

## Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2010 ("Fiscal 2009")

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

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 Date of filing of quarterly financial report : November 13, 2009 Start of cash dividend payments : December 4, 2009

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in Japan.

## 1. Operating results for the second quarter of Fiscal 2009 (the period from April 1, 2009 to September 30, 2009)

## (1) Operating results (Consolidated basis)

Note: Percentage figures represent changes from the corresponding previous periods.

	Sales		Operating income		Income before special items		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal 2009 2Q	1,469,431	(38.2)	24,845	(51.2)	32,747	(62.6)	18,768	(59.0)
Fiscal 2008 2Q	2,378,509	—	50,897	—	87,538	—	45,779	—

	Basic EPS		Fully diluted EPS	
	yen	sen	yen	sen
Fiscal 2009 2Q	20	26	20	24
Fiscal 2008 2Q	49	39	49	35

## (2) Financial position (Consolidated basis)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share	
	millions of yen	millions of yen	%	yen	sen
As of September 30, 2009	1,987,740	705,133	30.1	645	09
As of March 31, 2009	1,886,083	659,938	30.1	612	44

Reference: Shareholders' equity : 597,583 millions of yen as of September 30, 2009 (567,347 millions of yen as of March 31, 2009)

## 2. Cash dividends

	Cash dividends per share									
	1Q		2Q		3Q		Year-end		Total	
	yen	sen	yen	sen	yen	sen	yen	sen	yen	sen
Fiscal 2008			8	00			6	00	14	00
Fiscal 2009			7	50						
Fiscal 2009 (forecast)							7	50	15	00

Note: Revision of expected dividends during this period: Yes

## 3. Forecast for Fiscal 2009 (the period from April 1, 2009 to March 31, 2010)

Note: Percentage figures represent changes from the corresponding previous periods.

	Sales		Operating income		Income before special items		Net income		Basic EPS	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen	sen
Full year	3,120,000	(23.2)	55,000	—	75,000	—	40,000	—	43	18

Note: Revision of forecasts of consolidated operating results during this period: Yes

\*We have revised the forecasts of operating results for the fiscal year ending March 31, 2010, which was previously announced on April 30, 2009. The forecasts described above are based on information available as of the release date of this document. Actual results are subject to change due to various factors.

#### 4. Other

(1) Changes to significant subsidiaries during the period (changes in specified subsidiaries due to changes in scope of consolidation): None

(2) Application of simplified accounting methods or specific accounting methods in the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting principles, procedures, presentation, etc., pertaining to preparation of quarterly consolidated financial statements

1. Changes associated with changes in accounting standards: Yes

##### Accounting Standard for Construction Contracts

Effective for the first quarter ended June 30, 2009, the Company and its domestic subsidiaries adopted "Accounting Standard for Construction Contracts" (ASBJ Statement No.15, December 27, 2007) and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No.18, December 27, 2007). Prior to April 1, 2009, certain domestic consolidated subsidiaries principally applied the percentage-of-completion method for the construction contracts whose contract amounts were more than 1 billion yen and whose contracted construction terms were longer than one year and the completed-contract method was applied for other than those. Under ASBJ Statement No.15 and Guidance No.18, the percentage-of-completion method is applied for the construction contracts started on or after April 1, 2009, if the outcome of the construction activity can be deemed certain during the course of the activity in the second quarter ended September 30, 2009, otherwise the completed-contract method is applied. The percentage of completion at the end of each quarterly period is estimated based on the percentage of the cost incurred to the estimated total cost. This adoption had no impact on the Company's consolidated financial results for the second quarter ended September 30, 2009.

2. Other changes: None

(4) Shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock)

As of September 30, 2009:	928,462,002	As of March 31, 2009:	928,462,002
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2. Number of treasury stock outstanding

As of September 30, 2009:	2,101,603	As of March 31, 2009:	2,091,160
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3. Average number of shares outstanding (Consolidated basis)

For the second quarter of Fiscal 2009:	926,363,508	For the second quarter of Fiscal 2008:	926,828,994
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\*The aforementioned forecasts are based on available information as of the release date of this document.

Actual results are subject to change due to various factors.

## Consolidated Balance Sheets

Account title	Second quarter of Fiscal 2009	Fiscal 2008
	(As of September 30, 2009)	(As of March 31, 2009)
	millions of yen	millions of yen
<b>Assets</b>	<b>1,987,740</b>	<b>1,886,083</b>
Current assets	854,120	792,082
Cash and time deposits	66,930	118,840
Notes and accounts receivable, trade	289,529	233,130
Inventories	433,193	339,367
Other current assets	66,214	102,247
Less: Allowance for doubtful accounts	(1,746)	(1,502)
Fixed assets	1,133,620	1,094,001
Property, plant and equipment	745,071	734,802
Machinery and equipment, other, net	239,253	244,020
Land	281,391	283,184
Construction in progress	56,875	41,465
Other	167,552	166,133
Intangible assets	82,071	78,228
Investments and other long-term assets	306,478	280,971
Investments in securities	213,192	189,284
Other	94,950	93,296
Less: Allowance for doubtful accounts	(1,664)	(1,609)
<b>Total assets</b>	<b>1,987,740</b>	<b>1,886,083</b>
<b>Liabilities</b>	<b>1,282,607</b>	<b>1,226,145</b>
Current liabilities	814,652	758,450
Notes and accounts payable, trade	214,045	186,455
Short-term borrowings	370,385	361,942
Commercial paper	58,000	-
Lease obligations	1,392	1,096
Accounts payable, other	104,627	113,569
Accrued income taxes	3,916	4,309
Other current liabilities	62,287	91,079
Long-term liabilities	467,955	467,695
Bonds	35,000	35,000
Long-term debt	301,800	302,632
Lease obligations	5,100	4,361
Allowance for retirement benefits	59,604	59,427
Other long-term liabilities	66,451	66,275
<b>Net assets</b>	<b>705,133</b>	<b>659,938</b>
Shareholders' equity	620,908	606,772
Common stock	73,920	73,920
Capital surplus	226,749	226,748
Retained earnings	321,127	306,987
Less: Treasury stock, at cost	(888)	(883)
Valuation and translation adjustment	(23,325)	(39,425)
Unrealized gain on marketable securities	14,458	10,008
Deferred hedge gain (loss)	1,130	(8,328)
Surplus from land revaluation	(3,099)	(3,091)
Accumulated translation adjustment	(35,814)	(38,014)
Stock acquisition rights	611	499
Minority interests in consolidated subsidiaries	106,939	92,092
<b>Total liabilities and net assets</b>	<b>1,987,740</b>	<b>1,886,083</b>

## Consolidated Statements of Income

Account title	Second quarter of Fiscal 2008 (from April 1, 2008 to September 30, 2008)	Second quarter of Fiscal 2009 (from April 1, 2009 to September 30, 2009)
	millions of yen	millions of yen
<b>Net sales</b>	2,378,509	1,469,431
<b>Cost of sales</b>	2,231,965	1,356,858
<i>Gross profit</i>	146,544	112,573
<b>Selling, general and administrative expenses</b>	95,647	87,728
<i>Operating income</i>	50,897	24,845
<b>Other income</b>	50,067	16,610
Interest income	861	392
Dividend income	1,420	1,461
Exchange gain	-	389
Amortization of negative goodwill	482	429
Equity in income of non-consolidated subsidiaries and affiliates	43,318	10,849
Other	3,986	3,090
<b>Other expenses</b>	13,426	8,708
Interest expenses	6,561	4,611
Exchange loss	1,751	-
Other	5,114	4,097
<i>Income before special items</i>	87,538	32,747
<b>Special profit</b>	2,849	3,048
Gain on sales of property, plant and equipment	1,144	1,338
Gain on sales of investments in subsidiary	1,075	-
Gain on change in equity	-	869
Other	630	841
<b>Special loss</b>	6,825	4,821
Loss on sales of property, plant and equipment	155	260
Loss on disposal of property, plant and equipment	2,619	2,536
Impairment losses	2,156	675
Loss on write-down of investments in securities	-	340
Loss on change in calculation method of projected benefit obligation	-	388
Loss on fire accident	878	-
Other	1,017	622
<i>Income before income taxes and minority interests</i>	83,562	30,974
<b>Income taxes</b>	25,352	9,092
Current	19,925	3,785
Deferred	5,427	5,307
Minority interests in earnings of consolidated subsidiaries	12,431	3,114
<i>Net income</i>	45,779	18,768

## Consolidated Statements of Cash Flows

Account title	Second quarter of Fiscal 2008 (from April 1, 2008 to September 30, 2008)	Second quarter of Fiscal 2009 (from April 1, 2009 to September 30, 2009)
	millions of yen	millions of yen
Cash flows from operating activities		
Income before income taxes and minority interests	83,562	30,974
Depreciation and amortization	38,035	36,691
Interest and dividend income	(2,281)	(1,853)
Interest expenses	6,561	4,611
Equity in income of non-consolidated subsidiaries and affiliates	(43,318)	(10,849)
Gain on sales of investments in subsidiary	(1,075)	-
Loss on write-down of investments in securities	-	340
Loss on sales and disposal of property, plant and equipment, net	1,630	1,458
Gain on change in equity	-	(869)
Increase in trade receivables	(3,669)	(54,135)
Increase in inventories	(138,479)	(90,026)
Increase (decrease) in trade payables	(9,289)	15,185
Other, net	35,289	6,544
Subtotal	(33,034)	(61,929)
Receipts of interest and dividends	35,027	2,034
Payments for interest	(7,136)	(4,639)
Payments for special retirement benefit	-	(479)
Income taxes (paid) refund	(30,923)	5,135
Net cash used in operating activities	(36,066)	(59,878)
Cash flows from investing activities		
Payments for acquisition of investments in securities	(1,104)	(5,146)
Proceeds from sales or maturities of investments in securities	216	3,005
Payments for acquisition of property, plant and equipment	(43,141)	(49,610)
Proceeds from sales of property, plant and equipment	2,185	4,762
Payments for acquisition of intangible assets	(1,699)	(4,286)
Payments for transfer of business	-	(3,077)
Other, net	(2,993)	21
Net cash used in investing activities	(46,536)	(54,331)
Cash flows from financing activities		
Increase in short-term borrowings, net	32,824	(11,324)
Increase in commercial paper, net	47,000	58,000
Proceeds from borrowings of long-term bank loans and other	30,708	39,400
Repayments of long-term bank loans and other	(31,209)	(23,361)
Proceeds from issuance of bonds	20,000	-
Repayments of lease obligations	(125)	(653)
Proceeds from third-party allotment of shares of consolidated subsidiary	-	3,116
Cash dividends paid	(7,420)	(5,562)
Cash dividends paid to minority shareholders	(9,895)	(850)
Other, net	(42)	(14)
Net cash provided by financing activities	81,841	58,752
Effect of exchange rate changes on cash and cash equivalents	(1,251)	786
Net decrease in cash and cash equivalents	(2,012)	(54,671)
Cash and cash equivalents at beginning of period	62,621	116,986
Increase due to subsidiaries newly included consolidation	1,131	17
Increase due to corporate division	-	2,808
Increase due to merger of consolidated subsidiaries	179	34
Cash and cash equivalents at end of period	61,919	65,174

## Segment Information

### 1. Segment information summarized by product group

For the Second quarter of Fiscal 2008 (the period from April 1, 2008 to September 30, 2008 ) (millions of yen)

	Petroleum	Metals	Other Operations	Total	Eliminations or Corporate	Consolidated
Sales	1,797,825	557,403	39,414	2,394,642	(16,133)	2,378,509
Operating income	24,486	20,299	5,562	50,347	550	50,897
Income before special items	26,415	54,283	7,063	87,761	(223)	87,538

For the second quarter of Fiscal 2009 (the period from April 1, 2009 to September 30, 2009 ) (millions of yen)

	Petroleum	Metals	Other Operations	Total	Eliminations or Corporate	Consolidated
Sales	1,101,182	353,773	29,730	1,484,685	(15,254)	1,469,431
Operating income	17,992	6,980	189	25,161	(316)	24,845
Income before special items	17,879	15,161	814	33,854	(1,107)	32,747

Petroleum	resource development, gasoline, naphtha, kerosene, gas oil, heavy fuel oil, petrochemicals, liquefied petroleum gas, lubricating oil, ship transport
Metals	resource development, copper, gold, silver, sulfuric acid, recycling and environmental services, copper foils, thin film materials, precision rolled products, precision fabricated products, ship transport
Other Operations	titanium, engineering, electric wires, cables, land transport, common group administrative activities such as fund procurement, etc.

### 2. Overseas sales

For the second quarter of Fiscal 2008 (the period from April 1, 2008 to September 30, 2008 )

	Asia	Other	Total
Overseas sales (millions of yen)	359,215	46,116	405,331
Consolidated net sales (millions of yen)			2,378,509
Ratio of overseas sales to consolidated net sales (%)	15.1	1.9	17.0

For the second quarter of Fiscal 2009 (the period from April 1, 2009 to September 30, 2009 )

	Asia	Other	Total
Overseas sales (millions of yen)	235,408	32,002	267,410
Consolidated net sales (millions of yen)			1,469,431
Ratio of overseas sales to consolidated net sales (%)	16.0	2.2	18.2