

Consolidated Financial Results for the Third Quarter of Fiscal Year 2015 [Japanese GAAP]

February 3, 2016

Company name: JX Holdings, Inc.

Code number: 5020

Stock Exchange Listings: Tokyo and Nagoya

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

Representative: Yukio Uchida, Representative Director, President

Contact person: Tatsuya Higurashi, Group Manager, Investor Relations Group, Finance & Investor Relations Department

Telephone: +81-3-6257-7075

Scheduled date of filing of Quarterly Securities Report : February 12, 2016

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 2015 (From April 1, 2015 to December 31, 2015)

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

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
	Millions of yen %	Millions of yen %	Millions of yen %	Millions of yen %
3Q of FY2015	6,689,002 (19.8)	(79,270) —	(52,931) —	(113,398) —
3Q of FY2014	8,343,633 (7.3)	(205,360) —	(171,471) —	(134,015) —

(Note) Comprehensive income : 3Q of FY2015: ¥ (198,668) million < — % >

3Q of FY2014: ¥ (80,452) million < — % >

	Net income per share	Diluted net income per share
	Yen	Yen
3Q of FY2015	(45.61)	—
3Q of FY2014	(53.90)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
3Q of FY2015	7,062,920	2,184,378	24.6
FY2014	7,423,404	2,429,849	26.1

(Reference) Shareholders' equity : 3Q of FY2015 ended December 31, 2015: ¥ 1,737,668 million

FY2014 ended March 31, 2015: ¥ 1,936,754 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
FY2014	—	8.00	—	8.00	16.00
FY2015	—	8.00	—		
FY2015(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 2015 (From April 1, 2015 to March 31, 2016)

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

	Net Sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Millions of yen %	Millions of yen %	Millions of yen %	Millions of yen %	Yen
FY2015	8,700,000 (20.1)	(100,000) —	(55,000) —	(330,000) —	(132.72)

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

Please refer to "Notification of Revisions to the Forecasts" announced today.

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

		Operating income	Ordinary income
		Millions of yen %	Millions of yen %
Forecasts (FY2015) and actual results (FY2014) excluding inventory valuation factors	FY2015	165,000 (11.5)	210,000 (17.7)
	FY2014	186,400	255,200

* The impact of inventory valuation on the cost of sales by using the average method and writing down the book value.

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 : Yes

(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 FY2015 ended December 31, 2015 : 2,495,485,929 shares

FY2014 ended March 31, 2015 : 2,495,485,929 shares

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

Third Quarter of FY2015 ended December 31, 2015 : 9,109,544 shares

FY2014 ended March 31, 2015 : 9,055,789 shares

(iii) Average number of shares issued during the period

Third Quarter of FY2015 ended December 31, 2015 : 2,486,405,536 shares

Third Quarter of FY2014 ended December 31, 2014 : 2,486,474,554 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

Account title	(Millions of yen)	
	FY 2014 (As of March 31, 2015)	3Q of FY 2015 (As of December 31, 2015)
Assets		
Current assets:		
Cash and deposits	329,293	254,308
Notes and accounts receivable-trade	1,007,386	912,713
Inventories	1,356,648	1,217,551
Other	305,233	370,660
Allowance for doubtful accounts	(2,162)	(2,446)
Total current assets	2,996,398	2,752,786
Non-current assets:		
Property, plant and equipment:		
Machinery, equipment and vehicles, net	590,501	900,082
Land	951,647	947,185
Other, net	1,013,468	631,007
Total property, plant and equipment	2,555,616	2,478,274
Intangible assets	136,160	127,435
Investments and other assets:		
Investments in securities	823,009	773,917
Exploration and development investments	728,312	738,439
Other	195,450	196,921
Allowance for doubtful accounts	(11,541)	(4,852)
Total investments and other assets	1,735,230	1,704,425
Total non-current assets	4,427,006	4,310,134
Total assets	7,423,404	7,062,920

(Millions of yen)		
Account title	FY 2014 (As of March 31, 2015)	3Q of FY 2015 (As of December 31, 2015)
Liabilities		
Current liabilities:		
Notes and accounts payable-trade	680,551	588,709
Short-term borrowings	819,555	784,141
Commercial papers	364,000	376,000
Current portion of bonds	42,480	20,240
Accounts payable-other	797,590	774,603
Provision	38,480	21,872
Other	323,775	268,064
Total current liabilities	3,066,431	2,833,629
Non-current liabilities:		
Bonds payable	205,000	185,000
Long-term loans payable	1,189,232	1,337,684
Provision	76,676	75,637
Liability for retirement benefits	116,875	112,630
Asset retirement obligations	117,433	115,841
Other	221,908	218,121
Total non-current liabilities	1,927,124	2,044,913
Total liabilities	4,993,555	4,878,542
Net assets		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	746,711	746,283
Retained earnings	783,615	630,380
Treasury stock	(3,926)	(3,954)
Total shareholders' equity	1,626,400	1,472,709
Accumulated other comprehensive income:		
Unrealized gain on securities	87,008	68,376
Unrealized gain on hedging derivatives	1,083	4,623
Foreign currency translation adjustment	218,413	188,287
Retirement benefits liability adjustment	3,850	3,673
Total accumulated other comprehensive income	310,354	264,959
Non-controlling interests	493,095	446,710
Total net assets	2,429,849	2,184,378
Total liabilities and net assets	7,423,404	7,062,920

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

Account title	3Q of FY 2014 (from April 1, 2014 to December 31, 2014)	3Q of FY 2015 (from April 1, 2015 to December 31, 2015)
Net sales	8,343,633	6,689,002
Cost of sales	8,134,058	6,341,812
Gross profit	209,575	347,190
Selling, general and administrative expenses	414,935	426,460
Operating loss	(205,360)	(79,270)
Non-operating income:		
Interest income	2,111	1,813
Dividend income	30,072	27,468
Equity in earnings of affiliates	32,455	12,571
Other	18,686	18,887
Total non-operating income	83,324	60,739
Non-operating expenses:		
Interest expense	19,790	19,029
Foreign currency exchange loss	12,765	3,038
Other	16,880	12,333
Total non-operating expenses	49,435	34,400
Ordinary loss	(171,471)	(52,931)
Special gain:		
Gain on sales of non-current assets	25,855	4,592
Gain on sales of investments in securities	64	24,066
Other	2,468	717
Total special gain	28,387	29,375
Special loss:		
Loss on sales of non-current assets	502	1,290
Loss on disposal of non-current assets	5,432	5,777
Impairment loss	11,191	100,111
Loss on valuation of investments in securities	7,708	109
Restructuring cost	18,044	5,712
Other	4,185	3,984
Total special loss	47,062	116,983
Loss before income taxes	(190,146)	(140,539)
Income taxes	(54,848)	9,995
Loss	(135,298)	(150,534)
Loss attributable to non-controlling interests	(1,283)	(37,136)
Loss attributable to owners of parent	(134,015)	(113,398)

Consolidated Statements of Comprehensive Income

(Millions of yen)

Account title	3Q of FY 2014 (from April 1, 2014 to December 31, 2014)	3Q of FY 2015 (from April 1, 2015 to December 31, 2015)
Loss	(135,298)	(150,534)
Other comprehensive income:		
Unrealized gain (loss) on securities	23,723	(19,342)
Unrealized gain (loss) on hedging derivatives	(8,330)	4,601
Foreign currency translation adjustment	31,980	(20,992)
Retirement benefits liability adjustment	(345)	(262)
Share of other comprehensive income of affiliates accounted for by equity method	7,818	(12,139)
Total other comprehensive income	54,846	(48,134)
Comprehensive income	(80,452)	(198,668)
Comprehensive income attributable to:		
Owners of parent	(88,023)	(158,841)
Non-controlling interests	7,571	(39,827)

(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 2014 (April 1, 2014 - December 31, 2014)

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	7,068,654	161,484	839,937	273,558	8,343,633	-	8,343,633
In-house Intersegment Sales and Transfers	6,481	-	2,019	50,408	58,908	(58,908)	-
Total	7,075,135	161,484	841,956	323,966	8,402,541	(58,908)	8,343,633
Segment Income (Loss)	(294,883)	54,962	38,488	26,219	(175,214)	3,743	(171,471)

(Note 1) The segment income (loss) adjustments of 3,743 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 3,530 million yen.

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

II. Third Quarter of FY 2015 (April 1, 2015 - December 31, 2015)

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	5,498,660	134,828	789,312	266,202	6,689,002	-	6,689,002
In-house Intersegment Sales and Transfers	5,190	-	3,477	42,463	51,130	(51,130)	-
Total	5,503,850	134,828	792,789	308,665	6,740,132	(51,130)	6,689,002
Segment Income (Loss)	(115,473)	21,649	8,787	29,963	(55,074)	2,143	(52,931)

(Note 1) The segment income (loss) adjustments of 2,143 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 2,057 million yen.

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

End of Document