

## Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2004

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

## 1. Matters concerning preparation of the Financial Statements

(1) The scope of consolidation and application of the equity method has changed. (a newly consolidated subsidiary)

|  |  |
|--|--|
| Consolidated subsidiaries                                  | 96 ( Japan Energy Corp., Nippon Mining & Metals Co.,Ltd.,<br>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. )   |
| Consolidation (newly included)                             | 8 ( Japan Energy Corp., Nikko Metal Manufacturing Co.,Ltd.,<br>Nikko Materials U.S.A. Inc.,etc)                                  |
| (Excluded)   | 7 ( Japan energy(Bermuda)Co.,Ltd., JAPAREN Co.,Ltd.,<br>Gould Electronics Inc.,etc.)   |
| Equity method (newly included)                             | 2 ( NMC Pearl River Mouth Oil Development Co.,Ltd.<br>Southern Highlands Petroleum Co.,Ltd.)                                     |
| (Excluded)   | 1 ( AMIS Holdings Inc.)  |

(2) Quarterly figures are unaudited.

## 2. Consolidated financial results for the nine months period of Fiscal Year 2003 (From April 1, 2003 to Dec. 31, 2003 )

## (1) Operating results

|   | Sales           |   | Operating Income |   | Income before special items |   |
|---|-----------------|---|------------------|---|-----------------------------|---|
|   | millions of yen | % | millions of yen  | % | millions of yen             | % |
| Nine months ended December 31, 2003         | 1,615,133       | - | 32,144           | - | 34,659                      | - |
| Three months ended December 31, 2003        | 562,768         | - | 13,644           | - | 15,315                      | - |
| Reference) Fiscal Year ended March 31, 2003 | 2,163,088       |   | 40,256           |   | 36,968                      |   |

  

|   | Net Income      |   | Primary EPS |     | Fully diluted EPS |     |
|---|-----------------|---|-------------|-----|-------------------|-----|
|   | millions of yen | % | yen         | sen | yen               | sen |
| Nine months ended December 31, 2003         | 10,229          | - | 15          | 07  | -                 | -   |
| Three months ended December 31, 2003        | 6,076           |   | 8           | 95  | -                 | -   |
| Reference) Fiscal Year ended March 31, 2003 | 3,652           |   | 5           | 89  | -                 | -   |

Note: 1. Average number of shares issued (consolidated)

For the nine-months ended Dec. 31, 2003: 678,932,308 shares For the three-months ended Dec. 31, 2003: 678,914,879 shares  
 For the year ended March 31, 2003: 611,027,210 shares

2. As the third quarter ended Dec. 31, 2003 is the first fiscal year to prepare the quarterly consolidated financial statements, the quarterly consolidated financial statements of the third quarter ended Dec. 31, 2003 cannot be compared with the statements of the third quarter ended Dec. 31, 2002. The figures of the year ended March 31, 2003 are shown for reference.

## (2) Financial position

|                                 | Total Assets    |  | Total Shareholders' Equity |  |
|---------------------------------|-----------------|--|----------------------------|--|
|                                 | millions of yen |  | millions of yen            |  |
| As of December 31, 2003         | 1,610,008       |  | 228,591                    |  |
| Reference) As of March 31, 2003 | 1,628,723       |  | 204,946                    |  |

  

|                                 | Net Worth Ratio |  | Shareholders' Equity Per Share |  |
|---------------------------------|-----------------|--|--------------------------------|--|
|                                 | %               |  | yen sen                        |  |
| As of December 31, 2003         | 14.2            |  | 336 70                         |  |
| Reference) As of March 31, 2003 | 12.6            |  | 301 78                         |  |

Note: Number of shares issued at end of third quarter (consolidated) 678,907,086 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                      |  |
| Nine months ended December 31, 2003         | 51,337                               |  | 2,675                                |  |
| Reference) Fiscal Year ended March 31, 2003 | 14,344                               |  | (15,698)                             |  |

|   | Cash flows from financing activities |  | Cash and cash equivalents at end of period |  |
|---|--------------------------------------|--|--|--|
|   | millions of yen                      |  | millions of yen                            |  |
| Nine months ended December 31, 2003         | (58,332)                             |  | 72,639                                     |  |
| Reference) Fiscal Year ended March 31, 2003 | (17,568)                             |  | 76,294                                     |  |

### 3. Consolidated projections for the year ending March 31, 2004

|  | Sales           | Income before special items | Net Income      |
|--|-----------------|-----------------------------|-----------------|
|  | millions of yen | millions of yen             | millions of yen |
| For the fiscal year ending March 31, 2004              | 2,190,000       | 46,500                      | 13,500          |
| (information purpose) Projection of Earnings Per Share |                 | 19 yen 88 sen               |                 |

This projection is based on information available as of February 2004.  
The information is subject to change due to changes in the business environment.

#### **【Non-consolidated Basis】**

#### 1. Parent co.'s operating results for the nine months period of Fiscal Year 2003(From April 1, 2003 to Dec. 31, 2003 )

Operating results

|   | Sales           |   | Operating Income |   | Income before special items |   | Net Income      |   |
|---|-----------------|---|------------------|---|-----------------------------|---|-----------------|---|
|   | millions of yen | % | millions of yen  | % | millions of yen             | % | millions of yen | % |
| Nine months ended December 31, 2003         | 2,824           | - | 828              | - | 550                         | - | 471             | - |
| Three months ended December 31, 2003        | 1,649           | - | 714              | - | 494                         | - | 467             | - |
| Reference) Fiscal Year ended March 31, 2003 | 4,938           |   | 3,991            |   | 3,591                       |   | 3,612           |   |

#### 2. Parent co.'s projection for the year ending March 31, 2004

|  | Sales           | Income before special items | Net Income      | Cash dividends per share |
|--|-----------------|-----------------------------|-----------------|--------------------------|
|  | millions of yen | millions of yen             | millions of yen | yen sen                  |
| For the year ending March 31, 2004                     | 7,000           | 3,300                       | 4,400           | 6 00                     |
| (information purpose) Projection of Earnings Per Share |                 | 6 yen 47 sen                |                 |                          |

This projection is based on information available as of February 2004.  
The information is subject to change due to changes in the business environment.

### Consolidated Balance Sheet (Unaudited)

| Account title   | Third quarter of<br>fiscal year 2003<br>(As of Dec. 31, 2003) |       | Fiscal 2002<br>(As of March 31, 2003) |       | Increase<br>(Decrease) |
|---|---|-------|---------------------------------------|-------|------------------------|
|   | millions of yen   | %     | millions of yen                       | %     |                        |
| <b>Assets</b>   | 1,610,008   | 100.0 | 1,628,723                             | 100.0 | (18,715)               |
| <i>Current assets</i>   | 616,825   | 38.3  | 596,082                               | 36.6  | 20,743                 |
| Cash and time deposits  | 71,166  |       | 66,193                                |       | 4,973                  |
| Notes and accounts receivable, trade  | 254,845   |       | 233,226                               |       | 21,619                 |
| Inventories   | 225,115   |       | 223,240                               |       | 1,875                  |
| Other current assets  | 65,699  |       | 73,423                                |       | (7,724)                |
| <i>Fixed assets</i>   | 993,183   | 61.7  | 1,032,641                             | 63.4  | (39,458)               |
| Property, plant and equipment   | 623,277   |       | 650,831                               |       | (27,554)               |
| Intangible assets   | 82,811  |       | 98,173                                |       | (15,362)               |
| Investments   | 183,661   |       | 148,004                               |       | 35,657                 |
| Other long-term assets  | 103,434   |       | 135,633                               |       | (32,199)               |
| <i>Total assets</i>   | 1,610,008   | 100.0 | 1,628,723                             | 100.0 | (18,715)               |
| <b>Liabilities</b>  | 1,341,254   | 83.3  | 1,386,194                             | 85.1  | (44,940)               |
| <i>Current liabilities</i>  | 784,694   | 48.7  | 789,711                               | 48.5  | (5,017)                |
| Notes and accounts payable, trade   | 220,318   |       | 194,079                               |       | 26,239                 |
| Short-term borrowing  | 381,813   |       | 427,834                               |       | (46,021)               |
| Current portion of bonds  | 1,000   |       | -                                     |       | 1,000                  |
| Accounts payable, other   | 118,308   |       | 97,675                                |       | 20,633                 |
| Other current liabilities   | 63,255  |       | 70,123                                |       | (6,868)                |
| <i>Long-term liabilities</i>  | 556,560   | 34.6  | 596,483                               | 36.6  | (39,923)               |
| Bonds   | 56,400  |       | 57,400                                |       | (1,000)                |
| Long-term debt  | 372,678   |       | 391,149                               |       | (18,471)               |
| Other long-term liabilities   | 127,482   |       | 147,934                               |       | (20,452)               |
| <b>Minority interest in consolidated subsidiaries</b>   | 40,163  | 2.5   | 37,583                                | 2.3   | 2,580                  |
| <b>Shareholders' Equity</b>   | 228,591   | 14.2  | 204,946                               | 12.6  | 23,645                 |
| <i>Common stock</i>   | 40,000  | 2.5   | 40,000                                | 2.5   | -                      |
| <i>Capital surplus</i>  | 149,307   | 9.3   | 149,307                               | 9.2   | 0                      |
| <i>Retained earnings</i>  | 39,055  | 2.4   | (21,406)                              | (1.3) | 60,461                 |
| <i>Surplus from land revaluation</i>  | (2,280)   | (0.1) | 51,413                                | 3.1   | (53,693)               |
| <i>Unrealized gain on marketable securities</i>   | 24,683  | 1.5   | 3,467                                 | 0.2   | 21,216                 |
| <i>Translation adjustment</i>   | (3,193)   | (0.2) | 1,131                                 | 0.1   | (4,324)                |
| <i>Treasury stock, at cost</i>  | (18,981)  | (1.2) | (18,966)                              | (1.2) | (15)                   |
| <b>Total liabilities, minority interest in consolidated subsidiaries and shareholders' equity</b> | 1,610,008   | 100.0 | 1,628,723                             | 100.0 | (18,715)               |

**Consolidated Statements of Income (Unaudited)**

| Account title  | For the nine months<br>ended Dec 31,2003 |              | For the three months<br>ended Dec. 31,2003 |              | Fiscal 2002<br>(from April 1, 2002<br>to March 31, 2003) |              |
|--|--|--------------|--|--------------|--|--------------|
|  | millions of yen                          | %            | millions of yen                            | %            | millions of yen  | %            |
| <b>Operating income</b>  |  |              |  |              |  |              |
| Net sales  | 1,615,133                                | 100.0        | 562,768                                    | 100.0        | 2,163,088  | 100.0        |
| Cost of sales  | 1,441,632                                | 89.3         | 502,060                                    | 89.2         | 1,928,839  | 89.2         |
| Selling, general and administrative expenses                   | 141,357                                  | 8.7          | 47,064                                     | 8.4          | 193,993  | 8.9          |
| <i>Operating Income</i>  | <i>32,144</i>                            | <i>2.0</i>   | <i>13,644</i>                              | <i>2.4</i>   | <i>40,256</i>  | <i>1.9</i>   |
| <b>Other income (loss)</b>                                     |  |              |  |              |  |              |
| Interest and dividends income                                  | 2,346                                    |              | 536  |              | 3,717  |              |
| Amortization of negative goodwill                              | 3,481                                    |              | 1,197                                      |              | 4,154  |              |
| Equity in gain of non-consolidated subsidiary and affiliates   | 8,496                                    |              | 2,574                                      |              | 7,922  |              |
| Interest expenses  | (11,239)                                 |              | (3,437)                                    |              | (16,690)   |              |
| Other, net   | (569)                                    |              | 801  |              | (2,391)  |              |
| <i>Other income (loss)</i>                                     | <i>2,515</i>                             | <i>0.1</i>   | <i>1,671</i>                               | <i>0.3</i>   | <i>(3,288)</i>   | <i>(0.2)</i> |
| <i>Income before special items</i>                             | <i>34,659</i>                            | <i>2.1</i>   | <i>15,315</i>                              | <i>2.7</i>   | <i>36,968</i>  | <i>1.7</i>   |
| <b>Special profit (loss)</b>                                   |  |              |  |              |  |              |
| Gain on sales of fixed assets                                  | -  |              | -  |              | 1,592  |              |
| Gain on maturities of investments in securities                | 8,454                                    |              | -  |              | -  |              |
| Gain on sales of securities                                    | 634                                      |              | 48   |              | 837  |              |
| Gain on sales of investment in consolidated subsidiaries       | -  |              | -  |              | 3,857  |              |
| Gain on sales of pharmaceutical business divisions             | -  |              | -  |              | 1,102  |              |
| Gain on transfer of substitutional portion of pension plan     | -  |              | -  |              | 1,912  |              |
| Loss on disposals of fixed assets                              | (5,083)                                  |              | (1,295)                                    |              | (7,604)  |              |
| Loss on write-down of investments in securities                | (814)                                    |              | -  |              | (13,831)   |              |
| Loss on structural reform measures related                     | (24,904)                                 |              | (416)                                      |              | (10,340)   |              |
| Other, net   | (1,462)                                  |              | (522)                                      |              | (1,059)  |              |
| <i>Special profit (loss)</i>                                   | <i>(23,175)</i>                          | <i>(1.4)</i> | <i>(2,185)</i>                             | <i>(0.4)</i> | <i>(23,534)</i>  | <i>(1.1)</i> |
| <i>Income before income taxes</i>                              | <i>11,484</i>                            | <i>0.7</i>   | <i>13,130</i>                              | <i>2.3</i>   | <i>13,434</i>  | <i>0.6</i>   |
| Income taxes   | 11,976                                   | 0.7          | 4,997                                      | 0.9          | 8,721  | 0.4          |
| Deferred income tax  | (13,876)                                 | (0.8)        | 765  | 0.1          | (4,065)  | (0.2)        |
| Minority interest in net earnings of consolidated subsidiaries | (3,155)                                  | (0.2)        | (1,292)                                    | (0.2)        | (5,126)  | (0.2)        |
| <i>Net income</i>  | <i>10,229</i>                            | <i>0.6</i>   | <i>6,076</i>                               | <i>1.1</i>   | <i>3,652</i>   | <i>0.2</i>   |

## Consolidated Statement of Retained Earnings (Unaudited)

(millions of yen)

| Account Title   | For the nine<br>months ended<br>Dec. 31,2003 | Fiscal 2002<br>(from April 1, 2002<br>to March 31, 2003) |
|---|--|--|
| Capital Surplus:  |  |  |
| Balance at beginning of year  | 149,307                                      | 47,021   |
| Increase in capital surplus   | -  | 102,286  |
| Increase arising from stock transfer                                      | -  | 102,286  |
| Balance at end of year  | 149,307                                      | 149,307  |
| Retained Earnings:  |  |  |
| Balance at beginning of year  | (21,406)                                     | (19,826)   |
| Increase in retained earnings   | 63,914                                       | 5,262  |
| Net income  | 10,229                                       | 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 *                     | 52,054                                       | 611  |
| Decrease in retained earnings   | 3,453  | 6,842  |
| Cash dividends paid   | 2,720  | 3,341  |
| Stock transfer payments   | -  | 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  | 39,055                                       | (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 (Unaudited)

| Account title  | For the nine<br>months ended<br>Dec. 31, 2003 | Fiscal 2002<br>(from April 1, 2002<br>to March 31, 2003) |
|--|---|--|
|  | millions of yen                               | millions of yen  |
| Cash flows from operating activities                               |   |  |
| Income before income taxes   | 11,484  | 13,434   |
| Depreciation and amortization                                      | 35,054  | 48,962   |
| Amortization of negative goodwill                                  | (3,007)                                       | (3,375)  |
| Interest and dividends income                                      | (2,346)                                       | (3,717)  |
| Interest expenses  | 11,239  | 16,690   |
| Equity in earnings of non-consolidated subsidiaries and affiliates | (8,496)                                       | (7,922)  |
| Gain on maturities and sales of investments in securities          | (9,088)                                       | (837)  |
| Loss on write-down of investments in securities                    | 814   | 13,831   |
| Loss on disposals of property, plant and equipment                 | 5,083   | 7,604  |
| Loss on structural reform measures related                         | 24,904  | 10,340   |
| Decrease in trade receivables                                      | (25,464)                                      | (8,089)  |
| Decrease (increase) in inventories                                 | (9,700)                                       | 556  |
| Increase (decrease) in trade payables                              | 42,461  | (46,951)   |
| Other  | (4,315)                                       | (9,473)  |
| Subtotal   | 68,623  | 31,053   |
| Interest and dividends received                                    | 4,100   | 8,303  |
| Interest paid  | (10,521)                                      | (16,769)   |
| Payment for special retirement benefits                            | (2,519)                                       | (1,071)  |
| Income taxes paid  | (8,346)                                       | (7,172)  |
| Net cash provided by (used in) operating activities                | 51,337  | 14,344   |
| Cash flows from investing activities                               |   |  |
| Payments for acquisition of property, plant and equipment          | (20,921)                                      | (33,542)   |
| Proceeds from sales of property, plant and equipment               | 5,799   | 8,767  |
| Payments for acquisition of intangible fixed assets                | (3,172)                                       | (2,541)  |
| Payments for acquisition of investments in securities              | (1,138)                                       | (10,370)   |
| Proceeds from maturities or sales of investments in securities     | 13,824  | 6,089  |
| Decrease in short-term loans                                       | 2,129   | 4,451  |
| Payments for lending of long-term loans                            | (1,487)                                       | (1,000)  |
| Collection of long-term loans                                      | 5,411   | 6,414  |
| Other  | 2,230   | 6,034  |
| Net cash used in investing activities                              | 2,675   | (15,698)   |
| Cash flows from financing activities                               |   |  |
| Increase in short-term borrowing                                   | 11,295  | 32,395   |
| Proceeds from long-term debt                                       | 85,816  | 109,068  |
| Payments for repayment on long-term debt                           | (152,812)                                     | (125,949)  |
| Payments for redemption of bond                                    | -   | (26,360)   |
| Cash dividends paid  | (2,720)                                       | (3,341)  |
| Share transfer delivery consideration                              | -   | (2,714)  |
| Other  | 89  | (667)  |
| Net cash used in financing activities                              | (58,332)                                      | (17,568)   |
| Effect of exchange rate changes on cash and cash equivalents       | (512)   | (1,411)  |
| Net decrease in cash and cash equivalents                          | (4,832)                                       | (20,333)   |
| Cash and cash equivalents at beginning of period                   | 76,294  | 91,409   |
| Increase due to subsidiaries newly included consolidation          | 1,177   | 5,218  |
| Cash and cash equivalents at end of period                         | 72,639  | 76,294   |

## Segment Information

### 1. Segment Information summarized by product group

For the nine-months ended Dec. 31, 2003 (from April 1, 2003 to Dec 31, 2003 ) (millions of yen)

|                              | Petroleum | Resources and<br>Non-ferrous Metals | Electronic<br>Materials | Metal<br>Fabrication | Other<br>Operations | Total     | Eliminations<br>or corporate | Consolidated |
|------------------------------|-----------|-------------------------------------|-------------------------|----------------------|---------------------|-----------|------------------------------|--------------|
| Sales                        |           |                                     |                         |                      |                     |           |                              |              |
| (1) Outside customers        | 1,280,509 | 208,192                             | 51,694                  | 31,079               | 43,659              | 1,615,133 | -                            | 1,615,133    |
| (2) Inter-group              | 3,189     | 11,147                              | 2,093                   | 3,758                | 6,218               | 26,405    | (26,405)                     | -            |
| Total                        | 1,283,698 | 219,339                             | 53,787                  | 34,837               | 49,877              | 1,641,538 | (26,405)                     | 1,615,133    |
| Operating costs and expenses | 1,257,040 | 217,353                             | 54,138                  | 29,863               | 51,598              | 1,609,992 | (27,003)                     | 1,582,989    |
| Operating Income             | 26,658    | 1,986                               | (351)                   | 4,974                | (1,721)             | 31,546    | 598                          | 32,144       |
| Income before special items  | 25,621    | 8,725                               | (3,308)                 | 4,916                | (1,952)             | 34,002    | 657                          | 34,659       |

For the three-months ended Dec. 31, 2003 (from Oct.1, 2003 to Dec 31, 2003 ) (millions of yen)

|                              | Petroleum | Resources and<br>Non-ferrous Metals | Electronic<br>Materials | Metal<br>Fabrication | Other<br>Operations | Total   | Eliminations<br>or corporate | Consolidated |
|------------------------------|-----------|-------------------------------------|-------------------------|----------------------|---------------------|---------|------------------------------|--------------|
| Sales                        |           |                                     |                         |                      |                     |         |                              |              |
| (1) Outside customers        | 451,834   | 72,056                              | 15,898                  | 11,572               | 11,408              | 562,768 | -                            | 562,768      |
| (2) Inter-group              | 1,075     | 4,120                               | 746                     | 1,063                | 1,754               | 8,758   | (8,758)                      | -            |
| Total                        | 452,909   | 76,176                              | 16,644                  | 12,635               | 13,162              | 571,526 | (8,758)                      | 562,768      |
| Operating costs and expenses | 441,647   | 75,310                              | 15,709                  | 10,437               | 15,297              | 558,400 | (9,276)                      | 549,124      |
| Operating Income             | 11,262    | 866                                 | 935                     | 2,198                | (2,135)             | 13,126  | 518                          | 13,644       |
| Income before special items  | 11,066    | 3,613                               | 239                     | 2,209                | (2,014)             | 15,113  | 202                          | 15,315       |

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

|                              | Petroleum | Resources and<br>Non-ferrous Metals | Electronic<br>Materials | Metal<br>Fabrication | Other<br>Operations | Total     | Eliminations<br>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       |

Note 1. 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 nine-months ended Dec. 31, 2003.

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, rental and leased car business, information service

## Quarterly Review & Annual Forecasts FY2003

|  | Fiscal Year 2003                          |   |  |  |  |
|--|---|---|--|--|--|
|  | 1Q<br>(from Apr.1,2003<br>to Jun.30,2003) | 2Q<br>(from Jul.1,2003<br>to Sep.30,2003) | 3Q<br>(from Oct.1,2003<br>to Dec.31,2003)                | 4Q<br>(from Jan.1,2004<br>to Mar.31,2004)<br>(Forecasts)     | FY2003<br>(from Apr.1,2003<br>to Mar.31,2004)<br>(Forecasts) |
|  | millions of yen                           | millions of yen                           | millions of yen  | millions of yen  | millions of yen  |
| Net Sales                                  | 516,053                                   | 536,312                                   | 562,768  | 574,867  | 2,190,000  |
| Ordinary Income                            | 10,963                                    | 8,381                                     | 15,315   | 11,841   | 46,500   |
| Net Income                                 | 2,489                                     | 1,664                                     | 6,076  | 3,271  | 13,500   |
|  | yen                                       | yen                                       | yen  | yen  | yen  |
| Earnings per share                         | 3.67                                      | 2.45                                      | 8.95   | 4.81   | 19.88  |
|  | millions of yen                           | millions of yen                           | millions of yen  | millions of yen  | millions of yen  |
| Total Assets                               | 1,573,989                                 | 1,586,402                                 | 1,610,008  | 1,570,000  | 1,570,000  |
| Shareholders' Equity                       | 207,368                                   | 222,659                                   | 228,591  | 230,800  | 230,800  |
|  | yen                                       | yen                                       | yen  | yen  | yen  |
| Shareholders' Equity per share             | 305.43                                    | 327.95                                    | 336.70   | 339.96   | 339.96   |
|  | 1H<br>( from Apr.1,2003 to Sep.30,2003)   | 3Q<br>(from Oct.1,2003<br>to Dec.31,2003) | 4Q<br>(from Jan.1,2004<br>to Mar.31,2004)<br>(Forecasts) | FY2003<br>(from Apr.1,2003<br>to Mar.31,2004)<br>(Forecasts) |  |
|  | millions of yen                           | millions of yen                           | millions of yen  | millions of yen  | millions of yen  |
| Cash flows from operating activities       | 9,926                                     | 41,411                                    | 30,763   | 82,100   |  |
| Cash flows from investing activities       | 2,743                                     | (68)                                      | (14,275)   | (11,600)   |  |
| Cash flows from financing activities       | (19,606)                                  | (38,726)                                  | (34,568)   | (92,900)   |  |
| Cash and cash equivalents at end of period | 70,507                                    | 72,639                                    | 54,500   | 54,500   |  |