

Consolidated Financial Results for Fiscal Year 2015 [Japanese GAAP]

May 11, 2016

Company name: JX Holdings, Inc.

Code number: 5020

Stock Exchange Listings: Tokyo and Nagoya

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

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Scheduled date of ordinary general meeting of shareholders : June 28, 2016

Scheduled date of filing of Securities Report : June 28, 2016

Scheduled date of commencement of dividend payments : June 29, 2016

Supplemental materials for the financial results : Yes

Financial results presentation : Yes (for institutional investors and analysts)

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

1. Consolidated Results for the Fiscal Year 2015 (From April 1, 2015 to March 31, 2016)

(1) Consolidated Operating Results

(Percentage figures are changes from 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	%
FY2015	8,737,818	(19.7)	(62,234)	—	(8,608)	—	(278,510)	—
FY2014	10,882,460	(12.3)	(218,885)	—	(150,114)	—	(277,212)	—

(Note) Comprehensive income : FY2015: ¥(446,535) million < — %> ; FY2014: ¥(124,504) million < — %>

	Net income per share	Diluted net income per share	Rate of return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2015	(112.01)	—	(16.2)	(0.1)	(0.7)
FY2014	(111.49)	—	(13.6)	(2.0)	(2.0)

(Reference) Equity in earnings of affiliates : FY2015: ¥18,063 million ; FY2014: ¥47,140 million

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2015	6,724,622	1,928,460	22.3	602.86
FY2014	7,423,404	2,429,849	26.1	778.93

(Reference) Shareholders' equity : FY2015: ¥1,498,924 million ; FY2014: ¥1,936,754 million

(3) Consolidated Cash Flows

	Cash flows from Operating activities	Cash flows from Investing activities	Cash flows from Financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2015	554,958	(307,708)	(87,973)	491,337
FY2014	737,224	(377,817)	(326,310)	327,980

2. Dividends

	Annual cash dividend per share					Total dividend amount	Dividend payout ratio (Consolidated)	Dividends on equity ratio (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-End	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2014	—	8.00	—	8.00	16.00	39,837	—	2.0
FY2015	—	8.00	—	8.00	16.00	39,837	—	2.3
FY2016 (Forecast)	—	8.00	—	8.00	16.00		31.8	

3. Forecasts of Consolidated Results for Fiscal Year 2016 (From April 1, 2016 to March 31, 2017)

(Percentage figures are changes from the amount for the corresponding 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
First half of FY2016	4,130,000	(9.3)	110,000	—	120,000	—	52,000	—	20.91
FY2016	8,800,000	0.7	230,000	—	260,000	—	125,000	—	50.27

Income excluding inventory valuation factors* (FY2016) 190,000 (8.3) 220,000 (15.7)
(FY2015) 207,300 260,900

* 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) 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

(3) Number of shares issued (Common stock)

(i) Number of issued shares at the end of the period (including treasury stocks)

FY2015 ended March 31, 2016 : 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

FY2015 ended March 31, 2016 : 9,122,175 shares
FY2014 ended March 31, 2015 : 9,055,789 shares

(iii) Average number of shares issued during the period

FY2015 ended March 31, 2016 : 2,486,396,570 shares
FY2014 ended March 31, 2015 : 2,486,465,283 shares

【Reference】 Overview of Non-consolidated Results

Non-consolidated Results for the Fiscal Year 2015 (From April 1, 2015 to March 31, 2016)

(1) Operating Results (Non-consolidated Basis)

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

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2015	65,190	26.2	55,575	30.8	58,041	26.8	79,920	73.2
FY2014	51,639	1.9	42,493	1.8	45,783	3.4	46,137	6.1

	Net income per share	Diluted net income per share
	Yen	Yen
FY2015	32.10	—
FY2014	18.53	—

(2) Financial Position (Non-consolidated Basis)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2015	3,198,347	1,288,571	40.3	517.55
FY2014	3,082,101	1,301,910	42.2	522.90

(Reference) Shareholders' equity : FY2015: ¥1,288,571 million ; FY2014: ¥1,301,910 million

Information Regarding the Status of Audit Procedures Performance

This report is not subject to audit procedures required pursuant to the Financial Instruments and Exchange Act. As of the time of disclosing this report, audit 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.

(1) Consolidated Balance Sheets

(Millions of yen)

Account title	FY 2014 (As of March 31, 2015)	FY 2015 (As of March 31, 2016)
Assets		
Current assets:		
Cash and deposits	329,293	492,698
Notes and accounts receivable-trade	1,007,386	774,970
Inventories	1,356,648	1,048,154
Deferred tax assets	66,049	78,054
Other	239,184	260,171
Allowance for doubtful accounts	(2,162)	(2,763)
Total current assets	2,996,398	2,651,284
Non-current assets:		
Property, plant and equipment:		
Buildings, structures and oil tanks	1,692,142	1,720,445
Accumulated depreciation	(1,196,840)	(1,214,809)
Buildings, structures and oil tanks, net	495,302	505,636
Machinery, equipment and vehicles	3,032,725	3,388,550
Accumulated depreciation	(2,442,224)	(2,497,467)
Machinery, equipment and vehicles, net	590,501	891,083
Land	951,647	947,771
Construction in progress	463,922	59,033
Other	158,821	153,403
Accumulated depreciation	(104,577)	(103,450)
Other, net	54,244	49,953
Total property, plant and equipment	2,555,616	2,453,476
Intangible assets:		
Goodwill	17,713	9,020
Other	118,447	108,439
Total intangible assets	136,160	117,459
Investments and other assets:		
Investments in securities	823,009	703,825
Long-term loans receivable	45,804	38,691
Net defined benefit asset	499	273
Deferred tax assets	67,577	140,549
Exploration and development investments	728,312	550,634
Other	81,570	73,177
Allowance for doubtful accounts	(11,541)	(4,746)
Total investments and other assets	1,735,230	1,502,403
Total non-current assets	4,427,006	4,073,338
Total assets	7,423,404	6,724,622

(Millions of yen)

Account title	FY 2014 (As of March 31, 2015)	FY 2015 (As of March 31, 2016)
Liabilities		
Current liabilities:		
Notes and accounts payable-trade	680,551	601,322
Short-term borrowings	819,555	792,619
Commercial papers	364,000	248,000
Current portion of bonds	42,480	20,000
Accounts payable-other	797,590	756,380
Income taxes payable	28,077	26,939
Other provision	38,480	37,001
Asset retirement obligations	1,420	1,574
Other	294,278	271,151
Total current liabilities	3,066,431	2,754,986
Non-current liabilities:		
Bonds payable	205,000	185,000
Long-term loans payable	1,189,232	1,335,747
Deferred tax liabilities	146,091	113,429
Net defined benefit liability	116,875	130,649
Provision for repairs	64,104	64,151
Other provision	12,572	12,215
Asset retirement obligations	117,433	122,745
Other	75,817	77,240
Total non-current liabilities	1,927,124	2,041,176
Total liabilities	4,993,555	4,796,162
Net assets		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	746,711	746,283
Retained earnings	783,615	465,268
Treasury stock	(3,926)	(3,959)
Total shareholders' equity	1,626,400	1,307,592
Accumulated other comprehensive income:		
Unrealized gain on securities	87,008	26,810
Unrealized gain on hedging derivatives	1,083	(11,953)
Foreign currency translation adjustments	218,413	184,136
Remeasurements of defined benefit plans	3,850	(7,661)
Total accumulated other comprehensive income	310,354	191,332
Non-controlling interests	493,095	429,536
Total net assets	2,429,849	1,928,460
Total liabilities and net assets	7,423,404	6,724,622

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

Account title	FY 2014 (from April 1, 2014 to March 31, 2015)	FY 2015 (from April 1, 2015 to March 31, 2016)
Net sales	10,882,460	8,737,818
Cost of sales	10,532,913	8,222,572
Gross profit	349,547	515,246
Selling, general and administrative expenses	568,432	577,480
Operating loss	(218,885)	(62,234)
Non-operating income:		
Interest income	2,838	2,391
Dividends income	48,308	42,709
Foreign currency exchange gain	—	2,958
Equity in earnings of affiliates	47,140	18,063
Other	29,546	30,063
Total non-operating income	127,832	96,184
Non-operating expenses:		
Interest expense	26,083	25,369
Foreign currency exchange loss	9,864	—
Other	23,114	17,189
Total non-operating expenses	59,061	42,558
Ordinary loss	(150,114)	(8,608)
Special gain:		
Gain on sales of non-current assets	55,996	7,610
Gain on sales of investments in securities	200	35,975
Other	3,402	1,038
Total special gain	59,598	44,623
Special loss:		
Loss on sales of non-current assets	1,367	2,302
Loss on disposal of non-current assets	9,825	9,341
Impairment loss	88,495	245,334
Loss on valuation of investments in securities	37,357	14,850
Restructuring cost	19,139	84,593
Other	8,303	9,579
Total special loss	164,486	365,999
Loss before income taxes and minority interests	(255,002)	(329,984)
Income taxes-current	72,076	60,425
Income (loss) taxes-deferred	(37,108)	(77,534)
Total income taxes	34,968	(17,109)
Loss	(289,970)	(312,875)
Loss attributable to non-controlling interests	(12,758)	(34,365)
Loss attributable to owners of parent	(277,212)	(278,510)

Consolidated Statements of Comprehensive Income

(Millions of yen)

Account title	FY 2014 (from April 1, 2014 to March 31, 2015)	FY 2015 (from April 1, 2015 to March 31, 2016)
Loss	(289,970)	(312,875)
Other comprehensive income:		
Unrealized gain (loss) on securities	39,415	(62,111)
Unrealized gain (loss) on hedging derivatives	(3,586)	(13,375)
Foreign currency translation adjustment	103,136	(31,261)
Remeasurements of defined benefit plans, net of tax	1,454	(12,404)
Share of other comprehensive income of affiliates accounted for by equity method	25,047	(14,509)
Total other comprehensive income	165,466	(133,660)
Comprehensive income	(124,504)	(446,535)
Comprehensive income attributable to:		
Owners of parent	(146,020)	(397,620)
Non-controlling interests	21,516	(48,915)

(3) Consolidated Statements of Changes in Net Assets

FY 2014 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the end of previous period	100,000	746,711	1,119,478	(3,893)	1,962,296
Cumulative effects of changes in accounting policies			(18,676)		(18,676)
Restated balance	100,000	746,711	1,100,802	(3,893)	1,943,620
Changes of items during the period					
Dividends from surplus			(39,837)		(39,837)
Loss attributable to owners of parent			(277,212)		(277,212)
Purchase of treasury stock				(34)	(34)
Disposal of treasury stock		0		1	1
Change of scope of consolidation			17		17
Change of scope of equity method			49		49
Change in equity by merger of affiliates accounted for by the equity method			(204)		(204)
Capital increase of consolidated subsidiaries					
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	(317,187)	(33)	(317,220)
Balance at the end of current period	100,000	746,711	783,615	(3,926)	1,626,400

	Accumulated other comprehensive income					Minority interests	Total net assets
	Unrealized gains or losses on securities	Unrealized gains or losses on hedging derivatives	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the end of previous period	51,312	5,551	113,204	2,695	172,762	491,236	2,626,294
Cumulative effects of changes in accounting policies						(257)	(18,933)
Restated balance	51,312	5,551	113,204	2,695	172,762	490,979	2,607,361
Changes of items during the period							
Dividends from surplus							(39,837)
Loss attributable to owners of parent							(277,212)
Purchase of treasury stock							(34)
Disposal of treasury stock							1
Change of scope of consolidation							17
Change of scope of equity method							49
Change in equity by merger of affiliates accounted for by the equity method							(204)
Capital increase of consolidated subsidiaries							
Net changes of items other than shareholders' equity	35,696	(4,468)	105,209	1,155	137,592	2,116	139,708
Total changes of items during the period	35,696	(4,468)	105,209	1,155	137,592	2,116	(177,512)
Balance at the end of current period	87,008	1,083	218,413	3,850	310,354	493,095	2,429,849

FY 2015 (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the end of previous period	100,000	746,711	783,615	(3,926)	1,626,400
Changes of items during the period					
Dividends from surplus			(39,837)		(39,837)
Loss attributable to owners of parent			(278,510)		(278,510)
Purchase of treasury stock				(33)	(33)
Disposal of treasury stock		0		0	1
Change of scope of consolidation					
Change of scope of equity method					
Change in equity by merger of affiliates accounted for by the equity method					
Capital increase of consolidated subsidiaries		(428)			(428)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(428)	(318,347)	(33)	(318,808)
Balance at the end of current period	100,000	746,283	465,268	(3,959)	1,307,592

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized gains or losses on securities	Unrealized gains or losses on hedging derivatives	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the end of previous period	87,008	1,083	218,413	3,850	310,354	493,095	2,429,849
Changes of items during the period							
Dividends from surplus							(39,837)
Loss attributable to owners of parent							(278,510)
Purchase of treasury stock							(33)
Disposal of treasury stock							1
Change of scope of consolidation							
Change of scope of equity method							
Change in equity by merger of affiliates accounted for by the equity method							
Capital increase of consolidated subsidiaries							(428)
Net changes of items other than shareholders' equity	(60,198)	(13,036)	(34,277)	(11,511)	(119,022)	(63,559)	(182,581)
Total changes of items during the period	(60,198)	(13,036)	(34,277)	(11,511)	(119,022)	(63,559)	(501,389)
Balance at the end of current period	26,810	(11,953)	184,136	(7,661)	191,332	429,536	1,928,460

(4) Consolidated Statements of Cash Flows

Account title	(Millions of yen)	
	FY 2014 (from April 1, 2014 to March 31, 2015)	FY 2015 (from April 1, 2015 to March 31, 2016)
Cash flows from operating activities:		
Loss before income taxes and minority interests	(255,002)	(329,984)
Depreciation and amortization	197,268	227,660
Amortization of goodwill	2,204	2,564
Increase (decrease) in provision for repairs	2,049	50
Interest and dividends income	(51,146)	(45,100)
Interest expenses	26,083	25,369
Equity in (earnings) losses of affiliates	(47,140)	(18,063)
Loss (gain) on sales and disposal of non-current assets	(44,804)	4,033
Impairment loss	88,495	245,334
Loss (gain) on valuation of investments in securities	37,357	14,850
Loss (gain) on sales of investments in securities	(177)	(35,904)
Decrease (increase) in notes and accounts receivable-trade	402,558	229,935
Decrease (increase) in inventories	441,782	305,269
Increase (decrease) in notes and accounts payable-trade	(119,320)	(81,948)
Restructuring cost	19,139	84,593
Other, net	66,596	(44,846)
Subtotal	765,942	583,812
Interest and dividends income received	80,925	68,778
Interest expenses paid	(36,174)	(31,445)
Income taxes paid	(73,469)	(66,187)
Net cash provided by (used in) operating activities	737,224	554,958
Cash flows from investing activities:		
Purchase of investments in securities	(36,582)	(22,906)
Proceeds from sales of investments in securities	307	45,570
Purchase of property, plant and equipment	(283,383)	(224,602)
Proceeds from sales of property, plant and equipment	60,640	13,502
Purchase of intangible assets	(12,586)	(10,367)
Decrease (increase) in short-term receivables, net	5,896	(5,974)
Payments of long-term receivable	(6,320)	(5,600)
Collection of long-term receivable	6,837	7,796
Increase in cost of exploration and production of oil and related assets	(105,017)	(113,995)
Other, net	(7,609)	8,868
Net cash provided by (used in) investing activities	(377,817)	(307,708)

Account title	(Millions of yen)	
	FY 2014 (from April 1, 2014 to March 31, 2015)	FY 2015 (from April 1, 2015 to March 31, 2016)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	(251,905)	(1,659)
Increase (decrease) in commercial papers, net	(86,000)	(116,000)
Proceeds from long-term loans	226,771	302,208
Repayment of long-term loans	(179,291)	(167,912)
Proceeds from issuance of bonds	60,000	—
Redemption of bonds	(30,480)	(42,480)
Proceeds from stock issuance to minority shareholders	84	—
Cash dividends paid	(39,837)	(39,837)
Cash dividends paid to minority shareholders	(21,984)	(16,462)
Other, net	(3,668)	(5,831)
Net cash provided by (used in) financing activities	(326,310)	(87,973)
Effect of exchange rate changes on cash and cash equivalents	14,740	4,080
Net increase (decrease) in cash and cash equivalents	47,837	163,357
Cash and cash equivalents at beginning of year	280,069	327,980
Increase in cash and cash equivalents from newly consolidated subsidiary	74	—
Cash and cash equivalents at end of year	327,980	491,337

(Segment Information, etc.)

a. Segment Information

1. Outline of the Reporting Segments

The JX Group's reporting segments consist of those constituent units of the JX Group for which separate financial information is available that are subject to periodic review for the board of directors to determine distribution of management resources and to evaluate business performance.

The JX Group, which includes JX Holdings, Inc., as its holding company, is composed of segments corresponding to each product and service based on three core operating companies. The JX Group treats "Energy", "Oil and Natural Gas Exploration and Production ("E&P")", and "Metals" as the reporting segments.

The business activities not included in the reporting segments are collectively contained in the "Other" category.

The details of the main products and services or business activities of each reporting segment and the "Other" category are as follows:

Energy	Petroleum refining & marketing, lubricants, basic chemical products, specialty & performance chemical products, gas, coal, electricity, and new energy.
Oil and Natural Gas E&P	Oil and natural gas exploration, development and production.
Metals	Non-ferrous metal resources development and mining, copper, gold, silver, sulfuric acid, copper foils, materials for rolling and processing, thin film materials, non-ferrous metal recycling and industrial waste treatment, transportation by ships of products, including metal business products, and titanium.
Other	Asphalt paving, civil engineering work, construction work, electric wires, land transportation, real estate leasing business, and affairs common to JX Group companies including fund procurement.

2. Information on Net Sales, Income and Loss, Assets, Liabilities, and Other Items from Each Reporting Segment

Previous Consolidated Fiscal Year (April 1, 2014 – March 31, 2015)

(Millions of yen)

	Energy	Oil and Natural Gas E&P	Metals	Other	Total	Adjustments (Note 1)	Recorded Amount on Consolidated Financial Statements
Net sales:							
Sales to outside customers	9,116,472	226,395	1,153,259	386,334	10,882,460	-	10,882,460
In-house intersegment sales and transfers	8,321	-	2,723	74,625	85,669	(85,669)	-
Total	9,124,793	226,395	1,155,982	460,959	10,968,129	(85,669)	10,882,460
Segment income (loss)	(334,613)	84,884	56,610	39,773	(153,346)	3,232	(150,114)
Segment assets	3,891,131	1,227,170	1,739,627	2,322,360	9,180,288	(1,756,884)	7,423,404
Segment liabilities	2,954,452	714,710	1,021,820	2,025,907	6,716,889	(1,723,334)	4,993,555
Other items:							
Depreciation and amortization (Note 2)	101,395	48,314	37,313	6,170	193,192	4,076	197,268
Amortization of goodwill	596	1,108	497	3	2,204	-	2,204
Interest income	1,881	514	460	13,800	16,655	(13,817)	2,838
Interest expenses	12,637	6,801	4,201	13,226	36,865	(10,782)	26,083
Equity in earnings of affiliates	6,832	5,927	33,120	1,261	47,140	-	47,140
Increase in fixed assets (Note 3)	163,801	131,728	115,673	13,380	424,582	30,525	455,107

(Notes) 1. The adjustments include the following:

- (1) The segment income adjustment of 3,232 million yen includes the net amount of 3,332 million yen, which is the income and expenses of entire Company not allocated to the reporting segments or the “Other” category.
- (2) The loss of 1,756,884 million yen in the segment assets adjustment is due primarily to eliminating intersegment receivables by offsetting.
- (3) The loss of 1,723,334 million yen in the segment liabilities adjustment is due primarily to eliminating intersegment liabilities by offsetting.
- (4) The depreciation and amortization adjustment of 4,076 million yen includes 3,607 million yen in asset retirement obligations adjusted due to passage of time (interest costs).
- (5) The increase in fixed assets adjustment of 30,525 million yen includes 20,128 million yen in assets that correspond to asset retirement obligations.
2. Depreciation and amortization includes 44,349 million yen in amortization costs for exploration and development investments.
3. The increase in fixed assets includes the 137,975 million yen increase in exploration and development investments contained in “Investments and other assets” in the consolidated balance sheet.
4. Segment income (loss) is adjusted to ordinary loss stated in the consolidated statement of income.

Current Consolidated Fiscal Year (April 1, 2015 – March 31, 2016)

(Millions of yen)

	Energy	Oil and Natural Gas E&P	Metals	Other	Total	Adjustments (Note 1)	Recorded Amount on Consolidated Financial Statements
Net sales:							
Sales to outside customers	7,115,825	175,755	1,044,914	401,324	8,737,818	-	8,737,818
In-house intersegment sales and transfers	6,618	-	4,770	57,472	68,860	(68,860)	-
Total	7,122,443	175,755	1,049,684	458,796	8,806,678	(68,860)	8,737,818
Segment income (loss)	(97,064)	28,161	13,264	44,856	(10,783)	2,175	(8,608)
Segment assets	3,476,760	1,226,259	1,497,876	2,326,370	8,527,265	(1,802,643)	6,724,622
Segment liabilities	2,677,300	747,357	930,866	2,011,878	6,367,401	(1,571,239)	4,796,162
Other items:							
Depreciation and amortization (Note 2)	98,825	66,446	51,762	6,878	223,911	3,749	227,660
Amortization of goodwill	596	1,108	856	4	2,564	-	2,564
Interest income	1,724	474	334	13,513	16,045	(13,654)	2,391
Interest expenses	10,585	7,849	4,960	12,749	36,143	(10,774)	25,369
Equity in earnings of affiliates	5,618	960	10,239	1,246	18,063	-	18,063
Increase in fixed assets (Note 3)	136,193	110,172	63,470	15,468	325,303	9,483	334,786

(Notes) 1. The adjustments include the following:

- (1) The segment income adjustment of 2,175 million yen includes the net amount of 2,322 million yen, which is the income and expenses of entire Company not allocated to the reporting segments or the “Other” category.
- (2) The loss of 1,802,643 million yen in the segment assets adjustment is due primarily to eliminating intersegment receivables by offsetting.
- (3) The loss of 1,571,239 million yen in the segment liabilities adjustment is due primarily to eliminating intersegment liabilities by offsetting.
- (4) The depreciation and amortization adjustment of 3,749 million yen includes 3,125 million yen in asset retirement obligations adjusted due to passage of time (interest costs).
- (5) The increase in fixed assets adjustment of 9,483 million yen includes 4,449 million yen in assets that correspond to asset retirement obligations.
2. Depreciation and amortization includes 61,118 million yen in amortization costs for exploration and development investments.
3. The increase in fixed assets includes the 106,199 million yen increase in exploration and development investments contained in “Investments and other assets” in the consolidated balance sheet.
4. Segment income(loss) is adjusted to ordinary loss stated in the consolidated statement of income.

b. Related Information

Previous Consolidated Fiscal Year (April 1, 2014 – March 31, 2015)
Information by Region

(1) Net sales

(Millions of yen)

Japan	China	Others	Total
9,092,953	840,027	949,480	10,882,460

(Note) The net sales are calculated based on the customers' locations, and are categorized into countries or regions.

(2) Property, plant and equipment

(Millions of yen)

Japan	Chile	Others	Total
1,787,165	574,288	194,163	2,555,616

Current Consolidated Fiscal Year (April 1, 2015 – March 31, 2016)
Information by Region

(1) Net sales

(Millions of yen)

Japan	China	Others	Total
7,157,400	770,615	809,803	8,737,818

(Note) The net sales are calculated based on the customers' locations, and are categorized into countries or regions.

(2) Property, plant and equipment

(Millions of yen)

Japan	Chile	Others	Total
1,810,912	474,621	167,943	2,453,476

c. Information on Impairment Loss

Previous Consolidated Fiscal Year (April 1, 2014 – March 31, 2015)

(Millions of yen)

	Energy	Oil and Natural Gas E&P	Metals	Other	Corporate Total, or Eliminations	Total
Impairment loss	19,638	23,263	47,569	167	—	90,637

(Note) In the "Energy" and "Metals" segment, 2,142 million yen is included in "Restructuring cost" on the consolidated statement of income.

Current Consolidated Fiscal Year (April 1, 2015 – March 31, 2016)

(Millions of yen)

	Energy	Oil and Natural Gas E&P	Metals	Other	Corporate Total, or Eliminations	Total
Impairment loss	8,188	230,502	82,817	202	—	321,709

(Note) In the "Oil and Natural Gas E&P" segment, 76,375 million yen is included in "Restructuring cost" on the consolidated statement of income.

d. Information on the Amortized Amounts and Unamortized Balances of Goodwill

Previous Consolidated Fiscal Year (April 1, 2014 – March 31, 2015)

(Millions of yen)

	Energy	Oil and Natural Gas E&P	Metals	Other	Corporate Total, or Eliminations	Total
Amortized amount	596	1,108	497	3	—	2,204
Unamortized balance	6,492	4,711	6,510	—	—	17,713

Current Consolidated Fiscal Year (April 1, 2015 – March 31, 2016)

(Millions of yen)

	Energy	Oil and Natural Gas E&P	Metals	Other	Corporate Total, or Eliminations	Total
Amortized amount	596	1,108	856	4	—	2,564
Unamortized balance	5,896	0	3,124	—	—	9,020