



Consolidated Financial Results for the First Quarter of Fiscal Year 2017 [IFRS]

August 9, 2017

Company name: JXTG Holdings, Inc. Stock Exchange Listings: Tokyo and Nagoya
 Code number: 5020 URL: <http://www.hd.jxtg-group.co.jp/>
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 Scheduled date of filing of Quarterly Securities Report: August 10, 2017
 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 FY2017 (From April 1, 2017 to June 30, 2017)

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

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Total comprehensive income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1Q of FY2017	2,225,217	45.4	45,025	18.9	38,045	(13.4)	19,012	(27.8)	24,733	-
1Q of FY2016	1,530,859	-	37,864	-	43,942	-	26,349	-	(94,810)	-

	Basic profit per share	Diluted profit per share
	Yen	Yen
1Q of FY2017	5.56	-
1Q of FY2016	10.60	-

(2) Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Equity ratio attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%
1Q of FY2017	8,060,594	2,639,223	2,212,359	27.4
FY2016	6,792,892	2,140,288	1,707,194	25.1

Note: Amounts in 1Q of FY2016 and FY2016 are the consolidated results of JX Holdings, Inc.

The percentage figures of 1Q of FY2016, which represent changes from the same period in the previous fiscal year, are not shown.

2. Dividends

	Annual cash dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
FY2016	-	8.00	-	8.00	16.00
FY2017	-				
FY2017 (Forecast)		9.00	-	9.00	18.00

Note: Revision to the most recent dividend forecast: No

3. Forecasts of Consolidated Results for Fiscal Year 2017 (From April 1, 2017 to March 31, 2018)

(Percentage figures are changes from the amount for the corresponding period in the previous fiscal year.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half of FY2017	4,900,000	-	165,000	-	152,000	-	85,000	-	24.87
FY2017	10,000,000	42.3	350,000	29.1	325,000	30.5	200,000	33.3	58.52

Note: Revision to the most recent consolidated earnings forecast: No

- There is no change to the forecasts of consolidated results for the first half of FY2017 and for FY2017 that were announced in Consolidated Financial Results for FY2016 issued on May 12, 2017.
- The percentage figures of the first half of FY2017, which represent changes from the same period in the previous fiscal year, are not shown. Regarding the forecasts of consolidated results for FY2017, the percentage changes from the actual results of JX Holdings, Inc. for FY2016 are shown.
- The forecasts of the results for the first half of FY2017 and for FY2017 are not affected by the inventory valuation factors.*

Operating profit excluding inventory valuation factors;

Forecasts for FY2017: 350,000 million yen (percentage change from the previous fiscal year: 148.1%)

(Reference) Actual results for FY2016: 141,100 million yen

(*) The impact of inventory valuation on the cost of sales by using the weighted-average method and by 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) Changes in accounting policies and in accounting estimates

(i) Changes in accounting policies required by the IFRS: None

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

(iii) Changes in accounting estimates : None

- (3) Number of shares issued (Common stock)

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

First Quarter of FY2017 ended June 30, 2017: 3,426,916,549 shares

FY2016 ended March 31, 2017: 2,495,485,929 shares

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

First Quarter of FY2017 ended June 30, 2017: 9,302,674 shares

FY2016 ended March 31, 2017: 9,200,226 shares

- (iii) Average number of shares issued during the period

First Quarter of FY2017 ended June 30, 2017: 3,417,630,640 shares

First Quarter of FY2016 ended June 30, 2016: 2,486,357,505 shares

- This report is not subject to the quarterly review procedures.
- 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.

Summary of Quarterly Consolidated Financial Statements and Major Explanatory Notes Thereto

(1) Summary of Quarterly Consolidated Statements of Financial Position

(Millions of Yen)

	FY2016 (As of March 31, 2017)	1Q of FY2017 (As of June 30, 2017)
ASSETS		
Current assets		
Cash and cash equivalents	349,007	327,540
Trade and other receivables	1,060,884	1,014,328
Inventories	1,130,400	1,428,742
Other financial assets	46,289	59,842
Other current assets	105,450	108,763
Sub total	2,692,030	2,939,215
Assets held for sale	23,747	5,477
Total current assets	2,715,777	2,944,692
Non-current assets		
Property, plant and equipment	2,988,736	3,586,731
Goodwill	17,061	177,216
Intangible assets	50,987	338,720
Investments accounted for using the equity method	392,269	407,314
Other financial assets	454,943	467,400
Other non-current assets	6,590	7,069
Deferred tax assets	166,529	131,452
Total non-current assets	4,077,115	5,115,902
Total assets	6,792,892	8,060,594

(Millions of Yen)

	FY2016 (As of March 31, 2017)	1Q of FY2017 (As of June 30, 2017)
LIABILITIES		
Current liabilities		
Trade and other payables	1,304,355	1,619,222
Bonds and borrowings	862,609	832,432
Income taxes payable	33,633	19,073
Other financial liabilities	19,941	18,859
Provisions	6,168	14,028
Other current liabilities	355,409	389,225
Sub total	2,582,115	2,892,839
Liabilities directly related to assets held for sale	16,423	1,016
Total current liabilities	2,598,538	2,893,855
Non-current liabilities		
Bonds and borrowings	1,570,071	1,760,010
Liabilities for retirement benefits	133,096	292,420
Other financial liabilities	27,289	29,252
Provisions	141,702	145,140
Other non-current liabilities	79,266	93,369
Deferred tax liabilities	102,642	207,325
Total non-current liabilities	2,054,066	2,527,516
Total liabilities	4,652,604	5,421,371
EQUITY		
Common stock	100,000	100,000
Capital surplus	751,556	1,252,956
Retained earnings	697,009	698,704
Treasury stock	(3,990)	(4,015)
Other components of equity	162,619	164,714
Total equity attributable to owners of the parent	1,707,194	2,212,359
Non-controlling interests	433,094	426,864
Total equity	2,140,288	2,639,223
TOTAL LIABILITIES AND EQUITY	6,792,892	8,060,594

(2) Summary of Quarterly Consolidated Statements of Profit or Loss
and Summary of Quarterly Consolidated Statements of Comprehensive Income or Loss
Summary of Quarterly Consolidated Statements of Profit or Loss

(Millions of Yen)

	1Q of FY2016 (From April 1, 2016 to June 30, 2016)	1Q of FY2017 (From April 1, 2017 to June 30, 2017)
Revenue	1,530,859	2,225,217
Cost of sales	1,351,195	2,013,526
Gross profit	179,664	211,691
Selling, general and administrative expenses	151,243	184,565
Share of profit of investments accounted for using the equity method	10,476	8,885
Other operating income	15,581	16,564
Other operating expenses	16,614	7,550
Operating profit	37,864	45,025
Finance income	12,474	1,125
Finance costs	6,396	8,105
Profit before tax	43,942	38,045
Income tax expense (benefit)	15,494	17,993
Profit	28,448	20,052
Profit attributable to:		
Owners of the parent	26,349	19,012
Non-controlling interests	2,099	1,040
Profit	28,448	20,052
		(Yen)
Basic profit per share	10.60	5.56

Summary of Quarterly Consolidated Statements of Comprehensive Income or Loss

(Millions of Yen)

	1Q of FY2016 (From April 1, 2016 to June 30, 2016)	1Q of FY2017 (From April 1, 2017 to June 30, 2017)
Profit	28,448	20,052
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Changes in fair value of financial assets measured at fair value through other comprehensive income (loss)	(25,699)	2,620
Remeasurement gains on defined benefit plans	425	2,804
Shares of other comprehensive income (loss) of investments accounted for using the equity method	(169)	239
Total	(25,443)	5,663
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(79,816)	(2,213)
Changes in fair value of cash flow hedges	(2,643)	154
Shares of other comprehensive income (loss) of investments accounted for using the equity method	(15,356)	1,077
Total	(97,815)	(982)
Other comprehensive income (loss), net of tax	(123,258)	4,681
Total comprehensive income (loss)	(94,810)	24,733
Comprehensive income (loss) attributable to:		
Owners of the parent	(78,532)	23,414
Non-controlling interests	(16,278)	1,319
Total comprehensive income (loss)	(94,810)	24,733

(3) Summary of Quarterly Consolidated Statements of Changes in Equity

First Quarter of FY2016 (April 1, 2016 – June 30, 2016)

(Millions of Yen)

	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Changes in fair value of financial assets measured at fair value through other comprehensive income (loss)	Changes in fair value of cash flow hedges
Balance as of April 1, 2016	100,000	748,489	576,003	(3,959)	94,296	(24,699)
Profit	-	-	26,349	-	-	-
Other comprehensive income (loss)	-	-	-	-	(24,523)	(2,780)
Total comprehensive income (loss)	-	-	26,349	-	(24,523)	(2,780)
Purchase of treasury stock	-	-	-	(7)	-	-
Cash dividends	-	-	(19,918)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	303	-	149	-
Transfer from other components of equity to non-financial assets	-	-	-	-	-	1,865
Other	-	162	-	-	(5)	-
Total transactions with owners	-	162	(19,615)	(7)	144	1,865
Balance as of June 30, 2016	100,000	748,651	582,737	(3,966)	69,917	(25,614)

	Other components of equity		Total	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Remeasurement gains (losses) on defined benefit plans				
Balance as of April 1, 2016	92,947	-	162,544	1,583,077	444,930	2,028,007
Profit	-	-	-	26,349	2,099	28,448
Other comprehensive income (loss)	(78,030)	452	(104,881)	(104,881)	(18,377)	(123,258)
Total comprehensive income (loss)	(78,030)	452	(104,881)	(78,532)	(16,278)	(94,810)
Purchase of treasury stock	-	-	-	(7)	-	(7)
Cash dividends	-	-	-	(19,918)	(5,192)	(25,110)
Acquisition of non-controlling interests	-	-	-	-	2,201	2,201
Transfer from other components of equity to retained earnings	-	(452)	(303)	-	-	-
Transfer from other components of equity to non-financial assets	-	-	1,865	1,865	(720)	1,145
Other	(9)	-	(14)	148	(17)	131
Total transactions with owners	(9)	(452)	1,548	(17,912)	(3,728)	(21,640)
Balance as of June 30, 2016	14,908	-	59,211	1,486,633	424,924	1,911,557

First Quarter of FY2017 (April 1, 2017 – June 30, 2017)

(Millions of Yen)

	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Changes in fair value of financial assets measured at fair value through other comprehensive income (loss)	Changes in fair value of cash flow hedges
Balance as of April 1, 2017	100,000	751,556	697,009	(3,990)	114,729	(16,436)
Profit	-	-	19,012	-	-	-
Other comprehensive income (loss)	-	-	-	-	2,583	1,419
Total comprehensive income (loss)	-	-	19,012	-	2,583	1,419
Purchase of treasury stock	-	-	-	(25)	-	-
Cash dividends	-	-	(19,918)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	2,601	-	202	-
Transfer from other components of equity to non-financial assets	-	-	-	-	-	294
Changes due to business combination	-	501,389	-	-	-	-
Other	-	11	-	-	-	-
Total transactions with owners	-	501,400	(17,317)	(25)	202	294
Balance as of June 30, 2017	100,000	1,252,956	698,704	(4,015)	117,514	(14,723)

	Other components of equity		Total	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Remeasurement gains (losses) on defined benefit plans				
Balance as of April 1, 2017	64,326	-	162,619	1,707,194	433,094	2,140,288
Profit	-	-	-	19,012	1,040	20,052
Other comprehensive income (loss)	(2,403)	2,803	4,402	4,402	279	4,681
Total comprehensive income (loss)	(2,403)	2,803	4,402	23,414	1,319	24,733
Purchase of treasury stock	-	-	-	(25)	-	(25)
Cash dividends	-	-	-	(19,918)	(9,722)	(29,640)
Acquisition of non-controlling interests	-	-	-	-	2,458	2,458
Transfer from other components of equity to retained earnings	-	(2,803)	(2,601)	-	-	-
Transfer from other components of equity to non-financial assets	-	-	294	294	(285)	9
Changes due to business combination	-	-	-	501,389	-	501,389
Other	-	-	-	11	-	11
Total transactions with owners	-	(2,803)	(2,307)	481,751	(7,549)	474,202
Balance as of June 30, 2017	61,923	-	164,714	2,212,359	426,864	2,639,223

(4) Explanatory Notes to the Summary of Quarterly Consolidated Financial Statements

(Notes on the Assumption of a Going Concern)

None

(Equity and Other Equity Items)

Through the share exchange implemented in the business integration with TonenGeneral Sekiyu K.K., 931,431 thousand shares of common stock were issued, and the capital surplus increased by 501,389 million yen.

(Segment Information)

Information on Revenue, Profit or Loss and Other Items from Each Reporting Segment

First Quarter of FY2016 (April 1, 2016 – June 30, 2016)

(Millions of yen)

	Energy	Oil and natural gas E&P	Metals	Total reporting segments	Other	Adjustments (Note 3)	Recorded amount on consolidated financial statements
Revenue							
Revenue from external customers	1,208,281	26,737	203,282	1,438,300	92,559	-	1,530,859
Inter-segment revenue or transfers (Note 1)	2,736	-	563	3,299	8,928	(12,227)	-
Total	1,211,017	26,737	203,845	1,441,599	101,487	(12,227)	1,530,859
Segment profit (loss) (Note 2)	33,831	(9,409)	1,320	25,742	8,801	3,321	37,864
Finance income							12,474
Finance costs							6,396
Profit before tax							43,942

- (Notes) 1. Inter-reporting segment revenue or transfers are based on actual market prices.
2. Segment profit (loss) is stated as operating profit in the summary of the quarterly consolidated statements of profit or loss.
3. The segment profit adjustment of 3,321 million yen includes the net amount of 3,268 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the “Other” category.

First Quarter of FY2017 (April 1, 2017 – June 30, 2017)

(Millions of yen)

	Energy	Oil and natural gas E&P	Metals	Total reporting segments	Other	Adjustments (Note 3)	Recorded amount on consolidated financial statements
Revenue							
Revenue from external customers	1,868,170	33,669	224,435	2,126,274	98,943	-	2,225,217
Inter-segment revenue or transfers (Note 1)	1,245	-	422	1,667	11,727	(13,394)	-
Total	1,869,415	33,669	224,857	2,127,941	110,670	(13,394)	2,225,217
Segment profit (loss) (Note 2)	22,473	3,118	8,256	33,847	7,697	3,481	45,025
Finance income							1,125
Finance costs							8,105
Profit before tax							38,045

- (Notes) 1. Inter-reporting segment revenue or transfers are based on actual market prices.
2. Segment profit (loss) is stated as operating profit in the summary of the quarterly consolidated statements of profit or loss.
3. The segment profit adjustment of 3,481 million yen includes the net amount of 3,604 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the “Other” category.

Mainly due to the business integration with TonenGeneral Sekiyu K.K., in the “Energy” segment, compared with the end of the previous fiscal year, the assets and the liabilities increased by 1,150,232 million yen and 637,544 million yen, resulting in 5,058,149 million yen and 3,428,471 million yen, respectively.