

[Translation]



May 11, 2018

To all persons concerned

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Representative: Yukio Uchida
Representative Director, President
Stock code: 5020; First Sections of Tokyo Stock
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Transition to a Company with Audit and Supervisory Committee and Amendment to the Articles of Incorporation

JXTG Holdings, Inc. (“**Company**”) has resolved at its board of directors meeting held today to transition from a company with board of corporate auditors to a company with audit and supervisory committee. In this regard, the Company will partially amend its articles of incorporation, and hereby announces the transition and the amendment to the articles of incorporation as described below.

The transition and the amendment to the articles of incorporation are subject to the approval of the 8th ordinary general meeting of shareholders scheduled to be held on June 27, 2018. The Company plans on resolving at its board of directors meeting scheduled to be held on May 18, 2018 to submit the agenda item regarding the amendment to the articles of incorporation in connection with the transition.

The changes in officers following the transition to a company with audit and supervisory committee has been separately disclosed in the press release dated today titled “Personnel Changes in Directors, Corporate Auditors and Officers.”

1. Transition to a Company with Audit and Supervisory Committee

(1) Objective of the Transition

The Company has decided to transition to a company with audit and supervisory committee, with the aim of further strengthening the management functions (deliberation and determination of basic management policies) and supervisory functions of the Board of Directors, as well as to further improve the agility of the execution of operations. Through this transition, the Company will promote the “separation of management and supervision from the execution of operations,” and strive to further enhance corporate governance.

(2) Timing of the Transition

The Company plans on transitioning to a company with audit and supervisory committee once the necessary amendment to the articles of incorporation is approved at the 8th ordinary general meeting of shareholders scheduled to be held on June 27, 2018.

2. Amendment to the Articles of Incorporation

(1) Objective of the Amendment to the Articles of Incorporation

This amendment to the articles of incorporation is to set forth new provisions regarding the audit and supervisory committee members and audit and supervisory committee, to delete provisions regarding corporate auditors and the board of corporate auditors, and to set forth new provisions regarding the delegation of authority to directors and amend other necessary matters, in order to transition to a company with audit and supervisory committee.

(2) Description of the Amendment

The description of the amendment is as set forth in Exhibit.

(3) Schedule

Date of the ordinary general meeting of shareholders for the approval of the amendment to the articles of incorporation: June 27, 2018 (scheduled)

Effective date of the amendment to the articles of incorporation: June 27, 2018 (scheduled)

End

[Exhibit]

(The underlined portions indicate amendment.)

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">CHAPTER I — GENERAL PROVISIONS</p> <p>ARTICLE 1 to ARTICLE 3 <Provisions omitted></p> <p>(CORPORATE BODIES)</p> <p>ARTICLE 4 — The Company shall have the following organizations in addition to the general meeting of shareholders and directors:</p> <p>(1) Board of Directors (2) Executive Officers (3) <u>Corporate Auditors</u> (4) <u>Board of Corporate Auditors</u> (5) Accounting Auditors</p> <p>ARTICLE 5 to ARTICLE 19 <Provisions omitted></p> <p style="text-align: center;">CHAPTER IV — DIRECTORS, BOARD OF DIRECTORS AND EXECUTIVE OFFICERS</p> <p>(NUMBER AND ELECTION OF DIRECTORS)</p> <p>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.</p> <p style="text-align: center;"><Newly established></p> <p><u>2.</u> 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</p>	<p style="text-align: center;">CHAPTER I — GENERAL PROVISIONS</p> <p>ARTICLE 1 to ARTICLE 3 <No change></p> <p>(CORPORATE BODIES)</p> <p>ARTICLE 4 — The Company shall have the following organizations in addition to the general meeting of shareholders and directors:</p> <p>(1) Board of Directors (2) Executive Officers (3) <u>Audit and Supervisory Committee</u> <Deleted> (4) Accounting Auditors</p> <p>ARTICLE 5 to ARTICLE 19 <No change></p> <p style="text-align: center;">CHAPTER IV — DIRECTORS, BOARD OF DIRECTORS AND EXECUTIVE OFFICERS</p> <p>(NUMBER AND ELECTION OF DIRECTORS)</p> <p>ARTICLE 20 — The Company shall have no more than twenty (20) Directors <u>who are not Audit and Supervisory Committee Members, and such Directors</u> shall be elected by a resolution of a General Meeting of Shareholders.</p> <p><u>2.</u> <u>The Company shall have no more than eight (8) Directors who are Audit and Supervisory Committee Members, and such Directors shall be elected by a resolution of a General Meeting of Shareholders.</u></p> <p><u>3.</u> 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</p>

the voting rights of the shareholders entitled to exercise their voting rights are present.

<Newly established>

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.

<Newly established>

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.

ARTICLE 23 <Provisions omitted>

the voting rights of the shareholders entitled to exercise their voting rights are present.

4. The election of Directors pursuant to the provisions of the foregoing paragraph shall be implemented by distinguishing Directors who are Audit and Supervisory Committee Members and other Directors.

5. 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 who is not an Audit and Supervisory Committee Member 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 who is an Audit and Supervisory Committee Member shall expire at the close of the Ordinary General Meeting of Shareholders for the last fiscal year ending within two (2) years after his or her appointment.

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(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 shall be determined by a resolution of a General Meeting of Shareholders by distinguishing Directors who are Audit and Supervisory Committee Members and other Directors.

ARTICLE 23 <No change>

(CONVOCAATION 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.

ARTICLE 26 <Provisions omitted>

(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.

<Newly established>

(CONVOCAATION OF MEETINGS OF THE BOARD OF DIRECTORS)

ARTICLE 24 — Notice of a Meeting of the Board of Directors shall be given to each Director 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 among the Directors who are not Audit and Supervisory Committee Members 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, among the Directors who are not Audit and Supervisory Committee Members.

ARTICLE 26 <No change>

(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.

(DELEGATION OF DECISIONS OF EXECUTION OF IMPORTANT

ARTICLE 28 to **ARTICLE 29** <Provisions omitted>

**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

OPERATIONS)

ARTICLE 28 — Pursuant to the provision of Article 399-13, paragraph (6) of the Companies Act, the Company may delegate all or part of decisions of execution of important operations (excluding matters listed in items in paragraph (5) of the same article) by a resolution of the Board of Directors.

ARTICLE 29 to **ARTICLE 30** <No change>

**CHAPTER V — AUDITOR AND
SUPERVISORY COMMITTEE AND
ACCOUNTING AUDITORS**

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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.

(CONVOCAATION 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

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(CONVOCAATION OF MEETINGS OF THE AUDIT AND SUPERVISORY COMMITTEE)

ARTICLE 31 — Notice of a Meeting of the Audit and Supervisory Committee shall be given to each Audit and Supervisory Committee Member 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 AUDIT AND SUPERVISORY COMMITTEE MEMBER)

ARTICLE 32 — Standing Audit and Supervisory Committee Member(s) shall be appointed among Audit and Supervisory Committee Members by a resolution of the Audit and Supervisory Committee.

(REGULATIONS OF THE AUDIT AND SUPERVISORY COMMITTEE)

ARTICLE 33 — 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.

ARTICLE 37 to **ARTICLE 41** <Provisions omitted>

<Newly established>

Audit and Supervisory Committee shall be administered in accordance with the Regulations of the Audit and Supervisory Committee which shall be adopted by a resolution of the Audit and Supervisory Committee.

ARTICLE 34 to **ARTICLE 38** <No change>

SUPPLEMENTARY PROVISION

(TRANSITIONAL MEASURES RELATING TO EXEMPTION OF CORPORATE AUDITORS FROM LIABILITIES)

The agreements limiting liabilities that have been executed with the outside Corporate Auditors (including former outside Corporate Auditors) before the conclusion of the 8th Ordinary General Meeting of Shareholders scheduled to be held in June shall remain in force.