This document contains financial summary and financial statements translated from the original Japanese version, for convenience

Consolidated Financial Results for the Fiscal 2010〔Japanese GAAP〕

May 12, 2011

Company name: JX Holdings, Inc.
Code number: 5020
Stock listings: First Sections of Tokyo, Osaka, Nagoya Exchanges
URL: http://www.hd.jx-group.co.jp/
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Scheduled date of general shareholders' meeting : June 27, 2011
Scheduled date of filing of Securities Report : June 27, 2011
Scheduled date of commencement of dividend payments : June 28, 2011
Supplemental materials for the financial results : Yes
Financial results presentation : Yes (for institutional investors and analysts)

(Amounts of less than ￥1 million are rounded off)

1.Results for the Fiscal 2010 (From April 1, 2010 to March 31, 2011)

(1) Operating Results (Consolidated Basis)

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2010	9,634,396	－	334,402	－	413,667	－	311,736	－
FY2009	－	－	－	－	－	－	－	－

(Note) Comprehensive income : Year ended March 31, 2011:￥285,667 million (－ %) ; Year ended March 31, 2010: ￥－ million (－%)

	Net income per share	Net income per share after dilution	Return on equity	Ratio of ordinary income to total assets	Ratio of ordinary income to net sales
	Yen	Yen	%	%	%
FY2010	125.35	－	19.1	6.6	3.5
FY2009	－	－	－	－	－

(Reference) Equity in earnings of affiliates : Year ended March 31, 2011:￥75,974 million ; Year ended March 31, 2010: ￥－ million

(2) Financial Position (Consolidated Basis)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2010	6,259,958	1,886,241	26.0	654.77
FY2009	－	－	－	－

(Reference) Total shareholders' equity : Year ended March 31, 2011:￥1,628,321 million ; Year ended March 31, 2010: ￥－ million

(3) Cash Flows (Consolidated Basis)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2010	211,408	(170,908)	(71,228)	232,438
FY2009	－	－	－	－

2.Dividends

	Cash dividend per share					Total dividends amount	Payout ratio (Consolidated)	Dividends on equity ratio (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-End	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2009	－	－	－	－	－	－	－	－
FY2010	－	7.50	－	8.00	15.50	38,594	12.4	2.4
FY2011(Forecast)	－	8.00	－	8.00	16.00		19.9	

3. Forecasts of Consolidated Business Results in Fiscal 2011 (From April 1, 2011 to March 31, 2012)

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half of FY2011	4,850,000	7.0	170,000	122.6	205,000	78.1	100,000	(65.1)	40.21
Fiscal year	10,300,000	6.9	310,000	(7.3)	380,000	(8.1)	200,000	(35.8)	80.42

4.Others

(1) Changes in number of material subsidiaries during the term under review : None

(2) Changes in accounting treatment principles and procedures and presentation
- (i) Changes related to the revision of accounting standards : Yes
- (ii) Other changes : Yes

(3) Number of issued shares (common stock)

(i) Number of issued shares (including treasury stock)
FY2010 ended March 31, 2011 : 2,495,485,929 shares
FY2009 ended March 31, 2010 : ー shares

(ii) Number of treasury stock
FY2010 ended March 31, 2011 : 8,643,201 shares
FY2009 ended March 31, 2010 : ー shares

(iii) Average number of issued shares
FY2010 ended March 31, 2011 : 2,486,892,618 shares
FY2009 ended March 31, 2010 : ー shares

(Reference) Overview of Non-Consolidated Results

1.Non-Consolidated Results for the Fiscal 2010 (From April 1, 2010 to March 31, 2011)

(1) Operating Results (Non-Consolidated Basis)

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2010	10,907	ー	1,009	ー	1,165	ー	129,424	ー
FY2009	ー	ー	ー	ー	ー	ー	ー	ー

	Net income per share	Net income per share after dilution
	Yen	Yen
FY2010	51.95	ー
FY2009	ー	ー

(2)Financial Position (Non-Consolidated Basis)

	Total assets		Net assets		Shareholders' equity ratio		Net assets per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2010	3,040,679	ー	1,307,746	ー	43.0	ー	525.22	ー
FY2009	ー	ー	ー	ー	ー	ー	ー	ー

(Reference) Total shareholders' equity : Year ended March 31, 2011:￥1,307,746 million ; Year ended March 31, 2010: ￥ー million

Information Regarding the Audit

This report is not subject to audit pursuant to the Financial Instruments and Exchange Law. At the time of disclosure of this report, audit pursuant to the Financial Instruments and Exchange Law has not been completed.

Cautionary Statement Regarding Forward-Looking Statements and Comments in Particular

(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.

Additionally, please refer to the attachment 1.Operating Results (1) Analysis of Operating Results (Outlook for the next fiscal year) on page 8 of the exhibit for cautionary notes concerning forward-looking statements and the assumptions on which forward-looking statements are based.

(Supplemental materials for the financial results)

Supplemental materials for the financial results will be uploaded on the Company's website on Thursday, May 12, 2011.

(Comments in particular)

JX Holdings was established on April 1, 2010 as a result of the business integration between Nippon Oil Corporation and Nippon Mining Holdings, Inc. As the current fiscal year is the first fiscal year for JX Holdings, there are no consolidated financial statements for previous year.

Index of Attachments

1. Operating Results

JX Holdings, Inc. was incorporated on April 1, 2010, accompanying the management integration of two companies, Nippon Oil Corporation and Nippon Mining Holdings, Inc. As fiscal 2010 is the first consolidated fiscal year for JX Holdings, there is no report of the previous fiscal year's results.

(1) Analysis of Operating Results

(The Effects of the Great East Japan Earthquake and the Company's Response)

As an introduction, JX Group (the "Company") would like to provide a report of the effects of the Great East Japan Earthquake, and the Company's response.

After the occurrence of the earthquake on March 11, 2011 the Company and its core operating companies determined that the scale of damage suffered was severe, and each company president immediately established an office to work out response measures, made efforts to gather information on the status of victims of the disaster, and took emergency measures to fulfill the stable provision of the energy and resource requirements of each business area.

First, as for the Petroleum Refining and Marketing business, both the Sendai and Kashima refineries were damaged, the Negishi refinery temporarily shut down production operations, and beyond that, oil containment tanks and tanker trucks as well as service stations in the coastal areas in the Tohoku Region were damaged due to a magnitude 9.0 earthquake in Japan, the largest ever recorded, and the ensuing massive tsunami. In addition to this, logistical networks such as roads and railways were damaged, and oil provision in the disaster affected areas was temporarily interrupted.

Under these conditions, together with the implementation of production and procurement measures such as the early resumption of production at the Negishi refinery, the increase of crude oil processing capability at the Mizushima refinery, and the rerouting of export products to domestic provision needs, the Muroran and Negishi refineries are increasing their shipping of petroleum to the Tohoku Region, tanker trucks from western Japan are being sent to Tohoku on emergency dispatch, and, in addition, the Company has made every effort to supply petroleum supplies to the disaster regions through construction work to restore oil tanks as well as logistical support. As a result, it is possible that the disaster regions will have stable oil provision from mid-April of 2011.

Currently, the Kashima refinery is performing repairs of its shipping equipment, and inspections and repairs of its production equipment with the aim to restart production in mid-June of 2011. The Sendai refinery is expected to restart production next summer and the details of the restoration plans for this refinery are currently being developed.

As for the metals business, the Hitachi copper refinery which produces electrolytic copper, the Shirogane factory which handle the final stages of the manufacturing process for rolled copper foil (electronic product used in the elbow joints of cellular phones. No. 1 global market share.), the Isohara factory which produces ITO targets (electronic products used in the production of liquid crystal panels. No. 1 global market share.), and other factories and facilities in the Tohoku and Northern Kanto regions suffered partial damage, and though they have been forced to suspend operations due to power outages and water stoppages, the damage to each factory and facility is being repaired, and production of electrolytic copper and electronic products have started to resume accordingly.

The Company and its core operating companies will, in addition to donating 300 million yen to the Japanese Red Cross Society, use produce grown by farmers in the regions whose businesses were damaged financially by negative press due to the earthquake in their employee cafeterias, and also hold a farmers' market event for JX Group employees.

Furthermore, the Company will assist in the care and counseling of children who were victims of the disaster, and will present copies of a fairy tale book, "Bouquet of Fairy Tales" published by the Company as a gift for shelters.

Once again, the Company would like to express its deepest sympathies for the people affected by the disaster, and offers its prayers toward the speedy recovery of the affected regions.

(Consolidated Operating Results for the Fiscal Year)

Overview

Overall, the global economy continued to recover at a gradual pace during fiscal 2011, owing in part to the steady recovery of the U.S. economy supported by government stimulus measures, and the high level of economic growth in emerging nations resulting from exports and increased domestic demand. As for the Japanese economy, exports shifted to a fairly strong position, but while there has been recovery following the economic standstill due to the appreciation of the yen, there is concern that the economy will weaken as a result of the Great East Japan Earthquake.

In the crude oil and energy markets, crude oil prices remained stable for the first half of the fiscal year, but gradually increased in the second half as bright prospects for the world economy were beginning to be seen along with an inflow of investment capital. In addition, the price of Dubai crude reached a level of 110 dollars per barrel in March of this year, due to the influence of political instability in Middle Eastern and North African countries sparked by the political coup in Tunisia. The price of copper also exceeded $10,000 per ton in international markets (price on the London Metal Exchange (LME) in February of this year, the highest price ever recorded, as the recovery trend of global demand continued.

On the other hand, although the price of the Japanese yen against the U.S. dollar was 93 yen to the dollar at the beginning of the fiscal year, the yen appreciated, and in March temporarily broke 80 yen to the dollar.

In this operating environment, the consolidated financial results for this fiscal year consisted of net sales of 9,634.4 billion yen, ordinary income of 413.7 billion yen, and net income for the term of 311.7 billion yen. The impact of inventory valuation excluding ordinary income was 356.1 billion yen.

Petroleum Refining and Marketing Business (JX Nippon Oil & Energy Group)

Domestic demand for petroleum products as a whole remained at the same level as the previous fiscal year due to factors such as the decline in fuel oil A resulting from the progress of fuel conversion, although demand for gasoline and diesel oil increased attributable to record high temperatures in the summer as well as demand for fuel oil C for electricity exceeded the previous fiscal year affected by the hot summer and the cold winter.

Under this circumstance, in order to promptly realize business reforms that became available for the first time through the management integration, the Company implemented the following policies and measures with respect to the Petroleum Refining and Marketing Segment.

In the area of production, in order to appropriately handle the decline in domestic demand and establish the production system with the highest competitiveness in Japan, the Company promoted the reduction of refining capacity and the efficiency of refineries. Specifically, in addition to sequentially reducing refining capacity in the Kashima, Negishi, Mizushima and Ohita Refineries, through the establishment of “Osaka International Refining Company, Limited” by a joint venture with the China National Petroleum Corporation Group and the conversion of the Osaka Refinery into an export-driven refinery for Asia/Pacific Ocean markets, the Company as a whole reached its goal of reducing refining capacity by 400,000 barrels per day (BD) and capacity utilization of the Company’s refineries rose dramatically. Furthermore, each refinery focused on streamlining its operations through efforts such as increasing the production of petrochemical products such as propylene, and efficient use of self-consuming energy.

Among marketing initiatives, in order to realize the positive benefits from the integration at an early stage, the Company has decided to adopt the “ENEOS” brand uniformly for all of its petroleum product marketing activities, and adopted the symbol mark design for all affiliated service stations. In addition, in November 2010, as a new product after adopting the uniform brand, the Company commenced the sales of ENEOS premium motor oil “SUSTINA”, a fuel-efficient and engine cleaning lubricant. Furthermore, in order to strengthen the business base for LP gas (liquefied petroleum gas) which is experiencing severe competition from other forms of energy including natural gas and electric power, in March 2011, the Company launched a new company “ENEOS GLOBE Corporation” by spinning off its LP gas operations and integrating with Mitsui Marubeni Liquefied Gas Co., Ltd. which operates the same business. As for petrochemical products, the supply capacity of paraxylene (synthetic fibers, a material used to make plastic bottles) has reached a maximum of 262 million tons in Asia because of the integration, and the Company has been gearing its marketing towards the Asian market by focusing on paraxylene and propylene sales.

In overseas business operations, the Company established a new lubricants production company in Indonesia in December 2010 and is currently preparing to start the production in March 2012. In the past, the Company established lubricants production companies at five locations in three countries (China, Singapore and U.S.). Through the current establishment of a new production base in Indonesia, the Company would like to further strengthen its system in order to obtain expanding demand for lubricants in Asian countries.

In new energy business, with regard to residential-use fuel cell systems to be sold with a name “ENE FARM,” in addition to the proton-exchange membrane fuel cell (“PEFC”) which was sold until now, the Company decided to commence the sales of solid oxide fuel cells (“SOFC”) as a new model around October 2011. Compared to PEFC, SOFC is more compact with the characteristics of superior power generation efficiency, and demand for the SOFC as an eco-friendly distributed power generator is expected to grow in the future. In storage batteries business, where considerable further expansion of demand is anticipated, the Company established a joint venture called Power Carbon Technology Co., Ltd. with South Korean oil company GS Caltex Corporation, and it began production and sales of capacitor carbon materials for electrodes in April 2010. Capacitors are efficient electrical storage devices to retrieve large amounts of electricity in a short time. In addition, in February 2011, the Company reached an agreement with GS Caltex Corporation that the production and sales of negative-electrode materials for use in lithium-ion batteries to be operated by Power Carbon Technology Co., Ltd., and a production facility is currently being constructed which is planned to be completed in March 2012.

With regard to the Petroleum Refining and Marketing business, the Company set a goal in its Medium-Term Management Plan, to achieve an improvement in profits of ¥109.0 billion within three years after the integration, which is an aggregate amount of the integration synergies of ¥80.0 billion and ¥29.0 billion accompanying the increase in efficiency of refineries. During the current fiscal year, which is the first year after the integration, due to efforts such as optimal production/saving of energy in refineries/plants, efficiency of distribution, and the promotion of cost reduction in each segment, the Company realized improvements in profits of ¥49.6 billion (of the amount, the positive impact of the integration synergies was ¥38.8 billion and efficiency of refineries was ¥10.8 billion, respectively).

Under such circumstances, net sales of the Petroleum Refining and Marketing business amounted to ¥8,131.9 billion, and ordinary income amounted to ¥253.7 billion, due to factors such as inventory valuation factors (by which inventory valuation under the gross average method pushed down the cost of sales due to an increase in crude oil prices) of ¥57.2 billion and the steady performance of refinery products margin.

Oil and Natural Gas Exploration and Production (E&P) Business (JX Nippon Oil & Gas Exploration Group)

Because the global demand for oil and natural gas remains on a track towards recovery and is expected to increase in the mid to long-term, fierce competition for oil and gas fields continues. In addition, in the wake of the Gulf of Mexico Oil spill, the environment surrounding the Oil and Natural Gas E&P business became more severe, as can be seen from the fact that the regulations governing operation were strengthened in the U.S. which resulting in an increase in development costs.

Under such circumstances, in the Oil and Natural Gas E&P business, the Company has set long-term goals to produce crude oil and natural gas in the amount of 200 thousand barrels of oil equivalent per day, and, pursuant to the foundational strategies of the Medium-Term Management Plan, the Company developed the following various policies:

In the exploration business, which is the base of the replenishment and expansion of our reserves, the Company discovered new crude oil and natural gas deposits in two exploratory wells in the offshore mining site in Vietnam. Furthermore, of the exploration mining sites where natural gas has already been discovered, the Company confirmed that we can expect the commercialization of a natural gas pool in the U.S. Gulf of Mexico and a natural gas/condensate pool in the UK North Sea, and therefore, the Company will continue to promote a valuation of reserves and review of development plans. In addition, the Company newly acquired rights for exploration in the UK North Sea.

As for development operations in the preparatory stage for commercial production, the Company promoted the LNG project in Papua New Guinea and constructed a plant with a target date for the first shipments of LNG in 2014. In addition to a newly acquisition of the undeveloped Hail Field, Abu Dhabi

Oil Co., Ltd. successfully entered into a concession contract of thirty years with regard to the rights of exploration of three oil fields which are currently being operated in the United Arab Emirates. Because the Company can utilize the existing production facilities which it holds for the development of the Hail Field, highly economic development/production is expected.

In production operations in oil and gas fields which are currently being operated, the Company focused on safety/stable operations of projects being deployed all over the world including in Vietnam and Malaysia where the Company leads projects as an operator, and produced crude oil and natural gas amounting to 140 thousand barrels of oil equivalent per day.

In addition, as part of restructuring of its asset portfolio (selection and concentration for optimization of held assets), the Company sold a portion of the oil and gas fields it held in the U.S. Gulf of Mexico. Furthermore, with respect to approaches to new technology, the Company, jointly with Japan Oil, Gas and Metals National Corporation and Petro Vietnam (Vietnam Oil and Gas Group), has decided to conduct verification tests of a technology that will involve injecting CO_2 into the oil layer where it interacts with the oil to boost the crude oil recovery rate at the Rang Dong oil field in Vietnam currently being operated. Because this technology has the effect of retaining CO_2 emitted by industrial activities, at the same time of increasing the production capacity of crude oil by utilizing such CO_2, it is expected to help to prevent the global warming.

Under such circumstances, in the Oil and Natural Gas E&P business, net sales amounted to ¥148.8 billion and ordinary income amounted to ¥59.5 billion due to firm crude oil prices.

Metals Business (JX Nippon Mining & Metals Group)

Demand for copper shifted to a stronger position as economic growth continued, particularly in China. As for demand for electric materials (functional materials (copper foil, precision rolled products, and precision fabricated products) and thin film materials), although demand was favorable for the first half of the current fiscal year against the backdrop of the increase in production of end products overseas, demand for related electric materials grew at a sluggish pace for the latter half of the current fiscal year, due to the impact of inventory adjustment of partial end products.

Under such circumstances, in the Metals business, pursuant to the basic strategies of the Medium-Term Management Plan, the Company developed the following various policies.

In the Copper business, in addition to strengthening the resources area in order to raise the self-sufficiency ratio of copper concentrate (which is measured by the percentage of equity entitled copper mine production against smelting requirements) and additionally acquiring rights for exploitation in the Escondida Mine (Chile), the Company pursued the construction work in the Caserones Copper and Molybdenum Deposit (Chile) with a target date for the commencement of production in the fiscal year 2013. Furthermore, at the Quechua Copper Deposit (Peru), the Company pursued the investigation and valuation in order to make a decision on whether or not to develop the Deposit. In the production segment, operations remained steady at the Saganoseki Smelter & Refinery, the Tamano Smelter and a joint venture smelter & refinery in South Korea. In addition, a copper wire rod manufacturer in China constructed a state-of-the-art facility with an annual production capacity of 300 thousand tons and commenced its operations in March 2010.

Next, in the environmental and recycling business, the Company is planning to reinforce its business foundations, by bringing the HMC (Hitachi Metal Recycling Complex), which recovers non-ferrous materials from a wide variety of diverse recycled materials, to full operating capacity. Furthermore, in order to increase the collection of recycled materials, the Company's Saganoseki smelting plant receives recycled materials from its Taiwanese subsidiary, and began recovering valuable metal materials. Technology for recycling the rare metals contained in used automobile lithium-ion batteries has already completed verification tests, and the Company is working towards commercialization.

In the electronic materials business, the Company acquired all the stock of Sanyu Electronic Industrial Co., Ltd, a plating maker, and in addition to enhancing its manufacturing processes post-precision machining, has made Suzuki Manufacturing Co., Ltd, a precision press working company, a wholly-owned subsidiary of the Company, expanding the integrated production process from precision rolling to pressing and plating.

In addition, the Company has begun construction this year on its assembly plant in Kakegawa City, Shizuoka Prefecture, which will produce precision components for automotive electronics (pressing and plating treatment of precision rolled products), and the Company plans to further enhance the supply structure for precision components.

Also, work has begun at the Isohara factory to construct equipment in order to make system preparations for the mass production of high-grade cathode materials used in lithium-ion batteries installed in next-generation environmentally-supportive vehicles such as electric automobiles.

Under these conditions, in the Metals business, net sales were 940.6 billion yen, and ordinary income was 70.7 billion yen, as metal prices shifted to a firm position.

Other Businesses

Net sales for the Other businesses amounted to ¥472.8 billion, and ordinary income amounted to ¥25.1 billion.

With respect to the civil engineering works such as the construction of pavement, which are core businesses of NIPPO Corporation, although a tendency of recovery has been seen in private capital investment, public investment remained weak, and NIPPO continued to confront a difficult operating environment. However, NIPPO worked aggressively to improve profitability by obtaining orders based on its technological superiority, reducing costs, and increasing efficiency.

With respect to the titanium business operated by Toho Titanium Co., Ltd., under the environment where demand for titanium in both the aircraft industry and the general industrial sectors has been recovering, an operation commenced at a new titanium sponge factory in Kita-Kyushu City (Wakamatsu Factory) which resulted in a significant increase in a production capacity of titanium sponge.

Sales amounts provided on a segment basis include inter-segment transactions amounting to ¥59.5 billion.

Special Profit & Loss and Net Income

Special profit totaled ¥257.6 billion, including ¥226.5 billion of amortization of negative goodwill accompanying the management integration (gain on generation of negative goodwill), ¥14.5 billion in gain on sales of property, plant and equipment, ¥11.5 billion in gain on change in equity of consolidated subsidiary, and other factors. In addition, special loss totaled ¥264.1 billion, including ¥126.0 billion in loss on disasters, ¥41.7 billion of impairment losses, ¥30.5 billion of additional costs for special retirement benefit, ¥14.3 billion in loss on disposal of property, plant and equipment, and other factors.

The above factors resulted in income before income taxes and minority interests of ¥407.2 billion. Deduction of ¥69.5 billion in total income taxes and ¥26.0 billion in minority interests in earnings of consolidated subsidiaries resulted in net income of ¥311.7 billion.

(Outlook for the next fiscal year)

With respect to the consolidated business results for the next fiscal year, the Group expects the net sales of ¥10.3 trillion (an increase of 6.9% in comparison with this fiscal year), operating income of ¥310.0 billion (a decrease in profit of ¥24.4 billion in comparison with this fiscal year), ordinary income of ¥380.0 billion (a decrease in profit of ¥33.7 billion in comparison with this fiscal year), and net income of ¥200.0 billion (a decrease in profit of ¥111.7 billion in comparison with this fiscal year). The impact of the valuation of inventories under gross average method to reduce cost of sales (¥80.0 billion) has been included in operating income and ordinary income.

This outlook is based on the assumption of the full fiscal year average of (i) crude oil prices (the price of Dubai crude oil): $100 per barrel, (ii) international copper price (LME price): 380 cent per pound (approximately $8,400 per ton), and (iii) the yen to U.S. dollar exchange rate: 85 yen.

The impact of the Great East Japan Earthquake has been incorporated into this outlook to the extent the Group is able to anticipate such impact, such as losses on the non operation of affected refineries.

The consolidated business results forecasts are provided based on the information available at the time of the announcement of this document. Actual business results may differ from previously forecasted figures due to various factors in the future.

(2) Analysis of Financial Position

(Consolidated Balance Sheet)

① Assets: Consolidated total assets at the fiscal year-end amounted to ¥6,260.0 billion.

② Liabilities: Consolidated total liabilities at the fiscal year-end amounted to ¥4,373.7 billion.
Please note that interest-bearing debt at the fiscal year-end was ¥2,264.6 billion.

③ Net assets: Consolidated net assets at the fiscal year-end amounted to ¥1,886.2 billion.

The shareholders' equity ratio at the fiscal year-end was 26.0%, net assets per share was ¥654.77, and net D/E ratio (net debt equity ratio) was 1.25 times.

(Consolidated Statements of Cash Flows)

Cash and cash equivalents (hereinafter "cash") at the end of the fiscal year under review totaled ¥232.4 billion, an increase of ¥48.4 billion from the beginning of the fiscal year. Cash flows and factors affecting cash flows are discussed below.

Net cash increased by ¥211.4 billion as a result of operating activities. This is due to factors including an increase in cash resulting from income before income taxes and minority interests (¥407.2 billion) and depreciation and amortization (¥206.6 billion), which exceeded decrease in cash resulting from generation of negative goodwill (¥226.5 billion) and an increase in inventories (¥204.8 billion).

Net cash decreased by ¥170.9 billion as a result of investment activities. This was principally attributable to investment in petroleum product production facilities at refineries and investment in the Oil and Natural Gas E&P business.

Net cash decreased by ¥71.2 billion as a result of financing activities. This was attributable to payments (¥39.7 billion) accompanying a decrease in interest-bearing liabilities as well as the payment of dividend (¥30.4 billion).

The following table shows the trends in cash flow related indices for the Group.

	Year ended March 31, 2011
Shareholders' Equity Ratio (%)	26.0
Shareholders' Equity Ratio on a Market Value Basis (%)	22.2
Debt Service Years	10.7
Interest Coverage Ratio	7.3

(Notes) Definitions of indicators are as follows:

-- Shareholders' equity ratio: equity / total assets

-- Shareholders' equity ratio on a market value basis: Total value of stock at market price / Total assets

-- Debt service years: Interest-bearing debt / Net cash provided by operating activities

-- Interest coverage ratio: Net cash provided by operating activities / Interest paid

1. All indicators have been calculated based on consolidated financial data.
2. The total value of stock at the market price has been calculated by using the number of shares outstanding as a base (after excluding treasury stock).
3. Cash flow is the net cash provided by operating activities shown in the Consolidated Statements of Cash Flows.
4. As for interest-bearing debt, the total value of short-term loans, commercial paper, corporate bonds and long-term debts shown in the Consolidated Balance Sheets is used, and as for interest paid, the amount of interest paid shown in the Consolidated Statements of Cash Flows is used.

(3) Basic Policies Regarding Allocation of Profits and Determination of Dividends for the Current and Next Fiscal Years

It is the Company's policy to maintain stable dividend payments to our shareholders based on the implementation of return of interests reflecting the consolidated business results.

The Company plans to pay period-end dividends of ¥8 per share, which combined with the interim dividends amounts to annual dividends of ¥15.50 per share.

Based on the above policy, the Company plans to pay interim dividends of ¥8 per share and year-end dividends of ¥8 per share, the total of which will amount to annual dividends of ¥16 per share for the next fiscal year.

(4) Business and Other Risks

The JX Holdings Group (hereinafter, JX Group) faces a variety of risks that may have an important impact on its business performance. The principal risks are those outlined below. Please note that forward-looking statements made in this section are, unless otherwise stated, judgments made by JX Holdings, Inc., as of the date of presentation of this report.

Risks of the Management Integration

(1) Risks of not attaining the anticipated positive effects of the integration

JX Holdings, Inc., was established on April 1, 2010, through a joint transfer of shares between Nippon Oil Corporation and Nippon Mining Holdings, Inc., as the first step in the management integration. On July 1, 2010, as the second step in the management integration, the JX Group made up its Group organization with JX Holdings as the holding company and three core operating companies of the Petroleum Refining and Marketing business, the Oil and Natural Gas E&P business, and the Metals business.

The JX Group is taking initiatives to realize integration synergies and implanting thorough going measures to reduce costs. However, in the event that the JX Group is unable to successfully deal with the range of issues it will confront in the process of integration, there is a possibility that the JX Group will not be able to attain the positive effects of the integration. The principal issues that must be addressed are as follows.

- Integration of the organizations and cultures of the JX Group companies
- Rationalization of redundant equipment and facilities, including reduction of petroleum refining capacity and related issues
- Rapid and efficient unification of products and services
- Efficient allocation of management resources
- Integration of information systems

(2) Risks of changes in relationships with customers and business partners as a result of the integration

Since the JX Group has become a holding company group, there may be requests from customers, suppliers, and business partners of the Nippon Oil Group and the Nippon Mining Holdings Group to delay or suspend transactions or dissolve joint business relationships. As a result, if relationships with such customers, suppliers, and/or business partners change, this may have a material impact on the JX Group's financial position and business performance.

Risks Affecting the Entire JX Group

(1) Country risks relating to sources of raw material supplies

The JX Group procures large quantities of raw materials outside Japan. In particular, it is almost entirely dependent on limited crude oil reserves in the Middle East as well as on limited copper concentrate sources in South America, Southeast Asia, and Australia. Country risks in those countries or regions—for example, involving political instability, social unrest, deterioration in economic conditions, or changes in laws or policies—may have an impact on the JX Group's performance.

(2) Risks relating to business operations in China and other East Asian countries

Sales of such products as refined copper, petrochemical products, and electronic materials made by the JX Group depend heavily on demand in Asian countries, notably China, and the JX Group is expected to undertake further business expansion in those regions.

In the event that, for whatever reason, there is a decline or other changes in demand for the JX Group's products in these areas, it may have a material impact on the JX Group's financial position and business performance.

(3) Risks relating to foreign exchange rate fluctuations

Portions of the JX Group's receipts and payments arise from business transactions denominated in foreign currencies, and the JX Group also has substantial assets and liabilities denominated in foreign currencies. Consequently, fluctuations in foreign exchange rates may affect the value of assets, liabilities, receipts, and payments when converted into yen.

In addition, fluctuations in foreign exchange rates may also have a material impact when the financial statements of overseas consolidated subsidiaries or equity-method affiliates are converted into yen.

(4) Risks relating to collaboration with third parties and business investments

In a variety of business fields, the JX Group collaborates with third parties through joint ventures and other arrangements, and also makes strategic investments in other companies. These partnerships and investments play an important role in the JX Group's businesses, and, in the event that, for various reasons, key joint ventures experience financial difficulties, or it is not possible to achieve the desired results from collaborative relationships or investment, this may have a material impact on the JX Group's financial position and business performance.

(5) Risks relating to business restructuring

The JX Group is taking steps to reduce costs, concentrate its business activities, and enhance efficiency. However, it is possible that substantial special losses related to such restructuring may occur.

In the event that the JX Group is unable to execute business restructuring appropriately, or that the restructuring does not achieve the envisaged improvements in the JX Group's business operations, this may have a material impact on the JX Group's financial position and business performance.

(6) Risks relating to capital expenditures and investments

Continuing capital expenditures, including investments and loans, are necessary for the ongoing maintenance and growth of the JX Group's businesses. However, it is possible that, for such reasons as inadequacy of cash flows, it may become difficult to implement these plans. In addition, it is possible that actual investment amounts will greatly exceed projections, or that projected earnings will not materialize.

(7) Risks relating to resource development

The JX Group conducts exploration and development activities related to oil and natural gas fields and copper deposits. At present, these activities are in various stages of development on the way toward full commercial operation. The success of exploration and development is influenced by a wide range of factors, including the choice of areas for exploration and development, the construction cost of equipment, permits that must be received from governments, and fund-raising. In the event that individual projects do not reach the commercial viability stage and funds invested cannot be recovered, this may have a material impact on the JX Group's financial position and business performance.

(8) Risks relating to environmental regulations

The JX Group's businesses are subject to a wide range of environmental regulations. These regulations impose expenses for environmental cleanups, and, if environmental pollution were to occur, the payment of fines and compensation would be required, making it difficult for the JX Group to continue its operations.

The JX Group's operations give rise to considerable quantities of wastewater, gas emissions, and waste materials, and unforeseen circumstances may cause the volumes of these discharges to rise above their permitted levels. It is also possible that in the future environmental regulations may be tightened. The obligations and burdens imposed on the JX Group by these environmental regulations and standards may have a material impact on the JX Group's financial position and business performance.

(9) Risks relating to operations

The JX Group's businesses are exposed to a variety of risks relating to its operations, such as risks of fire, explosions, accidents, import or export restrictions, natural disasters, mine collapses, climatic or other natural phenomena, labor disputes, and restrictions on the transportation of raw materials or products. If such accidents or disasters were to occur, considerable losses may ensue.

The JX Group obtains insurance coverage for accidents, disasters, and other contingencies, to the possible and appropriate extent, but it is possible that compensation may not cover the full cost of any damages that occur.

(10) Risks relating to intellectual property rights

In the execution of its businesses, the JX Group owns patents and other intellectual property rights of various kinds, but, in certain circumstances, it is possible that intellectual property rights may be difficult to obtain or their validity may be contested. It is also possible that the JX Group's corporate secrets may be disclosed or misused by a third party, or that owing to the speed of technical progress, the protection afforded by intellectual property rights becomes inadequate with respect to technologies vital to the JX Group's businesses.

In addition, a claim from a third party of infringement of intellectual property rights in regard to the JX Group's technologies may lead to the payment of substantial royalties or to the prohibition of use of the relevant technologies.

In such cases as those referred to above, in which the JX Group is unable to obtain or make adequate use of intellectual property rights for the conduct of its businesses, the JX Group's business performance may be affected.

(11) Risks relating to interest-bearing debt

The large size of its interest-bearing debt may restrict the business activities of the JX Group. In addition, to make repayments of principal and interest relating to this debt, it may be necessary for the JX Group to raise funds through additional borrowings or the sale of assets. However, the JX Group's ability to conduct such fundraising may depend upon a variety of factors, such as the state of financial markets, the JX Group's share price, and whether or not there are buyers for the assets. Additionally, if interest rates rise—either within Japan or overseas—the resultant increase in interest burden may have a material impact on the JX Group's financial position and business performance.

(12) Risks relating to write-down of inventories owing to decreased profitability

The JX Group has large amounts of inventories. In the event that the net market value of inventories at the end of the fiscal period is lower than the corresponding book value owing mainly to declines in market prices of crude oil, petroleum products, and rare metals, the book value must be reduced in line with net market value. The difference between book values and net market value must be charged to cost of sales and will result in a decline in profitability. Such write-down of inventories may have an impact on the JX Group's financial position and business performance.

(13) Risks relating to the impairment of fixed assets

The JX Group has substantial fixed assets. In the future, if such factors as changes in the business environment cause the profitability of fixed assets to decline and make it unlikely that funds invested can be recovered, their book value will be reduced to reflect the likelihood of recovery, and it will be necessary to post the amount of the reduction as an impairment loss. This may affect the JX Group's financial position and business performance.

(14) Risks relating to information systems

Information systems may become inoperative, as a result of earthquake and other natural disasters as well as accidents, and business operations may have to be suspended. In such an event, this may disrupt the production and marketing activities of the JX Group and have a serious impact on the business of business partners.

(15) Risks relating to the establishment of internal control systems

The JX Group is making every effort to enhance compliance, risk management, and other functions as well as to strengthen its internal control systems, including internal financial reporting systems.

In cases where the JX Group's internal control systems do not function effectively, or situations arise in which the reliability of disclosure cannot be guaranteed, there is a risk that confidence among its stakeholders may be significantly impaired, and this may materially affect the financial position and business performance of the JX Group.

(16) Risks relating to the management of personal information

The JX Group manages personal information in relation to such services as petroleum product sales and periodic precious metal investment plans. The implementation of measures necessary to protect that information may require considerable expenses going forward. Furthermore, the leakage or misuse of customers' personal information may have a material impact on the aforementioned business activities

Risks by Segment

Petroleum Refining and Marketing

(1) Risks relating to fluctuations in margins in the Petroleum business

The margins in the JX Group's Petroleum business are determined by factors beyond the control of the JX Group, largely by the difference between crude oil prices and the prices of petroleum products.

Factors influencing crude oil prices include the Japanese yen to U.S. dollar exchange rate, the political situation in oil-producing regions, production adjustments by the Organization of the Petroleum Exporting Countries (OPEC), and global demand for crude oil. Factors that influence the prices of petroleum products include demand for petroleum products, overseas petroleum product market conditions, domestic petroleum-refining capacity and capacity utilization ratios, and the total number of service stations in Japan.

Previously, the JX Group had decided to link the prices of petroleum products to fluctuations in crude oil prices, but in order to construct a fair and transparent price system that accurately reflects petroleum product supply and demand conditions and market trends, from November 2008, the JX Group changed to a price system reflecting the petroleum product market. Accordingly, changes in crude oil prices or petroleum product market conditions may have a significantly adverse effect on margins, thereby resulting in a material impact on the JX Group's financial position and business performance.

Furthermore, margins for petrochemical products are affected by the difference between prices for major raw materials, such as crude oil and naphtha, and prices for petrochemical products. These margins are determined by factors beyond the control of the JX Group. Petrochemical product prices are affected by such factors as increases in supply capacity through the construction of new production facilities or the expansion of existing facilities, and demand trends for apparel, automobiles, home electronics, and other goods. Owing to weak market conditions, it may be difficult to pass on cost increases stemming from higher crude oil and naphtha prices to product prices. This may have a material impact on the JX Group's financial position and business performance.

(2) Risks relating to demand fluctuations and competition in domestic petroleum products

Mainly in the industrialized countries, initiatives related to the Earth's environment have been stepped up, with the aim of accelerating the development of a "low carbon society". These initiatives include making reductions in greenhouse gas emissions and promoting the saving of energy and natural resources. Amid these developments, the demand for petroleum products in Japan is expected to continue to decline along with the trends toward the wider use of fuel efficient automobiles and the progress toward transition to other energy sources, such as gas and electricity. In the event that this decline in domestic demand continues or accelerates, this may have a negative impact on the JX Group's financial position and business performance. Moreover, in the domestic petroleum refining and marketing business, competition among industry participants at present is intense, and there is a possibility that the trend toward lower demand in the domestic market may accelerate such competition. More-intense competition may have a material impact on the JX Group's financial position and business performance.

(3) Risks relating to sources of procurement of crude oil and petroleum products

The JX Group procures all its crude oil from overseas, primarily from the Middle East, and some petroleum products are procured abroad and in Japan. Such factors as changes in the political situation in oil-producing countries, and changes in the supply and demand balance for petroleum products in Japan and abroad, may hamper the procurement of crude oil and petroleum products. Inability to secure an appropriate alternative supply source may have a material impact on the JX Group's financial position and business performance.

(4) Risks relating to valuation of inventories

The JX Group values inventories, including crude oil and petroleum products, by the average cost method. During a phase of rising crude oil prices, inventories initially valued at a comparatively low level will act to increase profits by pushing down the cost of sales. However, in a phase of falling crude oil prices, inventories initially valued at a comparatively high level will act to decrease profits by pushing up the cost of sales. This may have a material impact on the JX Group’s financial position and business performance.

Oil and Natural Gas Exploration and Production (E&P)

(1) Risks relating to crude oil prices and currency exchange rate fluctuations in oil and natural gas E&P

Sales in the Oil and Natural Gas E&P business fluctuate along with changes in crude oil prices and movements in foreign currency exchange rates. When crude oil prices are rising and the value of the yen is declining, sales in yen terms increase. When the crude oil prices are falling and the yen is appreciating, sales in yen terms decrease. Therefore, during times when crude oil prices move downward and when the yen is appreciating, the performance of the JX Group is adversely affected because of the decline in sales in yen terms.

(2) Risks relating to securing human resources

For the JX Group to show sustained growth in its Oil and Natural Gas E&P business, it must recruit personnel with high-level specialized expertise and broad experience. On the other hand, the competition for recruiting top-quality personnel in the industry is intense, and there are no guarantees that the JX Group can secure such personnel. If the JX Group cannot hire such personnel, it may lose profit-making opportunities and its competitiveness may decline. This may have a negative impact on the JX Group’s financial position and business performance.

(3) Risks relating to securing reserves

As a result of international competition for resources, the conditions the JX Group must meet in order to compete to secure reserves have become substantially more challenging. The future oil and gas output of the JX Group will depend on the extent to which it can secure reserves through exploration, development, and acquisition of resources rights that make possible production on a commercial basis. In the event that the JX Group cannot supplement its reserves of oil and gas, its production volume may decline in the future, and this may have a negative impact on the JX Group’s financial position and business performance.

(4) Risk relating to equipment for oil and natural gas E&P

To conduct exploration and production of oil and natural gas, the JX Group must obtain drilling and other equipment and related services from third parties. When the price of crude oil is rising and in similar circumstances, such equipment and services are in short supply. In the event that the JX Group cannot obtain such equipment and services with the proper timing and on economical conditions, this may have a negative impact on the JX Group's financial position and business performance.

Metals

(1) Risks relating to fluctuations in market conditions in the copper business

The JX Group's copper business mainly derives its profit from its copper smelting and refining business and investments in overseas copper mines. Any changes in related market prices, as listed below, could have a material impact on the financial position and business performance of the JX Group.

The JX Group's copper smelting and refining business operates as a custom smelter that purchases copper concentrate from overseas copper mines and produces and sells refined copper. The gross margin mainly comprises smelting and refining margins and sales premiums.

Smelting and refining margins are determined by negotiations with the mines that produce copper concentrate, but in recent years, the supply of copper concentrate to the market has tended to be inadequate owing to such factors as a lower concentrate grade, the emergence of an oligopoly of mining majors, and increasing demand in China, India, and other emerging economies. With these factors, copper concentrate remains in short supply, placing downward pressure on smelting and refining margins. In addition, the smelting and refining margins have been concluded in U.S. dollars, and in some contracts must partially reflect fluctuations in the international refined copper price. Therefore, smelting and refining margins decline when the yen appreciates in value and when international copper prices fall.

Sales premiums, which are added to the international refined copper price, are determined through negotiations with customers in consideration of a variety of factors, such as importation costs and product quality. Depending on the outcome of such talks, sales premiums could be adversely affected.

The JX Group is also exposed to the risk of reduced returns on equity-method investments in overseas copper mines, should there be any fall in international prices of refined copper, since prices of copper concentrate are based on international prices of refined copper

(2) Risks relating to the stable procurement of copper concentrate

In view of the tight supply and demand conditions for copper concentrate, the JX Group has been investing in and financing overseas copper mines with the objective of securing stable supplies of copper concentrate. However, if the JX Group is unable to procure the copper concentrate its smelting and refining business needs at the appropriate time, owing to any disruption of operations of overseas copper mines, whether the JX Group has invested or not, the financial position and business performance of the JX Group could be materially affected.

(3) Risks relating to such factors as demand fluctuations and technical innovation in the electronic materials business

Many customers of the electronic materials business are in the IT-related products and consumer electronics industries. Consequently, such factors as supply and demand conditions and price movements in those industries may have a material impact on the JX Group's business performance. Additionally, if the JX Group is unable to respond appropriately to rapid technical innovation or changes in customer needs, this may have a material impact on the JX Group's financial position and business performance.

(4) Risks relating to competition in the electronic materials business

The electronic materials business is facing fierce competition, and some competitors in this field have powerful corporate strengths in comparison with those of the JX Group. This competition may have a material impact on the JX Group's business performance.

(5) Risks relating to fluctuations in raw material prices in electronic materials

The prices of the raw materials used in electronic materials fluctuate in accordance with the market prices of metals and other materials. If increases in the costs of these raw materials cannot be passed on in the product prices, or if there is some extent of decline in the market value of inventories compared with the corresponding book value at the start of the fiscal period, there may be a material impact on the JX Group's business performance.

(6) Risks relating to environmental issues surrounding Gould Electronics, Inc. (a U.S. subsidiary)

In relation to environmental issues that arose in the past in its business activities, Gould Electronics, Inc., a U.S.-based subsidiary, is a potential responsible party with regard to specific designated areas within the United States under U.S. environmental laws, such as the Superfund Act. The ultimate financial burden the subsidiary will bear may depend on numerous factors, including the quantity of the substance and its toxicity for which the areas were designated, the total number of other potential responsible parties and their financial position, and remedial methods and technologies.

In relation to this matter, Gould Electronics, Inc., is providing reserves that it considers appropriate, but owing to the factors referred to above, the actual amount of the burden may exceed these reserves, in which case the JX Group's business performance may be affected.

Other Operations

(1) Risks relating to fluctuating demand in the construction business

The JX Group's construction business relies heavily on the demand for contracted paving, civil engineering, and construction projects. Therefore, declines in public investment and private capital investment (including private residential investment) may have a negative impact on the JX Group’s construction business.

(2) Risks relating to fluctuating demand in titanium business

The demand for titanium metals (titanium sponge and titanium ingots) is linked primarily to demand for specific purposes, such as for aircraft, electric power plants, chemical plants, and seawater desalination plants. Moreover, its use in catalysts is almost entirely confined to propylene polymerization.

If demand for titanium in these specific applications fluctuates substantially, due to changes in domestic or overseas political and economic conditions, or due to major changes in related consuming industries, it may have an impact on the JX Group’s business performance, since such fluctuations in demand give similar extent of effect to the sales volume and prices of titanium products.

2. The Corporate Group

Shown below are descriptions of the main businesses operated by the JX Group companies（comprised of JX Holdings, 130 consolidated subsidiaries, and 34 affiliates accounted for by the equity method （indicated with "※"）of which JX Holdings is a holding company, and the principal affiliated companies with respect to the main businesses as of March 31, 2011.

Segment	Description of Main Businesses	Principal Companies
Refining & Marketing	Refining of petroleum and processing and sales of petroleum products, and manufacture and sale of petrochemical-related products	JX Nippon Oil & Energy Corporation, Kashima Oil Co., Ltd., Osaka International Refining Co.,Ltd., Wakayama Petroleum Refining Co., Ltd. , Kashima Aromatics Co., Ltd., JX Nippon ANCI Corporation.
	Storage and transport of crude oil and petroleum products	Nippon Oil Staging Terminal Co., Ltd.*1 , Nippon Oil Tanker Corporation, *1 Nippon Global Tanker Co., Ltd., Nissho Shipping Co., Ltd., Nippon Tanker Co., Ltd., ※Japan Oil Transportation Co., Ltd.
	Manufacture and sales of petroleum products overseas	JX Nippon Oil & Energy USA Inc., JX Nippon Oil & Energy Lubricants America LLC, JX Nippon Oil & Energy Asia Pte. Ltd.
	Investment in and financing to a coal mining and sales company	JX Nippon Oil & Energy (Australia) Pty. Ltd.
	Sales of petroleum products	ENEOS Frontier Co., Ltd. , JOMO-NET Co., Ltd. , JOMO Retail Service Co., Ltd., JOMO Sun Energy Co., Ltd. , J-Quest Co., Ltd.
	Sales of LPG products	ENEOS GLOBE Co.,Ltd., Japan Gas Energy Corporation
	Generation and supply of electric power	Kawasaki Natural Gas Generation Co., Ltd.
	Manufacture and sale of fuel cells	ENEOS CELLTECH Co., Ltd.
	Manufacture and sale of silicon wafers, etc. for solar cells	Space Energy Corporation
	Investment in an LNG development company and financing to subsidiaries	Nippon Oil Finance (Netherlands) B.V.
	Sales and leasing of automobile-related supplies and goods	JX Nippon Oil & Energy Trading Corporation
E&P of Oil & Natural Gas	Exploration, development and production of oil and natural gas	JX Nippon Oil & Gas Exploration Corporation, Japan Vietnam Petroleum Co., Ltd. , JX Nippon Oil & Gas Exploration (Malaysia), Ltd., JX Nippon Oil & Gas Exploration (Sarawak), Ltd. , Nippon Oil Exploration (Myanmar), Ltd., JX Nippon Exploration and Production (U.K.) Ltd. , MOCAL ENERGY Ltd., ※Abu Dhabi Oil Co., Ltd. , ※United Petroleum Development Co., Ltd.
Metals	Production and sales of non-ferrous metal products and electronic materials and recycling	JX Nippon Mining & Metals Corporation, Nikko Shoji Co., Ltd.*1
	Smelting and refining and marketing of non-ferrous metals	Pan Pacific Copper Co., Ltd. , Hibi Kyodo Smelting Co., Ltd., ※LS-Nikko Copper Inc., Changzhou Jinyuan Copper Co., Ltd.
	Development of non-ferrous metals and investment in and financing to copper mines	※Minera Los Pelambres, ※Japan Collahuashi Resources B.V., ※JECO Corporation, ※JECO 2 Ltd., SCM Minera Lumina Copper Chile
	Recycling of nonferrous metals and processing of industrial waste	Nikko Environment Services Co., Ltd.*1
	Manufacturing and marketing of electronic materials, collection of materials for recycling	Nikko Metals Taiwan Co., Ltd.
	Manufacturing and marketing of electronic materials	Nikko Metals Philippines, Inc., Gould Electronics GmbH, Nikko Metals USA, Inc., Nippon Mining & Metals (Suzhou) Co., Ltd.
	Ship transport of metal products	Nippon Marine Co., Ltd.
Other	Roadwork, civil engineering, and design and construction of petroleum-related facilities	NIPPO CORPORATION, Dai Nippon Construction Co., Ltd. , Nichiyo Engineering Corporation
	Manufacturing and sales of titanium metals	Toho Titanium Co., Ltd.
	Production and sales of electric wires and cables	※Tatsuta Electric Wire and Cable Co., Ltd.
	Land transport	※Maruwn Corporation
	Sale, purchase, leasing and management of real estate	Nippon Oil Real Estate Co., Ltd.*2, Nikko Real Estate Co., Ltd.*2
	Performance of procurement work on subcontracting basis	JX Nippon Procurement Corporation
	Performance of finance-related work on subcontracting basis	JX Nippon Finance Corporation
	Performance of accounting, payroll, and welfare-related work on subcontracting basis	JX Nippon Business Services Corporation
	Survey, research, evaluation and consulting services	JX Nippon Research Institute,Ltd.

*1… As of April 2011, the following companies changed their company name as indicated.
・Nippon Oil Staging Terminal Co., Ltd. (Changed company name to JX Nippon Oil & Energy Staging Terminal Corporation)
・Nippon Oil Tanker Corporation (Changed company name to JX Tanker Co., Ltd.)
・Nikko Shoji Co., Ltd. (Changed company name to JX Metals Trading Co., Ltd.)
・Nikko Environmental Services Co., Ltd. (Changed company name to JX Nippon Environmental Services Co., Ltd.)
・Nikko Metals Philippines, Inc. (Changed company name to JX Nippon Mining & Metals Philippines, Inc.)

*2…As of April 2011, Nippon Oil Real Estate Co., Ltd. merged with Nikko Real Estate Co., Ltd., and changed its company name to "JX Nippon Real Estate Corporation."

A chart of the corporate group of JX Holdings as of March 31, 2011 is as shown below.

JX Holdings. Inc.

Refining and Marketing

Core operating subsidiary

JX Nippon Oil & Energy Corporation

Refining of petroleum and processing and sales of petroleum products, and manufacture and sale of petrochemical-related products

JX Nippon Oil & Energy Corporation
Kashima Oil Co., Ltd.
Osaka International Refining Co.,Ltd.
Wakayama Petroleum Refining Co., Ltd.
Kashima Aromatics Co., Ltd.
JX Nippon ANCI Corporation

Storage and transport of crude oil and petroleum products

Nippon Oil Staging Terminal Co., Ltd.
Nippon Oil Tanker Corporation
Nippon Global Tanker Co., Ltd.
Nissho Shipping Co., Ltd.
Nippon Tanker Co., Ltd.
※Japan Oil Transportation Co., Ltd.

Manufacture and sales of petroleum products overseas

JX Nippon Oil & Energy USA Inc.
JX Nippon Oil & Energy Lubricants America LLC
JX Nippon Oil & Energy Asia Pte. Ltd.

Investment in and financing to a coal mining and sales company

JX Nippon Oil & Energy (Australia) Pty. Ltd

Sales of petroleum products

ENEOS Frontier Co., Ltd.
JOMO-NET Co., Ltd.
JOMO Retail Service Co., Ltd.
JOMO Sun Energy Co., Ltd.
J-Quest Co., Ltd.

Sales of LPG products

ENEOS GLOBE Co.,Ltd.
Japan Gas Energy Corporation

Generation and supply of electric power

Kawasaki Natural Gas Generation Co., Ltd.

Manufacture and sale of fuel cells

ENEOS CELLTECH Co., Ltd.

Manufacture and sale of silicon wafers, etc. for solar cells

Space Energy Corporation

Investment in an LNG development company and financing to subsidiaries

Nippon Oil Finance (Netherlands) B.V.

Sales and leasing of automobile-related supplies and goods

JX Nippon Oil & Energy Trading Corporation

E&P of Oil and Natural Gas

Core operating subsidiary

JX Nippon Oil & Gas Exploration Corporation

Exploration, development and production of oil and natural gas

JX Nippon Oil & Gas Exploration Corporation
Japan Vietnam Petroleum Co., Ltd.
JX Nippon Oil & Gas Exploration (Malaysia), Ltd
JX Nippon Oil & Gas Exploration (Sarawak), Ltd.
Nippon Oil Exploration (Myanmar), Ltd.
JX Nippon Exploration and Production (U.K.) Ltd
MOCAL ENERGY Ltd.
※Abu Dhabi Oil Co., Ltd.
※United Petroleum Development Co., Ltd.

Metals

Core operating subsidiary

JX Nippon Mining & Metals Corporation

Production and sales of non-ferrous metal products and electronic materials and recycling

JX Nippon Mining & Metals Corporation
Nikko Shoji Co., Ltd.

Production and sales of non-ferrous metal products and investment in and financing to smelting and refining business

Pan Pacific Copper Co., Ltd.
Hibi Kyodo Smelting Co., Ltd.
※LS-Nikko Copper Inc.
Changzhou Jinyuan Copper Co., Ltd

Development of non-ferrous metals and investment in and financing to copper mines

※Minera Los Pelambres
※Japan Collahuashi Resources B.V.
※JECO Corporation
※JECO 2 Ltd.
SCM Minera Lumina Copper Chile

Recycling of nonferrous metals and processing of industrial waste

Nikko Environment Services Co., Ltd.

Manufacturing and marketing of electronic materials, collection of materials for recycling

Nikko Metals Taiwan Co., Ltd.

Manufacturing and marketing of electronic materials

Nikko Metals Philippines, Inc.
Gould Electronics GmbH
Nikko Metals USA, Inc.
Nippon Mining & Metals (Suzhou) Co., Ltd.

Ship transport of metal products

Nippon Marine Co., Ltd.

Other

Roadwork, civil engineering, and design and construction of petroleum-related facilities

NIPPO CORPORATION
Dai Nippon Construction Co., Ltd.
Nichiyo Engineering Corporation

Manufacturing and sales of titanium metals

Toho Titanium Co., Ltd.

Production and sales of electric wires and cables

※Tatsuta Electric Wire and Cable Co., Ltd.

Land transport

※Maruwn Corporation

Sale, purchase, leasing and management of real estate

Nippon Oil Real Estate Co., Ltd.
Nikko Real Estate Co., Ltd.

Performance of procurement work on subcontracting basis

JX Nippon Procurement Corporation

Performance of finance-related work on subcontracting basis

JX Nippon Finance Corporation

Performance of accounting, payroll, and welfare-related work on subcontracting basis

JX Nippon Business Services Corporation

Survey, research, evaluation and consulting services

JX Nippon Research Institute,Ltd.

3. Management Policies

(1) Basic Policies for the Management of the Company

"JX" which is used as the part of the Company and Group name is a brand name which represents the basic philosophy of the integrated Group. "J" represents a Japanese and world-leading "integrated energy, resources and materials business group," and "X" represents challenges of the unknown, growth and development for the future, and the pursuit of creativity and innovation, among others. In addition to this new brand which holds the thoughts of all the executives and employees of JX Group, the following have been established as the "JX Group Mission Statement", in order to demonstrate JX Group's foundations to all of its stakeholders.

【JX Group Slogan】

The Future of Energy, Resources and Materials

【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.

【JX Group Values】

Our actions will respect the EARTH.

Ethics

Advanced ideas

Relationship with society

Trustworthy products/services

Harmony with the environment

With the "JX Group Mission Statement" as its foundation, JX Group will continue to develop each day into a world-leading "integrated energy, resources and materials business group" through the execution of its businesses.

(2) Mid- to Long-Term Company Management Strategy and Goals

In May 2010, JX Group established its foundational strategy and mid-term management plan.

The mid-term management plan establishes the Company's management goals and strategy from FY2010 to FY2012, and in addition to carrying out dramatic reforms in the petroleum refining and marketing business in order to realize integration synergies and minimize costs with "best practice" as the keyword, the plan provides foundational guidelines for maximizing corporate value through allocating management resources to the fields of higher profitability in the oil and natural gas exploration and development, mine development, and electronic materials businesses.

Through the realization of the implementation of these foundational principles, the Company aims to achieve a consolidated ordinary income of over 300 billion yen, an ROE of over 10% and a net D/E ratio of 1.0 times by FY2012, the last fiscal year of the mid-term management plan.

(3) Matters to be Addressed by the Company

(General Business Environment Surrounding JX Group)

The Company's outlook on the world economy is that the future remains unclear despite predictions of favorable economic conditions promoting continued growth and development in rising nations, as concerns persist that disruption in capital markets and sharp rises in the costs of resources, due in part to the effects of the Great East Japan Earthquake, the credit instability in Europe, and the democratic revolutionary movements in Middle Eastern and North African nations may trigger another global recession.

In addition, exports and consumption in the Japanese economy have decreased due to the effects of the Earthquake and electricity shortage, but while the Company predicts a temporary downturn, it expects a gradual recovery accompanying the expansion of demand during the recovery.

Under this operating environment, JX Group will, in addition to working quickly to conduct repairs and recover from the damage received from the Earthquake, will proceed with each of the following measures in accordance with its basic strategy in order to make steady progress towards the achievement of the goals set forth in its mid-term management plan.

(Matters to be Addressed by Each Business Segment)

Petroleum Refining and Marketing Business (JX Nippon Oil & Energy Group)

Although a temporary increase in demand for fuel oil C and crude oil is expected for use in thermal energy generation, due to the increased popularity of fuel-efficient vehicles and fuel conversion, as a whole, decrease in demand is expected to continue. On the other hand, demand for petroleum and petrochemical products in Asia is believed to be increasing, reflecting the growth and development of regional economies.

Against this backdrop, in the petroleum refining and marketing business, in addition to prioritizing implementation of repairs and recovery of production, logistics, and sales facilities damaged by the Great East Japan Earthquake, the Company is actively developing measures to realize integration synergies, establish itself as the most competitive manufacturing and sales company in Japan, and grow its overseas operations and new energy business.

First, with regard to repair and recovery measures in the aftermath of the Earthquake, restoration of petroleum production at the Kashima refinery is planned to take place in June 2011. At the Sendai refinery, the Company is developing concrete plans for a swift restart of production and is making every effort to implement them. In addition, repair work in order to implement a quick recovery of oil terminals and service stations are in progress.

Through these efforts, the Company is working to be able to adapt to demand trends for petroleum products while maintaining a supply of heating oil such as kerosene during the winter season in addition to fuel oil C for use in thermal power generation and asphalt for road repairs.

Furthermore, the Company has adopted four basic strategies. First, the Company will reduce various costs and promote efficiency boosting measures in order to achieve an improvement in operating income totaling 109.0 billion yen, as a result of integration synergies and oil refinery efficiency. Specifically, the Company is working towards the optimization of production and energy-saving measures at refineries and plants, improving the efficiency of shipping crude oil and petroleum products, and the optimal positioning of oil terminals. The Company is planning to reduce costs by making use of the merits of its expanded scale resulting from the business integration.

Second, in addition to the cost reduction and efficiency-boosting measures described above, the Company is considering measures to further reduce refining capacity as part of the establishment of an optimized production structure, in line with decreasing domestic demand in the future. Further, in addition to efforts to reorganize and consolidate as well as increase the competitiveness of the service station network, the Company is further strengthening its sales of natural gas, LNG, and coal in order to meet the diverse energy needs of its customers.

Third, with regard to the strengthening of overseas businesses, the Company will promote the smooth growth of business in the countries where the Company is positioned with respect to lubricating oil production and sales, and develop sales channels in Asian nations, the U.S.A. and Brazil, while considering necessary investments in the petrochemical business in order to keep pace with substantially growing Asian demand.

Fourth, with regard to new energy business areas, in addition to the launching of sales of "ENE-FARM" SOFC residential-use fuel cell, the Company is making efforts to succeed in production and sales projects related to lithium-ion battery anodes as well as carbon materials for electrode capacitors. In addition, with regard to the expected future growth in demand in the solar cell business, the Company is making steady efforts to establish a development, production, and sales supply chain structure.

Oil and Natural Gas Exploration and Development Business (JX Nippon Oil & Gas Exploration Group)

In the Oil and Natural Gas Exploration and Development business, competition for the acquisition of resources is growing fiercer, and the Company will actively promote the mid- to long-term maintenance and expansion of production capacity through continued investment, while keeping risk management factors in mind.

First, in its exploration business, in addition to proceeding with onshore and offshore mining operations in Malaysia and offshore exploration activities in Qatar, the Company is currently evaluating and considering potentially promising mining areas in the Gulf of Mexico and the UK North Sea. In the Oil and Natural Gas Exploration and Development business, the Company is positioning its exploration activities as the basis for growth, in order to replenish and expand its reserves, actively investing in promising new projects, and aiming for the discovery of new oil and gas fields with a focus on future business operations. In April 2011, natural gas and crude oil was discovered in the Company's Australian offshore mining areas and onshore mining areas in Papua New Guinea, respectively, and the Company is currently considering evaluations of the deposits' commercialized value as well as plans for development.

Next, with regard to development operations, in addition to guiding the Papua New Guinea LNG project to successful completion, the Company aims to expand its production capacity, and focus efforts on the additional development of its core business countries (Vietnam, Malaysia, and England (North Sea).

In addition, with regard to production operations, the Company is making use of the expertise it has accumulated as an operator in countries such as Vietnam and Malaysia, and is executing each project in order to make reliable contributions to profit through activities such as controlling the decline of production capacity through the introduction of new technologies to improve rates of return from oil and gas fields, while making efforts to conduct safe and secure operations.

Apart from the above, the Company is working within the timeframe of its mid-term management plan to purchase assets as appropriate, and intends to further rebuild its asset portfolio.

Metals Business (JX Nippon Mining & Metals Group)

The Company expects that demand for copper will remain firm, against the backdrop of the economic growth of nations such as China. The Company also expects that demand for electronic products will expand accompanying the growth of the new energy and IT industries.

In this environment, in addition to structuring a balanced, high profit business structure through improving the self-sufficiency ratio of copper concentrate in order to raise the persistence of high resource prices, the Company will accelerate business growth and product development in order to reliably adapt to the continuous growth of demand in the electronic materials market.

First, in the copper mining business, with regard to resource development, other than development operations at the Caserones Copper and Molybdenum Mine (Chile) and examination and evaluation efforts at the Quechua copper deposit (Peru), the Company is proceeding with investments in superior mines with the goal of steady procurement of refined copper resources and profits on investments. As for copper refining, in addition to efforts to improve on mine acquisition conditions, each copper refinery is making progress towards increasing its competitiveness. In addition, the Company is proceeding with technology development efforts such as the early implementation stages of testing of a new copper smelting process (N-Chlo Process), as well as going ahead with the joint bio-mining project, which utilizes microorganisms, through joint work with CODELCO, the Chilean state-owned copper mining company.

Next, in the environmental and recycling business, the Company is expanding overseas procurement, and is making efforts to strengthen the structure governing domestic cargo collection reception, pre-processing, and analysis in order to increase its ability to collect pending recyclable resources. The Company is also making active efforts to recover rare metals from used lithium-ion car batteries apart from progress towards innovation to improve yield rate and the level of HMC operations.

In the electronic materials business, the Company is revising its view of its business structure and is considering the optimal allocation of its management resources, as well as going forward with the development of new products for fields outside of IT, such as automotive, new energy, and medical. Specifically, in addition to the construction of the new Kakegawa factory and the steady reinforcement of equipment at the Isohara factory, the Company is considering adopting a new business model for consistency in raw materials, pressing, and plating, and mass producing the UBM (multilevel electrodes for semiconductor casing) plating treatment process.

Additionally, in new business operations related to poly-silicon solar cell manufacturing business, Japan Solar Silicon Co., Ltd. is constructing a factory at Kashima, and efforts to convert to mass-production are in progress.

As stated above, JX Group, in addition to exerting every effort to promote the swift repair and recovery after the Great East Japan Earthquake, will play an active part in becoming a world-leading “integrated energy, resources, and materials business group”, and make contributions to the growth of a sustainable economy and society through innovation and creativity in energy, resources, and raw materials.

4.Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

Account title	FY 2010 (As of March 31, 2011)
Assets	
Current assets	
Cash and deposits	233,471
Notes and accounts receivable-trade	1,065,973
Inventories	1,484,879
Deferred tax assets	91,492
Other	194,913
Allowance for doubtful accounts	(2,997)
Total current assets	3,067,731
Non-current assets	
Property, plant and equipment	
Buildings, structures and oil tanks	1,522,578
Accumulated depreciation	(1,125,174)
Buildings, structures and oil tanks, net	397,404
Machinery, equipment and vehicles	2,629,957
Accumulated depreciation	(2,140,412)
Machinery, equipment and vehicles, net	489,545
Land	961,205
Construction in progress	55,430
Other	123,770
Accumulated depreciation	(87,063)
Other, net	36,707
Total property, plant and equipment	1,940,291
Intangible assets	
Goodwill	50,966
Other	115,181
Total intangible assets	166,147
Investments and other assets	
Investment securities	644,869
Long-term loans receivable	23,136
Deferred tax assets	120,716
Exploration and development investments	205,294
Other	97,824
Allowance for doubtful accounts	(6,050)
Total investments and other assets	1,085,789
Total non-current assets	3,192,227
Total assets	6,259,958

(Millions of yen)

Account title	FY 2010 (As of March 31, 2011)
Liabilities	
Current liabilities	
Notes and accounts payable-trade	739,855
Short-term loans payable	716,561
Commercial papers	388,000
Current portion of bonds	60
Accounts payable-other	585,398
Income taxes payable	33,548
Provision for loss on disaster	109,106
Other provision	46,465
Asset retirement obligations	7,418
Other	223,749
Total current liabilities	2,850,160
Non-current liabilities	
Bonds payable	251,131
Long-term loans payable	908,832
Deferred tax liabilities	106,291
Provision for retirement benefits	88,920
Provision for repairs	51,856
Other provision	7,608
Asset retirement obligations	47,140
Other	61,779
Total non-current liabilities	1,523,557
Total liabilities	4,373,717
Net assets	
Shareholders' equity	
Capital stock	100,000
Capital surplus	746,693
Retained earnings	801,567
Treasury stock	(3,802)
Total shareholders' equity	1,644,458
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	35,524
Deferred gains or losses on hedges	6,666
Foreign currency translation adjustment	(58,327)
Total accumulated other comprehensive income	(16,137)
Minority interests	257,920
Total net assets	1,886,241
Total liabilities and net assets	6,259,958

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

Account title	FY 2010 (from April 1, 2010 to March 31, 2011)
Net sales	9,634,396
Cost of sales	8,805,610
Gross profit	828,786
Selling, general and administrative expenses	494,384
Operating income	334,402
Non-operating income	
Interest income	2,498
Dividends income	21,338
Equity in earnings of affiliates	75,974
Other	22,700
Total non-operating income	122,510
Non-operating expenses	
Interest expenses	27,302
Foreign exchange losses	766
Other	15,177
Total non-operating expenses	43,245
Ordinary income	413,667
Special income	
Gain on sales of non-current assets	14,510
Gain on change in equity	11,529
Gain on negative goodwill	226,537
Other	5,041
Total special income	257,617
Special loss	
Loss on sales of non-current assets	4,374
Loss on retirement of non-current assets	14,287
Impairment loss	41,652
Loss on valuation of investment securities	7,380
Loss on adjustment for changes in accounting standard for asset retirement obligations	4,468
Special extra retirement payments	30,539
Loss on disaster	126,022
Other	35,339
Total special losses	264,061
Income before income taxes and minority interests	407,223
Income taxes-current	54,574
Income taxes-deferred	14,926
Total income taxes	69,500
Income before minority interests	337,723
Minority interests in income	25,987
Net income	311,736

Consolidated Statements of Comprehensive Income

(Millions of yen)

Account title	FY 2010 (from April 1, 2010 to March 31, 2011)
Income before minority interests	337,723
Other comprehensive income	
Valuation difference on available-for-sale securities	(3,779)
Deferred gains or losses on hedges	(5,880)
Foreign currency translation adjustment	(18,139)
Share of other comprehensive income of affiliates accounted for by equity method	(24,258)
Total other comprehensive income	(52,056)
Comprehensive income	285,667
Comprehensive income attributable to shareholders of the parent	265,892
Comprehensive income attributable to minority interests	19,775

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

Account title	FY 2010 (from April 1, 2010 to March 31, 2011)
Shareholders' equity	
Capital stock	
Balance at the end of previous period	139,437
Changes of items during the period	
Increase by share transfers	(39,437)
Total changes of items during the period	(39,437)
Balance at the end of current period	100,000
Capital surplus	
Balance at the end of previous period	275,697
Changes of items during the period	
Increase by share transfers	470,996
Total changes of items during the period	470,996
Balance at the end of current period	746,693
Retained earnings	
Balance at the end of previous period	519,572
Changes of items during the period	
Dividends from surplus	(30,352)
Net income	311,736
Change of scope of consolidation	528
Change of scope of equity method	83
Total changes of items during the period	281,995
Balance at the end of current period	801,567
Treasury stock	
Balance at the end of previous period	(4,507)
Changes of items during the period	
Increase by share transfers	780
Purchase of treasury stock	(68)
Disposal of treasury stock	4
Change in equity in affiliates accounted for by equity method-treasury stock	(11)
Total changes of items during the period	705
Balance at the end of current period	(3,802)
Total shareholders' equity	
Balance at the end of previous period	930,199
Changes of items during the period	
Increase by share transfers	432,339
Dividends from surplus	(30,352)
Net income	311,736
Purchase of treasury stock	(68)
Disposal of treasury stock	4
Change in equity in affiliates accounted for by equity method-treasury stock	(11)
Change of scope of consolidation	528
Change of scope of equity method	83
Total changes of items during the period	714,259
Balance at the end of current period	1,644,458

(Millions of yen)

Account title	FY 2010 (from April 1, 2010 to March 31, 2011)
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	
Balance at the end of previous period	38,774
Changes of items during the period	
Net changes of items other than shareholders' equity	(3,250)
Total changes of items during the period	(3,250)
Balance at the end of current period	35,524
Deferred gains or losses on hedges	
Balance at the end of previous period	13,322
Changes of items during the period	
Net changes of items other than shareholders' equity	(6,656)
Total changes of items during the period	(6,656)
Balance at the end of current period	6,666
Foreign currency translation adjustment	
Balance at the end of previous period	(22,389)
Changes of items during the period	
Net changes of items other than shareholders' equity	(35,938)
Total changes of items during the period	(35,938)
Balance at the end of current period	(58,327)
Total accumulated other comprehensive income	
Balance at the end of previous period	29,707
Changes of items during the period	
Net changes of items other than shareholders' equity	(45,844)
Total changes of items during the period	(45,844)
Balance at the end of current period	(16,137)
Minority interests	
Balance at the end of previous period	99,183
Changes of items during the period	
Net changes of items other than shareholders' equity	158,737
Total changes of items during the period	158,737
Balance at the end of current period	257,920
Total net assets	
Balance at the end of previous period	1,059,089
Changes of items during the period	
Increase by share transfers	432,339
Dividends from surplus	(30,352)
Net income	311,736
Purchase of treasury stock	(68)
Disposal of treasury stock	4
Change in equity in affiliates accounted for by equity method-treasury stock	(11)
Change of scope of consolidation	528
Change of scope of equity method	83
Net changes of items other than shareholders' equity	112,893
Total changes of items during the period	827,152
Balance at the end of current period	1,886,241

(4) Consolidated Statements of Cash Flows

(Millions of yen)

Account title	FY 2010 (from April 1, 2010 to March 31, 2011)
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	407,223
Depreciation and amortization	206,553
Amortization of goodwill	4,560
Gain on negative goodwill	(226,537)
Increase (decrease) in provision for repairs	(3,452)
Increase (decrease) in provision for loss on disaster	109,106
Interest and dividends income	(23,836)
Interest expenses	27,302
Equity in (earnings) losses of affiliates	(75,974)
Loss (gain) on sales and retirement of noncurrent assets	4,151
Impairment loss	41,652
Loss (gain) on valuation of investment securities	7,380
Loss (gain) on change in equity	(11,529)
Special extra retirement payments	30,539
Decrease (increase) in notes and accounts receivable-trade	(979)
Decrease (increase) in inventories	(204,781)
Increase (decrease) in notes and accounts payable-trade	(137,971)
Other, net	57,026
Subtotal	210,433
Interest and dividends income received	72,071
Interest expenses paid	(29,156)
Income taxes paid	(41,940)
Net cash provided by (used in) operating activities	211,408
Net cash provided by (used in) investing activities	
Purchase of investment securities	(20,455)
Proceeds from sales of investment securities	6,878
Purchase of property, plant and equipment	(136,552)
Proceeds from sales of property, plant and equipment	27,303
Purchase of intangible assets	(16,979)
Net decrease (increase) in short-term loans receivable	(8,560)
Payments of long-term loans receivable	(5,366)
Collection of long-term loans receivable	7,658
Increase in cost of exploration and production of oil and related assets	(27,814)
Other, net	2,979
Net cash provided by (used in) investing activities	(170,908)

(Millions of yen)

Account title	FY 2010 (from April 1, 2010 to March 31, 2011)
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	(126,230)
Net increase (decrease) in commercial papers	36,000
Proceeds from long-term loans payable	172,803
Repayment of long-term loans payable	(152,193)
Proceeds from issuance of bonds	50,000
Redemption of bonds	(20,060)
Proceeds from stock issuance to minority shareholders	7,685
Cash dividends paid	(30,352)
Cash dividends paid to minority shareholders	(19,129)
Proceeds from stock issuance of consolidated subsidiary to minority shareholders	16,232
Other, net	(5,984)
Net cash provided by (used in) financing activities	(71,228)
Effect of exchange rate change on cash and cash equivalents	(3,866)
Net increase (decrease) in cash and cash equivalents	(34,594)
Cash and cash equivalents at beginning of period	183,992
Increase in cash and cash equivalents from newly consolidated subsidiary	10
Increase in cash and cash equivalents resulting from stock transfer	82,514
Increase in cash and cash equivalents from corporate division	510
Increase in cash and cash equivalents resulting from merger	6
Cash and cash equivalents at end of period	232,438

(5) Notes on the Going Concern Assumption

None.

(6) Significant Principles Pertaining to Preparation of Consolidated Financial Statements

1. Application of the equity method and the scope of consolidation

(1) Consolidated subsidiaries 130 companies

Primary company names: Listed in “2. The Corporate Group”

(2) Unconsolidated subsidiaries accounted for by the equity method 2 companies

Company name: Shinsui Marine Co. Ltd., Globe Energy Co. Ltd.

(3) Affiliate companies accounted for by the equity method 32 companies

Primary company names: Listed in “2. The Corporate Group”

2. Fiscal years of consolidated subsidiaries

Differences between the fiscal year-end date for consolidated subsidiaries and the consolidated fiscal year-end date do not exceed three months.

3. Accounting standards

(1) Evaluation standards and evaluation method for significant assets

i. Inventories

Valuation method using primarily the weighted-average method (decreasing profitability of balance sheet values is calculated based on declining book value)

ii. Securities

(a) Bonds held to maturity

Amortized cost (straight-line method)

(b) Other securities

Items with market value: Market value method based on the year-end market value etc. (differences in market value amounts are treated as a component of accumulated other comprehensive income, and sales costs are primarily calculated using the moving-average method.)

Items with no market value: Primarily cost method by the moving-average method

(c) Net claims and liabilities arising through derivative transactions

Market value method

(2) Depreciation method for material depreciable assets

i. Property, plant and equipment (excluding leased assets)

Primarily the straight-line method is used.

ii. Intangible assets (excluding leased assets)

Primarily the straight-line method is used.

iii. Leased assets

The straight-line method with residual value at zero is used, with the lease period as the asset’s useful life.

(3) Calculation Standards for Material Allowances

i. Allowance for doubtful accounts

In order to provide for accounts receivable and losses on defaulted loans, general liabilities such as liabilities with default potential are calculated based on the loan-loss ratio, and are examined individually to determine collection possibility and the predicted amount of loss from uncollectable liabilities.

ii. Allowance for losses due to disasters

The Company is calculating the estimated amount of funds necessary to provide for recovery expenses related to the effects of the Great East Japan Earthquake.

iii. Allowance for retirement benefits

The allowance for employee retirement benefits, which is provided for future pension and severance paid at retirement, is recorded at the amount actually computed based on the projected benefit obligation and the estimated fair value of pension plan assets at the end of fiscal year.

Prior service cost is amortized as incurred, after the consolidated fiscal year during which the cost is incurred, by the straight-line method over a certain number of years, which is generally 5 years, within the average residual working years expected from employees. Actuarial gain or loss is amortized as incurred, after the consolidated fiscal year during which the cost is incurred, by the straight-line method over a certain number of years, which is generally 5 years within the average residual working years expected from employees, and is processed during the following consolidated fiscal year.

iv. Allowance for periodic repair works

In order to provide for future repair expenses, the Company is calculating the amount of allowance allocated this consolidated fiscal year for repair works for the estimated cost of periodic open inspections for oil tanks as required by the Fire Services Act, and expenses related to inspection and repairs of oil tanks, machinery and equipment of refineries and tankers.

(4) Material assets in foreign currency and standards for conversion of liabilities to Japanese yen

Assets and liabilities denominated in foreign currencies are converted at the foreign exchange rates prevailing at the respective balance sheet dates. Assets, liabilities, revenue and expenses of foreign subsidiaries are converted into Japanese yen using the foreign exchange rates prevailing at the balance sheet dates. Revenue and expenses of foreign subsidiaries are converted into Japanese yen using the foreign exchange rates prevailing at the average during the consolidated fiscal year. The resultant difference is presented in

"Foreign currency translation adjustment" and "Minority interests" in separate components of net assets.

(5) Significant hedge accounting methods

Deferred hedge accounting is primarily used to process hedging transactions.
With respect to qualifying forward exchange contracts and currency swap contracts, the designation ("Furiate-shori") is applied. The exception method is applied to interest swap contracts that meet the requirements for exceptional treatments.

(6) Other items important to the preparation of the consolidated financial statements

i. Accounting treatment of consumption tax

The tax exclusion method is used.

ii. The consolidated tax payment system will be applied starting this consolidated fiscal year.

iii. Accounting for exploration and development investments

In the overseas Oil and Natural Gas Exploration and Development business, expenditures relating to overseas exploration and development under each agreement are recorded as exploration and development expenses, and are recovered in accordance with the terms of the respective agreements after the start of production.

4. Amortization method of Goodwill and the Amortization Period

Goodwill and negative goodwill on assets whose amortization period can be reasonably estimated in the fiscal year of its occurrence is amortized over that estimated period. Otherwise, goodwill and negative goodwill is amortized uniformly over 5 years.

5. Cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents are comprised of cash on hand, demand deposits in banks readily convertible into cash and may be withdrawn as appropriate, and short-term investments involving little risk of price fluctuation with original maturities of three months or less.

(7) Changes in the Significant Principles Pertaining to Preparation of Consolidated Financial Statements

As outlined in the '1. Operating Results' (page 2 of the attached materials) contained in this report, the current fiscal year will be the Company's first fiscal year. The following items are listed as changes in the accounting treatment principles and procedures and presentation as they differ from the accounting treatments used by Nippon Oil Corporation ("Nippon Oil"), the Company determined to be the acquirer company under the "Accounting Standard for Business Combinations."

i. Application of Accounting Standards for Asset Retirement Obligations

From the first quarter consolidated accounting period, "Accounting Standards for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on

Accounting Standards for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008) have been applied.

As a result, operating income and ordinary income of the current consolidated fiscal year each declined by 1,567 million yen, and income before income taxes and minority interests declined by 6,035 million yen. The variable amount of asset retirement obligations due to the application of this accounting standard is 50,440 million yen. The Company now records the allowance for abandonment of mines as asset retirement obligations.

ii. Application of "Accounting Standard for Equity Method of Accounting for Investments" and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method"

From the first quarter consolidated accounting period, "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (PITF No. 24, March 10, 2008) have been applied, and the necessary adjustments have been made for the consolidated financial results.

The impact of this on the earnings of the current consolidated fiscal year was insignificant.

iii. Application of "Accounting Standards for Business Combinations"

As of the first quarter consolidated accounting period, the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008) and "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, December 26, 2008), "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, portion released on December 26, 2008), and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008) have been applied.

iv. Changes in Depreciation

Nippon Oil used the declining balance method for the depreciation method of tangible fixed assets such as oil tanks and machinery and equipment except for buildings in the Petroleum Refining and Marketing segment. The Company has changed the depreciation method to the straight-line method. This change from the declining balance method to the straight-line method was determined to be reasonable as a result of a review conducted in the course of the business integration with Nippon Mining Holdings, Inc. in April 2010.

The reason for this change is that the investments in upgrades of refineries in the Petroleum Refining and Marketing segment have taken a round and that going forward, investments will focus on routine maintenance and updates. Furthermore, the capabilities from the investment in upgrades at these refineries are expected to become obsolete only to a limited extent and the benefit of the investment and contribution to earnings are expected to be in the long term and stable. Therefore, the business condition is appropriately reflected by evenly apportioning the acquisition cost over the estimated usable period, more appropriately accounting for expenses and earnings.

As a result, operating income of the current consolidated fiscal year increased by 25,464 million yen and ordinary income and net income before income taxes each increased by 25,488 million yen.

v. Changes in the Conversion Method of Earnings and Expenses of Foreign Consolidated Subsidiaries

While Nippon Oil converted earnings and expenses of foreign consolidated subsidiaries to yen according to the spot exchange rate at the end of the accounting period, the Company has changed to a method which converts based on the average exchange rate for the accounting period.

The reason for this change is to more appropriately reflect the earnings and expenses on the consolidated financial statements by minimizing the impact of short-term fluctuations in exchange rates, as the earnings and expenses of foreign consolidated subsidiaries were found to continue to hold an important share in the consolidated financial statements in a review of the conversion method of earnings and expenses of foreign consolidated subsidiaries conducted in the course of the business integration with Nippon Mining Holdings, Inc.

The impact on earnings of the current consolidated fiscal year under review as a result of this change was insignificant.

(8) Additional Information

The “Accounting Standards for the Presentation of Comprehensive Income” (ASBJ Statement No. 25, June 30, 2010) have been applied starting the current consolidated fiscal year.

(9) Explanatory Notes to the Consolidated Financial Statements

(Consolidated Statements of Comprehensive Income)

As the Company was established on April 1, 2010, and as fiscal 2011 is the first consolidated fiscal year for the Company, there is no applicable information.

(Segment Information)

1. Outline of Reporting Segments

JX Group's reporting segments consist of those constituent units of JX Group for which separate financial information is available and which are the subject of periodic evaluations by the board of directors for the distribution of management resources and the evaluation of business performance JX Group, of which JX Holdings is the holding company, is composed of segments by products and services based on three core operating subsidiaries. The reporting segments are Petroleum Refining and Marketing, E&P of Oil and Natural Gas, and Metals. Businesses not included in these segments are included in the Other category. The main products and services or as business activities of each reporting segment and the Other category are as follows:

Petroleum Refining and Marketing	Gasoline, naphtha, kerosene, diesel fuel and heavy oil, and petrochemical products including benzene, paraxylene and other products, including liquefied petroleum gas, lubricating oil, and businesses relating to the petroleum business.
E&P of Oil and Natural Gas	Oil and natural gas exploration, development and production
Metals	Resource development, copper, gold, silver, sulfuric acid, recycling and environmental services, copper foils, precision rolled products, thin film materials, and transport of products in the metals business.
Other	Asphalt paving, civil engineering, construction, titanium, electric wires, land transportation and real estate leasing, and common group administrative activities such as fund procurement.

2. Method of Calculation of the Amounts of Net Sales, Profits and Losses, Assets, Liabilities, and Other Items for Reporting Segments

The accounting treatment used by the reporting segments is generally the same as the "Significant Principles Pertaining to the Preparation of Consolidated Financial Statements"

Intersegment sales and transfers are based on prevailing market prices.

3. Amounts of Net Sales, Profits and Losses, Assets, Liabilities, and Other Items for Reporting Segments

Consolidated Accounting Period (April 1, 2010 - March 31, 2011)

(Millions of yen)

	Petroleum Refining and Marketing	E&P of Oil and Natural Gas	Metals	Other	Total	Adjustments (Note 1)	Recorded Amount on Consolidated Statements of Income
Net Sales							
Sales to Third Parties	8,121,988	148,657	939,382	424,369	9,634,396	-	9,634,396
Intersegment Sales and Transfers	9,874	100	1,174	48,400	59,548	(59,548)	-
Total	8,131,862	148,757	940,556	472,769	9,693,944	(59,548)	9,634,396
Segment Profit	253,682	59,458	70,713	25,134	408,987	4,680	413,667
Segment Assets	4,167,403	527,777	814,804	2,141,002	7,650,986	(1,391,028)	6,259,958
Segment Liabilities	3,186,525	322,943	435,289	1,835,841	5,780,598	(1,406,881)	4,373,717
Other Items							
Amortization Costs (Note 2)	128,458	33,548	25,723	16,872	204,601	1,952	206,553
Amortization of Goodwill	1,162	1,109	-	2,289	4,560	-	4,560
Interest Income	1,378	406	438	13,776	15,998	(13,500)	2,498
Interest Expenses	18,923	3,122	3,968	13,046	39,059	(11,757)	27,302
Equity in earning of affiliates	5,358	7,817	55,774	7,025	75,974	-	75,974
Increase in Property, plant and equipment and Intangible Fixed Assets (Note 3)	78,922	34,412	37,444	18,152	168,930	21,611	190,541

(Notes) 1. The adjusted amounts are as follows.

(1) 4,680 million yen in adjustment of segment income includes 2,073 million yen, including the adjusted amount of unrealized gain and also includes 2,607 million yen in total net income and expenses of the Company not apportioned to each reporting segment.

(2) The adjusted loss on segmental assets in the amount of 1,391,028 million yen is primarily offset elimination of intersegment liabilities.

(3) The adjusted loss on segmental liabilities in the amount of 1,406,881 million yen is primarily offset elimination of intersegment liabilities.

(4) Asset retirement obligations adjusted over time (interest expenses) in the amount of 1,970 million yen are included in the adjusted cost of depreciation amounting to 1,952 million yen.

(5) 19,231 million yen corresponding to asset retirement obligations is included in the adjusted amount of increase in tangible and intangible fixed assets of 21,611 million yen.

2. The amortization costs of recorded mine development investments in the amount of 31,031 million yen (E&P of Oil and Natural Gas segment: 31,031 million yen; adjusted amount: 1,489 million yen) are included in depreciation costs.

3. The increase in recorded mine development investments included in the assets and investments declared in the consolidated financial statements in the amount of 36,352 million yen (E&P of Oil and Natural Gas segment: 27,814 million yen; adjusted amount: 8,538 million yen) is included in the amounts of tangible and intangible fixed assets.

4. Segment income is adjusted with ordinary income in the consolidated statements of income.

(Additional Information)

From the Fiscal 2010 consolidated accounting period, "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008) have been applied.

(Related Information)

Consolidated Accounting Period（April 1, 2010 - March 31, 2011)

Information for Each Region

(1) Net Sales

（Millions of yen)

Japan	China	Other	Total
8,277,883	433,147	923,366	9,634,396

Note: Net sales are based on customer location, and are divided by country or region.

(2) Property, plant and equipment

This display is condensed, as the amount of property, plant and equipment located in Japan on the consolidated balance sheets exceeded 90% of the total amount of property, plant and equipment.

(Information related to Impairment Losses on Non-current Assets by Reporting Segments)

Consolidated Accounting Period (April 1, 2010 - March 31, 2011)

（Millions of yen）

	Petroleum Refining and Marketing	E&P of Oil and Natural Gas	Metals	Other	Company-wide Eliminations	Total
Impairment Loss	26,946	5,036	9,568	101	1	41,652

(Information related to the Amortization of Goodwill and Unamortized Balances)

Consolidated Accounting Period (April 1, 2010 - March 31, 2011)

Amortization of Goodwill and Unamortized Balance

（Millions of yen）

	Petroleum Refining and Marketing	E&P of Oil and Natural Gas	Metals	Other	Company-wide Eliminations	Total
Amortized Amount	1,162	1,109	－	2,289	－	4,560
Unamortized Amount	1,232	9,144	－	40,590	－	50,966

(Information related to Gains on Negative Goodwill by Reporting Segments)

Consolidated Accounting Period (April 1, 2010 - March 31, 2011)

The Company was established on April 1, 2010, as a holding company through a share transfer accompanying the business integration of Nippon Oil Corporation and Nippon Mining Holdings, Inc. The share transfer was conducted through the application of the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008), but as the market value of net assets of Nippon Mining Holdings, the acquired company, exceeded the acquisition price, the Company recognized this difference as negative goodwill in the amount of 226,537 million yen, and has recorded the amount as "gains on negative goodwill (special income)" as part of its consolidated financial statements for this fiscal year.

The corresponding amounts applicable to each reporting segment are not recorded due to difficulties in separating each reporting segment.

(Per Share Information)

	Consolidated Fiscal Year (from April 1, 2010 to March 31, 2011)
Net assets per share	654.77
Net income per share for this FY	125.35
Diluted net income amount per share is not calculated herein, as there are no potential common shares.	

Note: The following is the basis used for the calculation of the net income per share.

	Consolidated Fiscal Year (from April 1, 2010 to March 31, 2011)
Net income per share	
Net income for this FY (millions of yen)	311,736
Amount not attributable to shareholders of common stock (millions of yen)	—
Net income for this FY related to common stock (millions of yen)	311,736
Average number of shares during the FY (single shares)	2,486,892,618

(Material Subsequent Events)

None.