■JX Holdings （5020）analysts' meeting Q&A for the first quarter ended June 30, 2013

1. Date & time: Wednesday, July 31, 2013 (14:30－15:30)
2. Attendees: 111
3. Principal questions:

－This document contains forward-looking statements. A cautionary statement appears in the endnote.－

Q. In the Energy Business, why did petroleum product margins decline in the first quarter and what is your outlook for margins going forward?

A. The first quarter's low margins were attributable to a variety of factors, but I think one key factor was that refineries that had long been shut down, including our Mizushima B Refinery, were restarted at the same time that domestic demand was declining due to unseasonably warm March weather. Margins have recently been recovering. They should remain firm for the time being, given that we are now in a seasonally strong period for demand.

Q. How much do you expect yen depreciation to contribute to earnings growth in the second quarter and the fiscal year as a whole?

A. In the first quarter, the yen against the U.S. dollar was 19 yen weaker than that in the same period of the previous fiscal year. This yen depreciation boosted ordinary income by about 15 billion yen on a year-on-year basis. In the second quarter, we assume that the yen will again average about 20 yen to the dollar below its level for the previous year’s same period. We expect the yen depreciation's contribution to year-on-year earnings growth to be about the same in the second quarter as in the first quarter, though it may differ somewhat due to differences in sales volumes or other factors.

For the fiscal year as a whole (the remaining nine months), we estimate that every 1 yen of yen depreciation against the dollar will boost ordinary income excluding inventory valuation factors by 1.5 to 2 billion yen and inventory valuation by around 8 billion yen on a year-on-year basis.

Q. Are you going to implement any specific measures to achieve your full-year earnings forecast? Do you plan to revise your maintenance budget?

A. In our revised forecast for the first half of the fiscal year 2013, ordinary income decreases by 35 billion yen, compared with the previous forecast announced in May. We accordingly face a high hurdle to achieve our full-year forecast, but every section will work on formulating measures to improve earnings during the second-half budgeting process.

We will proceed with necessary repairs and maintenance as planned to ensure safe and stable operations.

This document contains certain forward-looking statements, however, actual results may differ materially from those reflected in any forward-looking statements due to various factors, including but not limited to the following:

(1) macroeconomic conditions and changes in the competitive environment in the energy, resources, or materials industries;

(2) changes in laws and regulations; and

(3) risk related to litigation and other legal proceedings.