November 8, 2019

For Immediate Release


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| Company Name: | JXTG Holdings, Inc. |
| Representative: | Tsutomu Sugimori, Representative Director, President |
| Code number: | 5020, First Sections of the Tokyo Stock Exchange, and Nagoya Stock Exchange |
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**Notification of the Difference between the Forecasts and the Actual of Consolidated Results for the First Half of the Fiscal Year 2019 and Revisions to the Annual Forecasts**

JXTG Holdings, Inc. (the "Company") would like to provide notification of the difference between the actual and the forecasts of consolidated results for the first half of the Fiscal year 2019 ended September 30, 2019, released on May 13, 2019.

Additionally, the Company announces the revisions made to the annual forecasts of consolidated results for the fiscal year 2019 ending March 31, 2020, released on May 13, 2019, based on recent performance.

## 1. The Difference between the Forecasts and the Actual of Consolidated Results for the First Half of the Fiscal Year 2019 (April 1, 2019 – September 30, 2019)

(Millions of yen)

| | Revenue | Operating profit | Profit before tax | Profit attributable to owners of parent | Basic profit per share (yen) |
|---|---|---|---|---|---|
| Previously Announced Forecast (A) (Announced on May 13, 2019) | 5,500,000 | 290,000 | 275,000 | 175,000 | 52.57 |
| Actual result (B) | 5,063,069 | 130,865 | 117,878 | 71,038 | 21.68 |
| Increase/Decrease (B-A) | (436,931) | (159,135) | (157,122) | (103,962) | (30.89) |
| Percentage Increase/Decrease | (7.9%) | (54.9%) | (57.1%) | (59.4%) | (58.8%) |
| (Reference) Previous First Half Year Results (FY 2018) | 5,429,567 | 441,201 | 424,140 | 285,053 | 84.03 |

Note: On August 7,2019, the Company announced that the first half and the annual forecasts of consolidated results for the fiscal year 2019 ending March 31, 2020, remained unchanged from released on May 13, 2019. However, the figure of basic profit per share was reviewed to ¥53.33 and ¥97.51 respectively, due to revise of the average number of shares issued during the period.

## 2. Revisions to the Annual Forecasts of Consolidated Results for the Fiscal Year 2019 (April 1, 2019 – March 31, 2020)

(Millions of yen)

| | Revenue | Operating profit | Profit before tax | Profit attributable to owners of parent | Basic profit per share (yen) |
|---|---|---|---|---|---|
| Previously Announced Forecast (A) (Announced on May 13, 2019) | 11,500,000 | 550,000 | 515,000 | 320,000 | 96.12 |
| Revised Forecast (B) | 10,400,000 | 280,000 | 250,000 | 155,000 | 48.15 |
| Increase/Decrease (B-A) | (1,100,000) | (270,000) | (265,000) | (165,000) | (47.97) |
| Percentage Increase/Decrease | (9.6%) | (49.1%) | (51.5%) | (51.6%) | (49.9%) |
| (Reference) Previous Results (FY 2018) | 11,129,630 | 537,083 | 508,617 | 322,319 | 95.36 |

## 3. Reasons

(Reasons for the Difference between the Forecasts and the Actual of Consolidated Results for the First Half of the Fiscal Year 2019)

The revenue for the first half of the Fiscal Year 2019 decreased from the previous forecast (announced on May 13, 2019) reflecting a decrease in the price of crude oil and copper.

Due to a decrease in the price of crude oil, the effect of inventory valuation factors turned negative, and the operating income fell short of the previous forecast.

Besides, the operating profit equivalent excluding inventory valuation factors was 170.2 billion yen, a decreased of 79.8 billion yen compared with the previous forecast. This is due to the deterioration of petrochemical products markets condition and the upstream business performance caused by the decrease in the price of crude oil and copper, despite the steady margins of petroleum products, our efforts in cost reduction and improvement of business performance of the Caserones Copper Mine in Chile.

For the above reasons, the profit attributable to owners of parent decreased from the previous forecast.

(Billions of yen)

| | Previously Announced Forecast (A) | Revised Forecast (B) | Increase / Decrease (B-A) |
|---|---|---|---|
| Inventory Valuation Factors* | 40.0 | (39.3) | (79.3) |
| Operating Profit Excluding Inventory Valuation Factors | 250.0 | 170.2 | (79.8) |

(Reasons for the Revisions to the Annual Forecasts of Consolidated Results for the Fiscal Year 2019)

The Company estimates -70.0 billion yen of the inventory valuation factors, a decrease of 120.0 billion yen and the operating profit will become 280.0 billion yen, which decreases 270.0 billion yen from the previous forecast.

The operating profit equivalent excluding the inventory valuation factors* will be 350.0 billion yen (a decrease of 150.0 billion yen compared with the previous forecast) due to the deterioration of petrochemical products markets condition and the upstream business performance.

The Company estimates that the profit attributable to owners of parent will be decreased from the previous forecast.

(Billions of yen)

| | Previously Announced Forecast (A) | Revised Forecast (B) | Increase / Decrease (B-A) |
|---|---|---|---|
| Inventory Valuation Factors* | 50.0 | (70.0) | (120.0) |
| Operating Profit Excluding Inventory Valuation Factors | 500.0 | 350.0 | (150.0) |

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

With respect to Free Cash Flow, the Company estimates 6.0 billion yen, (excluding impact of holidays, 15.9 billion yen) an increase of 1.9 billion yen from the previous forecast, due to the improvement of working capital and review of capital expenditure plan, despite the negative factor of the revised profit forecasts.

This forecast assumes the yearly average; a crude oil price (Dubai crude) of $62 per barrel ($60 at 2nd half); an international copper price (LME price) of 265 cents per pound (260 cents at 2nd half); and an exchange rate of 107 yen per U.S. dollar (105 yen at 2nd half). (Previous forecast: crude oil price of $70 per barrel; an international copper price of 295 cents per pound; and an exchange rate of 110 yen per U.S. dollar.)

**Cautionary Statement Regarding Forward-Looking Statements**

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.

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