

---

## ■ JX Holdings (5020) Analysts' Meeting Q&A for the third quarter ended December 31, 2014

---

1. Date & time: Wednesday, February 4, 2015 (16:00—17:10)
  2. Attendees: 150
  3. Principal questions:
- 

—This document contains forward-looking statements. A cautionary statement appears in the endnote.—

**Q.** The company explained that, due to the price of crude oil plummeting since September, financial results for the third quarter ended December 31, 2014, were impacted by the time lag\* for petroleum products. What will the impact be on full-year fiscal 2014 financial results?

**A.** There was a time lag for petroleum products in the third quarter ended December 31, 2014, and this narrowed our profit. This time lag continued until January, and we have factored the impact into our outlook for the full fiscal year.

\*Time lag refers to the difference in timing of the selling price and cost of petroleum products. The selling price of petroleum products reflects the latest crude oil prices, while costs reflect the price of crude oil purchased approximately 1 month earlier (the price of crude oil in the shipment month in oil producing countries). As a result, a temporary discrepancy between selling prices and costs arises during periods of fluctuating crude oil prices.

**Q.** The company noted that it would likely require roughly another 6 months for copper concentrate production at the Caserones Mine to reach full scale. What are the reasons for this?

**A.** It is taking time to build an automated operation program for the production equipment and to prepare the waste tailing deposit site.

Regarding the latter, the waste produced during the copper concentrate production process is stored in the deposit sites at the bottom of the mine. Considering that there will be a long period is used until the end of the mine's useful life, we decided that it was necessary to more cautiously deposit the waste while checking its characteristics immediately after starting production.

Currently, in addition to having people at the mine work on this issue, we have dispatched engineering staff from Japan, and are striving to be able to start full-scale operations as soon as possible.

**Q.** During times when resource prices, such as the prices of crude oil and copper, are falling, the company assumably should take a cautious stance towards investing. Please tell us about it's investment stance going forward.

**A.** We determine our investment stance based on all types of conditions and assumed risks that surround our business, not only resource prices and exchange rate fluctuations. When the business environment is changing drastically, we must consider investments with an even more cautious approach than before.

**Q.** Has the company made any changes to your shareholder return policy in this announcement of financial results?

**A.** We have made no changes to our shareholder return policy as discussed in our Second Medium-Term Management Plan. We are currently planning to pay an annual dividend of 16 yen per share for fiscal 2014.

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.