

March 28, 2013
JX Holdings, Inc.

JX Group 2nd Medium-Term Management Plan and Long-Term Vision Formulated

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

JX Holdings, Inc. (Otemachi 2-chome, Chiyoda-ku, Tokyo; President: Isao Matsushita) would like to announce that it has formulated the JX Group 2nd Medium-Term Management Plan establishing three-year business goals and strategies from FY2013 and the Long-Term Vision setting forth the Group's aspirations for FY2020. Since its inception in 2010, under the JX Group Mission Statement, JX Holdings has been aiming to develop the JX Group into a world-leading integrated energy, resources and materials business group encompassing the Energy business including petroleum refining & marketing, along with the Oil and Natural Gas E&P business and Metals business. The JX Group 2nd Medium-Term Management Plan and the Long-Term Vision are outlined as follows:

1. Outline of 2nd Medium-Term Management Plan (FY2013-2015)

(1) Basic Policy

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

the JX Group will execute business strategies from the perspectives of Profitability, Growth, and Flexibility, with the aim of maximizing group corporate value.

In regard to Profitability, the JX Group will Securing stable profitability in existing business by realizing overwhelming competitiveness through continuous restructuring and stable operation, while realizing return from invested projects to date.

In regard to Growth, in an uncertain business environment, the JX Group will balance petroleum and non-petroleum, upstream and mid & downstream businesses while continuing to give priority to allocating management resources to highly profitable and developing operations. Through these two measures, the JX Group will put in place a structure for realizing high profit and high ROE continuously

In regard to Flexibility, by structuring stronger balance sheet, the JX Group will risk tolerancebusiness environment.

Note: Please see the attachment for basic strategies and major tasks in each core business.

(2) Key Factors (FY2015)

a. Exchange Rate:	90 yen/\$
b. Crude Price (Dubai Spot):	110\$/bbl
c. Copper Price (LME):	360¢/lb

(3) Target (FY2015)

a. Ordinary Income:	400 billion yen or more
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- b. ROE: 10% or higher
c. Net D/E Ratio: 0.9 times or lower
d. CAPEX (plan): 1,300 billion yen or more (FY2013-2015 total)
Strategic Investments 830 billion yen or more

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

	FY2012 (Forecast)	FY2015 (Plan)
Exchange Rate (yen/\$)	81	90
Crude Oil (Dubai; \$/bbl) (FY)	109	110
Copper Price (LME; ¢/lb) (Jan.-Dec.)	361	360
Ordinary Income excl. Inventory Valuation	300.0	420.0
① Energy	133.0	155.0
Petroleum Products	88.0	100.0
Petrochemicals	45.0	55.0
② Oil and Natural Gas E&P	95.0	110.0
③ Metals	45.0	130.0
Resources Development	28.0	67.0
Smelting & Refining	9.0	27.0
Electronic Materials	6.0	21.0
Recycling & Environmental Services	2.0	11.0
Titanium (Shifted to Metals from 2013)	-	4.0
④ Others	27.0	25.0
ROE	9.3%	10% or higher
Net D/E Ratio	1.1 times	0.9 times or lower

(5) CAPEX (Unit: billion yen)

	FY2013-2015 (Plan)	(Strategic Investments)
① Energy	540.0	(320.0)
② Oil and Natural Gas E&P	390.0	(280.0)
③ Metals	300.0	(220.0)
④ Others	70.0	(10.0)
Total	1,300.0 or more	(830.0) or more

(6) Shareholder Return Policy

- a. Basic Shareholder Return Policy: Redistribute profits by reflecting consolidated business results while striving to maintain stable dividends
- b. Indication of Shareholder Return for 2nd Medium-Term Management Plan Period: Based on the basic policy, during the 2nd Medium-Term Management Plan period (FY2013-2015), we will strive to maintain dividends of 16 yen per share per annum, while considering shareholder return in view of such factors as business results, investment plans and financial position circumstances of balance sheet for each term.

2. Outline of Long-Term Vision for FY2020

(1) Corporate group holding competitive business evaluated by global standards

- a. Energy: Become a “Energy Conversion Company” providing energy stably and efficiently
- b. Oil and Natural Gas E&P: Become a sustainably growing E&P company mainly through operatorship
- c. Metals: Become a global resources and materials company centered on copper

(2) Well-balanced business portfolio—petroleum and non-petroleum, upstream and mid & downstream business

Balance of ordinary income excl. inventory valuation

	2012	2015	2020
Petroleum business	65%	55%	45%
Non-petroleum business ^{*1}	35%	45%	55%
Upstream business ^{*2}	40%	45%	50%
Mid & downstream business	60%	55%	50%

*1 Non-petroleum business: Electric power generation, gas, coal, photovoltaic power generation, fuel cell, and specialty & performance chemicals in Energy, LNG projects (Malaysia, Indonesia, Papua New Guinea) in Oil and Natural Gas E&P, and all businesses in Metals

*2 Upstream business: Coal businesses in Energy, all businesses in Oil and Natural Gas E&P, and resources development in Metals

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

Following the 1st Medium-Term Management Plan, which focused on laying a “Foundation of leap forward,” the JX Group has positioned the 2nd Medium-Term Management Plan as a period to “Start a leap forward.” Under the new plan, the JX Group will strive to ensure stable profitability in existing business while realizing profit growth through returns on strategic investments, and continuing to actively invest in further growth. Through these measures, JX Holdings aims to develop the JX Group into a world-leading integrated energy, resources and materials business group.

(Attachment)

Basic Strategies and Major Tasks for Each Core Business under the 2nd Medium-Term Management Plan (FY2013-2015)

Energy Business

1. Petroleum Refining & Marketing/Energy Conversion

[Basic strategies] Strengthening profitability of petroleum refining & marketing

[Major tasks]

- (1) Strengthening global competitiveness of refineries
 - a. Safe and stable operation
 - b. Cost reduction (Energy saving, utilizing for bottom oil)
 - c. Conversion to petrochemical factory
- (2) Establishing strong supply chain
 - a. Building strong sales network
 - b. Improving brand value (Introduce new Dr. Drive brand, card strategy, etc.)

[Basic strategies] Enhancing business as an energy conversion company

[Major tasks]

- (1) Electricity: Business expansion corresponding to electric system reformation by Japanese government
- (2) Gas: Enhancing providing base, Acquiring new demand (Construction of LNG terminal (Hachinohe & Kushiro) starting operation in FY2015)
- (3) Coal: Development of coking coal in Canada , Increasing domestic sales
- (4) Solar, Fuel Cel: Challenge for realizing a society with independent and distributed energy system (Mega solar project, fuel cell business, Dr.Ouchino Energy)
- (5) Hydrogen: Bring forward demonstration test of providing infrastructure

2. Basic Chemicals/Lubricants/Specialty & Performance Chemicals

[Basic strategies] Establishing presence in overseas market

[Major tasks]

- (1) Basic Chemicals
 - a. Palaxylene project in Korea (Starting operation in FY2014)
(Providing capacity of JX Group : 2,620 → 3,120 thousand ton)
 - b. Corresponding to business environmental change in olefins and aromatics
- (2) Lubricants
 - a. Enhancing business with base oil project in Korea
 - b. Strengthening production and marketing network overseas

[Basic strategies] Acquiring demand of high value-added products based on original technology

[Major tasks]

- (1) Specialty and Performance Chemicals
 - a. Expanding overseas production network (specialty & performance chemicals)
 - b. Increasing sales volume (cell incubation for pharmaceutical manufacturing and others)

* When preparing the 2nd Medium-Term Management Plan, the JX Group decided to rename the segments of two core operating companies to better reflect actual conditions. Accordingly, the Petroleum Refining and Marketing Business was renamed as the Energy Business, while the Oil and Natural Gas E&P Business remained the same in English.

Oil and Natural Gas E&P Business

1. Expanding Reserve and Production Volume Mainly through Exploration

[Basic strategies] Expanding reserves and production volume mainly through exploration

[Major tasks]

Toward production volume of 200 thousand BD in 2020:

(1) Shifting developing projects to production and projects before FID to developing

a. On developing

- Papua New Guinea LNG project
- UK Mariner oil field

b. Before FID

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

(2) Promoting large exploration operator project (Investing 90 billion yen in 3 years)

a. Malaysia: SK-333 block, Deepwater block R offshore Sabah

b. Qatar: Block A

c. Japan: Exploration of Sado island south west offshore (2013)

2. Focusing on Core Area and Technology/Quick Restructuring Business Portfolio

[Basic strategies] Establishing superiority by focusing core business area and technology

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

[Major tasks]

<Core Areas>

(1) Core countries: Malaysia, Vietnam, UK

- Continuing exploration, development and resource acquisition utilizing knowledge and relationship with national petroleum companies, etc

(2) Core candidates: UAE/Qatar, Myanmar, Australia

- To be developed as core countries acquiring business chance aiming for operatorship and strengthening business base

<Core Technologies>

(1) Deepwater

- Malaysia deepwater block R offshore Sabah
- UK Shetland west offshore

(2) Enhanced Oil Recovery Method

- Vietnam Rung Dong Oil Field HCG-EOR

(3) Tight oil, Gas

- Qatar Block A

[Basic strategies] Quick restructuring business portfolio responding to environmental change

(Rearranging asset portfolio timely)

Metals Business

1. Resource Development

[Basic strategies] Establishing highly profitable structure by enhancing copper mine interest

[Major tasks]

- (1) Aiming 350 thousand ton per year of copper mine interest
 - a. Caserones: 2013 4Q-Start production of copper concentrate
 - b. Reconsidering Quechua (Peru) development
 - c. Promoting exploring Frontera(Chile/Argentina)

[Basic strategies] Acquiring mining interest utilizing original technology

[Major tasks]

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

2. Smelting & Refining

[Basic strategies] Establish business structure that has world top-class cost competitiveness

[Major tasks]

- (1) safe and stable operation
- (2) Improving smelting margin
 - Improving production efficiency using copper concentrate from Caserones, using high margin materials, and starting 2 operation of 2nd copper concentrate and sulfuric acid carrier
- (3) Enhancement of overseas network
 - China, Taiwan, and Southeast asia

3. Electronic Materials

[Basic strategies] Securing world's top share in each product market

[Major tasks]

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

4. Recycling & Environmental Services

[Basic strategies] Building international resource recycling business with environmental-friendly zero emission system

[Major tasks]

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