



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

February 9, 2018

Company name: JXTG Holdings, Inc. Stock Exchange Listings: Tokyo and Nagoya
 Code number: 5020 URL: <http://www.hd.jxtg-group.co.jp/>
 Representative: Yukio Uchida Representative Director, President
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 Scheduled date of filing of Quarterly Securities Report: February 13, 2018
 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 FY2017 (From April 1, 2017 to December 31, 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	%
3Q of FY2017	7,394,407	49.6	411,451	94.9	393,489	105.2	269,370	130.6	340,319	217.2
3Q of FY2016	4,941,529	-	211,092	-	191,741	-	116,791	-	107,282	-

	Basic profit per share	Diluted profit per share
	Yen	Yen
3Q of FY2017	78.83	78.82
3Q of FY2016	46.97	46.97

(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	%
3Q of FY2017	8,617,489	2,922,679	2,478,703	28.8
FY2016	6,792,892	2,140,288	1,707,194	25.1

Note: Amounts in 3Q of FY2016 and FY2016 are the consolidated results of JX Holdings, Inc.

The percentage figures of 3Q 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	-	9.00	-		
FY2017 (Forecast)				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
FY2017	10,200,000	45.2	480,000	77.0	455,000	82.6	300,000	100.0	87.81

Note: Revision to the most recent consolidated earnings forecast: Yes

- Regarding matters related to the forecasts of consolidated results, please refer to “Notification of Revisions to the Annual Forecasts” announced today
- Regarding the forecasts of consolidated results for FY2017, the percentage changes from the actual results of JX Holdings, Inc. for FY2016 are shown.
- As for the forecasts of operating profit excluding inventory valuation factors*, please see the following.

Operating profit excluding inventory valuation factors:

Forecasts for FY2017: 410,000 million yen (percentage change from the previous fiscal year: 190.6%)

(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)

Third Quarter of FY2017 ended December 31, 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

Third Quarter of FY2017 ended December 31, 2017: 10,602,630 shares

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

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

Third Quarter of FY2017 ended December 31, 2017: 3,416,978,464 shares

Third Quarter of FY2016 ended December 31, 2016: 2,486,341,851 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)	3Q of FY2017 (As of December 31, 2017)
ASSETS		
Current assets		
Cash and cash equivalents	349,007	328,608
Trade and other receivables	1,060,884	1,399,949
Inventories	1,130,400	1,580,018
Other financial assets	46,289	59,400
Other current assets	105,450	113,167
Sub total	2,692,030	3,481,142
Assets held for sale	23,747	799
Total current assets	2,715,777	3,481,941
Non-current assets		
Property, plant and equipment	2,988,736	3,589,197
Goodwill	17,061	177,216
Intangible assets	50,987	333,859
Investments accounted for using the equity method	392,269	422,028
Other financial assets	454,943	496,242
Other non-current assets	6,590	7,392
Deferred tax assets	166,529	109,614
Total non-current assets	4,077,115	5,135,548
Total assets	6,792,892	8,617,489

(Millions of Yen)

	FY2016 (As of March 31, 2017)	3Q of FY2017 (As of December 31, 2017)
LIABILITIES		
Current liabilities		
Trade and other payables	1,304,355	1,827,956
Bonds and borrowings	862,609	794,238
Income taxes payable	33,633	77,195
Other financial liabilities	19,941	30,902
Provisions	6,168	18,125
Other current liabilities	355,409	376,047
Sub total	2,582,115	3,124,463
Liabilities directly related to assets held for sale	16,423	-
Total current liabilities	2,598,538	3,124,463
Non-current liabilities		
Bonds and borrowings	1,570,071	1,802,529
Liabilities for retirement benefits	133,096	273,799
Other financial liabilities	27,289	27,944
Provisions	141,702	151,633
Other non-current liabilities	79,266	111,891
Deferred tax liabilities	102,642	202,551
Total non-current liabilities	2,054,066	2,570,347
Total liabilities	4,652,604	5,694,810
EQUITY		
Common stock	100,000	100,000
Capital surplus	751,556	1,253,018
Retained earnings	697,009	931,294
Treasury stock	(3,990)	(4,720)
Other components of equity	162,619	199,111
Total equity attributable to owners of the parent	1,707,194	2,478,703
Non-controlling interests	433,094	443,976
Total equity	2,140,288	2,922,679
TOTAL LIABILITIES AND EQUITY	6,792,892	8,617,489

(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)

	3Q of FY2016 (From April 1, 2016 to December 31, 2016)	3Q of FY2017 (From April 1, 2017 to December 31, 2017)
Revenue	4,941,529	7,394,407
Cost of sales	4,294,057	6,457,777
Gross profit	647,472	936,630
Selling, general and administrative expenses	467,849	563,904
Share of profit of investments accounted for using the equity method	28,220	43,910
Other operating income	39,754	47,377
Other operating expenses	36,505	52,562
Operating profit	211,092	411,451
Finance income	3,660	3,472
Finance costs	23,011	21,434
Profit before tax	191,741	393,489
Income tax expense (benefit)	67,348	104,005
Profit	124,393	289,484
Profit attributable to:		
Owners of the parent	116,791	269,370
Non-controlling interests	7,602	20,114
Profit	124,393	289,484
		(Yen)
Basic profit per share	46.97	78.83
Diluted profit per share	46.97	78.82

Summary of Quarterly Consolidated Statements of Comprehensive Income or Loss

(Millions of Yen)

	3Q of FY2016 (From April 1, 2016 to December 31, 2016)	3Q of FY2017 (From April 1, 2017 to December 31, 2017)
Profit	124,393	289,484
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)	15,286	35,764
Remeasurement gains on defined benefit plans	1,287	12,395
Shares of other comprehensive income (loss) of investments accounted for using the equity method	(272)	435
Total	16,301	48,594
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(13,257)	5,617
Changes in fair value of cash flow hedges	(109)	(3,499)
Shares of other comprehensive income (loss) of investments accounted for using the equity method	(20,046)	123
Total	(33,412)	2,241
Other comprehensive income (loss), net of tax	(17,111)	50,835
Total comprehensive income (loss)	107,282	340,319
Comprehensive income (loss) attributable to:		
Owners of the parent	95,399	318,507
Non-controlling interests	11,883	21,812
Total comprehensive income (loss)	107,282	340,319

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

Third Quarter of FY2016 (April 1, 2016 – December 31, 2016)

	Common stock	Capital surplus	Retained earnings	Treasury stock	(Millions of Yen) 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	-	-	116,791	-	-	-
Other comprehensive income (loss)	-	-	-	-	13,938	568
Total comprehensive income (loss)	-	-	116,791	-	13,938	568
Purchase of treasury stock	-	-	-	(21)	-	-
Cash dividends	-	-	(39,836)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	4,770	-	(3,471)	-
Transfer from other components of equity to non-financial assets	-	-	-	-	-	1,857
Other	-	172	-	-	(5)	-
Total transactions with owners	-	172	(35,066)	(21)	(3,476)	1,857
Balance as of December 31, 2016	100,000	748,661	657,728	(3,980)	104,758	(22,274)

	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	-	-	-	116,791	7,602	124,393
Other comprehensive income (loss)	(37,197)	1,299	(21,392)	(21,392)	4,281	(17,111)
Total comprehensive income (loss)	(37,197)	1,299	(21,392)	95,399	11,883	107,282
Purchase of treasury stock	-	-	-	(21)	-	(21)
Cash dividends	-	-	-	(39,836)	(10,167)	(50,003)
Acquisition of non-controlling interests	-	-	-	-	3,204	3,204
Transfer from other components of equity to retained earnings	-	(1,299)	(4,770)	-	-	-
Transfer from other components of equity to non-financial assets	-	-	1,857	1,857	(586)	1,271
Other	(9)	-	(14)	158	(204)	(46)
Total transactions with owners	(9)	(1,299)	(2,927)	(37,842)	(7,753)	(45,595)
Balance as of December 31, 2016	55,741	-	138,225	1,640,634	449,060	2,089,694

Third Quarter of FY2017 (April 1, 2017 – December 31, 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	-	-	269,370	-	-	-
Other comprehensive income (loss)	-	-	-	-	34,205	(1,647)
Total comprehensive income (loss)	-	-	269,370	-	34,205	(1,647)
Purchase of treasury stock	-	-	-	(730)	-	-
Cash dividends	-	-	(50,708)	-	-	-
Share-based payment transactions	-	113	-	-	-	-
Equity transactions with non-controlling interests, etc.	-	(40)	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	15,623	-	(3,113)	-
Transfer from other components of equity to non-financial assets	-	-	-	-	-	2,557
Changes due to business combination	-	501,389	-	-	-	-
Total transactions with owners	-	501,462	(35,085)	(730)	(3,113)	2,557
Balance as of December 31, 2017	100,000	1,253,018	931,294	(4,720)	145,821	(15,526)

	Other components of equity			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	Total			
Balance as of April 1, 2017	64,326	-	162,619	1,707,194	433,094	2,140,288
Profit	-	-	-	269,370	20,114	289,484
Other comprehensive income (loss)	4,069	12,510	49,137	49,137	1,698	50,835
Total comprehensive income (loss)	4,069	12,510	49,137	318,507	21,812	340,319
Purchase of treasury stock	-	-	-	(730)	-	(730)
Cash dividends	-	-	-	(50,708)	(14,628)	(65,336)
Share-based payment transactions	-	-	-	113	-	113
Equity transactions with non-controlling interests, etc.	421	-	421	381	3,379	3,760
Transfer from other components of equity to retained earnings	-	(12,510)	(15,623)	-	-	-
Transfer from other components of equity to non-financial assets	-	-	2,557	2,557	319	2,876
Changes due to business combination	-	-	-	501,389	-	501,389
Total transactions with owners	421	(12,510)	(12,645)	453,002	(10,930)	442,072
Balance as of December 31, 2017	68,816	-	199,111	2,478,703	443,976	2,922,679

(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.

(Share-based Payments)

From the second quarter of this fiscal year, JXTG Holdings, Inc. (the “Company”) and its three core operating companies have introduced a share-based payments plan for their directors (excluding outside directors and overseas residents) and executive officers who are not serving concurrently as directors (excluding overseas residents), and therefore have adopted the BIP (Board Incentive Plan) Trust for equity-settled executive compensation. The compensation for received services is measured by using the fair value of the Company shares as of the grant date, and is considered as expenses during the right vesting period. The same amount thereof is considered as an increase in equity.

(Segment Information)

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

Third Quarter of FY2016 (April 1, 2016 – December 31, 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	3,912,852	103,008	624,477	4,640,337	301,192	-	4,941,529
Inter-segment revenue or transfers (Note 1)	5,639	-	1,687	7,326	33,614	(40,940)	-
Total	3,918,491	103,008	626,164	4,647,663	334,806	(40,940)	4,941,529
Segment profit (loss) (Note 2)	142,816	13,031	17,047	172,894	31,422	6,776	211,092
Finance income							3,660
Finance costs							23,011
Profit before tax							191,741

- (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 6,776 million yen includes the net amount of 6,902 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the “Other” category.

Third Quarter of FY2017 (April 1, 2017 – December 31, 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	6,240,011	116,175	701,780	7,057,966	336,441	-	7,394,407
Inter-segment revenue or transfers (Note 1)	3,589	-	1,378	4,967	41,396	(46,363)	-
Total	6,243,600	116,175	703,158	7,062,933	377,837	(46,363)	7,394,407
Segment profit (loss) (Note 2)	305,473	23,149	46,098	374,720	30,838	5,893	411,451
Finance income							3,472
Finance costs							21,434
Profit before tax							393,489

- (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 5,893 million yen includes the net amount of 6,612 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 1,676,108 million yen and 926,635 million yen, resulting in 5,584,025 million yen and 3,717,562 million yen, respectively.