

Financial Results FY2006

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Nippon Mining Holdings, Inc.

May 9, 2007

<p>※ 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.</p>

I Financial Results FY2006

※ Since segment classification has been slightly changed from FY2006, all the figures by segment for FY2006 and FY2005 on the following statements are based on the new classification.

1. Operating Results(consolidated)

(Billions of Yen)

	FY2006			FY2005			Differences (FY2006-FY2005)
	1H	2H	Total	1H	2H	Total	
Net Sales	1,807.5	1,994.9	3,802.4	1,365.1	1,661.1	3,026.3	(○) 776.2
Operating Income	75.5	56.7	132.3	63.4	81.0	144.4	(×) 12.2
Other Income and Expenses, net	40.1	51.9	92.0	19.7	24.6	44.3	(○) 47.7
Income before Special Items	115.6	108.6	224.2	83.1	105.6	188.7	(○) 35.5
Special Profit and Loss, net	8.4	(12.5)	(4.2)	5.0	(21.1)	(16.1)	(○) 11.9
Income Taxes	37.8	47.6	85.4	28.7	32.2	60.9	(×) 24.5
Minority Interest	13.7	14.6	28.3	6.9	7.9	14.9	(×) 13.4
Net Income	72.5	33.9	106.4	52.5	44.4	96.9	(○) 9.5

(1) Scope of Consolidation

- ① Consolidated subsidiaries 114 (8 additions, 6 reductions)
- ② Equity method affiliates 15 (- additions, - reductions)

(2) Breakdown of Income before Special Items, ¥ 224.2 billion

① Operating Income ¥132.3bn

- Petroleum 75.9
- Metals 52.3
 - Resources & Metals 45.1
 - Electronic Materials (0.7)
 - Metal Manufacturing 6.1
 - Metals Group Adjustments 1.9
- Others 4.0

② Other Income (Expenses), net ¥92.0bn

- Interest and dividend income 4.6
- Amortization of negative goodwill 1.8
- Equity in income of non-consolidated subsidiaries and affiliates 94.9
- Interest expenses (13.1)
- Others 3.8

(3) Breakdown of Special Profit and Loss, ¥(4.2) billion

• Gain on sales of investments in securities	13.6
• Gain on sales of property, plant and equipment	2.1
• Loss on disposal of property, plant and equipment	(5.1)
• Impairment losses	(1.9)
• Reorganization and restructuring costs	(5.2)
• Provision for environmental remediation allowance	(2.7)
• Provision for allowance for cost of disposal of unutilized property, plant and equipment	(4.5)
• Others	(0.7)

(4) Segment Information

(Billions of Yen)

		FY2006			FY2005			Differences
		1H	2H	Total	1H	2H	Total	(FY2006-FY2005)
Petroleum (Japan Energy Group)	Net Sales	1,297.5	1,458.2	2,755.7	1,087.2	1,305.4	2,392.6	(○) 363.1
	Operating Income	38.4	37.5	75.9	42.1	54.5	96.6	(×) 20.7
	Income before Special Items	41.7	40.2	81.9	41.5	55.4	97.0	(×) 15.0
Metals (Nippon Mining & Metals Group)	Net Sales	503.6	520.5	1,024.1	268.8	338.3	607.1	(○) 417.0
	Operating Income	35.6	16.7	52.3	19.6	23.4	43.0	(○) 9.4
	Income before Special Items	70.5	63.6	134.1	37.9	45.0	82.8	(○) 51.2
Resources & Metals	Net Sales	438.2	448.9	887.0	218.1	277.2	495.4	(○) 391.7
	Operating Income	24.9	20.2	45.1	12.7	14.4	27.1	(○) 18.1
	Income before Special Items	60.1	67.6	127.8	31.5	36.7	68.2	(○) 59.5
Electronic Materials	Net Sales	64.6	65.0	129.6	47.4	58.9	106.3	(○) 23.2
	Operating Income	5.7	(6.4)	(0.7)	5.1	6.1	11.2	(×) 11.9
	Income before Special Items	5.1	(7.3)	(2.2)	4.3	5.3	9.6	(×) 11.8
Metal Manufacturing	Net Sales	35.1	35.3	70.4	23.1	29.6	52.8	(○) 17.6
	Operating Income	4.6	1.4	6.1	2.4	3.5	5.9	(○) 0.2
	Income before Special Items	4.9	1.7	6.6	2.6	3.6	6.2	(○) 0.5
Metals Group Adjustments	Net Sales	(34.3)	(28.6)	(62.9)	(19.8)	(27.5)	(47.3)	(×) 15.6
	Operating Income	0.3	1.5	1.9	(0.5)	(0.6)	(1.2)	(○) 3.0
	Income before Special Items	0.3	1.5	1.9	(0.5)	(0.6)	(1.2)	(○) 3.0
Others	Net Sales	25.0	40.7	65.7	23.2	35.4	58.6	(○) 7.1
	Operating Income	1.5	2.5	4.0	1.7	3.2	4.9	(×) 0.8
	Income before Special Items	3.4	4.9	8.3	3.7	5.2	8.9	(×) 0.6
Eliminations	Net Sales	(18.5)	(24.5)	(43.0)	(14.2)	(17.9)	(32.1)	(×) 11.0
Total	Net Sales	1,807.5	1,994.9	3,802.4	1,365.1	1,661.1	3,026.3	(○) 776.2
	Operating Income	75.5	56.7	132.3	63.4	81.0	144.4	(×) 12.2
	Income before Special Items	115.6	108.6	224.2	83.1	105.6	188.7	(○) 35.5

※The statement of FY2005 are based on the new segment classification.

(5) Assumptions

			FY2006			FY2005		
			1H	2H	Total	1H	2H	Total
All Segments		Exchange Rate (¥／\$)	115	119	117	109	117	113
Petroleum		Dubai Spot Price (\$ ／BBL)	65. 4	56. 4	60. 9	51. 6	55. 4	53. 5
		Market Price of Paraxylene (\$ ／ t) ACP Base	1, 133	1, 072	1, 103	859	947	903
Metals	Resources & Metals	Market Price of Copper (¢ ／lb)	338	295	316	162	210	186
		Electrolytic Copper Sales (1,000 tons／period)	308	338	645	302	287	588
	Electronic Materials	Electro-deposited Copper Foil Sales (tons／month)	2, 038	1, 730	1, 884	2, 097	2, 062	2, 080
		Treated Rolled Copper Foil Sales (1,000 meters／month)	3, 613	3, 562	3, 588	3, 021	4, 566	3, 794
	Metal Manufacturing	Wrought Copper Products Sales (1,000 tons／period)	20. 0	18. 3	38. 3	16. 8	19. 6	36. 4
		Special Steel Products Sales (1,000 tons／period)	2. 5	1. 4	4. 0	1. 9	2. 5	4. 4
		High Quality Products Ratio	42%	45%	43%	41%	45%	43%

2. Information by Segments

<1> Petroleum (Japan Energy Group)

(1) Operating Results

	FY2006	FY2005	(Billions of Yen) Differences
Net Sales	2,755.7	2,392.6	(○) 363.1
Operating Income	75.9	96.6	(×) 20.7
Income before Special Items	81.9	97.0	(×) 15.0

Factors in ¥15.0 billion decrease in the Income before Special Items

- Decrease of profit in inventory valuation (×) ¥37.7bn
 * FY05: ¥50.9bn → FY06: ¥13.2bn
 (includes loss in inventory valuation by)
 (lower of cost or market method (10.0))
- Increase in income for petrochemical business (○) ¥9.4bn
- Others (○) ¥7.6bn
 * Time lag, etc.
- Other income and expenses (○) ¥5.7bn
 * Improvement of exchange gain and loss, increase in equity in income of
 non-consolidated subsidiaries and affiliates, etc.

(2) Sales volume and growth rate

	Domestic sales volume (Thousands of KL)			Growth rate (FY2006 vs. FY2005)
	FY2006	FY2005	Differences	
Gasoline	6,085	6,188	(-) 103	98.3%
Naphtha	3,712	3,747	(-) 35	99.0%
Jet Fuel	652	635	(+) 17	102.7%
Kerosene	2,526	2,801	(-) 275	90.2%
Gas Oil	4,197	4,367	(-) 170	96.1%
A Heavy Fuel	2,594	2,833	(-) 239	91.6%
C Heavy Fuel	1,998	2,595	(-) 597	77.0%
Total	21,763	23,166	(-) 1,403	93.9%
Gasoline & Middle Distillation	15,402	16,189	(-) 787	95.1%

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

(Millions of KL)

		FY2006					FY2005				
		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
Group Total	Refining volume	4.53	5.83	5.69	5.52	21.56	4.55	5.28	5.44	5.48	20.74
	Utilization rate	79%	98%	94%	93%	91%	81%	93%	94%	97%	91%
	Comparison with Previous Year	100%	110%	105%	101%	104%	102%	112%	98%	101%	103%
Mizushima	Refining volume	2.94	2.97	2.93	2.79	11.63	1.97	2.69	2.79	2.90	10.36
	Utilization rate	99%	99%	98%	95%	98%	68%	92%	94%	99%	88%
	Comparison with Previous Year	149%	110%	105%	96%	112%	69%	111%	95%	103%	94%
Kashima	Refining volume	1.59	2.86	2.76	2.72	9.93	2.57	2.59	2.64	2.58	10.39
	Utilization rate	57%	98%	90%	91%	84%	94%	93%	95%	95%	94%
	Comparison with Previous Year	62%	111%	104%	106%	96%	161%	113%	102%	98%	114%

※ Capacity of Japan Energy Group' s Refineries

Japan Energy Mizushima Refinery : 205,200 Barrels/Day

Kashima Oil Kashima Refinery : 200,000 Barrels/Day

(from October 15, 2006 : 210,000 Barrels/Day)

<2> Metals (Nippon Mining & Metals Group)

(1) Operating Results

(Billions of Yen)

		FY2006	FY2005	Differences
Metals (Nippon Mining & Metals Group)	Net Sales	1,024.1	607.1	(○) 417.0
	Operating Income	52.3	43.0	(○) 9.4
	Income before Special Items	134.1	82.8	(○) 51.2
Resources & Metals	Net Sales	887.0	495.4	(○) 391.7
	Operating Income	45.1	27.1	(○) 18.1
	Income before Special Items	127.8	68.2	(○) 59.5
Electronic Materials	Net Sales	129.6	106.3	(○) 23.2
	Operating Income	(0.7)	11.2	(×) 11.9
	Income before Special Items	(2.2)	9.6	(×) 11.8
Metal Manufacturing	Net Sales	70.4	52.8	(○) 17.6
	Operating Income	6.1	5.9	(○) 0.2
	Income before Special Items	6.6	6.2	(○) 0.5
Metals Group Adjustments	Net Sales	(62.9)	(47.3)	(×) 15.6
	Operating Income	1.9	(1.2)	(○) 3.0
	Income before Special Items	1.9	(1.2)	(○) 3.0

<2-①> Resources & Metals Company Group

(1) Operating Results

(Billions of Yen)			
	FY2006	FY2005	Differences
Net Sales	887.0	495.4	(○) 391.7
Operating Income	45.1	27.1	(○) 18.1
Income before Special Items	127.8	68.2	(○) 59.5

Factors in ¥59.5bn increase in the Income before Special Items

- Resources & Metals Company and consolidated subsidiaries (○) ¥18.2bn
 - * Negative factors: Caserones project costs, etc.
 - * Positive factors: Metals prices up, TC/RC improvement, sales increase of Copper, etc.
- Equity in income of non-consolidated subsidiaries and affiliates (○) ¥41.3bn
 - * Minera Los Pelambres (○) ¥21.8bn (Copper price up, etc.)
 - * LS-Nikko (○) ¥5.8bn (Copper price up, TC/RC improvement, etc.)

(2) Price and Sales Volume

		FY2006			FY2005		
		1H	2H	Total	1H	2H	Total
Price	Copper (¢ /lb)	338	295	316	162	210	186
	Gold (\$ /TOZ)	625	632	629	433	520	477
	Platinum (\$ /TOZ)	1,200	1,160	1,180	883	998	940
	Palladium (\$ /TOZ)	335	332	333	189	265	227
Sales Volume	Copper (1,000 tons/period)	308	338	645	302	287	588

<2-②> Electronic Materials Company Group

(1) Operating Results

(Billions of Yen)

	FY2006	FY2005	Differences
Net Sales	129.6	106.3	(○) 23.2
Operating Income	(0.7)	11.2	(×) 11.9
Income before Special Items	(2.2)	9.6	(×) 11.8

Factors in ¥11.8 billion decrease in the Income before Special Items

① Operating Income (×)¥11.9bn

* Electro-deposited copper foil	(○) ¥5.5bn
* Treated rolled copper foil	(×) ¥1.0bn
* Sputtering targets	(×) ¥9.4bn
* Compound semiconductor materials and others	(○) ¥0.3bn
* Expenses including research and development costs	(○) ¥0.4bn
* Inventory valuation by lower of cost or market method	(○) ¥7.7bn

② Other Income and Expenses (○)¥0.1bn

(2) Breakdown by Products

(Billions of Yen)

		FY2006	FY2005	Differences
Electro-deposited and Treated Rolled Copper Foil	Net Sales	48.9	39.6	(○) 9.3
	Operating Income	5.2	0.7	(○) 4.5
Sputtering Targets	Net Sales	64.9	54.8	(○) 10.1
	Operating Income	2.2	11.6	(×) 9.4
Compound Semiconductor Materials and Others	Net Sales	15.8	11.9	(○) 3.9
	Operating Income	(0.4)	(1.1)	(○) 0.7
Inventory valuation by lower of cost or market method	Operating Income	(7.7)	—	(×) 7.7
Total	Net Sales	129.6	106.3	(○) 23.2
	Operating Income	(0.7)	11.2	(×) 11.9

※General and administrative cost allocation methods for each product group in Electronic Materials Company have been changed since FY2006. Accordingly, the figures for FY2005 above are presented in the same manner.

<2-③> Metal Manufacturing Company Group

(1) Operating Results

(Billions of Yen)

	FY2006	FY2005	Differences
Net Sales	70.4	52.8	(○) 17.6
Operating Income	6.1	5.9	(○) 0.2
Income before Special Items	6.6	6.2	(○) 0.5

Factors in ¥0.5 billion increase in the Income before Special Items

- ① Sales increase of phosphor bronze, titanium copper, etc. (○) ¥0.8bn
- ② Sales decrease of corson alloy, rolled copper foil, etc. (×) ¥0.9bn
- ③ Metals prices up (○) ¥1.5bn
- ④ Nikko Woojin Precision Manufacturing (Suzhou) Co., Ltd. (×) ¥0.3bn
(Increase of fixed cost due to full operation for precision rolling business, deterioration in CRT market)
- ⑤ Others(cost up, etc.) (×) ¥0.6bn

(2) Sales by Products

(Billions of Yen)

		FY2006	FY2005	Differences
Wrought copper	Phosphor bronze	24.0	15.3	(○) 8.7
	Corson alloy	8.1	6.8	(○) 1.3
	Copper foil	7.7	7.1	(○) 0.6
	Others	12.0	9.0	(○) 3.0
Special steel	Stainless steel	1.8	2.0	(×) 0.2
	High-nickel alloy	4.2	4.0	(○) 0.2
	Others	0.3	0.3	—
Precision processing		11.8	9.1	(○) 2.7
Eliminations		0.5	(0.8)	(○) 1.3
Total		70.4	52.8	(○) 7.6

3. Comparison with the Previous Forecasts

(1) Assumptions

(17) Assumptions			FY2006		
			Actual	Previous forecasts (Mar. 28)	Differences
All Segments		Exchange Rate (¥／\$)	117	117	—
Petroleum		Dubai Spot Price (\$／BBL)	60.9	60.8	(+) 0.1
		Market Price of Paraxylene (\$／t) ACP Base	1,103	1,102	(+) 1
Metals	Resources & Metals	Market Price of Copper (¢／lb)	316	313	(+) 3
		Electrolytic Copper Sales (1,000 tons／period)	645	646	(－) 1
	Electronic Materials	Electro-deposited Copper Foil Sales (tons／month)	1,884	1,880	(+) 4
		Treated Rolled Copper Foil Sales (1,000 meters／month)	3,588	3,579	(+) 9
	Metal Manufacturing	Wrought Copper Products Sales (1,000 tons／period)	38.3	38.2	(+) 0.1
		Special Steel Products Sales (1,000 tons／period)	4.0	4.0	—
		High Quality Products Ratio	43%	43%	—

(2) Operating Results (consolidated)

(Billions of Yen)

	FY2006		
	Actual	Previous forecasts (Mar. 28)	Differences
Net Sales	3,802.4	3,800.0	(○) 2.4
Operating Income	132.3	125.0	(○) 7.3
Income before Special Items	224.2	215.0	(○) 9.2
Net Income	106.4	103.0	(○) 3.4
Ratio of Income before Special Items to Net Sales	5.9%	5.7%	(○) 0.2%
Earnings Per Share (yen)	114.8	111.1	(○) 3.7
Number of Shares (1,000 Shares)	926,909	926,950	(41)

※ Profit or loss in inventory valuation

(Billions of Yen)

	Actual				Previous forecasts (Mar. 28)		
	Petroleum	Metals	Others	Total	Petroleum	Metals	Total
Inventory valuation by periodic average and FIFO method	14.2	(2.2)	–	12.0	12.5	(2.0)	10.5
Inventory valuation by lower of cost or market method	(1.0)	(7.7)	(0.1)	(8.7)	(1.5)	(7.0)	(8.5)
Total	13.2	(9.9)	(0.1)	3.3	11.0	(9.0)	2.0

(3) Segment Information

(Billions of Yen)

		FY2006		
		Actual	Previous forecasts (Mar. 28)	Differences
Petroleum (Japan Energy Group)	Net Sales	2,755.7	2,750.0	(○) 5.7
	Operating Income	75.9	70.0	(○) 5.9
	Income before Special Items	81.9	76.0	(○) 5.9
Metals (Nippon Mining & Metals Group)	Net Sales	1,024.1	1,017.0	(○) 7.1
	Operating Income	52.3	51.0	(○) 1.3
	Income before Special Items	134.1	131.5	(○) 2.6
	Resources & Metals	Net Sales	887.0	(○) 6.0
		Operating Income	45.1	(○) 1.6
		Income before Special Items	127.8	(○) 2.8
	Electronic Materials	Net Sales	129.6	(×) 0.4
		Operating Income	(0.7)	(×) 0.7
		Income before Special Items	(2.2)	(×) 0.7
	Metal Manufacturing	Net Sales	70.4	(○) 0.4
		Operating Income	6.1	(○) 0.1
		Income before Special Items	6.6	(○) 0.1
	Metals Group Adjustments	Net Sales	(62.9)	(○) 1.1
		Operating Income	1.9	(○) 0.4
		Income before Special Items	1.9	(○) 0.4
Others	Net Sales	65.7	66.0	(×) 0.3
	Operating Income	4.0	4.0	—
	Income before Special Items	8.3	7.5	(○) 0.8
Eliminations	Net Sales	(43.0)	(33.0)	(×) 10.0
Total	Net Sales	3,802.4	3,800.0	(○) 2.4
	Operating Income	132.3	125.0	(○) 7.3
	Income before Special Items	224.2	215.0	(○) 9.2

(4) Income before Special Items

(Billions of Yen)

	Actual	Previous forecasts (Mar. 28)	Differences	Notes
Petroleum (Japan Energy Group)	81.9	76.0	(○) 5.9	<ul style="list-style-type: none"> ➤ Increase of profit in inventory valuation ➤ Cost reduction
Metals (Nippon Mining & Metals Group)	134.1	131.5	(○) 2.6	
Resources & Metals	127.8	125.0	(○) 2.8	<ul style="list-style-type: none"> ➤ Copper price up ➤ Cost reduction
Electronic Materials	(2.2)	(1.5)	(×) 0.7	<ul style="list-style-type: none"> ➤ Sales increase of Treated Rolled Copper Foil ➤ Cost reduction ➤ Increase of loss in inventory valuation by lower of cost or market method
Metal Manufacturing	6.6	6.5	(○) 0.1	<ul style="list-style-type: none"> ➤ Cost reduction
Metals Group Adjustments	1.9	1.5	(○) 0.4	<ul style="list-style-type: none"> ➤ Elimination of unrealized profits in Metals group
Others	8.3	7.5	(○) 0.8	
Total	224.2	215.0	(○) 9.2	

4. Quarterly Results FY2006

(Billions of Yen)

		1H			2H			Full Year
		1Q	2Q	Total	3Q	4Q	Total	
Petroleum (Japan Energy Group)	Net Sales	601.2	696.2	1,297.5	731.5	726.7	1,458.2	2,755.7
	Operating Income	9.4	29.0	38.4	22.3	15.2	37.5	75.9
	Income before Special Items	10.3	31.4	41.7	23.8	16.4	40.2	81.9
Metals (Nippon Mining & Metals Group)	Net Sales	249.9	253.7	503.6	273.2	247.3	520.5	1,024.1
	Operating Income	17.9	17.7	35.6	14.5	2.2	16.7	52.3
	Income before Special Items	30.1	40.4	70.5	42.2	21.4	63.6	134.1
Resources & Metals	Net Sales	218.5	219.7	438.2	236.4	212.5	448.9	887.0
	Operating Income	11.8	13.2	24.9	10.9	9.3	20.2	45.1
	Income before Special Items	24.2	35.9	60.1	38.9	28.7	67.6	127.8
Electronic Materials	Net Sales	31.7	32.8	64.6	34.4	30.6	65.0	129.6
	Operating Income	3.5	2.2	5.7	1.2	(7.6)	(6.4)	(0.7)
	Income before Special Items	3.1	2.0	5.1	0.7	(8.0)	(7.3)	(2.2)
Metal Manufacturing	Net Sales	16.9	18.2	35.1	19.1	16.2	35.3	70.4
	Operating Income	2.4	2.2	4.6	1.9	(0.4)	1.4	6.1
	Income before Special Items	2.6	2.3	4.9	1.9	(0.2)	1.7	6.6
Metals Group Adjustments	Net Sales	(17.2)	(17.1)	(34.3)	(16.7)	(11.9)	(28.6)	(62.9)
	Operating Income	0.2	0.1	0.3	0.6	0.9	1.5	1.9
	Income before Special Items	0.2	0.1	0.3	0.6	0.9	1.5	1.9
Others	Net Sales	9.1	15.9	25.0	11.7	29.0	40.7	65.7
	Operating Income	0.4	1.1	1.5	0.6	1.9	2.5	4.0
	Income before Special Items	1.6	1.8	3.4	2.1	2.8	4.9	8.3
Eliminations	Net Sales	(6.1)	(12.4)	(18.5)	(7.5)	(17.1)	(24.5)	(43.0)
Total	Net Sales	854.2	953.4	1,807.5	1,009.0	985.9	1,994.9	3,802.4
	Operating Income	27.7	47.8	75.5	37.4	19.3	56.7	132.3
	Income before Special Items	42.0	73.6	115.6	68.0	40.6	108.6	224.2

II Annual Forecasts FY2007

1. Comparison with FY2006

(1) Assumptions

			FY2007 (Forecasts)			FY2006 (Actual)		
			1H	2H	Total	1H	2H	Total
All Segments		Exchange Rate (¥／\$)	115	115	115	115	119	117
Petroleum		Dubai Spot Price (\$ ／BBL)	58.0	58.0	58.0	65.4	56.4	60.9
		Market Price of Paraxylene (\$ ／t) ACP Market Base	1,065	1,075	1,070	1,133	1,072	1,103
Metals	Resources & Metals	Market Price of Copper (¢ ／lb)	280	280	280	338	295	316
		Electrolytic Copper Sales (1,000 tons／period)	328	328	656	308	338	645
	Electronic Materials	Electro-deposited Copper Foil Sales (tons／month)	2,124	2,133	2,128	2,038	1,730	1,884
		Treated Rolled Copper Foil Sales (1,000 meters／month)	4,200	4,500	4,350	3,613	3,562	3,588
	Metal Manufacturing	Wrought Copper Products Sales (1,000 tons／period)	18.3	20.2	38.5	20.0	18.3	38.3
		Special Steel Products Sales (1,000 tons／period)	1.7	1.5	3.2	2.5	1.4	4.0
		High Quality Products Ratio	44%	45%	45%	42%	45%	43%

(2) Operating Forecasts (consolidated)

(Billions of Yen)

	FY2007 (Forecasts)			FY2006 (Actual)			Differences (FY2007-FY2006)
	1H	2H	Total	1H	2H	Total	
Net Sales	1,796.0	2,014.0	3,810.0	1,807.5	1,994.9	3,802.4	(○) 7.6
Operating Income	36.0	66.0	1,02.0	75.5	56.7	1,32.3	(×) 30.3
Income before Special Items	64.0	96.0	1,60.0	1,15.6	1,08.6	2,24.2	(×) 64.2
Net Income	37.0	53.0	90.0	72.5	33.9	1,06.4	(×) 16.4
Ratio of Income before Special Items to Net Sales	3.6%	4.8%	4.2%	6.4%	5.5%	5.9%	(×) 1.7%
Earnings Per Share (yen)			97.1			114.8	(×) 17.7
Number of shares (1000 Shares)			926,909			926,909	—

※ Profit or loss in inventory valuation

(Billions of Yen)

	FY2007 (Forecasts)				FY2006 (Actual)			
	Petroleum	Metals	Others	Total	Petroleum	Metals	Others	Total
Inventory valuation by periodic average and FIFO method	—	—	—	—	14.2	(2.2)	—	12.0
Inventory valuation by lower of cost or market method	—	—	—	—	(1.0)	(7.7)	(0.1)	(8.7)
Total	—	—	—	—	13.2	(9.9)	(0.1)	3.3

(3) Operating Forecasts by Segments

(Billions of Yen)

		FY2007 (Forecasts)			FY2006 (Actual)			Differences		
		1H	2H	Total	1H	2H	Total	1H	2H	Total
Petroleum (Japan Energy Group)	Net Sales	1,310.0	1,500.0	2,810.0	1,297.5	1,458.2	2,755.7	(○)12.5	(○)41.8	(○)54.3
	Operating Income	16.0	41.5	57.5	38.4	37.5	75.9	(×)22.4	(○)4.0	(×)18.4
	Income before Special Items	15.0	41.0	56.0	41.7	40.2	81.9	(×)26.7	(○)0.8	(×)25.9
Metals (Nippon Mining & Metals Group)	Net Sales	477.0	503.0	980.0	503.6	520.5	1,024.1	(×)26.6	(×)17.5	(×)44.1
	Operating Income	19.0	22.0	41.0	35.6	16.7	52.3	(×)16.6	(○)5.3	(×)11.3
	Income before Special Items	46.0	52.0	98.0	70.5	63.6	134.1	(×)24.5	(×)11.6	(×)36.1
Resources & Metals	Net Sales	396.0	407.0	803.0	438.2	448.9	887.0	(×)42.2	(×)41.9	(×)84.0
	Operating Income	11.5	10.5	22.0	24.9	20.2	45.1	(×)13.4	(×)9.7	(×)23.1
	Income before Special Items	40.0	42.5	82.5	60.1	67.6	127.8	(×)20.1	(×)25.1	(×)45.3
Electronic Materials	Net Sales	74.0	82.0	156.0	64.6	65.0	129.6	(○)9.4	(○)17.0	(○)26.4
	Operating Income	4.5	6.5	11.0	5.7	(6.4)	(0.7)	(×)1.2	(○)12.9	(○)11.7
	Income before Special Items	3.0	5.0	8.0	5.1	(7.3)	(2.2)	(×)2.1	(○)12.3	(○)10.2
Metal Manufacturing	Net Sales	35.0	40.0	75.0	35.1	35.3	70.4	(×)0.1	(○)4.7	(○)4.6
	Operating Income	2.5	5.0	7.5	4.6	1.4	6.1	(×)2.1	(○)3.6	(○)1.4
	Income before Special Items	2.5	4.5	7.0	4.9	1.7	6.6	(×)2.4	(○)2.8	(○)0.4
Metals Group Adjustments	Net Sales	(28.0)	(26.0)	(54.0)	(34.3)	(28.6)	(62.9)	(○)6.3	(○)2.6	(○)8.9
	Operating Income	0.5	—	0.5	0.3	1.5	1.9	(○)0.2	(×)1.5	(×)1.4
	Income before Special Items	0.5	—	0.5	0.3	1.5	1.9	(○)0.2	(×)1.5	(×)1.4
Others	Net Sales	32.0	36.0	68.0	25.0	40.7	65.7	(○)7.0	(×)4.7	(○)2.3
	Operating Income	1.0	2.5	3.5	1.5	2.5	4.0	(×)0.5	—	(×)0.5
	Income before Special Items	3.0	3.0	6.0	3.4	4.9	8.3	(×)0.4	(×)1.9	(×)2.3
Eliminations	Net Sales	(23.0)	(25.0)	(48.0)	(18.5)	(24.5)	(43.0)	(×)4.5	(×)0.5	(×)5.0
Total	Net Sales	1,796.0	2,014.0	3,810.0	1,807.5	1,994.9	3,802.4	(×)11.5	(○)19.1	(○)7.6
	Operating Income	36.0	66.0	102.0	75.5	56.7	132.3	(×)39.5	(○)9.3	(×)30.3
	Income before Special Items	64.0	96.0	160.0	115.6	108.6	224.2	(×)51.6	(×)12.6	(×)64.2

<4> Income before Special Items (FY2007 vs. FY2006)

(Billions of Yen)

	FY2007 (Forecasts)	FY2006 (Actual)	Differences	Notes
Petroleum (Japan Energy Group)	56.0	81.9	(×) 25.9	<ul style="list-style-type: none"> ➤ Inventory valuation (×)¥13.2bn (FY2006: (+)¥13.2bn → FY2007: (-)) ➤ Exploration & Development (×)¥5.1bn ➤ Amendment to tax depreciation system (×)¥5.0bn ➤ Others (×)¥2.6bn
Metals (Nippon Mining & Metals Group)	98.0	134.1	(×) 36.1	
Resources & Metals	82.5	127.8	(×) 45.3	<ul style="list-style-type: none"> ➤ Resources & Metals Company and consolidated subsidiaries(×)¥23.4bn <ul style="list-style-type: none"> • Copper price down • TC/RC deterioration • Increase of cost for Caserones project ➤ Equity in income of non-consolidated subsidiaries and affiliates(×)¥21.9bn <ul style="list-style-type: none"> • Copper price down • TC/RC deterioration in LS-Nikko
Electronic Materials	8.0	(2.2)	(○) 10.2	<ul style="list-style-type: none"> ➤ Sales increase of main products ➤ Decrease of loss in inventory valuation
Metal Manufacturing	7.0	6.6	(○) 0.4	<ul style="list-style-type: none"> ➤ Increase of profit in consolidated subsidiaries, etc.
Metals Group Adjustments	0.5	1.9	(×) 1.4	<ul style="list-style-type: none"> ➤ Elimination of unrealized profits in Metals group
Others	6.0	8.3	(×) 2.3	<ul style="list-style-type: none"> ➤ Decrease of profit in Independent Operating Companies & Functional Support Companies
Total	160.0	224.2	(×) 64.2	

2. Information by Segments

<1> Petroleum (Japan Energy Group)

(1) Forecasts

(Billions of Yen)

	FY2007 (Forecasts)			FY2006 (Actual)			Differences		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Net Sales	1,310.0	1,500.0	2,810.0	1,297.5	1,458.2	2,755.7	(○)12.5	(○)41.8	(○)54.3
Operating Income	16.0	41.5	57.5	38.4	37.5	75.9	(×)22.4	(○) 4.0	(×)18.4
Income before Special Items	15.0	41.0	56.0	41.7	40.2	81.9	(×)26.7	(○) 0.8	(×)25.9

(2) Sales volume and growth rate of fuel oil

	Domestic sales volume (Thousands of KL)			Growth rate (2007 vs. 2006)
	FY2007 (Forecasts)	FY2006 (Actual)	Differences	
Gasoline	6,090	6,085	(+) 5	100.0%
Naphtha	4,390	3,712	(+) 678	118.3%
Jet Fuel	610	652	(-) 42	93.6%
Kerosene	2,660	2,526	(+) 134	105.3%
Gas Oil	4,190	4,197	(-) 7	99.8%
A Heavy Fuel	2,500	2,594	(-) 94	96.4%
C Heavy Fuel	1,870	1,998	(-) 128	93.6%
Total	22,310	21,763	(+) 547	102.5%
Gasoline & Middle Distillation	15,440	15,402	(+) 38	100.2%

(3) Number of JOMO Service Stations

	2002 Mar. 31	2003 Mar. 31	2004 Mar. 31	2005 Mar. 31	2006 Mar. 31	2007 Mar. 31
Owned by Japan Energy <Self-SS>	1,284 <105>	1,229 <227>	1,207 <264>	1,172 <297>	1,154 <347>	1,143 <384>
Owned by wholesalers and others <Self-SS>	3,192 <59>	3,067 <95>	2,943 <121>	2,851 <143>	2,679 <187>	2,565 <222>
Total <Self-SS>	4,476 <164>	4,296 <322>	4,150 <385>	4,023 <440>	3,833 <534>	3,708 <606>

(4) Petrochemical Profit

(Billions of Yen)

FY2007 (Forecasts)	FY2006	FY2005	FY2004
24.0	24.9	15.5	24.5

<2> Metals (Nippon Mining & Metals Group)

(1) Forecasts

(Billions of Yen)

		FY2007 (Forecasts)			FY2006 (Actual)			Differences		
		1H	2H	Total	1H	2H	Total	1H	2H	Total
Metals (Nippon Mining & Metals Group)	Net Sales	477.0	503.0	980.0	503.6	520.5	1,024.1	(×)26.6	(×)17.5	(×)44.1
	Operating Income	19.0	22.0	41.0	35.6	16.7	52.3	(×)16.6	(○) 5.3	(×)11.3
	Income before Special Items	46.0	52.0	98.0	70.5	63.6	1,34.1	(×)24.5	(×)11.6	(×)36.1
Resources & Metals	Net Sales	396.0	407.0	803.0	438.2	448.9	887.0	(×)42.2	(×)41.9	(×)84.0
	Operating Income	11.5	10.5	22.0	24.9	20.2	45.1	(×)13.4	(×) 9.7	(×)23.1
	Income before Special Items	40.0	42.5	82.5	60.1	67.6	1,27.8	(×)20.1	(×)25.1	(×)45.3
Electronic Materials	Net Sales	74.0	82.0	1,56.0	64.6	65.0	1,29.6	(○) 9.4	(○)17.0	(○)26.4
	Operating Income	4.5	6.5	11.0	5.7	(6.4)	(0.7)	(×) 1.2	(○)12.9	(○)11.7
	Income before Special Items	3.0	5.0	8.0	5.1	(7.3)	(2.2)	(×) 2.1	(○)12.3	(○)10.2
Metal Manufacturing	Net Sales	35.0	40.0	75.0	35.1	35.3	70.4	(×) 0.1	(○) 4.7	(○) 4.6
	Operating Income	2.5	5.0	7.5	4.6	1.4	6.1	(×) 2.1	(○) 3.6	(○) 1.4
	Income before Special Items	2.5	4.5	7.0	4.9	1.7	6.6	(×) 2.4	(○) 2.8	(○) 0.4
Metals Group Adjustments	Net Sales	(28.0)	(26.0)	(54.0)	(34.3)	(28.6)	(62.9)	(○) 6.3	(○) 2.6	(○) 8.9
	Operating Income	0.5	—	0.5	0.3	1.5	1.9	(○) 0.2	(×) 1.5	(×) 1.4
	Income before Special Items	0.5	—	0.5	0.3	1.5	1.9	(○) 0.2	(×) 1.5	(×) 1.4

<2-①> Resources & Metals Company Group

(1) Forecasts

(Billions of Yen)

	FY2007 (Forecasts)			FY2006 (Actual)			Differences		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Net Sales	396.0	407.0	803.0	438.2	448.9	887.0	(×)42.2	(×)41.9	(×)84.0
Operating Income	11.5	10.5	22.0	24.9	20.2	45.1	(×)13.4	(×)9.7	(×)23.1
Income before Special Items	40.0	42.5	82.5	60.1	67.6	127.8	(×)20.1	(×)25.1	(×)45.3

(2) Price and Sales Volume

		FY2007 (Forecasts)			FY2006 (Actual)		
		1H	2H		1H	2H	
Price	Copper (¢/lb)	280	280	280	338	295	316
	Gold (\$/TOZ)	570	570	570	625	632	629
	Platinum (\$/TOZ)	1,100	1,100	1,100	1,200	1,160	1,180
	Palladium (\$/TOZ)	300	300	300	335	332	333
Sales Volume	Electrolytic Copper (1,000 tons/period)	328	328	656	308	338	645

<2-②> Electronic Materials Company Group

(1) Forecasts

(Billions of Yen)

	FY2007 (Forecasts)			FY2006 (Actual)			Differences		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Net Sales	74.0	82.0	156.0	64.6	65.0	129.6	(○) 9.4	(○) 17.0	(○) 26.4
Operating Income	4.5	6.5	11.0	5.7	(6.4)	(0.7)	(×) 1.2	(○) 12.9	(○) 11.7
Income before Special Items	3.0	5.0	8.0	5.1	(7.3)	(2.2)	(×) 2.1	(○) 12.3	(○) 10.2

(2) Breakdown by products

(Billions of Yen)

		FY2007 (Forecasts)			FY2006 (Actual)			Differences		
		1H	2H	Total	1H	2H	Total	1H	2H	Total
Electro-deposited and Treated Rolled Copper Foil	Net Sales	27.1	28.0	55.1	24.5	24.4	48.9	(○) 2.6	(○) 3.6	(○) 6.2
	Operating Income	3.1	2.8	5.9	3.3	1.9	5.2	(×) 0.2	(○) 0.9	(○) 0.7
Sputtering Targets	Net Sales	42.1	49.1	91.2	32.1	32.8	64.9	(○) 10.0	(○) 16.3	(○) 26.3
	Operating Income	3.9	5.2	9.1	2.6	(0.4)	2.2	(○) 1.3	(○) 5.6	(○) 6.9
Compound semiconductor materials and Others	Net Sales	4.8	4.9	9.7	8.0	7.8	15.8	(×) 3.2	(×) 2.9	(×) 6.1
	Operating Income	(2.5)	(1.5)	(4.0)	(0.2)	(0.2)	(0.4)	(×) 2.3	(×) 1.3	(×) 3.6
Inventory valuation by lower of cost or market method	Operating Income	—	—	—	—	(7.7)	(7.7)	—	(○) 7.7	(○) 7.7
Total	Net Sales	74.0	82.0	156.0	64.6	65.0	129.6	(○) 9.4	(○) 17.0	(○) 26.4
	Operating Income	4.5	6.5	11.0	5.7	(6.4)	(0.7)	(×) 1.2	(○) 12.9	(○) 11.7

<2-③> Metal Manufacturing Company Group

(1) Forecasts

(Billions of Yen)

	FY2007 (Forecasts)			FY2006 (Actual)			Differences		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Net Sales	35.0	40.0	75.0	35.1	35.3	70.4	(×) 0.1	(○) 4.7	(○) 4.6
Operating Income	2.5	5.0	7.5	4.6	1.4	6.1	(×) 2.1	(○) 3.6	(○) 1.4
Income before Special Items	2.5	4.5	7.0	4.9	1.7	6.6	(×) 2.4	(○) 2.8	(○) 0.4

(2) Sales by products

(Billions of Yen)

		FY2007 (Forecasts)			FY2006 (Actual)			Differences		
		1H	2H	Total	1H	2H	Total	1H	2H	Total
Wrought copper	Phosphor bronze	10.0	11.1	21.1	12.3	11.7	24.0	(×) 2.3	(×) 0.6	(×) 2.9
	Corson alloy	3.2	3.9	7.1	3.9	4.2	8.1	(×) 0.7	(×) 0.3	(×) 1.0
	Copper foil	3.9	4.4	8.3	4.2	3.5	7.7	(×) 0.3	(○) 0.9	(○) 0.6
	Others	5.9	7.0	12.9	6.4	5.6	12.0	(×) 0.5	(○) 1.4	(○) 0.9
Special steel	Stainless steel	1.0	0.8	1.8	1.1	0.7	1.8	(×) 0.1	(○) 0.1	—
	High-nickel alloy	2.0	1.6	3.6	2.5	1.7	4.2	(×) 0.5	(×) 0.1	(×) 0.6
	Others	0.1	0.2	0.3	0.1	0.2	0.3	—	—	—
Precision processing		5.3	6.8	12.1	6.3	5.5	11.8	(×) 1.0	(○) 1.3	(○) 0.3
Eliminations		3.6	4.2	7.8	(1.7)	2.2	0.5	(○) 5.3	(○) 2.0	(○) 7.3
Total		35.0	40.0	75.0	35.1	35.3	70.4	(×) 0.1	(○) 4.7	(○) 4.6

3. Comparison with the previous forecasts

(1) Assumptions

			FY2007		
			Revised forecasts	Previous forecasts (Apr. 9)	Differences
All Segments		Exchange Rate (¥/\$)	115	115	—
Petroleum	Dubai Spot Price (\$/BBL)		58.0	50.0	(+) 8.0
	Market Price of Paraxylene (\$/t) ACP Market Base		1,070	980	(+) 90
Metals	Resources & Metals	Market Price of Copper (¢/lb)	280	200	(+) 80
		Electrolytic Copper Sales (1,000 tons/period)	656	656	—
	Electronic Materials	Electro-deposited Copper Foil Sales (tons/month)	2,128	2,128	—
		Treated Rolled Copper Foil Sales (1,000 meters/month)	4,350	4,350	—
	Metal Manufacturing	Wrought Copper Products Sales (1,000 tons/period)	38.5	38.5	—
		Special Steel Products Sales (1,000 tons/period)	3.2	3.2	—
		High Quality Products Ratio	45%	45%	—

(2) Annual Forecasts

(Billions of Yen)

	FY2007 (Full year)		
	Revised forecasts	Previous forecasts (Apr. 9)	Differences
Net Sales	3,810.0	3,478.0	(○) 332.0
Operating Income	102.0	97.0	(○) 5.0
Income before Special Items	160.0	135.0	(○) 25.0
Net Income	90.0	79.0	(○) 11.0
Ratio of Income before Special Items to Net Sales	4.2%	3.9%	(○) 0.3%
Earnings Per Share (yen)	97.1	85.2	(○) 11.9
Number of Share (1,000 Shares)	926,909	926,909	—

(3) Segment Information

(Billions of Yen)

		FY2007		
		Revised forecasts	Previous forecasts (Apr. 9)	Differences
Petroleum (Japan Energy Group)	Net Sales	2,810.0	2,650.0	(○) 160.0
	Operating Income	57.5	57.5	—
	Income before Special Items	56.0	56.0	—
Metals (Nippon Mining & Metals Group)	Net Sales	980.0	806.0	(○) 174.0
	Operating Income	41.0	36.0	(○) 5.0
	Income before Special Items	98.0	73.0	(○) 25.0
Resources & Metals	Net Sales	803.0	642.0	(○) 161.0
	Operating Income	22.0	17.0	(○) 5.0
	Income before Special Items	82.5	57.5	(○) 25.0
Electronic Materials	Net Sales	156.0	150.0	(○) 6.0
	Operating Income	11.0	11.0	—
	Income before Special Items	8.0	8.0	—
Metal Manufacturing	Net Sales	75.0	68.0	(○) 7.0
	Operating Income	7.5	7.5	—
	Income before Special Items	7.0	7.0	—
Metals Group Adjustments	Net Sales	(54.0)	(54.0)	—
	Operating Income	0.5	0.5	—
	Income before Special Items	0.5	0.5	—
Others	Net Sales	68.0	70.0	(×) 2.0
	Operating Income	3.5	3.5	—
	Income before Special Items	6.0	6.0	—
Eliminations	Net Sales	(48.0)	(48.0)	—
Total	Net Sales	3,810.0	3,478.0	(○) 332.0
	Operating Income	102.0	97.0	(○) 5.0
	Income before Special Items	160.0	135.0	(○) 25.0

(4) Income before Special Items FY2007

(Billions of Yen)

	Revised forecasts	Previous forecasts (Apr. 9)	Differences	Notes
Petroleum (Japan Energy Group)	56.0	56.0	—	<ul style="list-style-type: none"> ➤ Increase of energy cost ➤ Increase of profit in exploration & development companies ➤ Cost reduction
Metals (Nippon Mining & Metals Group)	98.0	73.0	(○) 25.0	
Resources & Metals	82.5	57.5	(○) 25.0	➤ Copper price up
Electronic Materials	8.0	8.0	—	
Metal Manufacturing	7.0	7.0	—	
Metals Group Adjustments	0.5	0.5	—	
Others	6.0	6.0	—	
Total	160.0	135.0	(○) 25.0	

III Consolidated Balance Sheet, Consolidated Cash Flows etc.

1. Consolidated Balance Sheet

(Billions of Yen)

	Mar. 31, 2007 [A]	※1 Mar. 31, 2006 [B]	Differences [A] - [B]	Mar. 31 2008 (Forecasts) [C]	Differences (Forecasts) [C] - [A]
Current assets	996.8	906.4	(+) 90.4		
Fixed assets	1,059.6	953.2	(+) 106.4		
Total assets	2,056.4	1,859.6	(+) 196.8	2,187.0	(+) 130.6
Current liabilities	973.5	921.0	(+) 52.5		
Long-term liabilities	381.8	425.1	(-) 43.2		
Total liabilities	1,355.3	1,346.1	(+) 9.3	1,408.0	(+) 52.7
Net assets	701.1	513.5	(+) 187.6	779.0	(+) 77.9
Shareholders' equity and valuation and translation adjustment	622.5	467.5	(+) 155.0	696.0	(+) 73.5
Minority interest in consolidated subsidiaries	78.6	46.0	(+) 32.6	83.0	(+) 4.4

※2 Shareholders' Equity Ratio	30.3%	25.1%	(+) 5.2%	31.8%	(+) 1.5%
※2 BPS (¥/Share)	671.56	551.36	(+) 120.20	750.88	(+) 79.32
Interest-bearing Debt	689.4	684.7	(+) 4.7	794.0	(+) 104.6

※1: Consolidated balance sheet as of Mar. 31, 2006 is reclassified in conformity with new accounting standard.

※2: In calculation of Shareholders' Equity Ratio and BPS, "Shareholders' equity and valuation and translation adjustment" is used as shareholders' equity.

①Factors in Change from Mar.31, 2006 to Mar..31, 2007

(Billions of Yen)

(1) Assets (+) 196.8

➤ Cash and cash equivalents	(-) 18.6
➤ Notes and account receivable, trade and Inventories (excluding the amount of transactions with Mitsui Mining and Smelting)	(+) 81.5
➤ Capital expenditures	(+) 98.1
➤ Depreciation and amortization	(-) 48.8
➤ Acquisition of investments in securities and lending of loans (including acquisition of copper smelting business from Mitsui Mining and Smelting)	(+) 40.1
➤ Difference in equity in income of affiliates and dividend received from such companies	(+) 30.8
➤ Unrealized gain on marketable securities	(-) 6.4
➤ Others (changes in scope of consolidation, etc.)	(+) 20.1

(2) Liabilities (+) 9.3

➤ Interest-bearing debt (including increase due to subsidiaries newly included consolidation:13.7)	(+) 4.7
➤ Notes and account payable, trade	(-) 22.9
➤ Accrued consumption tax, etc.	(+) 12.7
➤ Accrued expenses for property, plant and equipment	(+) 12.8
➤ Others	(+) 2.0

(3) Net assets (+) 187.6

➤ New issuance of stocks	(+) 67.7
➤ Net income	(+) 106.4
➤ Cash dividends paid	(-) 20.1
➤ Unrealized gain on marketable securities	(-) 3.5
➤ Accumulated translation adjustment	(+) 3.3
➤ Minority interest, etc.	(+) 33.8

②Factors in Change from Mar.31, 2007 to Mar.31, 2008 (Forecasts)

(Billions of Yen)

(1) Assets (+) 130.6

➤ Notes and account receivable, trade and Inventories	(+) 13.0
➤ Capital expenditures	(+) 123.0
➤ Depreciation and amortization	(-) 62.0
➤ Acquisition of investments in securities and lending of loans	(+) 54.0
➤ Difference in equity in income of affiliates and dividend received from such companies	(+) 24.5
➤ Others	(-) 21.9

(2) Liabilities (+) 52.7

➤ Interest-bearing debt	(+) 104.6
*Changes in amounts differ from the reduction in interest-bearing debt shown in the summary of cash flows due to the effect of translation adjustment, etc.	
➤ Accounts payable	(-) 30.0
➤ Others	(-) 21.9

(3) Net assets (+) 77.9

➤ Net income	(+) 90.0
➤ Cash dividends paid	(-) 14.8
➤ Minority interest, etc.	(+) 2.7

2. Consolidated Cash Flows

(Billions of Yen)

	FY2006 (Actual)	FY2005 (Actual)	FY2007 (Forecasts)
Cash flows from operating activities	(+) 41.2	(+) 24.3	(+) 92.0
Cash flows from investing activities	(-) 97.6	(-) 37.6	(-) 172.0
Cash flows from financing activities	(+) 37.4	(+) 12.0	(+) 79.0
Effect of exchange rate changes or cash and cash equivalents	(-) 0.1	(+) 1.6	-
Net increase or decrease in cash and cash equivalents	(-) 19.1	(+) 0.2	(-) 1.0

(1) Factors in Change from March 31, 2006 to March 31, 2007

① Cash flows from operating activities (+) ¥41.2bn

➤ Income before special items	(+) 224.2
➤ Depreciation and amortization	(+) 48.8
➤ Tread receivables, inventories and trade payables	(-) 102.9
➤ Equity in income of non-consolidated subsidiaries and affiliates	(-) 94.9
➤ Dividend received from affiliates accounted for by equity method	(+) 64.1
➤ Income taxes paid	(-) 76.3
➤ Others	(-) 21.8

② Cash flows from investing activities (-) ¥97.6bn

➤ Acquisition of property, plant and equipment and intangible assets	(-) 86.1
➤ Acquisition of investments in securities and lending of loans	(-) 40.1
➤ Sales or maturities of investments in securities and collection of loans	(+) 23.8
➤ Sales of property, plant and equipment, and Others	(+) 4.8

③ Cash flows from financing activities (+) ¥37.4bn

➤ Proceeds from issuance of stock	(+) 67.7
➤ Interest-bearing debt	(-) 9.4
➤ Cash dividends paid	(-) 20.1
➤ Cash dividends paid to minority shareholders	(-) 17.4
➤ Proceeds from third-party share allotment of consolidated subsidiary and Others	(+) 16.6

(2) Factors in Change from March 31, 2007 to March 31, 2008

① Cash flows from operating activities (+) ¥92.0bn

➤ Income before special items	(+) 160.0
➤ Depreciation and amortization	(+) 62.0
➤ Equity in income of non-consolidated subsidiaries and affiliates	(-) 71.5
➤ Dividend received from affiliates accounted for by equity method	(+) 47.0
➤ Tread receivables, inventories and trade payables	(-) 43.0
➤ Income taxes paid and Others	(-) 62.5

② Cash flows from investing activities (-) ¥172.0bn

➤ Acquisition of property, plant and equipment and intangible assets	(-) 123.0
➤ Acquisition of investments in securities and lending of loans	(-) 54.0
➤ Sales or maturities of investments in securities and collection of loans	(+) 5.0

③ Cash flows from financing activities (+) ¥79.0bn

➤ Interest-bearing debt	(+) 105.0
➤ Cash dividends paid	(-) 14.8
➤ Cash dividends paid to minority shareholders	(-) 11.2

3. Dividends

FY2006 (Actual • expected)				FY2007 (Forecasts)			
Interim	Final	Annual	Payment amount	Interim	Final	Annual	Payment amount
¥8.00	¥8.00	¥16.00	¥ 14,842 million	¥8.00	¥8.00	¥16.00	¥ 14,841 million

* Payment amount is multiplied by 927,580 thousand shares, issued shares as of March 31, 2007.

4. Interest-bearing Debt

※ Since segment classification has been slightly changed from FY2006, all the figures by segment for FY2006 and FY2005 on the following statements are based on the new classification.

(Billions of Yen)

	Mar. 31, 2007	March. 31, 2006	Differences
Petroleum (Japan Energy Group)	442.5	430.1	(+) 12.4
Metals (Nippon Mining & Metals Group)	303.9	283.7	(+) 20.2
Others	(57.0)	(29.1)	(-) 27.9
Total	689.4	684.7	(+) 4.7

※ Others include eliminations or corporate.

5. Debt to Equity Ratio

(Billions of Yen)

	Mar. 31 2002	Mar. 31 2006 (A)	Mar. 31 2007 (B)	(B) - (A)	Mar. 31 2008
Interest-bearing Debt	892.8	684.7	689.4	(+) 4.7	794.0
Shareholders' Equity	181.5	467.5	622.5	(+) 155.0	696.0
Debt to Equity Ratio	4.92	1.46	1.11	(-) 0.35	1.14

6. Capital Expenditure and Depreciation

※ Since segment classification has been slightly changed from FY2006, all the figures by segment for FY2006 and FY2005 on the following statements are based on the new classification.

(Billions of Yen)

	FY2006 (Actual)	FY2005 (Actual)	FY2007 (Forecasts)
Capital expenditure	98.1	57.7	123.0
Depreciation	48.8	44.9	62.0
Difference	(+) 49.3	(+) 12.8	(+) 61.0

① Capital expenditure by segments

(Billions of Yen)

	FY2006 (Actual)	FY2005 (Actual)	FY2007 (Forecasts)
Petroleum (Japan Energy Group)	62.3	34.5	75.0
Metals (Nippon Mining & Metals Group)	34.9	22.3	46.0
Resources & Metals	19.2	11.5	22.0
Electronic Materials	9.9	6.0	16.0
Metal Manufacturing	5.8	4.8	8.0
Others	0.9	0.9	2.0
Total	98.1	57.7	123.0

※ Others include eliminations or corporate.

② Depreciation and Amortization by segments

(Billions of Yen)

	FY2006 (Actual)	FY2005 (Actual)	FY2007 (Forecasts)
Petroleum (Japan Energy Group)	28.6	30.1	36.0
Metals (Nippon Mining & Metals Group)	19.6	14.4	25.0
Resources & Metals	11.9	6.7	15.0
Electronic Materials	4.7	5.1	7.0
Metal Manufacturing	3.1	2.6	3.0
Others	0.6	0.5	1.0
Total	48.8	44.9	62.0

※ Others include eliminations or corporate.

7. Number of Employees

※ Since segment classification has been slightly changed from FY2006, all the figures by segment for FY2006 and FY2005 on the following statements are based on the new classification.

(Persons)

	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007
Petroleum (Japan Energy Group)	3,873	3,920	3,999
Metals (Nippon Mining & Metals Group)	4,120	4,348	4,704
Resources & Metals	1,447	1,553	1,843
Electronic Materials	1,512	1,373	1,426
Metal Manufacturing	1,161	1,422	1,435
Others	1,281	1,311	1,266
Total	9,274	9,579	9,969

※ Others include Nippon Mining Holdings, Inc.