Consolidated Closing Report for the year ended March 31, 2005 ("Fiscal 2004")

May 11,2005

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

Code No.	: 5016
Stock Listings	: Tokyo, Osaka, Nagoya
President and representative director	: Yasuyuki Shimizu
Address of head office	: 10-1, Toranomon 2-chome, Minato-ku, Tokyo
Contact to	: IR and Public Relations Department Telephone number : (03) 5573 - 5118
Date of Board of Directors	: May 11, 2005

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

1. Operating results for the year ended March 31, 2005 (the period from April 1, 2004 to March 31, 2005)

(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, 2005 ("Fiscal 2004")	2,502,538	(13.0)	125,608	(149.2)	148,055	(175.5)
For the year ended March 31, 2004 ("Fiscal 2003")	2,214,589	(2.4)	50,397	(25.2)	53,737	(45.4)

	Net Income		Primary EPS		Fully diluted EPS	
	millions of yen	%(*1)	yen	sen	yen	sen
For the year ended March 31, 2005 ("Fiscal 2004")	50,577	(240.5)	63	84	-	-
For the year ended March 31, 2004 ("Fiscal 2003")	14,854	(306.7)	21	71	-	-

	Net income to equity	Income(*2) to total assets	Income(*2) to sales
	%	%	%
For the year ended March 31, 2005 ("Fiscal 2004")	17.2	9.4	5.9
For the year ended March 31, 2004 ("Fiscal 2003")	6.8	3.4	2.4

Note: 1.Equity in earnings of non-consolidated subsidiaries and affiliates 31,278 millions of yen (the previous fiscal year 10,976 millions of yen)
2.Average number of shares issued (consolidated) 789,164,998 shares (the previous fiscal year 678,928,690 shares)
3.Change in accounting policies : See notes to consolidated financial statements

(*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, 2005 ("Fiscal 2004")	1,580,144	353,437
As of March 31, 2004 ("Fiscal 2003")	1,572,529	233,742

	Net Worth Ratio	Shareholders' Equity Per Share	
	%	yen	sen
As of March 31, 2005 ("Fiscal 2004")	22.4	416	98
As of March 31, 2004 ("Fiscal 2003")	14.9	344	01

Note: Number of shares issued at end of year(consolidated) 847,132,246 shares (the previous fiscal year 679,123,537 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, 2005 ("Fiscal 2004")	45,360	(15,170)
For the year ended March 31, 2004 ("Fiscal 2003")	106,182	4,530

	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, 2005 ("Fiscal 2004")	(38,734)	62,473
For the year ended March 31, 2004 ("Fiscal 2003")	(115,794)	71,347

(4) Consolidation group

Consolidated subsidiaries	107	(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	18	(LS-Nikko Copper Inc., Minera Los Pelambres., etc.)

(Reference) Consolidated subsidiaries : (newly included : 20, excluded : 6) , Equity method : (newly included : 1, excluded : 2)

2. Consolidated projection for the year ending March 31,2006

	Sales	Income before special items	Net Income
	millions of yen	millions of yen	millions of yen
For the six-months ending September 30, 2005	1,212,000	63,000	36,000
For the year ending March 31, 2006	2,480,000	110,000	61,000

(Reference) Projection of Earnings Per Share   72 yen 01 sen

This projection is based on information available as of May 11, 2005.
The actual results are subject to change due to changes in the business environment.

Consolidated Balance Sheet

Account title	Fiscal 2004 (as of March 31, 2005)		Fiscal 2003 (as of March 31, 2004)		Increase (Decrease)
	millions of yen	%	millions of yen	%	millions of yen
Assets	1,580,144	*100.0*	1,572,529	*100.0*	7,615
Current assets	*677,062*	*42.8*	*598,834*	*38.1*	78,228
Cash and time deposits	62,068		71,288		(9,220)
Notes and accounts receivable, trade	269,186		240,300		28,886
Securities	9		433		(424)
Inventories	283,984		218,671		65,313
Other current assets	62,866		69,951		(7,085)
Allowance for doubtful accounts	(1,051)		(1,809)		758
Fixed assets	*903,082*	*57.2*	*973,695*	*61.9*	(70,613)
Property, plant and equipment	589,837		618,322		(28,485)
Buildings and structures	133,503		165,720		(32,217)
Machinery and equipment	154,109		123,983		30,126
Land	287,882		306,299		(18,417)
Other	14,343		22,320		(7,977)
Intangible assets	64,890		77,249		(12,359)
Investments and other long-term assets	248,355		278,124		(29,769)
Investments in securities	182,716		174,359		8,357
Long-term loans	19,562		29,813		(10,251)
Other	47,467		76,644		(29,177)
Allowance for doubtful accounts	(1,390)		(2,692)		1,302
Total assets	1,580,144	*100.0*	1,572,529	*100.0*	7,615
Liabilities	1,188,762	*75.2*	1,299,727	*82.6*	(110,965)
Current liabilities	*756,849*	*47.9*	*751,311*	*47.7*	5,538
Notes and accounts payable, trade	229,411		233,439		(4,028)
Short-term borrowing	322,286		333,166		(10,880)
Commercial paper	27,000		—		27,000
Current portion of bonds	—		1,000		(1,000)
Accounts payable, other	81,161		111,408		(30,247)
Other current liabilities	96,991		72,298		24,693
Long-term liabilities	*431,913*	*27.3*	*548,416*	*34.9*	(116,503)
Bonds	—		56,400		(56,400)
Long-term debt	294,504		363,461		(68,957)
Allowance for retirement benefits	62,461		62,004		457
Allowance for periodic repair works	15,891		14,052		1,839
Other long-term liabilities	59,057		52,499		6,558
Minority interest in consolidated subsidiaries	37,945	*2.4*	39,060	*2.5*	(1,115)
Shareholders' Equity	353,437	*22.4*	233,742	*14.9*	119,695
Common stock	*40,000*	*2.5*	*40,000*	*2.5*	—
Capital surplus	*201,382*	*12.7*	*149,320*	*9.5*	52,062
Retained earnings	*95,537*	*6.0*	*43,687*	*2.8*	51,850
Surplus from land revaluation	*(2,994)*	*(0.2)*	*(2,350)*	*(0.1)*	(644)
Unrealized gain on marketable securities	*23,022*	*1.5*	*26,148*	*1.7*	(3,126)
Accumulated translation adjustment	*(3,175)*	*(0.1)*	*(4,141)*	*(0.3)*	966
Treasury stock, at cost	*(335)*	*(0.0)*	*(18,922)*	*(1.2)*	18,587
Total liabilities , minority interest in consolidated subsidiaries and shareholders' equity	1,580,144	*100.0*	1,572,529	*100.0*	7,615

Consolidated Statements of Income

Account title	Fiscal 2004 (from April 1, 2004 to March 31, 2005)		Fiscal 2003 (from April 1, 2003 to March 31, 2004)		Increase (Decrease)
	millions of yen	%	millions of yen	%	millions of yen
Operating income					
Net sales	2,502,538	*100.0*	2,214,589	*100.0*	287,949
Cost of sales	2,202,409	*88.0*	1,974,059	*89.1*	228,350
Selling, general and administrative expenses	174,521	*7.0*	190,133	*8.6*	(15,612)
Operating Income	*125,608*	*5.0*	*50,397*	*2.3*	75,211
Other income	43,806	*1.8*	25,891	*1.1*	17,915
Interest and dividend income	2,549		3,180		(631)
Exchanges gain	ー		878		(878)
Amortization of consolidation adjustment account	5,178		4,623		555
Equity in income of non-consolidated subsidiaries and affiliates	31,278		10,976		20,302
Other	4,801		6,234		(1,433)
Other loss	21,359	*0.9*	22,551	*1.0*	(1,192)
Interest expenses	12,581		14,643		(2,062)
Exchanges loss	509		ー		509
Other	8,269		7,908		361
Income before special items	*148,055*	*5.9*	*53,737*	*2.4*	94,318
Special profit	35,101	*1.4*	15,754	*0.7*	19,347
Gain on sales of property, plant and equipment	1,995		3,697		(1,702)
Gain on maturities of investments in securities	ー		8,454		(8,454)
Gain on sales of investments in securities	17,606		2,431		15,175
Gain on change in equity of consolidated subsidiary	7,000		ー		7,000
Amortization of prior service cost	5,561		ー		5,561
Other	2,939		1,172		1,767
Special loss	76,479	*3.0*	47,886	*2.1*	28,593
Loss on sales of property, plant and equipment	616		ー		616
Loss on disposal of property, plant and equipment	10,461		11,909		(1,448)
Impairment losses	25,232		ー		25,232
Loss on write-down of investments in securities	789		1,090		(301)
Reorganization and restructuring costs	20,726		28,030		(7,304)
Loss on lump-sum recognition of the previous years' unrecognized net actuarial losses	6,900		ー		6,900
Provision for environmental remediation allowance	3,408		ー		3,408
Provision for allowance for cost of disposal of unutilized property, plant and equipment	2,489		ー		2,489
Loss on redemption of bonds	1,695		ー		1,695
Provision for allowance for doubtful accounts	419		1,122		(703)
Loss on write-down of goodwill	ー		3,182		(3,182)
Other	3,744		2,553		1,191
Income before income taxes	*106,677*	*4.3*	*21,605*	*1.0*	85,072
Income taxes	42,331	*1.7*	15,800	*0.7*	26,531
Deferred income tax	5,645	*0.2*	(12,938)	*(0.6)*	18,583
Minority interest in net earnings of consolidated subsidiaries	(8,124)	*(0.4)*	(3,889)	*(0.2)*	(4,235)
Net income	*50,577*	*2.0*	*14,854*	*0.7*	35,723

Consolidated Statement of Retained Earnings

Account Title	Fiscal 2004 (from April 1, 2004 to March 31, 2005) millions of yen	Fiscal 2003 (from April 1, 2003 to March 31, 2004) millions of yen
Capital Surplus:		
Balance at beginning of year	149,320	149,307
Increase in capital surplus	56,165	13
Gain on disposition of treasury stock*	56,165	13
Decrease in capital surplus	4,103	─
Cash dividends paid	4,079	─
Bonuses to directors	24	─
Balance at end of year	201,382	149,320
Retained Earnings:		
Balance at beginning of year	43,687	(21,406)
Increase in retained earnings	52,144	68,546
Net income	50,577	14,854
Increase arising from change of consolidated subsidiaries	990	35
Increase arising from change of affiliates accounted for by equity method	─	1,440
Increase arising from merger of consolidated subsidiaries	─	156
Reclassification with surplus from land revaluation	577	52,061
Decrease in retained earnings	294	3,453
Cash dividends paid	─	2,720
Bonuses to directors	97	54
Decrease arising from change of consolidated subsidiaries	197	679
Balance at end of year	95,537	43,687

Note:

* *This resulted mainly from the offering of treasury stock (168,165,500 shares) in August, 2004*

Consolidated Statement of Cash Flows

Account title	Fiscal 2004 (from April 1, 2004 to March 31, 2005) millions of yen	Fiscal 2003 (from April 1, 2003 to March 31, 2004) millions of yen
Cash flows from operating activities		
Income before income taxes	106,677	21,605
Depreciation and amortization	47,726	45,862
Impairment losses	25,232	−
Amortization of consolidation adjustment account	(4,962)	(4,040)
Interest and dividend income	(2,549)	(3,180)
Interest expenses	12,581	14,643
Equity in income of non-consolidated subsidiaries and affiliates	(31,278)	(10,976)
Gain on maturities of investments in securities	−	(8,454)
Gain on sales of investments in securities	(17,606)	(2,431)
Loss on write-down of investments in securities	789	1,090
Loss on sales and disposal of property, plant and equipment	9,082	8,212
Gain on change in equity of consolidated subsidiary	(7,000)	−
Reorganization and restructuring costs	20,726	28,030
Increase in trade receivables	(28,378)	(10,952)
Increase in inventories	(62,859)	(3,320)
Increase (decrease) in trade payables	(9,311)	47,129
Other, net	9,407	399
Subtotal	68,277	123,617
Interest and dividend received	13,874	9,593
Interest paid	(13,309)	(14,824)
Payment for special retirement benefits	(833)	(2,631)
Income taxes paid	(22,649)	(9,573)
Net cash provided by operating activities	45,360	106,182
Cash flows from investing activities		
Proceeds from maturities or sales of securities	418	1,242
Payments for acquisition of property, plant and equipment	(44,751)	(28,098)
Proceeds from sales of property, plant and equipment	13,548	10,576
Payments for acquisition of intangible fixed assets	(3,120)	(4,017)
Payments for acquisition of investments in securities	(15,857)	(1,172)
Proceeds from maturities or sales of investments in securities	29,135	21,461
Net proceeds from acquisition of investments in newly consolidated subsidiaries	1,905	−
Increase (decrease) in short-term loans, net	(508)	2,638
Payments for lending of long-term loans	(2,969)	(3,803)
Collection of long-term loans	10,135	7,602
Other, net	(3,106)	(1,899)
Net cash provided by (used in) investing activities	(15,170)	4,530
Cash flows from financing activities		
Increase (decrease) in short-term borrowing, net	22,682	(8,084)
Increase in commercial paper, net	27,000	−
Proceeds from borrowing of long-term bank loans and others	10,271	101,067
Repayments of long-term bank loans and others	(125,770)	(206,019)
Payments for redemption of bonds	(57,400)	−
Proceeds from third-party share allotment of consolidated subsidiary	17,100	−
Proceeds from offering of treasury stock	74,840	−
Cash dividends paid	(4,079)	(2,720)
Other, net	(3,378)	(38)
Net cash used in financing activities	(38,734)	(115,794)
Effect of exchange rate changes on cash and cash equivalents	101	(1,042)
Net decrease in cash and cash equivalents	(8,443)	(6,124)
Cash and cash equivalents at beginning of year	71,347	76,294
Increase due to subsidiaries newly included consolidation	988	1,177
Decrease due to subsidiary excluded consolidation	(1,419)	−
Cash and cash equivalents at end of year	62,473	71,347

Notes to consolidated financial statements

Nippon Mining Holdings, Inc. (the "Company") and its consolidated subsidiaries

1. Scope of consolidation

Consolidated subsidiaries : 107

(Newly included)	20	(Golden Pacific Maritime S.A., Nikko Real Estate Co., Ltd. NMC Pearl River Mouth Oil Development Co., Ltd., Southern Highlands Petroleum Co., Ltd. etc.)
(Excluded)	6	(am/pm JAPAN Co.,Ltd., Nikko Petrochemicals Co., Ltd., etc.)

2. Application of equity method

Non-consolidated subsidiary accounted for by equity method : 1
Affiliated companies accounted for by equity method : 18

(Newly included)	1	(am/pm JAPAN Co.,Ltd.)
(Excluded)	2	(NMC Pearl River Mouth Oil Development Co., Ltd. Southern Highlands Petroleum Co., Ltd.)

3. Fiscal year ends of consolidated subsidiaries

The accompanying consolidated financial statements include the accounts of consolidated subsidiaries that have fiscal year ends other than March 31. The fiscal year ends of such subsidiaries are principally December 31, and the accounts of these subsidiaries have been used for consolidation purposes, with adjustments being made for significant transactions taking place in the intervening period.

4. Accounting standards

(1) Valuation basis and valuation method for significant assets

①Investment Securities

Other securities

Other securities with readily determinable market values are carried at market values as of each respective balance sheet date, and associated unrealized gains and losses, net of taxes, are reported as a separate component of shareholders' equity.
Other securities that do not have readily determinable market values are stated at cost.

②Inventories

With respect to domestic subsidiaries:

Petroleum inventories are stated based on average cost.
Non-ferrous metals, electric materials and metal fabrication inventories are stated at cost based on the first-in, first-out method.

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

(2) Depreciation method for fixed assets

Property, Plant and Equipment :

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

Intangible Assets :

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

(3) Allowances

①Allowance for Doubtful Accounts

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

②Allowance for Retirement Benefits

The reserve for employee retirement benefits, which is provided for future pension and severance paid at retirement, is recorded as the amount that has accrued at the end of the fiscal year, which is computed based on the projected benefit obligation and the estimated pension plan assets at the end of fiscal year.
Unrecognized net obligation at the date of initial application of the accounting standard for retirement benefits has been amortized on a straight-line basis over a period of ten years.
Unrecognized actuarial gains or losses and unrecognized prior service cost are recognized as income or expenses for the fiscal year of occurrence, except for certain consolidated subsidiaries which have elected to amortize them over the average remaining service period of participating employees.

The Company's major domestic subsidiaries have contributory funded defined pension plans under the Japanese Welfare Pension Insurance Law. These plans are qualified by tax authorities and cover a substitutional portion of the government welfare pension program, under which the contributions are made by such subsidiaries and their employees. On February 25, 2003, one of the Company's consolidated subsidiaries received approval from the Minister of Health, Labor and Welfare. Pursuant to paragraph 47-2 of "Practical Guideline for Accounting for Retirement Benefits (Interim Report)" (The Japanese Institute of Certified Public Accountants Accounting Committee Research Report No.13), these subsidiaries recognized related gains and losses on the date they received the approval as if the transfer of plan assets as well as the extinguishment of related liability had been completed on the date of approval.
These subsidiaries consequently obtained the final approval for the relief of the past obligations on October 1, 2004.
In the fiscal year ended March 31, 2005, these subsidiaries had drastically reformed the retirement benefit plans in accordance with the approval of transfer of the substitutional portion of the government welfare pension program to the government.
These subsidiaries accounted for the decrease of 5,561 million yen in the benefit obligations as extraordinary income with the plan amendments above, which is fully recognized in the consolidated statements for the fiscal year ended March 31, 2005.

③Allowance for Periodic Repair Works

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

(4) Translations of Foreign Currency Transactions and Accounts

Foreign currency transactions are generally translated using the foreign exchange rates prevailing at the respective transaction dates. All assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates prevailing at the respective balance sheet dates. Foreign exchange gains and losses are included currently in income.
Revenues and expenses of foreign consolidated subsidiaries are translated into Japanese Yen using the average exchange rates for the period. Assets and liabilities are translated into Japanese Yen using the foreign exchange rates prevailing at the balance sheet dates, and equity accounts are translated using historical rates. The resultant difference is presented as foreign currency translation adjustments in a separate component of shareholders' equity.

(5) Leases

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

5. Valuation of Assets and Liabilities of Consolidated Subsidiaries

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

6. Amortization of Consolidated Adjustment Account

The consolidation adjustment account, which represents the difference between the carrying amount of an investment in a subsidiary and underlying equity, is amortized over 5 years.

7. Appropriation of Retained Earnings

Cash dividends and bonuses to directors are recorded in the fiscal year in which a proposed appropriation is approved by a general meeting of the shareholders.

8. Cash and Cash Equivalents

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

(Change in accounting policies since the most recent fiscal year)

1. Inventory valuation method of non-ferrous metals except for gold, silver, platinum and palladium, and of electric materials.

Effective April 1, 2004, certain domestic consolidated subsidiaries changed the inventory valuation method of non-ferrous metals except for gold, silver, platinum and palladium, and of electric materials from the last-in, first-out method to the first-in, first-out method.
The primary reason for this change is that using the first-in, first-out method is considered to present more appropriate financial position at the balance sheet date, reducing the difference between the inventory amount and market price of non-ferrous metals and electric materials under recent higher volatility of market price of them than before. As a result of this change, inventories as of March 31, 2005 have increased by 7,125 million yen, operating income has increased by 7,206 million yen and income before special items has increased by 7,125 million yen, as compared with the amounts which would have been reported if the previous method had been applied consistently.

2. Early adoption of a new accounting standard, "Accounting Standard for Impairment of Fixed Assets"

On August 9, 2002, the Business Accounting Council in Japan issued "Accounting Standard for Impairment of Fixed Assets," which shall be effective for the fiscal year beginning April 1, 2005 with possible early adoption for fiscal years beginning April 1, 2004 and for fiscal years ending between March 31, 2004 and March 30, 2005.
Effective April 1, 2004, the Company and its domestic consolidated subsidiaries adopted this new standard. As a result of this adoption, income before income taxes decreased by 16,696 million yen. The accumulated impairment loss was deducted from each asset's acquisition cost directly.
In addition, certain foreign consolidated subsidiaries recognized impairment losses of 8,536 million yen in the income statements based on the requirements of accounting standards applicable to them.

3. Allowance for Retirement Benefits

Until the fiscal year ended March 31, 2004, unrecognized actuarial gains or losses were recognized as income or expenses from the fiscal year of occurrence based on amortization of straight-line method over a period not exceeding the average remaining service period of participating employees, which is mainly 10 years.
In the fiscal year ended March 31, 2005, the Company's certain major subsidiaries changed the accounting policy to recognize lump-sum actuarial gains or losses at the period of occurrence. In accordance with this change, these subsidiaries made lump-sum recognition of the previous years' unrecognized net actuarial losses.
The primary reason for this change is as follows.
In the fiscal year ended March 31, 2005, the Company's certain major subsidiaries had drastically reformed the retirement benefit plans in accordance with the approval of transfer of substitutional portion of the government welfare pension program to the government.
Under those new plans, the actuarial gains or losses in the future are expected to be extremely low, which will be insufficient to offset the previous years' net actuarial losses.
In order to present more appropriate financial position under these circumstances, it was inevitable for these subsidiaries to change the accounting policy for the recognition of actuarial gains or losses and make lump-sum recognition of the previous years' unrecognized net actuarial losses.
As a result of this change, net retirement benefit expenses have increased by 5,742 million yen, operating income and income before special items have increased by 1,158 million yen and income before income taxes has decreased by 5,742 million yen.

Segment Information

1. Segment Information summarized by product group

For the year ended March 31, 2005 (from April 1, 2004 to March 31, 2005) (millions of yen)

	Petroleum	Resources and Non-ferrous Metals	Electronic Materials	Metal Fabrication	Other Operations	Total	Eliminations or corporate	Consolidated
Sales								
(1) Outside customers	1,979,823	357,989	86,094	47,958	30,674	2,502,538	ー	2,502,538
(2) Inter-group	6,534	20,732	2,887	6,360	10,002	46,515	(46,515)	ー
Total	1,986,357	378,721	88,981	54,318	40,676	2,549,053	(46,515)	2,502,538
Operating costs and expenses	1,894,045	362,046	78,959	45,696	43,170	2,423,916	(46,986)	2,376,930
Operating Income (loss)	92,312	16,675	10,022	8,622	(2,494)	125,137	471	125,608
Income (loss) before special items	87,837	46,431	7,721	8,566	(2,047)	148,508	(453)	148,055
Identifiable assets, depreciation and amortization, Impairment losses and capital expenditures								
Assets	1,049,616	306,573	111,044	60,690	264,945	1,792,868	(212,724)	1,580,144
Depreciation and amortization	31,038	6,987	5,874	2,641	1,241	47,781	(55)	47,726
Impairment losses	10,860	1,213	12,053	ー	90	24,216	1,016	25,232
Capital expenditures	29,964	6,980	5,141	3,747	1,403	47,235	52	47,287

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	ー	2,214,589
(2) Inter-group	5,365	18,439	2,648	5,850	5,721	38,023	(38,023)	ー
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 (loss)	37,759	5,042	432	7,322	(1,191)	49,364	1,033	50,397
Income (loss) before special items	35,957	13,798	(2,601)	7,283	(1,428)	53,009	728	53,737
Identifiable assets, depreciation and amortization and capital expenditures								
Assets	992,485	313,574	107,336	57,014	208,566	1,678,975	(106,446)	1,572,529
Depreciation and amortization	26,605	7,021	6,401	2,812	3,105	45,944	(82)	45,862
Capital expenditures	13,835	7,718	3,809	2,289	3,938	31,589	18	31,607

Note 1. Main products for each group are the following;

Petroleum	: gasoline, naphtha, kerosene, gas oil, heavy fuel oil, petrochemicals, liquefied petroleum gas, 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	: information service, common group administrative activities such as fund procurement, etc.

Note 2. Change in accounting policies

As noted in "Notes to consolidated financial statements," certain domestic consolidated subsidiaries changed the inventory valuation method of non-ferrous metals except for gold, silver, platinum and palladium, and of electric materials from the last-in, first-out method to the first-in, first-out method.
As a result of this change, inventories as of March 31, 2005 have increased by 2,312 million yen, operating costs have decreased by 2,312 million yen and operating income and income before special items have increased by the same amount for the Resources and Non-ferrous Metals segment and inventories as of March 31, 2005 have increased by 4,813 million yen, operating costs have decreased by 4,894 million yen, operating income has increased by the same amount and income before special items has increased by 4,813 million yen for the Electronic Materials segment, as compared with the amounts which would have been reported if the previous method had been applied consistently.

As noted in "Notes to consolidated financial statements," until the fiscal year ended March 31, 2004, unrecognized actuarial gains or losses were recognized as income or expenses from the fiscal year of occurrence based on amortization of straight-line method over a period not exceeding the average remaining service period of participating employees, which is mainly 10 years. In the fiscal year ended March 31, 2005, the Company's certain major subsidiaries changed the accounting policy to recognize lump-sum actuarial gains or losses at the period of occurrence. In accordance with this change, these subsidiaries made lump-sum recognition of the previous years' unrecognized net actuarial losses.
As a result of this change, operating costs have decreased by 1,193 million yen and operating income and income before special items have increased by the same amount for the Petroleum segment and operating costs have increased by 35 million yen and operating income and income before special items have decreased by the same amount for the Electronic Materials segment, as compared with the amounts which would have been reported if the previous method had been applied consistently.

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.