

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

Code No. : 5016
 Stock Listings : Tokyo, Osaka, Nagoya
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 Date of Board of Directors : May 12, 2004
 This Financial Statement is prepared in accordance with accounting principles generally accepted in Japan.

1. Operating results for the fiscal year ended March 31, 2004 (the period from April 1, 2003 to March 31, 2004)

(1) Operating results

	Sales		Operating Income		Income before special items	
	millions of yen	%(*1)	millions of yen	%(*1)	millions of yen	%(*1)
For the year ended March 31, 2004	2,214,589	[2.4]	50,397	[25.2]	53,737	[45.4]
For the year ended March 31, 2003	2,163,088	[3.8]	40,256	[45.1]	36,968	[45.5]

	Net Income		Primary EPS		Fully diluted EPS	
	millions of yen	%(*1)	yen	sen	yen	sen
For the year ended March 31, 2004	14,854	[306.7]	21	71	-	-
For the year ended March 31, 2003	3,652	-	5	89	-	-

	Net income to equity		Income(*2) to total assets		Income(*2) to sales	
	%		%		%	
For the year ended March 31, 2004	6.8		3.4		2.4	
For the year ended March 31, 2003	1.9		2.2		1.7	

Note: 1. Equity in earnings of non-consolidated subsidiary and affiliates 10,976 millions of yen (the previous fiscal year 7,922 millions of yen)

2. Average number of shares issued(consolidated) 678,928,690 shares (the previous fiscal year 611,027,210 shares)

3. Change of accounting method None

(*1) This represents a percentage of an increase or decrease from the previous fiscal year

(*2) Income is income before special items

(2) Financial position

	Total Assets		Total Shareholders' Equity	
	millions of yen		millions of yen	
As of March 31, 2004	1,572,529		233,742	
As of March 31, 2003	1,628,723		204,946	

	Net Worth Ratio		Shareholders' Equity Per Share	
	%		yen	sen
As of March 31, 2004	14.9		344	01
As of March 31, 2003	12.6		301	78

Note: Number of shares issued at end of year(consolidated) 679,123,537 shares (the previous fiscal year 678,956,166 shares)

(3) Cash Flows

	Cash flows from operating activities		Cash flows from investing activities	
	millions of yen		millions of yen	
For the year ended March 31, 2004	106,182		4,530	
For the year ended March 31, 2003	14,344		(15,698)	

	Cash flows from financing activities		Cash and cash equivalents at end of year	
	millions of yen		millions of yen	
For the year ended March 31, 2004	(115,794)		71,347	
For the year ended March 31, 2003	(17,568)		76,294	

(4) Consolidation group

Consolidated subsidiaries 93 (Japan Energy Corp., Nippon Mining & Metals Co.,Ltd.,
 Nikko Materials Co.,Ltd., Nikko Metal Manufacturing Co.,Ltd.,etc.)
 Non-consolidated subsidiary accounted for by equity method 1 (N.K.Curex Co.,Ltd.)
 Affiliated companies accounted for by equity method 19 (LG-Nikko Copper Inc., Minera Los Pelambres., etc.)

2. Projection of operating results for the fiscal year ending March 31, 2005 (the period from April 1, 2004 to March 31, 2005)

	Sales		Income before special items		Net Income	
	millions of yen		millions of yen		millions of yen	
For the six-months ending September 30, 2004	1,090,000		29,500		4,500	
For the year ending March 31, 2005	2,309,000		66,500		24,000	

(information purpose) Projection of Earnings Per Share 35 yen 34 sen

This projection is based on information available as of May 12, 2004.

The information is subject to change due to changes in the business environment.

Consolidated Balance Sheet

Account title	Fiscal 2003 (as of March 31, 2004)		Fiscal 2002 (as of March 31, 2003)		Increase (Decrease)
	millions of yen	%	millions of yen	%	
Assets	1,572,529	100.0	1,628,723	100.0	(56,194)
<i>Current assets</i>	598,834	38.1	596,082	36.6	2,752
Cash and time deposits	71,288		66,193		5,095
Notes and accounts receivable, trade	240,300		233,226		7,074
Securities	433		1,262		(829)
Inventories	218,671		223,240		(4,569)
Other current assets	69,951		74,286		(4,335)
Allowance for doubtful accounts	(1,809)		(2,125)		316
<i>Fixed assets</i>	973,695	61.9	1,032,641	63.4	(58,946)
Property, plant and equipment	618,322		650,831		(32,509)
Buildings and structures	165,720		172,561		(6,841)
Machinery and equipment	123,983		136,132		(12,149)
Land	306,299		311,589		(5,290)
Other	22,320		30,549		(8,229)
Intangible assets	77,249		98,173		(20,924)
Investments and other long-term assets	278,124		283,637		(5,513)
Investment in securities	174,359		148,004		26,355
Other	106,457		138,502		(32,045)
Allowance for doubtful accounts	(2,692)		(2,869)		177
<i>Total assets</i>	1,572,529	100.0	1,628,723	100.0	(56,194)
Liabilities	1,299,727	82.6	1,386,194	85.1	(86,467)
<i>Current liabilities</i>	751,311	47.7	789,711	48.5	(38,400)
Notes and accounts payable, trade	233,439		194,079		39,360
Short-term borrowing	333,166		427,834		(94,668)
Current portion of bonds	1,000		-		1,000
Accounts payable, other	111,408		97,675		13,733
Other current liabilities	72,298		70,123		2,175
<i>Long-term liabilities</i>	548,416	34.9	596,483	36.6	(48,067)
Bonds	56,400		57,400		(1,000)
Long-term debt	363,461		391,149		(27,688)
Deferred tax liabilities related to land revaluation	-		34,072		(34,072)
Allowance for retirement benefits	62,004		61,517		487
Allowance for periodic repair works	14,052		13,453		599
Other long-term liabilities	52,499		38,892		13,607
Minority interest in consolidated subsidiaries	39,060	2.5	37,583	2.3	1,477
Shareholders' Equity	233,742	14.9	204,946	12.6	28,796
<i>Common stock</i>	40,000	2.5	40,000	2.5	-
<i>Capital surplus</i>	149,320	9.5	149,307	9.2	13
<i>Retained earnings</i>	43,687	2.8	(21,406)	(1.3)	65,093
<i>Surplus from land revaluation</i>	(2,350)	(0.1)	51,413	3.1	(53,763)
<i>Unrealized gain on marketable securities</i>	26,148	1.7	3,467	0.2	22,681
<i>Accumulated translation adjustment</i>	(4,141)	(0.3)	1,131	0.1	(5,272)
<i>Treasury stock, at cost</i>	(18,922)	(1.2)	(18,966)	(1.2)	44
Total liabilities, minority interest in consolidated subsidiaries and shareholders' equity	1,572,529	100.0	1,628,723	100.0	(56,194)

Consolidated Statements of Income

Account title	Fiscal 2003 (from April 1, 2003 to March 31, 2004)		Fiscal 2002 (from April 1, 2002 to March 31, 2003)		Increase (Decrease)
	millions of yen	%	millions of yen	%	
Operating income					
Net sales	2,214,589	100.0	2,163,088	100.0	51,501
Cost of sales	1,974,059	89.1	1,928,839	89.2	45,220
Selling, general and administrative expenses	190,133	8.6	193,993	8.9	(3,860)
<i>Operating Income</i>	<i>50,397</i>	<i>2.3</i>	<i>40,256</i>	<i>1.9</i>	<i>10,141</i>
Other income (loss)					
Interest and dividends income	3,180		3,717		(537)
Exchange gain	878		66		812
Amortization of negative goodwill	4,623		4,154		469
Equity in gain of non-consolidated subsidiary and affiliates	10,976		7,922		3,054
Interest expenses	(14,643)		(16,690)		2,047
Other, net	(1,674)		(2,457)		783
<i>Other income (loss)</i>	<i>3,340</i>	<i>0.1</i>	<i>(3,288)</i>	<i>(0.2)</i>	<i>6,628</i>
<i>Income before special items</i>	<i>53,737</i>	<i>2.4</i>	<i>36,968</i>	<i>1.7</i>	<i>16,769</i>
Special profit (loss)					
Gain on sales of fixed assets	3,697		1,592		2,105
Gain on maturities of investments in securities	8,454		-		8,454
Gain on sales of securities	2,431		837		1,594
Gain on sales of investment in consolidated subsidiaries	-		3,857		(3,857)
Gain on sales of pharmaceutical business divisions	-		1,102		(1,102)
Gain on return of substituted portion of employee pension fund	-		1,912		(1,912)
Loss on disposals of fixed assets	(11,909)		(7,604)		(4,305)
Loss on write-down of investments in securities	(1,090)		(13,831)		12,741
Loss on structural reform measures related	(28,030)		(10,340)		(17,690)
Loss on write-down of goodwill	(3,182)		-		(3,182)
Provision for allowance for doubtful accounts	(1,122)		-		(1,122)
Other, net	(1,381)		(1,059)		(322)
<i>Special profit (loss)</i>	<i>(32,132)</i>	<i>(1.4)</i>	<i>(23,534)</i>	<i>(1.1)</i>	<i>(8,598)</i>
<i>Income before income taxes</i>	<i>21,605</i>	<i>1.0</i>	<i>13,434</i>	<i>0.6</i>	<i>8,171</i>
Income taxes	15,800	0.7	8,721	0.4	7,079
Deferred income tax	(12,938)	(0.6)	(4,065)	(0.2)	(8,873)
Minority interest in net earnings of consolidated subsidiaries	(3,889)	(0.2)	(5,126)	(0.2)	1,237
<i>Net income</i>	<i>14,854</i>	<i>0.7</i>	<i>3,652</i>	<i>0.2</i>	<i>11,202</i>

Consolidated Statement of Retained Earnings

(millions of yen)

Account Title	Fiscal 2003 (from April 1, 2003 to March 31, 2004)	Fiscal 2002 (from April 1, 2002 to March 31, 2003)
Capital Surplus:		
Balance at beginning of year	149,307	47,021
Increase in capital surplus	13	102,286
Gain on disposition of treasury stock	13	-
Increase arising from share transfer	-	102,286
Balance at end of year	149,320	149,307
Retained Earnings:		
Balance at beginning of year	(21,406)	(19,826)
Increase in retained earnings	68,546	5,262
Net income	14,854	3,652
Increase arising from change of consolidated subsidiaries	35	638
Increase arising from change of affiliates accounted for by equity method	1,440	361
Increase arising from merger of consolidated subsidiaries	156	-
Reclassification with surplus from land revaluation *	52,061	611
Decrease in retained earnings	3,453	6,842
Cash dividends paid	2,720	3,341
Share transfer delivery consideration	-	2,714
Bonuses to directors	54	59
Decrease arising from change of consolidated subsidiaries	679	173
Decrease arising from change of affiliates accounted for by equity method	-	555
Balance at end of year	43,687	(21,406)

*The contents are as follows.

This resulted from the establishment of Japan Energy corporation (a split-off of the petroleum business from the former Japan Energy Corporation.)

Consolidated Statement of Cash Flows

Account title	Fiscal 2003 (from April 1, 2003 to March 31, 2004)	Fiscal 2002 (from April 1, 2002 to March 31, 2003)
	millions of yen	millions of yen
Cash flows from operating activities		
Income before income taxes	21,605	13,434
Depreciation and amortization	45,862	48,962
Amortization of negative goodwill	(4,040)	(3,375)
Interest and dividends income	(3,180)	(3,717)
Interest expenses	14,643	16,690
Equity in gain of non-consolidated subsidiary and affiliates	(10,976)	(7,922)
Gain on maturities of investments in securities	(8,454)	-
Gain on sales of investments in securities	(2,431)	(837)
Gain on sales of investments in consolidated subsidiaries	-	(3,857)
Loss on write-down of investments in securities	1,090	13,831
Loss (gain) on sales and disposal of property, plant and equipment	8,212	6,012
Loss on structural reform measures related	28,030	10,340
Increase in trade receivables	(10,952)	(8,089)
Increase (decrease) in inventories	(3,320)	556
Decrease (increase) in trade payables	47,129	(46,951)
Other	399	(4,024)
Subtotal	123,617	31,053
Interest and dividends received	9,593	8,303
Interest paid	(14,824)	(16,769)
Payment for special retirement benefits	(2,631)	(1,071)
Income taxes paid	(9,573)	(7,172)
Net cash provided by operating activities	106,182	14,344
Cash flows from investing activities		
Payments for acquisition of securities	(80)	(1,387)
Proceeds from maturities or sales of securities	1,242	4,568
Payments for acquisition of property, plant and equipment	(28,098)	(33,542)
Proceeds from sales of property, plant and equipment	10,576	8,767
Payments for acquisition of intangible fixed assets	(4,017)	(2,541)
Payments for acquisition of investments in securities	(1,172)	(10,370)
Proceeds from maturities or sales of investments in securities	21,461	6,089
Proceeds from sales of investments in consolidated subsidiaries	612	4,050
Decrease in short-term loans	2,638	4,451
Payments for lending of long-term loans	(3,803)	(1,000)
Collection of long-term loans	7,602	6,414
Other	(2,431)	(1,197)
Net cash used in investing activities	4,530	(15,698)
Cash flows from financing activities		
Decrease (increase) in short-term borrowings	(8,084)	32,395
Proceeds from borrowing of long-term debt	101,067	109,068
Repayments of long-term debt	(206,019)	(125,949)
Payments for redemption of bond	-	(26,360)
Cash dividends paid by parent company	(2,720)	(3,341)
Share transfer delivery consideration	-	(2,714)
Other	(38)	(667)
Net cash used in financing activities	(115,794)	(17,568)
Effect of exchange rate changes on cash and cash equivalents	(1,042)	(1,411)
Net decrease in cash and cash equivalents	(6,124)	(20,333)
Cash and cash equivalents at beginning of year	76,294	91,409
Increase in cash and cash equivalents related to subsidiaries newly included in consolidation	1,177	5,218
Cash and cash equivalents at end of year	71,347	76,294

Segment Information

1. Segment Information summarized by product group

For the year ended March. 31, 2004 (from April 1, 2003 to March 31, 2004)

(millions of yen)

	Petroleum	Resources and Non-ferrous Metals	Electronic Materials	Metal Fabrication	Other Operations	Total	Eliminations or corporate	Consolidated
Sales								
(1) Outside customers	1,745,635	295,571	71,192	41,721	60,470	2,214,589	-	2,214,589
(2) Inter-group	5,365	18,439	2,648	5,850	5,721	38,023	(38,023)	-
Total	1,751,000	314,010	73,840	47,571	66,191	2,252,612	(38,023)	2,214,589
Operating costs and expenses	1,713,241	308,968	73,408	40,249	67,382	2,203,248	(39,056)	2,164,192
Operating Income	37,759	5,042	432	7,322	(1,191)	49,364	1,033	50,397
Income before special items	35,957	13,798	(2,601)	7,283	(1,428)	53,009	728	53,737

For the year ended March 31, 2003 (from April 1, 2002 to March 31, 2003)

(millions of yen)

	Petroleum	Resources and Non-ferrous Metals	Electronic Materials	Metal Fabrication	Other Operations	Total	Eliminations or corporate	Consolidated
Sales								
(1) Outside customers	1,738,809	259,744	60,829	41,405	62,301	2,163,088	-	2,163,088
(2) Inter-group	5,017	12,600	868	3,797	7,616	29,898	(29,898)	-
Total	1,743,826	272,344	61,697	45,202	69,917	2,192,986	(29,898)	2,163,088
Operating costs and expenses	1,711,491	269,795	64,383	39,158	67,951	2,152,778	(29,946)	2,122,832
Operating Income	32,335	2,549	(2,686)	6,044	1,966	40,208	48	40,256
Income before special items	24,767	9,755	(5,890)	5,630	2,624	36,886	82	36,968

Note1. Product group categorized above is mainly adopted under internal control purpose.

In October 2003, the metal fabrication business of Nippon Mining & Metals Co., was split off and transferred to newly established Nikko Metal Manufacturing Co., Ltd. As a result of this measure, the Nippon Mining Holdings Group was reorganized into four core business systems: petroleum (Japan Energy Group), resources and non-ferrous metals (Nippon Mining & Metals Group), electronic materials (Nikko Materials Group), and metal fabrication (Nikko Metal Manufacturing Group). The figures for the year ended March 31, 2003 have been reclassified to conform with the presentation for the year ended March. 31, 2004.

Note 2. Main products for each group are the following:

Petroleum : gasoline, naphtha, kerosene, gas oil, heavy fuel oil, liquefied petroleum gas, petrochemicals, lubricating oil, etc.
 Resources and Non-ferrous Metals : resource development, copper, gold, silver, zinc, sulfuric acid, 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 : convenience store, information service

2. Segment information summarized by region

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

3. Overseas sales

For this fiscal year and the previous fiscal year, overseas sales has less than 10% share of consolidated sales.