(Stock Code: 5017)
June 4, 2020

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 EIGHTEENTH ANNUAL GENERAL MEETING OF SHAREHOLDERS

(English Translation of the Japanese Original)

Dear Shareholders:

Thank you for your continued support of our business activities.

Please kindly be informed that we have decided to hold the 18th Annual General Meeting of Shareholders (AGM) as follows:

Amid the recent situation where guidance and instructions for COVID-19 infection control and prevention are provided by the national and local governments of Japan, and after careful consideration in response to this situation, we have decided to hold an onsite AGM through implementation of appropriate infection prevention measures to minimize the risk of infection among those attending this year's AGM.

In light of the current situation, **we ask our shareholders to consider refraining from attendance at the AGM and to exercise your voting rights in advance via postal mail or the Internet as much as possible** from the viewpoint of preventing the spread of infection. To use those methods, please review the attached Reference Materials for the AGM, and exercise your voting rights **by no later than 5:30 p.m. on Wednesday, June 24, 2020 (JST)**.

AGENDA

1. **Date and Time** : Thursday, June 25, 2020 at 10:00 a.m.
(The reception desk opens 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

Please be advised that shareholders' seats will be placed farther apart than usual, which makes the number of seats much smaller. We may restrict attendance of shareholders once all the available seats are filled. We appreciate your understanding and cooperation on this matter. Please also check the "Requests and Information for Shareholders" shown on the next page.

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 18th Financial Year (April 1, 2019 - March 31, 2020)

2: To report the Non-Consolidated Financial Statements for the 18th Financial Year (April 1, 2019 - March 31, 2020)

Item to be Resolved

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

＜Requests and Information for Shareholders＞

- Holding and operation of this AGM are subject to change depending on the circumstances concerning the spread of COVID-19 and government policies up to the date of AGM. In case we make alterations, we will announce them on our website (http://www.foc.co.jp/en/ir/library/meeting.html).
- Alcohol-based disinfectant will be available near the reception desk. (We ask shareholders to bring face masks and wear them at all time during your attendance of the meeting.)
- Those attending the AGM may be subject to body temperature check. Those who look feverish, seem to be not in good condition, or returned from abroad in the last 14 days may be denied participation in the AGM. Those who returned from abroad in the last 14 days are requested to report the date of their return at the reception desk.
- The directors and officers present at the meeting; and the operation staff of the meeting will check their physical condition by measuring their body temperature in advance and will be wearing face masks at the AGM.
- The AGM is scheduled to be held in less time than usual from the viewpoint of preventing the spread of infection. Detailed explanation on items to be reported and proposition will be omitted at the AGM. We ask shareholders to read this Convocation Notice and the attached "Report for the 18th Financial Year" in advance.

Notes:

- Please note that the following items are posted on the Company's website (http://www.foc.co.jp/en/ir/library/meeting.html) instead of being described in the attached "Report for the 18th Financial Year" in accordance with the applicable laws and regulations and Article 13 of the Articles of Association of the Company:
  (1) Accounting Auditor and Establishment and Implementation Status of Systems for Ensuring Appropriate Business Operations to be described in the Business Report
  (2) Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements to be described in the Consolidated Financial Statements
  (3) Statement of Changes in Net Assets and Notes to Non-Consolidated Financial Statements to be described in the Non-Consolidated Financial Statements

  Items (1) through (3) above are part of the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements that are attached to this convocation notice, which Audit & Supervisory Board Members audited to prepare their audit report, and item (2) above are part of Consolidated Financial Statements and item (3) above are part of Non-Consolidated Financial Statements, which Accounting Auditor audited to prepare its audit reports.
- When it becomes necessary to revise the Reference Materials, and the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for this AGM, the revised information and data thereof will be posted on the Company's website.
- We will be wearing summer business attire on the day of the AGM.
- Gifts will not be provided at this AGM.

****** ******* ******

REFERENCE MATERIALS FOR
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Proposition and relevant information:

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

The Company recorded a JPY4,901,042,404 loss of retained earnings brought forward for the year ending March 2020. We would like to propose that the Company reduce its legal capital surplus and transfer other capital surplus to retained earnings brought forward to eliminate the said loss and to ensure flexibility in our future capital policy.

1. Details of 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: JPY4,901,042,404 out of JPY7,381,533,925

(2) Item and amount of surplus to be increased
Other Capital Surplus: JPY4,901,042,404

(3) Effective date of reduction of legal capital surplus : June 25, 2020

2. Details of Appropriation of Surplus

On condition that the abovementioned reduction of legal surplus and an increase in other 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) Item and amount of surplus to be reduced
Other Capital Surplus: JPY4,901,042,404

(2) Item and amount of surplus to be increased
Retained Earnings Brought Forward: JPY4,901,042,404

(3) Amounts of surplus left after appropriation
Other Capital Surplus: JPY0
Retained Earnings Brought Forward: JPY0

(4) Effective date of appropriation of surplus: June 25, 2020

****** ******* ******

Guidance on the Exercise of Voting Rights

Please exercise your voting rights via Postal Mail or the Internet.

Vote via Postal Mail

Please indicate "for" or "against" for the proposition on the enclosed mail ballot form and return the completed form to us so that it arrives before 5:30 p.m. on Wednesday June 24, 2020 (JST).

Vote via the Internet (English NOT available)

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 the proposition and submit this form by 5:30 p.m. on Wednesday, June 24, 2020 (JST). Please note that you need to change the password the first time you login to ensure security.

(Notes)

*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.

*If you exercise the voting rights both via Postal 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.

*The Company is not responsible for any expenses related to Shareholders' Internet access.

*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.

Inquiries

If you have any inquiries, 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., JST, 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., JST, 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.

****** ******* ******

Report for the 18th Financial year

Business Report (April 1, 2019 – March 31, 2020)

I. BUSINESS OVERVIEW OF FOC GROUP

1. Business Progress and Results

(Business Environment)

In the crude oil market, the Dubai crude started the period at the US$68/bbl level and rose to the US$74/bbl level in late April. Subsequently, it hovered generally within the range of the higher US$50/bbl to lower US$60/bbl levels amid worries of a global economic slowdown from the U.S.-China trade war, although it surged temporarily when attacks on oil production facilities in Saudi Arabia caused concerns about global oil supplies. During the time between the end of 2019 and January 2020, it recovered to the higher US$60/bbl level against a backdrop of an U.S.-China agreement to 'Phase One' trade deal and deterioration in U.S.-Iran relations. Then it plunged to the US$23/bbl level at the end of March, due to falls in energy demand fed by the global spread of the novel coronavirus (COVID-19), and a collapse of negotiations on production cuts within the OPEC + early in the month. As a result, it marked about US$60/bbl on a yearly average basis, down US$9/bbl over the previous period.

In the foreign exchange market, the yen started the period at the lower ¥111/US$ level and continued to weaken against a backdrop of steady performance of the U.S. economy to reach the lower ¥112-level in late April. It subsequently started to rise, fueled largely by anticipation of an interest rate cut by the U.S. Federal Reserve, and marked the mid ¥104-level temporarily in August amid an escalation of tariffs and trade tensions between the U.S. and China. In September, it got a weaker tone again on the back of expectations for progress in U.S.-China trade talks and rises in U.S. stock markets, to reach the lower ¥112-level in late February 2020. Then, exchange markets were sent into turmoil with the worldwide spread of COVID-19, and the yen fluctuated sharply in the range of the lower ¥101- to the mid ¥111-level. As a result, the yen ended the period at the higher ¥108/US$ level and marked about ¥109/US$ on a yearly average basis, an appreciation of about ¥2/US$ over the previous period.

Looking at the domestic oil products market, sales volume of Gasoline was at 97.0% of the previous period's sales due to increased prevalence of fuel efficient cars and effects of natural disasters such as typhoons. Kerosene was at 93.7% of the previous period's sales due to warmer winter than in the previous year. Sales of Gas Oil saw a much less decline than those of other products and stood at 99.6% of the previous period's figure due to high demands especially from the transportation sector. Fuel Oil (C) was at 83.7% of the previous period's figure, due to increased use of coal and LNG as alternative fuels for power generation and the effect of cool summer / warm winter. As a result, the total sales volume of the products was at 96.3% of the previous period's figure.

(Consolidated Business Results)

Under these business circumstances, consolidated net sales resulted in 462.3 billion yen, down 79.2 billion yen over the previous period, due mainly to lower production and sales volume as a result of a minor periodic shut-down maintenance and repair (SDM) and product price declines associated with a downfall in crude oil prices.

Looking at income and loss for the period, operating loss was 28.6 billion yen, a decline of 33.5 billion yen over the previous period, due to such factors as i) the effects of a minor SMD, ii) decreased profit margins accompanying the sharp drop in oil product prices on the market during the 4th quarter, and iii) negative effect of inventory valuation (i.e., effect 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 20.3 billion yen (in the previous period, its positive effects pushed down the cost of sales by 2.3 billion yen). As for ordinary loss, it was 28.7 billion yen, a decline of 32.3 billion yen over the previous period due mainly to an improvement in earnings of affiliates.

Loss attributable to owners of parent for the period resulted in 29.0 billion yen, a decline of 31.9 billion yen over the previous period.

Operating loss and ordinary loss excluding effect of inventory valuation amounted to 8.3 billion yen (a decrease of 10.9 billion yen over the previous period) and 8.4 billion yen (a decrease of 9.7 billion yen over the previous period), respectively.

(Progress)

Production

The Company carried out a minor SDM during May-June 2019 at the Sodegaura Refinery for maintenance and repair of production facilities by shutting down all of their operations. Crude oil throughput was 7,107 thousand kL, down by 10.6% as compared to the previous period, due to the minor SDM as well as occurrence of trouble at a facility during its restart process. The utilization rate of the crude distillation unit was 85.4% on average during the period.

Thousand Kiloliters

Category	FY2019(A)	FY2018(B)	Change (A/B) (%)
Material Processed			
Crude Oil	7,107	7,946	89.4
Semifinished Products	569	614	92.8
Total	7,677	8,560	89.7
Refined Products Produced	7,339	8,197	89.5

Sales

Total sales volume of petroleum products including petrochemicals and others came to 7,393 thousand kL, down by 10.0% as compared to the previous period, due to lower production volumes reflecting the effect of the minor SDM and the facility trouble.

Looking at sales by product, Gasoline shows a modest decline of 1.3% as a result of flexible operation, i.e., switching production between Gasoline and petrochemicals responding to changes in product market conditions. Naphtha, Fuel Oil (A), and Benzene / Xylene are down by 11.7%, 12.8% and 13.6% year-on-year, respectively. Fuel Oil (C) is down by 49.9% year-on-year mainly due to a significant decline in its demand for power generation.

Thousand Kiloliters

Product	FY2019 (A)	FY2018 (B)	Change (A/B) (%)
Gasoline	2,172	2,202	98.7
Naphtha	300	340	88.3
Kerosene / Jet Fuel	1,251	1,336	93.7
Gas Oil	1,596	1,736	92.0
Fuel Oil (A)	309	355	87.2
Fuel Oil (C)	147	293	50.1
(for power generation)	(77)	(253)	(30.7)
Benzene / Xylene	435	503	86.4
Others	1,184	1,448	81.8
Total	7,393	8,212	90.0

Initiatives based on Corporate Philosophy

Adhering to our corporate philosophy aiming to “ensure stable supplies of energy”, “maintain safety and protect the global environment”, “work for the benefit of all stakeholders” and “create energetic and motivating workplace”, and believing that we should be a corporate citizen that pursues sustainable growth while also serving society through its business activities, we are working on an ongoing basis on reduction of environmental burden, contribution to the local community, as well as a review of our systems to improve corporate governance.

- Safety and Stable Supplies of Energy

In order to ensure safety, we have been regularly conducting various safety activities including safety inspection involving all employees and management in the Refinery, and proactively working on introduction and utilization of IoT and other cutting edge technologies.

In preparation for natural disasters such as earthquakes, we have continued to implement measures both tangible and intangible, including seismic reinforcement for receiving/shipping facilities and trainings based on a “Business Continuity Plan (BCP)”, to be prepared for major earthquakes and other disasters.

In response to COVID-19, we have been implementing various initiatives to prevent infection or spread of infection to protect the employees' health and to ensure a stable supply of energy, under the leadership of a task force headed by the President.

- Environment Protection

We have been continuing active efforts in energy-saving activities and measures, among which is installation of a boiler-turbine generator capable of high-efficiency power generation. To reduce environmental burdens, initiatives to save water resources and prevent air/water pollution, among others, have been taken and carried out. We have also worked on reduction and recycle of industrial waste and have been achieving the final disposal rate of 0% for industrial waste since FY2012.

- Symbiosis with Local Community

We are deepening communication with Sodegaura city, where our refinery is located, through various social contribution activities and donations. In March 2020, we exchanged "Agreement on Fuel Supply to Fire Engines, etc. in Times of Disaster" with the city to guarantee proper supply of fuel to its fire engines, etc.

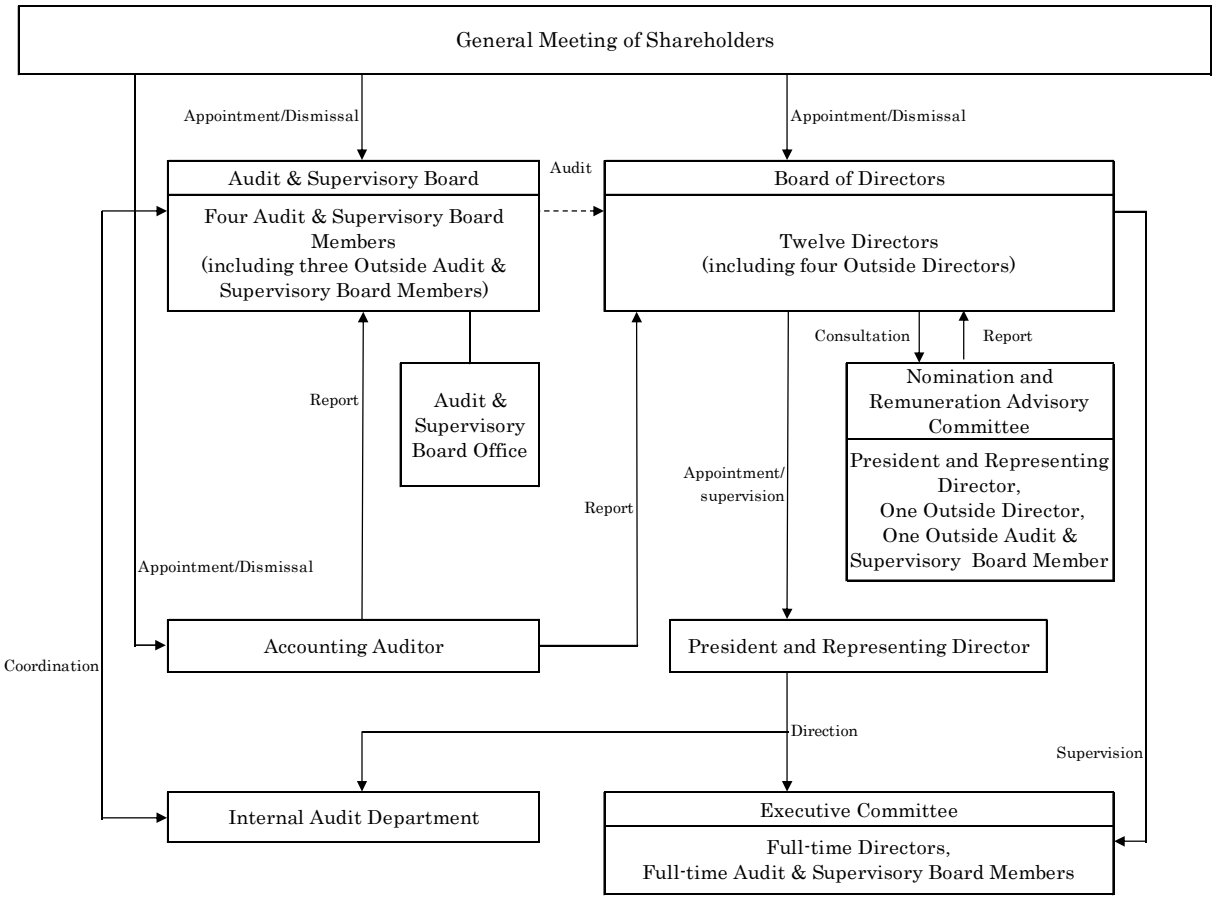
- Motivating Workplace

In addition to introducing a responsibility-based grades and revising an employee evaluation system as part of our personnel management system reforms to allow our diverse employees to exercise their potential in full, we have enhanced systems for their better work-life balance. We have also formulated "Policy for Human Resources Development", where the qualities expected in human resources by the Company are defined, and innovated the education/training programs in accordance with the Policy.

- Governance System

Aiming to strengthen corporate governance, we have established a Nomination and Remuneration Advisory Committee, an advisory body to the Board of Directors, and introduced a performance-linked variable remuneration system for Executive Directors. Draft of the proposals concerning election of Director-candidates, remuneration of Executive Directors, etc. are referred to the Committee and decided by the Board of Directors where Outside Officers participate, based on the recommendations reported by the Committee, etc.

[REFERENCE] Corporate Governance Structure



Group's Major Activities

Major activities regarding the Company's consolidated subsidiaries during FY2019 are as follows:

PETRO PROGRESS PTE LTD, an important overseas operation base of the Company located in Singapore, has continued business operations such as purchase and sale of crude oil and petroleum products.

In addition to its core businesses of consulting and engineering for development and production of oil and gas, Japan Oil Engineering Company Ltd.(JOE) is also involved in a government-led methane hydrate R&D program of Japan. It also provides the consulting and engineering services concerning geothermal power generation as well as CO2-EOR (Enhanced Oil Recovery) and CCS (CO2 Capture and Storage) technologies utilizing CO2. Through these initiatives, JOE aims to contribute to the realization of a low-carbon society and harmony between energy development and the global environment.

2. Capital Investment

Capital investments during the period totaled 3.3 billion 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. Repayment of long-term loans brought down the balance of interest-bearing debt to 127.0 billion yen, a decrease of 1.9 billion yen against the end of the previous period.

Millions of Yen

	End of FY2018	Increase/Decrease	End of FY2019
Long-term loans payable	48,867	5,781	43,086
Short-term loans payable	80,064	3,889	83,953
Total	128,932	1,892	127,040

Note : The balance of long-term loans payable at the end of the period includes 9.4 billion yen, an amount to be repaid within a year.

4. Tasks to be addressed

〈Immediate Tasks〉

The worldwide spread of COVID-19 in late this period caused the global economy to slow down and resulted in an extremely sharp drop in oil demand. Crude oil prices, too, plummeted and have been staying at a historic low level thereafter. While the oil demand is projected to resume and continue the growth trend over the mid- to long-term led by the economic growth of emerging economies, at this point of time when the duration of the COVID-19 pandemic cannot be predicted, we will dedicate ourselves to carrying out the mission of a stable supply of oil products, which are indispensable to people's daily lives and industrial activities, and other social responsibilities retained by each of the Group companies by putting the highest priority on maintaining the safe and stable operations of the Sodegaura Refinery, etc. through taking all possible measures against the infection and spread of infection to the employees of the Group.

Given the current situations, deteriorated supply and demand environment for oil, both domestic and overseas, and violent fluctuations of oil prices caused by COVID-19 are expected to continue into the near future. In the area of oil refining business, we will keep our production volumes continuously optimized by maintaining close coordination with our clients as well as keeping a close watch on market trends. Also, we will endeavor to maintain a sound operating cash flow through exhaustive cost control, comprehensive inventory management of feedstocks including crude oil and oil products, etc.

Each of the Group companies will put forth every effort to promptly recover and expand their performance once the spread of COVID-19 is brought under control.

〈Medium- to Long-Term Tasks〉

Addressing the immediate tasks given above on a priority basis, we will simultaneously strive toward the achievement of the following tasks stated in the second Medium-Term Business Plan for FY2017-FY2020, and toward an increase of our corporate value over the mid- to long-term in the environment of shrinking domestic market and intensifying competition in international markets.

[Medium-Term Tasks]

- Maintaining/enhancement of operational reliability at Sodegaura Refinery
- Higher value-added production and enhancement of cost competitiveness
- Further actions for export
- Studies for new business development

We will also step up our efforts toward the realization of our corporate philosophy which aims to "ensure stable supplies of energy", "maintain safety and protect the global environment", "work for the benefit of all stakeholders" and "create energetic and motivating workplace". Specifically,

i) While we expect to achieve the energy conservation target required of us under "The Commitment to a Low Carbon Society" formulated by Petroleum Association of Japan ahead of its target year of FY2030, we will further

promote energy-saving investments and energy-saving activities.

ii) Based on the Company's "Policy for Human Resources Development" formulated in FY2019, we will implement more detailed programs for education and training of our employees in accordance with the roles and qualities expected in them by the Company and their individual circumstances, etc.

iii) We will promote the development of new businesses that will contribute to the realization of a low-carbon and resource-recirculating society under the next Medium-Term Business Plan, beginning in FY2021.

5. Financial Summary

Millions of Yen

	15th FY Apr. 1, 2016 - Mar. 31, 2017	16th FY Apr. 1, 2017 - Mar. 31, 2018	17th FY Apr. 1, 2018 - Mar. 31, 2019	18th FY Apr. 1, 2019 - Mar. 31, 2020
Net sales	419,530	423,772	541,640	462,364
Ordinary profit	18,102	8,633	3,599	-28,777
Profit attributable to owners of parent	15,503	7,945	2,896	-29,058
Profit per share	201.19 yen	103.11 yen	37.59 yen	-376.77 yen
Total assets	288,175	291,878	299,144	245,504
Total net assets	62,816	69,856	71,536	41,297

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

2. Main factors of difference in profit attributable to owners of parent from the previous financial year are as follows:

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

16th FY decline in positive effect of inventory valuation on the cost of sales, and effect of major SDM

17th FY effects of a blackout incident at Sodegaura Refinery in October 2018, decreased profit margins during the 3rd quarter, and a decline in positive effect of inventory valuation

18th FY as stated in I.1. Business Progress and Results

6. Principal Subsidiaries (As of March 31, 2020)

Name	Paid-in Capital	Shareholding Ratio (%)	Main Business
Fuji Oil Sales Company, Ltd.	100 millions of yen	100.0	Sale of petroleum products, Agency services for petroleum products sales/supply, Agency services for insurance companies
Fuji Rinkai Co., Ltd.	10 millions of yen	85.0	Maritime disaster prevention operations, Loading/unloading of crude oil & petroleum products, Collection and transportation of industrial waste, Solar power generation
Arabian Oil Company, Ltd.	100 millions of yen	100.0	Management of oil development project-related assets
Japan Oil Engineering Company Ltd.	600 millions of yen	(100.0)	Consulting and engineering services for development and production of oil, gas and other energy resources and for environmental protection
Tokyo Petroleum Industrial Company, Ltd.	120 millions of yen	(100.0)	Manufacturing and sale of asphalt mixture, Recycling of industrial waste for use as pavement materials
Petro Progress Inc.	100 millions of yen	100.0	Purchasing and marketing of crude oil and petroleum products, etc.
PETRO PROGRESS PTE LTD	34 millions of Singapore $ and 733 thousands of 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.

7. Main Business (As of March 31, 2020)

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

8. Location of Principal Business (As of March 31, 2020)

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
Arabian Oil Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Japan Oil Engineering Company Ltd.	Head Office	Chuo-ku, Tokyo, Japan
Tokyo Petroleum Industrial Company, Ltd.	Head Office	Shinagawa-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, 2020)

Number of Employees	Difference from the previous period
678	+38

10. Major Lenders and Loan Balance (As of March 31, 2020)

Millions of Yen

Lender	Outstanding Balance
Mizuho Bank, Ltd.	27,009
Japan Oil, Gas and Metals National Corporation	18,777
Sumitomo Mitsui Banking Corporation	16,935
MUFG Bank, Ltd.	15,160
Development Bank of Japan Inc.	13,143
Sumitomo Mitsui Trust Bank, Limited	11,821

II. SHARE RELATED INFORMATION (As of March 31, 2020)

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 : 13,136
iv) Major shareholders

Name	Shareholder's investment in the Company	
	Number of Shares Held (thousand)	Shareholding Ratio(%)
JERA 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
Idemitsu Kosan Co.,Ltd.	5,144.0	6.66
Sumitomo Chemical Company, Limited	5,051.6	6.54
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,764.7	4.87
NYK Line(Nippon Yusen Kabushiki Kaisha)	2,750.8	3.56
Japan Trustee Services Bank, Ltd. (Trust Account)	1,375.0	1.78
JXTG Holdings, Inc.	1,350.0	1.74
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,258.9	1.63

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, 2020)

Name	Positions in the Company	Responsibilities in the Company and significant positions concurrently held outside the Company
Atsuo Shibota	Representing Director cum Director-President	
Katsunori Yagi	Representing Director cum Managing Director	General Manager of Sodegaura Refinery
Shigeto Yamamoto	Managing Director	In charge of Marketing & Supply Dept. Representing Director cum Director-President, Petro Progress Inc. Director, PETRO PROGRESS PTE LTD
Daisuke Seki	Director (Outside)	
Toshiki Matsumura	Director (Outside) 〈Independent Officer〉	
Mohammed Al-Fahad	Director (Outside) 〈Independent Officer〉	Legal Expert and Supervisor, Legal Affairs Dept., Ministry of Energy, Government of Kingdom of Saudi Arabia
Khaled Al-Sabah	Director (Outside)	Deputy Managing Director, International Marketing Sales, Kuwait Petroleum Corporation
Kenichi Terao	Director	In charge of Human Resources Dept.
Takahiko Yamamoto	Director	In charge of General Administration Dept. and Safety & Environmental Protection Office
Takayuki Kawahata	Director	In charge of Technical Dept. and Production Management Dept.

Takumi Iwamoto	Director	In charge of Corporate Planning & Management Dept. Director, Japan Oil Engineering Company Ltd.
Masayuki Tsuda	Director	In charge of Finance & Accounting Dept.
Tetsuo Ishii	ASB Member (Full-Time)	
Tsuyoshi Inoue	ASB Member (Outside) 〈Independent Officer〉	Director (Outside), Topy Industries, Limited
Koichi Chikaraishi	ASB Member (Outside) 〈Independent Officer〉	Advisor, NYK Line Director (Outside), Murakami Corporation
Tomoko Sakamoto	ASB Member (Outside) 〈Independent Officer〉	Partner, Iwata Godo Attorneys and Counsellors at Law

Note: 1. New Directors and ASB Members during the period are as follows:
- Messrs. Daisuke Seki, Toshiki Matsumura, Khaled Al-Sabah, and Masayuki Tsuda were newly elected as Directors, and Messrs. Tetsuo Ishii, and Koichi Chikaraishi, and Ms. Tomoko Sakamoto were newly elected as ASB Members at the 17th Annual General Meeting of Shareholders held on June 26, 2019.

2. Changes in a position and responsibilities in the Company held by Directors during the period are as follows:
- Position held by Director Katsunori Yagi changed from Managing Director to Representing Director cum Managing Director on June 26, 2019.
- Responsibilities held by Director Takahiko Yamamoto changed from Finance & Accounting Dept. to General Administration Dept. and Safety & Environmental Protection Office on June 26, 2019.
- Responsibilities held by Director Takayuki Kawahata changed from Deputy General Manager of Sodegaura Refinary to Technical Dept. and Production Management Dept. on June 26, 2019.
- Responsibilities held by Director Takumi Iwamoto changed from Corporate Planning & Management Dept. and General Manager of Corporate Planning & Management Dept. to Corporate Planning & Management Dept. on June 26, 2019.

3. Changes in positions concurrently held outside the Company by Directors and ASB Member of the Company during the period are as follows:
- Managing Director Katsunori Yagi retired from his position of Director of Fuji Rinkai Co., Ltd. on June14, 2019.
- Director Kenichi Terao retired from his positions of Auditor of Fuji Rinkai Co., Ltd. on June 14, 2019, Director of Tokyo Petroleum Industrial Company, Ltd. on June 25, 2019, and Director of Petro Progress Inc. on June 27, 2019.
- Managing Director Shigeto Yamamoto retired from his positions of Director of Fuji Oil Sales Company, Ltd. On June 18, 2019.
- Representing Director cum Director-President Atsuo Shibota retired from his position of Director of Petro Progress Inc. on June 27, 2019.
- ASB Member Koichi Chikaraishi was appointed as Director (Outside) of Murakami Corporation on June 27, 2019.

4. Change in responsibilities in the Company held by Director after the end of the period is as follow:
- Responsibilities held by Director Kenichi Terao changed from Human Resources Dept. to Human Resources Dept. and Human Resource Development Dept. on April 1, 2020.

5. Directors Toshiki Matsumura and Mohammed Al-Fahad, and ASB Members Tsuyoshi Inoue, Koichi Chikaraishi and Tomoko Sakamoto satisfy the Company's criteria for Independence of Outside Officers (please see 12. below). The Company registered them as Independent Officers with the Tokyo Stock Exchange, Inc. pursuant to the rules of the Exchange.
6. ASB Member Tsuyoshi Inoue has many years of experience in financial institutions and has a wealth of expertise in finance and accounting.
7. Government of Kingdom of Saudi Arabia is a shareholder of the Company with 5,811.3 thousand shares (shareholding ratio: 7.52%).
8. Kuwait Petroleum Corporation is a shareholder of the Company with 5,811.3 thousand shares (shareholding ratio: 7.52%) and has a business relationship with the Company involving crude oil and others.
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. The Company has a legal services agreement with Iwata Godo Attorneys and Counsellors at Law
11. Topy Industries and Murakami Corporation have no special business relationship to be disclosed with the Company.
12. 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 and ASB Members 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)
Jun Inomata	Representing Director cum Senior Managing Director	In charge of Technical Dept. and Production Management Dept.	June 26, 2019 (Expiration of his term)
Nozomu Kano	Senior Managing Director	In charge of General Administration Dept., Finance & Accounting Dept., and Safety & Environmental Protection Office ASB Member (Outside), ANA Holdings Inc.	June 26, 2019 (Expiration of his term)
Masataka Shimizu	Director (Outside) 〈Independent Officer〉		June 26, 2019 (Expiration of his term)
Yoshimasa Takao	Director (Outside) 〈Independent Officer〉	Advisor, Sumitomo Chemical Company, Limited	June 26, 2019 (Expiration of his term)
Tomonori Okada	Director (Outside)	Representing Director cum Executive Vice President and Executive Officer of Idemitsu Kosan Co., Ltd.	June 26, 2019 (Expiration of his term)
Takao Arai	ASB Member (Full-Time)	Auditor, Petro Progress Inc.	June 26, 2019 (Expiration of his term)
Yasushi Yamawaki	ASB Member (Outside) 〈Independent Officer〉	Advisor, NYK Line	June 26, 2019 (Expiration of his term)
Shigeru Nozaki	ASB Member (Outside) 〈Independent Officer〉	President, Niigata University of International and Information Studies	June 26, 2019 (Expiration of his term)

Note: Changes in positions concurrently held during their terms of office by Directors and ASB Member who retired during the period are as follows:

- Mr. Tomonori Okada was appointed as Representing Director cum Executive Vice President and Executive Officer of Idemitsu Kosan Co., Ltd. on April 1, 2019.
- Mr. Nozomu Kano was appointed as ASB Member (Outside) of ANA Holdings Inc. on June 21, 2019.
- Mr. Yoshimasa Takao retired from his position of Director (Outside) of Inabata & Co., Ltd. on June 25, 2019.
- Mr. Takao Arai retired from his position of Auditor of Fuji Oil Sales Company, Ltd. on June 18, 2019. Furthermore, he retired from his position of Auditor of Petro Progress Inc. on June 27, 2019.

3. Remuneration Paid to Directors and ASB Members

Category of officers	Number of officers	Remuneration Paid
Director	17	264 million yen
ASB Member	7	45 million yen

Note： 1. The above table includes 5 Directors and 3 ASB Members who retired at the closing of the 17th AGM held on June 26, 2019.
2. The above remuneration amounts include a total of 39 million yen paid to 12 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, 2020)" on pages 11-13.

ii) Main Activities during the Period

Name	Attendance	Remarks at Board of Directors (BD) and ASB meetings
Daisuke Seki (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 achievement in the energy industry.
Toshiki Matsumura (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.
Khaled Al-Sabah (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.
Tsuyoshi Inoue (Outside ASB Member) 〈Independent Officer〉	100% of BD meetings 100% of ASB meetings	Provided comments and questions at BD, 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.
Koichi Chikaraishi (Outside ASB Member) 〈Independent Officer〉	100% of BD meetings 100% of ASB meetings	Provided comments and questions at BD, ASB meetings and/or related occasions, from the perspective of auditing the execution of duties by directors, by employing experience and expertise based on his company management experience.
Tomoko Sakamoto (Outside ASB Member) 〈Independent Officer〉	100% of BD meetings 100% of ASB meetings	Provided comments and questions at BD, ASB meetings and/or related occasions, from the perspective of auditing the execution of duties by directors, by employing experience and expertise in law as an attorney and her service as director of a financial institution.

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

Consolidated Balance Sheet

(As of March 31, 2020)

(Unit : Millions of Yen)

Fuji Oil Company, Ltd.

Assets	
Current assets	125,384
Cash and deposits	12,769
Notes and accounts receivable-trade	40,302
Inventories	68,346
Accounts receivable-other	1,212
Other	2,753
Noncurrent assets	120,119
Property, plant and equipment	101,791
Buildings and structures	13,791
Storage tanks	3,468
Machinery, equipment and vehicles	31,401
Land	51,668
Construction in progress	847
Other	613
Intangible assets	749
Software	616
Other	132
Investments and other assets	17,579
Investment securities	16,490
Long-term loans receivable	756
Net defined benefit asset	12
Other	729
Allowance for doubtful accounts	-410
Total assets	245,504

Liabilities	
Current liabilities	151,795
Accounts payable-trade	13,686
Short-term loans payable	83,953
Current portion of long-term loans payable	9,463
Accounts payable-other	18,149
Excise taxes payable on gasoline and other fuels	18,939
Income taxes payable	90
Other	7,510
Noncurrent liabilities	52,412
Long-term loans payable	33,622
Deferred tax liabilities	9,002
Net defined benefit liability	2,397
Provision for directors' retirement benefits	11
Provision for special repairs	2,342
Provision for repairs	4,578
Other	457
Total liabilities	204,207
Net assets	
Shareholders' equity	43,546
Capital stock	24,467
Capital surplus	30,396
Retained earnings	-9,886
Treasury stock	-1,431
Accumulated other comprehensive income	-2,393
Valuation difference on available-for -sale securities	8
Revaluation reserve for land	1
Foreign currency translation adjustments	-2,103
Remeasurements of defined benefit plans	-299
Non-controlling interests	144
Total net assets	41,297
Total liabilities and net assets	245,504

Consolidated Statement of Income

(For the period from April 1, 2019 to March 31, 2020)

(Unit: Millions of Yen)

Account		Amount
Net sales		462,364
Cost of sales		486,751
Gross loss		24,386
Selling, general and administrative expenses		4,281
Operating loss		28,668
Non-operating income		3,519
Interest income	98	
Dividends income	329	
Foreign exchange gains	1,440	
Equity in earnings of affiliates	1,248	
Rent income of storage tanks	211	
Other	190	
Non-operating expenses		3,629
Interest expenses	2,574	
Rent expenses on storage tanks	216	
Other	838	
Ordinary loss		28,777
Extraordinary income		1,170
Gain on sales of noncurrent assets	4	
Gain on sales of investment securities	7	
Insurance claim income	1,157	
Extraordinary losses		787
Loss on retirement of noncurrent assets	58	
Loss on valuation of investment securities	729	
Loss before income taxes		28,395
Income taxes-current		74
Income taxes-deferred		572
Loss		29,042
Profit attributable to non-controlling interests		15
Loss attributable to owners of parent		29,058

Balance sheet

(As of March 31, 2020)

(Unit : Millions of Yen) Fuji Oil Company, Ltd.

Assets

Current assets	116,169
Cash and deposits	5,011
Accounts receivable-trade	38,818
Merchandise and finished goods	28,557
Raw materials and supplies	39,793
Accounts receivable-other	1,282
Prepaid expenses	1,298
Income taxes receivable	1,054
Short-term loans receivable	37
Other	315
Noncurrent assets	112,825
Property, plant and equipment	99,914
Buildings	4,739
Storage tanks	3,468
Structures	8,670
Machinery and equipment	31,081
Vehicles	0
Tools, furniture and fixtures	261
Land	50,834
Lease assets	65
Construction in progress	792
Intangible assets	592
Software	585
Other	7
Investments and other assets	12,318
Investment securities	565
Stocks of affiliated companies	10,981
Long-term loans receivable	753
Other	426
Allowance for doubtful accounts	-410
Total assets	228,994

Liabilities

Current liabilities	150,585
Accounts payable-trade	12,416
Short-term loans payable	85,023
Current portion of long-term loans payable	9,463
Accounts payable-other	18,030
Excise taxes payable on gasoline and other fuels	18,939
Income taxes payable	30
Accrued expenses	471
Other	6,209
Noncurrent liabilities	51,326
Long-term loans payable	33,622
Deferred tax liabilities	8,657
Provision for retirement benefits	1,786
Provision for special repairs	2,342
Provision for repairs	4,578
Asset retirement obligations	102
Other	236
Total liabilities	201,911

Net assets

Shareholders' equity	25,150
Capital stock	24,467
Capital surplus	7,381
Legal capital surplus	7,381
Retained earnings	-4,901
Other retained earnings	-4,901
Retained earnings brought forward	-4,901
Treasury stock	-1,797
Valuation and translation adjustments	1,932
Revaluation reserve for land	1,932
Total net assets	27,083
Total liabilities and net assets	228,994

Statement of income

(For the period from April 1, 2019 to March 31, 2020)

(Unit: Millions of Yen) Fuji Oil Company, Ltd.

Account		Amount
Net sales		454,032
Cost of sales		479,580
Gross loss		25,548
Selling, general and administrative expenses		3,597
Operating loss		29,145
Non-operating income		6,210
Interest income	15	
Dividends income	4,351	
Foreign exchange gains	1,522	
Rent income of storage tanks	211	
Other	110	
Non-operating expenses		3,731
Interest expenses	2,679	
Rent expenses on storage tanks	216	
Other	835	
Ordinary loss		26,665
Extraordinary income		1,157
Insurance claim income	1,157	
Extraordinary losses		779
Loss on retirement of noncurrent assets	50	
Loss on valuation of investment securities	729	
Loss before income taxes		26,287
Income taxes-current		-77
Income taxes-deferred		558
Loss		26,767

Independent Auditor's Report

The Board of Directors of Fuji Oil Company, Ltd.

Opinion

We have audited the consolidated financial statements, which comprise 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. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 444-4 of the Companies Act.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Corporate auditors and the board of corporate auditors 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 misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Hiroo Iwaide
Designated Engagement Partner
Certified Public Accountant

Hiroshi Ashikawa
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
May 12, 2020

Independent Auditor's Report

The Board of Directors of Fuji Oil Company, Ltd.

Opinion

We have audited the financial statements, which comprise 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. ("the Company") as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 436-2-1 of the Companies Act.

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 the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and Others* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors 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 misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Hiroo Iwaide
Designated Engagement Partner
Certified Public Accountant

Hiroshi Ashikawa
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
May 12, 2020

Audit Report
(Translation)

With respect to Directors' execution of their duties during the 18th financial year (from April 1, 2019 to March 31, 2020), 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, KPMG AZSA LLP, maintained its independence and properly conducted its audit, received a report from the accounting auditor, KPMG AZSA LLP, on the status of its execution of duties, and requested explanations as necessary. Each ASB Member was notified by the accounting auditor, KPMG AZSA LLP, 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 13, 2020

AUDIT & SUPERVISORY BOARD of FUJI OIL COMPANY, LTD.

Full-time Audit & Supervisory Board Member : Tetsuo Ishii (seal)
Outside Audit & Supervisory Board Member : Tsuyoshi Inoue (seal)
Outside Audit & Supervisory Board Member : Koichi Chikaraishi (seal)
Outside Audit & Supervisory Board Member : Tomoko Sakamoto (seal)

(Under their hands)