

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.

Securities Code: 5020

June 6, 2016

Dear Our Shareholders,

Yukio Uchida
Representative Director, President
JX Holdings, Inc.
1-2, Otemachi 1-chome
Chiyoda-ku, Tokyo, Japan

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

You are cordially invited to attend the sixth 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., Monday June 27, 2016.

| 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., Monday June 27, 2016.

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: Tuesday June 28, 2016 at 10:00 a.m.**
(Reception will open at 9:00 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 business report, the consolidated financial statements, and the audit reports on the consolidated financial statements by the accounting auditor and the Board of Corporate Auditors, for the sixth fiscal term (from April 1, 2015 to March 31, 2016)**
- (ii) **The non-consolidated financial statements for the sixth fiscal term (from April 1, 2015 to March 31, 2016)**

Matters to be Resolved:

Item 1: Appropriation of Surplus

Item 2: Election of 14 Directors

Item 3 Election of One (1) Corporate Auditor

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 will treat the last 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., Monday June 27, 2016.
- (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 will 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 will treat the last 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 shareholders as significant, 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, 2015.

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: 19,918,189,592yen

2. The Date on which Surplus Distribution Takes Effect:

June 29, 2016

Item 2

Election 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 election of 14 directors.

The director candidates are as follows:

<Reference>List of director candidates

No.	Name	New Election/ Reelection	Current Position and Responsibilities at the Company	Important Concurrent Office
1	Yasushi Kimura	Reelection	Representative Director, Chairman of the Board	
2	Yukio Uchida	Reelection	Representative Director, President	
3	Junichi Kawada	Reelection	Director, Executive Vice President, responsible for Secretariat, General Administration Dept., and Legal & Corporate Affairs Dept.	
4	Hiroji Adachi	Reelection	Director, Senior Vice President, responsible for Corporate Planning Dept. I and II	
5	Kunimitsu Oba	Reelection	Director, Senior Vice President, responsible for Internal Audit Dept. and Finance & Investor Relations Dept.	
6	Katsuyuki Ota	Reelection	Director, Executive Officer, responsible for Controller Dept.	
7	Tsutomu Sugimori	Reelection	Director (Part-time)	Representative Director, President of JX Nippon Oil & Energy Corporation
8	Shunsaku Miyake	Reelection	Director (Part-time)	Representative Director, President and CEO of JX Nippon Oil & Gas Exploration Corporation
9	Shigeru Oi	Reelection	Director (Part-time)	President & Representative Director, Chief Executive Officer of JX Nippon Mining & Metals Corporation

10	Takeshi Kurosaki	New Election	—		Director, Executive Vice President of JX Nippon Oil & Energy Corporation
(Outside Director Candidates)					
11	Hiroshi Komiyama	Reelection	Outside Director	Independent Director	Chairman of Mitsubishi Research Institute, Inc.
12	Hiroko Ota	Reelection	Outside Director	Independent Director	Professor at the National Graduate Institute for Policy Studies
13	Mutsutake Otsuka	Reelection	Outside Director	Independent Director	Advisor of East Japan Railway Company
14	Seiichi Kondo	Reelection	Outside Director	Independent Director	Director, Kondo Institute for Culture & Diplomacy

Candidate No. **1**

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 of JX Nippon Oil & Energy Corporation

Reelection

Number of Company Shares Owned
100,810 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 (until June, 2015)

Important Concurrent Office:

Director of NIPPO CORPORATION; President of Petroleum Association of Japan; and Vice Chairman of KEIDANREN (Japan Business Federation)

● Reasons for nominating Mr. Kimura as a Director Candidate

Mr. Yasushi Kimura held the posts of the Representative Director and President of JX Nippon Oil & Energy Corporation, which is one of our core operating companies, and the Representative Director and Chairman of the said company. In June 2012, he assumed the office of the Representative Director and Chairman of the Board of the Company. Further, he serves as the Vice Chairman of the KEIDANREN (Japan Business Federation) and the President of the Petroleum Association of Japan. Throughout his career, he has gained a lot of experience and achievements as a leader not only of the JX Group, but also in industrial circles and the energy industry in Japan. Given that he is expected to enhance the decision-making function of the board of directors and enhance the function of supervising the business execution of the Company by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Kimura as a director candidate.

Candidate No.	2
---------------	---

Yukio Uchida

| Born January 20, 1951 |

Number of
Company Shares Owned
73,200 common shares

Reelection

Brief Personal History, and Position and Responsibilities at the Company

April 1973	Joined Nippon Mining Co., Ltd.	June 2007	Senior Vice President and Executive Officer of Japan Energy Corporation
September 2002	Senior Officer of Nippon Mining Holdings, Inc. (until June 2004)	April 2008	Senior Executive Officer of Japan Energy Corporation
April 2003	Executive Officer of Japan Energy Corporation	July 2010	Director, Senior Vice President of JX Nippon Oil & Energy Corporation
April 2004	Senior Vice President and Executive Officer of Japan Energy Corporation (until June 2005)	June 2012	Director (Part-time) of the Company; and Director, Executive Vice President of JX Nippon Oil & Energy Corporation
June 2004	Director of Nippon Mining Holdings, Inc. (until June 2007)	June 2014	Director, Executive Vice President of the Company (responsible for Finance & Investor Relations Dept.)
June 2005	Director (Senior Vice President and Executive Officer) of Japan Energy Corporation	June 2015	Representative Director and President of the Company (to present)

- **Reasons for nominating Mr. Uchida as a Director Candidate**

Mr. Yukio Uchida has been engaged in management planning for many years. In addition, he is familiar with the international petroleum situation as well as domestic trends in the industry. Thus, he has had a lot of experience and achievements throughout the entire energy business. Further, he assumed the office of the Director and Executive Vice President of JX Nippon Oil & Energy Corporation in June 2012, and the Representative Director and President of the Company in June 2015. Through this role, he has been responsible for the management of the Company and the JX Group. Given that he is expected to be capable of participating in the decision-making function of the board of directors and enhance the function of supervising the business execution of the Company by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Uchida as a director candidate.

Candidate No.	3
---------------	---

Junichi Kawada

| Born September 26, 1955 |

Number of
Company Shares Owned
89,580 common shares

Reelection

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)	June 2014	Director, Senior Vice President of the Company (responsible for Secretariat, General Administration Dept., and Legal & Corporate Affairs Dept.)
April 2010	Director, Senior Vice President of the Company (responsible for Corporate Social Responsibility Dept. and Legal & Corporate Affairs Dept., General Manager of Legal & Corporate Affairs Dept.)	June 2015	Director, Executive Vice President of the Company (responsible for Secretariat, General Administration Dept., and Legal & Corporate Affairs Dept.) (to present)
June 2012	Director, Senior Vice President and of the Company (responsible for General Administration Dept., and Legal & Corporate Affairs Dept.)		

- **Reasons for nominating Mr. Kawada as a Director Candidate**

Mr. Junichi Kawada has been in charge of general administration, legal affairs and organizational administrative affairs for many years. He has had a lot of experience and achievements in the compliance and corporate governance sectors. Further, he assumed the office of the Director and Senior Vice President of the Company in April 2010, and the Director and Executive Vice President of the Company in June 2015. Through this role, he has been responsible for the management of the Company and the JX Group. Given that he is expected to be capable of participating in the decision-making function of the board of directors and enhance the function of supervising the business execution of the Company by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Kawada as a director candidate.

Candidate No.	4
---------------	----------

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 of JX Nippon Oil & Energy Corporation
June 2014	Senior Vice President of the Company (General Manager of Corporate Planning Dept. I)

Reelection

June 2015	Director, Senior Vice President of the Company (responsible for Corporate Planning Dept. I and II) (to present)
-----------	---

Number of Company Shares Owned
43,860 common shares

Important Concurrent Office:

Outside Director of Maruwn Corporation
Outside Director of INPEX CORPORATION

• Reasons for nominating Mr. Adachi as a Director Candidate

Mr. Hiroji Adachi has been in charge of technological affairs, such as refining technologies and refinery operations in the energy business for many years. In the Company, he was engaged in management planning. As such, he has had a lot of experience and achievements. Further, he assumed the office of the Director and Senior Vice President of the Company in June 2015. Through this role, he has been responsible for the management of the Company and the JX Group. Given that he is expected to be capable of participating in the decision-making function of the board of directors and enhance the function of supervising the business execution of the Company by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Adachi as a director candidate.

Candidate No.	5
---------------	----------

Kunimitsu Oba

| Born June 3, 1956 |

Brief Personal History, and Position and Responsibilities at the Company

April 1980	Joined Nippon Mining Co., Ltd.
April 2011	Executive Officer of JX Nippon Oil & Gas Exploration Corporation
June 2015	Director, Senior Vice President of the Company (responsible for Internal Audit Dept. and Finance & Investor Relations Dept.) (to present)

Reelection

Outside Corporate Auditor of NIPPON SHOKUBAI CO., LTD.

Number of Company Shares Owned
13,300 common shares

Important Concurrent Office:

• Reasons for nominating Mr. Oba as a director candidate

Mr. Kunimitsu Oba has been in charge of accounting affairs and management planning affairs in both the energy business and the oil exploration and production business fields for many years. He has plenty of experiences and achievements in the corporate management sector. Further, he assumed the office of the Director and Senior Vice President of the Company in June 2015. Through this role, he has been responsible for the management of the Company and the JX Group. Given that he is expected to be capable of participating in the decision-making function of the board of directors and enhance the function of supervising the business execution of the Company by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Oba as a director candidate.

Candidate No. **6**

Katsuyuki Ota

| Born May 26, 1958 |

Reelection

Number of
Company Shares Owned
22,207 common shares

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
June 2015	Director, Executive Officer (responsible for Controller Dept. of the Company (to present))

• Reasons for nominating Mr. Ota as a director candidate

Mr. Katsuyuki Ota has been in charge of accounting and financial affairs for many years. He has had a lot of experience and achievements in those sectors. Further, he assumed the office of the Director and Executive Officer of the Company in June 2015. Through this role, he has been responsible for the management of the Company and the JX Group. Given that he is expected to be capable of participating in the decision-making function of the board of directors and enhance the function of supervising the business execution of the Company by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Ota as a director candidate.

Candidate No. **7**

Tsutomu Sugimori

| Born October 21, 1955 |

Reelection

Number of
Company Shares Owned
46,430 common shares

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

Important Concurrent Office:

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

• Reasons for nominating Mr. Sugimori as a director candidate

Mr. Tsutomu Sugimori has been in charge of sales strategy, business planning, and other affairs in the energy business for many years. He has had a lot of experience and achievements in the business field. Further, he assumed the office of the Representative Director and President of JX Nippon Oil & Energy Corporation in June 2014. Through this role, he has been responsible for the management of the energy business. Given that he is expected to be capable of participating in the decision-making function of the board of directors and enhance the function of supervising the business execution of the Company by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Sugimori as a director candidate.

Candidate No.	8
---------------	---

Shunsaku Miyake

| Born June 2, 1952 |

Number of
Company Shares Owned
76,570 common shares

Reelection

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 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)

Important Concurrent Office:

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

• Reasons for nominating Mr. Miyake as a director candidate

Mr. Shunsaku Miyake has been in charge of industrial energy, natural gas, coal, and other business functions in the energy business for many years. He has had a lot of experience and achievements in the business field. Further, he assumed the office of the Representative Director, President and CEO of JX Nippon Oil & Gas Exploration Corporation in June 2014. Through this role, he has been responsible for the management of the oil and natural gas exploration and production business. Given that he is expected to be capable of participating in the decision-making function of the board of directors and enhance the function of supervising the business execution of the Company by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Miyake as a director candidate.

Candidate No.	9
---------------	---

Shigeru Oi

| Born August 3, 1953 |

Number of
Company Shares Owned
21,000 common shares

Reelection

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 of JX Nippon Mining & Metals Corporation
June 2013	Director, Senior Vice President of JX Nippon Mining & Metals Corporation
June 2014	Director (Part-time) of the Company (to present)

June 2014	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

• Reasons for nominating Mr. Oi as a director candidate

Mr. Shigeru Oi has been in charge of the copper smelting business, environmental and recycling business, mine development projects in Chile, and other business functions in the metals business field for many years. He has had a lot of experience and achievements in the business field. Further, he assumed the office of the President & Representative Director, Chief Executive Officer of JX Nippon Mining & Metals Corporation in June 2014. Through this role, he has been responsible for the management of the metals business. Given that he is expected to be capable of participating in the decision-making function of the board of directors and enhance the function of supervising the business execution of the Company by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Oi as a director candidate.

Candidate No. **10**

Takeshi Kurosaki

| Born November 12, 1952 |

New Election

Number of
Company Shares Owned
67,450 common shares

Brief Personal History, and Position and Responsibilities at the Company

April 1977	Joined Nippon Mining Co., Ltd.
April 2007	Executive Officer of Japan Energy Corporation
April 2009	Senior Vice President and Executive Officer of Japan Energy Corporation
July 2010	Director, Senior Vice President of JX Nippon Oil & Energy Corporation
June 2012	Director, Executive Vice President of JX Nippon Oil & Energy Corporation (to present)

Important Concurrent Office:

Director, Executive Vice President of JX Nippon Oil & Energy Corporation

• **Reasons for nominating Mr. Kurosaki as a Director Candidate**

Mr. Takeshi Kurosaki has been in charge of production planning, refinery technology, research and development, environment and safety, and other affairs in the energy business for many years. Thus, he has had a lot of experience and achievements mainly in technical aspects of the business. Further, he assumed the office of the Director and Executive Vice President of JX Nippon Oil & Energy Corporation in June 2012. Through this role, he has been responsible for the management of the energy business. Given that he is expected to be capable of participating in the decision-making function of the board of directors and enhance the function of supervising the business execution of the Company by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Kurosaki as a director candidate.

Outside Director Candidates

Candidate No. **11**

Hiroshi Komiyama

| Born December 15, 1944 |

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)

Reelection

Period in Office: 6 years and 3 months

Number of Company Shares Owned
43,700 common shares

Independent Director

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.
Outside Director of FamilyMart Co., Ltd.
Outside Director of Imagineer Co., Ltd.

• Reasons for nominating 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 |

Brief Personal History, and Position and Responsibilities at the Company

May 1981	Research Fellow at the Japan Institute of Life Insurance
April 1993	Associate Professor at the School of Economics of Osaka University
April 1996	Associate Professor at Saitama University
October 1997	Associate Professor at the National Graduate Institute for Policy Studies
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

Reelection

(Period in Office: 4 years)

Number of Company Shares Owned
16,400 common shares

Independent Director

September 2006	Minister of State for Economic and Fiscal Policy
August 2008	Professor at the National Graduate Institute for Policy Studies (to present)
June 2012	Outside Director of the Company (to present)

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 nominating 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 |

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

Reelection

(Period in Office: 3 years)

Number of Company Shares Owned
16,300 common shares

Independent Director

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

- Reasons for nominating 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 |

Brief Personal History, and Position and Responsibilities at the Company

April 1972	Joined the Ministry of Foreign Affairs of Japan
January 1996	Minister, Embassy of Japan in the U.S.
July 1998	Assistant Vice-Minister, Minister's Secretariat, and Economic Affairs Bureau of the Ministry of Foreign Affairs of Japan
September 1999	Deputy Secretary-General of the Organization for Economic Co-operation and Development (OECD)
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)

Reelection

(Period in Office: 2 years)

Number of Company Shares Owned
5,000 common shares

Independent Director

July 2008	Ambassador Extraordinary and Plenipotentiary to the Kingdom of Denmark
July 2010	Commissioner for Cultural Affairs of Japan
July 2013	Resigned as Commissioner for Cultural Affairs of Japan
June 2014	Outside Director of the Company (to present)

Important Concurrent Office:

Director, Kondo Institute for Culture & Diplomacy; Outside Director of KAGOME CO., LTD.; and Outside Director of Pasona Group Inc.

• Reasons for nominating 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 reelection 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 meet the "Standards for Consideration of Independence" set forth on Page 20 of this Convocation Notice, and is an independent director based on the rules of each stock exchange in Tokyo and Nagoya on which the Company is listed. When the reelection of any of them is approved, that individual will remain as an independent director.
6. Core operating companies of the Company sold materials for testing to the University of Tokyo (where Mr. Hiroshi Komiyama was the President until March 2009) in FY2015. The total amount of the sales is minimal in comparison to (0.00% of) the consolidated net sales of the Company. Further, core operating companies of the Company paid costs incurred due to joint research with the university and other similar costs to the university. The total amount of these payments is minimal in comparison to (0.01% of) the average annual revenue (ordinary income) of the university in FY2012 to FY2014. Moreover, core operating companies of the Company provided donations for education and research promotion to the university. The total amount of the donations is minimal in comparison to (0.03% of) the average annual revenue (ordinary income) of the university in FY2012 to FY2014.
7. Core operating companies of the Company conducted transactions such as delivering fuel to the East Japan Railway Company (where Mr. Mutsutake Otsuka was the Chairman and Director until March 2012) and its key affiliates in FY2015. The total amount of these transactions is minimal in comparison to (0.23% of) the consolidated net sales of the Company. Further, the Company and core operating companies of the Company paid land lease fees and other similar fees to the East Japan Railway Company and its key affiliates. The total amount of these payments is minimal in comparison to (0.00% of) the consolidated net sales of the East Japan Railway Company.

Item 3

Election of One (1) Corporate Auditor

The term of office of a corporate auditor Mr. Hideki Nakagome will expire upon the conclusion of this ordinary general meeting of shareholders; therefore, the Company would like to propose the election of one (1) corporate auditor.

The corporate auditor candidate is as follows.

Consent to this item has been obtained from the Board of Corporate Auditors.

Corporate Auditor Candidate

Seiichiro Nishioka

| Born September 28, 1949 |

Brief Personal History, and Position and Responsibilities at the Company

April 1975	Assistant Judge
December 2007	Chief Judge of the Utsunomiya District Court
January 2010	Presiding Judge of the Tokyo High Court
February 2011	President of the Tokyo Family Court
March 2013	President of the Hiroshima High Court
September 2014	Retired from office of the President of the Hiroshima High Court
February 2015	Registered as an attorney (to present); Of Counsel of Asahi Law Offices (to present)

New
Election

Number of
Company Shares Owned
5,000 common shares

Important Concurrent Office:

Attorney, Of Counsel of Asahi Law Offices

Reasons for nominating Mr. Nishioka as an Outside Corporate Auditor Candidate

Mr. Seiichiro Nishioka held important posts, such as the Chief Judge of the Utsunomiya District Court, the President of the Tokyo Family Court, and the President of the Hiroshima High Court. Subsequently, he has been active as an attorney. Further, he has taught students as a Visiting Professor at KEIO University Law School to hand his knowledge down to the next generation. Thus, he has had a lot of professional knowledge and experience regarding the administration of justice. Given that he is expected to supervise the directors' execution of their duties from an objective, independent, and fair standpoint by utilizing his experience and achievements, we have decided to nominate Mr. Nishioka as a new corporate auditor candidate.

Mr. Nishioka has not been involved in company management; however, the Company assesses that he is qualified to appropriately perform duties as an outside corporate auditor due to the reasons above.

(Notes)

1. No special conflict of interest exists between Mr. Seiichiro Nishioka and the Company.
2. The Company will conclude an agreement (the liability limitation agreement) with Mr. Seiichiro Nishioka, that outside corporate auditor'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 corporate auditor's Remuneration for two (2) years), if they are without knowledge and are not grossly negligent in conducting their duties.
3. Mr. Seiichiro Nishioka meets the "Standards for Consideration of Independence" set forth on Page 20 of this Convocation Notice. If the election of Mr. Seiichiro Nishioka is approved, he will become an independent corporate auditor based on the rules of each stock exchange in Tokyo and Nagoya on which the Company is listed.

<Reference> Standards for Consideration of Independence

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 shareholders in general.

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 Sixth Fiscal Term (from April 1, 2015 to March 31, 2016)

1. Matters Concerning Present Condition of the Corporate Group

(1) Major Business Activities (as of March 31, 2016)

JX Group is an “integrated energy, resources, and materials business group,” having core operating companies—JX Nippon Oil & Energy Corporation, JX Nippon Oil & Gas Exploration Corporation, and JX Nippon Mining & Metals Corporation—under the Company as the holding company.

JX Group’s major business activities are as follows:

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

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

(Note) Regarding the residential fuel cell business, we ceased to develop and manufacture the products as of the end of March, 2015. Accordingly, we changed “developing, manufacturing, and marketing fuel cells, solar batteries, and the like” to “marketing fuel cells and solar batteries” in the Details of Major Business Activities of the Energy Business.

(2) Business Progress and Results

A. Circumstances Surrounding JX Group

Reviewing the global economy in fiscal year 2015, in the U.S. the economy continued to recover, mainly due to increased private consumption. However, in China, the economy slowed down due to a slowdown in industrial production and business investment by enterprises, and restrained investment in infrastructure by the government. In Japan, the economy recovered only moderately, mainly due to a lack of strength in private consumption and business investment growth.

The Dubai crude oil price, which is the benchmark crude oil price in Asia, remained at around 60 dollars per barrel, during the period from the beginning of this fiscal year to July 2015. Then, however, the price dropped significantly as major oil producing countries maintained a high level of crude oil production and this caused an oversupply. In January 2016, the price was down to 23 dollars, which was the lowest price in 12 years. After that, although the crude oil price started to rise, as of the end of this fiscal year, the price was 35 dollars per barrel, which was still low.

During the period from the beginning of this fiscal year to the end of June 2015, the bench mark copper prices on the London Metal Exchange (LME) remained relatively steady at around \$6,000 a ton. However, the price started to fall against the backdrop of a slowdown in economic growth of China, which is the largest copper-consuming country. Also, copper price has been hurt by stronger U.S. dollars, which make dollar-denominated commodities more expensive to non-U.S. buyers. In January 2016, benchmark copper on the LME hit \$4,311 a ton, its lowest in seven years. After that, copper had slightly recovered to end at \$4,856 a ton at the end of the fiscal year.

In this situation where the crude oil price and copper price significantly declined, major oil companies and resource developing companies started taking measures, such as reducing new investment spending and selling off their assets, and recorded impairment losses. Further, Japanese petroleum refining and marketing companies recorded a large inventory evaluation

loss due to a sharp decline in crude oil prices, mainly because they are obliged to stock at least 70 days' worth of crude oil and petroleum products pursuant to the Oil Stockpiling Act of Japan.

Domestic demand for petroleum products decreased from the previous fiscal year, because of the strong effect of demand-decreasing factors, such as the further spread of fuel-efficient cars and advancement of fuel conversion, although the drop of sales prices of petroleum products along with the crude oil price was one of the factors to stimulate the demand. On the other hand, the petrochemical products market remained strong due to tightened of supply-demand in China.

In this severe business situation, the JX Group has implemented various measures, 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 7,122.4 billion yen (a 21.9% 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 paraxylene market improved, we recorded an operating loss of 141.4 billion yen and an ordinary loss of 97.1 billion yen due to inventory valuation factors caused by decline in crude oil prices, and a worsening of petroleum product margins. On the other hand, ordinary income or loss excluding inventory valuation factors was an income of 166.7 billion yen. Further, due to a decline in coking coal prices, we recorded 14.4 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 marketing business**

In the petroleum refining and marketing business, which is the core business, we did our best to strengthen the competitiveness of the entire supply chain that is, procuring crude oil, refining, distributing, and selling products in order to construct a foundation to ensure stable income despite the decreasing domestic demand for petroleum products.

In terms of production, in an effort to reduce costs, we increased throughput of heavy crude oil, which can be procured at low cost, and promoted operational optimization at each refinery and plant, while setting safety and stable operation as a major premise. Further, at the Kashima Refinery, we commenced the operation of the “Solvent De-Asphalting Unit,” and thus established a system to increase the production of raw material for

petrochemical products and gas oil, which are highly profitable, by cracking heavy oil fraction, for which demand is significantly decreasing. Further, in April, 2016, we commenced commercial operation of a power generation facility which uses residue obtained from the unit as fuel. This operation made it possible to sell electricity generated at low-cost, and is contributing to the improvement in the Company's profit.

In terms of sales, we did our best to gain more profit by securing profitability in sale of each petroleum product thoroughly in Japan, by promoting rationalization by way of reorganizing the service stations network, and by exporting products to overseas markets in a flexible and timely manner.

- **Our efforts to expand business overseas**

In Asian emerging economies, demand for petroleum products, petrochemical products, and lubricant is expected to expand due to economic development.

Under such circumstances, we decided to enter the petroleum products retail business in Vietnam, by way of investing in Vietnam National Petroleum Group, whose share in the petroleum products market in Vietnam is the largest. Further, regarding petrochemical products, we sold products manufactured at the world largest-level paraxylene manufacturing plant that we are operating jointly with SK Group in South Korea, and this has remarkably contributed to profit-making. Regarding lubricant, we strived to increase sales in accordance with the expanding demand mainly for automobiles and motorcycles through our manufacturing bases and sales bases all over the world.

- **Our efforts to expand business as a comprehensive energy company**

Regarding the electricity business, we have been supplying electricity to customers such as office buildings and schools for more than ten years. Based on this experience, we entered the retail electricity business, which was fully liberalized in April, 2016, with the brand name "ENEOS Denki" (note: "denki" means electricity). We promoted acquisition of customers, and achieved approximately 100,000 contracts as of the end of March, 2016. Specifically, we proposed attractive price menus with our strength as an owner of power generating facilities, had our wholesalers and distributors with community-based sales networks as our agents, and formed business alliances with electronic appliance retail stores and major telecommunication service companies that have contacts with retail customers.

Regarding the natural gas and LNG business, in April, 2015, we launched operation of the LNG large-scale importing terminal in Hachinohe City in Aomori Prefecture, and the LNG terminal in Kushiro City in Hokkaido, which receives LNG transferred from that facility. We are supplying natural gas and LNG to, and striving to increase sales of them in, the Tohoku area and eastern Hokkaido area, where demand for natural gas and LNG, mainly those for industrial use, is expected to increase.

Regarding the hydrogen business, anticipating that fuel cell automobiles will spread in the future, we opened more “hydrogen stations,” which sell hydrogen for fuel cell automobiles, so that we can construct a system that enables us to efficiently and steadily produce, transport, and sell hydrogen. In addition, in March, 2016, in Yokohama City in Kanagawa Prefecture, we launched operation of the Hydrogen Production and Shipping Center, which produces hydrogen from LPG and ships hydrogen.

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 increased from the previous fiscal year, due to the downfall in crude oil prices, net sales were 175.8 billion yen (a 22.4% decrease from the previous fiscal year), operating income was 21.6 billion yen (a 71.4% decrease from the previous fiscal year), and ordinary income was 28.2 billion yen (a 66.8% decrease from the previous fiscal year). Further, we recorded an impairment loss of 154.2 billion yen pertaining to part of the oil field assets, in which we hold the participation interests. In addition, we recorded a loss pertaining to asset sales and withdrawal due to business restructuring of 79.5 billion yen.

Business Summary

- **Oil and natural gas production volumes**

The volume of oil and natural gas produced by JX Nippon Oil and Gas Exploration Corporation in this fiscal year was approximately 121,000 barrels of oil equivalent per day, which exceeded the volume produced in the previous fiscal year, with the contribution of the production at the LNG project in Papua New Guinea and in Kinnoull Field in the U. K. North Sea, which started production in the previous fiscal year.

- **Dealing with downfall in crude oil prices**

In the oil and natural gas E&P business, under the circumstances where significant rises of crude oil prices are not anticipated for the time being, in an effort to secure firm profitability we withdrew from less profitable projects as part of the review of our portfolio. We also tried to improve cash flow by deciding to sell part of our participation interests in oil fields and gas fields in the U.K. North Sea, for which the development cost is high.

Further, regarding oil fields and gas fields which are in the development stage or which already started production, we did our best to reduce and control costs by such means as decreasing material procurement costs, and improving work efficiency, as far as possible.

- **Enhanced Oil Recovery (“EOR”) project by utilizing waste gas from the coal-fired power unit in the U.S.**

In the U.S., we are promoting the CO₂-EOR project in order to increase the crude oil production by capturing carbon dioxide out of waste gas from a coal-fired power unit, and injecting carbon dioxide captured from the unit into an aged oil field. In this fiscal year, we steadily proceeded with plant construction work so that we can commence the commercial operation of the plant during 2016.

Metals Business

(JX Nippon Mining & Metals Group)

Business Results

Regarding the business results of the Metals business for this fiscal year, despite strong sales in the electronic materials business and the titanium business, due to the decline in copper prices, net sales were 1,049.7 billion yen (an 9.2% decrease from the previous fiscal year), operating income was 14.7 billion yen (a 55.9% decrease from the previous fiscal year), and ordinary income was 13.3 billion yen (a 76.6% decrease from the previous fiscal year). On the other hand, ordinary income excluding inventory valuation factors was 19.0 billion yen (a 65.5% decrease from the previous fiscal year). Further, due to a decline in copper prices, we recorded impairment loss of 80.0 billion yen pertaining to the Caserones Copper Mine.

Business Summary

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

In the Caserones Copper Mine in Chile, full-scale production became practical in terms of equipment because the completion of the development of the deposit for sand tailings generated in the copper concentrate production process came within sight. Under such circumstances, we are striving to enhance operators' skills, and strengthen the equipment maintenance system, in order to realize a continuous full-scale production as soon as possible, with a consulting firm's support.

In the smelting & refinery, we tried to strengthen our competitiveness through cost reduction by optimizing the production system and operational stabilization in smelter & refineries.

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

In the electronic materials business, we have maintained good sales of sputtering targets that are used for manufacturing semiconductors, treated rolled copper for flexible printed

circuit boards, and precision rolled products that are primarily used as connector materials since the previous fiscal year, due to strong demand for those products for smartphones.

In the recycling and environmental services business, we expanded our networks to collect recyclable raw materials and industrial wastes in Japan, by acquiring all shares of Takasho Co., Ltd., which has printed board scrap collecting networks, in August, 2015.

Regarding the manufacturing, processing, and selling business of titanium, which is a light, very strong and durable metal mainly used in aircraft and chemical plant equipment, we attained a shift to surplus due to the results of optimization of the production system and cost reduction that we have conducted so far, as well as recovery of demand for aircraft. Further, in Saudi Arabia, where low-cost electricity and stable raw materials are available, we established a joint venture company to manufacture and sell sponge titanium, and advanced the construction of a plant so that we can commence commercial production in 2017.

Other Business

Business Results

Regarding the business results of the other business for this fiscal year, net sales were 458.8 billion yen (a 0.5% decrease from the previous fiscal year), operating income was 41.8 billion yen (a 16.2% increase from the previous fiscal year), and ordinary income was 44.9 billion yen (a 12.8% increase from the previous fiscal year).

NIPPO CORPORATION

NIPPO Corporation (“NIPPO”) primarily engages in pavement, civil engineering, and construction work, as well as manufacturing and sales of asphalt mixture. In this fiscal year, the operating environment of NIPPO remained difficult because public civil engineering work projects mildly decreased, and because labor, raw material, and other costs remained high. Despite that situation, NIPPO strived to acquire orders for work by leveraging its superior technical strength. Further, NIPPO did its best to secure income by expanding sales of asphalt mixture and other products, and by reinforcing activities to reduce costs and increase efficiency.

On February 29, 2016, NIPPO was prosecuted by the Tokyo District Public Prosecutors Office for violation of the Antimonopoly Act regarding a bid for the disaster restoration paving work for the Great East Japan Earthquake ordered by Tohoku Branch of East Nippon Expressway Company Ltd. NIPPO is striving to further enhance and ensure compliance to prevent a recurrence of such misconduct. We will provide support to NIPPO in these endeavors to ensure future compliance.

C. Summary of Consolidated Business Results of This Fiscal Year

As a result of the above, the consolidated business results for this fiscal year resulted in net sales of 8,737.8 billion yen (a 19.7% decrease from the previous fiscal year). Regarding the profits and losses, because we inevitably accrued a large inventory evaluation loss due to a decline in crude oil prices, we recorded an operating loss of 62.2 billion yen and an ordinary loss of 8.6 billion yen. Further, because we recorded an impairment loss due to downfalls in prices of crude oil, copper, and other materials, as well as business restructuring, the loss attributable to owners of parent was 278.5 billion yen. On the other hand, regarding ordinary income or loss excluding inventory valuation factors, we recorded an ordinary income of 260.9 billion yen (a 2.2% increase from the previous fiscal year).

D. Establishing “Basic Policy on Corporate Governance of JX Group”

The Company established “Basic Policy on Corporate Governance of JX Group” on November 26, 2015 in an attempt to establish and operate a structure for transparent, fair, timely and decisive decision-making in its business operation (this structure, hereinafter referred to as “Corporate Governance”) so as to achieve its sustainable growth and increase its corporate value over the mid- to long term. We have disclosed this Basic Policy on our company website.

E. Promotion of CSR Activities

Under the JX 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”, we are actively developing corporate social responsibility (CSR) activities, setting (i) compliance, (ii) social contribution, and (iii) environment & safety as the three (3) pillars of our CSR activities in order to gain credibility as a good corporate citizen widely from society.

Regarding (i) compliance, our efforts included performing legal compliance status review activities and compliance training, and making all know the whistleblowing system.

Regarding (ii) social contribution, we called for entries of children’s stories from a wide cross-section of the public, and donated copies of the “Bouquet of Children’s Stories,” which is a children’s story book containing a collection of excellent work from among them, to educational institutions in the affected areas of the Great East Japan Earthquake and social welfare facilities nationwide and others. 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 dealt with waste reduction as well as took the initiative in environmental conservation activities.

F. Results and Review of the Second Medium-Term Management Plan (from Fiscal Year 2013 to 2015)

In the second medium-term management plan, the Company placed the upstream business, such as the oil and natural gas E&P business and the copper mine development business as business sections with high profitability and high growth and allocated the management resources with priority thereto. Also for the midstream and downstream business, the Company progressed investments for the purpose of gaining overwhelming competitiveness in the existing business and to ensure stable profitability.

Under this principle, with regard to the upstream business, the Company has started the commercial production in the LNG project in Papua New Guinea, in the Kinnoull field in the U.K. North Sea, and the Caserones Copper Mine, and thus established the basis for gaining revenues from the upstream business in the future. However, the results in the upstream business in this fiscal year were significantly below the target which we posted in our second medium-term management plan, due to the sharp decline in prices of natural resources such as crude oil and copper, and the impact of the delay in commencing production from projects such as in the oil fields in the U.K. North Sea and the Caserones Copper Mine.

On the other hand, with regard to the midstream and downstream business, in the energy business, we have attempted to enhance the competitiveness in the entire supply chain, to enlarge the business in such new fields as electricity and hydrogen business, and to expand our presence in the Asian market of the petrochemical products and lubricants business through the joint venture with SK Group in South Korea. In addition, in the metals business, we have made efforts at improvement in copper concentrate purchase conditions in the copper smelting and refining business, cost reduction by improving the efficiency of the production system in the smelters, and sales expansion of the electronic materials. As a result, in this fiscal year, we achieved the target in the midstream and downstream business which we posted in our second medium-term management plan, partly supported by the revenue improvement effect caused by weaker yen and despite such factors as a reduction in margin attributed to the worsening of the petroleum products market and the troubles in the refineries and smelters.

Nevertheless, in the business results in this fiscal year, being the final business year of the second medium-term management plan, the ordinary loss was 8.6 billion yen, the ROE (*1) was $\Delta 16.2\%$, and the net D/E ratio (*2) was 1.39; and none of them achieved the targets (*3) we posted in the second medium-term management plan, partly because the Company had to account for a large amount of inventory loss pertaining to the crude oil and petroleum products and a large amount of impairment loss which were caused by the sharp decline in natural resources prices.

*1 “ROE” = “profit attributable to owners of parent.” \div “shareholders’ equity”

*2 “net D/E ratio” = (“interest-bearing debt” - “cash item”) \div “shareholders’ equity”

*3 the ordinary income of no less than 400.0 billion yen, ROE of no less than 10%, and the net D/E ratio of no less than 0.9

The operating results of the energy, resources, and materials business, being the core business area of the JX group, can be largely affected by changes in the business environment, and financial positions are at risk of being materially affected by such changes. In those circumstances, reviewing the period of the second medium-term management plan, we made significant business investments in the upstream section, mainly in the initial business year (fiscal year 2013) in which the prices of natural resources were soaring; we consider that there is room for reflection in the risk management of business investment such as risk control, dispersion, and equalization of timing.

We take this result seriously, and recognize that risk management in business investment is the most important task. Specifically, we will tighten the investment criteria including risk analysis and strengthen the project management system after final investment decisions. We will restrain the total amount of business investment spending, and will make efforts to mitigate risks in investments by balancing the investment spending in each of the upstream, midstream, and downstream business, and pay due attention to the timing of investments so as to avoid an excess concentration of investments at any one particular time. By these measures, the Company will establish a strong financial basis.

With respect to the next medium-term management plan, we will postpone its formulation and announcement, because the Company has agreed to a business integration with TonenGeneral Sekiyu K.K., as detailed below. We will announce the medium-term management plan at the time of the business integration with TonenGeneral Sekiyu K.K.

(3) Matters the Company should address

Taking a view of the business environment, in terms of the global economy, it is expected that the U.S. economy will continue to consistently recover, while the Chinese economy will continue to slowdown. The Japanese economy is expected to be increasingly uncertain, as private consumption and business investment will not grow as fast as they were expected before. The crude oil price is not expected to rise significantly for the time being since the oversupply is expected to continue for a while. It will also take a while for the copper price to recover, being affected by the slowdown of the Chinese economy.

Further, domestic demand for petroleum products will continue to decline due to such structural factors as the spread of fuel-efficient cars and the advancement of fuel conversion. By contrast, in the emerging economies in Asia, the demand for petroleum products, petrochemical products, and lubricants is expected to increase continuously along with economic growth.

With regard to copper products, although a large increase in demand for such products as electrical wiring, which are used for infrastructure cannot be expected for the time being because of the slowdown of the Chinese economy, the demand for electronic materials is anticipated to increase in the future because of the progress of the Internet of Things (the IoT), where various things such as consumer electronics and cars, not just personal computers and smart phones are

expected to be able to connect to the Internet.

Under these circumstances, the challenge for the JX Group is to establish a strong foundation by which profits can be assured and to continue to sustainably grow in the future, even though the declining trend in domestic demand persists and significant rise in crude oil and copper prices are not expected.

Specifically, in terms of the energy business, to reinforce the profitability of the domestic petroleum refining and marketing business, which is our core business, we will further enhance efficiency and promote thorough cost reductions in the whole supply chain, based on a premise of maintaining safe and stable operations. For that purpose, we will also implement production in line with demand fluctuations and export products in a flexible and timely manner. With respect to petroleum products, petrochemical products, and lubricants, so as to steadily increase sales in accordance with the demand in the emerging economies which are expected to rise, we will accelerate expansion overseas mainly in Asia. We will also steadily develop businesses such as electricity, gas, and hydrogen which are expected to be the pillars of our business in the future.

In the oil and natural gas E&P business, in an attempt to improve cash flow and enhance profitability, we will build a strong structure with which we can ensure profitability on a steady basis. For this purpose, we will review our portfolio by concentrating on our strengths and making appropriate choices with regard to measures to expand business in those areas in which the Company can exercise its strengths and to proceed with assets sales. In addition, with respect to the oil and gas fields either under development or production, we will steadily proceed with their operations by considering safety and the environment, as well as focusing on cost reductions.

In terms of the metals business, we will bring to fruition stable operations in the Caserones Copper Mine as soon as possible and we will enhance competitiveness by further promoting cost reductions. In the electronic materials business, so as to steadily increase sales in accordance with expanding demand caused by the progress of the IoT, we will expand the production capacity of such products as sputtering targets, treated rolled copper foil, and precision rolled products, whose demand will continue to expand in the future and progress the development of new products. In the recycling and environmental services business, we will expand the business by making efforts to enhance the collection network in overseas markets.

Business Integration with TonenGeneral Sekiyu K.K.

Upon a mutual acknowledgement that it is best to concentrate the business resources of both groups in order to maximize their enterprise value towards the future in an environment in which domestic demand for petroleum products is decreasing, the Company and TonenGeneral Sekiyu K.K. signed a Memorandum of Understanding (the “MOU”) in December 2015 and agreed on a target date of April 2017 for the business integration of their groups.

By means of this business integration, we will strongly promote substantial rationalizations and optimizations which one company would not be able to implement by itself, and thereby accomplish thorough business reforms. Further, in the energy business, we will strengthen the business foundation on the premise of safe operations and stable supply, and strongly promote growth strategies such as expanding into overseas markets which are expected to grow, and developing and expanding new business.

The New Company Group will achieve in excess of 100 billion yen in profit improvement within 5 years after the business integration, and develop into “one of the most prominent and internationally-competitive comprehensive energy, natural resource and materials company groups in Asia.”

We are currently holding ongoing discussions with each other with a view towards executing the Business Integration Agreement in August 2016. Then, we will hold an extraordinary shareholders’ meeting to seek approval for this business integration.

We greatly appreciate your continued support as a shareholder.

[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 240.0 billion yen through long-term loans.

In addition, a project subsidiary of JX Nippon Oil & Gas Exploration Corporation procured 309.89 million U.S. dollars as funds related to the development of the Mariner oil field in the U.K. North Sea, by way of loans from governmental financial institutions and commercial banks.

(5) Capital Investment

Business Segment and Category	Capital Investment Amount (100 million yen)	Main Investment
Energy Business	1,362	Refinery and plant facility work; service station new construction and reconstruction work
Oil and Natural Gas E&P Business	1,102	Oil and gas field exploration and development
Metals Business	635	Construction work for copper mines, offices, smelters and refineries, and plant facilities
Other Business	155	Asphalt mixture plant manufacturing facility renewal
Total	3,253	—
(Adjustments)	(50)	—
Consolidated Total	3,303	—

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

- Acquisition of shares of Yubase Manufacturing Asia Co., Ltd.

JX Nippon Oil & Energy Corporation acquired convertible bonds of Yubase Manufacturing Asia Co., Ltd., which is a 100%-owned subsidiary of SK Lubricants Co., Ltd. and has base oil manufacturing equipment, as of October 5, 2012, in order to operate the lubricant base oil manufacturing business jointly with the SK Group. Then, JX Nippon Oil & Energy Corporation acquired 30% of all shares of the company by converting the bonds into shares as of September 24, 2015.

(7) Financial Position and Operating Results

Consolidated Fiscal Year	FY2012 (Third fiscal term)	FY2013 (Fourth fiscal term)	FY2014 (Fifth fiscal term)	FY2015 (Sixth fiscal term; the current fiscal term)
Item				
Net sales (100 million yen)	112,195	124,120	108,825	87,378
Ordinary income (loss) (100 million yen)	3,283	3,023	(1,501)	(86)
Net profit (loss) attributable to owners of parent (100 million yen)	1,595	1,070	(2,772)	(2,785)
Net income (loss) per share	64.13 yen	43.05 yen	(111.49) yen	(112.01) yen
Total assets (100 million yen)	72,749	77,818	74,234	67,246
Net assets (100 million yen)	23,274	26,263	24,298	19,285

(8) Material Subsidiaries (as of March 31, 2016)

- **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"> - Manufacturing and marketing petroleum products (e.g., gasoline, kerosene, and lubricant) - Importing and marketing gas and coal - Manufacturing and marketing petrochemical products - Supplying electricity - Marketing fuel cells and solar batteries
Oil and Natural Gas E&P Business	JX Nippon Oil & Gas Exploration Corporation	1,063	100	<ul style="list-style-type: none"> - Exploring, developing, and producing oil and natural gas
Metals Business	JX Nippon Mining & Metals Corporation	200	100	<ul style="list-style-type: none"> - Exploring and developing non-ferrous metal resources (e.g., copper and gold) - Manufacturing and marketing non-ferrous metal products (e.g., copper, gold, and silver) - Manufacturing and marketing electro-deposited copper foil and treated rolled copper foil - Manufacturing and marketing thin-film materials (e.g., targets, surface treatment material, and compound semiconductor material) - Manufacturing and marketing precision rolled products and precision fabricated products - Non-ferrous metal recycling and industrial waste treatment
	Pan Pacific Copper Co., Ltd.	1,057	67.8	<ul style="list-style-type: none"> - Exploring and developing non-ferrous metal resources (e.g., copper and gold) - Manufacturing and marketing non-ferrous metal products (e.g., copper, gold, and silver)

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

(Notes)

1. JX Nippon Oil & Gas Exploration Corporation increased its capital stock from 9.8 billion yen to 106.3 billion yen as of March 30, 2016. Further, JX Nippon Oil & Gas Exploration Corporation reduced its capital stock from 106.3 billion yen to 9.8 billion yen as of May 1, 2016.
2. JX Nippon Mining & Metals Corporation reduced its capital stock from 40.0 billion yen to 20.0 billion yen as of March 31, 2016.
3. 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.
4. Pan Pacific Copper Co., Ltd. increased its amount of capital stock to 105.7 billion yen through share allocation to JX Nippon Mining & Metals Corporation on September 30, 2015 and December 28, 2015. As a result of this, the voting rights ratio (meaning the same above) became 67.8%.
5. The status of specified wholly-owned subsidiaries as of March 31, 2016 is as follows:
Name of the specified wholly-owned subsidiary: JX Nippon Oil & Energy Corporation
Address of the specified wholly-owned subsidiary: 1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
Book value of shares of the specified wholly-owned subsidiary: 890,287 million yen
The amount of total assets of the Company: 3,198,347 million yen

(9) **Main Business Offices and Plants (as of March 31, 2016)**

● **JX Holdings, Inc.**

Head Office	1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
-------------	--

(Note) As of January 1, 2016, JX Holdings, Inc. relocated its head office from 6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo to the location specified above.

● **Energy Business**

<JX Nippon Oil & Energy Corporation>

Head Office	1-2, Otemachi 1-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 (Chuo-ku, Tokyo)	Kanto II (Chuo-ku, Tokyo)
	Tokyo (Chuo-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. JX Nippon Oil & Energy Corporation relocated its Kanto I, Kanto II, and Tokyo Branch Offices from Chiyoda-ku, Tokyo to the locations specified above as of October 1, 2015.
3. JX Nippon Oil & Energy Corporation relocated its head office from 6-3, Otemachi 2-chome to the location specified above.
4. JX Nippon Oil & Energy Corporation established a new office in Manila, Philippines as of May 1, 2016.

- **Oil and Natural Gas Exploration and Production Business**

<JX Nippon Oil & Gas Exploration Corporation>

Head Office	1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	
Oil and Gas Field	Nakajo Field Office(Tainai City)	
Overseas Operating Sites (Offices)	Australia (Perth) Indonesia (Jakarta) U.S. (Houston) Qatar (Doha)	Vietnam (Ho Chi Minh and Vung Tau) Malaysia (Kuala Lumpur and Miri) U.K. (London)

(Notes)

1. The information above includes the operating sites of JX Nippon Oil & Gas Exploration Corporation's group companies.
2. JX Nippon Oil & Gas Exploration Corporation relocated its head office from 6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo to the location specified above as of January 1, 2016.
3. JX Nippon Oil & Gas Exploration Corporation abolished its Tripoli Office in Libya as of January 13, 2016.
4. JX Nippon Oil & Gas Exploration Corporation abolished its Perth Office in Australia as of March 31, 2016.

- **Metals Business**

<JX Nippon Mining & Metals Corporation>

Head Office	1-2, Otemachi 1-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) Isohara Works (Kitaibaraki City)	Kurami Works (Samukawa-machi, Koza-gun, Kanagawa) 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)

(Notes)

1. The information above includes the operating sites of JX Nippon Mining & Metals Corporation's group companies.
2. JX Nippon Mining & Metals Corporation relocated its head office from 6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo to the location specified above as of January 1, 2016.

<Toho Titanium Co., Ltd.>

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

● **Other Business**

<NIPPO CORPORATION>

Head Office	2-16, Yaesu 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)	

(Note) NIPPO CORPORATION relocated its head office from 19-11, Kyobashi 1-chome, Chuo-ku, Tokyo to the location specified above as of August 17, 2015.

(10) Employees (as of March 31, 2016)

Business Segment and Category	Number of Employees	
The Company (JX Holdings, Inc.)	109	[0]
Energy Business	14,559	[9,074]
Oil and Natural Gas E&P Business	793	[17]
Metals Business	6,723	[389]
Other Business	4,155	[2,041]
Total	26,339	[11,521]

(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, 2016)

Lender	Balance of Loans Payable (100 million yen)
Japan Oil, Gas and Metals National Corporation	3,318
Mizuho Bank, Ltd.	3,236
Japan Bank for International Cooperation	2,639
Sumitomo Mitsui Banking Corporation	2,498
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,078

2. Matters Concerning Shares (as of March 31, 2016)

- **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:** 197,564 shareholders
- **Large Shareholders (top ten (10))**

Shareholders' Names	Number of Shares Held (thousand shares)	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	144,229	5.79
The Master Trust Bank of Japan, Ltd. (Trust Account)	130,663	5.24
Mizuho Bank, Ltd.	76,141	3.05
Sumitomo Mitsui Banking Corporation	65,398	2.62
Mitsubishi Corporation	48,615	1.95
Japan Trustee Services Bank, Ltd. (Trust Account 9)	42,158	1.69
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	38,920	1.56
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	36,359	1.46
INPEX CORPORATION	33,264	1.33
STATE STREET BANK WEST CLIENT – TREATY 505234	31,616	1.26

(Note) Shareholding ratio is calculated excluding treasury stock (5,712,230 shares) from the total number of issued shares.

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

(1) Names, etc. of Directors and Corporate Auditors (as of March 31, 2016)

Name	Position and Responsibilities	Important Concurrent Office
Yasushi Kimura	Representative Director and Chairman of the Board	Director of NIPPO CORPORATION; President of Petroleum Association of Japan; and Vice Chairman of KEIDANREN; (Japan Business Federation)
Yukio Uchida	Representative Director and President	
Junichi Kawada	Director, Executive Vice President, responsible for Secretariat, General Administration Dept., and Legal & Corporate Affairs Dept.	
Hiroji Adachi	Director, Senior Vice President, responsible for Corporate Planning Dept. I and II	Outside Director of Maruwn Corporation; and Outside Director of INPEX Corporation
Kunimitsu Oba	Director Senior Vice President, responsible for Internal Audit Dept. and Finance & Investor Relations Dept.	Outside Statutory Corporate Auditor of NIPPON SHOKUBAI CO., LTD.
Katsuyuki Ota	Director, Executive Officer, responsible for Controller Dept.	
Tsutomu Sugimori	Director (Part-time)	Representative Director and President of JX Nippon Oil & Energy Corporation; and Director of Japan Oil Transportation Co., Ltd.
Ichiro Uchijima	Director (Part-time)	Director, Executive Vice President 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 of JX Nippon Mining & Metals Corporation, Chairman of Japan Mining Industry Association

Name	Position and Responsibilities	Important Concurrent Office
Hiroshi Komiyama	Outside Director [Independent Director]	Chairman of Mitsubishi Research Institute, Inc.; Outside Director of Shin-Etsu Chemical Co., Ltd.; Outside Director of FamilyMart Co., Ltd.; and Outside Director of Imagineer 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]	Advisor of East Japan Railway Company; Outside Corporate Auditor of Electric Power Development Co., Ltd.; and Outside Director of NIPPON STEEL & SUMITOMO METAL CORPORATION
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; Outside Director of Nomura Holdings, Inc.; Outside Director of Riken Corporation; and Outside Corporate Auditor of Nippon Television Holdings, Inc.
Naomi Ushio	Outside Corporate Auditor [Independent Corporate Auditor]	Professor at the School of Information and Communication of Meiji University; and Outside Audit & Statutory Board Member of Seven Bank, Ltd.

(Notes)

1. Mr. Hiroji Adachi, Mr. Kunimitsu Oba, and Mr. Katsuyuki Ota, have assumed the office of Director after having been newly elected at the fifth ordinary general meeting of shareholders held on June 25, 2015.
2. Mr. Isao Matsushita, Mr. Rentaro Tonoike, and Mr. Akira Omachi retired as Director upon the expiration of their term of office at the conclusion of the fifth ordinary general meeting of shareholders held on June 25, 2015.
3. Mr. Yasushi Kimura, Director, had been the Representative Director and Chairman of the Board of JX Nippon Oil & Energy Corporation, but retired from the position on June 25, 2015.
4. Mr. Hiroji Adachi, Director, assumed the office of Outside Director Maruwn Corporation on June 24, 2015. He also assumed the office of Outside Director of INPEX Corporation on June 24, 2015. He had been the Outside Director of Toho Titanium Co., Ltd., but retired from the position on June 19, 2015.
5. Mr. Kunimitsu Oba, Director, assumed the office of Outside Corporate Auditor of Nippon Shokubai Co., Ltd. on June 19, 2015.
6. Mr. Ichiro Uchijima, Director, retired as Director and Executive Vice President of JX Nippon Oil

- & Energy Corporation on March 31, 2016.
7. Mr. Shigeru Oi, Director, had been the Representative Director and President (President and Executive Officer) of Pan Pacific Copper Co., Ltd., but retired from the position on June 24, 2015. He also retired as Chairman of Japan Mining Industry Association on March 31, 2016.
 8. Mr. Hiroshi Komiyama, Outside Director, assumed the office of Outside Director of FamilyMart Co., Ltd. on May 27, 2015. He also assumed the office of Outside Director of Imagineer Co., Ltd. on June 26, 2015.
 9. Mr. Mutsutake Otsuka, Outside Director, had been the Vice Chairman of KEIDANREN (Japan Business Federation), but retired from the position on June 2, 2015.
 10. Mr. Takashi Setogawa, Corporate Auditor, has experience working in finance sections of the Company, and has a considerable knowledge and insight regarding finance and accounting.
 11. Mr. Toshinori Kanemoto, Outside Corporate Auditor, assumed the office of Outside Director of Riken Corporation on June 23, 2015. He also assumed the office of Outside Corporate Auditor of Nippon Television Holdings Inc. on June 26, 2015.
 12. Among the companies which are mentioned in 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., FamilyMart 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., Nomura Holdings, Inc., and Riken Corporation 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.
 13. 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 meet "Standards for Consideration of Independence" of the Company which is set out on Page 20 of this convocation notice of the Ordinary General Meeting of Shareholders 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 2015)

Receivers	Total Remuneration Amount (million yen)	Number of Receivers (persons)
Directors (Outside Directors)	301 (52)	17 (4)
Corporate Auditors (Outside Corporate Auditors)	103 (31)	5 (3)
Total (Outside Directors, and Outside Corporate Auditors)	404 (83)	22 (7)

(Note) The information above includes the amount of Remunerations for three (3) directors who retired upon the conclusion of the fifth ordinary general meeting of shareholders held on June 25, 2015.

(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 Remunerations 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 Compensation 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	14 out of 14 times	Hideki Nakagome	14 out of 14 times
Hiroko Ota	13 out of 14 times	Toshinori Kanemoto	14 out of 14 times
Mutsutake Otsuka	13 out of 14 times	Naomi Ushio	13 out of 14 times
Seiichi Kondo	13 out of 14 times		

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

Outside Corporate Auditor	
Hideki Nakagome	15 out of 15 times
Toshinori Kanemoto	15 out of 15 times
Naomi Ushio	14 out of 15 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**

- Mr. Mutsutake Otsuka and Mr. Seiichi Kondo, Outside Directors, attended the meeting of the Compensation Advisory Committee held on May 11, 2015 as its members and deliberated on the proposals to amend the payment standards for the Remunerations of the directors to be submitted to the Board of Directors. Compensation Advisory Committee is a body established for the purpose of deliberating on the principles of making decision and other matters regarding

the remuneration and bonuses of the directors and the executive officers of the Company and submitting them to the Board of Directors.

- (ii) Mr. Mutsutake Otsuka and Ms. Hiroko Ota, Outside Directors assumed positions as members of the Nomination Advisory Committee newly established on April 1, 2016 as a body reporting to the Board of Directors for the purpose of deliberating on the personnel proposals for candidates for director and candidates for cooperate auditor of the Company, and submit such proposals to the Board of Directors. They attended the meeting of this committee held on April 27, 2016 and deliberated on the personnel proposals for candidates for director and candidates for corporate auditor.
- (iii) The Company has started to hold meetings which only the outside directors and outside corporate auditors attend. The aim of the meetings is to facilitate the outside directors and outside corporate auditors' gathering of information on the agenda items of the Board of Directors meetings and other matters regarding the management of JX Group, to exchange their opinions with each other and to share their recognitions. The meetings were held on February 23 and April 27, 2016.

- **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 2015)

(million yen)

(i) Amount of the Remunerations as an accounting auditor of the Company	177
(ii) Total amount of monies and other property benefits to be paid by the Company and its subsidiaries	952

(Notes)

1. The Board of Corporate Auditors received reports from the accounting auditor and the related sections in the Company about how the remuneration estimates in the audit plan created by the accounting auditor were calculated, including the audit items, audit time, and deployment plans; and considered the performance of the past fiscal years. As a result, the Board of Corporate Auditors came to determine that the amount of Remunerations of the accounting auditor was appropriate, and agreed to it based on Article 399, paragraph 1 of the Companies Act.
2. The amount set forth in (i) above includes the amount of audit remuneration for the audit based on the Japanese Financial Instruments and Exchange Act. For, the amount of audit remuneration for the audit based on the Companies Act and the amount of audit remuneration for the audit based on the Japanese Financial Instruments and Exchange Act are not distinguished in the audit agreement between the Company and the accounting auditor and are not practically distinguishable.
3. The Company does not entrust Ernst & Young ShinNihon LLC with non-audit operations.

(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. the accounting auditor falls under any of the categories set forth in items of Article 340, paragraph 1 of the Companies Act;
 - b. the accounting auditor is subject to an administrative punishment for a breach of laws and regulations, or is subject to 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.

(4) Dispositions for the Suspension of Practice Received by the Accounting Auditor for the Past Two (2) years

An overview of the disciplinary action and other related matters announced by the Financial Services Agency on December 22, 2015

- Target of the action

Ernst & Young ShinNihon LLC (the “Firm”)

- Specifics of the action

- (i) Suspending the Firm from accepting new engagements for three (3) months (from January 1, 2016, to March 31, 2016)

- (ii) Requiring the Firm to improve its operations

- * In addition, as of the same day, the Financial Services Agency decided to commence a hearing procedure regarding the administrative monetary penalty payment order of approximately 2.1 billion yen.

- (As of January 22, 2016, the Financial Services Agency decided on an administrative monetary penalty payment order of 2,111 million yen.)

- The reason for the action

- (i) Seven (7) certified public accountants of the Firm had, in negligence of due care, attested that the financial statements of TOSHIBA CORPORATION for FY2009, FY2011 and FY 2012 (for years that ended March 31, 2010, 2012 and 2013), which contained material misstatements, as if the statements contained no material misstatements, in the audit thereof.

- (ii) The Firm’s operations were deemed to be significantly inappropriate.

5. Systems to Ensure Proper Operations and the Operating Effectiveness of Such Systems
(1) 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.

(2) The Overview of the Operating Effectiveness of the Systems to Ensure Proper Operations

The following is an overview of the operating effectiveness of the internal control system of the Company. The Company monitored the operating effectiveness of the internal control system of the JX Group in the JX Group Internal Control Council and the JX Group Internal Control Committee, and reported the results to the Board of Directors' meeting held on April 27, 2016.

1. System to Ensure that the Execution of Duties by the Directors and the Employees Complies with Laws and Regulations, and the Articles of Incorporation

(1) Based on the “JX Group Compliance Activity Basic Policies” which sets forth the principle regarding the compliance activities to be implemented by each company in the JX Group, the Company has developed and conducts compliance status reviews of the rules. The situation and the result of those activities has been monitored by the JX Group Compliance Committee.

(2) Based on “the JX Group Internal Reporting System Basic Policies”, the Company has developed and operates a whistleblowing system in cooperation with attorneys-at-law.

(3) Based on the “Rules for the Board of Directors,” the Company held the Board of Directors’ meetings for 14 times in this fiscal year with the attendance of the outside directors and outside corporate auditors, thereby deciding on the execution of important business activities and receiving reports on the status of the execution of the directors’ duties.

(4) The Internal Audit Department formulates an audit plan and based thereon conducts internal audits.

(5) The Company conducts management assessments concerning internal control over financial reporting pursuant to the Financial Instruments and Exchange Act.

(6) Based on the “JX Group Basic Regulations on Anti-Social Forces,” the Company investigates its business partners and takes contractual measures and other necessary measures to prevent a relationship between the Company and anti-social forces.

2. System for the Storage and Management of Information related to the Execution of Duties by the Directors and the Employees

(1) The Company executes the duties in principle in writing, based on “Rules for Handling Documents” which sets out how documents are to be prepared, managed.

(2) The Company prepares minutes of the Board of Directors’ meetings based on laws and regulations, and prepares documents for the approval by each managerial position based on the “Rules for Handling Documents,” and appropriately stores and manages them.

(3) Based on rules such as the “Basic Rules for Information Security” and “Regulation for Protection of Personal Information,” the Company appropriately manages the company information including confidential information and personal information.

(4) Based on the related laws and regulations and the stock exchanges’ Timely Disclosure Rules, the Company appropriately prepares such documents as its business reports, financial statements, the securities report, and discloses them.

3. Rules and Other Systems for the Management of Risk of Loss

(1) In submitting important matters to the Board of Directors' meeting, the Company seeks opinions from outside advisors as necessary, identifies the anticipated risks pertaining to the matter and defines the policy on how such risks are to be treated.

(2) The Company compiles situations concerning the derivative transactions of each company in the JX Group, based on the "Implementation and Management Regulations on Derivative Transactions in the JX Group and reports such situations in Executive Council meetings.

(3) The Company has established the "Crisis and Emergency Response Regulations" to prepare for an event where a crisis or emergency such as a disaster or accident affects the Company and the JX Group's management, and conducts training assuming that such crisis or emergency will occur, and verifies the results of the training.

4. System to Ensure Efficient Execution of Duties by Directors and Employees

(1) The Company executes duties in accordance with the rules on matters requiring approval and the level approval authority set forth in its "Rules on Organization and Authority".

(2) The matters to be resolved by the Board of Directors are in principle approved by the President. In addition, to receive the President's approval, Executive Council meetings are held as a body to discuss matters for the President's approval.

(3) The Company, based on a mid-term management plan, determines the annual budget and the numerical targets for each group company, and monitors their progress in Executive Council meetings and Board of Directors' meetings.

5. System to Ensure Appropriate Business Operations within the Corporate Group

(1) So as to disseminate the "JX Group Mission Statement" and the "JX Group Values" and have them fully understood by the directors and employee of the entire JX Group companies, the Company continuously conducts in-house training, CSR surveys and other necessary measures.

(2) In the Company's Board of Directors' meetings and the Executive Council meetings whose member includes the Presidents of the core operating companies, the Company formulates a management plan for the entire group including the core operating companies, and makes decisions on or receive reports on matters regarding important business activities of the core operating companies, based on its "Rules for the Board of Directors" and the "Rules on Organization and Authority".

(3) In addition to the "Rules on the Operation of JX Group," the Company has established rules, to be applied to each company in the JX Group, has each company comply with the rules and monitors the level of its compliance in the JX Group Compliance Committee.

(4) The Company requires each company in the JX Group to establish the principle of “JX Group Compliance Activity Basic Policies” as its own rules and to engage in compliance activities such as developing rules and reviewing the level of compliance with the laws and regulations based thereon. The Company monitors the level of such compliance activities in the JX Group Compliance Committee.

(5) The Company conducts surveys on the development and operation of the internal control system of the JX Group every year, reports the results to the JX Group Internal Control Council and meetings of the JX Group Internal Control Committee, and makes improvements as necessary.

6. System to Ensure Effective Auditing by the Corporate Auditors

(1) The Company respects the audit standards and the audit plans set forth by the Board of Corporate Auditors, and cooperates in the development of conditions for an audit.

(2) The corporate auditors attend important meetings, such as the Executive Council meetings, and state their opinions as necessary. In addition, the Company regularly reports to the corporate auditors on matters for which the corporate auditors requested reports and the operations of the whistleblowing system and other matters.

(3) The Company develops an environment in which the corporate auditors can appropriately gather information related to the Company’s management, by way of exchanges of opinions with the Representative Director and other management members, report on the audit plan and on how audits are being executed by the Internal Audit Department and other ways.

(4) The Company has established the Auditors Affairs Office, in which employees appointed exclusively to assist in the corporate auditors’ duties engage in their tasks under the direction of the corporate auditors. The treatment of personnel, such as the evaluation and transfer of such employees, is determined based on prior discussions with the full-time corporate auditors.

(5) The Company, upon a corporate auditor’s request, bears any expenses or debt associated with the execution of the duties of the corporate auditor.

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, 2016)

(Millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	2,651,284	Current liabilities	2,754,986
Cash and deposits	492,698	Notes and accounts payable-trade	601,322
Notes and accounts receivable-trade	774,970	Short-term borrowings	792,619
Inventories	1,048,154	Commercial papers	248,000
Deferred tax assets	78,054	Accounts payable-other	756,380
Other	260,171	Income taxes payable	26,939
Allowance for doubtful accounts	(2,763)	Other provision	37,001
		Other	292,725
Non-current assets	4,073,338	Non-current liabilities	2,041,176
Property, plant and equipment	2,453,476	Bonds payable	185,000
Buildings, structures and oil tanks	505,636	Long-term loans payable	1,335,747
Machinery, equipment and vehicles	891,083	Deferred tax liabilities	113,429
Land	947,771	Net defined benefit liability	130,649
Construction in progress	59,033	Provision for repairs	64,151
Other	49,953	Other	212,200
Intangible assets	117,459	Total liabilities	4,796,162
Investments and other assets	1,502,403	(Net assets)	
Investment in securities	703,825	Shareholders' equity	1,307,592
Deferred tax assets	140,549	Common stock	100,000
Exploration and development investments	550,634	Capital surplus	746,283
Other	112,141	Retained earnings	465,268
Allowance for doubtful accounts	(4,746)	Treasury stock	(3,959)
		Accumulated other comprehensive income	191,332
		Unrealized gain on securities	26,810
		Unrealized gain on hedging derivatives	(11,953)
		Foreign currency translation adjustments	184,136
		Remeasurements of defined benefit plans	(7,661)
		Non-controlling interests	429,536
		Total net assets	1,928,460
Total assets	6,724,622	Total liabilities and net assets	6,724,622

Consolidated Statements of Income (from April 1, 2015 to March 31, 2016)

(Millions of yen)

Account title	Amount	
Net sales		8,737,818
Cost of sales		8,222,572
Gross profit		515,246
Selling, general and administrative expenses		577,480
Operating loss		62,234
Non-operating income		
Interest income	2,391	
Dividends income	42,709	
Foreign currency exchange gain	2,958	
Equity in earnings of affiliates	18,063	
Other	30,063	96,184
Non-operating expenses		
Interest expenses	25,369	
Other	17,189	42,558
Ordinary loss		8,608
Special gain		
Gain on sales of non-current assets	7,610	
Gain on sales of investment securities	35,975	
Other	1,038	44,623
Special loss		
Loss on sales of non-current assets	2,302	
Loss on disposal of non-current assets	9,341	
Impairment loss	245,334	
Loss on valuation of investments in securities	14,850	
Restructuring cost	84,593	
Other	9,579	365,999
Loss before income taxes and non-controlling interests		329,984
Income taxes-current	60,425	
Income taxes-deferred	(77,534)	(17,109)
Loss		312,875
Loss attributable to non-controlling interests		34,365
Loss attributable to owners of parent		278,510

Consolidated Statements of Changes in Net Assets (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2015	100,000	746,711	783,615	(3,926)	1,626,400
Changes of items during the period					
Dividends from surplus			(39,837)		(39,837)
Net loss attributable to owners of parent			(278,510)		(278,510)
Purchase of treasury stock				(33)	(33)
Disposal of treasury stock		0		0	1
Capital increase of consolidated subsidiaries		(428)			(428)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(428)	(318,347)	(33)	(318,808)
Balance as of March 31, 2016	100,000	746,283	465,268	(3,959)	1,307,592

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized gains or losses on securities	Unrealized gains or losses on hedging derivatives	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2015	87,008	1,083	218,413	3,850	310,354	493,095	2,429,849
Changes of items during the period							
Dividends from surplus							(39,837)
Net loss attributable to owners of parent							(278,510)
Purchase of treasury stock							(33)
Disposal of treasury stock							1
Capital increase of consolidated subsidiaries							(428)
Net changes of items other than shareholders' equity	(60,198)	(13,036)	(34,277)	(11,511)	(119,022)	(63,559)	(182,581)
Total changes of items during the period	(60,198)	(13,036)	(34,277)	(11,511)	(119,022)	(63,559)	(501,389)
Balance as of March 31, 2016	26,810	(11,953)	184,136	(7,661)	191,332	429,536	1,928,460

(Reference)

Consolidated Statements of Cash Flows (from April 1, 2015 to March 31, 2016) |

(Millions of yen)

Account title	Amount
Net cash provided by operating activities	554,958
Net cash provided by investing activities	(307,708)
Net cash provided by financing activities	(87,973)
Effect of exchange rate changes on cash and cash equivalents	4,080
Net increase in cash and cash equivalents	163,357
Cash and cash equivalents at beginning of period	327,980
Cash and cash equivalents at end of period	491,337

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 company was added to the scope of the consolidation:
JX Nippon Mining & Metals Dongguan Co., Ltd., due to its being newly established.
The following company was excluded from the scope of the consolidation:
ENEOS-NET Co.,Ltd., due to its absorption-type merger into ENEOS FRONTIER COMPANY LIMITED
- (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) The non-consolidated subsidiaries and affiliates (SAIBUNISSOU Co., Ltd., and others) 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.
- (iv) 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, one of those companies conducted provisional settlement of accounts as of March 31, and the others use the financial statements relating to their respective fiscal years.
- (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 Company, Limited, and 37 overseas entities, including JX Nippon Exploration and Production (U.K.) Ltd., are December 31; among them, six (6) companies conducted provisional settlement of accounts as of March 31. For those which do not conduct provisional settlement of accounts, 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 Policies
- (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 began 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 individually assessing their collectability.
 - Provision for repairs
To prepare for payment on future repairs, inspection and repair costs related to oil tanks (of which regular inspection is required by the Fire Service Act of Japan), machinery and equipment at refineries, vessels and others are divided in proportion to the years for which they are used, and the amount corresponding to this consolidated fiscal year are recorded as of the end of the fiscal year.
- (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
Actuarial gain or loss is amortized commencing in the subsequent period by the straight-line method, principally over 5 years (which is within the average remaining year for the employees to work for the company in question). Prior service cost is amortized as incurred using the straight-line method, principally over 5 (five) 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 "non-controlling 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 for Business Combinations, and Other Relevant Standards)

We adopted the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and other relevant standards, effective from the current consolidated fiscal year. Accordingly, the Company's accounting method has been changed to record the differences arising from a change in the Company's ownership interest in the subsidiaries over which the Company continues to have control as capital surplus, and to record the acquisition-related costs as expenses in the consolidated fiscal year when they are incurred. In addition, for business combinations performed at and after the beginning of the current consolidated fiscal year, the Company's accounting method was changed to reflect the adjustment to the amount of allocation of the acquisition cost arising

from the finalization of the tentative accounting treatment in the consolidated financial statements for the current consolidated fiscal year where the date of business combination belongs. In addition, we have restated accounting terms such as “net income,” and changed the term “minority interests” to “non-controlling interests.”

The Accounting Standard for Business Combinations and other standards were adopted in accordance with transitional treatments stipulated in Paragraph 58-2(4) of the Accounting Standard for Business Combinations, Paragraph 44-5(4) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4(4) of the Accounting Standard for Business Divestitures, and they have been prospectively adopted from the beginning of the current consolidated fiscal year.

The impact of the above on the profit/loss status for the current consolidated fiscal year and on the capital surplus as of the end of the current consolidated fiscal year is minor.

3. Notes to Changes in Matters Relating to the Fiscal Year, Etc. of Consolidated Subsidiaries, and in Matters Relating to the Application of Equity Method

With respect to the eleven consolidated subsidiaries and one affiliate accounted for by the equity method whose balance sheet date is December 31, we previously used their financial statements as of their balance sheet dates, and made adjustments of important transactions that occurred until our consolidated balance sheet date, as required for consolidated accounting. However, effective from the current consolidated fiscal year, the balance sheet date of these companies has been changed to March 31, or we have adopted the method of provisionally having their accounts closed on the consolidated balance sheet date in accordance with the full-year closing, in order to ensure proper disclosure of consolidated financial information. As a result of these changes, with respect to the current consolidated fiscal year, we have consolidated the results of 15 months, from January 1, 2015 to March 31, 2016, and have made adjustments throughout the consolidated statements of income.

The impact of the above on the profit/loss status is minor.

4. 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:	1,109,963 million yen
Cash and deposits:	4,595 million yen
Other:	242,703 million yen

In addition to the above, shares of the consolidated subsidiary in the amount of 6,894 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:	213,795 million yen
Long-term loans payable (including current portion):	197,483 million yen
Other:	1,818 million yen

The obligations corresponding to the assets offered as security include, in addition to (ii) above, the transaction guarantee of 1,218 million yen, and loans payable by affiliates, or the like of 8,616 million yen.

(2) Accumulated Depreciation of Property, Plant, and Equipment: 3,815,726 million yen

(3) Guarantee Obligations

Guarantees to loans from financial institutions, or the like by companies, or the like other than the consolidated subsidiaries:	86,292 million yen
Guarantees to employees' loans (housing funds):	3,048 million yen

5. 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 25, 2015	Common share	19,918	8.0	March 31, 2015	June 26, 2015
Board of Directors' Meeting held on November 4, 2015	Common share	19,918	8.0	September 30, 2015	December 7, 2015

(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 28, 2016	Common share	Retained earnings	19,918	8.0	March 31, 2016	June 29, 2016

6. 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 invested in 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, 2016, and the differences between them are as follows:

(Unit: millions of yen)

	Amount Reported in the Consolidated Balance Sheet	Fair Value	Differences
(i) Cash and deposits	492,698	492,698	—
(ii) Notes receivable-trade, and accounts receivable-trade	774,970	774,970	—
(iii) Investment securities	202,480	202,480	—
(iv) Notes payable-trade, and accounts payable-trade	601,322	601,322	—
(v) Short-term borrowings (*1)	649,651	649,651	—
(vi) Commercial papers	248,000	248,000	—
(vii) Accounts payable-other	756,380	756,380	—
(viii) Long-term loans payable (*1)	1,478,715	1,489,855	11,140
(ix) Derivative transactions (*2)	(17,071)	(36,298)	(19,227)

(*1) The current portion of "long-term loans payable" is included in the "long-term loans payable" in (viii) 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:

"Cash and deposits in (i), "notes receivable-trade and accounts receivable-trade" in (ii), "notes payable-trade and accounts payable-trade" in (iv), "short-term borrowings" in (v), "commercial papers" in (vi), and "accounts payable-other" in (vii) 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 (iii) above

Regarding the fair value of "investment securities" in (iii), 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 (viii) 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 (ix) 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 transactions.

(Note 2) The unlisted shares and bonds (the amount reported in the consolidated balance sheet: 475,256 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 (iii) above.

7. Notes to Per-share Information

Net assets per share: 602.86 yen
Net loss per share: 112.01 yen

Non-Consolidated Financial Statements

Non-consolidated Balance Sheets (as of March 31, 2016)

(Millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	563,081	Current liabilities	612,830
Cash and deposits	61	Short-term borrowings	286,000
Operating accounts receivable	958	Short-term loans payable to subsidiaries and affiliates	33,422
Short-term loans receivable from subsidiaries and affiliates	534,000	Commercial papers	248,000
Accounts receivable-other	26,921	Current portion of bonds	20,000
Other	1,140	Accrued expenses	3,917
		Income taxes payable	3,588
		Provision for employees' bonuses	290
		Other	17,611
Non-current assets	2,635,266	Non-current liabilities	1,296,946
Property, plant and equipment	70,670	Bonds payable	185,000
Buildings and structures	19,401	Long-term loans payable	730,100
Land	49,634	Long-term loans payable to subsidiaries and affiliates	363,000
Other	1,634	Deferred tax liabilities	17,677
		Other	1,169
Intangible assets	480	Total liabilities	1,909,776
Investments and other assets	2,564,117	(Net assets)	
Investments in securities	163,822	Shareholders' equity	1,276,568
Stocks of subsidiaries and affiliates	1,511,493	Common stock	100,000
Long-term loans receivable from subsidiaries and affiliates	885,100	Capital surplus	1,071,259
Guarantee deposits	3,479	Legal capital reserve	25,000
Other	223	Other capital surplus	1,046,259
		Retained earnings	107,974
		Other retained earnings	107,974
		Reserve for advanced depreciation of non-current assets	1,755
		Retained earnings brought forward	106,218
		Treasury stock	(2,665)
		Valuation and translation adjustments	12,004
		Unrealized gain on securities	12,004
		Total net assets	1,288,571
Total assets	3,198,347	Total liabilities and net assets	3,198,347

| **Non-consolidated Statements of Income (from April 1, 2015 to March 31, 2016)** |

(Millions of yen)

Account title	Amount	
Operating revenue		
Dividends income	55,003	
Management fee income	10,187	65,190
Selling, general and administrative expenses		9,615
Operating income		55,575
Non-operating income		
Interest income	11,652	
Dividends income	4,938	
Other	1,743	18,333
Non-operating expenses		
Interest expenses	12,153	
Interest on bonds	2,754	
Interest on commercial papers	385	
Other	574	15,867
Ordinary income		58,041
Special gain		
Gain on sales of shares of subsidiaries and associates	149	
Gain on sales of investments in securities	33,602	33,751
Income before income taxes		91,792
Income taxes-current	10,877	
Income taxes-deferred	994	11,872
Net income		79,920

| Non-consolidated Statements of Changes in Net Assets (from April 1, 2015 to March 31, 2016) |

(Millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					Reserve for advanced depreciation of non-current assets	Retained earnings brought forward			
Balance as of April 1, 2015	100,000	25,000	1,046,259	1,071,259	1,727	66,164	67,890	(2,650)	1,236,499
Changes of items during the period									
Dividends from surplus						(39,837)	(39,837)		(39,837)
Net income						79,920	79,920		79,920
Purchase of treasury stock								(15)	(15)
Disposal of treasury stock			0	0				0	1
Provision of reserve for advanced depreciation of non-current assets					29	(29)	—		—
Net changes of items other than shareholders' equity									
Total changes of items during the period	-	-	0	0	29	40,055	40,083	(15)	40,069
Balance as of March 31, 2016	100,000	25,000	1,046,259	1,071,259	1,755	106,218	107,974	(2,665)	1,276,568

(Millions of yen)

	Valuation and translation adjustments		
	Gain on sales of stocks of subsidiaries and affiliates	Total valuation and translation adjustments	Total net assets
Balance as of April 1, 2015	65,410	65,410	1,301,910
Change of items during the period			
Dividends from surplus			(39,837)
Net income			79,920
Purchase of treasury stock			(15)
Disposal of treasury stock			1
Provision of reserve for advanced depreciation of non-current assets			-
Net changes of items other than shareholders' equity	(53,407)	(53,407)	(53,407)
Total changes of items during the period	(53,407)	(53,407)	(13,338)
Balance as of March 31, 2016	12,004	12,004	1,288,571

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 50 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 appropriated 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: 119,231 million yen

(ii) Obligations to the above

Subsidiaries' and affiliates' accounts payable-other: 16,752 million yen

(2) Accumulated Depreciation of Property, Plant and Equipment: 6,760 million yen

(3) Guarantee Obligations:

Guarantee on loans: 537,386 million yen*

Guarantee on transactions-other: 216,856 million yen

Total 754,242 million yen

* Out of the total amount above, the Company's guarantee on 3,119 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: 7,042 million yen

Long-term monetary claims: -million yen

Short-term monetary obligations: 18,274 million yen

Long-term monetary obligations: - million yen

3. Notes to Non-consolidated Statements of Income

Volume of Transactions with Subsidiaries and Affiliates

Operating revenue: 65,190 million yen

Operating expenses: 4,719 million yen

Volume of transactions other than in business transactions: 19,596 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: 5,712,230 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	100
Investment securities	1,198
Excess of allowed depreciation limit	1
Other	1,169
<hr/>	
Subtotal of deferred tax assets	2,469
Valuation reserve	(1,625)
<hr/>	
Total deferred tax assets	843
(Deferred Tax Liabilities)	
Land	213
Reserve for advanced depreciation of non-current assets	775
Investment securities	16,334
Other	364
<hr/>	
Total deferred tax liabilities	17,687
<hr/>	
Net deferred tax liabilities	16,845

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)	6,623	Operating accounts receivable	624		
				Guarantee of obligations or the like (Note 2)	122,917				
Subsidiary	JX Nippon Oil & Gas Exploration Corporation	Directly owned, 100%	Business management; Interlocking directorate	Receipt of business management fee (Note 1)	1,527	Operating accounts receivable	141		
				Receipt of fee for guarantee of obligations (Note 3)	111			Accounts receivable	1
				Guarantee of obligations or the like (Note 3)	59,013				
				Underwriting of a capital increase (Note 4)	193,000				
Subsidiary	JX Nippon Mining & Metals Corporation	Directly owned, 100%	Business management; Interlocking directorate	Receipt of business management fee (Note 1)	2,037	Operating accounts receivable	192		
				Guarantee of obligations or the like (Note 5)	51,820				
Subsidiary	JX Nippon Finance Corporation	Directly owned, 100%	Outsourcing of funds-related services; Interlocking directorate	Loan of working funds or the like (Note 6)		Short-term loans receivable from subsidiaries and affiliates	534,000		
				Loan of short-term funds or the like	6,432,700				
				Collection of short-term funds	6,594,500				
				Loan of long-term funds or the like	172,900			Long-term loans receivable from subsidiaries and affiliates	885,100
				Intra-group fund transactions (Note 7)					
				Payment of short-term funds	44,330			Short-term loans payable to subsidiaries and affiliates	33,422
				Borrowing of long-term funds	193,000				
Receipt of interest (Note 6) (Note 7)	11,652	Long-term loans payable to subsidiaries and affiliates	363,000						
Subsidiary	JX NIPPON FINANCE NETHERLANDS B.V.	Directly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	53,805	Accounts receivable	5		
				Receipt of fee for guarantee of obligations (Note 3)	27				

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 3)	242,624	Accounts receivable	202
				Receipt of fee for guarantee of obligations (Note 3)	714		
Subsidiary	JX Nippon Oil Exploration (PNG) Pty. Ltd	Indirectly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	39,506	-	-
				Receipt of fee for guarantee of obligations (Note 3)	161		
Subsidiary	SCM Minera Lumina Copper Chile	Indirectly owned, 77%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	69,445	Accounts receivable	574
				Receipt of fee for guarantee of obligations (Note 3)	149		

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 does not receive any guarantee fees.
- (Note 3) The Company granted guarantees of obligations, or the like, for matters such as each company's loans from financial institutions. The guarantee fees are reasonably determined based on the market price applied to the transaction.
- (Note 4) The Company acquired the shares of JX Nippon Oil & Gas Exploration Corporation which it issued by way of share allocation to the Company.
- (Note 5) The Company granted loan guarantees for JX Nippon Mining & Metals Corporation's loans payable, but does not receive any guarantee fees.
- (Note 6) 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 7) 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:	517.55 yen
Net income per share:	32.10 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 13, 2016

Ernst & Young ShinNihon LLC

Yuichi Mochinaga
Certified Public Accountant, Designated Limited Liability Partner, and
Engagement Partner

Kazuhiko Umemura
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, 2015 through March 31, 2016.

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 sixth fiscal year ended March 31, 2016 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 13, 2016

Ernst & Young ShinNihon LLC

Yuichi Mochinaga
Certified Public Accountant, Designated Limited Liability Partner, and
Engagement Partner

Kazuhiko Umemura
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 sixth fiscal year from April 1, 2015 through March 31, 2016.

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 sixth fiscal year ended March 31, 2016 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

Sixth Fiscal Term
(From April 1, 2015 to March 31, 2016)

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 13, 2016

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