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

November 7, 2018

Company name: JXTG Holdings, Inc. Stock Exchange Listings: Tokyo and Nagoya  
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 Scheduled date of filing of Quarterly Securities Report: November 13, 2018  
 Scheduled date of commencement of dividend payments: December 4, 2018  
 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 Second Quarter of FY2018 (From April 1, 2018 to September 30, 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	%
2Q of FY2018	5,429,567	15.9	441,201	125.8	424,140	133.3	285,053	131.1	338,062	117.2
2Q of FY2017	4,684,562	49.9	195,363	154.3	181,774	132.9	123,329	174.9	155,622	-

	Basic profit per share	Diluted profit per share
	Yen	Yen
2Q of FY2018	84.03	84.00
2Q of FY2017	36.09	36.09

### (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	%
2Q of FY2018	8,927,020	3,186,141	2,795,125	31.3
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)	-	-	-	10.00	20.00

Note: Revision to the most recent dividend forecast: No

### 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	11,500,000	11.6	680,000	39.5	655,000	40.1	430,000	18.8	127.39

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

Regarding matters related to the forecasts of consolidated results, please refer to "Notification of the Difference between the Forecasts and the Actual of Consolidated Results for the First Half of the Fiscal Year 2018 and Revisions to the Annual Forecasts" 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: 590,000 million yen (percentage change from the previous fiscal year: 58.3%)  
(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)

Second Quarter of FY2018 ended September 30, 2018: 3,426,916,549 shares  
FY2017 ended March 31, 2018: 3,426,916,549 shares

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

Second Quarter of FY2018 ended September 30, 2018: 51,503,514 shares  
FY2017 ended March 31, 2018: 10,614,273 shares

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

Second Quarter of FY2018 ended September 30, 2018: 3,392,186,467 shares  
Second Quarter of FY2017 ended September 30, 2017: 3,417,303,934 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)	2Q of FY2018 (As of September 30, 2018)
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	447,355	454,027
Trade and other receivables	1,437,123	1,342,017
Inventories	1,540,033	1,865,905
Other financial assets	61,282	73,098
Other current assets	98,733	170,966
Sub total	3,584,526	3,906,013
Assets held for sale	8,655	1,737
Total current assets	3,593,181	3,907,750
Non-current assets		
Property, plant and equipment	3,327,400	3,404,437
Goodwill	177,216	196,017
Intangible assets	334,404	341,978
Investments accounted for using the equity method	404,158	422,381
Other financial assets	482,346	508,696
Other non-current assets	6,915	8,300
Deferred tax assets	131,935	137,461
Total non-current assets	4,864,374	5,019,270
<b>TOTAL ASSETS</b>	<b>8,457,555</b>	<b>8,927,020</b>

(Millions of yen)

	FY2017 (As of March 31, 2018)	2Q of FY2018 (As of September 30, 2018)
<b>LIABILITIES</b>		
Current liabilities		
Trade and other payables	1,910,002	1,880,904
Bonds and borrowings	529,058	860,098
Income taxes payable	71,448	131,195
Other financial liabilities	14,387	33,958
Provisions	20,240	23,777
Other current liabilities	449,911	336,993
Sub total	2,995,046	3,266,925
Liabilities directly related to assets held for sale	771	-
Total current liabilities	2,995,817	3,266,925
Non-current liabilities		
Bonds and borrowings	1,730,873	1,658,376
Liabilities for retirement benefits	287,159	262,981
Other financial liabilities	24,379	47,930
Provisions	144,717	139,814
Other non-current liabilities	110,980	109,364
Deferred tax liabilities	243,655	255,489
Total non-current liabilities	2,541,763	2,473,954
Total liabilities	5,537,580	5,740,879
<b>EQUITY</b>		
Common stock	100,000	100,000
Capital surplus	1,250,667	1,248,995
Retained earnings	1,017,402	1,272,081
Treasury stock	(4,730)	(34,716)
Other components of equity	176,202	208,765
Total equity attributable to owners of the parent	2,539,541	2,795,125
Non-controlling interests	380,434	391,016
Total equity	2,919,975	3,186,141
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8,457,555</b>	<b>8,927,020</b>

**(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)

	2Q of FY2017 (From April 1, 2017 to September 30, 2017)	2Q of FY2018 (From April 1, 2018 to September 30, 2018)
Revenue	4,684,562	5,429,567
Cost of sales	4,144,495	4,724,541
Gross profit	540,067	705,026
Selling, general and administrative expenses	369,808	382,934
Share of profit of investments accounted for using the equity method	25,460	35,500
Other operating income	25,620	115,934
Other operating expenses	25,976	32,325
Operating profit	195,363	441,201
Finance income	2,163	2,528
Finance costs	15,752	19,589
Profit before tax	181,774	424,140
Income tax expense	48,606	122,948
Profit	133,168	301,192
Profit attributable to:		
Owners of the parent	123,329	285,053
Non-controlling interests	9,839	16,139
Profit	133,168	301,192
		(Yen)
Basic profit per share	36.09	84.03
Diluted profit per share	36.09	84.00

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

(Millions of yen)

	2Q of FY2017 (From April 1, 2017 to September 30, 2017)	2Q of FY2018 (From April 1, 2018 to September 30, 2018)
Profit	133,168	301,192
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	14,669	8,308
Remeasurement gains on defined benefit plans	7,497	7,818
Shares of other comprehensive income (loss) of investments accounted for using the equity method	2	(222)
Total	22,168	15,904
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	3,936	33,216
Changes in fair value of cash flow hedges	(2,010)	(8,362)
Shares of other comprehensive income (loss) of investments accounted for using the equity method	(1,640)	(3,888)
Total	286	20,966
Other comprehensive income (loss), net of tax	22,454	36,870
Total comprehensive income	155,622	338,062
Comprehensive income attributable to:		
Owners of the parent	145,203	319,930
Non-controlling interests	10,419	18,132
Total comprehensive income	155,622	338,062

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

Second Quarter of FY2017 (April 1, 2017 – September 30, 2017)

	(Millions of Yen)					
	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Changes in fair value of financial assets measured at fair value through other comprehensive income (loss)	Changes in fair value of cash flow hedges
Balance as of April 1, 2017	100,000	751,556	697,009	(3,990)	114,729	(16,436)
Profit	-	-	123,329	-	-	-
Other comprehensive income (loss)	-	-	-	-	13,635	(815)
Total comprehensive income (loss)	-	-	123,329	-	13,635	(815)
Purchase of treasury stock	-	-	-	(717)	-	-
Cash dividends	-	-	(19,918)	-	-	-
Share-based payment transactions	-	57	-	-	-	-
Equity transactions with non-controlling interests, etc.	-	159	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	7,080	-	430	-
Transfer from other components of equity to non-financial assets	-	-	-	-	-	1,145
Changes due to business combination	-	501,389	-	-	-	-
Total transactions with owners	-	501,605	(12,838)	(717)	430	1,145
Balance as of September 30, 2017	100,000	1,253,161	807,500	(4,707)	128,794	(16,106)

	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	-	-	-	123,329	9,839	133,168
Other comprehensive income (loss)	1,544	7,510	21,874	21,874	580	22,454
Total comprehensive income (loss)	1,544	7,510	21,874	145,203	10,419	155,622
Purchase of treasury stock	-	-	-	(717)	-	(717)
Cash dividends	-	-	-	(19,918)	(9,767)	(29,685)
Share-based payment transactions	-	-	-	57	-	57
Equity transactions with non-controlling interests, etc.	1	-	1	160	3,366	3,526
Transfer from other components of equity to retained earnings	-	(7,510)	(7,080)	-	-	-
Transfer from other components of equity to non-financial assets	-	-	1,145	1,145	(257)	888
Changes due to business combination	-	-	-	501,389	-	501,389
Total transactions with owners	1	(7,510)	(5,934)	482,116	(6,658)	475,458
Balance as of September 30, 2017	65,871	-	178,559	2,334,513	436,855	2,771,368



Second Quarter of FY2018 (April 1, 2018 – September 30, 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	-	-	285,053	-	-	-
Other comprehensive income (loss)	-	-	-	-	7,638	(7,257)
Total comprehensive income (loss)	-	-	285,053	-	7,638	(7,257)
Purchase of treasury stock	-	-	-	(30,019)	-	-
Disposal of treasury stock	-	0	-	0	-	-
Cash dividends	-	-	(34,198)	-	-	-
Share-based payment transactions	-	60	-	33	-	-
Equity transactions with non-controlling interests, etc.	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	3,824	-	3,972	-
Transfer from other components of equity to non-financial assets	-	-	-	-	-	1,707
Other	-	(1,732)	-	-	-	-
Total transactions with owners	-	(1,672)	(30,374)	(29,986)	3,972	1,707
Balance as of September 30, 2018	100,000	1,248,995	1,272,081	(34,716)	154,906	(11,675)

	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	-	-	-	285,053	16,139	301,192
Other comprehensive income (loss)	26,700	7,796	34,877	34,877	1,993	36,870
Total comprehensive income (loss)	26,700	7,796	34,877	319,930	18,132	338,062
Purchase of treasury stock	-	-	-	(30,019)	-	(30,019)
Disposal of treasury stock	-	-	-	0	-	0
Cash dividends	-	-	-	(34,198)	(8,564)	(42,762)
Share-based payment transactions	-	-	-	93	-	93
Equity transactions with non-controlling interests, etc.	(197)	-	(197)	(197)	11,125	10,928
Transfer from other components of equity to retained earnings	-	(7,796)	(3,824)	-	-	-
Transfer from other components of equity to non-financial assets	-	-	1,707	1,707	837	2,544
Other	-	-	-	(1,732)	(10,948)	(12,680)
Total transactions with owners	(197)	(7,796)	(2,314)	(64,346)	(7,550)	(71,896)
Balance as of September 30, 2018	65,534	-	208,765	2,795,125	391,016	3,186,141

#### (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 second quarter was immaterial.

(Segment Information)

I. Second Quarter of FY2017 (April 1, 2017 – September 30, 2017)

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

	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	3,945,264	71,762	450,034	4,467,060	217,502	-	4,684,562
Inter-segment revenue or transfers (Note 1)	2,320	-	883	3,203	25,231	(28,434)	-
Total	3,947,584	71,762	450,917	4,470,263	242,733	(28,434)	4,684,562
Segment profit (loss) (Note 2)	136,838	7,906	29,098	173,842	18,253	3,268	195,363
Finance income							2,163
Finance costs							15,752
Profit before tax							181,774

- (Notes)
1. Inter-reporting segment revenue or transfers are based on actual market prices.
  2. Segment profit (loss) is stated as operating profit in the summary of the quarterly consolidated statements of profit or loss.
  3. The segment profit adjustment of 3,268 million yen includes the net amount of 3,872 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 second quarter of FY2017 has been presented based on the new reporting segments.

II. Second Quarter of FY2018 (April 1, 2018 – September 30, 2018)

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

	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	4,642,859	70,774	516,477	5,230,110	199,457	-	5,429,567
Inter-segment revenue or transfers (Note 1)	2,757	-	1,077	3,834	22,115	(25,949)	-
Total	4,645,616	70,774	517,554	5,233,944	221,572	(25,949)	5,429,567
Segment profit (loss) (Note 2)	343,708	35,565	40,637	419,910	17,874	3,417	441,201
Finance income							2,528
Finance costs							19,589
Profit before tax							424,140

- (Notes)
1. Inter-reporting segment revenue or transfers are based on actual market prices.
  2. Segment profit (loss) is stated as operating profit in the summary of the quarterly consolidated statements of profit or loss.
  3. The segment profit adjustment of 3,417 million yen includes the net amount of 3,516 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the “Other” category.