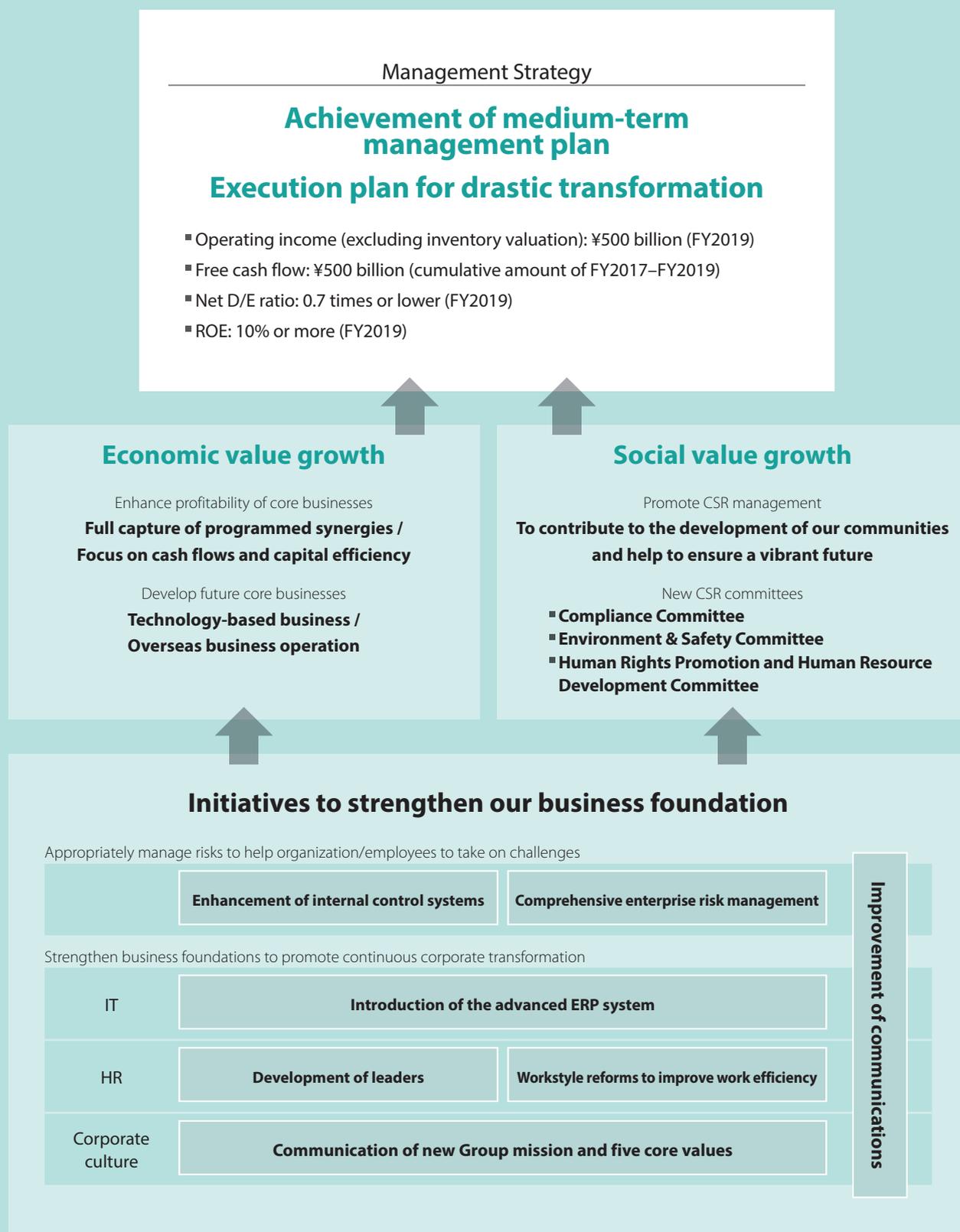


# Overview of Corporate Transformation

The JXTG Group will implement a corporate transformation to increase both economic value and social value and to develop into one of the most prominent and internationally competitive comprehensive energy, natural resource, and material company groups in Asia. Our execution plan for the first three years has been announced in the form of our medium-term management plan.





What we strive for

**Continuous growth of social and economic value**

Our aim

**To develop into one of the most prominent and internationally competitive comprehensive energy, natural resource, and material company groups in Asia**



# Management Message



**Yasushi Kimura**

Representative Director, Chairman of the Board

**Yukio Uchida**

Representative Director, President

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## Taking on the Challenge of Continuously Improving Social Value

In April 2017, the JX Group and the TonenGeneral Group implemented a business integration, starting anew as the JXTG Group.

We have reached a scale where we can adequately compete on the global stage. However, to withstand major changes in our business environment and achieve sustainable growth, we are carrying out intensive business reforms and working to build a robust management foundation at an early stage.

In addition, various organizations have identified social issues that need to be resolved to achieve a sustainable society. These include the Sustainable Development Goals (SDGs) adopted by the United Nations in

September 2015 and the Paris Agreement agreed upon at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) in December 2015. As a corporate group dealing with energy, resources, and materials essential to people's lives and economic activities, it is our corporate social responsibility (CSR) to sincerely respond to society's expectations and requirements of us and work on resolving various social issues through the creation of new value that only we can provide.

Based on this understanding, our Group has built the following new CSR management system aimed at continuously improving both economic and social value.

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### Establishing Our New Philosophy and Code of Conduct

We have established the JXTG Group Philosophy, which is the foundation for all our business activities.

In the new philosophy, we have defined our mission as providing added value through creation and innovation, and stated our five core values, upon which all executives and employees should base their actions.

In addition, we have established the JXTG Group Code of Conduct as a set of standards to be applied in order to realize our philosophy through our business

activities and fulfill our social responsibilities. There are 14 items in the code of conduct, covering compliance, safety and security, environmental conservation, health enhancement, respect for human rights, and more.

By quickly spreading our new philosophy and code of conduct, we hope to foster a corporate culture in which we embrace change and continue to boldly take on challenges for a vibrant future.

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### Strengthening the Foundation of CSR Management

We have identified focus areas for the Group's ESG efforts.

Specifically, based on our five core values and code of conduct, we have determined the following eight ESG focus areas: high ethical standards, compliance, safety and the environment, human rights, human resource development, health, quality, and social contribution. Furthermore, for fiscal 2018, we are working on identifying material issues based on priorities as seen from within and outside the Group.

We have established a CSR promotion system

centered on the JXTG Group CSR Council, chaired by the President of JXTG Holdings. This CSR Council — which comprises members from across the Group — carries out tasks such as formulating policies for the entire Group, and overseeing and evaluating the state of initiatives. Of these, important policies and standards involving the entire Group are passed as resolutions by the JXTG Holdings Board of Directors, thereby ensuring the robust implementation of CSR management by the Group as a whole.

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### Aiming Even Higher

The JXTG Group is now a leading corporate group in Japan with net sales of around 10 trillion yen. We have entered a new stage of operations that is higher and broader than before.

Even at this new stage, we are not satisfied to simply

maintain the status quo. We are always aiming higher, carrying out intensive business reforms to keep moving forward.

We ask our stakeholders for your continued understanding and support for the JXTG Group.

# Messages from Senior Management of the JXTG Group's Core Operating Companies

## JXTG Nippon Oil & Energy Corporation



**Tsutomu Sugimori**

Representative Director and President  
JXTG Nippon Oil & Energy  
Corporation

### JXTG Nippon Oil & Energy—Executing a Corporate Transformation with an Enterprising Spirit to Create New Value

In April 2017, JXTG Nippon Oil & Energy was formed through the business integration of the JX Group and the TonenGeneral Group.

Consolidating the management resources of both companies, we continue to assume the important responsibility of ensuring a stable supply of energy, and create new value with the determination of a completely reborn company. We are also taking great strides toward developing into one of the

most prominent and comprehensive energy companies in Asia, suited to the future age.

With this business integration, our social responsibility has grown. Initiatives related to CSR and environmental, social, and governance issues (ESG) are an important part of our management foundation. We will promote these initiatives even further to help realize a sustainable society.

## JX Nippon Oil & Gas Exploration Corporation



**Shunsaku Miyake**

Representative Director, President  
and CEO  
JX Nippon Oil & Gas Exploration  
Corporation

### Developing Oil and Gas Resources with the Utmost Consideration for the Environment and Safety as a Member of Society

The JX Nippon Oil & Gas Exploration Group conducts its oil and gas exploration and production business around the world. In particular, we have operator projects in Vietnam and Malaysia. We are also working on a CO<sub>2</sub>-EOR project in the United States which increases oil production and reduces CO<sub>2</sub> emissions at the same time by injecting CO<sub>2</sub> captured from a coal-fired power plant

into oil fields.

As a good corporate citizen trusted by society, we are working through our business activities to enhance our corporate value while also contributing to the development of society and helping to ensure a vibrant future, with compliance and health, safety and environment (HSE) as our top priorities.

## JX Nippon Mining & Metals Corporation



**Shigeru Oi**

Representative Director, President  
and CEO  
JX Nippon Mining & Metals  
Corporation

### Contributing to the Sustainable Development of a Global Society through the Stable Supply and Efficient Use of Non-Ferrous Metal Resources

The JX Nippon Mining & Metals Group makes full use of the technology and knowledge accumulated over our history of more than a century in the pursuit of innovation in the productivity of resources and materials. In this way, we are fulfilling our social responsibility of stably and efficiently supplying non-ferrous metal resources such as copper, which is widely used in our daily lives and is essential for the future development of society.

In carrying out our business operations, we give all due attention to minimizing any negative impacts on society. We endeavor to deepen communication with relevant stakeholders in order to ensure the effectiveness of our efforts to protect the environment, maintain occupational health and safety, enhance compliance, coexist and prosper along with local communities, and ensure respect for human rights.