

Security Code

Tokyo 5020

Financial Results for 1Q FY 2015

- From April 1, 2015 to June 30, 2015 -

Director, Senior Vice President

Kunimitsu Oba

July 31, 2015



The Future of Energy, Resources and Materials

JX Holdings, Inc.

Financial Results for 1Q FY2015

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Forecast for 1H FY2015

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Director, Senior Vice President
Kunimitsu Oba



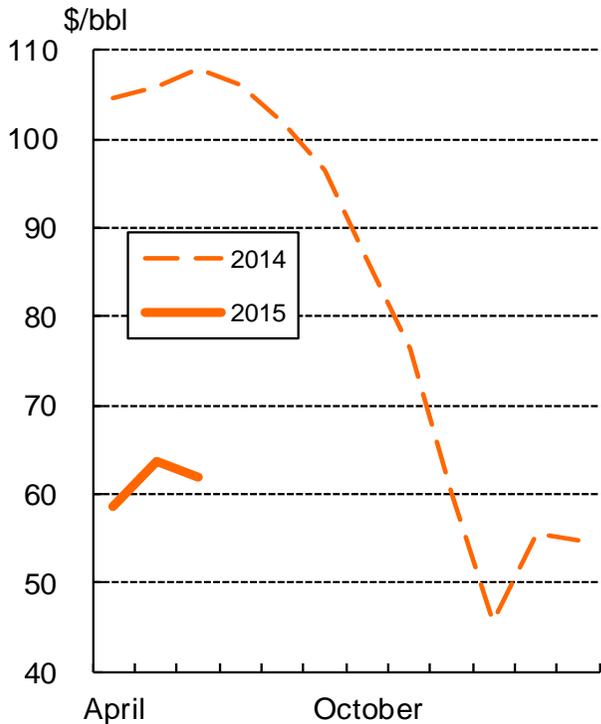
Financial Results for 1Q FY2015 (April 1, 2015 - June 30, 2015)



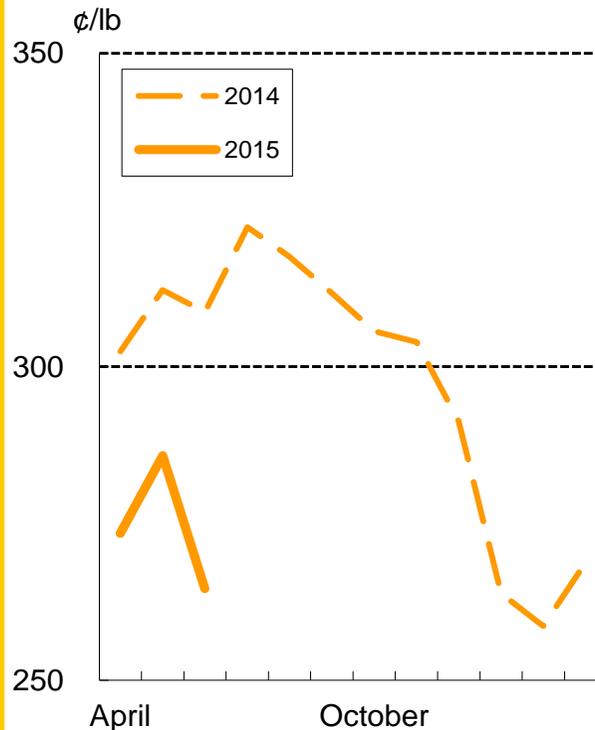
Business Environment 1 (From Apr. 2015 to Jun. 2015)

- Crude oil price stays around 60 dollars per barrel.
- Copper price stays a low level because of concerns about economic slowdown of China, and other factors.
- Yen's depreciation progressed slightly.

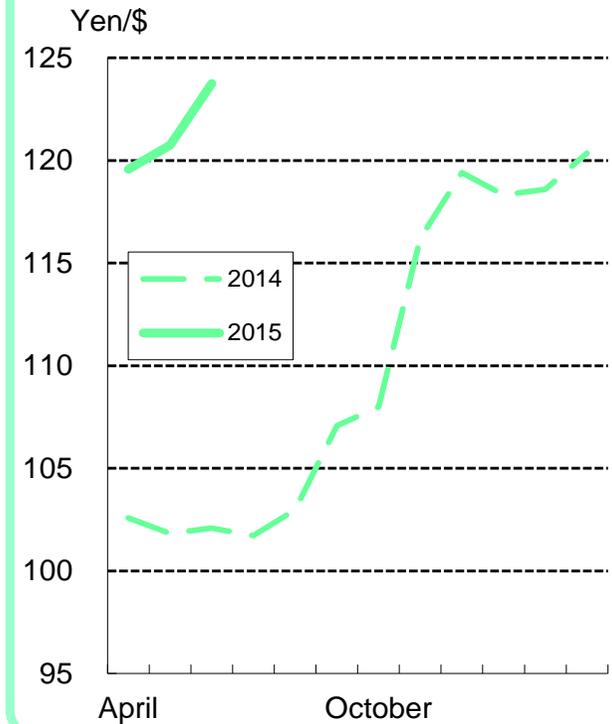
Dubai Crude Oil



Copper (LME)



Exchange Rate

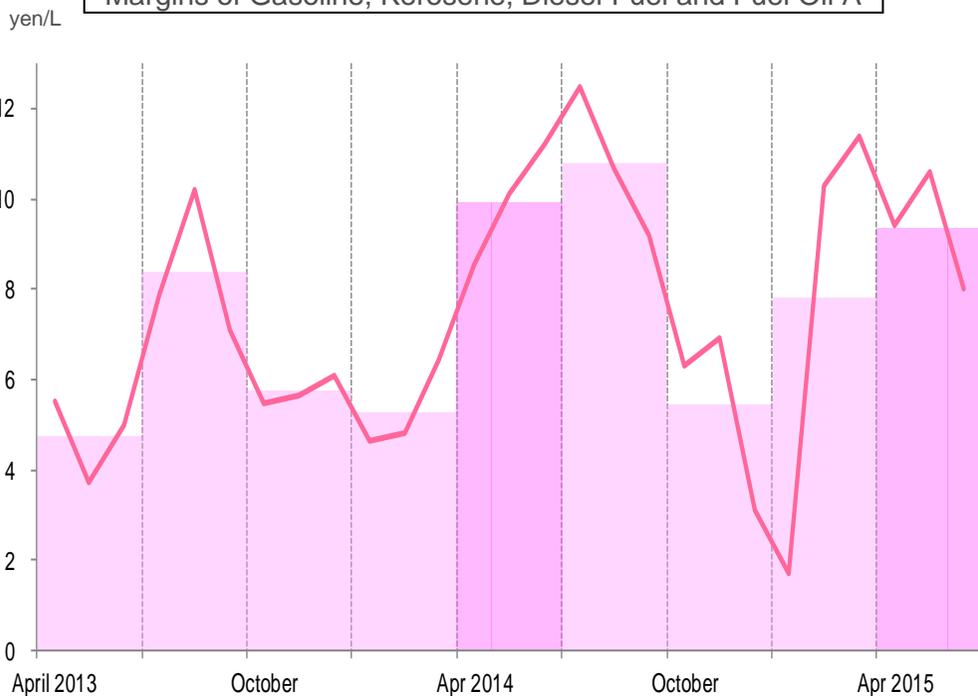




Business Environment 2 (Margin of Petroleum Products and Paraxylene)

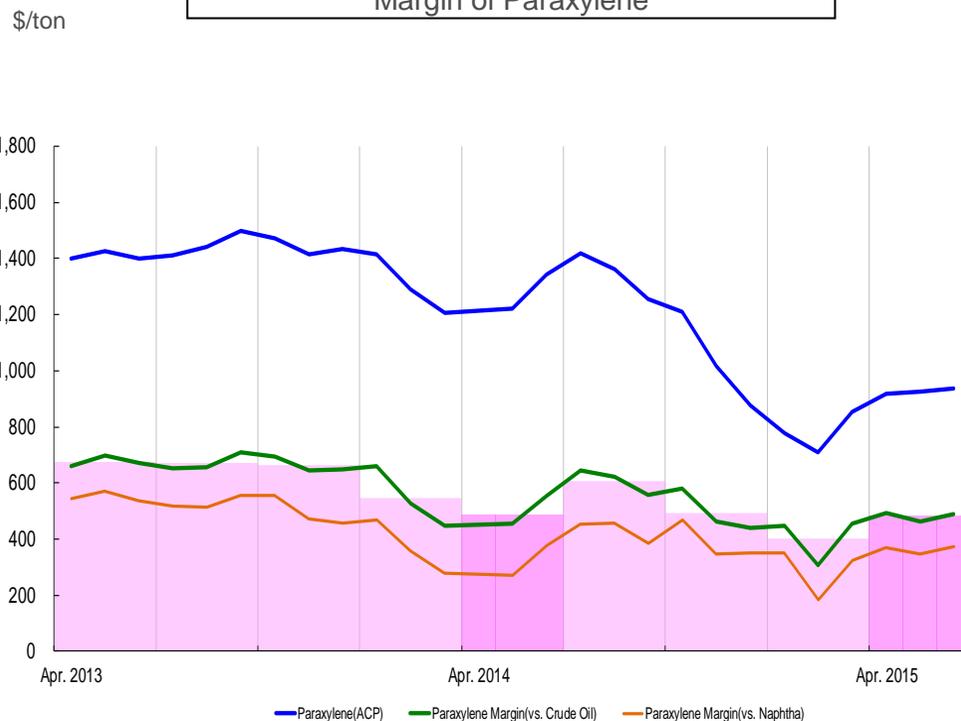
➤ Margin levels of Petroleum Products and Paraxylene are about the same level as 1Q FY2014.

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



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

Margin of Paraxylene



* In case of ACP undecided, average price of spot market is adopted.



Outline of 1Q FY2015

* 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
Profit attributable to owners of parent

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

1Q FY2015 (Actual)	
	59
Jan.-Mar.2015	<264> 275
Jan.-Mar.2015	<119> 121
	JPY Billion
	2,304.1
	79.7
	17.3
	97.0
	14.5
	82.5
	(4.1)
	53.3

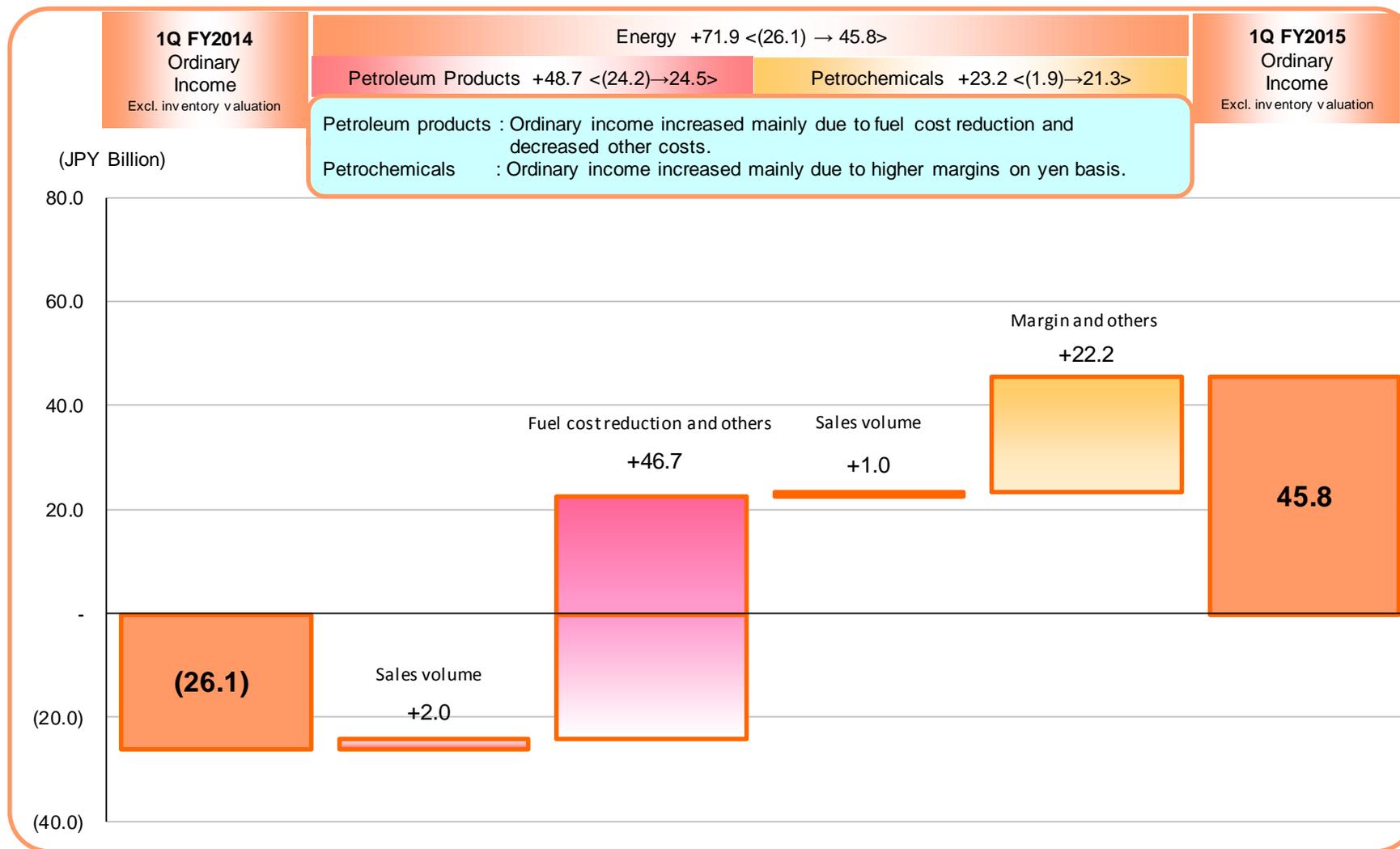
Changes			
	-46		-44%
<-55>	-33	<-17%>	-11%
<+16>	+19	<+16%>	+19%
	JPY Billion		
	-336.8		-13%
	+77.0		+2,852%
	+5.1		+42%
	+82.1		+551%
	+12.5		+625%
	+69.6		+540%
	-19.6		-
	+39.1		+275%


 1Q FY2014 Actual vs. 1Q FY2015 Actual
 Changes in Ordinary Income (Loss) by Segment

	1Q FY2014 (Actual)	1Q FY2015 (Actual)	Changes	
	JPY Billion	JPY Billion	JPY Billion	
Energy	(24.3)	60.3	+84.6	-
- Inventory Valuation	1.8	14.5	+12.7	+706%
Excl. Inventory Valuation	(26.1)	45.8	+71.9	-
- Petroleum Products	(24.2)	24.5	+48.7	-
- Petrochemicals	(1.9)	21.3	+23.2	-
Oil and Natural Gas E&P	20.0	12.3	-7.7	-39%
Metals	9.7	15.6	+5.9	+61%
- Inventory Valuation	0.2	0.0	-0.2	-
Excl. Inventory Valuation	9.5	15.6	+6.1	+64%
Others	9.5	8.8	-0.7	-7%
Total	14.9	97.0	+82.1	+551%
Excl. Inventory Valuation	12.9	82.5	+69.6	+540%

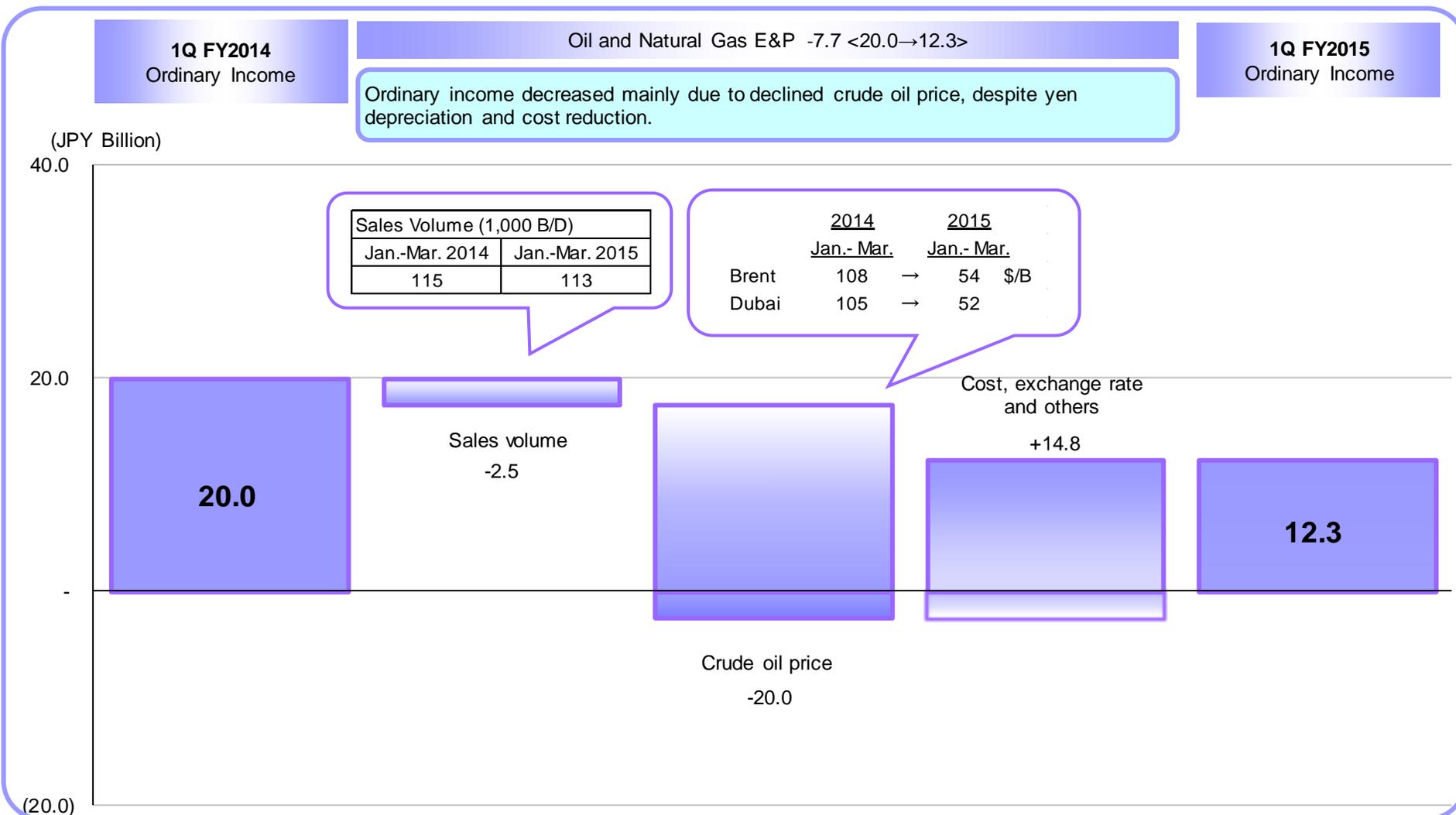


1Q FY2014 Actual vs. 1Q FY2015 Actual Changes in Ordinary Income - Energy Business -



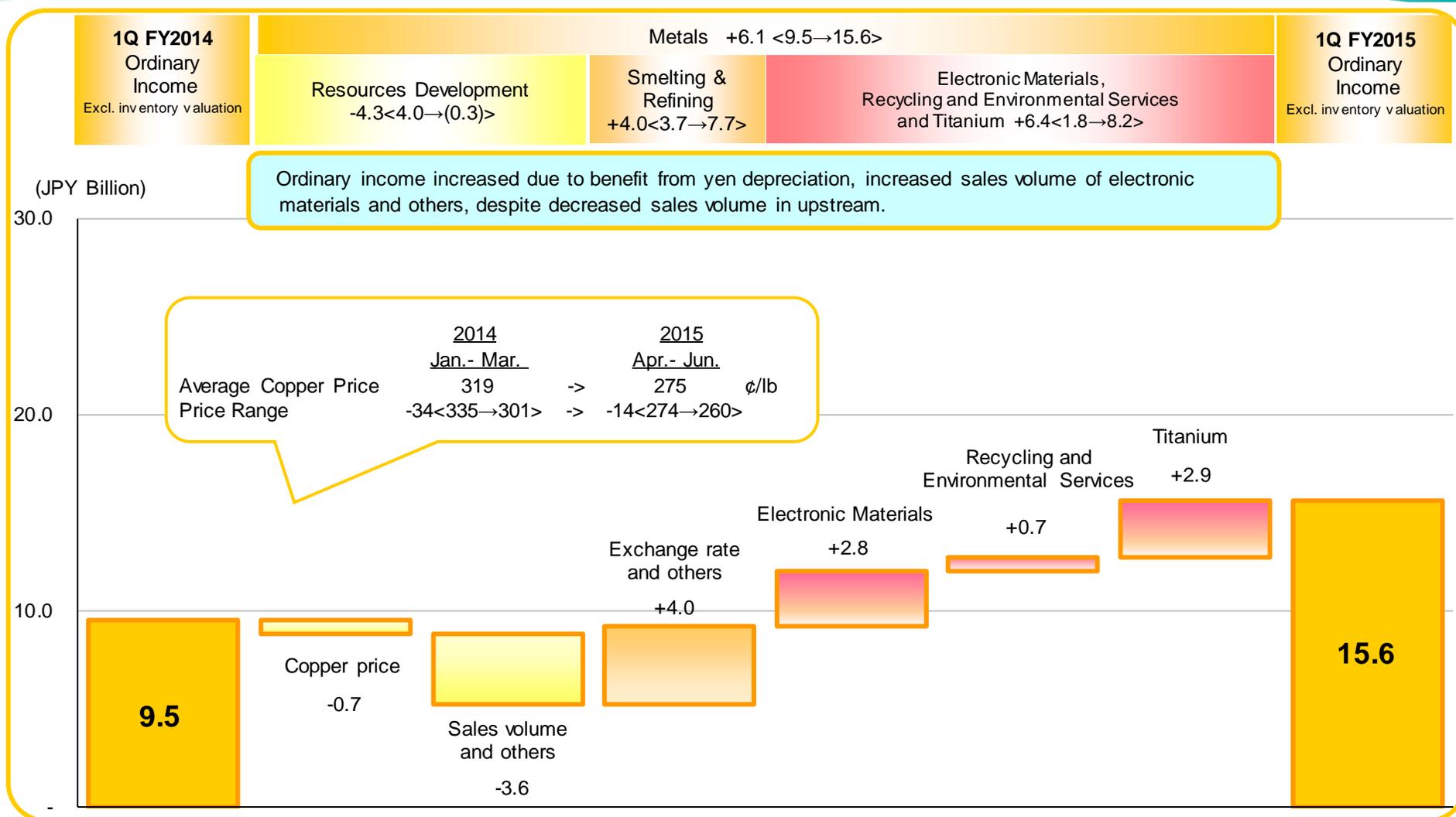


1Q FY2014 Actual vs. 1Q FY2015 Actual
Changes in Ordinary Income - Oil and Natural Gas E&P Business -





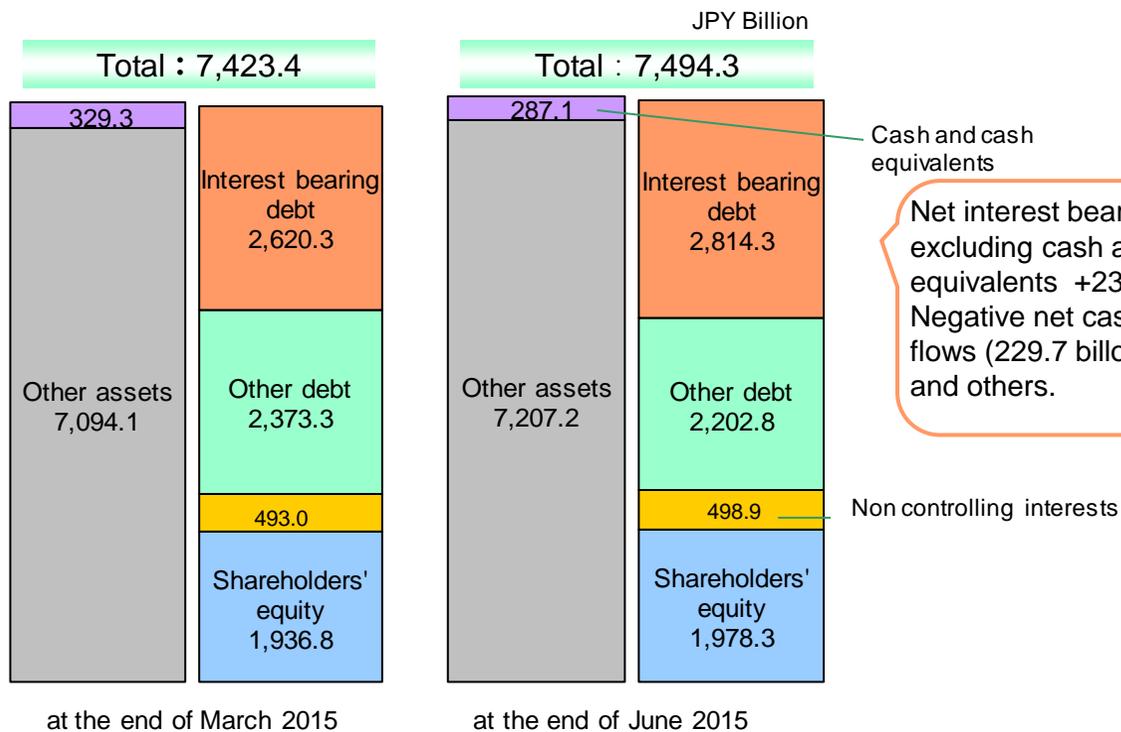
1Q FY2014 Actual vs. 1Q FY2015 Actual Changes in Ordinary Income - Metals Business-





Consolidated Balance Sheets
Consolidated Statement of Cash Flows

Consolidated Balance Sheets



Consolidated Cash Flows

1Q FY2015 (JPY Billion)

Ordinary income	97.0
Depreciation and amortization	54.8
Decrease in working capital	(162.6)
(The effect of increased payment of gasoline excise and other taxes, due to a shift of the due date from other term)	(112.4)
Corporate tax and others	(80.5)
Cash flows from operating activities	(91.3)
Cash flows from investing activities	(108.2)
Free cash flows	(199.5)
Dividends and others	(30.2)
Net cash flows	(229.7)

	At the end of March 2015 (Actual)	At the end of June 2015 (Actual)
Shareholders' equity ratio	26.1%	26.4%
Net D/E ratio	1.18	1.28

Forecast for 1H FY2015

- From April 1, 2015 to September 30, 2015 -

✓ Key Factors (July 2015 - September 2015)

Crude Oil(\$/Bbl)	60
Copper Price(¢/lb)	270
Exchange Rate(Yen/\$)	120

✓ Forecasts

- 1H FY2015 : Revised from the original forecast announced on May 11, 2015.
- Full year : Not revised from the original forecast.

Ordinary Income by Segment		(Not Revised)
(JPY billion)	1H 2015 (Forecast)	Full Year 2015
Energy	67.0	153.0
E&P	15.0	30.0
Metals	23.0	71.0
Others	15.0	36.0
Subtotal excl. Inventory Valuation	120.0	290.0
Inventory Valuation	20.0	20.0
Total	140.0	310.0

Outline of 1H FY2015 Forecast

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

**1H FY2015
Original Forecast
(announced in May.)**

	59
Jan.-Jun. 2015	<u><267> 270</u>
Jan.-Jun. 2015	<u>< 117> 115</u>
	JPY Billion
	<u>4,610.0</u>
	<u>110.0</u>
	<u>30.0</u>
	<u>140.0</u>
	<u>20.0</u>
	<u>120.0</u>
	<u>(3.0)</u>
	<u>70.0</u>

**1H FY2015
Revised Forecast**

	60
Jan.-Jun. 2015	<u><269> 272</u>
Jan.-Jun. 2015	<u>< 120> 121</u>
	JPY Billion
	<u>4,730.0</u>
	<u>115.0</u>
	<u>25.0</u>
	<u>140.0</u>
	<u>20.0</u>
	<u>120.0</u>
	<u>(5.0)</u>
	<u>70.0</u>

Changes

	<u>+1</u>	<u>+2%</u>
<+2>	<u>+2</u>	<u><-1%> +1%</u>
<+3>	<u>+6</u>	<u><+3%> +5%</u>
	JPY Billion	
	<u>+120.0</u>	<u>+3%</u>
	<u>+5.0</u>	<u>+5%</u>
	<u>-5.0</u>	<u>-17%</u>
	<u>±0.0</u>	<u>-</u>
	<u>±0.0</u>	<u>-</u>
	<u>±0.0</u>	<u>-</u>
	<u>-2.0</u>	<u>-</u>
	<u>±0.0</u>	<u>-</u>

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

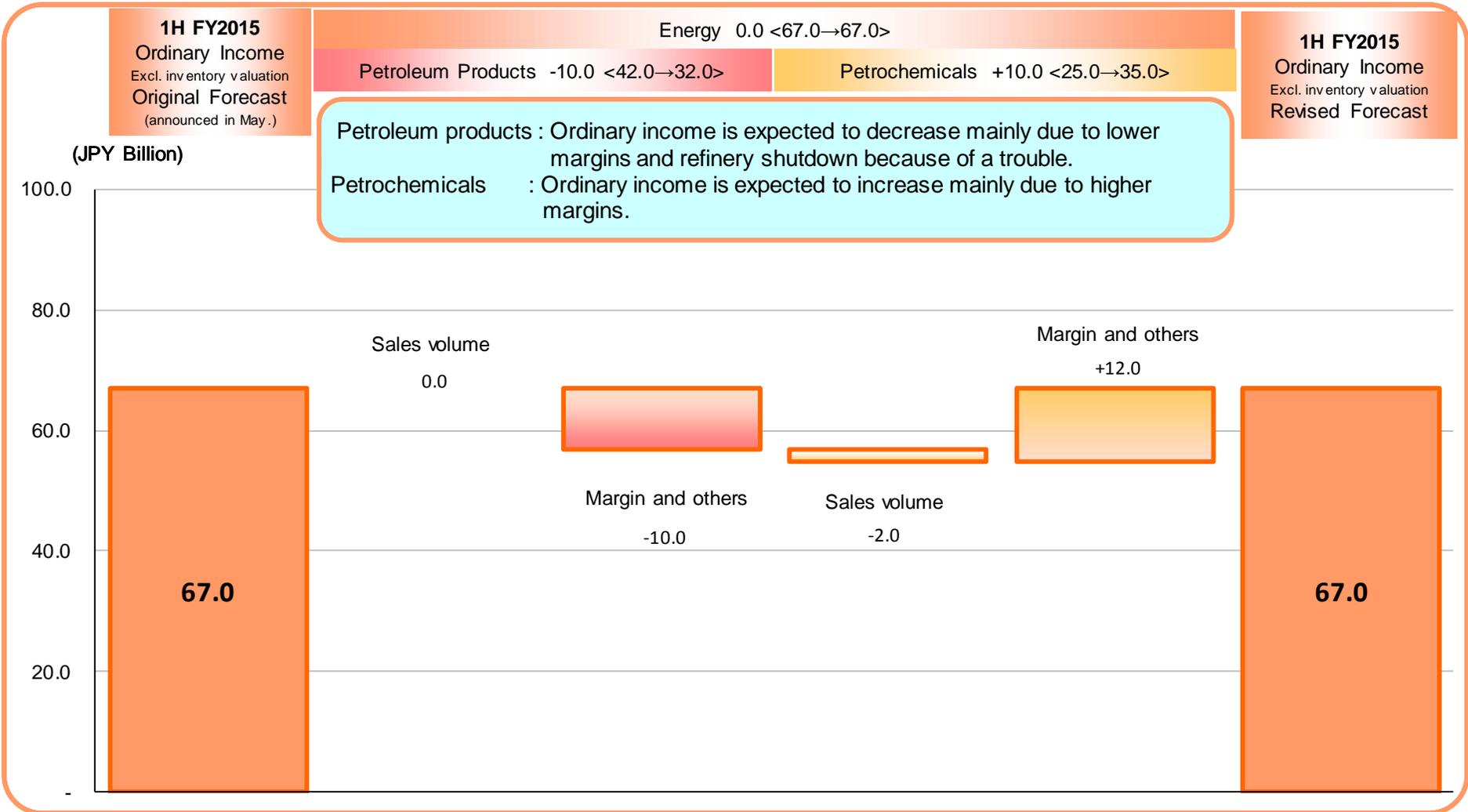
Profit attributable to owners of parent

1H FY2015 Original Forecast vs. 1H FY2015 Revised Forecast Changes in Ordinary Income (Loss) by Segment

	1H FY2015 Original Forecast (announced in May.)	1H FY2015 Revised Forecast	Changes	
	JPY Billion	JPY Billion	JPY Billion	
Energy	87.0	87.0	±0.0	-
- Inventory Valuation	20.0	20.0	±0.0	-
Excl. Inventory Valuation	67.0	67.0	±0.0	-
- Petroleum Products	42.0	32.0	-10.0	-24%
- Petrochemicals	25.0	35.0	+10.0	+40%
Oil and Natural Gas E&P	11.0	15.0	+4.0	+36%
Metals	29.0	23.0	-6.0	-21%
- Inventory Valuation	0.0	0.0	±0.0	-
Excl. Inventory Valuation	29.0	23.0	-6.0	-21%
Others	13.0	15.0	+2.0	+15%
Total	140.0	140.0	±0.0	-
Excl. Inventory Valuation	120.0	120.0	±0.0	-

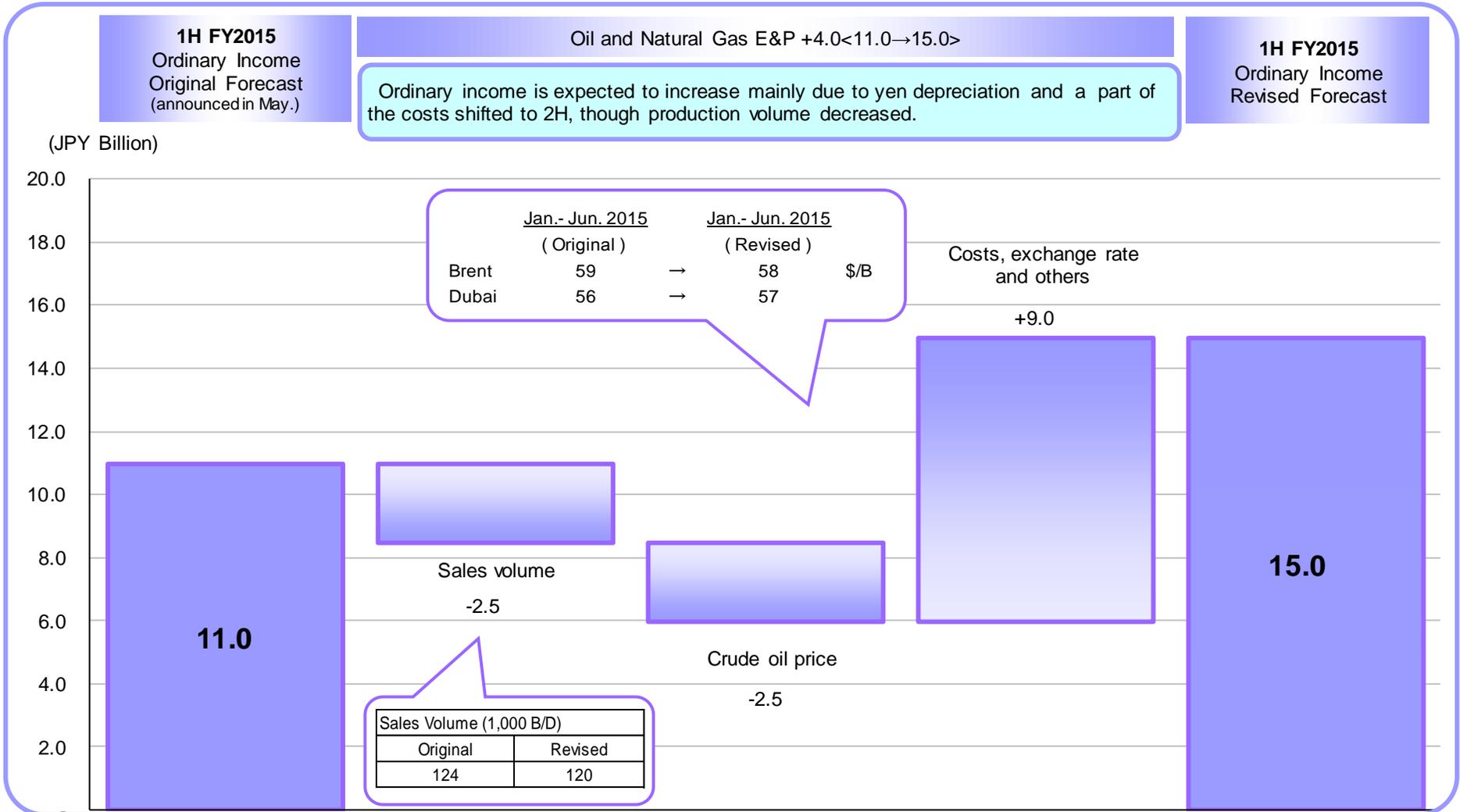


1H FY2015 Original Forecast vs. 1H FY2015 Revised Forecast
Changes in Ordinary Income - Energy Business -



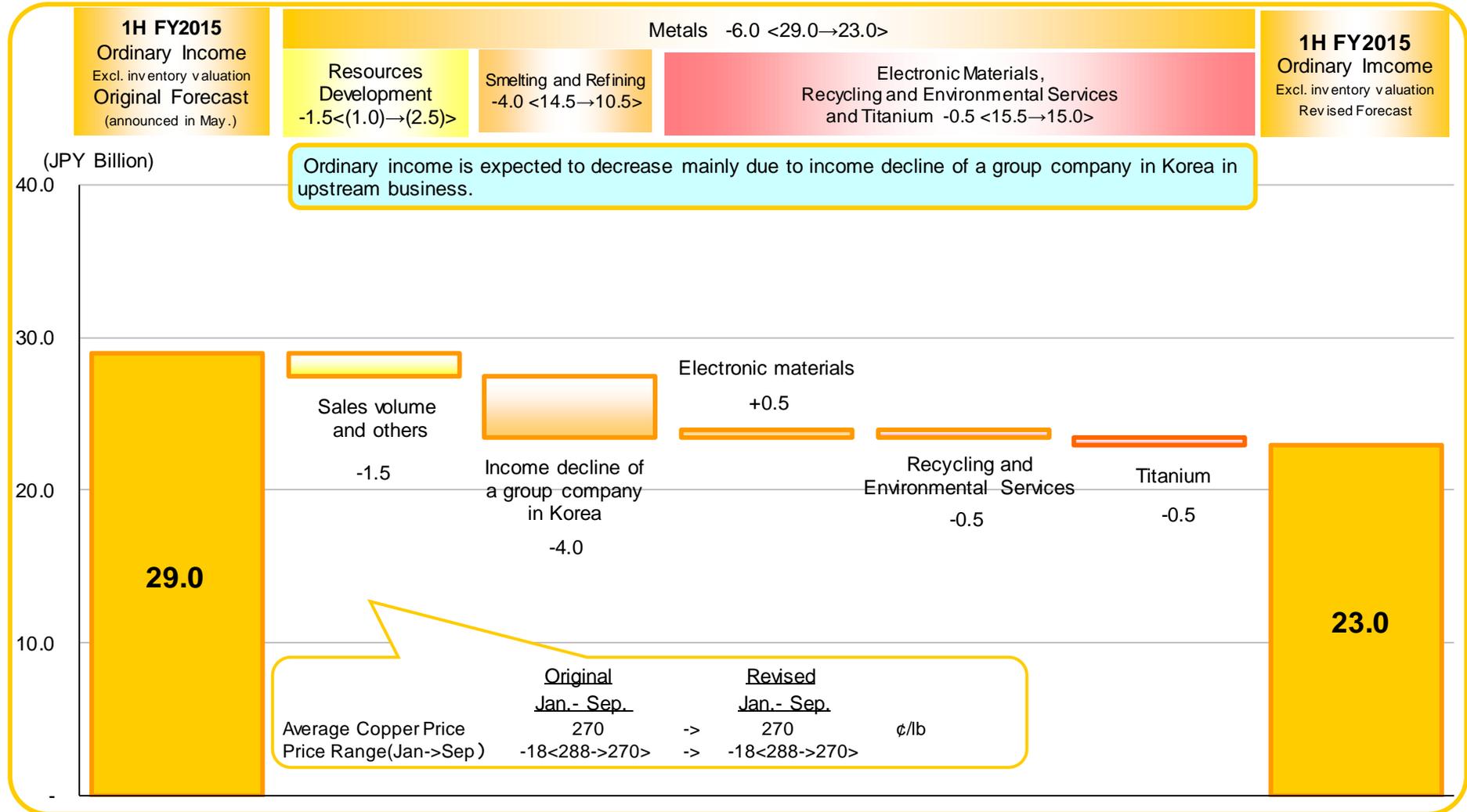


1H FY2015 Original Forecast vs. 1H FY2015 Revised Forecast Changes in Ordinary Income - Oil and Natural Gas E&P Business-





1H FY2015 Original Forecast vs. 1H FY2015 Revised Forecast Changes in Ordinary Income - Metals Business -



Ordinary income is expected to decrease mainly due to income decline of a group company in Korea in upstream business.

Original Jan.- Sep. Revised Jan.- Sep. Average Copper Price 270 -> 270 ¢/lb Price Range(Jan->Sep) -18<288->270> -> -18<288->270>

Major Topics (from April to July 2015)

JX Nippon Oil & Energy

Apr. Started commercial operation at Hachinohe and Kushiro LNG terminal.

Jun. Kawasaki Natural Gas Power Generation Co., Ltd. started full consideration on expansion of the generator.

JX Nippon Oil & Gas Exploration

Apr. Made an oil discovery at Deepwater Block R offshore Malaysia.

JX Nippon Mining & Metals

May. Developed new plating technology, hyperTin®.

May. Reorganized, aiming at more enforcement of the risk management system.

Key Factors

		FY2014			FY2015		
		1Q	1H	Full Year	1Q	1H	Full Year
		Actual	Actual	Actual	Actual	Forecast (announced in Jul.)	Forecast (announced in May.)
All segments	Exchange rate [Yen/\$]	102	103	110	121	121	115
Energy	Crude oil price [Dubai] [Apr.-Mar.] *1 [\$/bbl]	105	105	88	59	60	60
Oil and Natural Gas E&P	Sales volume <Crude oil equivalent> [1,000 bbl/day]	115	112	115	113	120	129
	Crude oil price [Brent] [Jan.-Dec.] [\$/bbl]	108	109	99	54	58	61
Metals	Copper price [LME] *2 [¢/lb]	319	314	311	275	272	270
	Equity entitled copper mine production *2 [1,000 tons/period · year]	33	65	148	39	97	231
	PPC copper cathode sales [1,000 tons/period · year]	152	307	623	144	314	619
	Treated rolled copper foil sales [1,000 km/month]	4.0	4.0	4.1	5.0	4.9	4.3
	Precision rolled products sales [1,000 tons/month]	3.7	3.8	3.8	3.7	3.9	4.1
	Gold recovery volume by Recycling & Environmental Services [tons/period · year]	1.3	3.0	5.9	1.6	3.6	6.7

*1 Crude oil arrival basis

*2 Due to a change of fiscal term, referring terms are different. 2014 1Q: Jan.-Mar., 1H: Jan.-Jun., Full Year: Jan.-Dec.; 2015 1Q: Apr.-Jun., 1H: Apr.-Sep., Full Year: Apr.-Mar.

Sensitivity Analysis (FY2015 basis)

■ Key factors (From July to September 2015)

Exchange Rate: 120Yen/\$

Crude Oil : 60\$/bbl
(Dubai spot)

Copper Price (LME) : 270 ¢/lb

■ Sensitivity analysis

Key Factors	Change	Segment	(JPY Billion) Impact
Exchange Rate	5 Yen/\$ yen depreciation	Energy (In-house fuel costs rise, margin improvement in petrochemicals)	+1.0
		Oil and Natural Gas E&P	-2.0
		Metals (Margin improvement, exchange gain)	+1.0
		Subtotal	0.0
		Inventory valuation gain	+15.0
		Total	+15.0
Crude Oil (Dubai spot)	-5\$/bbl	Energy (In-house fuel costs drop)	+2.5
		Oil and Natural Gas E&P	0.0
		Subtotal	+2.5
		Inventory valuation gain	-45.0
		Total	-42.5
Copper Price (LME)	-10¢/lb	Metals	-2.0
		Total	-2.0

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.