

Securities Code

Tokyo 5020

Supplementary Information

~ JX Group A to Z ~

May 11, 2016



The Future of Energy, Resources and Materials

JX Holdings, Inc.

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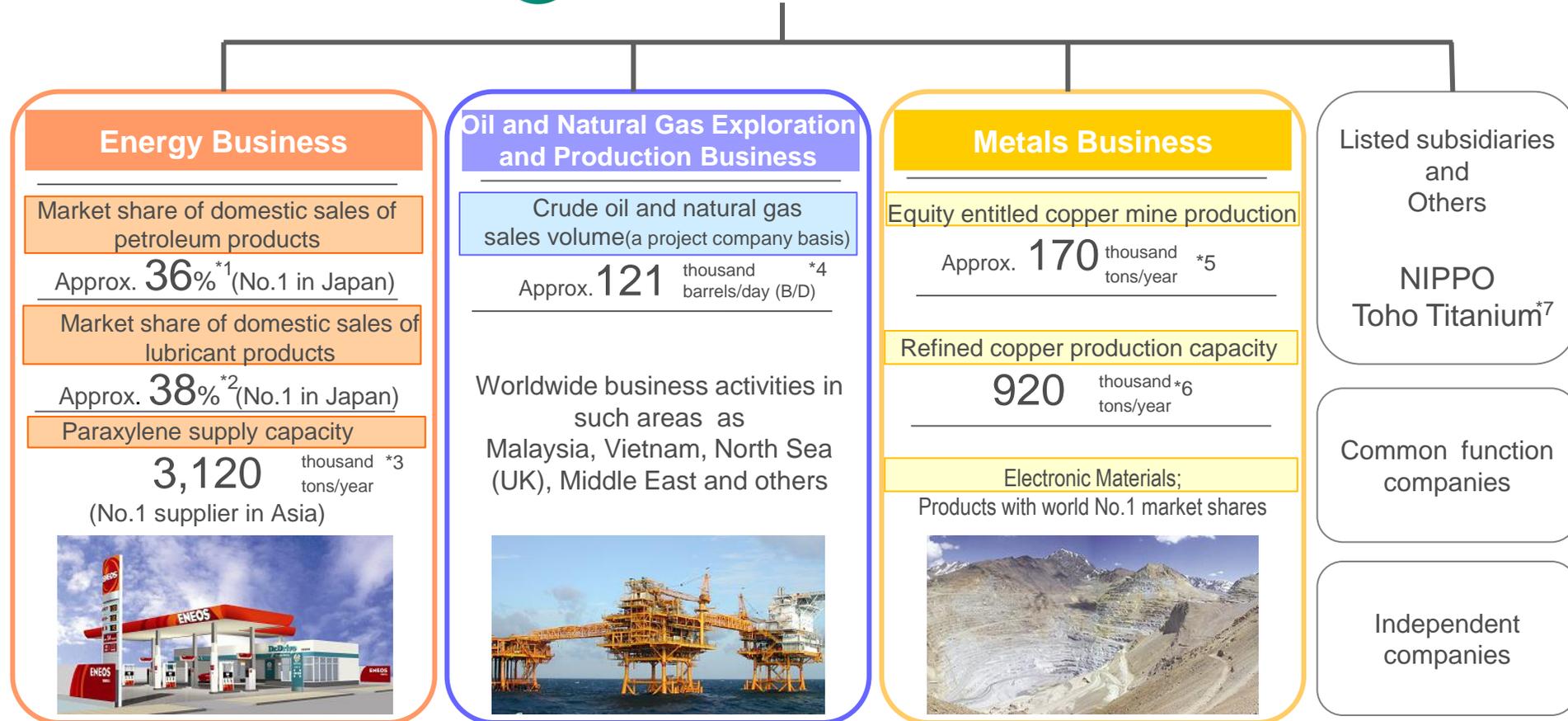
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Summary of JX Group's Businesses



Energy Business

Market share of domestic sales of petroleum products

Approx. **36%**^{*1} (No.1 in Japan)

Market share of domestic sales of lubricant products

Approx. **38%**^{*2} (No.1 in Japan)

Paraxylene supply capacity

3,120 thousand^{*3} tons/year
(No.1 supplier in Asia)



Oil and Natural Gas Exploration and Production Business

Crude oil and natural gas sales volume(a project company basis)

Approx. **121** thousand^{*4} barrels/day (B/D)

Worldwide business activities in such areas as Malaysia, Vietnam, North Sea (UK), Middle East and others



Metals Business

Equity entitled copper mine production

Approx. **170** thousand^{*5} tons/year

Refined copper production capacity

920 thousand^{*6} tons/year

Electronic Materials;
Products with world No.1 market shares



Listed subsidiaries and Others

NIPPO
Toho Titanium^{*7}

Common function companies

Independent companies

*1 FY2015 actual

*2 FY2015 actual

*3 As of Mar. 2016

*4 Crude oil equivalent (average daily production from Jan. to Dec. 2015 actual)

*5 Equity entitled copper production contained in copper concentrate (FY2015 actual)

*6 Pan Pacific Copper (67.8% equity stake) ; 650 thousand tons/year + LS-Nikko Copper (39.9% equity stake) ;270 thousand tons/year (As of Mar. 2016)

*7 Profit and loss of Toho Titanium is included in the Metals Business.



Financial Results



Financial Summary

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
(JPY billion)	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
Net Sales	9,634.4	10,723.9	11,219.5	12,412.0	10,882.5	8,737.8	8,800.0
Energy	8,131.9	9,147.5	9,699.6	10,755.0	9,124.8	7,122.4	7,150.0
Oil and Natural Gas E&P	148.8	187.8	173.1	202.2	226.4	175.8	150.0
Metals	940.6	997.2	964.9	1,039.1	1,156.0	1,049.7	1,110.0
Others	413.1	391.4	381.9	415.7	375.3	389.9	390.0
Operating Income (Loss)	334.4	327.9	251.5	213.7	(218.9)	(62.2)	230.0
Energy	239.1	208.2	138.9	79.9	(365.3)	(141.4)	168.0
Oil and Natural Gas E&P	51.9	90.5	80.5	83.4	75.4	21.6	(6.0)
Metals	20.7	14.5	6.4	13.8	33.2	14.7	32.0
Others	22.7	14.7	25.7	36.6	37.8	42.9	36.0
Ordinary Income (Loss)	413.7	407.8	328.3	302.3	(150.1)	(8.6)	260.0
Energy	253.7	232.5	161.6	108.2	(334.6)	(97.1)	200.0
Oil and Natural Gas E&P	59.5	97.5	93.6	105.5	84.9	28.2	(23.0)
Metals	70.7	60.0	44.0	47.4	56.6	13.3	40.0
Others	29.8	17.8	29.1	41.2	43.0	47.0	43.0
Profit attributable to owners of parent	311.7	170.6	159.5	107.0	(277.2)	(278.5)	125.0
Energy		105.8	117.1	52.2	(292.2)	(82.9)	173.0
Oil and Natural Gas E&P		53.2	33.9	53.4	2.4	(191.2)	(88.0)
Metals		23.8	(2.6)	(11.2)	(5.7)	(47.9)	21.0
Others		(12.2)	11.1	12.6	18.3	43.5	19.0
Capex	200.0	286.0	472.0	500.0	420.0	320.0	440.0
Depreciation and Amortization	204.6	198.1	180.4	183.6	197.3	227.7	240.0

* Profit and loss of Toho Titanium is included in the Metals Business from FY2012.

Ordinary Income by segment

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
(JPY billion)	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
Ordinary Income (Loss)	413.7	407.8	328.3	302.3	(150.1)	(8.6)	260.0
Energy Business	253.7	232.5	161.6	108.2	(334.6)	(97.1)	200.0
Petroleum Products	169.2	74.6	56.1	(77.5)	57.1	89.1	107.0
Petrochemicals	27.3	38.2	46.7	69.6	15.1	77.6	63.0
Inventory Valuation	57.2	119.7	58.8	116.1	(406.8)	(263.8)	30.0
Oil and Natural Gas E&P Business	59.5	97.5	93.6	105.5	84.9	28.2	(23.0)
Metals Business	70.7	60.0	44.0	47.4	56.6	13.3	40.0
Resources Development	44.1	36.6	26.6	22.5	18.1	(24.2)	(17.0)
Smelting and Refining	12.8	15.5	11.1	12.5	16.8	13.3	21.5
Electronic Materials	9.4	5.4	6.3	9.0	16.6	21.9	19.0
Recycling and Environmental Services	4.0	5.7	2.5	5.6	6.7	5.0	4.0
Titanium	-	-	(1.0)	(5.4)	(3.1)	3.0	2.5
Inventory Valuation	0.4	(3.2)	(1.5)	3.2	1.5	(5.7)	10.0
Others	29.8	17.8	29.1	41.2	43.0	47.0	43.0

*Profit and loss of Toho Titanium is included in the Metals Business from FY2012.



Balance Sheets

	Mar. 2011	Mar. 2012	Mar. 2013	Mar. 2014	Mar. 2015	Mar. 2016
(JPY billion)	Actual	Actual	Actual	Actual	Actual	Actual
Total assets	6,260.0	6,690.4	7,274.9	7,781.8	7,423.4	6,724.6
Current assets	3,067.7	3,554.6	3,737.8	3,765.6	2,996.4	2,651.3
- Cash and deposits	233.5	242.0	250.1	281.7	329.3	492.7
Noncurrent assets	3,192.2	3,135.8	3,537.1	4,016.2	4,427.0	4,073.3
Property, plant and equipment	1,940.3	1,940.4	2,190.7	2,389.2	2,555.6	2,453.5
Intangible assets	166.1	137.2	134.8	132.7	136.2	117.4
Investments and other assets	1,085.8	1,058.2	1,211.6	1,494.3	1,735.2	1,502.4
Liabilities	4,373.7	4,645.7	4,947.5	5,155.5	4,993.6	4,796.2
Interest-bearing debt	2,264.6	2,282.6	2,549.3	2,801.7	2,620.3	2,581.4
Other liabilities	2,109.1	2,363.1	2,398.2	2,353.8	2,373.3	2,214.8
Net assets	1,886.2	2,044.8	2,327.4	2,626.3	2,429.8	1,928.4
Shareholders' equity	1,644.5	1,776.6	1,896.4	1,962.3	1,626.4	1,307.6
Accumulated other comprehensive income (loss)	(16.2)	(32.3)	46.3	172.8	310.4	191.3
Non-controlling interests	257.9	300.5	384.7	491.2	493.0	429.5



Performance Indicators

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
(JPY billion)	Actual	Actual	Actual	Actual	Actual	Actual
Cash flows from operating activities	211.4	246.6	265.6	305.2	737.2	555.0
(Working capital)	(343.7)	(192.2)	(164.5)	(99.0)	725.0	453.3
Cash flows from investing activities	(170.9)	(198.6)	(426.1)	(479.8)	(377.8)	(307.7)
Free cash flows	40.5	48.0	(160.5)	(174.6)	359.4	247.3
Dividend and others	(31.5)	(56.1)	(18.0)	7.3	(65.4)	(62.1)
Net cash flows	9.0	(8.1)	(178.5)	(167.3)	294.0	185.2

	Mar. 2011	Mar. 2012	Mar. 2013	Mar. 2014	Mar. 2015	Mar. 2016
	Actual	Actual	Actual	Actual	Actual	Actual
ROE (%)	19.1	10.1	8.7	5.2	(13.6)	(16.2)
Net D/E Ratio (times)	1.25	1.17	1.18	1.18	1.18	1.39
Shareholders' equity ratio (%)	26.0	26.1	26.7	27.4	26.1	22.3



Equity in earnings of unconsolidated subsidiaries and affiliates

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
(JPY billion)	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
Energy	5.4	3.6	5.9	6.9	6.8	5.6	6.0
Oil and Natural Gas E&P	7.8	6.4	9.4	6.6	5.9	1.0	(7.0)
Metals	55.8	51.0	43.5	39.6	33.1	10.2	23.0
Resources Development	48.8	41.2	35.0	32.0	27.6	14.5	13.0
Smelting and Refining	7.0	9.8	8.5	7.6	5.5	(4.3)	10.0
Others	7.0	1.1	0.9	1.5	1.3	1.3	1.0
Total	76.0	62.1	59.7	54.6	47.1	18.1	23.0

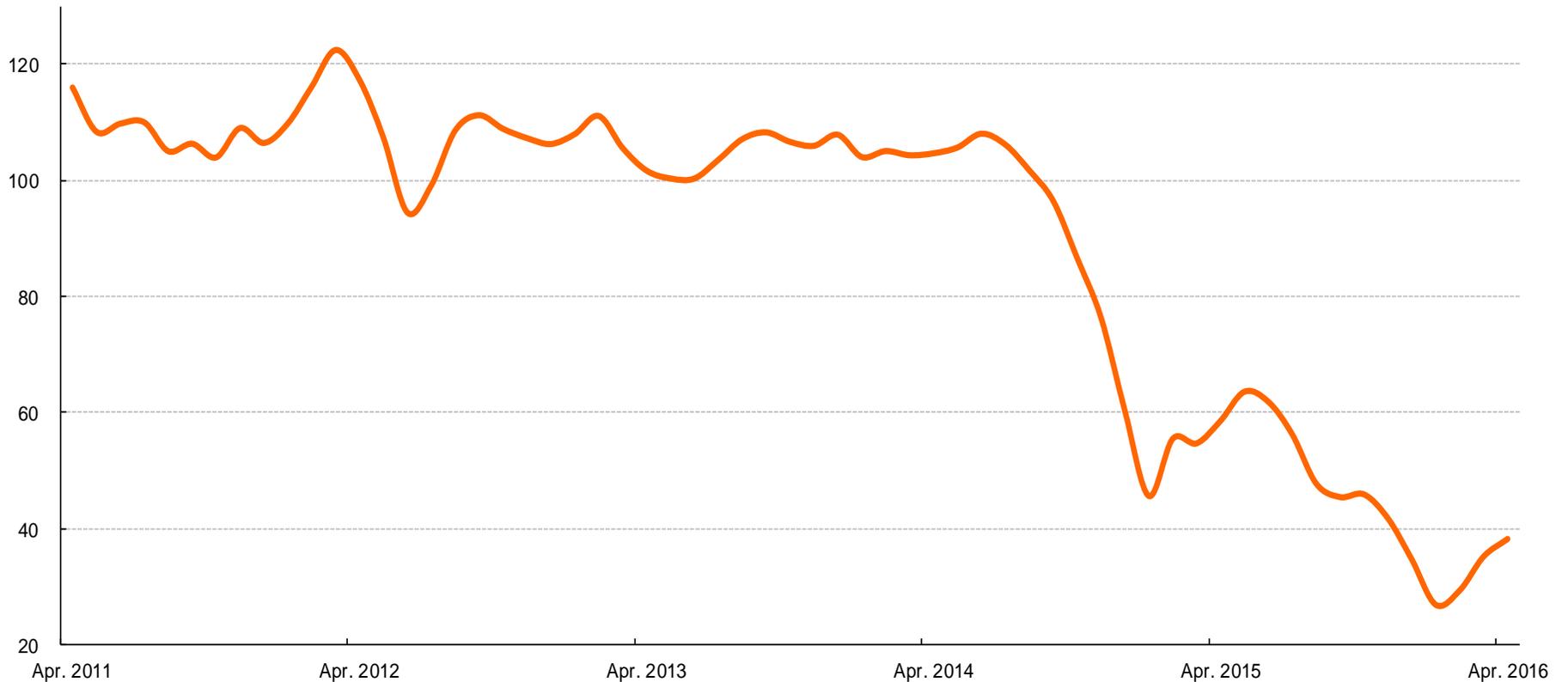


Historical Dubai Crude Oil Price

(\$/bbl)

Average Price	FY2011	FY2012	FY2013	FY2014					FY2015				
				1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Dubai Crude Oil	110	107	105	106	101	74	52	83	61	50	41	30	46

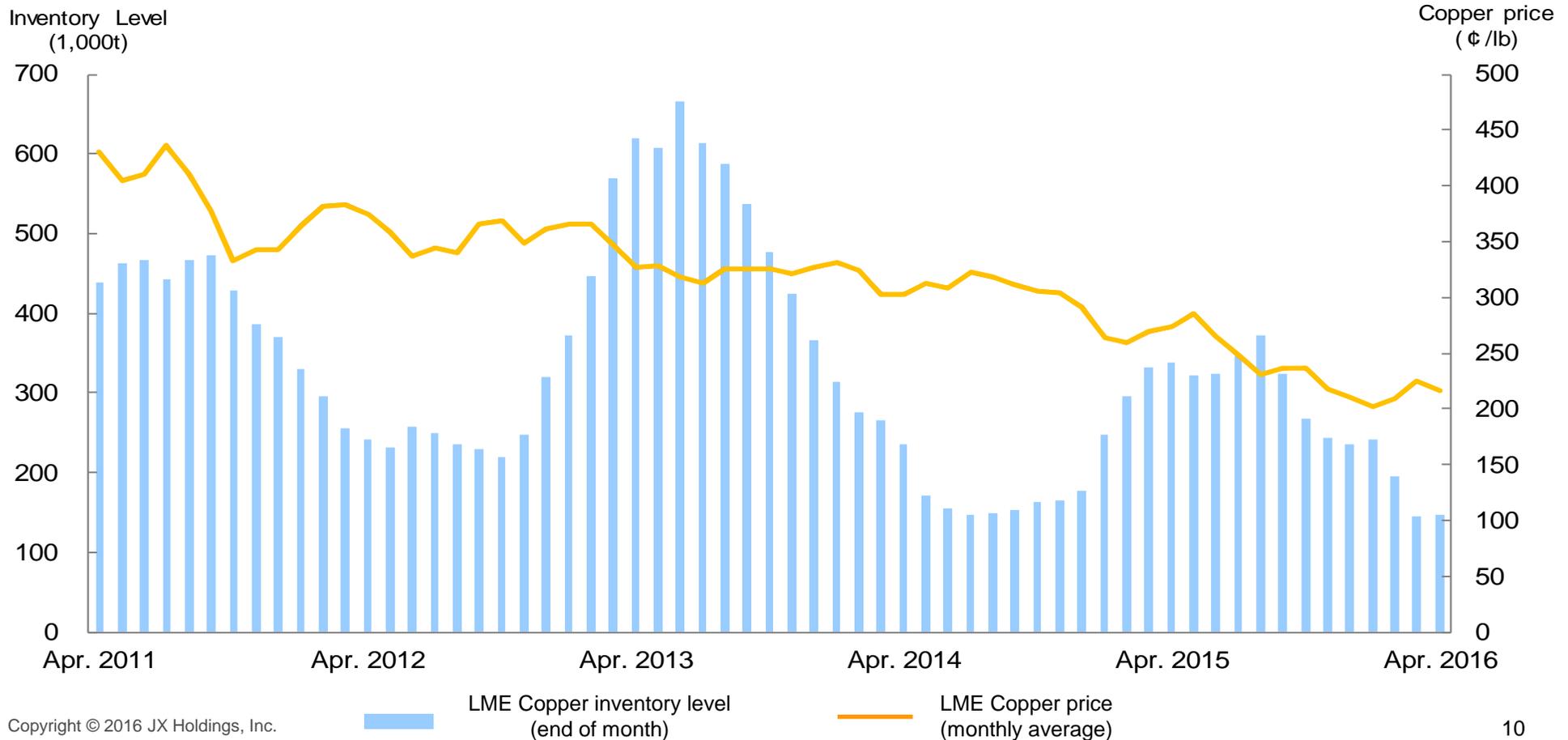
(\$/bbl)





Historical Copper Price and Inventory Level

Average Price	FY2011	FY2012	FY2013	FY2014					FY2015				
				1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Copper	385	356	322	308	317	300	264	297	275	238	222	212	237

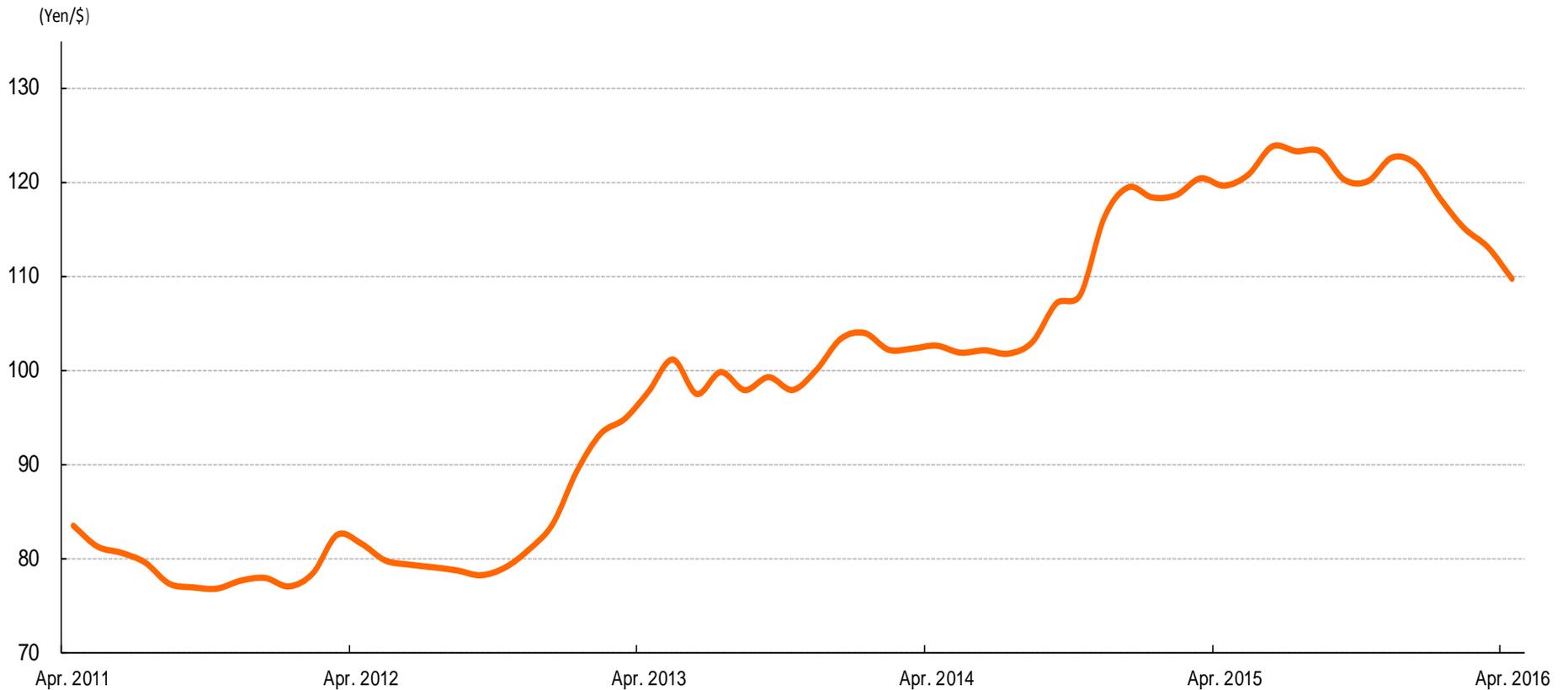




Historical Exchange Rate

(Yen/\$)

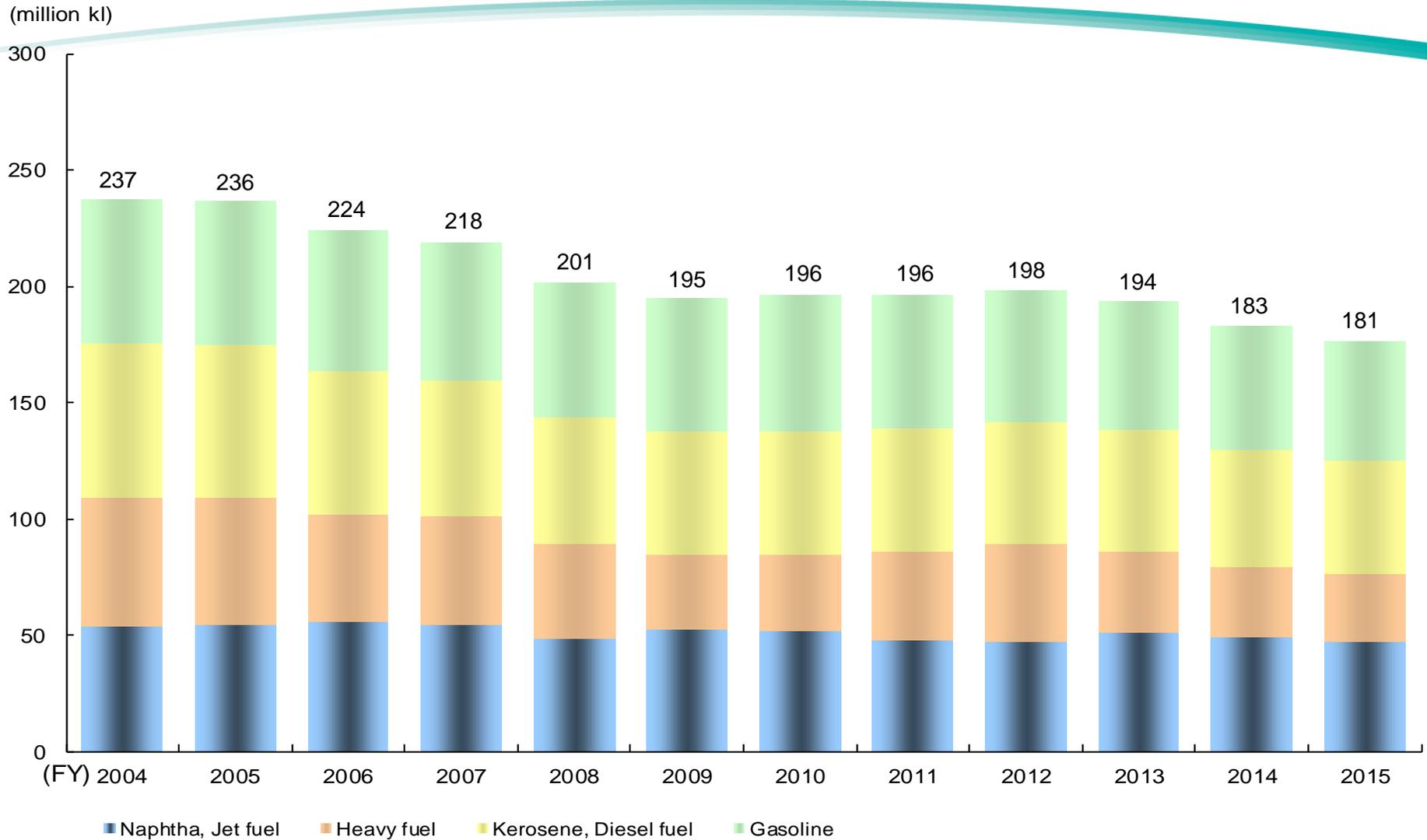
Average Price	FY2011	FY2012	FY2013	FY2014					FY2015				
				1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Exchange Rate	79	83	100	102	104	115	119	110	121	122	122	115	120



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Business Environment and Data - Energy Business -

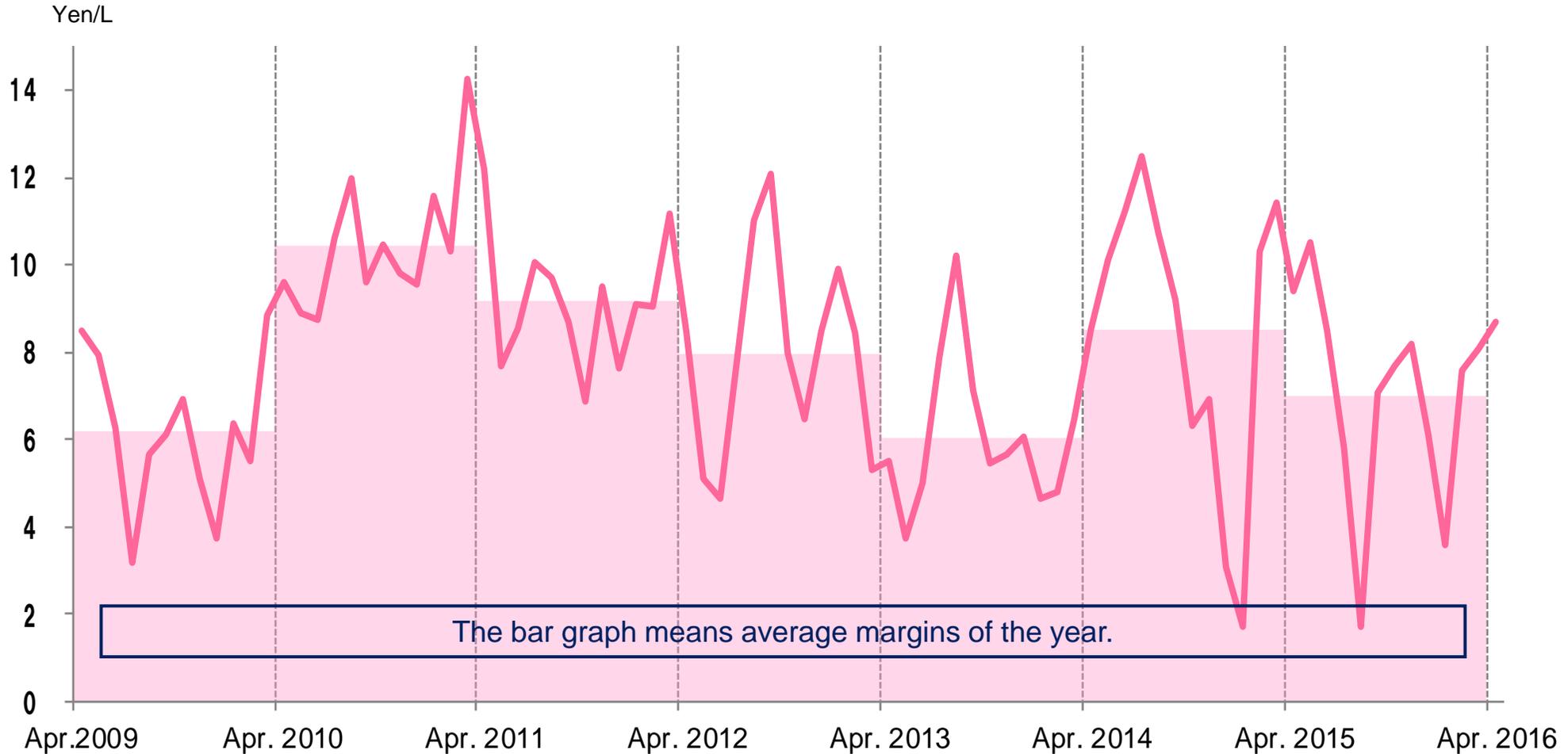
Demand for Petroleum Products (Japan)



Note: Excluding Crude Oil for electric power plants.

Source: Petroleum Association of Japan and Company data

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



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

JX Group's Market Share and Demand in Japan, Historical CDU^{*1} Utilization Rate

Domestic Market Share

	FY2012 (%)	FY2013 (%)	FY2014 (%)	FY2015 (%)
a) Gasoline	33.9	34.1	33.3	33.5
b) Kerosene	40.0	41.5	37.2	39.2
c) Diesel Fuel	37.9	38.7	36.4	36.7
d) Fuel Oil A	44.6	44.3	40.0	41.4
a+b+c+d	37.1	37.6	35.5	36.1
Total Domestic Fuel ^{*2}	36.4	36.9	35.0	35.6

Domestic Demand

	FY2012 (1,000KL)	FY2013 (1,000KL)	FY2014 (1,000KL)	FY2015 (1,000KL)	Changes vs. FY2014 (%)
a) Gasoline	56,207	55,477	52,975	53,127	100.3
b) Kerosene	18,884	17,911	16,662	15,946	95.7
c) Diesel Fuel	33,391	34,089	33,583	33,619	100.1
d) Fuel Oil A	13,759	13,438	12,360	11,871	96.0
a+b+c+d	122,241	120,914	115,581	114,562	99.1
Total Domestic Fuel ^{*2}	197,770	193,596	182,951	180,524	98.7

CDU^{*1} Utilization Rate (Excluding the impact of periodic repair and earthquake)

	FY2012	FY2013	FY2014	FY2015
JX Group ^{*3}	88%	89%	91%	92%

*1 Crude Distillation Unit

*2 Excluding crude oil for electric power plants

*3 Excluding condensate splitters of Mizushima and Kashima

Source: Petroleum Association of Japan and Company data

Number of Service Stations (Fixed-Type)

(As of the end of fiscal years)

	FY2012	FY2013	FY2014	FY2015
JX Group	11,283	11,017	10,783	10,548
EMG ^{*1}	3,475	3,379	3,481	3,410
Idemitsu Kosan	3,861	3,786	3,725	3,683
Showa Shell Sekiyu	3,555	3,442	3,317	3,193
Cosmo Oil	3,325	3,228	3,133	3,054
Others ^{*2}	1,130	1,096	836	837
Oil Companies	26,629 (73.3%)	25,948 (74.8%)	25,275 (75.4%)	24,725 (75.4%)
Private Brands and Others ^{*3}	9,720 (26.7%)	8,758 (25.2%)	8,235 (24.6%)	8,075 (24.6%)
Total ^{*3}	36,349	34,706	33,510	32,800

Notes:

*1. Figures are total of Esso, Mobil and Tonen General Sekiyu until FY2013.

Since FY2014, figures are total of Esso, Mobil, Tonen General Sekiyu and Mitsui Oil & Gas.

*2. Figures are total of Taiyo Petroleum, Kygnus Sekiyu and Mitsui Oil & Gas until FY2013.

Since FY2014, figures are total of Taiyo Petroleum and Kygnus Sekiyu.

*3. FY2015 is estimated by JX Holdings.

*4. Figures include only self-service retail outlets that are affiliated to oil companies.

<Number of Company-Owned Service Stations>

	FY2012	FY2013	FY2014	FY2015
JX Group	2,487	2,433	2,404	2,375

<Number of Self-Service Stations>

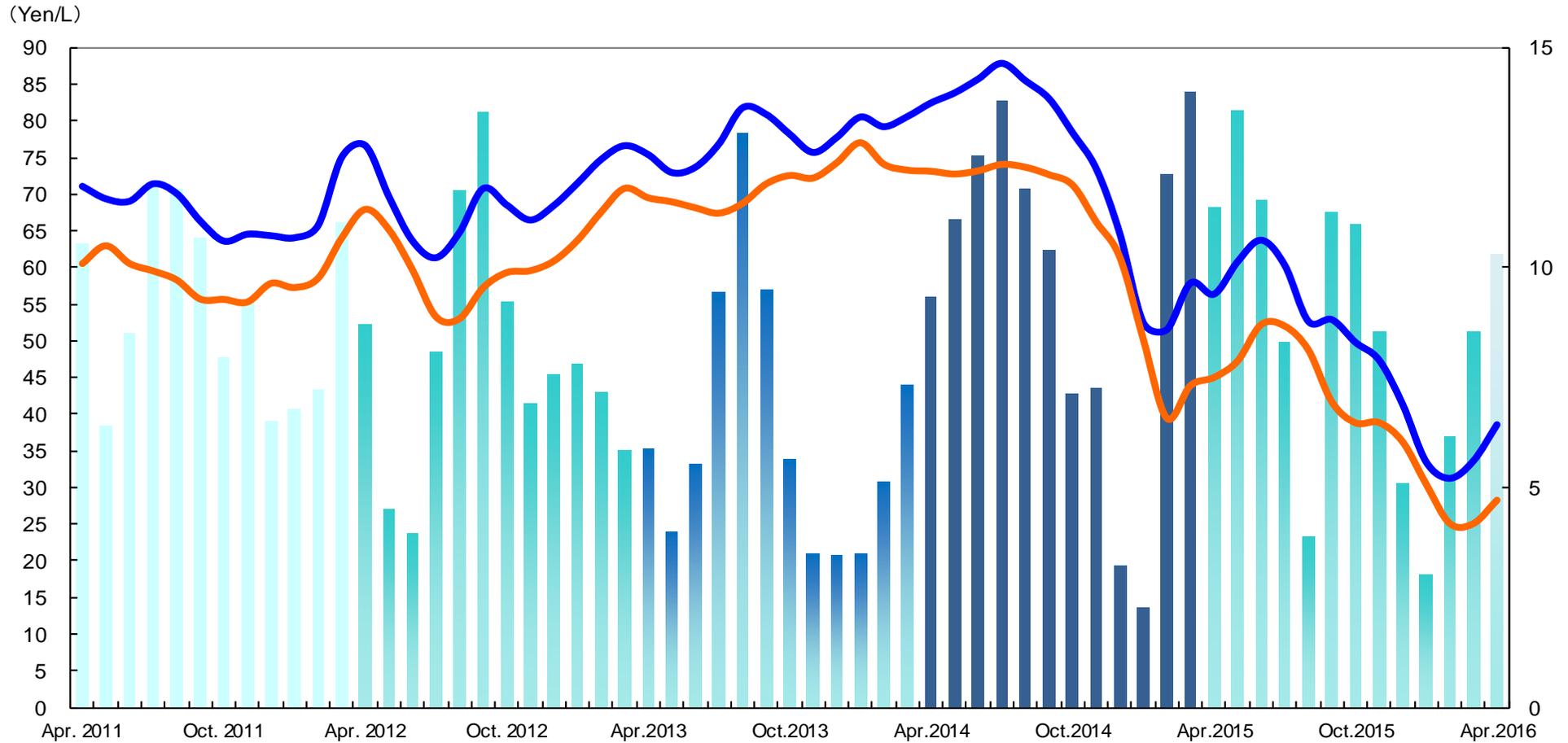
	FY2012	FY2013	FY2014	FY2015
JX Group	2,535	2,654	2,752	2,805
Total for Japan ^{*4}	7,172	7,415	7,622	7,766

Sales Volume by Product

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	Changes vs. FY2014
	ten thousand KL						
Gasoline	1,990	1,919	1,904	1,889	1,767	1,781	0.8%
Premium	279	253	239	229	206	206	0.0%
Regular	1,700	1,654	1,654	1,650	1,551	1,564	0.8%
Naphtha	376	366	393	419	386	418	8.3%
JET	145	144	156	164	167	155	-7.2%
Kerosene	755	748	711	696	579	581	0.3%
Diesel Fuel	1,198	1,216	1,264	1,318	1,224	1,227	0.2%
Fuel Oil A	641	640	614	595	492	492	0.0%
Heavy Fuel Oil C	645	912	1,039	856	708	611	-13.7%
For Electric Power	366	617	777	627	501	409	-18.4%
For General Use	279	295	262	228	207	202	-2.4%
Total Domestic Fuel	5,750	5,945	6,082	5,936	5,323	5,265	-1.1%
Crude Oil	149	430	509	438	271	202	-25.5%
Lubricants & Specialities	358	334	317	307	311	286	-8.0%
Petrochemicals (ten thousand ton)	563	552	558	629	602	642	6.6%
Exported Fuel	1,020	880	1,019	1,119	912	1,133	24.2%
LPG (ten thousand ton)	188	32	28	34	32	35	9.4%
Coal (ten thousand ton)	566	533	564	691	689	675	-2.0%
Total Excluding Barter Trade & Others	8,594	8,706	9,076	9,153	8,140	8,238	1.2%
Barter Trade & Others	2,348	2,081	1,931	1,909	2,046	2,208	7.9%
Total	10,942	10,787	11,008	11,062	10,186	10,446	2.6%



Domestic Market Margin* (Gasoline)

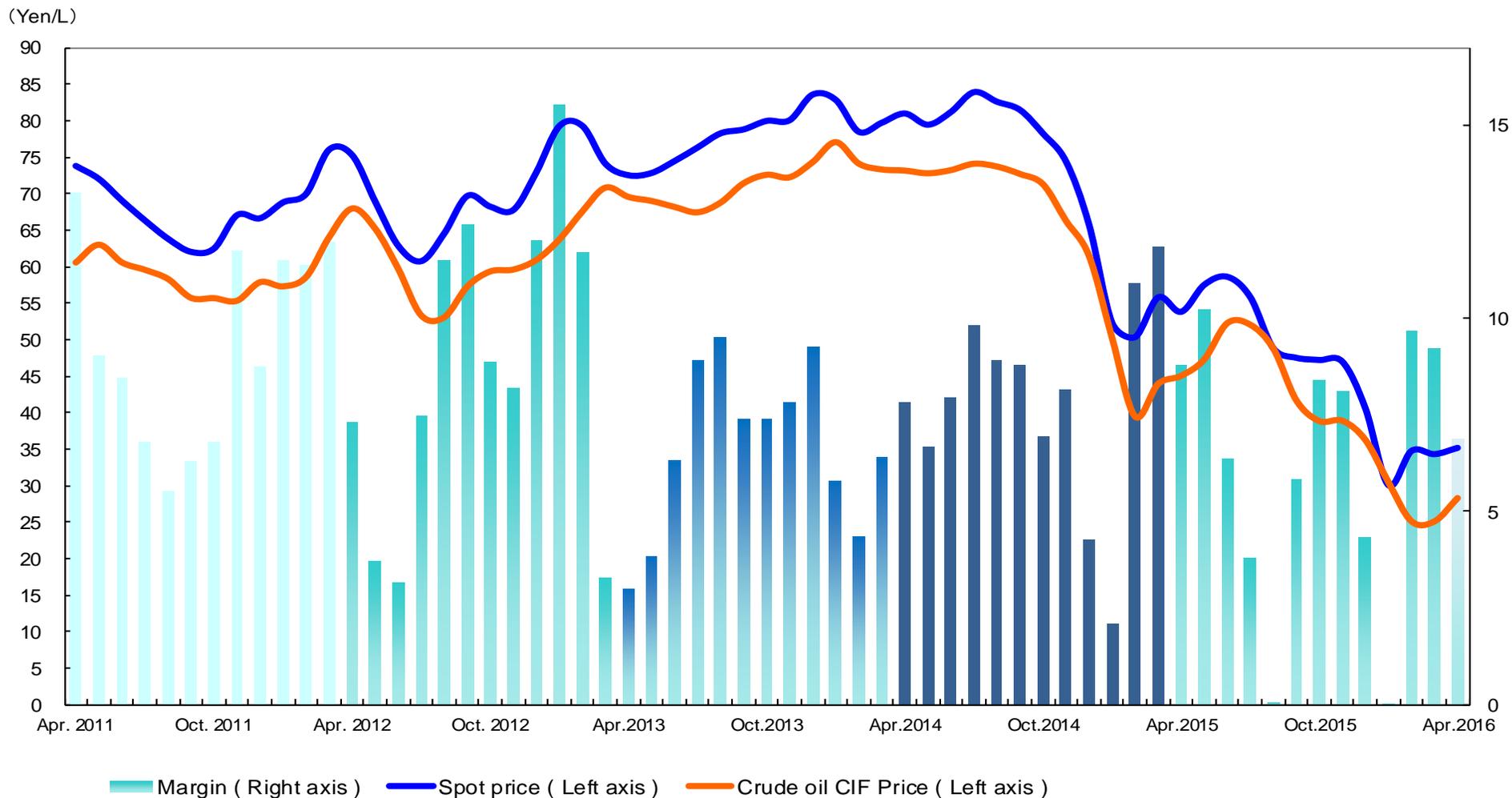


■ Margin (Right axis)
 — Spot price (Left axis)
 — Crude oil CIF Price (Left axis)

* Margin = Spot Price – All Japan Crude Oil CIF (including petroleum tax and interest) Source : Trade statistics (Ministry of Finance, Japan)



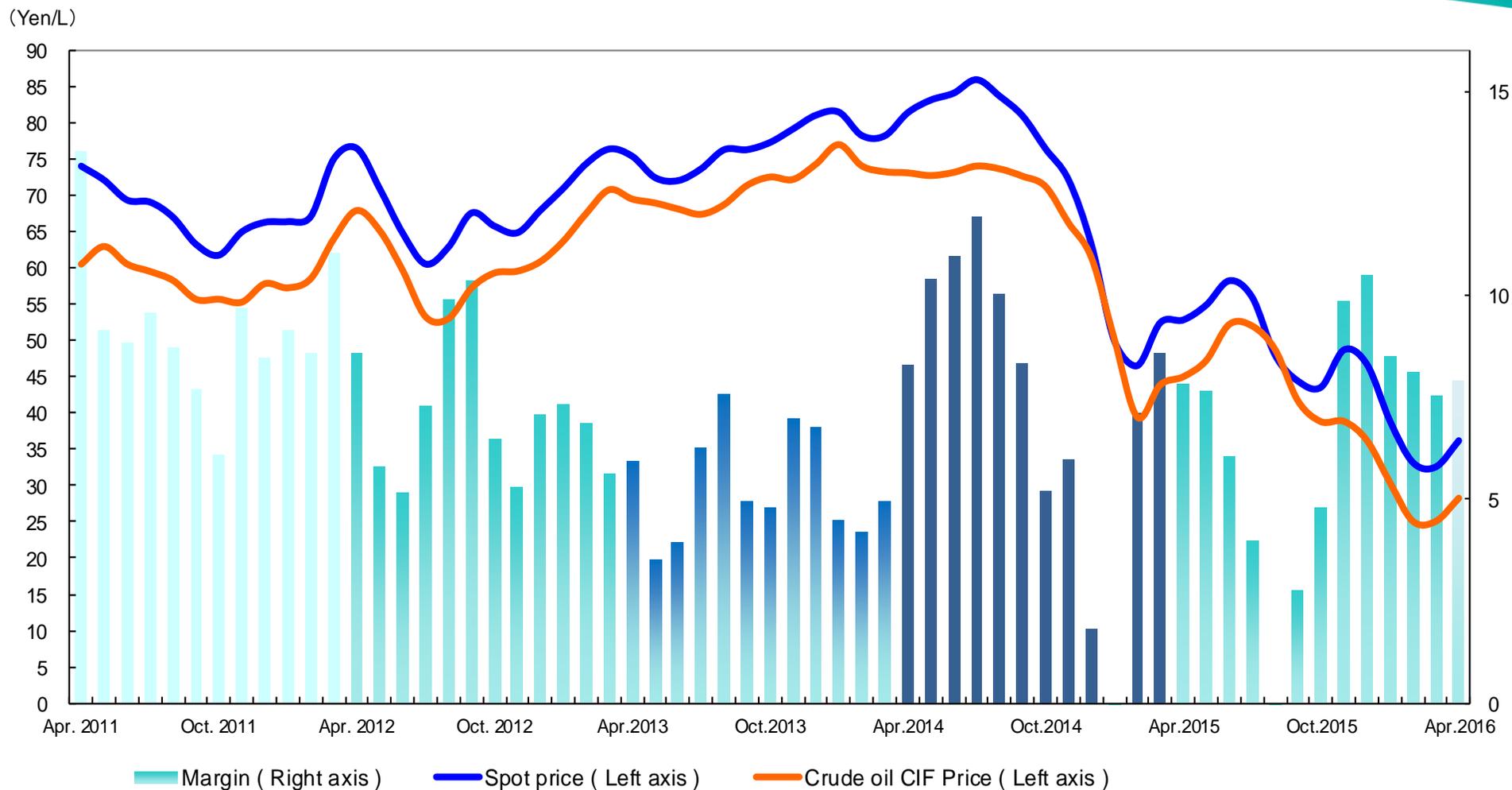
Domestic Market Margin* (Kerosene)



* Margin = Spot Price – All Japan Crude Oil CIF (including petroleum tax and interest) Source : Trade statistics (Ministry of Finance, Japan)



Domestic Market Margin* (Diesel Fuel)

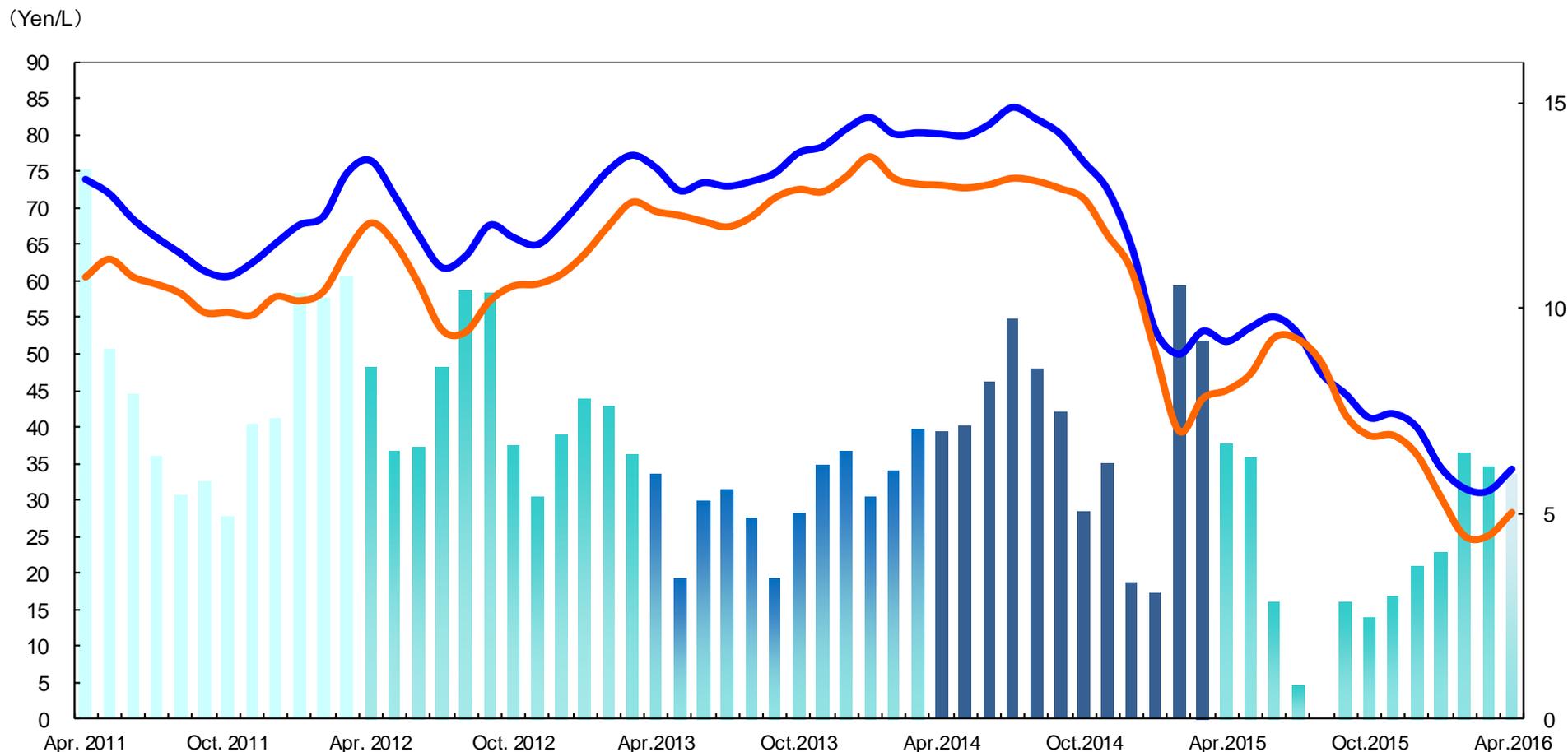


* Margin = Spot Price – All Japan Crude Oil CIF (including petroleum tax and interest)

Source : Trade statistics (Ministry of Finance, Japan)



Domestic Market Margin* (Fuel Oil A)



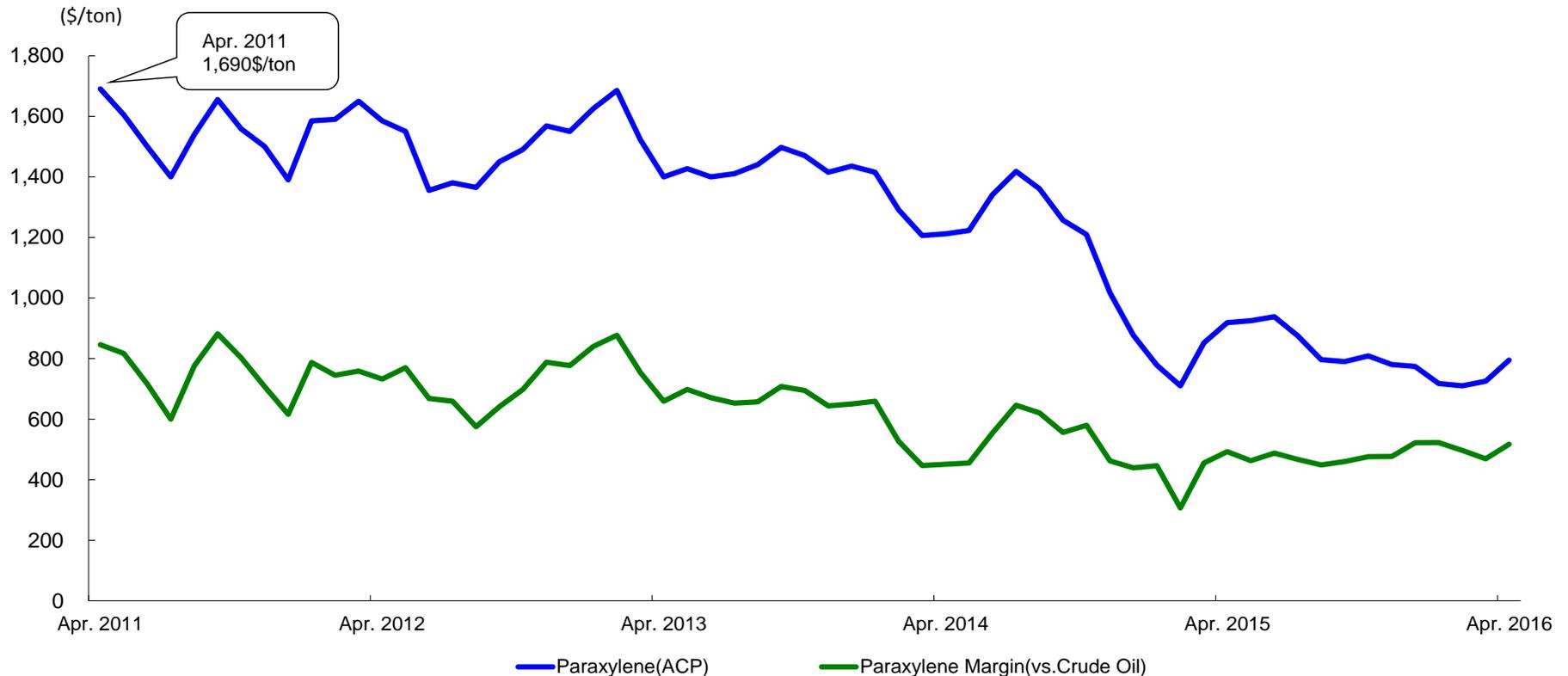
■ Margin (Right axis)
 — Spot price (Left axis)
 — Crude oil CIF Price (Left axis)

* Margin = Spot Price – All Japan Crude Oil CIF (including petroleum tax and interest) Source : Trade statistics (Ministry of Finance, Japan)



Paraxylene Price and Margin (vs. Crude Oil)

Average Price	FY2011	FY2012	FY2013	FY2014					FY2015				
				1 Q	2 Q	3 Q	4 Q	FY	1 Q	2 Q	3 Q	4 Q	FY
Asian Contract Price	1,555	1,510	1,401	1,259	1,345	1,035	780	1,105	927	820	788	718	813
Margin (vs. Crude Oil)	754	732	639	487	608	494	403	498	481	459	492	496	482

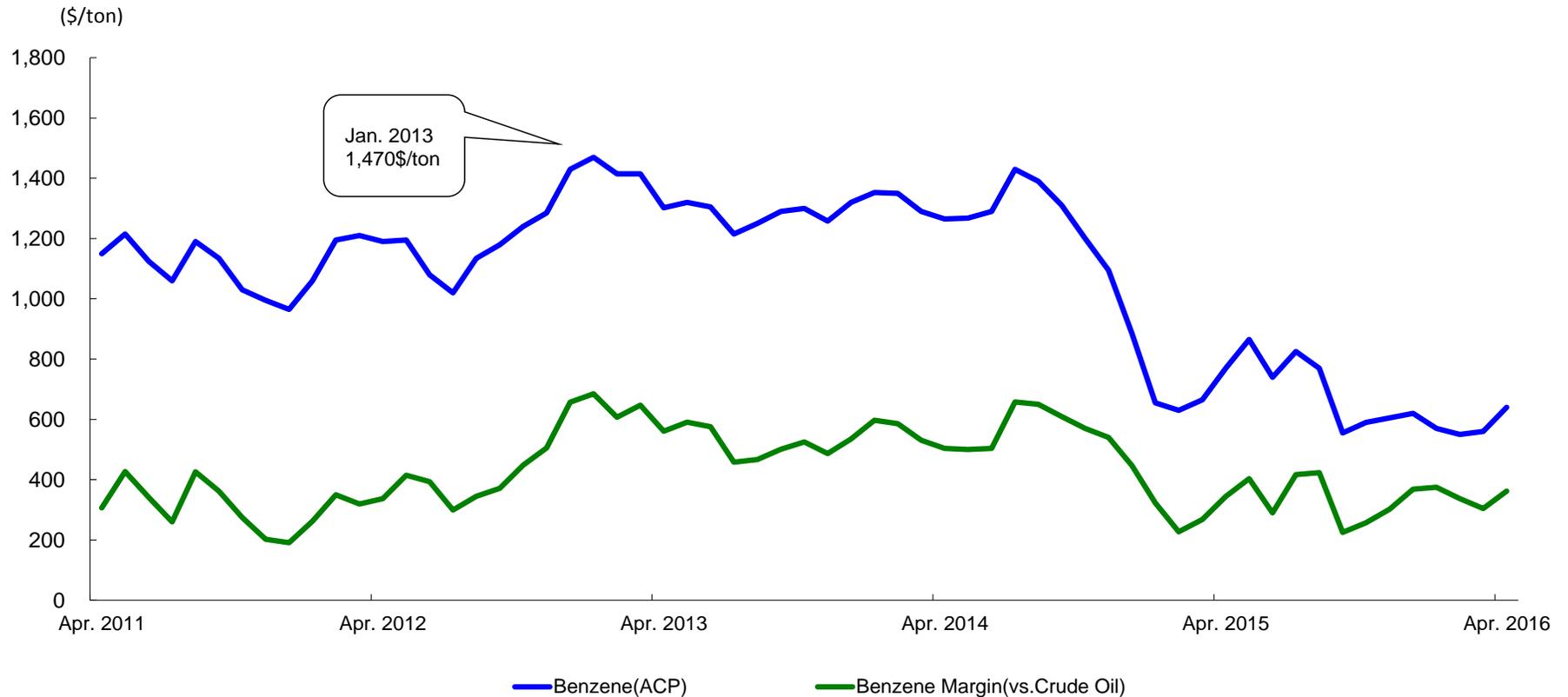


* In case of ACP undecided, average price of spot market is adopted.



Benzene Price and Margin (vs. Crude Oil)

Average Price	FY2011	FY2012	FY2013	FY2014					FY2015				
				1 Q	2 Q	3Q	4Q	FY	1 Q	2Q	3Q	4Q	FY
Asian Contract Price	1,111	1,255	1,296	1,274	1,377	1,060	650	1,090	792	717	605	560	668
Margin (vs. Crude Oil)	310	476	535	503	639	519	273	483	346	355	309	339	337



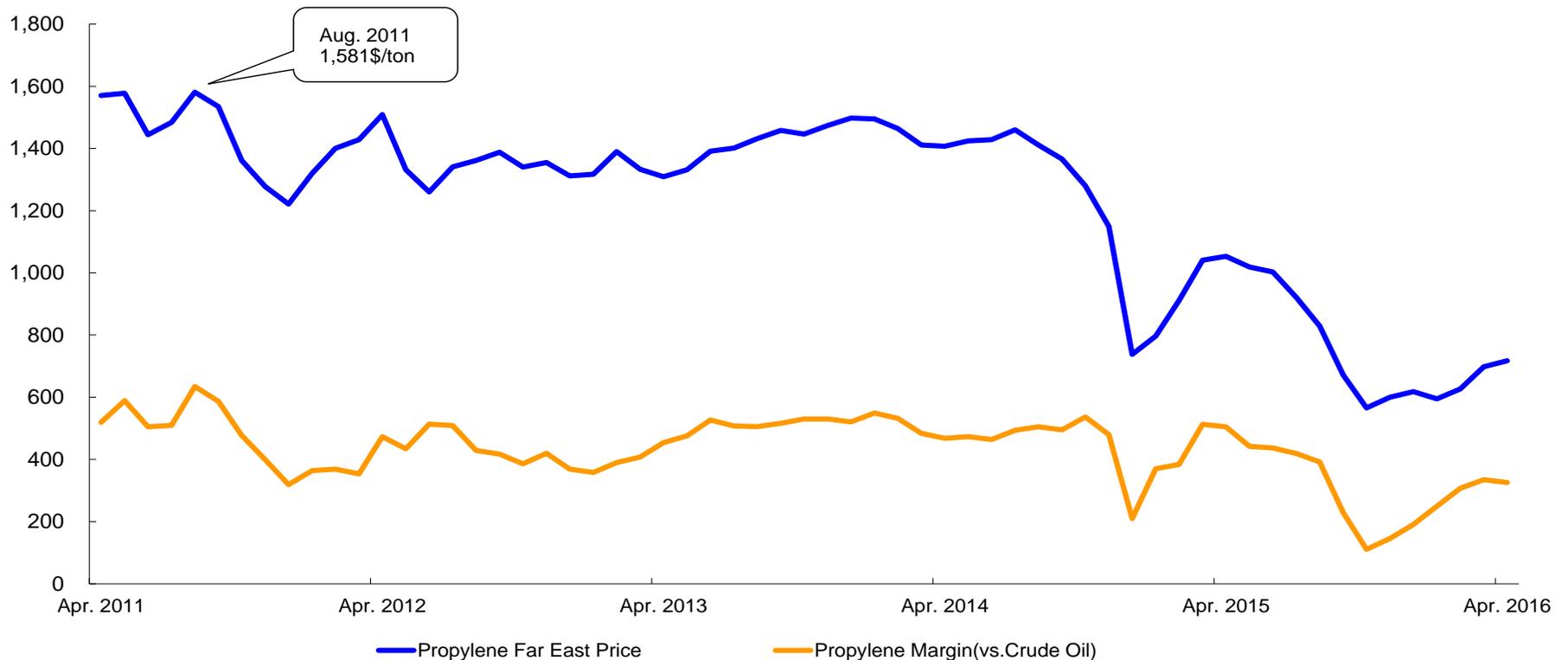


Propylene Price and Margin (vs. Naphtha)

(\$/ton)

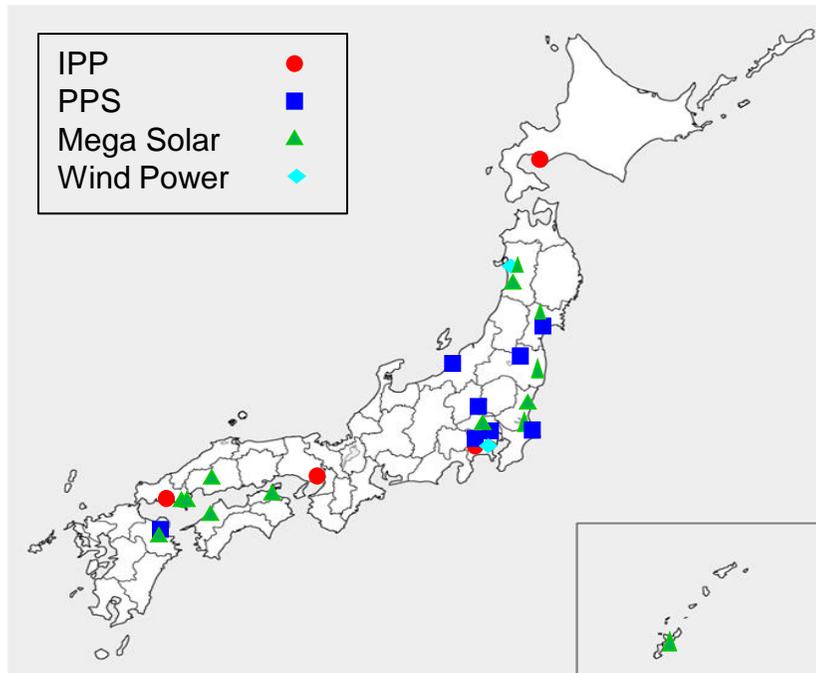
Average Price	FY2011	FY2012	FY2013	FY2014					FY2015				
				1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Far East Spot Price	1,383	1,353	1,426	1,420	1,412	1,056	916	1,201	1,025	807	595	640	767
Margin (vs. Naphtha)	362	426	511	468	498	409	422	449	461	347	149	297	314

(\$/ton)



Electricity Business

✓ Location of Electricity Business (As of Mar. 2016)



✓ Power Generating Capacity of each Business

IPP	4 stations	828 thousand kW
PPS	8 stations	764 thousand kW
Mega Solar	14 stations	35 thousand kW
Wind Power	2 stations	4 thousand kW
Total (equity basis)		1,631 thousand kW

✓ Expansion of Electricity Business

PPS

- Started receiving electricity from Kawasaki Natural Gas Power Generation Co., Ltd, joint venture with Tokyo Gas Co., Ltd.(2008)
- Established the Solvent De-Asphalting equipment and the power generation facility at Kashima Refinery.(FY2015)
- Started home electricity retail business.(Apr 1,2016)
- Scheduled to establish the power generation facilities in the Mizushima Refinery.(FY2018)

Mega Solar

Started Operation		Started Operation	
Sendai	Feb. 2013	Oga	Mar. 2016
Kudamatsu	Mar. 2013	Asaka	Mar. 2016
Kasumigaura	Nov. 2013	Hiroshima	Mar. 2016
Iwaki	Jul. 2014	Hitachi	Mar. 2016
2nd Kudamatsu	Sep. 2014		
Akita	Oct. 2014		
Masaki	Feb. 2015		
Takamatsu	Feb. 2015		
Uruma	Mar. 2015		
Oita	Mar. 2015		

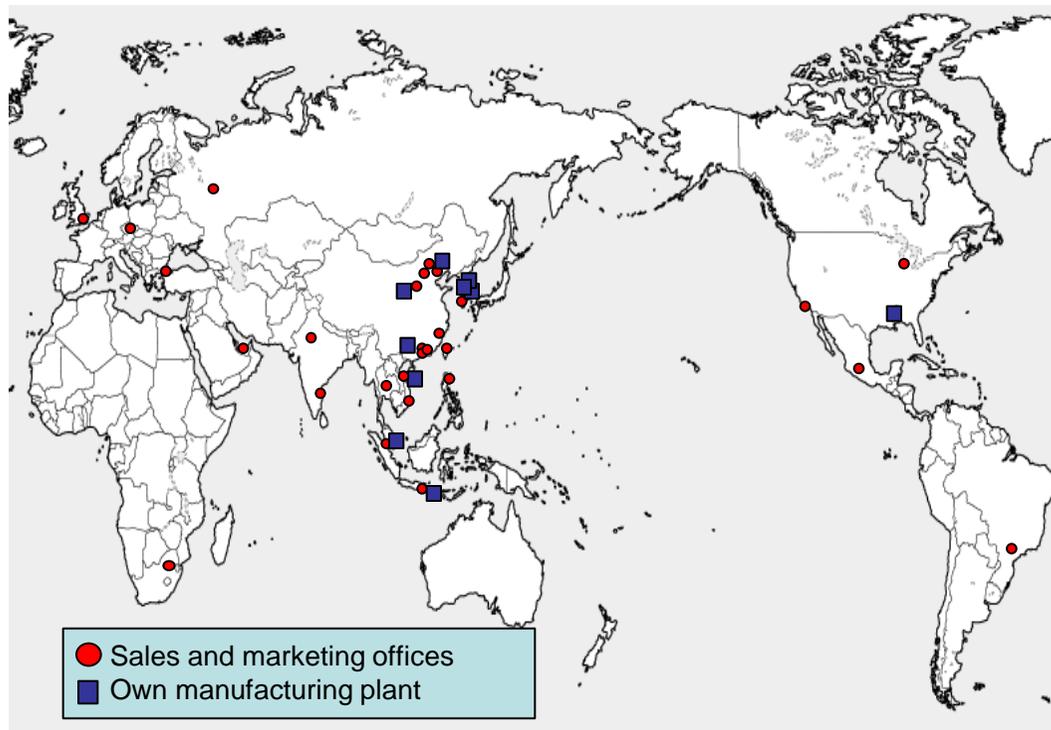
Wind Power

- Started operation of Wind Power at the Akita Oil Terminal.(2003)
- Started operation of Ohgishima Wind Power Station.(2010)

Lubricants



✓ Location of Overseas Lubricants Business (As of May. 2016)



➤ Expanding overseas business, especially in Asia.

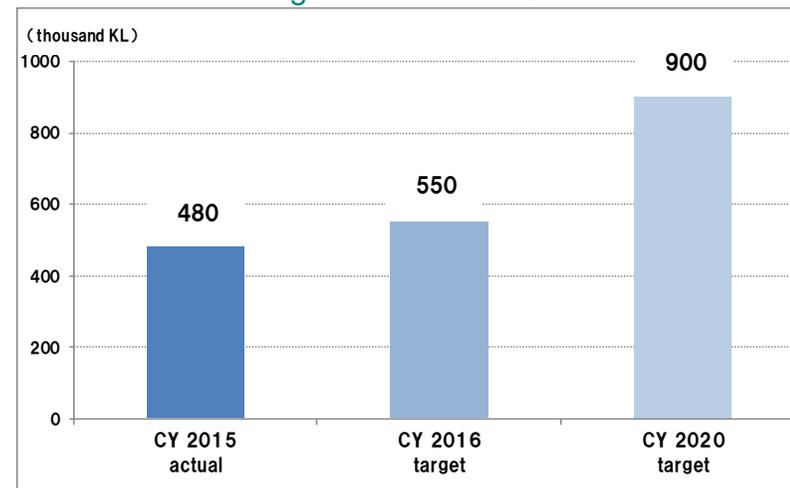
Sales and marketing offices	28
Manufacturing plant	48
(Own manufacturing plant:10, Contractors:38)	



✓ Expansion of Overseas Lubricants Business

- Established a lubricants marketing company in Dubai. (Jul. 2011)
- Lubricants manufacturing plant started its operation in Indonesia. (Apr. 2012)
- Started joint venture business for lubricants base oil with SK Group of South Korea. (Oct. 2012)
- Lubricants manufacturing plant started its operation in Vietnam. (Feb. 2014)
- Established a marketing office in Johannesburg. (Apr. 2014)
- Established a lubricants marketing company in India. (Aug. 2014)
- Established a lubricants marketing company in Mexico. (Jan. 2015)
- Established a marketing office in Manila. (May. 2016)

✓ Medium-Term Target of Overseas Lubricants Sales



Hydrogen Business

✓ Construction of Hydrogen supply system(As of Mar. 2016)

- JX group constructed 37 hydrogen supply places around four major urban areas with hydrogen and fuel cell strategy road map gathered by METI.
- JX group established the first hydrogen plant and shipping facility for fuel cell cars in Honmoku.

✓ Construction situation of hydrogen station of JX group (As of Mar. 2016, 37 places)

[Metropolitan area]25

1. Kasuga, Tsukuba city
2. Dr. Drive Self Owada
3. Minuma, Saitama city
4. Midori, Saitama city
5. Dr. Drive Self Kasukabe-Chuou
6. Dr. Drive Self Sayama-Negishi
7. Shinmeicho Koshigaya city
8. Dr. Drive Self Takeishi inter
9. Rokkoudai Matsudo city
10. Dr. Drive Self Shiomi-Koen
11. Meguroku, Tokyo
12. Suginamiku, Tokyo
13. Itabashiku, Tokyo
14. Takakura, Hachioji city
15. Osanbashi, Yokohama city
16. Minami Yokohama city
17. Asahiku, Yokohama city
18. Dr. Drive Self Kamiida
19. IKEA-Kohoku, Yokohama city
20. Kawasakiku, Kawasaki city
21. Chuouku, Sagamihara city
22. Minami, Sagamihara city
23. Shimotsuchidana, Fujisawa city
24. Okazaki, Isehara city
25. Dr. Drive Self Ebina-Chuou

[Aichi area]5

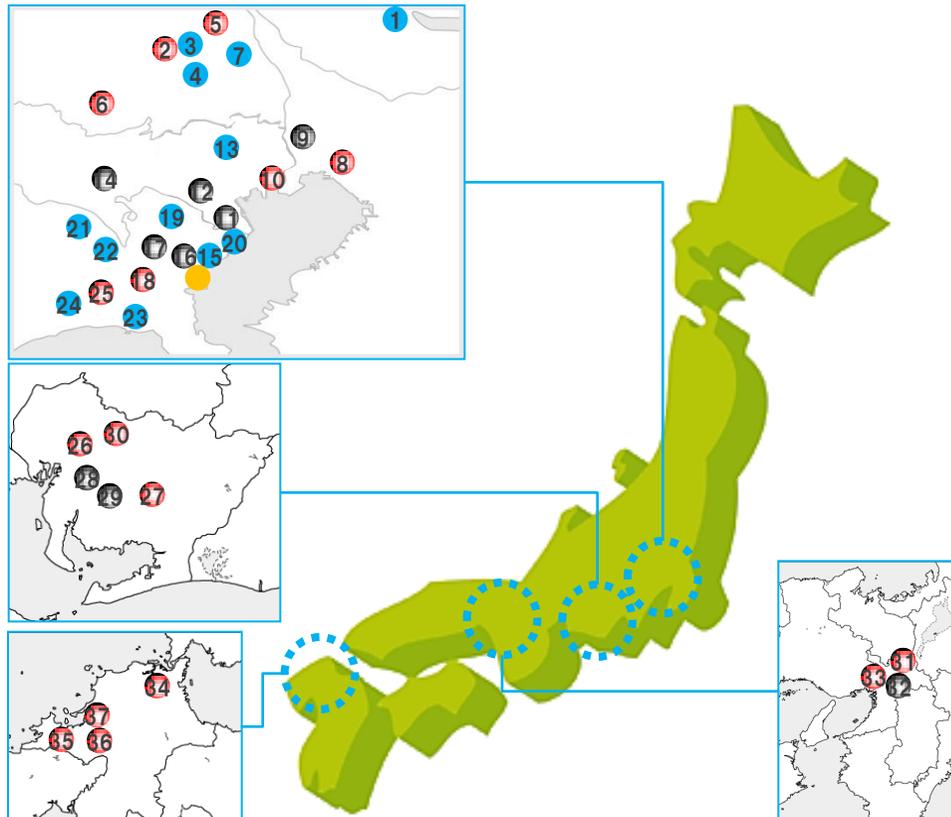
26. Dr. Drive Self Kaminokura
27. Dr. Drive Self Okazaki-Hane
28. Igaya, Kariya city
29. Ozaki, Anjo city
30. Dr. Drive Self Miyoshigaoka

[Kansai area]3

31. Dr. Drive Self Hishikawa
32. Hashiridani, Hirakata city
33. Dr. Drive Self Ibaraki inter

[Kitakyushu area]4

34. Dr. Drive Self Yahata-Higashida
35. Dr. Drive Self Ito
36. Dr. Drive Self Dazaihu inter
37. Dr. Drive Self Fukuoka-Kuko



●: Built-in type



●: Independent type



●: Portable type



●: Hydrogen plant and shipping facility



Sophisticated Methods of Energy Supply Structures

- METI has concluded that the oil refining industry is in excess supply through the report of market structure analysis based on Article 50 of the Industrial Competitiveness Enhancement Act.
- The Sophisticated Methods' former assessment criteria expired at the end of 2014
- To promote the effective use of crude oil while responding flexibly to these changes, METI announced the Sophisticated Methods' new assessment criteria. (Deadline Mar. 2017)

	First stage of the Sophisticated Methods of Energy Supply Structures	Second stage of the Sophisticated Methods of Energy Supply Structures																
Details	Aiming to increase Japan's ratio of cracking capacity to crude oil distillation capacity to 13% by fiscal 2013, each petroleum refining company was required to achieve improvement rates in three stages, in line with the current ratio.	Aiming to increase Japan's ratio of heavy oil cracking units to the capacity of crude distillation units in refineries to 50% by the end of March 2017, each petroleum refining company is required to achieve improvement rates in three stages, in line with the current ratio.																
Improvement rate	<ul style="list-style-type: none"> • Nationwide ratio of cracking capacity to crude oil distillation capacity: 10% → 13% • Targets for each company are as follows: <table border="1"> <thead> <tr> <th>Ratio of cracking capacity to crude oil distillation capacity at any time plans were presented</th> <th>Target improvement rate</th> </tr> </thead> <tbody> <tr> <td>Less than 10%</td> <td>45% or more</td> </tr> <tr> <td>10% or more to less than 13%</td> <td>30% or more</td> </tr> <tr> <td>13% or more</td> <td>15% or more</td> </tr> </tbody> </table>	Ratio of cracking capacity to crude oil distillation capacity at any time plans were presented	Target improvement rate	Less than 10%	45% or more	10% or more to less than 13%	30% or more	13% or more	15% or more	<ul style="list-style-type: none"> • Nationwide ratio of heavy oil cracking units to the capacity of crude oil distillation units in refineries: 45% → 50% • Targets for each company are as follows: <table border="1"> <thead> <tr> <th>Ratio of heavy oil cracking units to capacity of crude oil distillation units in refineries at any time plans were presented</th> <th>Target improvement rate</th> </tr> </thead> <tbody> <tr> <td>Less than 45%</td> <td>13% or more</td> </tr> <tr> <td>45% or more to less than 55%</td> <td>11% or more</td> </tr> <tr> <td>55% or more</td> <td>9% or more</td> </tr> </tbody> </table>	Ratio of heavy oil cracking units to capacity of crude oil distillation units in refineries at any time plans were presented	Target improvement rate	Less than 45%	13% or more	45% or more to less than 55%	11% or more	55% or more	9% or more
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10% or more to less than 13%	30% or more																	
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Less than 45%	13% or more																	
45% or more to less than 55%	11% or more																	
55% or more	9% or more																	

Sophisticated Methods of Energy Supply Structures

~Petroleum Refining Capacity trends of Japan~

Company	Thousands of BD		
	As of the end of December 2008	As of the end of March 2016	Changes
JX Group	1,891	1,426	(465)
TonenGeneral Group	836	698	(138)
Idemitsu Kosan	640	535	(105)
Showa Shell Sekiyu Group	515	445	(70)
COSMO OIL	635	452	(183)
Others	417	361	(56)
Japan Total	4,934	3,917	(1,017)

*1 includes Osaka International Refining Company, Limited, and the Mizushima refinery and Kashima refinery condensate splitters.

*2 Figures for the TonenGeneral Group include Kyokuto Petroleum Industries, Ltd.

*3 Figures for the Showa Shell Sekiyu Group include TOA OIL Co., Ltd., SHOWA YOKKAICHI SEKIYU CO., LTD., Seibu Oil Co., Ltd.

*4 Others includes Fuji Oil Company, Ltd., Nansei Sekiyu K.K., TaiyoOil Company, Limited, and Teiseki Topping Plant Co., Ltd.

*5 Japan Total is based on documents of Petroleum Association of Japan

➤ JX Capacity Reduction Plan

Corresponded to
Sophistication of Energy
Supply Structure Act

Refinery	Due Date	Reduction Capacity	Completion
Toyama	March, 2009	(60) ^{thousand B/D}	
Kashima	May, 2010	(21)	
Oita	May, 2010	(24)	
Mizushima	June, 2010	(110)	
Negishi	October, 2010	(70)	
Muroran	March, 2014	(180)	
Subtotal		(465)	
Osaka	October, 2010	(115) ^{Convert to exportation refinery}	
Total		(580)	

Business Integration of JX and TonenGeneral Sekiyu

Purpose of business integration

Establish a strong company group that:

- Is among Asia's most prominent and internationally competitive total energy, natural resource and material companies
- Contributes to the development of a sustainable and vigorous economy and society

Dec. 2015

Execution of MOU, and
Establishment of business
Integration Preparation Committee

Aug. 2016
(Plan)

Determination of the integration ratio,
and execution of business integration
agreement

Dec. 2016
(Plan)

Shareholders' meetings, required for
the approval of the business integration

Apr. 2017
(Plan)

New company group starts^(*)

Integration Effects

- Aim to achieve in excess of 100 billion yen in profit improvements per fiscal year within five years after business integration
- ⇒ Discuss and determine the detailed actions and targets prior to the execution of the business integration agreement

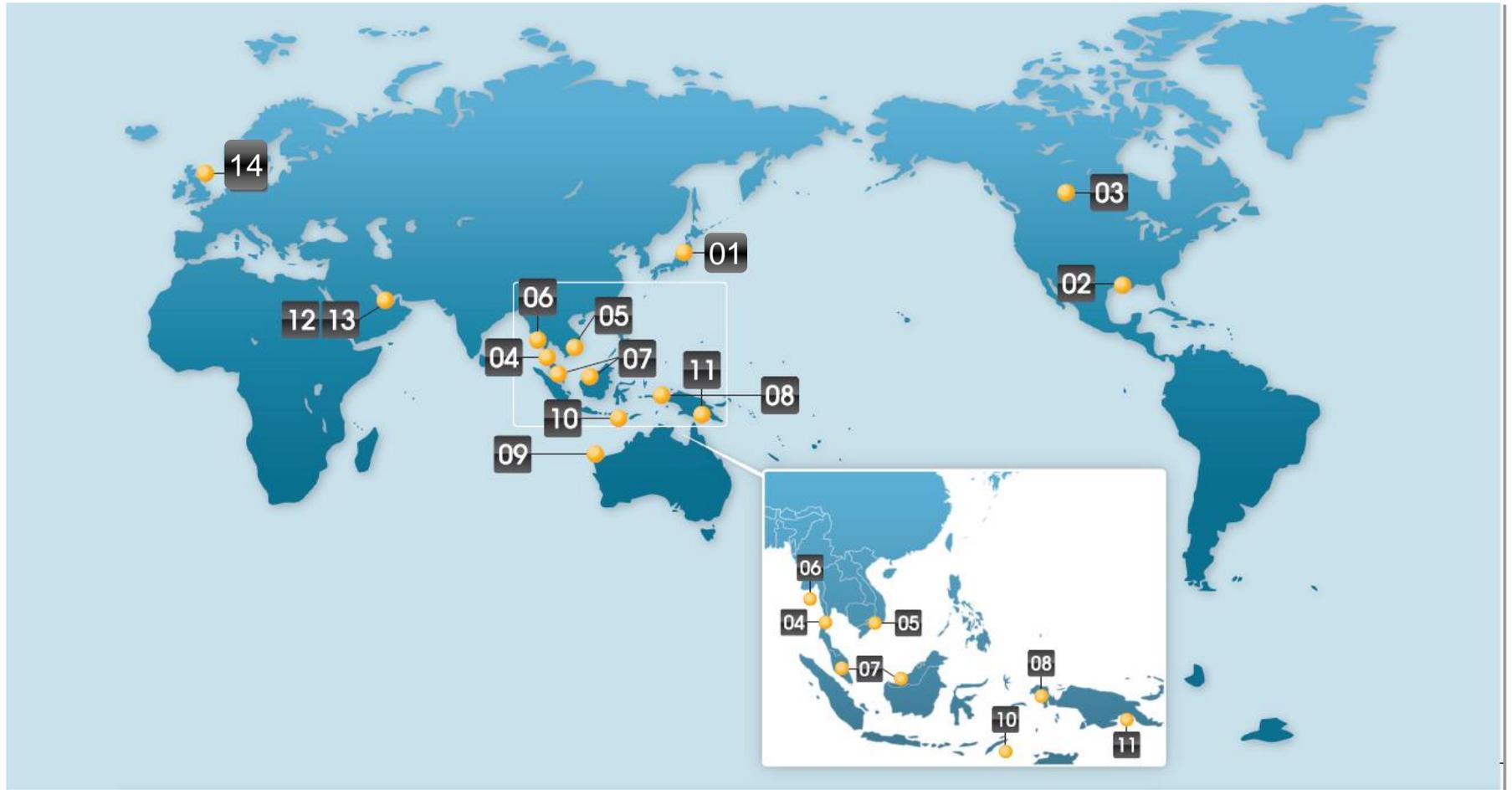
* Based on the premise of clearance from each of the authorities concerned

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Business Environment
- Oil and Natural Gas E&P Business -



Business Area





Business Activities

	▼ Project Company	In Production ●	Under Development ●	Under Exploration ●
01 Japan	JX Nippon Oil & Gas Exploration Corp.	●	●	●
02 The U.S. Gulf of Mexico	JX Nippon Oil Exploration (U.S.A.) Ltd. JX Nippon Oil Exploration (EOR) Ltd. / Petra Nova Parish Holdings LLC	●	●	
03 Canada	Japan Canada Oil Company / Mocal Energy	●		
04 Thailand	JX Nippon Oil & Gas Exploration Corp.			●
05 Vietnam	Japan Vietnam Petroleum Co., Ltd. JX Nippon Oil & Gas Exploration Corp.	●	●	●
06 Myanmar	Nippon Oil Exploration (Myanmar) Ltd.	●	●	●
07 Malaysia	JX Nippon Oil & Gas Exploration (Malaysia) Ltd. JX Nippon Oil & Gas Exploration (Sarawak) Ltd. JX Nippon Oil & Gas Exploration (Deepwater Sabah) Ltd. JX Nippon Oil & Gas Exploration (Offshore Malaysia) Sdn. Bhd.	●	●	●
08 Indonesia	Nippon Oil Exploration (Berau) Ltd.	●		●
09 Australia	JX Nippon Oil & Gas Exploration (Australia) Pty Ltd.	●		●
10 JPDA *	Japan Energy E&P JPDA Pty Ltd.			●
11 Papua New Guinea	Merlin Petroleum Company / Southern Highlands Petroleum Co., Ltd. Nippon Oil Exploration (Niugini) Ltd. Nippon Papua New Guinea LNG LLC	●	●	●
12 13 U A E · Qatar	Abu Dhabi Oil Co., Ltd. United Petroleum Development Co., Ltd. JX Nippon Oil & Gas Exploration (Qatar) Ltd.	●	●	
14 The North Sea	JX Nippon Exploration and Production (U.K.) Ltd.	●	●	●

* Joint Petroleum Development Area between Australia and East Timor



Outline of Oil and Natural Gas E&P Projects

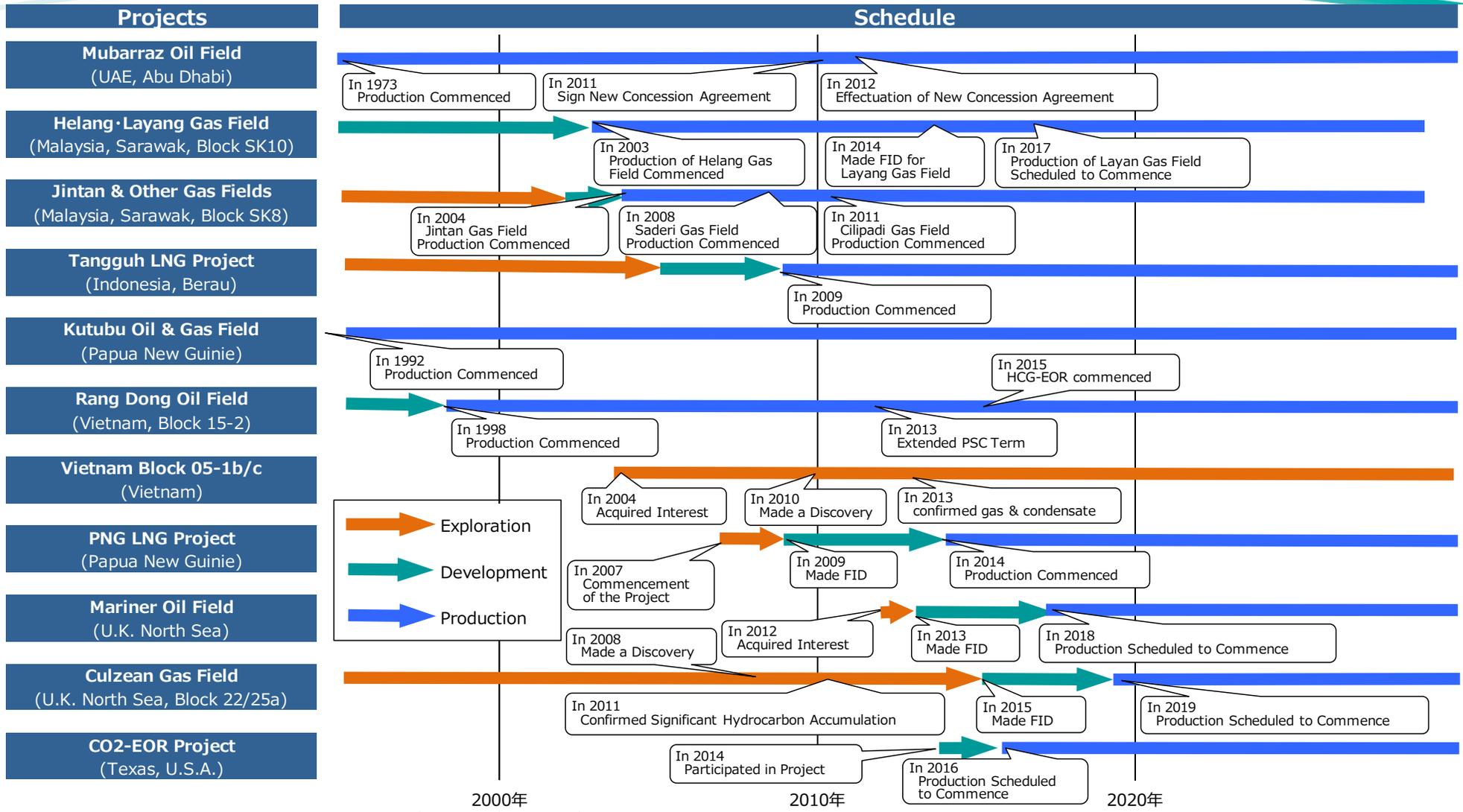
Project Name/Company	Sales Volume(Jan.-Dec. 2015) (1,000BOED)			Reserves(million BOE) *1 *2			Reference pages
	* 1	Oil	Gas	As of the end of 2015	As of the end of 2014	As of the end of 2013	
(Gulf of Mexico(U.S.A.)) JX Nippon Oil Exploration U.S.A. Limited	3	2	1	16	17	16	37 ~ 38
(Canada) Japan Canada Oil Company Limited	12	12	0	155	283	260	39
(Vietnam and other) Japan Vietnam Petroleum Company, Limited, other	6	6	0				40 ~ 41
(Myanmar) Nippon Oil Exploration (Myanmar) Limited	8	1	7				42
(Malaysia) JX Nippon Oil & Gas Exploration (Malaysia) Limited	22	2	20				43 ~ 46
JX Nippon Oil & Gas Exploration (Sarawak) Limited	11	1	10				
(Indonesia) Nippon Oil Exploration (Berau) Limited	17	0	17	<Sub Total> 189	<Sub Total> 213	<Sub Total> 196	47
(Australia and other) JX Nippon Oil & Gas Exploration (Australia) Pty Ltd., other	1	1	0				48 ~ 50
(Papua New Guinea) Merlin Southern Highlands Petroleum Co., Ltd.	15	6	9	<Sub Total> 85	<Sub Total> 92	<Sub Total> 95	51 ~ 52
(United Arab Emirates, Qatar and others) Abudhabi Oil Co., Ltd., United Petroleum Development Co., Ltd. and others	13	12	1	43	48	57	53 ~ 54
(North Sea, U.K.) JX Nippon Exploration and Production (U.K). Limited	13	11	2	181	193	184	55 ~ 57
Total	121	54	67	669	846	808	

*1 Project company basis.

*2 Proved reserves and probable reserves, including reserves from projects currently under development.
(Please refer P58 about our reserve standard.)



Production Schedule of Principal E&P Projects





Next Page

Oil and Natural Gas E&P Business

Principal Individual E&P Project Overview



Principal Individual E&P Project Overview (U.S.①)

Gulf of Mexico

Production



We hold assets in the Gulf of Mexico in the United States, which range from the continental shelf (less than 200meters in depth) to deep water area (more than 200 meter in depth).

	K2 (offshore)	Orchard North (onshore)	MP140, WC265/266 (offshore)
Company holding the Acreage	JX Nippon Oil Exploration(U.S.A.) Ltd.		
Shareholders(Holding Percentages)	JX Holdings (U.S.A.) Inc.(100%)		
Project Status	Production	Production	Production
Interest	11.6%	50.0%	35.0%~60.0%
Partners	Anadarko(41.8%) ENI(13.4%) ConocoPhillips(12.4%) MCX(11.6%) EcoPetrol(9.2%)	Hilcorp (50.0%)	Fieldwood Tarpon
Operator	Anadarko	Hilcorp	Fieldwood and others
Sales Volumes(Jan.~Dec. 2015)	2,600 boed (Oil 1,700b/d、 Gas 5.4mmcf/d)		

Production

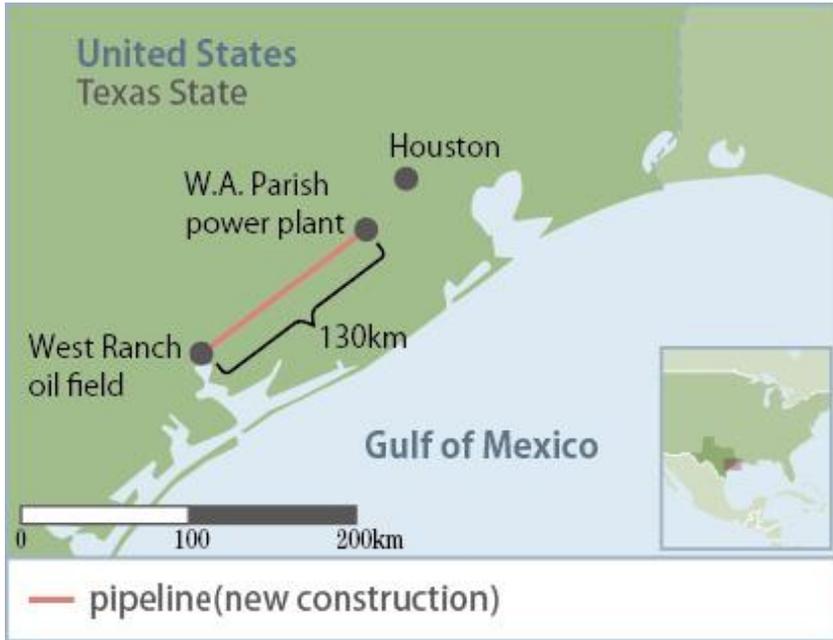
Mining Area during the productionK2, Orchard North, MP140, WC265/266

- In 1990, began exploration, development, and production operations at an onshore field in Texas and offshore blocks in both deep as well as shallow waters in the Gulf of Mexico.
- In addition to continuing such existing operations as those in the Orchard North Gas Field, Aconcagua Gas Field, and Virgo Gas Field, purchased interests in certain producing assets in the Gulf of Mexico from Devon in 2005 and from Anadarko in 2007.

Principal Individual E&P Project Overview (U.S.②)

Texas

Development



Constructing carbon capture system that captures 90% of carbon dioxide (CO₂) in the processed flue gas from an existing unit at the WA Parish power plant, and by pressing captured carbon dioxide in West Ranch oil field, trying to increase crude oil production.

EOR is expected to boost oil production at the field from around 500barrels per day to approximately 12,000 barrels per day (average for project terms).

	CO ₂ -EOR Project
Operating Company of JX NOEX	JX Nippon Oil Exploration (EOR) Ltd.
Shareholders * 1 (Holding Percentages:Common Stocks)	JX Nippon Oil Exploration (U.S.A.) Ltd. (100%)
Project Status	Development
Interest	50.0%
Project Company	Petra Nova Parish Holdings LLC * 2

* 1 JBIC holds preferred stocks issued by JX Nippon Oil Exploration (EOR) Ltd. other than the common stocks.

* 2 JX Nippon Oil Exploration (EOR) Limited and a subsidiary of NRG Energy Inc. respectively hold 50% interest of Petra Nova Parish Holdings LLC. Petra Nova Parish Holdings LLC holds 50% interest of the West Ranch Oil Field through its subsidiary. (JX Nippon Oil Exploration (EOR) Limited indirectly holds 25% interest of the West Ranch Oil Field.)

Development

CO₂-EOR Project

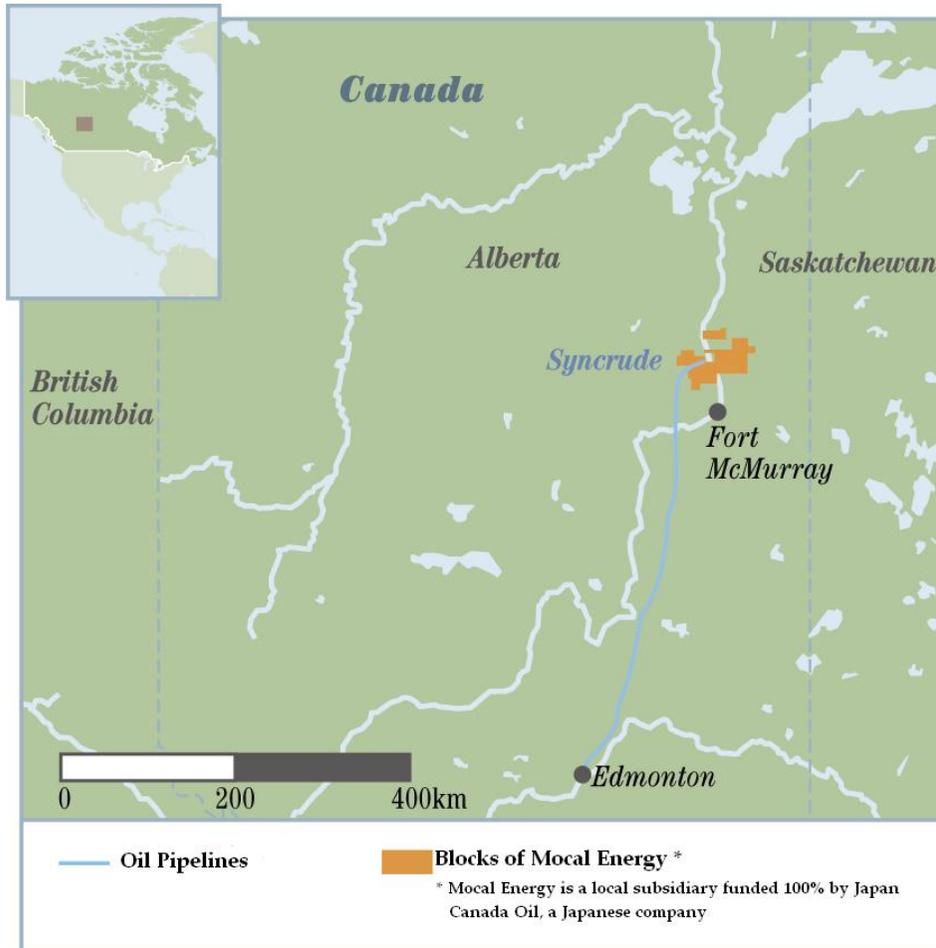
- In July 2014, participated in CO₂-EOR business.
- In 4th quarter of 2016, scheduled to start production.

Principal Individual E&P Project Overview (Canada)

Canada

Production

Development



	Syncrude Project
Company Holding the Acreages	Japan Canada Oil/Mocal Energy
Shareholders(Holding Percentages)	JX Nippon Oil & Gas Exploration (100%)
Project Status	Development / Production
Interest	5.0%
Partners	Suncor Energy (48.7%) Imperial Oil Resources (25.0%) Sinopec (9.0%) Nexen (7.2%) Murphy Oil Company (5.0%)
Operator	Syncrude Canada
Sales Volumes(Jan. ~Dec. 2015)	12,400boed (oil 12,400b/d)

We are a partner in the Syncrude Project that produces synthetic crude oil from oil sand, the sand containing bitumen, huge deposits of which are found in Canada.

Production

- In 1978, Started Shipment of Synthetic Crude Oil.
- In 1992, acquired a working interest from PetroCanada.

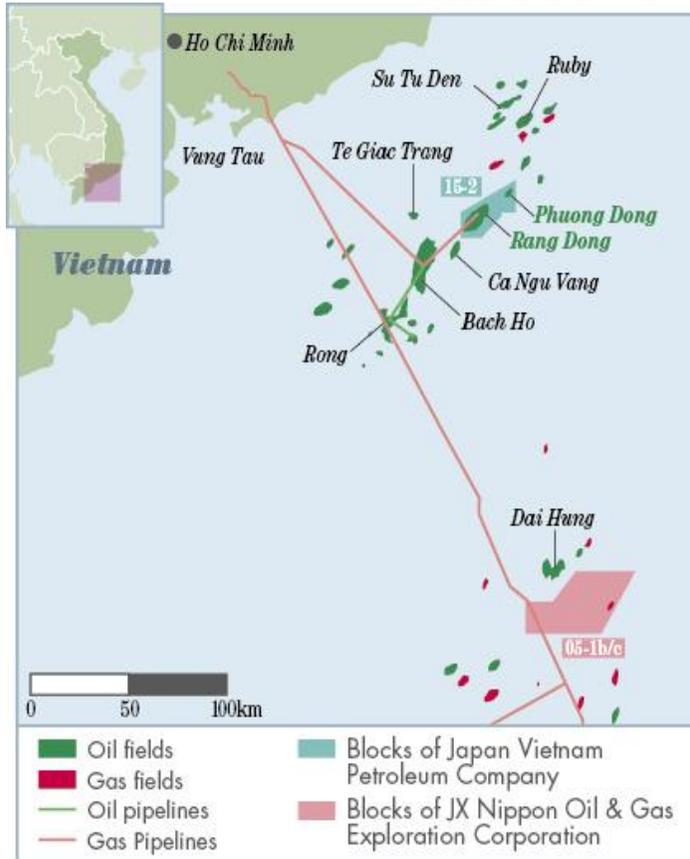
Principal Individual E&P Project Overview (Vietnam ①)

Vietnam

Production

Development

Exploration



	Block 15-2		Block 05-1b/c
	Rang Dong Oil Field	Phuong Dong Oil Field	
Company Holding the Acreages	Japan Vietnam Petroleum Company		JX Nippon Oil & Gas Exploration
Shareholders(Holding Percentages)	JX Nippon Oil & Gas Exploration (97.1%) Mitsubishi Corporation (2.9%)		-
Project Status	Exploration/Development/Production		Exploration
Interest	46.5%	64.5%	35.0%
Partners	PVEP (17.5%) Perenco (36.0%)	PVEP (35.5%)	Idemitsu Kosan (35.0%) INPEX (30.0%)
Operator	Japan Vietnam Petroleum Company		Idemitsu Kosan
Sales Volumes (Jan. ~Dec. 2015)	5,700 boed (oil 5,600b/d, gas 0.4mmcf/d)		-

Principal Individual E&P Project Overview (Vietnam ②)

Block 15-2 (Rang Dong, Phuong Dong Oil Fields)

Production

Development

Exploration

Since the acquisition in 1992, the project has been one of our key operations. JVPC, our subsidiary, act as operator in the block. The Rang Dong Oil Field and The Phuong Dong Oil Field feature an unconventional fractured granite basement rock reservoir that is unique in the world. Our fracture evaluation technology is highly valued and receiving worldwide recognition. As part of our corporate activities, we have been promoting social welfare activities in Vietnam to improve the lives of the people of Vietnam, furthermore, we have been implementing a CDM project aimed at reducing greenhouse gas emissions.

- In 1992, JVPC acquired a working interest in block 15-2
- In 1994, JVPC discovered the [Rang Dong Oil Field](#) within block 15-2, and it began production in that field from 1998.
- In February 2008 and April 2011, Rang Dong CDM Project received CER (Certified Emission Reductions) issuance approval under the Kyoto Protocol.
- In July 2008, Rang Dong Oil Field achieved a cumulative production volume of 150 million barrels.
- In August 2008, JVPC began production in the [Phuong Dong Oil Field](#).
- In November 2013, determined on term extension of the Rang Dong Oil Field (5 years).
- In July 2014, block 15-2 achieved a cumulative production volume of 200 million barrels.
- In October 2014, JVPC began HCG-EOR project.

Block 05-1b/c

Exploration

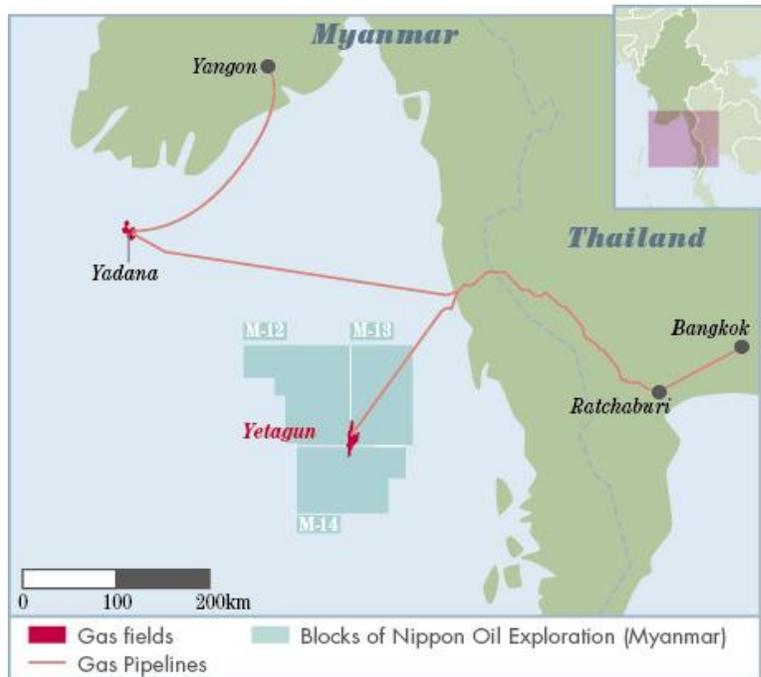
- In October 2004, acquired a working interest in [block 05-1b/c](#) offshore Vietnam.
- In February 2007, excavated test well No.1.
- In August 2010, excavated test well No.2, and discovered gas and oil.
- In August 2012, excavated appraisal well No.1.
- In June 2013, confirmed gas and condensate.
- In August 2014, discovered gas and condensate.

Principal Individual E&P Project Overview (Myanmar)

Myanmar

Production

Exploration



We have been participating in the Yetagun project in Myanmar since exploration stage. After the appraisal activities and the construction of the production and shipping facilities, the project is now at a stable production stage.

	Bolock M-12, 13, 14
Company Holding the Acreages	Nippon Oil Exploration (Myanmar)
Shareholders (Holding Percentages)	JX Nippon Oil & Gas Exploration (40.0%) Mitsubishi Corporation (10.0%) Government of Japan (50.0%)
Project Status	Exploration / Production
Interest	19.3%
Partners	Petronas Carigali (40.9%) MOGE(20.5%) PTTEP International (19.3%)
Operator	Petronas Carigali
Sales Volumes(Jan.~Dec. 2015)	7,500boed (oil 600b/d, gas 41.5mmcf/d)

- In 1991, NOEX Myanmar acquired a working interest in [blocks M-13/14](#) offshore Myanmar.
- The following year, acquired a working interest in [block M-12](#) and discovered the Yetagun Gas Field in that block.
- In 2000, production at the Yetagun Gas Field commenced, with the produced gas supplied to the Ratchaburi power plants in Thailand.
- In December 2013, sold 10% of Nippon Oil Exploration (Myanmar)'s stock to Mitsubishi Corporation.
- In September 2014, excavated test well No.1.
- In October 2014, began production in the Yetagun North Gas Field.

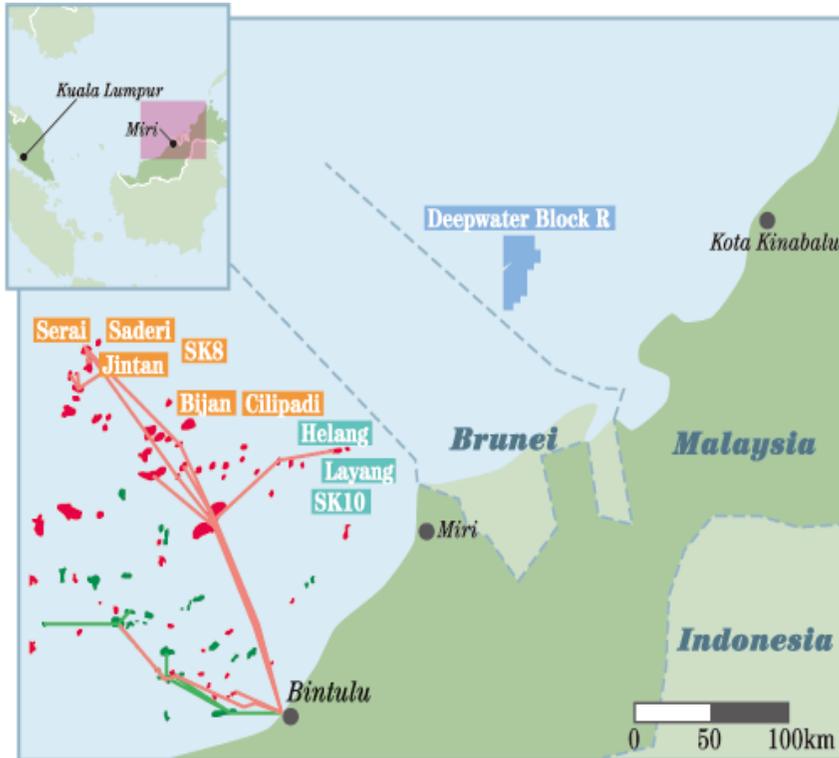
Principal Individual E&P Project Overview (Malaysia ①)

Malaysia

Production

Development

Exploration



- Oil fields
- Gas fields
- Oil pipelines
- Gas Pipelines
- JX Nippon Oil & Gas Exploration (Malaysia)
- JX Nippon Oil & Gas Exploration (Sarawak)
- JX Nippon Oil & Gas Exploration (Deepwater Sabah)

	SK10 (Herang Gas Field, Others)	SK8 (Jintan, Cilipadi Gas Field, Others)
Company holding the Acreage	JX Nippon Oil & Gas Exploration (Malaysia)	JX Nippon Oil & Gas Exploration (Sarawak)
Shareholders (Holding Percentages)	JX Nippon Oil & Gas Exploration (78.7%) Inpex (15.0%) Mitsubishi Corporation (6.3%)	JX Nippon Oil & Gas Exploration (76.5%) Inpex (15.0%) Mitsubishi Corporation (8.5%)
Project Status	Exploration/Development/Production	Production
Interest	75.0%	37.5%
Partnaers	Petronas Carigali (25.0%)	Shell Oil and Gas Malaysia (37.5%) Petronas Carigali (25.0%)
Operator	JX Nippon Oil & Gas Exploration (Malaysia)	Shell Oil and Gas Malaysia
Sales Volume (Jan. ~Dec. 2015)	21,700boed (Oil 1,800b/d, Gas 119.0mmcf/d)	10,600boed (Oil 1,100b/d, Gas 57.3mmcf/d)

Principal Individual E&P Project Overview (Malaysia ②)

Block SK10 (Helang Gas Field and others)

Since the acquisition of Block SK10 in 1987, the project has been one of our key operations. We act as the operator in the block. The natural gas from the block is exported in the form of liquefied natural gas (LNG) to various countries including Japan.

Production

Development

Exploration

Mining Area during the production SK10 (Helang Gas Field)

- In 1987, acquired a working interest in Block SK10 offshore Sarawak, Malaysia.
- In 1990, discovered the Helang Gas Field, where production commenced in 2003.
- In 1991, discovered the Layang Oil and Gas Field.
- In 2014, decided to develop the Layang Oil and Gas Field.
- In 2017, scheduled to start production.

Block SK8 (Jintan, Cilipadi Gas Fields and others)

Production

Development

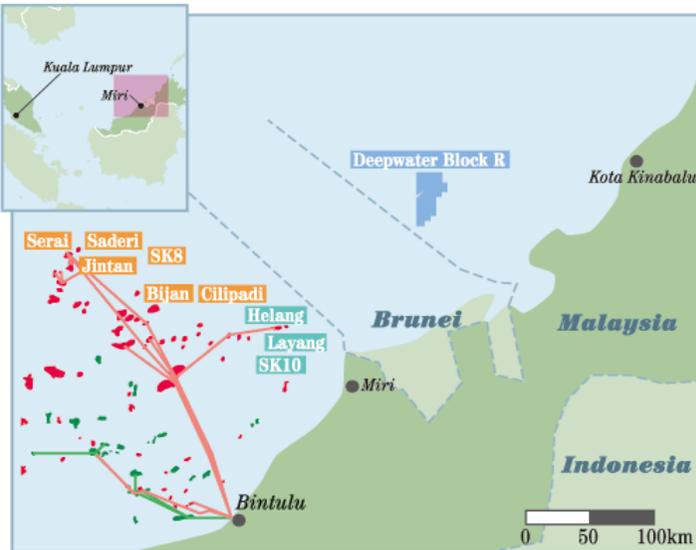
Mining Area during the production SK8 (Jintan, Saderi, Cilipadi Gas Fields)

- In 1991, acquired a working interest in Block SK8 .
- From 1992 through 1994, the Jintan and other 6 gas fields were discovered in that block, and production of Jintan and Serai were commenced in 2004.
- In 2008, the Saderi Gas Field commenced production.
- In 2011, the Cilipadi Gas Field commenced production.

Principal Individual E&P Project Overview (Malaysia ③)

Malaysia

Exploration



- Oil fields
- Gas fields
- Oil pipelines
- Gas Pipelines
- JX Nippon Oil & Gas Exploration (Malaysia)
- JX Nippon Oil & Gas Exploration (Sarawak)
- JX Nippon Oil & Gas Exploration (Deepwater Sabah)

	Deepwater Block R	Deepwater Block 2F
Company holding the Acreage	JX Nippon Oil & Gas Exploration (Deepwater Sabah)	JX Nippon Oil & Gas Exploration (Offshore Malaysia)
Shareholders (Holding Percentages)	JX Nippon Oil & Gas Exploration (51.05%) JOGMEC (48.95%)	JX Nippon Oil & Gas Exploration (100%)
Project Status	Exploration	Exploration
Interest	27.5%	40.0%
Partners	Inpex Offshore South Sabah(27.5%) Petronas Carigali(25.0%) Santos Sabah BlockR(20.0%)	Petronas Carigali (40.0%) GDF Suez E&P Malaysia (20.0%)
Operator	JX Nippon Oil & Gas Exploration (Deepwater Sabah)	JX Nippon Oil & Gas Exploration (Offshore Malaysia)

	Deepwater Block 3F
Company holding the Acreage	JX Nippon Oil & Gas Exploration (Offshore Malaysia)
Shareholders (Holding Percentages)	JX Nippon Oil & Gas Exploration (100%)
Project Status	Exploration
Interest	40.0%
Partners	Petronas Carigali (40.0%) GDF Suez E&P Malaysia (20.0%)
Operator	Petronas Carigali



Principal Individual E&P Project Overview (Malaysia ④)

Deepwater Block R

Exploration

- In January 2012, acquired a working interest in [Deepwater Block R](#) deep sea, offshore Sabah, Malaysia.
- In April 2015, discovered oil.

Deepwater Block 3F

Exploration

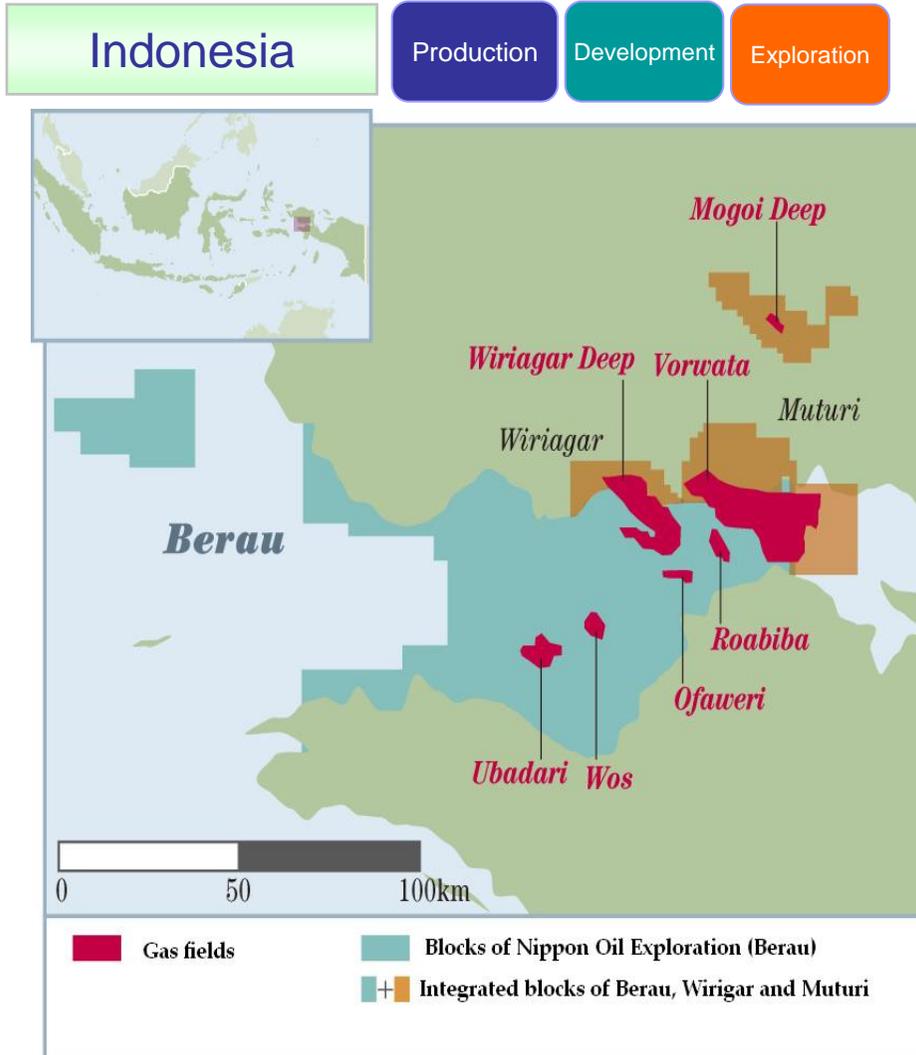
- In December 2013, acquired a working interest in [Deepwater Block 3F](#) deep sea, offshore Sarawak, Malaysia.

Deepwater Block 2F

Exploration

- In September 2013, acquired a working interest in [Deepwater Block 2F](#) deep sea, offshore Sarawak, Malaysia.

Principal Individual E&P Project Overview (Indonesia)



	Tangguh LNG Project	
Company Holding the Acreages	Nippon Oil Exploration (Berau)	
Shareholders (Holding Percentages)	JX Nippon Oil & Gas Exploration (51.0%) JOGMEC (49.0%)	
Project Status	Exploration/Development/Production	
Interest	12.2%(After Unitization)	
Partners	BP(37.2%) MI Berau(16.3%) CNOOC(13.9%)	KG Berau / KG Wiriagar (10.0%) LNG Japan (7.3%) Talisman (3.1%)
Operator	BP	
Sales Volumes (Jan.~Dec. 2015)	17,600boed (oil 400b/d, gas 103.2mmcf/d)	

This is the second LNG project we have participated in, following the LNG Tiga project in Malaysia, and we are working to attain long-term and stable LNG production and revenue.

Production Project during the production :
Tangguh LNG Project

- From 1990, excavated three test wells, natural gas was discovered in the area. Subsequently, discovered natural gas in the Vorwata Gas Field, Wiriagar Deep structure, and other gas field.
- From December 2002, those with interests in the Berau, Wiriagar, and Muturi blocks agreed to become partners in unitizing the blocks and undertake development work cooperatively.
- LNG production commenced in June 2009, and the first cargo was shipped in July 2009.

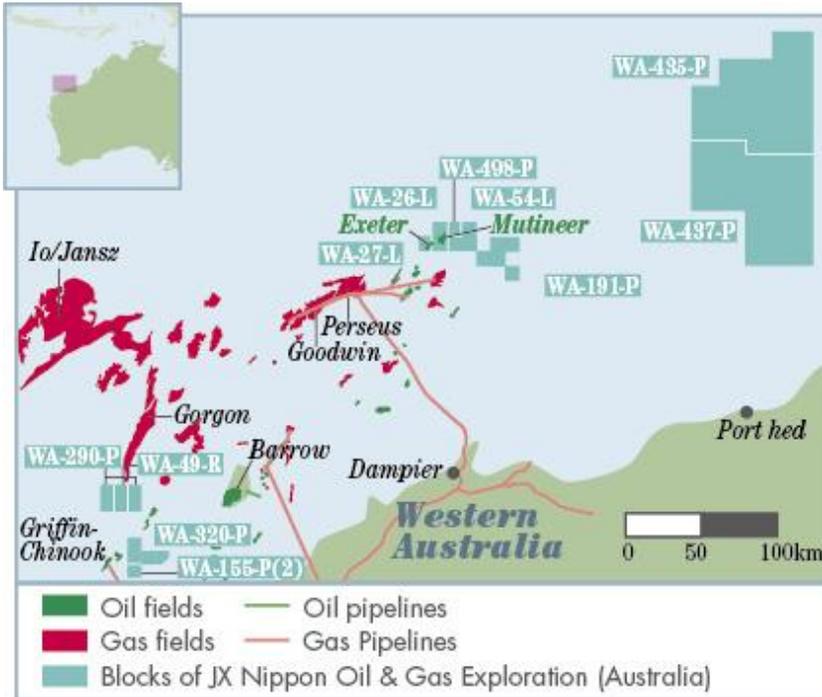


Principal Individual E&P Project Overview (Australia①)

Australia

Production

Exploration



	Mutineer/Exeter Oil Field	Finucane South Oil Field Block WA-191-P
Company Holding the Acreages	JX Nippon Oil & Gas Exploration (Australia) Pty Ltd	
Shareholders(Holding Percentages)	JX Nippon Oil & Gas Exploration(100%)	
Project Status	Production	Exploration/Production
Interest	25.0%	25.0%
Partners	Santos (37.5%) Kufpec (37.5%)	Santos (37.4977%) Kufpec (37.5023%)
Operator	Santos	Santos
Sales Volumes (Jan. ~Dec. 2015)	1,100 boed(Oil 1,100b/d)	

We are producing high-quality low-sulfur crude oil from Mutineer / Exeter oil fields. Revenue from the sales of the crude oil is used for new exploration activities within Australia and in May 2014, newly started production from Finucane South Oil Field.

Production

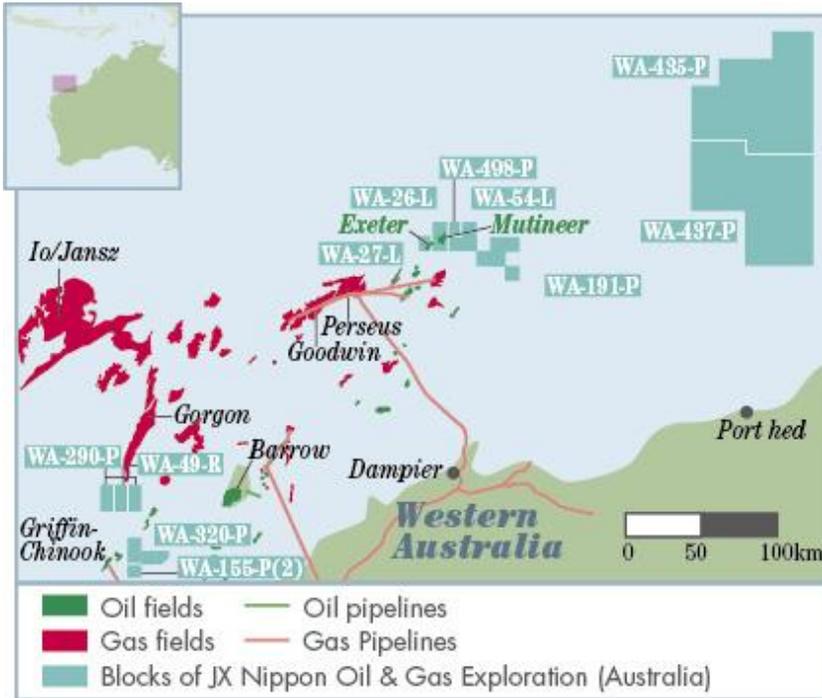
Exploration

- In May 1997, acquired a working interest in Block WA-191-P (present Block WA-26/27-L)
- From 1997 to 2002, discovered Mutineer and Exeter Oil Fields
- In March 2005, oil production commenced in Mutineer and Exeter Oil Fields
- In May 2011, discovered oil in Finucane south structure.
- In May 2013, oil production commenced in Finucane South Oil Fields.

Principal Individual E&P Project Overview (Australia②)

Australia

Exploration



	WA-290-P WA-49-R	WA-435-P WA-437-P	WA-320-P
Company Holding the Acreages	JX Nippon Oil & Gas Exploration (Australia) Pty Ltd		
Shareholders(Holding Percentages)	JX Nippon Oil & Gas Exploration (100%)		
Project Status	Exploration	Exploration	Exploration
Interest	15.0%	20.0%	10.0%
Partners	Quadrant (30.25%) Santos (24.75%) OMV(20.00%) Tap(10.00%)	Quadrant (40.0%) Finder (20.0%) Carnarvon (20.0%)	Quadrant (40.665%) OMV (39.557%) Tap (9.778%)
Operator	Quadrant	Quadrant	Quadrant

	WA-155-P(2)	WA-498-P
Company Holding the Acreages	JX Nippon Oil & Gas Exploration (Australia) Pty Ltd	
Shareholders(Holding Percentages)	JX Nippon Oil & Gas Exploration(100%)	
Project Status	Exploration	Exploration
Interest	7.0%	25.0%
Partners	Quadrant (40.665%) OMV(27.11%) Inpex (18.67%) Tap(6.555%)	Santos (75.0%)
Operator	Quadrant	Santos



Principal Individual E&P Project Overview (Australia③)

Block WA-290-P,Block WA-49-R

Exploration

- In April 2011, excavated test well "Zola-1", and discovered Gas
- In July 2013, excavated appraisable well "Bianchi-1", and discovered Gas

Block WA-320-P,Block WA-155-P(2)

Exploration

- In June 2013, acquired working interests in Block WA-320-P and Block WA-155-P

Block WA-435-P,Block WA-437-P

Exploration

- In October 2012, acquired working interests in Block WA-435-P and Block WA-437-P
- In August 2014, discovered oil in Block WA-435-P

WA-498-P

Exploration

- In April 2014, acquired working interests in WA-498-P.



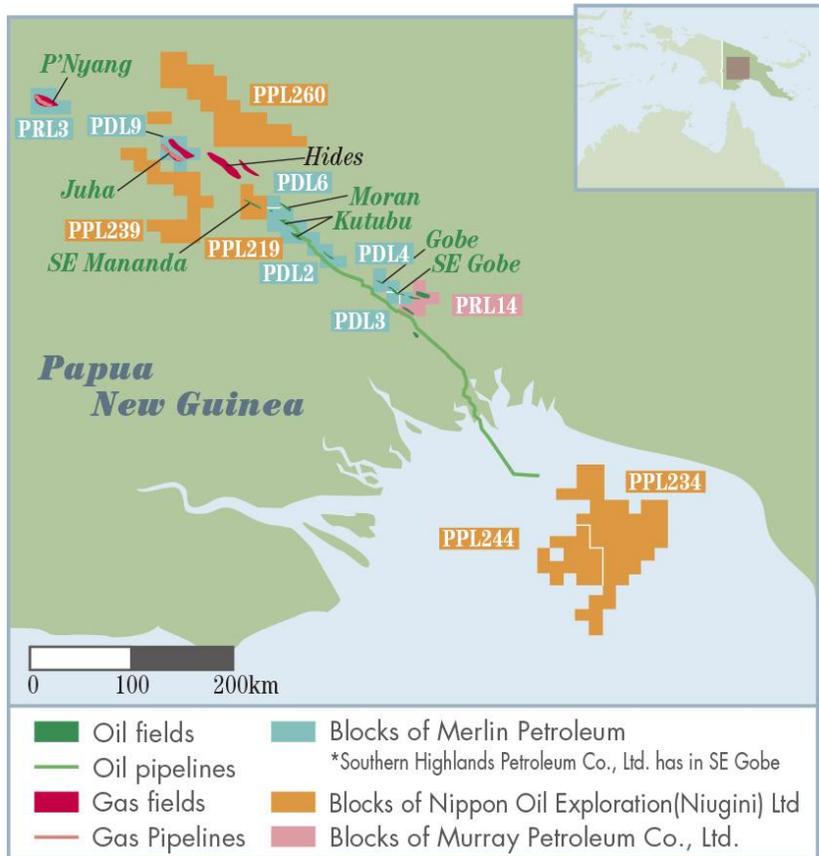
Principal Individual E&P Project Overview (Papua New Guinea ①)

Papua New Guinea

Production

Development

Exploration



	Kutubu, Moran, Gobe oil fields, Others	PNG LNG Project
Company Holding the Acreages	Merlin Petroleum Company (79.0%) Nippon Oil Exploration (Niugini) Pty LTD (33.3%) Southern Highland Petroleum (80.0%)	Nippon Papua New Guinea LNG LLC (79.0%)
Project Status	Exploration / Development / Production	Production
Interest	8.6%~73.5%	4.68%
Partners	Oil Search ExxonMobil Santos Talisman Others	ExxonMobil (33.20%) Oil Search (29.00%) Santos (13.53%) PNG Government, Landowners (19.58%)
Operator	Oil Search, ExxonMobil, Others	ExxonMobil
Sales Volume (Jan.~Dec. 2015)	15,500 boed (oil 6,500b/d, gas 54.0mmcf/d)	



Principal Individual E&P Project Overview (Papua New Guinea ②)

Kutubu, Moran, Gobe oil fields and others

Production

- In 1990, Japan Papua New Guinea Petroleum acquired Merlin and acquired original exploration rights of Merlin in Papua New Guinea. Subsequently, development, and production activities have been undertaken in the [Kutubu, Moran, Gobe, SE Gobe, and SE Mananda oil fields](#).
- In 2008, acquired additional equity of oil field from AGL Energy.

Exploration

- In April 2011, excavated test well “Mananda-5” in [Block PPL219](#), and discovered oil.

PNG LNG Project

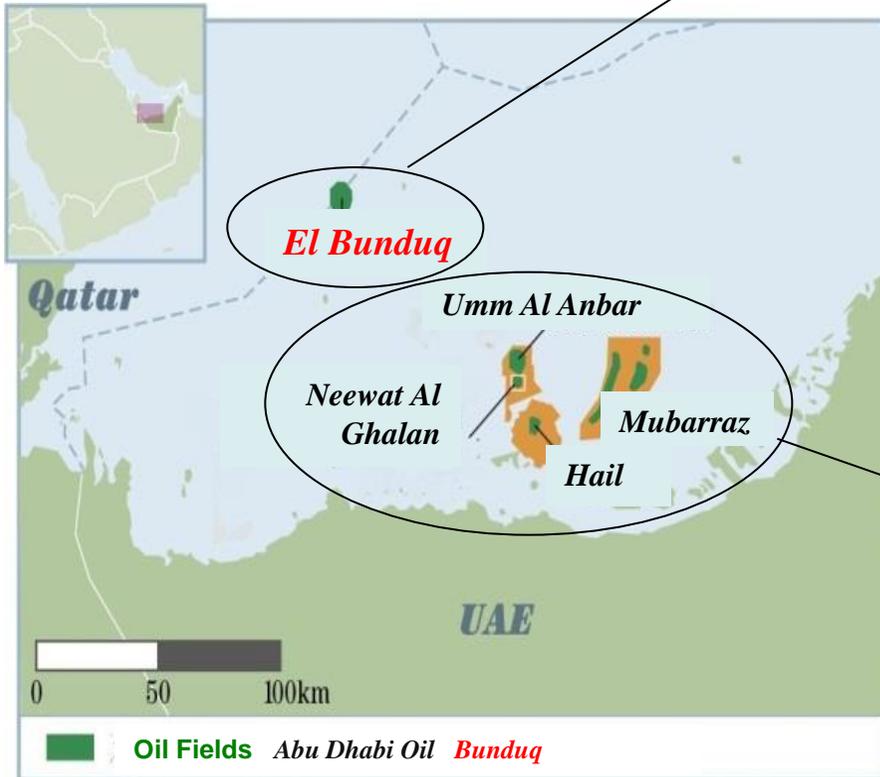
Development

Project during the development PNG LNG Project

We have been involved in PNG LNG Project since the beginning of the project. In December 2009, we made a Final Investment Decision on the Project, and the development work is in progress with the goal of starting shipments in 2014. PNG LNG Project has the full support of the PNG government, and we expect it to contribute to our revenues in the future.

- In December 2008, acquired the PNG LNG Project equity that AGL Energy owned.
- In December 2009, PNG LNG Project was made a final investment decision to proceed with the development.
- In May 2014, PNG LNG Project ships first LNG cargo.

Principal Individual E&P Project Overview (UAE, Qatar ①)



El Bunduq	
Company Holding the Acreages	United Petroleum Development (Bunduq Company Limited)
Partners	JX Nippon Oil & Gas Exploration (45.0%) Cosmo Energy Exploration & Production Co., Ltd. (45.0%) Mitsui Oil Exploration Co., Ltd.(10.0%)
Project Status	Production
Interest	100.0%
Operator	Bunduq Company Limited

- In 1970, United petroleum Development acquired a working interest of El Bunduque Oil Field.
- In 1975, oil production commenced in [El Bunduq oil field](#).
- In 1983, oil production was resumed by a secondary recovery scheme using water injection.
- In 2006, El Bunduque achieved a cumulative production volume of 200 million barrels.
- In 2015, United petroleum Development acquired the rest of working interest of El Bunduque Oil Field from BP.

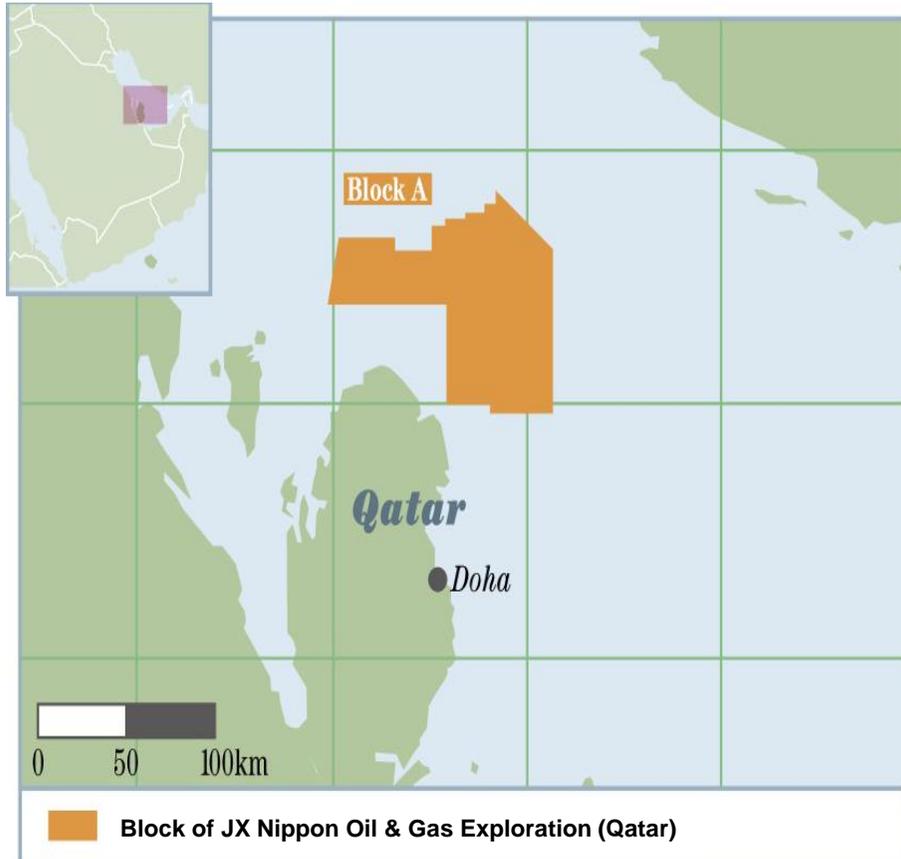
Mubarraz, Umm Al-Anbar, Neewat Al-Ghalan	
Company Holding the Acreages	Abu Dhabi Oil
Partners	JX Nippon Oil & Gas Exploration (32.1%) Cosmo Abu Dhabi Energy Exploration & Production Co., Ltd.(64.2%) Chubu Electric Power Co., Inc.(1.9%) Kansai Electric Power Co., Inc.(1.9%)
Project Status	Exploration / Development / Production
Interest	100.0%
Operator	Abu Dhabi Oil

- In 1967, acquired a working interest in block of Mubarraz.
- In 1973, oil production commenced in [Mubarraz Oil Field](#).
- In 1989, oil production commenced in [Umm Al Anbar Oil Field](#).
- In 1995, oil production commenced in [Neewat Al Ghalan Oil Field](#).
- In 2009, 3 fields achieved cumulative production volume of 300 million barrels.
- In 2011, Sign a New Concession Agreement.
- In 2012, Effectuation of New Concession Agreement.

Principal Individual E&P Project Overview (UAE, Qatar ②)

Qatar

Exploration



Project Company

JX Nippon Oil & Gas Exploration (Qatar) Limited (57%)
(%) = JX Group Shareholding

Interest in Individual Fields

100%

Operator

JX Nippon Oil & Gas Exploration (Qatar) Limited

Exploration

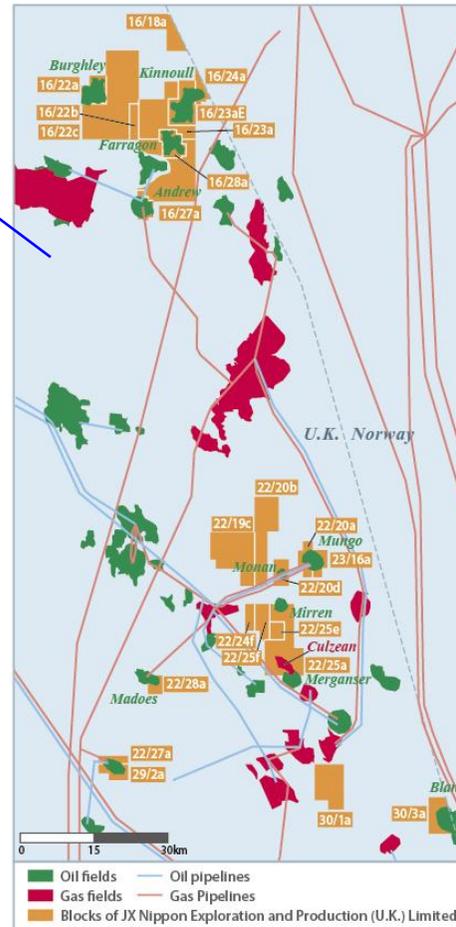
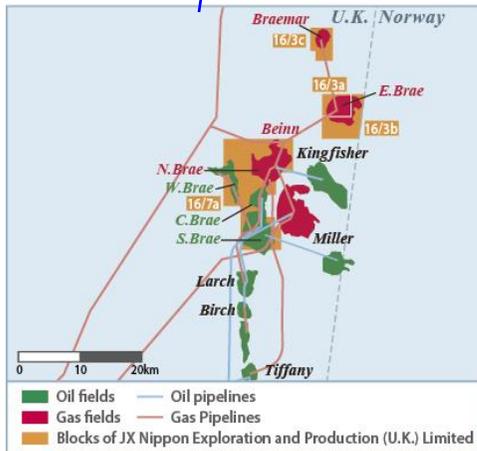
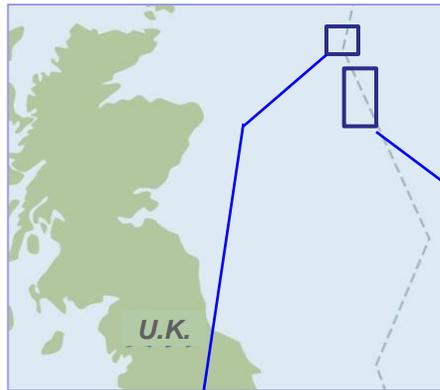
- In May 2011, acquired a working interest in [Block A](#) (Pre-Khuff), offshore Qatar .
- In March 2012, established interest in Block A (Pre-Khuff), offshore Qatar officially came into effect.
- In November 2015, finished excavating test well No1 and evaluating the test.

Principal Individual E&P Project Overview (U.K. ①)

U.K. North Sea ①

Production

Development



	Brea, Andrew, Blane, Kinnoull and other fields	Culzean gas field
Company Holding the Acreages	JX Nippon Exploration and Production (U.K.) Ltd.	
Shareholders(Holding Percentages)	JX Nippon Oil & Gas Exploration (100%)	
Project Status	Exploration/Production	Development
Interest	4.0%~27.39%	34.01%
Partners	BP, Talisman, Marathon and others	Maersk(49.99%) BP(16.00%)
Operator	BP, Talisman, Marathon and others	Maersk
Sales Volumes(Jan.~Dec. 2015)	13,100 boed (oil 10,800b/d, gas 13.8mmcf/d)	

We have over 10 fields currently producing oil and gas as well as such projects as Culzean gas field and Mariner Oil Field underway.

Production

Mining Area during the production Andrew, Kinnoull, Brae, Mirren / Madoes, Blane Oil and Gas Fields etc.

- From 1994 to 2002, acquired a working interest in individual blocks.
- In December 2012, acquired some interest in production of plural assets from ENI.
- In December 2014, Kinnoull started production

Development

Mining Area during Development 22/25a Culzean gas field.

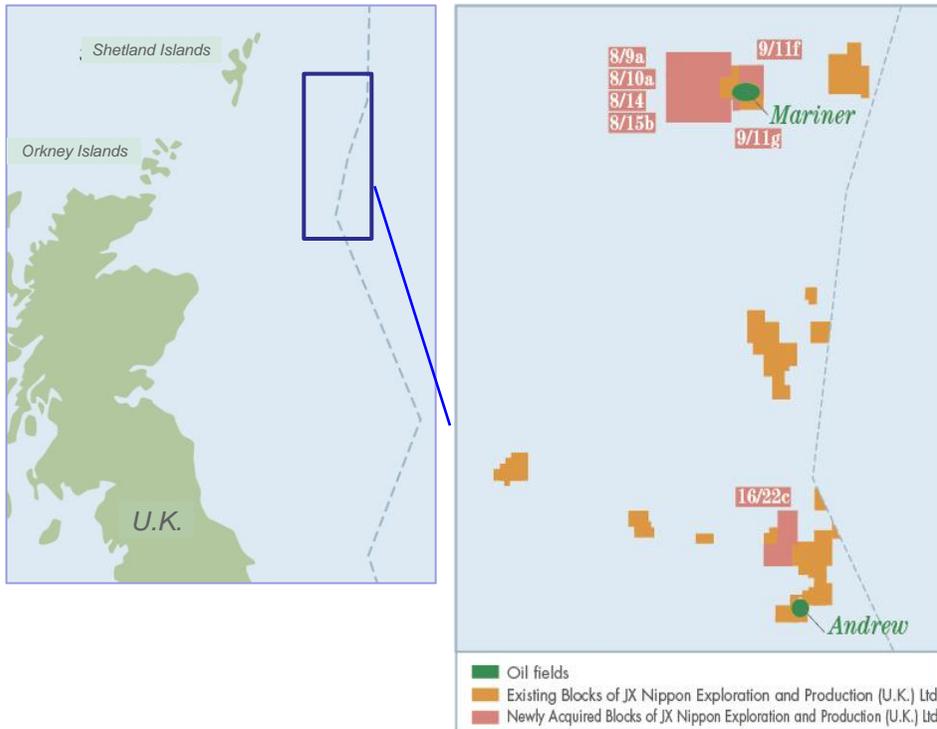
- In March 2011, confirmed the presence of a significant hydrocarbon accumulation.
- In December 2012, acquired the additional interest from ENI.
- In August 2015, decided to develop. In 2019 Production scheduled to commence.

Principal Individual E&P Project Overview (U.K. ③)

U.K. North Sea ③

Exploration

New blocks are acquired in 2014 by 28th round of governmental open tender .



	North Sea Central Area	North Sea Northern Area
	16/22c	8/9a, 8/10a, 8/14, 8/15b, 9/11f, 9/11g
Company Holding the Acreages	JX Nippon Exploration and Production (U.K.) Ltd.	
Shareholders(Holding Percentages)	JX Nippon Oil & Gas Exploration (100%)	
Project Status	Exploration	
Interest	30.00%	28.89%
Partners	BP (70.00%)	Statoil (65.11%) Dyas (6.00%)
Operator	BP	Statoil

These areas are next to the Andrew oil field and developed Mariner oil field which are our main asset, in the case when oil and gas field were found, we expect developing cost reduction by using facilities in these oil fields.



JX Group's Reserve Standards

JX Group's criteria for evaluating reserves conforms to the PRMS (Petroleum Resources management System) Standards, drafted by the SPE (Society of Petroleum Engineers), WPC (World Petroleum Congress), AAPG (American Association of Petroleum Geologists), and SPEE (Society of Petroleum Evaluation Engineers).

JX Group's reported reserves are in line with reserves as defined by the PRMS Standards. The degree of certainty of the reserve values is categorized, in order, as either Proved, Probable, or Possible. Following trends common at other industry firms, JX Group's has used Proven and Probable reserves to arrive at its total reserves.

Definition of Proved Reserves:

Reserves judged to have a high level of certainty from analysis of geoscience and production/petroleum engineering data, based on economic conditions, operational methods and laws and regulations assumed by JX Group in light of discovered reservoirs—there is at least a 90% probability that actual recovered volume will equal or exceed estimates of oil and natural gas deposits reasonably evaluated as commercially recoverable.

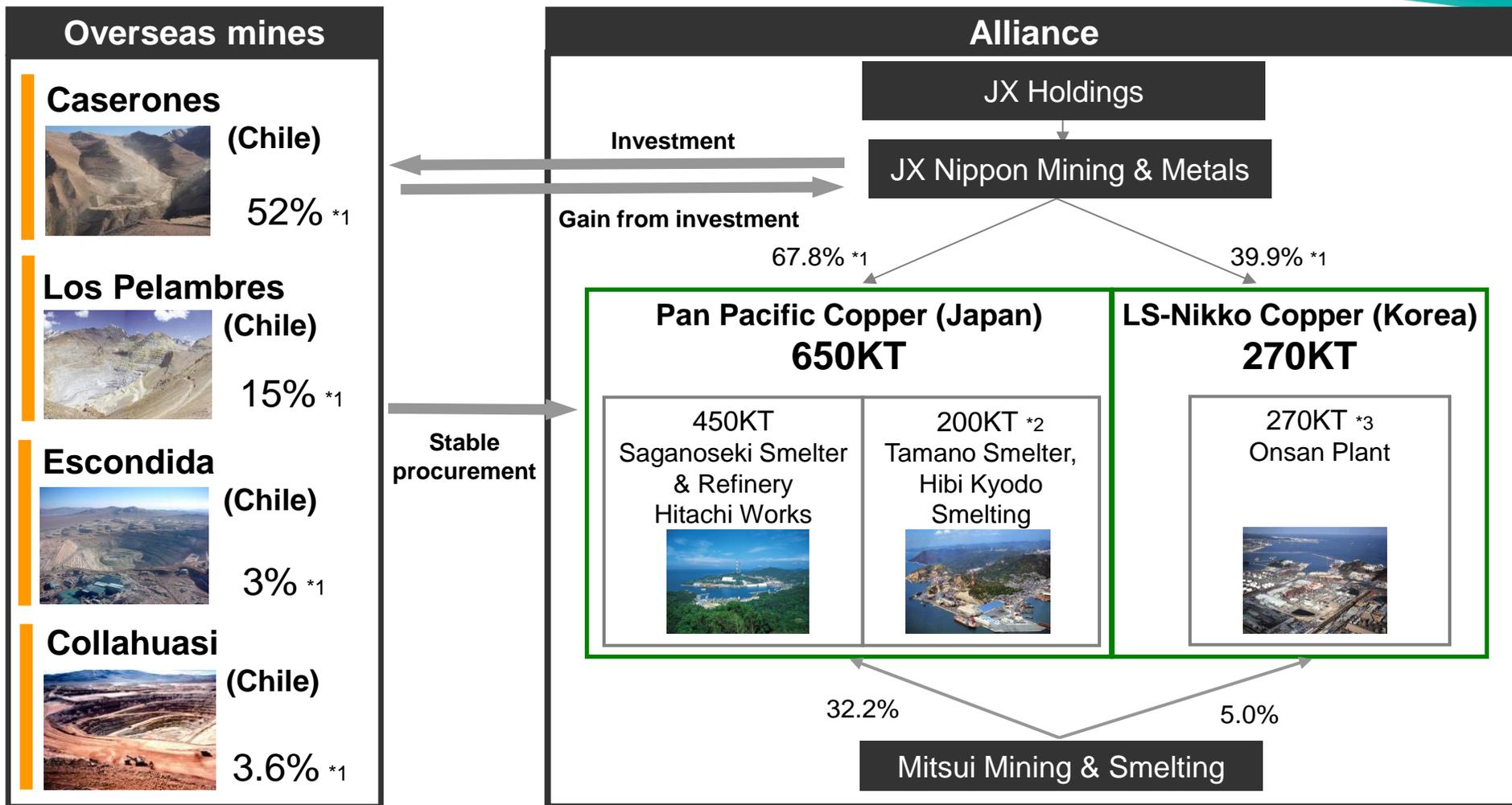
Definition of Probable Reserves:

There is at least a 50% probability that additional oil and natural gas reserves will equal or exceed actual recovered volume of the total of estimated proved and probable reserves. While these additional reserves are evaluated in the same manner as proved reserves, the probability of recoverability of probable reserves is lower than proved reserves, but higher than possible reserves.

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Business Environment and Data - Metals Business -

Copper Business



*1. Shares indirectly owned by JX Nippon Mining & Metals

*2. Allocated to PPC. Total Capacity is 290KT. *3 Total Capacity is 680KT. JX has 39.9% equity.

Overseas Copper Mine Development

Caserones Copper Mine (Chile)



Acquisition date **May 2006**

Acquisition price **\$137 million**

Initial investment **\$ 4.20 billion**

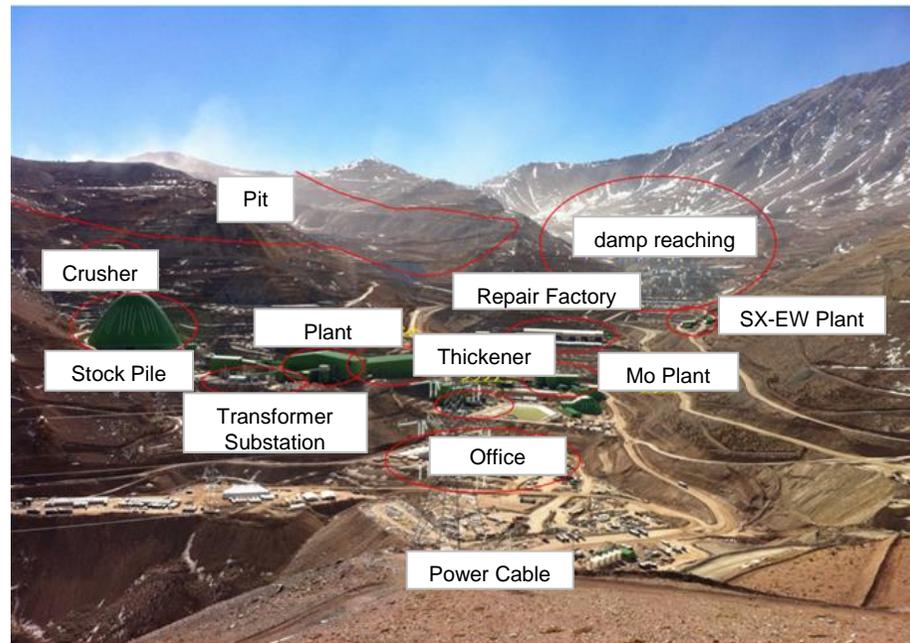
In July 2011, project finance(\$1.1billion) and long-term loan(\$0.3billion) were concluded.

Ownership (As of Mar. 2016)

Pan Pacific Copper (PPC)* 77.37%

- Jointly established by JX Nippon Mining & Metals (67.8%) and Mitsui Mining & Smelting (32.2%)

Mitsui & Co., Ltd. **22.63%**



Mine life **From 2013 to 2040 (28 years)**

Total production (28years)

Copper : 3,550kt From Copper Concentrate 3,140kt

From SX-EW Process 410kt

Molybdenum : 87kt

Production plan

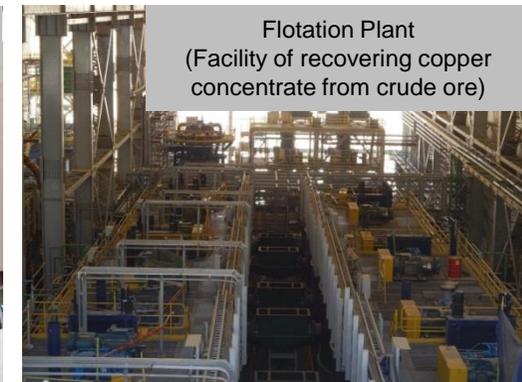
In Mar. 2013, started to SX-EW Copper Cathode Production

In May. 2014, started to Copper Concentrate Production

		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

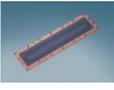
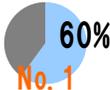
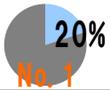
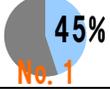
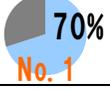
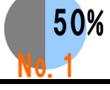


SAG(Semi-autogenous Grinding)Mill



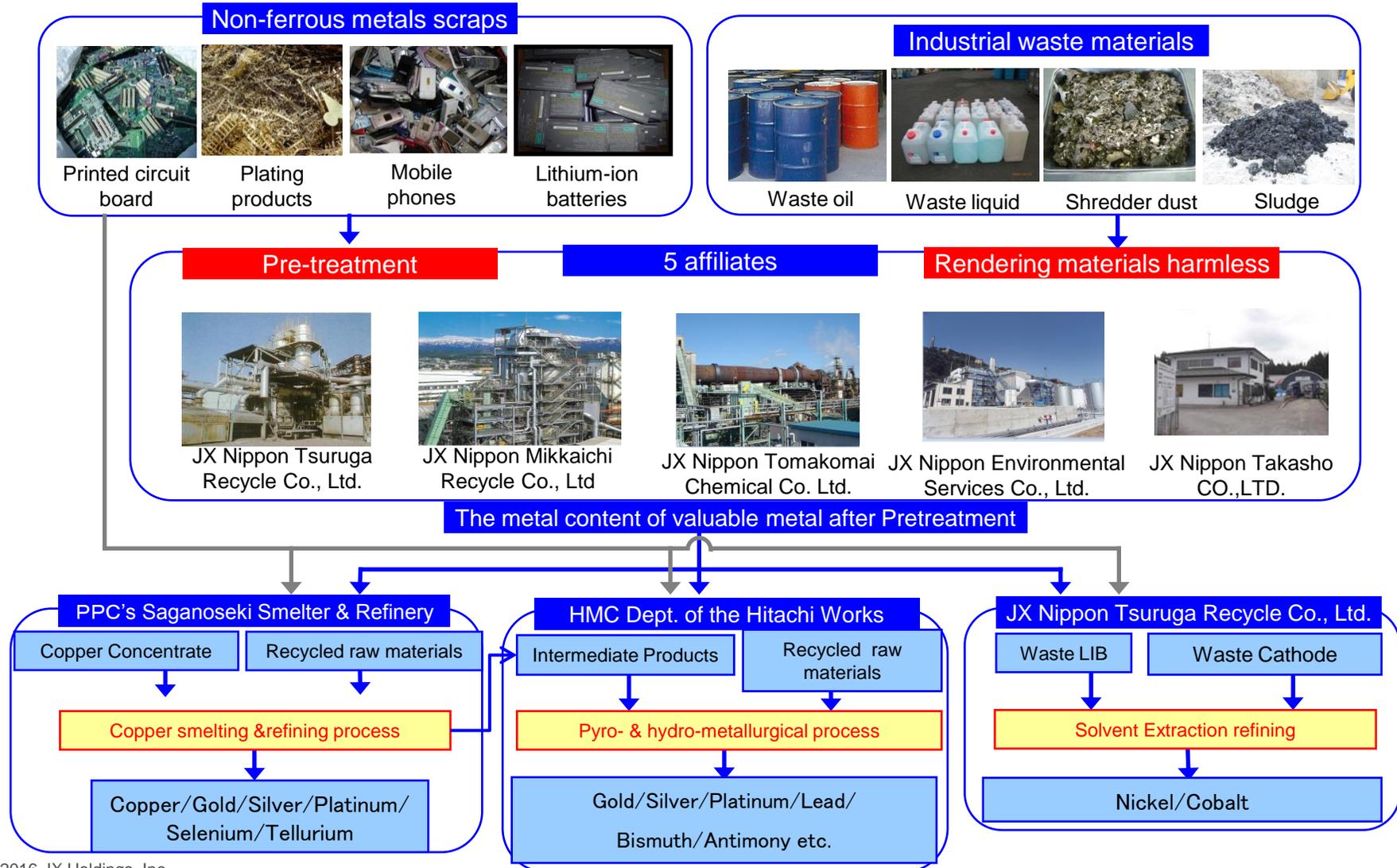
Flotation Plant
(Facility of recovering copper concentrate from crude ore)

Electronic Materials

Main products	Global market share	Primary applications	End-use applications				
			PCs	Mobile phones / Smart phones	Digital, Avs	Telecom infra/ Data canter	Auto mobiles
 Treated rolled copper foil	 70% No. 1	Flexible printed circuit boards	○	⊙	⊙		○
 Semiconductor targets	 60% No. 1	CPUs, memory chips, etc.	⊙	⊙	⊙	○	○
 ITO targets for FPDs *	 30% No. 1	Transparent electrodes	⊙	⊙	⊙		○
 HD media targets	 60% No. 1	HDD (Hard disk drives), etc.	⊙		○	○	
 Phosphor bronze	 20% No. 1	Connectors	○	⊙	○		○
 Corson alloy (C7025)	 45% No. 1	Lead frames, Connectors	⊙	○	○	○	○
 Titanium copper alloy	 70% No. 1	High-class connectors, etc.	○	⊙	○		○
 In-P compound semiconductors	 50% No. 1	Optical communication devices High-speed IC			○	⊙	○

* Flat Panel Displays

Recycling and Environmental Services



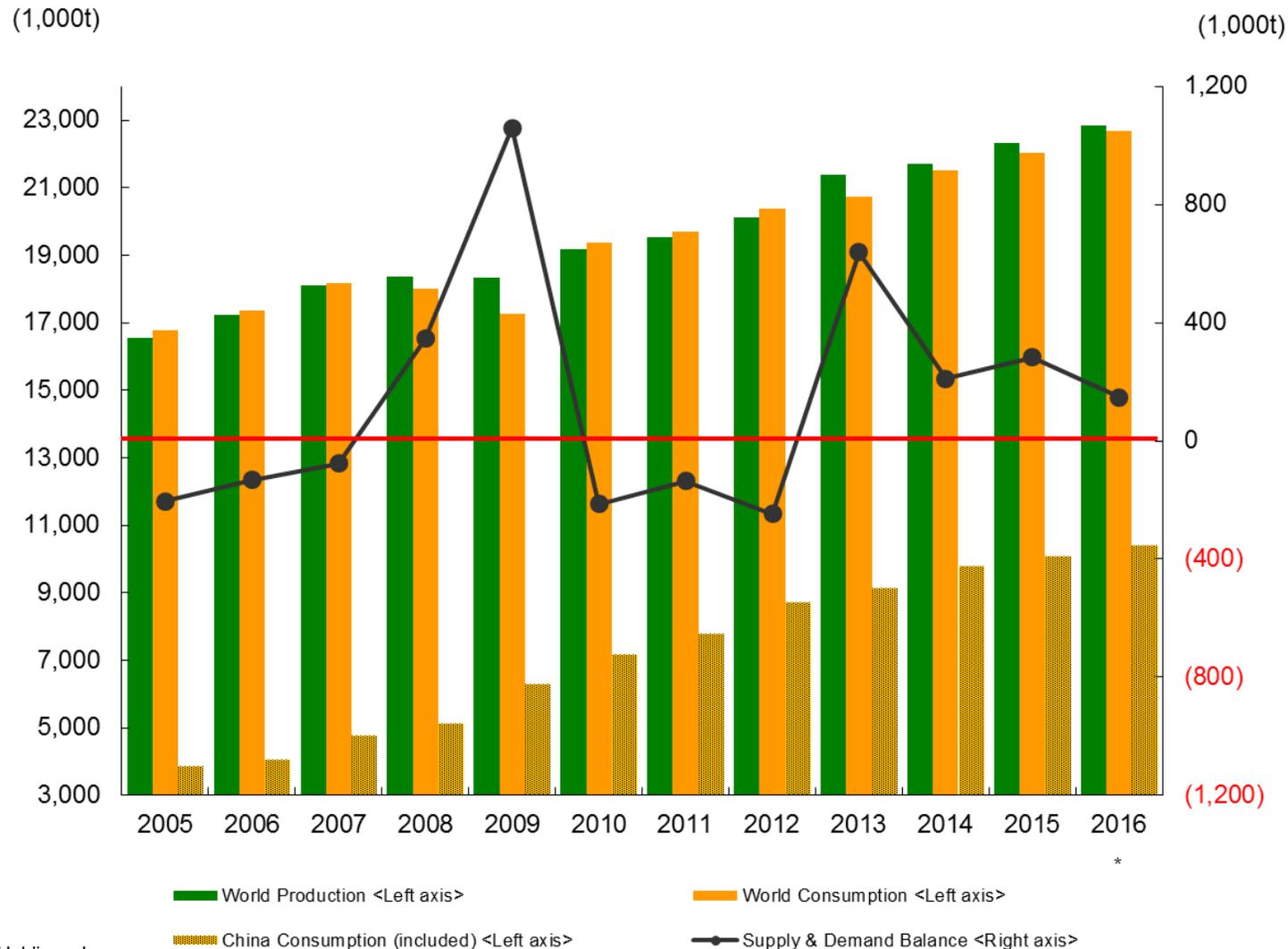
Copper Production of JX Group's Mines

		CY2010	CY2011	CY2012	CY2013	CY2014	CY2015
(Thousand ton)		Actual	Actual	Actual	Actual	Actual	Actual ^{*2}
Caserones	Copper concentrate	-	-	-	-	19	52
	SX-EW cathode	-	-	-	16	27	31
	Total	-	-	-	16	46	83
Los Pelambres	Copper concentrate*1	385	412	404	405	391	367
Collahuasi	Copper concentrate*1	447	417	236	401	430	419
	SX-EW copper cathode	39	36	37	28	25	22
	Total	486	453	273	429	455	441
Escondida	Copper concentrate*1	762	517	740	859	830	799
	SX-EW copper cathode	311	283	310	305	302	326
	Total	1,073	801	1,050	1,164	1,132	1,125

*1 Payable copper contained in concentrate

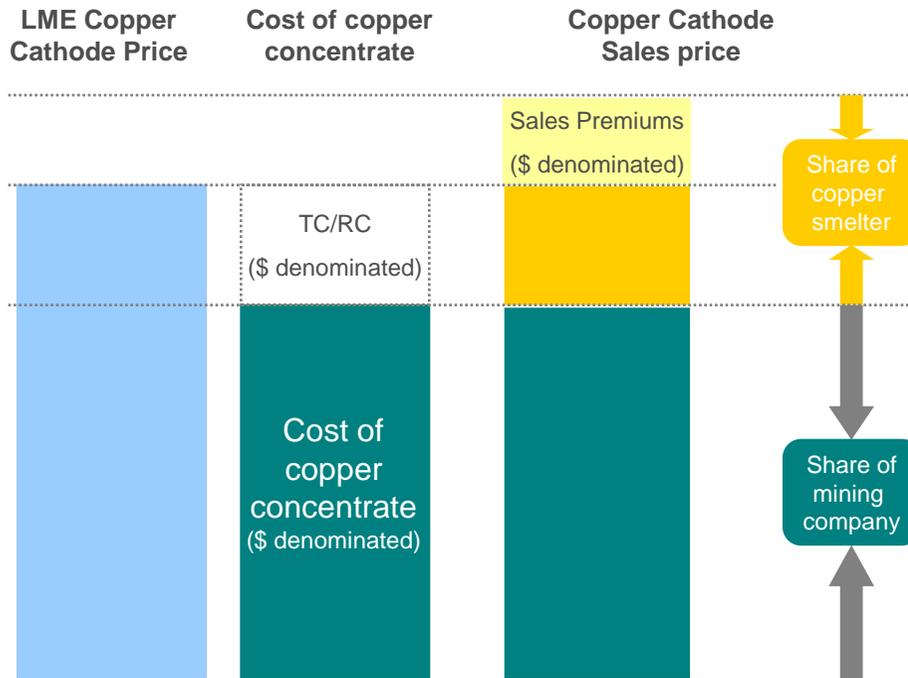
*2 Due to a change of fiscal term, referring terms are different. Caserones and Los Pelambres: Apr.-Mar., Collahuasi and Escondida: Jan.-Dec.

World's Copper Cathodes Supply & Demand



Earnings Structure of Copper Smelting and Refining Business

Earnings Structure of Copper Smelter & Refinery



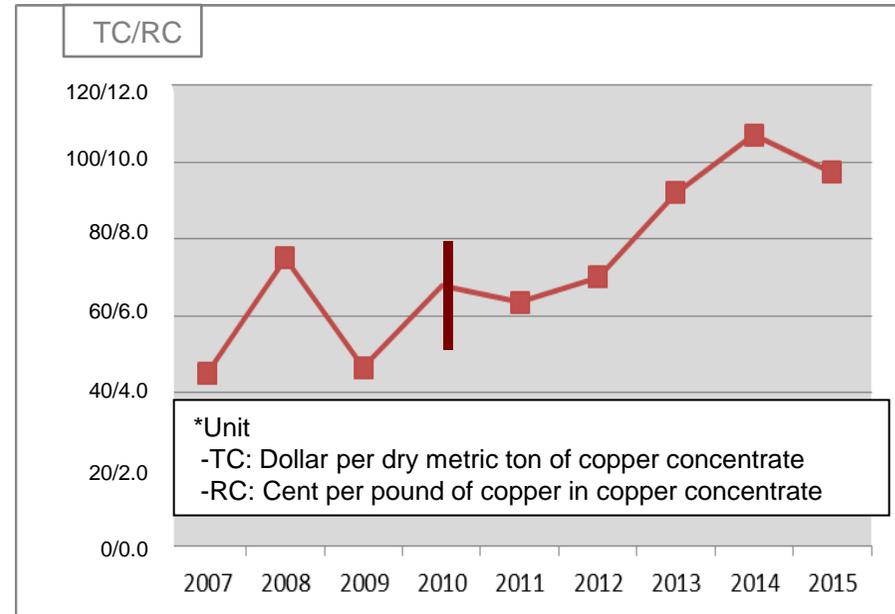
Cost of copper concentrate :

The price of copper concentrate, which custom smelters pay to mining companies, is LME copper cathode price less TC/RC, which is smelting and refining margins. TC/RC under long-term contracts is normally determined through annual negotiation between copper smelters and mining companies.

Copper cathode sales price :

Actual sales price of copper cathode produced by copper smelters is LME price plus sales premium, which is established by reference to various factors including importation costs, qualities and others.

Trends of Base TC/RC (negotiation each year-end)



* For 2010 year-end, several types of agreement have been made depending on negotiating parties, contractual period, etc..