

JX Holdings IR Materials

1. Second Medium-Term Management Plan (FY2013-2015)
and Long-Term Vision (FY2020)

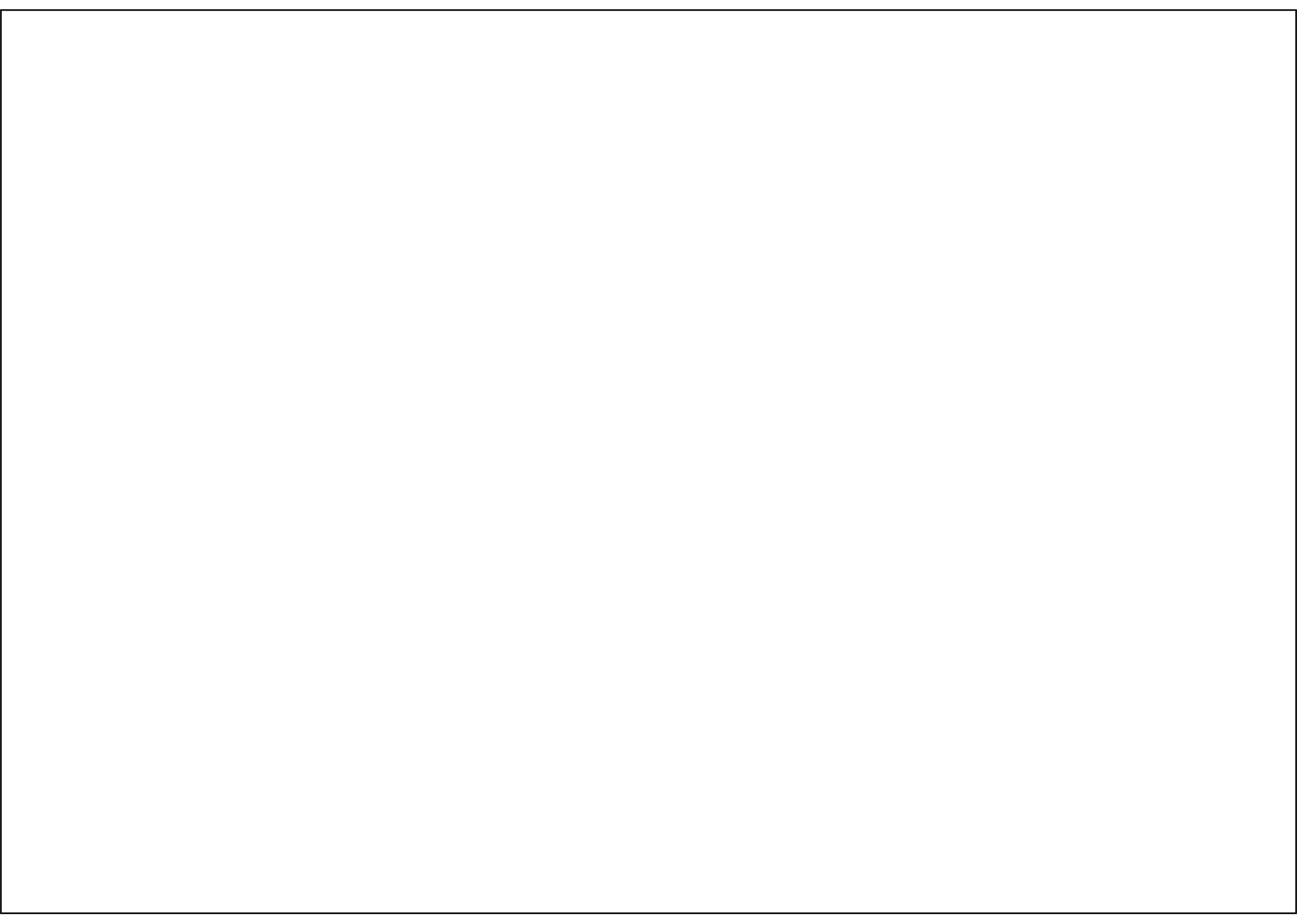
Become a world's leading integrated energy, resources and materials business group
-Start a leap forward-

March 2014



The Future of Energy, Resources and Materials

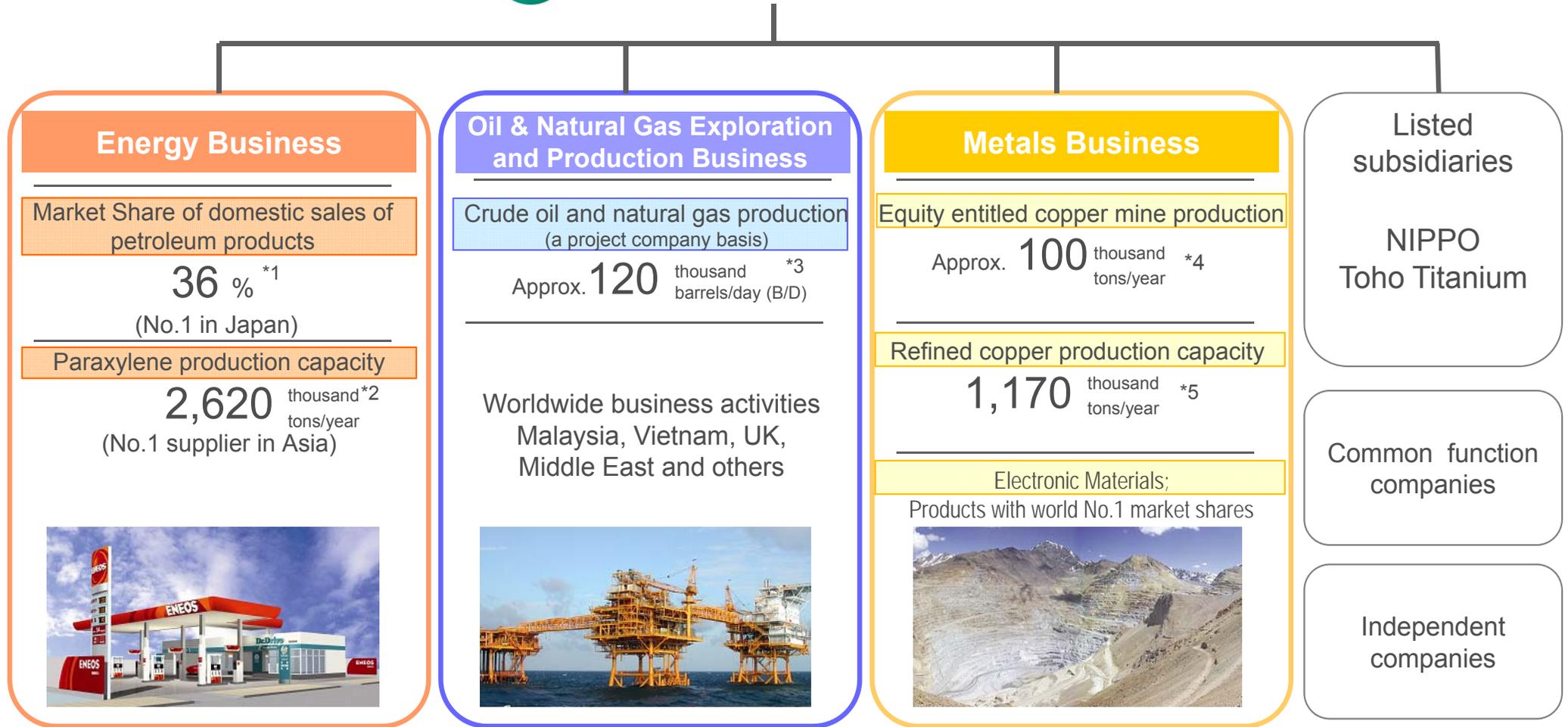
JX Holdings, Inc.



Businesses Summary of JX Group



JX JX Holdings, Inc.



*1 FY 2012 actual

*2 As of Mar. 2013

*3 Crude Oil Equivalent (Average daily production from Jan. to Dec. 2012)

*4 Production from Jan. to Dec 2012

*5 Pan Pacific Copper(66.0% equity stake) ; 610 thousand tons/year + LS-Nikko Copper(39.9% equity stake) ;560 thousand tons/year (As of Mar. 2013)

| | |
|---|---------|
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1. Summary of 1st Medium-Term Management Plan



Policy 1 : Dramatical Transformation in Petroleum Refining & Marketing Business

✓ Capacity Reduction Plan

(JX)

2008.Dec. 2014.Apr.

1,790 ⇒ 1,210 thousand BD

(Ref. Japan Total)

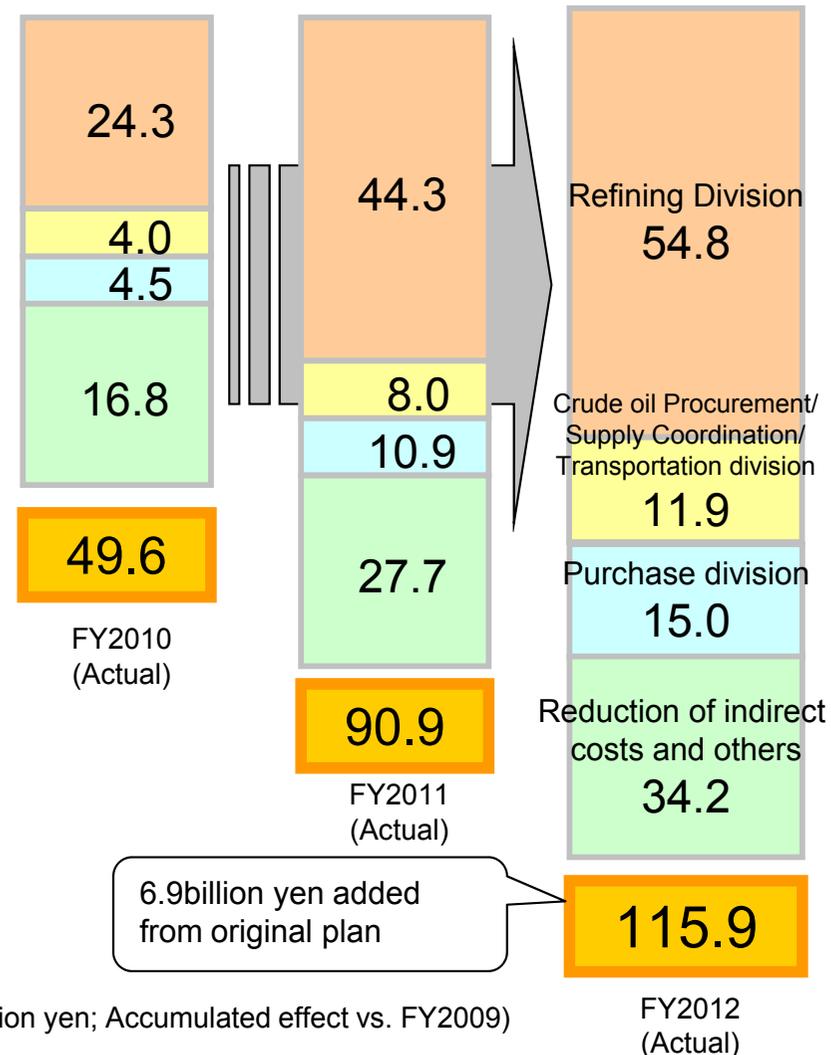
2008.Dec. 2014.Apr.

4,830 ⇒ 3,720 thousand BD

| | Refinery | Due Date | Reduction Capacity | Completion |
|----------|-----------|---------------|---------------------------------------|------------|
| STEP 1 | Toyama | March, 2009 | (60) thousand B/D | ✓ |
| | Kashima | May, 2010 | (21) | ✓ |
| | Oita | May, 2010 | (24) | ✓ |
| | Mizushima | June, 2010 | (110) | ✓ |
| | Osaka | October, 2010 | (115) Convert to exportation refinery | ✓ |
| | Negishi | October, 2010 | (70) | ✓ |
| Subtotal | | | (400) | |
| STEP 2 | Muroran | March, 2014 | (180) | □ |
| Total | | | (580) | |

Corresponded to Sophistication of Energy Supply Structure Act

✓ Integration Synergies and Enhanced Efficiency of Refineries



1. Summary of 1st Medium-Term Management Plan

Policy 2 : Allocate Management Resources to Highly Profitable Operations on a Priority Basis

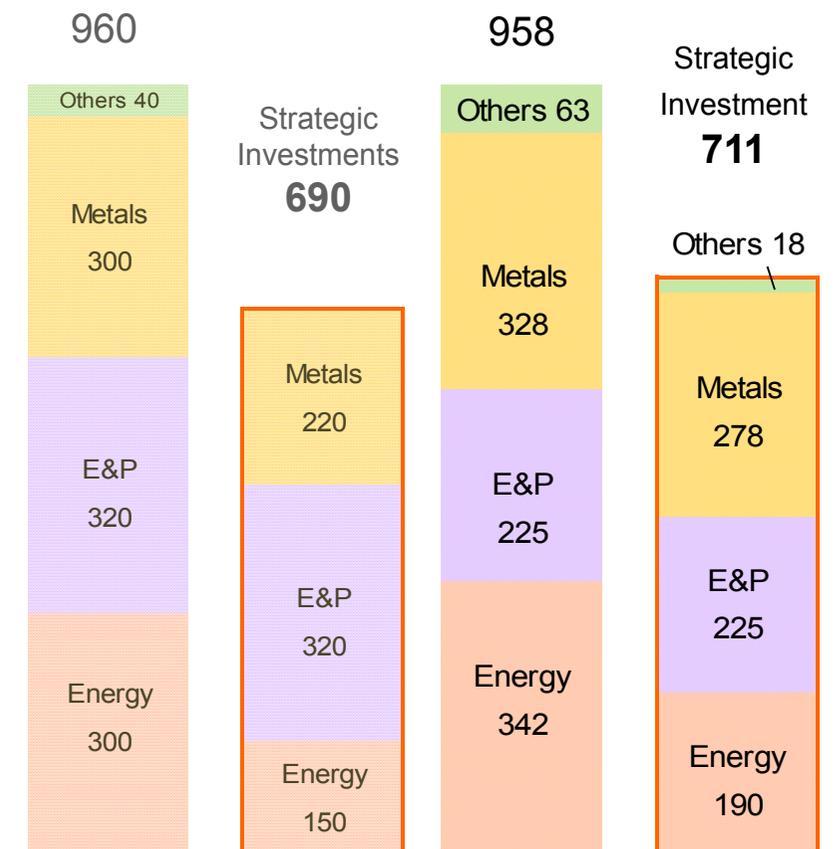


1st Mid-Term Mgt. Plan(2010-2012) CAPEX

Unit : billion yen

Original Plan

Actual



<Main contents of strategic investments>

Energy

- Establishing the most-competitive structure for petroleum refining and marketing in domestic market
 - Restructuring and strengthening network of service station
 - LNG Terminal (Mizushima, Hachinohe, Kushiro)
- Strengthening overseas business operations, focusing on Asia
 - Paraxylene and lubricant base oil projects in Korea
 - Expansion of lubricants business (Indonesia, Vietnam etc.)
 - Acquisition of coking coal interests in Canada

E&P

- Exploration : Acquisition of large operator projects
(Malaysia deepwater block R offshore Sabah, Qatar block A)
- Development : Papua New Guinea LNG project
- Resource acquisitions : Assets purchase in UK

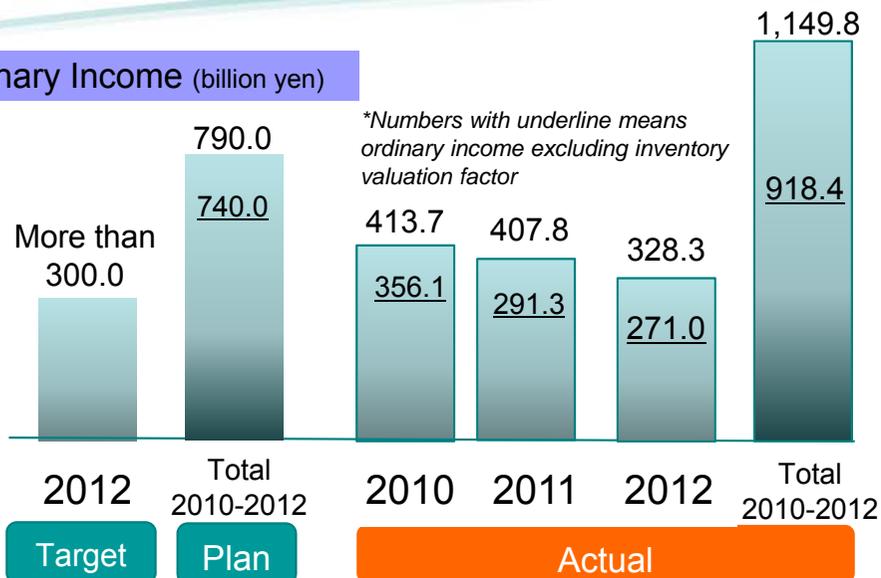
Metals

- Establishing highly profitable and well-balanced business structure between resources development and smelting and refining business
 - Expansion of Caserones Copper Mine.
 - Acquisition of Frontera exploration interests (Chile and Argentina)
- Improving profitability of electric materials satisfying high-growth automobile components market needs
 - Expansion of Cathode materials capacity for lithium-ion batteries
 - Construction of Kakegawa Works, integrated manufacturing process of connectors.



Review of Target

Ordinary Income (billion yen)

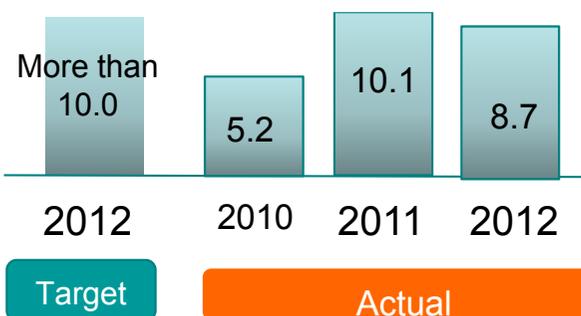


Realized a business structure generating 300 billion yen of ordinary income continuously

- Improvement of domestic petroleum margin
- Profit growth in upstream business benefited from high crude and copper prices

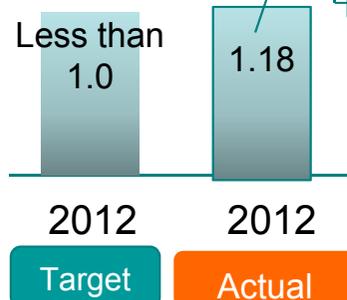
ROE(%)

**Excluding negative goodwill of merger regarding FY2010*



Built a base for realizing 10% of ROE continuously despite effect of positive inventory valuation

Net D/E Ratio



Target unaccomplished because of earthquake related restoration expenses and working capital increase due to crude and copper price rise

Increased cash out

- Earthquake related restoration expenses: 100 billion yen
- Working capital increase: 700 billion yen

Factors of working capital increase

| FY2012 | | |
|--------------------|------|--------|
| | Plan | Actual |
| Crude Oil (\$/bbl) | 80 | 109 |
| Copper (¢/lb) | 280 | 356 |



Business Environment

★ Domestic Environment

- Population decrease and deindustrialization hold economic growth low
- Structural decline of petroleum products demand continues
- Reformulation of energy policy by Japanese government progresses

★ Worldwide Environment

- Emerging countries lead growth, globalization and Information Technology proceeds
- Demand of energy, resources, materials expands mainly in Asia
- Resources and energy prices stay high, but volatile.
- Shale gas and oil revolution makes progress.
- Concerns over global environmental problems increase, and movement to low-carbon and recycling-oriented society progresses



Uncertainty of business environment increases around energy, resources and materials business.



Basic Policy

On the premise of establishment both of proper governance backed with thorough compliance and CSR implement structure

Profitability

- Securing stable profitability in existing business by realizing overwhelming competitiveness through continuous restructuring and stable operation
- Realizing return from invested projects

⇒P10

Growth

- Allocating management resources to highly profitable and developing operations on priority basis

⇒P12

Flexibility

- Structuring stronger balance sheet corresponding to business environmental change

⇒P13

Realizing high profit and high ROE continuously

Strengthening risk tolerance

Maximize group corporate value

Become a world's leading integrated energy, resources and materials business group

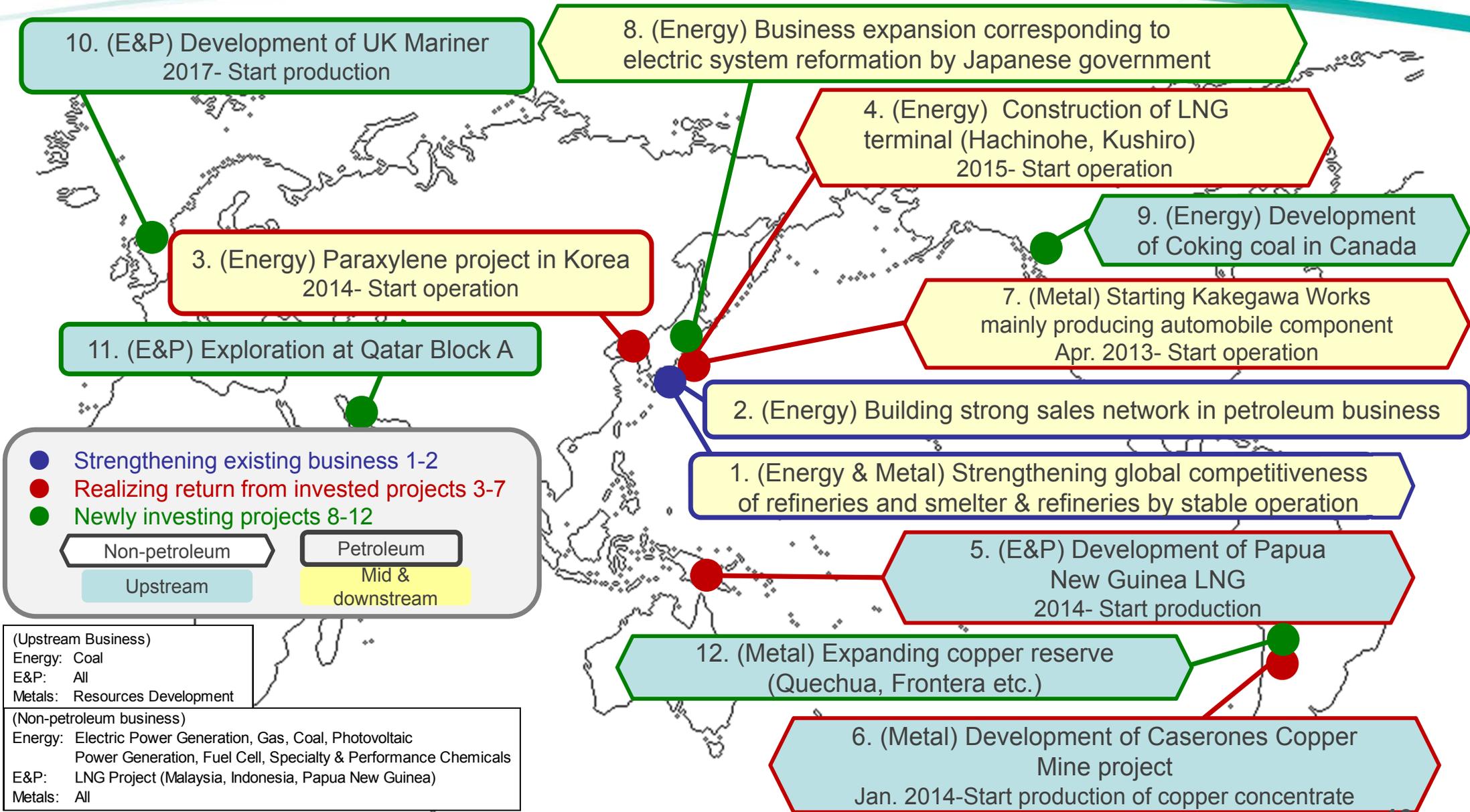


Key Factors and Targets

| Key Factors (FY2015) | Exchange Rate | 90 yen/\$ | |
|---|------------------------------------|---|--|
| | Crude Price(Dubai spot) | 110 \$/bbl | |
| | Copper Price(LME) | 360 ¢/lb | |
| | | | |
| Target | 2 nd Mid-Term Mgt. Plan | | (Reference) 1 st Mid-Term Mgt. Plan |
| | Ordinary Income | 400 billion yen or more (FY2015) | 300 billion yen or more (FY2012) |
| | ROE | 10% or higher (FY2015) | 10% or higher (FY2012) |
| | Net D/E Ratio | 0.9 times or lower (FY2015) | 1.0 times or lower (FY2012) |
| | CAPEX (plan) | 1,300 + α billion yen (FY2013-2015 total) | 960 billion yen (FY2010-2012 total) |
| *Utilizing “α” for additional strategic investment project corresponding to business environmental change | | | |



Highlight of Major Projects



- Strengthening existing business 1-2
- Realizing return from invested projects 3-7
- Newly investing projects 8-12



(Upstream Business)
 Energy: Coal
 E&P: All
 Metals: Resources Development

(Non-petroleum business)
 Energy: Electric Power Generation, Gas, Coal, Photovoltaic Power Generation, Fuel Cell, Specialty & Performance Chemicals
 E&P: LNG Project (Malaysia, Indonesia, Papua New Guinea)
 Metals: All

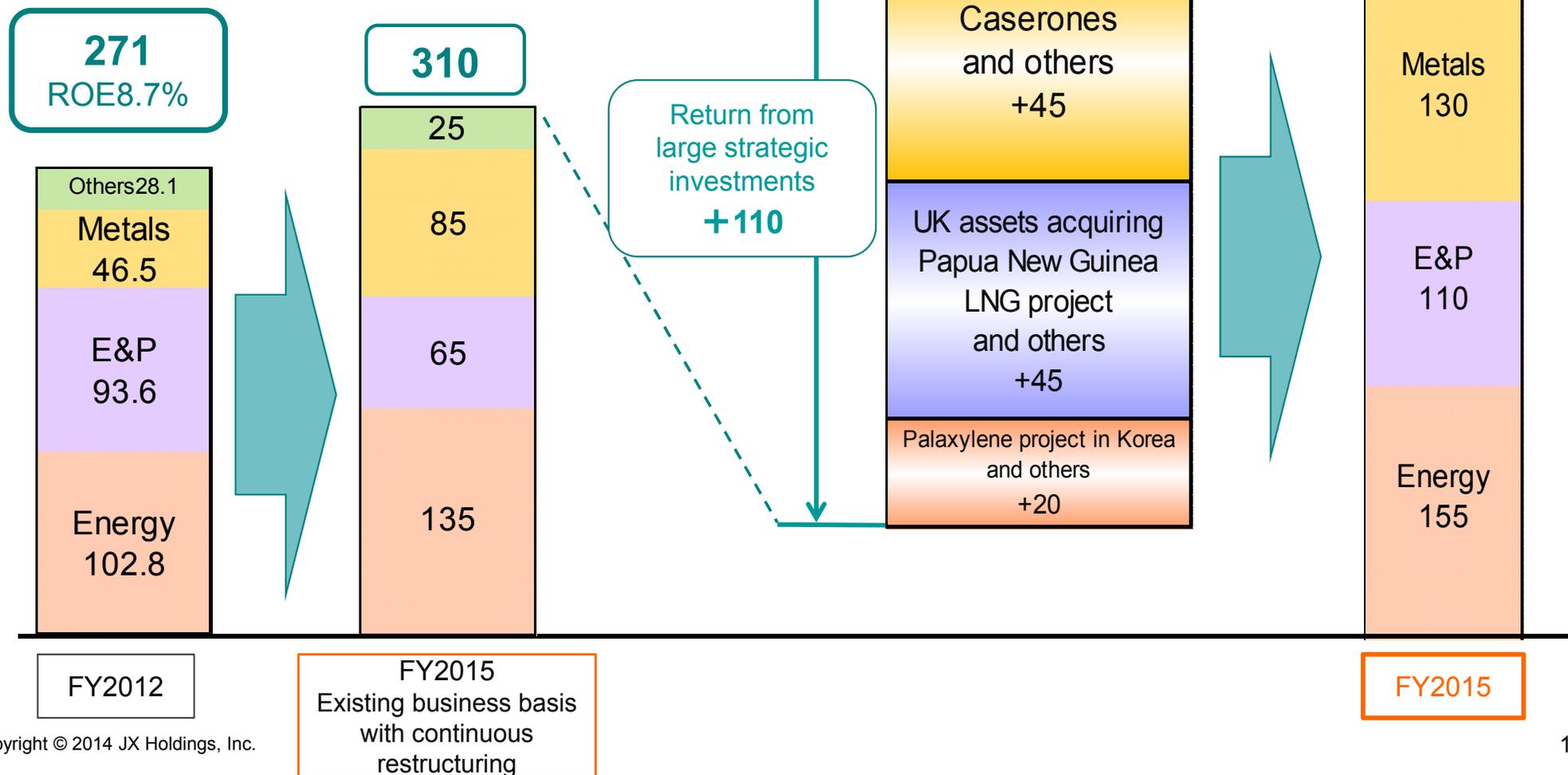


Earnings Plan (Ordinary Income Excluding Inventory Valuation Factor) (Unit : billion yen)

Securing stable profitability in existing business by realizing overwhelming competitiveness through continuous restructuring

Realizing return from strategic investment for business expansion

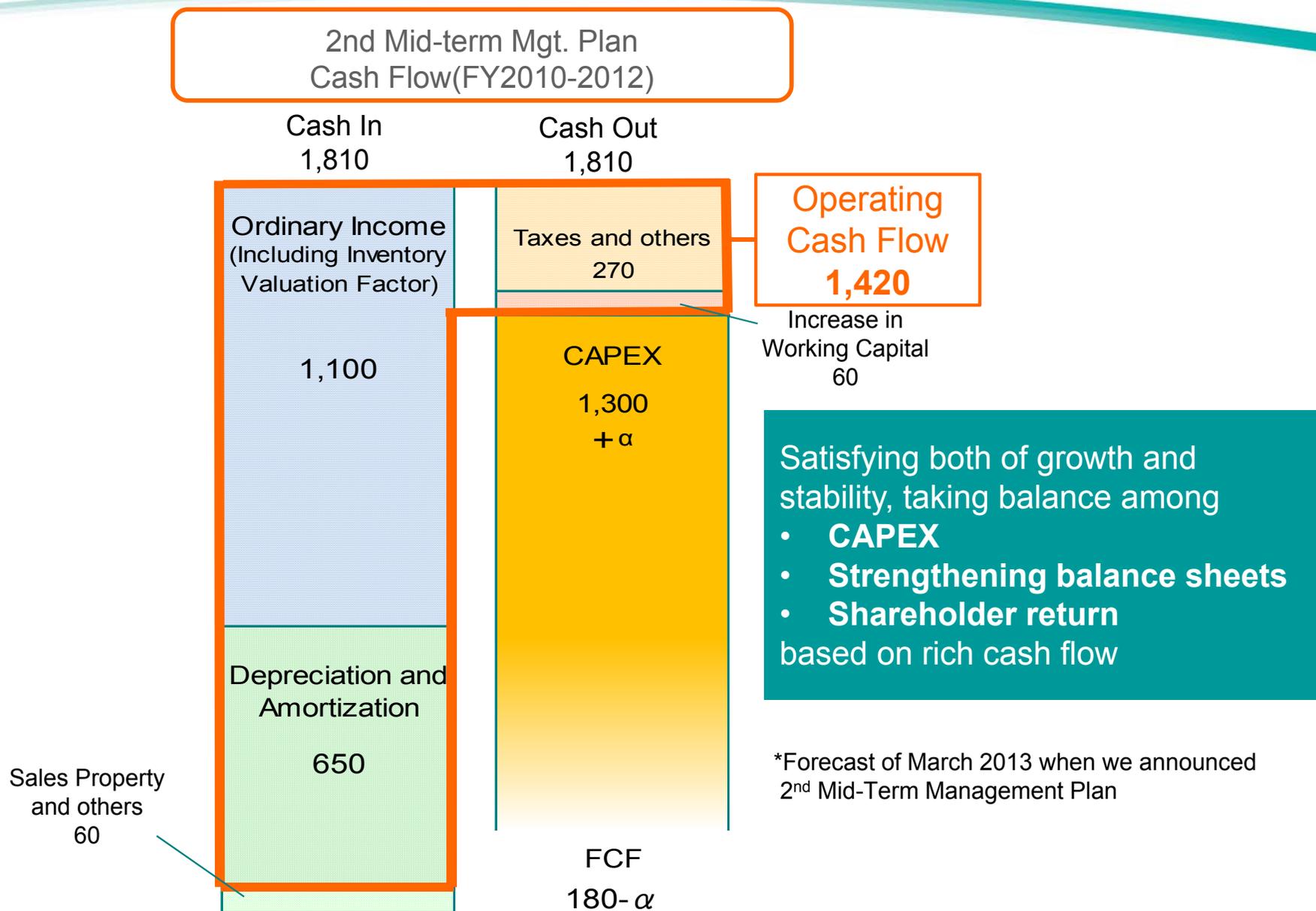
420
ROE more than 10%





Cash Flow Plan (FY2013-2015 total)

(Unit : billion yen)



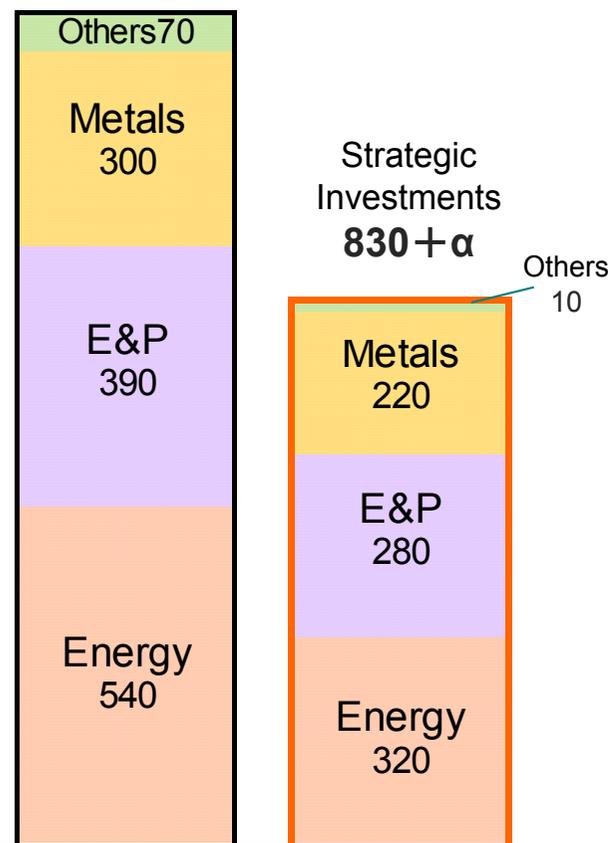


CAPEX Plan (FY2013-2015)

(Unit : billion yen)

2nd Mid-Term Mgt. Plan (2013-2015) CAPEX

1,300 + α



<Main contents of strategic investments>

Energy

- Petroleum Refining and Marketing :
 - Energy saving in refineries
 - Utilization of bottom oil (Install of SDA)
 - Muroran refinery (Convert to chemical factory)
 - Building strong sales network
- Electricity : Investment on Electric power facility (Using SDA pitch)
- Gas : Construction of LNG terminal (Hachinohe, Kushiro)
- Coal : Development of coking coal in Canada
- Basic Chemical Products : Paraxylene project in Korea
- Lubricants : Base oil project in Korea
- Specialty & Performance Chemical Products : Functional Chemicals

E&P

- Exploration :
 - Qatar block A
- Development :
 - UK Mariner
 - Papua New Guinea LNG
- Resource acquisition : Severely select and execute

E&P

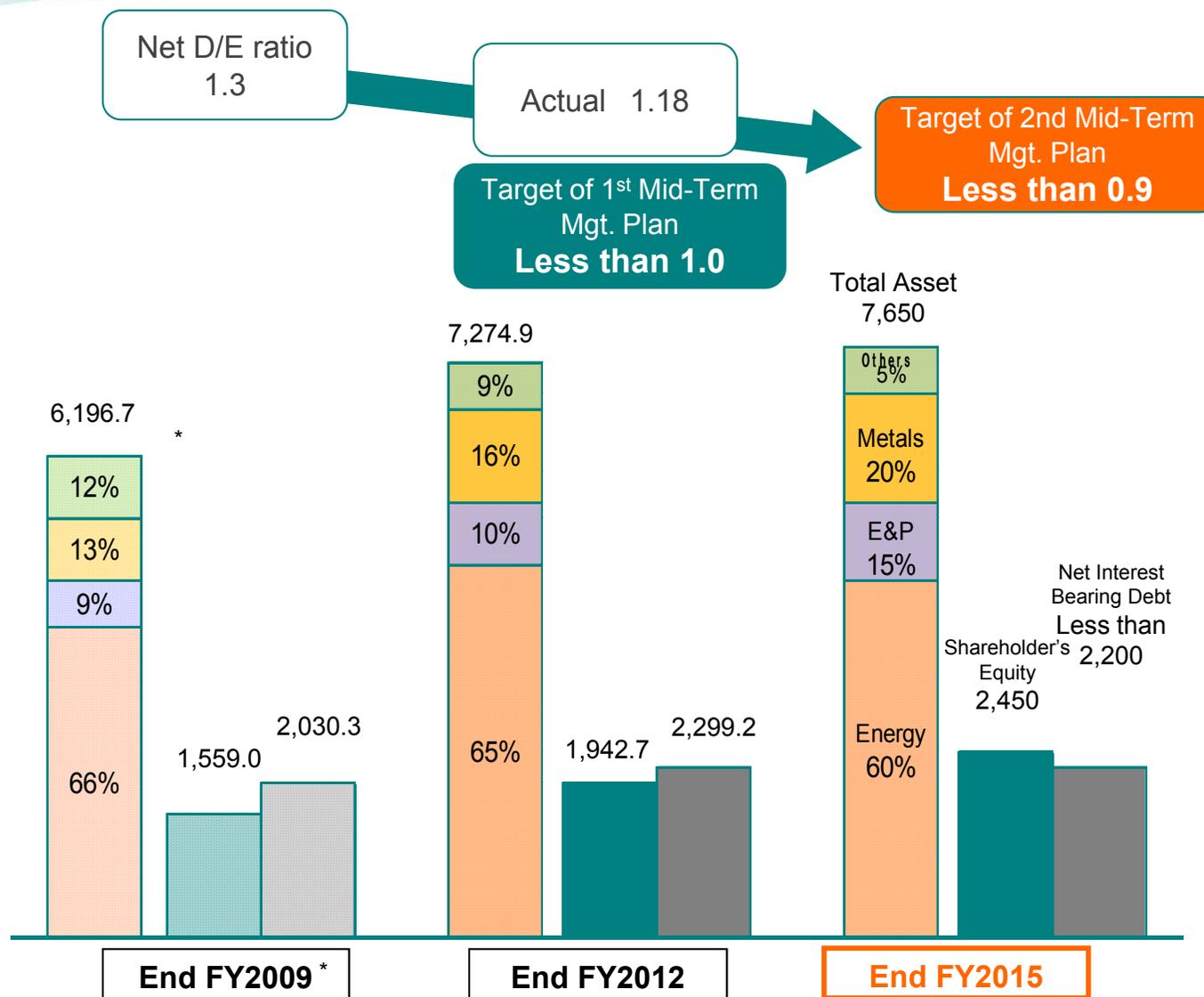
- Resource Development :
 - Development of Caserones
 - Proceeding exploration and FS of Quechua, Frontera, and others
- Electronic Materials, Recycling & Environmental Services :
 - Enhancing overseas business

2. Outline of 2nd Medium-Term Management Plan



Reinforcement of Financial Base

(Unit : billion yen)



| Business Portfolio | Business Environment |
|---|-------------------------|
| Risk asset ratio increase (Upstream business asset) | Increase of uncertainty |

Required stronger financial base with risk tolerance

Net D/E Ratio
Less than 0.9 times by FY2015

*Asset segment ratio, as of Sep.2010



Shareholder Return Policy

Basic Shareholder Return Policy

Redistribute profits by reflecting consolidated business results while striving to maintain stable dividends

Indication of Shareholder Return for 2nd Medium-Term Management Plan Period

Based on the basic policy, during the 2nd medium-term management plan period (FY2013-2015), we will strive to maintain dividends of 16 yen per share per annum. When we secure stable profitability in existing business and foresee realization of return from strategic investments, we will expand shareholder return centering on increase of dividend.

Reference) Dividend from FY2010-2013

| | 2010 | 2011 | 2012 | 2013 (Forecast) |
|----------------------|--------|------|------|-----------------|
| Dividend (yen/share) | 15.5 * | 16.0 | 16.0 | 16.0 |
| EPS (yen/share) | 34 | 69 | 64 | 60 |

*Excluding impact of negative goodwill

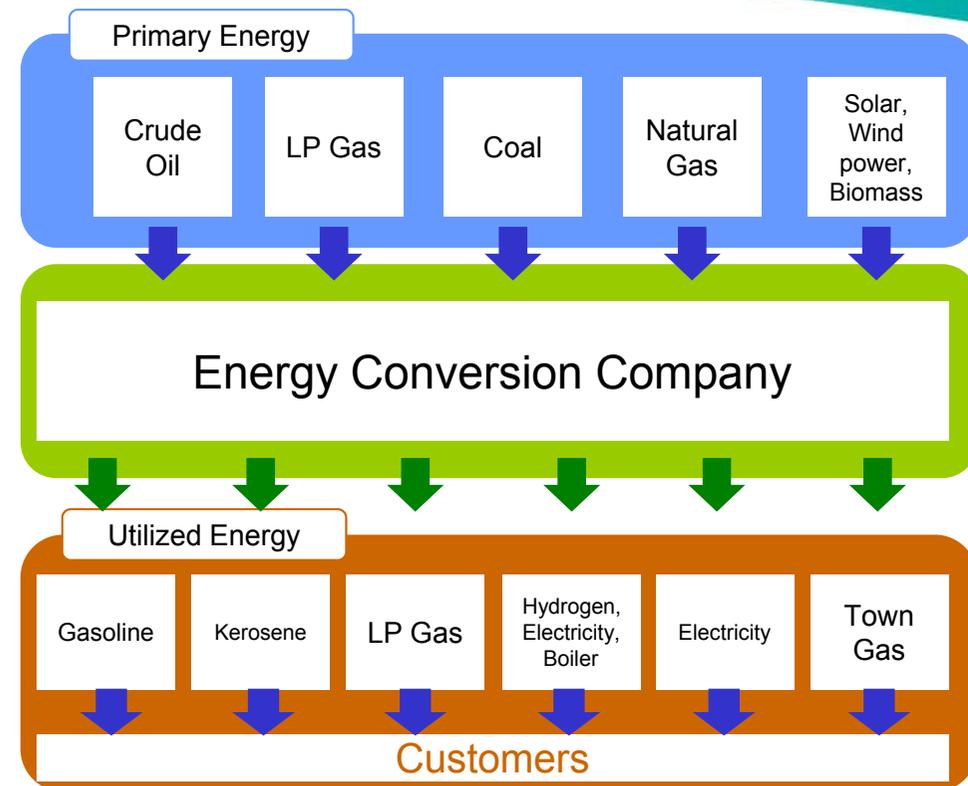


Petroleum Refining & Marketing/Energy Conversion

| | |
|--|---|
| Business Environment | Domestic petroleum demand decline and competition with import products continue |
| Basic Strategy | Strengthening profitability of refining & marketing |
| <ul style="list-style-type: none"> ➤ Strengthening global competitiveness of refineries <ul style="list-style-type: none"> • Safe and Stable operation • Cost reduction (Energy saving, Utilizing for bottom oil) • Conversion to chemical factory ➤ Establishing strong supply chain <ul style="list-style-type: none"> • Building strong sales network • Improving brand value (Introduce new Dr. Drive brand, Card strategy, etc.) | |

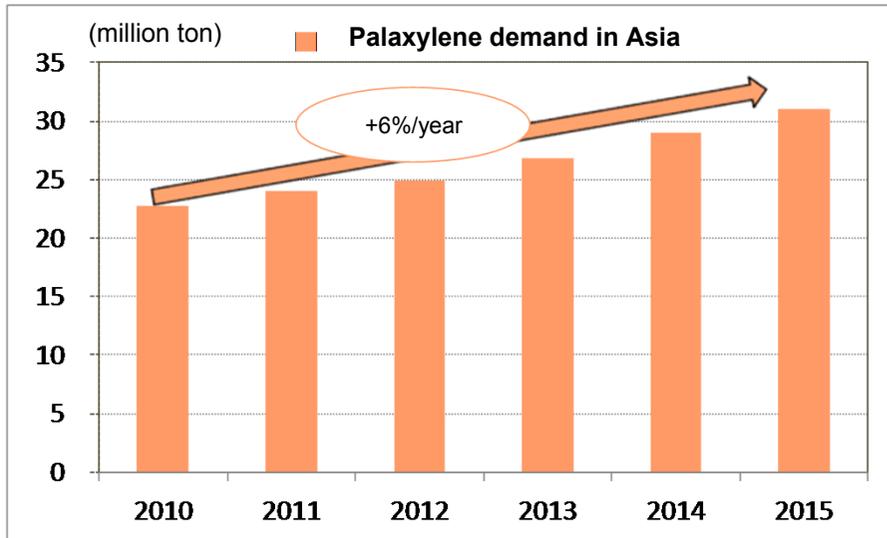
| | |
|-----------------------------|--|
| Business Environment | Reformation of energy policy by Japanese government progress |
| Basic Strategy | Enhancing business as an energy conversion company |

- Electricity : Business expansion corresponding to electric system reformation by Japanese government
- Gas : Construction of LNG terminal (Hachinohe & Kushiro) starting operation in 2015 (Enhancing providing base, Acquiring new demand)
- Coal : Development of coking coal in Canada , Increasing domestic sales
- Solar, Fuel Cell : Mega solar project, fuel cell business (Challenge for realizing a society with independent and distributed energy system)
- Hydrogen : Bring forward demonstration test of providing infrastructure

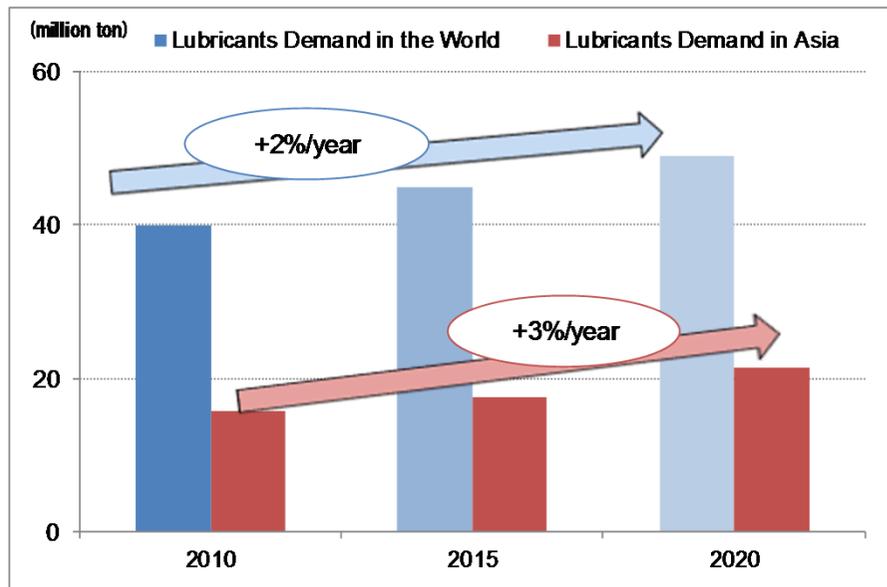




Basic Chemicals/Lubricants/Specialty & Performance Chemicals



Source : company data



Source : company data

| | |
|--|---|
| Business Environment | Energy and materials market continues to expand centering in Asia |
| Basic Strategy | Establishing presence in overseas market |
| <ul style="list-style-type: none"> ➤ Basic Chemicals <ul style="list-style-type: none"> • Palaxylene project in Korea (Starting operation in 2014) (Providing capacity of JX Group : 2,620 → 3,120 thousand ton) • Corresponding to business environmental change in olefins and aromatics ➤ Lubricants <ul style="list-style-type: none"> • Enhancing business with base oil project in Korea • Strengthening production and marketing network overseas | |
| Business Environment | Demand of high value-added products increases in emerging countries |
| Basic Strategy | Acquiring demand of high value-added products based on original technology |
| <ul style="list-style-type: none"> ➤ Specialty and Performance Chemicals <ul style="list-style-type: none"> • Expanding overseas production network • Increasing sales volume of cell incubation and others | |

Expanding Reserves and Production Volume Mainly through Exploration



Business Environment

- Crude oil and natural gas demand increases firmly centered on emerging countries.
- Resources and energy prices stay high but volatile.
- Competition for natural resources escalates.
- Development technologies become more challenging.

Basic Strategy 1

Expanding reserves and production volume mainly through exploration

Toward production volume of 200 thousand BD in 2020

- Shifting developing projects to production and projects before FID to developing

(On developing)

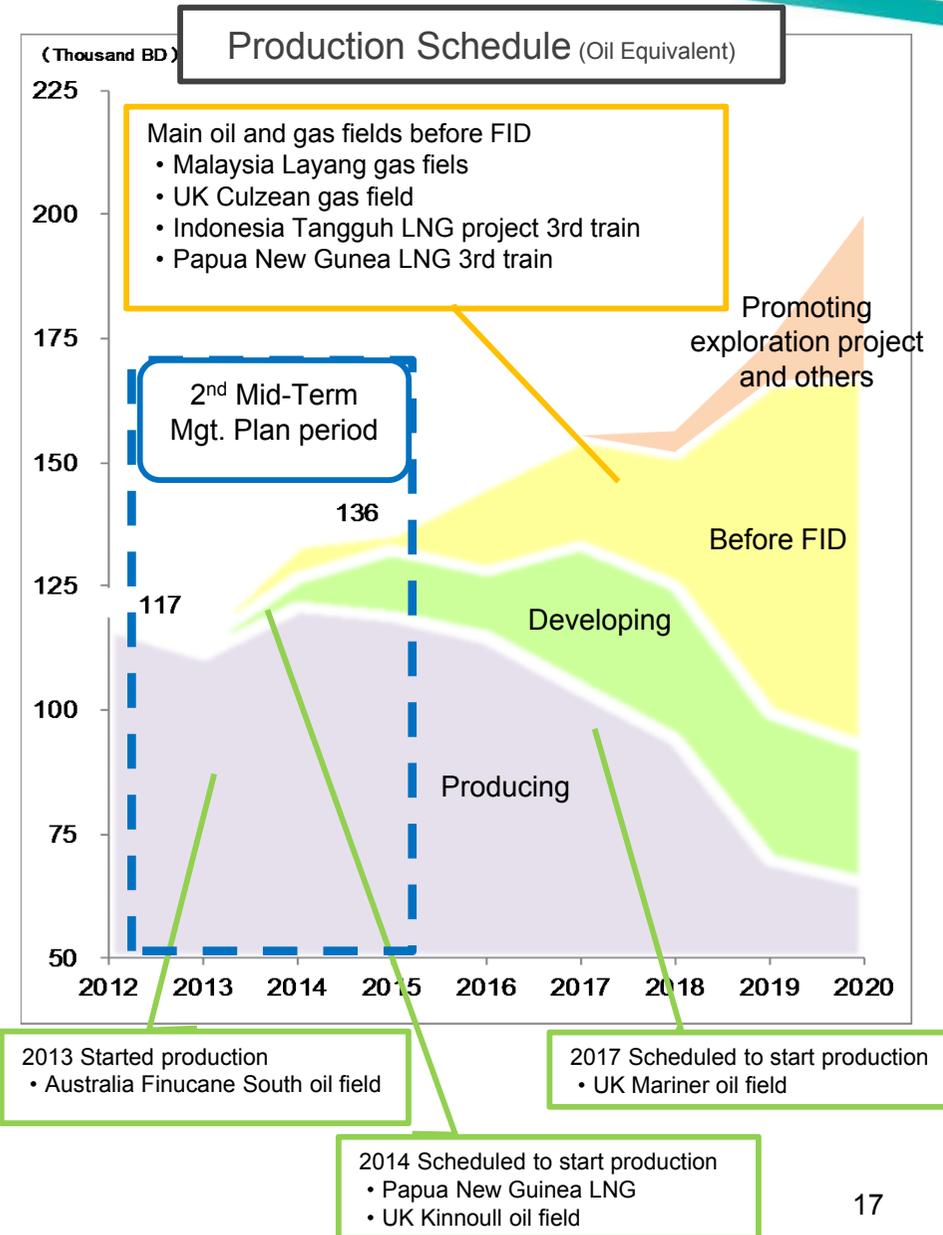
- Papua New Guinea LNG project
- UK Mariner oil field

(Before FID)

- UK Culzean gas field
- Indonesia Tangguh LNG project 3rd train

- Promoting large exploration operator projects (Investing 90billion yen in 3years)

- Malaysia : Block SK333, Deepwater Block R offshore Sabah
- Qatar : Block A



Focusing on Core Business Area and Technology/Restructuring Business Portfolio

Basic Strategy 2

Establishing superiority by focusing core business area and technology

Aiming to secure independence and increase access to business chance by allocating management resources to core and core candidate countries and accumulating technology through operator projects

Core Area

- Core countries: Malaysia, Vietnam, UK
 - Continuing exploration, development and resource acquisition utilizing knowledge and relationship with national petroleum companies etc.
- Core candidates : UAE/Qatar, Myanmar, Australia
 - To be developed as core countries acquiring business chance aiming for operatorship and strengthening business base

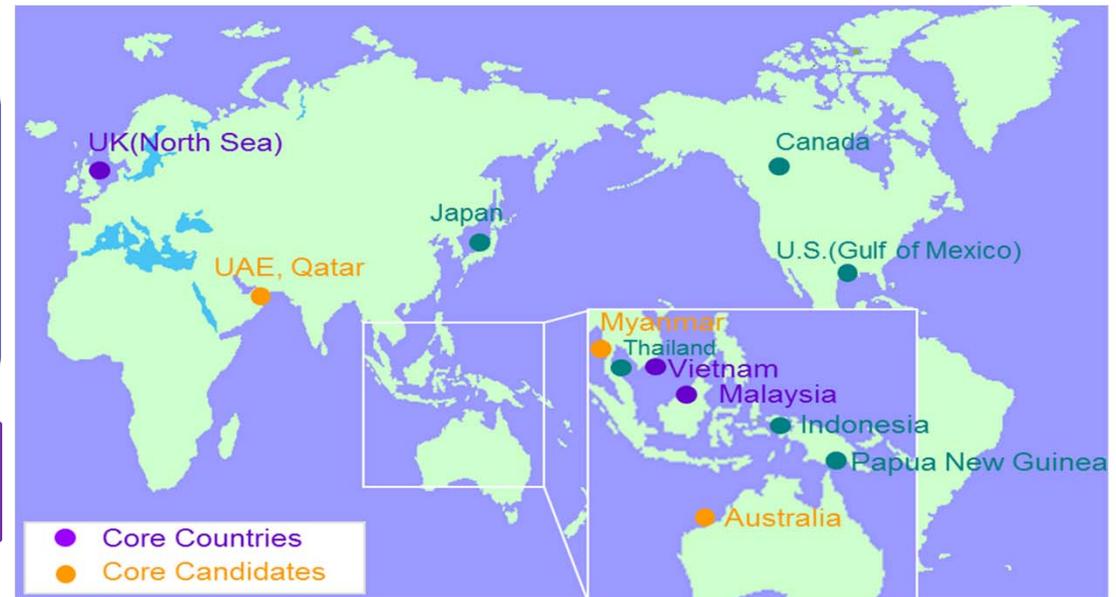
Core Technology

- Deepwater
 - Malaysia Deepwater Block R offshore Sabah
 - UK West of Shetland offshore
- Enhanced Oil Recovery
 - Vietnam Rang Dong Oil Field HCG-EOR
- Tight Oil, Tight Gas
 - Qatar Block A

Basic Strategy 3

Restructuring business portfolio responding to business environmental change

Rearranging asset portfolio timely





Resource Development

Business Environment

- Copper demand increases centered on Asia.
- Copper price stays at high level

Basic Strategy **Establishing highly profitable structure by enhancing copper mine interest**

- Aiming 350 thousand ton per year of copper mine interest
 - Caserones : Jan. 2014 - Start production of copper concentrate
 - Reconsidering Quechua (Peru) development
 - Promoting exploring Frontera(Chile/Argentina)

| | 2006 | 07 | 08 | 09 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
|-----------|-------------------|-------------------|------------|------------|-----|-------------|-------------------|----|------------------|----|---------------------------|
| Caserones | ● | | ● | | ● | | | | ➤ | | |
| | Acquired interest | | Started FS | | FID | | | | Start production | | Untill 2040 |
| Quechua | | ● | | ● | | ➤ | | | | | |
| | | Acquired interest | | Started FS | | Finished FS | | | | | (Considering development) |
| Frontera | | | | | | | ● | | | | |
| | | | | | | | Acquired interest | | | | (Additional exploring) |

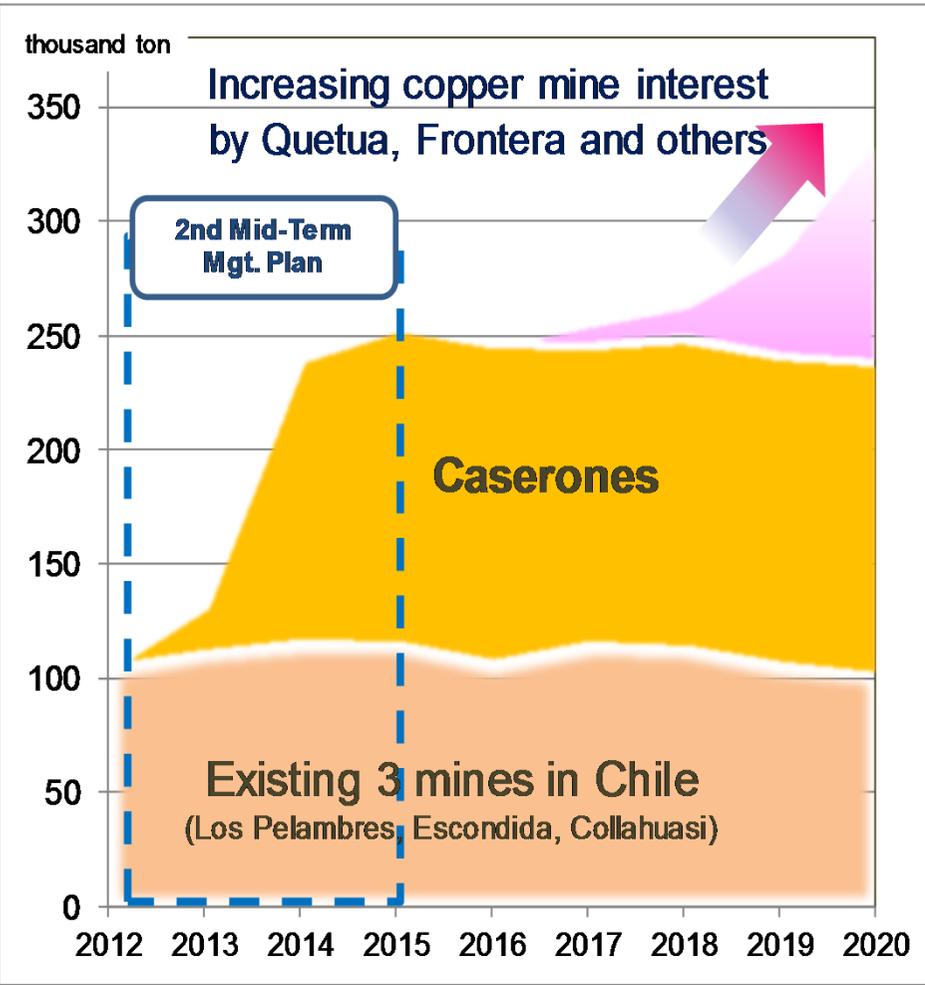
Business Environment

Capital intensification and oligopolization of resource developers proceeds more challenging technology and funds for mine development

Basic Strategy **Acquiring mining interest utilizing original technology**

- Developing next-generation smelting technology
 - Nikko Chloride Process (N-Chlo Process): Studying applying outcome of pilot plant in Australia to gold concentrate
 - Bio mining :Continuing study at Radomiro Tomic copper mine in Chile

Copper mine interest





Smelting & Refining

Business Environment

Drastic improvement of TC/RC is hardly expected though mine development proceeds.

Basic Strategy

Establish business structure that has world top-class cost competitiveness

- Safe and stable operation
- Improving smelting margin
 - Improving production efficiency using copper concentrate from Caserones.
 - Using high margin materials.
 - Starting 2 operation of 2nd copper concentrate and sulfuric acid careers.

Electronic Materials

Business Environment

Electronic materials demand increases in cutting-edge IT, automobile, medical fields etc.

Basic Strategy

Securing world's top share in each product market

- Realizing early monetization of integrated connecter production business (2013.4 Kakegawa Works start operation) and cathode materials business for lithium-ion batteries
- Improving profitability by developing new fields and materials
 - Ultra-thin electro-deposited copper foil, High-functional precision rolled products, Sputtering target for OELD, Sputtering targets for next generation LSIs, Materials for ray sensor

Recycling & Environmental Services

Business Environment

Demand for related materials and resource recycling expands in line with growing concerns for eco social needs

Basic Strategy

Building international resource recycling business with environmental-friendly zero emission system

- Enhancing collecting ability of recycled materials overseas : Development to US market
- Enhancing new business : Recycling lythium-ion batteries. Detoxication of materials containing a little PCB
- Consolidating production site metal by metal and cost reduction

4. Long-Term Vision

Become a World's Leading Integrated Energy, Resources and Materials Business Group



Group mission statement

JX Group will contribute to the development of a sustainable economy and society through innovation in the areas of energy, resources and materials

Target of JX Group (2020)

Become a world's leading integrated energy, resources and materials business group

1. Corporate group holding competitive businesses evaluated by global standards
2. Well-balanced businesses portfolio
petroleum and non-petroleum, upstream and mid & downstream businesses

JX Group Values

Our actions will respect the **EARTH**

Ethics

Advanced ideas

Relationship with society

Trustworthy products/services

Harmony with the environment



Target of JX Group (2020)

1. Corporate group holding competitive business evaluated by global standards

Energy

Become a “Energy Conversion Company” providing energy stably and efficiently

- Generating stable profitability in refining & marketing
 - Establishing competitive supply chain (Refining, logistics, marketing)
- Establishing integrated energy supply structure
 - Electricity, Gas, Coal, Solar, Fuel Cell, Hydrogen
- Enhancing business in growing market
 - Basic Chemicals, Lubricants, Specialty & Performance Chemicals

Oil and Natural Gas E&P

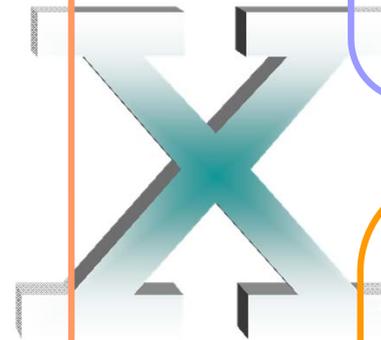
Become a sustainably growing E&P company mainly through operatorship

- Toward production volume of 200 thousand B/D
- Utilize worldwide human resources and knowledge efficiently
- More than 100% of reserve replacement ratio

Metals

Become a global resources and materials company centered on copper

- Aiming 350 thousand ton per year of copper mine interest
- Establish smelting & refining business structure that has world top-class cost competitiveness
- Securing world’s top share in each electronic material market
- Building domestic resource recycling system and developing overseas business



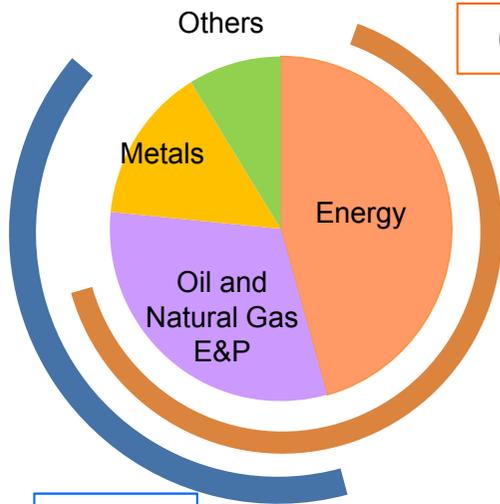


Target of JX Group (2020)

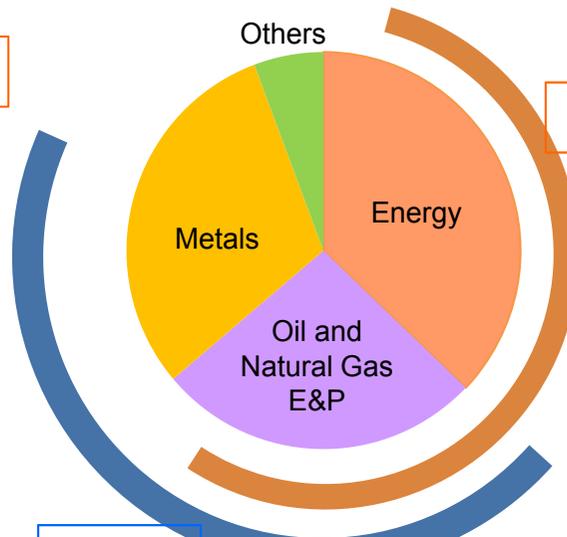
2. Well-balanced business portfolio petroleum and non-petroleum, upstream and mid & downstream business

Balance of ordinary income
excl. inventory valuation

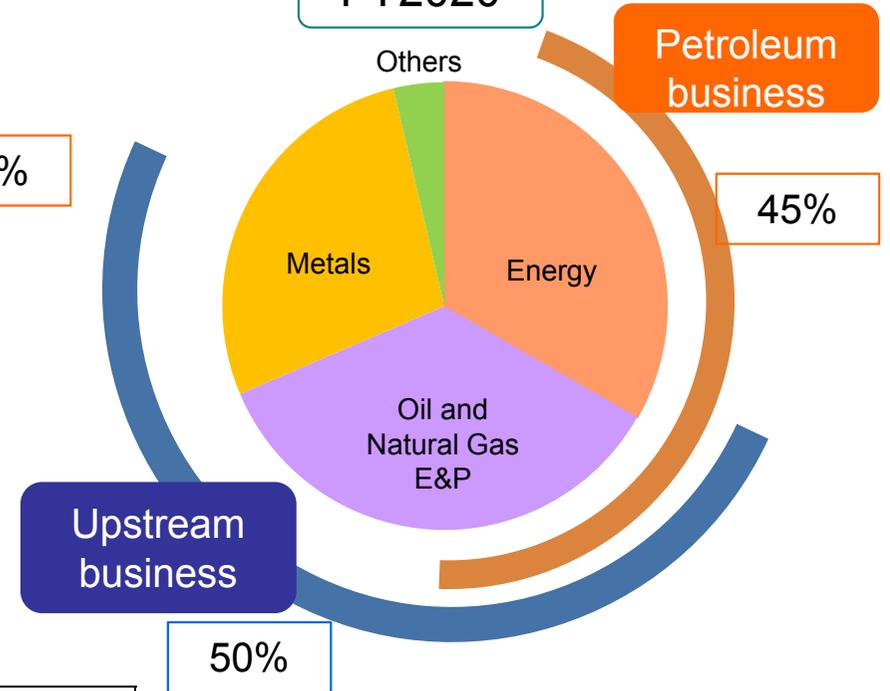
FY2012



FY2015



FY2020

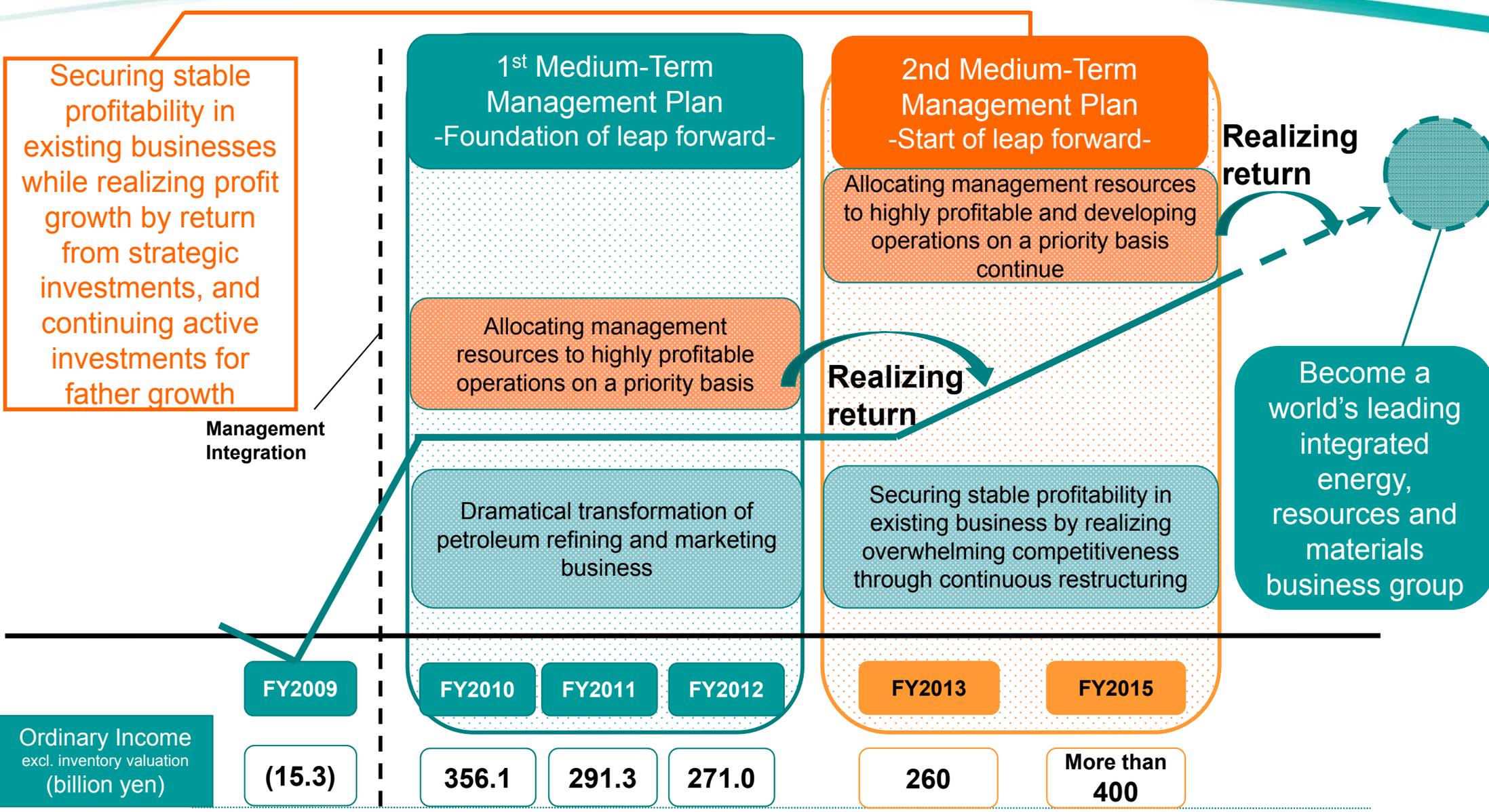


(Upstream Business)
 Energy: Coal
 E&P: All
 Metals: Resources Development

(Non-petroleum business)
 Energy: Electric Power Generation, Gas, Coal, Photovoltaic
 Power Generation, Fuel Cell, Specialty & Performance Chemicals
 E&P: LNG Project (Malaysia, Indonesia, Papua New Guinea)
 Metals: All



Position of 2nd Medium-Term Management Plan in Long-Term Vision



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➤ Supplementary Data

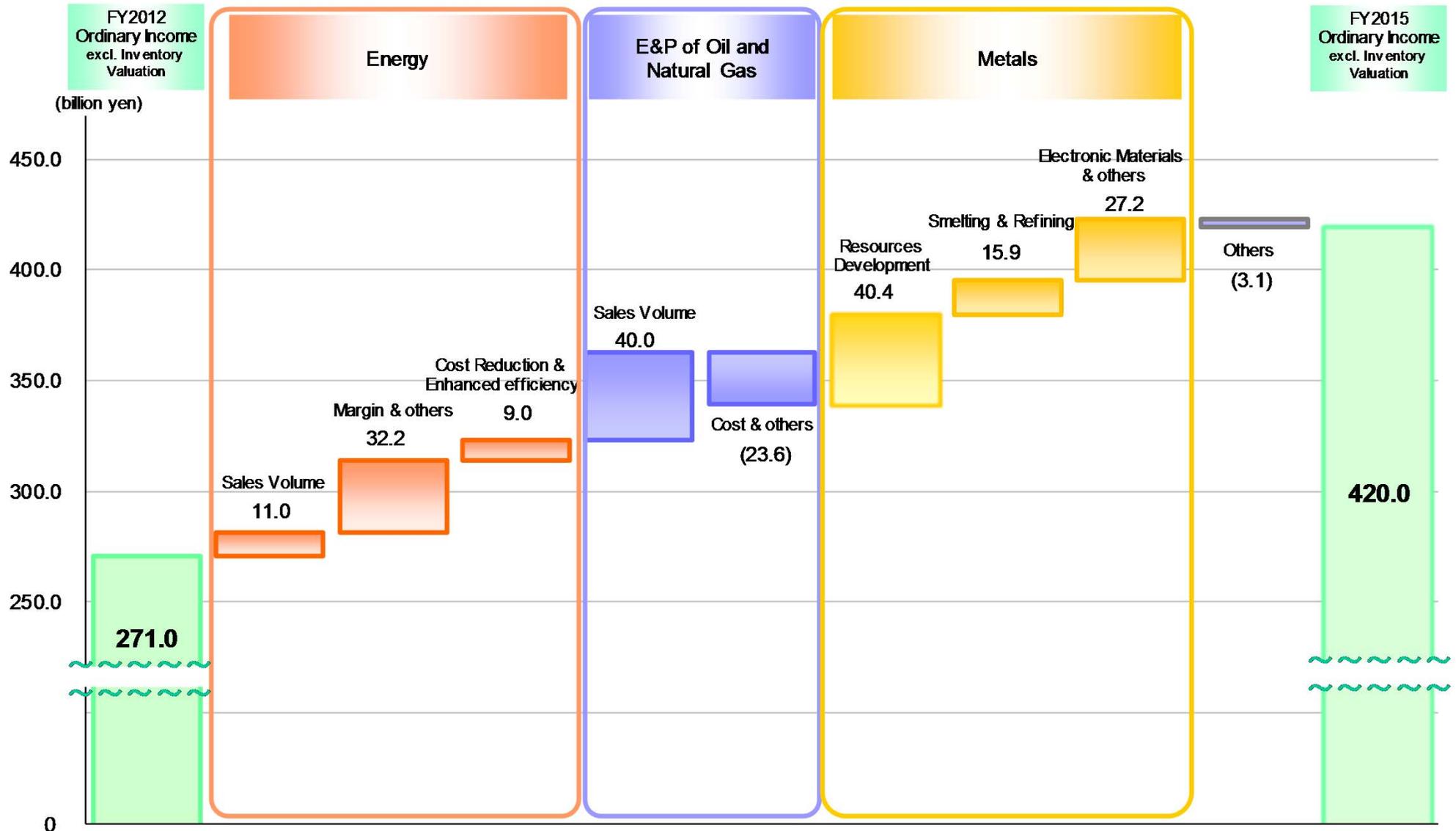
Ordinary Income excl. Inventory Valuation



| (JPY billion) | FY2012 | FY2015 |
|---|--------|--------|
| Ordinary Income excl. Inventory Valuation | 271.0 | 420.0 |
| Energy | 102.8 | 155.0 |
| Petroleum Products | 56.1 | 100.0 |
| Petrochemicals | 46.7 | 55.0 |
| Oil and Natural Gas E&P | 93.6 | 110.0 |
| Metals | 46.5 | 130.0 |
| Resources Development | 26.6 | 67.0 |
| Smelting & Refining | 11.1 | 27.0 |
| Electronic Materials | 6.3 | 21.0 |
| Recycling & Environmental Services | 2.5 | 11.0 |
| Titanium (Shifted to Metals from 2013) | | 4.0 |
| Others | 28.1 | 25.0 |



FY2015(Forecast)vsFY2012(Forecast) Changes in Ordinary Income



Key Factors



| | | FY2012 | FY2015 |
|-------------------------|---|--------|--------|
| All segments | Exchange rate [Yen/\$] | 83 | 90 |
| Energy | Crude oil price [Dubai] [\$ /B] | 109 | 110 |
| | Paraxylene spread [ACP] (vs. Dubai crude oil price of previous month) [\$ /ton] | 715 | 680 |
| Oil and Natural Gas E&P | Sales volume <Crude oil equivalent> [1,000 bbl/day] | 117 | 136 |
| | Crude oil price [Brent] [Jan.-Dec.] [\$ /B] | 109 | 110 |
| Metals | Copper price [LME] [Jan.-Dec.] [¢ /lb] | 361 | 360 |
| | Equity entitled copper mine production [1,000 tons/period, year] | 105 | 250 |
| | PPC refined copper sales [1,000 tons/period, year] | 551 | 610 |
| | TRCF*1 sales [1,000 km/month] | 2.7 | 3.7 |
| | Precision rolled products sales [1,000 tons/month] | 3.3 | 4.0 |
| | Gold recovery volume by Recycling & Environmental Services [tons/period, year] | 5.8 | 7.4 |

*1 Treated Rolled Copper Foil



Sensitivity Analysis(FY2015 Basis)

■ Key Factors (FY2015)

Exchange Rate:90Yen/\$

Crude Oil FOB:110\$/bbl
(Dubai Spot)

Copper Price:360¢/lb

■ Sensitivity analysis for FY2015 ordinary income

| 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 | 2.0 |
| | | Metals (Margin improvement, FX rate) | 1.5 |
| | | Subtotal | 3.5 |
| | | Inventory valuation gain | 7.5 |
| | | Total | 11.0 |
| Crude Oil FOB (Dubai spot) | +1\$/bbl | Energy (In-house Fuel costs rise) | (1.5) |
| | | Oil and Natural Gas E&P | 2.0 |
| | | Subtotal | 0.5 |
| | | Inventory valuation gain | 5.5 |
| | | Total | 6.0 |
| Copper Price (LME) | +10¢/lb | Metals | 4.5 |
| | | Total | 4.5 |



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.