

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

February 6, 2014

Company name: JX Holdings, Inc.

Code number: 5020

Stock Exchange Listings: Tokyo and Nagoya

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

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Scheduled date of filing of Quarterly Securities Report : February 13, 2014

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 Third Quarter of FY 2013 (From April 1, 2013 to December 31, 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	%
3Q of FY2013	9,003,589	11.8	201,738	49.4	255,901	36.3	131,879	43.5
3Q of FY2012	8,054,551	3.4	135,011	(42.4)	187,803	(34.7)	91,907	(42.1)

(Note) Comprehensive income : 3Q of FY2013: ¥ 261,520 million < 133.5 % >

3Q of FY2012: ¥ 112,000 million < (17.9)% >

	Net income per share	Diluted net income per share
	Yen	Yen
3Q of FY2013	53.04	—
3Q of FY2012	36.96	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
3Q of FY2013	8,021,176	2,595,459	26.4
FY2012	7,274,891	2,327,432	26.7

(Reference) Shareholders' equity : 3Q of FY2013 ended December 31, 2013: ¥2,119,469 million

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

2. Dividends

	Annual cash dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
FY2012	—	8.00	—	8.00	16.00
FY2013	—	8.00	—	—	—
FY2013 (Forecast)	—	—	—	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
FY2013	12,300,000	9.6	215,000	(14.5)	300,000	(8.6)	150,000	(5.9)	60.33

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

As for the forecasts of income excluding inventory valuation factors*, please see the following.

Forecasts (FY2013) and actual results (FY2012) excluding inventory valuation factors		Operating income		Ordinary income	
		Millions of yen	%	Millions of yen	%
		FY2013	FY2012	FY2013	FY2012
		115,000	194,200	200,000	271,000
		(40.8)		(26.2)	

* 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)

Third Quarter of FY2013 ended December 31, 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

Third Quarter of FY2013 ended December 31, 2013 : 8,967,878 shares

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

(iii) Average number of shares issued during the period

Third Quarter of FY2013 ended December 31, 2013 : 2,486,552,345 shares

Third Quarter of FY2012 ended December 31, 2012 : 2,486,640,460 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

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)		
Account title	FY 2012 (As of March 31, 2013)	3Q of FY 2013 (As of December 31, 2013)
Assets		
Current assets:		
Cash and deposits	250,098	303,537
Notes and accounts receivable-trade	1,339,210	1,464,068
Inventories	1,819,312	2,044,482
Other	330,472	330,853
Allowance for doubtful accounts	(1,299)	(1,977)
Total current assets	3,737,793	4,140,963
Non-current assets:		
Property, plant and equipment:		
Land	965,353	963,278
Other, net	1,225,330	1,383,017
Total property, plant and equipment	2,190,683	2,346,295
Intangible assets	134,845	135,604
Investments and other assets:		
Investments in securities	663,117	724,202
Other	559,961	685,657
Allowance for doubtful accounts	(11,508)	(11,545)
Total investments and other assets	1,211,570	1,398,314
Total non-current assets	3,537,098	3,880,213
Total assets	7,274,891	8,021,176

(Millions of yen)

Account title	FY 2012 (As of March 31, 2013)	3Q of FY 2013 (As of December 31, 2013)
Liabilities		
Current liabilities:		
Notes and accounts payable-trade	892,965	883,559
Short-term borrowings	841,863	1,287,962
Commercial papers	449,000	453,000
Current portion of bonds	45,615	30,512
Accounts payable-other	763,732	778,762
Other provision	47,578	25,448
Other	276,732	284,648
Total current liabilities	3,317,485	3,743,891
Non-current liabilities:		
Bonds payable	192,960	187,720
Long-term loans payable	1,019,817	1,042,786
Provision for retirement benefits	93,860	93,326
Other provision	64,475	63,013
Other	258,862	294,981
Total non-current liabilities	1,629,974	1,681,826
Total liabilities	4,947,459	5,425,717
Net assets		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	746,711	746,711
Retained earnings	1,053,576	1,144,315
Treasury stock	(3,854)	(3,885)
Total shareholders' equity	1,896,433	1,987,141
Accumulated other comprehensive income:		
Unrealized gain on securities	35,260	58,874
Unrealized gain on hedging derivatives	7,768	6,926
Foreign currency translation adjustments	3,293	66,528
Total accumulated other comprehensive income	46,321	132,328
Minority interests	384,678	475,990
Total net assets	2,327,432	2,595,459
Total liabilities and net assets	7,274,891	8,021,176

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

Account title	3Q of FY 2012 (from April 1, 2012 to December 31, 2012)	3Q of FY 2013 (from April 1, 2013 to December 31, 2013)
Net sales	8,054,551	9,003,589
Cost of sales	7,534,969	8,389,482
Gross profit	519,582	614,107
Selling, general and administrative expenses	384,571	412,369
Operating income (loss)	135,011	201,738
Non-operating income:		
Interest income	1,933	2,373
Dividend income	19,457	22,901
Foreign currency exchange gain	—	735
Equity in earnings of affiliates	42,208	39,143
Other	21,633	19,743
Total non-operating income	85,231	84,895
Non-operating expenses:		
Interest expense	19,008	18,381
Foreign currency exchange loss	3,349	—
Other	10,082	12,351
Total non-operating expenses	32,439	30,732
Ordinary income (loss)	187,803	255,901
Special gain:		
Gain on sales of non-current assets	5,288	10,872
Gain on sales of investment securities	159	4,055
Other	993	178
Total special gain	6,440	15,105
Special loss:		
Loss on sales of non-current assets	1,241	1,832
Loss on disposal of non-current assets	6,626	5,723
Impairment loss	3,903	6,770
Loss on step acquisitions	1,939	—
Other	4,290	9,006
Total special loss	17,999	23,331
Income (loss) before income taxes and minority interests	176,244	247,675
Income taxes	60,850	90,893
Income (loss) before minority interests	115,394	156,782
Minority interests in income	23,487	24,903
Net income (loss)	91,907	131,879

Consolidated Statements of Comprehensive Income

(Millions of yen)

Account title	3Q of FY 2012 (from April 1, 2012 to December 31, 2012)	3Q of FY 2013 (from April 1, 2013 to December 31, 2013)
Income (loss) before minority interests	115,394	156,782
Other comprehensive income:		
Unrealized gain (loss) on securities	(5,280)	25,335
Unrealized gain (loss) on hedging derivatives	(4,262)	(1,163)
Foreign currency translation adjustments	5,220	62,200
Share of other comprehensive income of affiliates accounted for by equity method	928	18,366
Total other comprehensive income	(3,394)	104,738
Comprehensive income	112,000	261,520
Comprehensive income attributable to:		
Shareholders of JX Holdings, Inc.	90,087	217,850
Minority interests	21,913	43,670

(3) Explanatory Notes to 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. Third Quarter of FY 2012 (April 1, 2012 - December 31, 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	6,967,983	135,315	687,933	263,320	8,054,551	-	8,054,551
In-house Intersegment Sales	6,444	-	1,503	36,912	44,859	(44,859)	-
Total	6,974,427	135,315	689,436	300,232	8,099,410	(44,859)	8,054,551
Segment Income (Loss)	60,978	74,559	32,195	17,472	185,204	2,599	187,803

(Note 1) The segment income (loss) adjustments of 2,599 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 2,480 million yen.

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

II. Third Quarter of FY 2013 (April 1, 2013 - December 31, 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	7,802,775	147,014	764,435	289,365	9,003,589	-	9,003,589
In-house Intersegment Sales	6,693	-	2,219	42,345	51,257	(51,257)	-
Total	7,809,468	147,014	766,654	331,710	9,054,846	(51,257)	9,003,589
Segment Income (Loss)	112,571	81,336	36,148	22,908	252,963	2,938	255,901

(Note 1) The segment income (loss) adjustments of 2,938 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 2,760 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 due to a change in our business management system. As a result of such segment category change, the segment information for the Third Quarter of FY 2012 was prepared based on the category after such change.

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