

THE FOLLOWING IS AN ENGLISH TRANSLATION PREPARED FOR THE CONVENIENCE OF THE SHAREHOLDERS AND INVESTORS. THE OFFICIAL TEXT IN JAPANESE OF THE CONVOCATION NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS HAS BEEN PREPARED IN ACCORDANCE WITH STATUTORY PROVISIONS AND MAILED TO THE RESPECTIVE SHAREHOLDERS. SHOULD THERE BE ANY INCONSISTENCY BETWEEN THE TRANSLATION AND THE OFFICIAL TEXT IN TERMS OF THE CONTENTS OF THE NOTICE, THE OFFICIAL TEXT SHALL PREVAIL. THE COMPANY ACCEPTS NO LIABILITY FOR ANY MISUNDERSTANDING CAUSED BY THE TRANSLATION FOR ANY REASON WHATSOEVER.

Security Code: 5020
June 4, 2013

To: Our Shareholders

Isao Matsushita
Representative Director, President
JX Holdings, Inc.
6-3, Otemachi 2-chome
Chiyoda-ku, Tokyo, Japan

CONVOCATION NOTICE OF THE THIRD ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the third ordinary general meeting of shareholders of JX Holdings, Inc., (the “Company”) to be held as described below.

If you are unable to attend, you may exercise your voting rights by either of the following means. You are kindly requested to examine the “Reference Materials for the General Meeting of Shareholders” set out below, and exercise your voting right(s).

| Exercise of Voting Right(s) in Writing |

Please indicate your approval or disapproval regarding the proposals on the agenda on the enclosed proxy card, and return the card to the Company by 5:30 p.m., Tuesday, June 25, 2013.

| Exercise of Voting Right(s) through Electronic Means (e.g., the Internet) |

Please refer to the enclosed “Exercising Voting Right(s) through Electronic Means (e.g., the Internet)” on page 3 and enter your approval or disapproval regarding the proposals on the agenda, by 5:30 p.m., Tuesday, June 25, 2013.

Particulars

- 1. Date and Time: Wednesday, June 26, 2013 at 10:00 a.m.**
- 2. Place: Function Room “Aoi,” Second Floor, Palace Hotel Tokyo
1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo**

3. Purposes of this Ordinary General Meeting of Shareholders

Matters to be Reported:

- (i) The substance of the business report and the consolidated financial statements, as well as the audit reports on the consolidated financial statements by the accounting auditor and the Board of Corporate Auditors, for the third fiscal term (from April 1, 2012 to March 31, 2013)**
- (ii) The substance of the non-consolidated financial statements for the third fiscal term (from April 1, 2012 to March 31, 2013)**

Matters to be Resolved:

Item 1: Appropriation of Surplus

Item 2: Appointment of 14 Directors

Item 3: Appointment of Two (2) Corporate Auditors

4. Matters concerning Exercise of Voting Rights

- (1) If you submit a proxy card indicating neither approval nor disapproval of any of the items, your vote will be treated as an affirmative vote to the items.
- (2) If you redundantly exercise a voting right by proxy card and/or through electronic means (e.g., the Internet), and the votes conflict, the Company shall treat the most recent vote received as valid. Where you redundantly exercise a voting right both in writing and through electronic means (e.g., the Internet), and the votes reach the Company on the same day, the vote through electronic means will be treated as valid.
- (3) If you desire to exercise your voting right(s) by a proxy, please exercise them by appointing one (1) proxy who is also a shareholder of the Company entitled to exercise his/her voting right(s) at this ordinary general meeting of shareholders.

End

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- 1. If you are to attend the meeting in person, please submit the enclosed proxy card to the reception desk at the meeting venue.**
 - 2. Where it becomes necessary to revise the business report, the consolidated financial statements, the non-consolidated financial statements, or the reference materials for the general meeting of shareholders, the revised information and data thereof will be posted on the Company's website.

Exercising Voting Right(s) through Electronic Means (e.g., the Internet)

1. The Voting Website

You may exercise voting right(s) through the Internet only by accessing the dedicated voting website (<http://www.web54.net>). Please access this website and set a new password of your choice following the instructions displayed on screen after referring to “voting rights exercise code” and “password” indicated on the right of the proxy card, following which you will be able to enter your approval or disapproval.

2. Exercise of Voting Right(s)

- (1) The exercise of voting right(s) will be valid only if conducted by 5:30 p.m., Tuesday, June 25, 2013.
- (2) If you exercise a voting right both through the Internet and in writing, and the votes on the same item conflict, the Company shall treat the most recent vote received as valid. Where you exercise a voting right both through the Internet and in writing, and the votes reach the Company on the same day, the Company shall treat the vote through the Internet as valid.
- (3) If you exercise a voting right multiple times through the Internet, and the votes on the same item conflict, the Company shall treat the most recent vote received as valid.

3. Password

- (1) The password is a means to confirm that the person who exercises voting right(s) corresponds to the person who holds the voting right(s); therefore, please record and keep the password safe until this ordinary general meeting of shareholders concludes.
- (2) The password that will be provided to you this time is valid only for this ordinary general meeting of shareholders.
- (3) The Internet voting service will refuse access if you enter the wrong password a certain number of times. In this case, please follow the procedures in the instructions displayed on screen.

4. Fees for Accessing the Voting Website

You will be responsible for all fees that may arise from accessing the voting website, including connection fees to Internet service providers and telecommunication fees to telecommunications carriers.

5. Questions regarding Operation Method

If you are unsure how to operate personal computers, etc. regarding the exercise of voting right(s) through the Internet, please contact:

	Web support desk by
	Sumitomo Mitsui Trust Bank, Limited
[Phone Number]:	0120-652-031 (toll-free in Japan)
[Hours of Service]:	9:00 to 21:00 (Tokyo time) (available including Saturdays and Sundays)

| Introduction to Exercising Voting Right(s) through the Electronic Voting Platform |

Institutional investors are able to use the “electronic proxy voting platform” operated by ICJ, Inc., as a means to exercise voting right(s) through electronic means.

End

Item 1

Appropriation of Surplus

The Company considers returning its profits to its shareholders as a significant measure, and its policy is to make efforts to continue stable distribution of dividends on the basis of implementing profit returns that reflect consolidated business results. Under this policy, the Company would like to propose, as set out below, eight (8) yen per share as the current fiscal year's year-end dividend distribution, taking into account factors such as the consolidated business results and the funds balance. The amount of the current fiscal year's annual dividend distribution will be 16 yen per share, in conjunction with the interim dividend distribution of eight (8) yen per share implemented based on the resolution of the Board of Directors' meeting held on November 5, 2012.

1. Matters regarding Allocation of Dividend Property to the Shareholders, and its Total Amount:

Eight (8) yen per common share of the Company
Total amount: 19,918,983,040 yen

2. The Date on which Surplus Distribution Takes Effect:

June 27, 2013

Item 2

Appointment of 14 Directors

The term of office of all 14 directors will expire upon the conclusion of this ordinary general meeting of shareholders; therefore, the Company would like to propose the appointment of 14 new directors.

The director candidates are as follows:

【Reference】 List of director candidates

No.	Name	Newly Appointed/ Reappointed	Position and Responsibilities at the Company	Important Concurrent Office
1	Yasushi Kimura	Reappointed	Representative Director and Chairman of the Board	Representative Director and Chairman of the Board of JX Nippon Oil & Energy Corporation
2	Isao Matsushita	Reappointed	Representative Director and President (President and Executive Officer)	
3	Ichiro Uchijima	Reappointed	Director (Senior Vice President and Executive Officer), responsible for Corporate Planning Dept. II, and Finance & Investor Relations Dept.	
4	Junichi Kawada	Reappointed	Director (Senior Vice President and Executive Officer), responsible for General Administration Dept., and Legal & Corporate Affairs Dept.	
5	Rentaro Tonoike	Reappointed	Director (Senior Vice President and Executive Officer), responsible for Corporate Planning Dept. I	
6	Akira Omachi	Reappointed	Director (Senior Vice President and Executive Officer), responsible for Internal Audit Dept., and Controller Dept.	
7	Seiichi Isshiki	Reappointed	Director (Part-time)	Representative Director and President (President and Executive Officer) of JX Nippon Oil & Energy Corporation
8	Yukio Uchida	Reappointed	Director (Part-time)	Director (Executive Vice President and Executive Officer) of JX Nippon Oil & Energy Corporation
9	Shigeo Hirai	Reappointed	Director (Part-time)	Representative Director and President (President and Executive Officer) of JX Nippon Oil & Gas Exploration Corporation

10	Yoshimasa Adachi	Reappointed	Director (Part-time)		Representative Director and President (President and Executive Officer) of JX Nippon Mining & Metals Corporation; and Representative Director and President (President and Executive Officer) of Pan Pacific Copper Co., Ltd.
(Outside Director Candidates)					
11	Masahiro Sakata	Reappointed	Outside Director	Independent Director	Attorney-at-Law, Of Counsel at Anderson Mori & Tomotsune
12	Hiroshi Komiyama	Reappointed	Outside Director	Independent Director	Chairman of Mitsubishi Research Institute, Inc.
13	Hiroko Ota	Reappointed	Outside Director	Independent Director	Professor at the National Graduate Institute for Policy Studies
14	Mutsutake Otsuka	Newly Appointed			Advisor of East Japan Railway Company

Candidate No.	1
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Yasushi Kimura

| Born February 28, 1948 |

Reappointed

Number of
Company Shares Owned
77,610 shares
of Common Stock

Brief Personal History, and Position and Responsibilities at the Company

April 1970	Joined Nippon Oil Co., Ltd.
June 2002	Director of Nippon Oil Corporation
June 2004	Executive Officer of Nippon Oil Corporation
June 2005	Director (Executive Officer) of Nippon Oil Corporation
June 2007	Director and Senior Vice President (Executive Officer) of Nippon Oil Corporation
June 2008	Director (Senior Vice President and Executive Officer) of Nippon Oil Corporation (until June 2010)
April 2010	Director (Part-time) of the Company
July 2010	Representative Director and President (President and Executive Officer) of JX Nippon Oil & Energy Corporation

June 2012	Representative Director and Chairman of the Board of the Company (to present); and Representative Director and Chairman of the Board of JX Nippon Oil & Energy Corporation (to present)
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Important Concurrent Office:

Representative Director and Chairman of the Board of JX Nippon Oil & Energy Corporation

Candidate No.	2
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Isao Matsushita

| Born April 3, 1947 |

Reappointed

Number of
Company Shares Owned
104,900 shares
of Common Stock

Brief Personal History, and Position and Responsibilities at the Company

April 1970	Joined Nippon Mining Co., Ltd.
April 2001	Executive Officer of Japan Energy Corporation
September 2002	Director of Nippon Mining Holdings, Inc.
June 2003	Director and Senior Vice President of Nippon Mining Holdings, Inc.
April 2004	Director of Nippon Mining Holdings, Inc.; and Senior Vice President and Executive Officer of Japan Energy Corporation
June 2004	Director (Senior Vice President and Executive Officer) of Japan Energy Corporation
April 2005	Director (Senior Executive Officer) of Japan Energy Corporation

June 2006	Director of Nippon Mining Holdings, Inc. (until March 2010); and Representative Director and President of Japan Energy Corporation (until June 2010)
April 2010 July 2010	Director (Part-time) of the Company Representative Director (Executive Vice President and Executive Officer) of JX Nippon Oil & Energy Corporation
June 2012	Representative Director and President (President and Executive Officer) of the Company (to present)

Candidate No.	3	Ichiro Uchijima Born February 9, 1952	Reappointed	Number of Company Shares Owned 33,300 shares of Common Stock
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Brief Personal History, and Position and Responsibilities at the Company

April 1976	Joined Kyodo Oil Company, Limited	April 2010	Director (Senior Vice President and Executive Officer) of the Company (responsible for Post-merger Integration Dept., and Corporate Planning Dept. I)
April 2007	Executive Officer of Japan Energy Corporation	April 2012	Director (Senior Vice President and Executive Officer) of the Company (responsible for Corporate Planning Dept. I)
April 2009	Senior Vice President and Executive Officer of Japan Energy Corporation (until June 2010)	June 2012	Director (Senior Vice President and Executive Officer) of the Company (responsible for Corporate Planning Dept. II, and Finance & Investor Relations Dept.) (to present)

Candidate No.	4	Junichi Kawada Born September 26, 1955	Reappointed	Number of Company Shares Owned 52,380 shares of Common Stock
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Brief Personal History, and Position and Responsibilities at the Company

April 1978	Joined Nippon Oil Co., Ltd.	April 2010	Director (Senior Vice President and Executive Officer) of the Company (responsible for Corporate Social Responsibility Dept. and Legal & Corporate Affairs Dept., General Manager of Legal & Corporate Affairs Dept.)
June 2007	Executive Officer of Nippon Oil Corporation (until June 2010)	June 2012	Director (Senior Vice President and Executive Officer) of the Company (responsible for General Administration Dept., and Legal & Corporate Affairs Dept.) (to present)

Candidate No.	5	Rentaro Tonoike Born September 6, 1953	Reappointed	Number of Company Shares Owned 31,782 shares of Common Stock
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Brief Personal History, and Position and Responsibilities at the Company

April 1978	Joined Nippon Mining Co., Ltd.	April 2010	Executive Officer of the Company (General Manager of Corporate Planning Dept. I)
April 2008	Executive Officer of Nippon Mining & Metals Corporation	June 2012	Director (Senior Vice President and Executive Officer) of the Company (responsible for Corporate Planning Dept. I) (to present)

Candidate No.	6
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Akira Omachi

| Born December 4, 1954 |

Reappointed

Number of
Company Shares Owned
28,290 shares
of Common Stock

Brief Personal History, and Position and Responsibilities at the Company

April 1978 Joined Nippon Oil Co., Ltd.
June 2007 Executive Officer of Nippon Oil Corporation
June 2009 Full-time Corporate Auditor of Nippon Oil Corporation

July 2010 Corporate Auditor (Full-time) of JX Nippon Oil & Energy Corporation
June 2012 Director (Senior Vice President and Executive Officer) of the Company (responsible for Internal Audit Dept., and Controller Dept.) (to present)

Candidate No.	7
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Seiichi Isshiki

| Born September 8, 1948 |

Reappointed

Number of
Company Shares Owned
69,620 shares
of Common Stock

Brief Personal History, and Position and Responsibilities at the Company

April 1972 Joined Nippon Oil Co., Ltd.
June 2003 Director of Nippon Oil Corporation
June 2004 Executive Officer of Nippon Oil Corporation
June 2006 Director and Senior Vice President (Executive Officer) of Nippon Oil Corporation
April 2008 Representative Director and President of ENEOS CELLTECH Co., Ltd.
April 2011 Senior Vice President and Executive Officer of JX Nippon Oil & Energy Corporation

June 2012 Director (Part-time) of the Company (to present); and Representative Director and President (President and Executive Officer) of JX Nippon Oil & Energy Corporation (to present)

Important Concurrent Office:

Representative Director and President (President and Executive Officer) of JX Nippon Oil & Energy Corporation

Candidate No.	8
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Yukio Uchida

| Born January 20, 1951 |

Reappointed

Number of
Company Shares Owned
67,500 shares
of Common Stock

Brief Personal History, and Position and Responsibilities at the Company

April 1973 Joined Nippon Mining Co., Ltd.
September 2002 Senior Officer of Nippon Mining Holdings, Inc. (until June 2004)
April 2003 Executive Officer of Japan Energy Corporation
April 2004 Senior Vice President and Executive Officer of Japan Energy Corporation (until June 2005)
June 2004 Director of Nippon Mining Holdings, Inc. (until June 2007)
June 2005 Director (Senior Vice President and Executive Officer) of Japan Energy Corporation

June 2007 Senior Vice President and Executive Officer of Japan Energy Corporation
April 2008 Senior Executive Officer of Japan Energy Corporation
July 2010 Director (Senior Vice President and Executive Officer) of JX Nippon Oil & Energy Corporation
June 2012 Director (Part-time) of the Company (to present); and Director (Executive Vice President and Executive Officer) of JX Nippon Oil & Energy Corporation (to present)

Important Concurrent Office:

Director (Executive Vice President and Executive Officer) of JX Nippon Oil & Energy Corporation

Candidate No.	9
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Shigeo Hirai

| Born May 30, 1948 |

Reappointed

Number of
Company Shares Owned
98,470 shares
of Common Stock

Brief Personal History, and Position and Responsibilities at the Company

April 1971	Joined Nippon Oil Co., Ltd.
June 2002	Director of Nippon Oil Corporation
June 2005	Director and Senior Vice President (Executive Officer) of Nippon Oil Corporation
June 2008	Director (Senior Vice President and Executive Officer) of Nippon Oil Corporation (until June 2010)
April 2010	Director (Executive Vice President and Executive Officer) of the Company (in overall charge of Post-merger Integration Dept., Corporate Planning Dept. I, responsible for Finance & Investor Relations Dept.)
April 2012	Director (Executive Vice President and Executive Officer) of the Company (in overall charge of Corporate Planning Dept. I, responsible for Finance & Investor Relations Dept.)

June 2012	Director (Part-time) of the Company (to present); and Representative Director and President (President and Executive Officer) of JX Nippon Oil & Gas Exploration Corporation (to present)
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Important Concurrent Office:

Representative Director and President (President and Executive Officer) of JX Nippon Oil & Gas Exploration Corporation

Candidate No.	10
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Yoshimasa Adachi

| Born November 27, 1948 |

Reappointed

Number of
Company Shares Owned
54,280 shares
of Common Stock

Brief Personal History, and Position and Responsibilities at the Company

April 1972	Joined Nippon Mining Co., Ltd.
April 2000	Executive Officer of Nippon Mining & Metals Co., Ltd.
October 2003	Representative Director and President of Nikko Metal Manufacturing Co., Ltd.
April 2006	Representative Director (Executive Vice President and Executive Officer) of Nippon Mining & Metals Co., Ltd.
July 2010	Director (Executive Vice President and Executive Officer) of JX Nippon Mining & Metals Corporation
June 2012	Director (Part-time) of the Company (to present); and Representative Director and President (President and Executive Officer) of JX Nippon Mining & Metals Corporation (to present)

Important Concurrent Office:

Representative Director and President (President and Executive Officer) of JX Nippon Mining & Metals Corporation

Representative Director and President (President and Executive Officer) of Pan Pacific Copper Co., Ltd.

Outside Director Candidates

Candidate No.	11	Masahiro Sakata Born September 20, 1943	Reappointed <small>(Term of Office: 3 years and 3 months)</small>	Number of Company Shares Owned 17,640 shares of Common Stock
Independent Director				
Brief Personal History, and Position and Responsibilities at the Company				
April 1966 June 1992 July 1993 August 1999 August 2002 August 2004 September 2006 November 2006	Joined the Ministry of Finance Deputy Director General of the Minister's Secretariat of the Ministry of Finance Director General of the Third Department of the Cabinet Legislation Bureau Director General of the First Department of the Cabinet Legislation Bureau Deputy Director General of the Cabinet Legislation Bureau Director General of the Cabinet Legislation Bureau Retired as the Director General of the Cabinet Legislation Bureau Registered as an Attorney-at-Law (to present)	December 2006 June 2008 April 2010	Of Counsel at Anderson Mori & Tomotsune (to present) Outside Corporate Auditor of Nippon Oil Corporation (until June 2010) Outside Director of the Company (to present)	Important Concurrent Office: Attorney-at-Law, Of Counsel at Anderson Mori & Tomotsune

- Reasons for having Mr. Sakata as an Outside Director Candidate**

Mr. Masahiro Sakata has long worked for the Ministry of Finance, and held positions such as the Director General of the Cabinet Legislation Bureau, as a result of which he has abundant expertise and experience in administrative and legal aspects. Therefore, the Company assesses that he is qualified to provide the Company with instructions and advice on its management, as well as supervising its management from an independent and objective perspective.

Mr. Sakata has not been involved in company management other than by holding office as an outside director or outside corporate auditor; however, the Company assesses that he is qualified to appropriately perform duties as an outside director due to the reasons above.

Candidate No. **12**

Hiroshi Komiyama

| Born December 15, 1944 |

Reappointed

(Term of Office: 3 years and 3 months)

Independent Director

Number of Company Shares Owned
29,400 shares of Common Stock

Brief Personal History, and Position and Responsibilities at the Company

December 1972 Research Associate at the Department of Chemical Engineering, the Faculty of Engineering of the University of Tokyo

July 1988 Professor at the Department of Chemical System Engineering, the Faculty of Engineering of the University of Tokyo

April 2000 Dean of the Graduate School of Engineering, and Dean of the Faculty of Engineering of the University of Tokyo

April 2003 Vice President of the University of Tokyo

April 2005 President of the University of Tokyo

March 2009 Retired as President of the University of Tokyo

April 2009 Chairman of Mitsubishi Research Institute, Inc. (to present)

June 2009 Outside Director of Nippon Oil Corporation (until June 2010)

April 2010 Outside Director of the Company (to present)

Important Concurrent Office:

Chairman of Mitsubishi Research Institute, Inc.

Reasons for having Mr. Komiyama as an Outside Director Candidate

Mr. Hiroshi Komiyama specializes in chemical system engineering, functional materials chemistry, and global environment engineering, and has long been engaged in education and research at the University of Tokyo. In addition, he has advanced expertise and abundant experience in the management of a university, having served as President of the University of Tokyo. Therefore, the Company assesses that he is qualified to provide the Company with instructions and advice on its management, as well as supervising its management from an independent and objective perspective.

Mr. Komiyama has not been involved in company management other than by holding office as an outside director or outside corporate auditor; however, the Company assesses that he is qualified to appropriately perform duties as an outside director due to the reasons above.

Candidate No.	13
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Hiroko Ota

| Born February 2, 1954 |

Reappointed

(Term of Office: 1 year)

Number of Company Shares Owned
8,500 shares of Common Stock

Independent Director

Brief Personal History, and Position and Responsibilities at the Company

May 1981	Research Fellow at the Japan Institute of Life Insurance Center	August 2005	Professor at the National Graduate Institute for Policy Studies
April 1993	Associate Professor at the School of Economics of Osaka University	September 2006	Minister of State for Economic and Fiscal Policy
April 1996	Associate Professor at Saitama University	August 2008	Professor at the National Graduate Institute for Policy Studies (to present)
October 1997	Associate Professor at the National Graduate Institute for Policy Studies	June 2012	Outside Director of the Company (to present)
April 2001	Professor at the National Graduate Institute for Policy Studies		
April 2002	Director of Policy Analysis in Cabinet Office		
March 2003	Deputy Director General for Economic Research in Cabinet Office		
April 2004	Director General for Economic Research in Cabinet Office		

Important Concurrent Office:

Professor at the National Graduate Institute for Policy Studies

Reasons for having Ms. Ota as an Outside Director Candidate

Ms. Hiroko Ota specializes in public economics and economic policies, and has long been engaged in education and research at the National Graduate Institute for Policy Studies. In addition, she has held positions such as Director General for Economic Research in Cabinet Office and Minister of State for Economic and Fiscal Policy, as a result of which she has abundant expertise and experience regarding the economy and finance. Therefore, the Company assesses that she is qualified to provide the Company with instructions and advice on its management, as well as supervising its management from an independent and objective perspective.

Ms. Ota has not been involved in company management other than by holding office as an outside director or outside corporate auditor; however, the Company assesses that she is qualified to appropriately perform duties as an outside director due to the reasons above.

Candidate No.	14	Mutsutake Otsuka Born January 5, 1943
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Newly Appointed

Number of Company Shares Owned
10,000 shares of Common Stock

Brief Personal History

April 1965	Joined Japanese National Railways		
April 1987	Joined East Japan Railway Company; General Manager, Finance Dept. of East Japan Railway Company	June 2000	President and Representative Director of East Japan Railway Company
June 1990	Director and General Manager of Personnel Dept. of East Japan Railway Company	April 2006	Chairman and Director of East Japan Railway Company
June 1992	Executive Director and General Manager of Personnel Dept. of East Japan Railway Company	April 2012	Advisor of East Japan Railway Company (to present)
January 1994	Executive Director of East Japan Railway Company	Important Concurrent Office:	
June 1996	Executive Director and Deputy Director General of Corporate Planning Headquarters of East Japan Railway Company	Advisor of East Japan Railway Company	
June 1997	Executive Vice President and Representative Director and Director General of Corporate Planning Headquarters of East Japan Railway Company		

- **Reasons for having Mr. Otsuka as an Outside Director Candidate**

Mr. Mutsutake Otsuka has long been engaged in the management of East Japan Railway Company; as a result, he has acquired deep insight into, and abundant experience and solid accomplishments in company management. Therefore, the Company assesses that he is qualified to provide the Company with instructions and advice on its management, as well as supervising its management from an independent and objective perspective.
- **Violation of law and Articles of Incorporation by another company during Mr. Otsuka's tenure as its director in the last five years**

During the tenure of Mr. Mutsutake Otsuka as a director of East Japan Railway Company, that company was subject to administration dispositions under the Japanese River Act in March 2009, for taking-in water beyond the maximum allowed water intake quantity at its Shinanogawa Power Plant.

(Notes)

1. No special conflict of interest exists between any of the director candidates and the Company.
2. Each outside director candidate's term of office as an outside director is the period commencing as of the date this ordinary general meeting of shareholders is held.
3. The Company has concluded with each of Mr. Masahiro Sakata, Mr. Hiroshi Komiyama, and Ms. Hiroko Ota an agreement (the liability limitation agreement) that, regarding an outside director's liability to the company under Article 423, paragraph 1 of the Japanese Companies Act, if they are without knowledge and are not grossly negligent in conducting their duties, their liability shall be limited to the amount (the amount equal to such outside director's Remunerations (as defined in Article 361, paragraph 1 of the Japanese Companies Act, hereinafter the same) for two (2) years) set forth in Article 425, paragraph 1 of the Japanese Companies Act. When the reappointment of any of them is approved, that agreement is to continue in effect. In addition, when the appointment of Mr. Mutsutake Otsuka is approved, the Company is to conclude that agreement with him.
4. Each of Mr. Masahiro Sakata, Mr. Hiroshi Komiyama, and Ms. Hiroko Ota is an independent director based on the rules of each stock exchange in Tokyo, Osaka, and Nagoya on which the Company is listed, and when the reappointment of any of them is approved, that individual will remain as an independent director. In addition, when the appointment of Mr. Mutsutake Otsuka is approved, he will also become an independent director.

Core operating companies of the Company provided donations for education and research promotion in FY2012 to the University of Tokyo (where Mr. Hiroshi Komiyama was the President until March 2009). The Company believes that this will not prejudice the independence of Mr. Komiyama, as the amount of these donations is minimal in comparison to (less than 0.1% of) the average annual revenue (ordinary income) of the university in FY2009 to FY2011. There also were transactions

in FY2012 between East Japan Railway Company (where Mr. Mutsutake Otsuka was the Chairman and Director until March 2012) and its key affiliates, and the Company and its core operating companies, including transactions for the delivery of fuels to East Japan Railway Company and those key affiliates. The Company believes that this will not prejudice the independence of Mr. Otsuka, as the total amount of these transactions is minimal in comparison to (less than 0.2% of) the consolidated net sales of either of East Japan Railway Company or the Company.

Item 3

Appointment of Two (2) Corporate Auditors

Mr. Fumio Ito and Mr. Hidehiko Haru, Corporate Auditors, will resign as at the conclusion of this ordinary general meeting of shareholders; therefore, the Company would like to propose the appointment of two (2) corporate auditors.

The corporate auditor candidates are as follows:

This item has been approved by the Board of Corporate Auditors.

Candidate No.	1	Tadashi Ohmura Born June 8, 1954	Newly Appointed	Number of Company Shares Owned 13,900 shares of Common Stock
Brief Personal History				
April 1978 March 2008 July 2010	Joined Nippon Oil Co., Ltd. Executive Officer of Nippon Oil Exploration Limited Executive Officer of JX Nippon Oil & Gas Exploration Corporation	June 2012	Corporate Auditor (Full-time) of JX Nippon Oil & Energy Corporation (to present)	

Outside Corporate Auditor Candidate

Candidate No.	2	Toshinori Kanemoto Born August 24, 1945	Newly Appointed	Number of Company Shares Owned 5,000 shares of Common Stock
Brief Personal History				
April 1968 April 1992 August 1995 October 1996 August 2000 April 2001 April 2006 January 2007 February 2007	Joined the National Police Agency Chief of Kumamoto Prefectural Police Headquarters Director General of the International Affairs Dept. of National Police Agency President of International Criminal Police Organization (ICPO) President of the National Police Academy Director of Cabinet Intelligence of Cabinet Secretariat Retired as the Director of Cabinet Intelligence of Cabinet Secretariat Registered as an Attorney-at-Law (to present) Of-Counsel at City-Yuwa Partners (to present)	June 2008 July 2010	Outside Corporate Auditor of Nippon Mining Holdings, Inc. Outside Corporate Auditor of JX Nippon Oil & Energy Corporation (to present)	
Important Concurrent Office:				
Attorney-at-Law, Of Counsel at City-Yuwa Partners				

- **Reasons for having Mr. Toshinori Kanemoto as an Outside Corporate Auditor Candidate**

Mr. Toshinori Kanemoto has long worked for the National Police Agency, serving in such important positions as the President of International Criminal Police Organization (ICPO), and the Director of Cabinet Intelligence of Cabinet Secretariat, and later served as the compliance committee chair of a major company in the capacity of an attorney, as a result of which he has abundant expertise and experience regarding corporate legal affairs and compliance. Therefore, the Company assesses that he is qualified to audit the execution of duties by the directors from an objective, independent and fair stance.

Mr. Kanemoto has not been involved in company management other than by holding office as an outside director or outside corporate auditor; however, the Company assesses that he is qualified to appropriately perform duties as an outside corporate auditor due to the reasons above.

- **Violation of law and Articles of Incorporation by another company during Mr. Kanemoto's tenure as its outside director or corporate auditor in the last five years, and response measures**

Nomura Securities Co., Ltd., where Mr. Toshinori Kanemoto serves as an Outside Director, received an order to improve business operations in August 2012 from the Financial Services Agency, for inadequate control of corporate information related to a public offering of new shares. Mr. Kanemoto had been providing opinions at Board of Directors' meetings of that company and on other occasions from a legal compliance point of view on a regular basis. Since the incident was discovered, he has been providing specific recommendations for recurrence prevention, and has been properly performing his duties.

JX Nippon Oil & Energy Corporation, where Mr. Kanemoto serves as an Outside Corporate Auditor, received from the Ministry of Economy, Trade and Industry an accreditation revocation deposition in December 2012 for inadequate security inspections under the Japanese High Pressure Gas Safety Act at the Mizushima B Refinery, and had its accreditation as an "Accredited Completion Inspection Executor" and as an "Accredited Safety Inspection Executor" for the said plant revoked. Mr. Kanemoto had been advising and promoting awareness at Board of Directors' meetings of that company, periodical discussions with its representative directors, and on other occasions from a legal compliance point of view on a regular basis. Since the incident was discovered, Mr. Kanemoto has been providing opinions on response measures and formulating recurrence prevention measures by that company, and has been properly performing his duties.

(Notes)

1. No special conflict of interest exists between either of the above Corporate Auditor candidates and the Company.
2. When the appointment of Mr. Toshinori Kanemoto is approved, the Company is to conclude with him an agreement (the liability limitation agreement) that, regarding an outside corporate auditor's liability to the company under Article 423, paragraph 1 of the Japanese Companies Act, if he is without knowledge and is not grossly negligent in conducting his duties, his liability shall be limited to the amount (the amount equal to such outside corporate auditor's Remunerations for two years) set forth in Article 425, paragraph 1 of the Japanese Companies Act.
3. When the appointment of Mr. Toshinori Kanemoto is approved, he will become the independent corporate auditor based on the rules of each stock exchange in Tokyo, Osaka, and Nagoya on which the Company is listed.

End

(Attachments)

Business Report for the Third Fiscal Term (from April 1, 2012 to March 31, 2013)

1. Matters Concerning Present Condition of the Corporate Group

(1) Major Businesses (as of March 31, 2013)

JX Group is an “integrated energy, resources, and materials business group,” having core operating companies—JX Nippon Oil & Energy Corporation, JX Nippon Oil & Gas Exploration Corporation, and JX Nippon Mining & Metals Corporation—under the Company as the holding company.

JX Group’s major business activities are as follows:

Business Segment	Details of Major Business Activities	Core Operating Companies
Energy Business	<ul style="list-style-type: none">- Refining and marketing petroleum products (e.g., gasoline, kerosene, and lubricant)- Importing and marketing gas and coal- Manufacturing and marketing petrochemical products- Supplying electricity- Developing, manufacturing, and marketing fuel cells, solar batteries, and the like	JX Nippon Oil & Energy Corporation
Oil and Natural Gas Exploration & Production (E&P) Business	<ul style="list-style-type: none">- Exploring, developing, and producing oil and natural gas	JX Nippon Oil & Gas Exploration Corporation
Metals Business	<ul style="list-style-type: none">- Exploring and developing non-ferrous metal resources (e.g., copper and gold)- Manufacturing and marketing non-ferrous metal products (e.g., copper, gold, and silver)- Manufacturing and marketing electro-deposited copper foil and treated rolled copper foil- Manufacturing and marketing thin-film materials (e.g., target material, surface treatment material, and compound semiconductor material)	JX Nippon Mining & Metals Corporation

	<ul style="list-style-type: none"> - Manufacturing and marketing precision rolled products and precision fabricated products - non-ferrous metal recycling and industrial waste treatment 	
Other Business	<ul style="list-style-type: none"> - Civil engineering work, including roadwork and pavement construction - Construction work - Manufacturing, processing, and marketing titanium metals 	/

* Regarding the names of business segments, former “Petroleum Refining and Marketing” was renamed “Energy,” while "Oil and Natural Gas Exploration and Production" remained the same in English (i.e., only the Japanese name was changed).

(2) Business Progress and Results

A. Circumstances Surrounding JX Group

Regarding the global economy in this fiscal year, while the strength of the recovery in the U.S. increased due to the growth of personal consumption, on the other hand, Europe remained in serious condition, being unable to dispel the concerns of recurring debt issues. The development of emerging nations—such as China and India—was lackluster. The Japanese economy showed bright signs of recovery, despite its decreased exports due to the prolonged strong yen, because the economic environment was supported by brisk personal consumption as well as demand from reconstruction projects after the Great East Japan Earthquake, and further because the export environment took a favorable turn as a result of the continuing weak yen after the change of government.

Although oil demand remained at a low level in developed nations, demand globally continued to increase because demand in emerging nations—which have continued their, albeit decelerating, economic growth—was healthy, mainly in Asia. The Dubai crude oil price, which is the commonly-used crude oil index price in Asia, temporarily dropped from a level exceeding 120 dollars per barrel at the beginning of the fiscal year, to a level below 90 dollars against the background of worries over the future global economic environment. However, after that, the price increased due to the influx of speculative funds caused by the additional monetary easing in the U.S. and the growing tension in the Middle East. As a result, in and after August 2012, the price was up in the stratosphere at around 110 dollars. Regarding petroleum product demand in Japan, the diffusion of fuel-efficient vehicles, the development of fuel shifts, and other similar factors have decreased demand for gasoline, heavy oil A, and other oil types. However, demand from post-quake reconstruction projects increased demand for gas oil. Furthermore, the suspension of operations of nuclear power plants significantly increased demand for fuel for power generation (heavy oil C and crude oil). Consequently, overall petroleum product demand in Japan has increased over the previous fiscal year.

On the other hand, the global copper demand continued to grow because domestic demand moved steadily in China—where 40% of all copper ingot is consumed—due to its shift to an easy monetary policy, the promotion of infrastructure development, and the like. The LME (London Metal Exchange) price for copper, which is the international index price for non-ferrous metals generally moved below the previous fiscal year's level under circumstances of still remaining uncertainty in the global economy. Consequently, the average price for the fiscal year was approximately 8,000 dollars per ton.

Under the above circumstances, the JX Group has steadily performed various measures in each business field in accordance with the 1st Medium-Term Management Plan (from fiscal year 2010 to 2012) in order to establish a foundation to make a major leap forward to become a world-leading “integrated energy, resources, and materials business group” as follows:

B. Process and Results of Each Business

Energy Business (JX Nippon Oil & Energy Group)

Business Results

Regarding the Energy business in this fiscal year, although net sales was 9,699.6 billion yen (a 6.0% increase from the previous fiscal year) due partly to an increase in petroleum product sales volume, operating income was 138.9 billion yen (a 33.3% decrease from the previous fiscal year) and ordinary income was 161.6 billion yen (a 30.5% decrease from the previous fiscal year) due partly to deterioration in petroleum product margins. Ordinary income excluding inventory valuation factors (the impact of inventory valuation on the cost of sales by using the periodic average method) was 102.8 billion yen (an 8.9% decrease from the previous fiscal year).

Business Summary

Regarding the Energy business, we implemented various measures in accordance with the following four basic strategies specified in the 1st Medium-Term Management Plan: “establish the most-competitive structure for petroleum refining and marketing in the domestic market,” “improved income resulting from integration synergies and enhanced efficiency of refineries,” “strengthen overseas business operations,” and “promote renewable energy business,” the outline of which is as follows:

- **Business restructuring of the Muroran Refinery**

In order to further enhance the operation rate of each refinery and increase production of high-value added products, we decided to suspend crude oil treatment at the Muroran Refinery at the end of March in 2014, and to manufacture raw material for paraxylene at the new manufacturing facility to be built in Ulsan Metropolitan City, South Korea, jointly with the SK Group of South Korea as a petrochemical production plant (which is scheduled to start operation in 2014).

- **Promotion of gas oil sales business (fleet business) through heavy-duty truck-adaptive service stations**

In July 2012, we acquired all shares of the Ikko Group, which has developed fleet business nationwide. Subsequently, in February 2013, we established “J&S Fleet Holdings Corporation” (the JX Group’s capital interest ratio is 60%) jointly with the SUZUYO Group, which engages in the same business nationwide, then proceeded with the business integration, and strived to construct a strong sales network.

- **Improvements in income by integration synergies and improvements in refinery efficiency**

As a result of our efforts of rationalization and efficiency improvements in various business areas, such as refining, procurement, logistics, and purchase, by setting a target of improving income by 109.0 billion yen (80.0 billion yen by integration synergies, and 29.0 billion yen by improvements in refinery efficiency) by the end of this fiscal year (which is the final fiscal year of the 1st Medium-Term Management Plan), we have realized improvements in income of 115.9 billion yen (79.9 billion yen by integration synergies, and 36.0 billion yen by improvements in refinery efficiency) by the end of this fiscal year.

- **Commencement of lubricant-base oil manufacturing business with the SK Group**

Given the prospect of domestic and foreign expansion of demand for high-quality lubricants for automobile engines, we commenced manufacturing of base oil—a base material for high-quality lubricants—jointly with the SK Group in Ulsan Metropolitan City.

- **Development of mega solar business**

Because the Japanese government has introduced a system of purchasing renewable energy at a fixed price, we decided to develop a new mega solar business. In this fiscal year, we commenced power generation business at the Sendai Refinery and Kudamatsu Terminal.

Defects under the Japanese High Pressure Gas Safety Act at Refineries and Plants

Defects under the Japanese High Pressure Gas Safety Act have been found at multiple refineries and plants of the JX Nippon Oil & Energy Group. Of these defects, regarding Mizushima B Refinery, we have received an accreditation revocation disposition, revoking our accreditation as an “Accredited Completion Inspection Executor” and as an “Accredited Safety Inspection Executor” under the same act from the Ministry of Economy, Trade and Industry as of December 25, 2012.

We profoundly regret the fact that such issues have occurred at refineries and plants, where the highest priority should be given to safety and stable operation. Further, we would like to express our sincere apologies for the troubles and concerns caused to many people, including our shareholders, local people, and our clients.

We have taken this matter seriously, and reaffirmed that compliance is the precondition for conducting business activities. In order to recover trust from all of you as soon as possible, the JX Group will make concerted efforts together to prevent a recurrence of such issues.

Oil and Natural Gas Exploration and Production (E&P) Business (JX Nippon Oil & Gas Exploration Group)

Business Results

Regarding the Oil and Natural Gas E&P business in this fiscal year, due partly to the decrease in the production volume, net sales was 173.1 billion yen (a 7.8% decrease from the previous fiscal year), operating income was 80.5 billion yen (an 11.0% decrease from the previous fiscal year) and ordinary income was 93.6 billion yen (a 4.0% decrease from the previous fiscal year).

Business Summary

Regarding the Oil and Natural Gas E&P business, under the basic policy that we will aim to develop sustainably while thoroughly managing business risks, we established a business target that we will achieve production of 200 thousand BOED in 2020. Further, we aggressively promoted exploration activities that are the foundation for development, and advanced acquisitions by carefully selecting promising concessions. In addition, in order to maximize the value of the concessions held, we aimed to commence production of projects at the development stage as early as possible, and worked on additional development to maintain and increase production volume. The outline of the above is as follows:

- **Acquisition of oil and gas fields in the North Sea in the U.K.**

We have acquired multiple concessions in oil and gas fields at the North Sea in the U.K. from Eni, a major Italian energy company. Of them, regarding the Mariner oil field, we decided to move it into the development stage in February 2013, and we are now working on the development, aiming to commence commercial production by the end of 2017.

- **Strengthening business foundation in Myanmar**

In Myanmar, where business entry opportunities are expected to expand due to the progress of democratization, we have acquired part of the offshore concession area from PTT Exploration and Production Public Company Limited (PTTEP) Group. In addition, we decided to move the Yetagun North gas field, which is located in the north of the Yetagun gas field in Myanmar, and where we have produced natural gas since 2000, into the development stage in December 2012. Now we are working on the development, aiming to commence commercial production by the end of 2014. In the future, through exploration, development, and production in these concession areas, we will make efforts to strengthen our business foundation in Myanmar.

- **Acceptance of human resources transferred from ARABIAN OIL COMPANY, LTD.**

As of April 1, 2013, we have accepted human resources having expertise and knowledge

regarding the oil and natural gas exploration and production business who were transferred from ARABIAN OIL COMPANY, LTD. by way of an incorporation-type company split, and thereby strengthened our structure to promote both the acquisition of new projects, and the maximization of the production volume in, and the value of, the concession areas held.

Metals Business **(JX Nippon Mining & Metals Group)**

Business Results

Regarding the Metals business in this fiscal year, net sales was 927.5 billion yen (a 7.0% decrease from the previous fiscal year) and operating income was 6.9 billion yen (a 52.1% decrease from the previous fiscal year), due partly to a decline in the price of copper. Ordinary income was 45.0 billion yen (a 25.0% decrease from the previous fiscal year), due partly to the decrease in the sales volume by mines in which we have invested. Ordinary income excluding inventory valuation factors was 46.5 billion yen (a 26.4% decrease from the previous fiscal year).

Business Summary

Regarding the Metals business, we engage in the copper business, the electronic materials business, and the recycling and environmental services business, aiming to become a global resources and materials company based on copper.

In the resource development sector of the copper business, we promoted projects in Chile and elsewhere; while in the smelting sector, we strived to improve income by improving copper concentrate purchasing conditions, increasing production efficiency, and by other means. Further, in the electronic materials business, we worked on new material development and sales expansion, production cost reduction in the existing product lines, and the like, in addition to the expansion of production overseas responding to our customers' outward shift. In the recycling and environmental services business, we strived to expand raw material collection from overseas and improve operation efficiency. The outline of the above is as follows:

- **Commencement of electrolytic copper production in the Caserones Copper and Molybdenum Deposit Development Project**

In March 2013, in the Caserones Copper and Molybdenum Deposit Development Project in Chile, we commenced production of electrolytic copper by the SX-EW method.* Currently, we are proceeding with construction work on a copper concentrate production facility. We plan to commence commercial production of copper concentrates by the end of 2013.

* A method to produce electrolytic copper by melting copper by pouring weak acid

solutions on copper ores, and electrolyzing the liquid so generated.

- **Completion of construction of the Kakegawa Works**

In order to strengthen the automotive electronic materials sector, in which we expect stable demand, in February 2013, we completed construction of the Kakegawa Works, for which we have pursued cost merits with an integrated production system for processes from press, plating, through to assembly. Then, in April in the same year, we commenced production there. In the future, at the Kakegawa Works, we will produce high-quality connectors to be installed in automobiles, and other products, stably and efficiently.

- **Enhancement of manufacturing facilities for cathode materials for lithium-ion batteries**

In order to strengthen the storage battery-related sector, in which demand for products—especially those for automobiles—is expected to increase, at the Isohara Works we have enhanced manufacturing facilities for cathode materials for lithium-ion batteries, and thereby constructed a framework by which we can stably supply high-purity and homogeneous products.

Other Business

Business Results

Regarding the other business in this fiscal year, net sales was 489.7 billion yen (a 5.4% increase from the previous fiscal year), operating income was 23.0 billion yen (a 74.5% increase from the previous fiscal year), and ordinary income was 26.0 billion yen (a 63.2% increase from the previous fiscal year).

NIPPO CORPORATION

Regarding civil engineering work such as pavement construction, public work has recovered, and signs of recovery have been seen in private capital investment. However, NIPPO CORPORATION (“NIPPO”) has continued to be confronted with difficulties in obtaining orders during this fiscal year. Despite that situation, NIPPO worked aggressively to obtain orders based on its technological superiority and to strengthen sales of products—such as asphalt mixture—as well as to improve profitability through cost reductions and increasing operational efficiency.

Toho Titanium Co., Ltd.

Regarding titanium metals, which are lightweight and high-strength, and excellent at corrosion resistance, demand for titanium metals for the general industrial sector to be used

for pipes at power plants and heat exchangers for ships has decreased. However, demand for titanium metals for aircraft to be used for jet engine parts and the like has been steady. Consequently, the sales volume for this fiscal year has increased. Because inventory adjustment of aircraft parts and decrease in demand for the products for the general industrial sector are expected in the future, in the second half of this fiscal year, we made a reduction in production of approximately 10% on average (compared with capacity) at the Chigasaki Plant.

C. Promotion of CSR Activities

As the JX Group, we are actively developing corporate social responsibility (CSR) activities, by maintaining a Group Mission Statement that “JX Group will contribute to the development of a sustainable economy and society through innovation in the areas of energy, resources, and materials,” in order to gain credibility as a good corporate citizen widely from society, and setting (i) compliance, (ii) social contribution, and (iii) environment & safety as the three (3) pillars of our CSR activities. During this fiscal year, we made efforts to strengthen the foundation for the compliance system by voluntarily implementing compliance status checks at operating sites all over Japan, improving the JX Group’s whistleblowing system, and the like. In addition, we have continued to provide next-generation development assistance through “JX-ENEOS Children’s Story Fund,” volunteer activities supporting reconstruction from the Great East Japan Earthquake disaster, and the like. Further, in order to prevent the occurrence of industrial accidents, we established the JX Group Education Center for Monitoring Physical Threats, and thereby further improved the entire Group’s safety management system.

D. Summary of Consolidated Business Results

As a result of the above, regarding the consolidated business results for this fiscal year, net sales was 11,219.5 billion yen (a 4.6% increase from the previous fiscal year), while operating income was 251.5 billion yen (a 23.3% decrease from the previous fiscal year), ordinary income was 328.3 billion yen (a 19.5% decrease from the previous fiscal year), and net income of 159.5 billion yen (a 6.5% decrease from the previous fiscal year). Ordinary income excluding inventory valuation factors was 271.0 billion yen (a 7.0% decrease from the previous fiscal year).

E. Achievement of the First Medium-Term Management Plan (from FY2010 to FY2012)

The JX Group set numerical targets for the consolidated business results and financial index for this fiscal year which is the final fiscal year in the First Medium-Term Management Plan, and has been executing a variety of measures in order to achieve the targets. As a result, the ordinary income exceeded the target of 300.0 billion yen, due to the improved profitability by management integration synergies and increased efficiency of refineries, as well as due to the further improvement of the domestic petroleum product market. On the other hand, the ROE^{*1} underachieved its target, as a result of recording special losses, including impairment losses for unused land, and business restructuring costs for streamlining non-profitable operations. The

net D/E ratio^{*2} also underachieved its target, due to an increase of operating funds resulting from earthquake reconstruction costs, and ever lingering high crude oil and copper prices.

*1 ROE (return on equity) = net income ÷ shareholders' equity

*2 Net D/E (debt equity) ratio = (interest-bearing debts – cash and deposits) ÷ shareholders' equity

(Targets of Consolidated Business Results and Financial Index for this Fiscal Year under the First Medium-Term Management Plan, and Performance)

	Target	Performance
Ordinary income	300.0 billion yen or more	328.3 billion yen
ROE	10.0% or higher	8.7%
Net D/E ratio	1.00 times or lower	1.18 times

(3) Matters the Company should address

Taking a view of the medium- to long-term business environment, the Japanese economy is expected to remain at a slow-growth level despite signs of recovery, as its population decreases and its industry hollows out further. The domestic demand for petroleum products will inevitably decrease, due to such factors as the decline in the auto fleet numbers, and the fall-off in industrial fuel consumption. On the other hand, there is a concern that despite the expected temporary increase in demand from the earthquake reconstruction effort, the domestic copper demand will decline further, as a result of users relocating overseas.

Emerging nations are expected to lead the growth of the global economy; in addition, further globalization of the economy and resulting expansion of IT systems are expected to take place. Particularly in Asia, with the progress of infrastructure development, higher lifestyle, and widespread use of automobiles and IT products, the demand is expected to increase for energy, resources and materials, including high-quality lubricants, and petrochemical and copper products (such as electric wires, rolled copper and copper alloy products).

On the other hand, crude oil and copper prices are steady and expected to keep their high levels; however, they remain subject to volatility as a result of geopolitical elements, an influx of speculative funds, and other factors. In addition, the business environment for energy, resources and materials may significantly change, due to such factors as the shale gas and oil revolution, a growing crisis awareness for global environmental issues, and reconsideration of the medium- to long-term energy policy of the Japanese government.

In light of these elements, the JX Group has formulated the Second Medium-Term Management Plan as follows, in order to become a world-leading “integrated energy, resources, and materials business group” by building on the business foundation created by executing the First Medium-Term Management Plan.

Outline of the Second Medium-Term Management Plan (FY2013-2015)

Basic Policy

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



Key Factors and Targets

	2 nd Mid-Term Mgt. Plan	(Reference) 1 st Mid-Term Mgt. Plan	
Target	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			

Key Factors (FY2015)	Exchange Rate	90 yen/\$
	Crude Price (Dubai Spt)	110 \$/bbl
	Copper Price (LME)	360 ¢/lb

Energy Business

- **Profitability reinforcement in the key business — the petroleum refining and marketing business**

In terms of production, the JX Group will continue to ensure safe and stable business operations, as well as exert efforts to maintain stable supply and reinforce its cost competitiveness, through production optimization and energy saving initiatives.

Furthermore, in order to reinforce the international competitiveness of its refineries, the JX Group will create a new system (solvent de-asphalting system) to extract gas oil fraction from heavy oil, and will also engage in the power generation business by using byproduct residues generated from that system. The JX Group will also steadily work on the business restructuring of the Muroran Refinery.

In terms of marketing, the JX Group will further reinforce the service station marketing network, as well as work to enhance the “ENEOS” brand value.

- **Provision of a variety of energy as an “energy conversion company”**

The JX Group will continue to monitor the future movements of the government’s energy policy, and provide optimal energy for our customers (such as petroleum products, LPG, electricity, and other types of energy) by converting primary energy available in nature (such as crude oil, natural gas, solar light, and other natural sources of energy).

- **Establishment of a presence in overseas markets**

In terms of the chemical product business, the JX Group will steer the paraxylene manufacturing business with the SK Group toward success and work toward acquiring new business opportunities by properly observing future developments such as the shale gas revolution. As for the lubricant business, the JX Group will attempt to increase its income from the lubricant-based oil manufacturing business with the SK Group, and will further reinforce its overseas manufacturing and marketing system.

- **Acquisition of demand for high value-added products based on unique technology**

Global demand for products such as ENB (ethylidene norbornene), a raw material of synthetic rubber, and culture media used for manufacturing pharmaceutical products is expected to increase in the future. Accordingly, the JX Group will enlarge its business and reinforce its income base, by using the highly-advanced technology that it has uniquely built over many years.

Oil and Natural Gas E&P Business

- **Increase of the amount of reserves and production in oil and gas fields mainly by exploration and mining activities**

The JX Group will lead projects as an operator of large exploration and mining projects in such countries as Malaysia and Qatar toward the business target of achieving production of 200 thousand BOED in 2020. The JX Group will also securely conduct oil and natural gas test drilling surveys off the southwest coast of Sado Island.

Furthermore, the JX Group will securely advance projects that are under development, such as the one in the Mariner oil field in the U.K. North Sea, and the large-scale LNG projects in Papua New Guinea. It will also work toward moving the projects that are pending consideration on to the development stage as soon as possible, by carefully evaluating the economic efficiency.

- **Establishment of advantage by geographical and technological focus**

In terms of geographical focus, the JX Group will position Malaysia, Vietnam and the U.K. as the “core countries” where there is a prospect of business expansion by taking advantage of the existing business foundation, and the U.A.E., Qatar, Myanmar and Australia as the “core candidate countries” where reinforcement of the business foundation is called for in the future. The JX Group will allocate its management resources to these countries on a preferential basis.

In terms of technological focus, the JX Group will attempt to accumulate technical expertise through the promotion of operatorship, by positioning, as priority tasks, the development of “deep water areas (over 300 meters depth),” the utilization of “EOR (enhanced oil recovery)” methods, and the development of “tight oil and gas (crude oil and natural gas in the unrecoverable reservoir).”

Through these challenges, the JX Group will establish advantage in specific regions and technologies, so that it will be in a more competitive position in acquiring concessions in the future.

- **Restructuring business portfolio promptly by monitoring changes in the business environment**

In order to maximize its asset value while diversifying risks according to changes in the business environment, the JX Group will maintain its optimal business portfolio by flexibly and efficiently rearranging its assets.

Metals Business

- **Construction of high-profitability systems through expansion of concessions in mines; Acquisition of concessions in mines by utilizing unique technology**

Regarding resource development operations in the copper business, the JX Group will steadily proceed with the construction work in the Caserones Copper and Molybdenum Deposit Development Project in Chile, so that it may launch full-scale production of such products as copper concentrates and electrolytic copper into stable operation as soon as possible. Further, the JX Group will endeavor to procure concessions in mines utilizing its unique technology, by promoting technological development, including practical application at an early stage of the “N-chlo Process”^{*}—a new smelting process currently in the verification test stage. Through these business developments, the JX Group will construct a high-profitability system.

^{*} A process to efficiently recover copper and precious metals—such as gold and silver—from low-grade copper concentrates (raw material) which contain precious metals by a chemical reaction using hydrochloric acid.

- **Construction of a world’s top level cost competitive business system**

Regarding the refining operation in the copper business, the JX Group will, while maintaining safe and stable operations, increase its production efficiency and profitability by utilizing copper concentrates from Caserones and starting the operation of the second copper concentrate and sulfuric acid carrier^{*}, in order to construct a world’s top level cost competitive business system.

^{*} A carrier that has both copper concentrate holds and sulfuric acid tanks, and can be operated efficiently by carrying sulfuric acid on its homeward voyage after transporting copper concentrate.

- **Maintenance and expansion of a world’s top level share in the respective product markets**

Regarding the electronic materials business, the JX Group will maintain and further expand its world’s top level share in the respective product markets. Specifically, the JX Group will attempt to turn the integrated connector production business at the Kakegawa Works, and the business of cathode materials for lithium-ion batteries at the Isohara Works into profit-generating operations at an early stage. The JX Group will also work on the development and sales expansion of new materials for growth areas, such as advanced information technology, next-generation environmentally-responsive cars, as well as try to enhance and expand its overseas operating sites.

- **Construction of international resource recycling business with environmentally-friendly zero emission system**

Regarding the recycling and environmental services business, the JX Group will reinforce its business foundation through efforts such as increasing the capacity to collect recycled materials from overseas, and cost reductions. The JX Group will also promote and expand new businesses, such as recycling lithium-ion batteries, and detoxification of materials containing a small amount of PCB. By doing so, the JX Group will attempt to construct an international resource recycling business with environmentally-friendly zero emission system.

The JX Group will steadily implement the Second Medium-Term Management Plan to become a world-leading “integrated energy, resources, and materials business group” in the rapidly-changing business environment. Moreover, the JX Group will make optimal utilization of management resources in a variety of business fields under the holding company’s control, and thereby realize the “JX Group Mission Statement.” We look forward to your continued valuable support and patronage as a shareholder in the future.

[JX 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.

(4) Financing

The Company primarily procures the long-term business funds of each company in the JX Group. During this fiscal year, the Company procured 30 billion yen by issuing bonds, and 70 billion yen through long-term loans.

In addition, the following funds were procured by the respective companies below with the support of governmental financial institutions:

- A. JX Nippon Oil & Energy Corporation: 435 million U.S. dollars through long-term loans, as funds related to a coking coal project in Canada;
- B. A project subsidiary of JX Nippon Oil & Gas Exploration Corporation: 31.33million U.S. dollars through long-term loans, as funds related to the Papua New Guinea project; and
- C. A project subsidiary of JX Nippon Mining & Metals Corporation: 439 million U.S. dollars through long-term loans, as funds related to the Caserones project.

(5) Capital Investment

Business Segment and Category	Capital Investment Amount (100 million yen)	Main Investment
Energy Business	1,071	Refinery and plant facility work; service station new construction and reconstruction work; and system integration
Oil and Natural Gas E&P Business	849	Oil and gas field exploration and development
Metals Business	2,081	Copper mine development; office, smelter, and works facility work; and cathode materials for lithium-ion batteries manufacturing facility enhancement
Other Business	218	Asphalt mixture plant manufacturing facility renewal; and titanium ingot production capacity enhancement
Total	4,219	—
(Adjustments)	(45)	—
Consolidated Total	4,174	—

(6) Acquisition or Disposition of Shares, etc. of Other Companies

- Acquisition of shares in Toho Titanium Co., Ltd. by subscribing for a capital increase through third-party allotment conducted by that company

In order for Toho Titanium Co., Ltd. to be flexible in its capital investment, the Company subscribed for the capital increase through third-party allotment conducted by that company designating the Company and Nippon Steel Corporation (n.k.a. Nippon Steel & Sumitomo Metal Corporation) as the allocatees as of May 1, 2012. The Company thus acquired 10,000,000 shares in Toho Titanium Co., Ltd. As a result, the voting ratio of the Company increased from 42.6% to 50.4%.

- Acquisition of shares in Ulsan Aromatics Co., Ltd.

In order to conduct the paraxylene manufacturing business jointly with the SK Group, JX Nippon Oil & Energy Corporation acquired, as of June 8, 2012, 49.9% of all shares in Ulsan Aromatics Co., Ltd. incorporated in Ulsan Metropolitan City, South Korea.

- Acquisition of shares in Ikko Co., Ltd. and three of its group companies

In order to create a strong sales network, JX Nippon Oil & Energy Corporation acquired, as of July 2, 2012, all shares in Ikko Co., Ltd. that engages in fleet business nationwide, and three of its group companies.

- Acquisition of shares in J&S Fleet Holdings Corporation through joint share transfer

In order to create a strong sales network jointly with the Suzuyo Group that engages in fleet business nationwide, JX Nippon Oil & Energy Corporation incorporated J&S Fleet Holdings Corporation through a joint share transfer related to Ikko Co., Ltd. and SUZUYO ENERGY CO., LTD. as of February 1, 2013. As a result, JX Nippon Oil & Energy Corporation acquired 60% of all shares in J&S Fleet Holdings Corporation.

- Acquisition of shares in a subsidiary of Arabian Oil Co., Ltd. incorporated through incorporation-type company split

JX Nippon Oil & Gas Exploration Corporation acquired from Arabian Oil Co., Ltd. as of April 1, 2013, all shares in a company incorporated through incorporation-type company split, the target assets of which were personnel who had expertise and knowledge of the oil and natural gas E&P business. The purpose of this acquisition was to reinforce the system for promoting (a) the acquisition of new projects, and (b) the maximization of production volume within the mining areas owned and the value of those areas.

(7) Financial Position and Operating Results

Consolidated Fiscal Year		FY2010	FY2011	FY2012
Item		(First fiscal term)	(Second fiscal term)	(Third fiscal term; the current fiscal term)
Net sales	(100 million yen)	96,344	107,239	112,195
Ordinary income	(100 million yen)	4,137	4,078	3,283
Net income	(100 million yen)	3,117	1,706	1,595
Net income per share		125.35 yen	68.60 yen	64.13 yen
Total assets	(100 million yen)	62,600	66,904	72,749
Net assets	(100 million yen)	18,862	20,448	23,274

(Note) The net income of 311.7 billion yen in the fiscal year 2010 (first fiscal term) includes the “negative goodwill” of 226.5 billion yen recorded upon the management integration.

(8) Material Subsidiaries (as of March 31, 2013)

- **Number of consolidated subsidiaries:** 149
- **Number of subsidiaries or affiliates accounted for under the equity method:** 32
- **Material Consolidated Subsidiaries**

Business Segment	Company Name	Capital stock (100 million yen)	Voting Rights Ratio (%)	Details of Major Business Activities
Energy Business	JX Nippon Oil & Energy Corporation	1,394	100	<ul style="list-style-type: none"> - Refining and marketing petroleum products (e.g., gasoline, kerosene, and lubricant) - Importing and marketing gas and coal - Manufacturing and marketing petrochemical products - Supplying electricity - Developing, manufacturing, and marketing fuel cells, solar batteries, and the like
Oil and Natural Gas E&P Business	JX Nippon Oil & Gas Exploration Corporation	98	100	<ul style="list-style-type: none"> - Exploring, developing, and producing oil and natural gas
Metals Business	JX Nippon Mining & Metals Corporation	400	100	<ul style="list-style-type: none"> - Exploring and developing non-ferrous metal resources (e.g., copper and gold) - Manufacturing and marketing non-ferrous metal products (e.g., copper, gold, and silver) - Manufacturing and marketing electro-deposited copper foil and treated rolled copper foil - Manufacturing and marketing thin-film materials (e.g., target material, surface treatment material, and compound semiconductor material) - Manufacturing and marketing

Business Segment	Company Name	Capital stock (100 million yen)	Voting Rights Ratio (%)	Details of Major Business Activities
				precision rolled products and precision fabricated products - Non-ferrous metal recycling and industrial waste treatment
	Pan Pacific Copper Co., Ltd.	581	66	- Exploring and developing non-ferrous metal resources (e.g., copper and gold) - Manufacturing and marketing non-ferrous metal products (e.g., copper, gold, and silver)
Other Business	NIPPO CORPORATION	153	57.1	- Civil engineering work, including roadwork and pavement construction - Construction work
	Toho Titanium Co., Ltd.	120	50.4	- Manufacturing, processing, and marketing titanium metals

(Notes)

1. The voting rights ratio of Pan Pacific Copper Co., Ltd. is that held by JX Nippon Mining & Metals Corporation, which invests in Pan Pacific Copper Co., Ltd.
2. Pan Pacific Copper Co., Ltd., conducted a capital increase through rights offering having JX Nippon Mining & Metals Corporation and Mitsui Mining & Smelting Co., Ltd., as the recipients, resulting in capital stock of 55.0 billion yen as of September 28, 2012, and capital stock of 58.1 billion yen as of March 7, 2013.
3. Toho Titanium Co., Ltd. conducted a third-party allotment having the Company and Nippon Steel Corporation (n.k.a. Nippon Steel & Sumitomo Metal Corporation) as the recipients, which as of May 1, 2012, resulted in capital stock of 12.0 billion yen with the Company having 50.4% of the voting rights in Toho Titanium Co., Ltd.

(9) Main Business Offices and Plants (as of March 31, 2013)

● JX Holdings, Inc.

Head Office	6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo
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● Energy Business (JX Nippon Oil & Energy Corporation)

Head Office	6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo	
Laboratory	Central Technical Research Laboratory (Yokohama City)	
Refineries and Plants	Muroran Refinery (Muroran City)	Sendai Refinery (Sendai City)
	Kashima Refinery (Kamisu City)	Negishi Refinery (Yokohama City)
Refineries and Plants	Osaka Refinery (Takaishi City)	Mizushima Refinery (Kurashiki City)
	Marifu Refinery (Waki-cho, Kuga-gun, Yamaguchi)	Oita Refinery (Oita City)
	Kawasaki Plant (Kawasaki City)	Yokohama Plant (Yokohama City)
	Chita Plant (Chita City)	
Branch Offices	Hokkaido (Sapporo City)	Tohoku (Sendai City)
	Kanto I (Chiyoda-ku, Tokyo)	Kanto II (Chiyoda-ku, Tokyo)
	Tokyo (Chiyoda-ku, Tokyo)	Chubu (Nagoya City)
	Kansai (Osaka City)	Chugoku (Hiroshima City)
	Kyushu (Fukuoka City)	Okinawa (Naha City)
Overseas Operating Sites (Offices and Plants)	South Korea (Seoul)	China (Beijing, Shanghai, and others)
	Taiwan (Gaoxiong)	Australia (Sydney)
	Vietnam (Ho Chi Minh, and Hai Phong)	Thailand (Bangkok)
	Singapore (Singapore)	Indonesia (Jakarta, and West Java)
	India (New Delhi)	U.S. (Chicago, Los Angeles, and others)
	Brazil (Sao Paulo)	France (Aix-en-Provence)
	U.K. (London)	Russia (Moscow)
	United Arab Emirates (Abu Dhabi and Dubai)	

(Notes)

1. The information above includes the operating sites of JX Nippon Oil & Energy Corporation's group companies.
2. The Dealers Sales Branch Office was closed down on June 30, 2012. The Kanto Branch Office was renamed as the Kanto I Branch Office, and a new Kanto II Branch Office (Chiyoda-ku, Tokyo) was established as of July 1, 2012.
3. A new group company office was established in Seoul, South Korea, as of July 1, 2012.
4. A new group company office was established in Hai Phong, Vietnam, as of September 28, 2012.
5. A new office will be established in New York, the United States, as of July 1, 2013.

- **Oil and Natural Gas Exploration and Production Business (JX Nippon Oil & Gas Exploration Corporation)**

Head Office	6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo	
Oil and Gas Field	Nakajo Oil and Gas Field (Tainai City)	
Overseas Operating Sites (Offices)	Australia (Brisbane and Perth) Indonesia (Jakarta) U.S. (Houston) Libya (Tripoli)	Vietnam (Ho Chi Minh and Vung Tau) Malaysia (Kuala Lumpur and Miri) U.K. (London) Qatar (Doha)

(Note)

The information above includes the operating sites of the group companies of JX Nippon Oil & Gas Exploration Corporation.

- **Metals Business (JX Nippon Mining & Metals Corporation)**

Head Office	6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo	
Laboratory	Technology Development Center (Hitachi City)	
Offices, Smelters, and Works	<Smelting and Copper Refining> Saganoseki Smelter & Refinery (Oita City) Hitachi Works (Hitachi City) Tamano Smelter (Tamano City)	
	<Recycling & Environmental Services> Hitachi Works (Hitachi City) Tsuruga Plant (Tsuruga City)	
	<Electronic Materials> Hitachi Works (Hitachi City) Kurami Works (Samukawa-machi, Koza-gun, Kanagawa) Isohara Fabricating Works (Kita Ibaraki City) Isohara Works (Kita Ibaraki City) Kakegawa Works (Kakegawa City)	
Overseas Operating Sites (Offices, Works, and Mines)	South Korea (Ulsan and Pyeongtaek) Taiwan (Ba De, Guan Yin, and others) Singapore (Singapore) Malaysia (Johore) Peru (Lima and Quechua) Germany (Frankfurt and Baden-Wurttemberg)	China (Suzhou, Changzhou, and others) Australia (Brisbane) Philippines (Laguna) U.S. (Arizona) Chile (Santiago, Caserones, and others)

(Notes)

1. The information above includes the operating sites of the group companies of JX Nippon Mining & Metals Corporation.
2. Construction of a new works of a group company in Kakegawa City was completed as of February 14, 2013.

- **Other Business**

<NIPPO CORPORATION>

Head Office	19-11, Kyobashi 1-chome, Chuo-ku, Tokyo	
Laboratory	NIPPO Technical Center, Technical Research Center (Saitama City)	
Branch Offices	Hokkaido (Sapporo City)	Tohoku (Sendai City)
	Kanto Daiichi (Shinjuku-ku, Tokyo)	Kanto Daini (Shinagawa-ku, Tokyo)
	Hoku-shinetsu (Niigata City)	Chubu (Nagoya City)
	Kansai (Osaka City)	Shikoku (Takamatsu City)
	Chugoku (Hiroshima City)	Kyushu (Fukuoka City)
	Kanto Architectural (Shinagawa-ku, Tokyo)	

<Toho Titanium Co., Ltd.>

Head Office	3-5, Chigasaki 3-chome, Chigasaki City, Kanagawa	
Plants	Chigasaki Plant (Chigasaki City)	Wakamatsu Plant (Kitakyushu City)
	Yahata Plant (Kitakyushu City)	Hitachi Plant (Hitachi City)
	Kurobe Plant (Kurobe City)	

(10) Employees (as of March 31, 2013)

Business Segment and Category	Number of Employees (persons)	
JX Holdings, Inc.	97	[0]
Energy Business	13,990	[7,261]
Oil and Natural Gas E&P Business	682	[24]
Metals Business	5,444	[265]
Other Business	5,356	[2,508]
Total	25,569	[10,058]

(Notes)

1. The number of employees indicates the number of employees at the Company and its consolidated subsidiaries.
2. The numbers in brackets indicate temporary employees (the average annual number of persons engaged). Temporary employees are not included in the non-bracketed numbers.

(11) Main Lenders and Loans Payable (as of March 31, 2013)

Lender	Balance of Loans Payable (100 million yen)
Mizuho Corporate Bank, Ltd.	2,892
Japan Oil, Gas and Metals National Corporation	2,843
Sumitomo Mitsui Banking Corporation	2,263
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,030
Japan Bank for International Cooperation	1,466

2. Matters Concerning Shares (as of March 31, 2013)

- **Total number of authorized shares:** 8,000,000,000 shares
- **Total number of issued shares:** 2,495,485,929 shares
- **Number of shareholders:** 174,278 shareholders
- **Large Shareholders (top ten (10))**

Shareholders' Names	Number of Shares Held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Unit)	160,568	6.44
Japan Trustee Services Bank, Ltd. (Trust Unit)	154,092	6.18
Japan Trustee Services Bank, Ltd. (Trust Unit 9)	69,354	2.78
Mizuho Corporate Bank, Ltd.	65,451	2.62
Sumitomo Mitsui Banking Corporation	65,398	2.62
SSBT OD05 Omnibus Account - Treaty Clients	51,213	2.05
Mitsubishi Corporation	48,615	1.95
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	38,920	1.56
INPEX Corporation	33,264	1.33
JP Morgan Chase Bank 380055	27,738	1.11

(Note) Shareholding ratio is calculated excluding treasury stock (5,613,049 shares).

3. Matters Concerning the Company's Directors and Corporate Auditors

(1) Names, etc. of Directors and Corporate Auditors (as of March 31, 2013)

Name	Position	Responsibilities (important concurrent office), etc.
Yasushi Kimura	Representative Director and Chairman of the Board	(Representative Director and Chairman of the Board of JX Nippon Oil & Energy Corporation)
Isao Matsushita	Representative Director and President	President and Executive Officer
Ichiro Uchijima	Director	Senior Vice President and Executive Officer, responsible for Corporate Planning Dept. II, and Finance & Investor Relations Dept.
Junichi Kawada	Director	Senior Vice President and Executive Officer, responsible for General Administration Dept., and Legal and Corporate Affairs Dept.
Rentaro Tonoike	Director	Senior Vice President and Executive Officer, responsible for Corporate Planning Dept. I
Akira Omachi	Director	Senior Vice President and Executive Officer, responsible for Internal Audit Dept., and Controller Dept.
Seiichi Isshiki	Director	(Representative Director and President (President and Executive Officer) of JX Nippon Oil & Energy Corporation)
Yukio Uchida	Director	(Director (Executive Vice President and Executive Officer) of JX Nippon Oil & Energy Corporation)
Shigeo Hirai	Director	(Representative Director and President (President and Executive Officer) of
Yoshimasa Adachi	Director	JX Nippon Oil & Gas Exploration Corporation) (Representative Director and President (President and Executive Officer) of JX Nippon Mining & Metals Corporation; Representative Director and President (President and Executive Officer) of Pan Pacific Copper Co., Ltd.)

Name	Position	Responsibilities (important concurrent office), etc.
Etsuhiko Shoyama	Outside Director	[Independent Director] (Senior Corporate Advisor to Hitachi, Ltd.)
Masahiro Sakata	Outside Director	[Independent Director] (Attorney-at-Law, Of Counsel at Anderson Mori & Tomotsune)
Hiroshi Komiyama	Outside Director	[Independent Director] (Chairman of Mitsubishi Research Institute, Inc.)
Hiroko Ota	Outside Director	[Independent Director] (Professor at the National Graduate Institute for Policy Studies)
Fumio Ito	Full-time Corporate Auditor	
Hideo Tabuchi	Full-time Corporate Auditor	
Hidehiko Haru	Outside Corporate Auditor	[Independent Corporate Auditor]
Hiroyasu Watanabe	Outside Corporate Auditor	[Independent Corporate Auditor] (Professor at Graduate School of Finance, Accounting and Law, Waseda University)
Mitsudo Urano	Outside Corporate Auditor	[Independent Corporate Auditor] (Representative Director and Chairman of Nichirei Corporation)
Hideki Nakagome	Outside Corporate Auditor	[Independent Corporate Auditor] (Partner at Fuji Partnership Law Office (<i>Fuji Godo Houritsujimusho</i>))

(Notes)

1. Mr. Rentaro Tonoike, Mr. Akira Omachi, Mr. Seiichi Isshiki, Mr. Yukio Uchida, Mr. Yoshimasa Adachi, and Ms. Hiroko Ota have assumed the office of director after having been newly elected at the second ordinary general meeting of shareholders held on June 27, 2012.
2. Mr. Shinji Nishio, Mr. Mitsunori Takahagi, Mr. Kiyonobu Sugiuchi, Mr. Yukio Yamagata, Mr. Kazuo Kagami, Mr. Makoto Koseki, Mr. Masanori Okada, and Mr. Juichi Takamura retired as directors upon the expiration of their terms of office at the conclusion of the second ordinary general meeting of shareholders held on June 27, 2012.
3. Mr. Hideki Nakagome has assumed the office of corporate auditor after having been newly elected at the second ordinary general meeting of shareholders held on June 27, 2012.
4. Mr. Masao Fujii resigned as corporate auditor upon the conclusion of the second ordinary general meeting of shareholders held on June 27, 2012.
5. Mr. Hidehiko Haru, the Outside Corporate Auditor, has long been in charge of the Controller Division at Tokyo Electric Power Company. He also has experience serving as a member of the Bank of Japan's Policy Board, having a considerable amount of knowledge and insight regarding finance and accounting.
6. Mr. Hiroyasu Watanabe, the Outside Corporate Auditor, has long worked at the Ministry of Finance (*Okurasho*) (current Ministry of Finance (*Zaimusho*)), and has held positions such as the Minister of the National Tax Agency. He is also a professor of the Graduate School of Finance, Accounting and Law, Waseda University, having a considerable amount of knowledge and insight regarding finance and accounting.
7. No relationship exists between important concurrent offices held by any of the outside directors or

outside corporate auditors, and the Company, that needs to be specifically indicated herein.

8. Each of the Outside Directors Mr. Etsuhiko Shoyama, Mr. Masahiro Sakata, Mr. Hiroshi Komiyama, and Ms. Hiroko Ota, and each of the Outside Corporate Auditors Mr. Hidehiko Haru, Mr. Hiroyasu Watanabe, Mr. Mitsudo Urano, and Mr. Hideki Nakagome are independent directors or independent corporate auditors based on the rules of each stock exchange in Tokyo, Osaka, and Nagoya on which the Company is listed.

(2) Remunerations for Directors and Corporate Auditors (for the fiscal year 2012)

Grantee	Total Remuneration Amount (million yen)	Number of Grantees (persons)
Directors (Outside Directors)	412 (62)	22 (5)
Corporate Auditors (Outside Corporate Auditors)	113 (41)	7 (5)
Total (Outside Directors, and Outside Corporate Auditors)	525 (103)	29 (10)

(Notes)

1. The information above includes the amount of Remunerations for eight directors (including one outside director), and one corporate auditor (outside corporate auditor) who retired upon the conclusion of the second ordinary general meeting of shareholders held on June 27, 2012.
2. The information above includes the amount of bonuses for the fiscal year 2012, payment of which the directors and corporate auditors are to be granted after the Company's third ordinary general meeting of shareholders.

(3) Matters Concerning Determination of the Remunerations for Directors and Corporate Auditors

- **Maximum Limit of the Remunerations for Directors and Corporate Auditors**

The maximum limit of the Remunerations for directors and corporate auditors was resolved at the Company's first ordinary general meeting of shareholders as follows:

- A. The total amount of the Remunerations for directors shall be not more than 1.1 billion yen (including not more than 200 million yen for outside directors) per one (1) fiscal year. This does not include salaries and bonuses for the employees who concurrently hold the position of director.
- B. The total amount of the Remunerations for corporate auditors shall be not more than 200 million yen per one (1) fiscal year.

The Remunerations for directors are paid within the limits mentioned in item A, based on the policy described in the following paragraph. In addition, the Remunerations for corporate auditors are set as fixed-amount remuneration for the purpose of independence in their duties, and are paid within the limits mentioned in item B above based on discussions with each corporate auditor.

- **Policies regarding Determination of the Calculation Method for the Remunerations for Directors**

The Remunerations for directors are structured reflecting the Company's business results for the relevant fiscal year, consisting of two (2) types of payments, the fixed-amount remuneration paid every month according to each director's role, and the bonuses the amount of which changes according to consolidated ordinary income. The policies for determining the Remunerations is decided by resolutions of the Board of Directors' meetings after deliberations at and reporting by the Remuneration Advisory Committee (consisting of two (2) outside directors and two (2) representative directors; chaired by an outside director.)

(4) Matters Concerning Outside Directors and Outside Corporate Auditors

- **Attendance at Board of Directors' Meetings**

Outside Director		Outside Corporate Auditor	
Etsuhiko Shoyama	13 out of 13 times	Hidehiko Haru	13 out of 13 times
Masahiro Sakata	13 out of 13 times	Hiroyasu Watanabe	13 out of 13 times
Hiroshi Komiyama	10 out of 13 times	Mitsudo Urano	11 out of 13 times
Hiroko Ota	10 out of 10 times	Hideki Nakagome	10 out of 10 times

- **Attendance at Board of Corporate Auditors' Meetings**

Outside Corporate Auditor	
Hidehiko Haru	15 out of 15 times
Hiroyasu Watanabe	15 out of 15 times
Mitsudo Urano	13 out of 15 times
Hideki Nakagome	11 out of 11 times

- **Statements at Board of Directors' Meetings**

Making use of their abundant expertise and experience, each outside director and outside corporate auditor inquired about and offered his or her opinion at Board of Directors' meetings from an objective and fair stance on each matter to be resolved, such as important investments, and on each matter to be reported, such as the business execution status. They also provided recommendations for the Company to ensure thorough compliance.

- **Statements at Board of Corporate Auditors' Meetings**

At Board of Corporate Auditors' Meetings, each outside corporate auditor inquired about and offered his opinion on matters such as the businesses of the Company and the group companies, and the status of management control from the perspective of auditing the execution of duties by directors and employees.

- **Other Activities**

- A. Together with the full-time corporate auditors, each outside corporate auditor regularly exchanged with the representative directors or the like, his opinion on the JX Group's overall management, and engaged in activities to further improve the soundness of the management.
- B. Making use of their abundant expertise and experience, the Outside Directors, Mr. Etsuhiko Shoyama and Mr. Masahiro Sakata, inquired and offered, at the Remuneration Advisory Committee, their opinions from an objective and fair stance on the matters regarding

remuneration and bonuses that are to be reported to the Board of Directors.

- **Outline of the Contents of the Liability Limitation Agreement**

- A. The Company has, pursuant to Article 427, paragraph 1 of the Japanese Companies Act and Article 23 of the Articles of Incorporation of the Company, concluded with its four (4) outside directors, an agreement (the liability limitation agreement) that limits the liability for damages which an outside director owes to the company under Article 423, paragraph 1 of the Japanese Companies Act, agreeing to limit these outside directors' liability to the amount (the amount equal to the outside director's Remunerations for two years) set forth in Article 425, paragraph 1 of the Japanese Companies Act if these outside directors are without knowledge and are not grossly negligent in conducting their duties.

- B. The Company has, pursuant to Article 427, paragraph 1 of the Japanese Companies Act and Article 33 of the Articles of Incorporation of the Company, concluded with its four (4) outside corporate auditors, an agreement (the liability limitation agreement) that limits the liability for damages which an outside corporate auditor owes to the company under Article 423, paragraph 1 of the Japanese Companies Act, agreeing to limit these outside corporate auditors' liability to the amount (the amount equal to the outside corporate auditor's Remunerations for two (2) years) set forth in Article 425, paragraph 1 of the Japanese Companies Act if these outside corporate auditors are without knowledge and are not grossly negligent in conducting their duties.

4. Matters Concerning the Accounting Auditor

(1) Name

Ernst & Young ShinNihon LLC

(2) Amount of the Remunerations (for the fiscal year 2012)

(million yen)

(i) Amount of the Remunerations as an accounting auditor of the Company	106
(ii) Total amount of monies and other property benefits to be paid by the Company and its subsidiaries	749

(Notes)

1. The audit agreement between the Company and the accounting auditor does not, and is practically unable to, distinguish between the amounts of audit remuneration for the audit based on the Japanese Companies Act and the audit based on the Japanese Financial Instruments and Exchange Act. Therefore, the amount stated in (i) above includes the amount of audit remuneration for the audit based on the Financial Instruments and Exchange Act.
2. The Company does not entrust non-audit services to Ernst & Young ShinNihon LLC.

(3) Policies on Determining Dismissal or Refusal of Reappointment of the Accounting Auditor

If breach of vocational obligation, misconduct, or the like occurs with the accounting auditor, the Company shall, based on a request from the Board of Corporate Auditors, or after obtaining consent from the Board of Corporate Auditors, propose to its general meeting of shareholders this accounting auditor's dismissal or refusal of reappointment. In addition, if breach of vocational obligation, misconduct, or the like occurs with the accounting auditor, and the Board of Corporate Auditors deems it necessary to immediately dismiss the accounting auditor without obtaining a resolution of a general meeting of shareholders, this accounting auditor shall be dismissed by the consent of all corporate auditors pursuant to provisions under Article 340 of the Japanese Companies Act.

5. The Contents of the Resolution on Development of Systems to Ensure the Properness of Operations

The contents of the resolution on the Company's development of the system (the internal control system) set forth in Article 362, paragraph 4, item 6 of the Japanese Companies Act are as follows:

Under the JX 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” – and the JX Group Values that it upholds – “Ethics, Advanced ideas, Relationship with society, Trustworthy products/services, Harmony with the environment” – the Company will develop, based on the following basic policies, a system aimed at ensuring the properness of operations (the internal control system), and shall operate this system.

In operating the internal control system, the Company shall make efforts to continuously improve the system by establishing the JX Group internal control meeting and the JX Group internal control committee, as well as by regularly monitoring the operational status, so that the internal system will be implemented across the entire JX Group and done so effectively.

1. System to Ensure that Execution of the Duties by the Directors and the Employees Complies with Laws and Regulations, and the Articles of Incorporation

- (1) The Company shall comply with laws and regulations, its articles of incorporation, and its rules, etc., in its entire operational spectrum by developing and enforcing rules aimed at fully ensuring compliance, so that the Company may carry out its corporate activities fairly and improve society's trust in the JX Group, whether in or outside of Japan.
- (2) The Company shall develop and operate organizational systems, such as committees, aimed at fully ensuring compliance, as well as regularly conduct inspection activities regarding the JX Group's status of compliance, and shall take appropriate measures that correspond to the inspection results.
- (3) The Company shall pursue early detection and early correction of breaching of laws and regulations, as well as develop and operate a whistleblowing system that cooperates with attorneys-at-law in order to appropriately protect the whistleblower complaining of a breach of laws and regulations.
- (4) In order to achieve appropriate operation of the Board of Directors' meetings, the Company shall establish the “Rules for the Board of Directors,” and based on these rules, hold the Board of Directors' meetings once every month in principle, and decide on execution of important business activities after thorough deliberations, as well as receive reports from directors in an appropriate manner on the status of execution of their duties.
- (5) By having outside directors and outside corporate auditors preside at the Board of Directors' meetings and participate in deliberations thereof, the Company shall aim at ensuring the objectivity and further improving the adequacy of decisions on execution of business activities.
- (6) The Company shall establish the Internal Audit Department, which will be in charge of internal auditing and which will implement audits independently from other divisions.
- (7) The Company shall develop and operate an internal control system aimed at ensuring trust in its

financial reporting, as well as evaluate the effectiveness of the reporting every year, and make any necessary corrections.

- (8) To prevent a relationship between the Company and anti-social forces, the Company shall set the basic policy for the entire JX Group, and each company under the JX Group shall develop and enforce the rules, etc. that correspond to each of their actual business activities, and fully ensure that the rules, etc. are complied with.

2. System for the Storage and Management of Information related to Execution of Duties by the Directors and the Employees

- (1) The execution of duties by the directors and the employees shall in principle be conducted in writing, and the rules, etc. on document preparation, management, or the like shall be established and enforced.
- (2) The Company shall properly prepare minutes of the Board of Directors' meetings based on laws and regulations, and shall develop and enforce rules, etc. on the preparation, approval process, storage, or the like of approval documents for each person in a management position.
- (3) The Company shall develop and enforce rules, etc. aimed at preventing wrongful use, disclosure, and divulgence of company information, and appropriately handling confidential information and personal information. In addition, the Company shall, through providing opportunities such as internal training, ensure that the employees fully comply with the rules, etc.
- (4) The Company shall appropriately prepare its business reports, financial statements, annual securities reports, and the like and disclose company information in a timely and appropriate manner based on the Japanese Companies Act, the Japanese Financial Instruments and Exchange Act, and the stock exchanges' Timely Disclosure Rules.

3. Rules and other Systems for the Management of Risk of Loss

- (1) In submitting an important subject, such as a substantial amount of investment, to the Board of Directors' meeting or the Executive Council's meeting, policies on treatment of risks pertaining to the subject shall be defined after sorting out the anticipated risk. In addition, the Company shall, as necessary, appoint outside legal, accounting, tax and other advisors, and seek their opinions.
- (2) The Company shall appropriately identify and analyze various risks that may impair the JX Group's corporate value, such as radical changes in the economy and financial conditions; drastic fluctuation in crude oil, copper metal, or other resource prices, or in currency exchange rates; and the occurrence of a large earthquake; and shall develop and enforce systems and rules, etc. aimed at dealing with these risks.
- (3) To prepare for an event where a crisis or emergency significantly affects the JX Group's management, the Company shall appropriately transmit and manage information regarding the crisis or the emergency, and shall develop and enforce systems and rules, etc. aimed at preventing the occurrence and expansion of damages.

4. System to Ensure Efficient Execution of Duties by Directors and Employees

- (1) The Company shall set forth in its "Rules on Organization and Authority" the organizational structure, management positions and business activity allocations in the Company, as well as the matters for approval and the approval authority that correspond to each skill and management

position, and have the duties executed in an efficient manner.

- (2) The matters to be resolved by the Board of Directors shall in principle be approved by the president in advance. In addition, on the granting of the president's approval, the Executive Council shall be established as a body that discusses the president's approval of the matter, and appropriate and efficient decision-making shall be conducted after the management of the Company and the core operating companies (each of JX Nippon Oil & Energy Corporation, JX Nippon Oil & Gas Exploration Corporation and JX Mining and Metals Corporation) have conducted examination and deliberation as a group.
- (3) The Company shall draw up a management plan for the next three (3) years in the Medium-Term Management Plan, and shall develop management control systems such as the budget system and the objectives management system.

5. System to Ensure Appropriateness of Businesses within the Corporate Group

- (1) Regarding the "JX Group Mission Statement" and the "JX Group Values," the Company shall define them as the management philosophies common to each company under the JX Group, and shall aim to disseminate them among and have them fully understood by each company.
- (2) The Company shall appropriately formulate the management plan as a group at the Board of Directors' meetings and the Executive Council's meetings. In addition, the Company shall have the officers and employees of the core operating companies preside at Executive Council's meetings as necessary, in addition to appointing as the Company's part-time directors the presidents of all the core operating companies, so that decision-making on subjects concerning execution of the core operating companies' business activities is appropriately conducted.
- (3) The Company shall set forth in its "Rules for the Board of Directors" and the "Rules on Organizations and Authority," the matters that should be submitted to the Company's Board of Directors' meetings and the Executive Council's meetings from among the matters regarding execution of the business activities of the core operating companies and other group companies, and shall enforce those rules in an appropriate manner.
- (4) The Company shall set forth in its "Rules on Operation of the JX Group" the basic matters regarding the operation of the group, such as the mission, purposes, basic role, structure of authority for decision-making in the Company, the core operating companies, and other group companies, as well as develop the rules, etc. that should be applied to the entire JX Group, and shall aim to have each company under the group share and comply with the rules, etc.
- (5) Regarding systems related to compliance, such as whistleblowing systems, the Company shall develop them as systems that include the core operating companies and other group companies, taking into account the business characteristics of each company.

6. System to Ensure Effective Auditing by the Corporate Auditors

- (1) The Company shall respect the audit standard and the audit plan set forth by the Board of Corporate Auditors, and shall cooperate in the smooth performance of audits and the development of conditions for an audit.
- (2) The Company shall take the measures necessary so that the corporate auditors are able to preside at important meetings, such as the Executive Council's meetings, and understand the process of making important decisions and the status of service execution. In addition, the Company shall

develop and operate systems so that appropriate reporting is conducted with regard to the matters which the corporate auditors request.

- (3) The Company shall immediately report to the corporate auditors when it finds facts regarding material breaches of laws and regulations or the articles of incorporation, fraudulent acts, or facts that could cause considerable damage to the Company.
- (4) The representative director and other management shall hold meetings with the corporate auditors from time to time, and exchange opinions on matters such as the JX Group's management issues.
- (5) The Internal Audit Department, which is in charge of internal audits, shall make efforts to maintain close cooperation with the corporate auditors.
- (6) The Company shall establish the Auditors Affairs Office as an organization independent from the business execution sections, and the employees appointed exclusively to the office shall assist in the corporate auditors' duties. Treatment of personnel, such as evaluation and transfer of the employees who belong to the Auditors Affairs Office, shall be determined after prior discussions with the full-time corporate auditors.

End

(Note) The figures stated in this business report have been obtained by rounding off fractions less than the unit indicated for each, and the ratios have been obtained by rounding off the fractions less than the digit indicated for each. However, the number of shares has been obtained by omitting fractions less than the unit indicated for each, and the ratios regarding shares have been obtained by omitting fractions less than the digit indicated for each.

Consolidated Financial Statements

Consolidated Balance Sheets (as of March 31, 2013)

(Millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	3,737,793	Current liabilities	3,317,485
Cash and deposits	250,098	Notes and accounts payable-trade	892,965
Notes and accounts receivable-trade	1,339,210	Short-term borrowings	841,863
Inventories	1,819,312	Commercial papers	449,000
Deferred tax assets	74,865	Accounts payable-other	763,732
Other	255,607	Income taxes payable	27,566
Allowance for doubtful accounts	(1,299)	Provision for loss on disaster	6,060
		Other provision	41,518
		Other	294,781
Non-current assets	3,537,098		
Property, plant and equipment	2,190,683	Non-current liabilities	1,629,974
Buildings, structures and oil tanks	384,811	Bonds payable	192,960
Machinery, equipment and vehicles	471,486	Long-term loans payable	1,019,817
Land	965,353	Deferred tax liabilities	134,005
Construction in progress	320,727	Provision for retirement benefits	93,860
Other	48,306	Provision for repairs	58,277
		Other	131,055
Intangible assets	134,845		
		Total liabilities	4,947,459
Investments and other assets	1,211,570	(Net assets)	
Investment securities	663,117	Shareholders' equity	1,896,433
Deferred tax assets	50,241	Common stock	100,000
Exploration and development investments	403,564	Capital surplus	746,711
Other	106,156	Retained earnings	1,053,576
Allowance for doubtful accounts	(11,508)	Treasury stock	(3,854)
		Accumulated other comprehensive income	46,321
		Unrealized gain on securities	35,260
		Unrealized gain on hedging derivatives	7,768
		Foreign currency translation adjustments	3,293
		Minority interests	384,678
		Total net assets	2,327,432
Total assets	7,274,891	Total liabilities and net assets	7,274,891

Consolidated Statements of Income (from April 1, 2012 to March 31, 2013)

(Millions of yen)

Account title	Amount	
Net sales		11,219,474
Cost of sales		10,431,380
Gross profit		788,094
Selling, general and administrative expenses		536,627
Operating income		251,467
Non-operating income		
Interest income	2,611	
Dividends income	31,999	
Equity in earnings of affiliates	59,698	
Other	29,557	123,865
Non-operating expenses		
Interest expenses	25,244	
Foreign currency exchange loss	7,772	
Other	14,016	47,032
Ordinary income		328,300
Special income		
Gain on sales of non-current assets	9,813	
Gain on sales of investment securities	287	
Other	5,290	15,390
Special loss		
Loss on sales of non-current assets	2,706	
Loss on disposal of non-current assets	12,046	
Impairment loss	25,810	
Loss on step acquisitions	1,939	
Restructuring cost	10,998	
Other	18,151	71,650
Income before income taxes and minority interests		272,040
Income taxes-current	72,493	
Income taxes-deferred	8,487	80,980
Income before minority interests		191,060
Minority interests in income		31,583
Net income		159,477

Consolidated Statements of Changes in Net Assets (from April 1, 2012 to March 31, 2013)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2012	100,000	746,711	933,573	(3,722)	1,776,562
Changes in the consolidated fiscal year					
Dividends from surplus			(39,838)		(39,838)
Net income			159,477		159,477
Purchase of treasury stock				(26)	(26)
Disposal of treasury stock				1	1
Change of scope of consolidation			(132)		(132)
Change of scope of equity method			496		496
Change in equity in affiliates accounted for by equity method-treasury stock				(107)	(107)
Net changes of items other than shareholders' equity					
Total changes in the consolidated fiscal year	-	-	120,003	(132)	119,871
Balance as of March 31, 2013	100,000	746,711	1,053,576	(3,854)	1,896,433

	Accumulated other comprehensive income				Minority interests	Total net assets
	Unrealized gains or losses on securities	Unrealized gains or losses on hedging derivatives	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance as of April 1, 2012	24,802	5,928	(63,089)	(32,359)	300,549	2,044,752
Changes in the consolidated fiscal year						
Dividends from surplus						(39,838)
Net income						159,477
Purchase of treasury stock						(26)
Disposal of treasury stock						1
Change of scope of consolidation						(132)
Change of scope of equity method						496
Change in equity in affiliates accounted for by equity method-treasury stock						(107)
Net changes of items other than shareholders' equity	10,458	1,840	66,382	78,680	84,129	162,809
Total changes in the consolidated fiscal year	10,458	1,840	66,382	78,680	84,129	282,680
Balance as of March 31, 2013	35,260	7,768	3,293	46,321	384,678	2,327,432

(Reference)

Consolidated Statements of Cash Flows (from April 1, 2012 to March 31, 2013)

(Millions of yen)

Account title	Amount
Net cash provided by operating activities	265,571
Net cash used in investing activities	(426,110)
Net cash used in financing activities	154,104
Effect of exchange rate change on cash and cash equivalents	14,068
Net increase in cash and cash equivalents	7,633
Cash and cash equivalents at beginning of period	241,035
Increase in cash and cash equivalents from newly consolidated subsidiary	92
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(43)
Increase in cash and cash equivalents resulting from merger	414
Cash and cash equivalents at end of period	249,131

Notes to Consolidated Financial Statements

1. Notes to Important Matters Fundamental to Preparation of Consolidated Financial Statements

(1) Matters relating to the Scope of Consolidation

- (i) Number of consolidated subsidiaries: 149 companies
Names of major consolidated subsidiaries:
JX Nippon Oil & Energy Corporation, JX Nippon Oil & Gas Exploration Corporation, JX Nippon Mining and Metals Corporation, Pan Pacific Copper Co., Ltd., NIPPO CORPORATION, and Toho Titanium Co., Ltd.
- (ii) Name of major non-consolidated subsidiary: Shibushi Oil Storage Co., Ltd.
(Reason for excluding the company from the consolidation)
All non-consolidated companies are small-sized, and none of their total aggregate assets, net sales, net loss (gain) (amount equal to equity), and retained earnings (amount equal to equity), or the like had any material effect on the consolidated financial statements.
- (iii) Change in the scope of consolidation:
All of the following companies have been added to the scope of the consolidation: MFN Investment LLC, MLCC Finance Netherlands B.V., Japan Frontera Resources B.V., and J&S Fleet Holdings Corporation, as a result of being newly established; Sunny Durban Maritime S.A., due to an increase in its importance; and Ikko Co., Ltd., Hatsuko Sekiyu Hanbai Kabushiki Kaisha, Kabushiki Kaisha I.O, and SUZUYO ENERGY CO., LTD., due to the new acquisition of shares.
As a result of the absorption-type merger of YUYO STEAMSHIP CO.,LTD. by JX Shipping Co., Ltd. (formerly Nissho Shipping Co., Ltd.), Barrington Shipping Incorporated, a subsidiary of YUYO STEAMSHIP CO.,LTD., and twelve other companies have been added to the scope of the consolidation. All of the following companies are excluded from the scope of the consolidation: Nippon Tanker Co., Ltd., due to its merger with Showa Nittan Corporation (formerly Showa Yusosen Co., Ltd.); JX Nippon Oil & Energy Lubricants America LLC, due to its merger with JX Nippon Oil & Energy USA Inc; JX Metals Precision Technology Corporation, due to its merger with Sanyu Electronic Industrial Co., Ltd.; and Nikko Fuji Electronics Dongguan Co., Ltd., and three other companies due to their liquidation. Sanyu Electronic Industrial Co., Ltd. has changed its trade name to JX Metals Precision Technology Corporation after the merger.

(2) Matters relating to the Application of the Equity Method

- (i) Number of non-consolidated subsidiaries accounted for by the equity method: Two (2) companies
Names of non-consolidated subsidiaries accounted for by the equity method:
Shinsui Marine Co., Ltd., Globe Energy Co., Ltd.*
(* In April 2013, Globe Energy Co., Ltd. changed its trade name to "ENEOS Globe Energy Co., Ltd.")
- (ii) Number of affiliates accounted for by the equity method: 30 companies
Names of major affiliates accounted for by the equity method:
Abu Dhabi Oil Co., Ltd., United Petroleum Development Co., Ltd., LS-Nikko Copper Inc., Minera Los Pelambres
- (iii) Change in the scope of application of the equity method
Showa Nittan Corporation (formerly Showa Yusosen Co., Ltd.) has become a company accounted for using the equity method, as the equity holding ratio increased due to the merger with Nippon Tanker Co., Ltd. YUYO STEAMSHIP CO.,LTD. is now excluded from the scope of affiliates accounted for using the equity method, due to its merger with JX Shipping Co., Ltd. (formerly Nissho Shipping Co., Ltd.).
- (iv) The non-consolidated subsidiaries and affiliates (Seibu Nisso Company Ltd., and the like) not accounted for by the equity method hardly affect the net loss (gain) (amount equal to equity) and retained earnings (amount equal to equity), or the like of the Company, and have no importance as a whole.
- (v) Regarding the companies that are accounted for by the equity method and do have a balance sheet date different from the consolidated balance sheet date, the financial statements relating to their respective fiscal years have been used.

(3) Matters relating to the Fiscal Year, and the like of Consolidated Subsidiaries

The balance sheet date of one of the consolidated subsidiaries, SUZUYO ENERGY CO., LTD., is August 31. Accordingly, we have used its financial statements prepared based on its provisional settlement of accounts as of February 28.

The balance sheet dates of seven (7) Japanese entities, including Japan Vietnam Petroleum Co., Ltd., and 39 overseas entities, including JX Nippon Exploration and Production (U.K.) Ltd., are December 31. As the difference between their balance sheet dates and our consolidated balance sheet date does not exceed three months, we have used their financial statements as of their balance sheet dates. We have made adjustments of important transactions that have occurred between the balance sheet dates of these companies and our consolidated balance sheet date, as required for consolidated accounting.

(4) Matters relating to Accounting Standards

- (i) Valuation standards and valuation method for important assets
- Inventories
Valued primarily at cost based on the average method (the amounts in the balance sheets are calculated by writing down the book value due to any decrease in profitability)
 - Securities
 - (a) Held-to-maturity bonds:
Valued at their amortized cost (the straight-line method)

- (b) Other securities
- Marketable securities:
Valued at fair value as of the consolidated balance sheet date. (Valuation differences are included directly in shareholders' equity. Cost of securities sold is determined by primarily the moving-average method.)
- Non-marketable securities:
Valued primarily at cost based on the moving-average method .
- Net accounts receivable and accounts payable that accrue through derivative transactions
Valued at fair value.
- (ii) Method of depreciation of important depreciable assets
- Property, plant and equipment (excluding leased assets)
The straight-line method is primarily adopted. Major expected lifetime is as follows:

Buildings, structures, and oil tanks	two (2) to 50 years
Machinery and vehicles	two (2) to 20 years
 - Intangible assets (excluding leased assets)
The straight-line method is primarily adopted. Software for the Company's own use is amortized based on the authorized period of internal use (five (5) years), and the mining rights are primarily amortized using the output method.
 - Leased assets
The lease period is treated as the expected lifetime, and the straight-line method assuming no residual value is adopted. Regarding the finance lease transactions that do not result in transfer of ownership, those with lease commencement dates that begin before March 31, 2008, are depreciated by applying an accounting treatment that is equivalent to the method used for ordinary lease transactions.
- (iii) Recording standards for important provisions
- Allowance for doubtful accounts
To prepare for bad debt losses of accounts receivable and loans receivable, and the like, the estimated uncollectable amounts on general accounts receivable are recorded using the historical experience of the bad debt ratio, and the estimated uncollectable amounts on specific accounts, such as doubtful accounts receivable, are recorded by separately assessing their collectability.
 - Provision for loss on disaster
To prepare for payments of rehabilitation costs, and the like due to the Great East Japan Earthquake, the estimates of these payments are recorded.
 - Provision for retirement benefits
Provision for retirement benefits, which are provided for future pension and severance to be paid at retirement, are recorded at the amount actuarially computed based on the projected benefit obligation and the estimated fair value of plan assets at the end of the fiscal year. Prior service cost is amortized as incurred using the straight-line method, principally over five (5) years. Actuarial gain or loss is amortized commencing in the subsequent period by the straight-line method, principally over five (5) years.
 - Provision for repairs
To prepare for payment on future repairs, inspection and repair costs related to oil tanks for which periodic overhaul inspections are required by the Japanese Fire Service Act, machinery equipment at refineries, vessels and the like, are allocated over the relevant period, and the amounts for the current consolidated fiscal year are recorded.
- (iv) Other important matters for preparation of consolidated financial statements
- The standards for converting important assets and liabilities in foreign currency into Japanese yen
The monetary accounts receivable and accounts payable in foreign currency are converted into yen using the spot exchange rate as of the consolidated balance sheet date, and the conversion difference is handled as profit or loss. In addition, the assets and liabilities of foreign subsidiaries, and the like are converted into yen using the spot exchange rate as of the consolidated balance sheet date. Revenues and expenses of foreign subsidiaries are converted into yen using the average rate during the fiscal year, and the conversion difference is recorded in "foreign currency translation adjustments" and "minority interests" under "net assets" in the balance sheets.
 - The method for important hedge accounting
Deferred hedge accounting is adopted. The designation method is adopted with foreign exchange forward contracts and currency swaps upon satisfaction of this method's requirements, and the exception method is adopted with interest swaps upon satisfaction of this method's requirements.
 - Accounting treatment of consumption tax, and the like
The net of tax method is used.
 - Application of the consolidated tax payment system
The consolidated tax payment system is applied.
 - Accounting treatment of exploration and development investment accounts
Regarding the petroleum and natural gas exploration and development business, acquisition costs of concessions, exploration and development costs, interest paid and the like until commencement of production are capitalized. After production commences, the accounts are primarily amortized by the units-of production method.

- (v) Goodwill amortization method and term
Goodwill is amortized by the straight-line method over the period during which the influence of the goodwill shall apply.

2. Notes to Changes in Presentation Method

In the previous consolidated fiscal year, the item "gain on negative goodwill" was presented as an independent item under "special income" in the consolidated balance sheet. However, in the current consolidated fiscal year, it is presented as included in the item "other" under "special income," as its importance has decreased. The amount of "gain on negative goodwill" for the previous consolidated fiscal year was 9,393 million yen.

3. Notes to the Consolidated Balance Sheet

(1) Assets Offered as Security, and Obligations relating to Security

- (i) Assets offered as security
- | | |
|--------------------------------|---------------------|
| Property, plant and equipment: | 887,166 million yen |
| Cash and deposits: | 15,890 million yen |
| Other: | 30,495 million yen |

In addition to the above, shares of the consolidated subsidiary in the amount of 91,919 million yen, which have been eliminated by being offset under the consolidation procedures, are also offered as security.

- (ii) Obligations related to security
- | | |
|--|---------------------|
| Accounts payable-other: | 150,161 million yen |
| Long-term loans payable (including current portion): | 120,872 million yen |
| Other: | 2,496 million yen |

The obligations corresponding to the assets offered as security include, in addition to (ii) above, the transaction guarantee of 893 million yen, and loans payable by affiliates, or the like of 18,048 million yen.

- (2) Accumulated Depreciation of Property, Plant and Equipment: 3,575,117 million yen
- (3) Guarantee Obligations
- | | |
|--|--------------------|
| Guarantees to loans from financial institutions, or the like by companies, or the like other than the consolidated subsidiaries: | 81,558 million yen |
| Guarantees to employees' loans (housing funds): | 5,712 million yen |

4. Notes to the Consolidated Statement of Changes in Net Assets

- (1) Class and Total Number of Issued Shares: Common stock 2,495,485,929 shares

(2) Dividends from Surplus

(i) Dividends paid

Resolution	Share Class	Total Dividends (millions of yen)	Dividends per Share (yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 27, 2012	Common stock	19,919	8.0	March 31, 2012	June 28, 2012
Board of Directors' Meeting held on November 5, 2012	Common stock	19,919	8.0	September 30, 2012	December 7, 2012

- (ii) Dividends with record date falling in the current consolidated fiscal year, and with effective date coming in the following fiscal term

Scheduled Resolution Date	Share Class	Source of Dividends	Total Dividends (millions of yen)	Dividends per Share (yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders to be held on June 26, 2013	Common stock	Retained earnings	19,919	8.0	March 31, 2013	June 27, 2013

5. Notes to Financial Instruments

(1) Matters relating to Status of Financial Instruments

The JX Group is procuring necessary funds (mainly through bank loans and bond issuances), according to its capital investment plan. Temporary surplus funds are managed as financial assets with a high level of security, and short-term operating funds are procured through bank loans and commercial papers. Derivatives are used within the scope of actual demand, and the JX Group's policy is to not engage in any speculative transactions.

(2) Matters relating to Fair Value, and the like of Financial Instruments

The amounts reported in the consolidated balance sheet, the fair values as of March 31, 2013, and the differences between them are as follows:
(Unit: millions of yen)

	Amount Reported in the Consolidated Balance Sheet	Fair Value	Differences
(i) Notes receivable-trade, and accounts receivable-trade	1,339,210	1,339,210	—
(ii) Investment securities	225,704	225,704	—
(iii) Notes payable-trade, and accounts payable-trade	892,965	892,965	—
(iv) Short-term borrowings (*1)	701,046	701,046	—
(v) Commercial papers	449,000	449,000	—
(vi) Accounts payable-other	763,732	763,732	—
(vii) Long-term loans payable (*1)	1,160,634	1,178,318	17,684
(viii) Derivative transactions (*2)	8,116	(10,212)	(18,328)

(*1) The current portion of long-term loans payable is included in the long-term loans payable in (vii) above.

(*2) The net claims and obligations that accrued from derivative transactions are presented in net amounts, and the items with total amounts that will result in net obligations are presented in brackets “()”.

(Note 1) The calculation method of the fair value of financial instruments, and the matters relating to securities and derivative transactions:

Notes receivable-trade and accounts receivable-trade in (i), notes payable-trade and accounts payable-trade in (iii), short-term borrowings in (iv), commercial papers in (v), and accounts payable-other in (vi) above, are all to be settled in a short period, so their fair value is very close to their book value. Therefore, the amounts presented above are based on their book values.

Investment securities in (ii) above

Regarding the fair value of investment securities in (ii), the fair value of shares is based on the price quoted on stock exchanges, and the bonds are based on the prices quoted on stock exchanges or the price presented by the financial institution with which the JX Group has its account.

Long-term loans payable in (vii) above

The fair value of long-term loans payable is calculated by the present value obtained by deducting the interest rate expected in the case where new similar loans are made from the total amount of the principal and interest.

Derivative transactions in (viii) above

The value of derivative transactions is calculated based on the market price on futures markets for commodity and current exchanges, or the like, as well as the price, or the like presented by the financial institution with which the JX Group has its account.

(Note 2) The unlisted shares and bonds (the amount reported in the consolidated balance sheet: 414,464 million yen) have no market price, and it is impossible to estimate their cash flow in the future, so it is considered extremely difficult to fully understand their fair value. Therefore, they are not included in the investment securities in (ii) above.

6. Notes to Per-share Information

Net assets per share: 781.30 yen
Net income per share: 64.13 yen

Non-Consolidated Financial Statements

Non-consolidated Balance Sheets (as of March 31, 2013)

(Millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	897,241	Current liabilities	913,526
Cash and deposits	53	Short-term borrowings	408,149
Operating accounts receivable	449	Commercial papers	449,000
Short-term loans receivable from subsidiaries and affiliates	873,341	Current portion of bonds	40,000
Accounts receivable-other	22,664	Accrued expenses	4,655
Other	733	Income taxes payable	7
		Provision for employees' bonuses	348
		Other	11,366
Non-current assets	2,204,042	Non-current liabilities	937,807
Property, plant and equipment	56,598	Bonds payable	190,000
Buildings and structures	3,701	Long-term loans payable	622,398
Land	49,205	Long-term loans payable to subsidiaries and affiliates	106,986
Other	3,692	Deferred tax liabilities	18,251
Intangible assets	356	Other	172
		Total liabilities	1,851,333
Investments and other assets	2,147,088	(Net assets)	
Investment securities	193,462	Shareholders' equity	1,226,591
Stocks of subsidiaries and affiliates	1,236,298	Common stock	100,000
Long-term loans receivable from subsidiaries and affiliates	712,398	Capital surplus	1,071,259
Guarantee deposits	4,539	Legal capital reserve	25,000
Other	390	Other capital surplus	1,046,259
		Retained earnings	57,947
		Other retained earnings	57,947
		Reserve for advanced depreciation of non-current assets	1,670
		Retained earnings brought forward	56,277
		Treasury stock	(2,615)
		Valuation and translation adjustments	23,359
		Unrealized gain on securities	23,436
		Unrealized gain on hedging derivatives	(76)
		Total net assets	1,249,950
Total assets	3,101,283	Total liabilities and net assets	3,101,283

Non-consolidated Statements of Income (from April 1, 2012 to March 31, 2013)

(Millions of yen)

Account title	Amount	
Operating revenue		
Dividends income	40,880	
Management fee income	9,781	50,661
Selling, general and administrative expenses		9,342
Operating income		41,319
Non-operating income		
Interest income	13,717	
Dividends income	4,149	
Other	1,311	19,177
Non-operating expenses		
Interest expenses	12,903	
Interest on bonds	3,595	
Interest on commercial papers	530	
Other	379	17,407
Ordinary income		43,089
Special income		
Gain on sales of non-current assets	19	
Other	2	21
Special loss		
Loss on valuation of stocks of subsidiaries and affiliates	19,954	
Loss on valuation of investment securities	682	
Loss on sales of investment securities	141	20,777
Income before income taxes		22,333
Income taxes-current	(179)	
Income taxes-deferred	(25)	(204)
Net income		22,537

Non-consolidated Statements of Changes in Net Assets (from April 1, 2012 to March 31, 2013)

(Millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					Reserve for advanced depreciation of non-current assets	Retained earnings brought forward			
Balance as of April 1, 2012	100,000	25,000	1,046,302	1,071,302	1,684	73,564	75,248	(2,607)	1,243,943
Changes in the fiscal year									
Dividends from surplus							(39,838)	(39,838)	(39,838)
Net income							22,537	22,537	22,537
Purchase of treasury stock								(9)	(9)
Disposal of treasury stock			(0)	(0)				1	1
Decrease resulting from company split			(43)	(43)					(43)
Reversal of reserve for advanced depreciation of non-current assets					(14)	14			
Net changes of items other than shareholders' equity									
Total changes in the fiscal year			(43)	(43)	(14)	(17,288)	(17,301)	(8)	(17,352)
Balance as of March 31, 2013	100,000	25,000	1,046,259	1,071,259	1,670	56,277	57,947	(2,615)	1,226,591

(Millions of yen)

	Valuation and translation adjustments			Total net assets
	Unrealized gains or losses on securities	Unrealized gains or losses on hedging derivatives	Total valuation and translation adjustments	
Balance as of April 1, 2012	16,621	(144)	16,477	1,260,420
Changes in the fiscal year				
Dividends from surplus				(39,838)
Net income				22,537
Purchase of treasury stock				(9)
Disposal of treasury stock				1
Decrease resulting from company split				(43)
Reversal of reserve for advanced depreciation of non-current assets				
Net changes of items other than shareholders' equity	6,814	68	6,882	6,882
Total changes in the fiscal year	6,814	68	6,882	(10,470)
Balance as of March 31, 2013	23,436	(76)	23,359	1,249,950

Notes to Non-consolidated Financial Statements

1. Notes to Matters relating to Important Accounting Policies

(1) Standards and Methods for Valuation of Assets

Securities

Shares of subsidiaries and shares of affiliates: Valued at cost based on the moving-average method.

Other securities:

Marketable securities:

Valued at fair value as of the non-consolidated balance sheet date. (Valuation differences are included directly in shareholders' equity. The acquisition cost used as the basis for calculating the valuation differences is determined by the moving-average method.)

Non-marketable securities:

Valued at cost, based on the moving-average method.

(2) Standards and Methods for Valuation of Derivatives

Derivatives: Valued at fair value.

(3) Method of Depreciation of Non-current Assets

Property, plant and equipment (excluding leased assets):

The straight-line method.

Major expected lifetime is as follows:

Buildings and structures: two (2) to 40 years.

Intangible assets (excluding leased assets):

The straight-line method.

Software is amortized based on the authorized period of internal use (five (5) years).

Leased assets:

The lease period is treated as the expected lifetime, and the straight-line method assuming no residual value is adopted.

(4) Recording Standards for Provisions

Provision for bonuses:

The provision will be used to pay for the bonuses of the employees; therefore, this is recorded based on the expected payment amount.

(5) Other Matters Important for Preparation of Non-consolidated Financial Statements

(i) Method of treatment of deferred assets

Bond issuance costs are treated as expenses upon expenditure.

(ii) Method of hedge accounting

Deferred hedge accounting is adopted in principle. However, the exception method is adopted with interest swaps upon satisfying this method's requirements.

(iii) Accounting treatment of consumption tax or the like

The accounting treatment of consumption tax and local consumption tax is based on the net of tax method. However, non-deductible consumption tax or the like on assets is treated as expenses for the fiscal year in which the grounds for the consumption tax or the like arose.

(iv) Application of the consolidated tax payment system

The consolidated tax payment system is applied.

2. Notes to Non-consolidated Balance Sheets

(1) Assets Offered as Security

(i) Assets offered as security

Stocks of subsidiaries and affiliates: 72,755 million yen

Investment securities: 873 million yen

(ii) Obligations to the above

Subsidiaries' and affiliates' accounts payable-other: 11,770 million yen

Subsidiaries' and affiliates' borrowings and loans payable: 155 million yen

(2) Accumulated Depreciation of Property, Plant and Equipment: 6,900 million yen

(3) Guarantee Obligations:

Guarantee on loans: 259,636 million yen

Guarantee on transactions-other: 352,365 million yen

Total 612,000 million yen

(4) Monetary Claims against and Monetary Obligations to Subsidiaries and Affiliates (excluding those indicated separately under the account titles in the balance sheet)

Short-term monetary claims: 9,430 million yen

Long-term monetary claims: -

Short-term monetary obligations: 12,029 million yen

Long-term monetary obligations: 6 million yen

3. Notes to Non-consolidated Statements of Income

Volume of Transactions with Subsidiaries and Affiliates

Operating revenue: 50,661 million yen

Operating expenses: 4,643 million yen

Volume of transactions other than in business transactions: 16,352 million yen

4. Notes to Non-consolidated Statements of Changes in Net Assets
Class and Number of Treasury Stocks as of the End of this Fiscal Year
Common stock: 5,613,049 shares

5. Notes to Tax Effect Accounting

Major items that resulted in an accrual of deferred tax assets and deferred tax liabilities are as follows:
(Unit: millions of yen)

(Deferred Tax Assets)	
Provision for bonuses	147
Investment securities	2,479
Excess of allowed depreciation limit	186
Operating loss carryforwards	91
Other	585
Subtotal of deferred tax assets	3,488
Valuation reserve	(2,927)
Total deferred tax assets	561
(Deferred Tax Liabilities)	
Enterprise tax receivable	13
Land	248
Reserve for advanced depreciation of non-current assets	926
Investment securities	17,386
Other	7
Total deferred tax liabilities	18,580
Net deferred tax liabilities	18,019

6. Notes to Non-current Assets Used based on Lease Contracts

In addition to non-current assets recorded in the balance sheet, some vehicles are held under finance lease contracts that do not result in a transfer of ownership.

7. Notes to Transactions with Related Parties

Type	Name of Company	Percentage of Voting Rights or the like Held	Relationship with Related Parties	Details of Transaction	Transaction Amount (millions of yen)	Account Title	Balance at End of Period (millions of yen)		
Subsidiary	JX Nippon Oil & Energy Corporation	Directly owned, 100%	Business management; Interlocking directorate	Receipt of business management fee (Note 1)	6,357	Operating accounts receivable	292		
				Guarantee of obligations or the like (Note 2)	239,375				
Subsidiary	JX Nippon Oil & Gas Exploration Corporation	Directly owned, 100%	Business management; Interlocking directorate	Receipt of business management fee (Note 1)	1,467	Operating accounts receivable	68		
				Receipt of fee for guarantee of obligations (Note 3)	90	Accounts receivable	90		
				Guarantee of obligations or the like (Note 3)	34,017				
Subsidiary	JX Nippon Mining & Metals Corporation	Directly owned, 100%	Business management; Interlocking directorate	Receipt of business management fee (Note 1)	1,956	Operating accounts receivable	89		
				Guarantee of obligations or the like (Note 4)	11,743				
Subsidiary	JX Nippon Finance Corporation	Directly owned, 100%	Outsourcing of funds-related services; Interlocking directorate	Loan of working funds or the like (Note 5)		Short-term loans receivable from subsidiaries and affiliates	867,149		
				Loan of short-term funds or the like	7,533,200				
				Collection of short-term funds	7,396,800				
				Loan of long-term funds or the like	100,000			Long-term loans receivable from subsidiaries and affiliates	712,398
				Collection of long-term funds	134,513				
				Intra-group fund transactions (Note 6)					
Borrowing of short-term funds	15,126	Short-term loans receivable from subsidiaries and affiliates	6,192						
Borrowing of long-term funds	40,000	Long-term loans payable to subsidiaries and affiliates	106,986						
Subsidiary	SCM Minera Lumina Copper Chile	Indirectly owned, 75%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	68,693	Accounts receivable	124		
				Receipt of fee for guarantee of obligations (Note 3)	115				
Subsidiary	JX Nippon Exploration and Production (U.K.) Limited	Indirectly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	55,774	Accounts receivable	37		
				Receipt of fee for guarantee of obligations (Note 3)	72				
Subsidiary	JX Nippon Oil Exploration (U.S.A.) Limited	Indirectly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	44,443	Accounts receivable	1		
				Receipt of fee for guarantee of obligations (Note 3)	86				

Type	Name of Company	Percentage of Voting Rights or the like Held	Relationship with Related Parties	Details of Transaction	Transaction Amount (millions of yen)	Account Title	Balance at End of Period (millions of yen)
Subsidiary	Nippon Oil Exploration (PNG) Pty. Ltd.	Indirectly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	35,457	Accounts receivable	142
				Receipt of fee for guarantee of obligations (Note 3)	142		
Subsidiary	Nippon Papua New Guinea LNG LLC	Indirectly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	32,470	-	-
				Receipt of fee for guarantee of obligations (Note 3)	249		

The Terms and Conditions, and the Policies for Determining the Terms and Conditions

- (Note 1) The core operating companies (JX Nippon Oil & Energy Corporation, JX Nippon Oil & Gas Exploration Corporation, and JX Nippon Mining & Metals Corporation) bear, as a business management fee, the expenses necessary for operating the Company, in proportion to their respective business size and so on. Consumption tax or the like is included in the balance at end of period.
- (Note 2) The Company granted transaction guarantees for matters such as purchase of crude oil by JX Nippon Oil & Energy Corporation, but has not received any guarantee fees.
- (Note 3) The Company granted guarantees of obligations, or the like, for matters such as each company's loans from financial institutions. The guarantee fees are reasonably determined based on the market price applied to the transaction.
- (Note 4) The Company granted loan guarantees for JX Nippon Mining & Metals Corporation's loans payable, but has not received any guarantee fees.
- (Note 5) The Company has been lending the funds it procured through borrowings from outside financial institutions or the like, issuances of commercial papers or bonds, or the like, at the interest rate determined in light of the costs to procure such funds.
- (Note 6) The Company has borrowed necessary business funds from JX Nippon Finance Corporation, and has been depositing its surplus funds, as intra-group funds transactions. Both the borrowing rate and the depositing rate are reasonably determined in light of the market interest rate. In addition, borrowings and deposits are presented in the net amount regarding the short-term intra-group funds transactions.

8. Notes to Business Combination and so on

Common Control Transactions

The Absorption-type Split resulting in the Partial Business Succeeded to the Company's Subsidiary

- (1) The Name and Details of the Business subject to the Absorption-type Split, the Business Combination Date, the Legal Form of the Business Combination, the Name of the Post-combination Company, and the Outline of the Transaction, Including its Purpose
- Name and details of the business subject to the absorption-type split
Subsidiary management business relating to the Company's subsidiary, NOS CO., LTD. ("NOS"; as of April 1, 2012, the trade name was changed to "JX Nippon Office Service Corporation")
 - Business combination date
April 1, 2012
 - Legal form of the business combination
An absorption-type split in which the Company is the splitting company, and JX Nippon Real Estate Corporation ("JX Nippon Real Estate") is the succeeding company.
 - Name of the post-combination company
The names of the companies subject to the combination have not changed.
 - Outline of the transaction, including its purpose
NOS's major business is to provide administrative services at the headquarters building of the Company, while JX Nippon Real Estate is in charge of the Company's headquarters building management. Under this company split, JX Nippon Real Estate took over the business of managing the subsidiary, NOS, which had been conducted by the Company. The purpose of the split was to forge stronger ties between group companies in charge of the Company's headquarters building management, and to further streamline the management.
- (2) Outline of the Implemented Accounting Treatment
This transaction has been treated as a common control transaction in accordance with the "Accounting Standard for Business Combinations" (The Accounting Standards Board of Japan ("ASBJ") Statement No. 21, December 26, 2008), and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008).
The assets subject to the company split are worth 43 million yen.

9. Notes to Per-share Information

Net assets per share: 502.01 yen
Net income per share: 9.05 yen

10. Other

Not applicable.

Auditor's Report

| Copy of the Accounting Auditor's Report (on Consolidated Financial Statements) |

Independent Auditor's Report

To: The Board of Directors of JX Holdings, Inc.

May 15, 2013

Ernst & Young ShinNihon LLC

Yasunori Arao
Certified Public Accountant, Designated Limited Liability Partner, and
Engagement Partner

Masato Inagaki
Certified Public Accountant, Designated Limited Liability Partner, and
Engagement Partner

Yoshio Yukawa
Certified Public Accountant, Designated Limited Liability Partner, and
Engagement Partner

Toru Kimura
Certified Public Accountant, Designated Limited Liability Partner, and
Engagement Partner

Pursuant to Article 444, paragraph 4 of the Japanese Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and the notes to the consolidated financial statements of JX Holdings, Inc. (the "Company") applicable to the consolidated fiscal year from April 1, 2012 through March 31, 2013.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting standards generally accepted in Japan. This responsibility includes development and operation of such internal control as management determines necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements from an independent standpoint based on the audit we conducted. We conduct our audit in accordance with the auditing standards generally accepted in Japan. Those auditing standards require that we formulate an audit plan and perform the audit based on this plan to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. According to our decision, the audit procedures are selected and applied based on an assessment of the risk of material misstatement in the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the corporate group consisting of JX Holdings, Inc. and its consolidated subsidiaries for the fiscal year applicable to the third fiscal year ended March 31, 2013 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

End

Copy of the Accounting Auditor's Report (on Non-consolidated Financial Statements)

Independent Auditor's Report

To: The Board of Directors of JX Holdings, Inc.

May 15, 2013

Ernst & Young ShinNihon LLC

Yasunori Arao
Certified Public Accountant, Designated Limited Liability Partner, and
Engagement Partner

Masato Inagaki
Certified Public Accountant, Designated Limited Liability Partner, and
Engagement Partner

Yoshio Yukawa
Certified Public Accountant, Designated Limited Liability Partner, and
Engagement Partner

Toru Kimura
Certified Public Accountant, Designated Limited Liability Partner, and
Engagement Partner

Pursuant to Article 436, paragraph 2, item 1 of the Japanese Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements, and the annexed detailed statements thereof of JX Holdings, Inc. (the "Company") applicable to the third fiscal year from April 1, 2012 through March 31, 2013.

Management's Responsibility for the Financial Statements and the Annexed Detailed Statements thereof

Management is responsible for the preparation and fair presentation of these financial statements and the annexed detailed statements thereof in accordance with the accounting standards generally accepted in Japan. This responsibility includes development and operation of such internal control as management determines necessary to enable the preparation and fair presentation of the financial statements and the annexed detailed statements thereof that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the annexed detailed statements thereof from an independent standpoint based on the audit we conducted. We conduct our audit in accordance with the auditing standards generally accepted in Japan. Those auditing standards require that we formulate an audit plan and perform the audit based on this plan to obtain reasonable assurance about whether the financial statements and the annexed detailed statements thereof are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the annexed detailed statements thereof. According to our decision, the audit procedures are selected and applied based on an assessment of the risk of material misstatement in the financial statements and the annexed detailed statements thereof, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation and fair presentation of the financial statements and the annexed detailed statements thereof in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the annexed detailed statements thereof.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements and the annexed detailed statements thereof referred to above present fairly, in all material respects, the financial position and the results of operations of JX Holdings, Inc. applicable to the third fiscal year ended March 31, 2013 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

End

Copy of Corporate Auditors' Report

Corporate Auditors' Report

Third Fiscal Term
(From April 1, 2012 to March 31, 2013)

1. Audit Method and Contents

Each corporate auditor conducted the audit in good faith in accordance with laws and regulations, the Rules of the Board of Corporate Auditors, and the audit standards for the corporate auditors. Specifically, the corporate auditors attended and stated their opinions from time to time at the Board of Directors' and other important meetings; when they had questions, they requested explanations. In addition, the corporate auditors received reports from the directors and the employees, or the like, on the status of execution of their duties as necessary, as well as endeavored to investigate the status or condition of the business activities and the assets such as by inspecting important approval documents and reports, and implementing visiting audits at each department in the head office and in the subsidiaries, and so on. Regarding the subsidiaries, the corporate auditors sought to communicate with the directors and the corporate auditors, etc., of the subsidiaries, focusing on the companies subject to consolidation, and received reports on their financial condition or tasks, or the like, as necessary. Furthermore, the corporate auditors endeavored to develop conditions suitable for an audit, as well as focused on cooperating with the Internal Audit Department, so that the effectiveness of the audit would be enhanced.

Moreover, regarding the contents of the resolutions by the Board of Directors regarding the internal control systems, and the development and operation status of these systems, the corporate auditors understand that these are important auditing themes; therefore, they have been focusing on routinely overseeing and verifying the systems.

In the matter concerning the violation of the Japanese High Pressure Gas Safety Act by a subsidiary referred to in the Business Report, the corporate auditors have closely monitored the progress of fact-finding investigations and cause identification, and have confirmed that recurrence prevention efforts are being made.

With respect to the internal control relating to the financial reporting, the corporate auditors conducted hearings on the evaluation processes or status with the directors, etc., while requesting an explanation from Ernst & Young ShinNihon LLC from time to time regarding the audit status.

With respect to the accounting audit, the corporate auditors oversaw and verified whether proper auditing was conducted, by taking measures such as requesting an explanation from the accounting auditor of the annual audit plan and scrutinizing whether daily audit activities were proceeding as planned and were proceeding efficiently, as well as by receiving reports from the accounting auditor on issues regarding account processing expected to significantly affect the profit and loss, or the like. The corporate auditors have received a report from the accounting auditor that the accounting auditor's systems aimed at maintaining the independence and ensuring the quality of business activities have been developed, and have confirmed this report.

Each corporate auditor conducted the audit as above, and discussed and examined, at the Board of Corporate Auditors' meetings, the audit results regarding the business report for the current fiscal year and the annexed detailed statements thereof, the non-consolidated financial statements and the annexed detailed statements thereof, and the consolidated financial statements.

2. Results of the Audit

- (1) No wrongful act related to execution of duties by the directors, or material fact in breach of laws and regulations or the articles of incorporation has been identified.
- (2) We confirm that the contents of the resolutions by the Board of Directors regarding the internal control systems are reasonable. In addition, we did not identify any matter regarding execution by the directors of duties related to these internal control systems that must be noted herein.
- (3) We confirm that the business report and the annexed detailed statements thereof correctly present the condition of the company, in accordance with laws and regulations and the articles of incorporation.
- (4) We confirm that the method and the results of the audit that Ernst & Young ShinNihon LLC, the Accounting Auditor, conducted regarding the non-consolidated financial statements and the annexed detailed statements thereof are reasonable.
- (5) We confirm that the method and the results of the audit that Ernst & Young ShinNihon LLC, the Accounting Auditor, conducted regarding the consolidated financial statements are reasonable.

May 15, 2013

The Board of Corporate Auditors of JX Holdings, Inc.

Fumio Ito, Full-time Corporate Auditor
Hideo Tabuchi, Full-time Corporate Auditor
Hidehiko Haru, Corporate Auditor (Outside Corporate Auditor)
Hiroyasu Watanabe, Corporate Auditor (Outside Corporate Auditor)
Mitsudo Urano, Corporate Auditor (Outside Corporate Auditor)
Hideki Nakagome, Corporate Auditor (Outside Corporate Auditor)

End