

Consolidated Financial Results for the First Quarter of Fiscal Year 2013 [Japanese GAAP]

July 31, 2013

Company name: JX Holdings, Inc.

Code number: 5020

Stock Exchange Listings: Tokyo and Nagoya

URL: <http://www.hd.jx-group.co.jp/>

Representative: Isao Matsushita, Representative Director, President

Contact person: Masayoshi Yamamoto, Group Manager, Investor Relations Group, Finance & Investor Relations Department

Telephone: +81-3-6275-5009

Scheduled date of filing of Quarterly Securities Report : August 13, 2013

Scheduled date of commencement of dividend payments : —

Supplemental materials for the quarterly financial results : Yes

Quarterly financial results presentation : Yes (for institutional investors and analysts)

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

1. Consolidated Results for the First Quarter of FY 2013 (From April 1, 2013 to June 30, 2013)

(1) Consolidated Operating Results (Percentage figures are changes from the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1Q of FY2013	2,773,797	8.7	53,606	—	72,465	—	35,671	—
1Q of FY2012	2,551,013	5.4	(65,535)	—	(38,286)	—	(32,891)	—

(Note) Comprehensive income : 1Q of FY2013: ¥ 100,083 million < — % >

1Q of FY2012: ¥ (23,789) million < — % >

	Net income per share	Diluted net income per share
	Yen	Yen
1Q of FY2013	14.35	—
1Q of FY2012	(13.22)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
1Q of FY2013	7,154,755	2,408,496	28.0
FY2012	7,274,891	2,327,432	26.7

(Reference) Shareholders' equity : 1Q of FY2013 ended June 30, 2013: ¥2,003,627 million

FY2012 ended March 31, 2013: ¥1,942,754 million

2. Dividends

	Annual cash dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
FY2012	—	8.00	—	8.00	16.00
FY2013	—	—	—	—	—
FY2013 (Forecast)	—	8.00	—	8.00	16.00

(Note) Revisions of the forecast of cash dividends since the latest announcement: None

3. Forecasts of Consolidated Results for FY 2013 (From April 1, 2013 to March 31, 2014)

(Percentage figures are changes from the same period in 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
1H of FY2013	5,800,000	11.8	105,000	180.7	140,000	75.8	65,000	142.2	26.14
FY2013	12,250,000	9.2	255,000	1.4	335,000	2.0	170,000	6.6	68.37

(Note) Revisions of the forecasts of consolidated results since the latest announcement: Yes

The company has revised the forecasts for 1H of FY2013 that we announced last time (May 9, 2013).

As for the forecasts for full year of FY2013, the company has left it unchanged as previously announced.

In addition, forecasts of income excluding inventory valuation factors*, please see the following.

		Operating income		Ordinary income	
		Millions of yen	%	Millions of yen	%
Forecasts (1H of FY2013) and actual results (1H of FY2012) excluding inventory valuation factors	1H of FY2013	60,000	(28.1)	95,000	(24.4)
	1H of FY2012	83,400	—	125,600	—

* The impact of inventory valuation on the cost of sales by using the average method.

Explanatory Notes

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

Note: This item indicates whether there were changes in specified subsidiaries involving a change in the scope of consolidation.

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : Yes

(3) Changes in accounting policies and in accounting estimates, and restatement

(i) Changes in accounting policies owing to revisions in accounting standards and the like : None

(ii) Changes in accounting policies other than (i) above : None

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(4) Number of shares issued (Common stock)

(i) Number of issued shares at the end of the period (including treasury stocks)

First Quarter of FY2013 ended June 30, 2013 : 2,495,485,929 shares

FY2012 ended March 31, 2013 : 2,495,485,929 shares

(ii) Number of treasury stocks at the end of the period

First Quarter of FY2013 ended June 30, 2013 : 8,924,916 shares

FY2012 ended March 31, 2013 : 8,906,760 shares

(iii) Average number of shares issued during the period

First Quarter of FY2013 ended June 30, 2013 : 2,486,571,977 shares

First Quarter of FY2012 ended June 30, 2012 : 2,487,071,774 shares

Information Regarding the Status of Quarterly Review Procedures Performance

This report is not subject to quarterly review procedures required pursuant to the Financial Instruments and Exchange Act. As of the time of disclosing this report, quarterly review procedures of consolidated financial statements required pursuant to the Financial Instruments and Exchange Act have not been completed.

Explanation Regarding Appropriate Use of Forward-looking Statements on Results, and Other Specific Comments

This material contains forward-looking statements; however, actual results may differ materially from those reflected in such forward-looking statements, due to various factors, including the following:

(1) changes in macroeconomic conditions and changes in the competitive environment in the energy, resources and materials industries; (2) revisions to laws and strengthening of regulations; and (3) litigation and other similar risks.

Supplemental Information

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)		
Account title	FY 2012 (As of March 31, 2013)	First Quarter of FY 2013 (As of June 30, 2013)
Assets		
Current assets:		
Cash and deposits	250,098	230,588
Notes and accounts receivable-trade	1,339,210	1,148,807
Inventories	1,819,312	1,797,445
Other	330,472	339,814
Allowance for doubtful accounts	(1,299)	(1,208)
Total current assets	3,737,793	3,515,446
Non-current assets:		
Property, plant and equipment:		
Land	965,353	965,441
Other, net	1,225,330	1,279,018
Total property, plant and equipment	2,190,683	2,244,459
Intangible assets	134,845	136,089
Investments and other assets:		
Investments in securities	663,117	673,402
Other	559,961	596,649
Allowance for doubtful accounts	(11,508)	(11,290)
Total investments and other assets	1,211,570	1,258,761
Total non-current assets	3,537,098	3,639,309
Total assets	7,274,891	7,154,755

(Millions of yen)

Account title	FY 2012 (As of March 31, 2013)	First Quarter of FY 2013 (As of June 30, 2013)
Liabilities		
Current liabilities:		
Notes and accounts payable-trade	892,965	755,669
Short-term borrowings	841,863	840,550
Commercial papers	449,000	448,000
Current portion of bonds	45,615	35,559
Accounts payable-other	763,732	724,966
Other provision	47,578	23,129
Other	276,732	285,149
Total current liabilities	3,317,485	3,113,022
Non-current liabilities:		
Bonds payable	192,960	162,960
Long-term loans payable	1,019,817	1,040,704
Provision for retirement benefits	93,860	92,468
Other provision	64,475	64,334
Other	258,862	272,771
Total non-current liabilities	1,629,974	1,633,237
Total liabilities	4,947,459	4,746,259
Net assets		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	746,711	746,711
Retained earnings	1,053,576	1,068,191
Treasury stock	(3,854)	(3,863)
Total shareholders' equity	1,896,433	1,911,039
Accumulated other comprehensive income:		
Unrealized gain on securities	35,260	34,752
Unrealized gain on hedging derivatives	7,768	11,994
Foreign currency translation adjustments	3,293	45,842
Total accumulated other comprehensive income	46,321	92,588
Minority interests	384,678	404,869
Total net assets	2,327,432	2,408,496
Total liabilities and net assets	7,274,891	7,154,755

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

Account title	First Quarter of FY 2012 (from April 1, 2012 to June 30, 2012)	First Quarter of FY 2013 (from April 1, 2013 to June 30, 2013)
Net sales	2,551,013	2,773,797
Cost of sales	2,495,062	2,589,017
Gross profit	55,951	184,780
Selling, general and administrative expenses	121,486	131,174
Operating income (loss)	(65,535)	53,606
Non-operating income:		
Interest income	585	895
Dividend income	9,191	7,122
Foreign currency exchange gain	3,342	—
Equity in earnings of affiliates	17,109	13,435
Other	6,746	8,487
Total non-operating income	36,973	29,939
Non-operating expenses:		
Interest expense	6,274	6,171
Foreign currency exchange loss	—	1,377
Other	3,450	3,532
Total non-operating expenses	9,724	11,080
Ordinary income (loss)	(38,286)	72,465
Special gain:		
Gain on sales of non-current assets	2,213	7,906
Other	806	735
Total special gain	3,019	8,641
Special loss:		
Loss on sales of non-current assets	246	284
Loss on disposal of non-current assets	2,211	2,492
Loss on valuation of investments in securities	2,250	538
Loss on step acquisitions	1,939	—
Cancellation fees of charter contracts	—	1,824
Other	1,253	2,897
Total special loss	7,899	8,035
Income (loss) before income taxes and minority interests	(43,166)	73,071
Income taxes	(10,691)	32,008
Income (loss) before minority interests	(32,475)	41,063
Minority interests in income	416	5,392
Net income (loss)	(32,891)	35,671

Consolidated Statements of Comprehensive Income

(Millions of yen)

Account title	First Quarter of FY 2012 (from April 1, 2012 to June 30, 2012)	First Quarter of FY 2013 (from April 1, 2013 to June 30, 2013)
Income (loss) before minority interests	(32,475)	41,063
Other comprehensive income:		
Unrealized gain (loss) on securities	(16,238)	711
Unrealized gain on hedging derivatives	388	6,407
Foreign currency translation adjustments	18,866	44,020
Share of other comprehensive income of affiliates accounted for by equity method	5,670	7,882
Total other comprehensive income	8,686	59,020
Comprehensive income	(23,789)	100,083
Comprehensive income attributable to:		
Shareholders of JX Holdings, Inc.	(28,561)	81,942
Minority interests	4,772	18,141

(3) Explanatory Notes to the Quarterly Consolidated Financial Statements

(Notes on the Assumption of a Going Concern)

None

(Notes on Significant Changes in Shareholders' Equity)

None

(Segment Information, etc.)

Segment Information

I. First Quarter of FY 2012 (April 1, 2012 - June 30, 2012)

1. Information on Net Sales and Income (Loss) from each Reporting Segment (Millions of yen)

	Energy	Oil and Natural Gas E&P	Metals	Other	Total	Adjustments (Note 1)	Recorded Amount on Consolidated Statements of Income (Note 2)
Net Sales							
Sales to Outside Customers	2,191,987	50,974	231,700	76,352	2,551,013	-	2,551,013
In-house Intersegment Sales	2,193	-	540	10,531	13,264	(13,264)	-
Total	2,194,180	50,974	232,240	86,883	2,564,277	(13,264)	2,551,013
Segment Income (Loss)	(90,877)	36,616	12,065	2,014	(40,182)	1,896	(38,286)

(Note 1) The segment income (loss) adjustments of 1,896 million yen includes the net amount of the entire Company's income and expenses not allocated to the reporting segments or the "Other" category of 1,820 million yen.

(Note 2) Segment income (loss) is adjusted to ordinary income stated in the consolidated statement of income.

II. First Quarter of FY 2013 (April 1, 2013 - June 30, 2013)

1. Information on Net Sales and Income (Loss) from each Reporting Segment (Millions of yen)

	Energy	Oil and Natural Gas E&P	Metals	Other	Total	Adjustments (Note 1)	Recorded Amount on Consolidated Statements of Income (Note 2)
Net Sales							
Sales to Outside Customers	2,394,619	48,239	252,159	78,780	2,773,797	-	2,773,797
In-house Intersegment Sales	2,174	-	728	12,122	15,024	(15,024)	-
Total	2,396,793	48,239	252,887	90,902	2,788,821	(15,024)	2,773,797
Segment Income (Loss)	26,101	31,049	10,073	3,026	70,249	2,216	72,465

(Note 1) The segment income (loss) adjustments of 2,216 million yen includes the net amount of the entire Company's income and expenses not allocated to the reporting segments or the "Other" category of 2,142 million yen.

(Note 2) Segment income (loss) is adjusted to ordinary income stated in the consolidated statement of income.

2. Notes on Changes in Reporting Segment

We have changed the reporting segment of the titanium business, which was included in the "Other" category in the previous fiscal year, to the "Metals" segment from the first quarter under review due to a change in our business management system.

As a result of such segment category change, the segment information for the First Quarter of FY 2012 was prepared based on the category after such change.