

Security Code

Tokyo 5020

JX Group Strategy Presentation

"Medium-Term Management Plan" and "Long-Term Vision"

Become a world's leading integrated energy, resources and materials business group

May 10, 2010





At a Glance

JX Holdings, Inc.


JX Nippon Oil & Energy

Share in the domestic fuel market

34 %
(No.1 in Japan)

Paraxylene production capacity

2,620 thousand tons/year
(No.1 supplier in Asia)




JX Nippon Oil & Gas Exploration

Crude oil and natural gas production (Equity basis)

Approx. **140** thousand barrels/day *1

Worldwide business activities ranging from crude oil to LNG and oil sand



JX Nippon Mining & Metals


Smelting & refining capacity

1,170 thousand tons/year *2
(No.2 in the world)

Equity entitled copper mine production

Approx. **80** thousand tons/year
(Self-sufficient ratio **17%**)

Electronic Materials;
Product Lines with World No.1 Market Shares



Listed subsidiaries

NIPPO
Toho Titanium

Common group function companies

Independent companies

*1 Crude Oil Equivalent

*2 Pan Pacific Copper 610 thousand tons/year (66.0% equity stake) + LS-Nikko Copper 560 thousand tons/year (39.9% equity stake)

Financial Results Summary in FY 2009 (Nippon Oil / Nippon Mining)



(JPY Billion)

	Nippon Oil	Nippon Mining	Unaudited Pro Forma
Net sales	5,774.3	3,233.7	9,008.0
Operating Income	86.7	43.7	130.4
Non Operating Income	26.6	30.2	56.9
Ordinary income	113.3	74.0	187.3
Refining & Marketing	45.5	20.4	66.0
Excl. Inventory Valuation	(111.3)	(24.5)	(135.8)
Inventory Valuation *	156.8	45.0	201.8
E&P of Oil & Natural Gas	43.2	5.8	49.0
Metals *	-	47.4	47.4
Others *	24.6	0.3	24.9
Special Income/Losses, Net	(21.8)	(13.5)	(35.3)
Net Income	43.3	29.8	73.1

Key Points

- ✓ Large real loss from the Petroleum Refining & Marketing Business due to lower demand in Japan and unprecedentedly low margins.
- ✓ However, signs of recovery in domestic demand and improvement in margins.
- ✓ Resource price recovery buoying E&P of Oil and Natural Gas and Metals Businesses.

* 'Metals' include ¥ 2.0 billion of inventory valuation, and 'Others' include ¥(1.1) billion of inventory valuation. Total inventory valuation is ¥ 202.6 billion.



- ✓ Emerging countries driving world economic growth; advancing globalization and use of IT
- ✓ Increasing demand for energy, resources and materials, mainly in Asia
- ✓ Higher resource and energy prices and continued volatility due to factors including intensification of competition for resources, a rise in resource nationalism, and speculative capital inflows
- ✓ Heightened sense of urgency about global environmental problems and advancing trend toward low-carbon, recycling society, primarily in developed countries



Basic policy

With emphasis on the concept of “Best Practices,”

dramatically transform the Petroleum Refining & Marketing Business by realizing integration synergies and rigorously reducing costs,

and maximize corporate value by allocating management resources to highly profitable operations on a priority basis.

Medium-Term Management Plan for FY 2010-2012 (Key Factors and Targets)

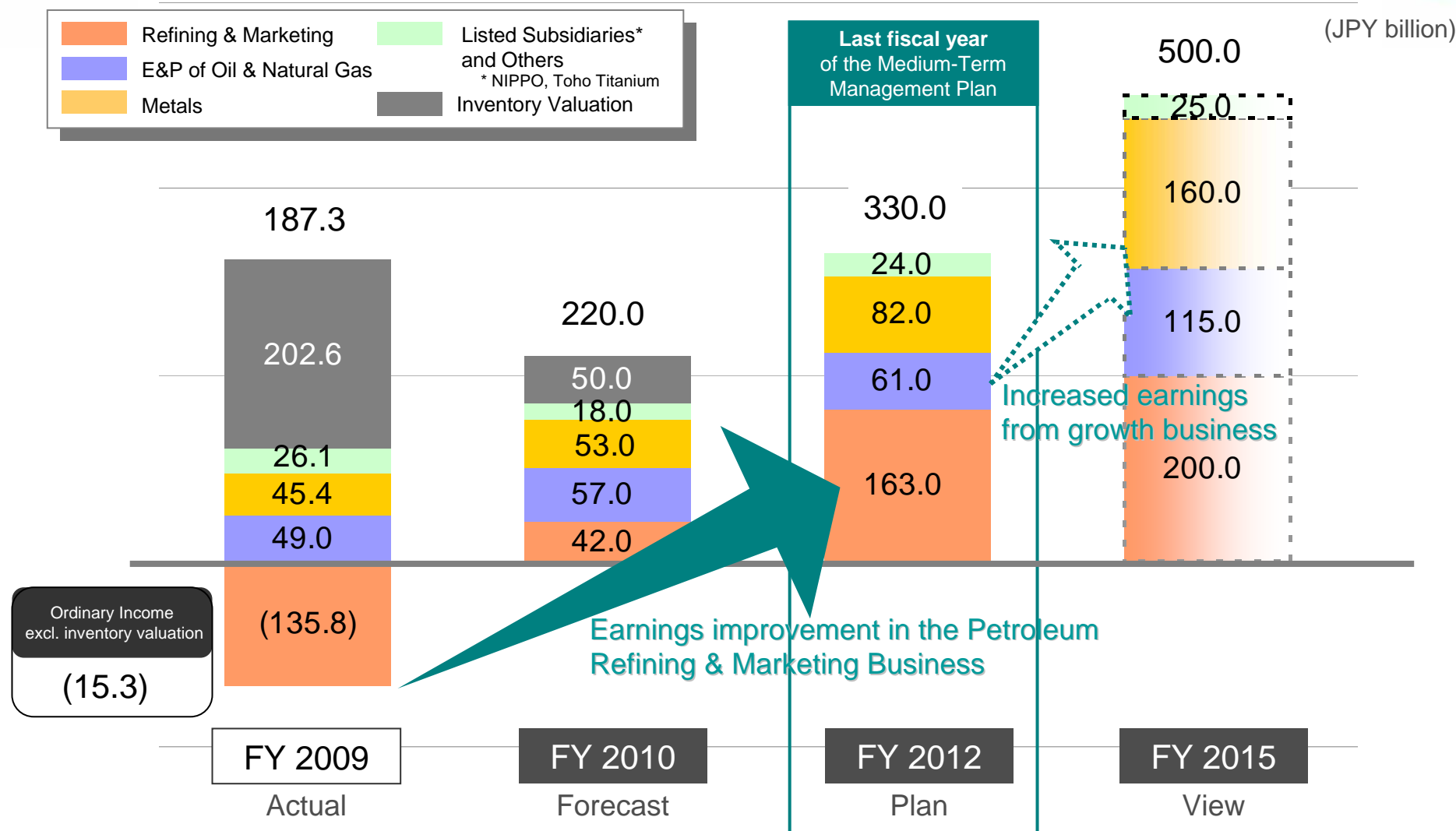


Key Factors (FY 2012)	Exchange rate	90 ¥/\$
	Crude oil FOB (Dubai spot)	80 \$/bbl
	Copper price (LME)	280 ¢/lb
Targets (FY 2012)	Ordinary Income	¥ 300.0 billion or more
	ROE	10% or higher
	Net Debt / Equity ratio	1.0 times
	Capital expenditure and investments	¥ 960.0 billion (FY2010-2012 total)
	Dividend policy	Redistribute profits by reflecting consolidated business results while striving to maintain stable dividends

Note: Market values of assets and liabilities are currently being calculated in conjunction with the business integration. Although the assessed market values may affect various assumptions, the above numerical targets exclude these valuation effects.



Earnings Plan (Ordinary Income)





Capital Expenditure & Investments

(JPY billion)

Capital expenditure & investments		Depreciation & amortization	
Refining & Marketing	300.0		375.0
<i>Strategic investments</i>	150.0		
<i>Maintenance and others</i>	150.0		
E&P of Oil & Natural Gas (<i>Strategic investments</i>)	320.0		148.0
Metals	300.0		82.0
<i>Strategic investments</i>	220.0		
<i>Maintenance and others</i>	80.0		
Listed Subsidiaries and Others (<i>Maintenance and others</i>)	40.0		51.0
Capital expenditure & investments (3 years total)	960.0	Three-year total	656.0
<i>Strategic investments total</i>	690.0		

Investment greatly exceeding depreciation and amortization in E&P and Metals Businesses

70% into strategic investments

Refining & Marketing Business (JX Nippon Oil & Energy)

Basic Strategy

➤ Dramatically transform the business

- Realize integration synergies
- Develop the No.1 competitiveness of Refining & Marketing in Japan
- Enhance overseas business to meet increasing demand in Asia
- Develop new energy businesses

Major Tasks

- (1) Realize integration synergies of ¥80.0 billion and enhance efficiency of refineries
- (2) Reduce refining capacity by 400 thousand barrels/day
- (3) Formulate a growth strategy for the future



¥300.0 billion improvement

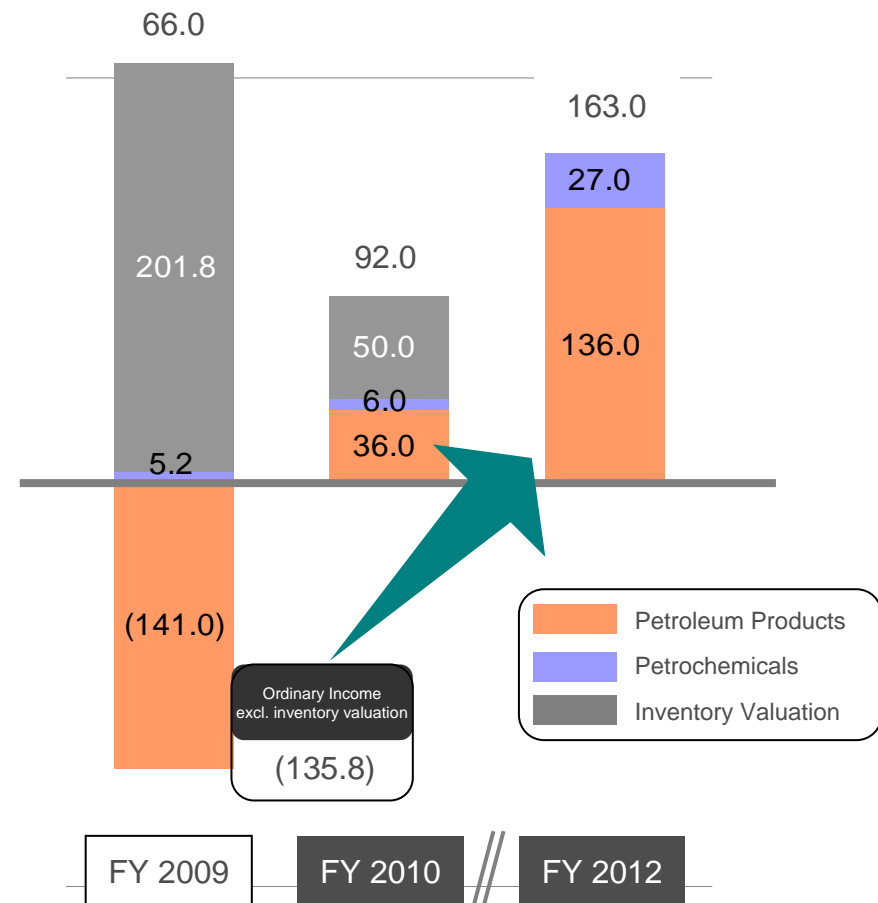
in ordinary income (excl. inventory valuation) in FY 2012 (vs. FY 2009)

Three-year total:

Disciplined investments equivalent to around 80% of depreciation and amortization

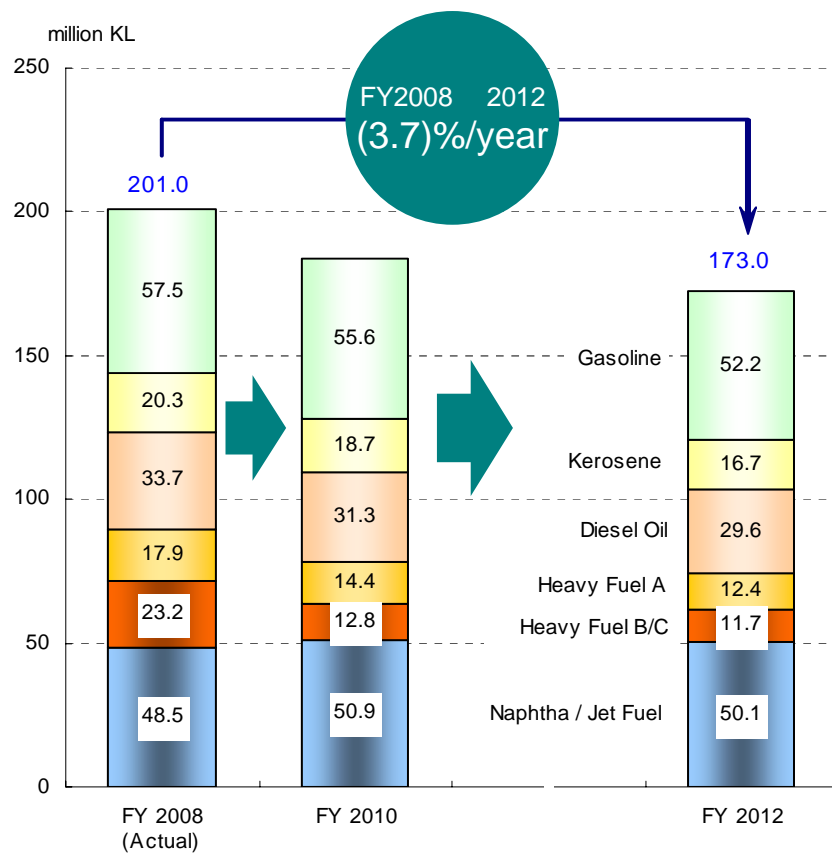
Ordinary Income (Refining & Marketing)

(JPY billion)



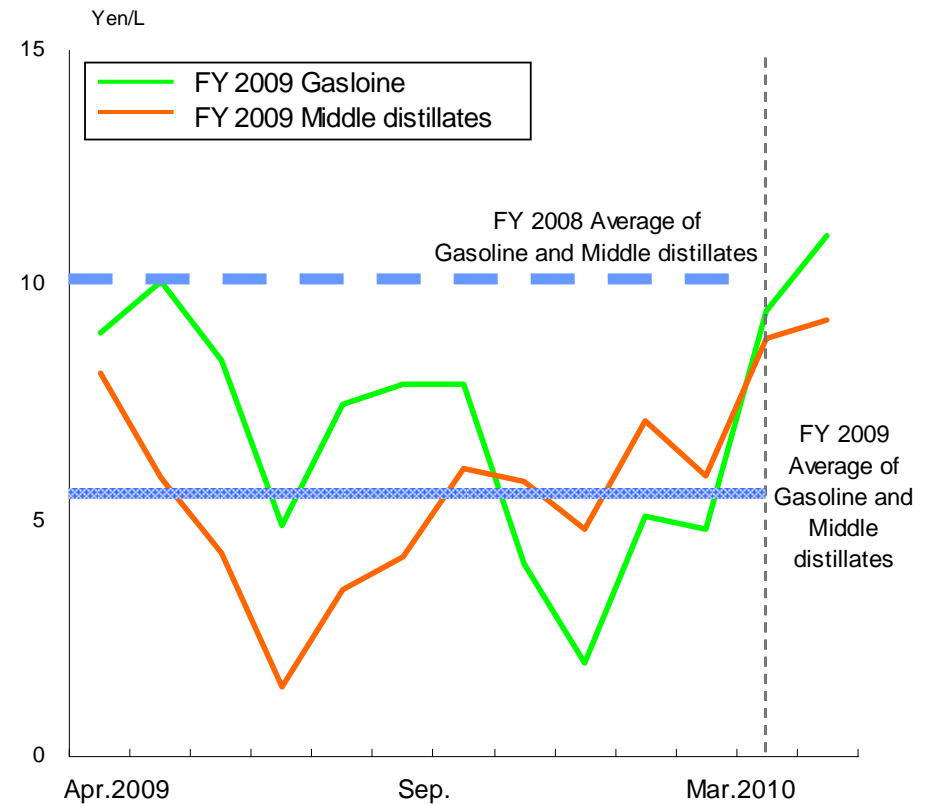
Trends in the Domestic Petroleum Products Market

Domestic Demand Outlook for Fuel



Source: Advisory Committee on Energy and Natural Resources information

Price Spread * for Petroleum Products

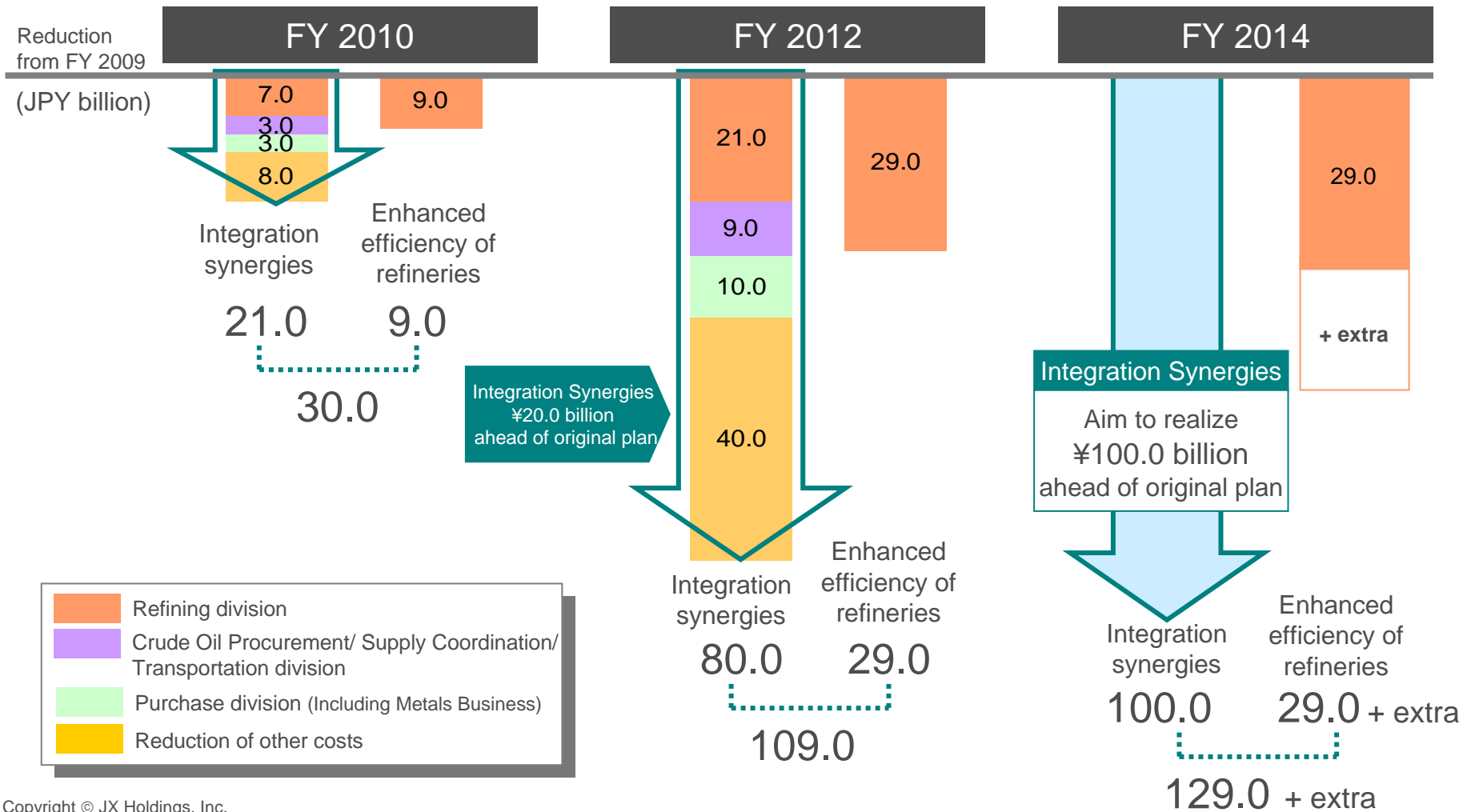


* Spot price - Crude Oil CIF Japan (including petroleum tax and interest)



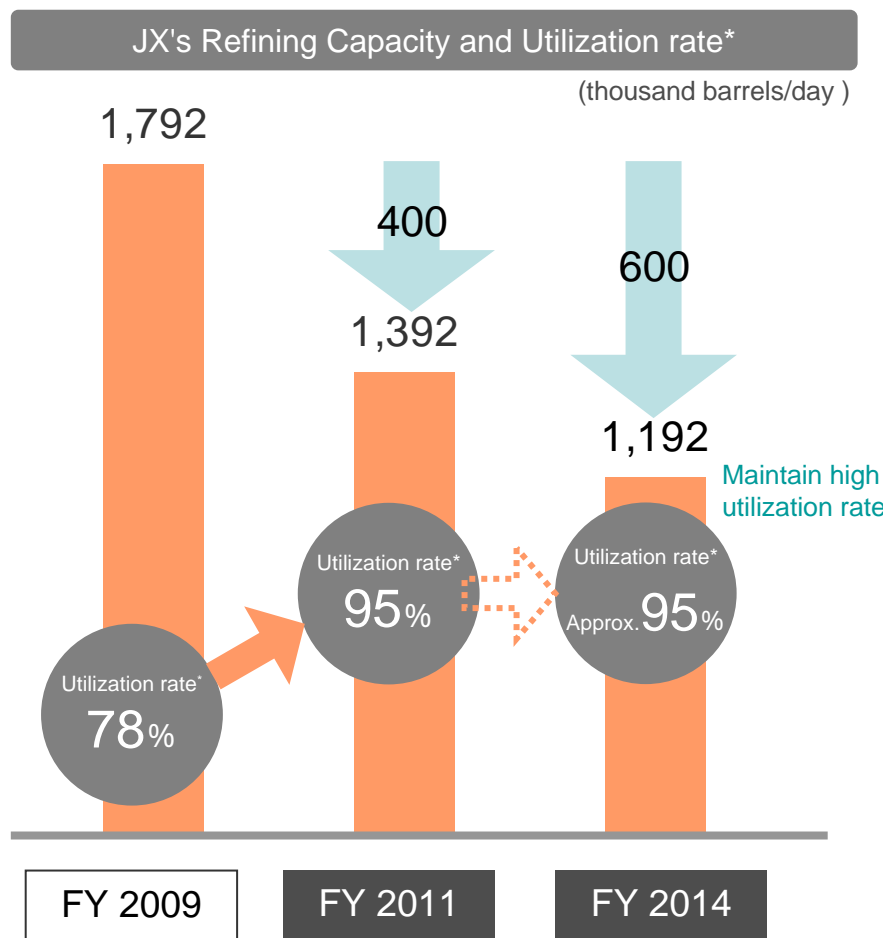
(1) Realize integration synergies of ¥80.0 billion and enhance efficiency of refineries

Synergy effects of ¥80.0 billion (¥20.0 billion ahead of schedule) + ¥29.0 billion from enhanced oil refinery efficiency



(2) Reduce refining capacity by 400 thousand barrels/day

Streamline Japan's leading oil refinery operation ahead of a demand decline



Refining Capacity Reduction Schedule

By March 2011

- Capacity reduction -
400 thousand barrels/day

<breakdown list>

Refinery	Refining Capacity (thousand barrels/day)	Time Schedule	Notes
Negishi	70	Oct. 2010	Expected to terminate operation of CDU No.2
Osaka	115	End of FY 2010	Expected to be redirected and operated by a joint venture with China National Petroleum Corporation
Mizushima	110	Jun. 2010	Expected to terminate operation of CDU No.2
Oita	24	May 2010	Expected to terminate operation of CDU No.1
Kashima	21	May 2010	Expected to reduce refining capacity of CDU No.1
Toyama	60	Mar. 2009	Already reduced
Total	400		

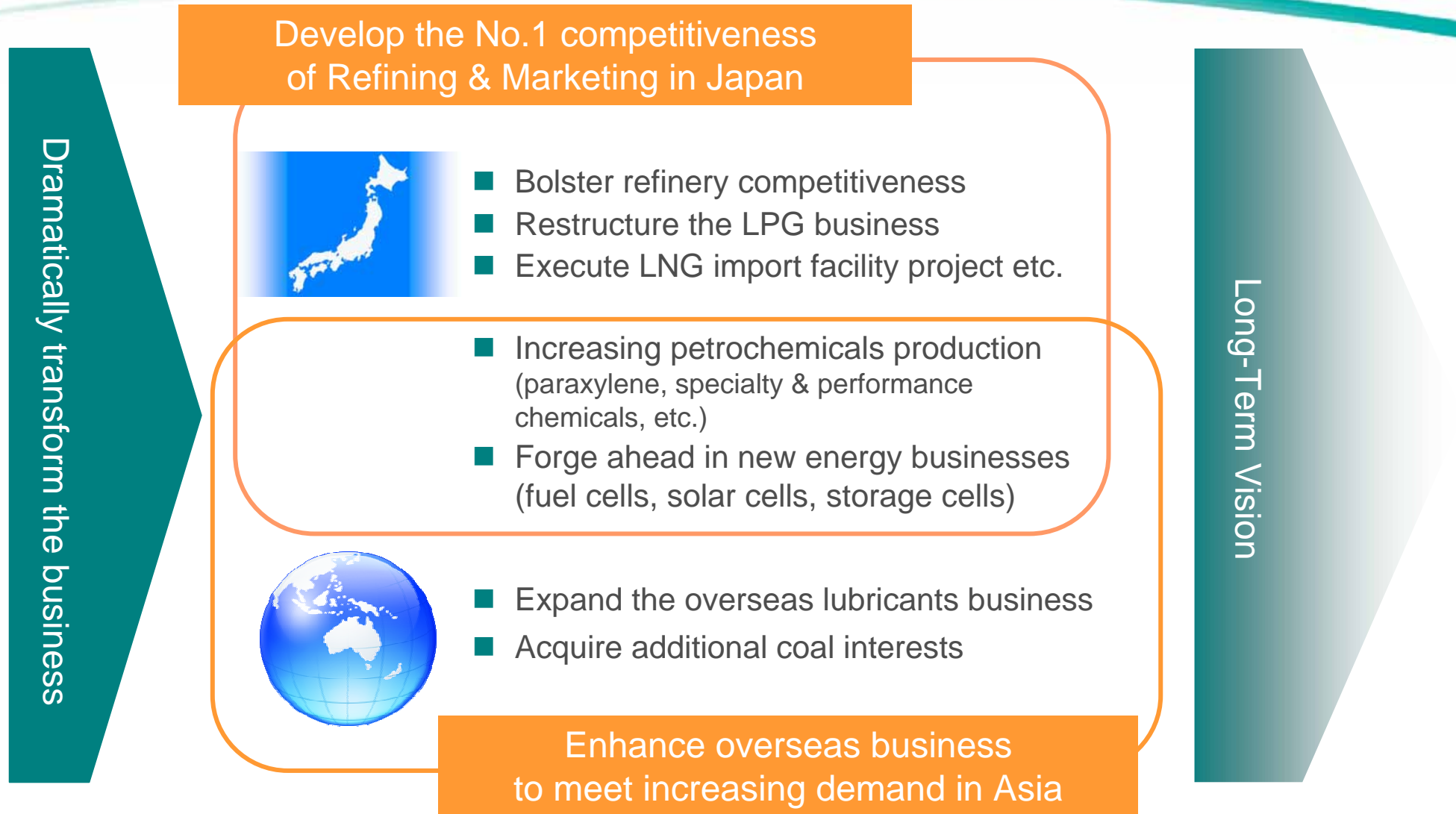
1 year ahead of original schedule
By the end of March 2014

- Further Capacity reduction -
200 thousand barrels/day

Consider further accelerating capacity reduction depending on the supply/demand environment

*1 Utilization rate of Crude Distillation Unit excluding the impact of periodic repair

(3) Formulate a growth strategy for the future





Basic Strategy

- Maintain and expand production over the medium/long term

Major Tasks

- (1) Lay the groundwork for growth
- (2) Restructure the asset portfolio

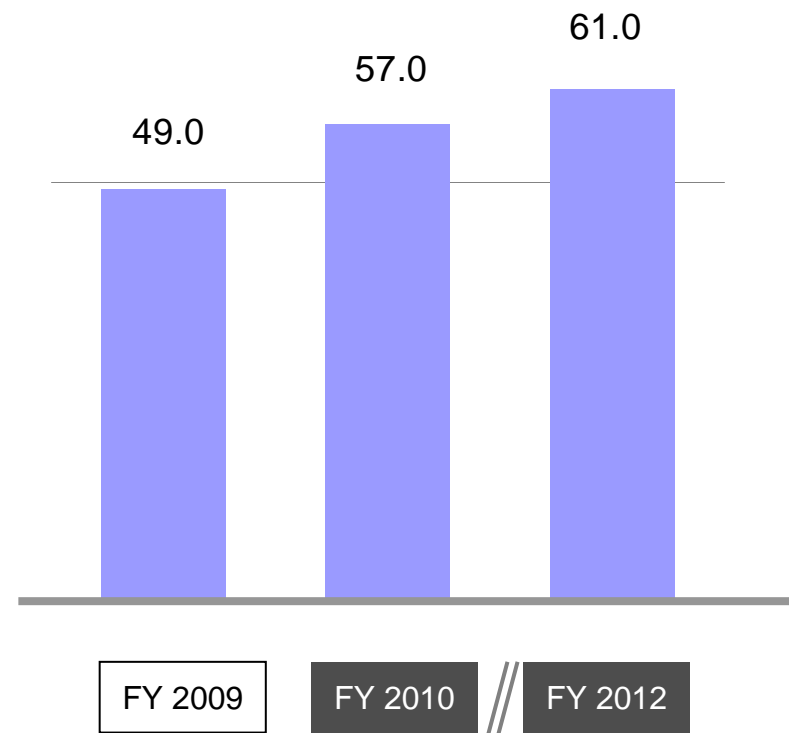


Three-year total:

Investment of ¥320.0 billion

Ordinary Income (E&P of Oil & Natural Gas)

(JPY billion)





(1) Lay the groundwork for growth

■ Reserve replacement & expansion

- ✓ Primarily through exploration
Increase future production
- ✓ Asset acquisition with (comprehensive pre-investment) risk analysis

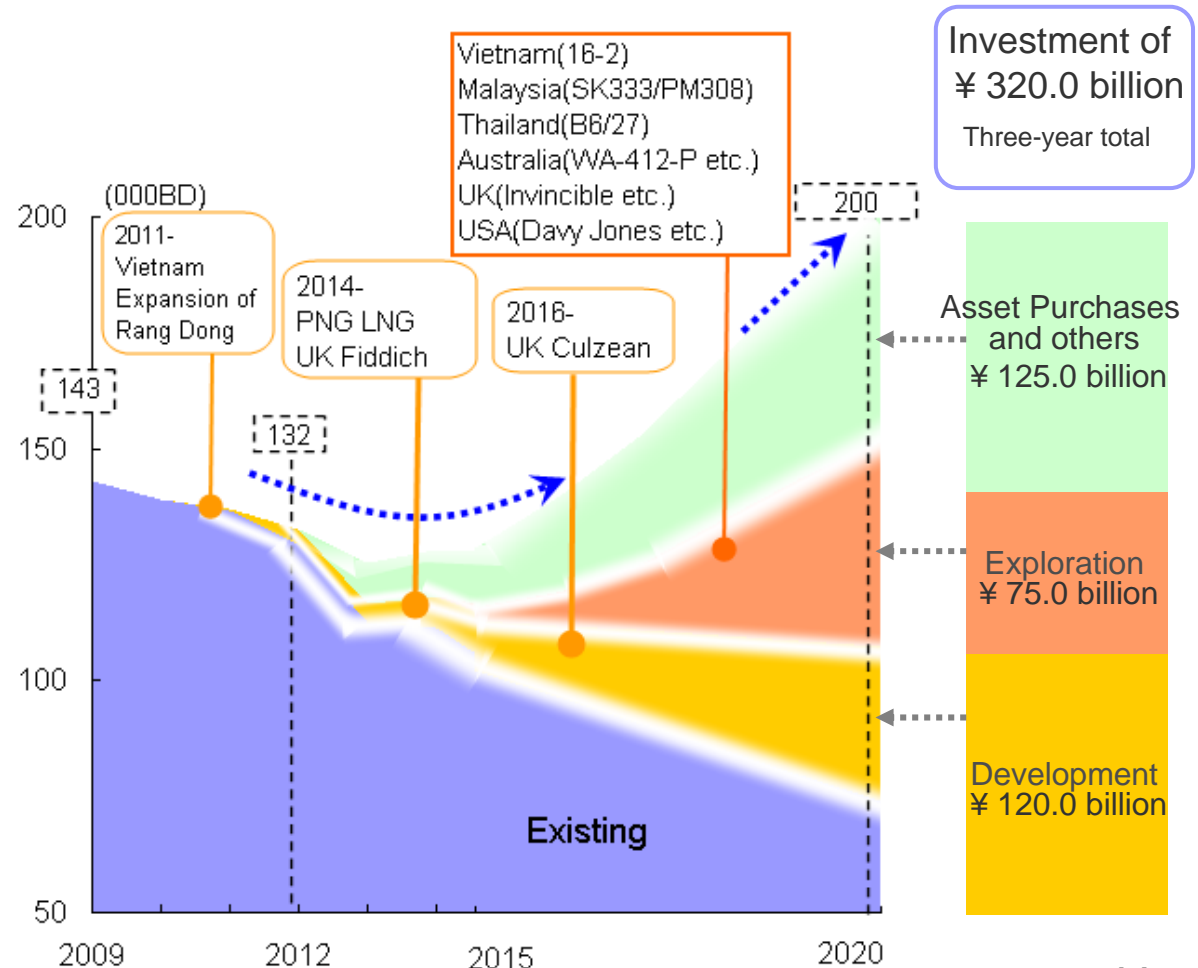
■ Pursuit of additional development projects

- ✓ Pursuit of additional development mainly on core countries of operation

■ Involvement in new technologies

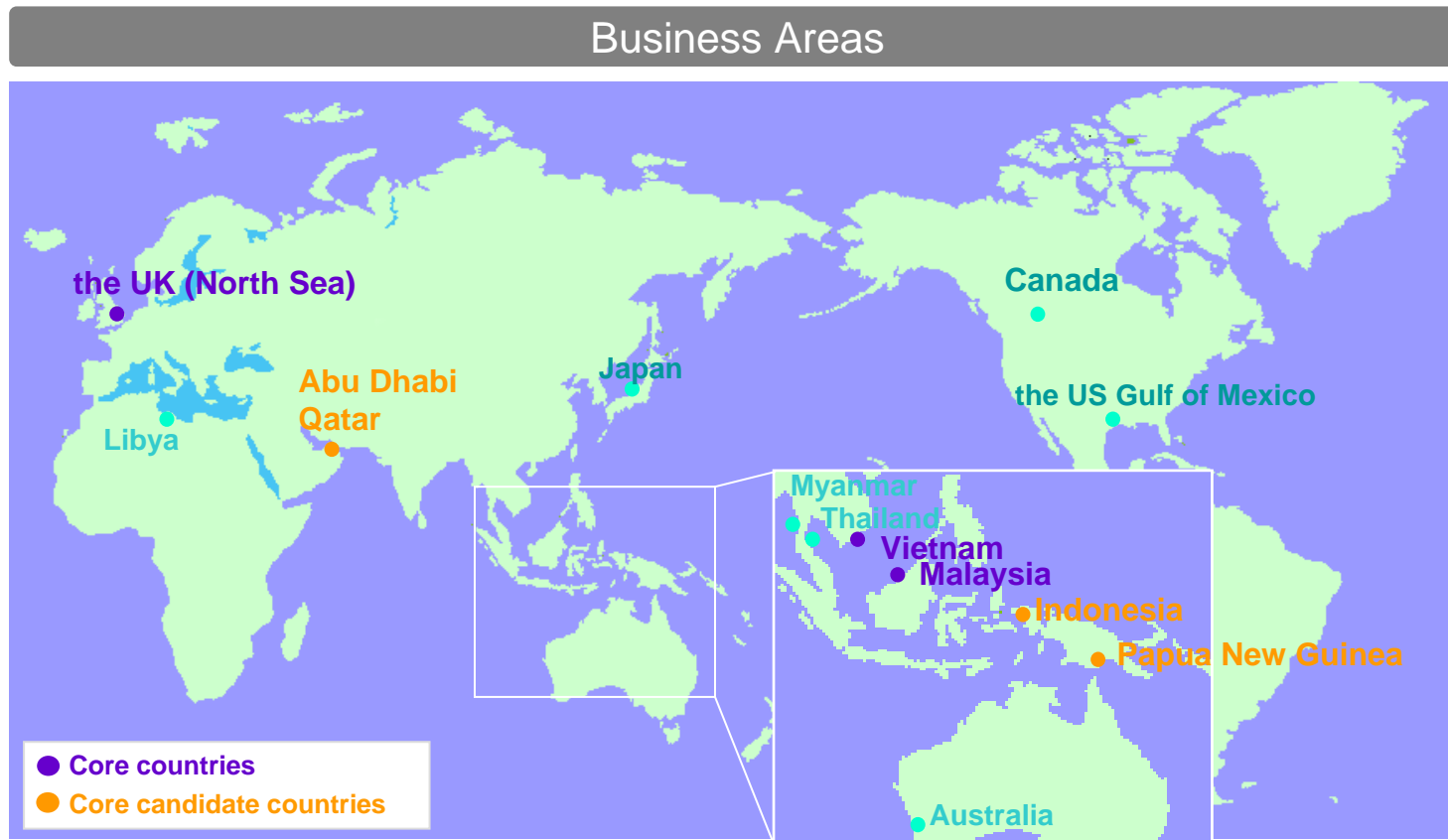
- ✓ Apply the knowledge accumulated as an operator
Involvement in new technologies for enhanced oil recovery etc.

Production Schedule / Investment Plan



(2) Restructure the asset portfolio

Allocate resources with a focus on core countries of operation (Vietnam, Malaysia, the UK (North Sea))



We play a central role in production activities as an operator in Japan, Vietnam, Malaysia, the US Gulf of Mexico, and the Middle East. We are also active as an operator in exploration operations in the UK North Sea and Australia.



Metals Business (JX Nippon Mining & Metals)

Basic Strategy

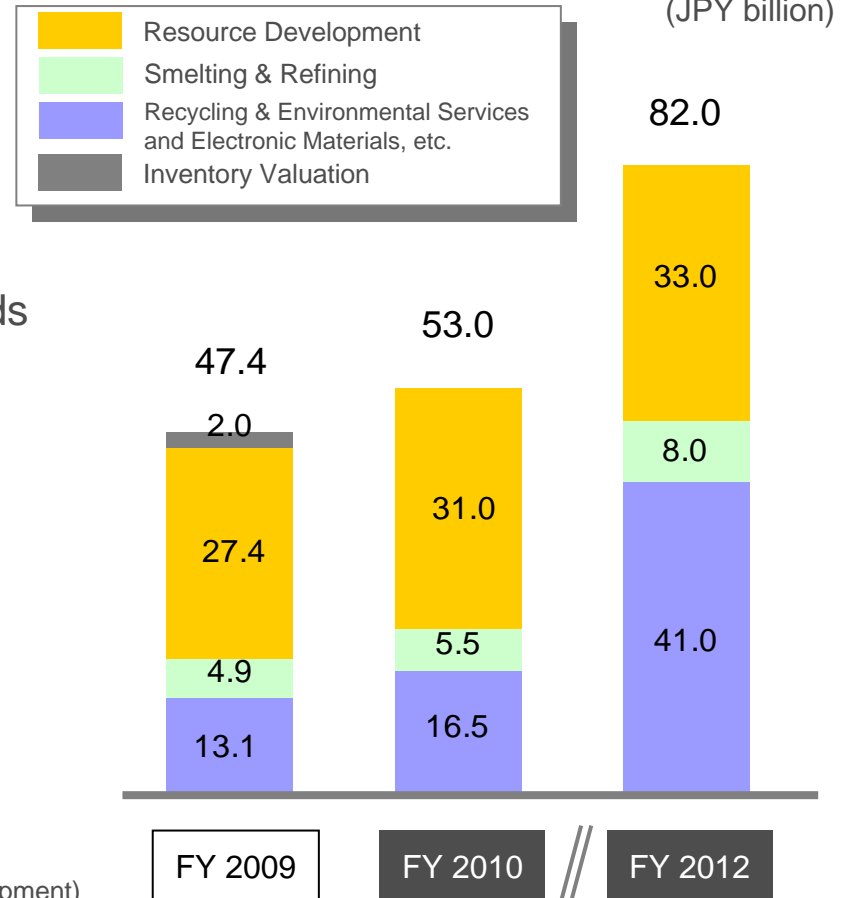
- (Resource Development / Smelting & Refining)
 - Development of a balanced, highly profitable business structure by increasing the equity entitled copper mine production
- (Recycling & Environmental Services and Electronic Materials, etc.)
 - Profitability improvement from business development satisfying high-growth market needs

Major Tasks

- (Resource Development / Smelting & Refining)
 - (1) Mine development / Development of new copper-refining technology
- (Recycling & Environmental services and Electronic Materials, etc.)
 - (2) Product development and market creation targeting growth sectors

Three-year total:
 Investment of ¥300.0 billion (of which, ¥200.0 billion in Resource Development)

Ordinary Income (Metals)





(1) Mine development / Development of new copper-refining technology

■ Mine development

- ✓ Caserones Mine in Chile
(Construction phase)
> Start production in FY 2013
- ✓ Quechua Mine in Peru
(Feasibility study phase)
> Start construction in 2012, start production in 2014

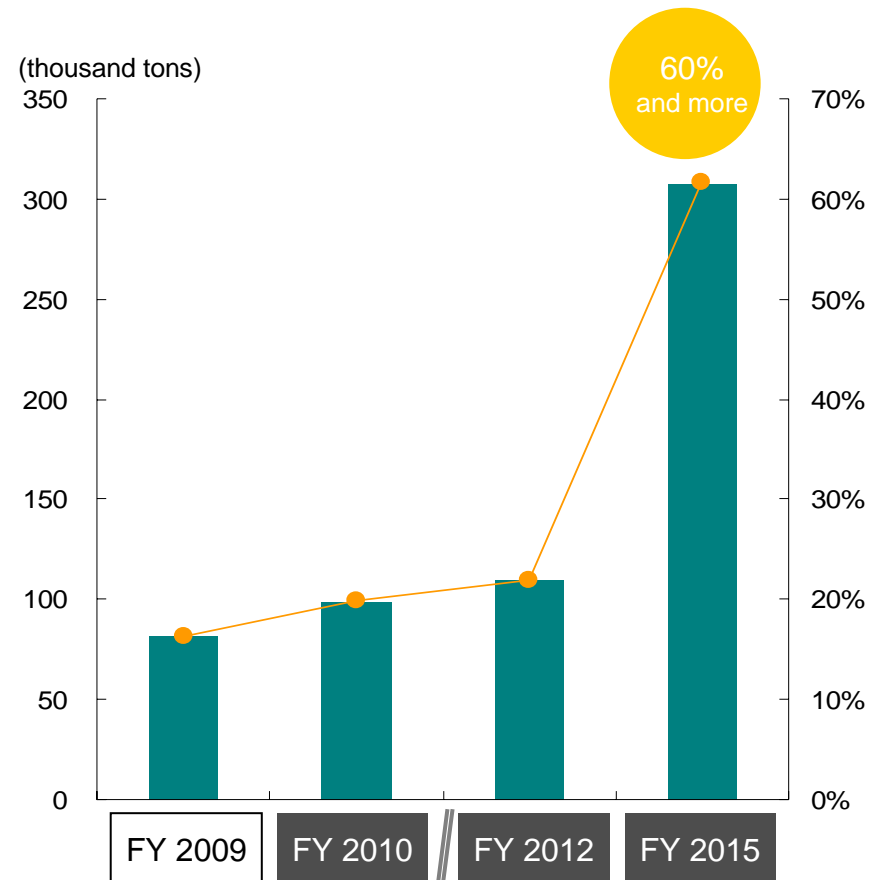
■ Development of new copper-refining technology

- ✓ N-Chlo Process technology
- ✓ Bio-mining technology

Application to low-grade ore

Expand range of potential mining interests

Equity entitled copper mine production*1 (Left) and
Self-sufficient ratio*2 (Right)



*1 Total of Nippon Mining & Metals and Pan Pacific Copper

*2 Equity entitled copper mine production / Necessary amount of concentrates (copper tons) for PPC, excluding scrap



(2) Product development and market creation targeting growth sectors

■ Recycling & Environmental Services

- Put the Hitachi Metal Recycling Complex (HMC) plant into full operation
- Quickly bring overseas scrap collecting facility (Taiwan) up to full strength
- Develop and commercialize used-battery recycling technologies

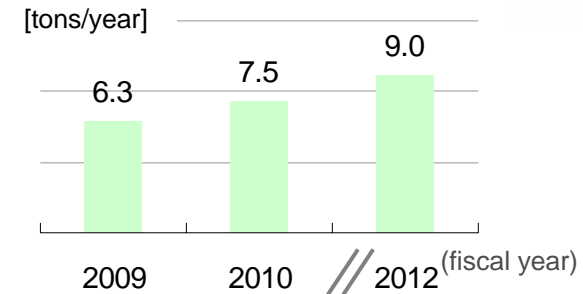
■ Electronic Materials

- Increase HA foil sales; enhance rolled copper foil performance (bending durability, heat-cool durability, etc.)
- Increase market share of target material in leading-edge semiconductor lines
- Enhance copper sheet & strip business through the integrated "Rolling + Plating + Pressing" structure after integration of Nikko Fuji Electronics and acquisition of Sanyu Electronic
- Commercialize UBM plating, cathode materials for automotive lithium-ion batteries, etc.

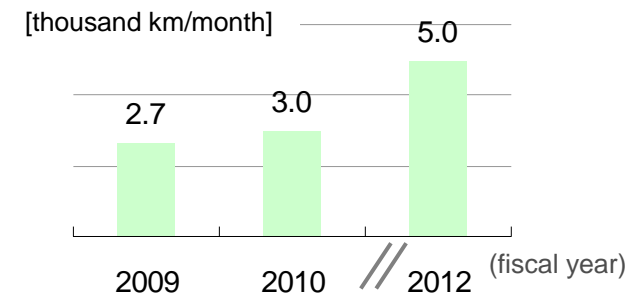
■ Polysilicon for photovoltaic power generation

- promote the Japan Solar Silicon (JSS) business
- Rapidly build 4,500 tons/year production capacity

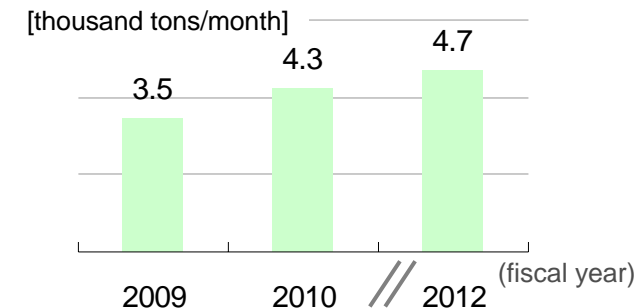
Gold recovery volume by Metals Recycling



Treated Rolled Copper Foil Sales



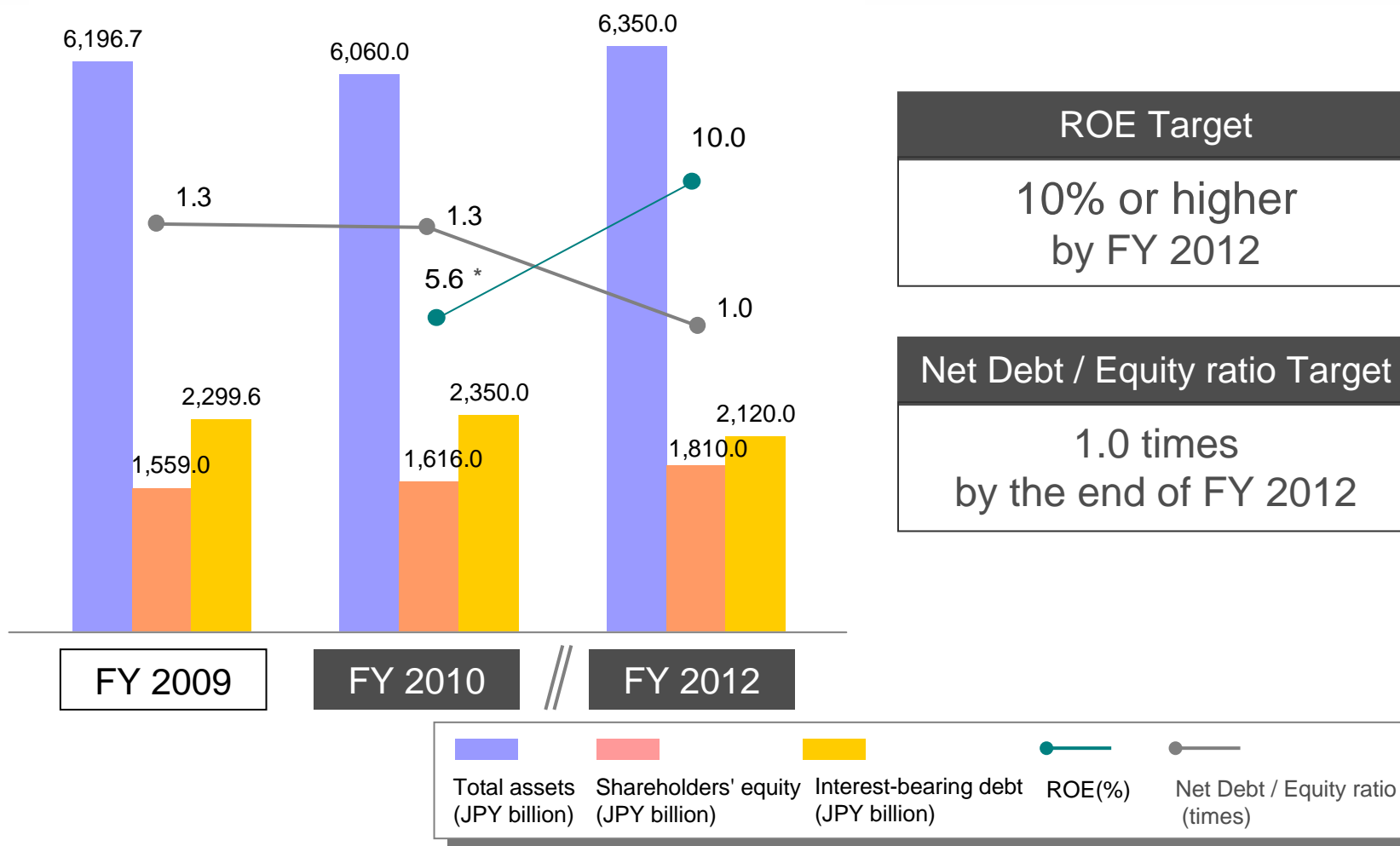
Precision Rolled Products Sales



Financial Position



Balance growth investment with improvements in financial condition



Basic Dividend Policy

Redistribute profits by reflecting consolidated business results while striving to maintain stable dividends

FY 2010 Dividends (Forecast)

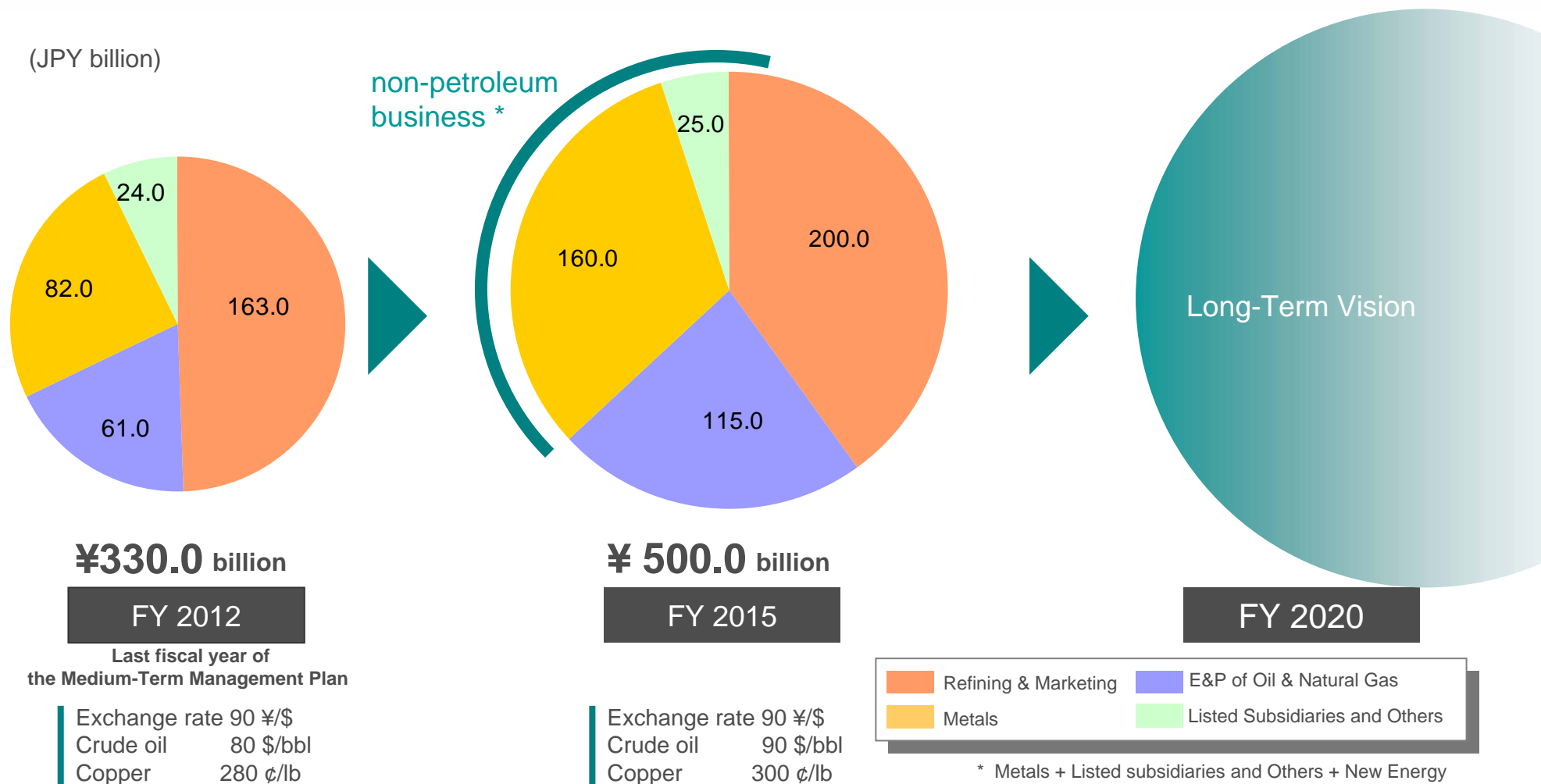
Cash dividend per share (Forecast)			Payout ratio * (consolidated) (excluding special gain/loss)	Dividends on equity ratio (consolidated)
End of 2nd quarter	Year-end	Full year	(Forecast)	(Forecast)
¥7.5	¥7.5	¥15.0	30%	2.3%

* Pro forma figures that exclude the impact of special gains and losses, net of ¥140.0 billion, which includes ¥180.0 billion in special gains due to one-time write-down of negative goodwill in the fiscal year ending March 31, 2011.



Business Portfolio for FY 2015 (Ordinary Income)

Increase ordinary income from non-petroleum businesses* to ¥200.0 billion (around 40% of total)



Long-Term Vision



Mission Statement

JX Group will contribute to the development of a sustainable economy and society through innovation in the areas of energy, resources and materials.



The Future of Energy, Resources and Materials

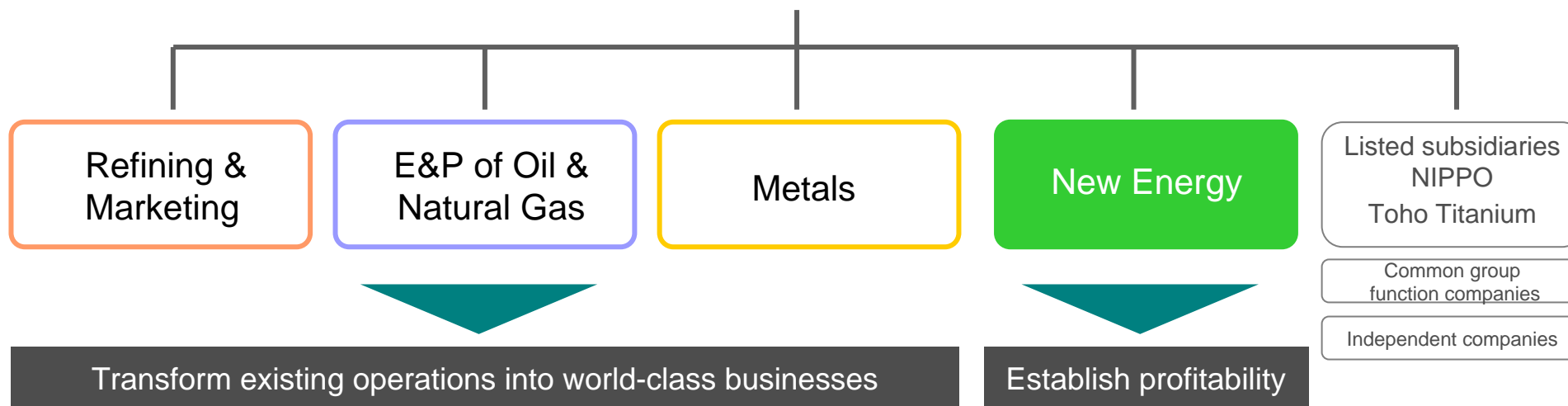
“JX” is a name which represents the basic philosophy of the Integrated Group. “J” represents a Japanese and world leading “integrated energy, resources and materials business group,” and “X” represents challenges of the unknown, growth and development for the future, and creativity and innovation, among others.

Long-Term Vision for FY 2020



Long-Term Vision

Become a world's leading integrated energy, resources and materials business group with new energy-related businesses



- Build sustainable business structure against market fluctuation
- Continue strategic investment in growth areas

JX Group's Vision for FY 2020



Refining & Marketing

Slim, robust production operations aligned with demand (Goal: Refining capacity of 1,000 thousand barrels/day)

- Boost production of aromatic products through proprietary technologies Restructure of refineries (= transform into petrochemical plants)
- Bolster specialty & performance chemicals business
- Consider constructing new heavy oil cracking units

E&P of Oil & Natural Gas

Become an oil and natural gas E&P company that achieves sustained growth on the basis of operatorship

- Goal: Produce 200 thousand barrels/day of crude oil and natural gas (equity basis)
- Efficient application of personnel and knowledge accumulated at existing business facilities worldwide
- Reserve replacement rate of 100% or higher

Metals

Securement of resources and business development to meet societies' Eco needs

- Goal: Equity entitled copper mine production ratio of 80%
- Develop low-grade copper mines applicable new hydrometallurgy refining technologies
- Supply metallic materials for eco-friendly products
- Introduce a resource recycling system in collaboration with users

New Energy

Establish profitability

- Goal: Fuel cell unit sales of 300 thousand units/year*
- Forge ahead in the solar cell business
- Establish positive and negative electrode materials technologies for lithium-ion batteries

*Including exports

The Future



➤ Reference Materials

Corporate Profile



Trade Name	JX Holdings, Inc.
Location of Head Office	6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo
Representative Director	Chairman of the Board Shinji NISHIO President Mitsunori TAKAHAGI
Paid-in Capital	¥ 100 billion
Fiscal Year	April 1 to March 31
Date of Listing of JX Holdings	April 1, 2010
Exchange Ratio	Nippon Oil Shares 1.07 / Nippon Mining Shares 1.00
Number of Issued Shares	2,495,485,929 shares
Number of Shares Constituting One Unit of Shares	100 shares



Our actions will respect the **EARTH**.

Ethics

Advanced ideas

Relationship with society

Trustworthy products/services

Harmony with the environment

Outlook of Business Performance



JPY billion	FY 2009 ^{* 2}	FY 2010	FY 2012
	Actual	Forecast	Plan
Net Sales	9,008.0	9,160.0	9,360.0
Refining & Marketing	7,607.6	7,760.0	7,840.0
E&P of Oil & Natural Gas	145.9	160.0	180.0
Metals	780.7	810.0	940.0
Listed Subsidiaries*1 and Others	473.8	430.0	400.0
Operating Income	130.4	170.0	275.0
Refining & Marketing	56.5	91.0	161.0
E&P of Oil & Natural Gas	28.5	49.0	55.0
Metals	16.9	16.0	41.0
Listed Subsidiaries*1 and Others	28.5	14.0	18.0
Non-Operating Income (Expenses), Net	56.9	50.0	55.0
Refining & Marketing	9.5	1.0	2.0
E&P of Oil & Natural Gas	20.5	8.0	6.0
Metals	30.5	37.0	41.0
Listed Subsidiaries*1 and Others	(3.6)	4.0	6.0
Ordinary Income	187.3	220.0	330.0
Refining & Marketing	66.0	92.0	163.0
E&P of Oil & Natural Gas	49.0	57.0	61.0
Metals	47.4	53.0	82.0
Listed Subsidiaries*1 and Others	24.9	18.0	24.0
Net Income	73.1	270.0	175.0
Impact of Negative Goodwill	-	180.0	-

Note: "Listed Subsidiaries and Others" includes "Eliminations or Corporate".

*1 NIPPO, Toho Titanium

*2 Unaudited pro forma combined financial results of Nippon Oil and Nippon Mining

Ordinary Income by Segment

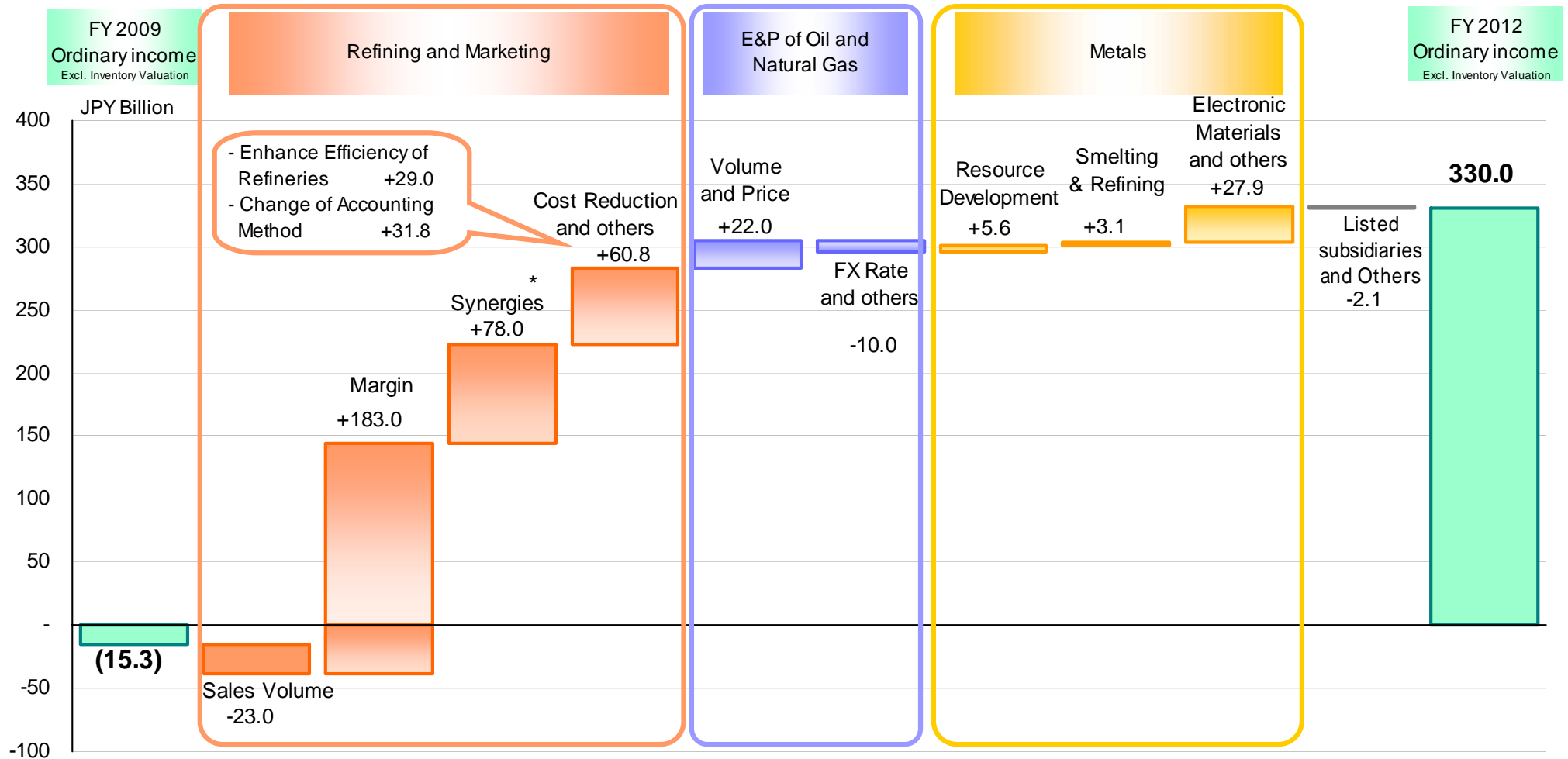


JPY billion	FY 2009 ^{*2}	FY 2010	FY 2012
	Actual	Forecast	Plan
Ordinary Income (Loss)	187.3	220.0	330.0
Refining & Marketing	66.0	92.0	163.0
Petroleum Products	(141.0)	36.0	136.0
Petrochemicals	5.2	6.0	27.0
Inventory Valuation	201.8	50.0	-
E&P of Oil & Natural Gas	49.0	57.0	61.0
Metals	47.4	53.0	82.0
Resource Development	27.4	31.0	33.0
Smelting & Refining	4.9	5.5	8.0
Recycling & Environmental Services	4.9	5.0	10.0
Electronic Materials	5.4	11.5	30.0
Internal Adjustment and Others	2.8	-	1.0
Inventory Valuation	2.0	-	-
Listed Subsidiaries^{*1} and Others	24.9	18.0	24.0

*1 NIPPO, Toho Titanium

*2 Unaudited pro forma combined financial results of Nippon Oil and Nippon Mining

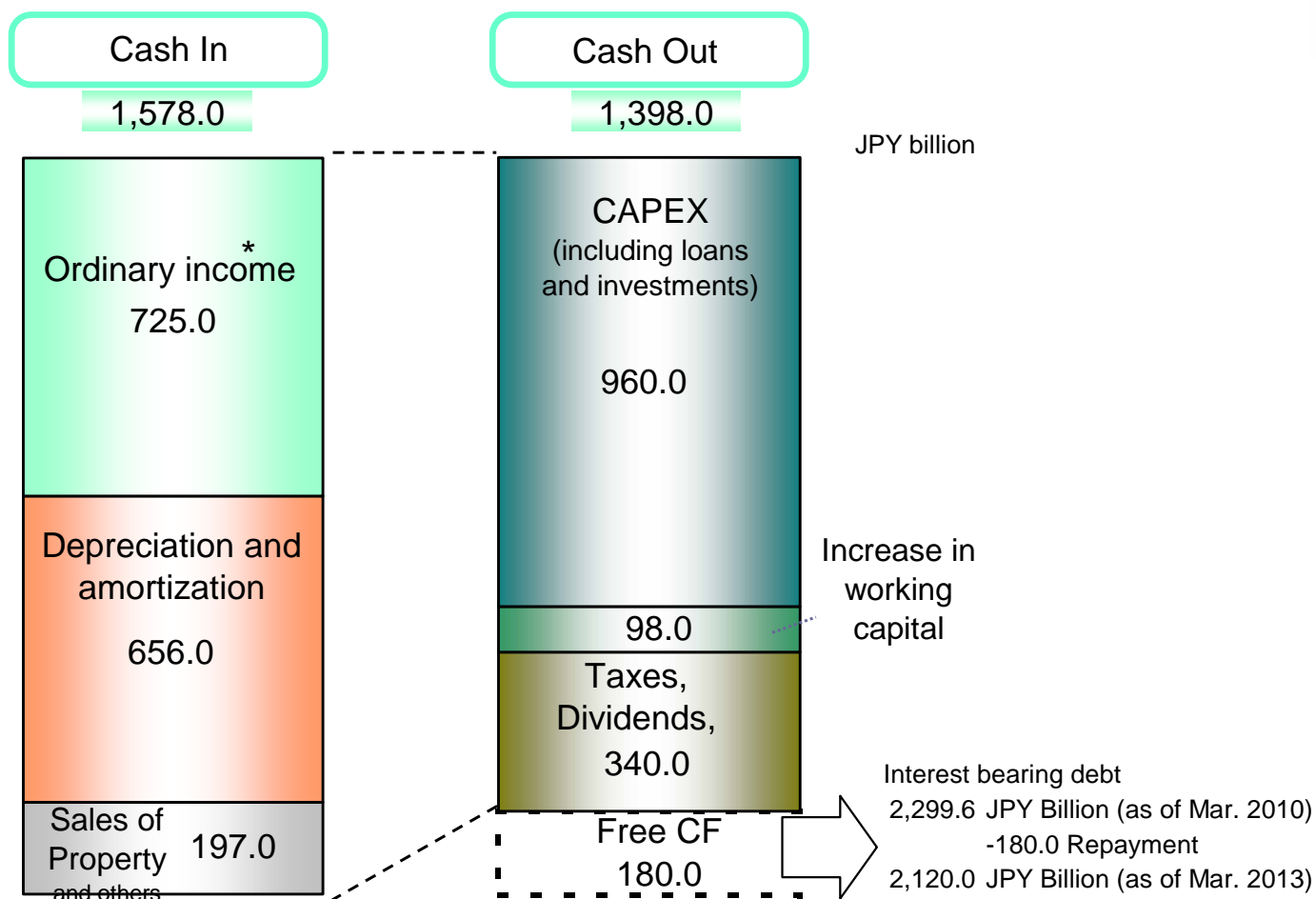
Changes in Ordinary Income by Segment FY 2009 Actual vs. FY 2012 Plan



*Total of Synergies will be ¥80.0 billion including Metals business



Cash flows (FY 2010-2012 total)



* Excluding equity in income of affiliates and including dividends from affiliates accounted by equity method

Key Factors



		FY 2009 ^{*2}	FY 2010	FY 2012
		Actual	Forecast	Plan
All segments	Exchange rate [¥/\$]	93	90	90
Refining & Marketing	Crude oil FOB [Dubai spot] ^{*1} [\$]/bbl]	67	80	80
	Sales volume excluding barter trade & others [million kl/period]	85.5	84.4	80.2
	- Sales volume of paraxylene [million tons/year]	2.1	2.3	2.3
	Paraxylene spread [ACP] (Paraxylene price - Dubai crude oil price) [\$]/ton]	490	530	580
E&P of Oil & Natural Gas	Sales volume <Crude oil equivalent> [1,000 bbl/day]	143	139	132
	Natural gas price <HenryHub> ^{*2} [\$]/mmbtu]	3.9	4.8	6.0
Metals	Copper price [LME] [¢/lb]	277	280	280
	Equity entitled copper mine production ^{*3} [1,000 tons/year]	82	100	110
	PPC copper cathode sales [1,000 tons/year]	605	610	640
	Gold recovery volume by Metals Recycling [1,000 tons/year]	6.3	7.5	9.0
	TRCF ^{*4} sales [1,000 km/month]	2.7	3.0	5.0
	Precision Rolled Products sales [1,000 tons/month]	3.5	4.3	4.7

^{*1} Average from March to February of the next year (nearly equal to arrived crude cost)

^{*3} Total of Nippon Mining & Metals and PPC

^{*2} Average on calendar year basis

^{*4} Treated Rolled Copper Foil

Sensitivity Analysis



Impact on ordinary income by change in key factors

(JPY billion/year)

FY 2012

Key Factors	Appreciation	Segment	Impact on Ordinary Income
Foreign Exchange	¥1/\$ yen appreciation	Refining & Marketing (energy costs, petrochemical margin, and etc.)	1.5
		E&P of Oil & Natural Gas	(1.2)
		Metals (margin deterioration, foreign exchange gain/loss)	(1.3)
		Subtotal	(1.0)
		Inventory valuation gain/loss	(6.5)
		Total	(7.5)
Crude Oil FOB (Dubai spot)	+1\$/bbl	Refining & Marketing (energy costs etc.)	(4.0)
		E&P of Oil & Natural Gas	2.0
		Subtotal	(2.0)
		Inventory valuation gain/loss	7.5
Total	5.5		
Copper Price (LME)	+10¢/lb	Metals (Resource Development)	2.0
		Metals (Smelting & Refining)	0.5
		Total	2.5

Cautionary Statement Regarding Forward-Looking Statements



This notice contains certain forward-looking statements. These forward-looking statements may be identified by words such as “believes”, “expects”, “anticipates”, “projects”, “intends”, “should”, “seeks”, “estimates”, “future” or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Actual results may differ materially in the future from those reflected in forward-looking statements contained in this notice, due to various factors including but not limited to: (1) macroeconomic condition and general industry conditions such as the competitive environment for companies in energy, resources and materials industries; (2) regulatory and litigation matters and risks; (3) legislative developments; and (4) changes in tax and other laws and the effect of changes in general economic conditions.