



Consolidated Financial Results for the Third Quarter of Fiscal Year 2018 [IFRS]

February 8, 2019

Company name: JXTG Holdings, Inc. Stock Exchange Listings: Tokyo and Nagoya
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 Scheduled date of filing of Quarterly Securities Report: February 13, 2019
 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 yen are rounded off.)

1. Consolidated Results for the Third Quarter of FY2018 (From April 1, 2018 to December 31, 2018)

(1) Operating Results

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

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q of FY2018	8,331,344	12.7	459,310	11.6	435,474	10.7	278,282	3.3	293,677	(13.7)
3Q of FY2017	7,394,407	49.6	411,451	94.9	393,489	105.2	269,370	130.6	340,319	217.2

	Basic profit per share	Diluted profit per share
	Yen	Yen
3Q of FY2018	82.17	82.14
3Q of FY2017	78.83	78.82

(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 FY2018	8,878,802	3,105,505	2,712,178	30.5
FY2017	8,457,555	2,919,975	2,539,541	30.0

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
FY2017	-	9.00	-	10.00	19.00
FY2018	-	10.00	-		
FY2018 (Forecast)				11.00	21.00

Note: Revision to the most recent dividend forecast: Yes

3. Forecasts of Consolidated Results for Fiscal Year 2018 (From April 1, 2018 to March 31, 2019)

(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
FY2018	11,000,000	6.8	500,000	2.6	475,000	1.6	300,000	△17.1	88.88

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 of the Fiscal Year 2018" announced today.

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

Operating profit excluding inventory valuation factors:

Forecasts for FY2018: 500,000 million yen (percentage change from the previous fiscal year: 34.2%)

(Reference) Actual results for FY2017: 372,600 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: Yes
(ii) Changes in accounting policies other than (i) above: None
(iii) Changes in accounting estimates: None

Note: For details, please refer to "Summary of Quarterly Consolidated Financial Statements and Major Explanatory Notes Thereto (4) Explanatory Notes to the Summary of Quarterly Consolidated Financial Statements (Changes in accounting policies)" on page 7 of the Attached Material.

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

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

Third Quarter of FY2018 ended December 31, 2018:	3,385,993,649 shares
FY2017 ended March 31, 2018:	3,426,916,549 shares

- (ii) Number of shares of treasury stock at the end of the period

Third Quarter of FY2018 ended December 31, 2018:	10,597,767 shares
FY2017 ended March 31, 2018:	10,614,273 shares

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

Third Quarter of FY2018 ended December 31, 2018:	3,386,593,034 shares
Third Quarter of FY2017 ended December 31, 2017:	3,416,978,464 shares

- This report is not subject to quarterly review procedures conducted by certified public accountants or an audit corporation.
- 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)

	FY2017 (As of March 31, 2018)	3Q of FY2018 (As of December 31, 2018)
ASSETS		
Current assets		
Cash and cash equivalents	447,355	401,891
Trade and other receivables	1,437,123	1,410,353
Inventories	1,540,033	1,801,063
Other financial assets	61,282	95,828
Other current assets	98,733	195,357
Sub total	3,584,526	3,904,492
Assets held for sale	8,655	1,737
Total current assets	3,593,181	3,906,229
Non-current assets		
Property, plant and equipment	3,327,400	3,402,002
Goodwill	177,216	196,684
Intangible assets	334,404	344,651
Investments accounted for using the equity method	404,158	428,461
Other financial assets	482,346	454,406
Other non-current assets	6,915	7,927
Deferred tax assets	131,935	138,442
Total non-current assets	4,864,374	4,972,573
TOTAL ASSETS	8,457,555	8,878,802

(Millions of yen)

	FY2017 (As of March 31, 2018)	3Q of FY2018 (As of December 31, 2018)
LIABILITIES		
Current liabilities		
Trade and other payables	1,910,002	1,817,040
Bonds and borrowings	529,058	1,082,769
Income taxes payable	71,448	109,395
Other financial liabilities	14,387	33,949
Provisions	20,240	21,593
Other current liabilities	449,911	297,250
Sub total	2,995,046	3,361,996
Liabilities directly related to assets held for sale	771	-
Total current liabilities	2,995,817	3,361,996
Non-current liabilities		
Bonds and borrowings	1,730,873	1,591,306
Liabilities for retirement benefits	287,159	270,010
Other financial liabilities	24,379	49,292
Provisions	144,717	137,393
Other non-current liabilities	110,980	118,357
Deferred tax liabilities	243,655	244,943
Total non-current liabilities	2,541,763	2,411,301
Total liabilities	5,537,580	5,773,297
EQUITY		
Common stock	100,000	100,000
Capital surplus	1,250,667	1,219,426
Retained earnings	1,017,402	1,227,832
Treasury stock	(4,730)	(4,728)
Other components of equity	176,202	169,648
Total equity attributable to owners of the parent	2,539,541	2,712,178
Non-controlling interests	380,434	393,327
Total equity	2,919,975	3,105,505
TOTAL LIABILITIES AND EQUITY	8,457,555	8,878,802

**(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 FY2017 (From April 1, 2017 to December 31, 2017)	3Q of FY2018 (From April 1, 2018 to December 31, 2018)
Revenue	7,394,407	8,331,344
Cost of sales	6,457,777	7,436,642
Gross profit	936,630	894,702
Selling, general and administrative expenses	563,904	584,828
Share of profit of investments accounted for using the equity method	43,910	44,581
Other operating income	47,377	144,049
Other operating expenses	52,562	39,194
Operating profit	411,451	459,310
Finance income	3,472	4,972
Finance costs	21,434	28,808
Profit before tax	393,489	435,474
Income tax expense	104,005	133,701
Profit	289,484	301,773
Profit attributable to:		
Owners of the parent	269,370	278,282
Non-controlling interests	20,114	23,491
Profit	289,484	301,773
		(Yen)
Basic profit per share	78.83	82.17
Diluted profit per share	78.82	82.14

(Summary of Quarterly Consolidated Statements of Comprehensive Income or Loss)

(Millions of yen)

	3Q of FY2017 (From April 1, 2017 to December 31, 2017)	3Q of FY2018 (From April 1, 2018 to December 31, 2018)
Profit	289,484	301,773
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	35,764	(27,769)
Remeasurement gains on defined benefit plans	12,395	910
Shares of other comprehensive income (loss) of investments accounted for using the equity method	435	(850)
Total	48,594	(27,709)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	5,617	21,314
Changes in fair value of cash flow hedges	(3,499)	(1,231)
Shares of other comprehensive income (loss) of investments accounted for using the equity method	123	(470)
Total	2,241	19,613
Other comprehensive income (loss), net of tax	50,835	(8,096)
Total comprehensive income	340,319	293,677
Comprehensive income attributable to:		
Owners of the parent	318,507	269,383
Non-controlling interests	21,812	24,294
Total comprehensive income	340,319	293,677

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

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 losses (gains) 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

Third Quarter of FY2018 (April 1, 2018 – December 31, 2018)

(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, 2018	100,000	1,250,667	1,017,402	(4,730)	143,296	(6,125)
Profit	-	-	278,282	-	-	-
Other comprehensive income (loss)	-	-	-	-	(27,912)	256
Total comprehensive income (loss)	-	-	278,282	-	(27,912)	256
Purchase of treasury stock	-	-	-	(30,031)	-	-
Disposal of treasury stock	-	0	-	0	-	-
Cancellation of treasury stock	-	(30,000)	-	30,000	-	-
Cash dividends	-	-	(67,988)	-	-	-
Share-based payment transactions	-	108	-	33	-	-
Equity transactions with non-controlling interests, etc.	-	188	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	136	-	667	-
Transfer from other components of equity to non-financial assets	-	-	-	-	-	2,546
Other	-	(1,537)	-	-	-	-
Total transactions with owners, etc.	-	(31,241)	(67,852)	2	667	2,546
Balance as of December 31, 2018	100,000	1,219,426	1,227,832	(4,728)	116,051	(3,323)

	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 losses (gains) on defined benefit plans	Total			
Balance as of April 1, 2018	39,031	-	176,202	2,539,541	380,434	2,919,975
Profit	-	-	-	278,282	23,491	301,773
Other comprehensive income (loss)	17,954	803	(8,899)	(8,899)	803	(8,096)
Total comprehensive income (loss)	17,954	803	(8,899)	269,383	24,294	293,677
Purchase of treasury stock	-	-	-	(30,031)	-	(30,031)
Disposal of treasury stock	-	-	-	0	-	0
Cancellation of treasury stock	-	-	-	-	-	-
Cash dividends	-	-	-	(67,988)	(11,217)	(79,205)
Share-based payment transactions	-	-	-	141	-	141
Equity transactions with non-controlling interests, etc.	(65)	-	(65)	123	9,817	9,940
Transfer from other components of equity to retained earnings	-	(803)	(136)	-	-	-
Transfer from other components of equity to non-financial assets	-	-	2,546	2,546	1,222	3,768
Other	-	-	-	(1,537)	(11,223)	(12,760)
Total transactions with owners, etc.	(65)	(803)	2,345	(96,746)	(11,401)	(108,147)
Balance as of December 31, 2018	56,920	-	169,648	2,712,178	393,327	3,105,505

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

(Notes on the Assumption of a Going Concern)

None

(Changes in Accounting Policies)

The JXTG Group has adopted IFRS 15 “Revenue from Contracts with Customers” (issued in May 2014) and “Clarifications to IFRS 15” (issued in April 2016) from the first quarter of FY2018. In the application of this standard, the JXTG Group has adopted the method where the cumulative effect is recognized at the date of initial application. The impact on revenue for the consolidated cumulative third quarter was immaterial.

(Segment Information)

I. Third Quarter of FY2017 (April 1, 2017 – December 31, 2017)

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

(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)	307,051	23,149	47,434	377,634	29,513	4,304	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 4,304 million yen includes the net amount of 5,023 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the “Other” category.

2. Changes in Reporting Segments

Due to a partial reorganization of the management system, the segment information on “Energy,” “Metals,” and “Other” for the third quarter of FY2017 has been presented based on the new reporting segments.

II. Third Quarter of FY2018 (April 1, 2018 – December 31, 2018)

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

(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	7,130,099	114,348	769,044	8,013,491	317,853	-	8,331,344
Inter-segment revenue or transfers (Note 1)	4,364	-	1,383	5,747	38,531	(44,278)	-
Total	7,134,463	114,348	770,427	8,019,238	356,384	(44,278)	8,331,344
Segment profit (loss) (Note 2)	300,562	57,966	59,763	418,291	31,381	9,638	459,310
Finance income							4,972
Finance costs							28,808
Profit before tax							435,474

- (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 9,638 million yen includes the net amount of 11,419 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the “Other” category.