

# Consolidated Interim Summary Report for the year ending March 31, 2003

November 20,2002

Name of public company : **NIPPON MINING HOLDINGS, INC (Japan Energy Corporation)**

Code No. : 5016 Stock Listings (section) : Tokyo (Section I), Osaka (Section I), Nagoya (Section I)

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Date of Interim Board of Directors : November 20,2002

This Financial Statement is prepared in accordance with accounting principles generally accepted in Japan.

## 1. Operating results for the six-months ended September 30, 2002 (the period from April 1, 2002 to September 30, 2002)

### (1) Operating results

	Sales		Operating Income		Income before special items	
	millions of yen	%(*)	millions of yen	%(*)	millions of yen	%(*)
For the six-months ended September 30, 2002	1,010,693	[ (3.5) ]	12,174	[ (33.6) ]	11,316	[ (38.0) ]
For the six-months ended September 30, 2001	1,047,766	[ 2.4 ]	18,328	[ (53.2) ]	18,256	[ (45.6) ]
For the year ended March 31,2002	2,083,352		27,748		25,405	

  

	Net Income		Primary EPS		Fully diluted EPS	
	millions of yen	%(*)	yen	sen	yen	sen
For the six-months ended September 30, 2002	2,265	[ (69.4) ]	2	09	-	-
For the six-months ended September 30, 2001	7,401	[ (39.6) ]	6	64	-	-
For the year ended March 31,2002	306		0	27	-	-

Note: 1. Equity in earnings of non-consolidated subsidiaries and affiliates

For the six-months ended September 30, 2002 : 4,510 millions of yen, For the six-months ended September 30, 2001 : 3,680 millions of yen,

For the year ended March 31,2002 : 6,387 millions of yen

2. Average number of shares issued(consolidated)

For the six-months ended September 30, 2002 : 1,085,968,882 shares, For the six-months ended September 30, 2001 : 1,113,879,627 shares,

For the year ended March 31,2002 : 1,113,862,019 shares

3. Change of accounting method : None

\* This represents a percentage of an increase or a decrease from the previous interim period.

### (2) Financial position

	Total Assets		Total Shareholders' Equity	
	millions of yen		millions of yen	
As of September 30, 2002	1,610,756		174,809	
As of September 30, 2001	1,786,766		184,800	
As of March 31,2002	1,695,883		181,453	

  

	Net Worth Ratio		Shareholders' Equity Per Share	
	%		yen sen	
As of September 30, 2002	10.9		161 01	
As of September 30, 2001	10.3		165 91	
As of March 31,2002	10.7		162 91	

Note: Number of shares issued at end of period(consolidated)

For the six-months ended September 30, 2002 : 1,085,711,569 shares, For the six-months ended September 30, 2001 : 1,113,880,010 shares,

For the year ended March 31,2001 : 1,113,826,586 shares

### (3) Cash Flows

	Cash flows from operating activities		Cash flows from investing activities	
	millions of yen		millions of yen	
For the six-months ended September 30, 2002	(22,381)		(15,516)	
For the six-months ended September 30, 2001	51,641		(4,377)	
For the year ended March 31,2002	129,894		(29,729)	

  

	Cash flows from financing activities		Cash and cash equivalents at end of period	
	millions of yen		millions of yen	
For the six-months ended September 30, 2002	(9,963)		47,607	
For the six-months ended September 30, 2001	(100,901)		95,369	
For the year ended March 31,2002	(159,346)		91,409	

### (4) Consolidation group

Consolidated subsidiaries	94	(Nippon Mining & Metals Co.,Ltd.,Kashima Oil Co.,Ltd.,Nikko Materials Co.,Ltd., Gould Electronics Inc.,am/pm JAPAN Co.,Ltd., JOMO-NET Kanto Co.,Ltd. etc.)
Non-consolidated subsidiaries accounted for by equity method	1	(N.K.Curex Co.,Ltd.)
Affiliated companies accounted for by equity method	19	(Maruwn Corp., Fuji Oil Co.,Ltd. etc.)

### (5) Change of reporting entities and the equity method

Consolidation (newly included)	18	(J-Quest Co.,Ltd., Nikko Polytech Co.,Ltd. etc.)
(excluded)	-	
Equity method (newly included)	10	(United Petroleum Development Co., Ltd. etc.)
(excluded)	1	(Nikko Mikkaichi Recycle Co., Ltd.)

## 2. Projection of operating results for the fiscal year ending March 31, 2003 (the period from April 1, 2002 to March 31, 2003)

	Sales		Income before special items		Net Income	
	millions of yen		millions of yen		millions of yen	
For the year ending March 31, 2003	2,120,000		24,000		2,000	

\*This projection of operating results for the fiscal year ending March 31, 2003 is the figures as Nippon Mining Holdings Inc.

## Consolidated Balance Sheet

Account Title	Fiscal 2002(interim) (As of September 30, 2002)		Fiscal 2001 (As of March 31, 2002)		Increase (Decrease)	Fiscal 2001(interim) (As of September 30, 2001)	
	millions of yen	%	millions of yen	%	millions of yen	millions of yen	%
<b>Assets</b>	<b>1,610,756</b>	<b>100.0</b>	<b>1,695,883</b>	<b>100.0</b>	<b>(85,127)</b>	<b>1,786,766</b>	<b>100.0</b>
<i>Current Assets</i>	<i>550,500</i>	<i>34.2</i>	<i>613,974</i>	<i>36.2</i>	<i>(63,474)</i>	<i>712,456</i>	<i>39.9</i>
Cash and time deposits	47,079		84,426		(37,347)	71,478	
Notes and accounts receivable	201,162		224,303		(23,141)	274,390	
Securities	3,661		5,103		(1,442)	11,269	
Inventories	236,366		222,583		13,783	267,330	
Other current assets	63,830		79,501		(15,671)	89,622	
Allowance for doubtful accounts	(1,598)		(1,942)		344	(1,633)	
<i>Fixed Assets</i>	<i>1,060,256</i>	<i>65.8</i>	<i>1,081,909</i>	<i>63.8</i>	<i>(21,653)</i>	<i>1,074,310</i>	<i>60.1</i>
Property, plant and equipment	652,541		666,257		(13,716)	669,937	
Buildings and structures	175,629		176,046		(417)	179,114	
Machinery and equipment	141,812		149,543		(7,731)	152,473	
Land	305,574		307,027		(1,453)	307,739	
Other	29,526		33,641		(4,115)	30,611	
Intangible assets	100,610		106,035		(5,425)	105,875	
Investments and other long-term assets	307,105		309,617		(2,512)	298,498	
Investments in securities	164,030		165,273		(1,243)	169,803	
Other	146,519		148,011		(1,492)	131,979	
Allowance for doubtful accounts	(3,444)		(3,667)		223	(3,284)	
<i>Total Assets</i>	<i>1,610,756</i>	<i>100.0</i>	<i>1,695,883</i>	<i>100.0</i>	<i>(85,127)</i>	<i>1,786,766</i>	<i>100.0</i>
<b>Liabilities</b>	<b>1,368,011</b>	<b>84.9</b>	<b>1,448,556</b>	<b>85.4</b>	<b>(80,545)</b>	<b>1,543,224</b>	<b>86.4</b>
<i>Current Liabilities</i>	<i>736,842</i>	<i>45.7</i>	<i>746,650</i>	<i>44.0</i>	<i>(9,808)</i>	<i>841,485</i>	<i>47.1</i>
Notes and accounts payable	172,963		205,827		(32,864)	233,712	
Short-term borrowing	392,528		325,045		67,483	377,870	
Current portion of bonds	6,500		20,200		(13,700)	25,000	
Accounts payable, other	99,042		119,965		(20,923)	130,480	
Other current liabilities	65,809		75,613		(9,804)	74,423	
<i>Long-term Liabilities</i>	<i>631,169</i>	<i>39.2</i>	<i>701,906</i>	<i>41.4</i>	<i>(70,737)</i>	<i>701,739</i>	<i>39.3</i>
Bonds	57,400		63,560		(6,160)	44,060	
Long-term debt	425,764		484,041		(58,277)	502,185	
Deferred tax liabilities related to land revaluation	34,861		35,211		(350)	34,987	
Accrued retirement benefits	58,395		57,643		752	58,470	
Allowance for periodic repair works	12,640		14,152		(1,512)	12,463	
Other long-term liabilities	42,109		47,299		(5,190)	49,574	
<b>Minority Interest in Consolidated Subsidiaries</b>	<b>67,936</b>	<b>4.2</b>	<b>65,874</b>	<b>3.9</b>	<b>2,062</b>	<b>58,742</b>	<b>3.3</b>
<b>Shareholders' Equity</b>	<b>174,809</b>	<b>10.9</b>	<b>181,453</b>	<b>10.7</b>	<b>(6,644)</b>	<b>184,800</b>	<b>10.3</b>
<i>Common Stock</i>	<i>87,583</i>		<i>87,583</i>		-	<i>87,583</i>	
<i>Capital surplus</i>	<i>47,021</i>		<i>47,021</i>		-	<i>47,021</i>	
<i>Retained earnings</i>	<i>(20,051)</i>		<i>(19,826)</i>		<i>(225)</i>	<i>(13,669)</i>	
<i>Surplus from land revaluation</i>	<i>58,251</i>		<i>58,733</i>		<i>(482)</i>	<i>58,750</i>	
<i>Unrealized gain on marketable securities</i>	<i>2,698</i>		<i>2,974</i>		<i>(276)</i>	<i>3,854</i>	
<i>Translation adjustment</i>	<i>911</i>		<i>4,977</i>		<i>(4,066)</i>	<i>1,261</i>	
<i>Treasury stock, at cost</i>	<i>(1,604)</i>		<i>(9)</i>		<i>(1,595)</i>	<i>(0)</i>	
<i>Total liabilities, minority interest in consolidated subsidiaries and shareholders' equity</i>	<i>1,610,756</i>	<i>100.0</i>	<i>1,695,883</i>	<i>100.0</i>	<i>(85,127)</i>	<i>1,786,766</i>	<i>100.0</i>

### Consolidated Statements of Income

Account Title	Fiscal 2002(interim) (from April 1, 2002 to September 30, 2002)		Fiscal 2001(interim) (from April 1, 2001 to September 30, 2001)		Increase (Decrease) millions of yen	Fiscal 2001 (from April 1,2001 to March 31,2002)	
	millions of yen	%	millions of yen	%		millions of yen	%
<b>Operating Income(Loss)</b>							
Net Sales	1,010,693	100.0	1,047,766	100.0	(37,073)	2,083,352	100.0
Cost of Sales	902,613	89.3	933,640	89.1	(31,027)	1,860,747	89.3
Selling, General and Administrative Expenses	95,906	9.5	95,798	9.2	108	194,857	9.4
<i>Operating Income</i>	<i>12,174</i>	<i>1.2</i>	<i>18,328</i>	<i>1.7</i>	<i>(6,154)</i>	<i>27,748</i>	<i>1.3</i>
<b>Other Income(Loss)</b>							
Interest and dividends income	2,128		4,562		(2,434)	7,523	
Exchange gain	-		934		(934)	1,384	
Amortization of negative goodwill	1,850		1,850		-	3,713	
Equity in earnings of non-consolidated subsidiaries and affiliates	4,510		3,680		830	6,387	
Interest expenses	(8,610)		(10,638)		2,028	(19,500)	
Other, net	(736)		(460)		(276)	(1,850)	
<i>Other loss</i>	<i>(858)</i>	<i>(0.1)</i>	<i>(72)</i>	<i>(0.0)</i>	<i>(786)</i>	<i>(2,343)</i>	<i>(0.1)</i>
<i>Income before special items</i>	<i>11,316</i>	<i>1.1</i>	<i>18,256</i>	<i>1.7</i>	<i>(6,940)</i>	<i>25,405</i>	<i>1.2</i>
<b>Special Profit (Loss)</b>							
Gain on sales of pharmaceutical business divisions	1,102		-		1,102	-	
Gain on sales of investments in securities	261		2,752		(2,491)	3,051	
Gain on sales of fixed assets	-		598		(598)	1,857	
Reversal of allowance for doubtful accounts	296		293		3	-	
Loss on disposals of fixed assets	(3,141)		(2,571)		(570)	(6,656)	
Loss on structural reform measures related	-		(2,052)		2,052	(8,361)	
Loss on write-down of investments in securities	(1,963)		(1,899)		(64)	(4,965)	
Loss on write-down of other investments	(237)		(290)		53	(1,350)	
Other, net	(109)		(76)		(33)	(161)	
<i>Special loss</i>	<i>(3,791)</i>	<i>(0.4)</i>	<i>(3,245)</i>	<i>(0.3)</i>	<i>(546)</i>	<i>(16,585)</i>	<i>(0.8)</i>
<i>Income before income taxes</i>	<i>7,525</i>	<i>0.7</i>	<i>15,011</i>	<i>1.4</i>	<i>(7,486)</i>	<i>8,820</i>	<i>0.4</i>
Income taxes	2,818	0.2	7,274	0.7	(4,456)	11,227	0.5
Deferred income tax	(1,223)	(0.1)	(3,791)	(0.4)	2,568	(8,750)	(0.4)
Minority interest in net earnings of consolidated subsidiaries	(3,665)	(0.4)	(4,127)	(0.4)	462	(6,037)	(0.3)
<i>Net income</i>	<i>2,265</i>	<i>0.2</i>	<i>7,401</i>	<i>0.7</i>	<i>(5,136)</i>	<i>306</i>	<i>0.0</i>

### Consolidated Statements of Retained Earnings

Account Title	Fiscal 2002(interim) (from April 1, 2002 to September 30, 2002)	Fiscal 2001(interim) (from April 1, 2001 to September 30, 2001)	Fiscal 2001 (from April 1, 2001 to March 31, 2002)
	millions of yen	millions of yen	millions of yen
Balance of retained earnings at beginning of period	(19,826)	(18,268)	(18,268)
Increase in retained earnings	3,583	10,312	4,169
Net income	2,265	7,401	306
Increase arising from change of consolidated subsidiaries	475	948	948
Increase arising from change of affiliates accounted for by equity method	361	1,620	1,620
Increase arising from merger of consolidated subsidiaries	-	218	218
Reclassification with surplus from land revaluation	482	125	1,077
Decrease in retained earnings	3,808	5,713	5,727
Cash dividends paid	3,341	3,341	3,341
Bonuses to directors	59	80	80
Decrease arising from change of consolidated subsidiaries	158	1,654	1,654
Decrease arising from change of affiliates accounted for by equity method	250	630	630
Decrease arising from merger of consolidated subsidiaries	-	8	22
Balance of retained earnings at end of period	(20,051)	(13,669)	(19,826)

## Consolidated Statement of Cash Flows

Account title	Fiscal 2002(interim) (from April 1, 2002 to September 30, 2002)	Fiscal 2001(interim) (from April 1, 2001 to September 30, 2001)	Fiscal 2001 (from April 1, 2001 to March 31, 2002)
	millions of yen	millions of yen	millions of yen
<b>Cash flows from operating activities</b>			
Income before income taxes	7,525	15,011	8,820
Depreciation and amortization	24,192	25,090	50,876
Interest and dividends income	(2,128)	(4,562)	(7,523)
Interest expenses	8,610	10,638	19,500
Equity in earnings of non-consolidated subsidiaries and affiliates	(4,510)	(3,680)	(6,387)
Loss on disposals of property, plant and equipment	3,141	2,571	6,656
Loss on structural reform measures related	-	2,052	8,361
Decrease in trade receivables	24,616	33,642	84,264
Decrease (increase) in inventories	(12,560)	(25,068)	20,490
Increase (decrease) in trade payables	(60,900)	20,128	(16,643)
Decrease in accrued consumption tax	(815)	(3,975)	(4,593)
Other	(303)	(437)	(2,035)
Subtotal	(13,132)	71,410	161,786
Interest and dividends received	2,742	4,919	9,922
Interest paid	(8,470)	(11,000)	(20,017)
Payment for special retirement benefits	-	(307)	(2,359)
Income taxes paid	(3,521)	(13,381)	(19,438)
Net cash provided by (used in) operating activities	(22,381)	51,641	129,894
<b>Cash flows from investing activities</b>			
Payments for acquisition of securities	(280)	(2,657)	(2,833)
Proceeds from maturities or sales of securities	2,088	8,330	17,105
Payments for acquisition of property, plant and equipment	(13,031)	(21,591)	(43,201)
Proceeds from sales of property, plant and equipment	2,281	2,754	8,213
Payments for acquisition of intangible fixed assets	(1,888)	(708)	(2,325)
Payments for long-term prepaid expenses	(2,863)	(650)	(1,265)
Payments for acquisition of investments in securities	(1,689)	(460)	(4,258)
Proceeds from maturities or sales of investments in securities	702	6,410	9,998
Decrease (increase) in short-term loans	(1,114)	3,976	3,468
Payments for lending of long-term loans	(1,790)	(1,658)	(16,637)
Collection of long-term loans	3,053	2,015	3,428
Other	(985)	(138)	(1,422)
Net cash used in investing activities	(15,516)	(4,377)	(29,729)
<b>Cash flows from financing activities</b>			
Increase (decrease) in short-term borrowing	24,056	(15,475)	(79,684)
Proceeds from long-term debt	44,238	2,791	66,454
Payments for repayment on long-term debt	(54,368)	(64,777)	(136,433)
Proceeds from issue of new bond	-	-	32,500
Payments for redemption of bond	(19,860)	(18,254)	(36,054)
Cash dividends paid	(3,341)	(3,341)	(3,341)
Other	(688)	(1,845)	(2,788)
Net cash used in financing activities	(9,963)	(100,901)	(159,346)
Effect of exchange rate changes on cash and cash equivalents	(1,132)	3,027	4,611
Net decrease in cash and cash equivalents	(48,992)	(50,610)	(54,570)
Cash and cash equivalents at beginning of period	91,409	141,718	141,718
Increase due to subsidiaries newly included consolidation	5,190	4,261	4,261
Cash and cash equivalents at end of period	47,607	95,369	91,409

## Segment Information

### 1. Segment Information summarized by product group

For the six-months ended September 30, 2002 (from April 1, 2002 to September 30, 2002 ) (millions of yen)

	Petroleum	Non-ferrous Metals	Electronic Materials	Other Operations	Total	Eliminations or corporate	Consolidated
Sales							
(1) Outside customers	802,772	146,660	30,055	31,206	1,010,693	-	1,010,693
(2) Inter-group	2,033	3,560	635	3,059	9,287	(9,287)	-
Total	804,805	150,220	30,690	34,265	1,019,980	(9,287)	1,010,693
Operating costs and expenses	797,512	145,482	32,073	32,739	1,007,806	(9,287)	998,519
Operating Income	7,293	4,738	(1,383)	1,526	12,174	-	12,174

For the six-months ended September 30, 2001 (from April 1, 2001 to September 30, 2001 ) (millions of yen)

	Petroleum	Non-ferrous Metals	Electronic Materials	Other Operations	Total	Eliminations or corporate	Consolidated
Sales							
(1) Outside customers	840,025	137,885	35,570	34,286	1,047,766	-	1,047,766
(2) Inter-group	2,428	3,502	163	3,627	9,720	(9,720)	-
Total	842,453	141,387	35,733	37,913	1,057,486	(9,720)	1,047,766
Operating costs and expenses	832,605	135,462	34,638	36,453	1,039,158	(9,720)	1,029,438
Operating Income	9,848	5,925	1,095	1,460	18,328	-	18,328

For the year ended March 31, 2002 (from April 1, 2001 to March 31, 2002 ) (millions of yen)

	Petroleum	Non-ferrous Metals	Electronic Materials	Other Operations	Total	Eliminations or corporate	Consolidated
Sales							
(1) Outside customers	1,681,431	274,093	60,132	67,696	2,083,352	-	2,083,352
(2) Inter-group	3,369	5,886	163	6,708	16,126	(16,126)	-
Total	1,684,800	279,979	60,295	74,404	2,099,478	(16,126)	2,083,352
Operating costs and expenses	1,665,882	271,141	63,580	71,127	2,071,730	(16,126)	2,055,604
Operating Income	18,918	8,838	(3,285)	3,277	27,748	-	27,748

Note 1. Product group categorized above is mainly adopted under internal control purpose .

From the six-months ended September 30, 2002, the business in relation to petroleum and non-ferrous metals, which had previously been categorized as a part of the other operations, has been categorized into the petroleum business and non-ferrous metals business respectively. The figures for the six-months ended September 30, 2001 and for the year ended March 31, 2002 have been reclassified to conform with the presentation for six-months ended September 30, 2002.

Note 2. Main products for each group are the following:

- Petroleum : gasoline, naphtha, kerosene, gas oil, heavy fuel oil, liquefied petroleum gas, petrochemicals, lubricating oil, marine transportation(petroleum), engineering, etc.
- Non-ferrous Metals : copper, gold, silver, zinc, sulfuric acid, fabricated metal products, marine transportation(non-ferrous metals), etc.
- Electronic Materials : copper foils, sputtering targets, compound semiconductor materials
- Other Operations : convenience store, rental and leased car business, information service

### 2. Segment information summarized by region

For the six-months ended September 30, 2002 and 2001, and the year ended March 31, 2002, operations in Japan have over 90 % share of total sales and assets of whole segment.

### 3. Overseas sales

For the six-months ended September 30, 2002 and 2001, and the year ended March 31, 2002, overseas sales has less than 10% share of consolidated sales.