Security Code: 5017
June 7, 2017

To Our Shareholders

Atsuo Shibota
Director-President
Fuji Oil Company, Ltd.
Tennozu Parkside Building
5-8, Higashishinagawa 2-chome,
Shinagawa-ku, Tokyo, Japan

CONVOCATION NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING OF SHAREHOLDERS

(English Translation of the Japanese Original)

Dear Shareholders:

We are pleased to inform you that the Company will hold its 15th Annual General Meeting of Shareholders (AGM) as set forth below. Your attendance at the Meeting is cordially requested.

If you are unable to attend the meeting, you can exercise your voting rights by either of the following means. Please review the attached Reference Materials for the AGM and exercise your voting rights by 5:30 p.m.(Japan standard time), Tuesday, June 27, 2017.

Vote in Writing

Please indicate "for" or "against" for each of the proposals on the enclosed voting form and return the completed form to us so that it arrives before the voting deadline mentioned above.

Vote via the Internet

Please access the shareholder voting site (http://www.it-soukai.com/) designated by the Company and enter the voting code and password found on the enclosed voting form. By following the prompts on the screen, please indicate "for" or "against" for each of the proposals and submit this form before the voting deadline mentioned above (English NOT available).

For more details, please refer to the "Guidance on the Exercise of Voting Rights via the Internet" on page 13.

AGENDA

1. **Date and Time** : Wednesday, June 28, 2017 at 10:00 a.m.
(The reception desk opens at 9:00 a.m.)

2. **Place** : Conference Room "Harbor Circus",
3rd floor, Dai-ichi Hotel Tokyo Seafort
3-15, Higashi-shinagawa 2-chome,
Shinagawa-ku, Tokyo
(http://www-a.global.hankyu-hotel.com/daiichi-tokyo-seafort/)

3. **Purposes of this AGM**

Items to be Reported

1: To report the Business Report, the consolidated Financial Statements, the Audit Reports for the consolidated financial statements by Independent Auditor and the Audit & Supervisory Board of the Company for the 15th Financial Year (April 1, 2016 - March 31, 2017)

2: To report the non-consolidated Financial Statements for the 15th Financial Year (April 1, 2016 - March 31, 2017)

Items to be Resolved

Proposition I : To Distribute Surplus
Proposition II : To Elect Fourteen Directors

(The Business Report, the non-consolidated Financial Statements, the consolidated Financial Statements, and the Audit Reports by Independent Auditor and the Audit & Supervisory Board of the Company, part of the Reference Materials for the AGM, are attached herewith as "The Business Report for the 15th Financial Year".)

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Notes:

1. If attending the AGM in person, please present the enclosed voting form to the reception desk upon arrival. When exercising the voting right by proxy, the voting form and a written document need to be presented to certify the proxy's authority. The authorized proxy shall be a shareholder of the Company who is entitled to exercise voting rights. The number of proxy is limited to one.
2. We will be wearing "Cool Biz" lightweight business attire (jacket without tie style) on the day of the AGM. We appreciate your kind understanding on this.
3. Revisions to or amendments, if necessary, of the Reference Materials for the AGM, the Business Report, the non-consolidated Financial Statements and the consolidated Financial Statements will be posted on the Company's website (http://www.foc.co.jp/en/).
4. If you exercise your voting right both in writing and via the Internet, the voting via the Internet shall prevail. In the case of multiple voting via the Internet, the last voting shall prevail.
5. The meeting will be carried out in Japanese language only.

REFERENCE MATERIALS FOR
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Propositions and relevant information:

Proposition I : To Distribute Surplus

It is our policy to maintain stable dividend payments to our shareholders while taking into consideration the Group's financial results, cash position, etc., as well as necessary internal reserves for the medium-and long-term business development. In consideration of the business results for FY2016 and the financial forecasts for FY2017 of the Company, we would like to propose the dividend payment for the period as follows:

Note: The source of the year-end dividends for FY2016 is Other Capital Surplus.

(1) Kind of property to be distributed
Cash

(2) Allotment of property for the dividends and the total amount thereof
8 yen per share of common stock of the Company
Total amount of 617,740,360 yen

(3) Effective date of the dividend distribution from surplus
June 29, 2017

Proposition II : To Elect Fourteen Directors

The terms of office for all thirteen incumbent Directors expire as of the close of the 15th AGM.

The Company proposes the election of fourteen Directors, increased by one, in order to reinforce the Company's management structure.

The Director-Candidates are as follows:

Candidate No.		Name	Current positions and responsibilities in the Company [responsibilities enclosed in brackets]	Attendance at Board of Directors meetings in FY2016
1	Re-appoint	Atsuo Shibota	Representing Director Director-President	100%
2	Re-appoint	Jun Inomata	Senior Managing Director [Operation Management & Technical Administration Dept.; Safety & Environmental Protection Office]	100%
3	Re-appoint	Nozomu Kanou	Managing Director [General Administration Dept.; Finance & Accounting Dept.]	100%
4	Re-appoint	Katsunori Yagi	Director Deputy General Manager of Sodegaura Refinery [Refining Dept.] General Manager, Refining Dept.	100%
5	Re-appoint	Shigeto Yamamoto	Director [Marketing & Supply Dept.] General Manager, Marketing & Supply Dept.	100%
6	Re-appoint Outside Independent	Masataka Shimizu	Director (Outside)	100%
7	Re-appoint Outside	Masayuki Kobayashi	Director (Outside)	75%
8	Re-appoint Outside Independent	Yoshimasa Takao	Director (Outside)	100%
9	Re-appoint Outside Independent	Mohammed Hamad Al-Fahad	Director (Outside)	100%
10	Re-appoint Outside	Nabil M. Bourisli	Director (Outside)	100%
11	New appoint	Kenichi Terao	Associate, General Manager, Human Resources Dept.	—
12	New appoint	Takahiko Yamamoto	Associate, Deputy General Manager of Sodegaura Refinery [Administration Dept.; TPM Promotion Office] General Manager, Administration Dept.	—
13	New appoint	Takayuki Kawahata	Associate, Deputy General Manager of Sodegaura Refinery [Construction & Facility Maintenance Dept.] General Manager, Construction & Facility Maintenance Dept.	—
14	New appoint	Takumi Iwamoto	Associate, General Manager, General Coordination & Planning Dept.	—

Re-appoint: Candidate for re-appointment as Director

New appoint: Candidate for new appointment as Director

Outside: Candidate who satisfies the requirements for Outside Director set forth in the Companies Act

Independent: Independent Officer who has been or will be registered as such with the Tokyo Stock Exchange, Inc.

(Profiles of Candidates)

Candi-date No.	Name (Date of Birth)	Brief history, Positions and responsibilities in the Company, and Significant positions concurrently held outside the Company	Number of the Company's share held
1	Atsuo Shibota (May 14, 1954) Re-appoint	1977.4 Joined Ministry of International Trade and Industry (now, Ministry of Economy, Trade and Industry (METI)) 2003.7 Director-General, Trade Control Dept., Trade and Economic Cooperation Bureau, METI 2005.9 General Manager, Beijing Center, Japan External Trade Organization 2008.7 Senior Fellow, Research Group, Research Institute of Economy, Trade & Industry cum Director for Energy, Agency for Natural Resources and Energy, METI 2009.7 Director-General, Trade and Economic Cooperation Bureau, METI 2010.7 Director-General of Customs and Tariff Bureau, Ministry of Finance cum President of Customs Training Institute 2012.8 Retired from office 2012.11 Adviser, former Fuji Oil Company, ltd. (FOC) 2013.4 Representing Director cum Senior Managing Director, former FOC 2013.6 Director, Fuji Oil Sales Company, Ltd. (FOSC) 2013.6 Representing Director-President, Fuji Tanker Company, Ltd. (FTC) 2013.6 Director, Petro Progress Inc. (PPT) [Present] 2013.10 Representing Director-Senior Managing Director, the Company 2014.6 Representing Director-President, the Company [Present] Significant positions concurrently held: Director, PPT	4,400
		Reasons for nomination: Mr. Atsuo Shibota has high level insight in the area of energy, acquired through his long career at METI. He has served as Representing Director-Senior Managing Director and then as Representing Director -President of the Company and has been overseeing its overall management based on his affluent experience and expertise of the oil industry and oil business. Hence the Company believes he is well suited for the role of Director and proposes that he be continuously elected as a Director.	

<table>
<tr><td rowspan="3">2</td><td rowspan="3">Jun Inomata
(Jun. 6, 1953)

Re-appoint</td><td>1977.4 Joined former FOC
2003.6 General Manager, Operation Management Dept., former FOC
2007.6 General Manager, Operation Management & Technical Administration Dept., former FOC
2008.6 Director cum General Manager, Operation Management & Technical Administration Dept., former FOC
2009.6 Director cum General Manager, General Coordination & Planning Dept., former FOC
2011.6 Director, former FOC
2012.6 Managing Director, former FOC
2013.10 Managing Director, the Company
2015.6 Senior Managing Director, the Company [Present]</td><td rowspan="2">6,200</td></tr>
<tr><td>Responsibilities in the Company:
Operation Management & Technical Administration Dept.; Safety & Environmental Protection Office</td></tr>
<tr><td colspan="2">Reasons for nomination:
Mr. Jun Inomata has served as Managing Director and then as Senior Managing Director of the Company and has been supervising competitiveness of the Company's refinery as the officer in charge of Operation Management & Technical Administration Dept. and Safety & Environmental Protection Office based on his affluent experience and expertise in the oil business. Hence the Company believes he is well suited for the role of Director and proposes that he be continuously elected as a Director.</td></tr>
<tr><td rowspan="3">3</td><td rowspan="3">Nozomu Kanou
(Apr. 27, 1955)

Re-appoint</td><td>1979.4 Joined the Development Bank of Japan (DBJ)
2005.6 General Manager, Transportation & Community Dept., DBJ
2008.3 General Manager, Corporate Finance Fourth Division, DBJ
2008.10 Managing Executive Officer (General Manager, Kansai Branch), DBJ
2010.6 Managing Executive Officer, DBJ
2012.6 Managing Director, former FOC
2013.6 Auditor, PPT
2013.10 Managing Director, the Company [Present]</td><td rowspan="2">4,800</td></tr>
<tr><td>Responsibilities in the Company:
General Administration Dept.; Finance & Accounting Dept.</td></tr>
<tr><td colspan="2">Reasons for nomination:
Mr. Nozomu Kanou has a wealth of expertise in finance and accounting, acquired through his many years of service in one of the top financial institutions of Japan.
He has been overseeing administration and financing of the Company as the officer in charge of General Administration Dept. and Finance & Accounting Dept. based on his affluent experience and expertise in the oil business. Hence the Company believes he is well suited for the role of Director and proposes that he be continuously elected as a Director.</td></tr>
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4	Katsunori Yagi (Jan. 24, 1958) Re-appoint	1981.4 Joined former FOC 2007.6 General Manager, Operation Management Dept., former FOC 2011.6 General Manager, Refining Dept., former FOC 2013.10 General Manager, Refining Dept., the Company 2014.6 Director, Fuji Rinkai Co., Ltd. (FRC) [Present] 2014.6 Director, Deputy General Manager of Sodegaura Refinery (in charge of Refining Dept.) cum General Manager, Refining Dept., the Company [Present]	3,800
		Significant positions concurrently held: Director, FRC Responsibility in the Company: Refining Dept.	
		Reasons for nomination: Mr. Katusnori Yagi has served as General Manager of Refining Dept. and then as Director of the Company and has been supervising operation of Sodegaura Refinery as the officer in charge of Refining Dept. based on his wealth of experience and achievement in the oil business. Hence the Company believes he is well suited for the role of Director and proposes that he be continuously elected as a Director.	
5	Shigeto Yamamoto (May 22, 1957) Re-appoint	1981.4 Joined former FOC 2012.3 Director, FTC 2012.7 General Manager, Marketing & Supply Dept., former FOC 2012.7 Director, Petro Progress Pte Ltd. (PPS) [Present] 2013.10 General Manager, Marketing & Supply Dept., the Company 2014.6 Director, FOSC [Present] 2014.6 Representing Director-President, FTC [Present] 2014.6 Director cum General Manager, Marketing & Supply Dept., the Company [Present] 2014.6 Representing Director-President, PPT [Present]	3,700
		Significant positions concurrently held: Director, FOSC Representing Director-President, PPT Director, PPS Responsibilities in the Company: Marketing & Supply Dept.	
		Reasons for nomination: Mr. Shigeto Yamamoto has served as General Manager of Marketing & Supply Dept. and then as Director of the Company and has been overseeing marketing of the Company (procurement of crude oil and sales of oil products) as the officer in charge of Marketing & Supply Dept. based on his wealth of experience and achievement in the oil business. Hence the Company believes he is well suited for the role of Director and proposes that he be continuously elected as a Director.	

6	Masataka Shimizu (Jun. 23, 1944) Re-appoint Outside Independent	1968.4 Joined Tokyo Electric Power Co., Inc. (now, Tokyo Electric Power Company Holdings, Inc. TEPCO) 1995.6 General Manager, Ota Office, Minami Branch, Tokyo area, TEPCO 1997.6 General Manager, Materials & Procurement Dept., TEPCO 2001.6 Director cum General Manager, Materials & Procurement Dept., TEPCO 2004.6 Managing Director, TEPCO 2006.6 Executive Vice President, TEPCO 2008.6 President, TEPCO 2011.6 Adviser, TEPCO 2012.6 Director (Outside), former FOC 2013.10 Director (Outside), the Company [Present]	Nil
		Reasons for nomination: Mr. Masataka Shimizu has a wealth of experience and achievement in one of the top energy companies in Japan. The Company expects him to provide advice on its performance of management from an independent point of view, thereby strengthening its Corporate Governance. Hence the Company believes he is well suited for the role of Director and proposes that he be continuously elected as a Director. His incumbent term of office will reach 3 year and 8 months as of the close of this AGM.	
7	Masayuki Kobayashi (Feb. 1, 1959) Re-appoint Outside	1981.4 Joined Showa Sekiyu K.K. (now, Showa Shell Sekiyu K.K. (SSS)) 2011.3 Executive Officer, SSS 2013.3 Executive Officer cum General Manager of Supply Division cum General Manager of Crude & Marine Division, SSS 2014.3 Executive Officer cum General Manager of Crude & Marine Division cum General Manager of Oil Products Division, SSS 2015.3 Executive Officer, Oil Business COO cum General Manager of Crude & Marine Division, SSS 2015.6 Director (Outside), the Company [Present] 2015.6 Director, Seibu Oil Company Limited [Present] 2016.3 Director, TOA OIL Co., Ltd. [Present] 2016.3 Executive Officer, Oil Business COO, SSS [Present] 2017.3 Director, Showa Yokkaichi Sekiyu Co., Ltd. [Present]	Nil
		Significant positions concurrently held : Executive Officer, Oil Business COO, SSS Director, Seibu Oil Company Limited Director, TOA OIL Co., Ltd. Director, Showa Yokkaichi Sekiyu Co., Ltd.	
		Reasons for nomination: Mr. Masayuki Kobayashi has a wealth of experience and achievement in one of the top energy companies in Japan. The Company expects him to provide advice on its performance of management from an independent point of view, thereby strengthening its Corporate Governance. Hence the Company believes he is well suited for the role of Director and proposes that he be continuously elected as a Director. His incumbent term of office will reach 2 years as of the close of this AGM.	

8	Yoshimasa Takao (Mar. 11, 1951) Re-appoint Outside	1973.4 Joined Sumitomo Chemical Company, Limited (SCC) 2003.6 Executive Officer, SCC 2006.6 Managing Executive Officer, SCC 2008.6 Director & Managing Executive Officer, SCC 2009.4 Representative Director & Senior Managing Executive Officer, SCC 2009.11 Director (Outside), former FOC 2012.4 Representative Director & Executive Vice President, SCC 2015.4 Director & Executive Deputy Chairman, SCC 2015.6 Executive Deputy Chairman, SCC 2015.6 Director (Outside), Inabata & Co., Ltd. [Present] 2015.6 Director (Outside), the Company [Present] 2016.4 Advisor, SCC [Present] Significant positions concurrently held : Advisor, SCC Director (Outside), Inabata & Co., Ltd.	Nil
		Reasons for nomination: Mr. Yoshimasa Takao has a wealth of experience and achievement in one of the top chemical companies in Japan. The Company expects him to provide advice on its performance of management from independent point of view, thereby strengthening its Corporate Governance. Hence the Company believes he is well suited for the role of Director and proposes that he be continuously elected as a Director. His incumbent term of office will reach 2 years as of the close of this AGM.	
9	Mohammed Hamad Al-Fahad (Nov. 18, 1963) Re-appoint Outside Independent	1999.4 Senior Legal Advisor, Ministry of Petroleum & Mineral Resources (now, Ministry of Energy, Industry and Mineral Resources), Kingdom of Saudi Arabia (MINPET) 2004.4 Director General, Legal Affairs Dept., MINPET 2006.1 Legal Expert and Supervisor, Legal Affairs Dept., MINPET [Present] 2010.6 Director (Outside), Arabian Oil Company, Ltd. 2013.10 Director (Outside), the Company [Present] Significant positions concurrently held : Legal Expert and Supervisor, Legal Affairs Dept., MINPET	Nil
		Reasons for supporting the candidate for Outside Director: Dr. Mohammed Hamad Al-Fahad is expected to provide advice based on a wealth of experience and knowledge acquired through serving in a government organization in one of the Middle East oil producing countries. The Company considers his advice valuable to promote the business of the Company group. Hence the Company believes he is well suited for the role of Director and proposes that he be continuously elected as a Director. His incumbent term of office will reach 3 year and 8 months as of the close of this AGM.	

<table>
<tr><td rowspan="3">10</td><td rowspan="3">Nabil M. Bourisli
(Dec. 16, 1959)

Re-appoint

Outside</td><td>1984.10 Joined Kuwait National Petroleum Company
1993. 2 Joined Kuwait Petroleum Corporation (KPC)
1999. 6 Manager, Strategic Planning cum Manager, Overseas Project, KPC
2004. 9 Deputy Managing Director, Cooperate Planning, KPC
2007.11 Chairman & Managing Director, Kuwait Oil Tanker Company
2012. 6 Managing Director - Admin Affairs, R&D, KPC
2013. 5 Chairman of Board, Kuwait Oil Company
2013. 5 Managing Director - International Marketing, KPC [Present]
2016.6 Director (Outside), the Company [Present]</td><td rowspan="2">Nil</td></tr>
<tr><td>Significant positions concurrently held :
Managing Director - International Marketing, KPC</td></tr>
<tr><td colspan="2">Reasons for nomination:
Mr. Nabil M. Bourisli is expected to provide advice based on a wealth of experience and knowledge acquired through serving in a national oil company in one of the Middle East oil producing countries. The Company considers his advice valuable to promote the business of the Company group. Hence the Company believes he is well suited for the role of Director and proposes that he be continuously elected as a Director.

His incumbent term of office will reach 1 year as of the close of this AGM.</td></tr>
<tr><td rowspan="3">11</td><td rowspan="3">Kenichi Terao
(Jan. 13, 1960)

New appoint</td><td>1983.4 Joined former FOC
2011.6 General Manager, General Coordination & Planning Dept., former FOC
2012.7 General Manager, Human Resources Dept., former FOC, cum Senior Coordinator, Human Resources Dept., the Company
2013.4 General Manager, Human Resources Dept., former FOC, cum General Manager, Human Resources Dept., the Company
2013.4 Director, Tokyo Petroleum Industrial Company, Ltd. (TPIC) [Present]
2013.10 General Manager, Human Resources Dept., the Company
2014.7 Associate, General Manager, Human Resources Dept., the Company [Present]</td><td rowspan="2">1,200</td></tr>
<tr><td>Significant positions concurrently held :
Director, TPIC</td></tr>
<tr><td colspan="2">Reasons for nomination:
Mr. Kenichi Terao has served as the General Manager of General Corporate & Planning Dept. and then as the General Manager of Human Resources Dept. of the Company, and has a wealth of experience and achievement in the oil business. Hence the Company believes he is well suited for the role of Director and proposes that he be elected as a Director.</td></tr>
</table>

12	Takahiko Yamamoto (Sep. 27, 1959) New appoint	1983.4 Joined former FOC 2011.7 Director, PPS 2014.5 General Manager, Administration Dept., the Company 2016.6 Deputy General Manager of Sodegaura Refinery (in charge of Administration Dept. and TPM Promotion Office), cum General Manager, Administration Dept., the Company 2014.6 Auditor, FRC [Present] 2014.7 Associate, Deputy General Manager of Sodegaura Refinery (in charge of Administration Dept. and TPM Promotion Office), cum General Manager, Administration Dept., the Company [Present] Significant positions concurrently held : Auditor, FRC	1,700
		Reasons for nomination: Mr. Takahiko Yamamoto has been in charge of Administration of Sodegaura Refinery, and has a wealth of experience and achievement in the oil business. Hence the Company believes he is well suited for the role of Director and proposes that he be elected as a Director.	
13	Takayuki Kawahata (Sep. 2, 1959) New appoint	1983.4 Joined former FOC 2012.1 General Manager, Construction & Facility Maintenance Dept., former FOC 2013.10 General Manager, Construction & Facility Maintenance Dept., the Company 2015.7 Associate, Deputy General Manager of Sodegaura Refinery (in charge of Construction & Facility Maintenance Dept.) cum General Manager, Construction & Facility Maintenance Dept., the Company [Present]	1,800
		Reasons for nomination: Mr. Takayuki Kawahata has been in charge of Construction & Facility Maintenance, and has a wealth of experience and achievement in the oil business. Hence the Company believes he is well suited for the role of Director and proposes that he be elected as a Director.	
14	Takumi Iwamoto (Aug. 15, 1961) New appoint	1984.4 Joined former FOC 2011.6 General Manager, Administration Dept., former FOC 2011.6 Auditor, FRC 2013.4 General Manager in charge of IR Dept., Legal Dept., and General Administration Dept., the Company 2013.10 General Manager in charge of IR & PR Group, General Administration Dept., the Company 2015.7 Associate, General Manager, General Coordination & Planning Dept., the Company	1,400
		Reasons for nomination: Mr. Takumi Iwamoto has been in charge of administration and corporate planning of the Company, and has a wealth of experience and achievement in the oil business. Hence the Company believes he is well suited for the role of Director and proposes that he be elected as a Director.	

Note :

1. Mr. Masayuki Kobayashi has a concurrent position of Executive Officer, Oil Business COO, SSS. The Company has a business relationship with SSS in sales and purchase of crude oil, oil products and others.

2. Mr. Yoshimasa Takao has a concurrent position of Advisor, SCC. The Company has a business relationship with SCC in sales of petrochemicals and others.

3. Mr. Nabil M. Bourisli has a concurrent position of Managing Director-International Marketing, KPC. The Company has a business relationship with KPC in purchase of crude oil and others.

4. The Company has no special interest concerning business relationships with the other Director-Candidates.

5. Mr. Masataka Shimizu has been an Outside Director of the former FOC, the Company's former subsidiary, in the past.

6. Mr. Masayuki Kobayashi is an operating officer of SSS, and has been for a part of the past five years an operating officer of SSS, one of the Company's specified affiliated entities.

7. Mr. Yoshimasa Takao has been for a part of the past five years an operating officer of SCC, one of the Company's specified affiliated entities, and has been an Outside Director of the former FOC, the Company's former subsidiary, in the past.

8. Dr. Mohammed Hamad Al-Fahad has been an Outside Director of Arabian Oil Company, Ltd., the Company's subsidiary, in the past.

9. Messrs. Masataka Shimizu and Mohammed Hamad Al-Fahad satisfy the Company's criteria for Independence of Outside Officers, and were registered as Independent Officers with the Tokyo Stock Exchange, Inc. pursuant to the rules of the Exchange.

10. Mr. Yoshimasa Takao satisfies the Company's criteria for Independence of Outside Officers and, if elected as proposed, will be registered as Independent Officer with the Tokyo Stock Exchange, Inc. pursuant to the rules of the Exchange.

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Guidance on the Exercise of Voting Rights via the Internet

1. Conditions regarding Internet Voting (English NOT available)

(1) You may exercise your voting right via the Internet through the shareholder voting site (see the URL below) designated by the Company instead of exercising your voting right in writing. If you choose to exercise your voting right via the Internet, login with the voting code and the password shown on the right side of the enclosed voting form, and cast your vote by following the prompts on the screen. Please note that you need to change the password the first time you login to ensure security.

http://www.it-soukai.com/

(2) The voting deadline is 5:30 p.m. (Japan standard time) on Tuesday, June 27, 2017. Please vote ahead of time.

(3) If you exercise your voting right both in writing and via the Internet, the voting via the Internet shall prevail. In the case of multiple voting via the Internet, the last voting shall prevail.

(4) Your password (including the one you changed) will be valid for this Annual General Meeting only. A new password will be issued for the next Annual General Meeting.

(5) The Company is not responsible for any expenses related to Shareholders' Internet access.

(Notes)

-The password is a means of authenticating the identity of a voter as a shareholder. You will never receive a call from the Company inquiring about your password.

-The password will be locked and suspended if you enter the wrong password a certain number of times. If it becomes locked, please follow the prompts on the screen.

-We conducted an operation check of the shareholder voting site with general Internet access devices, but the site may not be usable on some devices.

2. Inquiries

If you have any concerns about Internet voting, please contact the Stock Transfer Agency Dept., Mizuho Trust & Banking Co., Ltd., our shareholder register manager (see below).

(1) All inquiries regarding how to exercise your voting right via the shareholder voting site may be addressed to the following:
Toll free (calls from within Japan) 0120-768-524
(Between 9:00 a.m. and 9:00 p.m., Japan standard time, on weekdays)

(2) Other inquiries regarding stock-related administrative work may be addressed to the following:
Toll free (calls from within Japan) 0120-288-324
(Between 9:00 a.m. and 5:00 p.m., Japan standard time, on weekdays)

[To Institutional Investors]

Institutional investors may also use the Electronic Proxy Voting Platform operated by ICJ (Investor Communications Japan) to exercise the voting rights via the Internet.

Attachment

Business Report (April 1, 2016 – March 31, 2017)

I. BUSINESS OVERVIEW OF FOC GROUP

1. Business Progress and Results

(Business Environment)

In the crude oil market, the Dubai crude started the period at the US$36/bbl level and began to follow an upward trend on speculation that OPEC members might come to an agreement on a production cut. After the production cut was officially agreed at the OPEC meeting held at the end of November 2016 and major non-OPEC producers announced participation in the cuts, the Dubai crude surged above US$50/bbl in December. When it was confirmed in February that the OPEC and non-OPEC producers had generally complied with their commitments to reduce oil supplies, the Dubai crude hit US$55/bbl (the highest for the period). It turned downward in March, however, when U.S. crude oil inventories built by an increase in shale oil output reached a record high, and it ended the period at around US$50/bbl. As a result, it marked about US$47/bbl on a yearly average basis, up about US$1.4/bbl over the previous period.

Looking at the foreign exchange market, the yen, trading at the ¥112/US$ level at the beginning of the period, hovered around ¥110/US$ until June, when it began to grow stronger due to yen buying on risk aversion, which was triggered by UK's decision to leave EU and concerns of economic downturn in the U.S. For a while afterwards, it was traded generally within the range of the ¥100/US$ - ¥105/US$ level. When Mr. Donald Trump won the U.S. presidential election in November, however, the dollar grew stronger driven by the expanding gap between the interest rates in Japan and the U.S. on the back of expectations for his economic policies, and caused the yen to reach the ¥118/US$ level temporarily. The yen grew stronger subsequently and reached the ¥112/US$ level at the end of the period, due partly to the rise of skeptical view on the Trump administration's ability to realize its policies. As a result, it marked about ¥108/US$ on a yearly average basis, an appreciation of about ¥12/US$ over the previous period.

In the domestic oil products market, sales volume of Gasoline decreased slightly as compared to the previous period as the demand for Gasoline is keeping a structural downward trend owing to fuel efficiency improvement in passenger cars, etc., while there were some positive factors such as a decline in prices at the pump and strong demand during the Golden Week holiday. Gas Oil also fell slightly below the level of the previous period due mainly to a decrease in truck transport led by rationalization of logistic systems. On the other hand, sales of Kerosene increased year on year owing to lower average temperature in winter as compared to that of the previous season, which was warm. Fuel Oil (C) dropped year on year, too, owing to increased use of coal and LNG as alternative fuels for power generation. Under these circumstances, the overall sales volume of the products for the period was at 98.0% of the previous period's figure.

(Consolidated Business Results)

Under these business circumstances, consolidated net sales resulted in 419.5 billion yen, down 5.9 billion yen over the previous period, due to product price declines caused by a downfall in crude oil prices (in yen terms), even though sales volume was increased as compared to the previous period when a minor periodic shut-down maintenance was carried out at Sodegaura Refinery.

Looking at income and loss for the period, operating income was 18.9 billion yen, an improvement of 27.7 billion yen over the previous period, due to i) positive effects of inventory valuation (i.e., effects of inventory valuation calculated by using the average method and the influence of inventory write-downs based on decrease in profitability on cost of sales), which pushed down the cost of sales by 7.5 billion yen (in the previous period, negative effects of inventory valuation pushed up the cost of sales by13.0 billion yen) and, ii) FY2016 not being the year of periodic shut-down maintenance. As for ordinary income, it was 18.1 billion yen, an improvement of 27.6 billion yen over the previous period.

As a result, net income for the period resulted in 15.5 billion yen, an improvement of 24.9 billion yen over the previous period.

Operating income and ordinary income excluding inventory valuation factors amounted to 11.3 billion yen (an increase of 7.0 billion yen over the previous period) and 10.5 billion yen (an increase of 6.9 billion yen over the previous period), respectively, due to positive factors such as a decrease in refinery fuel costs, improved profitability of asphalt pitch, a decrease in utility costs through operation of a newly built private power generator, and no periodic maintenance for the period.

(Progress)

Production

Volume of production stood at 8,132 thousand kL, up by 5.6% as compared to the previous period when a minor periodic shut-down maintenance was carried out at Sodegaura Refinery.

As a result of continued efforts for safe and stable operations, flexible use of its advanced facilities and equipment, and operation for an optimal product balance, the operating rate of the crude distillation unit (CDU) stood at 95.6%.

(Unit: Thousand Kiloliters)

Category	FY2016	FY2015	Change (%)
Material Processed			
Crude Oil	7,934	7,639	103.9
Semifinished Products	540	396	136.4
Total	8,474	8,035	105.5
Refined Products Produced	8,132	7,701	105.6

Sales

Total sales volume of products including petroleum and petrochemical products came to 8,299 thousand kL, up by 5.0% as compared to the previous period when the minor periodic shut-down maintenance was conducted.

Looking at sales by product, Gasoline, Naphtha, and Benzene / Xylene are up by 5.5%, 25.7%, and 17.4%, respectively, over the previous year. Fuel Oil (C) for power generation is also up by 28.5%, as a result of an increase in volume our business partner wished to trade due to seasonal factors, in spite of a decline in the domestic demand for the product.

(Unit: Thousand Kiloliters)

Product	FY2016	FY2015	Change (%)
Gasoline	2,144	2,032	105.5
Naphtha	291	231	125.7
Jet Fuel	724	830	87.3
Kerosene	498	479	104.1
Gas Oil	1,574	1,700	92.6
Fuel Oil (A)	366	288	127.3
Fuel Oil (C)	638	510	125.0
(for Power generation)	(567)	(441)	(128.5)
Benzene, Xylene	526	448	117.4
Others	1,539	1,385	111.1
Total	8,299	7,902	105.0

Stable Supply & Safety and Environment

Our key commitments under the corporate philosophy are to "ensure stable supplies of energy" and "maintain safety and protect the global environment." In order to achieve these commitments, we are working on various measures at the whole Company level on a daily basis.

○ Stable Supplies of Energy

We have established a "Business Continuity Plan (BCP)" in preparation for major earthquakes and other disasters. In-house education and training are being conducted on the basis of this BCP and systems for ensuring stable supply of energy in the event of emergencies are being improved, including a seismic reinforcement of receiving/shipping facilities, and installation of mobile emergency power generators.

○ Safety and Environment Protection

Being aware of our responsibility as a company who deals with a large volume of hazardous materials, we are carrying out various safety activities to prevent the occurrence of accidents and disasters on a daily, company-wide basis, including safety inspection, repair on facilities, safety training, and risk assessment for facilities and non-routine operations.

As the measures to reduce burden on the environment, we have been keeping up

efforts to i)reduce greenhouse gas emissions by energy-efficiency investments and energy saving activities, ii)reduce and recycle waste, and iii)supply eco-friendly products, including bio-gasoline and low-sulfur gasoline/gas oil.

Enhancement of Unit Capacities

All oil refiners in Japan were required to raise their "ratio of residue oil cracking unit capacity to topper capacity" in response to the second announcement of the "Law Concerning Sophisticated Methods of Energy Supply Structure" by the end of March 2017. The Company has decided to meet the requirement by increasing the residue oil cracking unit capacity while keeping the topper capacity as it is (143,000 bbl/day).

Specifically, we enhanced the capacity of a Vacuum Residue Thermal Cracking Unit (Eureka Unit) to 33 thousand bbl/day as of March 31, 2017, an increase by 3 thousand bbl/day. In addition, the capacity of No. 2 Fluid Catalytic Cracking Unit is to be enhanced to 24 thousand bbl/day as of June 30, 2017, an increase by 3 thousand bbl/day.

This enhancement of the Refinery's residue oil cracking units is an effective means of adapting to changes in the oil product demand structure, including expected decline in fuel oil demand, and contributes to strengthening the Company's competitiveness.

In addition, we aim to further improve our revenue bases by substantially reducing the cost of electricity used at the Refinery and by enhancing the value of Asphalt Pitch through introduction of Asphalt Pitch-Fueled Boiler Turbine Generator (ASP-BTG), which is currently under construction and scheduled to start operation in July 2017.

Group's Trends

Following is a main activity of our Group during FY2016:

Petro Progress Pte Ltd., an important overseas base of the Company based in Singapore, has been continuing business operations including purchase and sale of crude oil and oil products.

2. Capital Investment

Capital investments during the period totaled 17,263 million yen, which were mainly invested in refinery facilities. These investments were funded mainly through bank loans and own funds.

3. Financing

Loans from financial institutions during the period are as shown in the table below. The balance of bank loans became 127,073 million yen, up by 23,970 million yen as compared to the end of the previous period, as a result of an increase in inventories due to higher crude oil prices, an increase in long-term loans payable for capital investment, etc.

(unit: Million Yen)

	End of FY2015	Movement	End of FY2016
Long-term loans payable	57,944	7,681	65,626
Short-term loans payable	45,158	16,288	61,447
Total	103,102	23,970	127,073

Note : The balance of long-term loans payable at the end of the period includes 15,848 million yen, an amount to be repaid within a year.

4. Tasks to be addressed

We released our second Medium-Term Business Plan for the four-year period from FY2017 to FY2020 in May 2017.

Business environment surrounding the oil industry is becoming more and more harsh owing to a continuous decline in the domestic oil product demand. In addition, regulations on sulfur content for bunker oil are to be tightened in 2020, which makes the future demand structure more uncertain.

Based on such recognition of our environment, we will strive to strengthen our competitiveness further by flexibility and proactively operating Sodegaura Refinery, which comes to have greater adaptability to fluctuations in crude prices and a change in the demand structure than before, through operation of ASP-BTG and capacity enhancement of heavy oil cracking units.

Furthermore, we will also strive for a stable increase in earnings and a further improvement in our corporate value by capturing business opportunities not only in domestic but also overseas markets, particularly those of emerging economies in Asia.

Under the above basic policies, we are committed to actively working on the tasks set out in the second Medium-Term Business Plan, which are:

(1) Maintaining/enhancement of operational reliability at Sodegaura Refinery

- More efficient operation control and maintenance of facilities based on safe and stable operation, and maintaining of high operating rate
- Passing-down and improvement of technology and skills, and development of human resources that have advanced technical, operational and safety management skills and capabilities
- Making more use of cutting edge technologies including IoT (Internet of Things)

(2) Higher value-added production and enhancement of cost competitiveness

- Further reduction in raw material costs by increasing procurement of and expanding storage capacity for extra-heavy crudes
- Maximization of value-added production through enhancements of heavy oil cracking capacities, and an increase and diversification in production of high value-added products including petrochemicals.
- Significant reduction in refining costs and improvement in energy efficiency through optimum and maximum operation of ASP-BTG

- Further reduction in costs and environmental burden by rationalizing total costs and taking active actions for energy saving.

(3) Further actions for export

- Upgrading and more flexible operation of our export facilities, with one of the largest-capacity jetties in Japan at its core
- Fortification of a structure at our oversea hub and development of human resources who can play an active part overseas

(4) Studies for new business development

- Development of new businesses on the operating base of Sodegaura Refinery
- Studies towards diversification of our business portfolio

5. Financial Summary

(unit: Million Yen)

	12th FY 4/1/2013-3/31/2014	13th FY 4/1/2014-3/31/2015	14th FY 4/1/2015-3/31/2016	15th FY 4/1/2016-3/31/2017
Net Sales	702,942	666,179	425,522	419,530
Ordinary Profit	-10,112	-18,624	-9,546	18,102
Net Profit for the Period	-11,897	-18,109	-9,409	15,503
Profit per Share	-154.39 yen	-234.99 yen	-122.10 yen	201.19 yen
Total Assets	380,242	287,889	232,889	288,418
Net Assets	75,347	58,351	47,482	62,816

Note: 1. Profit per Share is calculated based on the average number of shares outstanding during the period.

2. Main factors of difference from the previous financial year are as follows:

12th FY due to drop in sales volume caused by major Shut-down Maintenance at Sodegaura Refinery, significant decrease in product margins, and extraordinary losses related to withdrawal from upstream two projects

13th FY due to drop in product prices and negative effects of inventory valuation on the cost of sales caused by the downfall in crude prices

14th FY due to drop in net sales caused by minor shut-down maintenance, drop in product prices and negative effects of inventory valuation on the cost of sales caused by downfall in crude prices, and exchange loss on foreign currency assets from yen appreciation

15th FY as stated in I.1. Business Progress and Results

6. Principal Subsidiaries (As of March 31, 2017)

Name	Paid-in Capital	Shareholding Ratio (%)	Main Business
Fuji Oil Sales Company, Ltd.	100 Million Yen	100.0	Sale of petroleum products, Agency services for petroleum products sales/supply, Agency services for insurance companies
Fuji Rinkai Co., Ltd.	10 Million Yen	85.0	Maritime disaster prevention operations, Loading/unloading of crude oil & petroleum products, Collection and transportation of industrial waste, Solar power generation
Fuji Tanker Company, Ltd.	50 Million Yen	100.0	Chartering, routing and scheduling of crude oil tankers
Tokyo Petroleum Industrial Company, Ltd.	120 Million Yen	(100.0)	Manufacturing and sale of asphalt mixture, Disposal of asphalt waste
Arabian Oil Company, Ltd.	100 Million Yen	100.0	Asset management of oil development projects
Japan Oil Engineering Company Ltd.	600 Million Yen	(100.0)	Engineering for oil development and refining, Procurement and export/import of materials and equipment for maintenance of oil facilities
Petro Progress Inc.	100 Million Yen	100.0	Purchasing and marketing of crude oil and petroleum products, Consignment refining
Petro Progress Pte Ltd.	34 Million Singapore $ and 733 Thousand US $	(100.0)	Overseas purchasing and marketing of crude oil and petroleum products, Consignment refining

Note: 1. Percentage in parentheses stand for shareholding ratio indirectly held by the Company.
2. Arabian Oil Company, Ltd. acquired 120,000 shares held by Cosmo Energy Exploration & Production Co., Ltd. in Japan Oil Engineering Company. Ltd. (JOE) on April 1, 2016 and JOE became an indirect wholly owned subsidiary of the Company on the same date.
3. Fuji Tanker Company, Ltd. was merged with and absorbed by the Company on April 1, 2017.

7. Main Business (As of March 31, 2017)

To refine, store, sell, buy, import and export crude oil and petroleum products

8. Location of Principal Business (As of March 31, 2017)

Fuji Oil Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
	Sodegaura Refinery	Sodegaura-shi, Chiba, Japan
Fuji Oil Sales Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Fuji Rinkai Co., Ltd.	Head Office	Sodegaura-shi, Chiba, Japan
Fuji Tanker Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Tokyo Petroleum Industrial Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Arabian Oil Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Japan Oil Engineering Company Ltd.	Head Office	Chuo-ku, Tokyo, Japan
Petro Progress Inc.	Head Office	Shinagawa-ku, Tokyo, Japan
Petro Progress Pte Ltd.	Head Office	Singapore

9. FOC Group Employees (As of March 31, 2017)

Number of Employees	Difference from the previous period
650	-7

10. Major Lenders and Loan Balance (As of March 31, 2017)

(unit: Million Yen)

Lender	Outstanding Balance
Mizuho Bank, Ltd.	25,847
Development Bank of Japan Inc.	20,014
Japan Oil, Gas and Metals National Corporation	16,166
Sumitomo Mitsui Banking Corporation	15,892
Mitsubishi UFJ Trust and Banking Corporation	11,032
Sumitomo Mitsui Trust Bank, Limited	10,841

II. SHARE RELATED INFORMATION (As of March 31, 2017)

i) Total number of shares authorized to be issued : 200,000,000 shares
ii) Total number of shares issued : 78,183,677 shares
iii) Number of shareholders : 10,519
iv) Major shareholders

Name	Shareholder's investment in the Company	
	Number of Shares Held (thousand)	Shareholding Ratio(%)
TEPCO Fuel & Power, Incorporated	6,839.9	8.85
Kuwait Petroleum Corporation	5,811.3	7.52
Government of the Kingdom of Saudi Arabia	5,811.3	7.52
Showa Shell Sekiyu K.K.	5,144.0	6.66
Sumitomo Chemical Company, Limited	5,051.6	6.54
GOVERNMENT OF NORWAY	3,305.9	4.28
NYK Line (Nippon Yusen Kabushiki Kaisha)	2,750.8	3.56
BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/HENDERSON HHF SICAV	2,609.0	3.37
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,288.1	2.96
Japan Trustee Services Bank, Ltd.(Trust Account)	1,935.8	2.50

Note : 1. Shareholding ratio is calculated excluding treasury stocks of 966.1 thousand shares.
2. Fractional shares less than 100 shares are rounded off.

III. BOARD OF DIRECTORS AND AUDIT & SUPERVISORY BOARD

1. Directors and Audit & Supervisory Board Members (as of March 31, 2017)

Name	Positions in the Company	Responsibilities in the Company and significant positions concurrently held outside the Company
Fumio Sekiya	Representing Director cum Chairman of the Board of Directors	Director, Petro Progress Inc.
Atsuo Shibota	Representing Director cum Director-President	Director, Petro Progress Inc.
Koji Watanabe	Senior Managing Director	General Manager of Sodegaura Refinery
Jun Inomata	Senior Managing Director	In charge of Operation Management & Technical Administration Dept. and Safety & Environmental Protection Office
Nozomu Kanou	Managing Director	In charge of General Administration Dept. and Finance & Accounting Dept.
Masataka Shimizu	Director (Outside) 〈Independent Officer〉	
Masayuki Kobayashi	Director (Outside)	Executive Officer, Oil Business COO, Showa Shell Sekiyu K.K. Director, Seibu Oil Company Limited Director, TOA OIL Co., Ltd. Director, Showa Yokkaichi Sekiyu Co., Ltd.
Yoshimasa Takao	Director (Outside)	Advisor, Sumitomo Chemical Company, Limited Director (Outside), Inabata & Co., Ltd.
Mohammed Al-Fahad	Director (Outside) 〈Independent Officer〉	Legal Expert and Supervisor, Legal Affairs Dept., Ministry of Energy, Industry and Mineral Resources, Government of Kingdom of Saudi Arabia
Nabil Bourisli	Director (Outside)	Managing Director - International Marketing, Kuwait Petroleum Corporation
Jun Kotake	Director	In charge of General Coordination & Planning Dept.
Katsunori Yagi	Director	Deputy General Manager of Sodegaura Refinery (in charge of Refining Dept.), General Manager, Refining Dept. Director, Fuji Rinkai Co., Ltd.
Shigeto Yamamoto	Director	In charge of Marketing & Supply Dept. General Manager, Marketing & Supply Dept. Director, Fuji Oil Sales Company, Ltd. Representing Director, Fuji Tanker Company, Ltd. Representing Director cum Director-President, Petro Progress Inc. Director, Petro Progress Pte Ltd.
Takao Arai	Audit & Supervisory Board Member (Full-Time)	Auditor, Fuji Oil Sales Company, Ltd. Auditor, Fuji Tanker Company, Ltd. Auditor, Petro Progress Inc.
Yasushi Yamawaki	Audit & Supervisory Board Member (Outside) 〈Independent Officer〉	Advisor, NYK Line
Tsuyoshi Inoue	Audit & Supervisory Board Member (Outside) 〈Independent Officer〉	President, Value Management Institute, Inc. President, Japan Economic Research Institute Inc. Director (Outside), Topy Industries, Limited

		Corporate Auditor (Outside), Mitsubishi Paper Mills Limited
Shigeru Nozaki	Audit & Supervisory Board Member (Outside) 〈Independent Officer〉	

Note: 1. New Director during the period is as follows:

- Mr. Nabil Bourisli was newly elected as Director at the 14th Annual General Meeting of Shareholders held on June 28, 2016.

2. Changes in positions concurrently held by Director and Audit & Supervisory Board Members during the period are as follows:
   - Director Masayuki Kobayashi was newly elected as Director of Showa Yokkaichi Sekiyu Co., Ltd. at its Annual General Meeting of Shareholders held on March 31, 2017.
   - Audit & Supervisory Board Member Tsuyoshi Inoue was newly elected as Director of Japan Economic Reserch Institute Inc. at its Annual General Meeting of Shareholders held on June 16, 2016 and elected as President of the same company at its Board meeting held on the same date. He was also newly elected as Director of Topy Industries, Limited at its Annual General Meeting of Shareholders held on June 23, 2016.
   - Audit & Supervisory Board Member Shigeru Nozaki retired form his position of Audit & Supervisory Board Member of Sumitomo Metal Mining Co., Ltd. upon the expiration of his term at the close of its Annual General Meeting of Shareholders held on June 27, 2016.
3. Changes in positions concurrently held by Director and Audit & Supervisory Board Member of the Company after the end of the period are as follows:
   - As the Company merged Fuji Tanker Company, Ltd. on April 1, 2017, Director Shigeto Yamamoto retired from his position of Representing Director of the said company, and Audit & Supervisory Board Member Takao Arai retired from his position of Auditor of the said company.
4. As Directors Masataka Shimizu and Mohammed Al-Fahad, and Audit & Supervisory Board Members Yasushi Yamawaki, Tsuyoshi Inoue and Shigeru Nozaki satisfy the Company's criteria for Independence of Outside Officers (please see 12. below), the Company registered them as Independent Officers with the Tokyo Stock Exchange, Inc. pursuant to the rules of the Exchange.
5. Audit & Supervisory Board Members Tsuyoshi Inoue and Shigeru Nozaki have many years of experience in financial institutions and have a wealth of expertise in finance and accounting.
6. Showa Shell Sekiyu K. K. is a shareholder of the Company with 5,144.0 thousand shares (shareholding ratio: 6.66%) and has a business relationship with the Company in sales and purchase of crude oil, oil products and otheres.
7. Sumitomo Chemical Company, Limited is a shareholder of the Company with 5,051.6 thousand shares (shareholding ratio: 6.54%) and has a business relationship with the Company in sales of petrochemicals and others.
8. Government of Kingdom of Saudi Arabia is a shareholder of the Company with 5,811.3 thousand shares (shareholding ratio: 7.52%).
9. Kuwait Petroleum Corporation is a shareholder of the Company with 5,811.3 thousand shares (shareholding ratio: 7.52%) and has a business relationship with the Company in purchase of crude oil and others.
10. NYK Line is a shareholder of the Company with 2,750.8 thousand shares (shareholding ratio: 3.56%) and has a business relatonship with the Company in chartering of crude oil tankers and others.
11. Seibu Oil Company, Ltd., TOA OIL Co., Ltd., Showa Yokkaichi Sekiyu Co., Ltd., Inabata & Co., Ltd., Value Management Institute, Inc., Japan Economic Research Institute Inc., Topy Industries, Limited, and Mitsubishi Paper Mills Limited have no special business relationship to be disclosed with the Company.
12. The criteria of independence used by the Company for Outside Officers are as follows:

    The Company's Outside Officers are not considered independent in the case that they or their immediate family member (spouse, relative in second or less degree or relative living in the same place) fall under any of the following items currently or for the preceding year of the Officers' inauguration.

i) Outside Officers are not considered independent if they fall under any of the following:

a) Principal business partners*

Principal business partners of the Company or executive officers of such partners

* A "principal business partner" means a company, organization, individual, etc. the amount of the transactions between whom and the Company in any of the last three financial years exceeds 2% of the consolidated net sales of either the Company or the

partner

b) External accounting auditors
Those who are external accounting auditors of the Company or its Group companies, or if the accounting auditors are organizations such as corporations or associations, those who belong to such organizations

c) Professional service providers (legal, accounting, etc.)
Those who received during the last financial year 10 million yen or more in compensation for their professional services as lawyers, chartered accountants, certified tax accountants, consultants, etc. from the Company besides the remunerations for Outside Officers (If the professionals are organizations such as corporations, those who belong to such organizations)

d) Major lenders
Lenders from which the Company's borrowings exceed 2% of the consolidated total assets of the Company or of the said lenders as at the end of the last financial year

e) Donation, etc.
Those who received donations, funds, etc. of 10 million yen or more in the last financial year from the Company (If the recipients are organizations such as corporations, those who belong to such organizations)

f) Principal shareholders*
Principal shareholders of the Company or executive officers of such shareholders as of the end of the last financial year
* A "principal shareholder" means a company, corporation, individual, etc. who holds 10% or more of total voting rights of the Company

g) Cross-assumption of offices of outside officers*
Executive officers of other companies with which the Company has a relationship of cross-assumption of offices in any of the past three financial years
* "Cross-assumption of offices of outside officers" refers to a situation where officers are mutually dispatched between a company/organization and the Company.

ii) Outside Officers are not considered independent if their immediate family members fall under any of the following:

a) Those who fall under any of the above-mentioned items a) - g)

b) Officers or employees of the Company or its Group companies

2. Director who Retired during Period

Name	Position at the time of Retirement	Position concurrently held outside the Company at the time of Retirement	Date of Retirement (Reason)
Emad Al-Abdulkarim	Director (Outside)	Deputy Managing Director - Marketing, Kuwait Petroleum Corporation	April 21, 2016 (Resignation)

3. Remuneration Paid to Directors and Audit & Supervisory Board (ASB) Members

Category of officers	Number of officers	Remuneration Paid
Director	14	261 Million Yen
ASB Member	4	45 Million Yen

Note : 1. The above table includes one director who retired as of April 21, 2016.
2. The above remuneration amounts include a total of 36 Million Yen paid to nine Outside Officers.

4. Information related to Outside Officers

i) Positions concurrently held outside the Company

As stated in section III. "1.Directors and Audit & Supervisory Board Members (as of March 31, 2017)" on page 10.

ii) Main Activities during the Period

Name	Attendance	Remarks at Board of Directors (BD) and Audit & Supervisory Board (ASB) meetings
Masataka Shimizu (Outside Director) 〈Independent Officer〉	100% of BD meetings	Provided advice on the execution of duties by directors at BD meetings and/or related occasions, based on company management experience and achievement in the energy industry.
Masayuki Kobayashi (Outside Director)	75% of BD meetings	Provided advice on the execution of duties by directors at BD meetings and/or related occasions, based on company management experience and achievements in the energy industry.
Yoshimasa Takao (Outside Director)	100% of BD meetings	Provided advice on the execution of duties by directors at BD meetings and/or related occasions, based on company management experience and achievements in the chemical industry.
Mohammed Al-Fahad (Outside Director) 〈Independent Officer〉	100% of BD meetings	Provided advice on the execution of duties by directors at BD meetings and/or related occasions, based on experience and expertise in government organizations of a Middle East oil producing country.
Nabil Bourisli (Outside Director)	100% of BD meetings	Provided advice on the execution of duties by directors at BD meetings and/or related occasions, based on experience and expertise in a national oil company of a Middle East oil producing country.
Yasushi Yamawaki (Outside ASB Member) 〈Independent Officer〉	100% of BD meetings 100% of ASB meetings	Provided comments and questions at BD and ASB meetings and/or related occasions, from the perspective of auditing the execution of duties by directors, by employing experience and expertise in company management.
Tsuyoshi Inoue (Outside ASB Member) 〈Independent Officer〉	100% of BD meetings 100% of ASB meetings	Provided comments and questions at BD and ASB meetings and/or related occasions, from the perspective of auditing the execution of duties by directors, by employing experience and expertise in finance and accounting acquired through his service in one of the top financial institutions of Japan, and his service as director and auditor in leading companies of Japan.
Shigeru Nozaki (Outside ASB Member) 〈Independent Officer〉	100% of BD meetings 100% of ASB meetings	Provided comments and questions at BD and ASB meetings and/or related occasions, from the perspective of auditing the execution of duties by directors, by employing experience

		and expertise in finance and accounting acquired through his service in one of the top financial institutions of Japan, and his service as auditor in one of the top resource development companies of Japan.

IV. ACCOUNTING AUDITOR

1. Name of Accounting Auditor

KPMG AZSA LLC

2. Remuneration for the Period

	Remuneration
Remuneration paid for services rendered under Article 2 (1) of the Certified Public Accountant Law	84Million Yen
Remuneration paid for another service than described above	—
Total cash and other compensation paid by the Company and its subsidiaries	94Million Yen

Note: 1. Audit & Supervisory Board has consented to the amount of remuneration, etc. of the Accounting Auditor under Article 399 (1) of the Compnaies Act, after checking and evaluating the contents of the audit plan for the year explained by the said Auditor as well as the performance of audit services of the previous year, carefully verifying the basis for calculation upon which the remuneration is estimated, and judging that the amount is appropriate as compared with the past actual amounts and levels of remuneration of the companies in the same and other industries.

2. Under the audit contract with the Accounting Auditor, specific separation is not, or practically cannot be, made between the audit fees payable for auditing services rendered under the Companies Act and the ones rendered under the Financial Instruments and Exchange Act. The above amount paid for services as provided under Article 2 (1) of the Certified Public Account Law shows the total for services rendered for these two audits.

3. One of the Company's principal subsidiaries, Petro Progress Pte Ltd., is audited by a different accounting auditor from the Company's accounting auditor.

3. Any other service rendered by Accounting Auditor than auditing

None.

4. Policy for dismissing or not reappointing Accounting Auditor

In the event the Accounting Auditor is deemed to fall under any of the matters listed in the items of Article 340 (1) of the Companies Act, the Audit & Supervisory Board shall by its unanimous resolution dismiss such Accounting Auditor. One of the members on the Audit & Supervisory Board shall be appointed to report the dismissal with its reason to the first Annual General Meeting of Shareholders to be held after the dismissal.

In the event there arises a material doubt about the Accounting Auditor's ability to provide reliable service, the Audit & Supervisory Board of the Company shall

decide the contents of a proposition of dismissal or no-reappointment of such Accounting Auditor, and the Board of Directors of the Company shall submit the said proposition to the Annual General Meeting of Shareholders based on such decision.

V. ESTABLISHMENT AND IMPLEMENTAION STATUS OF SYSTEMS FOR ENSURING APPROPRIATE BUSINESS OPERATIONS

A) Systems for ensuring appropriate business operations

Pursuant to Article 362 (5) of the Companies Act, the fundamental policy concerning the development of the systems to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Association of the Company, and other systems necessary to ensure the properness of operations of the Company as well as the Company group that is comprised of the Company and its subsidiaries ("Group") is given as below.

1. Systems to secure execution of duties by Directors of the Company to comply with applicable laws and regulations and the Articles of Association of the Company

The Company established its Charter of Corporate Behavior to ensure thorough compliance with applicable laws and regulations whether domestic or international, the Articles of Association of the Company and other relevant regulations. Along with the foregoing, the Board of Directors will determine and implement the Company's policies and plans to improve compliance and internal control systems.

The Company will endeavor to maintain and enhance the function of the Board of Directors in supervising Directors' execution of duties by having outside Directors on the Board.

Audit & Supervisory Board Members of the Company will audit Directors' execution of duties as well as the status of development and implementation of the internal control systems from independent points of view.

2. Systems to secure proper business operations of the Company and the Group

1) System concerning storage and management of information concerning execution of duties by Directors of the Company

Information concerning Directors of the Company' execution of duties will be recorded, stored and maintained at relevant departments in forms of minutes, intra-office memoranda or other documents pursuant to Regulations concerning Board of Directors, Regulations concerning Executive Committee, Regulations concerning Application for Management Approval, and Regulations concerning Documentation, and shall be kept for later retrieval.

The department of the Company in charge of internal audit shall conduct audit in accordance with Regulations concerning Internal Audit to assess the

status of recording, storage and maintenance of these documents and regularly report the results thereof to the Board of Directors and the Audit & Supervisory Board.

2) Regulations concerning risk management of the Company and other systems

Systematic preventive mechanism will be improved in ordinary times by improving a system to comprehensively identify and evaluate material risks to business management and by improving regulations concerning risk management.

The Company establishes its Business Continuity Plan (BCP) and maintains it on a regular basis to prepare for unforeseen events such as major earthquakes and outbreaks of infectious diseases.

If a serious loss is anticipated, Director in charge of the relevant department shall report it to Representing Director-President, and necessary countermeasures will be taken through deliberations at the Board Meeting, Executive Committee meeting, etc. When any contingency occurs, an emergency headquarters shall be set up immediately.

The department of the Company in charge of internal audit will conduct audit in accordance with Regulations concerning Internal Audit to assess the improvement/implementation status of risk management system and regularly report the results thereof to the Board of Directors and the Audit & Supervisory Board of the Company.

3) System to ensure efficient execution of duties by Directors of the Company

The Board of Directors of the Company will determine basic management policies, matters required by the laws and regulations and Articles of Association of the Company, and other important management issues. In addition, the Board will supervise Directors' execution of duties, too.

The Executive Committee consisting of full-time Directors of the Company and full-time Audit & Supervisory Board Members of the Company shall share information concerning the overall management, and along with determining specific policies for each operating division of the Company, make decisions for efficient execution of duties in accordance with the decisions made by the Board of Directors of the Company.

Under the instruction from full-time Directors in charge based on decisions made by the Executive Committee, each department shall execute its duties efficiently pursuant to Regulations concerning Corporate Organization, Regulations concerning Administrative Authority and other relevant regulations, and report the results of operations to Director in charge of the department and the Board of Directors of the Company.

Following the report from each department, the Executive Committee shall review each of the specific policies and take necessary actions to improve the system concerning efficient execution of duties.

4) System to ensure that the execution of duties by employees of the Company and officers and employees of its subsidiaries/affiliates ("Subsidiaries")

complies with applicable laws, regulations and the Articles of Association of the Company

The Company laid down its Charter of Corporate Behavior and requires employees of the Company and officers and employees of the Subsidiaries to strictly comply with applicable laws and regulations whether domestic or international, the Articles of Association of the Company and other relevant regulations, and carries out measures to instill an awareness for the compliance into officers and employees of the Company and officers and employees of its Subsidiaries.

"Helpline" is set up at the head office of the Company and the corporate lawyer's office in order to receive information on violation of the laws and regulations and to provide advice thereon. The Department of the Company in charge of the Helpline will examine the information submitted to the Helpline, implement Company-level preventive measures through consultation with the relevant departments, and regularly report the matter to the Board of Directors of the Company and the Audit & Supervisory Board of the Company.

The department of the Company in charge of internal audit shall conduct audit in accordance with Regulation concerning Internal Audit to assess legitimacy of the execution of duties by employees of the Company and officers and employees of its Subsidiaries and regularly report the results thereof to the Board of Directors and the Audit & Supervisory Board.

5) Systems as given below to ensure the appropriateness of execution of duties in the Group

a. System for reporting to the Company on the matters relating to execution of duties by officers and employees of the Company's Subsidiaries

b. Regulations concerning risk management of the Company's Subsidiaries and other systems

c. System to ensure efficient execution of duties by officers and employees of the Company's Subsidiaries

The Company shall ensure thorough management of the Subsidiaries on their execution of duties concerning risk management, effectiveness of their execution of duties, and other important matters through the departments of the Company in charge by specifying matters to be reported to and matters to be approved by the Company on the basis of the Company's regulations concerning management of the Subsidiaries, etc., and by facilitating close communications between the said departments of the Company in charge and the Subsidiaries.

The department of the Company in charge of internal audit shall conduct audit in accordance with the Company's regulations concerning internal audit to assess the properness of execution of duties in the entire Subsidiaries and regularly report the results thereof to the Board of Directors and the Audit & Supervisory Board of the Company.

6) Systems concerning assigning assistants to Audit & Supervisory Board Members of the Company, independence of such assistants, and

effectiveness of instructions given to such assistants

When Audit & Supervisory Board Members of the Company ask for assigning assistants to assist in executing their duties, a relevant division shall be established to which such assistants belong. Job description and authority of such assistants shall be determined taking consideration of Audit & Supervisory Board Members of the Company's opinions.

The assistants shall not receive any instruction from others than Audit & Supervisory Board Members of the Company concerning this assistance. Prior consensus from the Audit & Supervisory Board of the Company is required for staff change and performance evaluation of the assistants.

7) Systems as given below concerning reporting to Audit & Supervisory Board Members of the Company

a. System for Directors and employees of the Company to report to Audit & Supervisory Board Members of the Company

b. System for Directors, Audit & Supervisory Board Members and employees of the Subsidiaries or the persons who received reports from them to report to Audit & Supervisory Board Members of the Company

Directors and employees of the Company and Directors, Audit & Supervisory Board Members and employees of the Subsidiaries shall make necessary reports to Audit & Supervisory Board Members of the Company regularly or at any time upon request of Audit & Supervisory Board Members of the Company. The persons who received reports from them shall report to Audit & Supervisory Board Members of the Company without delay.

Among the matters to be reported are the following:

- ✓ Important matters of business management and operations, and status and results of execution of duties, including matters related to compliance, risk management and internal control systems,
- ✓ Uncovered facts which may cause serious losses to the Company or the Subsidiaries,
- ✓ Newly disclosed information of the Company,
- ✓ Information submitted to "Helpline", and
- ✓ Other important matters related to compliance.

8) System to ensure that any person who made a report to Audit & Supervisory Board Members of the Company shall not be given any unfavorable treatment based on such reporting

Directors of the Company shall clearly indicate in relevant regulations of the Company that any employees of the Company or Directors, Audit & Supervisory Board Members and employees of the Subsidiaries who made a report to Audit & Supervisory Board Members of the Company in accordance with 7) above shall not be given any unfavorable treatment based on such reporting.

9) Matters concerning processing of payment (including payment in advance)

for expenses or payables incurred in connection with execution of duties by Audit & Supervisory Board Members of the Company

Directors of the Company shall cooperate so that proper processing of payment for the expenses or payables incurred in connection with execution of duties by Audit & Supervisory Board Members of the Company will be carried out without any hindrance to execution of duties of Audit & Supervisory Board Members of the Company.

10) Other Systems to ensure effective audit by Audit & Supervisory Board Members of the Company

Directors of the Company shall hold regular meetings with Audit & Supervisory Board Members of the Company in order to secure good communications with each other.

Directors of the Company shall assist Audit & Supervisory Board Members of the Company so that Audit & Supervisory Board Members of the Company can have good communications with, gather information from, and exchange information with employees of the Company, and Directors, Audit & Supervisory Board Members and employees of the Subsidiaries, thereby facilitating Audit & Supervisory Board Members of the Company's proper execution of duties.

Directors of the Company shall provide assistance to Audit & Supervisory Board Members of the Company on the survey of important business counterparts as Audit & Supervisory Board Members of the Company deem necessary.

Directors of the Company shall provide assistance to Audit & Supervisory Board Members of the Company so that Audit & Supervisory Board Members of the Company can get necessary advice from auditing and legal firms or other outside specialists when necessary.

(Revised on March 10, 2015)

Note: Fractional amounts less than the unit indicated are rounded off in this report.

B) Implementaion status of systems for ensuring appropriate business operations

Outline of the implementation status of the systems are as follows:

1. System to ensure compliance

To raise awareness for the compliance across the Company group, the Corporate Ethics Committee was established based on our "Corporate Code of Ethics". The Committee discusses important matters for improving corporate ethics and ensuring that all employees are made thoroughly aware of the importance of compliance. The Director in charge of the General Administration Department chairs the Committee and the head of each department of the Company's head office or the person in charge of corporate

ethics at each of our subsidiaries is a member of the Committee.

During the period, the Committee met three times and conducted various activities based on key objectives of the period set by the Committee, including two workshops on Corporate Ethics, and Compliance Training through e-learning to all officers and employees of the Company. In March, an annual general meeting of the Committee was held, where presidents of the Company and of each subsidiary company reported compliance activities conducted during the period at respective companies and their action plans for the next period.

Also, the Committee increased an effort to communicate and explain the system and functions of Helpline, which is set up at the head office of the Company and at the corporate lawyer's office, to all employees in order to ensure that they have a better and proper understanding.

2. **System to manage risks**

Based on the "Regulations concerning Risk Management," each department of the Group companies identifies intrinsic risks in the businesses of each department exhaustively, evaluates the said risks based on the type of loss and scale in the event the said risks do occur as well as likelihood of occurrence, and has established management policy and countermeasures to address them.

The department of the Company in charge of internal audit conducted audit in line with an audit plan to evaluate the risk management systems at five departments of the Company's head office during the period, and reported the results thereof to the Board of Directors and the Audit & Supervisory Board of the Company. It also conducted questionnaire surveys twice for assessing risks at all departments of the head office during the period, and reported the results thereof to the Board of Directors and the Audit & Supervisory Board of the Company.

The Company has conducted emergency exercises of the Business Continuity Plan (BCP) to ensure stable supply of oil products even during times of disaster such as massive earthquakes. Through those exercises, we review the BCP for further improvement in the BCP itself as well as improvements in our emergency responses.

3. **System to ensure proper and efficient execution of duties by Directors of the Company**

The Board of Directors of the Company made deliberations and decisions on important management policies by incorporating managerial advice and perspectives provided by five Outside Directors and three Outside Audit & Supervisory Board Members, who have advanced expertise and broad perspectives. The Board supervised Directors' execution of duties, too.

The Executive Committee consisting of full-time Directors and full-time Audit & Supervisory Board Member of the Company met on a regular basis and as necessary, shared information concerning business operations, and made deliberations and decisions on matters to be discussed or reported at the Board meetings and on specific policies for each operating division of the Company.

4. System to ensure the appropriateness of execution of duties in the Group

The department of the Company in charge of management of related companies formulated management criteria for each related company, which specify matters to be reported to and matters to be approved by the Company on the basis of the Company's "Regulations concerning Management of Related Companies", and conducted hearings with related companies as necessary, thereby managing those companies based on close communications with them.

The department of the Company in charge of internal audit conducted audit on one related company based on an audit plan and reported the results thereof to the Board of Directors and the Audit & Supervisory Board of the Company.

5. System to ensure effective audit by Audit & Supervisory Board Members of the Company

Audit & Supervisory Board Members of the Company worked to facilitate a mutual understanding with Directors through attending the meetings of the Board of Directors and the Executive Committee as well as to share a wide range of information through hearings with each operating division of the Company.

They also worked to perform audits appropriately through exchanging information regularly with Independent Accounting Auditor, the department of the Company in charge of internal audit, and Auditors of the Subsidiaries, thereby facilitating Audit & Supervisory Board Members of the Company's proper execution of duties.

Note: Fractional amounts less than the unit indicated are rounded off in this report.

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Consolidated balance sheets

(As of March 31, 2017)

(Unit : Million Yen) Fuji Oil Company, Ltd.

Assets		Liabilities	
Current assets	149,879	Current liabilities	155,583
Cash and deposits	13,592	Accounts payable-trade	30,594
Notes and accounts receivable-trade	51,261	Short-term loans payable	61,447
Short-term investment securities	100	Current portion of long-term loans payable	15,848
Inventories	74,931	Accounts payable-other	21,778
Accounts receivable-other	6,796	Accounts payable-gasoline tax	18,647
Deferred tax assets	242	Income taxes payable	2,665
Other	2,954	Other	4,602
		Noncurrent liabilities	70,018
Noncurrent assets	138,538	Long-term loans payable	49,778
Property, plant and equipment	103,047	Deferred tax liabilities	9,259
Buildings and structures	10,175	Net defined benefit liability	2,924
Storage tanks	3,958	Provision for directors' retirement benefits	19
Machinery, equipment and vehicles	18,216	Provision for special repairs	1,963
Land	51,660	Provision for repairs	5,812
Construction in progress	18,793	Other	260
Other	242		
Intangible assets	599	Total liabilities	225,601
Software	462		
Other	136	Net assets	
Investments and other assets	34,892		
Investment securities	17,130	Shareholders' equity	63,771
Long-term loans receivable	874	Capital stock	24,467
Long-term accounts receivable-other	16,828	Capital surplus	30,396
Other	519	Retained earnings	10,339
Allowance for doubtful accounts	-460	Treasury stock	-1,431
		Accumulated other comprehensive income	-1,135
		Valuation difference on available-for -sale securities	111
		Revaluation reserve for land	1
		Foreign currency translation adjustment	-1,067
		Remeasurements of defined benefit plans	-181
		Non-controlling shareholders'equity	180
		Total net assets	62,816
Total assets	288,418	Total liabilities and net assets	288,418

Consolidated statements of income

(For the period from April 1, 2016 to March 31, 2017)

(Unit: Million Yen)

Account		Amount
Net sales		419,530
Cost of sales		396,822
Gross profit		22,707
Selling, general and administrative expenses		3,767
Operating income		18,940
Non-operating income		2,422
Interest income	40	
Dividends income	199	
Foreign exchange gains	261	
Share of profit of entities accounted for using equity method	1,397	
Rental income of oil tanks	204	
Other	318	
Non-operating expenses		3,259
Interest expenses	1,971	
Rental of oil tanks	236	
Other	1,052	
Ordinary income		18,102
Extraordinary income		9
Gain on sales of noncurrent assets	7	
State subsidy revenue	1	
Extraordinary loss		166
Loss on retirement of noncurrent assets	156	
Loss on valuation of golf club membership	7	
Impairment loss	3	
Profit before income taxes and minority interests		17,945
Income taxes-current		2,381
Income taxes-deferred		39
Profit before minority interests		15,523
Net income attributable to non-controlling shareholders		20
Net income attributable to owners of the parent		15,503

Consolidated statements of changes in net assets
(For the period from April 1, 2016 to March 31, 2017)

(Unit : Million Yen)

Fuji Oil Company, Ltd.

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of Apr. 1, '16	24,467	41,469	-16,227	-1,431	48,277
Changes of items during the period					
Net income attributable to owners of the parent			15,503		15,503
Deficit disposition		-11,072	11,072		-
Net changes of items other than shareholders' equity			-9		-9
Total changes of items during the period	–	-11,072	26,567	-	15,494
Balance as of Mar. 31, '17	24,467	30,396	10,339	-1,431	63,771

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance as of Apr. 1, '16	-172	1	-605	-304	-1,081
Changes of items during the period					
Net income attributable to owners of the parent					
Deficit disposition					
Net changes of items other than shareholders' equity	283	0	-461	123	-54
Total changes of items during the period	283	0	-461	123	-54
Balance as of Mar. 31, '17	111	1	-1,067	-181	-1,135

	Non-controlling shareholders' equity	Total net assets
Balance as of Apr. 1, '16	286	47,482
Changes of items during the period		
Net income attributable to owners of the parent		15,503
Deficit disposition		-
Net changes of items other than shareholders' equity	-105	-169
Total changes of items during the period	-105	-15,334
Balance as of Mar. 31, '17	180	62,816

Notes to financial statements (Consolidated basis)

Basis of presenting consolidated financial statements

1. Scope of consolidation

Number of consolidated subsidiaries	8 companies
Consolidated subsidiaries	Fuji Oil Sales Company, Ltd. Fuji Rinkai Co., Ltd. Fuji Tanker Company, Ltd. Tokyo Petroleum Industrial Company, Ltd. Arabian Oil Company, Ltd. Japan Oil Engineering Company, Ltd. Petro Progress Inc. Petro Progress Pte Ltd.

2. Application of equity method

(1) Affiliates consolidated under equity method

Number of companies	2 companies
Names of companies	Aramo Shipping (Singapore) Pte Ltd. Tokai Engineering and Construction Company, Ltd.

(2) Unconsolidated companies and affiliates excluded from the consolidation under equity method

Number of companies	2 companies
Names of main companies	Kyodo Terminal Company, Ltd. Keiyo Sea Berth Company, Ltd.
Reasons for exclusion	Net income/loss (on the equity basis) and retained earnings (on the equity basis) of such subsidiaries and affiliates are assumed to be insignificant.

3. Matters in accounting principles

(1) Valuation basis and method of assets

① Inventories

Valuation at cost (A method of the book value devaluation by the decrease of the profitability)

a. Merchandise, finished goods and raw materials — Gross average method at cost

b. Supplies — Moving average method at cost

② Securities

Other securities

Marketable securities	Market price (The evaluation difference is recorded directly in net assets and cost of sales of such securities is calculated by moving average method)
Non-marketable securities	Moving average method at cost

③ Derivatives — Market value

(2) Depreciation/amortization method of noncurrent assets

① Property, plant and equipment

Petrochemical plants	Declining-balance method
Others	Straight-line method

* Service years of major fixed assets

Buildings and structures	2 to 60 years
Storage tanks	10 to 15 years
Machinery and equipment	2 to 17 years

② Intangible assets — Straight-line method

* Software for Company use is amortized equally in 5 years.

(3) Significant accounting method of reserves

① Allowance for doubtful accounts

Ordinary receivables/loans	Estimated based on the actual ratio of the bad debts
Others	Estimated individually

② Provision for repairs

Estimated repair and maintenance cost for repairs of machinery and equipment requiring periodic repair

③ Provision for directors' retirement benefits

Estimated in accordance with the internal rules

④ Provision for special repairs

Estimated repair and maintenance cost for periodical inspection and repair of storage tanks required under the Fire Service Act

(4) Accounting for retirement benefits

① Attribution of estimated retirement benefits

Benefit formula attribution is applied.

② Accounting method for actuarial gains and losses and prior service costs

Prior service costs are amortized by the straight-line method over a period (10 years) within the average remaining years of service of the eligible employees.

Actuarial gains and losses are amortized from the year following the year in which the gain or loss is incurred by the straight-line method over a period (10 years) within the average remaining years of service of the eligible employees.

(5) Other significant accounting policy

① Accounting of hedged assets/liabilities

"Deferred hedge accounting method" is applied.

However, Foreign-currency-denominated payables/receivables hedged by forward exchange contracts are translated at the respective forward contract rates and an interest rate swap qualified for hedge accounting is not stated at fair value but the net settlement of interest under such an interest swap is reported as a component of interest on the related hedged assets or liabilities.

② Treatment of consumption tax

Consumption tax and local consumption tax is excluded.

③ Adoption of consolidated tax filing system

FOC group adopts the consolidated tax filing system.

Notes to consolidated balance sheets

1. Pledged assets and secured liabilities (Unit: Million Yen)

(1)Factory foundation

Pledged assets	
Buildings and structures	9,484
Storage tanks	3,958
Machinery, equipment and vehicles	17,827
Land	48,952
Subtotal	80,222
Liabilities secured by the above	
Long-term loans payable	58,826
(included current portion)	15,248
Total	58,826

(2)Others

Pledged assets	
Inventories	65,033
Subtotal	65,033
Liabilities secured by the above	
Short-term loans payable	16,166
Total	16,166

2. Accumulated depreciation for property, plant and equipment

273,852 million Yen

3. Deferred gain on national subsidies and insurance claims

Gain on national subsidies	
Buildings and structures	374 million Yen
Storage tanks	148 million Yen
Machinery, equipment and vehicles	1,026 million Yen
Others	128 million Yen
Software	41 million Yen
Gain on insurance claims	
Machinery, equipment and vehicles	128 million Yen

4. Contingent liabilities

The FOC group had the following guarantee liabilities.

For employees of the Companies	
As guarantor for housing loan of employees	21 million Yen
For Japan biofuels supply LLP	
agreement for overdraft, postponement of import, conclusion of dealing letter of credit	1,336 million Yen

In addition to the above, the Company guaranteed a portion of its affiliate's payment obligations related to a shipbuilding contract. The maximum amount of the guarantee is 4,688 million yen, any part of which is not recorded as the affiliate's liabilities as at the closing date.

Notes to consolidated statements of changes in net assets

1. Type and number of shares outstanding and treasury stock

(1) Shares outstanding

Type of shares	Common stock
As at the beginning of fiscal year	78,183,677 shares
Increase for the period	—
Decrease for the period	—
As at the end of fiscal year	78,183,677 shares

(2) Treasury stock

Type of treasury stock	Common stock
As at the beginning of fiscal year	1,121,132 shares
Increase for the period	—
Decrease for the period	—
As at the end of fiscal year	1,121,132 shares

2. Dividends

(1) Dividends with a record date in the period but an effective date after the end of the period.

①	Total amount of dividends	617 million Yen
②	Source of dividends	Retained earnings
③	Dividends per share	8 Yen
④	Record date	March 31, 2017
⑤	Effective date	June 29, 2017

Notes to financial instruments

1. Status of financial instruments

The FOC Group maintains its temporary surplus funds mainly in short-term deposits, while capital investment funds and operating funds are raised through bank loans.

Accounts receivable-trade are exposed to customer credit risks and foreign exchange risks. Some foreign-currency-denominated receivables are hedged by forward exchange contracts.

Short-term investment securities and investment securities mainly consist of stocks, and the market values of listed stocks are examined quarterly.

Accounts payable-trade and accounts payable-other are to be settled within short periods. Some foreign-currency-denominated payables are hedged by forward exchange contracts.

Short-term loans payable is mainly to procure funds to buy crude oil and long-term loans payable is mainly to procure funds for capital investments. Interest-rate risks of some loans are hedged by interest-rate swap agreements. Derivative transactions are handled and managed pursuant to the Company's internal rules which stipulate authorities, maximum amounts, etc.

58.0% of accounts receivable-trade at the end of this accounting period is for the particular large customer.

2. Market value of financial instruments

Amounts recognized in the consolidated balance sheets, market values, and the differences between them as at March 31, 2017 (year-end date of FY2016) are as shown below.

Note, however, that items for which it is extremely difficult to determine market values are not included in the following table (see (Note 2)).

(Unit: Million Yen)

	Consolidated balance sheets amount	Market value	Difference
(1) Cash and deposits	13,592	13,592	-
(2) Account receivable-trade	51,261	51,261	-
(3) Short-term investment securities and investment securities			
Other securities	1,996	1,996	-
(4) Accrued revenue	6,796	6,796	-
(5) Long-term loans receivable	874		
Allowance for doubtful accounts (*)	-413		
	461	461	-
(6) Long-term accounts receivable-other	16,828	16,928	100
Total assets	90,937	91,037	100
(1) Accounts payable-trade	30,594	30,594	-
(2) Short-term loans payable	61,447	61,447	-
(3) Accounts payable-other	21,778	21,778	-
(4) Accounts payable-gasoline tax	18,647	18,647	-
(5) Income taxes payable	2,665	2,665	-
(6) Long-term loans payable	65,626	66,170	543
Total liabilities	200,759	201,303	543

(*) Allowance for doubtful accounts recognized in long-term loans receivable is offset.

(Note 1) Calculation of market value of financial instruments and items relating to short-term investment securities and derivative transactions

Assets

(1) Cash and deposits, (2) Notes and accounts receivable – trade, (4) Accrued revenue

Because the settlement periods of the above items are short and their market values are almost the same as their book values, the relevant book values are used.

(3) Short-term investment securities and investment securities

Market prices of stock exchanges are used as market values of stocks. Market values of the other securities depend on present values calculated by discounting their values at effective interest rates corresponding to their remaining terms. In relation to the market value of investment securities, the market prices of stock exchanges are used.

(5) Long-term loans receivable

Market values of those loans are calculated on a basis of interest rates which are adjusted to credit risks of borrowers. For doubtful accounts, allowances for them are calculated on a basis of present values of estimated future cash flows, prospected collections of loans receivable, etc. As the market values for long-term loans receivable are deemed close to the amounts gained by deducting allowances for doubtful accounts from long-term loans receivable, the relevant book values are used for their market values.

(6) Long-term accounts receivable-other

Market values of Long-term accounts receivable-other depend on present values calculated by discounting expected amount to be received that reflects collectability at effective safe interest rates corresponding to their remaining terms.

Liabilities

(1) Accounts payable-trade, (2) Short-term loans payable, (3) Accounts payable-other, (4) Accounts payable-gasoline tax, and (5) Income taxes payable

Because the settlement periods of the above items are short and their market values are almost the same as their book values, the relevant book values are used.

(6) Long-term loans payable

Because long-term loans payable with variable interest rates reflect the market interest rates in a short period and the credit status remains almost unchanged, their market values are almost the same as their book values, so that the relevant book values are used.

Market values of long-term bank loans with fixed interest rates depend on present values calculated by discounting their values plus interests at interest rates to be carried in case of applying for similar loans.

Derivative transaction

Market values of foreign exchange transaction are calculated based on future exchange market.

Transactions of commodity swap are based on prices offered by partner banks.

As interest rate swap qualified for hedge accounting is processed together with long-term loans payable, which is hedged, its market value is included in the market value of the long-term loans payable. (see “Liabilities (6)”)

As interest rate swap translated at a forward contract rate is processed together with accounts payable-trade and short-term loans payable, which are hedged, its market value is included in the market value of accounts payable-trade and short-term loans payable. (see “Liabilities (1) and (2)”)

(Note 2) Financial instruments for which it is extremely difficult to determine market values

(Unit : Million Yen)

Category	Consolidated balance sheets amount
Unlisted stocks	252
Stocks of subsidiaries and affiliates	14,982

Because those securities and investments do not have their market values and are not able to be estimated by future cash flows, they are extremely difficult to determine the market values and are not included in "Assets (3) Other securities" in the above table.

Notes to per share data

Net assets per share	812.80 Yen
Basic net profit	201.19 Yen

Subsequent events

None

Other note

Fractional sums less than one million yen are omitted.

Balance sheets

(As of March 31, 2017)

(Unit : Million Yen)

Fuji Oil Company, Ltd.

Assets

Current assets	139,860
Cash and deposits	4,925
Accounts receivable-trade	50,028
Merchandise and finished goods	24,506
Raw materials and supplies	50,403
Accounts receivable-other	6,900
Prepaid expenses	1,245
Deferred tax assets	242
Short-term loans receivable	37
Other	1,569
Noncurrent assets	129,807
Property, plant and equipment	101,488
Buildings	2,618
Storage tanks	3,958
Structures	7,334
Machinery and equipment	17,827
Vehicles	0
Tools, furniture and fixtures	105
Land	50,834
Lease assets	15
Construction in progress	18,793
Intangible assets	407
Software	399
Other	7
Investments and other assets	27,911
Investment securities	1,232
Stocks of subsidiaries and affiliates	26,031
Long-term loans receivable	872
Other	188
Allowance for doubtful accounts	-413
Total assets	269,668

Liabilities

Current liabilities	154,817
Accounts payable-trade	29,144
Short-term loans payable	62,117
Current portion of long-term loans payable	15,848
Lease obligations	5
Accounts payable-other	22,044
Accounts payable-gasoline tax	18,647
Income taxes payable	2,616
Accrued expenses	584
Deposits received	51
Other	3,756
Noncurrent liabilities	69,144
Long-term loans payable	49,778
Lease obligations	10
Deferred tax liabilities	8,926
Provision for retirement benefits	2,435
Provision for special repairs	1,963
Provision for repairs	5,812
Asset retirement obligations	106
Other	109
Total liabilities	223,961

Net assets

Shareholders' equity	43,838
Capital stock	24,467
Capital surplus	7,381
Legal capital surplus	7,381
Retained earnings	13,787
Other retained earnings	13,787
Retained earnings brought forward	13,787
Treasury stock	-1,797
Valuation and translation adjustments	1,867
Valuation difference on available-for-sale securities	-65
Revaluation reserve for land	1,932
Total net assets	45,706
Total liabilities and net assets	269,668

Statements of income

(For the period from April 1, 2016 to March 31, 2017)

(Unit: Million Yen) Fuji Oil Company, Ltd.

Account		Amount
Net sales		410,381
Cost of sales		388,675
Gross profit		21,705
Selling, general and administrative expenses		2,983
Operating income		18,721
Non-operating income		1,068
Interest income	17	
Dividends income	192	
Foreign exchange gains	409	
Rental income of oil tanks	204	
Other	244	
Non-operating expenses		3,247
Interest expenses	1,972	
Rental of oil tanks	236	
Other	1,038	
Ordinary income		16,542
Extraordinary gains		1
State subsidy revenue	1	
Extraordinary loss		163
Loss on retirement of noncurrent assets	155	
Loss on valuation of golf club membership	7	
Impairment loss	0	
Profit before income taxes		16,380
Income taxes current		2,565
Income taxes deferred		28
Net income		13,787

Statements of changes in net assets

(For the period from April 1, 2016 to March 31, 2017)

(Unit : Million Yen)

Fuji Oil Company, Ltd.

	Shareholders' equity								Valuation and translation adjustments			
		Capital surplus			Retained earnings							
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings / Retained earnings brought forward	Total retained earnings	Treasury stock	Total share-holders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	Total net assets
Balance as of April 1, 2016	24,467	9,467	8,986	18,454	-11,072	-11,072	-1,797	30,051	-249	1,932	1,682	31,734
Changes of items during the period												
Net Income					13,787	13,787		13,787				13,787
Deficit disposition		-2,086	-8,986	-11,072	11,072	11,072		-				-
Net changes of items other than shareholders' equity									184		184	184
Total changes of items during the period	-	-2,086	-8,986	-11,072	24,860	24,860	-	13,787	184	-	184	13,971
Balance as of March 31, 2017	24,467	7,381	-	7,381	13,787	13,787	-1,797	43,838	-65	1,932	1,867	45,706

Notes to financial statements (Unconsolidated basis)

Significant accounting policies

1. Valuation basis and method of assets

(1) Securities

① Stocks of subsidiaries and affiliates	Moving average method at cost
② Other securities	
Marketable securities	Market price (The evaluation difference is recorded directly in net assets and cost of sales of such securities is calculated by moving average method)
Non-marketable securities	Moving average method at cost
(2) Derivatives	Market value
(3) Inventories	
① Merchandise, finished goods and raw materials	Gross average method at cost
② Supplies	Moving average method at cost

The amounts of inventories stated in the balance sheet were computed by using the method that book values are reduced to reflect declines in profitability.

2. Depreciation/amortization method of fixed assets

(1) Property, plant and equipment (excluding lease assets)

Petrochemical plants	Declining-balance method
Other tangible fixed assets	Straight line method

* Service years of major fixed assets:

Buildings and structures	2 to 60 years
Storage tanks	10 to 15 years
Machinery and equipment & vehicles	2 to 17 years

(2) Intangible assets (excluding lease assets) Straight line method

* Software for internal use is amortized in 5 years by equal amount.

(3) Lease assets

* Straight line method with their residual values being zero over their leased periods used as the numbers of years for service life.

3. Accounting method of allowance and provisions

(1) Allowance for doubtful accounts

Ordinary receivables/loans	Estimated based on the actual ratio of the bad debts
Others	Estimated individually

(2) Provision for retirement benefits

① Attribution of estimated retirement benefits

Benefit formula attribution is applied.

② Accounting method for prior service costs and actuarial gains and losses

Prior service costs are amortized by the straight-line method over a period (10 years) within the average remaining years of service of the eligible employees.

Actuarial gains and losses are amortized from the year following the year in which the gain or loss is incurred by the straight-line method over a period (10 years) within the average remaining years of service of the eligible employees.

(3) Provision for special repairs
Estimated repair and maintenance cost for periodical inspection and repair of storage tanks required under the Fire Service Act

(4) Provision for repairs
Estimated repair and maintenance cost for repairs of machinery and equipment requiring periodic repair

4. Accounting of hedged assets/liabilities
"Deferred hedge accounting method" is applied.
However, Foreign-currency-denominated payables hedged by forward exchange contracts are translated at the respective forward contract rate and an interest rate swap qualified for hedge accounting is not stated at fair value but the net settlement of interest under such an interest swap is reported as a component of interest on the related hedged assets or liabilities.

5. Accounting of retirement benefits
The method by which an unrecognized actuarial gains and losses and unrecognized past service cost are posted differs from that of consolidated financial statements.

6. Treatment of consumption tax
Consumption tax and local consumption tax is excluded.

7. Adoption of consolidated tax filing system
The Company adopts the consolidated tax filing system.

Notes to balance sheets

1. Short-term receivables from affiliates 960 million Yen
   Short-term payables to affiliates 23,561 million Yen
   Long-term receivables from affiliates 866 million Yen

2. Accumulated depreciation for property, plant and equipment 271,746 million Yen

3. Contingent liabilities

Warrantee	Amount	Object of guarantee
Petro Progress Pte Ltd.	19,403 million Yen (50,485 million Yen)	Conclusion of dealing letter of credit (as maximum amount)
Japan Biofuels Supply LLP	1,336 million Yen (3,268 million Yen)	Overdraft agreement Postponement of import consumption tax payment Conclusion of dealing letter of credit (as maximum amount)
Fuji Oil Sales Company, Ltd.	180 million Yen (510 million Yen)	Operational payables (as maximum amount)
Employees	21 million Yen	Housing loan
Total	20,941 million Yen	

In addition to the above, the Company guaranteed a portion of its affiliate's payment obligations related to a shipbuilding contract. The maximum amount of the guarantee is 4,688 million yen, any part of which is not recorded as the affiliate's liabilities as at the closing date.

4. Collateral assets

(1) Factory mortgage law

Pledged assets	
Assets	Book value (million Yen)
Buildings	2,158
Storage tanks	3,958
Structures	7,325
Machinery and equipment	17,827
Land	48,952
Total	80,222

Liabilities corresponding to the above	
Items	Balance
Long-term loans payable (included current portion)	58,826 (15,248)
Total	58,826

(2) Others

Pledged assets	
Assets	Book value (million Yen)
Merchandise and finished goods	19,887
Raw materials and supplies	45,146
Total	65,033

Liabilities corresponding to the above	
Items	Balance
Short-term loans payable	16,166
Total	16,166

5. Deferred gain on national subsidies and insurance claims

Gain on national subsidies

Buildings	120 million Yen
Storage tanks	148 million Yen
Structures	254 million Yen
Machinery and equipment	1,025 million Yen
Vehicle transport device	0 million Yen
Tools, furniture and fixtures	128 million Yen
Software	41 million Yen

Gain on insurance claims

Machinery and equipment	128 million Yen

6. Revaluation reserve for land

By the merger of former Fuji Oil Company, Ltd. as of October 1, 2013, the amount is received as it posted in accordance with the Law on Revaluation of land.

Notes to statements of income

Transactions with subsidiaries:

Operating transactions	
Sales to subsidiaries	5,390million Yen
Purchase from subsidiaries	164,191 million Yen
Other operational transactions	116 million Yen
Non-operating transactions	360 million Yen

Notes to statements of changes in net assets

Type and number of treasury stock

Type of treasury stock	Common stock
As at the beginning of fiscal year	966,132 shares
Increase for the period	- shares
Decrease for the period	- shares
As at the end of fiscal year	966,132 shares

Notes to tax effect accounting

Significant components of deferred tax assets are loss carried forward for tax purposes, as well as tax adjustments of reserve for shut-down maintenance.

Significant components of deferred tax liabilities are revaluation of land.

Notes to related party transactions

Subsidiaries

Name of the company		Petro Progress Pte Ltd.		
Voting right		Indirect 100%		
Relationship	Interlocking directors	-		
	Business relationship	Purchase of crude oil and refined products		
Transaction		Purchase of crude oil	Amount	157,146 million Yen
Closing balance		Account	Accounts payable-trade	22,124 million Yen
Transaction		Export of petroleum	Amount	2,919 million Yen
Closing balance		Account	Accounts receivable-trade	240 million Yen

Transaction terms and policy for determination thereof

*1 Transaction prices are determined through negotiation in consideration of market trends.

*2 Amount of transaction and balance does not include consumption tax.

Notes to per share data

Net assets per share	591.92 Yen
Basic net profit per share	178.55 Yen

Subsequent events

None

Other note

Fractional sums less than one million yen are omitted.

Independent Auditor's Report

May 10, 2017

The Board of Directors
Fuji Oil Company, Ltd.

KPMG AZSA LLC

Yoshihiko Nakamura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroshi Ashikawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Fuji Oil Company, Ltd. as at March 31, 2017 and for the year from April 1, 2016 to March 31, 2017 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of Fuji Oil Company, Ltd. and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Independent Auditor's Report

May 10, 2017

The Board of Directors
Fuji Oil Company, Ltd.

KPMG AZSA LLC

Yoshihiko Nakamura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroshi Ashikawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of Fuji Oil Company, Ltd. as at March 31, 2017 and for the year from April 1, 2016 to March 31, 2017 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Fuji Oil Company, Ltd. for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Audit Report
(Translation)

With respect to Directors' execution of their duties during the 15th financial year (from April 1, 2016 to March 31, 2017), the Audit & Supervisory Board (ASB) of Fuji Oil Company, Ltd. has prepared this audit report after deliberations based on the audit reports prepared by each ASB Member, and hereby reports as follows:

1. Methods and Contents of Audit by ASB Member and the ASB

(1) The ASB has established the audit policies, the audit plan, etc. and received a report from each ASB Member regarding the status of implementation of their audits and results thereof. In addition, the ASB has received reports from Directors, the accounting auditor, etc. regarding the status of execution of their duties, and requested explanations as necessary.

(2) In accordance with the audit policies, the audit plan, etc., each ASB Member endeavored to facilitate a mutual understanding with Directors and Internal Audit Department, etc., endeavored to collect information and maintain and improve the audit environment, and conducted audits in the following methods:

(i) Each ASB Member has attended the meetings of the Board of Directors and other important meetings, received reports on the status of execution of duties from Directors and Internal Audit Department and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets of the Company. With respect to the subsidiaries, each ASB Member received from subsidiaries reports on their respective business as necessary.

(ii) Each ASB Member received reports from Directors and Internal Audit Department on a regular basis on the establishment and implementation status of (i) the systems to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Association of the Company, and other systems necessary to ensure the properness of operations of the Company as well as the Company group that is comprised of the Company and its subsidiaries (Fundamental Policy for the Development of Internal Control Systems) as described in the Business Report and (ii) the systems (internal control systems) based on such resolutions, requested explanations, and expressed his opinions as necessary. With regard to the internal control systems over financial reporting, each ASB Member has received reports from the Board of Directors, the accounting auditor, KPMG AZSA LLP, etc. regarding the assessment of such systems and the status of audits, and requested explanations as necessary.

(iii) Each ASB Member monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its execution of duties, and requested explanations as necessary. Each ASB Member was notified by the accounting auditor that it had established a "system to ensure that the execution of the duties of the accounting auditor be properly conducted" (pursuant to the items of Article 131 of the Company Accounting Ordinance) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005), and requested explanations as necessary.

Based on the above-described methods, each ASB Member examined the Business Report and Supplementary Detailed Statements thereof, the Financial Statements (Balance Sheet, Profit and Loss Statement, Statement of Change in Net Assets, and Notes to Financial Statements) and the Supplementary Detailed Statements thereof, as well as the Consolidated Financial

Statements (Consolidated Balance Sheet, Consolidated Profit and Loss Statement, Consolidated Statement of Change in Net Assets, and Notes to Consolidated Financial Statements), for the business year under consideration.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

(i) We acknowledge that the Business Report and Supplementary Detailed Statements thereof fairly present the status of the Company in conformity with the applicable laws and regulations and Articles of Association of the Company.

(ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or Articles of Association of the Company was found with respect to Directors' execution of their duties.

(iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents of the Business Report concerning the establishment and implementation status of internal control systems and Directors' execution of their duties, including internal control over financial reporting.

(2) Results of Audit of Financial Statements and Supplementary Detailed Statements thereof

We acknowledge that the methods and results of audit performed by the accounting auditor, KPMG AZSA LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the accounting auditor, KPMG AZSA LLC, are appropriate.

May 15, 2017

AUDIT & SUPERVISORY BOARD of FUJI OIL COMPANY, LTD.

Full-time Audit & Supervisory Board Member: Takao Arai (seal)
Outside Audit & Supervisory Board Member: Yasushi Yamawaki (seal)
Outside Audit & Supervisory Board Member: Tsuyoshi Inoue (seal)
Outside Audit & Supervisory Board Member: Shigeru Nozaki (seal)

(Under their hands)