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For Immediate Release

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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

JXTG Holdings, Inc. (the “Company”) would like to provide notification of the difference between the actual and the forecasts of consolidated results for the first half of the Fiscal year 2018 ended September 30, 2018, released on May 11, 2018.

Additionally, the Company announces the revisions made to the annual forecasts of consolidated results for the fiscal year 2018 ending March 31, 2019, released on May 11, 2018, based on recent performance trends.

1. The Difference between the Forecasts and the Actual of Consolidated Results for the First Half of the Fiscal Year 2018 (April 1, 2018 – September 30, 2018)

(Millions of yen)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic profit per share (yen)
Previously Announced Forecast (A) (Announced on May 11, 2018)	5,080,000	275,000	262,000	175,000	51.61
Actual result (B)	5,429,576	441,201	424,140	285,053	84.03
Increase/Decrease (B-A)	349,576	166,201	162,140	110,053	32.42
Percentage Increase/Decrease	6.9%	60.4%	61.9%	62.9%	62.8%
(Reference) Previous First Half Year Results (FY 2017)	4,684,562	195,363	181,774	123,329	36.09

**2. Revisions to the Annual Forecasts of Consolidated Results for the Fiscal Year 2018
(April 1, 2018 – March 31, 2019)**

	(Millions of yen)				
	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic profit per share (yen)
Previously Announced Forecast (A) (Announced on May 11, 2018)	10,700,000	490,000	465,000	310,000	91.43
Revised Forecast (B)	11,500,000	680,000	655,000	430,000	127.39
Increase/Decrease (B-A)	800,000	190,000	190,000	120,000	35.96
Percentage Increase/Decrease	7.5%	38.8%	40.9%	38.7%	39.3%
(Reference) Previous Results (FY 2017)	10,301,072	487,546	467,435	361,922	105.92

3. Reasons

(Reasons for the Difference between the Forecasts and the Actual of Consolidated Results for the First Half of the Fiscal Year 2018)

The revenue for the first half of the Fiscal Year 2018 increased from the previous forecast (announced on May 11, 2018) reflecting mainly an increase in sales price of petroleum products due to rise in crude oil prices.

Besides, the market conditions of petroleum products improved also, 99.6 billion yen of the inventory valuation factors* reflected mainly by rise in crude oil prices was generated in Energy Business. Furthermore, the profit increased in Oil and Natural Gas Exploration and Production (E&P) Business and the copper resources development business of Metals business, the operating profit increased by 166.2 billion yen compared with the previous forecast.

For the above reasons, the profit before tax and the profit attributable to owners of parent increased from the previous forecast.

(Reasons for the Revisions to the Annual Forecasts of Consolidated Results for the Fiscal Year 2018)

The Company estimates that the operating profit will become 680.0 billion yen, which increases 190.0 billion yen from the previous forecast due to improving the market conditions of petroleum products and the inventory valuation factors in Energy Business and due to the increasing profit in Oil and Natural Gas Exploration and Production (E&P) Business. .

With respect to the operating profit equivalent excluding the inventory valuation factors*, it will be 590.0 billion yen (an increase of 100.0 billion yen compared with the previous forecast).

The Company estimates that the profit attributable to owners of parent will be increased from the previous forecast.

	(Billions of yen)		
	Previously Announced Forecast (A)	Revised Forecast (B)	Increase / Decrease (B-A)
Inventory Valuation Factors*	-	90.0	90.0
Operating Profit Excluding Inventory Valuation Factors	490.0	590.0	100.0

*The impact of inventory valuation on the cost of sales by using the weighted-average method and writing down the book value.

This forecast assumes the yearly average; a crude oil price (Dubai crude) of \$72 per barrel (\$70 at 2nd half); an international copper price (LME price) of 285 cents per pound (275 cents at 2nd half); and an exchange rate of 110 yen per U.S. dollar (110 yen at 2nd half). (Previous forecast: crude oil price of \$60 per barrel; an international copper price of 300 cents per pound; and an exchange rate of 110 yen per U.S. dollar.)

Cautionary Statement Regarding Forward-Looking Statements

This notice contains certain forward-looking statements. However, actual results may differ materially from those reflected in any forward-looking statement due to various factors, including, but not limited to, the following: (1) macroeconomic conditions and changes in competitive environment in the energy, resources, and materials industries; (2) changes in laws and regulations; and (3) risks related to litigation and other legal proceedings.

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