THE FOLLOWING IS AN ENGLISH TRANSLATION PREPARED FOR THE CONVENIENCE OF THE SHAREHOLDERS AND INVESTORS. THE OFFICIAL TEXT IN JAPANESE OF THE CONVOCATION NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS HAS BEEN PREPARED IN ACCORDANCE WITH STATUTORY PROVISIONS. SHOULD THERE BE ANY INCONSISTENCY BETWEEN THE TRANSLATION AND THE OFFICIAL TEXT IN TERMS OF THE CONTENTS OF THE NOTICE, THE OFFICIAL TEXT SHALL PREVAIL. THE COMPANY ACCEPTS NO LIABILITY FOR ANY MISUNDERSTANDING CAUSED BY THE TRANSLATION FOR ANY REASON WHATSOEVER.

June 4, 2019

Dear Our Shareholders

Disclosure through the Internet relating to the Convocation Notice of the 9th Ordinary General Meeting of Shareholders

The 9th Fiscal Term

(from April 1, 2018 to March 31, 2019)

JXTG Holdings, Inc.

The contents above are provided to our shareholders by posting on our website (https://www.hd.jxtg-group.co.jp/english/ir/stock/meeting/) pursuant to the provisions of laws and regulations, and Article 15 of Articles of Incorporation of the Company.

1. Matters Concerning the Financial Auditor

(1) Name

Ernst & Young ShinNihon LLC
(Note) ShinNihon LLC changed its company name to Ernst & Young ShinNihon LLC as of July 1, 2018.

(2) Amount of the Remunerations (for the fiscal year 2018)

(million yen)

(i) Amount of the Remuneration as a financial auditor of the Company	119
(ii) Total amount of monies and other property benefits to be paid by the Company and its subsidiaries	1,040

(Notes)
1. The Audit and Supervisory Committee received reports from the financial auditor and the related sections in the Company about how the remuneration estimates in the audit plan drafted by the financial auditor were calculated, including the audit items, audit time and deployment plans; and considered the performance of the past fiscal years. As a result, the Audit and Supervisory Committee came to determine that the amount of remunerations of the financial auditor was appropriate, and consented to it based on Articles 399.1 and 399.3 of the Companies Act.
2. The amount set forth in (i) above includes the amount of audit remuneration for the audit based on the Japanese Financial Instruments and Exchange Act because the amount of audit remuneration for the audit based on the Companies Act and the amount of audit remuneration for the audit based on the Japanese Financial Instruments and Exchange Act are not distinguished in the audit agreement between the Company and the financial auditor and are not practically distinguishable.
3. The Company does not entrust Ernst & Young ShinNihon LLC with non-audit operations.

(3) Policies on Determining Dismissal or Refusal of Reappointment of the Financial Auditor

(i) If the Audit and Supervisory Committee deems that an financial auditor falls under any of the categories set forth in items of Article 340.1 of the Companies Act, and if it determines it necessary to immediately dismiss the financial auditor without obtaining a resolution of a general meeting of shareholders, the financial auditor shall be dismissed by the consent of all Audit and Supervisory Committee Members.

(ii) If the Audit and Supervisory Committee deems that an financial auditor falls under any of the following items, and if it determines that it is necessary to dismiss or refuse to reappoint the financial auditor, it shall decide the details of the proposal to be submitted to a general meeting of shareholders regarding the dismissal or non-reappointment of the financial auditor.

a. the financial auditor falls under any of the categories set forth in items of Article 340.1 of the Companies Act;
b. the financial auditor is subject to an administrative punishment for a breach of laws and regulations, or is subject to a punishment pursuant to the rules established by The Japanese Institute of Certified Public Accountants; or
c. the Audit and Supervisory Committee determines it reasonable to make the accounting audit proper and efficient.

2. System to Ensure Proper Operations and the Operating Effectiveness of Such System

(1) The Contents of the Resolution on Development of System to Ensure the Properness of Operations

The contents of the resolution on the Company's development of the system (the internal control system) set forth in Article 399-13.1.1(b) and (c) of the Companies Act are as follows:

Under the "JXTG Group Philosophy," and considering the JXTG Group Code of Conduct, the Company will develop, based on the following basic policies, a system aimed at ensuring the properness of operations (the internal control system), and shall operate this system.

In operating the internal control system, the Company shall make efforts to continuously improve the system by establishing the JXTG Internal Control Council, as well as by regularly monitoring the operational status, so that the internal control system will be implemented across the entire JXTG Group and done so effectively.

1. System to Ensure that Execution of the Duties by the Directors and the Employees Complies with Laws and Regulations, and the Articles of Incorporation

(1) The Company shall comply with laws and regulations, its articles of incorporation, and its rules, etc., in its entire operational spectrum by developing and enforcing rules aimed at fully ensuring compliance, so that the Company may carry out its corporate activities fairly and improve society's trust in the JXTG Group, whether in or outside of Japan.

(2) The Company shall develop and operate organizational systems, such as committees, aimed at fully ensuring compliance, as well as regularly conduct inspection activities regarding the JXTG Group's status of compliance, and shall take appropriate measures that correspond to the inspection results.

(3) The Company shall pursue early detection and early correction of the breaching of laws and regulations, as well as develop and operate a whistleblowing system that cooperates with attorneys-at-law in order to appropriately protect the whistleblower complaining of a breach of laws and regulations. Also, the Company shall develop and operate systems required to ensure that any person who reports any incident to the Company by using a whistleblowing system or by any other appropriate method, is not treated unfavorably on the grounds of making such a report (including by expressly prohibiting such treatment in the relevant rules, among others).

(4) In order to achieve appropriate operation of the Board of Directors' meetings, the Company shall establish "Rules for the Board of Directors." Based on these rules, it shall hold Board of Directors' meetings once every month in principle, and decide on the execution of important business activities after thorough deliberations, as well as receive reports from directors in an appropriate manner on the status of execution of their duties.

(5) By having outside directors attend the Board of Directors' meetings and participate in deliberations thereof, the Company shall aim to ensure objectivity and further improve the adequacy of decisions on the execution of business activities.

(6) The Company shall establish the Internal Audit Department, which will be in charge of internal auditing and which will implement audits independently from other divisions.

(7) The Company shall develop and operate an internal control system aimed at ensuring trust in its financial reporting, as well as evaluate the effectiveness of the reporting every year, and make any

necessary corrections.

(8) To prevent a relationship between the Company and anti-social forces, the Company shall set the basic policy for the entire JXTG Group, and each company under the JXTG Group shall develop and enforce the rules, etc. that correspond to each of their actual business activities, and fully ensure that the rules, etc. are complied with.

<u>2. System for the Storage and Management of Information related to Execution of Duties by the Directors and the Employees</u>

(1) The execution of duties by the directors and the employees shall in principle be conducted in writing, and the rules, etc. on document preparation, management, or the like shall be established and enforced.

(2) The Company shall properly prepare minutes of the Board of Directors' meetings based on laws and regulations, and shall develop and enforce rules, etc. on the preparation, approval process, storage, or the like of approval documents for each person in a management position.

(3) The Company shall develop and enforce rules, etc. aimed at preventing wrongful use, disclosure, and divulgence of company information, and at appropriately handling confidential information and personal information. In addition, the Company shall, through providing opportunities such as internal training, ensure that the employees fully comply with the rules, etc.

(4) The Company shall appropriately prepare its business reports, financial statements and annual securities reports, and the like and disclose company information in a timely and appropriate manner, in accordance with the Companies Act, the Japanese Financial Instruments and Exchange Act, and the stock exchanges' Timely Disclosure Rules.

<u>3. Rules and Other Systems for the Management of Risk of Loss</u>

(1) In submitting an important matter, such as regarding a substantial amount of investment, to the Board of Directors' meeting or the Executive Council's meeting, policies on treatment of risks pertaining to the matter shall be defined after sorting out the anticipated risk. In addition, the Company shall, as necessary, appoint outside legal, accounting, tax and other advisors, and seek their opinions.

(2) The Company shall appropriately identify and analyze various risks that may impair the JXTG Group's corporate value, such as radical changes in the economy and financial conditions; drastic fluctuation in crude oil, copper metal, or other resource prices, or in currency exchange rates; and the occurrence of a large earthquake; and shall develop and enforce systems and rules, etc. aimed at dealing with these risks.

(3) The Company shall promote internal control systems in order to prevent occurrence of improprieties, errors, and losses in each department and shall develop and operate necessary systems and rules in order to achieve this.

(4) The Company shall achieve safety and environmental preservation and shall develop and operate necessary systems and rules in order to achieve this.

(5) To prepare for an event where a crisis or emergency significantly affects the JXTG Group's management, the Company shall appropriately transmit and manage information regarding the crisis or the emergency, and shall develop and enforce systems and rules, etc. aimed at preventing the occurrence and expansion of damage.

<u>4. System to Ensure Efficient Execution of Duties by Directors and Employees</u>

(1) The Company shall set forth in its "Rules on Organization and Authority" the organizational structure, management positions and business activity allocations in the Company, as well as

matters for approval and the approval authority that correspond to each skill and management position, and have the duties executed in an efficient manner.

(2) In order to improve the effectiveness of business execution, the Board of Directors shall delegate a part of its important decision-making on business execution to the President, and shall focus on the deliberations and determinations of the basic policies on management and basic policies for development of internal control systems as well as on the oversight of the execution of duties by the directors and executive officers.

(3) The matters to be resolved by the Board of Directors shall in principle be approved by the President in advance. In addition, on the granting of the President's approval, the Executive Council shall be established as a body that discusses the President's approval of the matter, and appropriate and efficient decision-making shall be conducted after the management of the Company and the core operating companies (each of JXTG Nippon Oil & Energy Corporation, JX Nippon Oil & Gas Exploration Corporation, and JX Mining and Metals Corporation) have conducted examination and deliberation as a group.

(4) The Company shall draw up a management plan for the next three (3) years in the Medium-Term Management Plan, and shall develop and operate management control systems such as the budget system and the objectives management system.

(5) The Company shall establish and operate an optimal IT system from the perspective of proper information management, standardization and optimization of business and strengthening of the internal control system.

5. System to Ensure Appropriate Business Operation within the Corporate Group

(1) Regarding the "JXTG Group Philosophy" and the "JXTG Code of Conduct," the Company shall define them as the philosophies and standards of conduct common to each company under the JXTG Group, and shall aim to disseminate them among and have them fully understood by each company.

(2) The Company shall appropriately formulate the management plan as a group at the Board of Directors' meetings and the Executive Council's meetings. In addition, the Company shall have the officers and employees of the core operating companies attend the Executive Council's meetings as necessary, in addition to appointing as the Company's part-time directors the Presidents of all core operating companies, so that decision-making on matters concerning execution of the core operating companies' business activities is appropriately conducted.

(3) The Company shall set forth in its "Rules for the Board of Directors" and the "Rules on Organization and Authority" the matters to be resolved at, approved by, or reported to the Company's Board of Directors' meetings and the Executive Council's meetings from among the matters regarding execution of the business activities of the core operating companies and other group companies, and shall enforce those rules in an appropriate manner.

(4) The Company shall set forth in its "Rules on Operation of the JXTG Group" the basic matters regarding the operation of the group, such as the mission, purposes, basic role, structure of authority for decision-making in the Company, the core operating companies, and other group companies, as well as develop and enforce the rules, etc. that should be applied to the entire JXTG Group, and shall aim to have each company under the group share and comply with the rules, etc.

(5) Regarding systems related to internal control systems of the JXTG Group (including systems related to compliance and systems related to internal controls through IT), the Company shall develop and operate them as systems that include the core operating companies and other group companies, taking into account the business characteristics of the group companies.

(6) The Company shall appropriately develop and operate a compliance system, risk management system, system to execute business efficiently, and other internal control system of the core operating companies and other group companies by monitoring the development and operation of the internal control system as a group and discussing measures to cope with defects (as necessary) at JXTG Group Internal Control Council.

6. System to Ensure Effective Auditing by the Audit and Supervisory Committee

(1) The Company shall respect the audit standards and the audit plans set forth by the Audit and Supervisory Committee, and shall cooperate in the smooth performance of audits and the development of conditions for an audit.

(2) The Company shall take the measures necessary so that the Audit and Supervisory Committee Members are able to attend important meetings, such as the Executive Council's meetings, and understand the process of making important decisions and the status of execution of business activities. In addition, the Company shall develop and operate systems for the Company, the core operating companies, and other group companies to appropriately report on the matters which the Audit and Supervisory Committee Members request.

(3) The Company shall develop and operate systems for the Audit and Supervisory Committee to receive reports on any fact that may be identified concerning the Company, or any core operating companies or other group companies, such as material breaches of laws and regulations or the articles of incorporation, fraudulent acts, or facts that could cause considerable damage to the Company and the entire JXTG Group, immediately when such a fact is identified.

(4) The Company shall develop and operate systems required to ensure that any person who reports any incident to the Company by reporting to the Audit and Supervisory Committee is not treated unfavorably on the grounds of making such a report (including by expressly prohibiting such treatment in the relevant rules, among others).

(5) The Representative Director and other management shall hold meetings with the Audit and Supervisory Committee Members from time to time, and exchange opinions on matters such as the JXTG Group's management issues.

(6) The Internal Audit Department, which is in charge of internal audits, shall make efforts to maintain close cooperation with the Audit and Supervisory Committee by means such as exchanging opinions on the audit plan and audit results.

(7) The Company shall establish the Office of Audit and Supervisory Committee as an organization independent from the business execution sections, and the employees appointed exclusively to the office shall assist in the Audit and Supervisory Committee's duties. Treatment of personnel, such as evaluation and transfer of such employees, shall be determined after prior discussions with the full-time Audit and Supervisory Committee Members, in order to ensure the effectiveness of instructions that Audit and Supervisory Committee gives to such employees.

(8) The Company shall, upon an Audit and Supervisory Committee Member's request, appropriately bear any expenses or debt associated with the execution of duties of the Audit and Supervisory Committee Member, pursuant to Article 399-2, paragraph 4 of the Companies Act.

(2) The Overview of the Operating Effectiveness of the System to Ensure Proper Operations

The following is an overview of the operating effectiveness of the internal control system of the Company. The Company monitored the operating effectiveness of the internal control system of the JXTG Group in the JXTG Group Internal Control Council, and reported the results to the Board of Directors' meeting held on April 23, 2019.

1. System to Ensure that the Execution of Duties by the Directors and the Employees Complies with Laws and Regulations, and the Articles of Incorporation

(1) Based on the "JXTG Group Compliance Activity Basic Policies" which sets forth the principle regarding the compliance activities to be implemented by each company in the JXTG Group, the Company has developed and conducted compliance status reviews of the rules. The situation and the result of those activities have been monitored by the JXTG Group Compliance Committee, an expert committee of JXTG Group CSR Council.

(2) Based on "the JXTG Group Internal Reporting System Basic Policies", the Company has developed and operated a whistleblowing system in cooperation with attorneys-at-law. The Company has developed and operated systems prohibiting unfavorable treatment, explicitly providing, for example, that no whistleblower may be treated unfavorably on the grounds of making a whistleblower report.

(3) Based on the "Rules for the Board of Directors," the Company held the Board of Directors' meetings for 14 times in this fiscal year with the attendance of the outside directors, thereby deciding on the execution of important business activities and receiving reports on the status of the execution of the directors' duties.

(4) The Internal Audit Department formulates an audit plan and based thereon conducts internal audits.

(5) The Company conducts assessments of effectiveness concerning internal control over financial reporting pursuant to the Financial Instruments and Exchange Act.

(6) Based on the "JXTG Group Basic Regulations on Anti-Social Forces," the Company investigates its business partners and takes contractual and other necessary measures to prevent a relationship between the Company and anti-social forces.

2. System for the Storage and Management of Information related to the Execution of Duties by the Directors and the Employees

(1) The Company executes the duties in principle in writing, based on "Rules for Handling Documents" which sets out how documents are to be prepared and managed.

(2) The Company prepares minutes of the Board of Directors' meetings based on laws and regulations, and prepares documents for the approval by each managerial position based on the "Rules for Handling Documents," and appropriately stores and manages them.

(3) Based on rules such as the "Basic Rules for Information Security" and "Regulation for Protection of Personal Information," the Company appropriately manages the company information including confidential information and personal information. In this fiscal year, the Company amended the "Basic Rules for Information Security" to "JXTG Group Basic Rules for Information Security" and disseminated the same within the JXTG Group in order to strengthen the cyber security measures of the JXTG Group as a whole.

(4) Based on the related laws and regulations and the stock exchanges' Timely Disclosure Rules, the Company appropriately prepares such documents as its business reports, financial statements, the securities report, and discloses them.

3. Rules and Other Systems for the Management of Risk of Loss

(1) In submitting important matters to the Board of Directors' meeting, the Company seeks opinions from outside advisors as necessary, identifies the anticipated risks pertaining to the matter and defines the policy on how such risks are to be treated.

(2) The Company develops and operates systems to handle each type of risk, such as establishing rules concerning the derivative transactions as well as setting forth a business continuity plan in the event of a major earthquake. In this fiscal year, the Company formulated the "Risk Management Policy on Group Management" in order to strengthen the risk management system of the JXTG Group as a whole.

(3) The Company established the "Basic Policy on Internal Control System of the JXTG Group" in order to set forth fundamental matters in relation to the JXTG Group internal control system, and each department promotes internal control pursuant to the provisions of such policy.

(4) The Company established the JXTG Group Environment & Safety Committee and the JXTG Group Human Rights Promotion and Human Resources Development Committee, expert committees of the JXTG Group CSR Council, to regularly monitor initiatives in relation to ensuring the safety of business operations, environmental protection and ensuring health. In this fiscal year, the Company decided to establish the "ESG Promotion Department," a department specialized in further strengthening the system to work on the ESG (environment, society, governance) field of the JXTG Group. "ESG Promotion Department" was established on April 1, 2019.

(5) The Company has established the "Crisis and Emergency Response Regulations" to prepare for an event where a crisis or emergency such as a disaster or accident affects the Company and the JXTG Group's management, and conducts training assuming that such crisis or emergency will occur, and verifies the results of the training.

4. System to Ensure Efficient Execution of Duties by Directors and Employees

(1) The Company executes duties in accordance with the rules on matters requiring approval and the level of approval authority set forth in its "Rules on Organization and Authority".

(2) In order to strengthen the management and monitoring functions and to improve the flexibility of the execution of business activities, the Board of Directors delegates a part of the decision-making on execution of important business activities to the President and conducts an operation wherein the Board of Directors can focus on deliberating and deciding on basic management policies, such as the corporate governance of the JXTG Group and "Long-Term Vision" for 2040.

(3) The matters to be resolved by the Board of Directors are in principle approved by the President. In addition, to receive the President's approval, Executive Council meetings are held as a body to discuss matters for the President's approval.

(4) Together with formulation of the Medium-Term Management Plan, the Company determines the annual budget and numerical targets for each group company and monitors their progress in Executive Council meetings and Board of Directors' meetings.

(5) The Company is progressing with the introduction of an ERP system, with goals including appropriate information management, standardization and streamlining of work and enhancement of the internal control system.

5. System to Ensure Appropriate Business Operations within the Corporate Group

(1) In order to disseminate the "JXTG Group Philosophy" and the "JXTG Group Code of Conduct" and have them fully understood by the directors and employees of all JXTG Group companies, the

Company continuously conducts in-house training and monitors the activity status of the group companies at the JXTG Group CSR Council, and makes reports to the Board of Directors and Executive Council.

(2) In the Company's Board of Directors' meetings and the Executive Council meetings whose member includes the Presidents of the core operating companies, the Company formulates a management plan for the entire group including the core operating companies, and makes decisions on or receive reports on matters regarding important business activities of the core operating companies, based on its "Rules for the Board of Directors" and the "Rules on Organization and Authority". In this fiscal year, the Company held considerable discussions at the Board of Directors' meetings and Executive Council meetings in order to formulate the "Long-Term Vision" as the JXTG Group.

(3) In addition to the "Rules on the Operation of JXTG Group," the Company has established rules, to be applied to each company in the JXTG Group, and has each company comply.

(4) The Company established the "Basic Policy on Internal Control System" as policy that applies to core operating companies and other group companies, and promotes internal control at each group company pursuant to such policy.

(5) The Company conducts surveys on the development and operation of the internal control system of the JXTG Group every year, reports the results to the JXTG Group Internal Control Council, and makes improvements as necessary.

6. System to Ensure Effective Auditing by the Audit and Supervisory Committee (Note)

(1) The Company respects the audit standards and the audit plans set forth by the Audit and Supervisory Committee, and cooperates in the development of conditions for an audit.

(2) The Audit and Supervisory Committee Members attend important meetings, such as the Executive Council meetings, and state their opinions as necessary. In addition, the Company regularly reports to the Audit and Supervisory Committee on matters for which the Audit and Supervisory Committee Members requested reports and the operations of the whistleblowing system and other matters.

(3) The Company develops an environment in which the Audit and Supervisory Committee can appropriately gather information related to the Company's management, by way of exchanges of opinions with the Representative Director and other management members, report on the audit plan and on how audits are being executed by the internal audit division and other ways.

(4) The Company has established the Office of Audit and Supervisory Committee, in which employees appointed exclusively to assist in the Audit and Supervisory Committee's duties engage in their tasks under the direction of the Audit and Supervisory Committee Members. The treatment of personnel, such as the evaluation and transfer of such employees, is determined based on prior discussions with the full-time Audit and Supervisory Committee Members.

(5) The Company, upon an Audit and Supervisory Committee Member's request, bears any expenses or debt associated with the execution of the duties of the Audit and Supervisory Committee Members.

(Note) The Company transitioned from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee as of the conclusion of the 8th Annual Shareholders Meeting held on June 27, 2018. The descriptions in "6. System to Ensure Effective Auditing by the Audit and Supervisory Committee" provides the outline of the operation status after the transition, but the Company had developed and operated a similar system regarding the corporate auditors even before the transition.

End

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(Notes)

1. The Company transitioned from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee as of the conclusion of the 8th Annual Shareholders Meeting held on June 27, 2018.
2. Starting from the 8th fiscal year, the Company prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS).
3. The figures stated in this business report have been obtained by rounding off the fractions less than the unit indicated for each, and the ratios have been obtained by rounding off the fractions less than the digit indicated for each. However, the number of shares has been obtained by omitting the fractions less than the unit indicated for each, and the ratios regarding shares have been obtained by omitting the fractions less than the digit indicated for each.

3. Notes to Consolidated Financial Statements (from April 1, 2018 to March 31, 2019)

1. Notes to Important Matters Fundamental for Preparation of Consolidated Financial Statements

(1) Standards for Preparation of Consolidated Financial Statements

The consolidated financial statements of the Company have been prepared in conformity with the International Financial Reporting Standards ("IFRS") pursuant to the provisions of Article 120.1 of Rules of Corporate Accounting. Some of the items in the consolidated financial statements required to be disclosed by IFRS have been omitted in accordance with the provisions of the second sentence of Article 120.1 of Rules of Corporate Accounting.

(2) Matters relating to the Scope of Consolidation and Application of Equity Method

The Company has 527 subsidiaries and 175 subsidiaries and affiliates accounted for using the equity-method (affiliated companies, jointly controlled businesses and jointly controlled companies).

Major subsidiaries
JXTG Nippon Oil & Energy Corporation, JX Nippon Oil & Gas Exploration Corporation, JX Nippon Mining & Metals Corporation, Pan Pacific Copper Co., Ltd., Toho Titanium Co., Ltd. and NIPPO CORPORATION

Major subsidiaries and affiliates accounted for using the equity-method
Osaka International Refining Co., Ltd., Abu Dhabi Oil Co., Ltd., United Petroleum Development Co., Ltd., LS-Nikko Copper Inc. and Minera Los Pelambres

(3) Matters relating to Accounting Policies

(i) Valuation standards and valuation method for assets

A. Valuation standards and valuation method for financial assets

Financial assets measured at amortized cost

Financial assets are categorized as financial assets measured at amortized cost if both of the following conditions are satisfied.

- Financial assets are held based on the business model whose purpose is to hold assets to recover contractual cash flows.
- A cash flow that only concerns the payment of the principal and interest accrued on the balance of the principal is accrued based on the contractual terms of the financial assets.

Subsequent to the initial recognition, the financial assets are measured at amortized cost using the effective interest method and undergo impairment loss evaluation.

Financial assets measured at fair value through other comprehensive income

Financial assets other than those measured at amortized cost are measured at fair value. Of such financial assets, each of the equity instruments other than those held for trading purposes is evaluated whether to be designated as a financial asset measured at fair value through other comprehensive income upon the initial recognition.

The financial assets designated as financial assets measured at fair value through other comprehensive income are measured at fair value subsequent to the initial recognition and all subsequent changes in such financial assets are recognized in other comprehensive income.

The amount recognized in other comprehensive income may not be subsequently transferred to net profit or loss, but may be transferred within equity. If any relevant financial asset is derecognized or its fair value has significantly declined, the amount recognized in other comprehensive income is transferred to retained earnings. Dividends from such financial assets are recognized in net profit or loss.

Financial assets measured at fair value through net profit or loss

Of financial assets other than the financial assets measured at amortized cost, those that are not designated as financial assets measured at fair value through other comprehensive income are categorized as financial assets measured at fair value through net profit or loss.

Subsequent to the initial recognition, all subsequent increases and decreases in such financial assets are recognized in net profit or loss.

B. Valuation standards and valuation method for inventories

The acquisition cost of inventories include purchase costs, process costs and all other costs incurred up to the current place and condition.

Inventories are recorded at the lower of the acquisition cost and net realizable value. Net realizable value is the expected sales price in the ordinary course of business less estimated cost and estimated selling expenses required to complete. The acquisition cost is calculated mainly using the gross average method.

C. Valuation standards, valuation method and depreciation method for property, plant and equipment

For the measurement after recognition of property, plant and equipment, the cost model is adopted. The measurement value is indicated in the amount of acquisition cost less accumulated depreciation and accumulated impairment loss.

Depreciation of tangible fixed assets other than land is primarily calculated based on the straight-line method over the estimated useful life of each component of property, plant and equipment, with respect to the amortizable value after deducting the residual value from the acquisition cost.

Estimated useful lives of major tangible fixed assets are as follows.

Buildings, structures and oil tanks	2 years to 50 years
Machinery and vehicles	2 years to 20 years

Expenditure recognized as assets in the exploration, evaluation and development of oil and natural gas are depreciated using the units-of-production method.

D. Valuation standards and valuation method for intangible assets and goodwill

For the measurement after recognition of intangible assets, the cost model is adopted, and the measurement value is indicated in the amount of the acquisition cost less accumulated amortization and accumulated impairment loss. In addition, goodwill is indicated in the amount of the acquisition cost less the accumulated impairment loss.

Intangible assets are amortized principally using the straight-line method over the estimated useful lives of the acquisition cost less residual value.

Estimated useful lives of major intangible assets are as follows.

Software	5 years
Customer-related assets	10 years to 25 years

E. Valuation standards and valuation method for leased assets

Leases are categorized as finance leases if substantially all risks and economic values associated with ownership are transferred to the Company, and are otherwise categorized as operating leases.

For finance lease transactions, leased assets and lease liabilities are recorded at the lower of the fair value of the leased property and the present value of the total minimum lease payment calculated on the lease commencement date. Leased assets are in principle depreciated using the straight-line method over the shorter period of the estimated useful life and lease term. For operating lease transactions, lease payments are recognized as expense by the straight-line method over the lease term.

F. Impairment of non-financial assets

The JXTG Group assesses the impairment indicators for each asset for each reporting period, and estimate the recoverable amount of the asset if there are indications of impairment. If the recoverable value cannot be estimated for individual assets, the recoverable value is estimated for each cash generating unit to which the asset belongs.

If the carrying amount of the asset or cash generating unit exceeds the recoverable amount, the impairment loss is recognized for the asset and the value is written down to the recoverable amount.

With respect to goodwill, an impairment test is carried out every year or whenever there is an indication of impairment. Impairment losses on goodwill are recognized in net profit or loss and are not reversed.

Assets other than goodwill are examined as to whether there is an indication of possible reduction or extinction of impairment losses recognized in the past reporting period. If such indication exists, the recoverable amount of the asset or cash-generating unit is estimated, and if the recoverable amount exceeds the carrying amount of the asset or cash-generating unit, the impairment loss is reversed up to the amount not exceeding the carrying amount after deducting the necessary depreciation or amortization expenses from the carrying amount where impairment loss is not recognized.

(ii) Recording standards for provisions

Provisions are recognized where the Company has a current legal or constructive obligation as a result of a past event and it is highly likely that an outflow of resources with economic benefits will be required to settle the obligation and where the amount of such obligation can be reliably estimated.

Provisions are measured in present value by applying to expenditures expected to be required for settlement of the obligation, the pre-tax discount rate that reflects the current market valuation of the time value of money and the risks specific to the obligation. Increase in provision over time is recognized as interest expense.

(iii) Other important matters for preparation of the consolidated financial statements

- Foreign currency translation

The Company's consolidated financial statements are indicated in Japanese yen, the functional currency of the Company.

Transactions denominated in foreign currencies are translated into functional currencies of each group company at the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currency at the end of the fiscal year are re-translated to functional currency at the exchange rate at the end of the fiscal year, and non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated into functional currency at the exchange rate at the date of calculation of the fair value. Foreign currency translation differences arising therefrom are in principle recognized in net profit or loss. Non-monetary assets and liabilities denominated in foreign currency that are measured at acquisition cost are translated at the exchange rate of the transaction date.

Assets and liabilities of foreign operations are translated into Japanese yen using exchange rates at the end of the fiscal year, and income and expenses are translated into Japanese yen using the average exchange rate in the reporting period. Differences arising from foreign currency translation are recognized in other comprehensive income.

- Retirement benefits

JXTG Group adopts a defined benefit plan and a defined contribution plan. The liability recognized in the consolidated statements of financial position in connection with the defined benefit plan is the present value of the defined benefit obligation as of the end of the reporting period minus the fair value of the plan assets.Defined benefit plan obligations are calculated annually by independent pension actuaries. The discount rate is calculated based on the market yield of high quality corporate bonds as of the end of the fiscal year corresponding to the discount period by setting a discount period based on the period up to the anticipated future payment date for each fiscal year.

Retirement benefit expenses that constitute service cost and net interest on the net amount of defined benefit obligation (asset) are recognized in net profit or loss. The re-measurement, including the differences between estimates and actual results as well as the actuarial differences arising from changes in actuarial assumptions, is recognized as other comprehensive income in the period in which it occurred. Although such re-measurement amount may not be transferred to net profit or loss, since it is permitted to transfer within equity, it is immediately transferred from other component of equity to retained earnings. Prior service cost is recognized in net profit or loss.

Retirement benefit expenses pertaining to defined contribution plans are recognized as expenses during the period when employees provided services, and unpaid contributions are recognized as obligations.

- Recognition of income

JXTG Group recognizes income by applying the following five steps, excluding interest and dividend income or the like under IFRS 9 "Financial Instruments."

Step 1: Identify the contract with customers
Step 2: Identify the performance obligations in the contract
Step 3: Calculate the transaction value
Step 4: Allocate the transaction value to performance obligation in the contract
Step 5: Recognize the income when the performance obligation has been satisfied (or as it becomes satisfied)

JXTG Group sells petroleum products, petrochemical products, crude oil, natural gas, material ore such as copper concentrates, non-ferrous metal products such as electrolytic copper, electronic materials products, and the like.

In the sales of such products, the legal rights of ownership, possessory rights, risks accompanying the ownership of products and the economic value transfer to the customer generally at the time when the control over the product transfers to the customer, i.e. when the product is delivered to the customer and the rights to receive consideration for the product from the customer is obtained. Thus, income is recognized at that point. Income is recognized based on the transaction value in accordance with the contract with the customer, and is shown in net amount after subtracting the VAT, returned products, rebates and discounts. Taxes that are imposed at the time of sales and considered to be collected as a substitute, such as VAT or gas oil delivery tax, are included in the net amount, and not included in the revenue. On the other hand, taxes that are imposed before the sales, such as gasoline tax, are included in the revenue. Regarding transactions in which the consideration can fluctuate, the income therefrom is recognized within the scope wherein no significant reverse will occur in the future by using the single amount which is the most likely amount within the range of possible consideration amounts.

- Accounting treatment of consumption tax, and the like

The net of tax method is used.

- Application of the consolidated tax payment system
  The consolidated tax payment system is applied.

2. Notes to Changes in the Accounting Policies

Starting from this consolidated fiscal year, JXTG Group applies the IFRS 15 "Revenue from Contracts with Customers" (issued May 2014) and "Clarifications to IFRS 15" (issued April 2016) (hereinafter collectively, the "IFRS 15"). In applying the IFRS 15, JXTG Group has adopted a method to recognize the cumulative effect of applying the IFRS 15 on the date when the application started.

Income is recognized by applying the following five steps, excluding interest and dividend income or the like under IFRS 9 "Financial Instruments."

Step 1: Identify the contract with customers
Step 2: Identify the performance obligations in the contract
Step 3: Calculate the transaction value
Step 4: Allocate the transaction value to performance obligation in the contract
Step 5: Recognize the income when the performance obligation has been satisfied (or as it becomes satisfied)

In applying such standards, the revenue income from the production of oil and natural gas assets, which JXTG Group jointly owns the interests therein with other companies, was previously recognized in accordance with the Company's share of the interests in the respective assets using the entitlement method, but starting from this consolidated fiscal year, it was changed to the sales method, which recognizes income based on the value at which the company actually conducted sales. The effect thereof to the income of this consolidated fiscal year is minor.

3. Notes to Consolidated Statements of Financial Position

(1) Assets offered as security, and obligations relating to security
   (i) Assets offered as security
      Property, plant, and equipment: ········824,308 million yen
      Cash and cash equivalents: ········ 14,410 million yen
      Other: ········2, 262 million yen
   (ii) Obligations related to security
      Accounts payable-other: ········246,176 million yen
      Long-term loans payable (including current portion):········ 86,517 million yen
      Other: ········2,678 million yen
      Accounts payable-other is included in trade and other payables of the Consolidated Statements of Financial Position.
      The obligations corresponding to the assets offered as security include, in addition to (ii) above, the transaction guarantee of 739 million yen, and loans payable and accounts payable by affiliates, or the like of 13,007 million yen.

(2) Breakdown of property, plant, and equipment
      Buildings, structures and oil tanks:········715,964 million yen
      Machinery and vehicles: ········609,772 million yen
      Land:········ 1,305,310 million yen
      Construction in progress: ········124,455 million yen
      Exploration and development investment account: ········516,938 million yen

Other: ·· 109,203 million yen

(3) Allowance for doubtful accounts directly deducted from assets
Trade accounts receivables and acceptance receivables: ······· 1,345 million yen
Others: ·· 1,571 million yen
Trade accounts receivables and acceptance receivables are included in trade and other receivables of the Consolidated Statements of Financial Position.

(4) Accumulated depreciation and accumulated impairment loss of property, plant, and equipment: 5,396,892 million yen

(5) Breakdown of bonds and borrowings
(i) Current
Bonds: ·· 20,000 million yen
Short-term borrowings: ··· 252,700 million yen
Long-term borrowings to be repaid within one year: ······· 185,588 million yen
Commercial papers: ··· 186,000 million yen
(ii) Non-current
Bonds: ·· 202,635 million yen
Long-term borrowings: ······································· 1,371,070 million yen

(6) Guarantee obligations
The Company provides guarantees, or the like, to, among others, loans from financial institutions by companies other than the subsidiaries. The Company also provides guarantees to employees' loans (housing funds).
Affiliates, or the like: ··· 18,708 million yen
Other companies and employees: ······························· 9,114 million yen
*Affiliates, or the like includes jointly controlled companies.

4. Notes to Consolidated Statements of Profit or Loss

(1) Breakdown of other income and expenses

(i) Other income
Dividend income: ·· 21,056 million yen
Rental income: ··· 8,417 million yen
Gain on sale of property, plant and equipment: ·············· 48,128 million yen
Gain on reversal of impairment loss: ···························· 4,740 million yen
Exchange gain: ··· 1,264 million yen
Other(*): ·· 109,907 million yen
*Principally consists of the gain on sale of subsidiaries' shares (Irvine Scientific Sales Company, Inc. and IS Japan Co., Ltd.), which was 77,710 million yen.

(ii) Other expenses
Impairment loss: ·· 42,247 million yen
Loss on sale of property, plant, and equipment: ·············· 11,085 million yen
Other: ·· 52,833 million yen

(2) Breakdown of finance income and costs

(i) Finance income
Interest income: ··· 6,147 million yen
Dividend income: ·· 385 million yen

Other: ·························· 486 million yen

(ii) Finance costs
Interest expense: ·························· 32,865 million yen
Exchange loss: ·························· 1,801 million yen
Other: ·························· 818 million yen

5. Notes to Consolidated Statements of Changes in Equity

(1) Class and Total Number of Issued Shares: Common stock 3,385,993,649 shares
(as of March 31, 2019)

(2) Purchase and Cancellation of Treasury Shares

The Company aquired treasury shares to the amount of 30,000 million yen (40,923,000 shares) in this consolidated fiscal year based on the resolution of the Board of Directors' meeting on March 28, 2018 and cancelled the same dated as of November 7, 2018.

In addition, apart from the aforementioned, the total value of increase due to acquisition of treasury shares in this consolidated fiscal year was 55,001 million yen, consisting of purchase of treasury shares to the amount of 24,963 million yen (46,289,000 shares) and purchase of shares less than one unit and the like, to the amount of 38 million yen.

(3) Purchased Call Option Held Against Non-controlling Shareholders and Written Put Option Held Against Non-controlling Shareholders

JXTG Group recognizes the fair value of the purchased call option held against non-controlling shareholders and the fair value of the redemption amount of the written put option held against non-controlling shareholders as 1,918 million yen of financial asset and 11,388 million yen of financial liability, as of the end of this consolidated fiscal year, respectively. In addition, JXTG Group has discontinued to recognize (10,645) million yen of non-controlling equity which is the objective of the put option and processed 1,175 million yen, which is the balance between these amounts, as capital surplus. Such balance has been included in the other increase and decrease in the Consolidated Statements of Changes in Equity.

(4) Dividends of Surplus

(i) Dividends paid

Resolution	Class	Total Dividends (millions of yen)	Dividends per Share (yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 27, 2018	Common stock	34,211 (Note 1)	10.0	March 31, 2018	June 28, 2018
Board of Directors' Meeting held on November 7, 2018	Common stock	33,802 (Note 2)	10.0	September 30, 2018	December 4, 2018

(Note 1) Total dividends include dividends of 13 million yen on the shares held by the BIP trust, an executive incentive plan.
(Note 2) Total dividends include dividends of 12 million yen on the shares held by the BIP trust, an executive incentive plan.

(ii) Dividends with record date falling in the current consolidated fiscal year, and with effective date coming in the following fiscal year

Scheduled Resolution Date	Class	Source of Dividends	Total Dividends (millions of yen)	Dividends per Share (yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders to be held on June 26, 2019	Common stock	Retained earnings	36,673 (*)	11.0	March 31, 2019	June 27, 2019

(*) Total dividends include dividends of 13 million yen on the shares held by the BIP trust, an executive incentive plan.

6. Notes to Financial Instruments

(1) Matters relating to Status of Financial Instruments

JXTG Group is striving to realize and maintain optimal capital structure to achieve medium- to long-term group strategy and maximization of corporate value.

JXTG Group, which is exposed to various risks such as credit risk, liquidity risk and market risk in the course of its business activities and financing activities, manages risks as described below.

(i) Credit risk

JXTG Group implements measures for early grasp of collection concerns and other credit risks, by properly managing each business partner in accordance with JXTG Group's credit management rules and other internal policies.

The receivables held by the Company are receivables against a large number of business partners in a wide range of industries and regions. The Company is not exposed to a material credit risk pertaining to a specific business partner, and there is no excessive concentration of credit risk requiring special management.

(ii) Liquidity risk

In order to secure the minimum cash on hand in carrying out the business, JXTG Group takes out loans from financial institutions and issues corporate bonds or commercial paper, whenever necessary. JXTG Group has also established a commitment line in case of emergency such as where it unexpectedly faces a necessity of funds or where market liquidity suddenly declines.

In addition, as an effort to manage liquidity risk, JXTG Group appropriately grasps the group companies' demand for funds, prepare a cash management plan and monitor cash flows by comparing the plan with actual cash flows.

(iii) Market risk

To hedge market risk, JXTG Group uses derivative financial instruments such as forward exchange contracts, interest rate swaps and commodity futures transactions. The execution and management of derivative transactions are in accordance with internal rules that stipulate trading authorities. It is the JXTG's policy not to conduct speculative transactions using derivative financial instruments.
Changes in fair value of derivatives that meet hedge accounting requirements are, in principle, recognized in other comprehensive income.

(2) Matters relating to Fair Value, and the like of Financial Instruments

The carrying amount and fair value of the financial instruments measured by amortized cost and the calculation method of fair value are as follows.

The Company does not disclose the financial instruments measured at fair value in the consolidated statements of financial position and the financial instruments with fair value being nearly equal to its carrying amount.

(Millions of yen)

	Current Consolidated Fiscal Year (March 31, 2019)	
	Carrying Amount	Fair Value
Bonds and borrowings	2,217,993	2,238,777

The fair value of bonds and borrowings is estimated by discounting future cash flows to the present value using interest rates applicable when JXTG Group takes out a new similar loan.

7. Notes to Per-share Information

Equity attributable to owners of the parent per share: 816.39 yen
Basic profit attributable to owners of the parent per share: 95.36 yen
Diluted profit attributable to owners of the parent per share: 95.32 yen

8. Notes to Business Combination

Omitted since there are no important business combinations.

9. Notes to Material Subsequent Events

Not applicable

10. Additional Information

Not applicable

4. Notes to Non-consolidated Financial Statements (from April 1, 2018 to March 31, 2019)

1. Notes to Matters relating to Important Accounting Policies

(1) Standards and Methods for Valuation of Assets

Securities

Shares of subsidiaries and shares of affiliates: Valued at cost, based on the moving-average method.

Other securities:

Marketable securities:

Valued at fair value based on the market value as of the non-consolidated balance sheet date. (Valuation differences are included directly in net assets. The acquisition cost used as the basis for calculating the valuation differences is determined by the moving-average method).

Non-marketable securities:

Valued at cost, based on the moving-average method.

(2) Standards and Methods for Valuation of Derivatives

Derivatives: Valued at fair value.

(3) Method of Depreciation of fixed Assets

Tangible assets (excluding leased assets): The straight-line method

Major expected lifetime is as follows.

Buildings and structures: 2 years to 50 years.

Intangible assets (excluding leased assets): The straight-line method

Software is amortized based on the authorized period of internal use (5 years).

Leased assets: The lease period is treated as the expected lifetime, and the straight-line method assuming no residual value is adopted.

(4) Recording Standards for Provisions

Provision for bonuses:

The provision will be appropriated to pay for the bonuses of the employees; therefore, this is recorded based on the expected payment amount.

Provision for share remuneration:

The Company records an estimated amount of shares to be granted to directors and the like who were given points which can be converted to the corresponding amount of shares through the BIP trust, an executive incentive plan, in order to prepare for exchange with the Company's shares.

(5) Other Matters Important for Preparation of Non-consolidated Financial Statements

(i) Method of treatment of deferred assets

Bond issuance costs are treated as expenses upon expenditure.

(ii) Method of hedge accounting

Deferred hedge accounting is adopted in principle. However, the exception method is adopted with interest swaps upon satisfying this method's requirements.

(iii) Accounting treatment of consumption tax or the like

The accounting treatment of consumption tax and local consumption tax is based on the net of tax method. However, non-deductible consumption tax or the like on assets is treated as expenses for the fiscal year in which the grounds for the consumption tax or the like arose.

(iv) Application of the consolidated tax payment system

The consolidated tax payment system is applied.

2. Notes to Changes in the Presentation Method

The Company is applying the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and the like from the beginning of this fiscal year. In accordance with the above, the Company presents deferred tax assets under the account title of investments and other assets and the deferred tax liabilities under the account title of non-current liabilities.

3. Notes to Non-consolidated Balance Sheet

(1) Assets Offered as Security

(i) Assets offered as security

Stocks of subsidiaries and affiliates: ······························ 130,001 million yen

(ii) Obligations to the above

Subsidiaries’ and affiliates’ accounts payable-other: 10,288 million yen

(2) Accumulated Depreciation of Property, Plant and Equipment: 9,949 million yen

(3) Guarantee Obligations

Guarantee on loans:	556,222 million yen
Guarantee on transactions-other:	239,902 million yen
Total:	796,125 million yen

*Apart from the above, the Company is providing guarantee for asset retirement obligation pertaining to the oil and natural gas exploration business.

(4) Monetary Claims against and Monetary Obligations to Subsidiaries and Affiliates (excluding those indicated separately under the account titles in the balance sheet)

Short-term monetary claims:	30,578 million yen
Long-term monetary claims:	- million yen
Short-term monetary obligations:	12,014 million yen
Long-term monetary obligations:	- million yen

4. Notes to Non-consolidated Statements of Income

Volume of Transactions with Subsidiaries and Affiliates

Operating revenue:	177,401 million yen
Operating expenses:	5,131 million yen
Volume of transactions other than in business transactions:	69,168 million yen

5. Notes to Non-consolidated Statements of Changes in Net Assets

Class and Number of Treasury Shares as of the End of this Fiscal Year

C

Class of Share	Number of shares as of the beginning of this fiscal term	Number of shares increased in this fiscal term	Number of shares decreased in this fiscal term	Number of shares as of the end of this fiscal term
Common stock	7,031,710 shares	87,237,200 shares	40,984,716 shares	53,284,194 shares

(Note 1) The number of increase in treasury shares consists of increase of 25,000 shares due to demand for purchase from holders of shares less than one unit and increase of 87,212,200 shares based on the resolution of Board of Directors’ meeting.

(Note 2) The number of decrease in treasury shares consists of decrease of 1,286 shares due to demand for sale to holder of shares less than one unit, decrease of 40,922,900 shares due to cancellation of treasury shares based on the resolution of Board of Directors’ meeting, and 60,530 shares due to exchange to directors and the like through the BIP trust, an executive incentive plan.

6. Notes to Tax Effect Accounting

Major items that resulted in an accrual of deferred tax assets and deferred tax liabilities are as follows:

(Millions of yen)

(Deferred Tax Assets)	
Provision for bonuses	146
Investment securities	651
Income tax payable	70
Other	980
Subtotal of deferred tax assets	1,847
Valuation reserve	(1,073)
Total deferred tax assets	774
(Deferred Tax Liabilities)	
Land	434
Reserve for advanced depreciation of fixed assets	754
Investment securities	13,410
Receivable business tax refund	251
Assets for adjustment of profit and loss	3,826
Other	323
Total deferred tax liabilities	18,999
Net deferred tax liabilities	18,225

7. Notes to Transactions with Related Parties

Type	Name of Company	Percentage of Voting Rights or the like Held	Relationship with Related Parties	Details of Transaction	Transaction Amount millions of yen)	Account Title	Balance at End of Period (millions of yen)
Subsidiary	JX Nippon Oil & Energy Corporation	Directly owned, 100%	Business management; Interlocking directorate	Receipt of business management fee (Note 1) Guarantee of obligations or the like (Note 2)	8,298 340,448	Accrued expenses	27
Subsidiary	JX Nippon Oil & Gas Exploration Corporation	Directly owned, 100%	Business management; Interlocking directorate	Receipt of business management fee (Note 1) Guarantee of obligations or the like (Note 3) Receipt of fee for guarantee of obligations (Note 3)	1,186 23,584 75	Accrued expenses Accounts receivable	4 41
Subsidiary	JX Nippon Mining & Metals Corporation	Directly owned, 100%	Business management; Interlocking directorate	Receipt of business management fee (Note 1) Guarantee of obligations or the like (Note 4) Sales of shares of subsidiaries and affiliates (Note 5) Gain on sales of shares of subsidiaries and affiliates (Note 5)	2,370 63,590 47,286 14,627	Accrued expenses	10
Subsidiary	JX Nippon Finance Corporation	Directly owned, 100%	Outsourcing of funds related services; Interlocking directorate	Loan of operation funds by group finance (Note 6) Short-term loans Collection of long-term loans	 93,550 103,348	 Short-term loans receivable from subsidiaries and affiliates Long-term loans receivable from subsidiaries and affiliates	 186,000 1,244,412

Type	Name of Company	Percentage of Voting Rights or the like Held	Relationship with Related Parties	Details of Transaction	Transaction Amount millions of yen)	Account Title	Balance at End of Period (millions of yen)
						*Including those that shall be collected within one year	
				Borrowing of necessary funds for the Company by group finance (Note 7)			
				Borrowing of short-term funds	13,817	Short-term loans payable to subsidiaries and affiliates	36,339
				Repayment of long-term funds	30,000	Long-term loans payable to subsidiaries and affiliates *Including those that shall be collected within one year	483,000
				Receipt of interest (Note 6)	10,183		
				Payment of interest (Note 7)	3,566		
Subsidiary	JX Nippon Finance Netherlands B.V.	Directly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	34,862	Accounts receivable	3
				Receipt of fee for guarantee of obligations (Note 3)	19		
Subsidiary	JX Nippon Exploration and Production (U.K.) Limited	Indirectly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	146,748	Accounts receivable	131
				Receipt of fee for guarantee of obligations (Note 3)	569		
Subsidiary	Nippon Oil Exploration (PNG) Pty. Ltd	Indirectly owned, 100%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	31,321	Accounts receivable	129
				Receipt of fee for guarantee of obligations (Note 3)	129		
Subsidiary	SCM Minera Lumina Copper Chile	Indirectly owned, 77%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	48,789	Accounts receivable	869
				Receipt of fee for guarantee of obligations (Note 3)	105		
Subsidiary	JX Nippon Oil & Gas Exploration (Malaysia) Limited	Indirectly owned, 78.7%	Guarantee of obligations	Guarantee of obligations or the like (Note 3)	38,650	Accounts receivable	97
				Receipt of fee for guarantee of obligations (Note 3)	245		

The terms and conditions of transactions and the policies for determining the terms and conditions of transactions

(Note 1) The core operating companies (JXTG Nippon Oil & Energy Corporation, JX Nippon Oil & Gas Exploration Corporation, and JX Nippon Mining & Metals Corporation) bear, as a business management fee, the expenses necessary for operating the Company, in proportion to their respective business size and so on. Since the amount received by estimate exceeded the defined amount this fiscal year, the Company recorded Current liabilities - Other.

(Note 2) The Company granted guarantees of transactions, or the like, for matters such as purchase of crude oil by JXTG Nippon Oil & Energy Corporation but does not receive any guarantee fees.

(Note 3) The Company granted guarantees of obligations, or the like, for matters such as each company's loans from financial institutions. The guarantee fees are reasonably determined based on the market price applied to the transaction.

(Note 4) The Company granted loan guarantees for JX Nippon Mining & Metals Corporation's loans payable, but does not receive any guarantee fees.

(Note 5) In association with the partial change to the management control system of JXTG Group, the Company sold all of the shares of Toho Titanium Co., Ltd. and TATSUTA

Electric Wire and Cable Co., Ltd. owned by the Company to JX Nippon Mining & Metals Corporation. The sales value was decided reasonably based on the market price.

(Note 6) The Company procures funds necessary for JXTG Group through borrowings from outside financial institutions or the like, issuances of bonds, commercial paper, or the like in a lump sum, and distributes the necessary business funds to the respective group companies through loans to JX Nippon Finance Corporation. The loan rate from the Company to JX Nippon Finance Corporation is determined in light of the costs to procure such funds. In addition, regarding the transaction amounts, the loan and collection are presented in net volume.

(Note 7) The Company has borrowed necessary business funds from JX Nippon Finance Corporation, and has been depositing its surplus funds, as intra-group funds transactions. Interests on loans and deposits are decided reasonably by taking consideration of the market interest rates. In addition, regarding the transaction amounts, the borrowing and repayment are presented in net volume.

8. Notes to Per-share Information

Net assets per share	549.34 yen
Net income per share	55.29 yen
Diluted net income per share after adjustments	55.27 yen

9. Notes to Material Subsequent Events

Not applicable.

10. Additional Information

Not applicable.