

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 3, 2015

To: Our Shareholders

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

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

**You are cordially invited to attend the fifth 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 24, 2015.

**| 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 24, 2015.

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.

Particulars

- 1. Date and Time: Thursday June 25, 2015 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 fifth fiscal term (from April 1, 2014 to March 31, 2015)
- (ii) The substance of the non-consolidated financial statements for the fifth fiscal term (from April 1, 2014 to March 31, 2015)

#### Matters to be Resolved:

**Item 1: Appropriation of Surplus**

**Item 2: Appointment of 14 Directors**

### 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 exercise a voting right by proxy card and/or through electronic means (e.g., the Internet) multiple times, and the votes conflict, the Company shall treat the most recent vote received as valid. Where you 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

- 
- 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.
  - 3. The information contained in this convocation notice has been disclosed on our website before dispatching this notice with the objective of providing the information promptly.

**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 24, 2015.
- (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)

**| 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 the aforementioned policy, although the business results of this fiscal year recorded a substantial amount of net loss, the Company would like to propose, as set out below, eight (8) yen per share as this fiscal year's year-end dividend distribution, taking into account factors such as the financial status, and investment plans. The amount of this fiscal year's annual dividend distribution will be 16 yen per share as in the previous fiscal year, 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 4, 2014.

**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: 19,918,428,792 yen

**2. The Date on which Surplus Distribution Takes Effect:**

June 26, 2015

## 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 directors.

The director candidates are as follows:

### 【Reference】 List of director candidates

No.	Name	Newly Appointed/ Reappointed	Current Position and Responsibilities at the Company	Major 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	Yukio Uchida	Reappointed	Director (Executive Vice President and Executive Officer), Assistant to President, responsible for Finance & Investor Relations Dept.	
3	Junichi Kawada	Reappointed	Director (Senior Vice President and Executive Officer), responsible for Secretariat, General Administration Dept., and Legal & Corporate Affairs Dept.	
4	Tsutomu Sugimori	Reappointed	Director (Part-time)	Representative Director and President (President and Executive Officer) of JX Nippon Oil & Energy Corporation
5	Ichiro Uchijima	Reappointed	Director (Part-time)	Director (Executive Vice President and Executive Officer) of JX Nippon Oil & Energy Corporation
6	Shunsaku Miyake	Reappointed	Director (Part-time)	Representative Director, President and CEO of JX Nippon Oil & Gas Exploration Corporation
7	Shigeru Oi	Reappointed	Director (Part-time)	President & Representative Director, Chief Executive Officer of JX Nippon Mining & Metals Corporation
8	Hiroji Adachi	Newly Appointed	Senior Vice President and Executive Officer, General Manager of Corporate Planning Dept. I	
9	Kunimitsu Oba	Newly Appointed	—	Executive Officer, General Manager of Corporate Planning Dept. of JX Nippon Oil & Gas Exploration Corporation

10	Katsuyuki Ota	Newly Appointed	Executive Officer, General Manager of Controller Dept.		
(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	Reappointed	Outside Director	Independent Director	Director, Kondo Institute for Culture & Diplomacy

Candidate No.	<b>1</b>
---------------	----------

## 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

<b>Reappointed</b>
--------------------

Number of  
Company Shares Owned  
93,410 common shares

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)
-----------	---

### Important Concurrent Office:

Representative Director and Chairman of the Board of JX Nippon Oil & Energy Corporation; Director of Nippon Corporation; President of Petroleum Association of Japan; and Vice Chairman of *Ippan Shadan Hojin Nippon Keizai Dantai Rengokai* (KEIDANREN; Japan Business Federation)

Candidate No.	<b>2</b>
---------------	----------

## 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

<b>Reappointed</b>
--------------------

Number of  
Company Shares Owned  
71,000 common shares

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; and Director (Executive Vice President and Executive Officer) of JX Nippon Oil & Energy Corporation
June 2014	Director (Executive Vice President and Executive Officer) of the Company (Assistant to President, responsible for Finance & Investor Relations Dept.) (to present)

Candidate No. **3**

## 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)  
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.)

**Reappointed**

Number of Company Shares Owned  
82,180 common shares

June 2012      Director (Senior Vice President and Executive Officer) of the Company (responsible for General Administration Dept., and Legal & Corporate Affairs Dept.)  
June 2014      Director, Senior Vice President and Executive Officer of the Company (responsible for Secretariat, General Administration Dept., and Legal & Corporate Affairs Dept.) (to present)

Candidate No. **4**

## 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  
June 2014      Director (Part-time) of the Company (to present)  
Representative Director and President (President and Executive Officer) of JX Nippon Oil & Energy Corporation (to present)

**Reappointed**

Number of Company Shares Owned  
39,030 common shares

Important Concurrent Office:

Representative Director and President (President and Executive Officer) of JX Nippon Oil & Energy Corporation; and Director of Japan Oil Transportation Co., Ltd.



Candidate No.

5

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

Reappointed

Number of Company Shares Owned  
44,900 common shares

June 2012      Director (Senior Vice President and Executive Officer) of the Company (responsible for Corporate Planning Dept. II, and Finance & Investor Relations Dept.)  
June 2014      Director (Part-time) of the Company (to present); and Director (Executive Vice President and Executive Officer) of JX Nippon Oil & Energy Corporation (to present)

Important Concurrent Office:

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

Candidate No.

6

## 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  
June 2014      Director (Part-time) of the Company (to present); and Representative Director, President and CEO of JX Nippon Oil & Gas Exploration Corporation (to present)

Reappointed

Number of Company Shares Owned  
67,470 common shares

Important Concurrent Office:

Representative Director, President and CEO of JX Nippon Oil & Gas Exploration Corporation

Candidate No.

7

## 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

Reappointed

Number of Company Shares Owned  
20,800 common shares

June 2014      Director (Part-time) of the Company (to present); and President & Representative Director, Chief Executive Officer of JX Nippon Mining & Metals Corporation (to present)

Important Concurrent Office:

President & Representative Director, Chief Executive Officer of JX Nippon Mining & Metals Corporation; and Chairman of Japan Mining Industry Association

Candidate No. **8**

## Hiroji Adachi

| Born September 1, 1956 |

### Brief Personal History, and Position and Responsibilities at the Company

April 1982      Joined Nippon Oil Co., Ltd.  
April 2008      Executive Officer of Nippon Oil Corporation  
July 2010      Executive Officer of JX Nippon Oil & Energy Corporation  
June 2012      Senior Vice President and Executive Officer of JX Nippon Oil & Energy Corporation  
June 2014      Senior Vice President and Executive Officer of the Company (General Manager of Corporate Planning Dept. I) (to present)

**Newly Appointed**

Number of Company Shares Owned  
38,060 common shares

### Important Concurrent Office:

Outside Director of Toho Titanium Co., Ltd.

Candidate No. **9**

## Kunimitsu Oba

| Born June 3, 1956 |

### Brief Personal History, and Position and Responsibilities at the Company

April 1980      Joined Nippon Mining Co., Ltd.  
April 2008      General Manager, Finance & Control Dept. of Japan Energy Corporation  
July 2010      General Manager, Finance & Accounting Dept. of JX Nippon Oil & Gas Exploration Corporation  
April 2011      Executive Officer (General Manager of Corporate Social Responsibility Dept.) of JX Nippon Oil & Gas Exploration Corporation

**Newly Appointed**

Number of Company Shares Owned  
10,900 common shares

June 2012      Executive Officer (General Manager of Business Coordination Dept.) of JX Nippon Oil & Gas Exploration Corporation  
July 2014      Executive Officer (General Manager of Corporate Planning Dept.) of JX Nippon Oil & Gas Exploration Corporation (to present)

Candidate No. **10**

## Katsuyuki Ota

| Born May 26, 1958 |

### Brief Personal History, and Position and Responsibilities at the Company

April 1982      Joined Nippon Oil Co., Ltd.  
April 2010      General Manager of Controller Dept. of the Company  
June 2014      Executive Officer, General Manager of Controller Dept. of the Company (to present)

**Newly Appointed**

Number of Company Shares Owned  
15,607 common shares

## Outside Director Candidates

Candidate No.

11

**Hiroshi Komiyama**

| Born December 15, 1944 |

**Reappointed**

(Period in Office: 5 years and 3 months)

Number of Company Shares Owned  
38,800 common shares

**Independent Director**

### 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.; and  
Outside Director of Shin-Etsu Chemical Co., Ltd.

### ● 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 guidance 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**

(Period in Office: 3 years)

Number of Company Shares Owned  
14,000 common shares

**Independent Director**

### Brief Personal History, and Position and Responsibilities at the Company

May 1981	Research Fellow at the Japan Institute of Life Insurance	September 2006	Minister of State for Economic and Fiscal Policy
April 1993	Associate Professor at the School of Economics of Osaka University	August 2008	Professor at the National Graduate Institute for Policy Studies (to present)
April 1996	Associate Professor at Saitama University		
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		
August 2005	Professor at the National Graduate Institute for Policy Studies		

#### Important Concurrent Office:

Professor at the National Graduate Institute for Policy Studies; Outside Director of Panasonic Corporation; and Outside Director of Mizuho Financial Group, Inc.

#### ● 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 guidance 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** (Period in Office: 2 years)

**Independent Director**

Number of Company Shares Owned  
13,900 common shares

### 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; Outside  
 Corporate Auditor of Electric Power Development Co.,  
 Ltd.; Outside Director of Nippon Steel & Sumitomo Metal  
 Corporation; and Vice Chairman of *Ippan Shadan Hojin*  
*Nippon Keizai Dantai Rengokai* (KEIDANREN; Japan  
 Business Federation)

#### ● 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 guidance 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 |

**Reappointed**

(Period in Office: 1 year)

Number of Company Shares Owned  
5,000 common shares

**Independent Director**

**Brief Personal History, and Position and Responsibilities at the Company**

April 1972	Joined the Ministry of Foreign Affairs of Japan	July 2008	Ambassador Extraordinary and Plenipotentiary to the Kingdom of Denmark
January 1996	Minister, Embassy of Japan in the U.S.	July 2010	Commissioner for Cultural Affairs of Japan
July 1998	Assistant Vice-Minister, Minister's Secretariat, and Economic Affairs Bureau of the Ministry of Foreign Affairs of Japan	July 2013	Resigned as Commissioner for Cultural Affairs of Japan
September 1999	Deputy Secretary-General of the Organization for Economic Co-operation and Development (OECD)	June 2014	Outside Director of the Company (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		
August 2006	Ambassador Extraordinary and Plenipotentiary, Permanent Delegate of Japan to the United Nations Educational, Scientific and Cultural Organization (UNESCO)		

**Important Concurrent Office:**

Director, Kondo Institute for Culture & Diplomacy; Outside Director of Kagome Co., Ltd.; and Outside Director of Pasona Group Inc.

**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 guidance and advice on its management, as well as supervising its management from an independent and objective perspective.

Mr. Kondo 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.

**(Notes)**

1. No special conflict of interest exists between any of the director candidates and the Company.
2. Each Outside Director Candidate's Period in Office is the period as of the date this ordinary general meeting of shareholders will be held.
3. The Company has concluded an agreement (the liability limitation agreement) with each of Mr. Hiroshi Komiyama, Ms. Hiroko Ota, Mr. Mutsutake Otsuka, and Mr. Seiichi Kondo, that outside director's liability to the company under Article 423, paragraph 1 of the Japanese Companies Act shall be limited to the amount set forth in Article 425, paragraph 1 of the Japanese Companies Act (that is, 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), if they are without knowledge and are not grossly negligent in conducting their duties. When the reappointment of any of them is approved, that agreement is to continue in effect.
4. Mr. Hiroshi Komiyama was an Outside Corporate Auditor of Tokyo Electric Power Company, Inc. (TEPCO), a specified related party of the Company, during the period from June 2009 to June 2012.

5. Each of Mr. Hiroshi Komiyama, Ms. Hiroko Ota, Mr. Mutsutake Otsuka, and Mr. Seiichi Kondo 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. Each of them satisfies the Standards for Consideration of Independence prescribed by the Company and set forth in Page 16 of this Convocation Notice.
6. Core operating companies of the Company provided donations for education and research promotion in FY2014 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 total amount of the donations and support 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 FY2011 to FY2013. There also were transactions in FY2014 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 fuel to East Japan Railway Company and those key affiliates. 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.

## **Reference: Standards for Consideration of Independence prescribed by the Company**

The Company shall consider the outside officers (outside directors and outside corporate auditors) who meet the following requirements as independent officers (independent outside directors and independent outside corporate auditors) who are not likely to have any conflicts of interest with the general shareholders.

1. The outside officers do not presently fall, nor have they during the past three years fallen into the following categories:
  - (1) The Company's main customer (Note 1) or any person who executes its business ("Business Executor");  
(Note 1): The customer to whom the Company and its core operating companies' total amount of net sales in either one of the latest three business years has exceeded 2% of the Company's consolidated net sales.
  - (2) A business operator of which the Company is its main customer (Note 2) or its Business Executor;  
(Note 2): A business operator whose total amount of net sales to the Company and its core operating companies in either one of the latest three business years has exceeded 2% of the business operator's consolidated net sales.
  - (3) A main lender to the Company (Note 3) or its Business Executor;  
(Note 3): A lender to whom the amount of the Company's loans payable on a consolidated basis as of the last day of either one of the latest three business years has exceeded 2% of the consolidated total assets of the Company.
  - (4) A legal expert, certified public accountant, or consultant, who receives a large amount of fees, other than remuneration for officers (Note 4) from the Company (where the person who receives such fees is a corporation, association, or any other body, then a legal expert, certified public accountant, or consultant who belongs thereto);  
(Note 4): A person who receives the fees from the Company and its core operating companies, the total amount of which has exceeded 10 million yen in either one of the latest three business years.
  - (5) The Company's accounting auditor or a certified public accountant who belongs to an auditing firm that is the Company's accounting auditor;
  - (6) A person who receives a large donation from the Company (Note 5) (where the person who receives such a donation is a corporation, association, or any other body, then a person who runs the business thereof); or  
(Note 5): A beneficiary who receives a donation from the Company and its core operating companies, the total amount of which has exceeded 2% of the total revenue of the beneficiary in either one of the latest three business years;
  - (7) The Company's major shareholder (Note 6) or its Business Executor.  
(Note 6): A person who holds 10% or more of the total votes of the Company.
2. None of the relatives within the second degree of kinship of an outside officer presently falls, nor have any of them during the past three years fallen into the following categories (excluding those who are not material):
  - (1) A Business Executor of the Company or its subsidiary; or
  - (2) A person who falls into the categories of 1.(1) through (7) above.

End



(Attachments)

## Business Report for the Fifth Fiscal Term (from April 1, 2014 to March 31, 2015)

---

### 1. Matters Concerning Present Condition of the Corporate Group

#### (1) Major Business Activities (as of March 31, 2015)

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

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

## **(2) Business Progress and Results**

### **A. Circumstances Surrounding JX Group**

The global economy this fiscal year witnessed a recovery in the U.S. economy due to an improved employment environment and increased personal consumption, and it also witnessed a maintained high growth rate in the economies of China and other Asian countries, although there was some slow-down. In Japan, although personal consumption decreased due to the consumption tax increase, as a result of the weaker yen, exports grew and stock prices also increased. Consequently, the Japanese economy maintained its recovery, although on a moderate scale.

The Dubai crude oil price, which is the commonly-used crude oil index price in Asia, remained high, at around the 100 dollars per barrel, during the first half of this fiscal year. However, as a result of growing concerns of excessive supply due to the increased production of shale oil in the U.S., and OPEC's decision not to cut the production of crude oil, the prices substantially dropped suddenly from October, 2014. As of the end of this fiscal year, the crude price was 53 dollars per barrel. In that situation, because Japanese oil refining & marketing companies stock at least 70 days' worth of crude oil and petroleum products pursuant to the Oil Stockpiling Act, they inevitably accrued a large inventory valuation loss due to the sharply declined crude oil prices.

The LME (London Metal Exchange) price for copper, which is the international index price for copper, remained at approximately 7,000 dollars per ton during the first half of this fiscal year. However, during the second half, the copper price dropped due partly to anxiety about the slowdown in economic development in China, and increased stock in the exchange. Consequently, the copper price was 6,051 dollars per ton as of the end of this fiscal year.

Under these conditions, due to the decline in the prices of crude oil, copper, coal, and other resources, resource development companies recorded impairment loss one after another.

Further, domestic demand for petroleum products, mainly gasoline, kerosene, and heavy fuel oil significantly decreased due to multiple reasons, including the spread of hybrid cars and other fuel-efficient cars, the promoted conversion of fuel for boilers in plants from petroleum to LNG, and further reaction from the last minute rise in demand before the consumption tax increase, and the unseasonal weather during the summer, which is the high-demand season. Further, because the demand for fuel for power generation also decreased due to the decreased operation of oil thermal power plants, the total demand for petroleum products decreased significantly compared with the previous fiscal year. Market conditions for petrochemical products remained low because many new petrochemical plants were established in Asian areas, and the demand-supply gap was considerably mitigated.

As mentioned above, in addition to the sharp drop in crude oil prices, the copper price also declined. Further, the demand for petroleum products significantly decreased. As a result,

the JX Group experienced a dramatic downturn in its business environment that was as hard as the global economic crisis caused by the failure of Lehman Brothers. In this situation, the JX Group has implemented various measures in order to accomplish business targets contained in the Second Medium-Term Management Plan (from fiscal year 2013 to 2015), as follows.

## **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 9,124.8 billion yen (a 15.2% decrease from the previous fiscal year) due to a decrease in the sales volume of petroleum products, and a decline in the sales prices caused by the low price of crude oil. Regarding the profits and losses, although the petroleum product margins improved, we recorded an operating loss of 365.3 billion yen and an ordinary loss of 334.6 billion yen due to inventory valuation factors caused by decline in crude oil prices, and a deterioration in petrochemical product markets. On the other hand, ordinary income or loss excluding inventory valuation factors was an income of 72.2 billion yen. Further, due to a decline in coking coal prices, we recorded 24.4 billion yen as a loss on valuation of shares of our operating companies which are involved in the development of coal.

#### **Business Summary**

---

- **Efforts in the petroleum refining and sales business**

In the petroleum refining and sales business, which is the core business, we did our best to establish a structure to optimize production suitable to the decreased demand for petroleum products and to realize an efficient supply chain, and promoted various measures in order to maintain revenue.

Firstly, in order to decrease the oil refining capacity of the entire JX Group to an appropriate level, and to increase production of high-value added products, we suspended crude oil treatment at the Muroran Refinery in March, 2014, and changed its function to a manufacturing facility producing raw materials for petrochemical products.

Further, we decided to install a “Solvent De-Asphalting” facility at the Kashima Refinery to deal with heavy oil fraction, and to reduce the production of heavy fuel oil, for which demand is significantly decreasing, and to increase the production of raw material for petrochemical products and gas oil, which are highly profitable, and also to engage in the power generation business by using residual oil. Accordingly, we proceeded with the construction of the facilities with the goal of completing them in August this year. Further, at the Mizushima Refinery, we decided to establish power generation facilities which use petroleum coke, which

is a by-product created in the heavy oil fraction cracking process, as fuel, in order to reduce the cost for electric power used at the refinery, and to sell electric power to consumers.

Further, we did our best to tailor our production and sales to the reduced demand in order to stabilize the margin for petroleum products. We also exported our products in a flexible manner to respond to market price fluctuations in and outside Japan.

- **Our efforts to expand the petrochemical product business**

Regarding the petrochemical product business, in order to acquire demand in Asia and succeed in competition with petrochemical plants newly or additionally built, we constructed a paraxylene (raw material for synthetic fiber, pet bottles, and the like) manufacturing facility with the world's highest manufacturing capacity jointly with the SK Group of South Korea in Ulsan Metropolitan City, South Korea, and we commenced production in June, 2014. Although the market conditions for paraxylene were stagnant this fiscal year, the demand for paraxylene is expected to grow in the future. From the middle- to long-term point of view, paraxylene's contribution to our profit is promising.

- **Our efforts to expand the LNG and natural gas business**

We have actively sold LNG and natural gas based in the Mizushima Refinery's LNG facility. Further, in order to expand sales to Tohoku areas and eastern Hokkaido areas, we constructed an import facility in Hachinohe City in Aomori Prefecture, and also constructed a facility to receive LNG transferred from the facility, in Kushiro City in Hokkaido. We commenced operation of the facilities in April this year. In circumstances where fuel conversion from petroleum to LNG is increasing, we will respond to our customers' energy-related needs by expanding the LNG and natural gas supply system.

- **New efforts in the electricity business and hydrogen business**

JX Nippon Oil & Energy Corporation supplies a variety of energy in addition to petroleum as an "energy conversion company." During this fiscal year, we promoted measures to acquire new electricity and hydrogen businesses.

Regarding the electricity business, we decided to enter the household-use power retail business, in which stable demand is expected, in preparation for the full-liberalization of the electricity retail market in the future.

Regarding the hydrogen business, we established a new company which plays a role in shipping and transporting hydrogen and operating hydrogen stations in anticipation of the spread of fuel-cell cars, and worked to improve the hydrogen supply system. Further, we installed hydrogen stations, which will be facilities to supply hydrogen to fuel-cell cars in 12 places nationwide.

- **Supporting the operation of the Tokyo Olympics and Paralympics**

JX Nippon Oil & Energy Corporation was selected as a “Tokyo 2020 Gold Partner” in connection with the Tokyo Olympics and Paralympics in 2020. We will positively contribute to stable management of the games and to strengthening the athletes of the Japanese Olympic delegation. Further, we would like to support the management of the games by taking advantage of our knowledge and know-how regarding the supply of petroleum products as well as electricity, hydrogen, and other types of energy.

**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 the fact that its production volume remained at the same level as the previous fiscal year, due to the weaker yen, net sales were 226.4 billion yen (a 12.0% increase from the previous fiscal year). On the other hand, regarding the profits and losses, due to factors such as the decline in crude oil prices, operating income was 75.4 billion yen (a 9.6% decrease from the previous fiscal year), and ordinary income was 84.9 billion yen (a 19.5% decrease from the previous fiscal year). Further, we recorded an impairment loss of 23.3 billion yen pertaining to part of the oil field assets, in which we hold the participation interests.

**Business Summary**

---

- **Our efforts to expand oil and natural gas production volumes**

In the oil and natural gas E&P business, we have set up a production target of 200,000 barrels of oil equivalent per day (“BOED”), and did our best to commence production in the projects in progress as early as possible. Further, we steadily advanced the exploration activities in order to maintain and expand the reserves in oil fields and gas fields in which we hold the participation interests.

In the LNG project in Papua New Guinea, we commenced LNG production in May, 2014, which was earlier than originally planned. On the other hand, in the project in the U.K. North Sea, because activities such as repair work to secure the safety of the facilities in the Andrew oil field required time, production in the oil field and in the Kinnoull oil field, which shares the Andrew oil field facilities, commenced in December, 2014, which was later than originally planned. Further, due to the decrease in production volumes from the existing oil fields and gas fields, the total production volume by JX Nippon Oil & Gas Exploration Corporation was 115,000 BOED, which was almost the same as the previous fiscal year.

Further, regarding the projects currently under development to expand production volumes in the future, in order to commence production in the Layang oil and gas field in Malaysia by the

end of 2016, and in the Mariner oil field in the U.K. North Sea by the end of 2017, we proceeded with activities such as procurement of materials and equipment, design and construction of production facilities in both fields.

JX Nippon Oil & Gas Exploration Corporation has positioned countries in which we have prioritized business activities over other countries as “core countries.” Accordingly, we are promoting our exploration business with a focus on core countries. As a result, during this fiscal year, in addition to the deepwater block in Malaysia, in which we play a role as an operator, we also discovered crude oil, natural gas, and the like in the U.K. North Sea, Vietnam, and Australia. Further, in the U.K. North Sea, we were awarded new participation interests in exploration blocks in the area close to the Andrew oil field and the Mariner oil field.

- **Commencement of the crude oil production increase project by utilizing waste gas from the coal-fired power unit in the U.S.**

In the U.S., we commenced the CO<sub>2</sub>-EOR project in order to increase the crude oil production by constructing a plant which captures carbon dioxide out of processed flue gas from a coal-fired power unit, and injecting carbon dioxide captured by the plant into an oil field. This project is a revolutionary approach, which not only significantly increases production volume of aged oil fields, but also captures carbon dioxide emitted to the atmosphere and stores it in the ground. The project is implemented by accepting investment from Japan Bank for International Cooperation, which is a policy-based financial institution of Japan, and also by receiving support from the U.S. Department of Energy. The technology relating to the CO<sub>2</sub>-EOR is an extremely effective measure, which will enable us not only to seek to improve earnings due to the increased production of crude oil, but also to make a contribution to the environment. We believe that, in the future, we can utilize this technology in order to be awarded new participation interests by demonstrating the technology to oil-producing countries and other countries, in which environmental consciousness is increasing.

<b>Metals Business</b> <b>(JX Nippon Mining &amp; Metals Group)</b>
--

## **Business Results**

---

Regarding the business results of the Metals business for this fiscal year, despite the decline in copper prices, due to strong sales in the electronic materials business and the weaker yen, net sales were 1,156.0 billion yen (an 11.2% increase from the previous fiscal year), operating income was 33.2 billion yen (a 140.2% increase from the previous fiscal year), and ordinary income was 56.6 billion yen (a 19.5% increase from the previous fiscal year). On the other hand, ordinary income excluding inventory valuation factors was 55.1 billion yen (a 24.7% increase from the previous fiscal year). Further, due to a delay in launching full-scale production in the Caserones Copper Mine, we recorded impairment loss of 38.5 billion yen.

## **Business Summary**

---

- **Efforts in copper resource development and smelting and refining businesses**

We commenced producing copper concentrates at the Caserones Copper Mine in Chile in May 2014. In July of the same year, we had an opening ceremony for the mine, and commenced shipping copper concentrates. In September, a ship laden with the first shipment of copper concentrates arrived at the Saganoseki Smelter & Refinery. Although there was a delay thereafter in launching full-scale production due to the time required, among other things, to develop the deposit for sand tailings generated in the copper concentrate production process, the JX Group as a whole is making a full-fledged effort to bring this to fruition as soon as possible.

On the other hand, we have been able to improve our income from the smelting and refining business, due to the improvement of copper concentrate purchasing conditions, as well as the effect of the weaker yen.

- **Efforts in electronic materials, recycling and environmental services, and titanium businesses**

In the electronic materials business, we produce and deliver, as a top global vendor, to major electronic device manufacturers such products as sputtering targets that are used for manufacturing semiconductors, treated rolled copper foil for flexible printed circuit boards, and precision rolled products that are primarily used as connector materials. In this fiscal year, we recorded an increase in both revenue and profit, reflecting strong sales of smartphones and tablet terminals. Amid these circumstances, we promoted measures to acquire overseas demand, for example, we newly established a coil center for precision rolled products in China (Guangdong Province), and commenced a plating service for semiconductor wafers under contract in the Longtan Works in Taiwan.

In the recycling and environmental services business, we reinforced our collection system of recycled materials by establishing a new marketing base in the United States. We also successfully increased the treatment volumes in the low-concentration PCB waste detoxifying business at the facility in Tomakomai, Hokkaido that we commenced operating in March 2014.

The titanium business, which is a light, very strong and anticorrosive metal, and which is mainly used in aircraft and chemical plants, is experiencing an adverse business environment, due to such factors as a cost increase owing to a hike in electricity charges, as well as concerns for the competition with inexpensive Chinese products. Accordingly, we have decided to suspend the operation of a part of our domestic production facilities to raise the efficiency of our production system, and to launch a manufacturing business in Saudi Arabia where low cost electricity and a stable supply of raw materials are available.



## Other Business

### Business Results

---

Regarding the business results of the other business for this fiscal year, net sales were 461.0 billion yen (a 5.7% decrease from the previous fiscal year), operating income was 36.0 billion yen (a 3.0% increase from the previous fiscal year), and ordinary income was 39.8 billion yen (a 3.4% increase from the previous fiscal year).

### NIPPO CORPORATION

---

NIPPO Corporation (“NIPPO”) primarily engages in pavement, civil engineering and construction works, and manufacturing and sales of asphalt mixture. In this fiscal year, while public civil engineering works projects continued to be strong, due to factors such as increases in labor and raw material prices, the operating environment remained difficult. Despite that situation, NIPPO worked to secure income through efforts to acquire orders for works by leveraging its superior technical strength, as well as reinforcing activities to enlarge sales of asphalt mixture, and to reduce costs and increase efficiency.

#### 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, our efforts included performing legal compliance status inspection activities and compliance training, and enhancing the whistleblowing system.

Regarding (ii) social contribution, on the subject of “heart-to-heart contact” , we annually call for entries of original children’s stories from a wide range of applicants, including elementary school students and the public, present awards for excellent work as a “JX-ENEOS Children’s Story Award,” and publish the work as a children’s story collection book titled “Bouquet of Children’s Stories.” The JX Group donated copies of “Bouquet of Children’s Stories” to educational institutions and social welfare facilities nationwide. In addition, we sold them to our clients, officers, and employees for charity, and donated the proceeds to social welfare corporations in order to be of some help to children living in child welfare facilities to go on to higher education institutions.

Regarding (iii) environment & safety, in addition to our efforts to safely operate facilities such as oil refineries, and smelters and refineries, we conducted activities to reduce carbon dioxide

emissions and to promote energy saving, and dealt with waste reduction.

#### **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 10,882.5 billion yen (a 12.3% decrease from the previous fiscal year). Regarding the profits and losses, we recorded an operating loss of 218.9 billion yen and an ordinary loss of 150.1 billion yen. Despite our efforts to condense the losses by selling idle assets, the net loss was 277.2 billion yen. On the other hand, regarding ordinary income or loss excluding inventory valuation factors, we recorded an ordinary income of 255.2 billion yen (a 39.5% increase 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 to continue in the United States, and it is anticipated that Asian countries will maintain their high growth rate overall. Further, the economy in Japan is also expected to sustain its growth momentum.

It is anticipated that crude oil and copper prices will remain low for the time being due to the supply-demand balance, and the recovery of the petrochemical product market is expected to take a while. Further, domestic demand for petroleum products will continue to decline due to the spread of fuel-efficient cars and the promoted conversion of fuel, which will again result in an excess refining capacity.

In contrast, crude oil and copper prices, and the petrochemical product market are expected to move steadily in the medium- to long-term, as the demand for fuel oil, lubricants, and petrochemical and copper products in China, Indonesia and other emerging countries in Asia, is expected to increase as a result of population growth, the progress of infrastructure development and the spread of automobiles.

In order for the JX Group to overcome current adversity under these circumstances, it is imperative that we promote cost reductions and reconsider investment plans in addition to properly addressing the decrease in domestic demand, as well as further focusing efforts on measures to reinforce profitability, such as securing returns from strategic investments. Further, in order to ensure sustained growth in the future, it will be necessary to secure new sources of income by steadfastly promoting, among other things, acquiring overseas demand, and resource development.

Specifically, in terms of the energy business, we will further increase efficiency and promote cost reductions in the whole production and marketing supply chain on the basic premise of maintaining safe operations and stable supply, in order to reinforce its competitiveness in the petroleum refining and marketing business. We will also ensure that production and marketing are in line with demand fluctuations. In the medium- to long-term, we will, to counter decreasing demand, do our best to establish a structure to optimize production by considering all possibilities. This will include reducing the petroleum refining capability in compliance with the new evaluation standard under the Law Concerning Sophisticated Methods of Energy Supply Structures (known as the Secondary

Sophistication Act) announced by the Japanese government, and collaborating with other companies. In addition, we will also promote the expansion of its LNG, coal, electricity, hydrogen and other businesses, as well as the acquiring demand for petrochemical products, including fuel oil, lubricants, and specialty & performance chemical products in overseas markets.

In the oil and natural gas E&P business, we will work to reinforce its business base and improve its income amid circumstances where the profitability of its businesses is adversely affected by the decline in crude oil prices. Specifically, we will reconsider our investment plans and further work on cost reductions, as well as properly restructuring the portfolio of the oil and gas fields in which we hold participation interests. We will also continue our development activities to commence production at the Layang oil and gas fields in Malaysia and the Mariner oil field in the U.K. North Sea as soon as possible. Further, we will, in order to maintain and expand reserves, carefully select and acquire participation interests in new exploration blocks, as well as continue its exploration activities. It will also steadfastly promote the crude oil production increase project in the United States.

In terms of the metals business, we will bring to fruition the largest task of full-scale production in the Caserones Copper Mine as soon as possible. In the smelting business, we will reinforce its competitiveness by further promoting efficiency in the production system and cost reduction, taking advantage of its ability to utilize the copper concentrates in the Caserones Copper Mine. In the electronic materials business, we will actively promote marketing such products as sputtering targets for semiconductors, treated rolled copper foil, and precision rolled products, whose demand will continue to increase in the future. In the recycling and environmental services business, we will expand the business by promoting raw material collection in overseas markets.

Amid the harsh business environment as described above, the JX Group will take a leap forward to become a world-leading “integrated energy, resources, and materials business group” by promptly responding to economic and social needs through its commitment to “creation” and “innovation” in the “energy, resources, and materials” businesses. We will appreciate your continued support 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 funds for the business of each company in the JX Group.

During this fiscal year, the Company procured 60 billion yen by issuing bonds, and 110 billion yen through long-term loans.

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

- (i) JX Nippon Oil & Energy Corporation:  
10 billion yen as funds related to the capital investment in the LNG facility constructed in Hachinohe City and Kushiro City;
- (ii) A project subsidiary of JX Nippon Oil & Gas Exploration Corporation:  
96.36 million U.S. dollars as funds related to the LNG project in Papua New Guinea; and
- (iii) A project subsidiary of JX Nippon Oil & Gas Exploration Corporation:  
456.06 million U.S. dollars as funds related to the development of the Mariner oil field and the Kinnoull oil field in the U.K. North Sea.

#### (5) Capital Investment

Business Segment and Category	Capital Investment Amount (100 million yen)	Main Investment
Energy Business	1,638	Refinery and plant facility work; LNG facility construction, service station new construction and reconstruction work; and crude oil tanker construction
Oil and Natural Gas E&P Business	1,317	Oil and gas field exploration and development
Metals Business	1,157	Copper mine development; and construction work for offices, smelters and refineries, and plant facilities
Other Business	134	Asphalt mixture plant manufacturing facility renewal
Total	4,246	—
(Adjustments)	(104)	—
Consolidated Total	4,350	—

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

- Acquisition of equity interests in Petra Nova Parish Holdings LLC

JX Nippon Oil & Gas Exploration Corporation acquired 50% of the equity interests in Petra Nova Parish Holdings LLC through its subsidiary as of July 3, 2014 in order to commence the crude oil production increase project by utilizing flue gas from the coal-fired power plant in the U.S.

## (7) Financial Position and Operating Results

Consolidated Fiscal Year		FY2011 (Second fiscal term)	FY2012 (Third fiscal term)	FY2013 (Fourth fiscal term)	FY2014 (Fifth fiscal term; the current fiscal term)
Net sales	(100 million yen)	107,239	112,195	124,120	108,825
Ordinary income (loss)	(100 million yen)	4,078	3,283	3,023	(1,501)
Net income (loss)	(100 million yen)	1,706	1,595	1,070	(2,772)
Net income (loss) per share		68.60 yen	64.13 yen	43.05 yen	(111.49) yen
Total assets	(100 million yen)	66,904	72,749	77,818	74,234
Net assets	(100 million yen)	20,448	23,274	26,263	24,298

**(8) Material Subsidiaries (as of March 31, 2015)**

- **Number of consolidated subsidiaries:** 142
- **Number of subsidiaries or affiliates accounted for under the equity method:** 32
- **Material Consolidated Subsidiaries**

Business Segment	Company Name	Capital stock (100 million yen)	Voting Rights Ratio (%)	Details of Major Business Activities
Energy Business	JX Nippon Oil & Energy Corporation	1,394	100	<ul style="list-style-type: none"> <li>- Manufacturing and marketing petroleum products (e.g., gasoline, kerosene, and lubricant)</li> <li>- Importing and marketing gas and coal</li> <li>- Manufacturing and marketing petrochemical products</li> <li>- Supplying electricity</li> <li>- Developing, manufacturing, and marketing fuel cells, solar batteries, and the like</li> </ul>
Oil and Natural Gas E&P Business	JX Nippon Oil & Gas Exploration Corporation	98	100	<ul style="list-style-type: none"> <li>- Exploring, developing, and producing oil and natural gas</li> </ul>
Metals Business	JX Nippon Mining & Metals Corporation	400	100	<ul style="list-style-type: none"> <li>- Exploring and developing non-ferrous metal resources (e.g., copper and gold)</li> <li>- Manufacturing and marketing non-ferrous metal products (e.g., copper, gold, and silver)</li> <li>- Manufacturing and marketing electro-deposited copper foil and treated rolled copper foil</li> <li>- Manufacturing and marketing thin-film materials (e.g., targets, surface treatment material, and compound semiconductor material)</li> <li>- Manufacturing and marketing precision rolled products and precision fabricated products</li> <li>- Non-ferrous metal recycling and industrial waste treatment</li> </ul>
	Pan Pacific Copper Co., Ltd.	1,046	67.6	<ul style="list-style-type: none"> <li>- Exploring and developing non-ferrous metal resources (e.g., copper and gold)</li> <li>- Manufacturing and marketing non-ferrous metal products (e.g., copper, gold, and silver)</li> </ul>

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 mentioned in the column for 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. increased its amount of capital stock to 104.6 billion yen through a share allotment to JX Nippon Mining & Metals Corporation as of March 31, 2015, resulting in the voting rights ratio (meaning the same as 1 above) of 67.6%.

(9) Main Business Offices and Plants (as of March 31, 2015)

● JX Holdings, Inc.

Head Office	6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo
-------------	--

● 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	Sendai Refinery (Sendai City)	Kashima Refinery (Kamisu City)
	Negishi Refinery (Yokohama City)	Osaka Refinery (Takaishi City)
	Mizushima Refinery (Kurashiki City)	Marifu Refinery (Waki-cho, Kuga-gun, Yamaguchi)
	Oita Refinery (Oita City)	
	Muroran Plant (Muroran 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 (Hai Phong)	Thailand (Bangkok)
	Singapore (Singapore)	Indonesia (Jakarta, and West Java)
	India (New Delhi)	U.S. (New York, Chicago, and others)
	Canada (Vancouver)	Mexico (Mexico City)
	Brazil (Sao Paulo)	France (Aix-en-Provence)
	U.K. (London)	Russia (Moscow)
	United Arab Emirates (Abu Dhabi and Dubai)	South Africa (Johannesburg)

(Notes)

1. The information above includes the operating sites of JX Nippon Oil & Energy Corporation's group companies.
2. We changed the name of the Muroran Refinery to "Muroran Plant" as of April 1, 2014.
3. We established a new office in Johannesburg in South Africa as of April 1, 2014.
4. We closed down the Ho Chi Minh office in Vietnam as of May 31, 2014.
5. We established a new office of a group company in Mexico City in Mexico as of January 15, 2015.



- **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 Field Office(Tainai City)	
Overseas Operating Sites (Offices)	Australia (Perth) Indonesia (Jakarta) U.S. (Houston) Libya (Tripoli)	Vietnam (Ho Chi Minh and Vung Tau) Malaysia (Kuala Lumpur and Miri) U.K. (London) Qatar (Doha)

(Note) The information above includes the operating sites of JX Nippon Oil & Gas Exploration Corporation's group companies.

- **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-Wurttemberg)

(Note) The information above includes the operating sites of JX Nippon Mining & Metals Corporation's group companies.

**<Toho Titanium Co., Ltd.>**

Head Office	3-5, Chigasaki 3-chome, Chigasaki City, Kanagawa	
Plants	Chigasaki Plant (Chigasaki City) Yahata Plant (Kitakyushu City) Kurobe Plant (Kurobe City)	Wakamatsu Plant (Kitakyushu City) Hitachi Plant (Hitachi 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, 2015)**

Business Segment and Category	Number of Employees	
The Company (JX Holdings, Inc.)	109	[0]
Energy Business	14,622	[10,119]
Oil and Natural Gas E&P Business	798	[19]
Metals Business	6,695	[335]
Other Business	4,191	[2,286]
Total	26,415	[12,759]

(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, 2015)**

Lender	Balance of Loans Payable (100 million yen)
Japan Oil, Gas and Metals National Corporation	3,329
Mizuho Bank, Ltd.	2,838
Japan Bank for International Cooperation	2,623
Sumitomo Mitsui Banking Corporation	2,217
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,005

## 2. Matters Concerning Shares (as of March 31, 2015)

- **Total number of authorized shares issuable by the Company:** 8,000,000,000 shares
- **Total number of issued shares:** 2,495,485,929 shares
- **Number of shareholders:** 205,691 shareholders
- **Large Shareholders (top ten (10))**

Shareholders' Names	Number of Shares Held (thousand shares)	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	133,670	5.36
The Master Trust Bank of Japan, Ltd. (Trust Account)	131,345	5.27
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
Japan Trustee Services Bank, Ltd. (Trust Account 9)	34,018	1.36
INPEX CORPORATION	33,264	1.33
THE BANK OF NEW YORK MELLON SA/NV 10	31,629	1.27
STATE STREET BANK WEST CLIENT – TREATY 505234	30,118	1.20

(Note) Shareholding ratio is calculated excluding treasury stock (5,682,330 shares).

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

#### (1) Names, etc. of Directors and Corporate Auditors (as of March 31, 2015)

Name	Position and Responsibilities	Important Concurrent Office
Yasushi Kimura	Representative Director and Chairman of the Board	Representative Director and Chairman of the Board of JX Nippon Oil & Energy Corporation; Director of Nippo Corporation; President of Petroleum Association of Japan; and Vice Chairman of <i>Ippan Shadan Hojin Nippon Keizai Dantai Rengokai</i> (KEIDANREN; Japan Business Federation)
Isao Matsushita	Representative Director and President (President and Executive Officer)	
Yukio Uchida	Director (Executive Vice President and Executive Officer), Assistant to President, responsible for Finance & Investor Relations Dept.	
Junichi Kawada	Director (Senior Vice President and Executive Officer), responsible for Secretariat, General Administration Dept., and Legal & Corporate Affairs Dept.	
Rentaro Tonoike	Director (Senior Vice President and Executive Officer), responsible for Corporate Planning Dept. I and II	Outside Director of Maruwn Corporation; and Outside Director of INPEX Corporation
Akira Omachi	Director (Senior Vice President and Executive Officer), responsible for Internal Audit Dept., and Controller Dept.	Outside Corporate Auditor of Toho Titanium Co., Ltd.; and Outside Statutory Corporate Auditor of Nippon Shokubai Co., Ltd.
Tsutomu Sugimori	Director (Part-time)	Representative Director and President (President and Executive Officer) of JX Nippon Oil & Energy Corporation; and Director of Japan Oil Transportation Co., Ltd.
Ichiro Uchijima	Director (Part-time)	Director (Executive Vice President and Executive Officer) of JX Nippon Oil & Energy Corporation
Shunsaku Miyake	Director (Part-time)	Representative Director, President and CEO of JX Nippon Oil & Gas Exploration Corporation
Shigeru Oi	Director (Part-time)	President & Representative Director, Chief Executive Officer; and Representative Director and President (President and Executive Officer) of Pan Pacific Copper Co., Ltd.

Name	Position and Responsibilities	Important Concurrent Office
Hiroshi Komiyama	Outside Director [Independent Director]	Chairman of Mitsubishi Research Institute, Inc.; and Outside Director of Shin-Etsu Chemical Co., Ltd.
Hiroko Ota	Outside Director [Independent Director]	Professor at the National Graduate Institute for Policy Studies; Outside Director of Panasonic Corporation; and Outside Director of Mizuho Financial Group, Inc.
Mutsutake Otsuka	Outside Director [Independent Director]	Adviser of East Japan Railway Company; Outside Corporate Auditor of Electric Power Development Co., Ltd.; Outside Director of Nippon Steel & Sumitomo Metal Corporation; and Vice Chairman of <i>Ippan Shadan Hojin Nippon Keizai Dantai Rengokai</i> (KEIDANREN; Japan Business Federation)
Seiichi Kondo	Outside Director [Independent Director]	Director, Kondo Institute for Culture & Diplomacy; Outside Director of Kagome Co., Ltd.; and Outside Director of Pasona Group Inc.
Tadashi Ohmura	Full-time Corporate Auditor	
Takashi Setogawa	Full-time Corporate Auditor	
Hideki Nakagome	Outside Corporate Auditor [Independent Corporate Auditor]	Partner at Fuji Partnership Law Office ( <i>Fuji Godo Houritsujimusho</i> ); and Outside Corporate Auditor of Kozo Keikaku Engineering Inc.
Toshinori Kanemoto	Outside Corporate Auditor [Independent Corporate Auditor]	Attorney-at-Law, Of-Counsel at City-Yuwa Partners; and Outside Director of Nomura Holdings, Inc.
Naomi Ushio	Outside Corporate Auditor [Independent Corporate Auditor]	Professor at the School of Information and Communication of Meiji University; and Outside Statutory Auditor of Seven Bank, Ltd.

(Notes)

1. We have newly included director's and corporate auditor's positions in listed companies, and heads of economic and trade associations, or positions equivalent thereto, in addition to full-time positions in the Important Concurrent Office.
2. Mr. Tsutomu Sugimori, Mr. Shunsaku Miyake, Mr. Shigeru Oi, and Mr. Seiichi Kondo have assumed the office of Director after having been newly elected at the fourth ordinary general meeting of shareholders held on June 26, 2014.
3. Mr. Seiichi Isshiki, Mr. Shigeo Hirai, Mr. Yoshimasa Adachi, and Mr. Masahiro Sakata retired as Director upon the expiration of their term of office at the conclusion of the fourth ordinary general meeting of shareholders held on June 26, 2014.
4. Mr. Takashi Setogawa and Ms. Naomi Ushio have assumed the office of Corporate Auditor after having been newly elected at the fourth ordinary general meeting of shareholders held on June 26, 2014.
5. Mr. Hideo Tabuchi, Mr. Hiroyasu Watanabe, and Mr. Mitsudo Urano retired as Corporate Auditor upon the expiration of their term of office at the conclusion of the fourth ordinary general meeting of shareholders held on June 26, 2014.
6. Mr. Yasushi Kimura, Director, assumed the office of Vice Chairman of *Ippan Shadan Hojin*

- Nippon Keizai Dantai Rengokai* (KEIDANREN; Japan Business Federation) on June 3, 2014. Mr. Kimura also assumed the office of Director of Nippo Corporation on June 24, 2014. Mr. Kimura had been a Director of Japan Oil Transportation Co., Ltd., but retired from the position on June 27, 2014.
7. Mr. Rentaro Tonoike, Director, assumed the office of Outside Director of Maruwn Corporation on June 25, 2014.
  8. Mr. Tsutomu Sugimori, Director, assumed the office of Representative Director and President (President and Executive Officer) of JX Nippon Oil & Energy Corporation on June 26, 2014. Mr. Sugimori also assumed the office of Director of Japan Oil Transportation Co., Ltd on June 27, 2014.
  9. Mr. Shunsaku Miyake, Director, assumed the office of Representative Director, President and CEO of JX Nippon Oil & Gas Exploration Corporation on June 26, 2014.
  10. Mr. Shigeru Oi, Director, assumed the office of President & Representative Director, Chief Executive Officer of Pan Pacific Copper Co., Ltd. on June 25, 2014, and President & Representative Director, Chief Executive Officer of JX Nippon Mining & Metals Corporation on June 26, 2014. Mr. Oi also assumed the office of Chairman of Japan Mining Industry Association on April 1, 2015.
  11. Mr. Hiroshi Komiyama, Outside Director, had been an Outside Director of V-cube, Inc., but retired from the position on March 25, 2015.
  12. Ms. Hiroko Ota, Outside Director, assumed the office of Outside Director of Mizuho Financial Group, Inc. on June 24, 2014.
  13. Mr. Mutsutake Otsuka, Outside Director, assumed the office of Outside Director of Nippon Steel & Sumitomo Metal Corporation on June 25, 2014.
  14. Mr. Seiichi Kondo, Outside Director, assumed the office of Outside Director of Kagome Co., Ltd. on June 18, 2014. Mr. Kondo also assumed the office of Outside Director of Pasona Group Inc. on August 28, 2014.
  15. Mr. Takashi Setogawa, Corporate Auditor, has experience working in finance sections of the Company, and has a considerable amount of knowledge and insight regarding finance and accounting.
  16. Mr. Toshinori Kanemoto, Outside Corporate Auditor, had been an Outside Auditor of Kameda Seika Co., Ltd., but retired from the position on June 18, 2014.
  17. Among the companies which are mentioned in some of the outside directors' and outside corporate auditors' Important Concurrent Office and in which they hold office as outside directors or outside corporate auditors, Shin-Etsu Chemical Co., Ltd., Panasonic Corporation, Mizuho Financial Group, Inc., Electric Power Development Co., Ltd., Nippon Steel & Sumitomo Metal Corporation, Pasona Group Inc., Kozo Keikaku Engineering Inc., and Nomura Holdings, Inc. have deals with the Company or the Company's core operating companies. However, there is no impact on the independence of such outside directors and outside corporate auditors, as they do not execute business of any of the companies above.
  18. Each of the Outside Directors Mr. Hiroshi Komiyama, Ms. Hiroko Ota, Mr. Mutsutake Otsuka, and Mr. Seiichi Kondo, and each of the Outside Corporate Auditors Mr. Hideki Nakagome, Mr. Toshinori Kanemoto, and Ms. Naomi Ushio 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 2014)**

Grantee	Total Remuneration Amount (million yen)	Number of Grantees (persons)
Directors	287	18
(Outside Directors)	(52)	(5)
Corporate Auditors	105	8
(Outside Corporate Auditors)	(33)	(5)
Total	392	26
(Outside Directors, and Outside Corporate Auditors)	(86)	(10)

(Notes) The information above includes the amount of Remunerations for four (4) directors (including one (1) outside director), and three (3) corporate auditors (including two (2) outside corporate auditors) who retired upon the conclusion of the fourth ordinary general meeting of shareholders held on June 26, 2014.

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

- **Upper Limit of Remunerations for Directors and Corporate Auditors**

The upper limit of 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 Remunerations for the Company's directors shall be no more than 1.1 billion yen (including no more than 200 million yen for outside directors) per one (1) fiscal year. Such amount shall not include salaries and bonuses to be paid as an employee if a director serves concurrently as an employee.
- (ii) The total amount of Remunerations for the Company's corporate auditors shall be no more than 200 million yen per one (1) fiscal year.

The Remunerations for directors is paid within the upper limit mentioned in item (i), based on the policy described in the following paragraph. In addition, the Remunerations for corporate auditors is set as a fixed amount of remuneration for the purpose of independence in their duties, and is 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 Remuneration for directors is structured to reflect 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 business results. 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	
Hiroshi Komiyama	10 out of 13 times	Hideki Nakagome	11 out of 13 times
Hiroko Ota	13 out of 13 times	Toshinori Kanemoto	13 out of 13 times
Mutsutake Otsuka	12 out of 13 times	Naomi Ushio	9 out of 10 times
Seiichi Kondo	10 out of 10 times		

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

Outside Corporate Auditor	
Hideki Nakagome	12 out of 14 times
Toshinori Kanemoto	14 out of 14 times
Naomi Ushio	9 out of 10 times

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

At Board of Directors' meetings, each outside director and outside corporate auditor inquired about and stated his or her opinion on each matter to be resolved, such as important investments, and on each matter to be reported, such as the business execution status from an objective and fair stance by making use of his or her abundant expertise and experience.

- **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 their opinions on the JX Group's overall management with the representative directors and others, and engaged in activities to further improve the soundness of the management.
- (ii) Mr. Mutsutake Otsuka, an outside director, affirmed, answered questions on, and stated his opinion on the bonus level for the Company's directors and executive officers for the fiscal year 2013 at the Remuneration Advisory Committee from an objective and fair stance, by making

use of his abundant expertise and experience.

- **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, 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 three (3) 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, 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 2014)**

(million yen)

(i) Amount of the Remunerations as an accounting auditor of the Company	202
(ii) Total amount of monies and other property benefits to be paid by the Company and its subsidiaries	944

(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 paid Ernst & Young ShinNihon LLC consideration for the services relating to the “JX Group IT security guideline revision support,” which is not included in the services set forth in Article 2, paragraph 1 of the Certified Public Accountants Act.

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

- (i) If the Board of Corporate Auditors deems that an accounting auditor falls under any of the categories set forth in items of Article 340, paragraph 1 of the Companies Act, and if it determines it necessary to immediately dismiss the accounting auditor without obtaining a resolution of a general meeting of shareholders, the accounting auditor shall be dismissed by the consent of all corporate auditors.
- (ii) If the Board of Corporate Auditors deems that an accounting auditor falls under any of the following items, and if it determines that it is necessary to dismiss or refuse to reappoint the accounting auditor, it shall decide the details of the proposal to be submitted to a general meeting of shareholders regarding the dismissal or refusal to reappoint the accounting auditor.
  - a. if the Board of Corporate Auditors determines that the accounting auditor falls under any of the categories set forth in items of Article 340, paragraph 1 of the Companies Act;
  - b. if the accounting auditor receives an administrative punishment for a breach of laws and regulations, or receives a punishment pursuant to the rules established by The Japanese Institute of Certified Public Accountants; or
  - c. if the Board of Corporate Auditors determines it reasonable to make the accounting audit proper and efficient.

## 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 and operate 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 to be resolved at, approved by, or reported 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 and enforce 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 providing training and ensuring employees’ awareness of laws, regulations and rules, etc., monitoring legal compliance, and whistleblowing), the Company shall develop and operate them as systems that include the core operating companies and other group companies, taking into account the business characteristics of the group companies.

(6) The Company shall appropriately develop and operate a compliance system, risk management system, system to execute business efficiently, and other internal control system of the core operating companies and other group companies by monitoring the development and operation of the internal control system as a group and discussing measures to cope with defects (as necessary) at JX Group internal control meetings and meetings of the JX Group internal control committee.

#### 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 for the Company, the core operating companies, and other group companies to appropriately report on the matters which the corporate auditors request.

(3) The Company shall develop and operate systems for the corporate auditors to receive reports on any fact that may be identified concerning the Company, or any core operating companies or other group companies, such as material breaches of laws and regulations or the articles of incorporation, fraudulent acts, or facts that could cause considerable damage to the Company and the entire JX Group, immediately when such a fact is identified.

(4) The Company shall develop and operate systems required to ensure that any person who reports any incident to the Company by reporting to a corporate auditor, by using a whistleblowing system, or by any other appropriate method, is not treated unfavorably on the grounds of making such a report

(including by expressly prohibiting such treatment in the relevant rules, among others).

(5) 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.

(6) The Internal Audit Department, which is in charge of internal audits, shall make efforts to maintain close cooperation with the corporate auditors.

(7) 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 such employees, shall be determined after prior discussions with the full-time corporate auditors, in order to ensure the effectiveness of instructions that corporate auditors give to such employees.

(8) The Company shall, upon a corporate auditor's request, appropriately bear any expenses or debt associated with the execution of duties of the corporate auditor, pursuant to Article 388 of the Companies Act.

(Note) The contents of the resolution on the Company's development of the internal control system were partially amended by a resolution of the Board of Directors' meeting held on March 26, 2015. The contents stated above are those so amended.

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, 2015)

(Millions of yen)

Account title	Amount	Account title	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>2,996,398</b>	<b>Current liabilities</b>	<b>3,066,431</b>
Cash and deposits	329,293	Notes and accounts payable-trade	680,551
Notes and accounts receivable-trade	1,007,386	Short-term borrowings	819,555
Inventories	1,356,648	Commercial papers	364,000
Deferred tax assets	66,049	Accounts payable-other	797,590
Other	239,184	Income taxes payable	28,077
Allowance for doubtful accounts	(2,162)	Other provision	38,480
		Other	338,178
<b>Non-current assets</b>	<b>4,427,006</b>	<b>Non-current liabilities</b>	<b>1,927,124</b>
<b>Property, plant and equipment</b>	<b>2,555,616</b>	Bonds payable	205,000
Buildings, structures and oil tanks	495,302	Long-term loans payable	1,189,232
Machinery, equipment and vehicles	590,501	Deferred tax liabilities	146,091
Land	951,647	Net defined benefit liability	116,875
Construction in progress	463,922	Provision for repairs	64,104
Other	54,244	Other	205,822
<b>Intangible assets</b>	<b>136,160</b>	<b>Total liabilities</b>	<b>4,993,555</b>
<b>Investments and other assets</b>	<b>1,735,230</b>	<b>(Net assets)</b>	
Investment in securities	823,009	<b>Shareholders' equity</b>	<b>1,626,400</b>
Deferred tax assets	67,577	<b>Common stock</b>	100,000
Exploration and development investments	728,312	<b>Capital surplus</b>	746,711
Other	127,873	<b>Retained earnings</b>	783,615
Allowance for doubtful accounts	(11,541)	<b>Treasury stock</b>	(3,926)
		Accumulated other comprehensive income	<b>310,354</b>
		Unrealized gain on securities	87,008
		Unrealized gain on hedging derivatives	1,083
		Foreign currency translation adjustments	218,413
		Remeasurements of defined benefit plans	3,850
		<b>Minority interests</b>	<b>493,095</b>
		<b>Total net assets</b>	<b>2,429,849</b>
<b>Total assets</b>	<b>7,423,404</b>	<b>Total liabilities and net assets</b>	<b>7,423,404</b>

## Consolidated Statements of Income (from April 1, 2014 to March 31, 2015)

(Millions of yen)

Account title	Amount	
<b>Net sales</b>		<b>10,882,460</b>
<b>Cost of sales</b>		<b>10,532,913</b>
<b>Gross profit</b>		<b>349,547</b>
<b>Selling, general and administrative expenses</b>		<b>568,432</b>
<b>Operating loss</b>		<b>218,885</b>
<b>Non-operating income</b>		
Interest income	2,838	
Dividends income	48,308	
Equity in earnings of affiliates	47,140	
Other	29,546	127,832
<b>Non-operating expenses</b>		
Interest expenses	26,083	
Foreign currency exchange loss	9,864	
Other	23,114	59,061
<b>Ordinary loss</b>		<b>150,114</b>
<b>Special gain</b>		
Gain on sales of non-current assets	55,996	
Gain on sales of investment securities	200	
Other	3,402	59,598
<b>Special loss</b>		
Loss on sales of non-current assets	1,367	
Loss on disposal of non-current assets	9,825	
Impairment loss	88,495	
Loss on valuation of investments in securities	37,357	
Restructuring cost	19,139	
Other	8,303	164,486
<b>Loss before income taxes and minority interests</b>		<b>255,002</b>
Income taxes-current	72,076	
Income taxes-deferred	(37,108)	34,968
<b>Loss before minority interests</b>		<b>289,970</b>
Minority interests in loss		12,758
<b>Net loss</b>		<b>277,212</b>

Consolidated Statements of Changes in Net Assets (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
<b>Balance as of April 1, 2014</b>	<b>100,000</b>	<b>746,711</b>	<b>1,119,478</b>	<b>(3,893)</b>	<b>1,962,296</b>
<b>Cumulative effects of changes in accounting policies</b>			<b>(18,676)</b>		<b>(18,676)</b>
<b>Restated balances</b>	<b>100,000</b>	<b>746,711</b>	<b>1,100,802</b>	<b>(3,893)</b>	<b>1,943,620</b>
Changes of items during the period					
Dividends from surplus			(39,837)		(39,837)
Net loss			(277,212)		(277,212)
Purchase of treasury stock				(34)	(34)
Disposal of treasury stock		0		1	1
Change of scope of consolidation			17		17
Change of scope of equity method			49		49
Change in equity by merger of affiliates accounted for by the equity method			(204)		(204)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	(317,187)	(33)	(317,220)
<b>Balance as of March 31, 2015</b>	<b>100,000</b>	<b>746,711</b>	<b>783,615</b>	<b>(3,926)</b>	<b>1,626,400</b>

	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		
<b>Balance as of April 1, 2014</b>	<b>51,312</b>	<b>5,551</b>	<b>113,204</b>	<b>2,695</b>	<b>172,762</b>	<b>491,236</b>	<b>2,626,294</b>
<b>Cumulative effects of changes in accounting policies</b>						<b>(257)</b>	<b>(18,933)</b>
<b>Restated balances</b>	<b>51,312</b>	<b>5,551</b>	<b>113,204</b>	<b>2,695</b>	<b>172,762</b>	<b>490,979</b>	<b>2,607,361</b>
Changes of items during the period							
Dividends from surplus							(39,837)
Net loss							(277,212)
Purchase of treasury stock							(34)
Disposal of treasury stock							1
Change of scope of consolidation							17
Change of scope of equity method							49
Change in equity by merger of affiliates accounted for by the equity method							(204)
Net changes of items other than shareholders' equity	35,696	(4,468)	105,209	1,155	137,592	2,116	139,708
Total changes of items during the period	35,696	(4,468)	105,209	1,155	137,592	2,116	(177,512)
<b>Balance as of March 31, 2015</b>	<b>87,008</b>	<b>1,083</b>	<b>218,413</b>	<b>3,850</b>	<b>310,354</b>	<b>493,095</b>	<b>2,429,849</b>

(Reference)

**Consolidated Statements of Cash Flows (from April 1, 2014 to March 31, 2015)** |

(Millions of yen)

<b>Account title</b>	<b>Amount</b>
Net cash provided by operating activities	737,224
Net cash provided by investing activities	(377,817)
Net cash provided by financing activities	(326,310)
Effect of exchange rate changes on cash and cash equivalents	14,740
Net increase in cash and cash equivalents	47,837
Cash and cash equivalents at beginning of period	280,069
Increase in cash and cash equivalents from newly consolidated subsidiary	74
Cash and cash equivalents at end of period	327,980

## 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 & Metals Corporation, Pan Pacific Copper Co., Ltd., Toho Titanium Co., Ltd., and NIPPO CORPORATION.
- (ii) Name of major non-consolidated subsidiary: Shibushi Oil Storage Company, 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 income or loss (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:  
The following companies were added to the scope of the consolidation: JX Holdings (U.S.A.) Inc., due to its being newly established; and JX Nippon Oil & Energy Korea Corporation, due to its higher importance.  
The following companies were excluded from the scope of the consolidation: JX Shipping Co., Ltd., due to its absorption-type merger into JX Ocean Co., Ltd. (formerly, JX Tanker Co., Ltd.); and Max Maritime S.A., due to its 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: 30 companies  
Names of major affiliates accounted for by the equity method:  
Abu Dhabi Oil Co., Ltd.; United Petroleum Development Co., Ltd.; LS-Nikko Copper Inc.;  
Minera Los Pelambres
- (iii) Change in the scope of application of the equity method  
Ulsan Aromatics Co., Ltd. was added to the scope of affiliates accounted for by the equity method, due to its higher importance.
- (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 42 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 are calculated related to oil tanks, machinery and equipment at refineries, and vessels, and the amounts as of the end of the 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 benefit formula 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 is estimated to 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, March 26, 2015) ("Guidance") to 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, effective from this fiscal year. As a result, we have reconsidered the calculation method of retirement benefit obligations and the current service costs, and changed the method of attributing expected retirement benefits to periods from the straight-line basis to the benefit formula basis, as well as changed the discount rate calculation method.

The Accounting Standard, and other relevant rules are applied in accordance with the transitional measures provided in paragraph 37 of the Accounting Standard. The financial impact resulting from the changes in the

calculation method of retirement benefit obligations and the current service costs has been reflected in the retained earnings at the beginning of this fiscal year.

As a result of these changes, the net defined benefit liability has increased by 29,666 million yen, and the retained earnings have decreased by 18,676 million yen at the beginning of this fiscal year. The impact of this on the consolidated statements of income for this fiscal year was insignificant.

### 3. Notes to the Consolidated Balance Sheet

- (1) Assets Offered as Security, and Obligations relating to Security
- (i) Assets offered as security
- |                                 |                       |
|---------------------------------|-----------------------|
| Property, plant, and equipment: | 1,215,428 million yen |
| Cash and deposits:              | 22,122 million yen    |
| Other:                          | 255,722 million yen   |
- In addition to the above, shares of the consolidated subsidiary in the amount of 122,600 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:                              | 221,877 million yen |
| Long-term loans payable (including current portion): | 226,522 million yen |
| Other:   | 3,648 million yen   |
- The obligations corresponding to the assets offered as security include, in addition to (ii) above, the transaction guarantee of 7 million yen, and loans payable by affiliates, or the like of 11,222 million yen.
- (2) Accumulated Depreciation of Property, Plant, and Equipment: 3,743,641 million yen
- (3) Guarantee Obligations
- |  |                     |
|--|---------------------|
| Guarantees to loans from financial institutions, or the like by companies, or the like other than the consolidated subsidiaries: | 101,497 million yen |
| Guarantees to employees' loans (housing funds):  | 3,872 million yen   |

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

- (1) Class and Total Number of Issued Shares: Common share 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, 2014	Common share	19,919	8.0	March 31, 2014	June 27, 2014
Board of Directors' Meeting held on November 4, 2014	Common share	19,919	8.0	September 30, 2014	December 5, 2014

- (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 25, 2015	Common share	Retained earnings	19,918	8.0	March 31, 2015	June 27, 2015

### 5. Notes to Financial Instruments

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

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

The amounts reported in the consolidated balance sheet, the fair values as of March 31, 2015, 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	1,007,386	1,007,386	—
(ii) Investment securities	295,938	295,938	—
(iii) Notes payable-trade, and accounts payable-trade	680,551	680,551	—
(iv) Short-term borrowings (*1)	652,399	652,399	—
(v) Commercial papers	364,000	364,000	—
(vi) Accounts payable-other	797,590	797,590	—
(vii) Long-term loans payable (*1)	1,356,388	1,367,270	10,882
(viii) Derivative transactions (*2)	(14,242)	(26,239)	(11,997)

(\*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 reducing the total amount of principal and interest using the interest rate expected in the case where new similar loans are made.

“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: 501,656 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.

## 6. Notes to Per-share Information

Net assets per share: 778.93 yen  
Net loss per share: 111.49 yen



## Non-Consolidated Financial Statements

### Non-consolidated Balance Sheets (as of March 31, 2015)

(Millions of yen)

Account title	Amount	Account title	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>722,659</b>	<b>Current liabilities</b>	<b>812,051</b>
Cash and deposits	72	Short-term borrowings	311,800
Operating accounts receivable	635	Short-term loans payable to subsidiaries and affiliates	77,753
Short-term loans receivable from subsidiaries and affiliates	695,800	Commercial papers	364,000
Accounts receivable-other	25,462	Current portion of bonds	40,000
Other	690	Accrued expenses	3,998
		Income taxes payable	194
		Provision for employees' bonuses	293
		Other	14,014
<b>Non-current assets</b>	<b>2,359,442</b>	<b>Non-current liabilities</b>	<b>968,141</b>
<b>Property, plant and equipment</b>	<b>62,196</b>	Bonds payable	205,000
Buildings and structures	4,040	Long-term loans payable	557,200
Land	49,205	Long-term loans payable to subsidiaries and affiliates	170,000
Other	8,950	Deferred tax liabilities	35,896
		Other	45
<b>Intangible assets</b>	<b>336</b>		
		<b>Total liabilities</b>	<b>1,780,192</b>
<b>Investments and other assets</b>	<b>2,296,911</b>	<b>(Net assets)</b>	
Investments in securities	252,955	<b>Shareholders' equity</b>	<b>1,236,499</b>
Stocks of subsidiaries and affiliates	1,327,200	<b>Common stock</b>	<b>100,000</b>
Long-term loans receivable from subsidiaries and affiliates	712,200	<b>Capital surplus</b>	<b>1,071,259</b>
Guarantee deposits	4,539	Legal capital reserve	25,000
Other	16	Other capital surplus	1,046,259
		<b>Retained earnings</b>	<b>67,890</b>
		Other retained earnings	67,890
		Reserve for advanced depreciation of non-current assets	1,727
		Retained earnings brought forward	66,164
		<b>Treasury stock</b>	<b>(2,650)</b>
		<b>Valuation and translation adjustments</b>	<b>65,410</b>
		Unrealized gain on securities	65,410
		<b>Total net assets</b>	<b>1,301,910</b>
<b>Total assets</b>	<b>3,082,101</b>	<b>Total liabilities and net assets</b>	<b>3,082,101</b>

| Non-consolidated Statements of Income (from April 1, 2014 to March 31, 2015) |

(Millions of yen)

Account title	Amount	
<b>Operating revenue</b>		
Dividends income	42,021	
Management fee income	9,618	<b>51,639</b>
<b>Selling, general and administrative expenses</b>		<b>9,146</b>
<b>Operating income</b>		<b>42,493</b>
<b>Non-operating income</b>		
Interest income	12,512	
Dividends income	4,431	
Other	2,232	19,175
<b>Non-operating expenses</b>		
Interest expenses	11,996	
Interest on bonds	3,004	
Interest on commercial papers	548	
Other	337	15,884
<b>Ordinary income</b>		<b>45,783</b>
<b>Special loss</b>		
Loss on valuation of investment securities	1,582	1,582
<b>Income before income taxes</b>		<b>44,201</b>
Income taxes-current	157	
Income taxes-deferred	(2,093)	(1,936)
<b>Net income</b>		<b>46,137</b>

**Non-consolidated Statements of Changes in Net Assets (from April 1, 2014 to March 31, 2015)** |

(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			
<b>Balance as of April 1, 2014</b>	<b>100,000</b>	<b>25,000</b>	<b>1,046,259</b>	<b>1,071,259</b>	<b>1,657</b>	<b>59,934</b>	<b>61,591</b>	<b>(2,635)</b>	<b>1,230,215</b>
Changes of items during the period									
Dividends from surplus						(39,837)	(39,837)		(39,837)
Net income						46,137	46,137		46,137
Purchase of treasury stock								(17)	(17)
Disposal of treasury stock			0	0				1	1
Provision of reserve for advanced depreciation of non-current assets					70	(70)	-		-
Net changes of items other than shareholders' equity									
Total changes of items during the period	-	-	0	0	70	6,229	6,299	(16)	6,284
<b>Balance as of March 31, 2015</b>	<b>100,000</b>	<b>25,000</b>	<b>1,046,259</b>	<b>1,071,259</b>	<b>1,727</b>	<b>66,164</b>	<b>67,890</b>	<b>(2,650)</b>	<b>1,236,499</b>

(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	
<b>Balance as of April 1, 2014</b>	<b>37,268</b>	<b>0</b>	<b>37,268</b>	<b>1,267,484</b>
Change of items during the period				
Dividends from surplus				(39,837)
Net income				46,137
Purchase of treasury stock				(17)
Disposal of treasury stock				1
Provision of reserve for advanced depreciation of non-current assets				-
Net changes of items other than shareholders' equity	28,142	(0)	28,142	28,142
Total changes of items during the period	28,142	(0)	28,142	34,426
<b>Balance as of March 31, 2015</b>	<b>65,410</b>	<b>-</b>	<b>65,410</b>	<b>1,301,910</b>

## 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: 125,972 million yen

Investment securities: 902 million yen

##### (ii) Obligations to the above

Subsidiaries' and affiliates' accounts payable-other: 16,988 million yen

Subsidiaries' and affiliates' borrowings and loans payable: 44 million yen

(2) Accumulated Depreciation of Property, Plant and Equipment: 7,661 million yen

#### (3) Guarantee Obligations:

Guarantee on loans: 603,379 million yen\*

Guarantee on transactions-other: 258,760 million yen

---

Total 862,139 million yen

\* Out of the total amount above, the Company's guarantee on 3,535 million yen is re-guaranteed by another company.

#### (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: 8,161 million yen

Long-term monetary claims: -

Short-term monetary obligations: 14,762 million yen

Long-term monetary obligations: 12 million yen

### 3. Notes to Non-consolidated Statements of Income

#### Volume of Transactions with Subsidiaries and Affiliates

Operating revenue: 51,989 million yen

Operating expenses: 4,205 million yen

Volume of transactions other than in business transactions: 16,730 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: 5,682,330 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	108
Investment securities	3,473
Excess of allowed depreciation limit	298
Other	131
<b>Subtotal of deferred tax assets</b>	<b>4,010</b>
Valuation reserve	(2,146)
<b>Total deferred tax assets</b>	<b>1,864</b>
(Deferred Tax Liabilities)	
Land	225
Reserve for advanced depreciation of non-current assets	826
Investment securities	36,521
Other	6
<b>Total deferred tax liabilities</b>	<b>37,578</b>
<b>Net deferred tax liabilities</b>	<b>35,714</b>

**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)	6,251	Operating accounts receivable	415
				Guarantee of obligations or the like (Note 2)	210,950		
				Purchase of subsidiaries and affiliates' shares (Note 3)	25,873		
Subsidiary	JX Nippon Oil & Gas Exploration Corporation	Directly owned, 100%	Business management; Interlocking directorate	Receipt of business management fee (Note 1)	1,443	Operating accounts receivable	93
				Receipt of fee for guarantee of obligations (Note 4)	120	Accounts receivable	1
				Guarantee of obligations or the like (Note 4)	67,799		
				Purchase of subsidiaries and affiliates' shares (Note 3)	68,136		
Subsidiary	JX Nippon Mining & Metals Corporation	Directly owned, 100%	Business management; Interlocking directorate	Receipt of business management fee (Note 1)	1,924	Operating accounts receivable	127
				Guarantee of obligations or the like (Note 5)	40,193		
Subsidiary	JX Holdings (U.S.A.) Inc.	Directly owned, 100%	Business management; Interlocking directorate	Underwriting of capital increase (Note 6)	94,009	-	-
				Sales of subsidiaries and affiliates' shares (Note 3)	94,009		
				Proceeds of sales Gain or loss on sales	-		
Subsidiary	JX Nippon Finance Corporation	Directly owned, 100%	Outsourcing of funds-related services; Interlocking directorate	Loan of working funds or the like (Note 7)		Short-term loans receivable from subsidiaries and affiliates	695,800
				Loan of short-term funds or the like	10,722,900		
				Collection of short-term funds	11,047,900		
				Loan of long-term funds or the like	170,000	Long-term loans receivable from subsidiaries and affiliates	712,200
				Collection of long-term funds	126,298		
				Intra-group fund transactions (Note 8)		Short-term loans payable to subsidiaries and affiliates	77,753
				Collection of short-term funds	12,157		
				Borrowing of short-term funds	10,767		
				Borrowing of long-term funds	100,000	Long-term loans payable to subsidiaries and affiliates	170,000
Receipt of interest (Note 7) (Note 8)	12,512						
Subsidiary	JX NIPPON FINANCE NETHERLANDS B.V.	Directly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 4)	57,718	Accounts receivable	5
				Receipt of fee for guarantee of obligations (Note 4)	22		

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 Exploration and Production (U.K.) Limited	Indirectly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 4)	225,565	Accounts receivable	170
				Receipt of fee for guarantee of obligations (Note 4)	602		
Subsidiary	JX Nippon Oil Exploration (PNG) Pty. Ltd	Indirectly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 4)	44,343	-	-
				Receipt of fee for guarantee of obligations (Note 4)	180		
Subsidiary	SCM Minera Lumina Copper Chile	Indirectly owned, 77%	Guarantee of obligations	Guarantee of obligations or the like (Note 4)	82,608	Accounts receivable	473
				Receipt of fee for guarantee of obligations (Note 4)	220		
Subsidiary	Caserones FinanceNetherlands B.V.	Indirectly owned, 75%	Guarantee of obligations	Guarantee of obligations or the like (Note 4)	33,121	Accounts receivable	160
				Receipt of fee for guarantee of obligations (Note 4)	82		

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 guarantees of transactions, or the like, for matters such as purchase of crude oil by JX Nippon Oil & Energy Corporation, but has not received any guarantee fees.
- (Note 3) The purchase and sales prices of the subsidiaries and affiliates' shares were decided by referring to the prices calculated according to the discounted cash flow method and the like.
- (Note 4) 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 5) The Company granted loan guarantees for JX Nippon Mining & Metals Corporation's loans payable, but has not received any guarantee fees.
- (Note 6) The Company underwrote a capital increase by share allotment to shareholders conducted by JX Holdings (U.S.A.) Inc.
- (Note 7) 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 8) 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: 522.90 yen  
Net income per share: 18.53 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 14, 2015

Ernst & Young ShinNihon LLC

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

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

Kazuhiko Yamazaki  
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, 2014 through March 31, 2015.

#### 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 applicable to the fifth fiscal year ended March 31, 2015 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 14, 2015

Ernst & Young ShinNihon LLC

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

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

Kazuhiko Yamazaki  
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 fifth fiscal year from April 1, 2014 through March 31, 2015.

#### 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 fifth fiscal year ended March 31, 2015 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

Fifth Fiscal Term  
(From April 1, 2014 to March 31, 2015)

#### 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 14, 2015

The Board of Corporate Auditors of JX Holdings, Inc.

Tadashi Ohmura, Full-time Corporate Auditor  
Takashi Setogawa, Full-time Corporate Auditor  
Hideki Nakagome, Corporate Auditor (Outside Corporate Auditor)  
Toshinori Kanemoto, Corporate Auditor (Outside Corporate Auditor)  
Naomi Ushio, Corporate Auditor (Outside Corporate Auditor)

End