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

February 3, 2016

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
Contact person: Tatsuya Higurashi, Group Manager, Investor Relations Group, Finance & Investor Relations Department
Telephone: +81-3-6257-7075
Scheduled date of filing of Quarterly Securities Report : February 12, 2016
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 2015 (From April 1, 2015 to December 31, 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	%
3Q of FY2015	6,689,002	(19.8)	(79,270)	－	(52,931)	－	(113,398)	－
3Q of FY2014	8,343,633	(7.3)	(205,360)	－	(171,471)	－	(134,015)	－

(Note) Comprehensive income : 3Q of FY2015: ￥ (198,668) million < － % >
3Q of FY2014: ￥ (80,452) million < － % >

	Net income per share	Diluted net income per share
	Yen	Yen
3Q of FY2015	(45.61)	－
3Q of FY2014	(53.90)	－

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
3Q of FY2015	7,062,920	2,184,378	24.6
FY2014	7,423,404	2,429,849	26.1

(Reference) Shareholders' equity : 3Q of FY2015 ended December 31, 2015: ￥ 1,737,668 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	－	8.00	－		
FY2015(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 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
FY2015	8,700,000	(20.1)	(100,000)	－	(55,000)	－	(330,000)	－	(132.72)

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

Please refer to “Notification of Revisions to the Forecasts” announced today.
As for the forecasts of income excluding inventory valuation factors*, please see the following.

		Operating income		Ordinary income	
		Millions of yen	%	Millions of yen	%
Forecasts (FY2015) and actual results (FY2014) excluding inventory valuation factors	FY2015	165,000	(11.5)	210,000	(17.7)
	FY2014	186,400		255,200	

* 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 FY2015 ended December 31, 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

Third Quarter of FY2015 ended December 31, 2015	:	9,109,544 shares
FY2014 ended March 31, 2015	:	9,055,789 shares

(iii) Average number of shares issued during the period

Third Quarter of FY2015 ended December 31, 2015	:	2,486,405,536 shares
Third Quarter of FY2014 ended December 31, 2014	:	2,486,474,554 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.

Table of Contents for the Attached Material

1. Qualitative Information on the Quarterly Results

(1) Explanations on Operating Results

Overview

During the consolidated cumulative third quarter (from April 1, 2015 to December 31, 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 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 due to an increase in its personal consumption as a result of an improved employment environment 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, due to the arising of concerns of excessive supply in the crude oil market caused by, among other things, a slowdown in Chinese economic development and OPEC's decision at its meeting not to cut production, the prices decreased to $32 at the end of the period, with an average of $51 for the period, a decrease of $43 from the same period of the previous fiscal year.

The copper prices in international markets (prices on the London Metal Exchange (the "LME")) dropped from 273 cents per pound at the beginning of the period, as a result of the slow-down of the economic growth in China. They were at 213 cents at the end of the period. The average price for the period was 245 cents per pound, a decrease of 63 cents from the same period of the previous fiscal year.

The Japanese yen against the U.S. dollar generally moved slightly during the period, after starting at 120 yen at the beginning of the period, and was at 121 yen at the end of the period, with an average of 122 yen for the period, which was 15 yen lower than the previous fiscal year's same period.

Under these conditions, for the consolidated cumulative third quarter, net sales decreased by 19.8% from the same period of the previous fiscal year, to 6,689.0 billion yen, and ordinary loss amounted to 52.9 billion yen (loss of 171.5 billion yen in 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 158.7 billion yen, an increase of 31.6% from the same period of the previous fiscal year.

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

Energy

Regarding the petroleum products business, the sales volumes of heavy fuel oil and crude oil for electric power generation decreased compared to the same period of the previous fiscal year. This was due to a decline in demand for power because of reasons, such as the cool summer and warm winter, and the effects of the restart of nuclear power plants. However, the sales volumes of gasoline and other petroleum products increased from the same period of the previous fiscal year. This is because the demand for these products had dropped in the previous fiscal year, due to the repercussions of the pre-consumption tax hike purchasing rush. Margins exceeded the margins in 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 petrochemical products business, the market conditions, in particular, the market conditions of paraxylene, the main petrochemical product, improved compared with the same period of the previous fiscal year, due partly to equipment trouble overseas.

A loss due to inventory valuation factors of 208.1 billion yen was generated, because the crude oil prices have fallen since June (a factor improving the profit/loss status by 85.7 billion yen compared with the same period of the previous fiscal year).

Under these conditions, net sales in the Energy business for the consolidated cumulative third quarter were 5,503.9 billion yen, a decrease of 22.2% 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 loss amounted to 115.5 billion yen (compared with a loss of 294.9 billion yen in the same period of the previous fiscal year). Excluding inventory valuation factors, the ordinary income/loss status was an income of 92.6 billion yen (compared with a loss of 1.1 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 increased compared with the same period of the previous fiscal year, due to the contribution of the projects which newly commenced production, although there was a natural decline in the production volume from the oil fields and gas fields. Sales prices of crude oil and natural gas 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. In August 2015, we concluded an agreement with a subsidiary of Ecopetrol S.A., a Colombian national oil company, that we would acquire part of the participating interest in Block FZA-M-320, located offshore in the Foz do Amazonas Basin, off the coast of Amapá State in the Federative Republic of Brazil.

Regarding the development and production activities, in August 2015, we decided to move the Culzean gas field located in Block 22/25a in the U.K. North Sea, in which we have a participating interest, to the development stage.

Under these conditions, net sales in the Oil and Natural Gas E&P business for the consolidated cumulative third quarter recorded 134.8 billion yen, a decrease of 16.5% from the same period of the previous fiscal year, and ordinary income amounted to 21.6 billion yen, a decrease of 60.6% from the same period of the previous fiscal year.

Metals

With regard to the resource development business, our profit/loss status 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. After we commenced producing copper concentrates at the Caserones Copper Mine in Chile in May 2014, although there was a delay in accomplishing 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 full-scale production system was organized, and we are focusing on stabilizing the full-scale operation.

With regard to the copper smelting and refining business, the electrolytic copper prices were below the level of the same period of the previous fiscal year due to the decline in LME copper prices, despite the weaker yen. The sales volume of electrolytic copper was lower than the same period of the previous fiscal year both in domestic and export sales volume. 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, the sales volume of part of our products decreased from the same period of the previous fiscal year due partly to stagnant demand for personal computers. However, the sales volume of our main products, sputtering targets for semi-conductors and rolled copper foils, increased from the same period of the previous fiscal year due to an improved demand in the smartphone industry.

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 metals decreased from the same period of the previous fiscal year due partly to the effect of regular repair of the Saganoseki Smelter & Refinery.

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 consolidated cumulative third quarter increased to 792.8 billion yen, a decrease of 5.8% from the same period of the previous fiscal year. Ordinary income was 8.8 billion yen, a decrease of 77.2% from the same period of the previous fiscal year, partly because LS-Nikko Copper Inc., a South Korean company accounted for by the equity method, recorded losses, such as impairment loss of resource development investment.

Other

Net sales for other business activities in the consolidated cumulative third quarter were 308.7 billion yen, a decrease of 4.7% from the same period of the previous fiscal year, and ordinary income was 30.0 billion yen, an increase of 14.3% from the same period of the previous fiscal year.

With respect to the construction business, despite the virtually flat capital investment, we remained confronted with a difficult operating environment, because of the moderate decrease in public investments, 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 51.1 billion yen, compared with 58.9 billion yen in the same period of the previous fiscal year.

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

Special gain totaled 29.4 billion yen—including 24.1 billion yen of gain on sales of investments in securities and 4.6 billion yen of gain on sales of non-current assets.

Special loss totaled 117.0 billion yen—including 100.1 billion yen of impairment loss and 5.8 billion yen of loss on disposal of non-current assets for the Caserones Copper Mine and the Oil and Natural Gas E&P business and the like, and 5.7 billion yen of restructuring cost for residential-use fuel cell business.

The above factors resulted in loss before income taxes and minority interests of 140.5 billion yen. From this amount, by deducting 10.0 billion of income taxes and 37.1 billion yen of loss attributable to non-controlling interests, the loss attributable to owners of parent amounted to 113.4 billion yen (loss of 134.0 billion yen in 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 third quarter amounted to 7,062.9 billion yen, a decrease of 360.5 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 4,878.5 billion yen, a decrease of 115.0 billion yen from the end of the previous fiscal year. The balance of interest-bearing debts amounted to 2,703.1 billion yen, an increase of 82.8 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 2,184.4 billion yen, a decrease of 245.5 billion yen from the end of the previous fiscal year.

The shareholders’ equity ratio is 24.6%, a decrease of 1.5 points from the end of the previous fiscal year. The amount of net assets per share is 698.88 yen, a 80.05 yen decrease from the end of the previous fiscal year; and the net D/E ratio (net debt equity ratio) is 1.41, a deterioration of 0.23 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 full-year forecast of its consolidated results that it announced last time (November 4, 2015).

As a full fiscal year average, the revised forecasts of consolidated results assume an exchange rate of 121 yen (120 yen at 4th quarter) per U.S. dollar; a crude oil price (Dubai crude) of $45 ($30 at 4th quarter) per barrel; and an international copper price (LME price) of 234 cents (200 cents at 4th quarter) per pound. (Previous forecast: an exchange rate of 121 yen per U.S. dollar; a crude oil price of $53 per barrel; and an international copper price of 243 cents per pound.)

Net sales are expected to be 8,700.0 billion yen (a decrease of 650.0 billion yen compared with the previous forecast), primarily due to a decrease in the crude oil price compared with the previous forecast.

Further, operating loss is expected to be 100.0 billion yen (a decrease of 210.0 billion yen compared with the previous forecast), due partly to deterioration in inventory valuation factors caused by the decrease in the crude oil price. Ordinary loss is expected to be 55.0 billion yen (a decrease of 205.0 billion yen compared with the previous forecast).

Note that ordinary income excluding inventory valuation factors is expected to be 210.0 billion yen (a decrease of 20.0 billion yen compared with the previous forecast) due to a decrease in profits in the metal resources section caused by a decline in copper prices among other things.

[Inventory valuation factors *] (Billions of yen)

	Previously announced forecast (A)	Revised forecast (B)	Increase/Decrease (B-A)
Inventory valuation factors	(80)	(265)	(185)
Operating income excluding inventory valuation factors	190	165	(25)
Ordinary income excluding inventory valuation factors	230	210	(20)

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

In addition, due to the decline in prices of resources such as crude oil and copper, impairment losses on fixed assets of 235.0 billion yen in the upstream business (a deterioration of 205.0 billion yen compared with the previous forecast) (*) is expected, as well as loss related to asset sales and business withdrawal caused by the business restructuring mainly in the U.K. North Sea area in the Oil and Natural Gas E&P business of 80.0 billion yen (a deterioration of 80.0 billion yen compared with the previous forecast) is expected to be generated. As a result, the special loss is expected to be 320.0 billion yen (a deterioration of 286.0 billion yen compared to the previous forecast), and the loss attributable to owners of parent is expected to be 330.0 billion yen (a decrease of 375.0 billion yen compared with the previous forecast).

(*) Items of impairment losses (Approximate Amount: Billions of yen)

Segment	Details		Previously announced forecast (A)	Revised forecast (B)	Increase/Decrease (B-A)	Main reason
Oil and natural gas E&P Business	Impairment losses on fixed assets related to the oil and natural gas E&P business in these areas		(30)	(140)	(110)	a decline in crude oil price
		The U.K. North Sea	－	(100)	(100)	
		North America	(30)	(30)	－	
		Southeast Asia and Oceania	－	(10)	(10)	
Metals Business	Impairment losses on fixed assets related to the copper mine exploration and production business in Chile		－	(80)	(80)	a decline in LME copper price
Energy Business	Loss on valuation of shares in an investment target operating company related to the coal exploration and production business in Canada		－	(15)	(15)	a decline in coal price
Total			(30)	(235)	(205)	

Please note that, 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 this quarter under review, 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 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 the first quarter. Accordingly, the Company's accounting method has been changed to record the differences arising from a change in the Company's ownership interest in the subsidiaries over which the Company continues to have control as capital surplus, and to record the acquisition-related costs as expenses in the consolidated fiscal year when they are incurred. In addition, for business combinations performed at and after the beginning of the first quarter, the Company's accounting method was changed to reflect the adjustment to the amount of allocation of the acquisition cost arising from the finalization of the tentative accounting treatment in the quarterly consolidated financial statements for the quarter where the date of business combination belongs. In addition, 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 quarterly and full-year consolidated financial statements for the consolidated cumulative third quarter of the previous fiscal year, and for the previous consolidated fiscal year.

The Accounting Standard for Business Combinations and other standards were adopted in accordance with transitional treatments stipulated in Paragraph 58-2(4) of the Accounting Standard for Business Combinations, Paragraph 44-5(4) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4(4) of the Accounting Standard for Business Divestitures, and they have been prospectively adopted from the beginning of the first quarter.

The impact of the above on the profit/loss status for this consolidated cumulative third quarter and on the capital surplus as of the end of this third quarter is minor.

(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, with respect to the consolidated cumulative third quarter, we have consolidated the results of twelve months, from January 1, 2015 to December 31, 2015, and have made adjustments throughout the consolidated statements of income.

The impact of the above on the profit/loss status, or other comprehensive income for this consolidated cumulative third 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)	3Q of FY 2015 (As of December 31, 2015)
Assets		
Current assets:		
Cash and deposits	329,293	254,308
Notes and accounts receivable-trade	1,007,386	912,713
Inventories	1,356,648	1,217,551
Other	305,233	370,660
Allowance for doubtful accounts	(2,162)	(2,446)
Total current assets	2,996,398	2,752,786
Non-current assets:		
Property, plant and equipment:		
Machinery, equipment and vehicles, net	590,501	900,082
Land	951,647	947,185
Other, net	1,013,468	631,007
Total property, plant and equipment	2,555,616	2,478,274
Intangible assets	136,160	127,435
Investments and other assets:		
Investments in securities	823,009	773,917
Exploration and development investments	728,312	738,439
Other	195,450	196,921
Allowance for doubtful accounts	(11,541)	(4,852)
Total investments and other assets	1,735,230	1,704,425
Total non-current assets	4,427,006	4,310,134
Total assets	7,423,404	7,062,920

(Millions of yen)

Account title	FY 2014 (As of March 31, 2015)	3Q of FY 2015 (As of December 31, 2015)
Liabilities		
Current liabilities:		
Notes and accounts payable-trade	680,551	588,709
Short-term borrowings	819,555	784,141
Commercial papers	364,000	376,000
Current portion of bonds	42,480	20,240
Accounts payable-other	797,590	774,603
Provision	38,480	21,872
Other	323,775	268,064
Total current liabilities	3,066,431	2,833,629
Non-current liabilities:		
Bonds payable	205,000	185,000
Long-term loans payable	1,189,232	1,337,684
Provision	76,676	75,637
Liability for retirement benefits	116,875	112,630
Asset retirement obligations	117,433	115,841
Other	221,908	218,121
Total non-current liabilities	1,927,124	2,044,913
Total liabilities	4,993,555	4,878,542
Net assets		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	746,711	746,283
Retained earnings	783,615	630,380
Treasury stock	(3,926)	(3,954)
Total shareholders' equity	1,626,400	1,472,709
Accumulated other comprehensive income:		
Unrealized gain on securities	87,008	68,376
Unrealized gain on hedging derivatives	1,083	4,623
Foreign currency translation adjustment	218,413	188,287
Retirement benefits liability adjustment	3,850	3,673
Total accumulated other comprehensive income	310,354	264,959
Non-controlling interests	493,095	446,710
Total net assets	2,429,849	2,184,378
Total liabilities and net assets	7,423,404	7,062,920

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

Account title	3Q of FY 2014 (from April 1, 2014 to December 31, 2014)	3Q of FY 2015 (from April 1, 2015 to December 31, 2015)
Net sales	8,343,633	6,689,002
Cost of sales	8,134,058	6,341,812
Gross profit	209,575	347,190
Selling, general and administrative expenses	414,935	426,460
Operating loss	(205,360)	(79,270)
Non-operating income:		
Interest income	2,111	1,813
Dividend income	30,072	27,468
Equity in earnings of affiliates	32,455	12,571
Other	18,686	18,887
Total non-operating income	83,324	60,739
Non-operating expenses:		
Interest expense	19,790	19,029
Foreign currency exchange loss	12,765	3,038
Other	16,880	12,333
Total non-operating expenses	49,435	34,400
Ordinary loss	(171,471)	(52,931)
Special gain:		
Gain on sales of non-current assets	25,855	4,592
Gain on sales of investments in securities	64	24,066
Other	2,468	717
Total special gain	28,387	29,375
Special loss:		
Loss on sales of non-current assets	502	1,290
Loss on disposal of non-current assets	5,432	5,777
Impairment loss	11,191	100,111
Loss on valuation of investments in securities	7,708	109
Restructuring cost	18,044	5,712
Other	4,185	3,984
Total special loss	47,062	116,983
Loss before income taxes	(190,146)	(140,539)
Income taxes	(54,848)	9,995
Loss	(135,298)	(150,534)
Loss attributable to non-controlling interests	(1,283)	(37,136)
Loss attributable to owners of parent	(134,015)	(113,398)

Consolidated Statements of Comprehensive Income

(Millions of yen)

Account title	3Q of FY 2014 (from April 1, 2014 to December 31, 2014)	3Q of FY 2015 (from April 1, 2015 to December 31, 2015)
Loss	(135,298)	(150,534)
Other comprehensive income:		
Unrealized gain (loss) on securities	23,723	(19,342)
Unrealized gain (loss) on hedging derivatives	(8,330)	4,601
Foreign currency translation adjustment	31,980	(20,992)
Retirement benefits liability adjustment	(345)	(262)
Share of other comprehensive income of affiliates accounted for by equity method	7,818	(12,139)
Total other comprehensive income	54,846	(48,134)
Comprehensive income	(80,452)	(198,668)
Comprehensive income attributable to:		
Owners of parent	(88,023)	(158,841)
Non-controlling interests	7,571	(39,827)

(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 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 and Transfers	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.

II. Third Quarter of FY 2015 (April 1, 2015 - December 31, 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	5,498,660	134,828	789,312	266,202	6,689,002	-	6,689,002
In-house Intersegment Sales and Transfers	5,190	-	3,477	42,463	51,130	(51,130)	-
Total	5,503,850	134,828	792,789	308,665	6,740,132	(51,130)	6,689,002
Segment Income (Loss)	(115,473)	21,649	8,787	29,963	(55,074)	2,143	(52,931)

(Note 1) The segment income (loss) adjustments of 2,143 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 loss stated in the consolidated statement of income.

End of Document