

Consolidated Interim Financial Results for the year ending March 31, 2007 ("Fiscal 2006")

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Date for Convening the Board of Directors Meetings for the settlement of Accounts : November 9, 2006

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

1. Operating results for the six months ended September 30, 2006 (the period from April 1, 2006 to September 30, 2006)**(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, 2006	1,807,543	[32.4]	75,520	[19.1]	115,592	[39.1]
For the six months ended September 30, 2005	1,365,120	[16.7]	63,412	[34.4]	83,113	[52.7]
For the year ended March 31, 2006 (Fiscal 2005)	3,026,262		144,448		188,722	

	Net Income		Basic EPS		Fully diluted EPS	
	millions of yen	% (*)	yen	sen	yen	sen
For the six months ended September 30, 2006	72,516	[38.2]	82	64	82	60
For the six months ended September 30, 2005	52,465	[191.5]	61	94	61	93
For the year ended March 31, 2006 (Fiscal 2005)	96,905		113	87	113	84

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

For the six months ended September 30, 2006 : 41,317 millions of yen, For the six months ended September 30, 2005 : 23,095 millions of yen,

For the year ended March 31, 2006 : 50,983 millions of yen

2. Average number of shares issued (consolidated)

For the six months ended September 30, 2006 : 877,447,425 shares, For the six months ended September 30, 2005 : 847,046,799 shares,

For the year ended March 31, 2006 : 847,046,824 shares

*Total 80,000,000 new shares were issued in July and August 2006.

3. Change of accounting method :

Changes in grouping method of segment information summarized by product group

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

(2) Financial position

	Total Assets		Net Assets	
	millions of yen		millions of yen	
As of September 30, 2006	2,043,586		657,394	
As of September 30, 2005	1,723,355		412,200	
As of March 31, 2006	1,859,583		467,479	

	Shareholders' Equity Ratio		Net Assets Per Share	
	%		yen	sen
As of September 30, 2006	28.9		637	37
As of September 30, 2005	23.9		486	62
As of March 31, 2006	25.1		551	36

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

As of September 30, 2006 : 926,993,675 shares, As of September 30, 2005 : 847,074,819 shares, As of March 31, 2006 : 847,047,065 shares

*Total 80,000,000 new shares were issued in July and August 2006.

(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, 2006	(42,818)		(53,280)	
For the six months ended September 30, 2005	9,605		(11,939)	
For the year ended March 31, 2006 (Fiscal 2005)	24,258		(37,594)	

	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, 2006	92,727		60,619	
For the six months ended September 30, 2005	(2,907)		59,182	
For the year ended March 31, 2006 (Fiscal 2005)	11,962		63,857	

(4) Changes in scope of consolidation and application of the equity method :

Consolidated subsidiaries : 114

(Newly included)

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Nikko Fuji Precision (Wuxi) Co., Ltd., PPC Canada Enterprises Corp.

Nikko Materials (Taiwan) Co., Ltd., Hibi Kyodo Smelting Co., Ltd.

Regalito Copper Corp., and its subsidiary

(Excluded)

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(Former) Nippon Mining & Metals Co., Ltd., Nikko Metal Manufacturing Co., Ltd.

ANT Minerals Pty. Ltd., and other

Affiliated companies accounted for by the equity method : 15

2. Consolidated projection for the year ending March 31, 2007 (Fiscal 2006)

(1) Operating results

	Sales	Income before special items	Net Income
	millions of yen	millions of yen	millions of yen
For the year ending March 31, 2007 (Fiscal 2006)	3,770,000	185,000	110,000

Reference) Projection of Earnings Per Share 118 yen 66 sen

(2) Dividends

	Mid-term	Year-end	Full-year
	yen sen	yen sen	yen sen
For the year ending March 31, 2007	8 00	8 00	16 00

* This projection is based on information available as of November 9, 2006.

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

Consolidated Balance Sheet

Account title	Fiscal 2006 (interim) (As of September 30, 2006)		Fiscal 2005 (As of March 31, 2006)		Increase (Decrease) millions of yen	Fiscal 2005 (interim) (As of September 30, 2005)	
	millions of yen	%	millions of yen	%		millions of yen	%
Assets	2,043,586	100.0	1,859,583	100.0	184,003	1,723,355	100.0
Current assets	1,046,920	51.2	906,380	48.7	140,540	787,525	45.7
Cash and time deposits	61,489		64,735		(3,246)	59,467	
Notes and accounts receivable, trade	371,361		334,604		36,757	279,830	
Securities	0		1		(1)	2	
Inventories	546,129		440,410		105,719	381,283	
Other current assets	69,631		68,284		1,347	67,943	
Less: Allowance for doubtful accounts	(1,690)		(1,654)		(36)	(1,000)	
Fixed assets	996,666	48.8	953,203	51.3	43,463	935,830	54.3
Property, plant and equipment	617,121		590,039		27,082	588,852	
Buildings and structures	131,725		129,708		2,017	132,820	
Machinery and equipment, other	175,468		159,745		15,723	163,355	
Land	284,125		283,930		195	285,843	
Construction in progress	25,803		16,656		9,147	6,834	
Intangible assets	96,082		64,794		31,288	64,556	
Investments and other long-term assets	283,463		298,370		(14,907)	282,422	
Investments in securities	226,938		238,520		(11,582)	219,166	
Long-term loans	11,616		15,364		(3,748)	17,467	
Deferred tax assets	11,731		11,144		587	10,535	
Other	34,260		34,463		(203)	36,240	
Less: Allowance for doubtful accounts	(1,082)		(1,121)		39	(986)	
Total assets	2,043,586	100.0	1,859,583	100.0	184,003	1,723,355	100.0
Liabilities	1,386,192	67.8	1,346,077	72.4	40,115	1,268,757	73.6
Current liabilities	981,657	48.0	921,019	49.5	60,638	824,000	47.8
Notes and accounts payable, trade	278,710		294,424		(15,714)	254,669	
Short-term borrowings	412,219		368,312		43,907	306,446	
Commercial paper	67,000		41,000		26,000	51,000	
Accounts payable, other	126,828		95,820		31,008	124,058	
Accrued income taxes	28,318		35,958		(7,640)	26,336	
Other current liabilities	68,582		85,505		(16,923)	61,491	
Long-term liabilities	404,535	19.8	425,058	22.9	(20,523)	444,757	25.8
Long-term debt	253,372		275,424		(22,052)	300,449	
Deferred tax liabilities	42,433		40,210		2,223	36,103	
Allowance for retirement benefits	59,927		59,590		337	61,450	
Allowance for periodic repair works	13,842		15,726		(1,884)	14,867	
Other long-term liabilities	34,961		34,108		853	31,888	
Net assets	657,394	32.2	513,506	27.6	143,888	454,598	26.4
Shareholders' equity	551,957	27.0	424,666	22.8	127,291	380,310	22.1
Common stock	73,920	3.6	40,000	2.2	33,920	40,000	2.3
Capital surplus	226,763	11.1	192,948	10.3	33,815	192,932	11.2
Retained earnings	251,767	12.3	192,148	10.3	59,619	147,760	8.6
Less: Treasury stock, at cost	(493)	(0.0)	(430)	(0.0)	(63)	(382)	(0.0)
Valuation and translation adjustment	38,877	1.9	42,813	2.3	(3,936)	31,890	1.8
Unrealized gain on marketable securities	34,560	1.7	39,471	2.1	(4,911)	33,510	1.9
Deferred hedge gain (loss)	1,468	0.1	-	-	1,468	-	-
Surplus from land revaluation	(3,355)	(0.2)	(3,340)	(0.2)	(15)	(3,051)	(0.2)
Accumulated translation adjustment	6,204	0.3	6,682	0.4	(478)	1,431	0.1
Share purchase warrants	95	0.0	-	-	95	-	-
Minority interest in consolidated subsidiaries	66,465	3.3	46,027	2.5	20,438	42,398	2.5
Total liabilities and Net assets	2,043,586	100.0	1,859,583	100.0	184,003	1,723,355	100.0

Note: Changes in accounting standard for presentation of net assets in the balance sheet :

Effective from the interim accounting period of Fiscal 2006, Nippon Mining Holdings, Inc. adopted Accounting Standards Board of Japan ("ASBJ") Statement No.5 "Accounting Standard for Presentation of Net Assets in the Balance Sheet", issued by ASBJ on December 9, 2005 and ASBJ Guidance No.8 "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet", issued by ASBJ on December 9, 2005. The amount corresponding to conventional "Shareholders' equity" in the balance sheet is 589,366 millions of yen.

"Net Assets" in the balance sheet for the interim accounting period of Fiscal 2006 is stated in accordance with the new accounting standard Consolidated balance sheets as of September 30, 2005 and March 31, 2006 are also reclassified in conformity with new accounting standard

Consolidated Statements of Income

Account title	Fiscal 2006 (interim) (from April 1, 2006 to September 30, 2006)		Fiscal 2005 (interim) (from April 1, 2005 to September 30, 2005)		Increase (Decrease) millions of yen	Fiscal 2005 (from April 1, 2005 to March 31, 2006)	
	millions of yen	%	millions of yen	%		millions of yen	%
Net sales	1,807,543	100.0	1,365,120	100.0	442,423	3,026,262	100.0
Cost of sales	1,645,983	91.1	1,223,004	89.6	422,979	2,712,989	89.6
<i>Gross profit</i>	<i>161,560</i>	<i>8.9</i>	<i>142,116</i>	<i>10.4</i>	<i>19,444</i>	<i>313,273</i>	<i>10.4</i>
Selling, general and administrative expenses	86,040	4.7	78,704	5.8	7,336	168,825	5.6
<i>Operating income</i>	<i>75,520</i>	<i>4.2</i>	<i>63,412</i>	<i>4.6</i>	<i>12,108</i>	<i>144,448</i>	<i>4.8</i>
Other income	50,287	2.8	28,293	2.1	21,994	61,674	2.0
Interest income	1,353		1,087		266	2,221	
Dividend income	1,018		800		218	1,627	
Exchange gain	2,670		-		2,670	-	
Amortization of negative goodwill including consolidation adjustment account	918		1,012		(94)	2,119	
Equity in income of non-consolidated subsidiaries and affiliates	41,317		23,095		18,222	50,983	
Other	3,011		2,299		712	4,724	
Other expenses	10,215	0.6	8,592	0.6	1,623	17,400	0.6
Interest expenses	6,612		5,344		1,268	10,938	
Exchange loss	-		358		(358)	25	
Other	3,603		2,890		713	6,437	
<i>Income before special items</i>	<i>115,592</i>	<i>6.4</i>	<i>83,113</i>	<i>6.1</i>	<i>32,479</i>	<i>188,722</i>	<i>6.2</i>
Special profit	15,069	0.9	10,235	0.8	4,834	17,831	0.6
Gain on sales of property, plant and equipment	629		3,517		(2,888)	4,339	
Gain on sales of investments in securities	13,618		3,825		9,793	7,156	
Gain on proceeds from casualty insurance	-		2,609		(2,609)	2,706	
Bad debt recovery	-		-		-	2,313	
Other	822		284		538	1,317	
Special loss	6,711	0.4	5,262	0.4	1,449	33,909	1.1
Loss on sales of property, plant and equipment	154		143		11	310	
Loss on disposal of property, plant and equipment	1,124		2,210		(1,086)	5,251	
Impairment losses	1,075		754		321	5,563	
Loss on write-down of investments in securities	402		148		254	614	
Reorganization and restructuring costs	280		692		(412)	13,586	
Provision for environmental remediation allowance	-		35		(35)	4,269	
Provision for allowance for cost of disposal of unutilized property, plant and equipment	3,413		-		3,413	1,002	
Provision for allowance for periodic repair works	-		551		(551)	551	
Other	263		729		(466)	2,763	
<i>Income before income taxes</i>	<i>123,950</i>	<i>6.9</i>	<i>88,086</i>	<i>6.5</i>	<i>35,864</i>	<i>172,644</i>	<i>5.7</i>
Income taxes	35,090	2.0	24,747	1.9	10,343	59,189	2.0
Deferred income tax	2,684	0.1	3,960	0.3	(1,276)	1,694	0.1
Minority interest in earnings of consolidated subsidiaries	(13,660)	(0.8)	(6,914)	(0.5)	(6,746)	(14,856)	(0.4)
Net income	72,516	4.0	52,465	3.8	20,051	96,905	3.2

Consolidated Statements of Changes in Net Assets

For the six months ended September 30, 2006

(millions of yen)

	Shareholders' equity				Total	Valuation and translation adjustment				Share purchase warrants	Minority interest in consolidated subsidiaries	Net assets Total
	Common stock	Capital surplus	Retained earnings	Treasury stock		Unrealized gain on marketable securities	Deferred hedge gain or loss	Surplus from land revaluation	Accumulated translation adjustment			
Balance as of March 31, 2006	40,000	192,948	192,148	(430)	424,666	39,471	-	(3,340)	6,682	-	46,027	513,506
Issuance of stock	33,920	33,818			67,738							67,738
Cash dividends paid			(12,715)		(12,715)							(12,715)
Bonuses to directors			(449)		(449)							(449)
Net income			72,516		72,516							72,516
Acquisition of treasury stock				(71)	(71)							(71)
Disposition of treasury stock		3		2	5							5
Grant of treasury stock with exercise of share purchase warrants		(6)		6	0							0
Reclassification with surplus from land revaluation			15		15							15
Increase arising from change of consolidated subsidiary			252		252							252
Net changes of Net Assets other than Shareholders' equity						(4,911)	1,468	(15)	(478)	95	20,438	16,597
Total changes	33,920	33,815	59,619	(63)	127,291	(4,911)	1,468	(15)	(478)	95	20,438	143,888
Balance as of September 30, 2006	73,920	226,763	251,767	(493)	551,957	34,560	1,468	(3,355)	6,204	95	66,465	657,394

Note: From the interim accounting period of fiscal 2006, this is presented in accordance with "Accounting Standard for Statement of Changes in Net Assets" (ASBJ Statement No. 6, December 27, 2005) and "Guidance on Accounting Standard for Statement of Changes in Net Assets" (ASBJ Guidance No.9, December 27, 2005).

The above resulted in the replacement of the consolidated statements of retained earnings prepared in the past.

Consolidated Statement of Retained Earnings

(millions of yen)

Account title	Fiscal 2005 (interim) (from April 1, 2005 to September 30, 2005)	Fiscal 2005 (from April 1, 2005 to March 31, 2006)
Capital Surplus:		
Balance at beginning of year	201,382	201,382
Increase in capital surplus	72	88
Gain on disposition of treasury stock	72	88
Decrease in capital surplus	8,522	8,522
Cash dividends paid	8,479	8,479
Bonuses to directors	43	43
Balance at end of year (period)	192,932	192,948
Retained Earnings:		
Balance at beginning of year	95,537	95,537
Increase in retained earnings	52,526	96,990
Net income	52,465	96,905
Increase arising from merger of consolidated subsidiary	4	4
Reclassification with surplus from land revaluation	57	81
Decrease in retained earnings	303	379
Bonuses to directors	169	169
Decrease arising from change of consolidated subsidiary	134	134
Reclassification with surplus from land revaluation	-	76
Balance at end of year (period)	147,760	192,148

Consolidated Statement of Cash Flows

Account title	Fiscal 2006 (interim) (from April 1, 2006 to September 30, 2006)	Fiscal 2005 (interim) (from April 1, 2005 to September 30, 2005)	Fiscal 2005 (from April 1, 2005 to March 31, 2006)
	millions of yen	millions of yen	millions of yen
Cash flows from operating activities			
Income before income taxes	123,950	88,086	172,644
Depreciation and amortization	22,912	22,247	44,871
Impairment losses	1,075	754	5,563
Amortization of goodwill	1,363	-	-
Amortization of negative goodwill	(918)	-	-
Amortization of consolidation adjustment account	-	(920)	(1,947)
Interest and dividend income	(2,371)	(1,887)	(3,848)
Interest expenses	6,612	5,344	10,938
Equity in income of non-consolidated subsidiaries and affiliates	(41,317)	(23,095)	(50,983)
Gain on sales of investments in securities	(13,618)	(3,825)	(7,156)
Loss on write-down of investments in securities	402	148	614
Loss (gain) on sales and disposal of property, plant and equipment	649	(1,164)	1,222
Reorganization and restructuring costs	280	692	13,586
Increase in trade receivables	(36,757)	(8,621)	(60,154)
Increase in inventories	(94,801)	(96,506)	(153,037)
Increase in trade payables	11,059	47,170	65,005
Increase in accrued consumption tax	5,515	1,665	5,259
Other, net	(14,709)	11,460	16,348
Subtotal	(30,674)	41,548	58,925
Interest and dividend received	41,705	9,200	34,570
Interest paid	(6,322)	(5,311)	(11,018)
Payment for special retirement benefits	(1,181)	(164)	(444)
Income taxes paid	(46,346)	(35,668)	(57,775)
Net cash provided by (used in) operating activities	(42,818)	9,605	24,258
Cash flows from investing activities			
Decrease (increase) in time deposits	31	(1,011)	(1,186)
Proceeds from maturities or sales of securities	0	8	9
Payments for acquisition of property, plant and equipment	(29,472)	(17,949)	(53,231)
Proceeds from sales of property, plant and equipment	2,019	6,995	9,162
Payments for acquisition of intangible assets	(4,443)	(2,037)	(4,628)
Payments for long-term prepaid expenses	(1,453)	(790)	(1,679)
Payments for acquisition of investments in securities	(215)	(5,289)	(6,129)
Proceeds from maturities or sales of investments in securities	14,598	6,303	11,270
Payments for acquisition of business assets	(22,338)	-	-
Net payments for acquisition of investments in newly consolidated subsidiaries	(14,013)	-	-
Net proceeds from acquisition of investments in newly consolidated subsidiary	-	-	1,682
Decrease (increase) in short-term loans, net	(909)	(654)	2,558
Payments for lending of long-term loans	(75)	(531)	(658)
Collection of long-term loans	2,140	2,781	5,194
Other, net	850	235	42
Net cash used in investing activities	(53,280)	(11,939)	(37,594)
Cash flows from financing activities			
Increase (decrease) in short-term borrowings, net	16,563	(844)	48,353
Increase in commercial paper, net	26,000	24,000	14,000
Proceeds from borrowing of long-term bank loans and others	17,394	38,650	66,836
Repayments of long-term bank loans and others	(25,724)	(51,854)	(97,638)
Proceeds from issuance of stock	67,738	-	-
Proceeds from issuance of stock to minority shareholder	13,090	-	-
Proceeds from third-party share allotment of consolidated subsidiary	2,000	-	-
Cash dividends paid	(12,715)	(8,479)	(8,479)
Cash dividends paid to minority shareholders	(11,214)	(4,404)	(10,876)
Other, net	(405)	24	(234)
Net cash provided by (used in) financing activities	92,727	(2,907)	11,962
Effect of exchange rate changes on cash and cash equivalents	(298)	815	1,623
Net increase (decrease) in cash and cash equivalents	(3,669)	(4,426)	249
Cash and cash equivalents at beginning of period	63,857	62,473	62,473
Increase due to subsidiaries newly included consolidation	431	1,135	1,135
Cash and cash equivalents at end of period	60,619	59,182	63,857

Segment Information

1. Segment Information summarized by product group

For the six months ended September 30, 2006 (from April 1, 2006 to September 30, 2006) (millions of yen)

	Petroleum	Metals	Other Operations	Total	Eliminations or corporate	Consolidated
Sales						
(1) Outside customers	1,295,507	502,716	9,320	1,807,543	-	1,807,543
(2) Inter-group	1,949	874	15,684	18,507	(18,507)	-
Total	1,297,456	503,590	25,004	1,826,050	(18,507)	1,807,543
Operating costs and expenses	1,259,042	467,993	24,172	1,751,207	(19,184)	1,732,023
Operating income	38,414	35,597	832	74,843	677	75,520
Income before special items	41,701	70,476	3,068	115,245	347	115,592

Breakdown of Metals segment (millions of yen)

	Resources and Metals	Electronic Materials	Metal Manufacturing	Eliminations	Metals Total
Sales					
(1) Outside customers	415,758	60,817	26,141	-	502,716
(2) Inter-group	22,418	3,748	8,965	(34,257)	874
Total	438,176	64,565	35,106	(34,257)	503,590
Operating costs and expenses	413,230	58,880	30,476	(34,593)	467,993
Operating income	24,946	5,685	4,630	336	35,597
Income before special items	60,136	5,086	4,918	336	70,476

For the six months ended September 30, 2005 (from April 1, 2005 to September 30, 2005) (millions of yen)

	Petroleum	Resources and Non-ferrous Metals	Electronic Materials	Metal Fabrication	Other Operations	Total	Eliminations or corporate	Consolidated
Sales								
(1) Outside customers	1,091,108	200,750	45,749	21,926	5,587	1,365,120	-	1,365,120
(2) Inter-group	1,791	12,223	1,662	2,610	5,355	23,641	(23,641)	-
Total	1,092,899	212,973	47,411	24,536	10,942	1,388,761	(23,641)	1,365,120
Operating costs and expenses	1,050,367	200,419	42,338	22,005	10,579	1,325,708	(24,000)	1,301,708
Operating income	42,532	12,554	5,073	2,531	363	63,053	359	63,412
Income before special items	42,048	32,464	4,337	2,656	901	82,406	707	83,113

For the year ended March 31, 2006 (from April 1, 2005 to March 31, 2006) (millions of yen)

	Petroleum	Resources and Non-ferrous Metals	Electronic Materials	Metal Fabrication	Other Operations	Total	Eliminations or corporate	Consolidated
Sales								
(1) Outside customers	2,407,824	455,061	102,684	48,374	12,319	3,026,262	-	3,026,262
(2) Inter-group	4,247	29,089	3,638	7,162	13,467	57,603	(57,603)	-
Total	2,412,071	484,150	106,322	55,536	25,786	3,083,865	(57,603)	3,026,262
Operating costs and expenses	2,313,297	457,329	95,130	49,391	24,365	2,939,512	(57,698)	2,881,814
Operating income	98,774	26,821	11,192	6,145	1,421	144,353	95	144,448
Income before special items	99,044	70,281	9,649	6,376	2,812	188,162	560	188,722

Note: Main products for each group are the following;

For the six months ended September 30, 2006 (from April 1, 2006 to September 30, 2006)

Petroleum	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, real-estate, electric wires, cables, titanium, common group administrative activities such as fund procurement, etc.

For the year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)

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

Note: Changes in segment classification

In April of this year, three core metals-related businesses of the Group, namely Nippon Mining and Metals Co., Ltd., Nikko Materials Co., Ltd. and Nikko Metal Manufacturing Co., Ltd. were merged to form a newly integrated company, Nippon Mining & Metals Co., Ltd. As a result, three segments, Resources and Non-ferrous Metals, Electronic Materials and Metal Fabrication, were integrated into Metals segment. For disclosure of financial results of metals-related segments, Metals segment is classified into three segments, Resources and Metals, Electronic Materials and Metal Manufacturing as in the past.

At the same time, a classification of businesses among segments was changed as follows:

- * Engineering and real-estate businesses were transferred from Petroleum segment to Other operations segment as a result of expansion of operations.
- * Electric wires, cables and titanium businesses were transferred from Resources and Non-ferrous Metals segment to Other operations segment in order to launch new operations and concentrate on business resources of Non-ferrous Metals business into copper and recycling and environmental businesses.
- * Convenience store business was transferred from Other operations segment to Petroleum segment in order to promote and enhance customer satisfaction programs in petroleum business.

Reclassification of financial results for the six months ended September 30, 2005 (from April 1, 2005 to September 30, 2005) and the year ended March 31, 2006 (from April 1, 2005 to March 31, 2006) according to a new classification are the following:

For the six months ended September 30, 2005 (from April 1, 2005 to September 30, 2005) (millions of yen)

	Petroleum	Metals	Other Operations	Total	Eliminations or corporate	Consolidated
Sales						
(1) Outside customers	1,085,712	268,425	10,983	1,365,120	-	1,365,120
(2) Inter-group	1,531	414	12,225	14,170	(14,170)	-
Total	1,087,243	268,839	23,208	1,379,290	(14,170)	1,365,120
Operating costs and expenses	1,045,126	249,214	22,430	1,316,770	(15,062)	1,301,708
Operating income	42,117	19,625	778	62,520	892	63,412
Income before special items	41,548	37,859	2,466	81,873	1,240	83,113

Breakdown of Metals segment (millions of yen)

	Resources and Metals	Electronic Materials	Metal Manufacturing	Eliminations	Metals Total
Sales					
(1) Outside customers	205,123	45,749	17,553	-	268,425
(2) Inter-group	13,023	1,662	5,567	(19,838)	414
Total	218,146	47,411	23,120	(19,838)	268,839
Operating costs and expenses	205,489	42,338	20,692	(19,305)	249,214
Operating income (loss)	12,657	5,073	2,428	(533)	19,625
Income (loss) before special items	31,494	4,337	2,561	(533)	37,859

For the year ended March 31, 2006 (from April 1, 2005 to March 31, 2006) (millions of yen)

	Petroleum	Metals	Other Operations	Total	Eliminations or corporate	Consolidated
Sales						
(1) Outside customers	2,389,254	606,119	30,889	3,026,262	-	3,026,262
(2) Inter-group	3,386	1,010	27,678	32,074	(32,074)	-
Total	2,392,640	607,129	58,567	3,058,336	(32,074)	3,026,262
Operating costs and expenses	2,296,019	564,152	54,993	2,915,164	(33,350)	2,881,814
Operating income	96,621	42,977	3,574	143,172	1,276	144,448
Income before special items	96,961	82,845	7,175	186,981	1,741	188,722

Breakdown of Metals segment (millions of yen)

	Resources and Metals	Electronic Materials	Metal Manufacturing	Eliminations	Metals Total
Sales					
(1) Outside customers	464,363	102,684	39,072	-	606,119
(2) Inter-group	31,023	3,638	13,684	(47,335)	1,010
Total	495,386	106,322	52,756	(47,335)	607,129
Operating costs and expenses	468,331	95,130	46,845	(46,154)	564,152
Operating income (loss)	27,055	11,192	5,911	(1,181)	42,977
Income (loss) before special items	68,221	9,649	6,156	(1,181)	82,845

2. Segment information summarized by region

For the six months ended September 30, 2006 and 2005, and the year ended March 31, 2006, operations in Japan have over 90% share of total sales of whole segment.

3. Overseas sales

For the six months ended September 30, 2006 (from April 1, 2006 to September 30, 2006)

	Asia	Other Area	Total
Overseas sales (millions of yen)	244,307	23,842	268,149
Consolidated sales (millions of yen)	-	-	1,807,543
Percentage of overseas sales over consolidated sales (%)	13.5%	1.3%	14.8%

*For the six months ended September 30, 2005 and the year ended March 31, 2006, overseas sales has less than 10% share of consolidated sales.