News Release

May 10, 2010

JX Holdings, Inc.

JX Group: Medium-Term Management Plan and Long-Term Vision

—Become a world's leading

integrated energy, resources and materials business groups—

JX Holdings, Inc., based on the Group's Mission Statement, is seeking to become a world's leading "integrated energy, resources and materials business groups" with its businesses in Petroleum Refining & Marketing, Oil and Natural Gas Exploration & Production (E&P), and Metals Businesses, by the optimal allocation of its management resources. To this end, the company has formulated the Medium-term Management Plan that sets management targets and strategies for the three-year period from fiscal 2010, and a Long-Term Vision that the JX Group to achieve by around fiscal 2020.

The JX Group will achieve full-fledged group structure on July 1, 2010, with the establishment of three core operating companies (JX Nippon Oil & Energy Corporation, JX Nippon Oil & Gas Exploration Corporation, and JX Nippon Mining & Metals Corporation).

1. Outline of the Mid-Term Management Plan (FY 2010-2012)

(1) Basic Policy

With emphasis on the concept of "Best Practices," dramatically transform the Petroleum Refining & Marketing Business by realizing integration synergies and rigorously reducing costs, and maximize corporate value by allocating management resources to highly profitable operations on a priority basis.

Note: Refer to the attachment for information on basic strategies and major tasks for core businesses.

(2) Key Factors (FY 2012)

a) Exchange rate	: 90 ¥/$1
b) Crude oil price (Dubai)	: 80 $/barrel
c) Copper price (LME)	: 280 ¢/lb

(3) Targets (FY 2012)

a) Ordinary Income	: ¥ 300.0 billion or more
b) ROE	: 10% or higher
c) Net Debt / Equity ratio	: 1.0 times
d) Capital expenditure and investments	
	: ¥ 960.0 billion (FY 2010-2012 total) Of which, ¥690.0 billion in strategic investments
e) Dividend policy	: Redistribute profits by reflecting consolidated business results while striving to remain stable dividends

(4) Profit Plan (Ordinary Income) (JPY billion)

	FY 2009*1 (Actual)	FY 2010 (Forecast)	FY 2012 (Plan)
Exchange rate (¥/$)	93	90	90
Crude oil FOB (Dubai spot, $/bbl)*2	67	80	80
Copper price (LME, ¢/lb)	277	280	280
Net sales	9,008.0	9,160.0	9,360.0
Operating income	130.4	170.0	275.0
Ordinary income	187.3	220.0	330.0
(Excluding inventory valuation)	(15.3)	170.0	330.0
1) Refining & Marketing	66.0	92.0	163.0
(of which, inventory valuation)	201.8	50.0	-
2) E&P of Oil and Natural Gas	49.0	57.0	61.0
3) Metals	47.4	53.0	82.0
(of which, inventory valuation)	2.0	-	-
4) Listed subsidiaries*3 and Others	24.9	18.0	24.0
Net income	73.1	270.0	175.0
Negative goodwill impact	-	180.0	-
ROE (%)	4.8	5.6*4	10.0
Net Debt / Equity ratio (times)	1.3	1.3	1.0

Reference information: Fiscal 2015 ordinary Income (forecast): ¥500 billion. (Breakdown: Refining & Marketing: ¥200 billion; E&P of Oil and Natural Gas: ¥115.0 billion; Metals: ¥160 billion, Listed Subsidiaries and Others: ¥25 billion; Contribution from non-petroleum businesses: Approx. 40%. Assumption: Exchange rate 90¥/$, Crude oil price 90$/barrel, Copper price 300¢/lb.)

*1: Unaudited pro forma combined financial results of Nippon Oil and Nippon Mining

*2: Average from March to February of the next year (nearly equal to arrived crude cost)

*3: NIPPO and Toho Titanium

*4: Excluding negative goodwill

(5) Capital Expenditures and Investments (JPY billion)

	FY 2010-12 total (plan)	Breakdown: Strategic investments	Breakdown: Regular investments	Depreciation & amortization
1) Refining and Marketing	300.0	150.0	150.0	375.0
2) E&P of Oil and Natural Gas	320.0	320.0	-	148.0
3) Metals	300.0	220.0	80.0	82.0
4) Listed subsidiaries and Others (Maintenance and others)	40.0	-	40.0	51.0
Total	960.0	690.0	270.0	656.0

2. Outline of the Long-term Vision

(1) Make a major leap forward to become a world’s leading integrated energy, resources, and materials business groups with activities including new energy business.

1) Transform existing operations into world-class businesses, and establish profitability on new energy business.

2) Build sustainable business structure against market fluctuation, and continue strategic investment in growth areas.

(2) Vision for Each Business

1) Refining & Marketing: Slim, robust production operations aligned with demand (Goal: Refining capacity of 1 million barrels/day)

2) E&P of Oil and Natural Gas: Become an oil and natural gas E&P company that achieves sustained growth on the basis of operatorship (Goal: produce 200 thousand barrels/day of crude oil and natural gas (equity basis))

3) Metals: Securement of resources and business development to meet societies’ Eco needs (Goal: Equity entitled copper mine production ratio of 80%)

4) New Energy: Establish profitability (Goal: Fuel cell unit sales of 300 thousand units/year (including exports))

Attachment

Basic Strategies and Major Tasks for Core Businesses in the Medium-term Management Plan (FY 2010-12)

- Refining & Marketing: Dramatically transform the business

  - Dramatically transform the business: Realize integration synergies; Develop the No.1 competitiveness of Refining & Marketing in Japan; Enhance overseas business to meet increasing demand in Asia; Develop new energy business.
  - Realize integration synergies ahead of original plan: Realize annual benefits of ¥80.0 billion by the end of March 2013 (¥20 billion more than original plan); Aim to realize annual benefits of ¥100 billion ahead of original plan of realizing it by March 31, 2015.
  - Enhance efficiency of refineries: Realize annual improvement of ¥29 billion by the end of March 2013 on top of integration synergy benefits.
  - Reduce refining capacity: Streamline Japan's leading oil refinery operation ahead of a demand decline. Reduce refining capacity by 400,000 barrels/day by March 31, 2011, as planned, maintain high utilization rate (Approx. 95% excluding the impact of periodic repair). Further capacity reduction of 200,000 barrels/day by the end of March 2014 (one year ahead of original schedule; consider further accelerating capacity reduction depending on the supply/demand environment).
  - Formulate a growth strategy for the future: Increasing petrochemicals production (paraxylene, specialty & performance chemicals, etc.); Bolster refinery competitiveness; Restructure the LPG business; Forge ahead in new energy businesses (fuel cells, solar cells, storage cells); Expand the overseas lubricants business; Expand the energy solutions businesses; and so on.
  - Raising profitability: ¥300 billion improvement in ordinary income(excluding inventory valuation) in FY 2012 (vs. FY2009).
  - Disciplined investments: Disciplined investments equivalent to around 80% of depreciation and amortization.

- E&P of Oil and Natural Gas: Maintain and expand production over the medium/long term

  - Lay the groundwork for growth:
    - Reserve replacement & expansion: Primarily through exploration, and increase future production; Asset acquisition with (comprehensive pre-investment) risk analysis.
    - Pursuit of additional development projects: Pursuit of additional development mainly on core countries of operation.
    - Involvement in new technologies: Apply the knowledge accumulated as na operator; Involvement in new technologies for enhanced oil recovery etc.
  - Restructuring the asset portfolio: Allocate resources with a focus on core countries of operation (Vietnam, Malaysia, the UK (North Sea)).
  - Investment: Total of ¥320.0 billion over three years.

- Metals:
  Resource development / smelting & refining: Development of a balanced, highly profitable business structure by increasing the equity entitled copper mine production.
  Recycling & environmental services and electronic materials, etc.: Product development and market creation targeting growth sectors.

- Mine development: Casalones Mine in Chile (construction phase); Quechua Mine in Peru (FS phase).
- Development of new copper-refining technology: Develop technology for the N-Chlo Process for low-grade ore and biomining technologies. Use technological advantage to expand range of potential mining interests.
- Product development and market creation targeting growth sectors:
  - Recycling & Environmental Services: Put the Hitachi Metal Recycling Complex (HMC) plant into full operation; Quickly bring overseas scrap collecting facility (Taiwan) up to full strength; Develop and commercialize used-battery recycling technologies.
  - Electronic materials: Increase HA foil sales; Enhance rolled copper foil performance; Increase market share of target material in leading-edge semiconductor lines; Enhance copper sheet & strip business through the integrated ”Rolling + Plating + Pressing“ structure after integration of Nikko Fuji Electronics and acquisition of Sanyu Electronic; Commercialize UBM plating; Commercialize cathode materials for automotive lithium-ion batteries; etc.
  - Polysilicon for photovoltaic power generation: Promote Japan Solar Silicon (JSS) business.
- Investment: Total of ¥300.0 billion (of which ¥200.0 billion in Resource Development) over three years.