

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, 2014

To: Our Shareholders

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

**CONVOCATION NOTICE OF
THE FOURTH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the fourth 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., Wednesday June 25, 2014.

| 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., Wednesday June 25, 2014.

Particulars

- 1. Date and Time: Thursday June 26, 2014 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 fourth fiscal term (from April 1, 2013 to March 31, 2014)**
- (ii) **The substance of the non-consolidated financial statements for the fourth fiscal term (from April 1, 2013 to March 31, 2014)**

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., Wednesday June 25, 2014.
- (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 a 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 a personal computer or the like 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, investment plans, and financial status. 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 1, 2013.

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: 19,918,681,504 yen

2. The Date on which Surplus Distribution Takes Effect:

June 27, 2014

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	Current 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	Yukio Uchida	Reappointed	Director (Part-time)	
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	Ichiro Uchijima	Reappointed	Director (Senior Vice President and Executive Officer), responsible for Corporate Planning Dept. II, and Finance & Investor Relations Dept.	Director (Executive Vice President and Executive Officer) of JX Nippon Oil & Energy Corporation (scheduled to assume office as of June 26, 2014)
8	Tsutomu Sugimori	Newly Appointed		Representative Director and President (President and Executive Officer) of JX Nippon Oil & Energy Corporation (scheduled to assume office as of June 26, 2014)
9	Shunsaku Miyake	Newly Appointed		Representative Director and President (President and Executive Officer) of JX Nippon Oil & Gas Exploration Corporation (scheduled to assume office as of June 26,

2014)

10

Shigeru Oi

Newly
Appointed

Representative Director and
President (President and
Executive Officer) of JX
Nippon Mining & Metals
Corporation (scheduled to
assume office as of June 26,
2014); and Representative
Director and President
(President and Executive
Officer) of Pan Pacific Copper
Co., Ltd. (scheduled to assume
office as of June 25, 2014)

(Outside Director Candidates)

11

Hiroshi Komiyama

Reappointed

Outside Director

Independent
Director

Chairman of Mitsubishi
Research Institute, Inc.

12

Hiroko Ota

Reappointed

Outside Director

Independent
Director

Professor at the National
Graduate Institute for Policy
Studies

13

Mutsutake Otsuka

Reappointed

Outside Director

Independent
Director

Advisor of East Japan Railway
Company

14

Seiichi Kondo

Newly
Appointed

Candidate No.	1
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Yasushi Kimura

| Born February 28, 1948 |

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

Reappointed

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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Number of
Company Shares Owned
86,210 shares
of Common Stock

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 |

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

Reappointed

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)

Number of
Company Shares Owned
109,400 shares
of Common Stock

Candidate
No.

3

Yukio Uchida

| Born January 20, 1951 |

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

Reappointed

Number of
Company Shares Owned
69,200 shares
of Common Stock

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)

Candidate
No.

4

Junichi Kawada

| Born September 26, 1955 |

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 (until June 2010)

Reappointed

Number of
Company Shares Owned
71,180 shares
of Common Stock

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 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 |

Brief Personal History, and Position and Responsibilities at the Company

April 1978	Joined Nippon Mining Co., Ltd.
April 2008	Executive Officer of Nippon Mining & Metals Corporation

Reappointed

Number of
Company Shares Owned
36,182 shares
of Common Stock

April 2010	Executive Officer of the Company (General Manager of Corporate Planning Dept. I)
June 2012	Director (Senior Vice President and Executive Officer) of the Company (responsible for Corporate Planning Dept. I) (to present)

Candidate No. **6**

Akira Omachi

| Born December 4, 1954 |

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

Reappointed

Number of Company Shares Owned
32,790 shares
of Common Stock

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**

Ichiro Uchijima

| Born February 9, 1952 |

Brief Personal History, and Position and Responsibilities at the Company

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

Reappointed

Number of Company Shares Owned
39,000 shares
of Common Stock

April 2012 Director (Senior Vice President and Executive Officer) of the Company (responsible for Corporate Planning Dept. I)
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)

Important Concurrent Office:

Director (Executive Vice President and Executive Officer) of JX Nippon Oil & Energy Corporation (scheduled to assume office as of June 26, 2014)

Candidate No. **8**

Tsutomu Sugimori

| Born October 21, 1955 |

Brief Personal History, and Position and Responsibilities at the Company

April 1979 Joined Nippon Oil Co., Ltd.
April 2008 Executive Officer of Nippon Oil Corporation
July 2010 Director (Senior Vice President and Executive Officer) of JX Nippon Oil & Energy Corporation (to present)

Newly Appointed

Number of Company Shares Owned
32,630 shares
of Common Stock

Important Concurrent Office:

Representative Director and President (President and Executive Officer) of JX Nippon Oil & Energy Corporation (scheduled to assume office as of June 26, 2014)

Candidate No. **9**

Shunsaku Miyake

| Born June 2, 1952 |

Brief Personal History, and Position and Responsibilities at the Company

April 1975 Joined Nippon Oil Co., Ltd.
April 2006 Executive Officer of Nippon Oil Corporation
July 2010 Director (Senior Vice President and Executive Officer) of JX Nippon Oil & Energy Corporation (to present)

Newly Appointed

Number of Company Shares Owned
58,570 shares
of Common Stock

Important Concurrent Office:

Representative Director and President (President and Executive Officer) of JX Nippon Oil & Gas Exploration Corporation (scheduled to assume office as of June 26, 2014)

Candidate No. **10**

Shigeru Oi

| Born August 3, 1953 |

Brief Personal History, and Position and Responsibilities at the Company

April 1978 Joined Nippon Mining Co., Ltd.
April 2008 Executive Officer of Nippon Mining & Metals Corporation
July 2010 Executive Officer of JX Nippon Mining & Metals Corporation
June 2012 Senior Vice President and Executive Officer of JX Nippon Mining & Metals Corporation
June 2013 Director (Senior Vice President and Executive Officer) of JX Nippon Mining & Metals Corporation (to present)

Newly Appointed

Number of Company Shares Owned
20,600 shares
of Common Stock

Important Concurrent Office:

Representative Director and President (President and Executive Officer) of JX Nippon Mining & Metals Corporation (scheduled to assume office as of June 26, 2014); and Representative Director and President (President and Executive Officer) of Pan Pacific Copper Co., Ltd. (scheduled to assume office as of June 25, 2014)

Outside Director Candidates

Candidate No.

11

Hiroshi Komiyama

| Born December 15, 1944 |

Reappointed

(Term of Office: 4 years and 3 months)

Independent Director

Number of Company Shares Owned
34,000 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. **12**

Hiroko Ota

| Born February 2, 1954 |

Reappointed

(Term of Office: 2 years)

Independent Director

Number of Company Shares Owned
11,600 shares of Common Stock

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. **13**

Mutsutake Otsuka

| Born January 5, 1943 |

Reappointed

(Term of Office: 1 year)

Number of Company Shares Owned
11,500 shares
of Common Stock

Independent Director

Brief Personal History, and Position and Responsibilities at the Company

April 1965	Joined Japanese National Railways
April 1987	Joined East Japan Railway Company; General Manager, Finance Dept. of East Japan Railway Company
June 1990	Director and General Manager of Personnel Dept. of East Japan Railway Company
June 1992	Executive Director and General Manager of Personnel Dept. of East Japan Railway Company
January 1994	Executive Director of East Japan Railway Company
June 1996	Executive Director and Deputy Director General of Corporate Planning Headquarters 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

June 2000	President and Representative Director of East Japan Railway Company
April 2006	Chairman and Director of East Japan Railway Company
April 2012	Advisor of East Japan Railway Company (to present)
June 2013	Outside Director of the Company (to present)

Important Concurrent Office:

Advisor 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.

Candidate
No.

14

Seiichi Kondo

| Born March 24, 1946 |

Newly
Appointed

Number of
Company Shares Owned
5,000 shares
of Common Stock

Brief Personal History, and Position and Responsibilities at the Company

April 1972	Joined the Ministry of Foreign Affairs of Japan	August 2006	Ambassador Extraordinary and Plenipotentiary, Permanent Delegate of Japan to the United Nations Educational, Scientific and Cultural Organization (UNESCO)
January 1996	Minister, Embassy of Japan in the U.S.	July 2008	Ambassador Extraordinary and Plenipotentiary to the Kingdom of Denmark
July 1998	Assistant Vice-Minister, Minister's Secretariat, and Economic Affairs Bureau of the Ministry of Foreign Affairs of Japan	July 2010	Commissioner for Cultural Affairs of Japan
September 1999	Deputy Secretary-General of the Organization for Economic Co-operation and Development (OECD)	July 2013	Resigned as Commissioner for Cultural Affairs of Japan (to present)
August 2003	Director-General, Cultural Affairs Department, Minister's Secretariat of the Ministry of Foreign Affairs of Japan		
August 2005	Assistant Vice-Minister, Minister's Secretariat, and Deputy Director-General (Ambassador), Economic Affairs Bureau of the Ministry of Foreign Affairs of Japan		

● **Reasons for having Mr. Kondo as an Outside Director Candidate**

Mr. Seiichi Kondo long worked for the Ministry of Foreign Affairs of Japan, serving in such important positions as Ambassador Extraordinary and Plenipotentiary, and he later served as Commissioner for Cultural Affairs of Japan, and was also seconded to the Agency for Natural Resources and Energy of Japan and the International Energy Agency (IEA). As a result, he has acquired abundant expertise and experience in the domain of energy and international relations. 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.

Although Mr. Kondo has not been involved in company management, the Company assesses that he is qualified to appropriately perform duties as an outside director due to the reasons above.

(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. Hiroshi Komiyama, Ms. Hiroko Ota, and Mr. Mutsutake Otsuka 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. Seiichi Kondo is approved, the Company is to conclude that agreement with him.
4. Each of Mr. Hiroshi Komiyama, Ms. Hiroko Ota, and Mr. Mutsutake Otsuka is an independent director based on the rules of each stock exchange in Tokyo 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. Seiichi Kondo is approved, he will also become an independent director.

Core operating companies of the Company provided donations for education and research promotion in FY2013 to the University of Tokyo (where Mr. Hiroshi Komiyama was the President until March 2009), as well as offered other support to

the university, including the assumption of joint research expenses. The Company believes that this will not prejudice the independence of Mr. Komiyama, as the total amount of these supports is minimal in comparison to (less than 0.1% of) the consolidated net sales of the Company or the average annual revenue (ordinary income) of the university in FY2010 to FY2012. There also were transactions in FY2013 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 0.3% of) the consolidated net sales of either of East Japan Railway Company or the Company.

Item 3**Appointment of Two (2) Corporate Auditors**

The terms of office of Mr. Hideo Tabuchi, Mr. Hiroyasu Watanabe, and Mr. Mitsudo Urano, Corporate Auditors, will expire upon 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	Takashi Setogawa Born February 1, 1955	Newly Appointed	Number of Company Shares Owned 25,400 shares of Common Stock
<i>Brief Personal History, and Position at the Company</i>				
April 1978		Joined Nippon Mining Co., Ltd.	June 2012	Senior Vice President and Executive Officer of JX Nippon Oil & Energy Corporation (to present)
April 2008		Senior Officer of Nippon Mining Holdings, Inc. (until June 2010)		
April 2010		Executive Officer of the Company (General Manager of Finance & Investor Relations Dept.)		

Outside Corporate Auditor Candidate

Candidate
No.

2

Naomi Ushio

| Born March 8, 1961 |

**Newly
Appointed**

Number of
Company Shares Owned
5,000 shares
of Common Stock

Brief Personal History, and Position at the Company

April 1983 Joined Fuji Television Network, Inc.
March 1989 Resigned from Fuji Television Network,
 Inc.
April 1998 Senior Assistant Professor at Meiji
 University
April 2003 Assistant Professor at Meiji University
April 2007 Associate Professor at Meiji University
April 2009 Professor at the School of Information
 and Communication of Meiji University
 (to present)

August 2009 Expert Member of the Liaison
 Conference for the Promotion of Gender
 Equality of the Gender Equality Bureau
 of the Cabinet Office of Japan (to
 present)

Important Concurrent Office:

Professor at the School of Information and Communication
of Meiji University

● Reasons for having Ms. Naomi Ushio as an Outside Corporate Auditor Candidate

Ms. Naomi Ushio specializes in business administration studies and human resource management theory, and has long been engaged at the Meiji University in education and research of patterns for utilizing female workers' abilities. In addition, she has been serving as an Executive Member of the Liaison Conference for the Promotion of Gender Equality of the Gender Equality Bureau of the Cabinet Office of Japan, as a result of which she has abundant expertise and experience regarding the utilization of a variety of human resources by corporations. Therefore, the Company assesses that she is qualified to audit the execution of duties by the directors from an objective, independent and fair stance.

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

(Notes)

1. No special conflict of interest exists between either of the above Corporate Auditor candidates and the Company.
2. When the appointment of Ms. Naomi Ushio is approved, the Company is to conclude with her 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 she is without knowledge and is not grossly negligent in conducting her duties, her liability shall be limited to the amount (the amount equal to such outside corporate auditor's Remunerations for two (2) years) set forth in Article 425, paragraph 1 of the Japanese Companies Act.
3. When the appointment of Ms. Naomi Ushio is approved, she will become the independent corporate auditor based on the rules of each stock exchange in Tokyo and Nagoya on which the Company is listed.

End

(Attachments)

Business Report for the Fourth Fiscal Term (from April 1, 2013 to March 31, 2014)

1. Matters Concerning Present Condition of the Corporate Group

(1) Major Business Activities (as of March 31, 2014)

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">- Manufacturing 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., targets, surface treatment material, and compound semiconductor material)- Manufacturing and marketing	JX Nippon Mining & Metals Corporation

	precision rolled products and precision fabricated products - non-ferrous metal recycling and industrial waste treatment - Manufacturing, processing, and marketing titanium metals	
Other Business	- Civil engineering work, including roadwork and pavement construction - Construction work	

* We changed the business segment in which the “manufacturing, processing, and marketing titanium metals” business activities are included from “Other Business” to “Metals Business,” and included them in the business activities that are under the control of JX Nippon Mining & Metals Corporation.

(2) Business Progress and Results

A. Circumstances Surrounding JX Group

The global economy this fiscal year witnessed a moderate recovery in the U.S. economy due to an improvement in the unemployment rate and steady personal consumption, and also witnessed a maintained high growth rate in the economies of China and other Asian nations, although there was some slow-down. In Japan, consumer confidence improved after receiving a boost from the improvement in corporate earnings and high stock prices as a result of the weaker yen. Consequently, consumer spending grew and public investment also expanded. Thus, the Japanese economy was on a moderate track to recovery.

Under those economic circumstances, although the supply-demand balance has been relaxing on a global basis due to the increase in supply in the U.S., the Dubai crude oil price, which is the commonly-used crude oil index price in Asia, remained at a high level, at around the 100 dollars per barrel range, throughout the fiscal year because of the continued volatile situation in the Middle East and North Africa, and for other reasons. Petroleum products in Japan saw decreased demand for gasoline and heavy oil A as a result of the diffusion of fuel-efficient vehicles and a shift in fuel development. In addition, the demand for heavy oil C and crude oil greatly decreased due to construction of new thermal power generation facilities, which use coals for fuel. Consequently, overall petroleum product demand in Japan has decreased over the previous fiscal year. Under these circumstances, a heated competitive environment and excessive supply caused the market for gasoline, heavy oil A, and other petroleum products to remain in a slump throughout the fiscal year. In contrast, the demand for petrochemical products in Asia has increased driven by the Asian area's economic development.

Global copper demand continued to grow because domestic demand moved steadily in China, despite its decreased growth rate. The LME (London Metal Exchange) price for copper, which is the international index price for copper, moved below the previous fiscal year's level due to a market forecast indicating that supply would exceed demand in the foreseeable future. Consequently, the average price for the fiscal year was approximately 7,100 dollars per ton.

Under these severe business conditions, the JX Group has implemented various measures as follows in order to accomplish business targets contained in the Second Medium-Term Management Plan (from fiscal year 2013 to 2015).

B. Process and Results of Each Business

Energy Business
(JX Nippon Oil & Energy Group)

Business Results

Regarding the business results of the Energy business for this fiscal year, net sales were

10,755.0 billion yen (a 10.9% increase from the previous fiscal year) due to the effect of the crude oil price which remained at high level, and the weaker yen. On the other hand, operating income was 79.9 billion yen (a 42.5% decrease from the previous fiscal year) and ordinary income was 108.2 billion yen (a 33.0% decrease from the previous fiscal year) due to a deterioration in petroleum product margins. Ordinary income or loss excluding inventory valuation factors (the impact of inventory valuation on the cost of sales by using the average method) was a loss of 7.9 billion yen.

Business Summary

In the Energy business, we focus on providing various types of energy as an “energy conversion company,” establishing our presence in overseas markets, and acquiring demand for high-value added products based on our unique technological skills, in addition to strengthening the profitability from the petroleum refining and sales activities, which are our core business. In this fiscal year, while a structural reduction in petroleum product demand in Japan was ongoing, we strived to strengthen our competitiveness by integrating the operations of the refineries and manufacturing facilities of the JX Group after looking to the future business environment as a result of our response to the Law Concerning Sophisticated Methods of Energy Supply Structures * (the end of March 2014). Further, we actively promoted our overseas business activities in order to take advantage of the expanding demand in emerging nations for products such as petrochemical products and lubricants, the outline of which is as follows:

- * The Law Concerning Sophisticated Methods of Energy Supply Structures: an act that imposes an obligation on petroleum business operators to increase the ratio of heavy oil dissolving equipment capacity to a required level in relation to crude oil refining capacity in order to promote the efficient use of fossil fuels.

- **Business restructuring of the Muroran Refinery**

In order to decrease the oil refining capacity of the entire JX Group to an appropriate level, and to enhance the operation rates of all our refineries, as well as to 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 as a petrochemical product manufacturing facility, and to conduct other activities of a similar type. Even after suspending the crude oil treatment, we expanded our commodity distribution alliance with Idemitsu Kosan Co., Ltd. in order to further ensure the stable supply of petroleum products to the Hokkaido area.

- **Strengthening the Kashima Refinery’s competitiveness**

We decided to construct a “Solvent De-Asphalting” facility at the Kashima Refinery in order to produce raw material for higher-value added petrochemical products and gas oil separately from heavy oil fraction, which has become excessive due to a

decrease in demand. Further, in order to engage in the power generation business by using residual oil which remained after separation by the device, we decided to establish a power generation facility in the Kashima Complex, and we proceeded with this construction with the goal of completing it by the end of fiscal year 2015.

- **Enhancing the paraxylene manufacturing system**

In order to further enhance our presence as a top manufacturer in the Asian paraxylene market, where the demand for paraxylene is expected to grow, we completed construction of a paraxylene manufacturing device having the world's highest manufacturing capacity (approximately 1 million ton/year) jointly with the SK Group of South Korea in Ulsan Metropolitan City, South Korea, and we steadily advanced preparations to commence commercial production of paraxylene.

- **Efforts to expand our business overseas**

We entered the gas oil import and sales business in Indonesia, where the demand for fuel oil is expected to increase due to its economic growth.

In terms of our lubricants business, we commenced commercial production of lubricants at the new lubricant manufacturing plant constructed in Hai Phong City in Vietnam. In addition, we established a representative office in Johannesburg City in South Africa.

Further, in order to promote the development of new business in South East Asia, we established the "Business Development Dept., South East Asia", which is part of the head office function, in Singapore in April 2014.

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

Business Results

Regarding the business results of the Oil and Natural Gas E&P business for this fiscal year, despite a decrease in its production volume, due to the effect of the crude oil price which remained at a high level and the weaker yen, net sales were 202.2 billion yen (a 16.8% increase from the previous fiscal year), operating income was 83.4 billion yen (a 3.7% increase from the previous fiscal year), and ordinary income was 105.5 billion yen (a 12.7% increase from the previous fiscal year).

Business Summary

In line with our basic policy whereby we will aim to develop sustainably while thoroughly managing business risks, we have set up a production target of 200,000 BOED by 2020. In

this fiscal year, in order to further strengthen our business foundation, we decided to develop additional oil and gas fields in blocks where we are acting as an operator, and we have managed to extend the term of our production sharing contract in one of the blocks. Further, we are working towards commencing production for projects that are currently under development as soon as possible, and actively promoting the exploration business for our growth. The outline of which is as follows:

- **Decision on additional development of fields and extension of the production sharing contract term in the block**

The Vietnamese government approved our plan to develop the Rand Dong oil field by using a technology that enhances the crude oil recovery rate by injecting hydrocarbon gas into an oil reservoir (HCG-EOR), and also approved a five-year extension of the production sharing contract term in the block. In addition, the Malaysian government has approved our plan to develop the Layang field, which was discovered in the same block as that of the Helang gas field, integrally with the Helang gas field, and we decided to move the Layang field into the development stage in preparation for commencing production in 2016.

- **Activities to commence production after deciding development**

In Papua New Guinea, in order to commence natural gas supply in 2014, we constructed a natural gas liquefaction plant. In addition, we proceeded to lay pipeline in order to commence production from the Kinnoull oil field in the U.K. North Sea by the end of 2014. We also proceeded with preparations to commence production from the Mariner oil field in the U.K. North Sea, the participation interest in which we acquired in fiscal 2012, by the end of 2017, including designing facilities and procuring equipment.

- **Acquisition of participation interests in new exploration blocks**

In Malaysia, which we have positioned as one of the “core countries”*, we acquired participation interests in two exploration blocks. The Malaysian government acknowledged our amicable relationship, and the exploration knowledge and technologies that we are promoting, and it was decided that we will act as the operator in one of those blocks. Consequently, we now act as the operator in Malaysia of three exploration projects in total. In addition, during this fiscal year, we acquired two participation interests in two exploration blocks in Australia and Denmark (Greenland), respectively.

* “Core countries” means countries in which our business is expected to continue to expand in the future by taking advantage of the business foundation currently held and the knowledge accumulated.

Metals Business
(JX Nippon Mining & Metals Group)

Business Results

Regarding the business results of the Metals business for this fiscal year, despite the prices of copper and its by-product, sulfuric acid, which remained at a low level, and the increase in material, labor, and other costs to develop copper mines, due to the effect of the weaker yen, net sales were 1,039.1 billion yen (a 7.7% increase from the previous fiscal year), operating income was 13.8 billion yen (a 116.4% increase from the previous fiscal year), and ordinary income was 47.4 billion yen (a 7.7% increase from the previous fiscal year), due to the effect of the weaker yen. Ordinary income excluding inventory valuation factors was 44.2 billion yen (a 2.9% decrease from the previous fiscal year). Further, due to a drop in copper prices, we recorded impairment losses of 34.6 billion yen regarding the assets in both the Caserones Copper and Molybdenum Deposit and Quechua Copper Deposit.

* Because we have changed the business segment of the titanium business to the “Metals Business” from this fiscal year, we added the figures regarding the titanium business for the previous fiscal year to the figures for the 2012 fiscal year (the previous fiscal year).

Business Summary

Our Metals business engages in the copper business, the electronic materials business, the recycling and environmental services business, and the titanium business, aiming to become a global resources and materials company based on copper.

In the resource development sector of the copper business, due to a drop in the price of copper, we had no choice but to enter an impairment loss in development assets. However, based on the forecast that demand would be steady in the long run and that the price would also recover, we promoted projects overseas in Chile and elsewhere. In the smelting sector, we strived to improve income by improving copper concentrate purchasing conditions and import prices, increasing production efficiency, and by other means. Further, in the electronic materials business, we worked on the expansion of production overseas responding to our customers’ outward shift, strengthening out-market development power, such as the development of new markets and new uses, and production cost reduction in the existing product lines. In the recycling and environmental services business, we strived to expand raw material collection from overseas and improve operational efficiency, and we commenced a new business in low-concentration PCB treatment. Further, regarding the titanium business, given that demand is slumping due to heavy users’ inventory adjustments, we strived to improve production efficiency and reduce costs. The following is an outline of the above:

- **Commencement of electrolytic copper production in the Caserones Copper and**

Molybdenum Deposit Development Project

In May 2013, in the Caserones Copper and Molybdenum Deposit Development Project in Chile, we commenced sales of electrolytic copper produced by the SX-EW method.* In this project, due to unexpected bad weather and labor disputes, the construction work was delayed. However, in May 2014, the construction of the main production facility for copper concentrate was completed. With these developments we moved a step closer to the establishment of a production system based on safe and stable operations.

* SX-EW method: a method to produce electrolytic copper by melting copper by pouring weak acid solutions on copper ores, and electrolyzing the liquid so generated.

- **Strengthening the supply system for sputtering targets* for semiconductors**

In July 2013, we completed the construction of the New Longtan Works in Taiwan, which is the world's top semiconductor manufacturing industry park, thereby assembling manufacturing functions to manufacture sputtering targets for liquid-crystal displays in Taiwan as well as adding processing and inspection functions for sputtering targets for semiconductors. As a result of the above, an integrated operation from manufacturing through to sales and technical services became possible for our sputtering target business for both liquid-crystal displays and semiconductors in Taiwan. In addition, regarding the sputtering targets for semiconductors, we strengthened the supply system by using four manufacturing sites—Japan, South Korea, the U.S., and Taiwan.

* Sputtering target: material for forming metallic thin film used for semiconductors, magnetic recording media, liquid-crystal displays, and the like.

- **Acquiring authorization for low-concentration PCB* treatment business**

In March 2014, our operating company in Hokkaido acquired authorization from the Minister of the Environment to conduct a low-concentration PCB waste detoxifying treatment business, and it started to treat transformers containing PCB and PCB waste oil. The authorization was the first authorization given to a low-concentration PCB waste treatment business operator in Hokkaido.

* PCB: polychlorinated biphenyl. PCB is heat-stable oily material which provides excellent electrical insulation. PCB was used in a wide range of areas, including insulation oil for transformers and electric condensers. However, due to its harmful nature, currently, the use of PCB is prohibited.

Business Results

Regarding the business results of the other business for this fiscal year, net sales were 488.6 billion yen (an 8.3% increase from the previous fiscal year), operating income was 34.9 billion yen (a 48.3% increase from the previous fiscal year), and ordinary income was 38.5 billion yen (a 42.1% increase from the previous fiscal year).

NIPPO CORPORATION

Public civil engineering works projects such as road construction and pavement construction continued to be strong, and signs of recovery have been seen in private capital investment. However, due to the increase in labor costs and raw material prices, the operating environment remained difficult for NIPPO Corporation (“NIPPO”). 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. Consequently, NIPPO realized an increase in both revenue and profit.

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.

Regarding (i) compliance, we strived to develop a legal compliance system which is consistent with global standards, in order to reduce legal risks that may occur with the expansion of overseas business by the JX Group companies.

Regarding (ii) social contribution, in order to continue to support the Great East Japan Earthquake restoration and recovery, we conducted volunteer activities, focusing on providing elderly people and children with psychological care. In addition to that, we also continued to engage in next-generation development assistance through “JX-ENEOS Children’s Story Fund.”

Regarding (iii) environment & safety, in addition to our efforts to operate refineries and plant safely, we promoted activities such as selling environment-conscious products and reducing waste products.

D. Summary of Consolidated Business Results

As a result of the above, the consolidated business results for this fiscal year resulted in net sales of 12,412.0 billion yen (a 10.6% increase from the previous fiscal year), as well as operating income of 213.7 billion yen (a 15.0 decrease from the previous fiscal year), ordinary income of 302.3 billion yen (a 7.9% decrease from the previous fiscal year), and net income of 107.0 billion yen (a 32.9% decrease from the previous fiscal year). Ordinary income excluding inventory valuation factors, was 183.0 billion yen (a 32.5% decrease from the previous fiscal year).

(3) Matters the Company should address

Taking a view of the business environment in terms of the global economy, stable growth is expected in the United States, and the economic growth momentum in Asian countries is anticipated to continue. The Japanese economy will temporarily move downward due to the consumption-tax hike; however, it is expected to recover moderately with an increase in exports in the context of overseas economic recovery, coupled with the effect of the policies of the Japanese government towards emergence from deflation and growth.

Under these circumstances, the domestic copper demand is expected to move steadily against the backdrop of demand driven by the earthquake reconstruction effort and economic recovery. On the other hand, the domestic demand for petroleum products is anticipated to inevitably go into a structural decrease, due to such factors as the decline in population, low birthrate and rapid aging of society, the diffusion of fuel-efficient vehicles, and the development of a shift in fuel sources. Although conditions in the domestic petroleum product market are expected to improve temporarily as the domestic petroleum refining capability has been reduced pursuant to the Law Concerning Sophisticated Methods of Energy Supply Structures there may be a return to difficult conditions for the market in the middle- to long-term.

In contrast, in Asia and other emerging nations, demand for petroleum products (such as fuel oils and lubricants), petrochemical products (such as paraxylene, benzene and propylene) and copper products (such as electric wires rolled copper and copper alloy products) is expected to grow with the population increase, progress of infrastructure development, and diffusion of automobiles. Further, crude oil and copper prices are expected to remain steady against the backdrop of such growing demand, although there may be temporary fluctuations.

In the aforementioned business environment, in the energy business, the JX Group's urgent task must be to secure margins for petroleum products in the domestic market as demand further declines, as well as to take in growing demand for petroleum and petrochemical products in overseas markets. In terms of the oil and natural gas E&P business, the JX Group recognizes that it is imperative to launch production in each development project as soon as possible, and to increase reserves mainly by new exploration activities. In terms of the metals business, the JX Group considers it a vital task to establish an integrated operation system from the upstream through to the mid- and downstream, by launching full-scale production in the Caserones mine as soon as possible.

With the above in mind, the JX Group is committed to work on the following key measures in Fiscal Year 2014, pursuant to the basic policy prescribed in the Second Medium-Term Management Plan. As a first step, the JX Group will, in the energy business, focus on implementing sales measures commensurate with fluctuations in demand and exports in a flexible manner to stabilize margins, which is the largest task. The JX Group will also work to reinforce the competitiveness of refineries, including by constructing the Solvent De-Asphalting facility in the Kashima Refinery, and to turn the paraxylene manufacturing business with the SK Group into a profit-generating operation at an early stage. Next, the JX Group will, in the oil and natural gas E&P business, bring about a launch of production in the projects that are under development in Papua New Guinea and the U.K. North Sea at

an early stage, as well as securely execute new exploration activities in Qatar, Malaysia and other locations. In the metals business, the JX Group will launch full-scale production of copper concentrates in the Caserones mine as soon as possible, and will work to increase production efficiency and profitability in the smelting operation utilizing those copper concentrates.

As described above, the JX Group will take a leap forward to become a world-leading “integrated energy, resources, and materials business group” by overcoming difficulties through continued commitment to “creation” and “innovation,” utilizing its strength of being a player in a variety of business fields and flexibly responding to the changes in the environment. 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 needed by each company in the JX Group.

During this fiscal year, the Company procured 25 billion yen by issuing bonds, and 45 billion yen through long-term loans.

In addition, the following funds were procured by the respective companies below by loans from governmental financial institutions and project financing:

- (i) A project subsidiary of JX Nippon Oil & Gas Exploration Corporation: 199.85 million U.S. dollars as funds related to the Papua New Guinea Project;
- (ii) A project subsidiary of JX Nippon Oil & Gas Exploration Corporation: 62.80 million U.S. dollars as funds related to the acquisition of a participation interest in and the development of the Mariner oil field and the Kinnoull oil field in the U.K. North Sea; and
- (iii) A project subsidiary of JX Nippon Mining & Metals Corporation: 50 million U.S. dollars as funds related to the Caserones Copper and Molybdenum Deposit Development Project.

(5) Capital Investment

Business Segment and Category	Capital Investment Amount (100 million yen)	Main Investment
Energy Business	1,099	Refinery and plant facility work; service station new construction and reconstruction work; and construction of crude oil tankers
Oil and Natural Gas E&P Business	1,524	Oil and gas field exploration and development
Metals Business	1,949	Copper mine development; office, smelter, and works facility work; and construction of copper concentrate and sulfuric acid carriers
Other Business	64	Asphalt mixture plant manufacturing facility renewal
Total	4,636	—
(Adjustments)	(55)	—
Consolidated Total	4,691	—

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

- 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 blocks owned and the value of those blocks.

(7) Financial Position and Operating Results

Item	Consolidated Fiscal Year	FY2010 (First fiscal term)	FY2011 (Second fiscal term)	FY2012 (Third fiscal term)	FY2013 (Fourth fiscal term; the current fiscal term)
Net sales	(100 million yen)	96,344	107,239	112,195	124,120
Ordinary income	(100 million yen)	4,137	4,078	3,283	3,023
Net income	(100 million yen)	3,117	1,706	1,595	1,070
Net income per share		125.35 yen	68.60 yen	64.13 yen	43.05 yen
Total assets	(100 million yen)	62,600	66,904	72,749	77,818
Net assets	(100 million yen)	18,862	20,448	23,274	26,263

(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, 2014)

- **Number of consolidated subsidiaries:** 142
- **Number of subsidiaries or affiliates accounted for under the equity method:** 31
- **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"> - Manufacturing 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., targets, surface treatment material, and compound semiconductor material) - Manufacturing and marketing precision rolled products and precision fabricated products - Non-ferrous metal recycling and industrial waste treatment
	Pan Pacific Copper Co., Ltd.	956	66	<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)

Business Segment	Company Name	Capital stock (100 million yen)	Voting Rights Ratio (%)	Details of Major Business Activities
	Toho Titanium Co., Ltd.	120	50.4	- Manufacturing, processing, and marketing titanium metals
Other Business	NIPPO CORPORATION	153	57.1	- Civil engineering work, including roadwork and pavement construction - Construction work

(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 74.8 billion yen as of September 4, 2013, and capital stock of 95.6 billion yen as of March 4, 2014.
3. Because the business segment for Toho Titanium Co., Ltd. was changed, information on Toho Titanium Co., Ltd. is specified in the columns under the “Metals Business.”

(9) Main Business Offices and Plants (as of March 31, 2014)

• 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 (Taipei, Gaoxiong)	Australia (Sydney)
	Vietnam (Ho Chi Minh, and Hai Phong)	Thailand (Bangkok)
	Singapore (Singapore)	Indonesia (Jakarta, and West Java)
	India (New Delhi)	U.S. (New York, Chicago, and others)
	Canada (Vancouver)	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. As of July 1, 2013, we established new offices in New York (U.S.), and Taipei (Taiwan), respectively.
3. A group company, which is a Canadian corporation, has become subject to consolidation from this fiscal year. Therefore, we added "Canada (Vancouver)" as one of the main overseas operating sites.
4. We suspended crude oil treatment at the Muroran Refinery on March 31, 2014, and we decided to reconstruct it as an operating site that plays a role in manufacturing petrochemical products and distributing petroleum products. For these reasons, we changed its name to the Muroran Plant on April 1, 2014.
5. We established a new office in Johannesburg in South Africa as of April 1, 2014.

6. We decided to close down the Ho Chi Minh office in Vietnam as of May 31, 2014.

- **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)

(Notes)

1. The information above includes the operating sites of the group companies of JX Nippon Oil & Gas Exploration Corporation.
2. We closed down the Brisbane Office in Australia as of March 31, 2014.

- **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 Works (Kitaibaraki City) Kakegawa Works (Kakegawa City)	
Overseas Operating Sites (Offices, Works, and Mines)	South Korea (Ulsan and Pyeongtaek) Taiwan (Longtan, Guan Yin, and others) Philippines (Laguna) U.S. (Arizona) Peru (Lima and Quechua)	China (Suzhou, Changzhou, and others) Singapore (Singapore) Malaysia (Johor) Chile (Santiago, Caserones, and others) Germany (Frankfurt and Baden-Wuerttemberg)

(Notes)

1. The information above includes the operating sites of the group companies of JX Nippon Mining & Metals Corporation.
2. We completed the construction of a new works of a group company in Longtan (Taiwan) as of July 15, 2013.
3. We closed down the Isohara Fabricating Works and the Australian Office as of September 30, 2013.

<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)	

● **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)	

(10) Employees (as of March 31, 2014)

Business Segment and Category	Number of Employees (persons)	
JX Holdings, Inc.	102	[0]
Energy Business	14,676	[7,592]
Oil and Natural Gas E&P Business	885	[33]
Metals Business	6,700	[264]
Other Business	4,253	[2,441]
Total	26,616	[10,330]

(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, 2014)

Lender	Balance of Loans Payable (100 million yen)
Mizuho Bank, Ltd.	3,468
Japan Oil, Gas and Metals National Corporation	3,231
Sumitomo Mitsui Banking Corporation	2,662
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,333
Japan Bank for International Cooperation	2,168

(Notes)

Mizuho Corporate Bank, Ltd., which was specified as one of the main lenders in the previous fiscal year, merged with Mizuho Bank, Ltd. as of July 1, 2013. Consequently, it changed its trade name to “Mizuho Bank, Ltd.”

2. Matters Concerning Shares (as of March 31, 2014)

- **Total number of authorized shares:** 8,000,000,000 shares
- **Total number of issued shares:** 2,495,485,929 shares
- **Number of shareholders:** 179,334 shareholders
- **Large Shareholders (top ten (10))**

Shareholders' Names	Number of Shares Held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	152,904	6.14
Japan Trustee Services Bank, Ltd. (Trust Account)	140,310	5.63
Mizuho Bank, Ltd.	76,141	3.05
Sumitomo Mitsui Banking Corporation	65,398	2.62
Mitsubishi Corporation	48,615	1.95
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	38,920	1.56
NORTHERN TRUST CO. (AVFC) RE 15PCT TREATY ACCOUNT	34,160	1.37
INPEX CORPORATION	33,264	1.33
Japan Trustee Services Bank, Ltd. (Trust Account 1)	30,274	1.21
Japan Trustee Services Bank, Ltd. (Trust Account 5)	27,933	1.12

(Note)

1. Shareholding ratio is calculated excluding treasury stock (5,650,741 shares).
2. Mizuho Corporate Bank, Ltd., which was specified as a large shareholder in the previous fiscal year, merged with Mizuho Bank, Ltd. as of July 1, 2013. Consequently, it changed its trade name to "Mizuho Bank, Ltd."

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

(1) Names, etc. of Directors and Corporate Auditors (as of March 31, 2014)

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.
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)
Mutsutake Otsuka	Outside Director	[Independent Director] (Adviser of East Japan Railway Company)
Hideo Tabuchi	Full-time Corporate Auditor	
Tadashi Ohmura	Full-time Corporate Auditor	
Hiroyasu Watanabe	Outside Corporate Auditor	[Independent Corporate Auditor] (Professor at the Graduate School of Finance, Accounting and Law, Waseda University)
Mitsudo Urano	Outside Corporate Auditor	[Independent Corporate Auditor] (Adviser of Nichirei Corporation)
Hideki Nakagome	Outside Corporate Auditor	[Independent Corporate Auditor] (Partner at Fuji Partnership Law Office (<i>Fuji Godo Houritsujimusho</i>))
Toshinori Kanemoto	Outside Corporate Auditor	[Independent Corporate Auditor] (Attorney-at-Law, Of-Counsel at City-Yuwa Partners)

(Notes)

1. Mr. Mutsutake Otsuka has assumed the office of director after having been newly elected at the third ordinary general meeting of shareholders held on June 26, 2013.
2. Mr. Etsuhiko Shoyama retired as director upon the expiration of his term of office at the conclusion of the third ordinary general meeting of shareholders held on June 26, 2013.
3. Mr. Tadashi Ohmura and Mr. Toshinori Kanemoto have assumed the office of corporate auditor after having been newly elected at the third ordinary general meeting of shareholders held on June 26, 2013.
4. Mr. Fumio Ito and Mr. Hidehiko Haru resigned as corporate auditors upon the conclusion of the third ordinary general meeting of shareholders held on June 26, 2013.
5. 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 Commissioner of the National Tax Agency. He is also a professor at the Graduate School of Finance, Accounting and Law, Waseda University, having a considerable amount of knowledge and insight regarding finance and accounting.
6. No relationship exists between the Company and important concurrent offices held by any of the outside directors or outside corporate auditors that needs to be specifically indicated herein.
7. Each of the Outside Directors Mr. Masahiro Sakata, Mr. Hiroshi Komiyama, Ms. Hiroko Ota, and Mr. Mutsutake Otsuka, and each of the Outside Corporate Auditors Mr. Hiroyasu Watanabe, Mr. Mitsudo Urano, Mr. Hideki Nakagome, and Mr. Toshinori Kanemoto are independent directors or independent corporate auditors based on the rules of each stock exchange in Tokyo and Nagoya on which the Company is listed.

(2) Remunerations for Directors and Corporate Auditors (for the fiscal year 2013)

Grantee	Total Remuneration Amount (million yen)	Number of Grantees (persons)
Directors (Outside Directors)	370 (60)	15 (5)
Corporate Auditors (Outside Corporate Auditors)	113 (41)	8 (5)
Total (Outside Directors, and Outside Corporate Auditors)	483 (100)	23 (10)

(Notes)

1. The information above includes the amount of Remunerations for one director (outside director), and two corporate auditors (including one outside corporate auditor) who retired upon the conclusion of the third ordinary general meeting of shareholders held on June 26, 2013.
2. The information above includes the amount of bonuses for the fiscal year 2013, payment of which the directors and corporate auditors are to be granted after the Company's fourth 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:

- (i) 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.
- (ii) 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 (i), 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 (ii) 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	
Masahiro Sakata	13 out of 13 times	Hiroyasu Watanabe	13 out of 13 times
Hiroshi Komiyama	11 out of 13 times	Mitsudo Urano	12 out of 13 times
Hiroko Ota	12 out of 13 times	Hideki Nakagome	13 out of 13 times
Mutsutake Otsuka	10 out of 10 times	Toshinori Kanemoto	10 out of 10 times

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

Outside Corporate Auditor	
Hiroyasu Watanabe	14 out of 15 times
Mitsudo Urano	14 out of 15 times
Hideki Nakagome	14 out of 15 times
Toshinori Kanemoto	10 out of 10 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 stated 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.

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

At Board of Corporate Auditors' Meetings, each outside corporate auditor inquired about and stated 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**

- (i) Together with the full-time corporate auditors, each outside corporate auditor regularly exchanged with the representative directors or the like their opinions on the JX Group's overall management, and engaged in activities to further improve the soundness of the management.
- (ii) Making use of their abundant expertise and experience, the Outside Director Mr. Masahiro Sakata inquired and stated, at the Remuneration Advisory Committee, his opinions from an objective and fair stance on the matters regarding "policies for determining bonuses for directors" that are to be reported to the Board of Directors.

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

- (i) 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 set forth in Article 425, paragraph 1 of the Japanese Companies Act (the amount equal to the outside director's Remunerations for two (2) years) if these outside directors are without knowledge and are not grossly negligent in conducting their duties.
- (ii) 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 set forth in Article 425, paragraph 1 of the Japanese Companies Act (the amount equal to the outside corporate auditor's Remunerations for two (2) years) 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 2013)

(million yen)

(i) Amount of the Remunerations as an accounting auditor of the Company	137
(ii) Total amount of monies and other property benefits to be paid by the Company and its subsidiaries	850

(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 control 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 the 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 “Rules for the Board of Directors.” Based on these rules, it shall hold Board of Directors' meetings once every month in principle, and decide on the 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 attend the Board of Directors' meetings and participate in deliberations thereof, the Company shall aim to ensure objectivity and further improve the adequacy of decisions on the 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 at 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 matter, such as regarding 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 matter 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 damage.

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

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 Appropriate Business Operation 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 attend the Executive Council's meetings as necessary, in addition to appointing as the Company's part-time directors the presidents of all core operating companies, so that decision-making on matters 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 Organization 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 standards and the audit plans 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 attend important meetings, such as the Executive Council's meetings, and understand the process of

making important decisions and the status of execution of business activities. 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, 2014)

(Millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	3,765,584	Current liabilities	3,454,888
Cash and deposits	281,733	Notes and accounts payable-trade	884,486
Notes and accounts receivable-trade	1,401,114	Short-term borrowings	1,079,713
Inventories	1,797,189	Commercial papers	450,000
Deferred tax assets	27,566	Accounts payable-other	687,043
Other	260,178	Income taxes payable	32,262
Allowance for doubtful accounts	(2,196)	Other provision	32,916
		Other	288,468
Non-current assets	4,016,191	Non-current liabilities	1,700,593
Property, plant and equipment	2,389,191	Bonds payable	187,480
Buildings, structures and oil tanks	418,216	Long-term loans payable	1,054,020
Machinery, equipment and vehicles	525,520	Deferred tax liabilities	143,900
Land	960,203	Net defined benefit liability	89,357
Construction in progress	436,876	Provision for repairs	62,051
Other	48,376	Other	163,785
Intangible assets	132,679		
		Total liabilities	5,155,481
Investments and other assets	1,494,321	(Net assets)	
Investment in securities	713,646	Shareholders' equity	1,962,296
Deferred tax assets	68,765	Common stock	100,000
Exploration and development investments	600,387	Capital surplus	746,711
Other	121,891	Retained earnings	1,119,478
Allowance for doubtful accounts	(10,368)	Treasury stock	(3,893)
		Accumulated other comprehensive income	172,762
		Unrealized gain on securities	51,312
		Unrealized gain on hedging derivatives	5,551
		Foreign currency translation adjustments	113,204
		Remeasurements of defined benefit plans	2,695
		Minority interests	491,236
		Total net assets	2,626,294
Total assets	7,781,775	Total liabilities and net assets	7,781,775

Consolidated Statements of Income (from April 1, 2013 to March 31, 2014)

(Millions of yen)

Account title	Amount	
Net sales		12,412,013
Cost of sales		11,637,633
Gross profit		774,380
Selling, general and administrative expenses		560,723
Operating income		213,657
Non-operating income		
Interest income	3,251	
Dividends income	36,659	
Foreign currency exchange gain	5,225	
Equity in earnings of affiliates	54,593	
Other	29,335	129,063
Non-operating expenses		
Interest expenses	23,815	
Other	16,576	40,391
Ordinary income		302,329
Special income		
Gain on sales of non-current assets	12,273	
Gain on sales of investment securities	4,208	
Other	305	16,786
Special loss		
Loss on sales of non-current assets	3,240	
Loss on disposal of non-current assets	12,788	
Impairment loss	48,830	
Expenses for special measures for suspended or abandoned mines	10,460	
Other	23,466	98,724
Income before income taxes and minority interests		220,331
Income taxes-current	80,255	
Income taxes-deferred	13,921	94,176
Income before minority interests		126,155
Minority interests in income		19,113
Net income		107,042

Consolidated Statements of Changes in Net Assets (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2013	100,000	746,711	1,053,576	(3,854)	1,896,433
Changes of items during the period					
Dividends from surplus			(39,838)		(39,838)
Net income			107,042		107,042
Purchase of treasury stock				(40)	(40)
Disposal of treasury stock				1	1
Change in equity by merger of affiliates accounted for by the equity method			(1,302)		(1,302)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	65,902	(39)	65,863
Balance as of March 31, 2014	100,000	746,711	1,119,478	(3,893)	1,962,296

	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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2013	35,260	7,768	3,293	-	46,321	384,678	2,327,432
Changes of items during the period							
Dividends from surplus							(39,838)
Net income							107,042
Purchase of treasury stock							(40)
Disposal of treasury stock							1
Change in equity by merger of affiliates accounted for by the equity method							(1,302)
Net changes of items other than shareholders' equity	16,052	(2,217)	109,911	2,695	126,441	106,558	232,999
Total changes of items during the period	16,052	(2,217)	109,911	2,695	126,441	106,558	298,862
Balance as of March 31, 2014	51,312	5,551	113,204	2,695	172,762	491,236	2,626,294

(Reference)

Consolidated Statements of Cash Flows (from April 1, 2013 to March 31, 2014)

(Millions of yen)

Account title	Amount
Net cash provided by operating activities	305,153
Net cash provided by investing activities	(479,793)
Net cash provided by financing activities	180,080
Effect of exchange rate changes on cash and cash equivalents	25,244
Net increase in cash and cash equivalents	30,684
Cash and cash equivalents at beginning of period	249,131
Increase in cash and cash equivalents resulting from merger	254
Cash and cash equivalents at end of period	280,069

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: 142 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., Toho Titanium Co., Ltd., and NIPPO CORPORATION.
- (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:
JX Nippon Oil & Energy Coal (Canada) Ltd. and Leo Ocean Pte. Ltd. were added to the scope of the consolidation as a result of being newly established.
All of the following companies were excluded from the scope of the consolidation: Hatsuko Sekiyu Hanbai Kabushiki Kaisha, due to its merger with ENEOS WING SUPPLY Corporation (formerly Kabushiki Kaisha I.O); SUZUYO ENERGY CO., LTD., due to its merger with ENEOS WING Corporation (formerly IKKO Co., Ltd.); Automax Co., Ltd., due to its sales of all of its shares; and ENEOS CELLTECH Co., Ltd. and five other companies, due to their liquidation.

(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. and ENEOS Globe Energy Co., Ltd.
- (ii) Number of affiliates accounted for by the equity method: 29 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
MIZUSHIMA LNG SALES COMPANY, LIMITED was excluded from the scope of affiliates accounted for by the equity method, due to its merger with MIZUSHIMA LNG COMPANY, LIMITED.
- (iv) The non-consolidated subsidiaries and affiliates (SAIBUNISSOU CO., 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 dates of seven (7) Japanese entities, including Japan Vietnam Petroleum Co., Ltd., and 41 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.
However, we have adjusted 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 or other value of a similar nature. (Valuation differences are included directly in shareholders' equity. The cost of securities sold is determined primarily by 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 method 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 repairs
To prepare for payment on future repairs, inspection and repair costs related to (i) oil tanks, (ii) machinery equipment at refineries, (iii) vessels and the like, for which periodic overhaul inspections are required by the Japanese Fire Service Act, are allocated over the relevant period; further, the amount allocated to the current consolidated fiscal year are recorded.
- (iv) Accounting method related to retirement benefits
- Method of attributing expected retirement benefits to periods
In the calculation of retirement benefit obligations, the straight-line basis is adopted as the method of attributing expected retirement benefits to the period up to the end of the fiscal year.
 - Method of amortizing actuarial gain or loss, and the prior service cost
Prior service cost is amortized as incurred using the straight-line method, principally over 5 (five) years.
Actuarial gain or loss is amortized commencing in the subsequent period by the straight-line method, principally over 5 years.
- (v) 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, block acquisition costs, 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.
- (5) 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 Accounting Policies

(Application of Accounting Standard, etc. for Retirement Benefits)

We have adopted the "Accounting Standard for Retirement Benefits" (The Accounting Standards Board of Japan (ASBJ) Statement No.26, May 17, 2012) ("Accounting Standard"), and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25, May 17, 2012) ("Guidance"), effective from the end of the current consolidated fiscal year (excluding the provisions set forth in the main clause of paragraph 35 of the Accounting Standard, and the main clause of paragraph 67 of the Guidance). As a result, we have changed the accounting method to one that records, as a net defined benefit liability, the amount of retirement benefit obligations after deducting the amount of pension assets. Accordingly, the unrecognized actuarial gain or loss and the unrecognized prior service costs are recorded as a net defined benefit liability.

The Accounting Standard and other relevant rules are applied in accordance with the transitional measures provided in paragraph 37 of the Accounting Standard. The amount of impact resulting from the changes has been reflected in the remeasurements of defined benefit plans in the accumulated other comprehensive income at the end of the current consolidated fiscal year.

As a result of these changes, a net defined benefit liability of 89,357 million yen has been recorded at the end of the current consolidated fiscal year, and the accumulated other comprehensive income has increased by 2,695 million yen, with the minority interests being reduced by 189 million yen.

Net assets per share increased by 1.08 yen.

3. Notes to Accounting Standards that Have Not Been Applied

“Accounting Standard for Retirement Benefits” (ASBJ Statement No.26, May 17, 2012)

“Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25, May 17, 2012).

(1) Background

The above accounting standards were amended mainly focusing on the accounting method of unrecognized actuarial gains and losses, and the unrecognized prior service costs, and the calculation method of retirement benefit obligations and current service costs, and the enhancement of disclosures.

(2) Date of application

The amendment to the calculation method of retirement benefit obligations and current service costs will be applied, effective from the beginning of the fiscal year ending March 2015. As there are transitional measures for the above accounting standards, the amendment will not be applied retroactively to the consolidated financial statements for the previous terms.

(3) Impact of the application of these accounting standards

We are currently evaluating the amount of impact on consolidated financial statements that may occur as a result of amendments to the calculation method of retirement benefit obligations and current service costs.

4. Notes to Changes in Presentation Method

(Consolidated Balance Sheets)

In the previous consolidated fiscal year, the item “provision for loss on disaster” was presented as an independent item under “current liabilities” in the consolidated balance sheet. However, in the current consolidated fiscal year, it is presented as included in the item “other provision,” as its importance has decreased. The amount of “provision for loss on disaster” for the previous consolidated fiscal year was 6,060 million yen.

(Consolidated Statements of Income)

In the previous consolidated fiscal year, the item “restructuring cost” was presented as an independent item under “special loss” in the consolidated balance sheet. However, in the current consolidated fiscal year, it is presented as included in the item “other” under “special loss,” as its importance has decreased. The amount of “restructuring cost” for the previous consolidated fiscal year was 10,998 million yen.

5. 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:	1,056,538 million yen
Cash and deposits:	45,075 million yen
Other:	31,492 million yen

In addition to the above, shares of the consolidated subsidiary in the amount of 166,624 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:	141,720 million yen
Long-term loans payable (including current portion):	144,025 million yen
Other:	2,368 million yen

The obligations corresponding to the assets offered as security include, in addition to (ii) above, the transaction guarantee of 1,062 million yen, and loans payable by affiliates, or the like of 15,122 million yen.

(2) Accumulated Depreciation of Property, Plant, and Equipment: 3,663,192 million yen

(3) Guarantee Obligations

Guarantees to loans from financial institutions, or the like by companies, or the like other than the consolidated subsidiaries:	91,675 million yen
Guarantees to employees' loans (housing funds):	4,735 million yen

6. 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 26, 2013	Common stock	19,919	8.0	March 31, 2013	June 27, 2013
Board of Directors' Meeting held on November 1, 2013	Common stock	19,919	8.0	September 30, 2013	December 5, 2013

(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, 2014	Common stock	Retained earnings	19,919	8.0	March 31, 2014	June 27, 2014

7. 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, 2014, 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	1,401,114	1,401,114	—
(ii) Investment securities	243,853	243,853	—
(iii) Notes payable-trade, and accounts payable-trade	884,486	884,486	—
(iv) Short-term borrowings (*1)	901,111	901,111	—
(v) Commercial papers	450,000	450,000	—
(vi) Accounts payable-other	687,043	687,043	—
(vii) Long-term loans payable (*1)	1,232,622	1,246,750	14,128
(viii) Derivative transactions (*2)	3,563	(6,581)	(10,144)

(*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: 445,786 million yen) have no market price, and it is impossible to estimate their cash flow in the future; thus, it is considered extremely difficult to fully understand their fair value. Therefore, they are not included in the "investment securities" in (ii) above.

8. Notes to Per-share Information

Net assets per share:	858.66 yen
Net income per share:	43.05 yen

Non-Consolidated Financial Statements

Non-consolidated Balance Sheets (as of March 31, 2014)

(Millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	1,073,712	Current liabilities	1,085,219
Cash and deposits	45	Short-term borrowings	583,198
Operating accounts receivable	712	Commercial papers	450,000
Short-term loans receivable from subsidiaries and affiliates	1,045,355	Current portion of bonds	30,000
Accounts receivable-other	26,847	Accrued expenses	4,041
Other	754	Income taxes payable	429
		Provision for employees' bonuses	270
		Other	17,281
Non-current assets	2,167,253	Non-current liabilities	888,262
Property, plant and equipment	57,147	Bonds payable	185,000
Buildings and structures	4,225	Long-term loans payable	541,100
Land	49,205	Long-term loans payable to subsidiaries and affiliates	136,986
Other	3,717	Deferred tax liabilities	25,131
		Other	45
Intangible assets	357	Total liabilities	1,973,481
Investments and other assets	2,109,748	(Net assets)	
Investments in securities	213,515	Shareholders' equity	1,230,215
Stocks of subsidiaries and affiliates	1,235,408	Common stock	100,000
Long-term loans receivable from subsidiaries and affiliates	656,100	Capital surplus	1,071,259
Guarantee deposits	4,539	Legal capital reserve	25,000
Other	187	Other capital surplus	1,046,259
		Retained earnings	61,591
		Other retained earnings	61,591
		Reserve for advanced depreciation of non-current assets	1,657
		Retained earnings brought forward	59,934
		Treasury stock	(2,635)
		Valuation and translation adjustments	37,268
		Unrealized gain on securities	37,268
		Unrealized gain on hedging derivatives	0
		Total net assets	1,267,484
Total assets	3,240,965	Total liabilities and net assets	3,240,965

Non-consolidated Statements of Income (from April 1, 2013 to March 31, 2014)

(Millions of yen)

Account title	Amount	
Operating revenue		
Dividends income	41,331	
Management fee income	9,332	50,663
Selling, general and administrative expenses		8,910
Operating income		41,753
Non-operating income		
Interest income	13,292	
Dividends income	4,519	
Other	1,790	19,600
Non-operating expenses		
Interest expenses	13,050	
Interest on bonds	3,249	
Interest on commercial papers	488	
Other	292	17,079
Ordinary income		44,274
Special income		
Gain on sales of stocks of subsidiaries and affiliates	310	
Gain on sales of investment securities	166	476
Special loss		
Loss on valuation of investment securities	671	671
Income before income taxes		44,079
Income taxes-current	634	
Income taxes-deferred	(37)	597
Net income		43,482

Non-consolidated Statements of Changes in Net Assets (from April 1, 2013 to March 31, 2014)

(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, 2013	100,000	25,000	1,046,259	1,071,259	1,670	56,277	57,947	(2,615)	1,226,591
Changes of items during the period									
Dividends from surplus						(39,838)	(39,838)		(39,838)
Net income						43,482	43,482		43,482
Purchase of treasury stock								(21)	(21)
Disposal of treasury stock			0	0				1	1
Reversal of reserve for advanced depreciation of non-current assets					(13)	13	-		-
Net changes of items other than shareholders' equity									
Total changes of items during the period	-	-	0	0	(13)	3,657	3,644	(20)	3,625
Balance as of March 31, 2014	100,000	25,000	1,046,259	1,071,259	1,657	59,934	61,591	(2,635)	1,230,215

(Millions of yen)

	Valuation and translation adjustments			Total net assets
	Gain on sales of stocks of subsidiaries and affiliates	Unrealized gains or losses on hedging derivatives	Total valuation and translation adjustments	
Balance as of April 1, 2013	23,436	(76)	23,359	1,249,950
Change of items during the period				
Dividends from surplus			(39,838)	
Net income			43,482	
Purchase of treasury stock			(21)	
Disposal of treasury stock			1	
Reversal of reserve for advanced depreciation of non-current assets			-	
Net changes of items other than shareholders' equity	13,832	77	13,909	13,909
Total changes of items during the period	13,832	77	13,909	17,534
Balance as of March 31, 2014	37,268	0	37,268	1,267,484

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:	90,372 million yen
Investment securities:	1,009 million yen
(ii) Obligations to the above	
Subsidiaries' and affiliates' accounts payable-other:	10,756 million yen
Subsidiaries' and affiliates' borrowings and loans payable:	87 million yen
(2) Accumulated Depreciation of Property, Plant and Equipment:	7,371 million yen
(3) Guarantee Obligations:	
Guarantee on loans:	349,603 million yen
Guarantee on transactions-other:	375,015 million yen
Total	724,618 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:	6,593 million yen
Long-term monetary claims:	-
Short-term monetary obligations:	17,461 million yen
Long-term monetary obligations:	1 million yen

3. Notes to Non-consolidated Statements of Income

Volume of Transactions with Subsidiaries and Affiliates	
Operating revenue:	50,663 million yen
Operating expenses:	4,600 million yen
Volume of transactions other than in business transactions:	17,153 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: 5,650,741 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	106
Investment securities	2,431
Excess of allowed depreciation limit	253
Other	544
Subtotal of deferred tax assets	3,334
Valuation reserve	(2,872)
Total deferred tax assets	462
(Deferred Tax Liabilities)	
Land	248
Reserve for advanced depreciation of non-current assets	917
Investment securities	24,213
Other	7
Total deferred tax liabilities	25,386
Net deferred tax liabilities	24,924

6. 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)	6,066	Operating accounts receivable	463		
				Guarantee of obligations or the like (Note 2)	248,028				
Subsidiary	JX Nippon Oil & Gas Exploration Corporation	Directly owned, 100%	Business management; Interlocking directorate	Receipt of business management fee (Note 1)	1,399	Operating accounts receivable	107		
				Receipt of fee for guarantee of obligations (Note 3)	99			Accounts receivable	1
				Guarantee of obligations or the like (Note 3)	33,050				
Subsidiary	JX Nippon Mining & Metals Corporation	Directly owned, 100%	Business management; Interlocking directorate	Receipt of business management fee (Note 1)	1,866	Operating accounts receivable	142		
				Guarantee of obligations or the like (Note 4)	9,809				
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	1,033,198		
				Loan of short-term funds or the like	9,919,900			Long-term loans receivable from subsidiaries and affiliates	656,100
				Collection of short-term funds	9,769,100				
				Loan of long-term funds or the like	70,000				
				Collection of long-term funds	111,049				
				Intra-group fund transactions (Note 6)					
				Borrowing of short-term funds	5,965			Short-term loans receivable from subsidiaries and affiliates	12,157
Borrowing of long-term funds	30,000	Long-term loans payable to subsidiaries and affiliates	136,986						
			Receipt of interest (Note 5) (Note 6)	13,291					
Subsidiary	SCM Minera Lumina Copper Chile	Indirectly owned, 77%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	75,066	Accounts receivable	272		
				Receipt of fee for guarantee of obligations (Note 3)	152				
Subsidiary	JX Nippon Exploration and Production (U.K.) Limited	Indirectly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	121,753	Accounts receivable	103		
				Receipt of fee for guarantee of obligations (Note 3)	319				
Subsidiary	JX Nippon Oil Exploration (U.S.A.) Limited	Indirectly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	41,513	Accounts receivable	1		
				Receipt of fee for guarantee of obligations (Note 3)	55				

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)	38,801	-	-
				Receipt of fee for guarantee of obligations (Note 3)	155		
Subsidiary	Nippon Papua New Guinea LNG LLC	Indirectly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	45,427	-	-
				Receipt of fee for guarantee of obligations (Note 3)	367		

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.

7. Notes to Per-share Information

Net assets per share:	509.06 yen
Net income per share:	17.46 yen

8. 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, 2014

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, 2013 through March 31, 2014.

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, 2014 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, 2014

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 fourth fiscal year from April 1, 2013 through March 31, 2014.

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, 2014 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

Fourth Fiscal Term
(From April 1, 2013 to March 31, 2014)

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. 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, 2014

The Board of Corporate Auditors of JX Holdings, Inc.

Hideo Tabuchi, Full-time Corporate Auditor
Tadashi Ohmura, Full-time Corporate Auditor
Hiroyasu Watanabe, Corporate Auditor (Outside Corporate Auditor)
Mitsudo Urano, Corporate Auditor (Outside Corporate Auditor)
Hideki Nakagome, Corporate Auditor (Outside Corporate Auditor)
Toshinori Kanemoto, Corporate Auditor (Outside Corporate Auditor)

End