

Supplementary Explanation for Interim Financial Results Fiscal 2007 (From April 1, 2007 to September 30, 2007) < Summary >

November 7, 2007

Disclaimers concerning forward-looking statements are prepared on the last page of this material.

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Nippon Mining Holdings, Inc.

Code Tokyo 5016



Fiscal 2007 1H Actual >> Key Points



Key factors (vs. Fiscal 2006 1H)

- Exchange rate
115 119 ¥/\$ depreciation
- Crude Oil FOB (Dubai spot)
65.4 67.4 \$/bbl price up
- Copper price (LME)
338 348 ¢/lb price up

Sales

¥ 2,010.6 bn

11% up (vs. Fiscal 2006 1H)

Income before special items

¥ 95.7 bn

17% down (vs. Fiscal 2006 1H)

- Equity in income of non-consolidated subsidiaries and affiliates

¥ 44.4 bn

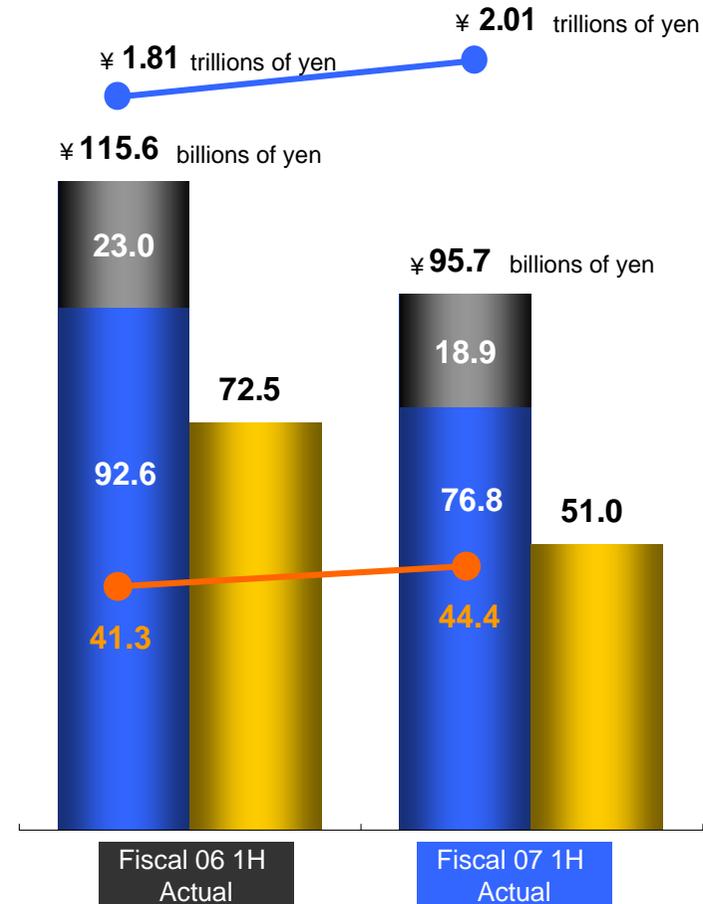
8% up (vs. Fiscal 2006 1H)

Net income

¥ 51.0 bn

30% down (vs. Fiscal 2006 1H)

Sales, Income, etc. (Fiscal 2007 1H / Consolidated)



Income before special items (excludes inventory valuation*) (¥bn)

Inventory valuation* (¥bn)

Net income (¥bn)

Sales (¥tn)

Equity in income of non-consolidated subsidiaries and affiliates (¥bn)

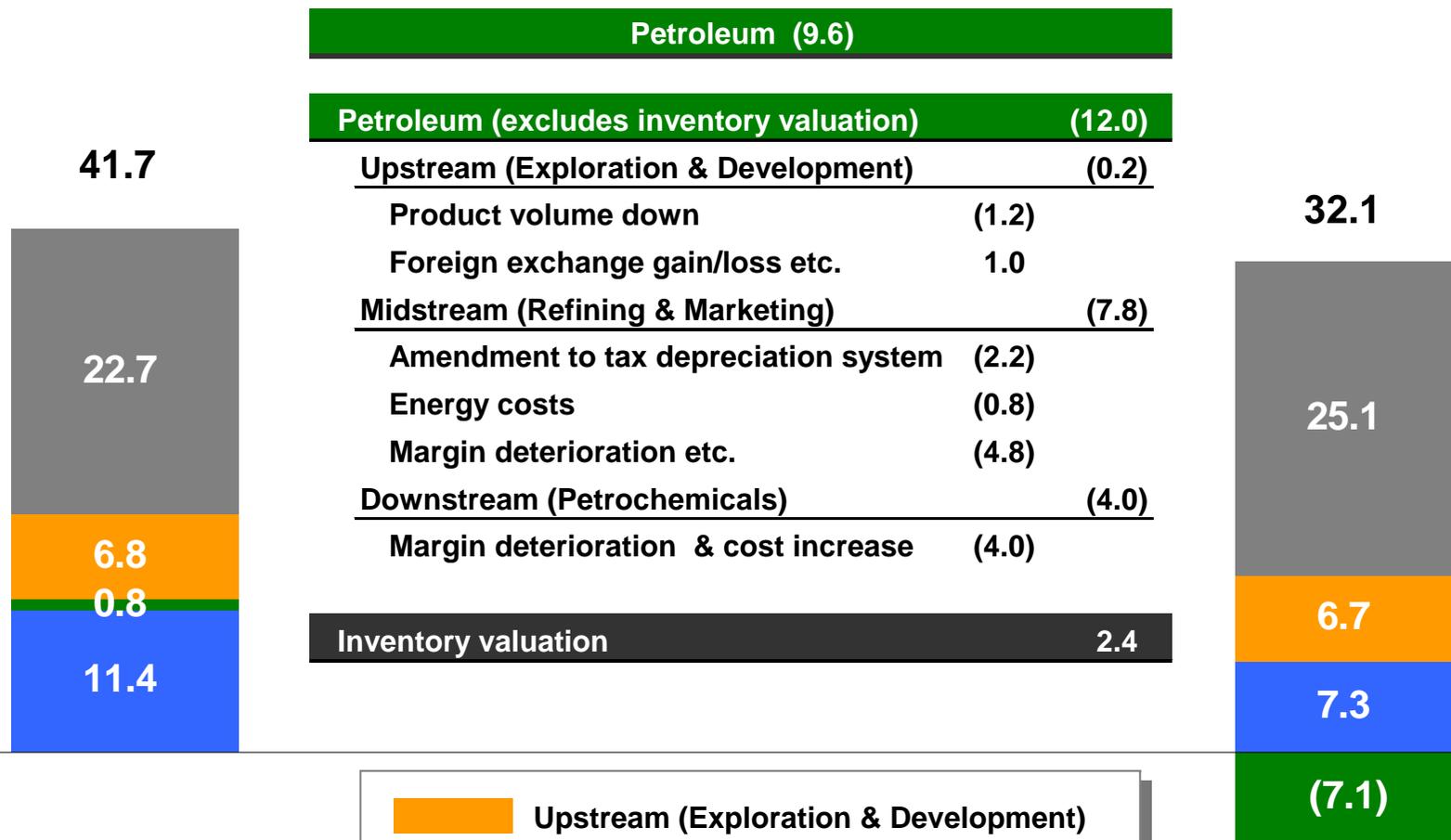
*Inventory valuation by periodic inventory system and the lower of cost or market method

Fiscal 2007 1H >> Changes in income before special items by segment
Fiscal 07 1H Actual vs. Fiscal 06 1H Actual (2)



Petroleum

(¥bn)



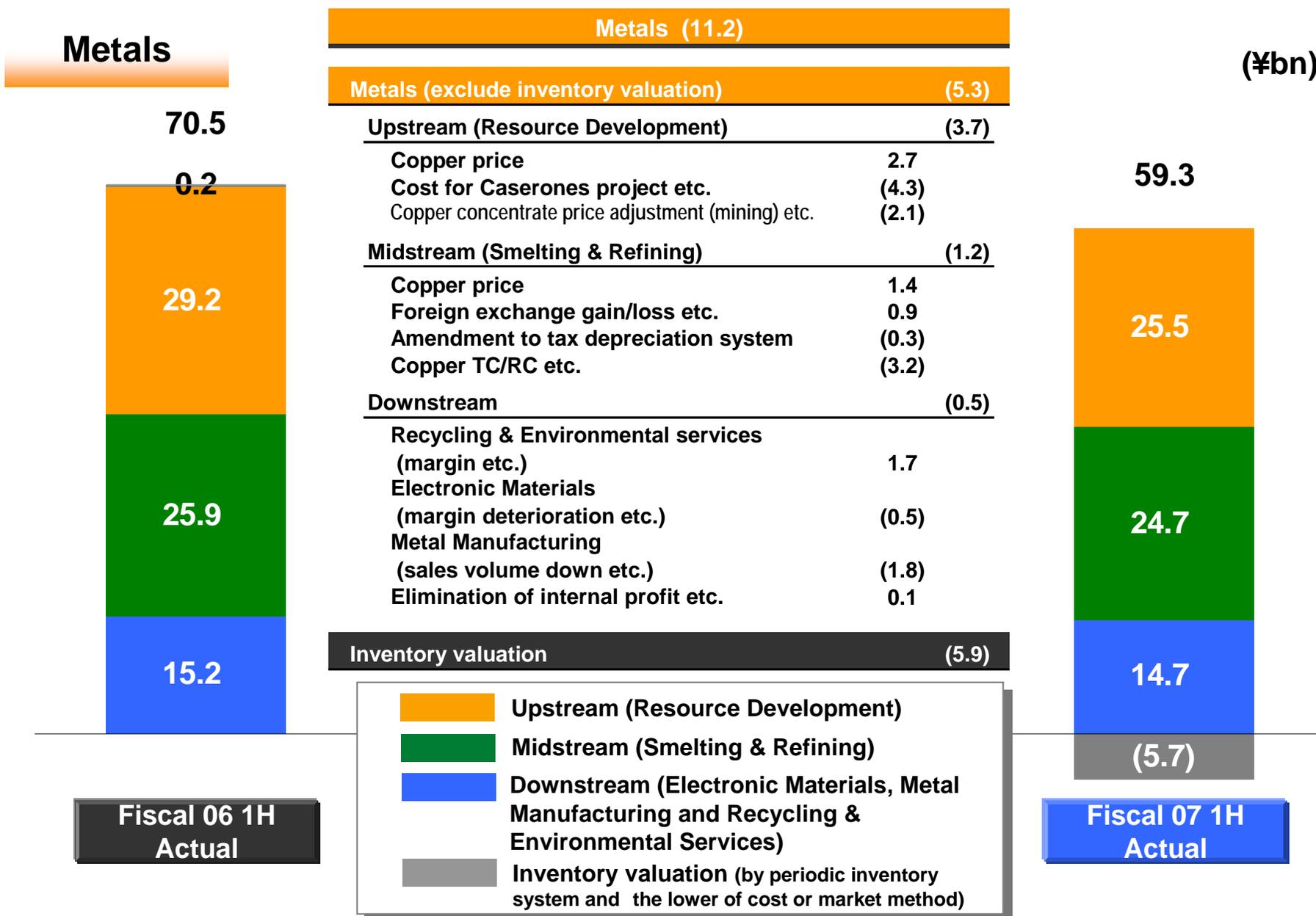
Fiscal 06 1H Actual

Fiscal 07 1H Actual

- Upstream (Exploration & Development)
- Midstream (Refining & Marketing)
- Downstream (Petrochemicals)
- Inventory valuation (by periodic inventory system and the lower of cost or market method)

Fiscal 2007 1H >> Changes in income before special items by segment

Fiscal 07 1H Actual vs. Fiscal 06 1H Actual (3)



*Upstream (Resource Development), Midstream (Smelting & Refining) and Downstream (Recycling & Environmental Services) correspond with "Resources and Metals" in "Metals" segment in financial statement.

Fiscal 2007 1H >> Changes in income before special items by segment

Detailed analysis charts



	Fiscal 2007 1H Actual (A)					Fiscal 2006 1H Actual (B)					Difference (A) - (B)				
	Nippon Mining Holdings, Inc. & consolidated subsidiaries					Nippon Mining Holdings, Inc. & consolidated subsidiaries					Nippon Mining Holdings, Inc. & consolidated subsidiaries				
	Excluding extra factors *1	Inventory valuation *2	Changes in regulation for depreciation *3	Equity in income of affiliates	Total	Excluding extra factors *1	Inventory valuation *2	Changes in regulation for depreciation *3	Equity in income of affiliates	Total	Excluding extra factors *1	Inventory valuation *2	Changes in regulation for depreciation *3	Equity in income of affiliates	Total
(billions of yen)															
Petroleum	5.8	25.1	(2.2)	3.3	32.1	15.0	22.7	-	3.9	41.7	(9.2)	2.4	(2.2)	(0.6)	(9.6)
Upstream (Exploration & Development)	2.9			3.8	6.7	2.9			3.9	6.8	(0.1)	-	-	(0.1)	(0.2)
Midstream (Refining & Marketing)	(4.3)	25.1	(2.2)	(0.5)	18.1	0.8	22.7		(0.0)	23.5	(5.1)	2.4	(2.2)	(0.5)	(5.4)
Downstream (Petrochemicals)	7.3				7.3	11.4				11.4	(4.0)	-	-	-	(4.0)
Metals	26.1	(5.7)	(0.5)	39.3	59.3	34.4	0.2	-	35.9	70.5	(8.3)	(5.9)	(0.5)	3.5	(11.2)
Upstream (Resource Development) *4	(5.4)		(0.0)	30.9	25.5	(1.6)			30.8	29.2	(3.8)	-	(0.0)	0.1	(3.7)
Midstream (Smelting & Refining) *4	16.6	0.1	(0.3)	8.4	24.8	20.9			5.0	25.9	(4.2)	0.1	(0.3)	3.4	(1.1)
Downstream	14.8	(5.8)	(0.1)	0.0	8.9	15.2	0.2		0.0	15.4	(0.3)	(6.0)	(0.1)	0.0	(6.5)
Recycling & Environmental Services *4	5.5		(0.0)		5.5	3.8				3.8	1.7	-	(0.0)	-	1.7
Electronic Materials	4.4	(5.5)	(0.1)		(1.2)	4.8	0.2			5.1	(0.5)	(5.7)	(0.1)	-	(6.3)
Metal Manufacturing	3.2	0.0	(0.1)	0.0	3.1	4.9			0.0	4.9	(1.8)	0.0	(0.1)	0.0	(1.8)
Eliminations in Metals segment *4	1.8	(0.3)	(0.0)	0.0	1.4	1.6			0.0	1.6	0.2	(0.3)	(0.0)	(0.0)	(0.2)
Others	3.1	(0.5)	(0.0)	1.8	4.4	1.9			1.5	3.4	1.2	(0.5)	(0.0)	0.3	1.0
Total	35.0	18.9	(2.7)	44.4	95.7	51.3	23.0	-	41.3	115.6	(16.3)	(4.1)	(2.7)	3.1	(19.9)
Upstream	(2.5)	-	(0.0)	34.7	32.2	1.3	-	-	34.7	36.0	(3.8)	-	(0.0)	(0.0)	(3.8)
Midstream	12.3	25.2	(2.5)	7.9	42.9	21.6	22.7	-	5.0	49.4	(9.3)	2.5	(2.5)	2.8	(6.5)
Downstream	22.2	(5.8)	(0.1)	0.0	16.3	26.5	0.2	-	0.0	26.8	(4.4)	(6.0)	(0.1)	0.0	(10.5)
Others	3.1	(0.5)	(0.0)	1.8	4.4	1.9	-	-	1.5	3.4	1.2	(0.5)	(0.0)	0.3	1.0
Income before special items excluding inventory valuation and changes in regulation for depreciation.				79.5					92.6					(13.2)	

*1 Extra factors: Inventory valuation gain or loss and changes in regulation for depreciation.

*2 Inventory valuation by the lower of cost or market method included in inventory valuation.

*3 Increase in depreciation by removal of allowable limit for depreciation in Fiscal 2007.

*4 Upstream (Resource Development), Midstream (Smelting & Refining) and Downstream (Recycling & Environmental Services and a portion of Eliminations in Metals segment) correspond with "Resources and Metals" in Metals segment in financial statement.

Fiscal 2007 Forecast >> Key Points



Key factors (vs. Fiscal 2006)

- Exchange rate
117 115 ¥/\$ appreciation
- Crude Oil FOB (Dubai spot)
60.9 70.0 \$/bbl price up
- Copper price (LME)
316 339 ¢/lb price up

Sales

¥ 4,200.0 bn
10% up (vs. Fiscal 2006)

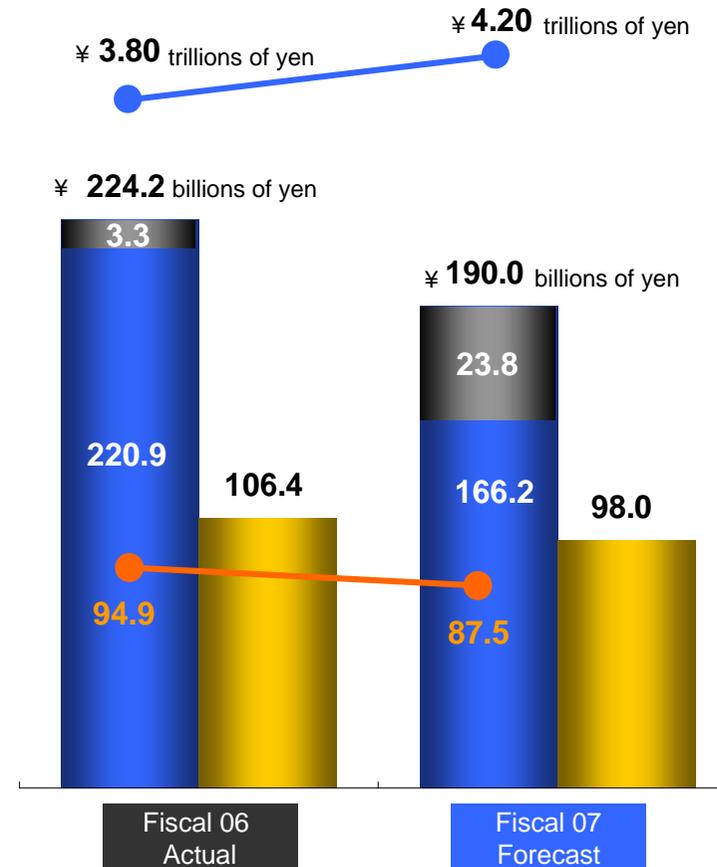
Income before special items

¥ 190.0 bn
15% down (vs. Fiscal 2006)
- Equity in income of non-consolidated subsidiaries and affiliates
¥ 87.5 bn
8% down (vs. Fiscal 2006)

Net income

¥ 98.0 bn
8% down (vs. Fiscal 2006)

Sales, Income, etc. (Fiscal 2007 / Consolidated)

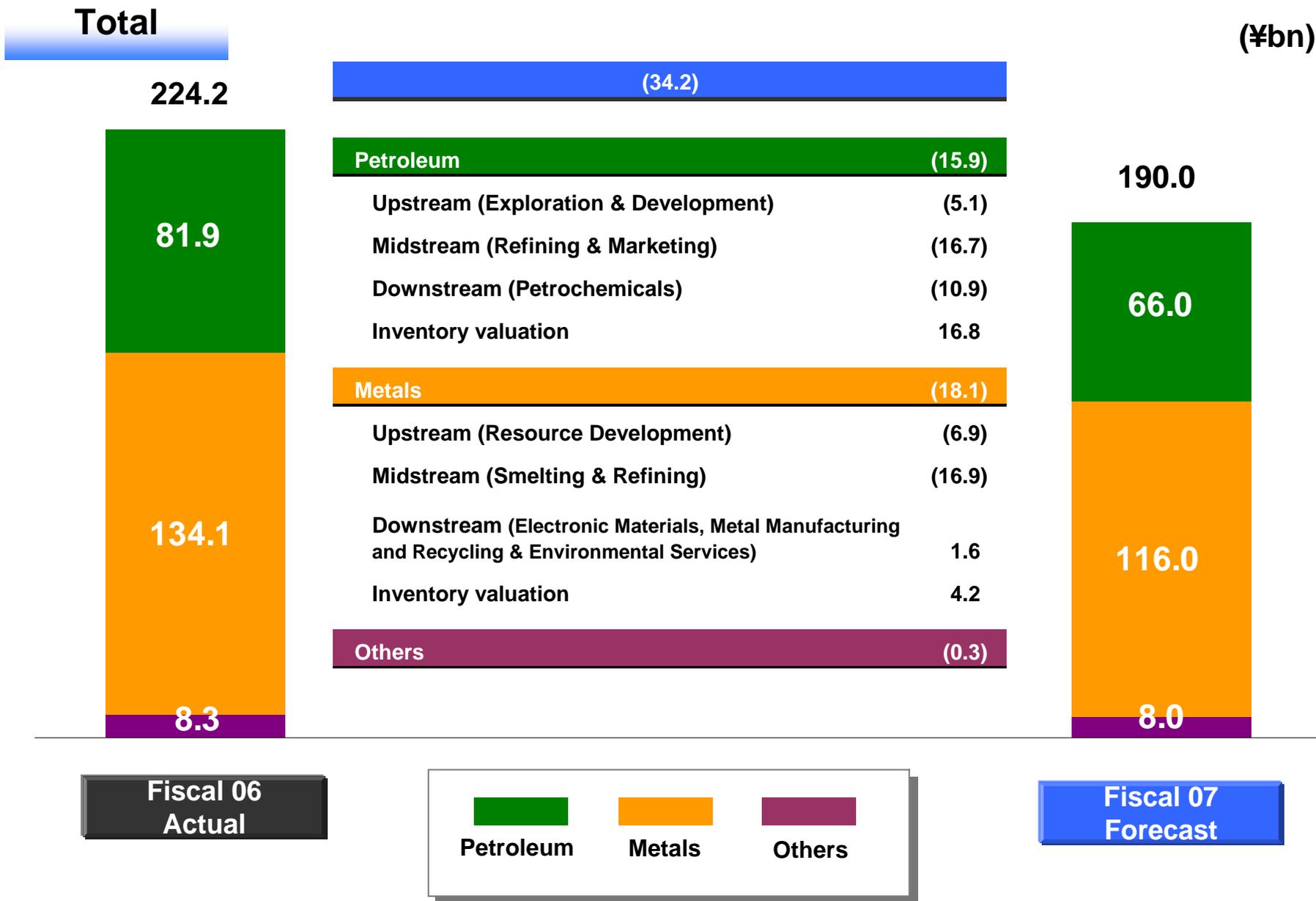


■ Income before special items (excludes inventory valuation*) (¥bn)
■ Inventory valuation* (¥bn)
■ Net income (¥bn)

● Sales (¥tn)
● Equity in income of non-consolidated subsidiaries and affiliates (¥bn)

*Inventory valuation by periodic inventory system and the lower of cost or market method

Fiscal 2007 >> Changes in income before special items by segment
Fiscal 07 Forecast vs. Fiscal 06 Actual (1)

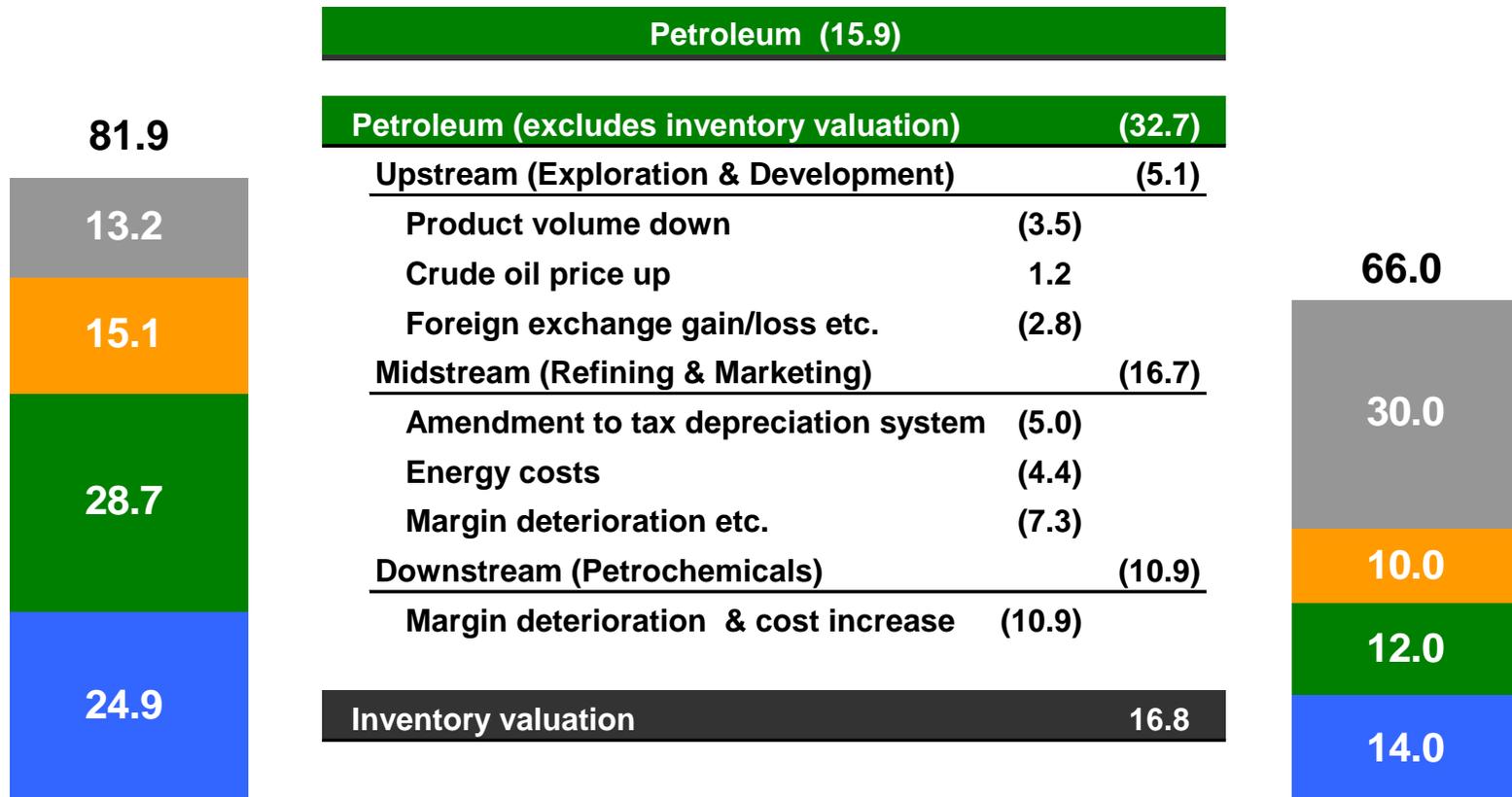


Fiscal 2007 >> Changes in income before special items by segment
Fiscal 07 Forecast vs. Fiscal 06 Actual (2)



Petroleum

(¥bn)



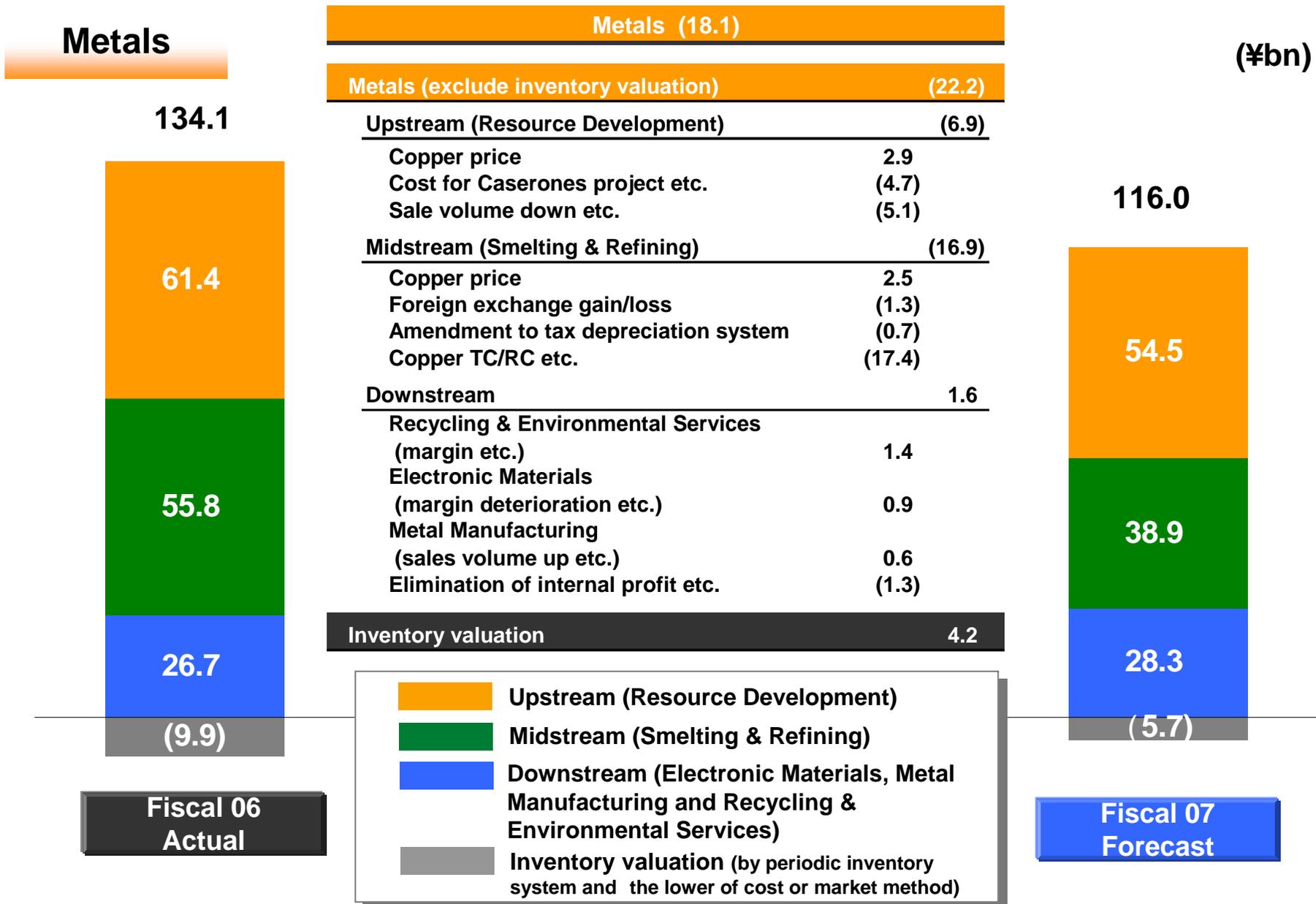
Fiscal 06 Actual

Fiscal 07 Forecast

- Upstream (Exploration & Development)
- Midstream (Refining & Marketing)
- Downstream (Petrochemicals)
- Inventory valuation (by periodic inventory system and the lower of cost or market method)

Fiscal 2007 >> Changes in income before special items by segment

Fiscal 07 Forecast vs. Fiscal 06 Actual (3)



*Upstream (Resource Development), Midstream (Smelting & Refining) and Downstream (Recycling & Environmental Services) correspond with "Resources and Metals" in "Metals" segment in financial statement.

Fiscal 2007 >> Changes in income before special items by segment

Detailed analysis charts



	Fiscal 2007 Forecast (A)					Fiscal 2006 Actual (B)					Difference (A) - (B)				
	Nippon Mining Holdings, Inc. & consolidated subsidiaries			Equity in income of affiliates	Total	Nippon Mining Holdings, Inc. & consolidated subsidiaries			Equity in income of affiliates	Total	Nippon Mining Holdings, Inc. & consolidated subsidiaries			Equity in income of affiliates	Total
	Excluding extra factors *1	Inventory valuation *2	Changes in regulation for depreciation *3			Excluding extra factors *1	Inventory valuation *2	Changes in regulation for depreciation *3			Excluding extra factors *1	Inventory valuation *2	Changes in regulation for depreciation *3		
(billions of yen)															
Petroleum	35.5	30.0	(5.0)	5.5	66.0	61.2	13.2	-	7.5	81.9	(25.7)	16.8	(5.0)	(2.0)	(15.9)
Upstream (Exploration & Development)	4.0			6.0	10.0	6.6			8.5	15.1	(2.6)	-	-	(2.5)	(5.1)
Midstream (Refining & Marketing)	17.5	30.0	(5.0)	(0.5)	42.0	29.7	13.2		(1.0)	41.9	(12.2)	16.8	(5.0)	0.5	0.1
Downstream (Petrochemicals)	14.0				14.0	24.9				24.9	(10.9)	-	-	-	(10.9)
Metals	44.2	(5.7)	(1.0)	78.5	116.0	59.5	(9.9)	-	84.5	134.1	(15.3)	4.2	(1.0)	(6.0)	(18.1)
Upstream (Resource Development) *4	(9.7)			64.2	54.5	(5.6)			67.1	61.4	(4.1)	-	-	(2.9)	(6.9)
Midstream (Smelting & Refining) *4	25.3	0.1	(0.7)	14.3	39.0	38.4	(0.3)		17.4	55.5	(13.1)	0.4	(0.7)	(3.1)	(16.5)
Downstream	28.6	(5.8)	(0.3)	0.0	22.5	26.7	(9.6)		0.0	17.1	1.9	3.8	(0.3)	(0.0)	5.4
Recycling & Environmental Services *4	10.0				10.0	8.6				8.6	1.4	-	-	-	1.4
Electronic Materials	8.8	(5.5)	(0.2)		3.1	7.7	(9.9)			(2.2)	1.1	4.4	(0.2)	-	5.3
Metal Manufacturing	7.5		(0.1)	0.0	7.4	6.8	(0.2)		0.0	6.6	0.7	0.2	(0.1)	(0.0)	0.8
Eliminations in Metals segment *4	2.3	(0.3)		0.0	2.0	3.6	0.5		0.0	4.1	(1.3)	(0.8)	-	(0.0)	(2.1)
Others	5.0	(0.5)		3.5	8.0	5.4	(0.1)		3.0	8.3	(0.4)	(0.4)	-	0.6	(0.3)
Total	84.7	23.8	(6.0)	87.5	190.0	126.0	3.3	-	94.9	224.2	(41.3)	20.5	(6.0)	(7.4)	(34.2)
Upstream	(5.7)	-	-	70.2	64.5	0.9	-	-	75.6	76.5	(6.6)	-	-	(5.4)	(12.0)
Midstream	42.8	30.1	(5.7)	13.8	81.0	68.1	13.0	-	16.4	97.4	(25.3)	17.1	(5.7)	(2.6)	(16.4)
Downstream	42.6	(5.8)	(0.3)	-	36.5	51.6	(9.6)	-	0.0	42.1	(9.0)	3.8	(0.3)	(0.0)	(5.6)
Others	5.0	(0.5)	-	3.5	8.0	5.4	(0.1)	-	3.0	8.3	(0.4)	(0.4)	-	0.6	(0.3)
Income before special items excluding inventory valuation and changes in regulation for depreciation.					172.2					220.9					(48.7)

*1 Extra factors: Inventory valuation gain or loss and changes in regulation for depreciation.

*2 Inventory valuation by the lower of cost or market method included in inventory valuation.

*3 Increase in depreciation by removal of allowable limit for depreciation in Fiscal 2007.

*4 Upstream (Resource Development), Midstream (Smelting & Refining) and Downstream (Recycling & Environmental Services and a portion of Eliminations in Metals segment) correspond with "Resources and Metals" in Metals segment in financial statement.

Balance sheets / Financial indicators



As of Sep. 30, 2007 Actual

Shareholders' equity ratio and D/E ratio improved

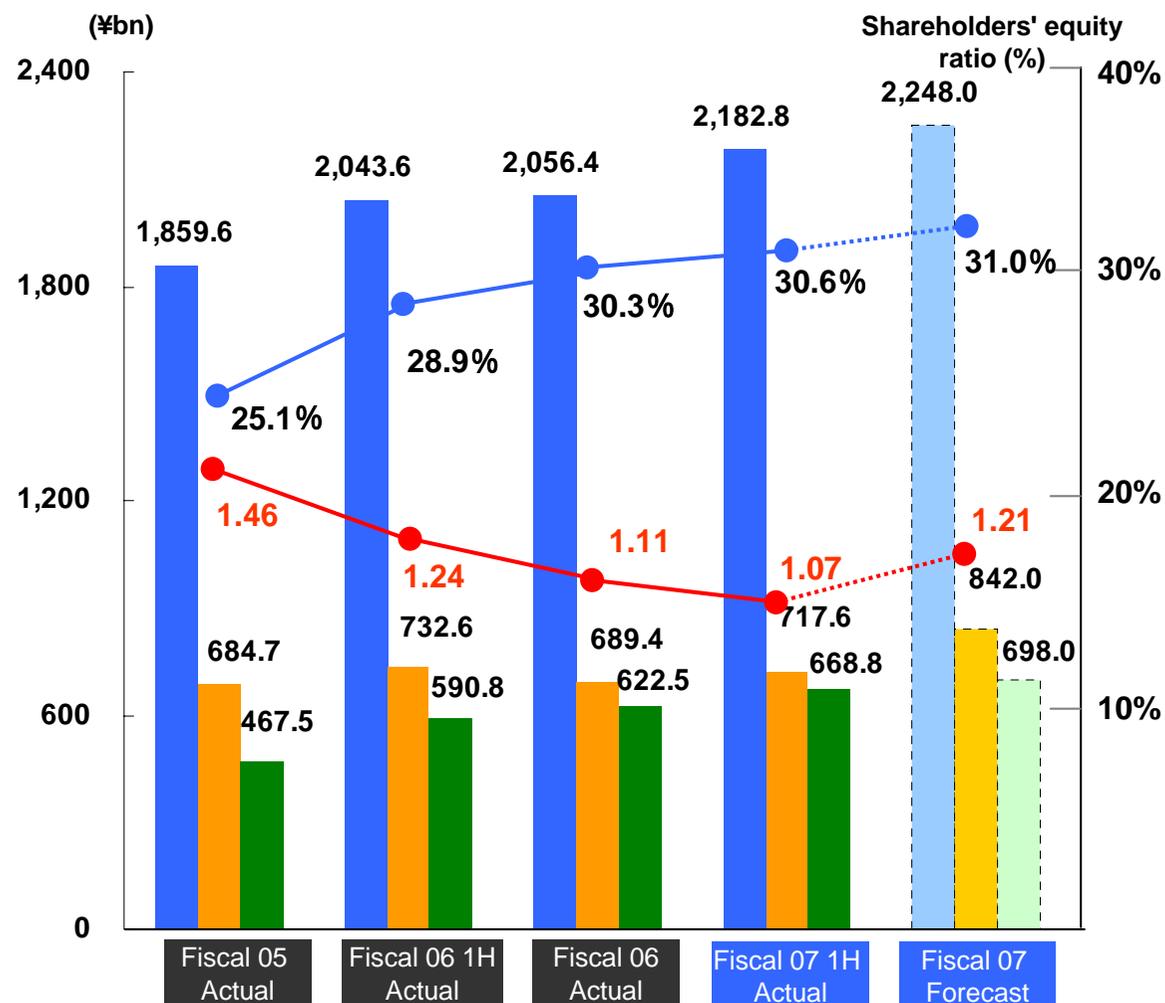
Total assets	¥ 2,182.8 bn
Interest-bearing debt	¥ 717.6 bn
Shareholders' equity	¥ 668.8 bn
Shareholders' equity ratio	30.6%
D/E ratio	1.07

As of Mar. 31, 2008 Forecast

Deteriorating D/E ratio, but shareholders' equity ratio is expected to improve

Total assets	¥ 2,248.0 bn
Interest-bearing debt	¥ 842.0 bn
Shareholders' equity	¥ 698.0 bn
Shareholders' equity ratio	31.0%
D/E ratio	1.21

Balance sheets / Financial indicators



■ Total assets (¥bn)
 ■ Interest-bearing debt (¥bn)
 ■ Shareholders' equity (¥bn) (at the end of the term)

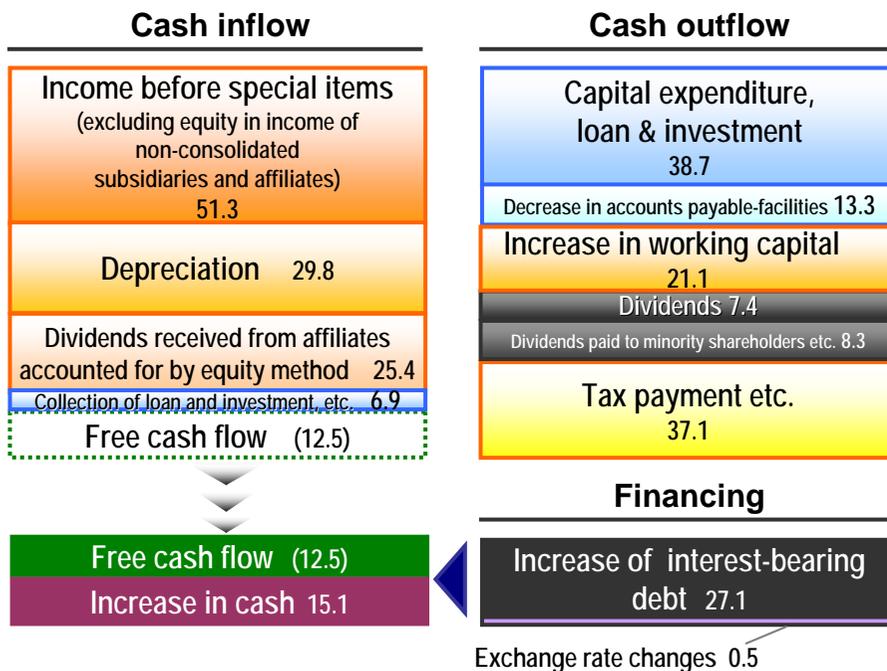
●— Shareholders' equity ratio (%)
 ●— D/E ratio

Cash flows

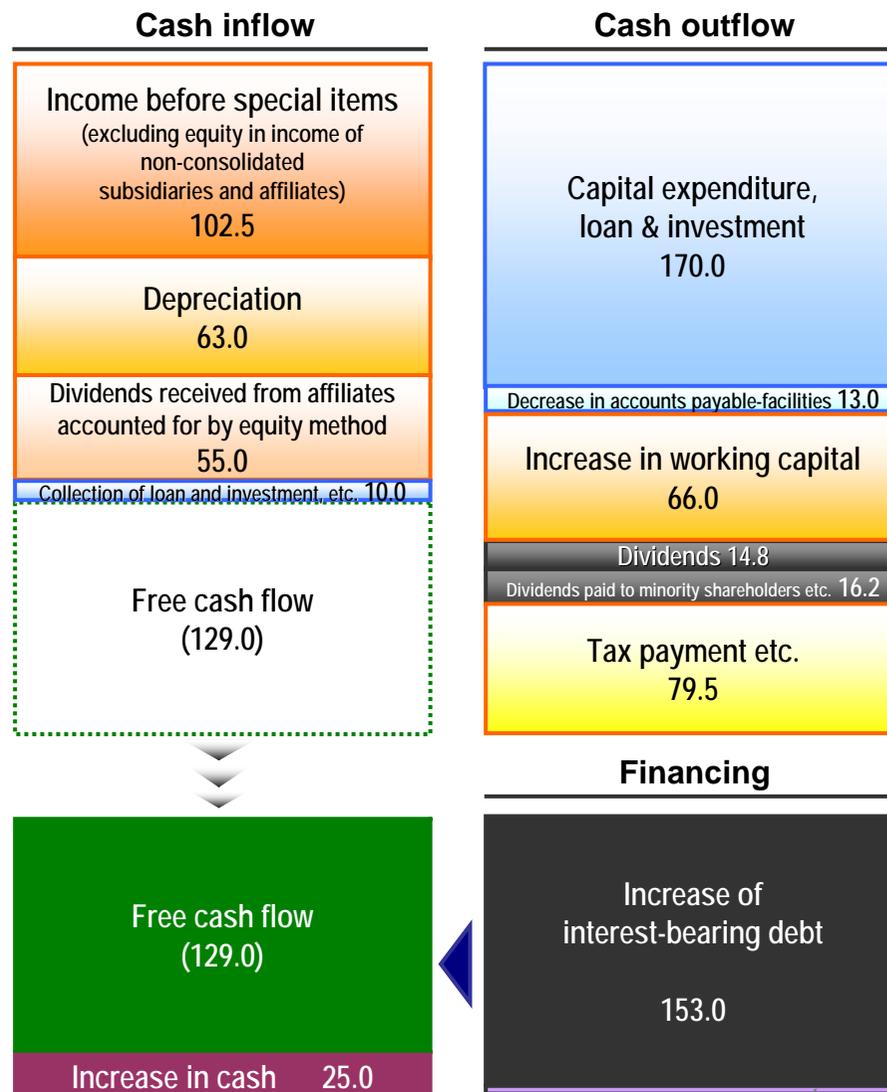


(¥bn)

Fiscal 2007 1H Actual



Fiscal 2007 Forecast



Cash flows

- Capital expenditure, loan & investment in Fiscal 2007 Forecast are based on Medium Term Management Plan of Fiscal 2007-2009.
- Increase in working capital includes impact of payment of gasoline tax depending on a term-end holiday.

Proceeds from issuance of stock to minority shareholders 1.0



■ Forward-looking statements

- **This material includes Nippon Mining Holdings' future plans, strategies, earnings forecast, and outlook**
- **Information in this material includes not only facts that have occurred, but also forecasts, assumptions and opinions based on available information as of November 7, 2007**
- **This also includes unlimited risks and uncertainties related to the economic condition, fierce competition in the industry, market demand, foreign exchange rate, tax system and other regulations**
- **Hence please note that actual results may differ from our forecasts described in this material**

Interim Financial Results FY2007

Interim Financial Results FY 2007 and Annual Forecast for FY2007

- 1 . Operating Results (consolidated) for the 1st Half of FY2007
- 2 . Annual Forecast for FY2007
 - < 1 > Comparison with FY2006 Results
 - < 2 > Comparison with Previous Forecasts (1st Half and Full Year for FY2007)

Segment Information (Interim Results and Annual Forecast)

- < 1 > Petroleum (Japan Energy Group)
- < 2 > Metals (Nippon Mining & Metals Group)
 - < 2- > Resources & Metals
 - < 2- > Electronic Materials
 - < 2- > Metal Manufacturing

Consolidated Balance Sheets, Cash Flows, etc.

- 1 . Consolidated Balance Sheets
- 2 . Consolidated Cash Flows
- 3 . Capital Expenditure and Depreciation and Amortization (consolidated)
- 4 . Interest-bearing Debt
- 5 . Dividend
- 6 . Number of Employees

NIPPON MINING HOLDINGS, INC.

November 7, 2007

The forecasts are based on the information available as of November 7, 2007. The actual results are subject to change due to changes in the business environment.

I Interim Financial Results FY 2007 and Annual Forecast for FY2007

1. Operating Results (consolidated) for the 1st Half of FY2007

(1) Outline of Consolidated Statements of Income

(Billions of Yen)	FY2007	FY2006	Difference
	1H Actual	1H Actual	
Net sales	2,010.6	1,807.5	203.1
Operating income	50.3	75.5	(25.2)
Other income and expenses, net	45.4	40.1	5.3
Equity in income of non-consolidated subsidiaries and affiliates	44.4	41.3	3.1
Other, net	0.9	(1.2)	2.2
Income before special items	95.7	115.6	(19.9)
Special profit and loss, net	2.7	8.4	(5.7)
Income taxes	35.3	37.8	(2.5)
Minority interests in earnings of consolidated subsidiaries	12.1	13.7	(1.5)
Net income	51.0	72.5	(21.5)

(2) Scope of Consolidation

① Consolidated subsidiaries	113 (1 addition, 2 reduction)
② Equity method affiliates	15 (- addition, - reduction)

(3) For the 1st Half of FY2007

① Breakdown of income before special items, ¥95.7billion

(i) Operating income, ¥50.3billion

Petroleum	¥ 28.3 billion
Metals	¥ 20.5 "
Resources & Metals	¥ 17.7 "
Electronic Materials	¥ (0.3) "
Metal Manufacturing	¥ 3.1 "
Metals Group Adjustments	¥ 0.0 "
Others	¥ 1.5 "
Total	¥ 50.3 "

(ii) Other income and expenses, net, ¥45.4billion

Interest and dividend income	¥ 2.7 billion
Exchange gain	¥ 3.5 "
Equity in income of non-consolidated subsidiaries and affiliates	¥ 44.4 "
Interest expenses	¥ (6.4) "
Other	¥ 1.1 "
Total	¥ 45.4 "

② Breakdown of special profit and loss, ¥2.7billion

Gain on sales of property, plant and equipment	¥ 1.3 "
Reversal of reserve for loss on business liquidation	¥ 2.2 "
Compensation income for expropriation	¥ 1.9 "
Loss on sales and disposal of property, plant and equipment	¥ (2.1) "
Impairment losses	¥ (0.8) "
Other	¥ 0.2 "
Total	¥ 2.7 "

(4) Segment Information

(Billions of Yen)

		FY2007	FY2006	Difference
		1H Actual	1H Actual	
Petroleum	Net sales	1,434.9	1,297.5	137.4
	Operating income	28.3	38.4	(10.2)
	Income before special items	32.1	41.7	(9.6)
Metals	Net sales	565.2	503.6	61.6
	Operating income	20.5	35.6	(15.1)
	Income before special items	59.3	70.5	(11.2)
Resources & Metals	Net sales	499.0	438.2	60.8
	Operating income	17.7	24.9	(7.2)
	Income before special items	57.3	60.1	(2.9)
Electronic Materials	Net sales	67.8	64.6	3.2
	Operating income	(0.3)	5.7	(6.0)
	Income before special items	(1.2)	5.1	(6.3)
Metal Manufacturing	Net sales	36.2	35.1	1.1
	Operating income	3.1	4.6	(1.6)
	Income before special items	3.1	4.9	(1.8)
Metals Group Adjustments	Net sales	(37.7)	(34.3)	(3.5)
	Operating income	0.0	0.3	(0.3)
	Income before special items	0.0	0.3	(0.3)
Others	Net sales	32.6	25.0	7.6
	Operating income	1.5	1.5	0.0
	Income before special items	4.4	3.4	1.0
Eliminations	Net sales	(22.1)	(18.5)	(3.6)
Total	Net sales	2,010.6	1,807.5	203.1
	Operating income	50.3	75.5	(25.2)
	Income before special items	95.7	115.6	(19.9)

(5) Key Factors

			FY2007	FY2006	Difference
			1H Actual	1H Actual	
All Segments	Exchange rate	¥/\$	119	115	4
Petroleum	Dubai spot price	\$/BBL	67.4	65.4	2.1
	Market price of paraxylene	\$/t	1,141	1,133	8
Resources & Metals	Market price of copper	¢/lb	348	338	11
	Electrolytic copper sales	Kt/period	326	308	18
Electronic Materials	Electro-deposited copper foil sales	t/month	2,065	2,038	27
	Treated rolled copper foil sales	Km/month	3,959	3,613	346
Metal Manufacturing	Products sales	Kt/period	19.8	22.5	(2.7)
	High quality products ratio	%	44%	42%	2%

2. Annual Forecast for FY2007

<1> Comparison with FY2006 Results

(1) Key Factors

			FY2007			FY2006			Difference			
			1H Actual	2H Forecast	Total	1H Actual	2H Actual	Total	1H	2H	Total	
All Segments	Exchange rate	¥/\$	119	110	115	115	119	117	4	(9)	(2)	
Petroleum	Dubai spot price	\$/BBL	67.4	72.5	70.0	65.4	56.4	60.9	2.1	16.1	9.1	
	Market price of paraxylene	\$/t	1,141	1,197	1,170	1,133	1,072	1,103	8	125	67	
Metals	Resources & Metals	Market price of copper	¢/lb	348	330	339	338	295	316	11	35	23
		Electrolytic copper sales	Kt/period	326	329	655	308	338	645	18	(8)	10
	Electronic	Electro-deposited copper foil sales	t/month	2,065	2,136	2,101	2,038	1,730	1,884	27	406	217
	Materials	Treated rolled copper foil sales	Km/month	3,959	4,000	3,979	3,613	3,562	3,588	346	438	392
	Metal Manufacturing	Products sales	Kt/period	19.8	22.8	42.6	22.5	19.7	42.2	(2.7)	3.1	0.4
	High quality products ratio	%	44%	47%	46%	42%	45%	43%	2%	2%	3%	

(2) Outline of Consolidated Statements of Income

(Billions of Yen)		FY2007			FY2006			Difference		
		1H Actual	2H Forecast	Total	1H Actual	2H Actual	Total	1H	2H	Total
Net sales		2,010.6	2,189.4	4,200.0	1,807.5	1,994.9	3,802.4	203.1	194.5	397.6
Operating income		50.3	59.7	110.0	75.5	56.7	132.3	(25.2)	2.9	(22.3)
Income before special items		95.7	94.3	190.0	115.6	108.6	224.2	(19.9)	(14.4)	(34.2)
Net income		51.0	47.0	98.0	72.5	33.9	106.4	(21.5)	13.1	(8.4)
Earnings per share (yen)		55.04		105.74	82.64		117.98	(27.60)		(12.24)
Number of shares (1,000 shares)		926,850		926,813	877,447		902,128			

*Earnings per share of the annual forecast for FY2007 is calculated on the basis of the number of shares outstanding at the end of September, 2007.

*Total 80,000,000 new shares were issued in July and August, 2006.

※Profit or loss in inventory valuation

Inventory valuation by periodic inventory system	23.9	4.9	28.8	23.0	(11.0)	12.0	0.9	15.8	16.8
Inventory valuation by the lower of cost or market method	(5.0)	-	(5.0)	-	(8.7)	(8.7)	(5.0)	8.7	3.7
Total	18.9	4.9	23.8	23.0	(19.7)	3.3	(4.1)	24.5	20.5

(3) Segment Information

(Billions of Yen)		FY2007			FY2006			Difference		
		1H Actual	2H Forecast	Total	1H Actual	2H Actual	Total	1H	2H	Total
Petroleum	Net sales	1,434.9	1,645.1	3,080.0	1,297.5	1,458.2	2,755.7	137.4	186.8	324.3
	Operating income	28.3	35.7	64.0	38.4	37.5	75.9	(10.2)	(1.8)	(11.9)
	Income before special items	32.1	33.9	66.0	41.7	40.2	81.9	(9.6)	(6.3)	(15.9)
Metals	Net sales	565.2	524.8	1,090.0	503.6	520.5	1,024.1	61.6	4.3	65.9
	Operating income	20.5	20.5	41.0	35.6	16.7	52.3	(15.1)	3.7	(11.3)
	Income before special items	59.3	56.7	116.0	70.5	63.6	134.1	(11.2)	(6.8)	(18.1)
Resources & Metals	Net sales	499.0	456.0	955.0	438.2	448.9	887.0	60.8	7.2	68.0
	Operating income	17.7	10.6	28.3	24.9	20.2	45.1	(7.2)	(9.6)	(16.8)
	Income before special items	57.3	48.2	105.5	60.1	67.6	127.8	(2.9)	(19.4)	(22.3)
Electronic Materials	Net sales	67.8	64.2	132.0	64.6	65.0	129.6	3.2	(0.8)	2.4
	Operating income	(0.3)	5.5	5.2	5.7	(6.4)	(0.7)	(6.0)	11.9	5.9
	Income before special items	(1.2)	4.3	3.1	5.1	(7.3)	(2.2)	(6.3)	11.6	5.3
Metal Manufacturing	Net sales	36.2	39.8	76.0	35.1	35.3	70.4	1.1	4.5	5.6
	Operating income	3.1	4.4	7.5	4.6	1.4	6.1	(1.6)	3.0	1.4
	Income before special items	3.1	4.3	7.4	4.9	1.7	6.6	(1.8)	2.6	0.8
Metals Group Adjustments	Net sales	(37.7)	(35.3)	(73.0)	(34.3)	(28.6)	(62.9)	(3.5)	(6.6)	(10.1)
	Operating income	0.0	(0.0)	-	0.3	1.5	1.9	(0.3)	(1.6)	(1.9)
	Income before special items	0.0	(0.0)	-	0.3	1.5	1.9	(0.3)	(1.6)	(1.9)
Others	Net sales	32.6	41.4	74.0	25.0	40.7	65.7	7.6	0.7	8.3
	Operating income	1.5	3.5	5.0	1.5	2.5	4.0	0.0	1.0	1.0
	Income before special items	4.4	3.6	8.0	3.4	4.9	8.3	1.0	(1.2)	(0.3)
Eliminations	Net sales	(22.1)	(21.9)	(44.0)	(18.5)	(24.5)	(43.0)	(3.6)	2.7	(1.0)
Total	Net sales	2,010.6	2,189.4	4,200.0	1,807.5	1,994.9	3,802.4	203.1	194.5	397.6
	Operating income	50.3	59.7	110.0	75.5	56.7	132.3	(25.2)	2.9	(22.3)
	Income before special items	95.7	94.3	190.0	115.6	108.6	224.2	(19.9)	(14.4)	(34.2)

※Profit or loss in inventory valuation by segment

Petroleum	Inventory valuation by periodic inventory system	25.1	4.9	30.0	22.7	(8.5)	14.2	2.4	13.4	15.8
	Inventory valuation by the lower of cost or market method	0.0	-	0.0	-	(1.0)	(1.0)	0.0	1.0	1.0
	Total	25.1	4.9	30.0	22.7	(9.5)	13.2	2.4	14.4	16.8
Metals	Inventory valuation by periodic inventory system	(1.2)	-	(1.2)	0.2	(2.4)	(2.2)	(1.4)	2.4	1.0
	Inventory valuation by the lower of cost or market method	(4.5)	-	(4.5)	-	(7.7)	(7.7)	(4.5)	7.7	3.2
	Total	(5.7)	-	(5.7)	0.2	(10.1)	(9.9)	(5.9)	10.1	4.2

(4) Comparison of Income before Special Items (FY2007 vs. FY2006)

(Billions of Yen)	FY2007 Forecast	FY2006 Actual	Difference	Note
Petroleum	66.0	81.9	(15.9)	<ul style="list-style-type: none"> *Increase in profit in inventory valuation, 16.8bn (FY2006: 13.2bn→FY2007: 30.0bn) *Petrochemicals, (10.9bn) *Increase in energy costs, (4.4bn) *Amendment to tax depreciation system, (5.0bn) *Margin deterioration, etc., (12.4bn)
Metals	116.0	134.1	(18.1)	
Resources & Metals	105.5	127.8	(22.3)	<u>Resources & Metals Company and consolidated subsidiaries (16.3bn)</u> <ul style="list-style-type: none"> *Increase in profit from Recycling & Environmental Services business *TC/RC deterioration *Increase in cost for Caserones project, etc. <u>Equity in Income of Non-consolidated Subsidiaries and Affiliates (6.0bn)</u> <ul style="list-style-type: none"> *Copper price up *TC/RC deterioration (LS-Nikko Copper) *Reduction of output (Overseas mines)
Electronic Materials	3.1	(2.2)	5.3	<ul style="list-style-type: none"> *Increase in products sales *Improvement in margin *Decrease in loss in inventory valuation, 4.4bn (FY2006: (9.9bn)→FY2007: (5.5bn))
Metal Manufacturing	7.4	6.6	0.8	<ul style="list-style-type: none"> *Sales increase in Copper foil, Corson alloy and other products *Decrease in loss in consolidated subsidiaries, etc.
Metals Group Adjustments	-	1.9	(1.9)	Elimination of internal profit etc.
Others	8.0	8.3	(0.3)	
Total	190.0	224.2	(34.2)	

<2> Comparison with the Previous Forecast announced on 8 August (1st Half and Full Year for FY2007)

(1) Key Factors

			FY2007 (Revised Forecast)			FY2007 (Previous Forecast)			Difference			
			1H Actual	2H Forecast	Total	1H Forecast	2H Forecast	Total	1H	2H	Total	
All Segments	Exchange rate	¥/\$	119	110	115	120	115	118	(1)	(5)	(3)	
Petroleum	Dubai spot price	\$/BBL	67.4	72.5	70.0	65.6	64.0	64.8	1.8	8.5	5.2	
	Market price of paraxylene	\$/t	1,141	1,197	1,170	1,180	1,129	1,155	(39)	68	16	
Metals	Resources & Metals	Market price of copper	¢/lb	348	330	339	323	280	302	25	50	37
		Electrolytic copper sales	Kt/period	326	329	655	327	328	656	(2)	1	(0)
	Electronic Materials	Electro-deposited copper foil sales	t/month	2,065	2,136	2,101	2,044	2,133	2,088	21	3	12
		Treated rolled copper foil sales	Km/month	3,959	4,000	3,979	3,688	4,500	4,094	271	(500)	(115)
Metal Manufacturing	Products sales	Kt/period	19.8	22.8	42.6	19.7	21.6	41.3	0.2	1.2	1.4	
	High quality products ratio	%	44%	47%	46%	43%	45%	44%	1%	2%	2%	

(2) Outline of Consolidated Statements of Income

(Billions of Yen)		FY2007 (Revised Forecast)			FY2007 (Previous Forecast)			Difference		
		1H Actual	2H Forecast	Total	1H Forecast	2H Forecast	Total	1H	2H	Total
Net sales		2,010.6	2,189.4	4,200.0	1,980.0	2,014.0	3,994.0	30.6	175.4	206.0
Operating income		50.3	59.7	110.0	53.0	66.0	119.0	(2.7)	(6.3)	(9.0)
Income before special items		95.7	94.3	190.0	94.0	96.0	190.0	1.7	(1.7)	-
Net income		51.0	47.0	98.0	52.0	53.0	105.0	(1.0)	(6.0)	(7.0)
Earnings per share (yen)		55.04		105.74	56.10		113.29	(1.07)		(7.55)
Number of shares (1,000 shares)		926,850		926,813	926,860		926,860			

*Earnings per share of the forecast for FY2007 is calculated on the basis of the number of shares outstanding at the end of September, 2007.

※Profit or loss in inventory valuation

Inventory valuation by periodic inventory system	23.9	4.9	28.8	25.6	-	25.6	(1.7)	4.9	3.2
Inventory valuation by the lower of cost or market method	(5.0)	-	(5.0)	(0.8)	-	(0.8)	(4.2)	-	(4.2)
Total	18.9	4.9	23.8	24.8	-	24.8	(5.9)	4.9	(1.0)

(3) Segment Information

(Billions of Yen)		FY2007 (Revised Forecast)			FY2007 (Previous Forecast)			Difference		
		1H Actual	2H Forecast	Total	1H Forecast	2H Forecast	Total	1H	2H	Total
Petroleum	Net sales	1,434.9	1,645.1	3,080.0	1,420.0	1,500.0	2,920.0	14.9	145.1	160.0
	Operating income	28.3	35.7	64.0	28.0	41.5	69.5	0.3	(5.8)	(5.5)
	Income before special items	32.1	33.9	66.0	31.0	41.0	72.0	1.1	(7.1)	(6.0)
Metals	Net sales	565.2	524.8	1,090.0	545.0	503.0	1,048.0	20.2	21.8	42.0
	Operating income	20.5	20.5	41.0	24.0	22.0	46.0	(3.5)	(1.5)	(5.0)
	Income before special items	59.3	56.7	116.0	60.0	52.0	112.0	(0.7)	4.7	4.0
Resources & Metals	Net sales	499.0	456.0	955.0	482.0	407.0	889.0	17.0	49.0	66.0
	Operating income	17.7	10.6	28.3	16.0	10.5	26.5	1.7	0.1	1.8
	Income before special items	57.3	48.2	105.5	53.0	42.5	95.5	4.3	5.7	10.0
Electronic Materials	Net sales	67.8	64.2	132.0	65.0	82.0	147.0	2.8	(17.8)	(15.0)
	Operating income	(0.3)	5.5	5.2	5.5	6.5	12.0	(5.8)	(1.0)	(6.8)
	Income before special items	(1.2)	4.3	3.1	4.5	5.0	9.5	(5.7)	(0.7)	(6.4)
Metal Manufacturing	Net sales	36.2	39.8	76.0	37.0	40.0	77.0	(0.8)	(0.2)	(1.0)
	Operating income	3.1	4.4	7.5	2.5	5.0	7.5	0.6	(0.6)	-
	Income before special items	3.1	4.3	7.4	2.5	4.5	7.0	0.6	(0.2)	0.4
Metals Group Adjustments	Net sales	(37.7)	(35.3)	(73.0)	(39.0)	(26.0)	(65.0)	1.3	(9.3)	(8.0)
	Operating income	0.0	(0.0)	-	-	-	-	0.0	(0.0)	-
	Income before special items	0.0	(0.0)	-	-	-	-	0.0	(0.0)	-
Others	Net sales	32.6	41.4	74.0	35.0	36.0	71.0	(2.4)	5.4	3.0
	Operating income	1.5	3.5	5.0	1.0	2.5	3.5	0.5	1.0	1.5
	Income before special items	4.4	3.6	8.0	3.0	3.0	6.0	1.4	0.6	2.0
Eliminations	Net sales	(22.1)	(21.9)	(44.0)	(20.0)	(25.0)	(45.0)	(2.1)	3.1	1.0
Total	Net sales	2,010.6	2,189.4	4,200.0	1,980.0	2,014.0	3,994.0	30.6	175.4	206.0
	Operating income	50.3	59.7	110.0	53.0	66.0	119.0	(2.7)	(6.3)	(9.0)
	Income before special items	95.7	94.3	190.0	94.0	96.0	190.0	1.7	(1.7)	-

※Profit or loss in inventory valuation by segment

Petroleum	Inventory valuation by periodic inventory system	25.1	4.9	30.0	26.5	-	26.5	(1.4)	4.9	3.5
	Inventory valuation by the lower of cost or market method	0.0	-	0.0	(3.0)	-	(3.0)	3.0	-	3.0
	Total	25.1	4.9	30.0	23.5	-	23.5	1.6	4.9	6.5
Metals	Inventory valuation by periodic inventory system	(1.2)	-	(1.2)	(0.9)	-	(0.9)	(0.3)	-	(0.3)
	Inventory valuation by the lower of cost or market method	(4.5)	-	(4.5)	2.2	-	2.2	(6.7)	-	(6.7)
	Total	(5.7)	-	(5.7)	1.3	-	1.3	(7.0)	-	(7.0)

(4) Comparison of Income before Special Items (Results vs. Forecast for 1H of FY2007)

(Billions of Yen)	FY2007 1H Actual	FY2007 1H Forecast	Difference	Note
Petroleum	32.1	31.0	1.1	<ul style="list-style-type: none"> •Increase in profit in inventory valuation, 1.6bn (Previous Forecast: 23.5bn→Actual: 25.1bn) •Petrochemicals, (2.7bn) •Cost reduction, etc.. 2.2bn
Metals	59.3	60.0	(0.7)	
Resources & Metals	57.3	53.0	4.3	<u>Resources & Metals Company and consolidated subsidiaries, 3.6bn</u> <ul style="list-style-type: none"> •Increase in profit from Recycling & Environmental Services business •Copper price up, etc. <u>Equity in income of non-consolidated subsidiaries and affiliates, 0.7bn</u> <ul style="list-style-type: none"> •Cost reduction in LS-Nikko Copper, etc.
Electronic Materials	(1.2)	4.5	(5.7)	<ul style="list-style-type: none"> •Sales increase •Improvement in margin •Increase in loss in inventory valuation, (6.7bn) (Previous Forecast: 1.3bn→Actual: (5.5bn))
Metal Manufacturing	3.1	2.5	0.6	<ul style="list-style-type: none"> •Sales increase in Copper foil •Improvement in margin by high copper price, etc.
Metals Group Adjustments	0.0	-	0.0	
Others	4.4	3.0	1.4	Increase in profit of Independent operating companies and Functional support companies, etc.
Total	95.7	94.0	1.7	

(5) Comparison of Income before Special Items (Revised vs. Previous Forecasts for FY2007)

(Billions of Yen)	FY2007 Revised	FY2007 Previous	Difference	Note
Petroleum	66.0	72.0	(6.0)	<ul style="list-style-type: none"> •Increase in profit in inventory valuation, 6.5bn (Previous Forecast: 23.5bn→Actual: 30.0bn) •Petrochemicals, (10.0bn) •Increase in energy costs, (3.3bn)
Metals	116.0	112.0	4.0	
Resources & Metals	105.5	95.5	10.0	<u>Resources & Metals Company and consolidated subsidiaries, 3.1bn</u> <ul style="list-style-type: none"> •Increase in profit from Recycling & Environmental Services business •Copper price up, etc. <u>Equity in income of non-consolidated subsidiaries and affiliates, 6.9bn</u> <ul style="list-style-type: none"> •Copper price up, etc.
Electronic Materials	3.1	9.5	(6.4)	<ul style="list-style-type: none"> •Improvement in margin •Sales decrease •Increase in loss in inventory valuation, (6.7bn) (Previous Forecast: 1.3bn→Actual: (5.5bn))
Metal Manufacturing	7.4	7.0	0.4	<ul style="list-style-type: none"> •Sales increase in Phosphor bronze, Corson alloy, etc.
Metals Group Adjustments	-	-	-	
Others	8.0	6.0	2.0	Increase in profit of Independent operating companies and Functional support companies, etc.
Total	190.0	190.0	-	

II Segment Information

<1>Petroleum (Japan Energy Group)

(1) Operating Results

(Billions of Yen)	FY2007			FY2006			Difference		
	1H Actual	2H Forecast	Total	1H Actual	2H Actual	Total	1H	2H	Total
Net sales	1,434.9	1,645.1	3,080.0	1,297.5	1,458.2	2,755.7	137.4	186.8	324.3
Operating income	28.3	35.7	64.0	38.4	37.5	75.9	(10.2)	(1.8)	(11.9)
Income before special items	32.1	33.9	66.0	41.7	40.2	81.9	(9.6)	(6.3)	(15.9)

<FY2007 1H vs. FY2006 1H>

Factors in ¥9.6billion decrease in income before special items

- Increase in profit in inventory valuation, ¥2.4billion (FY2006 1H: ¥22.7billion→FY2007 1H: ¥25.1billion)
- Petrochemicals, (¥4.0billion)
- Others, (¥8.6billion) (Amendment to tax depreciaton system, margin deterioration, etc.)
- Improvement in other income and expenses, net, ¥0.6billion (Increase in exchange gain, etc.)

(2) Sales Volume and Growth Rate

	Domestic Sales Volume (Thousands of KL)						Growth Rate (FY2007 vs. FY2006)		
	FY2007			FY2006			1H	2H	Total
	1H Actual	2H Forecast	Total	1H Actual	2H Actual	Total			
Gasoline	3,158	2,980	6,138	3,113	2,972	6,085	101.4%	100.3%	100.9%
Naphtha	1,803	2,510	4,313	1,704	2,008	3,712	105.8%	125.0%	116.2%
Jet Fuel	305	300	605	322	330	652	94.7%	90.9%	92.8%
Kerosene	663	2,050	2,713	715	1,811	2,526	92.7%	113.2%	107.4%
Gas Oil	2,092	2,090	4,182	2,084	2,113	4,197	100.4%	98.9%	99.6%
A Heavy Fuel	1,059	1,280	2,339	1,235	1,359	2,594	85.7%	94.2%	90.2%
C Heavy Fuel	1,261	1,230	2,491	939	1,059	1,998	134.3%	116.1%	124.7%
Total	10,340	12,440	22,780	10,112	11,651	21,763	102.3%	106.8%	104.7%
Gasoline & Middle Distillation	6,972	8,400	15,372	7,148	8,254	15,402	97.5%	101.8%	99.8%

(3) Refining Volume of Crude Oil and Capacity Utilization Rate of Crude Oil Distillation Units

		FY2007			FY2006					
		Apr.-Jun. Actual	Jul.-Sep. Actual	1H Actual	Apr.-Jun. Actual	Jul.-Sep. Actual	1H Actual	Oct.-Dec. Actual	Jan.-Mar. Actual	Total
Group Total	Refining volume (ten thousand of KL)	467	562	1,029	453	583	1,035	569	552	2,156
	Utilization rate	80%	93%	85%	79%	98%	89%	94%	93%	91%
	Comparison with previous year	103%	96%	99%	100%	110%	105%	105%	101%	104%
Mizushima	Refining volume (ten thousand of KL)	195	287	482	294	297	591	293	279	1,163
	Utilization rate	66%	96%	81%	99%	99%	99%	98%	95%	98%
	Comparison with previous year	66%	97%	82%	149%	110%	127%	105%	96%	112%
Kashima	Refining volume (millions of KL)	272	275	547	159	286	445	276	272	993
	Utilization rate	90%	90%	90%	57%	98%	78%	90%	91%	84%
	Comparison with previous year	171%	96%	123%	62%	111%	86%	104%	106%	96%

Refining Capacity of Japan Energy Group's Refineries

- Japan Energy Mizushima Refinery : 205,200 Barrels/Day
- Kashima Oil Kashima Refinery : 210,000 Barrels/Day

(4) Number of JOMO Service Stations

	Mar. 31, 2002	Mar. 31, 2003	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007	Sep. 30, 2007
Owned by Japan Energy	1,284	1,229	1,207	1,172	1,154	1,143	1,130
<Self-SS>	105	227	264	297	347	384	401
Owned by wholesalers and others	3,192	3,067	2,943	2,851	2,679	2,565	2,518
<Self-SS>	59	95	121	143	187	222	236
Total	4,476	4,296	4,150	4,023	3,833	3,708	3,648
<Self-SS>	164	322	385	440	534	606	637

<2>Metals (Nippon Mining & Metals Group)

Operating Results

(Billions of Yen)

		FY2007			FY2006			Difference		
		1H Actual	2H Forecast	Total	1H Actual	2H Actual	Total	1H	2H	Total
Metals	Net sales	565.2	524.8	1,090.0	503.6	520.5	1,024.1	61.6	4.3	65.9
	Operating income	20.5	20.5	41.0	35.6	16.7	52.3	(15.1)	3.7	(11.3)
	Income before special items	59.3	56.7	116.0	70.5	63.6	134.1	(11.2)	(6.8)	(18.1)
Resources & Metals	Net sales	499.0	456.0	955.0	438.2	448.9	887.0	60.8	7.2	68.0
	Operating income	17.7	10.6	28.3	24.9	20.2	45.1	(7.2)	(9.6)	(16.8)
	Income before special items	57.3	48.2	105.5	60.1	67.6	127.8	(2.9)	(19.4)	(22.3)
Electronic Materials	Net sales	67.8	64.2	132.0	64.6	65.0	129.6	3.2	(0.8)	2.4
	Operating income	(0.3)	5.5	5.2	5.7	(6.4)	(0.7)	(6.0)	11.9	5.9
	Income before special items	(1.2)	4.3	3.1	5.1	(7.3)	(2.2)	(6.3)	11.6	5.3
Metal Manufacturing	Net sales	36.2	39.8	76.0	35.1	35.3	70.4	1.1	4.5	5.6
	Operating income	3.1	4.4	7.5	4.6	1.4	6.1	(1.6)	3.0	1.4
	Income before special items	3.1	4.3	7.4	4.9	1.7	6.6	(1.8)	2.6	0.8
Metals Group Adjustments	Net sales	(37.7)	(35.3)	(73.0)	(34.3)	(28.6)	(62.9)	(3.5)	(6.6)	(10.1)
	Operating income	0.0	(0.0)	–	0.3	1.5	1.9	(0.3)	(1.6)	(1.9)
	Income before special items	0.0	(0.0)	–	0.3	1.5	1.9	(0.3)	(1.6)	(1.9)

<2-①>Resources & Metals

(1) Operating Results

(Billions of Yen)	FY2007			FY2006			Difference		
	1H Actual	2H Forecast	Total	1H Actual	2H Actual	Total	1H	2H	Total
Net sales	499.0	456.0	955.0	438.2	448.9	887.0	60.8	7.2	68.0
Operating income	17.7	10.6	28.3	24.9	20.2	45.1	(7.2)	(9.6)	(16.8)
Income before special items	57.3	48.2	105.5	60.1	67.6	127.8	(2.9)	(19.4)	(22.3)

<FY2007 1H vs.FY2006 1H>

Factors in ¥2.9billion decrease in income before special items

- Resources & Metals Company and consolidated subsidiaries, (¥6.3billion)
 - Increase in profit from Recycling & Environmental Services business
 - TC/RC depreciation
 - Increase in cost for Caserones project, etc.
- Equity in income of non-consolidated subsidiaries and affiliates, ¥3.4billion
 - Copper price up etc. (Y2006 1H: 276 ¢ /lb→Y2007 1H: 308 ¢ /lb)

(2) Price and Sales Volume

			FY2007			FY2006			Difference		
			1H Actual	2H Forecast	Total	1H Actual	2H Actual	Total	1H	2H	Total
Price	Copper	¢ /lb	348	330	339	338	295	316	11	35	23
	Gold	\$/TOZ	674	600	637	625	632	629	49	(32)	8
	Platinum	\$/TOZ	1,290	1,100	1,195	1,200	1,160	1,180	90	(60)	15
	Palladium	\$/TOZ	358	300	329	335	332	333	23	(32)	(4)
Sales volume	Copper	Kt/period	326	329	655	308	338	645	18	(8)	10

<2-②>Electronic Materials

(1) Operating Results

(Billions of Yen)	FY2007			FY2006			Difference		
	1H Actual	2H Forecast	Total	1H Actual	2H Actual	Total	1H	2H	Total
Net sales	67.8	64.2	132.0	64.6	65.0	129.6	3.2	(0.8)	2.4
Operating income	(0.3)	5.5	5.2	5.7	(6.4)	(0.7)	(6.0)	11.9	5.9
Income before special items	(1.2)	4.3	3.1	5.1	(7.3)	(2.2)	(6.3)	11.6	5.3

<FY2007 1H vs. FY2006 1H>

Factors in ¥6.3billion decrease in income before special items

• Operating income, (¥6.0billion)

Electro-deposited copper foil	¥0.5billion
Treated rolled copper foil	(¥0.1billion)
Sputtering targets	(¥0.5billion)
Expenses including R&D expenditures	(¥0.1billion)
Inventory valuation	(¥5.7billion)

• Other income (expenses), (¥0.3billion)

Exchange gain and loss	(¥0.2billion)
Interest expenses	(¥0.3billion)
Other	¥0.2billion

(2) Breakdown by Products

(Billions of Yen)		FY2007			FY2006			Difference		
		1H Actual	2H Forecast	Total	1H Actual	2H Actual	Total	1H	2H	Total
Electro-deposited and Treated rolled copper foil	Net sales	28.3	22.2	50.6	24.6	24.4	49.0	3.8	(2.2)	1.6
	Operating income	2.7	2.0	4.7	2.3	2.6	5.0	0.4	(0.6)	(0.2)
Sputtering targets	Net sales	34.3	36.8	71.1	32.1	32.7	64.8	2.2	4.1	6.3
	Operating income	3.0	4.7	7.7	3.5	1.3	4.8	(0.5)	3.4	2.9
Compound semiconductor materials and Others	Net sales	5.2	5.2	10.4	7.9	7.8	15.8	(2.8)	(2.6)	(5.4)
	Operating income	(0.5)	(1.2)	(1.8)	(0.4)	(0.2)	(0.6)	(0.1)	(1.0)	(1.1)
Inventory valuation	Operating income	(5.5)	-	(5.5)	0.2	(10.1)	(9.9)	(5.7)	10.1	4.4
Total	Net sales	67.8	64.2	132.0	64.6	65.0	129.6	3.2	(0.8)	2.4
	Operating income	(0.3)	5.5	5.2	5.7	(6.4)	(0.7)	(6.0)	11.9	5.9

<2-③> Metal Manufacturing

(1) Operating Results

(Billions of Yen)	FY2007			FY2006			Difference		
	1H Actual	2H Forecast	Total	1H Actual	2H Actual	Total	1H	2H	Total
Net sales	36.2	39.8	76.0	35.1	35.3	70.4	1.1	4.5	5.6
Operating income	3.1	4.4	7.5	4.6	1.4	6.1	(1.6)	3.0	1.4
Income before special items	3.1	4.3	7.4	4.9	1.7	6.6	(1.8)	2.6	0.8

<FY2007 1H vs. FY2006 1H>

Factors in ¥1.8billion decrease in the income before special items

- Sales increase, ¥0.3billion (Copper foil, Titanium copper, etc.)
- Sales decrease, (¥1.0billion) (Phosphor bronze, Invar, Production on consignment, etc.)
- Other, (¥1.1billion) (Metals prices down, (¥0.6billion), Other income and expenses), (¥0.2billion), etc.)

(2) Sales by Products

(Billions of Yen)	FY2007			FY2006			Difference			
	1H Actual	2H Forecast	Total	1H Actual	2H Actual	Total	1H	2H	Total	
Precision Rolling	Phosphor bronze	12.9	12.8	25.7	12.3	11.7	24.0	0.6	1.1	1.7
	Wrought Corson alloy	4.6	4.5	9.1	3.9	4.2	8.1	0.7	0.3	1.0
	Copper Copper foil	4.7	4.2	8.9	4.2	3.5	7.7	0.5	0.7	1.2
	Others	6.5	7.3	13.8	6.4	5.6	12.0	0.1	1.7	1.8
	Special Steel	1.7	1.3	3.0	3.7	2.6	6.3	(2.0)	(1.3)	(3.3)
Precision Fabrication	6.5	7.4	13.9	6.3	5.5	11.8	0.2	1.9	2.1	
Eliminations	(0.7)	2.3	1.6	(1.7)	2.2	0.5	1.0	0.1	1.1	
Total	36.2	39.8	76.0	35.1	35.3	70.4	1.1	4.5	5.6	

III Consolidated Balance Sheets, Cash Flows, etc.

1. Consolidated Balance Sheets

	Sep. 30,	Mar. 31,	(A)-(B)	(Billions of Yen)	
	2007(A) Actual	2007(B) Actual	(A)-(B) Difference	Mar. 31, 2008(C) Forecast	(C)-(B) Difference
Total assets	2,182.8	2,056.4	126.4	2,248.0	191.6
Current assets	1,105.1	996.8	108.3		
Fixed assets	1,077.8	1,059.6	18.1		
Total Liabilities	1,429.7	1,355.3	74.4	1,466.0	110.7
Current liabilities	1,049.8	973.5	76.3		
Long-term liabilities	379.9	381.8	(1.9)		
Net assets	753.1	701.1	52.0	782.0	80.9
Shareholders' equity and valuation and translation adjustment	668.8	622.5	46.3	698.0	75.5
Minority interests, etc.	84.3	78.6	5.7	84.0	5.4
Shareholders' equity ratio	30.6%	30.3%	0.3%	31.0%	0.7%
BPS (¥/share)	722	672	50	753	82
Interest-bearing debt	717.6	689.4	28.1	842.0	152.6
Debt to equity ratio	1.07	1.11	(0.04)	1.21	0.10

(*1) In calculation of Shareholders' equity ratio and BPS, "Shareholders' equity and valuation and translation adjustment" is used as shareholders' equity.

(*2) BPS of the forecast for the end of March, 2008 is calculated on the basis of the number of shares outstanding at the end of September, 2007 (926,813 thousand shares on a consolidated basis).

(1) Factors in Change from March 31, 2007 to September 30, 2007 (Billions of Yen)

Assets	126.4	Cash and cash equivalents 15.2, Notes and accounts receivable, trade and Inventories 91.6, Capital expenditures 34.0, Depreciation and amortization (29.8), Acquisition of investments in securities and lending of loans 4.7, Difference in equity in income of affiliates and dividend received from such companies 19.0, Unrealized gain on marketable securities (2.7), Other (5.6)
Liabilities	74.4	Interest-bearing debt 28.1 (Changes in amounts differ from the reduction in interest-bearing debt shown in the summary of cash flows due to the effect of translation adjustment, etc.), Notes and accounts payable, trade 70.2, Accrued income taxes, etc. (8.3), Account payable-facilities (13.3), Other (2.3)
Net Assets	52.0	Net income 51.0, Cash dividends paid (7.4), Unrealized gain on marketable securities (1.7), Accumulated translation adjustment 5.6, Minority interests, etc. 4.5

(2) Factors in Change from March 31, 2007 to March 31, 2008 (Forecast) (Billions of Yen)

Assets	191.6	Cash and cash equivalents 24.8, Notes and accounts receivable, trade and Inventories 53.0, Capital expenditures 115.0, Depreciation and amortization (63.0), Acquisition of investments in securities and lending of loans 55.0, Difference in equity in income of affiliates and dividend received from such companies 32.5, Other (25.7)
Liabilities	110.7	Interest-bearing debt 152.6 (Changes in amounts differ from the reduction in interest-bearing debt shown in the summary of cash flows due to the effect of translation adjustment, etc.), Notes and accounts payable, trade (13.0), Other (28.9)
Net Assets	80.9	Net income 98.0, Cash dividend paid (14.8), Minority interests, etc. (2.3)

2. Consolidated Cash Flows

(Billions of Yen)

	FY2007 1H Actual	FY2006 1H Actual	FY2007 Forecast	FY2006 Actual
Cash flows from operating activities	48.3	(42.8)	75.0	41.2
Cash flows from investing activities	(45.1)	(53.3)	(173.0)	(97.6)
Cash flows from financing activities	11.4	92.7	123.0	37.4
Exchange rate changes(*1)	0.5	(0.3)	-	(0.1)
Cash(*2)	15.1	(3.7)	25.0	(19.1)
(Ref.) Free cash flow	(12.5)	(120.4)	(129.0)	(94.4)

(*1) Exchange rate changes : Effect of exchange rate changes on cash and cash equivalents

(*2) Cash : Net increase or decrease in cash and cash equivalents

(1) Factors in change from March 31, 2007 to September 30, 2007

Operating activities	48.3	Income before special items 95.7, Depreciation and amortization (including goodwill and negative goodwill) 29.8, Trade receivables, inventories and trade payables (21.1), Equity in income of non-consolidated subsidiaries and affiliates (44.4), Dividend received from affiliates accounted for by equity method 25.4, Payments for income taxes (35.9), Other (1.2)
Investing activities	(45.1)	Acquisition of property, plant and equipment and intangible assets (34.0), Acquisition of investments in securities and lending of loans (4.7), Sales or maturities of investments in securities and collection of loans, etc. 6.3, Accounts payable-facilities (13.3), Other 0.6
Financing activities	11.4	Interest-bearing debt 27.1, Cash dividends paid (7.4), Cash dividends paid to minority shareholders (8.0), Other (0.3)

(2) Factors in Change from March 31, 2007 to March 31, 2008 (Forecast)

Operating activities	75.0	Income before special items 190.0, Depreciation and amortization 63.0, Trade receivables, inventories and trade payables (66.0), Equity in income of non-consolidated subsidiaries and affiliates (87.5), Dividend received from affiliates accounted for by equity method 55.0, Payments for income taxes, etc. (79.5)
Investing activities	(173.0)	Acquisition of property, plant and equipment and intangible assets (115.0), Acquisition of investments in securities and lending of loans (55.0), Sales or maturities of investments in securities and collection of loans, etc.(includes increase (decrease) in accounts payable-facilities (3.0)
Financing activities	123.0	Interest-bearing debt 153.0, Cash dividends paid (14.8), Cash dividends paid to minority shareholders, etc. (15.2)

3. Capital Expenditure and Depreciation and Amortization (consolidated)

(Billions of Yen)

	FY2007 1H Actual	FY2006 1H Actual
Capital expenditure	34.0	35.0
Depreciation (includes amortization of goodwill)	29.8	24.3
Difference	4.1	10.8

FY2007 Forecast	FY2006 Actual
115.0	98.1
63.0	51.6
52.0	46.5

Investments and long-term loans	4.7	38.5
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55.0	40.1
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(1) Capital Expenditure by Segment

	FY2007 1H Actual	FY2006 1H Actual
Petroleum	23.7	18.7
Metals	9.7	15.9
Resources & Metals	4.6	8.4
Electronic Materials	3.1	3.9
Metal Manufacturing	2.0	3.6
Others*	0.5	0.5
Total	34.0	35.0

FY2007 Forecast	FY2006 Actual
74.0	62.3
39.0	34.9
19.5	19.2
13.0	9.9
6.5	5.8
2.0	0.9
115.0	98.1

*Others include eliminations or corporate.

(2) Depreciation and Amortization by Segment

	FY2007 1H Actual	FY2006 1H Actual
Petroleum	16.6	14.2
Metals	12.9	9.8
Resources & Metals	8.8	6.1
Electronic Materials	2.7	2.2
Metal Manufacturing	1.5	1.5
Others*	0.3	0.3
Total	29.8	24.3

FY2007 Forecast	FY2006 Actual
35.5	29.1
26.5	22.0
17.5	14.2
6.0	4.7
3.0	3.1
1.0	0.5
63.0	51.6

*Others include eliminations or corporate.

4. Interest-bearing Debt

(Billions of Yen)

	Sep. 30, 2007	Mar.31, 2007	Difference
Petroleum	466.7	442.5	24.2
Metals	315.5	303.9	11.6
Others*	(64.6)	(57.0)	(7.7)
Total	717.6	689.4	28.1

*Others include eliminations or corporate.

5. Dividend

	FY2006 (Actual)				FY2007 (Forecast)			
	Interim	Final	Annual	Payment Amount	Interim	Final	Annual	Payment Amount*
	¥/share	¥/share	¥/share	millions of yen	¥/share	¥/share	¥/share	millions of yen
Dividend	8.00	8.00	16.00	14,842	8.00	8.00	16.00	14,840

*Payment amount of FY2007 is calculated on the basis of the number of shares outstanding at the end of September, 2007 (927,483 thousand shares).

6. Number of Employees

(Persons)

	Mar. 31, 2006 Actual	Mar. 31, 2007 Actual	Sep. 30, 2007 Actual
Petroleum	3,920	3,999	4,171
Metals	4,348	4,704	4,768
Resources & Metals	1,553	1,843	1,931
Electronic Materials	1,373	1,426	1,375
Metal Manufacturing	1,422	1,435	1,462
Others	1,311	1,266	1,287
Total	9,579	9,969	10,226