

Interim Financial Results FY2005

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Nippon Mining Holdings, INC.

November 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.

I Interim Results FY2005

1. Operating Results(consolidated)

(Billions of Yen)

	FY2005 1H	FY2004 1H	Differences
Net Sales	1,365.1	1,170.1	(○)195.0
Operating Income	63.4	47.2	(○) 16.2
Other Income and Expenses, net	19.7	7.2	(○) 12.5
Income before Special Items	83.1	54.4	(○) 28.7
Special Profit and Loss, net	5.0	(13.7)	(○) 18.7
Income Taxes	28.7	17.7	(×) 11.0
Minority Interest	6.9	5.0	(×) 1.9
Net Income	52.5	18.0	(○) 34.5

(1) Scope of Consolidation

- ① Consolidated subsidiaries 1 0 7 (4 additions, 4 reductions)
- ② Equity method affiliates 1 7 (2 reductions)

(2) Factors in ¥28.7 billion increase in the Income before Special Items

① Operating Income (○) ¥16.2bn

- Petroleum (○) ¥12.6bn
- Resources & Non-ferrous Metals (○) ¥5.0bn
- Electronic Materials (×) ¥2.0bn
- Metal Fabrication (×) ¥2.9bn
- Others (○) ¥3.5bn

② Other Income and Expenses, net (○) ¥12.5bn

- Interest and dividend income (○) ¥0.4bn
- Amortization of consolidation adjustment account (×) ¥1.4bn
- Equity in income of non-consolidated subsidiaries and affiliates (○) ¥10.2bn
- Interest expenses (○) ¥1.2bn
- Others (○) ¥2.1bn

(3) Breakdown of Special Profit and Loss, net ¥5.0bn

- Gain on sales of PPE ¥3.5bn
- Gain on sales of investments in securities ¥3.8bn
- Gain on proceeds from casualty insurance ¥2.6bn
- Loss on disposal of PPE (¥2.2bn)
- Impairment losses (¥0.8bn)
- Reorganization and restructuring costs (¥0.7bn)
- Others (¥1.2bn)

(4) Segments

(Billions of Yen)

		FY2005 1H	FY2004 1H	Differences
Petroleum (Japan Energy Group)	Net Sales	1,092.9	901.5	(○) 191.4
	Operating Income	42.5	29.9	(○) 12.6
	Income before Special Items	42.0	26.5	(○) 15.6
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	Net Sales	213.0	189.0	(○) 24.0
	Operating Income	12.6	7.5	(○) 5.0
	Income before Special Items	32.5	19.5	(○) 13.0
Electronic Materials (Nikko Materials Group)	Net Sales	47.4	46.7	(○) 0.7
	Operating Income	5.1	7.1	(×) 2.0
	Income before Special Items	4.3	6.4	(×) 2.0
Metal Fabrication (Nikko Metal Manufacturing Group)	Net Sales	24.5	28.6	(×) 4.0
	Operating Income	2.5	5.4	(×) 2.9
	Income before Special Items	2.7	5.4	(×) 2.8
Others (Independent Operating Companies & Functional Support Companies)	Net Sales	10.9	29.2	(×) 18.3
	Operating Income	0.7	(2.8)	(○) 3.5
	Income before Special Items	1.6	(3.3)	(○) 4.9
Eliminations	Net Sales	(23.6)	(24.8)	(○) 1.2
Total	Net Sales	1,365.1	1,170.1	(○) 195.0
	Operating Income	63.4	47.2	(○) 16.2
	Income before Special Items	83.1	54.4	(○) 28.7

※Net Sales by segments include inter-segment sales.

※Income of eliminations and corporate income included in Others.

(5) Key Data

		FY2005 1H	FY2004 1H	Differences
All Segments	Exchange Rate (¥/\$)	109	110	(-) 1
Petroleum	Dubai Spot Price (\$/BBL)	51.6	34.8	(+) 16.8
	Market Price of Paraxylene (\$/t) ACP Base	919	806	(+) 113
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	162	128	(+) 34
	Electrolytic Copper Sales (1000 tones)	302	313	(-) 11
Electronic Materials	Electro deposited Copper Foil Sales (tones/month)	2,097	2,735	(-) 638
	Treated Rolled Copper Foil Sales (1000 meters/month)	3,021	4,102	(-) 1,081
	ITO Target Sales (tones/month)	24.2	19.1	(+) 5.1
Metal Fabrication	Wrought copper products (1000 tones)	17	19	(-) 2
	Special Steel Products (1000 tones)	2	6	(-) 4
	High Quality Products Ratio	41%	30%	(+) 11%

2. Information by Segments

<1> Petroleum (Japan Energy Group)

(1) Operating Results

(Billions of Yen)

	FY2005 1H	FY2004 1H	Differences
Net Sales	1,092.9	901.5	(○) 191.4
Operating Income	42.5	29.9	(○) 12.6
Income before Special Items	42.0	26.5	(○) 15.6

< Factors in ¥15.6bn increase in the Income before Special Items >

- Unrealized inventory profit (○)¥16.2bn (04/1H:11.2bn → 05/1H:27.4bn)
- Influence of a fire and a natural disaster in FY2004 (○) ¥4.5bn
- Decrease in income for petrochemical business (×) ¥1.5bn
- Other (×)¥6.5bn
- Other income and expenses (○)¥2.9bn

(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 FY2005/1H vs. FY2004/1H
	FY2005 1H	FY2004 1H	Differences	
Gasoline	3,167	3,260	△ 93	97.2%
Naphtha	1,950	1,495	455	130.4%
Jet Fuel	322	365	△ 43	88.3%
Kerosene	734	721	13	101.9%
Gas Oil	2,185	2,167	18	100.8%
A Heavy Fuel	1,282	1,171	111	109.4%
C Heavy Fuel	1,261	1,114	147	113.2%
Total	10,902	10,293	609	105.9%
Gasoline & Middle Distillation	7,369	7,319	50	100.7%

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

		FY2005			FY2004				
		Apr- Jun	Jul- Sep	Total	Apr- Jun	Jul- Sep	Oct- Dec	Jan- Mar	Total
Group Total	Refining Volume	5.89	7.30	13.19	6.24	6.67	7.40	7.37	27.67
	Utilization Rate	70%	86%	78%	74%	78%	86%	88%	81%
	Comparison with Previous Year	94%	110%	102%	89%	104%	107%	100%	100%
Mizushima	Refining Volume	1.97	2.69	4.66	2.86	2.42	2.94	2.83	11.04
	Utilization Rate	68%	92%	80%	97%	81%	98%	96%	93%
	Comparison with Previous Year	69%	111%	88%	110%	102%	126%	101%	109%
Kashima	Refining Volume	2.57	2.59	5.16	1.60	2.29	2.59	2.62	9.11
	Utilization Rate	94%	93%	93%	58%	83%	93%	97%	83%
	Comparison with Previous Year	161%	113%	133%	65%	105%	99%	101%	92%

☆Capacity of Japan Energy Group's Refinery

Japan Energy Mizushima Refinery : 200,200Barrels/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 1H	FY2004 1H	Differences
Net Sales	213.0	189.0	(○) 24.0
Operating Income	12.6	7.5	(○) 5.0
Income before Special Items	32.5	19.5	(○) 13.0

< Factors in ¥13.0bn increase in the Income before Special Items >

- Nippon Mining & Metals and consolidated subsidiaries (○) ¥5.0bn
 - * Metal prices up
 - * Copper premium improvement
 - * TC/RC improvement, etc.
- Equity in income of affiliates (○) ¥8.0bn
 - * Minera Los Pelambres (○) ¥6.9bn (Copper and molybdenum prices up, etc.)
 - * LS-Nikko (○) ¥0.8bn (Sales increase, etc.)

(2) Price and Sales Volume

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

<3> Electronic Materials (Nikko Materials Group)

(1) Operating Results

(Billions of Yen)

	FY2005 1H	FY2004 1H	Differences
Net Sales	47.4	46.7	(○) 0.7
Operating Income	5.1	7.1	(×) 2.0
Income before Special Items	4.3	6.4	(×) 2.0

< Factors in ¥2.0bn decrease in the Income before Special Items >

① Operating Income (×) ¥2.0bn

- Electro deposited copper foil(×)¥0.8bn
- Treated rolled copper foil (×)¥1.3bn
- Sputtering Target(○)¥0.5bn
- Expenses including development cost(×)¥0.4bn

② Other Income (Expenses) -

(2) Breakdown by products

(Billions of Yen)

		FY2005 1H	FY2004 1H	Differences
Electro Deposited and Treated Rolled Copper Foil	Net Sales	17.4	21.5	(×) 4.1
	Operating Income	(0.1)	2.0	(×) 2.1
Target	Net Sales	24.4	19.5	(○) 4.9
	Operating Income	6.6	6.1	(○) 0.5
Compound Semiconductor Materials and Others	Net Sales	5.6	5.7	(×) 0.1
	Operating Income	(1.4)	(1.0)	(×) 0.4
Total	Net Sales	47.4	46.7	(○) 0.7
	Operating Income	5.1	7.1	(×) 2.0

<4> Metal Fabrication (Nikko Metal Manufacturing Group)

(1) Operating Results

(Billions of Yen)

	FY2005 1H	FY2004 1H	Differences
Net Sales	24.5	28.6	(×) 4.0
Operating Income	2.5	5.4	(×) 2.9
Income before Special Items	2.7	5.4	(×) 2.8

< Factors in ¥2.8bn decrease in the Income before Special Items >

- Sales decrease (×) ¥2.7bn
 - * Copper foil (×) ¥1.4bn
 - * Stainless steel for electron guns for CRT (×) ¥0.6bn
 - * Phosphor bronze (×) ¥0.3bn
- Copper price up (○) ¥0.1bn
- Others (×) ¥0.2bn

(2) Sales by products

(Billions of Yen)

		FY2005 1H	FY2004 1H	Differences
Wrought copper	Phosphor bronze	6.7	6.8	(×) 0.1
	Corson alloy	3.0	2.9	(○) 0.1
	Copper foil	2.4	4.1	(×) 1.7
	Others	4.2	3.6	(○) 0.6
Special steel	Stainless steel	0.9	2.3	(×) 1.4
	High-nickel alloy	1.6	3.4	(×) 1.8
	Others	0.2	0.2	-
Others (precision manufacturing etc.)		5.5	5.3	(○) 0.2
Total		24.5	28.6	(×) 4.0

<5> Others

(1) Operating Results

(Billions of Yen)

	FY2005 1H	FY2004 1H	Differences
Net Sales	10.9	29.2	(×) 18.3
Operating Income	0.7	(2.8)	(○) 3.5
Income before Special Items	1.6	(3.3)	(○) 4.9

※ Income of eliminations and corporate income included

(2) Main independent operating company included in the operating results above

(Billions of Yen)

		FY2005 1H	FY2004 1H	Differences
C C S	Net Sales	6.6	6.4	(○) 0.2
	Income before Special Items	0.2	0.1	(○) 0.2

II Annual Forecasts FY2005

1. Comparison with FY2004

(1) Key Data

		FY2005			FY2004		
		1H	2H(e)	Total	1H	2H	Total
All Segments	Exchange Rate (¥/\$)	109	110	110	110	105	108
Petroleum	Dubai Spot Price (\$/BBL)	51.6	50.0	50.8	34.8	38.4	36.6
	Market Price of Paraxylene (\$/t) ACP Base	919	1,020	970	806	972	889
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	162	160	161	128	144	136
	Electrolytic Copper Sales (1000 tones)	302	290	592	313	295	607
Electronic Materials	Electro deposited Copper Foil Sales (tones/month)	2,097	2,126	2,112	2,735	1,965	2,350
	Treated Rolled Copper Foil Sales (1000 meters/month)	3,021	3,700	3,361	4,102	2,685	3,393
	ITO Target Sales (tones/month)	24.2	30.1	27.1	19.1	20.2	19.7
Metal Fabrication	Wrought copper products (1000 tones)	17	19	36	19	16	35
	Special Steel Products (1000 tones)	2	3	5	6	5	10
	High Quality Products Ratio	41%	42%	41%	30%	29%	30%

※ FY 2005 2H (e) : Estimation

(2) Operating Forecasts(consolidated)

(Billions of Yen)

	FY2005			FY2004			Differences (FY2005-FY2004)
	1H	2H(e)	Total	1H	2H	Total	
Net Sales	1,365.1	1,504.9	2,870.0	1,170.1	1,332.4	2,502.5	(○) 367.5
Operating Income	63.4	45.6	109.0	47.2	78.4	125.6	(×) 16.6
Income before Special Items	83.1	61.9	145.0	54.4	93.6	148.1	(×) 3.1
Net Income	52.5	22.5	75.0	18.0	32.6	50.6	(○) 24.4
Ratio of Income before Special Items to Net Sales	6.1%	4.1%	5.1%	4.7%	7.0%	5.9%	(×) 0.8%
Earnings Per Share (yen)			88.5			63.8	(○) 24.7

(3) Operating Forecasts by Segments

(Billions of Yen)

		FY2005			FY2004			Differences		
		1H	2H(e)	Total	1H	2H	Total	1H	2H	Total
Petroleum (Japan Energy Group)	Net Sales	1,092.9	1,227.1	2,320.0	901.5	1,084.9	1,986.4	(○)191.4	(○)142.2	(○)333.6
	Operating Income	42.5	32.5	75.0	29.9	62.4	92.3	(○)12.6	(×)29.9	(×)17.3
	Income before Special Items	42.0	31.0	73.0	26.5	61.4	87.8	(○)15.6	(×)30.4	(×)14.8
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	Net Sales	213.0	206.0	419.0	189.0	189.7	378.7	(○)24.0	(○)16.3	(○)40.3
	Operating Income	12.6	6.9	19.5	7.5	9.1	16.7	(○)5.0	(×)2.2	(○)2.8
	Income before Special Items	32.5	25.5	58.0	19.5	27.0	46.4	(○)13.0	(×)1.4	(○)11.6
Electronic Materials (Nikko Materials Group)	Net Sales	47.4	52.6	100.0	46.7	42.3	89.0	(○)0.7	(○)10.3	(○)11.0
	Operating Income	5.1	2.4	7.5	7.1	2.9	10.0	(×)2.0	(×)0.5	(×)2.5
	Income before Special Items	4.3	1.2	5.5	6.4	1.4	7.7	(×)2.0	(×)0.2	(×)2.2
Metal Fabrication (Nikko Metal Manufacturing Group)	Net Sales	24.5	27.5	52.0	28.6	25.8	54.3	(×)4.0	(○)1.7	(×)2.3
	Operating Income	2.5	3.0	5.5	5.4	3.2	8.6	(×)2.9	(×)0.2	(×)3.1
	Income before Special Items	2.7	2.8	5.5	5.4	3.1	8.6	(×)2.8	(×)0.3	(×)3.1
Others (Independent Operating Companies & Functional Support Companies)	Net Sales	10.9	13.1	24.0	29.2	11.4	40.7	(×)18.3	(○)1.6	(×)16.7
	Operating Income	0.7	0.8	1.5	(2.8)	0.8	(2.0)	(○)3.5	-	(○)3.5
	Income before Special Items	1.6	1.4	3.0	(3.3)	0.8	(2.5)	(○)4.9	(○)0.6	(○)5.5
Eliminations	Net Sales	(23.6)	(21.4)	(45.0)	(24.8)	(21.7)	(46.5)	(○)1.2	(○)0.3	(○)1.5
Total	Net Sales	1,365.1	1,504.9	2,870.0	1,170.1	1,332.4	2,502.5	(○)195.0	(○)172.5	(○)367.5
	Operating Income	63.4	45.6	109.0	47.2	78.4	125.6	(○)16.2	(×)32.8	(×)16.6
	Income before Special Items	83.1	61.9	145.0	54.4	93.6	148.1	(○)28.7	(×)31.7	(×)3.1

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

(4) Income before Special Items (FY2005 vs FY2004)

(Billions of Yen)

	FY2005 (e)	FY2004	Differences	Notes
Petroleum (Japan Energy Group)	73.0	87.8	(×) 14.8	<ul style="list-style-type: none"> ➤ Unrealized inventory profit (○) 9.9 (FY04:17.5→FY05:27.4) ➤ Influence of a fire and a natural disaster in FY2004 (○) 5.5 ➤ Petrochemicals (×) 7.0 ➤ Other (×) 25.7 ➤ Other income or expenses (○) 2.5
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	58.0	46.4	(○) 11.6	<ul style="list-style-type: none"> ➤ Nippon Mining & Metals and consolidated subsidiaries (○) 1.7 <ul style="list-style-type: none"> • Copper price up • Copper premium improvement • TC/RC improvement, etc. ➤ Equity method in affiliated companies (○) 9.9 <ul style="list-style-type: none"> • Minera Los Pelambres (○) 5.4 (Copper & Molybdenum price up) • LS-Nikko (○) 3.4 (TC/RC improvement, Other)
Electronic Materials (Nikko Materials Group)	5.5	7.7	(×) 2.2	<ul style="list-style-type: none"> ➤ Decrease of unrealized inventory profit ➤ Sales decrease of electro deposited and treated rolled copper foil ➤ Sales increase of sputtering target
Metal Fabrication (Nikko Metal Manufacturing Group)	5.5	8.6	(×) 3.1	<ul style="list-style-type: none"> ➤ Sales decrease in IT related products (Copper foil, etc.) ➤ Sales decrease of stainless steel for electron guns for CRT
Others (Independent Operating Companies & Functional Support Companies)	3.0	(2.5)	(○) 5.5	<ul style="list-style-type: none"> ➤ By decrease in equity of am/pm Japan ➤ Removal of cost for offering of treasury stock in FY 2004
Total	145.0	148.1	(×) 3.1	

Information by Segments

<1> Petroleum (Japan Energy Group)

(1) Forecasts

(Billions of Yen)

	FY2005			FY2004			Differences		
	1H	2H(e)	Total	1H	2H	Total	1H	2H	Total
Net Sales	1,092.9	1,227.1	2,320.0	901.5	1,084.9	1,986.4	(○)191.4	(○)142.2	(○)333.6
Operating Income	42.5	32.5	75.0	29.9	62.4	92.3	(○) 12.6	(×) 29.9	(×) 17.3
Income before Special Items	42.0	31.0	73.0	26.5	61.4	87.8	(○) 15.6	(×) 30.4	(×) 14.8

(2) Sales volume and growth rate of fuel oil

	Domestic sales volume (thousand of KL)			Growth rate
	FY2005 (e)	FY2004	Differences	
Gasoline	6,265	6,298	(33)	99.5%
Naphtha	3,890	3,426	464	113.5%
Jet Fuel	652	703	(51)	92.7%
Kerosene	2,854	2,868	(14)	99.5%
Gas Oil	4,405	4,417	(12)	99.7%
A Heavy Fuel	2,885	2,723	162	105.9%
C Heavy Fuel	2,000	2,366	(366)	84.5%
Total	22,952	22,801	151	100.7%
Gasoline & Middle Distillation	16,410	16,306	104	100.6%

(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 Sep 30
Owned by Japan Energy (Self-SS)	1,377	1,328	1,284 (105)	1,229 (227)	1,207 (264)	1,172 (297)	1,160 (318)
Owned by wholesalers and others (Self-SS)	3,575	3,318	3,192 (59)	3,067 (95)	2,943 (121)	2,851 (143)	2,816 (159)
Total (Self-SS)	4,952	4,646	4,476 (164)	4,296 (322)	4,150 (385)	4,023 (440)	3,976 (477)

(4) Petrochemical Profit

(Billions of Yen)

FY2005 (e)	FY2004	FY2003	FY2002
17.5	24.5	8.5	5.5

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

(1) Forecasts

(Billions of Yen)

	FY2005			FY2004			Differences		
	1H	2H(e)	Total	1H	2H	Total	1H	2H	Total
Net Sales	213.0	206.0	419.0	189.0	189.7	378.7	(○)24.0	(○)16.3	(○)40.3
Operating Income	12.6	6.9	19.5	7.5	9.1	16.7	(○) 5.0	(×) 2.2	(○) 2.8
Income before Special Items	32.5	25.5	58.0	19.5	27.0	46.4	(○)13.0	(×) 1.4	(○)11.6

(2) Price and Sales Volume

		FY2005			FY2004		
		1H	2H (e)	Total	1H	2H	Total
Price	Copper (¢/lb)	162	160	161	128	144	136
	Zinc (\$/t)	1,285	1,200	1,243	1,004	1,215	1,109
	Gold (\$/TOZ)	433	400	417	397	431	414
	Platinum (\$/TOZ)	883	820	852	834	856	845
	Palladium (\$/TOZ)	189	180	185	236	198	217
Sales Volume (Thousand tones)	Electrolytic Copper	302	290	592	313	295	607
	Zinc	38	50	88	42	43	85

<3> Electronic Materials (Nikko Materials Group)

(1) Forecasts

(Billions of Yen)

	FY2005			FY2004			Differences		
	1H	2H (e)	Total	1H	2H	Total	1H	2H	Total
Net Sales	47.4	52.6	100.0	46.7	42.3	89.0	(○)0.7	(○)10.3	(○)11.0
Operating Income	5.1	2.4	7.5	7.1	2.9	10.0	(×)2.0	(×) 0.5	(×) 2.5
Income before Special Items	4.3	1.2	5.5	6.4	1.4	7.7	(×)2.0	(×) 0.2	(×) 2.2

(2) Breakdown by products

(Billions of Yen)

		FY2005			FY2004			Differences		
		1H	2H(e)	Total	1H	2H	Total	1H	2H	Total
Electro Deposited and Treated Rolled Copper Foil	Net Sales	17.4	19.6	37.0	21.5	16.8	38.3	(×) 4.1	(○) 2.8	(×) 1.3
	Operating Income	(0.1)	0.4	0.3	2.0	(0.3)	1.7	(×) 2.1	(○) 0.7	(×) 1.4
Target	Net Sales	24.4	28.3	52.7	19.5	20.5	40.0	(○) 4.9	(○) 7.8	(○)12.7
	Operating Income	6.6	4.0	10.6	6.1	4.8	10.9	(○) 0.5	(×) 0.8	(×) 0.3
Compound semiconductor materials and others	Net Sales	5.6	4.7	10.3	5.7	5.0	10.7	(×) 0.1	(×) 0.3	(×) 0.4
	Operating Income	(1.4)	(2.0)	(3.4)	(1.0)	(1.6)	(2.6)	(×) 0.4	(×) 0.4	(×) 0.8
Total	Net Sales	47.4	52.6	100.0	46.7	42.3	89.0	(○) 0.7	(○)10.3	(○)11.0
	Operating Income	5.1	2.4	7.5	7.1	2.9	10.0	(×) 2.0	(×) 0.5	(×) 2.5

<4> Metal Fabrication (Nikko Metal Manufacturing Group)

(1) Forecasts

(Billions of Yen)

	FY2005			FY2004			Differences		
	1H	2H(e)	Total	1H	2H	Total	1H	2H	Total
Net Sales	24.5	27.5	52.0	28.6	25.8	54.3	(×)4.0	(○)1.7	(×)2.3
Operating Income	2.5	3.0	5.5	5.4	3.2	8.6	(×)2.9	(×)0.2	(×)3.1
Income before Special Items	2.7	2.8	5.5	5.4	3.1	8.6	(×)2.8	(×)0.3	(×)3.1

(2) Sales by products

(Billions of Yen)

		FY2005			FY2004			Differences		
		1H	2H(e)	Total	1H	2H	Total	1H	2H	Total
Wrought copper	Phosphor bronze	6.7	7.2	13.8	6.8	6.3	13.1	(×)0.1	(○)0.9	(○)0.7
	Corson alloy	3.0	3.0	6.0	2.9	2.3	5.2	(○)0.1	(○)0.7	(○)0.8
	Copper foil	2.4	2.6	5.0	4.1	2.1	6.2	(×)1.7	(○)0.5	(×)1.2
	Others	4.2	4.7	9.0	3.6	3.7	7.3	(○)0.6	(○)1.0	(○)1.7
Special steel	Stainless steel	0.9	1.8	2.7	2.3	2.3	4.6	(×)1.4	(×)0.5	(×)1.9
	High-nickel alloy	1.6	1.7	3.3	3.4	3.4	6.8	(×)1.8	(×)1.7	(×)3.5
	Others	0.2	0.1	0.3	0.2	0.1	0.3	-	-	-
Others (precision manufacturing etc.)		5.5	6.4	11.9	5.3	5.6	10.8	(○)0.2	(○)0.8	(○)1.1
Total		24.5	27.5	52.0	28.6	25.8	54.3	(×)4.0	(○)1.7	(×)2.3

2. Comparison with the previous forecasts

<1> FY2005 1H

(1) Key Data

		FY2005 1H		
		Actual	Previous data (Aug. 10)	Differences
All Segments	Exchange Rate (¥/\$)	109	110	(-) 1
Petroleum	Dubai Spot Price (\$/BBL)	51.6	50.5	(+) 1.1
	Market Price of Paraxylene (\$/t) ACP Base	919	930	(-) 11
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	162	157	(+) 5
	Electrolytic Copper Sales (1000 tones)	302	302	-
Electronic Materials	Electro deposited Copper Foil Sales (tones/month)	2,097	2,175	(-) 78
	Treated Rolled Copper Foil Sales (1000 meters/month)	3,021	3,040	(-) 19
	ITO Target Sales (tones/month)	24.2	24.8	(-) 0.6
Metal Fabrication	Wrought copper products (1000 tones)	17	17	-
	Special Steel Products (1000 tones)	2	2	-
	High Quality Products Ratio(%)	41%	41%	-

(2) Operating Results (Consolidated)

(Billions of Yen)

	FY2005 1H		
	Actual	Previous forecasts (Aug. 10)	Differences
Net Sales	1,365.1	1,330.0	(○) 35.1
Operating Income	63.4	59.0	(○) 4.4
Income before Special Items	83.1	77.0	(○) 6.1
Net Income	52.5	48.0	(○) 4.5
Ratio of Income before Special Items to Net Sales	6.1%	5.8%	(○) 0.3%
Earnings Per Share (yen)	61.9	56.7	(○) 5.3

(3) Segment Information

(Billions of Yen)

		FY2005 1H		
		Actual	Previous forecasts (Aug. 10)	Differences
Petroleum (Japan Energy Group)	Net Sales	1,092.9	1,060.0	(○) 32.9
	Operating Income	42.5	40.0	(○) 2.5
	Income before Special Items	42.0	40.0	(○) 2.0
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	Net Sales	213.0	210.0	(○) 3.0
	Operating Income	12.6	11.0	(○) 1.6
	Income before Special Items	32.5	29.5	(○) 3.0
Electronic Materials (Nikko Materials Group)	Net Sales	47.4	47.0	(○) 0.4
	Operating Income	5.1	4.5	(○) 0.6
	Income before Special Items	4.3	3.5	(○) 0.8
Metal Fabrication (Nikko Metal Manufacturing Group)	Net Sales	24.5	26.0	(×) 1.5
	Operating Income	2.5	3.0	(×) 0.5
	Income before Special Items	2.7	3.0	(×) 0.3
Others (Independent Operating Companies & Functional Support Companies)	Net Sales	10.9	10.0	(○) 0.9
	Operating Income	0.7	0.5	(○) 0.2
	Income before Special Items	1.6	1.0	(○) 0.6
Eliminations	Net Sales	(23.6)	(23.0)	(×) 0.6
Total	Net Sales	1,365.1	1,330.0	(○) 35.1
	Operating Income	63.4	59.0	(○) 4.4
	Income before Special Items	83.1	77.0	(○) 6.1

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

(4) Income before Special Items FY2005 1H

(Billions of Yen)

	Actual	Previous forecasts (Aug. 10)	Differences	Notes
Petroleum (Japan Energy Group)	42.0	40.0	(○)2.0	<ul style="list-style-type: none"> ➤ Decrease of prospecting cost for oil-field ➤ Decrease of general and administrative expenses
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	32.5	29.5	(○)3.0	<ul style="list-style-type: none"> ➤ Nippon Mining & Metals and subsidiaries (○)1.7 <ul style="list-style-type: none"> • Metal prices up • Copper premium improvement ➤ Equity method affiliates (○)1.3 <ul style="list-style-type: none"> • Minera Los Pelambres (○) 1.2 (Sales increase of Molybdenum)
Electronic Materials (Nikko Materials Group)	4.3	3.5	(○)0.8	<ul style="list-style-type: none"> ➤ Sales increase of sputtering target
Metal Fabrication (Nikko Metal Manufacturing Group)	2.7	3.0	(×)0.3	<ul style="list-style-type: none"> ➤ Sales decrease in IT related products (Copper foil, etc.) ➤ Sales decrease of stainless steel for electron guns for CRT
Others (Independent Operating Companies & Functional Support Companies)	1.6	1.0	(○)0.6	
Total	83.1	77.0	(○)6.1	

< 2 > FY2005 (full year)

(1) Key Data

		FY2005 (full year)		
		Revised forecasts	Previous forecasts (May 11)	Differences
All Segments	Exchange Rate (¥/\$)	110	103	(+) 7
P e t r o l e u m	Dubai Spot Price (\$/BBL)	50.8	42.5	(+) 8.3
	Market Price of Paraxylene (\$/t) ACP Base	970	920	(+) 50
Resources & Non-ferrous Metals	Market Price of Copper (¢/lb)	161	130	(+) 31
	Electrolytic Copper Sales (1000 tones)	592	583	(+) 9
Electronic Materials	Electro deposited Copper Foil Sales (tones/month)	2,112	2,537	(-) 425
	Treated Rolled Copper Foil Sales (1000 meters/month)	3,361	4,050	(-) 689
	ITO Target Sales (tones/month)	27.1	27.6	(-) 0.5
Metal Fabrication	Wrought copper products (1000 tones)	36	38	(-) 2
	Special Steel Products (1000 tones)	5	9	(-) 4
	High Quality Products Ratio(%)	41%	41%	-

(2) Annual Forecasts

(Billions of Yen)

	FY2005 (full year)		
	Revised forecasts	Previous forecasts (May 11)	Differences
Net Sales	2,870.0	2,480.0	(○) 390.0
Operating Income	109.0	93.0	(○) 16.0
Income before Special Items	145.0	110.0	(○) 35.0
Net Income	75.0	61.0	(○) 14.0
Ratio of Income before Special Items to Net Sales	5.1%	4.4%	(○) 0.6%
Earnings Per Share (yen)	88.5	72.0	(○) 16.5

(3) Segment Information

(Billions of Yen)

		FY2005 (full year)		
		Revised forecasts	Previous forecasts (May 11)	Differences
Petroleum (Japan Energy Group)	Net Sales	2,320.0	2,010.0	(○) 310.0
	Operating Income	75.0	62.0	(○) 13.0
	Income before Special Items	73.0	57.0	(○) 16.0
Resources & Non-ferrous Metals (Nippon Mining & Metals)	Net Sales	419.0	338.0	(○) 81.0
	Operating Income	19.5	12.0	(○) 7.5
	Income before Special Items	58.0	36.0	(○) 22.0
Electronic Materials (Nikko Materials Group)	Net Sales	100.0	105.0	(×) 5.0
	Operating Income	7.5	8.0	(×) 0.5
	Income before Special Items	5.5	5.5	—
Metal Fabrication (Nikko Metal Manufacturing Group)	Net Sales	52.0	61.0	(×) 9.0
	Operating Income	5.5	9.0	(×) 3.5
	Income before Special Items	5.5	8.5	(×) 3.0
Others (Independent Operating Companies & Functional Support Companies)	Net Sales	24.0	12.0	(○) 12.0
	Operating Income	1.5	2.0	(×) 0.5
	Income before Special Items	3.0	3.0	—
Eliminations	Net Sales	(45.0)	(46.0)	(○) 1.0
Total	Net Sales	2,870.0	2,480.0	(○) 390.0
	Operating Income	109.0	93.0	(○) 16.0
	Income before Special Items	145.0	110.0	(○) 35.0

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

(4) Income before Special Items FY2005 (full year)

(Billions of Yen)

	Revised forecasts	Previous forecasts (May 11)	Differences	Notes
Petroleum (Japan Energy Group)	73.0	57.0	(○)16.0	<ul style="list-style-type: none"> ➤ Unrealized inventory profit ➤ Energy cost up
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	58.0	36.0	(○)22.0	<ul style="list-style-type: none"> ➤ Nippon Mining & Metals and consolidated subsidiaries (○) 7.1 <ul style="list-style-type: none"> • Copper price up • Depreciation of the yen ➤ Equity method in affiliated companies (○) 14.9 <ul style="list-style-type: none"> • Minera Los Pelambres (○) 11.8 (Copper and Molybdenum price up) • LS-Nikko (○) 1.2 (Copper price up)
Electronic Materials (Nikko Materials Group)	5.5	5.5	—	<ul style="list-style-type: none"> ➤ Increase of unrealized inventory profit ➤ Sales decrease of electro deposited and treated rolled copper foil ➤ Sales increase of sputtering target
Metal Fabrication (Nikko Metal Manufacturing Group)	5.5	8.5	(×) 3.0	<ul style="list-style-type: none"> ➤ Sales decrease in IT related products (Copper foil, etc.) ➤ Sales decrease of stainless steel for electron guns for CRT
Others (Independent Operating Companies & Functional Support Companies)	3.0	3.0	—	
Total	145.0	110.0	(○)35.0	

III Consolidated Balance Sheet, Consolidated Cash Flows etc.

1 . Consolidated Balance Sheet

(Billions of Yen)

	Sept 30 2005	Mar 31 2005[A]	Differences	Mar 31 2006 (forecast) [B]	[B]-[A]
Current Assets	787.5	677.1	(+) 110.5	1,730.0	(+) 149.9
Fixed Assets	935.8	903.1	(+) 32.7		
Total Assets	1,723.4	1,580.1	(+) 143.2	1,730.0	(+) 149.9
Current Liabilities	824.0	756.8	(+) 67.2	1,252.0	(+) 63.3
Long-term Liabilities	444.8	431.9	(+) 12.8		
Minority Interest	42.4	37.9	(+) 4.5	46.0	(+) 8.1
Total Shareholders' Equity	412.2	353.4	(+) 58.8	432.0	(+) 78.6
Shareholder's Equity Ratio	23.9%	22.4%	(+) 1.5%	25.0%	(+) 2.6%
BPS ※	¥486.62	¥416.98	(+) ¥69.64	¥509.99	(+) ¥93.01
Interest Bearing Debt	657.9	643.8	(+) 14.1	685.0	(+) 41.2

※ BPS is divided by 847,075 thousand, issued shares as of Sept 30 2005.

① Factors in Change from Mar 31 2005 to Sept 30 2005

(Billions of Yen)

Assets (+) 143.2	Cash and cash equivalents (-) 3.3, Notes and account receivable, trade (+) 10.6, Inventories (+) 97.3, Property, plant and equipment(PPE) and intangible fixed assets (-)1.3 (Capital expenditures (+) 22.4, Depreciation and amortization (-) 22.2, Sales and disposal of PPE and others (-) 1.5), Acquisition of investments in securities and lending of loans (+) 6.7, Sales or maturities of investments in securities and collection of loans (-) 9.5, Difference in equity in income of non-consolidated subsidiaries and affiliates and dividend received from such companies (+) 15.7, Unrealized gain on marketable securities (+) 17.7, Others (+) 9.3
Liabilities (+) 80.0	Interest-bearing debt (+) 14.1, Trade payables (+) 53.2 (influence of national holiday (+) 27.1), Accrued income taxes (-) 11.0, Deferred tax liabilities (+) 12.3, Others (+) 11.4
Minority Interest (+) 4.5	
Shareholder's Equity (+) 58.8	Net income (+) 52.5, Dividends (-) 8.5, Unrealized gain on marketable securities (+) 10.5, Others (+) 4.3

② Factors in Change from Mar 31 2005 to Mar 31 2006 (Forecasts)

(Billions of Yen)

Assets (+) 149.9	Cash and cash equivalents (-) 12.5, Trade receivables and Inventories (+)103.3, Capital expenditures (+) 78.2, Depreciation and amortization (-) 44.8, Acquisition of investments in securities and lending of loans (+) 19.5, Sales or maturities of investments in securities and collection of loans (-) 15.7, Difference in equity in income of non-consolidated subsidiaries and affiliates and dividend received from such companies (+) 28.7, Others (-) 6.8
Liabilities (+) 63.3	Interest-bearing debt (+) 41.2, Trade payables (+) 11.9, Others (+) 10.2
Minority Interest (+) 8.1	
Shareholders' Equity (+) 78.6	Net income (+) 75.0, Cash dividends paid (-) 8.5, Unrealized gain on marketable securities (+) 12.1

2. Consolidated Cash Flows

	FY2005 1H	FY2004 1H	(Billions of Yen)	
			FY2004	FY2005 (e)
Cash Flows from Operating Activities	(+) 9.6	(-) 13.5	(+) 45.4	(+) 35.7
Cash Flows from Investing Activities	(-) 11.9	(-) 9.7	(-) 15.2	(-) 74.0
Cash Flows from Financing Activities	(-) 2.9	(+) 4.7	(-) 38.7	(+) 24.7
Effect of Exchange Rate Changes	(+) 0.8	(+) 0.2	(+) 0.1	-
Net Decrease in Cash and Cash Equivalents	(-) 4.4	(-) 18.3	(-) 8.4	(-) 13.6

(1) FY2005 1H Breakdown

- ① Cash Flows from Operating Activities (+) 9.6
 Income before Special Items (+)83.1, Depreciation and amortization (+) 22.2, Trade receivables, inventories and trade payables (-) 58.0, Equity in income of non-consolidated subsidiaries and affiliates (-) 23.1, Dividend received from non-consolidated subsidiaries and affiliates accounted for by equity method (+) 7.4, Income taxes paid (-) 35.7, Others (+) 13.7
- ② Cash Flows from Investing Activities (-) 11.9
 Investments in PPE and intangible assets (-) 20.0, Acquisition of investments in securities and lending of loans (-) 6.7, Sales or maturities of investments in securities and collection of loans (+) 9.5, Others (+) 5.3
- ③ Cash Flows from Financing Activities (-) 2.9
 Interest-bearing debt (+) 10.0, Cash dividends paid (-) 8.5, Others (-) 4.4

(2) FY2005 (e) Breakdown

- ① Cash Flows from Operating Activities (+) 35.7
 Income before Special Items (+)145.0, Depreciation and amortization (+) 44.8, Trade receivables, inventories and trade payables (-) 91.1, Equity in income of non-consolidated subsidiaries and affiliates (-) 45.0, Dividend received from non-consolidated subsidiaries and affiliates accounted for by equity method (+) 16.3, Others (-) 34.3
- ② Cash Flows from Investing Activities (-) 74.0
 Investments in equipment (-) 78.2, Acquisition of investments in securities and lending of loans (-) 19.5, Sales or maturities of investments in securities and collection of loans (+) 15.7, Others (+) 8.0
- ③ Cash Flows from Financing Activities (+) 24.7
 Interest-bearing debt (+) 39.2,
 Cash dividends paid (-) 8.5, Others (-) 6.0

3. Dividends

FY2004 (actual)				FY2005 (expected)			
Interim	Final	Annual	Payment amount	Interim	Final	Annual	Payment amount
--	¥10.00	¥10.00	¥ 8,478 million	--	¥12.00	¥12.00	¥ 10,173 million

* Payment amount (FY2005, expected) is multiplied by 847,785 thousand, issued shares as of Sept 30 2005.

4. Interest-bearing Debt

(Billions of Yen)

	Sep30 2005	Mar31 2005	Differences
Petroleum (Japan Energy Group)	417.7	438.7	(-) 21.0
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	111.5	112.8	(-) 1.3
Electronic Materials (Nikko Materials Group)	80.8	64.0	(+) 16.8
Metal Fabrication (Nikko Metal Manufacturing Group)	23.5	19.7	(+) 3.8
Others (Independent Operating Companies & Functional Support Companies)	24.4	8.6	(+) 15.8
Total	657.9	643.8	(+) 14.1

* Other includes eliminations or corporate.

5. Debt to Equity Ratio

(Billions of Yen)

	Mar. 31 2002 (A)	Mar. 31 2004	Mar. 31 2005	Sep. 30 2005 (B)	(B) - (A)	Mar. 31 2006 (e)
Interest-bearing Debt	892.8	754.0	643.8	657.9	(-) 234.9	685.0
Shareholders' Equity	181.5	233.7	353.4	412.2	(+) 230.7	432.0
Debt to Equity Ratio	4.92	3.23	1.82	1.60	(-) 3.32	1.59

6. Capital Expenditure and Depreciation

(Billions of Yen)

	FY2005 1H	FY2005 (e)	FY2004
Capital expenditure	22.4	78.2	47.3
Depreciation and amortization	22.2	44.8	47.7
Difference	(+) 0.2	(+) 33.4	(-) 0.4

① Capital expenditure by segments

(Billions of Yen)

	FY2005 1H	FY2005 (e)	FY2004
Petroleum (Japan Energy Group)	14.7	46.5	30.0
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	3.6	13.6	7.0
Electronic Materials (Nikko Materials Group)	2.1	8.6	5.1
Metal Fabrication (Nikko Metal Manufacturing Group)	1.8	9.1	3.7
Others	0.2	0.4	1.5
Total	22.4	78.2	47.3

② Depreciation and amortization by segments

(Billions of Yen)

	FY2005 1H	FY2005 (e)	FY2004
Petroleum (Japan Energy Group)	15.1	30.0	31.0
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	3.3	6.6	7.0
Electronic Materials (Nikko Materials Group)	2.4	5.2	5.9
Metal Fabrication (Nikko Metal Manufacturing Group)	1.3	2.7	2.6
Others	0.1	0.3	1.2
Total	22.2	44.8	47.7

7. Number of Employees

	Mar 31 2004	Mar 31 2005	Sep 30 2005
Petroleum (Japan Energy Group)	4,254	4,180	4,286
Resources & Non-ferrous Metals (Nippon Mining & Metals Group)	1,471	1,447	1,416
Electronic Materials (Nikko Materials Group)	1,622	1,512	1,492
Metal Fabrication (Nikko Metal Manufacturing Group)	1,149	1,161	1,229
Others	1,362	974	1,036
Total	9,858	9,274	9,459