



## Consolidated Financial Results for the Fiscal Year 2018 [IFRS]

May 13, 2019

Company name: JXTG Holdings, Inc. Stock Exchange Listings: Tokyo and Nagoya  
 Code number: 5020 URL: <https://www.hd.jxtg-group.co.jp/>  
 Representative: Tsutomu Sugimori Representative Director, President  
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 Scheduled date of ordinary general meeting of shareholders: June 26, 2019  
 Scheduled date of filing of Securities Report: June 26, 2019  
 Scheduled date of commencement of dividend payments: June 27, 2019  
 Supplemental materials for the financial results: Yes  
 Financial results presentation: Yes (for institutional investors and analysts)

(Amounts of less than 1 million yen are rounded off.)

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

#### (1) Operating Results

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

|        | Revenue         |      | Operating profit |      | Profit before tax |      | Profit for the year attributable to owners of the parent |        | Total comprehensive income for the year |       |
|--------|-----------------|------|------------------|------|-------------------|------|----------------------------------------------------------|--------|-----------------------------------------|-------|
|        | Millions of yen | %    | Millions of yen  | %    | Millions of yen   | %    | Millions of yen                                          | %      | Millions of yen                         | %     |
| FY2018 | 11,129,630      | 8.0  | 537,083          | 10.2 | 508,617           | 8.8  | 322,319                                                  | (10.9) | 332,295                                 | (3.4) |
| FY2017 | 10,301,072      | 46.6 | 487,546          | 79.8 | 467,435           | 87.6 | 361,922                                                  | 141.3  | 344,022                                 | 120.5 |

|        | Basic profit per share | Diluted profit per share | Profit ratio to equity attributable to owners of the parent | Profit before tax ratio to total assets | Operating profit ratio to revenue |
|--------|------------------------|--------------------------|-------------------------------------------------------------|-----------------------------------------|-----------------------------------|
|        | Yen                    | Yen                      | %                                                           | %                                       | %                                 |
| FY2018 | 95.36                  | 95.32                    | 12.3                                                        | 6.0                                     | 4.8                               |
| FY2017 | 105.92                 | 105.90                   | 15.2                                                        | 6.1                                     | 4.7                               |

(Reference) Equity in earnings of affiliates: FY2018: 46,060 million yen; FY2017: 62,510 million yen

#### (2) Financial Position

|        | Total assets    | Total equity    | Total equity attributable to owners of the parent | Equity ratio attributable to owners of the parent | Equity attributable to owners of the parent per share |
|--------|-----------------|-----------------|---------------------------------------------------|---------------------------------------------------|-------------------------------------------------------|
|        | Millions of yen | Millions of yen | Millions of yen                                   | %                                                 | Yen                                                   |
| FY2018 | 8,477,811       | 3,119,816       | 2,717,840                                         | 32.1                                              | 816.39                                                |
| FY2017 | 8,457,555       | 2,919,975       | 2,539,541                                         | 30.0                                              | 743.36                                                |

#### (3) Cash Flows

|        | Net cash flows from operating activities | Net cash flows from investing activities | Net cash flows from financing activities | Cash and cash equivalents at the end of the year |
|--------|------------------------------------------|------------------------------------------|------------------------------------------|--------------------------------------------------|
|        | Millions of yen                          | Millions of yen                          | Millions of yen                          | Millions of yen                                  |
| FY2018 | 344,184                                  | (206,900)                                | (196,662)                                | 378,945                                          |
| FY2017 | 707,106                                  | (95,104)                                 | (508,223)                                | 437,117                                          |

### 2. Dividends

|                   | Annual cash dividends per share |                    |                    |          |       | Total dividend amount | Dividend payout ratio (Consolidated) | Dividend ratio of equity attributable to owners of the parent (Consolidated) |
|-------------------|---------------------------------|--------------------|--------------------|----------|-------|-----------------------|--------------------------------------|------------------------------------------------------------------------------|
|                   | End of 1st quarter              | End of 2nd quarter | End of 3rd quarter | Year-End | Total |                       |                                      |                                                                              |
|                   | Yen                             | Yen                | Yen                | Yen      | Yen   | Millions of yen       | %                                    | %                                                                            |
| FY2017            | -                               | 9.00               | -                  | 10.00    | 19.00 | 65,002                | 17.9                                 | 2.7                                                                          |
| FY2018            | -                               | 10.00              | -                  | 11.00    | 21.00 | 70,475                | 22.0                                 | 2.7                                                                          |
| FY2019 (Forecast) | -                               | 11.00              | -                  | 11.00    | 22.00 |                       | 22.9                                 |                                                                              |

Note: Average number of shares issued during the period that forms the basis for the calculation of dividend payout ratio (consolidated) for FY2019 (forecast) specified above is calculated with the number of issued shares (excluding treasury stock) as of March 31, 2019.

### 3. Forecasts of Consolidated Results for Fiscal Year 2019 (From April 1, 2019 to March 31, 2020)

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

|                      | Revenue         |     | Operating profit |        | Profit before tax |        | Profit for the year 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 FY2019 | 5,500,000       | 1.3 | 290,000          | (34.3) | 275,000           | (35.2) | 175,000                                                  | (38.6) | 52.57                  |
| FY2019               | 11,500,000      | 3.3 | 550,000          | 2.4    | 515,000           | 1.3    | 320,000                                                  | (0.7)  | 96.12                  |

Note: Average number of shares issued during the period that forms the basis for the calculation of basic profit per share specified above is calculated with the number of issued shares (excluding treasury stock) as of March 31, 2019.

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

Operating profit excluding inventory valuation factors:

Forecasts for FY2019: 500,000 million yen (percentage change from the previous fiscal year: (3.0)% )

(Reference) Actual results for FY2018: 515,700million 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 “Consolidated Financial Statements and Major Explanatory Notes Thereto (5) Explanatory Notes to the Consolidated Financial Statements (Changes in Accounting Policies)” on page 9 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)

FY2018 ended March 31, 2019: 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

FY2018 ended March 31, 2019: 56,898,910 shares

FY2017 ended March 31, 2018: 10,614,273 shares

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

FY2018 ended March 31, 2019: 3,380,083,243 shares

FY2017 ended March 31, 2018: 3,416,811,188 shares

## (Reference) Non-Consolidated Financial Results

### Non-Consolidated Financial Results for Fiscal Year 2018 (From April 1, 2018 to March 31, 2019)

#### (1) Operating Results

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

|        | Revenue         |       | Operating profit |       | Ordinary profit |      | Profit          |       |
|--------|-----------------|-------|------------------|-------|-----------------|------|-----------------|-------|
|        | Millions of yen | %     | Millions of yen  | %     | Millions of yen | %    | Millions of yen | %     |
| FY2018 | 177,401         | 937.4 | 166,542          | -     | 169,571         | -    | 187,072         | 328.2 |
| FY2017 | 17,101          | 7.6   | 4,281            | (1.7) | 9,403           | 33.7 | 43,686          | 126.2 |

|        | Profit per share | Diluted profit per share |
|--------|------------------|--------------------------|
|        | Yen              | Yen                      |
| FY2018 | 55.29            | 55.27                    |
| FY2017 | 12.77            | 12.77                    |

#### (2) Financial Position

|        | Total assets    | Net assets      | Equity ratio | Net assets per share |
|--------|-----------------|-----------------|--------------|----------------------|
|        | Millions of yen | Millions of yen | %            | Yen                  |
| FY2018 | 3,817,842       | 1,830,799       | 48.0         | 549.34               |
| FY2017 | 3,862,464       | 1,783,500       | 46.2         | 521.51               |

(Reference) Equity: FY2018: 1,830,799 million yen; FY2017: 1,783,500 million yen

- This report is not subject to audit procedures conducted by certified public accountants or an audit corporation.
- Explanation regarding appropriate use of forward-looking statements on results, and other specific comments (Note on Statements Regarding Prospective Matters)  
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.
- Changes from the previous fiscal year (or corresponding period in the previous fiscal year) are not presented (“-”) if either or both of the fiscal year (or period) under review and the previous fiscal year (or corresponding period) are negative, or if the percentage change is 1,000% or greater.

## Consolidated Financial Statements and Major Explanatory Notes Thereto

### (1) Consolidated Statements of Financial Position

(Millions of yen)

|                                                   | FY2017<br>(As of March 31, 2018) | FY2018<br>(As of March 31, 2019) |
|---------------------------------------------------|----------------------------------|----------------------------------|
| <b>ASSETS</b>                                     |                                  |                                  |
| Current assets                                    |                                  |                                  |
| Cash and cash equivalents                         | 447,355                          | 385,434                          |
| Trade and other receivables                       | 1,437,123                        | 1,363,974                        |
| Inventories                                       | 1,540,033                        | 1,590,207                        |
| Other financial assets                            | 61,282                           | 47,184                           |
| Other current assets                              | 98,733                           | 198,851                          |
| Sub total                                         | 3,584,526                        | 3,585,650                        |
| Assets held for sale                              | 8,655                            | 1,737                            |
| Total current assets                              | 3,593,181                        | 3,587,387                        |
| Non-current assets                                |                                  |                                  |
| Property, plant and equipment                     | 3,327,400                        | 3,381,642                        |
| Goodwill                                          | 177,216                          | 196,482                          |
| Intangible assets                                 | 334,404                          | 345,800                          |
| Investments accounted for using the equity method | 404,158                          | 403,241                          |
| Other financial assets                            | 482,346                          | 422,597                          |
| Other non-current assets                          | 6,915                            | 7,662                            |
| Deferred tax assets                               | 131,935                          | 133,000                          |
| Total non-current assets                          | 4,864,374                        | 4,890,424                        |
| <b>TOTAL ASSETS</b>                               | <b>8,457,555</b>                 | <b>8,477,811</b>                 |

(Millions of yen)

|                                                      | FY2017<br>(As of March 31, 2018) | FY2018<br>(As of March 31, 2019) |
|------------------------------------------------------|----------------------------------|----------------------------------|
| <b>LIABILITIES</b>                                   |                                  |                                  |
| Current liabilities                                  |                                  |                                  |
| Trade and other payables                             | 1,910,002                        | 1,852,441                        |
| Bonds and borrowings                                 | 529,058                          | 644,288                          |
| Income taxes payable                                 | 71,448                           | 28,016                           |
| Other financial liabilities                          | 14,387                           | 18,867                           |
| Provisions                                           | 20,240                           | 40,413                           |
| Other current liabilities                            | 449,911                          | 348,301                          |
| Sub total                                            | 2,995,046                        | 2,932,326                        |
| Liabilities directly related to assets held for sale | 771                              | -                                |
| Total current liabilities                            | 2,995,817                        | 2,932,326                        |
| Non-current liabilities                              |                                  |                                  |
| Bonds and borrowings                                 | 1,730,873                        | 1,573,705                        |
| Liabilities for retirement benefits                  | 287,159                          | 274,206                          |
| Other financial liabilities                          | 24,379                           | 37,027                           |
| Provisions                                           | 144,717                          | 152,269                          |
| Other non-current liabilities                        | 110,980                          | 105,518                          |
| Deferred tax liabilities                             | 243,655                          | 282,944                          |
| Total non-current liabilities                        | 2,541,763                        | 2,425,669                        |
| Total liabilities                                    | 5,537,580                        | 5,357,995                        |
| <b>EQUITY</b>                                        |                                  |                                  |
| Common stock                                         | 100,000                          | 100,000                          |
| Capital surplus                                      | 1,250,667                        | 1,222,193                        |
| Retained earnings                                    | 1,017,402                        | 1,272,960                        |
| Treasury stock                                       | (4,730)                          | (29,698)                         |
| Other components of equity                           | 176,202                          | 152,385                          |
| Total equity attributable to owners of the parent    | 2,539,541                        | 2,717,840                        |
| Non-controlling interests                            | 380,434                          | 401,976                          |
| Total equity                                         | 2,919,975                        | 3,119,816                        |
| <b>TOTAL LIABILITIES AND EQUITY</b>                  | <b>8,457,555</b>                 | <b>8,477,811</b>                 |

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

(Millions of yen)

|                                                                         | FY2017<br>(From April 1, 2017<br>to March 31, 2018) | FY2018<br>(From April 1, 2018<br>to March 31, 2019) |
|-------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Revenue                                                                 | 10,301,072                                          | 11,129,630                                          |
| Cost of sales                                                           | 9,014,483                                           | 9,909,694                                           |
| Gross profit                                                            | 1,286,589                                           | 1,219,936                                           |
| Selling, general and administrative expenses                            | 783,840                                             | 816,260                                             |
| Share of profit of investments accounted for using<br>the equity method | 62,510                                              | 46,060                                              |
| Other operating income                                                  | 141,903                                             | 193,512                                             |
| Other operating expenses                                                | 219,616                                             | 106,165                                             |
| Operating profit                                                        | 487,546                                             | 537,083                                             |
| Finance income                                                          | 8,310                                               | 7,018                                               |
| Finance costs                                                           | 28,421                                              | 35,484                                              |
| Profit before tax                                                       | 467,435                                             | 508,617                                             |
| Income tax expense                                                      | 143,142                                             | 151,466                                             |
| Profit for the year                                                     | 324,293                                             | 357,151                                             |
| Profit for the year attributable to:                                    |                                                     |                                                     |
| Owners of the parent                                                    | 361,922                                             | 322,319                                             |
| Non-controlling interests                                               | (37,629)                                            | 34,832                                              |
| Profit for the year                                                     | 324,293                                             | 357,151                                             |
|                                                                         |                                                     | (Yen)                                               |
| Basic profit per share                                                  | 105.92                                              | 95.36                                               |
| Diluted profit per share                                                | 105.90                                              | 95.32                                               |

## (Consolidated Statements of Comprehensive Income or Loss)

(Millions of yen)

|                                                                                                            | FY2017<br>(From April 1, 2017<br>to March 31, 2018) | FY2018<br>(From April 1, 2018<br>to March 31, 2019) |
|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Profit for the year                                                                                        | 324,293                                             | 357,151                                             |
| 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) | 34,321                                              | (28,460)                                            |
| Remeasurement (losses) gains on defined benefit plans                                                      | 3,318                                               | (1,636)                                             |
| Shares of other comprehensive income (loss) of investments accounted for using the equity method           | 575                                                 | (687)                                               |
| Total                                                                                                      | 38,214                                              | (30,783)                                            |
| Items that may be reclassified subsequently to profit or loss                                              |                                                     |                                                     |
| Exchange differences on translation of foreign operations                                                  | (29,502)                                            | 16,868                                              |
| Changes in fair value of cash flow hedges                                                                  | 7,637                                               | (6,801)                                             |
| Shares of other comprehensive income (loss) of investments accounted for using the equity method           | 3,380                                               | (4,140)                                             |
| Total                                                                                                      | (18,485)                                            | 5,927                                               |
| Other comprehensive income (loss), net of tax                                                              | 19,729                                              | (24,856)                                            |
| Total comprehensive income for the year                                                                    | 344,022                                             | 332,295                                             |
| Comprehensive income for the year attributable to:                                                         |                                                     |                                                     |
| Owners of the parent                                                                                       | 384,125                                             | 297,090                                             |
| Non-controlling interests                                                                                  | (40,103)                                            | 35,205                                              |
| Total comprehensive income for the year                                                                    | 344,022                                             | 332,295                                             |

### (3) Consolidated Statements of Changes in Equity

(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 (loss) for the year                                             | -            | -               | 361,922           | -              | -                                                                                                          | -                                         |
| Other comprehensive income (loss)                                      | -            | -               | -                 | -              | 33,579                                                                                                     | 8,305                                     |
| Total comprehensive income (loss) for the year                         | -            | -               | 361,922           | -              | 33,579                                                                                                     | 8,305                                     |
| Purchase of treasury stock                                             | -            | -               | -                 | (741)          | -                                                                                                          | -                                         |
| Disposal of treasury stock                                             | -            | 0               | -                 | 1              | -                                                                                                          | -                                         |
| Cash dividends                                                         | -            | -               | (50,697)          | -              | -                                                                                                          | -                                         |
| Share-based payment transactions                                       | -            | 171             | -                 | -              | -                                                                                                          | -                                         |
| Equity transactions with non-controlling interests, etc.               | -            | (2,449)         | -                 | -              | -                                                                                                          | -                                         |
| Transfer from other components of equity to retained earnings          | -            | -               | 9,168             | -              | (5,012)                                                                                                    | -                                         |
| Transfer from other components of equity to non-financial assets, etc. | -            | -               | -                 | -              | -                                                                                                          | 2,006                                     |
| Changes due to business combination                                    | -            | 501,389         | -                 | -              | -                                                                                                          | -                                         |
| Total transactions with owners                                         | -            | 499,111         | (41,529)          | (740)          | (5,012)                                                                                                    | 2,006                                     |
| Balance as of March 31, 2018                                           | 100,000      | 1,250,667       | 1,017,402         | (4,730)        | 143,296                                                                                                    | (6,125)                                   |
| Profit for the year                                                    | -            | -               | 322,319           | -              | -                                                                                                          | -                                         |
| Other comprehensive income (loss)                                      | -            | -               | -                 | -              | (29,023)                                                                                                   | (5,456)                                   |
| Total comprehensive income (loss) for the year                         | -            | -               | 322,319           | -              | (29,023)                                                                                                   | (5,456)                                   |
| Purchase of treasury stock                                             | -            | -               | -                 | (55,001)       | -                                                                                                          | -                                         |
| Disposal of treasury stock                                             | -            | 0               | -                 | 0              | -                                                                                                          | -                                         |
| Cancellation of treasury stock                                         | -            | (30,000)        | -                 | 30,000         | -                                                                                                          | -                                         |
| Cash dividends                                                         | -            | -               | (67,988)          | -              | -                                                                                                          | -                                         |
| Share-based payment transactions                                       | -            | 163             | -                 | 33             | -                                                                                                          | -                                         |
| Equity transactions with non-controlling interests, etc.               | -            | 188             | -                 | -              | -                                                                                                          | -                                         |
| Transfer from other components of equity to retained earnings          | -            | -               | 1,227             | -              | (2,787)                                                                                                    | -                                         |
| Transfer from other components of equity to non-financial assets, etc. | -            | -               | -                 | -              | -                                                                                                          | 2,704                                     |
| Other                                                                  | -            | 1,175           | -                 | -              | -                                                                                                          | -                                         |
| Total transactions with owners                                         | -            | (28,474)        | (66,761)          | (24,968)       | (2,787)                                                                                                    | 2,704                                     |
| Balance as of March 31, 2019                                           | 100,000      | 1,222,193       | 1,272,960         | (29,698)       | 111,486                                                                                                    | (8,877)                                   |

(Millions of yen)

|                                                                        | 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 (loss) for the year                                             | -                                                         | -                                                     | -        | 361,922                                           | (37,629)                  | 324,293      |
| Other comprehensive income (loss)                                      | (23,212)                                                  | 3,531                                                 | 22,203   | 22,203                                            | (2,474)                   | 19,729       |
| Total comprehensive income (loss) for the year                         | (23,212)                                                  | 3,531                                                 | 22,203   | 384,125                                           | (40,103)                  | 344,022      |
| Purchase of treasury stock                                             | -                                                         | -                                                     | -        | (741)                                             | -                         | (741)        |
| Disposal of treasury stock                                             | -                                                         | -                                                     | -        | 1                                                 | -                         | 1            |
| Cash dividends                                                         | -                                                         | -                                                     | -        | (50,697)                                          | (14,706)                  | (65,403)     |
| Share-based payment transactions                                       | -                                                         | -                                                     | -        | 171                                               | -                         | 171          |
| Equity transactions with non-controlling interests, etc.               | (1,458)                                                   | -                                                     | (1,458)  | (3,907)                                           | 2,220                     | (1,687)      |
| Transfer from other components of equity to retained earnings          | (625)                                                     | (3,531)                                               | (9,168)  | -                                                 | -                         | -            |
| Transfer from other components of equity to non-financial assets, etc. | -                                                         | -                                                     | 2,006    | 2,006                                             | (71)                      | 1,935        |
| Changes due to business combination                                    | -                                                         | -                                                     | -        | 501,389                                           | -                         | 501,389      |
| Total transactions with owners                                         | (2,083)                                                   | (3,531)                                               | (8,620)  | 448,222                                           | (12,557)                  | 435,665      |
| Balance as of March 31, 2018                                           | 39,031                                                    | -                                                     | 176,202  | 2,539,541                                         | 380,434                   | 2,919,975    |
| Profit for the year                                                    | -                                                         | -                                                     | -        | 322,319                                           | 34,832                    | 357,151      |
| Other comprehensive income (loss)                                      | 10,810                                                    | (1,560)                                               | (25,229) | (25,229)                                          | 373                       | (24,856)     |
| Total comprehensive income (loss) for the year                         | 10,810                                                    | (1,560)                                               | (25,229) | 297,090                                           | 35,205                    | 332,295      |
| Purchase of treasury stock                                             | -                                                         | -                                                     | -        | (55,001)                                          | -                         | (55,001)     |
| Disposal of treasury stock                                             | -                                                         | -                                                     | -        | 0                                                 | -                         | 0            |
| Cancellation of treasury stock                                         | -                                                         | -                                                     | -        | -                                                 | -                         | -            |
| Cash dividends                                                         | -                                                         | -                                                     | -        | (67,988)                                          | (13,928)                  | (81,916)     |
| Share-based payment transactions                                       | -                                                         | -                                                     | -        | 196                                               | -                         | 196          |
| Equity transactions with non-controlling interests, etc.               | (65)                                                      | -                                                     | (65)     | 123                                               | 10,066                    | 10,189       |
| Transfer from other components of equity to retained earnings          | -                                                         | 1,560                                                 | (1,227)  | -                                                 | -                         | -            |
| Transfer from other components of equity to non-financial assets, etc. | -                                                         | -                                                     | 2,704    | 2,704                                             | 844                       | 3,548        |
| Other                                                                  | -                                                         | -                                                     | -        | 1,175                                             | (10,645)                  | (9,470)      |
| Total transactions with owners                                         | (65)                                                      | 1,560                                                 | 1,412    | (118,791)                                         | (13,663)                  | (132,454)    |
| Balance as of March 31, 2019                                           | 49,776                                                    | -                                                     | 152,385  | 2,717,840                                         | 401,976                   | 3,119,816    |

#### (4) Consolidated Statements of Cash Flows

(Millions of yen)

|                                                                                         | FY2017<br>(From April 1, 2017<br>to March 31, 2018) | FY2018<br>(From April 1, 2018<br>to March 31, 2019) |
|-----------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Cash flows from operating activities:                                                   |                                                     |                                                     |
| Profit before tax                                                                       | 467,435                                             | 508,617                                             |
| Depreciation, depletion and amortization                                                | 267,922                                             | 248,308                                             |
| Impairment loss                                                                         | 179,400                                             | 42,247                                              |
| Increase (decrease) in liabilities for retirement benefits                              | (10,934)                                            | (16,088)                                            |
| Increase (decrease) in provisions                                                       | 14,655                                              | 28,689                                              |
| Interest income and dividends income                                                    | (23,196)                                            | (27,588)                                            |
| Interest expenses                                                                       | 28,366                                              | 32,865                                              |
| Share of loss (profit) of investments accounted for using the equity method             | (62,510)                                            | (46,060)                                            |
| Loss (gain) on sale of fixed assets                                                     | (68,958)                                            | (48,128)                                            |
| Loss (gain) on sale of investments in subsidiaries                                      | (414)                                               | (77,710)                                            |
| (Increase) decrease in trade and other receivables                                      | (182,275)                                           | 43,095                                              |
| (Increase) decrease in inventories                                                      | (145,644)                                           | (28,866)                                            |
| Increase (decrease) in trade and other payables                                         | 226,848                                             | (106,590)                                           |
| Interest received                                                                       | 4,492                                               | 6,651                                               |
| Dividends received                                                                      | 56,859                                              | 61,420                                              |
| Interest paid                                                                           | (25,778)                                            | (31,068)                                            |
| Income taxes paid                                                                       | (94,797)                                            | (179,803)                                           |
| Other                                                                                   | 75,635                                              | (65,807)                                            |
| Net cash flows from (used in) operating activities                                      | 707,106                                             | 344,184                                             |
| Cash flows from investing activities:                                                   |                                                     |                                                     |
| Purchase of investment securities                                                       | (10,763)                                            | (8,155)                                             |
| Proceeds from the sale of investment securities                                         | 50,895                                              | 17,080                                              |
| Purchases of oil and gas assets                                                         | (65,592)                                            | (68,790)                                            |
| Proceeds from sale of oil and gas assets                                                | 2,451                                               | -                                                   |
| Purchase of property, plant and equipment (excluding oil and gas assets)                | (205,346)                                           | (194,229)                                           |
| Proceeds from sales of property, plant and equipment (excluding oil and gas assets)     | 141,279                                             | 50,747                                              |
| Purchase of intangible assets                                                           | (20,217)                                            | (31,135)                                            |
| Decrease (increase) in short-term loans to associates and others, net                   | 840                                                 | 12,153                                              |
| Loans to associates and others (long-term loans)                                        | (1,161)                                             | (1,271)                                             |
| Repayments of loans by associates and others (long-term loans)                          | 16,048                                              | 6,508                                               |
| Proceeds from business combination                                                      | 14,781                                              | -                                                   |
| Payment for acquisition of subsidiaries resulting in change in scope of consolidation   | (1,674)                                             | (46,485)                                            |
| Proceeds from acquisition of subsidiaries resulting in change in scope of consolidation | 2,808                                               | -                                                   |
| Proceeds from sale of subsidiaries resulting in change in scope of consolidation        | 1,009                                               | 85,196                                              |
| Other                                                                                   | (20,462)                                            | (28,519)                                            |
| Net cash flows from (used in) investing activities                                      | (95,104)                                            | (206,900)                                           |

(Millions of yen)

|                                                               | FY2017<br>(From April 1, 2017<br>to March 31, 2018) | FY2018<br>(From April 1, 2018<br>to March 31, 2019) |
|---------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Cash flows from financing activities:                         |                                                     |                                                     |
| Increase (decrease) in short-term borrowings, net             | (214,228)                                           | (67,250)                                            |
| Increase (decrease) in commercial paper, net                  | (232,000)                                           | 186,000                                             |
| Proceeds from long-term borrowings                            | 193,008                                             | 101,838                                             |
| Repayment of long-term borrowings                             | (165,158)                                           | (215,868)                                           |
| Proceeds from issuance of bonds                               | 20,920                                              | 800                                                 |
| Redemption of bonds                                           | (30,000)                                            | (70,000)                                            |
| Purchase of treasury stock                                    | (705)                                               | (54,981)                                            |
| Capital contribution from non-controlling interests           | 5,785                                               | 11,949                                              |
| Cash dividends paid                                           | (50,697)                                            | (67,988)                                            |
| Dividends to non-controlling interests                        | (14,299)                                            | (13,417)                                            |
| Other                                                         | (20,849)                                            | (7,745)                                             |
| Net cash flows from (used in) financing activities            | (508,223)                                           | (196,662)                                           |
| Net (decrease) increase in cash and cash equivalents          | 103,779                                             | (59,378)                                            |
| Cash and cash equivalents at beginning of the year            | 343,039                                             | 437,117                                             |
| Net foreign exchange differences of cash and cash equivalents | (8,321)                                             | 1,206                                               |
| Cash and cash equivalents included in assets held for sale    | (1,380)                                             | -                                                   |
| Cash and cash equivalents at end of the year                  | 437,117                                             | 378,945                                             |

## (5) Explanatory Notes to the 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 this fiscal year. 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 fiscal year was immaterial.

(Segment Information)

### 1. Outline of the Reporting Segments

The JXTG Group’s business segments consist of those constituent units of the JXTG Group for which separate financial information is available that are subject to periodic review for the board of directors (the chief operating decision maker) to determine the distribution of management resources and to evaluate business performance. The JXTG Group, which includes the Company, as its holding company, is composed of segments corresponding to each product and service based on three core operating companies. The JXTG Group treats “Energy,” “Oil and Natural Gas Exploration and Production (“E&P”),” and “Metals” as business segments and reporting segments.

The business activities not included in the reporting segments are collectively contained in the “Other” category.

The details of the main products and services or business activities of each reporting segment and the “Other” category are as follows:

|                         |                                                                                                                                                                                                                                                                                                                    |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Energy                  | Petroleum refining & marketing, lubricants, basic chemical products, specialty & performance chemical products, gas, coal, electricity, and new energy.                                                                                                                                                            |
| Oil and Natural Gas E&P | Oil and natural gas exploration, development, and production.                                                                                                                                                                                                                                                      |
| Metals                  | Non-ferrous metal resources development and mining, copper, gold, silver, sulfuric acid, copper foils, materials for rolling and processing, thin film materials, non-ferrous metal recycling and industrial waste treatment, transportation by ships of non-ferrous metal products, titanium, and electric wires. |
| Other                   | Asphalt paving, civil engineering work, construction work, land transportation, real estate leasing business, and affairs common to JXTG Group companies, including fund procurement.                                                                                                                              |

2. Information on Revenue, Profit or Loss, Assets, Liabilities, and Other Items from Each Reporting Segment  
FY2017 (From April 1, 2017 to March 31, 2018)

(Millions of yen)

|                                             | Energy    | Oil and natural gas E&P | Metals   | Total reporting segments | Other   | Adjustments (Note 4) | Recorded amount on consolidated financial statements |
|---------------------------------------------|-----------|-------------------------|----------|--------------------------|---------|----------------------|------------------------------------------------------|
| Revenue                                     |           |                         |          |                          |         |                      |                                                      |
| Revenue from external customers             | 8,695,164 | 155,784                 | 965,993  | 9,816,941                | 484,131 | -                    | 10,301,072                                           |
| Inter-segment revenue or transfers (Note 2) | 4,923     | -                       | 2,432    | 7,355                    | 59,712  | (67,067)             | -                                                    |
| Total                                       | 8,700,087 | 155,784                 | 968,425  | 9,824,296                | 543,843 | (67,067)             | 10,301,072                                           |
| Segment profit (loss) (Note 3)              | 416,628   | 37,593                  | (60,328) | 393,893                  | 42,567  | 51,086               | 487,546                                              |
| Finance income                              |           |                         |          |                          |         |                      | 8,310                                                |
| Finance costs                               |           |                         |          |                          |         |                      | 28,421                                               |
| Profit before tax                           |           |                         |          |                          |         |                      | 467,435                                              |

|                                                                              |           |         |           |           |           |             |           |
|------------------------------------------------------------------------------|-----------|---------|-----------|-----------|-----------|-------------|-----------|
| Segment assets                                                               | 5,833,847 | 969,284 | 1,445,718 | 8,248,849 | 2,821,646 | (2,612,940) | 8,457,555 |
| Segment liabilities                                                          | 3,776,102 | 595,840 | 881,426   | 5,253,368 | 2,455,618 | (2,171,406) | 5,537,580 |
| Other items:                                                                 |           |         |           |           |           |             |           |
| Depreciation, depletion and amortization                                     | 163,386   | 41,313  | 53,322    | 258,021   | 8,496     | 1,405       | 267,922   |
| Share of profit (loss) of investments accounted for using the equity method  | 22,596    | (1,682) | 41,244    | 62,158    | 352       | -           | 62,510    |
| Capital expenditures on property, plant and equipment, and intangible assets | 164,163   | 67,518  | 42,963    | 274,644   | 15,661    | 5,358       | 295,663   |

- (Notes)
1. The accounting policy for the reporting segments is the same as the accounting policy for preparing the consolidated financial statements.
  2. Inter-reporting segment revenue or transfers are based on actual market prices.
  3. Segment profit (loss) is stated as operating profit (loss) in the consolidated statements of profit or loss.
  4. The adjustments include the following:
    - (1) The segment profit (loss) adjustment of 51,086 million yen includes the net amount of 48,337 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the "Other" category.
    - (2) The loss of 2,612,940 million yen in the segment assets adjustment is due primarily to eliminating intersegment receivables by offsetting.
    - (3) The loss of 2,171,406 million yen in the segment liabilities adjustment is due primarily to eliminating intersegment liabilities by offsetting.

## FY2018 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

|                                             | Energy    | Oil and natural gas E&P | Metals    | Total reporting segments | Other   | Adjustments (Note 4) | Recorded amount on consolidated financial statements |
|---------------------------------------------|-----------|-------------------------|-----------|--------------------------|---------|----------------------|------------------------------------------------------|
| Revenue                                     |           |                         |           |                          |         |                      |                                                      |
| Revenue from external customers             | 9,475,637 | 149,243                 | 1,039,312 | 10,664,192               | 465,438 | -                    | 11,129,630                                           |
| Inter-segment revenue or transfers (Note 2) | 5,657     | 6                       | 2,529     | 8,192                    | 62,198  | (70,390)             | -                                                    |
| Total                                       | 9,481,294 | 149,249                 | 1,041,841 | 10,672,384               | 527,636 | (70,390)             | 11,129,630                                           |
| Segment profit (loss) (Note 3)              | 375,395   | 37,829                  | 68,246    | 481,470                  | 42,446  | 13,167               | 537,083                                              |
| Finance income                              |           |                         |           |                          |         |                      | 7,018                                                |
| Finance costs                               |           |                         |           |                          |         |                      | 35,484                                               |
| Profit before tax                           |           |                         |           |                          |         |                      | 508,617                                              |

|                                                                              |           |           |           |           |           |             |           |
|------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-------------|-----------|
| Segment assets                                                               | 5,707,236 | 1,005,817 | 1,445,007 | 8,158,060 | 2,607,390 | (2,287,639) | 8,477,811 |
| Segment liabilities                                                          | 3,645,635 | 601,882   | 897,109   | 5,144,626 | 2,145,084 | (1,931,715) | 5,357,995 |
| Other items:                                                                 |           |           |           |           |           |             |           |
| Depreciation, depletion and amortization                                     | 162,368   | 27,357    | 48,353    | 238,078   | 8,889     | 1,341       | 248,308   |
| Share of profit (loss) of investments accounted for using the equity method  | 14,934    | (7,692)   | 38,277    | 45,519    | 541       | -           | 46,060    |
| Capital expenditures on property, plant and equipment, and intangible assets | 200,241   | 69,782    | 54,986    | 325,009   | 14,038    | (2,531)     | 336,516   |

- (Notes)
1. The accounting policy for the reporting segments is the same as the accounting policy for preparing the consolidated financial statements.
  2. Inter-reporting segment revenue or transfers are based on actual market prices.
  3. Segment profit (loss) is stated as operating profit (loss) in the consolidated statements of profit or loss.
  4. The adjustments include the following:
    - (1) The segment profit (loss) adjustment of 13,167 million yen includes the net amount of 11,210 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the "Other" category.
    - (2) The loss of 2,287,639 million yen in the segment assets adjustment is due primarily to eliminating intersegment receivables by offsetting.
    - (3) The loss of 1,931,715 million yen in the segment liabilities adjustment is due primarily to eliminating intersegment liabilities by offsetting.

## (Per Share Information)

|                                                                                           | FY2017<br>From April 1, 2017<br>to March 31, 2018 | FY2018<br>From April 1, 2018<br>to March 31, 2019 |
|-------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Profit for the year attributable to owners of the parent (millions of yen)                | 361,922                                           | 322,319                                           |
| Average number of shares of common stock during the fiscal year (thousand shares)         | 3,416,811                                         | 3,380,083                                         |
| Increase due to share-based payments (thousand shares)                                    | 785                                               | 1,211                                             |
| Average number of diluted shares of common stock during the fiscal year (thousand shares) | 3,417,596                                         | 3,381,294                                         |
| Basic profit per share (yen)                                                              | 105.92                                            | 95.36                                             |
| Diluted profit per share (yen)                                                            | 105.90                                            | 95.32                                             |

- (Note) The Company shares held by the Board Incentive Plan Trust are recognized as treasury stock, and thus the pertinent number of shares is excluded from the average number of shares of common stock during the fiscal year in calculating basic profit per share.

## (Important Subsequent Events)

None