

Consolidated Financial Results for Fiscal Year 2016 [Japanese GAAP]

May 12, 2017

Company name: JXTG Holdings, Inc.

Code number: 5020

Stock Exchange Listings: Tokyo and Nagoya

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

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Scheduled date of ordinary general meeting of shareholders : June 28, 2017

Scheduled date of filing of Securities Report : June 28, 2017

Scheduled date of commencement of dividend payments : June 29, 2017

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 2016 (JX Holdings, Inc. : From April 1, 2016 to March 31, 2017)

(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	%
FY2016	8,136,008	(6.9)	298,428	—	333,564	—	160,068	—
FY2015	8,737,818	(19.7)	(62,234)	—	(8,608)	—	(278,510)	—

(Note) Comprehensive income : FY2016: ¥166,556 million < — %> ; FY2015: ¥(446,535) 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	%	%	%
FY2016	64.38	—	10.3	5.0	3.7
FY2015	(112.01)	—	(16.2)	(0.1)	(0.7)

(Reference) Equity in earnings of affiliates : FY2016: ¥27,050 million ; FY2015: ¥18,063 million

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2016	6,658,627	2,041,747	24.2	647.35
FY2015	6,724,622	1,928,460	22.3	602.86

(Reference) Shareholders' equity : FY2016: ¥1,609,517 million ; FY2015: ¥1,498,924 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
FY2016	230,881	(237,535)	(160,783)	295,522
FY2015	554,958	(307,708)	(87,973)	491,337

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	%	%
FY2015	—	8.00	—	8.00	16.00	39,837	—	2.3
FY2016	—	8.00	—	8.00	16.00	39,836	24.9	2.6
FY2017 (Forecast)	—	9.00	—	9.00	18.00		30.8	

3. Forecasts of Consolidated Results for Fiscal Year 2017 (From April 1, 2017 to March 31, 2018)

(Percentage figures are changes from the amount for the corresponding period in the previous fiscal year.)

	Net Sales		Operating income		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half of FY2017	4,900,000	—	165,000	—	152,000	—	85,000	—	24.87
FY2017	10,000,000	—	350,000	—	325,000	—	200,000	—	58.52

The company has decided to start voluntarily applying the International Financial Reporting Standards (the IFRS), effective from the consolidated financial statements of the Securities Report of FY 2016. For this reason, it has prepared the forecasts for the consolidated results for FY 2017 in accordance with the IFRS. The percentage change from the actual results for FY 2016 based on the Japanese GAAP is not shown.

The forecasts of the results for FY 2017 are not affected by inventory valuation factors.*

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

Explanatory Notes

(1) Changes in the 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: JX Nippon Oil & Energy Vietnam Consulting and Holdings Company Limited

(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 : None
- (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)

FY2016 ended March 31, 2017	: 2,495,485,929 shares
FY2015 ended March 31, 2016	: 2,495,485,929 shares

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

FY2016 ended March 31, 2017	: 9,188,016 shares
FY2015 ended March 31, 2016	: 9,122,175 shares

(iii) Average number of shares issued during the period

FY2016 ended March 31, 2017	: 2,486,332,754 shares
FY2015 ended March 31, 2016	: 2,486,396,570 shares

【Reference】 Overview of Non-consolidated Results

Non-consolidated Results for the Fiscal Year 2016 (From April 1, 2016 to March 31, 2017)

(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	%
FY2016	15,899	(75.6)	4,353	(92.2)	7,033	(87.9)	19,313	(75.8)
FY2015	65,190	26.2	55,575	30.8	58,041	26.8	79,920	73.2

	Net income per share	Diluted net income per share
	Yen	Yen
FY2016	7.76	—
FY2015	32.10	—

(2) Financial Position (Non-consolidated Basis)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2016	3,268,999	1,277,686	39.1	513.18
FY2015	3,198,347	1,288,571	40.3	517.55

(Reference) Shareholders' equity : FY2016: ¥ 1,277,686 million ; FY2015: ¥ 1,288,571 million

This report is not subject to the audit procedures.

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.

Upon the business integration with TonenGeneral Sekiyu K.K. on April 1, 2017, the Company delivered 931,430,620 shares of its common shares to the shareholders of TonenGeneral Sekiyu K.K. on the same date. Regarding "basic earnings per share" in the forecasts of consolidated results, the figures are calculated based on the number of issued shares (excluding treasury stock) after this delivery.

(1) Consolidated Balance Sheets

(Millions of yen)

Account title	FY 2015 (As of March 31, 2016)	FY 2016 (As of March 31, 2017)
Assets		
Current assets:		
Cash and deposits	492,698	297,372
Notes and accounts receivable-trade	774,970	952,323
Inventories	1,048,154	1,181,809
Deferred tax assets	78,054	49,127
Other	260,171	207,027
Allowance for doubtful accounts	(2,763)	(2,777)
Total current assets	2,651,284	2,684,881
Non-current assets:		
Property, plant and equipment:		
Buildings, structures and oil tanks	1,720,445	1,916,590
Accumulated depreciation	(1,214,809)	(1,251,084)
Buildings, structures and oil tanks, net	505,636	665,506
Machinery, equipment and vehicles	3,388,550	3,202,205
Accumulated depreciation	(2,497,467)	(2,542,317)
Machinery, equipment and vehicles, net	891,083	659,888
Land	947,771	929,194
Construction in progress	59,033	96,670
Other	153,403	165,246
Accumulated depreciation	(103,450)	(105,357)
Other, net	49,953	59,889
Total property, plant and equipment	2,453,476	2,411,147
Intangible assets:		
Goodwill	9,020	8,532
Other	108,439	98,659
Total intangible assets	117,459	107,191
Investments and other assets:		
Investments in securities	703,825	699,292
Long-term loans receivable	38,691	47,523
Net defined benefit asset	273	433
Deferred tax assets	140,549	134,933
Exploration and development investments	550,634	508,001
Other	73,177	69,142
Allowance for doubtful accounts	(4,746)	(3,916)
Total investments and other assets	1,502,403	1,455,408
Total non-current assets	4,073,338	3,973,746
Total assets	6,724,622	6,658,627

(Millions of yen)

Account title	FY 2015 (As of March 31, 2016)	FY 2016 (As of March 31, 2017)
Liabilities		
Current liabilities:		
Notes and accounts payable-trade	601,322	634,946
Short-term borrowings	792,619	660,162
Commercial papers	248,000	232,000
Current portion of bonds	20,000	20,000
Accounts payable-other	756,380	667,188
Income taxes payable	26,939	38,367
Other provision	37,001	37,666
Asset retirement obligations	1,574	925
Other	271,151	275,150
Total current liabilities	2,754,986	2,566,404
Non-current liabilities:		
Bonds payable	185,000	195,000
Long-term loans payable	1,335,747	1,351,889
Deferred tax liabilities	113,429	107,220
Net defined benefit liability	130,649	128,227
Provision for repairs	64,151	60,333
Other provision	12,215	11,564
Asset retirement obligations	122,745	126,206
Other	77,240	70,037
Total non-current liabilities	2,041,176	2,050,476
Total liabilities	4,796,162	4,616,880
Net assets		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	746,283	747,761
Retained earnings	465,268	585,512
Treasury stock	(3,959)	(3,989)
Total shareholders' equity	1,307,592	1,429,284
Accumulated other comprehensive income:		
Unrealized gain on securities	26,810	37,655
Unrealized gain on hedging derivatives	(11,953)	(7,554)
Foreign currency translation adjustments	184,136	154,496
Remeasurements of defined benefit plans	(7,661)	(4,364)
Total accumulated other comprehensive income	191,332	180,233
Non-controlling interests	429,536	432,230
Total net assets	1,928,460	2,041,747
Total liabilities and net assets	6,724,622	6,658,627

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

Account title	FY 2015 (from April 1, 2015 to March 31, 2016)	FY 2016 (from April 1, 2016 to March 31, 2017)
Net sales	8,737,818	8,136,008
Cost of sales	8,222,572	7,249,018
Gross profit	515,246	886,990
Selling, general and administrative expenses	577,480	588,562
Operating income (loss)	(62,234)	298,428
Non-operating income:		
Interest income	2,391	2,945
Dividends income	42,709	24,725
Foreign currency exchange gain	2,958	—
Equity in earnings of affiliates	18,063	27,050
Rent income	8,887	9,664
Other	21,176	17,586
Total non-operating income	96,184	81,970
Non-operating expenses:		
Interest expense	25,369	26,160
Foreign currency exchange loss	—	5,558
Other	17,189	15,116
Total non-operating expenses	42,558	46,834
Ordinary income (loss)	(8,608)	333,564
Special gain:		
Gain on sales of non-current assets	7,610	15,773
Gain on sales of investments in securities	35,975	18,364
Other	1,038	691
Total special gain	44,623	34,828
Special loss:		
Loss on sales of non-current assets	2,302	1,625
Loss on disposal of non-current assets	9,341	8,225
Impairment loss	245,334	26,396
Loss on valuation of investments in securities	14,850	31,004
Restructuring cost	84,593	10,347
Other	9,579	12,766
Total special loss	365,999	90,363
Income (loss) before income taxes and minority interests	(329,984)	278,029
Income taxes-current	60,425	69,414
Income (loss) taxes-deferred	(77,534)	27,212
Total income taxes	(17,109)	96,626
Profit (loss)	(312,875)	181,403
Profit (loss) attributable to non-controlling interests	(34,365)	21,335
Profit (loss) attributable to owners of parent	(278,510)	160,068

Consolidated Statements of Comprehensive Income (Loss)

(Millions of yen)

Account title	FY 2015 (from April 1, 2015 to March 31, 2016)	FY 2016 (from April 1, 2016 to March 31, 2017)
Profit (loss)	(312,875)	181,403
Other comprehensive income (loss):		
Unrealized gain (loss) on securities	(62,111)	9,707
Unrealized gain (loss) on hedging derivatives	(13,375)	5,312
Foreign currency translation adjustment	(31,261)	(26,413)
Remeasurements of defined benefit plans, net of tax	(12,404)	3,710
Share of other comprehensive income of affiliates accounted for by equity method	(14,509)	(7,163)
Total other comprehensive income (loss)	(133,660)	(14,847)
Comprehensive income (loss)	(446,535)	166,556
Comprehensive income (loss) attributable to:		
Owners of parent	(397,620)	149,337
Non-controlling interests	(48,915)	17,219

(3) Consolidated Statements of Changes in Net Assets

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					
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							
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

FY 2016 (from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the end of previous period	100,000	746,283	465,268	(3,959)	1,307,592
Changes of items during the period					
Dividends from surplus			(39,836)		(39,836)
Profit attributable to owners of parent			160,068		160,068
Purchase of treasury stock				(31)	(31)
Disposal of treasury stock		(0)		1	1
Change of scope of consolidation			141		141
Change in equity by merger of affiliates accounted for by the equity method			(129)		(129)
Capital increase of consolidated subsidiaries		1,478			1,478
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	1,478	120,244	(30)	121,692
Balance at the end of current period	100,000	747,761	585,512	(3,989)	1,429,284

	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	26,810	(11,953)	184,136	(7,661)	191,332	429,536	1,928,460
Changes of items during the period							
Dividends from surplus							(39,836)
Profit attributable to owners of parent							160,068
Purchase of treasury stock							(31)
Disposal of treasury stock							1
Change of scope of consolidation							141
Change in equity by merger of affiliates accounted for by the equity method							(129)
Capital increase of consolidated subsidiaries							1,478
Net changes of items other than shareholders' equity	10,845	4,399	(29,640)	3,297	(11,099)	2,694	(8,405)
Total changes of items during the period	10,845	4,399	(29,640)	3,297	(11,099)	2,694	113,287
Balance at the end of current period	37,655	(7,554)	154,496	(4,364)	180,233	432,230	2,041,747

(4) Consolidated Statements of Cash Flows

(Millions of yen)

Account title	FY 2015 (from April 1, 2015 to March 31, 2016)	FY 2016 (from April 1, 2016 to March 31, 2017)
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	(329,984)	278,029
Depreciation and amortization	227,660	225,649
Amortization of goodwill	2,564	870
Increase (decrease) in provision for repairs	50	(3,816)
Interest and dividends income	(45,100)	(27,670)
Interest expenses	25,369	26,160
Equity in (earnings) losses of affiliates	(18,063)	(27,050)
Loss (gain) on sales and disposal of non-current assets	4,033	(5,923)
Impairment loss	245,334	26,396
Loss (gain) on valuation of investments in securities	14,850	31,004
Loss (gain) on sales of investments in securities	(35,904)	(18,168)
Decrease (increase) in notes and accounts receivable-trade	229,935	(178,187)
Decrease (increase) in inventories	305,269	(135,232)
Increase (decrease) in notes and accounts payable-trade	(81,948)	(68,292)
Restructuring cost	84,593	10,347
Other, net	(44,846)	93,905
Subtotal	583,812	228,022
Interest and dividends income received	68,778	64,594
Interest expenses paid	(31,445)	(24,880)
Income taxes paid	(66,187)	(36,855)
Net cash provided by (used in) operating activities	554,958	230,881
Cash flows from investing activities:		
Purchase of investments in securities	(22,906)	(57,906)
Proceeds from sales of investments in securities	45,570	42,168
Purchase of property, plant and equipment	(224,602)	(165,201)
Proceeds from sales of property, plant and equipment	13,502	29,628
Purchase of intangible assets	(10,367)	(7,767)
Decrease (increase) in short-term receivables, net	(5,974)	8,949
Payments of long-term receivable	(5,600)	(16,604)
Collection of long-term receivable	7,796	7,476
Purchase of exploration and development investments	(113,995)	(94,451)
Proceeds from sales of exploration and development	805	31,668
Other, net	8,063	(15,495)
Net cash provided by (used in) investing activities	(307,708)	(237,535)

Account title	(Millions of yen)	
	FY 2015 (from April 1, 2015 to March 31, 2016)	FY 2016 (from April 1, 2016 to March 31, 2017)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	(1,659)	(157,683)
Increase (decrease) in commercial papers, net	(116,000)	(16,000)
Proceeds from long-term loans	302,208	203,192
Repayment of long-term loans	(167,912)	(136,655)
Proceeds from issuance of bonds	—	30,000
Redemption of bonds	(42,480)	(20,000)
Cash dividends paid	(39,837)	(39,836)
Proceeds from stock issuance to minority shareholders	—	2
Cash dividends paid to minority shareholders	(16,462)	(16,003)
Other, net	(5,831)	(7,800)
Net cash provided by (used in) financing activities	(87,973)	(160,783)
Effect of exchange rate changes on cash and cash equivalents	4,080	(28,396)
Net increase (decrease) in cash and cash equivalents	163,357	(195,833)
Cash and cash equivalents at beginning of year	327,980	491,337
Increase in cash and cash equivalents from newly consolidated subsidiary	—	18
Cash and cash equivalents at end of year	491,337	295,522

(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 non-ferrous metal 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, 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.

Current Consolidated Fiscal Year (April 1, 2016 – March 31, 2017)

(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	6,617,570	164,592	998,465	355,381	8,136,008	-	8,136,008
In-house intersegment sales and transfers	8,623	-	4,596	53,421	66,640	(66,640)	-
Total	6,626,193	164,592	1,003,061	408,802	8,202,648	(66,640)	8,136,008
Segment income (loss)	242,785	18,320	24,995	45,549	331,649	1,915	333,564
Segment assets	3,772,550	1,049,450	1,496,786	2,593,971	8,912,757	(2,254,130)	6,658,627
Segment liabilities	2,823,681	603,818	944,610	2,251,802	6,623,911	(2,007,031)	4,616,880
Other items:							
Depreciation and amortization (Note 2)	97,746	59,021	56,685	7,658	221,110	4,539	225,649
Amortization of goodwill	596	-	274	-	870	-	870
Interest income	1,777	1,335	397	13,257	16,766	(13,821)	2,945
Interest expenses	9,106	8,885	6,537	12,202	36,730	(10,570)	26,160
Equity in earnings of affiliates	4,977	△767	21,181	1,659	27,050	-	27,050
Increase in fixed assets (Note 3)	111,356	97,533	39,162	18,011	266,062	4,482	270,544

(Notes) 1. The adjustments include the following:

- (1) The segment income adjustment of 1,915 million yen includes the net amount of 1,650 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 2,254,130 million yen in the segment assets adjustment is due primarily to eliminating intersegment receivables by offsetting.
 - (3) The loss of 2,007,031 million yen in the segment liabilities adjustment is due primarily to eliminating intersegment liabilities by offsetting.
 - (4) The depreciation and amortization adjustment of 4,539 million yen includes 3,554 million yen in asset retirement obligations adjusted due to passage of time (interest costs).
 - (5) The increase in fixed assets adjustment of 4,482 million yen includes 2,419 million yen in assets that correspond to asset retirement obligations.
2. Depreciation and amortization includes 51,367 million yen in amortization costs for exploration and development investments.
 3. The increase in fixed assets includes the 96,256 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 income stated in the consolidated statement of income.

b. Related Information

Previous 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

Current Consolidated Fiscal Year (April 1, 2016 – March 31, 2017)
Information by Region

(1) Net sales

(Millions of yen)			
Japan	China	Others	Total
6,667,699	617,260	851,049	8,136,008

(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
1,807,362	456,290	147,495	2,411,147

c. Information on Impairment Loss

Previous 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.

Current Consolidated Fiscal Year (April 1, 2016 – March 31, 2017)

(Millions of yen)

	Energy	Oil and Natural Gas E&P	Metals	Other	Corporate Total, or Eliminations	Total
Impairment loss	10,524	21,032	3,566	38	—	35,160

(Note) In the "Oil and Natural Gas E&P" segment, 8,764 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, 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	—	3,124	—	—	9,020

Current Consolidated Fiscal Year (April 1, 2016 – March 31, 2017)

(Millions of yen)

	Energy	Oil and Natural Gas E&P	Metals	Other	Corporate Total, or Eliminations	Total
Amortized amount	596	—	274	—	—	870
Unamortized balance	5,300	—	3,232	—	—	8,532