



MEMBERSHIP

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For Immediate Release

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Notification of Impairment Loss in the Caserones Copper Mine Business in Chile

JXTG Holdings, Inc. (the “Company”) would like to give notice that an impairment loss is expected to be recorded in the Caserones Copper Mine Business conducted by the Company’s consolidated subsidiary, SCM Minera Lumina Copper Chile (whose head office is located at Santiago, Chile; hereinafter “MLCC”).

1. Details of the Impairment Loss

Regarding the Caserones Copper Mine Business (the ratio of interest held by the Company: 51.5%, *) in Chile, which is conducted by MLCC, due partly to the fact that production costs are high as a result of a part of the operation in the mineral dressing process (the extracting process for final copper content) not having been stabilized, and that various expenses have increased in order to establish the full operation system as soon as possible, the business balance for this fiscal year is expected to continue to be at a loss. As a result of recent revaluation of our assets, while taking into consideration these conditions of overall operation; the risk of low-level operation caused by weather conditions during the winter season; an increase in environmental response costs; changes in the mining plan due to a fault in an ore pit; a review of the long-term production plan based on these changes in the mining plan; and other relevant factors, an impairment loss of approximately 65.0 billion yen is expected to be recorded.

Crude ore processing volume has already been improved and stabilized. From now on, by enhancing our efforts in increasing copper production volume by improving technical skills and proficiency levels in the mineral dressing process; efforts in raising company-wide productivity, including the extracting process and indirect department; and efforts in further reducing costs, the profitability is expected to be improved from the next fiscal year.

(* The project in which Pan Pacific Copper Co., Ltd., a copper business company jointly established by JX Nippon Mining & Metals Corporation, a subsidiary of the Company, and Mitsui Mining & Smelting Co., Ltd., jointly invests with Mitsui & Co., Ltd.)

Impact on the Company's Consolidated Results:

The amount of financial impact on operating profit: approximately 125.0 billion yen

The amount of financial impact on profit attributable to owners of the parent: approximately 65.0 billion yen

2. Impact on the Consolidated Results

This impact on the business results is also stated in the "Notification of Revisions to the Forecasts of Consolidated Results for the Fiscal Year 2017" announced today.

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