.3	3.2	× 2.1	×5.2
Net Income	18.0	21.5	39.5	4.2	6.1	10.2	○15.4	○29.3

(1) Scope of Consolidation

- ① Consolidated subsidiaries 109 (20 additions, 4 reductions)
 ② Equity method affiliates 19 (1 addition, 2 reductions)

(2) 3 Q (3 months ended Dec.31 2004)

<Billions of yen>

Ordinary Income 33.8

(Comparison with the same period of the previous year)

[1] Operating Income ○27.0

- Petroleum ○21.7
 - Resources & Non-ferrous Metals ○2.7
 - Electronic Materials ○0.7
 - Metal Fabrication ×0.1
 - Other ○1.9
-
- Total ○ 27.0

[2] Other Income ○6.8

- Interest and dividends ×0.1
 - Amortization of negative good will ○0.2
 - Equity in gain of affiliates ○5.6
 - Interest expenses ○0.3
 - Others ○0.8
-
- Total ○6.8

Special Profit(Loss) (10.1)

- Gain on sales of securities 4.8
 - Gain on sales of fixed assets 0.3
 - Restructuring costs (11.6)
 - Allowance for environmental protection (2.6)
 - Loss on disposal of fixed assets (0.7)
 - Others (0.3)
-
- Total (10.1)

(3) 3 Q (9 months ended Dec.31 2004)

<Billions of yen>

Ordinary Income 68.9

(Comparison with the same period of the previous year)

[1] Operating Income ○55.6

- Petroleum ○36.2
 - Resources & Non-ferrous Metals ○9.2
 - Electronic Materials ○9.0
 - Metal Fabrication ○2.5
 - Other ×1.3
-
- Total ○55.6

[2] Other Income ○13.2

- Interest and dividends ×0.4
 - Amortization of negative good will ○0.3
 - Equity in gain of affiliates ○12.6
 - Interest expenses ○1.6
 - Others ×0.9
-
- Total ○13.2

Special Profit(Loss) (23.7)

- Gain on sales of securities 9.4
 - Gain on change in equity of consolidated subsidiaries 7.0
 - Amortization of prior service cost 5.6
 - Gain on sales of fixed assets 1.3
 - Impairment losses (18.4)
 - Restructuring costs (17.5)
 - Loss on disposal of fixed assets (7.4)
 - Allowance for environmental protection (2.6)
 - Others (1.1)
-
- Total (23.7)

(4) Segments

(Billions of Yen)

		FY2004			FY2003			Differences (Total)
		1H	3Q	Total	1H	3Q	Total	
Petroleum	Net Sales	901.5	544.3	1,445.8	830.8	452.9	1,283.7	(○)162.1
	Operating Income	29.9	33.0	62.9	15.4	11.3	26.7	(○) 36.2
	Ordinary Income	26.5	33.9	60.4	14.6	11.1	25.6	(○) 34.8
Resources & Non-ferrous Metals	Net Sales	189.0	95.3	284.3	143.2	76.2	219.3	(○) 64.9
	Operating Income	7.5	3.6	11.1	1.1	0.9	2.0	(○) 9.2
	Ordinary Income	19.5	11.5	31.0	5.1	3.6	8.7	(○) 22.3
Electronic Materials	Net Sales	46.7	21.9	68.6	37.1	16.6	53.8	(○) 14.8
	Operating Income	7.1	1.6	8.7	(1.3)	0.9	(0.4)	(○) 9.0
	Ordinary Income	6.4	1.2	7.5	(3.5)	0.2	(3.3)	(○) 10.9
Metal Fabrication	Net Sales	28.6	13.3	41.9	22.2	12.6	34.8	(○) 7.0
	Operating Income	5.4	2.1	7.5	2.8	2.2	5.0	(○) 2.5
	Ordinary Income	5.4	2.1	7.5	2.7	2.2	4.9	(○) 2.6
Other	Net Sales	29.2	4.2	33.5	36.7	13.2	49.9	(×) 16.4
	Operating Income	(2.8)	0.3	(2.5)	0.5	(1.6)	(1.1)	(×) 1.3
	Ordinary Income	(3.3)	0.3	(2.9)	0.5	(1.8)	(1.3)	(×) 1.6
Eliminations	Net Sales	(24.8)	(10.1)	(34.9)	(17.6)	(8.8)	(26.4)	(×) 8.5
Total	Net Sales	1,170.1	668.9	1,839.0	1,052.4	562.8	1,615.1	(○)223.9
	Operating Income	47.2	40.6	87.8	18.5	13.6	32.1	(○) 55.6
	Ordinary Income	54.4	49.1	103.5	19.3	15.3	34.7	(○) 68.9

※Net Sales by segments include inter-segment sales.

※Income in "Eliminations or Corporate" are included in "Other".

(5)Key Data

		FY2004			FY2003		
		1H	3Q	Total	1H	2H	Total
All Segments	Exchange Rate (¥/\$)	110	106	109	118	109	115
Petroleum	Dubai Spot Price (\$/BL)	34.8	35.5	35.0	25.5	27.7	26.2
	Market Price of Paraxylene (\$/t)	806	993	868	608	632	616
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	128	140	132	77	93	82
	Electrolytic Copper Sales (1000 tones)	313	151	464	301	159	460
Electronic Materials	Electrodeposited Copper Foil Sales (tones/month)	2,735	2,313	2,594	2,367	2,142	2,310
	Treated Rolled Copper Foil Sales (1000 meters/month)	4,102	2,716	3,640	2,743	3,251	2,912
	ITO Target Sales (tones/month)	19.1	21.0	19.7	11.7	14.8	12.7
Metal Fabrication	Wrought copper products (1000tones)	19	8	27	18	10	28
	Special Steel Products (1000tones)	6	2	8	5	3	8
	High Quality Products Ratio	30%	27%	29%	20%	22%	21%

2 . Information by Segments

<1> Petroleum (Japan Energy Group)

(1) Operating Results

(Billions of Yen)

	FY2004			FY2003			Differences Total
	1H	3Q	Total	1H	3Q	Total	
Net Sales	901.5	544.3	1,445.8	830.8	452.9	1,283.7	(○)162.1
Operating Income	29.9	33.0	62.9	15.4	11.3	26.7	(○) 36.2
Ordinary Income	26.5	33.9	60.4	14.6	11.1	25.6	(○) 34.8

< Factors in ¥34.8bn increase in the ordinary income >

- Influence of Inventories ○¥15.5bn (3Q 2003: (¥2.6bn)→ 3Q 2004: ¥12.9bn)
- Medium-term Management Program ○¥6.0bn
- Petrochemical improvements ○¥13.0bn
- Margins due to the time lag and others ○¥1.7bn
- Other income(loss) ×¥1.4bn

(2) Sales volume

	Domestic sales volume (thousands of KL)			Growth rate (04/1Q-3Q vs. 03/1Q-3Q)
	FY2004			
	1H	3Q	Total	
Gasoline	3,260	1,575	4,834	101.1%
Naphtha	1,495	989	2,485	105.2%
Jet Fuel	365	171	535	94.0%
Kerosene	721	837	1,557	99.1%
Gas Oil	2,167	1,158	3,325	99.4%
A Heavy Fuel	1,171	709	1,880	119.5%
C Heavy Fuel	1,114	570	1,684	85.4%
Total	10,293	6,007	16,301	100.8%
Gasoline & Middle Distillation	7,319	4,278	11,597	102.9%

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

		FY2004			FY2003				
		Apr- Jun	Jul- Sep	Oct- Dec	Apr- Jun	Jul- Sep	Oct- Dec	Jan- Mar	Total
Group Total	Refining volume	6.30	6.70	7.40	7.07	6.45	6.91	7.38	27.81
	Utilization rate	74%	78%	86%	84%	76%	81%	88%	82%
	Comparison with Previous Year	89%	104%	107%	121%	100%	99%	100%	105%
Mizushima	Refining volume	2.93	2.46	2.94	2.63	2.44	2.32	2.81	10.21
	Utilization rate	99%	82%	98%	91%	84%	79%	97%	88%
	Comparison with Previous Year	111%	100%	126%	101%	97%	88%	100%	96%
Kashima	Refining volume	1.60	2.29	2.59	2.46	2.18	2.63	2.61	9.87
	Utilization rate	58%	83%	93%	89%	79%	95%	95%	89%
	Comparison with Previous Year	65%	105%	99%	166%	96%	106%	101%	112%

☆Capacity of Japan Energy Group's Refinery

Japan Energy Mizushima Refinery : 205,200 Barrels/Day

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 Total
	1H	3Q	Total	1H	3Q	Total	
Net Sales	189.0	95.3	284.3	143.2	76.2	219.3	(○)64.9
Operating Income	7.5	3.6	11.1	1.1	0.9	2.0	(○)9.2
Ordinary Income	19.5	11.5	31.0	5.1	3.6	8.7	(○)22.3

< Factors in ¥22.3 bn increase in the ordinary income >

- Nippon Mining & Metals and consolidated subsidiaries (○)¥8.7bn
(metal prices up, copper premium improvement, inventory valuation method)
- Equity in income of affiliates (○)¥13.6bn
(Minera Los Perambres (○)¥9.0bn(copper and molybdenum price up),
LG-Nikko (○)2.0bn(copper price up, foreign currency transaction etc.)

(2) Price and Sales Volume

		FY2004			FY2003			Differences Total
		1H	3Q	Total	1H	2H	Total	
Price	Copper (¢ /lb)	128	140	132	77	93	82	(+)50
	Zinc (\$ / t)	1,004	1,114	1,040	797	930	842	(+)198
	Gold (\$ /TOZ)	397	434	410	355	392	367	(+)43
	Platinum(\$/TOZ)	834	848	839	669	766	702	(+)137
	Palladium (\$/TOZ)	236	208	227	179	199	186	(+)41
Sales Volume (thousand tones)	Copper	313	151	464	301	159	460	(+)4
	Zinc	42	22	64	41	23	65	-

<3> Electronic Materials (Nikko Materials Group)

(1) Operating Results

(Billions of Yen)

	FY2004			FY2003			Differences Total
	1H	3Q	Total	1H	3Q	Total	
Net Sales	46.7	21.9	68.6	37.1	16.6	53.8	(○)14.8
Operating Income (Loss)	7.1	1.6	8.7	(1.3)	0.9	(0.4)	(○)9.0
Ordinary Income (Loss)	6.4	1.2	7.5	※(3.5)	0.2	(3.3)	(○)10.9

※ Including the income loss of the 3rd quarter of GEI (1.5 billion yen)

< Factors in ¥10.9bn increase in the ordinary income >

① Operating Income (○)¥9.0bn

- Electro-deposited copper foil (○)¥2.2bn
- Treated rolled copper foil (○)¥0.9bn
- Sputtering target (○)¥5.1bn
- Compound semiconductor materials and others (○)¥1.4bn
- Expenses including development cost (×)¥0.5bn

② Other Income (Expenses) (○)¥1.9bn

- Pension liabilities amortization (○)¥0.6bn
- Exchange gain and loss (○)¥1.0bn

(2) Breakdown by Products

(Billions of Yen)

		FY2004			FY2003			Differences Total
		1H	3Q	Total	1H	3Q	Total	
Electro-Deposited Copper Foil	Net Sales	13.0	6.4	19.4	※ 13.4	4.4	17.8	(○) 1.6
	Operating Income (Loss)	(1.2)	(0.7)	(1.9)	※(3.5)	(0.6)	(4.1)	(○) 2.2
Treated Rolled Copper Foil and Target	Net Sales	28.0	13.0	41.0	18.0	9.7	27.7	(○)13.3
	Operating Income (Loss)	9.3	3.0	12.3	4.0	2.3	6.3	(○) 6.0
Compound Semiconductor Materials and Others	Net Sales	5.7	2.5	8.2	5.7	2.5	8.2	-
	Operating Income (Loss)	(1.0)	(0.7)	(1.7)	(1.8)	(0.8)	(2.6)	(○) 0.9
Total	Net Sales	46.7	21.9	68.6	37.1	16.6	53.8	(○)14.8
	Operating Income (Loss)	7.1	1.6	8.7	(1.3)	0.9	(0.4)	(○) 9.0

※: Including the 3rd quarter of GEI (Sales: 2.6bn yen , Operating Loss:1.2bn yen)

<4> Metal Fabrication (Nikko Metal Manufacturing Group)

(1) Operating Results

(Billions of Yen)

	FY2004			FY2003			Differences Total
	1H	3Q	Total	1H	3Q	Total	
Net Sales	28.6	13.3	41.9	22.2	12.6	34.8	(○)7.0
Operating Income	5.4	2.1	7.5	2.8	2.2	5.0	(○)2.5
Ordinary Income	5.4	2.1	7.5	2.7	2.2	4.9	(○)2.6

< Factors in ¥2.6bn increase in the ordinary income >

- Sales increase (○)¥2.0bn (copper foil(○)¥0.6bn, corson alloy(○)¥0.5bn, phosphor bronze(○)¥0.1bn)
- Metal prices up (○)¥0.5bn (copper(○)¥0.3bn, nickel(○)¥0.2bn)
- Others (○)¥0.1bn

(2) Sales by Products

(Billions of Yen)

		FY2004			FY2003			Differences Total
		1H	3Q	Total	1H	3Q	Total	
Wrought copper	Phosphor bronze	6.8	3.2	10.0	5.3	3.1	8.4	○1.6
	Corson alloy	2.9	1.1	4.0	1.9	1.1	3.0	○1.0
	Copper foil	4.1	1.1	5.2	2.6	1.5	4.1	○1.1
	Others	3.6	1.8	5.4	2.9	1.4	4.3	○1.1
Special steel	Stainless steel	2.3	1.1	3.4	1.8	0.9	2.7	○0.7
	High-nickel alloy	3.4	1.8	5.2	2.8	1.5	4.3	○0.9
	Others	0.2	-	0.2	0.2	0.1	0.3	×0.1
Others (precision manufacturing etc.)		5.3	3.2	8.5	4.7	3.0	7.7	○0.7
Total		28.6	13.3	41.9	22.2	12.6	34.8	○7.0

<5>Other

(1) Operating Results

(Billions of Yen)

		FY2004			FY2003			Differences Total
		1H	3Q	Total	1H	3Q	Total	
Net Sales		29.2	4.2	33.5	36.7	13.2	49.9	(×)16.4
Operating Income (Loss)		(2.8)	0.3	(2.5)	0.5	(1.6)	(1.1)	(×) 1.3
Ordinary Income (Loss)		(3.3)	0.3	(2.9)	0.5	(1.8)	(1.3)	(×) 1.6

※Income in "Eliminations or Corporate" are included in the above.

(2) Independent operating company

(Billions of Yen)

		FY2004			FY2003		
		1H	3Q	Total	1H	3Q	Total
C C S	Net Sales	6.4	2.5	9.0	6.5	2.9	9.4
	Ordinary Income (Loss)	0.1	0.0	0.1	0.0	(0.1)	(0.1)

Annual Forecasts FY2004

1. Comparison with FY2003

(1) Assumptions

		FY2004			FY2003		
		1H	2H	Total	1H	2H	Total
All Segments	Exchange Rate (¥/\$)	110	106	108	118	108	113
Petroleum	Dubai Spot Price (\$/BL)	34.8	36.8	35.8	25.5	28.6	27.0
	Market Price of Paraxylene (\$/t)	806	965	886	608	674	641
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	128	140	134	77	109	93
	Electrolytic Copper Sales (1000 tones)	313	299	612	301	321	622
Electronic Materials	Electrodeposited Copper Foil Sales (tones/month)	2,735	2,128	2,431	2,367	2,380	2,375
	Treated Rolled Copper Foil Sales (1000 meters/month)	4,102	2,603	3,352	2,743	3,451	3,097
	ITO Target Sales (tones/month)	19.1	21.3	20.2	11.7	15.5	13.6
Metal Fabrication	Wrought copper products (1000tones)	19	16	35	18	19	37
	Special Steel Products (1000tones)	6	4	10	5	5	10
	High Quality Products Ratio	30%	27%	29%	20%	25%	22%

(2) Operating Forecasts(consolidated)

(Billions of Yen)

	FY2004			FY2003			Differences (FY2004-FY2003)
	1H	2H	Total	1H	2H	Total	
Net Sales	1,170.1	1,296.9	2,467.0	1,052.4	1,162.2	2,214.6	(○) 252.4
Operating Income	47.2	67.3	114.5	18.5	31.9	50.4	(○) 64.1
Ordinary Income	54.4	80.6	135.0	19.3	34.4	53.7	(○) 81.3
Net Income	18.0	30.0	48.0	4.2	10.7	14.9	(○) 33.1
Ordinary Margin (%)	4.7%	6.2%	5.5%	1.8%	3.0%	2.4%	(○) 3.0%
Earnings Per Share (yen)			60.8			21.7	(+) 39.1

(3) Operating Forecasts by Segments

(Billions of Yen)

		FY2004			FY2003			Differences		
		1H	2H	Total	1H	2H	Total	1H	2H	Total
Petroleum	Net Sales	901.5	1,048.5	1,950.0	830.8	920.2	1,751.0	(○)70.7	(○)128.3	(○)199.0
	Operating Income	29.9	52.6	82.5	15.4	22.4	37.8	(○)14.5	(○)30.2	(○)44.7
	Ordinary Income	26.5	52.0	78.5	14.6	21.4	36.0	(○)11.9	(○)30.6	(○)42.5
Resources & Non-ferrous Metals	Net Sales	189.0	188.0	377.0	143.2	170.8	314.0	(○)45.8	(○)17.2	(○)63.0
	Operating Income	7.5	8.0	15.5	1.1	3.9	5.0	(○)6.4	(○)4.0	(○)10.5
	Ordinary Income	19.5	24.0	43.5	5.1	8.7	13.8	(○)14.3	(○)15.4	(○)29.7
Electronic Materials	Net Sales	46.7	43.3	90.0	37.1	36.7	73.8	(○)9.6	(○)6.6	(○)16.2
	Operating Income	7.1	2.4	9.5	(1.3)	1.7	0.4	(○)8.4	(○)0.7	(○)9.1
	Ordinary Income	6.4	1.1	7.5	(3.5)	0.9	(2.6)	(○)9.9	(○)0.2	(○)10.1
Metal Fabrication	Net Sales	28.6	27.4	56.0	22.2	25.4	47.6	(○)6.4	(○)2.1	(○)8.4
	Operating Income	5.4	3.1	8.5	2.8	4.5	7.3	(○)2.7	(×)1.5	(○)1.2
	Ordinary Income	5.4	3.1	8.5	2.7	4.6	7.3	(○)2.7	(×)1.5	(○)1.2
Other	Net Sales	29.2	11.8	41.0	36.7	29.5	66.2	(×)7.5	(×)17.7	(×)25.2
	Operating Income	(2.8)	1.3	(1.5)	0.5	(0.7)	(0.2)	(×)3.3	(○)1.9	(×)1.3
	Ordinary Income	(3.3)	0.3	(3.0)	0.5	(1.2)	(0.7)	(×)3.8	(○)1.5	(×)2.3
Eliminations	Net Sales	(24.8)	(22.2)	(47.0)	(17.6)	(20.4)	(38.0)	(×)7.2	(×)1.8	(×)9.0
Total	Net Sales	1,170.1	1,296.9	2,467.0	1,052.4	1,162.2	2,214.6	(○)117.8	(○)134.6	(○)252.4
	Operating Income	47.2	67.3	114.5	18.5	31.9	50.4	(○)28.7	(○)35.4	(○)64.1
	Ordinary Income	54.4	80.6	135.0	19.3	34.4	53.7	(○)35.1	(○)46.2	(○)81.3

※Net Sales include inter-segments sales.

(4) Comparison of Ordinary Income (FY2004 vs. FY2003)

(Billions of Yen)

	FY2004	FY2003	Differences	Factors
Petroleum	78.5	36.0	(○)42.5	<ul style="list-style-type: none"> • Inventories (○) 18.0 • Mid-term Mng. Plan (○) 9.0 • Petrochemicals (○) 15.0 • Time Lag and others (○) 2.7 • Other Income (×) 2.2
Resources & Non-ferrous Metals	43.5	13.8	(○)29.7	<ul style="list-style-type: none"> • <u>Nippon Mining & Metals and consolidated subsidiaries (○)9.5</u> ((○)metal prices up, copper premium improvement, change of inventory valuation method (×)yen appreciation, deteriorated TC/RC) • <u>Equity in earnings of affiliates (○)20.2</u> (Minera Los Perambres ○¥14.0bn(copper and molybdenum price up), LG-Nikko ○3.7bn(copper price up, termination of goodwill amortization, foreign currency transaction, deteriorated TC/RC)
Electronic Materials	7.5	(2.6)	(○)10.1	<ul style="list-style-type: none"> Sales increase of electro-deposited, treated rolled copper foil, and sputtering target Change of inventory valuation method
Metal Fabrication	8.5	7.3	(○)1.2	Sales increase in IT related products (foils, high-function materials such as copper foil, corson alloy, phosphor bronze)
Others	(3.0)	(0.7)	(×)2.3	Loss in am/pm Japan
Total	135.0	53.7	(○)81.3	

2 . Information by Segments

<1> Petroleum (Japan Energy Group)

(1) Forecasts

(Billions of Yen)

	FY2004			FY2003			Differences		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Net Sales	901.5	1,048.5	1,950.0	830.8	920.2	1,751.0	(○)70.7	(○)128.3	(○)199.0
Operating Income	29.9	52.6	82.5	15.4	22.4	37.8	(○)14.5	(○)30.2	(○)44.7
Ordinary Income	26.5	52.0	78.5	14.6	21.4	36.0	(○)11.9	(○)30.6	(○)42.5

(2) Growth rate of fuel oil

	Domestic sales volume (thousands of KL)			Annual growth rate
	FY2004	FY2003	Differences	
Gasoline	6,372	6,327	45	100.7%
Naphtha	3,344	3,110	234	107.5%
Jet Fuel	704	741	△ 37	95.0%
Kerosene	2,832	2,847	△ 15	99.5%
Gas Oil	4,404	4,434	△ 30	99.3%
A Heavy Fuel	2,677	2,333	344	114.7%
C Heavy Fuel	2,258	2,672	△ 414	84.5%
Total	22,591	22,464	127	100.6%
Gasoline & Middle Distillation	16,285	15,942	343	102.1%

(3) Number of JOMO Service Stations

	2000 Mar 31	2001 Mar 31	2002 Mar 31	2003 Mar 31	2004 Mar 31	2004 Sep 30	2004 Dec 31
Owned by Japan Energy (Self-SS)	1,377	1,328	1,284 (105)	1,229 (227)	1,207 (264)	1,186 (282)	1,178 (294)
Owned by wholesalers etc. (Self-SS)	3,575	3,318	3,192 (59)	3,067 (95)	2,943 (121)	2,920 (138)	2,893 (141)
Total (Self-SS)	4,952	4,646	4,476 (164)	4,296 (322)	4,150 (385)	4,106 (420)	4,071 (435)

(4) Petrochemical Profit(Loss)

(Billions of Yen)

FY2004	FY2003	FY2002	FY2001
23.5	8.5	5.5	0

(5) Profitability Improvements

(Billions of yen)

	FY2004
Earnings improvement	(○)6.0
Cost reduction	(○)3.0
Total	(○)9.0

※Comparison with the previous year

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

(1) Forecasts

(Billions of Yen)

	FY2004			FY2003			Differences		
	1H	2H	Total	1H	2H	total	1H	2H	Total
Net Sales	189.0	188.0	377.0	143.2	170.8	314.0	(○)45.8	(○)17.2	(○)63.0
Operating Income	7.5	8.0	15.5	1.1	3.9	5.0	(○)6.4	(○)4.0	(○)10.5
Ordinary Income	19.5	24.0	43.5	5.1	8.7	13.8	(○)14.3	(○)15.4	(○)29.7

(2) Price and Sales Volume

		FY2004			FY2003		
		1H	2H		1H	2H	
Price	Copper (¢ /lb)	128	140	134	77	109	93
	Zinc (\$ / t)	1,004	1,130	1,067	797	1,000	899
	Gold (\$ /TOZ)	397	437	417	355	400	378
	Platinum (\$ /TOZ)	834	844	839	669	816	743
	Palladium (\$ /TOZ)	236	194	215	179	219	199
Sales Volume (thousand tones)	Copper	313	299	612	301	321	622
	Zinc	42	43	86	41	47	88

<3> Electronic Materials (Nikko Materials Group)

(1) Forecasts

(Billions of Yen)

	FY2004			FY2003			Differences		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Net Sales	46.7	43.3	90.0	37.1	36.7	73.8	(○) 9.6	(○)6.6	(○)16.2
Operating Income (Loss)	7.1	2.4	9.5	(1.3)	1.7	0.4	(○) 8.4	(○) 0.7	(○) 9.1
Ordinary Income (Loss)	6.4	1.1	7.5	(3.5)	0.9	(2.6)	(○) 9.9	(○) 0.2	(○)10.1

(2) Breakdown by Products

(Billions of Yen)

		FY2004			FY2003			Differences		
		1H	2H	Total	1H	2H	Total	1H	2H	Total
Electro-Deposited Copper Foil	Net Sales	13.0	11.5	24.5	※13.4	※10.1	23.5	(×)0.4	(○)1.4	(○)1.0
	Operating Income (Loss)	(1.2)	(1.7)	(2.9)	※(3.5)	※(1.4)	(4.9)	(○)2.3	(×)0.3	(○)2.0
Treated Rolled Copper Foil and Target	Net Sales	28.0	27.5	55.5	18.0	21.6	39.6	(○)10.0	(○)5.9	(○)15.9
	Operating Income (Loss)	9.3	5.8	15.1	4.0	4.8	8.8	(○)5.3	(○)1.0	(○)6.3
Compound semiconductor materials and others	Net Sales	5.7	4.3	10.0	5.7	5.0	10.7	-	(×)0.7	(×)0.7
	Operating Income (Loss)	(1.0)	(1.7)	(2.7)	(1.8)	(1.7)	(3.5)	(○)0.8	-	(○)0.8
Total	Net Sales	46.7	43.3	90.0	37.1	36.7	73.8	(○)9.6	(○)6.6	(○)16.2
	Operating Income (Loss)	7.1	2.4	9.5	(1.3)	1.7	0.4	(○)8.4	(○)0.7	(○)9.1

※: Including the results of GEI in the 1st half (January 2003 to September 2003) and NMUS in the 2nd half (October 2003 to February 2004)

<4> Metal Fabrication (Nikko Metal Manufacturing Group)

(1) Forecasts

(Billions of Yen)

	FY2004			FY2003			Differences		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Net Sales	28.6	27.4	56.0	22.2	25.4	47.6	(○)6.4	(○)2.1	(○)8.4
Operating Income	5.4	3.1	8.5	2.8	4.5	7.3	(○)2.7	(×)1.5	(○)1.2
Ordinary Income	5.4	3.1	8.5	2.7	4.6	7.3	(○)2.7	(×)1.5	(○)1.2

(2) Sales by Products

(Billions of Yen)

		FY2004			FY2003			Differences		
		1H	2H	Total	1H	2H	Total	1H	2H	Total
Wrought copper	Phosphor bronze	6.8	6.2	13.0	5.3	6.2	11.5	○1.5	-	○1.5
	Corson alloy	2.9	2.4	5.3	1.9	2.3	4.2	○1.0	○0.1	○1.1
	Copper foil	4.1	2.1	6.2	2.6	3.1	5.7	○1.5	×1.0	○0.5
	Others	3.6	3.8	7.4	2.9	3.1	6.0	○0.7	○0.7	○1.4
Special steel	Stainless steel	2.3	2.3	4.6	1.8	1.8	3.6	○0.5	○0.5	○1.0
	High-nickel alloy	3.4	3.7	7.1	2.8	3.2	6.0	○0.6	○0.5	○1.1
	Others	0.2	0.0	0.2	0.2	0.1	0.3	-	×0.1	×0.1
Others (precision manufacturing etc.)		5.3	6.9	12.2	4.7	5.6	10.3	○0.6	○1.3	○1.9
Total		28.6	27.4	56.0	22.2	25.4	47.6	○6.4	○2.1	○8.4

<5> Other

(1) Forecasts

(Billions of Yen)

	FY2004			FY2003			Differences		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Net Sales	29.2	11.8	41.0	36.7	29.5	66.2	(×)7.5	(×)17.7	(×)25.2
Operating Income(Loss)	(2.8)	1.3	(1.5)	0.5	(0.7)	(0.2)	(×)3.3	(○)1.9	(×)1.3
Ordinary Income(Loss)	(3.3)	0.3	(3.0)	0.5	(1.2)	(0.7)	(×)3.8	(○)1.5	(×)2.3

(2) Independent operating company

(Billions of Yen)

		FY2004	FY2003	Differences
CCS	Net Sales	13.7	14.1	(×) 0.4
	Ordinary Income	0.3	0.4	(×) 0.1

2 . Comparison with the previous forecasts

(1) Assumptions

		FY2004		
		Revised	Previous Forecasts (Nov. 11)	Total
All Segments	Exchange Rate (¥/\$)	108	108	—
Petroleum	Dubai Spot Price (\$/BL)	35.8	35.0	(+) 0.8
	Market Price of Paraxylene (\$/t)	886	873	(+) 13
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	134	127	(+) 7
	Electrolytic Copper Sales (1000 tones)	612	609	(+) 3
Electronic Materials	Electrodeposited Copper Foil Sales (tones/month)	2,431	2,778	(-) 347
	Treated Rolled Copper Foil Sales (1000 meters/month)	3,352	3,976	(-) 624
	ITO Target Sales (tones/month)	20.2	20.7	(-) 0.5
Metal Fabrication	Wrought copper products (1000tones)	35	37	(-) 2
	Special Steel Products (1000tones)	10	11	(-) 1
	High Quality Products Ratio	29%	33%	(-) 4%

(2) Operating Forecasts(consolidated)

(Billions of Yen)

	FY2004		
	Revised	Previous (Nov. 11)	Differences
Net Sales	2,467.0	2,405.0	(○) 62.0
Operating Income	114.5	91.0	(○) 23.5
Ordinary Income	135.0	105.0	(○) 30.0
Net Income	48.0	32.0	(○) 16.0
Ordinary Margin (%)	5.5%	4.4%	(○) 1.1%
Earnings Per Share (yen)	60.8	37.8	(+) 23.0

(3) Forecasts by Segments

(Billions of Yen)

		FY2004		
		Revised	Previous (Nov. 11)	Differences
Petroleum	Net Sales	1,950.0	1,900.0	(○)50.0
	Operating Income	82.5	59.0	(○)23.5
	Ordinary Income	78.5	54.0	(○)24.5
Resources & Non-ferrous Metals	Net Sales	377.0	356.0	(○)21.0
	Operating Income	15.5	12.5	(○)3.0
	Ordinary Income	43.5	34.5	(○)9.0
Electronic Materials	Net Sales	90.0	97.0	(×)7.0
	Operating Income	9.5	11.0	(×)1.5
	Ordinary Income	7.5	9.5	(×)2.0
Metal Fabrication	Net Sales	56.0	58.0	(×)2.0
	Operating Income	8.5	10.0	(×)1.5
	Ordinary Income	8.5	10.0	(×)1.5
Other	Net Sales	41.0	41.0	—
	Operating Income(Loss)	(1.5)	(1.5)	—
	Ordinary Income(Loss)	(3.0)	(3.0)	—
Eliminations	Net Sales	(47.0)	(47.0)	—
Total	Net Sales	2,467.0	2,405.0	(○)62.0
	Operating Income	114.5	91.0	(○)23.5
	Ordinary Income	135.0	105.0	(○)30.0

※Net Sales include inter-segments sales.

(4) Ordinary Income Comparison

(Billions of Yen)

	Revised Forecasts	Previous (Nov. 11)	Differences	Notes
Petroleum	78.5	54.0	(○)24.5	Inventories influence, Petrochemicals improvements, Margin improvements in jet fuel, naphtha caused by the overseas market hike
Resources & Non-ferrous Metals	43.5	34.5	(○) 9.0	• <u>Nippon Mining & Metals and consolidated subsidiaries (○)3.2</u> metal prices up, copper premium improvement • <u>Equity in earnings of affiliates (○)5.8</u> (Minera Los Perambres ○ 4.7(copper and molybdenum price up), LG-Nikko ○ 0.4 (copper price up, foreign currency transaction)
Electronic Materials	7.5	9.5	(×) 2.0	Sales decrease of electro-deposited and treated rolled copper foil
Metal Fabrication	8.5	10.0	(×) 1.5	Demands decrease in copper foil, phosphor bronze caused by inventories adjustments
Others	(3.0)	(3.0)	—	
Total	135.0	105.0	(○)30.0	

3 . Quarterly Review

(Billions of Yen)

		FY2004						
		1Q	2Q	1H	3Q	4Q (forecast)	2H (forecast)	Total (forecast)
Petroleum	Net Sales	422.9	478.6	901.5	544.3	504.2	1,048.5	1,950.0
	Operating Income	13.1	16.8	29.9	33.0	19.6	52.6	82.5
	Ordinary Income	10.9	15.6	26.5	33.9	18.1	52.0	78.5
Resources & Non-ferrous Metals	Net Sales	94.9	94.1	189.0	95.3	92.8	188.0	377.0
	Operating Income	4.0	3.5	7.5	3.6	4.4	8.0	15.5
	Ordinary Income	9.3	10.2	19.5	11.5	12.5	24.0	43.5
Electronic Materials	Net Sales	22.9	23.8	46.7	21.9	21.4	43.3	90.0
	Operating Income	3.0	4.1	7.1	1.6	0.8	2.4	9.5
	Ordinary Income	2.7	3.7	6.4	1.2	0.0	1.1	7.5
Metal Fabrication	Net Sales	14.3	14.3	28.6	13.3	14.1	27.4	56.0
	Operating Income	3.3	2.1	5.4	2.1	1.0	3.1	8.5
	Ordinary Income	3.3	2.1	5.4	2.1	1.0	3.1	8.5
Others	Net Sales	13.2	16.0	29.2	4.2	7.5	11.8	41.0
	Operating Income	(2.4)	(0.4)	(2.8)	0.3	1.0	1.3	(1.5)
	Ordinary Income	(2.3)	(1.0)	(3.3)	0.3	(0.1)	0.3	(3.0)
Eliminations	Net Sales	(12.3)	(12.5)	(24.8)	(10.1)	(12.1)	(22.2)	(47.0)
Total	Net Sales	556.0	614.2	1,170.1	668.9	628.0	1,296.9	2,467.0
	Operating Income	21.0	26.2	47.2	40.6	26.7	67.3	114.5
	Ordinary Income	23.8	30.6	54.4	49.1	31.5	80.6	135.0

※Net Sales by segments include inter-segment sales.

※Income in "Eliminations or Corporate" are included in "Other".

Others(Consolidated Balance Sheet, Cash Flows etc.)

1 . Consolidated Balance Sheet

(Billions of Yen)

	Dec. 31 2004	Mar. 31 2004 [A]	Differences	Mar. 31 2005 (forecast) [B]	[B] - [A]
Current Assets	702.5	598.8	(+) 103.7	1,602.0	(+) 29.5
Fixed Assets	928.3	973.7	(-) 45.4	1,602.0	(+) 29.5
Total Assets	1,630.8	1,572.5	(+) 58.2	1,602.0	(+) 29.5
Current Liabilities	737.6	751.3	(-) 13.8	1,211.5	(-) 88.2
Fixed Liabilities	509.7	548.4	(-) 38.8	1,211.5	(-) 88.2
Minority Interest	40.1	39.1	(+) 1.0	40.5	(+) 1.4
Total Shareholder's Equity	343.5	233.7	(+) 109.7	350.0	(+) 116.3
Shareholder's Equity Ratio	21.1%	14.9%	(+) 6.2%	21.8%	(+) 6.9%
BPS (Yen)	405.45	275.92	(+) 129.53	413.15	(+) 137.23
Interest Bearing Debt	702.1	754.0	(-) 51.9	685.0	(-) 69.0

※BPS is divided by 847,145 thousand, the number of issued shares as of Dec. 31, 2004.

①Factors (from Mar. 31 2004 to Dec. 31 2004)

(Billions of Yen)

Assets (+) 58.2	Cash and cash equivalents (-) 17.1, Trade receivables (+) 58.5, Inventories (+) 73.3, Fixed assets (-) 23.5 (Investments in equipment (+) 34.4, Depreciation & Amortization (-) 35.0, Impairment losses (-) 18.3, Influence of consolidation change (+) 18.1, Sales and disposals etc. (-) 22.7), Investments & loans (+) 17.8, Recovery of investments & loans (-) 18.2, Equity in income of affiliates (+) 21.1, Others(Consolidation change etc.) (-) 53.7
Liabilities (-) 52.5	Interest bearing debt (-) 51.9 (Consolidation change (+) 13.2), Trade payables (-) 6.4 (national holiday (+) 8.2), Accrued income taxes (+) 10.2, Others (-) 4.4
Minority Interest (+) 1.0	
Shareholder's Equity (+) 109.7	Net income (+) 39.5, Dividends (-) 4.1, Offering of treasury stocks (+) 74.8, Others (-) 0.5

②Factors (from Mar. 31 2004 to Mar. 31 2005) (Forecast)

Assets (+) 29.5	Cash and cash equivalents (-) 21.3, Trade receivables and Inventories (+) 103.1, Fixed assets (-) 27.1 (Investments in equipment (+) 52.3, Depreciation & Amortization (-) 48.1, Influence of consolidation change (+) 18.1, Impairment and sales/disposals etc. (-) 49.4) Investments & loans (+) 19.8, Recovery of investments & loans (-) 24.3, Equity in income of affiliates (+) 29.7, Others(Consolidation change etc.) (-) 50.4
Liabilities (-) 88.2	Interest bearing debt (-) 69.0 (Consolidation change (+) 13.2), Trade payables (-) 15.6 (national holiday), Others (-) 3.6
Minority Interest (+) 1.4	
Shareholder's Equity (+) 116.3	Net income (+) 48.0, Dividends (-) 4.1, Offering of treasury stocks (+) 74.8, Others (-) 2.4

2 . Consolidated Cash Flows

(Billions of Yen)

	FY2004 1H	FY2004 3Q	Total	FY2003	FY2004 (forecast)
Cash Flows from Operating Activities	(-) 13.5	(-) 8.8	(-) 22.3	(+) 106.2	(+) 6.6
Cash Flows from Investing Activities	(-) 9.7	(-) 5.3	(-) 15.0	(+) 4.5	(-) 30.1
Cash Flows from Financing Activities	(+) 4.7	(+) 15.5	(+) 20.2	(-) 115.8	(+) 2.4
Effect of Exchange Rate Changes	(+) 0.2	(+) 0.3	(+) 0.5	(-) 1.0	(+) 0.2
Net Decrease in Cash and Cash Equivalents	(-) 18.3	(+) 1.6	(-) 16.7	(-) 6.1	(-) 21.0

(1) Total (1Q ~ 3Q FY2004) Breakdown

① Cash Flows from Operating Activities (-) 22.3

Ordinary income (+)103.5, Depreciation (+) 35.0,
Equity in income of unconsolidated subsidiaries and affiliates (-)21.1,
Trade receivables, inventories and trade payables (-) 123.4, Others(Tax etc.) (-) 16.3

② Cash Flows from Investing Activities (-) 15.0

Investments in equipment (-) 34.6, Investment and lending (-) 17.8,
Recovery of loans and investments (+) 27.6, Others (+) 9.8

③ Cash Flows from Financing Activities (+) 20.2

Offering of treasury stocks(+)74.8, Third party share allotment (+)17.1,
Interest bearing debt repayment (-) 64.9, Dividends (-) 4.1, Others (-) 2.7

(2) FY2004 (forecast) Breakdown

① Cash Flows from Operating Activities (+) 6.6

Ordinary income (+) 135.0, Depreciation (+) 48.1,
Equity in income of unconsolidated subsidiaries and affiliates (-)29.7,
Trade receivables, inventories and trade payables (-) 129.4, Others (-) 17.4

Cash Flows from Investing Activities (-) 30.1

Investments in equipment (-) 52.3, Investment and lending (-) 19.8,
Recovery of loans and investments (+) 38.8, Others (+) 3.2

Cash Flows from Financing Activities (+) 2.4

Offering of treasury stocks(+)74.8, Third party share allotment (+)17.1,
Interest bearing debt repayment (-) 82.4, Dividends (-) 4.1, Others (-) 3.0

3 . Dividends

FY2003				FY2004 (expected)			
Interim	final	total	*Payment amount	Interim	final	annual	*Payment amount
----	¥6.00	¥6.00	¥ 4,079 million	----	¥8.00	¥8.00	¥ 6,783 million

※number of shares: FY2003 679,883 thousand
FY2004 847,905 thousand

4 . Interest-bearing Debt

(Billions of Yen)

	Mar. 31 2004	Dec. 31 2004	Differences
Nippon Mining Holdings	60.4	88.7	(+) 28.3
Japan Energy	295.8	356.8	(+) 61.0
Kashima Oil	103.0	70.2	(-) 32.8
Nippon Mining & Metals	119.3	53.2	(-) 66.1
Nikko Materials	57.3	77.0	(+) 19.7
Nikko Metal Manufacturing	26.0	20.3	(-) 5.7
Others and eliminations	92.2	35.9	(-) 56.3
Total	754.0	702.1	(-) 51.9

5 . Debt to Equity Ratio

(Billions of Yen)

	Mar. 31 2002 (A)	Mar. 31 2003	Mar. 31 2004	Dec. 31 2004 (B)	Differences	Mar. 31 2005 (Forecast)
Interest-bearing Debt	892.8	876.4	754.0	702.1	(-) 190.7	685.0
Shareholder's Equity	181.5	204.9	233.7	343.5	(+) 162.0	350.0
Debt to Equity Ratio	4.92	4.28	3.23	2.04	(-) 2.88	1.96

6 . Capital Expenditure and Depreciation

(Billions of Yen)

	FY2004 3Q(9months)	FY2004(forecast)	FY2003
Capital expenditure	34.4	52.3	31.6
Depreciation	35.0	48.1	45.9
Differences	(-) 0.6	(+) 4.2	(-) 14.3

①Capital expenditure by segments (Billions of Yen)

	FY2004 3Q(9months)	FY2004(forecast)	FY2003
Petroleum (Japan Energy Group)	20.1	31.6	13.8
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	5.4	7.8	7.7
Electronic Materials (Nikko Materials Group)	4.1	7.3	3.8
Metal Fabrication (Nikko Metal Manufacturing Group)	3.4	3.9	2.3
Other	1.4	1.7	4.0
Total	34.4	52.3	31.6

②Depreciation by segments (Billions of Yen)

	FY2004 3Q(9months)	FY2004(forecast)	FY2003
Petroleum (Japan Energy Group)	22.4	31.2	26.6
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	5.2	7.1	7.0
Electronic Materials (Nikko Materials Group)	4.3	5.8	6.4
Metal Fabrication (Nikko Metal Manufacturing Group)	1.9	2.7	2.8
Other	1.2	1.3	3.1
Total	35.0	48.1	45.9

※Eliminations or Corporate included in "Other".

7 . Number of Employees

	Mar. 31 FY2003	Mar. 31 FY2004	Sep. 30 FY2004
Petroleum (Japan Energy Group)	4,447	4,254	4,232
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	2,604	1,471	1,466
Electronic Materials (Nikko Materials Group)	1,574	1,622	1,586
Metal Fabrication (Nikko Metal Manufacturing Group)	--	1,149	1,128
Other	1,758	1,362	977
Total	10,383	9,858	9,389