
■ JX Holdings (5020) Analysts' Meeting Q&A for the second quarter ended September 30, 2015

1. Date & time: Wednesday, November 4, 2015 (16:00—17:30)
 2. Attendees: 180
 3. Principal questions:
-

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

Q. For the Caserones Copper Mine, you said that from a facilities standpoint you now have a platform in place for operating at full capacity. What are the factors causing you to not yet consistently operate at full capacity?

A. With respect to the Caserones copper concentrate production, we have been operating at full capacity since the second half of September, albeit on an intermittent basis. We had approximately 1.5 million tons of crude ore input into the concentrate treatment process in October, which represents an average capacity utilization of about 60%. Currently, we are making some adjustments with respect to a number of problems that arose while operating at full capacity, but there are no major issues left which will require significant time to remedy. We are planning to increase production with the aim of having the input of crude ore into the concentrate treatment process in November reach a level where we are operating at full capacity.

Q. As crude oil prices slump, what are your future plans with respect to the Oil and Natural Gas E&P Business?

A. Break-even points differ for each project due to the fact that the acquisition timing and acquisition price of each project is different. For projects with high break-even points, we will consider cutting costs and selling projects.

Q. Can you tell us about the risk of posting impairment losses in the upstream business?

A. In addition to current resource prices, the situation also greatly depends on the future price outlook, how cost reductions are factored in, and other factors. If the outlook is for resource prices to remain at low levels for a long period of time, there is a reasonable possibility that we will post impairment losses.

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.