

Consolidated Financial Results for the First Quarter of Fiscal 2011 [Japanese GAAP]

August 5, 2011

Company name: JX Holdings, Inc.

Code number: 5020

Stock listings: First Sections of Tokyo, Osaka, Nagoya Exchanges

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

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Scheduled date of filing of Quarterly Securities Report : August 12, 2011

Scheduled date of filing of commencement of dividend payments : —

Supplemental materials for the quarterly financial results : Yes

Quarterly financial results presentation (for institutional investors and analysts) : Yes

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

1. Results for the First Quarter of Fiscal 2011 (From April 1, 2011 to June 30, 2011)

(1) Operating Results (Consolidated Basis)

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Quarter of FY2011	2,420,280	8.3	124,569	266.6	145,146	145.5	76,840	(70.7)
First Quarter of FY2010	2,235,183	—	33,983	—	59,125	—	262,157	—

	Net income per share	Net income per share after dilution
	Yen	Yen
First Quarter of FY2011	30.90	—
First Quarter of FY2010	105.41	—

(2) Financial Position (Consolidated Basis)

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
First Quarter of FY2011	6,374,542	1,967,604	26.7
FY2010	6,259,958	1,886,241	26.0

(Reference) Total Shareholders' equity : First quarter ended June 30, 2011: ¥1,705,128 million ; Year ended March 31, 2011: ¥1,628,321 million

2. Dividends

	Cash dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
FY2010	—	7.50	—	8.00	15.50
FY2011	—	—	—	—	—
FY2011 (Forecast)	—	8.00	—	8.00	16.00

Note: Revisions of the forecast of cash dividends in the first quarter ended June 30, 2011: None

3. Forecasts of Consolidated Business Results in Fiscal 2011 (From April 1, 2011 to March 31, 2012)

(Percentage figures are changes from the same period of 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
First half of FY2011	5,100,000	12.5	195,000	155.3	235,000	104.1	120,000	(58.1)	48.25
Fiscal year	10,300,000	6.9	310,000	(7.3)	380,000	(8.1)	200,000	(35.8)	80.42

Note: Revisions of the forecast of cash dividends in the first quarter ended June 30, 2011: Yes

The previous forecast of consolidated business results announced on May 12, 2011 is revised by the forecast of business results for the second quarter consolidated cumulative period. No adjustment is made to the full year forecast of consolidated business results due to uncertainty over trends in crude oil prices, metal prices and exchange rates.

4.Others

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

Note: This item indicates whether there were changes in specified subsidiaries involving a change in the scope of consolidation.

Newly included: Japan Papua New Guinea Petroleum Company,Limited , Merlin Petroleum Company , Nippon Papua New Guinea LNG LLC.

(2) Adoption of simplified accounting treatment and accounting treatment specific to the preparation of quarterly consolidated financial statements : Yes

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

(i) Changes in accounting policies accompanying revisions in accounting standards : None

(ii) Changes other than those in (i) above : None

(iii) Changes in accounting estimates : None

(iiii) Restatement : None

(4) Number of issued shares (Common stock)

(i) Number of issued shares (including treasury stock)

First Quarter of FY2011 ended June 30, 2011 : 2,495,485,929 shares

FY2010 ended March 31, 2011 : 2,495,485,929 shares

(ii) Number of treasury stock

First Quarter of FY2011 ended June 30, 2011 : 8,654,253 shares

FY2010 ended March 31, 2011 : 8,643,201 shares

(iii) Average number of issued shares

First Quarter of FY2011 ended June 30, 2011 : 2,486,838,268 shares

First Quarter of FY2011 ended June 30, 2010 : 2,486,950,045 shares

Information Regarding the Quarterly Review Procedure

This report is not subject to the quarterly review procedure pursuant to the Financial Instruments and Exchange Law. At the time of disclosure of this report, the quarterly review procedure pursuant to the Financial Instruments and Exchange Law has not been completed.

Cautionary Statement with Respect to Forward Looking Statements and Comments in Particular

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 the 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.

Supplemental Information

1.Consolidated Financial Statements

(1) Consolidated Balance Sheets

Account title	(Millions of yen)	
	FY 2010 (As of March 31, 2011)	First Quarter of FY 2011 (As of June 30, 2011)
Assets		
Current assets		
Cash and deposits	233,471	230,352
Notes and accounts receivable-trade	1,065,973	995,186
Inventories	1,484,879	1,626,420
Other	286,405	285,502
Allowance for doubtful accounts	(2,997)	(3,231)
Total current assets	3,067,731	3,134,229
Non-current assets		
Property, plant and equipment		
Land	961,205	956,633
Other, net	979,086	969,881
Total property, plant and equipment	1,940,291	1,926,514
Intangible assets	166,147	163,797
Investments and other assets		
Investment securities	644,869	559,556
Other	446,970	595,404
Allowance for doubtful accounts	(6,050)	(4,958)
Total investments and other assets	1,085,789	1,150,002
Total non-current assets	3,192,227	3,240,313
Total assets	6,259,958	6,374,542

(Millions of yen)

Account title	FY 2010 (As of March 31, 2011)	First Quarter of FY 2011 (As of June 30, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	739,855	694,335
Short-term loans payable	716,561	687,962
Commercial papers	388,000	406,000
Current portion of bonds	60	20,222
Accounts payable-other	585,398	617,208
Provision for loss on disaster	109,106	104,011
Other provision	46,465	23,968
Other	264,715	312,773
Total current liabilities	<u>2,850,160</u>	<u>2,866,479</u>
Non-current liabilities		
Bonds payable	251,131	231,637
Long-term loans payable	908,832	912,413
Provision for retirement benefits	88,920	89,094
Other provision	59,464	57,878
Other	215,210	249,437
Total non-current liabilities	<u>1,523,557</u>	<u>1,540,459</u>
Total liabilities	<u>4,373,717</u>	<u>4,406,938</u>
Net assets		
Shareholders' equity		
Capital stock	100,000	100,000
Capital surplus	746,693	746,693
Retained earnings	801,567	859,758
Treasury stock	(3,802)	(3,808)
Total shareholders' equity	<u>1,644,458</u>	<u>1,702,643</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,524	29,801
Deferred gains or losses on hedges	6,666	8,999
Foreign currency translation adjustment	(58,327)	(36,315)
Total accumulated other comprehensive income	<u>(16,137)</u>	<u>2,485</u>
Minority interests	257,920	262,476
Total net assets	<u>1,886,241</u>	<u>1,967,604</u>
Total liabilities and net assets	<u>6,259,958</u>	<u>6,374,542</u>

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

Account title	First Quarter of FY 2010 (from April 1, 2010 to June 30, 2010)	First Quarter of FY 2011 (from April 1, 2011 to June 30, 2011)
Net sales	2,235,183	2,420,280
Cost of sales	2,090,236	2,173,891
Gross profit	144,947	246,389
Selling, general and administrative expenses	110,964	121,820
Operating income	33,983	124,569
Non-operating income		
Interest income	503	452
Dividends income	5,144	7,307
Foreign exchange gains	888	—
Equity in earnings of affiliates	24,376	17,541
Other	5,190	9,629
Total non-operating income	36,101	34,929
Non-operating expenses		
Interest expenses	7,172	7,100
Foreign exchange losses	—	1,394
Other	3,787	5,858
Total non-operating expenses	10,959	14,352
Ordinary income	59,125	145,146
Special income		
Gain on sales of non-current assets	2,702	6,937
Gain on change in equity	11,529	—
Gain on negative goodwill	226,537	9,393
Other	1,372	806
Total special income	242,140	17,136
Special loss		
Loss on sales of non-current assets	1,139	176
Loss on retirement of non-current assets	2,372	2,037
Loss on step acquisitions	—	6,431
Loss on disaster	—	10,566
Loss on adjustment for changes in accounting standard for asset retirement obligations	4,468	—
Other	5,573	1,737
Total special losses	13,552	20,947
Income before income taxes and minority interests	287,713	141,335
Income taxes	17,578	56,514
Income before minority interests	270,135	84,821
Minority interests in income	7,978	7,981
Net income	262,157	76,840

Consolidated Statements of Comprehensive Income

(Millions of yen)

Account title	First Quarter of FY 2010 (from April 1, 2010 to June 30, 2010)	First Quarter of FY 2011 (from April 1, 2011 to June 30, 2011)
Income before minority interests	270,135	84,821
Other comprehensive income		
Valuation difference on available-for-sale securities	(27,584)	(5,718)
Deferred gains or losses on hedges	(4,024)	2,523
Foreign currency translation adjustment	6,182	19,674
Share of other comprehensive income of affiliates accounted for by equity method	3,481	4,277
Total other comprehensive income	(21,945)	20,756
Comprehensive income	248,190	105,577
Comprehensive income attributable to shareholders of the parent	240,325	95,472
Comprehensive income attributable to minority interes	7,865	10,105

(3) Notes on the Going Concern Assumption

None

(4) Segment Information

Amounts of Net Sales, Profits and Losses for Reporting Segments

First quarter of FY 2010 (April 1, 2010 - June 30, 2010)

(Millions of yen)

	Petroleum Refining and Marketing	E&P of Oil and Natural Gas	Metals	Other	Total	Adjustments (Note 1)	Recorded Amount on Consolidated Statements of Income (Note 2)
Net Sales							
Sales to Third Parties	1,890,133	38,560	234,709	71,781	2,235,183	-	2,235,183
Intersegment Sales and Transfers	2,519	19	288	14,237	17,063	(17,063)	-
Total	1,892,652	38,579	234,997	86,018	2,252,246	(17,063)	2,235,183
Segment Income (Ordinary Income)	16,115	17,379	17,448	7,829	58,771	354	59,125

(Note 1) 354 million yen in adjustments of segment income includes adjustments of unrealized gain not apportioned to each reporting segment.

(Note 2) Segment income is adjusted with ordinary income in the consolidated quarterly statements of income.

First quarter of FY 2011 (April 1, 2011 - June 30, 2011)

(Millions of yen)

	Petroleum Refining and Marketing	E&P of Oil and Natural Gas	Metals	Other	Total	Adjustments (Note 1)	Recorded Amount on Consolidated Statements of Income (Note 2)
Net Sales							
Sales to Third Parties	2,022,469	44,538	277,097	76,176	2,420,280	-	2,420,280
Intersegment Sales and Transfers	2,299	-	180	9,908	12,387	(12,387)	-
Total	2,024,768	44,538	277,277	86,084	2,432,667	(12,387)	2,420,280
Segment Income (Ordinary Income)	100,895	22,906	18,905	788	143,494	1,652	145,146

(Note 1) 1,652 million yen in adjustments of segment income includes 1,593 million yen in total net income and expenses of the Company not apportioned to each reporting segment.

(Note 2) Segment income is adjusted with ordinary income in the consolidated quarterly statements of income.

(5) Notes on Significant Changes in Shareholders' Equity

None

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