



[Translation]

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To whom it may concern:

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Restructuring of Petroleum Product Manufacturing and Supply Network

JXTG Holdings, Inc. (“JXTG Holdings”) today announced that its consolidated subsidiary JXTG Nippon Oil & Energy Corporation (president: Katsuyuki Ota; “JXTG”) has made a decision to acquire the Osaka refinery (refinery manager: Hideaki Tanaka) currently operated by Osaka International Refining Company, Limited (president: Yoshiaki Takeshita; “OIREC”), terminate operation of its refinery functions and restructure it as an asphalt-fueled electric power facility. This change is expected to take place in October 2020. OIREC is currently operated through a joint venture between JXTG and PetroChina International (Japan) Co., Ltd. (president: Wan Junyong; “PCJP”), a wholly owned subsidiary of PetroChina International Co., Ltd. (executive director: Tian Jinghui; “PCI”).

Amid the challenging environment of the petroleum oil industry, with structural domestic demand decline and severe competition in Asia, JXTG has been considering a number of options for the optimization of the manufacturing and supply network of its refineries and plants since the establishment of the JXTG Group in April 2017 in order to strengthen its competitiveness while maintaining safe operations and a stable supply.

JXTG restructured its Muroran plant into a terminal and integrated the operations of its Kawasaki refinery and Kawasaki plant in April 2019, and in light of the increasingly severe business environment, it has decided to terminate refinery operations at the Osaka refinery.

JXTG will continue to pursue the optimization of its manufacturing and supply network while maintaining a stable supply, in order to strengthen the competitiveness of the entire supply chain in its core petroleum and chemical product businesses and lay the foundation for successful competition in Asian and international markets.

JXTG Holdings expects no material impact from the above on its consolidated earnings for the period ending March 2020.

Overview of the Osaka refinery

Location: 2-1 Takasago, Takaishi City, Osaka Prefecture

Start-up of operation: January 1971

Refinery manager: Hideaki Tanaka

Number of employees: 253 (as of July 1, 2019)

Site area: 1.29 million square meters

Crude process capacity: 115 thousand barrels per day

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JXTG refinery and plant network

