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

1. Date & time: Friday, November 1, 2013 (16:00－17:30)
2. Attendees: 165
3. Principal questions:

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

Q. In the Energy Business, what are your petroleum product margin assumptions for the fiscal second-half? Margins worsened in the first half, particularly in the first quarter. What is your outlook going forward?

A. Our assumption incorporate actual margin forecast in October. We expect margin from November onward to be in line with our initial assumption disclosed in May. In the first quarter, margin temporarily worsened, but with the winter demand season approaching and further refining capacity reduction progressing, we expect the supply-demand environment to start improving.

Q. In the Oil and Natural Gas E&P Business's fiscal 2013 ordinary income, you are forecasting a 2.6 billion yen decrease from fiscal 2012. What are the factors behind this projected decrease?

A. We project that yen depreciation will boost the ordinary income by 25 billion yen relative to the previous fiscal year, but we expect this earnings boost to be offset by a 10 billion yen decline in production volumes and a 14 to 15 billion yen increase in exploration, production and other expenses.

Q. In the Metals Business, the initial investment in Caserones has increased. How much will Caserones contribute to ordinary income in fiscal 2014?

A. Based on the assumptions in our Second Medium-Term Management Plan (copper price of US$3.60 per pound and exchange rates of 90 yen to the dollar), we project an contribution to our ordinary income of around 30 billion yen.

Q. Will the cost savings of roughly 20 billion yen that are factored into your fiscal 2013 forecast persist in fiscal 2014 and beyond?

A. Cost-cutting is a group-wide initiative. Basically, you can safely assume that the 20 billion yen of cost savings will persist through the next fiscal year and beyond.

Q. Could you explain your shareholder returns policy again?

A. In our Second Medium-Term Management Plan, we made a indication to "strive to maintain annual dividends of 16 yen per share, while considering shareholder return in view of such factors as business results, investment plans, and financial position of balance sheet for each term." This indication reflects our intent to always focus on increasing shareholder returns. Once we have stabilized our existing businesses' competitiveness and earnings power and are confident in our prospects of realizing returns from strategic investments, we aim to further increase shareholder returns mainly through dividend increases.

This document contains forward-looking statements. Actual results may differ materially from those expressed or implied by 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) revision of laws and tightening of regulations;

(3) risk of lawsuits and other legal risks.