

Security Code

Tokyo 5020

Financial Results for FY 2012

- From April 1, 2012 to March 31, 2013 -

Representative Director, President

Isao Matsushita

Director, Senior Vice President

Ichiro Uchijima

May 9, 2013



The Future of Energy, Resources and Materials

JX Holdings, Inc.



Agenda

- Overview P1 - 11 Isao Matsushita
Representative Director, President
 - Financial Results for FY2012 P12 - 22
 - Forecast for FY 2013 P23 - 31
- Ichiro Uchijima
Director, Senior Vice President

Financial Summary



	FY 2009 (Actual)	FY 2012 (Actual)	FY 2013 (Forecast)
	JPY Billion	JPY Billion	JPY Billion
Net Sales	9,008.0	11,219.5	12,250.0
Operating Income	130.4	251.5	255.0
Non-operating Income(Expenses), Net	56.9	76.8	80.0
Ordinary Income	187.3	328.3	335.0
Ordinary Income Excl. Inventory Valuation	(15.3)	271.0	300.0
Energy	(135.8)	102.8	135.0
Oil & Natural Gas E&P	49.0	93.6	85.0
Metals	45.4	46.5	55.0
Others	26.1	28.1	25.0
Special Gain (Loss), Net	(35.3)	(56.3)	(25.0)
Net Income	73.1	159.5	170.0



Energy Business

Early restoration from Great East Japan Earthquake

Dramatical transformation of the petroleum refining and marketing business

Capacity Reduction

- ✓ Completed reduction of 400,000 BD
- ✓ Further reduction of 180,000 BD scheduled by the end of March 2014
(Transform the Muroran refinery into a petrochemical plant)

<Refining Capacity>

<u>FY2009</u>	<u>FY2014</u>
179,000 BD	⇒ 121,000 BD

Corresponded to Sophistication of Energy Supply Structure Act

Integration Synergies and Enhanced Efficiency of Refineries

- ✓ Exceeded the original plan
- | | |
|--|---------------------|
| <u>Plan</u> | <u>Actual</u> |
| 109.0 billion yen | ⇒ 115.0 billion yen |
| (Accumulated effect in FY 2012 vs. FY2009) | |

Main contents of business strategy

- ✓ Establish the most-competitive structure for petroleum refining and marketing in domestic market
 - Reorganize diesel sales network by M&A
 - Restructuring and strengthening network of service stations
(Introduce new Dr. Drive brand, Card strategy)
- ✓ Strengthening overseas businesses operations, focusing on Asia
 - Paraxylene project in South Korea
 - Lubricant base oil project in South Korea
 - Expansion of lubricants business
(Indonesia, Vietnam etc.)
- ✓ Enhancing businesses as an energy conversion company
 - LNG Terminals (Mizushima, Hachinohe, Kushiro)
 - Acquisition of coking coal interests in Canada
 - Sales of the Solid Oxide Fuel Cell (SOFC) system for residential use



Oil and Natural Gas E&P Business

Main Contents of business strategy

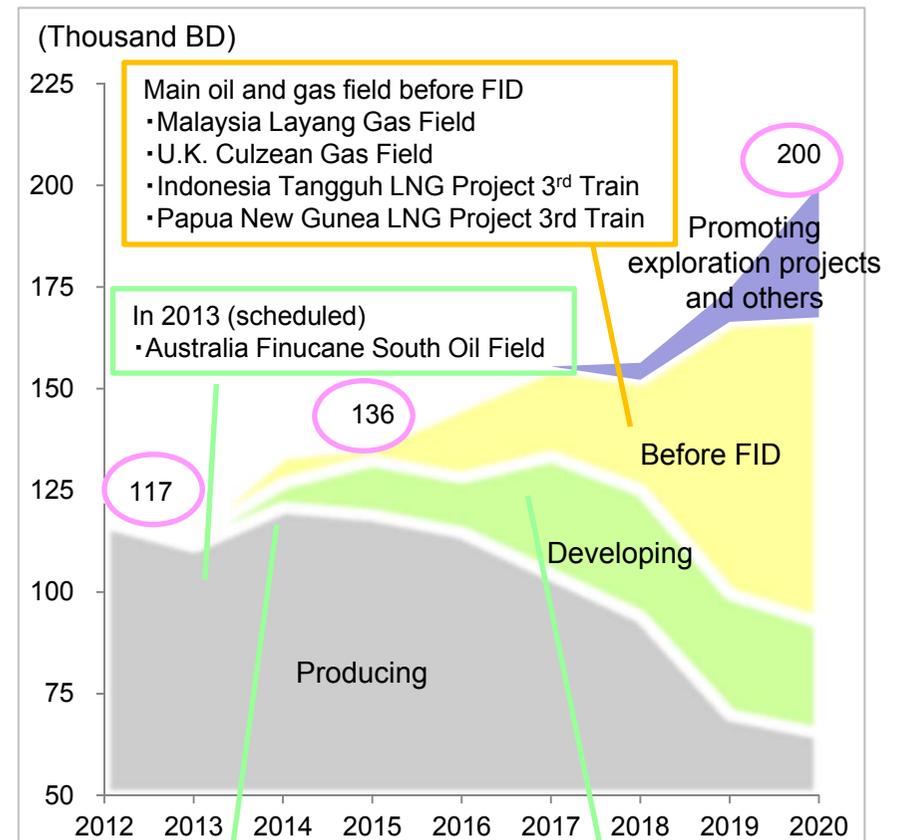
- ✓ Exploration : Acquisition of large operator projects
(Malaysia deepwater block R offshore Sabah, Qatar block A)
- ✓ Development : Papua New Guinea LNG project
- ✓ Resource acquisitions : Assets purchase in U.K.

	Country (Block)	Type	Acquisition of rights	Discovery of oil and gas strata	Extent of strata confirmed	Renewed rights to oil fields in production
Jan. 2011	Vietnam (16-2)	Natural Gas		●		
Feb. 2011	UAE(Hail)	Crude oil	●			●
	Vietnam (05-1b/c)	Crude oil/ Natural gas		●		
Mar. 2011	U.K. (Culzean)	Natural gas			●	
Apr. 2011	Australia (WA-290-P)	Natural gas		●		
	Papua New Guinea (PPL219)	Crude oil		●		
May 2011	Qatar (Block A)	Natural gas	●			
	Australia (WA-191-P)	Crude oil		●		
Jan. 2012	Malaysia (Deepwater Block R)	Crude oil	●			
Sep. 2012	Myanmar (M-11)	Natural gas	●			
Oct. 2012	Australia (WA435-P, WA437-P)	Natural gas	●			
Oct. 2012	U.K.	Crude oil/ Natural gas	●			
Dec. 2012	U.K. (Mariner)	Crude oil/ Natural gas	●			

Jan. 2012
Decision of development made

Feb. 2013
Decision of development made

Production Schedule (Oil equivalent)



In 2014 (Scheduled)
• Papua New Guinea LNG Project
• U.K. Kinnoull Oil Field

In 2017 (sheduled)
• U.K. Mariner Oil Field



Metals Business

Main Contents of business strategy

Resource Development, Smelting & Refining

- ✓ Establishing a highly profitable and well-balanced business structure between resources development and smelting and refining businesses
 - Development of the Caserones (Chile)
 - Acquisition of the Frontera exploration interest(Chile/Argentina)

Electric Materials

- ✓ Improving profitability of electric materials satisfying high-growth automobile components market needs
 - Expansion of cathode material for lithium-ion batteries
 - Construction of Kakegawa Works, integrated manufacturing process of connectors.

Caserones Copper Mine

~Start operation in 2013~

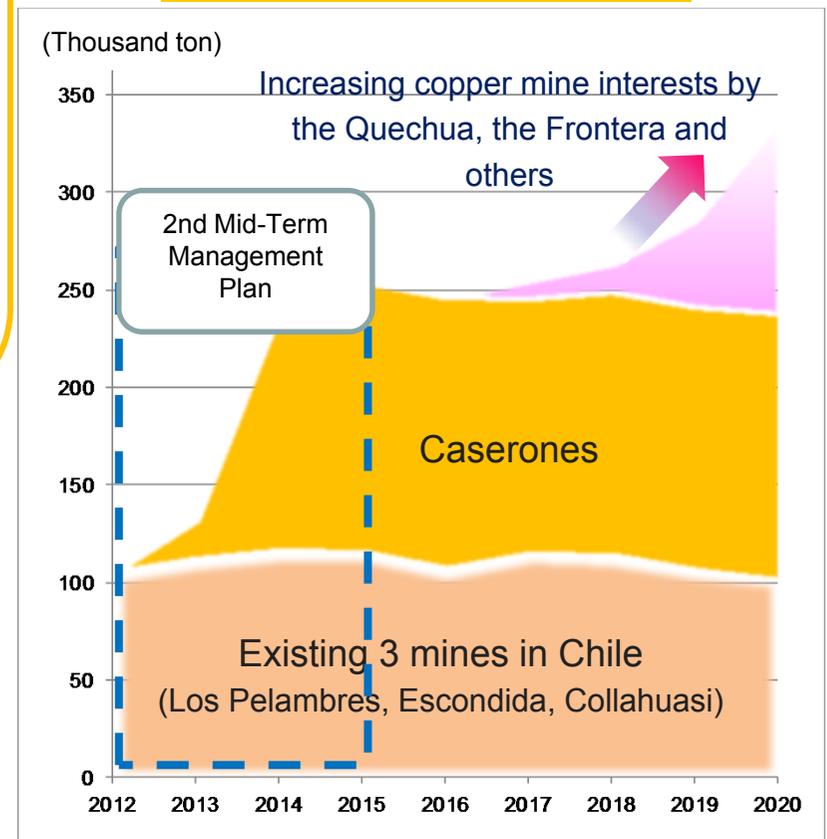


Kakegawa Works

~Start operation in April 2013~



Copper Mine Interest

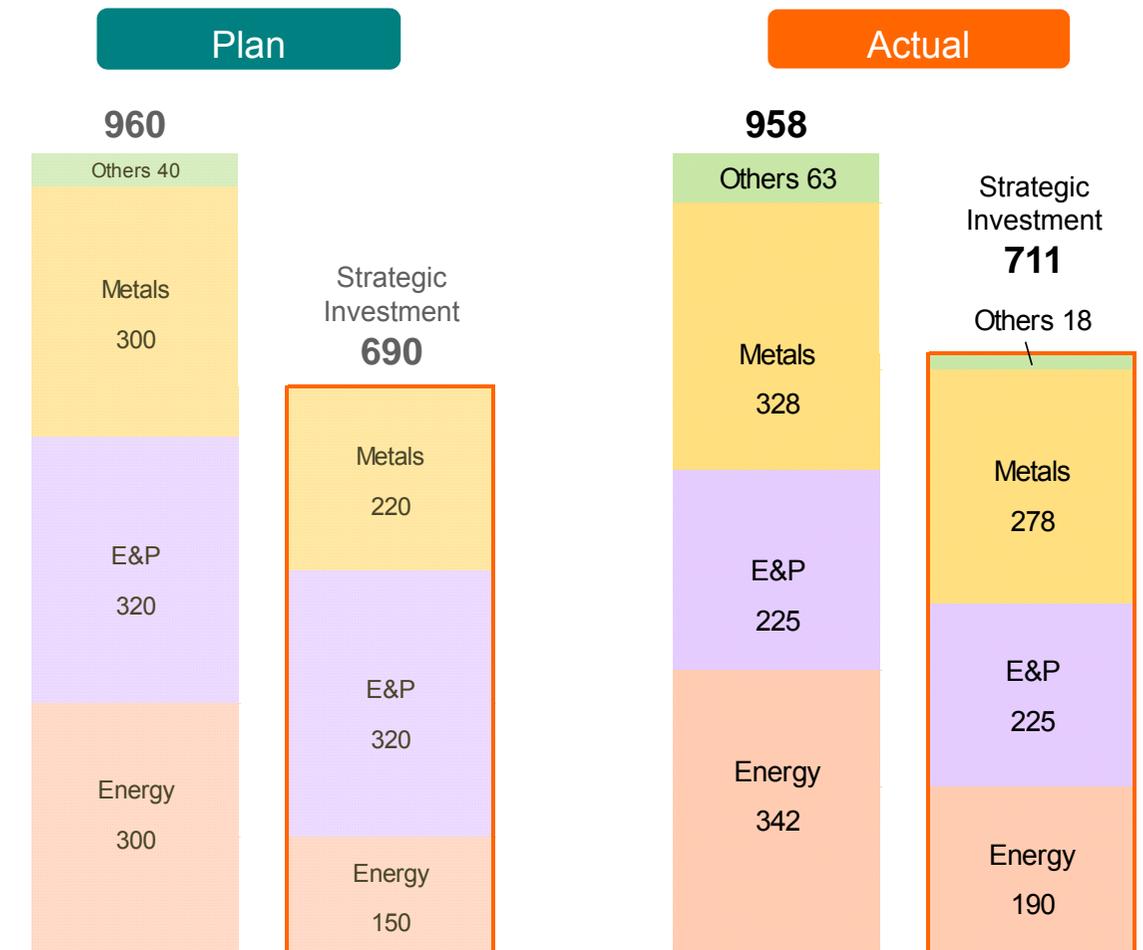


CAPEX (FY2010 - FY2012)

(billion yen)



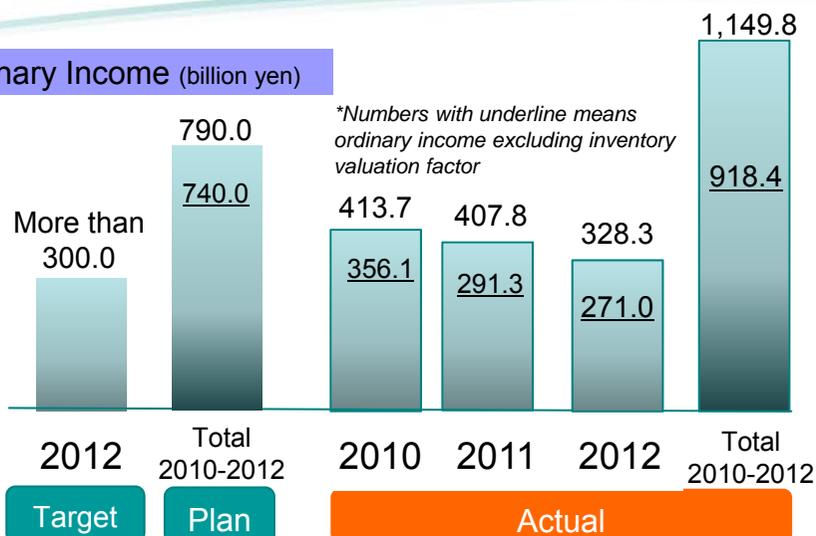
Implemented strategic investments as planned for future growth





Review of Target

Ordinary Income (billion yen)

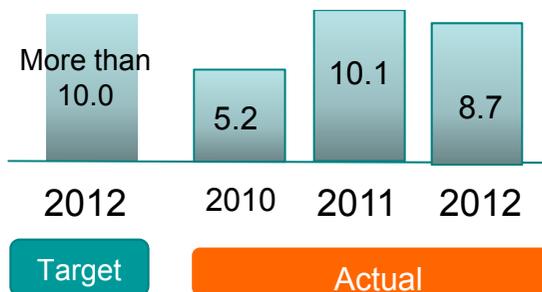


Realized a business structure generating 300 billion yen of ordinary income continuously

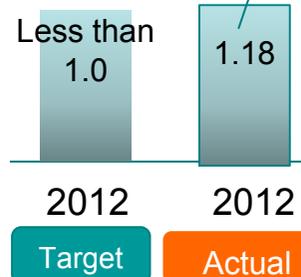
- Improvement of domestic petroleum margin
- Profit growth in upstream business benefited from high crude and copper prices

ROE(%)

*Excluding negative goodwill of merger regarding FY2010



Net D/E Ratio



Increased cash out

- Earthquake related restoration expenses: 100billion yen
- Working capital increase: 700 billion yen

Factors of working capital increase

FY2012

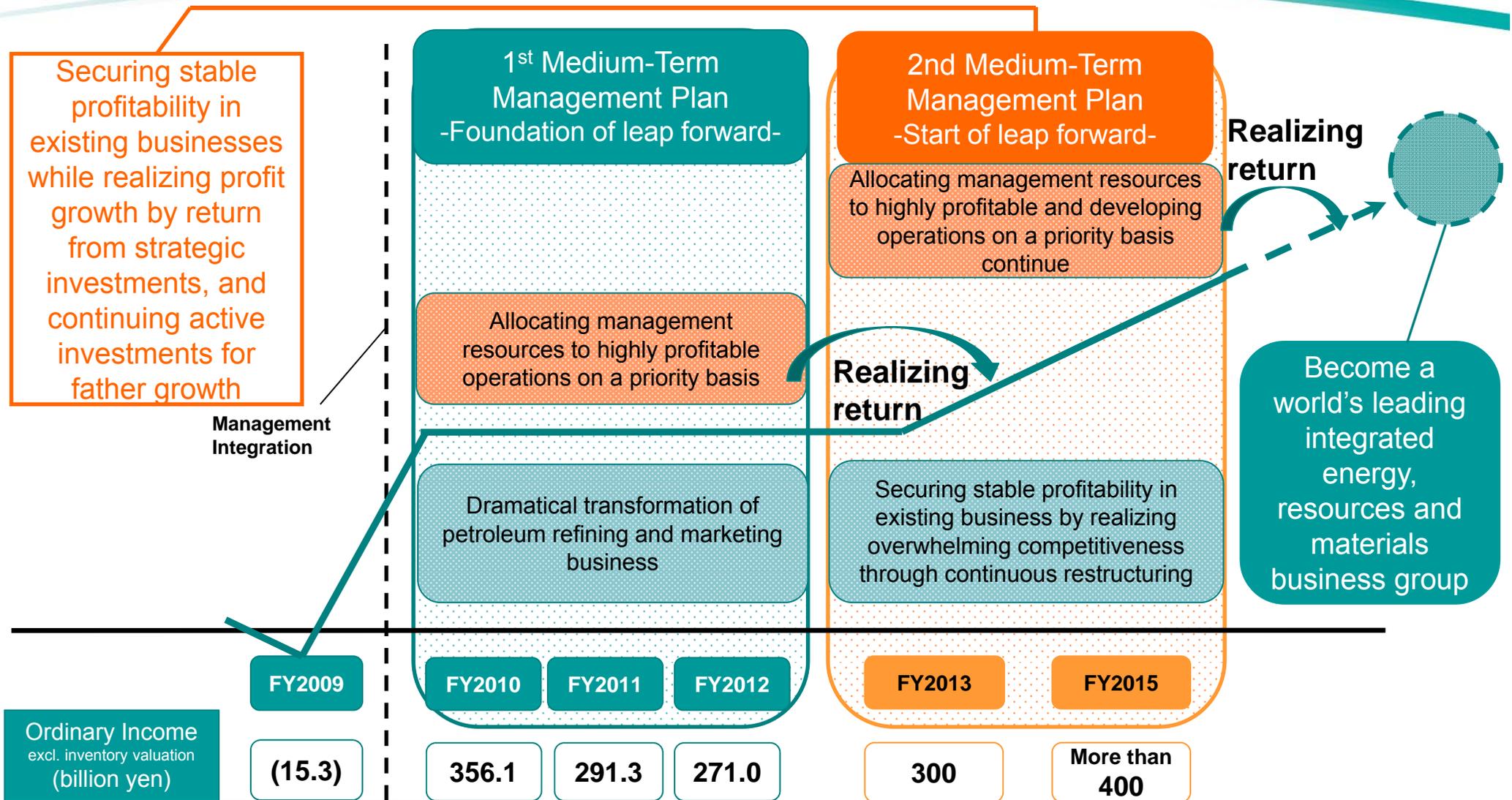
	Plan	Actual
Crude Oil (\$/bbl)	80	109
Copper (¢/lb)	280	356

Built a base for realizing 10% of ROE continuously despite effect of positive inventory valuation

Target unaccomplished because of earthquake related restoration expenses and working capital increase due to crude and copper price rise



Position of 2nd Medium-Term Management Plan in Long-Term Vision





Key Factors and Targets

Key Factors (FY2015)	2 nd Medium-Term Management Plan	
	Exchange Rate	90 yen/\$
Crude Oil Price (Dubai spot)	110 \$/bbl	
Copper Price (LME)	360 ¢/lb	

Targets	2 nd Medium-Term Management Plan		(Reference) 1 st Medium-Term Management Plan
	Ordinary Income	400 billion yen or more (FY2015)	300 billion yen or more (FY2012)
	ROE	10% or higher (FY2015)	10% or higher (FY2012)
	Net D/E Ratio	0.9 times or lower (FY2015)	1.0 times or lower (FY2012)
	CAPEX (plan)	1,300 + α billion yen (FY2013-2015 total)	960 billion yen (FY2010-2012 total)

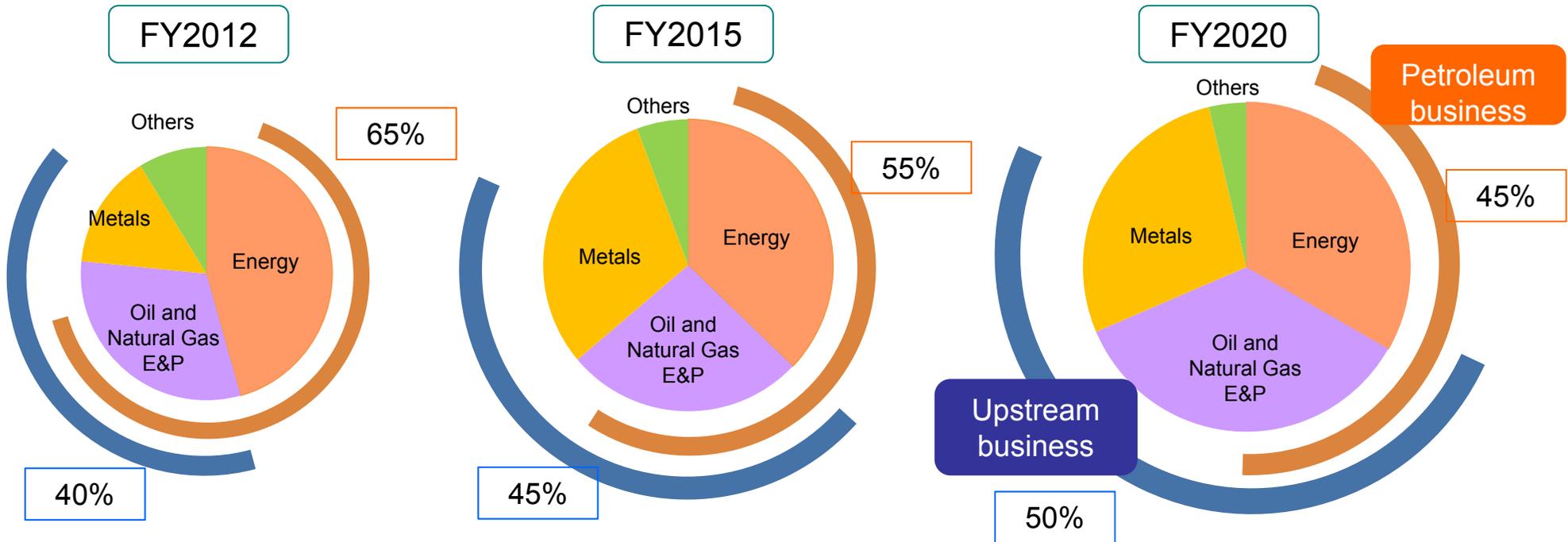
*Utilizing “α” for additional strategic investment projects corresponding to a business environmental change



JX Group's Target for 2020

Well-balanced Business Portfolio
Petroleum and Non-petroleum, Upstream and Mid & Downstream Businesses

Balance of ordinary income
excl. inventory valuation



(Upstream Businesses)
 Energy: Coal
 E&P: All
 Metals: Resources Development

(Non-petroleum Businesses)
 Energy: Electric Power Generation, Gas, Coal, Photovoltaic Power Generation, Fuel Cell, Specialty & Performance Chemicals
 E&P: LNG Projects (Malaysia, Indonesia, Papua New Guinea)
 Metals: All

Dividend



Dividend

FY2012

Cash dividend per share

End of 2nd quarter	Year-end	Full year
¥8.0	¥8.0	¥16.0

FY2013

Cash dividend per share

End of 2nd quarter (Forecast)	Year-end (Forecast)	Full year (Forecast)
¥8.0	¥8.0	¥16.0



Financial Results for FY2012 (Apr. 1, 2012~March 31, 2013)

Main Topics (Apr. 2012 - Mar. 2013)



JX Nippon Oil & Energy

- Sep. Started joint venture to produce lubricant base oil with SK Group of South Korea.
- Nov. Determined the business restructure of Muroran Refinery.
- Nov. Concluded a natural gas sales contract for Hachinohe thermal power plant with Tohoku Electric Power Co., Inc.
- Nov. Construction of Paraxylene plant in South Korea by Ulsan Aromatics Co., Ltd. was launched.
- Nov. Determined the business integration of service station management subsidiary (IKKO) and Suzuyo Energy & Co., Ltd..
- Jan. Announcement of a service station strategy toward the future, including renewal of the “Dr. Drive” brand, car maintenance service.
- Feb. Reached a basic agreement on barter trade of petroleum products with Idemitsu Kosan Co., Ltd. (enhance the delivery system after termination of refining at Muroran).
- Feb.-Mar. Commenced operation of Mega Solar Systems in Sendai and Kudamatsu.
- Mar. Commenced studies regarding business alliance with LIXIL Corporation, including analysis service of residential energy efficiency.

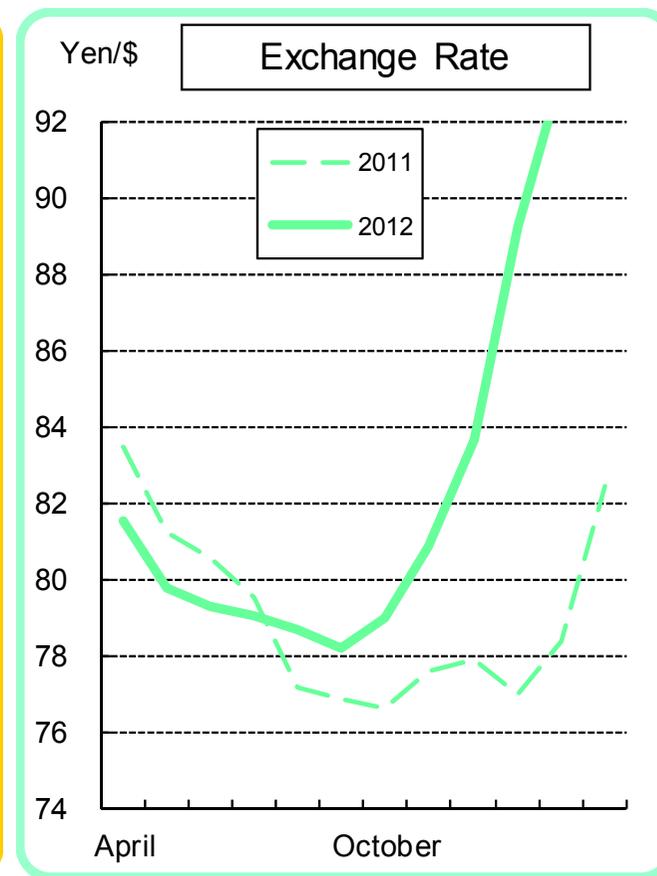
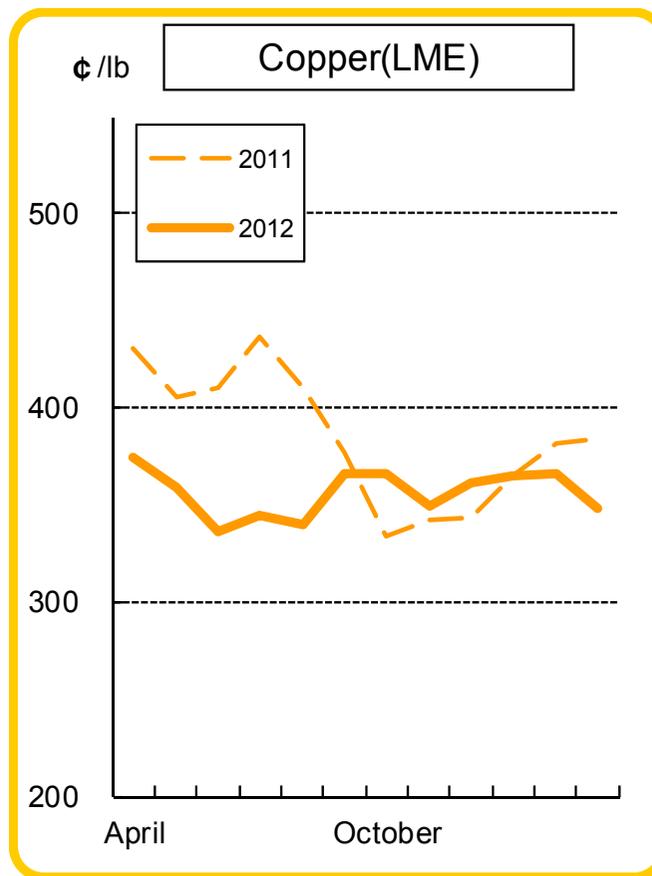
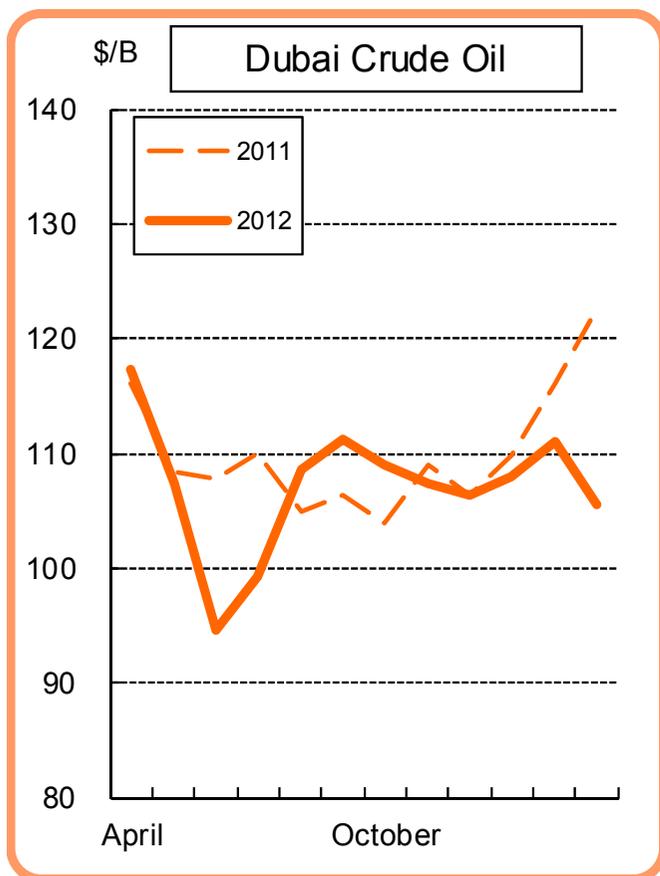
JX Nippon Oil & Gas Exploration

- Jun. Decided to drill “METI Kisoshisui” well at South West Offshore of Sado Island, Niigata Pref.
- Sep. Participated in an exploration block(Block M-11), Offshore Myanmar.
- Dec. Agreed with Arabian Oil Company, Ltd, to acquire its newly established subsidiary for the purpose to inherit its human resources. (executed Apr. 2013)
- Dec. Signed sale and purchase agreements for major assets acquisition in the U.K. Continental Shelf from Eni in Italy (Feb. Field development plan approved for the Mariner).

JX Nippon Mining & Metals

- Sep. Acquired equity interest in a copper/gold exploration project (the Frontera) in Chile and Argentina.
- Sep. Completed a new cathode materials production facility for automotive lithium-ion batteries in Isohara Works.
- Feb. Completed construction of Kakegawa Works, new base for producing precision components and connectors.
- Mar. Produced first copper cathode In the Caserones Copper Mine Project.

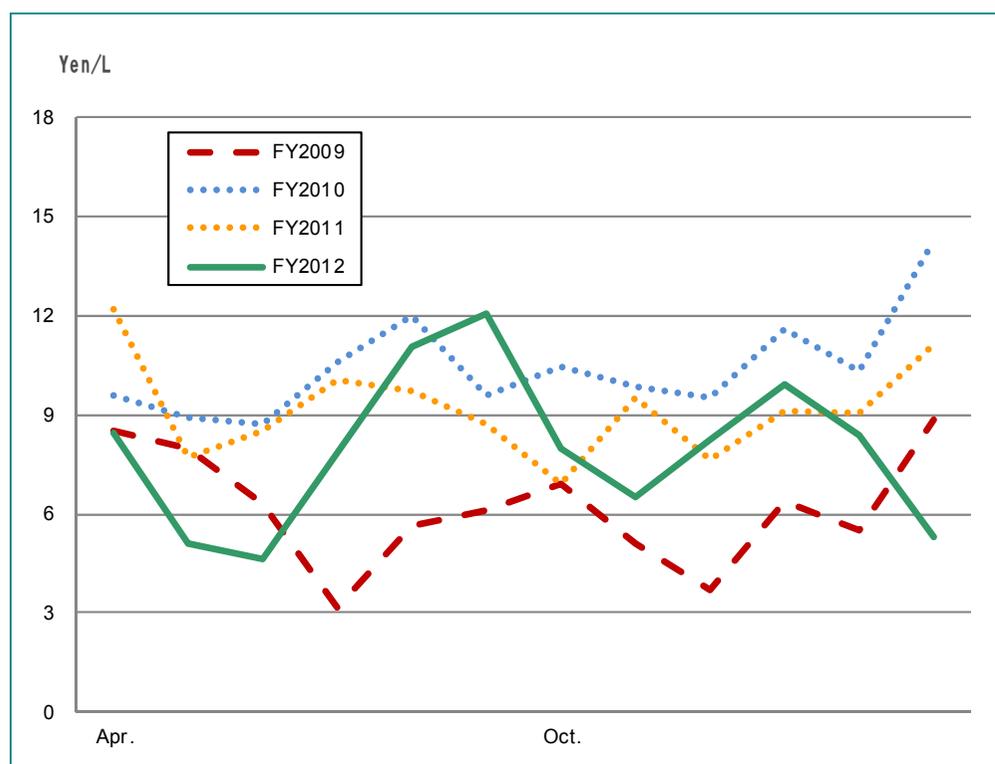
Business Environment





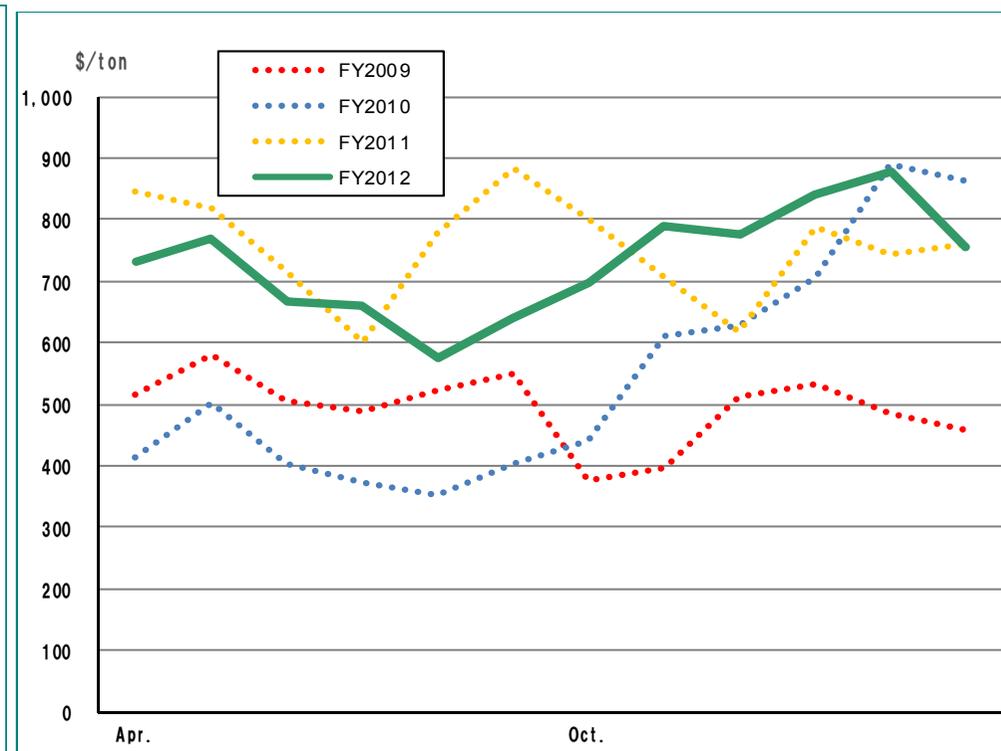
Margins of Petroleum and Petrochemical Products

Gasoline, Kerosene, Diesel Fuel and Fuel Oil A



*Margin=Spot Price – All Japan Crude Oil CIF
(including petroleum tax and interest)

Paraxylene



*ACP – Crude Oil Price(Dubai Spot Price)



FY 2012 Results Outline

* Average from Mar. to Feb.
(nearly equal to arrived crude cost)

Crude Oil (Dubai)* (\$/bbl)
Copper (¢ /lb)
Exchange Rate (Yen/\$)

Net Sales
Operating Income
Non-operating Income (Expenses), Net
Ordinary Income
-Inventory Valuation
Ordinary Income Excl. Inventory Valuation
Special Gain (Loss), Net
Net Income

FY2011 (Actual)	
	109
Jan.Dec.2011	<400> 385
Jan.-Dec.2011	< 80> 79
	JPY Billion
	10,723.9
	327.9
	79.9
	407.8
	116.5
	291.3
	(53.3)
	170.6

FY02012 (Actual)	
	109
Jan.-Dec.2012	<361> 356
Jan.-Dec.2012	< 80> 83
	JPY Billion
	11,219.5
	251.5
	76.8
	328.3
	57.3
	271.0
	(56.3)
	159.5

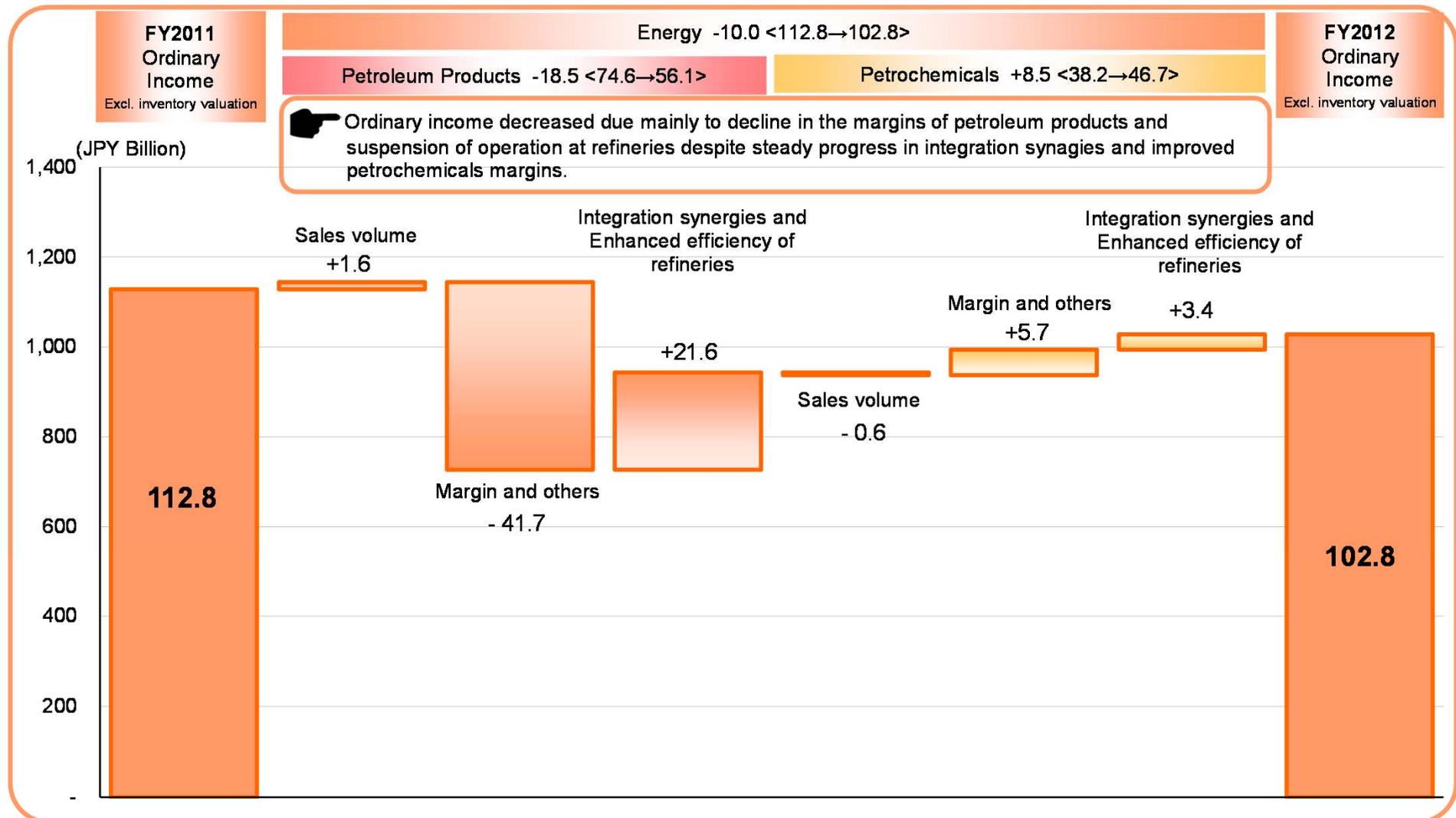
Changes			
	-0		-0.4%
<-39>	-29	<-9.8%>	-7.5%
<±0>	+4	<±0.0%>	+5.1%
	JPY Billion		
	+495.6		+4.6%
	-76.4		-23.3%
	-3.1		-3.9%
	-79.5		-19.5%
	-59.2		-50.8%
	-20.3		-7.0%
	-3.0		-
	-11.1		-6.5%

FY2011 Actual vs. FY2012 Actual Changes in Ordinary Income (Loss) by Segment



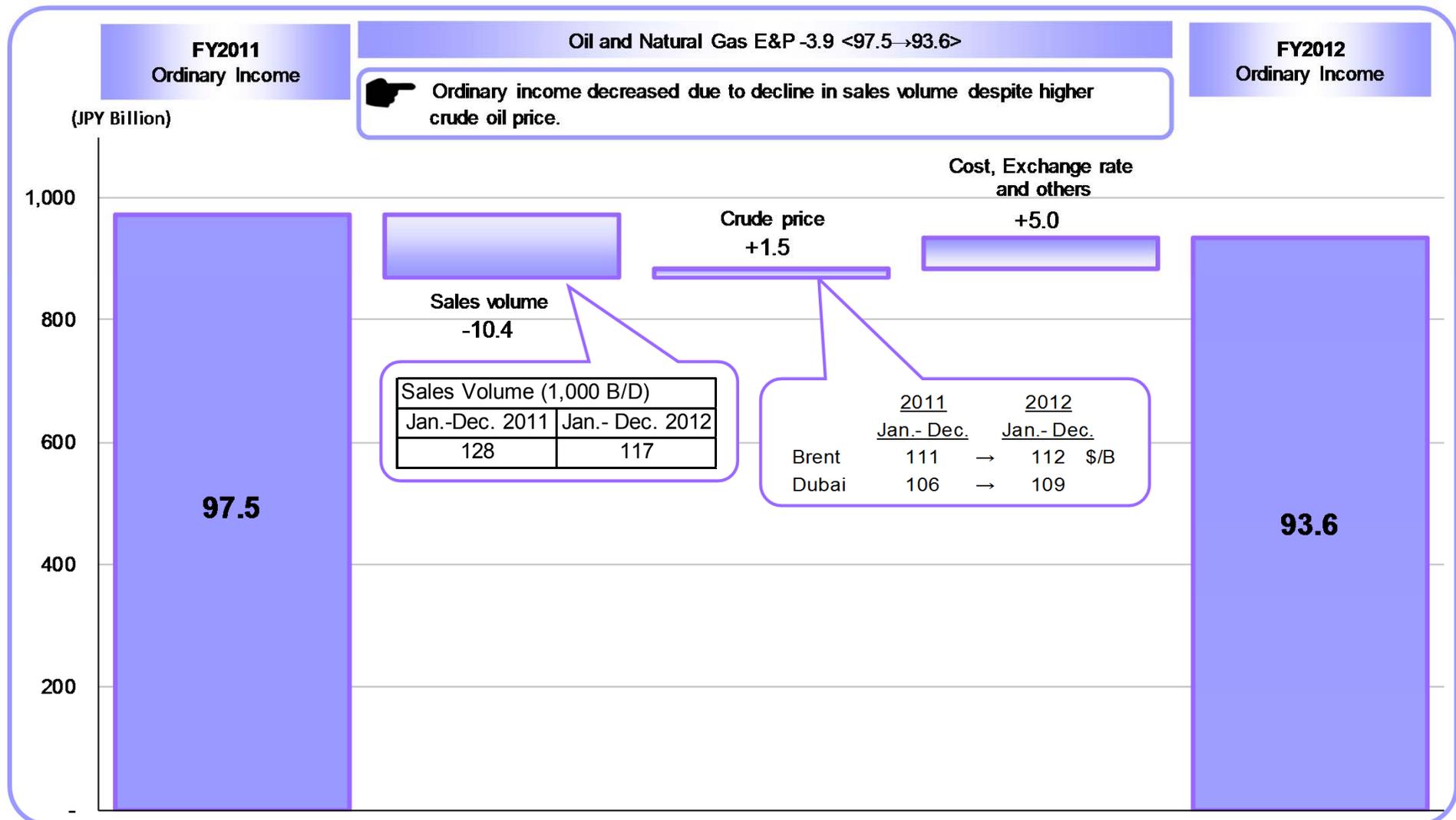
	FY2011 (Actual)	FY2012 (Actual)	Changes	
	JPY Billion	JPY Billion	JPY Billion	
Energy	232.5	161.6	-70.9	-30.5%
- Inventory Valuation	119.7	58.8	-60.9	-50.9%
Excl. Inventory Valuation	112.8	102.8	-10.0	-8.9%
- Petroleum Products	74.6	56.1	-18.5	-24.8%
- Petrochemicals	38.2	46.7	+8.5	+22.3%
Oil & Natural Gas E&P	97.5	93.6	-3.9	-4.0%
Metals	60.0	45.0	-15.0	-25.0%
- Inventory Valuation	(3.2)	(1.5)	+1.7	-53.1%
Excl. Inventory Valuation	63.2	46.5	-16.7	-26.4%
Others	17.8	28.1	+10.3	+57.9%
Total	407.8	328.3	-79.5	-19.5%
Excl. Inventory Valuation	291.3	271.0	-20.3	-7.0%

FY2011 Actual vs. FY2012 Actual Changes in Ordinary Income - Energy Business -

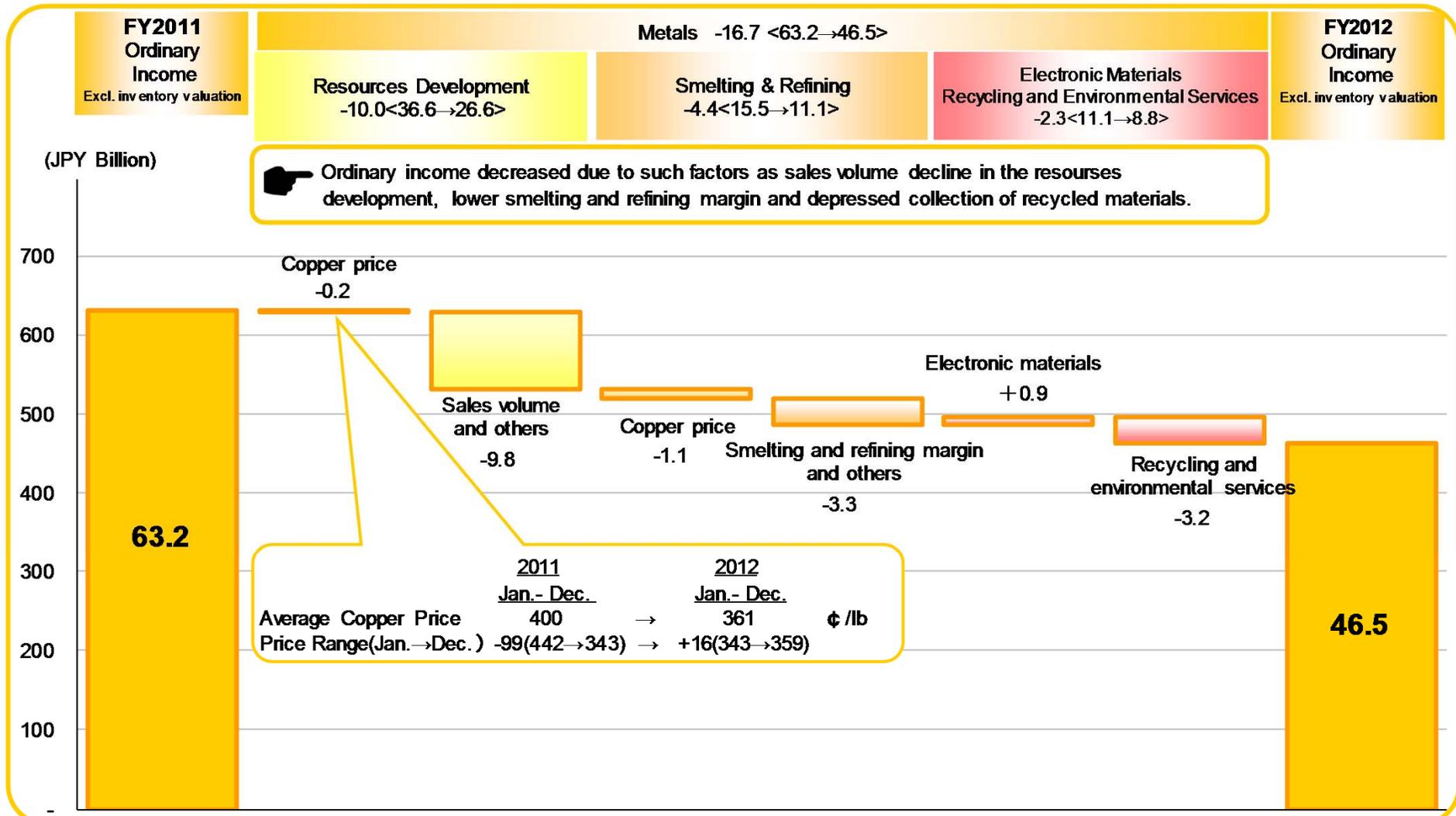


FY2011 Actual vs. FY 2012 Actual

Changes in Ordinary Income - Oil and Natural Gas E&P Business -



FY2011 Actual vs. FY2012 Actual Changes in Ordinary Income - Metals Business-

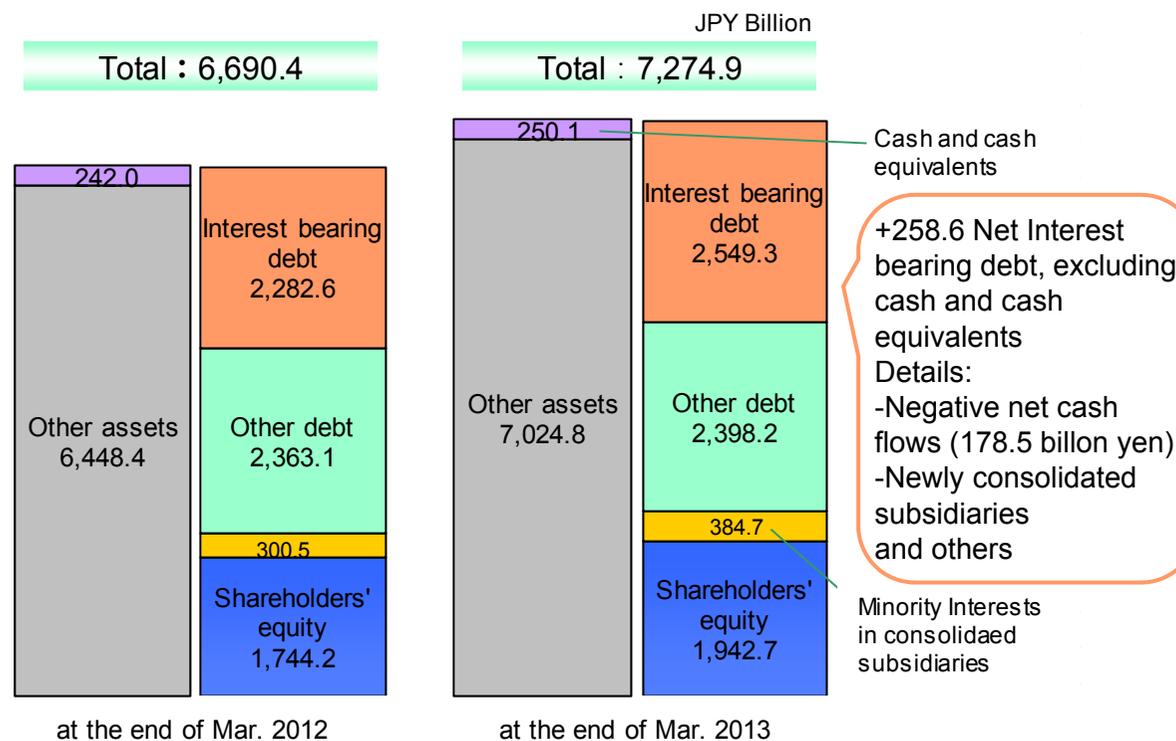


Consolidated Balance Sheets

Consolidated Statement of Cash Flows



Consolidated Balance Sheets



Consolidated Cash Flows

(JPY Billion)

FY2012	
Ordinary income	328.3
Depreciation and amortization	180.4
Increase in working capital	(164.5)
Corporate tax and others	(78.6)
Cash flows from operating activities	265.6
Cash flows from investing activities	(426.1)
Free cash flows	(160.5)
Dividends and others	(18.0)
Net cash flows	(178.5)

	At the end of Mar. 2012 (Actual)	At the end of Mar. 2013 (Actual)
Shareholders' equity ratio	26.1%	26.7%
Net D/E ratio	1.17	1.18
ROE	10.1%	8.7%

FY2012 Last Forecast vs. FY2012 Actual Changes in Ordinary Income (Loss) by Segment



	FY2012 Last Forecast (Announced in February)	FY 2012 Actual	Changes	
	JPY Billion	JPY Billion	JPY Billion	
Energy	181.0	161.6	-19.4	-10.7%
- Inventory Valuation	48.0	58.8	+ 10.8	+22.5%
Excl. Inventory Valuation	133.0	102.8	-30.2	-22.7%
- Petroleum Products	88.0	56.1	-31.9	-36.3%
- Petrochemicals	45.0	46.7	+ 1.7	+3.8%
Oil & Natural Gas E&P	95.0	93.6	-1.4	-1.5%
Metals	42.0	45.0	+ 3.0	+7.1%
- Inventory Valuation	(3.0)	(1.5)	+ 1.5	-
Excl. Inventory Valuation	45.0	46.5	+ 1.5	+3.3%
Others	27.0	28.1	+ 1.1	+4.1%
Total	345.0	328.3	-16.7	-4.8%
Excl. Inventory Valuation	300.0	271.0	-29.0	-9.7%

Forecast for FY 2013

- From April 1, 2013 to March 31, 2014 -

- ✓ Key factors for FY2013 (Apr. 2013 - Mar. 2014)
 - Crude Oil Price (Dubai) : 105\$/bbl
 - Copper Price : 340¢/lb
 - Exchange Rate : 95Yen/\$



FY2013 Forecast Outline

* Average from Mar. to Feb.
(nearly equal to arrived crude cost)

Crude Oil (Dubai)* (\$/bbl)
Copper (¢ /lb)
Exchange Rate (Yen/\$)

Net Sales
Operating Income
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Ordinary Income
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Ordinary Income
Special Gain (Loss), Net
Net Income

FY2012 (Actual)	
	109
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JPY Billion	11,219.5
	251.5
	76.8
	328.3
	57.3
	271.0
	(56.3)
	159.5

FY2013 (Forecast)	
	105
Jan.-Dec.2013	<345> 340
Jan.-Dec.2013	< 94> 95
JPY Billion	12,250.0
	255.0
	80.0
	335.0
	35.0
	300.0
	(25.0)
	170.0

Changes			
	-4		-3.2%
<-16>	-16	<-4.4%>	-4.5%
<+14>	+12	<+17.5%>	+14.5%
JPY Billion	+1,030.5		+9.2%
	+3.5		+1.4%
	+3.2		+4.2%
	+6.7		+2.0%
	-22.3		-38.9%
	+29.0		+10.7%
	+31.3		-
	+10.5		+6.6%

FY2012 Actual vs. FY2013 Forecast

Changes in Ordinary Income (Loss) by Segment

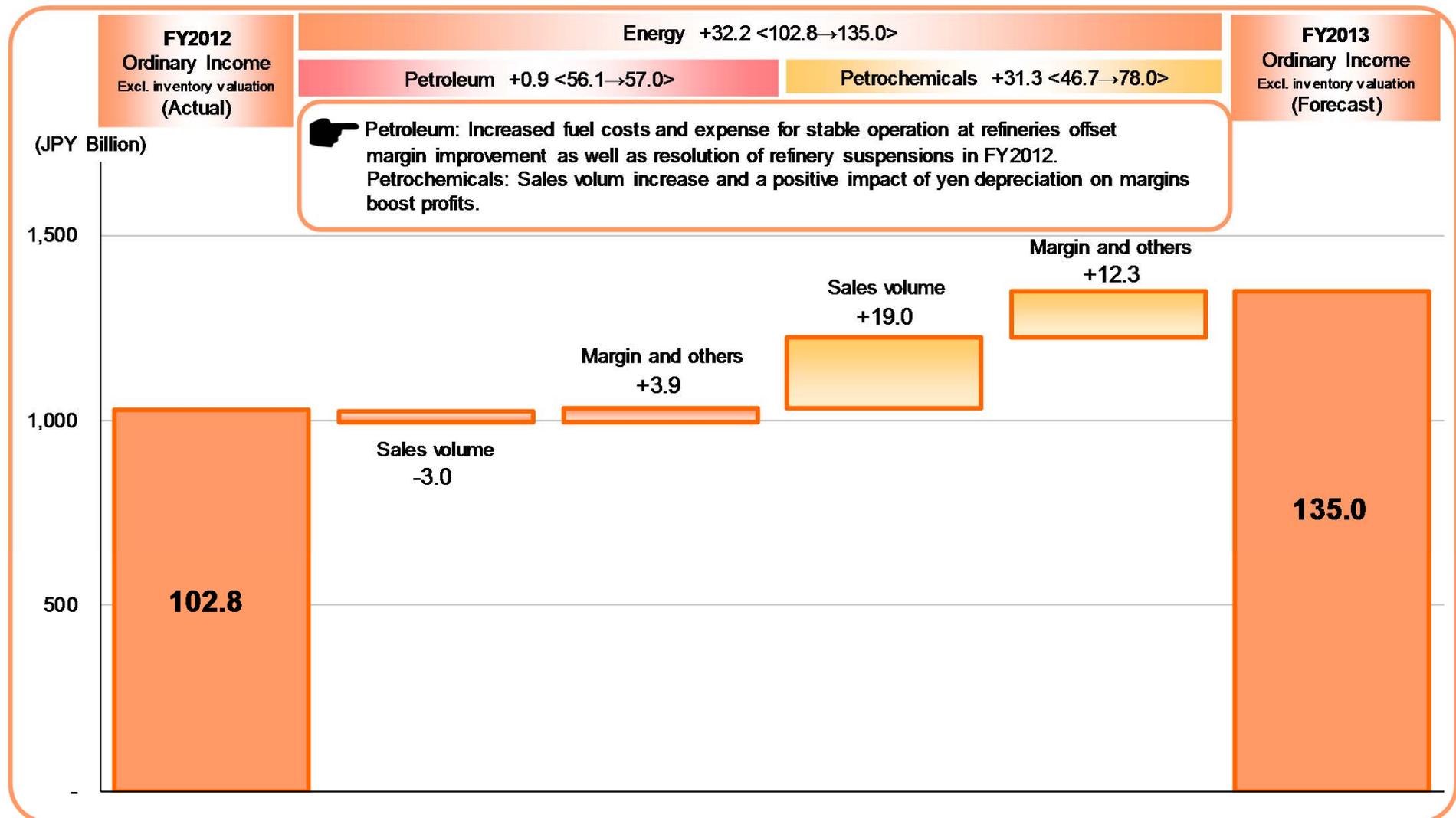


	FY2012 (Actual)	FY2013 (Forecast)	差 異	
	JPY Billion	JPY Billion	JPY Billion	
Energy	<u>161.6</u>	<u>170.0</u>	<u>+8.4</u>	+5.2%
- Inventory Valuation	(<u>58.8</u>)	(<u>35.0</u>)	(<u>-23.8</u>)	-40.5%
Excl. Inventory Valuation	<u>102.8</u>	<u>135.0</u>	<u>+32.2</u>	+31.3%
- Petroleum Products	(<u>56.1</u>)	(<u>57.0</u>)	(<u>+0.9</u>)	+1.6%
- Petrochemicals	(<u>46.7</u>)	(<u>78.0</u>)	(<u>+31.3</u>)	+67.0%
Oil & Natural Gas E&P	<u>93.6</u>	<u>85.0</u>	<u>-8.6</u>	-9.2%
Metals*	<u>45.0</u>	<u>55.0</u>	<u>+10.0</u>	+22.2%
- Inventory Valuation	(<u>(1.5)</u>)	(<u>-</u>)	(<u>+1.5</u>)	-
Excl. Inventory Valuation	<u>46.5</u>	<u>55.0</u>	<u>+8.5</u>	+18.3%
Others*	<u>28.1</u>	<u>25.0</u>	<u>-3.1</u>	-11.0%
Total	<u>328.3</u>	<u>335.0</u>	<u>+6.7</u>	+2.0%
Excl. Inventory Valuation	<u>271.0</u>	<u>300.0</u>	<u>+29.0</u>	+10.7%

* Titanium business has been transferred to the "Metals segment" from "Others" as of FY2013.

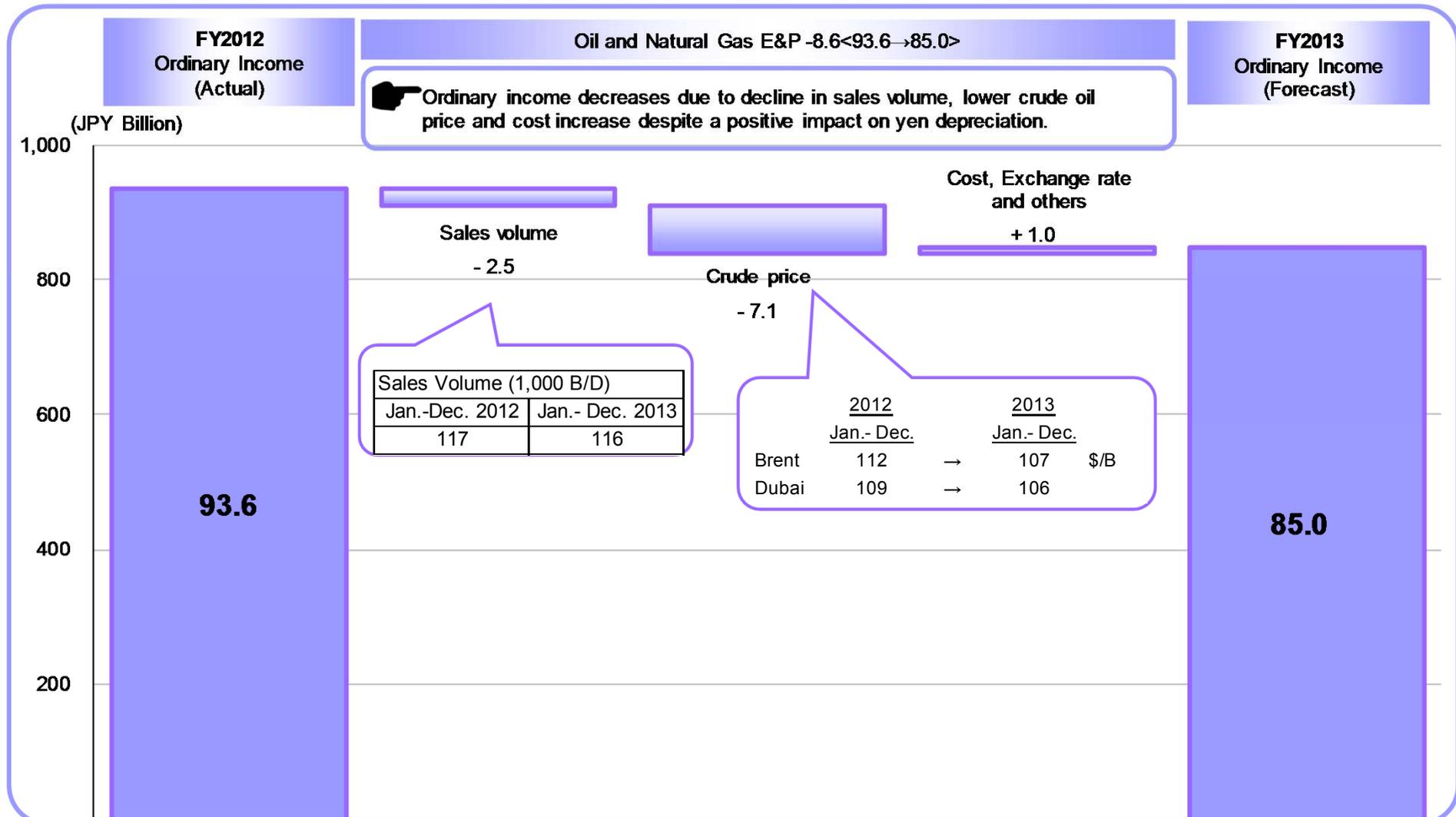
FY2012 Actual vs. FY2013 Forecast

Changes in Ordinary Income - Energy Business -



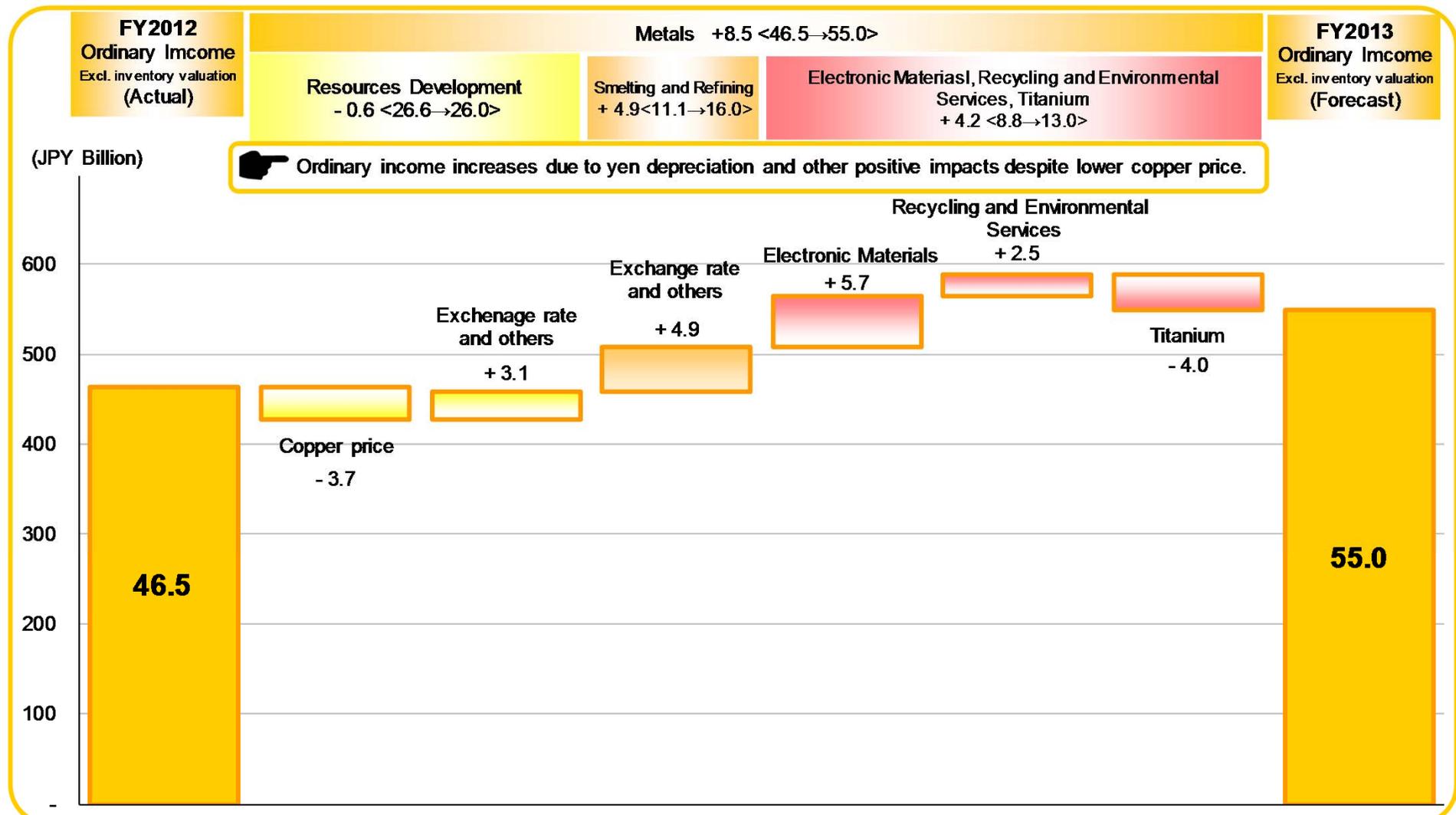
FY2012 Actual vs. FY2013 Forecast

Changes in Ordinary Income - Oil and Natural Gas E&P Business-



FY2012 Actual vs. FY2013 Forecast

Changes in Ordinary Income - Metals Business -



Key Factors



		FY2009	FY2010	FY2011	FY2012	FY2013
		Actual	Actual	Actual	Actual	Forecast
All segments	Exchange rate [Yen/\$]	93	86	79	83	95
Energy	Crude oil price [Dubai] *1 [\$/bb]	86	82	109	109	105
	Paraxylene spread [ACP] (vs. Dubai crude oil price of previous month) [\$/ton]	510	570	765	715	725
Oil and Natural Gas E&P	Sales volume <Crude oil equivalent> [1,000 BD]	143	140	128	117	116
	Crude oil price [Brent] [Jan.-Dec.] [\$/bb]	62	80	111	109	106
Metals	Copper price [LME] [Jan.-Dec.] [¢/lb]	277	342	400	361	345
	Equity entitled copper mine production [1,000 tons/year]	101	111	105	105	132
	PPC refined copper sales [1,000 tons/year]	605	588	566	551	571
	Treated Rolled Copper Foil sales [1,000 km/month]	2.7	3.3	2.6	2.7	3.2
	Precision rolled products sales [1,000 tons/month]	3.5	3.8	3.5	3.3	3.8
	Gold recovery volume by Recycling & Environmental Services [tons/year]	6.3	6.5	7.0	5.8	6.1

*1 Crude oil arrival basis



Sensitivity Analysis (FY2013 basis)

■ Key factors (From Apr. 2013 to Mar. 2014)

Exchange Rate: 95Yen/\$

Crude Oil FOB : 105\$/bbl
(Dubai spot)

Copper Price (LME) : 340 ¢/lb

■ Sensitivity analysis (Only for Fiscal 2013)

Key factors	Appreciation	Segment	(JPY Billion) Impact
Exchange Rate	+1 Yen/\$ yen depreciation	Energy (In-house fuel costs rise, margin improvement in petrochemicals)	+1.0
		Oil and Natural Gas E&P	+1.0
		Metals (Margin improvement, exchange gain/loss)	+1.0
		Subtotal	+3.0
		Inventory valuation gain/loss	+8.0
		Total	+11.0
Crude Oil FOB (Dubai spot)	+1\$/bbl	Energy (In-house Fuel costs rise)	-1.5
		Inventory valuation gain/loss	+7.5
		Total	+7.5
Copper Price (LME)	+10¢/lb	Metals	+2.5
		Total	+2.5



Cautionary Statement Regarding Forward-Looking Statements

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

- (1) macroeconomic conditions and changes in the competitive environment in the energy, resources and materials industries;
- (2) changes in laws and regulations; and
- (3) risks related to litigation and other legal proceedings.