

## Consolidated Financial Results for the Third Quarter of Fiscal Year 2014 [Japanese GAAP]

February 4, 2015

Company name: JX Holdings, Inc.

Code number: 5020

Stock Exchange Listings: Tokyo and Nagoya

URL: <http://www.hd.jx-group.co.jp/>

Representative: Isao Matsushita, Representative Director, President

Contact person: Ryuji Suzuki, Group Manager, Investor Relations Group, Finance & Investor Relations Department

Telephone: +81-3-6275-5009

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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 Third Quarter of FY 2014 (From April 1, 2014 to December 31, 2014)

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q of FY2014	8,343,633	(7.3)	(205,360)	—	(171,471)	—	(134,015)	—
3Q of FY2013	9,003,589	11.8	201,738	49.4	255,901	36.3	131,879	43.5

(Note) Comprehensive income : 3Q of FY2014: ¥ (80,452) million < — % >

3Q of FY2013: ¥ 261,520 million < 133.5 % >

	Net income per share	Diluted net income per share
	Yen	Yen
3Q of FY2014	(53.90)	—
3Q of FY2013	53.04	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
3Q of FY2014	7,867,987	2,479,673	25.3
FY2013	7,781,775	2,626,294	27.4

(Reference) Shareholders' equity : 3Q of FY2014 ended December 31, 2014: ¥1,993,474 million

FY2013 ended March 31, 2014: ¥2,135,058 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
FY2013	—	8.00	—	8.00	16.00
FY2014	—	8.00	—	—	—
FY2014 (Forecast)	—	—	—	8.00	16.00

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

### 3. Forecasts of Consolidated Results for FY 2014 (From April 1, 2014 to March 31, 2015)

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

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2014	10,870,000	(12.4)	(275,000)	—	(210,000)	—	(210,000)	—	(84.46)

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

Please refer to "Notification of Revisions to the Annual Forecasts" announced today.

Due to the decline of resource prices such as crude oil, we are presently implementing revaluation work on the assets mainly in upstream businesses.

In case such impact as impairment loss occurs on the forecast, we will announce promptly, based on the result of the revaluation work.

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

Forecasts (FY2014) and actual results (FY2013) excluding inventory valuation factors	FY2014	Operating income		Ordinary income	
		Millions of yen	%	Millions of yen	%
	FY2013	155,000	64.2	220,000	20.2
	94,400		183,000		

\* 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)

Third Quarter of FY2014 ended December 31, 2014 : 2,495,485,929 shares

FY2013 ended March 31, 2014 : 2,495,485,929 shares

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

Third Quarter of FY2014 ended December 31, 2014 : 9,040,810 shares

FY2013 ended March 31, 2014 : 8,981,945 shares

(iii) Average number of shares issued during the period

Third Quarter of FY2014 ended December 31, 2014 : 2,486,474,554 shares

Third Quarter of FY2013 ended December 31, 2013 : 2,486,552,345 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 strengthening 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**

The global economy during the consolidated cumulative third quarter (from April 1, 2014 to December 31, 2014) continued its moderate recovery, as the U.S. economy stayed steady and the European economy maintained its movements toward improvement. The Japanese economy showed a tendency toward a modest recovery overall, with improvements in corporate earnings and employment situation, despite the repercussions of the pre-consumption tax hike purchasing rush.

In the crude oil market, the Dubai crude oil price started at \$104 per barrel at the beginning of the period, and remained at the level around \$100 for the first half of the period. The price turned to drop in August due to such factors as relaxation of geopolitical risk and concerns over slowdown in the global economy, and was less than \$80 in November. Furthermore, as the postponement of production cuts by OPEC at the end of November expedited the price drop, the price fell to \$53 per barrel at the end of the period. The average price for the period was \$94 per barrel, a decrease of \$11 per barrel from the same period of the previous fiscal year.

The copper price in international markets (price on the London Metal Exchange (LME)) remained low as a whole due to such factors as the uncertainty of the Chinese economy. The price started at 301 cents per pound at the beginning of the period and rose gradually for the first half of the period. Thereafter, the price dropped continuously for the second half of the period against the background of the decline of oil price, and was at 288 cents at the end of the period. The average price for the period was 308 cents per pound, a decrease of 15 cents per pound from the same period of the previous fiscal year.

The Japanese yen against the U.S. dollar remained flat after starting at 103 yen at the beginning of the period, converted to drop as the result of the observation of rising interest rates in U.S. in September, and accelerated to drop against the background of the decision of additional monetary easing by Bank of Japan in November. The Japanese yen was 114 yen on average from October to December, and 121 yen at the end of the period. The average for the period was 107 yen, which was 8 yen lower than the previous year's same period.

Under these conditions, on a consolidated basis in the cumulative third quarter, net sales decreased 7.3% from the same period of the previous fiscal year, to 8,343.6 billion yen, and ordinary loss amounted to 171.5 billion yen, compared with 255.9 billion yen in ordinary income 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 writing down the book value), ordinary income amounted to 120.5 billion yen, a decrease of 24.1% from the same period of the previous fiscal year.

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

#### **Energy**

With regard to the petroleum products business, as the domestic demand further follows a structural decrease, sales volume decreased considerably from the same period of the previous

fiscal year, with gasoline being subject to the repercussions of the pre-consumption tax hike purchasing rush and the unseasonable weather of summer, and heavy fuel oil and crude oil for power stations affected by the decline in power demand and the increased operation of LNG-fired electric and hydroelectric power plants. Margins were at higher levels compared with the same period of the previous fiscal year, reflecting the movement toward reducing excess refining capacity in response to the Law Concerning Sophisticated Methods of Energy Supply Structures\*, through such measures as suspending the crude oil treatment at the Muroran Refinery.

With regard to the petrochemical product business, particularly our main petrochemical product of paraxylene, margins were at lower levels compared with the same period of the previous fiscal year due to the deterioration of the market reflecting the economic slowdown in China, although we made efforts to improve the market by means of the production adjustments.

As a result of rapid fall in the crude oil price in and after August, a loss of 293.8 billion yen was recorded due to inventory valuation factors (the impact of inventory valuation on the cost of sales by using the average method and writing down the book value), a factor deteriorating the profit/loss status by 387.6 billion yen compared with the same period of the previous fiscal year.

Under these conditions, net sales in the Energy business for the cumulative third quarter were 7,075.1 billion yen, a decrease of 9.4% from the same period of the previous fiscal year, and ordinary loss amounted to 294.9 billion yen, compared with 112.6 billion yen in ordinary income from the same period of the previous fiscal year. Excluding inventory valuation factors, ordinary loss was 1.1 billion yen, compared with 18.8 billion yen in ordinary income from the same period of the previous fiscal year.

\*The Law Concerning Sophisticated Methods of Energy Supply Structures: an act that imposes an obligation on petroleum business operators to increase the ratio of heavy oil dissolving equipment capacity to a required level in relation to crude oil refining capacity, in order to promote the efficient use of fossil fuels.

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

Crude oil and natural gas production volume increased from the same period of the previous fiscal year, as a result of the contribution of the project which newly started production, despite a natural decline in production volume at oil and gas fields. Sales prices of crude oil and natural gas on a calendar year basis rose from the same period of the previous fiscal year, due to such factors as the change of our product structure.

With regard to the exploration activities, in August 2014, we discovered oil in the Exploration Permit WA-435-P offshore North West Shelf Australia, and gas and condensate in Blocks 05-1b and 05-1c offshore southern Vietnam. Furthermore, we were awarded seven of the newly announced blocks in the UK North Sea in December 2014.

With regard to the development and production activities, we received in May 2014 the approval, from PETROLIAM NASIONAL BERHAD (PETRONAS), a national oil company of Malaysia, to move into the development phase for the Layang Field in Block SK10 offshore Sarawak, Malaysia, in which we hold a participating interest as an operator. With the approval, we continue the development toward the launch of production in 2016. We also shipped in May 2014 the first LNG cargo in the PNG LNG Project in Papua New Guinea,

in which we participate through Nippon Papua New Guinea LNG LLC. Furthermore, we commenced commercial oil production from the Kinnoull field in the UK North Sea in December 2014.

Otherwise, we started the project to construct the plant which captures Carbon dioxide (CO<sub>2</sub>) in the processed flue gas out of coal-fired power unit, and increase oil production by injecting the captured CO<sub>2</sub> to an oil field in U.S.

Under these conditions, net sales in the Oil and Natural Gas E&P business in the cumulative third quarter recorded 161.5 billion yen, an increase of 9.8% from the same period of the previous fiscal year, and ordinary income amounted to 55.0 billion yen, a decrease of 32.4% from the same period of the previous fiscal year.

## **Metals**

With regard to the resource development business, our profit level became lower than the same period of the previous fiscal year, due partly to the decline of the copper price from the same period of the previous fiscal year. In the Caserones Copper and Molybdenum Deposit Development Project, we reached the first shipment of copper concentrate in July 2014, and we are making every effort to establish a stable operating system at present.

With regard to the copper smelting and refining business, the electrolytic copper prices were at the higher level than the same period of the previous fiscal year as the yen's depreciation progressed, though there was an influence of the decline in LME copper prices. The electrolytic copper sales volume increased from the same period of the previous fiscal year, due primarily to export growth. Conditions for purchasing copper concentrate 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 and precious metals increased from the same period of the previous fiscal year.

With regard to the titanium business, the product sales volume stayed at the same level as the same period of the previous fiscal year, due to such factors as the inventory adjustment by users continuing from the previous fiscal year.

Under these conditions, net sales in the Metals business in the cumulative third quarter increased to 842.0 billion yen, an increase of 9.8% from the same period of the previous fiscal year. Ordinary income was 38.5 billion yen, an increase of 6.5% from the same period of the previous fiscal year.

## **Other**

Net sales for other business activities in the cumulative third quarter were 324.0 billion yen, a decrease of 2.3% from the same period of the previous fiscal year, and ordinary income was 26.2 billion yen, an increase of 14.5% from the same period of the previous fiscal year.

With respect to the construction business, although the demand for public work was steady and despite the trend in private capital investment recovery, we continued to be confronted with a difficult operating environment, because of the impact of such factors as the rise in labor costs and raw materials prices. 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 58.9 billion yen, compared with 51.3 billion yen in the same period of the previous fiscal year.

### **Special Gain & Loss and Quarterly Net Income**

Special gain totaled 28.4 billion yen—including 25.9 billion yen of gain on sales of non-current assets.

Special loss totaled 47.1 billion yen—including 18.0 billion yen of restructuring cost in relation to electro-deposited copper foils and fuel cells for home use, 11.2 billion yen of impairment loss and 7.7 billion yen of loss on valuation of investments in securities.

The above factors resulted in loss before income taxes and minority interests of 190.1 billion yen. From this amount, by reflecting 54.8 billion yen in reverse income taxes and 1.3 billion yen of minority interests in loss, the quarterly net loss amounted to 134.0 billion yen, compared with net income of 131.9 billion yen in the same period of the previous fiscal year.

### **(2) Explanations on Financial Position**

- (i) Assets:** The total assets as of the end of the third quarter amounted to 7,868.0 billion yen, an increase of 86.2 billion yen from the end of the previous fiscal year.
- (ii) Liabilities:** The total liabilities as of the end of the third quarter amounted to 5,388.3 billion yen, an increase of 232.8 billion yen from the end of the previous fiscal year. The balance of interest-bearing debts amounted to 2,931.5 billion yen, an increase of 129.8 billion yen from the end of the previous fiscal year.
- (iii) Net Assets:** The total net assets as of the end of the third quarter amounted to 2,479.7 billion yen, a decrease of 146.6 billion yen from the end of the previous fiscal year.

The shareholders' equity ratio was decreased 2.1% from the end of the previous fiscal year, and was 25.3%. The amount of net assets per share was 801.74 yen, a 56.92 yen decrease from the end of the previous fiscal year; and the net D/E ratio (net debt equity ratio) was 1.35, a deterioration of 0.17 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 fiscal year 2014 that we announced last time (November 4, 2014), as follows.

As an average for the fiscal year 2014, the revised forecast assumes an exchange rate of 110 yen per U.S. dollar (120 yen at 4th quarter); a crude oil price (Dubai crude) of \$83 per barrel (\$50 at 4th quarter); and an international copper price (LME price) of 294 cents per pound (250 cents at 4th quarter). (Previous forecast: an exchange rate of 104 yen per U.S. dollar; a crude oil price of \$99 per barrel; and an international copper price of 316 cents per pound.)

Net sales are expected to be 10,870.0 billion yen (a decrease of 850.0 billion yen compared with the previous forecast), due partly to a decrease in the crude oil price compared with the previous forecast.

Further, due partly to an expansion of losses from inventory valuation factors caused by a decrease in the crude oil price, operating loss is expected to be 275.0 billion yen (a decrease of 380.0 billion yen from the previous forecast). Ordinary loss is expected to be 210.0 billion yen (a decrease of 390.0 billion yen from the previous forecast), and net loss is expected to be 210.0 billion yen (a decrease of 280.0 billion yen from the previous forecast). Excluding inventory valuation factors, ordinary income amounted to 220.0 billion yen due to the decrease in margins of petroleum products caused by a market downturn, reflecting sharp decline in the crude oil price, a decrease of 30.0 billion yen from the previous forecast.

Due to the decline of resource prices such as crude oil, we are presently implementing revaluation work on the assets mainly in upstream businesses. In case such impact as impairment loss occurs on the forecast, we will announce promptly, based on the result of the revaluation work.

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 third 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 third 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, Etc. for Retirement Benefits)

We adopted the “Accounting Standard for Retirement Benefits” (The Accounting Standards Board of Japan (“ASBJ”) Statement No.26, May 17, 2012) (“Accounting Standard”), and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012) (“Guidance”), effective from the first quarter, regarding the provisions set forth in the main clause of paragraph 35 of the Accounting Standard, and the main clause of paragraph 67 of the Guidance. As a result, we changed the calculation method for retirement benefits obligation and current service cost. We changed the attribution method of the estimated amount of retirement benefits, from the straight-line standard, to the benefit formula standard. In addition, we changed the calculation method for discount rates.

Concerning the application of the Accounting Standard for Retirement Benefits, based on the provisional treatment set out in the standard, the effects of changes in the calculation method for the retirement benefits obligation and current service cost have been reflected in the retained earnings at the beginning of the cumulative third quarter.

As a result of these changes, a liability for retirement benefits as of the beginning of the cumulative third quarter increased by 29,666 million yen, and the retained earnings decreased by 18,676 million yen. The impact of the above on the Consolidated Statements of Income for the cumulative third quarter is minor.

**Supplemental Information**  
**3. Consolidated Financial Statements**

**(1) Consolidated Balance Sheets**

Account title	(Millions of yen)	
	FY 2013 (As of March 31, 2014)	3Q of FY 2014 (As of December 31, 2014)
<b>Assets</b>		
Current assets:		
Cash and deposits	281,733	243,713
Notes and accounts receivable-trade	1,401,114	1,316,833
Inventories	1,797,189	1,588,766
Other	287,744	403,214
Allowance for doubtful accounts	(2,196)	(3,955)
Total current assets	3,765,584	3,548,571
Non-current assets:		
Property, plant and equipment:		
Land	960,203	957,121
Other, net	1,428,988	1,538,925
Total property, plant and equipment	2,389,191	2,496,046
Intangible assets	132,679	130,076
Investments and other assets:		
Investments in securities	713,646	797,943
Other	791,043	905,893
Allowance for doubtful accounts	(10,368)	(10,542)
Total investments and other assets	1,494,321	1,693,294
Total non-current assets	4,016,191	4,319,416
Total assets	7,781,775	7,867,987

(Millions of yen)

Account title	FY 2013 (As of March 31, 2014)	3Q of FY 2014 (As of December 31, 2014)
<b>Liabilities</b>		
Current liabilities:		
Notes and accounts payable-trade	884,486	764,817
Short-term borrowings	1,079,713	1,085,040
Commercial papers	450,000	481,000
Current portion of bonds	30,480	42,480
Accounts payable-other	687,043	847,900
Provision	32,916	26,983
Other	290,250	288,986
Total current liabilities	3,454,888	3,537,206
Non-current liabilities:		
Bonds payable	187,480	205,240
Long-term loans payable	1,054,020	1,117,770
Provision	74,756	72,974
Liability for retirement benefits	89,357	119,957
Asset retirement obligations	86,763	112,697
Other	208,217	222,470
Total non-current liabilities	1,700,593	1,851,108
Total liabilities	5,155,481	5,388,314
<b>Net assets</b>		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	746,711	746,711
Retained earnings	1,119,478	926,812
Treasury stock	(3,893)	(3,920)
Total shareholders' equity	1,962,296	1,769,603
Accumulated other comprehensive income:		
Unrealized gain on securities	51,312	72,676
Unrealized gain on hedging derivatives	5,551	(2,055)
Foreign currency translation adjustment	113,204	150,944
Retirement benefits liability adjustment	2,695	2,306
Total accumulated other comprehensive income	172,762	223,871
Minority interests	491,236	486,199
Total net assets	2,626,294	2,479,673
Total liabilities and net assets	7,781,775	7,867,987

## (2) Consolidated Statements of Income and Comprehensive Income

### Consolidated Statements of Income

(Millions of yen)

Account title	3Q of FY 2013 (from April 1, 2013 to December 31, 2013)	3Q of FY 2014 (from April 1, 2014 to December 31, 2014)
Net sales	9,003,589	8,343,633
Cost of sales	8,389,482	8,134,058
Gross profit	614,107	209,575
Selling, general and administrative expenses	412,369	414,935
Operating income (loss)	201,738	(205,360)
Non-operating income:		
Interest income	2,373	2,111
Dividend income	22,901	30,072
Foreign currency exchange gain	735	—
Equity in earnings of affiliates	39,143	32,455
Other	19,743	18,686
Total non-operating income	84,895	83,324
Non-operating expenses:		
Interest expense	18,381	19,790
Foreign currency exchange loss	—	12,765
Other	12,351	16,880
Total non-operating expenses	30,732	49,435
Ordinary income (loss)	255,901	(171,471)
Special gain:		
Gain on sales of non-current assets	10,872	25,855
Other	4,233	2,532
Total special gain	15,105	28,387
Special loss:		
Loss on sales of non-current assets	1,832	502
Loss on disposal of non-current assets	5,723	5,432
Impairment loss	6,770	11,191
Loss on valuation of investments in securities	3,824	7,708
Restructuring cost	—	18,044
Other	5,182	4,185
Total special loss	23,331	47,062
Income (loss) before income taxes and minority interests	247,675	(190,146)
Income taxes	90,893	(54,848)
Income (loss) before minority interests	156,782	(135,298)
Minority interests in income (loss)	24,903	(1,283)
Net income (loss)	131,879	(134,015)

## Consolidated Statements of Comprehensive Income

(Millions of yen)

Account title	3Q of FY 2013 (from April 1, 2013 to December 31, 2013)	3Q of FY 2014 (from April 1, 2014 to December 31, 2014)
Income (loss) before minority interests	156,782	(135,298)
Other comprehensive income:		
Unrealized gain (loss) on securities	25,335	23,723
Unrealized gain (loss) on hedging derivatives	(1,163)	(8,330)
Foreign currency translation adjustment	62,200	31,980
Retirement benefits liability adjustment	—	(345)
Share of other comprehensive income of affiliates accounted for by equity method	18,366	7,818
Total other comprehensive income	104,738	54,846
Comprehensive income	261,520	(80,452)
Comprehensive income attributable to:		
Shareholders of JX Holdings, Inc.	217,850	(88,023)
Minority interests	43,670	7,571

### (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. Third Quarter of FY 2013 (April 1, 2013 - December 31, 2013)

##### 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	7,802,775	147,014	764,435	289,365	9,003,589	-	9,003,589
In-house Intersegment Sales	6,693	-	2,219	42,345	51,257	(51,257)	-
Total	7,809,468	147,014	766,654	331,710	9,054,846	(51,257)	9,003,589
Segment Income (Loss)	112,571	81,336	36,148	22,908	252,963	2,938	255,901

(Note 1) The segment income (loss) adjustments of 2,938 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 2,760 million yen.

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

#### II. Third Quarter of FY 2014 (April 1, 2014 - December 31, 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	7,068,654	161,484	839,937	273,558	8,343,633	-	8,343,633
In-house Intersegment Sales	6,481	-	2,019	50,408	58,908	(58,908)	-
Total	7,075,135	161,484	841,956	323,966	8,402,541	(58,908)	8,343,633
Segment Income (Loss)	(294,883)	54,962	38,488	26,219	(175,214)	3,743	(171,471)

(Note 1) The segment income (loss) adjustments of 3,743 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 3,530 million yen.

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

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