

Consolidated Closing Report for the year ended March 31, 2008 (Fiscal 2007)

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

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Date of annual shareholders' meeting: June 26, 2008 Start of cash dividend payments: June 4, 2008
 Date of filing of financial report: June 26, 2008

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

1. Operating results for the year ended March 31, 2008 (the period from April 1, 2007 to March 31, 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	%
For the year ended March 31, 2008 (Fiscal 2007)	4,339,472	14.1	103,186	(22.0)	192,026	(14.4)	99,299	(6.7)
For the year ended March 31, 2007 (Fiscal 2006)	3,802,447	25.6	132,258	(8.4)	224,236	18.8	106,430	9.8

	Basic EPS		Fully diluted EPS		Return on equity	Income(*) to total assets	Operating income to sales
	yen	sen	yen	sen	%	%	%
For the year ended March 31, 2008 (Fiscal 2007)	107	14	107	06	15.2	8.9	2.4
For the year ended March 31, 2007 (Fiscal 2006)	117	98	117	91	19.5	11.5	3.5

(*) Income is income before special items.

Reference: Equity in income of non-consolidated subsidiaries and affiliates 91,927 millions of yen (the previous fiscal year 94,895 millions of yen)

(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 March 31, 2008 (Fiscal 2007)	2,251,208	765,264	30.3	735	22
As of March 31, 2007 (Fiscal 2006)	2,056,407	701,064	30.3	671	56

Reference: Total shareholders' equity 681,411 millions of yen (the previous fiscal year 622,476 millions of yen)

(3) Cash flows (Consolidated basis)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	millions of yen	millions of yen	millions of yen	millions of yen
For the year ended March 31, 2008 (Fiscal 2007)	56,830	(114,391)	74,418	62,621
For the year ended March 31, 2007 (Fiscal 2006)	41,200	(97,576)	37,401	45,249

2. Cash dividends

(Cut-off date)	Cash dividends per share						Total dividends paid (Full year)	Payout ratio (Consolidated)	Dividends paid to net assets (Consolidated)
	1st half	Year-end		Full year		millions of yen			
	yen	sen	yen	sen	yen	sen			
For the year ended March 31, 2007 (Fiscal 2006)	8	00	8	00	16	00	14,842	13.6	2.6
For the year ended March 31, 2008 (Fiscal 2007)	8	00	8	00	16	00	14,840	14.9	2.3
For the year ending March 31, 2009 (Fiscal 2008, forecast)	8	00	8	00	16	00		20.6	

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	2,145,000	6.7	27,000	(46.4)	51,000	(46.7)	26,000	(49.0)	28	05
Full year	4,560,000	5.1	89,000	(13.7)	145,000	(24.5)	72,000	(27.5)	77	69

4. Other

(1) Important changes in scope of consolidation during period: None

(2) Changes in accounting policies, procedures, disclosure methods, etc., pertaining to preparation of consolidated financial statements

1. Changes associated with changes in accounting standards: Yes

2. Other changes: None

(3) Shares outstanding (common stock) at year-end

1. Number of shares outstanding (including treasury stock)

As of March 31, 2008 (Fiscal 2007): 928,462,002 As of March 31, 2007 (Fiscal 2006): 928,462,002

2. Number of treasury stock outstanding

As of March 31, 2008 (Fiscal 2007): 1,649,131 As of March 31, 2007 (Fiscal 2006): 1,552,704

* The aforementioned forecasts are based on the information available as of April 30, 2008. The actual results are subject to change due to changes in the business environment.

Consolidated Balance Sheets

Account title	Fiscal 2006 (As of March 31, 2007)		Fiscal 2007 (As of March 31, 2008)		Increase (decrease)
	millions of yen	%	millions of yen	%	millions of yen
Assets	2,056,407	100.0	2,251,208	100.0	194,801
Current assets	996,793	48.5	1,157,158	51.4	160,365
Cash and time deposits	46,475		63,807		17,332
Notes and accounts receivable, trade	371,539		420,069		48,530
Inventories	494,954		562,893		67,939
Other current assets	84,971		111,472		26,501
Less: Allowance for doubtful accounts	(1,146)		(1,083)		63
Fixed assets	1,059,614	51.5	1,094,050	48.6	34,436
Property, plant and equipment	649,901		685,727		35,826
Buildings and structures	133,528		143,020		9,492
Machinery and equipment, other	183,833		253,323		69,490
Land	281,591		277,826		(3,765)
Construction in progress	50,949		11,558		(39,391)
Intangible assets	92,754		89,897		(2,857)
Investments and other long-term assets	316,959		318,426		1,467
Investments in securities	263,062		274,977		11,915
Long-term loans	10,175		5,030		(5,145)
Deferred tax assets	11,237		8,252		(2,985)
Other	33,522		31,143		(2,379)
Less: Allowance for doubtful accounts	(1,037)		(976)		61
Total assets	2,056,407	100.0	2,251,208	100.0	194,801
Liabilities	1,355,343	65.9	1,485,944	66.0	130,601
Current liabilities	973,495	47.3	1,058,571	47.0	85,076
Notes and accounts payable, trade	253,935		314,828		60,893
Short-term borrowings	447,635		404,174		(43,461)
Commercial paper	26,000		126,000		100,000
Accounts payable, other	137,670		111,241		(26,429)
Accrued income taxes	29,713		19,955		(9,758)
Other current liabilities	78,542		82,373		3,831
Long-term liabilities	381,848	18.6	427,373	19.0	45,525
Bonds	-		15,000		15,000
Long-term debt	215,802		250,726		34,924
Deferred tax liabilities	62,739		64,227		1,488
Allowance for retirement benefits	61,304		58,037		(3,267)
Allowance for periodic repair works	14,569		13,630		(939)
Other long-term liabilities	27,434		25,753		(1,681)
Net assets	701,064	34.1	765,264	34.0	64,200
Shareholders' equity	578,371	28.1	662,322	29.4	83,951
Common stock	73,920	3.6	73,920	3.3	-
Capital surplus	226,762	11.0	226,759	10.0	(3)
Retained earnings	278,259	13.5	362,360	16.1	84,101
Less: Treasury stock, at cost	(570)	(0.0)	(717)	(0.0)	(147)
Valuation and translation adjustment	44,105	2.2	19,089	0.9	(25,016)
Unrealized gain on marketable securities	35,987	1.8	23,241	1.0	(12,746)
Deferred hedge gain (loss)	1,528	0.1	16	0.0	(1,512)
Surplus from land revaluation	(3,355)	(0.2)	(3,088)	(0.1)	267
Accumulated translation adjustment	9,945	0.5	(1,080)	(0.0)	(11,025)
Stock acquisition rights	181	0.0	361	0.0	180
Minority interests in consolidated subsidiaries	78,407	3.8	83,492	3.7	5,085
Total liabilities and net assets	2,056,407	100.0	2,251,208	100.0	194,801

Consolidated Statements of Income

Account title	Fiscal 2006 (from April 1, 2006 to March 31, 2007)		Fiscal 2007 (from April 1, 2007 to March 31, 2008)		Increase (decrease)
	millions of yen	%	millions of yen	%	millions of yen
Net sales	3,802,447	100.0	4,339,472	100.0	537,025
Cost of sales	3,485,283	91.7	4,038,589	93.1	553,306
<i>Gross profit</i>	317,164	8.3	300,883	6.9	(16,281)
Selling, general and administrative expenses	184,906	4.8	197,697	4.5	12,791
<i>Operating income</i>	132,258	3.5	103,186	2.4	(29,072)
Other income	112,484	3.0	109,435	2.5	(3,049)
Interest income	2,805		2,657		(148)
Dividend income	1,751		1,929		178
Exchange gain	5,133		5,016		(117)
Amortization of negative goodwill	1,837		1,403		(434)
Equity in income of non-consolidated subsidiaries and affiliates	94,895		91,927		(2,968)
Other	6,063		6,503		440
Other expenses	20,506	0.6	20,595	0.5	89
Interest expenses	13,102		13,058		(44)
Other	7,404		7,537		133
<i>Income before special items</i>	224,236	5.9	192,026	4.4	(32,210)
Special profit	17,453	0.5	13,291	0.3	(4,162)
Gain on sales of property, plant and equipment	2,108		3,869		1,761
Gain on sales of investments in securities, net	13,629		3,407		(10,222)
Reversal of reserve for loss on business liquidation	-		2,187		2,187
Compensation income for expropriation	-		2,111		2,111
Other	1,716		1,717		1
Special loss	21,607	0.6	17,022	0.4	(4,585)
Loss on sales of property, plant and equipment	260		156		(104)
Loss on disposal of property, plant and equipment	5,077		5,262		185
Impairment losses	1,877		2,678		801
Loss on write-down of investments in securities	1,256		447		(809)
Reorganization and restructuring costs	5,204		-		(5,204)
Provision for allowance for environmental remediation	2,710		4,087		1,377
Provision for allowance for costs of disposal of unutilized property, plant and equipment	4,465		494		(3,971)
Provision for allowance for restoration and rehabilitation costs of a closed mining site	-		2,394		2,394
Other	758		1,504		746
<i>Income before income taxes and minority interests</i>	220,082	5.8	188,295	4.3	(31,787)
Income taxes	66,661	1.8	55,152	1.3	(11,509)
Deferred income tax	18,739	0.5	10,641	0.2	(8,098)
Minority interests in earnings of consolidated subsidiaries	28,252	0.7	23,203	0.5	(5,049)
<i>Net income</i>	106,430	2.8	99,299	2.3	(7,131)

Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2007

(millions of yen)

	Shareholders' equity					Valuation and translation adjustment				Stock acquisition rights	Minority interests in consolidated subsidiaries	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Unrealized gain on marketable securities	Deferred hedge gain (loss)	Surplus from land revaluation	Accumulated translation adjustment			
Balance at 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			(20,137)		(20,137)							(20,137)
Bonuses to directors			(449)		(449)							(449)
Net income			106,430		106,430							106,430
Acquisition of treasury stock				(152)	(152)							(152)
Disposition of treasury stock		4		4	8							8
Grant of treasury stock with exercise of stock acquisition rights		(8)		8	0							0
Reclassification with surplus from land revaluation			15		15							15
Increase arising from changes of consolidation, net			252		252							252
Net changes of net assets other than shareholders' equity						(3,484)	1,528	(15)	3,263	181	32,380	33,853
Total changes	33,920	33,814	86,111	(140)	153,705	(3,484)	1,528	(15)	3,263	181	32,380	187,558
Balance at March 31, 2007	73,920	226,762	278,259	(570)	578,371	35,987	1,528	(3,355)	9,945	181	78,407	701,064

For the year ended March 31, 2008

(millions of yen)

	Shareholders' equity					Valuation and translation adjustment				Stock acquisition rights	Minority interests in consolidated subsidiaries	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Unrealized gain on marketable securities	Deferred hedge gain (loss)	Surplus from land revaluation	Accumulated translation adjustment			
Balance at March 31, 2007	73,920	226,762	278,259	(570)	578,371	35,987	1,528	(3,355)	9,945	181	78,407	701,064
Cash dividends paid			(14,841)		(14,841)							(14,841)
Net income			99,299		99,299							99,299
Acquisition of treasury stock				(204)	(204)							(204)
Disposition of treasury stock		12		30	42							42
Grant of treasury stock with exercise of stock acquisition rights		(15)		24	9							9
Increase due to the change of the interest of an affiliate				3	3							3
Reclassification with surplus from land revaluation			(283)		(283)							(283)
Decrease arising from changes of consolidation, net			(74)		(74)							(74)
Net changes of net assets other than shareholders' equity						(12,746)	(1,512)	267	(11,025)	180	5,085	(19,751)
Total changes	-	(3)	84,101	(147)	83,951	(12,746)	(1,512)	267	(11,025)	180	5,085	64,200
Balance at March 31, 2008	73,920	226,759	362,360	(717)	662,322	23,241	16	(3,088)	(1,080)	361	83,492	765,264

Consolidated Statements of Cash Flows

Account title	Fiscal 2006 (from April 1, 2006 to March 31, 2007)	Fiscal 2007 (from April 1, 2007 to March 31, 2008)	Increase (decrease)
	millions of yen	millions of yen	millions of yen
Cash flows from operating activities			
Income before income taxes and minority interests	220,082	188,295	
Depreciation and amortization	48,808	60,303	
Impairment losses	1,877	2,678	
Amortization of goodwill	2,787	2,560	
Amortization of negative goodwill	(1,837)	(1,403)	
Interest and dividend income	(4,556)	(4,586)	
Interest expenses	13,102	13,058	
Equity in income of non-consolidated subsidiaries and affiliates	(94,895)	(91,927)	
Gain on sales of investments in securities, net	(13,629)	(3,407)	
Loss on write-down of investments in securities	1,256	447	
Loss on sales and disposal of property, plant and equipment, net	3,229	1,549	
Reorganization and restructuring costs	5,204	-	
Increase in trade receivables	(36,331)	(51,906)	
Increase in inventories	(42,631)	(65,842)	
Increase (decrease) in trade payables	(23,951)	40,015	
Increase in accrued consumption tax	12,979	8,558	
Other, net	(28,029)	(33,783)	
Subtotal	63,465	64,609	1,144
Receipts of interest and dividends	68,762	70,476	
Payments for Interest	(13,331)	(14,017)	
Payments for special retirement benefit	(1,378)	(163)	
Payments for Income taxes	(76,318)	(64,075)	
Net cash provided by operating activities	41,200	56,830	15,630
Cash flows from investing activities			
Decrease (increase) in time deposits, net	186	(2)	
Proceeds from sales of securities	1	-	
Payments for acquisition of investments in securities	(1,083)	(20,131)	
Proceeds from sales or maturities of investments in securities	14,758	9,260	
Net payments for acquisition of business assets	(22,338)	-	
Net payments for acquisition of investments in newly consolidated subsidiaries	(14,013)	-	
Payments for acquisition of property, plant and equipment	(78,056)	(103,735)	
Proceeds from sales of property, plant and equipment	4,335	6,126	
Payments for acquisition of intangible assets	(7,995)	(8,273)	
Payments for long-term prepaid expenses	(1,888)	(1,064)	
Decrease (increase) in short-term loans, net	1,028	(462)	
Payments for lending of long-term loans	(279)	(1,092)	
Collection of long-term loans	7,423	6,747	
Other, net	345	(1,765)	
Net cash used in investing activities	(97,576)	(114,391)	(16,815)
Cash flows from financing activities			
Increase (decrease) in short-term borrowings, net	58,679	(7,530)	
Increase (decrease) in commercial paper, net	(15,000)	100,000	
Proceeds from borrowings of long-term bank loans and other	29,702	105,185	
Repayments of long-term bank loans and other	(82,819)	(106,147)	
Proceeds from issuance of bonds	-	15,000	
Proceeds from issuance of stock	67,738	-	
Proceeds from issuance of stock to minority shareholders	13,090	1,534	
Proceeds from third-party share allotment of consolidated subsidiary	4,000	-	
Cash dividends paid	(20,137)	(14,841)	
Cash dividends paid to minority shareholders	(17,369)	(18,448)	
Other, net	(483)	(335)	
Net cash provided by financing activities	37,401	74,418	37,017
Effect of exchange rate changes on cash and cash equivalents	(135)	432	567
Net increase (decrease) in cash and cash equivalents	(19,110)	17,289	36,399
Cash and cash equivalents at beginning of period	63,857	45,249	(18,608)
Increase due to subsidiaries newly included consolidation	502	83	(419)
Cash and cash equivalents at end of period	45,249	62,621	17,372

Notes to Consolidated Financial Statements
Nippon Mining Holdings, Inc. (the "Company") and its consolidated subsidiaries

1. Scope of consolidation

Consolidated subsidiaries : 115

(Newly included)

3 (Nikko Materials Korea Co., Ltd.
Compania Minera Quechua S.A., Nippon Mining IT Co., Ltd.)

(Excluded)

2 (Nikko Metal Plating Co., Ltd., Regalito Copper Corp.)

2. Application of equity method

Affiliated companies accounted for by equity method : 15

3. Fiscal year ends of consolidated subsidiaries

- The accompanying consolidated financial statements include the accounts of consolidated subsidiaries that have fiscal year ends other than March 31. The fiscal year ends of such subsidiaries are principally December 31, and the accounts of these subsidiaries have been used for consolidation purposes, with adjustments being made for significant transactions taking place in the intervening period.
- Nikko Materials Philippines Inc., Nikko Materials Taiwan Co., Ltd. and the other company changed their fiscal year ends from March 31 to December 31, respectively.
- Nikko Materials USA, Inc., Gould Electronics GmbH and other five companies changed their fiscal year ends from February 29 to December 31, respectively.

4. Accounting standards

(1) Valuation basis and valuation method for significant assets

Investment securities

Other securities

Other securities with readily determinable market values are carried at market values as of each respective balance sheet date, and associated unrealized gains and losses, net of taxes, are reported as a separate component of net assets.

Other securities that do not have readily determinable market values are stated at cost.

Inventories

With respect to domestic subsidiaries:

Petroleum inventories are stated at the lower of cost or market using the average cost method.

Metals inventories are stated at the lower of cost or market using the first-in first-out method.

Inventories held by the Company's foreign consolidated subsidiaries are primarily stated at the lower of cost or market using the first-in, first-out method.

(2) Depreciation method for fixed assets

Property, plant and equipment :

Depreciation of property, plant and equipment is primarily calculated based on the straight-line method.

Changes in accounting policies :

Effective for Fiscal 2007, the Company and its domestic consolidated subsidiaries applied the depreciation method for property, plant and equipment acquired on and after April 1, 2007, prescribed in the revised Corporate Tax Law in line with the 2007 Tax Reform. As a result, in comparison to the previous depreciation method, depreciation costs increased by 766 million yen and operating income decreased by 727 million yen, and income before special items and income before income taxes and minority interests decreased by 728 million yen respectively for Fiscal 2007.

Concurrently, the Company and its domestic consolidated subsidiaries also applied the depreciation method for property, plant and equipment acquired before April 1, 2007, which allowed them to depreciate those assets to 1 yen of the residual value using the straight-line method evenly over a period of five years after they reach the depreciable limits. Due to this additional depreciation, depreciation costs increased by 5,755 million yen, operating income decreased by 5,396 million yen and income before special items and income before income taxes and minority interests decreased by 5,404 million yen respectively for Fiscal 2007, as compared with the case in which the previous method were applied.

Intangible assets :

Amortization of intangible assets is primarily computed using the straight-line method.

(3) Allowances

Allowance for doubtful accounts

The allowance for doubtful accounts is calculated based on the aggregate amount of individually estimated credit losses for doubtful receivables plus an amount calculated using historical write-off experience over a certain period for receivables other than doubtful receivables .

Allowance for retirement benefits

The reserve for employee retirement benefits, which is provided for future pension and severance paid at retirement, is recorded at the amount actually computed based on the projected benefit obligation and the estimated fair value of pension plan assets at the end of fiscal year.

Unrecognized net obligation at the date of initial application of the accounting standard for retirement benefits has been amortized on a straight-line basis over a period of ten years.

Unrecognized actuarial gains or losses and unrecognized prior service cost are recognized as income or expenses for the fiscal year of occurrence, except for certain consolidated subsidiaries which have elected to amortize them over the average remaining service period of participating employees.

Allowance for periodic repair works

The Company Group has an allowance for periodic repair works in an amount equal to the estimated cost of periodically required repairs for oil tanks and machinery and equipment of oil refineries, which is accrued evenly over a period to the next scheduled repairs.

(4) Translations of foreign currency transactions and accounts

Foreign currency transactions are generally translated using the foreign exchange rates prevailing at the respective transaction dates.

All assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates prevailing at the respective balance sheet dates. Foreign exchange gains and losses are charged to income.

Revenues and expenses of foreign consolidated subsidiaries are translated into Japanese Yen using the average exchange rates for the period. Assets and liabilities are translated into Japanese Yen using the foreign exchange rates prevailing at the balance sheet dates, and equity accounts are translated using historical rates. The resultant difference is presented as "Accumulated translation adjustment" and "Minority interests in consolidated subsidiaries" in a separate component of net assets.

(5) Leases

Finance leases, other than those under which the ownership of the leased assets is transferred to the lessee or those contracts that have bargain purchase provisions, are accounted for in the same manner as operating leases.

Foreign consolidated subsidiaries account for finance lease as assets and obligations as if they bought assets.

5. Valuation of assets and liabilities of consolidated subsidiaries

The assets and liabilities of a newly consolidated subsidiary are marked to fair value at the time.

6. Amortization of goodwill and negative goodwill

Goodwill and negative goodwill are generally amortized over 5 years.

7. Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits in banks and investments with original maturities of three months or less.

8. Change in accounting policies pertaining to preparation of consolidated financial statements

In accordance with the revision of "Practical Guidelines of Accounting for Deferred Income Taxes in the Consolidated Financial Statements" (Accounting Committee Report No.6, issued by Japanese Institute of Certified Public Accountants) on March 29, 2007, the Company charged off the deferred tax assets related to the elimination of unrealized gains on intercompany transactions from transfers of subsidiaries' and affiliates' stocks. Deferred income tax increased by 3,966 million yen and net income decreased by the same amount for Fiscal 2007.

Segment Information

1. Segment information summarized by product group

As of and for the year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

(millions of yen)

	Petroleum	Metals	Other Operations	Total	Eliminations or Corporate	Consolidated
Sales, operating income and income before special items:						
Sales						
(1) Outside customers	2,750,827	1,021,563	30,057	3,802,447	-	3,802,447
(2) Inter-group	4,877	2,525	35,640	43,042	(43,042)	-
Total	2,755,704	1,024,088	65,697	3,845,489	(43,042)	3,802,447
Operating costs and expenses	2,679,793	971,757	62,280	3,713,830	(43,641)	3,670,189
Operating income	75,911	52,331	3,417	131,659	599	132,258
Income before special items	81,918	134,050	7,590	223,558	678	224,236
Identifiable assets, depreciation and amortization impairment losses and capital expenditures						
Assets	1,236,312	780,669	474,402	2,491,383	(434,976)	2,056,407
Depreciation and amortization	29,054	21,996	514	51,564	31	51,595
Impairment losses	1,610	127	-	1,737	140	1,877
Capital expenditures	62,257	85,453	791	148,501	118	148,619

Breakdown of Metals segment

(millions of yen)

	Resources and Metals	Electronic Materials	Metal Manufacturing	Eliminations	Metals Total
Sales					
(1) Outside customers	844,795	124,218	52,550	-	1,021,563
(2) Inter-group	42,241	5,333	17,846	(62,895)	2,525
Total	887,036	129,551	70,396	(62,895)	1,024,088
Operating costs and expenses	841,897	130,294	64,320	(64,754)	971,757
Operating income (loss)	45,139	(743)	6,076	1,859	52,331
Income (loss) before special items	127,762	(2,198)	6,627	1,859	134,050

As of and for the year ended March 31, 2008 (from April 1, 2007 to March 31, 2008)

(millions of yen)

	Petroleum	Metals	Other Operations	Total	Eliminations or Corporate	Consolidated
Sales, operating income and income before special items:						
Sales						
(1) Outside customers	3,189,776	1,116,736	32,960	4,339,472	-	4,339,472
(2) Inter-group	4,158	2,909	43,578	50,645	(50,645)	-
Total	3,193,934	1,119,645	76,538	4,390,117	(50,645)	4,339,472
Operating costs and expenses	3,131,472	1,084,748	70,701	4,286,921	(50,635)	4,236,286
Operating income (loss)	62,462	34,897	5,837	103,196	(10)	103,186
Income (loss) before special items	67,847	113,395	11,254	192,496	(470)	192,026
Identifiable assets, depreciation and amortization impairment losses and capital expenditures						
Assets	1,409,106	769,690	677,197	2,855,993	(604,785)	2,251,208
Depreciation and amortization	35,725	26,506	519	62,750	113	62,863
Impairment losses	1,892	759	10	2,661	17	2,678
Capital expenditures	68,773	33,749	645	103,167	487	103,654

Breakdown of Metals segment

(millions of yen)

	Resources and Metals	Electronic Materials	Metal Manufacturing	Eliminations	Metals Total
Sales					
(1) Outside customers	947,620	116,241	52,875	-	1,116,736
(2) Inter-group	51,895	5,086	20,836	(74,908)	2,909
Total	999,515	121,327	73,711	(74,908)	1,119,645
Operating costs and expenses	965,601	125,804	68,266	(74,923)	1,084,748
Operating income (loss)	33,914	(4,477)	5,445	15	34,897
Income (loss) before special items	114,438	(6,449)	5,391	15	113,395

Segment Information

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.

Note 2 : Changes in accounting policy

As noted in "Notes to Consolidated Financial Statements 4 (2)," effective for Fiscal 2007, the Company and its domestic consolidated subsidiaries applied the depreciation method prescribed in the revised Corporate Tax Law in line with the 2007 Tax Reform for property, plant and equipment acquired on and after April 1, 2007.

As a result of this application, in Fiscal 2007, as for Petroleum segment, depreciation costs increased by 504 million yen, accordingly, operating costs and expenses increased by 498 million yen and operating income and income before special items decreased by the same amount, while assets decreased by 497 million yen. As for Metals segment, depreciation costs increased by 245 million yen, operating costs and expenses increased by 214 million yen, operating income decreased by the same amount and income before special items decreased by 215 million yen, while assets decreased by 214 million yen. As for Other Operations segment, there was only a slight impact.

Concurrently, the Company and its domestic consolidated subsidiaries applied the depreciation method for property, plant and equipment acquired before April 1, 2007, which allowed them to depreciate those assets to 1 yen of the residual value using the straight-line method evenly over a period of five years after they reach the depreciable limits.

As a result of this application, in Fiscal 2007, as for Petroleum segment, depreciation costs increased by 4,740 million yen, operating costs and expenses increased by 4,451 million yen and operating income and income before special items decreased by the same amount, while assets decreased by 4,443 million yen. As for Metal segment, depreciation costs increased by 991 million yen, operating costs and expenses increased by 933 million yen, operating income decreased by the same amount, income before special items decreased by 941 million yen, while assets decreased by 937 million yen. As for Other Operations segment, there was only a slight impact.

2. Segment information summarized by region

For the fiscal year and the previous fiscal year, operations in Japan have over 90% share of the total sales and assets.

3. Overseas sales

For the year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

	Asia	Others	Total
Overseas sales (millions of yen)	511,582	50,327	561,909
Total sales (millions of yen)	-	-	3,802,447
Overseas to total sales (%)	13.5	1.3	14.8

For the year ended March 31, 2008 (from April 1, 2007 to March 31, 2008)

	Asia	Others	Total
Overseas sales (millions of yen)	604,336	52,522	656,858
Total sales (millions of yen)	-	-	4,339,472
Overseas to total sales (%)	13.9	1.2	15.1