

1. Date & time: Thursday, August 4, 2016 (16:00–17:00)
 2. Attendees: 136
 3. Principal questions:
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—This document contains forward-looking statements. A cautionary statement appears in the endnote.—

Q. You mentioned that the operating rate of the Caserones Copper Mine Project was approximately 70% of full-scale in the first quarter, and that production volume was less than the planned amount. What are the reasons for this?

A. The heavy snowfall that occurred in June had a major impact, but another factor this time was the deterioration of the extraction rate. This was due to factors including the poor characteristics of the treated ore, but we are expecting this to improve from the second quarter onward.

Q. Margins in the Petroleum Refining Business declined in July. What are the reasons for this?

A. This is due to the time lag as well as the impact of the decline in prices in overseas markets. Margins are currently recovering, and there will be an increase in summer demand going forward, so we expect margins to improve.

* Time lag refers to the difference in timing of the selling price and cost of petroleum products. The selling price of petroleum products reflects the latest crude oil prices, while costs reflect the price of crude oil purchased approximately 1 month earlier (the price of crude oil in the shipment month in oil producing countries). As a result, a temporary discrepancy between selling prices and costs arises during periods of fluctuating crude oil prices.

Q. Is the integration with TonenGeneral Sekiyu progressing as planned?

A. There have been no delays in the schedule.

This document contains forward-looking statements. Actual results may differ materially from those expressed or implied by forward-looking statements due to various factors, including but not limited to the following:

- (1) macroeconomic conditions and changes in the competitive environment in the energy, resources, or materials industries;
- (2) revision of laws and tightening of regulations;
- (3) risk of lawsuits and other legal risks.