

Financial Results 1st Quarter FY2005

(Three months ended June 30 2005)

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Nippon Mining Holdings, INC.

August 10, 2005

※Statements which are not an 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.

Quarterly Results

1 . Operating Results(consolidated)

(Billions of Yen)

	FY2005	FY2004	Differences
	1 Q	1 Q	
Net Sales	6 3 6 . 9	5 5 6 . 0	(○) 8 1 . 0
Operating Income	3 6 . 6	2 1 . 0	(○) 1 5 . 7
Other Income (Expenses)	9 . 7	2 . 8	(○) 6 . 9
Income before Special Items	4 6 . 4	2 3 . 8	(○) 2 2 . 5
Special Profit (Loss)	3 . 0	2 . 3	(○) 0 . 8
Income Taxes	1 7 . 1	9 . 4	(×) 7 . 6
Minority Interest	3 . 4	2 . 5	(×) 0 . 9
Net Income	2 8 . 9	1 4 . 2	(○) 1 4 . 7

(1) Scope of Consolidation

- ① Consolidated subsidiaries 110 (3 additions)
- ② Equity method affiliates 19

(2) Income before Special Items ¥46.4 billion

① Operating Income ¥36.6bn

- Petroleum ¥27.0bn
- Resources & Non-ferrous Metals ¥5.3bn
- Electronic Materials ¥2.6bn
- Metal Fabrication ¥1.7bn
- Other Operations -

② Other Income (Expenses) ¥9.7bn

- Interest and dividend income ¥1.3bn
- Amortization of consolidation adjustment account ¥0.5bn
- Equity in income of non-consolidated subsidiary and affiliates ¥11.1bn
- Interest expenses (¥2.6bn)
- Exchange loss (¥0.2bn)
- Others (¥0.4bn)

(3) Special Profit (Loss) ¥3.0 billion

- Gain on sales of property, plant and equipment ¥2.5bn
- Gain on sales of investments in securities ¥1.4bn
- Loss on disposal of property, plant and equipment (¥0.5bn)
- Reorganization and restructuring costs (¥0.2bn)
- Others (¥0.2bn)

(4) Segment Information

(Billions of Yen)

		FY2005	FY2004	Differences
		1 Q	1 Q	
Petroleum (Japan Energy Group)	Net Sales	509.8	422.9	(○) 86.9
	Operating Income	27.0	13.1	(○) 13.9
	Income before Special Items	27.0	10.9	(○) 16.1
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	Net Sales	100.4	94.9	(○) 5.5
	Operating Income	5.3	4.0	(○) 1.3
	Income before Special Items	14.7	9.3	(○) 5.4
Electronic Materials (Nikko Materials Group)	Net Sales	22.6	22.9	(×) 0.3
	Operating Income	2.6	3.0	(×) 0.4
	Income before Special Items	2.2	2.7	(×) 0.4
Metal Fabrication (Nikko Metal Manufacturing Group)	Net Sales	12.0	14.3	(×) 2.3
	Operating Income	1.7	3.3	(×) 1.6
	Income before Special Items	1.8	3.3	(×) 1.4
Other Operations (Independent Operating Companies & Functional Support Companies)	Net Sales	4.1	13.2	(×) 9.1
	Operating Income	-	(2.4)	(○) 2.5
	Income before Special Items	0.6	(2.3)	(○) 2.9
Eliminations	Net Sales	(12.0)	(12.3)	(○) 0.3
Total	Net Sales	636.9	556.0	(○) 81.0
	Operating Income	36.6	21.0	(○) 15.7
	Income before Special Items	46.4	23.8	(○) 22.5

※Segment sales include inter-Group sales.

※Operating Income and Income before Special Items in the Other Operations include eliminations or corporate.

(5) Key Data

		FY2005	FY2004	Differences
		1 Q	1 Q	
Petroleum	Exchange Rate (¥/\$)	108	110	(-) 2
	Crude Oil FOB (\$/BL) (Dubai Spot Price)	47.9	33.3	(+) 14.6
	Market Price of Paraxylene (\$/t) ACP Base	923	783	(+) 140
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	154	127	(+) 27
	Electrolytic Copper Sales (1000 tones)	155	157	(-) 2
Electronic Materials	Electrodeposited Copper Foil Sales (tones/month)	2,121	2,777	(-) 656
	Treated Rolled Copper Foil Sales (1000 meters/month)	3,067	4,077	(-) 1,010
	ITO Target Sales (tones/month)	22.4	19.4	(+) 3.0
Metal Fabrication	Wrought Copper Products Sales (1000 tones)	8	10	(-) 2
	Special Steel Products Sales (1000 tones)	1	3	(-) 2
	High Quality Products Ratio	41%	32%	(+) 10%

2 . Information by Segments

<1> Petroleum (Japan Energy Group)

(1) Operating Results

(Billions of Yen)

	FY2005	FY2004	Differences
	1 Q	1 Q	
Net Sales	5 0 9 . 8	4 2 2 . 9	(○) 8 6 . 9
Operating Income	2 7 . 0	1 3 . 1	(○) 1 3 . 9
Income before Special Items	2 7 . 0	1 0 . 9	(○) 1 6 . 1

< Factors in ¥16.1bn increase in the Income before Special Items >

- Inventory profit (○)¥8.7bn
(FY2004 1Q:+7.8bn → FY2004 1Q:+16.5bn)
- Petrochemicals profit (○) ¥1.0bn
- Other Operating income (○) ¥4.2bn
(Influence of a fire at Kashima oil refinery in FY2004:(○) ¥1.5bn)
- Other income and expenses (○)¥2.2bn
(Equity in income of non-consolidated subsidiaries and affiliates:
(○) ¥1.7bn)

(2) Sales volume and growth rate of fuel oil of Japan Energy

	Domestic sales volume (thousands of KL)			Growth rate
	FY2005	FY2004	Differences	
	1 Q	1 Q		
Gasoline	1, 510	1, 568	△58	96.3%
Naphtha	928	677	251	137.2%
Jet Fuel	150	167	△17	89.9%
Kerosene	421	417	4	101.0%
Gas Oil	1, 077	1, 074	3	100.3%
A Heavy Fuel	647	604	43	107.2%
C Heavy Fuel	574	415	159	138.5%
Total	5, 309	4, 921	388	107.9%
Gasoline & Middle Distillation	3, 656	3, 663	△7	99.8%

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

		FY2005	FY2004				
		1Q	1Q	2Q	3Q	4Q	Total
Group Total	Refining volume	5.89	6.30	6.70	7.40	7.37	27.77
	Operating ratio	70%	74%	78%	86%	88%	81%
	Comparison with the previous year	94%	89%	104%	107%	100%	100%
Mizushima	Refining volume	1.97	2.93	2.46	2.94	2.83	11.16
	Operating ratio	68%	99%	82%	98%	96%	94%
	Comparison with the previous year	69%	111%	100%	126%	101%	110%
Kashima	Refining volume	2.57	1.60	2.29	2.59	2.62	9.10
	Operating ratio	94%	58%	83%	93%	96%	83%
	Comparison with the previous year	161%	65%	105%	99%	101%	92%

☆Capacity of Japan Energy Group's Refinery

Japan Energy Mizushima Refinery : 200,200 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
	1 Q	1 Q	
Net Sales	1 0 0. 4	9 4. 9	(○) 5. 5
Operating Income	5. 3	4. 0	(○) 1. 3
Income before Special Items	1 4. 7	9. 3	(○) 5. 4

< Factors in ¥5.4bn increase in the Income before Special Items >

- Nippon Mining & Metals and consolidated subsidiaries (○)¥1.4bn
(Metals price up, Copper premium improvement, etc.)
- Equity in income of affiliates (○)¥4.0bn
 [Minera Los Perambres (○)¥3.4bn (Copper and Molybdenum price up)
 LS-nikko (○)¥0.2bn (Copper price up), etc.]

(2) Price and Sales Volume

		FY2005	FY2004	Differences
		1 Q	1 Q	
Price	Copper (¢/lb)	1 5 4	1 2 7	(+) 2 7
	Zinc (\$/t)	1, 2 7 3	1, 0 2 7	(+) 2 4 6
	Gold (\$/TOZ)	4 2 7	3 9 3	(+) 3 4
	Platinum (\$/TOZ)	8 7 0	8 3 2	(+) 3 8
	Palladium (\$/TOZ)	1 9 2	2 5 6	(-) 6 4
Sales Volume (Thousand tones)	Copper	1 5 5	1 5 7	(-) 2
	Zinc	1 9	2 1	(-) 2

<3> Electronic Materials (Nikko Materials Group)

(1) Operating Results

(Billions of Yen)

	FY2005	FY2004	Differences
	1 Q	1 Q	
Net Sales	2 2. 6	2 2. 9	(×) 0. 3
Operating Income	2. 6	3. 0	(×) 0. 4
Income before Special Items	2. 2	2. 7	(×) 0. 4

< Factors in ¥0.4bn decrease in the Income before Special Items >

①Operating Income (×)¥0.4bn

- Electro-deposited copper foil(×)¥0.3bn,
- Treated rolled copper foil (×)¥0.7bn,
- Sputtering target(○)¥0.9bn,
- Compound semiconductor materials and others(×)¥0.2bn,
- Expenses including development costs(×)¥0.1bn

②Other Income - bn

- Foreign currency transaction (×)¥0.1bn
- Other (○)¥0.1bn

(2) Breakdown by products

(Billions of Yen)

		FY2005	FY2004	Differences
		1 Q	1 Q	
Electro-deposited Copper Foil	Net Sales	5. 5	6. 5	(×) 1. 0
	Operating Income	(0. 9)	(0. 6)	(×) 0. 3
Treated Rolled Copper Foil and Target	Net Sales	1 4. 4	1 3. 5	(○) 0. 9
	Operating Income	4. 3	4. 1	(○) 0. 2
Compound Semiconductor Materials and Others	Net Sales	2. 7	2. 9	(×) 0. 2
	Operating Income	(0. 8)	(0. 5)	(×) 0. 3
Total	Net Sales	2 2. 6	2 2. 9	(×) 0. 3
	Operating Income	2. 6	3. 0	(×) 0. 4

<4> Metal Fabrication (Nikko Metal Manufacturing Group)

(1) Operating Results

(Billions of Yen)

	FY2005	FY2004	Differences
	1 Q	1 Q	
Net Sales	1 2. 0	1 4. 3	(×) 2. 3
Operating Income	1. 7	3. 3	(×) 1. 6
Income before Special Items	1. 8	3. 3	(×) 1. 4

< Factors in ¥1.4bn decrease in the Income before Special Items >

- Sales decrease (×)¥2.1bn

Copper foil (×)¥1.1bn Stainless steel for electron guns for CRT (×)¥0.3bn Copper alloy for semiconductor lead frames (×)¥0.2bn, etc.
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- Copper price up (○) ¥0.1bn
- Cost reduction, etc. (○)¥0.6bn

(2) Sales by products

(Billions of Yen)

		FY2005	FY2004	Differences
		1 Q	1 Q	
Wrought copper	Phosphor bronze	3. 1	3. 5	(×) 0. 4
	Brass	1. 4	1. 3	(○) 0. 1
	Copper foil	1. 3	2. 1	(×) 0. 8
	Others	2. 0	2. 1	(×) 0. 1
Special steel	Stainless steel	0. 4	1. 1	(×) 0. 7
	High-nickel alloy	0. 8	1. 7	(×) 0. 9
	Others	0. 1	0. 2	(×) 0. 1
Others (precision manufacturing etc.)		2. 9	2. 3	(○) 0. 6
Total		1 2. 0	1 4. 3	(×) 2. 3

II Forecasts for the 1st half of FY2005

1. Comparison with the 1st half of FY2004

(1) Assumptions

		FY2005	FY2004	Differences
		1H(Forecast)	1H(Actual)	
Petroleum	Exchange Rate (¥/\$)	110	110	-
	Crude Oil FOB (\$/BL) (Dubai Spot Price)	50.5	34.8	(+) 15.7
	Market Price of Paraxylene (\$/t)	930	806	(+) 124
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	157	128	(+) 29
	Electrolytic Copper Sales (1000 tonnes)	302	313	(-) 11
Electronic Materials	Electro-deposited Copper Foil Sales (tonnes/month)	2,175	2,735	(-) 560
	Treated Rolled Copper Foil Sales (1000 meters/month)	3,040	4,102	(-) 1,062
	ITO Target Sales (tonnes/month)	24.8	19.1	(+) 5.7
Metal Fabrication	Wrought Copper Products Sales (1000 tonnes)	17	19	(-) 2
	Special Steel Products Sales (1000 tonnes)	2	6	(-) 4
	High Quality Products Ratio	41%	30%	(+) 11%

(2) Operating Forecasts(consolidated)

(Billions of Yen)

	FY2005	FY2004	Differences
	1H (Forecast)	1H (Actual)	
Net Sales	1 3 3 0. 0	1 1 7 0. 1	(○) 1 5 9. 9
Operating Income	5 9. 0	4 7. 2	(○) 1 1. 8
Income before Special Items	7 7. 0	5 4. 4	(○) 2 2. 6
Net Income	4 8. 0	1 8. 0	(○) 3 0. 0
Ratio of Income before Special Items to Net Sales	5. 8 %	4. 7 %	(○) 1. 1 %
Earnings Per Share (yen)	5 6. 7	2 4. 6	(○) 3 2. 0

(3) Operating Forecasts by Segments

(Billions of Yen)

		FY2005 1H (Forecast)	FY2004 1H (Actual)	Differences
Petroleum (Japan Energy Group)	Net Sales	1 0 6 0 . 0	9 0 1 . 5	(○) 1 5 8 . 5
	Operating Income	4 0 . 0	2 9 . 9	(○) 1 0 . 1
	Income before Special Items	4 0 . 0	2 6 . 5	(○) 1 3 . 5
Resources & Non-ferrous Metals (Nippon Mining & Metals)	Net Sales	2 1 0 . 0	1 8 9 . 0	(○) 2 1 . 0
	Operating Income	1 1 . 0	7 . 5	(○) 3 . 5
	Income before Special Items	2 9 . 5	1 9 . 5	(○) 1 0 . 0
Electronic Materials (Nikko Materials Group)	Net Sales	4 7 . 0	4 6 . 7	(○) 0 . 3
	Operating Income	4 . 5	7 . 1	(×) 2 . 6
	Income before Special Items	3 . 5	6 . 4	(×) 2 . 9
Metal Fabrication (Nikko Metal Manufacturing Group)	Net Sales	2 6 . 0	2 8 . 6	(×) 2 . 6
	Operating Income	3 . 0	5 . 4	(×) 2 . 4
	Income before Special Items	3 . 0	5 . 4	(×) 2 . 4
Other Operations (Independent Operating Companies & Functional Support Companies)	Net Sales	1 0 . 0	2 9 . 2	(×) 1 9 . 2
	Operating Income	0 . 5	(2 . 8)	(○) 3 . 3
	Income before Special Items	1 . 0	(3 . 3)	(○) 4 . 3
Eliminations	Net Sales	(2 3 . 0)	(2 4 . 8)	(○) 1 . 8
Total	Net Sales	1 3 3 0 . 0	1 1 7 0 . 1	(○) 1 5 9 . 9
	Operating Income	5 9 . 0	4 7 . 2	(○) 1 1 . 8
	Income before Special Items	7 7 . 0	5 4 . 4	(○) 2 2 . 6

※Segment Sales include inter-Group sales.

(4) Income before Special Items (FY2005 1H vs. FY2004 1H)

(Billions of Yen)

	FY2005 1H (Forecast)	FY2004 1H (Actual)	Differences	Notes
Petroleum (Japan Energy Group)	40.0	26.5	(○) 13.5	<ul style="list-style-type: none"> ➤ Inventory profit ➤ Equity in income of non-consolidated subsidiaries and affiliates ➤ Petrochemicals improvement
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	29.5	19.5	(○) 10.0	<ul style="list-style-type: none"> ➤ Metals (Copper, Molybdenum and etc.) price up ➤ Equity in income of non-consolidated subsidiaries and affiliates
Electronic Materials (Nikko Materials Group)	3.5	6.4	(×) 2.9	<ul style="list-style-type: none"> ➤ Sales decrease of Copper foil (Electro-deposited and Treated rolled)
Metal Fabrication (Nikko Metal Manufacturing Group)	3.0	5.4	(×) 2.4	<ul style="list-style-type: none"> ➤ Sales decrease of Copper foil and Stainless steel for electron guns for CRT
Other Operations (Independent Operating Companies & Functional Support Companies)	1.0	(3.3)	(○) 4.3	<ul style="list-style-type: none"> ➤ am/pm Japan (FY2004) ➤ Cost for offering of shares (FY 2004)
Total	77.0	54.4	(○) 22.6	

2 . Information by Segments

<1> Petroleum (Japan Energy Group)

(1) Forecasts

(Billions of Yen)

	FY2005 1H (Forecast)	FY2004 1H (Actual)	Differences
Net Sales	1 0 6 0. 0	9 0 1. 5	(○) 1 5 8. 5
Operating Income	4 0. 0	2 9. 9	(○) 1 0. 1
Income before Special Items	4 0. 0	2 6. 5	(○) 1 3. 5

(2) Sales volume and growth rate of fuel oil of Japan Energy

	Domestic sales volume (Thousands of KL)			Growth rate
	FY2005 1H (Forecast)	FY2004 1H (Actual)	Differences	
Gasoline	3, 1 5 2	3, 2 6 0	(-) 1 0 8	9 6. 8%
Naphtha	1, 9 2 7	1, 4 9 5	(+) 4 3 2	1 2 8. 9%
Jet Fuel	3 1 4	3 6 5	(-) 5 1	8 6. 0%
Kerosene	7 7 2	7 2 1	(+) 5 1	1 0 7. 2%
Gas Oil	2, 1 8 7	2, 1 6 7	(+) 2 0	1 0 0. 9%
A Heavy Fuel	1, 2 9 5	1, 1 7 1	(+) 1 2 4	1 1 0. 5%
C Heavy Fuel	1, 1 4 5	1, 1 1 4	(+) 3 1	1 0 2. 8%
Total	1 0, 7 9 2	1 0, 2 9 3	(+) 4 9 9	1 0 4. 8%
Gasoline & Middle Distillation	7, 4 0 6	7, 3 1 9	(+) 8 7	1 0 1. 2%

(3) Number of JOMO Service Stations

	2000 Mar 31	2001 Mar 31	2002 Mar 31	2003 Mar 31	2004 Mar 31	2005 Mar 31	2005 Jun 30
Owned by Japan Energy (Self-SS)	1, 377	1, 328	1, 284 (105)	1, 229 (227)	1, 207 (264)	1, 172 (297)	1, 162 (303)
Owned by wholesalers and others (Self-SS)	3, 575	3, 318	3, 192 (59)	3, 067 (95)	2, 943 (121)	2, 851 (143)	2, 832 (148)
Total (Self-SS)	4, 952	4, 646	4, 476 (164)	4, 296 (322)	4, 150 (385)	4, 023 (440)	3, 994 (451)

(4) Petrochemicals Profit

(Billions of Yen)

FY2005 1H (Forecast)	FY2004 1H (Actual)	Differences
1 1. 0	1 0. 5	(○) 0. 5

<2> Resources & Non-ferrous Metals (Nippon Mining & Metals Group)

(1) Forecasts

(Billions of yen)

	FY2005 1H (Forecast)	FY2004 1H (Actual)	Differences
Net Sales	2 1 0. 0	1 8 9. 0	(○) 2 1. 0
Operating Income	1 1. 0	7. 5	(○) 3. 5
Income before Special Items	2 9. 5	1 9. 5	(○) 1 0. 0

(2) Price and Sales Volume

		FY2005 1H (Forecast)	FY2004 1H (Actual)	Differences
Price	Copper (¢/lb)	1 5 7	1 2 8	(+) 2 9
	Zinc (\$/t)	1, 2 3 7	1, 0 0 4	(+) 2 3 3
	Gold (\$/TOZ)	4 2 9	3 9 7	(+) 3 2
	Platinum (\$/TOZ)	8 7 6	8 3 4	(+) 4 2
	Palladium (\$/TOZ)	1 8 6	2 3 6	(-) 5 0
Sales Volume (Thousand tones)	Copper	3 0 2	3 1 3	(-) 1 1
	Zinc	4 1	4 2	(-) 1

<3> Electronic Materials (Nikko Materials Group)

(1) Forecasts

(Billions of Yen)

	FY2005 1H (Forecast)	FY2004 1H (Actual)	Differences
Net Sales	4 7. 0	4 6. 7	(○) 0. 3
Operating Income (Loss)	4. 5	7. 1	(×) 2. 6
Income before Special Items	3. 5	6. 4	(×) 2. 9

(2) Breakdown by products

(Billions of Yen)

		FY2005 1H (Forecast)	FY2004 1H (Actual)	Differences
Electro-deposited Copper Foil	Net Sales	1 1. 0	1 3. 0	(×) 2. 0
	Operating Income	(1. 9)	(1. 2)	(×) 0. 7
Treated Rolled Copper Foil and Target	Net Sales	3 0. 7	2 8. 0	(○) 2. 7
	Operating Income	8. 2	9. 3	(×) 1. 1
Compound Semiconductor Materials and Others	Net Sales	5. 3	5. 7	(×) 0. 4
	Operating Income	(1. 8)	(1. 0)	(×) 0. 8
Total	Net Sales	4 7. 0	4 6. 7	(○) 0. 3
	Operating Income	4. 5	7. 1	(×) 2. 6

<4> Metal Fabrication (Nikko Metal Manufacturing Group)

(1) Forecasts

(Billions of Yen)

	FY2005 1H (Forecast)	FY2004 1H (Actual)	Differences
Net Sales	26.0	28.6	(×) 2.6
Operating Income	3.0	5.4	(×) 2.4
Income before Special Items	3.0	5.4	(×) 2.4

(2) Sales by products

(Billions of Yen)

		FY2005 1H (Forecast)	FY2004 1H (Actual)	Differences
Wrought copper	Phosphor bronze	6.7	6.8	(×) 0.1
	Brass	2.9	2.9	—
	Copper foil	2.6	4.1	(×) 1.5
	Others	3.9	3.6	(○) 0.3
Special steel	Stainless steel	1.0	2.3	(×) 1.3
	High-nickel alloy	1.9	3.4	(×) 1.5
	Others	0.2	0.2	—
Others (precision manufacturing etc.)		6.8	5.3	(○) 1.5
Total		26.0	28.6	(×) 2.6

2. Comparison with the previous forecasts

(1) Assumptions

		FY2005 1H		
		Amended (8/10) Forecasts	Previous (5/11) Forecasts	Differences
Petroleum	Exchange Rate (¥/\$)	1 1 0	1 0 5	(+) 5
	Crude Oil FOB (\$/BL) (Dubai Spot Price)	5 0. 5	4 5. 0	(+) 5. 5
	Market Price of Paraxylene (\$/t)	9 3 0	9 5 0	(-) 2 0
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	1 5 7	1 4 0	(+) 1 7
	Electrolytic Copper Sales (1000 tones)	3 0 2	2 8 9	(+) 1 3
Electronic Materials	Electrodeposited Copper Foil Sales (tones/month)	2, 1 7 5	2, 3 6 1	(-) 1 8 6
	Treated Rolled Copper Foil Sales (1000 meters/month)	3, 0 4 0	3, 5 0 0	(-) 4 6 0
	ITO Target Sales (tones/month)	2 4. 8	2 5. 0	(-) 0. 2
Metal Fabrication	Wrought Copper Products Sales (1000tones)	1 7	1 8	(-) 1
	Special Steel Products Sales (1000tones)	2	5	(-) 3
	High Quality Products Ratio	4 1%	3 9%	(+) 2%

(2) Operating forecasts

(Billions of Yen)

	FY2005 1H		Differences
	Amended forecasts	Previous forecasts	
Net Sales	1 3 3 0. 0	1 2 1 2. 0	(○) 1 1 8. 0
Operating Income	5 9. 0	5 5. 0	(○) 4. 0
Income before Special Items	7 7. 0	6 3. 0	(○) 1 4. 0
Net Income	4 8. 0	3 6. 0	(○) 1 2. 0
Ratio of Income before Special Items to Net Sales	5. 8%	5. 2%	(○) 0. 6%
Earnings Per Share (yen)	5 6. 7	4 2. 5	(○) 1 4. 2

(3) Forecasts by Segments

(Billions of Yen)

		FY2005 1H Forecasts		
		Amended (8/10) Forecasts	Previous (5/11) Forecasts	Differences
Petroleum (Japan Energy Group)	Net Sales	1 0 6 0. 0	9 8 0. 0	(○) 8 0. 0
	Operating Income	4 0. 0	3 9. 0	(○) 1. 0
	Income before Special Items	4 0. 0	3 6. 0	(○) 4. 0
Resources & Non-ferrous Metals (Nippon Mining & Metals)	Net Sales	2 1 0. 0	1 7 2. 0	(○) 3 8. 0
	Operating Income	1 1. 0	7. 5	(○) 3. 5
	Income before Special Items	2 9. 5	2 0. 0	(○) 9. 5
Electronic Materials (Nikko Materials Group)	Net Sales	4 7. 0	4 9. 0	(×) 2. 0
	Operating Income	4. 5	4. 0	(○) 0. 5
	Income before Special Items	3. 5	2. 5	(○) 1. 0
Metal Fabrication (Nikko Metal Manufacturing Group)	Net Sales	2 6. 0	2 9. 0	(×) 3. 0
	Operating Income	3. 0	3. 5	(×) 0. 5
	Income before Special Items	3. 0	3. 5	(×) 0. 5
Other Operations (Independent Operating Companies & Functional Support Companies)	Net Sales	1 0. 0	5. 0	(○) 5. 0
	Operating Income	0. 5	1. 0	(×) 0. 5
	Income before Special Items	1. 0	1. 0	—
Eliminations	Net Sales	(2 3. 0)	(2 3. 0)	—
Total	Net Sales	1 3 3 0. 0	1 2 1 2. 0	(○) 1 1 8. 0
	Operating Income	5 9. 0	5 5. 0	(○) 4. 0
	Income before Special Items	7 7. 0	6 3. 0	(○) 1 4. 0

※Segment Sales include inter-Group sales.

Comparison in the Income before Special Items for FY2005 1H (Billions of Yen)

	Amended Forecasts	Previous Forecasts	Differences	Notes
Petroleum (Japan Energy Group)	4 0. 0	3 6. 0	(○) 4. 0	➤ Inventory profit
Resources & Non-ferrous Metals (Nippon Mining & Metals)	2 9. 5	2 0. 0	(○) 9. 5	➤ Metals (Copper, Molybdenum and etc.) price up ➤ Equity in income of non-consolidated subsidiaries and affiliates
Electronic Materials (Nikko Materials Group)	3. 5	2. 5	(○) 1. 0	➤ Inventory profit ➤ Cost reduction
Metal Fabrication (Nikko Metal Manufacturing Group)	3. 0	3. 5	(×) 0. 5	➤ Sales decrease of Copper foil and Stainless steel for electron guns for CRT
Other Operations (Independent Operating Companies & Functional Support Companies)	1. 0	1. 0	—	
Total	7 7. 0	6 3. 0	(○) 1 4. 0	

Others (Consolidated Balance Sheet, Cash Flows etc.)

1 . Consolidated Balance Sheet

(Billions of Yen)

	June 30 2005[A]	Mar 31 2005	Changes in FY2005 1Q	Sep 30 2005 (Forecast) [B]	[B] - [A]
Current Assets	729.0	677.1	(+) 51.9	1660.0	(+) 79.9
Fixed Assets	911.6	903.1	(+) 8.5		
Total Assets	1640.5	1580.1	(+) 60.4	1660.0	(+) 79.9
Current Liabilities	799.0	756.8	(+) 42.1	1222.5	(+) 33.7
Fixed Liabilities	423.9	431.9	(-) 8.0		
Minority Interest	40.8	37.9	(+) 2.8	41.5	(+) 3.6
Total Shareholder's Equity	377.0	353.4	(+) 23.5	396.0	(+) 42.6
Shareholder's Equity Ratio	23.0%	22.4%	(+) 0.6%	23.9%	(+) 1.5%
BPS (Yen)	444.99	416.98	(+) 28.01	467.47	(+) 50.49
Interest Bearing Debt	679.6	643.8	(+) 35.8	663.0	(+) 19.2

①Factors in the change FY2005 1Q

(Billions of Yen)

Assets (+) 60.4	Cash and cash equivalents (-) 0.1, Trade receivables (+) 0.4, Inventories (+)56.8, Fixed assets (tangible and intangible) (-) 1.6 [Investments in equipment (+) 7.5, Depreciation and amortization (-) 11.0, Newly included consolidation (+)3.0 and others], Investments and loans (-) 1.4, Investment in non-consolidated subsidiaries and affiliates (+)13.5, Others (-) 7.2
Liabilities (+) 34.1	Interest bearing debt (+) 35.8, Trade payables (+) 20.2 [influence of national holiday (+)26.3] , Accrued income taxes (-)20.3, Others (-) 1.6
Minority Interest (+) 2.8	
Shareholder's Equity (+) 23.5	Net income (+) 28.9, Dividends (-) 8.5, Others(+)3.1

②Factors in the change for FY2005 1H (Forecast)

Assets (+) 79.9	Cash and cash equivalents (-) 12.5, Trade receivables and inventories (+) 79.0, Fixed assets (tangible and intangible) (+) 7.7 [Investments in equipment (+) 28.4, Depreciation and amortization (-) 22.6 and others], Investments and loans (-) 2.5, Investment in non-consolidated subsidiaries and affiliates (+)18.0, Others (-) 9.8
Liabilities (+) 33.7	Interest bearing debt (+) 19.2, Trade payables (+) 25.6, Accrued income taxes (-)10.0, Others (-) 1.1
Minority Interest (+) 3.6	
Shareholder's Equity (+) 42.6	Net income (+) 48.0, Dividends (-)8.5, Others (+) 3.1

2 . Consolidated Cash Flows

(Billions of Yen)

	FY2004 (Actual)	FY20051Q (Actual)
Cash Flows from Operating Activities	(+) 45.4	(-) 21.3
Cash Flows from Investing Activities	(-) 15.2	(-) 2.6
Cash Flows from Financing Activities	(-) 38.7	(+) 22.1
Effect of Exchange Rate Changes	(+) 0.1	(+) 0.6
Net Decrease in Cash and Cash Equivalents	(-) 8.4	(-) 1.2

FY2005 1Q Breakdown

- ① Cash Flows from Operating Activities (-) 21.3
Income before Special Items (+) 46.4, Depreciation (+) 11.0,
Equity in income of non-consolidated subsidiary and affiliates (-) 11.1,
Trade receivables, inventories and trade payables (-) 39.6,
Payment for income taxes (-)31.6, Others (+) 3.6
- ② Cash Flows from Investing Activities (-) 2.6
Investments in equipment (-) 8.6, Investments and loans (-)0.6,
Sales of investments and collection of loans (+) 3.3, Others (+) 3.3
- ③ Cash Flows from Financing Activities (+) 22.1
Interest bearing debt (+) 32.4, Dividends (-) 8.5, Others (-) 1.8

3 . Dividends

FY2004 (Actual)				FY2005 (Forecast)			
Interim	Final	Total	Payment amount	Interim	Final	Annual	Payment amount
----	¥10.00	¥10.00	¥ 8,478 million	----	¥12.00	¥12.00	¥ 10,174 million

4 . Interest-bearing Debt

(Billions of Yen)

	March 31 2005	June 30 2005	Differences
Petroleum (Japan Energy Group)	438.7	430.9	(-) 7.8
Resources & Non-ferrous Metals (Nippon Mining & Metals)	112.8	114.7	(+) 1.9
Electronic Materials (Nikko Materials Group)	64.0	78.2	(+) 14.2
Metal Fabrication (Nikko Metal Manufacturing Group)	19.7	24.3	(+) 4.6
Other Operations (Independent Operating Companies & Functional Support Companies)	8.6	31.5	(+) 22.9
Total	643.8	679.6	(+) 35.8

5 . Debt to Equity Ratio

(Billions of Yen)

	Mar. 31 2002 (A)	Mar. 31 2004	Mar. 31 2005	Jun. 30 2005 (B)	(B) - (A)	Sep. 30 2005 (Forecast)
Interest-bearing Debt	892.8	754.0	643.8	679.6	(-) 213.2	663.0
Shareholder's Equity	181.5	233.7	353.4	377.0	(+) 195.5	396.0
Debt to Equity Ratio	4.92	3.23	1.82	1.80	(-) 3.12	1.67

6 . Capital Expenditure and Depreciation

(Billions of Yen)

	FY2004	FY2005 1Q
Capital expenditure	47.3	7.5
Depreciation	47.7	11.0
Differences	(-) 0.4	(-) 3.5

7 . Number of Employees

	Mar 31 2003	Mar 31 2004	Mar 31 2005
Petroleum (Japan Energy Group)	4,447	4,254	4,180
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	2,604	1,471	1,447
Electronic Materials (Nikko Materials Group)	1,574	1,622	1,512
Metal Fabrication (Nikko Metal Manufacturing Group)		1,149	1,161
Other Operations (Independent Operating Companies & Functional Support Companies)	1,758	1,362	974
Total	10,383	9,858	9,274

※ Number of employees of Metal Fabrication as of Mar 31 2003 was included in Resources & Non-ferrous Metals.

※ Others include Nippon Mining Holdings.