

May 30, 2013

Press Release

**Announcement of AOCHD's merger with consolidated subsidiary,  
change of trade name and partial amendment of Articles of Association**

We hereby announce that the Board of Directors of AOC Holdings, Inc. (hereinafter referred to as "we" or "AOCHD") adopted a resolution at their Board Meeting held today, to amalgamate with Fuji Oil Company, Ltd. which is our 100% subsidiary (hereinafter referred to as "Fuji Oil") in the form of an absorption-type merger by AOCHD to be effective as of October 1, 2013 (hereinafter referred to as "Merger"), and pertaining thereto, to change AOCHD's trade name and make partial amendment of AOCHD's Articles of Association, both to be effective as of the said date, on the condition that the Merger becomes effective.

Please note that we are disclosing the information concerning the subject matter hereof to the public by simplifying a part of its details and contents rather than full disclosure, because this Merger is absorption-type merger with a 100% subsidiary.

**1. Merger with a consolidated subsidiary**

(1) Purpose of Merger

AOCHD was established on January 31, 2003 as a pure holding company owning shares of Fuji Oil and Arabian Oil Company, Ltd. (hereinafter referred to as "AOC"). Thereafter AOC has been making efforts to restructure their oil-development business earnestly, but in the meantime significant change of business environment has made it difficult for them to expand and develop their business under the umbrella of the AOCHD Group, and therefore, the AOCHD Group is currently on the way of practical withdrawal from upstream operations of oil business by restructuring the Group focusing on downstream operations of oil business.

Under such circumstances, in order to facilitate restructuring of the Group by focusing on downstream operations of oil business operated by Fuji Oil, as well as reinforcement of the Group's management structure and optimal deployment of its business resources in a prompt manner, we have determined that the best way for the AOCHD Group is that AOCHD itself will lead the Group's whole business as the Group's core operating company by merging with Fuji Oil, to achieve further cost reduction, improvement of operational efficiency and streamlining of work processes.

(2) Merger overview

(i) Schedule of Merger process:

Approval of Merger by resolution of the Board of Directors: May 30, 2013

Signing Merger Agreement (Merger Agreement coming into effect): May 30, 2013

Date of Merger (Merger coming into effect): October 1, 2013 (expected)

(Note) AOCHD will proceed with and complete the Merger process pursuant to the Short Form Merger procedure defined in Article 796. 3 of Companies Act of Japan, for which shareholders' approval for the Merger Agreement at their General Meeting is not required, while Fuji Oil will proceed with and complete the Merger process pursuant to the Short Form Merger procedure defined in Article 784. 1 of Companies Act of Japan, for which shareholders' approval for the Merger Agreement at their General Meeting is not required.

(ii) Merger method:

This is an absorption-type merger where AOCHD will be the surviving company and Fuji Oil will be dissolved as the merged and extinct company after the Merger.

(iii) No allotment of shares or other assets in connection with the Merger:

Since AOCHD holds all the outstanding shares of Fuji Oil, AOCHD will not make any allotment of its shares or other assets upon or in connection with the Merger.

(iv) No transaction about share-acquisition right or corporate bond with share-acquisition right in connection with Merger:

Fuji Oil has not issued any share-acquisition right or corporate bond with share-acquisition right.

(3) Overview of the Party Companies to the Merger (as of March 31, 2013)

	Surviving company after the Merger	Merged and extinct company after the Merger
(1) Trade Name	AOC Holdings, Inc.  (The Trade Name will be changed to "Fuji Oil Company, Ltd." effective October 1, 2013.)	Fuji Oil Company, Ltd.
(2) Head Office	5-8, Higashishinagawa 2-chome, Shinagawa-ku, Tokyo	5-8, Higashishinagawa 2-chome, Shinagawa-ku, Tokyo
(3) Name and title of the	Fumio Sekiya, President &	Fumio Sekiya, President &

company representative	Representative Director	Representative Director
(4) Principal business	To engage in the following lines of business, as well as to conduct management, through shareholding, of subsidiaries and other companies which engage in business related to:  (1) exploration, development, production and sales of crude oil, natural gas and other mineral resources, and/or  (2) refinement, storage, purchase/sale and import/export of crude oil.	Refinement, storage, purchase/sale and import/export of oil
(5) Paid-in capital	24,467 million yen	10,225 million yen
(6) Date of Establishment	January 31,2003	April 17,1964
(7) Number of shares issued	78,183,677 shares	20,450,000 shares
(8) Fiscal year end	March 31	March 31
(9) Principal Shareholders and their shareholding ratios	The Tokyo Electric Power Co., Inc. (8.74%), BBH for Fidelity Low-Priced Stock Fund (7.73%), Kuwait Petroleum Corporation (7.43%), Government of the Kingdom of Saudi Arabia (7.43%), Showa Shell Sekiyu K.K. (6.57%), Sumitomo Chemical Co., Ltd. (6.46%), Nippon Yusen Kabushiki Kaisha (3.51%), Japan Trustee Services Bank, Ltd. (Trust Account) (2.49%), The Kansai Electric Power Co., Inc. (2.43%), Japan Trustee Services Bank, Ltd. (Trust Account 9) (2.07%)	AOC Holdings, Inc. (100%)

(10) Financial standing and business performance of the most recent fiscal year		
Fiscal Year	Fiscal Year ended March 2013 (consolidated)	Fiscal Year ended March 2013 (non-consolidated)
Total net assets (millions of yen)	81,116	72,674
Total assets (millions of yen)	360,891	350,249
Net assets per share (yen)	1,049.46	3,553.74
Net sales (millions of yen)	780,028	645,233
Operating income (millions of yen)	1,548	4,825
Ordinary income (millions of yen)	3,277	1,824
Net income (millions of yen)	-13,025	1,866
Net income per share (yen)	-168.69	91.25

(4) The Company's status after the Merger

Upon and pertaining to the Merger, AOCHD will change its Trade Name effective October 1, 2013, as detailed in Section 2 below in this document. In addition, the Company's Purpose defined in its Articles of Association will be changed effective October 1, 2013 as detailed in Section 3 below, in step with AOCHD's transition from a pure holding company into an operating company after the Merger.

Please note that, in connection with the Merger, no change will occur in AOCHD's address, capital amount and fiscal period. For details about resignation of Executive Vice President and assumption of office by a newly-appointed Senior Managing Director (both also being Representative Director) pertaining to the Merger, please refer to our Press Release issued today with the title of "Announcement of personnel changes in Representative Directors and other executive officers of AOCHD and its subsidiaries".

(5) Future outlook

Since this is a merger between AOCHD and its 100%-owned consolidated subsidiary, we expect that this Merger will have minimal impact on the AOCHD Group's consolidated business performance.

(Reference) Forecasted consolidated performance for the current Fiscal Year (reported on May 14, 2013)

(Unit: million yen)

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Consolidated net income
Performance forecast for the current Fiscal Year (Fiscal Year ending March 2014)	710,000	4,400	1,200	1,400

## 2. Change of Trade Name

### (1) Reason for changing Trade Name

In order for us as an operating company after the Merger to smoothly inherit current Fuji Oil's downstream operations of oil business, including refinement of crude oil and sales of petroleum products, as well as to vigorously drive forward the whole Group's growth strategies focusing on those downstream operations as the Group's core business, the name of "Fuji Oil", which is already highly recognized and reputed in both domestic and international markets in those downstream operations, will be used for the surviving Company's Trade Name.

### (2) New Trade Name

Fuji Sekiyu Kabushiki Kaisha ("Fuji Oil Company, Ltd." in English)

### (3) Date of Trade-Name change

Same as the date of Merger coming into effect (expected on October 1, 2013)

(Note) The proposed change of Trade Name will take effect only after and on the condition that the proposed amendment of Articles of Association (detailed in Section 3 below) is approved by our shareholders at their General Meeting to be held on June 26, 2013, and that the Merger takes effect.

## 3. Partial amendment of Articles of Association

### (1) Purpose of amendment

In addition to the proposed change of Trade Name, the Company will also change its Purpose of business in step with its transition from a pure holding company to an operating company pertaining to the Merger by inheriting Fuji Oil's business. Please note that this proposed amendment of Articles of

Association will take effect on condition that and on the date on which the Merger takes effect (expected on October 1, 2013).

(2) Clauses of Articles of Association to be changed

The following clauses of Articles of Association will be changed according to the following table:

(The underlined parts are the parts to be changed.)

Present	Proposed Amendments
<p>Chapter 1: GENERAL PROVISIONS (Firm Name) Article 1 The Company shall be called <u>AOC Holdings Kabushiki Kaisha</u> being styled in English as <u>AOC Holdings, Inc.</u></p> <p>(Purpose) Article 2 The Company is to <u>make management of such companies, domestic or foreign, as carrying on the below listed undertakings by holding shares of them :</u></p> <p>(1) – (10) (text omitted)</p> <p>(ii) <u>The Company conducts undertakings that are listed as above.</u></p> <p>(iii) (text omitted)</p> <p>Articles 3 to 45 (text omitted)</p>	<p>Chapter 1: GENERAL PROVISIONS (Firm Name) Article 1 The Company shall be called <u>Fuji Sekiyu Kabushiki Kaisha</u> being styled in English as <u>Fuji Oil Company, Ltd.</u></p> <p>(Purpose) Article 2 The Company is to <u>carry on the below listed undertakings :</u></p> <p>(1) – (10) (as before)</p> <p>(ii) <u>The Company is to make management of such companies, domestic or foreign, as carrying on the above listed undertakings by holding shares of them.</u></p> <p>(iii) (as before)</p> <p>Articles 3 to 45 (as before)</p>

(3) Schedule

- (i) Date of General Meeting of Shareholders to put the proposed amendment of Articles of Association to a vote:  
June 26, 2013
- (ii) Date of amendment of Articles of Association coming into effect:  
Same as the date of Merger coming into effect (expected on October 1, 2013)

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