(Security Code: 5017)
June 6, 2018

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 SIXTEENTH ANNUAL GENERAL MEETING OF SHAREHOLDERS

(English Translation of the Japanese Original)

Dear Shareholders:

We are pleased to inform you that the Company will hold its 16th Annual General Meeting of Shareholders (AGM) as set forth below. Your attendance at the Meeting is cordially requested.

If you are unable to attend the meeting, please read the attached Reference Materials for the AGM, and exercise your voting rights by either of the following means by no later than 5:30 p.m. on Tuesday, June 26, 2018 (JST).

Vote via Postal Mail

Please indicate "for" or "against" for each of the propositions on the enclosed mail ballot form and return the completed form to us so that it arrives by 5:30 p.m. on Tuesday, June 26, 2018 (JST).

Vote via the Internet

Please access the shareholder voting site designated by the Company (https://soukai.mizuho-tb.co.jp/) and enter the voting code and password found on the enclosed mail ballot form. Please follow the prompts on the screen, and indicate "for" or "against" for each of the propositions and submit this form by 5:30 p.m. on Tuesday, June 26, 2018 (JST).

For more details, please refer to the "Guidance on the Exercise of Voting Rights through the Internet" on page 7.

AGENDA

1. **Date and Time** : Wednesday, June 27, 2018 at 10:00 a.m.
(The reception will 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
(http://www-a.global.hankyu-hotel.com/daiichi-tokyo-seafort/)

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 Audit & Supervisory Board (ASB) of the Company for the 16th Financial Year (April 1, 2017 - March 31, 2018)

2: To report the Unconsolidated Financial Statements for the 16th Financial Year (April 1, 2017 - March 31, 2018)

Items to be Resolved

Proposition I : To Distribute Surplus
Proposition II : To Elect Two Directors
Proposition III : To Revise Amount of Remuneration for Directors
Proposition IV : To Revise Amount of Remuneration for ASB Members

4. **Matters concerning Exercise of Voting Rights**

(1) If attending the AGM in person, please bring your mail ballot form with you and submit it at the reception desk. When exercising the voting rights at the meeting by proxy, you must appoint one proxy who is a shareholder with voting rights in the Company. In this case, your proxy is requested to submit your letter of proxy, together with your mail ballot form at the reception desk.
(2) If you send us a mail ballot form indicating neither approval nor disapproval of any of the items, your vote will be treated as an affirmative vote to the items.
(3) If you exercise the voting rights both via Postal Mail and via the Internet, the voting via the Internet will be treated as valid. In the case of multiple voting via the Internet, the last voting will be treated as valid.

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Notes:

1. The business report, the unconsolidated financial statements and the audit reports thereof, and the consolidated financial statements that are to be attached to the convocation notice of annual general meeting of shareholders are as described in "Business Report for the 16th Financial Year" attached hereto. The notes to consolidated financial statements and notes to unconsolidated financial statements are posted on the Company's website (http://www.foc.co.jp/en/ir/library/meeting.html) instead of being described in "Business Report for the 16th Financial Year" according to the applicable laws and regulations and Article 13 of the Articles of Association of the Company. Therefore, the attachment is only a part of the consolidated financial statements and the unconsolidated financial statements which are audited by Independent Auditor and ASB to create Independent Auditor's Reports and Audit Report, respectively.
2. Where it becomes necessary to revise the reference materials, and the business report, the unconsolidated financial statements and the consolidated financial statements for this AGM, the revised information and data thereof will be posted on the Company's website.
3. We will be wearing summer business attire (jacket without tie style) on the day of the AGM. We appreciate your understanding.

REFERENCE MATERIALS FOR
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Propositions and relevant information:

Proposition I : To Distribute Surplus

It is our policy to maintain stable dividend payments to our shareholders while taking into consideration the Group's financial results, cash position, etc., as well as necessary internal reserves for the medium-and long-term business development. In consideration of the business results for FY2017 and the financial forecasts for FY2018 of the Company, we would like to propose the dividend payment for the period as follows:

(1) Kind of property to be distributed
Cash

(2) Allotment of property for the dividends and the total amount thereof
8 yen per share of common stock of the Company
Total amount of 617,739,912 yen

(3) Effective date of the dividend distribution from surplus
June 28, 2018

Proposition II : To Elect Two Directors

Mr. Nabil Bourisli resigned his position of Director of the Company on January 15, 2018 and Mr. Masayuki Kobayashi is resigning his position of Director of the Company at the close of the 16th AGM. We would like to propose the election of two Directors to fill their vacancies.

The Director-Candidates are as follows:

(Profiles of Candidates)

Candi-date No.	Name (Date of Birth)	Brief history, and Significant positions concurrently held outside the Company	Number of the Company's share held
1	Tomonori Okada (May 12, 1954) New-appoint Outside	1980.4 Joined Showa Oil Co., Ltd. (now, Showa Shell Sekiyu K.K. (SSS)) 2003.4 Head of Logistics Business Division, SSS 2006.9 Senior Officer & Keihin Vice Chief, TOA OIL Co., Ltd. 2007.3 Director, TOA OIL Co., Ltd. 2009.3 Managing Director, TOA OIL Co., Ltd. 2011.3 Corporate Executive Officer, SSS 2013.3 Senior Corporate Executive Officer, SSS 2014.6 Director & Vice President, Seibu Oil Company Limited 2015.6 Director & President, Seibu Oil Company Limited 2016.3 Representative Director, Vice President, SSS 2018.3 Representative Director, Vice President, Executive Officer and Oil Business COO, SSS [Present] Significant positions concurrently held : Representative Director, Vice President, Executive Officer and Oil Business COO, SSS Director, Seibu Oil Company Limited Representative Director, Shoseki International K.K. Representative Director, Shoseki Overseas & Investment K.K. Managing Director, TOA OIL Co., Ltd.	Nil
		Reasons for nomination: Mr. Tomonori Okada has a wealth of experience and achievement in one of the top energy companies in Japan. The Company expects him to provide advice on its performance of management from an outside point of view, thereby strengthening its Corporate Governance. Hence the Company believes he is well suited for the role of Director and proposes that he be elected as a Director.	
2	Abdullah Al-Shammari (Feb. 8, 1966) New-appoint Outside	1988. 1 Joined Kuwait Oil Company (KOC) 2012.12 Manager - Financial Systems & Control, KOC 2017.10 Deputy CEO - Admin & Finance, Kuwait Gulf Oil Company (KGOC) [Present] Significant positions concurrently held : Deputy CEO - Admin & Finance, KGOC	Nil
		Reasons for nomination: Mr. Abdullah Al-Shammari is expected to provide advice based on a wealth of experience and knowledge acquired through serving in a national oil company in one of the Middle East oil producing countries. The Company considers his advice valuable to promote the business of the Company group. Hence the Company believes he is well suited for the role of Director and proposes that he be elected as a Director.	

New appoint Candidate for new appointment as Director

Outside Candidate who satisfies the requirements for Outside Director set forth in the Companies Act

Note : 1. Mr. Tomonori Okada has a concurrent position of Representative Director,

Vice President, Executive Officer and Oil Business COO, SSS. The Company has a business relationship with SSS in sales and purchase of crude oil, oil products and others.

2. Mr. Abdullah Al-Shammari has a concurrent position of Deputy CEO - Admin & Finance, KGOC. The Company has a business relationship with KPC, the wholly-owning parent company of KGOC, in purchase of crude oil and others.
3. Mr. Tomonori Okada is an operating officer of SSS, which has important business relationship with the Company.
4. Pursuant to the Articles of Association of the Company, the term of office of Directors who are elected to fill vacancies of resigned or resigning Directors shall be the remaining terms of office of the current Directors.

Proposition III : To Revise Amount of Remuneration for Directors

Remuneration payable to Directors has been set at a maximum total of 30 million yen per month since the 4th AGM held on June 28, 2006.

In order to implement remuneration policies flexibly and timely throughout the year, we would like to propose a revision of the remuneration limit from a monthly-amount basis to a yearly-amount basis and a revision of the maximum total remuneration for Directors to be 360 million yen per year (of which, the maximum amount payable to Outside Directors is 30 million yen per year).

As before, the amount of remuneration for Directors shall not include employee salary for employees who also serve as Directors.

The current the number of Directors is 13 (including 4 Outside Directors). If Proposition II for the 16th AGM is approved as proposed, the number will be 14 (including 5 Outside Directors).

Proposition IV : To Revise Amount of Remuneration for ASB Members

Remuneration payable to ASB Members has been set at a maximum total of 4 million yen per month since the Extraordinary General Meetings of Shareholders of Arabian Oil Company, Ltd. and old Fuji Oil Company, Ltd., both of which were held on December 25, 2002 in relation to the establishment of the Company.

In order to implement remuneration policies flexibly and timely throughout the year, we would like to propose a revision of the remuneration limit from a monthly-amount basis to a yearly-amount basis and a revision of the maximum total remuneration for ASB Members to be 48 million yen per year.

The current number of ASB Members is 4.

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Guidance on the Exercise of Voting Rights via the Internet

1. Conditions regarding Internet Voting (English NOT available)

(1) You may exercise your voting rights via the Internet through the shareholder voting site designated by the Company (see the URL below) instead of exercising the rights via Postal Mail. If you choose to exercise the rights via the Internet, login with the voting code and the password shown on the right side of the enclosed mail ballot 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.

https://soukai.mizuho-tb.co.jp/

(2) The voting deadline is 5:30 p.m. on Tuesday, June 26, 2018 (JST). Please vote ahead of time.

(3) If you exercise the voting rights both via Postal Mail and via the Internet, the voting via the Internet will be treated as valid. In the case of multiple voting via the Internet, the last voting will be treated as valid.

(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, 2017 – March 31, 2018)

I. BUSINESS OVERVIEW OF FOC GROUP

1. Business Progress and Results

(Business Environment)

In the crude oil market, a recovery in U.S. shale-oil production made the Dubai crude decline from the US$51/bbl level at beginning of the period to the US$43/bbl level in late June. The Dubai crude, thereafter, continued to move upward reflecting an outlook for steady demand growth with the global economic expansion as a backdrop and oil producing countries' agreement to extend the coordinated oil production cut, until it reached the US$68/bbl level in January. While it started to decline in February and went below US$60/bbl temporarily due to causes of concern about the outlook of the global economy, such as a drop in stock markets, it turned upward again reflecting escalation of geopolitical risks in the Middle East and others, and ended the period at about US$65/bbl. As a result, it marked about US$56/bbl on a yearly average basis, up about US$8/bbl over the previous period.

In the foreign exchange market, the yen started at the ¥111/US$-level for the current period. It then moved in a range of the ¥ 108- to the ¥114-level due to bullish and bearish factors such as growing tension over North Korea, etc. on the one hand, and market anticipations over a further U.S. interest rate hike on the other hand, and recorded the mid ¥114-level (the lowest in the period) in November. Subsequently, it grew stronger from the turn of the year against a backdrop of protectionist trade policies of the Trump Administration, which were viewed as a risk factor and pushed down the dollar, and ended the period at the lower ¥106/US$ level. As a result, it marked about ¥111/US$ on a yearly average basis, a depreciation of about ¥3/US$ over the previous period.

In the domestic oil products market, sales volume of Gasoline decreased as compared to the previous period due mainly to a continued trend toward and prevalence of fuel efficient cars. On the other hand, sales of Kerosene and Gas Oil increased year on year owing to low temperature in winter and strong transportation demand, respectively. Fuel Oil (C) dropped significantly year on year, due mainly to increased use of coal and LNG as alternative fuels for power generation. Under these circumstances, the overall sales volume of the products for the period was at 98.8% of the previous period's figure.

(Consolidated Business Results)

Under these business circumstances, consolidated net sales resulted in 423.7 billion yen, up 4.2 billion yen over the previous period, as the selling price of products increased along with a rise in crude oil prices, even though sales volume was decreased as compared to the previous period due mainly to a major periodic shut-down maintenance (SDM) at Sodegaura Refinery.

Looking at income and loss for the period, operating income was 11.1 billion yen,

a decline of 7.7 billion yen over the previous period, due to such factors as i) a decline in positive effects of inventory valuation (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 down the cost of sales by 3.9 billion yen (in the previous period, its positive effects pushed down the cost of sales by 7.5 billion yen), ii) a lower sales volume resulting from the major SDM and others, and iii) costs related with the SDM and others, while there were some positive factors such as i) better profit margins supported by a tight supply-demand balance and ii) a decrease in refining costs realized by a start of operation of ASP-BTG. As for ordinary income, it was 8.6 billion yen, a decline of 9.4 billion yen over the previous period due mainly to a decrease in equity in earnings of affiliates.

Due to a reduced corporate tax burden, net income for the period resulted in 7.9 billion yen, a decline of 7.5 billion yen over the previous period.

Operating income and ordinary income excluding inventory valuation factors amounted to 7.2 billion yen (a decrease of 4.0 billion yen over the previous period) and 4.6 billion yen (a decrease of 5.8 billion yen over the previous period), respectively.

(Progress)

Production

The Company smoothly carried out a major SDM, which is held once in every four years, at Sodegaura Refinery during May-June 2017 for thorough maintenance and repair of the existing facilities, by shutting down all of their operations. Due to the said SDM and temporal constraints on the refinery's operation due to failures on some facilities, crude oil throughput during the period stood at 6,890 thousand kL, down by 13.2% as compared to the previous period. The operating rate of the crude distillation unit was 83.0% on average during the period.

(Unit: Thousand Kiloliters)

Category	FY2017(A)	FY2016(B)	Change(A/B) (%)
Material Processed			
Crude Oil	6,890	7,934	86.8
Semifinished Products	570	540	105.5
Total	7,460	8,474	88.0
Refined Products Produced	7,146	8,132	87.9

Sales

Total sales of products including petrochemicals and others came to 7,274 thousand kL, down by 12.3% as compared to the previous period, as a consequence of lower production resulting from a major periodic SDM and others during the period.

Looking at sales by product, Gasoline, Kerosene/Jet Fuel, Gas Oil, and Benzene/Xylene fell 11.2%, 4.7%, 7.8%, and 10.5% year-on-year, respectively. Thus, the rates of declines in light-end products were relatively smaller than that of the total sales (12.3%). Fuel Oil (C) is down by 32.4% mainly owing to a significant decline in its demand for power generation.

(Unit: Thousand Kiloliters)

Product	FY2017(A)	FY2016(B)	Change(A/B) (%)
Gasoline	1905	2,144	88.8
Naphtha	293	291	100.8
Kerosene / Jet Fuel	1,165	1,222	95.3
Gas Oil	1,451	1,574	92.2
Fuel Oil (A)	375	366	102.3
Fuel Oil (C)	431	638	67.6
(for power generation)	(402)	(567)	(70.9)
Benzene / Xylene	470	526	89.5
Others	1,184	1,539	77.0
Total	7,274	8,299	87.7

Enhancement and New Installation of Facilities

During the period of SDM, the capacity of No.2 Fluid Catalytic Cracking Unit (No.2 FCC) was enhanced to 24 thousand bbl/day as of June 30, 2017, an increase by 3 thousand bbl/day.

Together with the enhancement on Vacuum Residue Thermal Cracking Unit (Eureka Unit) in FY2016, these enhancements of the Refinery's residue oil cracking units are to adapt to changes in the oil product demand structure, including a decline in heavy oil demand. With the enhancement of No.2 FCC, our measures for complying with the Second Announcement of the Law Concerning Sophisticated Methods of Energy Supply Structure have been fully implemented and completed.

As for Asphalt Pitch-Fueled Boiler Turbine Generator (ASP-BTG), which had been under construction since 2015, the Company has completed its construction and started full-scale operation during the period. It contributes to a further reduction in the cost of utilities at the Refinery, whose ratio of self-generated electricity has been increased from about 70% before its installation to almost 100%.

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 them, we are working on various measures at the whole Company level on a daily basis.

- Stable Supplies of Energy

We have established a "Business Continuity Plan (BCP)" in preparation for major earthquakes and other disasters. On the basis of this BCP, we have established a system enabling us to ensure stable supply of energy in the event of emergencies, by implementing not only tangible measures such as a seismic reinforcement of receiving/shipping facilities, and installation of mobile emergency power generators and telecommunications equipment, but also intangible measures such as BCP training and education.

- Safety and Environment Protection

Being aware of our responsibility as a company who deals with a large volume of hazardous materials, we have been pursuing improvements in safety on a company-wide basis, through various activities conducted on a daily basis including safety inspection involving all employees and management in the Refinery (the activity named "Power-Play General Inspections") and risk assessment to prevent the occurrence of accidents and disasters.

As the measures to reduce burden on the environment, we are implementing various environmental protection measures, including active energy-efficiency investments. In addition, we are keeping up efforts to reduce and recycle waste, and supply eco-friendly products including bio-gasoline and low-sulfur gasoline and gas oil.

Group's Major Activities

Major activities regarding the Company's consolidated subsidiaries during FY2017 are as follows:

PETRO PROGRESS PTE LTD, an important overseas operation base of the Company located in Singapore, has been continuing business operations including purchase and sale of crude oil and oil products.

2. Capital Investment

Capital investments during the period totaled 10,546 million yen, which were mainly invested in refinery facilities. These investments were funded mostly through bank loans and own funds.

3. Financing

Loans from financial institutions during the period are as shown in the table below. Despite an increase in inventories due to higher crude oil prices, repayment of long-term loans brought down the balance of interest-bearing debt to 125,505 million yen, a reduction of 1,567 million yen against the end of the previous period .

(unit: Million Yen)

	End of FY2016	Increase/Decrease	End of FY2017
Long-term loans payable	65,626	-4,138	61,488
Short-term loans payable	61,447	2,570	64,017
Total	127,073	-1,567	125,505

Note : The balance of long-term loans payable at the end of the period includes 22,220 million yen, an amount to be repaid within a year.

4. Tasks to be addressed

Domestic oil industry has been enjoying solid margins of products in domestic market as a result of optimization of its supply capacities, which was undertaken in response to the Second Announcement of the Law Concerning Sophisticated Methods of Energy Supply Structure. Meanwhile, business environment surrounding the industry is becoming more harsh due to a continuous downward trend in the domestic oil product demand as a result of decreasing birthrate and aging of the population, increasing number of fuel-efficient vehicles, etc. In addition, the future demand structure for oil products, including marine fuels whose sulfur content are to be tightened in 2020, is becoming more uncertain.

Based on such recognition of our environment, we will strive for a stable increase in earnings and a further improvement in our corporate value by strengthening competitiveness of Sodegaura Refinery further, and securing business opportunities in overseas markets by expanding sales of oil products not only in domestic but also overseas markets, including those of emerging economies in Asia.

Specifically, we will continue to actively work on the following tasks based on the second Medium-Term Business Plan for FY2017-FY2020, which was formulated in May 2017:

(1) Maintaining/enhancement of operational reliability at Sodegaura Refinery

- More efficient operation control and maintenance of facilities based on safe and stable operation, and maintaining of high operating rate
- Passing-down and improvement of technology and skills, and development of human resources that have advanced technical, operational and safety management skills and capabilities
- Making more use of cutting edge technologies including IoT (Internet of Things)

(2) Higher value-added production and enhancement of cost competitiveness

- Further reduction in raw material costs by increasing procurement of and expanding storage capacity for extra-heavy crudes
- Maximization of value-added production through enhancements of heavy oil cracking capacities, and an increase and diversification in production of high value-added products including petrochemicals.
- Significant reduction in refining costs and improvement in energy efficiency through optimum and maximum operation of ASP-BTG
- Further reduction in costs and environmental burden by rationalizing total costs and taking active actions for energy saving.

(3) Further actions for export

- Upgrading and more flexible operation of our export facilities, with one of the largest-capacity jetties in Japan at its core
- Fortification of a structure at our oversea hub and development of human resources who can play an active part overseas

(4) Studies for new business development

- Development of new businesses on the operating base of Sodegaura Refinery
- Studies towards diversification of our business portfolio

5. Financial Summary

(unit: Million Yen)

	13th FY 4/1/2014-3/31/2015	14th FY 4/1/2015-3/31/2016	15th FY 4/1/2016-3/31/2017	16th FY 4/1/2017-3/31/2018
Net Sales	666,179	425,522	419,530	423,772
Ordinary Profit	-18,624	-9,546	18,102	8,633
Net Profit for the Period	-18,109	-9,409	15,503	7,945
Profit per Share	-234.99 yen	-122.10 yen	201.19 yen	103.11 yen
Total Assets	287,889	232,889	288,418	292,430
Net Assets	58,351	47,482	62,816	69,856

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:

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 due to drop in net sales caused by minor SDM, drop in product prices and negative effects of inventory valuation on the cost of sales caused by downfall in crude prices, and exchange loss on foreign currency assets from yen appreciation

15th FY due to positive effects of inventory valuation on the cost of sales caused by a rise in crude prices

16th FY as stated in I.1. Business Progress and Results

6. Principal Subsidiaries (As of March 31, 2018)

Name	Paid-in Capital	Shareholding Ratio (%)	Main Business
Fuji Oil Sales Company, 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
Tokyo Petroleum Industrial Company, Ltd.	120 Million Yen	(100.0)	Manufacturing and sale of asphalt mixture, Disposal of asphalt waste
Arabian Oil Company, Ltd.	100 Million Yen	100.0	Management of oil development project-related assets
Japan Oil Engineering Company Ltd.	600 Million Yen	(100.0)	Engineering for oil development and refining, Procurement and export/import of materials and equipment for maintenance of oil facilities
Petro Progress Inc.	100 Million Yen	100.0	Purchasing and marketing of crude oil and petroleum products
PETRO PROGRESS PTE LTD	34 Million Singapore $ and 733 Thousand US $	(100.0)	Overseas purchasing and marketing of crude oil and petroleum products

Note: 1. Percentage in parentheses stand for shareholding ratio indirectly held by the Company.
2. The Company merged with and absorbed Fuji Tanker Company, Ltd. on April 1, 2017.

7. Main Business (As of March 31, 2018)

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

8. Location of Principal Business (As of March 31, 2018)

Fuji Oil Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
	Sodegaura Refinery	Sodegaura-shi, Chiba, Japan
Fuji Oil Sales Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Fuji Rinkai Co., Ltd.	Head Office	Sodegaura-shi, Chiba, Japan
Tokyo Petroleum Industrial Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Arabian Oil Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Japan Oil Engineering Company 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, 2018)

Number of Employees	Difference from the previous period
639	-11

10. Major Lenders and Loan Balance (As of March 31, 2018)

(unit: Million Yen)

Lender	Outstanding Balance
Mizuho Bank, Ltd.	26,904
Development Bank of Japan Inc.	21,424
Sumitomo Mitsui Banking Corporation	13,466
Japan Oil, Gas and Metals National Corporation	12,370
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	11,690
Mitsubishi UFJ Trust and Banking Corporation	8,982
Sumitomo Mitsui Trust Bank, Limited	8,724

II. SHARE RELATED INFORMATION (As of March 31, 2018)

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 : 9,835
iv) Major shareholders

Name	Shareholder's investment in the Company	
	Number of Shares Held (thousand)	Shareholding Ratio(%)
TEPCO Fuel & Power, Incorporated	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
Showa Shell Sekiyu K.K.	5,144.0	6.66
Sumitomo Chemical Company, Limited	5,051.6	6.54
Japan Trustee Services Bank, Ltd.(Trust Account)	3,741.1	4.84
NYK Line (Nippon Yusen Kabushiki Kaisha)	2,750.8	3.56
Japan Trustee Services Bank, Ltd.(Trust Account 9)	2,160.9	2.79
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,048.3	2.65
JXTG Holdings, Inc.	1,350.5	1.74

Note : 1. Shareholding ratio is calculated excluding treasury stocks of 966.1 thousand shares.
2. Fractional shares less than 100 shares are rounded off.

III. BOARD OF DIRECTORS AND AUDIT & SUPERVISORY BOARD

1. Directors and Audit & Supervisory Board (ASB) Members (as of March 31, 2018)

Name	Positions in the Company	Responsibilities in the Company and significant positions concurrently held outside the Company
Atsuo Shibota	Representing Director cum Director-President	Director, Petro Progress Inc.
Jun Inomata	Representing Director cum Senior Managing Director	In charge of Operation Management & Technical Administration Dept.
Nozomu Kano	Senior Managing Director	In charge of General Administration Dept., Finance & Accounting Dept., and Safety & Environmental Protection Office
Katsunori Yagi	Managing Director	General Manager of Sodegaura Refinery Director, Fuji Rinkai Co., Ltd.
Shigeto Yamamoto	Managing Director	In charge of Marketing & Supply Dept. Director, Fuji Oil Sales Company, Ltd. Representing Director cum Director-President, Petro Progress Inc. Director, PETRO PROGRESS PTE LTD
Masataka Shimizu	Director (Outside) 〈Independent Officer〉	
Masayuki Kobayashi	Director (Outside)	Special Appointive Officer, Showa Shell Sekiyu K.K. Director, Seibu Oil Company Limited
Yoshimasa Takao	Director (Outside) 〈Independent Officer〉	Advisor, Sumitomo Chemical Company, Limited Director (Outside), Inabata & Co., Ltd.
Mohammed Al-Fahad	Director (Outside) 〈Independent Officer〉	Legal Expert and Supervisor, Legal Affairs Dept., Ministry of Energy, Industry and Mineral Resources, Government of Kingdom of Saudi Arabia
Kenichi Terao	Director	In charge of Human Resources Dept. and Affiliate Management Dept. Auditor, Fuji Rinkai Co., Ltd. Director, Tokyo Petroleum Industrial Company, Ltd Director, Petro Progress Inc.
Takahiko Yamamoto	Director	In charge of Finance & Accounting Dept.
Takayuki Kawahata	Director	Deputy General Manager of Sodegaura Refinery
Takumi Iwamoto	Director	In charge of General Coordination & Planning Dept. General Manager, General Coordination & Planning Dept.
Takao Arai	ASB Member (Full-Time)	Auditor, Fuji Oil Sales Company, Ltd. Auditor, Petro Progress Inc.
Yasushi Yamawaki	ASB Member (Outside) 〈Independent Officer〉	Advisor, NYK Line
Tsuyoshi Inoue	ASB Member (Outside) 〈Independent Officer〉	Director (Outside), Topy Industries, Limited Corporate Auditor (Outside), Mitsubishi Paper Mills Limited
Shigeru Nozaki	ASB Member (Outside) 〈Independent Officer〉	

Note: 1. New Directors during the period is as follows:

- Messrs. Kenichi Terao, Takahiko Yamamoto, Takayuki Kawahata, and Takumi Iwamoto were newly elected as Directors at the 15th Annual General Meeting of Shareholders held on June 28, 2017.

2. Changes in positions concurrently held by Directors and ASB Members during the period are as

follows:

- As the Company merged Fuji Tanker Company, Ltd. on April 1, 2017, Director Shigeto Yamamoto retired from his position of Representing Director of the said company, and ASB Member Takao Arai retired from his position of Auditor of the said company.
- Director Masayuki Kobayashi retired form his position of Director of TOA OIL Co., Ltd. on March 27, 2018. He also retired from his positions of Executive Officer and Oil Business COO of Showa Shell Sekiyu K.K. on March 28, 2018 and was appointed Special Appointive Officer of the same company on the same date. He also retired from his position of Director of Showa Yokkaichi Sekiyu Co., Ltd. on March 29, 2018.
- Director Kenichi Terao was appointed as Director of Petro Progress Inc. on June 29, 2017.
- ASB Member Tsuyoshi Inoue retired his positions of President of Value Management Institute, Inc. and President of Japan Economic Reserch Institute Inc. on June 29, 2017.

3. Change in position concurrently held by Directors and ASB Member of the Company after the end of the period is as follow:
   - ASB Member Shigeru Nozaki was appointed as President of Niigata University of International and Information Studies on April 1, 2018.
4. As Directors Masataka Shimizu, Yoshimasa Takao and Mohammed Al-Fahad, and ASB Members Yasushi Yamawaki, Tsuyoshi Inoue and Shigeru Nozaki satisfy the Company's criteria for Independence of Outside Officers (please see 11. below), the Company registered them as Independent Officers with the Tokyo Stock Exchange, Inc. pursuant to the rules of the Exchange.
5. ASB Members Tsuyoshi Inoue and Shigeru Nozaki have many years of experience in financial institutions and have a wealth of expertise in finance and accounting.
6. Showa Shell Sekiyu K. K. is a shareholder of the Company with 5,144.0 thousand shares (shareholding ratio: 6.66%) and has a business relationship with the Company in sales and purchase of crude oil, oil products and otheres.
7. Sumitomo Chemical Company, Limited is a shareholder of the Company with 5,051.6 thousand shares (shareholding ratio: 6.54%) and has a business relationship with the Company in sales of petrochemicals and others.
8. Government of Kingdom of Saudi Arabia is a shareholder of the Company with 5,811.3 thousand shares (shareholding ratio: 7.52%).
9. NYK Line is a shareholder of the Company with 2,750.8 thousand shares (shareholding ratio: 3.56%) and has a business relatonship with the Company in chartering of crude oil tankers and others.
10. Seibu Oil Company Limited, Inabata & Co., Ltd., Topy Industries, Limited, Mitsubishi Paper Mills Limited, TOA OIL Co., Ltd., Showa Yokkaichi Sekiyu Co., Ltd., Value Management Institute, Inc. and Japan Economic Reserch Institute Inc. have no special business relationship to be disclosed with the Company.
11. The criteria of independence used by the Company for Outside Officers are as follows:

    The Company's Outside Officers are not considered independent in the case that they or their immediate family member (spouse, relative in second or less degree or relative living in the same place) fall under any of the following items currently or for the preceding year of the Officers' inauguration.

i) Outside Officers are not considered independent if they fall under any of the following:

a) Principal business partners*
   Principal business partners of the Company or executive officers of such partners
   * A "principal business partner" means a company, organization, individual, etc. the amount of the transactions between whom and the Company in any of the last three financial years exceeds 2% of the consolidated net sales of either the Company or the partner

b) External accounting auditors
   Those who are external accounting auditors of the Company or its Group companies, or if the accounting auditors are organizations such as corporations or associations, those who belong to such organizations

c) Professional service providers (legal, accounting, etc.)
   Those who received during the last financial year 10 million yen or more in compensation for their professional services as lawyers, chartered accountants, certified tax accountants, consultants, etc. from the Company besides the remunerations for Outside Officers (If the professionals are organizations such as corporations, those who belong to such organizations)

d) Major lenders
   Lenders from which the Company's borrowings exceed 2% of the consolidated total assets of the Company or of the said lenders as at the end of the last financial year

e) Donation, etc.
Those who received donations, funds, etc. of 10 million yen or more in the last financial year from the Company (If the recipients are organizations such as corporations, those who belong to such organizations)

f) Principal shareholders*
Principal shareholders of the Company or executive officers of such shareholders as of the end of the last financial year
* A "principal shareholder" means a company, corporation, individual, etc. who holds 10% or more of total voting rights of the Company

g) Cross-assumption of offices of outside officers*
Executive officers of other companies with which the Company has a relationship of cross-assumption of offices in any of the past three financial years
* "Cross-assumption of offices of outside officers" refers to a situation where officers are mutually dispatched between a company/organization and the Company.

ii) Outside Officers are not considered independent if their immediate family members fall under any of the following:

a) Those who fall under any of the above-mentioned items a) - g)

b) Officers or employees of the Company or its Group companies

2. Directors who Retired during Period

Name	Position at the time of Retirement	Responsibilities in the Company and position concurrently held outside the Company at the time of Retirement	Date of Retirement (Reason)
Fumio Sekiya	Representing Director cum Chairman of the Board of Directors	Director, Petro Progress Inc.	June 28, 2017 (Expiration of his term)
Koji Watanabe	Senior Managing Director	General Manager of Sodegaura Refinery	June 28, 2017 (Expiration of his term)
Jun Kotake	Director	In charge of General Coordination & Planning Dept.	June 28, 2017 (Expiration of his term)
Nabil Bourisli	Director (Outside)	Chief Executive Officer, KPC-Holdings (Aruba)	January 15, 2018 (Resignation)

Note: Change in position concurrently held during his term in office by Director who retired during FY2017 is as follows:

- Mr. Nabil Bourisli transferred from the position of Managing Director of International Marketing, Kuwait Petroleum Corporation to the position of Chief Executive Officer of KPC-Holdings (Aruba) effective on January 7, 2018.

3. Remuneration Paid to Directors and ASB Members

Category of officers	Number of officers	Remuneration Paid
Director	17	261 Million Yen
ASB Member	4	45 Million Yen

Note : 1. The above table includes 3 Directors who retired at the closing of the 15th AGM held on June 28, 2017 and 1 Director who resigned as of January 15, 2018.
2. The above remuneration amounts include a total of 38 Million Yen paid to 8 Outside Officers.

4. Information related to Outside Officers

i) Positions concurrently held outside the Company

As stated in section III. "1.Directors and Audit & Supervisory Board (ASB) Members (as of March 31, 2018)" on page 10.

ii) Main Activities during the Period

Name	Attendance	Remarks at Board of Directors (BD) and ASB meetings
Masataka Shimizu (Outside Director) 〈Independent Officer〉	100% of BD meetings	Provided advice on the execution of duties by directors at BD meetings and/or related occasions, based on company management experience and achievement in the energy industry.
Masayuki Kobayashi (Outside Director)	100% of BD meetings	Provided advice on the execution of duties by directors at BD meetings and/or related occasions, based on company management experience and achievements in the energy industry.
Yoshimasa Takao (Outside Director) 〈Independent Officer〉	100% of BD meetings	Provided advice on the execution of duties by directors at BD meetings and/or related occasions, based on company management experience and achievements in the chemical industry.
Mohammed Al-Fahad (Outside Director) 〈Independent Officer〉	100% of BD meetings	Provided advice on the execution of duties by directors at BD meetings and/or related occasions, based on experience and expertise in government organizations of a Middle East oil producing country.
Nabil Bourisli (Outside Director)	100% of BD meetings	Provided advice on the execution of duties by directors at BD meetings and/or related occasions, based on experience and expertise in a national oil company of a Middle East oil producing country.
Yasushi Yamawaki (Outside ASB Member) 〈Independent Officer〉	80% of BD meetings 100% of ASB meetings	Provided comments and questions at BD and ASB meetings and/or related occasions, from the perspective of auditing the execution of duties by directors, by employing experience and expertise in company management.
Tsuyoshi Inoue (Outside ASB Member) 〈Independent Officer〉	100% of BD meetings 100% of ASB meetings	Provided comments and questions at BD and ASB meetings and/or related occasions, from the perspective of auditing the execution of duties by directors, by employing experience and expertise in finance and accounting acquired through his service in one of the top financial institutions of Japan, and his service as director and auditor in leading companies of Japan.
Shigeru Nozaki (Outside ASB Member) 〈Independent Officer〉	100% of BD meetings 100% of ASB meetings	Provided comments and questions at BD and ASB meetings and/or related occasions, from the perspective of auditing the execution of duties by directors, by employing experience and expertise in finance and accounting acquired through his service in one of the top financial institutions of Japan, and his service as auditor in one of the top resource development companies of Japan.

Note: As for Mr. Nabil Bourisli, his main activities up to Januray 15, 2018 are described.

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	93Million Yen

Note: 1. ASB 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 a different accounting auditor from the Company's accounting auditor.

3. Any other service rendered by Accounting Auditor 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 Audit & Supervisory Board shall by its unanimous resolution dismiss such Accounting Auditor. One of the members on the Audit & Supervisory Board 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 Audit & Supervisory Board 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.

Audit & Supervisory Board Members 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 Audit & Supervisory Board.

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 Audit & Supervisory Board 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 Audit & Supervisory Board Members 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 Audit & Supervisory Board 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 Audit & Supervisory Board.

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 Audit & Supervisory Board of the Company.

6) Systems concerning assigning assistants to Audit & Supervisory Board Members of the Company, independence of such assistants, and effectiveness of instructions given to such assistants

When Audit & Supervisory Board Members 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 Audit & Supervisory Board Members of the Company's opinions.

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

7) Systems as given below concerning reporting to Audit & Supervisory Board Members of the Company

a. System for Directors and employees of the Company to report to Audit & Supervisory Board Members of the Company

b. System for Directors, Audit & Supervisory Board Members and employees of the Subsidiaries or the persons who received reports from them to report to Audit & Supervisory Board Members of the Company

Directors and employees of the Company and Directors, Audit & Supervisory Board Members and employees of the Subsidiaries shall make necessary reports to Audit & Supervisory Board Members of the Company regularly or at any time upon request of Audit & Supervisory Board Members of the Company. The persons who received reports from them shall report to Audit & Supervisory Board Members 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 Audit & Supervisory Board Members 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, Audit & Supervisory Board Members and employees of the Subsidiaries who made a report to Audit & Supervisory Board Members 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 Audit & Supervisory Board Members 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 Audit & Supervisory Board Members of the Company will be carried out without any hindrance to execution of duties of Audit & Supervisory Board Members of the Company.

10) Other Systems to ensure effective audit by Audit & Supervisory Board Members of the Company

Directors of the Company shall hold regular meetings with Audit & Supervisory Board Members of the Company in order to secure good communications with each other.

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

Directors of the Company shall provide assistance to Audit & Supervisory Board Members of the Company on the survey of important business counterparts as Audit & Supervisory Board Members of the Company deem necessary.

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

(Revised on March 10, 2015)

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 two workshops on Corporate Ethics, and Compliance Training through e-learning to all officers and employees of the Company. 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 increased an effort to communicate and explain the system and functions of Helpline, which is set up at the head office of the Company and at the corporate lawyer's office, to all employees in order to ensure that they have a better and proper understanding.

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 Audit & Supervisory Board 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 Audit & Supervisory Board 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 made deliberations and decisions on important management policies by incorporating managerial advice and perspectives provided by five Outside Directors and three Outside Audit & Supervisory Board Members, 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 Audit & Supervisory Board Member of the Company met on a regular basis and as necessary, shared information concerning business operations, and made deliberations and decisions on matters to be discussed or reported at the Board meetings and on specific policies for each operating division of the Company.

Note: Out of the five Outside Directors mentioned above, Mr. Nabil Bourisli resigned his position of Director of the Company on January 15, 2018.

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 Audit & Supervisory Board of the Company.

5. System to ensure effective audit by Audit & Supervisory Board Members of the Company

Audit & Supervisory Board Members 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 Audit & Supervisory Board Members 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, 2018)

(Unit : Million Yen)

Fuji Oil Company, Ltd.

Assets		Liabilities	
Current assets	160,682	Current liabilities	166,064
Cash and deposits	15,954	Accounts payable-trade	28,068
Notes and accounts receivable-trade	51,056	Short-term loans payable	64,017
Short-term investment securities	100	Current portion of long-term loans payable	22,220
Inventories	81,725	Accounts payable-other	18,394
Accounts receivable-other	8,782	Accounts payable-gasoline tax	23,600
Deferred tax assets	551	Income taxes payable	69
Other	2,511	Other	9,693
Noncurrent assets	131,747	Noncurrent liabilities	56,509
Property, plant and equipment	107,326	Long-term loans payable	39,267
Buildings and structures	12,011	Deferred tax liabilities	9,561
Storage tanks	4,006	Net defined benefit liability	2,660
Machinery, equipment and vehicles	36,900	Provision for directors' retirement benefits	19
Land	51,660	Provision for special repairs	2,052
Construction in progress	2,446	Provision for repairs	1,162
Other	301	Other	1,786
Intangible assets	931		
Software	795	Total liabilities	222,573
Other	136		
Investments and other assets	23,489	Net assets	
Investment securities	16,964		
Long-term loans receivable	832	Shareholders' equity	71,097
Long-term accounts receivable-other	5,312	Capital stock	24,467
Net defined benefit asset	95	Capital surplus	30,396
Other	695	Retained earnings	17,665
Allowance for doubtful accounts	-412	Treasury stock	-1,431
		Accumulated other comprehensive income	-1,433
		Valuation difference on available-for -sale securities	210
		Revaluation reserve for land	1
		Foreign currency translation adjustment	-1,585
		Remeasurements of defined benefit plans	-59
		Non-controlling shareholders'equity	191
		Total net assets	69,856
Total assets	292,430	Total liabilities and net assets	292,430

Consolidated statements of income

(For the period from April 1, 2017 to March 31, 2018)

(Unit: Million Yen)

Account		Amount
Net sales		423,772
Cost of sales		409,000
Gross profit		14,772
Selling, general and administrative expenses		3,584
Operating income		11,188
Non-operating income		1,062
Interest income	56	
Dividends income	228	
Share of profit of entities accounted for using equity method	404	
Rental income of oil tanks	212	
Other	160	
Non-operating expenses		3,617
Interest expenses	2,371	
Foreign exchange losses	28	
Rental of oil tanks	241	
Other	975	
Ordinary income		8,633
Extraordinary income		4
Gain on sales of noncurrent assets	3	
Gain on sales of investment securities	1	
Extraordinary loss		207
Loss on retirement of noncurrent assets	155	
Impairment loss	51	
Profit before income taxes and minority interests		8,430
Income taxes-current		483
Income taxes-deferred		-11
Profit before minority interests		7,958
Net income attributable to non-controlling shareholders		12
Net income attributable to owners of the parent		7,945

Consolidated statements of changes in net assets
(For the period from April 1, 2017 to March 31, 2018)

(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, '17	24,467	30,396	10,339	-1,431	63,771
Changes of items during the period					
Dividends from surplus			-617		-617
Net income attributable to owners of the parent			7,945		7,945
Acquisition of tresury stock				-0	-0
Net changes of items other than shareholders' equity					-
Total changes of items during the period	-	-	7,326	-0	7,326
Balance as of Mar. 31, '18	24,467	30,396	17,665	-1,431	71,097

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance as of Apr. 1, '17	111	1	-1,067	-181	-1,135
Changes of items during the period					
Dividends from surplus					
Net income attributable to owners of the parent					
Deficit disposition					
Net changes of items other than shareholders' equity	98		-517	121	-297
Total changes of items during the period		-	-517	121	-297
Balance as of Mar. 31, '18	210	1	-1,585	-59	-1,433

	Non-controlling shareholders'equity	Total net assets
Balance as of Apr. 1, '17	180	62,816
Changes of items during the period		
Dividends from surplus		-617
Net income attributable to owners of the parent		7,945
Deficit disposition		-0
Net changes of items other than shareholders' equity	10	-286
Total changes of items during the period	10	7,039
Balance as of Mar. 31, '18	191	69,856

Balance sheets

(As of March 31, 2018)

(Unit : Million Yen)

Fuji Oil Company, Ltd.

Assets

Current assets	143,438
Cash and deposits	5,382
Accounts receivable-trade	49,815
Merchandise and finished goods	28,737
Raw materials and supplies	52,958
Accounts receivable-other	3,549
Prepaid expenses	1,358
Deferred tax assets	551
Income taxes receivable	761
Other	324
Noncurrent assets	134,407
Property, plant and equipment	105,594
Buildings	3,826
Storage tanks	4,006
Structures	7,966
Machinery and equipment	36,498
Vehicles	0
Tools, furniture and fixtures	149
Land	50,834
Lease assets	10
Construction in progress	2,302
Intangible assets	798
Software	791
Other	7
Investments and other assets	28,013
Investment securities	1,227
Stocks of subsidiaries and affiliates	25,981
Long-term loans receivable	828
Other	387
Allowance for doubtful accounts	-412
Total assets	277,845

Liabilities

Current liabilities	169,090
Accounts payable-trade	23,302
Short-term loans payable	71,887
Current portion of long-term loans payable	22,220
Accounts payable-other	18,566
Accounts payable-gasoline tax	23,600
Income taxes payable	52
Accrued expenses	605
Other	8,852
Noncurrent liabilities	55,642
Long-term loans payable	39,267
Deferred tax liabilities	9,227
Provision for retirement benefits	2,179
Provision for special repairs	2,052
Provision for repairs	1,162
Asset retirement obligations	99
Other	1,652
Total liabilities	224,732

Net assets

Shareholders' equity	51,251
Capital stock	24,467
Capital surplus	7,381
Legal capital surplus	7,381
Retained earnings	21,199
Other retained earnings	21,199
Retained earnings brought forward	21,199
Treasury stock	-1,797
Valuation and translation adjustments	1,862
Valuation difference on available-for-sale securities	-69
Revaluation reserve for land	1,932
Total net assets	53,113
Total liabilities and net assets	277,845

Statements of income

(For the period from April 1, 2017 to March 31, 2018)

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

Account		Amount
Net sales		416,857
Cost of sales		402,799
Gross profit		14,058
Selling, general and administrative expenses		2,894
Operating income		11,164
Non-operating income		1,119
Interest income	15	
Dividends income	225	
Foreign exchange gains	576	
Rental income of oil tanks	212	
Other	88	
Non-operating expenses		3,602
Interest expenses	2,388	
Rental of oil tanks	241	
Other	973	
Ordinary income		8,680
Extraordinary gains		95
Gain on extinguishment of tie in shar	95	
Extraordinary loss		155
Loss on retirement of noncurrent assets	155	
Profit before income taxes		8,620
Income taxes current		598
Income taxes deferred		-8
Net income		8,029

Statements of changes in net assets

(For the period from April 1, 2017 to March 31, 2018)

(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	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings						
Balance as of April 1, 2015	24,467	7,381	7,381	13,787	13,787	-1,797	43,838	-65	1,932	1,867	45,706
Changes of items during the period											
Dividends of surplus				-617	-617		-617				-617
Net loss				8,029	8,029		8,029				8,029
Acquisition of treasury stock				-	-	-0	-0				-0
Net changes of items other than shareholders' equity			-	-	-		-	-4		-4	-4
Total changes of items during the period	-	-	-	7,412	7,412	-0	7,412	-4	-	-4	7,407
Balance as of March 31, 2016	24,467	7,381	7,381	21,199	21,199	-1,797	51,251	-69	1,932	1,862	53,113

Independent Auditor's Report

May 10, 2018

The Board of Directors
Fuji Oil Company, Ltd.

KPMG AZSA LLC

Yoshihiko Nakamura
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroshi Ashikawa
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, 2018 and for the year from April 1, 2017 to March 31, 2018 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 10, 2018

The Board of Directors
Fuji Oil Company, Ltd.

KPMG AZSA LLC

Yoshihiko Nakamura
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroshi Ashikawa
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, 2018 and for the year from April 1, 2017 to March 31, 2018 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 16th financial year (from April 1, 2017 to March 31, 2018), the Audit & Supervisory Board (ASB) of Fuji Oil Company, Ltd. has prepared this audit report after deliberations based on the audit reports prepared by each ASB Member, and hereby reports as follows:

1. Methods and Contents of Audit by ASB Member and the ASB

(1) The ASB has established the audit policies, the audit plan, etc. and received a report from each ASB Member regarding the status of implementation of their audits and results thereof. In addition, the ASB 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 ASB Member 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 ASB Member 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 ASB Member received from subsidiaries reports on their respective business as necessary.

(ii) Each ASB Member 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 ASB Member 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 ASB Member 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 ASB Member 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 ASB Member 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 11, 2018

AUDIT & SUPERVISORY BOARD of FUJI OIL COMPANY, LTD.

Full-time Audit & Supervisory Board Member: Takao Arai (seal)
Outside Audit & Supervisory Board Member: Yasushi Yamawaki (seal)
Outside Audit & Supervisory Board Member: Tsuyoshi Inoue (seal)
Outside Audit & Supervisory Board Member: Shigeru Nozaki (seal)

(Under their hands)