

Financial Results FY2005

--Fiscal year ended March 2006--

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Nippon Mining Holdings, INC.

May 10, 2006

※Statements which are not 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.

Annual Results FY2005

1 . Operating Results (consolidated)

(Billions of Yen)

	FY2005			FY2004			Differences
	1H	2H	Total	1H	2H	Total	
Net Sales	1,365.1	1,661.1	3,026.3	1,170.1	1,332.4	2,502.5	(○) 523.7
Operating Income	63.4	81.0	144.4	47.2	78.4	125.6	(○) 18.8
Other Income and Expenses, net	19.7	24.6	44.3	7.2	15.2	22.4	(○) 21.8
Income before Special Items	83.1	105.6	188.7	54.4	93.6	148.1	(○) 40.7
Special Profit and Loss, net	5.0	(21.1)	(16.1)	(13.7)	(27.7)	(41.4)	(○) 25.3
Income Taxes	28.7	32.2	60.9	17.7	30.3	48.0	(×) 12.9
Minority Interest	6.9	7.9	14.9	5.0	3.1	8.1	(×) 6.7
Net Income	52.5	44.4	96.9	18.0	32.6	50.6	(○) 46.3

<1> Scope of Consolidation

- (1) Consolidated subsidiaries 112 (10 additions, 5 reductions)
 (2) Equity method affiliates 15 (4 reductions)

<2> Income before Special Items

Factors in ¥188.7 billion increase in the Income before Special Items

① Operating Income ¥144.4bn

- Petroleum 98.8
- Resources & Non-ferrous Metals 26.8
- Electronic Materials 11.2
- Metal Fabrication 6.1
- Others 1.5

② Other Income and Expense, net ¥44.3bn

- Interest and dividend income 3.8
- Amortization of consolidation adjustment account 2.1
- Equity in income of non-consolidated subsidiaries and affiliates 51.0
- Interest expenses (10.9)
- Others (1.7)

<3> Special profit and Loss, net

Breakdown of Special profit and Loss, net ¥(16.1) billion

- Gain on sales of investments in securities 7.2
- Gain on sales of property, plant and equipment 4.3
- Gain on proceeds from casualty insurance 2.7
- Bad debt recovery 2.3
- Reorganization and restructuring costs (13.6)
- Impairment losses (5.6)
- Loss on disposal of property, plant and equipment (5.3)
- Provision for environmental remediation allowance (4.3)
- Provision for allowance for cost of disposal of unutilized property, plant and equipment (1.0)
- Others (2.8)

<4> Segment Information

(Billions of Yen)

		FY2005			FY2004			Differences
		1H	2H	Total	1H	2H	Total	
Petroleum	Net Sales	1,092.9	1,319.2	2,412.1	901.5	1,084.9	1,986.4	(○)425.7
	Operating Income	42.5	56.2	98.8	29.9	62.4	92.3	(○) 6.5
	Income before Special Items	42.0	57.0	99.0	26.5	61.4	87.8	(○) 11.2
Resources & Non-ferrous Metals	Net Sales	213.0	271.2	484.2	189.0	189.7	378.7	(○)105.4
	Operating Income	12.6	14.3	26.8	7.5	9.1	16.7	(○) 10.1
	Income before Special Items	32.5	37.8	70.3	19.5	27.0	46.4	(○) 23.9
Electronic Materials	Net Sales	47.4	58.9	106.3	46.7	42.3	89.0	(○) 17.3
	Operating Income	5.1	6.1	11.2	7.1	2.9	10.0	(○) 1.2
	Income before Special Items	4.3	5.3	9.6	6.4	1.4	7.7	(○) 1.9
Metal Fabrication	Net Sales	24.5	31.0	55.5	28.6	25.8	54.3	(○) 1.2
	Operating Income	2.5	3.6	6.1	5.4	3.2	8.6	(×) 2.5
	Income before Special Items	2.7	3.7	6.4	5.4	3.1	8.6	(×) 2.2
Others	Net Sales	10.9	14.8	25.8	29.2	11.4	40.7	(×) 14.9
	Operating Income	0.7	0.8	1.5	(2.8)	0.8	(2.0)	(○) 3.5
	Income before Special Items	1.6	1.8	3.4	(3.3)	0.8	(2.5)	(○) 5.9
Eliminations	Net Sales	(23.6)	(34.0)	(57.6)	(24.8)	(21.7)	(46.5)	(×) 11.1
Total	Net Sales	1,365.1	1,661.1	3,026.3	1,170.1	1,332.4	2,502.5	(○)523.7
	Operating Income	63.4	81.0	144.4	47.2	78.4	125.6	(○) 18.8
	Income before Special Items	83.1	105.6	188.7	54.4	93.6	148.1	(○) 40.7

※ Net Sales of each segment includes inter-segments sales.

※ Income of eliminations and corporate income are included in Others.

<5> Key Data

		FY2005			FY2004		
		1H	2H	Total	1H	2H	Total
All Segments	Exchange Rate (¥/\$)	109	117	113	110	105	108
Petroleum	Dubai Spot Price (\$/BBL)	51.6	55.4	53.5	34.8	38.4	36.6
	Market Price of Paraxylene (\$/t) ACP Base	919	1,007	963	806	972	889
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	162	210	186	128	144	136
	Electrolytic Copper Sales (1,000 tons)	302	287	588	313	295	607
Electronic Materials	Electro-deposited Copper Foil Sales (ton/month)	2,097	2,062	2,080	2,735	1,965	2,350
	Treated Rolled Copper Foil Sales (1,000 meters/month)	3,021	4,566	3,794	4,102	2,685	3,393
	ITO Target Sales (tons/month)	24.2	28.0	26.1	19.1	20.2	19.7
Metal Fabrication	Wrought copper products (1,000 tons)	16.8	19.6	36.4	18.8	16.0	34.8
	Special Steel Products (1,000 tons)	1.9	2.5	4.4	5.6	4.5	10.1
	High Quality Products Ratio	41%	45%	43%	30%	29%	30%

2 . Information by Segments

<1> Petroleum (Japan Energy Group)

(1) Operating Results

(Billions of Yen)

	FY2005	FY2004	Differences
Net Sales	2,412.1	1,986.4	(○) 425.7
Operating Income	98.8	92.3	(○) 6.5
Income before Special Items	99.0	87.8	(○) 11.2

Factors in ¥11.2 billion increase in the Income before Special Items

- Effect of inventory valuation (○)33.4
FY2004: ¥17.5bn → FY2005: ¥50.9bn
- Influence of a fire and a natural disaster in FY2004 (○) 5.5
- Decrease in income for petrochemical business (×) 9.0
- Others (×)23.4
Energy cost up, Margin time lag and others
- Other income and expenses (○) 4.7
Increase in equity in income of non-consolidated subsidiaries and affiliates

(2) Sales volume and growth rate

	Domestic sales volume (Thousands of KL)			Growth rate (2005 vs. 2004)
	FY2005	FY2004	Differences	
Gasoline	6,188	6,298	△110	98.3%
Naphtha	3,747	3,426	321	109.4%
Jet Fuel	635	703	△68	90.3%
Kerosene	2,801	2,868	△67	97.7%
Gas Oil	4,367	4,417	△50	98.9%
A Heavy Fuel	2,833	2,723	110	104.0%
C Heavy Fuel	2,595	2,366	229	109.7%
Total	23,166	22,801	365	101.6%
Gasoline & Middle Distillation	16,189	16,306	△117	99.3%

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

(Millions of KL)

		FY2005					FY2004				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Group Total	Refining volume	5.89	7.30	7.48	7.48	28.14	6.24	6.67	7.40	7.37	27.67
	Utilization rate	70%	86%	87%	89%	83%	74%	78%	86%	88%	81%
	Comparison with Previous Year	94%	109%	101%	101%	102%	89%	104%	107%	100%	100%
Mizushima	Refining volume	1.97	2.69	2.79	2.90	10.36	2.86	2.42	2.94	2.83	11.04
	Utilization rate	68%	92%	94%	99%	88%	97%	81%	98%	96%	93%
	Comparison with Previous Year	69%	111%	95%	103%	94%	110%	102%	126%	101%	109%
Kashima	Refining volume	2.57	2.59	2.64	2.58	10.39	1.60	2.29	2.59	2.62	9.11
	Utilization rate	94%	93%	95%	95%	94%	58%	83%	93%	97%	83%
	Comparison with Previous Year	161%	113%	102%	98%	114%	65%	105%	99%	101%	92%

※ 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)

	FY2005	FY2004	Differences
Net Sales	484.2	378.7	(○) 105.4
Operating Income	26.8	16.7	(○) 10.1
Income before Special Items	70.3	46.4	(○) 23.9

Factors in ¥23.9 billion increase in the Income before Special Items

- Nippon Mining & Metals and consolidated subsidiaries (○) ¥9.2bn
 - * Metal prices up
 - * TC/RC improvement
 - * Copper premium improvement
 - * Depreciation of the yen, etc.
- Equity in income of affiliates (○)¥14.7bn
 - * Minera Los Pelambres (○)10.6
Copper and molybdenum prices up, etc.
 - * LS-Nikko (○) 4.1
Copper price up, TC/RC improvement, etc.

(2) Price and Sales Volume

		FY2005			FY2004		
		1H	2H	Total	1H	2H	Total
Price	Copper (¢ /lb)	162	210	186	128	144	136
	Zinc (\$ / t)	1,285	1,941	1,613	1,004	1,215	1,109
	Gold (\$ /TOZ)	433	520	477	397	431	414
	Platinum (\$/TOZ)	883	998	940	834	856	845
	Palladium (\$/TOZ)	189	265	227	236	198	217
Sales Volume (Thousand tons)	Copper	302	287	588	313	295	607
	Zinc	38	42	80	42	43	85

<3> Electronic Materials (Nikko Materials Group)

(1) Operating Results

(Billions of Yen)

	FY2005	FY2004	Differences
Net Sales	106.3	89.0	(○) 17.3
Operating Income	11.2	10.0	(○) 1.2
Income before Special Items	9.6	7.7	(○) 1.9

Factors in ¥1.9 billion increase in the Income before Special Items

- Operating Income (○)¥1.2bn
 - * Electro-deposited copper foil (×) 0.4
 - * Treated rolled copper foil (○) 0.1
 - * Sputtering targets (○) 1.8
 - * Compound semiconductor materials and others (○) 0.3
 - * Expenses including research and development cost (×) 0.6
- Other Income and Expenses (○)¥0.7bn
 - * Interest expenses (○) 0.2
 - * Gain on sales of scrap (○) 0.4
 - * Others (○) 0.1

(2) Breakdown by Products

(Billions of Yen)

		FY2005	FY2004	Differences
Electro-deposited and Treated Rolled Copper Foil	Net Sales	39.6	38.3	(○) 1.3
	Operating Income	1.4	1.7	(×) 0.3
Targets	Net Sales	54.8	40.0	(○) 14.8
	Operating Income	12.7	10.9	(○) 1.8
Compound Semiconductor Materials and Others	Net Sales	11.9	10.7	(○) 1.2
	Operating Income	(2.9)	(2.6)	(×) 0.3
Total	Net Sales	106.3	89.0	(○) 17.3
	Operating Income	11.2	10.0	(○) 1.2

<4> Metal Fabrication (Nikko Metal Manufacturing Group)

(1) Operating Results

(Billions of Yen)

	FY2005	FY2004	Differences
Net Sales	55.5	54.3	(○) 1.2
Operating Income	6.1	8.6	(×) 2.5
Income before Special Items	6.4	8.6	(×) 2.2

Factors in ¥2.2 billion decrease in the Income before Special Items

- Sales increase (○) ¥1.3bn
 - * Corson alloy (○) 0.8
 - * Others (○) 0.5
- Sales decrease (×) ¥1.9bn
 - * Stainless steel for electron guns for CRT (×) 1.6
 - * Others (×) 0.3
- Copper price up (○) ¥0.3bn
- Nikko Woojin Precision Manufacturing (Suzhou) Co., Ltd. (×) ¥0.7bn
- Woojin Precision Industry Co., Ltd. (×) ¥0.7bn
- Others (×) ¥0.5bn

(2) Sales by Products

(Billions of Yen)

		FY2005	FY2004	Differences
Wrought copper	Phosphor bronze	15.3	13.1	(○) 2.2
	Corson alloy	6.8	5.2	(○) 1.6
	Copper foil	6.5	6.2	(○) 0.3
	Others	9.6	7.3	(○) 2.3
Special steel	Stainless steel	2.0	4.6	(×) 2.6
	High-nickel alloy	4.0	6.8	(×) 2.8
	Others	0.3	0.3	—
Others (Precision manufacturing etc.)		11.0	10.8	(○) 0.2
Total		55.5	54.3	(○) 1.2

3 . Comparison with the Previous Forecasts

<1> Assumptions

		FY2005		
		Actual	Previous forecasts (Mar. 29)	Differences
All Segments	Exchange Rate (¥/\$)	113	113	-
Petroleum	Dubai Spot Price (\$/BBL)	53.5	53.5	-
	Market Price of Paraxylene (\$/t) ACP Base	963	963	-
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	186	185	(+) 1
	Electrolytic Copper Sales (1,000 tons)	588	590	(-) 2
Electronic Materials	Electro-deposited Copper Foil Sales (ton/month)	2,080	2,067	(+) 13
	Treated Rolled Copper Foil Sales (1,000 meters/month)	3,794	3,765	(+) 29
	ITO Target Sales (tons/month)	26.1	26.0	(+) 0.1
Metal Fabrication	Wrought copper products (1,000 tons)	36.4	36.5	(-) 0.1
	Special Steel Products (1,000 tons)	4.4	4.7	(-) 0.3
	High Quality Products Ratio	43%	43%	-

<2> Operating Results (consolidated)

(Billions of Yen)

	FY2005		
	Actual	Previous forecasts (Mar. 29)	Differences
Net Sales	3,026.3	3,030.0	(×) 3.7
Operating Income	144.4	141.0	(○) 3.4
Income before Special Items	188.7	184.0	(○) 4.7
Net Income	96.9	93.0	(○) 3.9
Ratio of Income before Special Items to Net Sales	6.2%	6.1%	(○) 0.2%
Earnings Per Share (yen)	113.9	109.9	(○) 4.0
Number of Share (1,000 Shares)	847,047	847,047	-

<3> Segment Information

(Billions of Yen)

		FY2005		
		Actual	Previous forecasts (Mar. 29)	Differences
Petroleum	Net Sales	2,412.1	2,410.0	(○) 2.1
	Operating Income	98.8	96.0	(○) 2.7
	Income before Special Items	99.0	96.0	(○) 3.0
Resources & Non-ferrous Metals	Net Sales	484.2	483.0	(○) 1.2
	Operating Income	26.8	25.5	(○) 1.4
	Income before Special Items	70.3	68.5	(○) 1.8
Electronic Materials	Net Sales	106.3	104.0	(○) 2.3
	Operating Income	11.2	11.0	(○) 0.2
	Income before Special Items	9.6	9.5	(○) 0.1
Metal Fabrication	Net Sales	55.5	55.0	(○) 0.5
	Operating Income	6.1	6.5	(×) 0.4
	Income before Special Items	6.4	6.5	(×) 0.1
Others	Net Sales	25.8	24.0	(○) 1.7
	Operating Income	1.5	2.0	(×) 0.5
	Income before Special Items	3.4	3.5	(×) 0.1
Eliminations	Net Sales	(57.6)	(46.0)	(×) 11.6
Total	Net Sales	3,026.3	3,030.0	(×) 3.7
	Operating Income	144.4	141.0	(○) 3.4
	Income before Special Items	188.7	184.0	(○) 4.7

※Net Sales of each segment includes inter-segments sales.

<4> Income before Special Items

(Billions of Yen)

	Actual	Previous forecasts (Mar. 29)	Differences	Notes
Petroleum	99.0	96.0	(○)3.0	<ul style="list-style-type: none"> ➤ Margin time lag ➤ Cost reduction
Resources & Non-ferrous Metals	70.3	68.5	(○)1.8	<ul style="list-style-type: none"> ➤ Metal prices up ➤ Depreciation of the yen ➤ Cost reduction
Electronic Materials	9.6	9.5	(○)0.1	<ul style="list-style-type: none"> ➤ Sales increase of Treated Rolled Copper Foil
Metal Fabrication	6.4	6.5	(×)0.1	<ul style="list-style-type: none"> ➤ Manufacturing cost up
Others	3.4	3.5	(×)0.1	
Total	188.7	184.0	(○)4.7	

4 . Quarterly Results FY2005

(Billions of Yen)

		1H			2H			Full Year
		1Q	2Q	Total	3Q	4Q	Total	
Petroleum	Net Sales	509.8	583.1	1,092.9	637.2	682.0	1,319.2	2,412.1
	Operating Income	27.0	15.5	42.5	29.8	26.4	56.2	98.8
	Income before Special Items	27.0	15.0	42.0	29.4	27.6	57.0	99.0
Resources & Non-ferrous Metals	Net Sales	100.4	112.6	213.0	122.6	148.6	271.2	484.2
	Operating Income	5.3	7.3	12.6	5.7	8.6	14.3	26.8
	Income before Special Items	14.7	17.8	32.5	17.6	20.2	37.8	70.3
Electronic Materials	Net Sales	22.6	24.8	47.4	28.8	30.1	58.9	106.3
	Operating Income	2.6	2.5	5.1	3.6	2.5	6.1	11.2
	Income before Special Items	2.2	2.1	4.3	3.3	2.0	5.3	9.6
Metal Fabrication	Net Sales	12.0	12.5	24.5	15.1	15.9	31.0	55.5
	Operating Income	1.7	0.8	2.5	2.4	1.2	3.6	6.1
	Income before Special Items	1.8	0.8	2.7	2.4	1.3	3.7	6.4
Others	Net Sales	4.1	6.8	10.9	5.5	9.3	14.8	25.8
	Operating Income	0.0	0.7	0.7	0.2	0.6	0.8	1.5
	Income before Special Items	0.6	1.0	1.6	0.7	1.1	1.8	3.4
Eliminations	Net Sales	(12.0)	(11.7)	(23.6)	(15.6)	(18.4)	(34.0)	(57.6)
Total	Net Sales	636.9	728.2	1,365.1	793.6	867.5	1,661.1	3,026.3
	Operating Income	36.6	26.8	63.4	41.7	39.3	81.0	144.4
	Income before Special Items	46.4	36.8	83.1	53.3	52.3	105.6	188.7

※ Net Sales of each segment includes inter-segments sales.

※ Income of eliminations and corporate income are included in Others.

Annual Forecasts FY2006

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

1 . Comparison with FY2005

<1> Assumptions

		FY2006 (Forecasts)			FY2005 (Actual)		
		1H	2H	Total	1H	2H	Total
All Segments	Exchange Rate (¥/\$)	110	110	110	109	117	113
Petroleum	Dubai Spot Price (\$/BBL)	58.0	58.0	58.0	51.6	55.4	53.5
	Market Price of Paraxylene (\$/t) ACP Base	1,055	1,065	1,060	919	1,007	963
Resources & Metals	Market Price of Copper (¢/lb)	240	200	220	162	210	186
	Electrolytic Copper Sales (1,000 tons)	304	324	628	302	287	588
Electronic Materials	Electro-deposited Copper Foil Sales (tons/month)	1,930	2,006	1,968	2,097	2,062	2,080
	Treated Rolled Copper Foil Sales (1,000 meters/month)	4,600	5,000	4,800	3,021	4,566	3,794
	ITO Target Sales (tons/month)	30.0	41.8	35.9	24.2	28.0	26.1
Metal Manufacturing	Wrought copper products (1,000 tons)	19.9	20.6	40.5	16.8	19.6	36.4
	Special Steel Products (1,000 tons)	2.2	1.8	4.0	1.9	2.5	4.4
	High Quality Products Ratio	44%	46%	45%	41%	45%	43%

<2> Operating Forecasts (consolidated)

(Billions of Yen)

	FY2006 (Forecasts)			FY2005 (Actual)			Differences
	1H	2H	Total	1H	2H	Total	
Net Sales	1,570.0	1,695.0	3,265.0	1,365.1	1,661.1	3,026.3	(○) 238.7
Operating Income	41.0	51.0	92.0	63.4	81.0	144.4	(×) 52.4
Income before Special Items	68.0	75.0	143.0	83.1	105.6	188.7	(×) 45.7
Net Income	39.0	43.0	82.0	52.5	44.4	96.9	(×) 14.9
Ratio of Income before Special Items to Net Sales	4.3%	4.4%	4.4%	6.1%	6.4%	6.2%	(×) 1.9%
Earnings Per Share (yen)			96.8			113.9	(×) 17.1
Number of Shares (1,000 Shares)			(847,047)			(847,047)	—

<3> Operating Forecasts by Segments

(Billions of Yen)

		FY2006 (Forecasts)			FY2005 (Actual)			Differences		
		1H	2H	Total	1H	2H	Total	1H	2H	Total
Petroleum (Japan Energy Group)	Net Sales	1,170.0	1,300.0	2,470.0	1,087.2	1,305.4	2,392.6	(○) 82.8	(×) 5.4	(○) 77.4
	Operating Income	20.5	23.5	44.0	42.1	54.5	96.6	(×) 21.6	(×) 31.0	(×) 52.6
	Income before Special Items	22.0	25.0	47.0	41.5	55.4	97.0	(×) 19.5	(×) 30.4	(×) 50.0
Metals (Nippon Mining & Metals Group)	Net Sales	387.0	375.0	762.0	268.8	338.3	607.1	(○) 118.2	(○) 36.7	(○) 154.9
	Operating Income	19.5	25.0	44.5	19.6	23.4	43.0	(×) 0.1	(○) 1.6	(○) 1.5
	Income before Special Items	43.5	46.0	89.5	37.9	45.0	82.8	(○) 5.6	(○) 1.0	(○) 6.7
Resources & Metals	Net Sales	320.0	298.0	618.0	218.1	277.2	495.4	(○) 101.9	(○) 20.8	(○) 122.6
	Operating Income	13.0	14.5	27.5	12.7	14.4	27.1	(○) 0.3	(○) 0.1	(○) 0.4
	Income before Special Items	38.0	36.5	74.5	31.5	36.7	68.2	(○) 6.5	(×) 0.2	(○) 6.3
Electronic Materials	Net Sales	60.0	69.0	129.0	47.4	58.9	106.3	(○) 12.6	(○) 10.1	(○) 22.7
	Operating Income	3.0	5.5	8.5	5.1	6.1	11.2	(×) 2.1	(×) 0.6	(×) 2.7
	Income before Special Items	2.0	4.5	6.5	4.3	5.3	9.6	(×) 2.3	(×) 0.8	(×) 3.1
Metal Manufacturing	Net Sales	27.0	28.0	55.0	23.1	29.6	52.8	(○) 3.9	(×) 1.6	(○) 2.2
	Operating Income	3.5	4.0	7.5	2.4	3.5	5.9	(○) 1.1	(○) 0.5	(○) 1.6
	Income before Special Items	3.0	4.0	7.0	2.6	3.6	6.2	(○) 0.4	(○) 0.4	(○) 0.8
Metal Group Adjustments	Net Sales	(20.0)	(20.0)	(40.0)	(19.8)	(27.5)	(47.3)	(×) 0.2	(○) 7.5	(○) 7.3
	Operating Income	—	1.0	1.0	(0.5)	(0.6)	(1.2)	(○) 0.5	(○) 1.6	(○) 2.2
	Income before Special Items	0.5	1.0	1.5	(0.5)	(0.6)	(1.2)	(○) 1.0	(○) 1.6	(○) 2.7
Others	Net Sales	28.0	36.0	64.0	23.2	35.3	58.5	(○) 4.8	(○) 0.7	(○) 5.5
	Operating Income	1.0	2.5	3.5	1.7	3.2	4.9	(×) 0.7	(×) 0.7	(×) 1.4
	Income before Special Items	2.5	4.0	6.5	3.7	5.2	8.9	(×) 1.2	(×) 1.2	(×) 2.4
Eliminations	Net Sales	(15.0)	(16.0)	(31.0)	(14.2)	(17.9)	(32.0)	(×) 0.8	(○) 1.9	(○) 1.0
Total	Net Sales	1,570.0	1,695.0	3,265.0	1,365.1	1,661.1	3,026.3	(○) 204.9	(○) 33.9	(○) 238.7
	Operating Income	41.0	51.0	92.0	63.4	81.0	144.4	(×) 22.4	(×) 30.0	(×) 52.4
	Income before Special Items	68.0	75.0	143.0	83.1	105.6	188.7	(×) 15.1	(×) 30.6	(×) 45.7

※Net Sales of each segment includes inter-segments sales.

<4> Income before Special Items (FY2006 vs. FY2005)

(Billions of Yen)

	FY2006 (Forecasts)	FY2005 (Actual)	Differences	Notes
Petroleum (Japan Energy Group)	47.0	97.0	(×) 50.0	<ul style="list-style-type: none"> ➤ Negative impact of inventory valuation (×) 42.9 (FY05:50.9 → FY06:8.0) ➤ Petrochemicals (×) 2.0 ➤ Others (×) 5.1
Metals (Nippon Mining & Metals Group)	89.5	82.8	(○) 6.7	
Resources & Metals	74.5	68.2	(○) 6.3	<ul style="list-style-type: none"> ➤ Copper price up ➤ TC/RC improvement ➤ Deterioration of Copper premium ➤ Withdrawal from zinc business
Electronic Materials	6.5	9.6	(×) 3.1	<ul style="list-style-type: none"> ➤ Negative impact of inventory valuation ➤ Sales increase of Treated Rolled Copper Foil and Sputtering Targets ➤ Positive impact of closure of Electro-deposited Copper Foil plant in U.S.A
Metal Manufacturing	7.0	6.2	(○) 0.8	<ul style="list-style-type: none"> ➤ Sales increase of Treated Rolled Copper Foil and IT-related products
Metal Group Adjustments	1.5	(1.2)	(○) 2.7	
Others	6.5	8.9	(×) 2.4	<ul style="list-style-type: none"> ➤ Decrease of profit in Independent Operating Companies & Functional Support Companies
Total	143.0	188.7	(×) 45.7	

2 . Information by Segments

<1> Petroleum (Japan Energy Group)

(1) Forecasts

(Billions of Yen)

	FY2006 (Forecasts)			FY2005 (Actual)			Differences		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Net Sales	1,170.0	1,300.0	2,470.0	1,087.2	1,305.4	2,392.6	(○) 82.8	(×) 5.4	(○) 77.4
Operating Income	20.5	23.5	44.0	42.1	54.5	96.6	(×) 21.6	(×) 31.0	(×) 52.6
Income before Special Items	22.0	25.0	47.0	41.5	55.4	97.0	(×) 19.5	(×) 30.4	(×) 50.0

(2) Sales volume and growth rate of fuel oil

	Domestic sales volume (Thousands of KL)			Growth rate (2006 vs. 2005)
	FY2006	FY2005	Differences	
Gasoline	6,120	6,188	(-) 68	98.9%
Naphtha	3,700	3,747	(-) 47	98.7%
Jet Fuel	620	635	(-) 15	97.6%
Kerosene	2,880	2,801	(+) 79	102.8%
Gas Oil	4,280	4,367	(-) 87	98.0%
A Heavy Fuel	2,750	2,833	(-) 83	97.1%
C Heavy Fuel	1,630	2,595	(-) 965	62.8%
Total	21,980	23,166	(-) 1,186	94.9%
Gasoline & Middle Distillation	16,030	16,189	(-) 159	99.0%

(3) Number of JOMO Service Stations

	2001 Mar 31	2002 Mar 31	2003 Mar 31	2004 Mar 31	2005 Mar 31	2006 Mar 31
Owned by Japan Energy (Self-SS)	1,328	1,284 (105)	1,229 (227)	1,207 (264)	1,172 (297)	1,154 (347)
Owned by wholesalers and others (Self-SS)	3,318	3,192 (59)	3,067 (95)	2,943 (121)	2,851 (143)	2,679 (187)
Total (Self-SS)	4,646	4,476 (164)	4,296 (322)	4,150 (385)	4,023 (440)	3,833 (534)

(4) Petrochemical Profit

(Billions of Yen)

FY2006 (Forecasts)	FY2005	FY2004	FY2003	FY2002
13.5	15.5	24.5	8.5	5.5

<2> Metals (Nippon Mining & Metals Group)

(1) Forecasts

(Billions of Yen)

		FY2006 (Forecasts)			FY2005 (Actual)			Differences		
		1H	2H	Total	1H	2H	Total	1H	2H	Total
Metals (Nippon Mining & Metals Group)	Net Sales	387.0	375.0	762.0	268.8	338.3	607.1	(○)118.2	(○) 36.7	(○)154.9
	Operating Income	19.5	25.0	44.5	19.6	23.4	43.0	(×) 0.1	(○) 1.6	(○) 1.5
	Income before Special Items	43.5	46.0	89.5	37.9	45.0	82.8	(○) 5.6	(○) 1.0	(○) 6.7
Resources & Metals	Net Sales	320.0	298.0	618.0	218.1	277.2	495.4	(○)101.9	(○) 20.8	(○)122.6
	Operating Income	13.0	14.5	27.5	12.7	14.4	27.1	(○) 0.3	(○) 0.1	(○) 0.4
	Income before Special Items	38.0	36.5	74.5	31.5	36.7	68.2	(○) 6.5	(×) 0.2	(○) 6.3
Electronic Materials	Net Sales	60.0	69.0	129.0	47.4	58.9	106.3	(○) 12.6	(○) 10.1	(○) 22.7
	Operating Income	3.0	5.5	8.5	5.1	6.1	11.2	(×) 2.1	(×) 0.6	(×) 2.7
	Income before Special Items	2.0	4.5	6.5	4.3	5.3	9.6	(×) 2.3	(×) 0.8	(×) 3.1
Metal Manufactur- ing	Net Sales	27.0	28.0	55.0	23.1	29.6	52.8	(○) 3.9	(×) 1.6	(○) 2.2
	Operating Income	3.5	4.0	7.5	2.4	3.5	5.9	(○) 1.1	(○) 0.5	(○) 1.6
	Income before Special Items	3.0	4.0	7.0	2.6	3.6	6.2	(○) 0.4	(○) 0.4	(○) 0.8
Metal Group Adjustments	Net Sales	(20.0)	(20.0)	(40.0)	(19.8)	(27.5)	(47.3)	(×) 0.2	(○) 7.5	(○) 7.3
	Operating Income	—	1.0	1.0	(0.5)	(0.6)	(1.2)	(○) 0.5	(○) 1.6	(○) 2.2
	Income before Special Items	0.5	1.0	1.5	(0.5)	(0.6)	(1.2)	(○) 1.0	(○) 1.6	(○) 2.7

<2- > Resources & Metals Company Group

(1) Forecasts

(Billions of Yen)

	FY2006 (Forecasts)			FY2005 (Actual)			Differences		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Net Sales	320.0	298.0	618.0	218.1	277.2	495.4	(○) 101.9	(○) 20.8	(○) 122.6
Operating Income	13.0	14.5	27.5	12.7	14.4	27.1	(○) 0.3	(○) 0.1	(○) 0.4
Income before Special Items	38.0	36.5	74.5	31.5	36.7	68.2	(○) 6.5	(×) 0.2	(○) 6.3

(2) Price and Sales Volume

		FY2006 (Forecasts)			FY2005 (Actual)		
		1H	2H	Total	1H	2H	Total
Price	Copper (¢/lb)	240	200	220	162	210	186
	Gold (\$/TOZ)	480	440	460	433	520	477
	Platinum (\$/TOZ)	1,000	900	950	883	998	940
	Palladium (\$/TOZ)	250	230	240	189	265	227
Sales Volume	Copper (1,000 tons)	304	324	628	302	287	588

<2- > Electronic Materials Company Group

(1) Forecasts

(Billions of Yen)

	FY2006 (Forecasts)			FY2005 (Actual)			Differences		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Net Sales	60.0	69.0	129.0	47.4	58.9	106.3	(○) 12.6	(○) 10.1	(○) 22.7
Operating Income	3.0	5.5	8.5	5.1	6.1	11.2	(×) 2.1	(×) 0.6	(×) 2.7
Income before Special Items	2.0	4.5	6.5	4.3	5.3	9.6	(×) 2.3	(×) 0.8	(×) 3.1

(2) Breakdown by products

(Billions of Yen)

		FY2006 (Forecasts)			FY2005 Actual			Differences		
		1H	2H	Total	1H	2H	Total	1H	2H	Total
Electro-deposited and Treated Rolled Copper Foil	Net Sales	21.1	24.8	45.9	17.4	22.2	39.6	(○) 3.7	(○) 2.6	(○) 6.3
	Operating Income	1.3	2.8	4.1	(0.1)	1.5	1.4	(○) 1.4	(○) 1.3	(○) 2.7
Targets	Net Sales	32.7	37.8	70.5	24.4	30.4	54.8	(○) 8.3	(○) 7.4	(○) 15.7
	Operating Income	4.0	4.9	8.9	6.6	6.1	12.7	(×) 2.6	(×) 1.2	(×) 3.8
Compound semiconductor materials and Others	Net Sales	6.2	6.4	12.6	5.6	6.3	11.9	(○) 0.6	(○) 0.1	(○) 0.7
	Operating Income	(2.3)	(2.2)	(4.5)	(1.4)	(1.5)	(2.9)	(×) 0.9	(×) 0.7	(×) 1.6
Total	Net Sales	60.0	69.0	129.0	47.4	58.9	106.3	(○) 12.6	(○) 10.1	(○) 22.7
	Operating Income	3.0	5.5	8.5	5.1	6.1	11.2	(×) 2.1	(×) 0.6	(×) 2.7

<2- > Metal Manufacturing Group

(1) Forecasts

(Billions of Yen)

	FY2006 (Forecasts)			FY2005 (Actual)			Differences		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Net Sales	27.0	28.0	55.0	23.1	29.6	52.8	(○) 3.9	(×) 1.6	(○) 2.2
Operating Income	3.5	4.0	7.5	2.4	3.5	5.9	(○) 1.1	(○) 0.5	(○) 1.6
Income before Special Items	3.0	4.0	7.0	2.6	3.6	6.2	(○) 0.4	(○) 0.4	(○) 0.8

(2) Breakdown by products

(Billions of Yen)

		FY2006 (Forecasts)			FY2005 (Actual)			Differences		
		1H	2H	Total	1H	2H	Total	1H	2H	Total
Wrought copper	Phosphor bronze	9.6	8.4	18.0	6.7	8.6	15.3	(○)2.9	(×)0.2	(○)2.7
	Corson alloy	4.1	3.8	7.9	3.0	3.8	6.8	(○)1.1	-	(○)1.1
	Copper foil	4.0	3.9	7.9	2.4	4.1	6.5	(○)1.6	(×)0.2	(○)1.4
	Others	6.0	5.8	11.8	4.2	5.4	9.6	(○)1.8	(○)0.4	(○)2.2
Special steel	Stainless steel	1.1	0.8	1.9	0.9	1.1	2.0	(○)0.2	(×)0.3	(×)0.1
	High-nickel alloy	1.6	1.5	3.1	1.6	2.4	4.0	-	(×)0.9	(×)0.9
	Others	0.2	0.2	0.4	0.2	0.1	0.3	-	(○)0.1	(○)0.1
Others (precision manufacturing etc.)		0.4	3.6	4.0	4.1	4.1	8.3	(×)3.7	(×)0.5	(×)4.3
Total		27.0	28.0	55.0	23.1	29.6	52.8	(○)3.9	(×)1.6	(○)2.2

3 . Comparison with the Previous Forecasts

<1> Assumptions

		FY2006			
		Revised forecasts	Previous forecasts (Apr. 10)	Differences	
All Segments	Exchange Rate (¥/\$)	110	110	—	
Petroleum	Dubai Spot Price (\$/BBL)	58.0	53.0	(+) 5.0	
	Market Price of Paraxylene (\$/t) ACP Base	1,060	1,015	(+) 45	
Metals	Resources & Metals	Market Price of Copper (¢/lb)	220	190	(+) 30
		Electrolytic Copper Sales (1,000 tons)	628	628	—
	Electronic Materials	Electro-deposited Copper Foil Sales (tons/month)	1,968	1,968	—
		Treated Rolled Copper Foil Sales (1,000 meters/month)	4,800	4,800	—
		ITO Target Sales (tons/month)	35.9	38.4	(-) 2.5
	Metal Manufacturing	Wrought copper products (1,000 tons)	40.5	40.5	—
		Special Steel Products (1,000 tons)	4.0	4.0	—
		High Quality Products Ratio	45%	45%	—

<2> Operating Results (consolidated)

(Billions of Yen)

	FY2006		
	Revised forecasts	Previous forecasts (Apr. 10)	Differences
Net Sales	3,265.0	3,105.0	(○) 160.0
Operating Income	92.0	90.0	(○) 2.0
Income before Special Items	143.0	130.0	(○) 13.0
Net Income	82.0	75.0	(○) 7.0
Ratio of Income before Special Items to Net Sales	4.4%	4.2%	(○) 0.2%
Earnings Per Share (yen)	96.8	88.6	(○) 8.2
Number of Share (1,000 Shares)	847,047	847,047	—

<3> Segment Information

(Billions of Yen)

		FY2006		
		Revised forecasts	Previous forecasts (Apr. 10)	Differences
Petroleum (Japan Energy Group)	Net Sales	2,470.0	2,380.0	(○) 90.0
	Operating Income	44.0	45.0	(×) 1.0
	Income before Special Items	47.0	47.0	—
Metals (Nippon Mining & Metals Group)	Net Sales	762.0	692.0	(○) 70.0
	Operating Income	44.5	41.5	(○) 3.0
	Income before Special Items	89.5	76.5	(○) 13.0
Resources & Metals	Net Sales	618.0	554.0	(○) 64.0
	Operating Income	27.5	24.0	(○) 3.5
	Income before Special Items	74.5	61.0	(○) 13.5
Electronic Materials	Net Sales	129.0	126.0	(○) 3.0
	Operating Income	8.5	9.0	(×) 0.5
	Income before Special Items	6.5	7.0	(×) 0.5
Metal Manufacturing	Net Sales	55.0	52.0	(○) 3.0
	Operating Income	7.5	7.5	—
	Income before Special Items	7.0	7.0	—
Metal Group Adjustments	Net Sales	(40.0)	(40.0)	—
	Operating Income	1.0	1.0	—
	Income before Special Items	1.5	1.5	—
Others	Net Sales	64.0	64.0	—
	Operating Income	3.5	3.5	—
	Income before Special Items	6.5	6.5	—
Eliminations	Net Sales	(31.0)	(31.0)	—
Total	Net Sales	3,265.0	3,105.0	(○) 160.0
	Operating Income	92.0	90.0	(○) 2.0
	Income before Special Items	143.0	130.0	(○) 13.0

※ Net Sales of each segment includes inter-segments sales.

<4> Income before Special Items (FY2006)

(Billions of Yen)

	Revised forecasts	Previous forecasts (Apr. 10)	Differences	Notes
Petroleum (Japan Energy Group)	47.0	47.0	—	<ul style="list-style-type: none"> ➤ Positive impact of inventory valuation (○) 8.0 (0 → 8.0) ➤ Petrochemicals (×) 2.0 ➤ Margin time lag and others (×)6.0
Metals (Nippon Mining & Metals Group)	89.5	76.5	(○) 13.0	
Resources & Metals	74.5	61.0	(○) 13.5	<ul style="list-style-type: none"> ➤ Resources & Metals Company and consolidated subsidiaries (○) 4.5 <ul style="list-style-type: none"> • Metal prices up • Depreciation of the yen ➤ Equity method in affiliated companies (○) 9.0 <ul style="list-style-type: none"> • Increase of profit in Minera Los Pelambres (Metal prices up)
Electronic Materials	6.5	7.0	(×) 0.5	<ul style="list-style-type: none"> ➤ Deterioration of Electro-deposited Copper Foil margin (Copper price up)
Metal Manufacturing	7.0	7.0	—	
Metal Group Adjustments	1.5	1.5	—	
Others	6.5	6.5	—	
Total	143.0	130.0	(○) 13.0	

4 . Difference between 1st Half and 2nd Half of FY2006

<1> Assumptions

		FY2006			
		1H	2H	Differences	
All Segments	Exchange Rate (¥/\$)	110	110	—	
Petroleum	Dubai Spot Price (\$/BBL)	58.0	58.0	—	
	Market Price of Paraxylene (\$/t) ACP Base	1,055	1,065	(+) 10	
Metals	Resources & Metals	Market Price of Copper (¢/lb)	240	200	(-) 40
		Electrolytic Copper Sales (1,000 tons)	304	324	(+) 20
	Electronic Materials	Electro-deposited Copper Foil Sales (tons/month)	1,930	2,006	(+) 76
		Treated Rolled Copper Foil Sales (1,000 meters/month)	4,600	5,000	(+) 400
		I/O Target Sales (tons/month)	30.0	41.8	(+) 11.8
	Metal Manufacturing	Wrought copper products (1,000 tons)	19.9	20.6	(+) 0.7
		Special Steel Products (1,000 tons)	2.2	1.8	(-) 0.4
		High Quality Products Ratio	44%	46%	(+) 2%

<2> Operating Results (consolidated)

(Billions of Yen)

	FY2006		
	1H	2H	Differences
Net Sales	1,570.0	1,695.0	(○) 125.0
Operating Income	41.0	51.0	(○) 10.0
Income before Special Items	68.0	75.0	(○) 7.0
Net Income	39.0	43.0	(○) 4.0
Ratio of Income before Special Items to Net Sales	4.3%	4.4%	(+) 0.1%

<3> Segment Information

(Billions of Yen)

		FY2006		
		1H	2H	Differences
Petroleum (Japan Energy Group)	Net Sales	1,170.0	1,300.0	(○) 130.0
	Operating Income	20.5	23.5	(○) 3.0
	Income before Special Items	22.0	25.0	(○) 3.0
Metals (Nippon Mining & Metals Group)	Net Sales	387.0	375.0	(×) 12.0
	Operating Income	19.5	25.0	(○) 5.5
	Income before Special Items	43.5	46.0	(○) 2.5
Resources & Metals	Net Sales	320.0	298.0	(×) 22.0
	Operating Income	13.0	14.5	(○) 1.5
	Income before Special Items	38.0	36.5	(×) 1.5
Electronic Materials	Net Sales	60.0	69.0	(○) 9.0
	Operating Income	3.0	5.5	(○) 2.5
	Income before Special Items	2.0	4.5	(○) 2.5
Metal Manufacturing	Net Sales	27.0	28.0	(○) 1.0
	Operating Income	3.5	4.0	(○) 0.5
	Income before Special Items	3.0	4.0	(○) 1.0
Metal Group Adjustments	Net Sales	(20.0)	(20.0)	—
	Operating Income	—	1.0	(○) 1.0
	Income before Special Items	0.5	1.0	(○) 0.5
Others	Net Sales	28.0	36.0	(○) 8.0
	Operating Income	1.0	2.5	(○) 1.5
	Income before Special Items	2.5	4.0	(○) 1.5
Eliminations	Net Sales	(15.0)	(16.0)	(×) 1.0
Total	Net Sales	1,570.0	1,695.0	(○) 125.0
	Operating Income	41.0	51.0	(○) 10.0
	Income before Special Items	68.0	75.0	(○) 7.0

※ Net Sales of each segment includes inter-segments sales.

<4> Income before Special Items (FY2006)

(Billions of Yen)

	1H	2H	Differences	Notes
Petroleum (Japan Energy Group)	22.0	25.0	(○) 3.0	<ul style="list-style-type: none"> ➤ Negative impact of inventory valuation (×) 6.0 (1H:7.0 → 2H:1.0) ➤ Seasonal factors (○) 9.0
Metals (Nippon Mining & Metals Group)	43.5	46.0	(○) 2.5	
Resources & Metals	38.0	36.5	(×) 1.5	<ul style="list-style-type: none"> ➤ Metal prices down ➤ Sales increase of Electrolytic Copper
Electronic Materials	2.0	4.5	(○) 2.5	<ul style="list-style-type: none"> ➤ Sales increase of Treated Rolled Copper Foil and Sputtering Targets ➤ Improvement of Electro-deposited Copper Foil margin
Metal Manufacturing	3.0	4.0	(○) 1.0	<ul style="list-style-type: none"> ➤ Sales increase of Precision Manufacturing Products
Metal Group Adjustments	0.5	1.0	(○) 0.5	
Others	2.5	4.0	(○) 1.5	<ul style="list-style-type: none"> ➤ Seasonal factors in Independent Operating Companies
Total	68.0	75.0	(○) 7.0	

Consolidated Balance Sheet, Consolidated Cash Flows etc.

1. Consolidated Balance Sheet

<1> Balance Sheet

(Billions of Yen)

	Mar 31 2006[A]	Mar 31 2005[B]	Differences [B]－[A]
Current Assets	906.4	677.1	(+ 229.3)
Fixed Assets	953.2	903.1	(+ 50.1)
Total Assets	1,859.6	1,580.1	(+ 279.4)
Current Liabilities	921.0	756.8	(+ 164.2)
Long-term Liabilities	425.1	431.9	(-) 6.9
Minority Interest	46.0	37.9	(+ 8.1)
Total Shareholders' Equity	467.5	353.4	(+ 114.0)

Mar 31 2007 (Forecasts) [C]	Differences [C]－[A]
1,978.0	(+ 118.4)
1,978.0	(+ 118.4)
1,373.0	(+ 26.9)

Net Assets
Shareholders' Equity and Valuation Adjustments, etc.
Minority Interest

605.0	(+ 91.5)
532.0	(+ 64.5)
73.0	(+ 27.0)

Shareholders' Equity Ratio	25.1%	22.4%	(+ 2.7%)
BPS (¥/Share) ※	551.36	416.98	(+ 134.38)
Interest-Bearing Debt	684.7	643.8	(+ 40.9)

26.9%	(+ 1.8%)
628.06	(+ 76.70)
756.0	(+ 71.3)

※ BPS is divided by 847,047 thousand, issued shares as of March 31, 2006.

<2> Factors in Change from March 31, 2005 to March 31, 2006

(Billions of Yen)

<u>(1) Assets (+) 279.4</u>	
➤ Cash and cash equivalents	(+) 1.4
➤ Notes and account receivable, trade	(+) 65.4
➤ Inventories	(+) 156.4
➤ Property, plant and equipment (PPE) and intangible assets	(+) 0.1
• Capital expenditures	(+) 57.7
• Depreciation and amortization	(-) 44.9
• Impairment	(-) 5.6
• Change of consolidated subsidiaries	(+) 5.1
• Sales and disposal of PPE and others	(-) 12.2
➤ Acquisition of investments in securities and lending of loans	(+) 8.7
➤ Sales or maturities of investments in securities and collection of loans	(-) 4.1
➤ Difference in equity in income of non-consolidated subsidiaries and affiliates and dividend received from such companies	(+) 20.2
➤ Unrealized gain on marketable securities	(+) 27.0
➤ Others	(+) 4.3
<u>(2) Liabilities (+) 157.3</u>	
➤ Interest-bearing debt	(+) 40.9
➤ Trade payables	(+) 71.2
➤ Accrued income taxes	(+) 5.0
➤ Deferred tax liabilities	(+) 16.4
➤ Others	(+) 23.8
<u>(3) Minority Interest (+) 8.1</u>	
<u>(4) Shareholders' Equity (+) 114.0</u>	
➤ Net income	(+) 96.9
➤ Cash dividends paid	(-) 8.5
➤ Unrealized gain on marketable securities	(+) 16.4
➤ Accumulated translation adjustment and Others	(+) 9.2

<3> Factors in Change from March 31, 2006 to March 31, 2007 (Forecasts)

(Billions of Yen)

<u>(1) Assets (+) 118.4</u>	
➤ Notes and account receivable, trade and Inventories	(-) 5.0
➤ Capital expenditures	(+)102.0
➤ Depreciation and amortization	(-) 50.0
➤ Acquisition of investments in securities and lending of loans	(+) 48.0
➤ Difference in equity in income of non-consolidated subsidiaries and affiliates and dividend received from such companies	(+) 32.0
➤ Others	(-) 8.6
<u>(2) Liabilities (+) 26.9</u>	
➤ Interest-bearing debt	(+) 71.3
➤ Trade payables	(-) 13.0
➤ Others	(-) 31.4
<u>(3) Shareholders' Equity (+) 91.5</u>	
➤ Net income	(+) 82.0
➤ Cash dividends paid	(-) 17.8
➤ Minority Interest and Others	(+) 27.3

2 . Consolidated Cash Flows

<1> Cash Flows

(Billions of Yen)

	FY2005 (Actual)	FY2004 (Actual)	FY2006 (Forecasts)
Cash Flows from Operating Activities	(+) 24.3	(+) 45.4	(+) 87.0
Cash Flows from Investing Activities	(-) 37.6	(-) 15.2	(-) 140.0
Cash Flows from Financing Activities	(+) 12.0	(-) 38.7	(+) 53.0
Effect of Exchange Rate Changes	(+) 1.6	(+) 0.1	-
Net Decrease in Cash and Cash Equivalents	(+) 0.2	(-) 8.4	-

<2> Factors in Change from March 31, 2005 to March 31, 2006

(Billions of Yen)

(1) Cash Flows from Operating Activities (+) 24.3

➤ Income before Special Items	(+) 188.7
➤ Depreciation and amortization	(+) 44.9
➤ Equity in income of non-consolidated subsidiaries and affiliates	(-) 51.0
➤ Dividend received from non-consolidated subsidiaries and affiliates accounted for by equity method	(+) 30.8
➤ Trade receivables, inventories and trade payables	(-) 148.2
➤ Income taxes paid and Others	(-) 40.9

(2) Cash Flows from Investing Activities (-) 37.6

➤ Investments in PPE and intangible assets	(-) 57.9
➤ Acquisition of investments in securities and lending of loans	(-) 8.7
➤ Sales or maturities of investments in securities and collection of loans	(+) 17.3
➤ Sales of property, plant and equipment, and Others	(+) 11.7

(3) Cash Flows from Operating Activities (+) 12.0

➤ Interest-bearing debt	(+) 31.6
➤ Cash dividends paid	(-) 8.5
➤ Cash dividends paid to minority interest, and Others	(-) 11.1

<3> Factors in Change from March 31, 2006 to March 31, 2007 (Forecasts)

(Billions of Yen)

<u>(1) Cash Flows from Operating Activities (+) 87.0</u>		
➤ Income before Special Items		(+) 143.0
➤ Depreciation and amortization		(+) 50.0
➤ Equity in income of non-consolidated subsidiaries and affiliates		(-) 59.0
➤ Dividend received from non-consolidated subsidiaries and affiliates accounted for by equity method		(+) 27.0
➤ Trade receivables, inventories and trade payables		(-) 2.0
➤ Income taxes paid and Others		(-) 72.0
<u>(2) Cash Flows from Investing Activities (-) 140.0</u>		
➤ Investments in PPE and intangible assets		(-) 102.0
➤ Acquisition of investments in securities and lending of loans		(-) 48.0
➤ Sales or maturities of investments in securities and collection of loans		(+) 10.0
<u>(3) Cash Flows from Operating Activities (+) 53.0</u>		
➤ Interest-bearing debt		(+) 59.0
➤ Cash dividends paid		(-) 17.8
➤ Proceeds from third-party share allotment of consolidated subsidiary, and Others		(+) 11.8

3 . Dividends

FY2005				FY2006 (Projected)			
Mid term	Year end	Full year	Payment amount	Mid term	Year end	Full year	Payment amount
----	¥15.00	¥15.00	¥ 12,715 million	¥6.00	¥6.00	¥12.00	¥ 10,172 million

※ Payment amount is multiplied by 847,718 thousand, issued shares as of March 31, 2006.

4 . Interest-bearing Debt

(Billions of Yen)

	Mar. 31, 2006	Mar. 31, 2005	Differences
Petroleum (Japan Energy Group)	431.4	438.7	(-) 7.3
Metals (Nippon Mining & Metals Group)	283.7	196.5	(+) 87.2
Resources & Metals	165.7	112.8	(+) 52.9
Electronic Materials	91.2	64.0	(+) 27.2
Metal Manufacturing	26.8	19.7	(+) 7.1
Other	(30.4)	8.6	(-) 39.0
Total	684.7	643.8	(+) 40.9

※ Others includes eliminations or corporate.

5 . Debt to Equity Ratio

(Billions of Yen)

	Mar. 31 2002 (A)	Mar. 31 2005	Mar. 31 2006 (B)	(B) - (A)	Mar. 31 2007 (Forecasts)
Interest-bearing Debt	892.8	643.8	684.7	(-) 208.1	756.0
Shareholders' Equity	181.5	353.4	467.5	(+) 286.0	532.0
Debt to Equity Ratio	4.92	1.82	1.46	(-) 3.46	1.42

6 . Capital Expenditure and Depreciation

(Billions of Yen)

	FY2005	FY2004	FY2006 (Forecasts)
Capital expenditure	57.7	47.3	102.0
Depreciation and Amortization	44.9	47.7	50.0
Difference	(+) 12.8	(-) 0.4	(+) 52.0

<1> Capital expenditure by segments

(Billions of Yen)

	FY2005	FY2004	FY2006 (Forecasts)
Petroleum (Japan Energy Group)	34.8	30.0	61.0
Metals (Nippon Mining & Metals Group)	22.3	15.8	40.0
Resources & Metals	11.5	7.0	17.0
Electronic Materials	6.0	5.1	14.0
Metal Manufacturing	4.8	3.7	9.0
Other	0.6	1.5	1.0
Total	57.7	47.3	102.0

※ Others includes eliminations or corporate.

<2> Depreciation and Amortization by segments

(Billions of Yen)

	FY2005	FY2004	FY2006 (Forecasts)
Petroleum (Japan Energy Group)	30.1	31.0	29.0
Metals (Nippon Mining & Metals Group)	14.4	15.5	20.0
Resources & Metals	6.7	7.0	11.0
Electronic Materials	5.1	5.9	5.5
Metal Manufacturing	2.6	2.6	3.5
Other	0.4	1.2	1.0
Total	44.9	47.7	50.0

7 . Number of Employees

(Persons)

	March 31 2004	March 31 2005	March 31 2006
Petroleum (Japan Energy Group)	4,254	4,180	4,225
Metals (Nippon Mining & Metals Group)	4,242	4,120	4,348
Resources & Metals	1,471	1,447	1,553
Electronic Materials	1,622	1,512	1,373
Metal Manufacturing	1,149	1,161	1,422
Other	1,362	974	1,006
Total	9,858	9,274	9,579