
■ JX Holdings (5020) analysts' meeting Q&A for Fiscal 2012 3Q

1. Date & time: Tuesday, February 5, 2013, 16:00–17:00
 2. Attendees: 115
 3. Principal questions:
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—This document contains forward-looking statements. A cautionary statement appears in the endnote.—

Q. You kept your full-year earnings forecast (ordinary income excluding inventory valuation) unchanged at 300 billion yen. What is the probability of achieving it?

- A. The current forecast reflects the actual full-year results of calendar-year companies in the Oil and Natural Gas E&P and Metals businesses. For the Petroleum Refining and Marketing business, the forecast incorporates actual results through the third quarter and product margin assumptions that reflect current conditions. The probability of achieving the forecast is higher today than in November when we issued the forecast.

Q. In the Petroleum Refining and Marketing business, refineries have recently experienced a number of problems. How have these problems affected earnings?

- A. We have recently had a series of equipment problems, most notably a report of noncompliance with the High-Pressure Gas Safety Act at the Mizushima B Refinery. The impact of such problems on earnings is difficult to quantify because petroleum products are co-products of an integrated production process, but we have incurred considerable incremental costs from the use of alternate supply sources and uneconomical transport.

Q. Turning to the Natural Gas E&P business, to what extent will the UK North Sea oil and gas interests that you purchased in December contribute to production volumes?

- A. In addition to oil and gas fields that are already in production, the UK North Sea oil and gas interests that we recently purchased include several undeveloped discoveries, the largest of which is the Mariner field. Others include the Kinnoull oilfield and Culzean gas field in which we already own interests. As a result of the acquisition, we expect our UK North Sea production to reach 40,000–50,000 barrels per day by around 2020. We expect the interests to contribute greatly to the attainment of our Group long-term vision of increasing production to 200,000 barrels per day by 2020.

Transfer of the interests will be complete once we have obtained UK regulatory approval.

Q. When do you plan to publicly release your next medium-term management plan?

- A. We intend to have it completed by the end of the current fiscal year and to promptly disclose it.

This document contains forward-looking statements. Actual results may differ materially from those expressed or implied by forward-looking statements due to various factors, including but not limited to the following:

(1) macroeconomic conditions and changes in the competitive environment in the energy, resources, or materials industries;

(2) revision of laws and tightening of regulations;

(3) risk of lawsuits and other legal risks.