

January 4, 2017

Press Release

TonenGeneral Sekiyu K.K.

Contact:

Public Relations & CSR

Tel: 03-6713-4400

Today, the first business day of 2017, TonenGeneral Sekiyu K.K. Representative Director and President Jun Mutoh delivered the following New Year message to TonenGeneral Group employees.

President's 2017 New Year Message (summary)

Happy New Year. I would like to convey my best wishes to you and your families for health, happiness and prosperity in the coming year. I would also like to take this opportunity to express my sincere appreciation for your efforts and contributions in 2016.

2016 Activities

In the area of safety, we completed the large-scale turnarounds at our Kawasaki and Wakayama refineries with no lost-time incidents. Let's keep working toward our safety goal of "Nobody Gets Hurt." Your continued efforts in this area would be very much appreciated.

In the area of internal controls, we redoubled our efforts to ensure thorough controls, through initiatives such as a Business Practices Review, held in small groups the latter half of the year, designed to promote the correct understanding of our Standards of Business Conduct. Honesty, integrity and fairness, along with safety, health and the environment, are our most important values. I ask that you maintain a high awareness of these values and use them as the basis for all of your business activities.

Next, let's look at our progress last year in strengthening our core businesses and expanding growth options, the two main strategies of our Medium-term Management Plan, announced in 2013.

In strengthening our core businesses, we made dramatic progress over the past year in initiatives that we had been working on, including the following.

- In creating value that is chosen and appreciated by our customers, we implemented initiatives to enhance our SS network, including the introduction of the Drivers'Link program, the continued roll-out of Seven-Eleven alliance sites, and the establishment of a drive-thru Doutor alliance site, the first in the industry.
- In our lubricants business, we developed new products with high energy-conservation performance for Toyota and other customers and increased sales of high-value-added

synthetic lubricants; achieved an increase in Mobil 1™ sales for the fifth consecutive year and high sales volumes of industrial synthetic lubricants for the third consecutive year.

- We made further progress in our gasoline-to-chemicals shift with the installation of a mixed xylene recovery unit at our Chiba refinery.
- We were recognized for the fifth consecutive year for achievement of the government's energy benchmarks, based on the Energy Conservation Law.
- Cross-functional initiatives to maximize profits: Fuels, chemicals, refineries, supply and other divisions worked together to respond flexibly to market trends and avoid potential losses in the event of trouble with refining facilities.

Under the category of expansion of growth options, we have our electric power business. In electric power sales, we began providing low-voltage electric power retail services in the Tokyo Electric, Kansai Electric, and Chubu Electric service areas. In electric power generation, the power plant of eREX New Energy Saiki Co., Ltd., in which TonenGeneral is an investor, began commercial operation, and we also announced a plan for the implementation of a biomass power generation business in Muroran City, Hokkaido.

In addition to the 2016 highlights described above, another noteworthy event was our selection for the second consecutive year by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as a "Brand of Companies Enhancing Corporate Value through Health and Productivity Management (KENKO KEIEI Brand)." The health of each and every one of us is an irreplaceable asset. We will continue our efforts to maintain a workplace conducive to work-life balance featuring advantages such as a high rate of paid vacation taken and reduced overtime, but with the company's support, we hope to see voluntary efforts of the part of each employee to further increase health awareness.

Looking forward - 2017

The business integration of TonenGeneral Sekiyu and JX Holdings was approved at the respective extraordinary general meetings of shareholders of the two companies, held on December 21. Accordingly, we must take the next big step. Preparations, centering on a special committee made up of members from both companies, are underway for the integration set to take place on April 1 of this year, but as time is limited, it is important to identify the highest priorities and proceed toward the integration date in the way we believe is best for the integrated group. As we move toward the business integration, the objective of which is to develop into one of the most prominent and internationally-competitive comprehensive energy, natural resource, and materials company groups in Asia, we must continue working together, holding our values in the highest regard, to accomplish our day-to-day tasks while making steady progress on preparations for the integration.

Let's commit to making 2017 a new start toward a bright future. This concludes my New Year message.

January 4, 2017

Jun Mutoh

Representative Director and President

TonenGeneral Sekiyu K.K.

[The official language for TonenGeneral Sekiyu'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 website. While these English versions have been prepared in good faith, TonenGeneral Sekiyu does not accept responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.]