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For Immediate Release

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Notice of Revisions to Consolidated Results Forecasts for
 Fiscal Year 2019 (From April 1, 2019 to March 31, 2020)

JXTG Holdings, Inc. (the “Company”) has revised the consolidated results forecasts for fiscal year 2019, ending March 31, 2020, downward from the forecasts announced on November 8, 2019. The forecasts were revised downward due to the decline in crude oil and copper prices and changes in demand for and margins on petroleum and petrochemical products caused by the spread of the novel coronavirus (COVID-19) during the fourth quarter.

The Company expects free cash flow for fiscal year 2019 to be broadly in line with the plan, and there has been no change in the dividend forecast.

Details

1. Revised Consolidated Results Forecasts for Fiscal Year 2019
 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Revenue	Operating Profit	Profit Before Tax	Profit Attributable to Owners of Parent	Basic Profit per Share (yen)
Previous Forecast (A) (Announced on Nov. 8, 2019)	10,400,000	280,000	250,000	155,000	48.15
Revised Forecast (B)	10,050,000	(210,000)	(240,000)	(300,000)	(92.35)
Increase/Decrease (B – A)	(350,000)	(490,000)	(490,000)	(455,000)	(140.50)
Percentage Increase/(Decrease)	(3.4%)	-	-	-	-
(For reference) Results for last fiscal year (Fiscal year 2018)	11,129,630	537,083	508,617	322,319	95.36

2. Reasons for Revisions

In addition to concerns over the impact from the spread of the novel coronavirus (COVID-19) on the global economy, the subsequent lack of progress on cooperation among oil-producing countries on cutting production and other factors caused a precipitous decline in the price of Dubai crude oil from \$64 per barrel in January to the \$30 per barrel level in March.

In the Energy Business, we consequently expect to take impairment losses on crude oil and petroleum products as a result of this decline. The Company expects the impact* from this to be 250 billion yen (a deterioration of 180 billion yen from the previously announced forecast).

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

Moreover, the demand for petroleum and petrochemical products has declined in Japan and overseas as a result of the impact on economic activity, including a decline in air and marine transport. The substantial shrinkage in margins (by approx. 130 billion yen) caused by the rapid decline in prices and other factors is now expected to cause operating profit excluding inventory valuation factors to fall far short of the previous forecast.

The Oil and Natural Gas Exploration and Production Business has also been impacted by the decline in crude oil and gas prices during the fourth quarter. The Company has revalued owned assets considering this and expects to post an impairment loss of 90 billion yen for the business.

The impact of inventory valuation factors on operating profit, profit forecasts by business segment, and increase or decreases from the previous forecast are as follows:

<Inventory Valuation Impact on Operating Profit> (Billions of yen)

	Previous Forecast	Revised Forecast	Increase/ (Decrease)
Operating profit	280.0	(210.0)	(490.0)
Inventory valuation factors	(70.0)	(250.0)	(180.0)
Operating profit excluding inventory valuation factors	350.0	40.0	(310.0)

<Breakdown by Business Segment>

Operating Profit Excluding Inventory Valuation Factors (Billions of yen)

Energy Business	195.0	0.0	(195.0)
Oil and Natural Gas Exploration and Production Business	55.0	(50.0)	(105.0)
Metals Business	50.0	40.0	(10.0)
Other Businesses	50.0	50.0	-

3. Fiscal Year 2019 Cash Flow

As stated above, the Company has revised the earnings forecasts for fiscal year 2019, ending March 31, 2020, downward. While valuation-related losses are among the factors causing the downward revisions, we also anticipate improvement in operating capital and a decrease in investment expenditures. We therefore expect free cash flow for fiscal year 2019 to be broadly in line with the plan.

4. Dividend Forecast

The forecast for year-end dividends in fiscal year 2019 is 11 yen per share. This amounts to annual dividends of 22 yen per share when combined with the 11 yen per share in interim dividends, so there has been no change in annual dividends.

Note: The operating results forecasts in these materials were produced based on conditions apparent at the time they were announced. Results may differ substantially, depending on abrupt changes that occur through the end of the fiscal year, and the Company will promptly disclose such facts in the event they materialize. 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 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.