

Security Code

Tokyo 5020

Financial Results for FY 2015 1H

- From April 1, 2015 to September 30, 2015 -

Representative Director, President

Yukio Uchida

Director, Senior Vice President

Kunimitsu Oba

November 4, 2015



The Future of Energy, Resources and Materials

JX Holdings, Inc.

Summary of the settlement of accounts

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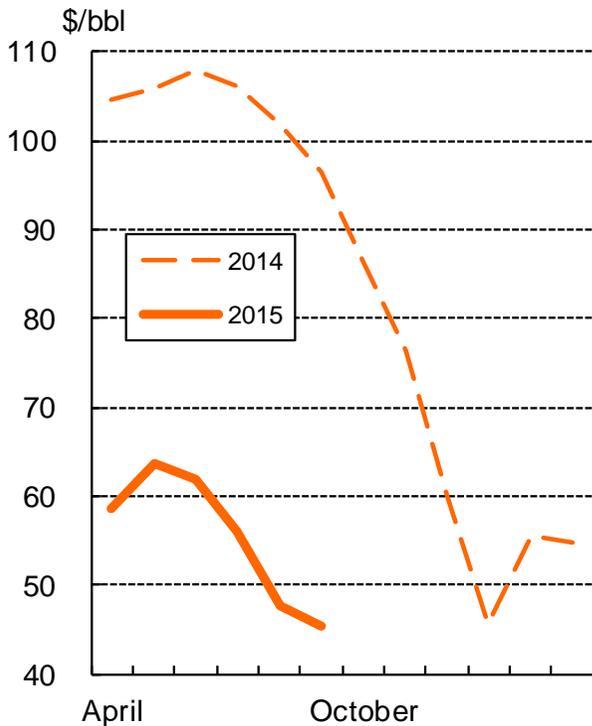
Financial Results for FY2015 1H Forecast for FY2015

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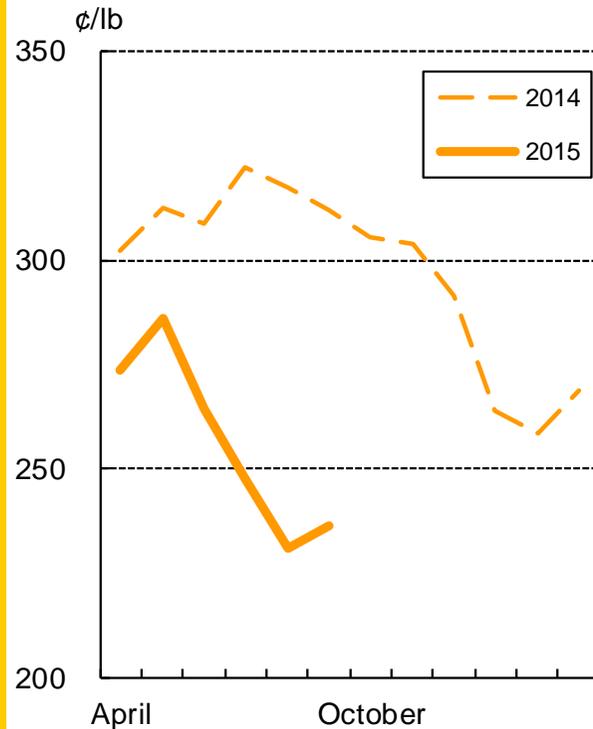
Business Environment 1 Resource Price and Exchange Rate (From Apr. 2015 to Sep. 2015)

- Crude oil and copper price greatly declined after June because of concerns about economic slowdown of China, and other factors.
- Exchange rate stays around 120 yen per dollars.

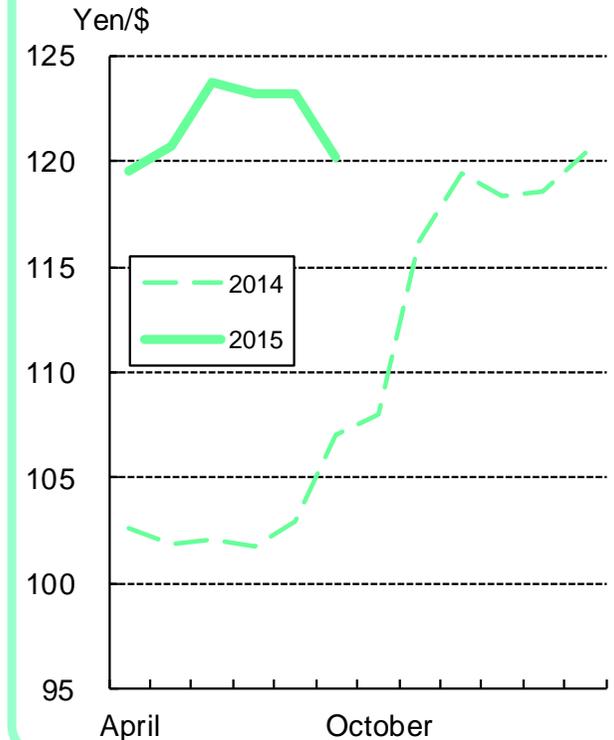
Dubai Crude Oil



Copper (LME)



Exchange Rate

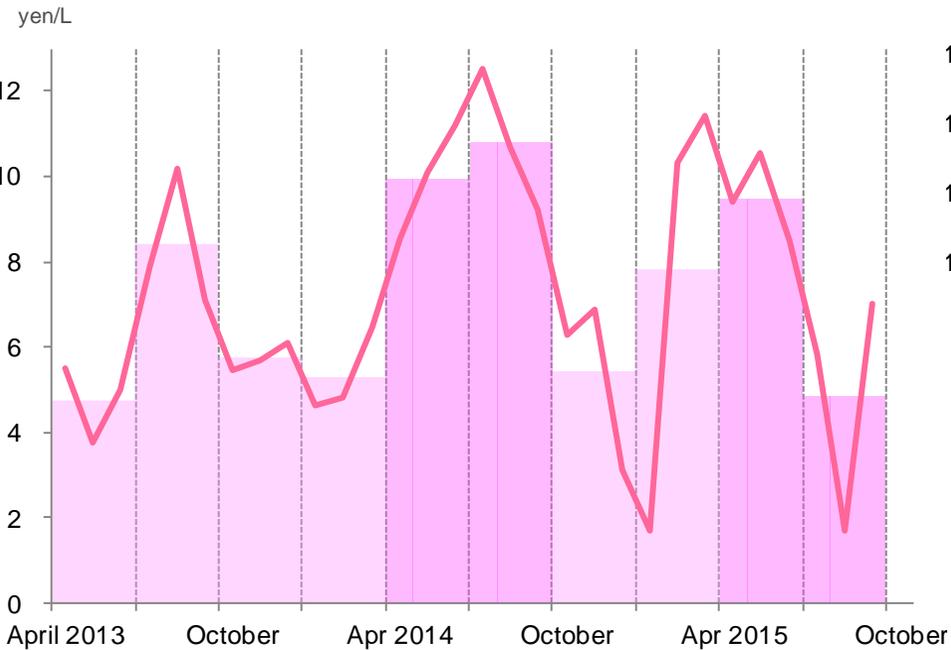


Business Environment 2 Margin of Petroleum Products and Paraxylene

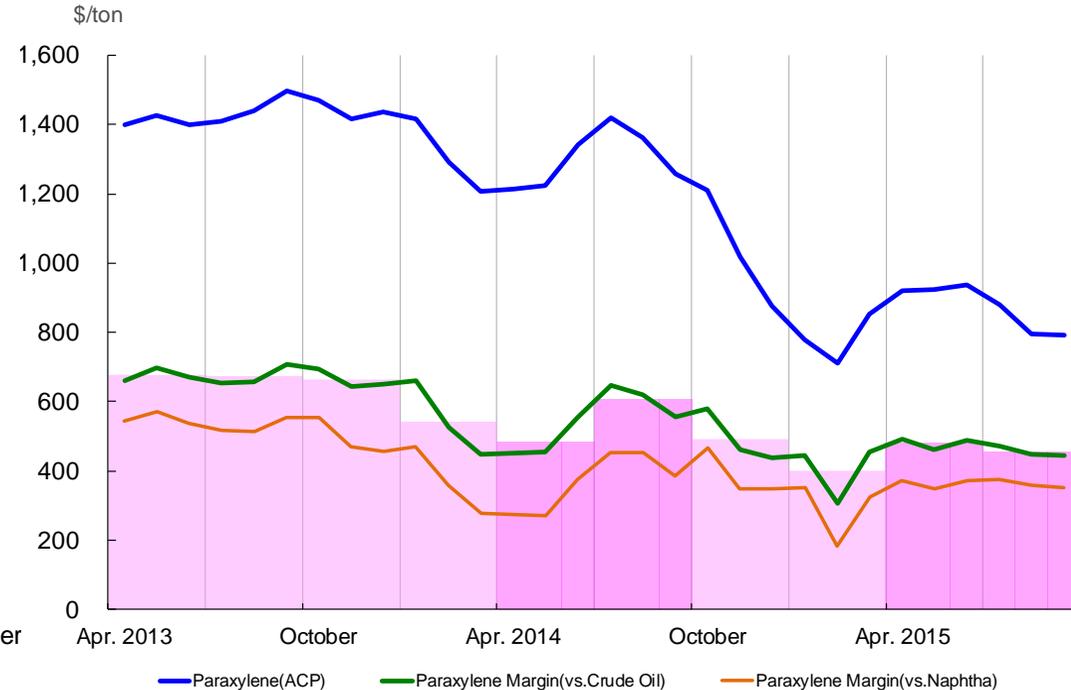


- Petroleum Products margin declined rapidly in July and August due to time lag generated by crude oil rapid decline.
- Margin level of Paraxylene is about the same level as 1H FY2014.

Margins of Gasoline, Kerosene, Diesel Fuel and Fuel Oil A



Margin of Paraxylene

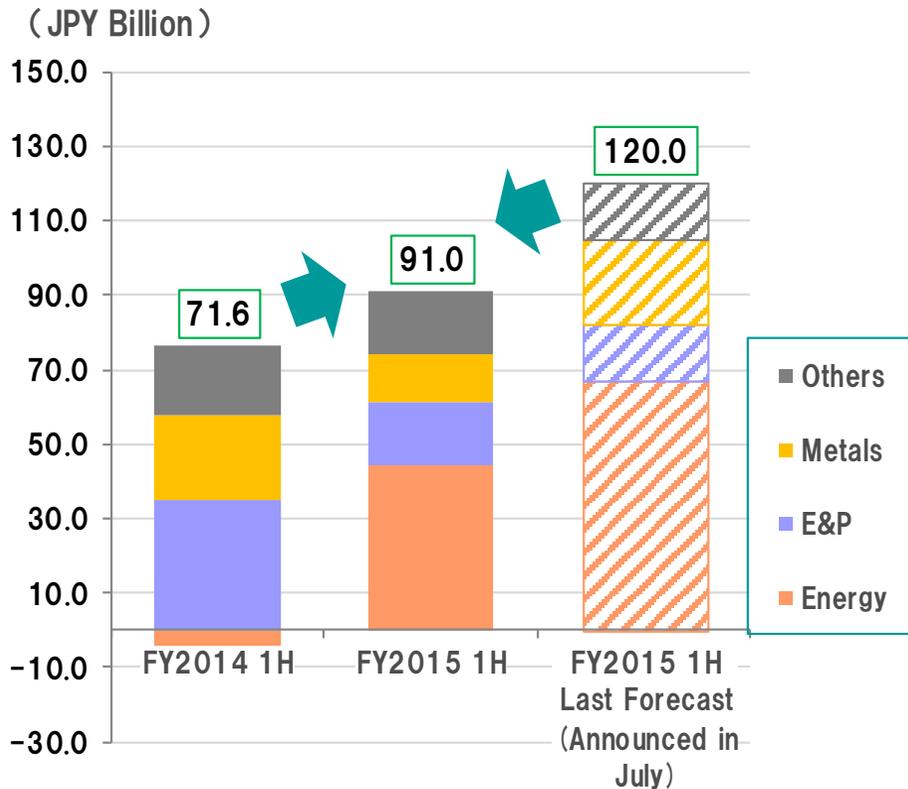


Margin = Spot Price – All Japan Crude CIF (including petroleum tax and interest)

* In case of ACP undecided, average price of spot market is adopted.

Outline of Financial Results for FY2015 1H

Ordinary Income Excl. Inventory Valuation



Ordinary Income

(JPY billion)

	FY2014 1H	FY2015 1H	FY2015 1H Last Forecast (Announced in July)
Ordinary Income	42.0	(27.7)	140.0
Inventory Valuation	(29.6)	(118.7)	20.0
Ordinary Income Excl. Inventory Valuation	71.6	91.0	120.0

- Ordinary income decreased from the same quarter of the previous year due to inventory valuation loss with crude oil slump.
- Ordinary income excluding inventory valuation increased from the same quarter of the previous year but decreased from last forecast announced in July mainly due to petroleum products margin decline.

Initiatives under the Final year of 2nd Mid-Term Management Plan

- In fiscal 2015, which will be the final year of the 2nd Mid-Term Management Plan, piling up increasing profit by taking all measures and improving financial position by compressing investment and selling assets.

Recognition of Issue

- ✓ Strengthening profitability under resource price
- ✓ Improving balance sheet (Strengthening financial position)

Way to Resolution

- ✓ Additional cost reduction
- ✓ Promoting cash flow generating action (Compressing investment, Selling assets)

Energy

- Strengthening profitability in Petroleum Refining and Marketing business

- Safe and stable operation (Trouble reduction)
- Building competitive production and marketing structure
- Securing a margin by adequacy of the supply-demand environment

E&P of Oil and Natural Gas

- Implementing business strategy under crude price

- Improving profitability by cost reduction
- Promoting replacement of asset portfolio

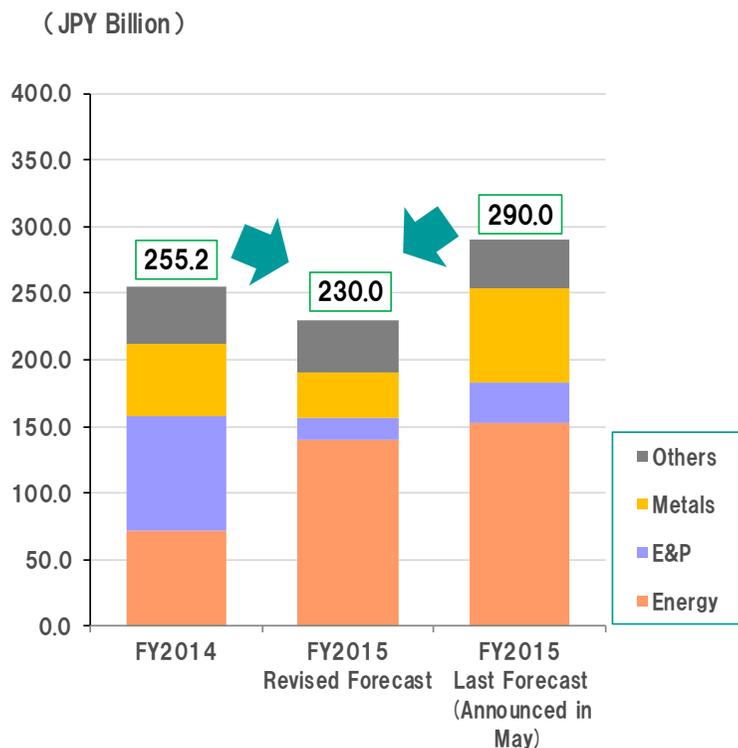
Metals

- Strengthening profitability under copper price

- Realizing early and stable full operation of Caserones Copper Mine and reducing operating cost
- Strengthening profitability of midstream/downstream businesses

Outline of Forecast for FY2015

Ordinary Income Excl. Inventory Valuation



Key Factors

	Revised Forecast	Last Forecast (Announced in May)
Crude Price (\$/Bbl)*	53	60
Copper Price (¢/lb)	243	270
Exchange Rate (yen/\$)	121	115

*Average from March to February

Ordinary Income

(JPY billion)

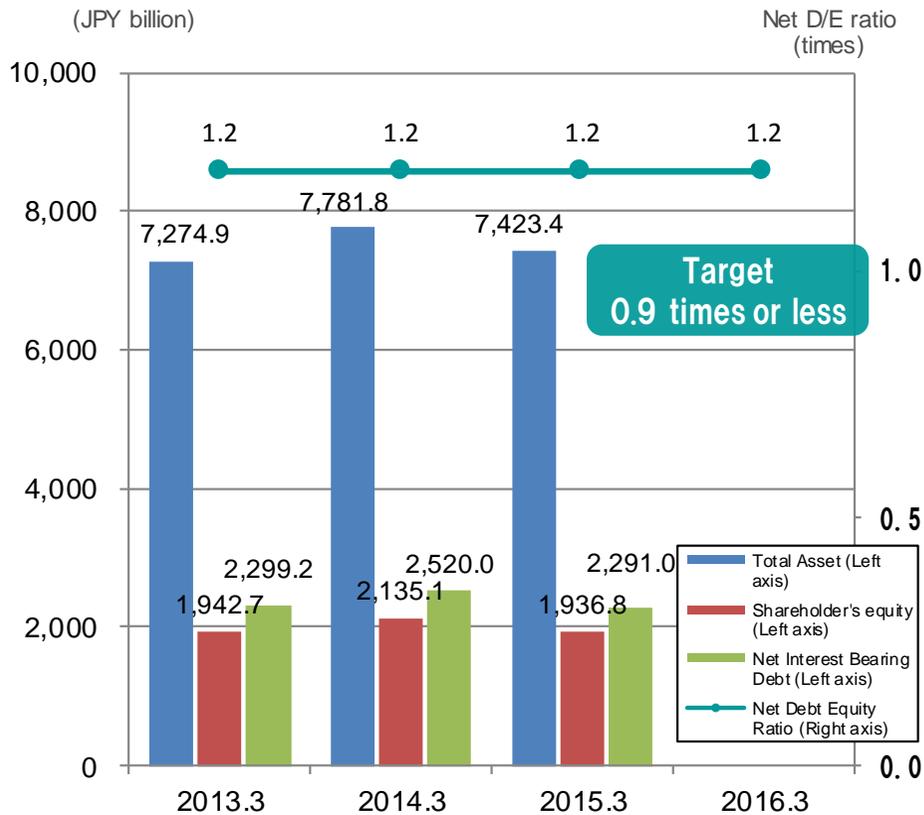
	FY2014	FY2015 Revised Forecast	FY2015 Last Forecast (Announced in May)
Ordinary Income	(150.1)	150.0	310.0
Inventory Valuation	(405.3)	(80.0)	20.0
Ordinary Income Excl. Inventory Valuation	255.2	230.0	290.0

➤ Ordinary income excluding inventory valuation decreased from last forecast announced in May due to resources price's down, petroleum products margin decline, and other factors.

Forecast for CAPEX, Cash Flow



Change of Net D/E Ratio



CAPEX

	FY2013-2014 (Actual)	FY2015 (Forecast)	FY2013-2015 (Forecast)	2'nd Mid-Term Plan
Energy	300	150	450	540
E&P	310	120	430	390
Metals	270	60	330	300
Others	40	30	70	70
Summary	920	360	1,280	1,300

(JPY Billion)

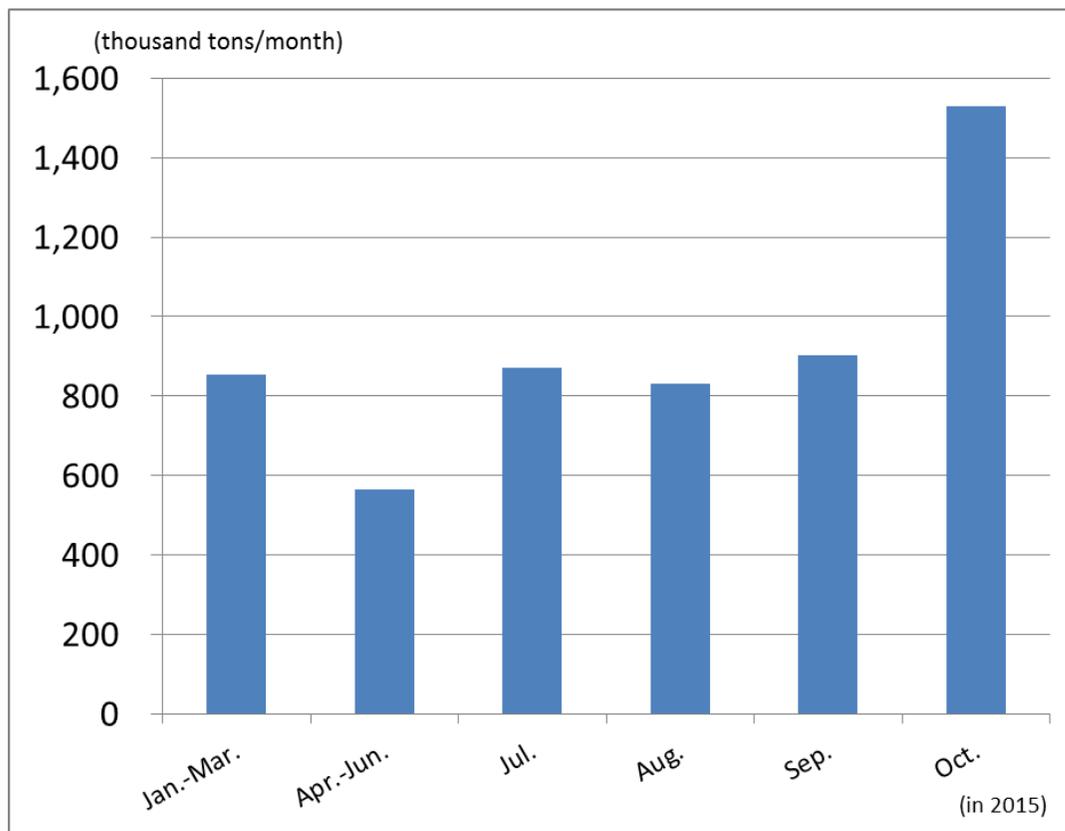
Cash Flow (Cumulative total for FY2013 to 2015)

	(Revised Forecast)	(Original Plan)
Ordinary income	300.0	1,100.0
Depreciation and amortization	620.0	650.0
Decrease in working capital	510.0	(330.0)
Cash flows from operating activities	1,430.0	1,420.0
Cash flows from investing activities	(1,180.0)	(1,240.0)
Free cash flows	250.0	180.0

(JPY billion)

Current Situation of Caserones Copper Mine

Actual Input of Ore into the Concentrate Treatment Process (per month)



Problems To Be Solved for Stable Continuing Full Operation

As of February, 2015

- To Build an automated operation program
- To Complete the preparation of the waste tailing deposit site



As of September, 2015

Built the Framework Enabling Full Operation

Current Situation

- Correcting Some Defects Arising on Full Operation

Shareholder Return Policy

Basic Shareholder Return Policy

Redistribute profits by reflecting consolidated business results while striving to maintain stable dividends

Indication of Shareholder Return for 2nd Medium-Term Management Plan Period

Based on the basic policy, during the 2nd medium-term management plan period (FY2013-2015), we will strive to maintain dividends of 16 yen per share per annum. When we secure stable profitability in existing business and foresee realization of return from strategic investments, we will expand shareholder return centering on increase of dividend.

Reference) Dividend from FY2010-2015

	2010	2011	2012	2013	2014	2015 (Forecast)
Dividend (yen/share)	15.5	16.0	16.0	16.0	16.0	16.0
EPS (yen/share)	125	69	64	43	-111	18

Action in Energy Business

Strategies of 2'nd Medium-Term Management Plan	Initiatives up to October 2015
Strengthening profitability in petroleum refining and a marketing, the core business	Proceeding with renewal of Dr. Drive car care and maintenance service
	Ceased crude oil refinement at Muroran Refinery, targeting its conversion to petrochemical plant
	Decided to install petroleum coke power generation equipment at Mizushima Refinery
	Commenced installation of a solvent de-asphalting facility and a power generation facility at Kashima Refinery
Enhancing business as an Energy Conversion Company	Proceeding with mega solar power generation business
	Decided to compete in retail electricity sales for homes
	Opened hydrogen supply station
	Commenced commercial operation of LNG terminal in Hachinohe and Kushiro
	Submitted a preliminary environmental impact statement and started full-scale examination of the enlargement at Kawasaki Natural Gas Power Generation
Establishing presence in overseas markets	Commenced importing and marketing businesses of fuel oil in Indonesia
	Established lubricants joint venture company in India
	Commenced commercial production of paraxylene at facilities of Ulsan Aromatics, of South Korea
	Started consideration to join revamp and construction of refineries in Indonesia and Vietnam



Action in E&P of Oil and Natural Gas Business

Strategies of 2'nd Medium-Term Management Plan	Initiatives up to October 2015
<p>Expanding reserves and production volume, mainly through exploration</p> <p>Establishing superiority by focusing on Core Countries and Core Technologies</p>	<p>(Australia)</p> <p>Commenced production at Finucane South oil field</p> <p>Discovered gas in block WA-49-R</p> <p>Discovered crude oil in WA-435-P block</p>
	<p>(Malaysia)</p> <p>Discovered crude oil in Deepwater Block R</p>
	<p>(Vietnam)</p> <p>Confirmed gas and condensate in blocks 05-1b/c</p>
	<p>(Papua New Guinea)</p> <p>Started operation of LNG project</p>
	<p>(United States)</p> <p>Started enhanced oil recovery project using processed flue gas from coal power generation plant</p>
	<p>(U.K. North Sea)</p> <p>Commenced production at Kinnoull oil field</p> <p>Discovered crude oil in 22/16, 17b block</p>

Action in Metal Business

Strategies of 2'nd Medium-Term Management Plan	Initiatives up to October 2015
(Resources development) Establishing a highly profitable structure by increasing copper mine equity interests	Commenced copper concentrate production at Caserones Copper Mine
	Commenced commercial application of biomining technologies
(Copper smelting and refining) Establishing a business structure with world-class cost-competitiveness	Completed construction of copper concentrate and sulfuric acid multiple carrier “Koryu” and started two-vessel fleet
	Increased efficiency of electrolytic refining method at Tamano Smelter by installing Permanent Cathode Method
(Electronic Materials) Securing and expanding the world's top share in each product market	Started up operation of Kakegawa Works, which produces precision components, connectors, and other products
	Completed new factory in Taiwan for production of sputtering target materials
	Began sales of world's highest strength titanium copper foil
	Implemented restructuring of electro-deposited copper foil business
	Started electroless Under Bump Metallurgy metal plating service in Taiwan
(Recycling and environmental services) Building an international resource recycling business with an environmentally friendly zero emission system	Consolidated and increased efficiency of various metal production bases
	Acquired Minister of the Environment authorization for detoxification processing of low-concentration PCB waste
	Established operating bases for collection of recycled materials in United States



Financial Results for 1H FY2015 (April 1, 2015 - September 30, 2015)



Outline of 1H FY2015

* Average from March to August
(nearly equal to arrived crude cost)

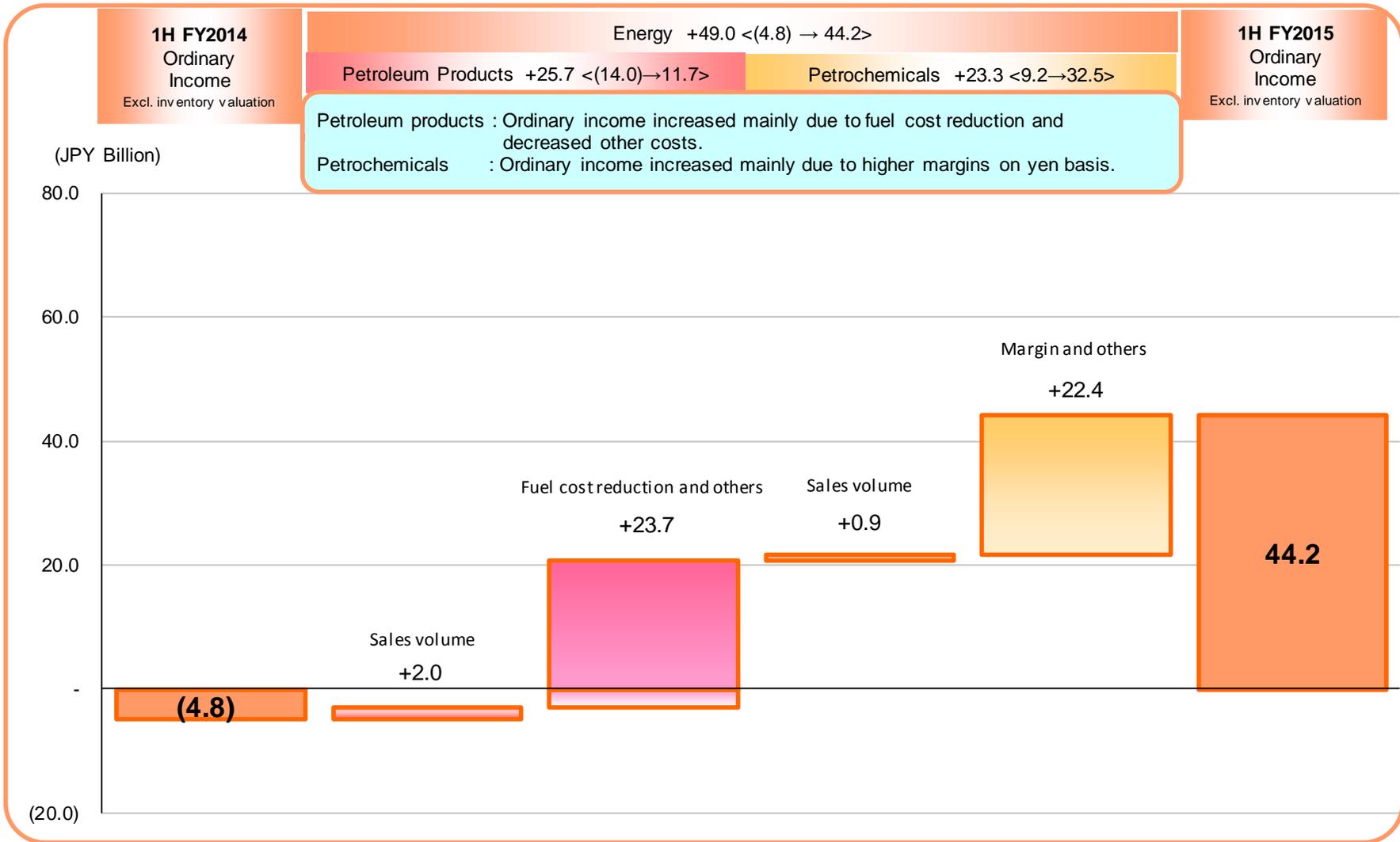
	1H FY2014 (Actual)	1H FY2015 (Actual)	Changes	
Crude Oil (Dubai)* (\$/bbl)	105	57	-48	-46%
Copper (¢/lb)	<314> 313	<269> 256	<-45> -57	<-14%> -18%
Exchange Rate (Yen/\$)	< 102> 103	<120> 122	<+18> +19	<+18%> +18%
	JPY Billion	JPY Billion	JPY Billion	
Net Sales	5,442.4	4,552.6	-889.8	-16%
Operating Income	14.3	(45.5)	-59.8	-
Non-operating Income (Expenses), Net	27.7	17.8	-9.9	-36%
Ordinary Income	42.0	(27.7)	-69.7	-
-Inventory Valuation	(29.6)	(118.7)	-89.1	-
Ordinary Income Excl. Inventory Valuation	71.6	91.0	+19.4	+27%
Special Gain (Loss), Net	(5.9)	(13.5)	-7.6	-
Profit attributable to owners of parent	17.7	(44.9)	-62.6	-

1H FY2014 Actual vs. 1H FY2015 Actual
 Changes in Ordinary Income (Loss) by Segment

	1H FY2014 (Actual)	1H FY2015 (Actual)	Changes	
	JPY Billion	JPY Billion	JPY Billion	
Energy	(35.3)	(72.4)	-37.1	-
- Inventory Valuation	(30.5)	(116.6)	-86.1	-
Excl. Inventory Valuation	(4.8)	44.2	+49.0	-
- Petroleum Products	(14.0)	11.7	+25.7	-
- Petrochemicals	9.2	32.5	+23.3	+253%
Oil and Natural Gas E&P	34.7	17.3	-17.4	-50%
Metals	23.9	10.6	-13.3	-56%
- Inventory Valuation	0.9	(2.1)	-3.0	-
Excl. Inventory Valuation	23.0	12.7	-10.3	-45%
Others	18.7	16.8	-1.9	-10%
Total	42.0	(27.7)	-69.7	-
Excl. Inventory Valuation	71.6	91.0	+19.4	+27%

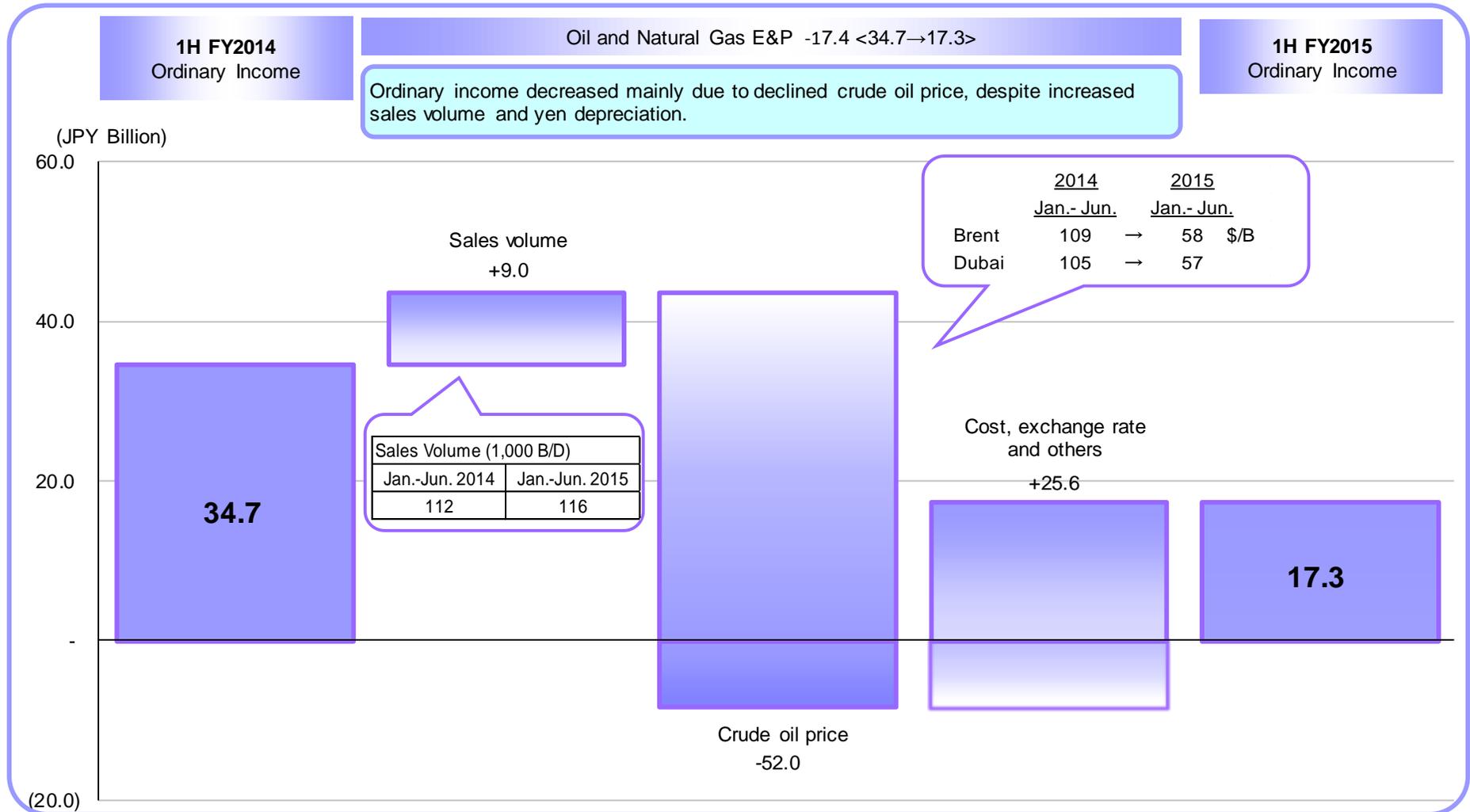


1H FY2014 Actual vs. 1H FY2015 Actual Changes in Ordinary Income - Energy Business -



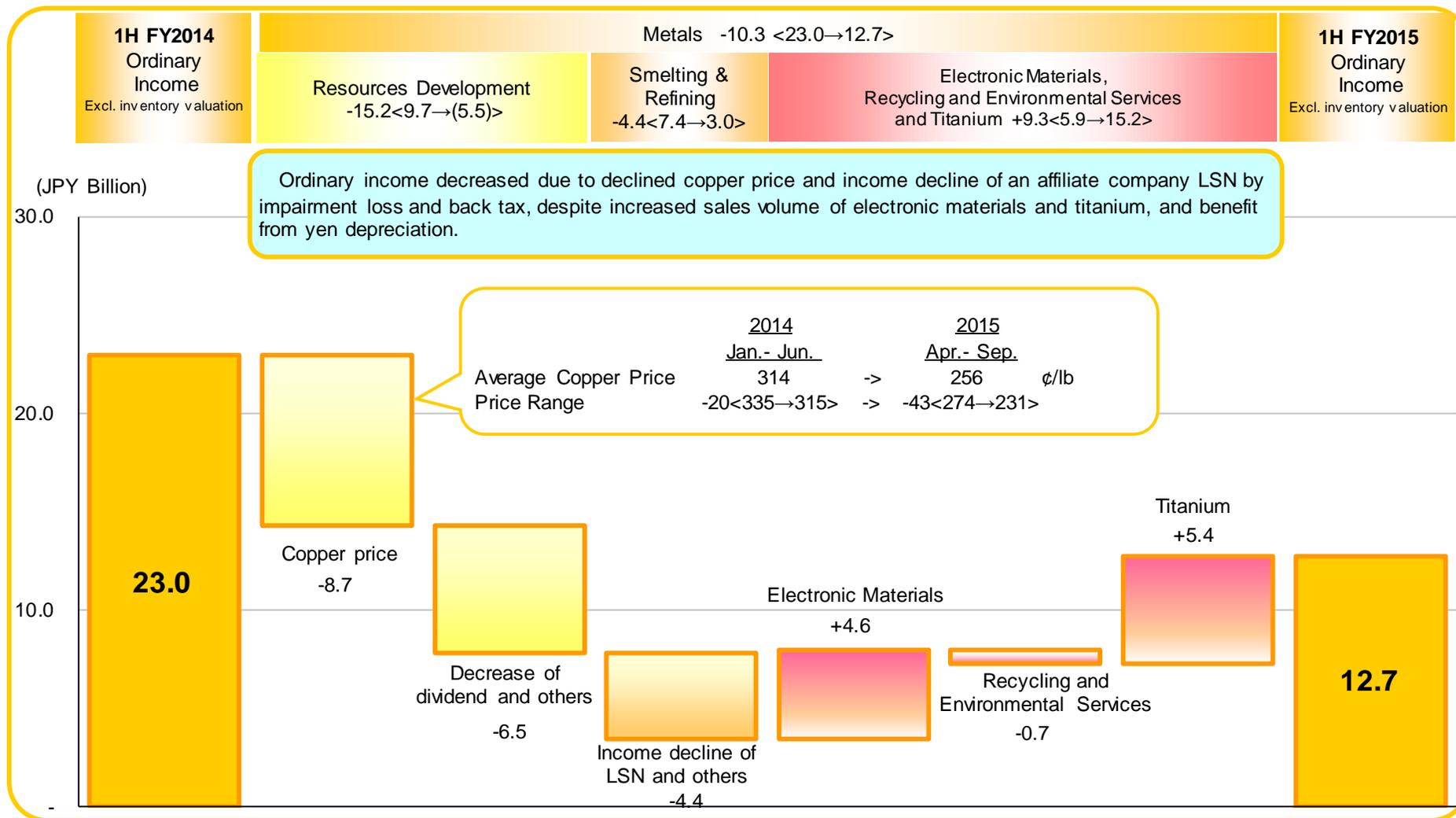


1H FY2014 Actual vs. 1H FY2015 Actual Changes in Ordinary Income - Oil and Natural Gas E&P Business -





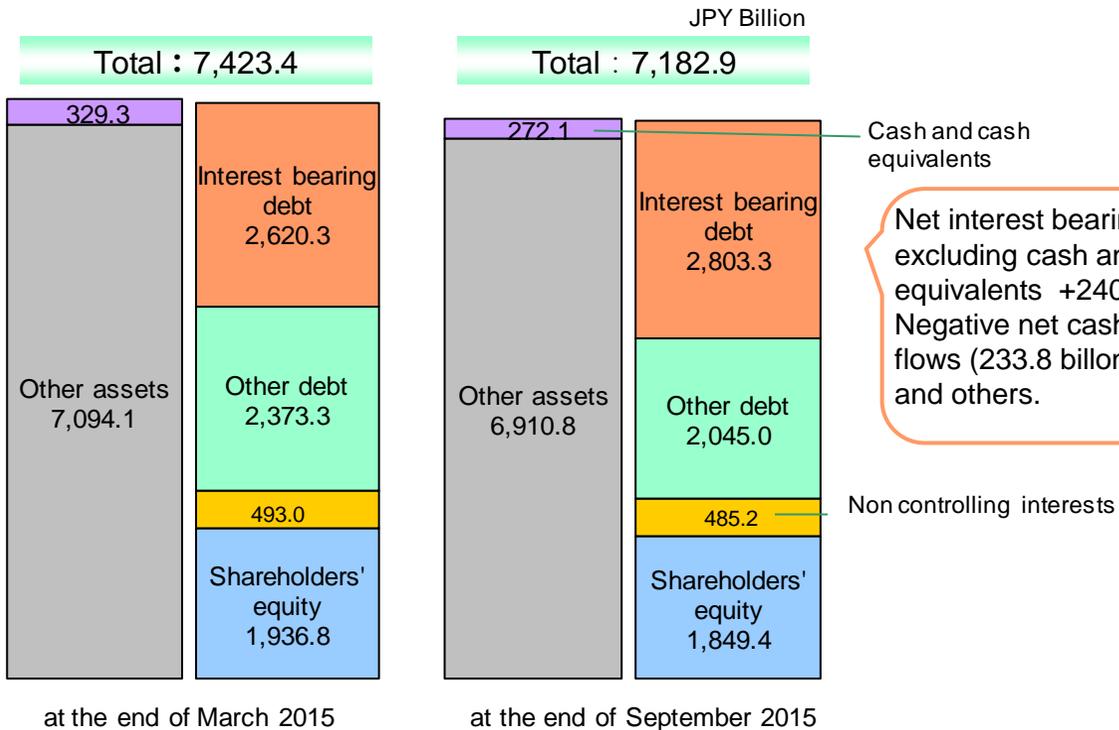
1H FY2014 Actual vs. 1H FY2015 Actual Changes in Ordinary Income - Metals Business-





Consolidated Balance Sheets
Consolidated Statement of Cash Flows

Consolidated Balance Sheets



Consolidated Cash Flows

1H FY2015		(JPY Billion)
Ordinary income		(27.7)
Depreciation and amortization		111.0
Working capital and others		(100.1)
Cash flows from operating activities		(16.8)
Cash flows from investing activities		(183.2)
Free cash flows		(200.0)
Dividends and others		(33.8)
Net cash flows		(233.8)

	At the end of March 2015 (Actual)	At the end of September 2015 (Actual)
Shareholders' equity ratio	26.1%	25.7%
Net D/E ratio	1.18	1.37



Forecast for FY2015

- From April 1, 2015 to March 31, 2016 -

✓ Key Factors (October 2015 - March 2016)

Crude Oil(\$/Bbl)	50
Copper Price(¢/lb)	230
Exchange Rate(Yen/\$)	120

Outline of FY2015 Forecast

* Average from March to February
(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
Profit attributable to owners of parent

**FY2015
Original Forecast
(announced in May.)**

	60
Jan.-Dec. 2015	<268> 270
Jan.-Dec. 2015	<116> 115
JPY Billion	9,660.0
	250.0
	60.0
	310.0
	20.0
	290.0
	(10.0)
	160.0

**FY2015
Revised Forecast**

	53
Jan.-Dec. 2015	<252> 243
Jan.-Dec. 2015	< 121> 121
JPY Billion	9,350.0
	110.0
	40.0
	150.0
	(80.0)
	230.0
	(34.0)
	45.0

Changes

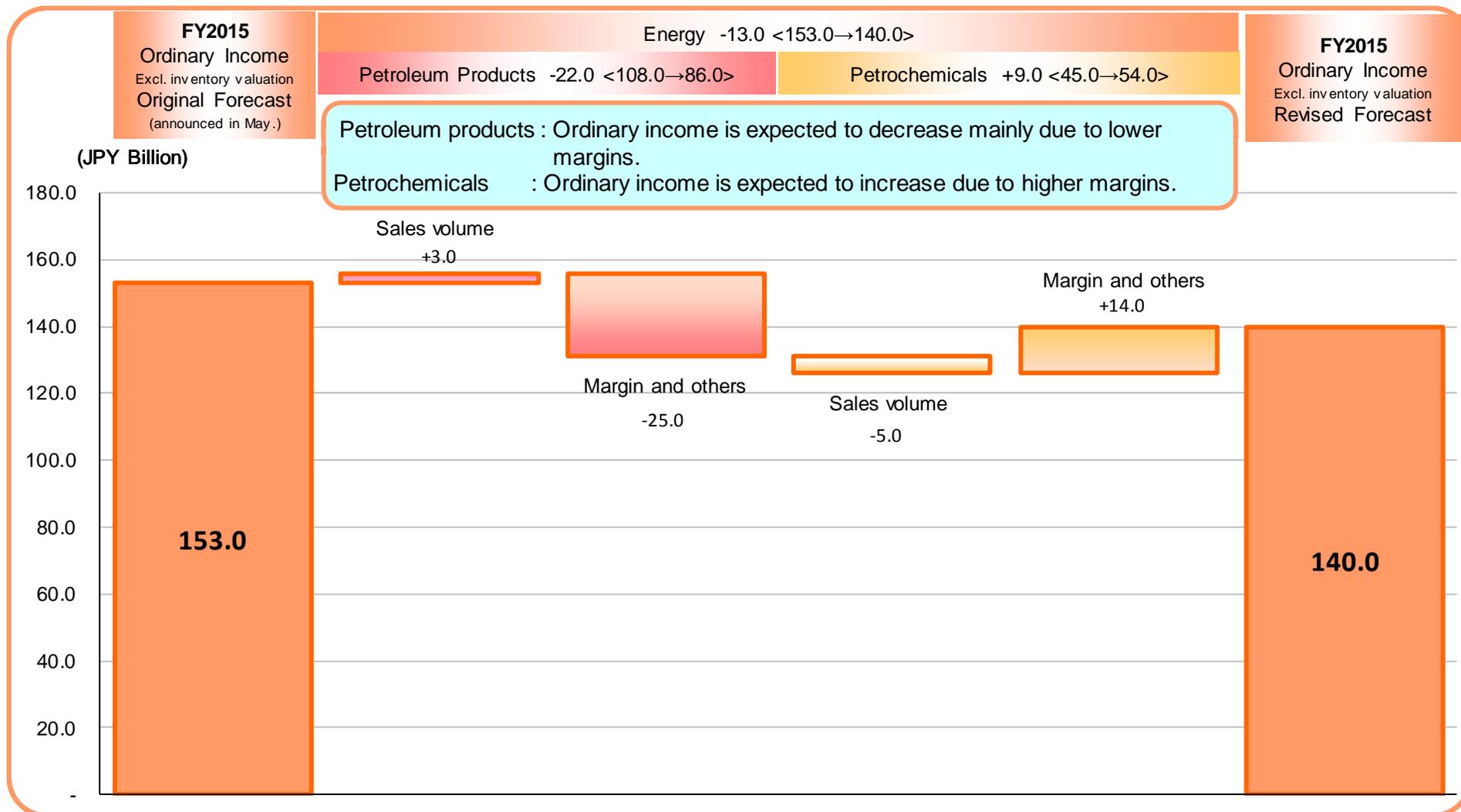
	-7		-12%
<-16>	-27	<-6%>	-10%
<+5>	+6	<+4%>	+5%
JPY Billion	-310.0		-3%
	-140.0		-56%
	-20.0		-33%
	-160.0		-52%
	-100.0		-
	-60.0		-21%
	-24.0		-
	-115.0		-72%

FY2015 Original Forecast vs. FY2015 Revised Forecast Changes in Ordinary Income (Loss) by Segment

	FY2015 Original Forecast (announced in May.)	FY2015 Revised Forecast	Changes	
	JPY Billion	JPY Billion	JPY Billion	
Energy	173.0	62.0	-111.0	-64%
- Inventory Valuation	20.0	(78.0)	-98.0	-
Excl. Inventory Valuation	153.0	140.0	-13.0	-8%
- Petroleum Products	108.0	86.0	-22.0	-20%
- Petrochemicals	45.0	54.0	+9.0	+20%
Oil and Natural Gas E&P	30.0	16.0	-14.0	-47%
Metals	71.0	32.0	-39.0	-55%
- Inventory Valuation	0.0	(2.0)	-2.0	-
Excl. Inventory Valuation	71.0	34.0	-37.0	-52%
Others	36.0	40.0	+4.0	+11%
Total	310.0	150.0	-160.0	-52%
Excl. Inventory Valuation	290.0	230.0	-60.0	-21%



FY2015 Original Forecast vs. FY2015 Revised Forecast Changes in Ordinary Income - Energy Business -





FY2015 Original Forecast vs. FY2015 Revised Forecast Changes in Ordinary Income - Oil and Natural Gas E&P Business-

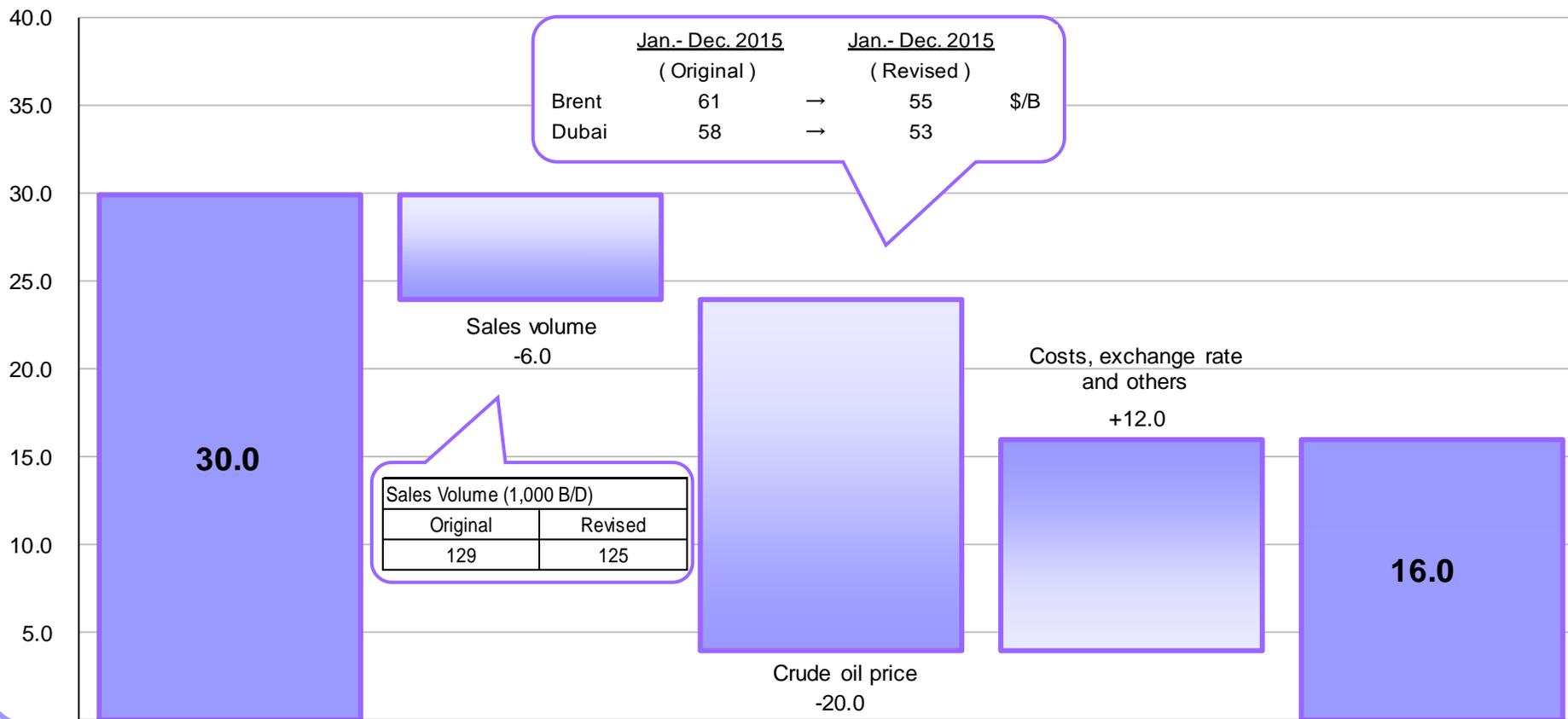
FY2015
Ordinary Income
Original Forecast
(announced in May.)

Oil and Natural Gas E&P -14.0<30.0→16.0>

FY2015
Ordinary Income
Revised Forecast

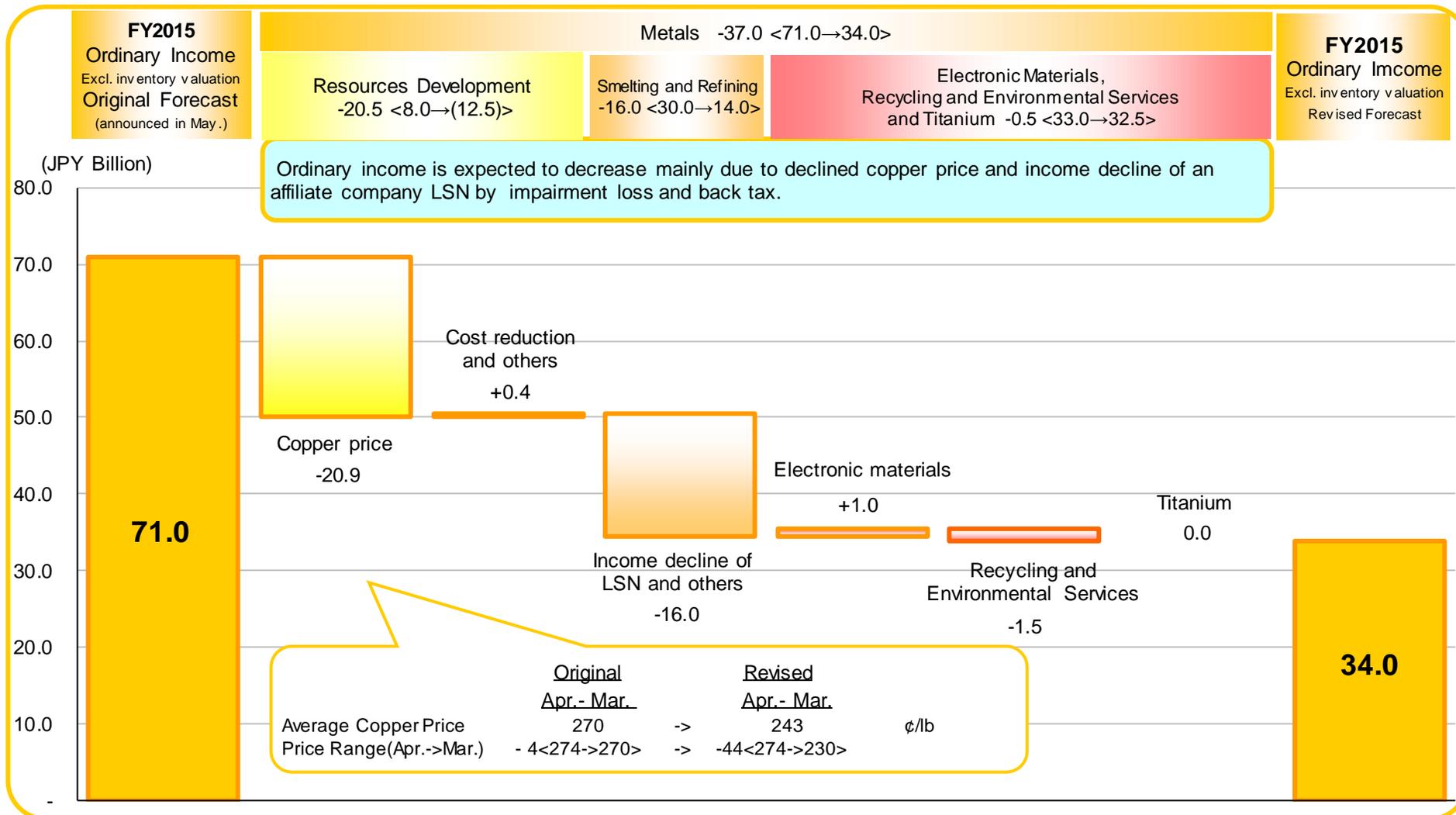
Ordinary income is expected to decrease mainly due to declined crude oil price, despite yen depreciation and cost reduction.

(JPY Billion)





FY2015 Original Forecast vs. FY2015 Revised Forecast Changes in Ordinary Income - Metals Business -



Major Topics (from April to October 2015)

JX Nippon Oil & Energy

- Apr. Started commercial operation at Hachinohe and Kushiro LNG terminal.
- Jun. Kawasaki Natural Gas Power Generation Co., Ltd. started full consideration on expansion of the generator.
- Sep. Started trial operation of a solvent de-asphalting (SDA) equipment and a power generation facility at the Kashima Refinery.

JX Nippon Oil & Gas Exploration

- Apr. Made an oil discovery at Deepwater Block R offshore Malaysia.
- Aug. Acquired a Participating Interest in the Foz do Amazonas Basin of the Brazilian Amazon region.
- Aug. Field Development Plan approved for Culzean in UK North Sea .

JX Nippon Mining & Metals

- May. Developed new plating technology, hyperTin®.
- May. Reorganized, aiming at more enforcement of the risk management system.

Key Factors

		FY2014			FY2015		
		1Q	1H	Full Year	1Q	1H	Full Year
		Actual	Actual	Actual	Actual	Actual	Forecast (announced in Nov.)
All segments	Exchange rate [Yen/\$]	102	103	110	121	122	121
Energy	Crude oil price [Dubai] [Apr.-Mar.] *1 [\$]/bbl]	105	105	88	59	57	53
Oil and Natural Gas E&P	Sales volume <Crude oil equivalent> [1,000 bbl/day]	115	112	115	113	116	125
	Crude oil price [Brent] [Jan.-Dec.] [\$]/bbl]	108	109	99	54	58	55
Metals	Copper price [LME] *2 [¢/lb]	319	314	311	275	256	243
	Equity entitled copper mine production *3 [1,000 tons/period · year]	33	65	148	39	81	206
	PPC copper cathode sales [1,000 tons/period · year]	152	307	623	144	308	597
	Treated rolled copper foil sales [1,000 km/month]	4.0	4.0	4.1	5.0	5.1	4.7
	Precision rolled products sales [1,000 tons/month]	3.7	3.8	3.8	3.7	3.8	3.9
	Gold recovery volume by Recycling & Environmental Services [tons/period · year]	1.3	3.0	5.9	1.6	3.5	6.6

*1 Crude oil arrival basis

*2 Due to a change of fiscal term, referring terms are different. 2014 1Q: Jan.-Mar., 1H: Jan.-Jun., Full Year: Jan.-Dec.; 2015 1Q: Apr.-Jun., 1H: Apr.-Sep., Full Year: Apr.-Mar.

*3 Production of companies closing in Dec., 1Q: Jan.-Mar., 1H: Jan.-Jun., Full Year: Jan.-Dec.; closing in Mar., 1Q: Apr.-Jun., 1H: Apr.-Sep., Full Year: Apr.-Mar.

Sensitivity Analysis (FY2015 basis)

■ Key factors (From October 2015 to March 2016)

Exchange Rate: 120Yen/\$

Crude Oil : 50\$/bbl
(Dubai spot)

Copper Price (LME) : 230 ¢/lb

■ Sensitivity analysis

Key Factors	Change	Segment	(JPY Billion) Impact
Exchange Rate	5 Yen/\$ yen depreciation	Energy (In-house fuel costs rise, margin improvement in petrochemicals)	+2.0
		Oil and Natural Gas E&P	-0.5
		Metals (Margin improvement, exchange gain)	+1.0
		Subtotal	+2.5
		Inventory valuation gain	+19.0
		Total	+21.5
Crude Oil (Dubai spot)	-5\$/bbl	Energy (In-house fuel costs drop)	+4.5
		Oil and Natural Gas E&P	-3.0
		Subtotal	+1.5
		Inventory valuation gain	-45.0
		Total	-43.5
Copper Price (LME)	+10¢/lb	Metals	+4.0
		Total	+4.0

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.