

Security Code

Tokyo 5020

Financial Results for 1Q FY2014

- From April 1, 2014 to June 30, 2014 -

July 31, 2014



The Future of Energy, Resources and Materials

JX Holdings, Inc.

Progress of the Second Medium-Term Management Plan

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Director, Executive Vice President
and Executive Officer
Yukio Uchida



Major Topics (From April to July 2014)

JX Holdings

- Jun. Issued unsecured bonds.
- Jun. Held the 4th Ordinary General Meeting of Shareholders.

JX Nippon Oil & Energy

- May Decided to commence mega solar operations in Ehime and Kagawa Prefecture.
- Jun. Started commercial production of paraxylene plant of Ulsan Aromatics in Korea.
- Jun. 1st import naphtha arrived at Muroran plant.
- Jun. Released cell incubation medium for regeneration medicine and cell therapy research expected as next-generation medical treatment.
- Jul. Decided to install coke power generation facility in Mizushima refinery.
- Jul. Decided to establish hydrogen business company.
- Jul. Started power transmission at Iwaki mega solar.
- Jul. Decided to establish joint venture company of lubricants marketing in India.

JX Nippon Oil & Gas Exploration

- May Decided to develop Layang oil and gas field.
- May Started shipment of LNG in PNG LNG project.
- Jul. Decided to start enhanced oil recovery project using processed flue gas from coal power generation plant.

JX Nippon Mining & Metals

- Apr. Decided to promote business restructuring of titanium.
- May Started copper concentrate production at Caserones copper and molybdenum development project in Chile.

Progress of Major Project - Energy

Paraxylene Project (Korea)

- ◆ Starting commercial production in June
- JX Group's production capacity increased to 3,120kt/year

Capacity : 1,000kt/year
Investment : approx. 80 billion JPY
Ownership : JX Nippon Oil & Energy 50% -1 share
 SK Global Chemical 50%+1 share



Progress of Major Project - Oil and Natural Gas E&P

LNG Project (Papua New Guinea)

- ◆ Completed sales contracts for 6,500kt of LNG
- ◆ First shipment in May 2014
- Stable supply of LNG for the East Asian customers

Capacity : 6,900kt/year
Ownership : 4.68%
Operator : Exxon Mobil



Progress of Major Project - Metals

Caserones Copper Mine Project (Chile)

- ◆ Started copper concentrate production in May 2014
- Contribute stable procurement of copper concentrate for 28 years
- Establish a highly profitable and well-balanced structure between the resources development and the smelting and refining businesses

Initial Investment US\$ 4.2 billion

Mine Life 28 years from 2013 to 2040

Start of Copper Cathode Production by SX-EW Process : March 2013

Start of Copper Concentrate Production : May 2014

Production Plan

		first 10 years	average (28years)	total (28years)
Copper	Copper Concentrate	150 kt/year	110 kt/year	3140 kt
	SX-EW Process	30 kt/year	10 kt/year	410 kt
	total	180 kt/year	120 kt/year	3550 kt
Molybdenum		3 kt/year	3 kt/year	87 kt

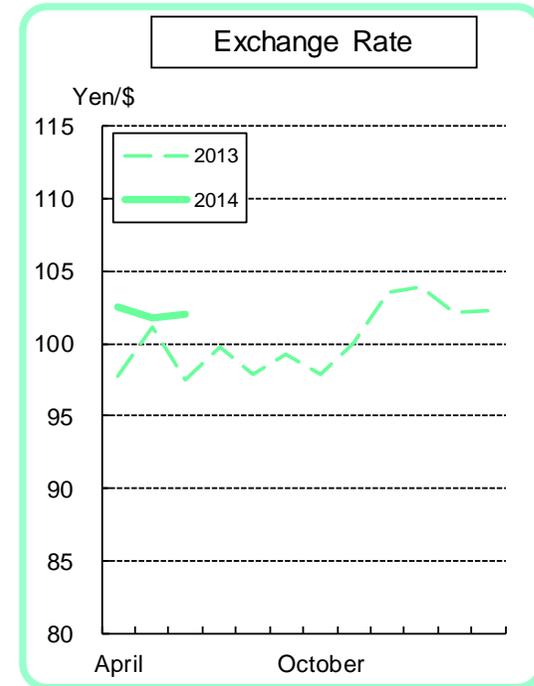
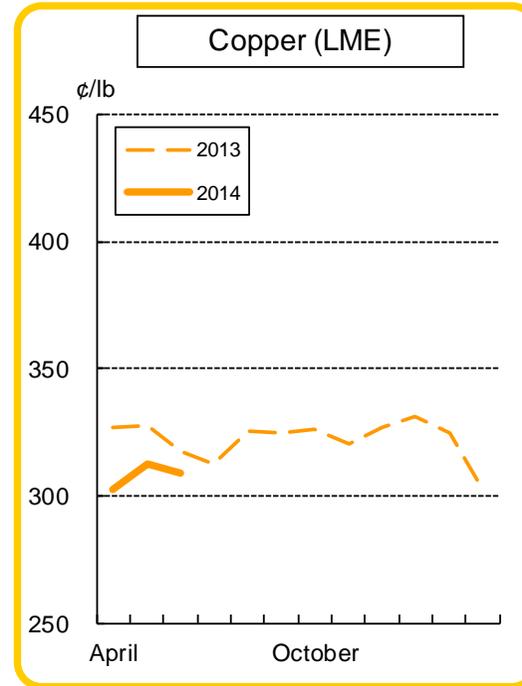
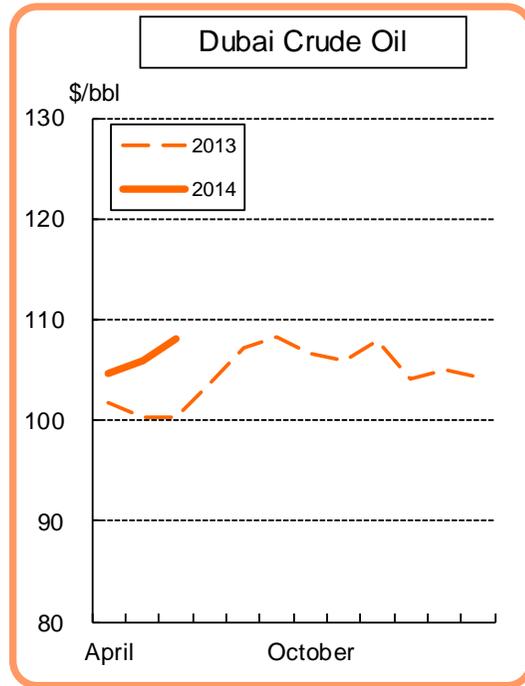




Financial Results for 1Q FY2014

- From April 1, 2014 to June 30, 2014 -

Business Environment 1 (Crude Oil, Copper Price Exchange Rate)

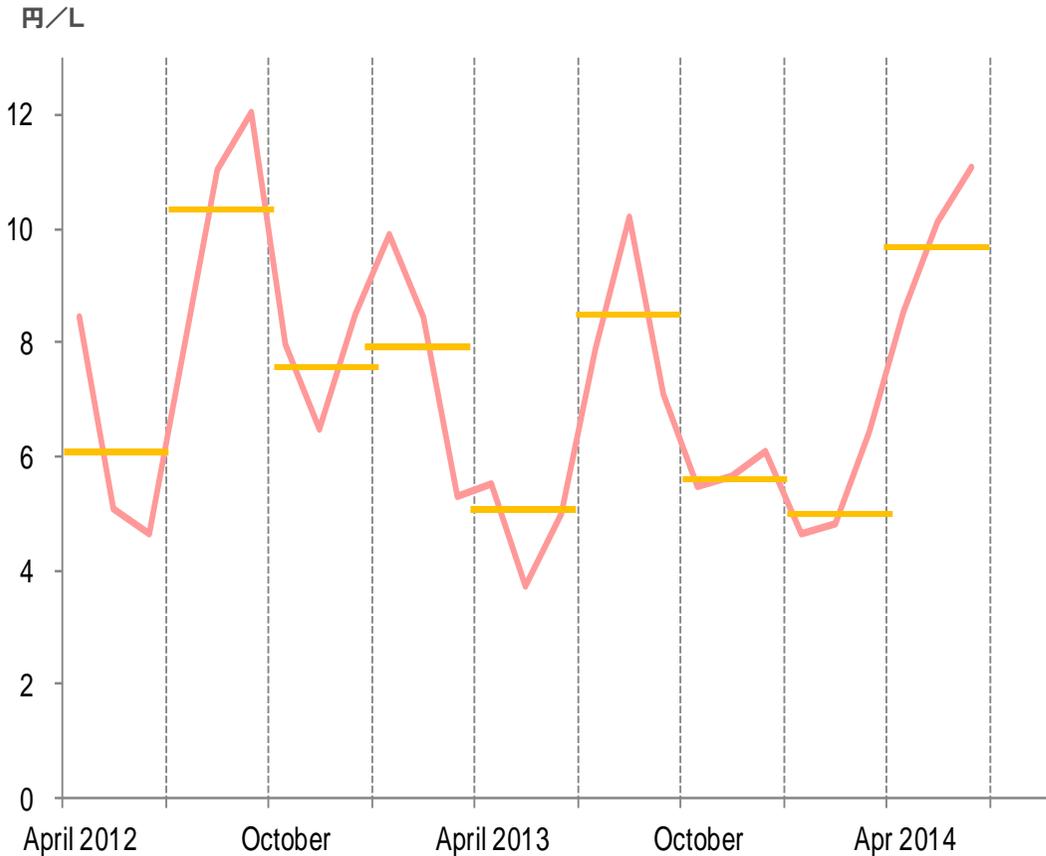


- U.S. economy changed steadily and European economy continued to move toward recovery. Regarding to the Japanese economy, there has been a moderate recovery such as corporate earnings improvement and increase in capital investment.
- Crude oil price rose in Jun against background of tense situation in Iraq.
- The average copper price stayed low against background of credit insecurity problem in China.
- Exchange rate changed in small range.



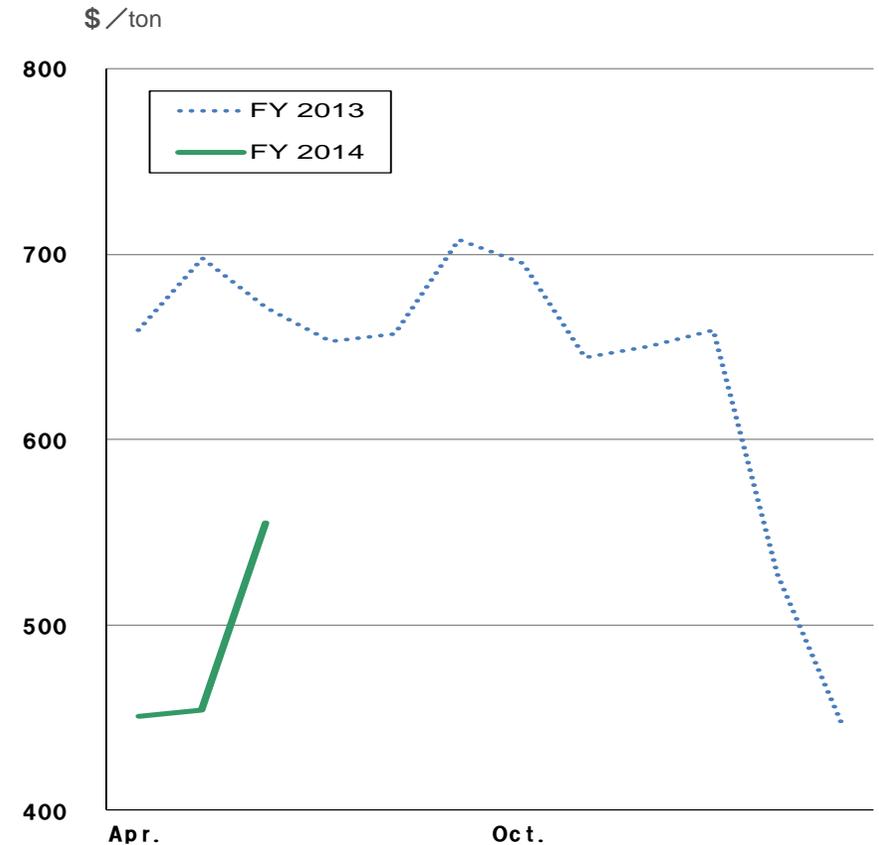
Business Environment 2 (Margins of Petroleum and Petrochemical Products)

Margins of Gasoline, Kerosene, Diesel Fuel and Fuel Oil A



Margin = Spot Price – All Japan Crude CIF (including petroleum tax and interest)

Paraxylene



Margin = Asian Contract Price(ACP) – Crude Oil Price(Dubai Spot Price)



1Q FY 2014 Results Outline

* Average from March to May.
(nearly equal to arrived crude cost)

Crude Oil (Dubai)* (\$/bbl)
Copper (¢/lb)
Exchange Rate (Yen/\$)

Net Sales
Operating Income
Non-operating Income (Expenses), Net
Ordinary Income
-Inventory Valuation
Ordinary Income Excl. Inventory Valuation
Special Gain (Loss), Net
Net Income

1Q FY2013 (Actual)	
	103
Jan.-Mar.2013	<360> 324
Jan.-Mar.2013	< 92> 99
JPY Billion	2,773.8
	53.6
	18.9
	72.5
	30.8
	41.7
	0.6
	35.7

1Q FY2014 (Actual)	
	105
Jan.-Mar.2014	<319> 308
Jan.-Mar.2014	<103> 102
JPY Billion	2,640.9
	2.7
	12.2
	14.9
	2.0
	12.9
	15.5
	14.2

Changes			
	+2		+2%
<-41>	-16	<-11%>	-5%
<+11>	+3	<+12%>	+3%
JPY Billion	-132.9		-5%
	-50.9		-95%
	-6.7		-35%
	-57.6		-79%
	-28.8		-94%
	-28.8		-69%
	+14.9		-
	-21.5		-60%



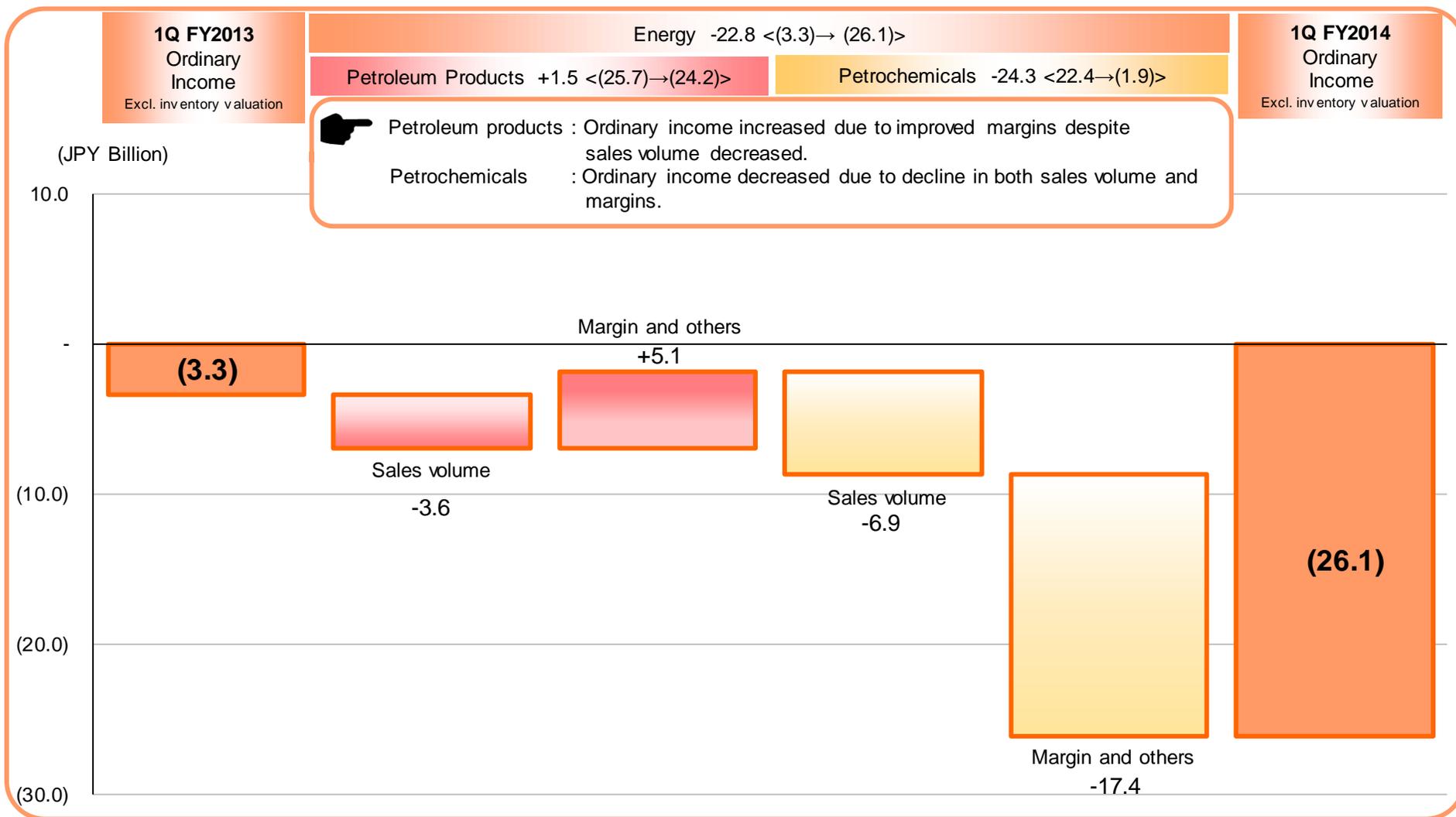
1Q FY2013 Actual vs. 1Q FY2014 Actual

Changes in Ordinary Income (Loss) by Segment

	1Q FY2013 (Actual)	1Q FY2014 (Actual)	Changes	
	JPY Billion	JPY Billion	JPY Billion	
Energy	26.1	(24.3)	-50.4	-
- Inventory Valuation	29.4	1.8	-27.6	-94%
Excl. Inventory Valuation	(3.3)	(26.1)	-22.8	-
- Petroleum Products	(25.7)	(24.2)	+1.5	-
- Petrochemicals	22.4	(1.9)	-24.3	-
Oil and Natural Gas E&P	31.0	20.0	-11.0	-35%
Metals	10.1	9.7	-0.4	-4%
- Inventory Valuation	1.4	0.2	-1.2	-86%
Excl. Inventory Valuation	8.7	9.5	+0.8	+9%
Others	5.3	9.5	+4.2	+79%
Total	72.5	14.9	-57.6	-79%
Excl. Inventory Valuation	41.7	12.9	-28.8	-69%



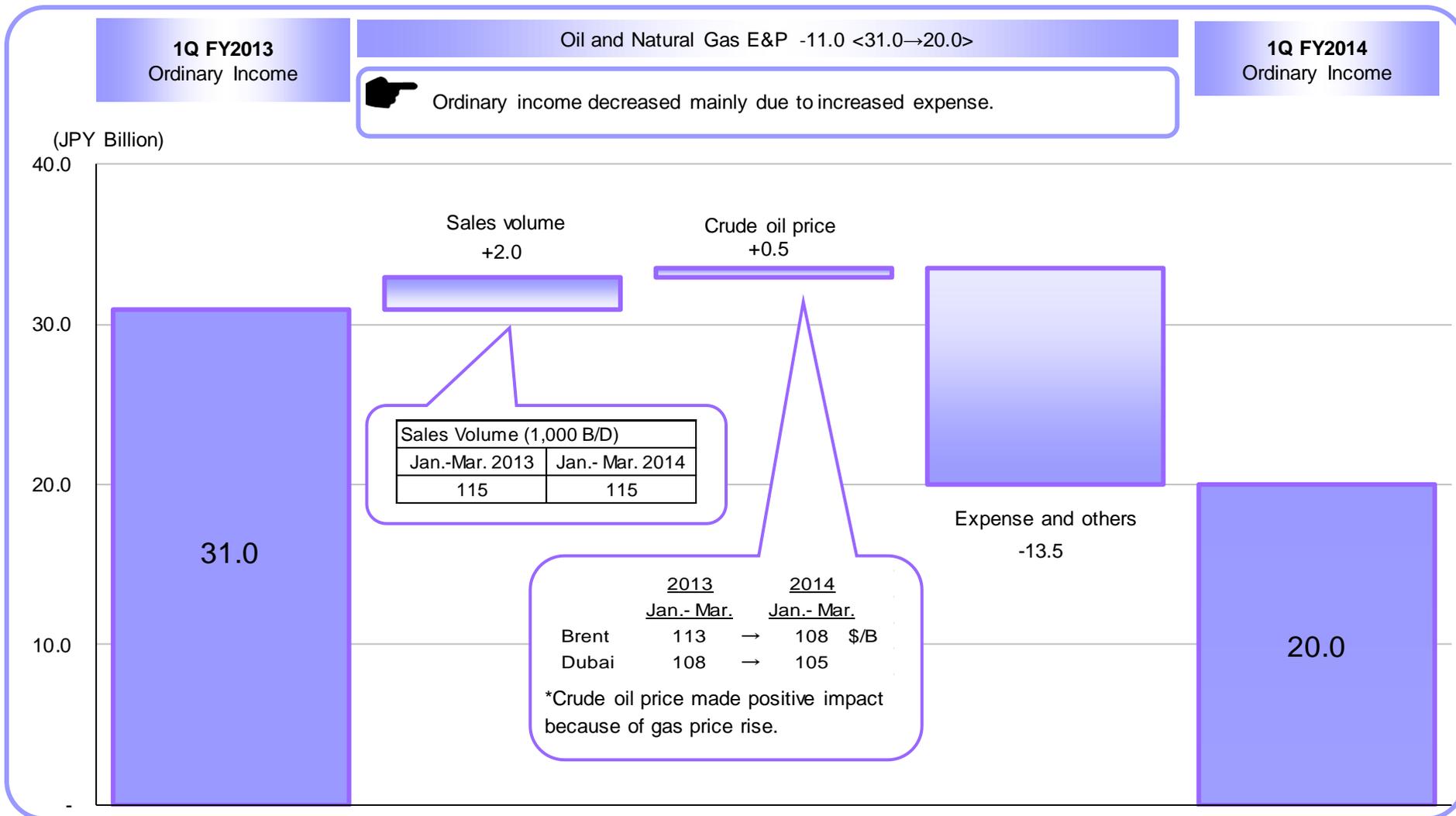
1Q FY2013 Actual vs. 1Q FY2014 Actual Changes in Ordinary Income - Energy Business -





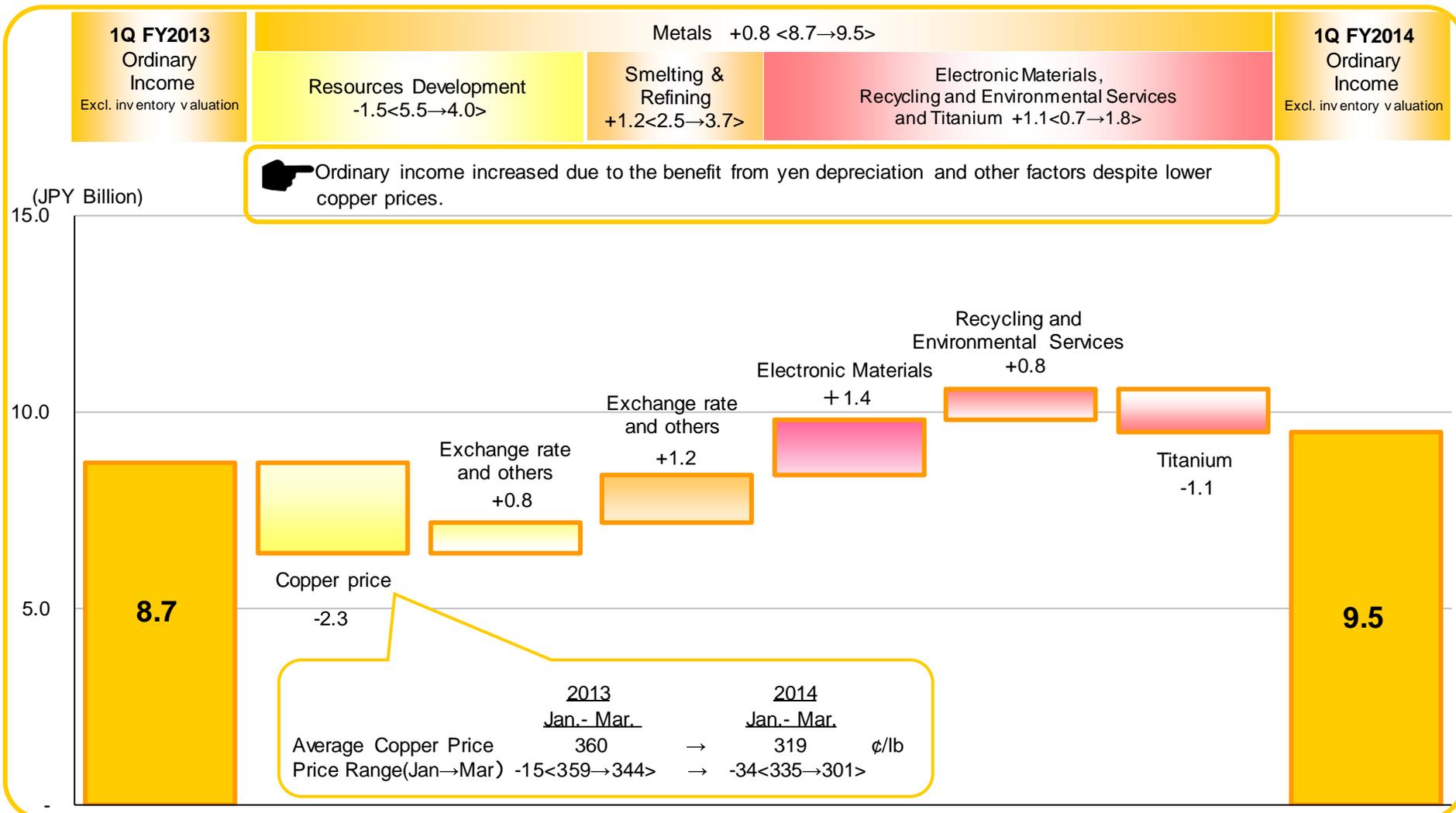
1Q FY2013 Actual vs. 1Q FY2014 Actual

Changes in Ordinary Income - Oil and Natural Gas E&P Business -





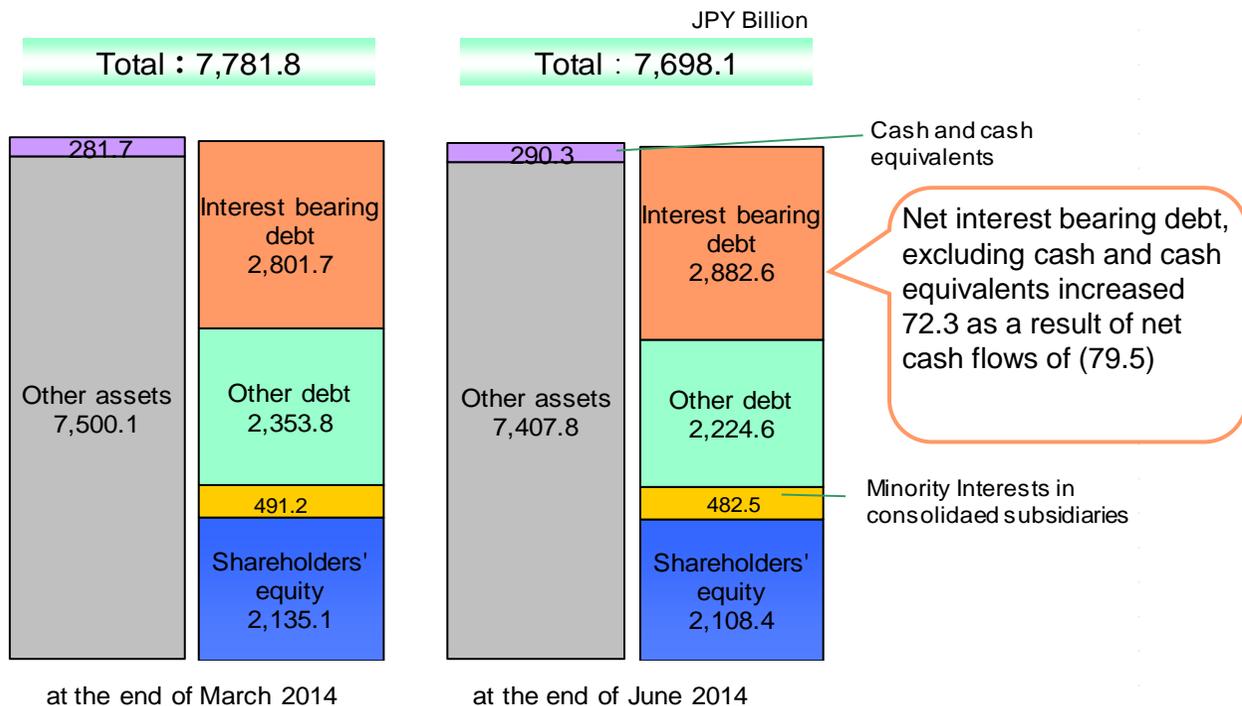
1Q FY2013 Actual vs. 1Q FY2014 Actual Changes in Ordinary Income - Metals Business-





Consolidated Balance Sheets Consolidated Statement of Cash Flows

Consolidated Balance Sheets



Consolidated Cash Flows

1Q FY2014	(JPY Billion)
Ordinary income	14.9
Depreciation and amortization	46.9
Decrease in working capital	38.6
Corporate tax and others	(48.6)
Cash flows from operating activities	51.8
Cash flows from investing activities	(97.5)
Free cash flows	(45.7)
Dividends and others	(33.8)
Net cash flows	(79.5)

	At the end of March 2014 (Actual)	At the end of June 2014 (Actual)
Shareholders' equity ratio	27.4%	27.4%
Net D/E ratio	1.18	1.23

Forecast for FY2014

- From April 1, 2014 to March 31, 2015 -

- ✓ Key Factors (July 2014 - March 2015)
 - Crude Oil Price (Dubai) : 105\$/bbl
 - Copper Price : 320¢/lb
 - Exchange Rate : 100Yen/\$

Assumptions for the Previous Forecast

(From April 1, 2014 to March 31, 2015)

- Crude Oil Price(Dubai) : 100\$/bbl
- Copper Price : 320 ¢/lb
- Exchange Rate : 100Yen/\$

Outline of FY2014 Forecast

* Average from March to February
(nearly equal to arrived crude cost)

Crude Oil (Dubai)* (\$/bbl)
Copper (¢/lb)
Exchange Rate (Yen/\$)
Net Sales
Operating Income
Non-operating Income (Expenses), Net
Ordinary Income
-Inventory Valuation
Ordinary Income Excl. Inventory Valuation
Special Gain (Loss), Net
Net Income

FY2014 Original Forecast (announced in May.)

	100
Jan.-Dec. 2014	<320> 320
Jan.-Dec. 2014	< 101> 100
	JPY Billion
	11,720.0
	145.0
	65.0
	210.0
	(60.0)
	270.0
	7.0
	110.0

FY2014 Revised Forecast

	105
Jan.-Dec. 2014	<317> 317
Jan.-Dec. 2014	< 101> 101
	JPY Billion
	12,050.0
	175.0
	70.0
	245.0
	(25.0)
	270.0
	(4.0)
	120.0

Changes

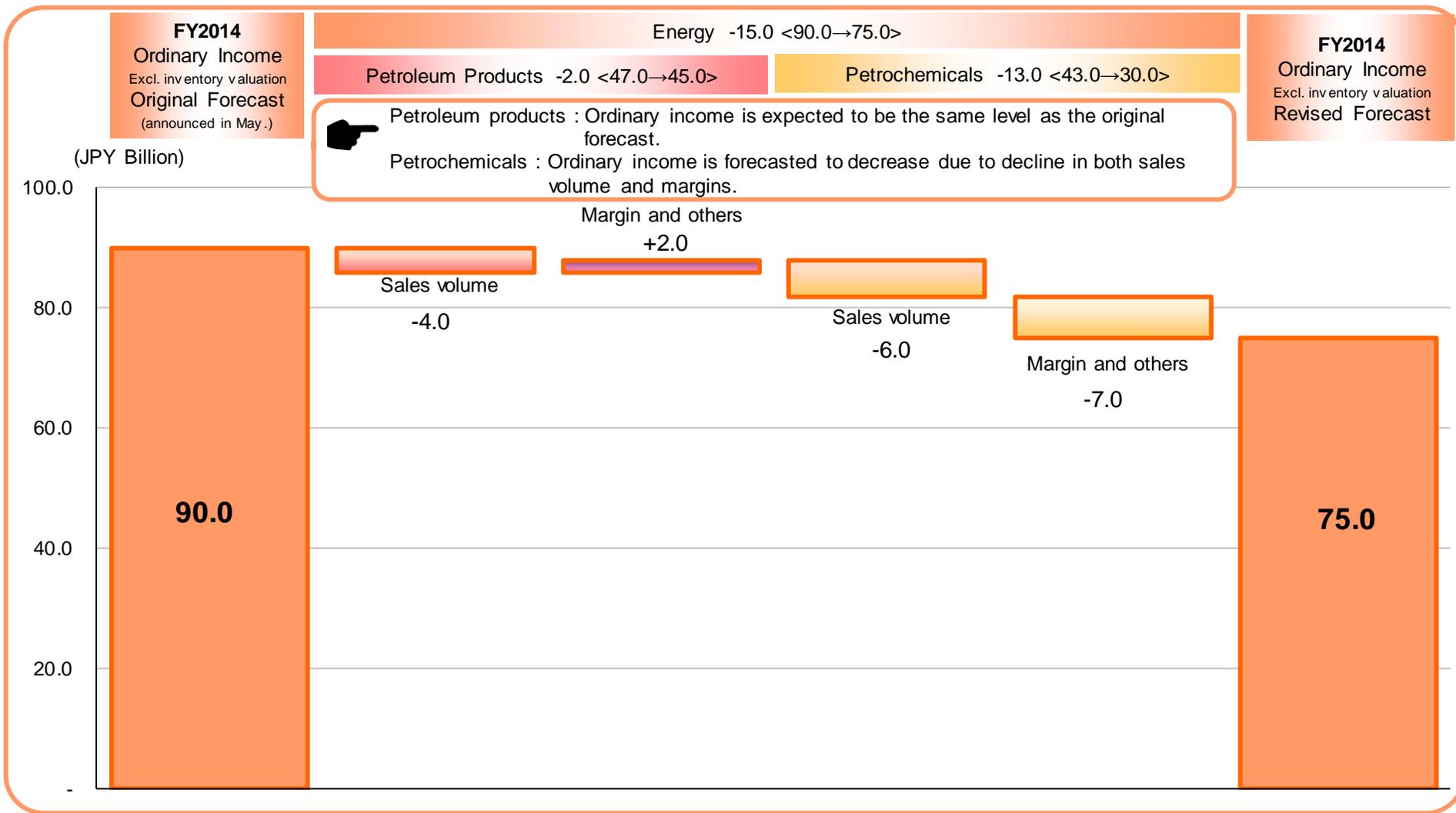
	+5	+5%
<-3>	-3	<-1%> -1%
<±0>	+1	<±0%> ±0%
	JPY Billion	
	+330.0	+3%
	+30.0	+21%
	+5.0	+8%
	+35.0	+17%
	+35.0	-
	±0	±0%
	-11.0	-
	+ 10.0	+9%

FY2014 Original Forecast vs. FY2014 Revised Forecast Changes in Ordinary Income (Loss) by Segment

	FY2014 Original Forecast (announced in May.)	FY2014 Revised Forecast	Changes	
	JPY Billion	JPY Billion	JPY Billion	
Energy	30.0	50.0	+20.0	+67%
- Inventory Valuation	(60.0)	(25.0)	+35.0	-
Excl. Inventory Valuation	90.0	75.0	-15.0	-17%
- Petroleum Products	47.0	45.0	-2.0	-4%
- Petrochemicals	43.0	30.0	-13.0	-30%
Oil and Natural Gas E&P	73.0	85.0	+12.0	+16%
Metals	70.0	70.0	±0.0	±0%
- Inventory Valuation	-	-	-	-
Excl. Inventory Valuation	70.0	70.0	±0.0	±0%
Others	37.0	40.0	+3.0	+8%
Total	210.0	245.0	+35.0	+17%
Excl. Inventory Valuation	270.0	270.0	±0.0	±0%

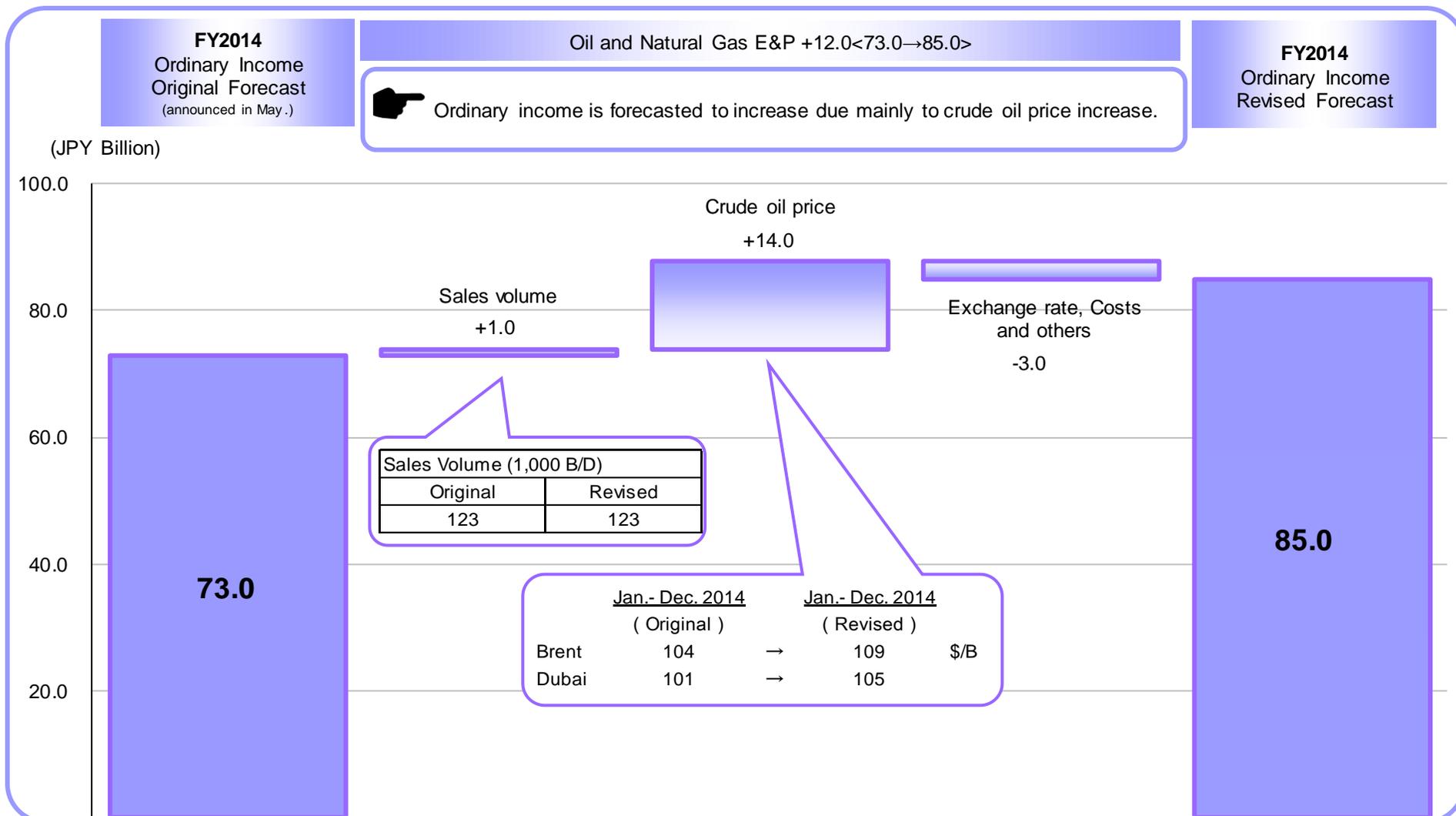


FY2014 Original Forecast vs. FY2014 Revised Forecast Changes in Ordinary Income - Energy Business -



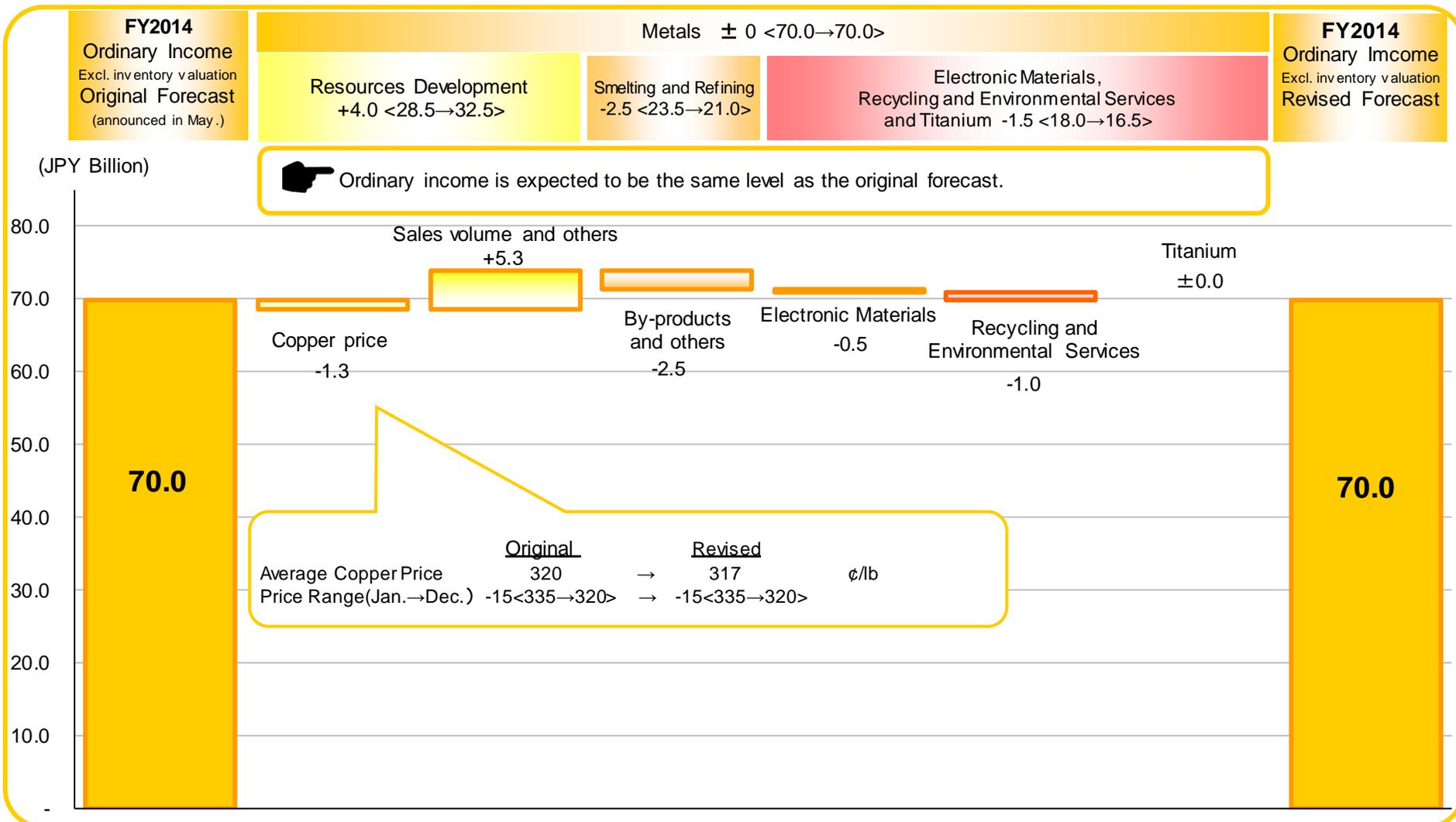


FY2014 Original Forecast vs. FY2014 Revised Forecast Changes in Ordinary Income - Oil and Natural Gas E&P Business-





FY2014 Original Forecast vs. FY2014 Revised Forecast Changes in Ordinary Income - Metals Business -





Key Factors

		FY2013			FY2014		
		1Q	1H	Full Year	1Q	1H	Full Year
		Actual	Actual	Actual	Actual	Forecast (announced in July)	Forecast (announced in July)
All segments	Exchange rate [Yen/\$]	99	99	100	102	101	101
Energy	Crude oil price [Dubai][Apr.-Mar.]* [\$]/bbl	103	103	105	105	105	105
Oil and Natural Gas E&P	Sales volume <Crude oil equivalent> [1,000 bbl/day]	115	110	115	115	114	123
	Crude oil price [Brent] [Jan.-Dec.] [\$]/bbl	113	108	109	108	109	109
Metals	Copper price [LME] [Jan.-Dec.] [¢/lb]	360	342	332	319	314	317
	Equity entitled copper mine production [1,000 tons/period · year]	28	59	127	33	64	182
	PPC copper cathode sales [1,000 tons/period · year]	148	289	588	152	307	616
	Treated rolled copper foil sales [1,000 km/month]	2.5	3.0	3.0	4.0	4.0	3.7
	Precision rolled products sales [1,000 tons/month]	3.3	3.4	3.4	3.7	3.8	3.9
	Gold recovery volume by Recycling & Environmental Services [tons/period · year]	1.3	3.1	6.1	1.3	3.0	6.3

*1 Crude oil arrival basis



Sensitivity Analysis (FY2014 basis)

■ Key factors (From July 2014 to March 2015)

Exchange Rate: 100Yen/\$

Crude Oil : 105\$/bbl
(Dubai spot)

Copper Price (LME) : 320 ¢/lb

■ Sensitivity analysis (Only for Fiscal 2014)

Key Factors	Appreciation	Segment	(JPY Billion) Impact
Exchange Rate	+1 Yen/\$ yen depreciation	Energy (In-house fuel costs rise, margin improvement in petrochemicals)	±0.0
		Oil and Natural Gas E&P	+1.0
		Metals (Margin improvement, exchange gain)	+1.0
		Subtotal	+2.0
		Inventory valuation gain	+7.0
		Total	+9.0
Crude Oil (Dubai spot)	+1\$/bbl	Energy (In-house fuel costs rise)	-1.0
		Oil and Natural Gas E&P	+1.0
		Subtotal	±0.0
		Inventory valuation gain	+7.0
		Total	+7.0
Copper Price (LME)	+10¢/lb	Metals	+4.0
		Total	+4.0



Cautionary Statement Regarding Forward-Looking Statements

This notice contains certain forward-looking statements, however, actual results may differ materially from those reflected in any forward-looking statement, due to various factors, including but not limited to, the following:

- (1) macroeconomic conditions and changes in the competitive environment in the energy, resources and materials industries;
- (2) changes in laws and regulations; and
- (3) risks related to litigation and other legal proceedings.