

[The official language for TonenGeneral's filings with the Tokyo Stock Exchange and Japanese authorities, and for communications with our shareholders, is Japanese. We have posted English versions of some of this information on this web site. While these English versions have been prepared in good faith, TonenGeneral does not accept responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.]

[ENGLISH TRANSLATION]

Stock Code: 5012
November 29, 2016

To Shareholders:

Jun Mutoh
Representative Director and President
TonenGeneral Sekiyu K.K.
8-15, Kohnan 1-chome, Minato-ku, Tokyo

Convocation Notice of Extraordinary General Meeting of Shareholders

You are cordially invited to attend the Extraordinary General Meeting of Shareholders of TonenGeneral Sekiyu K.K. ("TG" or "the Company"), to be held as specified below. If you attend the meeting, please present the enclosed voting rights exercise form at the reception desk.

In the event that you are unable to attend, you are kindly requested to exercise your voting rights in writing or via the Internet as follows. Please review the attached Reference Materials for the General Meeting of Shareholders and to exercise your voting rights in writing, respond "approve" or "disapprove" to each agenda item on the enclosed form and return the form to us by 5:00 p.m. on Tuesday, December 20, 2016; or to vote via the Internet, access the website (<http://www.evotage.jp/>) that has been designated by the Company and exercise your voting rights by 5:00 p.m. on Tuesday, December 20, 2016, in accordance with the "Procedures For Exercising Voting Rights via the Internet" on page 38.

1. Date & Time: Wednesday, December 21, 2016, at 10:00 a.m.
2. Venue: "Pegasus" room, 1F, Hilton Tokyo Odaiba (formerly the Hotel Nikko Tokyo)
9-1, Daiba 1-chome, Minato-ku, Tokyo

3. Purpose:

Items for Resolution:

Agenda No. 1: Approval of the Share Exchange Agreement with JX Holdings, Inc.

Agenda No. 2: Approval of the Absorption-type Merger Agreement with JX Nippon Oil &

Energy Corporation

Agenda No. 3: Approval of the Absorption-type Merger Agreement with EMG Marketing Godo Kaisha

4. Exercise of Voting Rights:

Internet Disclosure

Information concerning the items below is not attached to the Convocation Notice of Extraordinary General Meeting of Shareholders, but is posted on the Company’s website at <http://www.tonengeneral.co.jp/english/ir/stockinformation/g-mtg.html>, pursuant to the laws of Japan and the Article 15 of the Company’s Articles of Incorporation.

- (1) The contents of the financial statements, etc. for the most recent business year of JX Holdings, Inc. will be included in “Agenda No. 1: Approval of the Share Exchange Agreement with JX Holdings, Inc.” of the Reference Materials for the General Meeting of Shareholders
- (2) The contents of the financial statements, etc. for the most recent business year of JX Nippon Oil & Energy Corporation will be included in “Agenda No. 2: Approval of the Absorption-type Merger Agreement with JX Nippon Oil & Energy Corporation” of the Reference Materials for the General Meeting of Shareholders
- (3) The contents of the financial statements, etc. for the most recent business year of EMG Marketing Godo Kaisha will be included in “Agenda No. 3: Approval of the Absorption-type Merger Agreement with EMG Marketing Godo Kaisha” of the Reference Materials for the General Meeting of Shareholders

How We Handle Multiple Exercises of Voting Rights

- (1) If a voting right is exercised multiple times both in writing and via the Internet, only the exercise of the voting right via the Internet will be deemed effective.
- (2) If a voting right is exercised multiple times via the Internet, only the last exercise of the voting right via the Internet will be deemed effective. If a voting right is exercised multiple times both via the website for personal computers and via the website for mobile phones, only the last exercise of the voting right will be deemed effective.

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- Any required corrections to the attached Reference Materials for the General Meeting of Shareholders will be posted on the Company’s website (<http://www.tonengeneral.co.jp/english/>).
 - The Convocation Notice of Extraordinary General Meeting of Shareholders, the Reference Materials for the General Meeting of Shareholders, and the Support Documentation for the General Meeting of Shareholders, “Business Integration with JX Holdings, Inc.”, as well as English translations of these documents, have been posted on the Company’s website.
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Reference Materials for the General Meeting of Shareholders

Agendas for Resolutions and Related Information

Agenda No. 1: Approval of the Share Exchange Agreement with JX Holdings, Inc.

The Company and JX Holdings, Inc. (“JXHD”) agreed that the energy businesses of both company groups will be integrated (the “Business Integration”) through a share exchange in which JXHD will become the wholly-owning parent company and the Company will become the wholly-owned subsidiary (the “Share Exchange”) on April 1, 2017 (scheduled) and, subsequently on the same date, an absorption-type merger in which JX Nippon Oil & Energy Corporation (“JXE”), which is a wholly-owned subsidiary of JXHD, will be the surviving company and the Company will be the absorbed company (the “Absorption-type Merger”). On August 31, 2016, the Company executed a share exchange agreement relating to the Share Exchange (the “Share Exchange Agreement”) with JXHD and an absorption-type merger agreement relating to the Absorption-type Merger (the “Absorption-type Merger Agreement”) with JXE, respectively.

This agenda is a proposal for you to approve the Share Exchange Agreement. The reasons for the Share Exchange, details of the Share Exchange Agreement and other information related to this proposal are shown below. The approval for the Absorption-type Merger Agreement will be submitted as the second agenda.

If this proposal is approved, JXHD will acquire all of the issued shares of the Company on April 1, 2017 (scheduled), which is the effective date of the Share Exchange. Prior to that, the common shares of the Company will be delisted on March 29, 2017 (the last trading day will be March 28, 2017) under the prescribed procedures in accordance with the criteria for delisting of shares from the first section of the Tokyo Stock Exchange (“TSE”).

1. Reasons for the Share Exchange

Demand for petroleum products in Japan has declined about 23% over the past 10 years. With the decreasing population, the growth of fuel-efficient vehicles, and the shift to gas, electric power and other types of energy, this decline is expected to continue at a rate of around 2% per year. Meanwhile, overseas, demand for petroleum and petrochemical products is increasing in China, India and other Asian countries; however, there are already large-scale plants in Korea and elsewhere, and the construction of new or additional, highly cost-competitive plants is anticipated in developing countries as well. For these reasons, international competition in the Asian market, including Japan, is expected to increase dramatically.

Up to this point, the Company and JXHD have endeavored to realize further rationalization and efficiency improvement in their respective companies through business integrations, business reforms and other initiatives; however, taking into account the severe business

climate that is expected to continue both in Japan and abroad, the Company and JXHD acknowledged the need for even more drastic rationalization and efficiency improvement, which neither company would likely be able to achieve individually. Therefore, the Company and JXHD agreed to consummate the Business Integration in order to maximize their enterprise value by combining the business resources of their company groups and carrying out intensive business reforms.

After the Business Integration, the Company and JXHD aim to establish a strong corporate group (the “Integrated Group”) under a holding company in order to develop into one of the most prominent and internationally-competitive comprehensive energy, natural resource, and materials company groups in Asia, and to contribute to the development of a sustainable and vigorous economy and society.

In order to achieve the foregoing objectives, the Company and JXHD will establish a management system capable of implementing capital efficiency-oriented strategies for investments and business portfolios. Moreover, premised on safe and stable operations and stable supply, the Integrated Group will further strengthen the business foundation by promptly implementing intensive business reforms and establishing a management system which allows for the development and expansion of a business that will be a mainstay of the future.

Currently, the Company and JXHD aim to increase their profits by more than 100 billion yen per year within three years after the Business Integration. The table below shows an approximate breakdown of such increase of benefits of each segment.

Segment	Improvement of profits	Main measures to achieve improvement of profits
Supply, distribution and sales	28 billion yen	<ul style="list-style-type: none"> • Optimization of crude purchase operation • Optimization of distribution network efficiency, and other items
Manufacturing	40 billion yen	<ul style="list-style-type: none"> • Profit improvement of 10 billion yen through the integrated operation of a refinery and chemical plants in the Kawasaki area • Energy savings and maintenance cost reduction through use of best practices of two companies, and other items
Procurement	15 billion yen	<ul style="list-style-type: none"> • Reduction of procurement costs for construction materials, catalysts, and other items
Other areas	17 billion yen	<ul style="list-style-type: none"> • More efficient operation with ERP system • Other improvements in efficiency and rationalization
Total synergy effect	100 billion yen	

In addition, both companies understand that the reduction of fixed costs through refinery closures is vital to further improvements in profit. With that understanding, refinery

closures will be implemented promptly after the Business Integration with the aim of further improvements in profit.

Agendas No. 1 through No. 3 of this general meeting of shareholders have been submitted in relation to the Business Integration. We kindly ask for each shareholder to understand the intentions of the Business Integration and to approve each agenda.

2. Details of the Share Exchange Agreement

The details of the Share Exchange Agreement are as indicated in a copy of the Share Exchange Agreement shown below.

Share Exchange Agreement (Copy)

JX Holdings, Inc. (“JXHD”) and TonenGeneral Sekiyu K.K. (“TonenGeneral”) hereby enter into this agreement (this “Agreement”) as follows with respect to a share exchange.

Article 1 Share Exchange

1.1 In accordance with the provisions of this Agreement, JXHD and TonenGeneral shall consummate a share exchange (the “Share Exchange”) in which JXHD becomes the wholly-owning parent company through the Share Exchange and TonenGeneral becomes the wholly-owned subsidiary company through the Share Exchange.

1.2 The corporate names and addresses of the wholly-owning parent company through the Share Exchange and the wholly-owned subsidiary company through the Share Exchange are as follows.

- (1) Wholly owning parent company through the Share Exchange
Corporate name: JX Holdings, Inc.
Address: 1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
- (2) Wholly owned subsidiary company through the Share Exchange
Corporate name: TonenGeneral Sekiyu K.K.
Address: 8-15, Kohnan 1-chome, Minato-ku, Tokyo

Article 2 Matters Regarding the Number of Shares to be Delivered at the Time of the Share Exchange and Allotment of Those Shares

2.1 At the time of the Share Exchange, JXHD shall deliver to the shareholders of TonenGeneral (limited to the shareholders after the treasury shares of TonenGeneral have been cancelled as set forth in Article 7; hereinafter the same), as of the time immediately before JXHD acquires all of the issued shares of TonenGeneral through the Share Exchange (the “Reference Time”), the shares of JXHD in the number obtained by multiplying the number of TonenGeneral shares held by such shareholders by 2.55, and JXHD shall allocate to each shareholder of TonenGeneral as of the Reference Time 2.55 shares of JXHD for each share of TonenGeneral which such shareholder holds.

2.2 If any shares of JXHD to be allocated by JXHD to TonenGeneral shareholders in accordance with the provisions of the preceding paragraph are fractional shares of less than one share of JXHD stock, JXHD shall handle such fractional shares in accordance with Article 234 of the Companies Act.

Article 3 Matters Regarding Amounts of Stated Capital and Reserves of the Wholly-Owning Parent Company through the Share Exchange

Stated capital, capital surplus reserve and earned surplus reserve of JXHD that will increase as a result of the Share Exchange are as follows; provided, however, that JXHD and TonenGeneral may change these amounts upon agreement through consultation due to changes in circumstances up until the effective date of the Share Exchange (the “Effective Date”).

- (1) Stated capital: 0 yen
- (2) Capital surplus reserve: Amount of changes in net assets stipulated in Article 39 of the Ordinance on Company Accounting
- (3) Earned surplus reserve: 0 yen

Article 4 Effective Date

4.1 The Effective Date shall be April 1, 2017.

4.2 Notwithstanding the provisions of the preceding paragraph, JXHD and TonenGeneral may change the Effective Date upon agreement through consultation, if necessary due to the progress of the procedures for the Share Exchange.

Article 5 General Meeting of Shareholders to Approve the Share Exchange

JXHD and TonenGeneral shall each hold a general meeting of shareholders by the day immediately preceding the Effective Date to seek approval for this Agreement and any matters necessary for the Share Exchange.

Article 6 Management of Company Assets

After the execution of this Agreement until the Effective Date, JXHD and TonenGeneral shall each execute its respective business and manage and operate its respective assets with due care of a prudent manager. Any acts which may have material influence on the assets or rights and obligations shall only be taken after discussing with the other party in advance.

Article 7 Cancellation of Treasury Shares

TonenGeneral shall at the Reference Time cancel all treasury shares it holds as of the Reference Time (including shares to be acquired by TonenGeneral in response to dissenting shareholders’ demand in relation to the Share Exchange to purchase their shares as stipulated in Article 785, Paragraph (1) of the Companies Act) upon resolution of the board of directors of TonenGeneral held by the day immediately preceding the Effective Date.

Article 8 Handling of Stock Acquisition Rights

TonenGeneral shall, by the day immediately preceding the Effective Date, acquire and cancel all stock acquisition rights which it has issued.

Article 9 Dividends of Surplus and Others

- 9.1 JXHD may pay dividends of surplus to the shareholders or registered pledgees of shares who are recorded on the latest registry of shareholders as of September 30, 2016 at the maximum of 8 yen per share and 20 billion yen in total.
- 9.2 JXHD may pay dividends of surplus to the shareholders or registered pledgees of shares who are recorded on the latest registry of shareholders as of March 31, 2017 at the maximum of 8 yen per share and 20 billion yen in total.
- 9.3 TonenGeneral may pay dividends of surplus to the shareholders or registered pledgees of shares who are recorded on the latest registry of shareholders as of December 31, 2016 at the maximum of 28.50 yen per share and 10.5 billion yen in total.
- 9.4 Unless provided for in the preceding three paragraphs, after the execution of this Agreement, JXHD and TonenGeneral shall not resolve to pay of dividends of surplus with the reference date which is earlier than the Effective Date. In addition, after the execution of this Agreement, JXHD and TonenGeneral shall not resolve to buy back their own stock with the acquisition date which is earlier than the Effective Date (excluding the buy-back of their own stock which is required upon exercise of the shareholders' rights pursuant to applicable laws and regulations).

Article 10 Amendment and Termination of this Agreement

After the execution of this Agreement until the Effective Date, if there are any material changes in the financial condition or business performance of JXHD or TonenGeneral or such changes become evident, if any events occur that could materially hinder the consummation of the Share Exchange in accordance with this Agreement or the occurrence of such events become evident, or if otherwise it becomes difficult to achieve the purpose of the Share Exchange, JXHD and TonenGeneral may amend or terminate this Agreement after consultation in good faith.

Article 11 Effectiveness of this Agreement

This Agreement shall cease to be in effect if:

- (1) it is not possible to obtain approval of a general meeting of shareholders of JXHD or TonenGeneral as set forth in Article 5 of this Agreement; or
- (2) any approval of relevant authorities required under laws and regulations with respect to the Share Exchange has not been obtained as of the Reference Time.

Article 12 Consultation

In addition to the provisions of this Agreement, JXHD and TonenGeneral shall set forth any matter

necessary for the Share Exchange upon agreement through consultation in accordance with the purpose of this Agreement.

Article 13 Jurisdiction

JXHD and TonenGeneral agree that the Tokyo District Court shall be the court of first instance having exclusive jurisdiction over any disputes relating to this Agreement before a court.

IN WITNESS WHEREOF, JXHD and TonenGeneral have executed this Agreement in duplicate by affixing their signatures and seals thereto, and each party shall keep one original.

August 31, 2016

JXHD: JX Holdings, Inc.
1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
Yukio Uchida, Representative Director, President

TonenGeneral: TonenGeneral Sekiyu K.K.
8-15, Kohnan 1-chome, Minato-ku, Tokyo
Jun Mutoh, Representative Director, President

3. Appropriateness of the exchange consideration

(1) Total amount of the exchange consideration and appropriateness of allocation

①Details of allocation in the Share Exchange

At the time of the Share Exchange, JXHD will allocate and deliver 2.55 shares of JXHD common stock for every one share of the Company common stock to the shareholders of the Company (excluding the Company as the owner of treasury stocks) as of the time immediately before the effective date of the Share Exchange (the “Reference Time”). Consequently, the total number of JXHD shares that is scheduled to be allocated through the Share Exchange is 928,782,825 shares. The Company will, at the Reference Time, cancel all treasury shares it holds as of the Reference Time (including any shares that are acquired by the Company in response to a demand from a dissenting shareholder regarding the Share Exchange exercised pursuant to Article 785, Paragraph (1) of the Companies Act) upon resolution of the board of directors of the Company held by the day immediately preceding the effective date of the Share Exchange. The number of shares to be allocated and delivered through the Share Exchange is subject to change due to the potential buy-back of its own stock by the Company and other possible reasons.

	JXHD	The Company
Share exchange ratio for the Share	1	2.55

Exchange (the “Share Exchange Ratio”)		
Number of shares to be delivered in the Share Exchange	JXHD common stock: 928,782,825 shares (planned)	

Note 1: Treatment of shares consisting of less than one unit

It is expected that some shareholders will hold shares consisting of less than one unit (100 shares) of JXHD stock as a result of the Share Exchange. Affected shareholders will not be able to sell such shares consisting of less than one unit of JXHD on any securities exchange markets. Shareholders who hold shares consisting of less than one unit of JXHD may utilize (i) the procedures to demand purchase of shares constituting less than one unit (where JXHD would purchase shares consisting of less than one unit) pursuant to Article 192, Paragraph (1) of the Companies Act or (ii) the procedures to purchase further shares consisting of less than one unit (where shareholders would purchase from JXHD the requisite number of shares which, together with the number of shares held by such shareholders consisting of less than one unit, would equal the sum of one unit (100 shares)) pursuant to Article 194, Paragraph (1) of the Companies Act and the Articles of Incorporation of JXHD.

Note 2: Treatment of any fractional shares

For the current shareholders of the Company who will receive a fractional share equal to less than one share of JXHD stock upon the completion of the Share Exchange, each affected shareholder will be paid the cash value of such fractional shares pursuant to Article 234 of the Companies Act and other relevant laws and regulations.

②Analysis of the Share Exchange allocation details

A. Basis and reasons for the allocation details

The Company and JXHD have carefully negotiated and discussed the Share Exchange Ratio, taking into account the analyses of the share exchange ratio conducted by third party financial advisors, and financial condition, the share prices on the market and prospects of the Company and JXHD, among other factors, on a comprehensive basis. After a prudent and thorough discussion, the Company and JXHD have come to an agreement and concluded that the Share Exchange Ratio, described in “①Details of allocation in the Share Exchange” above, is appropriate.

B. Analysis

In order to ensure the fairness of the Share Exchange Ratio relating to the Share Exchange, the Company retained Merrill Lynch Japan Securities Co., Ltd. (“BofA Merrill Lynch”) and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (“Mitsubishi UFJ Morgan Stanley”). JXHD retained Nomura Securities Co., Ltd., Citi Global Markets Japan Inc., Mizuho Securities Co. Ltd., and Daiwa Securities Co. Ltd. Company and JXHD retained the aforementioned entities as their third party financial advisors for the calculation of the ratio.

None of the Company’s or JXHD’s third party financial advisors of has any material interest of note in connection with the Share Exchange.

Please refer to Attachment 1 “Overview of the Share Exchange Ratio analyses, conducted by the third party financial advisors” for an overview of their analyses.

C. Measures to ensure fairness

The Company and JXHD took the following measures to ensure the fairness of the Share Exchange Ratio and other aspects of the Share Exchange.

(a) Obtaining valuation reports and written fairness opinions from independent third party financial advisors

The Company received valuation reports with respect to the Share Exchange Ratio from the independent third party financial advisors stated in B above, and the Company obtained a written fairness opinion from each independent third party financial advisor to the effect that, based on the assumptions set forth in Attachment 1 “Overview of the Share Exchange Ratio analyses, conducted by the third party financial advisors” and other conditions, the Share Exchange Ratio is fair, from a financial point of view, to the holders of the Company common stock, other than JXHD and its affiliates, if any.

JXHD received valuation reports with respect to the Share Exchange Ratio from the independent third party financial advisors stated in B above, and JXHD obtained a written fairness opinion from each independent third party financial advisor to the effect that, based on certain assumptions and other conditions, the Share Exchange Ratio is fair, from a financial point of view, to JXHD.

(b) Advice from independent law firms

The Company has obtained advice for the conduct of due diligence and the various procedures for the Business Integration from legal consultants from Nishimura & Asahi and Jones Day.

JXHD has obtained advice for the conduct of due diligence and the various procedures for the Business Integration from legal consultants from Mori Hamada & Matsumoto.

(c) Advice from independent accounting and tax firms

The Company has obtained advice for the conduct of due diligence from financial and tax consultants from Deloitte Tohmatsu Financial Advisory LLC, Deloitte Touche Tohmatsu LLC, and Deloitte Tohmatsu Tax Co.

JXHD has obtained advice for the conduct of due diligence from financial and tax consultants from EY Tax Co., EY ShinNihon LLC and EY Transaction Advisory Services Co., Ltd.

(d) Advice from independent technical advisors

The Company has obtained advice for the conduct of due diligence for its oil and natural gas upstream business and its metal resources development business from technical advisors from Netherland, Sewell & Associates, Inc. and RungePincockMinarco Limited, respectively.

D. Measures to avoid conflicts of interest

In connection with the Business Integration, the Company and JXHD have taken no specific measures to avoid conflicts of interest because there is no conflict of interest between the two companies.

(2) Reasons for choosing common shares of JXHD as exchange consideration

The Company and JXHD have chosen common shares of JXHD, the wholly-owning parent company in share exchange, as the exchange consideration for the Share Exchange. The Company has decided that the common shares of JXHD will be appropriate exchange consideration, taking into account that (i) since the shares of JXHD are listed on the first section of TSE and the first section of Nagoya Stock Exchange, Inc. (the “Nagoya Stock Exchange”), the common shares of JXHD will continue to be highly liquid, thereby ensuring trading opportunities; and (ii) shareholders of the Company will be able to enjoy the benefit of the integration effect of the Business Integration by receiving common shares of JXHD, the wholly-owning parent company.

(3) Matters concerning the amount of the stated capital and reserves of JXHD

The Company and JXHD determined that the Share Exchange will increase the amounts of stated capital and reserves of JXHD as follows:

- (a) The amount of stated capital to be increased: 0 yen
- (b) The amount of capital reserves that will be increased: the amount equal to the change in shareholders capital as stipulated in Article 39 of the Ordinance on Accounting of Companies
- (c) The amount of earnings reserves to be increased: 0 yen

The above-mentioned amounts of the stated capital and reserves have been determined by taking into account the capital policies of JXHD after the Share Exchange and other comprehensive conditions pursuant to mutual discussion between the Company and JXHD and by complying with laws and regulations. Therefore, these amounts are considered to be appropriate.

4. References to exchange consideration

(1) Articles of Incorporation of JXHD

The Articles of Incorporation of JXHD can be found in Attachment 2 “The Articles of Incorporation”. The Articles of Incorporation shown in Attachment 2 contains the current provisions of the Articles of Incorporation of JXHD and will be amended as shown in Attachment 3, “Amendment proposal on the Articles of Incorporation of JX Holdings, Kabushiki Kaisha”, upon a resolution of approval at the extraordinary general meeting of shareholders of JXHD to be held on December 21, 2016.

(2) Methods to realize the exchange consideration

① Markets where the exchange consideration is traded

Common shares of JXHD are listed on and traded at the first section of TSE and the first section of Nagoya Stock Exchange.

②Persons who provide intermediary, brokerage or agency services for the transaction of exchange consideration

Each national or local securities firm provides intermediary, brokerage or agency services for the common shares of JXHD.

③Details of restrictions on disposal including transfer restriction of exchange consideration

Not applicable.

(3) Market price of exchange consideration

The change in market price of common shares of JXHD for the past 6 months listed on the first section of TSE is as follows.

	May 2016	June	July	August	September	October
Highest price (JPY)	459.3	445.0	405.2	392.8	407.1	419.5
Lowest price (JPY)	422.3	381.6	381.0	362.9	386.1	402.1

Market prices and the change in market price of the common shares of JXHD can be found by accessing the share price information, charts and others disclosed by Japan Exchange Group at the following website:

<http://www.jpx.co.jp/>

(4) Details of the balance sheets of JXHD for each business year within the past five years

JXHD has submitted its Annual Report for each business year pursuant to Article 24, Paragraph (1) of the Financial Instrument and Exchange Act.

5. Appropriateness of the stock option provisions

Not applicable.

The Company plans to cancel all of the outstanding stock options by the date immediately preceding the effective date of the Share Exchange.

6. Financial statements and other information

(1) Financial statements and other JXHD information regarding the most recent business year

JXHD's financial statements and other information regarding the most recent business year (from April 1, 2015 to March 31, 2016) have been disclosed on the website of the Company (<http://www.tonengeneral.co.jp/ir/stockinformation/g-mtg.html>) pursuant to applicable laws and regulations and Article 15 of the Articles of Incorporation of the Company.

(2) Events having a material effect on the state of company assets occurring after the last day of the most recent business year of the Company or JXHD

① The Company

A. The Company resolved, at its board of directors meeting held on February 12, 2016, that it would cancel 199,182,000 shares of treasury stock pursuant to Article 178 of the Companies Act and cancelled the treasury stock shares on February 29, 2016.

B. On August 31, 2016, the Company executed the business integration agreement and the Share Exchange Agreement with JXHD and the Absorption-type Merger Agreement with JXE, respectively. Please refer to “2. Details of the Share Exchange Agreement” in this Agenda for details about the Share Exchange Agreement, and “2. Details of the Absorption-type Merger Agreement” in Agenda No. 2 for details about the Absorption-type Merger Agreement, respectively.

C. On November 11, 2016, the Company executed an absorption-type merger agreement with EMG Marketing Godo Kaisha, which is a consolidated subsidiary of the Company. Please refer to “2. Details of the EMGM Absorption-type Merger Agreement” in Agenda No. 3 for details about the absorption-type merger agreement.

② JXHD

A. On August 31, 2016, JXHD executed the business integration agreement and the Share Exchange Agreement with the Company. Please refer to “2. Details of the Share Exchange Agreement” in this Agenda for details about the Share Exchange Agreement.

B. On August 31, 2016, JXE executed the Absorption-type Merger Agreement with the Company. Please refer to “2. Details of the Absorption-type Merger Agreement” in Agenda No. 2 for details about the Absorption-type Merger Agreement.

C. JXHD executed an absorption-type split agreement on November 8, 2016, with JXHD as the succeeding company and JXE as the splitting company, in order for JXHD to assume, pursuant to the Absorption-type Merger Agreement, from the Company on April 1, 2017 a part of the rights and obligations (such as listed shares, loans, bonds, debts and others).

Overview of the Share Exchange Ratio analyses, conducted by the third party financial advisors

(1) BofA Merrill Lynch

Given that both the Company and JXHD are publicly listed companies with an existing market in their shares, as part of the process of preparing its written opinion, BofA Merrill Lynch conducted its valuation analyses using market price analysis and discounted cash flow (“DCF”) analysis based on the trends of the market share prices, forecasts and other aspects of the performance of the Company and JXHD, and the board of directors of the Company received a valuation analyses presentation with respect to the Share Exchange Ratio from BofA Merrill Lynch on August 31, 2016. Furthermore, the board of directors of the Company received a written opinion (“BofA Merrill Lynch Opinion”) on August 31, 2016, to the effect that, based on the assumptions set forth below and other conditions set forth in such written opinion, the Share Exchange Ratio provided for in the Share Exchange is fair, from a financial point of view, to the holders of common stock of the Company, other than JXHD and its affiliates. It is understood that the BofA Merrill Lynch Opinion is for the benefit and use of the board of directors of the Company (in its capacity as such) in connection with and for purposes of its evaluation of the Share Exchange Ratio in the Share Exchange from a financial point of view. Furthermore, no opinion or view is expressed as to the relative merits of the Business Integration in comparison to other strategies or transactions that might be available to the Company or in which the Company might engage or as to the underlying business decision of the Company to proceed with or effect the Business Integration. In addition, BofA Merrill Lynch expresses no opinion or recommendation as to how any shareholder should vote or act in connection with the Business Integration or any related matter. Moreover, the Board of the Company has received the following supplementary explanation from BofA Merrill Lynch concerning the assumptions and disclaimers related to its analyses and the BofA Merrill Lynch Opinion.

The market price analysis was based (1) on the closing price of each company on August 26, 2016 (the “Record Date (i)”) and the average closing prices of each company for the one-month, three-month and six-month periods up to and including the Record Date (i) and (2) on the closing prices of each company on November 13, 2015 (the “Record Date (ii)”), the business day immediately prior to the day on which the Business Integration of the Company and JXHD was reported in the news, and the average closing prices for the one-month, three-month and six-month periods up to and including the Record Date (ii).

The DCF analysis was based upon stand-alone forecasts for each of the Company and JXHD (as adjusted by the Company) provided by the Company and JXHD, which did not take into account potential synergies resulting from the Business Integration.

The table below sets forth the primary methodologies that BofA Merrill Lynch used in its valuation analyses of the Company and JXHD, along with the ranges of Share Exchange Ratios suggested as a result of such valuations. (The following ranges represent the number of shares of JXHD common stock to be allotted for each share of the Company common stock)

Adopted Method		Calculation Range of Share Exchange Ratio
(1)-1	Market Price Analysis (Record Date (i))	2.29-2.39
(1)-2	Market Price Analysis (Record Date (ii))	2.40-2.68
(2)	DCF Analysis	2.29-2.69

In arriving at the BofA Merrill Lynch Opinion, BofA Merrill Lynch has assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with BofA Merrill Lynch and has relied upon the assurances of the managements of the Company and JXHD that they are not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to financial forecasts of the Company furnished to or discussed with BofA Merrill

Lynch (such forecasts, the “Company Forecasts”), BofA Merrill Lynch has been advised by the Company, and has assumed, that the Company Forecasts have been reasonably prepared on bases reflecting the best then-available estimates and good faith judgments of the management of the Company as to the future financial performance of the Company. With respect to financial forecast of JXHD prepared by the management of JXHD (such forecasts, “the JXHD Forecasts”) and the amount and timing of cost savings and revenue enhancements (collectively, the “Synergies”) anticipated by the managements of the Company and JXHD to result from the Business Integration, BofA Merrill Lynch has been advised by JXHD, and has assumed, with the consent of the Company, that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of JXHD as to the future financial performance of JXHD and other matters covered thereby. BofA Merrill Lynch has relied, at the direction of the Company, on the assessments of the management of the Company as to the Company and JXHD’s ability to achieve the Synergies and has been advised by the Company and JXHD, and has assumed, with the consent of the Company, that the Synergies will be realized in the amounts and at the times projected. With respect to an alternative version of the JXHD Forecasts incorporating certain adjustments thereto made by the management of the Company (such forecasts, the “Adjusted JXHD Forecasts”), including with respect to JXHD’s internal oil and gas reserve, ore reserve and production estimates, BofA Merrill Lynch has assumed, at the direction of the Company, that the Adjusted JXHD Forecasts have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of the Company as to the future financial performance of JXHD and, based on the assessments of the management of the Company as to the relative likelihood of achieving the future financial results reflected in the JXHD Forecasts and the Adjusted JXHD Forecasts, BofA Merrill Lynch has relied, at the direction of the Company, on the Adjusted JXHD Forecasts for purposes of arriving at the BofA Merrill Lynch Opinion. The BofA Merrill Lynch Opinion is necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to BofA Merrill Lynch as of, the date hereof. Commodity prices including oil, gas, and copper have been experiencing unusual volatility and the BofA Merrill Lynch Opinion expresses no opinion or view as to any potential effects of such volatility on the Company, JXHD or the Business Integration. It should be understood that subsequent developments may affect the BofA Merrill Lynch Opinion, and BofA Merrill Lynch does not have any obligation to update, revise, or reaffirm the BofA Merrill Lynch Opinion.

As noted above, the discussion set forth above is a summary of the material financial analyses presented by BofA Merrill Lynch to the Company’s board of directors in connection with the BofA Merrill Lynch Opinion and is not a comprehensive description of all analyses undertaken by BofA Merrill Lynch in connection with the BofA Merrill Lynch Opinion. The preparation of a financial opinion and its underlying analysis is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description. BofA Merrill Lynch believes that its analyses must be considered as a whole. BofA Merrill Lynch further believes that selecting portions of its analyses and the factors considered or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying BofA Merrill Lynch’s analyses and the BofA Merrill Lynch Opinion. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.

In performing its analyses, BofA Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of the Company and JXHD. The estimates of the future performance of the Company and JXHD in or underlying BofA Merrill Lynch’s analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by BofA Merrill Lynch’s analyses. These analyses were prepared solely as part of BofA Merrill Lynch’s analysis of the fairness, from a financial point of view, of the Share Exchange Ratio and were provided to the Company’s board of directors in connection with the delivery of the BofA Merrill Lynch Opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or the prices at which any securities have traded

or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular analysis described above are inherently subject to substantial uncertainty and should not be taken to be BofA Merrill Lynch's view of the actual values of the Company or JXHD. The Share Exchange Ratio in the Share Exchange was determined through negotiations between the Company and JXHD, rather than by any financial advisor, and was approved by the Company's board of directors. The decision to enter into the Absorption-type Merger Agreement was solely that of the Company's board of directors. As described above, the BofA Merrill Lynch Opinion and analyses were only one of many factors considered by the Company's board of directors in its evaluation of the Business Integration and should not be viewed as determinative of the views of the Company's board of directors or management with respect to the Share Exchange or the Share Exchange Ratio.

BofA Merrill Lynch has not made or been provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of the Company or JXHD, nor has BofA Merrill Lynch made any physical inspection of the properties or assets of the Company or JXHD. With respect to the internal oil and gas reserve, ore reserve and production estimates of JXHD mentioned above, BofA Merrill Lynch is not an expert in the engineering, evaluation or appraisal of oil and gas properties or mining deposits and, with the Company's consent, BofA Merrill Lynch has relied, without independent verification, upon the estimates of management of the Company. BofA Merrill Lynch has not evaluated the solvency or fair value of the Company or JXHD under any applicable laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch has assumed, at the direction of the Company, that the Business Integration will be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the Business Integration, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, will be imposed that would have an adverse effect on the Company, JXHD or the contemplated benefits of the Business Integration. BofA Merrill Lynch has also assumed, with the consent of the Company, that the Business Integration will qualify as a tax-free reorganization for Japanese income tax and Japanese corporate tax purposes. The BofA Merrill Lynch Opinion is based upon financial information prepared in accordance with generally accepted accounting principles in Japan ("Japanese GAAP"). BofA Merrill Lynch has not reviewed any financial information prepared by the Company or JXHD in accordance with International Financial Reporting Standards ("IFRS") and has not taken account of any differences between Japanese GAAP and IFRS. BofA Merrill Lynch also has assumed, at the direction of the Company, that the final executed agreements will not differ in any material respect from the draft agreements reviewed by BofA Merrill Lynch.

BofA Merrill Lynch has acted as financial advisor to the Company in connection with the Business Integration and will receive a fee for its services, a significant portion of which is contingent upon consummation of the Business Integration. In addition, the Company has agreed to reimburse BofA Merrill Lynch's expenses and indemnify BofA Merrill Lynch against certain liabilities arising out of its engagement.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of its businesses, BofA Merrill Lynch and its affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of the Company, JXHD and certain of their respective affiliates.

BofA Merrill Lynch and its affiliates in the past have provided and may be currently providing or may in the future provide, investment banking, commercial banking and other financial services to the Company and have received or in the future may receive compensation for the rendering of these services. In addition, BofA Merrill Lynch and its affiliates in the past have provided and may be currently providing or may in the future provide, investment banking, commercial banking and other financial services to JXHD and have received or

in the future may receive compensation for the rendering of these services. BofA Merrill Lynch was not requested to by the Company, and did not, solicit indications of interest or proposals from third parties regarding a possible integration with the Company or any alternative transaction.

The BofA Merrill Lynch Opinion is limited to the fairness, from a financial point of view, of the Share Exchange Ratio to holders of the Company common stock other than JXHD and its affiliates and no opinion or view is expressed with respect to any consideration received in connection with the Business Integration by the holders of any class of securities, creditors or other constituencies of any party. In addition, no opinion or view was expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the Business Integration, or class of such persons, relative to the Share Exchange Ratio in the Share Exchange. BofA Merrill Lynch is not expressing any opinion as to what the value of JXHD common stock actually will be when issued or the prices at which the Company common stock or JXHD common stock will trade at any time, including following announcement or consummation of the Business Integration.

BofA Merrill Lynch does not provide any legal, accounting or tax-related advice.

(2) Mitsubishi UFJ Morgan Stanley Securities

Mitsubishi UFJ Morgan Stanley analyzed the Share Exchange Ratio by performing valuation analyses based on the Historical Trading Ratio Analysis, given that the shares of the Company and JXHD are listed on public securities exchanges and the market share prices of the Company and JXHD are available, and the Discounted Cash Flow Analysis (the “DCF Analysis”) methodologies, in order to reflect the future expected business activities of the Company and JXHD, and comprehensively considered the results of such analyses.

In the Historical Trading Ratio Analysis, Mitsubishi UFJ Morgan Stanley, using August 26, 2016 as the base date (the “Base Date”), reviewed the implied ranges of the Share Exchange Ratio based on the respective closing share prices of each company on the Tokyo Stock Exchange during each of the one-month period and three-month period prior to and including the Base Date. In the DCF Analysis, Mitsubishi UFJ Morgan Stanley used financial projections of the Company and JXHD on a stand-alone basis, without considering the effect of the Business Integration, based on forecasts provided by the managements of the Company and JXHD.

The following table summarizes the implied ranges of the Share Exchange Ratio calculated by Mitsubishi UFJ Morgan Stanley under each methodology. (The following ranges of the Share Exchange Ratio represent ranges of the number of shares of common stock of JXHD to be allotted for one share of common stock of the Company.)

Methodology	Implied Range of the Share Exchange Ratio
Historical Trading Ratio Analysis	2.31-2.48
DCF Analysis	1.76-2.52

Mitsubishi UFJ Morgan Stanley provided a summary of its analysis, dated August 30, 2016, to the board of directors of the Company. Based on the request from the board of directors of the Company, Mitsubishi UFJ Morgan Stanley also delivered to the board of directors of the Company a written fairness opinion that, as of August 30, 2016, the agreed upon Share Exchange Ratio was fair, from a financial point of view, to the holders of common stock of the Company.

The written fairness opinion of Mitsubishi UFJ Morgan Stanley is based upon and subject to various significant assumptions, limitations and other conditions, which are summarized below. Mitsubishi UFJ Morgan Stanley did not recommend any particular exchange ratio to the Company or the board of directors of the Company as the only appropriate Share Exchange Ratio.

The valuation analyses and written opinion delivered by Mitsubishi UFJ Morgan Stanley were prepared solely for the use of the board of directors of the Company in connection with its evaluation of the Share Exchange Ratio for the Business Integration and may not be used or relied on for any other purpose. Mitsubishi UFJ Morgan Stanley’s written opinion does not in any manner address the prices at which JXHD’s

Common Stock will trade following consummation of the Share Exchange and expresses no opinion or recommendation as to how the shareholders of the Company and JXHD should vote at the shareholders' meetings to be held in connection with the Share Exchange.

Mitsubishi UFJ Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to it by the Company and JXHD, and formed a substantial basis for its fairness opinion and analysis. With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated from the Business Integration, Mitsubishi UFJ Morgan Stanley assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of the Company and JXHD of the future financial performance of the Company and JXHD. In addition, Mitsubishi UFJ Morgan Stanley assumed that the Business Integration will be consummated in accordance with the terms set forth in the Business Integration Agreement without any waiver, amendment or delay of any terms or conditions, including, among other things, that the Business Integration will be treated as a tax-free reorganization for Japanese income tax and Japanese corporate tax purposes for both companies and their respective shareholders. Mitsubishi UFJ Morgan Stanley assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed Business Integration, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed Business Integration. Mitsubishi UFJ Morgan Stanley is not a legal, accounting, tax, technical, environmental or regulatory advisor. Mitsubishi UFJ Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of the Company and its legal, accounting, tax, technical, and environmental advisors with respect to legal, accounting, tax, technical, environmental or regulatory matters. Mitsubishi UFJ Morgan Stanley has expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of the Company's officers, directors or employees, or any class of such persons, relative to the consideration to be received by the holders of shares of the Company Common Stock in the transaction. Mitsubishi UFJ Morgan Stanley has not made any independent valuation or appraisal of the assets or liabilities of the Company or JXHD, nor has Mitsubishi UFJ Morgan Stanley been furnished with any such appraisals. With respect to the internal oil and gas reserve, ore reserve and production estimates of JXHD, Mitsubishi UFJ Morgan Stanley are not experts in the engineering, evaluation or appraisal of oil and gas properties or mining deposits and have relied, without independent verification, upon the internal reserve estimates of management of JXHD as well as adjustments thereto made by management of the Company. The analysis and fairness opinion of Mitsubishi UFJ Morgan Stanley was necessarily based on financial, economic, market and other conditions (including commodity prices) as in effect on, and the information made available to Mitsubishi UFJ Morgan Stanley as of the date of the fairness opinion. Events occurring after such date might have an effect on the analysis and fairness opinion and the assumptions used in preparing it, and Mitsubishi UFJ Morgan Stanley has not assumed any obligation to update, revise or reaffirm its analysis and fairness opinion.

The preparation of a fairness opinion and the analysis forming the basis thereof is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Mitsubishi UFJ Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Mitsubishi UFJ Morgan Stanley believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Mitsubishi UFJ Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the range of valuations resulting from any particular analysis described herein should not be taken to be Mitsubishi UFJ Morgan Stanley's view of the actual value of the Company or JXHD. In performing its analyses, Mitsubishi UFJ Morgan Stanley made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of the Company or JXHD. Any estimates contained in Mitsubishi UFJ Morgan Stanley's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by these

estimates. The summary contained herein describes material analyses performed by Mitsubishi UFJ Morgan Stanley, but does not purport to be a complete description of the analyses performed.

The Share Exchange Ratio was determined through arm's length negotiations between the Company and JXHD and was approved by the Company's board of directors. Mitsubishi UFJ Morgan Stanley's analysis and fairness opinion and its presentation to the Company's board of directors was only one of many factors taken into consideration by the Company's board of directors in deciding to approve the Business Integration. Consequently, the analyses described herein should not be viewed as determinative of the opinion of the Company's board of directors with respect to the Share Exchange Ratio or of whether the Company's board of directors would have been willing to agree to a different exchange ratio. Mitsubishi UFJ Morgan Stanley was not authorized to solicit, and did not solicit, indications of interest from any party with respect to a transaction with the Company.

Mitsubishi UFJ Morgan Stanley has acted as financial advisor to the board of directors of the Company in connection with this transaction and will receive a fee for its services, a significant portion of which is contingent upon the closing of the Business Integration. In the two years prior to the date of the fairness opinion, Mitsubishi UFJ Morgan Stanley has provided financial advisory and financing services for the Company and JXHD and has received fees in connection with such services. Mitsubishi UFJ Morgan Stanley may also seek to provide such services to the Company and JXHD in the future and would expect to receive fees for the rendering of these services.

Please note that Mitsubishi UFJ Morgan Stanley is a global financial services firm engaged in the banking (including financing for the Company and JXHD), securities, trust, investment management, credit services and other financial businesses (collectively, "Financial Services"). Its securities business is engaged in securities underwriting, trading, and brokerage activities, foreign exchange, commodities and derivatives trading, as well as providing investment banking, financing and financial advisory services. In the ordinary course of its underwriting, trading, brokerage and financing activities, Mitsubishi UFJ Morgan Stanley may at any time hold long or short positions, may provide Financial Services to the Company, JXHD, or companies that may be involved in this transaction and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or loans of the Company, JXHD, or any company that may be involved in this transaction, or in any currency or commodity that may be involved in this transaction, or in any related derivative instrument. Mitsubishi UFJ Morgan Stanley, its directors and officers may also at any time invest on a principal basis or manage funds that invest on a principal basis, in debt or equity securities of the Company, JXHD, or any company that may be involved in this transaction, or in any currency or commodity that may be involved in this transaction, or in any related derivative instrument. Further, Mitsubishi UFJ Morgan Stanley may at any time carry out ordinary course broking activities for the Company, JXHD, or any company that may be involved in this transaction.

The Articles of Incorporation

Made on April 1, 2010, as amended on: June 27, 2011

CHAPTER I — GENERAL PROVISIONS

(CORPORATE NAME)

ARTICLE 1 — The name of the Company shall be JX Holdings, Kabushiki Kaisha, and in English JXHoldings, Inc.

(PURPOSES)

ARTICLE 2 — The purposes of the Company shall be, by means of holding shares, to manage and control companies engaged in the following businesses and to conduct any other business incidental to such purpose:

- (1) To explore, develop, recover, refine, process, store, purchase and sell and transport petroleum, natural gas and other energy resources and by-products thereof;
- (2) To manufacture, process, purchase and sell petrochemical products and other chemical products;
- (3) To supply electricity;
- (4) To develop, manufacture, purchase and sell fuel cells, solar cells, electric storage devices, cogeneration systems and other distributed energy systems;
- (5) To develop, manufacture, purchase and sell biotechnology-related products;
- (6) To purchase and sell automobiles and automotive supplies and to service and repair automobiles;
- (7) To explore, develop, recover, refine, process, store, purchase and sell and transport metal and other mineral resources and by-products thereof;
- (8) To process metal and to manufacture, purchase and sell electronic materials and the raw materials thereof;
- (9) To engage in the resource recycling business, soil cleanup business and waste disposal business;
- (10) To purchase and sell and lease, whether as lessor or lessee or both, real estate and to act as intermediaries or administrators of real estate;
- (11) To engage in the financing business and to act as casualty insurance agent and life insurance broker;
- (12) To undertake development, sales and purchase, lease and operation of computer systems and software, and to provide information services;
- (13) To contract combined and facility engineering work;
- (14) To engage in the transportation business;
- (15) To manufacture, purchase and sell general machinery and instruments, electrical machinery and instruments, and precision machinery and instruments;
- (16) To engage in non-destructive inspection business, staffing business, environmental assessment business, travel business and travel agency business;
- (17) To manage athletic facilities;
- (18) To purchase and sell daily commodities;
- (19) To do any and all other businesses incidental or relating to any of the foregoing items.

2. The Company may conduct any business stipulated in each items of the preceding paragraph.

(LOCATION OF HEAD OFFICE)

ARTICLE 3 — The head office of the Company shall be located in Chiyoda-ku, Tokyo.

(CORPORATE BODIES)

ARTICLE 4 — The Company shall have the following organizations in addition to the general meeting of shareholders and directors:

- (1) Board of Directors
- (2) Executive Officers
- (3) Corporate Auditors
- (4) Board of Corporate Auditors
- (5) Accounting Auditors

(METHOD OF PUBLIC NOTICE)

ARTICLE 5 — Public notices of the Company shall be given electronically; provided, however, that in the event the Company is unable to give electronic public notice due to an accident or any other unavoidable reason, public notices of the Company shall be given in the Nihon Keizai Shimbun newspaper.

CHAPTER II — SHARES

(TOTAL NUMBER OF AUTHORIZED SHARES)

ARTICLE 6 — The total number of authorized shares issuable by the Company shall be eight (8) billion.

(ACQUISITION OF THE COMPANY'S OWN SHARES)

ARTICLE 7 — The Company may, by a resolution of the Board of Directors, acquire its own shares pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act.

(NUMBER OF SHARES CONSTITUTING ONE UNIT OF SHARES)

ARTICLE 8 — The number of shares constituting one unit of shares of the Company shall be one hundred (100).

(RIGHTS PERTAINING TO SHARES OF LESS THAN ONE UNIT)

ARTICLE 9 — A shareholder of the Company is not entitled to exercise any right with respect to shares constituting less than one unit held by such shareholder except for any of the following rights:

1. Rights stipulated in each item of Article 189, Paragraph 2 of the Companies Act;
2. Right to allotment of offered shares and offered stock acquisition rights, in proportion to the number of shares held by the shareholder; and
3. Right to demand sale of additional shares constituting less than one unit as provided in the following Article.

(DEMAND FOR SALE OF SHARES BY SHAREHOLDERS HOLDING SHARES CONSTITUTING LESS THAN ONE UNIT)

ARTICLE 10 — Shareholders of the Company may, pursuant to the Share Handling Regulations set forth in Article 12 hereof, demand that the Company sell to the shareholder a

number of shares that, together with shares constituting less than one unit held by the shareholder will constitute one unit.

(SHAREHOLDER REGISTER ADMINISTRATOR)

ARTICLE 11 — The Company shall have an administrator of the Shareholder Register for share administration.

2. The Company shall, by a resolution of the Board of Directors, appoint an administrator of the Shareholder Register and designate the place to perform his duties as such, and the Company shall give public notice of such appointment and designation.

3. All administration services relating to the Register of Shareholders and the ledger of stock acquisition rights of the Company (hereinafter collectively referred to as “Register of Shareholders, etc.”) including but not limited to preparation and keeping of the Register of Shareholders, etc. shall not be performed by the Company but shall be delegated to the administrator of the Shareholder Register.

(SHARE HANDLING REGULATIONS)

ARTICLE 12 — All share administration procedures and the fees thereof shall be subject to the Share Handling Regulations determined by a resolution of the Board of Directors, except as provided by laws, ordinances or this Articles of Incorporation.

CHAPTER III — GENERAL MEETING OF SHAREHOLDERS

(CONVENING)

ARTICLE 13 — An Ordinary General Meeting of Shareholders shall be convened within three (3) months after the end of each fiscal year and an Extraordinary General Meeting of Shareholders may be convened whenever necessary.

(RECORD DATE OF ORDINARY GENERAL MEETING OF SHAREHOLDERS)

ARTICLE 14 — The record date of the Ordinary General Meeting of Shareholders of the Company shall be March 31 of each year. The Company shall deem shareholders whose names are recorded in the Register of Shareholders on March 31 of each fiscal year to be the shareholders entitled to exercise their voting rights at the Ordinary General Meeting of Shareholders.

(ELECTRONIC DISCLOSURE OF REFERENCE MATERIAL FOR THE GENERAL MEETING OF SHAREHOLDERS, ETC. AND DEEMED PROVISION)

ARTICLE 15 — The Company may, at the time of convocation of a General Meeting of Shareholders, deem to have provided shareholders with the Reference Material for the General Meeting of Shareholders, business reports, non-consolidated and consolidated financial documents (hereinafter collectively referred to as “Reference Material for the General Meeting of Shareholders, etc.”) by disclosing information with respect to matters which shall be stated or indicated in Reference Material for the General Meeting of Shareholders, etc. to shareholders through electronic means as provided for in the ordinances of the Ministry of Justice.

(CHAIRMAN)

ARTICLE 16 — The President shall act as Chairman at the General Meetings of Shareholders. If the President is unable to act as Chairman at a General Meeting of Shareholders, a Director shall act in his or her place in accordance with the order determined in advance by a resolution of the Board of Directors.

(ADOPTION OF RESOLUTIONS)

ARTICLE 17 — All resolutions at a General Meeting of Shareholders shall be adopted by a majority of the voting rights held by the shareholders present who are entitled to exercise voting rights.

2. Notwithstanding the foregoing paragraph, resolutions to be adopted at a General Meeting of Shareholders pursuant to each item of Article 309, Paragraph 2 of the Companies Act shall be adopted by no less than two-thirds (2/3) of the voting rights held by the shareholders present at the meeting, at which no less than one-third (1/3) of the voting rights of all shareholders entitled to exercise voting rights are present.

(EXERCISE OF VOTING RIGHTS BY PROXY)

ARTICLE 18 — A shareholder may exercise his or her voting right(s) by appointing one (1) person to serve as a proxy who shall be a shareholder of the Company entitled to exercise voting right(s).

(MINUTES)

ARTICLE 19 — Minutes shall be prepared at each General Meeting of Shareholders as provided for in the ordinances of the Ministry of Justice.

**CHAPTER IV — DIRECTORS, BOARD OF DIRECTORS AND EXECUTIVE OFFICERS
(NUMBER AND ELECTION OF DIRECTORS)**

ARTICLE 20 — The Company shall have no more than twenty (20) Directors, who shall be elected by a resolution of a General Meeting of Shareholders.

2. Resolutions to elect Directors shall be adopted by a majority vote of the shareholders present at the General Meeting of Shareholders where the shareholders holding one-third (1/3) or more of the voting rights of the shareholders entitled to exercise their voting rights are present.

3. Cumulative voting shall not be used in adapting a resolution for election of Directors.

(TERM OF OFFICE OF DIRECTORS)

ARTICLE 21 — The term of office of a Director shall expire at the close of the Ordinary General Meeting of Shareholders for the last fiscal year ending within one (1) year after his or her appointment.

2. The term of office of a Director elected to increase the number of Directors or fill the vacancy of the Board created by earlier termination of a Director shall be the remainder of the term of office of the other Directors.

(REMUNERATION, ETC. OF DIRECTORS)

ARTICLE 22 — Remuneration, bonuses and other financial benefits of Directors received from the Company in consideration for the execution of the duties (hereinafter referred to as “Remunerations, etc.”) shall be determined by a resolution of a General Meeting of Shareholders.

(AGREEMENT LIMITING LIABILITY OF OUTSIDE DIRECTORS)

ARTICLE 23 — Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company may enter into an agreement with outside directors to limit their liabilities under Article 423, paragraph 1 of the Companies Act to the amount provided by laws and ordinances.

(CONVOCAION OF MEETINGS OF THE BOARD OF DIRECTORS)

ARTICLE 24 — Notice of a Meeting of the Board of Directors shall be given to each Director and Corporate Auditor at least three (3) days before the day of the Meeting; provided, however, that in case of emergency such notice period may be shortened.

(REPRESENTATIVE DIRECTORS AND DIRECTORS WITH SPECIAL TITLES)

ARTICLE 25 — Representative Directors of the Company shall be appointed by a resolution of the Board of Directors.

2. The Board of Directors may, by resolution, appoint one (1) President, and one (1) Chairman and one (1) Vice Chairman of the Board of Directors.

(REGULATIONS OF THE BOARD OF DIRECTORS)

ARTICLE 26 — Except as provided by laws, ordinances or this Articles of Incorporation, the Board of Directors shall be administered in accordance with the Regulations of the Board of Directors which shall be adopted by a resolution of the Board of Directors.

(DEEMED ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS)

ARTICLE 27 — If a Director makes a proposal on any agenda item to the Board of Directors and all Directors who are authorized to participate in the voting on such agenda item unanimously agree to his or her proposal in writing or by electromagnetic records, the Company shall deem that such proposal is adopted by a resolution at a meeting of the Board of Directors unless one (1) or more Corporate Auditors object.

(EXECUTIVE OFFICERS AND EXECUTIVE OFFICERS WITH SPECIAL TITLES)

ARTICLE 28 — The Company shall elect Executive Officers by a resolution of the Board of Directors.

2. The Board of Directors may, by resolution, appoint one (1) President and Executive Officer, and several Executive Vice Presidents, Senior Executive Officers and Senior Vice Presidents.

(REGULATIONS FOR EXECUTIVE OFFICERS)

ARTICLE 29 — Responsibilities, obligations and other matters of Executive Officers shall be administered in accordance with the Regulations for Executive Officers which shall be adopted by a resolution of the Board of Directors.

**CHAPTER V — CORPORATE AUDITORS, BOARD OF CORPORATE
AUDITORS AND ACCOUNTING AUDITORS**

(NUMBER AND ELECTION OF CORPORATE AUDITORS)

ARTICLE 30 — The Company shall have no more than eight (8) Corporate Auditors, who shall be elected by a resolution of a General Meeting of Shareholders.

2. Resolutions to elect Corporate Auditors shall be adopted by a majority vote of the shareholders present at the General Meeting of Shareholders where the shareholders holding one-third (1/3) or more of the voting rights of the shareholders entitled to exercise their voting rights are present.

(TERM OF OFFICE OF CORPORATE AUDITORS)

ARTICLE 31 — The term of office of a Corporate Auditor shall expire at the close of the Ordinary General Meeting of Shareholders for the last fiscal year ending within four (4) years after his or her appointment.

2. The term of office of a Corporate Auditor elected to fill the vacancy created by earlier termination of a Corporate Auditor shall be the remainder of the term of office of the Corporate Auditor being replaced.

(REMUNERATIONS, ETC. OF CORPORATE AUDITORS)

ARTICLE 32 — Remunerations, etc. of Corporate Auditors shall be determined by resolution of a General Meeting of Shareholders.

(AGREEMENT LIMITING LIABILITIES OF OUTSIDE CORPORATE AUDITORS)

ARTICLE 33 — Pursuant to the provision of Article 427, paragraph 1 of the Companies Act, the Company may enter into an agreement with an outside Corporate Auditor to limit their liabilities under Article 423, paragraph 1, of the Companies Act to the amount required by laws and ordinances.

(CONVOCATION OF MEETINGS OF THE BOARD OF CORPORATE AUDITORS)

ARTICLE 34 — Notice of a Meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor at least three (3) days prior to the date of the Meeting; provided, however, that in case of emergency such notice period may be shortened.

(STANDING CORPORATE AUDITOR)

ARTICLE 35 — Standing Corporate Auditor(s) shall be appointed among Corporate Auditors by a resolution of the Board of Corporate Auditors.

(REGULATIONS OF THE BOARD OF CORPORATE AUDITORS)

ARTICLE 36 — Except as provided by laws, ordinances or this Articles of Incorporation, the Board of Corporate Auditors shall be administered in accordance with the Regulations of the Board of Corporate Auditors which shall be adopted by a resolution of the Board of Corporate Auditors.

(ESTABLISHMENT AND ELECTION OF ACCOUNTING AUDITORS)

ARTICLE 37 — The Company shall elect Accounting Auditors by a resolution of a General Meeting of Shareholders.

CHAPTER VI — ACCOUNTING

(FISCAL YEAR)

ARTICLE 38 — The fiscal year of the Company shall begin on April 1 of each year and end on March 31 of the following year.

(YEAR-END DIVIDENDS)

ARTICLE 39 — The record date of year-end dividends shall be March 31 of each year. The Company may, by a resolution of the General Meeting of Shareholders, declare and distribute surplus in any year as year-end dividends to shareholders or registered pledgees whose names are recorded in the Register of Shareholders on the record date each year.

(INTERIM DIVIDENDS)

ARTICLE 40 — The record date of interim dividends shall be September 30 of each year. The Company may, by a resolution of the Board of Directors, declare and distribute surplus in any year as interim dividends pursuant to the provisions of Article 454, paragraph 5 of the Companies

Act to shareholders or registered pledgees whose names are recorded in the Register of Shareholders on the record date of that year.

(NEGATIVE PRESCRIPTION)

ARTICLE 41 — The Company shall be released from its obligation to pay any cash dividends which remain unclaimed for a period of three (3) years or more from the first payable date.

Amendment proposal on the Articles of Incorporation of JX Holdings, Inc.

Current Articles of Incorporation and proposed amendment are as below. (Provisions of current Articles of Incorporation that are not subject to amendments are omitted.)

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
(CORPORATE NAME) ARTICLE 1 – The name of the Company shall be <u>JX Holdings, Kabushiki Kaisha</u> , and in English <u>JX Holdings, Inc.</u>	(CORPORATE NAME) ARTICLE 1 – The name of the Company shall be <u>JXTG Holdings, Kabushiki Kaisha</u> , and in English <u>JXTG Holdings, Inc.</u>

Agenda No. 2: Approval of the Absorption-type Merger Agreement with JX Nippon Oil & Energy Corporation

As explained in Agenda No. 1, the Company and JXE executed on August 31, 2016 the Absorption-type Merger Agreement relating to the Absorption-type Merger in which JXE will be the surviving company and the Company will be the absorbed company, on the condition that the Share Exchange becomes effective on April 1, 2017 as planned.

This agenda is a proposal for you to approve the Absorption-type Merger Agreement. The reasons for the Absorption-type Merger, details of the Absorption-type Merger Agreement and other information related to this proposal are shown below.

The Absorption-type Merger will be become effective on April 1, 2017, if Agenda No. 1 is approved without amendment and the Share Exchange is effectuated.

1. Reasons for the Absorption-type Merger

The reasons for the Absorption-type Merger are the same as explained in “1. Reasons for the Share Exchange” in Agenda No. 1.

2. Details of the Absorption-type Merger Agreement

The details of the Absorption-type Merger Agreement are as indicated in the copy of the Absorption-type Merger Agreement shown below.

Absorption-type Merger Agreement (Copy)

JX Nippon Oil & Energy Corporation (“JXE”) and TonenGeneral Sekiyu K.K. (“TonenGeneral”) hereby enter into this agreement (this “Agreement”) as follows with respect to an absorption-type merger.

Article 1 Absorption-type Merger

1.1 In accordance with the provisions of this Agreement, JXE and TonenGeneral shall consummate a merger (the “Merger”) in which JXE is the surviving company and TonenGeneral is the absorbed company.

1.2 The corporate names and addresses of the surviving company and the absorbed company are as follows.

- (1) Surviving company
Corporate name: JX Nippon Oil & Energy Corporation
Address: 1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
- (2) Absorbed company
Corporate name: TonenGeneral Sekiyu K.K.
Address: 8-15, Kohnan 1-chome, Minato-ku, Tokyo

Article 2 Matters Regarding Consideration to be Delivered at the time of the Merger

Since JX Holdings, Inc. (“JXHD”) shall own all of the issued shares of JXE and TonenGeneral immediately before the Merger is consummated, JXE shall not deliver to JXHD money or any other consideration in lieu of those shares at the time of the Merger.

Article 3 Matters Regarding Amounts of Stated Capital and Reserves of the Surviving Company

None of stated capital, capital surplus reserve or earned surplus reserve of JXE shall increase at the time of the Merger.

Article 4 Effective Date and Conditions Precedent

4.1 The effective date of the Merger (the “Effective Date”) shall be April 1, 2017, whereas the consummation of the Merger shall be subject to the satisfaction of the condition precedent that the share exchange under the “Share Exchange Agreement” (the “Share Exchange Agreement”) executed between JXHD and TonenGeneral on August 31, 2016 has been consummated.

4.2 Notwithstanding the provisions of the preceding paragraph, JXE and TonenGeneral may change the Effective Date upon agreement through consultation, if necessary due to the progress of the procedures for the Merger.

Article 5 General Meeting of Shareholders to Approve the Merger

5.1 JXE shall, pursuant to the provisions of Article 796, Paragraph (2) of the Companies Act, consummate the Merger without obtaining the approval of the general meeting of shareholders, set forth in Article 795, Paragraph (1) of the same act, with respect to this Agreement.

5.2 TonenGeneral shall hold a general meeting of shareholders by the day immediately preceding the Effective Date to seek approval for this Agreement and any matters necessary for the Merger.

Article 6 Management of Company Assets

After the execution of this Agreement until the Effective Date, JXE and TonenGeneral shall each execute its respective business and manage and operate its respective assets with due care of a prudent manager. Any acts which may have material influence on the assets or rights and obligations shall only be taken after discussing with the other party in advance.

Article 7 Amendment and Termination of this Agreement

After the execution of this Agreement until the Effective Date, if there are any material changes in the financial condition or business performance of JXE or TonenGeneral or such changes become evident, if any events occur that could materially hinder the consummation of the Merger in accordance with this Agreement or the occurrence of such events become evident, or if otherwise it

becomes difficult to achieve the purpose of the Merger, JXE and TonenGeneral may amend or terminate this Agreement after consultation in good faith.

Article 8 Effectiveness of this Agreement

This Agreement shall cease to be in effect if:

- (1) the Share Exchange Agreement ceases to be in effect;
- (2) it is not possible to obtain approval of a general meeting of the shareholders of TonenGeneral as set forth in Article 5.2 of this Agreement; or
- (3) any approval of relevant authorities required under laws and regulations with respect to the Merger cannot be obtained.

Article 9 Consultation

In addition to the provisions of this Agreement, JXE and TonenGeneral shall set out any matter necessary for the Merger upon agreement through consultation in accordance with the purpose of this Agreement.

Article 10 Jurisdiction

JXE and TonenGeneral agree that the Tokyo District Court shall be the court of first instance having exclusive jurisdiction over any disputes relating to this Agreement before a court.

IN WITNESS WHEREOF, JXE and TonenGeneral have executed this Agreement in duplicate by affixing their signatures and seals thereto, and each party shall keep one original.

August 31, 2016

JXE: JX Nippon Oil & Energy Corporation
1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
Tsutomu Sugimori, Representative Director, President

TonenGeneral: TonenGeneral Sekiyu K.K.
8-15, Kohnan 1-chome, Minato-ku, Tokyo
Jun Mutoh, Representative Director, President

3. Appropriateness of the merger consideration

The Absorption-type Merger will become effective on the condition that the Share Exchange becomes effective.

After the Share Exchange, JXHD will hold all of the issued shares of the Company and JXE; therefore, no consideration including stock, money or other such consideration will be delivered in relation to the Absorption-type Merger.

4. Appropriateness of stock option provisions

Not applicable.

5. Financial statements and other information

(1) Financial statements and other JXE information regarding the most recent business year

JXE's financial statements and other information for its most recent business year (from April 1, 2015 to March 31, 2016) have been disclosed on the website of the Company (<http://www.tonengeneral.co.jp/ir/stockinformation/g-mtg.html>) pursuant to applicable laws and regulations and Article 15 of the Articles of Incorporation of the Company.

(2) Events having a material effect on the state of company assets occurring after the last day of the most recent business year of the Company or JXE

① The Company

A. The Company resolved at its board of directors meeting held on February 12, 2016 that it would cancel 199,182,000 shares of treasury stock pursuant to Article 178 of the Companies Act and cancelled the treasury stock shares on February 29, 2016.

B. On August 31, 2016, the Company executed the business integration agreement and the Share Exchange Agreement with JXHD and the Absorption-type Merger Agreement with JXE, respectively. Please refer to "2. Details of the Share Exchange Agreement" in Agenda No. 1 for details about the Share Exchange Agreement, and "2. Details of the Absorption-type Merger Agreement" in this Agenda for details about the Absorption-type Merger Agreement, respectively.

C. On November 11, 2016, the Company executed an absorption-type merger agreement with EMG Marketing Godo Kaisha, which is a consolidated subsidiary of the Company. Please refer to "2. Details of the EMGM Absorption-type Merger Agreement" in Agenda No. 3 for details about the absorption-type merger agreement.

② JXE

A. On August 31, 2016, JXE executed the Absorption-type Merger Agreement with the Company. Please refer to "2. Details of the Absorption-type Merger Agreement" in this Agenda for details of the Absorption-type Merger Agreement.

B. JXE resolved at its board of directors meeting held on November 8, 2016, that it will decrease on March 1, 2017 the amount of its stated capital from 139.4 billion yen to 30 billion yen and the amount of its capital reserves from 265.7 billion yen to 7.5 billion yen.

C. JXE executed an absorption-type split agreement on November 8, 2016, in which JXHD is the succeeding company and JXE is the splitting company, in order that JXHD will assume on April 1, 2017 a part of rights and obligations (such as listed shares, loans, bonds, debts and others) which JXE will assume from the Company pursuant to the Absorption-type Merger Agreement on April 1, 2017.

Agenda No. 3: Approval of the Absorption-type Merger Agreement with EMG Marketing Godo Kaisha

On November 11, 2016, the Company executed with EMG Marketing Godo Kaisha (“EMGM”), a consolidated subsidiary of the Company, an absorption-type merger agreement (“EMGM Absorption-type Merger Agreement”) relating to the absorption-type merger in which the Company will be surviving company and EMGM will be the absorbed company (“EMGM Absorption-type Merger”).

This agenda is a proposal for you to approve EMGM Absorption-type Merger Agreement. The reasons for the EMGM Absorption-type Merger, details of EMGM Absorption-type Merger Agreement and other information related to this proposal are shown below.

The EMGM Absorption-type Merger will become effective on January 1, 2017 (scheduled).

1. Reasons for EMGM Absorption-type Merger

As explained in “1. Reasons for the Share Exchange” in Agenda No. 1, considering that international competition in petroleum and petrochemical products markets in Asia, including Japan, is expected to increase dramatically, the Company has agreed to consummate the business integration with JXHD in order to maximize their enterprise value by combining business resources and carrying out intensive business reforms. After the business integration, the Company and JXHD aim to establish a strong corporate group under a holding company in order to develop into one of the most prominent and internationally-competitive comprehensive energy, natural resource, and materials company groups in Asia, and to contribute to the development of a sustainable and vigorous economy and society.

On January 1, 2017, prior to the business integration, the Company will merge with and absorb EMGM, one of the main subsidiaries within its company group. It is expected that by simplifying the business structure and operations of the Company group prior to the business integration with JXHD, the benefit of such business integration will be more likely to be achieved and will be completed more expediently.

2. Details of the EMGM Absorption-type Merger Agreement

The details of the EMGM Absorption-type Merger Agreement are as indicated in a copy of EMGM Absorption-type Merger Agreement shown below.

Absorption-type Merger Agreement (Copy)

TonenGeneral Sekiyu K.K. (“TonenGeneral”) and EMG Marketing Godo Kaisha (“EMGM”) hereby enter into this agreement (this “Agreement”) as follows with respect to an absorption-type merger.

Article 1 Absorption-type Merger

- 1.1 In accordance with the provisions of this Agreement, TonenGeneral and EMGM shall consummate a merger (the “Merger”) in which TonenGeneral shall be the surviving company and EMGM shall be the absorbed company.
- 1.2 The corporate names and addresses of the surviving company and the absorbed company are as follows.
 - (1) Surviving company
Corporate name: TonenGeneral Sekiyu K.K.
Address: 8-15, Kohnan 1-chome, Minato-ku, Tokyo
 - (2) Absorbed company
Corporate name: EMG Marketing Godo Kaisha
Address: 8-15, Kohnan 1-chome, Minato-ku, Tokyo

Article 2 Shares to be Delivered at the time of the Merger and Allocation of Shares

TonenGeneral shall deliver to the members of EMGM (excluding TonenGeneral) who are registered in EMGM’s articles of incorporation as of the time immediately before the Merger is consummated, 969,696 shares of TonenGeneral common stock in lieu of all of their equity interest (1%).

Article 3 Amount of Stated Capital and Reserves of the Surviving Company

The stated capital, capital surplus reserve and earned surplus reserve of TonenGeneral shall not increase at the time of the Merger.

Article 4 Effective Date and Conditions Precedent

- 4.1 The effective date of the Merger (the “Effective Date”) shall be January 1, 2017.
- 4.2 Notwithstanding the preceding paragraph, TonenGeneral and EMGM may, if necessary, agree to change the Effective Date after mutual consultation, due to the progress of the Merger procedures.

Article 5 General Meeting of Shareholders to Approve the Merger

- 5.1 TonenGeneral shall hold a general meeting of shareholders by the date immediately preceding the Effective Date to seek approval for this Agreement and any matters necessary for the Merger.
- 5.2 EMGM shall obtain the managing member’s consent to this Agreement and consent for any matters necessary for the Merger by the date immediately preceding the Effective Date.

Article 6 Management of Company Assets

After the execution of this Agreement until the Effective Date, each of TonenGeneral and EMGM shall operate its respective business and shall manage and operate its respective assets with the due care of a prudent manager. Any actions which may have a material influence on any assets, rights or obligations shall only be taken after discussing such actions with the other party in advance.

Article 7 Amendment and Termination of this Agreement

After the execution of this Agreement until the Effective Date, if there are any material changes in the financial condition or business performance of TonenGeneral or EMGM or such changes become evident, if any events occur that could materially hinder the consummation of the Merger in accordance with this Agreement or the occurrence of such events become evident, or if it otherwise becomes difficult to achieve the purpose of the Merger, TonenGeneral and EMGM may amend or terminate this Agreement after mutual consultation in good faith.

Article 8 Effectiveness of this Agreement

This Agreement shall cease to be in effect if the approval by a general meeting of shareholders of TonenGeneral, the consent of EMGM's managing member, or any other procedures required under laws and regulations cannot be obtained by the day immediately preceding the Effective Date.

Article 9 Consultation

In addition to the provisions of this Agreement, TonenGeneral and EMGM shall determine any matter necessary for the Merger upon agreement after mutual consultation in accordance with the purpose of this Agreement.

Article 10 Jurisdiction

TonenGeneral and EMGM agree that the Tokyo District Court shall be the court of first instance having exclusive jurisdiction over any disputes relating to this Agreement before a court.

IN WITNESS WHEREOF, TonenGeneral and EMGM have executed this Agreement in duplicate by affixing their signatures and seals thereto, and each party shall keep one original.

November 11, 2016

TonenGeneral: TonenGeneral Sekiyu K.K.
8-15, Kohnan 1-chome, Minato-ku, Tokyo
Jun Mutoh, Representative Director, President

EMGM: EMG Marketing Godo Kaisha
8-15, Kohnan 1-chome, Minato-ku, Tokyo
Takashi Hirose, President

3. Appropriateness of the merger consideration

(1) Total amount of the merger consideration and appropriateness of allocation

①Details of allocation in the EMGM Absorption-type Merger

The Company will allocate and deliver to Mobil Oil Exploration & Producing Southeast Inc., which has 1% ownership of EMGM as of the last time of the day immediately before the day on which the EMGM Absorption-type Merger is consummated, 969,696 shares of common stock of the Company in lieu of all of their equity interest. The Company will use a part of its treasury stock (1,771,441 shares as of September 30, 2016) for the transaction, and will not issue any new shares.

The number of the Company shares which will be delivered is calculated by the following formula: the value of 1% ownership of EMGM divided by 979.6885 yen, which is the average of closing share prices of the Company's stock during the most recent three months period prior to November 10, 2016 (prices are rounded to the nearest fourth decimal place).

②Analytical basis for details of allocation in the EMGM Absorption-type Merger

A. Basis and reasons for the Allocation

The Company carefully examined the number of common shares of the Company to be allocated and delivered in relation to the EMGM Absorption-type Merger, taking into account the analyses conducted by a third party financial advisor, financial condition, assets, prospects of both companies, and other factors, on a comprehensive basis. Upon prudent and thorough discussions, the two companies have come to an agreement and concluded the number of shares of the Company to be allocated and delivered upon the EMGM Absorption-type Merger, described in “①Details of allocation in the EMGM Absorption-type Merger” above, is appropriate.

B. Analysis

(a) Names of the financial advisors and relationships with listed companies or the counterparty

In order to ensure the fairness of the number of shares of the Company to be allocated in the EMGM Absorption-type Merger, the Company appointed a third-party financial advisor for the calculation of the number of shares. The Company retained Deloitte Tohmatsu Financial Advisory LLC (“Deloitte Tohmatsu”). Deloitte Tohmatsu is a third-party appraiser independent from the Company and EMGM, and does not constitute a related party to the companies. Deloitte Tohmatsu does not have a material interest required to be disclosed in respect to the EMGM Absorption-type Merger.

(b) Overview of the analysis

In calculating the value of a share of the Company common stock, Deloitte Tohmatsu applied a stock price analysis, as the Company common stock is listed on the first section of TSE and its market prices are publicly available. Deloitte Tohmatsu used November 10, 2016 as the reference date and reviewed the closing share price on the first section of TSE on the reference date and the arithmetic average of the closing prices during the one-month, three-month and six-month periods prior to the reference date.

In calculating the value of 1% ownership of EMGM, which is not listed in stock exchanges, a comparable company analysis was applied, since there are multiple listed companies comparable to EMGM and it is feasible to calculate its value through a comparable company analysis. In addition, a discounted cash flow analysis (“DCF method”) was used in the calculations to reflect the valuation of future business activities.

The assumption of EMGM’s future earnings plan, which was used for the DCF method by Deloitte Tohmatsu, includes the expectation that operating income in the fiscal year ending in December 2016 will increase by 213% compared to the average of actual performance in the fiscal years ending in December 2014 and December 2015, and will decrease by 45% compared to actual performance in the fiscal year ending in December 2015, in consideration of the high fluctuation of EMGM’s operating income including an operating loss of 7.1 billion yen in the fiscal year ending in December 2014 due to a recognized inventory loss caused by a decline in product prices, and operating income of 11 billion yen in the fiscal year ending in December 2015 due to improvement of product margins. EMGM’s earnings plan for the fiscal years ending in December 2017 onwards does not include a significant increase or decrease in earnings compared to the previous fiscal years.

The calculated ranges of the number of shares of the Company common stock to be allocated to 1% ownership of EMGM under each calculation method are shown below.

Applied methods		Number of shares of the Company common stock to be allocated
Stock price analysis (The Company)	Comparable company analysis (EMGM)	837,349 - 996,200 shares
Stock price analysis (The Company)	Discounted cash flow analysis (EMGM)	863,312 - 1,225,932 shares

Deloitte Tohmatsu used information received from both companies and information that is publicly available in conducting its calculation of the number of shares of the Company common stock to be allocated for 1% ownership of EMGM. Deloitte Tohmatsu assumed that all of such materials and information are accurate and complete and did not independently verify the accuracy or completeness of these materials and information. In addition, Deloitte Tohmatsu did not independently conduct an evaluation, appraisal or assessment of the assets and liabilities (including contingent liabilities) of the Company and EMGM, including an analysis and evaluation of the individual assets and liabilities of them. Moreover, Deloitte Tohmatsu assumed that financial projections (including profit estimates and other information) of the Company and EMGM were reasonably prepared by the management of the Company and EMGM based on the best projections and judgment currently available to them.

(2) Amount of the stated capital and reserves of the Company

The amounts of stated capital and reserves of the Company will not increase due to the EMGM Absorption-type Merger. This has been determined by taking into account the capital policies of the Company and other comprehensive conditions and by complying with laws and regulations ; therefore, such treatment is considered to be appropriate.

4. Appropriateness of stock option provisions

Not applicable.

5. Financial statements and other information

(1) Financial statements and other EMGM information for the most recent business year

EMGM's financial statements and other information for its most recent business year (from January 1, 2015 to December 31, 2015) have been disclosed on the website of the Company (<http://www.tonengeneral.co.jp/ir/stockinformation/g-mtg.html>) pursuant to applicable laws and regulations and Article 15 of the Articles of Incorporation of the Company.

(2) Events having a material effect on the state of company assets occurring after the last day of the most recent business year of the Company or EMGM

① The Company

A. The Company resolved at its board of directors meeting held on February 12, 2016 that it would cancel 199,182,000 shares of treasury stock pursuant to Article 178 of the Companies Act and cancelled the treasury stock shares on February 29, 2016.

B. On August 31, 2016, the Company executed the business integration agreement and the Share Exchange Agreement with JXHD and the Absorption-type Merger Agreement with JXE, respectively. Please refer to "2. Details of the Share Exchange Agreement" in Agenda No. 1 for details about the Share Exchange Agreement, and "2. Details of the Absorption-type Merger Agreement" in Agenda No. 2 for details about the Absorption-type Merger Agreement, respectively.

C. On November 11, 2016, the Company executed an absorption-type merger agreement with EMGM. Please refer to "2. Details of the EMGM Absorption-type Merger Agreement" in this Agenda for details about the absorption-type merger agreement.

② EMGM

On November 11, 2016, EMGM executed an absorption-type merger agreement with the Company. Please refer to "2. Details of the EMGM Absorption-type Merger Agreement" in this Agenda for details about the absorption-type merger agreement.

6. Other matters relating to this agenda

As the Company expects to recognize a loss from the merger due to the EMGM Absorption-type Merger, we ask for each shareholder to approve the absorption-type merger agreement relating to the EMGM Absorption-type Merger, pursuant to the proviso to Article 796, Paragraph (2) and the provision of Article 795, Paragraph (2), Item (i) of the Companies Act.

Procedures for Exercising Voting Rights via the Internet

Please exercise your voting rights via the Internet after confirming the following items. If you attend the meeting, compliance with the procedures for exercising voting rights either in writing or via the Internet will not be necessary.

Website for Exercising Voting Rights

- (1) The website can be accessed by a computer, a smartphone or a mobile phone with an Internet connection. Please log in to the designated site (<http://www.evotep.jp/>) using the login ID and tentative password on the voting form. (Note: the website is not accessible from 2:00 a.m. to 5:00 a.m.).
For inquiries regarding the Internet voting system, please contact the Help Desk listed below. Please note that any connection fees imposed by a provider or telephone charges, etc. imposed for accessing the site during the exercise voting rights shall be borne by the Shareholder.
- (2) The exercise of voting rights via the Internet will be accepted until 5:00 p.m. on Tuesday, December 20, 2016. However, the Company recommends that you vote earlier than this time.
- (3) Depending on your Internet access connection, you may have difficulty exercising voting rights by personal computer or smartphone.
- (4) Depending on the model of your mobile phone, you may have difficulty exercising your voting rights by mobile phone.
- (5) The Company requests that you to change the tentative password to a new password in order to avoid unauthorized access ('spoofing') to the website or tampering exercise of voting rights by third parties.
- (6) If a voting right is exercised multiple times both in writing and via the Internet, only the exercise of the voting right via the Internet will be deemed effective. If a voting right is exercised multiple times via the Internet, only the last exercise of the voting right via the Internet will be deemed effective.
- (7) Shareholders who utilize ICJ's "Electric Voting Platform for Institutional Investors" service can exercise their voting rights by using the electric voting platform.

<p>Help Desk: Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division Telephone: 0120-173-027 (toll free) (available in Japanese only) Service Hours: 9:00 – 21:00 (Japan time)</p>
