This document contains a financial summary and financial statements translated from the original Japanese version, for convenience only.

Consolidated Financial Results for the First Quarter of Fiscal Year 2015 [Japanese GAAP]

July 31, 2015

Company name: JX Holdings, Inc.
Code number: 5020
Stock Exchange Listings: Tokyo and Nagoya
URL: http://www.hd.jx-group.co.jp/
Representative: Yukio Uchida, Representative Director, President
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Telephone: +81-3-6275-5009
Scheduled date of filing of Quarterly Securities Report : August 13, 2015
Scheduled date of commencement of dividend payments : ―
Supplemental materials for the quarterly financial results : Yes
Quarterly financial results presentation : Yes (for institutional investors and analysts)

(Amounts of less than ￥1 million are rounded off)

1. Consolidated Results for the First Quarter of FY 2015 (From April 1, 2015 to June 30, 2015)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1Q of FY2015	2,304,083	(12.8)	79,664	―	97,024	553.4	53,293	276.4
1Q of FY2014	2,640,850	(4.8)	2,707	(95.0)	14,850	(79.5)	14,157	(60.3)

(Note) Comprehensive income : 1Q of FY2015: ￥ 71,099 million < ― % >
1Q of FY2014: ￥ 5,754 million < (94.3) % >

	Net income per share	Diluted net income per share
	Yen	Yen
1Q of FY2015	21.43	―
1Q of FY2014	5.69	―

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
1Q of FY2015	7,494,323	2,477,240	26.4
FY2014	7,423,404	2,429,849	26.1

(Reference) Shareholders' equity : 1Q of FY2015 ended June 30, 2015: ￥ 1,978,299 million
FY2014 ended March 31, 2015: ￥ 1,936,754 million

2. Dividends

	Annual cash dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
FY2014	―	8.00	―	8.00	16.00
FY2015	―				
FY2015(Forecast)		8.00	―	8.00	16.00

(Note) Revisions of the forecast of cash dividends since the latest announcement: None

3. Forecasts of Consolidated Results for FY 2015 (From April 1, 2015 to March 31, 2016)

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

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1H of FY2015	4,730,000	(13.1)	115,000	706.1	140,000	233.4	70,000	296.4	28.15
FY2015	9,660,000	(11.2)	250,000	―	310,000	―	160,000	―	64.35

(Note) Revisions of the forecasts of consolidated results since the latest announcement: Yes

The company has revised the forcasts for 1H of FY2015 that we announced last time (May 11, 2015).
As for the forcasts for full year of FY2015, the company has left it unchanged as previously announced.
In addition, forecasts of income excluding inventory valuation factors*, please see the following.

		Operating income		Ordinary income	
		Millions of yen	%	Millions of yen	%
(Forecasts) Income excluding inventory valuation factors	1H of FY2015	95,000	116.5	120,000	67.6
	FY2015	230,000	23.4	290,000	13.6

* The impact of inventory valuation on the cost of sales by using the average method and 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) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : Yes

(3) Changes in accounting policies and in accounting estimates, and restatement

- (i) Changes in accounting policies owing to revisions in accounting standards and the like : Yes
- (ii) Changes in accounting policies other than (i) above : None
- (iii) Changes in accounting estimates : None
- (iv) Restatement : None

(4) Number of shares issued (Common stock)

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

First Quarter of FY2015 ended June 30, 2015	:	2,495,485,929 shares
FY2014 ended March 31, 2015	:	2,495,485,929 shares

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

First Quarter of FY2015 ended June 30, 2015	:	9,074,542 shares
FY2014 ended March 31, 2015	:	9,055,789 shares

(iii) Average number of shares issued during the period

First Quarter of FY2015 ended June 30, 2015	:	2,486,422,678 shares
First Quarter of FY2014 ended June 30, 2014	:	2,486,485,769 shares

Information Regarding the Status of Quarterly Review Procedures Performance

This report is not subject to quarterly review procedures required pursuant to the Financial Instruments and Exchange Act. As of the time of disclosing this report, quarterly review procedures of consolidated financial statements required pursuant to the Financial Instruments and Exchange Act have not been completed.

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 strenghthening of regulations; and (3) litigation and other similar risks.

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1. Qualitative Information on the Quarterly Results

(1) Explanations on Operating Results

Overview

During the consolidated cumulative first quarter (from April 1, 2015 to June 30, 2015), despite the slow-down of the Chinese and other Asian economies, the overall global economy moderately recovered due partly to the U.S. economy's recovery of its strong personal consumption as a result of an improved employment environment, and the European economy's recovery led by its high personal consumption.

The Japanese economy continued a tendency toward a modest recovery, with an increase in its personal consumption as a result of an improved employment environment and recovery of capital investments motivated by improvements in corporate earnings.

The crude oil (Dubai crude oil) prices during the same period as stated above increased from $53 per barrel at the beginning of the period up to $66 in early May due to concern over the Middle East situation. After that, the prices decreased to $60 at the end of the period, with an average of $61 for the period, a decrease of $45 from the same period of the previous fiscal year.

The copper prices in international markets (prices on the London Metal Exchange (the "LME")) remained low as a whole, as a result of the slow-down of the economic growth in China. They started at 273 cents per pound at the beginning of the period, and were at 260 cents at the end of the period. The average price for the period was 275 cents per pound, a decrease of 34 cents from the same period of the previous fiscal year.

The Japanese yen against the U.S. dollar slightly fell, after starting at 120 yen at the beginning of the period, and was at 122 yen at the end of the period, with an average of 121 yen for the period, which was 19 yen lower than the previous fiscal year's same period.

Under these conditions, for the consolidated cumulative first quarter, net sales decreased by 12.8% from the same period of the previous fiscal year, to 2,304.1 billion yen, and ordinary income amounted to 97.0 billion yen, up 553.4% from the same period of the previous fiscal year.

Excluding inventory valuation factors (the impact of inventory valuation on the cost of sales by using the average method and devaluating the book value), ordinary income amounted to 82.5 billion yen, an increase of 539.5% from the same period of the previous fiscal year.

The overview of our operating results by segment is as outlined below.

Energy

Domestic demand for petroleum products increased from the same period of the previous fiscal year, because in the previous fiscal year, the demand for gasoline and other petroleum products dropped due to the repercussions of the pre-consumption tax hike purchasing rush. Margins improved compared with the same period of the previous fiscal year, because the fuel cost for our own use decreased due to the drop of the crude oil prices compared with the same period of the previous fiscal year regarding the petroleum products, and because the market conditions of paraxylene, the main petrochemical product, remained steady due to equipment trouble and regular repair overseas regarding petrochemical products, and also because of the influence of the weaker yen.

An accounting income due to inventory valuation factors of 14.5 billion yen was generated, because the crude oil prices rose compared with the same period of the previous fiscal year (a factor improving the profit/loss status by 12.7 billion yen compared with the same period of the previous fiscal year).

Under these conditions, net sales in the Energy business for the first quarter were 1,904.5 billion yen, a decrease of 14.7% from the same period of the previous fiscal year, due to the influence of the drop of the crude oil prices compared with the same period of the previous year, and ordinary income amounted to 60.3 billion yen (compared with a loss of 24.3 billion yen in the same period of the previous fiscal year). Excluding inventory valuation factors, ordinary income was 45.8 billion yen (compared with a loss of 26.1 billion yen in the same period of the previous fiscal year).

Oil and Natural Gas Exploration and Production (E&P)

Crude oil and natural gas production volume decreased compared with the same period of the previous fiscal year, because the production volume from the existing oil fields and gas fields decreased, despite of the contribution of the projects which newly commenced production. Sales prices of crude oil and natural gas on a calendar year basis dropped compared with the same period of the previous year, reflecting the crude oil market conditions.

With regard to the exploration activities, we discovered, in April 2015, crude oil in offshore Deepwater Block R in Sabah, Malaysia, in which we hold a participating interest as an operator.

Under these conditions, net sales in the Oil and Natural Gas E&P business for the first quarter recorded 45.8 billion yen, a decrease of 16.5% from the same period of the previous fiscal year, and ordinary income amounted to 12.3 billion yen, a decrease of 38.4% from the same period of the previous fiscal year.

Metals

With regard to the resource development business, our profit level was lower than the same period of the previous fiscal year partly as copper prices were on the decline from the same period of the previous fiscal year. We commenced producing copper concentrates at the Caserones Copper Mine in Chile in May 2014. Although there was a delay thereafter in launching full-scale production due to the time required, among other things, to develop the deposit for sand tailings generated in the copper concentrate production process, the JX Group as a whole is making a full-fledged effort to bring this to fruition as soon as possible.

With regard to the copper smelting and refining business, the electrolytic copper prices were above the level of the same period of the previous fiscal year, as a consequence of the weaker yen, despite the decline in LME copper prices. Regarding the electrolytic copper, although the production volume increased due to the expansion of the Tamano Smelter, the sales volume decreased from the same period of the previous fiscal year, due primarily to export decline. On the other hand, conditions for purchasing copper concentrate and sulfuric acid sales prices improved compared with the same period of the previous fiscal year.

With regard to the electronic materials business, our product sales volume generally increased from the same period of the previous fiscal year, with the growing demand in the IT industry, such as for smartphones.

With regard to the recycling and environmental services business, product prices of precious metals generally decreased from the same period of the previous fiscal year, primarily as a result of the decline in metal prices. The volume of collected copper slightly decreased, but that of precious metals increased from the same period of the previous fiscal year.

With regard to the titanium business, the product sales volume was above the level of the same period of the previous fiscal year, due to the recovery of demand.

Under these conditions, net sales in the Metals business for the first quarter increased to 279.7 billion yen, an increase of 4.3% from the same period of the previous fiscal year. Ordinary income was 15.6 billion yen, an increase of 59.8% from the same period of the previous fiscal year.

Other

Net sales for other business activities in the first quarter were 89.1 billion yen, a decrease of 12.8% from the same period of the previous fiscal year, and ordinary income was 7.0 billion yen, a decrease of 5.1% from the same period of the previous fiscal year.

With respect to the construction business, despite the trend in private capital investment recovery, we continued to be confronted with a difficult operating environment, because of the generally weak demand for public work, and the trends (such as labor demand and supply, and raw materials prices) requiring careful monitoring. Under these conditions, we worked aggressively to obtain orders based on technological superiority and to strengthen sales of products—such as asphalt mixtures—as well as to improve profitability through cost reductions and increasing operational efficiency.

Net sales of each segment specified above include in-house intersegment sales of 15.0 billion yen, compared with 17.2 billion yen in the same period of the previous fiscal year.

Special Gain & Loss, and Profit Attributable to Owners of Parent

Special gain totaled 1.6 billion yen—including 1.3 billion yen of gain on sales of non-current assets.

Special loss totaled 5.8 billion yen—including 3.0 billion yen of loss on disposal of non-current assets, and 1.0 billion yen of impairment loss.

The above factors resulted in income before income taxes and minority interests of 92.9 billion yen. From this amount, by deducting 32.4 billion of income taxes and 7.2 billion yen of profit attributable to non-controlling interests, the profit attributable to owners of parent amounted to 53.3 billion yen, an increase of 276.4% from the same period of the previous fiscal year.

Effective from the first quarter, we have adopted the “Accounting Standard for Business Combinations” (The Accounting Standards Board of Japan (the “ASBJ”) Statement No. 21, September 13, 2013) and other relevant standards, and have restated the accounting terms, “minority interests in income,” to “profit attributable to non-controlling interests,” and “net income,” to “profit attributable to owners of parent.”

(2) Explanations on Financial Position

(i) Assets: The total assets as of the end of the first quarter amounted to 7,494.3 billion yen, an increase of 70.9 billion yen from the end of the previous fiscal year.

(ii) Liabilities: The total liabilities as of the end of the first quarter amounted to 5,017.1 billion yen, an increase of 23.5 billion yen from the end of the previous fiscal year. The balance of interest-bearing debts amounted to 2,814.3 billion yen, an increase of 194.1 billion yen from the end of the previous fiscal year.

(iii) Net Assets: The total net assets as of the end of the first quarter amounted to 2,477.2 billion yen, an increase of 47.4 billion yen from the end of the previous fiscal year.

The shareholders’ equity ratio is 26.4%, an improvement of 0.3 points from the end of the previous fiscal year. The amount of net assets per share is 795.64 yen, a 16.71 yen increase from the end of the previous fiscal year; and the net D/E ratio (net debt equity ratio) is 1.28, a deterioration of 0.10 points from the end of the previous fiscal year.

(3) Explanations on Future Forecast Information, including the Forecasts of Consolidated Results

The Company has revised the forecast of its consolidated results for the first half of fiscal year 2015 that we announced last time (May 11, 2015).

As an average for the first half of fiscal year 2015, the revised forecast assumes an exchange rate of 120 yen per U.S. dollar; a crude oil price (Dubai crude) of $61 per barrel; and an international copper price (LME price) of 272 cents per pound. (Previous forecast: an exchange rate of 115 yen per U.S. dollar; a crude oil price of $60 per barrel; and an international copper price of 270 cents per pound.)

Net sales are expected to be 4,730.0 billion yen (an increase of 120.0 billion yen compared with the previous forecast), primarily due to an increase in the crude oil price compared with the previous forecast as a result of the weaker yen.

Further, operating income is expected to be 115.0 billion yen (an increase of 5.0 billion yen from the previous forecast). Ordinary income is expected to be 140.0 billion yen (unchanged from the previous forecast), and profit attributable to owners of parent is expected to be 70.0 billion yen (unchanged from the previous forecast).

The full-year forecast of consolidated results remains unchanged from the forecast announced last time.

This forecast of consolidated results is based on information available as of the date of announcement of this report. The actual financial results may differ from the forecasted figures, due to various factors.

In the first quarter, there are no revisions to the Company's previous forecast of dividend payment of 16 yen per share for the fiscal year, consisting of an interim dividend of 8 yen per share and a year-end dividend of 8 yen per share.

2. Matters regarding Summary Information (Explanatory Notes)

(1) Changes in the number of material subsidiaries during the term under review

None.

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements

(Calculation of Tax Expenses)

Tax expenses are calculated by multiplying net income before income taxes by the estimated effective tax rate, which is reasonably estimated for the net income before income taxes for the consolidated fiscal year, including this first quarter, after applying tax-effect accounting.

(3) Changes in accounting policies and in accounting estimates, and restatement

(Changes in Accounting Policies)

(Application of Accounting Standard for Business Combinations, and Other Relevant Standards)

We adopted the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and other relevant standards, effective from this first quarter. As a result, we have restated accounting terms such as "net income," and changed the term "minority interests" to "non-controlling interests." To reflect these restatements, we have reclassified the financial statements for the first quarter of the previous fiscal year and for the previous fiscal year.

(4) Changes in matters relating to the fiscal year, etc. of consolidated subsidiaries, and in matters relating to the application of equity method

With respect to the eleven consolidated subsidiaries and one affiliate accounted for by the equity method whose balance sheet date is December 31, we previously used their financial statements as of their balance sheet dates, and made adjustments of important transactions that occurred until our consolidated balance sheet date, as required for consolidated accounting.

However, effective from this first quarter, the balance sheet date of these companies has been changed to March 31, or we have adopted the method of provisionally having their accounts closed on the consolidated balance sheet date in accordance with the full-year closing, in order to ensure proper disclosure of consolidated financial information. As a result of these changes, as for the first quarter, we have included the results of six months, from January 1, 2015 to June 30, 2015, and have made adjustments throughout the statements of income.

The impact of the above on the profit/loss status, or other comprehensive income for this first quarter, is minor.

Supplemental Information

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

Account title	FY 2014 (As of March 31, 2015)	1Q of FY 2015 (As of June 30, 2015)
Assets		
Current assets:		
Cash and deposits	329,293	287,096
Notes and accounts receivable-trade	1,007,386	884,383
Inventories	1,356,648	1,545,222
Other	305,233	324,181
Allowance for doubtful accounts	(2,162)	(2,292)
Total current assets	2,996,398	3,038,590
Non-current assets:		
Property, plant and equipment:		
Land	951,647	952,349
Other, net	1,603,969	1,613,978
Total property, plant and equipment	2,555,616	2,566,327
Intangible assets	136,160	133,832
Investments and other assets:		
Investments in securities	823,009	834,267
Other	923,762	932,621
Allowance for doubtful accounts	(11,541)	(11,314)
Total investments and other assets	1,735,230	1,755,574
Total non-current assets	4,427,006	4,455,733
Total assets	7,423,404	7,494,323

(Millions of yen)

Account title	FY 2014 (As of March 31, 2015)	1Q of FY 2015 (As of June 30, 2015)
Liabilities		
Current liabilities:		
Notes and accounts payable-trade	680,551	686,986
Short-term borrowings	819,555	889,061
Commercial papers	364,000	464,000
Current portion of bonds	42,480	42,480
Accounts payable-other	797,590	659,126
Provision	38,480	20,448
Other	323,775	307,943
Total current liabilities	3,066,431	3,070,044
Non-current liabilities:		
Bonds payable	205,000	185,000
Long-term loans payable	1,189,232	1,233,789
Provision	76,676	75,959
Liability for retirement benefits	116,875	111,340
Asset retirement obligations	117,433	116,212
Other	221,908	224,739
Total non-current liabilities	1,927,124	1,947,039
Total liabilities	4,993,555	5,017,083
Net assets		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	746,711	746,711
Retained earnings	783,615	816,990
Treasury stock	(3,926)	(3,936)
Total shareholders' equity	1,626,400	1,659,765
Accumulated other comprehensive income:		
Unrealized gain on securities	87,008	101,033
Unrealized gain on hedging derivatives	1,083	2,083
Foreign currency translation adjustment	218,413	211,633
Retirement benefits liability adjustment	3,850	3,785
Total accumulated other comprehensive income	310,354	318,534
Non-controlling interests	493,095	498,941
Total net assets	2,429,849	2,477,240
Total liabilities and net assets	7,423,404	7,494,323

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

Account title	1Q of FY 2014 (from April 1, 2014 to June 30, 2014)	1Q of FY 2015 (from April 1, 2015 to June 30, 2015)
Net sales	2,640,850	2,304,083
Cost of sales	2,504,378	2,082,289
Gross profit	136,472	221,794
Selling, general and administrative expenses	133,765	142,130
Operating income	2,707	79,664
Non-operating income:		
Interest income	701	674
Dividend income	5,720	14,784
Foreign currency exchange gain	1,211	―
Equity in earnings of affiliates	9,655	10,288
Other	6,017	5,002
Total non-operating income	23,304	30,748
Non-operating expenses:		
Interest expense	6,186	6,001
Foreign currency exchange loss	―	1,291
Other	4,975	6,096
Total non-operating expenses	11,161	13,388
Ordinary income	14,850	97,024
Special gain:		
Gain on sales of non-current assets	23,666	1,303
Other	2,023	292
Total special gain	25,689	1,595
Special loss:		
Loss on sales of non-current assets	64	346
Loss on disposal of non-current assets	2,018	3,040
Impairment loss	7,046	1,042
Other	1,020	1,329
Total special loss	10,148	5,757
Income before income taxes and minority interests	30,391	92,862
Income taxes	11,938	32,419
Profit	18,453	60,443
Profit attributable to non-controlling interests	4,296	7,150
Profit attributable to owners of parent	14,157	53,293

Consolidated Statements of Comprehensive Income

(Millions of yen)

Account title	1Q of FY 2014 (from April 1, 2014 to June 30, 2014)	1Q of FY 2015 (from April 1, 2015 to June 30, 2015)
Profit	18,453	60,443
Other comprehensive income:		
Unrealized gain (loss) on securities	12,598	13,879
Unrealized gain (loss) on hedging derivatives	(1,649)	1,071
Foreign currency translation adjustment	(17,590)	(4,093)
Retirement benefits liability adjustment	(392)	(88)
Share of other comprehensive income of affiliates accounted for by equity method	(5,666)	(113)
Total other comprehensive income	(12,699)	10,656
Comprehensive income	5,754	71,099
Comprehensive income attributable to:		
Owners of parent	6,826	61,476
Non-controlling interests	(1,072)	9,623

(3) Explanatory Notes to Consolidated Financial Statements

(Notes on the Assumption of a Going Concern)

None

(Notes on Significant Changes in Shareholders' Equity)

None

(Segment Information, etc.)

Segment Information

I. First Quarter of FY 2014 (April 1, 2014 - June 30, 2014)

Information on Net Sales and Income (Loss) from each Reporting Segment (Millions of yen)

	Energy	Oil and Natural Gas E&P	Metals	Other	Total	Adjustments (Note 1)	Recorded Amount on Consolidated Statements of Income (Note 2)
Net Sales							
Sales to Outside Customers	2,230,976	54,781	267,572	87,521	2,640,850	-	2,640,850
In-house Intersegment Sales and Transfers	1,906	-	642	14,646	17,194	(17,194)	-
Total	2,232,882	54,781	268,214	102,167	2,658,044	(17,194)	2,640,850
Segment Income (Loss)	(24,345)	20,020	9,741	7,357	12,773	2,077	14,850

(Note 1) The segment income (loss) adjustments of 2,077 million yen includes the net amount of the entire Company's income and expenses not allocated to the reporting segments or the "Other" category of 2,057 million yen.

(Note 2) Segment income (loss) is adjusted to ordinary income stated in the consolidated statement of income.

II. First Quarter of FY 2015 (April 1, 2015 - June 30, 2015)

Information on Net Sales and Income (Loss) from each Reporting Segment (Millions of yen)

	Energy	Oil and Natural Gas E&P	Metals	Other	Total	Adjustments (Note 1)	Recorded Amount on Consolidated Statements of Income (Note 2)
Net Sales							
Sales to Outside Customers	1,902,891	45,757	278,568	76,867	2,304,083	-	2,304,083
In-house Intersegment Sales and Transfers	1,635	-	1,178	12,211	15,024	(15,024)	-
Total	1,904,526	45,757	279,746	89,078	2,319,107	(15,024)	2,304,083
Segment Income (Loss)	60,348	12,327	15,568	6,983	95,226	1,798	97,024

(Note 1) The segment income (loss) adjustments of 1,798 million yen includes the net amount of the entire Company's income and expenses not allocated to the reporting segments or the "Other" category of 1,793 million yen.

(Note 2) Segment income (loss) is adjusted to ordinary income stated in the consolidated statement of income.

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