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Attachment to the Convocation Notice of
the 10th Ordinary General Meeting of Shareholders

Report for the 10th Fiscal Term
(from April 1, 2019 to March 31, 2020)

JXTG Holdings, Inc.
Securities Code: 5020

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Items Posted on the Company's Website

Pursuant to laws and regulations and Article 15 of the Company's Articles of Incorporation, the following items are available on the Company's website.

The Company's Website:

<https://www.hd.jxtg-group.co.jp/english/ir/stock/meeting/>

- Business Report
 - Matters Concerning the Accounting Auditor
 - Systems to Ensure Proper Operations and the Operating Effectiveness of Such Systems
- Consolidated Financial Statements
 - Notes to Consolidated Financial Statements
- Non-Consolidated Financial Statements
 - Notes to Non-consolidated Financial Statements

Business Report for the 10th Fiscal Term (from April 1, 2019 to March 31, 2020)

1. Matters Concerning Present Condition of the Corporate Group

(1) Major Business Activities (as of March 31, 2020)

JXTG Group is a “comprehensive energy, resources and materials company groups,” having core operating companies—JXTG Nippon Oil & Energy Corporation, JX Nippon Oil & Gas Exploration Corporation and JX Nippon Mining & Metals Corporation—under the Company as the holding company.

JXTG Group’s major business activities are as follows:

Business Segments	Details of Major Business Activities	Core Operating Companies
Energy Business	<ul style="list-style-type: none"> ◦ Manufacturing and marketing petroleum products (e.g. gasoline, kerosene, and lubricant, etc.) ◦ Manufacturing and sales of petrochemical products and high-performance materials ◦ Supply of electricity, gas and hydrogen ◦ Development and operation of renewable energy power source 	JXTG Nippon Oil & Energy Corporation
Oil and Natural Gas Exploration & Production Business	<ul style="list-style-type: none"> ◦ Exploring, developing, and producing oil and natural gas 	JX Nippon Oil & Gas Exploration Corporation
Metals Business	<ul style="list-style-type: none"> ◦ Exploring and developing non-ferrous metal resources (e.g. copper and gold) ◦ Smelting, refining and marketing non-ferrous metal products (e.g. copper, gold, silver, rare metals) ◦ Manufacturing and marketing electro-deposited copper foils and treated rolled copper foils ◦ Manufacturing and marketing thin-film materials (e.g. sputtering targets, surface treatment agents and compound semiconductor materials) ◦ Manufacturing and marketing precision rolled products and precision-fabricated products ◦ Recycling of non-ferrous metal materials and treatment of industrial waste ◦ Manufacturing, processing and marketing titanium metals 	JX Nippon Mining & Metals Corporation
Other Business	<ul style="list-style-type: none"> ◦ Civil engineering work, including roadwork and pavement construction ◦ Construction work 	

(2) Business Progress and Results

A. Circumstances Surrounding JXTG Group

The global economic growth in this fiscal year generally slowed down given the slowdown in China due to the effect of U.S.-China trade friction and the weak market conditions in Europe, despite the solid U.S. Economy. In addition, the global economy has rapidly deteriorated toward the end of this fiscal year due to the spread of novel coronavirus disease (COVID-19).

The Dubai crude oil price, which is the benchmark crude oil price in Asia, was 68 dollars per barrel at the beginning of this fiscal year. However, the price significantly dropped to 23 dollars per barrel at the end of this fiscal year due to not only a concern over a demand decline on the back of the spread of COVID-19 but also an attention on an oversupply to be caused by an increase in crude oil production announced by countries such as Saudi Arabia and Russia.

The LME (London Metal Exchange) price for copper, which is the international index price for copper, was 6,498 dollars per ton at the beginning of this fiscal year. However, the price significantly dropped to 4,797 dollars per ton at the end of this fiscal year due to a concern over the deterioration of the economy following the spread of COVID-19.

The Japanese economy remained in a moderate recovery trend in the first half of this fiscal year, but started to show signs of weakness in the second half, and then sharply declined due to stagnant economic activities caused by the spread of COVID-19. In addition to these economic circumstances, the domestic demand for petroleum products was generally lower than the previous fiscal year due to reasons such as a decrease in gasoline resulting from fuel-efficient vehicles becoming more prevalent and a decrease in kerosene affected by the record warm winter.

B. Outline of the Consolidated Results of this Fiscal Year

In this business situation, JXTG Group worked vigorously to enhance the profitability of its core business and promoted management that focuses on cash flows and capital efficiency in order to achieve the targets under the First Medium-Term Management Plan (FY 2017 to FY 2019). The results and business summaries of each business segment are as described from page 6.

However, the consolidated results of this fiscal year were as set forth in the following chart, due not only to the impact by the deterioration of the environment for supply-demand balance for petrochemical products but also to a sharp decline in the crude oil price toward the end of this fiscal year which resulted in a significant contraction of the margin for petroleum products in Japan and overseas. In the Energy Business in particular, we are required to stockpile at least 70 days' worth of crude oil and petroleum products pursuant to the "Oil Stockpiling Act," and accordingly, we recorded an inventory valuation loss of 206.5 billion yen. In addition, in the Oil and Natural Gas Exploration and Production (E&P) Business, we recorded an impairment loss of approximately 92.1 billion yen following the revaluation of the asset portfolio.

Item	This fiscal year (10 th)	Previous fiscal year (9 th)	Change from the previous fiscal year
Revenue	10,011.8 billion yen	11,129.6 billion yen	(1,117.8) billion yen
Operating income [Operating income excluding inventory valuation]	(113.1) billion yen [96.7 billion yen]	537.1 billion yen [515.7 billion yen]	(650.2) billion yen [(419.0) billion yen]
Profit attributable to owners of parent	(187.9) billion yen	322.3 billion yen	(510.2) billion yen

C. Progress and Results of Each Business



Results of the Energy Business

Item	This fiscal year (10 th fiscal term)	Previous fiscal year (9 th fiscal term)	Change from the previous fiscal year
Revenue	8,419.4 billion yen	9,481.3 billion yen	(1,061.9) billion yen
Operating income	(162.8) billion yen	375.4 billion yen	(538.2) billion yen
[Operating income excluding inventory valuation]	[43.7 billion yen]	[354.1 billion yen]	[(310.4) billion yen]

Business Summary

Domestic demand for fuel oil continues to decrease. On the other hand, we expect steady increases in overseas demand for lubricants and petrochemical products in the medium to long term. Under such circumstances of the Energy Business, to pursue sustainable growth while carrying out our responsibility to provide stable energy supply in Japan, we strived to strengthen the competitiveness of our core business and develop and expand businesses that will be the mainstays of the future.

However, the results of the Energy Business for this fiscal year were extremely severe as shown in the chart above due to the low petrochemical product prices which were attributable to their oversupply caused by the commencement of operation of new large-sized facilities in China, as well as sales decline in various products affected by the spread of COVID-19, the record warm winter, etc., a deterioration in petroleum product margins associated with a sharp decline in crude oil prices, and an inventory valuation loss.

- **Strengthening the competitiveness of core business (petroleum refining and marketing/petrochemical products)**

In the petroleum refining and marketing business and the petrochemical products business, we generated integration synergies of 122.5 billion yen, surpassing the target (100.0 billion yen) set forth in the First Medium-Term Management Plan, by continuing the rigorous streamlining and rationalization in each division including manufacturing, supply and purchase.

From the production aspect, we ceased the production in Muroran Plant and made it a distribution site and consolidated the organizations of Kawasaki Refinery and Kawasaki Plant for more improved operational efficiency in April 2019. We decided to terminate the refinery function of Osaka Refinery operated by Osaka International Refining Company, Limited, the joint venture with PetroChina International (Japan) Co., Ltd., around October 2020 and restructure the refinery as a business establishment for asphalt-fueled electric power generation. In addition, we are considering to change the refinery operated by Osaka International Refining Company, Limited to Chiba Refinery and continue the business cooperation with PetroChina International (Japan) Co., Ltd. Moreover, we established a limited liability partnership in Kashima Complex through joint investment with Mitsubishi Chemical Corporation and commenced various examinations with the aim of

achieving the manufacturing process efficiency improvement, production optimization and promotion of chemical recycling of waste plastics at Kashima Refinery.

From the sales aspect, we completed the integration of service station (SS) brands to the “ENEOS” brand in June 2019 in order to further improve customer convenience, and promoted various measures including the strengthening of expansion of “EneJet,” a new self-SS brand, and the introduction of “EneKey,” a key fob that works as an easy payment tool. Moreover, in contemplation of evolving Japan’s largest SS network into a “daily life platform,” we worked on the demonstration test for the business of coin laundries adjoining to SSs and commenced the demonstration test for the car sharing and delivery service in Hiroshima City.

◦ **Developing and expanding businesses that will be mainstays of the future**

In the electricity business, we launched “ENEOS Denki” in the Kansai and Chubu areas and consolidated the brands for the residential electricity retailing business into “ENEOS Denki” in the first half of this fiscal year. In addition, we expanded the supply area to include the Tohoku and Shikoku areas and promoted aggressive sales activities in the second half. As a result, we achieved a total of approximately 690,000 contracts as of the end of this fiscal year. We commenced sales of “ENEOS Denki” in the Hokuriku and Kyushu areas in April 2020 and are steadily promoting the nationwide sales activities. In addition to the business expansion in Japan, we participated in a project in Ohio, U.S., which was the first natural gas thermal power generation business in an overseas country for JXTG Group. In the gas supply business, we achieved 60,000 contracts as of the end of this fiscal year by promoting the expansion of sales of “ENEOS Toshi Gas” (city gas) in the Kanto region where there was huge demand for it. In addition, overseas, we commenced examinations toward the realization of the LNG business in Vietnam jointly with a strategic partner Vietnam National Petroleum Group.

In the meantime, as part of our mid- to long-term efforts with an eye toward the advent of a low-carbon society and a recycling-oriented society, in the hydrogen business, we operated 41 “ENEOS Hydrogen Stations” nationwide and started the construction of additional three hydrogen stations. In addition, we started examinations on the commercialization of CO2 emission-free hydrogen and participated in a research and development partnership to promote the demonstration business toward the building of an international supply chain. Moreover, in the renewable energy business, we participated in one of Taiwan’s largest offshore wind power generation projects with the aim of developing and operating highly competitive renewable energy-sourced electricity under the newly established specialized organization, and in addition, we have entered into a business and capital alliance with Renewable Japan Co., Ltd. Furthermore, we steadily pushed forward with the construction of the biomass power plant in Muroran City and commenced the commissioning with the aim of starting the full-scale operation in May 2020.

In the technology-based business, we pushed forward with the expansion of the lubricants business overseas as exemplified by the establishment and commencement of the operation of a lubricant sales company in the Philippines. In addition, in the high-performance materials business, we commenced the cooperation in the area of the carotenoid business for health food with OmniActive Health Technologies Limited, a company in India engaged in the development, manufacturing and sales of health food raw materials on a global scale.



Business of coin laundries adjoining to SSs



Business of biomass power generation in Muroran City

Oil and Natural Gas Exploration and Production Business



Results of the Oil and Natural Gas Exploration and Production (E&P) Business

Item	This fiscal year (10 th fiscal term)	Previous fiscal year (9 th fiscal term)	Change from the previous fiscal year
Revenue	133.4 billion yen	149.2 billion yen	(15.8) billion yen
Operating income	(38.8) billion yen	37.8 billion yen	(76.6) billion yen

Business Summary

As for the results of the Oil and Natural Gas Exploration and Production (E&P) Business, both revenue and operating income for this fiscal year fell below the level of the previous fiscal year due to a sharp decline of demand caused by the spread of COVID-19 and a significant decline in the crude oil and gas prices caused by the announcement of an increase in crude oil production by countries such as Saudi Arabia and Russia despite the fact that we had worked on various measures as described below. In addition, we revaluated our asset in response to the price decline, which resulted in the recording of a significant impairment loss.

- **Crude oil and natural gas production volumes**

The crude oil and natural gas production volumes for this fiscal year were 105,000 barrels of crude oil equivalent per day, the same as the previous fiscal year, due to such factors as returning the SK8 mining area in Malaysia, despite the fact that we commenced the production in the Culzean gas field and the Mariner oil field in the United Kingdom North Sea and the other field.

- **Efforts to expand production**

In Malaysia, the installation work for the floating production, storage and offloading (FPSO) system was completed in the Layang oil and gas field which had been producing natural gas since May 2017 in the SK10 mining area, and the crude oil production was commenced in the field in December 2019.

In the United Kingdom North Sea, the long-term development work such as the excavation of the production well, installation of the production platform and laying of the pipelines was completed in the Mariner oil field for which a transfer of the development was determined in 2013 and the Culzean gas field for which a transfer of the development was determined in 2015; and the production of natural gas was commenced in the Culzean gas field in June 2019 and the production of crude oil was commenced in the Mariner oil field in August 2019. The development work under the development and production projects in the Culzean gas field and the Mariner oil field had been pushed forward in cooperation with operators and other business partners as large-scale projects in the United Kingdom North Sea in recent years, and the

projects are positioned as important ones which support the production of crude oil and natural gas by JXTG Group and contribute to the generation of cash flows in the future over the long term.

In addition, in Vietnam, a five-year license extension has been granted by the government of Vietnam for our petroleum operations in the Phuong Dong oil field, where we have been producing crude oil and natural gas since 2008 and the previous license term for which was due to expire in April 2020, in recognition of our contribution through the long-term and stable operational history, etc. Crude oil and natural gas are being produced in the Rang Dong oil field as well in Block 15-2, offshore Vietnam, where the Phuong Dong oil field is located, and we expect that the business value will be further increased by proceeding with additional development at both of the fields in a unified manner.

- **Efforts in the EOR technology and CCS technology**

In the U.S., we continued to work on the project in which carbon dioxide captured from exhaust gas generated from combustion at thermal power plants were injected into an aged oil field. In this project, a cumulative total of 3,670,000 tons of carbon dioxide has been injected into the oil field since April 2017, which has been producing the effect of an increase in the crude oil production through the enhanced oil recovery (EOR) technology on top of the significant contribution to the reduction of greenhouse gas emissions. In addition, we entered into a contract research agreement concerning chemical EOR in November 2019 with the University of Texas at Austin which had been engaged in leading-edge research and development of chemical EOR utilizing surfactants, with the aim of obtaining additional knowledge and technologies related to the EOR technology and improving the crude oil recovery rate at existing oil fields.

In the meantime, we entered into a joint study agreement concerning the development of gas fields utilizing the carbon-dioxide capture and storage (CCS) technology in which carbon dioxide emitted from gas fields is captured and re-injected underground in March 2020 with Petroliam Nasional Berhad (PETRONAS), a Malaysian national oil company, together with Japan Oil, Gas and Metals National Corporation.



Culzean Gas Field Offshore Facility
(UK)



Phuong Dong Oil Field
Offshore Facility
(Vietnam)



Results of the Metals Business

Item	This fiscal year (10 th fiscal term)	Previous fiscal year (9 th fiscal term)	Change from the previous fiscal year
Revenue	1,004.4 billion yen	1,041.8 billion yen	(37.4) billion yen
Operating income	44.6 billion yen	68.2 billion yen	(23.6) billion yen
[Operating income excluding inventory valuation]	[47.9 billion yen]	[68.1 billion yen]	[(20.2) billion yen]

Business Summary

In the environment where global competition is becoming more intensified, the “JX Nippon Mining & Metals Group Long-Term Vision 2040” was formulated in June 2019 with the aim of establishing the high profitability through the expansion of technology-based businesses and contributing to the realization of sustainable society with cutting-edge materials. In the vision, each business of JX Nippon Mining & Metals Group was categorized into the “Base Business” which supported the organizational base and the “Focus Business” which served as the core of the growth strategy, with technological differentiation as the keyword, and we aimed to implement various measures corresponding to the characteristics of each category and to tirelessly create new technology-based businesses under the vision.

Although we promoted the various measures in line with the vision, the income of the Metals Business deteriorated in this fiscal year due in part to a sharp decline in the copper price out of concern over the global recession which might be caused by the spread of COVID-19.

○ Efforts in the “Base Business”

In the mineral resources business, we pushed forward with measures such as increasing the amount of processing by introducing an automatization program and implementing rigorous cost management in the Caserones Copper Mine, which resulted in the recording of profits continuing from the previous fiscal year. In addition, the operation of the Los Pelambres copper mine in Chile was also steady.

In the smelting and refining business, we rearranged the operational system for the joint venture with Mitsui Mining & Smelting Co., Ltd. and transferred Saganoseki Smelter & Refinery and Hitachi Refinery from the joint venture (Pan Pacific Copper Co., Ltd.) to a wholly-owned subsidiary of JX Nippon Mining & Metals Corporation in April 2020. This structural change has enabled us to operate these two refineries independently, and as such, we aim to further increase our competitiveness by, for example, deepening the integration with the recycling and environmental services business and optimizing the raw material mix.

○ Efforts in the “Focus Business”

We installed the demonstration test equipment which recovers battery-grade metallic salt from lithium-ion batteries for use in automobiles in Hitachi Works and commenced its operation in order to accelerate the development of technologies toward the realization of “closed-loop recycling” in which rare metals contained in the used batteries are recycled as raw materials of batteries for use in automobiles, with an eye on an increase in demand for resource recycling of lithium-ion batteries used in automobiles associated with the rapid penetration of EVs, etc. In addition, under the specialized organization established in April 2020, we will promote the development of technologies to recycle rare metals recovered from lithium-ion batteries used in automobiles and the creation of a social system.

Sales of treated rolled copper foils were sluggish in the functional materials business due mainly to the demand regulation for smartphones but sales of sputtering targets for semiconductors were robust in the thin-film materials business even in the harsh conditions supported by the broad semiconductor demand. We pushed forward with the strengthening of the production facilities for sputtering targets, treated rolled copper foils and high performance copper alloy strips for both of the businesses as we expect, and desire to tap into, the mid- to long-term demand increases associated with the advancement of IoT/AI society and the penetration of the Fifth-Generation mobile communications system (5G). In addition, with the aim of further strengthening the capacity to produce and stably supplying highly functional metal materials, we established a joint venture for melting and casting copper alloy (Muroan Copper Alloy, Co., Ltd.) with the Japan Steel Works, Ltd. in August 2019.

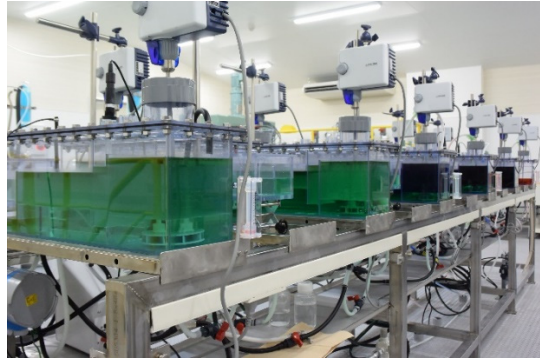
In the tantalum and niobium business, we worked to strengthen the business management system by, for example, merging H. C. Starck Tantalum and Niobium GmbH (a German company) acquired in July 2018 and its management company JX Metals Deutschland GmbH to streamline the organization and speed up the decision-making process.

In the titanium business, a joint venture for manufacturing sponge titanium in Saudi Arabia, in which Toho Titanium Co., Ltd. has made equity participation, commenced the operation of the plant and shipped the sponge titanium for the first time in January 2020. In addition, Toho Titanium Co., Ltd. decided in October 2019 to construct a new plant in Wakamatsu Plant in order to strengthen the system for supplying “ultra-fine nickel powder” to which the titanium manufacturing technology is applied, as it expected a demand increase associated with further sophistication of communication equipment, installation of electrical equipment in automobiles, penetration of 5G, etc.

In addition, we implemented an accelerator program “Innovation Challenge for the Next Generation” jointly with a French company Agorize, starting from June 2019, in order to tirelessly create new technology-based businesses to increase income from the Focus Business. Seventy-one startups from all over the world submitted their ideas in broad areas including cutting-edge materials, highly functional and multifunctional materials, and recycling technologies to the program. Going forward, we will be examining the possibility of joint development, capital alliance and various other partnerships with prize-winner companies in the program. On top of this, we made an equity participation in OxMet Technologies, a startup in the U.K. which possesses cutting-edge technologies related to alloy designing, etc. for metal 3D printers, in December 2019. In addition, we entered into the “Agreement to Promote Comprehensive Joint Research Aimed at Realization of SDGs” with Graduate School of Advanced Integrated Studies in Human Survivability (Shishu-kan), Kyoto University, in January 2020, with the aim of contributing to the identification of issues common to non-ferrous and resources industries and solution of problems on a global scale.



Smelting and refining process
(Saganoseki Smelter & Refinery)



Demonstration test equipment to recover battery-grade metallic salt from lithium-ion batteries for use in automobiles (Hitachi Works)



Results of Other Business

Item	This fiscal year (10 th fiscal term)	Previous fiscal year (9 th fiscal term)	Change from the previous fiscal year
Revenue	507.4 billion yen	527.6 billion yen	(20.2) billion yen
Operating income	41.1 billion yen	42.4 billion yen	(1.3) billion yen

(Note) Figures above indicate a total of results of the group companies which engage in such businesses as land transportation, real-estate lease and financing as well as NIPPO CORPORATION.

NIPPO CORPORATION

NIPPO CORPORATION (“NIPPO”) primarily engages in pavement, civil engineering and construction work, as well as the manufacturing and sales of asphalt mixtures. In this fiscal year, despite a robust public expenditure, the business environment of NIPPO remained unpredictable, due to factors such as increases in labor costs and material prices. Under these conditions, NIPPO endeavored to obtain orders based on its technological strength. In addition, NIPPO endeavored to secure profits by further reducing costs and increasing efficiency.

In addition, NIPPO commenced consultation with Maeda Road Construction Co., Ltd in February 2020 concerning the capital and business alliance. We intend to continue paying close attention to the development of the consultation as the two companies are engaged in the construction business (paving and civil engineering work, etc.) and the manufacturing and sales business (asphalt mixtures, etc.) throughout Japan as the common area of business and the synergies may be expected.

NIPPO received a notification dated July 30, 2019 from the Japan Fair Trade Commission (“JFTC”) stating that, even though the fact of commitment of a violation of the Japanese Antimonopoly Act pertaining to the sales price of asphalt mixtures had been recognized, the application of the surcharge reduction and exemption system had been approved and therefore the Commission would not order NIPPO to pay the surcharge. NIPPO took seriously the recognition by the JFTC of the fact that NIPPO had committed a violation of the Japanese Antimonopoly Act during the period from around March 2011 at the latest to January 27, 2015 jointly with eight other business operators, and NIPPO has passed the resolution at the board of directors’ meetings for, and has been rigorously implementing, the measures to prevent recurrence, such as the establishment of a system to monitor that no information concerning sales prices of asphalt mixtures is exchanged with other business operators and the creation and full dissemination of internal regulations and other documents concerning the compliance with the Japanese Antimonopoly Act. The Company continues to support NIPPO in these endeavors to ensure future compliance.

D. Efforts for ESG (Environmental, Social and Governance)

◦ Management that focuses on ESG

With the JXTG Group Philosophy as the basis of all of our business activities, JXTG Group maintains the JXTG Group Code of Conduct comprised of 14 items as the specific standards to be put into practice to realize our philosophy. JXTG Group engages in corporate management focused on ESG, designating the following eight priority areas for CSR activities based on the code of conduct - High Ethical Standards; Compliance; Safety and Environment; Human Rights; Human Resource Development; Health; Quality; and Social Contribution (the details are available on the Company's website.).

In this fiscal year, the Company established the ESG Strategy Development Department on April 1, 2019 to pursue sustainable growth and enhancement of corporate value through corporate management focusing on ESG, and promoted the environmental, social and governance initiatives as described from page 15.

The infographic features a teal header bar at the top. Below it, the title 'JXTG Group Philosophy' is centered in a large, bold, teal font. A teal-bordered box contains the word 'Mission' in teal. Below this, the mission statement is written in a smaller teal font. Another teal-bordered box contains the title 'Our Five Core Values' in teal. Below this, five core values are listed, each with a teal-bordered box containing a short phrase on the left and a larger teal-bordered box containing the full description on the right. The phrases are: 'As a member of the community', 'Supporting day-to-day life', and 'For a vibrant future'. The descriptions are: 'High ethical standards', 'Health, safety, and environment', 'Focus on customers', 'Taking on challenges', and 'Moving forward'.

JXTG Group Philosophy

Mission

Harnessing the Earth's power
for the common good and for the day-to-day life of each individual,
we will contribute to the development of our communities
and help to ensure a vibrant future
through creation and innovation in energy, resources, and materials.

Our Five Core Values

As a member of the community	High ethical standards Based on our core principles of integrity and fairness, we conduct all of our business activities in accordance with our high ethical standards.
Supporting day-to-day life	Health, safety, and environment We give the highest priority to health, safety and environmental initiatives, which are vital to the well-being of all living things.
For a vibrant future	Focus on customers We strive to meet the expectations and evolving needs of our valued customers and of society as a whole through the stable provision of products and services while creating new value as only we can.
	Taking on challenges Taking changes in stride, we rise to the challenge of creating new value while seeking innovative solutions for today and tomorrow.
	Moving forward Looking to the future, we continue to grow, both as individuals and as a company, through the personal and professional development of each and every employee.

- **Specific initiatives**

Environmental

JXTG Group has set “Contribute to the development of a low-carbon, recycling-oriented society” as one of the envisioned goals in the “2040 JXTG Group Long-Term Vision” (“Long-term Vision”) formulated in May 2019. To achieve the goal, JXTG Group has set the environmental targets for FY 2030, formulated the Medium-Term Environmental Management Plan, and has been promoting environment activities in line with the targets and the plan. More specifically, in order to reduce CO2 emissions along the entire supply chain, in terms of manufacturing, we are working to promote the introduction of highly efficient energy-saving facilities and optimize the operation of equipment at refineries, smelters & refineries, etc. and in terms of sales, to expand sales of environmentally friendly products. In addition, we are making rigorous efforts to recycle and segregate waste in our entire business activities with the aim of lowering the waste-to-landfill ratio. In addition, JXTG Group is working on renewable energy and hydrogen in the Energy Business, CO2-EOR projects in the Oil and Natural Gas Exploration and Production (E&P) Business, and recycling and environmental services in the Metals Business.

In May 2019, we endorsed the “Task Force on Climate-related Financial Disclosures (TCFD)” recommendations which promote the identification and disclosure of financial impacts of risks and opportunities arising from the climate change. We will strive to disclose information in a manner consistent with the purposes of the TCFD recommendations as part of the duties of a corporation committed to stable supply of energy and materials.

Social

In order to realize the Mission of “Harnessing the Earth’s power for the common good and for the day-to-day life of each individual” set forth in the JXTG Group Philosophy, JXTG Group aims to contribute to the solution of issues faced by various stakeholders inside and outside of the group by working on various measures related to safety, human rights, human resource development, health, healthy work environment, quality, supply chain management and social contribution.

In the area of human rights, JXTG Group stipulates the basic principles of the respect for human rights in the JXTG Group Code of Conduct and is promoting various initiatives such as conducting human rights training, the provision of e-learning with the theme of prevention of harassment and the operation of a consultation desk. During this fiscal year, each group company worked on activities to promote awareness of human rights corresponding to their business characteristics, and conducted human rights due diligence and a JXTG Group Awareness Survey for all officers and employees.

In addition, in the area of social contribution, with the aim of building a relationship of trust with local communities and supporting the nurturing of the next generation, we have been working on activities related to the JXTG Children’s Story Award, the JXTG Children’s Culture Award and JXTG Music Awards on a continuous basis and sponsoring various events of the communities in Japan and overseas where we operate.

Governance

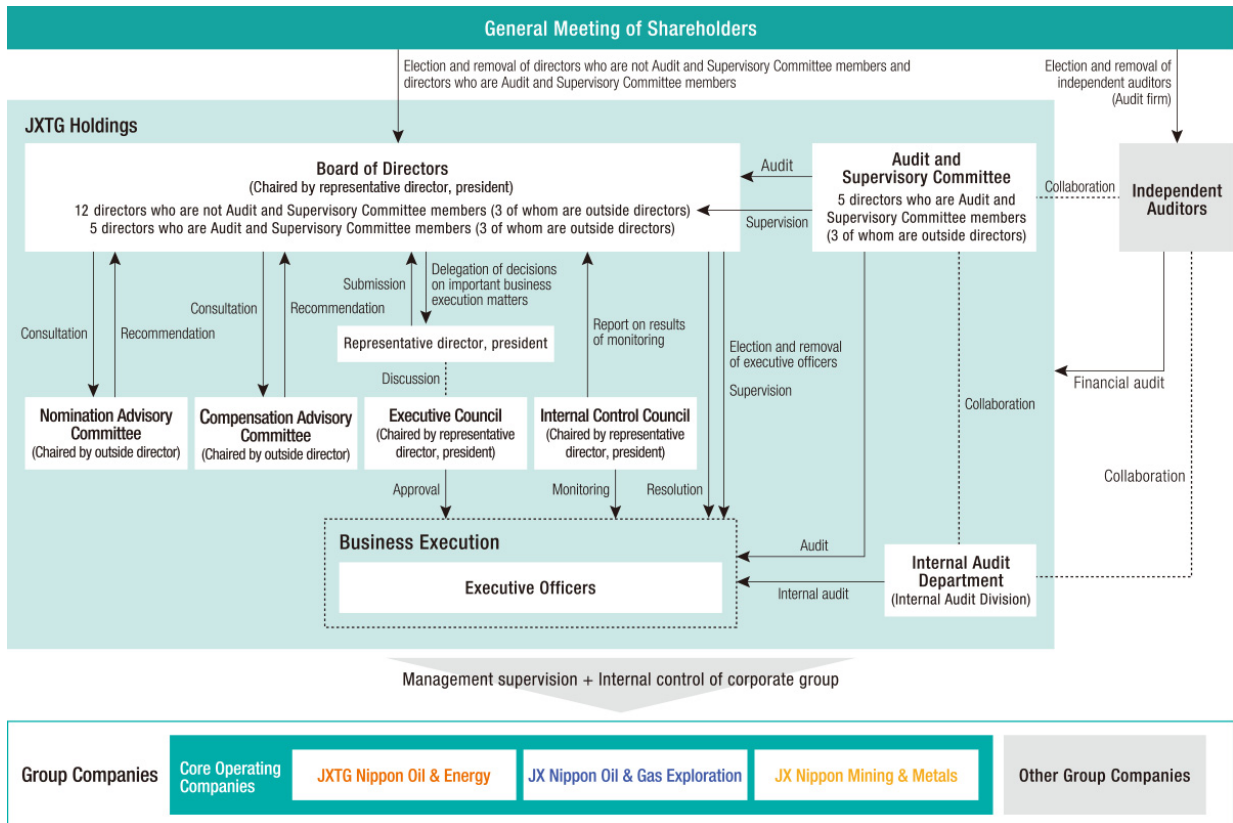
JXTG Group is striving to strengthen the corporate governance and promote compliance and working to increase corporate value through highly transparent management and fair business activities.

During this fiscal year, with the Long-Term Vision in mind, we worked to speed up the decision-making and business execution processes even further, and in order to respond to the ever-changing business environment, in November 2019, we decided to change the group operation system (please refer to page 21 for more details of the changes to the group operation system.).

In addition, the Board of Directors conducted a questionnaire survey for all directors during the period from November 2019 to January 2020 to evaluate the effectiveness of the Board of Directors. As a result,

the Board gave high marks to the facts that we allocated a large amount of time on discussions on the Long-Term Vision and the Second Medium-Term Management Plan and provided earlier advance explanations to outside directors based on the evaluation of the effectiveness in the previous fiscal year. On the other hand, the Board raised some issues for further improvement such as the strengthening of the supervisory function of the Board of Directors and the separation of execution of business and supervision, and we are committed to continuing to work for the remediation.

[Reference] JXTG Group Corporate Governance Framework (As of March 31, 2020)



◦ **ESG briefing session**

In December 2019, the Company invited analysts and institutional investors and held a briefing session specialized in ESG-related matters as the first attempt of its kind. In the briefing session, the Company provided explanations on such matters as that the Company positioned ESG at the core of management and that the Company had been planning and executing business strategies in light of future social issues, and had an active discussion with participants. We will continue providing information on ESG management at JXTG Group proactively.



◦ **Recognition by third parties**

We received recognition by third parties of our efforts for ESG as shown in the table below. <As of March 31, 2020>

Item	Evaluator	Characteristics
FTSE4 Good Index Series	FTSE Russell	The FTSE4 Good Index Series, which is determined by environmental, social and governance (ESG) practices in accordance with FTSE Russell’s independent assessment criteria, is used as a benchmark for sustainable investment by ESG-focused investors.
FTSE Blossom Japan Index	FTSE Russell	The FTSE Blossom Japan Index evaluates the ESG initiatives of Japanese companies. The Government Pension Investment Fund (GPIF) of Japan has selected this index as one of its ESG investment benchmarks.
MSCI Japan Empowering Women Index (WIN)	MSCI	The MSCI Japan Empowering Women Index (WIN) evaluates initiatives of Japanese companies for attracting, retaining and promoting women, as well as advancing gender diversity. The Government Pension Investment Fund (GPIF) of Japan has selected this index as one of its ESG investment benchmarks.
The MSCI Japan ESG Select Leaders Index	MSCI	The MSCI Japan ESG Select Leaders Index is designed to target Japanese companies that have high ESG performance. The Government Pension Investment Fund (GPIF) of Japan has selected this index as one of its ESG investment benchmarks.
SNAM Sustainability Index	SNAM	Approximately 300 companies which excel in ESG are selected each year and used for “SNAM Sustainable Asset Management” in which Sompo Japan Nipponkoa Asset Management Co., Ltd. manages assets for pension funds and institutional investors.
2019 Competitive IT Strategy Company Stock Selection	The Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE)	The Competitive IT Strategy Company Stock Selection selects TSE-listed companies that proactively engage in efforts for IT utilization to create new values and improve management innovations, earnings and productivity.

Item	Evaluator	Characteristics
2020 Health & Productivity Stock Selection Program	METI and TSE	The 2020 Health & Productivity Stock Selection Program selects in principle one TSE-listed company per industry that considers the employees' health management from a management perspective and is strategically engaged in it.

(Note) Sompo Japan Nipponkoa Asset Management Co., Ltd. changed its name to Sompo Asset Management Co., Ltd. on April 1, 2020.

(3) Results of the First Medium-Term Management Plan (FY 2017 to FY 2019)

The Company has positioned the First Medium-Term Management Plan as an “execution plan for a drastic transformation” and set “Enhancing profitability of core business,” “Focusing on cash flows and capital efficiency” and “Strengthening business foundation” as the Basic Policy and worked on various measures accordingly. Major initiatives undertaken for each business under the First Medium-Term Management Plan are as follows:

	Energy	Oil and natural gas E&P	Metals
Enhancing profitability of core business	<ul style="list-style-type: none"> Maximizing integration synergies Integration to the “ENEOS” brand New role for Muroran Plant as a distribution site, decision to halt Osaka refinery function, etc. 	<ul style="list-style-type: none"> Starting production at projects in Malaysia, Abu Dhabi, U.K. 	<ul style="list-style-type: none"> Improving profitability of Caserones Copper Mine Expanding production capacity of electronic materials such as treated rolled copper foils
Focusing on cash flows and capital efficiency	<ul style="list-style-type: none"> Strengthening the electricity and gas businesses including the renewable energy business Sale of the cell culture material business 	<ul style="list-style-type: none"> Disposal of our interest in oil sands project of Canada 	<ul style="list-style-type: none"> Acquisition of tantalum and niobium business Optimizing copper mine interests
Strengthening business foundation	<ul style="list-style-type: none"> Promoting the enterprise resource planning system (ERP) adoption project, internal control based on global standards and ESG management Transition to a Company with an Audit and Supervisory Committee Announcement of Group Operational Structure and name change to ENEOS Group in June 2020 		

In addition to these initiatives, we formulated the Long-Term Vision as a long-term guideline for the business portfolio of JXTG Group, which was announced in May 2019. In the Long-Term Vision, JXTG Group has set “Become one of the most prominent and internationally-competitive energy and materials company groups in Asia,” “Create value by transforming our current business structure” and “Contribute to the development of a low-carbon, recycling-oriented society” as “our envisioned goals” to be achieved in 2040 (the details of the Long-Term Vision are available on the Company’s website.).

As for the results for this fiscal year, the final year of the First Medium-Term Management Plan, although we failed to achieve the targets for operating income (excluding inventory valuation) and ROE due to reasons described in page 5, we achieved the targets for cumulative free cash flows for three years and the net D/E ratio for this fiscal year, and established a certain level of financial foundation.

	Management Targets	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Operating income (excluding inventory valuation)	FY 2017 350.0 billion yen FY 2018 400.0 billion yen FY 2019 500.0 billion yen	372.6 billion yen	515.7 billion yen	96.7 billion yen
Free cash flow	500.0 billion yen (cumulative amount in FY 2017 - FY 2019)	828.7 billion yen (cumulative amount in FY 2017 - FY 2019)*		
Net D/E ratio	FY 2019: 0.7 times or lower (capital total basis)	0.62 times	0.59 times	0.70 times
ROE	FY 2019: 10.0% or more	15.2%	12.3%	(7.5)%

*Excluding adoption of IFRS 16 "Leases"

Going forward, the Company is committed to working to realize "our envisioned goals" set in the Long-Term Vision using the financial base established through the execution of the First Medium-Term Management Plan as the foundation, taking into consideration the long-term global trends which were analyzed at the time of the formulation of the Long-Term Vision and the scenario in 2040. As the first step toward the realization, we will implement the "Changes to the Group Operation System and Trade Name" as described in page 21 and execute the Second Medium-Term Management Plan as described from page 22.

(4) Changes to the Group Operation System and Trade Name

A. Changes to the Group Operation System

JXTG Group needs to respond to the ever-changing business environment by speeding up the decision-making and business execution processes more than ever before in order to realize “our envisioned goals” set in the Long-Term Vision. To that end, the Company decided to proceed with a fundamental structural reform and, starting from June 25, 2020, change its system from the current one in which three core operating companies are held under the pure holding company to the operational system in which management of JXTG Nippon Oil & Energy Corporation, the most important company in the group, and the Company is substantially integrated.

More specifically, while the legal personality of the Company and JXTG Nippon Oil & Energy Corporation is to be retained respectively, the directors and officers will serve for both of the companies to the extent possible, and the decision-making body will be consolidated for the two companies to substantially operate as a single operating holding company. On the other hand, while the positioning of JX Nippon Oil & Gas Exploration Corporation and JX Nippon Mining & Metals Corporation as important operating companies playing a part in JXTG Group has not changed, we will adopt a system for the execution of business in which significant delegation of authority is to be promoted under the management policy established by the Company and the autonomy, agility and independence are heightened according to the business characteristics of the respective companies.

B. Changes to the Trade Name

The Company decided and announced its policy to change the trade name of the Company to “ENEOS Holdings, Inc.” and that of JXTG Nippon Oil & Energy Corporation to “ENEOS Corporation” following the change to the group operation system (the change to the trade name of the Company will be determined upon approval of Proposal 2 “Partial Amendment to the Articles of Incorporation” at the 10th ordinary general meeting of shareholders.).

“ENEOS” was born in 2001 as a new SS brand. Since then, it has gone through brand integrations and the expansion of the area of the Energy Business, and at present, the brand is broadly recognized nationwide through approximately 13,000 “ENEOS Service Stations,” “ENEOS Denki,” “ENEOS Toshi Gas,” etc. By using this brand name in the trade name and the group name of the Company and the Energy Business group companies, we will be able to draw on the high public recognition and trustworthiness, promote development of growth businesses and create new businesses, and whereby we will aim to realize the growth and development to “Become one of the most prominent and internationally-competitive energy and materials company groups in Asia” and transform “ENEOS” into a global brand.



Logo of the “ENEOS” brand

(5) Matters the Company Should Address

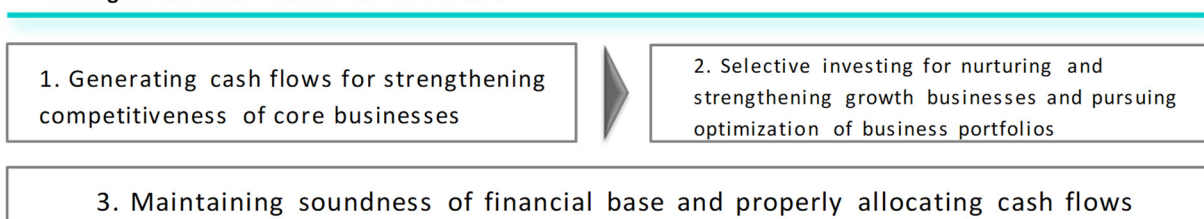
Taking a view of the future business environment, it is difficult to foresee the impact of the spread of COVID-19 on the real global economy, and there is a concern over a sharp drop of demand for petroleum and petrochemical products in Japan and Asia associated with the prolonged stagnation of economic activities.

It is likely that crude oil and copper prices remain low on the back of the global economic downturn following the spread of COVID-19, and the outlook of the crude oil price in particular is uncertain due not only to the demand declining on a global scale but also to the fact that the price will be highly dependent on the developments related to the production by oil-producing countries such as the U.S., Saudi Arabia and Russia.

Under such challenging circumstances, JXTG Group promotes the fundamental structural reform through the change to the group operation system and responds to the current uncertainty in a flexible manner. On the other hand, JXTG Group also needs to work on measures from a long-term perspective with an eye on the advent of a low-carbon society and a recycling-oriented society, development of the digital revolution and changes in lifestyles. Accordingly, it is our urgent task to take on challenges of further increasing the competitiveness of the base businesses which allow us to continue fulfilling our mission of stable supply and developing and strengthening new growth businesses aiming for sustainably increasing corporate value.

JXTG Group has formulated the Second Medium-Term Management Plan taking these tasks into consideration. The Basic Policy of and the financial plan under the Second Medium-Term Management Plan are as described below.

■ Striking a good balance between the business strategies for the Long-Term Vision and management that focuses on cash flows



■ Strengthening business foundation

- Strengthening effectiveness of corporate governance
(Enhancing business execution system for speedy management, monitoring system by the Board of Directors, etc.)
- Strengthening of system infrastructure
(Obtaining benefits of the enterprise resource planning system (ERP) adoption, strengthening security, supporting diverse work styles leveraging IT tools)
- Implementation of measures to human resource development and retaining
- Promoting constructive dialogue with stakeholders

Management indicators

Operating income (excluding inventory valuation)	(cumulative amount in FY 2020 - FY -22) 970.0 billion yen
Free cash flow*	(cumulative amount in FY 2020 - FY -22) 150.0 billion yen
Net D/E ratio	0.8 times or lower (capital total basis)
ROE	10% or more

* After payment of lease liabilities

Cash Flow Plan (¥billion)

Sales of assets 150.0	Working funds/ Income taxes, etc. 320.0	Total capital investment 1,500.0 billion yen
Operating income (excluding inventory valuation) 970.0	For maintaining businesses 470.0	
Depreciation 850.0	Upstream business 200.0	
	Strategic investment 830.0	
	Free cash flow 150.0	

JXTG Group will work on various measures with the Basic Policy of “striking a good balance between the business strategies for the Long-Term Vision and management that focuses on cash flows” and “strengthening business foundation.” In addition, as the financial strategies, we plan to generate cash through the “maximization of the cash flows from the base businesses,” “sales of assets” and “utilization of the financial leverage” and allocate it to “strategic investment in the growth businesses” and “shareholder returns.”

We are planning to make the strategic investment of 830.0 billion yen, which largely exceeds the amount in the First Medium-Term Management Plan. In order for JXTG Group to remain a corporate group needed by society even after the realization of the anticipated long-term global trends and the scenario in 2040 in the future, it is essential for us to make strategic investment under rigorous investment management starting from fiscal year 2020.

The Company also considers returning its profits to shareholders as a significant management task, and will therefore make efforts to continue stable distribution of dividends on the basis of implementing profit returns that reflect results and projections for consolidated results over the medium-term. The concept for the shareholder returns during the period of the Second Medium-Term Management Plan is as shown in the table below.

[Dividends] Dividend level that does not fall below the current level	[3-year cumulative total return ratio] 50% or more of profit excluding inventory valuation
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In addition to the foregoing, the direction of and the approach to “ESG management,” “business strategies,” “open innovation,” “path to the digital transformation,” “human resource development and retaining,” “capital investment plan,” etc. are provided in the Second Medium-Term Management Plan and the holistic view of the plan including the foregoing is posted on the Company’s website.

Major initiatives undertaken for each business are as follows:

- **Base businesses (petroleum refining and marketing, oil and natural gas exploration and production (E&P), and copper resources development/smelting and refining)**

We will increase the international competitiveness for the base businesses by actively introducing digital and other new technologies and building optimal production systems while securing safety and stable supply. We will strive to reform the supply chain in the petroleum refining and marketing business, maximize value of the existing assets and strengthen the competitiveness in the oil and natural gas exploration and production (E&P) business, continue the stable operation of the Caserones Copper Mine, reorganize the copper smelting and refining business, and operate it with the recycling business in a unified manner, in the copper resources development/smelting and refining businesses. In addition, it is our policy to focus on the automatic and remote operations of equipment utilizing digital technologies as these are directly linked to the increase of competitiveness.

Cash generated from the base businesses will be invested in the growth businesses described below to promote their development.

- **Growth businesses**

Petrochemical

In the petrochemical business, we aim to increase the competitiveness and profitability by promoting the introduction of chemical refineries and entering the area of derivatives where the Group has strengths. We will formulate concrete measures to increase the chemical ratios at Kawasaki, Kashima, Mizushima and Oita Complexes and promote the enhancement of the manufacturing capacity to increase income from products having technological advantages such as hydrogenated petroleum resin (for use as adhesive for disposable diapers), ENB (for use as synthetic rubber additive for automobile parts) and wire insulation materials (for use in high-voltage and ultrahigh-voltage special wires).

Materials

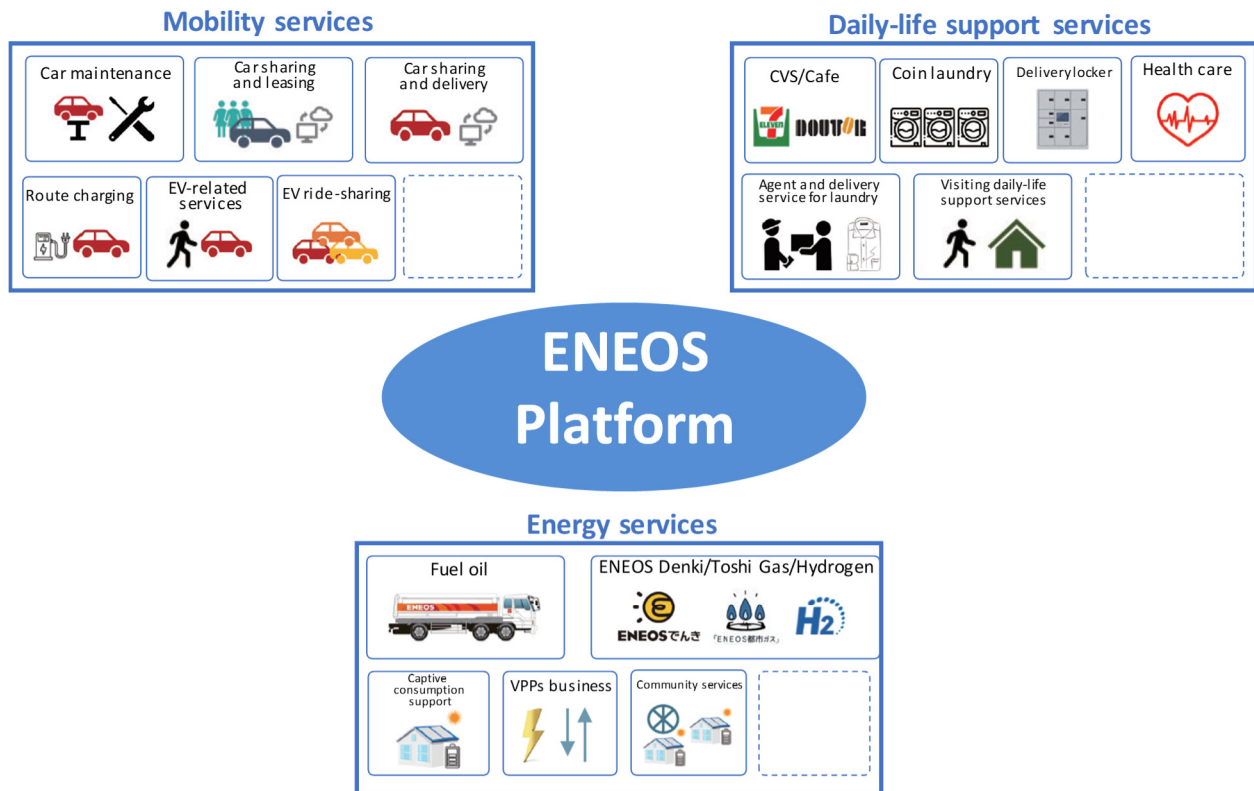
In the materials business including electronic materials, we aim to continue supplying materials needed by society in a timely manner by capturing the needs for cutting-edge materials in the areas of communication and digital, mobility, health care equipment and next generation batteries so that we can contribute to the advancement of society through the supply of materials for highly-functional and high added-value products. First, we will tap into the demand increase following the penetration of 5G-compatible devices and the recovery of the memory field without fail and promote higher functionality and added value through product improvement. On top of this, we will proactively utilize M&As, open innovation, etc. and identify and develop businesses which may be the “next pillars.”

Next-generation energy supply and community services

In the next-generation energy supply and community service businesses, we aim to operate services which utilize the SS network and distributed energy resources in each area of mobility services, daily-life support and energy services, and in addition, build the “ENEOS Platform” by linking the foregoing and provide highly convenient services desired by customers through apps, etc.

More specifically, in the mobility service area, we will push forward with the building of car-sharing business models, operation of the car lease business utilizing the customer touchpoint of SSs, consideration of the EV route charging service, etc. In addition, in the daily-life support area, we will build new business models based on alliances or collaborative relationships, and consider and expand services which draw on the high public recognition of the ENEOS brand and the community-based relationship of dealers. In the

meantime, in the energy service area, we will work to expand the customer base through the sales of “ENEOS Denki” nationwide, and build an optimal energy resource portfolio by promoting the Goi Gas Thermal Power Generation Project which uses LNG with low environmental load as fuel and enhancing the renewable energy business in Japan and overseas. In addition, as energy services which effectively utilize assets held by JXTG Group, we will work on the demonstration of the captive consumption support business (roof rental for solar power generation) and virtual power plants (VPPs) utilizing distributed energy resources. Furthermore, we will examine the feasibility of CO2 emission-free hydrogen which is greatly anticipated as a low-carbon energy supply source through participation in various projects.



ENEOS Platform will be built through data integration, databases, apps, etc. to provide highly convenient services that meet customers needs

Environmentally friendly business

In the environmentally friendly business, we aim to contribute to forming a recycling-oriented society by promoting not only recycling of waste plastics and metals utilizing refineries, smelters & refineries but also recycling of lithium-ion batteries for use in automobiles. More specifically, we will push forward with demonstration tests for petrochemical recycling of waste plastics utilizing refinery facilities and the consideration of commercialization of recycling of rare metals contained in lithium-ion batteries for use in automobiles for which the needs are growing following the penetration of EVs. In addition, we will promote the building of the “lease, reuse and recycling” cyclic model for batteries for EV buses in cooperation with BYD Japan Co. Ltd., the Japanese subsidiary of BYD Company Limited in China.

In the meantime, in the petroleum development area, we aim to contribute to forming a low-carbon society globally by applying environmental technologies mainly in Southeast Asian countries where we have knowledge. Moreover, in addition to the CCS technology in which carbon dioxide is captured and stored, we will work on the carbon-dioxide capture, utilization and storage (CCUS) technology in which the crude oil recovery rate is increased by injecting carbon dioxide into oil and gas fields. By utilizing the CCUS technologies accumulated through the CO₂-EOR business in the U.S., we will conduct the business feasibility evaluation in cooperation with state-owned petroleum companies and other strategic partners.

Going forward, JXTG Group will swiftly and steadily implement various measures in line with the Second Medium-Term Management Plan aiming for the growth and development to “Become one of the most prominent and internationally-competitive energy and materials company groups in Asia,” strive to increase shareholder returns and further strengthen the ESG-related efforts through our business activities. By realizing the foregoing, we are committed to achieving a sustainable increase in corporate value.

We greatly appreciate your continued support as a shareholder.

(6) Financing

The Company primarily procures the long-term funds for the business of each company in JXTG Group. During this fiscal year, the Company procured 40 billion yen through long-term loans.

(7) Capital Investment

Business Segment and Category	Capital Investment Amount (100 million yen)	Main Investment
Energy Business	1,831	Refinery and plant facility work; service station construction and reconstruction work
Oil and Natural Gas E&P Business	568	Oil and gas field exploration and development
Metals Business	537	Copper mines, offices, smelters & refineries, and plant facilities construction work
Other Business	159	Asphalt mixture plant manufacturing facility renewal
Total	3,095	-
(Adjustments)	((51))	-
Consolidated Total	3,044	-

(8) Acquisition or Disposition of Shares, etc. of Other Companies

◦ Acquisition of shares in Shinko Plantech Co., Ltd. (RAIZNEXT Corporation)

Following the merger of JX Engineering Corporation, a subsidiary of the Company, and Shinko Plantech Co., Ltd., with the former being the company disappearing in the absorption-type merger, the Company and NIPPO CORPORATION acquired shares in Shinko Plantech Co., Ltd. in the number of 7,941,072 shares (the Company: 5,558,640 shares; NIPPO CORPORATION: 2,382,432 shares) on July 1, 2019. As a result, the total shareholding ratio in Shinko Plantech Co., Ltd. of the Company and NIPPO CORPORATION increased from 16.4% to 28.6%. Shinko Plantech Co., Ltd. changed its trade name to RAIZNEXT Corporation as of the same date.

◦ Acquisition of shares in JX Metals Smelting Co., Ltd. and transfer of shares in Hibi Smelting Co., Ltd.

Following the reorganization of the operation system of the joint copper business with Mitsui Mining & Smelting Co., Ltd. aimed at increasing the competitiveness of the copper smelting and refining function, JX Nippon Mining & Metals Corporation acquired 32.2% of the shares of JX Metals Smelting Co., Ltd. (operating company of Saganoseki Smelter & Refinery and Hitachi Refinery) from Mitsui Mining & Smelting Co., Ltd. through a share exchange and transferred 67.8% of the shares of Hibi Smelting Co., Ltd. (investing company of the operating company of Tamano Smelter) to Mitsui Mining & Smelting Co., Ltd. on April 1, 2020.

(9) Financial Position and Operating Results

◦ Financial Position and Operating Results based on International Financial Reporting Standards (IFRS)

Item	Consolidated Fiscal Year	FY2016 (7th fiscal term)	FY2017 (8th fiscal term)	FY2018 (9th fiscal term)	FY2019 (10th fiscal term, the current fiscal term)
Revenue	(100 million yen)	70,251	103,011	111,296	100,118
Operating income	(100 million yen)	2,711	4,875	5,371	(1,131)
Profit attributable to owners of parent	(100 million yen)	1,500	3,619	3,223	(1,879)
Basic profit per share		60.33 yen	105.92 yen	95.36 yen	(57.86) yen
Total assets	(100 million yen)	67,929	84,576	84,778	80,113
Total equity	(100 million yen)	21,403	29,200	31,198	27,079

(Note) Figures for the 7th fiscal term are provided for reference only.

◦ Financial Position and Operating Results based on Japanese Accounting Standards

Item	Consolidated Fiscal Year	FY2016 (7th fiscal term)
Net sales	(100 million yen)	81,360
Ordinary income	(100 million yen)	3,336
Profit attributable to owners of parent	(100 million yen)	1,601
Net income per share		64.38 yen
Total assets	(100 million yen)	66,586
Net assets	(100 million yen)	20,417

(10) Material Subsidiaries

The Company has 517 subsidiaries and 172 subsidiaries and affiliates accounted for using the equity method as of March 31, 2020. Material subsidiaries are set forth below.

Business Segment	Company Name	Capital (100 million yen)	Voting Rights Ratio (%)	Details of Major Business Activities
Energy Business	JXTG Nippon Oil & Energy Corporation	300	100	<ul style="list-style-type: none"> • Manufacturing and marketing petroleum products (e.g. gasoline, kerosene, and lubricant, etc.) • Manufacturing and sales of petrochemical products and high-performance materials • Supply of electricity, gas and hydrogen • Development and operation of renewable energy power source
Oil and Natural Gas E&P Business	JX Nippon Oil & Gas Exploration Corporation	1,098	100	<ul style="list-style-type: none"> • Exploring, developing, and producing oil and natural gas
Metals Business	JX Nippon Mining & Metals Corporation	750	100	<ul style="list-style-type: none"> • Exploring and developing non-ferrous metal resources (e.g. copper and gold) • Smelting, refining and marketing non-ferrous metal products (e.g. copper, gold, silver, rare metals) • Manufacturing and marketing electro-deposited copper foils and treated rolled copper foils • Manufacturing and marketing thin-film materials (e.g. sputtering targets, surface treatment agents and compound semiconductor materials) • Manufacturing and marketing precision rolled products and precision-fabricated products • Recycling of non-ferrous metal materials and treatment of industrial waste
	Pan Pacific Copper Co., Ltd.	557	67.8	<ul style="list-style-type: none"> • Exploring and developing non-ferrous metal resources (e.g. copper and gold) • Smelting, refining and marketing non-ferrous metal products (e.g. copper, gold and silver)
	Toho Titanium Co., Ltd.	120	50.4	<ul style="list-style-type: none"> • Manufacturing, processing, and marketing titanium metals
Other Business	NIPPO CORPORATION	153	57.0	<ul style="list-style-type: none"> • Civil engineering work, including roadwork and pavement construction • Construction work

(Notes) 1. The voting rights ratios in the columns for Pan Pacific Copper Co., Ltd. and Toho Titanium Co., Ltd. are the ratios of the voting rights held by JX Nippon Mining & Metals Corporation, which invested in the two companies.

2. JX Nippon Oil & Gas Exploration Corporation increased its capital from 9.8 billion yen to 109.8 billion yen on March 30, 2020.
3. Pan Pacific Copper Co., Ltd. decreased its capital from 105.7 billion yen to 55.7 billion yen on March 31, 2020.
4. The status of specified wholly-owned subsidiaries as of March 31, 2020 is as follows.
Name of the specified wholly-owned subsidiary: JXTG Nippon Oil & Energy Corporation
Address of the specified wholly-owned subsidiary: 1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
Book value of shares of the specified wholly-owned subsidiary: 1,397,931 million yen
The amount of total assets of the Company: 3,989,250 million yen
5. Following the reorganization of the operation system of the joint copper business between JX Nippon Mining & Metals Corporation and Mitsui Mining & Smelting Co., Ltd., Pan Pacific Copper Co., Ltd. transferred the smelting and refining function to JX Metals Smelting Co., Ltd. and Hibi Smelting Co., Ltd., and the Caserones Copper Mine business to Nippon Caserones Resources Co., Ltd., respectively, on April 1, 2020.

(11) Main Business Offices and Plants (as of March 31, 2020)

◦ JXTG Holdings, Inc.

Head Office	1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
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◦ Energy Business

<JXTG Nippon Oil & Energy Corporation>

Head Office	1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	
Laboratory	Central Technical Research Laboratory (Yokohama City)	
Refineries and Plants	Sendai Refinery (Sendai City)	Kashima Refinery (Kamisu City)
	Chiba Refinery (Ichihara City)	Kawasaki Refinery (Kawasaki City)
Refineries and Plants	Negishi Refinery (Yokohama City)	Sakai Refinery (Sakai City)
	Osaka Refinery (Takaishi City)	Wakayama Refinery (Arida City)
Refineries and Plants	Mizushima Refinery (Kurashiki City)	Marifu Refinery (Waki-cho, Kuga-gun, Yamaguchi)
	Oita Refinery (Oita City)	Yamaguchi
Refineries and Plants	Yokohama Plant (Yokohama City)	Chita Plant (Chita City)
	Hokkaido (Sapporo City)	Tohoku (Sendai City)
Branch Offices	Kanto 1 (Chuo-ku, Tokyo)	Kanto 2 (Chuo-ku, Tokyo)
	Kanto 3 (Minato-ku, Tokyo)	Tokyo (Chuo-ku, Tokyo)
Branch Offices	Chubu (Nagoya City)	Osaka 1 (Osaka City)
	Osaka 2 (Osaka City)	Chugoku (Hiroshima City)
Branch Offices	Kyushu (Fukuoka City)	Okinawa (Naha City)
	South Korea (Seoul)	China (Beijing, Shanghai and others)
Overseas Operating Sites	Taiwan (Taipei and Kaohsiung)	Australia (Sydney)
	Vietnam (Hanoi, Hai Phong and others)	Thailand (Bangkok)
Overseas Operating Sites	Singapore (Singapore)	Indonesia (Jakarta and West Java)
	Philippines (Manila)	Malaysia (Kuala Lumpur)
Overseas Operating Sites	India (Gurgaon)	U.S. (New York, Chicago and others)
	Canada (Vancouver)	Mexico (Mexico City)
Overseas Operating Sites	Brazil (Sao Paulo)	France (Aix-en-Provence)
	Netherlands (Amsterdam)	U.K. (London)
Overseas Operating Sites	Russia (Moscow)	United Arab Emirates (Abu Dhabi and Dubai)
	South Africa (Johannesburg)	Dubai

- (Notes) 1. The information above includes the operating sites of JXTG Nippon Oil & Energy Corporation's group companies.
2. JXTG Nippon Oil & Energy Corporation restructured the Muroran Plant into a distribution site (shipping base) for petroleum products on April 1, 2019.
3. JXTG Nippon Oil & Energy Corporation consolidated Kawasaki Refinery and Kawasaki Plant into Kawasaki Refinery on April 1, 2019.
4. JXTG Nippon Oil & Energy Corporation closed its office in Johannesburg, South Africa, as of April 30, 2020.

◦ Oil and Natural Gas Exploration and Production (E&P) Business

<JX Nippon Oil & Gas Exploration Corporation>

Head Office	1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	
Field Office	Nakajo Field Office (Tainai City)	
Overseas Operating Sites (Offices)	Australia (Brisbane)	Vietnam (Ho Chi Minh and Vung Tau)
	Indonesia (Jakarta)	Malaysia (Kuala Lumpur)
Overseas Operating Sites (Offices)	U.S. (Houston)	U.K. (London)
	United Arab Emirates (Abu Dhabi)	

- (Notes) 1. The information above includes the operating sites of JX Nippon Oil & Gas Exploration Corporation's group companies.
 2. JX Nippon Oil & Gas Exploration Corporation closed its mining station in Miri, Malaysia, as of December 31, 2019.

○ **Metals Business**

<JX Nippon Mining & Metals Corporation>

Head Office	1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	
Laboratory	Technology Development Center (Hitachi City)	
Offices, Smelters and Refineries, Works and Plants	< Copper Smelting and Refining > Saganoseki Smelter & Refinery Hitachi Refinery (Hitachi City) (Oita City) Tamano Smelter (Tamano City)	
	< Recycling & Environmental Services > Hitachi Works (Hitachi City) Tsuruga Plant (Tsuruga City)	
	< Functional materials and Thin Film materials > Hitachi Works (Hitachi City) Kurami Works (Samukawa-machi, Koza-gun, Kanagawa) Isohara Works (Kitaibaraki City) Makegawa Works (Makegawa City)	
	< Tantalum and niobium > Mito Plant (Hitachiomiya City)	
Overseas Operating Sites	South Korea (Ulsan and Pyeongtaek) Taiwan (Longtan, Guanyin, etc.) Singapore (Singapore) Malaysia (Johor) Chile (Santiago, Caserones and others) U.K. (London)	China (Suzhou, Shanghai and others) Thailand (Map Ta Phut) Philippines (Laguna) U.S. (Arizona and Massachusetts) Peru (Lima and Quechua) Germany (Frankfurt, Goslar and others)
Offices, Works and Mines		

- (Notes) 1. The information above includes the operating sites of JX Nippon Mining & Metals Corporation's group companies.
 2. Following the reorganization of the operation system of the joint copper business with Mitsui Mining & Smelting Co., Ltd., JX Nippon Mining & Metals Corporation transferred Tamano Smelter in Tamano City to the Mitsui Mining & Smelting Group on April 1, 2020.

< Toho Titanium Co., Ltd. >

Head Office	3-5, Chigasaki 3-chome, Chigasaki City, Kanagawa	
Plants	Chigasaki Plant (Chigasaki City) Yahata Plant (Kitakyushu City) Kurobe Plant (Kurobe City)	Wakamatsu Plant (Kitakyushu City) Hitachi Plant (Hitachi City)

○ **Other Business**

<NIPPO CORPORATION >

Head Office	19-11, Kyobashi 1-chome, Chuo-ku, Tokyo	
Laboratory	NIPPO Technical Center, Technical Research Center (Saitama City)	
Branch Offices	Hokkaido (Sapporo City) Kanto Daiichi (Shinjuku-ku, Tokyo) Hoku-shinetsu (Niigata City) Kansai (Osaka City) Chugoku (Hiroshima City) Kanto Architectural (Shinagawa-ku, Tokyo)	Tohoku (Sendai City) Kanto Daini (Shinagawa-ku, Tokyo) Chubu (Nagoya City) Shikoku (Takamatsu City) Kyushu (Fukuoka City)

(12) Employees (as of March 31, 2020)

Business Segment and Category	Number of Employees	
The Company (JXTG Holdings, Inc.)	104	[0]
Energy Business	22,407	[13,169]
Oil and Natural Gas E&P Business	715	[54]
Metals Business	9,747	[392]
Other Business	8,010	[761]
Total	40,983	[14,376]

- (Notes) 1. The figures above include the number of employees for the Company as well as its subsidiaries.
2. The numbers in brackets indicate the number of temporary employees (the number of employees excluded from the non-bracketed number, the annual average number of employees).
3. Among the employees assigned to joint departments of JXTG Holdings, Inc. and JXTG Nippon Oil & Energy Corporation, those employees dispatched from JX Nippon Mining & Metals Corporation are counted in the number of employees of the Company, but other employees are included in the number of employees in Energy Business.

(13) Main Lenders and Loans Payable (as of March 31, 2020)

Lender	Balance of Loans Payable (100 million yen)
Mizuho Bank, Ltd.	2,904
The Japan Oil, Gas and Metals National Corporation	2,808
MUFG Bank, Ltd.	2,252
Sumitomo Mitsui Banking Corporation	1,762
Japan Bank for International Cooperation	1,713

2. Matters Concerning Shares (as of March 31, 2020)

◦ **Total number of authorized shares issuable by the Company** 8,000,000,000 shares

◦ **Total number of issued shares** 3,230,282,649 shares

(Note) Total number of issued shares decreased by 155,711,000 shares from the end of previous fiscal year because the Company canceled 55,711,000 treasury shares on July 9, 2019 in accordance with the Board of Directors' resolution on that day, and 100,000,000 treasury shares on November 8, 2019 in accordance with the Board of Directors' resolution on that day.

◦ **Number of shareholders:** 237,257 shareholders

◦ **Large shareholders (top ten (10))**

Shareholders' Names	Number of Shares Held (thousand shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	244,666	7.59
Japan Trustee Services Bank, Ltd. (Trust Account)	203,002	6.29
Japan Trustee Services Bank, Ltd. (Trust Account 9)	82,896	2.57
Japan Trustee Services Bank, Ltd. (Trust Account 7)	73,590	2.28
National Mutual Insurance Federation of Agricultural Cooperatives	71,398	2.21
Japan Trustee Services Bank, Ltd. (Trust Account 5)	61,281	1.90
SMBC Nikko Securities Inc.	59,321	1.84
JP MORGAN CHASE BANK 385151	52,551	1.63
STATE STREET BANK WEST CLIENT - TREATY 505234	48,480	1.50
STATE STREET BANK AND TRUST COMPANY 505001	40,127	1.24

(Note) Shareholding ratio is calculated excluding treasury shares (7,267,136 shares) from the total number of issued shares. Shares related to share remuneration (1,460,307 shares), which were purchased through a trust established by the Company, are not included in the treasury shares.

◦ **Other material matters concerning shares:**

The Company acquired treasury shares as follows, based on the progress of achieving management targets, etc.

- (i) The Company acquired 55,711,000 shares as treasury shares from February 12, 2019 to April 4, 2019, in accordance with the Board of Directors' resolution on February 8, 2019. The Company canceled all such treasury shares.
- (ii) The Company acquired 100,000,000 shares as treasury shares from May 14, 2019 to September 4, 2019, in accordance with the Board of Directors' resolution on May 13, 2019. The Company canceled all such treasury shares.
- (iii) The Company purchased 1,448,932 shares held by untraceable shareholders on February 14, 2020, in accordance with the Board of Directors' resolution on September 5, 2019.

3. Matters Concerning the Company's Executives

(1) Names, etc. of Directors (as of March 31, 2020)

Name	Position	Responsibilities	Important Concurrent Office
Sugimori Tsutomu	Representative Director, President		Vice President of Petroleum Association of Japan Vice Chairman of KEIDANREN (Japan Business Federation) President of the Japan Petroleum Energy Center
Mutoh Jun	Representative Director, Executive Vice President	Assistant to President	
Kawada Junichi	Director, Executive Vice President	Assistant to President, Responsible for Internal Audit Dept.	Director of NIPPO CORPORATION
Adachi Hiroji	Director, Senior Vice President	Responsible for Corporate Planning Dept., Emerging Business Development Dept., ESG Strategy Development Dept., IT Planning & Development Dept., Safety, Health & Environment Dept. and Quality Assurance Dept.	
Taguchi Satoshi	Director, Senior Vice President	Responsible for Secretariat, Procurement Dept., General Administration Dept., Legal & Corporate Affairs Dept., Public Relations Dept., Crisis Management Dept. and Human Resources Dept.	
Ouchi Yoshiaki	Director, Senior Vice President	Responsible for Internal Control Dept., Controller Dept. and Finance & Investor Relations Dept.	
Ota Katsuyuki	Director (Part-time)		Representative Director and President of JXTG Nippon Oil & Energy Corporation Director of Japan Oil Transportation Co., Ltd.
Hosoi Hiroshi	Director (Part-time)		Representative Director, Chief Executive Officer and President of JX Nippon Oil & Gas Exploration Corporation
Murayama Seiichi	Director (Part-time)		President & Representative Director and Chief Executive Officer of JX Nippon Mining & Metals Corporation

Name	Position	Responsibilities	Important Concurrent Office
Ota Hiroko Outside Independent Director	Outside Director		Senior Professor at the National Graduate Institute for Policy Studies Outside Director of Panasonic Corporation Outside Director of Mizuho Financial Group, Inc.
Otsuka Mutsutake Outside Independent Director	Outside Director		Advisor of East Japan Railway Company Outside Corporate Auditor of Electric Power Development Co., Ltd. Outside Director of Nippon Steel Corporation
Miyata Yoshiiku Outside Independent Director	Outside Director		Outside Director, Audit & Supervisory Committee Member of Kobe Steel, Ltd.
Nakajima Yuji	Director, Full-time Audit and Supervisory Committee Member		
Kato Hitoshi	Director, Full-time Audit and Supervisory Committee Member		
Takahashi Nobuko Outside Independent Director	Outside Director, Audit and Supervisory Committee Member		Freelance life and economy journalist Outside Director of Aioi Nissay Dowa Insurance Co., Ltd. Outside Director, Audit & Supervisory Committee Member of Nishi-Nippon Financial Holdings, Inc.
Nishioka Seiichiro Outside Independent Director	Outside Director, Audit and Supervisory Committee Member		Visiting Professor at Keio University Law School Attorney-at-Law, Of Counsel at Asahi Law Offices
Mitsuya Yuko Outside Independent Director	Outside Director, Audit and Supervisory Committee Member		President of Japan Basketball Association Outside Director of the Fukui Bank, Ltd. Outside Director of DENSO Corporation

- (Notes) 1. Mr. Uchida Yukio, Mr. Onoda Yasushi and Mr. Oi Shigeru retired as Directors who are not Audit and Supervisory Committee members upon the expiration of their terms of office at the conclusion of the 9th ordinary general meeting of shareholders held on June 26, 2019.
2. Mr. Ouchi Yoshiaki and Mr. Murayama Seiichi each assumed the office of Director, who is not a member of the Audit and Supervisory Committee, after having been newly elected at the 9th ordinary general meeting of shareholders held on June 26, 2019.
3. Mr. Kondo Seiichi retired as Director who is a member of the Audit and Supervisory Committee at the conclusion of the 9th ordinary general meeting of shareholders held on June 26, 2019, due to resignation.

4. Ms. Mitsuya Yuko assumed the office of Director who is a member of the Audit and Supervisory Committee, after having been newly elected at the 9th ordinary general meeting of shareholders held on June 26, 2019.
5. Mr. Taguchi Satoshi, Director, had held the office of Statutory Outside Corporate Auditor of Nippon Shokubai Co., Ltd., but retired from the position on June 20, 2019.
6. Mr. Murayama Seiichi, Director, assumed the office of President & Representative Director and Chief Executive Officer of JX Nippon Mining & Metals Corporation on June 26, 2019.
7. Ms. Ota Hiroko, Outside Director, was appointed as Senior Professor at National Graduate Institute for Policy Studies on April 1, 2019.
8. Nippon Steel & Sumitomo Metal Corporation, where Mr. Otsuka Mutsutake, Outside Director, holds an important concurrent office, changed its trade name from Nippon Steel & Sumitomo Metal Corporation to Nippon Steel Corporation on April 1, 2019.
9. Mr. Nakajima Yuji and Mr. Kato Hitoshi were appointed as full-time Audit and Supervisory Committee members in order to sufficiently exhibit the audit and supervisory functions of Audit and Supervisory Committee by gathering information on a daily basis and collaborating with the internal audit and other divisions.
10. Mr. Nakajima Yuji, Director, who is a full-time Audit and Supervisory Committee member, has experience working in the finance division of the Company and has considerable knowledge and insights regarding finance and accounting.
11. Mr. Nishioka Seiichiro, Outside Director and Audit and Supervisory Committee Member, retired as Visiting Professor at Keio University Law School on March 31, 2020.
12. The Japan Basketball Association, where Ms. Mitsuya Yuko, Outside Director and Audit and Supervisory Committee Member, served as the President in fiscal year 2019, has a business relationship with the Company and one of the Company's core operating companies, but there is no special relationship.
13. Among the companies where Outside Directors held important concurrent office as outside directors or outside corporate auditors in fiscal year 2019, Panasonic Corporation, Mizuho Financial Group, Inc., Electric Power Development Co., Ltd., Nippon Steel Corporation, Kobe Steel, Ltd., Aioi Nissay Dowa Insurance Co., Ltd. and DENSO Corporation have a business relationship with the Company and the Company's core operating companies, but there is no special relationship.
14. Among the companies where Ms. Takahashi Nobuko and Ms. Mitsuya Yuko, each an Outside Director and Audit and Supervisory Committee Member, held important concurrent office as outside directors in fiscal year 2019, Nishi-Nippon Financial Holdings, Inc. and the Fukui Bank, Ltd. did not have a business relationship with the Company or the Company's core operating companies.
15. Each of Ms. Ota Hiroko, Mr. Otsuka Mutsutake, Mr. Miyata Yoshiiku, Ms. Takahashi Nobuko, Mr. Nishioka Seiichiro and Ms. Mitsuya Yuko, each an Outside Director, meets the "Standards for Consideration of Independence of Independent Directors" of the Company which is set out on page 31 of the Convocation Notice of the 10th ordinary general meeting of shareholders, and all are independent directors in accordance with the rules of each stock exchange in Tokyo and Nagoya on which the Company is listed.
16. Following the establishment of Chief Digital Officer (CDO) on April 1, 2020, Mr. Adachi Hiroji, Director, was appointed to the position of CDO.

(2) Remunerations for Directors (for fiscal year 2019)

Receivers	Total Remuneration Amount (million yen)	Number of Receivers (persons)	Details of Remuneration			
			Monthly Remuneration and Bonus (million yen)	Number of Receivers (persons)	Share Remuneration (million yen)	Number of Receivers (persons)
Directors who are not Audit and Supervisory Committee members (Outside Directors)	441 (43)	15 (3)	364 (43)	15 (3)	77 (-)	12 (-)
Directors who are Audit and Supervisory Committee members (Outside Directors)	108 (40)	6 (4)	108 (40)	6 (4)	- (-)	- (-)
Total (Outside Directors)	549 (83)	21 (7)	472 (83)	21 (7)	77 (-)	12 (-)

- (Notes) 1. The information in the table includes the amount of remuneration for three (3) directors who are not Audit and Supervisory Committee members and one (1) director who is an Audit and Supervisory Committee member who retired upon the conclusion of the 9th ordinary general meeting of shareholders held on June 26, 2019.
2. The information in the table includes the amount of bonuses for fiscal year 2019 that is expected to be paid after the 10th ordinary general meeting of shareholders.
3. The share remuneration amounts indicated in the table are the average price per share of the Company purchased through the trust that the Company established multiplied by the number of points awarded this fiscal year to directors who are not Audit and Supervisory Committee members (excluding outside directors).

(3) Matters Concerning Determination of Remunerations for Directors

• Upper Limit of Remunerations for Directors

Category	Type	Upper Limit of Remuneration	Resolution at the General Meeting of Shareholders (GMS)
Directors who are not Audit and Supervisory Committee members	Monthly remuneration and bonuses	No more than 1,100 million yen in one (1) fiscal year (of which 200 million yen is allocated to outside directors who are not Audit and Supervisory Committee members)	The 8th ordinary GMS
	Share remuneration	In every three (3) fiscal years, <ul style="list-style-type: none"> the upper limit the Company put in on reserve for trust: 600 million yen the upper limit of the number of shares given to eligible persons: 1.2 million shares (1.2 million points) 	The 8th ordinary GMS
Directors who are Audit and Supervisory Committee members	Monthly remuneration	No more than 200 million yen per one (1) fiscal year	The 8th ordinary GMS

- (Notes) 1. The upper limit of monthly remuneration and bonus for the directors who are not Audit and Supervisory Committee members does not include salaries and bonuses to be paid as an employee if a director serves concurrently as an employee.
2. Those eligible for share remuneration include executive officers but do not include outside directors and overseas residents.
3. Remunerations for directors who are Audit and Supervisory Committee members are paid on a monthly basis from the perspective of independence of their duties, and the Company compensates such members within the limits set above through consultation among the directors who are Audit and Supervisory Committee members.

- **Policies Regarding Determination of the Calculation Method for the Remuneration for Directors**

Directors who are not Audit and Supervisory Committee members (Excluding Outside Directors)	Consists of three (3) types of payments which include a monthly remuneration based on individual role, bonus, the amount of which fluctuates based on the business results, and share remuneration linked to the value of the Company's shares. The remuneration system is a balanced arrangement that reflects both the business results of the relevant year and the value of shares in the medium to long-term.
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- (Notes) 1. The above policy was resolved at the Board of Directors based on the deliberation and recommendation of the Compensation Advisory Committee (which is comprised of three (3) outside directors, two (2) representative directors and is chaired by an outside director). The Board of Directors allows one (1) Audit and Supervisory Committee member selected by the Audit and Supervisory Committee to attend the meetings of the Compensation Advisory Committee so that the Audit and Supervisory Committee may properly exercise the right to state its opinion on the remunerations for directors who are not Audit and Supervisory Committee members at a general meeting of shareholders.
2. Remuneration for Outside Directors who are not Audit and Supervisory Committee members consists of a monthly remuneration in view of the scope of their roles as advisers and supervisors to management and to the supervisory function in general management through an independent and objective point of view.
 3. Remuneration for Directors who are Audit and Supervisory Committee members consists of a monthly remuneration in consideration of their independence of the role.

(4) Matters Concerning Outside Directors and Outside Corporate Auditors

- **Attendance at Board of Directors' Meetings and Audit and Supervisory Committee Members' Meetings**

Name	Position	Number of times attended / Number of meetings held	
		Board of Directors' Meetings	Audit and Supervisory Committee Members' Meetings
Ota Hiroko	Outside Director	14/14	–
Otsuka Mutsutake	Outside Director	14/14	–
Miyata Yoshiiku	Outside Director	13/14	–
Takahashi Nobuko	Outside Director, Audit and Supervisory Committee Member	14/14	15/15
Nishioka Seiichiro	Outside Director, Audit and Supervisory Committee Member	14/14	15/15
Mitsuya Yuko	Outside Director, Audit and Supervisory Committee Member	11/11	11/11

- **Statements at Board of Directors' Meetings**

At Board of Directors' meetings, each outside director inquired about and stated his or her opinion on each matter to be resolved, including the changes in the group operation system and trade name, etc., and on each matter to be reported, including the draft of the Second Medium-Term Management Plan and the business execution status, from an objective and fair stance by making use of his or her abundant expertise and experience.

- **Statements at Audit and Supervisory Committee Members' Meetings**

At the Audit and Supervisory Committee Members' meetings, each outside director who is a member of the Audit and Supervisory Committee inquired about and stated his or her opinion on each matter such as the business of the Company and group companies, and the status of management control from the perspective of auditing the execution of duties by directors who are not Audit and Supervisory Committee members and employees.

- **Status of Other Activities**

<Nomination Advisory Committee>

Mr. Otsuka Mutsutake, Ms. Ota Hiroko and Mr. Miyata Yoshiiku, Outside Directors, deliberated on such matters including the personnel proposals for candidates for directors of the Company and succession planning in the meetings of the Nomination Advisory Committee held on April 23, 2019, May 13, 2019, July 9, 2019, November 28, 2019, March 26, 2020 and April 22, 2020.

<Compensation Advisory Committee>

Mr. Otsuka Mutsutake and Ms. Ota Hiroko, Outside Directors, deliberated on such matters including the executive compensation plan, the executive compensation level and the share remuneration system in the meetings of the Compensation Advisory Committee held on April 23, 2019, May 20, 2019, July 9, 2019, December 19, 2019, March 26, 2020 and April 22, 2020, and Mr. Miyata Yoshiiku, Outside Director, deliberated on the same in the meetings of the said committee held on April 23, 2019, July 9, 2019, December 19, 2019, March 26, 2020 and April 22, 2020.

<Outside Directors' Meetings>

Outside Directors' meetings consisting of all the outside directors were held on May 13, 2019, August 7, 2019 and February 13, 2020 to enable the outside directors to collect information on agendas discussed at the Board of Directors' meetings and other information regarding the group's management, as well as to promote the exchange of opinions and mutual common views among the outside directors.

- **Outline of the Contents of the Liability Limitation Agreement**

The company has, pursuant to Article 427.1 of the Japanese Companies Act and Article 23 of the Articles of Incorporation of the Company, concluded with each of its six (6) outside Directors an agreement (the liability limitation agreement) that limits the liability for damages which an outside director owes to the company under Article 423.1 of the Japanese Companies Act, to the amount set forth in Article 425.1 of the Japanese Companies Act (the amount equal to the outside director's remunerations for two (2) years) if each outside director is in good faith and is not grossly negligent in conducting each duty.

Furthermore, in accordance with the provisions of the supplementary provisions of the Articles of Incorporation of the Company, the Company has agreed with both Ms. Takahashi Nobuko and Mr. Nishioka Seiichiro, who were outside corporate auditors, that the agreement (the liability limitation agreement) that limits the claim of liability for damages which an outside corporate auditor owes to the company under Article 423.1 of the Japanese Companies Act, which has been previously entered into, shall remain applicable.

End

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- (Notes) 1. Starting from the 8th fiscal year, the Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).
2. The figures stated in this business report have been obtained by rounding off the fractions less than the unit indicated for each, and the ratios have been obtained by rounding off the fractions less than the digit indicated for each. However, the numbers of shares have been obtained by omitting the fractions less than the unit indicated for each, and the ratios regarding shares have been obtained by omitting the fractions less than the digit indicated for each.

Consolidated Financial Statements

Consolidated Statements of Financial Position (As of March 31, 2020)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	2,878,561	Current liabilities	2,717,575
Cash and cash equivalents	398,573	Trade and other payables	1,343,909
Trade and other receivables	1,020,570	Bonds and borrowings	914,781
Inventories	1,181,688	Income taxes payable	18,275
Other financial assets	61,963	Lease liabilities	70,595
Other current assets	183,673	Other financial liabilities	30,647
Sub total	2,846,467	Provisions	13,174
Assets held for sale	32,094	Other current liabilities	320,446
		Sub total	2,711,827
		Liabilities associated with non-current assets held for sale	5,748
Non-current assets	5,132,731	Non-current liabilities	2,585,809
Property, plant and equipment	3,724,861	Bonds and borrowings	1,386,065
Goodwill	185,730	Liabilities for retirement benefits	272,124
Intangible assets	345,371	Lease liabilities	445,244
Investments accounted for using the equity method	407,207	Other financial liabilities	32,075
Other financial assets	343,342	Provisions	165,994
Other non-current assets	8,802	Other non-current liabilities	51,873
Deferred tax assets	117,418	Deferred tax liabilities	232,434
		Total liabilities	5,303,384
		(Equity)	
		Common stock	100,000
		Capital surplus	1,138,884
		Retained earnings	982,786
		Treasury stock	(6,003)
		Other components of equity	95,379
		Total equity attributable to owners of the parent	2,311,046
		Non-controlling interests	396,862
		Total equity	2,707,908
Total assets	8,011,292	Total liabilities and Equity	8,011,292

Consolidated Statements of Profit or Loss (From April 1, 2019 to March 31, 2020)

	(Millions of yen)
Account	Amount
Revenue	10,011,774
Cost of sales	9,245,604
Gross profit	766,170
Selling, general and administrative expenses	829,323
Share of profit of investments accounted for using the equity method	15,868
Other operating income	76,970
Other operating expenses	142,746
Operating profit	(113,061)
Finance income	12,116
Finance costs	34,819
Profit before tax	(135,764)
Income tax expense	36,971
Profit for the year	(172,735)
Profit for the year attributable to:	
Owners of the parent	(187,946)
Non-controlling interests	15,211
Profit for the year	(172,735)

Consolidated Statements of Changes in Equity (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Common stock	Capital surplus	Retained earnings	Treasury stock
Balance as of April 1, 2019	100,000	1,222,193	1,272,960	(29,698)
Cumulative effects of changes in accounting policies			(2,072)	
Restated balance	100,000	1,222,193	1,270,888	(29,698)
Profit for the year			(187,946)	
Other comprehensive income (loss)				
Total comprehensive income (loss) for the year	-	-	(187,946)	-
Purchase of treasury shares				(54,894)
Disposal of treasury shares		0		0
Cancellation of treasury shares		(78,728)		78,728
Cash dividends			(72,118)	
Share-based payment transactions		283		105
Equity transactions with non-controlling interests, etc.				
Transfer from other components of equity to retained earnings			(28,038)	
Transfer from other components of equity to non-financial assets, etc.				
Other		(4,864)		(244)
Total transactions with owners	-	(83,309)	(100,156)	23,695
Balance as of March 31, 2020	100,000	1,138,884	982,786	(6,003)

	Other components of equity					Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Changes in fair value of financial assets measured at fair value through other comprehensive income (loss)	Changes in fair value of cash flow hedges	Exchange differences on translation of foreign operations	Remeasurement (losses) gains on defined benefit plans	Total			
Balance as of April 1, 2019	111,486	(8,877)	49,776	-	152,385	2,717,840	401,976	3,119,816
Cumulative effects of changes in accounting policies						(2,072)	(867)	(2,939)
Restated balance	111,486	(8,877)	49,776	-	152,385	2,715,768	401,109	3,116,877
Profit for the year						(187,946)	15,211	(172,735)
Other comprehensive income (loss)	(60,542)	6,735	(27,732)	(2,853)	(84,392)	(84,392)	(4,559)	(88,951)
Total comprehensive income (loss) for the year	(60,542)	6,735	(27,732)	(2,853)	(84,392)	(272,338)	10,652	(261,686)
Purchase of treasury shares					-	(54,894)		(54,894)
Disposal of treasury shares					-	0		0
Cancellation of treasury shares					-	-		-
Cash dividends					-	(72,118)	(17,825)	(89,943)
Share-based payment transactions					-	388		388
Equity transactions with non-controlling interests, etc.					-	-	(694)	(694)
Transfer from other components of equity to retained earnings	25,185			2,853	28,038	-		-
Transfer from other components of equity to non-financial assets, etc.		(652)			(652)	(652)	(805)	(1,457)
Other					-	(5,108)	4,425	(683)
Total transactions with owners	25,185	(652)	-	2,853	27,386	(132,384)	(14,899)	(147,283)
Balance as of March 31, 2020	76,129	(2,794)	22,044	-	95,379	2,311,046	396,862	2,707,908

[Reference]

Summary of Consolidated Statements of Cash Flows (from April 1, 2019 to March 31, 2020)

(Millions of yen)

Cash flows from operating activities	510,734
Cash flows from investing activities	(371,346)
Cash flows from financing activities:	(119,808)
Net increase (decrease) in cash and cash equivalents	19,580
Cash and cash equivalents at beginning of the year	378,945
Net foreign exchange differences of cash and cash equivalents	(5,210)
Cash and cash equivalents included in assets held for sale	(13)
Cash and cash equivalents at end of the year	393,302

Non-Consolidated Financial Statements

Non-consolidated Balance Sheet (as of March 31, 2020)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	517,255	Current liabilities	715,859
Cash and deposits	203	Short-term borrowings	120,000
Short-term loans receivable from subsidiaries and affiliates	479,000	Short-term loans payable to subsidiaries and affiliates	212,430
Accounts receivable	13,497	Commercial papers	324,000
Receivable income tax refund or the like	24,150	Current portion of bonds	35,000
Other	406	Accrued expenses	3,522
		Provision for employees' bonuses	428
		Other	20,479
Non-current assets	3,471,996	Non-current liabilities	1,520,494
Property, plant and equipment	68,513	Bonds payable	165,561
Buildings and structures	17,026	Long-term loans payable	836,412
Land	50,604	Long-term loans payable to subsidiaries and affiliates	510,000
Other	884	Deferred tax liabilities	5,128
Intangible assets	2,463	Provision for share remuneration	112
		Other	3,281
		Total liabilities	2,236,353
Investments and other assets	3,401,019	(Net assets)	
Investments in securities	87,932	Shareholders' equity	1,741,656
Stocks of subsidiaries and affiliates	2,306,156	Common stock	100,000
Long-term loans receivable from subsidiaries and affiliates	1,001,412	Capital surplus	1,463,920
Guarantee deposits	3,487	Legal capital reserve	526,389
Other	2,032	Other capital surplus	937,531
		Retained earnings	182,099
		Other retained earnings	182,099
		Reserve for advanced depreciation of non-current assets	1,694
		Retained earnings brought forward	180,404
		Treasury stock	(4,363)
		Valuation and translation adjustments	11,242
		Unrealized gain on securities	11,305
		Deferred hedge gains and losses	(63)
		Total net assets	1,752,898
Total assets	3,989,250	Total liabilities and net assets	3,989,250

Non-consolidated Statements of Income (from April 1, 2019 to March 31, 2020)

(Millions of yen)

Account title	Amount	
Operating revenue		
Dividends income	75,778	
Management fee income	11,785	87,563
Selling, general and administrative expenses		11,433
Operating income		76,130
Non-operating income		
Interest income	8,884	
Dividends income	4,350	
Rent income	2,388	
Other	1,729	17,351
Non-operating expenses		
Interest expenses	10,220	
Interest on bonds	1,292	
Rent expenses	1,164	
Other	405	13,081
Ordinary income		80,399
Special loss		
Loss on valuation of investments in securities	32,536	
Loss on sales of investments in securities	359	32,895
Income before income taxes		47,505
Income taxes-current	1,460	
Income taxes-deferred	(8,710)	(7,250)
Net income		54,755

Non-consolidated Statements of Changes in Net Assets (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					Reserve for advanced depreciation of non-current assets	Retained earnings brought forward			
Balance as of April 1, 2019	100,000	526,389	1,016,259	1,542,648	1,710	197,776	199,486	(28,327)	1,813,807
Changes of items during the period									
Dividends of surplus						(72,142)	(72,142)		(72,142)
Net income						54,755	54,755		54,755
Purchase of treasury shares								(54,869)	(54,869)
Disposal of treasury shares			(0)	(0)				105	105
Cancellation of treasury shares			(78,728)	(78,728)				78,728	–
Reversal of reserve for advanced depreciation of non-current assets					(15)	15	–		–
Net changes of items other than shareholders' equity									
Total changes of items during the period	–	–	(78,729)	(78,729)	(15)	(17,372)	(17,387)	23,964	(72,152)
Balance as of March 31, 2020	100,000	526,389	937,531	1,463,920	1,694	180,404	182,099	(4,363)	1,741,656

	Valuation and translation adjustments			Total net
	Changes in fair value of financial assets	Changes in fair value of deferred hedges	Total valuation and translation adjustments	
Balance as of April 1, 2019	17,089	(96)	16,992	1,830,799
Changes of items during the period				
Dividends of surplus				(72,142)
Net income				54,755
Purchase of treasury shares				(54,869)
Disposal of treasury shares				105
Cancellation of treasury shares				–
Reversal of reserve for advanced depreciation of non-current assets				–
Net changes of items other than shareholders' equity	(5,784)	34	(5,750)	(5,750)
Total changes of items during the period	(5,784)	34	(5,750)	(77,902)
Balance as of March 31, 2020	11,305	(63)	11,242	1,752,898

Audit Reports

| Copy of the Financial Auditor's Report (on Consolidated Financial Statements) |

Independent Auditor's Report

May 25, 2020

To: The Board of Directors of JXTG Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokyo office
Yuichi Mochinaga
Certified Public Accountant,
Designated Limited Liability Partner, and Engagement Partner
Kazuhiko Umemura
Certified Public Accountant,
Designated Limited Liability Partner, and Engagement Partner
Kazuhiko Yamazaki
Certified Public Accountant,
Designated Limited Liability Partner, and Engagement Partner
Takamichi Komiyama
Certified Public Accountant,
Designated Limited Liability Partner, and Engagement Partner

Opinion

Pursuant to Article 444.4 of the Japanese Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statements of financial position, the consolidated statements of profit or loss, the consolidated statements of changes in equity, and the notes to the consolidated financial statements of JXTG Holdings, Inc. (the "Company") applicable to the consolidated fiscal year from April 1, 2019 through March 31, 2020.

In our opinion, the consolidated financial statements referred to above, which is a partially condensed version as some disclosure items were omitted from the reporting standards as set out in the IFRS pursuant to the latter part of Article 120.1 of the Japanese Rules of Corporate Accounting, present fairly, in all material respects, the financial position and results of operations of the corporate group consisting of JXTG Holdings, Inc. and its consolidated subsidiaries applicable to the tenth fiscal year ended March 31, 2020.

Basis for Audit Opinion

We conducted our audit in accordance with the 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 Company and its consolidated subsidiaries in accordance with the relevant ethical requirements in Japan, and we have fulfilled our 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.

Management's and Audit and Supervisory Committee's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements, which is a partially condensed version as some disclosure items were omitted from the reporting standards as set out in the IFRS pursuant to the latter part of Article 120.1 of the Japanese Rules of Corporate Accounting. This responsibility includes development and operation of such internal control as management determines necessary to enable the preparation and fair presentation of the 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 whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with the latter part of Article 120.1 of the Japanese Rules of Corporate Accounting, which allows the preparation of the consolidated financial statements with some omissions of disclosure items required by IFRS, for disclosing, as necessary, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

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

Our responsibilities 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 expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. 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 decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and perform audit procedures responsive to the risks of material misstatement. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for an opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, 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 notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. 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 of the consolidated financial statements and notes to the consolidated financial statements are in accordance with the latter part of the first paragraph of Article 120.1 of the Japanese Rules of Corporate Accounting, which allows the preparation of the consolidated financial statements with some omissions of disclosure items required by IFRS, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with the Japanese Certified Public Accountants Act.

End

Copy of the Financial Auditor's Report (on Non-consolidated Financial Statements)

Independent Auditor's Report

May 25, 2020

To: The Board of Directors of JXTG Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokyo office

Yuichi Mochinaga
Certified Public Accountant,
Designated Limited Liability Partner, and Engagement Partner
Kazuhiko Umemura
Certified Public Accountant,
Designated Limited Liability Partner, and Engagement Partner
Kazuhiko Yamazaki
Certified Public Accountant,
Designated Limited Liability Partner, and Engagement Partner
Takamichi Komiyama
Certified Public Accountant,
Designated Limited Liability Partner, and Engagement Partner

Opinion

Pursuant to Article 436.2.1 of the Japanese Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements, and the supplementary schedules thereof ("financial statements, etc.") of JXTG Holdings, Inc. (the "Company") applicable to the tenth fiscal year from April 1, 2019 through March 31, 2020.

In our opinion, the financial statements, etc. referred to above present fairly, in all material respects, the financial position and the results of operations of JXTG Holdings, Inc. applicable to the tenth fiscal year ended March 31, 2020 in conformity with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with the 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, etc. section of our report. We are independent of the Company in accordance with the relevant ethical requirements in Japan, and we have fulfilled our 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.

Management's and Audit and Supervisory Committee's Responsibility for the Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the financial statements, etc. in accordance with the accounting standards generally accepted in Japan. This responsibility includes development and operation of such internal control as management determines necessary to enable the preparation and fair presentation of the financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements, etc.

Our responsibilities are to obtain reasonable assurance about whether the financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the financial statements, etc. based on our audit from an independent point of view. 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 decisions of users of the financial statements, etc. In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and perform audit procedures responsive to the risks of material misstatement. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for an opinion.
- When auditing the consolidated financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements, etc., with the assumption of a going concern by management, 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 notes to the financial statements, etc. or, if the notes to the financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the financial statements, etc. 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 of the financial statements, etc. and notes to the financial statements, etc. are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the financial statements, etc., including the related notes thereto, and whether the financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Japanese Certified Public Accountants Act.

End

Copy of Audit and Supervisory Committee's Report

Audit and Supervisory Committee's Report

The Audit and Supervisory Committee has audited directors' execution of duties for the 10th fiscal term from April 1, 2019 to March 31, 2020. The followings are the reports of the methods and the results of the audit.

1. The methods and contents of the audit

(1) With respect to the contents of the resolution of the Board of Directors regarding the matters set forth in Article 399-13.1 (b) and (c) of the Japanese Companies Act, and the systems (Internal Control Systems) developed based on such resolution, the Audit and Supervisory Committee received periodic reports from the directors, employees and other relevant functions concerning the status of formation and implementation of such systems, and asked for explanations as necessary.

In addition, with respect to internal control relating to financial reports, the Audit and Supervisory Committee received reports from the directors, other relevant personnel and Ernst & Young ShinNihon LLC on assessment of such internal control and the status of audit and asked for explanations as necessary.

(2) In accordance with the audit policy and the allocation of duties and other terms defined by the Audit and Supervisory Committee, in coordination with the internal control divisions of the Company, the Audit and Supervisory Committee attended material meetings, received reports from the directors, employees and other relevant functions on the matters related to their execution of duties, asked for explanations as necessary, and investigated the status or condition of the business activities and the assets by inspecting important approval documents and reports. Regarding the subsidiaries, the Audit and Supervisory Committee sought to communicate and exchange information with directors, corporate auditors and other relevant personnel of the subsidiaries, and received reports on business from the subsidiaries as necessary.

(3) The Audit and Supervisory Committee monitored and verified that the Financial Auditor maintained independence and conducted appropriate audits, received reports from the Financial Auditor on the status of their audit work, and asked for explanations as necessary. The Audit and Supervisory Committee were also advised by the Financial Auditor that they had the "systems for ensuring that the performance of the financial auditors is being carried out correctly" (matters set forth in each item of Article 131 of the Japanese Rules of Corporate Accounting)" in place in accordance with the "Quality Control Standards" (Business Accounting Council, October 28, 2005) and other relevant regulations and asked for explanations as necessary.

Based on the above stated steps, the Audit and Supervisory Committee examined the business report and the supplementary schedules, financial statements and the supplementary schedules, and the consolidated financial statements, for the current fiscal year.

2. Results of the audit

(1) Results of the audit of the business report and the supplementary schedules

It is our opinion that:

A. The business report and the supplementary schedules present fairly the status of the Company's business conditions in conformity with the applicable laws and regulations and the Articles of Incorporation;

B. There is no indication of significant wrongdoing or violation of laws and regulations and the Articles of Incorporation in the directors' execution of duties; and

C. The contents of the resolution by the Board of Directors regarding the internal control systems were appropriate. Also, there is no item to be noted on description in the business report and the directors' execution of duties regarding the internal control systems, including internal controls relating to financial reports.

In addition, with respect to the matter regarding violation of the Japanese Antimonopoly Act by NIPPO Corporation described in the business report, the Audit and Supervisory Committee will closely observe NIPPO Corporation's efforts to keep its employees informed about compliance with the Japanese Antimonopoly Act in order to prevent a recurrence of such misconduct, as well as monitoring the status of instructions that the Company will provide to NIPPO Corporation.

(2) Result of the audit of the financial statements and the supplementary schedules

The methods and results of audits conducted by Ernst & Young ShinNihon LLC, Financial Auditor of the Company, are appropriate.

(3) Result of the audit of the consolidated financial statements

The methods and results of audits conducted by Ernst & Young ShinNihon LLC, Financial Auditor of the Company, are appropriate.

May 25, 2020

JXTG Holdings, Inc., Audit and Supervisory Committee

Full-Time Audit and Supervisory Committee Member

Full-Time Audit and Supervisory Committee Member

Audit and Supervisory Committee Member

Audit and Supervisory Committee Member

Audit and Supervisory Committee Member

Yuji Nakajima [Seal]

Hitoshi Kato [Seal]

Nobuko Takahashi [Seal]

Seiichiro Nishioka [Seal]

Yuko Mitsuya [Seal]

(Note) Audit and Supervisory Committee Members Ms. Takahashi Nobuko, Mr. Nishioka Seiichiro and Ms. Mitsuya Yuko are outside directors stipulated in Article 2.15 and Article 331.6 of the Japanese Companies Act.