

## Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2009 ("Fiscal 2008")

**NIPPON MINING HOLDINGS, INC. (URL: <http://www.shinnikko-hd.co.jp/>)**

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The accompanying financial statements are prepared in accordance with accounting principles generally accepted in Japan.

## 1. Operating results for the First Quarter of Fiscal 2008 (the period from April 1, 2008 to June 30, 2008)

## (1) Operating results (Consolidated basis)

Note: Percentage figures represent changes from the corresponding previous periods.

	Sales		Operating income		Income before special items		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal 2008 1Q	1,123,015	-	35,140	-	47,333	-	27,889	-
Fiscal 2007 1Q	960,004	12.4	22,630	(18.3)	40,842	(2.7)	24,622	9.9

	Basic EPS		Fully diluted EPS	
	yen	sen	yen	sen
Fiscal 2008 1Q	30	09	30	07
Fiscal 2007 1Q	26	56	26	55

## (2) Financial position (Consolidated basis)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share	
	millions of yen	millions of yen	%	yen	sen
As of June 30, 2008	2,417,761	784,723	28.4	741	44
As of March 31, 2008	2,251,208	765,264	30.3	735	22

Reference: Shareholders' equity : 687,190 millions of yen as of June 30, 2008 (681,411 millions of yen as of March 31, 2008)

## 2. Cash dividends

( Cut-off date )	Cash dividends per share									
	1Q		2Q		3Q		Year-end		Full year	
	yen	sen	yen	sen	yen	sen	yen	sen	yen	sen
Fiscal 2007	-		8	00	-		8	00	16	00
Fiscal 2008	-									
Fiscal 2008 (forecast)			8	00	-		8	00	16	00

Note: Revision of expected dividends during this period: None

## 3. Forecasts for Fiscal 2008 (April 1, 2008 - March 31, 2009)

Note: Percentage figures represent changes from the corresponding previous periods respectively.

	Sales		Operating income		Income before special items		Net income		Basic EPS	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen	sen
1st half	2,340,000	-	66,000	-	100,000	-	54,000	-	58	26
Full year	4,560,000	5.1	89,000	(13.7)	145,000	(24.5)	72,000	(27.5)	77	68

Note: Revision of forecast of consolidated operating results during this period: Yes

We have revised the forecasts of operating results for the first half of the fiscal year ending March 31, 2009, which was previously announced in April 30, 2008. On the other hand, we have not changed the fiscal forecasts for the full year ending March 31, 2009, in view of the difficult-to-predict business conditions of crude oil, metal prices and exchange rates, etc. We will revise the forecasts when we announce the operating results for the first half of the fiscal year ending March 31, 2009.

#### 4. Other

(1) Changes to significant subsidiaries during the period (changes in specified subsidiaries due to changes in scope of consolidation): None

(2) Application of simplified accounting methods or specific accounting methods in the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting principles, procedures, presentation, etc., pertaining to preparation of quarterly consolidated financial statements

1. Changes associated with changes in accounting standards: Yes

a) Accounting Standard for quarterly financial statements

Effective for the fiscal year ending March 31, 2009, the Company and its domestic consolidated subsidiaries adopted "Accounting Standard for Quarterly Financial Reporting" (the Accounting Standards Board of Japan ("ASBJ") Statement No.12, March 14, 2007) and "Implementation Guidance for accounting standards for Quarterly Financial Reporting" (ASBJ Guidance No.14, March 14, 2007). The quarterly consolidated financial statements for the first quarter ended June 30, 2008 are prepared in accordance with "Regulation for Terminology, Forms and Preparation of Quarterly Consolidated Financial Statements" issued by Financial Services Agency.

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

Effective for the first quarter ended June 30, 2008, the Company adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No.18, May 17, 2006) and applied to its consolidated foreign subsidiaries. As a result of this adoption, retained earnings at the beginning increased by 16 million yen, operating income decreased by 1,220 million yen and income before special items and income before taxes and minority interests decreased by 1,113 million yen in the first quarter ended June 30, 2008, respectively.

c) Accounting Standard for Lease Transactions

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

d) Change in useful lives of Property, Plant and Equipment

Effective for the first quarter ended June 30, 2008, the Company and its domestic consolidated subsidiaries applied the depreciation method prescribed in the revised Corporate Tax Law in line with the 2008 Tax Reform, in which useful lives for depreciation of property, plant and equipment, mainly machinery and equipment, were revised based on the number of years of actual use, as well as the classification of assets. As a result of this application, depreciation increased by 1,301 million yen, operating income decreased by 870 million yen, income before special items decreased by 877 million yen and income before taxes and minority interests decreased by 971 million yen, respectively.

2. Other changes: None

(4) Shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock)

As of June 30, 2008:	928,462,002	As of March 31, 2008:	928,462,002
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2. Number of treasury stock outstanding

As of June 30, 2008:	1,631,182	As of March 31, 2008:	1,649,131
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3. Average number of shares outstanding (Consolidated basis)

Fiscal 2008 1Q:	926,834,243	Fiscal 2007 1Q:	926,881,308
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\*The aforementioned forecasts are based on the information available as of June 30, 2008.

The actual results are subject to change due to changes in the business environment.

## Consolidated Balance Sheets

<Reference>

Account title	First quarter of Fiscal 2008 (As of June 30, 2008)	Fiscal 2007 (As of March 31, 2008)	Increase (decrease)
	millions of yen	millions of yen	millions of yen
<b>Assets</b>	<b>2,417,761</b>	<b>2,251,208</b>	<b>166,553</b>
Current assets	1,308,712	1,157,158	151,554
Cash and time deposits	70,855	63,807	7,048
Notes and accounts receivable, trade	416,403	420,069	(3,666)
Merchandise and finished goods	153,005	135,274	17,731
Raw materials	429,538	307,760	121,778
Work in process	135,391	107,503	27,888
Supplies	13,820	12,356	1,464
Other current assets	90,708	111,472	(20,764)
Less: Allowance for doubtful accounts	(1,008)	(1,083)	75
Fixed assets	1,109,049	1,094,050	14,999
Property, plant and equipment	733,234	685,727	47,507
Machinery and equipment, other	248,737	243,490	5,247
Land	289,017	277,826	11,191
Construction in progress	35,875	11,558	24,317
Other	159,605	152,853	6,752
Intangible assets	87,083	89,897	(2,814)
Investments and other long-term assets	288,732	318,426	(29,694)
Investments in securities	244,264	274,977	(30,713)
Other	45,508	44,425	1,083
Less: Allowance for doubtful accounts	(1,040)	(976)	(64)
<b>Total assets</b>	<b>2,417,761</b>	<b>2,251,208</b>	<b>166,553</b>
<b>Liabilities</b>	<b>1,633,038</b>	<b>1,485,944</b>	<b>147,094</b>
Current liabilities	1,173,705	1,058,571	115,134
Notes and accounts payable, trade	373,560	314,828	58,732
Short-term borrowings	475,378	404,174	71,204
Commercial paper	126,000	126,000	-
Lease obligation	194	-	194
Accounts payable, other	105,876	111,241	(5,365)
Accrued income taxes	7,983	19,955	(11,972)
Other current liabilities	84,714	82,373	2,341
Long-term liabilities	459,333	427,373	31,960
Bonds	35,000	15,000	20,000
Long-term debt	259,417	250,726	8,691
Lease obligation	742	-	742
Allowance for retirement benefits	56,886	58,037	(1,151)
Other long-term liabilities	107,288	103,610	3,678
<b>Net assets</b>	<b>784,723</b>	<b>765,264</b>	<b>19,459</b>
Shareholders' equity	683,055	662,322	20,733
Common stock	73,920	73,920	-
Capital surplus	226,757	226,759	(2)
Retained earnings	383,089	362,360	20,729
Less: Treasury stock, at cost	(711)	(717)	6
Valuation and translation adjustment	4,135	19,089	(14,954)
Unrealized gain on marketable securities	30,222	23,241	6,981
Deferred hedge gain (loss)	(6,388)	16	(6,404)
Surplus from land revaluation	(3,090)	(3,088)	(2)
Accumulated translation adjustment	(16,609)	(1,080)	(15,529)
Stock acquisition rights	344	361	(17)
Minority interests in consolidated subsidiaries	97,189	83,492	13,697
<b>Total liabilities and net assets</b>	<b>2,417,761</b>	<b>2,251,208</b>	<b>166,553</b>

## Consolidated Statements of Income

Account title	First quarter of Fiscal 2008 (from April 1, 2008 to June 30, 2008)
	millions of yen
<b>Net sales</b>	1,123,015
<b>Cost of sales</b>	1,040,581
<i>Gross profit</i>	82,434
<b>Selling, general and administrative expenses</b>	47,294
<i>Operating income</i>	35,140
<b>Other income</b>	21,027
Interest income	479
Dividend income	1,156
Amortization of negative goodwill	241
Equity in income of non-consolidated subsidiaries and affiliates	16,837
Other	2,314
<b>Other expenses</b>	8,834
Interest expenses	3,308
Exchange loss	2,850
Other	2,676
<i>Income before special items</i>	47,333
<b>Special profit</b>	2,068
Gain on sales of property, plant and equipment	655
Gain on sales of investments in subsidiary	1,075
Other	338
<b>Special loss</b>	1,769
Loss on sales of property, plant and equipment	63
Loss on disposal of property, plant and equipment	751
Loss due to fire accident	795
Other	160
<i>Income before income taxes and minority interests</i>	47,632
Income taxes	12,246
Deferred income tax	3,453
Minority interests in earnings of consolidated subsidiaries	4,044
<i>Net income</i>	27,889

## Consolidated Statements of Cash Flows

Account title	First quarter of Fiscal 2008 (from April 1, 2008 to June 30, 2008)
	millions of yen
Cash flows from operating activities	
Income before income taxes and minority interests	47,632
Depreciation and amortization	18,741
Interest and dividend income	(1,635)
Interest expenses	3,308
Equity in income of non-consolidated subsidiaries and affiliates	(16,837)
Gain on sales of investments in subsidiary	(1,075)
Loss on sales and disposal of property, plant and equipment, net	159
Increase in trade receivables	(90)
Increase in inventories	(159,655)
Decrease in trade payables	64,499
Other, net	6,935
Subtotal	(38,018)
Receipts of interest and dividends	21,954
Payments for Interest	(3,538)
Payments for Income taxes	(26,221)
Net cash used in operating activities	(45,823)
Cash flows from investing activities	
Payments for acquisition of investments in securities	(573)
Proceeds from sales or maturities of investments in securities	11
Payments for acquisition of property, plant and equipment	(24,838)
Proceeds from sales of property, plant and equipment	1,130
Payments for acquisition of intangible assets	(825)
Other, net	(1,373)
Net cash used in investing activities	(26,468)
Cash flows from financing activities	
Increase in short-term borrowings, net	76,089
Proceeds from borrowings of long-term bank loans and other	8,608
Repayments of long-term bank loans and other	(9,880)
Proceeds from issuance of bonds	20,000
Repayments of lease obligation	(22)
Cash dividends paid	(7,420)
Cash dividends paid to minority shareholders	(6,285)
Other, net	(13)
Net cash provided by financing activities	81,077
Effect of exchange rate changes on cash and cash equivalents	(2,463)
Net increase in cash and cash equivalents	6,323
Cash and cash equivalents at beginning of period	62,621
Increase due to subsidiaries newly included consolidation	1,131
Increase due to merger of consolidated subsidiaries	179
Cash and cash equivalents at end of period	70,254

## Segment Information

### 1. Segment Information summarized by product group

First quarter of Fiscal 2008 (from April 1, 2008 to June 30, 2008 )

(millions of yen)

	Petroleum	Metals	Other Operations	Total	Eliminations or Corporate	Consolidated
Sales	833,892	280,625	13,419	1,127,936	(4,921)	1,123,015
Operating income	22,150	10,742	1,993	34,885	255	35,140
Income before special items	20,647	23,998	2,905	47,550	(217)	47,333

(Note)

Segment information summarized by product group is presented on a basis of the internal management reporting of the Company. The products of each segment are shown in the below table.

In regard with the Metals segment, previously, its breakdown of the three segments, "Resources and Metals", "Electronic Materials" and "Metal Manufacturing" was disclosed. However, the classification of the three segments is not presented from the first quarter of Fiscal 2008 in accordance with the change of operational organization within Nippon Mining & Metals Co., Ltd. in April 2008.

Petroleum	resource development, gasoline, naphtha, kerosene, gas oil, heavy fuel oil, petrochemicals, liquefied petroleum gas, lubricating oil, ship transport, etc.
Metals	resource development, copper, gold, silver, sulfuric acid, recycling and environmental services, copper foils, thin film materials, precision rolled products, precision fabricated products, ship transport, etc.
Other Operations	titanium, engineering, electric wires, cables, land transport, common group administrative activities such as fund procurement, etc.

### 2. Overseas sales

First quarter of Fiscal 2008 (from April 1, 2008 to June 30, 2008 )

	Asia	Others	Total
Overseas sales (millions of yen)	172,542	13,602	186,144
Consolidated net sales (millions of yen)	-	-	1,123,015
Ratio of overseas sales to consolidated net sales (%)	15.4	1.2	16.6

<Reference Material> Consolidated Financial Statements for the Corresponding Previous Period  
 Consolidated Statements of Income (Summary)

Account title	First quarter of Fiscal 2007 (from April 1, 2007 to June 30, 2007)		<Reference> First quarter of Fiscal 2008 (from April 1, 2008 to June 30, 2008)		Increase (Decrease)	
	millions of yen	%	millions of yen	%	millions of yen	%
<b>Net sales</b>	960,004	100.0	1,123,015	100.0	163,011	17.0
<b>Cost of sales</b>	891,219	92.8	1,040,581	92.7	149,362	
<i>Gross profit</i>	68,785	7.2	82,434	7.3	13,649	
Selling, general and administrative expenses	46,155	4.8	47,294	4.2	1,139	
<i>Operating income</i>	22,630	2.4	35,140	3.1	12,510	55.3
<b>Other income</b>	23,069	2.4	21,027	1.9	(2,042)	
Interest income	670		479		(191)	
Dividend income	1,035		1,156		121	
Exchange gain	681		0		(681)	
Amortization of negative goodwill	458		241		(217)	
Equity in income of non-consolidated subsidiaries and affiliates	17,989		16,837		(1,152)	
Other	2,236		2,314		78	
<b>Other expenses</b>	4,857	0.5	8,834	0.8	3,977	
Interest expenses	3,216		3,308		92	
Exchange loss	-		2,850		2,850	
Other	1,641		2,676		1,035	
<i>Income before special items</i>	40,842	4.3	47,333	4.2	6,491	15.9
<b>Special profit</b>	2,958	0.3	2,068	0.2	(890)	
Gain on sales of property, plant and equipment	1,204		655		(549)	
Gain on sales of investments in securities, net	36		0		(36)	
Gain on sales of investments in subsidiary	-		1,075		1,075	
Compensation income for expropriation	1,266		0		(1,266)	
Other	452		338		(114)	
<b>Special loss</b>	394	0.1	1,769	0.2	1,375	
Loss on sales of property, plant and equipment	45		63		18	
Loss on disposal of property, plant and equipment	309		751		442	
Loss due to fire accident	-		795		795	
Other	40		160		120	
<i>Income before income taxes and minority interests</i>	43,406	4.5	47,632	4.2	4,226	
Income taxes	9,624	1.0	12,246	1.1	2,622	
Deferred income tax	4,010	0.4	3,453	0.3	(557)	
Minority interests in earnings of consolidated subsidiaries	5,150	0.5	4,044	0.3	(1,106)	
<b>Net income</b>	24,622	2.6	27,889	2.5	3,267	13.3

<Reference Material> Consolidated Financial Statements for the Corresponding Previous Period  
 Consolidated Statements of Cash Flows

Account title	First quarter of Fiscal 2007 (from April 1, 2007 to June 30, 2007)	<Reference>	
	millions of yen	First quarter of Fiscal 2008 (from April 1, 2008 to June 30, 2008)	Increase (Decrease) millions of yen
Cash flows from operating activities			
Income before income taxes and minority interests	43,406	47,632	
Depreciation and amortization	14,043	18,741	
Interest and dividend income	(1,705)	(1,635)	
Interest expenses	3,216	3,308	
Equity in income of non-consolidated subsidiaries and affiliates	(17,989)	(16,837)	
Gain on sales of investments in securities, net	(36)	-	
Gain on sales of investments in subsidiary	-	(1,075)	
Loss (gain) on sales and disposal of property, plant and equipment, net	(850)	159	
Increase in trade receivables	(9,723)	(90)	
Increase in inventories	(82,208)	(159,655)	
Increase in trade payables	68,384	64,499	
Other, net	(8,446)	6,935	
Subtotal	8,092	(38,018)	(46,110)
Receipts of interest and dividends	23,290	21,954	
Payments for interest	(3,099)	(3,538)	
Payments for income taxes	(32,176)	(26,221)	
Net cash used in operating activities	(3,893)	(45,823)	(41,930)
Cash flows from investing activities			
Payments for acquisition of investments in securities	(1,114)	(573)	
Proceeds from sales or maturities of investments in securities	52	11	
Payments for acquisition of property, plant and equipment	(24,030)	(24,838)	
Proceeds from sales of property, plant and equipment	1,928	1,130	
Payments for acquisition of intangible assets	(999)	(825)	
Other, net	(774)	(1,373)	
Net cash used in investing activities	(24,937)	(26,468)	(1,531)
Cash flows from financing activities			
Increase (decrease) in short-term borrowings, net	(10,768)	76,089	
Increase in commercial paper, net	75,000	-	
Proceeds from borrowings of long-term bank loans and other	12,000	8,608	
Repayments of long-term bank loans and other	(10,665)	(9,880)	
Proceeds from issuance of bonds	-	20,000	
Repayments of lease obligation	-	(22)	
Cash dividends paid	(7,421)	(7,420)	
Cash dividends paid to minority shareholders	(7,258)	(6,285)	
Other, net	(227)	(13)	
Net cash provided by financing activities	50,661	81,077	30,416
Effect of exchange rate changes on cash and cash equivalents	232	(2,463)	(2,695)
Net increase in cash and cash equivalents	22,063	6,323	(15,740)
Cash and cash equivalents at beginning of period	45,249	62,621	17,372
Increase due to subsidiaries newly included consolidation	80	1,131	1,051
Increase due to merger of consolidated subsidiaries	3	179	176
Cash and cash equivalents at end of period	67,395	70,254	2,859



<Reference Material> Consolidated Financial Statements for the Corresponding Previous Period  
**Segment Information**

Segment Information summarized by product group

First quarter of Fiscal 2007 (from April 1, 2007 to June 30, 2007) (millions of yen)

	Petroleum	Metals	Other Operations	Total	Eliminations or corporate	Consolidated
Sales	676,718	278,525	12,131	967,374	(7,370)	960,004
Operating income	7,952	14,219	63	22,234	396	22,630
Income before special items	9,267	29,470	1,456	40,193	649	40,842

Breakdown of Metals segment (millions of yen)

	Resources and Metals	Electronic Materials	Metal Manufacturing	Eliminations	Metals total
Sales	247,158	33,168	17,303	(19,104)	278,525
Operating income	9,189	3,352	1,827	(149)	14,219
Income before special items	24,383	3,237	1,999	(149)	29,470

**Note 1 : Main products for each group are the following;**

Petroleum	resource development, gasoline, naphtha, kerosene, gas oil, heavy fuel oil, petrochemicals, liquefied petroleum gas, lubricating oil, ship transport, etc.
Metals	<Resources and Metals> resource development, copper, gold, silver, sulfuric acid, ship transport, etc. <Electronic Materials > copper foils, sputtering targets, compound semiconductor materials, etc. <Metal Manufacturing > wrought copper and copper alloy products, special steel products, precision products, etc.
Other Operations	information service, engineering, electric wires, cables, titanium, land transport, common group administrative activities such as fund procurement, etc.

<Reference>

First quarter of Fiscal 2008 (from April 1, 2008 to June 30, 2008) (millions of yen)

	Petroleum	Metals	Other Operations	Total	Eliminations or corporate	Consolidated
Sales	833,892	280,625	13,419	1,127,936	(4,921)	1,123,015
Operating income	22,150	10,742	1,993	34,885	255	35,140
Income before special items	20,647	23,998	2,905	47,550	(217)	47,333

(Note)

Segment information summarized by product group is presented on a basis of the internal management reporting of the Company. The products of each segment are shown in the below table.

In regard with the Metals segment, previously, its breakdown of the three segments, "Resources and Metals", "Electronic Materials" and "Metal Manufacturing" was disclosed. However, the classification of the three segments is not presented from the first quarter of Fiscal 2008 in accordance with the change of operational organization within Nippon Mining & Metals Co., Ltd. in April 2008.

Petroleum	resource development, gasoline, naphtha, kerosene, gas oil, heavy fuel oil, petrochemicals, liquefied petroleum gas, lubricating oil, ship transport, etc.
Metals	resource development, copper, gold, silver, sulfuric acid, recycling & environmental services, copper foils, thin film materials, precision rolled products, precision fabricated products, ship transport, etc.
Other Operations	titanium, engineering, electric wires, cables, land transport, common group administrative activities such as fund procurement, etc.