Security Code: 5017
June 7, 2016

To Our Shareholders

Atsuo Shibota
Director-President
Fuji Oil Company, Ltd.
Tennozu Parkside Building
5-8, Higashishinagawa 2-chome,
Shinagawa-ku, Tokyo, Japan

CONVOCATION NOTICE OF THE FOURTEENTH ANNUAL GENERAL MEETING OF SHAREHOLDERS

(English Translation of the Japanese Original)

Dear Shareholders:

First of all, we would like to express our deepest sympathy to all those affected by the Kumamoto earthquakes, as well as extend our wishes for a speedy recovery of the affected areas.

We are pleased to inform you that the Company will hold its 14th Annual General Meeting of Shareholders (AGM) as set forth below. Your attendance at the Meeting is cordially requested.

If you are unable to attend, please review the attached Reference Materials for the AGM and exercise your voting right by either of the following means. In that case, please exercise your voting right by 5:30p.m. (Japan standard time) on Monday, June 27, 2016.

Vote by Mail

Please indicate "for" or "against" for each of the proposals on the enclosed voting form and return the completed form to us so that it arrives before the voting deadline mentioned above.

Vote via the Internet

Please access the shareholder voting site (http://www.it-soukai.com) designated by the Company and enter the voting code and password found on the enclosed voting form. By following the prompts on the screen, please indicate "for" or "against" for each of the proposals and submit this form before the voting deadline mentioned above (English NOT available).

For more details, please refer to the Guidance on the Exercise of Voting Rights via the Internet on page 5.

AGENDA

1. **Date and Time** : Tuesday, June 28, 2016 at 10:00 a.m.
(The reception desk is open at 9:00 a.m.)

2. **Place** : Conference Room " Harbor Circus",
3rd floor, Dai-ichi Hotel Tokyo Seafort
3-15, Higashi-shinagawa 2-chome,
Shinagawa-ku, Tokyo

3. **Purposes of this AGM**

Items to be Reported

1: To report the Business Report, the consolidated Financial Statements, the Audit Reports for the consolidated financial statements by Independent Auditor and the Board of Auditors of the Company for the 14th Financial Year (April 1, 2015- March 31, 2016)

2: To report the non-consolidated Financial Statements for the 14th Financial Year (April 1, 2015- March 31, 2016)

Items to be Resolved

Proposition I : **Reduction of Legal Capital Surplus and Appropriation of Surplus**

Proposition II : **To Elect One Director**

(The Business Report, the non-consolidated Financial Statements, the consolidated Financial Statements, and the Audit Reports by Independent Auditor and the Board of Auditors of the Company, part of the Reference Materials for the AGM, are attached herewith as "The Business Report for the 14th Financial Year".)

Notes:

1. If attending the AGM in person, please present the enclosed voting form to the reception desk upon arrival. When exercising the voting right by proxy, the voting form and a written document need to be presented to certify the proxy's authority. The authorized proxy shall be a shareholder of the Company who is entitled to exercise voting rights. The number of proxy is limited to one.
2. We will be wearing "Cool Biz" lightweight business attire on the day of the AGM. We appreciate your kind understanding in this regard.
3. Revisions to or amendments, if necessary, of the Reference Materials for the AGM, the Business Report, the non-consolidated Financial Statements and the consolidated Financial Statements will be posted on the Company's website (http://www.foc.co.jp/ja/index.html).
4. If you exercise your voting right both by mail and via the Internet, the voting via the Internet shall prevail. In the case of multiple voting via the Internet, the last voting shall prevail.

REFERENCE MATERIALS FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Propositions and relevant information:

Proposition I： Reduction of Legal Capital Surplus and Appropriation of Surplus

The Company recorded a JPY11,072,978,099 loss of retained earnings brought forward for the year ending March 2016. We would like to propose that the Company reduce legal capital surplus and transfer other capital surplus to retained earnings brought forward to eliminate the said loss, to resume dividend payment at the earliest possible date, and to ensure flexibility in our future capital policy.

1. Reduction in Amount of Legal Capital Surplus

The Company will reduce the amount of legal capital surplus and transfer the amount of reduction to other capital surplus pursuant to the provision of Article 448, paragraph 1 of the Companies Act.

(1) Item and amount of surplus to be reduced

Legal Capital Surplus: JPY2,086,069,675 out of JPY 9,467,603,600

(2) Item and amount of surplus to be increased

Other Capital Surplus: JPY2,086,069,675

(3) Effective date of reduction of legal capital surplus

June 28, 2016

2. Appropriation of Surplus

On condition that the abovementioned reduction of legal capital surplus become effective, the Company will transfer other capital surplus to retained earnings brought forward pursuant to the provision of Article 452 of the Companies Act to eliminate the abovementioned loss of the retained earnings brought forward.

(1) Items and amount of surplus to be reduced

Other Capital Surplus: JPY11,072,978,099

(2) Items and amount of surplus to be increased

Retained Earnings Brought Forward: JPY11,072,978,099

(3) Amounts of surplus left after appropriation

Other Capital Surplus: JPY0

Retained Earnings Brought Forward: JPY0

Proposition II : To Elect One Director

We would like to propose to elect one Director to fill a vacancy created by resignation of Mr. Emad A. Al-Abdulkarim as Director on April 21, 2016.

The name and personal history of the Director-Candidate are as follows:

Name (Date of Birth)	Brief Personal History, Position and Major Concurrent Post(s)	Number of the Company's share held
Nabil M. Al-Bourisli (Dec. 16, 1959)	1984.10 Joined Kuwait National Petroleum Company 1993. 2 Joined Kuwait Petroleum Corporation (KPC) 1999. 6 Manager, Strategic Planning cum Manager, Overseas Project, KPC 2004. 9 Deputy Managing Director, Cooperate Planning, KPC 2007.11 Chairman & Managing Director, Kuwait Oil Tanker Company 2012. 6 Managing Director - Admin Affairs, R&D, KPC 2013. 5 Chairman of Board, Kuwait Oil Company 2013. 5 Managing Director - International Marketing, KPC [Present] Major Concurrent Post : Managing Director - International Marketing, KPC	Nil

Note : 1. Mr. Nabil M. Al-Bourisli has a concurrent post of Managing Director, International Marketing, KPC. The Company has a business relationship with KPC for purchase of KPC's crude oil and others.

2. He is an operating officer of KPC, and has been for a part of the past five years an operating officer of KPC, one of the Company's specified affiliated entities.

3. He is a candidate for an Outside Director.

4. He is expected to provide advice with his experience and knowledge acquired through serving in a national oil company of one of the Middle East oil producing countries. The Company considers his advice useful to promote the business of the Company group.

5. Pursuant to the Articles of Association of the Company, he will succeed the remaining term of Mr. Emad A. Al-Abdulkarim's office, which shall cease at the close of the 15th AGM to be held in June 2017.

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Guidance on the Exercise of Voting Rights via the Internet

1. Conditions regarding Internet Voting

(1) You may exercise your voting right via the Internet through the shareholder voting site (see the URL below) designated by the Company instead of exercising your voting right by mail. If you choose to exercise your voting right via the Internet, login with the voting code and the password shown on the right side of the enclosed voting form, and cast your vote by following the prompts on the screen. Please note that you need to change the password the first time you login to ensure security.

http://www.it-soukai.com

(2) The voting deadline is 5:30 p.m. (Japan standard time) on Monday, June 27, 2016. Please vote ahead of time.

(3) If you exercise your voting right both by mail and via the Internet, the voting via the Internet shall prevail. In the case of multiple voting via the Internet, the last voting shall prevail.

(4) Your password (including the one you changed) will be valid for this Annual General Meeting only. A new password will be issued for the next Annual General Meeting.

(5) The Company is not responsible for any expenses related to Shareholders' Internet access.

(Notes)

-The password is a means of authenticating the identity of a voter as a shareholder. You will never receive a call from the Company inquiring about your password.

-The password will be locked and suspended if you enter the wrong password a certain number of times. If it becomes locked, please follow the prompts on the screen.

-We conducted an operation check of the shareholder voting site with general Internet access devices, but the site may not be usable on some devices.

2. Inquiries

If you have any concerns about Internet voting, please contact the Stock Transfer Agency Dept., Mizuho Trust & Banking Co., Ltd., our shareholder register manager (see below).

(1) All inquiries regarding how to exercise your voting right via the shareholder voting site may be addressed to the following:
Toll free (calls from within Japan) 0120-768-524
(Between 9:00 a.m. and 9:00 p.m., Japan standard time, on weekdays)

(2) Other inquiries regarding stock-related administrative work may be addressed to the following:
Toll free (calls from within Japan) 0120-288-324
(Between 9:00 a.m. and 5:00 p.m., Japan standard time, on weekdays)

[To Institutional Investors]

Institutional investors may also use the Electronic Proxy Voting Platform operated by ICJ(Investor Communications Japan) to exercise the voting rights via the Internet.

Attachment

Business Report (April 1, 2015 – March 31, 2016)

I. BUSINESS OVERVIEW OF FOC GROUP

1. Business Progress and Results

(Business Environment)

In the crude oil market, the Dubai crude started at the US$53/bbl level at the beginning of the period. After rising to the US$66/bbl level in May (the highest in the period) driven by increasing geopolitical risks in the Middle East and an predicted decline in U.S. shale oil output, it turned downward as a sense of over-supply of crude oil was increased against a backdrop of an outlook of declining demand for oil – an outlook reflecting concerns about a possible slowdown in the global economy led by a growth slowdown in China and OPEC's decision in December of not changing output quota –, and ultimately dropped to the US$22/bbl level in January (the lowest in the period). It turned upward subsequently and reached the US$34/bbl level at the end of the period from an expectation that major oil producing countries might agree to freeze production. As a result, the Dubai crude marked about US$45/bbl on a yearly average basis, down about US$38/bbl over the previous period.

In the foreign exchange market, the yen, trading at the ¥119/US$ level at the beginning of the period, grew weaker in late May due mainly to an expectation for a rise in interest-rate in the U.S., and exceeded the ¥125/US$ level temporarily in June. In the middle of August, however, trends to purchase Yen for the purpose of avoiding risks were intensified amid growing concerns about the future of the global economy as well as a downfall in crude oil prices. Coupled with a view increasing since February that additional U.S. interest rate rises would be at a slower pace, the yen reached the ¥112/US$ level at the end of the period. As a result, it marked about ¥120/US$ on a yearly average basis, a depreciation of about ¥10/US$ over the previous period.

In the domestic oil products market, annual result of sales quantity of Gasoline increased slightly as compared with the previous year due to a decline in prices at the pump and good weather during the drive season, while the demand for Gasoline is keeping a structural downward trend owing to an increase of fuel-efficient cars, etc. Demand for Gas Oil reached a plateau due mainly to an impact of rationalization of logistic systems. Kerosene fell below the levels of the previous period due to diversification of heating energy sources and a warm winter. Fuel Oil (C) dropped year on year, too, owing to increased use of coal and LNG as alternative fuels for power generation and a warm winter. Under these circumstances, the overall sales quantity of the products for the period was at 98.9% of the previous period's figure.

(Consolidated Business Results)

Under these business environments, consolidated net sales resulted in 425.5 billion yen, down 240.6 billion yen over the previous period, due to lower

production and sales volume as a result of minor shut-down maintenance and product price declines associated with a downfall in crude oil prices.

Although operating loss for the period was reduced by 11.5 billion yen over the previous period, we still recorded a loss of 8.7 billion yen due to negative effects of inventory valuation caused by the downfall in crude prices during the period (i.e., effects of inventory valuation calculated by using the average method and the influence of inventory write-downs based on decrease in profitability on cost of sales), which pushed up the cost of sales by 13.0 billion yen (note: in the previous period, negative effects of inventory valuation pushed up the cost of sales by 25.0 billion yen).

While ordinary loss improved by 9.0 billion yen over the previous period mainly because of exchange loss on foreign currency assets from the yen appreciation and an increase in equity in earnings of affiliates, it still stood at 9.5 billion yen.

As a result, net loss was reduced by 8.6 billion yen over the previous year but still resulted in 9.4 billion yen for the period.

Although there were positive factors such as a decrease in refinery fuel costs and improved profitability of asphalt pitch, product from Eureka thermal cracking unit, as a result of the significant drop in crude oil prices, operating income and ordinary income excluding inventory valuation factors amounted to 4.2 billion yen (down 0.4 billion yen over the previous period) and 3.5 billion yen (down 2.9 billion yen over the previous period), respectively, due to a minor shut-down maintenance at the Sodegaura Refinery, etc.

(Progress)

Production

The Sodegaura Refinery carried out a minor periodical overhaul of the existing facilities for through maintenance and repair by shutting down operations of facilities (Shut-down Maintenance, SDM). As the result, quantity of production stood at 7,701 thousand kL, down by 7.5% year on year.

The Company made the best use of its advanced facilities and equipment, paid efforts for their safe and stable operations, and ran them flexibly to meet demands for products. The operating ratio of the crude distillation unit (or "topper") excluding the period of minor SDM stood at 98.4%.

(Unit: Thousand Kiloliters)

Category	FY2015	FY2014	Change (%)
Material Processed			
Crude Oil	7,639	8,169	93.5
Semifinished Products	396	494	80.1
Total	8,035	8,664	92.7
Refined Products Produced	7,701	8,328	92.5

Sales

Reflecting lower sales quantities incurred by the minor shut-down maintenance at the Refinery, sales of the products for the period came to 7,902 thousand kL, down 7.9% over the previous period.
Looking at sales by product, Gasoline is down only 2.2%, Naphtha is down 36.3%, and Benzene / Xylene are down 20.6% over the previous year as a result of producing more Gasoline and less petrochemicals in response to demand changes in the domestic product market. Fuel Oil(C) is up 70.1% in spite of a significant drop in the domestic demand for it.

(Unit: Thousand Kiloliters)

Products	FY2015	FY2014	Change (%)
Gasoline	2,032	2,079	97.8
Naphtha	231	364	63.7
Jet Fuel	830	972	85.4
Kerosene	479	499	95.9
Gas Oil	1,700	1,936	87.8
Fuel Oil(A)	288	295	97.4
Fuel Oil(C)	510	319	160.0
(for Power generation in above)	(441)	(260)	(170.1)
Benzene, Xylene	448	564	79.4
Others	1,385	1,553	89.2
Total	7,902	8,580	92.1

Stable Supply & Safety and Environment

Our key commitments under the corporate philosophy are to “ensure stable supplies of energy” and “maintain safety and protect the global environment.” In order to achieve these commitments, we are working on various measures at the whole Company level on a daily basis.

○ Stable Supplies of Energy

We have established the “Business Continuity Plan (BCP)” to prepare for disasters such as major earthquakes. In-house education and training are being conducted based on this BCP and systems for ensuring stable supply of energy at any time are being established, including a seismic reinforcement of existing equipment/facilities and installation of mobile emergency power generators.

○ Safety and Environment Protection

Being aware of our responsibility as a company who deals with a large volume of hazardous materials, we are pursuing various activities on a company-wide basis for safety on a daily basis, including operation monitoring, on-site patrol, safety check/inspection on equipment and facilities, repairing, safety education/training, and risk assessments for the Refinery equipment and work process/environment (operating procedures / all work in the workplace).

As the measures to reduce burden on the environment, we have been keeping up

efforts to reduce greenhouse gas emissions by investing in energy-efficiency improvements and pursuing energy saving activities, and to reduce and recycle waste, as well as working on to supply eco-friendly products such as bio-gasoline and low-sulfur gasoline/gas oil.

Initiatives for Improvement of Profitability

The Company installed a Power Recovery Turbine on NO.2 FCC. The turbine uses the waste exhaust gas from the FCC to generate electrical power, started its commercial run from October 2015, and has been contributing to the Company's profitability by improved energy efficiency and reduced purchase of electricity.

Group's Trends

Followings are main activities of our consolidated subsidiaries:

Fuji Oil Sales Co., Ltd. merged with AIN JPTC Company, Ltd. on October 1, 2015. Petro Progress, Inc. reduced its capital from 3,000 million yen to 100 million yen without compensation on March 25, 2016.

Petro Progress Pte Ltd., an important overseas base of the Company based in Singapore, has been continuing business operations including purchase and sale of crude oil and oil products.

2. Capital Investment

Capital expenditures during the period amounted to 9,145 million yen, which were mainly invested in refinery facilities. These expenditures were funded through bank loans, own funds, etc.

3. Financing

Loans from financial institutions during the period are as shown in the table below. The balance of bank loans became 103,102 million yen, down by 30,124 million yen as compared with the end of the previous period as a result of a cutback of stock fund due to the drop in crude oil prices and other factors.

(unit: Million Yen)

	End of FY2014	Movement	End of FY2015
Long-term loans payable	42,832	15,111	57,944
Short-term loans payable	90,394	-45,235	45,158
Total	133,227	-30,124	103,102

Note : The balance of long-term loans payable at the end of the period includes 11,998 million yen, which is to be repaid within a year.

4. Challenges to be addressed

Business environment of the oil industry is changing significantly; basic agreements on business integration have been announced by major oil

refiners/distributors against a backdrop of a continuous decline in the oil products demand in Japan.

Nevertheless, we will strive for a further improvement in our corporate value by fully leveraging our strengths, including our Sodegaura Refinery's prime location in Tokyo Bay and a solid client base, while at the same time maintaining values unique to us, and by taking full advantage of all business opportunities to ensure "stable supplies of energy", a mission held at the top of our Corporate Philosophy, under any business environment.

Specifically, we will keep striving towards achieving our Medium-Term Business Plan by continuously and steadily working on the management targets set out there. First of all, we will keep accident-free and disaster-free operations and maintain stable operation and high operating rate at the Refinery, and promote a seismic reinforcement of existing equipment/facilities to further improve safety and ensure stable supply. We are also committed to keeping first-rate cost competitiveness in Japan by fully utilizing our advanced refining facilities and equipment, and producing high value-added products and eco-friendly products from extra-heavy crudes and other low-cost crudes as well as by keeping investments in energy-efficiency improvements. In addition, we will further strengthen our revenue bases by substantially reducing the cost of electricity used at the Refinery and enhancing the value of Asphalt Pitch through introduction of Asphalt Pitch-Fueled Boiler Turbine Generator (ASP-BTG), which is under construction toward the start of operation in July 2017.

Ministry of Economy, Trade and Industry had released new standards under the "Law Concerning Sophisticated Methods of Energy Supply Structure", requiring all oil refiners in Japan to raise the ratio of residue oil cracking unit capacity to topper capacity so as to meet the standards by the end of FY2016. We have been and are examining all the measures to meet the requirement, including adjustment of our equipment capacity and business alliances with other refiners.

We aim to achieve business development and sustainable growth by pre-empting changes in the business environment, while at the same time striving to maintain safe and stable operations. The Company, therefore, asks our shareholders to extend continuing support and assistance in the coming years.

5. Financial Summary

(unit: Million Yen)

	11th FY 4/1/2012-3/31/2013	12th FY 4/1/2013-3/31/2014	13th FY 4/1/2014-3/31/2015	14th FY 4/1/2015-3/31/2016
Net Sales	780,028	702,942	666,179	425,522
Ordinary Profit	3,277	-10,112	-18,624	-9,546
Net Profit for the Period	-13,025	-11,897	-18,109	-9,409
Profit per Share	-168.69 yen	-154.39 yen	-234.99 yen	-122.10yen
Total Assets	360,891	380,242	287,889	232,889
Net Assets	81,116	75,347	58,351	47,482

Note: 1. Profit per Share is calculated based on the average number of shares outstanding during the period.

2. Main factors of difference from the previous financial year are as follows:

11th FY due to impairment loss on upstream two projects and decrease in product margins

12th FY due to drop in sales volume caused by major Shut-down Maintenance at the Sodegaura Refinery, significant decrease in product margins, and extraordinary losses related to withdrawal from upstream two projects

13th FY due to drop in product prices and negative effects of inventory valuation on the cost of sales caused by the downfall in crude prices

14th FY as stated in 1. Business Progress and Results

6. Principal Subsidiaries (As of March 31, 2016)

Name	Paid-in Capital	Investment Ratio (%)	Main Business
Fuji Oil Sales Co., Ltd.	100 Million Yen	100.0	Sale of petroleum products, Agency services for petroleum products sales/supply, Agency services for insurance companies
Fuji Rinkai Co., Ltd.	10 Million Yen	85.0	Maritime disaster prevention operations, Loading/unloading of crude oil & petroleum products, Collection and transportation of industrial waste, Solar power generation
Fuji Tanker Co., Ltd.	50 Million Yen	100.0	Chartering and scheduling of crude oil tankers
Tokyo Petroleum Industrial Co., Ltd.	120 Million Yen	(100.0)	Manufacturing, sale, and recycling of asphalt mixture, Disposal of asphalt waste
Arabian Oil Company, Ltd.	100 Million Yen	100.0	Asset management of oil development projects
Japan Oil Engineering Co. Ltd.	600 Million Yen	(90.0)	Engineering for oil development and refining, Maintenance services for oil facilities, Procurement and export/import of materials and equipment
Petro Progress Inc.	100 Million Yen	100.0	Purchasing and marketing of crude oil and petroleum products, Consignment refining
Petro Progress Pte Ltd.	34 Million Singapore $ and 733 thousand U.S. $	(100.0)	Overseas purchasing and marketing of crude oil and petroleum products, Consignment refining

Note: Percentages in parentheses stand for the shareholding ratios indirectly held by the Company.

7. Main Business (As of March 31, 2016)

To refine, store, sell, buy, import and export crude oil and petroleum products

8. Location of Principal Business (As of March 31, 2016)

Fuji Oil Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
	Sodegaura Refinery	Sodegaura-shi, Chiba, Japan
Fuji Oil Sales Co., Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Fuji Rinkai Co., Ltd.	Head Office	Sodegaura-shi, Chiba, Japan
Fuji Tanker Co., Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Tokyo Petroleum Industrial Co., Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Arabian Oil Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Japan Oil Engineering Co. Ltd.	Head Office	Chuo-ku, Tokyo, Japan
Petro Progress Inc.	Head Office	Shinagawa-ku, Tokyo, Japan
Petro Progress Pte Ltd.	Head Office	Singapore

9. FOC Group Employees (as of March 31, 2016)

Number of Employees	Difference from the previous period
657	+14

10. Major Lenders (As of March 31, 2016)

(unit: Million Yen)

Lender	Outstanding Balance End of FY2015
Mizuho Bank, Ltd.	27,434
Development Bank of Japan Inc.	20,094
Japan Oil, Gas and Metals National Corporation	17,220
Sumitomo Mitsui Banking Corporation	8,285
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,632
Mitsubishi UFJ Trust and Banking Corporation	6,418
Sumitomo Mitsui Trust Bank, Limited	6,338

II. SHARE RELATED INFORMATION(AS OF MARCH 31, 2016)

i) Total number of shares authorized to be issued : 200,000,000 shares
ii) Total number of shares issued : 78,183,677 shares
iii) Number of shareholders : 10,428
iv) Major Shareholders

Name	Shareholder's investment in the Company	
	Number of Shares Held (thousand)	Share Holding Ratio(%)
The Tokyo Electric Power Co., Inc.	6,839.9	8.85
Kuwait Petroleum Corporation	5,811.3	7.52
Government of the Kingdom of Saudi Arabia	5,811.3	7.52
Japan Trustee Services Bank, Ltd.(Trust Account)	5,604.0	7.25
Showa Shell Sekiyu K.K.	5,144.0	6.66
Sumitomo Chemical Co., Ltd.	5,051.6	6.54
CBNY-GOVERNMENT OF NORWAY	2,892.5	3.74
NYK Line(Nippon Yusen Kabushiki Kaisha)	2,750.8	3.56
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,617.1	2.09
BBH For Fidelity Low-Priced Stock Fund(Principal All Sector Sub-portfolio)	1,592.5	2.06

Note : 1. Share holding ratio is calculated excluding treasury stocks of 966.1 thousand shares.
2. Fractional shares less than 100 shares are rounded off.
3. The Tokyo Electric Power Co., Inc. (TEPCO) changed its name to Tokyo Electric Power Company Holdings, Incorporated as of April 1, 2016. On the same date, all the shares TEPCO held in our Company was transferred to TEPCO Fuel & Power, Incorporated, which took over the fuel and thermal power generation business of TEPCO through a demerger.

III. BOARD OF DIRECTORS AND AUDITORS

1. Directors and Auditors (as of March 31, 2016)

Name	Post	Department(s) of Responsibility, Concurrent Post(s) in Other Companies and Organizations
Fumio Sekiya	Representing Director cum Chairman of the Board of Directors	Director, Petro Progress Inc.
Atsuo Shibota	Representing Director cum Director-President	Director, Petro Progress Inc.
Koji Watanabe	Senior Managing Director	General Manager of Sodegaura Refinery
Jun Inomata	Senior Managing Director	In charge of Operation Management & Technical Administration Dept. and Safety & Environmental Protection Office
Nozomu Kanou	Managing Director	In charge of General Administration Dept. and Finance & Accounting Dept.
Masataka Shimizu(*4)	Director (Outside)	
Masayuki Kobayashi	Director (Outside)	Executive Officer, Oil Business COO, Showa Shell Sekiyu K.K. (*6) Director, Seibu Oil Company Limited (*11) Director, TOA OIL Co., Ltd. (*11)
Yoshimasa Takao	Director (Outside)	Executive Deputy Chairman, Sumitomo Chemical Company, Limited (*7) Director, Inabata & Co., Ltd. (*11)
Emad Al-Abdulkarim	Director (Outside)	Deputy Managing Director, Marketing, Kuwait Petroleum Corporation(*8)
Mohammed Al-Fahad(*4)	Director (Outside)	Supervisor, Legal Affairs Dept., Ministry of Petroleum and Mineral Resources, Government of Kingdom of Saudi Arabia(*9)
Jun Kotake	Director	In charge of General Coordination & Planning Dept.
Katsunori Yagi	Director	Deputy General Manager of Sodegaura Refinery (in charge of Refining Dept.), General Manager, Refining Dept. Director, Fuji Rinkai Co., Ltd.
Shigeto Yamamoto	Director	In charge of Marketing & Supply Dept. General Manager, Marketing & Supply Dept. Director, Fuji Oil Sales Co., Ltd. Representing Director, Fuji Tanker Co., Ltd. Representing Director cum Director-President, Petro Progress Inc. Director, Petro Progress Pte Ltd.
Takao Arai	Auditor (Full-Time)	Auditor, Fuji Oil Sales Co., Ltd. Auditor, Fuji Tanker Co., Ltd. Auditor, Petro Progress Inc.
Yasushi Yamawaki(*4)	Auditor (Outside)	Advisor, NYK Line (*10)
Tsuyoshi Inoue(*4·5)	Auditor (Outside)	President, Value Management Institute, Inc. (*11) Corporate Auditor, Mitsubishi Paper Mills Limited(*11)
Shigeru Nozaki(*4·5)	Auditor (Outside)	Audit & Supervisory Board Member, Sumitomo Metal Mining Co., Ltd. (*11)

Note: 1. New Directors and Auditors during the period are as follows:

- Messrs. Masayuki Kobayashi and Yoshimasa Takao were newly elected as Directors, and Messrs. Tsuyoshi Inoue and Shigeru Nozaki were newly elected as Auditors, respectively, at the 13th Annual General Meeting of Shareholders held on June 25, 2015.

2. Changes in Concurrent Posts held by Directors and Auditors during the period are as follows:
   - Managing Director Nozomu Kanou resigned his post of Auditor of Petro Progress Inc. upon the expiration of his term at the closing of its Annual General Meeting of Shareholders on June 26, 2015.
   - Director Masayuki Kobayashi was newly elected as Director of Seibu Oil Company Limited at its Annual General Meeting of Shareholders held on June 26, 2015, and was newly elected as Director of TOA OIL Co., Ltd. at its Annual General Meeting of Shareholders held on March 28, 2016, respectively.
   - Director Yoshimasa Takao, who was Director cum Executive Deputy Chairman, Sumitomo Chemical Company, Limited (SCC) at the beginning of the period, resigned his post of Director of SCC upon the expiration of his term at the closing of its Annual General Meeting of Shareholders held on June 23, 2015, and resigned his post of Executive Deputy Chairman of SCC on March 31, 2016 and became its Advisor on April 1, 2016. He was newly elected as Director of Inabata & Co., Ltd. at its Annual General Meeting of Shareholders held on June 24, 2015.
   - Auditor Yasushi Yamawaki, who was serving as Board Advisor of NYK Lines at the beginning of the period, was appointed Advisor of the same company on February 1, 2016.
3. A change of Director of the Company after the end of the period is as follows:
   - Director Emad Al-Abdulkarim resigned his post of Director on April 21, 2016.
4. The Company registered Directors Masataka Shimizu and Mohammed Al-Fahad, and Auditors Yasushi Yamawaki, Tsuyoshi Inoue and Shigeru Nozaki as Independent Officers with the Tokyo Stock Exchange, Inc. pursuant to the rules of the Exchange.
5. Auditors Tsuyoshi Inoue and Shigeru Nozaki have many years of experience in financial institutions and have considerable expertise in finance and accounting.
6. Showa Shell Sekiyu K. K. is a shareholder of the Company with 5,144.0 thousand shares (holding ratio: 6.66%) and has business relationship with the Company in sales and purchase of crude oil and oil products.
7. Sumitomo Chemical Company, Ltd. is a shareholder of the Company with 5,051.6 thousand shares (holding ratio: 6.54%) and has business relationship with the Company in sales and purcase of petrochemicals.
8. Kuwait Petroleum Corporation is a shareholder of the Company with 5,811.3 thousand shares (holding ratio: 7.52%) and has business relationship with the Company in trading of clude oil.
9. Government of Kingdom of Saudi Arabia is a shareholder of the Company with 5,811.3 thousand shares (holding ratio: 7.52%).
10. NYK Line is a shareholder of the Company with 2,750.8 thousand shares (holding ratio: 3.56%) and has business relatonship with the Company in chartering of crude oil Tankers.
11. Seibu Oil Company, Ltd., TOA OIL Co., Ltd., Inabata & Co., Ltd., Value Management Institute, Inc., Mitsubishi Paper Mills Limited and Sumitomo Metal Mining Co., Ltd. have no special business relationship to be disclosed with the Company.

2. Directors and Auditors who Resigned during Period

Name	Post at the time of Retirement	Department(s) of Responsibility, Concurrent Post(s) in Other Companies and Organizations at the time of Retirement	Date of Retirement (Reason)
Shigeya Kato	Director (Outside)	Senior Advisor, Showa Shell Sekiyu K.K. Director , Seibu Oil Company Limited	June 25, 2015 (Expiration of his term)
Osamu Ishitobi	Director (Outside)	Representative Director, Chairman of the Board & Executive Chairman, Sumitomo Chemical Company, Limited	June 25, 2015 (Expiration of his term)
Nobuhiko Ishii	Auditor (Outside)		June 25, 2015 (Expiration of his term)
Shigeru Watanabe	Auditor (Outside)		June 25, 2015 (Expiration of his term)

Note: Changes in Concurrent Posts held by Directors who resigned during the period are as follows:

- Mr. Shigeya Kato resigned his post of Director of Seibu Oil Company Limited upon the expiration of his term at the closing of its Annual General Meeting of Shareholders held on June 26, 2015.
- Mr. Osamu Ishitobi was serving as Representative Director, Chairman of the Board and CEO of Sumitomo Chemical Company, Limited (SCC), and was appointed as Representative Director, Chairman of the Board & Executive Chairman of SCC when the divisions of duties of Executive Officers were changed on April 1, 2015.

3. Remuneration Paid to Directors and Auditors

Category of Officers	Number of officers	Remuneration Paid
Director	15	259 Million Yen
Auditor	6	45 Million Yen

Note : 1. The above table includes 2 directors and 2 auditors who resigned at the closing of the Company's 13th Annual General Meeting of Shareholders held on June 25, 2015.
2. The above remuneration amounts include a total of 35 Million Yen paid to 12 Outside Officers.

4. Information related to Outside Directors and Auditors

i) Concurrent Post(s) Held in Other Companies and Organizations

As stated in section III. "1.Directors and Auditors (as of March 31, 2016)" on page 15.

ii) Main Activities during the Period

Name	Attendance	Remarks at the Board of Directors and Board of Auditors Meetings
Masataka Shimizu	100% of the board of directors meetings (7/7 meetings)	Provided advice on the execution of duties by directors at board of directors meetings, etc., based on company management experience and achievements over many years in the energy industry.

Masayuki Kobayashi	100% of the board of directors meetings (5/5 meetings)	Provided advice on the execution of duties by directors at board of directors meetings, etc., based on company management experience and achievements over many years in the energy industry.
Yoshimasa Takao	100% of the board of directors meetings (5/5 meetings)	Provided advice on the execution of duties by directors at board of directors meetings, etc., based on company management experience and achievements over many years in the basic materials industry.
Emad Al-Abdulkarim	100% of the board of directors meetings (7/7 meetings)	Provided advice on the execution of duties by directors at board of directors meetings, etc., based on experience and expertise in a national oil company of a Middle East oil producing country.
Mohammed Al-Fahad	100% of the board of directors meetings (7/7 meetings)	Provided advice on the execution of duties by directors at board of directors meetings, etc., based on experience and expertise in government organizations of a Middle East oil producing country.
Yasushi Yamawaki	86% of the board of directors meetings (6/7 meetings) 100% of the board of auditors meetings (7/7 meetings)	Provided comments and questions at board of directors, board of auditors meetings, etc., from the perspective of auditing the execution of duties by directors, by employing many years of experience and expertise in company management.
Tsuyoshi Inoue	100% of the board of directors meetings (5/5 meetings) 100% of the board of auditors meetings (6/6 meetings)	Provided comments and questions at board of directors, board of auditors meetings, etc., from the perspective of auditing the execution of duties by directors, by employing many years of experience in a financial institution, expertise in finance and accounting, and experience and expertise as director and auditor in leading companies.
Shigeru Nozaki	80% of the board of directors meetings (4/5 meetings) 100% of the board of auditors meetings (6/6 meetings)	Provided comments and questions at board of directors, board of auditors meetings, etc., from the perspective of auditing the execution of duties by directors, by employing many years of experience in a financial institution, expertise in finance and accounting, and experience and expertise as auditor in a resource development company.

IV. ACCOUNTING AUDITOR

1. Name of Accounting Auditor

KPMG AZSA LLC

2. Remuneration for the Period

	Remuneration
Remuneration paid for services rendered under Article 2 (1) of the Certified Public Accountant Law	84Million Yen
Remuneration paid for another service than described above	—
Total cash and other compensation paid by the Company and its subsidiaries	97Million Yen

Note: 1. Board of Auditors has consented to the amount of remuneration, etc. of the accounting auditor under Article 399 (1) of the Compnaies Act, after checking and evaluating the contents of the audit plan for the year explained by the said auditor as well as the performance of audit services of the previous year, carefully verifying the basis for calculation upon which the remuneration is estimated, and judging that the amount is appropriate as compared with the past actual amounts and levels of remuneration of the companies in the same and other industries.

2. Under the audit contract with the Accounting Auditor, specific separation is not, or practically cannot be, made between the audit fees payable for auditing services rendered under the Companies Act and the ones rendered under the Financial Instruments and Exchange Act. The above amount paid for services as provided under Article 2 (1) of the Certified Public Account Law shows the total for services rendered for these two audits.

3. One of the Company's principal subsidiaries, Petro Progress Pte Ltd., is audited by an accounting auditor other than the Company's accounting auditor.

3. Another service than auditing

None.

4. Policy for dismissing or not reappointing Accounting Auditor

In the event the Accounting Auditor is deemed to fall under any of the matters listed in the items of Article 340 (1) of the Companies Act, the Board of Auditors shall by its unanimous resolution dismiss such Accounting Auditor. One of the members on the Board of Auditors shall be appointed to report the dismissal with its reason to the first Annual General Meeting of Shareholders to be held after the dismissal.

In the event there arises a material doubt about the Accounting Auditor's ability to provide reliable service, the Board of Auditors of the Company shall decide the contents of a proposition of dismissal or no-reappointment of such Accounting Auditor, and the Board of Directors of the Company shall submit the said proposition to the Annual General Meeting of Shareholders based on such decision.

V. ESTABLISHMENT AND IMPLEMENTAION STATUS OF SYSTEMS FOR ENSURING APPROPRIATE BUSINESS OPERATIONS

A) Systems for ensuring appropriate business operations

Pursuant to Article 362 (5) of the Companies Act, the fundamental policy concerning the development of the systems to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Association of the Company, and other systems necessary to ensure the properness of operations of the Company as well as the Company group that is comprised of the Company and its subsidiaries ("Group") is given as below.

1. Systems to secure execution of duties by Directors of the Company to comply with applicable laws and regulations and the Articles of Association of the Company

The Company established its Charter of Corporate Behavior to ensure thorough compliance with applicable laws and regulations whether domestic or international, the Articles of Association of the Company and other relevant regulations. Along with the foregoing, the Board of Directors will determine and implement the Company's policies and plans to improve compliance and internal control systems.

The Company will endeavor to maintain and enhance the function of the Board of Directors in supervising Directors' execution of duties by having outside Directors on the Board.

Auditors of the Company will audit Directors' execution of duties as well as the status of development and implementation of the internal control systems from independent points of view.

2. Systems to secure proper business operations of the Company and the Group

1) System concerning storage and management of information concerning execution of duties by Directors of the Company

Information concerning Directors of the Company' execution of duties will be recorded, stored and maintained at relevant departments in forms of minutes, intra-office memoranda or other documents pursuant to Regulations concerning Board of Directors, Regulations concerning Executive Committee, Regulations concerning Application for Management Approval, and Regulations concerning Documentation, and shall be kept for later retrieval.

The department of the Company in charge of internal audit shall conduct audit in accordance with Regulations concerning Internal Audit to assess the status of recording, storage and maintenance of these documents and regularly report the results thereof to the Board of Directors and the Board of Auditors.

2) Regulations concerning risk management of the Company and other systems

Systematic preventive mechanism will be improved in ordinary times by improving a system to comprehensively identify and evaluate material risks to business management and by improving regulations concerning risk management.

The Company establishes its Business Continuity Plan (BCP) and maintains it on a regular basis to prepare for unforeseen events such as major earthquakes and outbreaks of infectious diseases.

If a serious loss is anticipated, Director in charge of the relevant department shall report it to Representing Director-President, and necessary countermeasures will be taken through deliberations at the Board Meeting, Executive Committee meeting, etc. When any contingency occurs, an emergency headquarters shall be set up immediately.

The department of the Company in charge of internal audit will conduct audit in accordance with Regulations concerning Internal Audit to assess the improvement/implementation status of risk management system and regularly report the results thereof to the Board of Directors and the Board of Auditors of the Company.

3) System to ensure efficient execution of duties by Directors of the Company

The Board of Directors of the Company will determine basic management policies, matters required by the laws and regulations and Articles of Association of the Company, and other important management issues. In addition, the Board will supervise Directors' execution of duties, too.

The Executive Committee consisting of full-time Directors of the Company and full-time Auditors of the Company shall share information concerning the overall management, and along with determining specific policies for each operating division of the Company, make decisions for efficient execution of duties in accordance with the decisions made by the Board of Directors of the Company.

Under the instruction from full-time Directors in charge based on decisions made by the Executive Committee, each department shall execute its duties efficiently pursuant to Regulations concerning Corporate Organization, Regulations concerning Administrative Authority and other relevant regulations, and report the results of operations to Director in charge of the department and the Board of Directors of the Company.

Following the report from each department, the Executive Committee shall review each of the specific policies and take necessary actions to improve the system concerning efficient execution of duties.

4) System to ensure that the execution of duties by employees of the Company and officers and employees of its subsidiaries/affiliates ("Subsidiaries") complies with applicable laws, regulations and the Articles of Association of the Company

The Company laid down its Charter of Corporate Behavior and requires

employees of the Company and officers and employees of the Subsidiaries to strictly comply with applicable laws and regulations whether domestic or international, the Articles of Association of the Company and other relevant regulations, and carries out measures to instill an awareness for the compliance into officers and employees of the Company and officers and employees of its Subsidiaries.

"Helpline" is set up at the head office of the Company and the corporate lawyer's office in order to receive information on violation of the laws and regulations and to provide advice thereon. The Department of the Company in charge of the Helpline will examine the information submitted to the Helpline, implement Company-level preventive measures through consultation with the relevant departments, and regularly report the matter to the Board of Directors of the Company and the Board of Auditors of the Company.

The department of the Company in charge of internal audit shall conduct audit in accordance with Regulation concerning Internal Audit to assess legitimacy of the execution of duties by employees of the Company and officers and employees of its Subsidiaries and regularly report the results thereof to the Board of Directors and the Board of Auditors.

5) Systems as given below to ensure the appropriateness of execution of duties in the Group

a. System for reporting to the Company on the matters relating to execution of duties by officers and employees of the Company's Subsidiaries

b. Regulations concerning risk management of the Company's Subsidiaries and other systems

c. System to ensure efficient execution of duties by officers and employees of the Company's Subsidiaries

The Company shall ensure thorough management of the Subsidiaries on their execution of duties concerning risk management, effectiveness of their execution of duties, and other important matters through the departments of the Company in charge by specifying matters to be reported to and matters to be approved by the Company on the basis of the Company's regulations concerning management of the Subsidiaries, etc., and by facilitating close communications between the said departments of the Company in charge and the Subsidiaries.

The department of the Company in charge of internal audit shall conduct audit in accordance with the Company's regulations concerning internal audit to assess the properness of execution of duties in the entire Subsidiaries and regularly report the results thereof to the Board of Directors and the Board of Auditors of the Company.

6) Systems concerning assigning assistants to Auditors of the Company, independence of such assistants, and effectiveness of instructions given to such assistants

When Auditors of the Company ask for assigning assistants to assist in executing their duties, a relevant division shall be established to which such

assistants belong. Job description and authority of such assistants shall be determined taking consideration of Auditors of the Company's opinions.

The assistants shall not receive any instruction from others than Auditors of the Company concerning this assistance. Prior consensus from the Board of Auditors of the Company is required for staff change and performance evaluation of the assistants.

7) Systems as given below concerning reporting to Auditors of the Company

a. System for Directors and employees of the Company to report to Auditors of the Company

b. System for Directors, Auditors and employees of the Subsidiaries or the persons who received reports from them to report to Auditors of the Company

Directors and employees of the Company and Directors, Auditors and employees of the Subsidiaries shall make necessary reports to Auditors of the Company regularly or at any time upon request of Auditors of the Company. The persons who received reports from them shall report to Auditors of the Company without delay.

Among the matters to be reported are the following:

- ✓ Important matters of business management and operations, and status and results of execution of duties, including matters related to compliance, risk management and internal control systems,
- ✓ Uncovered facts which may cause serious losses to the Company or the Subsidiaries,
- ✓ Newly disclosed information of the Company,
- ✓ Information submitted to "Helpline", and
- ✓ Other important matters related to compliance.

8) System to ensure that any person who made a report to Auditors of the Company shall not be given any unfavorable treatment based on such reporting

Directors of the Company shall clearly indicate in relevant regulations of the Company that any employees of the Company or Directors, Auditors and employees of the Subsidiaries who made a report to Auditors of the Company in accordance with 7) above shall not be given any unfavorable treatment based on such reporting.

9) Matters concerning processing of payment (including payment in advance) for expenses or payables incurred in connection with execution of duties by Auditors of the Company

Directors of the Company shall cooperate so that proper processing of payment for the expenses or payables incurred in connection with execution of duties by Auditors of the Company will be carried out without any hindrance to execution of duties of Auditors of the Company.

10) Other Systems to ensure effective audit by Auditors of the Company

Directors of the Company shall hold regular meetings with Auditors of the Company in order to secure good communications with each other.

Directors of the Company shall assist Auditors of the Company so that Auditors of the Company can have good communications with, gather information from, and exchange information with employees of the Company, and Directors, Auditors and employees of the Subsidiaries, thereby facilitating Auditors of the Company's proper execution of duties.

Directors of the Company shall provide assistance to Auditors of the Company on the survey of important business counterparts as Auditors of the Company deem necessary.

Directors of the Company shall provide assistance to Auditors of the Company so that Auditors of the Company can get necessary advice from auditing and legal firms or other outside specialists when necessary.

(Revised on March 10, 2015)

Note: Fractional amounts less than the unit indicated are rounded off in this report.

B) Implementaion status of systems for ensuring appropriate business operations

Outline of the implementation status of the systems are as follows:

1. System to ensure compliance

To raise awareness for the compliance across the Company group, the Corporate Ethics Committee was established based on our "Corporate Code of Ethics". The Committee discusses important matters for improving corporate ethics and ensuring that all employees are made thoroughly aware of the importance of compliance. The Director in charge of the General Administration Department chairs the Committee and the head of each department of the Company's head office or the person in charge of corporate ethics at each of our subsidiaries is a member of the Committee.

During the period, the Committee met three times and conducted various activities based on key objectives of the period set by the Committee, including Corporate Ethics workshops which were held twice and a questionnaire survey on compliance, targeting all officers and employees of the Group. In March, an annual general meeting of the Committee was held, where presidents of the Company and of each subsidiary company reported compliance activities conducted during the period at respective companies and their action plans for the next period.

Also, the Committee communicated the system and functions of Helpline, which is set up at the head office of the Company as well as the corporate lawyer's office, to all employees to reinforce their awareness of them.

2. System to manage risks

Based on the "Regulations concerning Risk Management," each department of the Group companies identifies intrinsic risks in the businesses of each department exhaustively, evaluates the said risks based on the type of loss and scale in the event the said risks do occur as well as likelihood of occurrence, and has established management policy and countermeasures to address them.

The department of the Company in charge of internal audit conducted audit in line with an audit plan to evaluate the risk management systems at three departments of the Company's head office during the period, and reported the results thereof to the Board of Directors and the Board of Auditors of the Company. It also conducted questionnaire surveys twice for assessing risks at all departments of the head office during the period, and reported the results thereof to the Board of Directors and the Board of Auditors of the Company.

The Company has conducted emergency exercises of the Business Continuity Plan (BCP) to ensure stable supply of oil products even during times of disaster such as massive earthquakes. Through those exercises, we review the BCP for further improvement in the BCP itself as well as improvements in our emergency responses.

3. System to ensure proper and efficient execution of duties by Directors of the Company

The Board of Directors of the Company met seven (7) times during the period, made deliberations and decisions on important management policies by incorporating managerial advice and perspectives provided by five Outside Directors and three Outside Auditors, who have advanced expertise and broad perspectives. The Board supervised Directors' execution of duties, too.

The Executive Committee consisting of full-time Directors and full-time Auditors of the Company met twenty six (26) times during the period, shared information concerning business operations, and made deliberations and decisions on matters to be discussed or reported at the Board meetings and specific policies for each operating division of the Company.

4. System to ensure the appropriateness of execution of duties in the Group

The department of the Company in charge of management of related companies formulated management criteria for each related company, which specify matters to be reported to and matters to be approved by the Company on the basis of the Company's "Regulations concerning Management of Related Companies", and conducted hearings with related companies as necessary, thereby managing those companies based on close communications with them.

The department of the Company in charge of internal audit conducted audit on two related companies based on an audit plan and reported the results

thereof to the Board of Directors and the Board of Auditors of the Company.

5. System to ensure effective audit by Auditors of the Company

Auditors of the Company worked to facilitate a mutual understanding with Directors through attending the meetings of the Board of Directors and the Executive Committee as well as to share a wide range of information through hearings with each operating division of the Company.

They also worked to perform audits appropriately through exchanging information regularly with Independent Accounting Auditor, the department of the Company in charge of internal audit, and Auditors of the Subsidiaries, thereby facilitating Auditors of the Company's proper execution of duties.

Note: Fractional amounts less than the unit indicated are rounded off in this report.

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Consolidated balance sheets

(As of March 31, 2016)

(Unit : Million Yen)

Fuji Oil Company, Ltd.

Assets	
Current assets	106,480
Cash and deposits	15,005
Notes and accounts receivable-trade	38,918
Short-term investment securities	434
Inventories	46,869
Accounts receivable-other	2,837
Deferred tax assets	465
Other	1,949
Noncurrent assets	126,409
Property, plant and equipment	91,741
Buildings and structures	11,218
Storage tanks	3,606
Machinery, equipment and vehicles	21,486
Land	51,664
Construction in progress	3,537
Other	228
Intangible assets	523
Software	371
Other	151
Investments and other assets	34,144
Investment securities	34,144
Long-term loans receivable	913
Long-term accounts receivable-other	16,902
Other	706
Allowance for doubtful accounts	-460
Total assets	232,889

Liabilities	
Current liabilities	120,709
Accounts payable-trade	18,550
Short-term loans payable	45,158
Current portion of long-term loans payable	11,998
Accounts payable-other	15,407
Accounts payable-gasoline tax	22,363
Income taxes payable	164
Other	7,067
Noncurrent liabilities	64,697
Long-term loans payable	45,946
Deferred tax liabilities	9,448
Net defined benefit liability	3,298
Provision for directors' retirement benefits	28
Provision for special repairs	2,207
Provision for repairs	3,437
Other	329
Total liabilities	185,407
Net assets	
Shareholders' equity	48,277
Capital stock	24,467
Capital surplus	41,469
Retained earnings	-16,227
Treasury stock	-1,431
Accumulated other comprehensive income	-1,081
Valuation difference on available-for -sale securities	-172
Revaluation reserve for land	1
Foreign currency translation adjustment	-605
Remeasurements of defined benefit plans	-304
Minority interests	286
Total net assets	47,482
Total liabilities and net assets	232,889

Consolidated statements of income

(For the period from April 1, 2015 to March 31, 2016)

(Unit: Million Yen)

Account		Amount
Net sales		425,522
Cost of sales		430,876
Gross loss		5,353
Selling, general and administrative expenses		3,445
Operating loss		8,799
Non-operating income		3,700
Interest income	29	
Dividends income	284	
Share of profit of entities accounted for using equity method	2,923	
Rental income of oil tanks	143	
Other	319	
Non-operating expenses		4,447
Interest expenses	2,028	
Foreign exchange losses	1,369	
Rental of oil tanks	208	
Other	840	
Ordinary loss		9,546
Extraordinary income		8
Gain on sales of noncurrent assets	6	
State subsidy revenue	1	
Extraordinary loss		13
Loss on retirement of noncurrent assets	8	
Impairment loss	0	
Other	3	
Loss before income taxes and minority interests		9,552
Income taxes-current		226
Income taxes-deferred		-378
Loss before minority interests		9,400
Minority interests in income		9
Net loss		9,409

Consolidated statements of changes in net assets
(For the period from April 1, 2015 to March 31, 2016)

(Unit : Million Yen) Fuji Oil Company, Ltd.

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of Apr. 1, '15	24,467	57,215	-22,330	-1,431	57,921
Changes of items during the period					
Dividends from surplus		-231			-231
Net loss attributable to owners of the parent			-9,409		-9,409
Acquisition of tresury stock					-0
Decr. Of the equity for the acquisition of consolidated subsidaries		-2		-0	-2
Deficit disposition		-15,511	15,511		-
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	-15,746	6,102	-0	-9,643
Balance as of Mar. 31, '16	24,467	41,469	-16,227	-1,431	48,277

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance as of Apr. 1, '15	242	0	1	-600	503	146
Changes of items during the period						
Dividends from surplus						
Net loss attributable to owners of the parent						
Acquisition of tresury stock						
Decr. Of the equity for the acquisition of consolidated subsidaries						
Deficit disposition						
Net changes of items other than shareholders' equity	-414			-4	-807	-1,227
Total changes of items during the period	-414	-	-	-4	-807	-1,227
Balance as of Mar. 31, '16	-172	-	1	-605	-304	-1,081

	Minority interests	Total net assets
Balance as of Apr. 1, '15	284	58,351
Changes of items during the period		
Dividends from surplus		-231
Net loss attributable to owners of the parent		-9,409
Acquisition of tresury stock		-0
Decr. Of the equity for the acquisition of consolidated subsidaries		-2
Deficit disposition		-
Net changes of items other than shareholders' equity	1	-1,225
Total changes of items during the period	1	-10,869
Balance as of Mar. 31, '16	286	47,482

Notes to financial statements (Consolidated basis)

Basis of presenting consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 8 companies

Consolidated subsidiaries:
- Fuji Oil Sales Co., Ltd.
- Fuji Rinkai Co., Ltd.
- Fuji Tanker Company, Ltd.
- Tokyo Petroleum Industrial Co., Ltd.
- Arabian Oil Company, Ltd.
- Japan Oil Engineering Company, Ltd.
- Petro Progress Inc.
- Petro Progress Pte Ltd.

AIN JPTC Company, Ltd., which was our consolidated subsidiary, has been excluded from the scope of consolidation from this financial year because it was merged into Fuji Oil Sales, one of our consolidated subsidiaries, as of October 1, 2015.

(2) Number of unconsolidated subsidiaries: 1 company

Unconsolidated subsidiary	Middle East Construction Company, Ltd.
Reasons for exclusion	Total assets, sales, net income/loss (on the equity basis) and retained earnings (on the equity basis) etc. of such a subsidiary are assumed to be insignificant.

Sigma Techno Company, Ltd., which was our non-consolidated subsidiary, was liquidated as of June 29, 2015.

2. Application of equity method

(1) Affiliates consolidated under equity method

Number of companies	2 companies
Names of companies	Aramo Shipping (Singapore) Pte Ltd. Tokai Engineering and Construction Company, Ltd.

(2) Unconsolidated companies and affiliates excluded from the consolidation under equity method

Number of companies	3 companies
Names of main companies	Middle East Construction Company, Ltd. Kyodo Terminal Company, Ltd. Keiyo Sea Berth Company, Ltd.
Reasons for exclusion	Net income/loss (on the equity basis) and retained earnings (on the equity basis) of such subsidiaries and affiliates are assumed to be insignificant.

3. Matters in accounting principles

(1) Valuation basis and method of assets

① Inventories

Valuation at cost (A method of the book value devaluation by the decrease of the profitability)

a. Merchandise, finished goods and raw materials — Gross average method at cost

b. Supplies — Moving average method at cost

② Securities

Other securities

Marketable securities	Market price (The evaluation difference is recorded directly in net assets and cost of sales of such securities is calculated by moving average method)
Non-marketable securities	Moving average method at cost

③ Derivatives — Market value

(2) Depreciation/amortization method of noncurrent assets

① Property, plant and equipment

Petrochemical plants & power generation facilities	Declining-balance method
Others	Straight-line method

* Service years of major fixed assets

Buildings and structures	2 to 60 years
Storage tanks	10 to 15 years
Machinery and equipment	2 to 17 years

② Intangible assets — Straight-line method

* Software for Company use is amortized equally in 5 years.

(3) Significant accounting method of reserves

① Allowance for doubtful accounts

Ordinary receivables/loans	Estimated based on the actual ratio of the bad debts
Others	Estimated individually

② Provision for repairs

Estimated repair and maintenance cost for repairs of machinery and equipment requiring periodic repair

③ Provision for directors' retirement benefits

Estimated in accordance with the internal rules

④ Provision for special repairs

Estimated repair and maintenance cost for periodical inspection and repair of storage tanks required under the Fire Service Act

(4) Accounting for retirement benefits

① Attribution of estimated retirement benefits

Benefit formula attribution is applied.

② Accounting method for actuarial gains and losses and prior service costs

Prior service costs are amortized by the straight-line method over a period (10 years) within the average remaining years of service of the eligible employees.

Actuarial gains and losses are amortized from the year following the year in which the gain or loss is incurred by the straight-line method over a period (10 years) within the average remaining years of service of the eligible employees.

(5) Other significant accounting policy

① Accounting of hedged assets/liabilities

"Deferred hedge accounting method" is applied.

However, Foreign-currency-denominated payables/receivables hedged by forward exchange contracts are translated at the respective forward contract rates and an interest rate swap qualified for hedge accounting is not stated at fair value but the net settlement of interest under such an interest swap is reported as a component of interest on the related hedged assets or liabilities.

② Treatment of consumption tax

Consumption tax and local consumption tax is excluded.

③ Adoption of consolidated tax filing system

FOC group adopts the consolidated tax filing system.

4. Changes in accounting principles

FOC group is applying "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 of September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 21 of September 13, 2013) and "Accounting Standard for Business Divestitures" (ASBJ Statement No.7 of September 13, 2013) and others from this accounting period on. In accordance with this, presentations of "Net income (loss)", etc. have been changed to "Net income (loss) attributable to parent company shareholders," etc. in Japanese presentation. Also, "Minority interests" has been changed to "Non-controlling interests" in Japanese presentation.

Notes to consolidated balance sheets

1. Pledged assets

(million yen)

Pledged assets	
Buildings and structures	10,464
Storage tanks	3,606
Machinery, equipment and vehicles	21,047
Land	48,952
Subtotal	84,070
Liabilities corresponding to the above	
Long-term loans payable	54,524
(included current portion)	10,098
Total	54,524

Pledged assets	
Inventory	22,171
Subtotal	22,171
Liabilities corresponding to the above	
Short-term loans payable	17,220
Total	17,220

2. Accumulated depreciation for property, plant and equipment

269,212 million Yen

3. Deferred gain on national subsidies and insurance claims

Gain on national subsidies	
Buildings and structures	209 million Yen
Storage tanks	148 million Yen
Machinery, equipment and vehicles	1,019 million Yen
Others	126 million Yen
Software	41 million Yen
Gain on insurance claims	
Machinery, equipment and vehicles	128 million Yen

4. Contingent liabilities

The FOC group had the following guarantee liabilities.

For employees of the Companies	
As guarantor for housing loan of employees	26 million Yen
For Japan biofuels supply LLP	
agreement for overdraft, postponement of import, conclusion of dealing letter of credit	717 million Yen

In addition to the above, the Company guaranteed a portion of its affiliate's payment obligations related to a shipbuilding contract. The maximum amount of the guarantee is 4,705 million yen, any part of which is not recorded as the affiliate's liabilities as at the closing date.

Notes to consolidated statements of changes in net assets

1. Type and number of shares outstanding and treasury stock

(1) Shares outstanding

Type of shares	Common stock
As at the beginning of fiscal year	78,183,677 shares
Increase for the period	—
Decrease for the period	—
As at the end of fiscal year	78,183,677 shares

(2) Treasury stock

Type of treasury stock	Common stock
As at the beginning of fiscal year	1,121,076 shares
Increase for the period	56 shares
Decrease for the period	—
As at the end of fiscal year	1,121,132 shares

2. Dividends

At the ordinary general meetings of shareholders held on June 25, 2015, the following dividends were approved.

① Total amount of dividends	231 million Yen
② Dividends per share	3 Yen
③ Record date	March 31, 2015
④ Effective date	June 26, 2015

Notes to financial instruments

1. Status of financial instruments

The FOC Group maintains its temporary surplus funds mainly in short-term deposits, while capital investment funds and operating funds are raised through bank loans.

Accounts receivable-trade are exposed to customer credit risks and foreign exchange risks. Some foreign-currency-denominated receivables are hedged by forward exchange contracts.

Short-term investment securities and investment securities mainly consist of stocks, and the market values of listed stocks are examined quarterly.

Accounts payable-trade and accounts payable-other are to be settled within short periods. Some foreign-currency-denominated payables are hedged by forward exchange contracts.

Short-term loans payable is mainly to procure funds to buy crude oil and long-term loans payable is mainly to procure funds for capital investments. Interest-rate risks of some loans are hedged by interest-rate swap agreements. Derivative transactions are handled and managed pursuant to the Company's internal rules which stipulate authorities, maximum amounts, etc.

63.1% of accounts receivable-trade at the end of this accounting period is for the particular large customer.

2. Market value of financial instruments

Amounts recognized in the consolidated balance sheets, market values, and the differences between them as at March 31, 2016 (year-end date of FY2015) are as shown below.

Note, however, that items for which it is extremely difficult to determine market values are not included in the following table (see (Note 2)).

(Unit: Million Yen)

	Consolidated balance sheets amount	Market value	Difference
(1) Cash and deposits	15,005	15,005	-
(2) Account receivable-trade	38,918	38,918	-
(3) Short-term investment securities and investment securities			
Other securities	2,062	2,062	-
(4) Accrued revenue	2,837	2,837	-
(5) Long-term loans receivable	913		
Allowance for doubtful accounts (*)	-413		
	500	500	-
(6) Long-term accounts receivable-other	16,902	17,057	155
Total assets	76,226	76,382	155
(1) Accounts payable-trade	18,550	18,550	-
(2) Short-term loans payable	45,158	45,158	-
(3) Accounts payable-other	15,407	15,407	-
(4) Accounts payable-gasoline tax	22,363	22,363	-
(5) Income taxes payable	164	164	-
(6) Long-term loans payable	57,944	58,331	386
Total liabilities	159,589	159,975	386

(*) Allowance for doubtful accounts recognized in long-term loans receivable is offset.

(Note 1) Calculation of market value of financial instruments and items relating to short-term investment securities and derivative transactions

Assets

(1) Cash and deposits, (2) Notes and accounts receivable – trade, (4) Accrued revenue

Because the settlement periods of the above items are short and their market values are almost the same as their book values, the relevant book values are used.

(3) Short-term investment securities and investment securities

Market prices of stock exchanges are used as market values of stocks. Market values of the other securities depend on present values calculated by discounting their values at effective interest rates corresponding to their remaining terms. In relation to the market value of investment securities, for shares the market prices of stock exchanges are used.

(5) Long-term loans receivable

Market values of those loans are calculated on a basis of interest rates which are adjusted to credit risks of borrowers. For doubtful accounts, allowances for them are calculated on a basis of present values of estimated future cash flows, prospected collections of loans receivable, etc. As the market values for long-term loans receivable are deemed close to the amounts gained by deducting allowances for doubtful accounts from long-term loans receivable, the relevant book values are used for their market values.

(6) Long-term accounts receivable-other

Market values of Long-term accounts receivable-other depend on present values calculated by discounting expected amount to be received that reflects collectability at effective safe interest rates corresponding to their remaining terms.

Liabilities

(1) Accounts payable-trade, (2) Short-term loans payable, (3) Accounts payable-other, (4) Accounts payable-gasoline tax, and (5) Income taxes payable

Because the settlement periods of the above items are short and their market values are almost the same as their book values, the relevant book values are used.

(6) Long-term loans payable

Because long-term loans payable with variable interest rates reflect the market interest rates in a short period and the credit status remains almost unchanged, their market values are almost the same as their book values, so that the relevant book values are used.

Market values of long-term bank loans with fixed interest rates depend on present values calculated by discounting their values plus interests at interest rates to be carried in case of applying for similar loans.

Derivative transaction

Market values of foreign exchange transaction are calculated based on future exchange market.

Transactions of commodity swap are based on prices offered by partner banks.

As interest rate swap qualified for hedge accounting is processed together with long-term loans payable, which is hedged, its market value is included in the market value of the long-term loans payable. (see “Liabilities (6)”)

As interest rate swap translated at a forward contract rate is processed together with accounts payable-trade and short-term loans payable, which are hedged, its market value is included in the market value of accounts payable-trade and short-term loans payable. (see “Liabilities (1) and (2)”)

(Note 2) Financial instruments for which it is extremely difficult to determine market values

(Unit : Million Yen)

Category	Consolidated balance sheets amount
Unlisted stocks	252
Stocks of subsidiaries and affiliates	14,191

Because those securities and investments do not have their market values and are not able to be estimated by future cash flows, they are extremely difficult to determine the market values and are not included in "Assets 3) Other securities" in the above table.

Notes to per share data

Net assets per share	612.44 Yen
Basic net loss	122.10 Yen

Subsequent events

None

Other note

Fractional sums less than one million yen are omitted.

Balance sheets

(As of March 31, 2016)

(Unit : Million Yen)

Fuji Oil Company, Ltd.

Assets

Current assets	97,111
Cash and deposits	8,708
Accounts receivable-trade	37,472
Merchandise and finished goods	15,379
Raw materials and supplies	31,478
Accounts receivable other	1,092
Prepaid expenses	1,265
Deferred tax assets	471
Income taxes receivable	76
Short-term loans receivable	727
Other	438
Noncurrent assets	118,486
Property, plant and equipment	90,143
Buildings	2,893
Storage tanks	3,606
Structures	8,083
Machinery and equipment	21,057
Vehicles	0
Tools, furniture and fixtures	103
Land	50,835
Lease assets	25
Construction in progress	3,537
Intangible assets	376
Software	369
Other	7
Investments and other assets	27,966
Investment securities	1,047
Stocks of subsidiaries and affiliates	26,031
Long-term loans receivable	910
Other	389
Allowance for doubtful accounts	-413
Total assets	215,598

Liabilities

Current liabilities	120,166
Accounts payable-trade	17,943
Short-term loans payable	45,698
Current portion of long-term loans payable	11,998
Lease obligations	15
Accounts payable-other	15,280
Accounts payable-gasoline tax	22,363
Income taxes payable	80
Accrued expenses	530
Deposits received	52
Other	6,202
Noncurrent liabilities	63,697
Long-term loans payable	45,926
Lease obligations	11
Deferred tax liabilities	9,127
Provision for retirement benefits	2,702
Provision for special repairs	2,207
Provision for repairs	3,437
Asset retirement obligations	126
Other	158
Total liabilities	183,863

Net assets

Shareholders' equity	30,051
Capital stock	24,467
Capital surplus	18,454
Legal capital surplus	9,467
Other capital surplus	8,986
Retained earnings	-11,072
Other retained earnings	-11,072
Retained earnings brought forward	-11,072
Treasury stock	-1,797
Valuation and translation adjustments	1,682
Valuation difference on available-for-sale securities	-249
Revaluation reserve for land	1,932
Total net assets	31,734
Total liabilities and net assets	215,598

Statements of income

(For the period from April 1, 2015 to March 31, 2016)

(Unit: Million Yen) Fuji Oil Company, Ltd.

Account		Amount
Net sales		413,515
Cost of sales		419,906
Gross loss		6,391
Selling, general and administrative expenses		2,662
Operating loss		9,054
Non-operating income		665
Interest income	19	
Dividends income	274	
Rental income of oil tanks	143	
Other	229	
Non-operating expenses		3,134
Interest expenses	2,032	
Foreign exchange loss	81	
Rental of oil tanks	208	
Other	811	
Ordinary loss		11,523
Extraordinary gains		1
State subsidy revenue	1	
Extraordinary loss		12
Loss on retirement of noncurrent assets	8	
Loss on valuation of golf club membership	3	
Impairment loss	0	
Loss before income taxes		11,534
Income taxes current		-64
Income taxes deferred		-397
Net loss		11,072

Statements of changes in net assets

(For the period from April 1, 2015 to March 31, 2016)

(Unit : Million Yen)

Fuji Oil Company, Ltd.

	Shareholders' equity								Valuation and translation adjustments			Total net assets
	Capital stock	Capital surplus			Retained earnings		Treasury stock	Total share-holders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings						
Balance as of April 1, 2015	24,467	9,467	24,730	34,197	-15,511	-15,511	-1,797	41,356	142	1,932	2,074	43,431
Changes of items during the period												
Dividends of surplus - other capital surplus			-231	-231				-231				-231
Net loss					-11,072	-11,072		-11,072				-11,072
Purchase of treasury shares							-0	-0				-0
Deficit disposition			-15,511	-15,511	15,511	15,511		-				-
Net changes of items other than shareholders' equity									-391		-391	-391
Total changes of items during the period	-	-	-15,743	−15,743	4,438	4,438	−0	-11,304	-391	-	-391	-11,696
Balance as of March 31, 2016	24,467	9,467	8,986	18,454	-11,072	-11,072	-1,797	30,051	-249	1,932	1,682	31,734

Notes to financial statements (Unconsolidated basis)

Significant accounting policies

1. Valuation basis and method of assets

(1) Securities

① Stocks of subsidiaries and affiliates	Moving average method at cost
② Other securities	
Marketable securities	Market price (The evaluation difference is recorded directly in net assets and cost of sales of such securities is calculated by moving average method)
Non-marketable securities	Moving average method at cost
(2) Derivatives	Market value
(3) Inventories	
① Merchandise, finished goods and raw materials	Gross average method at cost
② Supplies	Moving average method at cost

The amounts of inventories stated in the balance sheet were computed by using the method that book values are reduced to reflect declines in profitability.

2. Depreciation/amortization method of fixed assets

(1) Property, plant and equipment (excluding lease assets)

Petrochemical plants & power generation facilities	Declining-balance method
Other tangible fixed assets	Straight line method

* Service years of major fixed assets:

Buildings and structures	2 to 60 years
Storage tanks	10 to 15 years
Machinery and equipment & vehicles	2 to 17 years

(2) Intangible assets (excluding lease assets) Straight line method

* Software for internal use is amortized in 5 years by equal amount.

(3) Lease assets

* Straight line method with their residual values being zero over their leased periods used as the numbers of years for service life.

3. Accounting method of allowance and provisions

(1) Allowance for doubtful accounts

Ordinary receivables/loans	Estimated based on the actual ratio of the bad debts
Others	Estimated individually

(2) Provision for retirement benefits

① Attribution of estimated retirement benefits

Benefit formula attribution is applied.

② Accounting method for prior service costs and actuarial gains and losses

Prior service costs are amortized by the straight-line method over a period (10 years) within the average remaining years of service of the eligible employees.

Actuarial gains and losses are amortized from the year following the year in which the gain or loss is incurred by the straight-line method over a period (10 years) within the average remaining years of service of the eligible employees.

(3) Provision for special repairs
Estimated repair and maintenance cost for periodical inspection and repair of storage tanks required under the Fire Service Act

(4) Provision for repairs
Estimated repair and maintenance cost for repairs of machinery and equipment requiring periodic repair

4. Accounting of hedged assets/liabilities
"Deferred hedge accounting method" is applied.
However, Foreign-currency-denominated payables hedged by forward exchange contracts are translated at the respective forward contract rate and an interest rate swap qualified for hedge accounting is not stated at fair value but the net settlement of interest under such an interest swap is reported as a component of interest on the related hedged assets or liabilities.

5. Accounting of retirement benefits
The method by which an unrecognized actuarial gains and losses and unrecognized past service cost are posted differs from that of consolidated financial statements.

6. Treatment of consumption tax
Consumption tax and local consumption tax is excluded.

7. Adoption of consolidated tax filing system
The Company adopts the consolidated tax filing system.

Notes to balance sheets

1. Short-term receivables from affiliates 1,090 million Yen
Short-term payables to affiliates 17,172 million Yen
Long-term receivables from affiliates 903 million Yen

2. Accumulated depreciation for property, plant and equipment 266,952 million Yen

3. Contingent liabilities

Warrantee	Amount	Object of guarantee
Petro Progress Pte Ltd.	13,492 million Yen (61,974 million Yen)	Conclusion of dealing letter of credit (as maximum amount)
Japan Biofuels Supply LLP	717million Yen (2,809 million Yen)	Overdraft agreement Postponement of import consumption tax payment Conclusion of dealing letter of credit (as maximum amount)
Fuji Oil Sales Co., Ltd.	167 million Yen (510 million Yen)	Operational payables (as maximum amount)
Employees	26 million Yen	Housing loan
Total	14,403 million Yen	

In addition to the above, the Company guaranteed a portion of its affiliate's payment obligations related to a shipbuilding contract. The maximum amount of the guarantee is 4,705 million yen, any part of which is not recorded as the affiliate's liabilities as at the closing date.

4. Collateral assets

(1) Factory mortgage law

Pledged assets	
Assets	Book value (million Yen)
Buildings	2,389
Storage tanks	3,606
Structures	8,074
Machinery and equipment	21,047
Land	48,952
Total	84,070

Liabilities corresponding to the above	
Items	Balance
Long-term loans payable (included current portion)	54,524 (10,098)
Total	54,524

(2) Others

Pledged assets	
Assets	Book value (million Yen)
Merchandise and finished goods	12,133
Raw materials and supplies	10,038
Total	22,171

Liabilities corresponding to the above	
Items	Balance
Short-term loans payable	17,220
Total	17,220

5. Deferred gain on national subsidies and insurance claims

Gain on national subsidies

Buildings	21 million Yen
Storage tanks	148 million Yen
Structures	187 million Yen
Machinery and equipment	1,019 million Yen
Tools, furniture and fixtures	126 million Yen
Software	41 million Yen

Gain on insurance claims

Machinery and equipment	128 million Yen

6. Revaluation reserve for land

By the merger of old Fuji Oil Company, Ltd. as of October 1 2013, the amount is received as it posted in accordance with the Law on Revaluation of land.

Notes to statements of income

Transactions with subsidiaries:

Operating transactions	
Sales to subsidiaries	3,924million Yen
Purchase from subsidiaries	145,498 million Yen
Other operational transactions	176 million Yen
Non-operating transactions	346 million Yen

Notes to statements of changes in net assets

Type and number of treasury stock

Type of treasury stock	Common stock
As at the beginning of fiscal year	966,076 shares
Increase for the period	56 shares
Decrease for the period	- shares
As at the end of fiscal year	966,132 shares

Notes to tax effect accounting

Significant components of deferred tax assets are loss carried forward for tax purposes, as well as tax adjustments of reserve for shut-down maintenance.

Other than the deferred tax assets, deferred tax liabilities are accounted for revaluation of land.

Notes to related party transactions

1. Subsidiaries

Name of the company		Petro Progress Pte Ltd.		
Voting right		Indirect 100%		
Name of the company	Interlocking directors	-		
	Business relationship	Purchase of crude oil and refined products		
Transaction		Purchase of crude oil	Amount	134,849 million Yen
Closing balance		Account	Accounts payable-trade	15,415 million Yen

Transaction terms and policy for determination thereof

*1 Purchase prices of crude oil are determined in consideration of prevailing terms and conditions as well as market trends.

*2 Amount of transaction and balance does not include consumption tax.

2. Director

Name	Osamu Ishitobi		
Voting right	-		
Business transaction	Director of the company interlocking executive chairman of Sumitomo Chemical Co. Ltd. which is the business partner of the Company *2		
Transaction	Sales of refined product *3	Amount	4,222 million Yen
Closing balance	Account	Accounts receivable-trade	-

Transaction terms and policy for determination thereof

*1 Sales prices of refined products are determined in consideration of prevailing terms and conditions as well as market trends.

*2 Mr. Osamu Ishitobi resigned his post of director of Fuji Oil Company, Ltd. as of June 25, 2015, and the transaction amount until the end of the month of his resignation is shown.
The balance of accounts receivable-trade as of the end of FY2015 is omitted.

*3 Amount of closing balance includes consumption tax while the amount of transaction does not include consumption tax.

Notes to per share data

Net assets per share	410.98 Yen
Basic net loss per share	143.40 Yen

Subsequent events

None

Other note

Fractional sums less than one million yen are omitted.

Independent Auditor's Report

May 11, 2016

The Board of Directors
Fuji Oil Company, Ltd.

KPMG AZSA LLC

Yoshihiko Nakamura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroyuki Emoto (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Fuji Oil Company, Ltd. as at March 31, 2016 and for the year from April 1, 2015 to March 31, 2016 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of Fuji Oil Company, Ltd. and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Independent Auditor's Report

May 11, 2016

The Board of Directors
Fuji Oil Company, Ltd.

KPMG AZSA LLC

Yoshihiko Nakamura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroyuki Emoto (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of Fuji Oil Company, Ltd. as at March 31, 2016 and for the year from April 1, 2015 to March 31, 2016 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Fuji Oil Company, Ltd. for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Audit Report
(Translation)

With respect to Directors' execution of their duties during the 14th financial year (from April 1, 2015 to March 31, 2016), the Board of Auditors of Fuji Oil Company, Ltd. has prepared this audit report after deliberations based on the audit reports prepared by each Auditor, and hereby report as follows:

1. Methods and Contents of Audit by Auditors and the Board of Auditors

(1) The Board of Auditors has established the audit policies, the audit plan, etc. and received a report from each Auditor regarding the status of implementation of their audits and results thereof. In addition, the Board of Auditors has received reports from Directors, the accounting auditor, etc. regarding the status of execution of their duties, and requested explanations as necessary.

(2) In accordance with the audit policies, the audit plan, etc., each Auditor endeavored to facilitate a mutual understanding with Directors and Internal Audit Department, etc., endeavored to collect information and maintain and improve the audit environment, and conducted audits in the following methods:

(i) Each Auditor has attended the meetings of the Board of Directors and other important meetings, received reports on the status of execution of duties from Directors and Internal Audit Department and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets of the Company. With respect to the subsidiaries, each Auditor received from subsidiaries reports on their respective business as necessary.

(ii) Each Auditor received reports from Directors and Internal Audit Department on a regular basis on the establishment and implementation status of (i) the systems to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Association of the Company, and other systems necessary to ensure the properness of operations of the Company as well as the Company group that is comprised of the Company and its subsidiaries (Fundamental Policy for the Development of Internal Control Systems) as described in the Business Report and (ii) the systems (internal control systems) based on such resolutions, requested explanations, and expressed his opinions as necessary. With regard to the internal control systems over financial reporting, each Auditor has received reports from the Board of Directors, the accounting auditor, KPMG AZSA LLP, etc. regarding the assessment of such systems and the status of audits, and requested explanations as necessary.

(iii) Each Auditor monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its execution of duties, and requested explanations as necessary. Each Auditor was notified by the accounting auditor that it had established a "system to ensure that the execution of the duties of the accounting auditor be properly conducted" (pursuant to the items of Article 131 of the Company Accounting Ordinance) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005), and requested explanations as necessary.

Based on the above-described methods, each Auditor examined the Business Report and Supplementary Detailed Statements thereof, the Financial Statements (Balance Sheet, Profit and Loss Statement, Statement of Change in Net Assets, and Notes to Financial Statements) and the

Supplementary Detailed Statements thereof, as well as the Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Profit and Loss Statement, Consolidated Statement of Change in Net Assets, and Notes to Consolidated Financial Statements), for the business year under consideration.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

(i) We acknowledge that the Business Report and Supplementary Detailed Statements thereof fairly present the status of the Company in conformity with the applicable laws and regulations and Articles of Association of the Company.

(ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or Articles of Association of the Company was found with respect to Directors' execution of their duties.

(iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents of the Business Report concerning the establishment and implementation status of internal control systems and Directors' execution of their duties, including internal control over financial reporting.

(2) Results of Audit of Financial Statements and Supplementary Detailed Statements thereof

We acknowledge that the methods and results of audit performed by the accounting auditor, KPMG AZSA LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the accounting auditor, KPMG AZSA LLC, are appropriate.

May 17, 2016

BOARD OF AUDITORS of FUJI OIL COMPANY, LTD.

Full-time Auditor: Takao Arai (seal)
Outside Auditor: Yasushi Yamawaki (seal)
Outside Auditor: Tsuyoshi Inoue (seal)
Outside Auditor: Shigeru Nozaki (seal)

(Under their hands)